

THE GALVESTON ISLAND VISITOR ECONOMY 2023

May 2024

Prepared for:





CONTENTS

Introduction Methodology & data sources	03
Key Findings Summary economic & fiscal impacts	04
Visitor Economy Trends Summary of economic trends impacting tourism	05
Visitor Volume and Visitor Spending Trends in visitor volumes and visitor spending	07
Economic Impact Methodology Impact model framework	10
Economic Impact Findings Business sales, jobs, labor income, and tax impacts	11
Economic Impacts in Context Adding context to the economic impact results	16
Appendix	18



INTRODUCTION

PROJECT BACKGROUND

The travel sector is an integral part of the Galveston Island economy. Visitors generate significant economic benefits to households, businesses, and government. This economic activity represents a critical driver of the island's future. In 2023, visitors supported \$1.7 billion in total business sales, including indirect and induced impacts, at businesses in Galveston Island.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. This is particularly important for Galveston Island as its visitor economy continues to expand.

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for Galveston Island. The model traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

Visitors included those who stayed overnight or traveled more than 50 miles to the destination.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis.

This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the significance of the visitor economy on Galveston Island, Tourism Economics developed a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the visitor economy in terms of direct visitor spending, along with total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

The analysis draws on the following data sources:

- STR: lodging performance data, including room demand, room rates, occupancy, and room revenue
- AirDNA: short-term rental performance data, including room demand, room rates, occupancy, and room revenue
- Galveston Park Board: tax data on hotel occupancy receipts
- Texas Comptroller: sales tax receipts by industry
- Port of Galveston: cruise passenger and port revenues data.
- US Census: business sales by industry and seasonal second homes inventory
- TransUnion: credit card transaction data, by spending category
- Datafy: mobile geolocation data, by type of visitor
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry

ECONOMIC IMPACTS KEY FINDINGS

VISITOR SPENDING

A steady rise in visitors staying at vacation rentals, strong gains in day visitation, and a remarkable surge in cruise visitors resulted in a new high of 8.9 million visitors to Galveston Island in 2023. This higher demand coupled with persistently strong consumer price increases helped grow direct visitor spending on Galveston Island to \$1.3 billion in 2023.

TOTAL ECONOMIC IMPACT

Direct visitor spending of \$1.3 billion generated a total economic impact of \$1.7 billion on Galveston Island in 2023, including indirect and induced impacts. This total economic impact sustained 12,541 jobs and generated \$126 million in state and local tax revenues in 2023.

 **\$1.7 BILLION**
Total Visitor Economy Impact on Galveston Island in 2023



\$1.3B

Visitor Spending



\$1.7B

Total Economic Impact



12,541

Total Jobs Generated



\$126M

State & Local Taxes Generated





VISITOR ECONOMY TRENDS

Travel demand remained strong in 2023, with Galveston Island welcoming another record number of visitors. Cruise visits again increased rapidly in 2023, surpassing 2019 levels by 38% to reach 1.49 million, while the day and overnights segments built further upon gains experienced over 2021-2022. Increases in both visitor volumes and consumer prices boosted direct visitor spending to \$1.3 billion for the first time. Hotel occupancy taxes (HOT) for vacation rentals in Galveston Island fell in 2023 but remain well above pre-pandemic levels, accounting for 49% of total hotel occupancy taxes (HOT) collected. Hotel revenues grew at a steady pace of 5% year-on-year, reflecting higher overnight demand and room rates.

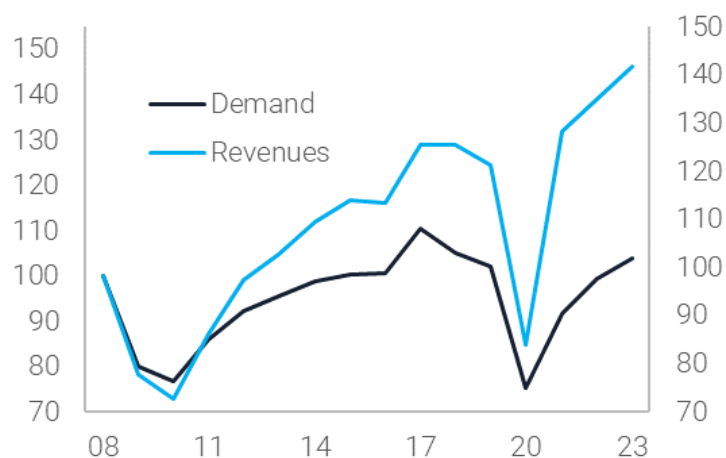
Hotel Sector

Record hotel revenues in 2023

Hotel revenues grew 5.0% in 2023 to reach record levels. The revenue increase was supported by healthy room-night demand growth of 4.4%, pushing the occupancy rate up to 55.6%.

Hotel revenues continue to climb

Index, 2008=100



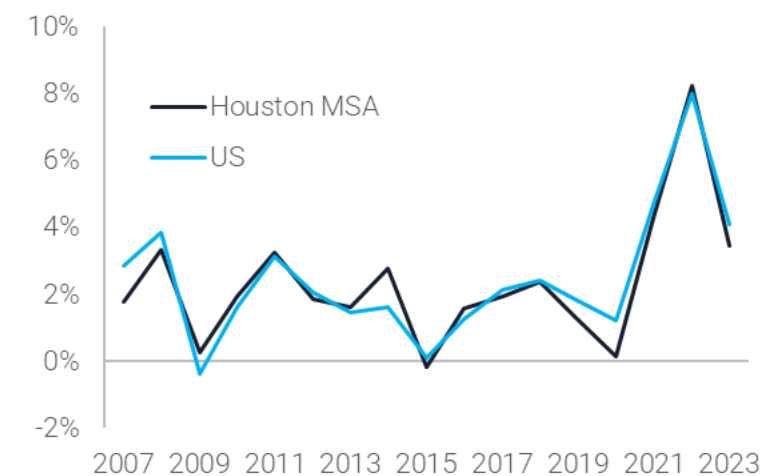
Source: STR; Tourism Economics

Consumer Prices

Price growth remain elevated in 2023

While falling from the historic increases seen the previous year, the pace of consumer price growth in the Houston MSA remained elevated in 2023. Price changes in the Houston MSA are a closer gauge of inflation experienced on Galveston Island than the national consumer price trend. Overall consumer prices in the region rose 3.5% in 2023, down from 8.2% in 2022 but still well above the Federal Reserve's 2% target. While a 12% decline in gas prices provided Galveston Island visitors with relief in transportation costs, food away from home inflation in the region remained stubbornly high, measuring 7.3% in 2023.

CPI, year-on-year % growth



Source: BLS, Tourism Economics

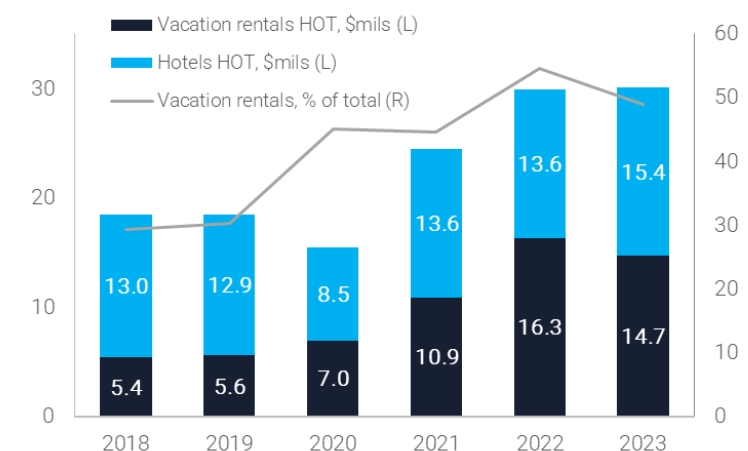
Occupancy Tax Collections

Diverging trends between hotel and vacation rentals leave total collections flat in 2023

Local HOT tax collections on Galveston Island grew 0.4% year-on-year to reach its highest ever level of \$30.1 million in 2023. A 10% decline in short-term rental collections offset strong gains in hotel tax collections. Of total collections, 49% were from vacation rentals – down from 55% in 2022 but still well above the segment's pre-pandemic share of 30%.

