



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

"TI TA NISISITA AYUDUN SANHIYON
PARA TA FANMAOLEK GUINI GI
TANO-TA, TAYA' TA'LO GINAGAGAO-
SATISFIED WITH WHAT OUR ISLANDS FURNISH US
NOTHING ELSE.

"MAN METGOT-ÑA HIT KI I TA HON
YA SIÑA TA APATTA HIT GINEN INI
TAOTAO HIYONG SIHA YA TA NA' TA
TATTE I MINAGOF YAN I MINAOLEK
LINA' LA'-TA."
WE ARE STRONGER THAN WE THINK! WE MUST RE
OUR FORMER FREEDOM.

CHIEF BIRAO
1671

The Guam Traveler Economy 2019

August 2022

Prepared for: Guam Visitors Bureau



CONTENTS

Introduction Methodology & data sources	03
Key Findings Summary economic & fiscal impacts	04
Traveler Economy Trends in traveler-related demand	05
Economic Impact Methodology Impact model framework	09
Economic Impact Findings Business sales, jobs, and labor income impacts	10
Fiscal Impacts Territory tax revenues	15
Economic Impacts in Context Adding context to the economic impact results	16
Appendix	17



INTRODUCTION PROJECT BACKGROUND

The travel sector is an integral part of the Guam economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the territory's future. How critical? In 2019, tourism supported jobs accounted for 38% of all jobs in the territory.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for Guam as it builds upon its tourism economy.

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

To quantify the significance of the visitor economy in Guam, 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.

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for the territory of Guam. The model traces the flow of visitor-related expenditures through the territory's 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 in overnight accommodations or those who came from a distance greater than 50 miles and deviated from their normal routine.

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

The analysis draws on the following data sources:

- GVB/Anthology Research Visitor Exit Surveys: survey data, including spending and visitor profile characteristics for visitors to Guam
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR lodging performance data, including room demand, room rates, occupancy, and room revenue, for hotels and short-term rentals.
- Tax collections: Lodging and GRT receipts
- Government of Guam budget

ECONOMIC IMPACTS

KEY FINDINGS

TRAVELER ECONOMY

The Guam traveler economy encompasses both visitor activity along with spending in support of the tourism industry – from private investment in new buildings and machinery to governmental funding for tourism promotion. Spending by travelers totaled \$1.8 billion in 2019 with investment and government adding around \$100 million for a total travel demand of \$1.9 billion in 2019.

\$1.8B	+	\$115M	=	\$1.9B
Spending by Travelers		Spending supporting traveler activity		Direct traveler demand

Note: Numbers may not add up due to rounding

TOTAL ECONOMIC IMPACT

The direct travel demand in Guam of \$1.9 billion generated a total economic impact (total business sales) of \$2.4 billion on the island in 2019. Total economic impacts include indirect and induced impacts – the spending of the tourism-supported business to support their operations and the spending of worker wages in the economy. This visitor-associated economic activity sustained 23,100 jobs and generated \$253 million in territory tax revenues in 2019.



\$2.4 BILLION

Total Economic Impact of Tourism in Guam in 2019

SUMMARY ECONOMIC IMPACTS Guam Tourism (2019)



\$1.9B

Direct Traveler
Demand



\$2.4B

Total
Economic
Impact



23,100

Total
Jobs
Generated



\$253M

Taxes
Generated



VISITS

Guam visitor results hit new highs in 2019. Korean visitation hit a new record and Japanese visitation rebounded to help visitation grow 7.6% in 2019. Overall visitation has grown by more than 250,000 since 2015.

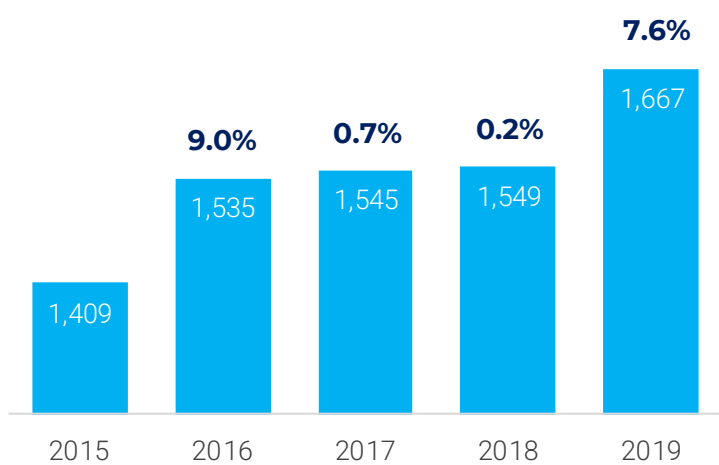
VISITOR VOLUME

Highs in 2019

Visitation reached nearly 1.7 million visitors in 2019 as a rebound in Japanese visitation helped drive increases in visitor activity on Guam. Visitation grew by more than 100,000 visitors in 2019 with visitation up by nearly 60% since 2010.

Guam visitor volume

Amounts in thousands



Sources: GVB, Tourism Economics

VISITOR ORIGIN MARKETS

Japan and Korea dominate origin markets

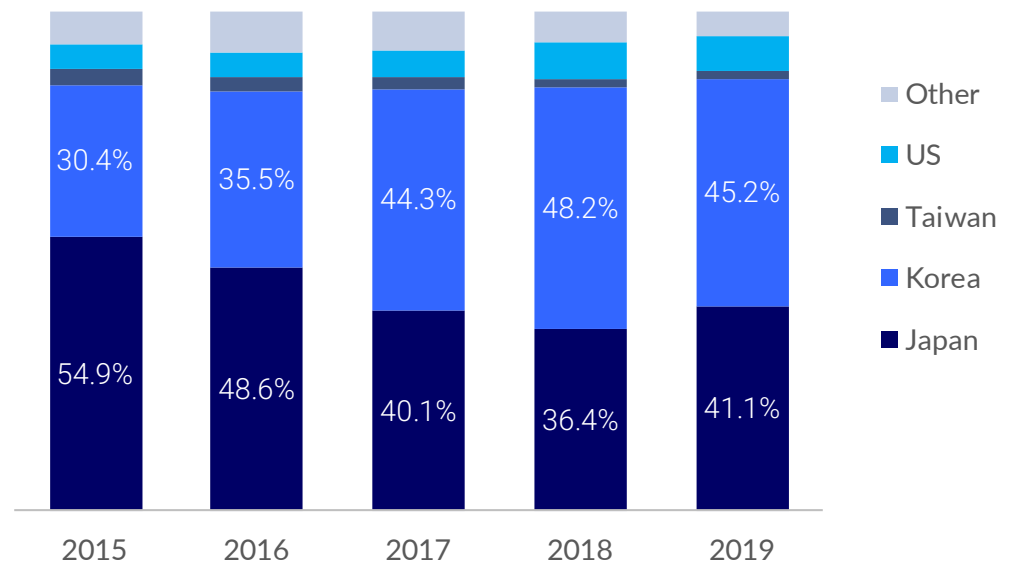
From 2006-2012, Japanese visitors made up 70-80% of all visitors to Guam. Starting in 2012, Korean visitors began contributing a larger share of total visitation to the island, surpassing Japanese visitation in 2015. By 2018, Korean visitation accounted for nearly half of all visitors. In 2019, Japanese visitation jumped, regaining market share and accounting for 41.1% of all visitors.

In 2019, more than 750,000 Korean visitors traveled to Guam with another 685,000 Japanese visitors, 41% of all Guam visitation. The Korean visitation in 2019 is a record and 325,000 higher than Korean visitation levels in 2015.

Visitation from the US, including Hawaii, averaged about 5% through 2015 before jumping up to 7% in 2018 and 2019, now comprising about 115,000 visitors.

