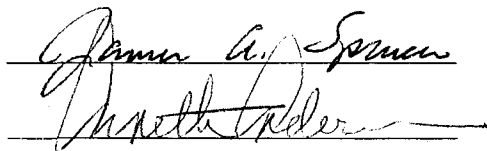


To the Graduate Council:

I am submitting herewith a thesis written by Heather Moore entitled "The Economic Impact of Tourism in Gatlinburg and Pigeon Forge, Tennessee." I have examined the final copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Planning.


George Bowen, Major Professor

We have read this thesis
and recommend its acceptance:



Accepted for the Council:


Associate Vice Chancellor and
Dean of the Graduate School

**THE ECONOMIC IMPACT
OF TOURISM IN GATLINBURG
AND PIGEON FORGE, TENNESSEE**

A Thesis
Presented for the
Master of Science
Degree
The University of Tennessee, Knoxville

Heather Moore
May 1997

ABSTRACT

In this study the economic impact of tourism in Gatlinburg and Pigeon Forge, Tennessee is analyzed. This type of study has never been done for this location. Several methods are used in measuring separate components of the total economic impact. The fiscal impact, retail sales impact, employment impact, and wealth impact each show positive effects of the tourism industry on the two towns. It is found, based on these measures, that tourism has had a positive impact on Gatlinburg and Pigeon Forge.

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CHAPTER I

INTRODUCTION

Tourism and travel have been important part of the American economy for many years. Each dollar spent by a tourist produces a ripple effect which is felt within a community as well as in the region. The tourism industry is comprised of many diverse sectors which are all viable industries in their own right ("The Tourism Works for America Report," 1995, p.2).

The research question guiding this study is "What is the economic impact of tourism in Gatlinburg and Pigeon Forge, Tennessee?" The entire economic impact of tourism on a community has many separate components. Here only the impact of tourism attributable to land development is analyzed. The impact on affordable housing, educational levels of employees, quality of jobs and several others are not considered.

Gatlinburg and Pigeon Forge, Tennessee

Gatlinburg and Pigeon Forge, while both offering many tourist attractions, each has its separate identity. Gatlinburg was established first. Pioneers first settled in the valleys and coves of the Smoky Mountains between 1795 and 1820 along the Little Pigeon River. About 1795 Jane Huskins Olge, a widow, arrived in the area with her six sons and two daughters from Edgefield, North Carolina. During the next years the area was settled by many newcomers of either English or Scotch-Irish ancestry. This trend of settlement continued for a number of years. Around 1830 a tiny community was

established along the west prong of the Little Pigeon River, and was called White Oak Flats ("The Gatlinburg Story", p.10).

Around 1855 a North Carolinian, Radford Gatlin, arrived in White Oak Flats with his wife and slave. He constructed a store there. Five years later, Dick Reagan was appointed postmaster. Gatlin offered space in his store to Reagan if the name of the settlement was changed to Gatlinburg. Reagan agreed, and the town of Gatlinburg was born ("The Gatlinburg Story", p.12).

Prior to 1920 Gatlinburg was relatively unknown as a tourism destination, although the first hotel was built in 1916 by Andrew Huff. This ten-room extension of his home was known as the Mountain View Hotel, and was created by Huff to accommodate traveling salesmen and lumbermen coming to buy from his sawmill. By the 1920's, tourists began to discover Gatlinburg. By this time a small but growing group of hikers and photographers from Knoxville had formed the Smoky Mountain Hiking Club and began to frequent the Gatlinburg area. So in a comparatively few years Gatlinburg has become a fast growing vacation resort for many Americans ("The Gatlinburg Story", p. 84).

The decline and displacement of lumbering as well as the creation of the Great Smoky Mountain National Park and accessibility afforded by better roads were the catalysts for tourism development in this region. Not only was the park officially established in 1934, but by December of that year Chapman Highway (U.S. 441) was completed from Knoxville to Gatlinburg. This offered a much faster and easier route to the park's primary entrance point ("The Gatlinburg Story", p.85).

Pigeon Forge is named for the passenger pigeons that frequented the area when it was first settled in the late eighteenth century. The opening of the Great Smoky Mountain National Park in May of 1940 launched a growth factor in Pigeon Forge; now it is one of the most popular vacation destinations in the southeast United States (1995 Pigeon Forge Visitor's Guide; Urban and Regional Analysis Class Project). This national park is distinguished by the extraordinary diversity and abundance of its plants and animals, its beautiful mountain terrain and waterways, and quality of its remnants of historic culture. It provides sanctuary for those resources and for its modern human users. Pigeon Forge has enjoyed steady growth since the dedication of the Great Smoky Mountains National Park.

In the early 1940's Pigeon Forge began to grow from a very small town into a tourism destination because of its close proximity to Gatlinburg. One had to drive through Pigeon Forge to reach Gatlinburg from the Tennessee side; the town developers used strategies to induce tourists to stop as they passed through. Pigeon Forge soon became a bustling town as well. Now, over 10,000,000 people visit Pigeon Forge each year. Pigeon Forge's attractions center more around wholesome family fun and entertainment than on its mountain ambiance (1995 Pigeon Forge Vacation Planner).

The national park was established "for the benefit and enjoyment of the people," as stated by Congress in the act which provided for its establishment. Congress stated the purpose of national parks to be "to conserve the scenery and natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such

manner and by such means as will leave them unimpaired for the enjoyment of future generations." The benefits and pleasures its visitors receive are increased knowledge of the natural environment and of our cultural antecedents through park programs, aesthetic gratification, and opportunities for rewarding activities that will not seriously harm its resources (Urban and Regional Class Project).

The demographics profile of visitors to the Great Smoky Mountain is similar to that for visitors to Gatlinburg and Pigeon Forge. The mean age of visitors in 1985 was 37 years. Visitor use is family oriented. When families spend the night in Gatlinburg or Pigeon Forge, or just stop for gasoline on the way to the Park, they are contributing to the tourism industry of this area (Urban and Regional Class Project).

The Great Smoky Mountain National Park lies almost equally in western North Carolina and eastern Tennessee. It encompasses a significant section of the Appalachian Mountain system. The portion of the park near Gatlinburg and Pigeon Forge is easily accessible. It is located about five miles from each of these two cities, and the road transportation to this location gives it good accessibility (Urban and Regional Class Project).

In fact, Gatlinburg and Pigeon Forge are centrally located to the majority of the nation. The location is 35 miles southeast of Knoxville, with Pigeon Forge six miles north of Gatlinburg, and under five miles from the Great Smoky National Park. Serving the interstate complex of I-81, I-75, and I-40 into Sevier County is State Route 66 and U.S. Highways 411, 441, and 321. The towns may be accessed through air by McGhee-Tyson Airport which is 35 miles away, as well as the Gatlinburg/Pigeon Forge

airport, only seven miles from the city (Pigeon Forge Visitor's Guide, p. 71, "Pigeon Forge: 1996 Action Facts"). Figure One shows both Gatlinburg and Pigeon Forge as well as the transportation routes via road serving it.

The geography of the area contributes greatly to the development of its tourism industry. Its location adjacent to the Smoky Mountains lends mystique and grandeur to the location. No matter which direction one looks in either Pigeon Forge or Gatlinburg, the splendor of the mountains is a prominent feature. This natural attribute is the largest feature in terms of attracting tourists from a large geographic region.

Gatlinburg and Pigeon Forge have many similarities. A major difference though is that Gatlinburg has the air of "the Innsbruck of the Smoky Mountains." This city holds more of a mountain air, for people feel in Gatlinburg somewhat as if they are in the heart of the Alps. In fact, Gatlinburg uses the phrase "The Heart of the Smokies" to highlight its atmosphere of a mountain town. Pigeon Forge in contrast presents a different image, one more akin to family fun. Gatlinburg has been established as a tourist haven in the Appalachian valleys for many decades, unlike the more recent development of Pigeon Forge in the flat lands of Sevier County.

Gatlinburg and Pigeon Forge have different strategies for planning and managing tourism. The Convention and Visitor's Bureau is the mechanism through which tourism-accommodating activities are conducted in Gatlinburg. This organization is part of the Gatlinburg's Chamber of Commerce. Pigeon Forge, on the other hand, has established an independent agency, the Pigeon Forge Department of Tourism. It is solely dedicated to tourism.

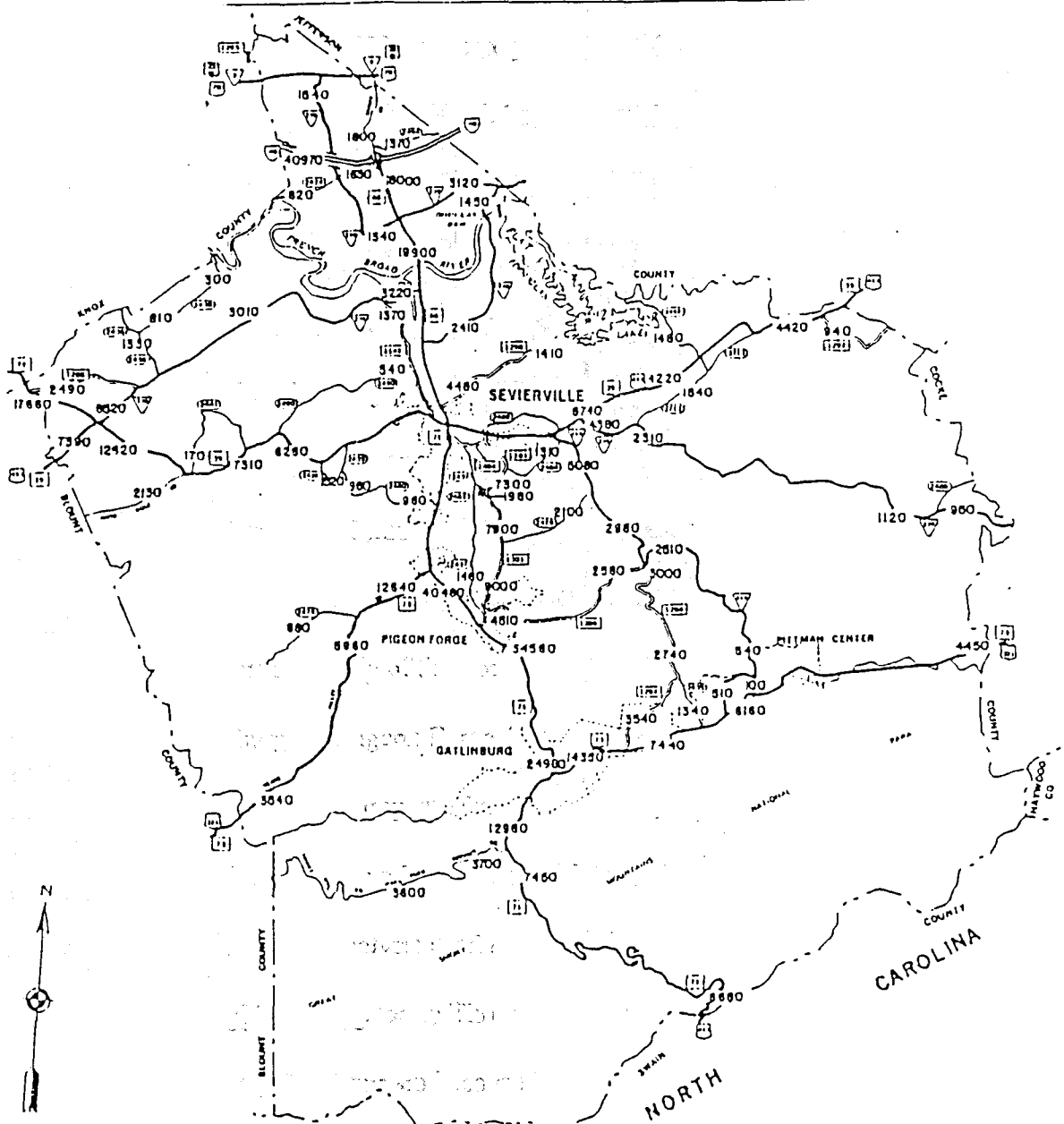
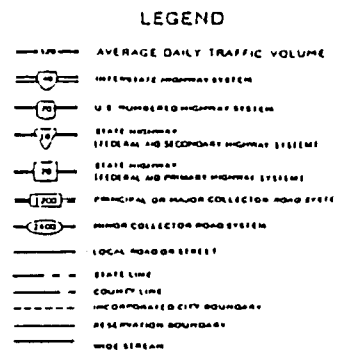


Figure One. Traffic Map of Sevier County, Tennessee.

Source: Tennessee Department of Transportation.



Both Gatlinburg and Pigeon Forge depend heavily on tourism as the largest contributor to their economy. In fact the entire economy of Sevier County lives and dies by tourism. Over 60,000 guests may be housed in Sevier County each night. The Great Smoky Mountains National Park boasted a visitor count in 1995 of 9,000,000. Gatlinburg estimates the town hosted between 9,000,000 and 10,000,000 tourists that year, and Pigeon Forge has a 1995 visitor count of 10,000,000. Approximately 45,000 permanent residents live in Sevier County. Sevier County covers an area of 600 square miles, with an elevation varying between 900 and 2,000 feet above sea level. The average precipitation in the county is 50 inches, varying with different elevations ("Gatlinburg, Tennessee Demographic Profile,").

Methodology

This thesis is a study of the economic impact of tourism development on the towns of Gatlinburg and Pigeon Forge, Tennessee. It examines the fiscal impact, retail sales impact, employment impact, change in property value, and change in bank assets to determine whether tourism has had a positive effect on the area.

The methods of analysis used in the thesis are similar to those used in Economic Impacts of Land Development by Thomas Muller. This book is used as a basis for research and analysis of tourism because in the communities of Gatlinburg and Pigeon Forge, land development is experienced through tourism.

The economic impact of tourism has been grouped into four major categories: fiscal impact, retail sales impact, employment impact, and wealth impact. These categories are used jointly to analyze tourism development and management in

Gatlinburg and Pigeon Forge because they are essentially related, and each interacts with the others. The dollars are in actual numbers without adjustments. From 1980 to 1995 however an inflation rate of 85 percent occurred. No attempt was undertaken to adjust for inflation in the thesis.

Fiscal Impact

The revenues received by Gatlinburg and Pigeon Forge in terms of user fees and taxes has been analyzed. Then the costs of municipal operating expenses and capital outlays were analyzed for 1980, 1985, 1990, and 1995

Retail Sales

Retail sales is a large part of the activity within tourism which occurs in Sevier County. The retail sales of Gatlinburg and Pigeon Forge as well as the rest of Sevier County were studied from the U.S. Census of Retail in the years 1977, 1982, 1987, and 1992.

Employment Impact

The tourism industry has a great impact on employment (Schaennam and Muller, p.52). The change over time (1980-1990) in employment in terms of both total employment and the level of employment by sector was obtained from Tennessee Department of Employment.

The proportion of jobs taken by local residents was also measured. The Census of Population and Housing was used to estimate distance traveled from place of residence to place of employment for the workers (Muller, Economic Impacts of Land Development, p.45).

Wealth Impact

The wealth located in both towns as related to tourism was also studied. Land values and their changes over time were examined by examining total property values in each town at four different points in time to reflect the impacts of tourism. The property value data was obtained from the Sevier County Property Assessors Office, the Gatlinburg Tax Clerk, and the Pigeon Forge Tax Clerk. Also bank assets were analyzed to see if there are changes in accumulated wealth within the community (Muller, Economic Impacts of Land Development).

Interviews with local officials and tourism organizations were undertaken. Also, interviews were conducted with regional agencies concerning tourism and development, such as East Tennessee Development District and Tennessee Department of Economic and Community Development.

Tourism is discussed first. Statistics for U.S. tourism as well as tourism within Tennessee is a frame through which to view the rest of the thesis. Next the tourism industry in Gatlinburg and Pigeon Forge is described. Accommodations, restaurants, retail, and entertainment attractions will be included here.

The heart of the analysis focuses on revenues, operating expenses, and capital expenses. Retail sales are examined next, as this is the prominent industry within the umbrella tourism industry there. Then the impact on employment is evaluated. Employment versus unemployment as well as commuting distance to work are examined. Finally wealth impact is described by looking at changes in land value as well as changes in bank assets.

