



REGIONAL ECONOMIC CONTRIBUTIONS OF BEAR LAKE

May 2022



Report Authors: Evan Hjerpe, Ph.D., Gwendolyn Aldrich, Ph.D., and Lara Gale.

Acknowledgements: We would like to acknowledge and thank the following individuals for providing valuable input: Brian Carver, Claudia Cottle, David Cottle, Richard Droesbeke, Tami Leonhardt, Jake Serago, Mark Smoot, Andrew Stokes, and all members of the report steering committee. We appreciate the local businesses that helped distribute surveys. Thanks to Leah Dunn for GIS work and Lucy Holtsnider for report design. Any errors, and all research findings are attributable to the authors only.

This report was commissioned by the Bear River Association of Governments, in partnership with the US Dept. of Commerce Economic Development Administration, the State of Utah Permanent Community Impact Fund Board, the Idaho Department of Water Resources, and the Idaho Department of Parks and Recreation.

Cover photo credit: iStockphoto.



Credit: Aaron Hawkins.

Conservation Economics Institute is a 501(c)3 with a mission of applying economics to the sustainable management of natural resources, the development of healthy communities, and the conservation of nature.

For more information find us at: www.conservationecon.org
and on Twitter [@ConservationEc2](https://twitter.com/ConservationEc2).



EXECUTIVE SUMMARY

Bear Lake is a natural amenity that attracts visitors and seasonal residents, provides numerous recreational opportunities, and provides for water-based ecosystem services. The economic demand for Bear Lake recreation spurs abundant regional economic contributions in terms of employment and income. Understanding the regional economic contributions of Bear Lake can inform the development of policies that ensure a sustainable economic future for the Bear Lake region. This future for the Bear Lake region is dependent on maintaining water quantity and healthy water quality, attributes that are at risk given current drought conditions and ever-increasing pressures on water demand in the arid Inter-Mountain West.

Conservation Economics Institute was commissioned by the Bear River Association of Governments to measure the regional economic contributions from Bear Lake visitation and to investigate other economic development in the region. An economic survey of Bear Lake visitors was conducted in the summer of 2021 to determine regional contributions. Full details on data collection and economic methods used are included in the report and in appendices. Primary findings of this economics research are presented below.

BEAR LAKE VISITOR ECONOMIC CONTRIBUTIONS:

- An estimated 1,115,000 visits were made to Bear Lake in 2021. Visits are not unique visitors, but rather represent one person spending one day or night in the Bear Lake region.
- Expenditure data from 2021 surveys were extrapolated to 880,000 visits after removing resident, non-primary, and off-season visits.
- Over the summer of 2021, Bear Lake visitors spent approximately \$48 million in the region associated with their trips. These regional expenditures were entered into 16 IMPLAN industry

sectors as final demand to initiate the regional economic contribution analysis.

- Bear Lake visitation was directly responsible for 450 full and part-time jobs in the surrounding gateway communities. Including indirect and induced effects, 575 full and part-time jobs were generated by Bear Lake tourism. Converting employment to full-time equivalents (FTEs) to account for the seasonal nature of Bear Lake visitation reveals that Bear Lake tourism contributed approximately 500 FTEs when including indirect and induced effects.
- Bear Lake visitation generated \$38 million in direct regional output, and \$54 million in total regional output (includes indirect and induced output). Total effects are shown below in Table E1.
- Bear Lake tourism generated the collection of over \$6 million in total taxes at the sub-county, county, state, and federal levels.
- Multiplier effects, or the measure of recirculated regional contributions, ranged from 1.29 for employment to 1.42 for output. These multipliers are indicative of very rural economies and show that new stores (e.g., Mike's Market in 2021) and services in the region can help reduce the leakage of visitor expenditures to other areas.
- Visitors come from across the U.S. to visit Bear Lake, with the majority (80%) coming from Idaho and Utah. Numerous Bear Lake visitors come from the greater Salt Lake City area.

Table E1: Total Effects and Multipliers for Bear Lake Visitor Expenditures (\$2021)

Impact	Employment	Labor Income (Millions)	Value Added (Millions)	Output (Millions)
Direct Effect	447.1	\$8.97	\$17.55	\$37.66
Indirect Effect	100.4	\$1.77	\$3.38	\$12.40
Induced Effect	28.4	\$0.55	\$1.67	\$3.57
Total Effect	575.9	\$11.29	\$22.60	\$53.63
Multiplier Effect	1.29	1.26	1.29	1.42

Source: IMPLAN, Bear Lake and Rich Counties 2019, Type SAM Multipliers



Credit: Utah DNR

BEAR LAKE AMENITY-BASED DEVELOPMENT CONTRIBUTIONS

- Despite a lack of growing populations from 1990-2010, Bear Lake County and Rich County housing stocks increased by 40% and 80% respectively during this time indicating that Bear Lake is a seasonal destination.
- From 2014-2019, seasonal/vacation homes increased approximately 16% from 3,100 to 3,600 in Bear Lake and Rich Counties. The percent of all residences that were vacation homes was 34% for Bear Lake County and 73% for Rich County in 2019.
- The majority of seasonal homes occur adjacent to Bear Lake in Garden City, Utah (2000 seasonal homes) and Fish Haven, Idaho (800 seasonal homes). In both communities, seasonal homes comprise more than 80% of all residences.
- In Garden City alone, residential market values have more than doubled from 2016 to 2021, leading to a total market value of \$677 million.
- From 1980-2010, Bear Lake and Rich Counties both experienced long-term out-migration, ranking in the bottom 15% for migration to rural Western counties.
- The lack of amenity migration and primary residences in the region stems from harsh winters (Rich County is typically the coldest county in Utah) and remoteness and is in direct contrast with the booming seasonal visitation and secondary residences.

- In terms of being a seasonal destination, Rich County ranked in the top 12% of rural Western counties.

ADDITIONAL ECONOMIC CONTRIBUTIONS OF BEAR LAKE:

- Historically, downstream uses of Bear Lake water included substantial levels of hydropower generation. Currently, dams downstream of Bear Lake produce an average of about 15,000 megawatt hours (MWh) per month, though hydropower is now considered “incidental” to other water release purposes.
- Each year, up to 245,000 acre-feet of Bear Lake storage water is allocated to irrigation contractors serving approximately 150,000 acres. An estimated three-quarters of irrigated acreage is used for agriculture.
- Bear Lake volume does not equate directly to usability of deliverable water. Downstream flood mitigation can also dictate the timing of water releases.
- Agriculture and livestock grazing upstream from Bear Lake pose a risk to water quality due to contributing sediment and nutrient loads into the Bear River and associated tributaries.
- Bear Lake provides primarily aquatic and wetland habitat that sustains a complex web of flora and fauna, including four endemic fish species and critical migratory bird habitat. Bear Lake biodiversity and natural areas generate substantial non-market values that include existence and bequest values.
- Using benefits transfer of previous research, it is estimated that Idaho and Utah households would have a societal willingness-to-pay of \$440 million annually to protect and sustain the current qualities of Bear Lake.