

# Economic and Social Impact of Tourism on a Small Town: Peterborough New Hampshire

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## ABSTRACT

*This study examined the perceived impacts of tourism on the lives of people from a small New England town. Twenty seven in-depth unstructured interviews were conducted. The study found that most people perceive both positive and negative impacts of tourism and do not want to change their town for increased tourism development even if it results in increased revenue. People recognized tourism's benefit to the town's economy but less so to their economic situation. Working locals expressed worry regarding the town's gradually polarized economy and divided social classes and regard tourism as one of the causes. Wealthier members generally view tourism at its present level as beneficial. For further tourism development Peterborough' population will need to solve this dilemma.*

**Keywords:** polarization, tourism development and consequence

## 1. Introduction

Studies on the impacts of tourism have shown that a destination's population recognizes economic and social benefits and costs of tourism on their community and lives [1,2,3,4,5,6,7,8,9,10]. Economic benefits are usually regarded as the most important benefits of tourism and include increased employment opportunities, income generation, tax revenue and improved standard of living [5,11,12,13,14,15,16]. Social benefits include the maintenance of traditional cultures, increased intercultural communication and understanding, improved social welfare, quality of life, improved shopping and increased recreational opportunity [7,15,17,18,19,20,21].

Economic costs of tourism include increased tax burdens by developing infrastructure used primarily by tourists, inflation, increased cost of land and housing, over commitment of resources and development budgets to tourism, immigration of labor and increased local government debt [5,18,19,22,23]. Social costs include increased crime rates, prostitution, friction between tourists and residents and changes in traditional cultures and host's way of life [5,6,7,14,19,24,25].

Studies have shown that different groups within a community may have different perceptions of the impacts of tourism on their community and lives. Haralambopolous and Pizam [14] examined a tourism destination on the Greek island of Samos and found that local

residents who were economically dependent on tourism had a more positive attitude towards the tourism industry than those who were not. Besculides *et al.* [26] studied how differently the Hispanic and non-Hispanic populations living along the Los Caminos Antiguos Scenic and Historic byway in southwestern Colorado perceived cultural benefits derived from tourism. While both groups recognized the value of tourism, Hispanic more than non-Hispanic residents felt that, while tourism can provide important cultural benefits to residents, care should be taken to preserve the distinct cultural atmosphere of the place. Dyer *et al.* [10] developed a structural model to describe tourism impact perceptions of residents in the Sunshine Coast, Queensland, and found that the perceived positive economic impact factor has the largest influence on residents' support for further tourism development. Additional factors affecting different groups' perceptions of tourism's benefits or costs include length of residency, extent of tourism development, residents' proximity to the tourism sites, the degree of dependency on tourism, the degree of community cohesiveness and/or local patriotism, age, gender, reasons for moving to the community, income, employment status, education, contact with tourists knowledge about the tourism industry type and the type of tourism at a the destination [16,27,28,29].

Today many communities are either establishing or expanding their tourism industry as a means of low environmental impact wealth and job creation. As such we need to better understand the attitudes and beliefs of the local population on the benefits and costs of tourism on their lives and community. In this paper we present the attitudes and opinions of Peterborough, New Hampshire's residents on the economic and social impacts of tourism on their lives and the town.

## 2. Impact of Tourism

### 2.1 Peterborough New Hampshire

Peterborough's tourism industry is based on nature and cultural tourism assets. Peterborough, population 6,100 [30], is located in the Monadnock region and is a one and half hour drive from Boston, Massachusetts. Peterborough's major industries are education, health, and social industry (696 employees), retail trade (including tourism related retail trade, 436), manufacturing (428) professional and management (311) and tourism attractions and products (124) (US Census, 2000). Peterborough's per capita income is \$26,154, above the region's average

(\$22,269), and its unemployment rate was 2.5%, lower than the region's 3.2% [30]. The major tourism attractions in Peterborough include MacDowell Colony, Mt. Monadnock and its local cultural assets and town atmosphere. Over 500,000 tourists visit annually.

Peterborough is in the process of deciding how and to what extent to expand its tourist industry. Its tourism infrastructure is limited, e.g. there are only two Bed & Breakfasts in town and no public transportation from other towns and cities to Peterborough. Downtown Peterborough has been preserved with care and has the feel of a classical "New England" town. The majority of the downtown stores and restaurants are medium to high-end in terms of price and product selections. Tourism in Peterborough is mostly day tourism. Peterborough was selected as one of "the coolest town in the U. S." [31].

