

TRANSCRIPT

Tele-Workshop: Basics of Economic Impact Measurement

RESOURCE CENTER: I'll go ahead and get started. For those of you that are on, thanks very much for participating. And this is going to be, I think, a really dynamic and good Tele-Workshop. And I appreciate everybody working with our new registration system. From here on out this is how we'll be handling all of our offerings. It's a nice way to see who's available and track is available make sure we have enough space, and have good workshops and good participation.

So, as I mentioned before, if you didn't know already, you should know, you are on the Tele-Workshop for Basics of Economic Impact Measurement. As we mentioned when we advertised it, the goal today is to talk about the basics of economic impact measurement as it applies to byways. Shanna Ratner is joining us from Yellow Wood and Associates. Yellow Wood is working with the America's Byways Resource Center to develop an economic impact tool for byways. However in this case Shanna has been gracious enough to provide us an overview of the basics of economic impact measurement, because we know it's done differently in many other, many places and it's good to be on the same page. She has provided us with some tools in advance if all of you have had a chance to download those. That would be some questions, she's looking to get some answers from you, some basic vocabulary which we will post on our website at www.bywaysresourcecenter.org and then an article about the basics of Economic Impact that she will be referring to.

As you heard officially a couple of seconds ago, we are recording this phone call. We will record both this call and tomorrow's call and use an abbreviated version for an online pod cast, that's for folks that were not able to join us. We will also produce a written Tele-Workshop Fact Sheet like we have done in the past and offer that to the byway community. In addition, because I suspect this is going to be a very popular phone call for those of you that are interested in continuing the conversation about economic impact and/or continuing the conversation about the tool that's coming up, we will post an online discussion form on Byways online that you can participate in and if you have specific questions about the tool or the upcoming work you can contact Henry Hanka here at the America's Byways Resource Center for information. Without further ado, I'm going to stop talking so Shanna can make the most of the hour. Welcome Shanna.

SHANNA RATNER: Thanks very much, I appreciate it. And welcome to all of you and thanks for being here. I wish I could see your faces; that would be a nice thing. I wanted to tell you a little about me I'm a, my training is as an agricultural economist from Cornell University and I've been working in the field of rural community economic development for about 25 years and we, a lot of what we do at Yellow Wood has to do with taking on problems and challenges that are not resolved, that other people aren't necessarily ready to think about creatively. So the work with the America's Byways Resource Center is one of those, is a big challenge to be asked to come up with a tool that any byway can use, whether they're professionally staffed or voluntarily staffed, given the diversity and types of byways across the county and the kinds of features that they have, and then thinking about, the way to think about measuring economic impact of the byways given the kind of feature that a byway is, in fact designation occurs after a byways is already in existence and many of the features are unique and have been around a long time. So it's a challenging assignment, and we're working on it. We're having a lot of fun with it and I think we're making good headway. But I wanted you just to get a sense, a little bit, about who I am and why I'm on this call.

What I'd like to do next, if you'll bear with me, is have you go around and just say your name and your state and then a question that you're bringing to this call. I'm assuming that all of you have had an opportunity and hopefully have taken the opportunity to read the two pieces that Chel talked about, the Vocabulary for Byways and the Basics of Economic Measurement. You know, if not, then they'll both be there for you to refer to later, but if you've read them ahead of time I think that this may be a little bit more meaningful to you. So if we can go around and I think that maybe what I'll do, I have a list of the people who are supposed to be on this call, so maybe I'll just run down that list

and if you're here let us know what state you're from and let us know if you have a question that you'd like to put out there. Does that sound OK?

LISTENER: OK

Ratner: All right, so if I mispronounce your name, please let me know. So I have Jana Abrams.

LISTENER: Jana

Ratner: Jana, thank you.

LISTENER: And I don't have any specific questions. I'm just here to learn.

Ratner: And Tim Alling

LISTENER: Tim Alling from Washington State.

Ratner: Alling.

LISTENER: And probably my questions is or what I'd like to try and get out of this is some kind of a method or system or whatever to find out what the economic measurements are, or what's going on economically on the byway.

Ratner: OK, good. And Penny Bauder. Penny are you with us? OK, Anaise Berry.

LISTENER: Hi, this is Anaise. I am from Illinois and I don't know that I have a specific question as much as our byway the lead organization is the Economic Development Council for Central Illinois. So obviously we have a very strong focus on economic development on the byway. And I'm in the process of doing quite a bit of fundraising, right now; we're a fairly new byway and making a lot of community presentations along the byway. We impact ten counties in Central Illinois. And that is probably the most frequent question that I get. Actually I just did a presentation about ten minutes ago and had the same question, how do you, is there some way to measure the economic impact of the National Scenic Byway designation? And so we have a committee that has been formed to look just at the business development side and the economic development side and looking at ways, we're trying to figure out what that, what the parameters and what the benchmarks should be for really looking at economic growth along our byway.

Ratner: All right. And we have Jeannine Breshears.

LISTENER; Breshears.

Ratner: Barsheare. I'm doing very badly here, aren't I?

LISTENER: No, you're fine. I'm from Oregon and no question, really other than just trying to find out where the progress is on developing a standardized economic measurement tool for our usage.