CHAPTER II

TOURISM

Tourism is the action of a person or persons traveling to a community from another, not planning to stay permanently. Tourists may be doing the following:

- On vacation,
- On business trips,
- Visiting amusement parks and attractions,
- Visiting friends or relatives,
- Attending a convention,
- Attending a special event (play, musical event, etc.),
- Sight-seeing,
- Participating in a sports event (skiing, hiking, bicycling), and
- Passing through enroute to another location.

Regardless of their reason for travel, tourists spend money, which helps the destination economy (Tourism USA, p.1).

Tourism has become one of the largest and fastest growing sectors in the world economy, and perhaps more so than any other industry characterizes post-industrial society. A primary reason a community seeks tourism is to improve its economy. A large number of tourists can result in money and wealth left in the tourism destination (Tourism USA, p.2).

The benefit a community probably recognizes most readily of tourism is the money tourists spend in the community. Other benefits are accrued as well, such as

improved recreation facilities, expanded cultural and social opportunities, and pride in one's community. This thesis focuses on the economic impacts of tourism in Gatlinburg and Pigeon Forge, Tennessee.

The economic activities associated with attractions, retail activities, and visitor accommodations and support services can be considered as one comprehensive industry, tourism. In spite of its conspicuous presence though, this industry has not received much attention from economists. This is because it is seen as a collection of service-based activities spread across a variety of industry classifications and consumer expenditure categories. They are generally not grouped together as tourism. In short, tourism provides no unique base as a singular industry; it encompasses widely different types of firms and organizations from many sectors, and serves customers with a variety of incomes, tastes, and objectives (Tourism USA, p.4).

A large number and wide range of businesses and their employees benefit from tourism. Buslines, automobile rental agencies, airlines, and other transportation companies bring travelers and/or tourists into an area. These travelers and tourists then buy the products and services offered in the area by lodging establishments, restaurants, amusement, recreational and entertainment establishments and general retail outlets. This generates a wide variety of business and employment opportunities in addition to helping to sustain and expand the local economy ("The Economic Impact of Travel in Tennessee Counties", p.3).

The tourism industry in the U.S. is extremely diverse and complex, perhaps more so than any other. This industry, which has developed to serve the tourist and the

traveler, contributes enormously to the U.S. economy. Direct tourism expenditures by both domestic and foreign travelers reached nearly \$400,000,000,000 in 1994, six percent of the nation's GDP. These expenditures also generated over \$50,000,000,000 in tax revenue for federal, state, and local governments ("The Economic Impact of Travel in Tennessee Counties", p.3).

The outlook for the tourism industry in the coming years is positive given the favorable demographic changes occurring in the U.S. and other industrialized countries. The aging of the baby boomers should stimulate travel demand, as well as the growing maturity of the tourism market itself. International travel to the U.S. should increase also, stimulated by the trend towards globalization. Finally, technological advancements are expected to improve transportation infrastructure and reduce travel times, offering new and better ways to market and promote travel ("The Economic Impact of Travel in Tennessee Counties").

Domestic travel in fact grew by seven percent from 1990 to 1994, as American residents took more than 1,000,000,000 person-trips. A person-trip is defined here as one person traveling 100+ miles one-way, away from home ("The Economic Impact of Travel in Tennessee Counties", p.4).

International travelers also contribute to the tourism economy in the U.S. Overseas arrivals in 1994 grew though three percent to 19,000,000 from 1990, or 42 percent of total U.S. arrivals. Canadian arrivals decreased 13 percent to under 15,000,000, and Mexican arrivals grew 15 percent to 11,000,000 ("The Economic Impact of Travel in Tennessee Counties", p.4).

In 1994 The U.S. had experienced a trade surplus in travel-related spending for six years. This is the result of these international visitors spending \$80,000,000,000 within the U.S., which produced a \$20,000,000,000 trade surplus ("The Economic Impact of Travel in Tennessee Counties", p.4).

In terms of domestic travel to Tennessee, trips originated in the South Atlantic region more frequently than any other region in the country. Eighteen percent of total person-trips in the U.S. originated in the South Atlantic in 1994 followed by East North Central and Pacific regions, with 16 percent each. The Mid-Atlantic region has 13 percent, with West South Central 11 percent and West North Central being the origination point for eight percent. The fact that tourists' trips originate in the South Atlantic region more so than any other gives the Tennessee tourism industry and Gatlinburg and Pigeon Forge in particular a competitive advantage as a travel destination, in terms of location ("The Economic Impact of U.S. Travel on Tennessee Counties," Introduction).

Thirteen states supply approximately three-fourths of all Tennessee visitors. These feeder states are as follows, listed in decreasing order by number of visitors: Tennessee, Kentucky, Georgia, Alabama, Ohio, and North Carolina. These provide 49 percent of all 40,000,000 U.S. travelers to Tennessee in 1995 ("The Economic Impact of U.S. Travel on Tennessee Counties," Introduction).

Another group of seven states may be labeled as secondary feeder markets for tourists and visitors to Tennessee. They are: Illinois, Florida, Arkansas, Indiana,

Texas, Mississippi, and Michigan; they supply 30 percent of the total tourists in Tennessee.

A projected 600,000 household trips as well as 1,000,000,000 person-trips were taken in Tennessee during 1995. Two-fifths (40 percent) of total person-trips included children, the average number of children being two. The average total household travel party size was one person. The average duration of total person-trips was three nights, 40 percent of this being in a hotel, motel, or bed and breakfast. One-third were spent in a private home ("The Economic Impact of U.S. Travel on Tennessee Counties," Introduction).

Within the state of Tennessee, Nashville boasts the largest number of total tourists. Total person-trips were 14,000,000 in number, with two persons being the average party size. Gatlinburg and Pigeon Forge together ran a close second, with Gatlinburg hosting 11,000,000 with party size of two and Pigeon Forge hosting 10,000,000, in parties of three. The list then has Knoxville with 8,000,000, then Chattanooga, Memphis, and the Tri-Cities regions ("The Economic Impact of U.S. Travel on Tennessee Counties," Executive Summary).

Davidson County, the home of Nashville, received nearly \$2,000,000,000 in travel spending in 1994, which is 30 percent of Tennessee's total receipts. Shelby County, housing Memphis and Graceland, ranked second in the state in travel expenditures with \$2,000,000,000. Travelers in Sevier County, where Gatlinburg and Pigeon Forge are located, spent \$700,000,000. Hamilton County (home of Chattanooga) travelers spent slightly over \$400,000,000, while Knox County received

\$400,000,000 in travel spending ("The Economic Impact of U.S. Travel on Tennessee Counties," p.30).

Most tourism communities as well as the state governments that assist in their promotion and development view tourism as an economic boom, with few liabilities. The promotion of tourism has now achieved high status in statewide political agendas. The South is reportedly the nation's leading region in the number of visitors and jobs generated by tourism spending. Tennessee has perennially led the entire region in its funding for tourism promotion and development. Tennessee's state governmental structure for tourism promotion has in fact been cited as a model program. In 1976 the Tennessee General Assembly created the Tennessee Department of Tourist Development, and thus became the first state in the nation to lend cabinet-level status to this promotional arm of government. The department is charged by state law to do as follows:

The tourism division shall promote new investment in the tourist industry, provide comprehensive services to existing tourist enterprises, promote in other states the attractions of Tennessee, distribute Tennessee information publications and supervise the system of welcome centers in the state (Beyond the Glitter, p. 36).

The commissioner who heads the department is likewise charged with a series of directives. Each of these duties outlined for the commissioner is promotional in nature. Today the focus of the commissioner is on management of the network of welcome centers (Beyond the Glitter, p.36).

Within Tennessee, Sevier County houses a large portion of the state's travel and tourism activities. Sevier County is home to Gatlinburg and Pigeon Forge as well as

the Great Smoky Mountain National Park. Population growth here is well above the state's average. Agnes Gorham of the Tennessee Department of Tourism Development says Sevier County's population growth rate is currently second largest in the state. Total travel expenditures increased 11 percent between 1992 and 1993 in this county, outpacing the state increase of six percent. Overall retail sales rose 11 percent during 1994 as well, above the state average of nine percent.

Expenditures on travel and tourism become business receipts for a number of different types of establishments, who then use a portion of their sales to pay their employees who serve the traveling public. In 1994, wage and salary income paid to employees directly serving travelers and tourists was approximately \$2,000,000,000. Sevier County ranked third in the state in travel-generated payroll, with almost \$200,000,000. Shelby County and Davidson County placed first and second here with \$900,000,000 and \$800,000,000 respectively, and Knoxville ranked forth with \$100,000,000 ("Tennessee Tourism: Fiscal Review", p.30).

Sevier County ranked third in the state of Tennessee in terms of jobs generated by travel expenditures, with 13,000. Davidson County led the state with 135,000 jobs, and Shelby County had 40,000 jobs ("Tennessee Tourism: Fiscal Review," p.30).

Though big cities are still considered to be tourist meccas, there is a growing recognition of the role played by small towns in tourism. As traditional small-town economic sectors (industrial and agricultural) have decreased in terms of employment numbers, a growing awareness exists within rural communities of the benefits to be gained from developing tourism as part of their economies. Tourism can help diversify

and stabilize rural economies as well as attract additional industries by creating a larger business base. Successful infusion of tourism dollars into a local economy clearly helps spawn employment and small business development (Beyond the Glitter).

The Appalachian culture of Sevier County has managed to retain a measure of its original character, and tourists thoroughly enjoy this slower paced atmosphere. Tourists expect to encounter warmth and hospitality from those they meet here; they will not be disappointed. It is still home in fact to the families that settled here over a century ago. Sevier County has fared exceptionally well as a rural tourism site, attracting far more tourists and their accompanying money than any other rural county in Tennessee.

Tourism is the main source of economic activity in Gatlinburg and Pigeon Forge. Though these towns have small populations they are able together to claim second place in Tennessee in attracting the largest number of tourists. As travel and tourism transfers money from the visitor to the destination location, these towns have obtained much money through tourism.

CHAPTER III

CHARACTERISTICS OF THE TOURISM INDUSTRY OF GATLINBURG AND PIGEON FORGE

Shopping was the most popular activity engaged in by tourists in Tennessee in 1994, claiming 33 percent of total person-trips. Outdoor activities (hunting, fishing, or hiking) followed this, with 18 percent. Historical places and museums were third, with 16 percent; beaches claimed 11 percent and were ranked fourth. Fifth was the visitation of national and state parks with 10 percent, with cultural events and festivals having 10 percent as well. Theme and amusement parks claimed nine percent, with nightlife/dancing and gambling ending the list with seven percent each (Travel to and Through Tennessee).

While these interests may be satisfied throughout the country in sundry locations, Tennessee and Sevier County in particular offer each of these features save the last two. In fact, the most popular are predominate features of Sevier County tourism. This signifies that Tennessee and Gatlinburg and Pigeon Forge are prime tourism destinations (Travel to and Through Tennessee).

Both towns have a variety of accommodations to house tourists. Pigeon Forge contains 70 hotels and motels to accommodate tourists with a room count of 8,000, according to the 1996 Pigeon Forge Vacation Planner. Several other types of lodging are available as well in Pigeon Forge. Over 8,000 guest rooms and campgrounds are available in Pigeon Forge according to the Pigeon Forge newsletter. The grouping of accommodations known as “cottages, condos, villas, and inns” by this organization

numbers 50. Campgrounds also contribute to total tourism accommodations in Pigeon Forge. The total number of campsites available is 2,000.

Gatlinburg has ample accommodations as well. It has 90 hotels/motels, with a total of 6,000 rooms or units. There are 100 condos and/or chalets with 2,000 rooms or units, seven bed and breakfasts with 50 rooms, and five campgrounds with 400 units. This yields a total of over 200 properties with available accommodations and 9,000 rooms or units. Gatlinburg can accommodate approximately 40,000 tourists. All of Sevier County can accommodate around 60,000 per night, so Gatlinburg provides over half of this (Urban and Regional Analysis Class Project).

To accommodate the large number of tourists, both towns have a large number of hotels, some chalets, and several campgrounds. There is a wide variety of sleeping arrangement to choose from in each location. Another feature of both Pigeon Forge and Gatlinburg is the large number and wide variety of restaurants. While justice is given to the Southern menu here, a great variety also exists.

Ninety-two restaurants are available in Gatlinburg to service its tourists as of 1995. These range in size from a Krispy Kreme to large hotel restaurants seating over 200 persons. Several fast food establishments are available, as well as breakfast restaurants such as Pancake House (Urban and Regional Analysis Class Project).

Pigeon Forge had 60 eating establishments and a mall food court in 1995, classified by the town according to seating classification. The smallest restaurants seat under 50 persons. These include specialty shops for ice cream, pizza, or sandwiches. Medium-sized restaurants have a capacity of between 50 and 200 persons. This

includes fast food restaurants as well as others such as Mel's Diner and Trotter's (Urban and Regional Analysis Class Project).

Pancake houses, steakhouses, and seafood restaurants as well as popular franchises such as O'Charlie's and Ruby Tuesday fall into the largest category with 200 or more seats. Two entertainment establishments, Dixie Stampede and Eddie's Heart and Soul Cafe are also classified in this group (Urban and Regional Analysis Class Project). There are also several large-scale eating/entertainment complexes planned and under construction which will substantially increase the large eating establishments.

Retail enterprises are an integral part of the tourism industry of Gatlinburg and Pigeon Forge. Whereas retail is vital to Pigeon Forge, it functions at a lesser level in Gatlinburg. Gatlinburg shoppers may enjoy themselves at 30 crafts stores, 10 galleries, 40 specialty shops, and 10 shopping centers. While it is hard to believe another rural town could contain such a large number of stores, Pigeon Forge is proof of it. The town houses over 300 stores in one mall, six outlet malls, and six shopping centers. A few stores have individual locations. While the large number of outlet stores advertise themselves as selling at wholesale prices, in truth they are considered retail enterprises by the Census Bureau. They therefore contribute to the substantial retail success of the area's retail industry. The outlet stores of Pigeon Forge are of such popularity they were voted Favorite Shopping Spot by Southern Living's readers in 1996 (Gatlinburg Visitor's Guide; 1996 Pigeon Forge Vacation Planner; 1997 Pigeon Forge Vacation Planner).

Gatlinburg offers 25 attractions for entertainment of all age groups, from Guinness World Records to Christus Gardens. Pigeon Forge houses similar attractions, Dollywood being the most significant. Other attractions, such as the Elvis Museum and Laserport, are 35 in number (Gatlinburg Vacation Guide).

Pigeon Forge is home to entertainment and music enterprises as well, something not present in Gatlinburg. Several kinds of shows are offered, featuring different kinds of music. Grand Ole Opry legends are featured here as well as The Comedy Barn. The total number of entertainment establishments was 12 in 1996 (1996 Pigeon Forge Vacation Planner).

These features of Gatlinburg and Pigeon Forge set them aside from most rural towns. The presence of such large numbers of establishments, unusual to a rural town, is made possible and necessary by the large numbers of tourists visiting the towns. These businesses cater to their desires and tastes for dining, accommodations, shopping, and recreation.

CHAPTER IV

IMPACTS OF TOURISM

Fiscal Impact

The benefit recognized most readily from tourism development is the money which tourists spend in a community. While a range of benefits is produced by tourism, the prominent one is the money left in the tourism destination. This industry is an export industry in that it is able to garner money from outside the economic market, which translates into many more monetary benefits for those in the community to enjoy (Tourism USA, p.56).

The tourism industry attracts people from out of town and thus money from out of town. The expenditures a tourist makes do not complete their journey there. The expenditure at a hotel, for example, is then used by an employee of that hotel at possibly a grocery store; the grocer then uses that money again, etceteras. Each dollar spent by the tourist has a multiplied effect on the economy, as seen in Figure Two (Tourism USA, p.2).

The multiplier is used to show the effect of an economic base in an economic market. Tourism is not considered a separate industry; in fact most tourists economic activities are classified as service sector. Even though the tourism service industry is not usually considered as a basic industry, the dollars which flow through the economy behave like industries with a multiplier. However, there is no literature on this subject and no method to account for this indirect economic activity. Therefore this thesis focuses on the first found primary impacts.