HOT collection growth flattened in 2023

Hotel Occupancy Tax (HOT) collections on Galveston Island



Source: Galveston Park Board, Tourism Economics

Cruise Industry

The Port of Galveston is the fourth most popular homeport in the U.S. – after Miami, Port Canaveral, and Ft. Lauderdale – and the only cruise port in Texas. In 2023, the port hosted 354 cruise ship sailings with 1.49 million passenger embarkations.

Cruise visitors race past 2019 levels

The second full year of operation for the port since the pandemic saw cruise ship sailings increase to 354 in 2023. As a result, the number of embarked cruise passengers in 2023 grew approximately 448,000 versus the year prior to 1.49 million persons – 38% above 2019 levels. This surge allowed cruise ship visitors to capture a record 17% of total visits on Galveston Island in 2023, exceeding the previous-high share of 15% in 2019.

Solid increases in recreation and food and beverage spending by cruise passengers increased spending per cruise visitor to \$79 in 2023, which, combined with the rapid rise in passengers, allowed spending to increase 46% to reach \$117 million in 2023.

Cruise passengers and spending

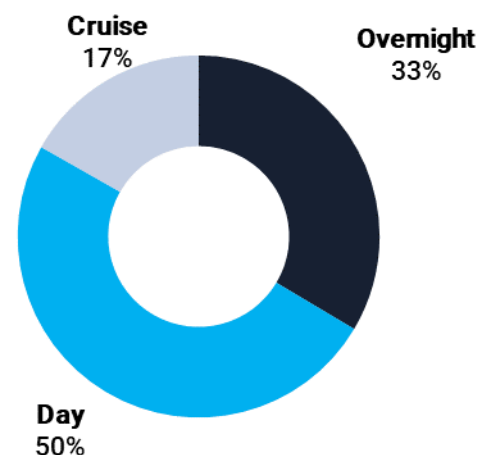
Passenger embarkments (L); spending (R)



Source: Port of Galveston; Tourism Economics

Galveston Island visitor share by segment, 2023

Expressed as % of total visitor volume by market



Source: Tourism Economics

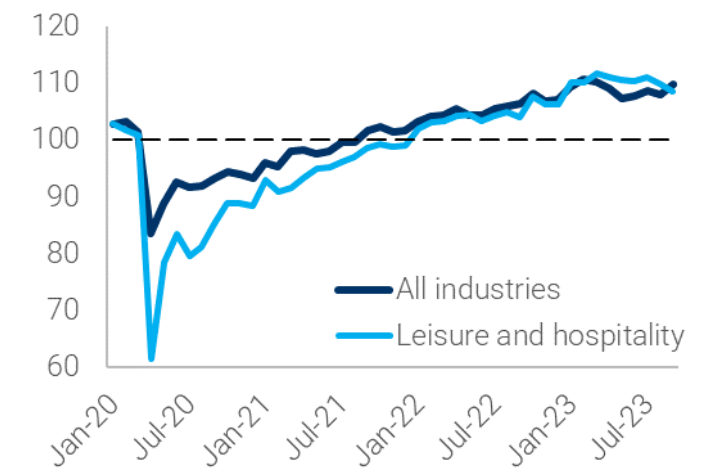
Labor Market

Employment continued to climb

After eclipsing pre-pandemic levels in 2022, Galveston County's leisure and hospitality industry again experienced solid job growth in 2023, albeit at a slower rate than seen in the immediate wake of the pandemic. Leisure and hospitality employment was estimated to be up 6.3% year-on-year in 2023, compared to 3.9% for all industries.

Employment in Galveston County

Index, 2019 = 100



Source: BLS; Tourism Economics



VISITOR VOLUME & VISITOR SPENDING

Galveston Island saw visitor volume and visitor spending reach record levels in 2023 as another year of solid growth built upon the impressive recovery seen over 2021-2022. Visitor volumes increased 9.3% year-on-year to reach 8.9 million in 2023. Visitor spending totaled \$1.3 billion after rising \$111 million above prior year spending.

VISITOR VOLUME

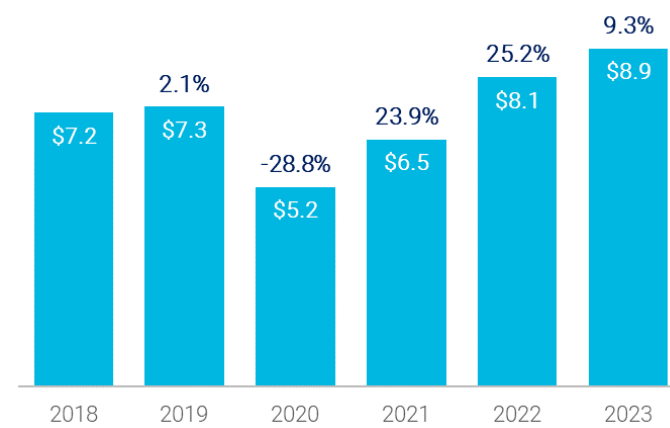
Record visitor volume

Visitor volume increased 9.3% to reach 8.9 million in 2023.

Cruise visitors again led growth in 2023 after more than doubling the previous year, increasing by 448,000 to surpass 2019 levels by a wide margin. While trailing the increase in cruise visitors, day growth remained robust and was aided by the island's proximity to dense urban areas. Overnight visitor growth moderated as hotel demand fully recovered from pandemic-related declines.

Galveston Island visitor volume

Amounts in millions



Source: Tourism Economics

VISITOR SPENDING

Visitors to Galveston Island spent \$1.3 billion across a range of sectors in 2023

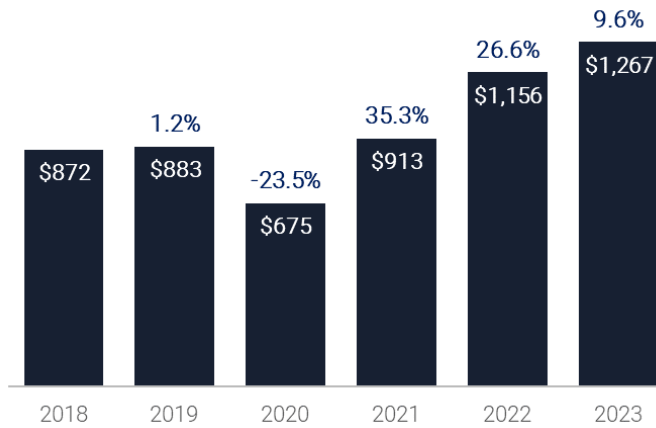
Visitor spending grew 9.6% in 2023, to reach \$1.3 billion.

Of the \$1.3 billion spent on Galveston Island in 2023 by visitors, lodging contributed \$396 million in sales – representing 31% of total visitor spending. Food and beverages accounted for 25% of total visitor spending.

