



# Economic Development Report

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## COMMUNITY ECONOMIC CONSIDERATIONS OF TOURISM DEVELOPMENT:

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- *Colorado has a natural advantage for rural recreation development due to its climate, natural and human history, and topography*
- *Tourism development can create jobs, tax revenue, improved infrastructure, cultural and recreational opportunities for rural communities*
- *Financial leakage, local-tourist conflicts, seasonality, local control, environmental impacts, and community planning are persistent challenges to tourism development*

### Introduction

Some view tourism as the silver bullet to revitalize the economies of the natural amenity rich rural communities of the Intermountain West in general and Colorado specifically. However, tourism, like any economic development driver, potentially has both positive and negative influences on communities and the people who live, work and play within them. This report discusses some of the common benefits and costs of natural amenity based tourism development such that local leaders can enter into a decision to encourage or discourage tourism as an engine of community economic

development as well informed as possible. Although every community is unique, it is possible to take lessons from those who have come before us and thereby seek to mitigate the negative implications of whatever economic driver a community chooses to pursue while enhancing the positive impacts on people, community and the natural environment that brought people to the community in the first place.

### *Colorado's natural advantage*

Tourism has been a part of Colorado's social and economic fabric since the 1870's, when Colorado was advertised to people all along the East Coast as a prime leisure destination (Wright, 1993). Undeniably, the draw of the mountain landscapes, fresh air and numerous recreation activities made Colorado a unique and attractive place for people from eastern cities to come and spend their vacation. Tourism has increased in importance and scope since these early times; Colorado is not only a tourism destination for people from the east coast, but from all over the world. Tourism is one of the biggest industries in the state, bringing between \$7 billion and \$9 billion dollars into the economy each year and providing between 145,000 and 212,000 jobs (Dean Runyan and Associates, 2001; Longwoods, 2001; Center for Business and Economic Forecasting, 2001). Tourism has been used as an

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economic stimulus in communities across the country and worldwide with varying degrees of success, largely dependent on an area's potential to attract tourists. Colorado is clearly advantaged in this respect because of its natural beauty. Colorado also benefits from a reputation that has developed over the years that gives it iconic status. Pop culture has even embraced Colorado, as heard in John Denver's "Rocky Mountain High". When people think of the Rocky Mountains, they think of Colorado (Wright, 1993).

### ***The case for tourism driven economic development***

The benefits of tourism are numerous. For example, the community tax burden may be foisted upon visitors rather than residents (Goldman *et al.*, 1995). These taxes can be used to support a broad array of quality services and infrastructure that benefit tourists and residents alike, but would be beyond the means of a small rural community in the absence of tourism (Hall and Jenkins, 1998). It also provides residents of rural communities the opportunity to interact with new people and to have more cultural opportunities. The tourism industry has brought cultural events like the Bolshoi Ballet and the Grateful Dead, among others, to rural Colorado communities for summer festivals (Economist, 1991).

Tourism has great potential as a positive economic and social force, creating jobs, tax revenue, infrastructure, local identity and entrepreneurial opportunities. It can also cause various problems and conflicts. The degree to which tourism is successful as an economic stimulus in a community is most often dependent on research, planning and community involvement. This paper will examine both the positive and negative impacts of tourism and how they arise. It will present issues that should be considered while making tourism development decisions in a Colorado community, and gives examples of how other communities across the nation and worldwide have dealt with them.

### **The growth of rural tourism**

Rural communities have lost services and economic activity due to urbanization and the decline of rural industries. Rural Colorado communities have suffered largely because of the decline of mining, forestry and other extractive industries. Tourism has shown potential to alleviate the economic woes of such communities because of increasing demand for the recreation opportunities and natural amenities rural areas have to offer.

### ***Changes in outdoor recreation***

Historically, venues for open-air recreation created in the city in the form of parks, where people could get away from their busy routines to enjoy a piece of the country within or nearby their urban environment. Now, most open-air recreation is done in rural areas. Instead of bringing the aspects of rural life to people in the city for recreational use, people are leaving the city to spend their leisure time in rural areas (Butler *et al.*, 1998). This trend has created economic and social opportunities in rural areas by allowing them generate revenue from their aesthetic quality and natural amenities and bring in infrastructure to enhance the lives of their residents. Indeed, tourism is one of the main ways in which rural communities are adjusting themselves economically, socially and politically (Jenkins *et al.*, 1998).

### ***The decline of traditional industries***

Many rural communities in Colorado could have been characterized as relatively undiversified economies dependent upon natural resource extraction (often minerals, fuels, or wood products) for their survival. The low-skill nature of mining work and the industry's dependency on external capital make mining particularly vulnerable to international competition. Since there are few firms in the industry and since such resource stocks are, by their nature, exhaustible in quality and quantity, communities that depend on mining are particularly vulnerable, as the impact of a single firm's actions can be devastating (Marcoullier and Green, 2000).

Moreover, the overwhelming majority of private lands in Colorado and the West are dedicated to the production of agricultural commodities such as beef, corn, wheat, and alfalfa hay. Due to economies of scale, high levels of productivity worldwide, relatively unproductive local soils, water constraints, and global competition, the profitability of agricultural commodity production in Colorado has declined over time and frequently dips into negative returns, particularly if federal policy effects are removed. Attempts have been made to use low and high skill manufacturing to stimulate rural economies, but they have largely failed (Machlis and Field, 2000). In many industries, rural areas are at a comparative disadvantage because of isolation, lack of diversity in the workforce and inability to produce on a large scale. Profitable public and private land use alternatives are both sorely needed and have a relatively low

bar to clear to be the preferred economic option in many of these communities.

### ***Filling the gap through nonextractive natural resource based industries***

Rural areas have a comparative advantage in land and natural resources, which give them great potential recreation, tourism and other nonconsumptive natural amenity based industries (Marcoullier and Green, 2000). Carlsbad Caverns, New Mexico, once dependent on harvesting bat droppings, is now a mega tourist attraction (Rothman, 2000). Aspen, Colorado was a silver mining town that went into dire straits when the world turned to the gold standard. Following a 60-year economic depression, the ski industry and second home market turned Aspen and surrounding Pitkin County into one of the three wealthiest counties in the country (New York, New York and Teton, Wyoming, another tourism mecca, are traditionally the other two wealthiest counties). Silverton, Colorado, in La Plata County is another former silver town where tourism has taken hold. Although tourism there has not expanded to the extent it has in Aspen, Silverton is now largely dependent on tourism (Wright, 1993).

The new rural exports are becoming tourism and its related services (Machlis and Field, 2000). There is a high demand for tourism and it is generally a low start-up cost industry. Tourism has great potential to create jobs and is perceived as more environmentally friendly than traditional rural industries (Marcouiller and Green, 2000). However, ski and golf resort development common to the West run counter to these low cost, low risk notions and the environmental effects of such development has been called into question.

### **What happens to tourism money?**

Tourism can be a very lucrative and far reaching industry, but how much tourist spending ends up in and remains in rural communities? Tourists spend money at home to prepare for their trip, they spend money to transport themselves from their home to their destination, and they spend money while they are on their trip and at their vacation destination. All of these expenditures are tourism spending, but not all, or even most, of them find their way to and remain in the destination rural community. Moreover, some expenditures made in rural communities are reinvested there, but some leave the community, or leak.

Direct expenditures on tourism in the destination community are respent, or multiplied, in related, secondary industries and by local people who earn money in

through these direct and indirect expenditures by tourists in the local economy. Secondary industries like construction, laundries, food, wholesalers and suppliers, utilities, entertainment and health care all collect tourist dollars. It is in the best interests of a community to try to maximize the proportion of tourism expenditures that reach and remain in the local economy. That is, it is desirable to increase the size of the direct positive impact of tourism expenditures and to maximize the tourism multiplier through increasing the proportion of local purchases in the tourism experience.

Here, we define local at the community or county level. Often, tourism information is couched at the state level. For our purposes, expenditures by Coloradoans who vacation within Colorado but away from home are considered tourists, thereby contributing to local economic impacts. If, on the other hand, we were to take a state level perspective, expenditures by Coloradoans in rural Colorado must be considered recreation and their expenditures are merely within state transfers of funds, having zero or close to zero state level economic impact.

### ***Tourism spending in Colorado***

County level tourism spending in Colorado ranged from \$800,000 in Kiowa County, with a population of under 2,000, to over \$2 billion in Denver County, with a population of over half a million in 2000. The total expenditures on Colorado vacations are far greater than those that are spent in Colorado. For example, plane tickets, a major expenditure, are often purchased from in the visitor's home city, or online. For all inclusive resorts located in Colorado, such as Club Med in Steamboat, almost all expenditures accrue outside of Colorado while almost all costs (e.g., water, transportation infrastructure, attraction crowding, waste disposal) are incurred locally. The metropolitan Denver area captures a great deal of tourist money from being a transportation hub for almost any traveler to the state even if their final destination and motivation for visiting Colorado has nothing to do with urban areas of the state. Two nonmetropolitan counties that benefit from rural tourism are the popular ski counties of Summit (\$550 million) and Pitkin (\$492 million). Other counties with well know ski resort development include Routt County (\$169 million) and La Plata County (\$172 million). Montezuma County, home of Mesa Verde National Park, but no skiing, received \$71 million in tourist spending in 2000 (Dean Runyan and Associates, 2001).

***Estimates of local leakage of tourism expenditures***  
Since not all money spent by tourists in a community

stays there, a better indicator of economic impact at the county level may be the amount of tourist spending retained locally. Research on tourism dependent communities in the northwestern United States has shown that only between 30% and 50% of tourism revenue stays in the community (Goldman *et al.*, 1995). Local retention increases with the amount of local purchases and is usually considered to be associated with locally owned and operated businesses. Colorado communities are at the lower end of this expenditure retention range, potentially due to the corporate ownership predominate in ski resort development in the state. Approximately \$3 billion of the \$9 billion spent by tourists in Colorado remained in the county in which it was spent. Some \$181 million of the \$492 million spent in Pitkin County in 2002 stayed there. Summit County retained \$200 million, Routt County and La Plata County each retained \$60 million and Montezuma County retained \$21 million (Dean Runyan and Associates, 2001) (Figures 1-4).

**How capital leakages occur**

There are many ways in which money can leak out of an economy after it is spent there (McIntosh, 1979). Earnings from Vail Resorts, Aspen Ski Corp or Crested Butte Mountain Resort may be reinvested locally, or may be invested wherever financial returns to that investment are highest, creating a local leakage. A leakage from the economy of La Plata County would occur if a Silverton hotel buys towels from Bangladesh or a Durango restaurant buys steaks from Greeley, in Weld County. Another way in which capital leakages take place is when a worker earns her paycheck working at Vail, in Eagle County, but commutes from Leadville, in Lake County, where she pays rent and buys groceries. Paycheck earnings can also escape when the wage

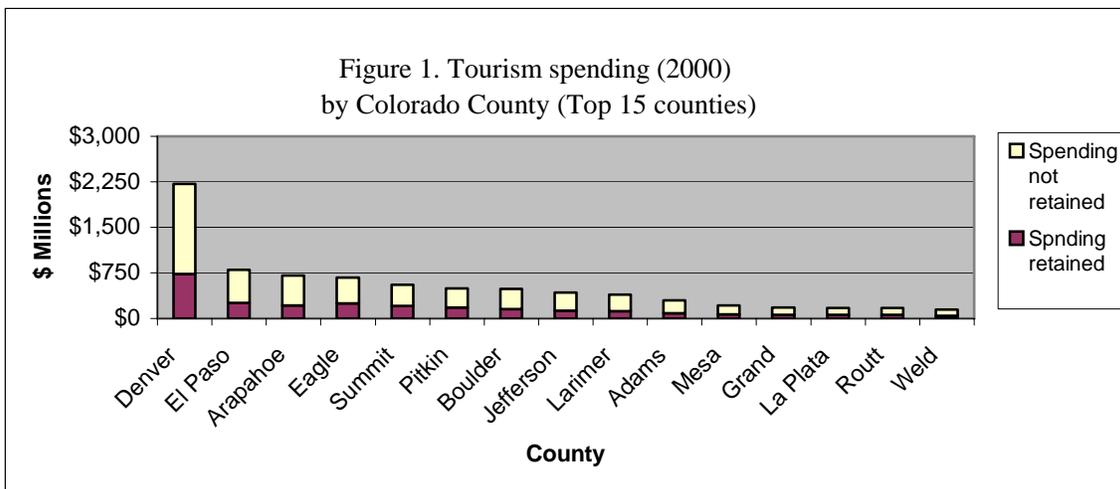
earner sends money to family members living out of the community, often in Mexico for many of Colorado’s tourism service sector workers. No economy is completely free of capital leaks (Achana and O’Leary, 2000).