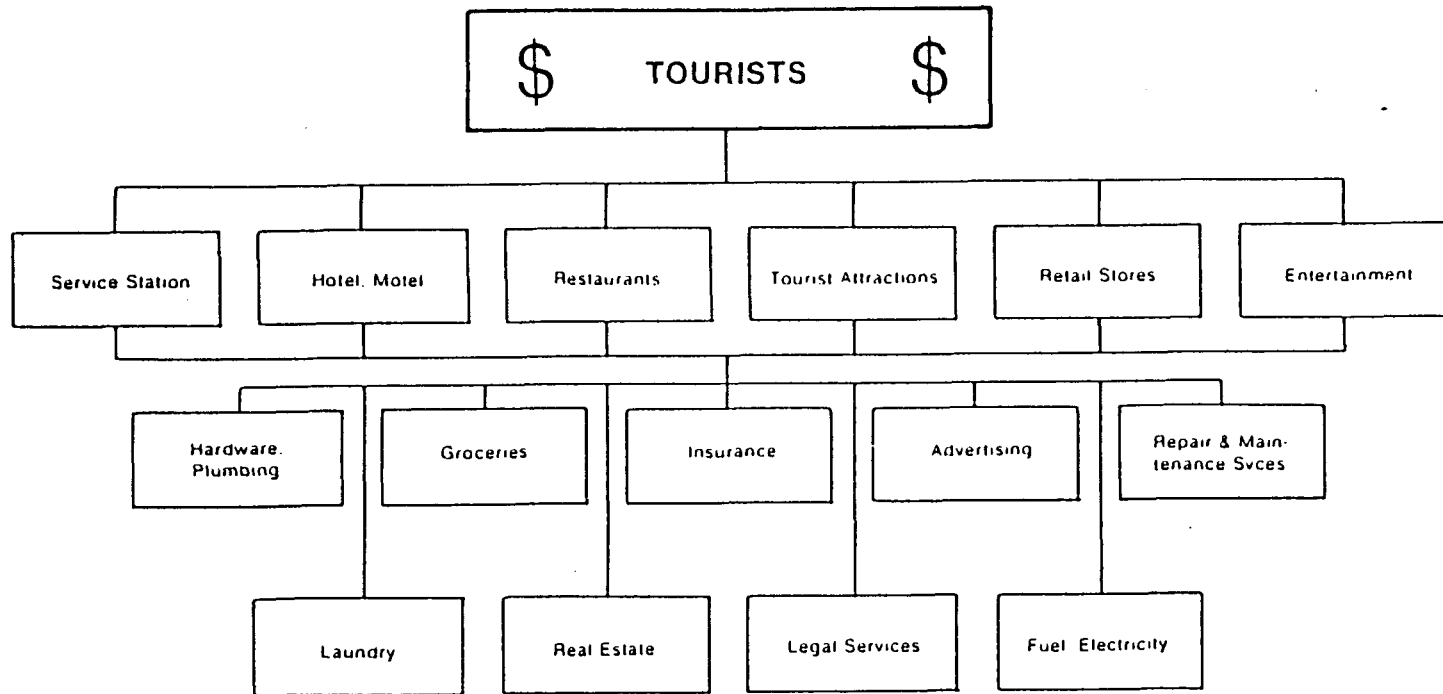


Figure Two. Distribution of the Tourism Dollar.

Source: Tourism USA.

The total revenues generated by the cities of Gatlinburg and Pigeon Forge at four different years, 1980, 1985, 1990, and 1995 have been analyzed to determine the longitudinal fiscal impact of tourism in the two towns. Gatlinburg's revenues are shown in Table One.¹ Numbers are rounded off in discussion.

Gatlinburg

The total revenue generated by the town of Gatlinburg in 1980 was \$7,000,000. The portion of the total received through tourism as estimated by Dave Beeler, Gatlinburg's Finance Director, is approximately \$5,000,000. In Figure Three total revenues are separated between tourism revenues and other. Mr. Beeler received his bachelor degree in accounting from East Tennessee State University and has worked for Gatlinburg since 1972. His opinion that approximately 80 percent of all municipal revenue are due to tourism and 80 percent of all municipal expenditures are for tourism is therefore valid.

Several revenue-generators stand out as significant in an economy dependent on tourism. Property tax is usually an important source of revenue for local governments. Receipts of \$300,000 in property tax were collected from town residents in 1980. This tax is basically the only contribution residents of Gatlinburg make to their town's financial position; it is important because it is so low. The Sevier County property tax rate, the lowest in the state, is \$1.25/\$100 assessed value. Gatlinburg's additional tax is \$.12/\$100 assessed value. As can be seen property tax property taxes are not major sources of revenue for these towns. The majority of the city's revenue is gathered from

¹ Tables are seen in Appendix.

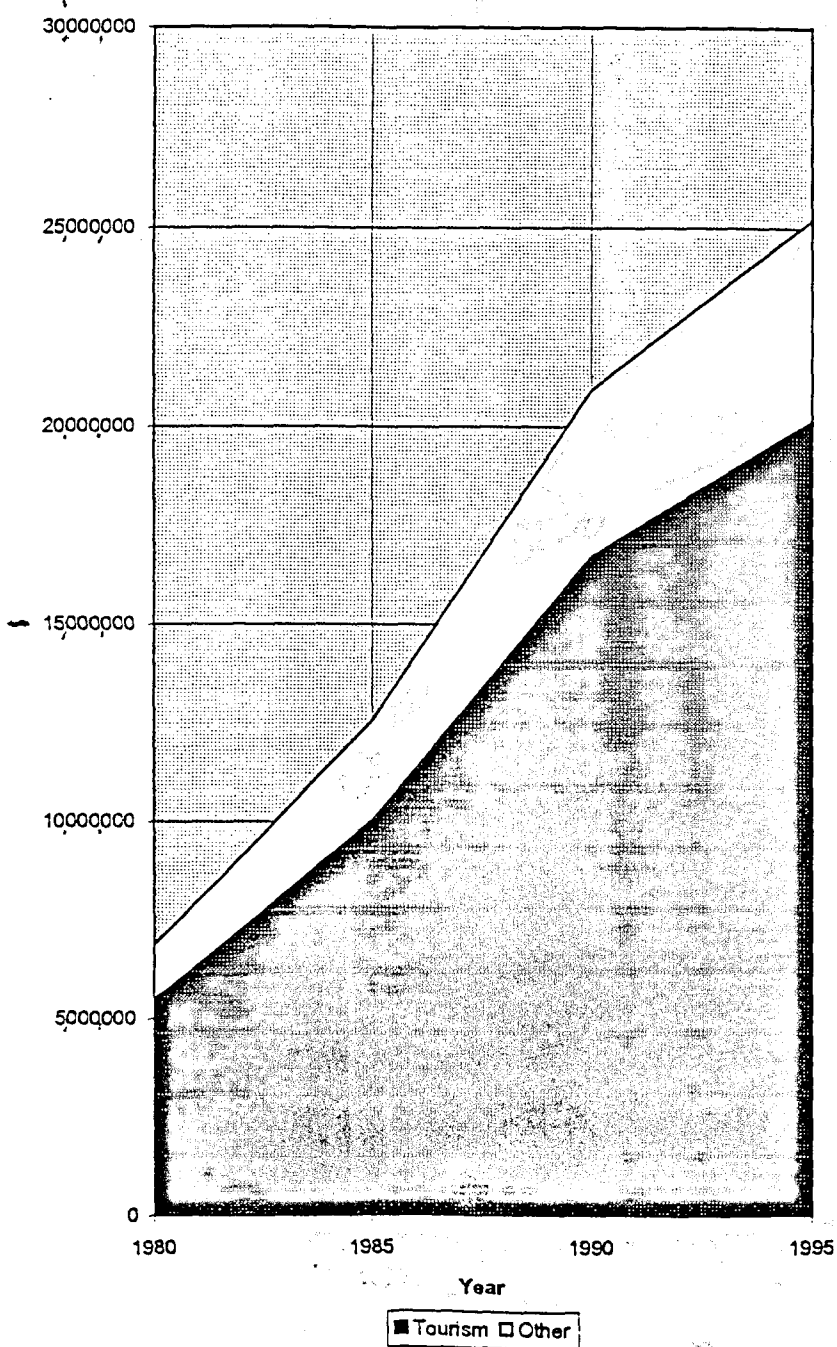


Figure Three. Gatlinburg Tourism and Other Revenue.

Source: David Beeler, Gatlinburg Finance Director.

tourists in various forms. (Jetti Clabo, Sevier County Trustee) Property tax revenue as well as other significant ones throughout the study period are shown in Figure Four.

Property tax revenue grew 219 percent between 1980 and 1995. While this revenue does not amount to much in terms of funding a substantial part of Gatlinburg's operations, its increase does show part of the economic success experienced by Gatlinburg between 1980 and 1995. Its percentage of total revenues for these years was four percent in 1980 and only two percent in 1995. It increased 248 percent in this period, to \$400,000.

The hotel/motel tax is a large source of cash for the town to use, and it comes entirely from persons outside the economy, tourists. The hotel/motel tax fund was created in 1979; its expenditures are limited by law, and related to revenue collected. One-third of the total \$300,000 in 1980 went directly into tourism promotion, one-third for tourism-related activities, and one-third for general city expenditures.

The 1980 hotel/motel tax increased 316 percent by 1995 to \$1,000,000. This increase is due to the expanded number of accommodations as well as the increased number of tourists; in 1995 though the hotel/motel tax accounted for only four percent of total revenues.

The entire discussion throughout the study is in real dollars. Inflation though has occurred; when analyzing the changes which took place between 1980 and 1995 throughout the study the inflation rate of 85 percent must be considered.

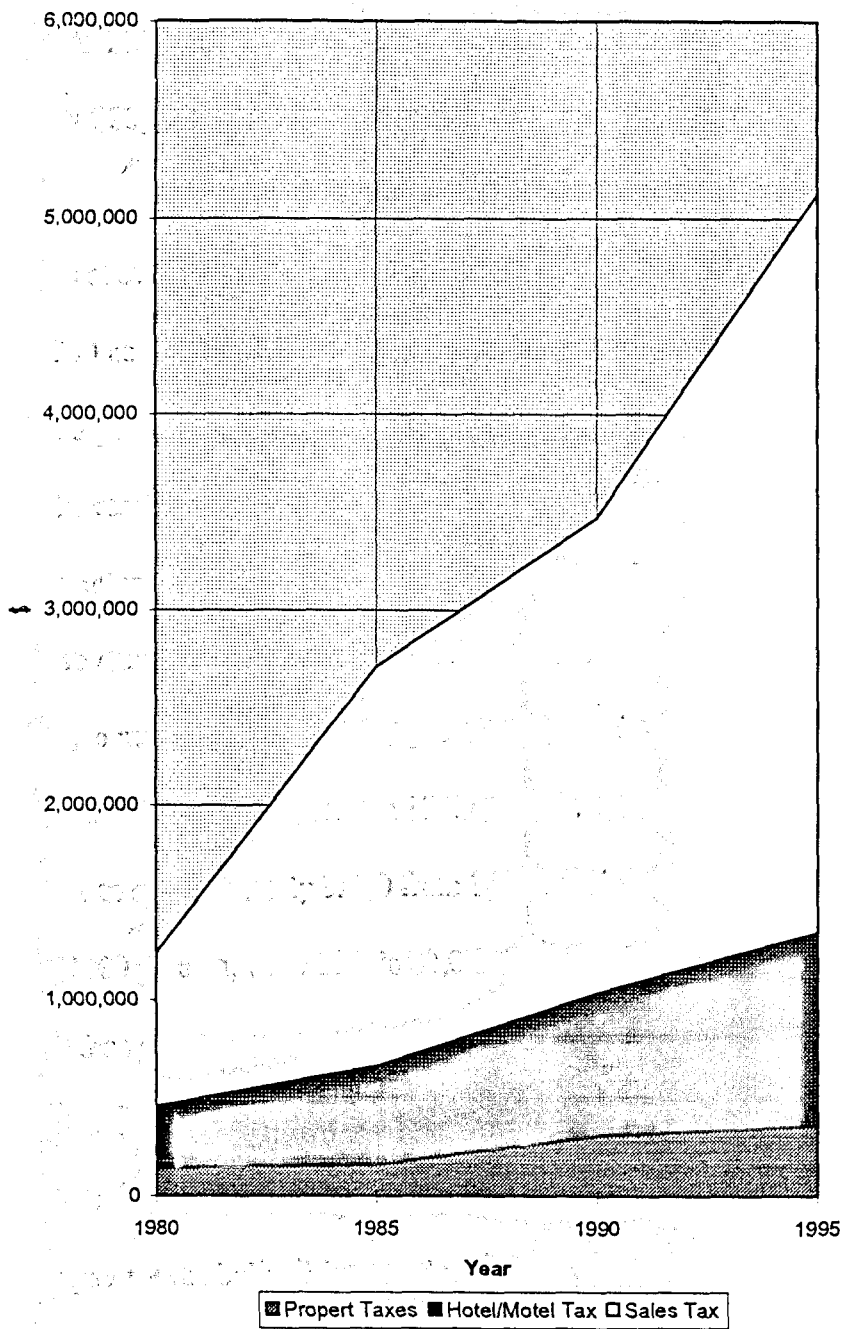


Figure Four. Gatlinburg Significant Revenue-Generators.

Source: 1980, 1985, 1990, and 1995 Gatlinburg Budgets.

The sales tax revenue is also gathered from tourists, and is a significant source of revenue. Residents purchase items as well as tourists, but according to officials the magnitude is so small it is not even noticeable. The sales tax gathered in 1980 was \$800,000, which represents 11 percent of total revenues. This revenue increased 381 percent to \$4,000,000 by 1995 and then represented 15 percent of 1995's total revenues.

Almost every item in the Gatlinburg revenue section of the budget increased between 1980 and 1995. Two experienced a decline though. Intrafund transfers decreased 85 percent, as the state of Tennessee transferred less funding to Gatlinburg as it became increasingly prosperous. The school fund also decreased.

Municipal revenue is also analyzed on a per capita bases. Gatlinburg's municipal revenue has increased from 1980 to 1990. The town's population decreased. The change in revenue should be compared to change in population. Municipal revenues increased 305 percent from 1980 to 1990. Gatlinburg's population decreased two percent, to approximately 3,000 from 3,500. This led to a per capita revenue increase of 400 percent, from 1980's \$2,000 to \$6,000 in 1990. The per capita revenue increase is thus greater than the actual municipal revenue increase, even if adjusted for inflation. See this in Table Two.

In terms of appropriations, all funds are financed by tourism. Tourists' dollars indirectly pay for the bulk of the town's expenses. Total expenses must match total revenues each year. The 1980 expenditure sum of \$7,000,000 increased 368 percent to \$25,000,000 in 1995. General government spending is a main destination of funding,

as the city must continue to upgrade its facilities as increasing activity in terms of tourism occurs. Utilities account for a large amount of expenses as well. In fact spending for utilities has increased the most, 339 percent between 1980 and 1995. Expenditures are shown in Table Three.

A large portion of Gatlinburg's expenses are necessitated by tourism. David Beeler, Finance Director for the City of Gatlinburg, says between 80 and 85 percent of the purpose of all capital improvements in Gatlinburg serve tourism, as this is the town's sole industry. The entire amount is not directed towards tourism because, for example, a sewer project is being undertaken currently which will benefit only the residential neighborhood in which it is located (Interview with Cindy Ogle, Gatlinburg City Manager). Residents necessitate expenses; but the vast majority of all spending is to serve tourism.

For each year's expenses some is attributed towards tourism, some to other expenses. These as estimated by Mr. Beeler are shown in Figure Five. This percentage is the same for the entire study period because Gatlinburg has been developed as a tourism destination. While Mr. Beeler's opinion is justified by his background, the portion attributed towards tourism seems to be on the conservative side.

The total expenditure for Gatlinburg in 1980 were \$7,000,000. This includes both the capital expenditures and the other funds mentioned. This expenditure, which is equal to revenues, increased 361 percent by 1995.

