RPTS 616: Tourism Economics
Fall 2007

Instructor: Professor W. Douglass Shaw, Blocker Building, Room 309
wdshaw@tamu.edu, Phone: 845-3555 The best way to get a hold of me is via e-mail, as I frequently travel but can check e-mail while away. You can also ask Michele if you need to contact me, as she will know where I am. I do not check my phone messages nearly as often as I check e-mail.

Assistant: Michele Zinn (mzinn@tamu.edu)

Course Description

This course is for graduate students in the Recreation, Parks and Tourism Sciences (RPTS) Program. The goals of the course are to:

- Expose students to some microeconomics as applied to recreation and tourism issues
- learn why and how people engage in tourism and recreational activities
- learn how to value these experiences – you will do it!
- learn what impact these activities have upon communities/regions
- Consider special issues in developing countries (ecotourism)

This course might be taught differently by me than it has been by some other professors in RPTS in the past, as I am an environmental economist and focus more on mainstream economic applications to modeling recreational activities and their connection to environmental amenities, than on things like business income generated by tourism. The course material will clarify what is meant by tourism and recreation behavior, with the latter emphasis on outdoor recreation. It will cover the demand side for recreation, or the trip taking behavior: who and why individuals leave their home and visit outdoor destinations. We will spend considerable time learning about the value of these activities, specifically, how economists manage to assign monetary values to activities that provide enjoyment to the people who do them. Finally, the course will cover the impacts that such activities have on communities that host them, with particular emphasis on developing countries.

I’ll assume that most of the students in this course have never had economics before, so there will be a good deal of introductory material. Let me know if you have had economics before. I’m convinced that students learn something best when they do it. So, rather than lecture all of the time, I will encourage students to take the lead on class discussions. Therefore, each student simply has to be prepared for class. Depending on how many students there are, there will likely be a lot of small group work. And, toward the end of the semester (the last third or so), I would like each student to present a lecture, most likely on a paper.
About me: I’ve done a bit of recreation demand modeling over the course of my career. I like to actually do outdoor recreation, particularly hiking, biking, climbing, swimming, and I hope to still do some skiing, though Texas looks a wee bit flat for that. As noted above, I travel quite a bit and the best way to reach me is via my e-mail address. I value hard work, and I never cared once about my letter grade in nine years of taking courses at university. If you are obsessed with getting an “A”, you are likely best off keeping that to yourself, please.

**Reading Materials**

Required, or Strongly Recommended:

Past teachers of similar courses have used the following book. I have not read it, but will assume it is a text you would wish to have for this course.


There is no other book I know of, which doesn’t mean one exists, that covers everything pertaining to recreation and tourism economics adequately. A good handbook on travel cost modeling is listed below in the options I recommend (see Ward and Beal). We’ll supplement the above book with lots of journal articles and one or more chapters from the books suggested below. If you know of something in the literature that I missed that might be relevant to this course, please let me know.

Optional Book Recommendations:


Bull, Adrian, "The Economics of Travel and Tourism", 1995 2nd edition. Published by Longman House. (This is probably out of Print!)


Valuing Recreation and the Environment, Joseph A. Herriges and Catherine L. Kling (eds.) 1999. Cheltenham, UK: Edward Elgar Press. Most of these are more advanced papers.
There is a website for learning a bit about input-output analysis:

http://www.rri.wvu.edu/WebBook/Giarratani/chaptereleven.htm#11.3.2

WEBCT - we will possibly use WebCT to post reading assignments and readings that you may download and print out. I will give you the address, but look for the class name and section number and you can most likely find it. If there are only few students enrolled this semester, we will just handle things via e-mail.

**Performance/Evaluation**

Class Participation and Expectations (10%). I will not regularly take each student’s attendance, however, I notice who is there, who has done the reading, and who participates fully in the class. I will expect all students to obey the A&M code of honor and ethics. Once during the semester each of you will lead the class through a discussion of a paper or topic we are to cover. We will schedule this for the 2nd half of the semester.