**How capital leakages can be minimized**

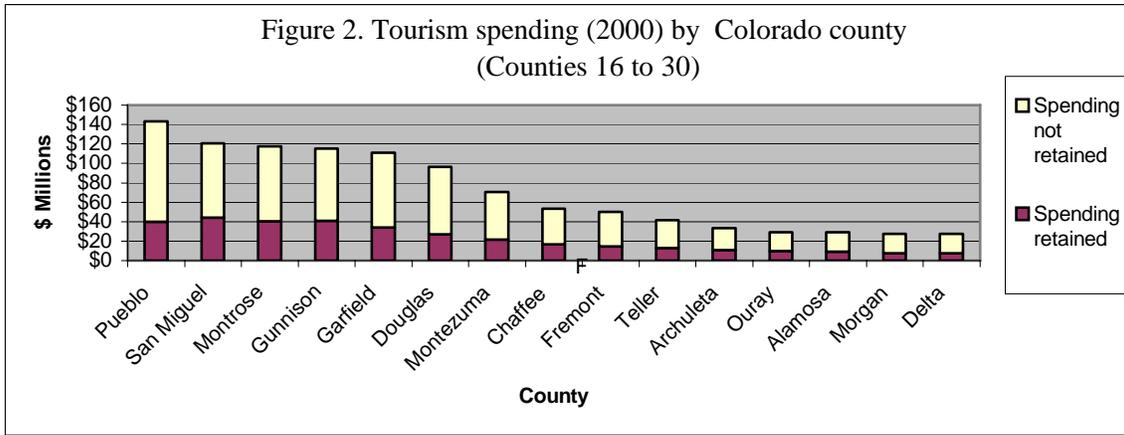
Communities can attempt to mitigate the leakage of capital expenditures by tourists. For example, “buy local” programs encourage people to substitute imported goods for local goods (McIntosh, 1979). It may not be possible for all businesses in Silverton to get all of their supplies from the local area, but capital can be prevented from leaking out of the Colorado economy by buying steaks from Swift in Greeley and not from Montana, or out of Steamboat by buying Yampa Valley beef rather than Swift.

In many cases, tourism based firms with outside ownership tend to be large sources of leakages (Achana and O’Leary, 2000). The propensity of potential tourism developers to reinvest in the local community should be a consideration when making local development decisions. Large companies often provide the personnel for their best paid jobs. Local decision makers will want to consider proposals critically when considering both the quantity and the quality of jobs created by the development.

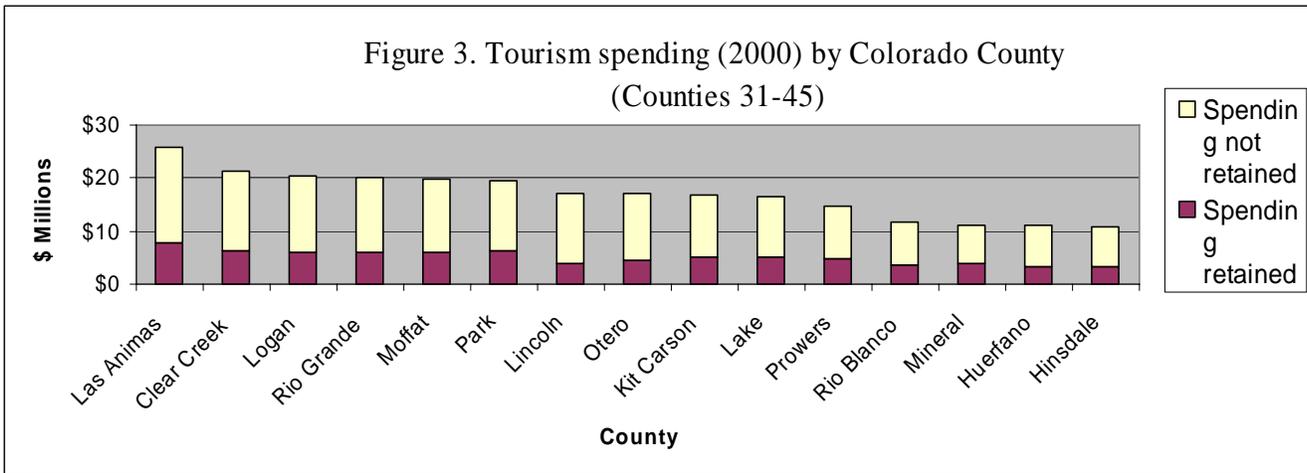
Having sufficient housing and services for local employees can also prevent capital leakages. This can be a challenge, however, in communities that are highly developed for tourism, like Aspen and Vail, where property values are too high for a poorly paid tourism work force, necessitating creating local policy alternatives for affordable housing.



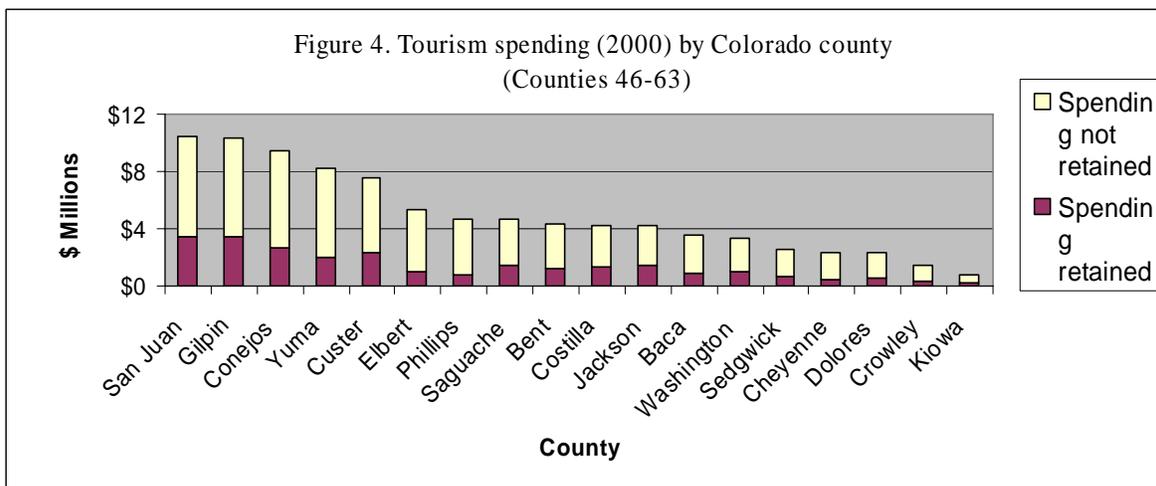
Source: Dean Runyan and Associates



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Source: Dean Runyan and Associates



Source: Dean Runyan and Associates

### Capturing tourist dollars through taxation

An appealing aspect of tourism is that it can place part of tax burden that usually rests on residents onto non-residents (Marcouiller and Green, 2000). A portion of every dollar a tourist spends goes directly to the state and the local governments in the form of tax dollars.

### Where do tourist's tax dollars come from and go?

Receipts for state and local taxes accrued from Colorado tourism totaled \$550 million in 2002 (Dean Runyan and Associates, 2001). Sales taxes, alcohol and cigarette taxes, room taxes, gas taxes and entertainment taxes can bring tax relief for local and state residents (McIntosh, 1979). Although much of the tax revenue from tourism goes into state coffers, local governments can also capture a great deal of tax revenue. Of the \$550 million of tax revenue generated by tourism in 2002, \$273 million was collected at the local level. Tourism in Pitkin, Summit, Routt, La Plata and Montezuma Counties generated \$18 million, \$20 million, \$6.4 million, \$5 million, and nearly \$2 million in local taxes respectively (Dean Runyan and Associates, 2001) (Figures 5-8).

### Taxation strategies

Colorado has a highly decentralized tax revenue generating structure that allows for more freedom of local governments to decide how taxes are collected than in other states. Because of this, combined state and local taxes are amongst the lowest in the nation, while local taxes are amongst the highest (Greenwood and Brown, undated). The ways in which taxes are collected in a community determine how much of the tax burden falls on locals and how much falls on tourists. If the choice is among income, real estate and sales taxes,

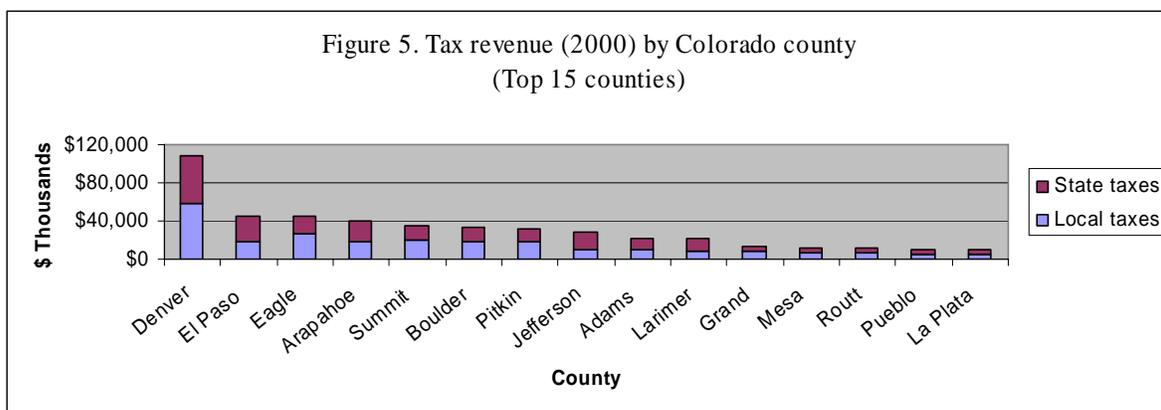
residents primarily shoulder the former two and the latter clearly falls most strongly to tourists. Sales taxes are regressive in the sense that people with lower incomes tend to spend a greater proportion of their income on taxed items than do wealthier people. On the other hand, income and real estate taxes tend to be proportional (all income groups tend to spend the same tax burden as a proportion of income) or progressive (wealthier income groups tend to pay a greater proportion of their income than do less wealthy individuals).

Ad-valorem taxes on locally purchased goods and services fall equally on locals and tourists. Everyone in a community, locals and tourists, pay the same taxes on things like groceries, gasoline, and retail goods. Although having a high local sales tax does generate tax revenue from tourists, who consume heavily, it also raises the tax burden on locals.

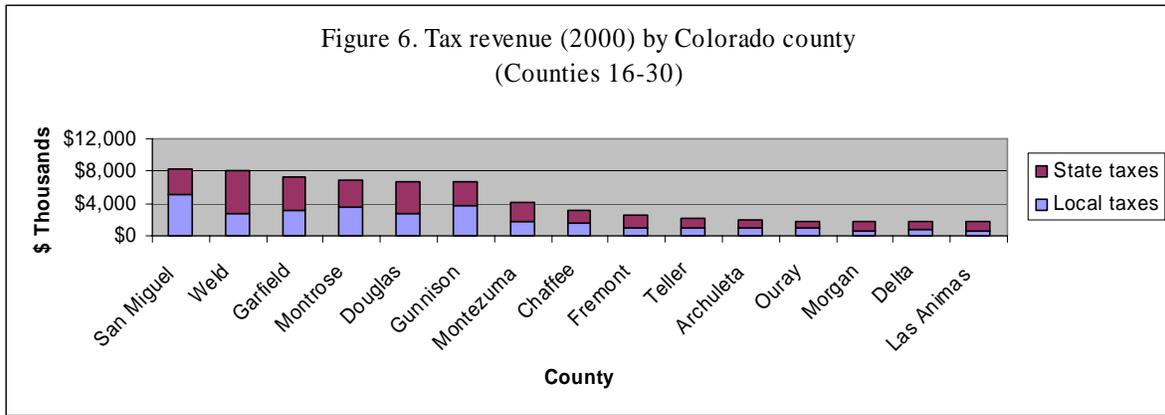
### The hotel tax

An ad-valorem tax that places the burden squarely on visitors is a hotel tax, sometimes called a room tax or bed tax (Marcouiller and Green, 2000). A hotel tax is an additional tax placed on hotel rooms and other types of lodging, which are rented almost exclusively by tourists. States, counties, municipalities or other taxing districts can impose hotel taxes.

