Ski Idaho 2020/21 Economic Impact Analysis

ISAA Annual Meeting | June 23, 2022

OUTLINE

- Methodology
- Overview of the Idaho Ski Industry
- Economic Impact
- Skier Demographic & Visitor Characteristics
- Summary Observations and Conclusions

Methodology

Methodology

- Ski area visitor surveys
  - Geographic origin
  - Demographics
  - “Skiographics”
  - Trip characteristics
  - Satisfaction

- Ski area operator surveys
  - Visitation
  - Revenues by season and type
  - Capital expenditures
  - Employment
  - Operational characteristics

- Secondary data
  - Tax collections, employment, GDP, etc.

ISAA Industry Overview

ISAA Member Resorts

- ISAA's 19 member resorts are present in 15 ID counties (16 with Grand Targhee, next to Teton Co).

ISAA Facts and Stats

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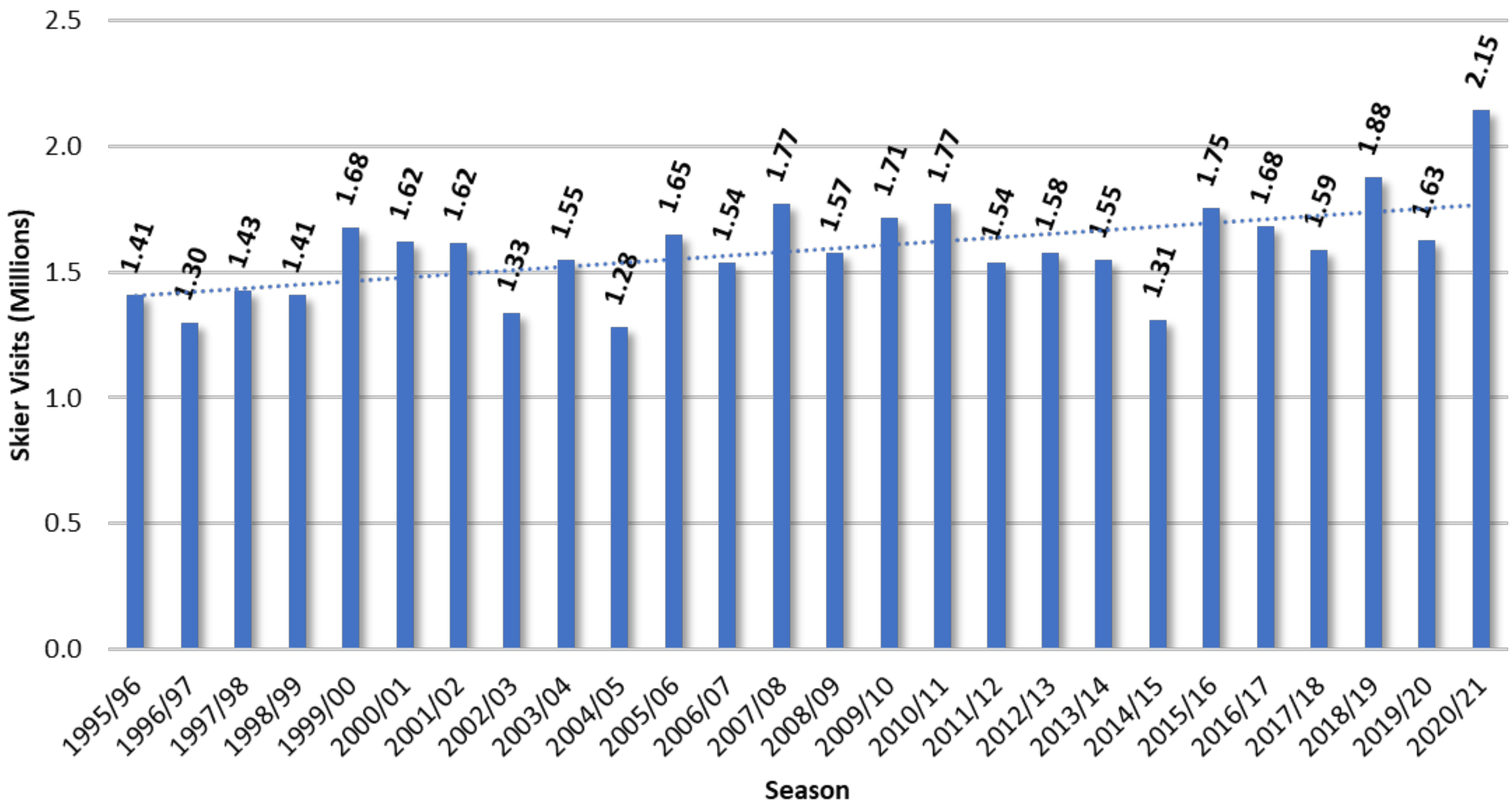
	Ski Area	County	Acres	Lifts	Runs	Vertical drop (feet)	Terrain parks	Avg snowfall (in)	Year Opened
1	Bald Mountain	Clearwater	140	2	21	684	0	100	1960
2	Bogus Basin	Ada	2,600	10	82	1,800	1	225	1942
3	Brundage	Adams	1,920	6	67	1,921	3	320	1961
4	Cottonwood Butte	Idaho	260	2	6	845	0	45	1967
5	Grand Targhee	(adj. to Teton)	2,602	5	97	2,270	2	500	1969
6	Kelly Canyon	Bonneville	688	5	51	1,000	4	200	1957
7	Little Ski Hill	Valley	50	1	4	405	1	180	1937
8	Lookout Pass	Shoshone	560	4	38	1,650	2	430	1935
9	Lost Trail	Lemhi	1,800	8	25	1,800	2	350	1938
10	Magic Mountain	Twin Falls	120	3	24	700	1	230	1940
11	Pebble Creek	Bannock	1,100	3	51	2,200	2	225	1949
12	Pomerelle	Cassia	500	3	24	1,000	2	500	1963
13	Rotarun	Blaine	15	1	8	441	1	90	1948
14	Schweitzer	Bonner	2,900	10	92	2,400	3	300	1963
15	Silver Mountain	Shoshone	1,600	7	73	2,200	2	370	1968
16	Snowhaven	Nez Perce	60	2	9	400	1	60	1944
17	Soldier Mountain	Camas	1,150	3	25	1,425	1	250	1948
18	Sun Valley	Blaine	2,434	18	121	3,400	11	220	1936
19	Tamarack	Valley	1,100	7	50	2,800	3	300	2004
	Sum		21,599	100	868	29,341	42	258" (average)	1954 (average)

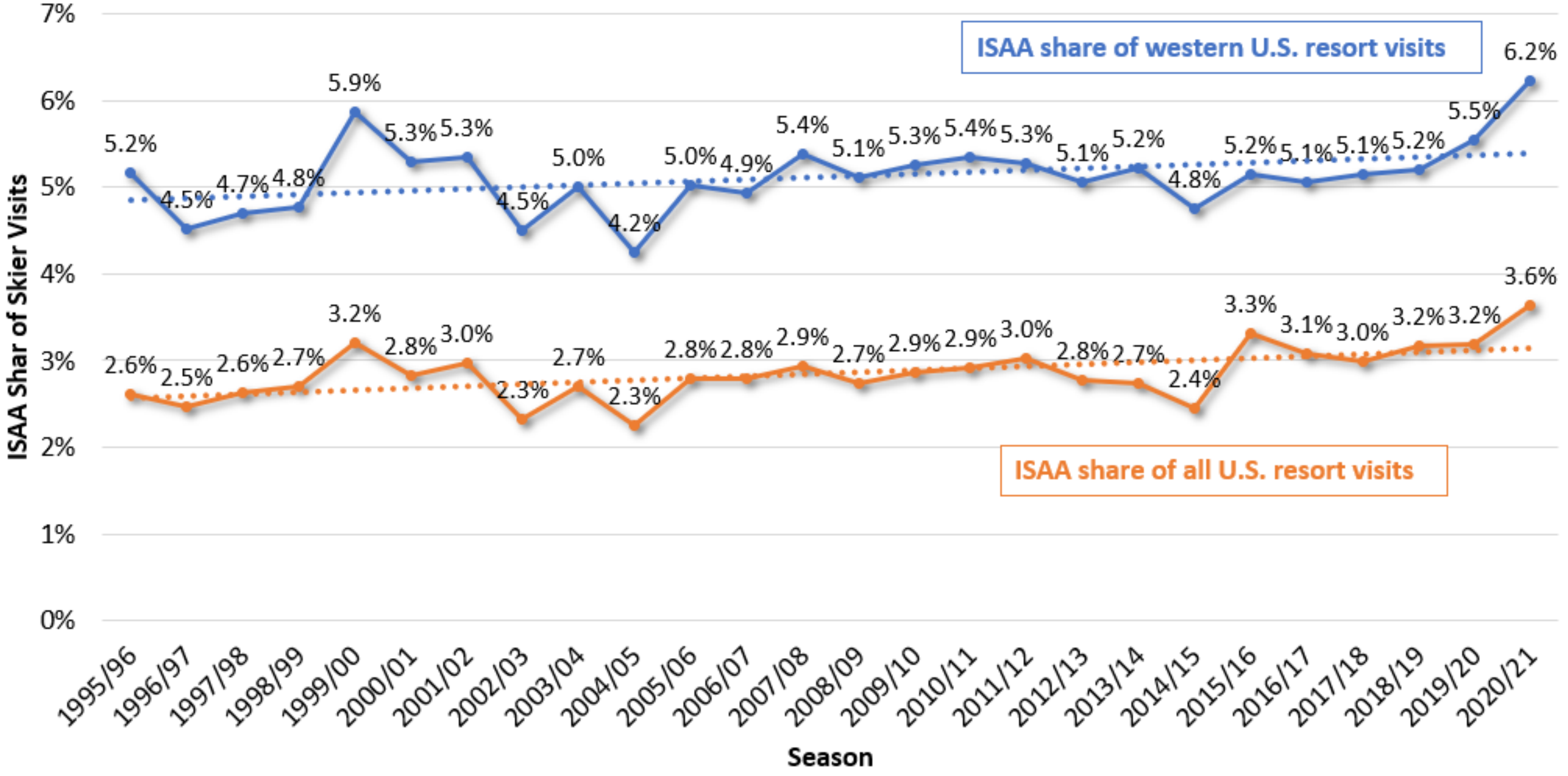
- ISAA has a diverse membership of large and small resorts, oriented to a mix of day & overnight guests.
- Fully 18 of 19 members have been operating for 52+ seasons.

