LOCATING AN OUTFITTERS-TYPE BUSINESS ALONG THE SCHUYLKILL RIVER HERITAGE AREA

Roger D. Hibbs
Kutztown University of Pennsylvania

J. R. (Doc) Ogden
Kutztown University of Pennsylvania

Denise T. Ogden
Penn State Berks - Lehigh Valley College

ABSTRACT

This study examines the potential of business development along the Schuylkill River Heritage Area (SRHA) in Southeastern Pennsylvania. The study was funded with funding assistance from the Pennsylvania Department of Conservation and Natural Resources through the Schuylkill River National & State Heritage Area grant program. The project was designed to determine whether the economy in the areas along the SRHA will support businesses and services related to outdoor recreation. The findings indicate great potential for new business development along the SHRA. Economic indicators are strong, the population is increasing, and there is increasing government and local support for new businesses.

EXTERNAL ENVIRONMENT

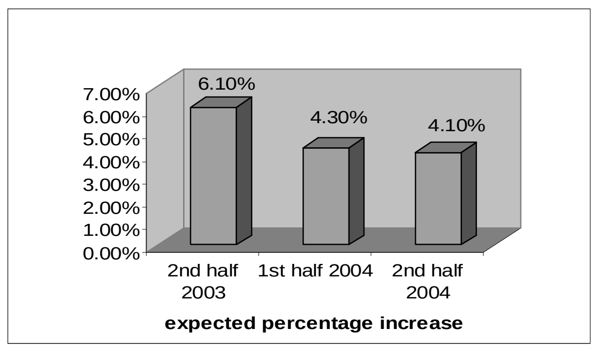
Economic Analysis of the Philadelphia Federal Reserve District

Information displayed in this economic outlook forecast relates to the Philadelphia Federal Reserve District. The Philadelphia Federal Reserve District is responsible for the Third District, which covers Eastern Pennsylvania, Southern New Jersey, and the state of Delaware. This study focuses on five counties (Montgomery, Philadelphia, Chester, Schuylkill, and Berks), which are part of the Philadelphia Federal Reserve District and the SRHA. This economic outlook focuses on five elements of the economy: economic growth, inflation, unemployment rates, interest rates, and corporate profits.

Economic Growth Estimates for the Philadelphia Federal Reserve District

The Federal Reserve Bank of Philadelphia projected that the Philadelphia Federal Reserve District's economic output would increase at an annual rate of 6.1% in the second half of 2003. They also predicted that this trend would continue in the first half of 2004 at a rate of 4.3 percent. Similar results are expected during the second half of 2004, where forecasters predict an increase of 4.1% (see Graph 1). The increase in economic output cited is of particular interest and importance as it reflects even higher estimates than previously reported by the Federal Reserve Bank of Philadelphia. This increase reflects even greater optimism compared to previous reports by the Federal Reserve Bank of Philadelphia relative to the region's growth.

Graph 1. Economic Growth Philadelphia Federal Reserve District

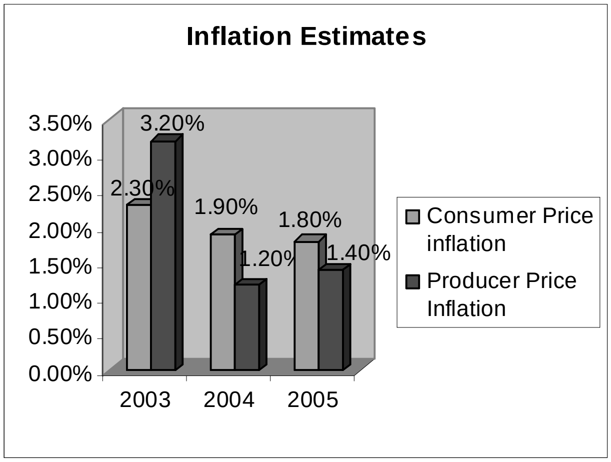


Inflation Estimates for the Philadelphia Federal Reserve District

The Federal Bank of Philadelphia forecasted that consumer price inflation for the Philadelphia Federal Reserve District averaged 2.3% in 2003. Consumer price inflation is expected to fall in 2004 to 1.9% and decrease slightly to 1.8% in 2005 as shown in Graph two (2).

The Federal Bank of Philadelphia predicted that Producer Price Inflation (PPI) for the Philadelphia Federal Reserve District at a 3.2% average. PPI is expected to decline to 1.2% in 2004. In 2005, the forecasters believe this percentage will increase slightly and reach the rate of 1.4% (see Graph 2).

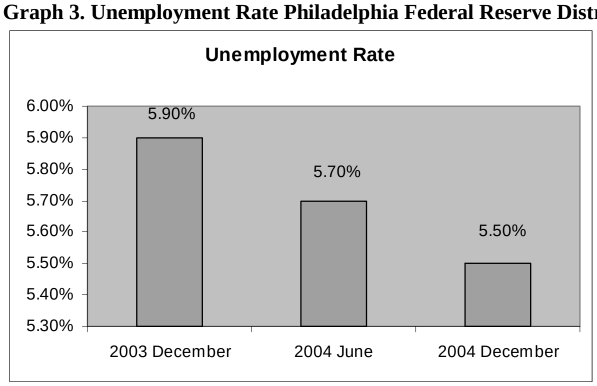
Graph 2. : Inflation Estimates Philadelphia Federal Reserve District



Unemployment Rate Estimates for the Philadelphia Federal Reserve District

The Federal Bank of Philadelphia predicted an unemployment rate for the Philadelphia Federal Reserve District in December 2003 averaging 5.9 percent. That number is expected to decrease in June 2004 to 5.7 percent. A similar trend is projected for December 2004, as experts expect the unemployment rate to drop to 5.5% (Graph 3).

