



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 TIRAO
1671

The Guam Traveler Economy - 2020

August 2022

Prepared for: Guam Visitors Bureau



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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 2020, tourism supported jobs accounted for 26% of all jobs in the territory – and this is down about twelve percentage points due to the pandemic's impact.

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: GDP, 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 \$404 million in 2020 with investment and government adding around \$85 million for a total travel demand of \$490 million in 2020.

\$404M	+	\$85M	=	\$490M
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 \$490 million generated a total economic impact (total business sales) of \$776 million on the island in 2020. 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 15,900 jobs and generated \$125 million in territory tax revenues in 2020.



\$776 MILLION

Total Economic Impact of Tourism in Guam in 2020

SUMMARY ECONOMIC IMPACTS Guam Tourism (2020)



\$490M

Direct Traveler Demand



\$776M

Total Economic Impact



15,900

Total Jobs Generated



\$125M

Taxes Generated



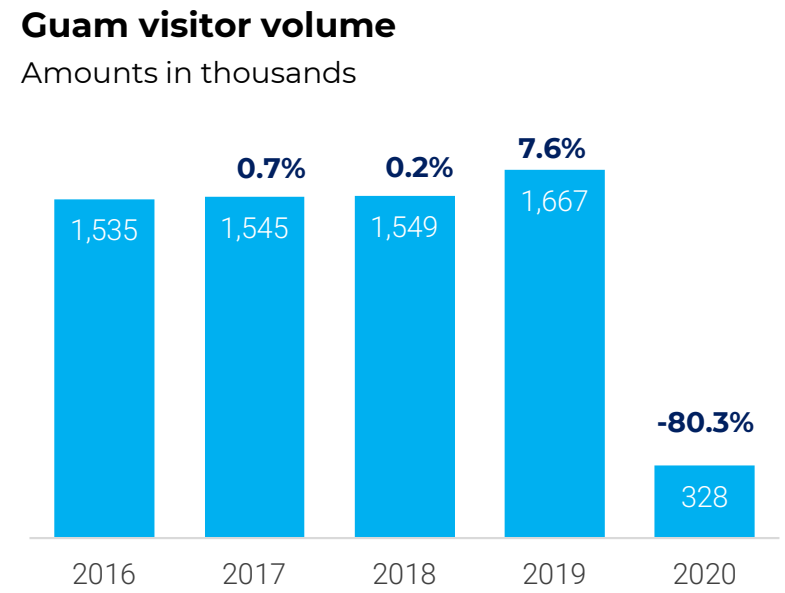
VISITS

Visitor activity in Guam was significantly affected by the pandemic. The number of visitors, who was able to visit and their ability to spend while in Guam were all impacted by the pandemic. But it must also be remembered that the pandemic began in late February, early March. Guam had the early part of the year where more traditional travel patterns dominated. With the remainder of the year experiencing little to no travel, 2020 results show the significant declines of the pandemic and yet other yearly measurements show pre-pandemic behaviors.

VISITOR VOLUME

A drop of 80%

Visitation fell to 328,000 visitors in 2020 as travel bans, constraints, and consumer comfortability with travel affected travel decisions. International travel was measured in the 100s in April through the rest of the year after reaching levels of the hundred-thousands in January and February. In fact, nearly 95% of the annual visitation in 2020 was in the January-March period, before the pandemic hit.



Sources: GVB, Tourism Economics

VISITOR ORIGIN MARKETS

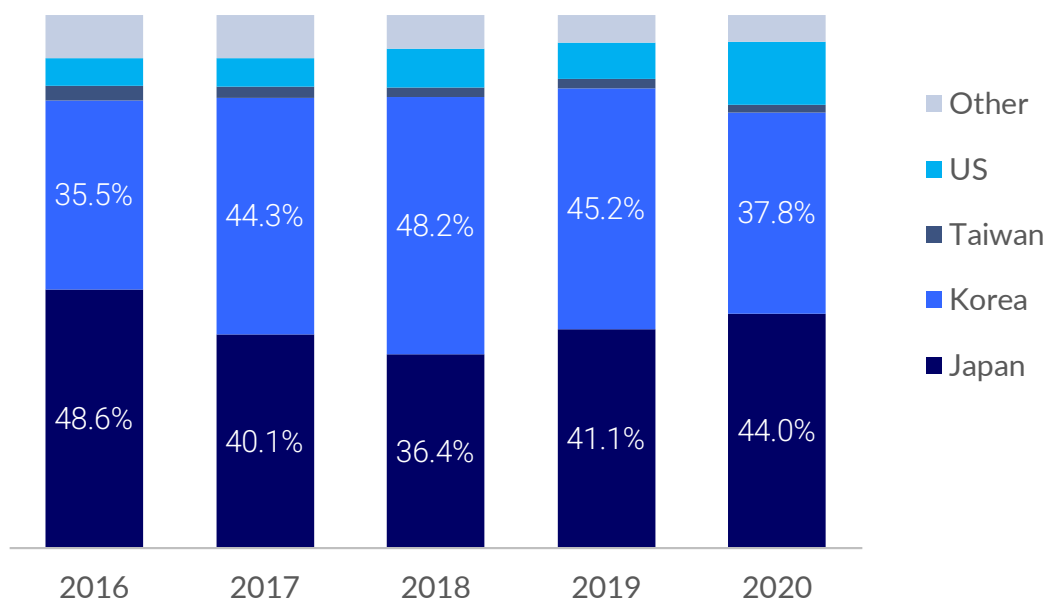
Japan and Korea dominate origin markets

With much of 2020s visitation pre-pandemic, travel patterns mostly followed pre-pandemic behaviors. Japan and Korea remained the dominant visitor markets with the 144,000 Japanese visitors making up 44% of all visitors in 2020.

US visitors made up around 75% of visitors from April through the end of the year as they were one of the few origin markets to Guam with minimal travel restrictions to the island. With US visitors the main origin market for three-quarters of the year, the share of US visitation rose to around 12% of 2020 visitation.

Guam origin markets

With share of visitation for Korea and Japan



Sources: GVB, Tourism Economics



VISITOR SPENDING

Similar to visitation trends, much of the visitor spending in Guam was in the first months of the year, before the pandemic hit. With these months mostly comparable to 2019 spending trends, the biggest effect on visitor spending on the island in 2020 would be from the decline in visitation. Likewise, the visitor spending distribution, led mainly by the pre-pandemic visitation, followed recent trends.

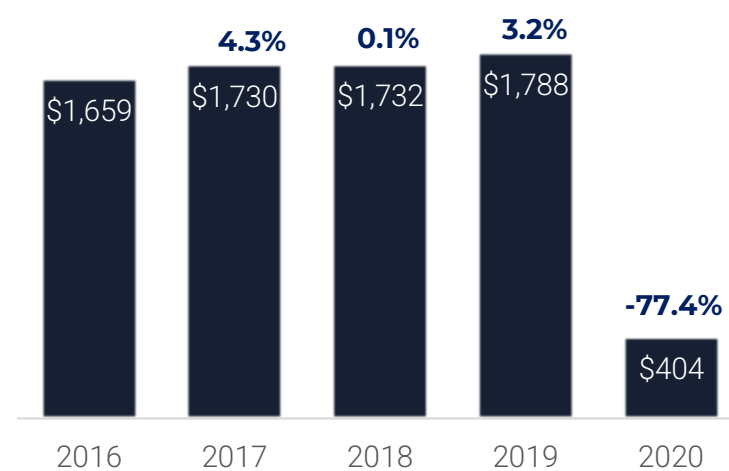
VISITOR SPENDING

Significant drop in 2020

With the number of visitors dropping by 80%, visitor spending also suffered significant drops. Visitor spending fell by nearly \$1.4 billion to \$400 million, a loss of over three-quarters.