Visitors spent 18% of their total budget on recreation, 17% on retail, and 7% on transportation. Cruise spending at the port of \$27 million represented 2% of total visitor spending.

Galveston Island visitor spending

Amounts in \$ millions

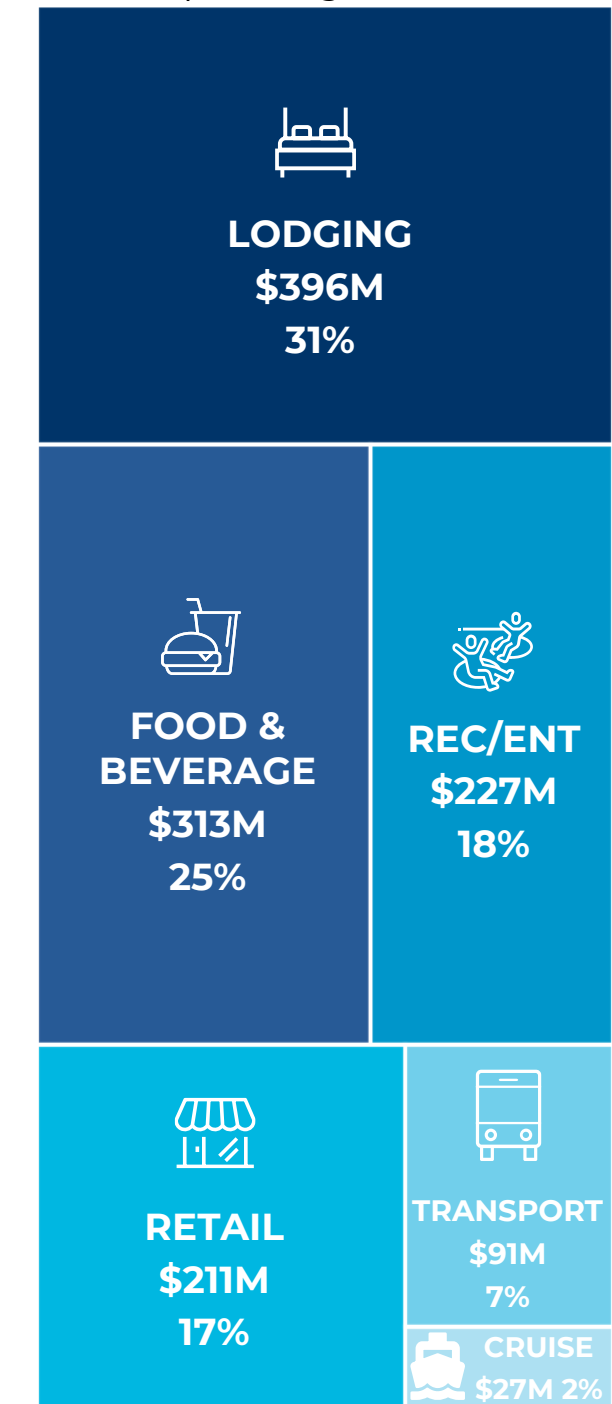


Source: Tourism Economics

\$1.3 BILLION



Visitor Spending in 2023



Source: Tourism Economics

Note: Lodging includes 2nd home and short-term rental spending. Transportation includes both ground and air.

VISITOR SPENDING TRENDS

Visitor spending in 2023 totaled \$1.3 billion, 9.6% higher than in 2022. The increase reflects \$111 million additional spending in the local economy.

Increases were robust across all sectors, driven by strong demand growth and higher prices of key commodities. Outside of at-port cruise spending, the most significant growth occurred in recreation, which grew 12.3% versus 2022. Gains in food and beverage spending were also strong, rising 11.8% in 2023.

A decline in vacation home rental prices contributed to muted gains in accommodation spending, which grew 5.8%, while a decrease in gas prices slowed transportation spending growth to 9.2% in 2023. Spending on cruise services at the port was supported by an increase in sailings, growing 26.3% in 2023 to surpass pre-pandemic levels by nearly 17%.

Galveston Island visitor spending

Amounts in \$ millions and 2023 percent change

	2018	2019	2020	2021	2022	2023	2023 Growth
Total visitor spending	\$871.9	\$882.8	\$674.9	\$913.0	\$1,155.5	\$1,266.8	9.6%
Lodging*	\$266.5	\$262.1	\$220.5	\$310.0	\$374.3	\$396.0	5.8%
Food & beverages	\$203.0	\$211.5	\$162.6	\$215.1	\$280.2	\$313.4	11.8%
Recreation	\$151.7	\$156.2	\$119.7	\$161.3	\$202.4	\$227.4	12.3%
Retail	\$169.1	\$167.9	\$119.4	\$152.3	\$193.3	\$211.3	9.3%
Transportation**	\$62.2	\$61.7	\$47.2	\$67.6	\$83.7	\$91.3	9.2%
Cruise (at port)	\$19.3	\$23.4	\$5.6	\$6.6	\$21.6	\$27.3	26.3%

Source: Tourism Economics

* Lodging includes second home and short-term rental spending

** Transportation includes both ground and air transportation

VISITOR VOLUME SEGMENTS

The total number of visitors to Galveston Island in 2023 reached 8.9 million, with each visitor spending an average of \$143 per person on their trip, a slight increase in comparison to 2022.

Driving the increase were higher prices faced by visitors in all three segments. While average spending per visitor in each segment increased moderately, the topline increase in per visitor spending was comparatively softer due to the strongest visitor growth occurring in the segments with relatively low average spending levels (day and cruise). Indeed, average spending by an overnight visitor (\$266) was almost five times more than that of a day visitor (\$59) and more than three times that of a cruise visitor (\$79).

The rapid increase in cruise passengers to Galveston Island increased their share of total visitor volume to 17% in 2023 from 13% in 2022. Day visitors accounted for 50% of total visits, while 33% of guests stayed overnight.

Galveston Island visitor volume and spending

Amounts in millions of visitors, \$ millions, and \$ per person

	2018	2019	2020	2021	2022	2023
Total visitors	7.19	7.34	5.23	6.48	8.12	8.88
Day	3.87	3.93	3.04	3.64	4.21	4.41
Overnight	2.33	2.33	1.96	2.55	2.87	2.98
Cruise	0.99	1.08	0.23	0.29	1.04	1.49
Total visitor spending	\$872	\$883	\$675	\$913	\$1,156	\$1,267
Day	\$191	\$195	\$149	\$193	\$238	\$259
Overnight	\$536	\$533	\$441	\$627	\$749	\$791
Cruise	\$66	\$71	\$17	\$24	\$80	\$117
Per visitor spending	\$121	\$120	\$129	\$141	\$142	\$143
Day	\$49	\$49	\$49	\$53	\$57	\$59
Overnight	\$230	\$229	\$225	\$245	\$261	\$266
Cruise	\$67	\$66	\$76	\$81	\$77	\$79

