

December 2005

Tourism: The Cinderella Stepchild of Economic Development?

Cheryl A. Burkhart-Kriesel
University of Nebraska-Lincoln

Follow this and additional works at: http://digitalcommons.unl.edu/agecon_cornhusker



Part of the [Agricultural and Resource Economics Commons](#)

Burkhart-Kriesel, Cheryl A., "Tourism: The Cinderella Stepchild of Economic Development?" (2005). *Cornhusker Economics*. 245.
http://digitalcommons.unl.edu/agecon_cornhusker/245

This Article is brought to you for free and open access by the Agricultural Economics Department at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Cornhusker Economics by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.

CORNHUSKER ECONOMICS

Tourism: The Cinderella Stepchild of Economic Development?

Market Report	Yr Ago	4 Wks Ago	12/9/05
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	\$84.76	\$91.38	\$91.27
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb	121.50	134.59	131.82
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb	109.00	122.88	118.05
Choice Boxed Beef, 600-750 lb. Carcass	145.61	145.51	153.80
Western Corn Belt Base Hog Price Carcass, Negotiated	70.57	60.76	61.64
Feeder Pigs, National Direct 45 lbs, FOB	60.77	62.35	60.35
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	75.18	65.63	67.44
Slaughter Lambs, Ch. & Pr., 90-160 lbs., Shorn, Midwest	93.87	91.00	85.00
National Carcass Lamb Cutout, FOB	240.20	249.65	246.30
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Omaha, bu	3.35	*	*
Corn, No. 2, Yellow Omaha, bu	1.74	1.67	1.81
Soybeans, No. 1, Yellow Omaha, bu	5.32	5.65	5.45
Grain Sorghum, No. 2, Yellow Columbus, cwt	2.57	2.29	2.41
Oats, No. 2, Heavy Minneapolis, MN , bu	1.79	1.86	2.22
<u>Hay</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton	115.00	117.50	117.50
Alfalfa, Large Rounds, Good Platte Valley, ton	62.50	37.50	65.00
Grass Hay, Large Rounds, Good Northeast Nebraska, ton	57.50	52.50	52.50
* No market.			

When most people think about the economic engines that drive the state of Nebraska, agriculture and manufacturing almost always come to mind. But did you know that tourism is ranked #3 in dollars generated into the state economy?

Yes, even a state lacking mountains and ocean front property can have a tourism industry!

According to the Nebraska Division of Tourism, travelers spent more than \$2.9 billion in 2004, up from \$2.8 billion in 2003. Experts estimate that over 43,000 jobs in the state are dependent on the tourism and travel industry.

As an economic activity, tourists' important feature is that they spend money in a host community away from home. So in the broadest context, a tourist is anyone who travels in the state for business purposes, to attend conventions or conferences, to shop or to participate in traditional outdoor recreation and sightseeing activities. When defined in this manner, every community has a tourism industry and nearly every retail business providing goods or services is a part of the industry.

This may be one of the major reasons the travel industry is often seen as the Cinderella stepchild of economic development. Because it helps support so many businesses, it really does not have an economic identity of its own.

In recent years more rural communities are taking another look at tourism as a viable economic development strategy. Why? Because it makes sense to diversify and to take full advantage of what is already



happening in their community. Tourism dollars are also seen as new dollars, which increases the base level of activity in the community.

For instance, right now people travel to Nebraska either as a final destination or as a diversion, a way to get from point A to point B. Every time a car slows down and adds just one additional activity to their travel itinerary, the group spends an average of \$83, according to the Nebraska Division of Tourism. That \$83, when multiplied by just a small percentage of vehicles traveling Nebraska highways, adds up quickly in local economies.

At the county level, the impact of tourism dollars can be tracked using lodging tax receipts and estimates of tourist expenditures. For instance, in Scotts Bluff County the lodging tax receipts in 2004 were \$195,657 (2 percent of the total lodging revenue). Using that figure, one can calculate the total amount spent on lodging, or \$9,782,850. With that number other estimates can be made on the total economic value of tourism to the community.

According to the national Travel Industry Association, lodging represents approximately 12.8 percent of the total expenses incurred by travelers. Using that guideline and the county data, the total economic benefit to Scotts Bluff County in 2004 was estimated at \$76,428,515. No one can deny that from an economic development perspective, tourism is a major contributor to the local health and well-being of the area.

As the Cinderella stepchild of economic development, tourism is one of several rural development strategies that communities need to consider. Just as with other methods of growth, it is not a panacea. But community leaders should recognize the important role it provides and identify ways to maximize the benefits tourism can provide the area.

References:

Nebraska Development News, Nebraska Department of Economic Development, May, 2005.

Burkhart-Kriesel, C. and R. Cantrell (pending). *Nebraska's Tourism Lodging Tax: Estimating Tourism's Economic Impact*. University of Nebraska Extension NebGuide.

Cheryl Burkhart-Kriesel, (308) 632-1234
Extension Specialist, Community Development
Panhandle Research and Extension Center
University of Nebraska