ISAA Member Skier Visits



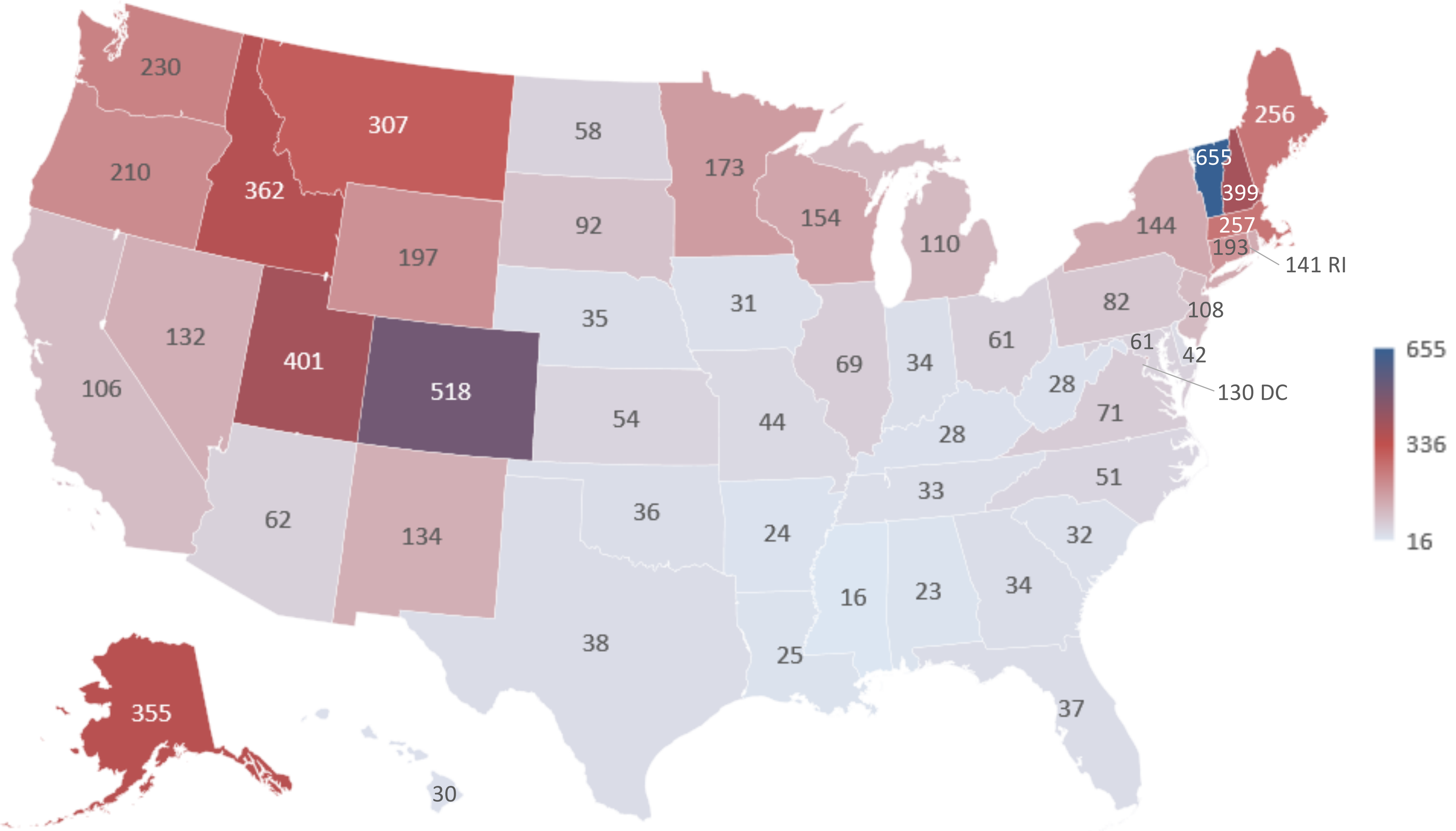
- ISAA achieved record skier visits in 20/21, far exceeding previous record (2018/19) by 14.3%, and extending a long-term growth trend.
- Idaho proper was the 12th ranked state for skier visits in 20/21 (out of 37 states w/ ski areas).

ISAA Skier Visit Share



- ISAA has had a slightly rising share of western US skier visits, peaking at 6.2% in 2020/21
- ISAA has accounted for a growing share of skier visits nationally, rising to 3.6% in 2020/21

Idaho Resident Skier Visit Index



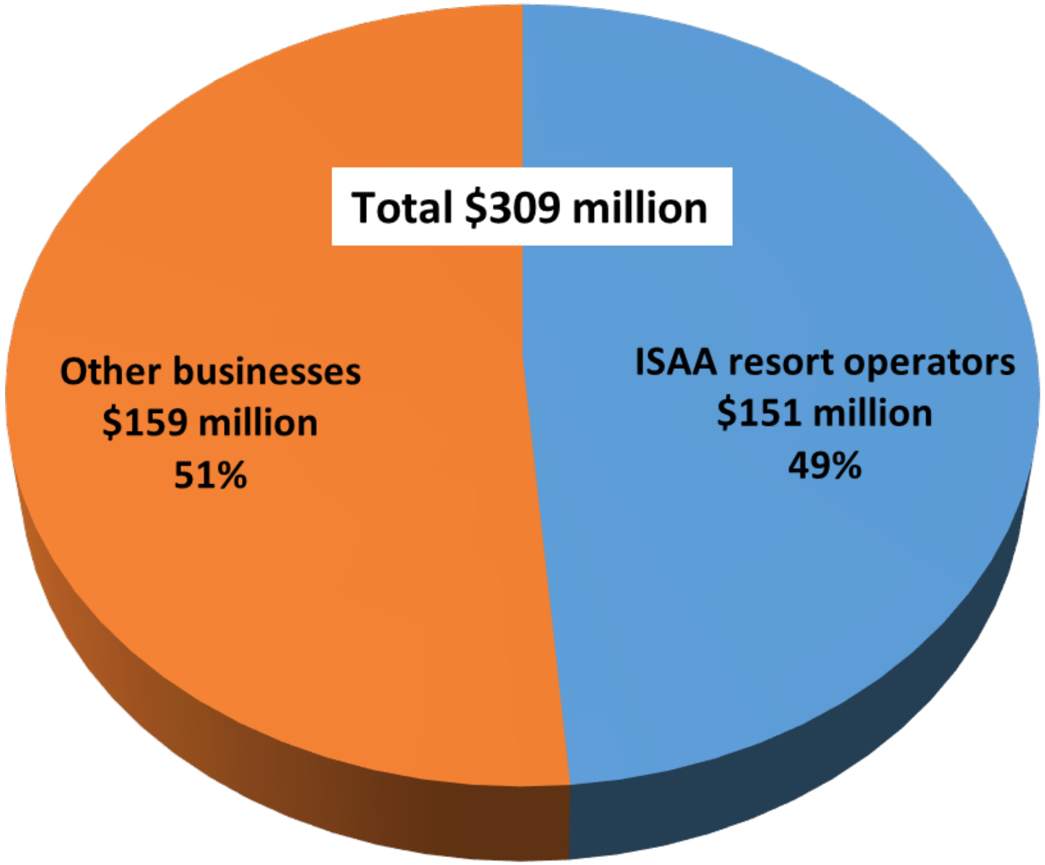
- **ID index = 362 means ID residents take 3.62x more skier days per capita than national avg (5th-highest state).**
- **Approximately 140K - 160K Idaho residents go skiing in a given season (7-8% of state pop'n).**
- *Index = % of 2020/21 Skier Visits by State of Residence / % of 2021 US Population by State of Residence * 100. US overall index = 100.*

$ Economic Impact

$ METHODOLOGY

Economic category	Data sources
1. Winter skier spend	Skier surveys: NSAA Demographic Survey & other skier surveys Resort operator surveys: NSAA Economic, NSAA Kottke, & ISAA member svys Secondary data: tax collections, employment, etc.
2. Resort operator summer revenue	NSAA Economic, NSAA Kottke, & ISAA resort operator surveys
3. Resort operator capex	NSAA Kottke & ISAA resort operator surveys
Multiplier effects	IMPLAN economic modeling system

$ Skier Spend (winter 20-21)



- Just over half of skier expenditures were made at businesses other than resort operators.

$ WINTER SKI AREA OPERATOR REVENUES

	Winter 2020/21	Winter 2016/17	Change
Lift tickets and season passes	$75,300,000	$53,400,000	41%
Food & beverage	$24,900,000	$22,300,000	12%
Accommodations/lodging	$17,500,000	$15,600,000	12%
Lessons	$8,900,000	$8,600,000	3%
Retail stores	$9,900,000	$8,700,000	14%
Rental shops	$8,100,000	$6,300,000	29%
Other revenue	$6,000,000	$5,200,000	15%
Total	**$150,600,000**	**$120,100,000**	**25%**

- Resort operator revenues increased 25%
- Increases were greatest for lift tickets and season passes (+41%)
- COVID-19 had a negative impact on 2020/21 ancillary revenues (e.g lessons and dining)

$ SUMMER SKI AREA OPERATOR REVENUES

	Summer 2020	Summer 2016	Change
Recreation	$14,400,000	$12,000,000	20%
Lodging	$11,000,000	$14,800,000	-26%
Dining and retail	$15,600,000	$15,800,000	-1%
Total Summer Revenue	**$41,000,000**	**$42,600,000**	**-4%**

- 11 ISAA members have summer operations.
- Summer 2020 revenue totaled $41 million, down 4% from summer 2016, impacted by COVID-19.

$ Capital Expenditures

	2020/21 Fiscal Year	2016/17 Fiscal Year	Change
New and upgraded lifts	$9,300,000	$2,800,000	232%
Other on-mountain facilities & support	$7,600,000	$13,500,000	-44%
Summer/fall-specific facilities & support	$2,200,000	$600,000	267%
Real estate	$48,900,000	$1,600,000	2956%
Total Capital Expenditures	**$67,900,000**	**$18,600,000**	**265%**

- ISAA members collectively made $67.9 million in capital improvements in FY 20-21.
- Excluding real estate, resorts reinvested 13 cents of every dollar of revenue into their infrastructure.