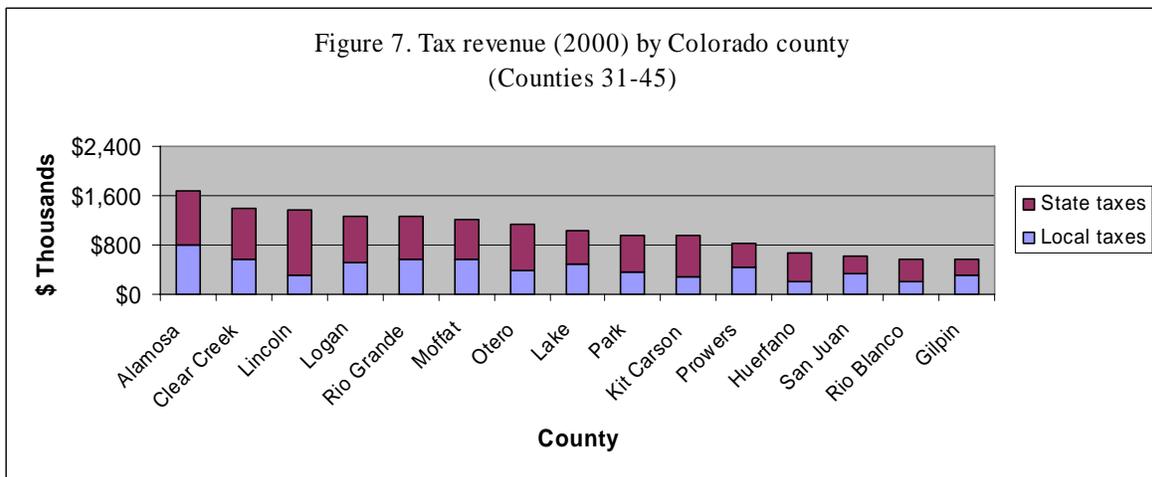
In Montana, a statewide 4% hotel tax is entirely reinvested into tourism promotion and some communities are allowed to levy an additional three percent resort tax to help compensate for having no state sales tax (Glick and Alexander, 2000). The Montana bed tax raised almost \$12 million in 2002 (Montana Legislative



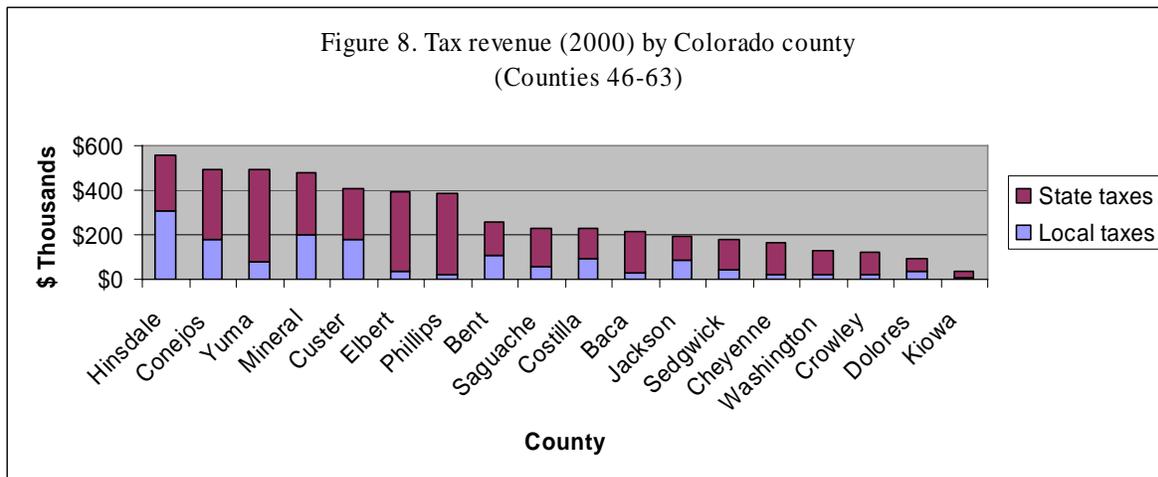
Source: Dean Runyan and Associates



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Fiscal Division, 2002). In Colorado many counties have a hotel tax, which ranges from one to four percent (Colorado Department of Revenue, 2002) (Table 1).

Some municipalities also levy a hotel tax. Although Eagle County does not level a room tax, the Town of Vail has a 1.4% lodging tax in addition to state, Eagle County and Town of Vail sales taxes. Revenues from the room tax are reinvested into promoting Vail tourism during “shoulder” (late spring and fall) seasons (Vail Valley Chamber and Tourism Bureau, 2002). Some question the negative impacts of room taxes on lodging firms (Hiemstra and Ismail, 1993; Hulkrantz, 1994) since higher lodging prices may reduce the number of nights a tourist stays and encourage more day trips from tourists that live in nearby urban centers. However, this taxation method has been shown to be an effective strategy for generating tax revenue almost entirely from tourists (Weston, 1983).

**Retirees and second homeowners**

Tourists who visit a community briefly are not the only people that bring external capital into a rural community. In addition to tourists, high amenity areas also attract both retirees and second homeowners (Machlis and Field, 2000), both of whom bring money into a community and create business opportunities.

In Cape Cod, Massachusetts retirees comprise 15% of the region’s economy (Kornblum, 2000) and in Garfield and Kane Counties in Utah 39% of total personal income is non-labor income due to the wealthy in-migrant retiree population (Achana and O’Leary, 2000). With the baby-boomers reaching retirement age, an urban to rural population shift could be on the horizon. Although there are potential problems to a large shift, considerable amounts of new capital could be brought to high amenity rural areas of Colorado in the near

future. The increase of people who work from home via the Internet allows affluent people to move into rural areas even before retirement, or in semi-retirement (Smith, 2000; Goldsmith *et al.*, forthcoming).

Second homeowners are widespread throughout Colorado (Wright, 1993). Second homes tend to be assessed above county average homes and can contribute property taxes substantially to the property tax base (Gill, 1998; Deller *et al.*, 1997; Fritz, 1982). In 1998, 4.3% of housing units in Colorado were second homes. In 13 Western Slope counties second homes make up over 30% of housing (Center for Business and Economic Forecasting, 2001) and in Aspen, Breckenridge, Steamboat Springs, Telluride and Vail more than half of all properties are owned by out of state residents (Economist, 1991). Property taxes can be used to generate tax revenue from outsiders in areas where the number of second homes is high, like in Mineral and Hinsdale Counties, where second homes account for over 70% of all housing (Table 2).

It has been suggested that placing higher taxes on out of state homeowners could protect communities from the proliferation of second homes (Economist, 1991) as well as generating more tax revenue. This represents another method by which taxation can be used to have nonresidents support community services that they may or may not enjoy. It is also relatively unlikely that the preferences of second homeowners for community services will be expressed through the local democratic process.

**Tourism employment and the service industry**

Compared to most industries, tourism and the service industry are very labor intensive. The service, retail, and transportation sectors are most impacted by tourism (Keith *et al.*, 1996). Tourism also has a significant

**Table 1: Colorado County Room Taxes**

County Room Tax	Counties
4.0%	Gunnison
2.0%	Fremont, San Juan and San Miguel (Mountain Village omitted)
1.9%	Alamosa, Archuleta, Chaffee, Clear Creek, Costilla, Conejos, Delta, Gunnison, Hinsdale, Lake, La Plata (Durango omitted), Logan, Mineral, Moffat, Montezuma (Cortez omitted), Morgan, Rio Blanco, Rio Grande and Saguache,
1.8%	Grand (Winter Park omitted)
0.9%	Bent

Source: Colorado Department of Revenue

**Table 2: Percent of Second Homes by County (1990)**

County	Percent second homes (1990)	County	Percent second homes (1990)
Mineral	71.4	Moffat	4.7
Hinsdale	70.9	Larimer	4.2
Grand	57.4	Morgan	3.6
Summit	55.7	Garfield	3.6
Custer	55.7	Kiowa	2.5
Park	50.4	Washington	2.3
Jackson	39.1	Boulder	2.1
San Miguel	36.7	Montrose	1.7
Gunnison	36.2	Lincoln	1.6
Gilpin	35.6	Mesa	1.6
Eagle	33.1	Alamosa	1.3
Pitkin	31.0	Pueblo	1.2
Routt	30.4	Yuma	1.2
Archuleta	27.6	Phillips	1.1
Teller	26.8	Cheyenne	1.1
Dolores	25.9	Sedgewick	1.1
Ouray	24.8	Elbert	0.9
Clear Creek	22.9	Baca	0.9
Huerfano	22.8	Bent	0.9
San Juan	20.8	El Paso	0.8
Conejos	18.3	Jefferson	0.8
Chaffee	16.2	Kit Carson	0.7
Lake	15.1	Logan	0.6
Rio Grande	14.5	Douglas	0.6
La Plata	13.7	Crowley	0.5
Saguache	13.4	Prowers	0.4
Costilla	11.9	Otero	0.3
Las Animas	6.8	Weld	0.3
Rio Blanco	6.8	Adams	0.2
Delta	5.0	Denver	0.2
Fremont	4.9	Arapahoe	0.1
Montezuma	4.8	<b>Colorado Total</b>	<b>4.3</b>

Source: Center for Business and Economic Forecasting

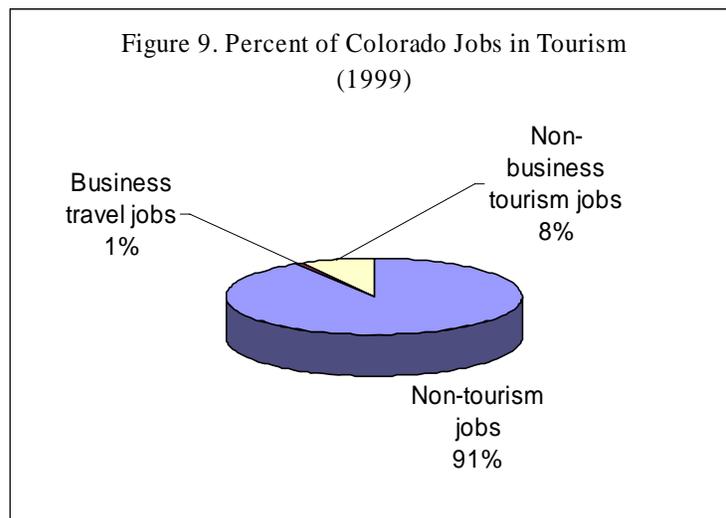
impact on peripheral sectors such as construction, real estate and utilities (Marcoullier and Green, 2000). Studies show that Colorado has between 145,000 (Dean Runyan, 2001) and 212,000 (Longwoods, 2001; Center for Business and Economic Forecasting, 2001) tourism jobs in the private sector. An estimated 6,000 government jobs in Colorado are also created by tourism (Center for Business and Economic Forecasting, 2001).

**Where are the tourism jobs?**

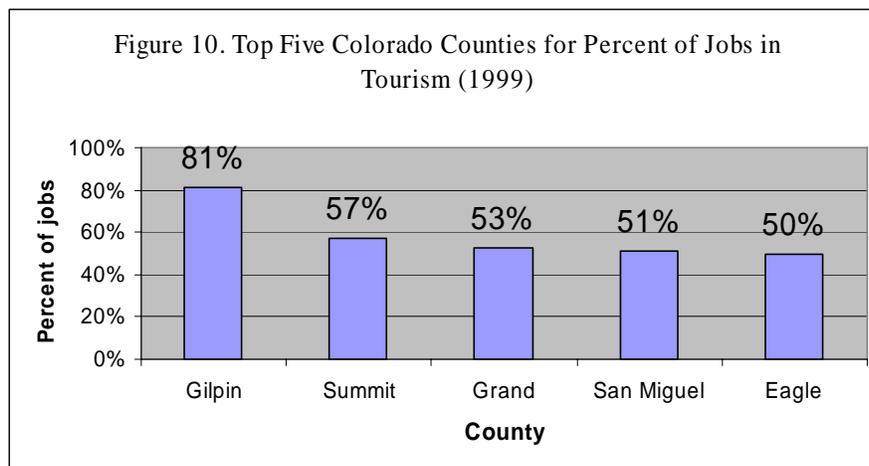
As many as 8% of all jobs in Colorado are in the tourism industry. About 13.4% of these tourism jobs are created by business travel (Figure 9).

More than half of Colorado tourism jobs are in Front Range metropolitan areas, but the impact of tourism employment is much greater in the mountainous areas of the state. Tourism jobs account for at least half of all jobs in five Colorado counties: Gilpin (81%, mostly casino jobs), Summit (57%), Grand (53%), San Miguel (51%) and Eagle (50%) (Figure 10).

In another eight counties one-third of all jobs are in the tourism industry and in 21 Colorado counties at least 15% of all jobs are in the tourism industry. Tourism jobs are growing at a faster rate, 7.2%, than total jobs, 6.5%, in Colorado. The fastest growth has occurred in



Source: Center for Business and Economic Forecasting



Source: Center for Business and Economic Forecasting

counties like Garfield and Archuleta, which border Pitkin and La Plata Counties, where tourism is well established (Center for Business and Economic Forecasting, 2001) (Table 3).