Guam visitor spending

Amounts in \$ millions



Sources: GVB, Tourism Economics

VISITOR SPENDING

Visitors to Guam spent \$404 million across a range of sectors in 2020.

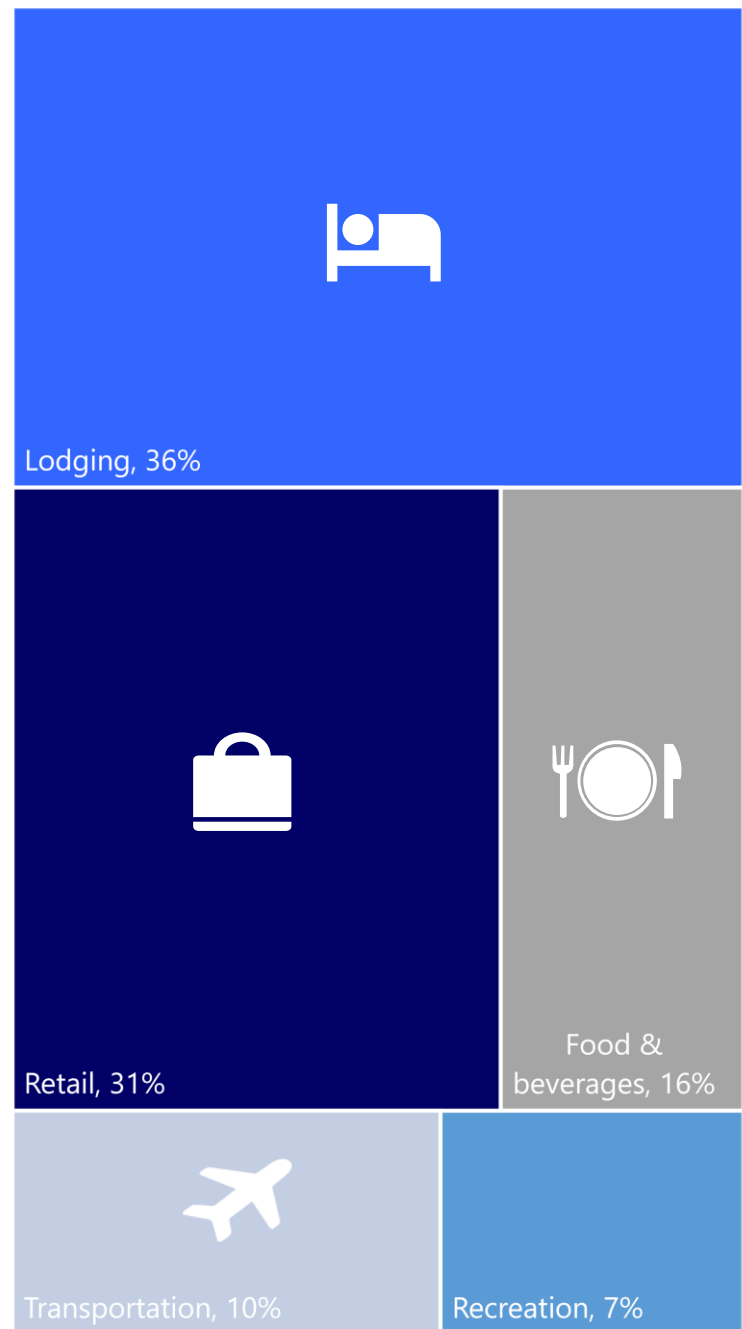
Lodging remains the largest spending category in 2020, capturing a bit more than a third of all visitor spending. The package deals, including some meals for visitors, help keep lodging businesses as the largest visitor spending sector.

With Japanese visitation a larger share of overall visitation in 2020 and Japanese visitors spending more of their visitor dollar shopping, the retail share rose to 31% in 2020.

Food & beverage's share was 16% of each visitor dollar with transportation spending on-island, including the value of landing a visitor in Guam, capturing 10% of each visitor dollar.

Visitor spending on recreational activities was slowing even in the early stages of the year, likely due to the early impact of COVID on some of these origin markets.

 **\$404 MILLION**
Total Visitor Spending in 2020



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 fell by 77% in 2020 to \$404 million. Spending fell across all of the sectors, led by declines in recreational spending and transportation spending.

Lodging spending by visitors remained the largest spending category, capturing \$146 million in spending by visitors.

Retail performed a bit better than other categories, falling 75%, but still declined by more than \$350 million as the decline in visitors affected overall retail spending by visitors.

Guam visitor spending and annual growth

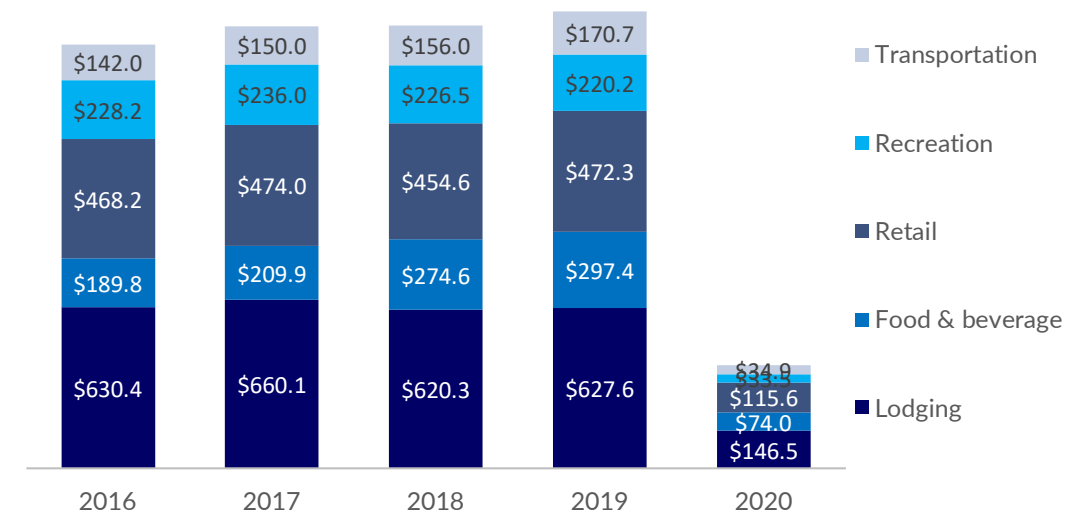
Amounts in \$millions, 2020 % change, and compound annual growth rate(CAGR)

	2016	2017	2018	2019	2020	2020 Growth	2016-2020 CAGR
Total visitor spending	\$1,658.5	\$1,729.9	\$1,732.0	\$1,788.1	\$404.4	-77.4%	-29.7%
Lodging	\$630.4	\$660.1	\$620.3	\$627.6	\$146.5	-76.7%	-30.6%
Food & beverage	\$189.8	\$209.9	\$274.6	\$297.4	\$74.0	-75.1%	-21.0%
Retail	\$468.2	\$474.0	\$454.6	\$472.3	\$115.6	-75.5%	-29.5%
Recreation	\$228.2	\$236.0	\$226.5	\$220.2	\$33.5	-84.8%	-38.1%
Transportation	\$142.0	\$150.0	\$156.0	\$170.7	\$34.9	-79.6%	-29.6%

