

THE NEW HAMPSHIRE SKI INDUSTRY, 2012-2013: ITS CONTRIBUTION TO THE STATE'S ECONOMY

Prepared for

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Executive Summary

It was estimated that a total of 3.26 million people visited the ski areas in New Hampshire for recreational purposes during the period between May 2012 and April 2013. It was also estimated that approximately \$359.0 million was directly spent at and away from ski areas within the state. This \$359.0 million direct spending represents 7.9 percent of total traveler spending in the state and 16.2 percent of traveler spending in the state's northern and western five regions during the period between May 2012 and April 2013. The share of skier spending is even greater during the winter five month skiing season; direct skier spending at and away from ski areas was \$300.4 million, which represents a whopping 45.3 percent of total traveler spending in the state's five northern and western travel regions during the winter five month skiing season. A combined total of direct and secondary spending was approximately \$1.1 billion.

The annual average employment of 11,067 jobs was supported by direct and secondary spending at and away from ski areas during the period between May 2012 and April 2013. This was 1.3 percent of all employment statewide and 4.0 percent of all jobs in the five northern and western travel regions on an annual basis during the period between May 2011 and April 2012, the last period for which payroll and employment data is available. The contribution of the ski industry during the winter five month skiing season is much greater. During the winter season, 7.8 percent of all employment in these five travel regions would be directly or indirectly dependent on spending by skiing parties.

It was estimated that ski area visitor direct and secondary spending resulted in a total of \$32.3 million in state government taxes and fees, which was 8.1 percent of all state government taxes and fees paid by all travelers during the period between May 2012 and April 2013. An additional \$29.0 million were paid in taxes and fees to the local governments. Table 5 reports detailed information on government receipts.

The study showed how vulnerable the ski industry can be to snowfall changes. From the 2011-12 season (of low snowfall) to the 2012-13 season (of better-than-average snowfall), days with snow cover increased by 85 percent, and as a result, the number of visitor days to ski areas rose by more than 20 percent. Even in a low-snowfall year, though, the contribution level of the skier spending to the region's economy remains high in terms of its share of all traveler spending. It was estimated that the skier spending's share of the total tourist spending in the northern and western travel regions of the state was 45 percent during the 2011-12 ski season, nearly on par with 45.3 percent during the 2012-13 ski season. This speaks volumes about the importance of the ski industry to the regional economy during the winter season.

In sum, the importance of the contribution that the ski industry makes to the state's economy cannot be emphasized enough. Its contribution is particularly important for the northern regions of

the state. *During the winter five month skiing season, skier spending makes up nearly half of total traveler spending in the northern and western travel regions.* The direct and secondary spending of skiers supports 7.8 percent of all jobs in these regions during the skiing season. This magnitude of the ski industry's contribution is reflected in the national statistics as well. The U.S. Census Bureau reports that, in terms of ski revenue per capita, New Hampshire ranks the fourth highest after Vermont, Colorado, and Utah in 2007. Furthermore, the ski industry fuels economic growth in the state by bringing money from outside the state. This is particularly important for the northern regions of the state that lack industrial bases other than the tourism sector. The National Ski Areas Association (NSAA) survey shows that about 66 percent of the skiers who visited the state during the 2012-13 skiing season were non-residents. The non-resident share in total spending would be even higher since non-residents are more likely to stay overnight and spend more.

Table 1: SKI INDUSTRY'S CONTRIBUTION SUMMARY, May 2012-April 2013

	Ski	All Tourists	% Share
Visitor Days	3,262,652	53,126,558	6.1%
Direct Spending	\$359	\$4,517	7.9%
Direct Payroll	\$137	\$1,578	8.7%
Direct Employment	7,835	60,862	12.9%
State Gov. Receipts	\$32	\$397	8.1%
Local Gov. Receipts	\$29	\$503	5.8%

The dollars are expressed in millions of fiscal year 2012 dollars.

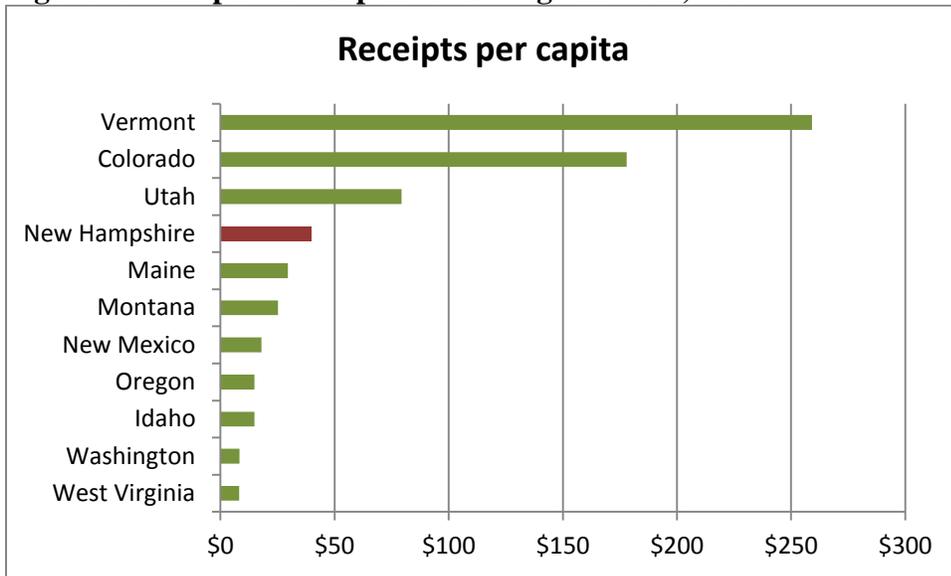
The number of jobs is expressed in terms of number of jobs per each million of traveler spending.