**What kinds of jobs are created by tourism?**

Although restaurant and hotel jobs do account for almost half of all tourism jobs, the employment impacts of tourism span across 20 different sectors of the Colorado economy. Retail and wholesale, real estate, construction, transportation, ski resorts, other amusement activities and utilities are all industries in which tourism jobs can be found (Center for Business and Economic Forecasting, 2001) (Figure 11).

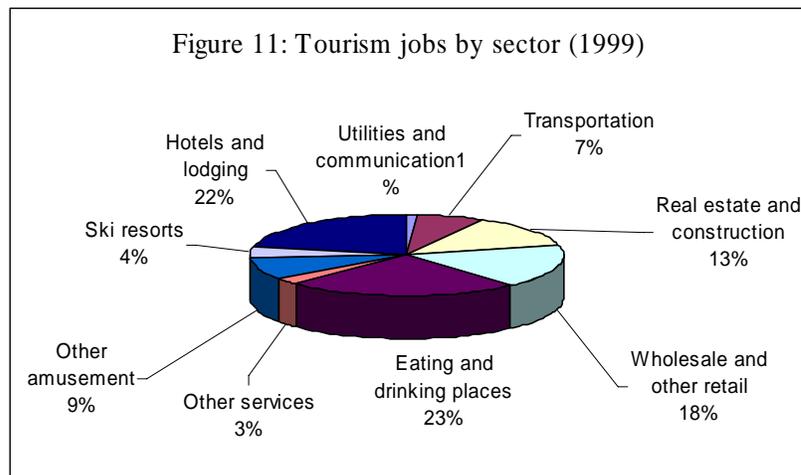
**Are tourism jobs good jobs?**

Tourism jobs may be abundant in Colorado, but the quality of such jobs must be considered as well as quantity. In many areas of Colorado tourism jobs have replaced jobs in the declining mining industry (Wright, 1993). In some instances workers have supported extractive industries over tourism because wages are higher and the work is less seasonal than in the tourism industry (Reid, 1998). Some tourism jobs, however, offer a quality of life for which people are willing to accept lower wages, particularly in small, cottage industry tourism firms like guiding services (Kearsly, 1998).

**Table 3. Tourism Jobs by Colorado County**

County	Tourism jobs (1999)	Percent tourism jobs (1999)	County	Tourism jobs (1999)	Percent tourism jobs (1999)
Gilpin	4,315	81%	Mesa	5,098	8%
Summit	13,121	57%	Larimer	9,373	7%
Grand	4,283	53%	Alamosa	642	7%
San Miguel	3,464	51%	Las Animas	438	6%
Eagle	16,833	50%	El Paso	15,916	5%
Pitkin	9,355	48%	Denver Metro	80,244	5%
San Juan	150	39%	Rio Grande	310	5%
Mineral	332	39%	Dolores	40	5%
Ouray	765	38%	Lincoln	166	5%
Hinsdale	191	38%	Costilla	51	4%
Gunnison	3,625	34%	Kit Carson	197	4%
Routt	6,043	34%	Pueblo MSA	2,722	4%
Teller	3,281	34%	Prowers	330	4%
Archuleta	1,473	29%	Conejos	117	4%
La Plata	7,955	27%	Saguache	98	4%
Clear Creek	1,003	25%	Weld	2,784	3%
Chaffee	2,117	24%	Morgan	392	3%
Park	674	19%	Logan	307	3%
Montezuma	2,163	16%	Otero	194	2%
Lake	435	15%	Sedgwick	29	2%
Custer	193	15%	Elbert	70	1%
Garfield	3,604	14%	Crowley	24	1%
Rio Blanco	359	9%	Yuma	68	1%
Montrose	1,741	9%	Baca	30	1%
Fremont	1,533	9%	Bent	23	1%
Jackson	75	8%	Phillips	19	1%
Delta	941	8%	Cheyenne	11	1%
Huerfano	266	8%	Kiowa	7	1%
Moffat	543	8%	Washington	15	<1%
			<b>Colorado total</b>	<b>212,222</b>	<b>8%</b>

Source: Center for Business and Economic Forecasting



Source: Center for Business and Economic Forecasting

### ***Rural residents and tourism jobs***

It has been argued that local people in rural areas working in tourism jobs to serve affluent visitors creates a poverty trap, where rural people are stuck in subservient roles (Ashworth, 1992.) A study in southwestern Wisconsin comparing tourism to other rural industries showed that a “hollowing out” occurred in tourism dependent communities, eliminating a working middle class (Leatherman and Marcouiller, 1996). Wages and income distribution in tourism dependent communities have been shown to be a function of ownership and operation of firms in the tourism industry. It is not uncommon for entrepreneurs or corporations to reap large returns from tourism, while it is also common that most employees and wage laborers will have low-paying jobs with little opportunity for advancement (Marcouiller and Green, 2000; Achana and O’Leary, 2000). Greater income equality is found where local residents are more involved in the management of local tourism firms and where tourism develops in the form of many small, independent firms that revolve around a central theme. One example of this small independent firm strategy can be found in rural Ontario and can be contrasted with a tourism industry developed around a principal or single service provider, such as Disneyland in California and Snowbird, Utah (Gill, 1998).

### ***High paying tourism jobs***

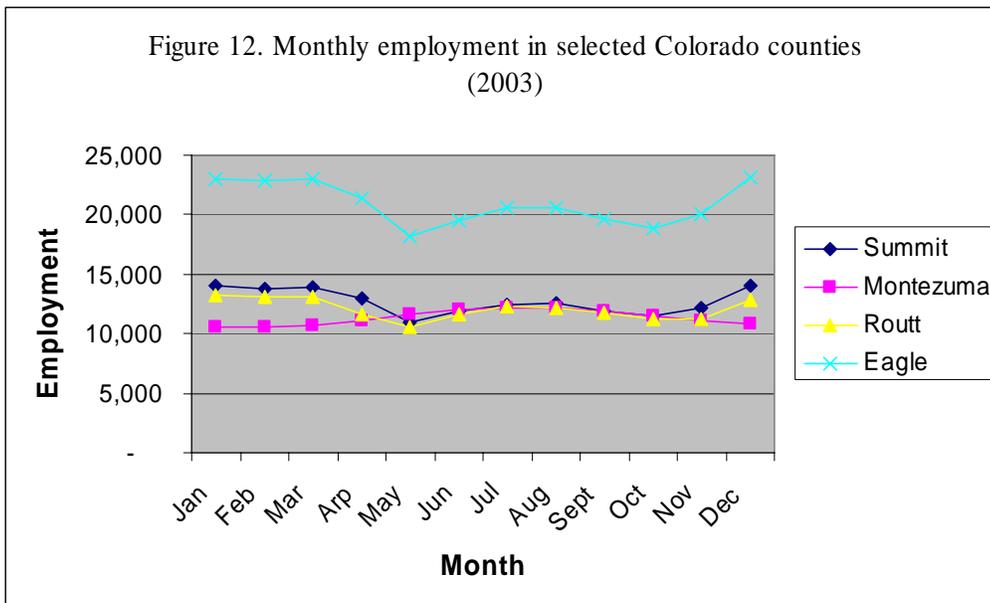
In some instances tourism jobs pay better than other jobs in a region. In Greater Yellowstone, service industry jobs created by tourism pay 20% better than average over all industries (Glick and Alexander, 2000). A wide spectrum of tourism jobs fall in the service category, which can be divided among producer, consumer, social, and government services (Beyers, 1991). Consumer service jobs are jobs in which employees cater directly to tourists in hotels, restaurants, repair shops and the like. Producer services are involved with tourism goods production and include sectors like finance, insurance, real estate, legal and business services, and engineering and management services. Firms outside of the local area can offer these services, but would not necessarily do so. Gallatin County, Montana, in Greater Yellowstone, generated \$46 million from producer services compared to \$29 million in consumer services in 1995, and its three biggest service sectors were health care, business and engineering and management services, followed by lodging and recreation (Glick and Alexander, 2000). Producer service jobs are unlikely to exist locally until a critical size of tourism development is created. Sufficient size often requires either time or central planning, which often does not coincide with residents’ wants and needs (Gill, 1998).

### **The Seasonality Problem**

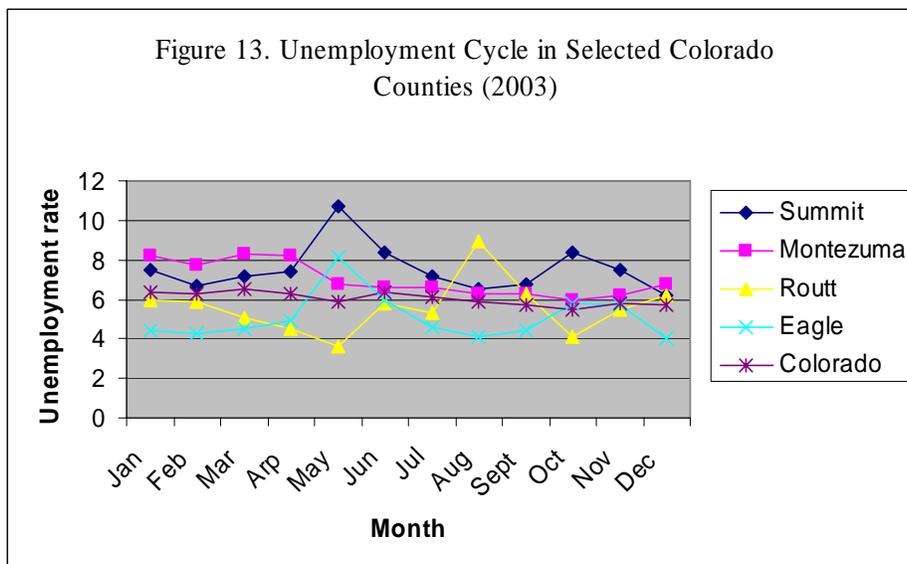
Tourism is a highly seasonal industry. Rural tourism has been shown to be much more seasonal than urban tourism (Jenkins *et al.*, 1998). Rural tourism is oriented towards the outdoors and outdoor activities, and in most places, including Colorado, there is a large difference in the climate and the activities available during the summer and winter months. A tourism dependent community may be booming in the summer as kids are out of school, families are vacationing and the weather is nice, but the very same community may become a ghost town in the winter. All the jobs and revenue leave until the snow melts, the days get longer and school lets out again. Estes Park, in Larimer County, is an example of a community where tourism is much heavier in the summer and than in the spring, fall and winter. Vail and Aspen, on the other hand, are examples of Colorado communities that have no trouble attracting tourists in the winter because of the great skiing, but in the summer many of the condominiums and hotels are empty and the workforce greatly reduced (Koepke, 1972). Economic development strategies in these communities have centered on reducing the seasonality problem by investing in golf courses, music festivals and terrain parks, and promoting hiking, mountain biking, wildflower viewing, adventure racing and river rafting, for example.

County level monthly employment data show how summer employment is far greater in counties such as Montezuma County, whereas summer employment is much less than winter employment in Summit and Eagle Counties. Routt County receives heavy tourism in summer and winter months, but decreases in employment can be seen in spring and fall (Figure 12). The labor force in these counties adjusts to seasonal employment. At times, a spike in unemployment can be seen in “shoulder” (late spring and fall) seasons (Figure 13).

Monthly employment (Table 4) and unemployment rates (Table 5) in Colorado counties and metropolitan areas for 2003 show that employment instability is very high in areas of the state that depend on tourism. The most unstable jurisdiction was San Juan County, where peak employment, in July, was twice as high as low employment, in April. The unemployment rate was five times as high at its peak, in January, than it was at its nadir, in September. Of the ten counties with the highest percentage of employment in tourism, eight were amongst the top ten in either category of employment instability (Summit, Grand, San Miguel, Eagle, Pitkin, San Juan, Mineral and Hinsdale).