$ Economic Output

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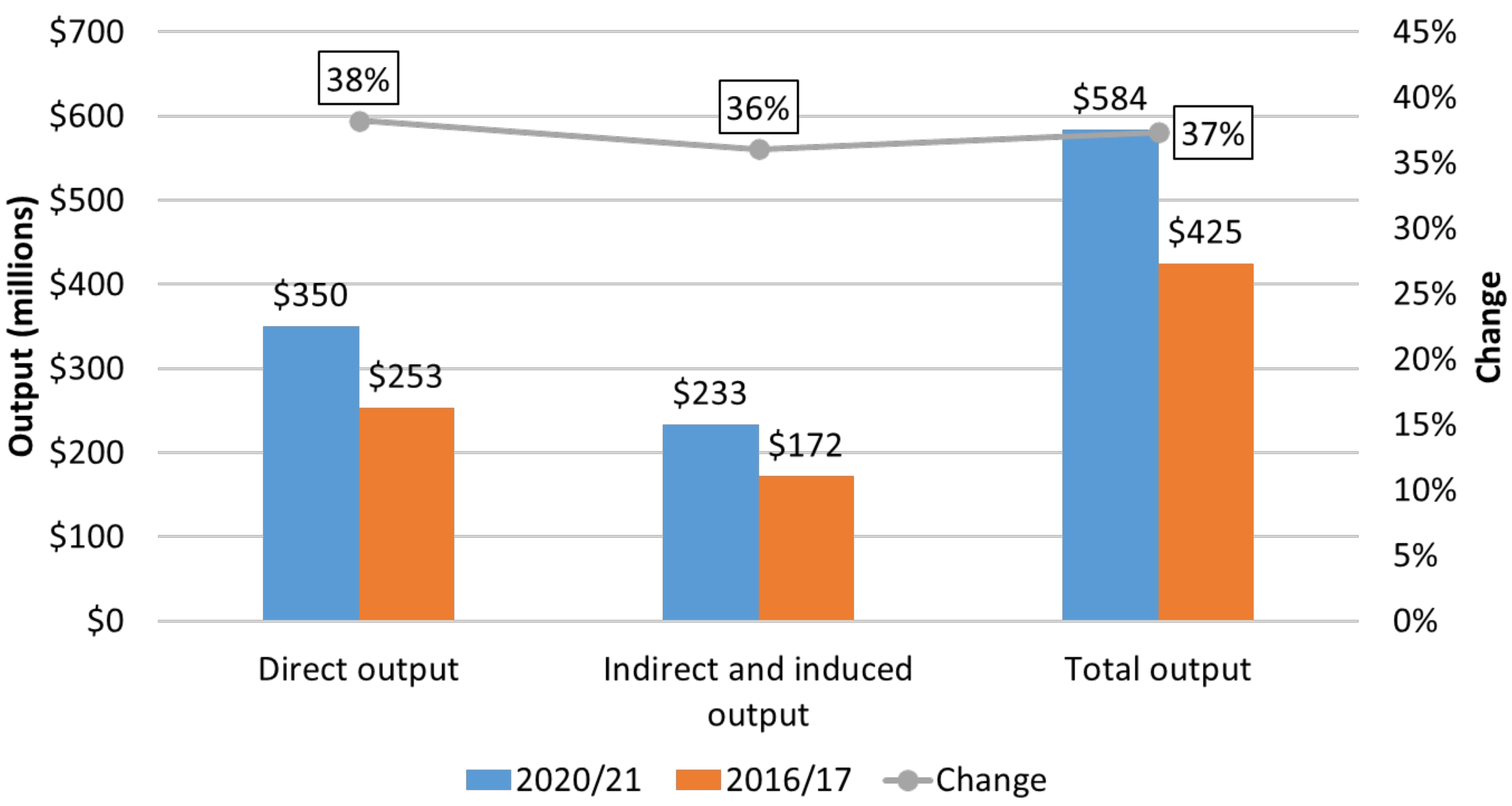
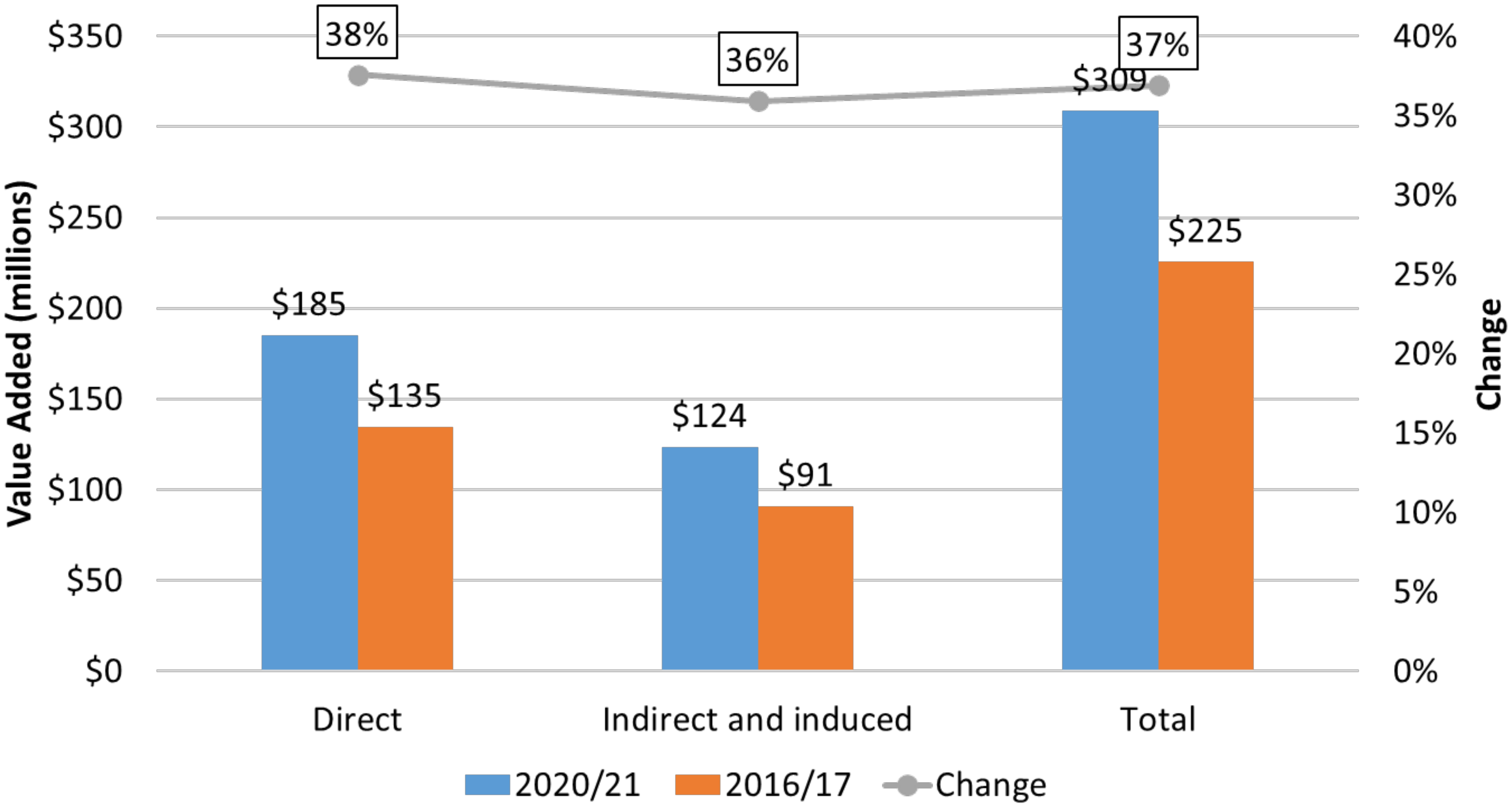


- Output=sales (except sales minus cost of goods in the retail sector).
- Direct output totaled $350 million.
- Multiplier effects added $233 million.
- Total output $584 million (+37% from 16/17).

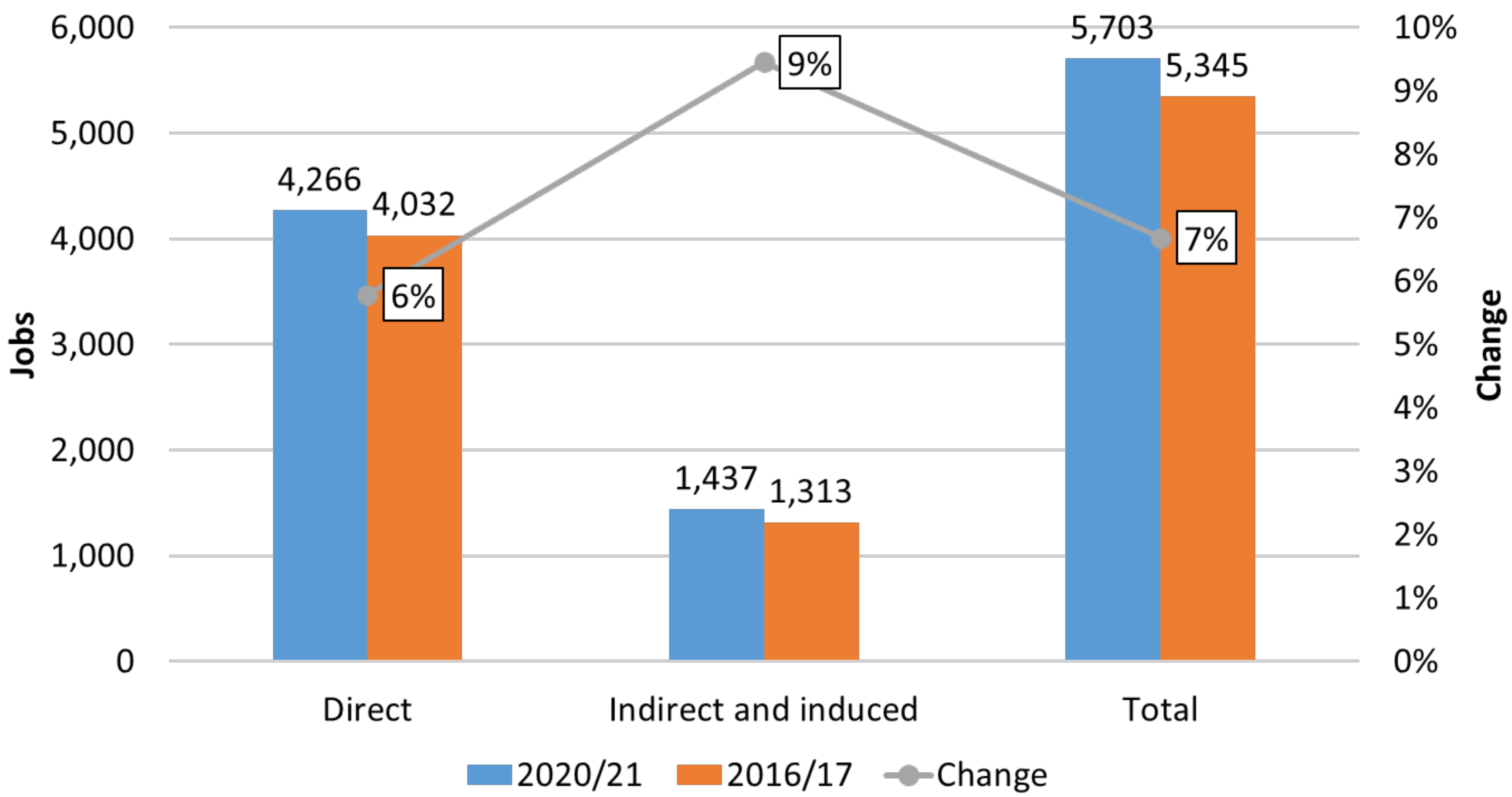
$ Value Added (contribution to GDP)

SKIIDAHO RRC



- Value added (contribution to GDP) equals output minus cost of intermediate inputs.
- GDP impacts totaled $309M ($185M direct, $124M multiplier effects).
- Total GDP of $309M = 0.31% of $98.5B Idaho 2021 GDP.

