



STATE OF WASHINGTON  
DEPARTMENT OF COMMUNITY,  
TRADE AND ECONOMIC DEVELOPMENT

# Washington State Travel Impacts & Visitor Volume 1991 – 2007p

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Annual Report

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## **PREFACE**

The purpose of this study is to document the economic significance of the travel industry in Washington state from 1991-2007. The estimates for 2007 are preliminary and subject to revision. These findings show the level of travel spending by those traveling to and through the state and the impact this spending has on the economy in terms of earnings, employment, and tax revenue.

This study was prepared for the Washington State Tourism Office of the Department of Community, Trade and Economic Development (CTED). Among the other state agencies that contributed to this effort were the Parks and Recreation Commission and Department of Revenue. Special thanks are due to Betsy Gabel, Consumer Marketing Manager and the liaison for this project.

## EXECUTIVE SUMMARY

This report provides detailed statewide travel impact estimates for Washington from 1991 to 2007. The estimates for 2007 are preliminary. The report also provides detailed regional estimates and summary county estimates for 2006. Detailed county estimates and lodging tax receipts for jurisdictions were provided in a previously released report.

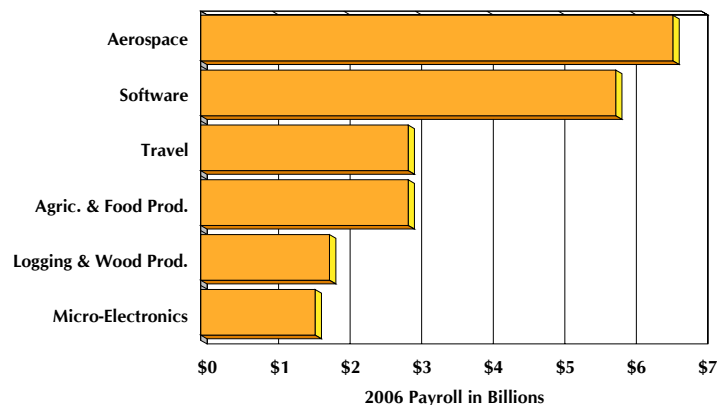
The estimates of the direct impacts associated with traveler spending in Washington were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The estimates for Washington are comparable to the U.S. Travel and Tourism Satellite Accounts produced by the U.S. Bureau of Economic Analysis.

### THE TRAVEL INDUSTRY IS EXPORT-ORIENTED

Travel and tourism is one of the most important *“export-oriented”* industries in Washington. Spending by visitors generates sales in lodging, food services, recreation, transportation, and retail businesses – the “travel industry.” These sales support jobs for Washington residents and contribute tax revenue to local and state governments.

The payrolls of the travel industry and other leading export-oriented industries in the state are shown in the graph below. Whereas the travel industry generates export income through spending by visitors, these other industries generate income by selling their products and services in other markets. Of these major export-oriented industries, only aerospace and software had significantly greater payrolls in 2006. (The most recent year for which data is available.)

**Annual Payrolls of Export-Oriented Industries  
In Washington State**



Source: U.S. Dept. of Labor and Dean Runyan Associates.

## **THE TRAVEL INDUSTRY GENERATES TAX BENEFITS FOR WASHINGTON RESIDENTS**

Almost all (96 percent) of the state and local tax receipts generated by visitor spending are paid at the point of sale (sales, lodging, gasoline and auto rental taxes). Almost two-thirds (64 percent) of all visitor spending is associated with residents of other countries and states. Because of these two factors, the travel industry generates relatively large tax benefits for Washington residents.

- Travel spending accounted for \$975 million in local and state tax revenue in 2007. This represents roughly five percent of local and state tax collections, not including property tax collections.
- Visitors from outside of Washington (residents of other states or countries) generated \$250 of tax revenue for each Washington household. Resident travel within the state generated an additional \$140 of tax revenue per household.

## **THE TRAVEL INDUSTRY GENERATES JOB OPPORTUNITIES**

Most of the jobs directly supported by travel spending are in labor-intensive businesses in the leisure and hospitality sector and transportation. Many of these jobs provide valuable work experience for younger workers, many of who are continuing their formal education. There are also substantial opportunities for business ownership and self-employment in small and medium size businesses that depend on visitor spending.

- The total employment directly generated by travel spending was 149,800 in 2007. This represents approximately 3.8 percent of all jobs in Washington.
- Travel spending directly generated \$4.2 billion in earnings, representing 2.1 percent of all earnings in the state.

## **THE WASHINGTON TRAVEL INDUSTRY GREW IN 2007**

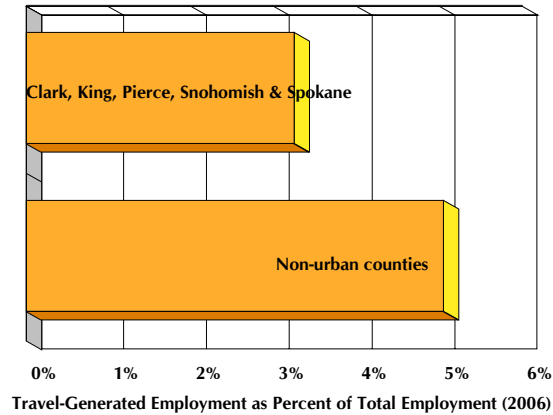
The Washington travel industry continued its strong growth in 2007.

- Travel spending was \$14.8 billion in 2007, a 6.8 percent increase over 2006. In constant (inflation-adjusted) dollars, travel spending increased by 3.6 percent over the preceding year.
- Since 2002, travel spending has increased by 7.4 percent annually. The earnings generated by travel spending have increased by 5.0 percent per year over the same period. Employment has increased by 1.8 percent and state and local tax receipts generated by travel spending have increased by 6.2 percent annually.

## THE WASHINGTON TRAVEL INDUSTRY BENEFITS ALL REGIONS OF THE STATE

The five most urbanized counties in Washington state (Clark, King, Pierce, Snohomish and Spokane) have six out of every ten travel-generated jobs in the state. However, many of the smaller counties have a greater number of travel-generated jobs *in relation* to total employment.

### Percent of Total Employment Supported by Travel Spending Urban versus Non-Urban Counties



- The six counties with more than 10 percent travel-generated jobs were all non-urban (Skamania, Pacific, San Juan, Grays Harbor, Jefferson and Chelan). The 13 counties with more than 6 percent travel-generated jobs were also all non-urban.
- Travel spending generates more than 15 percent of local sales and lodging taxes in fourteen counties. All of these counties are non-urban.

### OTHER FINDINGS

- There were 5.8 million air passenger visitor arrivals to Washington state that traveled on domestic airlines in 2007. This is a 2.6 percent increase over the preceding year.
- International visitors accounted for 10 percent of all visitor spending in the state in 2006. Residents from other states accounted for 53 percent of all travel spending.
- The performance of the Washington travel industry during 2007 exceeded the U.S. travel industry in terms of spending, employment, and air travel. As reported in the preceding section, real (inflation-adjusted) travel spending in the U.S. will increase by an estimated 1.9 percent in 2007, compared to 3.6 percent in Washington.

## I: NATIONAL TRAVEL TRENDS

Direct travel spending by domestic and international visitors in the United States was \$731 billion in 2007 (preliminary). This represents a 4.4 percent increase over 2005, following a 7.2 percent increase from 2005 to 2006.

### Direct Travel Spending In U.S., 1998-2007p

(\$Billions)

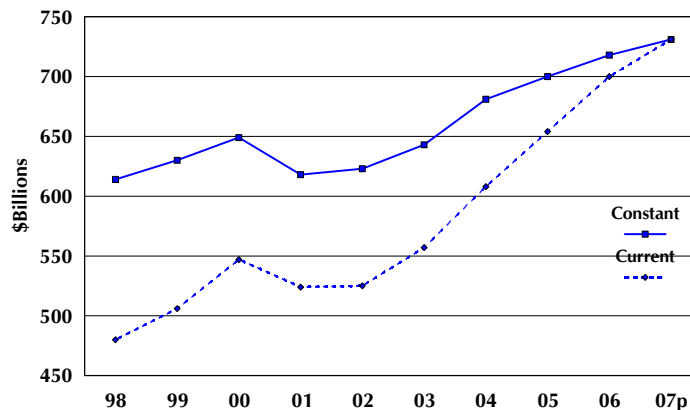
	Domestic	International	Total	Pct. Int'l.
1998	\$409	\$71	\$480	14.9%
1999	\$431	\$75	\$506	14.8%
2000	\$465	\$82	\$547	15.1%
2001	\$452	\$72	\$524	13.7%
2002	\$459	\$67	\$525	12.7%
2003	\$493	\$64	\$557	11.6%
2004	\$534	\$75	\$608	12.3%
2005	\$572	\$82	\$654	12.5%
2006	\$615	\$86	\$700	12.2%
2007p	\$635	\$97	\$731	13.2%
<i>Annual Percentage Change</i>				
98-07p	5.0%	3.4%	4.8%	
06-07p	3.3%	12.8%	4.4%	

Sources: Bureau of Economic Analysis (Travel and Tourism Satellite Accounts; U.S. International Trade in Goods and Services). Preliminary estimates based on data for first three quarters of 2007.

Travel spending in inflation-adjusted constant (2007) dollars is shown in the graph below. Higher prices for gasoline and accommodations reduced the rate of real growth. The 2006-07p annual increase in travel spending in constant dollars was 1.9 percent, following a 2.5 percent increase from 2005 to 2006.

### U.S. Direct Travel Spending in Current and Constant Dollars, 1998-2007p

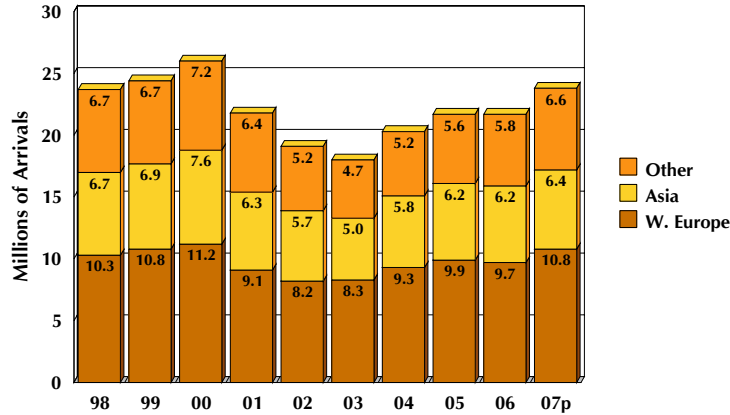
(\$Billions)



Source: Bureau of Economic Analysis. Constant (2007) travel spending estimates derived from BEA constant (2000) dollar estimates by Dean Runyan Associates.

The preliminary estimate of the number of overseas arrivals in 2007 shows a 9.5 percent increase over the preceding year. The 23.7 million arrivals estimated for 2007 are still 9 percent lower than the peak attained in the year 2000 (26.0 million). This is also reflected in the contribution to U.S. travel spending by international visitors, which was 15.1 percent of the total in 2000, compared to 13.2 percent in 2007 (see preceding table). Although visitation has increased over the past year, the decreased value of the dollar has to some extent reduced the spending impact.

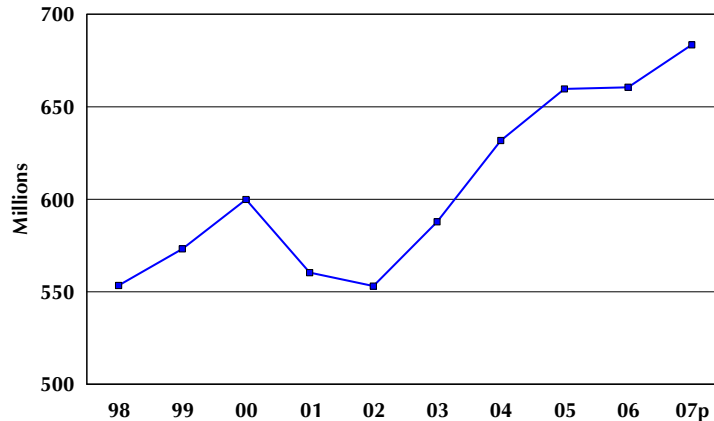
**Overseas Arrivals to the United States, 1998-2007p**  
(Millions)



Source: U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries. Approximately 90% of all overseas arrivals are visitors. Canada and Mexico are not included (less than 20 percent of all international visitor spending). 2007 estimates based on January through September data.