Capital expenses of \$300,000 used five percent of total spending in 1980. Mr. Beeler estimated that between 80 and 85 percent of all capital expenditures are related

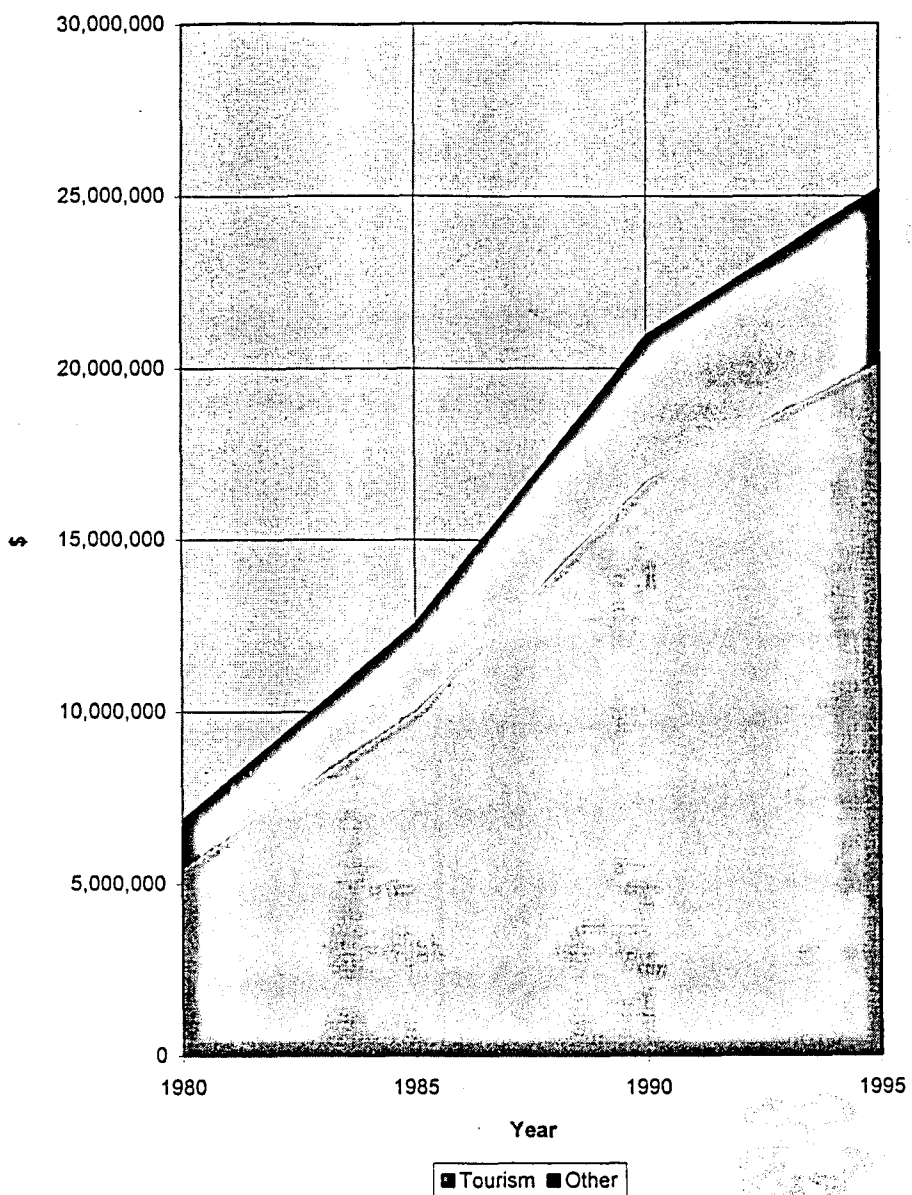


Figure Five. Gatlinburg Tourism and Other Expenditures.

Source: David Beeler, Gatlinburg Finance Director.

to tourism here. This expenditures claimed a lesser portion of total spending in 1995, only three percent. The 1995 capital funds of \$700,000 were used to finance several small projects. The trend in terms of capital spending is not steady, in that more was spent in 1990 than 1995. The large capital expenses of \$1,000,000 in 1985 were to fund a street and roadway projects. Other than that, the net trend is upward sloping. Changes can be seen in Figure Six. Capital expenses are in fact funded out of the operating budget. In this regard these towns differ substantially from most Tennessee cities.

Tourism has a beneficial effect on the town of Gatlinburg. The town is able to gather substantial revenues through various taxes and other means in a way that does not burden residents. It is quite impressive that a town can experience a growth in revenues of 324 percent in a 15-year span. According to this measure, tourism has a beneficial effect on Gatlinburg. It should be noted though that revenue is not generated in excess of the town's expenditures; in this sense, no profit is made.

Pigeon Forge

Revenues of Pigeon Forge from 1980 to 1995 will be analyzed. Revenues from 1980, 1985, 1990, and 1995 may be seen in Table Four, along with the change occurring between these years. The vast majority of revenue is attributable tourism and received from tourists, according to Kay Powell, Assistant Director of Pigeon Forge Department of Tourism.

Pigeon Forge's Assistant Director of Public Works, Gerald Hanson, explains though that approximately 80 percent of Pigeon Forge's revenues and expenditures are

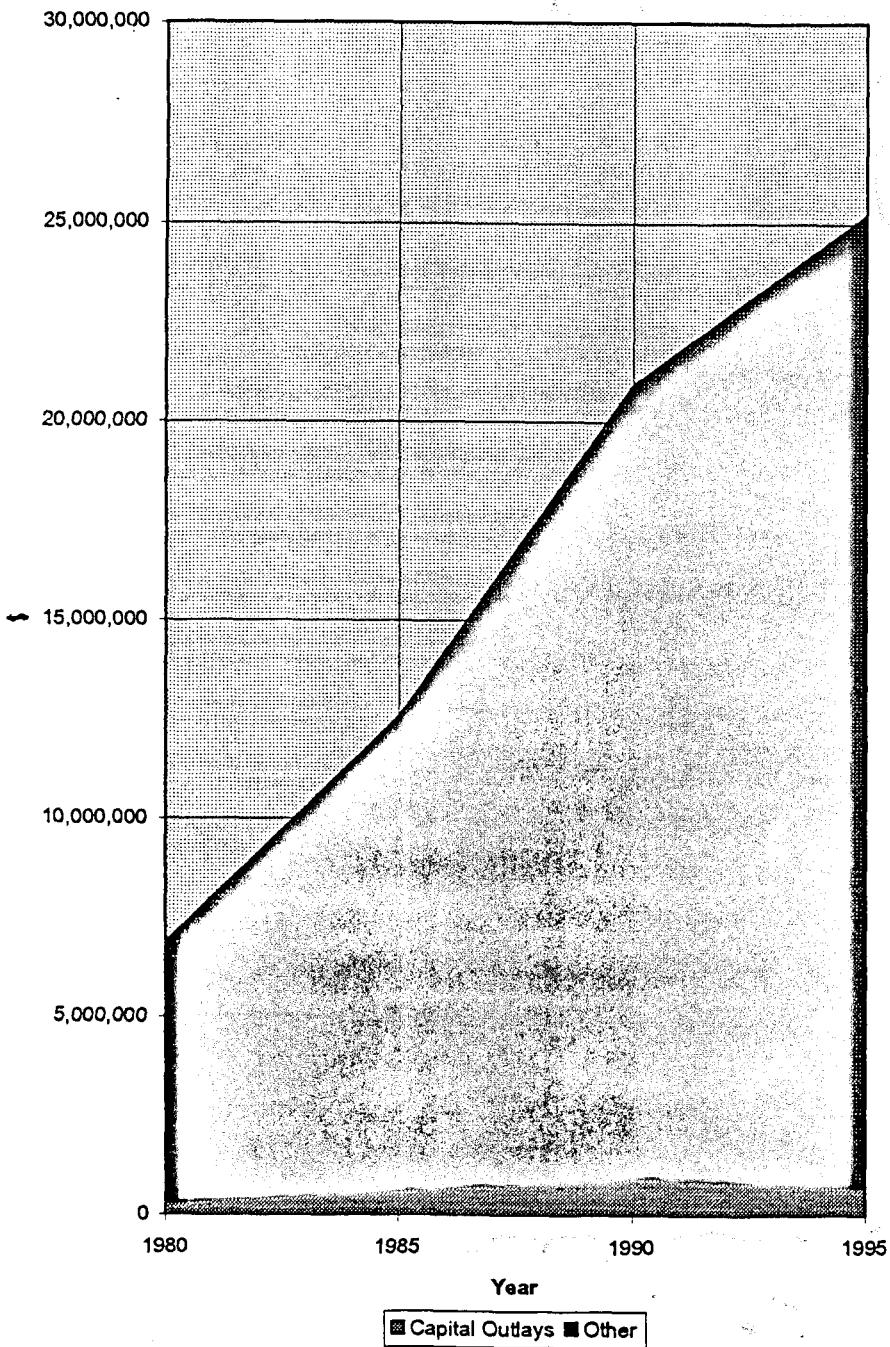


Figure Six. Gatlinburg Capital and Other Expenditures.

Source: 1980, 1985, 1990, and 1995 Gatlinburg Budgets.

caused by tourism activity in 1980 and 1985. By 1990 and 1995 he approximates that around 85 percent of Pigeon Forge's revenues and expenditures are caused by tourism activity. Mr. Hanson received his master degree in safety science at University of Tennessee and has worked for the city in a number of capacities for 14 years. He is very knowledgeable on the subject. However the low population base of the city would indicate this is a conservative estimate.

Mr. Hanson further explains that before 1983 tourism was only a secondary industry in the town. The town's revenues before that date came therefore from other sources. The portions of revenue from tourism can be seen in Figure Seven. Total revenues received by the town in 1980 were \$2,000,000. Tourism was not a major revenue-generator in this year. The town was still a typical small, rural community.

Pigeon Forge has always charged a minimal property tax for its residents. This tax has been \$.17/\$100 assessed value of properties until 1997, when it was lowered to \$.12/\$100 assessed value. This tax is such a small burden on property-owners it is barely noticeable. Property tax receipts for 1980 were \$400,000. Property tax revenue as well as other significant revenues and the total, is shown in Figure Eight.

Local sales tax is a major revenue-generator. Pigeon Forge gathered \$300,000 in this category in 1980, which was 20 percent of total revenues. This tax increased 2,000 percent between 1980 and 1995, to approximately \$7,000,000, a large change by any standard and in no way accounted for by inflation.

Another revenue-generator which is indirectly attributable to tourism is gross receipts tax. This tax is gathered from establishments in Pigeon Forge. The tax is

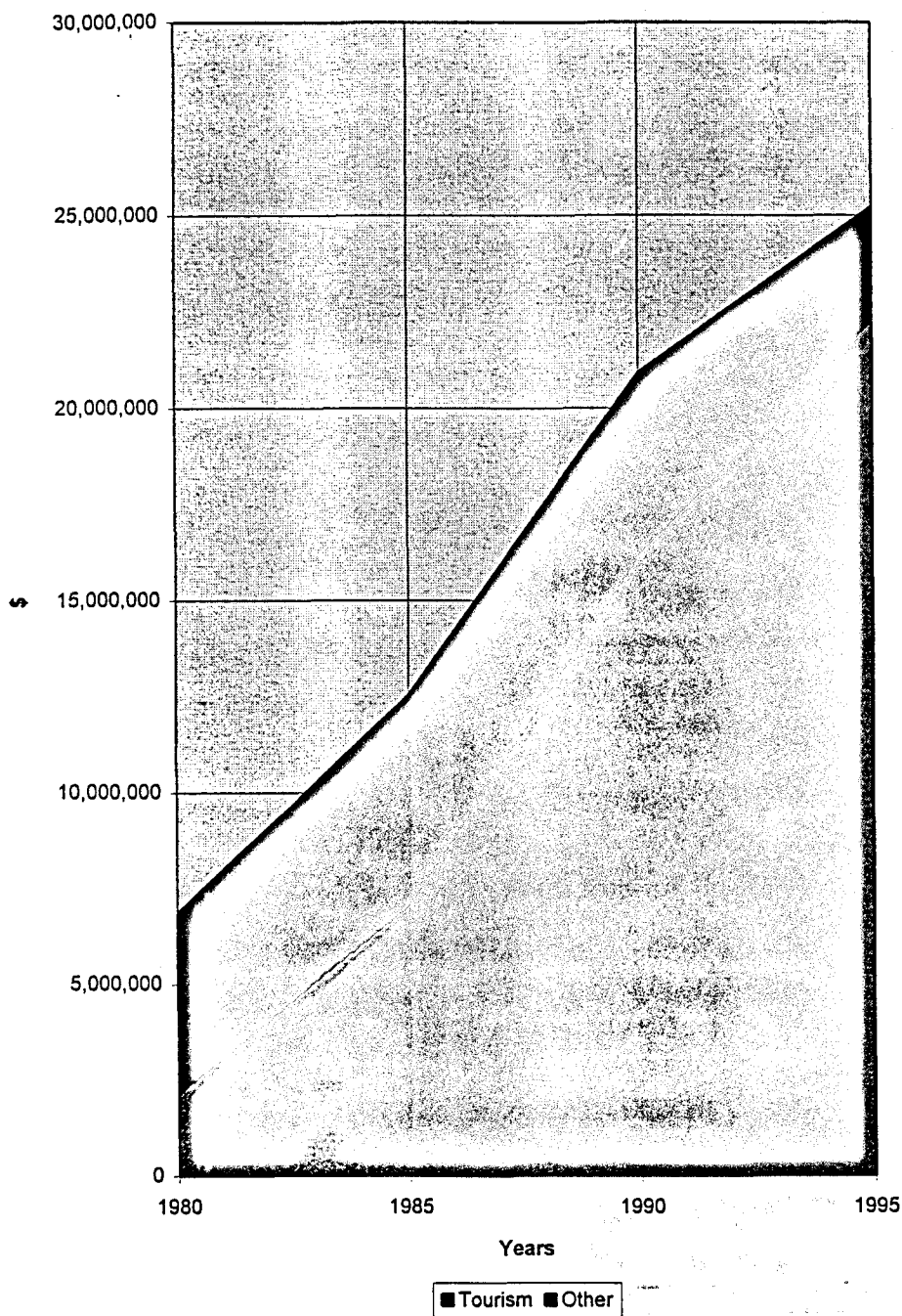


Figure Seven. Pigeon Forge Tourism and Other Revenue.

Source: Gerald Hanson, Pigeon Forge Assistant Finance Director.

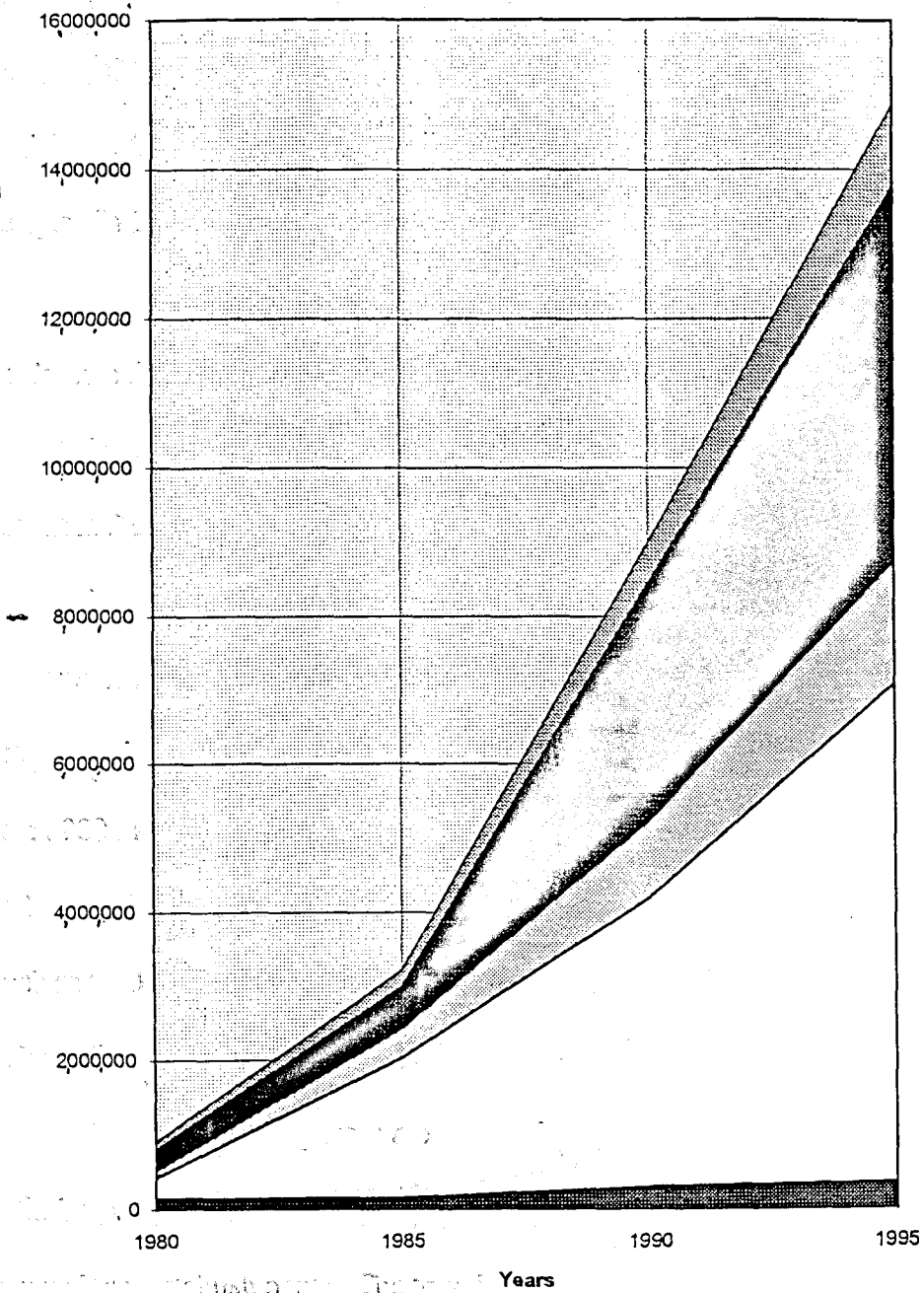


Figure Eight. Pigeon Forge Significant Revenue-Generators.