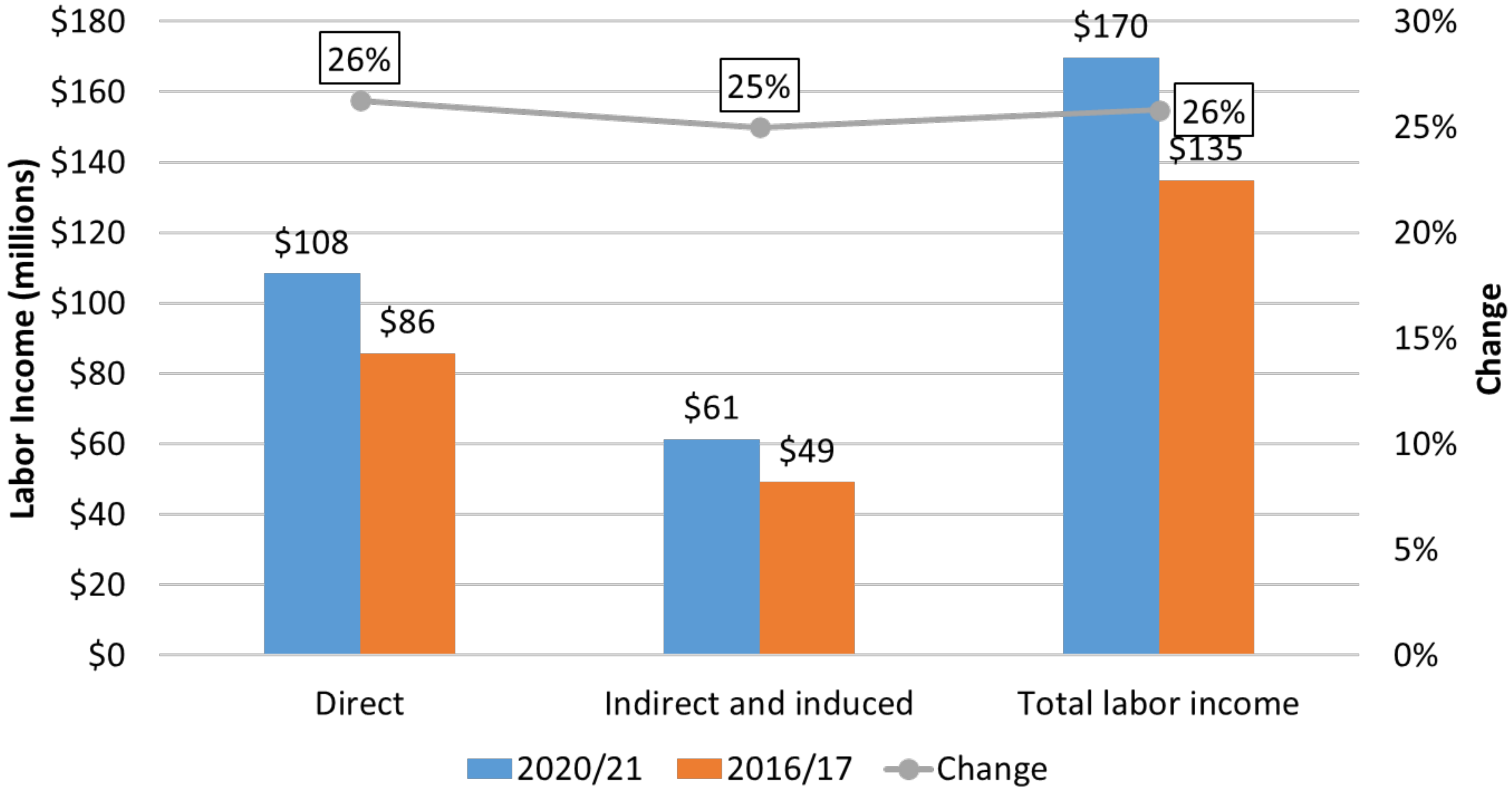
$ YEAR-ROUND EQUIVALENT JOBS



- Direct activity generated 4,266 year-round equivalent jobs.
- Multiplier effects supported 1,437 more year-round equivalent jobs.
- A total of 5,703 year-round equivalent jobs were directly or indirectly supported by skiing (up 7%).

$ Labor Income

SKIIDAHO RRC



- Labor income includes all forms of employment income, including wages, benefits, and proprietor income.
- Skiing generated $170 in labor income (including $108M directly and $61M through multiplier effects) – up 26%.

Additional Economic Impacts & Benefits (Not Quantified)

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ADDITIONAL IMPACTS

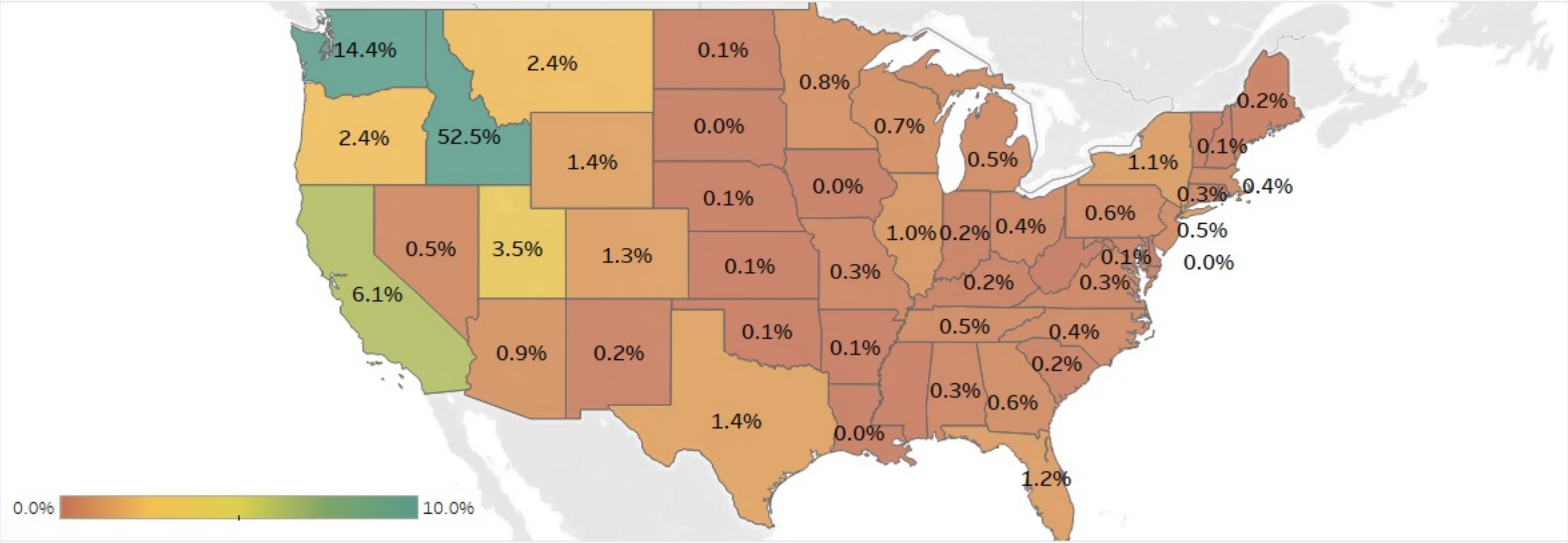
- Summer visitor spend at ski areas at businesses OTHER THAN resort operators.
- Capital expenditures by skiing-affected businesses OTHER THAN resort operators.
- Construction, operations and maintenance of vacation homes in skiing communities.

