



2019

# ECONOMIC IMPACT of Bicycling in Wisconsin

Bicycling continues to prove to be popular in Wisconsin and contributes greatly to the state's economy.<sup>1,2</sup>

This report focuses on various economic indicators (output/sales, employment/jobs, salaries/wages, and state/local taxes) associated with consumer spending on bicycling in Wisconsin. This report used data from the Outdoor Industry Association (OIA) 2017 study, *The Economic Contributions of Outdoor Recreation*.<sup>3</sup> This document also provides information on health and other benefits of bicycling investments.<sup>4</sup>

**\$1.42  
BILLION**  
was spent by  
consumers on  
bicycle-related  
expenses in  
Wisconsin in 2017<sup>3</sup>

*Continued investment in and support of bicycling in Wisconsin will help improve the health of our communities in both physical and economic terms.*

Governor's Bicycle Coordinating Council



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## Economic contributions of bicycling-related spending in Wisconsin<sup>5</sup>

	CONSUMER SPENDING	EMPLOYMENT	OUTPUT/ SALES	SALARIES AND WAGES	STATE AND LOCAL TAXES
ROAD BIKING	\$1.03B	9,791	\$444M	\$285M	\$60M
MOUNTAIN BIKING	\$394M	3,714	\$170M	\$109M	\$23M
<b>TOTAL</b>	<b>\$1.42B</b>	<b>13,505</b>	<b>\$614M</b>	<b>\$394M</b>	<b>\$83M</b>

Note: These dollar amounts are not additive. Column categories have overlapping considerations, therefore summing across them would lead to an inflated estimate.

OIA’s study estimated consumer spending on outdoor recreation using data from the U.S. Bureau of Economic Analysis combined with comprehensive outdoor recreation survey data. These consumer spending estimates were then used as input into the IMPLAN® model to estimate the direct, indirect and induced impacts of outdoor recreation.<sup>6</sup>

**OUTPUT/SALES** is the total “volume” of economic activity made by bicycle-related industries, as well as bicycling-related goods and services.

**SALARIES AND WAGES** include the total paid in all sectors of the local economy resulting from spending on bicycling.

**STATE AND LOCAL TAXES** are the estimated tax revenues due to consumer spending on bicycling.

The OIA study also estimated annual consumer spending on bicycling (road biking and mountain biking) in Wisconsin at a value of \$1.42 billion dollars.<sup>3</sup>

These consumer spending bicycle-related expenses exceed the amount of total visitor spending in Dane County in the same year. In 2017, Dane County ranked second for visitor spending (\$1.2 billion), Milwaukee County ranked the highest (\$2 billion).<sup>7</sup>

These bicycling economic indicators ripple through many industries including manufacturers of bicycles and parts, wholesalers/ distributors, and retail and repair services. Bicyclists also have an effect on the economy through the money that they spend on event entry fees, food and drink, lodging and other items when they ride, tour, and race.

As described in the OIA report, consumer spending on outdoor recreation and bicycling, supports economic activity measured in terms of jobs, output (or sales), salaries and wages, and state and local tax revenues. Economic activity includes direct, indirect, and induced impacts due to the outdoor recreation activities.

Employment estimates include jobs from all economic sectors as a result of spending on bicycling. In Wisconsin, this consumer spending supported an estimated 13,505 jobs. Of those jobs, road biking supported 9,791 jobs and mountain biking supported 3,714 as shown the table above.<sup>5</sup> It is important to understand that, the jobs supported by biking includes those that are jobs in a variety of industries that are directly supported through consumer spending on biking, as well as those jobs that are indirectly created or induced by the spending activity.

# Health and other benefits

Bicycling is important to the state of Wisconsin and its residents for its economic impact, and for its environmental and health benefits.



## Health benefits



Although this report focused on the economic impact of bicycling spending and other impacts on the economy, another substantial economic

benefit is the added value of health care costs saved due to improved health status and health outcomes.

A major health benefit of physical activity, such as commuter and recreational bicycling, is improved cardiovascular health and reduced risk of chronic disease.<sup>8</sup>

Other studies have found that increased physical activity due to bicycling is likely to result in significant avoided health care costs that are associated with costly diseases such as heart disease and stroke.<sup>2,9,10</sup> This finding is significant because chronic diseases, such as heart disease and diabetes, are among the leading causes of death and disability<sup>11,12</sup> and account for 90 percent of annual healthcare costs.<sup>12</sup>

Research has shown that additional investments in proven chronic disease prevention strategies yield significant returns on investment in healthcare costs saved.<sup>13</sup> Although this report did not conduct a distinct analysis on health care cost savings, a 2010 Wisconsin report estimate of over \$319 million<sup>2</sup> in savings and a 2014 Michigan report estimate of \$256 million<sup>9</sup> suggests that an estimate of \$300 million in health care cost savings is reasonable.

