

KEEP COLORADO WILD

PRICING STUDY

Executive Summary

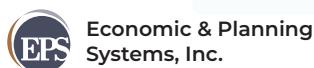


CHALLENGE

The **Keep Colorado Wild Pass (“Wild Pass”)** is intended to help CPW address the following challenges and opportunities:

- Provide a simple and affordable State Parks and public lands access pass to ensure that Colorado’s outdoors are welcoming and accessible to all, and that all users contribute to keeping Colorado wild.
- Ensure sufficient staffing and resources to manage and conserve Colorado’s 43 existing State Parks.
- Protect and educate outdoor recreationists through funding of search and rescue volunteers and supporting backcountry avalanche safety programs.
- Invest in the future of wildlife conservation and outdoor recreation.

Beginning in 2023, Coloradans will have the opportunity to purchase Wild Passes for their vehicles at the time of vehicle registration. Per SB21-249, the Pass will: 1) cost no more than \$40 (half the price of the current affixed-vehicle annual pass), 2) have a clear “opt-out” option upon registration, and 3) be available at a reduced price for income-eligible households.





This study is designed to provide insight into the optimal pricing for the Wild Pass, given the simultaneous goals to both drive revenues for parks and conservation and ensure equitable recreation opportunities for all Coloradans. To do so, this study uses survey data to estimate the willingness-to-purchase (WTP) the Wild Pass for one household vehicle, two household vehicles, and by demographic groups of interest.

SAMPLE: The analysis uses survey data from an online panel of 2,217 Coloradans who own at least one vehicle. These data were validated against the results of a mail survey of a random sample of 449 Colorado households. The data have been weighted on the basis of age, household income, race/ethnicity, and region of residence to demographically match Colorado households.

SURVEY: WTP was probed at six potential Wild Pass prices (\$14, \$19, \$24, \$29, \$34, and \$39). Respondents were randomly assigned an initial price point and asked how likely they would be to purchase the Wild Pass.

- We estimated WTP for one car in a given household by presenting a Wild Pass price, and then adjusting the price up or down based on their initial response:
 - If respondent accepted the initial price (probably/definitely would purchase), they were shown a +\$10 follow-up price.
 - If respondent rejected the initial price (probably/definitely would not purchase), they were shown a -\$10 follow-up price.
- To estimate WTP for a second car, respondents were presented with a Wild Pass price equal to their highest accepted first car pass price.
 - If respondent rejected (probably/definitely would not purchase) the initial second car price, they were shown -\$10 follow-up price.

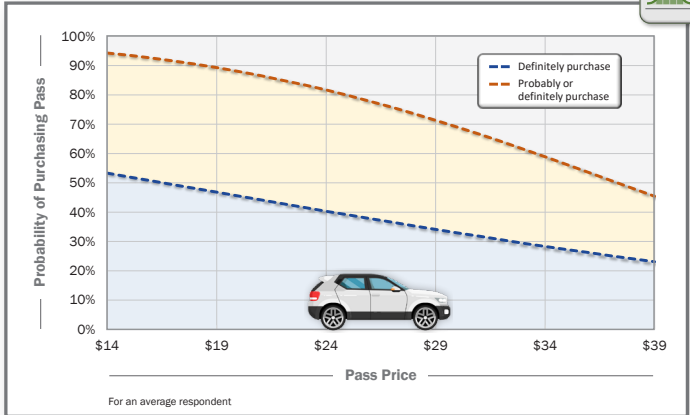
ANALYSIS: We used a series of regression models to estimate the effect of price on WTP, when controlling for demographic and behavioral factors. We then used model results to compute predicted probabilities of Wild Pass purchase. Finally, we used probabilities in conjunction with Census data to project revenues from Wild Pass sales at different price points. We have presented two levels of tested confidence in the following summary of results:

- **“Definitely would”** purchase at the initially presented price: A conservative estimate that is the least prone to bias.
- **“Probably or definitely would”** purchase at the initially presented price: An optimistic estimate (subject to hypothetical bias, where stated behavior may differ from real behavior).



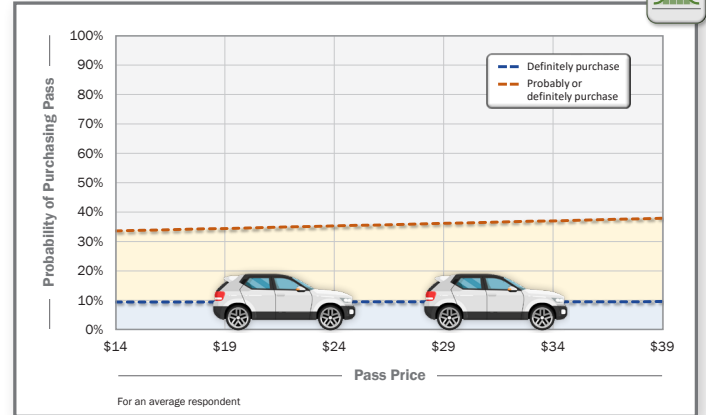
LIKELIHOOD OF PURCHASE

Probability of Purchasing a Wild Pass for One Vehicle



(If Would Purchase Pass for 1 Vehicle and Have 2+ Vehicles)

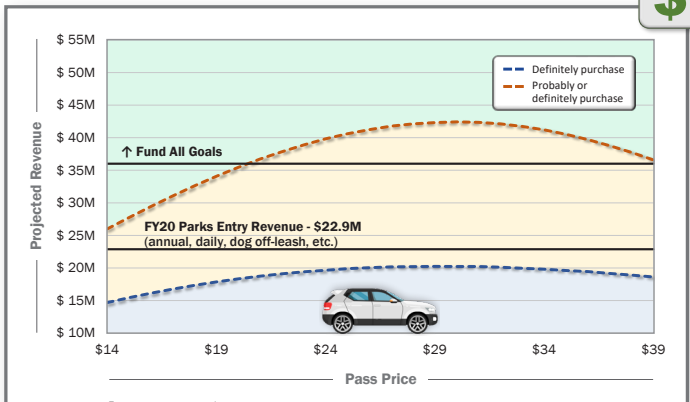
Probability of Purchasing a Wild Pass for a Second Vehicle