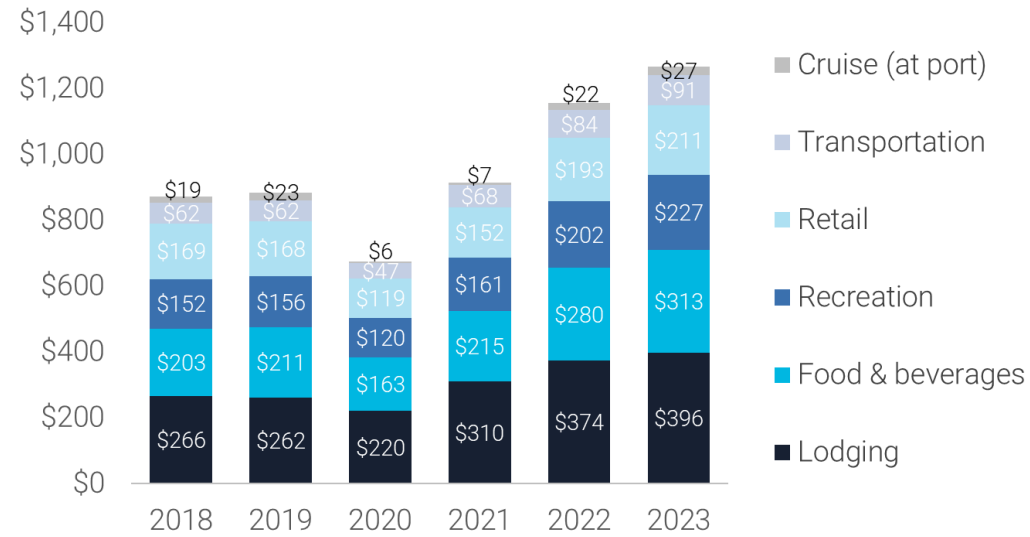
Source: Tourism Economics

VISITOR SPENDING DISTRIBUTION

Visitor spending in 2023 increased in all the major categories, led by recreation. Port spending's share of total visitor spending continued to recover, rising to 2.2% in 2023, just slightly below the pre-pandemic share of 2.6%.

Galveston Island visitor spending by industry

Amounts in \$ millions

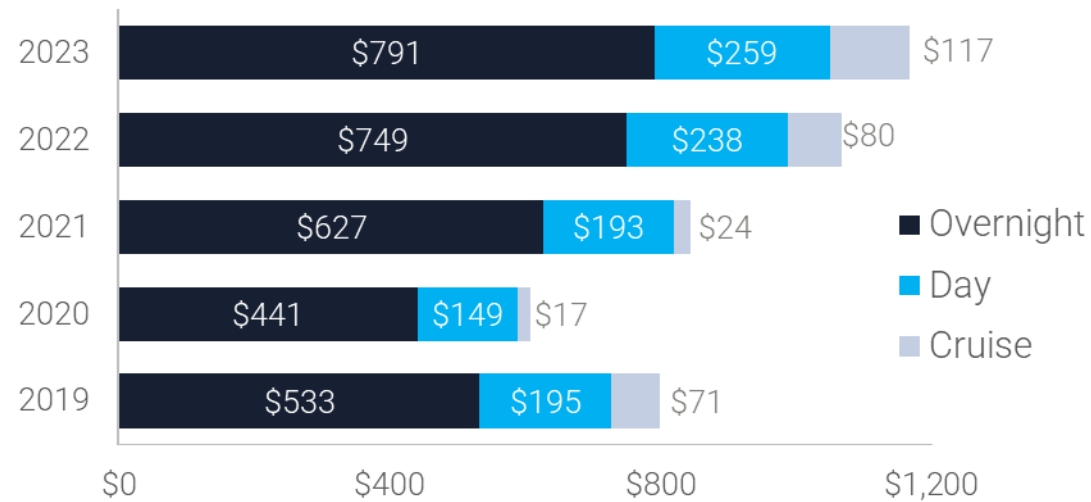


Source: Tourism Economics

The majority of visitor spending was attributed to overnight visitors who spent \$790 million (excluding port revenues and second home spending).

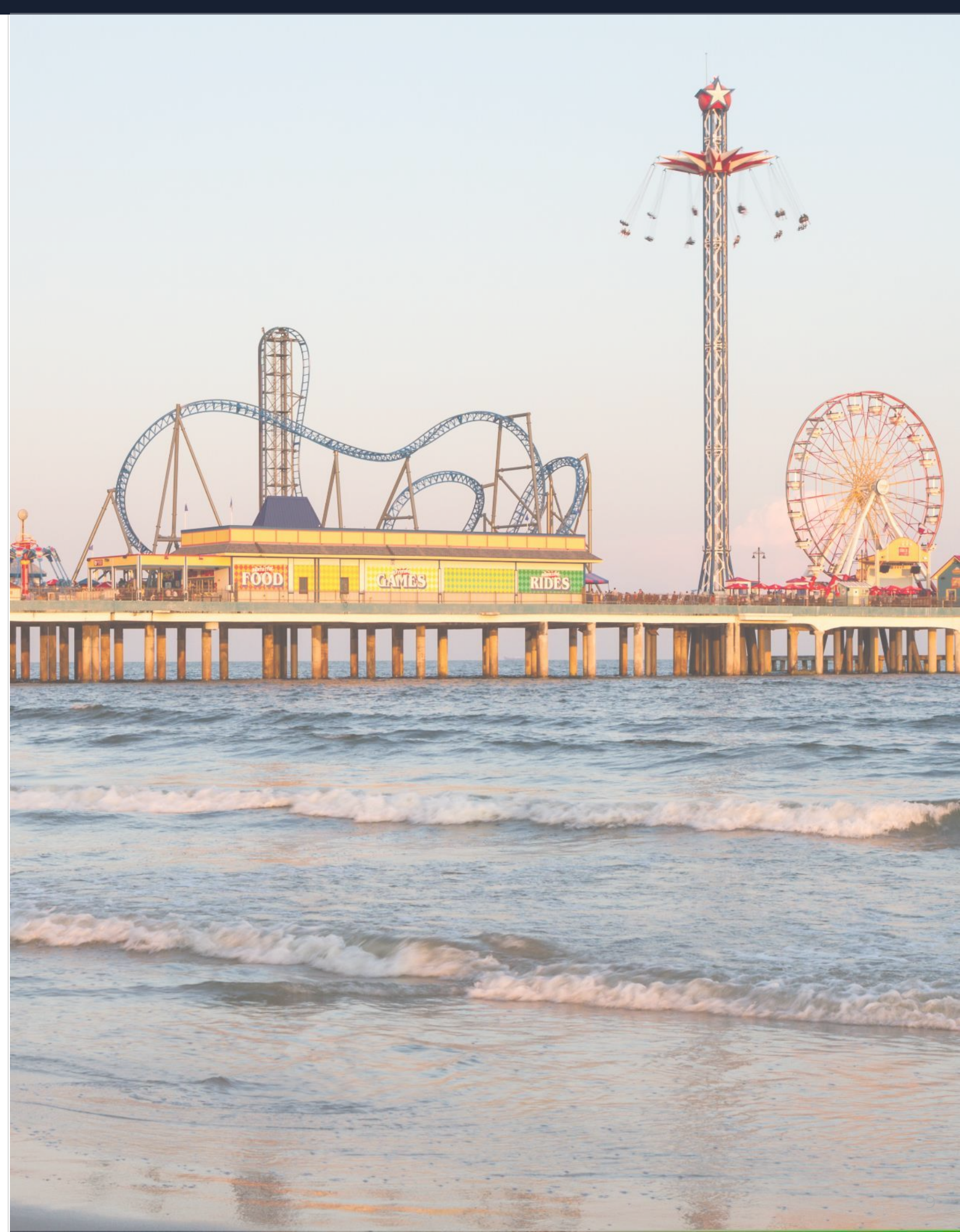
Galveston Island visitor spending by segment