ADDITIONAL BENEFITS

- Skiing helps provide seasonal balance to Idaho's summer-dominated travel industry.
- Marketing expenditures by resorts (benefiting other businesses).
- Community financial and in-kind contributions/donations.
- Contribution to Idaho quality of life:
  - Business/employee recruitment & retention
  - Health and wellness

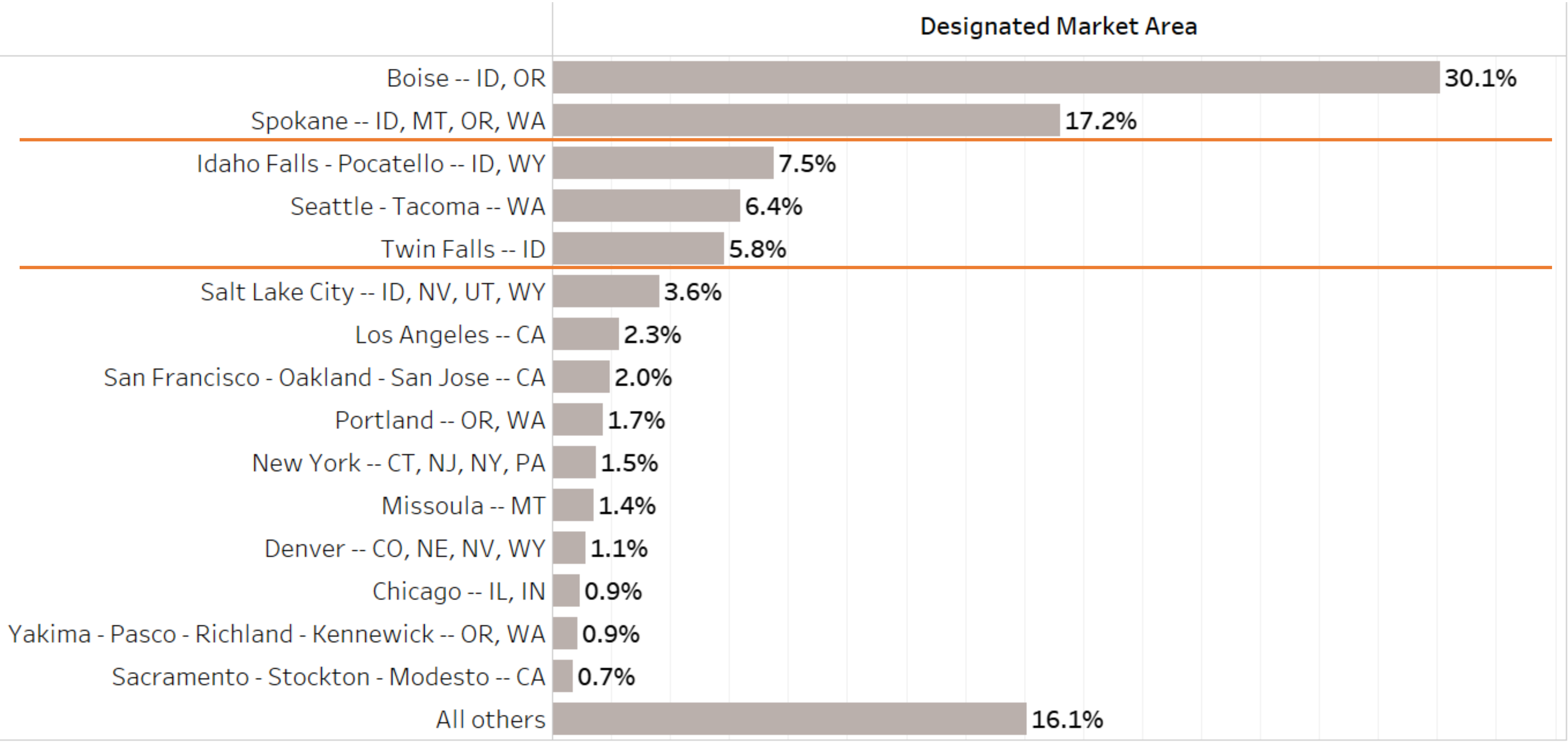
ISAA Skier profile

Geographic Origin

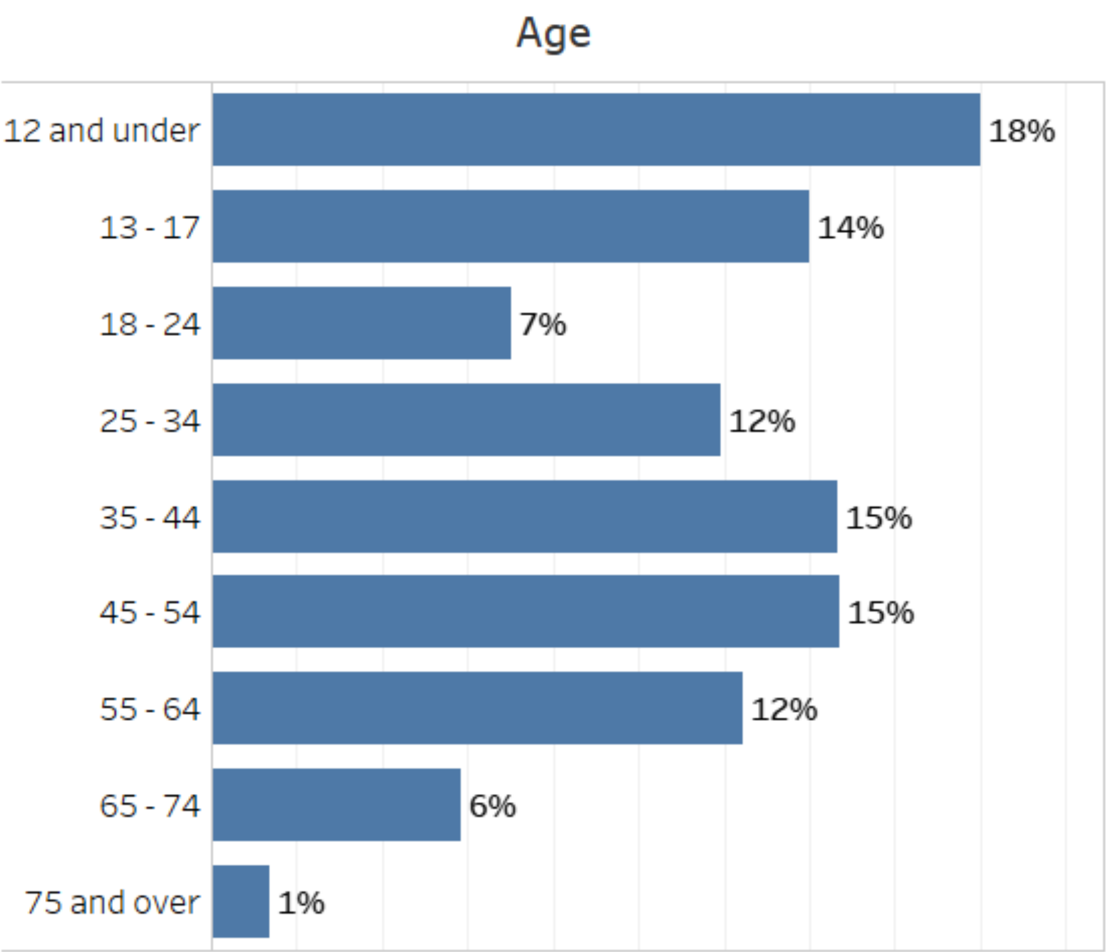


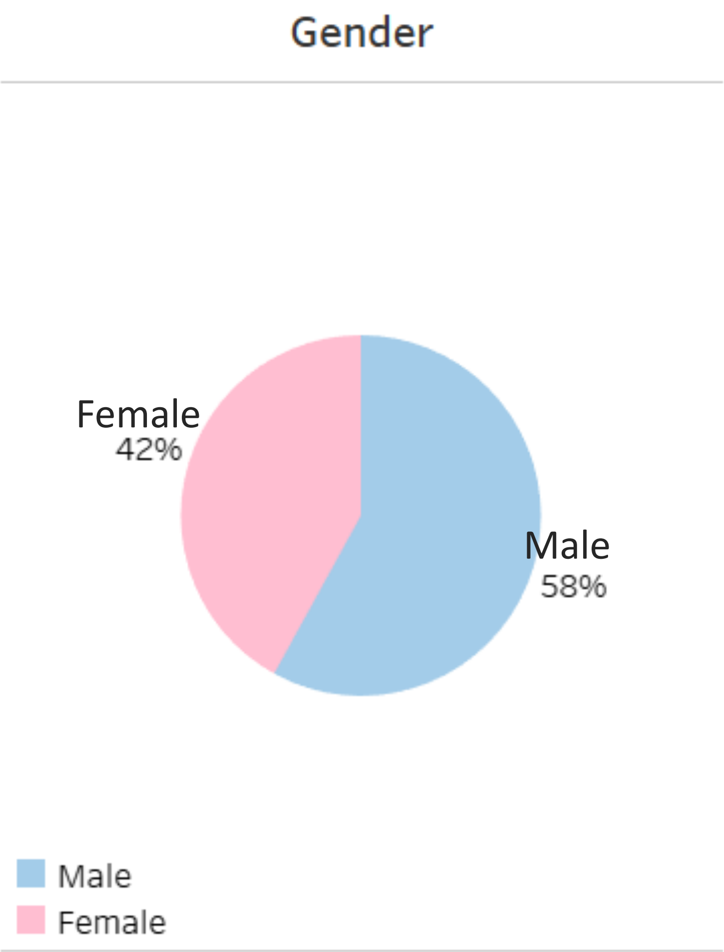
- Based on skier surveys conducted at 10 resorts accounting for 90% of ISAA visits, the geographic origin of visitors is concentrated in Idaho (52.5%) and other West Census Region states (33.6%). An additional 13.9% come from other states and countries.

