

**BIG SKY  CHAMBER**

**VISIT BIG SKY**

**^ WELCOME CENTER ^**



# The Economic Impact of Travel in Big Sky, Montana

2023 Preliminary Estimates

Big Sky Chamber of Commerce

11/5/2024

**PRIMARY RESEARCH CONDUCTED BY**

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Photo by Michal Knotek via Pexels.com, cropped by DRA

Big Sky, located in southern Montana, is a destination known for known for outdoor recreational activities like skiing and downhill mountain biking. Visitors spent \$434.5 million in Big Sky in 2023, up 4.2% compared to the previous year.

- **Overnight Visitor volume** (person-trips) increased 4.3% from 372,000 visitors in 2022 to 387,900 visitors in 2023.
- **Direct travel-related spending** was \$434.5 million in 2023, a 4.2% increase compared to the previous year.
- **Direct earnings** (wages, benefits, and proprietor income generated by travel) grew 33.5%, from \$88.6 million in 2022 to \$118.2 million in 2023.
- **Direct travel generated employment** gained approximately 520 jobs in 2023, a 20.2% increase compared to the previous year.
- **Resort tax revenue** generated by visitor spending totaled \$17.5 million in 2023, a 4.9% increase compared to 2022.

In 2023, visitors spent \$434.5 million in Big Sky, a **4.2% increase** compared to the previous year.



**Note:** This report describes the travel impacts within Big Sky limits. Estimates may be subject to revision if more complete data becomes available. All economic impacts are reported as direct impacts.

# Direct Travel Impacts

## Historic Trend Tables

### Summary

	2018	2019	2020	2021	2022	2023	% Change	
							22-23	19-23
<b>Spending (\$Millions)</b>								
Visitor	179.2	213.5	200.7	318.3	416.8	434.5	4.2%	103.5%
<b>Earnings (\$Millions)</b>								
Earnings	58.1	64.0	59.8	71.6	88.6	118.2	33.5%	84.7%
<b>Employment</b>								
Employment	2,139	2,232	1,919	2,272	2,579	3,101	20.2%	38.9%
<b>Tax Revenue (\$Millions)</b>								
Resort	5.5	6.6	7.1	12.9	16.7	17.5	4.9%	164.8%
State	6.9	8.0	8.0	11.7	16.4	17.6	7.5%	121.2%
<b>Total</b>	<b>12.4</b>	<b>14.6</b>	<b>15.2</b>	<b>24.6</b>	<b>33.1</b>	<b>35.1</b>	<b>6.2%</b>	<b>140.9%</b>

**Note:** Details may not add to totals due to rounding. Percent change calculated on unrounded figures. Employment figures represent an annual average and are rounded to the nearest 10. State tax revenue includes lodging taxes, motor fuel taxes paid by visitors, and income tax payments attributable to the travel industry income of businesses and employees. Resort tax revenue includes supporting tax revenue which consists of a portion of resort taxes charged to HOA & Club fees based on the seasonal home properties in Big Sky.

# Direct Travel Impacts

## Historical Trend Tables

### Direct Impact Detail

	2018	2019	2020	2021	2022	2023	% Change	
							22-23	19-23
<b>Travel Industry Earnings (\$Millions)</b>								
Accom. & Food Serv.	31.1	33.4	31.6	43.9	53.9	79.6	47.8%	138.5%
Arts, Ent. & Rec.	22.6	25.8	24.0	23.5	29.6	33.3	12.4%	29.1%
Retail and Transportation*	4.2	4.7	4.2	4.1	5.0	5.2	4.6%	10.0%
<b>Total</b>	<b>58.1</b>	<b>64.0</b>	<b>59.8</b>	<b>71.6</b>	<b>88.6</b>	<b>118.2</b>	<b>33.5%</b>	<b>84.7%</b>
<b>Travel Industry Employment (Jobs)</b>								
Accom. & Food Serv.	940	990	810	1,000	1,110	1,450	31.0%	46.9%
Arts, Ent. & Rec.	1,120	1,170	1,040	1,170	1,360	1,540	12.9%	31.8%
Retail and Transportation*	80	80	70	100	110	110	2.8%	44.2%
<b>Total</b>	<b>2,140</b>	<b>2,230</b>	<b>1,920</b>	<b>2,270</b>	<b>2,580</b>	<b>3,100</b>	<b>20.2%</b>	<b>38.9%</b>
<b>Tax Receipts Generated by Travel Spending (\$Millions)</b>								
Direct Resort	4.8	5.7	6.1	11.3	14.8	15.4	4.2%	169.0%
Supporting Resort	0.7	0.9	1.0	1.6	1.8	2.0	10.1%	136.5%
State	6.9	8.0	8.0	11.7	16.4	17.6	7.5%	121.2%
<b>Total</b>	<b>12.4</b>	<b>14.6</b>	<b>15.2</b>	<b>24.6</b>	<b>33.1</b>	<b>35.1</b>	<b>6.2%</b>	<b>140.9%</b>