Guam origin markets

With share of visitation for Korea and Japan



Sources: GVB, Tourism Economics



VISITOR SPENDING

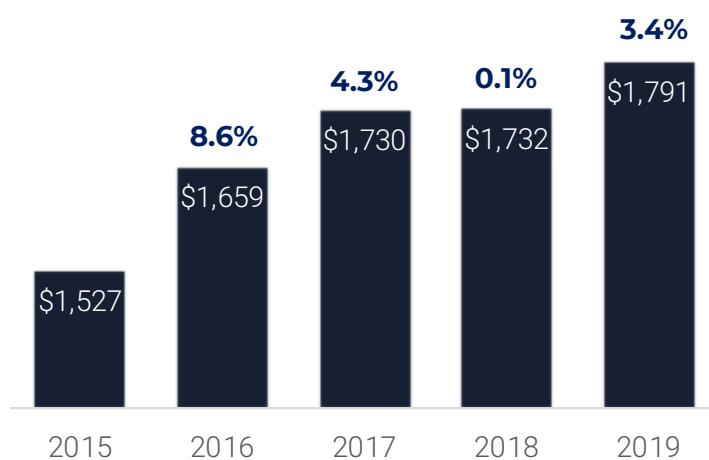
Visitation increases have helped drive visitor spending to record highs in 2019.

VISITOR SPENDING

Highs in 2019

With trips increasing, visitor spending increased by 3.4% in 2019 to reach \$1.8 billion. Visitor spending has grown by \$260 million since 2015 and nearly 45% since 2010.

Guam visitor spending
Amounts in \$ millions



Sources: GVB, Tourism Economics

VISITOR SPENDING

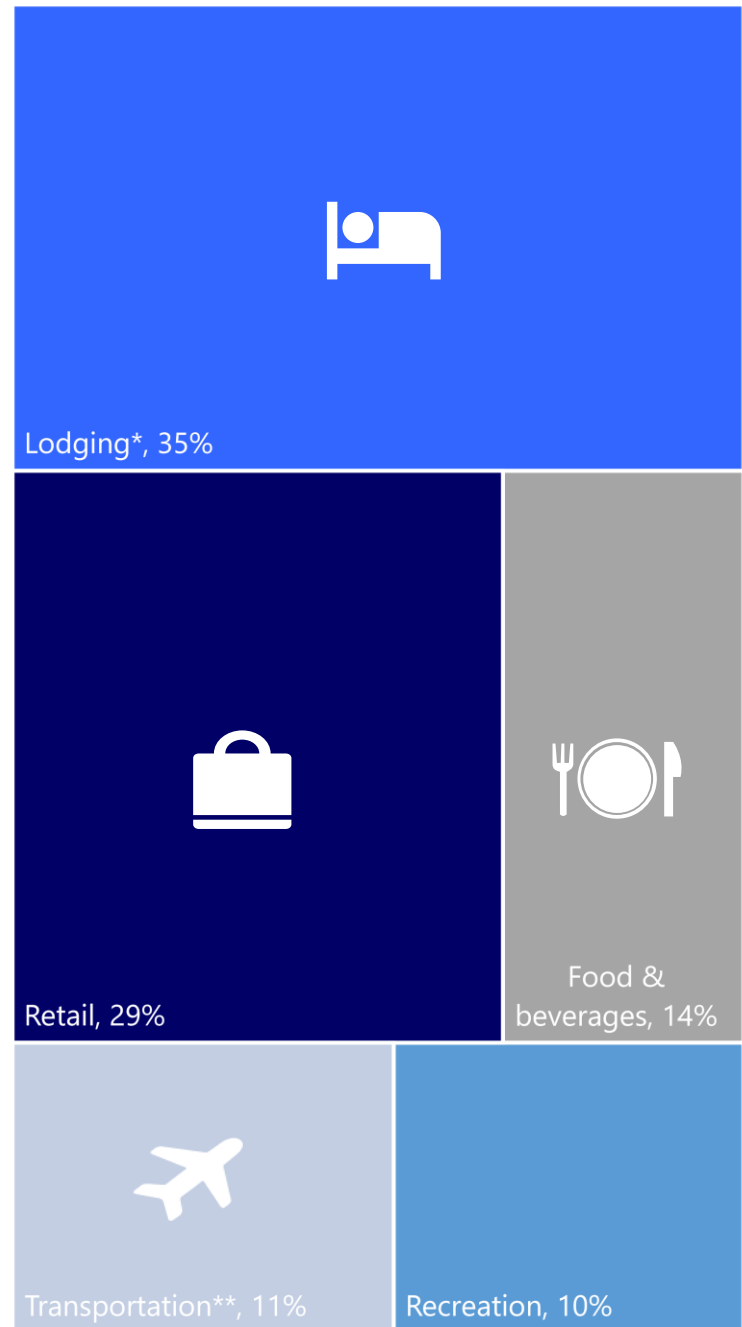
Visitors to Guam spent **\$1.8 billion** across a range of sectors in 2019.

Lodging remains the largest spending category in 2019, capturing a third of all visitor spending. The package deals, including some meals for visitors, help keep lodging businesses as the largest visitor spending sector.

Retail also continues to be an important spending sector for visitors, capturing 28% of each visitor dollar.

Food & beverage's \$290 million in spending from visitors was 16% of the visitor dollar with transportation and recreation both seeing about 10% of each visitor dollar spent in Guam in 2019.

 **\$1.8 BILLION**
Total Visitor Spending in 2019



Sources: GVB, Tourism Economics

Note: Lodging spending is calculated as an industry. Spending includes food & beverages as part of package at hotel. Transport includes both air and local transportation.

Note: Numbers may not add up due to rounding

VISITOR SPENDING TRENDS

Visitor spending increased by 3.4% in 2019 to reach \$1.8 billion. Spending grew across most of the sectors, led by increases in transportation and food & beverage spending.

The strongest growth was seen in transportation, increasing by nearly 10% to reach \$171 million. Spending on food & beverages grew 6% in 2019, reaching \$291 million, more than \$80 million over 2017 spending.

Lodging spending increased by 1.2% after a fall of 6% in 2018. Spending on shopping by visitors rebounded 5.7% after a decline of 4% in 2018.

Spending on recreational and entertainment activities fell 2.4% in 2019.

Guam visitor spending and annual growth

Amounts in \$millions, 2021 % change, and compound annual growth rate(CAGR)

	2015	2016	2017	2018	2019	2019 Growth	2015-2019 CAGR
Total visitor spending	\$1,527.0	\$1,658.5	\$1,729.9	\$1,732.0	\$1,791.2	3.4%	4.1%
Lodging*	\$568.2	\$630.4	\$660.1	\$620.3	\$627.6	1.2%	2.5%
Food & beverage	\$172.1	\$189.8	\$209.9	\$274.6	\$290.8	5.9%	14.0%
Retail	\$442.8	\$468.2	\$474.0	\$454.6	\$480.6	5.7%	2.1%
Recreation	\$214.9	\$228.2	\$236.0	\$226.5	\$221.0	-2.4%	0.7%
Transportation**	\$129.0	\$142.0	\$150.0	\$156.0	\$171.2	9.8%	7.3%

