

COASTAL TOURISM

Sea Grant

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TOURISM EMPLOYMENT IN NEW YORK'S GREAT LAKES COUNTIES

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Introduction

Travel and tourism is an important service industry in New York's Great Lakes counties but it is difficult to measure the economic impacts due to the number and variety of small businesses involved. One indicator of tourism economic impacts is the employment provided by these businesses in the 10 coastal counties of Cayuga, Chautauqua, Erie, Jefferson, Monroe, Niagara, Orleans, Oswego, St. Lawrence, and Wayne.

This publication is a summary of the employment information from the New York State Department of Labor for the years 1975 through 1986. Businesses paying wages of more than \$300 per quarter are legally required to file employment information with the Department of Labor. Small businesses that are run by the owner or family members and with no hired employees are not required to file employment information. Also, owners of businesses with employees do not have to report the owners personal employment information when they report on their employees. The Department of Labor employment information is the best available for this analysis but it does underestimate total travel and tourism-related employment.

County Tourism-Employment

Travel and tourism-related employment in the 10 Great Lakes counties reached 94,843 average monthly employees in 1986, an increase of 36 percent since 1976 (Table 1). This percentage increase was significantly above the state average of 25 percent. Employment in those 10 coastal counties was distributed by type of travel and tourism-related establish-

ment as follows in 1984: food service (68%); recreation, entertainment, and sporting goods (11%); lodging services (9%); automotive services (6%); public transportation (4%); and retail trade (2%).

Employment in travel and tourism-related businesses represented 10.7 percent of the total non-government employment in the ten county area in 1986 (Table 1). These employees earned wages in excess of \$764 million during 1986. Oswego County reported the greatest 1976-86 increase in travel and tourism-related employment (Table 1). This 81 percent increase and the fact that 11 percent of the non-government employees in the county work in tourism-related businesses support the often heard observation that the sportfishery development in Lake Ontario and the Salmon River has made substantial contributions to Oswego County employment. Erie and Monroe counties report the largest number of tourism-related employees with a combined total of 67,482 employees or 71 percent of the 10 county region (Table 1). Jefferson County is the most dependent on tourism-related businesses for employment with 16.4 percent of its non-government employees in tourism-related jobs in 1986 (Table 1).

Great Lakes Coastal Region

The impacts of tourism in the coastal region is particularly important to those coastal communities who rely on the local natural resources (e.g., beaches, water, parks, fish and wildlife) as the attraction for tourists. In this publication the Great Lakes Coastal Region is defined as the townships and municipalities

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Table 1. Average Monthly Tourism Related Employment, 1976-86 Percent Change, Tourism Percentage of Total Non-Government Employment, and Payroll by Entire County, 1986.

County	Annual 1986 Average Tourism Employment	1976-86 % Increase Employment	1986 Tourism Employment % of Total Non- Government Employment	Annual 1986 Tourism Payroll
Chautauqua	5,376	30.8	12.7	37,041,800
Erie	39,011	27.8	11.4	321,546,200
Niagara	7,801	19.6	11.9	58,545,800
Orleans	671	64.1	9.8	3,951,900
Monroe	28,471	47.3	8.8	245,479,600
Wayne	1,821	71.3	9.8	11,697,300
Cayuga	2,124	46.2	12.0	14,279,100
Oswego	2,755	81.0	11.0	20,787,500
Jefferson	3,837	44.7	16.4	32,923,400
St. Lawrence	2,976	37.3X	12.7X	\$18,181,700
Great Lake Counties	94,843	36.0X	10.7X	\$764,434,300
New York State	671,974	25.2X	10.5X	\$8,969,563,300

Table 2. Percent of Average Tourism Related Monthly Employment and Average Employment in 3 Tourism-Related Sectors for County Areas Within the Great Lakes Coastal Region by County, 1985.