Source: Tourism Economics

Visitor Spending in Guam, 2016-2020

By category, amounts in \$millions



Source: Tourism Economics

VISITOR SPENDING DISTRIBUTION - SHARES

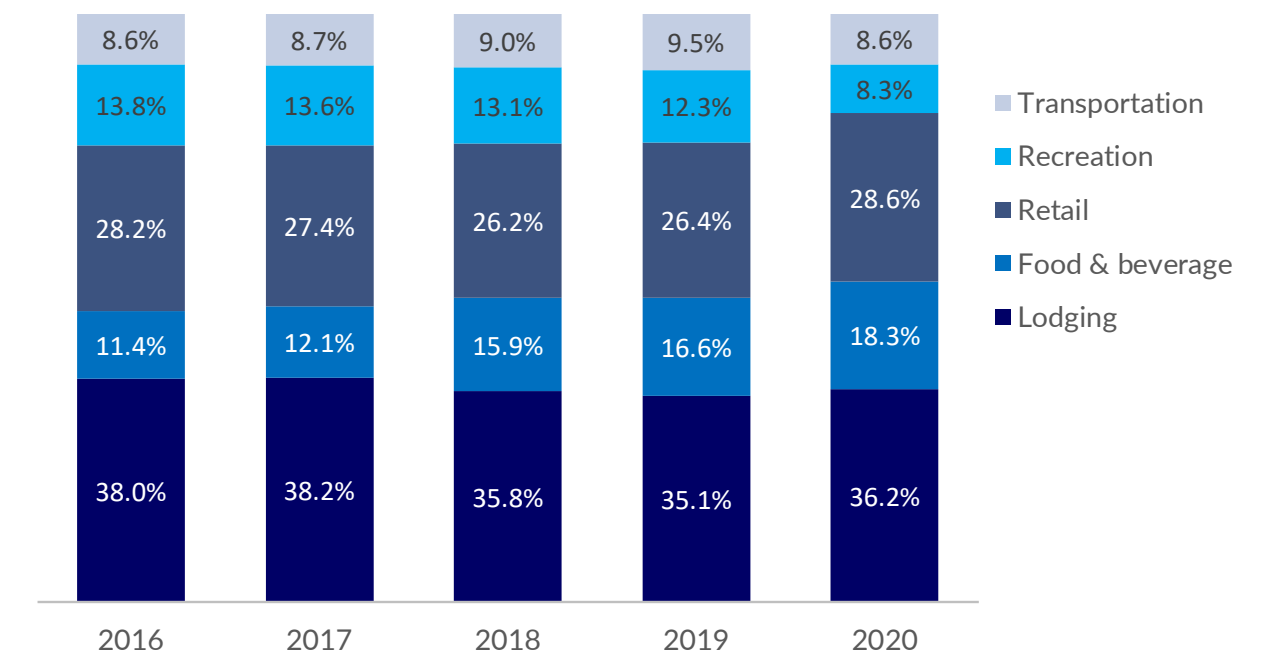
Spending shares continued to be dominated by lodging and retail spending. Lodging spending's share spiked in 2020, increasing by one percentage point to 36 cents of each visitor dollar.

With the larger retail spenders – especially the Japanese – being some of the few visitors that traveled to Guam early in the year – the share of the average visitor dollar spent on shopping rose 2.2 percentage points in 2020.

Whether traveling in normal times or during a pandemic, food is a consistent purchase by travelers. While the visitor numbers were low in the latter part of the year, their food spending share was higher, helping the share of visitor spending on food & beverages increase by more than 1.5 percentage points in 2020.

Visitor Spending Shares in Guam, 2016-2020

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 was \$490 million in 2020 with international spending dominating, bringing in \$363 million towards overall traveler demand. Capital investment in support of tourism fell to \$40 million in 2020, a decrease of 43%.

Growth in governmental support of tourism was moderate in 2020.

Tourism Capital Investment

Amounts in \$thousands

	2016	2017	2018	2019	2020
Total Tourism CAPEX	\$59,798	\$54,845	\$60,718	\$70,376	\$40,104
Machinery & equip.	\$29,685	\$31,272	\$31,688	\$32,617	\$7,241
Construction	\$30,113	\$23,573	\$29,029	\$37,760	\$32,863

VISITOR ECONOMY DISTRIBUTION

In Guam, international visitor markets still dominated the visitor economy, but the share fell from 88% to 74% of tourism demand in 2020 as international visitation fell faster than other sectors.

The domestic visitor market share grew to 8.5% of demand in 2020.

Capital investment in tourism-related construction and machinery & equipment represented 8.2% of all tourism-related demand.

Governmental support's share was 9.2% of all Guam tourism demand in 2020. Much of the increase in share in the non-international visitor sectors is more to the sharp decline in international visitor spending than gains in these sectors.

Guam tourism demand

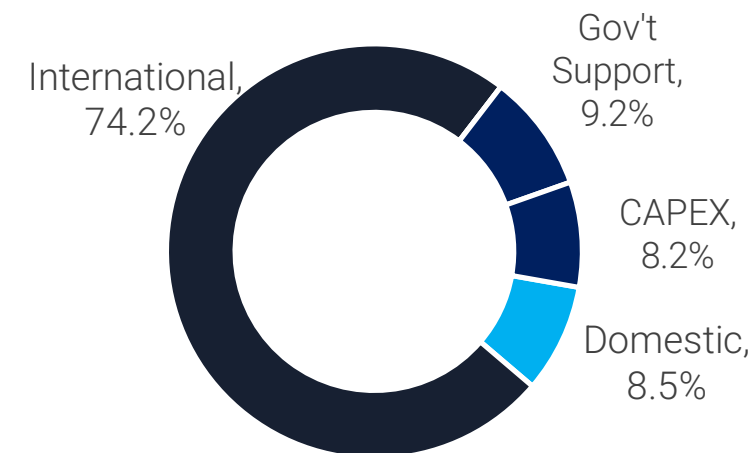
Amounts in \$millions, 2020 % change, and CAGR from 2016

	2016	2017	2018	2019	2020	2020 Growth	2016-2020 CAGR
Tourism Demand	\$1,755.9	\$1,826.1	\$1,835.6	\$1,902.3	\$489.4	-74.3%	-27.3%
Domestic Visitor	\$74.8	\$78.5	\$114.7	\$107.4	\$41.5	-61.4%	-13.7%
International Visitor	\$1,583.7	\$1,651.4	\$1,617.2	\$1,680.8	\$362.9	-78.4%	-30.8%
Governmental Support	\$37.6	\$41.3	\$42.9	\$43.8	\$44.9	2.5%	4.5%
Capital Investment	\$59.8	\$54.8	\$60.7	\$70.4	\$40.1	-43.0%	-9.5%