Designated Market Area



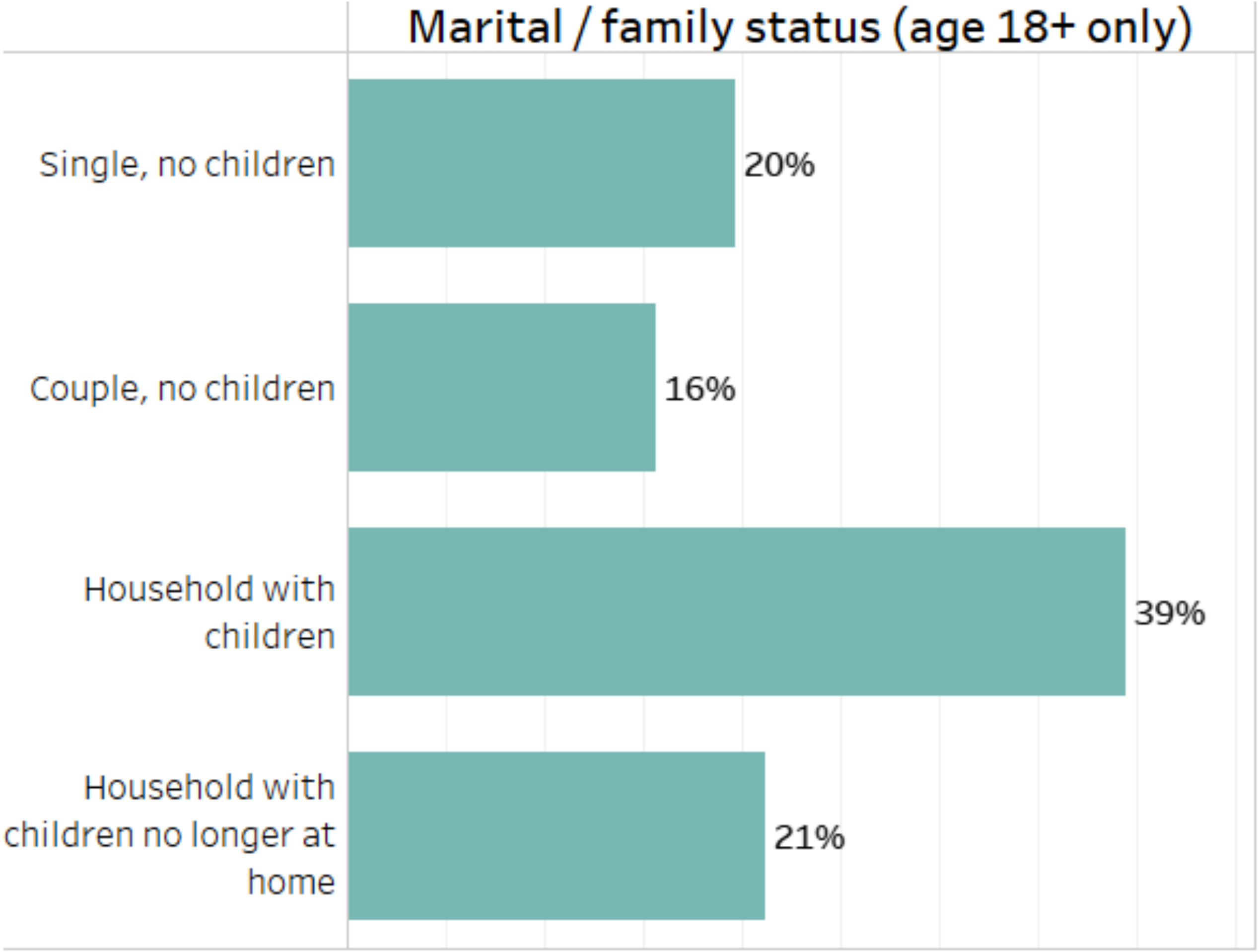
Demographic Profile

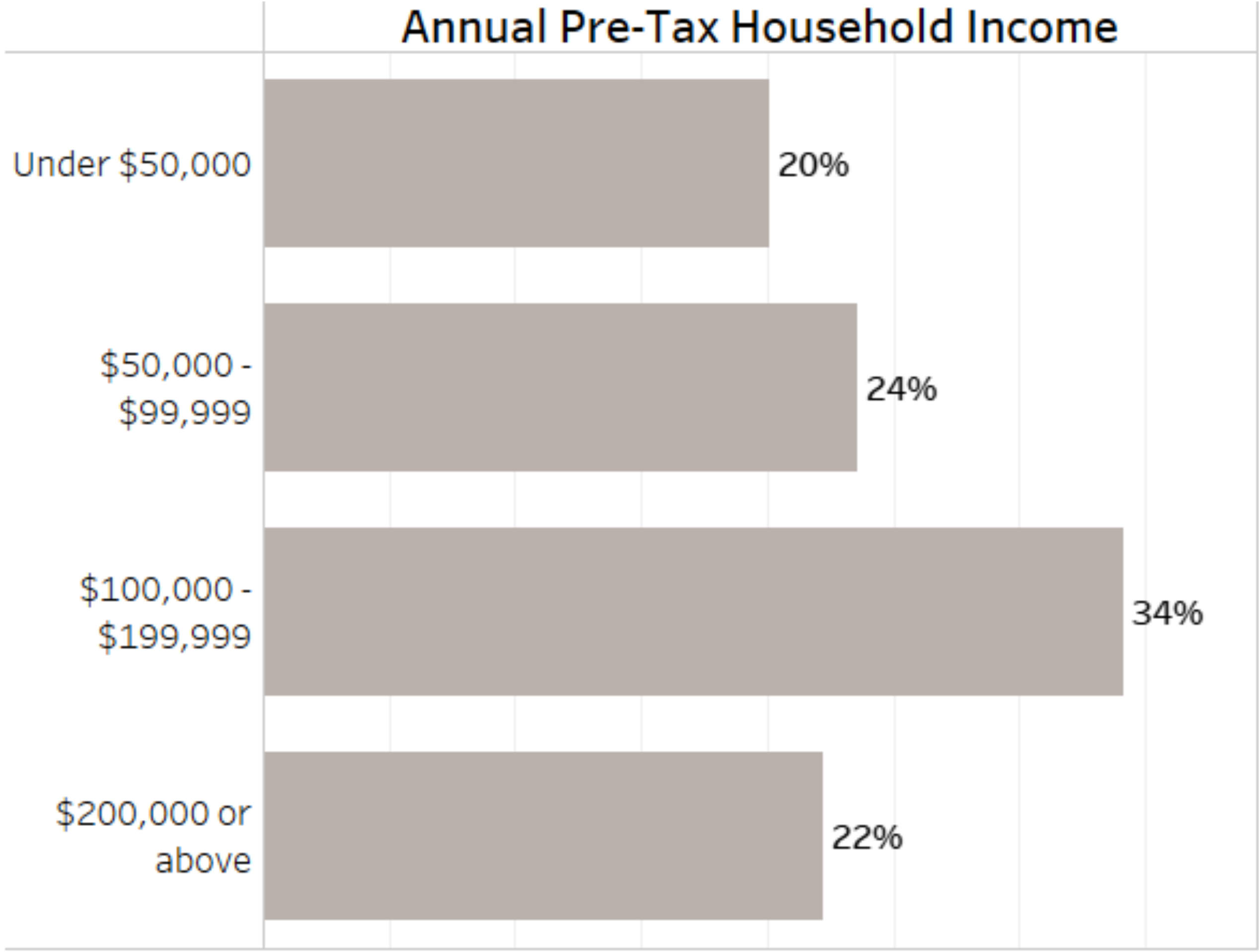




- Three-generation age profile.

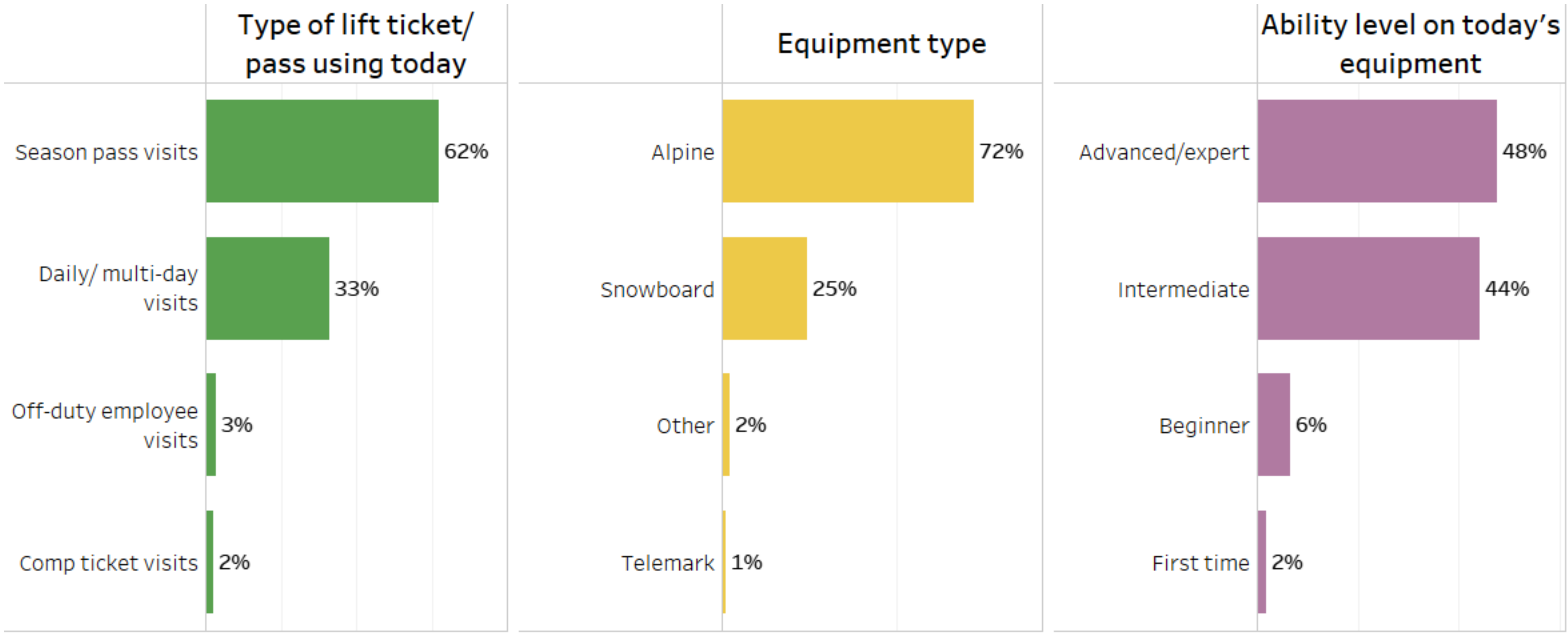
Demographic Profile





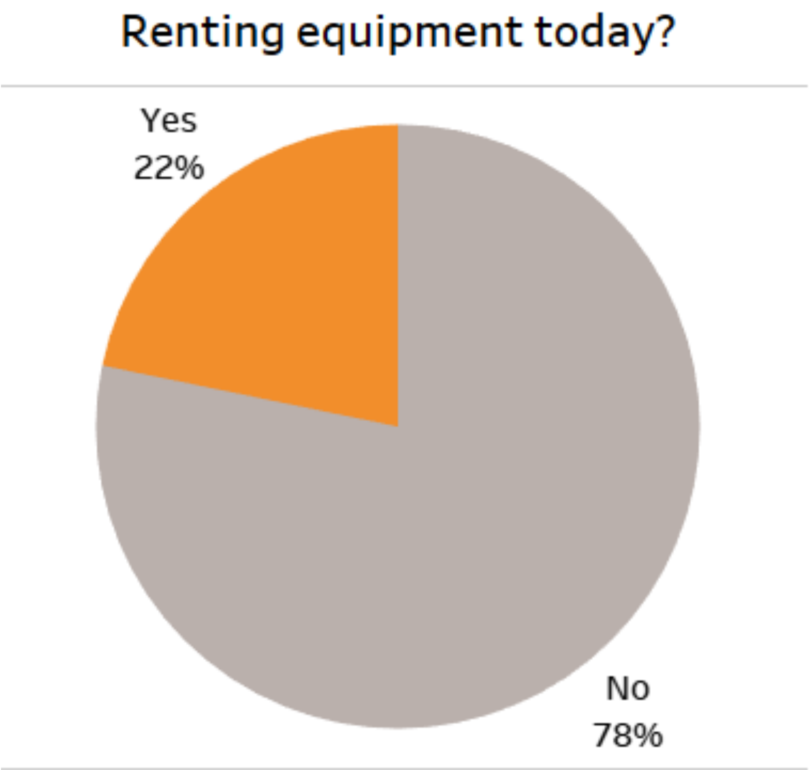
- Mix of household types, with families most prevalent.
- Range of incomes, skewing affluent.

