

CHAPTER THREE

Profile of, and Direct Economic Impacts from, Arkansas Heritage Tourism

INTRODUCTION AND SUMMARY

Giant and growing, the U.S. travel and tourism industry has captured the attention of state and local governments eager to bolster local economies and enhance community amenities.

The \$500 billion travel industry—one of America’s fastest-growing business segments—accounts for approximately 4.2 percent of the nation’s gross domestic product. Demographic, socioeconomic, and lifestyle factors are affecting the industry’s volume and its predominant component—the pleasure trip market. Heritage tourism, one of the top reasons for pleasure travel, has become increasingly important to travelers and the communities they visit and offers significant benefits to the community. Heritage tourism can offset the costs of maintaining historic sites, help stimulate preservation efforts, and perpetuate the sense of place that lends communities their unique character and identity. At the same time, heritage tourism can realize important economic gains with respect to jobs, income, and tax revenues.

This chapter analyzes heritage tourism in the nation and in Arkansas. First, an overview of the U.S. travel market sets out a perspective on the market’s size, features, trends, and impacts. Next, heritage tourism’s growth factors, benefits, and impacts are briefly surveyed at the national level. Finally, the Arkansas travel market and data compiled on the features and economic impacts of Arkansas heritage tourism are reviewed in detail.

SUMMARY OF FINDINGS

National Travel and Heritage Tourism

- There are numerous trends in the travel market fostering heritage tourism, including an increase in travel for pleasure, as opposed to business, and a growing tendency toward shorter duration and shorter distance trips. Baby boomers—large in number and with growing discretionary income—also have a proclivity toward heritage tourism.
- While the precise scale of national heritage tourism is unavailable, it is by all accounts a significant component of pleasure travel. Forty percent of families traveling on vacation stop at historic sites (Schiller 1996), and museums and cultural events rank among Americans’ favorite tourist attractions (McDowell 1997).
- Numerous reports show heritage tourism’s significant contribution to the economy. In Virginia, for instance, historic preservation visitors were found to stay longer, visit twice as many places, and spend on average more than two and one-half times more money in that state than other (non-heritage) visitors.

Arkansas Travel and Heritage Tourism

- Travel and tourism are also significant to Arkansas’s economic well-being. As an industry, Arkansas tourism is one of the state’s top revenue producers.
- Enhanced heritage tourism in Arkansas would expand the overall travel market in the state. Heritage tourism would increase overnight and touring vacations and would coax more visitors to Arkansas—thus injecting the state with “imported” income. Moreover, Arkansas is rich in historic and other interesting sites, which are core motivations for heritage travel.

- Heritage travel is already an important component of the Arkansas travel market as is depicted below:

EXHIBIT 3.1
Annual Average Person-Trip Distribution for Arkansas (2004)

Traveler Trip	All Arkansas Person-Trips (in millions)	Heritage Person- Trips ^a (in millions)	Heritage as Percent of All Arkansas Travel
Day trip	8.28	1.32	16.0%
Overnight	<u>12.42</u>	<u>1.98</u>	16.0%
All trips (day and overnight)	20.70	3.40	16.5%

^aDefined as a business or leisure traveler indicating “visit historic site” or other related trip purpose.

- The profile of the heritage traveler leans heavily toward middle-aged, married adults who are relatively well-educated and have middle or higher incomes. Compared to all trips, the heritage trip, tends to be a group trip (often part of a family trip), with multiple activities.
- Compared with all travelers, heritage travelers, on average, spend considerably more. Furthermore, a much higher share of heritage travelers come from out of state (e.g. 81 percent for the heritage group versus 68 percent for all Missouri travelers). These traits combined accentuate the economic contribution of the Arkansas heritage traveler.

EXHIBIT 3.2
Annual Average Spending per Person-Trip for Arkansas (2004)

Trip Type	All Arkansas Travelers	Heritage Traveler	Heritage as % of All Arkansas Travelers
Daytrips	\$205.60	\$267.28	130%
Overnight Trips	\$205.60	\$271.39	132%

- Travel expenditures of Arkansas heritage travelers, counting only the spending attributable to the heritage portion of their travels, amount to some \$890.6 million annually. In the case of a lawyer traveling to Little Rock on business, for example, and stopping at a historic house museum in Arkansas’s capital, only a fraction of this trip’s expenditure would be counted by this study as a heritage trip expenditure.

EXHIBIT 3.3
Annual Average Heritage Trip Spending for Arkansas (2004)

Trip Type	Heritage Trips
Day trips	\$352.9 million
Overnight Trips	<u>\$537.6 million</u>
All Trips (Day and Overnight)	\$890.6 million

- The total impacts from the \$890.6 million in annual heritage tourism spending in Arkansas are shown below.

EXHIBIT 3.4
Total Economic Impacts of the Annual Arkansas
Heritage Tourism Spending (\$890.6 Million Spent)

	In Arkansas	Outside Arkansas	Total (U.S.)
Jobs (person years)	21,552	3,648	25,200
Income (\$millions)	318.8	100.2	419.0
Output (\$millions)	1,025.1	399.1	1,424.2
GDP/GSP (\$millions)	507.9	186.1	694.0
Total taxes (\$millions)	172.7	16.1	188.8
Federal (\$millions)	98.9	6.9	105.8
State/Local (\$millions)	73.8	9.2	83.0
In-state wealth (\$millions)	409.0	—	—
(GSP minus federal taxes)			

^aGDP/GSP = Gross Domestic Product/Gross State Product.