Source: 1980, 1985, 1990, and 1995 Pigeon Forge Budgets.

however a percentage of total gross receipts, so it is directly related to expenditures. Gross receipts tax generated \$300,000 revenue in 1980, or almost 20 percent of total revenues. This tax increased almost 2,000 percent between 1980 and 1995. Pigeon Forge also has a room occupancy tax, which is equivalent to the hotel/motel tax of Gatlinburg. This tax in Pigeon Forge produced \$100,000 in 1980, or 20 percent of total receipts. In 1995 this tax increased over 1,000 percent to \$700,000.

Much expansion occurred between this year and 1995. Pigeon Forge was by the date known throughout the world as a major tourism destination, and this tourism had generated an exponential increase in revenues. Total revenues multiplied over 1,000 percent to \$22,000,000.

Pigeon Forge's population has also grown considerably. The 1,000 percent increase in revenues is accompanied by an 85 percent increase in the town's population. The per capita increase in municipal revenues is 800 percent over the study period, from \$900 in 1980 to 1995's almost \$7,000. This per capita revenue increase is much too large to be explained by inflation. Per capita municipal revenues did not increase as much as total municipal revenues did, because of the high population growth rate. This is shown in Table Two.

Pigeon Forge's expenses are financed through tourism, as is the case in Gatlinburg. Various local taxes are used to fund them, as well as fees to use services by various local establishments. The town's expenditures may be seen in Table Five. Total expenses were \$2,000,000 in 1980. Pigeon Forge expenditures increased 1,400 percent by 1995, matching the city's revenues.

In comparison, in 1980 Gatlinburg generated over four times as many revenues as Pigeon Forge. By 1985, Pigeon Forge's grew over 200 percent, so that Gatlinburg's revenues were slightly over double those of Pigeon Forge. By 1990 Pigeon Forge had expanded to produce a revenue 70 percent of Gatlinburg's. Pigeon Forge's revenue had grown by 1995 to equal 90 percent of Gatlinburg's.

The percentages of expenditures for the purpose of tourism were estimated by Gerald Hanson. They are shown in Figure Nine. The largest sum of money spent to serve tourism is for Pigeon Forge's Department of Tourism. This money goes directly for development and promotion of tourism. This item also holds the largest portion of its spending attributed for tourism, 100 percent.

Spending in each part of the local government increased between 1980 and 1985. The city hall was upgraded. Capital expenses also increased because more services were needed resulting from a new tourism industry. Waste collection spending due to tourism increased substantially. The fund which used the most money in 1985 was police. The police department had to be greatly increased to maintain the traditionally calm environment of Pigeon Forge amongst the new tourists.

The category of expenditures with the highest portion going towards tourism in 1990 is the Department of Tourism. This as well as other increases show how the town was dealing with the increasingly important industry of tourism. Roadway improvements also had a large sum of appropriations. General government spending increased this year as well, along with the police department.

Increases in appropriations were seen in 1995 as well. The largest portion

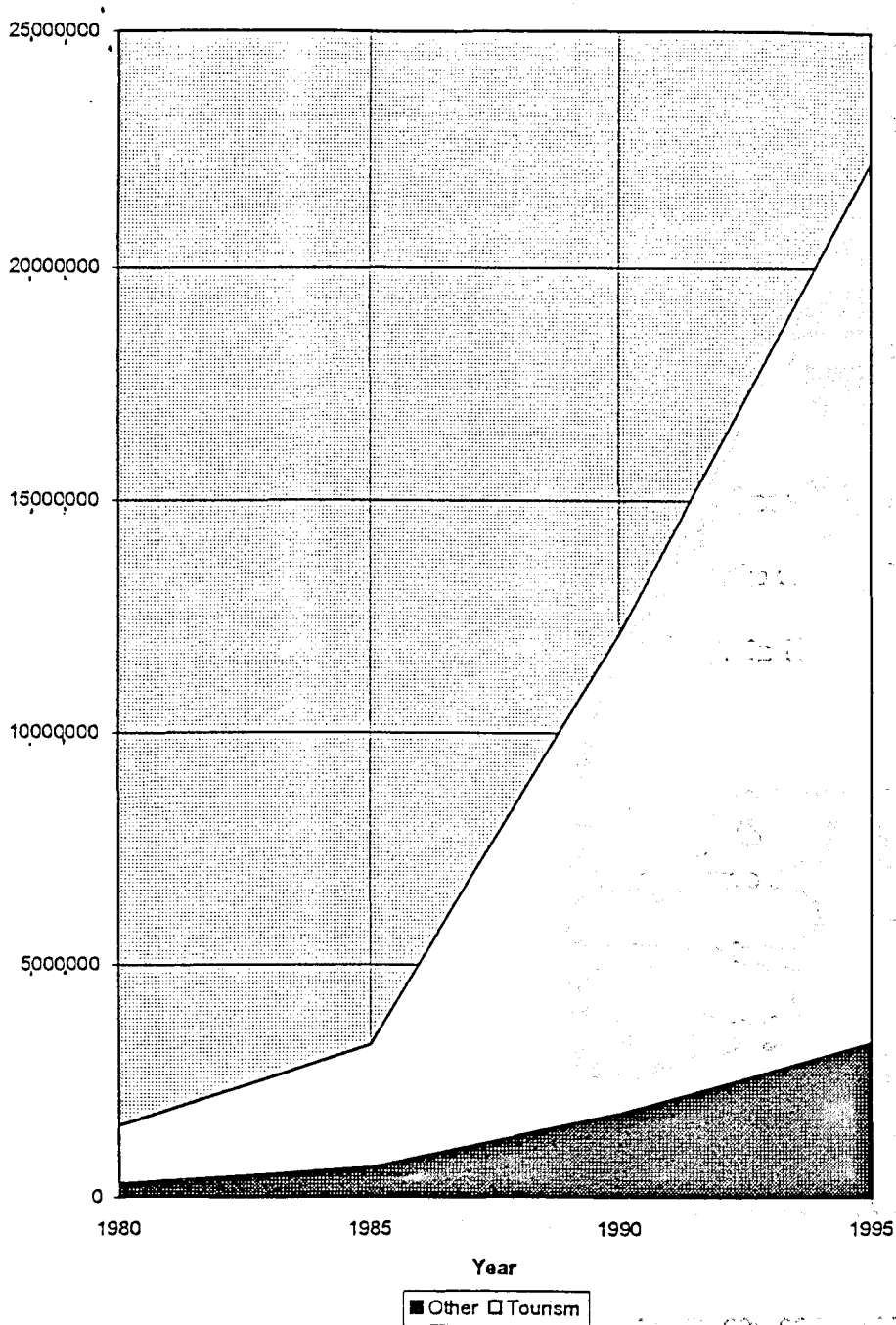


Figure Nine. Pigeon Forge Tourism and Other Expenditures.

Source: Gerald Hanson, Pigeon Forge Assistant Finance Director.

of spending being for tourism purposes was again the Pigeon Forge Department of Tourism.

Capital spending is directly related to the tourism industry in Pigeon Forge as a high level of infrastructure and governmental services is required. In 1980 capital expenses cost \$70,000. These projects were financed in the same manner as operating costs. The upward trend in capital spending is not constant because capital expenditures are made when necessary. Once a project is completed, the item may not need funding for some time. Capital expenditures are estimated for tourism and other in Figure 10.

Capital outlays doubled over 1980's capital expenses, show that the town is still developing its facilities and infrastructure necessary to handle the increased numbers of tourists. Capital expenses accounted for \$11,000,000 in 1990. In 1995 capital funding decreased to \$3,000,000.

Now that the budgets of both towns have been described they may be discussed and compared. In 1980 the town of Pigeon Forge's revenue was only 22 percent of Gatlinburg's. Gatlinburg's revenues were over three times as large as Pigeon Forge's. However Gatlinburg's population is 43 percent larger, and Gatlinburg does not have the available land to develop further as a tourism destination. Pigeon Forge on the other hand has plenty of room for development, and so is experiencing a trend of incredible growth.

In 1985 Pigeon Forge's revenues had increased to \$3,000,000, and had increased to 26 percent of Gatlinburg's \$13,000,000 revenue. In fact Pigeon Forge's

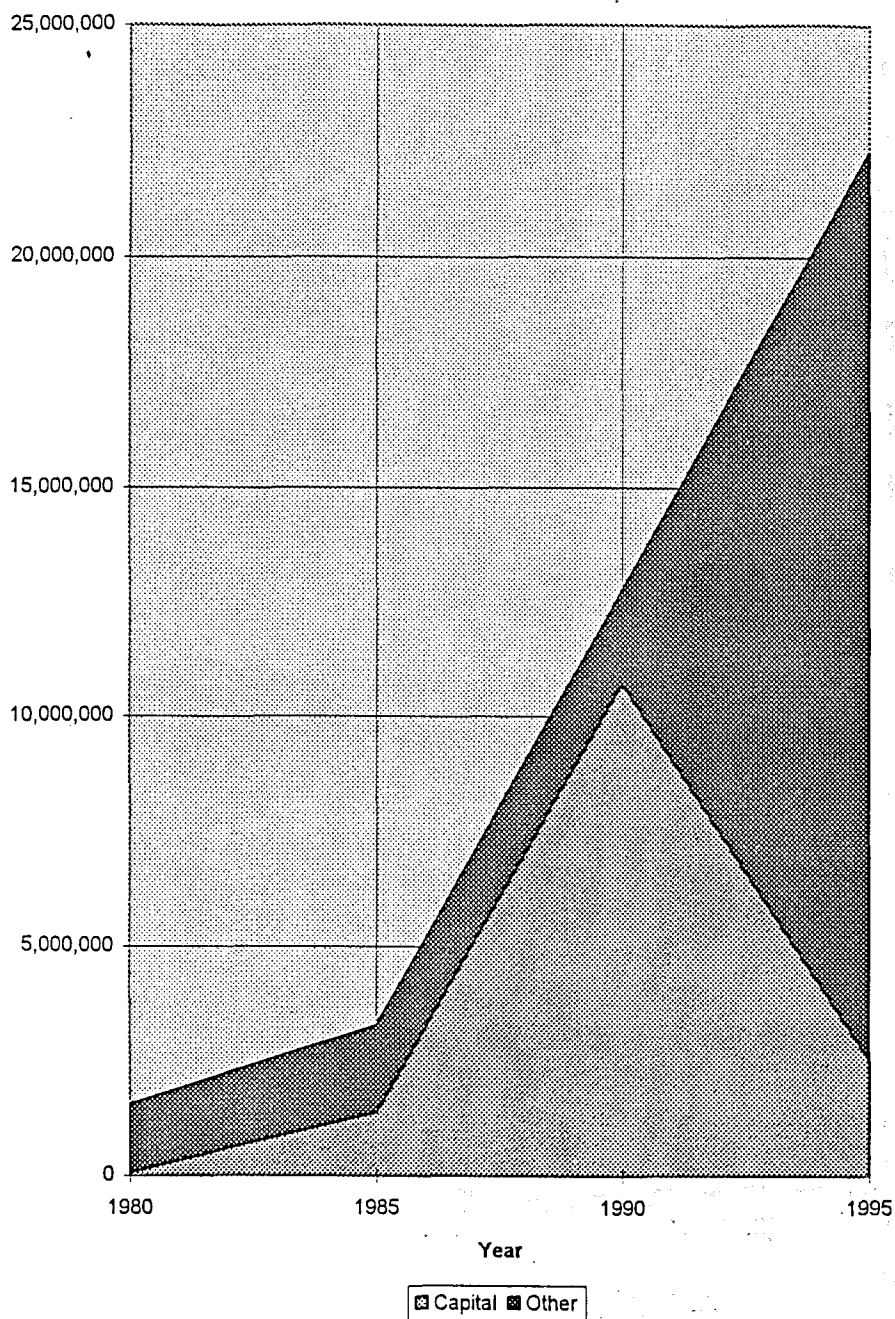


Figure 10: Pigeon Forge Capital and Other Expenditures.

Source: 1980, 1985, 1990, and 1995 Pigeon Forge Budgets.

revenue had more than doubled. Gatlinburg's revenue more than doubled as well. In 1990 Gatlinburg had a significant increase again, of 67 percent. Pigeon Forge's increase though was over three times its 1985 revenue.

By 1995 Gatlinburg experienced an increase in total revenue of 268 percent, up 20 percent from 1990. Pigeon Forge went through a 74 percent increase between 1990 and 1995, and had an increase of 1,400 percent since 1980. In terms of the towns' revenues, both towns are successes. Tourism has had a positive impact on both Gatlinburg and Pigeon Forge.

Retail Sales

The largest sector within the umbrella industry of tourism in the two towns of this study is retail. Comparatively measuring and analyzing it in both towns at different points in time will show part of the economic success of both towns. The U.S. Census produces a Retail Census holding information of this type, done every five years. Discussed here are the 1977, 1982, 1987, and 1992 Censuses. The 1977 Census is used to show more fully how the area has changed over time.

In 1977 neither town was of a population large enough to qualify for inclusion in the Census. Sevier County however was listed under "Statistics for Counties and for Cities with 2,500 Inhabitants or More." Total county sales in that year were \$124,000,000, from 600 establishments. Within the county no geographical separation is made. Table Six shows this year as well as other study years.

Total retail sales in 1982 in Sevier County were \$230,000,000, an 85 percent increase in sales in five years. Almost 700 establishments were responsible for this.

The population of Gatlinburg had increased enough by this year for its inclusion in this statistical display. Gatlinburg housed 260 establishments, which produced a sales figure of almost \$70,000,000.

The number of establishments in Gatlinburg had lessened in 1987 to 230. The sales however did the opposite, responsible for \$83,000,000. While the establishment number decreased by 12 percent, sales increased by 19 percent. Sevier County claimed total sales of almost \$400,000,000, an increase of 34 percent. The establishments bringing in this money were 620 in number, a slight decline like that of Gatlinburg.

In 1992, the most recent year the Retail Census was conducted, Sevier County experienced sales of almost \$700,000,000. This is a larger increase, of 48 percent. Eight hundred establishments are responsible for this. Gatlinburg's almost 300 establishments garnered sales of \$110,000,000, an increase of 27 percent. This total increase is larger than that of the last five-year span. The change over the study period for Gatlinburg as well as Pigeon Forge and Sevier County may be seen in Figure 11.

Pigeon Forge had a population large enough to be considered in the Retail Census of 1992. The town's 100 establishments produced sales of \$100,000. No comparison may be made of former years, for that information is unavailable.