Ratner: And Kelly Brown.

LISTENER: I'm here. I'm in Anchorage Alaska with the Stewart Highway All American Road Partnership. We're a pretty newly formed partnership that kind of came together grassroots. The last partnership that was Stewart Highway was some what of a government agency partnership and it fell apart. So we're a grassroots, community

based partnership and now the government agencies are asking us questions on, well, what really is an impact? So we're hoping to just learn and get some information out of the conference.

Ratner: OK. And Charlotte Burngarner.

LISTENER: Bumgarner.

Ratner: Bumgarner. OK.

LISTENER: I'm in Colorado and the one part that I'm extremely interested in is how to tie the economic impact to the byway. I mean, there's other things going on so how can we say that it's the byway impact?

Ratner. Great question. Deb Divine.

LISTENER: I'm here. I'm the State Program Manager for Kansas Scenic Byways. And I have one wonderful byway leader who says "Deb, any additional dollar in my cash register is an economic impact of importance to me." And I'd like to put a much better handle on what we're really experiencing.

Ratner. Good. And Carl Ekstrom.

LISTENER: Hi, I'm also from the Stewart All American Road Partnership and I basically ditto what Kelly said. And in addition, I guess my big question is how does economic development tie in to self-sustainability because that's been what we've been tagged with ultimately. We want to eventually do away, not do away with but not being able to rely on grant funding. But, you know, how do we get to the point where we can be self-sustaining?

Ratner: So you mean self-sustainability of the byways organization?

LISTENER: Correct.

Ratner: OK. All right. And Charlene Fouser.

LISTENER: That's correct. I am Charlene Fouser and I'm with Arizona's Route 66 Scenic Byway and I represent the Historic Route 66 Association of Arizona. And our problem, well, actually our challenge is that our communities are very fragmented which occurred when the byway was decommissioned in the 1980's. And so it's been a struggle to try and get the communities to work as one and to gather economic impact information so that we can use it to bring the communities back together to save so many of our icons that we're losing daily. And also, just to show the value of our designation.

Ratner; So it's difficult, it sounds like your challenge to is getting people to focus and work together towards something?

LISTENER: That has been our biggest challenge.

Ratner: And Laurie Frantz. Laurie are you with us? OK. Dawn Hegland? Richard Justis.

LISTENER: Present. I'm in beautiful northern Utah where there's snow on top of the mountains.

Ratner: Wow.

LISTENER I would reiterate the previous question about differentiation of economic activity attributed to the byway versus just everything else that's going on.

Ratner: Yep. Good. Kathie Knapp?

LISTENER: Kathie is ill today.

Ratner: OK

LISTENER: She's also with Arizona and so I'll be relaying back information to her. This is Charlene Fouser.

Ratner: OK, great. And Bobby Koeplin?

LISTENER: Sheyenne River Valley SB in North Dakota. Question is basically the impact, what is byway related and isn't. The rest has been covered. Thank you.

Ratner: Great. And Christina Lilienthal.

LISTENER: Good Morning, this is Christina from the Roque Umpqua NSB and with me is John Sloane our retired forest engineer who plans to do some volunteer work related to the SB because he loves it so much. And we have several questions, one is how do we get at the percentage of visitation that is specifically byway-related. And similar to what some of the others were, what do byway travelers spend vs. other types of visitors or recreationists. What are the value-added or spending types that are different? Kind of that differentiation question. And basically we need evidence that the designation and the byway improvements are resulting in a positive economic condition. And we need to somehow show that how does it benefit the small communities so that they take more of an interest and understand that this is a real positive thing for rural community development and the economic condition of the community.

Ratner. Great.

LISTENER: I think that covers it for me, too.

LISTENER: Oh, there's one other thing, this past year we had some university people doing a survey, a scenic byway visitor survey on perception but we do not have the final results yet. So I wanted to just let you know that we had that going on. But it's not economically based, it's more on use and perceptions and attitudes.

LISTENER: Visitor satisfaction.

Ratner: Got it. All right. Diane Metz. Do we have Diane with us? Mark Miller?

LISTENER: I'm here, rather embarrassing, another Alaskan. I'm on the Sharp which is the Steward Highway's group with Carl and Ms. Brown, and I'm also on the Glenn Highway SB's group. My interest actually, the Steward is a brand new group basically, all things considered, and the Glenn Highway is rather a mature one with marketing plan and web base and all of that. What I'm trying to do is see how in Alaska we can meld the two together into a solid marketing presence that actually represents all our roads and __ see the economic benefit out of that and what measures we might take through either the internet or surveys and like on how we might get there.

Ratner. OK, great. And Kevin Stankiewicz

LISTENER: Yes, I'm from the state of North Dakota. I also agree with everybody else that I'd like to see some type of standardized document, a way of measuring economic impact. But my other thought was too, that we also have two nationally designated byways in our state and then we have some other state byways and backways and I'm wondering if there's a way to show how the success of the nationally designated byways how they impact the backways and maybe the smaller, let's say, byways and vice versa.

Ratner. Interesting question. OK, and Christopher Vose.

