

The Economic Impact of Garden of the Gods Park

Colorado Springs, Colorado

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Brief Background

Garden of the Gods is a world-renowned tourist destination that welcomes millions of visitors every year. It is no surprise that many tourism blogs and travel planning websites frequently name Garden of the Gods (GoG) as a top ten place to visit in the United States. The park boasts 1,367 acres of remarkable red rock formations, miles of designated hiking trails, as well as a paved trail that is wheelchair accessible. The park is a beautiful natural asset to Colorado Springs, and free for visitors and locals alike.

The Garden of the Gods Foundation commissioned an economic impact analysis in the spring of 2023 to help quantify the broad financial benefits of the park to Colorado Springs. Specifically, the impact analysis shows the “value” of the park itself, as well as the benefits to local businesses that do business with Garden of the Gods entities. In addition, the economic benefit of all associated employees is calculated and together, these impacts encompass the economic impact on the community as a whole. The associated tax revenues quantify the financial benefits to the city, county, state, and federal governments.

IMPLAN software was used as it is the gold standard database and platform for economic impact analyses. Data from 2022 was entered into IMPLAN and results are in 2023 dollars to adjust for inflation. All input parameters for the model were obtained from city tourism leadership, Garden of the God’s Foundation leadership, The Trading Post, The Visitor and Nature Center, and Visit Colorado Springs tourism office. Pikes Peak Region Attractions graciously provided introductions to The Trading Post.

Methods and Model Assumptions

In simplest terms, an economic impact analysis has three components. The “direct” impact measures the direct employment and revenue impacts of a business or in this case, attraction. This would include jobs and revenue from the Visitor Center and its various activities such as Front Range Climbing and The Trading Post (among many other related businesses). Associated hotel and restaurant revenues tied to GoG tourism would also fall under direct impacts. In addition, if there were capital expenditures by any of the GoG entities in 2022, those dollars are included under “commodity inputs.”

The “indirect impact” measures the increased business-to-business activity generated from the park-associated tourism activity such as from vendors that provide goods or services to the GoG entities. The “induced impact” measures the increased consumption of the employees who work for all the associated establishments that directly and indirectly support Garden of the Gods Park. The indirect and induced impacts are typically conceptualized as the “ripple” or “multiplier effect.” The tax impacts measure the taxes paid by all businesses as well as taxes paid by employees who work for the associated businesses that support the park.

Other assumptions are listed below, and they emanate from numerous conversations with city tourism leadership, Garden of the God’s Foundation leadership, The Trading Post, The Visitor and Nature Center, Visit Colorado Springs (tourism office) and IMPLAN economists.

- 1) The Garden of the God’s Park had 4,099,330 visitors in 2022. This is an estimate based off the number of cars that entered the main parking lot throughout the year. Since there are also tour busses, trailers, cyclists and overflow parking visitors who are not counted in this total, the GoG leadership team conservatively estimated that a closer visitor count would be approximately 4.5 million visitors. It’s important to note, that since entry to the park is free and generates no direct revenue, the only input into IMPLAN for the park itself was the associated employment.
- 2) The visitor count was used to help estimate the GoG-associated hotel, car rental and other miscellaneous revenue and employment. The Longwoods Tourism Study, graciously provided by Visit Colorado Springs, details per person tourism dollars for 2022 and a portion of these per person dollars were used for this

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analysis. In the Longwoods study, per person tourism dollars used were either for over night visitors or day visitor calculations.

- 3) Since most overnight tourists visit more than one attraction while they are in the region, the total (Longwoods) tourism-related dollars calculated for the 4.5 million visitors was divided by three. This one-third calculation was used to assign revenue for hotel, car rental, restaurant and miscellaneous retail. The one-third estimate was made in consultation with Doug Price from our local tourism office. It is likely a conservative estimate since he stated the average overnight tourist visits two to three attractions while visiting Colorado Springs.
- 4) The transportation portion of the day trip revenue from the Longwoods study was included because Longwoods only categorizes “day trips” for non-Colorado Springs residents who have to travel at least 50 miles to Garden of the Gods.
- 5) For the direct GoG businesses, leadership provided gross revenue for 2022 and associated headcounts. The businesses include:
 - a) The Trading Post (broken into general retail, apparel retail, jewelry retail, and food service). There were no associated capital expenditures for The Trading Post in 2022.
 - b) As stated above, GoG is a free park, but 12 employees work for the park throughout the year and that employment impact was entered into IMPLAN.
 - c) Since capital expenditures for the park vary by year, an average was calculated for the past five years.
 - d) GoG programs such as nature walks and school programs.
 - e) Rock Ledge
 - f) Visitor and Nature Center (broken into subleased space for other programs, general retail, Amp’d Adventures, Adventures Out West, Front Range Climbing, and food).
 - g) Academy Riding Stable
 - h) Visitor and Nature Center capital expenditures