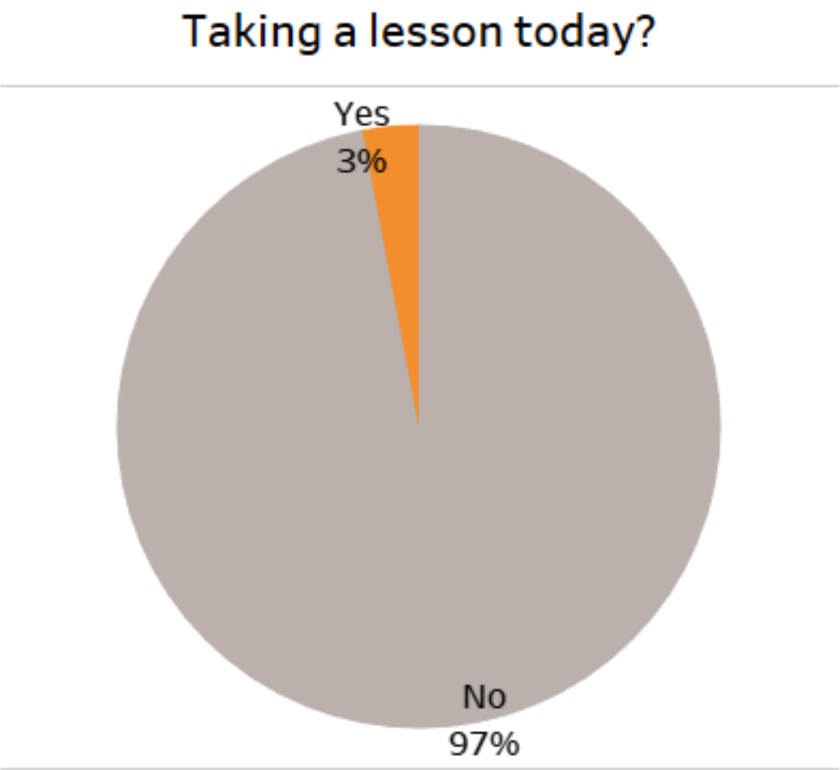
SKIOGRAPHIC PROFILE

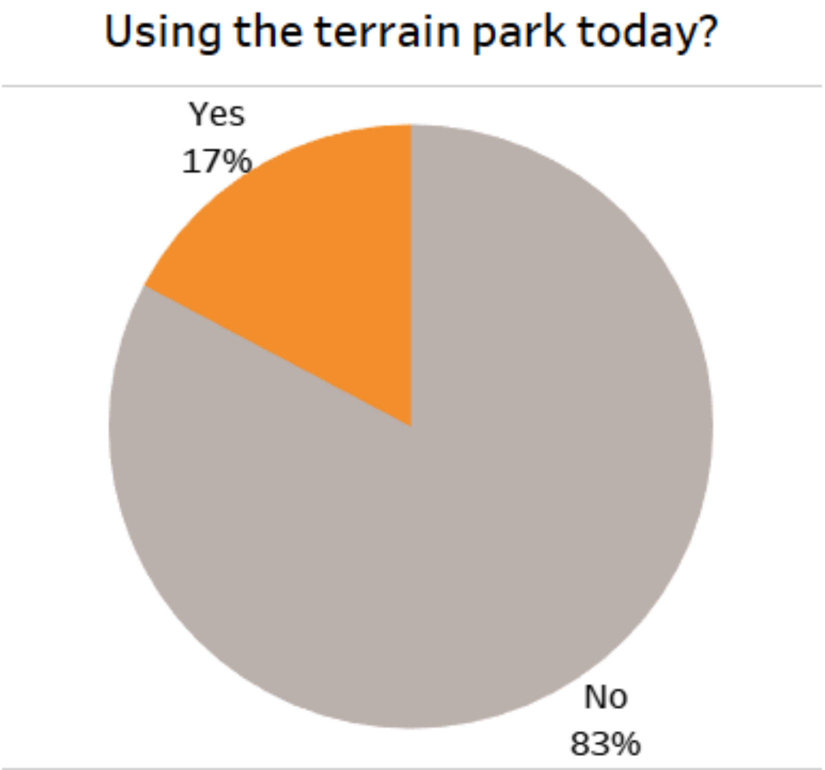


- Majority season pass tickets.
- Skew towards alpine equipment and higher ability levels.

Skiographic Profile

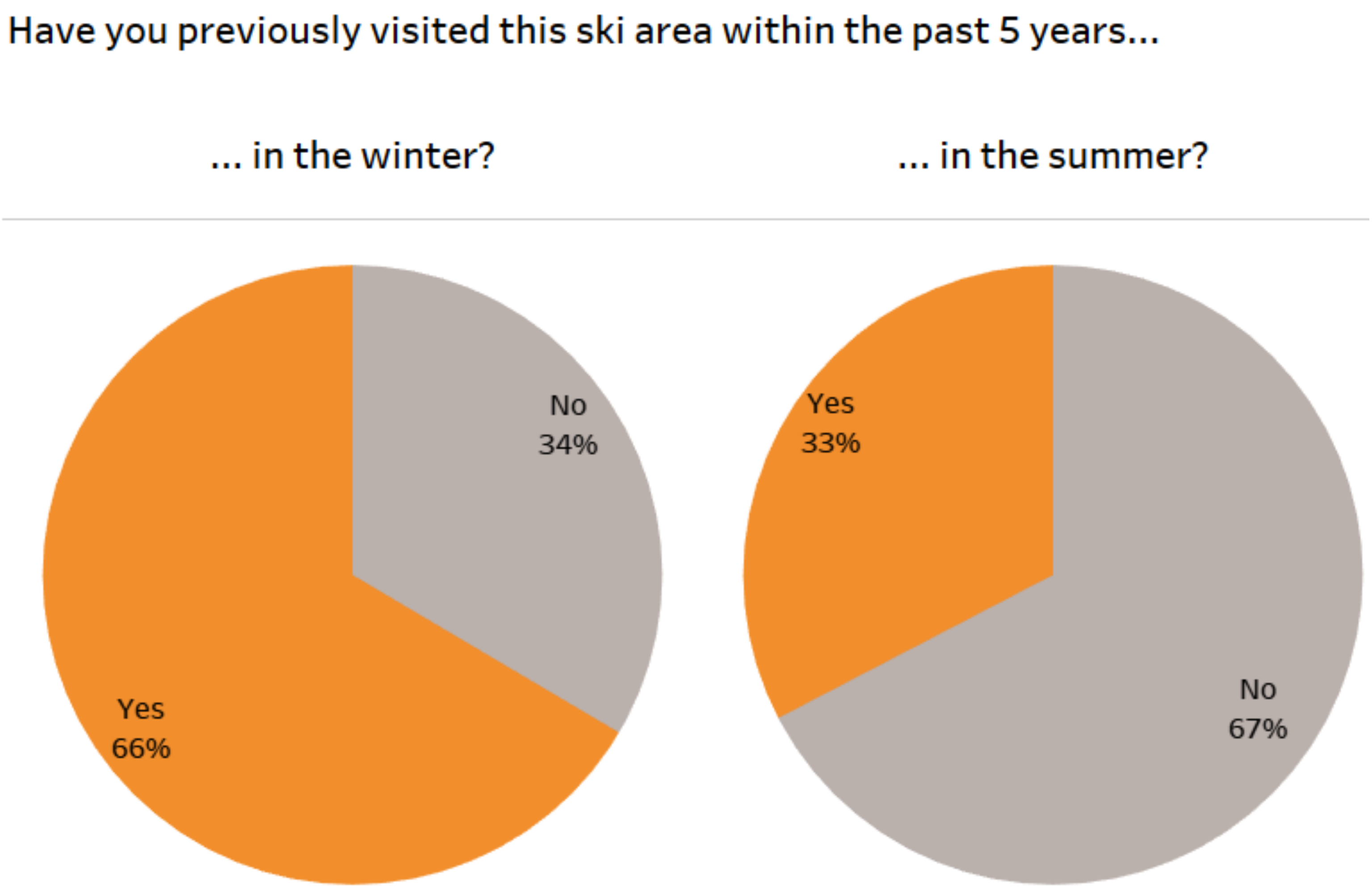






- Rentals and lessons are especially important for newcomers to skiing.