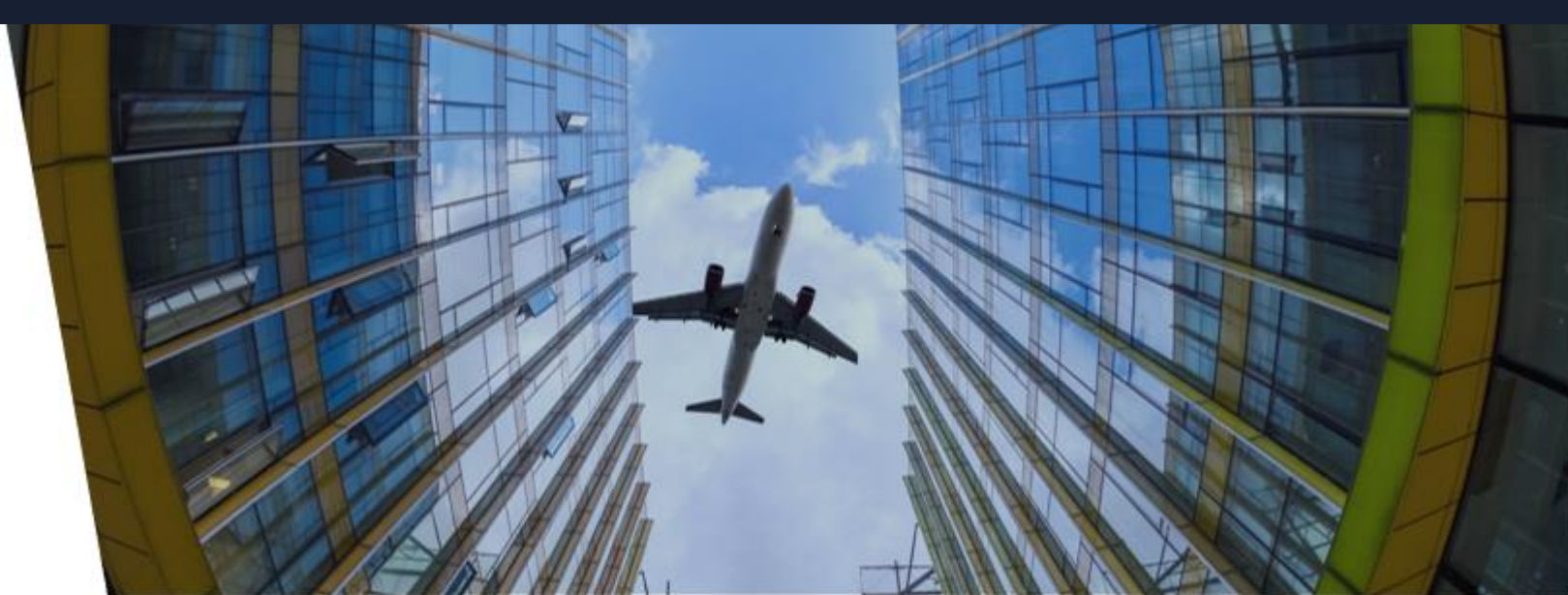
Source: Tourism Economics

Guam tourism demand

Percent distribution



Source: Tourism Economics



ECONOMIC IMPACT FRAMEWORK

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

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

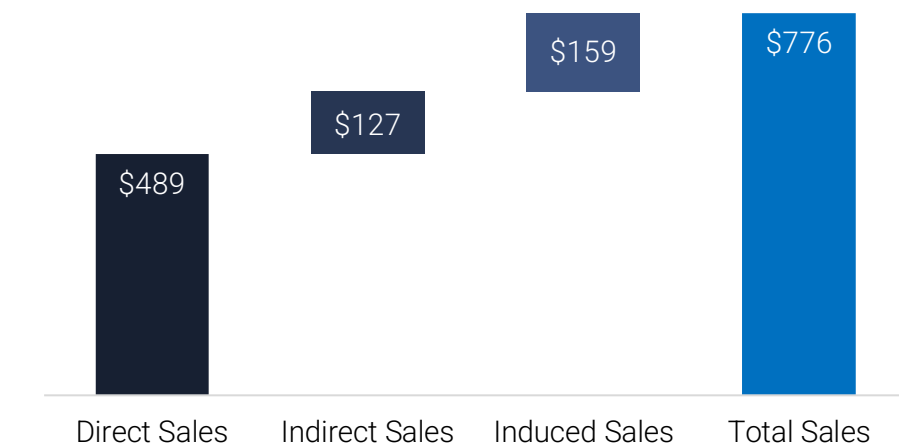
Travel-related spending of \$489 million supported another \$286 million in business sales from indirect and induced impacts, creating a total impact of \$776 million in sales for businesses in Guam.

Retail saw the largest business sales support from visitors among all industries in 2020. While lodging had more direct business sales spending, induced spending – spending by workers on retail – pushed retail sales above lodging. Retail businesses saw \$149 million in sales in 2020.

Significant benefits accrue in sectors like finance, insurance, and real estate, and business services despite not being directly linked with visitor spending.

Summary Economic impacts (2020)

Amounts in millions of nominal dollars



Source: Tourism Economics

Note: Numbers may not add up due to rounding

Business sales impacts by industry (2020)

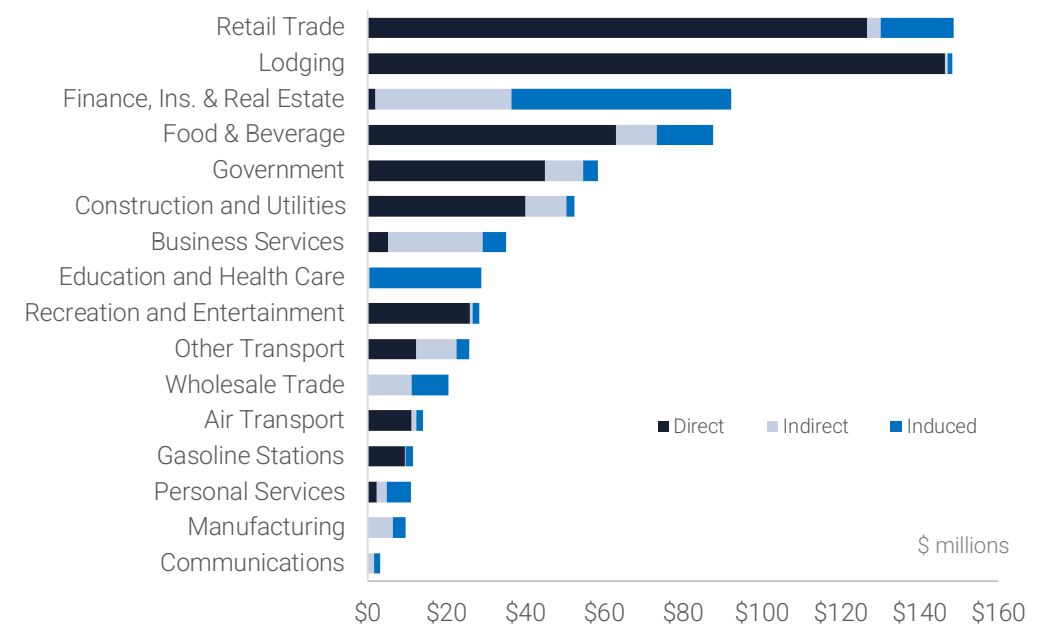
Amounts in millions of nominal dollars

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$489	\$127	\$159	\$776
Retail Trade	\$ 127	\$3	\$19	\$149
Lodging	\$ 146	\$1	\$1	\$148
Finance, Ins. & Real Estate	\$ 2	\$34	\$56	\$92
Food & Beverage	\$ 63	\$10	\$14	\$88
Government	\$ 45	\$10	\$4	\$58
Construction and Utilities	\$ 40	\$10	\$2	\$52
Business Services	\$ 5	\$24	\$6	\$35
Education and Health Care	-	\$0	\$28	\$29
Recreation and Entertainment	\$ 26	\$1	\$2	\$28
Other Transport	\$ 12	\$10	\$3	\$26
Wholesale Trade	-	\$11	\$9	\$20
Air Transport	\$ 11	\$1	\$2	\$14
Gasoline Stations	\$ 10	\$0	\$2	\$11
Personal Services	\$ 2	\$2	\$6	\$11
Manufacturing	-	\$6	\$3	\$10
Communications	-	\$2	\$2	\$3
Agriculture, Fishing, Mining	-	\$0	\$0	\$0