Payroll includes wage and salary disbursements, supplements to wages and salaries, and proprietors' incomes.

Government receipts were estimated from a combined total of direct and secondary spending.

Payroll and employment data for all tourists are for the period of May 2011 – April 2012, while others are for the period of May 2012 - April 2013.

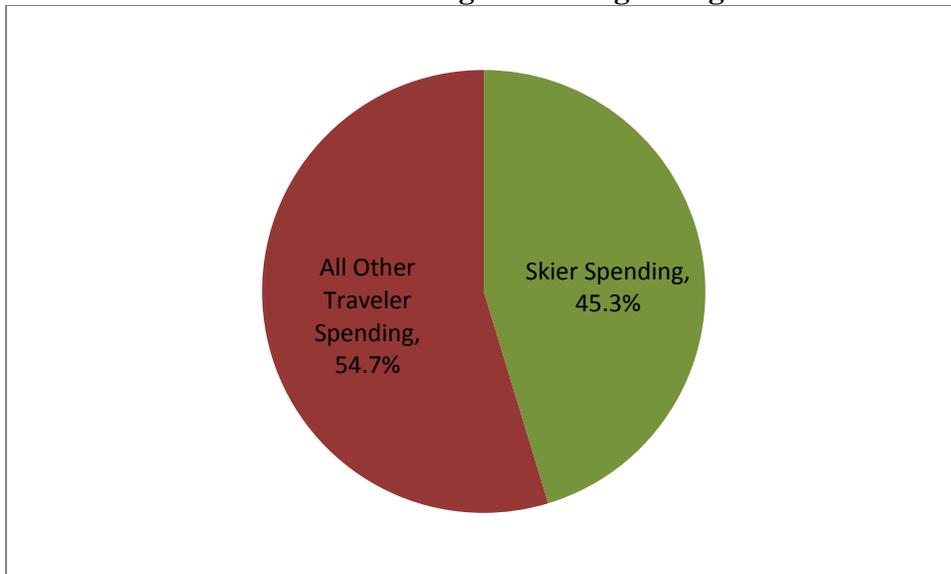
Figure 1: Receipts Per Capita for Skiing Facilities, 2007



Source: U.S. Census Bureau: Economic Census 2007

The data represents ski facilities without accommodations (NAICS: 71392).

Figure 2: Share of Direct Skier Spending in Total Direct Traveler Spending in Five Northern and Western Travel Regions during Skiing Season 2012-13

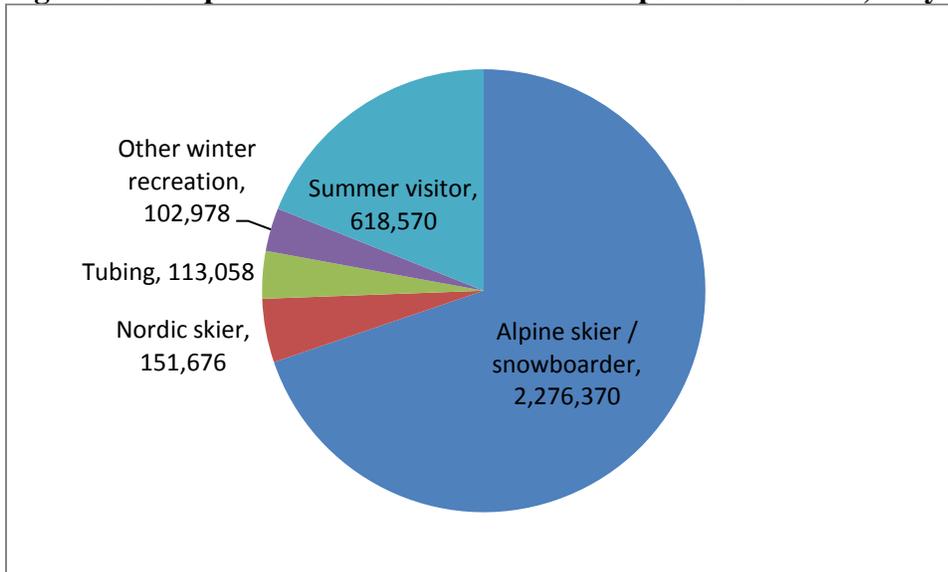


Source: Estimation by author

Visitors to Ski Areas

The 2012-13 skiing season attracted the fifth largest number of alpine skiers in the state's history. Ski NH's survey of New Hampshire ski areas shows that there were 2,276,370 alpine skier and snowboarder visits at the state's twenty alpine ski areas. There were also 151,676 Nordic skier days at eleven Nordic ski areas and the seven alpine ski areas which also offered Nordic skiing during the 2012-13 season. It was estimated that an additional 216,036 visitor days occurred during the skiing season that can be directly tied to the ski areas. These visitor days included about 113,058 people who went tubing and 102,978 who enjoyed other recreational activities such as ziplining, indoor wall climbing, and trampolines. Finally, the ski areas estimated that they had 618,570 visitor days during the non-skiing summer and fall season. These visitors rode on tramways and ski lifts, went mountain biking and ziplining, and attended concerts and other events at the ski areas. This summer and fall season visitor days was estimated to have been on the rise recently, and made up 19% of the total visits to the state's ski areas during the 2012-13 season.