### 2.2 Research Design

In-depth unstructured interviews were used to identify factors which affect residences' opinions and perceptions on the existing tourism industry as well as their expectations and anxieties of increasing tourism development [32,33,34].

**Table 1. Questions asked in interviews**

<p><b>Questions to all interviewees</b></p> <ol style="list-style-type: none"> <li>1. How do you feel about tourism in Peterborough?</li> <li>2. Why do you think tourists come to Peterborough?</li> <li>4. How do you think tourism affects Peterborough economically and socially?</li> <li>5. How do you think tourists affect Peterborough?</li> <li>6. Do tourists increase activities for local people?</li> <li>7. Do you have favorable or unfavorable opinion about tourism?</li> <li>8. How do you see the potential of tourism in Peterborough?</li> <li>9. How does tourism affect local people's lives economically and socially?</li> <li>10. Do you see a change in tourists and tourism over last few years?</li> </ol>	<p><b>Specific questions for local residents living less than 5 years</b></p> <ol style="list-style-type: none"> <li>1. What about Peterborough attracted you to come to Peterborough?</li> <li>2. Do you want to see tourism expanded in the future? How?</li> </ol> <p><b>Specific questions for local residents living more than 20 years</b></p> <ol style="list-style-type: none"> <li>1. How have you seen Peterborough change due to tourism?</li> <li>2. Are you satisfied with tourism in Peterborough?</li> <li>3. Do you want to see tourism expanded in the future? How?</li> </ol>
<p><b>Specific questions for industry interviewees</b></p> <ol style="list-style-type: none"> <li>1. How does tourism and tourists affect your business?</li> <li>2. How do you see your business 5 years from now in respect to tourism?</li> <li>3. How is your business going lately in comparison to 5 years ago?</li> <li>4. When is the busiest season?</li> <li>5. How have you tried to develop tourism in Peterborough?</li> <li>6. What percentage of your customers is tourists/local?</li> <li>7. Is housing market influenced by tourists in Peterborough How? (only for real estate)</li> </ol>	<p><b>Specific questions for local teenagers</b></p> <ol style="list-style-type: none"> <li>1. Would you like to live in Peterborough after you graduate from high school?</li> <li>2. Will you come back to Peterborough after you graduate from college?</li> </ol>

**Table 2. The perceived and anticipated impacts of tourism and tourists**

		Economic	Social/Cultural
Perceived impacts	Perceived positive (benefits)	* The town's economy in general * Increased options in restaurants and shops	* Social interactions * More diverse tastes in town
	Perceived negative (costs)	* Increased prices in restaurants and rent * Unsustainable employment	* Conflicts between tourists and locals
Anticipated impacts	Expectation (positive)	* Further tourism development may generate more options to shop and eat	* Tourism may increase social interactions.
	Anxiety (negative)	* Big box corporations may invade local small business opportunity. * Tourism may accelerate polarized economy.	* Tourism may accelerate polarized social classes.

Lepp (2007) pointed out that this method allows for the injection of new and often unexpected ideas. Hernandez *et al.* [32] said that the main advantage of in-depth unstructured interviews is that a better understanding of respondents' thinking and attitudes on key issues could be obtained than with structured interviews. Ten open ended questions were asked to all interviewees while additional questions were asked specifically to people in one or more categories (Table 1). Interviewees were informed that the information collected will be used only for this research and each person signed a confidentiality agreement. All interviews were recorded and transcribed verbatim. Answers related to economic and social/cultural perceptions were sorted as either: 1) perceived impacts which are what interviewees have already experienced and felt about tourism; or 2) anticipated impacts which are what interviewees assume will happen in the future (Table 2). The perceived and anticipated impacts can have both positive and negative responses. Each section contains four elements: perceived benefits, perceived costs, expectation, and anxiety. Thematic analysis was used for establishing and analyzing themes. The interviews were conducted in Peterborough during the summer 2007.

