

December 3, 2015

Mr. Ben Bulis
American Fly Fishing Trade Association
321 East Main St. Suite#300
Bozeman, Montana 59715

RE: Smith River Sportfishing Economic Contribution Estimates

Dear Ben:

Based on the expenditure data provided to us, this letter estimates the economic contributions of fishing on the Smith River in Montana. Given the lack of expenditure data for other river uses, these estimates only include sportfishing activities. Per the data obtained from Montana Fish, Wildlife and Parks (FWP) regarding activity and spending on the Smith River:

- There were 17,793 resident angler days for the stream section of the Smith River as estimated by the FWP's Angler Pressure Use Survey (2013).
- From FWP's 2014 expenditure study¹, Montana resident river and stream anglers spend on average \$83.40 per day on fishing-related expenses. Considering the 17,793 resident angler days on the Smith River times \$83.40/day yields \$1,483,936 in annual spending.
- There were 9,815 nonresident angler days in the stream section of the Smith River, per the FWP's Angler Pressure Use Survey (2013).
- From FWP's 2014 expenditure study, non-resident river and stream anglers spend on average \$646.23 per day. Considering the 9,815 non-resident angler days times \$646.23/day yields \$6,342,747 in annual spending.
- The total spending by residents and non-residents combined for fishing in the stream section of the Smith River equals \$7,826,683.

Economic contributions can be estimated by applying reliable economic multipliers to the anglers' spending estimate. Such economic multipliers are available from the American Sportfishing Association.² These were derived using the IMPLAN input-output modeling system, from which a custom-built economic model was developed that reports the economic

¹ Lewis, Michael S. and Zoe King. 2014. *Statewide Estimates of Resident and Nonresident Hunter & Angler Expenditures in Montana*. HD Unit Research Summary No. 39. Helena, MT: Montana Fish, Wildlife & Parks.

² Southwick Associates. *Sportfishing in America: An Economic Force for Conservation*. Produced for the American Sportfishing Association (ASA) under a U.S. Fish and Wildlife Service (USFWS) Sport Fish Restoration grant (F12AP00137, VA M-26-R) awarded by the Association of Fish and Wildlife Agencies (AFWA), 2012.

contributions of sportfishing activities within Montana.³ The model includes the benefits created by anglers' direct spending, plus the effects from spending as businesses and individuals re-spend these dollars, known as the indirect and induced effects. The multipliers for Montana sportfishing are as follows:

Total Multiplier or Ripple Effect = 1.43, and reports the total rounds of spending, or economic activity, generated statewide in all economic sectors as a result of each dollar spent by anglers.

Salaries, Wages and Proprietary Income = 0.42. This represents the paychecks and business owner's net income generated statewide in all economic sectors as a result of each dollar spent by anglers.

Jobs = 15.36. This represents the total full- and part-time jobs generated statewide in all economic sectors for every one million dollars spent by anglers in-state.

State and Local Tax Revenues = 0.105. This represents the amount of state and local tax revenues of all types generated statewide in all economic sectors as a result of each dollar spent by anglers.

Applying these multipliers to anglers' expenditures (\$7,826,683) yields the annual economic contributions to Montana's economy generated by sportfishing on the Smith River:

Annual anglers' spending = \$7,826,683
Total Multiplier or Ripple Effect = \$11,192,157
Salaries, Wages and Proprietary Income = \$3,287,207
Jobs = 70
State and Local Tax Revenues = \$821,802

If there are any questions about these estimates, please do not hesitate to let me know.

Sincerely,



Rob Southwick,
President

³ IMPLAN Group LLC, IMPLAN System (data and software), 16905 Northcross Dr., Suite 120, Huntersville, NC 28078 www.IMPLAN.com