Figure 3: Composition of Visitors to New Hampshire Ski Areas, May 2012 – April 2013



Source: New Hampshire Ski Areas survey 2013 and Ski NH survey 2013
Numbers are in visitor days.

Total Direct Spending

Visitors to the state's ski areas spent an estimated \$300,374,000 during the 2012-13 skiing season, and an additional \$58,635,000 during the 2012 summer and fall seasons, for a combined total of \$359,009,000 during the period between May 2012 and April 2013. This direct spending led to an estimated \$786,491,000 in secondary sales within the state of New Hampshire. Secondary sales include such items as hotel and restaurant purchases from suppliers, ski area purchases of electricity, state and local taxes and employees' earnings and purchases. The total direct and secondary sales spending was \$1,145,500,000. All skier spending and their monetary impacts are measured in fiscal year 2012 dollars throughout this paper.

As a result, visitors to the 31 ski areas in New Hampshire generated 7.9 percent of the \$4.52 billion in estimated total tourist direct spending in New Hampshire during the period between May 2012 and April 2013. If the Seacoast and Merrimack Valley travel regions are not included in this calculation, then the visitors to ski areas in the five remaining travel regions (Great North Woods, White Mountains, Lakes, Dartmouth-Lake Sunapee and Monadnock) produced 16.2 percent of total tourist spending in these five travel regions both at and away from the ski areas.

The impact of tourist spending at New Hampshire's ski areas was highly concentrated during the skiing season, where it made up about 45.3 percent of all tourist spending in these five northern and western travel regions during the five month December 2012 to April 2013 period. The impact of the state's ski areas on the economies of these five travel regions was critical during this five month winter and spring period. This is the key reason that state and county governments were involved in establishing some of the state's first ski areas and why they continue to play an active promotional role for all ski areas today.

Table 2: DIRECT SPENDING, May 2012 – April 2013

	Skiing season	Non-Skiing season	All Year	% of Total
Tickets/admissions	92.0	18.0	110.0	30.6%
Restaurants	68.8	13.4	82.2	22.9%
Lodging	66.3	12.9	79.2	22.1%
Retail	37.0	7.2	44.2	12.3%
Travel costs	15.0	2.9	17.9	5.0%
Grocery stores	13.7	2.7	16.3	4.5%
Other	4.2	0.8	5.1	1.4%
State liquor stores	3.4	0.7	4.1	1.1%
Total	300.4	58.6	359.0	100%

The amounts are in millions of fiscal year 2012 dollars.

Direct Sales to Skiers

Of the total of \$300 million that ski area visitors were estimated to have spent in New Hampshire during the 2012-13 skiing season, only \$102 million was spent at the ski areas. In comparison with western states such as Colorado and Utah, the New Hampshire skier was more likely to be on a day trip with an estimated 51 percent of all skiing season travel party members on a day trip during the 2012-2013 season. Ski parties on overnight trips accounted for an estimated 49 percent of the visitor days and provided 74 percent of the total spending by skiing season visitors.

Direct Summer Sales

It was estimated that the 618,570 visitors to the ski areas during the 2012 summer and fall seasons spent \$58.6 million. It was assumed that these visitors had spending patterns similar to those of winter visitors. They spent the largest share of their spending at ski areas for tickets and admissions for recreational activities. Table 2 shows breakouts of the estimated visitor spending.

Secondary Sales Impact

The secondary sales impact within New Hampshire of direct spending by visitors to ski areas was estimated at \$786.5 million. The largest economic sector to benefit from secondary monetary flows was households, which received \$295.6 million in wages, salaries, profits and rents. The business sector with the highest level of receipts for these secondary impacts was retail trade, which made sales to all of the employees of the ski areas and other businesses where direct spending was made. It had \$107.4 million in secondary sales, 22 percent of all non-household secondary sales. The third largest economic impact from these secondary sales was on transportation, utilities, wholesale trade and information (which provided media services to all of the other sectors) with \$98.6 million in revenues.

The fourth largest share went to the insurance, banking and real estate industries, with \$70.1 million in net earnings. The fifth largest share of secondary sales in receipts was state and local government, with \$70.0 million dollars. These receipts included property taxes, business profits taxes, rooms and meals taxes, gasoline taxes, and various other fees, taxes, tolls and admissions, but did not include federal government taxes, FICA and fees. State and local governments provided the full range of government services from these receipts, including local schools.

The sixth largest share of the secondary impacts was on “other” services, which include professional and business services, with \$54.1 million in revenues. The seventh largest share of secondary sales in receipts was educational and health care services with receipts of \$46.6 million.

The economic sector with the eighth largest share of earnings or receipts from secondary sales was construction, with \$22.4 million. The balance of the secondary sales impacts of \$21.7 million was split up among three other sectors: hospitality and leisure; manufacturing; and agriculture, forestry and mining.

Table 3: DIRECT AND SECONDARY SKI SPENDING BY SECTOR, May 2012 – April 2013

Sector	Direct Sales	Secondary	Total	Percent
Ag/Mn/For	-	3.6	3.6	0.3%
Construction	-	22.4	22.4	2.0%
Manufacturing	-	10.0	10.0	0.9%
Hosp & Leisure	271.4	8.1	279.5	24.4%
Retail Trade	75.4	107.4	182.8	16.0%
Trans/Ut/WhTd/Inf	0.9	98.6	99.5	8.7%
FIRE*	6.3	70.1	76.3	6.7%
Educ/Health Care	-	46.6	46.6	4.1%
Other Services	5.1	54.1	59.2	5.2%
Government	-	70.0	70.0	6.1%
Households		295.6	295.6	25.8%
Total	359.0	786.5	1,145.5	100.0%

The amounts are in millions of fiscal year 2012 dollars.