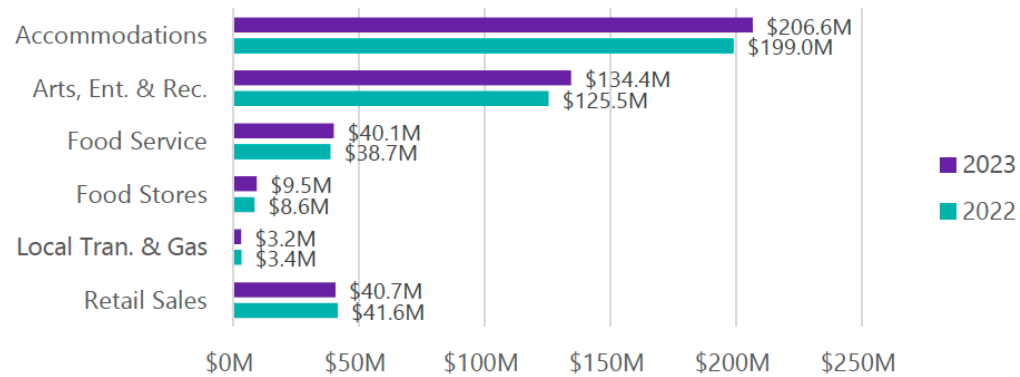
**Note:** Details may not add to totals due to rounding. Percent change calculated on unrounded figures. Employment figures represent an annual average and are rounded to the nearest 10. Supporting resort tax revenue represents a portion of resort taxes charged to HOA & Club fees based on the seasonal home properties in Big Sky.

\*Retail and Transportation includes gasoline station employment and earnings.

For more information, see Glossary on page 14.

# Direct Spending

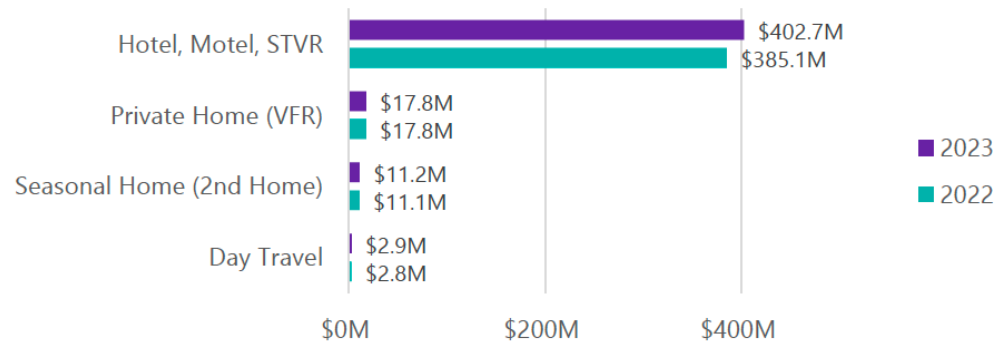
## Visitor Spending by Commodity Purchased



Visitors spent \$206.6 million on accommodations in 2023, a **\$7.6 million or 3.8% increase** compared to the previous year.