Source: Tourism Economics

Visitor economy business sales impacts by industry (2020)

Amounts in millions of nominal dollars



Source: Tourism Economics

VALUE ADDED IMPACTS

The value of all visitor-supported goods & services produced in Guam in 2020 for Guam visitors was \$632 million, 11% of the Guam economy. Tourism's contribution to the Guam economy fell from 22% in 2020 as income and profits fell sharply.

Summary value-added impacts (2020)

Amounts in millions of nominal dollars



Source: Tourism Economics

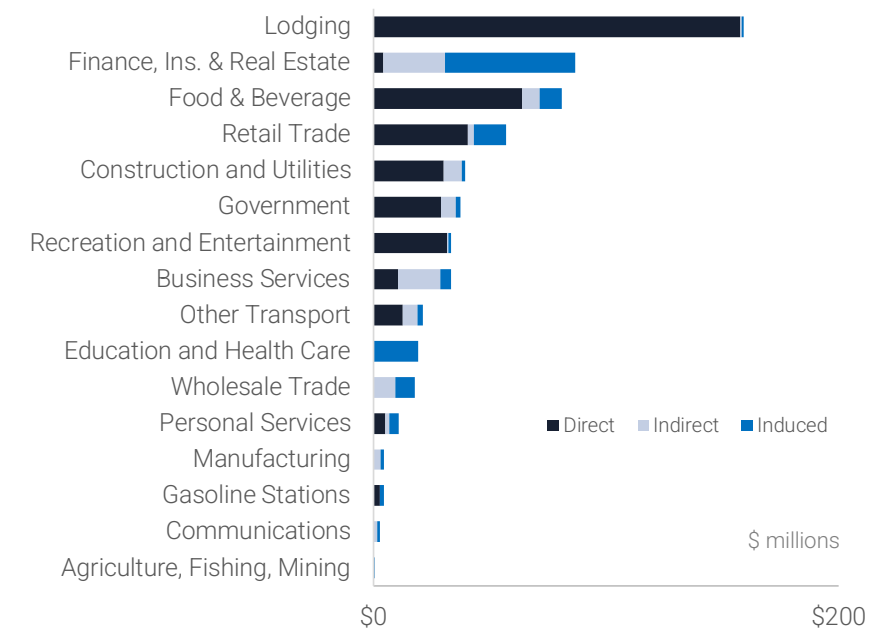
Note: Numbers may not add up due to rounding

The locally produced portion of visitor-supported sales in the finance & real estate industries and the retail industry each added around \$80-88 million to territory GDP in 2020.

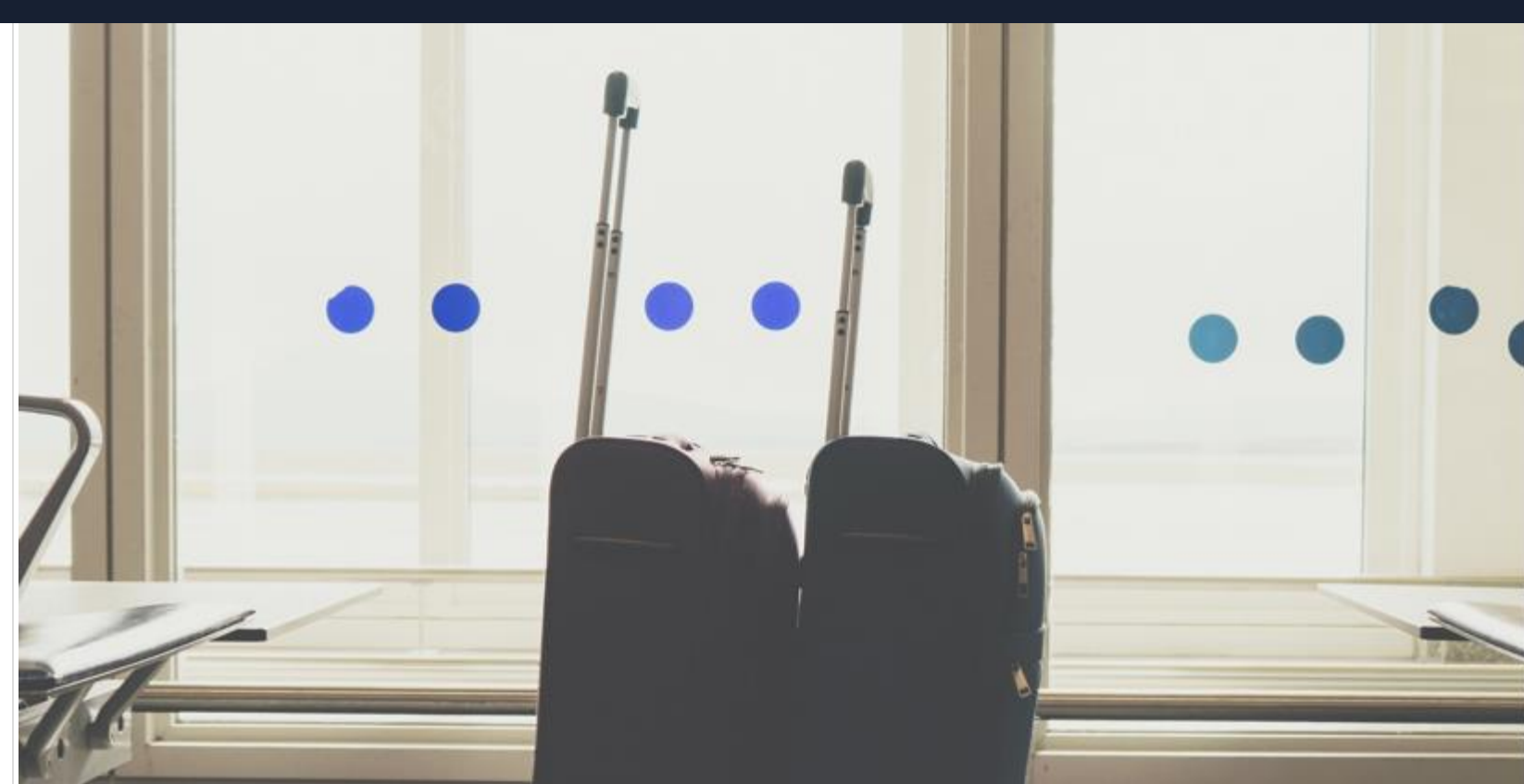
Spending by travel demand-supported workers supported \$19 million in GDP contribution in the education and health care industries, showing how tourism activity supports businesses across the industrial spectrum.