Purposive sampling technique was used for selecting interviewees. Peterborough's Chamber of Commerce helped to initially contact potential interviewees and later we contacted people via e-mail or direct contact. The interviewees were selected to represent seven residential categories (Table 3). To make interviewees as comfortable as possible all interviews were held either in the interviewees' work place or home. Twenty seven interviews were conducted with the time of interview varying from 24 minutes to one hour and 20 minutes with an average time of 40 minutes.

### 2.3 Themes from the Interviews

Peterborough's population has a very strong self and town identity. Most said that a main priority was maintaining a town for the comfort of the local population and not for tourists. "I don't think we are going to lose the character of the town. I don't think we are going to sell out because people care about the town" (Living more than 20 years, #2). Peterborough's quaint and cute "New England" atmosphere is a major draw for tourists. "I think Peterborough is attractive to tourists. We have old buildings, we have history... it's a beautiful town. It's got its own character... I think that's the big thing and we preserved New England flavor without selling out to big corporations" (Living more than 20 years, #4). "Peterborough is very cutie town for New England... tourists are looking for that cute New England town" (Recreation, #18). Most interviewees were aware of the importance of town planning and care how the town de-

**Table 3. The code number, gender and category of the 27 interviewees**

Code Number	Gender	Category
1	Female	Live 20 years or more
2	Female	Live 20 years or more
3	Male	Live 20 years or more
4	Male	Live 20 years or more
5	Female	Live 5 years or less
6	Male	Live 5 years or less
7	Female	Live 5 years or less
8	Female	Teenager
9	Male	Teenager
10	Male	Teenager
11	Female	Real Estate
12	Female	Real Estate
13	Male	Real Estate
14	Male	Recreation
15	Male	Recreation
16	Female	Recreation
17	Female	Recreation
18	Female	Recreation
19	Male	Retail
20	Female	Retail
21	Male	Retail
22	Female	Retail
23	Male	Hospitality
24	Male	Hospitality
25	Female	Hospitality
26	Male	Hospitality
27	Female	Hospitality

velops. "There is a real effort not to have big box stores and franchises...fast food places" (Real Estate, #13). Therefore large chain and box stores are not found downtown.

While several interviewees mentioned that the potential for tourism growth is limited "I think it's going to grow a little bit but I don't think it's going to grow a lot" (Hospitality, #25), others said that tourism can be expanded but how it is to be done is the key issue. "If it grows as a sustainable level with the town, go for it. If it stops being sustainable, if we have to change our character, then no. I think that is a concern for some people" (Living more than 20 years, #4). Several interviewees mentioned that the few overnight accommodations available for tourists in Peterborough are a problem for tourism's future development. "The thing is we have very few places for people to stay overnight. We need to have a place for people to stay overnight." (Real estate, #11). "I don't think tourism will increase greatly because again no place to stay" (Recreation, #17).

Twenty one out of 27 interviewees had an overall favorable opinion about tourism and tourists. "Favorable, I do. Though some of them are rude, generally, it's a good positive because it increases my sales" (Retail, #25). "They are interesting people" (Hospitality, #26). "For the most part, it's [having tourists] great" (Retail, #19). "I

think we get to like them because we don't attract obnoxious tourists... thoughtful people who are happy to be here" (Recreation, #17). "We love to see tourists. They bring a lot of money" (Real estate, #13). However some interviewees' did have negative attitudes towards tourism and tourists or could have if more tourists came. "Tourists are rude...they are usually inconsiderately rude" (Living less than five years, #6). "A lot of them are very nice but tourists from the larger cities can be very rude." (Retail, #25). "They were all dressed up and caked with makeup and they just sat here and pretty much downed the entire town of Peterborough... it was very unpleasant" (Retail, #25). "We don't have that many tourists and I guess that's why I've got a positive feeling about tourists. If this was a tourist destination that people were swarming in, I might not like it as much" (Retail, #20). Many local people have a stereotype of Peterborough's tourists as old, affluent and snobby who are from big cities. "They are mostly old people" (Real estate, #11). "We have this arrogance [of tourists] ...like New Yorkers working in finance and trying to get out of cities" (Hospitality, #24).

