

The Grass Ain't Exactly Brown on This Side of the Fence: An Overview of Hunting and Shooting Participation and the Dollars Involved

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Good morning and welcome to this 1998 annual meeting of the shareholders of the hunting and shooting sports corporation.

It is a genuine pleasure to report on the state of our corporation and to say that the grass is pretty green on our side of the fence. It's also a pleasure to report that in the few seconds it took me to say that, our customers—America's hunters and shooters—have contributed nearly \$20,000 to our sales and to the national economy. In fact, in the time that I will spend behind this podium this morning, hunters and target shooters will spend nearly \$1 million on their sport. And, in the four days that most of us will spend at this important meeting, hunters and shooters will invest more than \$300 million in the national economy—providing enough economic activity to generate jobs for nearly 11,000 people—several times the number of people employed by this impressive resort.

The title for my comments listed in the program is a bit dry and, since I originally suggested it, I would like to begin this morning by revising it. My new title is this: "Last Year 28.6 Million Hunters and Target Shooters Generated Roughly \$30 Billion in Economic Activity—Enough to Support 986,000 Jobs—So What! Who Cares?"

What does that mean to you as conservation professionals, to me as a representative of firearms and ammunition manufacturers? What does it mean to the 28.6 million hunters and target shooters who generate this economic activity and finally what, if anything, does it mean to the rest of the nation?

I want to begin by emphasizing and clarifying what—in my opinion—this economic activity does not mean.

The National Shooting Sports Foundation does not maintain that hunting or target shooting are acceptable activities in our modern society merely because they make a significant contribution to our national and local economies. The economic value of hunting is only a bonus to its tremendous spiritual, social, and environmental worth. If

a penny did not change hands, hunting or recreational shooting would be no less acceptable or vital to our nation's fabric. But pennies and dollars do change hands. Lots of them. Let's take a look.

The first step in measuring the economic impact of hunters and shooters is, not surprisingly, determining how many of these blessed souls there are in our great land. Hunting and target shooting participants can be classified into one of three general groups: the hunter, the hunter-shooter, and the pure target shooter.

The hunter. The first and largest group is made up of people who only hunt. They don't do any shooting that isn't directly related to their hunting. They take their gun out of the closet at the beginning of the season and put it back at the end and don't shoot at all during the off-season. Dissecting a variety of research leads us to believe there are 11.6 million people who fall into this category.

The hunter-shooter. The next group is comprised of people who both hunt and target shoot. And by target shoot we mean they go at least twice a year, once before to sight in and once after the season to see why they missed so often. This is the second largest group and totals 9.9 million.

The target shooter. And the third group are those who target shoot only. While this is the smallest group, it is still a very sizable bunch of folks that totals 7.1 million, and they are key to the future of your business and to mine.

Because of the way we counted them, there is no overlap between these groups. Therefore, at NSSF we confidently state that there are more than 28.6 million people in this country who hunt and shoot.

What is the extent and the significance of their impact on the economy? I am sure most of you are familiar with the recent study done by Southwick Associates which suggested a total economic impact of hunting of some \$22 billion, which oddly enough is very close to the \$20.6 billion estimated by the U.S. Fish and Wildlife Service in their 1996 National Survey of Fishing, Hunting and Outdoor-Related Recreation. So we'll call that \$22 billion for hunting. But that's only for hunting. I've been asked to talk this morning about the combined impact of hunting and target shooting.

To measure the additional economic impact of the target shooting sports, the National Shooting Sports Foundation took the number of target shooters in the nation—those 7.1 million people who target shoot only and do not hunt, and then made the assumption that the average target shooter spends at least as much on his sport as the average hunter. Those of you who are target shooters know this is probably a conservative estimate. This analysis indicated an additional economic impact of \$8 billion—bringing the total economic impact of the hunting and shooting sports to \$30 billion annually.

This economic impact breaks out into a number of obvious—and some not so obvious areas. For example:

—Hunters and shooters will spend \$5.5 billion on guns, ammunition, scopes, reloading equipment and countless accessories. Most wives believe the figure should be higher.

- Another \$5.8 billion on special equipment such as campers and binoculars.
- They will spend approximately \$5.2 billion on food and lodging and transportation in association with their hunting “expeditions.”
- Each year, hunters and shooters will spend more than \$3.2 billion to purchase or lease real estate for their outdoor pursuits.
- Hunters will spend \$700 million on permits, licenses, duck stamps and other government fees directly associated with their sport.
- Hunters will spend \$200 million on membership dues and contributions.

Some of the not so obvious areas include:

—The NSSF’s annual Shooting, Hunting and Outdoor Trade Show (Shot Show), attended by 35,000 retailers, distributors, and writers, contributes about \$30 million to the economy of the host town each year. This afternoon, I’ll be meeting with Orlando officials about bringing the Shot Show here in 2002. While I’ll remember to mention that \$30 million figure, I’m confident they are already aware of it

Lest anyone think that hunting is not big business in America, they need only be reminded that the \$30 billion generated exceeds the annual sales of companies like Hewlett Packard, RJR-Nabisco, Goodyear Tire and Rubber, Caterpillar Tractor, Johnson and Johnson, Anheuser Busch, and Coca Cola. Just imagine the headlines and the economic shock waves if any of those companies were to go out of business. The financial shock waves would be far greater if the hunting and shooting sports ceased to exist. I’m not so sure about the headlines.