Midterm Examination (20%); Your class presentation (15%); Final Examination (30%)

Project (25%)-- You are encouraged to work in groups on this. Here I’d like you to estimate the value for a recreational resource or changes that affect that resource. You must choose one that has not been valued prior to your effort, and the project will likely entail collection of primary data. Therefore, it would probably be wise to choose a resource that is not too far away, or one where the state (or a federal agency) has some data available. An example, which you may not use without doing newer work, is the existing study of climbing at Hueco Tanks State Park (see papers by Grijalva et al. in the readings list). It would be fine to modify/extend this if you wish. You do not have to hand in a written report of the project. I will evaluate your oral presentation of your results, at the end of the semester.

Each student will give a score to each other student in the group. Your group project score will be an average of the scores you receive from other students and the overall presentation. I caution you: in the past the students are harder on each other, particular on “slackers” than I might be. If you do not contribute to the project, you will be nailed.

**Missed Work:** I do not give make-up examinations or assignments. It is your responsibility to obtain assignments and materials from classes you missed. It is best to do that via your classmates, but I will hope to post materials on a webpage (location to be announced, but likely mine), or e-mail them to you. I do not give extra credit assignments to students who want a higher grade then the one they will obtain in the normal course of semester work.

*The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities, be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. Texas A&M University has a strong institutional commitment to the principle of diversity*
in all areas. In that spirit, admission to Texas A&M University and any of its sponsored programs is open to all qualified individuals without regard to subgroup, class or stereotype.

If you believe you have a disability requiring an accommodation, please contact the Department of Disability Services in Room B118 of the Cain Hall Building. The phone number is 845-1637. ADA accommodations will be made in accordance with the law.

Schedule/Outline

*Note: for the Fall 2006 semester I will be away September 28, and November 21st. I will either ask a student to lead discussion, a guest lecturer, or a free day, on those days.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic/[readings by number]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction: What is tourism? How does economics play a role? LW, chapter 1 [19]</td>
</tr>
<tr>
<td>2</td>
<td>Benefit-cost analysis (Accounting stance, primary vs. secondary)</td>
</tr>
<tr>
<td>3</td>
<td>Secondary Impacts: expenditures (cokes, gas, boat rentals) LW, chapters 2 and 14; [3, 4]</td>
</tr>
<tr>
<td>4</td>
<td>Regional Economic Impacts -- A Brief Guide to Input-Output Analysis* (again, LW, Ch 14)</td>
</tr>
<tr>
<td>5</td>
<td>Demand, LW chapters 2,5</td>
</tr>
<tr>
<td>6</td>
<td>Primary: Preferences</td>
</tr>
<tr>
<td>7</td>
<td>Valuation: an Overview</td>
</tr>
<tr>
<td>8</td>
<td>The Travel Cost Model [6]/Recreation Demand Modeling I: Revealed Preference and Surveys, LR chapter 4 and 9</td>
</tr>
<tr>
<td>9</td>
<td>Recreation Demand Modeling II: Travel Cost Components (time; money), LW chapters 7 and 8</td>
</tr>
<tr>
<td>10</td>
<td>[If Spring semester, the break falls about here]</td>
</tr>
<tr>
<td>11</td>
<td>Recreation Demand Modeling III: The new approaches (Count/RUM); choice set approach [12, 16]</td>
</tr>
<tr>
<td>12</td>
<td>Recreation Demand Modeling IV: (Red Rocks and Heuco Tanks (surveys again), Clark Fork; Tampa Bay) [2, 5]</td>
</tr>
<tr>
<td>Page</td>
<td>Topic</td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
</tr>
<tr>
<td>13</td>
<td>Recreation Demand Modeling V: Environmental Quality, Congestion and Other Issues [10]</td>
</tr>
<tr>
<td>14</td>
<td>A brief guide to Computable General Equilibrium [17]</td>
</tr>
<tr>
<td>15</td>
<td>International Tourism [7,8, 20, 21, 22]</td>
</tr>
<tr>
<td>15**</td>
<td>If time allows: Eco-Tourism/ Risky Sports [11,12]</td>
</tr>
<tr>
<td></td>
<td>Presentations of Final Projects</td>
</tr>
</tbody>
</table>

- * If we have time toward the end of the semester, I’ll try to get a guest lecturer to cover the use of the IMPLAN program that is frequently used by states and communities to apply input-output analysis.
- ** This presentation session takes priority over the last topic to be covered, of course.

**Suggested Reading List**