*FIRE stands for finance, insurance, real estate, and rental and leasing.

Employment and Payrolls

There are other measures of ski area economic impact and performance besides visitor spending. Table 4 shows breakouts of jobs supported by direct and secondary spending by industry on an annual basis. The number of jobs on an annual basis represents the number of jobs that would be supported in a month, if the spending were spread over the course of the year. During the period between May 2012 and April 2013, the annual average employment due to spending by visitors to ski areas was: 3,882 jobs at the ski areas, 3,953 jobs elsewhere where visitors directly spend money and 3,232 jobs due to secondary sales, for a total of 11,067 jobs. This was 1.3 percent of all employment statewide during the period of May 2011 – April 2012, the last period for which payroll and employment data is available, and 4.0 percent of all jobs in the five northern and western travel regions on an annual basis.

The annual payroll earnings (wages, salaries and self-employment income) that was generated by visits to ski areas included: \$37.4 million at the ski areas, \$99.6 million at other businesses where direct sales were made, and \$119.1 million from secondary sales. This total payroll earnings of \$256.2 million was 0.5 percent of all household payroll earnings statewide and 1.5 percent of the annual household payroll earnings for these five northern and western travel regions during the period of May 2011 – April 2012, the last period for which payroll and employment data is available.

Table 4: DIRECT AND SECONDARY SKI SPENDING SUPPORTED EMPLOYMENT, May 2012 – April 2013

Sector	Direct Jobs	Secondary	Total	Percent
Ag/Mn/For	-	38	38	0.3%
Construction	-	180	180	1.6%
Manufacturing	-	40	40	0.4%
Hosp & Leisure	7,411	177	7,589	68.6%
Retail Trade	320	457	777	7.0%
Trans/Ut/WhTd/Inf	2	194	196	1.8%
FIRE*	36	401	437	3.9%
Educ/Health Care	-	532	532	4.8%
Other Services	66	701	766	6.9%
Government	-	513	513	4.6%
Total	7,835	3,232	11,067	100.0%

Numbers are measured in annual average.

*FIRE stands for finance, insurance, real estate, and rental and leasing.

During the winter five month skiing season, the 31 ski areas employed an average of 7,089 people both full time and part-time. There were an additional 7,938 people (not at the ski areas) who were employed at restaurants, lodging establishments, service stations, retail stores and other businesses where skiers made direct purchases. There were another 6,490 employed people during the skiing season that were supported by secondary sales from this skier spending. The resulting 21,517 jobs were 2.6 percent of total employment found in New Hampshire during the winter months of 2011-12. However, if all of these visitor-supported jobs were located within the five northern and

western travel regions, then 7.8 percent of all employment in these five travel regions would be directly or indirectly dependent on spending by skiing parties during the skiing season.

During the other seven months of the year, the ski areas had an average of 1,592 full time and part-time employees. An additional 1,107 employees were directly supported by summer and fall visitor spending away from the ski areas and there were an additional 905 jobs supported by the secondary sales due to traveler spending, for a total of 3,604 jobs during the summer and fall months.

Government Revenues

Revenues from direct spending at ski areas

As indicated in the previous section, government was a major recipient, both directly and indirectly, of spending by visitors to the state's ski areas. The ski areas paid over \$1.0 million in property taxes to their local governments during the most recent fiscal year. They also paid \$1.2 million in rooms and meals taxes to state government. They paid an additional \$681,000 in other state and local government taxes and fees, including the state government's lease income from Mount Sunapee. Finally, the ski areas located in the White Mountain National Forest paid \$618,000 in United States Forest Service fees. This total of \$3.4 million in government tax and fee payments by the ski areas does not include state and federal business profits taxes or the employers' share of FICA, workers' compensation or skiing related receipts at these government-owned ski areas: McIntyre, Gunstock and Cannon.

Revenues from direct spending away from ski areas

The visitors to the ski areas were also spending money at other business establishments away from the ski area, which also resulted in government tax and fee payments. It was estimated that ski area visitor spending at these other businesses resulted in an additional \$11.1 million in rooms and meals taxes to state government, \$0.3 million in gasoline taxes and highway tolls, \$1.6 million in state liquor store sales, \$8.7 million in local government property taxes, and \$6.4 million in other state and local government taxes and fees, which includes receipts at local, state and federal government campgrounds. This was a total of \$28.1 million in government taxes and fees paid at establishments away from the ski areas in addition to the \$3.4 million in payments made directly by the ski areas, for a total of \$31.6 million, or 8.8 percent of direct visitor spending. This \$31.6 million does not include business profits taxes, workers' compensation, FICA or skiing related receipts of the government-owned ski areas.

Total Revenues from direct and secondary spending

Also, not included in these amounts was an additional \$29.7 million dollars in state and local government revenues from other secondary spending impacts. A combined total of estimated state and local government receipts from direct and secondary spending by visitors to the ski areas was \$61.3 million. Its breakouts are reported in Table 5. Rooms and meals taxes were by far the largest source of the state government receipts during the period of May 2012 – April 2013.

