

**The Economic Impact of the Ohio River Greenway Project: Usage and Visitor
Spending07May2015**



Human Subject Researchers:

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Executive Summary

During the Spring Semester of 2015, Indiana University Southeast, School of Business Urban Economics undergraduate students conducted an economic impact survey that provided results in determining a component of the economic and locational impact of the Ohio River Greenway on the Indiana localities the Greenway represents. In order to determine the visitor spending in the Ohio River Greenway, respondents were polled in various areas on the Greenway. Our overall results found that the majority of the spending from the Greenway was by respondents from non-local zip codes (i.e. neither Jeffersonville - 47130, Clarksville - 47129, nor New Albany - 47150). Of the 157 visitors polled, 71 individuals (45%) spent money because of their trip to the Ohio River Greenway and 62% of those individuals were non-locals. The survey instrument also collected data on what visitors to the Greenway would have done if the Greenway weren't to exist. Ultimately we found that 66% of respondents would have taken their spending outside of the defined local area, and would not have spent anything in the local area due to inactivity, or other activities not traceable specifically to New Albany, Clarksville, or Jeffersonville. This assumed loss in spending in the local area is considered "new" money because it is unique spending that is attributable to the Greenway. The value of this potential loss in spending, came out to be \$924.50, or 51% of the total spending by those surveyed.

Average spending was also assessed to help determine the impact individuals had on the defined local area of New Albany, Clarksville, and Jeffersonville.

Furthermore, most respondents to the survey indicated that they would recommend the Greenway to others. The average recommendation was 8.65 out of 10, with 10 being "very likely" to recommend to others. Our survey also polled the respondents on how often they would return to the Greenway in the future. Overall, our findings indicated that locals and non-

locals differed very little in their willingness to return, as of the 157 respondents polled, only 9 stated that they would not return, a 94% rate of return for all respondents.

Although there may be difficulty in determining just how large an economic impact the Greenway has on the surrounding communities of Jeffersonville, Clarksville, and New Albany, the reality is that the Greenway does have an impact. In determining this impact, we can see that the Greenway is attracting outside spending from other communities, which benefits the local economy at large. Looking at the statistics on average, non-local visitors and spenders spent twice as much as the local visitors and spenders on their trip to the Greenway. The average spending of all visitors was \$11.61, and if in one day, 200 visitors were to dedicate time on the Greenway, one could expect around \$2,322.00 in total spending for that day on average, and near \$850,000 in spending for that year. If we apply our ratio of 60% of those visitors being non-local, then 120 non-local visitors every day for a year would lead to about \$500,000 in “new” money spending, which is a component of the ultimate economic impact created by the Ohio River Greenway in one year’s time.

Introduction

The Ohio River Greenway serves to connect Southern Indiana communities including Jeffersonville, Clarksville, and New Albany for individuals and families to develop economic and social bonds to the local area. The Ohio River Greenway features attractions such as The New Albany Amphitheater, The Loop Islands Wetlands, The George Rogers Clark Home Site, The Falls of the Ohio, The Jeffersonville River Stage, The Big Four Bridge, and The K&I Bridge. The 7.5-mile linear park system for bicyclists, pedestrians, runners and wheelchair

marathoners acts as a prime venue for people to engage in an active lifestyle interested in improving their health and well-being.

The Greenway is a complex project that relies on federal, state, and private funding and also accepts tax-deductible donations from supporters. The mission of the Greenway Commission is to provide a common linkage between the communities of Jeffersonville, Clarksville and New Albany, Indiana along the banks of the Ohio River to promote a passive recreational environment for river access, while allowing each community to construct riverfront amenities to enhance the overall project. Indiana University Southeast students in Urban Economics assist the Greenway Commission by gathering baseline data for visitor usage of the Greenway and then conduct an economic analysis based on the results assembled. The economic impact achieved from the project data is used as a measure contributing to the understanding of the Greenway's effect on the local economy. The results reflect the economic activity that the Greenway has on the communities of Jeffersonville, Clarksville, and New Albany; further aiding the Greenway Commission in funds acquisition, justification, and strategic future planning.

Visitor Surveys were directly distributed by Indiana University Southeast's students, who are certified Human Subject Researchers, as a method to collect random, unbiased economic data from participants physically present while utilizing the Greenway. The survey instruments were distributed periodically from March 13, 2015 through April 18, 2015. After the administering period, 157 surveys were collected and the information entered into an Excel file for storage and statistical analysis. One focus of the data was to differentiate between spending from local visitors and non-local visitors. Local visitors were defined as respondents whom indicated a zip code corresponding to New Albany, Clarksville, or Jeffersonville (47150, 47129 and 47130, respectively). Non-local visitors were respondents whom indicated any other zip code. Our goal

with this survey was to capture spending by non-locals as a result of their visit to the Greenway because that spending constituted a gain for the local economy. Respondents did not generate any additional spending if they came from local zip codes and would have visited some other attraction instead of the Greenway.

