

Healthy Investment: Recreation & Wellness Trends in the South



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June 2019

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Overview

Searching online for information on trail running, outdoor adventure or plant-based foods, one might be led to believe that the Colorado Rockies or Pacific Northwest have cornered the market on outdoor recreation and healthy eating. But, not including the South in your brand's growth strategy might mean you're literally missing the forest for the trees. This briefing gives a snapshot of the many ways southern states can help support the country's thriving outdoor sports and health food industries.

Key Findings

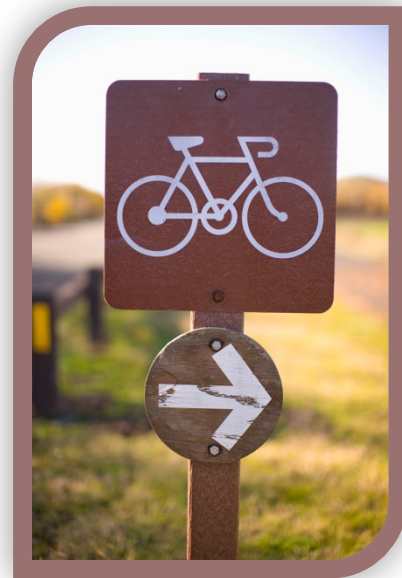
Think of the South, and visions of sweet tea, fried soul food and lazy days on the front porch may come to mind. But, statistics show the tide may be turning away from those stereotypes. These days, you're just as likely to find Southerners at a state park, a Whole Foods, or toeing the line at a local 5K or trail race.

Growth in Event Participation

While global road race participation continues to decline from its peak in 2014, Southerners appear to be bucking the trend, with more runners signing up for longer distances⁴. According to the Baton Rouge Area Sports Foundation, the Louisiana Marathon was the largest sporting event it helped facilitate in the area last year, having an estimated economic impact of nearly \$5.4 million¹². In addition, the Louisiana Bicycling Association, a member of USA Cycling, boasted an 11% increase in new members in 2018¹⁷.

More Runners Are Hitting the Trails

According to market research by manufacturer Salomon, 72% of all runners like to run in nature³, and the South is home to a multitude of beautiful trails, state parks and recreational areas. Less than two years after launching Q50 Ultras in 2013 to share his love of trail running in the New Orleans area, race director Cesar Torres saw participation double. At the time, Torres told Runners World his goal was to grow trail running in Louisiana, and, thanks to him, the State Parks are seeing more and more numbers. "Louisiana State Parks doesn't charge Q50 to host races within its boundaries, and they donate things like free stays at cabins in the parks for winners of the races."¹³



Trail racing is growing faster than ever. From 2006-2016, the number of trail enthusiasts in the U.S. grew from 4.8 million to nearly 9 million. In 1997, the American Trail Runners Association (ATRA) reported 76 confirmed trail races. By 2013, that number had grown to nearly 2,800¹⁶. The global Trail Running Shoes market is expected to grow at a compounded annual growth rate of 7.5% between 2019-2025⁹. The kids' Trail Running Shoes Market is anticipated to exhibit impressive growth by 2025⁸.

Investment in Recreation

Outdoor recreation is a driving force in the American economy, generating \$887 billion in annual spending and supporting 7.6 million jobs across the country¹. Public agencies and funding

support the Every Kid in a Park program, focused on getting millions of 4th graders and their families across the country to a state, national or local park, and then encouraging return visits throughout the year with a free entrance pass for federal sites. As part of this renewed focus on outreach and promotion, the outdoor recreation community is also placing greater importance on technology, developing and expanding outdoor mobile apps and broadband connectivity to reach out to a younger, more diverse, urban and technologically connected population¹.

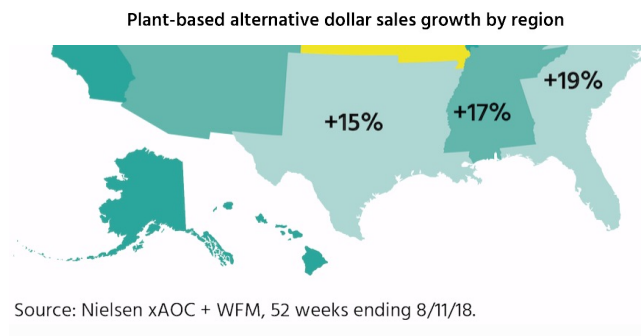
Several Southern states have announced new or continuing plans to invest in outdoor recreation. The FHWA Recreational Trails Program for Louisiana (RTPL) is a federal aid assistance program to help provide and maintain recreational trails for both motorized and non-motorized recreational trails use. Since 1995 RTPL funding has steadily increased funding and has supported trail development in 63 of Louisiana's 64 parishes. In 2017, the Rail-Trail Hall of Fame welcomed Louisiana's Tammany Trace, the state's first rail-trail and one of the first in the country supported by a landmark federal program enacted in 1991 that made it possible for federal transportation money to support walking and biking projects⁷. In neighboring Texas, the Parks and Wildlife Department recently approved six different grants totaling \$1,174,400 for various Northeast Texas Trail projects⁵.

Across the country, 29 states including Louisiana, Mississippi, Tennessee, Florida, North and South Carolina and Georgia, have adopted complete streets policies. These policies incorporate safe and convenient walking and biking into transportation planning as well as improve conditions and opportunities for walking and biking. In addition, Louisiana, Mississippi and Texas have implemented Safe Routes to School programs, Safe Routes to School programs to promote walking and biking to and from school by improving sidewalks, bike paths and street crossings¹³.

Healthier Plates

As more households are seeking healthier food options, the market for these products continues to grow. Consumer demand is shifting away from industrial-scale processed food in favor of healthier, more natural and/or organic options.⁷ Plant-based foods, for instance, are rapidly expanding well beyond vegetarian and

vegan consumers. Plant-based dollar sales are increasing double-digits in every region of the country, including the South⁷. This indicates that the shift towards plant-based is not confined to the coasts or urban areas, but instead is occurring across the country. From my own experience as I travel throughout the South, I've noticed a growing number of major chain health food stores popping up in nearly every major market. Whole Foods recently celebrated its 500th location by opening a 70,000 square-foot, multi-level store in Midtown Atlanta¹⁸.



Signs of Progress on Obesity

While there is still much room for improvement, several southern states are making progress in tackling health outcomes and present an opportunity for forward-thinking companies to engage on the front-end of a promising trend.

Many states are taking policy actions in schools and communities to address the issue of obesity. Arkansas, for instance, showed a more than 2% decrease in the rate of obese adults

from 2016 to 2017. Mississippi reported an 11.6 percent decline in the overweight and obesity rate among children in grades K-5 from 2005 to 2013. In Kentucky, obesity rates declined among 2- to 4-year-olds enrolled in Women, Infants, and Children (WIC) from 2010 to 2014. The rate of obesity dropped from 18.2% to 13.3%.¹³

As with obesity rates, several Southern states are taking action to improve diabetes outcomes. From 2016 to 2017, Arkansas decreased the percentage of adults with diabetes by 1.3%, moving the state's diabetes ranking from 4th to 9th. Florida saw a sharp decrease, from 11.8% in 2016 (11th) to 10.5% (24th).¹³

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