Source: Colorado Department of Labor and Employment



Source: Colorado Department of Labor and Employment

***Does tourism employment fluctuate more than traditional rural employment?***

Tourism is a unique industry and seasonality is a unique problem it faces. Employment and economic variations are nothing new to many rural communities in Colorado, which have turned from boom-bust extractive industries like mining to tourism. The variability of the tourist trade has shown to be as great as that of many extractive industries, but with much shorter, more predictable cycles. In many communities tourism can be a

lucrative industry, but only for part of the year, which causes fiscal and employment instability. A study on tourism dependent communities in Utah showed high-season employment to be 1.4 to 1.7 times greater than low-season employment in tourism dependent communities, whereas employment was only 1.1 to 1.2 times greater in communities dependent on extractive industries (Keith *et al.*, 1996). Unemployment can run rampant in the low season and then be followed by a labor shortage in the high season and business owners are

**Table 4: Colorado County and Metropolitan Area Employment (2003)**

	January	February	March	April	May	June	July	August	September	October	November	December	Annual Average	Max/Min	Variance
SAN JUAN COUNTY	288	260	264	201	259	342	396	384	349	326	282	296	304	1.97	3,254
HINSDALE COUNTY	544	522	545	587	605	753	880	874	781	668	596	610	664	1.69	16,187
MINERAL COUNTY	479	475	525	346	386	511	560	539	470	388	442	472	466	1.62	4,312
JACKSON COUNTY	1,034	947	919	964	974	1,165	1,239	1,187	1,128	1,066	946	892	1,038	1.39	13,584
PITKIN COUNTY	10,247	10,187	10,136	9,188	7,444	8,749	9,311	9,308	8,704	8,194	8,068	9,702	9,103	1.38	812,409
SAN MIGUEL COUNTY	5,045	4,972	4,960	4,559	3,721	4,458	4,634	4,653	4,595	4,113	4,102	4,859	4,556	1.36	163,038
RIO GRANDE COUNTY	5,856	5,747	5,761	5,846	5,980	6,470	6,870	6,731	7,473	6,786	6,136	6,080	6,311	1.30	302,493
RIO GRANDE-SAGUACHE LMA	8,962	8,815	8,836	8,967	9,172	9,924	10,537	10,324	11,462	10,408	9,411	9,325	9,680	1.30	711,528
SAGUACHE COUNTY	3,126	3,068	3,075	3,121	3,192	3,454	3,667	3,593	3,989	3,622	3,275	3,245	3,369	1.30	86,159
GRAND COUNTY	6,959	6,681	6,714	6,382	5,652	6,761	7,267	7,136	6,443	5,965	6,341	7,043	6,612	1.29	231,113
CUSTER COUNTY	2,135	2,124	2,164	2,093	2,245	2,413	2,488	2,399	2,314	2,156	2,058	1,950	2,212	1.28	26,243
SUMMIT COUNTY	13,973	13,836	13,952	12,951	11,001	11,853	12,465	12,528	11,900	11,469	12,157	14,000	12,674	1.27	1,123,845
EAGLE COUNTY	23,036	22,811	23,001	21,351	18,136	19,541	20,550	20,655	19,619	18,908	20,043	23,080	20,894	1.27	3,054,236
EAGLE-SUMMIT-LAKE LMA	40,229	39,836	40,168	37,286	31,672	34,125	35,887	36,070	34,261	33,020	35,002	40,306	36,489	1.27	9,315,346
LAKE COUNTY	3,220	3,189	3,215	2,984	2,535	2,731	2,872	2,887	2,742	2,643	2,802	3,226	2,921	1.27	59,708
ROUTT COUNTY	13,201	13,087	13,088	11,586	10,534	11,680	12,292	12,228	11,727	11,257	11,239	12,786	12,059	1.25	740,908
SEDGWICK COUNTY	1,292	1,217	1,204	1,236	1,274	1,360	1,383	1,313	1,304	1,247	1,182	1,133	1,262	1.22	5,362
COSTILLA COUNTY	1,418	1,404	1,425	1,502	1,602	1,683	1,689	1,612	1,665	1,659	1,432	1,412	1,542	1.20	14,320
CHEYENNE COUNTY	1,277	1,239	1,186	1,221	1,222	1,357	1,387	1,328	1,284	1,252	1,160	1,170	1,257	1.20	5,269
GUNNISON COUNTY	7,828	7,723	7,824	6,816	6,547	7,390	7,765	7,817	7,476	7,044	6,886	7,719	7,403	1.20	212,867
CHAFFEE COUNTY	7,619	7,647	7,693	7,793	7,959	8,762	9,037	8,975	8,355	8,039	7,826	8,158	8,155	1.19	264,431
WASHINGTON COUNTY	2,386	2,236	2,151	2,196	2,168	2,367	2,380	2,267	2,273	2,205	2,086	2,014	2,227	1.18	13,458
PARK COUNTY	8,048	8,003	8,047	8,205	8,706	9,451	9,475	9,272	9,082	8,509	8,375	8,422	8,633	1.18	307,773
KIOWA COUNTY	775	719	721	746	732	790	834	772	786	771	707	714	756	1.18	1,492
RIO BLANCO COUNTY	3,047	3,046	3,048	3,192	3,276	3,585	3,547	3,551	3,472	3,436	3,276	3,149	3,302	1.18	43,719
KIT CARSON COUNTY	3,848	3,632	3,577	3,682	3,686	3,983	4,055	3,895	3,826	3,716	3,560	3,480	3,745	1.17	31,468
MONTEZUMA COUNTY	10,526	10,512	10,755	11,088	11,672	12,018	12,164	12,202	11,891	11,481	11,132	10,832	11,356	1.16	397,049
ARCHULETA COUNTY	4,834	4,767	4,765	4,753	5,012	5,183	5,364	5,459	5,339	5,162	4,881	4,756	5,023	1.15	71,223
DOLORES COUNTY	680	674	672	672	693	753	767	746	745	723	700	668	708	1.15	1,360
OURAY COUNTY	1,908	1,891	1,924	1,978	2,010	2,110	2,149	2,163	2,138	2,135	2,095	2,069	2,048	1.14	10,141
MONTRORSE-OURAY LMA	17,805	17,652	17,956	18,460	18,756	19,693	20,052	20,183	19,957	19,926	19,549	19,306	19,108	1.14	881,932
MONTRORSE COUNTY	15,897	15,761	16,032	16,482	16,746	17,583	17,903	18,020	17,819	17,791	17,454	17,237	17,060	1.14	702,929
CLEAR CREEK COUNTY	5,578	5,620	5,611	5,363	5,055	5,290	5,262	5,184	5,122	5,340	5,536	5,773	5,395	1.14	50,995
CROWLEY COUNTY	1,583	1,546	1,548	1,580	1,592	1,658	1,697	1,763	1,736	1,697	1,617	1,590	1,634	1.14	5,473
OTERO-CROWLEY LMA	9,649	9,428	9,439	9,635	9,708	10,112	10,346	10,749	10,587	10,347	9,861	9,693	9,963	1.14	203,530
OTERO COUNTY	8,066	7,882	7,891	8,055	8,116	8,454	8,649	8,986	8,851	8,650	8,244	8,103	8,329	1.14	142,252
BACA COUNTY	2,327	2,168	2,130	2,200	2,224	2,394	2,406	2,328	2,399	2,382	2,281	2,249	2,291	1.13	9,284
TELLER COUNTY	12,645	12,739	12,624	12,814	13,347	13,985	14,095	14,253	13,962	13,390	13,133	12,840	13,319	1.13	375,466
GARFIELD COUNTY	24,095	23,970	24,422	25,193	25,885	26,762	26,890	26,995	26,622	26,359	25,900	25,496	25,716	1.13	1,188,860
LINCOLN COUNTY	2,829	2,726	2,721	2,813	2,829	3,045	3,063	2,930	2,917	2,852	2,803	2,737	2,855	1.13	13,016
ELBERT COUNTY	15,079	14,965	14,921	14,955	15,998	16,591	16,432	16,424	16,566	16,291	16,040	15,753	15,835	1.11	457,337
PHILLIPS COUNTY	2,464	2,312	2,323	2,375	2,380	2,540	2,566	2,477	2,504	2,478	2,369	2,319	2,426	1.11	8,041
YUMA COUNTY	5,596	5,351	5,277	5,516	5,510	5,836	5,764	5,562	5,582	5,572	5,372	5,259	5,516	1.11	31,916
ALAMOSA COUNTY	8,196	8,063	8,068	8,220	8,393	8,662	8,729	8,564	8,920	8,916	8,585	8,446	8,480	1.11	90,683
ALAMOSA-CONEJOS LMA	11,853	11,661	11,668	11,888	12,137	12,526	12,623	12,385	12,899	12,894	12,415	12,214	12,264	1.11	189,349
CONEJOS COUNTY	3,657	3,598	3,600	3,668	3,744	3,864	3,894	3,821	3,979	3,978	3,830	3,768	3,783	1.11	17,958
FREMONT COUNTY	16,416	16,526	16,542	16,858	17,419	17,831	18,137	18,130	17,945	17,499	17,156	16,836	17,275	1.10	410,905
PROWERS COUNTY	6,824	6,631	6,622	6,899	6,878	7,098	7,279	7,256	7,047	6,933	6,721	6,621	6,901	1.10	54,369
BENT COUNTY	1,936	1,899	1,896	1,905	1,888	1,968	1,929	1,892	1,870	1,854	1,803	1,792	1,886	1.10	2,613
MOFFAT COUNTY	5,881	5,887	5,849	5,980	6,116	6,336	6,215	6,250	6,403	6,364	6,287	6,100	6,139	1.09	40,057
LA PLATA COUNTY	24,513	24,580	24,869	24,634	25,129	26,281	26,733	26,536	26,139	25,960	25,437	25,618	25,536	1.09	630,214
DELTA COUNTY	11,649	11,488	11,844	11,841	11,977	12,422	12,512	12,431	12,283	12,223	11,719	11,649	12,003	1.09	126,667
FORT COLLINS-LOVELAND	140,019	140,427	141,007	143,215	147,019	150,293	150,596	151,773	150,570	149,332	147,893	145,544	146,474	1.08	18,774,392
GILPIN COUNTY	2,941	2,925	2,874	2,891	2,893	3,012	3,103	3,108	3,068	3,026	2,960	2,892	2,974	1.08	7,404
HUERFANO COUNTY	3,522	3,518	3,517	3,557	3,627	3,663	3,628	3,613	3,651	3,585	3,503	3,390	3,565	1.08	6,219
GRAND JUNCTION MSA	60,066	60,577	60,929	61,666	62,992	63,671	63,767	64,527	64,752	64,784	64,566	63,543	62,987	1.08	2,992,312
LAS ANIMAS COUNTY	7,188	7,118	7,055	7,122	7,256	7,490	7,558	7,521	7,609	7,431	7,369	7,230	7,329	1.08	36,644
LOGAN COUNTY	10,545	10,477	10,342	10,487	10,526	10,939	10,860	10,814	10,973	10,702	10,407	10,244	10,610	1.07	58,516
GREELEY MSA	92,327	91,773	91,783	94,507	95,185	96,351	97,162	97,550	97,472	97,491	95,750	93,245	95,050	1.06	5,192,323
MORGAN COUNTY	13,953	13,725	13,633	13,717	13,803	14,304	14,176	14,008	14,460	14,358	14,244	14,243	14,052	1.06	80,071
COLORADO SPRINGS MSA	256,350	256,602	258,621	262,034	265,666	266,181	266,546	267,722	269,099	270,263	269,465	267,236	264,649	1.05	24,948,345
PUEBLO, CO MSA	56,896	56,873	57,516	58,215	59,549	59,687	59,600	59,585	59,285	58,967	58,944	58,474	58,633	1.05	1,089,746
BOULDER-LONGMONT MSA	162,146	162,245	163,438	164,603	166,194	164,455	163,719	163,351	166,846	169,510	169,306	167,947	165,313	1.05	6,746,522
DENVER CITY/COUNTY	274,070	275,304	274,734	275,966	279,795	281,430	281,956	284,694	285,105	285,545	284,586	282,047	280,436	1.04	18,992,384
ARAPAHOE COUNTY	269,061	270,272	269,713	270,922	274,681	276,287	276,803	279,490	279,894	280,326	279,384	276,892	275,310	1.04	18,303,412
JEFFERSON COUNTY	286,120	287,408	286,813	288,099	292,097	293,804	294,353	297,211	297,640	298,099	297,098	294,448	292,766	1.04	20,699,117
DENVER PMSA	1,146,932	1,152,093	1,149,710	1,154,866	1,170,889	1,177,733	1,179,932	1,191,389	1,193,109	1,194,950	1,190,937	1,180,314	1,173,571	1.04	332,587,732
ADAMS COUNTY	183,228	184,052	183,672	184,495	187,055	188,148	188,500	190,330	190,605	190,899	190,258	188,561	187,484	1.04	8,488,400
DOUGLAS COUNTY	112,725	113,232	112,998	113,505	115,080	115,752	115,988	117,094	117,263	117,444	117,050	116,006	115,343	1.04	3,212,237
BROOMFIELD CITY/COUNTY	21,728	21,826	21,780	21,878	22,182	22,311	22,353	22,570	22,603	22,637	22,561	22,360	22,232	1.04	119,308
COLORADO	2,272,747	2,274,680	2,278,525	2,291,470	2,316,044	2,348,051	2,358,291	2,371,238	2,371,432	2,365,868	2,351,418	2,338,421	2,328,182	1.04	1,544,283,