Results

Economic Impact (Visitor Spending)

Twenty-four zip codes were represented in the survey. Three of these are defined as local zip codes; representing New Albany, Clarksville, Jeffersonville, and the zip codes 47129, 47130, and 47150. The rest varied from the Louisville Metropolitan area and surrounding Indiana regions. Ninety individuals surveyed (60% of total) indicated that they were visiting from non-local zip codes. The map below (Figure 1.1) gives a visual representation of the geographic areas from which visitors are traveling within Indiana.



Figure 1.1

Of the 157 visitors polled, 71 individuals (45%) spent money because of their trip to the Ohio River Greenway and 62% of those individuals were non-locals. The results showed that non-local visitors were roughly 5% more likely to spend money in the area.

Table 1.1 provides a breakdown in four categories of spending: Food and Drink Concession, Restaurants, Shopping, and Other; differentiating between local and non-local

visitors. The total spending of those surveyed was \$1,823.50. Non-local spending was significantly more than local spending at 76% compared to 24%. 60% of all visitors are from outside the local region which account for 76% of the total spending. One of the key features of economic impact is to attract spending in the Greenway from outside the local area. Spending from residents outside the local community has a significant contribution for the Greenway’s surrounding community, evidenced in the statistics obtained in *Table 1.1*.

Table 1.1

	Spending From Non-Local Visitors	Spending from Local Visitors	Total	% of all total Spending
Food and Drink Concessions	\$ 717.50	\$ 191.00	\$ 908.50	50%
Restaurants	\$ 568.00	\$ 77.00	\$ 645.00	35%
Shopping	\$ 60.00	\$ 170.00	\$ 230.00	13%
Other	\$ 40.00	\$ -	\$ 40.00	2%
Total	\$ 1,385.50	\$ 438.00	\$1,823.50	100%
% of all total Spending	76%	24%	100%	

*Non-local visitors are considered those outside zip codes: 47150, 47129, 47130

Economic impact can also be judged on how much money would not have been spent in the local community if it were not for a certain entity. In this instance, Survey Question #2 was designed to see if those studied would have spent money in the local community if the Ohio River Greenway did not exist. *Table 1.2* shows the different responses from the visitors. “Louisville” indicates that the individual would have participated in similar activities at a similar location in Louisville. “Local Alternative” indicates the individual would have selected to

participate in a different activity in the defined local areas. “Nothing” indicates that the respondent would have likely just stayed home or in their neighborhood. “Other” allowed those surveyed to indicate a specific activity that he/she would have done instead of their trip to the Ohio River Greenway.

Table 1.2

Activities Visitors Would Have Done Instead of the Greenway		
	Number	%
Louisville	39	26%
Local Alternative	52	34%
Nothing	45	30%
Other	16	10%

The most popular response by those surveyed was to engage in different activities in the defined local area at 34%. This means that 66% would have taken their spending outside of the defined local area, would not have spent anything in the local area due to inactivity, or other activities not traceable specifically to New Albany, Clarksville, or Jeffersonville. This assumed loss in spending in the local area is considered “new” money because it is unique spending that is attributable to the Greenway. To find the value of the potential loss in spending, expenditure by those that responded “Louisville”, “Nothing”, and “Other” were added together. This figure came out to be \$924.50 or 51% of the total spending by those surveyed.

Average Spending

Average spending was assessed to help determine the impact individuals had on the defined local area of New Albany, Clarksville, and Jeffersonville and to use as a foundation in determining estimates dependent on the number of visitors to the Greenway. *Table 2.1* shows the average spending by different segments of those surveyed. The focus was to separate locals from non-locals and to calculate the average amount that was spent by each visitor and the average amount spent by individuals that put down expenses on their survey. On average, non-local visitors and spenders spent twice as much as the local visitors and spenders on their trip to the Greenway. Together, the average spending of all visitors was \$11.61. Therefore, if in one day, 100 visitors were to dedicate time on the Greenway, one could expect around \$1,161.00 in total spending. If we apply our ratio of 60% of those visitors being non-local, then 60 non-local visitors would lead to about \$889.80 in “new” money spending.