Sources: Dean Runyan Associates, Big Sky Chamber of Commerce, Destimetrics, Energy Information Administration, Bureau of Transportation Statistics

## Visitor Spending by Accommodation Type



Visitors who stayed in a hotel, motel, or STVR contributed \$402.7 million of visitor spending, a **\$17.5 million or 4.6% increase** compared to the previous year.

Sources: Dean Runyan Associates, Big Sky Chamber of Commerce, Destimetrics, AirDNA, Census Bureau  
Note: Private Home represents visitors staying with friends or family. STVR stands for short-term vacation rental.

# Direct Employment

## Travel Industry Employment



**Sources:** Dean Runyan Associates, U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis

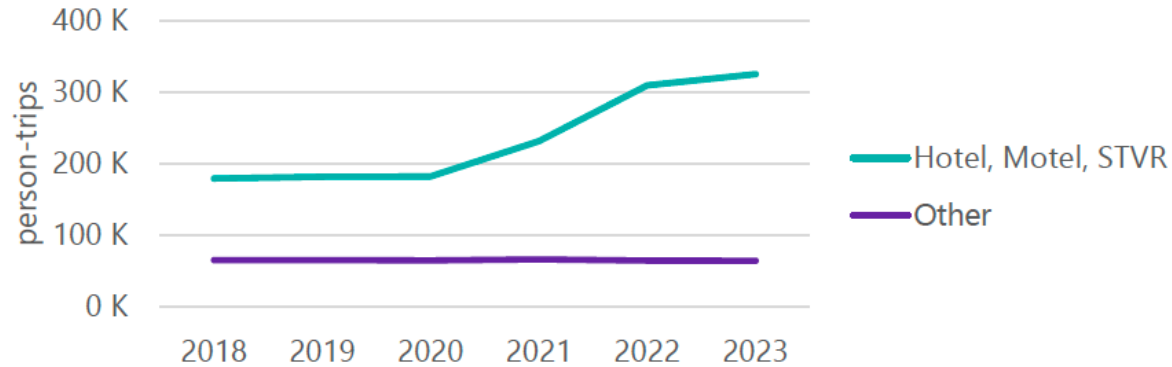
**Note:** Figures represent an annual average and are rounded to the nearest 10.

\*Retail and Transportation includes gasoline station employment.



Photo by Watts CC-BY-SA 2.0, cropped by DRA

## Visitor Volume by Accommodation Type



Approximately 325,100 visitors stayed in a hotel, motel, or STVR in 2023, a **5.2% increase** compared to the previous year.

**Sources:** Big Sky Resort Area District, Big Sky Chamber of Commerce, U.S. Census Bureau, AirDNA, OmniTrak Group, Dean Runyan Associates

**Note:** Other includes visitors staying in a private home (VFR) or seasonal home (2<sup>nd</sup> home).

## Visitor Nights and Trips

	Person			Party		
	2021	2022	2023	2021	2022	2023
<b>Nights</b>						
Hotel, Motel, STVR	665,800	870,400	919,400	254,700	335,600	353,900
Private Home (VFR)	141,300	135,300	135,300	57,000	54,600	54,600
Other Overnight	76,100	76,100	76,100	30,700	30,700	30,700
<b>Total</b>	<b>883,200</b>	<b>1,081,800</b>	<b>1,130,800</b>	<b>342,400</b>	<b>420,900</b>	<b>439,200</b>
<b>Trips</b>						
Hotel, Motel, STVR	231,200	309,200	325,100	89,500	120,400	126,500
Private Home (VFR)	41,000	39,200	39,200	16,500	15,800	15,800
Other Overnight	23,600	23,600	23,600	9,500	9,500	9,500
<b>Total</b>	<b>295,800</b>	<b>372,000</b>	<b>387,900</b>	<b>115,500</b>	<b>145,700</b>	<b>151,800</b>



**Travel Marketing and Promotion**

PRODUCTS COMMERCIAL BRAND  
MARKETING ADVERTISERS SERVICE  
COMMUNICATION COMPANIES ADVERTISEMENTS  
**PROMOTION**  
PRODUCT RESEARCH TELEVISION  
INTERNET MEDIA MOBILE  
CAMPAIGN SOCIAL MEDIA MESSAGES  
SPONSORSHIPS RADIO  
BRANDING INCENTIVES