**Table 5: Colorado County and Metropolitan Area Unemployment Rates (2003)**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Mean	Max/Min	Variance
MINERAL COUNTY	4.0	2.9	2.4	2.8	2.5	3.2	1.8	2.0	0.8	2.3	3.3	3.5	2.7	5.00	0.74
SAN JUAN COUNTY	17.0	19.8	21.0	27.7	16.7	10.9	8.8	7.7	6.9	7.9	19.2	17.3	14.4	4.01	43.15
PITKIN COUNTY	2.8	2.8	2.8	4.5	10.3	4.9	3.3	3.0	4.1	7.7	9.2	3.3	4.7	3.68	7.11
SAN MIGUEL COUNTY	3.9	3.9	4.0	7.3	10.9	5.2	3.8	3.2	3.2	6.9	9.8	4.2	5.4	3.41	6.86
JACKSON COUNTY	7.6	8.5	8.8	7.6	6.0	5.0	3.9	3.1	3.6	3.5	3.6	3.9	5.4	2.84	4.66
SAGUACHE COUNTY	6.0	5.9	5.1	4.5	3.6	5.8	5.3	8.9	6.3	4.1	5.5	6.2	5.6	2.47	1.80
ROUTT COUNTY	3.0	3.4	3.6	4.6	7.0	4.3	3.0	3.0	3.1	3.9	4.5	2.9	3.8	2.41	1.36
SUMMIT COUNTY	4.2	4.0	4.2	5.0	8.0	6.4	4.9	4.6	4.8	6.0	5.1	3.4	5.0	2.35	1.54
EAGLE COUNTY	4.1	4.1	4.3	4.5	7.8	5.4	4.0	3.4	3.8	5.2	5.9	3.9	4.7	2.29	1.49
MONTEZUMA COUNTY	8.5	7.7	7.5	6.1	4.8	4.9	4.4	3.8	4.2	5.4	5.7	5.6	5.6	2.24	2.27
OURAY COUNTY	5.1	4.9	5.4	4.6	5.0	3.3	2.8	2.6	3.5	3.3	3.5	3.0	3.9	2.08	1.01
GARFIELD COUNTY	5.6	6.0	5.9	4.9	4.2	3.9	3.6	3.3	3.1	2.9	3.6	4.1	4.2	2.07	1.19
HINSDALE COUNTY	2.0	3.0	3.0	4.1	3.0	2.5	2.1	3.3	2.7	3.5	3.6	3.0	2.9	2.05	0.37
EAGLE-SUMMIT-LAKE LMA	4.4	4.3	4.5	4.9	8.1	6.0	4.6	4.1	4.4	5.8	5.7	4.0	5.0	2.03	1.38
KIOWA COUNTY	6.9	6.4	7.6	6.0	5.1	5.3	5.4	5.4	3.8	4.2	4.5	5.9	5.5	2.00	1.22
DOLORES COUNTY	13.4	12.9	13.0	13.8	10.7	9.2	9.3	9.0	8.6	7.2	9.0	7.1	10.3	1.94	5.85
ARCHULETA COUNTY	7.1	7.0	7.6	6.5	5.6	5.7	5.0	4.5	4.5	4.2	5.3	6.1	5.7	1.81	1.26
PROWERS COUNTY	5.0	5.1	5.0	4.6	4.5	5.9	4.8	4.3	3.8	3.3	3.8	3.7	4.5	1.79	0.55
WASHINGTON COUNTY	3.5	2.8	2.6	3.2	2.2	2.7	2.8	2.5	2.4	2.8	3.3	3.9	2.9	1.77	0.24
COSTILLA COUNTY	10.1	8.9	8.8	7.7	5.7	7.1	7.4	8.0	6.3	6.4	8.7	9.1	7.8	1.77	1.75
HUERFANO COUNTY	6.5	5.9	5.6	5.6	5.6	9.9	9.0	8.5	6.7	6.6	6.4	6.9	7.0	1.77	2.05
LAKE COUNTY	7.5	6.7	7.2	7.4	10.7	8.4	7.2	6.5	6.8	8.4	7.5	6.2	7.5	1.73	1.44
LINCOLN COUNTY	3.3	3.6	3.6	3.2	2.5	2.5	2.5	2.5	2.1	2.2	2.2	2.9	2.8	1.71	0.30
MONTROSE COUNTY	6.9	7.0	6.8	6.2	5.1	5.5	5.1	4.6	4.4	4.1	4.8	5.2	5.4	1.71	1.02
MONTROSE-OURAY LMA	6.7	6.8	6.6	6.0	5.1	5.3	4.8	4.4	4.3	4.0	4.7	5.0	5.3	1.70	0.97
RIO GRANDE-SAGUACHE LMA	6.5	6.0	5.7	4.9	4.0	5.3	5.2	6.8	5.1	4.5	6.0	6.1	5.5	1.70	0.68
CROWLEY COUNTY	6.4	6.1	6.5	6.0	6.3	6.6	6.0	4.8	3.9	5.0	4.9	5.0	5.6	1.69	0.75
GUNNISON COUNTY	6.5	6.3	6.1	8.0	8.4	7.1	5.6	5.1	5.5	6.3	6.9	5.8	6.4	1.65	0.99
DELTA COUNTY	6.9	6.7	6.1	5.6	4.8	5.5	5.3	4.7	4.4	4.2	4.7	5.4	5.4	1.64	0.75
KIT CARSON COUNTY	4.6	4.7	4.7	4.3	3.7	3.7	3.4	2.9	3.4	2.9	3.5	3.7	3.8	1.62	0.42
RIO BLANCO COUNTY	4.5	4.2	4.1	3.8	3.2	3.0	3.0	3.0	3.0	2.8	3.4	3.8	3.5	1.61	0.33
PHILLIPS COUNTY	2.4	2.3	3.2	2.7	2.8	3.0	2.8	2.3	2.2	2.5	2.1	2.0	2.5	1.60	0.14
RIO GRANDE COUNTY	6.7	6.1	6.0	5.1	4.2	5.0	5.1	5.6	4.4	4.8	6.3	6.0	5.4	1.6	0.6
GRAND COUNTY	4.1	4.0	4.0	4.5	5.4	4.2	3.6	3.4	3.8	4.6	4.6	4.1	4.2	1.59	0.28
CONEJOS COUNTY	9.0	8.5	8.2	8.0	6.9	8.2	8.1	7.7	6.4	5.7	7.5	8.1	7.7	1.58	0.87
FREMONT COUNTY	6.8	7.0	7.2	6.7	5.6	6.0	5.5	5.3	5.0	4.7	5.1	5.3	5.8	1.53	0.74
PARK COUNTY	5.9	5.6	6.1	5.7	4.5	4.6	4.0	4.0	4.0	4.5	4.3	4.1	4.8	1.53	0.66
SEDGWICK COUNTY	3.9	4.2	3.4	3.4	3.1	3.3	3.6	3.4	2.8	3.0	3.0	3.7	3.4	1.50	0.16
BACA COUNTY	3.0	3.1	2.6	2.3	2.3	2.1	2.7	2.6	2.4	2.4	2.3	2.3	2.5	1.48	0.09
OTERO-CROWLEY LMA	7.2	7.0	7.3	7.0	6.3	6.9	6.4	5.4	5.0	5.2	5.6	5.8	6.2	1.46	0.69
CUSTER COUNTY	4.2	4.1	4.0	3.5	3.2	3.5	3.2	3.1	2.9	3.1	4.1	4.2	3.6	1.45	0.25
CHAFFEE COUNTY	4.5	4.6	4.6	4.7	3.8	3.5	3.3	3.3	3.5	3.4	3.7	3.9	3.9	1.42	0.30
OTERO COUNTY	7.3	7.2	7.4	7.2	6.3	6.9	6.5	5.5	5.2	5.2	5.8	5.9	6.4	1.42	0.70
CLEAR CREEK COUNTY	5.6	5.7	5.8	5.6	5.6	6.4	5.9	5.9	5.2	4.7	4.9	4.5	5.5	1.42	0.31
MOFFAT COUNTY	8.2	7.7	8.3	8.2	6.8	6.6	6.6	6.3	6.3	6.0	6.2	6.8	7.0	1.38	0.73
ELBERT COUNTY	4.7	4.6	4.8	4.5	3.9	4.1	4.2	3.9	3.8	3.5	3.7	3.6	4.1	1.37	0.20
BENT COUNTY	8.0	7.9	8.3	8.2	8.8	9.3	8.5	8.6	8.8	7.8	7.6	6.8	8.2	1.37	0.44
MORGAN COUNTY	4.0	4.4	4.5	4.4	3.9	4.3	4.0	3.9	3.6	3.5	3.5	3.3	3.9	1.36	0.16
GRAND JUNCTION MSA	6.6	6.3	6.2	5.6	5.1	6.0	6.0	5.6	5.1	4.9	5.4	5.7	5.7	1.35	0.28
LAS ANIMAS COUNTY	6.1	5.3	5.3	5.2	4.6	5.9	5.5	5.3	4.8	4.7	4.7	4.8	5.2	1.33	0.24
GILPIN COUNTY	5.7	5.5	6.3	5.8	5.3	5.8	5.5	5.0	5.2	4.8	5.6	5.7	5.5	1.31	0.16
TELLER COUNTY	5.3	5.2	5.5	5.2	4.4	4.8	4.6	4.5	4.3	4.2	4.7	4.7	4.8	1.31	0.18
BOULDER-LONGMONT MSA	6.2	6.1	6.3	6.2	5.7	6.4	6.1	5.8	5.4	5.0	5.1	4.9	5.8	1.31	0.29
LOGAN COUNTY	4.4	4.2	4.1	3.8	3.4	4.0	3.9	3.7	3.6	3.7	3.7	3.6	3.9	1.29	0.08
CHEYENNE COUNTY	3.5	2.9	3.3	3.5	3.5	3.6	3.3	3.6	3.2	2.8	3.6	3.4	3.3	1.29	0.07
PUEBLO, CO MSA	8.2	7.8	7.9	7.3	6.5	7.3	7.1	7.1	6.8	6.8	7.2	7.3	7.3	1.26	0.24
DOUGLAS COUNTY	4.8	4.7	4.9	4.9	4.6	5.0	4.9	4.5	4.4	4.1	4.1	4.0	4.6	1.25	0.13
YUMA COUNTY	2.5	2.4	2.5	2.1	2.0	2.5	2.4	2.1	2.1	2.0	2.1	2.1	2.2	1.25	0.04
LA PLATA COUNTY	5.2	5.1	5.2	5.0	4.6	5.1	4.6	4.5	4.3	4.2	4.5	4.4	4.7	1.24	0.14
GREELEY MSA	7.2	7.2	7.4	7.0	6.4	7.0	6.6	6.5	6.3	6.0	6.4	6.6	6.7	1.23	0.19
COLORADO SPRINGS MSA	7.0	6.7	6.9	6.6	6.1	6.9	6.7	6.2	6.0	5.7	5.9	5.9	6.4	1.23	0.21
FORT COLLINS-LOVELAND	6.3	6.1	6.3	5.9	5.4	5.9	5.6	5.4	5.4	5.2	5.4	5.5	5.7	1.21	0.15
ALAMOSA-CONEJOS LMA	7.5	7.3	7.2	6.7	6.4	7.5	7.4	7.1	6.3	6.3	7.1	7.4	7.0	1.19	0.22
BROOMFIELD CITY/COUNTY	6.3	6.3	6.3	6.3	6.0	6.3	6.5	6.3	6.1	5.8	5.8	5.5	6.1	1.18	0.09
ALAMOSA COUNTY	6.9	6.7	6.8	6.1	6.2	7.2	7.0	6.8	6.3	6.6	6.9	7.0	6.7	1.18	0.12
ARAPAHOE COUNTY	6.0	5.8	6.2	6.2	6.0	6.6	6.3	6.2	6.1	5.8	5.9	5.7	6.1	1.16	0.06
JEFFERSON COUNTY	5.8	5.6	6.0	5.8	5.3	5.9	5.7	5.5	5.5	5.2	5.4	5.3	5.6	1.15	0.07
ADAMS COUNTY	7.4	7.3	7.7	7.4	6.7	7.4	7.2	7.0	6.9	6.7	7.0	7.1	7.1	1.15	0.09
DENVER CITY/COUNTY	7.6	7.6	7.8	7.6	7.0	7.7	7.6	7.4	7.1	6.8	7.0	7.1	7.4	1.15	0.11
DENVER PMSA	6.5	6.3	6.6	6.5	6.0	6.7	6.5	6.3	6.1	5.9	6.0	6.0	6.3	1.14	0.08
COLORADO	6.4	6.3	6.5	6.3	5.9	6.4	6.1	5.9	5.7	5.5	5.8	5.7	6.0	1.18	0.11

Source: Colorado Bureau of Labor and Employment

confronted with the extra costs of closing and reopening. In addition, budgeting, taxation, advertising, inventory and other business functions are made more difficult because of the seasonality of the tourism industry (Koepke, 1972).