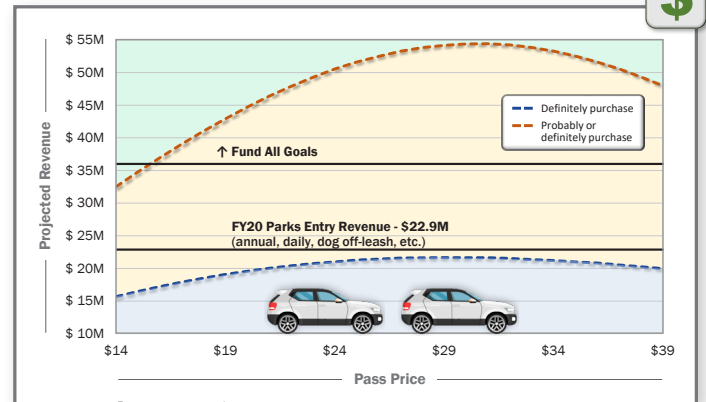
- For both levels of confidence, the probability of purchasing the Wild Pass for one vehicle decreases significantly as price increases.
- For both levels of confidence, the probability of purchasing the Wild Pass for a second vehicle is much lower than for the first vehicle.
- The price of the Wild Pass does not significantly influence the likelihood of purchase for a second vehicle. Instead, among those who would buy the pass for one vehicle, uptake for a second vehicle holds steady across price levels.

REVENUE & VISITATION IMPLICATIONS

First Vehicle Wild Pass Revenue



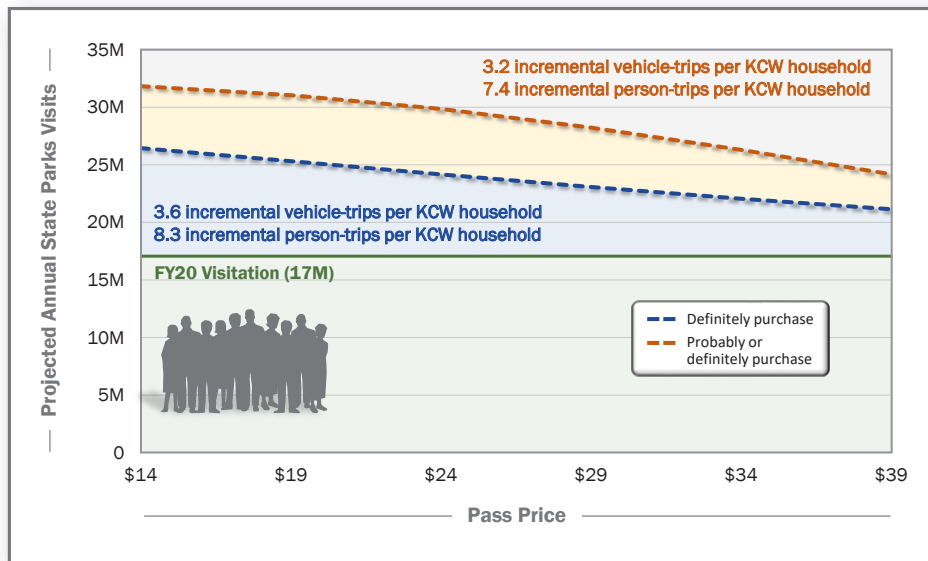
Cumulative Multi-Vehicle Wild Pass Revenue



- At the most conservative and unbiased level of confidence (“definitely would” purchase), first car Wild Pass revenue is projected to peak and plateau at approximately \$20 million, at Wild Pass prices of \$26 to \$32.
- Among “definite/probably” purchasers, first car revenue projections peak at similar Wild Pass prices of \$28 to \$32.
- When factoring in multi-car revenue (first car, second car, and extrapolations out to five cars), the most conservative estimate (“definitely would” purchase) peaks and plateaus at Wild Pass prices of \$27 to \$32 (with approximately \$22.5 million in Wild Pass revenue).

Note that the revenue projections above are for Wild Pass sales only. Projections exclude entry revenues from households declining the Wild Pass but using daily or other passes; entry fees paid by out-of-state visitors; and fees associated with other entry passes (dog off-leash passes, etc.). Additionally, the revenue projections exclude incremental State Parks revenues from additional camping, cabin, and other user fees and permits.

Projected State Parks Visits, Including Visits Stimulated by Wild Pass



- State Parks visitation is projected to increase significantly as Wild Pass holders are anticipated to visit the parks more frequently than they currently do.
- Anticipated visitation decreases as Wild Pass price increases (due to lower pass uptake).



KEY THEMES

- Controlling for all factors, likelihood of purchasing a Wild Pass for one vehicle decreases as price increases. Total Wild Pass revenue (at highest confidence level – “definitely would” purchase) occurs at pass prices of \$27 to \$32.
- There is high general interest in the pass, but lower certainty in definite future purchasing behavior.
- Wild Pass purchase rates for the second car in a household are likely to be much lower than for the first car.
- There are modest differences in WTP by income (higher income leads to somewhat higher WTP).
- WTP is markedly higher among residents with parks and recreation interests (e.g., higher familiarity and visitation of State Parks and other public lands).
- There are minimal differences in WTP by gender, race/ethnicity, or region of residence.