**Increased Visitor Trips**



**TRAVEL  
PROMOTION'S  
VIRTUOUS  
CYCLE**



**New Jobs & Tax Revenues**



**Additional Visitor Spending**

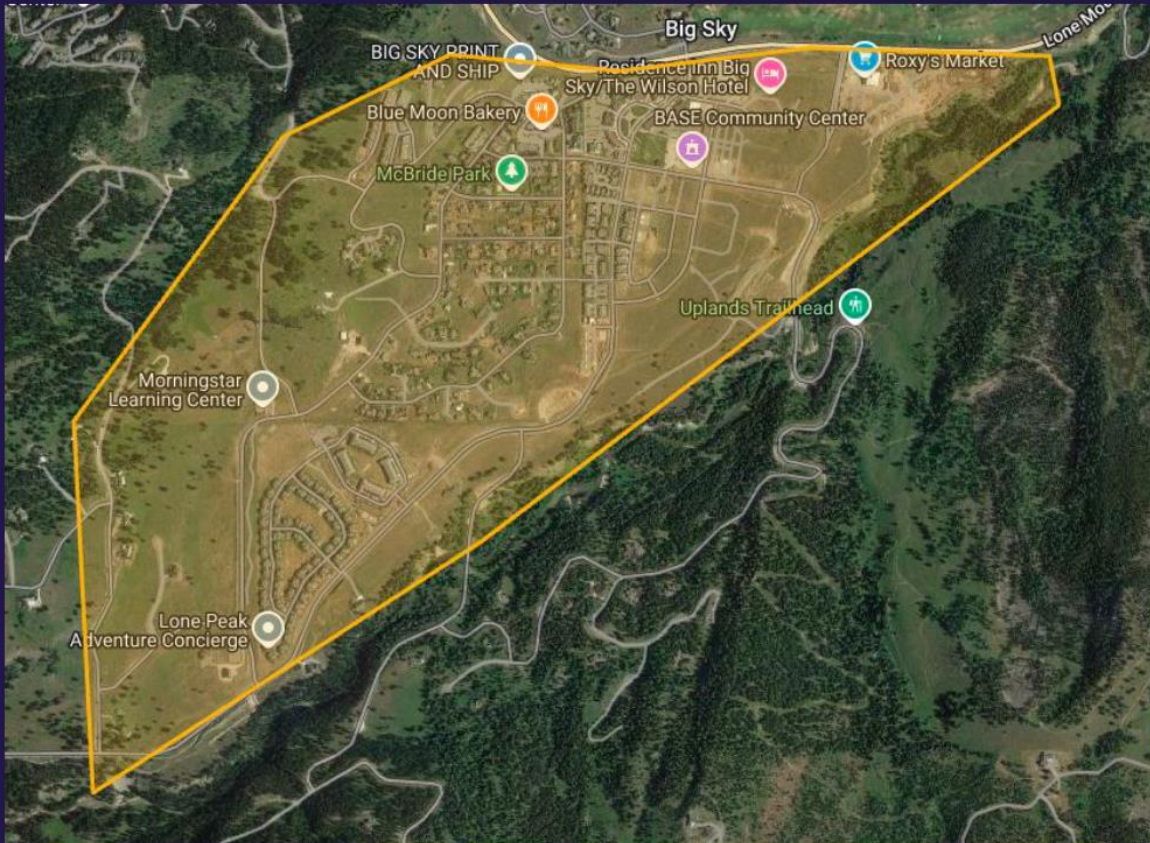


# Big Sky Summer Events Analysis

**Farmers Markets and Music in the Mountains**

**June 19-September 12, 2024**

# Report Filters



Event Location

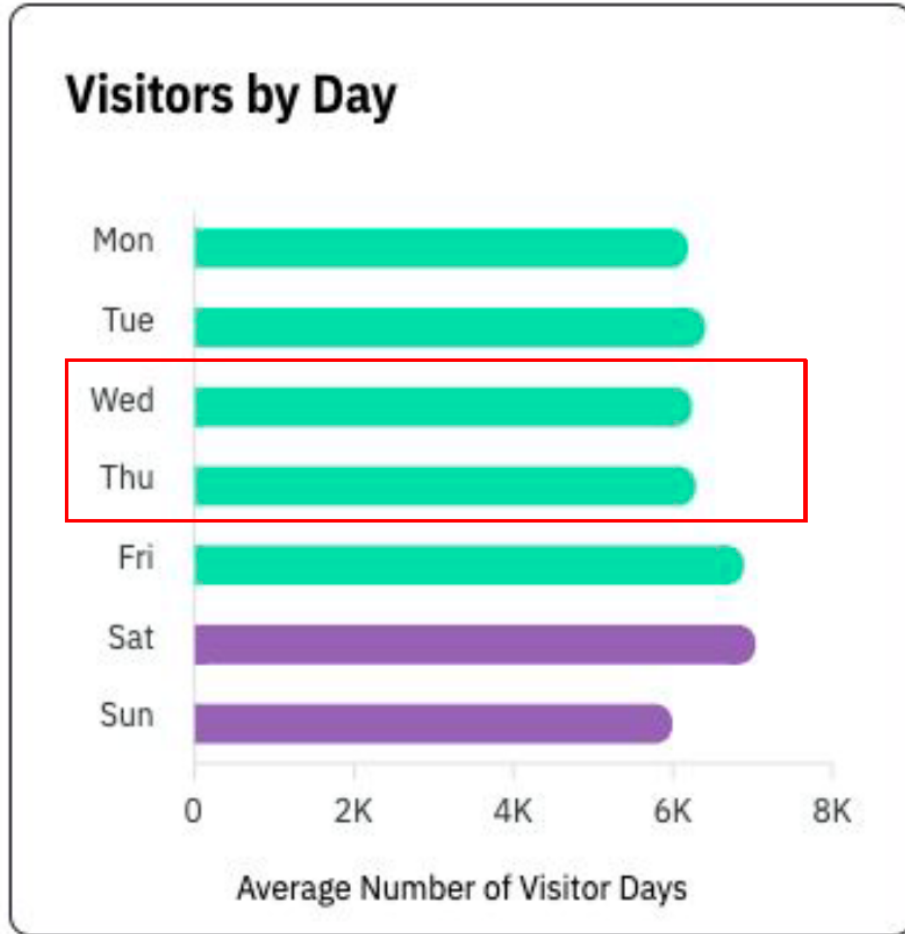
**Types of visitors:** all domestic visitors including local visitors

**Summer Dates:** June 19-September 12, 2024

**Location:** Park & Concert Venue & Farmers Market Area

**Local visitors vs non-local visitors:** locals are people living 0-50 miles from Big Sky, visitors are people from 50+ miles

## Summer Average Visitation\* by Day



## Wednesday

- 6,408 average visitation
- 76,900 estimated total visitation
- 55% of visitation by visitors from 50+ miles
  - 45% of visitation by locals

## Thursday

- 6,425 average visitation
- 77,100 estimated total visitation
- 50% of visitation by visitors from 50+ miles
  - 50% of visitation by locals

# Event Day Visitation

Date	Wednesdays (Farmer's Market)		
	% Locals	% Visitors	Estimated Visitors
June 19, 2024	37%	63%	6,200
June 26, 2024	35%	65%	9,000
July 3, 2024	40%	60%	7,900
July 10, 2024	41%	59%	7,200
July 17, 2024	38%	62%	7,000
July 24, 2024	40%	60%	8,000
July 31, 2024	41%	59%	7,500
August 7, 2024	43%	57%	6,200
August 14, 2024	51%	49%	5,400
August 21, 2024	50%	50%	4,000
August 28, 2024	58%	42%	5,100
September 4, 2024	62%	38%	3,400
Average	45%	55%	6,408
Total			76,900