Table 2.1

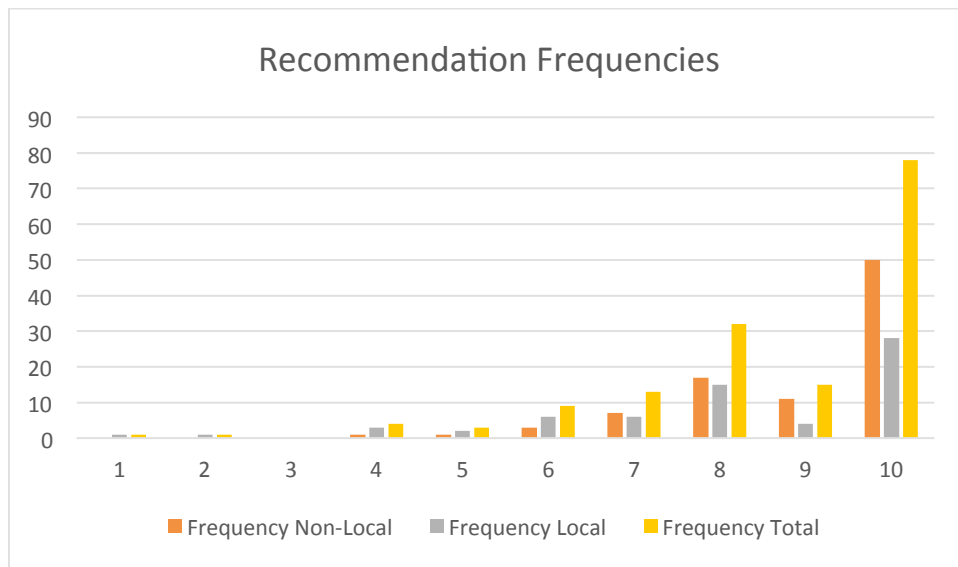
Average Spending Breakdown					
	# of visitors	# of spenders	Spending by Visitors	Average Spending per Visitor	Average Spending by Spenders
Local	61	26	\$ 438.00	\$ 7.18	\$ 16.85
Non-Local	90	43	\$1,334.50	\$ 14.83	\$ 31.03
Total	157	71	\$1,823.50	\$ 11.61	\$ 25.68

**Six respondents did not indicate Zip Code, and therefore could not be distinguished between local and non-local.*

Customer Satisfaction

When determining the overall level of satisfaction with the quality of the Greenway, the survey instrument looked to capture responses from each individual that would reflect this sentiment. In short, we found that the level of satisfaction could be based mainly on whether or not the individual was likely to recommend the use of the Greenway to others. On a scale from 1 to 10, the survey respondents were asked to input their own personal opinion. Analyzing these results, we can come to the conclusion that the vast majority of respondents would recommend the Greenway to others. The average rating of recommendation ultimately was 8.65, so on a scale from one to ten respondents show that they were highly likely to recommend the Greenway to others. Figure 1.2 shows the frequencies of each recommendation.

Figure 1.2



Coinciding with the average recommendation by each survey respondent, we also polled them on how often they would return to the Greenway in the future. Overall, our findings indicated that locals and non-locals differed very little in their willingness to return. It is important to note that each respondent was asked whether they would return to the Greenway on a weekly, monthly, or yearly basis. For locals, the average respondent who returned to the Greenway weekly indicated that they would return around twice each week, and for a monthly return the locals specified they would return on average twice per month. For non-locals, the results were much the same, as they indicated that they would return biweekly if they preferred weekly visits, or they would return bimonthly, if they preferred monthly visits. The only difference that we found between non-local and local visiting habits had to do with the fact that locals who indicated that they would return on a yearly basis were likely to visit close to five times per year, while non-locals stated that they would only visit two to three times per year. Of the 157 respondents polled, only 9 stated that they would not return. This is a 94% rate of return for all respondents.

VISITOR FEEDBACK

In the course of administering surveys to visitors on the Greenway, we occasionally received feedback. For the most part, visitor feedback was generally very positive, with little dissent or complaint by any of the respondents. A few isolated requests were made regarding the desire for greater security presence, more restrooms, and for additional activities. One suggestion made by a respondent was to update the signs that showed the progress of the construction. On the signs near the New Albany Amphitheater, there was an example of a completed project date being incorrect. Another request was to add benches on the ramp leading

up to the Big 4 Bridge. Generally, these suggestions are not very extreme, and seem to signal that most visitors are satisfied with the Greenway.