NATIONAL TRAVEL AND TOURISM OVERVIEW

- In 2002, Americans took over 1 billion domestic person-trips of 50 miles or more (U.S. Travel Data Center 1999) away from home.
- In 2002 travel expenditures in the U.S. totaled \$540.3 billion (\$476.6 billion from U.S. residents). On average, travel parties spend \$457 per trip, not including transportation to their destination.
- Domestic travel in the United States in 2002 was predominantly composed of pleasure trips (77 percent) and business trips (12 percent). The four main components of pleasure travel are visiting friends and family (40 percent), outdoor recreation (10 percent), personal (11 percent), and entertainment (16 percent).
- Demographically, 2002 traveling households were apt to be married (64 percent); more than a third (35 percent) had children at home and the average age of traveling household heads was 47. More than half (55 percent) had completed college and four in ten work in professional or managerial positions (39 percent).

- More than half (55 percent) of all U.S. resident trips involved a hotel/motel or bed & breakfast stay in 2002. The average pleasure trip lasted 3.4 nights, but among only overnight trips, average duration is 4.1 nights.
- Travel expenditures create secondary impacts that magnify travel’s contribution to the economy, as shown in exhibit 3.5. This exhibit indicates the direct, the indirect and induced, and finally the total economic impacts of travel in the United States in 1990.
- The most popular type of trip activity is shopping, included on a third (30 percent) of all person trips. Shopping is followed by attending a social or family event (27 percent), outdoor activities (11%), city or urban sightseeing (10%), rural sightseeing (10%), beaches, (9%), historical places, sites or museums (8%), gambling (7%), national/state parks (7 percent), and cultural events/festivals (3%). As usual summer is the most popular travel season for pleasure travel (33 percent of all person-trips) and winter is the least popular travel season (20 percent).
- There are a number of overall forces affecting travel and tourism in the United States that bear on heritage tourism. These include:
 1. A stimulus for travel growth is expected to come from the increasing numbers of pleasure trips. More and more, consumers seem to prefer long weekend getaways instead of lengthier vacations to more distant spots. Perhaps this reflects the rise in numbers of two-income households with more money but less free time (Standard and Poors 1996). Overall travel data also suggest an increasing trend toward shorter-duration trips—more daytrips and one-night visits—and shorter-distance trips. Heritage tourism compares well with these trends.
 2. Baby boomers are in or approaching their peak earning years and have discretionary income to spend. They represent great potential for the pleasure travel market. “The one thing baby-boomers have left to collect is experiences, and that’s what travel and the arts offer.” (Cook 1996)

In short, due to demographic reasons, such as the coming of age of baby boomers, and the evolving nature of travel in the United States (e.g., increasing numbers of short pleasure trips), heritage tourism is becoming a more potent force in the travel market as a whole (Gaede 1994).

EXHIBIT 3.5
Measures of Impact of Travelers on the U.S. Economy in 1990

Impact Measure	Direct Impact	Indirect & Induced Impact	Total Impact	Multiplier
Expenditures (Billions)	\$290.4	\$407.3	\$697.7	2.40
Earnings (Billions)	\$79.1	\$117.6	\$196.7	2.49
Employment (Millions)	5.2	5.3	10.5	1.92

Source: Impact of Travel on State Economies, 1990, U.S. Travel Data Center, October 1992

HERITAGE TOURISM IN THE UNITED STATES

Historic sites play a crucial role in fostering pleasure travel. As travel expert Arthur Frommer explained, “[p]eople travel in massive numbers to commune with the past. We all gain solace, pleasure and inspiration from contact with our roots... [Y]ou cannot deny that seeing the cultural achievements of the past, as enshrined in period buildings, is one of the major motivators for travel.” (Frommer 1993)

Precise data on heritage tourism’s share of the overall travel market is not available. But various surveys report that historic site visits are increasingly included on family travel itineraries. Noting a 1993 *Better Homes and Garden Survey*, economist Tim Schiller (1996) wrote:

Historic sites are growing in popularity as destinations for pleasure trips: 40 percent of families traveling on vacation stop at historic sites. Several factors account for this increased interest. First, such trips tend to be less expensive than other types of vacations or pleasure travel. Second, family travel has increased, and often, historic sites are something of interest to all family members. Third, vacationers, especially family groups, are more concerned about adding educational opportunities to their vacation plans.

Heritage tourism’s burgeoning growth has also garnered business and government support.

1. American Express Travel Related Services underwrote the 1993 publication of *Getting Started: How to Succeed in Heritage Tourism*, by the National Trust for Historic Preservation. The booklet is designed to help communities combine the preservation of historic, cultural, and natural resources with tourism and help sustain local economies and community character.
2. Black heritage tourism is increasing exponentially, and African Americans have formed tour companies that focus on black cultural heritage throughout the U.S. (American Vision 1994).
3. The United States Travel and Tourism Administration and the Minority Business Development Agency began a joint economic initiative in 1990 to broaden awareness of minority historical and cultural tourist destinations and to bolster minority-owned businesses, particularly in travel and tourism. The multifaceted program is considered an initiative “to assist interested communities in preserving and celebrating their cultural identities through tourism.” (Doggett 1993)

The \$16 billion spent on the restoration of American historic sites since 1976 has produced a critical mass of saved resources in many communities (Travel Holiday 1996). As the number of preserved historic sites and neighborhoods mounts, new tourism “product” becomes available for both domestic and international visitors and the tourism-preservation cycle continues.

[T]he tourism industry needs more attractive, educational and authentic destinations to meet the needs of growing numbers of domestic and international travelers; the preservation community needs the political support and economic benefit that travelers provide to the sites and the communities they visit. That support and the resulting economic benefit are catalysts for continued protection, maintenance and promotion of these heritage areas. (*Touring Historic Places.*)

Recognition of heritage tourism’s economic contribution (or potential) can be found throughout the country.