Domestic air travel, as measured by the total number of scheduled passenger air arrivals, also increased from 2006 to 2007 after a brief flat period. The rate of increase over the past year was 3.5 percent. Since 2003, air passenger arrivals on domestic air carriers have increased by 3.8 percent per year on average.

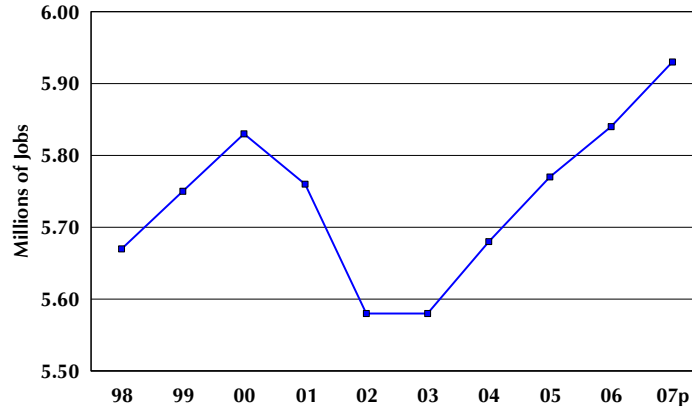
**Passenger Air Arrivals in U.S., 1998-2007p**  
Domestic Air Carriers



Source: Bureau of Transportation Statistics, U.S. Department of Transportation (T-100 domestic market data). 2007 estimate based on January through September data.

Direct Travel-generated employment has increased at a fairly constant rate since 2003. The average annual rate of increase has been 1.5 percent.

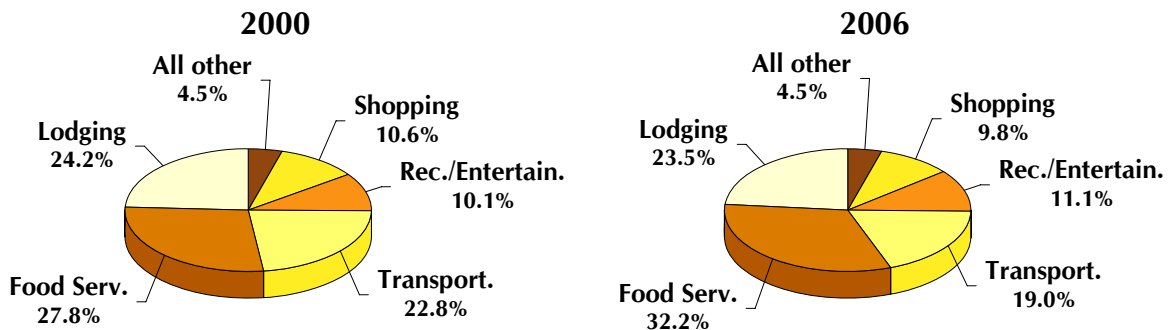
**U.S. Direct Travel-Generated Employment, 1998-2007p**  
(Millions of Jobs)



Source: Bureau of Economic Analysis and Dean Runyan Associates.  
Preliminary estimate for 2007 assumes a 1.5 percent growth rate over 2006.

The pie charts below illustrate how the composition of direct travel-generated employment has changed since 2000. The share of employment in transportation and lodging has decreased (as have the absolute number of jobs in those industries), while the share has increased in other industries. Most notably, the share of employment in food services has increased from 27.8 percent to 32.2 percent from 2000 to 2006.

**U.S. Direct Travel-Generated Employment by Industry, 2000 & 2006**



Source: Bureau of Economic Analysis (Travel and Tourism Satellite Accounts; U.S. International Trade in Goods and Services)

## II. WASHINGTON STATE



The multi-billion dollar travel industry in Washington is a vital part of the state and local economies. The industry is represented primarily by retail and service firms, including lodging establishments, restaurants, retail stores, gasoline service stations, and other types of businesses that sell their products and services to travelers. The money that visitors spend on various goods and services while in Washington produces business receipts at these firms, which in turn employ Washington residents and pay their wages and salaries. State and local government entities benefit from travel as well. The state government collects taxes on the gross receipts of businesses operating in the state, as well as sales and use taxes levied on the sale of goods and services to travelers. Local governments also collect sales and use taxes generated from traveler purchases.

#### **IMPACTS OF TRAVEL IN WASHINGTON STATE: A SUMMARY**

- Total direct travel spending in Washington state was \$14.8 billion in 2007. This represents a 6.8 percent increase over the preceding year. In constant (inflation-adjusted) dollars, travel spending increased by 3.6 percent. This is the fifth straight year of positive growth.
- There were an estimated 5.8 million domestic air passenger visitor arrivals to Washington state in 2007, an increase of 2.6 percent over 2006.
- International visitors accounted for 10 percent of all visitor spending in the state in 2006. Residents from other states accounted for 53 percent of all travel spending.
- Local and state tax revenues directly generated by travel spending were \$975 million in 2007, a 6.9 percent increase over 2006. Travel spending generated an additional \$827 million in federal tax receipts in 2007.
- Visitors who stayed overnight in commercial lodging (hotels, motels, resorts, bed & breakfasts) spent \$6.6 billion in 2007. This represents more than one-half of all visitor spending (not including resident air travel and travel agencies).
- During 2007, travel spending in Washington directly supported 149,800 jobs with earnings of \$4.2 billion. This is an increase of 2.2 percent in employment over 2006.

## Washington State Travel Impacts, 1991-2001

	1991	1993	1995	1997	1999	2001
<b>Total Direct Travel Spending (\$Million)</b>						
Visitor Spending at Destination	5,678	6,079	6,595	7,384	8,174	8,981
Other Travel*	1,144	1,219	1,220	1,361	1,414	1,499
Total Direct Spending	6,822	7,298	7,815	8,745	9,589	10,480
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>						
Hotel, Motel	2,551	2,724	3,077	3,493	3,986	4,380
Private Campground	247	237	217	279	296	318
Public Campground	105	110	114	121	122	130
Private Home	1,455	1,606	1,694	1,849	2,008	2,218
Vacation Home	115	123	130	138	145	157
Day Travel	1,205	1,279	1,364	1,504	1,617	1,779
Spending at Destination	5,678	6,079	6,595	7,384	8,174	8,981
<b>Visitor Spending by Commodity Purchased (\$Million)</b>						
Accommodations	888	950	1,091	1,266	1,467	1,568
Food & Beverage Services	1,358	1,432	1,566	1,759	1,975	2,167
Food Stores	284	297	325	372	411	451
Ground Tran. & Motor Fuel	927	1,012	1,084	1,203	1,299	1,592
Arts, Entertainment & Recreation	796	847	922	1,008	1,093	1,178
Retail Sales	1,012	1,080	1,158	1,268	1,354	1,440
Air Transportation (visitor only)	411	460	449	508	575	586
Spending at Destination	5,678	6,079	6,595	7,384	8,174	8,981
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>						
Accommodations & Food Service	801	847	946	1,065	1,248	1,370
Arts, Entertainment & Recreation	407	432	470	515	571	654
Retail**	194	207	223	244	268	290
Auto Rental & Ground Tran.	47	51	60	68	80	96
Air Transportation (visitor only)	139	149	150	163	192	246
Other Travel*	452	463	475	508	527	663
Total Direct Earnings	2,040	2,150	2,324	2,563	2,887	3,320
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>						
Accommodations & Food Service	59.9	60.2	62.2	63.2	65.9	67.3
Arts, Entertainment & Recreation	36.9	37.2	37.2	35.4	36.8	39.5
Retail**	13.8	13.6	13.7	13.9	13.9	14.1
Auto Rental & Ground Tran.	2.9	2.9	3.3	3.5	3.7	4.5
Air Transportation (visitor only)	3.2	3.2	3.3	3.5	3.9	4.3
Other Travel*	10.4	9.8	9.9	10.8	11.7	12.3
Total Direct Employment	127.0	126.8	129.5	130.4	136.0	141.9
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>						
Local Tax Receipts	88	98	114	152	182	211
State Tax Receipts	329	359	392	429	470	502
Federal Tax Receipts	391	417	441	485	542	618
Total Direct Tax Receipts	807	874	947	1,066	1,195	1,331

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Washington State Travel Impacts, 2002-2007p

	2002	2003	2004	2005	2006	2007p
<b>Total Direct Travel Spending (\$Million)</b>						
Visitor Spending at Destination	8,932	9,439	10,162	11,019	12,009	12,869
Other Travel*	1,431	1,407	1,492	1,683	1,860	1,943
Total Direct Spending	10,362	10,846	11,654	12,702	13,869	14,812
<b>Visitor Spending by Type of Traveler Accommodation</b>						
Hotel, Motel	4,333	4,595	5,005	5,438	6,033	6,596
Private Campground	312	327	345	378	401	410
Public Campground	130	136	143	153	162	164
Private Home	2,219	2,330	2,470	2,673	2,861	3,005
Vacation Home	158	165	174	183	193	204
Day Travel	1,779	1,886	2,025	2,193	2,359	2,490
Spending at Destination	8,932	9,439	10,162	11,019	12,009	12,869
<b>Visitor Spending by Commodity Purchased (\$Million)</b>						
Accommodations	1,522	1,556	1,685	1,844	2,102	2,362
Food & Beverage Services	2,252	2,357	2,525	2,695	2,874	3,069
Food Stores	462	483	515	534	555	592
Ground Tran. & Motor Fuel	1,500	1,800	2,078	2,409	2,752	2,999
Arts, Entertainment & Recreation	1,202	1,246	1,303	1,344	1,405	1,455
Retail Sales	1,430	1,450	1,476	1,523	1,582	1,615
Air Transportation (visitor only)	564	546	580	671	739	776
Spending at Destination	8,932	9,439	10,162	11,019	12,009	12,869
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>						
Accommodations & Food Service	1,411	1,485	1,557	1,678	1,806	1,971
Arts, Entertainment & Recreation	634	674	687	729	762	790
Retail**	300	317	329	339	351	361
Auto Rental & Ground Tran.	100	108	113	117	123	130
Air Transportation (visitor only)	243	258	272	263	255	260
Other Travel*	642	674	713	708	716	733
Total Direct Earnings	3,330	3,516	3,672	3,833	4,013	4,245
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>						
Accommodations & Food Service	67.2	68.7	69.8	73.1	75.4	78.0
Arts, Entertainment & Recreation	36.9	38.0	36.8	36.9	37.6	38.1
Retail**	14.0	14.4	14.7	14.8	14.9	14.9
Auto Rental & Ground Tran.	4.3	4.7	4.8	4.7	4.8	4.8
Air Transportation (visitor only)	3.9	4.0	3.9	3.7	3.5	3.5
Other Travel*	11.0	11.0	10.7	10.5	10.4	10.5
Total Direct Employment	137.3	140.8	140.7	143.7	146.5	149.8
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>						
Local Tax Receipts	209	219	236	254	282	309
State Tax Receipts	513	530	564	591	630	666
Federal Tax Receipts	644	657	694	740	786	827
Total Direct Tax Receipts	1,366	1,407	1,493	1,585	1,698	1,802

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## TRAVEL TRENDS

Visitor spending in Washington state increased by 6.8 percent from 2006 to 2007. This is the fifth straight year of positive growth. As is the case with the larger U.S. travel industry, a substantial share of the increase in visitor spending was due to increases in the price of gasoline and lodging. When adjusted for inflation, travel spending will increase by 3.6 percent in Washington.

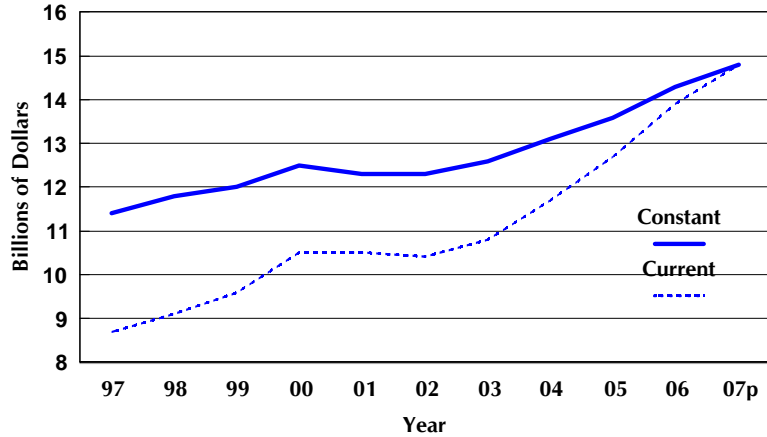
The performance of the Washington travel industry during 2007 exceeded the U.S. travel industry in terms of spending, employment, and air travel. As reported in the preceding section, real (inflation-adjusted) travel spending in the U.S. will increase by an estimated 1.9 percent in 2007, compared to 3.6 percent in Washington.