## Environmental benefits



Environmental benefits of bicycling as a mode of transportation include improved air quality and reduced greenhouse gas emissions.<sup>14</sup>

Biking for transportation such as commuter bicycling is also beneficial because automobile exhaust contributes to ozone and particle pollution, which pose health risks.<sup>14</sup>



## Other benefits

Investments in bicycle infrastructure yield significant returns. A recent study out of La Crosse, Wisconsin projected the economic benefits over time if the city expanded bicycle infrastructure (i.e., bike lanes, paths, and low-stress side streets) at over \$280 million.<sup>15</sup> Research also has found that proximity to bike paths tends to increase property values.<sup>16,17,18</sup>

**Transportation and safety,**  
improvements that benefit all users  
(e.g. paved shoulders, less congestion)

**Choice and efficiency,** relatively  
inexpensive and quick for short-trips

**Quality of life,**  
neighborhood and community

# Bicycling in Wisconsin today and in the future

Bicycling will continue to play a key role in Wisconsin, moving people for transportation and recreation.

Bicycling is reported as one of the top five favorite outdoor activities.<sup>19</sup>

Half of Wisconsin residents have bicycled at least once within the past year.<sup>19</sup>

Recent trends show an increase in winter/fat tire bicycling and mountain bicycling.<sup>19</sup>

The 2019–2023 Wisconsin Statewide Comprehensive Outdoor Recreation Plan (SCORP) found that bicycling, such as rail-trail biking and other trail biking, mountain biking, and fat-tire/snow biking has a combined participation rate of 35 percent for nature-based recreation activities, which is higher than hunting or motorized trail-based activities.<sup>20</sup>



Bicycling events are popular throughout the year and support many local economies throughout the state.

- In 2018, there were more than 150 events throughout the state—including large multi-day events such as the Trek World Cup race.<sup>21</sup>
- A growing number of communities around the state have received a Bicycle Friendly Community designation.<sup>22</sup>
- In 2017, Wisconsin ranked 17th out of 50 states in the percentage of commuters who bike.<sup>23</sup>
- Further, according to the 2017 National Household Travel Survey, 1.35 percent of the total person trips in Wisconsin are made by bicycle, much higher than the national level 0.96 percent.<sup>24</sup>



Biking rail-trails, mountain biking, and fat-tire/snow biking collectively are among Wisconsin residents' favorite top five nature-based outdoor activities.<sup>19</sup>



# Examples of Bicycling Economic Impact



## Fitchburg Festival of Speed

An all-day event held in Fitchburg, Wisconsin and the location of the Wisconsin Cycling Association's State Criterium Championship. Criterium riders from all over the world compete. 2018 was this inaugural event, hosting over 300 participants from six states, three countries and 1,000 spectators.

Attendance for 2019 is anticipated to more than double in both participants and spectators—due in part to event feedback, advance marketing, and joint marketing with another road race taking place in the area the next day (encouraging more overnight stays).

A Fitchburg Family Pharmacy 25-mile Ride is also held that same day, where visitors can explore the hidden secrets of Fitchburg and South Central Wisconsin. Building off this event's momentum, there is also a 5K run/walk, a Kids Zone, live music, food carts, and beer garden that is open to the public.

### PROJECTED VISITOR EXPENDITURES 2019

- Local attendees: 800+
- Out of town attendees: +500
- Total visitor expenditures: \$73,500

## Tour of America's Dairyland

A notable cycling event that contributes to the state's local economies is the Tour of America's Dairyland (ToAD), the largest multi-day competitive bicycle racing series in the United States. The event was started in 2009 by several local cycling enthusiasts, including former professional and elite racers Tom Schuler and Bill Ochowicz.

The series consists of 11 days of criterium racing in eleven different host city communities throughout southeastern Wisconsin: Kenosha, East Troy, Grafton, Waukesha, West Bend, Janesville, Port Washington, Shorewood, Milwaukee-Bay View, Milwaukee-Downer Avenue and Wauwatosa.

In 2018, the event hosted over 1,000 unique riders (450–500 riders a day) and over 110,000 engaged fans. Racers were drawn from 42 states and 15 countries.

### PROJECTED VISITOR EXPENDITURES 2019

- Local attendees: 132,000
- Out of town attendees: 12,432
- Non-local day trip attendees: 3,248
- Total visitor expenditures: \$2,426,144

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