Many interviewees mentioned that the current balance between tourism and local peoples' lives is fine and believed that the point that local's feel that they are sacrificing their way of life for tourism has not yet been reached. "I don't think it hit that point [tourism intrudes on local people's lives] yet. I think we have a long way to go before we have to worry about that...as long as we can maintain the character of the town" (Living more than 20 years, #4). "Tourism doesn't go overboard like in some towns where tourists are there all summer and double or triple the population of the town" (Hospitality, #26). Several interviewees expressed a degree of indifference about tourism or its impact on either them or Peterborough. "[Tourist] doesn't bother me" (Teenager, #9). "I haven't thought about it much" (Living more than 20 years, #2). "It just seems not to have big impact...I am certainly not aware of tourism per se" (Living less than five years, #5).

## 2.4 Perceived Economic Benefits

Regardless of category, most interviewees perceived positive economic benefits of tourism. "Definitely helps" (Teenager #8). "Economically it affects local people wonderfully" (Retail #19). "Definitely tourism is a big factor in the economics of the town and is important" (Hospitality #26). "I think it's very important for the health of the community. Most of the businesses in town rely on it. They would not survive without tourists" (Recreation, #17).

Only a few interviewees mentioned that tourism created jobs in town. The reason may be that there are no mega tourism products in Peterborough which employ a

large number of people in a single business. Rather, most tourism businesses are small and employ few people and thus tourism may not be perceived by many locals as being an important job creator. One exception was "I think so [tourism increases jobs] because I think tourism develops the community. When I come back I may be able to get a job around here" (Teenager, #8).

Several interviewees mentioned new business opportunities generated by tourism with several interviewees in retail saying that they stock or develop specific products for tourists. "I think retail has to be part of that [opportunities generated by tourism] because shopping in the U.S. is a past time rather than a necessity. I think Peterborough has great opportunity for businesses" (Retail, #21). Interviewees also mentioned that a positive affect of tourists is increased options for locals for shopping, entertainment and restaurants. Their perception is that tourists contribute to sustaining local businesses which are also used by local people. "If there are no tourists, we would not have wonderful restaurants. I am not sure whether we would have seven plays [in a local theater] in a season if we could not depend on tourists. Businesses dependent on tourists such as restaurants and shops would not survive without tourists. It impacts the rest of us by having those things here in town and we don't have to go someplace else" (Recreation, #17).

Real estate agencies perceive a positive economic impact of tourists on their business. The more tourists who visit, "fall in love with" and decide to live in Peterborough, the more people are likely to purchase houses using these agencies. Interviewees from real estate agencies mentioned that people from outside tend to buy more expensive houses than locals. "Tourists are coming and bringing out of state money. Often make money in Boston or New York. These people are going to buy million dollar houses. That kind of money is nice to have come in" (Real Estate, #13). "They often come back again and again. Pretty soon they buy a second home and become a member of the community" (Real Estate, #11). "People buy second homes for summer or for skiing and love it so much and became primary residence. It happens a lot because this is fantastic place to live" (Real Estate, #13).

## 2.5 Perceived Economic Costs

Although interviewees spoke about the economic benefits of tourism and said that the negative impacts of tourism were still tolerable, several had a negative attitude towards tourism due to the economic costs of tourism to residents. One cost that many, especially younger, interviewees saw was price increases. "Tourism drives up prices" (Living less than five years, #5). Elderly interviewees or those with high paying jobs were less aware

of increasing prices. The high price of restaurants was often mentioned by interviewees as a consequence of tourism. "Some residents do suffer because restaurants are over priced. They can't go to restaurants. They can't go to a play. Very expensive. That's something people come from outside to go to. Local people can not go to these restaurants. Even though tourism is positive for the economy, it's bad" (Recreation, #18). On the other hand, some interviewees mentioned that the increased option of different restaurants is good for residents and the complaint that the prices of the restaurants are too high is not entirely valid. "I think that people who can not afford what we have here now could not afford what was here 10 years ago and I don't think restaurants are expensive... It's a complaint that I am not sure is valid" (Recreation, #17). "I think it's very balanced. I think there is a perception because of a few shops some people can't afford to go to and this is horrible...but that's life ...I mean I can go to a supermarket and buy beer in five different prices...it depends on where economically you are" (Living more than 20 years, #4).

Several comments regarding increasing housing costs and rents due to "outsiders" buying property were made by interviewees. "Housing cost is increasing dramatically" (Recreation, #17). "I was in an apartment up here before I got a house. That one went up from when I first move in and moved out...one hundred fifty dollars as soon as I moved out...another one hundred fifty a few months later. Three hundred increase in a year" (Retail, #19). "Honestly a lot of people can not even afford the rent any more around here. It is a stigma...you do not want to be known as not well off ...but there are people who are definitely not making a lot of money and live here. It's hard for people who work here to live here" (Living more than 20 years, #3).