### Washington State Direct Travel Impacts, 1991-2007p

	Spending (\$Billion)	Earnings (\$Billion)	Employment (Thousand)	Tax Receipts (\$Million)		
				Local	State	Federal
1991	6.8	2.0	127	88	329	391
1992	7.1	2.1	126	90	337	403
1993	7.3	2.2	127	98	359	417
1994	7.5	2.2	127	104	365	420
1995	7.8	2.3	130	114	392	441
1996	8.3	2.4	128	133	409	464
1997	8.7	2.6	130	152	429	485
1998	9.1	2.7	131	166	448	512
1999	9.6	2.9	136	182	470	542
2000	10.5	3.2	140	205	501	593
2001	10.5	3.3	142	211	502	618
2002	10.4	3.3	137	209	513	644
2003	10.8	3.5	141	219	530	657
2004	11.7	3.7	141	236	564	694
2005	12.7	3.8	144	254	591	740
2006	13.9	4.0	147	282	630	786
2007p	14.8	4.2	150	309	666	827
<i>Annual Percentage Change</i>						
06-07p	6.8	5.8	2.2	9.4	5.8	5.1
91-07p	5.0	4.7	1.0	8.2	4.5	4.8

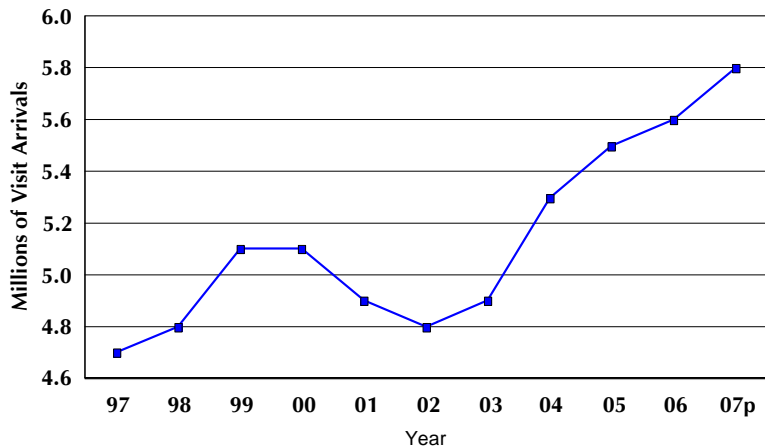
Note: p = preliminary. The percent change for 1991-2007p refers to the average annual percentage change. Direct Travel Impacts do not include secondary (indirect and induced) impacts. Airfares are included. Total Earnings include wage and salary disbursements, other earned income, and proprietor income. Employment includes full- and part-time payroll employees and proprietors.

### Travel Spending in Washington Adjusted for Inflation, 1991-2007p



Note: Travel spending was deflated by a composite of price indices for the West Urban CPI. The average annual increase in constant dollars for 1997-2007p is 2.7 percent. The increase from 2006 to 2007p is 3.6 percent.

### Air Passenger Visitor Arrivals to Washington, 1997-2007p Domestic Air Carriers



Source: Dean Runyan Associates and Bureau of Transportation Statistics (U.S. Dept. of Transportation). Note: These estimates are for visitor arrivals only. They do not include return travel of Washington residents or connecting flights normally reported in air passenger statistics. Preliminary estimates for 2007 based on January through September data. The average annual increase in air passenger visitor arrivals from 1997 to 2007p is 2.1 percent. The increase from 2006 to 2007p is 2.6 percent.

## VISITOR ORIGIN

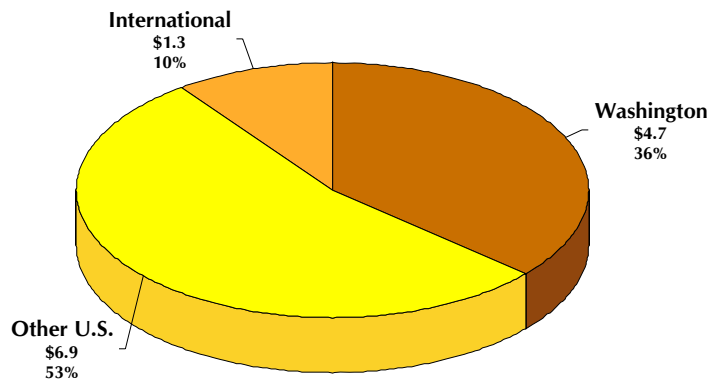
Most visitor spending in Washington state is attributable to international visitors (10 percent) and residents of other states (53 percent). The international component includes visitors from overseas as well as Canadian travelers.<sup>1</sup> The vast majority of out-of-state visitors stay overnight in Washington. Many travel by air to Washington (as much as two-thirds of all out-of-state visitor spending is attributable to air travelers).

### Washington State Travel Impacts by Origin of Visitor, 2007p

Origin	Spending (\$ Billion)	Earnings (\$ Billion)	Employment (Thousand)	Tax Receipts (\$ Million)		
				Local	State	Federal
Washington	4.7	1.1	49	90	250	180
Other U.S.	6.9	2.0	76	180	340	360
International	1.3	0.4	15	40	70	50
All Visitors	12.9	3.5	139	310	660	590
Other Travel	1.9	0.7	10	0	0	240
Total Travel	14.8	4.2	150	310	670	830

Sources: Dean Runyan Associates, TNS TravelsAmerica Survey, International Trade Administration and Bureau of Economic Analysis (U.S. Dept. of Commerce). Other travel includes resident passenger air travel and travel agencies. Tax receipts rounded to nearest \$10 million.

### Visitor Spending in Washington State by Origin of Visitor, 2007p



Sources: See preceding table note.

<sup>1</sup> Spending by Canadian visitors (including day travelers) currently constitute 30 to 35 percent of all international spending. This overseas share of international visitor spending was generally greater prior to 2001.

## VISITOR VOLUME AND AVERAGE SPENDING

The number of visitors to a state provides a useful measure of the success of the state as a visitor attraction. Visitor volume figures for Washington are based on the economic findings of this report and other data, as noted in the table below. *These estimates of visitor volume should not be compared to previously published estimates. Visitor volume estimates are extremely sensitive to small changes in travel party characteristics, such as length of stay, that are difficult to reliably track on a year-to-year basis.*

### Visitor Volume in Washington State, 2007p

Accommodation	Travel Parties		Persons		
	Days (000)	Size (persons)	Days (000)	Avg. Stay (days)	Trips (000)
Overnight	47,685	1.9	91,532	2.9	33,553
Hotel/Motel	19,189	1.8	34,540	2.0	17,270
Other Overnight	28,496	2.0	56,991	3.5	16,283
Day	10,968	2.0	21,937	1.0	21,937
<b>Total</b>	<b>58,653</b>	<b>1.9</b>	<b>113,468</b>	<b>2.0</b>	<b>55,490</b>

Sources: Dean Runyan Associates, TNS TravelsAmerica Survey, International Trade Administration (U.S. Dept. of Commerce), and Statistics Canada.

Statewide estimates of average daily and average trip spending for overnight and day visitors are shown below. Transportation expenditures, including one-way passenger air fares to Washington, are included only for the total. Spending on resident air transportation and travel agencies are not included.

### Average Daily and Average Trip Spending by Visitors in Washington State, 2007p

Accommodation	Total (\$Millions)	Travel Party		Person	
		Per Day	Per Trip	Per Day	Per Trip
Overnight	\$7,323	\$154	\$451	\$80	\$235
Hotel/Motel	\$5,053	\$263	\$527	\$146	\$293
Other Overnight	\$2,270	\$80	\$279	\$40	\$139
Day	\$1,770	\$161	\$161	\$81	\$81
Day & Overnight	\$9,093	\$155	\$317	\$80	\$164
Transportation	\$3,776				
<b>Total</b>	<b>\$12,869</b>	<b>\$219</b>	<b>\$449</b>	<b>\$113</b>	<b>\$232</b>

Sources: Dean Runyan Associates, TNS TravelsAmerica Survey, International Trade Administration (U.S. Dept. of Commerce), and Statistics Canada.

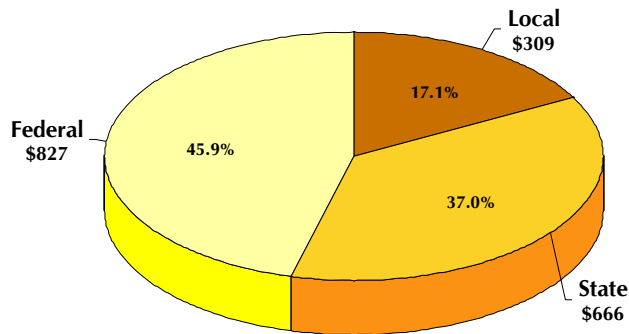
## TAX REVENUES GENERATED BY TRAVEL SPENDING

Travel spending in Washington state will generate \$1.8 billion in local, state, and federal tax collections in 2007. The estimated federal tax receipts are comprised of the motor fuel excise tax, airline ticket taxes, and payroll and income taxes.<sup>2</sup>

Local and state tax receipts generated from travel spending will total \$975 million in 2007. The largest share of these tax receipts was attributable to the state sales tax (\$424 million). Receipts from the state fuel tax on gasoline purchases (\$166 million), local sales tax receipts (\$163 million), and lodging taxes (\$134 million) were also significant sources of tax revenue.

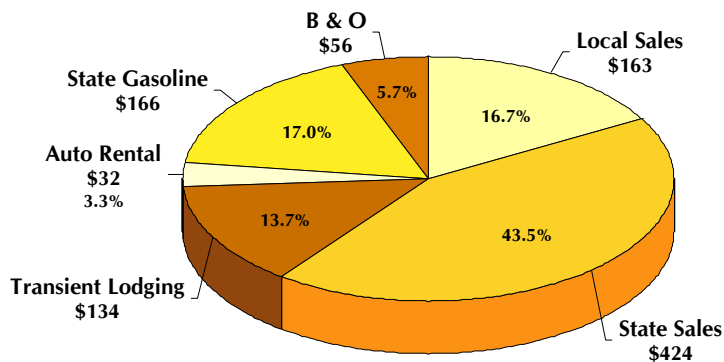
### Local, State & Federal Tax Revenues Generated by Travel Spending, 2007p

(\$ Million)



### Local & State Tax Revenues Generated by Travel Spending, 2007p

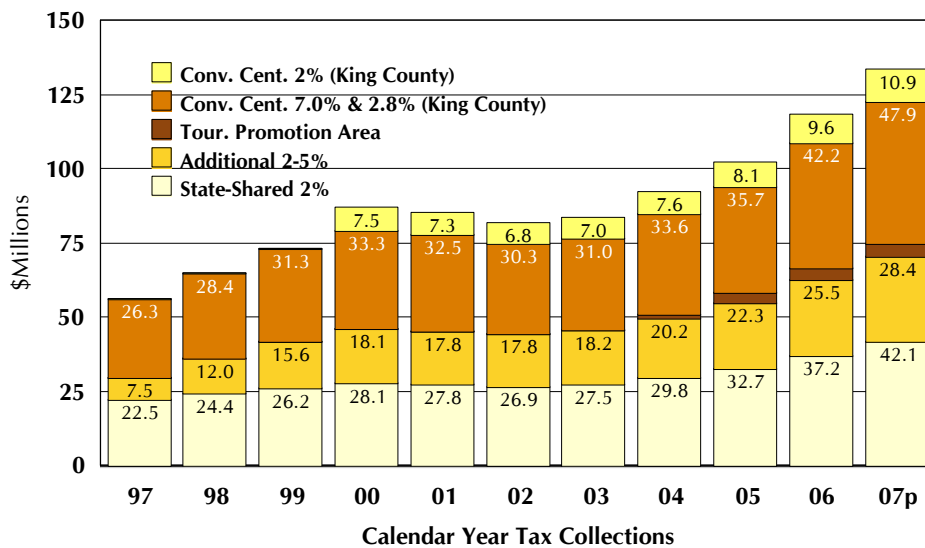
(\$ Million)



<sup>2</sup> According to the Tax Foundation, the Federal Government returns 90 percent of all taxes collected in Washington to the state.