Results:

The tables below show the total economic impact of Garden of the Gods Park with the valuable input of the associated businesses and with the assumptions outlined above. The first table shows the total direct, indirect, and induced impacts as they relate to employment and the associated employment income, the net value added to the local economy, and the total output generated from the event. As the results show, in 2022 Garden of the Gods park directly supported 2,946 jobs. The indirect (business-to-business) employment was 569 jobs and the induced (broader community) employment was 540 jobs. In total, the Garden of the Gods Park contributed 4,055 jobs to the regional economy in 2022. The associated total employment-related income was \$158 million. If we do a simple division calculation of the total labor income and divide by the number of people employed, the average annual salary is \$38,947. This calculation is a good reliability check in that the salary is within a reasonable range for the types of (mostly) hospitality positions associated with this attraction.

TABLE 1. Total Economic Impacts, 2022

Impact	Employment	Labor Income	Value Added	Output
1 - Direct	2,946	\$99,904,527	\$173,877,822	\$305,318,695
2 - Indirect	569	\$31,460,102	\$47,349,041	\$95,078,040
3 - Induced	540	\$26,560,845	\$50,517,288	\$87,057,685
TOTAL	4,055	\$157,925,474	\$271,744,151	\$487,454,419

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“Output” is the total revenue emanating from Garden of the Gods Park at \$487 million. This amount does not subtract out the costs of doing business, however. The “Value Added” figure does subtract out the costs of doing business so it reflects the net value added to the local economy. For this reason, the “Value Added” is typically the total impact amount that is used to reflect the contribution to the local economy including the multiplier effect (with the indirect and induced impacts).

That “net” value add to the local economy in 2022 from the park was \$272 million. Another way to think of this amount is as the contribution to GMP, or gross metropolitan product, which is the same as national GDP (gross domestic product), but for a city.

Table 2 below shows the tax results of Garden of the Gods Park in 2022. The total tax impact for the five taxation categories was \$65 million. This represents approximately 13% of total revenues or “Output” or 24% of “Value Added.” This was calculated by taking the total tax revenues and dividing by the total output or total value added from Table 1. Of that total amount, the regional tax revenues were \$21 million, and this incorporates the subcounty, special district, and county revenues.

TABLE 2. Tax Impacts, 2022

Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
1 - Direct	\$6,064,587	\$8,497,605	\$2,442,526	\$12,150,252	\$16,174,677	\$45,329,648
2 - Indirect	\$458,312	\$648,878	\$185,214	\$1,610,611	\$6,345,766	\$9,248,781
3 - Induced	\$1,106,964	\$1,553,411	\$446,053	\$2,524,248	\$4,945,819	\$10,576,495
TOTAL	\$7,629,864	\$10,699,895	\$3,073,793	\$16,285,111	\$27,466,262	\$65,154,924

Conclusions

The results of this study show the substantial contribution of the most visited attraction in the region, The Garden of the Gods Park. Although entry to the park is free, there are various ancillary businesses and programs that tourists visit generating millions of dollars and thousands of jobs. A world-renowned park like GoG brings state, national and even international visitors who come to the region ready and willing to spend vacation dollars.

It’s important to note that the tourism related dollars from GoG calculated herein are new dollars to the region. This stands in contrast to “recycled” dollars from local residents who make and spend their money within the region. An example of this would be a health care worker who obtains their salary and spends their income all within Colorado Springs. By contrast, tourism is considered a “primary” industry that has a larger multiplier effect meaning it has an outsized economic impact. This is precisely because the tourism dollars are new dollars to the region.

Another perspective on the contribution of GoG Park is to look at the direct spend of those tourists as a proportion of total tourism-related direct spend for all visitors according to the Longwoods study. If we take the total direct revenues in 2022 emanating from GoG Park and divide by the total tourism direct spend in the Longwoods study (\$2.8 billion), GoG park accounts for 11% of total tourism-related dollars.

The tax impacts clearly show that GoG brings millions of dollars in revenues easily justifying the local government contributions to maintaining the integrity and beauty of the park. In addition, the Garden of the Gods Foundation obtains donations that help offset the local government expenditures. In 2022, donations totaled \$640,753. These are dollars that local government does not have to spend while it still reaps the tax revenue associated with the park.

In sum, Garden of the Gods Park provides not only exquisite natural beauty as a premier attraction, it is also an economic engine for local tourism and local economic development as a whole.

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