SUMMARY AND CONCLUSIONS

In conclusion, our study found that the public perception of the Ohio River Greenway project captured from our respondents was quite positive. Overall, most respondents were likely to recommend the Greenway to others. On the basis of economic activity, we cannot fully determine the overall cost benefit structure of the Greenway, since we do not know its full cost, but we can provide that there is some economic benefit. The average spending of all visitors was \$11.61, and if in one day, 200 visitors were to dedicate time on the Greenway, one could expect around \$2,322.00 in total spending for that day, and near \$850,000 in spending for that year. If we apply our ratio of 60% of those visitors being non-local, then 120 non-local visitors every day for a year would lead to about \$500,000 in “new” money spending, which is a component of the ultimate economic impact created by the Ohio River Greenway in one year’s time. However, without knowing the cost we cannot fully determine the overall net benefit; which furthermore states that although this project has attracted spending from other communities, the overall economic benefit to the local area will not be known for some time. Nonetheless, any outside spending that this project has brought to these communities is worthwhile, as the development and redevelopment of these areas will lead to further economic activity, which could lead to the sustainability of the Greenway Project as a whole. As the overarching goal of an economic impact study, which is a worthwhile goal, it can be assumed that helping local citizens throughout the Southern Indiana communities by providing a place they can utilize at their leisure for health and well-being as a positive contribution from the past, in the present and well serving the future.

Appendix

Section 1: Economic Impact Statistics

Table 1.1

	Spending From Non-Local Visitors	Spending from Local Visitors	Total	% of all total Spending
Food and Drink Concessions	\$ 717.50	\$ 191.00	\$ 908.50	50%
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Other	\$ 40.00	\$ -	\$ 40.00	2%
Total	\$ 1,385.50	\$ 438.00	\$1,823.50	100%
% of all total Spending	76%	24%	100%	

Table 1.2

Where Non-Local's Would have Visited		
	Number	%
Louisville	39	26%
Local Alternate	52	34%
Nothing	45	30%
Other	16	10%

1.3

Table

Total Spending as Result of Greenway Existence	
Spending Lost if not for	\$ 924.50

the Greenway	
Total Spending	\$ 1,823.50
% Spending Lost if not for the Greenway	51%

Table 1.4 (Additional Table)

Overall			
Number of Spenders:	71	% of Spenders:	45%
Number of Non-Spenders:	86	% of Non-Spenders:	55%
Local			
Number of Spenders:	26	% of Spenders:	43%
Number of Non-Spenders:	35	% of Non-Spenders:	57%
Non-Local			
Number of Spenders:	43	% of Spenders:	48%
Number of Non-Spenders:	47	% of Non-Spenders:	52%
% of Spenders			
Local	38%		
Non-Local	62%		

Section 2: Average Spending Statistics

Table 2.1

Average Spending Breakdown					
	# of visitors	# of spenders	Spending by Visitors	Average Spending by Spenders	Average Spending per Visitor
Local	61	26	\$ 438.00	\$ 16.85	\$ 7.18
Non-Local	90	43	\$1,334.50	\$ 31.03	\$ 14.83
Total	157	71	\$1,823.50	\$ 25.68	\$ 11.61

*Six respondents did not indicate Zip Code, and therefore could not be distinguished between local and non-local.

Table 2.2 (Additional Table)

Average Return trips per:			
	Week	Month	Year
Locals	2.19	2.00	5.00
Non-Locals	2.45	2.19	2.55

*Table of the average figure that people indicated how frequently they would return. For example, Locals that indicated they would return weekly, would return at a rate of about 2.19 trips/week.

Section 2: Unique Spending and Visitor Information

Table 2.3 (Additional Table)

Local Average Spending	Food and Drink	Restaurants	Shopping	Other Activity
	\$ 8.30	\$ 7.70	\$ 17.00	\$ -
% of Local Spending	Food and Drink	Restaurants	Shopping	Other Activity
	44%	23%	33%	0.0%
Non-Local Average Spending	Food and Drink	Restaurants	Shopping	Other Activity
	\$ 18.21	\$ 23.96	\$ 15.42	\$ 10.00
Percentages of Non-Local Spending	Food and Drink	Restaurants	Shopping	Other Activity
	52%	40%	5%	3%

Table 2.4 (Additional Table)

Of Those Surveyed, this is breakdown of the Primary reasons given for the visit:	
<u>Pedestrian Trail</u>	
70	
<u>Playground</u>	
4	
<u>Restaurants/Shopping</u>	
9	
<u>Fishing/Boating</u>	
1	
<u>Sightseeing</u>	
17	
<u>Amphitheater</u>	
0	
<u>Other</u>	
7	
<u>Multiple</u>	
44	