### ***The problem of seasonal employment***

The seasonal nature of tourism employment causes high unemployment in the low season (Keith *et al.*, 1996). Year round residents that have tourism jobs often struggle to make a living in the off-season in tourism dependent communities where other work is not available. In communities where mining and other extractive industries have been replaced to a large extent by tourism, traditional mining jobs are often no longer available. Even if market conditions allow for mining and other extractive industries there remains the problem that such industries and tourism are typically mutually exclusive (Marcouiller and Green, 2000). A shortage of workers in the high season causes other problems. In many Colorado communities tourism is so prevalent in the high season that demand for employees exceeds supply in the local area and workers migrate in from other areas. Migrant workers are not involved politically, and rarely truly become members of the community. In many instances property values are so high that workers cannot even afford to live in the community in which they work. This problem can be observed in Vail, where much of the workforce resides in nearby Leadville (Lake County) and Eagle (Eagle County), in trailer park communities (Wright, 1993) or loads lower cost condominiums with double the intended occupancy. In Aspen (Pitkin County) only one-third of the workforce can afford to live there (Gill, 1998) has forced the rest to commute from further down the Roaring Fork Valley, causing rush hour traffic problems, necessitating an HOV lane on the arterial highway from Glenwood Springs (Garfield County).

### ***Can seasonality be fixed?***

The obvious solution to the seasonality problem is to provide activities for tourists year-round in a community. This is rarely easy to accomplish however, and a balance between summer and winter tourism is rarely obtained. Obstacles that can prevent a community from becoming a year-round tourist destination are weather, accessibility, lack of infrastructure and differing preferences between summer and winter tourists. Even if a community is able to attract tourists year-round, it is difficult to keep the number of visitors constant throughout the year, and seasonal fluctuations will still exist.

Seasonality has been a big problem for the tourism industry in the Pacific Northwest. Grey winter skies and a five-month rainy season make attracting tourists in the winter difficult. Attempts have been made to establish a ski industry but have met tough opposition from environmentalists, especially in Mt. Rainier, where ski resorts would take away from the scenery of the area. Many of the roads in and around Mt. Rainer National Park are closed in the winter due to high snowfall and the decreased accessibility contributes to the decline in tourists during the winter months. The seasonality problem has left much of the Pacific Northwest short of tourism infrastructure. Many of the tourists who do venture into mountain areas of this region are of the high adventure variety, bring in their own equipment, and require little tourism infrastructure, and also spend very little money (Miles, 2000).

Fortunately for the Colorado tourism industry, Colorado does not have such extreme weather problems, and ski resorts have been developed all over the mountainous regions of the state. A small rural community, however, cannot just build a ski resort. For this type of development external investment and integrated planning from outside the community are typically required, particularly when development is done on a large scale to turn a community into a major tourism destination. Another tourism development strategy that requires a high level of external investment is golf. The golf industry has helped major ski resorts become year round tourist destinations. Ski resorts are increasingly focusing on being year-round tourism destinations (Gill, 1998). A study on the ski industry in Summit County, Colorado, showed that each additional inch of snow created almost \$100,000 in direct income and an additional \$50,000 in income caused by multiplier effects (Goldsmith *et al.*, 2000). Ski towns clearly have incentive to look into other forms of tourism to extend their season beyond winter skiing.

The tourists who come to a community in winter often have very different preferences for tourism development than those that come in the summer or fall months. Skiers who come during the winter may like high levels of development with sufficient on-slope lodging and après ski activities, whereas fall tourists, mainly hunters, may prefer more open space (Rosenberger and Loomis, 1999). Catering to one season's tourists may hurt a community's tourism industry during other periods of the year. If a tourism dependent community expands their ski industry by adding more

condominiums and shops it may lose its tourist base in the fall. A community must be aware of the consequences that expanding amenities geared towards high-season tourists may have on tourism the rest of the year. Communities must also be aware that trying to expand the tourism season by building amenities to bring in tourists in the low-season could have a negative impact on the tourist base that comes during the high season. Researching what infrastructure tourists seek in a community during different seasons and how their desire to visit that community in one season would change based on what development is done to bring in tourists during other periods of the year is a step towards finding an appropriate and profitable balance.

If seasonality cannot be fixed by attracting a steady flow of tourists year round there are other things that can be done to buffer the fiscal and employment extremes that come with the tourism industry. Diversification into other industries can bring stability, although history has shown that manufacturing has often failed in rural communities (Machlis and Field, 2000). In areas where tourism has been established, however, it may be possible to attract firms that specialize in the manufacture of specialized outdoor recreation based products (Berwyn, 2002). Retirees are another year-round source of income in tourism-based economies, which may be largely complementary to tourism development. A large base of year-round residents with disposable income could help stabilize a cyclic tourism based economy. In Utah it has even been proposed to provide government subsidies to local governments to compensate for the fiscal stress tourism dependent communities encounter (Keith *et al.*, 1996).

The numbers for tourism jobs and revenue are certainly appealing at first glance, but do not account for how jobs and revenue are distributed over the course of a year. This variance brings not only fiscal stress but also the social costs of cyclical unemployment and under-employment. Seasonality must certainly be considered while making development decisions. A strategy should be designed so that a year round source of economic activity can be established, whether it is year-round tourism, complementary small industry or a substantial retiree or other amenity migrant population, for example.

#### **Tourism induced conflicts**

Many different kinds of people work, live and play in rural communities that are tourist destinations. All tour-

ists that visit a community to pass their leisure time are not alike, and tourists are certainly not like all people living in a community. Recreational activities have changed and evolved with tastes and technology, and groups of tourists that engage in different types of activities must compete for often-scarce resources like lakes and trails. As a rural area becomes well known for its high level of natural amenities the resident base changes as well. Long-term residents must share their community with a new, urban in-migration of second homeowners, retirees, entrepreneurs and seasonal workers. These residents all have at least a small stake in the community, and have very different opinions about how it should develop and what role tourism should play. Conflict also arises between tourists and residents, as residents attribute many of the social problems that arise in their communities to tourists. These conflicts pose high social costs on a community, and measures should be taken to minimize these conflicts.

#### ***Changing activities, changing tourists***

Over the last twenty years the leisure activities people engage in when they come to rural areas has changed. Historically, tourists would come from rural areas to relax and temporarily adapt to rural surroundings. Traditional activities include hiking, horseback riding, fishing, canoeing, cross-country skiing, picnicking, visiting historical sights, attending local cultural festivals, visiting farms and buying produce. These activities are generally low-impact and compatible with a traditional rural community. As tastes and technology have changed, so have the activities in which tourists participate while visiting rural areas. Although tourists still engage in the traditional activities listed above, they also participate in newer, more-high impact activities such as mountain biking, motocross, riding all terrain vehicles and snowmobiles, jet boating, waterskiing, downhill skiing and snowboarding en masse, gourmet dining, attending large outdoor festivals, high fashion shopping and buying rural properties to refurbish into second homes (Butler *et al.*, 1998). These activities, unlike traditional recreational pursuits, are not seamlessly assimilated into rural communities. New tourist activities require infrastructure and amenities distinct from that which rural communities typically have to offer and cause the community they are visiting to adapt to their urban tastes and preferences. Some may view this broader palette of recreational opportunities as a benefit to local people, while others may consider change driven by the desires of outsiders as threats to the community fabric.

### ***Competition for resources***

The newer activities are often more competitive for resources like trails and open space, and often incompatible with traditional activities. Anglers and wakeboarders are sharing lakes and both cross country skiers and snowmobilers use the same trails. As high-impact activities become more common, rural residents are increasingly closing off their land to visitors that they once permitted visitors to share. Second homeowners are also less likely to allow recreational activities to take place on their property since they bring with them their urban way of thinking about property rights and accessibility to land. Competition for the increasingly scarce resource of space has given rise to conflict between people who have different ideas of what rural recreation and private property rights should be.

### ***Can resources be effectively shared?***

A solution to different types of tourists competing for common resources is to clearly state what activities are allowed and which are not. This does have its costs though, both in providing information and enforcing regulations. In some cases economic pressure to allow high-impact activities and provide the infrastructure for them may be too great, and the activities will be allowed and even encouraged. In this case it will be up to the tourists themselves to decide if it is worth it for them to go to a community and deal with the competition for resources or if they should find a new, more remote community in which to pass their leisure time.

### ***Tourism brings conflict among residents***

Conflict is also commonplace between the different types of residents of rural communities with a high level of tourism. Many different types of residents live in such communities. Williamson (1991) presented a four-tier system of residents in a tourism dependent community. Short-term residents, such as seasonal workers, typically form a large portion of the population and have little invested in the community. They are not very active in community affairs and decision-making. Entrepreneurs and other people looking to get a foothold in the local economy and take up permanent residence form another part of the population. They are usually interested in economic development and active in community affairs. Another class of residents is those who have in-migrated from urban areas and have made a significant investment in the community, through home ownership or business investment, but are still relatively new to the community. They are also very active in community affairs. The last group of residents is that which has traditionally lived in the com-

munity, and used to hold all the power in the community before urban in-migration.

### ***A rowdy workforce***

The demographics of the seasonal tourism workforce combined with crowded living arrangements can cause concern among other residents of rowdiness. Much of the seasonal workforce in tourism dependent communities is composed of young, single males that end up living in overcrowded dormitories. These conditions lend themselves well to drinking, partying and general rowdiness and troublemaking (Gill, 1998). In addition to the added cost of law enforcement and clean up, the nature of the workforce can place a social burden on year round residents and second homeowners.

### ***Can the workforce be stabilized?***

The type of tourism industry employees that work in a given community ultimately depends on the level of tourism development and how seasonal tourism is in the community. If a community is developed to the point where demand for workers exceeds local supply than outsiders will come looking for jobs and firms will have no choice but to hire them in order to operate. Tourism firms are unlikely to be able to be discriminatory in their hiring of outsiders. The labor supply that is willing to relocate in order to have low-skill, low-paying consumer service jobs is not the same as the people already residing a calm, rural community, but young single male and immigrant workers. This trend is exacerbated when jobs are seasonal and workers cannot earn a stable, year-round income.

### ***“Culture clashes” in high amenity areas***

The most highly publicized conflicts in rural communities that have turned towards tourism are those between traditional, rural residents and new, urban in-migrants. Urban in-migrants bring with them their values and tastes, which differ significantly from those of long-time rural residents, creating what Price and Clay (1980) call a “culture clash”. These differences can cause conflict in particular when decisions are made about development, land use and the environment. Newcomers, who are typically already affluent, try to protect the community from further development. The attitude is generally that it is okay for them to flee their urban environment to benefit from the natural amenities of a rural community, but they do not want any one else to come. They are less concerned about the economic benefits of tourism development and the creation of jobs as are long-time residents who do not have the same financial security as the newcomers. They are

also typically more adamant about environmental protection and are opposed to traditional extraction based industries that have traditionally been part of the community and the lives of long-term residents (Smith and Krannich, 1998).

In addition to preserving the rural aspects of their new communities that they like, urban in-migrants also want many of the comforts from the urban life they are accustomed to like shopping, dining, golf and entertainment. This locally revolutionary change in demographics and consumer preferences has been termed “Californication,” first by Oregonians struggling with in-migrants from California, and more recently in other states, including Colorado, attempting to manage similar issues (Achana and O’Leary, 2000). What develops in many rural communities is a situation where the affluent urban class makes the decisions about what aspects of rural life should stay and which can be sacrificed for their comfort (Butler *et al.* 1998). However, a recent study in two Utah communities and one Idaho community showed that these differences may not be as great as once thought or as propagated by the popular press, and that long term-residents and new urban in-migrants do share much common ground (Smith and Krannich, 1998).

#### ***Rising property values and conflicts over land***

An influx of wealthy urbanites into a rural community also raises property values and puts pressure on long-term residents and landowners to sell-out. This can create great resentment from people who have lived in the community for a long time (Economist, 1991). Long-term residents who do not sell out are still affected by the buying-up and subdivision of rural land. Land that was once public, or private and still accessible for public use, has now been institutionalized and privatized and long-time residents that used to use the land are now denied access (Butler *et al.* 1998). Although the “culture clash” between long-time residents and urban in-migrants may not be as severe as the popular press portrays, there are still many friction points between different types of residents and conflicts are common.