- More than 85 regional heritage areas are in varying phases of development across the U.S. These efforts reflect broad-based collaboration to protect a regional landscape, preserve historic resources, enhance recreation, or stimulate economic development and regional strength through tourism.
- An analysis of historic preservation's impact on Maryland's tourism industry found that visiting historic sites is one of the most popular activities among travelers. But, historic properties, responsible for generating a very large share of the state's tourism income, needed to be more widely promoted.
- In Virginia, the impact of travel to historic sites was found to be crucial to the state's economy.

Historic preservation visitors stay longer, visit twice as many places, and spend on average, over two-and-one-half times more money in Virginia than do other visitors. The economic impact of Colonial Williamsburg alone on Virginia's economy is over half a billion dollars a year. (Virginia 1996)

- A report on the economic impact of Wisconsin's heritage tourism program showed that visitors spent over \$215 million on admission fees alone to cultural/historic activities in 1995.

ARKANSAS'S TRAVEL AND TOURISM MARKET OVERVIEW

Much of the travel data for Arkansas is derived from a series of surveys produced by the Arkansas Department of Parks and Tourism. These surveys include a 2004 Spring Advertising Campaign, Internet Conversion Study, Welcome Center Survey and the Welcome Center Registration Summary. In addition, many of the non-tourism statistics were derived from the U.S. Department of Commerce's Bureau of Economic Analysis.

Arkansas's travel and tourism market is sizable and important economically. The 100.5 million person-trips made to Arkansas or within the state during the period 2000-2004 generated about \$19.77 billion in traveler expenditures. As an industry, tourism constituted 5.3% of the Arkansas economy in 2003. For comparison purposes, the following industries are included: agriculture, forestry, fishing and hunting, 3.2%; construction (construction of buildings, heavy and civil engineering construction, and specialty trade contractors), 4.5%; manufacturing of durable goods, 9.6%; food manufacturing production, 3.8%; and truck transportation, 2.7%. These industries have been selected for their relevance and significant contributions to the 2003 Arkansas economy.

Over a three year span tourism spending has grown 8.5% (\$3,919 billion in 2002 to \$4,254 billion in 2004). While 2004 data is not available for many industries, we provide figures from 2002 to 2003 in our alternate industries: agriculture, forestry, fishing and hunting grew 23%; construction (construction of buildings, heavy and civil engineering construction, and specialty trade contractors) fell 3%; manufacturing of durable goods grew 1.8%; food manufacturing production grew 1.6%; and truck transportation fell 1.5%. From 2002 to 2003, Arkansas's tourism industry grew 0.6%.

Heritage travel is very important to Arkansas on numerous interrelated counts:

1. It has the potential to increase overall travel and tourism in the state with attendant economic benefits.
2. It has the potential of broadening the state's travel objectives.
3. Heritage tourism can increase overnight touring travel in the state. Overnight travelers spend more than day-trippers and thus generate greater economic benefits.
4. Arkansas is rich in historic and other sites (e.g., sites of ethnic and/or minority interest), which are at the core of heritage travel.
5. Increased heritage travel to Arkansas can enhance the state's image as an attractive destination.

As elsewhere, heritage travel in Arkansas can benefit from changes occurring generally in the country and from specific trends affecting travel. These include: an aging population; a population with enhanced interest in education, tradition, and roots; a large baby-boom population with discretionary income; and an increase in family travel, domestic travel, and shorter-duration and shorter-distance trips.

To obtain a better sense of heritage tourism in Arkansas, it behooves us to examine in greater detail the profile and scope of the state's current heritage travelers.

ARKANSAS HERITAGE TOURISM

Due to limited information on heritage tourism in Arkansas, a number of estimates were necessary in order to quantify the economic impacts of heritage travel in Arkansas. Much of the information was garnered from a number of surveys conducted by the Arkansas Department of Parks and Tourism and the Historical/Cultural Traveler 2003 survey conducted by the Travel Industrial Association of America (TIAA). The following figures were compiled as follows:

- The Arkansas Department of Parks and Tourism estimated the total number of travelers to visit the state of Arkansas in 2004 to be 20.7 million persons. The percentage of persons visiting historic/cultural sites varied from survey-to-survey—numbers ranged from 4% to 28%. Our final calculations averaged these numbers and determined that 16% of all travelers in the state of Arkansas, totaling 3,301,650 ($20.7 \text{ million} \times 0.16$), were heritage travelers.
- The average duration of the historical/cultural traveler's trip in Arkansas was 3.3 nights.
- The percentage of heritage trips involving overnight stays, estimated by the TIAA's Historical/Cultural Traveler 2003 survey, was 90%. Feeling this number to be on the high-end, we conservatively reduced our percentage to 60%. Applying the 60% to the total number of historic travelers (3,303,650), the following estimates are deduced. In 2004, Arkansas drew 1,320,660 day travelers ($3,301,650 \times .4$) and 1,980,990 overnight travelers ($3,301,650 \times .6$).

- The average expenditure per person-trip in Arkansas was \$205.60. On average, historical/cultural travelers spend more per trip. This study conservatively calculates the average cost of a historical/cultural day-trip in Arkansas to be \$267.28—a 30% increase on the average expenditure per person-trip. The average cost of a historical/cultural overnight-trip in Arkansas is estimated to be \$271.39—a 32% increase on the average expenditure per person-trip.
- For 2004, historical/cultural travelers spent \$352.9 million (1,320,660 day-trips x \$267.28) on day-trips and \$537.6 million (1,980,990 overnight-trips x \$271.39) on overnight-trips. The total expenditure by historical/cultural travelers in Arkansas was \$890.6 million.