Graph 3. Unemployment Rate Philadelphia Federal Reserve District

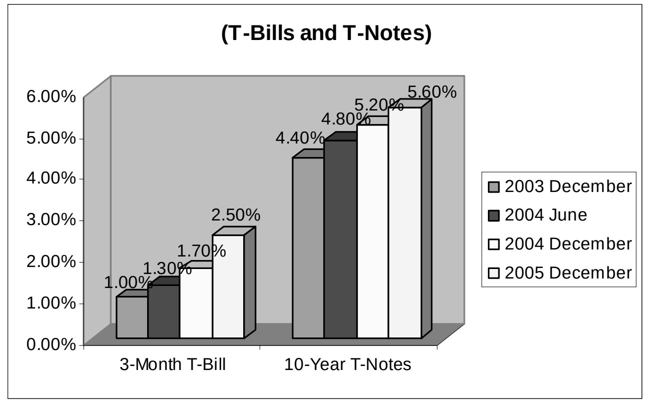


Interest Rates Estimates for the Philadelphia Federal Reserve District

The Federal Bank of Philadelphia projections predicted that the 3-month Treasury Bills would average 1.0% in December 2003. Experts expect that number to climb to 1.3% by June 2004 as presented in Graph four (4). This trend is expected to continue as estimates of 3-month T-Bills will rise to 1.7% by December 2004 and to 2.5% by December 2005.

The Federal Bank of Philadelphia predicted 10-year Treasury Notes to experience similar growth as the 3-month Treasury Bills over the next two years. Ten-year Treasury Notes were expected to average 4.4% in December 2003. Experts expect that number to climb to 4.8% by June 2004. Estimates indicate that the rate will rise to 5.2% by December 2004 and to 5.6% by December 2005 (see Graph 4).

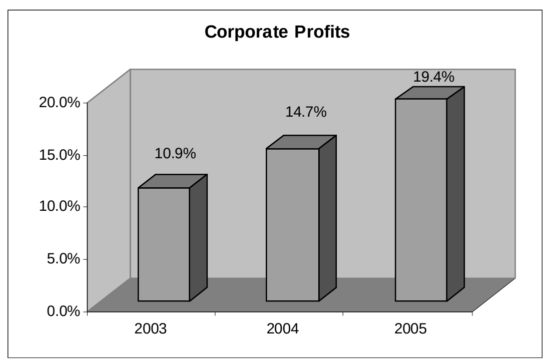
Graph 4. Interest Rates Philadelphia Federal Reserve District



Corporate Profits Estimates for the Philadelphia Federal Reserve District

Forecasters are optimistic about growth in corporate profits for the Philadelphia Federal Reserve District, as shown in Graph five (5). They predicted the growth rate of corporate profits would rise from 10.9% in 2002 to 14.7% in 2004. The trend should continue and increase to 19.4% by 2005.

Graph 5: Corporate Profits Philadelphia Federal Reserve District



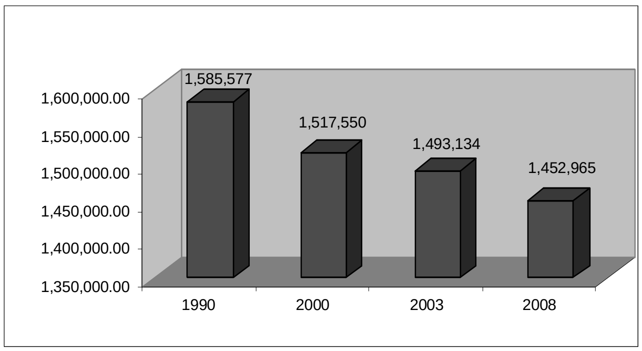
Overall, the economy is heading in a positive direction for the Philadelphia Federal Reserve District. The economic growth is on a slight decrease but by only a small percentage (see Graph 1). The unemployment rate is projected to decrease by an average of .20% until the end of 2004 (see Graph 2). Inflation for both producers and consumers is declining which is expected to continue (see Graph 3). Interest rates, during the period of 2003 – 2005, will increase by a small margin and within a range that is usually reflective of a strong economy (see Graph 4). Similar trends are expected for corporate profits (See Graph 5), providing another indicator of a strong economy.