Table 5: ESTIMATED STATE AND LOCAL GOVERNMENT TAX AND FEE RECEIPTS

<u>Source</u>	<u>Receipts</u>
Rooms and Meals Tax	\$12.7
State Liquor Store Sales	\$3.9
Business Tax	\$3.1
Parks and Recreation	\$1.7
Tobacco and Beer Tax	\$1.6
Tolls and Gas Tax	\$1.5
Other State Taxes and Fees	\$7.8
Total State Government	\$32.3
Local Government Taxes and Fees	\$29.0
Total State and Local Government	\$61.3

Dollar amounts are shown in millions of fiscal year 2012 dollars.

Other includes telecommunications, banking, insurance, utility consumption tax, utility property tax, state property tax, and real estate transaction taxes and fees.

Community Impacts

The ski areas have had a remarkable impact on the economies and nature of the communities in which they are located. The rapid growth of some of the state's larger ski areas occurred during a time when wood products manufacturers and paper companies were laying off workers and even closing down. Lincoln, New Hampshire, is an example of a community where the paper mill closed at the same time that the ski area was expanding. Not only has the ski area provided new jobs as an employer, but a large number of construction jobs were created to build the new facilities at the ski areas and at the many businesses and second homes that were constructed near the ski area.

Construction and equipment spending totaled \$135.4 million at the ski areas alone during the past decade. Off-site investments also supported thousands of other construction workers during this time period who built hotels and motels, condominiums, second homes, restaurants, retail stores, water and sewer systems and highways. The ski areas also donated \$84,000 to local charities and provided \$3.1 million in in-kind services to charities during the 2012-13 season.

As indicated above, visitor spending that occurred at the ski areas was only a small part of total visitor spending and had significant multipliers in the local economy. Only 11 percent of the total direct and secondary sales generated by the spending of visitors to the ski areas actually took place at the ski areas. Only 14 percent of the total value of the payrolls caused by this visitor spending was at the ski areas. Finally, 5.5 percent of the total amount of taxes and fees paid directly and indirectly to state and local governments were paid directly by the ski areas. This reflects the importance of off-ski area spending at hotels, second homes, restaurants, liquor stores, tollbooths and for gasoline taxes.

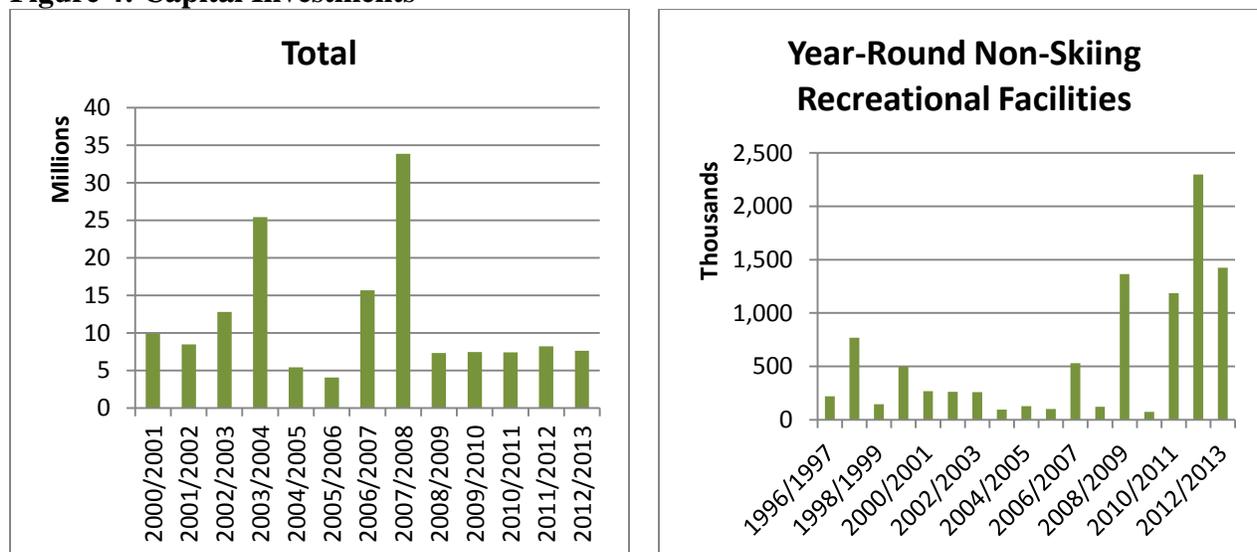
Industry Capacity

In the past decade, the number of Nordic ski areas decreased by one, while the number of alpine ski areas remained the same. Two alpine ski areas closed, but two areas that had closed before 2002-2003 were reopened. Two Nordic ski areas closed, but one new area opened.

The ski areas that have continued to operate and the new and reopened areas have been making new investments in ski operations that increase their capacity to serve more skiers. Major investments have been made in snowmaking equipment and lift capacity over the past ten years. There also have been investments made in new lodges, trails and grooming equipment. During the past decade, the uphill lift capacity (VTF/hour) at 20 alpine areas was estimated to have increased by 5.1 percent to 108.4 million VTF in 2012-13; the hourly uphill capacity of the lifts increased by 14.6 percent to 148,624 seats per hour in 2012-13; and the trail area under snowmaking increased by 10.1 percent to 2,642 acres in 2012-13. Most of the larger alpine ski areas are now at, or near, 100 percent trail coverage by snowmaking.