#### ***Can long-time residents maintain power?***

A way in which decision-making power can be kept in the hands of long-time residents is by long-time residents staying involved with the community and voting on public decisions. In the United States people can only vote in one jurisdiction and typically will declare residency wherever they spend the most time (unless there is a substantial tax advantage to behaving other-

wise). Although the opinions of second homeowners may be expressed and felt in a community they are not allowed to vote unless they officially call the community home (Gill, 1998). By exercising their right to participate in local long-time residents can have a bigger say over development decisions.

#### ***The love-hate relationship with tourists***

Residents of all kinds in rural communities with a high level of tourism have a love-hate relationship with tourists. They love the money spend and the amenities they help create, but they hate the negative impacts of tourists like over-crowding, traffic, pollution, litter, vandalism and crime (Economist, 1991; Jurowski, 1996). Tourists share grocery stores, restaurants, trails and ski slopes with residents, who resent having to wait in line, not being able to get a table at their favorite place to eat or having to deal with beginner skiers snowplowing down the slopes. In Colorado, many residents even complain that ski resorts cater too much to tourists, downgrading the quality of skiing with too many easy runs (Economist, 1991). Residents also complain of tourists driving up prices where they too have to shop. Moreover, tourists can exhibit obnoxious behavior from a local perspective, either as a result of different cultural norms of behavior (e.g., ways of addressing people, expectations for speed or types of service) or due to a propensity for distinct living habits during vacations, particularly related to alcohol, relative to the way people behave normally.

#### ***Making local residents aware of the effects of tourism***

Residents are less likely to be resentful of tourism if they are aware of all the positive impacts of tourism, with particular emphasis placed on non-economic benefits like the expanded amenities and recreational opportunities, an increased interest in the local culture and the opportunity to interact with new people. Residents are also less likely to be resentful of tourists if they are aware of the sacrifices they will have to make to welcome tourists, so they are not taken by surprise. It has also been recommended that residents have a way to express the local culture to tourists through festivals and other cultural events. A solution to overcrowding in restaurants would be to set aside tables for locals (Jurowski, 1996), and similar initiatives could be taken in grocery stores.

#### ***Keeping special interests groups happy***

The success of the tourism industry largely depends on how it affects special interest groups in the community (Marcouiller and Green, 2000). Residents with special

interest (fishing, the environment etc.) may be more supportive of tourism if events, activities and regulations are structured around their interests. For example, anglers may be more supportive of tourism if an annual fishing festival or competition was held, or if certain areas of a lake or river were reserved for local fishing club members only. Environmentalists may be less resentful towards tourism if environmental awareness classes were offered free of charge to tourists and locals, or if environment based festivals are held in the community as an outlet for them to express themselves to the community and visitors. For any initiatives like this to occur communication is important. Surveying and town meetings can unearth what people value in a community and how it may be negatively impacted by tourism. From there, considerations can be made while making development decisions so residents will be less resentful of tourists and the changes they bring (Jurowski, 1996).

### **How much tourism development and who decides**

Tourism development can come over the course of many years through a slow, locally driven movement or it can come very quickly when outside investors move in to build an integrated, centrally planned resort. Between the two extremes there is an entire spectrum of ways in which tourism can be developed. How tourism is developed and who makes development decisions determines how the costs and benefits of tourism, both economic and non-economic, will affect a community. There is no single recipe for rural tourism development as each community is different, has different potential for tourism and will be affected in different ways.

### ***How many tourists can a community attract?***

Before development decisions are made it is important to consider and research the potential of a community to attract tourists. All rural communities have something to offer to tourists (Albright, 1991) but not all communities can generate the critical mass of tourism that it takes to become a major tourism destination. Most communities are either too small, too far away or have too few natural resources and amenities to attract large numbers of tourists (Subcommittee on Procurement, Taxation and Tourism of the Committee on Small Business, 1993). Rural Colorado communities, however, have an advantage in natural resources over communities in other parts of the country simply because of the mountains. When a community is making development decisions research must be done to accurately determine the potential of the community to attract tourists and take in revenue. Overestimating the

potential of a community can be disastrous, as observed in many southern European communities, where the economic benefits of tourism were greatly exaggerated. A lack of local institutions and careless profit seeking behavior from people outside of the communities allowed much of the region to be overdeveloped, compromising its authenticity and environment and damaging its appeal to tourists (Hall and Jenkins, 1998).

### ***How accessibility affects a community's potential for tourism***

Accessibility is an important factor in how successful a community's tourism industry will be. Communities that are within reach of major metropolitan areas and airports that receive commercial flights are at a great advantage. This is why communities on Interstate 70, west of Denver, have had such great success in establishing tourism. Some, however, would argue that this accessibility has allowed tourism to get out of control in Summit and Eagle Counties (Wright, 1993). Western Slope communities, however, have suffered from their relative inaccessibility. Efforts have been made to increase airline accessibility to the region but a small market and resistance from residents have made this difficult (Governor's Conference on Sustainable Tourism Q&A, 2001).

For some communities, too much accessibility has proven to be a bad thing. Rural communities that are too close to big cities often cannot capture tourism revenue (Machlis and Field, 2000). Communities around Mt. Rainier National Park in Washington are hurt by the park's proximity to Seattle and Tacoma. Many visitors to the park choose to stay in the nearby metropolis for the greater choice of eating and lodging establishments (Miles, 2000). Since most tourism expenditures come in the form of lodging and dining (Leones and Frisvold, 2000) the rural communities are not able to capture very much tourist spending. A similar phenomenon can be observed around Grand Canyon National Park. A survey of tourists visiting the park during 1994 and 1995 showed that over half of tourists visiting the park stayed outside of northern Arizona the night before and the night after visiting the park. Most of these nights were spent in Las Vegas and Phoenix (U.S. Forest Service, 1997). The Grand Canyon gets an enormous amount of tourism, and even if many of the tourists do stay outside of the area that still leaves plenty for small rural communities closer to the park. The same may be true for Summit and Eagle County ski areas. In spite of their proximity to Denver and receiving large amounts of day-trippers they still

receive large numbers of overnight guests. Other communities close to Denver and other larger cities may not be able to attract such a high number of tourists and may encounter the same day-tripper problem as communities around Mt. Rainier despite having wonderful tourist attractions. When making tourism development decisions a community must not only know its potential for attracting tourists, but also its potential for getting them to stay overnight, as this is when they spend most of their money.

### ***Balancing development and conservation***

Finding the right mix of development and conservation can be a difficult balancing act. In many cases the marketplace does not encourage environmental conservation. Rural tourism, however, depends on the environmental quality of an area, yet over developed or poorly planned tourism infrastructure (see, for example, Pigeon Forge outside of the Great Smokey Mountain National Park) can greatly harm the natural and local cultural environment, which can adversely affect the tourism industry (Hall and Jenkins, 1998). Few rural tourists are truly interested in visiting miles of strip malls filled with national chains and franchises known as "Generica," a contraction for generic America. Consequently, appropriate natural resource management not only holds environmental value, but also economic value. Rosenberger and Loomis (1999) used an observed and contingent behavior study to determine how much tourists value open rangeland compared to tourism development in Steamboat Springs, Colorado. The results showed that 25% of tourists preferred less development and 23% preferred more development. The study was done in the summer months, so only summer tourists were surveyed. How development affects tourists in other seasons may be substantially different due to differing seasonal preferences. However, expanded data from this kind of study could be useful in making policy decisions, as it would help determine what the right amount of development is in the eyes of tourists. In this particular instance, however, results showed that overall people did not prefer more or less development, but that different people preferred different levels of development.

### ***Who makes development decisions?***

The biggest factor in what tourism development decisions are made is who makes the decisions. In some instances development decisions are made by outside interests that see potential for profit in a community. Some communities have taken the stance that the best way to develop rural tourism is to bring in outside firms

that are willing to invest in tourism infrastructure (Gill, 1998). This attitude may stem from a long history of rural communities looking for big businesses to bring in investment for more traditional industries (Bryant, 1991). Outside interests were responsible for much of the initial development around Jackson Hole, Wyoming, which limited the amount of business opportunities for locals. At first residents resented this, but eventually began to appreciate the amenities it brought (Rothman, 2000).

### ***Financing tourism infrastructure***

In cases where large amounts of infrastructure are required, particularly ski and golf resorts, external capital and planning are necessary for a community to become a big-time tourism destination. Whistler, British Columbia is an example of a community where outside private funding and both Canadian and Provincial public funding were used to develop tourism infrastructure that made it an international vacation destination. Having reached the threshold to be an established international tourist destination, it became a fertile ground for additional private investment and business opportunities. In Whistler locals have substantial control over the community since it is operated as a municipality, as is Vail. Most centrally planned resorts funded by external capital, however, are designed to keep as much tourist spending as possible within the resort, and typically very little of their profits stay in the community. Snowbird, Utah, is an example of such a privately owned and operated resort (Gill, 1998). Residents of rural communities that wish to establish their community as a tourism destination should be wary of the profit seeking behavior of large corporations that want to build a centrally planned, integrated resort.

### ***Organically grown tourism***

Another approach to tourism development is allowing for a local movement to establish the tourism industry. This approach is much slower and rarely leads to a community becoming a big-time tourism destination, but it does leave most of the power in the hands of locals and gives them entrepreneurial opportunities. This is what has happened in Chemainus, British Columbia, on Vancouver Island, where locals looked to establish tourism in the face of a declining logging industry. With little investment, murals of the town's history were painted on the walls of buildings and many small local businesses sprouted up. Chemainus has become a successful tourist town, famous for its murals and artwork (Gill, 1998; [www.chemainus.com](http://www.chemainus.com)). Many small rural communities in Ontario have also developed

in this manner, stimulated by people building summer lake cottages. With a large seasonal population influx, many entrepreneurial opportunities were created and a substantial tourism industry was created around the central theme of lakes (Gill, 1998).

### **Local involvement initiatives**

As sustainable tourism development becomes the goal in more rural communities community involvement is becoming increasingly sought after. When locals are left out of development decisions conflict is bound to occur, which hurts tourism. Inequality of income distribution can surface when outside interests take control of tourism development in a community so they profit and locals are left with low-paying jobs. Local involvement is also a key factor in protecting the environmental and cultural integrity of a community. The Community Tourism Action Plan, widely used in Alberta and British Columbia, gives residents the opportunity to be involved in many aspects of tourism planning with assistance and direction from the Provincial government (Go *et al.*, 1992). It focuses on locally grown tourism as seen in Chemanius and across Ontario. Another example of successful tourism development through local involvement is the Otago and Southland regions of New Zealand, where a mix of outdoor activities and locally grown cultural festivals make this isolated region a successful tourism destination (Kearsly, 1998).

A community may not be able to become a major international tourist destination without large amounts of outside funding, but there are many examples of successful rural tourism based communities that have grown from the ground up, leaving the decision making process in the hands of locals. There also exists situations where large amounts of private investment have not taken control completely out of the hands of residents, as seen in Whistler, British Columbia, largely due to public funding from the Provincial and Canadian government. Locals stand to gain a lot from being involved in tourism development decisions, and stand to lose control of their community if they leave too much power to outside profit-seeking entities. Locals must make a long-term commitment to being involved with tourism development decisions if they want tourism to be a positive economic and social force in their communities.

### **Conclusion**

Tourism has acted as an economic stimulus in rural communities worldwide and across Colorado. Commu-

nities in Colorado have an advantage over other states in ability to attract tourists because of their natural resource base and the long-time reputation of the state as a tourism destination. Despite Colorado's ability to attract tourism money establishing a tourism industry should not be seen as an economic and social cure-all for every community. Alongside the benefits of the tourism industry, which include revenue, improved infrastructure, jobs and expanded social opportunities, come both economic and social costs.

Correctly assessing the costs and benefits of tourism is necessary to make development decisions about who will develop a community for tourism, what recreational activities will be encouraged and to what degree development will take place. Tourism can change the face of rural communities, both for better and for worse, and these decisions will play a vital role in determining what changes take place.

Establishing tourism in rural communities entails inviting outsiders who often take their own interests, business or otherwise, into consideration before considering the interests of the community and long-time residents. In order for long-term residents to protect their interests they must be involved in making decisions about tourism development, as well as in local tourism related businesses. If development decisions and entrepreneurial opportunities are left in the hands of outsiders, the benefits of tourism can escape local residents and leave them with only the burdens that the tourism industry can bring. On the other hand, in a community where long-term residents make a long-term commitment to being involved in tourism development opportunity can abound, and the benefits can be locally enjoyed.

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