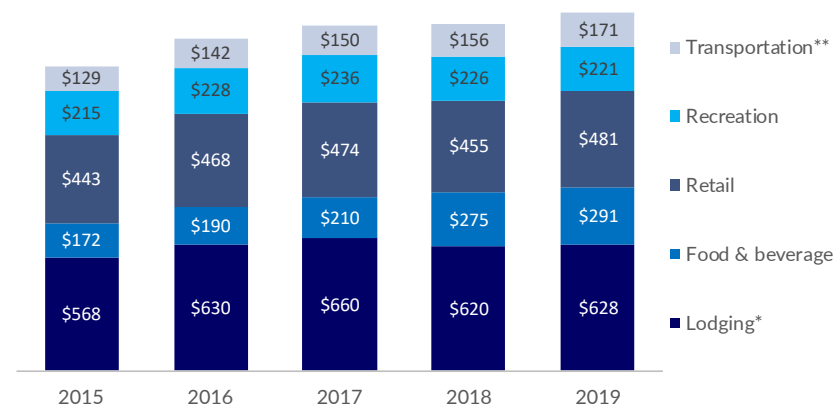
Source: Tourism Economics

* Lodging includes second home spending

** Transportation includes both ground and air transportation

Visitor Spending in Guam, 2015-2019

By category, amounts in \$millions



Source: Tourism Economics

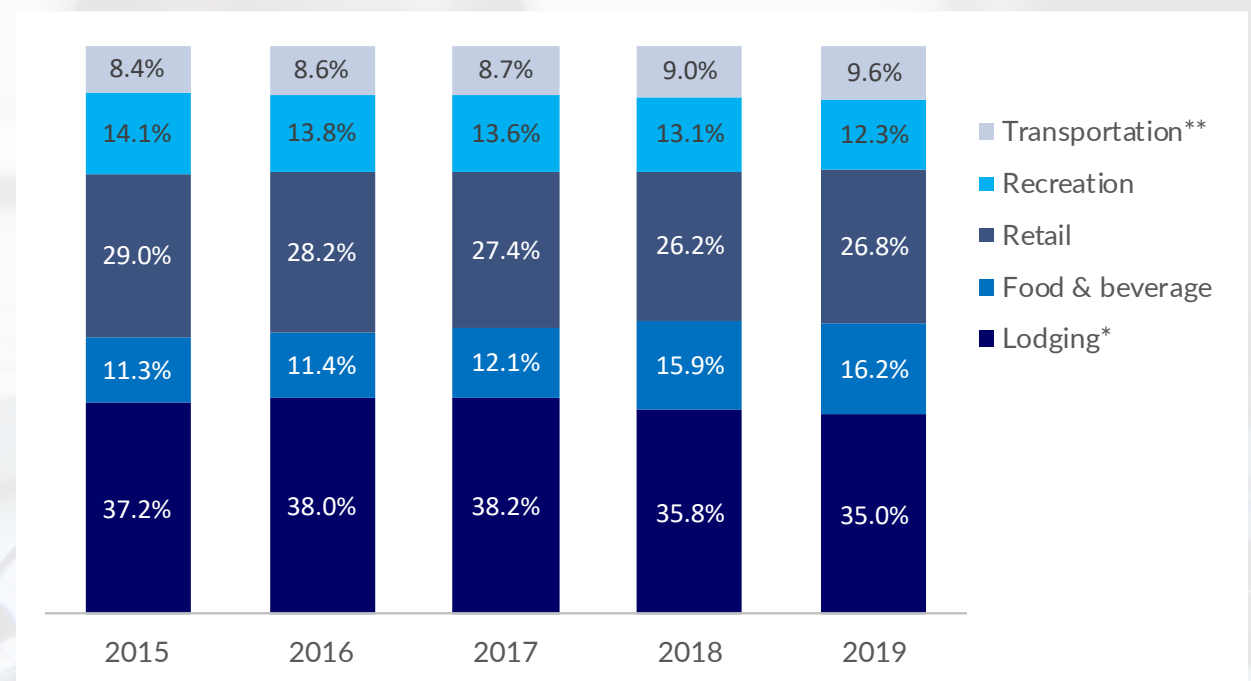
VISITOR SPENDING DISTRIBUTION - SHARES

Spending shares continued to be dominated by lodging and retail spending. Lodging spending's share has fallen slightly over the past five years but remains the largest spending category at 35% in 2019. Retail, moving with the share of Japanese visitors, jumped up 0.6 percentage points to 26.8% in 2019.

Food & beverage spending's share has jumped over the past two years. After averaging between 11 and 12%, the share of the visitor dollar spent on food jumped to 16% in 2018 and increased another 0.3 percentage points in 2019.

Visitor Spending Shares in Guam, 2015-2019

By category, %



Source: Tourism Economics

VISITOR ECONOMY TRENDS

The visitor economy looks at a broader range of tourism-related expenditures. These include government support for tourism as well as capital investment (both new structures and machinery and equipment spending).

Overall, traveler demand reached \$1.9 billion in 2019 with international spending dominating, bringing in \$1.7 billion towards overall traveler demand. Capital investment in support of tourism grew to \$70 million in 2019, an increase of 16%. Growth in governmental support of tourism along with domestic (defined as internal US travelers) was moderate in 2019.

Tourism Capital Investment

Amounts in \$thousands

	2015	2016	2017	2018	2019
Total Tourism CAPEX	\$58,399	\$58,224	\$54,845	\$60,718	\$70,291
Machinery & equip.	\$27,109	\$28,112	\$31,272	\$31,688	\$32,531
Construction	\$31,289	\$30,113	\$23,573	\$29,029	\$37,760

VISITOR ECONOMY DISTRIBUTION

In Guam, international visitor markets increased their relative importance to 88% of tourism demand in 2019.

Domestic visitor markets provided 5.7% of demand in 2019.

Capital investment in tourism-related construction and machinery & equipment represented 3.7% of all tourism-related demand.

Governmental support share was 2.4% of all Guam tourism demand in 2019.

Guam tourism demand

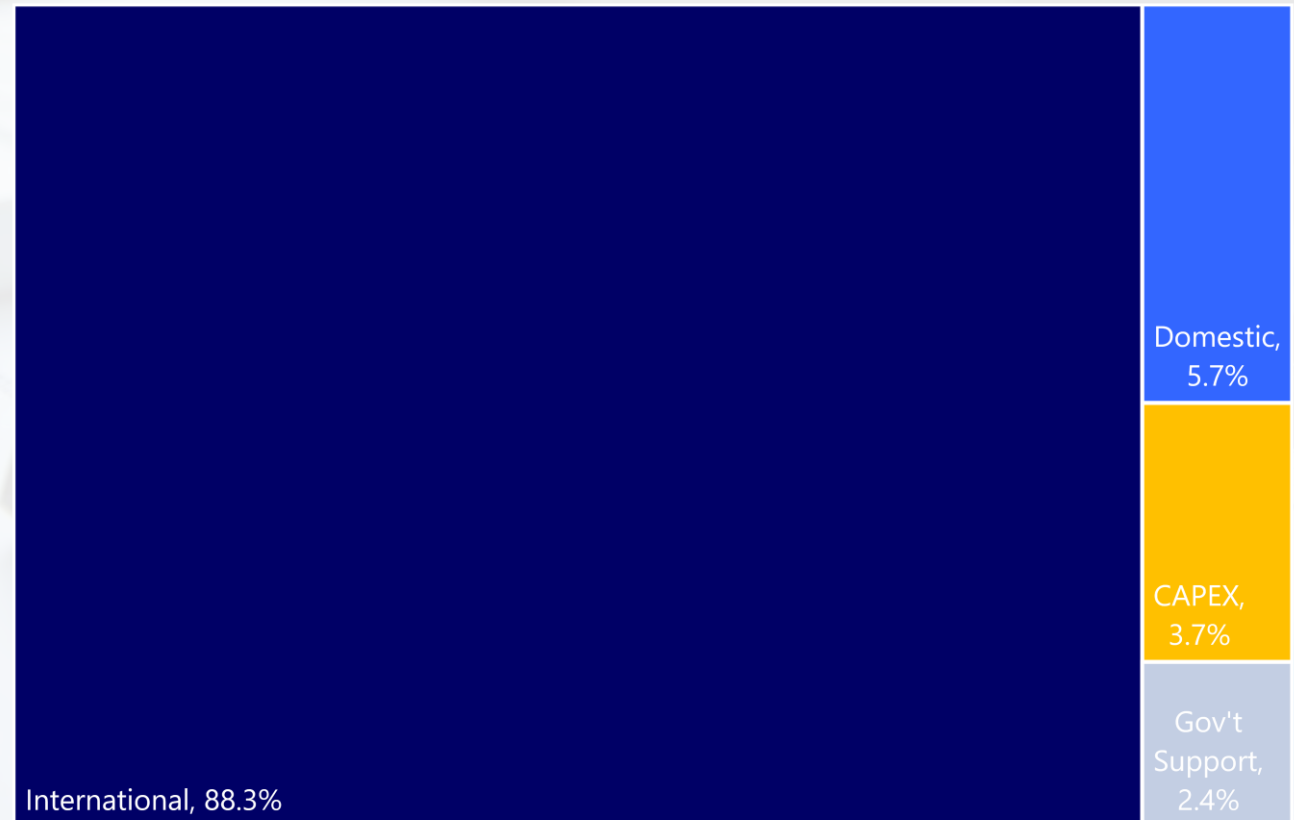
Amounts in \$millions, 2019 % change, and CAGR from 2015