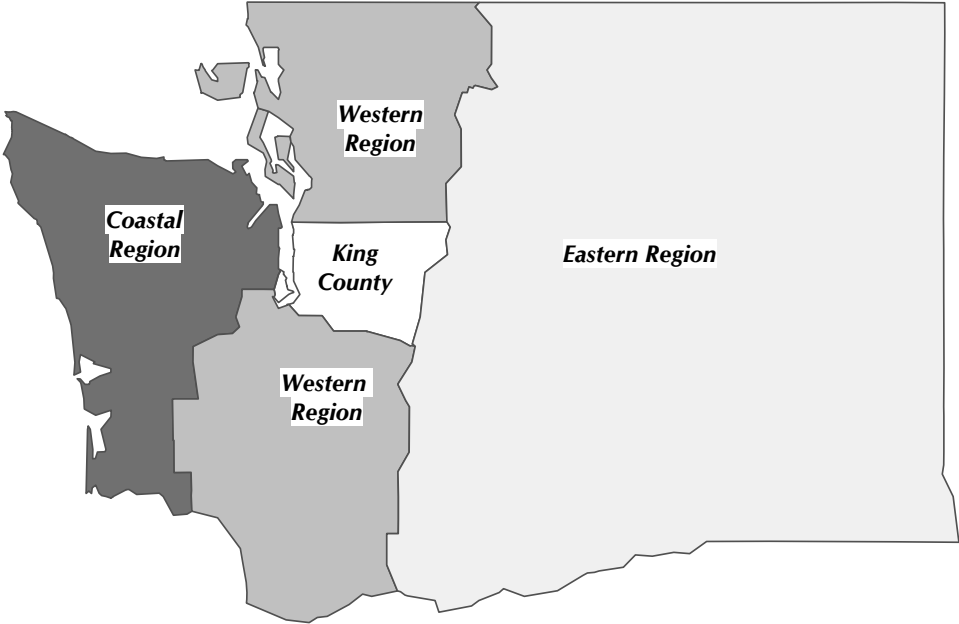
Tax collections on lodging are shown in the following graph. The state-shared two percent Hotel/Motel tax currently comprises almost one-third of all room tax receipts in the state. The greatest portion of lodging tax receipts is attributable to the convention and trade center taxes levied in King County (44 percent). However, the Special or Additional room taxes levied by cities and counties have increased by the greatest amount in recent years. The estimated receipts from Tourism Promotion Area room fees will total \$4.5 million in 2007. (A detailed breakout of room tax receipts by city and county can be found in the WASHINGTON STATE 1991-2006 COUNTY TRAVEL IMPACTS report.)

### Transient Lodging Tax Receipts in Washington State (1997-2007p Calendar Years)



Source: Washington State Department of Revenue and Dean Runyan Associates. The total estimated lodging tax receipts for the 2007 calendar year are \$133.7 million. This represents a 12.9 percent increase over 2006 (\$118.5 million). An increase in the number of lodging rooms rented, higher room rates, and new taxes levied all contributed to the increase in lodging tax receipts.

**III. THE REGIONS**



Washington state naturally defines itself into three regions based on climate, geography, and other factors – the Coastal, Western, and Eastern regions. Because King County accounts for approximately two-thirds of the travel spending in the Western region, it is shown separately in order to provide a more meaningful picture of regional patterns.

Some of the important regional similarities and differences are:

- Campgrounds and vacation homes are most important in the Coastal Region – a reflection of the availability of outdoor recreation opportunities and scenic settings found in this region.
- The Western Region has the highest proportion of travel spending by those staying in the private home of a friend or relative – a function of the high population density of this region.
- More than six out of ten visitor dollars spent in King County are attributable to leisure and business travelers who stayed in commercial lodging such as hotels and motels – a reflection of the large volume of business and convention travel in King County.
- The Eastern Region of Washington is the most similar to the state as a whole in terms of the distribution of destination spending by type of accommodation.
- Spending by day travelers is roughly similar in all four regions of the state. This is a reflection of the urbanized areas that generate day travelers to the other regions (Seattle-Tacoma; Portland, OR; and Vancouver, B.C.) and the fact that King County is itself an area that attracts day travel.

Detailed travel impacts for the four regions from 1991 through 2006 follow. (Preliminary estimates for 2007 are not available at the regional and county levels due to data limitations.)

## Coastal Region Travel Impacts, 1991-2006

	1991	2001	2002	2003	2004	2005	2006
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	523	738	753	780	845	901	948
Other Travel*	4	4	4	3	3	4	5
Total Direct Spending	527	742	756	783	848	905	953
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	222	304	317	325	365	392	412
Private Campground	51	81	79	81	85	90	94
Public Campground	26	33	35	36	37	40	42
Private Home	97	150	150	159	168	178	189
Vacation Home	33	41	42	43	45	47	50
Day Travel	94	129	131	136	145	154	162
Spending at Destination	523	738	753	780	845	901	948
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	96	138	142	141	155	166	173
Food & Beverage Services	141	198	209	214	232	246	256
Food Stores	38	56	58	60	64	66	67
Ground Tran. & Motor Fuel	57	96	90	109	128	152	174
Arts, Entertainment & Recreation	90	118	122	125	132	135	138
Retail Sales	101	131	131	131	133	137	139
Air Transportation (visitor only)	a	a	a	a	a	a	a
Spending at Destination	523	738	753	780	845	901	948
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodations & Food Service	83.6	122.6	129.9	133.6	142.2	151.4	155.4
Arts, Entertainment & Recreation	44.4	63.6	62.5	65.0	66.9	70.9	72.6
Retail**	20.1	28.5	29.8	31.1	32.3	33.0	33.7
Auto Rental & Ground Tran.	2.0	4.3	4.6	4.8	5.1	5.3	5.6
Air Transportation (visitor only)	b	0.1	0.1	0.1	0.0	0.0	0.0
Other Travel*	2.0	2.1	1.8	1.4	1.6	1.9	2.4
Total Direct Earnings	152.2	221.2	228.6	236.0	248.1	262.4	269.7
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accommodations & Food Service	7.5	7.6	7.8	7.9	8.1	8.3	8.2
Arts, Entertainment & Recreation	5.0	5.3	5.1	5.2	5.4	5.4	5.7
Retail**	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Auto Rental & Ground Tran.	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Air Transportation (visitor only)	c	c	c	c	c	c	c
Other Travel*	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Direct Employment	14.4	14.8	14.8	15.0	15.4	15.7	15.8
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	6.5	13.4	13.9	14.0	15.4	16.3	16.9
State Tax Receipts	29.5	40.9	42.5	43.0	46.2	48.3	50.2
Total Direct Tax Receipts	36.0	54.3	56.3	57.0	61.6	64.6	67.1

Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

Less than \$500,000 spending denoted by 'a'. Less than \$50,000 earnings denoted by 'b'. Less than 5 employees denoted by 'c'. Coastal Region includes Clallam, Grays Harbor, Jefferson, Kitsap, Mason, Pacific, and Wahkiakum counties.

**Western Region  
Travel Impacts, 1991-2006**

	1991	2001	2002	2003	2004	2005	2006
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	1,647	2,609	2,614	2,753	2,993	3,257	3,538
Other Travel*	42	44	35	26	28	29	38
Total Direct Spending	1,689	2,653	2,649	2,778	3,021	3,286	3,576
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	542	924	928	961	1,076	1,177	1,312
Private Campground	81	115	110	116	123	141	149
Public Campground	36	45	44	46	49	52	55
Private Home	449	725	732	786	837	901	962
Vacation Home	43	58	59	61	65	69	73
Day Travel	496	742	741	782	842	917	987
Spending at Destination	1,647	2,609	2,614	2,753	2,993	3,257	3,538
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	193	334	331	335	369	407	459
Food & Beverage Services	441	707	736	758	818	875	934
Food Stores	99	163	167	173	185	193	201
Ground Tran. & Motor Fuel	291	488	457	551	651	778	897
Arts, Entertainment & Recreation	271	411	420	430	453	469	492
Retail Sales	351	505	503	505	516	534	555
Air Transportation (visitor only)	a	a	a	a	a	a	a
Spending at Destination	1,647	2,609	2,614	2,753	2,993	3,257	3,538
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodations & Food Service	222.1	377.3	392.4	406.0	429.2	462.9	495.7
Arts, Entertainment & Recreation	120.4	196.0	190.2	198.4	203.6	217.1	227.2
Retail**	68.5	103.5	107.1	112.1	116.9	120.7	124.9
Auto Rental & Ground Tran.	8.4	18.0	19.3	20.1	21.3	22.4	23.8
Air Transportation (visitor only)	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	20.8	22.0	17.4	12.7	14.2	14.7	19.1
Total Direct Earnings	440.3	716.9	726.4	749.5	785.4	837.9	890.9
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accommodations & Food Service	18.7	20.8	21.1	21.1	21.6	22.7	23.5
Arts, Entertainment & Recreation	14.0	16.0	14.4	14.6	14.2	14.3	14.4
Retail**	5.1	5.2	5.2	5.3	5.5	5.5	5.6
Auto Rental & Ground Tran.	0.5	0.9	0.9	0.9	1.0	0.9	0.9
Air Transportation (visitor only)	c	c	c	c	c	c	c
Other Travel*	0.9	0.9	0.7	0.5	0.5	0.5	0.5
Total Direct Employment	39.2	43.9	42.2	42.5	42.8	44.0	45.0
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	18.9	41.7	42.4	44.3	49.0	53.8	59.1
State Tax Receipts	107.0	159.6	164.6	167.0	178.7	188.4	200.0
Total Direct Tax Receipts	125.9	201.4	207.0	211.3	227.7	242.2	259.2

Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

Less than \$500,000 spending denoted by 'a'. Less than \$50,000 earnings denoted by 'b'. Less than 5 employees denoted by 'c'. Western Region includes Clark, Cowlitz, Island, Lewis, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, and Whatcom counties.

## King County Travel Impacts, 1991-2006

	1991	2001	2002	2003	2004	2005	2006
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	2,245	3,786	3,704	3,920	4,206	4,603	5,088
Other Travel*	1,058	1,404	1,354	1,340	1,419	1,604	1,760
Total Direct Spending	3,303	5,190	5,058	5,260	5,625	6,207	6,848
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	1,226	2,264	2,191	2,343	2,532	2,781	3,128
Private Campground	13	20	19	20	21	23	24
Public Campground	2	3	3	3	4	4	4
Private Home	679	987	982	1,008	1,063	1,158	1,244
Vacation Home	7	14	14	15	16	16	17
Day Travel	316	497	495	530	570	621	671
Spending at Destination	2,245	3,786	3,704	3,920	4,206	4,603	5,088
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	405	785	734	751	813	906	1,071
Food & Beverage Services	442	773	797	849	910	985	1,060
Food Stores	70	122	124	132	141	147	154
Ground Tran. & Motor Fuel	379	672	639	760	851	947	1,067
Arts, Entertainment & Recreation	226	366	371	391	409	426	449
Retail Sales	320	494	487	501	512	533	559
Air Transportation (visitor only)	402	574	553	536	570	659	726
Spending at Destination	2,245	3,786	3,704	3,920	4,206	4,603	5,088
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodations & Food Service	299.8	564.4	567.8	604.9	635.5	697.7	770.0
Arts, Entertainment & Recreation	132.4	232.5	223.8	240.6	245.3	263.5	277.9
Retail**	55.9	89.6	92.3	98.7	102.6	106.5	111.2
Auto Rental & Ground Tran.	31.8	64.6	66.7	72.6	76.0	78.5	81.6
Air Transportation (visitor only)	136.4	241.4	238.2	253.0	267.6	257.3	249.1
Other Travel*	410.6	617.4	604.4	641.3	676.9	669.5	668.2
Total Direct Earnings	1,066.9	1,809.9	1,793.1	1,911.1	2,004.0	2,072.9	2,158.1
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accommodations & Food Service	17.0	21.6	20.9	21.7	22.1	23.8	25.1
Arts, Entertainment & Recreation	6.3	7.3	7.4	7.8	7.4	7.5	7.4
Retail**	3.2	3.5	3.5	3.7	3.7	3.8	3.8
Auto Rental & Ground Tran.	2.0	2.9	2.8	3.1	3.2	3.1	3.1
Air Transportation (visitor only)	3.1	4.2	3.8	3.9	3.8	3.6	3.3
Other Travel*	8.7	10.6	9.6	9.9	9.6	9.4	9.3
Total Direct Employment	40.2	50.1	48.1	50.1	49.9	51.1	52.1
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	46.4	127.6	123.6	130.1	137.7	146.6	166.1
State Tax Receipts	114.0	189.9	190.5	201.3	213.3	224.2	242.2
Total Direct Tax Receipts	160.4	317.5	314.2	331.4	351.1	370.8	408.3

Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

Less than \$500,000 spending denoted by 'a'. Less than \$50,000 earnings denoted by 'b'. Less than 5 employees denoted by 'c'.