LISTENER: Hi, Chris Vose, New York State Canal Corporation. We own and operate, we're a state agency that oversees four canals in the State of New York one of them being the Champlain Canal, which within that is the Lakes to Locks Byway. I guess my interest is two-pronged, one is to see how a government agency at the state level can help more the local municipality, or the local byway as far as sharing information or data or vehicles to gather that, to come up with this tool that you folks have been talking about, which is great so we can help each other because what is good for them is going to be good for the whole canal corridor through the state of New York. The second point being, to be quite honest, a lot of impact studies I always have questions.

Ratner: A-huh. As well you should.

LISTENER: To tell you the truth, I don't understand them. I don't understand a lot of the multipliers. And so whenever I'm looking at a study, I always look at it very cautiously. So I'm always interested in looking a way better to have more clear, you know, and precise and accurate information that's where I'm at.

Ratner: Great. Is there anyone who's joined us since this go-around?

LISTENER: This is Cindi Ptak I'm with the National Scenic Byways Program here at headquarters.

LISTENER (continued) I've just started myself, so it'll be a new perspective for me.

Ratner: Are you coming in with any particular questions, Cindi?

LISTENER: No, no, I'm just really here to learn myself.

Ratner: OK, great. All right, so there's good news and bad news about this call. The bad news, I'll start with the bad news, which is to say that you're not going to walk away from this call with a tool. We can talk at the end of the call about the status of the tool development effort and where that's coming and what the time frame for it is likely to look like and we'll do that before we end. But what I'm hoping that you'll walk away from is a greater sense of clarity about the concepts, Chris, so when you do look at other studies so you can have a more educated view of what they're telling you, what they're not, what you should believe what you shouldn't believe, what's inflated what's not and why. And that you'll have a sense of common understanding of some of the vocabulary so that as this tool is unrolled to the byways community you'll be able to take it and look at it and see what's it's giving you and see how you can actually use it effectively in your own locate.

So, with that in mind what I was going to do is spent just about ten or fifteen minutes doing a little bit of an overview of key features and key things to keep in mind when thinking about economic impact and then we can open it up to some discussion. And I can also try, based on your questions, give you at least an outline of the components of the tool and why they're there and what they're for.

Ok, so to start, byways clearly, part of the reason they were created was to generate economic impact. That's actually written into the language of the law that created them, so it's a fair question to ask, do they? And I think, you know when you start to ask, do they, there are a couple of things that come up and you guys have brought some of them up: one is the differentiation, how do you know the economic impact has anything to do with byways. But the second thing is: what is economic impact? And often people refer to economic impact when what they really are talking about is economic significance. And let me explain the difference. To measure the economic impact of something, you need a before, an action and an after, right? You need a baseline. So if you don't have a baseline and if you go out and you do some sort of a survey of visitor spending or whatever, you're getting information on some kind of economic activity at one point in time. That's not impact, that's not an economic impact study, OK? At best that's a study of economic significance, that is to say, of what you think is being contributed economically at a given point in time. So that's the first fundamental thing that you guys need to understand about the term economic impact. If it's economic impact, it's got a before and an after. And if you've got a byway where you want, what you're interested in measuring is the impact of designation, then really, to have done that you would have had to have baseline data before your byway was designated. Now, in many cases, you don't have that and it's not going to be possible to go back and get it. So what you would do, what you're going to be doing when you have a tool to use is the first time you use the tool you'll be establishing a baseline. And then it will be up to you to determine how frequently you want to re-measure and every time you re-measure, then you'll have a measure of impact. But you will not have a measure of impact the first time you measure, OK?

Now let's get back to, let's get to the question of differentiation and designation. Obviously the byways existed before designation, the roadways existed, many of the features along the roadways existed. So to say that anybody who's traveling your road is

Is making that contribution, you know, by virtue of designation truly is not reasonable, not a reasonable thing to do. So what we've done is to think about impact in a couple of ways. The first way to think about it in terms of investments. You all know that byways are designated on the basis of intrinsic features, intrinsic qualities. There are six intrinsic qualities and they are what makes your byway unique and they are what justifies its designation. Byways organizations, one of the things that you do is that you find ways to invest in those intrinsic qualities. Those investments could be through planning for them. For example if you are trying to renovate a historic structure or a historic site of some sort. You might invest dollars in planning for that restoration. You might invest dollars in conducting that restoration. You might invest dollars in educational programming at the site, regarding the restoration and then there might be additional dollars that are invested or earned through the operation of that site over time.

Those, if those activities were undertaken by a byways organization itself, then the economic impact related to those can be reasonably attributed to the byway, the existence of the byway. Because if there were no byway, one could argue, there would be no byways organization, there would be no focus on these particular intrinsic qualities and the particular investment in question would not have come about. And so that's one way of making a link. To give you some more detail on that, when we're, as we're discussing and working on this tool, what we're thinking about are all the ways that an investment could be connected to the existence of a byway. So one way I just mentioned is it could be if the byway organization itself initiates the investment. Another possibility would be if it's a joint application, between the byways organization and another organization. Another possibility would be there's another entity that in some way matched the byway's investment. If they said OK, we'll, we will give you some in-kind services, we'll give you some heavy equipment time, we'll give you fill, or you know, whatever it is.