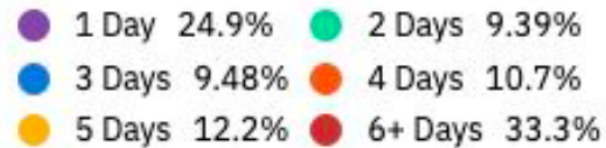
Date	Thursdays (Music in the Mountains)		
	% Locals	% Visitors	Estimated Visitation
June 27, 2024	40%	60%	9,900
July 4, 2024	58%	42%	8,600
July 11, 2024	43%	57%	7,700
July 18, 2024	38%	62%	7,800
July 25, 2024	38%	62%	6,900
August 1, 2024	43%	57%	7,200
August 8, 2024	48%	52%	5,900
August 15, 2024	51%	49%	5,500
August 22, 2024	49%	51%	4,500
August 29, 2024	62%	38%	5,400
September 5, 2024	63%	37%	4,200
September 12, 2024	62%	38%	3,500
Average	50%	50%	6,425
Total			77,100



# How long did visitors from 50+ miles stay?

Over 75% of visitors that were picked up in the event polygon stayed in Big Sky for 2 or more days. One-third of visitors stayed for 6 or more days on their trip.

## Trips by Length of Stay



Avg Length of Stay: 3.5 Days





# A DESTINATION STRATEGY

FOR BIG SKY, MONTANA

## Resident Sentiment On The Direction Tourism Is Headed In Big Sky



- Too much **overdevelopment** and construction happening too quickly without adequate infrastructure or planning.
- Housing crisis - **Lack of affordable housing** for local workforce. Short term rentals displacing long term rentals. Pushing middle class families out.
- Caters too much to the **ultra-wealthy and elite crowds** rather than regular families. Becoming too expensive and exclusive.
- **Environmental damage** from crowds and development. Traffic congestion, pollution, wildlife disturbances, fire danger, etc.
- **Loss of community**, small-town feel, and authenticity. Catering to tourists over residents.
- **Underpaid and overworked staff** can't keep up with demands. Businesses understaffed. High employee burnout.
- **Locals priced out** of recreation access and town amenities they can no longer afford. Disappearing public lands.
- Poor planning and management by developers. **Lack of resident input**. Greed over community.



**Tourism needed for economy but causes growing pains**

**Unsure of impacts**

**Growth is inevitable, focus on responsible management**

**Tourism is not the problem, concern is type of real estate development**

**Balance tourism with community needs like housing and infrastructure**



- **Growing economy** and **job opportunities** from tourist spending at local businesses.
- **New amenities**, restaurants, hotels, and recreation options. Better facilities at the ski resort.
- Shoulder seasons expanding so businesses can **stay open more consistently year-round**.
- **Improved infrastructure** over time like roads, parking, transportation services etc.
- **More housing options** being built, including workforce housing.
- Management organizations **addressing community needs** and issues.
- Drawing in a **higher-spending tourism market** for the economy.

*Resident Sentiment: Respondents Opinion On The Direction Tourism Is Headed in Big Sky*  
*Big Sky Resident and Tourism Stakeholder Sentiment Study, 2023. 494 respondents to this question.*



## Visitor Experience: Did Big Sky Meet Your Expectations?

### WHY BIG SKY DID MEET EXPECTATIONS?

#### 1. SKIING EXCELLENCE

Visitors consistently praised Big Sky for its great skiing, vast skiable terrain, and varied options for all skill levels. They appreciated the quality of the mountain and services. The mountain's expansive and well-maintained ski terrain was a highlight.

#### 2. BEAUTIFUL SCENERY

The natural beauty and gorgeous scenery in and around Big Sky, particularly during the skiing season, were highly appreciated. Many visitors mentioned breathtaking landscapes and the beauty of the area.

#### 3. SMALL TOWN CHARM AND WELCOMING COMMUNITY

Some visitors liked the small-town atmosphere and the sense of community in Big Sky. They appreciated the friendly people and local establishments. The fact that Big Sky was less crowded compared to other ski resorts.