POPULATION PROJECTIONS FOR THE SRHA

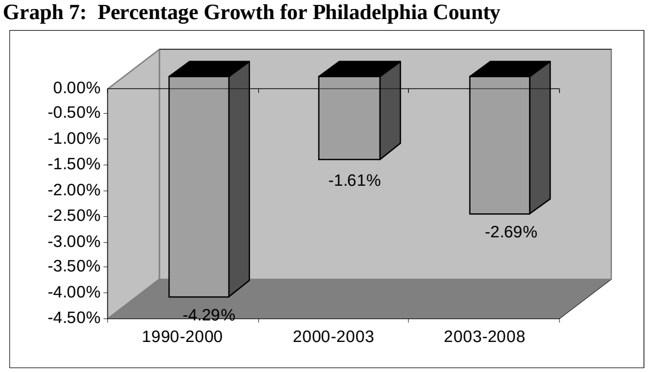
Philadelphia County

Currently (2003) Philadelphia County is the most populated county in the geographic region with a total population of 1,493,134. The population has declined since 1990 by 5.9 percent. This trend is predicted to continue through the year 2008 by an estimated value of 2.69% (40,169 people) to 1,452,965.

Graph 6: Philadelphia County Population Growth



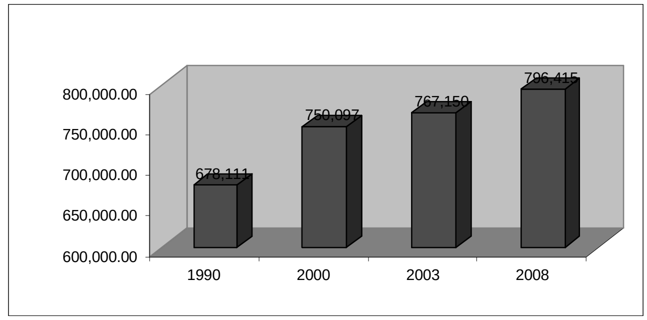
Graph 7: Percentage Growth for Philadelphia County



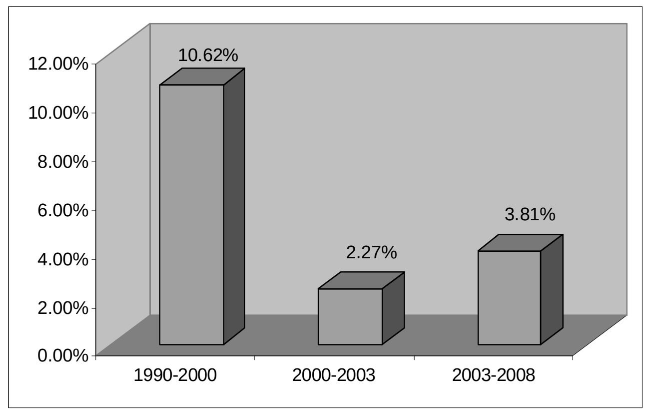
Montgomery County

Montgomery County is the second most populated county in the geographic region with a current population of 767,150. The population grew from 1990 to 2003 by 12.89 percent. The population is estimated to increase by 3.81% (29,265 people) by 2008.

Graph 8: Montgomery County Population Growth



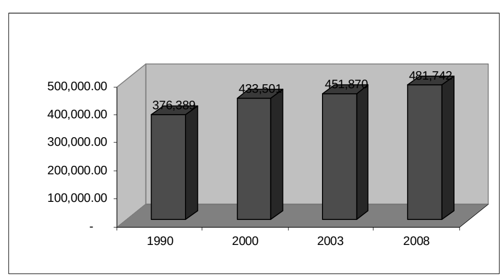
Graph 9: Percentage Population Growth for Montgomery County



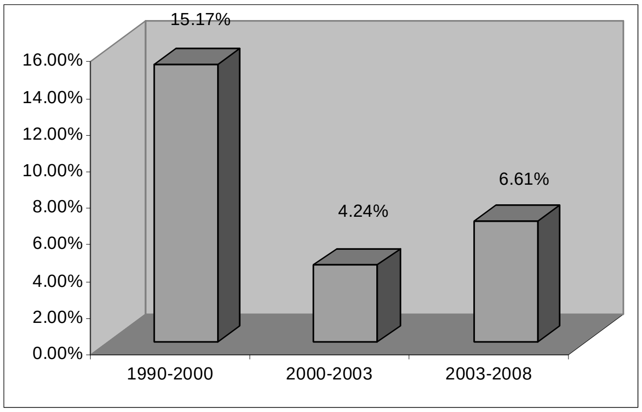
Chester County

Currently Chester County is populated by 451,870 people. Similar to Montgomery County, Chester County has been growing since 1990. From 1990 to 2003, the population in Chester County increased by 19.41% and is estimated to grow by 6.61%, or 29,872 people, by 2008.