	2015	2016	2017	2018	2019	2019 Growth	2015-2019 CAGR
Tourism Demand	\$1,623.0	\$1,758.0	\$1,827.7	\$1,836.5	\$1,906.4	3.8%	4.1%
Domestic Visitor	\$80.1	\$88.6	\$94.7	\$108.2	\$108.3	0.1%	7.8%
International Visitor	\$1,446.9	\$1,569.9	\$1,635.2	\$1,623.8	\$1,682.9	3.6%	3.8%
Governmental Support	\$37.6	\$41.3	\$42.9	\$43.8	\$44.9	2.5%	4.5%
Capital Investment	\$58.4	\$58.2	\$54.8	\$60.7	\$70.3	15.8%	4.7%

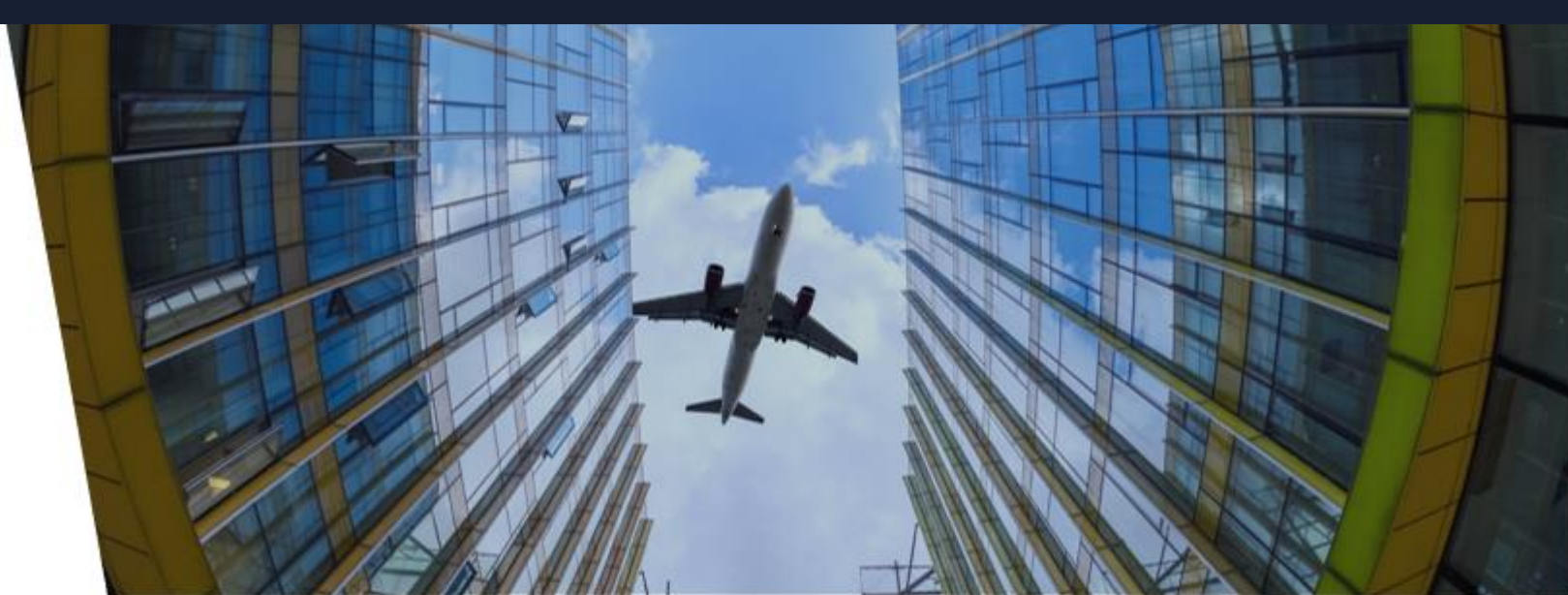
Source: Tourism Economics

Guam tourism demand

Percent distribution



Source: Tourism Economics



ECONOMIC IMPACT METHODOLOGY

Our analysis of the Guam visitor economy begins with direct traveler-related demand 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 Guam 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 FRAMEWORK

DIRECT IMPACTS

Guam tourism's contribution measured visitor spending



RETAIL



REC/ENTERTAINMENT



FOOD & BEVERAGE



TRANSPORTATION



LODGING

INDIRECT IMPACTS

Purchases of inputs from suppliers
Suppliers' own supply chains



SUPPLY
CHAIN
EFFECTS



B2B GOODS &
SERVICES
PURCHASED

INDUCED IMPACTS

Consumer spending out of
employees' wages:



INCOME
EFFECT



HOUSEHOLD
CONSUMPTION

TOTAL IMPACTS

Direct, indirect, and
induced impacts



SALES



GDP



JOBS



INCOME



TAXES



ECONOMIC IMPACT FINDINGS

BUSINESS SALES IMPACTS

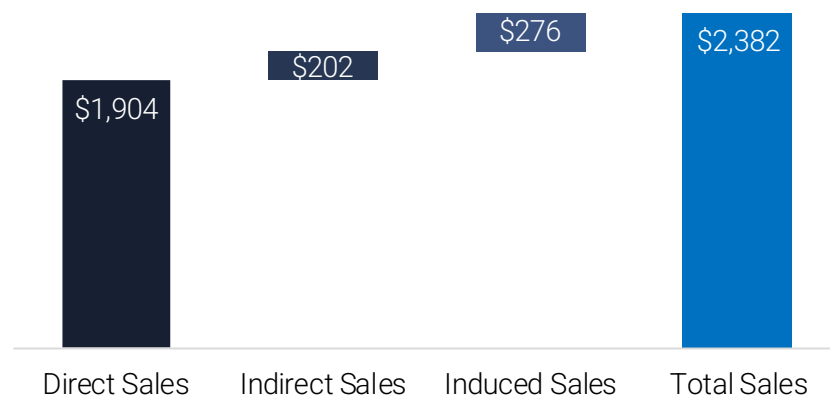
Travel-related spending of \$1.9 billion supported another \$480 million in business sales from indirect and induced impacts, creating a total impact of \$2.4 billion in sales for businesses in Guam.

Of the \$2.4 billion in business sales supported by visitor activity, lodging businesses saw \$632 million in business sales with retail shops another \$556 million.

Significant benefits accrue in sectors like finance, insurance, and real estate, and business services along with education & health care and communications despite not being directly linked with visitor spending.

Summary Economic impacts (2019)

Amounts in millions of nominal dollars



Source: Tourism Economics

Note: Numbers may not add up due to rounding

Business sales impacts by industry (2019)