It was estimated that, between 2002-03 and 2012-13, ski areas invested \$38.4 million dollars in snowmaking equipment; \$31.4 million in new ski lifts; \$22.2 million in new and improved lodges; \$5.9 million in trail improvements and new ski trails; \$15.6 million in new trail grooming equipment; and \$7.6 million on non-skiing facilities to serve the visitors year-round. These estimates should be considered conservative since not all ski areas in the state participated in the survey. It is also worth noting that the ski areas had radically increased investment in year-round non-skiing recreational facilities during the past three years, as shown in Figure 4. This new trend may reflect that an increasing number of the ski areas see non-skiing year-round recreation as a way to diversify their businesses and reduce their reliance on snowfall.

Figure 4: Capital Investments



Source: Estimated by author based on New Hampshire ski areas survey 2012/13
The dollar amounts are measured in current dollars.

Trends in Ski Area Visitation

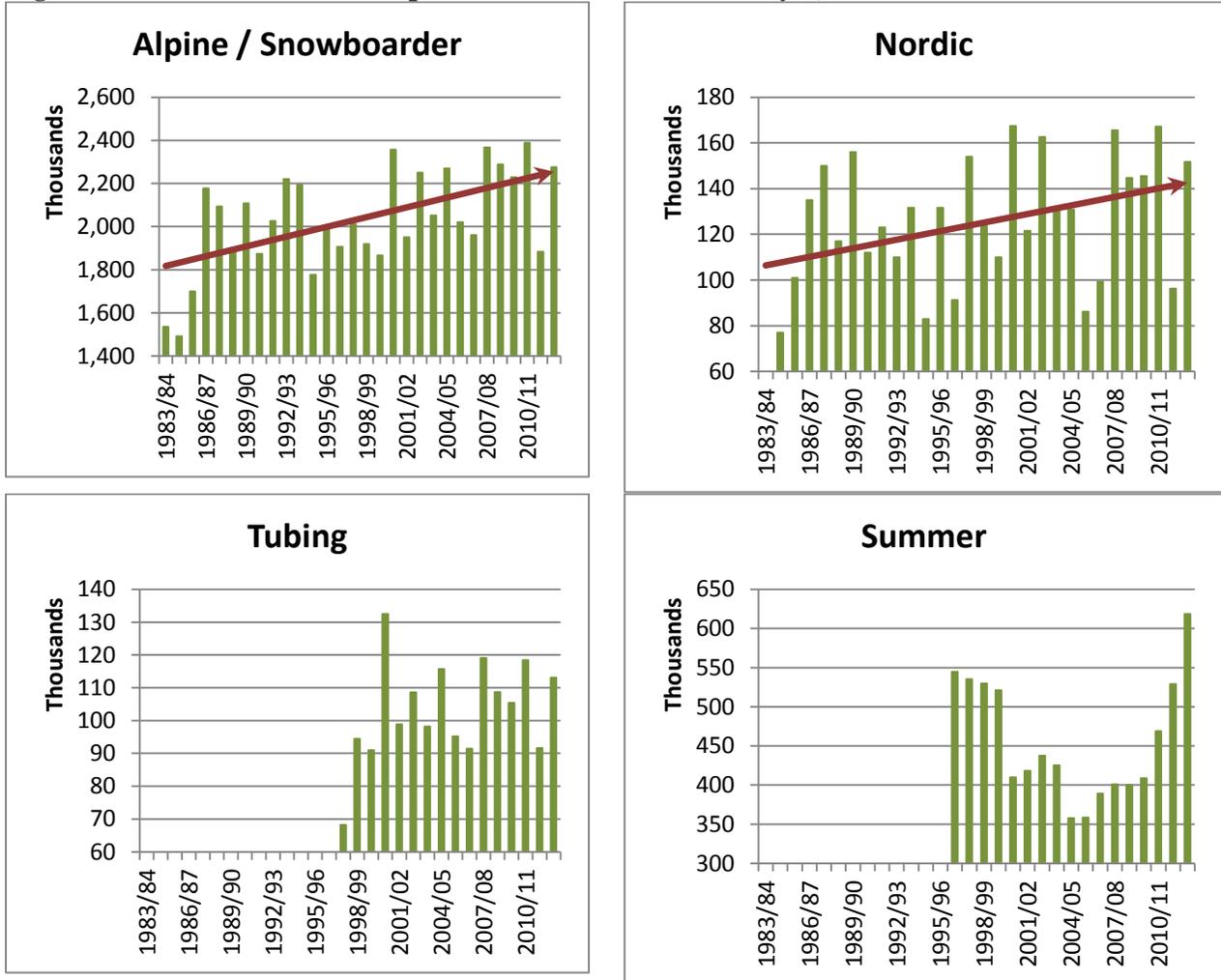
The number of alpine skiers has increased over the long term. Ski NH's survey shows that the season of 2012-2013 had the fifth highest number of alpine skiers ever with 2,276,370. The highest season was 2010-2011 with 2,388,248 alpine skiers. The second highest season was 2,366,706 alpine skiers during 2007-8. All the 2005-6, the 2006-7, and the 2011-12 skiing seasons were notable for the unusually warm weather during part of each skiing season, which reduced attendance. Seven of the skiing seasons with the highest alpine skier attendance in the state's history occurred during the past ten seasons.

The number of Nordic skiers in the state is far more dependent on weather conditions than the number of alpine skiers, as only two of the twenty Nordic areas have snowmaking on Nordic ski trails. The 2012-13 skiing season had an estimated 151,676 Nordic skiers, the seventh highest seasonal count ever. There were 167,475 Nordic skiers estimated for the record season of 2000-1. The number of Nordic skier days has been on the rise in the long term, although it has fluctuated widely depending on the amount of snowfall.