Graph 10: Chester County Population Growth



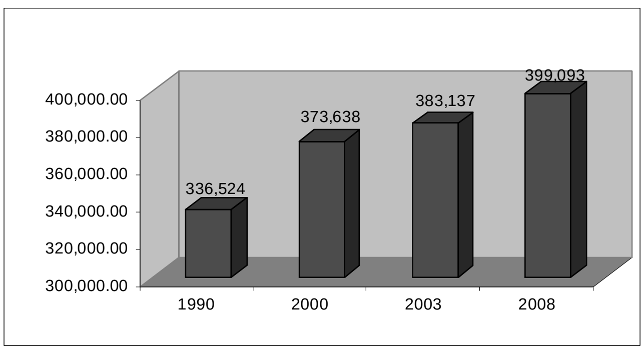
Graph 11: Percentage Population Growth for Chester County



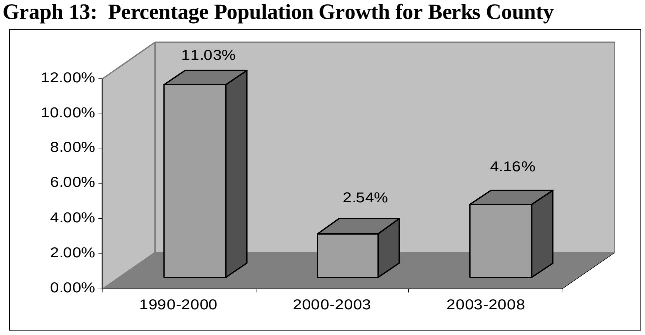
Berks County

Currently 383,137 people reside in Berks County. Berks experienced significant growth between 1990 and 2003 as the population increased by 13.57 percent. Berks County's population is expected to grow by 4.16% (15,956 people) by 2008.

Graph 12: Berks County Population Growth



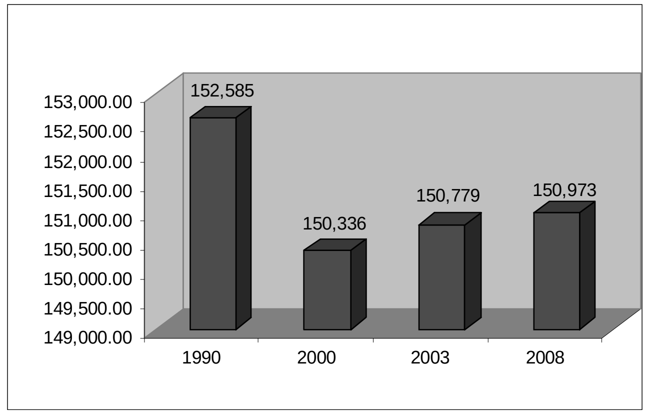
Graph 13: Percentage Population Growth for Berks County



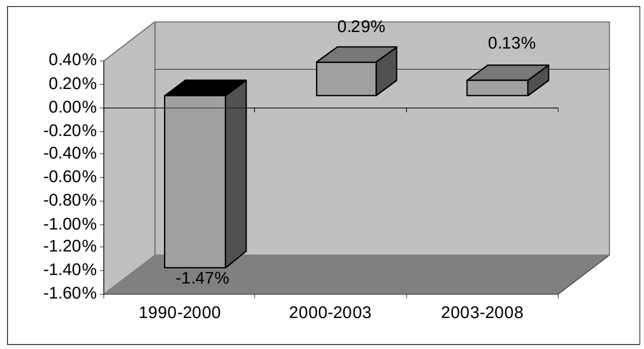
Schuylkill County

Between 1990 and 2000, Schuylkill County had a decrease in population by 1.18 percent. Currently 150,779 people reside in the Schuylkill County, but that number is estimated to increase by .13% (194 people) by 2008.

Graph 14: Schuylkill County Population Growth



Graph 15: Percentage Population Growth for Schuylkill County



Summary – Population Growth

Chester County is the fastest growing county within the Schuylkill River Heritage Area. Growth in population is expected to continue in Montgomery and Berks Counties. The number of additional people living in Montgomery County will be greater than the other four counties studied. Philadelphia County's population has decreased in population. That trend is expected to continue through 2008. All population data and projections are taken from Claritas site report data on April 7, 2003.

POLITICAL / LEGAL ENVIRONMENT EFFECTING THE SRHA

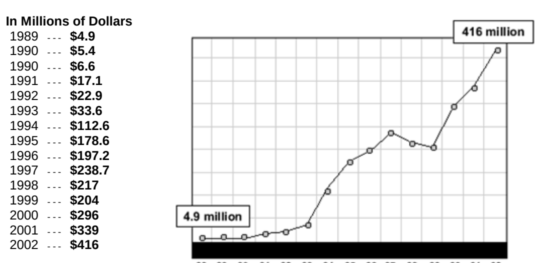
The Federal Government continues to increase its support for bicycle transportation. The government budgets transportation money for bicycle-specific facilities like bike paths and road improvements. Increasing government support parallels the bicycle industry's key initiatives for a more bike-friendly America. Cycling facilities construction is at an all-time high (National Bicycle Dealers Association, 2002). This will be an important factor in the industry's future growth.

On March 19, 2001 The Sporting Good Manufacturer's Association (SGMA) reported that Congress authorized the Land Conservation, Preservation and Infrastructure Improvement Trust to spend $12 billion over the next six years for conservation, parkland purchases, and grants to states and cities for parks, fields, and recreational facilities (SGMA Press Release, 2/10/04).