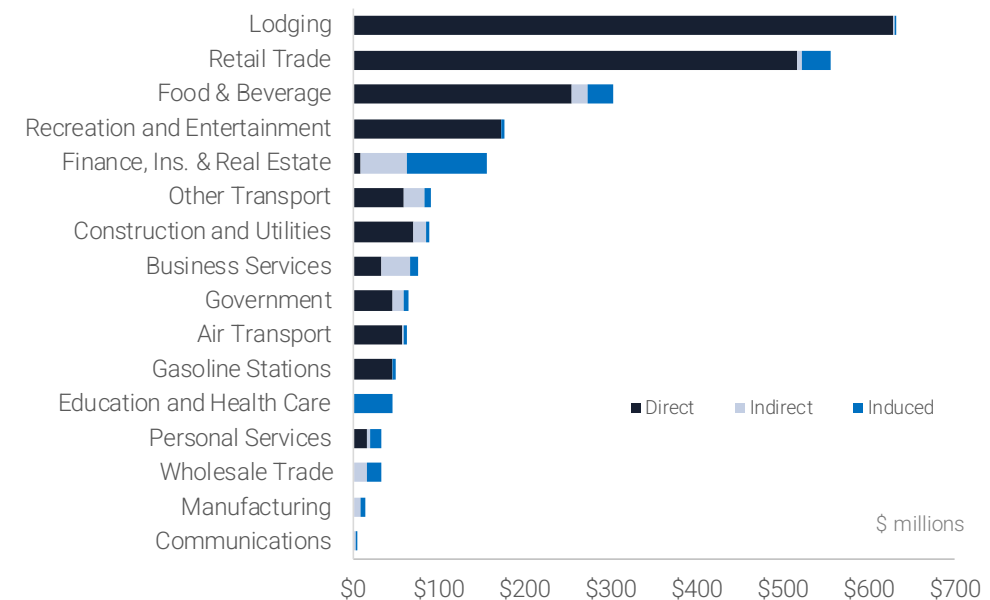
Amounts in millions of nominal dollars

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$1,904	\$202	\$276	\$2,382
Lodging	\$ 628	\$ 2	\$ 3	\$632
Retail Trade	\$ 517	\$ 5	\$33	\$556
Food & Beverage	\$ 253	\$20	\$29	\$303
Recreation and Entertainment	\$ 172	\$ 1	\$ 4	\$176
Finance, Ins. & Real Estate	\$ 9	\$53	\$93	\$156
Other Transport	\$ 59	\$24	\$ 8	\$91
Construction and Utilities	\$ 70	\$14	\$ 4	\$88
Business Services	\$ 33	\$33	\$ 9	\$76
Government	\$ 45	\$14	\$ 6	\$64
Air Transport	\$ 56	\$ 2	\$ 4	\$62
Gasoline Stations	\$ 46	\$ 0	\$ 3	\$49
Education and Health Care	-	\$ 1	\$45	\$46
Personal Services	\$ 15	\$ 5	\$12	\$32
Wholesale Trade	-	\$16	\$16	\$32
Manufacturing	-	\$ 9	\$ 5	\$15
Communications	-	\$ 2	\$ 2	\$ 5
Agriculture, Fishing, Mining	-	\$ 0	\$ 0	\$ 0

Source: Tourism Economics

Visitor economy business sales impacts by industry (2019)

Amounts in millions of nominal dollars



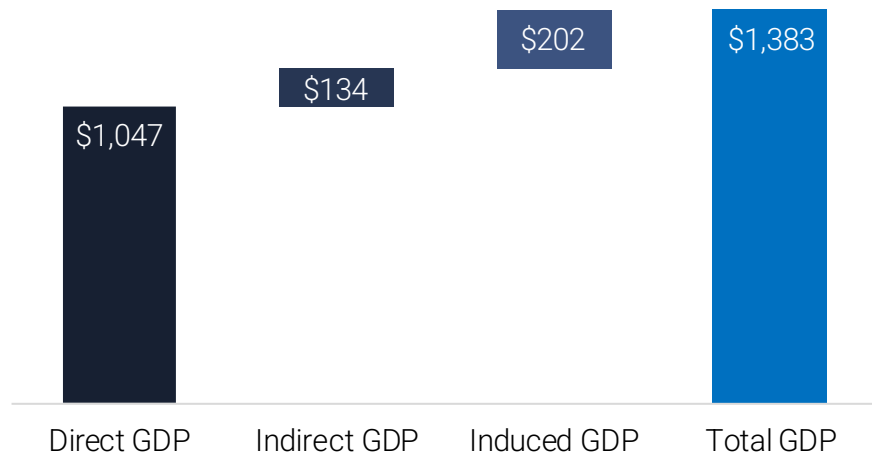
Source: Tourism Economics

VALUE ADDED IMPACTS

The value of all visitor-supported goods & services produced in Guam in 2019 for Guam visitors was \$1.4 billion, 22% of the Guam economy.

Summary value-added impacts (2019)

Amounts in millions of nominal dollars



Source: Tourism Economics

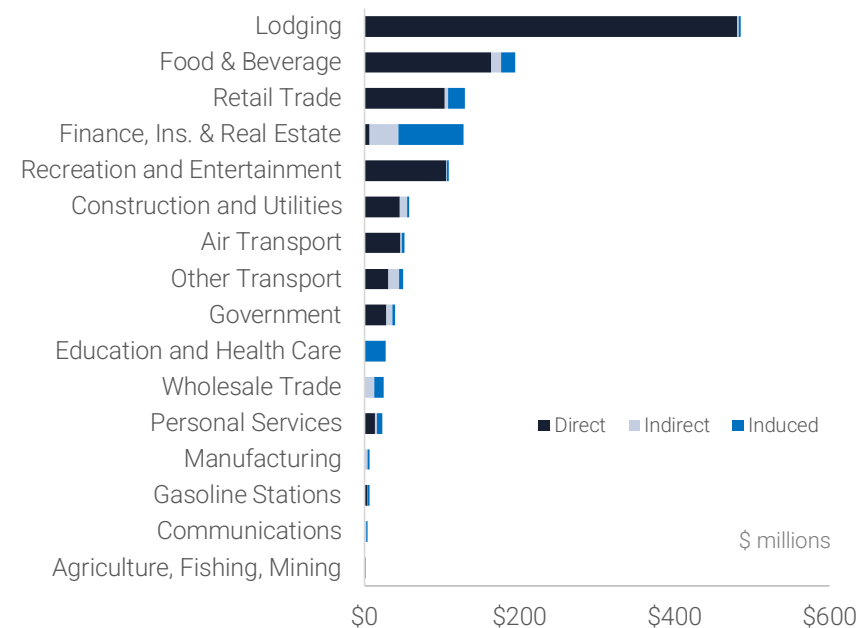
Note: Numbers may not add up due to rounding

The locally produced portion of visitor-supported sales in the finance & real estate industries and the retail industry each added around \$130 million to territory GDP in 2019.

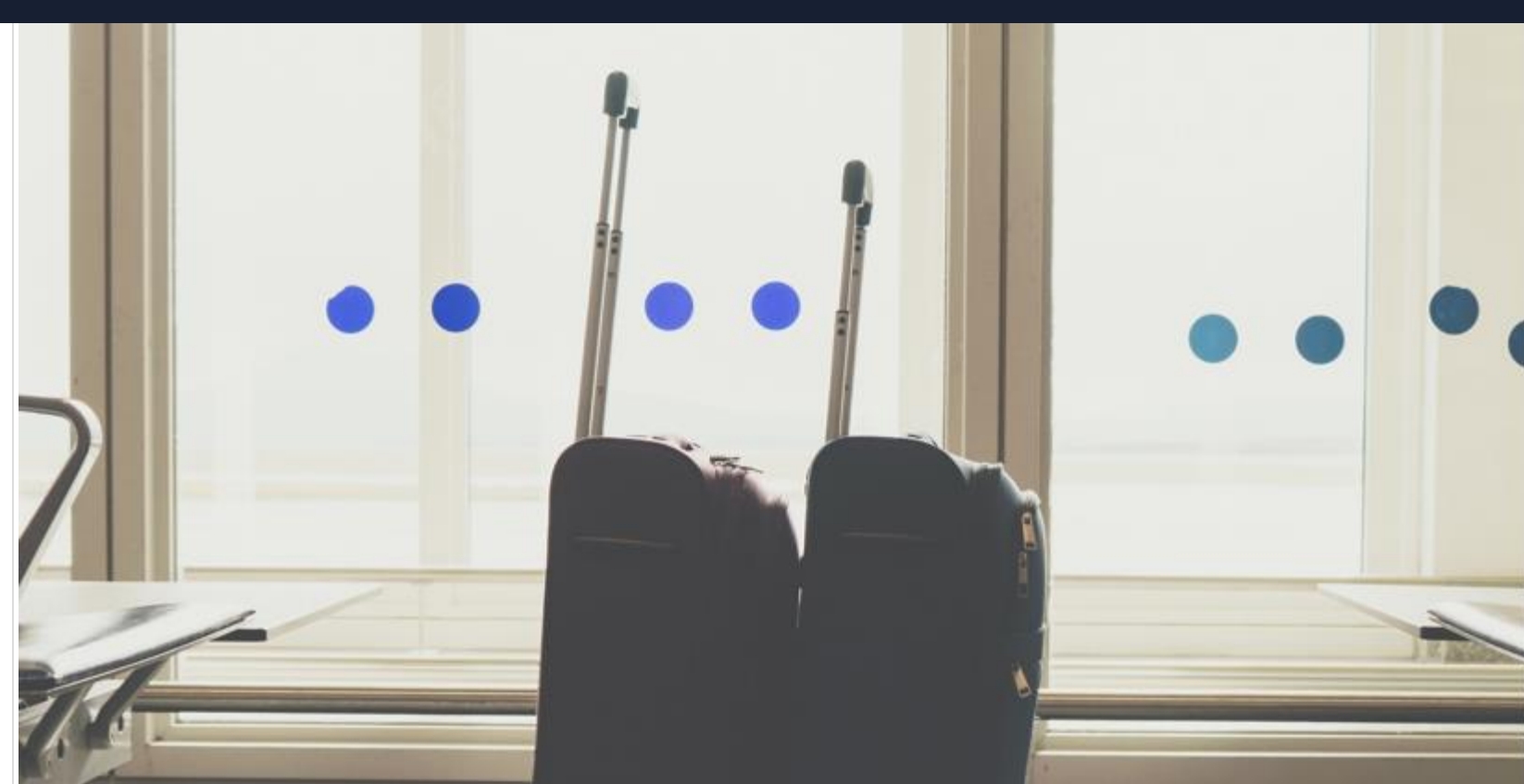
Spending by travel demand-supported workers supported \$27 million in GDP contribution in the education and health care industries, showing how tourism activity supports businesses across the industrial spectrum.