The growth of tubing visitor days has been stagnant since 2007, after having grown as another popular recreational activity in the ski areas since the late 1990s. An estimated 113,058 of these visitor days were spent tubing in the 2012-13 season.

The number of visitors to the ski areas during the summer and fall seasons was estimated to have picked up rapidly for the last three years. After declining during the 1995 to 2004 decade, there has been a rebound since 2005 with the ski areas introducing new activities such as ziplining, indoor wall climbing, trampolines, and hosting more events and functions. These year-round recreational facilities also help generate additional revenues from non-skiers during winter.

Figure 5: Visitors to New Hampshire Ski Areas (Visitor Days), 1983/84-2012/13



Source: Ski NH survey 2012/13

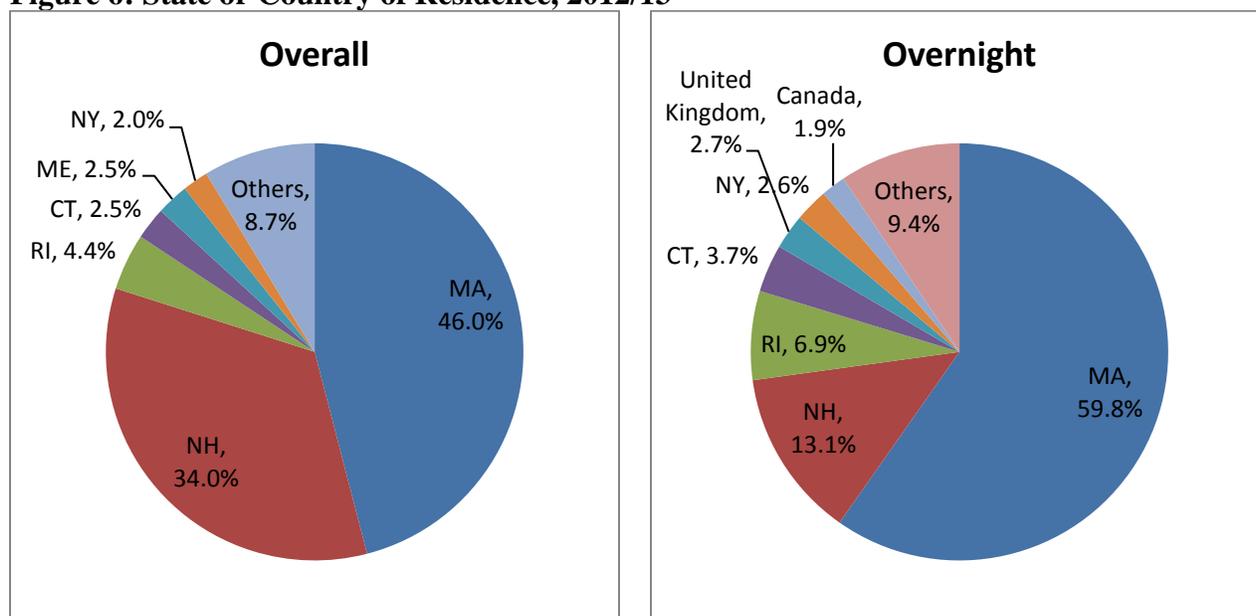
Summer visitor days were estimated by author based on New Hampshire ski areas survey, 2012/13.

New Hampshire's Skier Markets

Overnight visitors made up nearly half of all visitors to ski areas in the state during the 2012-13 season. New Hampshire's typical overnight skier was in a family or group of four or five friends coming to New Hampshire from Massachusetts for an average stay of four days. This overnight travel party spent an estimated average of \$1,840 for the trip. The most attractive market for the ski areas and nearby businesses was the Christmas and school vacation week skier in late December and mid-February.

Figure 6 shows the state of residence of visitors to the state's ski areas. There are several noteworthy points. First, Massachusetts is by far the largest market for the New Hampshire ski industry. Secondly, overnight visitors are more likely to be from outside New England. The state is an attractive destination for foreign skiers as well; nearly 5 percent of total overnight ski parties came from abroad, including the United Kingdom and Canada. Thirdly, overnight visitors are less likely to be residents of New Hampshire. Almost all visitors to New Hampshire (including Canadians) drove to get here, although those from distant states flew into Boston, Manchester, Portland or Burlington and rented a car to reach the ski areas.

Figure 6: State or Country of Residence, 2012/13



Source: National Ski Areas Association Survey, 2012/13

Table 6: Characteristics of Visitors to NH Ski Areas

	Overnight	Overall
Number of People in Party	4.6	4.4
Number of Days per Stay	4.0	2.5
Spending per Party per Trip	\$1,840	\$645
Primary State of Origin	Massachusetts	Massachusetts
Means of Transportation	driving	driving

The dollar amounts are measured in fiscal year 2012 dollars.

The spending per party was estimated based on the assumption that lodging and transportation costs together make up 29% of total spending.