TOTAL ECONOMIC IMPACTS FROM HERITAGE TOURISM

The following section translates the \$890.6 million annual Arkansas heritage-attributed direct spending into total economic benefits by applying the Preservation Economic Impact Model (PEIM). An overview of the results is contained in exhibit 3.6 below. The total annual economic impacts from the \$890.6 million in annual spending by Arkansas heritage travelers, encompassing both direct and multiplier effects, included, at the national level, the following: 25,200 jobs; \$419.4 million in income; \$694 million in gross domestic product; and \$188.8 million in taxes. Arkansas received a large share of these gains. On an annual basis from the heritage tourism, Arkansas realized 21,552 jobs; \$318.8 million in income; \$507.9 million in gross state product; \$172.7 million in taxes (including \$73.8 million in state–local taxes); and annual in-state wealth creation of about \$409 million.

EXHIBIT 3.6
Total Economic Impacts of the Annual Arkansas
Heritage Tourism Spending (\$890.6 Million Spent)

	In Arkansas	Outside Arkansas	Total (U.S.)
Jobs (person years)	21,552	3,648	25,200
Income (\$millions)	318.8	100.6	419.4
Output (\$millions)	1,025.1	399	1,424.1
GDP/GSP (\$millions)	507.9	186.1	694.0
Total taxes (\$millions)	172.7	16.1	188.8
Federal (\$millions)	98.9	6.9	105.8
State/Local (\$millions)	73.8	9.2	83.0
In-state wealth (\$millions) (GSP minus federal taxes)	409.0	—	—

^aGDP/GSP = Gross Domestic Product/Gross State Product.

Nationwide Impacts

The details of the national economic effects of the \$890.6 million in direct heritage tourism spending are contained in exhibits 3.10 to 3.11. Item 1 of Section II in exhibit 3.8 shows, for instance, that the direct effects of heritage tourism spending to the nation translate into 17,969 new jobs, and an increase of \$245.6 million in income, \$786.3 million in output, and \$389.5 million in GDP. The GDP/investment ratio (0.44) reveals even more significant levels of importing in the support of heritage tourism than in the support of historic building rehabilitation (GDP/investment ratio = 0.64). Multiplier effects add 7,231 more heritage-related jobs, \$173.8 million more income, \$637.8 million more output, and \$304.7 million more GDP. Therefore, the total economic impacts of Arkansas heritage tourism—the sum of its direct and indirect and induced effects—are 25,200 jobs (17,969 + 7,231), \$419.4 million income (\$245.6 million + \$173.8 million), \$1,424.1 million output (\$786.3 million + \$637.8 million) and \$694.2 million in GDP (\$389.5 million + \$304.7 million).

Of the total 25,200 jobs generated nationwide by Arkansas heritage tourism, the bulk are in three major industries: retail trade (13,416 jobs), services (6,629 jobs), and manufacturing (2,059 jobs) (exhibit 3.8). Of the total \$419.4 million in labor income generated, these same three industries account for \$159.2 million, \$104.9 million, and \$64.1 million, respectively. Simple division of the number of jobs into the amount of labor income generated shows that nationwide the labor income per job supporting heritage tourism is \$11,867 for retail trade, \$15,824 for services, and \$31,124 for manufacturing. Because of Arkansas heritage tourism's emphasis in retail trade and services, the nation's average labor income per job supporting the tourism is \$16,645. This figure is substantially lower than the \$27,543 national average income per job supporting the state's historic building rehabilitation since rehabilitation requires many more high-paying construction jobs.

The dichotomy in job quality is even starker between jobs created indirectly and directly by Arkansas heritage tourism. Items 1 and 2 in Section II of exhibit 3.8 reveal that indirectly created jobs pay on average \$24,034, while jobs created directly pay on average \$13,671—a difference of \$10,363 per job. Low-paying jobs, in other words, indirectly create high-paying jobs. Some, but not all, of the pay gap between direct and indirect jobs is due to the part-time nature of the direct jobs created in the retail trade and service industries. A finer breakdown of national economic impacts by industry (exhibit 3.8) shows that of the 6,629 jobs created in the service industries, about 59 percent (3,931 jobs) are in the hotels/lodging category. Further, about 84 percent of the 13,416 retail jobs created through Arkansas heritage tourism are in eating/drinking establishments (11,214 jobs). These two industries are notorious for paying low wages (although the income numbers in this study include reported tips as well) and are composed of part-time jobs in unusually high proportions.

An evaluation of job productivity (GDP per job) reveals an even larger gap of \$20,464 (\$42,142 versus \$21,678) between indirect and direct jobs supporting Arkansas heritage tourism. The differences between the two indirect-to-direct-job pay gaps (labor income/job and GDP/job) suggest that heritage tourism is far more profitable to firms indirectly affected by the industry. At any rate, the pay gap between the indirectly and directly created jobs in this category causes the traditional national multiplier for labor income to be higher for heritage tourism than for historic building rehabilitation. It also causes the national employment multiplier to be extraordinarily low.

Which helps the national economy more on average, \$1 million in heritage tourism spending or \$1 million in historic building rehabilitation? The last exhibits 2.6 and 3.10 of each section provide the answer. A comparison of these two sections reveals that historic building

rehabilitation provides a higher return on two of the four measures. One can also readily infer that weak investment in historic building rehabilitation will eventually lead to lower annual spending on heritage tourism. Nonetheless, while historic building rehabilitation technically “helps” the national economy more than heritage tourism, it may be difficult to get one without the other.