Some interviewees emphasized that tourism creates jobs which are not sustainable, do not require professional skills and do not provide a sufficiently high salary to afford having a family. "I think that economically obviously...it's a double edge sword...everybody benefits to some extent...because it brings more lower level jobs here...people who take care of housing and landscaping" (Living less than five years, #5). "It creates unsustainable jobs...jobs that you can not really live on...live but you can not have a kid" (Hospitality, #24).

Interviewees mentioned that the closing of stores who catered to the needs of the local population only to re-open as businesses catering to tourists caused significant inconvenience when people need basic products. "There is a sacrifice which is some stores and some restaurants are changing towards serving tourists more than locals" (Living more than 20 years, #2). An interviewee in Peterborough for more than 20 years experienced his family business, a consignment shop which had second

hand furniture, having to close. "We had nice things and some antiques. We also had furniture and house wares and stuff. It worked really well for both tourists who are very interested in collectibles and people in low income range who just need new furniture. We shut down and moved around numerous times and the reason given by the landlords were 'this is not the attractive kind of business you want in this primary rental space because tourists come in here we do not want them to see this trash'. We have actually experienced having a business closed because it is not attractive enough to tourists even though we are serving needs [for locals]" (Living more than 20 years, #4).

While some interviewees mentioned that tourism was not an essential industry for the town's economy, others pointed out that Peterborough has been transformed into a town which can not be economically sustained without tourists; i.e. it has become tourist dependent. "If you go to Peterborough you can tell...there are fancy restaurants, which is very unusual for any other these [surrounding] small towns. Peterborough could not survive without that kind of influx" (Recreation, #18). "Economically, I think tourism is necessary. It's a small town...we need that influx of people" (Retail, #22).

## 2.6 Economic Expectations

The potential of tourism was frequently stated by the interviewees. Several interviewees mentioned that Peterborough is a unique and quaint New England town which satisfies tourists' expectations and preserving the town's traditions and cultures was recognized as important. "There is a lot of potential here" (Living less than five years, #5). "We want to preserve things we love. They need funding to keep going and tourism is the best option. Tourists just come and go and there is money left behind... in that sense it's really positive. ...as long as you know we don't try to become Disneyland" (Living more than 20 years, #4). "I think it will grow more because the town is so charming. And I think there are probably tons of little projects that I am not even aware of... I think the tourism industry becomes more and more. Definitely improve" (Recreation, #18).

## 2.7 Economic Anxiety

Several interviewees mentioned that they try to buy local in order to support local businesses and mega stores may reduce the town's individuality and uniqueness. They were worried that a heavy influx of tourists might change the local population's effort to buy local, and tourists and new residents would buy from cheaper "big box" stores. "Every town is losing its individuality. You could be in Nashua, New Hampshire or you could be in Phoenix, Arizona, and you're going to come out of an Applebee's, a Wal-Mart, a whatever. Some people love to travel and

say oh isn't this great I can go to Applebee's and I know what, what I'm going to eat" (Retail, #20).

## 2.8 Perceived Social Benefits

Interviewees mentioned that the social impacts of tourism were less important in comparison to economic impacts. "Socially I don't think it affects much. It's not a place people come for a week. They are either here for a day so we don't have much interaction or they are here for the whole summer and go within the community. There are very few bus tours" (Recreation, #17). "I don't know socially" (Teenager, #8). Most interviewees said that they believe interactions with tourists either do not happen or are limited to activities such as giving directions. "The only interaction I have seen is direction giving" (Recreation, #18). "I don't see that many people mingling. I mean there are conversations that go on in the store, directions given. It's a friendly town so everyone's willing to help anyone find anything or they want to know where to eat... I don't think that there is any large interaction between the people that live here all the time and tourists" (Retail, #20). However several interviewees stated that interactions with tourists can benefit local population. "I would mostly say social interactions... exposure to different ideas can help us" (Retail, #19).