Another possibility is that there is another entity in your byway that has used the existence of the byway to get, to make its self eligible for funding. OK? So if they have written the existence of the byway into their own application for funding, for example. Then, there's a connection to the byway that's plausible, that's documented. Then if that funding comes through and it's investment in the byway. One could argue that the designation had some impact on that. As opposed to projects that are being undertaken in any way without any reference to the byway at all. Those things would not be listed. The value of those investments would not be listed in the byways account. You might also

have a project that was, that is funded with privately with private dollars but it is being done because of the existence of the byway.

So for example, if a private party owns a building and decides that they are going to convert it into a bed and breakfast, because of the byway designation and their expectation that visitation is going to improve and increase along the byway due to activities related to designation and they're willing, you know, to document that as their intent and as their motivation. Then you can legitimately attribute that private investment to the existence of the byway. Similarly if you have a private property and they would have renovated it anyway, and there's no particular link to the byway so then you can't. So the question of differentiation is a very very important one. And what we're basically saying throughout our work here is that there needs to be a clear way. That you don't get to count anything unless there's a clear and documented link between the activities that led to the investment and the motivation and intention behind that and the existence of the byway. OK? So that's one piece of the pie.

The next piece would be visitation. And, many byways, we've been guided in this project by, I didn't mention this before, but we've been guided by a national steering committee, byway coordinators, a couple of state coordinators around the country. And they said to us, we're as interested in figuring out where people go on our byway as we are in pretty much anything else. So the question of visitation and who goes where is important. In looking at visitation it's not enough to say somebody drove down the corridor. The question is did they visit the sites that are intrinsic to making your byway a unique place? And going beyond that, do those sites, have those sites benefited in some tangible way from designation? So if, for example you are staying in New York State, and we have New York people on this phone. And you have a byway like the one along Champlain that has Fort Ticonderoga in the middle of it. Fort Ticonderoga is an internationally known site. And to claim that all the visitation to Fort Ticonderoga is, you know, caused by the designation of the byway is misleading and bogus. It's just simply not true. So if you can't do that, then what can you do?

Well, there are other sites along that byway, along any byway that either came into being because of activities related to the byway, that the byway org sponsored, or the kind of circumstance that I was mentioning before where the byway partnered with another organization, or another organization undertook it because it was on a byway and they expected to derive benefits that way. So there are those sites that are developed for visitation by the impetus of the involvement of the byway. And then there are also sites, like, that have other draws like, saying at Fort Ticonderoga where the byway may put up its own byway-related exhibit at a site or an attraction that has its own draw. And then the question would be, so of the people who come to that site, how many actually partake of the byway piece of the puzzle, the byway exhibit? So here again the trick in coming up with a legitimate and sensible defensible measure of the impact of byway is to make sure that you're only measuring visit to those sites for which the byway itself has been instrumental. OK?

And another variation on that theme is too: you have sites that the byways dev, you have sites that are already developed but where the byway has a feature that they've added to that site where visitation can be measured.

And the other possibility is that you have sites on the byway that were very poorly known prior to designation but where the byway has invested a great deal or at least some effort in increasing the profile of the site so that people know that there is, you know, a century farm or a special museum or a special something along the byway that really was not well known before and not, didn't have much visitation prior to the attention that the byway gave to it. That would be another legitimate kind of connection that speaks to visitation.

Now the spending side is a little bit trickier. And it's trickier for a number of reasons.

LISTENER: I'm sorry I missed what you said before you said it's tricky. What is it?

Ratner: I said the spending side.

LISTENER: Spending, OK. Good.

Ratner: What I'm telling you is that there are three components to measuring economic impact of byways. OK? The first component has to do with investment. There being steps have taken place along the byway that wouldn't have taken place if there were not a byway.

The second piece is: what's the visitation that's occurring that physically can be linked to the existence of the byway. So not people going to Wal-Mart, not people going to Fort Ticonderoga that already have its own and its own clientele irrespective of the byway but people going to sites that exist because of the byway and/or are recognized and visible because of the activity of the byway. OK?

And the third component is spending, so ideally you want to be able to say if we can figure out the number of visitors that are coming specifically to our byway, and assuming that the fact that they're coming to specific byway attractions means that they're benefiting from the byway. You don't have to ask them, if they're there they are interacting with what makes your byway unique.

Then you want to be able to say, well so then how much spending do we attribute to those folks? And usually when we're looking at byway spending, we're looking at the typical categories of tourism spending. So spending on lodging, transportation, amusement, meals, recreation, retail, souvenirs, that kind of thing. What I want to suggest to you is that there are different levels of spending that are important to pay attention to. And this gets to, Chris, some of the questions that you were raising about impact and multipliers and that kind of stuff. People when they visit a byway, and let's just, I'm going to leave some of the complication out of this so we can through this. But if someone comes and visits a byway, let's assume that they're coming from out of state and they drive to your byway and they stay overnight and they have meals and that kind of thing. If you knew how much they spent on that, and I'll back up in a little while and talk to you about the different ways of knowing that, then you could say, OK their gross saving was X. So let's say that their spending, spending per person was a couple of hundred dollars a day just for argument's sake.