Coastal Region Location	Percent of Average Monthly Employment Within Coastal Region	Average Lodging Employment	Ave. Amusement & Recreation Services Employment	Ave. Eating & Drinking Establishment Employment
Chautauqua Co.	20.9X	76	69	624
Erie Co.	44.1	1,585	963	10,646
Buffalo City	--	1,055	614	7,501
Rest of Erie Co.	--	530	349	3,146
Niagara Co.	59.5	529	238	2,955
Niagara Falls City	--	494	99	2,122
Rest of Niagara Co.	--	35	139	833
Orleans Co.	4.6	5	0	21
Monroe Co.	69.1	1,724	1,387	12,331
Rochester City	--	1,694	1,288	11,309
Rest of Monroe Co.	--	30	99	1,022
Wayne Co.	38.8	25	48	439
Cayuga Co.	3.5	0	0	39
Oswego Co.	53.0	117	39	895
Jefferson Co.	22.2	50	35	398
St. Lawrence Co.	47.6	131	13	858
Great Lakes Region	50.3	4,241	2,791	29,205

adjacent to Lake Erie, the Niagara River, Lake Ontario, and the St. Lawrence River including the cities of Buffalo, Niagara Falls, Rochester, Oswego, Ogdensburg, and Massena. Three additional townships were added because of their coastal influence: (1) the townships of Albion and Orwell in Oswego County through which the Salmon River flows, and (2) Penfield in Monroe County which borders Irondequoit Bay. The following analysis refers only to the coastal region (defined on previous page) of the 10 Great Lakes counties.

Although tourism comprised 9 to 16 percent of county-wide nongovernment employment for each Great Lakes county, tourism-related employment was substantially more important in the coastal regions of these counties. The proportion of county-wide tourism that existed within the coastal region exceeded 50% for Niagara, Monroe, and Oswego Counties (Table 2). Generally, lodging was a particularly important employment sector along the Great Lakes coast. For example, in Niagara County over 80% of lodging employment occurred within the coastal zone, compared to 60% of total tourism-related employment.

The Great Lakes coastal region was broken down by county and larger cities to highlight urban/rural and regional differences with regard to the provision of tourism-related employment (Table 2). Erie County and Monroe County each comprised over one-third of the total lodging employment in the Great Lakes coastal region.

Seasonal Employment in the Coastal Region

Employment in the Great Lakes coastal region is affected by seasonal demand for services. The greatest seasonal fluctuations in employment occur in the amusement and recreation service businesses (Figure 1). The smallest seasonal fluctuations in employment occur in eating and drinking, and lodging establishments. The highly urbanized areas and counties from Oswego westward showed little summer seasonality in lodging employment. The relatively low seasonality appears to be attributable to a combination of diversified economies that include: convention centers in Buffalo, Niagara Falls and Rochester; businesses and colleges in several cities; counties that attract travelers during nonsummer months; and the Great Lakes fisheries that are active year-round, but particularly from April through October (Dawson, 1986). In contrast,

in Jefferson and St. Lawrence Counties, which are much more dependent on vacation-based tourism, employment in the summer was much greater than in the winter.

Seasonal employment fluctuations for eating and drinking places were generally even lower than for lodging. This is due to the factors stated above that hold down lodging seasonality plus a moderate proportion of total eating and drinking trade is by local residents, which occurs year-round. The amusement and recreation services sector has the highest seasonal fluctuations of the 3 major tourism sectors. Great Lakes-wide, peak summer employment in this sector was over twice that in the lowest nonsummer months (Figure 1). These fluctuations are lowest in the cities where year-round activities such as movies, plays and concerts, and bowling predominate and much of the trade is from local residents.

Business and Employment Growth in the Coastal Region

The major economic sectors impacted by coastal tourism, the number of firms in each sector, and the net change in number of firms from 1975 to 1985 are shown in Table 3. During initial economic expansion, growth in the demand for products and services by tourists is usually accompanied by growth in the number of firms. Later, some firms tend to expand while others go out of business, which sometimes results in fewer firms. The total number of tourism-related firms grew more rapidly from 1975 to 1980 than from 1980 to 1985. From 1975 to 1980, the number of gift shops, lodging establishments, and wholesale sporting goods establishments more than doubled. However, the largest absolute increase occurred in eating and drinking establishments, which increased by almost 800 firms from 1975 to 1980 and again in 1980 to 1985. Food speciality stores increased more rapidly in 1980 to 1985 than from 1975 to 1980. However, the number of gas stations and recreation vehicle dealers declined slightly from 1980 to 1985.