The Great Outdoors Act is before congress and is aimed at promoting active lifestyles through recreation, sports, and fitness. According to a SGMA press release (4/1/2004), the bill would create a multi-billion dollar trust fund to support historic preservation, park maintenance, recreation, and conserve wildlife. Annual allocations would include $450 million (which Congress has already earmarked for 2004 according to another SGMA press release (1/11/04) for the Land and Water Conservation Fund and $125 million to the Urban Park and Recreation Recovery Program. This legislation provides permanent funding for trails, parks, wild lands, ball fields, courts, and playgrounds. This is viewed as an important factor by industry proponents that will promote future growth of the industry by creating a culture and infrastructure that promotes healthier American lifestyles.

According to The Pedestrian and Bicycle Center Fact Sheet (www.walking info.org) the Federal Highway Administration has increased spending on bicycle and pedestrian projects from 1989 to 2002, from $4.9 million to $416 million. This increase is another example of the Federal Government's support for fitness activities.

Figure 16: FHWA Obligations for Bicycle and Pedestrian Projects (in Millions of Dollars)



SOCIAL / CULTURAL

According to the Sporting Goods Manufacturer's Association (5/13/04), between the years 2005 and 2010 the age group of children aged 5 through 19 will grow slightly. This is significant to outdoor recreation businesses (outfitters included) because this age group is the "mainstay of the sports-playing, equipment buying, sports apparel and athletic footwear-wearing group." Eighty-five percent of all Americans participate in sports or exercise (Leisure Intelligence Group, 2001).

INDUSTRY TRENDS

In an article titled Forecasting the Future of the Sporting Goods Industry – 2010, the Sporting Goods Manufacturer's Association projects the following developments in the sporting goods industry, of which Outfitters are a part (the ramifications of these developments as they effect outfitters are also noted):

1. Eight of ten sporting goods executives view strategic alliances and joint ventures as growth engines for the future.
2. Consolidation within the industry will continue.
3. The slow growth of the sporting goods industry suggests the industry is in a state of maturity. As a result, all distribution channels will seek to operate more efficiently in order to bring adequate to superior returns to investors and/or owners. Businesses will seek out relationships that are win/win situations wherever possible. The big fish will continue to eat the small fish, or, more appropriately, the strong fish will eat the weak.

Power will continue to shift from the manufacturer to the retailer. The supercenter concept (such as Sports Authority) will continue to grow. This poses challenges to the specialty sporting goods retailers (independents and small regional chains such as Nestors and Schuylkill Valley) as the supercenters seek to sell a wider variety and greater assortment of goods at lower prices. Small single store independents competing with supercenters and small regional chains will be forced to consider the economies of scale and scope associated with multiple store ownership. In addition, small independents need to consider small niche product categories that will not attract larger chains and supercenters.

USES OF THE SCHUYLKILL RIVER HERITAGE AREA

A Report on the Component Parts

Hiking

The American Hiking Society states that hiking is one of America's fastest growing recreational activities. In 2000, almost one-third of Americans went hiking. The USDA Forest Service predicts "steep increases" in backpacking and hiking activities over the next 50 years. The Society's Fact Sheet points to recreation and entertainment as growth industries, citing an increase in spending over a fifteen-year period (6.5 percent of total consumer spending to 10.5 percent). The number of people backpacking is expected to grow by 26 percent by the year 2050. However, the 2003 Sporting Goods Manufacturer's Association's Topline Report states that the participation in *day hiking* has declined over the last three years from 39,015,000 Americans in 2000 to 36,778,00 day hikers in 2002; a decline of 5.7%.

Hiking's current impact on businesses along trails is impressive. A 2001 study of the visitors to the trails at Rio Grande National Forest estimated that each hiker spent $567.93 for lodging, $319.44 for food, and $168.44 for transportation. In another study, after one season, 61 businesses along a 35-mile stretch of the Missouri River State Trail reported the trail having a positive effect on business. Eleven new businesses along the trail cited the creation of the trail as a major factor in their location decision. In addition, 17 businesses increased their business as a result of the trail being developed. A fact sheet, citing a Greenways Incorporated report, states that although all visitors to trails are not hikers, trails can foster substantial economic activity through new and existing business development and tourism. The types of businesses attracted are bike shops, cafes, and bed and breakfasts. Six new trail-related stores have opened, and two businesses have relocated next to the Baltimore and Annapolis Trail Park in Maryland, says the Greenways report (American Hiking Society, 2003).

Bicycling

According to the National Bicycle Dealers Association, the sales of bicycles 20" and up has increased from 9.9 million units sold in 1988 to 13.6 million units sold in 2002; an increase of 37.4 percent. More recently, bicycle sales increased from 10.9 million units in 1996 to 13.6 million units in 2002; an increase of 25 percent over six years. In 2001 the average selling price rose from $350 to $382; an increase of 9.1 percent in one year (*Bicycle Retailer and Industry News*, 2002).