State-Level Impacts

Exhibits 3.12 and 3.13 present the total economic effects of heritage tourism spending in state. Item 1 in Section II of exhibit 3.9 shows that Arkansas retains about 17,049 or 95 percent, of the total direct jobs (17,969) created in support of heritage tourism. This percentage is higher than the 93 percent job retention rate for historic building rehabilitation. Arkansas retains a lower proportion of the indirect and induced heritage tourism employment impacts—only about 62 percent (4,503 of 7,231 jobs).

In sum, through heritage tourism Arkansas gains 21,552 jobs (85 percent of the total 25,200 jobs generated nationally), \$318.8 million in income (76 percent of the \$419.4 million in income generated nationally), \$399 million in output (72 percent of the \$1,424.1 million in output generated nationally), and \$507.9 million in wealth (73 percent of the \$694 million added to national GDP). Heritage tourism’s state multiplier effects (measured by subtracting one from the multipliers and dividing the region’s multiplier by the nation’s)¹ are about 64 percent of the nation’s (exhibits 3.10 and 3.13). Thus, the economic benefits of heritage tourism that accrue to Arkansas are concentrated in the direct effects.

Finer-grained detail of state impacts by industry (exhibit 3.10) are also available and reflect concentrations similar to those noted at the national level. Of the 21,552 total state-level jobs derived from heritage tourism, most are to be found in eating/drinking establishments (11,060 jobs) and hotels/lodging (3,841 jobs). Of the total \$318.8 million generated in annual income, the eating/drinking and hotels/lodging industries garner \$122.6 million and \$53.3 million, respectively. The eating/drinking and hotels/lodging industries also comprise \$169.9 million and \$95.8 million, respectively, of the total \$507.9 million increase in state gross domestic product (exhibit 3.10).

¹Multipliers are defined as the sum of direct, indirect, and induced effects divided by the direct effects. Since direct effects are in both the numerator and denominator, multipliers can alternatively be defined as one plus the sum of indirect and induced effects divided by the direct effects. Hence by subtracting one we get only the multiplier effect itself, which is the sum of indirect and induced effects divided by the direct effects.

EXHIBIT 3.8
National Economic and Tax Impacts of Annual
Arkansas Heritage Tourism Spending (\$ 890.6 million)

	Output (000\$)	Employment (jobs)	Income (000\$)	Gross Domestic Product (000\$)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*				
Private				
1. Agriculture	27,433.5	115	1,653.3	4,006.3
2. Agri. Serv., Forestry, & Fish	2,015.0	76	857.3	890.9
3. Mining	12,573.6	48	2,005.7	6,663.8
4. Construction	23,809.5	198	5,254.8	11,180.4
5. Manufacturing	305,512.6	2,059	64,084.9	129,987.7
6. Transport. & Public Utilities	77,266.0	562	19,788.8	36,740.5
7. Wholesale	65,722.9	724	26,726.4	34,923.3
8. Retail Trade	454,915.7	13,416	159,214.2	230,477.2
9. Finance, Ins., & Real Estate	119,784.9	1,282	32,524.5	76,888.1
10. Services	327,117.8	6,629	104,896.7	158,681.0
Private Subtotal	1,416,151.5	25,110	417,006.6	690,439.2
Public				
11. Government	8,037.8	90	2,437.9	3,821.2
Total Effects (Private and Public)	1,424,189.3	25,200	419,444.4	694,260.4
II. DISTRIBUTION OF EFFECTS/MULTIPLIER				
1. Direct Effects	786,331.1	17,969	245,653.8	389,532.9
2. Indirect and Induced Effects	637,878.2	7,231	173,790.6	304,727.5
3. Total Effects	1,424,189.3	25,200	419,444.4	694,260.4
4. Multipliers (3/1)	1.811	1.402	1.707	1.782
III. COMPOSITION OF GROSS STATE PRODUCT				
1. Wages--Net of Taxes				397,790.1
2. Taxes				
a. Local/State				70,345.2
b. Federal				
General				19,444.9
Social Security				35,435.2
Federal Subtotal				54,880.1
c. Total taxes (2a+2b)				125,225.3
3. Profits, dividends, rents, and other				171,245.0
4. Total Gross State Product (1+2+3)				694,260.4
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE				
Employment (Jobs)				28.3
Income				470,963
Local/State Taxes				93,278
Gross State Product				890,610,843

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

EXHIBIT 3.8
National Economic Impacts (Industry Detail) of Annual
Arkansas Heritage Tourism Spending (\$890.6 million)