That's a start but that's not the whole story for a couple of reasons. One is that there are thing, there's something in economics and in economic measurement called leakage. One form of leakage is consumer leakage. What that means is depending on where your byway is in relation to services, depending on how long your byway is, and depending on the services available within your byway corridor people may or may not be spending their whole hundred dollars within your corridor, right? So hey may come to your corridor and they may have lunch and then they may drive outside of your corridor to have dinner. If they're driving outside your corridor to have dinner then some of what they're spending is subject to what we would call consumer leakage. It's leaking away from the corridor itself into the surrounding area. If you have a byway that has, for example, no lodging facilities then it's a good bet that no one is spending to stay overnight in your corridor. So the dollars that the visitor is spending on lodging are leaking out of your corridor. They're being spent but they're not part of the impact on the corridor itself.

Now there's the second kind of leakage, OK? And that's producer leakage. Think about this: let's assume that you do have lodging in your byway corridor. Let's assume, for example, that you have a bed and breakfast. When a visitor comes and spends dollars to stay at that bed and breakfast, let's say that they spend fifty dollars per night, the bed and breakfast proprietors have to provide food, linens, some times they have staff, shampoo, etc. etc. and etc. Most of what they supply, most of what they have to bring in to serve their visitors is not purchased within your byway corridor. So the dollars that they have to spend on the products they bring in to support the spending of your visitor is another form of leakage from your economy. You following me? You have this gross spending but you really have to adjust that spending for the consumer leakage, the things that people who are, the visitors themselves may be buying outside of your corridor, not within it and then again for the producer leakage, the things that the people who are selling to the visitors have to purchased from outside in order to provide those goods and services. By the time you're done making that adjustment what you have is net spending. OK?

Your net spending is the actual number of dollars that by which your corridor is benefiting from visitation. OK? The difference between the gross spending and the net spending is the amount that your region is benefiting. So, think about this conceptually for a minute. If you knew that today, you would be able to, she told me that she's going to meetings a lot and trying to explain things. Let's see if I can figure this out. Who was that? Was it Kelly, I can't remember, oh well. I'm not quick enough on that.

LISTENER: The woman from Indiana?

Ratner: The woman from Indiana, could be.

Ratner: The point being, that if you knew that, then you could go to those meetings and say, look, this is the net impact that our byway is having economically in terms of what visitor dollars are staying in our byway. And, in addition to that, we're having these, this spillover effect on areas around our byway. So not only should the people in our corridor be interested in investing in us, but people surrounding our corridor should also understand that they are getting benefits so it's worthwhile for them to invest in what we're doing as well. OK? So it becomes a fairly powerful argument to be able to make. Now, generally, let's compare that with how economic impact is typically measured. It's typically measured in a couple of ways. One way is by using models, the common metric models. And those are the models where you look at the results and scratch your head and you go, I don't really understand this, and this number seems awfully large to me, you know. How could our little 50-mile byway be having a \$200 million impact? Somehow that just seems a little bizarre. We, I should say, that going into the work that we've been doing with the Resource Center, we reviewed studies of economic impact of byways and similar kinds of entities, like heritage areas, etc. We reviewed many many years worth of studies, and critiques of many many studies and we tried to incorporate the wisdom from that review and those critiques into the work that we're doing. One of the critiques has to do with the use of models and there are many reasons to be concerned about these kinds of models. The first is that they don't differentiate between gross spending and net spending, the way I just walked you through. They take the gross spending and then they apply it to multipliers. And there are a variety of different kinds of multipliers. You have an income multiplier which says, you know, that this is the amount of income that's being earned and this is the fraction of it that's being re-spent, and then re-spent again. So if I earn a dollar of income it's assumed that I spent fifty cents for that at the store and then someone else earns a portion of that is their income and then they spend 50% of that at their store, that's where the multiplier concept comes from, the income multiplier. And very quickly those numbers can become quite large.

The problem is, that in a byway corridor, byway corridors don't typically respond to either state boundaries, or county boundaries, or even town boundaries. Multipliers work and make sense in large geographic areas, OK? Like states or multi-county regions. They don't make a lot of sense or work very well they're not very robust in small geographic areas, OK?

And you can figure out why, right? Because if you're talking about a small geographic area there's not typically much of a service or goods base to spend on, the spending doesn't go through many rounds in that area. It will be cut out very very quickly. And so the multiplier effect that people have embedded in these models is often much much greater than the real multiplier that's on the ground, particularly in relatively small sub-state areas. So multipliers in that kind of work tend to be misleading, tend to be highly inflated. And also, as you guys have realized, it's very difficult to explain to people, it's not very concrete.