**Eastern Region  
Travel Impacts, 1991-2006**

	1991	2001	2002	2003	2004	2005	2006
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	1,263	1,849	1,861	1,986	2,120	2,259	2,435
Other Travel*	40	46	38	39	42	46	57
Total Direct Spending	1,303	1,894	1,899	2,025	2,161	2,305	2,492
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	560	887	898	966	1,032	1,089	1,182
Private Campground	101	102	104	109	116	125	134
Public Campground	42	49	48	50	53	58	61
Private Home	229	356	355	377	402	436	467
Vacation Home	33	44	44	46	48	51	54
Day Travel	298	411	413	438	468	501	538
Spending at Destination	1,263	1,849	1,861	1,986	2,120	2,259	2,435
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	195	311	316	329	347	365	398
Food & Beverage Services	334	488	510	535	565	590	624
Food Stores	77	110	113	119	125	128	132
Ground Tran. & Motor Fuel	200	336	314	380	448	533	613
Arts, Entertainment & Recreation	209	282	289	301	310	314	326
Retail Sales	240	310	309	313	315	319	330
Air Transportation (visitor only)	8	11	10	9	10	12	13
Spending at Destination	1,263	1,849	1,861	1,986	2,120	2,259	2,435
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodations & Food Service	195.5	305.7	320.9	340.6	350.1	365.8	385.0
Arts, Entertainment & Recreation	110.0	161.9	157.6	169.6	170.8	177.4	184.2
Retail**	50.0	68.8	71.3	75.3	77.6	78.7	81.0
Auto Rental & Ground Tran.	4.4	9.2	9.6	10.4	10.9	11.2	11.7
Air Transportation (visitor only)	2.8	4.6	4.4	4.5	4.7	5.1	5.3
Other Travel*	18.4	21.8	18.0	19.0	20.3	21.9	26.8
Total Direct Earnings	381.1	572.0	581.9	619.2	634.3	660.2	693.9
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accommodations & Food Service	16.7	17.3	17.4	18.0	17.9	18.3	18.6
Arts, Entertainment & Recreation	11.6	10.9	10.0	10.5	9.8	9.6	10.1
Retail**	3.9	3.8	3.7	3.8	3.8	3.8	3.8
Auto Rental & Ground Tran.	0.3	0.4	0.4	0.4	0.5	0.4	0.5
Air Transportation (visitor only)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	0.6	0.7	0.5	0.5	0.5	0.5	0.5
Total Direct Employment	33.2	33.2	32.2	33.3	32.6	32.8	33.7
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	15.8	28.7	29.3	30.8	33.5	37.1	40.3
State Tax Receipts	78.2	111.5	115.3	118.9	125.5	129.9	137.1
Total Direct Tax Receipts	94.0	140.2	144.6	149.7	159.0	167.0	177.4

Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

Less than \$500,000 spending denoted by 'a'. Less than \$50,000 earnings denoted by 'b'. Less than 5 employees denoted by 'c'. Eastern Region includes Adams, Asotin, Benton, Chelan, Douglas, Ferry, Franklin, Garfield, Grant, Lincoln, Kittitas, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman, and Yakima counties.

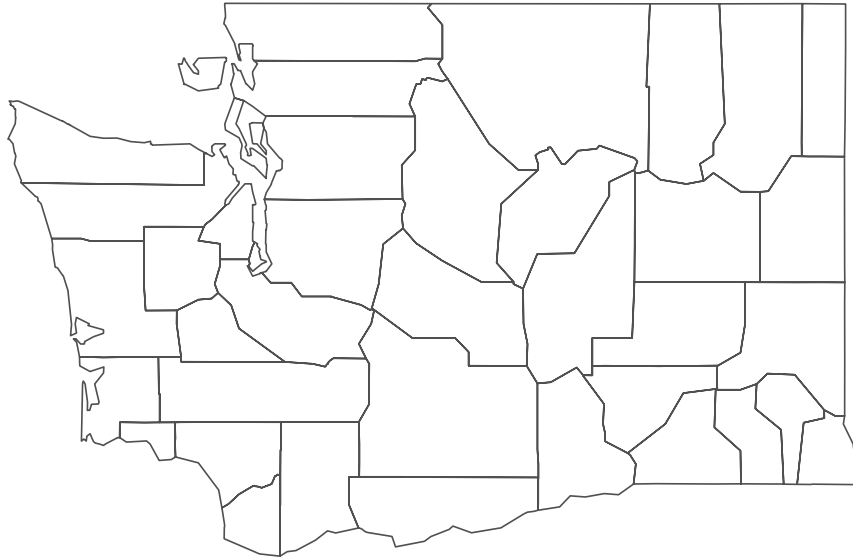
## Washington State Regions Travel Impacts, 2006

	Coastal	Western	King Co.	Eastern	State Total
<b>Total Direct Travel Spending (\$Million)</b>					
Visitor Spending at Destination	948	3,538	5,088	2,435	12,009
Other Travel*	5	38	1,760	57	1,860
Total Direct Spending	953	3,576	6,848	2,492	13,869
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>					
Hotel, Motel	412	1,312	3,128	1,182	6,033
Private Campground	94	149	24	134	401
Public Campground	42	55	4	61	162
Private Home	189	962	1,244	467	2,861
Vacation Home	50	73	17	54	193
Day Travel	162	987	671	538	2,359
Spending at Destination	948	3,538	5,088	2,435	12,009
<b>Visitor Spending by Commodity Purchased (\$Million)</b>					
Accommodations	173	459	1,071	398	2,102
Food & Beverage Services	256	934	1,060	624	2,874
Food Stores	67	201	154	132	555
Ground Tran. & Motor Fuel	174	897	1,067	613	2,752
Arts, Entertainment & Recreation	138	492	449	326	1,405
Retail Sales	139	555	559	330	1,582
Air Transportation (visitor only)	a	a	726	13	671
Spending at Destination	948	3,538	5,088	2,435	12,009
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>					
Accommodations & Food Service	155.4	495.7	770.0	385.0	1,806.1
Arts, Entertainment & Recreation	72.6	227.2	277.9	184.2	762.0
Retail**	33.7	124.9	111.2	81.0	350.7
Auto Rental & Ground Tran.	5.6	23.8	81.6	11.7	122.8
Air Transportation (visitor only)	0.0	0.1	249.1	5.3	254.5
Other Travel*	2.4	19.1	668.2	26.8	716.4
Total Direct Earnings	269.7	890.9	2,158.1	693.9	4,012.6
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>					
Accommodations & Food Service	8.2	23.5	25.1	18.6	75.4
Arts, Entertainment & Recreation	5.7	14.4	7.4	10.1	37.6
Retail**	1.6	5.6	3.8	3.8	14.9
Auto Rental & Ground Tran.	0.2	0.9	3.1	0.5	4.8
Air Transportation (visitor only)	c	c	3.3	0.1	3.7
Other Travel*	0.1	0.5	9.3	0.5	10.4
Total Direct Employment	15.8	45.0	52.1	33.7	146.5
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>					
Local Tax Receipts	17	59	166	40	282
State Tax Receipts	50	200	242	137	630
Total Direct Tax Receipts	67	259	408	177	912

Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel agency services.

\*\*Retail includes gasoline. Less than \$500,000 spending denoted by 'a'. Less than 5 employees denoted by 'c'.

#### IV. THE COUNTIES



The analysis of travel impacts at the county level provides a valuable overview of how the economic benefits of travel and tourism are distributed throughout Washington state.

Urban areas, such as King, Spokane and Pierce counties, tend to have highly developed travel industry infrastructure consisting of large inventories of amusement/recreation opportunities, commercial accommodations facilities, and well developed transportation centers. Hotel/motel guests are important to these areas and, hence, a large proportion of travel expenditures are spent on overnight lodging.

Rural areas, on the other hand, tend to offer scenic and outdoor recreational opportunities. Campers and vacation home users are important to the local economies in these areas, and visitors tend to spend the greatest portion of their travel dollars on food and beverages and ground transportation, particularly motor fuel.

Other types of travelers are notable for other areas. Day visitors are significant in cities and counties close to recreation areas, wilderness areas, lakes, and beaches. The importance of day visitors to these areas also increases with the proximity to major population centers, such as the Puget Sound area in Washington, the Portland metropolitan area in Oregon, and Vancouver and Victoria in British Columbia. Coastal communities such as those on the North Olympic Peninsula are prime examples of areas where day visitors account for a large share of total traveler spending.

Shopping destination areas also receive a higher proportion of day visitation and visitors tend to spend a higher proportion of their total spending on retail expenditures. This is seen in both Bellingham/Whatcom County and in Spokane County and relates particularly to Canadian visitation.

### **RELATIVE TRAVEL IMPACTS**

While travel impacts are typically greater in absolute terms in urban counties (e.g., King), they are often greater in relation to the total economy in rural counties (e.g., Chelan, San Juan, Pacific). The tables on pages 27 and 28 of this report provide three indicators of the relative importance of the travel economy on counties:

- Travel-generated earnings as a proportion of total earnings.
- Travel-generated employment as a proportion of total employment.
- Travel-generated sales and lodging tax receipts as a proportion of total sales and lodging tax receipts.

The earnings and employment estimates are provided in a single table in this year's report. The travel-generated employment estimates (as a percentage of total employment) are invariably greater than the travel-generated earnings estimates because the travel industry provides a large number of entry-level positions, and

because many of the jobs in the travel-industry (e.g., food service) provide part-time employment.

The visitor-generated sales and lodging tax percentages are generally even greater than the employment estimates. This is because a higher proportion of the commodities and services purchased by visitors on a daily basis are subject to local and state sales and lodging taxes than is the case for residents.<sup>3</sup> This is most apparent for a number of non-metropolitan visitor destinations, as noted above. This effect is greater for local taxes than for state taxes, primarily because lodging taxes are local taxes.<sup>4</sup>

There are caveats in using these indicators. Estimates for small areas (e.g., rural counties) are generally less reliable than estimates for larger local economies as they are based on smaller samples. With respect to retail sales, total sales tax collections may be a sum of county residents, visitors, and residents of other counties that are not classified as visitors (e.g., they travel 25 miles to shop at a retail center in another county). For these and other reasons, the measures provided in this report are best viewed as rough indicators that should be used in conjunction with other measures of local economic activity.

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<sup>3</sup> For example, whereas visitors typically purchase lodging and meals that are taxed on a daily basis, residents are more likely to purchase groceries and services that are not taxed.

<sup>4</sup> The King County Convention Center tax is technically a state tax, although it is treated as a local tax for the purpose of this analysis.

