

## ISSUE THREE

### THE INABILITY TO MEASURE AND ARTICULATE THE ECONOMIC VALUE OF OREGON HERITAGE

Many people assume heritage provides hundreds of millions of dollars of economic value to the state, but evidence is incomplete or missing. From tourists visiting the Pittock Mansion in Portland or Bohemia Mining Days in Cottage Grove, or the tribal powwows around the state, or the Pendleton Round-Up, cultural heritage tourism is clearly important.

Heritage is also essential to the redevelopment of downtown commercial districts in Astoria and Jacksonville, or the establishment of the University of Oregon's center in Portland at the White Stag block. It's vital for printers, building trades, website developers, hardware store owners, traditional craftspeople, and numerous other businesses.

While no comprehensive study has been done on heritage economic impacts in Oregon, various national and statewide reports give a glimpse of how large it might be.

#### BRINGING TOURIST DOLLARS TO THE STATE

A 2009 study for the U.S. Travel Association showed that 78 percent of all U.S. leisure travelers participate in cultural and/or heritage activities. These 118.3 million adults:

- Spend an average of \$994 per trip.
- Contribute more than \$192 billion annually to the national economy.
- Typically stay 53 percent longer.
- Spend 36 percent more money than other kinds of tourists.

"We discovered that an impressive number of U.S. travelers seek out cultural and heritage experiences," said Helen Marano, director of the Office of Travel and Tourism Industries in the U.S. Department of Commerce. "...Their expenditures confirm that this is a strong market, and they are contributing significantly to our communities during these challenging economic times."

The most recent cultural heritage tourism statistics for Oregon are more than a decade old, but evidence shows that heritage tourism is equally important to Oregon. Pendleton estimates its annual Round-Up, which promotes western rodeo heritage, has a \$50 million impact on the



Champoeg State Park

*"Cultural and heritage travelers as a whole are more frequent travelers, reporting an average of 5.01 leisure trips in the past 12 months."*

- U.S. Cultural and Heritage Tourism Marketing Council

community. In Bend, heritage tourism has been key to its surviving the current tough economy.

“This community has been hit really hard by this economic downturn,” says Janeanne Upp of the High Desert Museum. “Deschutes County has 160,000 people; we bring in 150,000 people a year, 75 percent from outside the community. So that is awe-inspiring.”

“In the summer months, 65 percent of the people who walk through the Oregon Historical Society door are from outside Oregon which told us that we are a major player in the tourist economy in Portland and that is a statistic that has resonated with a number of public officials,” said George Vogt, its executive director.

Runners flock to Coos Bay and Eugene every year to learn about distance running legend Steve Prefontaine and run on Prefontaine heritage trails. In other communities, tourists climb the stairs at historic lighthouses, drive through covered bridges and walk along national historic trails, helping local economies as they do.

#### INVESTMENT IN BUILDINGS

The 2008 report by the Legislative Task Force on Historic Property found that historic preservation is one of the highest job-generating economic development engines available. Among the many positive results it reported, the Task Force found evidence that every \$1 million spent in historic rehabilitation creates 36.1 jobs, compared to the 24.5 jobs generated by that same \$1 million in production by the average Oregon manufacturing firm.

Construction work associated with historic preservation projects stimulates local economies. Jobs generated by historic rehabilitation require higher skill levels and pay better wages than those generated by new construction, according to a recent report by the National Trust for Historic Preservation. About 75 percent of the federal historic tax credit’s economic effects stay local.

A total of \$323 million worth of projects were underway in 2009 using Oregon’s special assessment program for historic buildings. Similar projects have been critical to many communities, including the redevelopment of Portland neighborhoods such as the Pearl District and Irvington.

*“One of the things that distinguishes the small rural towns that are turning the economic corner is an aesthetic, which beckons newcomers. A town’s history is very much part of that aesthetic. Unlike the strip mall culture, which seems to have emerged from a television set, places like Astoria and Pendleton have an architectural flavor and a natural setting that makes them magnetic.”*

- Steve Forrester, *Daily Astorian*,  
Sept. 10, 2010



*White Stag Block, Portland*

Hundreds of people choose to live in and invest in historic homes or neighborhoods, thereby conserving existing city infrastructure and services. Restored historic homes help raise property values, which increases local tax revenues. Stopping to see these historic homes may be the only reason some people stop in more rural areas of the state.

#### INVESTMENTS IN LAND AND BUSINESS

Other aspects of heritage's economic value are harder to measure. How does one measure the economic contributions of the more than 1,000 designated Century Farms and Ranches in the state? They have been the homes and jobs of the same families for more than 100 years and are the backbone of sustainable rural communities and the agricultural industry. Agricultural products lead all Oregon exports by volume and rank second by value.

Heritage investment is also found in the travel roadsigns that are used by businesses to lure visitors, and in the care and interest given to heritage trees. The economic impact is also seen in bicyclists riding the Historic Columbia River Highway, or for local residents using it for their travel.

Book publishers, such as the East Oregonian Publishing Co. or Ooligan Press, know that books about local or state heritage to be steady sellers. Book publishing provides jobs and stimulates new interest in the state's heritage. Hardware stores are daily beneficiaries of purchases made by people restoring or maintaining the historic character of neighborhoods and communities. Hull-Oakes Lumber Co. near Monroe is the last steam-powered commercial saw mill in the country, and is one of the few mills able to cut large timbers.

Oregon communities participating in the Main Street program find new economic value in their traditional commercial districts by using their heritage as a development value. In 2010 alone, just seven of the participating communities upgraded 100 historic buildings, stimulated more than \$9 million in private re-investment, and generated net gains of more than 200 jobs and 65 new businesses.

#### SENDING A CONSISTENT MESSAGE

Nearly two-thirds of the respondents to the Heritage Solutions Survey said providing a consistent message to the public about the importance of heritage to the economy, education and daily living would be the most



*McNary*

### HERITAGE MARKETING

Companies such as Nike, Pendleton Woolen Mills, Wells Fargo and others highlight their heritage in some marketing efforts. Local food producers and local breweries often use local heritage to give perceived value to their products. However, no research has been found that attempts to place a dollar amount on the economic impact of this perceived value in Oregon.

effective way to raise awareness about the issue of the lack of stable and adequate funding for heritage.

Half the respondents to the Heritage Assessment Survey said educating the public about the economic, social and educational benefits of historic preservation is how the state government could best assist them.

The full economic impact of heritage in Oregon, which is likely more than a billion dollars annually, has not been measured. It will be difficult to fully calculate, but there is no doubt of its large positive value.



*Spray Historical Museum, Spray*

*“... just a five percent increase in Arkansas’ heritage tourism visits would result in 1,100 new jobs, \$16 million in new household income annually, and \$3.7 million in new state and local tax revenue each year.”*

- National Trust for Historic Preservation’s Public Policy Weekly Bulletin, Feb. 5, 2010.