The other way that spending is typically measured, is through visitor surveys. And you are, I'm sure, familiar to some degree with surveys that have either been done on your byway or you've seen done on other byways, where visitors are stopped and asked, OK, what did you spend? Well, that's OK, except that, A: It's very expensive to do a visitor's survey, to do the training and get the people out there. But most places don't do them on a regular enough basis to use them as an impact measurement tool. Because remember, we said to measure impact you need a starting point,

and then you need to have some actions occur, and then you need to re-measure. And most places that do visitors surveys find that they are so expensive and so cumbersome that they don't do them on any kind of a regular basis. When they do them, they also tend to view them, you know, for some limited period of time, two weeks in the summer or two weeks in the winter, they don't have a full year-around perspective. And so, and then you have the issue of who is represented as a sample, who responds, how accurate is the information they give you? So there's lots of issues with kind of a site-specific visitors spending survey.

So what are the alternatives? The alternative is to look to data that has been collected in more systematic ways. And here's where we have issues. The place, the most logical place to look for data would be at the state level, to try to figure out what do we know about tourism spending and resident spending at the state level. State-level data varies tremendously, in terms of its quality. In terms of, some states put a lot of energy into this kind of thing and they have a budget for it and they do fairly comprehensive, professional surveys on a reasonably regular basis, once every two, three, five years. Other states don't. Many states rely on a subset of data that's been collected nationally, and generally speaking, those data sets are so small that they're just not even reliable at the state level. So we don't have really great data on that. We don't, also, have really great data on the difference between spending at the state level and spending on the byway experience, it simply doesn't exist. And again, it may be that specific states have done specific work but generally across the country, it's not something that you can just put your hands on, or kind of Google up, and there it is. It's not there. It's a hole.

So what we're working on is the possibility of getting data that will at least be consistent state to state and give us a start on being able to look at spending patterns of different kinds of visitors. And the three kinds of visitors that we're thinking are most significant are local people, very important. And again, most studies of spending leave out residents, they focus on either non-residents, in-state visitors or generally speaking, many studies focus only on out-of-state visitors, which is a very partial picture of what's going on on your byway and how important your sites may be to various people, including those who live there. So our interest in it will certainly include residents, resident spending. Then to look at in-state day visitors, to look at in-state overnight visitors, and to look at out-of-state overnight visitors. And, you know, we've been able to do enough research to begin to describe spending relationships between those four categories. And I think that once we can feel confident that there's some decent state-wide data to work with, it will be possible to derive some estimates there that then can be matched to visitation, that we talked about.

So lets' see, going to think about what, let me stop there. It's a lot of kind of information that's a lot of my talking at you. Let me open it up to questions that you may have.

LISTENER: So then, don't you run the risk if we get very specific and then only attribute and only consider the things that are directly attributable to the byways and then someone tries to compare those apples with the oranges that are collected on a multiplier model basis or on a state-wide basis, we're going to look tremendously small and insignificant compared to other kinds of survey reports.

Ratner: I got a secret for you.

LISTENER: A-huh?

Ratner: Most people recognize that those studies are bogus. They don't say it out loud, but they know it. They know it in their gut. And so I'll say to you,

LISTENER: (inaudible)

Ratner: Let me finish because this is really important, this is a really important question and we have experience with this in communities and working with clients around the country. Actually I'll tell you a story, if you'd like about a group that we worked with in Clinton County New York.

Where we've looked at, we've done for about a dozen years now. Every two years we've done this study of the impact of Canadians on Clinton County economy and we've done it without multipliers. And what it's allowed us to say is, these estimates that we're giving you, we know are conservative. What we describe is the minimum impact. We know it's greater than this. We can't tell you exactly how much greater but we can tell you it's greater. What we can do is explain to you exactly how we got this numbers. And tell you a real story about where they came from. And we can tell you with conviction that they are conservative.

LISTENER: That's all fine and good and I totally appreciate what you're saying but when I've got to confront unhappy local government official who are concerned that some Federal program is going to be jamming down their throat and they want to know what the economic impact is. And they say, Well, this is nothing. Then they're further convinced that, you know, this is a big nothing deal and why should we bother to have a byway?

Ratner: What makes you think it's going to be nothing?

LISTENER: Well, relatively speaking because they've seen all these other things along the way and, quite frankly some of the people that we deal with on a regular basis aren't as sophisticated as those who are naturally suspicious of these outrageous economic models.

Ratner: Well, again I would say that first of all, you may find that it's a lot larger than you think, if you do your homework correctly. Second of all, you're going to be in a position to say, this is the amount we've invested, whatever that amount is, and this is the return that we're seeing in terms of visitation and spending. And if those numbers don't look good, than rather than trying to use them to try to convince the local officials that they are good, the next step is to take a look and say, what can we do to make those numbers better? And you've got, at that point, some real meaningful guidance about where are the economic development opportunities in our byways that are going to yield more powerful results.

LISTENER: But what I'm really talking about is people who are considering having a byway, not the ones who already have it and already are making a commitment and an investment. I'm talking about; you're going to use those economic models, numbers for other byways from a statewide perspective.

Ratner: Every byway is unique.

LISTENER: I realize that. That's not the question.

Ratner: Ok, let me see if I'm understanding the question. What I think you're asking me is how do you use these numbers to, what; convince other people that they, too should get a byway? Have a byway designated?

LISTENER: That's one of the uses of an economic impact study.