Visitor value-added impacts by Industry (2020)

Amounts in millions of nominal dollars



Source: Tourism Economics

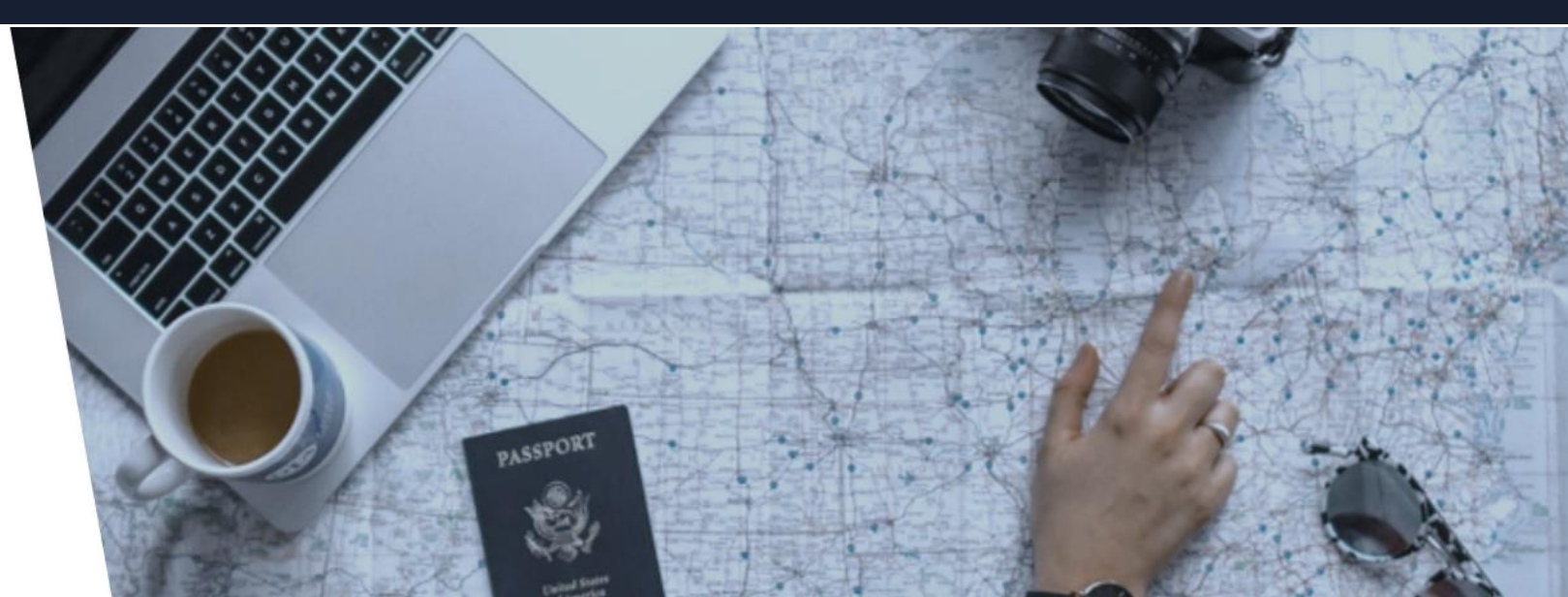


Summary value-added impacts by industry (2020)

Amounts in millions of nominal dollars

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$ 410	\$ 93	\$ 129	\$ 632
Lodging	\$ 158	\$ 1	\$ 1	\$ 159
Finance, Ins. & Real Estate	\$ 4	\$ 27	\$ 56	\$ 87
Food & Beverage	\$ 64	\$ 7	\$ 10	\$ 81
Retail Trade	\$ 41	\$ 3	\$ 14	\$ 57
Construction and Utilities	\$ 30	\$ 8	\$ 2	\$ 39
Government	\$ 29	\$ 6	\$ 2	\$ 37
Recreation and Entertainment	\$ 32	\$ 1	\$ 1	\$ 33
Business Services	\$ 11	\$ 18	\$ 5	\$ 33
Air Transport	\$ 22	\$ 1	\$ 2	\$ 24
Other Transport	\$ 12	\$ 6	\$ 2	\$ 21
Education and Health Care	-	\$ 0	\$ 19	\$ 19
Wholesale Trade	-	\$ 10	\$ 8	\$ 18
Personal Services	\$ 5	\$ 2	\$ 4	\$ 11
Manufacturing	-	\$ 3	\$ 1	\$ 4
Gasoline Stations	\$ 3	\$ 0	\$ 1	\$ 4
Communications	-	\$ 1	\$ 1	\$ 3
Agriculture, Fishing, Mining	-	\$ 0	\$ 0	\$ 0

Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

EMPLOYMENT - IMPACTS

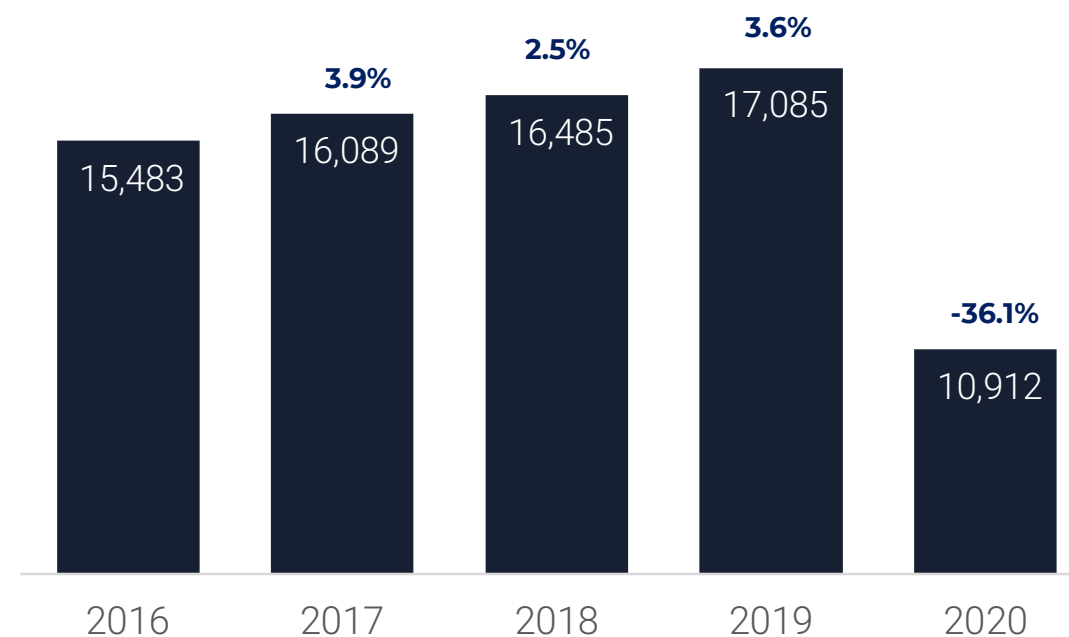
Employment directly supported by visitor activity fell 36% in 2020 to nearly 10,900 jobs. The number of jobs declined by 6,200 in 2020. The number of jobs grew by 2,255 between 2015 and 2019 which means that the job loss from the pandemic was enough to wipe out 275% of all job gains over the five-year period before the pandemic. These jobs are ones that directly serve the visitors at businesses like hotels, 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 10,912 in 2020. Comparing employment levels, were direct visitor-supported employment to be ranked against other industries, tourism would rank 2nd in the territory, falling from 1st in 2019.