Visitor value-added impacts by Industry (2019)

Amounts in millions of nominal dollars



Source: Tourism Economics

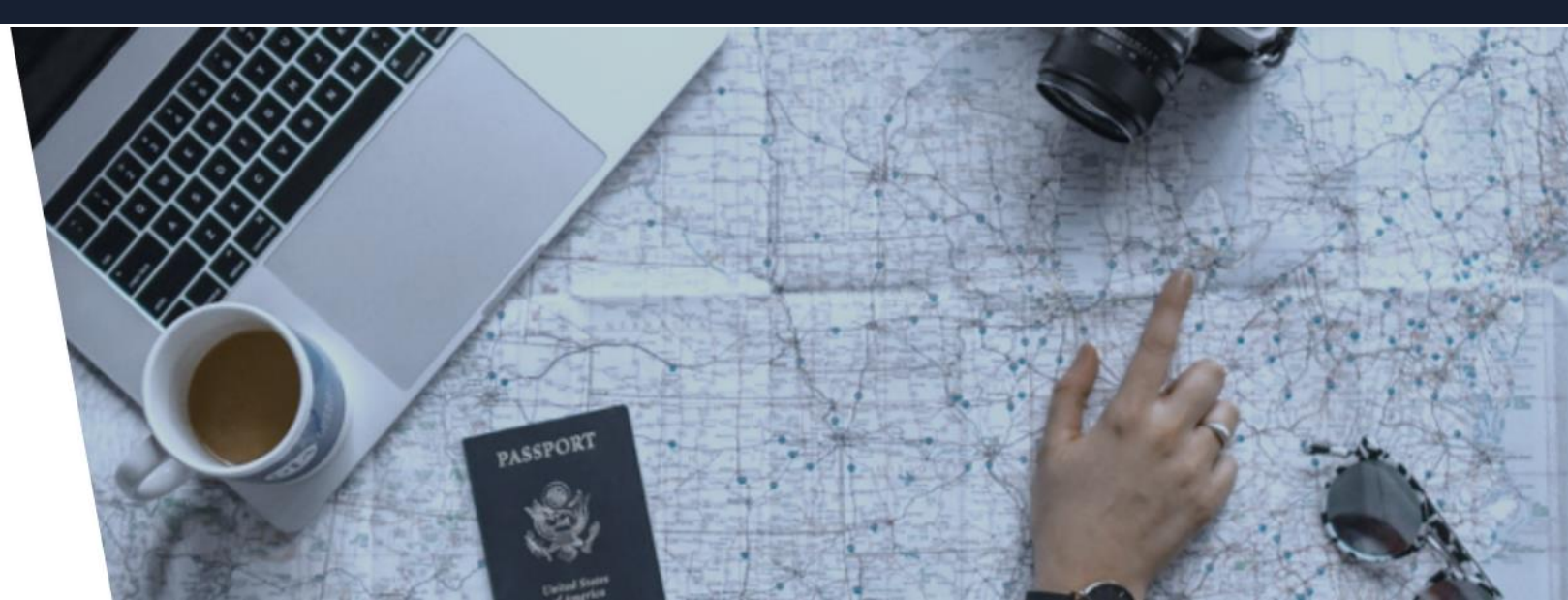


Summary value-added impacts by industry (2019)

Amounts in millions of nominal dollars

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$ 1,047	\$ 134	\$ 202	\$ 1,383
Lodging	\$ 482	\$ 1	\$ 2	\$ 485
Food & Beverage	\$ 163	\$ 13	\$ 18	\$ 195
Retail Trade	\$ 104	\$ 4	\$ 22	\$ 130
Finance, Ins. & Real Estate	\$ 7	\$ 37	\$ 84	\$ 128
Recreation and Entertainment	\$ 105	\$ 1	\$ 2	\$ 108
Construction and Utilities	\$ 45	\$ 10	\$ 3	\$ 58
Air Transport	\$ 46	\$ 2	\$ 3	\$ 51
Other Transport	\$ 30	\$ 14	\$ 5	\$ 50
Business Services	\$ 19	\$ 23	\$ 6	\$ 48
Government	\$ 28	\$ 8	\$ 3	\$ 39
Education and Health Care	-	\$ 0	\$ 27	\$ 27
Wholesale Trade	-	\$ 13	\$ 12	\$ 25
Personal Services	\$ 13	\$ 3	\$ 7	\$ 23
Manufacturing	-	\$ 4	\$ 2	\$ 6
Gasoline Stations	\$ 4	\$ 0	\$ 2	\$ 6
Communications	-	\$ 2	\$ 2	\$ 4
Agriculture, Fishing, Mining	-	\$ 0	\$ 0	\$ 0

Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

EMPLOYMENT - IMPACTS

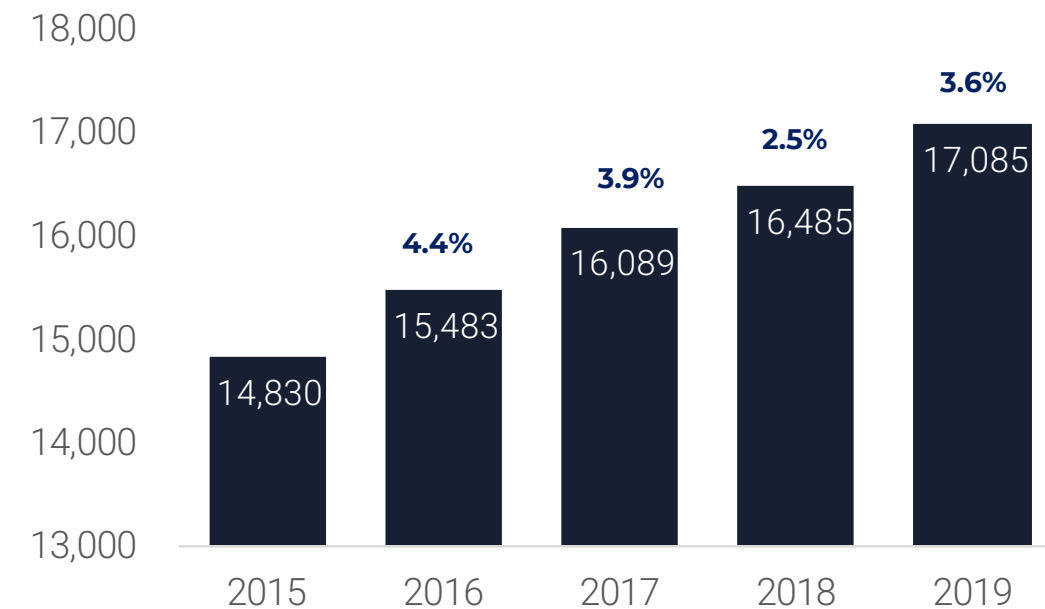
Employment directly supported by visitor activity rose 3.6% in 2019 to nearly 17,100 jobs. The number of jobs jumped by 600 in 2019. The number of jobs grew by 2,255 between 2015 and 2019. These jobs are ones that direct serve the visitors at businesses like hotel, restaurants, retailers, recreational/entertainment entities, and transportation companies. These jobs do not include those tourism related jobs in government and construction.