Table 1: Bicycles Sold 1981-2002

Year	Bicycles Sold (Millions), 20" and up wheel sizes	Bicycles Sold (Millions), all wheel sizes
2002	13.6*	19.5*
2001	11.3*	16.7*
2000	11.9*	20.9*
1999	11.6*	17.5*
1998	11.1*	15.8*
1997	11.0*	15.2*
1996	10.9	15.4
1995	12.0	16.1
1994	12.5	16.7
1993	13.0	16.8
1992	11.6	15.3
1991	11.6	
1990	10.8	
1989	10.7	
1988	9.9	
1987	12.6	
1986	12.3	
1985	11.4	
1984	10.1	
1983	9.0	
1982	6.8	
1981	8.9	

Source: Bicycle Manufacturers Association, and apparent market consumption based on U.S. Department of Commerce import statistics, and estimates of domestic market production by National Bicycle Dealers Association Retail Data Capture program.
** indicates projected Graphs*

In 2000, *fitness* bicycling included 11,435,000 Americans and 11,153,000 in 2002. This reflects a 2.5% drop over a three-year period (SGMA Sports Participation Topline Report, 2003). The SGMA states that participation, not total industry sales, is the best indicator of the trends developing in a particular sport and overall industry health (Ibid, 2003). In the same SGMA report *recreational* biking over the same three-year period increased by 1 percent from 53,006,000 in 2000, to 53,524,000 in 2002. Although fitness bikers are expected to use trails, the more appropriate measure is the number of recreational bikers, of which there are 42,371,000.

Characterization of the buyers of bicycles in 2000 shows baby-boomers continuing to dominate spending on bikes. Boomers are looking for low-impact ways to exercise and biking is positioned to take advantage of this trend. Another group of users are the "enthusiast" riders. These frequent riders have tripled in numbers during the 1990s. Enthusiast owners are also the opinion leaders of the group. On average, they recommend bikes to six friends or acquaintances a year, with more than three of them buying on their advice. Bikers today are generally better educated consumers that spend less time shopping than in 1990, but shop more frequently (National Bicycle Dealers Association, 2004). The biggest influences on their buying are friends and salespeople. The implication is that because they are better educated they know what they want and take the time to shop several locations to get it.

Boating

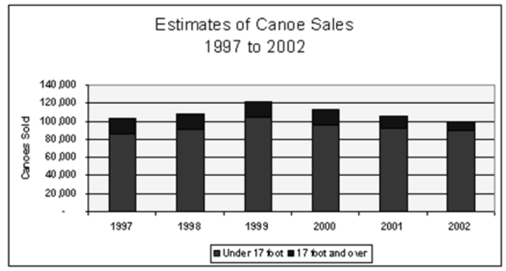
National trends are reported here for canoe and kayak sales and general boating population estimates for the United States. Compared to their base year of 1997, total canoes sold (all types) dropped 3.5% from 1997 to 2002, the last year sales statistics are given. However, during the same period, sales of canoes under 17 feet increased by 3.9%, and represent 88.6% of all canoes sold. Kayak sales are reported for the years 2001 and 2002 only. Kayak sales dropped during this period from 357,100 units in 2001 to 340,300 units sold in 2002, a drop of 4.7% (National Marine Manufacturers Association, 2003). The growth in *participation* in kayaking is impressive over the same three-year period. According to the SGMA Topline report (2003), participation in kayaking grew from 4,137,000 in 2000 to 5,562,000 in 2002; a 34% increase. Participation in canoeing dropped by 16.8% over the three year period from 13,134,000 participants in 2000 to 10,933,000 in 2002 (SGMA Sports Participation Topline Report, 2003).

Experts in the leisure industry report that the number of people participating in a recreational activity is an excellent indicator of future usage and purchase potential. Population estimates for people engaged in boating is presented below. Total people participating in recreational boating for the base year of 2000 was 69,820,000 and had increased by 2.5% by 2002 to 71,644,000 people. Recreational boating populations by category are shown to the right.

Table 2: Estimates of Canoe and Kayak Sales

Estimates of Canoe Sales

	1997	1998	1999	2000	2001	2002
Under 17 foot	85,300	90,800	103,800	95,200	91,800	88,600
17 foot and over	18,300	17,000	17,200	16,600	14,000	11,400
Total	103,600	107,800	121,000	111,800	105,800	100,000
Percent Change		4.1%	12.2%	-7.6%	-5.4%	-5.5%



Estimates of Kayak Sales

	2001	2002
Unites Sold	357,100	340,300
Type of Craft	2001	2002
Whitewater	7.6%	5.2%
Expedition	4.1%	2.9%
Day Touring	15.2%	13.1%
Touring Tandem	0.8%	0.4%
Sit-in Recreation	41.2%	48.6%
Sit-on Recreation	24.9%	25.2%
Inflatable	6.2%	4.6%
Total	100%	100%

SOURCE: NMMA January 2003

Table 3: 2002 Population Estimates – Recreational Boating

	2002	2001	2000
People Participating in Recreational Boating	71,644,000	67,973,000	69,820,000
Water Skiers	5,458,000	5,921,000	6,736,000
All Boats in Use	17,353,400	17,191,600	17,032,400
Outboard Boats Owned	8,381,100	8,335,700	8,288,400
Inboard Boats Owned	1,705,700	1,681,700	1,662,500
Sterndrive Boats Owned	1,767,100	1,740,700	1,708,700
Personal Watercraft	1,353,700	1,293,900	1,239,400
Sailboats Owned	1,612,800	1,625,000	1,637,200
Misc. Craft Owned (Canoes, rowboats, dinghies, and other craft registered by the states)	953,000	946,000	960,000
Other (Estimated canoes, rowboats etc. not registered by the states)	1,550,200	1,573,000	1,561,600
Outboard Motors Owned	8,976,500	8,759,400	8,702,800
Inboard Engines Owned (Includes gasoline, diesel, and jet drive marine engines)	2,207,000	2,185,000	2,216,800
Boat Trailers Owned	7,683,900	7,563,900	7,448,400
Marina, Boatyards, Yacht Clubs, Dockominiums, Parks, & Other	12,000	12,000	12,000

$30,308,782,000 spent at retail during 2002 for new and used boats, motors and engines, trailers, accessories,and other associated costs.
12,886,792 boat registrations as of December 31, 2001 for the U.S. and territories.