Ratner: I don't think you can. I'll be quite blunt about it. I think that every byway's unique; every byway needs to make its own assessment. And I don't think that the circumstances in one byway ought to influence anybody else to think that they should or shouldn't have a byway. I think that if you do these studies in your state and you are able to find out that each of your byways is generating a legitimate economic return on investment, then you can certainly share that data with people. I think...

LISTENER: Why are you doing a national study if it's not to be used for other communities?

Ratner: No no no no no no no, we are not doing a national study! Let's get real clear about this. This is not a national study, never was, still isn't. What it is, is a tool that will be available for individual byways to use for their particular byway and their particular circumstances. It's not designed to yield comparable results across byways. It's not designed to be aggregated across all byways in a state or all byways in the county. It is a tool to be used on a byway by byway basis. And we are not conducting a study. Byways, themselves will be able to use the tool to conduct their own studies, should they so choose.

LISTENER: You mean, go ahead.

Another LISTENER: I had another question related to when you ask the question on the economic benefit, are you looking into how can you value some of the other intrinsic values like when you get people out on to a byway and it increases their mental health or it increases their physical ability that would result in them living longer. I mean, you know, the health benefit and the spiritual or mental health benefit of visiting, you know, a certain place. Is any of that being included at all or is it simply the dollars and the counting of the contributions?

Ratner: At this point it's the dollars and the counting of the investment, OK.
It's the visitation, the spending and the investment. There, we have done, we Yellow Wood have done a fair amount of work looking at how to value other things that are not necessarily monetary like mental health or physical agility or contributions to reducing obesity, that kind of thing. That's not, at this point, being built into the tool that we're developing for byways.

LISTENER: OK, thank you.

Another LISTENER: When do you think the tool will be available?

Ratner: I would say probably another year and a half, and I can tell you a little bit about why that is. We've spent a year, the first year; the way this contract was initiated, the idea was to spend a year trying to figure out if it was possible to know, to develop a tool. And I think that, you know if you consider the complexities involved in this, we had good reason to wonder whether it would be possible to develop a tool that would work across all kinds of byways and lots of different settings and lots of different elements of expertise, or levels of expertise, to employ the tool. So we've spent the year doing that, we had a meeting about a week ago with the National Steering Committee and they gave us the thumbs up. And they said, we think it's possible, we like the road we're going down and we'd like to take it the next step. So the next step, within the next year, is going to be to ground test, ground proof the pool that we have with a couple of pilot communities, pilot byways. And then do some revision to it, make sure that it's as clean and simple and well-formulated as it can be, and then look to, hopefully put it together in electronic format and then test it more widely. So it's going to take a while to get it to the point where it's ready to go out to be used widely, but it's coming.

LISTENER: How do you become one of those select byways? This is Sheyenne Valley, North Dakota. We'd like to be on that list.

Ratner: Let us know. And it won't be, you wouldn't be on the list for the first time because we're only working with two and we know the two. But certainly for the beta test I can come around, so there's no reason why you couldn't get on that list, I would think. Although I should also say, having said that, it's not my call, it's the call of the National Steering Committee ultimately.

Several LISTENERS: inaudible.

Ratner: I'm sorry?

LISTENER: Who are the pilots?

Ratner: One of the pilots is in Ohio and one is in Kansas.

LISTENER: Is it bigger than a bread box?

Laughter from many

Ratner: Is your byway bigger than a breadbox?

LISTENER: No, the tool...

Ratner: The tool. I hope it will be, ultimately something that is easy to use, that's electronic, you know, that's a screen by screen electronic tool to guide you through its use and gives you various levels of instruction and context if you want them and need them. But that's pretty simple to navigate and helps you then at the end to generate reports and that kind of thing. So that's the vision that the Steering Committee has, the vision that we have here. But it's getting to that vision that's going to be a challenge. But we hope that we can. Now remember, that it's a tool and the elbow grease behind the tool to make it work is what's going to have to be done at the byway. All right, so in other words, we will build into the tool as much of the background information as we possibly can to make your lives and your jobs as easy as we possibly can. But there will be various types of research components that you will have to engage in yourself. Which, by the way, we also understand are fundable under a number of sources. There are a number of, you know, folks including the Federal Highway folks who will pay for you to do some economic impact work, so.

LISTENER: Train the State Byway Coordinators and let them do it.

Ratner: Well I know there are a lot of byway people who would like to see that happen. Is that a (interruption) Was that a State Coordinator who made that comment?

LISTENER: Absolutely not.

Laughter

Ratner: None of the State Coordinators on the call feel like that.

LISTENER: Well, I think it's a reasonable request, you know but that goes along with the Transportation Enhancement projects, the Rails to Trails, the Scenic Byway projects and everything else that are on some of the plates of some of the State Coordinators and I'm afraid one more thing might be the straw that breaks the camel's back. So we need to be careful.

Ratner: Yep, good.

LISTENER: How do we get in touch with you for this, this what they're selecting out other byways in the future?

Ratner: I think the best thing to do; I'm trying to think how to do this. I would get in touch with probably Henry Hanka.

Henry: Yeah.