Interviewees regard different tastes and diverse cultures that tourists bring as benefiting Peterborough. "Socially as well, because what we find is the more different kinds of people that come...the more we want to provide to their tastes,... like I find the people in Peterborough like a certain kind of cheese and then the tourists will want something different, so we learn from each other, we learn what they like" (Retail, #21). Real estate interviewees mentioned that tourists who purchase houses in Peterborough often reinforce what exists today. "I think that [people] often came as tourists [and] now become at least part-time residents. Part-time residents are just as involved as full-time residents. They tend to support what's already here" (Real estate, #11).

## 2.9 Perceived Social Costs

Although several interviewees mentioned that the belief that Peterborough is being overtaken by tourism is not yet pervasive among locals, negative feelings towards tourism and tourists were found. "Socially like I said it's only cost right now" (Living more than 20 years, #3). "Socially I think we all tend to feel a little intruded on sometimes" (Retail, #19). "People that I know here are generally annoyed by tourists. If not, a little bit hostile sometimes" (Recreation, #17).

Several interviewees, especially the younger generation, mentioned that due to tourism polarization was occurring between affluent people who earned money outside Peterborough and settled in Peterborough and

working class residents whose families have been in Peterborough for generations. Although tourism may not be the only reason for polarization in Peterborough, disparities in wealth among locals is real and interviewees emphasized tourism as one of the major reasons for economic and social polarization between the affluent and the working residents. An interviewee who works in a downtown restaurant said "Tourism caters to a high-brow affluent market. It is very expensive. I can not afford to eat there. As far as local people, always the same coming in, people who are white, relatively affluent. For those people identifying themselves as working class, it is really difficult. I think it (tourism) kind of polarized Peterborough economically because a lot of people who moved in are more affluent... They have already made money outside" (Hospitality, #24). "This town is kind of a unique mix...liberal affluent and working class in New Hampshire. But it is really like no middle class around here. And tourism kind of like ...tourism helps perpetuate this low wage class" (Hospitality, #24). Several interviewees equated tourists with affluent local people as they interchanged words such as "affluent people" and "wealthy locals" with "tourists". "There is a huge gap between the poor and the wealthier people. I think tourists in Peterborough really demonstrate this...They are richer people" (Recreation, #18). "People want to keep the town pretty...so that people driving along the highway see this nice little town and stop to spend money. So we are doing for tourism. But those places {fast food chains} are affordable, really affordable. A lot of people stretch their budgets" (Living more than 20 years, #three) Interviewees mentioned that tourists who first vacation and then purchase homes and become residents accelerate polarization. "I think more people, people who had come and decided to stay, make it worse" (Recreation, #17). "I think that most of the negativity existing in this town is the fact that there are a lot of people living from a lot of different social classes in this town. They don't really acknowledge the other people" (Recreation, #18).

No interviewee said that the crime rate was increasing due to tourism and views the type of tourist who comes to Peterborough as not likely to harm the town's security. "I don't know any security issues that have been raised" (Recreation, #18). "I don't believe there is increase crime rate in this town by tourism" (Hospitality, #25). "No. No. No. I don't think we draw such kind of crowd which increase crime rate to a quaint little village. I think a lot of activities you can do here appeal to an older sophisticated audience" (Living less than five years, #5).

## 2.10 Social Expectation

Some interviewees said that tourists who become new community members bring new ideas for the town's

management. "I think the town benefits from an influx of younger people" (Living less than five years, #5).

### 2.11 Social Anxiety

Several interviewees mentioned a degree of concern brought about by tourist/local population contact and that further tourism development may cause future friction between affluent locals/new comers/tourists and working class local people. Recreation #18 pointed out as local people do not interact among social classes, tourists who settle in Peterborough can only increase the polarization among economic classes.

## 3. Discussion and Conclusions

The goal of this study was to examine how local people in a small town perceive the impacts of tourism on their lives. In-depth unstructured interviews were conducted with people in seven categories of local residents. The study found that people in Peterborough perceive both positive and negative economic and social impacts of tourism. Most interviewees, regardless of group, have a strong attachment to their community and do not want to change their town for increased tourism development even if it results in increased revenue. They care how the town is developing. While the importance of the tourism industry for the local economy is recognized, they do not want Peterborough to be dominated by tourism. Although insufficient overnight accommodations were identified as hindering further tourism development, most people were wary of major infrastructure development for tourists which may negatively affect their way of life. A number of interviewees mentioned that the current balance between tourism development and local people's lives is acceptable and Peterborough has not reached the point that locals and their space are overwhelmed by tourists.