An average of 42,405 persons were employed each month in these tourism-related sectors in the Great Lakes coastal region in 1985 (Table 4). Eating and drinking establishments had by far the highest employment, followed by lodging, amusement and recreation services, and gas stations. Tourism-related employment along the Great Lakes more than

Figure 1. Monthly Employment for 3 Tourism-Related Sectors of the Great Lakes Coastal Region, 1985.

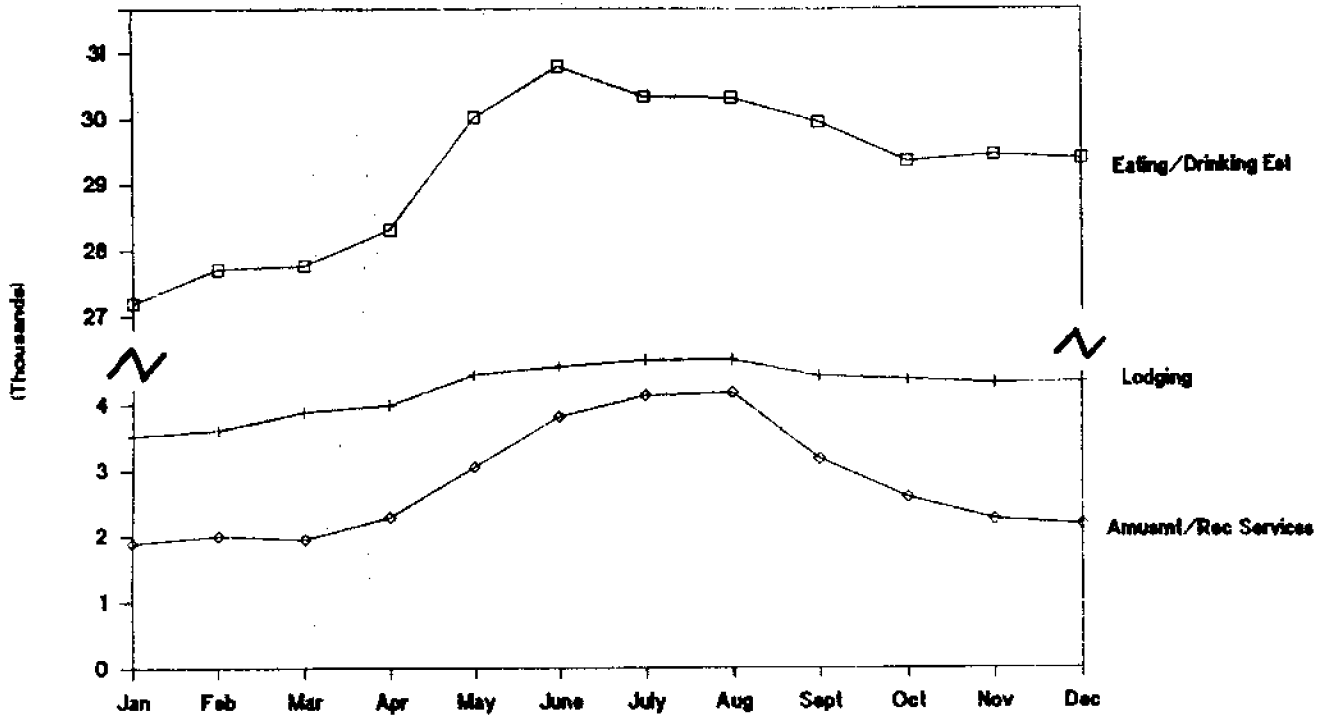
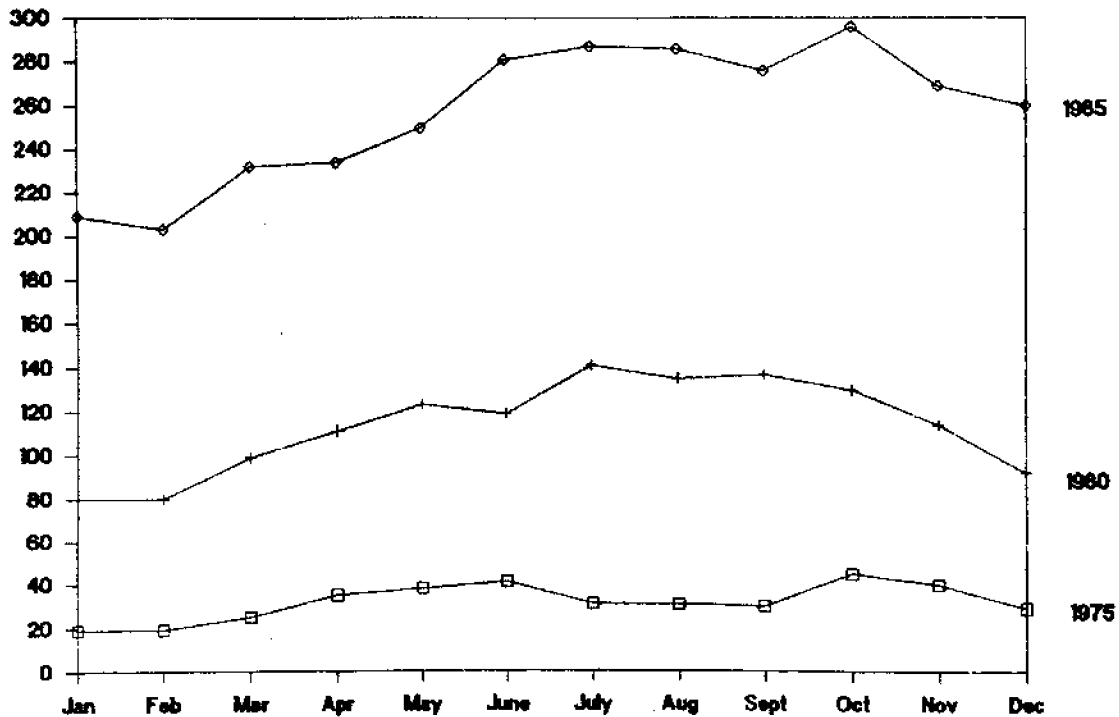