Employment supported by travel spending in Guam

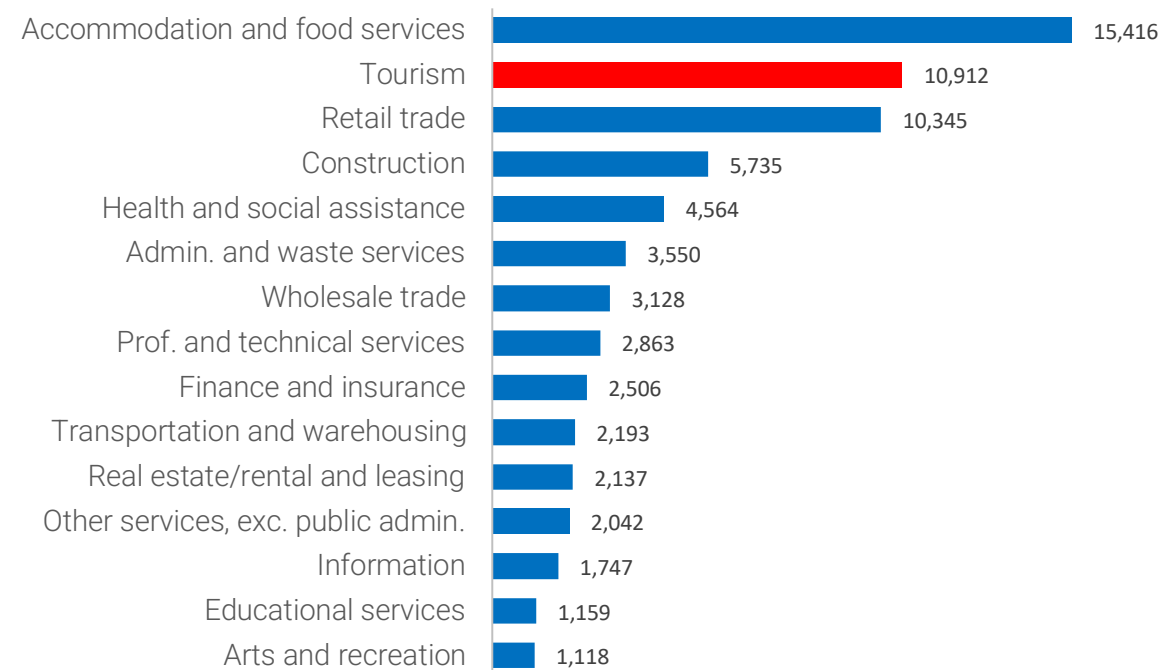
Total impact, amounts in number of jobs



Source: Tourism Economics

Employment in Guam, by major industry

Amounts in number of jobs, direct jobs for Tourism



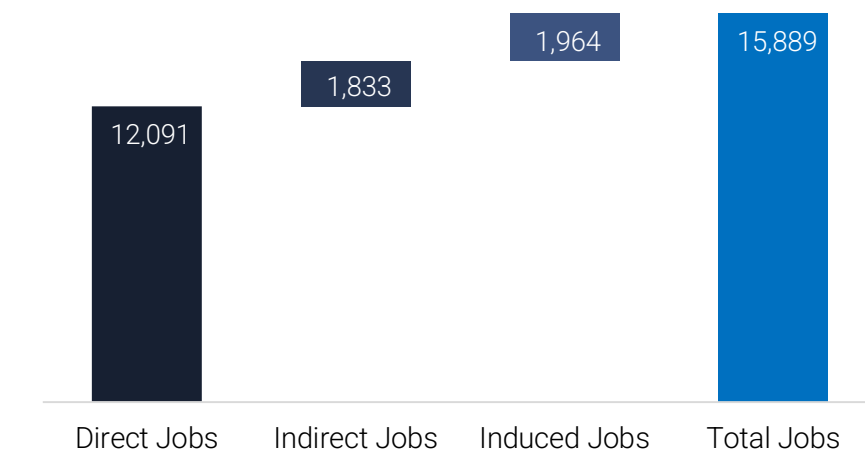
Source: Tourism Economics

EMPLOYMENT – TOTAL IMPACTS

Guam travel demand directly generated more than 12,000 jobs and a total of 15,889 jobs when indirect and induced impacts are included. The total jobs impact supported 26% of all jobs in Guam in 2020, one of every 4 jobs in the territory. This is down from 38% of Guam in 2019, one measure of the pandemic’s impact on tourism.

Summary employment impacts (2020)

Amounts in number of jobs



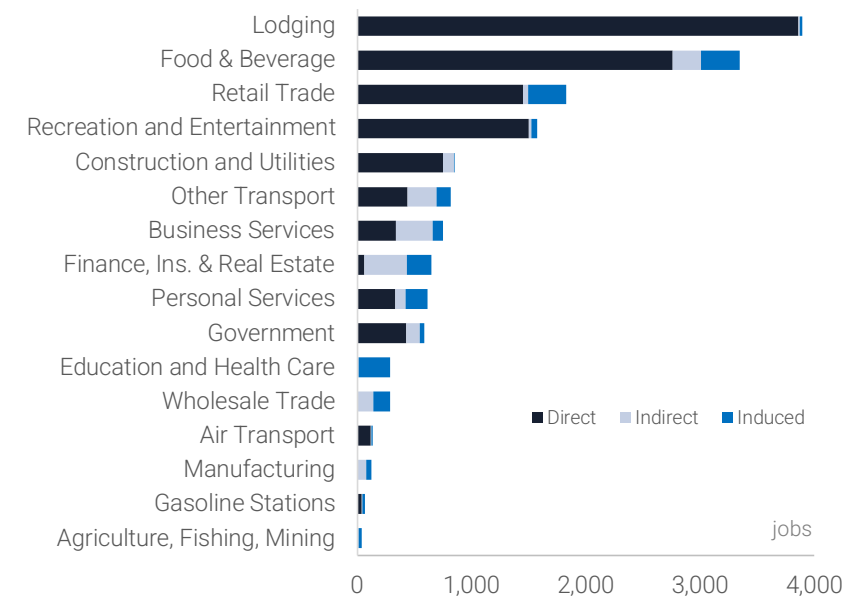
Source: Tourism Economics

Visitor spending supports the largest number of jobs in the lodging industry (3,893).

Traveler-related spending supports nearly 750 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 (2020)

Amounts in number of jobs



Source: Tourism Economics



Summary employment Impacts by industry (2020)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	12,091	1,833	1,964	15,889
Lodging	3,861	12	20	3,893
Food & Beverage	2,762	249	339	3,350
Retail Trade	1,451	47	332	1,829
Recreation and Entertainment	1,502	22	49	1,573
Construction and Utilities	749	95	11	855
Other Transport	441	252	125	818
Business Services	339	323	87	748
Finance, Ins. & Real Estate	64	372	215	651
Personal Services	332	89	193	613
Government	430	117	41	588
Education and Health Care	-	8	282	290
Wholesale Trade	-	140	149	289
Air Transport	120	5	8	134
Manufacturing	-	78	47	126
Gasoline Stations	41	2	27	70
Agriculture, Fishing, Mining	-	9	30	40
Communications	-	12	10	23

Source: Tourism Economics

LABOR INCOME IMPACTS

Traveler activity generated \$265 million in direct labor income and a total of \$391 million when including indirect and induced impacts.