Interviewees can be divided into three groups whose attitudes can be summarized as: 1) tourism industry people: we need tourism for our businesses but personally have very little interest in it; 2) affluent locals: tourism is fine if it does not change our town but improves our quality of life; and 3) working locals: tourism contributes to creating a polarized economy and divided social class.

Although tourism industry people see both the positive and negative economic impacts of tourism on their businesses, they perceived the positive as larger than the negative. Jurowski *et al.* [4] found that the potential for economic gain has a direct and positive affect on resident support for tourism and influences the way residents evaluate the impacts of tourism. Similar results were found by Milman and Pizam [35], Davis *et al.* [36], Ap [12] and Prentice [37]. When interviewees from the tourism industry were speaking as locals, they spoke about the negative impacts of tourism in the same way as other locals.

Local non-industry people perceive both negative and positive impacts from tourism with the positive impacts mostly related to improved quality of life for the wealthier locals and some economic improvement overall. Allen *et al.* [38] found that positive tourism development is perceived as primarily economic and not quality of life by local populations and discussed correlations between community economic activity and tourism development which influence residents' attitudes toward tourism development in rural areas. They concluded that communities with low tourism development and low economic activity as well as communities with high tourism development and high economic activity are most favorable toward tourism development. Conversely, low tourism and high economic activity communities as well as high tourism low economy communities do not have favorable views on tourism. Peterborough can be regarded as being a high economic active but low tourism community as the town has a well diverse economic base of which tourism, while important, accounts for just over 5% of the total employed population, although its contribution to the local economy is larger. Allen *et al.* [38] found that communities with high economic activity and low tourism development are economically stable and their residents do not see the need for further tourism development. This situation can apply to Peterborough with the majority of interviewees not perceiving tourism as needed for economic growth. Since the need for tourism in the town's economy is not high, people might be more critical about the tourism industry and tourists than people in a town which relies on tourism and sees the industry as vital for their economy, i.e. a high tourism and low economic activity community.

Smith [39] mentioned that negative impacts are only tolerated for economic gain and Easterling [40] found that locals' support for tourism development is directly related to the degree to which they economically benefit. It can be said that the higher the needs of tourism for a town's economic welfare, the more negative social and cultural impacts are tolerated. In Peterborough's case, most interviewees perceived some benefits from tourism for the town's economy and quality of life but these were often not essential to many locals' personal lives. Easterling [40] found that while the majority of residents recognize the economic potential of tourism, most deny personally benefiting from it. This point is applicable to Peterborough.

Hernandez *et al.* [32] found that the anxiety of local residents in respect to how tourism development may affect their lives is often more important than the actual consequences of tourism. Many people in Peterborough expressed concern about the continuation of tranquility if more tourists come. The article of the Budget Travel [31] represented Peterborough's attitude toward tour-

ism. A restaurant owner said: “The nod paid to Peterborough by Budget Travel would be a welcome boost for businesses in the area, though he (the restaurant owner) said he hopes the magazine's readers won't come all at once. Peterborough's a small town. I don't think we could handle all 600,000 at one time, he joked.” The Budget Travel article may have increased the expectations of tourists and the anxiety of locals.

While today Peterborough's population is fairly uniform in their attitudes toward the positive and negative impacts of tourism, opinions about further tourism development vary depending on an interviewee's values and economic situation. Similar results were found by Ap and Crompton [22], Ryan and Montgomery [41], Haralambopolous and Pizam [14], Lawson *et al.* [42] and Mason and Cheyne [29]. Jurowski *et al.* [4] found that the perception of tourism's impacts is a result of assessing benefits and costs and that the evaluation is influenced by residents' values. In Peterborough, many young people strongly believe that there exists a polarized economy and different economic and social classes. Whether this is true or because many young people tend to see the world in black and white we could not determine, nevertheless the belief is real. The more affluent, older population, while it says it is strict about preserving their current lifestyle and Peterborough's character, are willing to accept tolerable levels of price increases due to tourism for more and improved options in their daily lives.