Cross Country Skiing

Cross country skiing is another use of the Schuylkill River Heritage Area. According to Chris Frado, Executive Director/President of the Cross Country Areas Ski Association, cross country skiing is a recreational activity that is experiencing slow growth (Phone conversation with Frado, 2004). The segment driving industry sales, according to Frado, is the elite racer or high performance cross-country skier. This segment continues to outspend other more casual skiers by buying the most recent technology in skis and multiple pieces of equipment. Total industry sales increased from \$3.5 million in 2001 to \$3.8 million in 2001; a 9% increase (SGMA Recreation Market Report, 2003). A point-of-interest here (according to Frado) is that the move toward “big box” retailers like The Sports Authority is not effecting the traditional cross country ski retailers as this segment is too small to attract big box retailers. An outfitter locating near the SRHA may want to consider cross-country ski rentals and/or sales as a component part of their product offerings.

Fishing

The Schuylkill River is increasingly becoming a river of choice among freshwater game fisherman (Depth Interview, 2003). 34.1 million people, or 16 percent of the population, fished in the U.S. in 2001 and spent \$36 billion (U.S. Fish & Wildlife Service, 2001). This is a three percent decline in participants since 1996. Overall expenditures for equipment dropped 22 percent. According to the same survey, freshwater fishing has declined eight percent from 1991 to 2001. The SGMA Recreation Market Report (2003) lists fishing equipment (sporting goods) sales at the wholesale level holding steady at \$1 billion in 2001 and 2002.

Wildlife Watching

The development of the Schuylkill River National & State Heritage Area will enable new wildlife watchers and avid wildlife watchers to have access to the Schuylkill River and its environs. Wildlife watching has increased by five percent from 1996 to 2001 (U.S. Fish & Wildlife Service, 2002). Expenditures during this same period rose by 16 percent. Targeting wildlife watchers is another way in which small outfitters can cater to a market that is largely ignored by larger sporting goods retailers.

Uses/Activities of the Schuylkill River Heritage Area

The following table lists uses/activities of the SRHA which have been identified through interviews with the staff of the Schuylkill River Heritage Area, SRHA literature, participants in the in-depth interview/focus group, and research into heritage corridors, biking trails, community trails, and rails to trails:

Table 4: Uses/Activities of the SRHA

• walking	• bicycling	• rafting
• fitness walking	• day hiking	• fresh water fishing
• power walking	• canoeing	• water skiing
• jogging	• kayaking	• wildlife watching
• running		

The following table adapted from the Sporting Goods Manufacturer’s Association’s *America’s Favorite Sports and Activities in 2003* identifies the top thirty sports/activities categories of Americans (ages six and over), of which freshwater fishing, day hiking, fitness walking, and running/jogging rank in the top nine.

Table 5: Four of the Top 30 Sports/Activities Related to the SRHA Participants Ages Six+

Ranking out of 30	Sports/Activity (2003)	# of Participants (In millions)
3	Fishing (Freshwater – Other)	43.8
7	Day Hiking	39.1
8	Fitness Walking	37.9
9	Running/Jogging	36.2

When the fifty-five and over age group was surveyed, SRN&SHA uses aligned well with this group. As the table shows, four Heritage Area uses (fitness walking, freshwater fishing, day hiking and running/jogging) rank in the top fourteen (SGMA’s *Age 55+ - They Keep on ‘Ticking,’* 2003).

Table 6: Four of the Top 15 Sports/Activities Related to the SRHA Participants Ages 55+

Ranking out of 15	Sports/Activity	# of Participants (in millions)
1	Fitness Walking (100 + days/year	6.5
5	Freshwater Fishing (15+ days/year)	1.9
9	Day Hiking (15+ days/year)	1.5
14	Running/Jogging (100+ days/year)	1.0

Using selected sports participation trends provided by the Sporting Goods Manufacturer’s Association’s *Topline* report (2003), uses of the SRHA can be viewed in terms of participation over time. In general the number of people participating in these activities has declined from the SGMA benchmark year of 1987 (except for fitness walking, recreational walking, trail running, and kayaking, which have posted increases.). However, the numbers look very different, if viewed from the year 2000. The categories of fitness walking, running/jogging, walking, trail running, bicycling, and kayaking have all increased from 2000 – 2002, despite a recession during this time period.