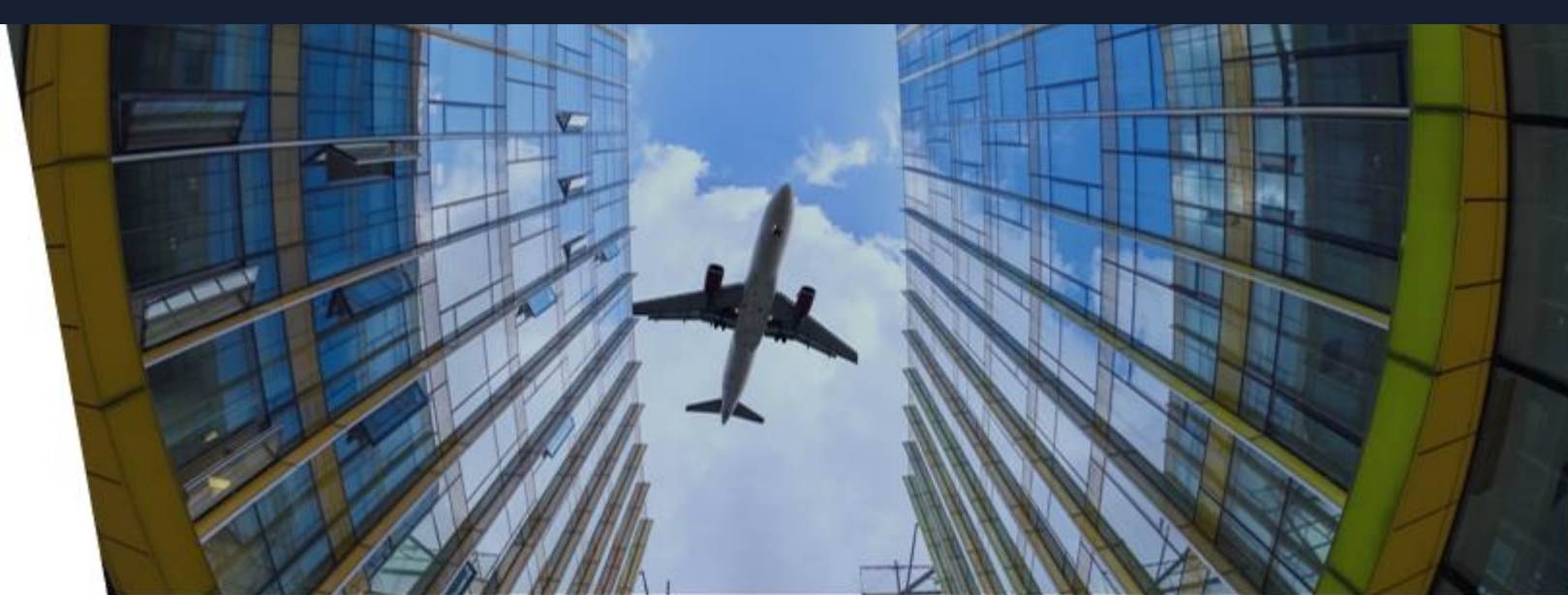
Amounts in \$ millions



Source: Tourism Economics

Note: Excludes port revenues and second home spending





ECONOMIC IMPACT FRAMEWORK

ECONOMIC IMPACT METHODOLOGY

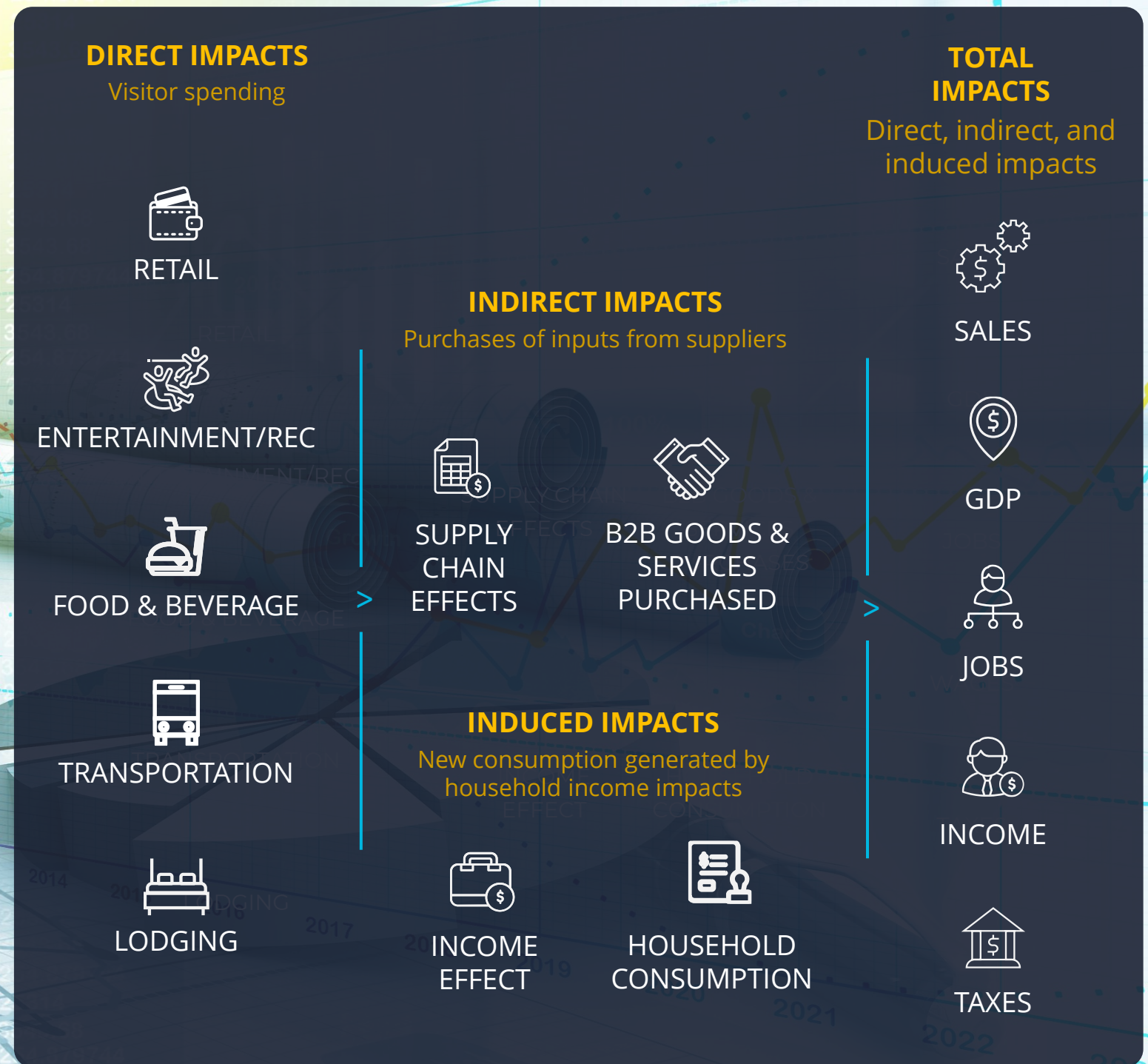
The analysis of the Galveston Island visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Galveston Island economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes



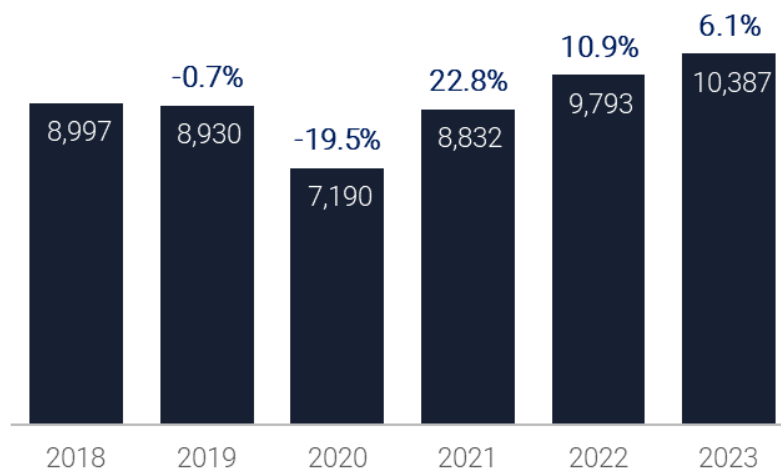
ECONOMIC IMPACT FINDINGS

DIRECT IMPACTS

Employment supported by visitor activity grew 6.1% in 2023, increasing to 10,387 jobs. Solid growth in visitor spending and day travel helped support strong employment gains in non-lodging categories such as recreation and food and beverage.

Visitor supported employment on Galveston Island

Amounts in number of jobs



Source: Tourism Economics





ECONOMIC IMPACT FINDINGS

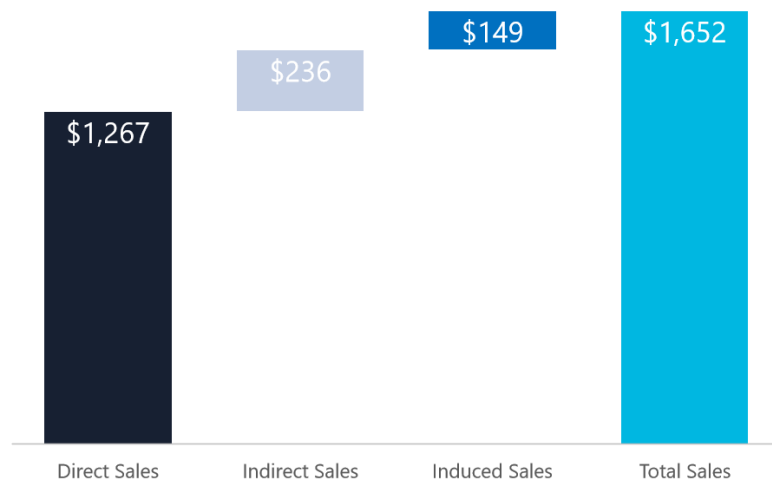
BUSINESS SALES IMPACTS

Spending in support of the visitor economy reached \$1.3 billion in Galveston Island in 2023. This direct impact generated \$385 million in indirect and induced impacts, resulting in a total economic impact of \$1.7 billion in the Galveston Island economy.

Outside of direct impacts, significant benefits accrued in sectors like finance, insurance, and real estate, and business services.

Summary business sales impacts (2023)

Amounts in \$ millions



Source: Tourism Economics

Business sales impacts by industry (2023)

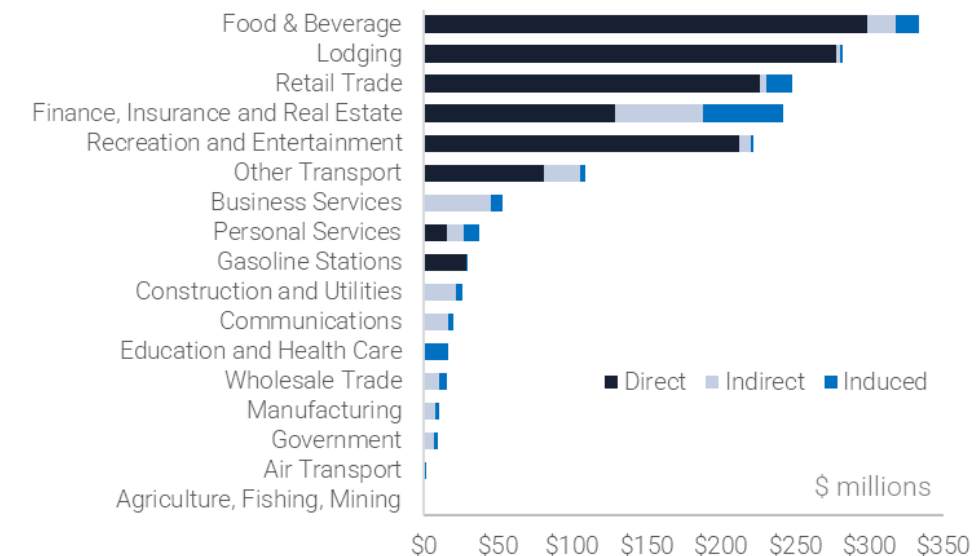
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$1,266.8	\$236.5	\$148.7	\$1,652.0
Food & Beverage	\$298.2	\$19.2	\$15.7	\$333.1
Lodging	\$277.2	\$2.5	\$1.8	\$281.6
Retail Trade	\$226.5	\$4.4	\$17.4	\$248.2
Finance, Insurance and Real Estate	\$128.3	\$59.7	\$54.1	\$242.1
Recreation and Entertainment	\$212.2	\$7.5	\$2.4	\$222.1
Other Transport	\$81.1	\$23.8	\$3.4	\$108.4
Business Services		\$44.8	\$7.9	\$52.7
Personal Services	\$15.2	\$11.2	\$10.5	\$37.0
Gasoline Stations	\$28.1	\$0.2	\$1.1	\$29.4
Construction and Utilities		\$21.8	\$3.7	\$25.5
Communications		\$16.1	\$3.7	\$19.9
Education and Health Care		\$0.3	\$15.7	\$16.0
Wholesale Trade		\$10.3	\$4.8	\$15.0
Manufacturing		\$7.7	\$2.8	\$10.5
Government		\$6.4	\$2.9	\$9.3
Air Transport		\$0.6	\$0.6	\$1.3
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.1

Source: Tourism Economics

Business sales impacts by industry (2023)

Amounts in \$ millions



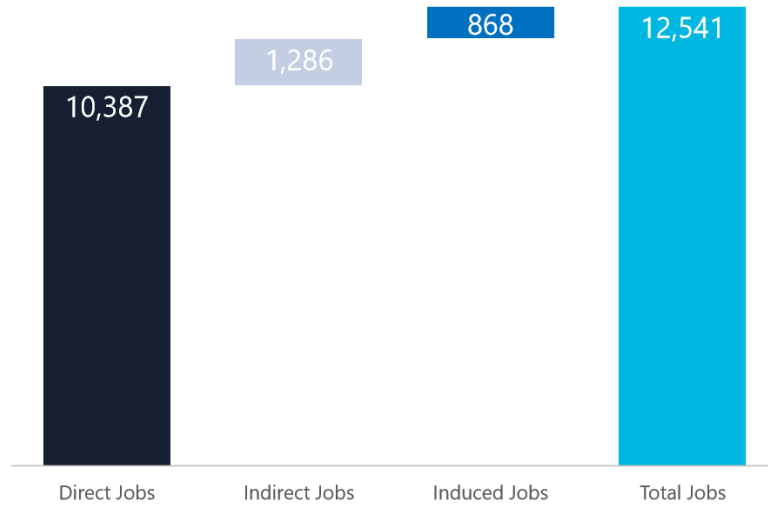
Source: Tourism Economics

EMPLOYMENT IMPACTS

Visitor activity sustained a total of 12,541 jobs in 2023, including 10,387 direct jobs and 2,154 jobs supported through indirect and induced impacts. This equates to 1-in-3 jobs on Galveston Island.