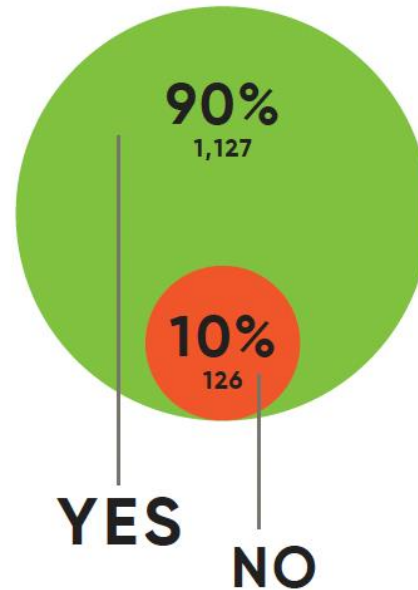
#### 4. ACCESSIBILITY

Big Sky's accessibility, especially from nearby airports like Bozeman, make it a convenient destination for many visitors. Being able to get there easily was mentioned as a positive aspect.

#### 5. VARIETY OF ACTIVITIES

Many visitors mentioned that they enjoyed a range of activities beyond skiing, from hiking and outdoor adventures to dining and entertainment.

### DID BIG SKY MEET EXPECTATIONS?



### WHY BIG SKY DID NOT MEET EXPECTATIONS?

#### 1. HIGH COST

Many visitors expressed disappointment with the high cost of various aspects of their Big Sky experience, including lift tickets, accommodations, dining and transportation.

#### 2. OVERCROWDING

A significant number of visitors noted issues with overcrowding, long lift lines, and the resort becoming too exclusive.

#### 3. LIMITED DINING OPTIONS

Guests mentioned a lack of dining options on the mountain, difficulty making reservations, and high restaurant prices.

#### 4. INADEQUATE INFRASTRUCTURE AND SERVICES

Visitors noted a lack of infrastructure to support the growing number of visitors, including limited dining options, not enough bathrooms, and poorly maintained roads.

#### 5. CHANGES IN ATMOSPHERE

Some visitors felt that the atmosphere at Big Sky had changed over the years, becoming less welcoming to families, locals, and those seeking a more affordable ski experience.

*Visitor Experience: In general, did Big Sky meet your expectations?*

*Big Sky Montana Visitor Opportunity Study, 2023. 1253 responses to this question.*

## FOCUS TO DRIVE IMPACT

In order to move toward this desired scenario and future vision, the project advisory team architected a framework made up of objectives in four primary impact areas:



**A. Develop a robust tourism ecosystem through targeted leadership and meaningful connection**



**B. Care for our people and places**



**C. Improve the Big Sky experience for visitors and residents alike**



**D. Define sense of place; Craft and share our story**

These impact areas align with the four core disciplines for effective destination management: 1) destination leadership and management, 2) destination stewardship, 3) experience optimization and 4) destination marketing. The entire Destination Strategy is designed to coalesce thinking and resources to drive impact in these disciplines, and they are described in detail on page 18.



