



The Socioeconomic Setting

The economic value of Yellowstone was recognized as early as 1870, when Nathaniel Langford of the Northern Pacific Railroad joined General H.D. Washburn on an expedition to explore the little-known region, with the intent of attracting attention and business. While there were some altruistic promoters of a national park, an idea that

was being bandied about by philosophers and naturalists of the 19th century, other supporters and legislators who voted in favor of setting aside this vast tract of land first made sure that it was unsuitable for other profitable ventures. Although the Yellowstone Park Act of 1872 was approved by an overwhelming majority of U.S. Congressmen, early critics bemoaned that the “national elephant” was unapproachable and unattractive. These objections spurred Langford, the park’s first superintendent, and many of his successors to focus on promoting the value of the new park.

When the National Park Service (NPS) was established to encompass Yellowstone and the other fledgling parks in 1916, its first director, businessman Stephen Mather, embraced the new mode of transportation—the automobile—because it would bring more people to the parks. As the country grew in economic strength after World War II and the Korean conflict, it became easier and more popular for the average American family to plan a trip to Yellowstone. By the 1960s, when campgrounds were full by mid-morning and parking lots were crowded at many scenic landmarks, NPS Director George Hartzog was encouraging growth in another direction. He promoted the idea of national parks in or near the country’s urban areas as a way to reach more citizens than could be reasonably accommodated in the great wildland parks of the West. The addition of many national park units in the 1970s addressed the need for recreation sites near major population centers, but did not reduce visitation at the older “crown jewels” of the park system. The popularity of outdoor recreation continues to grow along with its economic value to regions like greater Yellowstone.

Tourism is the second most important industry in Montana and Wyoming (after agriculture and mineral extraction, respectively). Between 1987 and 1992, gross receipts from hotels, motels, private campgrounds, and other lodging providers in Wyoming grew 45 percent, with a similar growth in the tourism payroll. It has been widely recognized that while traditional natural resource extraction industries are still important to communities throughout the West, a healthy and growing economy will also depend on environmental values that attract people and jobs to areas like greater Yellowstone.

MAGNET FOR THE REGION

Though certainly not the only draw, Yellowstone is a prime attraction for visitors coming from well beyond the tri-state region of Wyoming, Montana, and Idaho. It serves as an economic base for the region's tourism industry; if the northern Rockies were compared to the Mall of America, Yellowstone and Glacier would be the big-name anchor stores at either end, drawing customers to rest, eat, and shop in between.

The "value" of Yellowstone. For economists, one way to look at the value of a commodity or activity is to assess how much a buyer is willing to pay for the goods. In a 1995 study of 13 NPS units, researchers estimated that Yellowstone visitors spent on average \$158 per day while in the park. A 1997 study estimated that 74 percent of the vehicles entering Yellowstone came from outside the tri-state region, and they spent \$1.26 billion in Idaho, Montana, and Wyoming during their travels. The estimated impact from direct and indirect expenditures was \$502 million in personal income to the three states, supporting 31,400 full and part-time jobs. While the 108.3-million-acre region's single largest industry is agriculture, the direct personal income generated by visitation to Yellowstone, which

NOT A TRIP AS CHEAP

"...I concede that in the spirit of this age it would be a great deal better to have in the Mammoth Cave a subterranean railroad, use the falls of Niagara for manufacturing purposes, and turn the geyser of Old Faithful...into a Chinese laundry, that there would be some money in it..."

The men who go there to a large extent are men of moderate means who cannot afford to go to Europe, but who desire in the rushing roar of active business life a vacation in the summer, and a place where they can rest their tired nerves and their over-worked brains. I assert here again, there is not a trip in this country as cheap as to buy a round-trip ticket to the Yellowstone National Park, not one...."

— U.S. Senator George G. Vest of Missouri speaking on behalf of park protection, May 10, 1892

covers less than 2 percent of the region, is estimated to be more than 16 percent of the total direct earnings from the agricultural sector.

Park concessioners collect and return millions of dollars in sales, lodging, and gasoline tax revenues to the state of Wyoming each year. A 1995 study estimated that the state received nearly \$14.4 million in sales tax revenues generated by visitors whose primary destination was Yellowstone National Park. The park is a vital economic hub whose effect spirals beyond greater Yellowstone.



TAXING THE TRAVELERS

Legislation and history help determine the role that state and local governments play in national parks. Because Yellowstone was established before Idaho, Montana, and Wyoming became states, it has “exclusive federal jurisdiction” to enforce laws within park boundaries. However, Congress authorized the collection of state and local sales taxes in such areas. Visitors pay a higher tax at stores, hotels, gas stations, and restaurants on the west side of the park, which lies within Teton County, Wyoming, where the sales tax is 4 percent on the dollar. In northern and eastern Yellowstone, which is in Park County, Wyoming, a 3 percent sales tax applies.

CONCESSION	TYPE OF TAX	1998 REVENUES
AmFac	State/County sales	\$ 2,960,804
	Lodging	307,260
Hamilton Stores	State/County sales	1,141,581
YPSS Service Stations	Federal/State gasoline	504,345
	Federal/State diesel	380,047
	State/County sales	21,672
Total		\$ 5,315,709

States and counties do not provide services within the park typical of those paid for through sales and use taxes elsewhere in their jurisdictions. Garbage collection, road maintenance, police and fire protection are sole responsibilities of Yellowstone National Park.

RESISTING POLARIZATION

The challenge for park managers has increasingly become the need to balance tourism-based growth with other park purposes. More visitor use is not inherently threatening to park resources, nor does it always detract from the quality of visitors' experiences, but at some point the popularity of a place outpaces its capacity to accommodate all those who wish to enjoy it. Concerns about crowding, noise, and air pollution have prompted proposals to limit cars in Grand Canyon, Zion, and Yosemite national parks and to eliminate private vehicles from Yosemite Valley. While Yellowstone has not yet reached this saturation point, the park does experience crowding and congestion at certain locations. Promoters of perpetual tourism growth must recognize the law of diminishing returns, and the truth behind national press reports of Americans "loving their parks to death."

SUSTAINABLE TOURISM

To avoid the conflict between advocates of environmental conservation and promoters of economic growth, many park supporters have adopted the concept of "sustainability" as a viable goal. Sustainable tourism is generally regarded as a means of allowing visitors to enjoy an attraction or region in ways that leave the local culture and environment unimpaired. But tourism and recreational use inevitably cause some impact on the resources, and managers must make value judgments about how much change is acceptable.



To improve our chances of achieving sustainable growth, we need to better understand the social and economic impacts of tourism, and how and why visitors value natural environments. It has been suggested that those interested in promoting tourism could provide communities with the resources needed to enhance their liveability, protect their natural and cultural heritage, and provide economic opportunity for their citizens—laudable goals for a growth industry.

Through a combination of expanded mass transportation, better information systems for travelers, and alternative fuels for vehicles, Yellowstone may be able to accommodate visitors with less impact to park resources. However, use levels are already straining park facilities in some cases. The number of overnight accommodations has been limited in the park for many years, as have some other services and facilities. As visitation increases, this type of limit is likely to become more common. Even so, Yellowstone will continue to be a magnet that attracts visitors to a region in which a grand array of other public and private recreational opportunities can be enjoyed and managed in complementary ways.