Ratner: He's taking over the management of this as kind of the coordinator at the Resource Center

Henry: We envision is that once we get through the two initial projects, the first two initial byways we hope that we'll have a whole lot better learning curve and then we'll probably put out an appeal or an asking for those byways that could see themselves both in time and in financial capacity. Because it's not going to be a free thing, it's going to take some time and some financial resources from each of the byways who would like to do this. We envision that like, Shanna said, we envision that happening after the first two are field tested. And so we'll make sure that every byway has equal opportunity to get something back to us.

LISTENER: Do you have a time frame on when those first two will be completed?

Ratner: We're hoping that those first two will be completed by, oh I'd say, May or June.

LISTENER: Are the results going to be available?

Ratner: That's an interesting question. I don't know, the Steering Committee hasn't really taken that up. What we do know is that we will, those results will be of two kinds, OK. The data from those results, in terms of the actual economic impact data will not be particularly meaningful because the tool's designed to run for a twelve month period and we're not going to be doing our pilot testing over a twelve month period. So those, the byways that we work with on this are sacrificing, you know, good data for the chance to help us sculpt and shape the tool to make sure that it's going to work properly. So the real point of the pilot isn't to collect fabulous data for the byways. The point of the pilot is to make sure that the process works. So we will have information at the end of the pilot on the process which will then feed into refining the tool. So does that, I don't know if that answers your question.

LISTENER: Yeah, it does.

Ratner: OK

Chel: Shanna and everybody, this is Chel at the Resource Center. For the purposes of everybody here who's on the phone today and will be on the phone tomorrow, as I mentioned earlier, we've set up a discussion forum on bywaysonline and you can also access it through our website and continue the conversation after today. It sounds like there is a lot of interest here. We will also host in the future, a conversation with probably one of the members of the Steering Committee. So this is just the beginning of getting a basic understanding about economic impact. And then in the near future we'll continue the opportunities for more conversations so everybody will continue to be up to speed about where things are at, at appropriate times.

LISTENER: A conversation tomorrow, I heard about this call today, what's happening tomorrow?

Chel: We just repeated the call. We made it available twice.

LISTENER: OK. Thanks.

Ratner: So let me, we have a few minutes left. So let me take, you know, if there's one more burning question let's deal with that. And then what I'd like to do, if you guys are game, is to evaluate this call, because as was just mentioned, we do have another call tomorrow and we'd love to get some feedback from you on whether this is useful and what you liked about it and what you'd like us to change moving forward. So first let me ask, does anyone else have a burning economic impact related question that you'd like to get in here?

LISTENER: I have a question for you.

Ratner: Sure.

LISTENER: How about when looking at the communities, when you're looking at spending and visitation and what not. How far outside the byway is it fair to look at?

Ratner: Ok we can...

LISTENER: Or outside the sites along your byway.

Ratner: That's a great question. What we decided to do, and when I say we, I mean the National Steering Committee is to define the area of impact as the byway corridor itself. So it's whatever is in your corridor management plan that defines your corridor, OK? And then as I was saying when I was describing the difference between the gross and the net impact from a spending perspective, there are going to be impacts that extend beyond your byway corridor. But what the tool's going to allow you to do is to begin to differentiate between what's happening inside your corridor and what's happening outside your corridor. OK?

LISTENER: OK.

Ratner: All right. So let me ask you guys, what worked well about this call and what would you change if you were going to do it again?

LISTENER: I think it's a very good and helpful format and it's sort of a quick hitter to give us some basic definitions and basic understanding of what's going on. I'd encourage you to continue with this type of call.

Ratner: Great.

LISTENER: Ditto

LISTENER: I think you did a good job.

Ratner: Great. Thank you.

LISTENER: I think it's a good starting point. You know our, my mantra is if you can't measure it, don't do it.

Ratner: Yeah.

LISTENER: I see we're getting, you know, we're looking at our self and saying, what is the impact, what is really happening out here in terms of dollars and cents?

Ratner: And what's the sensible, you know, I was thrilled that as many people as did raised the question of differentiation because it's a critical issue. It's a critical issue; you have to be careful about what you're attributing to you, versus what else is going on in the world.

LISTENER: Right.

Ratner: And you can never do that perfectly but if you don't do it intentionally you're really in trouble.

LISTENER: Warm and fuzzies are great but you have to be concrete at some point.

Henry: This is Henry again and one the things I'd like all of you on this call to please try to remember is that when we embarked on this particular task or project we don't in any way want to alienate or in any way want to diminish the kind of data that's being collected right now at the state level because every state does this in some form or manner.

Every state does collect economic impact data, tourism data and all the rest of it. We don't want to in some way replace or try to say that that may not be the particular right way to do it. What we want to do is to augment it and give each of you the opportunity to maybe do more points-specific kinds of things. So if you're talking to the state tourism people or if they attend some of your meetings or if you're looking some of the state data submitted to you, please look at that with every bit of respect that you can, because, you know, they are out there each trying to do what they think is best. And a lot of this is done on a state-wide basis or even a regional multi-state basis. So we don't want to replace that. We don't want to say that it's not particularly right. We just want to say that this is just another way that we're going to look at it.