## OPTIMIZING CONNECTIONS

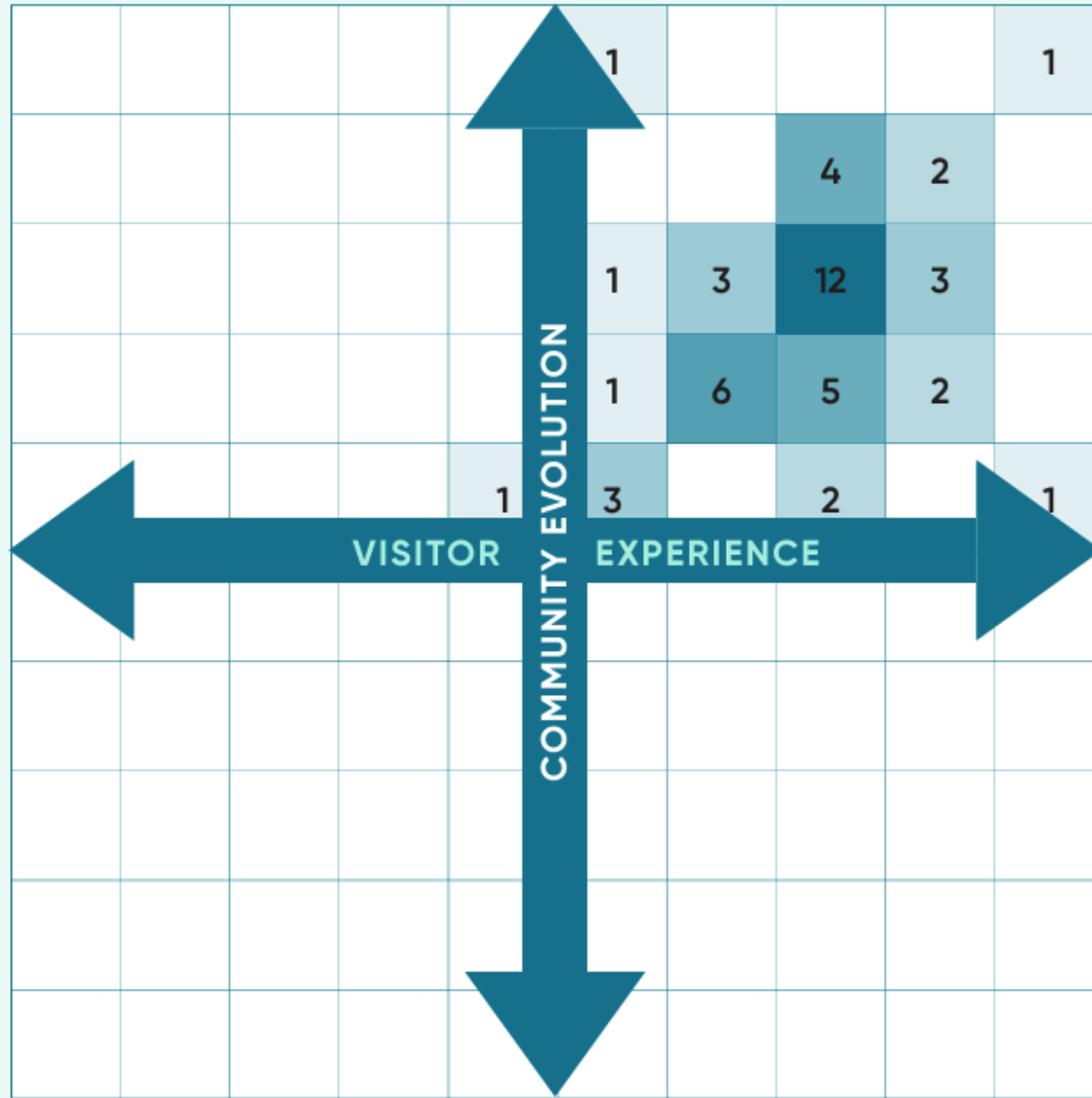
It's important to note that while much of our research found a core need for more choice in housing options, this plan does not include affordable housing as a specific impact area or goal. At the time this strategy was developed, affordable housing needs in Big Sky were being addressed meaningfully and aggressively by the Big Sky Housing Trust, an active member of the Destination Stewardship Collaborative.

The strategies outlined in this plan do, however, aim to support a strong and stable local workforce by creating year-round economic vibrancy, which will generate more opportunities for employee retention and increased benefits and wages. The leadership team collectively agreed to focus on developing deeper understanding of strategies that fall within their sphere of influence as tourism leaders while also uplifting and complementing ongoing work in the community to tackle larger systemic issues. You'll see references to these areas of overlap in the "Optimizing Connections" section of each Strategic Impact Area.



EXCLUSIVELY AN ICONIC SKI DESTINATION

COMMUNITY FIRST



TOURISM FIRST

RECREATION MECCA



### 1920s-1940s: Foundations for Visitation

- Highly dispersed use
- 1941 Preliminary Plan
- Original Visitor Facilities

"This area would be to present the west side of the valley reserved for the public for their best interests and not for those who are always in a hurry and do not have the time or inclination to enjoy the true values of such a spectacular primitive area"

# Thank you

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Brad Niva

Big Sky Chamber

Visit Big Sky

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