Table 7: Selected SGMA Sports Participation Trends Related to the SRN&SHA
(in Thousands)

	1987 Benchmark	1990	1995	2000	2001	2002	% Change (2000-2002)	% Change (1987-2002)
Trail Activities								
Fitness Bicycling	n/a	n/a	n/a	11,435	10,761	11,153	-2.5	-17.7
Fitness Walking	27,164	37,384	35,621	36,207	36,445	37,981	+4.7	+39.8
Running/Jogging	37,136	35,722	32,534	33,680	34,857	35,866	+6.5	-3.4
Walking (Recreational)	n/a	n/a	n/a	82,561	84,182	84,986	+3.0	+5.1
Hiking (Day)	n/a	n/a	n/a	39,015	36,915	36,778	-6.0	-4.8
Trail Running	n/a	n/a	n/a	5,232	5,773	5,625	+7.5	+7.2
Bicycling (Recreational)	n/a	n/a	n/a	53,006	52,948	53,524	+1.0	-1.9
Skiing (Cross-Country)	8,344	7,292	5,458	4,613	4,123	4,080	-11.6	-51.1
Water Activities								
Canoeing	n/a	n/a	n/a	13,134	12,044	10,933	-16.8	-19.7
Kayaking	n/a	n/a	n/a	4,137	4,727	5,562	+34.0	+58.9
Rafting	n/a	n/a	n/a	4,941	4,580	4,431	-10.4	-20.4
Water Skiing	19,902	19,314	15,376	10,335	8,301	8,204	-20.6	-58.8

Summary

An analysis of the external environment shows that the Philadelphia Federal Reserve District economy is showing signs of improvement. Both the unemployment rate and inflation is declining and projected to continue to decrease. Interest rates from 2003-2005 will increase by a small margin and within a range that is usually reflective of a strong economy. Corporate profits are also steadily rising providing another indication of a strong economy. Overall the region is growing in population with four of the five counties showing positive growth projections through 2008. The political and legal environment of the area appears to support the development of active lifestyles through recreation, sports and fitness.

Trends in the sporting goods industry show that in general the industry is in a state of maturity. Because of this, distributors will seek more efficient operations and customer service becomes an area for differentiation. In addition those owners having more than one location achieve economies of scale. Due to the existence of supercenters, smaller retailers must examine niche businesses that do not compete directly with mega-retailers. Sporting goods executives view strategic alliances and joint ventures as avenues for growth.

REFERENCES

American Hiking Society. Fact Sheet: The Economic Benefits of Trails. www.AmericanHiking.org. (Internet date 12/20/03).

Bicycle Retailer and Industry News. Business Briefs. 1 Feb 2002. (Internet date 2/09/04).

David Downs. “Focus Group Follow-Up.” E-mail dated 12/30/03.

Leisure Intelligence Group for the Sporting Goods Manufacturer’s Association. The 2001 Economy & Leisure Study. (Internet date 4/5/04).

National Bicycle Dealers Association. 2002 NBDA Statpak; A look at the Bicycle Industry’s Vital Statistics. (Internet date 2/9/04).

National Bicycle Dealers Association. The Cycling Consumer of the New Millennium. (internet date 2/09/04).

Pedestrian and Bicycle Information Center. Fact Sheets: Walking by the Numbers. www.walking info.org. (Internet date 5/17/04).

Schuylkill River Greenway Association, The Mission of the Schuylkill River Valley National Heritage Area. 11/29/03. Online. Internet. 29 Nov. 2003. Available http://www.schuylkillriver.org/management/.

SGMA Press Release. *SGMA Applauds Introduction of “Great Outdoors Act”*. Released 4/1/04, (Internet date 5/13/04).

SGMA Press Release. *Steady Growth Continues in Camping and Hiking*. Released 3/19/2001, (Internet date 2/10/2004).

SGMA Press Release. Today’s Sporting Goods Industry: The 2004 Report. Released 1/11/04, (Internet date 5/13/04).

SGMA Recreation Market Report, 2003 edition. A statistical Summary of the Manufacturers Shipments in Wholesale Dollars for the Industry and it Products in the USA. (internet date 4/20/03).

SMGA Press Release: *Age 55+ - They Keep on ‘Ticking’*. Released 6/10/03, (Internet date 5/14/04).

SMGA Press Release: *America’s Favorite Sports and Activities in 2003*. Released 4/9/04, (Internet date 5/13/04).

SMGA Press Release: *Forecasting the Future of the Sporting Goods Industry – 2010. Excerpts from Imagining the Future – The U.S. Sporting Goods Industry in 2010*. White Paper. Released 1/12/04, (Internet date 5/13/04).

Sporting Goods Manufacturer’s Association. *The SGMA Report: Sports Participation Topline Report*, 2003 Edition. (Internet date 4/5/04).

Telephone conversation with Chris Frado, Executive Director/President of the Cross Country Areas Ski Association on industry trends, (date 5/19/04).

Zwikl, Kurt. Schuylkill River National & State Heritage Area Outdoor Recreation Business Study, Project Scope. 8 Aug. 2003.

U.S. Fish & Wildlife Service. U.S. Fish & Wildlife Service National Survey of Fishing, Hunting, and Wildlife-Associated Recreation (2001 Survey). (internet date 5/17/04).