Figure 2. Employment in Tourism-Related Sectors Near the Salmon River, 1975-1985.



doubled from 1975 to 1985, increasing by 132 percent. While the overall percent growth was higher from 1975 to 1980 than from 1980 to 1985, more tourism-related jobs were created from 1980 to 1985 (Table 4). From 1975 to 1980, absolute growth was greatest in sectors such as eating and drinking establishments, lodging, amusement and recreation services, and gas stations. These are primary tourism sectors which tourists buy from directly. Employment growth in these sectors continued from 1980 to 1985.

Employment Growth in the Salmon River Area

Angler expenditures are important to many coastal communities and businesses regardless of their overall contribution to the county economy. For example, a 1984 study (Bowman and Miller, 1985) in Northern Oswego County around the Salmon River and Sandy Pond area found that certain businesses received 25% to 100% of their revenues from sportfishermen. Those businesses included marinas, charter-

boats, sportfishing retail stores, motels and hotels, most gas stations and restaurants, and some other service/retail firms. An estimated 188 full-time and 238 part-time employees had jobs in those businesses as a result of the expenditures by anglers in the Salmon River/Sandy Pond area.

The Salmon River area, consisting of Albion, Orwell, and Richland townships, had so few firms reporting to the New York State Department of Labor that only by combining all tourism-related sectors could employment be examined over time (Figure 2). Tourism-related growth on the order of 10-fold has occurred in the Salmon River area from 1975 to 1985, reflecting both growth in the communities and in tourism. It is important to note that the highest tourism-related employment levels were not in the summer months but in September-October during the peak salmon fishing season. Thus, this recreational opportunity helps to keep employment high over a longer period of time than just the summer season.

Table 3. Number of Firms and Net Change from 1975 to 1980, and from 1980 to 1985 for Various Tourism-Related Employment Sectors in the Great Lakes Coastal Region.

<u>Employment Sector</u>	<u>Number of Firms 1975</u>	<u>Net Change 1975-80</u>	<u>Number of Firms 1980</u>	<u>Net Change 1980-85</u>	<u>Number of Firms 1985</u>
Selected Manufacturing	*	*	6	6	12
Transportation	20	3	23	4	27
Wholesale Sporting Goods	5	5	10	11	21
Food Specialty Stores	79	26	105	68	173
Gas Stations	333	90	423	-15	408
Boat Dealers	32	2	34	14	48
Recreational Vehicle Dealers	11	1	12	-1	11
Eating & Drinking Establishments	997	799	1,796	749	2,545
Retail Sporting Goods	50	38	88	27	115
Gift Shops	16	30	46	30	76
Lodging	56	80	136	62	198
Amusement & Recreation Services	97	38	135	39	174
TOTALS	1,696- 1,702	1,106- 1,112	2,814	994	3,808

*Withheld to avoid disclosing data for individual firms.