The evaluation of the direct impact of visitor activity allows for comparisons and rankings against other industries.

Employment directly supported by visitors reached 17,085 in 2019. Comparing employment levels, were direct visitor-supported employment to be ranked against other industries, tourism would rank 1st in the territory.

Employment supported by travel spending in Guam

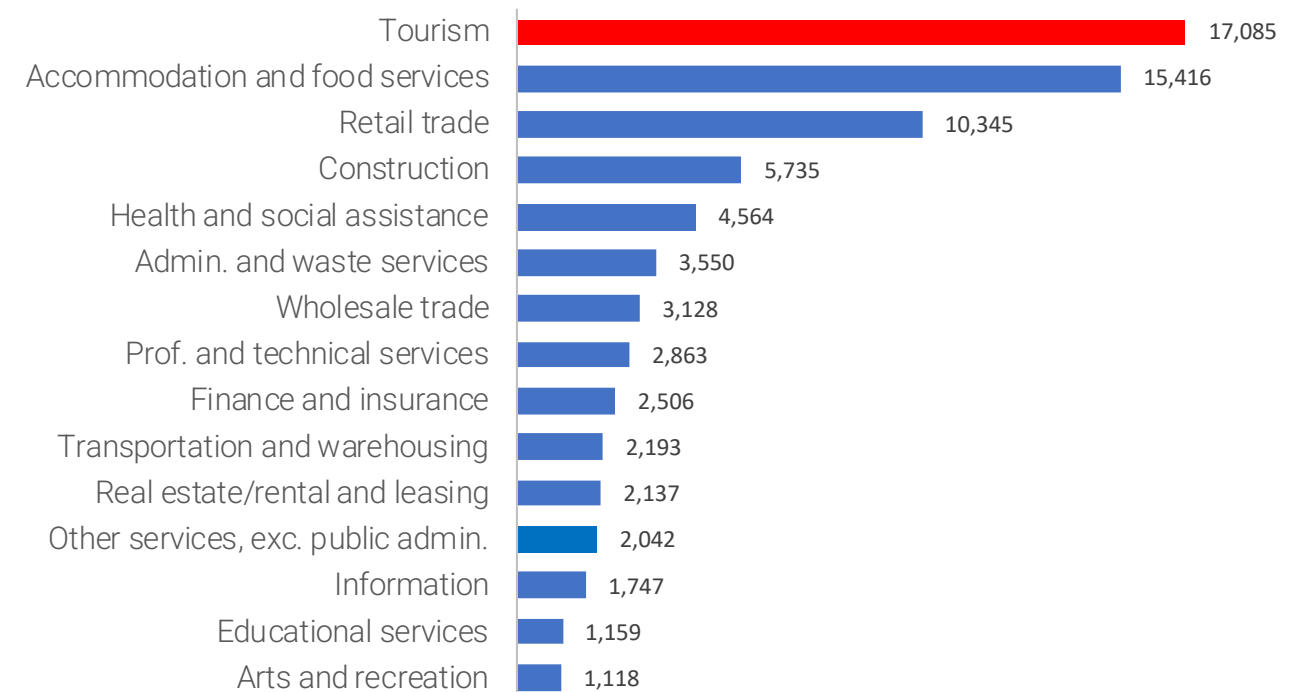
Total impact, amounts in number of jobs



Source: Tourism Economics

Employment in Guam, by major industry

Amounts in number of jobs, direct jobs for Tourism



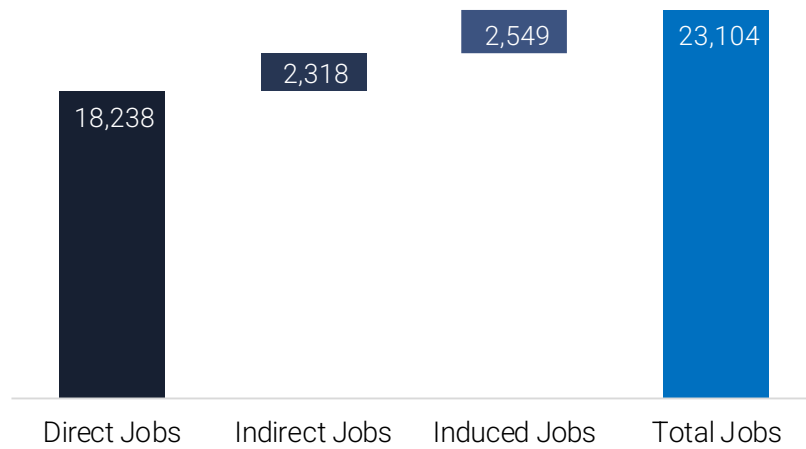
Source: Tourism Economics

EMPLOYMENT – TOTAL IMPACTS

Guam travel demand directly generated more than 18,200 jobs and a total of 23,100 jobs when indirect and induced impacts are included. The total jobs impact supported 38% of all jobs in Guam in 2019, one of every 2.6 jobs in the territory.

Summary employment impacts (2019)

Amounts in number of jobs



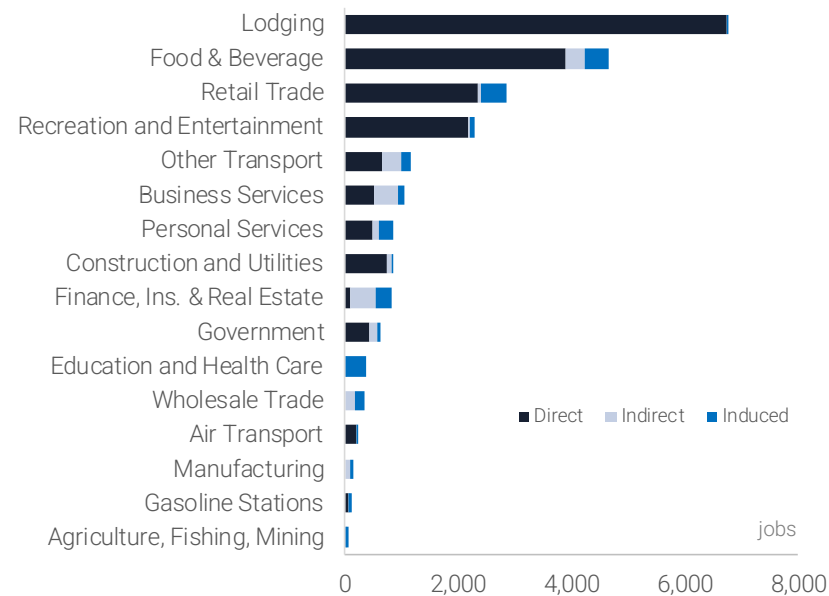
Source: Tourism Economics

Visitor spending supports the largest number of jobs in the lodging industry (6,770).

Traveler-related spending supports more than 1,000 jobs at business service companies – in areas like accounting, advertising and building services. More than half of these jobs are not directly related to visitor activity.