## Washington State Travel Impacts by County, 2006

	Travel			Tax Receipts		
	Spending (\$Million)	Earnings (\$Million)	Employment (jobs)	Local (\$Million)	State (\$Million)	Total (\$Million)
Adams	26.1	4.4	310	0.2	1.6	1.9
Asotin	26.5	7.6	410	0.3	1.4	1.7
Benton	238.5	57.5	2,880	4.6	13.7	18.3
Chelan	315.7	101.4	5,650	6.7	16.5	23.3
Clallam	172.8	49.8	3,150	3.4	9.3	12.7
Clark	370.3	95.5	3,800	5.5	21.0	26.6
Columbia	6.7	1.5	100	0.1	0.4	0.4
Cowlitz	122.9	29.5	1,680	1.6	6.9	8.5
Douglas	34.2	6.0	300	0.3	2.1	2.5
Ferry	13.8	3.2	240	0.1	0.6	0.8
Franklin	81.6	19.5	1,050	1.4	4.6	6.0
Garfield	1.7	0.4	20	0.0	0.1	0.1
Grant	169.6	41.6	2,220	2.0	9.6	11.6
Grays Harbor	233.0	73.2	4,510	4.5	12.0	16.5
Island	126.6	41.8	2,440	2.3	6.8	9.1
Jefferson	98.6	28.1	1,620	2.0	5.0	7.0
King	6,848.1	2,158.1	52,110	166.1	242.2	408.3
Kitsap	251.7	61.6	3,210	4.1	14.2	18.3
Kittitas	112.2	27.4	1,520	1.3	6.6	7.9
Klickitat	27.4	6.3	430	0.2	1.5	1.7
Lewis	169.1	35.4	2,020	1.8	10.2	12.0
Lincoln	16.0	3.6	170	0.1	1.0	1.1
Mason	85.4	26.7	1,310	1.4	4.8	6.1
Okanogan	128.3	37.2	1,790	1.6	7.0	8.6
Pacific	106.9	29.0	1,940	1.5	4.6	6.1
Pend Oreille	21.5	5.4	310	0.2	1.0	1.2
Pierce	852.8	214.6	10,870	17.8	47.0	64.8
San Juan	121.3	40.5	1,780	2.2	6.3	8.5
Skagit	234.6	54.9	2,890	2.9	14.0	16.9
Skamania	55.9	14.9	740	0.7	2.1	2.8
Snohomish	835.1	192.2	9,260	13.7	47.0	60.7
Spokane	788.3	254.3	9,860	13.7	41.9	55.7
Stevens	49.8	13.8	960	0.4	2.5	2.9
Thurston	265.4	64.8	2,980	4.0	14.9	18.9
Wahkiakum	4.1	1.2	80	0.0	0.2	0.3
Walla Walla	75.8	20.3	1,150	1.1	4.1	5.2
Whatcom	422.5	106.7	6,510	6.5	23.8	30.4
Whitman	51.4	14.1	910	0.7	3.0	3.7
Yakima	307.1	68.3	3,370	5.1	17.8	22.9
State Total	13,869	4,013	146,550	282.5	629.5	912.0

**Washington State**  
**Travel Spending by County, 1991-1999**

(\$Millions)

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Adams	13.1	13.9	14.3	15.0	14.3	15.1	15.4	15.6	16.3
Asotin	14.3	14.8	14.9	17.3	17.8	17.7	18.1	18.3	20.3
Benton	99.6	108.2	117.9	145.9	137.9	138.0	147.6	149.8	157.8
Chelan	156.1	159.0	163.3	155.5	184.6	184.3	199.9	212.2	234.6
Clallam	99.5	109.1	109.9	108.6	115.8	117.1	121.7	128.8	128.2
Clark	150.0	156.5	161.9	169.3	180.9	192.8	204.1	223.5	230.6
Columbia	3.0	3.2	3.4	4.6	5.1	4.5	4.9	4.7	5.2
Cowlitz	74.7	73.7	75.4	76.7	82.6	84.9	90.7	89.9	94.1
Douglas	19.1	20.4	19.7	19.6	20.8	21.4	22.6	21.0	22.8
Ferry	10.1	10.4	10.3	9.8	10.6	10.3	10.2	9.8	10.7
Franklin	50.3	51.7	54.1	55.6	56.2	54.6	53.7	53.1	53.6
Garfield	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3
Grant	98.7	98.9	102.6	98.9	99.3	102.8	106.4	110.0	114.7
Grays Harbor	119.8	125.4	127.3	129.1	137.9	143.6	147.9	163.3	167.8
Island	79.4	83.2	86.6	86.7	87.8	90.6	93.9	93.8	99.9
Jefferson	63.4	63.9	69.4	67.0	71.7	77.8	74.7	80.4	81.6
King	3,302.8	3,424.4	3,533.5	3,618.9	3,779.2	4,104.2	4,356.9	4,543.5	4,834.7
Kitsap	133.0	135.6	132.9	135.2	140.8	146.3	150.2	155.9	164.6
Kittitas	55.3	58.8	60.3	62.6	64.3	69.9	68.7	65.3	75.4
Klickitat	16.7	17.0	17.9	17.2	18.9	18.4	18.7	19.1	21.2
Lewis	85.0	88.0	87.0	86.0	90.6	92.0	96.9	100.4	106.2
Lincoln	6.8	7.2	7.6	8.5	8.5	8.6	9.2	9.1	9.8
Mason	47.1	48.6	50.0	49.9	52.3	53.1	55.0	54.9	57.6
Okanogan	69.7	72.5	75.3	71.3	79.9	80.7	86.8	92.9	101.2
Pacific	62.4	65.3	66.5	68.4	71.2	71.1	75.2	79.1	79.9
Pend Oreille	12.6	13.0	13.6	13.3	14.7	15.2	15.6	16.1	16.8
Pierce	423.1	439.5	451.2	461.0	482.1	502.7	534.7	541.4	571.9
San Juan	52.4	60.5	65.5	67.6	78.9	86.4	83.4	94.9	95.5
Skagit	119.6	122.6	119.7	124.9	127.9	131.0	141.1	144.6	159.7
Skamania	11.3	11.9	31.8	36.4	30.2	31.0	32.6	32.2	34.5
Snohomish	351.0	367.7	381.8	386.3	414.3	444.0	478.8	485.4	518.7
Spokane	408.1	424.0	432.7	443.9	459.6	487.3	498.3	510.0	524.1
Stevens	30.5	31.3	31.5	32.6	32.0	32.9	33.4	33.2	35.8
Thurston	109.1	116.4	121.0	129.9	134.8	148.0	149.8	152.7	161.5
Wahkiakum	1.5	1.5	1.6	1.6	2.0	2.0	2.0	2.1	2.3
Walla Walla	34.9	37.2	36.1	39.5	41.9	42.1	42.8	42.8	45.5
Whatcom	233.7	244.4	237.3	236.2	240.5	252.4	263.9	265.0	279.3
Whitman	23.4	22.4	23.9	25.3	29.6	30.8	30.4	36.9	33.6
Yakima	179.9	164.8	187.2	193.4	196.4	203.3	207.0	205.3	219.2
State Total	6,822.1	7,067.8	7,297.9	7,470.4	7,814.7	8,310.3	8,744.9	9,058.3	9,588.6

## Washington State Travel Spending by County, 2000-2006

(\$Millions)

	2000	2001	2002	2003	2004	2005	2006
Adams	18.3	18.5	17.5	19.7	22.1	24.3	26.1
Asotin	22.0	22.2	22.2	21.6	24.4	24.1	26.5
Benton	174.2	183.1	189.5	201.2	214.6	223.2	238.5
Chelan	247.3	249.9	256.4	263.0	278.9	282.9	315.7
Clallam	133.1	138.0	138.5	142.8	156.1	166.8	172.8
Clark	252.8	260.4	261.5	277.7	298.9	333.5	370.3
Columbia	5.4	5.5	5.5	6.3	5.9	6.8	6.7
Cowlitz	96.3	100.7	97.0	98.4	106.8	112.8	122.9
Douglas	25.1	25.5	23.9	26.8	27.5	30.7	34.2
Ferry	12.4	12.4	12.5	12.1	12.3	13.1	13.8
Franklin	57.1	59.9	59.2	61.3	66.5	76.5	81.6
Garfield	1.4	1.4	1.4	1.5	1.6	1.6	1.7
Grant	134.4	127.6	131.2	134.2	142.7	161.5	169.6
Grays Harbor	178.7	183.2	184.0	195.0	205.5	218.5	233.0
Island	106.0	111.7	108.6	109.5	115.9	120.7	126.6
Jefferson	85.8	84.1	87.3	87.3	98.4	95.7	98.6
King	5,296.6	5,190.3	5,058.2	5,259.6	5,624.7	6,206.5	6,848.1
Kitsap	176.5	183.1	190.5	199.2	216.5	237.3	251.7
Kittitas	77.9	79.1	78.9	83.9	88.8	102.1	112.2
Klickitat	21.6	23.3	23.5	23.3	24.3	25.7	27.4
Lewis	118.2	122.8	124.8	132.1	141.0	155.1	169.1
Lincoln	11.0	11.3	11.0	11.6	12.8	14.3	16.0
Mason	61.1	62.4	62.0	62.3	70.5	79.1	85.4
Okanogan	108.7	109.2	101.3	107.2	115.2	120.5	128.3
Pacific	87.9	89.1	91.5	93.2	97.5	104.0	106.9
Pend Oreille	18.2	18.6	18.3	19.2	19.2	21.5	21.5
Pierce	646.0	640.1	644.2	674.0	729.1	786.5	852.8
San Juan	105.6	113.9	110.6	106.2	116.1	118.8	121.3
Skagit	174.2	171.3	167.4	178.7	195.0	211.6	234.6
Skamania	39.6	37.2	37.5	46.8	51.4	53.5	55.9
Snohomish	584.2	591.2	589.2	611.6	681.0	755.7	835.1
Spokane	574.4	570.5	568.5	637.6	686.4	727.8	788.3
Stevens	38.3	39.1	39.5	40.9	43.2	46.9	49.8
Thurston	180.0	189.6	190.3	208.6	223.8	241.7	265.4
Wahkiakum	2.5	2.4	2.6	3.3	3.0	3.1	4.1
Walla Walla	50.7	57.2	57.5	60.5	65.1	71.6	75.8
Whatcom	303.9	313.9	317.7	334.6	361.9	396.4	422.5
Whitman	40.4	39.8	39.8	43.8	46.1	47.4	51.4
Yakima	235.9	240.2	241.2	249.2	263.5	282.3	307.1
<b>State Total</b>	<b>10,504</b>	<b>10,480</b>	<b>10,362</b>	<b>10,846</b>	<b>11,654</b>	<b>12,702</b>	<b>13,869</b>

\*Annual Change is the average annual percentage change from 1991-2006.

**Total Employment and Earnings Compared to  
Travel-Generated Employment and Earnings, by County (2006)**

County	Employment			Earnings (\$Millions)		
	Total	Travel	Percent	Total	Travel	Percent
Adams	9,090	310	3.4%	288.7	4.4	1.5%
Asotin	8,510	410	4.8%	268.3	7.6	2.8%
Benton	87,360	2,880	3.3%	4,085.7	57.5	1.4%
Chelan	54,240	5,650	10.4%	1,846.1	101.4	5.5%
Clallam	36,680	3,150	8.6%	1,180.2	49.8	4.2%
Clark	183,780	3,800	2.1%	7,733.3	95.5	1.2%
Columbia	1,850	100	5.4%	49.7	1.5	3.1%
Cowlitz	47,920	1,680	3.5%	1,987.5	29.5	1.5%
Douglas	12,670	300	2.3%	378.3	6.0	1.6%
Ferry	2,760	240	8.6%	74.6	3.2	4.3%
Franklin	30,450	1,050	3.5%	1,147.8	19.5	1.7%
Garfield	1,310	20	1.8%	19.6	0.4	2.1%
Grant	42,840	2,220	5.2%	1,443.2	41.6	2.9%
Grays Harbor	33,980	4,510	13.3%	1,208.5	73.2	6.1%
Island	38,020	2,440	6.4%	1,554.9	41.8	2.7%
Jefferson	15,320	1,620	10.6%	445.1	28.1	6.3%
King	1,492,940	52,110	3.5%	93,828.3	2,158.1	2.3%
Kitsap	129,830	3,210	2.5%	5,936.3	61.6	1.0%
Kittitas	19,570	1,520	7.8%	640.2	27.4	4.3%
Klickitat	9,790	430	4.4%	308.1	6.3	2.1%
Lewis	36,920	2,020	5.5%	1,303.2	35.4	2.7%
Lincoln	5,030	170	3.5%	132.1	3.6	2.7%
Mason	21,300	1,310	6.1%	695.4	26.7	3.8%
Okanogan	24,130	1,790	7.4%	699.0	37.2	5.3%
Pacific	10,200	1,940	19.1%	279.0	29.0	10.4%
Pend Oreille	4,170	310	7.4%	158.0	5.4	3.4%
Pierce	379,020	10,870	2.9%	17,713.7	214.6	1.2%
San Juan	10,880	1,780	16.4%	278.4	40.5	14.5%
Skagit	65,660	2,890	4.4%	2,665.0	54.9	2.1%
Skamania	3,090	740	24.0%	91.9	14.9	16.2%
Snohomish	318,040	9,260	2.9%	15,032.7	192.2	1.3%
Spokane	272,070	9,860	3.6%	10,809.1	254.3	2.4%
Stevens	16,460	960	5.8%	483.2	13.8	2.9%
Thurston	128,760	2,980	2.3%	5,358.6	64.8	1.2%
Wahkiakum	1,680	80	4.5%	39.3	1.2	3.1%
Walla Walla	33,740	1,150	3.4%	1,171.4	20.3	1.7%
Whatcom	110,180	6,510	5.9%	4,189.0	106.7	2.5%
Whitman	23,140	910	3.9%	734.1	14.1	1.9%
Yakima	124,700	3,370	2.7%	4,447.6	68.3	1.5%
State Total	3,848,080	146,550	3.8%	190,705.1	4,012.6	2.1%

Source: Dean Runyan Associates, Bureau of Economic Analysis and Bureau of Labor Statistics. Total earnings and employment for 2006 estimated by Dean Runyan Associates from 2005 earnings and employment data from the Bureau of Economic Analysis and 2006 payroll data from the Bureau of Labor Statistics.