Summary employment impacts (2023)

Amounts in number of jobs



Source: Tourism Economics

Visitor spending supported the largest number of jobs in the food & beverage industry (3,682).

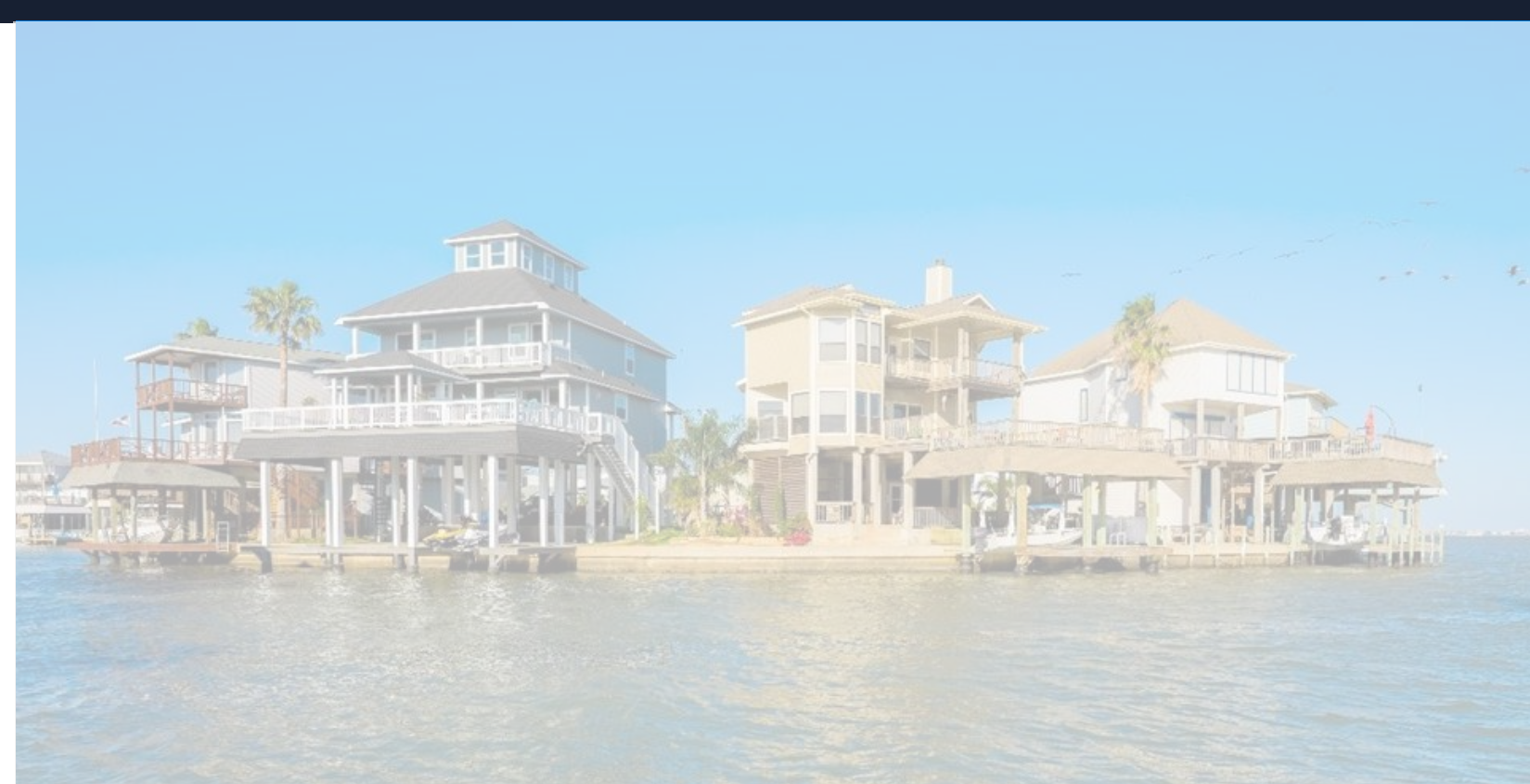
Spending by businesses directly impacted by visitor spending supported 394 jobs in the business services industry – in areas like accounting, advertising and building services.

Employment impacts by industry (2023)

Amounts in number of jobs



Source: Tourism Economics



Summary employment impacts by industry (2023)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	10,387	1,286	868	12,541
Food & Beverage	3,403	141	138	3,682
Recreation and Entertainment	3,147	78	36	3,261
Lodging	1,773	14	10	1,797
Retail Trade	1,194	29	185	1,408
Other Transport	459	135	26	620
Finance, Insurance and Real Estate	220	284	115	619
Business Services		394	64	458
Personal Services	159	87	103	349
Education and Health Care		4	146	150
Construction and Utilities		45	9	54
Gasoline Stations	32	1	7	40
Wholesale Trade		28	12	40
Communications		25	7	32
Government		16	7	23
Manufacturing		3	1	4
Air Transport		1	1	2
Agriculture, Fishing, Mining		1	1	2

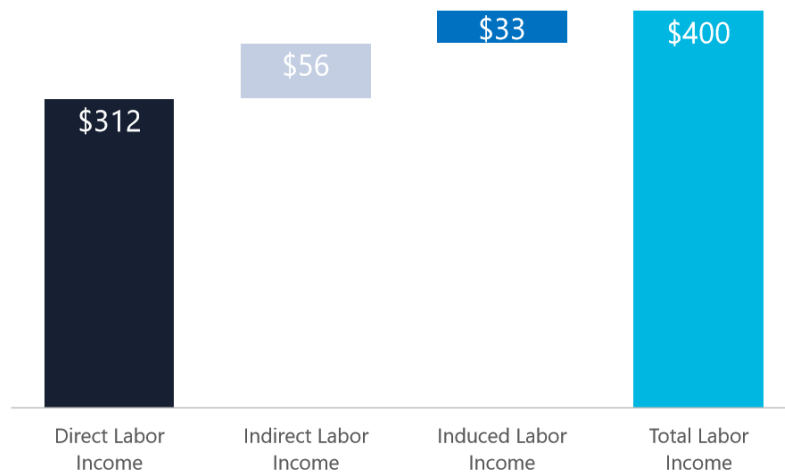
Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$312 million in direct labor income and a total of \$400 million when including indirect and induced impacts.