The total number of establishments in Sevier County has increased by 25 percent in the 15-year span between 1977 and 1992. The sales occurring in this county increased by 81 percent though, an impressive amount. The increase in establishments

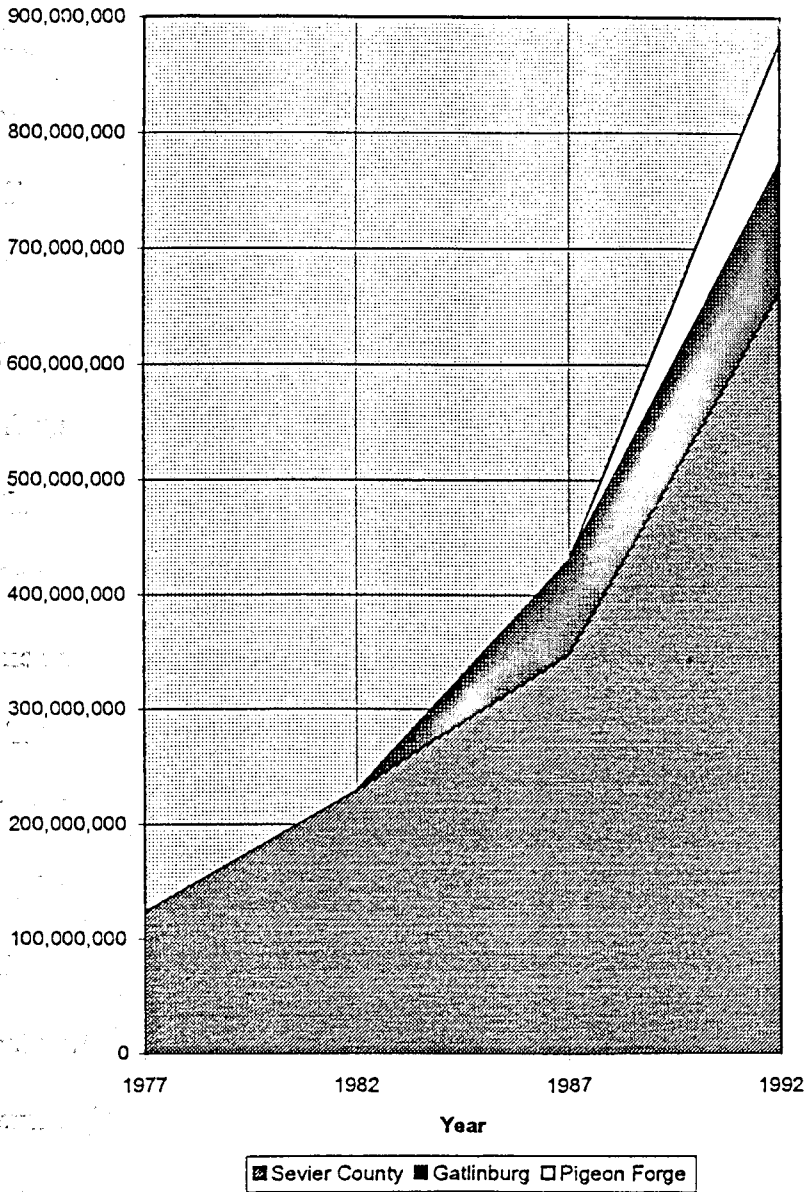


Figure 11: Retail Sales.

Source: 1977, 1982, 1987, and 1992 Census for Retail.

in Gatlinburg from the year data was first available to 1992 was only two percent. The increase in sales though was 40 percent. This shows that each enterprise has obtained a substantial amount of the total sales figure as well as the increase itself.

Pigeon Forge, while not large enough until the 1992 Retail Census edition was done, is nonetheless producing sales figures similar to those of Gatlinburg. In 1992 Pigeon Forge had a population large enough to be considered in the Retail Census. The town's 100 establishments produced sales of \$100,000,000.

Employment

Another way to assess the contribution of the tourism dollar in a tourism destination economy is through measuring employment. Tourism is labor intensive. The industry stands out among major industries in creating new jobs, resisting economic downturns, and providing a major source of jobs for local populations.

The labor force is comprised of both those who are employed and those who are unemployed, the latter defined as those unable to work but seeking employment. Tourism development affects both groups. Employment can be grouped into two major categories. Goods-producing jobs are in manufacturing, mining, agriculture, and construction. Service-producing jobs are becoming increasingly prominent today. Most tourism jobs are of this type. These jobs include trade, finance, transportation, government, and services. Most services are produced in local markets.

Either of these two types of jobs in this context are generally considered basic jobs. This means that industry is vital to the economic success of the community.

Tourism development creates a market attracting the need for goods and services. The

demand for jobs in many industries is increased through tourism (Muller, Thomas. Economic Impacts of Land Development, p.15-32).

Each of Sevier County's industries' employment is shown for the study period in Table Seven. The impact of tourism development can be seen in terms of employment. This information is on a county-wide basis, as no information is available for Gatlinburg and Pigeon Forge specifically. One must assume the effect of tourism on employment is the same throughout Sevier County. Also, each industry is not included in the Census for Covered Employment for Sevier County in each year.

The most significant industries in Sevier County throughout the study period in terms of employment are construction, retail trade, and services. Mining on the other hand is nonexistent in Sevier County. Construction jobs increased 1,000 percent between 1980 and 1995, as tourism development required a substantial amount of construction. Services, such as accommodations, restaurants, etceteras, accounted for a 2,000 percent increase in jobs over the same time.

Retail trade is another sector affected by tourism. It is the sector which has increased most drastically since 1980. The employment number has increased 2,300 percent in these years. Ten thousand, six hundred persons work in these jobs now as compared to 440 in 1980. The largest increase in job demand was seen between 1980 and 1985, when total jobs increased by 1,300 percent.

The dynamics which occurred between 1980 and 1995 can be seen in Figure 12. Each industry's portion of total employment in each year is shown as well as its change. The two smallest industries in terms of employment, mining and agriculture, are not

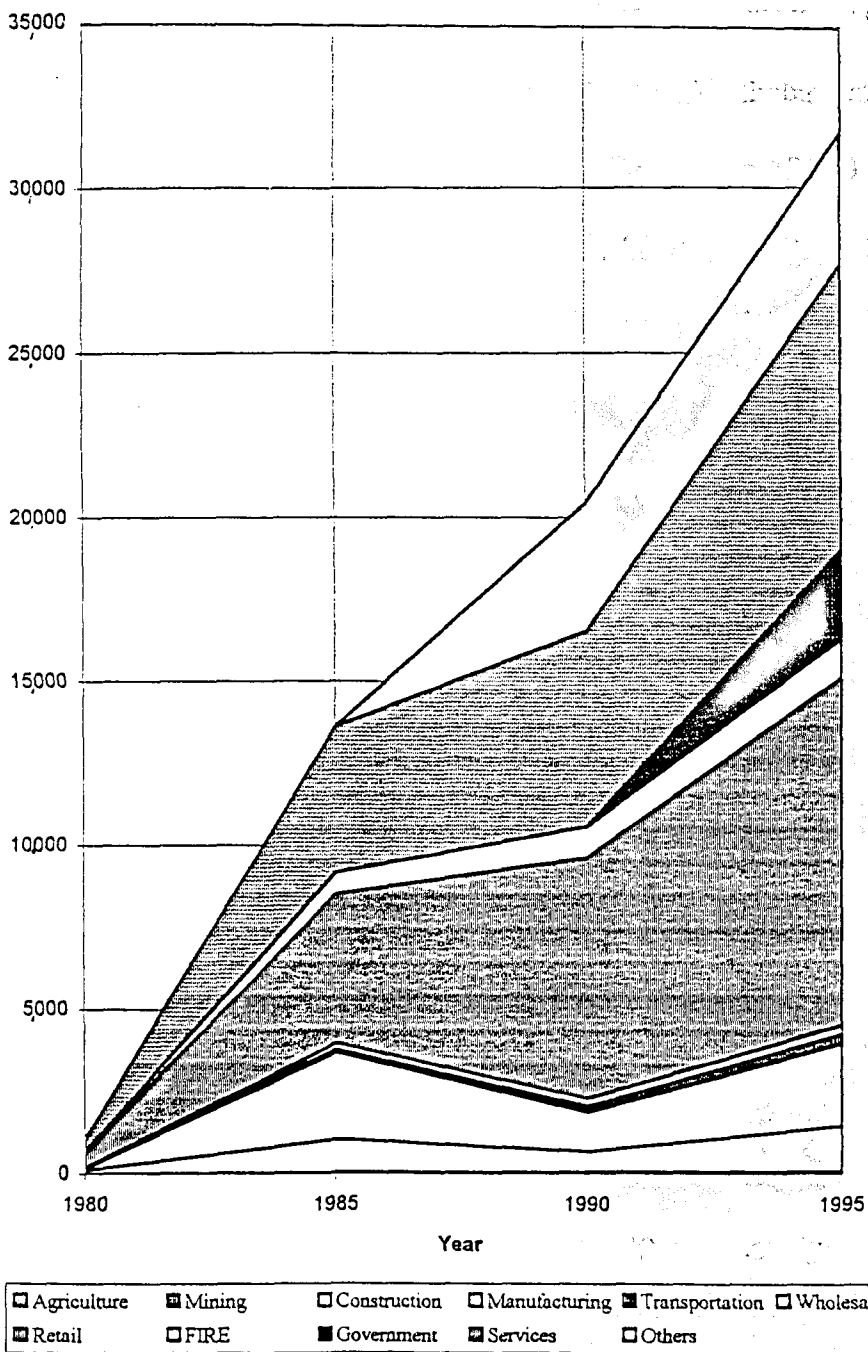


Figure 12. Employment by Industrial Classification.

Source: 1980, 1985, 1990, and 1995 Covered Employment by Industrial Classification.

listed in the legend of Figure 12, for their area of the graph is too small to be included here. Figure 12 shows that Sevier County has gone through enormous improvement in terms of employment.

Total labor force statistics may be studied for the two Census years of 1980 and 1990. This information is seen in Table Eight for residents of Gatlinburg and Pigeon Forge. The residential labor force of Gatlinburg in 1980 was almost 2,000. Of this figure 1,400 were employed, leaving 240 unemployed. The unemployment rate was 14 percent. By 1990 the unemployment rate of Gatlinburg was cut significantly, to nine percent. The unemployed numbered 170 in this.

The residential labor force of Pigeon Forge in 1980 was 880, as Pigeon Forge is a smaller town. Seven hundred sixty were employed, leaving 120 unemployed. This led to an unemployment rate of 13 percent. By 1990 the unemployment rate had decreased to eight percent. The number of unemployment was 130 out of a labor force of 1,600.

In comparative terms it can be seen that both towns experienced declines in unemployment rates between 1980 and 1990. Gatlinburg enjoyed a higher rate of decline, six percent. Pigeon Forge however posted a lower unemployment rate of eight percent. The employment numbers in both towns are very similar and show a positive trend.

The labor force in terms of total employment of Sevier County can also be seen, in Table Nine. This shows the persons needed in the area to provide the large number of goods and services necessary for the tourism industry in the county. Figure 13

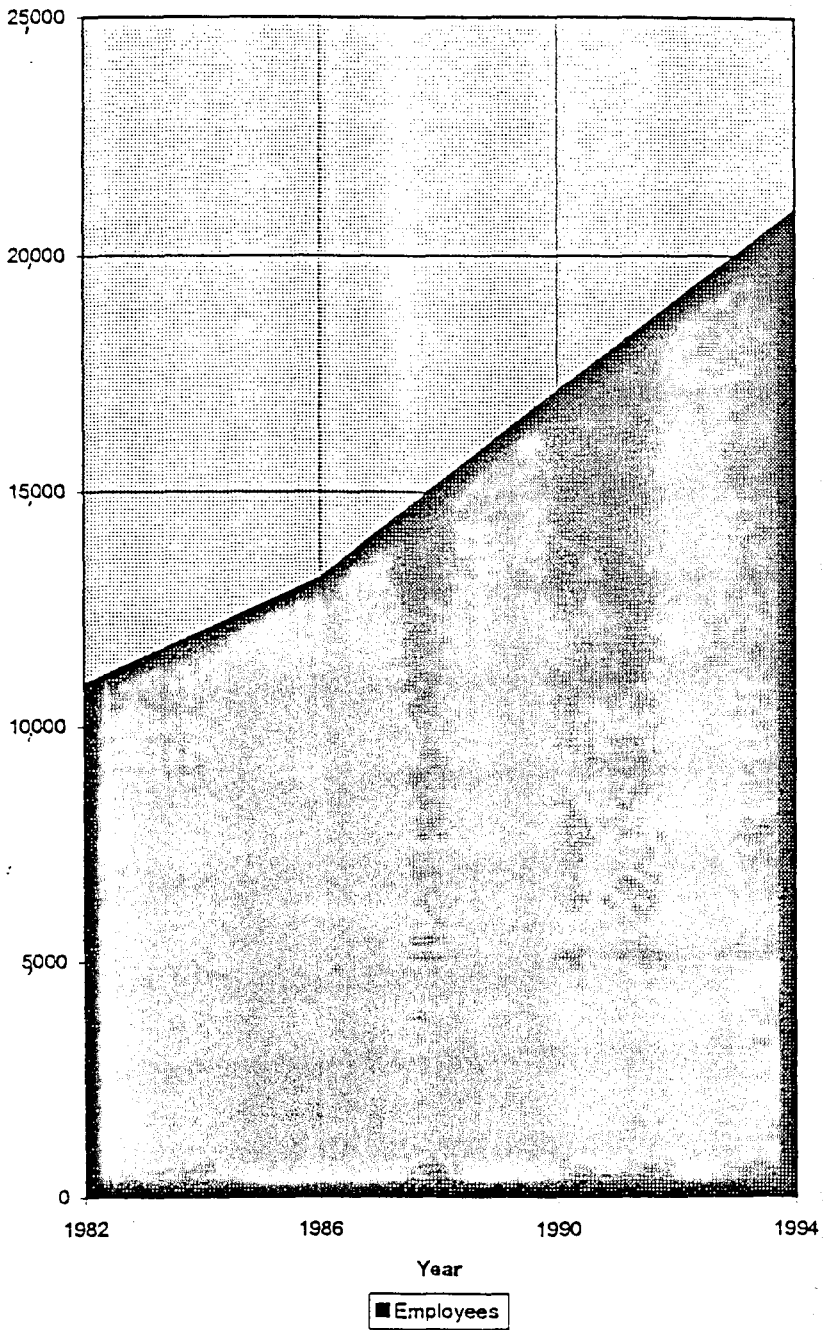


Figure 13. Sevier County Employment.

Source: 1982, 1986, 1990, and 1992 Census for Employment Characteristics.

shows the increase in total employment in Sevier County, from 11,000 in 1982 to 22,000 in 1994. A 90 percent increase was experienced in employment. This high demand for employment helped counties surrounding Sevier County, for daily trips to Sevier County for work is not a problem, and jobs are plentiful.

The unemployment rate decreased sharply in both towns over the time between the two Censuses. Gatlinburg had more of a decrease in the unemployment rate between 1980 and 1990, the decrease being 40 percent. Pigeon Forge experienced less of an unemployment problem, however, it's unemployment rate being smaller in both 1980 and 1990. Whether this small difference is enough to be recognized is questionable. Both towns seem to be following the same trend in terms of employment.

A final method to analyze development of the tourism industry in Gatlinburg and Pigeon Forge in terms of employment is to study the commuting patterns in the study area. Both in-commuting and out-commuting was analyzed. Here again information is available only for the entirety of Sevier County; so the two towns may not be compared (as shown on Table 10).

In 1980 four counties were most significant in terms of commuting patterns both by Sevier County residents out to work and residents outside of Sevier County commuting to work inside the county; they are: Blount County, Cocke County, Jefferson County, and Knox County. An interesting note here is that these counties along with Sevier County make up the Knox County MSA. The most residents leaving Sevier County for work went to Knox County, 3,600 persons or 80 percent of total workers working outside Sevier County. Cocke County housed the largest number of

workers commuting into Sevier County for work. Cocke County in-commuters numbered 490 or almost 40 percent of total Sevier County in-commuters.

In terms of out-commuting in 1990, the counties are even ranked in the same order in terms of persons commuting out. The largest amount of in-commuters is again from Cocke County, numbering 1,500 or 41 percent of total in-commuters. From 1980 to 1990 those commuting into Sevier County for work increased 170 percent, while out-commuters increased only 40 percent. The number of available jobs is increasing in Sevier County.

Employment has definitely increased since 1980, and the unemployment rate has decreased. Mrs. Teater, City Manager of Pigeon Forge, explains why the unemployment rate, while above the state average, is not a problem because many jobs are taken by college and high school students. When school season starts, these students in both towns are classified as unemployed, but they would not be able to work anyway. Many seasonal jobs, she said, are taken by students.