	Industry Component			
	Output (\$000)	Employment (jobs)	Income (\$000)	Gross Domestic Product (\$000)
Agriculture	27,433.5	115	1,653.3	4,006.3
Dairy Farm Products	5,398.6	18	322.6	473.0
Eggs	162.9	1	7.5	15.2
Meat Animals	13,269.5	20	593.2	1,222.9
Misc. Livestock	88.8	1	7.6	14.8
Wool	27.7	0	2.4	4.6
Cotton	240.3	1	23.8	58.9
Tobacco	38.9	0	2.4	10.0
Grains & Misc. Crops	727.2	1	18.1	202.4
Feed Crops	3,004.6	1	65.1	771.9
Fruits & Nuts	2,673.4	56	448.8	661.2
Vegetables	409.1	12	51.5	121.0
Greenhouse & Nursery Products	342.8	1	63.8	145.1
Sugar Beets & Cane	285.2	1	6.5	101.8
Flaxseed, Peanuts, Soybean, Sunflower	764.6	1	40.1	203.5
Agri. Serv., Forestry, & Fish	2,015.0	76	857.3	890.9
Agri. Services (07)	1,443.2	44	740.9	644.6
Forestry (08)	193.8	1	17.2	71.8
Fishing, Hunting, & Trapping (09)	378.0	31	99.1	174.5
Mining	12,573.6	48	2,005.7	6,663.8
Coal Mining (12)	1,521.0	11	472.7	1,368.9
Oil & Gas Extraction (13)	10,749.2	36	1,441.2	5,065.4
Nonmetal Min.-Ex. Fuels (14)	236.3	1	74.3	177.2
Metal Mining (10)	67.1	0	17.5	52.3
Construction	23,809.5	198	5,254.8	11,180.4
General Bldg. Contractors (15)	7,708.1	81	2,265.9	4,604.1
Heavy Const. Contractors (16)	1,733.4	29	766.9	1,184.0
Special Trade Contractors (17)	14,368.1	88	2,222.0	5,392.4
Manufacturing	305,512.6	2,059	64,084.9	129,987.7
Food & Kindred Prod. (20)	93,211.2	389	13,051.1	34,195.6
Tobacco Manufactures (21)	4,325.6	4	355.4	2,954.6
Textile Mill Prod. (22)	6,890.8	71	1,722.6	1,778.0
Aparel & Other Prod. (23)	12,412.7	185	3,483.6	2,125.5
Limber & Wood Prod. (24)	3,020.0	26	693.5	896.2
Furniture & Fixtures (25)	2,230.2	26	661.3	755.4
Paper & Allied Prod. (26)	9,915.5	51	2,149.7	3,825.4
Chemicals & Allied Prod. (28)	26,943.8	101	4,592.7	14,754.8
Petroleum & Coal Prod. (29)	30,002.8	27	1,492.3	9,886.0
Rubber & Misc. Plastics (30)	7,376.9	64	2,058.6	3,273.5
Leather & Leather Prod. (31)	2,417.1	23	635.1	546.8
Stone, Clay, & Glass (32)	2,640.0	24	847.1	1,015.2
Primary Metal Prod. (33)	2,699.5	11	585.0	1,250.3
Fabricated Metal Prod. (34)	6,194.9	39	1,734.2	2,446.3
Machinery, Except Elec. (35)	3,922.2	29	1,248.4	1,532.5
Electric & Elec. Equip. (36)	8,242.2	46	2,083.3	3,761.0
Transporation Equipment (37)	16,148.8	69	2,797.1	7,097.0
Instruments & Rel. Prod. (38)	4,981.7	26	1,247.7	1,615.4
Misc. Manufacturing Ind's. (39)	47,757.2	718	18,140.3	31,053.9
Printing & Publishing (27)	14,179.4	130	4,505.8	5,224.3

EXHIBIT 3.8 (continued)
National Economic Impacts (Industry Detail) of Annual
Arkansas Heritage Tourism Spending (\$890.6 million)

	Industry Component			
	Output (\$000)	Employment (jobs)	Income (\$000)	Gross Domestic Product (\$000)
Transport. & Public Utilities	77,266.0	562	19,788.8	36,740.5
Railroad Transportation (40)	1,937.5	13	803.3	1,512.4
Local Pass. Transit (41)	5,818.6	145	2,511.4	3,442.6
Trucking & Warehousing (42)	13,592.8	204	6,721.3	7,587.4
Water Transportation (44)	1,662.1	13	481.5	761.3
Transportation by Air (45)	3,200.1	34	1,113.6	1,534.5
Pipe Lines-Ex. Nat. Gas (46)	585.7	1	63.5	283.4
Transportation Services (47)	1,691.4	29	639.7	903.4
Communication (48)	18,218.0	61	3,803.8	7,284.7
Elec., Gas, & Sanitary Serv. (49)	30,559.9	62	3,650.5	13,430.8
Wholesale	65,722.9	724	26,726.4	34,923.3
Wholesale-Durable Goods (50)	40,647.3	454	16,529.3	21,598.8
Wholesale-Nondurable Goods (51)	25,075.6	270	10,197.0	13,324.4
Retail Trade	454,915.7	13,416	159,214.2	230,477.2
Bldg. Mat.-Garden Supply (52)	3,301.5	63	1,434.0	2,156.6
General Merch. Stores (53)	19,487.3	468	7,026.8	12,729.0
Food Stores (54)	12,459.5	455	4,857.4	8,138.5
Auto. Dealers-Serv. Stat. (55)	16,315.9	202	4,287.5	10,657.5
Apparel & Access. Stores (56)	6,180.7	221	2,902.8	4,037.2
Furniture & Home Furnish. (57)	1,587.6	34	741.4	1,037.0
Eating & Drinking Places (58)	365,845.3	11,214	124,363.1	172,296.6
Miscellaneous Retail (59)	29,737.9	758	13,601.1	19,424.7
Finance, Ins., & Real Estate	119,784.9	1282	32,524.5	76,888.1
Banking (60)	12,483.2	109	3,294.8	7,130.3
Nondep. Credit Institut. (61)	20,772.2	346	10,880.4	10,016.3
Security, Comm. Brokers (62)	2,888.6	19	1,419.8	1,754.0
Insurance Carriers (63)	17,009.6	151	6,844.5	14,034.8
Ins. Agents, Brokers (64)	3,883.2	59	1,495.3	1,812.5
Real Estate (65)	56,990.5	532	5,573.8	38,727.7
Holding and Invest. Off. (67)	5,757.7	66	3,015.9	3,412.4
Services	327,117.8	6,629	104,896.7	158,681.0
Hotels & Other Lodging (70)	196,641.7	3,931	54,483.8	97,928.2
Personal Services (72)	13,766.6	397	5,013.2	5,193.8
Business Services (73)	26,538.8	531	11,376.9	12,661.7
Auto Repair, Serv., Garages (75)	17,441.0	141	3,854.7	7,708.0
Misc. Repair Services (76)	5,713.6	105	2,183.6	3,141.0
Motion Pictures (78)	9,699.4	141	2,480.0	2,794.3
Amusement & Recreation (79)	18,712.4	624	6,741.4	9,942.5
Health Services (80)	9,744.9	159	5,137.4	5,363.6
Legal Services (81)	4,038.0	38	1,867.5	2,053.2
Educational Services (82)	2,697.0	88	1,379.9	1,376.4
Social Services (83)	1,888.4	65	963.2	988.6
Museums, Gardens & Mem. Orgs. (84, 86)	7,426.0	182	3,782.0	3,624.5
Engineer. & Manage. Serv. (87)	8,310.6	131	3,688.6	3,858.0
Private Households (88)	182.8	15	182.8	182.8
Miscellaneous Services (89)	4,316.6	80	1,761.9	1,864.7
Government	8,037.8	90	2,437.9	3,821.2
Total	1,424,189.3	25,200	419,444.4	694,260.4