Impact of Snowfall on the Ski Industry: Season 2011-12 and 2012-13

As important as the ski industry is to the region, the fortunes of the industry are vulnerable to the whims of Mother Nature. The trend in ski area visitation shows that, although visitation has been on the rise in the long term, it wildly fluctuated over the years depending on the amount of snowfall. The past two winters serve as a great example. The 2012-13 and the 2011-12 seasons were similar in terms of other influential variables such as general economic conditions, except for the amount of snowfall. During the winter five month skiing season from December to the following April, the 2011-12 season was unusually warm with only 27 days with snow cover, while the 2012-13 season had the most snow since the 2007-8 season with 50 days with snow cover. This difference in weather led to an increase in overall visitation to ski areas by more than 22 percent between the two seasons. Its impact is even greater for Nordic ski areas than for alpine ski areas, whose visitors increased by more than 57 percent during the same time. Table 7 summarizes the impacts of the snowfall change on the ski industry between the two seasons. The numbers are so compelling as to ponder what can or should be done to guard the ski industry, which is the lifeline for many regions of the state particularly during winter, against snowfall changes.

It is important to note that, even in a low-snow season when the skier spending decreases significantly, the contribution level of the ski industry in terms of the share of total direct tourist spending in the region remains high. The skier spending's share of total tourist spending in the state during the 2011-12 season was 7.6 percent, which is nearly on par with 7.9 percent during the 2012-13 season. This point is even more glaringly evident in the northern and western tourism regions of the state during the winter five month ski season. The skier spending's share of the total tourist spending was 45.3 percent during the 2012-13 season while 45 percent during the 2011-12 season.

Table 7: Impacts of Snowfall Change between 2011-12 and 2012-13

	2011-12	2012-13	All Tourists 2011-12	All Tourist 2012-13	% in All 2011-12	% in All 2012-13	% change 2011-12 & 2012-13
Days with snow cover	27	50					85%
All year							
Visitor Days	2.69	3.26	53.43	53.13	5.0%	6.1%	21.2%
Direct Spending	\$335	\$359	\$4,393	\$4,517	7.6%	7.9%	7.1%
State Gov. Receipts	\$30	\$32	\$383	\$397	7.9%	8.1%	6.7%
Local Gov. Receipts	\$26	\$29	\$499	\$503	5.3%	5.8%	10.3%
Winter only in northern 5 regions							
Visitor Days	2.16	2.64	6.67	6.72	32.4%	39.4%	22.2%
Alpine	1.88	2.28					20.9%
Nordic	0.10	0.15					57.6%
Direct Spending	\$286	\$300	\$637	\$663	45.0%	45.3%	4.9%
Secondary Sales	\$630	\$658					4.4%

Dollar amounts are shown in millions of fiscal year 2012 dollars, and visitor days are in millions.

Conclusions

During the period from May 2012 to April 2013, more than 3.26 million people visited the state's ski areas, and spent approximately \$359.0 million at and away from ski areas within the state. This \$359.0 million direct spending represents 7.9 percent of total traveler spending in the state and 16.2 percent of traveler spending in the state's northern and western five travel regions. The share of ski area spending is even greater during the winter five month skiing season; direct skier spending at and away from ski areas was more than \$300 million from December 2012 to April 2013, which represents a whopping 45.3 percent of total traveler spending in the state's northern and western five regions over the same period.

The impacts of spending by visitors to the state's ski areas are far reaching to the broader community. Of the total direct and secondary spending by visitors to the state's ski areas during the 2012-13 season, only 11 percent was spent at ski areas while the rest of the 89 percent was spent at other businesses in the region such as restaurants, lodging, gas stations, and grocery stores. It was estimated that ski area visitor direct and secondary spending resulted in a total of \$32.3 million in state government taxes and fees, which was 8.1 percent of all state government taxes and fees paid by all travelers during the period between May 2012 and April 2013. An additional \$29.0 million were paid in taxes and fees to the local governments.

The study showed how vulnerable the ski industry can be to snowfall changes. From the 2011-12 season (of low snowfall) to the 2012-13 season (of better-than-average snowfall), days with snow cover increased by 85 percent, and as a result, skier counts rose by more than 20 percent. Even in a low-snowfall year, though, the contribution level of the skier spending to the region's economy remains high in terms of its share of all traveler spending. It was estimated that the skier spending's share of the total tourist spending in the northern and western travel regions of the state was 45 percent during the 2011-12 ski season, nearly on par with 45.3 percent during the 2012-13 ski season. In addition, the ski industry contributes to the region's economic growth by bringing money from outside the state; the NSAA survey shows that about 66 percent of the skiers who visited the state during the 2012-13 skiing season were non-residents.

In sum, the far reaching magnitude of the contribution that the ski industry makes to the state's economy cannot be overemphasized. Its contribution is particularly important for the northern regions of the state. Thanks to the collective efforts among businesses, local and state governments, and trade groups, the ski industry has grown over the past two decades. It is also worth mentioning that the industry has dramatically increased its investments in year-round non-skiing recreational facilities during the past three years, in order to reduce the industry's reliance on winter skiing business and its vulnerability to snowfall changes. However, the share of summer revenues still makes up a small fraction of the total, and ups and downs from one season to next have been so wild and unpredictable, largely due to snowfall changes, that it entails the collective efforts of the community to continue to nurture and grow this pivotal industry in the future. Ski area promotion and development activities should be expanded, with support from the ski areas, other businesses which benefit from ski area visitor spending and state and local government. New Hampshire should be promoted at such a level in national and regional media and be recognized by the skier living outside New England as an attractive vacation destination.

Glossary

Direct spending represents original spending. In this study, direct spending is original dollars spent at lodgings and restaurants.

Secondary spending has two components – indirect and induced spending. Indirect spending comprises monetary transactions among businesses, organizations and government agencies that supply those businesses where the original spending has taken place. Induced spending includes the income of employees and owners and their spending within New Hampshire, for all of those businesses, organizations and government agencies where the direct and indirect monetary transactions occurred.