The analysis of employment in Sevier County has shown good results. Employment growth is shown in the county, and trends in different industries are shown. Work commuting patterns throughout the study period show that the number of jobs in Sevier County is of such magnitude that persons from surrounding counties are needed to fill positions to provide for the large number of tourists here. In terms of unemployment the trend is favorable. While Gatlinburg and Pigeon Forge may not be compared here, each town's level of growth is different; it suffices to say that both towns are enjoying tremendous employment growth and unemployment decline.

Wealth

Property Value

Real property represents the dominant share of all personal tangible assets and a substantial portion of all personal wealth in the nation. Development substantially affects the real property component of wealth. New commercial construction changes the value of existing property, and affects the wealth of property owners. Such changes, like new employment opportunities are created through tourism development or increased revenues, can have a large fiscal impact on a community (Muller, p.121). Gatlinburg and Pigeon Forge are good examples of the positive effect tourism development has on land value.

Land value for all of Sevier County between 1985 and 1995 is viewed to get a sense of how the entire area is growing. Data from 1980 cannot be shown, for records before 1985, located at the Sevier County Courthouse, were lost when the building was renovated. Table 11 shows this. The county has not experienced any annexation during this period, so the acreage has stayed constant. The number of parcels has increased substantially though. Jetty Clabo, Sevier County Trustee, says this is because several farms have been sold and subdivided to add to the development parcel base. This has contributed to the increase in value, as the smaller developed property is worth more than the larger parcel which is undeveloped.

The total appraised property of Sevier County was \$900,000, in 1985. This increased 340 percent between 1985 and 1995. The total in 1995 of \$3,000,000 is impressive. Each component of total property value has increased as well. Land value

in particular has experienced a 370,000 percent increase between 1985 and 1995. The bulk of this increase is seen between 1985 and 1990; this time period saw an increase of 300,000 percent

The components of total property value in both Gatlinburg and Pigeon Forge have been obtained from each town's tax department. Appraised land is just that - the actual land. Improvements refer to construction on land, and person property is all commercial equipment, such as computers. The changes in property value may be seen in Figure 14.

Gatlinburg

Gatlinburg is entirely developed, and has been for some time; very little land is left vacant for new development. But this has not led to an end in rising property values. In 1980 total property value in Gatlinburg was \$190,000,000; this may be seen in Table 11. Total property value increased over 410 percent between 1980 and 1995 to \$771,000,000. This shows the fact that Gatlinburg having little available land for future development does not necessarily have a negative effect on land value.

Pigeon Forge

The growth rate of property value in Pigeon Forge is currently much above that of Gatlinburg. This is because Pigeon Forge is going through a significant developmental stage. So property value is increasing continuously.

In 1980 the total appraised value of property here was \$92,000,000. The change over the study period may be seen in Figure 14. Property value increased 546 percent between 1980 and 1995 to \$594,000,000. This large increase is due primarily

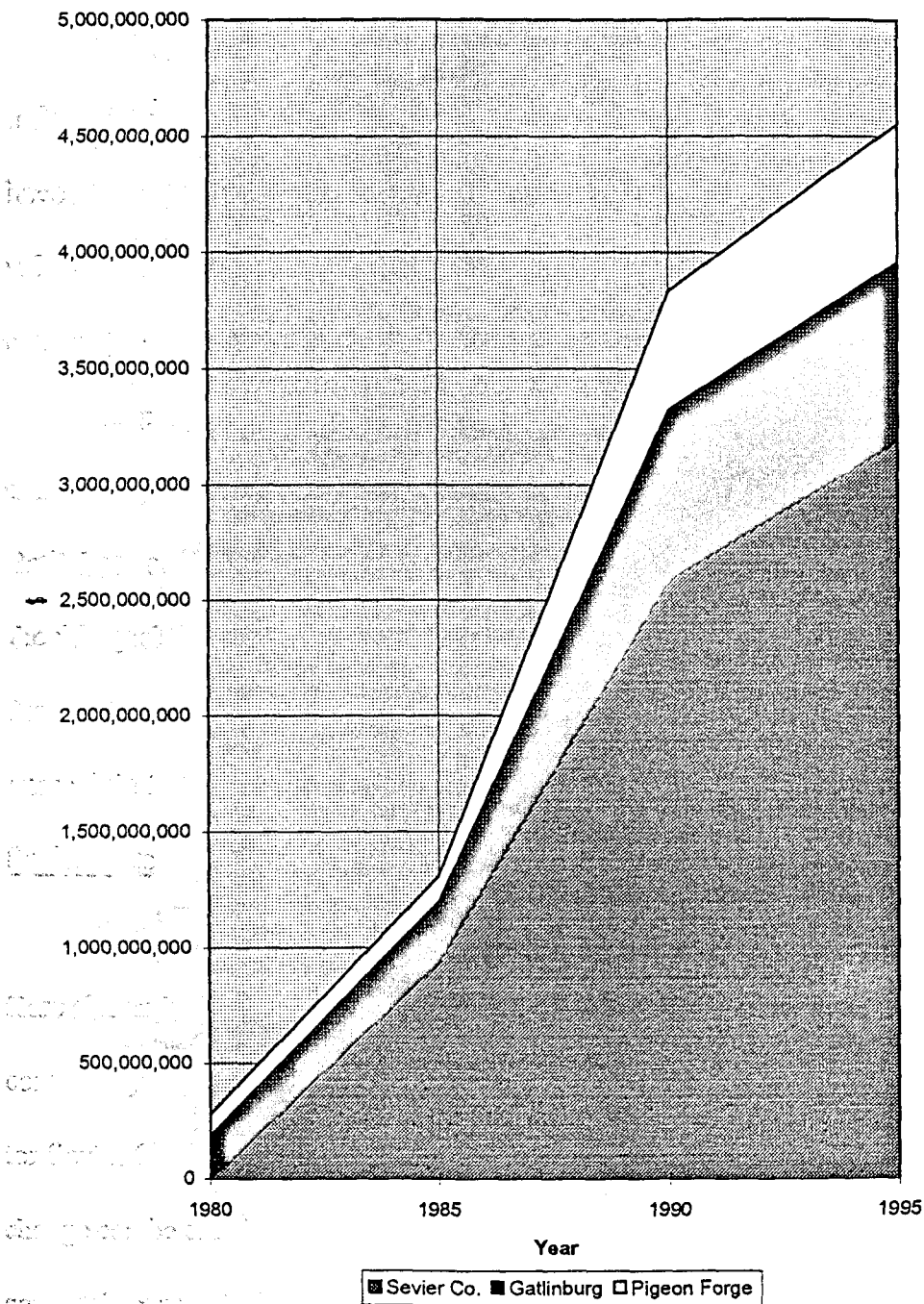


Figure 14. Property Value.

Source: Sevier County Trustee, Gatlinburg Tax Clerk, and Pigeon Forge Tax Clerk.

to the tourism business as well as the extraordinary amount of development which has occurred. The components with the greatest increase is Personal Property, with a 12,600 percent increase.

The largest increase described so far are in property value. As the tourism industry has developed, great increases in property value have occurred. Both towns have experienced a tremendous growth in value. Gatlinburg has a higher property value base than Pigeon Forge, but Pigeon Forge's property value is increasing at a faster rate, over twice as fast as Gatlinburg.

Property values of Gatlinburg have been higher throughout the entire study period. Pigeon Forge is catching up. Each year value is a higher percentage of Gatlinburg's. In fact at the rate at which Pigeon Forge's property value is increasing, it should equal that of Gatlinburg in the next few years. Gatlinburg's rate of growth is decreasing. So the trends are obvious, that Pigeon Forge is increasing at enormous rates while Gatlinburg decreasing.

Bank Assets

Another method of analyzing wealth in a community is by total bank assets. Here all residents and local businesses keep their funds. It follows that a wealthy community will have a large amount of bank assets. Bank assets have been obtained for Sevier County to show how they have changed over the 15-year study period. This change can be seen in Figure 15. The two towns cannot be compared fully in this context because Pigeon Forge is not large enough to be considered in each year's Tennessee Statistical Abstract.

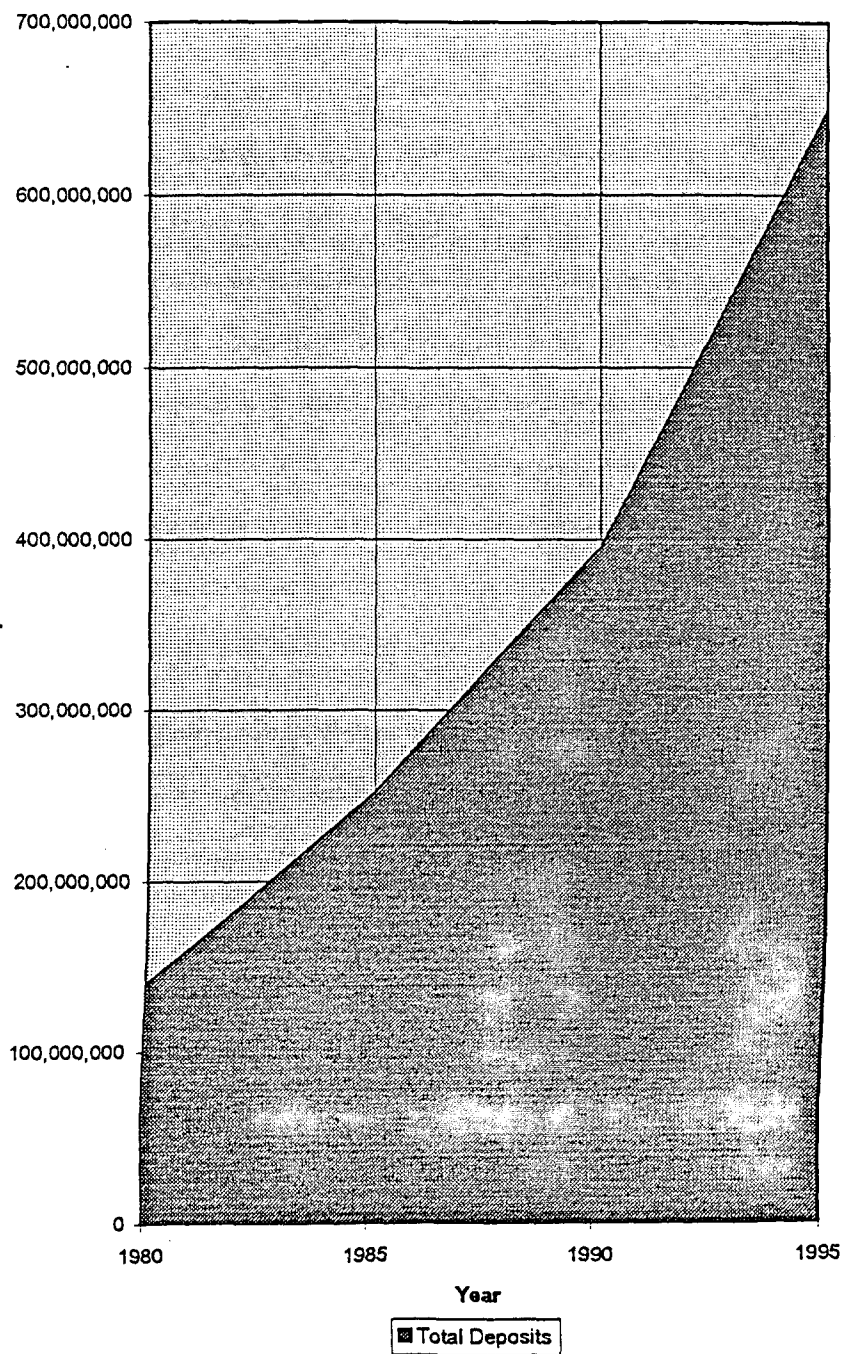


Figure 15. Sevier County Bank Assets.

Source: 1980, 1985, 1990, and 1995 Tennessee Abstract.

Bank assets are listed in the Tennessee Statistical Abstract for every Tennessee county as well as cities above a certain size. The wealth found in bank assets is shown in terms of total bank deposits.

Bank assets of Sevier County went through a substantial increase between 1980 and 1995. The total assets of \$140,000,000 in 1980 increased 464 by 1995, to \$650,000,000. A large amount of activity had to have generated an increase of this amount. As tourism is Sevier County's basic industry, it must accounts for this growth.

The increase in bank assets between 1980 and 1985 was significant, 80 percent. The World's Fair occurring during this period was a partial cause in this sizable increase. Bank assets expanded a lesser amount from 1985 to 1990. A 57 percent increase in five years is not a small amount.

Bank assets have also been analyzed in per capita terms. In 1980 total bank assets can be divided into per capita assets of \$3,400 in a Sevier County population of 41,000. This was also done in 1990 where Sevier County's population increased 23 percent to 51,000. Bank assets had increased 282 percent during this span, and per capita bank assets amounted to \$7,700. This is an increase of 229 percent, 106 percent larger than population's increase. See Table 12 for bank assets in terms of total deposits.

Bank assets exhibit a huge increase, as does property value change. Both measures of wealth show that Sevier County has experienced substantial economic growth. According to these measures tourism has had an incredibly large economic effect on the area.

CHAPTER V

CONCLUSION

After analyzing different measures of economic impact of tourism in Gatlinburg and Pigeon Forge, the conclusion must be drawn that tourism has primarily had a positive economic impact on both towns. Every economic measure used to analyze Gatlinburg and Pigeon Forge in terms of tourism shows that tourism contributed to positive growth.

The revenues generated through tourism in both Gatlinburg and Pigeon Forge were impressive. Gatlinburg had the highest revenues. Pigeon Forge though had the highest rates of increase. While both towns are doing well, Pigeon Forge is doing better in terms of growth rate.

Success is seen in terms of retail sales as well. Sevier County in fact enjoyed a 436 percent increase in retail sales between 1977 and 1992.

Economic success can also be seen in terms of employment. Over the 15-year span the towns' diversity has increased; this has increased job opportunities. Also, as employment increased, the unemployment rate decreased in both towns. Sevier County is a mecca for service jobs, as it is the only location in the Knox County MSA with services as a major industry.

Total property value has increased significantly. Again, while both towns experienced gains, Pigeon Forge's increases were much more substantial than

Gatlinburg's. Bank assets, the second measure of wealth, showed the same trend.

Sevier County's bank assets increased 364 percent during the study period.

The towns enjoy spectacular revenues, have seen high retail sales, and have experienced employment increases. Great wealth is also possessed by the towns' residents.

Gatlinburg is managing its tourism industry well. The atmosphere of a small mountainous town is present and kept alive, and tourists see it as romantic. Space for development however is continuously decreasing. A suggestion for Gatlinburg's future in terms of space is annexation, to help Gatlinburg continue to grow as a tourism destination. City annexation would help solve this problem. Much vacant land is available in the County outside Gatlinburg and Pigeon Forge. This resource should be taken advantage of in allowing Gatlinburg to expand in an appropriate manner. Gatlinburg could also benefit from tourism planning for future activities and tourism management.

Pigeon Forge is still in a position to play a pro-active role in tourism development planning. The Pigeon Forge Department of Tourism needs to play an increasingly prominent role in the town's decisions on development, so some form of order is realized. Regulations on signs and zoning would be helpful in establishing visual order in Pigeon Forge. This would be beneficial in developing an applicable image in Pigeon Forge.

Another suggestion is to create an additional link in terms of cooperative tourism between the three Sevier County towns: Gatlinburg, Pigeon Forge, and

Sevierville. While Gatlinburg and Pigeon Forge are known as vacation destinations, Sevierville has not gained that reputation. Many tourists drive through Sevierville in reaching Gatlinburg and/or Pigeon Forge. If they knew about Sevierville and stopped there as well, more money may be left in the county. Development of Sevierville as a tourism destination would also make a more attractive route to Gatlinburg and Pigeon Forge.

A final suggestion deals with both Gatlinburg and Pigeon Forge and needed transportation. Gatlinburg and Pigeon Forge are linked by only one roadway, U.S. 441. This road is heavily traveled and suffers from congestion especially during tourist season. The road cannot be substantially widened, because of topography. A method to lessen this level of automobile traffic and congestion is to expand the trolley system, connecting the two towns. The trolley could connect with Sevierville as well.

Gatlinburg and Pigeon Forge have a good future in that tourism, both towns' base industry, is doing well and should continue to do so. Gatlinburg is in relative decline, as opposed to Pigeon Forge's rapid growth. Pigeon Forge has anticipated a future of development. The town will experience increasing amounts of development for some time. The high level of development needs more direction and management.

