

Economic Contributions of Open Sky Wilderness Therapy to Southwest Colorado

Bottom Line

Combined, employment, operations and visitor spending related to Open Sky Wilderness Therapy totaled an estimated 281 jobs, \$12.7 million in labor income, \$14 million in value added, and \$21.9 million of economic output in FY 2018.

Background

In 2006, Open Sky Wilderness Therapy opened its doors in Durango, Colorado, with the mission of inspiring individuals to live in a way that honors values and strengthens relationships. After more than a decade of operations, Open Sky has worked with thousands of students and family members, driven by the belief that all people have the capacity to thrive. Open Sky assists teens, young adults and families struggling with difficult challenges and life circumstances. Nestled in the mountains of southwest Colorado and the Canyonlands of southeast Utah, the Open Sky approach transcends traditional wilderness therapy by emphasizing treatment for the whole family.

What is Being Measured

This report examines the economic contributions of Open Sky Wilderness Therapy to La Plata and Montezuma Counties, CO (**the local region**). Economic contributions are defined here as the consequences of spending by the facility and its employees on the local region. This report provides information on employment, payroll, and other operational spending at Open Sky (**the program**), and how these contribute to additional jobs and earnings throughout the area. An estimate of effects related to visitor spending is also provided.

IMPLAN is the Framework for Analysis

The framework for this analysis is the IMPLAN software and data system developed by the IMPLAN Group LLC. IMPLAN is a widely used input-output modeling system. This analysis uses IMPLAN version 5 software with 2017 county, state, and national-level data. The underlying data drawn upon by the IMPLAN system are collected from multiple Federal and state sources including the Bureau of Economic Analysis, Bureau of Labor Statistics, and the U.S. Census Bureau. Economic effects are reported in 2018 dollars (\$2018).

Terms and Definitions

Employment is measured as annualized full and part time jobs that are related to the program or are supported by visitor spending.

Labor Income includes employee wages, salaries and payroll benefits, as well as the incomes of sole proprietors that are supported by the program or visitor spending.

Value Added measures the contribution of the program or visitor spending to the Gross Domestic Product (GDP) of the local regional economy. Value added is equal to the difference between the amount an industry sells a product for and the production cost of the product.

Economic Output is a measure of the total estimated value of the production of goods and services supported by the program and visitor spending. Output is the sum of all intermediate sales (business to business) and final demand (sales to consumers and exports).

Direct Effects are the sales, income and employment resulting from the program or direct visitor purchases of goods and services from local businesses within the region.

Secondary Effects are estimated using *economic multipliers*. These include **indirect effects**, which are the result of those local businesses buying goods and services from other local industries, and **induced effects**, which are the result of their employees spending their incomes in the local economy.

Total Economic Effects are the sum of direct, indirect and induced effects. Dollar amounts have been rounded to the nearest \$100 in the following tables.

Employment and Labor Income

Open Sky provided employment information covering La Plata and Montezuma Counties for 2018. During this time period they employed 165 workers and spent an estimated \$8.3 million on payroll in the local region. Spending by employee’s supports an additional 62 jobs (i.e. in real estate, waitresses at the local restaurant, doctors or dentists, clerks in the local supermarket, etc.). This creates a “ripple effect” as these earnings then re-circulate through the economy and generates an estimated \$10.6 million in labor income in the local region.

Sector 484- Other residential care (Naics 623990)

Impact	Employment	Labor Income	Value Added	Output
1 - Direct	165	\$ 8,316,800	\$ 7,085,900	\$ 9,657,400
2 - Indirect	15	\$ 526,900	\$ 1,047,700	\$ 1,948,000
3 - Induced	47	\$ 1,815,400	\$ 3,327,200	\$ 6,047,600
Total	227	\$ 10,659,100	\$ 11,460,800	\$ 17,653,000
Multiplier	1.4	1.3	1.6	1.8

Total employment outputs are estimated to be about \$17.6 million

Operational Expenditures

Payments to vendors for goods and services in 2018 are estimated at almost \$2.9 million by Open Sky. Of this amount, about 50% (\$1.4 million) is spent locally. These expenditures support an estimated 34 jobs and \$1.6 million in labor income in the local economy.