Note: Detail may not sum to totals due to rounding.

EXHIBIT 3.9

**In-State Economic and Tax Impacts of Annual
Arkansas Heritage Tourism Spending (\$ 890.6 million)**

	Employment (jobs)	Income (\$000)	Gross Domestic Product (\$000)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	4,535.8	18	288.1
2. Agri. Serv., Forestry, & Fish	1,261.0	55	564.9
3. Mining	2,829.1	10	392.7
4. Construction	14,483.2	72	1,920.1
5. Manufacturing	89,649.0	561	17,452.6
6. Transport. & Public Utilities	45,817.1	324	11,874.1
7. Wholesale	50,465.3	557	20,521.8
8. Retail Trade	446,359.4	13,179	156,160.4
9. Finance, Ins., & Real Estate	69,916.3	728	15,749.7
10. Services	293,241.9	5,975	91,892.4
Private Subtotal	1,018,558.2	21,478	316,816.8
Public			
11. Government	6,568.9	74	1,985.7
Total Effects (Private and Public)	1,025,127.1	21,552	318,802.5
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	688,806.8	17,049	220,582.7
2. Indirect and Induced Effects	336,320.2	4,503	98,219.7
3. Total Effects	1,025,127.1	21,552	318,802.5
4. Multipliers (3/1)	1.488	1.264	1.445
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			310,450.7
2. Taxes			
a. Local/State			61,570.5
b. Federal			
General			15,657.8
Social Security			34,180.6
Federal Subtotal			49,838.5
c. Total taxes (2a+2b)			111,409.0
3. Profits, dividends, rents, and other			86,099.2
4. Total Gross State Product (1+2+3)			507,958.9
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			24.2
Income			357,959
Local/State Taxes			82,920
Gross State Product			570,349

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

EXHIBIT 3.10
In-State Economic Impacts (Industry Detail) of Annual
Arkansas Heritage Tourism Spending (\$890.6 million)

	Industry Component			
	Output (\$000)	Employment (jobs)	Income (\$000)	Gross Domestic Product (\$000)
Agriculture	4,535.8	18	288.1	630.9
Dairy Farm Products	0.0	0	0.0	0.0
Eggs	0.0	0	0.0	0.0
Meat Animals	3,432.5	6	155.7	319.5
Misc. Livestock	9.0	0	0.8	1.5
Wool	0.0	0	0.0	0.0
Cotton	22.8	0	2.3	5.6
Tobacco	0.0	0	0.0	0.0
Grains & Misc. Crops	183.3	0	4.6	51.0
Feed Crops	15.3	0	0.3	4.8
Fruits & Nuts	499.3	10	84.0	125.5
Vegetables	14.8	1	1.8	4.3
Greenhouse & Nursery Products	147.9	0	27.5	62.6
Sugar Beets & Cane	0.0	0	0.0	0.0
Flaxseed, Peanuts, Soybean, Sunflower	211.0	0	11.1	56.2
Agri. Serv., Forestry, & Fish	1,261.0	55	564.9	578.5
Agri. Services (07)	914.5	30	483.6	423.5
Forestry (08)	55.0	0	4.9	20.4
Fishing, Hunting, & Trapping (09)	291.5	24	76.5	134.6
Mining	2,829.1	10	392.7	1,351.2
Coal Mining (12)	2.3	0	0.7	2.1
Oil & Gas Extraction (13)	2,766.1	9	370.9	1,303.5
Nonmetal Min.-Ex. Fuels (14)	57.7	0	20.3	43.6
Metal Mining (10)	3.1	0	0.8	2.1
Construction	14,483.2	72	1,920.1	5386.3
General Bldg. Contractors (15)	4,639.1	31	874.7	2198.5
Heavy Const. Contractors (16)	668.0	10	252.3	408.8
Special Trade Contractors (17)	9,176.1	31	793.1	2778.9
Manufacturing	89,649.0	561	17452.6	34670.2
Food & Kindred Prod. (20)	37,300.1	173	5,687.8	14,231.1
Tobacco Manufactures (21)	0.0	0	0.0	0.0
Textile Mill Prod. (22)	1,318.2	13	298.5	329.5
Aparel & Other Prod. (23)	3,515.8	52	973.6	601.1
Limber & Wood Prod. (24)	1,556.8	14	370.6	463.8
Furniture & Fixtures (25)	1,272.7	15	381.6	434.1
Paper & Allied Prod. (26)	4,218.8	20	862.3	1,668.0
Chemicals & Allied Prod. (28)	7,052.9	28	1,145.3	3,830.0
Petroleum & Coal Prod. (29)	7,695.6	7	386.1	2,539.8
Rubber & Misc. Plastics (30)	1,559.4	13	441.4	698.7
Leather & Leather Prod. (31)	824.1	8	225.8	192.9
Stone, Clay, & Glass (32)	1,136.2	10	358.1	429.7
Primary Metal Prod. (33)	566.5	2	124.4	266.4
Fabricated Metal Prod. (34)	1,985.0	13	568.7	819.8
Machinery, Except Elec. (35)	1,305.3	11	408.9	510.2
Electric & Elec. Equip. (36)	2,103.6	13	489.6	906.5
Transporation Equipment (37)	2,785.0	26	754.7	1,276.5
Instruments & Rel. Prod. (38)	911.5	7	287.4	287.9
Misc. Manufacturing Ind's. (39)	5,857.2	72	1,558.6	2,696.6
Printing & Publishing (27)	6,684.4	63	2,129.3	2,486.8