Gatlinburg and Pigeon Forge are prime targets for future economic development. Travel growth demanded by the large number of tourists has led to four-lane highways into the area. Good transportation and the proximity to the interstate is seen as an asset by firms interested in locating there. Development of available office parks and industrial parks would be an added incentive.

The town's trend of diversification should continue and even increase. As mentioned, substantial infrastructure is already in place and both towns have good interstate access. As potential firms become aware of Gatlinburg and Pigeon Forge's assets, firms will increasingly locate there.

In the future both towns should experience growth related to the Knoxville MSA as well. Good transportation, infrastructure in place, and the close proximity to Knoxville should cause the area to undergo suburban growth. Persons working in Knoxville as well as other surrounding cities and counties will see this area as a nice place to live and will take advantage of it.

The substantial increase in terms of employment in many sectors and especially in the service sector has and will continue to necessitate enlarged infrastructure systems. Firms will be eager to locate in a place with easy interstate access as well as the necessary infrastructure already in place.

In preparing this thesis several areas were found in which future research could be conducted. First, only a small amount of information is available about how rural tourism helps the employment base. The tourism industry in Gatlinburg and Pigeon Forge has been successful in terms of employment; before the tourism industry was established job opportunities were limited. Now many persons have jobs there, and a diversified economy is demanding additional jobs.

Other types of impacts of tourism in Gatlinburg and Pigeon Forge would be of use to both towns. Information on affordable housing, educational level of the work

force, and quality of jobs when combined with this thesis would give a clearer picture of the economic effects the tourism industry has on Gatlinburg and Pigeon Forge.

Research on how to prolong the tourism season to a year-round basis would help both towns. Tourism is scant during winter and spring months. Methods to attract tourists in these months would be beneficial to both towns. In this way the number of tourists' visits would increase, and the town's revenue, retail sales, employment, property value, and bank assets would benefit.

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APPENDIX

Table 1. Gatlinburg Revenue, 1980-1995.

Revenue	1980	Change 1985 80-'85	Change 1990 85-'90	Change 1995 90-'95	Change 80-'95
Tax	3,147,301	3,947,683 25%	9,777,149 248%	13,159,624 35%	418%
License & Permits	149,300	396,755 266%	396,755 0%	706,062 78%	473%
Intergovt. Rev.	43,200	463,296 1072%	624,867 35%	1,163,738 86%	2694%
\$ and Property Ustr	559,438	849,157 52%	828,987 -2%	863,632 4%	54%
Service Charge	73,847	58,226 -21%	237,400 408%	270,062 14%	366%
Intrafund Transfers	2,711,284	3,514,756 30%	270,918 -92%	398,861 47%	-85%
Fines & Forfeitures			97,516	234,845 241%	241%
Other Revenues	178,601	3,323,474 1861%	22,150 -99%	957,846 4324%	536%
Utilities Revenue			845,978	1,921,823 227%	227%
State Street Aid			276,145	382,348 38%	38%
Parking/Mass Transit			634,867	819,676 29%	29%
School Fund			675,741	293,286 -57%	-56%
Conv. Center Debt Service			281,037	2,883,603 1026%	1026%
Comm. Center Donations				49,500	
Utilities Fund			2,926,329	4,537,181 55%	55%
Total	6,862,971	12,553,347 83%	20,934,899 67%	25,224,194 20%	368%

Source: 1980, 1985, 1990, and 1995 Gatlinburg Budgets.

Table 2. Per Capita Revenue.

Per Capita Revenue	Gatlinburg	Pigeon Forge
1980		
Population	3,500	1,822
Revenue	6,862,971	1,560,000
Per capita revenue	1,961	446
1990		
Population	3,417	3,027
Revenue	20,934,899	12,782,485
Per capita revenue	6,217	4,223
Change in per capita revenue, '80-'90	317%	947%
Source: 1980 and 1990 Census of Population.		

Table 3. Gatlinburg Expenses, 1980-1995.

Expense	1980	1985	Change 80-'85	1990	Change 85-'90	1995	Change 90-'95	Change 80-'95
General Government	3,901,402	5,681,871	46%	8,883,044	56%	12,170,776	37%	312%
Utilities	1,338,483	2,490,123	86%	3,948,343	59%	4,537,181	15%	339%
State Street Aid Fund		167,931		276,145	64%	382,348	38%	70%
Special Revenue/CIP Fund				3,214,444		1,921,823	-40%	-40%
Asset Forfeiture/Donation Fund						57,865		
Hotel/Motel Fund	937,398	1,641,687	75%	1,462,842	-11%	988,848	-32%	5%
Parking&Mass Transit Fund	294,560	541,400	84%	675,741	25%	819,676	21%	278%
School Fund		198,867		281,037	41%	293,286	4%	
Conv. Center Debt Service		69,500		2,193,303	31%	2,883,603	31%	
Community Center Donation Fund						49,500		
Solid Waste/Sanitation Fund						1,119,288		
Federal Revenue Share-Fund		53,042						
City Hall		1,708,926						
Golf Fund	391,118							
Total	6,862,961	12,553,347	83%	20,934,899	67%	25,224,194	20%	368%

Source: 1980, 1985, 1990, and 1995 Gatlinburg Budgets.

Table 4. Pigeon Forge Revenue, 1980-1995.

Revenue	1980	Change 1985 80-'85		Change 1990 85-'90		Change 1995 90-'95		Change 80-'95
Real Property Tax	145,650	162,000	11%	308,811	17%	360,610	17%	248%
Interest Penalty		4,000		4,000	-50%	2,000	-50%	
Payment in Lieu of Taxes				40,000			-100%	
In Lieu Tax-Electric	12,000	27,600	230%			120,000		1000%
In Lieu Tax-Natural Gas	4,500	13,200	293%	31,224	237%	70,000	224%	1556%
In Lieu Tax-HUD						4,826		
Local Sales Tax	287,850	1,100,000	382%	3,751,000	341%	6,829,395	82%	2373%
Wholesale Beer Tax						250,000		
Min. Business Tax	50,000	105,000	210%	250,000	238%	513,805	205%	1028%
Interest-Business Tax	100			600		650	8%	650%
Penalty-Business Tax	750	1,000	33%	2,600	260%	7,200	277%	86%
Special Gross Receipts Tax	267,000	550,000	205%	3,200	-99%	5,022,602	257%	1881%
Amusement Tax	100,000	220,500	221%	550,000	249%	1,114,413	203%	1114%
Excise Tax						6,794		
Cable Franchise Tax		6,800		5,000	-26%	15,000	300%	220%
Room Occupancy Tax	107,500	398,700	371%	1,054,000	264%	1,664,647	58%	1549%
Beer License		200		100	-50%	1,800	1800%	1800%
Mixed Drink Tax	3,000							
Alcoholic Beverage Tax	600							
Building & Related Permits	5,200	13,000	250%	20,000	54%	53,000	265%	1019%
State Grant-Trolley						53,000		
State Grant-Trolley Operation						360,000		
Federal Grants (HCRS)	50,500							
Other Federal Grants	2,500	50,000	2000%					
State Sales Tax	36,000	260,000	722%	2,400,000	923%	4,128,270	72%	11467%
State Income Tax	5,800	6,500	12%	22,000	338%	17,572	-20%	303%
State Beer Tax	120,000	173,000	44%	175,000	1%	1,650	-99%	-99%
State City Streets & Transporta	8,650	7,000	-19%	8,000	14%	8,475	6%	-2%
State Sanitary Landfill	850							

Table 4 (Continued)

Revenue	1980	Change 1985 80-'85		Change 1990 85-'90		Change 1995 90-'95		Change 80-'95
Gross Receipts-TVA	2,400	8,500	254%	15,783	86%	16,793	6%	700%
Grants from Local Units		6,000		6,000	0%	9,000	50%	
General Government Charges				150,000		259,300	73%	
Duplicating Services	400	800	100%	750	-6%	9,500	1267%	2375%
Commission-Vending						2,000		
Clerks Fee-Business Tax	970	1,700	75%	2,800	65%	5,000	79%	514%
Accident Report Charges	500	850	70%	1,000	18%	2,800	280%	560%
Emergency Ambulance	2,500	5,000	100%	5,000	0%	9,000	80%	360%
Street & Maintenance Contract				41,817		63,848	53%	53%
Park & Recreation Charges		10,000		25,000	250%	50,000	100%	500%
Fines (State Dept. of Safety)						1,700		
Program Income	5,000							
Other Charges for Services	45,000	100	98%					
City Court Fines & Costs	16,000	15,000	-6%	75,000	500%	150,000	100%	938%
Drug Related Fines	2,000	7,500	375%	25,000	333%	30,000	20%	1500%
Court Fines (county)				250,000		5,000	90%	90%
Friends of GSMNP						5,000		
Interest Earnings	7,000	87,000	1242%		-100%	500,000		7143%
Rents & Royalties	2,500	1,500	-40%		-100%	351,700		14068%
Sale of Land	60,000	46,000	-23%	33,000	-28%			
Sale of Materials	3,800	7,000	84%	15,000	214%			
Sale of Notes	200,000					20,000		-90%
Miscellaneous Refunds	1,500							
Sale of Oper. Reve. (Trolley)				95,000		150,000	58%	58%
Total Estimated Revenue	1,560,000	3,296,310	212%	12,782,485	388%	22,255,426	74%	1428%

Source: 1980, 1985, 1990, and 1995 Pigeon Forge Budgets.

Table 5. Pigeon Forge Expenses, 1980-1995.

Expense	1980	Change 1985 80-'85		Change 1990 85-'90		Change Change 1995 90-'95 80-'95		
Legislative	212,780	27,355	-87%	62,585	229%	289,000	462%	36%
City Court	1,850	3,100	68%	4,875	57%	10,075	207%	545%
Financial Administration	101,395	171,185	69%	357,370	209%	492,368	38%	486%
City Hall Building	13,445	27,300	203%	124,407	456%	69,700	-44%	518%
Other General Government	129,209	862,090	667%	5,598,767	649%	203,021	-96%	57%
Police	191,789	542,980	283%	1,420,000	262%	7,112,137	501%	3708%
Fire Protection & Control	12,364	56,565	457%	116,745	206%	2,558,901	2192%	20696%
Protective Inspection	21,165	72,950	345%	186,362	255%	353,151	89%	1669%
Highways & Streets	348,680	345,065	-1%	1,470,709	426%	1,383,353	-6%	397%
Waste Collection	83,482	175,725	210%	594,419	338%			712%
Park Administration		200,000		304,320	52%			52%
Department of Tourism	193,393	582,000	301%	1,548,547	266%			801%
Dept Service	248,468	229,995	-7%	87,598	-62%	1,727,231	1972%	695%
City Garage				244,270		359,940	47%	47%
Public Transportation						918,742		
Park & Recreation						578,873		
Tourism						5,015,809		
Special Events Department						438,897		
Tourism Development Agency						275,950		
Public Works Building&Ground								
Total	1,558,020	3,296,310	212%	12,120,974	368%	22,255,426	84%	1428%

Source: 1980, 1985, 1990, and 1995 Pigeon Forge Budgets.

Table 6. Retail Sales.

Place	1977	Change 1982 77-'82		Change 1987 82-'87		Change 1992 87-'92		Change 77-'92
Sevier Cou	123,915,000	229,382,000	85%	348,358,000	52%	663,636,000	91%	536%
Gatlinburg				83,113,000		113,232,000	36%	
Pigeon Forge						102,646		

Source: Statistics for Counties and Cities with 2,500 Inhabitants or More.

Table 7. Sevier County Employment by Industrial Classification.

Industry	1980	Change		Change		Change		Change
		1985	80-'85	1990	85-'90	1995	90-'95	
Agriculture	0	56		61	9%	105	72%	89%
Mining	0	0		0	0%	0%	0%	0%
Construction	117	989	845%	611	-38%	1,355	222%	1158%
Manufacturing	53	2,500	4717%	1,204	-52%	2,477	206%	4674%
Transportation	5	100	2000%	198	98%	314	59%	6280%
Wholesale	19	176	826%	228	30%	259	14%	1363%
Retail	435	4,556	1047%	7,339	61%	10,605	45%	2438%
FIRE	42	653	1554%	938	44%	1,182	26%	2814%
Government	20		-100%			2,734		13670%
Services	376	4,458	1185%	5,958	34%	8,903	49%	2368%
Others				3,911		3,941	1%	1%
Total	1,067	13,488	1264%	20448	52%	27,934	37%	2618%

Source: 1980, 1985, 1990, and 1995 Covered Employment and Wages, Sevier County.

Table 8. Gatlinburg and Pigeon Forge Resident Labor Force.

Type	Gatlinburg			Pigeon Forge		
	1980	1990	Change 80-'90	1980	1990	Change 80-'90
Civilian Labor Force	1,651	1,950	18%	875	1,562	79%
Employed	1,414	1,785	26%	759	1,435	89%
Unemployed	237	165	-30%	116	127	9%
Unemployment Rate	14.4	8.5	6%	13.2	8.1	5%

Source: 1980 and 1990 Censes, TN Department of Economic and Community Development Research Division.

Table 9. Sevier County Total Employment.

Employees	1982	1986	Change 82-'86	1990	Change 86-90	1994	Change 90-'94	Change '82-'96
Total Employees	10,917	13,179	21%	17,142	30%	20,972	22%	92%

Source: 1982, 1986, 1990, and 1994 County Business Patterns.

Table 10. Sevier County Commuting Patterns.

In-Commuters				Out-Commuters			
Place	1980	1990	Change 80-'90	Place	1980	1990	Change 80-'90
Cocke County	487	1,471	302%	Knox County	3,600	5,035	40%
Knox County	379	1,047	284%	Blount Co.	405	555	38%
Jefferson County	264	574	217%	Jefferson County	236	244	3%
Blount Co.	223	507	92%	Cocke County	96	135	41%

Source: 1980 and 1990 Census Inflows and Outflows, by Place.

Figure 11. Property Value.

	1980	Change 1985 80-'85		1990	Change '85-'90	Change 1995 90-'95		Change '80-'95
Sevier County								
Land Value		320,152		1,055,945,400	329826%	1,183,179,400	12%	369568%
Improvement Value		593,507,002		1,391,742,500	234%	1,857,288,300	33%	313%
Personal Property		20,434,792		138,430,986	677%	146,310,968	6%	716%
Total		934,094,763		2,586,118,886	277%	3,186,778,668	23%	341%
Gatlinburg								
Land Value	75,375,406	80,448,783	7%	337,060,300	419%	342,868,900	2%	455%
Improvement Value	112,135,627	168,308,670	50%	369,450,500	220%	405,574,100	10%	362%
Personal Property	713,787	902,714	26%	31,745,089	3517%	22,951,634	-28%	3215%
Total	188,224,820	249,690,167	33%	738,255,889	296%	771,394,634	4%	410%
Pigeon Forge								
Land Value	29,634,834	33,726,675	14%	217,957,500	646%	232,340,300	7%	784%
Improvement Value	61,968,437	72,755,038	17%	247,864,000	341%	320,143,200	29%	517%
Personal Property	327,735	429,566	31%	43,848,274	10208%	41,416,043	-6%	12537%
Total	91,931,006	106,911,279	16%	509,669,774	477%	593,899,543	17%	646%

Source: Sevier County Trustee, Gatlinburg and Pigeon Forge Tax Clerks.

Table 12. Sevier County Bank Assets.

Type of Wealth	1980	1985	Change 80-'85	1990	Change 85-'90	1995	Change 90-'95	Change 80-'95
Total Deposits	140,058,000	252,242,000	80%	395,362,000	57%	649,922,000	64%	464%
\$ Per Capita	3,382	4,011	19%	7,746	93%	11,441	48%	338%

Source: 1980, 1985, 1990, and 1995 Tennessee Statistical Abstract.

VITA

Heather Moore was born in Memphis, Tennessee on September 12, 1972. Her family moved around as she grew up. She went to public schools in Kingsport as well as Bristol. She graduated from Sullivan South High School in June, 1990. She entered Wake Forest University in August of 1990 where in May, 1995 she received the Bachelor of Arts in Political Science and Economics. She entered the Master's program in Urban and Regional Planning at The University of Tennessee, Knoxville in August of 1995.

During the summer of 1996 she took a study abroad trip to Portugal with the School of Planning and Architecture to perform economic development work. She is currently working for Tennessee Municipal Advisory Service.