Summary labor income impacts (2020)

Amounts in millions of nominal dollars

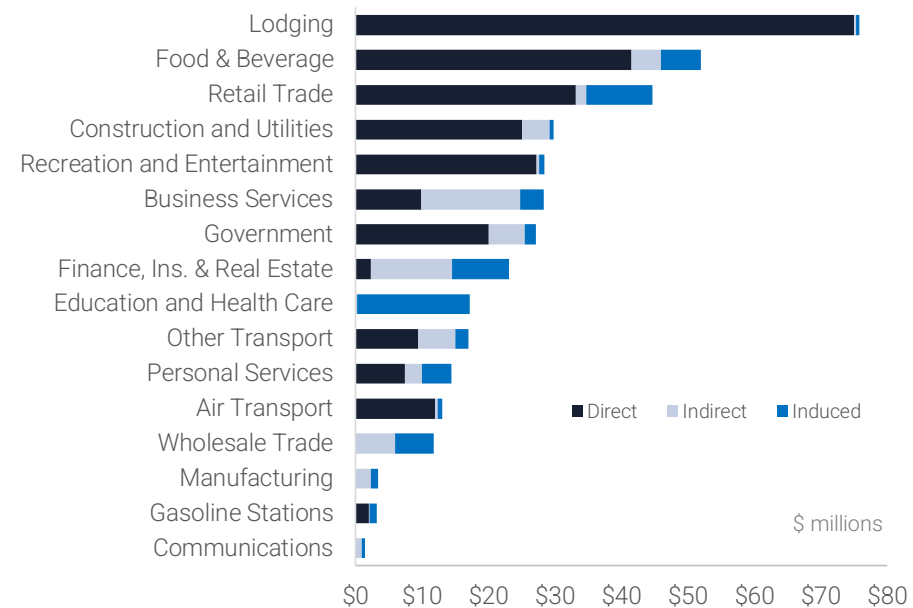


Source: Tourism Economics

There are seven industries in which visitor activity supports more than \$25 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and government.

Visitor labor income Impacts by industry (2020)

Amounts in millions of nominal dollars



Source: Tourism Economics



Summary labor income impacts (2020)

Amounts in millions of nominal dollars

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$265	\$61	\$64	\$391
Lodging	\$ 75	\$ 0	\$ 0	\$76
Food & Beverage	\$ 42	\$ 4	\$ 6	\$52
Retail Trade	\$ 33	\$ 2	\$10	\$45
Construction and Utilities	\$ 25	\$ 4	\$ 1	\$30
Recreation and Entertainment	\$ 27	\$ 0	\$ 1	\$28
Business Services	\$ 10	\$15	\$ 4	\$28
Government	\$ 20	\$ 5	\$ 2	\$27
Finance, Ins. & Real Estate	\$ 2	\$12	\$ 9	\$23
Education and Health Care	-	\$ 0	\$17	\$17
Other Transport	\$ 9	\$ 6	\$ 2	\$17
Personal Services	\$ 7	\$ 2	\$ 5	\$14
Air Transport	\$12	\$ 0	\$ 1	\$13
Wholesale Trade	-	\$ 6	\$ 6	\$12
Manufacturing	-	\$ 2	\$ 1	\$ 3
Gasoline Stations	\$ 2	\$ 0	\$ 1	\$ 3
Communications	-	\$ 1	\$ 1	\$ 1
Agriculture, Fishing, Mining	-	\$ 0	\$ 0	\$ 0

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$125 million in government revenues. This is a loss of nearly \$130 million as sales and impacts dropped. The losses were moderated as declines in tourism supported employment and income paid to tourism workers was less severe than spending losses.

Each household in Guam would need to be taxed an additional \$2,415 to replace the traveler taxes received by Guam territory and local governments in 2020. This is down nearly \$2,500 from 2019 levels.

Fiscal (tax) impacts

Amounts in millions of nominal dollars

	2019	2020
Total Tax Revenues	\$253.3	\$124.4
Personal Income	\$26.4	\$15.2
Corporate	\$16.6	\$5.7
Indirect Business	\$21.8	\$13.4
Social Insurance	\$72.8	\$42.0
Hotel Occupancy	\$45.1	\$28.4
Gross Receipts	\$58.8	\$17.6
Special Revenues	\$11.8	\$2.2

Source: Tourism Economics



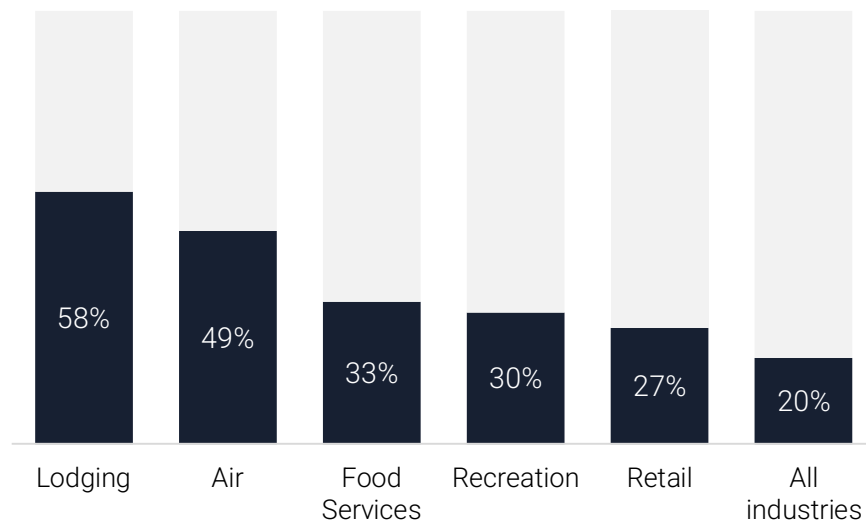
ECONOMIC IMPACTS IN CONTEXT

Visitor activity supports a significant share of employment in several industries led by 58% of lodging employment traveler-related. In other key industries, visitor activity supports 49% of all air employment, 33% of restaurant employees, and 30% of jobs in recreational industries. These are all down compared to 2019.

Overall, direct traveler-related jobs accounted for 20% of all jobs in Guam in 2020.

Visitor employment intensity

Direct jobs, visitor-supported share of industry employment



Source: BEA, BLS, Tourism Economics

ECONOMIC IMPACTS IN CONTEXT



\$404M VISITOR SPENDING

The \$404 million in visitor spending is similar to the spending of Korean visitors...back in 2013 before it became one of Guam's top markets.



\$1.4B VISITOR SPENDING LOSSES

The \$1.4 billion in total business sales lost is similar in size to GovGuam's pension liability.



15,889 JOBS

The total number of jobs sustained by tourism, including indirect and induced benefits, accounts for 26% of all jobs in Guam.



\$125M TERRITORIAL TAXES

Each household in Guam would need to be taxed an additional \$2,415 to replace the visitor taxes received by the state and local governments in 2020.

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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- Global travel data-sets with the broadest set of country, city, and state coverage available
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- 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
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For more information:

admin@tourismeconomics.com