**Retail Sales and Lodging Tax Collections**  
**Total Collections Compared to Visitor-Generated Collections, by County (2006)**  
(\$000)

	Total Tax Collections (see note)			Percent Visitor-Generated		
	State Sales	Local Sales	Lodging	State Sales	Local Sales & Lodging	Total
Adams	10,450	1,780	110	6.5%	13.2%	7.6%
Asotin	11,840	1,290	170	9.3%	21.7%	10.8%
Benton	149,470	41,460	1,930	5.3%	10.6%	6.6%
Chelan	89,170	20,780	2,960	14.9%	28.4%	18.2%
Clallam	66,440	18,480	1,050	10.3%	17.3%	12.1%
Clark	316,540	68,130	2,390	3.8%	7.8%	4.6%
Columbia	1,920	300	20	11.4%	19.8%	12.7%
Cowlitz	87,200	15,380	650	5.2%	10.1%	6.0%
Douglas	26,280	5,650	100	3.3%	5.7%	3.7%
Ferry	2,280	390	40	20.5%	31.2%	22.5%
Franklin	60,630	13,950	540	5.0%	9.5%	5.9%
Garfield	1,030	160	0	5.6%	6.6%	5.7%
Grant	71,900	14,400	740	7.2%	13.2%	8.3%
Grays Harbor	54,210	15,100	1,740	15.0%	26.8%	18.2%
Island	53,820	14,940	510	10.3%	15.2%	11.5%
Jefferson	23,920	6,690	620	17.4%	28.0%	20.3%
King	2,812,410	998,920	78,650	5.5%	14.4%	8.1%
Kitsap	226,180	72,850	900	3.6%	5.5%	4.1%
Kittitas	45,630	8,450	480	7.5%	14.1%	8.6%
Klickitat	10,540	1,220	50	8.2%	13.5%	8.8%
Lewis	73,310	14,650	480	7.3%	11.7%	8.1%
Lincoln	4,570	770	10	9.6%	13.3%	10.2%
Mason	34,230	9,510	250	9.8%	14.1%	10.8%
Okanogan	28,140	4,800	710	15.0%	28.8%	17.6%
Pacific	12,430	2,540	650	28.2%	46.8%	33.3%
Pend Oreille	5,830	990	40	12.7%	18.6%	13.6%
Pierce	793,030	267,400	5,510	3.8%	6.5%	4.5%
San Juan	22,470	4,260	990	23.3%	41.7%	27.7%
Skagit	159,420	34,220	960	4.7%	8.3%	5.3%
Skamania	5,150	440	490	36.0%	71.2%	45.0%
Snohomish	711,270	218,300	3,390	3.9%	6.2%	4.5%
Spokane	472,640	116,460	5,830	5.5%	11.1%	6.7%
Stevens	21,760	3,690	120	7.0%	11.2%	7.7%
Thurston	258,440	71,440	1,050	3.4%	5.5%	3.9%
Wahkiakum	1,570	240	10	11.2%	17.9%	12.2%
Walla Walla	46,610	9,710	450	5.8%	11.1%	6.8%
Whatcom	203,180	56,270	1,430	7.5%	11.3%	8.4%
Whitman	26,610	4,930	280	7.3%	13.7%	8.4%
Yakima	172,500	42,460	2,190	5.4%	11.4%	6.7%
State total	7,175,040	2,183,390	118,490	5.5%	11.8%	7.1%

Source: Dean Runyan Associates and Washington State Department of Revenue. Total retail tax collections estimated from taxable sales reported by Department of Revenue and estimated countywide sales tax rates. These estimates will differ from actual retail tax collections. Local amusement taxes included with local sales tax collections. Lodging taxes include all hotel/motel taxes and King County Convention Center taxes.

## **APPENDICES**

*Appendix A. Regional Travel Impact Model*

*Appendix B. Travel Industry Accounts*

*Appendix C. Travel Impact Estimation Procedures*

*Appendix D. Definition of Terms*

*Appendix E. Rounding and Format of Detailed Tables*

## **WASHINGTON STATE TRAVEL IMPACT MODEL**

This report describes the economic impacts of travel to and through the state of Washington from 1991 to 2007. The estimates for 2007 are preliminary and subject to revision. These estimates of the direct impacts associated with traveler spending in Washington were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The input data used to detail the economic impacts of the Washington travel industry were derived from various local, state, and federal sources. A primary objective of this research is to provide reliable, detailed figures that allow comparisons from year-to-year at the state and county levels.

### **TYPES OF TRAVEL IMPACTS INCLUDED**

Most of the travel that occurs in Washington is included in the scope of this analysis. The purpose of such travel can be for business, pleasure, shopping, to attend meetings, or for personal, medical, or educational purposes. All trips to Washington state by U.S. residents and foreign visitors are included. The travel of Washington residents to other destinations within Washington is included, provided that it is neither commuting nor other routine travel. Travel to non-Washington destinations by Washington residents is not included as a component of visitor spending. Outbound air travel impacts and spending on travel arrangement services are included in the "Other Travel" category.

The impacts associated with both overnight and day travel are included if the travelers remain at the destination overnight or the destination is over 50 miles, one-way, from the traveler's home. These definitions are used to screen and, if necessary, to interpret and adjust local data used for travel impact measurements. The most conservative interpretation is employed where data limitations cause deviations from the above definition.

### **TRANSPORTATION IMPACTS**

The focus of this analysis is on the destination-specific impacts of visitors. This is straightforward with respect to the spending on commodities such as accommodations, food services, recreation, and retail purchases. It is less obvious with respect to ground and air transportation services, in that transportation provides a link between an origin and destination. In this report, the impacts related to spending on transportation are allocated to the location (i.e., county) in which those spending impacts occur, regardless of whether that location is the ultimate destination of the visitor. For this reason, urban counties will tend to have relatively greater transportation impacts even though some of that spending on transportation will be related to visits at other destinations.

## DIRECT AND SECONDARY IMPACTS

Economic impact measurements reported herein represent only direct economic impacts. Direct economic impacts include only the spending by travelers and the employment generated by that spending. Secondary effects related to the additional spending of businesses and employees are not included.<sup>5</sup>

## IMPACT CATEGORIES

The specific categories of travel impacts included in this analysis are as follows:

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Impact Category	Description
Expenditures	Purchases by travelers during their trip, including lodging taxes and other applicable local and state taxes, paid by the traveler at the point of sale.
Total Earnings	The earnings (wage and salary disbursements, earned benefits, and proprietor income) of employees and owners of businesses that receive travel expenditures. Only the earnings attributable to travel expenditures are included; this typically is only a portion of all business receipts.
Employment	Employment associated with the above earnings; this includes both full- and part-time positions of wage and salary workers and proprietors.
Local Tax Receipts	Tax receipts collected by counties and municipalities, as levied on applicable travel-related purchases. Includes local sales taxes, auto rental taxes, and all transient occupancy taxes, including the 2% state shared tax, additional hotel/motel taxes, and the King County Convention Center tax (which is technically a state tax).
State Tax Receipts	State excise taxes such as sales, auto rental, and gasoline taxes attributable to travel expenditures, and business taxes levied on travel industry firms (i.e., B&O taxes).

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<sup>5</sup> Secondary Impacts for Washington state can be found in THE ECONOMIC SIGNIFICANCE OF THE WASHINGTON TRAVEL INDUSTRY (November 2004) prepared by Dean Runyan Associates for the State of Washington Department of Community, Trade and Economic Development.

## **VISITOR CATEGORIES**

Travelers are classified according to the type of accommodation in which they stay. The types of visitors are as follows:

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Type of Visitor	Description
Hotel/Motel/B&B	Travelers staying in hotels, motels, resorts, bed & breakfast establishments, and other commercial accommodations, excluding campgrounds, where a transient lodging tax is collected.
Private Camper	Travelers staying in a privately owned (i.e., commercial) campground.
Public Camper	Travelers staying in a publicly managed campground such as those managed by the Washington State Parks and Recreation Commission, the U.S. Forest Service, or the National Park Service.
Private Home Visitor	Travelers staying as guests with friends or relatives.
Vacation Home Visitor	Travelers using their own vacation home or timeshare and those borrowing or renting a vacation home where transient lodging tax is not collected.
Day Visitor	Both in-state and out-of-state residents whose trip does not include an overnight stay at a destination in Washington.

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## **PRELIMINARY ESTIMATES**

Preliminary estimates for 2007 were prepared at the state level only. These estimates take advantage of the most current state level data for Washington and provide the timeliest measure of travel spending and the associated impacts in the state. While based on a consistent methodology and comparable data sources, full-year data was not available from all sources. In these cases, projections of state-level travel activity were made based on partial-year data.

The statewide preliminary estimates are revised annually as more complete information relating to travel and the economy becomes available. The final estimates (which also include detailed county estimates) are generally close, but not identical to the preliminary estimates. The revised estimates supersede all previous preliminary estimates.

## INTERPRETATION OF IMPACT ESTIMATES

Users of this report should be aware of several issues regarding the interpretation of the impact estimates contained herein.

- The estimates contained in this report are based on the most current data available and supersede all previous estimates of travel impacts.
- The monetary estimates in this report are expressed in *current* dollars. There is no adjustment for inflation unless indicated.
- The employment estimates in this report are estimates of the total number of full- and part-time jobs directly generated by travel spending, rather than the number of individuals employed. Both payroll and self-employment are included in these estimates. Caution should therefore be used in comparing these estimates with other employment data series.
- In general, estimates of small geographic areas (e.g., rural counties) are less reliable than estimates for regions or metropolitan counties. Trend analysis and comparisons of counties with relatively low levels of travel related economic activity should therefore be interpreted cautiously.
- The estimates of travel impacts published in this report will necessarily differ somewhat from estimates generated from different models, methodologies and data sources. Nonetheless, it should be emphasized that all credible estimates of direct travel impacts at the state level, including those of Dean Runyan Associates, are of similar magnitude.

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**TRAVEL INDUSTRY ACCOUNTS: A COMPARISON OF THE  
REGIONAL TRAVEL IMPACT MODEL AND  
TRAVEL & TOURISM SATELLITE ACCOUNTS**

An economic account is a method for displaying inter-related information about a set of economic activities. A travel industry account is a method to report different types of related information about the purchase of goods and services by visitors. The Bureau of Economic Analysis (BEA), which now provides annual and quarterly estimates of travel and tourism at the national level, describes a Travel and Tourism Satellite Account (TTSA) as “present(ing) a rearrangement of information from the National Income and Product Accounts, from the industry accounts, and from other sources so that travel and tourism activities can be analyzed more completely than is possible in the structure of the traditional national economic accounts.”<sup>6</sup> Similarly, the RTIM has been developed by Dean Runyan Associates to estimate travel spending, earnings, employment, and tax receipts at the state, county, and regional levels. These initial findings can, in turn, be used as input data for deriving estimates of other economic measures, such as value-added and indirect effects.

This appendix provides an overview of the Regional Travel Impact Model (RTIM) and travel and tourism satellite accounts (TTSAs). Although there is no single or absolute form of a TTSA, the one developed by the Bureau of Economic Analysis (BEA) will be the basis of the analysis here. The definitions, framework, and estimating methods used for the U.S. BEA TTSA follow, as closely as is practicable, the guidelines for similar travel satellite accounts that were developed by the World Tourism Organization (WTO) and the Organization for Economic Co-operation and Development (OECD).

The primary focus is on the direct impacts of visitor spending. Visitors are defined as persons that stay overnight away from home, or travel more than fifty miles one-way on a non-routine trip. Only the expenditures related to specific trips are counted as visitor spending. Other travel related expenditures such as the consumption of durable goods (e.g., recreational vehicles or sporting equipment) or the purchase of vacation homes are not considered.