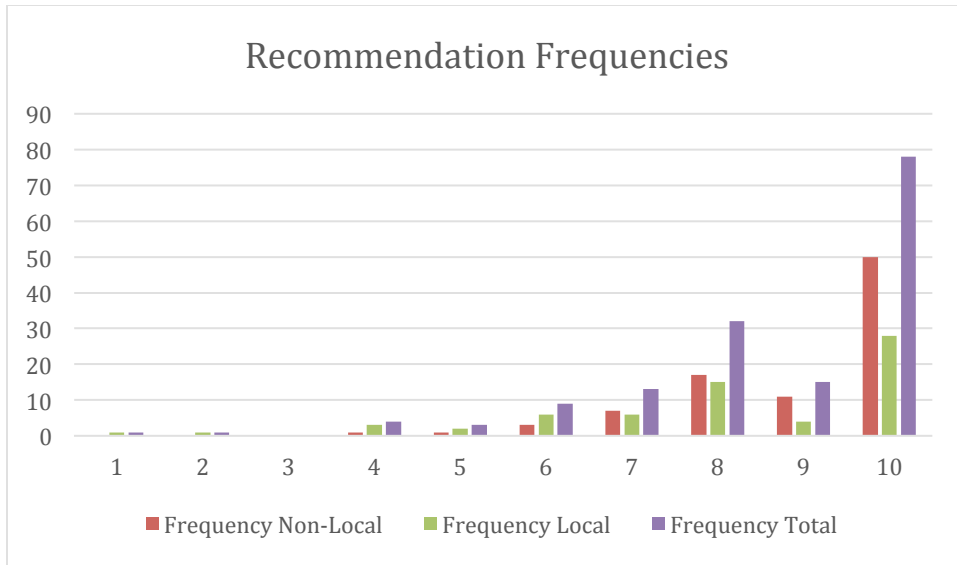
Section 3: Return Trips and Recommendations

Table 3.1 (Additional Table)

Recommendation	Frequency Non-Local	Frequency Local	Frequency Total
1	0	1	1
2	0	1	1
3	0	0	0
4	1	3	4
5	1	2	3
6	3	6	9
7	7	6	13
8	17	15	32
9	11	4	15
10	50	28	78

**Likelihood of Recommending the Greenway Average rating: 8.65*

Graph 3.1



Section 4: Miscellaneous

Of Those Surveyed:

Local Zip Codes Represented: 3 (47150, 47130, 47129)

Non-local Zip Codes Represented: 21

Lived in a Local Zip Code: 27

Worked in a Local Zip Code: 17

Neither worked or lived in a Local zip code: 84

Would have chosen to do an alternate local activity: 52

Gone to a similar location in Louisville: 39

Not have gone anywhere: 44

Would have done another activity: 16

Number of People from **LOCAL** zip codes that said they would return: 55

Number of People from **Non-LOCAL** zip codes that said they would return: 81

Total number of people that said they would return: 136

Number of People from **LOCAL** zip codes that said they would NOT return: 3

Number of People from **Non-Local** zip codes that said they NOT would return: 6

Total number of people that said they would NOT return: 9

Visitor Survey: The Economic Impact of the Ohio River Greenway Project

1. Do you live or work in a county that is close to or part of the Greenway? ***Please check ALL applicable boxes and fill in zip code (if zip code is unknown, please indicate city and state):***

- I live nearby: Zip Code _____
- I work nearby: Zip Code _____
- I am visiting here from out of town: Zip Code _____
- For work
- For leisure

2. If you had **not** visited the Ohio River Greenway, then where would you have gone **today**? ***Please check a box:***

- An alternative destination in New Albany, Clarksville, or Jeffersonville (e.g. park, mall, etc.)
- A similar destination in Louisville
- Not have gone anywhere today (i.e., stayed home)
- Other (please specify city and state): _____

3. Did you spend or do you plan to spend any money on the following activities due to your trip, including anything purchased beforehand for use on the Greenway TODAY. ***Please check a box:***

- YES [if \$0, please write \$0]
Food & Drinks Concession \$ _____

- Restaurants \$ _____
- Shopping \$ _____
- Other/s _____ (please specify) \$ _____
- NO Spending

4. Do you plan to return to the Ohio River Greenway? **Please check ALL applicable boxes:**

- Is this your first visit?
- Yes. How often? _____ times per:
 - Week
 - Month
 - Year
- NO Return Visit

5. On a scale of 1 to 10, how likely are you to recommend the Ohio River Greenway to a visiting friend or family member? **Please circle a number:**

1 2 3 4 5 6 7 8 9 10
 Not likely Somewhat likely Very likely

6. What was your **primary** reason for visiting the Ohio River Greenway TODAY? **Please check a box:**

- Pedestrian Trail: Walking/Running/Biking
- Playground
- Restaurants/Shopping
- Fishing/Boating
- Sightseeing
- Amphitheater Activities/Event Participation: _____
- Other (please specify): _____