Regarding the balance between local people's lives and tourism development, the current balance appears to be acceptable to most people who do not want tourism development to drastically change their lives. Most do not want to see local stores driven out by big-box stores and “high-brow” tourism-oriented shops. However, several people mentioned that the downtown area is being transformed from the heart of the town toward the center of the affluent local community and tourists. Their statements contain a degree of anxiety that Peterborough might be changing towards a high-end tourism oriented direction. Local people, especially working locals, think the town's shift toward affluent locals and tourists would be accelerated by further tourism development.

The anxiety expressed by the working locals of a polarized economy and social classes due to tourism is worrying. Their emphasis of increasing prices combined with low salaries and unsustainable jobs created by tourism may be a warning sign that a segment of Peterborough's population, especially the young, may no longer view Peterborough as their future and perceive tourism as a catalyst for creating an affluent/tourists oriented community. They want a community which provides jobs that they can provide a living and afford having a family but they do not expect tourism to do this in

Peterborough. Interestingly, industry people and affluent locals did not emphasize a polarized economy and limited social interactions among locals. Rather their concern is to preserve the town as it is. They support the present situation that the downtown has no fast food chains but high-end small cute shops and restaurants which makes Peterborough attractive to tourists. Industry people and affluent locals would not mind “high-end, tourism-oriented” as it provides them with more options and a better quality of life. As one of the interviewees mentioned, Peterborough's tourism is changing to immigration based tourism (tourists are often becoming part-time or full-time residents), and this immigration based tourism is influencing economic and social structure of Peterborough and a possible cause for the perceived economic polarization and divided social class.

We found two important, almost contradictory, sentiments towards tourism development (Table 4): 1) people do not want to change their life style or the town for tourism; and 2) people want to have the income and increased options that tourism can provide.

A key question for the future is can these two sentiments be combined into a new consensus for tourism development. Two possible outcomes are: 1) maintaining the status quo and continue the current tourism di-

**Table 4. Interviewees opinions on further tourism development**

Against tourism development:	For tourism development:
<ul style="list-style-type: none"> <li>• Affluent locals who want to preserve the town over increased options.</li> <li>• Working locals who are aware of tourism influence on more polarized economy and divided social class.</li> <li>• Small shop owners who are worried about influence of large retail chain stores on their business.</li> </ul>	<ul style="list-style-type: none"> <li>• Affluent locals who appreciate more options in restaurants and shops.</li> <li>• Industry people who want more tourists' money for their business.</li> </ul>

**Table 5. Economic and social cycle of Peterborough's tourism development**

<ol style="list-style-type: none"> <li>(1) local people preserve their town's character;</li> <li>(2) the attractiveness of the town for tourists increases;</li> <li>(3) more tourists who are relatively wealthy come and love the town;</li> <li>(4) more affluent people purchase homes and businesses in town;</li> <li>(5) percentage of relatively wealthy local population increases in Peterborough;</li> <li>(6) businesses in town change to cater to wealthy locals and tourists;</li> <li>(7) businesses become higher-end and more expensive as the town is becoming more affluent people oriented;</li> <li>(8) local people in working class and relatively young people can no longer afford to live in town;</li> <li>(9) a gap appears between the affluent locals/newcomers/tourists and working locals;</li> <li>(10) the more tourists who come, the more the economic and social polarization increases.</li> </ol>
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rection without major infrastructure development which may increase the town's polarization. If Peterborough continues its current tourism direction, primarily day tourism with tourist attracted by its quaint New England atmosphere and high-end shops, the negative affects of building more hotels and increasing tourism infrastructure development would be avoided. However, the emerging economic polarization and divided social classes could increase as Peterborough keeps going "high-brow" to preserve its unique and cute New England town and thus limiting economic opportunities for many young and poorer people; and 2) increasing the pace of tourism development in order to have more tourists which will transform the town physically but possibly provide more job options for the young and poorer members of town. If hotels are built and public transportation improved, the type of tourism in Peterborough may change from day tourism to overnight tourism. If this happens, the number of tourists may increase and more tourist dollars will be spent. However in order to accommodate the larger number of tourists Peterborough may face the necessity of transforming their town physically and culturally, which many interviewees do not want.

Local people perceive the growing economic gap between affluent locals/ tourists and working locals as a negative economic impact and are concerned about the existing tourism development cycle which is further accelerating economic polarization (Table 5). How Peterborough handles this cycle can be a model for other communities. Peterborough must decide in which direction it wishes to go.

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