Speaking of headlines: “Titanic” was the talk of the town when it grossed \$376 million in less than 10 weeks. Hunting and shooting grossed that much in less than one week. And we do it week after week after week. In fact, the entire motion picture industry’s gross revenue from theater admissions is about \$5 billion annually—1/6th the \$30 billion for hunting and shooting. Maybe our friends in Hollywood need to do more movies about hunting.

I believe we are short-changing ourselves if we discuss the economic impacts of the hunting and shooting sports without also highlighting their environmental impacts—which are obviously significant and very positive. We are all familiar with the tremendous success of the Pittman Robertson Wildlife Restoration Program made possible by the more than \$3 billion in funding that has been, over the past 60 years, generated by the sales of firearms and ammunition. But in many ways, this success story is only the tip of the iceberg. Let us consider how many millions of acres have been purchased and set aside for our children—spared from development because of higher value that has been placed on them by hunters and shooters. There are an estimated 8,000 sportsman’s clubs in this nation whose owned and leased acreage, estimated at more than 1 million acres, has also been spared from development and its environmental consequences.

I mentioned earlier that hunting and shooting support some 986,000 jobs. Let’s consider that number for a moment, in part because our jobs are included in that number—and in part because in most economic analyses—jobs are the bottom line.

- Hunting employs as many people as all Sears Roebuck stores—and then some.
- Hunting and target shooting activity employ more people than Chrysler, Philip Morris, United Parcel Service, and Ford combined.
- The people employed by hunting could fully staff the Turner Broadcasting Company—and 1,000 more just like it.
- They could fully staff Delta Airlines—16 times over.
- These 986,000 jobs account for less than 1% of all U.S. employment, but represent more people than are employed in Wyoming and West Virginia combined. More people are employed by the shooting sports than work in cities such as San Francisco, Kansas City, Portland, Orlando, or Ft. Worth.
- It would take 18 Disney complexes, like the one here in Orlando, to employ as many people as hunters and shooters.

These statistics, while perhaps impressive, are also cold. I don't believe they adequately express the economic significance of hunting on our nation because, so often, hunting's economic benefit is concentrated in rural, economically sensitive areas where even modest incremental expenditure by hunters can have a pivotal effect on the success, or failure, of a local merchant. As discussed in *Fortune* magazine several years ago, many local businesses—from diners to gas-station convenience stores—will see their businesses increase by a factor of 3–4 during the hunting season. As stated in *Fortune*, “the dollars spent by hunters pack special oomph, because they hit small towns, far off the interstate. There, merchants look to hunting season the way Macy's looks to Christmas: It can make or break a year.”

So, these numbers may be interesting to some of us, but what do they mean to the rest of the nation? Here's the answer: economists tell us there are three types of economic impacts: direct, indirect, and induced. I think it is actually kind of fun to review them.

A direct impact is the economic impact of the initial purchase of a product or service. For example, when a deer hunter buys a new rifle for \$425, there is a direct impact for the retailer, and the economy, of \$425.

Indirect impacts are the secondary effects of that purchase. And they help show how sales in one industry affect other businesses that provide goods or services to that industry. For example, the hunting store owner will use that \$425 to replace the rifle in his inventory (hopefully) and pay other costs such as labor, electricity, rent, advertising, etc. The gun manufacturer will use his share to pay the 11% manufacturers excise tax that goes you know where. And he'll also use a portion to purchase additional wood, steel, and finishes for production. The finish manufacturers, in turn, must buy resins and petroleum products, and I'm sure you get the picture. All this money changing hands and the rifle hasn't even been fired yet.

And, now comes the induced impact. Induced impact results from the wages and salaries paid by the directly and indirectly impacted industries. The employees of these industries, in turn, spend their income on various goods and services that would never be purchased if it weren't for the original rifle purchase and many more like it. In other words, the guy who assembled the rifle might use part of his pay check to

buy his wife a new chain saw or the lady who manufactured the steel for the barrel might treat her family to a weekend at Disney World.

Unfortunately, many of the people who benefit from the economic impact of hunting and shooting may not realize the extent to which these activities contribute to their livelihood. And that's the reason for the fact card which I have placed on all of your chairs with the headline: "We support 986,000 Jobs (and perhaps a small part of yours)." Our goal in printing these cards is that hunters and shooters will distribute them whenever they are traveling in connection with their hunting and shooting activities and make an expenditure. We hope that in a friendly, non-confrontational way this will remind hundreds of thousands of people that a portion of their livelihood is paid by recreational hunters and shooters.

Who is the typical hunter or shooter? A financial profile may surprise you! It certainly surprised the people at *Fortune* magazine. They said, "urbanites may think of hunters as yahoos, but the truth, demographically, is that they get less yahoo-like all the time. Compared with the hunter of five years ago, today's is better educated, more likely to be a professional or manager, and earns more." The average hunter has an income of nearly \$44,000 per year compared with the national average of around \$34,000. That statement was made several years ago and I'm sure the numbers are now even larger today.

So, to wrap this up, it's easy to think that the grass is greener in another industry and in some cases—and from time to time it may be. But there is nothing brown about the grass on our side of the fence. We should be proud of our sports and mindful of their contribution to the livelihood of 986,000 people, including you and me.