Table 4. Average Monthly Employment and Net Change from 1975-1980, and from 1980 to 1985 for Various Tourism-Related Employment Sectors in the Great Lakes Coastal Region

<u>Employment Sector</u>	<u>Average Monthly Employment 1975</u>	<u>Net Change 1975-80</u>	<u>Average Monthly Employment 1980</u>	<u>Net Change 1980-85</u>	<u>Average Monthly Employment 1985</u>
Selected Manufacturing	*	*	24	24	48
Transportation	258	152	410	109	519
Wholesale Sporting Goods	40	34	74	120	194
Food Specialty Stores	898	305	1,203	430	1,633
Gas Stations	1,349	379	1,728	632	2,360
Boat Dealers	165	61	226	130	356
Recreational Vehicle Dealers	37	20	57	30	87
Eating & Drinking Establishments	12,053	7,912	19,965	9,240	29,205
Retail Sporting Goods	309	110	419	248	667
Gift Shops	112	111	223	81	304
Lodging	1,575	1,554	3,130	1,111	4,241
Amusement & Recreation Services	1,492	584	2,076	715	2,791
TOTALS	18,289- 18,313	11,198- 11,222	29,535	12,870	42,405

*Withheld to avoid disclosing data for individual firms.

Discussion

The results of this study show the value of employment data despite all of the problems in using it for the purpose of estimating tourism impacts. There is wide general agreement that although virtually all paid employment is legally required to be reported, some small business employment is not reported. Furthermore, many firms that are individual or family-owned and operated and have no paid employees are not legally required to report to the Department of Labor. Thus, the employment estimates are conservative. Even if total employment in these tourism related sectors is understated, the data are collected using the same definitions and rules over time so that the rates of growth in employment and the comparisons of growth between sectors should approximate the true situation. Similarly, the degree to which tourism employment is relatively more important along the coastal portions than the inland portions of the Great Lakes counties is well illustrated by these data. Finally, these data adequately portray the seasonality aspects of coastal tourism employment.

Tourism along the Great Lakes coast grew steadily and strongly from 1975 to 1985, more than doubling in the number of both firms and employees. Most individual tourism-related sectors grew by roughly doubling in size. Those that did not grow to that extent included gas stations, transportation services, and boat dealers. The population along the Great Lakes coast is large enough that we would not expect the employment demand in gas stations to increase as rapidly as that in sectors more heavily utilized by tourists. Transportation services (taxi and air charter service) have not increased as rapidly because the growth in tourism, even in the urban areas, appears to be due to trips taken in passenger vehicles. The demand for boats has been strong, particularly from 1980 to 1985 as the salmonid fisheries expanded, but lack of available berths in marinas and other shortages in boating facilities almost certainly dampened this demand (Brown and Connelly, 1987).

One of the most remarkable aspects of the fairly rapid tourism growth along the Great Lakes is the relatively low seasonality of employment in the tourism-related sectors. The cities along the Great Lakes coast, in particular, have the employment diversification necessary for stable economies. However, this

tends to be less the case as one moves toward the rural coastline. Commercial fisheries, shipping, and other traditional sources of coastal employment are relatively less important in the last ten years along the Great Lakes coast. Tourism has begun to fill this gap in coastal economic activity. This study demonstrated that for many tourism sectors, upwards of half of total county-wide tourism employment occurred in the coastal region of each county.

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Copies of this publication or the more detailed research report, *The Impact of Tourism on Employment in New York's Coastal Areas* are available from:

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October 1988

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This publication is issued to further Cooperative Extension work mandated by acts of Congress. It was produced by the New York Sea Grant Extension Program with the cooperation of the U.S. Department of Agriculture, U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Cornell Cooperative Extension, New York State College of Agriculture and Life Sciences, New York State College of Human Ecology, and New York State College of Veterinary Medicine, at Cornell University, and the State University of New York. New York Sea Grant Extension offers equal employment and program opportunities.*