Summary labor income impacts (2023)

Amounts in \$ millions

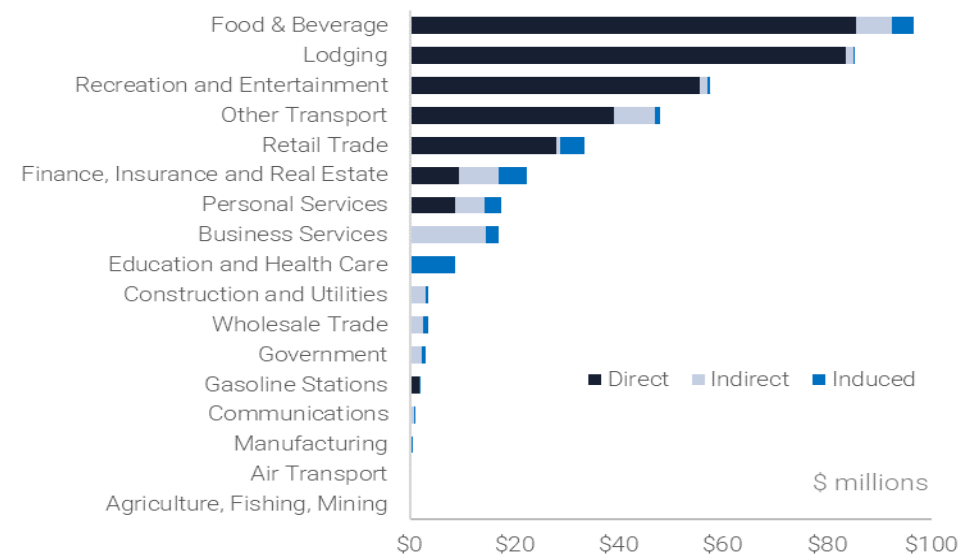


Source: Tourism Economics

There are eight industries in which visitor activity supported more than \$16 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services.

Labor income impacts by industry (2023)

Amounts in \$ millions



Source: Tourism Economics



Summary labor income impacts (2023)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$311.7	\$55.6	\$32.9	\$400.2
Food & Beverage	\$85.6	\$6.9	\$4.1	\$96.6
Lodging	\$83.7	\$1.3	\$0.4	\$85.3
Recreation and Entertainment	\$55.5	\$1.5	\$0.6	\$57.6
Other Transport	\$39.0	\$8.0	\$0.8	\$47.9
Retail Trade	\$28.0	\$0.8	\$4.7	\$33.6
Finance, Insurance and Real Estate	\$9.4	\$7.6	\$5.3	\$22.3
Personal Services	\$8.7	\$5.6	\$3.2	\$17.5
Business Services		\$14.7	\$2.2	\$16.9
Education and Health Care		\$0.1	\$8.5	\$8.6
Construction and Utilities		\$3.1	\$0.6	\$3.6
Wholesale Trade		\$2.5	\$1.1	\$3.6
Government		\$2.3	\$0.6	\$2.9
Gasoline Stations	\$1.7	\$0.1	\$0.3	\$2.1
Communications		\$0.8	\$0.3	\$1.1
Manufacturing	\$0.3	\$0.1	\$0.0	\$0.4
Air Transport		\$0.1	\$0.1	\$0.3
Agriculture, Fishing, Mining	\$0.0	\$0.0	\$0.0	\$0.0

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$244 million in government revenues. State and local taxes alone tallied \$126 million in 2023.

Each household on Galveston Island would need to be taxed an additional \$5,324 to replace the visitor-generated taxes received by state and local governments in 2023.

Fiscal (tax) impacts

Amounts in \$ millions

	2019	2020	2021	2022	2023	2023 Growth
Total	\$177.5	\$135.9	\$196.7	\$228.5	\$243.5	6.6%
Federal	\$90.0	\$67.8	\$94.0	\$108.6	\$117.1	7.8%
Personal income	\$22.9	\$17.0	\$23.5	\$28.3	\$30.8	8.6%
Corporate	\$30.9	\$22.9	\$32.0	\$37.5	\$41.1	9.6%
Indirect business	\$5.7	\$4.2	\$4.1	\$4.7	\$5.0	7.3%
Social insurance	\$30.6	\$23.7	\$34.4	\$38.2	\$40.3	5.5%
State and Local	\$87.6	\$68.1	\$102.7	\$119.8	\$126.4	5.5%
Sales	\$31.1	\$23.3	\$33.9	\$41.7	\$45.4	9.0%
Lodging	\$32.8	\$27.1	\$43.1	\$48.9	\$50.1	2.5%
Social insurance	\$1.2	\$0.9	\$1.9	\$2.1	\$2.2	5.5%
Excise and Fees	\$2.1	\$1.6	\$1.3	\$1.6	\$1.7	7.0%
Property	\$20.4	\$15.2	\$22.4	\$25.6	\$26.9	5.5%

Source: Tourism Economics



Lodging tax revenue of \$30.1 million was the largest contributor to the \$68.8 million in total local taxes were generated by visitors in 2023. Visitor-generated tax revenues, not including hotel occupancy tax revenues, tallied \$38.7 million in 2023. This accounted for 54% of the City of Galveston's General Fund revenues, based on the 2023 budget of \$71.2 million.

State taxes generated by visitor activity on Galveston Island totaled \$57.6 million in 2023. The largest category of state tax collections was sales taxes, totaling \$35.4 million.

State and local tax impacts

Amounts in \$ millions

	State	Local
Total	\$57.6	\$68.8
Sales	\$35.4	\$10.1
Lodging	\$20.0	\$30.1
Social Security	\$2.2	
Excise and fees		\$1.7
Property		\$26.9

Source: Tourism Economics

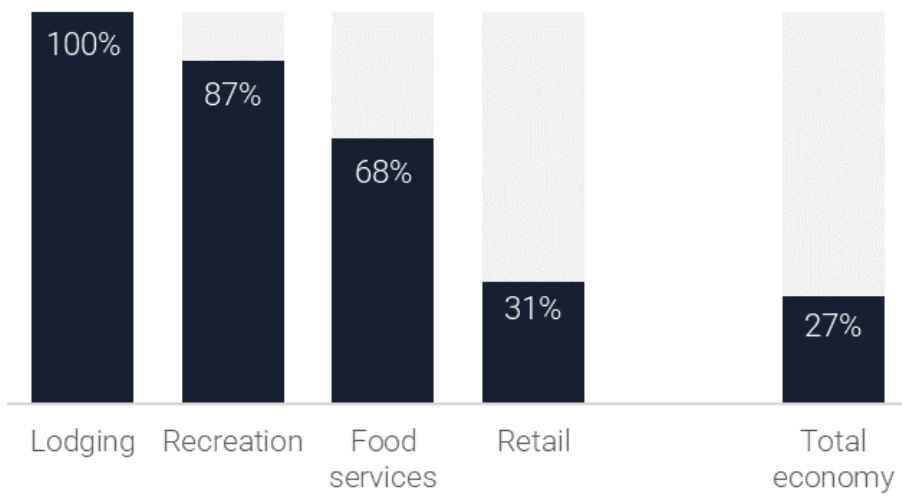
ECONOMIC IMPACTS IN CONTEXT

DIRECT EMPLOYMENT

Direct visitor economy employment supported significant shares of several industries in 2023 – all of lodging, 87% of recreation, 68% of food and beverage employment, and 31% of retail employment.

Direct visitor economy employment intensity

Amounts in percentage of total industry employment



Source: Tourism Economics, BLS



ECONOMIC IMPACTS IN CONTEXT



\$1.3B VISITOR SPENDING

The \$1.3 billion in direct visitor spending means that approximately \$3.5 million was spent EVERY DAY by visitors on Galveston Island.



\$400M LABOR INCOME

The \$400 million in total income generated by visitors is the equivalent of \$16,852 for every household on Galveston Island.



12,541 TOTAL JOBS

The number of jobs sustained by the visitor economy (12,541) supports 33% of all jobs on Galveston Island.



\$126M STATE & LOCAL TAXES

Each household on Galveston Island would need to be taxed an additional \$5,324 to replace the \$126 million in visitor-generated taxes received by state and local governments.

Glossary – Spending Definitions

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitor spending within the arts, entertainment and recreation sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 600 full-time staff, including 350 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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