EXHIBIT 3.10 (continued)
National Economic Impacts (Industry Detail) of Annual
Arkansas Heritage Tourism Spending (\$ 890.6 million)

	Industry Component			
	Output (\$000)	Employment (jobs)	Income (\$000)	Gross Domestic Product (\$000)
Transport. & Public Utilities	45,817.1	324	11,874.1	22,002.4
Railroad Transportation (40)	928.2	6	384.9	724.6
Local Pass. Transit (41)	2,885.8	72	1,245.6	1,707.4
Trucking & Warehousing (42)	8,065.7	127	4,243.1	4,661.6
Water Transportation (44)	388.6	4	134.3	195.3
Transportation by Air (45)	1,681.5	18	585.2	806.3
Pipe Lines-Ex. Nat. Gas (46)	160.8	0	17.4	77.8
Transportation Services (47)	987.9	17	374.2	534.2
Communication (48)	12,455.8	42	2,626.2	5,034.4
Elec., Gas, & Sanitary Serv. (49)	18,262.6	38	2,263.3	8,260.8
Wholesale	50,465.3	557	20,521.8	26,815.8
Wholesale-Durable Goods (50)	34,527.2	386	14,040.6	18,346.8
Wholesale-Nondurable Goods (51)	15,938.1	172	6,481.3	8,469.1
Retail Trade	446,359.4	13,179	156,160.4	225,798.3
Bldg. Mat.-Garden Supply (52)	3,016.0	58	1,310.0	1,970.0
General Merch. Stores (53)	18,888.7	454	6,810.9	12,338.0
Food Stores (54)	11,927.1	436	4,649.9	7,790.7
Auto. Dealers-Serv. Stat. (55)	15,390.8	191	4,042.1	10,053.2
Apparel & Access. Stores (56)	5,877.6	210	2,760.5	3,839.2
Furniture & Home Furnish. (57)	1,429.9	31	667.8	934.0
Eating & Drinking Places (58)	360,851.4	11,060	122,665.6	169,944.7
Miscellaneous Retail (59)	28,977.9	739	13,253.7	18,928.3
Finance, Ins., & Real Estate	69,916.3	728	15,749.7	44,551.4
Banking (60)	9,463.0	83	2,497.7	5,405.2
Nondep. Credit Institut. (61)	9,226.8	154	4,833.0	4,449.2
Security, Comm. Brokers (62)	1,448.3	9	711.9	879.4
Insurance Carriers (63)	4,936.8	44	1,986.5	4,073.4
Ins. Agents, Brokers (64)	2,953.0	45	1,137.1	1,378.3
Real Estate (65)	40,745.8	380	3,985.1	27,688.7
Holding and Invest. Off. (67)	1,142.7	13	598.5	677.2
Services	293,241.9	5,975	91,892.4	143,085.7
Hotels & Other Lodging (70)	192,853.2	3,841	53,265.1	95,823.9
Personal Services (72)	11,508.6	332	4,184.5	4,344.4
Business Services (73)	18,723.0	399	8,180.8	9,026.8
Auto Repair, Serv., Garages (75)	15,856.5	125	3,425.9	6,989.9
Misc. Repair Services (76)	4,102.6	75	1,548.8	2,263.1
Motion Pictures (78)	6,309.7	96	1,543.1	1,892.3
Amusement & Recreation (79)	14,793.8	515	5,308.6	7,892.7
Health Services (80)	8,756.2	140	4,658.7	4,858.9
Legal Services (81)	2,633.4	25	1,217.9	1,339.0
Educational Services (82)	2,156.1	73	1,124.3	1,100.0
Social Services (83)	1,474.4	47	727.3	763.5
Museums, Gardens & Mem. Orgs. (84, 86)	4,592.9	140	2,537.8	2,397.1
Engineer. & Manage. Serv. (87)	6,300.1	98	2,772.7	2,925.4
Private Households (88)	166.2	14	166.2	166.2
Miscellaneous Services (89)	3,015.1	56	1,230.6	1,302.4
Government	6,568.9	74	1,985.7	3,088.2
Total	1,025,127.1	21,552	318,802.5	507,958.9

Note: Detail may not sum to totals due to rounding.