Sector 484- Other residential care (Naics 623990)

Impact	Employment	Labor Income	Value Added	Output
1 - Direct	25	\$ 1,254,700	\$ 1,069,000	\$ 1,457,000
2 - Indirect	2	\$ 79,500	\$ 158,000	\$ 293,900
3 - Induced	7	\$ 273,900	\$ 502,000	\$ 912,400
Total	34	\$ 1,608,100	\$ 1,729,000	\$ 2,663,300
Multiplier	1.4	1.3	1.6	1.8

Total operational outputs are estimated to be about \$2.6 million

Other operational expenditures include permit fees to the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM). These totaled an approximate \$225k in 2018, which went directly to funding local positions at those offices.

Visitor Spending

The family is the centerpiece of the Open Sky program experience. Families attend family weekend wellness retreats, optional family quests, alumni parent retreats and student graduation, resulting in substantial visitor spending. Visitors spend money in local communities on lodging, meals and other purchases. The sales, income and jobs resulting from these purchases represent the *direct effects* of visitor spending. Additional jobs and economic activity are supported when businesses purchase supplies and services from other local businesses, thus creating *indirect effects* of visitor spending. Employees use their income to purchase goods and services in the local economy, generating further *induced effects* of visitor spending.

Sector 499 - Hotels and motels, including casino hotels

Impact	Employment	Labor Income	Value Added	Output
1 - Direct	7	\$ 161,500	\$ 354,800	\$ 641,300
2 - Indirect	2	\$ 66,100	\$ 106,400	\$ 207,000
3 - Induced	1	\$ 46,900	\$ 86,000	\$ 156,300
Total	10	\$ 274,500	\$ 547,200	\$ 1,004,600

Direct visitor spending on lodging is estimated at \$641k, resulting in total output of more than \$1 million in the region.

Multiplier 1.4 1.7 1.5 1.6

Sector 501 - Full service restaurants

Impact	Employment	Labor Income	Value Added	Output
1 - Direct	7	\$ 172,200	\$ 195,300	\$ 373,400
2 - Indirect	1	\$ 27,000	\$ 48,500	\$ 95,700
3 - Induced	1	\$ 41,100	\$ 75,300	\$ 136,800
Total	9	\$ 240,300	\$ 319,100	\$ 605,900

Direct visitor spending on meals is estimated at \$373k, resulting in total output of more than \$605k in the region.

Multiplier 1.2 1.4 1.6 1.6

Other visitor spending included airfare (3,800 flight segments) and rental car purchases (600 rentals) though those spending amounts have not been quantified for this report.

The Bottom Line

Combined, employment and visitor spending totaled an estimated 281 jobs, \$12.7 million in labor income, \$14 million in value added, and \$21.9 million of economic output in 2018.

Open Sky - Total Estimated Economic Contributions FY 2018

Impact	Employment	Labor Income	Value Added	Output
Employment at Open Sky	227	\$ 10,659,100	\$ 11,460,800	\$ 17,653,000
Operations - 50% Local Spending	34	\$ 1,608,100	\$ 1,729,000	\$ 2,663,300
Visitor Spending - Lodging	10	\$ 274,500	\$ 547,200	\$ 1,004,600
Visitor Spending - Meals	9	\$ 240,300	\$ 319,100	\$ 605,900
Total	281	\$ 12,782,000	\$ 14,056,100	\$ 21,926,800

End Note: This analysis is provided through technical assistance funds from the Region 9 Economic Development District. This report was prepared by Donna K. Graves - Information Services, Inc. Information Services, Inc. is located in Durango, CO. Donna can be contacted at 970-385-4897 or at dkgis@frontier.net.