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## **Bike Wisconsin® and beyond...**

### **Economic Impact**

**Madison, WI** – Bicycle touring is an important player in Wisconsin's tourist economy, a study showed.

Two Bicycles and Map, Ltd., organizer of the state's two major cross-state bicycle events, reported that the GRABAAWR® and Schramm's Annual Great Bicycle Ride Across Wisconsin (SAGBRAW®) have a combined economic impact on Wisconsin of \$3,710,580 to \$6,184,300 each year.

GRABAAWR® follows the Wisconsin River with stops in communities along the Wisconsin River. SAGBRAW® is held on routes that move around the state, usually ending at Kewaskum, just north of Milwaukee.

The economic impact figure was based on a study that looked at the event budgets, which total about \$350,000 a year, plus actual spending by the participants in the two cross-state bicycling events.

The event budget includes payments for motor coaches, semis, vehicle purchases, rental vehicles, salaries, advertising, printing, staff housing on the events, mileage, supplies, entertainment and other expenses, and is funded by participant fees and sponsor contributions.

Participant spending was tracked in questionnaires that the riders in both events were asked to fill out. The questionnaires asked how much the riders spent for things like transportation, food, drink, purchases and motels while attending the event.

The estimates were made using multipliers to track the number of times dollars turn over before leaving the local economy. Multipliers are a generally accepted method of estimating the total effect spending has on a local economy.

For example, a restaurant serves food to the cyclists. The money paid by the cyclists to the restaurant is then used by the restaurant to pay wages of cooks and servers, who then spend the money at the local supermarket, pharmacy or hardware store, where it is again recycled in the economy. It is estimated that these dollars are re-spent three to five times before the money leaves the local economy.

When multipliers are applied to the \$350,000 event budget, the actual economic impact becomes \$1,050,000 to \$1,750,000 per year.

GRABAAWR® participants reported average personal spending of \$60 per day while on the ride. For the 900 riders in 2004, this totaled \$54,000 in actual spending each day of the event.

GRABAAWR® consists of eight days – one day in getting to the start by either charter motor coach and bike transport vehicle or by private motor vehicle, plus seven days of cycling – so actual participant spending during the event was \$432,000. When multipliers are applied, the actual economic impact becomes \$1,296,000 to \$2,160,000.

SAGBRAW® participants reported spending an average of \$57 per day during the event. For the 1,140 participants in 2004, this amounted to \$64,980 in actual dollars spent per day.

For the seven days of SAGBRAW® (one day getting to the start and six days of cycling) participant spending totaled \$454,860. When multipliers were applied, the actual economic impact is \$1,364,580 to \$2,274,300.

Adding up the figures for the event budget and participant spending during the two events results in an economic impact of between \$3,710,580 to \$6,184,300 a year.

“Bicycle touring is an important part of Wisconsin’s tourism industry,” said Eric Schramm, Tour Director. “Wisconsin is a great state in which to cycle and events like GRABAAWR® and SAGBRAW® attract many people to our state. They provide a substantial economic benefit to the state and its communities.”

The two events brought bicyclists into Wisconsin from about 40 other states and Canada in 2004. Community organizations supported the events by providing meals and food stops. Most of the participant spending was in the communities hosting the overnights.

GRABAAWR® and SAGBRAW® camp at schools or large recreational complexes because those are the only facilities large enough to serve groups this size. However, 33 percent of the participants reported staying in motels for all or some of the overnights.

Further Information:

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