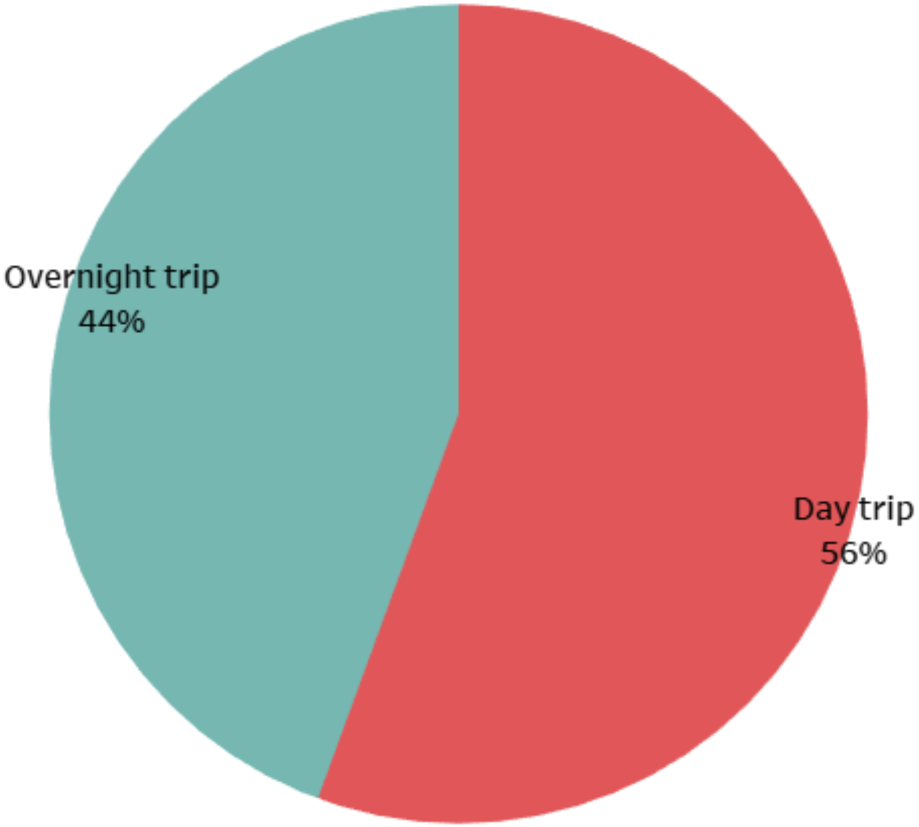
Resort Visitation



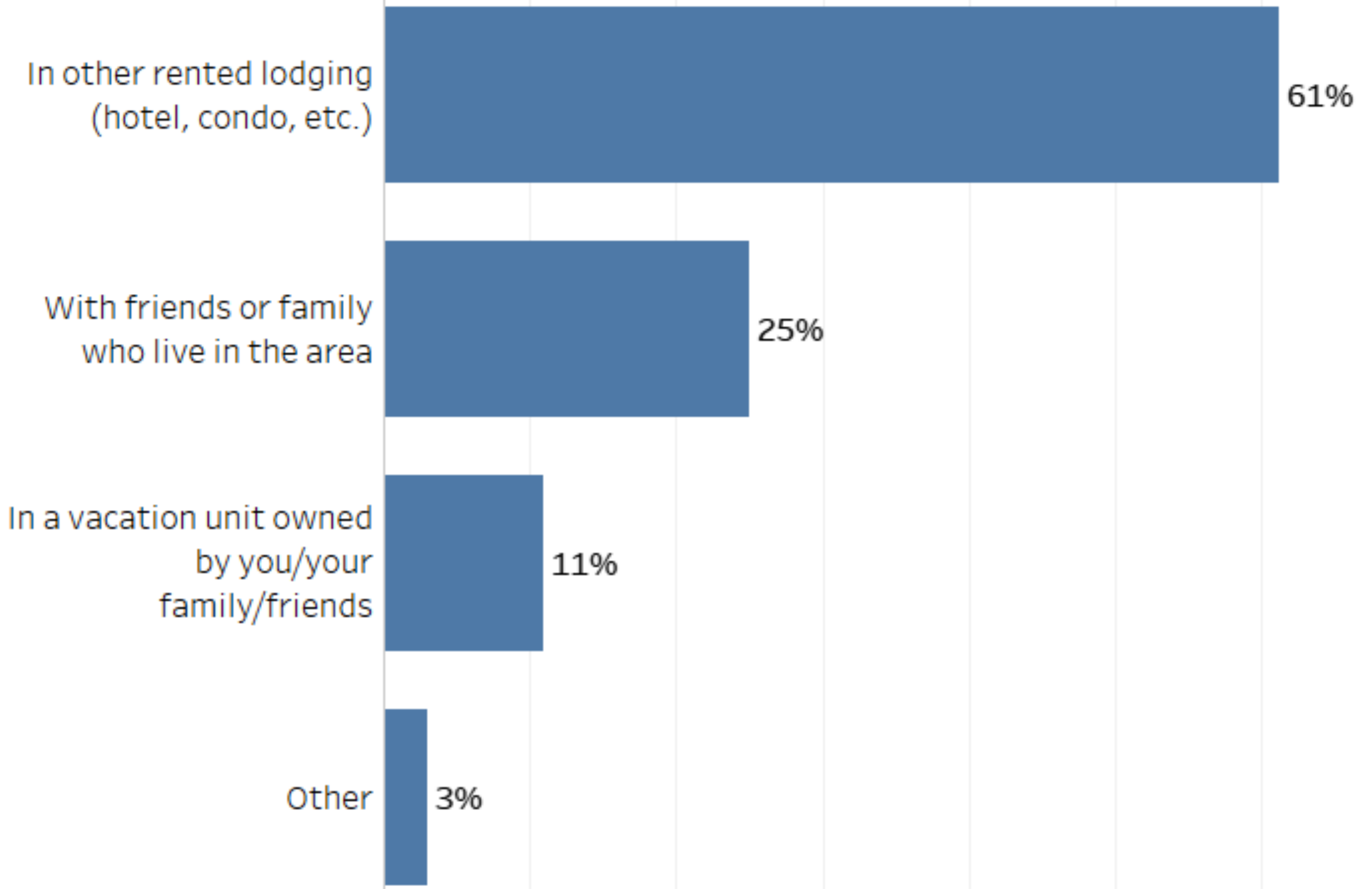
- Most skiers are repeat winter visitors to the resort (66%).
- About one third of winter visitors have visited the resort in the past 5 summers (33%).

Trip Characteristics

Are you on a day trip or an overnight trip away from home?

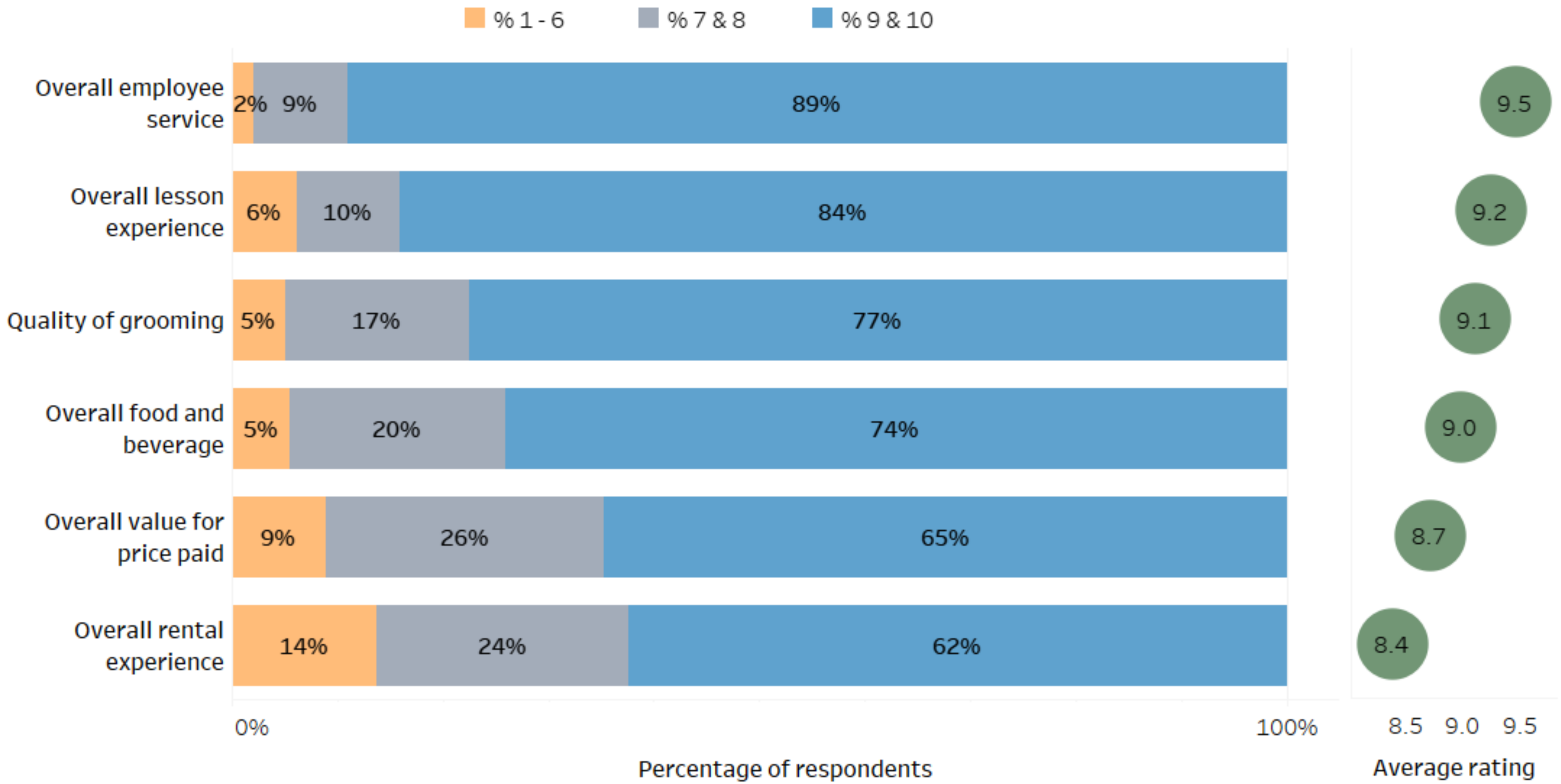


(If overnight) Are you staying:



- ISAA member skier visits occur on a mix of day (56%) and overnight (44%) trips.
- Most overnight visitors stay in paid lodging (61%). 11% stay in an owned vacation home.

Satisfaction Ratings
(1=Extremely Dissatisfied / 10=Extremely Satisfied)



- Skiers tend to express high satisfaction with their experience.

Observations and Conclusions

Observations and Conclusions

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ISAA membership generates significant economic benefits:

- $584 million total economic output.
- $309 million contribution to GDP (equiv. to 0.33% of 2021 Idaho GDP).
- 5,703 year-round equivalent jobs.
- $170 million labor income.
- Plus: Summer and capex spending at other businesses in resort communities, and second home construction/upkeep impacts.
- Plus: Quality of life and health/wellness benefits, aiding business and employee retention & recruitment.
- Plus: Resorts add seasonal balance to state tourism industry; provide marketing exposure/leadership; provide local community contributions.

Observations and Conclusions

Skiing is important to Idahoans:

- Approximately 140,000 – 160,000 residents downhill ski/snowboard in a given season (7-8% of state population).
- Idaho residents ski 3.62x more days than the national average (5th-highest state for skiing participation).

Idaho has a competitive niche in skiing:

- ISAA skier visits have trended up over time.
- ISAA skier visit market share has risen within the western US and US overall.
- ISAA members have a long history of operations (most 50+ years)

Observations and Conclusions

ISAA membership attracts a diverse skier visitor profile:

- 52.5% in-state, 47.5% out of state.
- 56% day visitors, 44% overnight visitors.
- Broad age and family status profile, with affluent skew.
- Mix of abilities and equipment types.
- Significant seasonal crossover visitation (winter visitors returning in summer).

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Thank you!