Visitor job Impacts by industry (2019)

Amounts in number of jobs



Source: Tourism Economics



Summary employment Impacts by industry (2019)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	18,238	2,318	2,549	23,104
Lodging	6,721	18	32	6,772
Food & Beverage	3,891	324	438	4,654
Retail Trade	2,330	64	457	2,851
Recreation and Entertainment	2,183	29	63	2,275
Other Transport	639	350	172	1,161
Business Services	500	419	112	1,031
Personal Services	482	116	249	847
Construction and Utilities	726	90	11	826
Finance, Ins. & Real Estate	85	460	263	808
Government	426	136	47	610
Education and Health Care	-	11	364	375
Wholesale Trade	-	169	181	350
Air Transport	186	7	12	205
Manufacturing	-	92	57	149
Gasoline Stations	68	2	37	107
Agriculture, Fishing, Mining	-	13	41	54
Communications	-	16	13	29

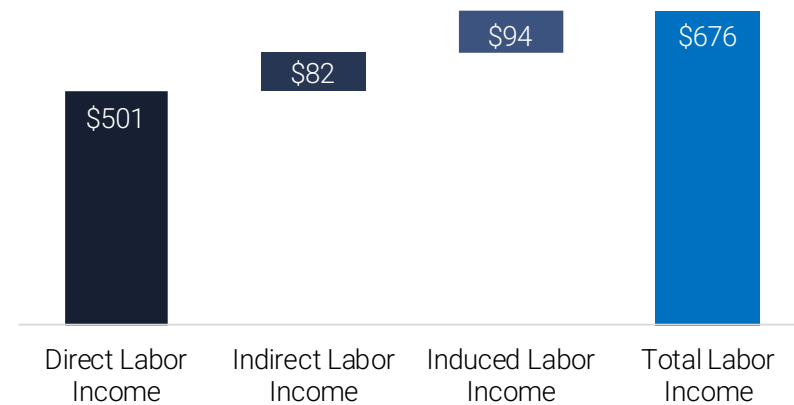
Source: Tourism Economics

LABOR INCOME IMPACTS

Traveler activity generated \$501 million in direct labor income and a total of \$676 million when including indirect and induced impacts.

Summary labor income impacts (2019)

Amounts in millions of nominal dollars

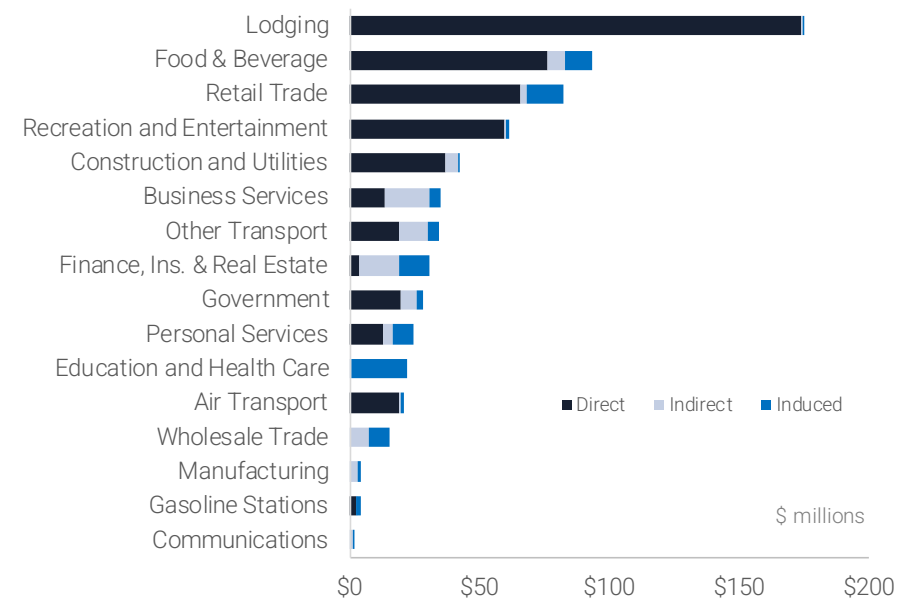


Source: Tourism Economics

There are eight industries in which visitor activity supports more than \$30 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and finance, insurance & real estate.

Visitor labor income Impacts by industry (2019)

Amounts in millions of nominal dollars



Source: Tourism Economics



Summary labor income impacts (2019)

Amounts in millions of nominal dollars

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$501	\$82	\$94	\$676
Lodging	\$ 174	\$ 1	\$ 1	\$175
Food & Beverage	\$ 76	\$ 7	\$10	\$ 94
Retail Trade	\$ 66	\$ 2	\$15	\$ 83
Recreation and Entertainment	\$ 59	\$ 1	\$ 2	\$ 62
Construction and Utilities	\$ 37	\$ 5	\$ 1	\$ 42
Business Services	\$ 13	\$17	\$ 5	\$ 35
Other Transport	\$ 19	\$11	\$ 4	\$ 35
Finance, Ins. & Real Estate	\$ 3	\$16	\$12	\$ 31
Government	\$ 20	\$ 6	\$ 2	\$ 28
Personal Services	\$ 13	\$ 4	\$ 8	\$ 24
Education and Health Care	-	\$ 0	\$22	\$ 22
Air Transport	\$ 19	\$ 1	\$ 1	\$ 21
Wholesale Trade	-	\$ 7	\$ 8	\$ 15
Manufacturing	-	\$ 3	\$ 2	\$ 4
Gasoline Stations	\$ 2	\$ 0	\$ 1	\$ 4
Communications	-	\$ 1	\$ 1	\$ 2
Agriculture, Fishing, Mining	-	\$ 0	\$ 0	\$ 0

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$253 million in government revenues.

Each household in Guam would need to be taxed an additional \$4,915 to replace the traveler taxes received by Guam territory and local governments in 2019.

Fiscal (tax) impacts

Amounts in millions of nominal dollars

	Total Taxes
Total Tax Revenues	\$253.4
Personal Income	\$26.4
Corporate	\$16.6
Indirect Business	\$21.8
Social Insurance	\$72.8
Hotel Occupancy	\$45.1
Gross Receipts	\$58.9
Special Revenues	\$11.8

Source: Tourism Economics



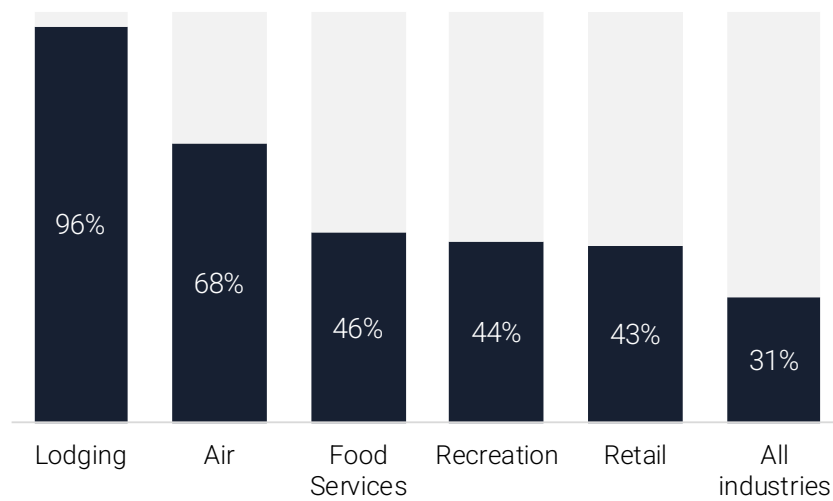
ECONOMIC IMPACTS IN CONTEXT

Visitor activity supports a significant share of employment in several industries with the majority of lodging employment traveler-related. In other key industries, visitor activity supports 68% of all air employment, 46% of restaurant employees, and 44% of jobs in recreational industries.

Overall, direct traveler-related jobs accounted for 31% of all jobs in Guam in 2019.

Visitor employment intensity

Direct jobs, visitor-supported share of industry employment



Source: BEA, BLS, Tourism Economics

ECONOMIC IMPACTS IN CONTEXT



\$1.8B VISITOR SPENDING

The \$1.8 billion in visitor spending is similar to the value of construction projects awarded in FY 2021 and 2022 for the military buildup.



\$2.4B TOTAL IMPACT

The \$2.4 billion in total business sales generated is about what American's spend on fireworks in a year.



23,100 JOBS

The total number of jobs sustained by tourism, including indirect and induced benefits, accounts for 38% of all jobs in Guam.



\$253M TERRITORIAL TAXES

Each household in Guam would need to be taxed an additional \$4,915 to replace the visitor taxes received by the state and local governments in 2019.

APPENDIX

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/ Entertainment	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.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.
Total Tourism Demand	Includes all visitor spending plus other spending streams in support of the traveler industry. This includes government spending and capital investment in support of travel.

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. rec./entmt., trans., 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.
Total Impact	Direct + Indirect + Induced impacts. Total business sales impact commonly referred to as total economic impact.
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.

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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

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