While such a definition of the travel industry (i.e., the trip related expenditures of visitors) is conservative, it is also in keeping with the notion of the travel industry as being an export-oriented industry for specific local communities. That is, visitors are important to regions because they inject money into the local economy. This focus on the export-oriented nature of the travel industry for local communities becomes blurred if the industry is defined so as to include non-trip related expenditures.

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<sup>6</sup> Peter D. Kuhbach, Mark A. Planting, and Erich H. Strassner, “U.S. Travel and Tourism Satellite Accounts for 1998-2003,” *Survey of Current Business* 84 (September 2004): 43-59.

## PRIMARY CONCEPTS, CATEGORIES & DATA REQUIREMENTS

There are three primary types of information that are measured and/or estimated in a travel industry account. The first is a measure of the **travel industry** in terms of both the characteristics of the business firms that sell travel goods and services and the characteristics of consumers that purchase travel industry goods and services. The second is a measure of the **demand segments** that consume travel industry goods and services. For example, the distinction between business and leisure travel is a measure of demand segments. The third is a measure of the **components of economic output** associated with the travel industry. The employee earnings generated by visitor spending is one such component. Travel-generated tax receipts are another. These three categories of information represent different aspects of the accounting ledger – they represent different ways of viewing or analyzing the travel industry.

The bulk of this paper will discuss these three types of information in terms of their conceptual foundations, the data requirements, and some of the more salient issues that users of this information should be aware of. There will also be some discussion of **indirect and induced effects** in that these effects can be reasonably estimated from the direct travel industry accounts. These secondary (versus direct) effects describe the relationship of the travel industry to other sectors of the larger economy.

The intent of this discussion will be to provide a general overview of the process of constructing travel industry accounts and the underlying similarity between the RTIM and a TTSA. More technical issues are generally placed in footnotes.

## TRAVEL INDUSTRY

Defining the travel industry is probably the most critical and data intensive effort involved in developing a travel industry account. It is an exercise in matching supply (sellers of goods and services) with demand (the travelers that purchase those particular goods and services). It is complicated by the fact that no single industrial classification scheme provides a valid measure of the travel industry.<sup>7</sup> There are only three significant industrial classifications (Accommodations [NAICS 721], Scheduled Passenger Air Transportation [NAICS 481111] and Travel Arrangement and Reservation Services [NAICS 5615]) that *primarily* sell travel industry goods and services.<sup>8</sup> Firms in other industries (retail, recreation, transportation) provide goods and services to both travelers and other types of consumers.

Because of this, most satellite accounts, as well as the RTIM, incorporate at least some information about the expenditures of visitors in order to define the supply of

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<sup>7</sup> The North American Industrial Classification System (NAICS) is the current standard in the United States.

<sup>8</sup> Even these industries are not purely travel. For example, the accommodations industry provides services to local residents (food service and meeting rooms). Passenger airlines also ship cargo on the same planes that carry passengers. Fortunately, it is usually possible to make adjustments for these non-travel components through the use of additional data.

visitor industry firms. For example, if there is an estimate of visitor-days and an estimate of how much the average visitor spends on food services per day, then an estimate of visitor spending on food services can be calculated. In most cases, this will be only a fraction of all food service sales in that residents are a larger market for most restaurants.<sup>9</sup>

The industry sectors that are usually matched to visitor spending in this way are: accommodations (NAICS 721), food service (722), arts, entertainment and recreation (71), and retail trade (44-45). A portion of transportation business is also part of the travel industry for obvious reasons.

In the case of the transportation sector, the definition and measurement of the travel industry component is more complicated because most transportation spending by visitors involves travel to and from the destination, rather than travel at or within the destination market. This is not an issue if the geographic scope of the travel industry market includes the origin and destination of travel. National travel industry accounts thus include all domestic passenger air transportation in the travel industry. The issue is more complicated at the state or regional level, however. Suppose, for example, that the focus of a travel industry account is the state of Arizona. How should the purchase of a round trip airline ticket by a Chicago resident traveling to Phoenix be treated in that only some of the economic impact of this spending will occur in Arizona? A reasonable approach would be to allocate only a portion of this spending (and related payroll, taxes, etc.) to Arizona and ignore the remainder for the purpose of creating a travel industry account for Arizona. However, if this procedure were followed for every state, the sum of the state accounts would be less than the national travel account. The state accounts would be additive if outbound air travel from each state were included. However, this is methodologically inconsistent with the construction of a national account, which does not include outbound travel as a component of domestic tourism demand. The approach used in the RTIM is to make a distinction between the *visitor industry*, that includes only visitor demand, and the *travel industry*, which includes visitor demand and that portion of outbound travel that can be attributed to the resident economy. For example, the passenger air transportation employment in Arizona can be divided between three groups of travelers: inbound, outbound, and pass-through. Only that employment attributable to inbound travel is part of the Arizona *visitor industry*. Employment attributable to outbound and pass-through travelers is included with the larger *travel industry*.<sup>10</sup>

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<sup>9</sup> The proportion can vary enormously among regions and localities, however. In many popular visitor destinations, the primary market for food service will be visitors. It should also be noted that even with reliable visitor survey data, there is still the issue of how to translate spending on food service *commodities* to the supply of food service by *industry*. As indicated in the footnote above, food service is also supplied by the accommodation industry.

<sup>10</sup> The same issue arises with travel agencies and reservation services (NAICS 5615). Most of these services are probably related to outbound travel and are treated as such in the RTIM.

The following two tables display the specific industries that are included in the travel industry for the BEA's national TTSA and the RTIM. Although not identical, the industries are equivalent with only a few exceptions.<sup>11</sup>

**Bureau of Economic Analysis Tourism Industries  
Distribution of United States Domestic  
Travel-Generated Compensation, 2002**

<b>Accommodations &amp; Food Service</b>	<b>35.4%</b>
Traveler accommodations	21.0%
Food services and drinking places	14.3%
<b>Transportation</b>	<b>29.2%</b>
Air transportation	20.7%
Rail transportation	0.5%
Water transportation	0.9%
Interurban bus transportation	0.4%
Interurban charter bus transportation	0.3%
Urban transit systems & other tran.	1.6%
Taxi service	0.9%
Automotive equipment rental & leasing	2.4%
Automotive repair services	1.2%
Parking lots and garages	0.2%
Toll highways	0.1%
<b>Recreation</b>	<b>11.1%</b>
Scenic and sightseeing transportation	0.5%
Motion pictures and performing arts	1.2%
Spectator sports	2.2%
Participant sports	2.5%
Gambling	2.4%
All other recreation and entertainment	2.3%
<b>Retail &amp; nondurable goods production</b>	<b>16.2%</b>
Petroleum refineries	0.2%
Industries producing nondurable PCE commodities, excluding petroleum refineries	4.7%
Wholesale trade & tran. services	4.2%
Gasoline service stations	0.9%
Retail trade services, excluding gasoline service stations	6.2%
<b>Travel arrangement &amp; reservation services</b>	<b>7.0%</b>
<b>All other industries</b>	<b>1.1%</b>
<b>Total Tourism Compensation</b>	<b>100.0%</b>

Source: Adapted from Peter D. Kuhbach, Mark A. Planting, and Erich H. Strassner, "U.S. Travel and Tourism Satellite Accounts for 1998-2003," Survey of Current Business 84 (September 2004): 59, table 5.

<sup>11</sup> The major exception is that the BEA includes the production of consumer non-durables that are sold through retail outlets. This is not a major component and would be even less so at the level of the state.

## RTIM Travel Impact Industries Matched to NAICS

<b>Travel Impact Industry</b>	<b>NAICS Industry (code)</b>
<b>Accommodation &amp; Food Services</b>	Accommodation (721) Food Services and Drinking Places (722)
<b>Arts, Entertainment &amp; Recreation</b>	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487)
<b>Retail</b>	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
<b>Ground Transportation</b>	Interurban and Rural Bus Transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)
<b>Air Transportation</b>	Scheduled Air Passenger Transportation (481111) Support Activities for Air Transportation (4881)
<b>Travel Arrangement Services</b>	Travel Agencies (56151) Tour Operators (56152)

Source: Dean Runyan Associates

## DEMAND SEGMENTS

The distinction between inbound and outbound travel has already been discussed in the previous section and in terms of the concepts of the *visitor industry* and the *travel industry*. Three other types of demand segments that are related exclusively to the *visitor industry* will be discussed here. The first two demand categories are reported by the BEA in their national TTSAs. They are: ***leisure versus business travel***, and ***resident versus non-resident travel***. The third demand category is typically reported in the RTIM: ***type of traveler accommodation***. These three demand categories will be discussed in turn.

The distinction between ***leisure versus business travel*** is useful for several reasons. Economists like to distinguish between personal consumption expenditures on the one hand and business expenditures on the other. Indeed, this distinction is central for the National Income and Product Accounts (NIPAs). Those in the travel industry are more likely to be interested in this distinction because leisure travelers represent a more “marketable” segment because their travel choices are less determined by economic and business factors. Furthermore, business and leisure travelers tend to have different spending profiles. The availability of this information in either a state or regional TTSAs or RTIMs is essentially dependent on the availability of survey data (as it is at the national level). It should be noted, however, that such estimates are considerably less reliable for smaller geographic areas because of the limitations of survey data. Even at the state level, year-to-year changes in the composition of this demand segment should be interpreted in conjunction with other data.

The distinction between ***resident versus non-resident travel*** is fundamental to a national TTSAs because it mirrors the distinction between the domestic economy and international transactions. Non-resident travel in the United States is considered an export in the official international transaction accounts.<sup>12</sup> The distinction is obviously also important because it is based on different political, legal, and currency regimes – factors that in themselves influence travel behavior. At the level of the state or region, the distinction between resident and nonresident travel is less important, although it is often reported.<sup>13</sup> There are at least two reasons why this distinction is less useful at state and regional levels.

First, there is considerably less of an economic rationale for distinguishing resident and non-resident travel at the level of the state, or any other political jurisdiction within the United States, than there is at the national level. States do not maintain interstate trade balance sheets that chart the flow of goods and services across state boundaries. From an economic point of view, the administration of the tax system is the primary, if only, reason for this distinction. In the case of travel and tourism,

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<sup>12</sup> Conversely, the spending of U.S. visitors in other countries is treated as an import in the international transaction accounts.

<sup>13</sup> The issues discussed with regard to the reliability of survey data for leisure versus business travel also applies to this category

the evaluation of the tax impacts of resident versus nonresident travel might also be important.<sup>14</sup>

Second, travel is behaviorally defined by length of distance from home (usually at least 50 miles one-way), trip purpose (non-routine), and/or the use of an overnight accommodation away from home. Rarely is domestic travel defined by virtue of crossing a geographic boundary.<sup>15</sup> The operators of tourist attractions in local communities are generally less interested in the origin of visitors than in the revenue that they generate for their businesses. In terms of the economic impacts at the *local* level, the distinction between in-state residents, out-of-state residents and international visitors may not be relevant other than for the purpose of marketing. However, other geographic characteristics of the visitor (e.g., distance traveled, the specific area of origin) are generally more useful measures of the visitor market than whether the visitor is a resident or nonresident.

Finally, the distinction among different ***types of traveler accommodations*** is generally reported in the RTIM. Typically, these categories are:

- Visitors who stay in hotels, motels, B&Bs., and similar lodging facilities
- Visitors who stay at campsites
- Visitors who stay in the private homes of friends or relatives
- Visitors who stay in vacation or second homes
- Visitors who do not stay in overnight accommodations on their trip away from home (day visitors).

These distinctions can be useful because estimates of economic impacts are often used for different purposes. The total of all accommodation types, of course, is an estimate of the total magnitude of the visitor industry. Visitors who stay in commercial lodging such as hotels and motels are most likely to have the greatest economic impact on a person-day basis. These visitors are also more likely to be influenced by marketing efforts. In urban areas, a large proportion will represent business travel. In other words, the type of accommodation category can be used in conjunction with other types of data to analyze the market characteristics of visitors.

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<sup>14</sup> Nonresident visitors who pay taxes in their destination state represent an unambiguous gain for the state. This effect is less clear for resident travelers within the state.

<sup>15</sup> In essence, state level travel impact estimates really represent an aggregation of smaller geographic units, such as counties or regions. Populous states with large landmasses (e.g., California or Texas) will have a higher proportion of resident travel than small states (e.g., Rhode Island or Delaware).

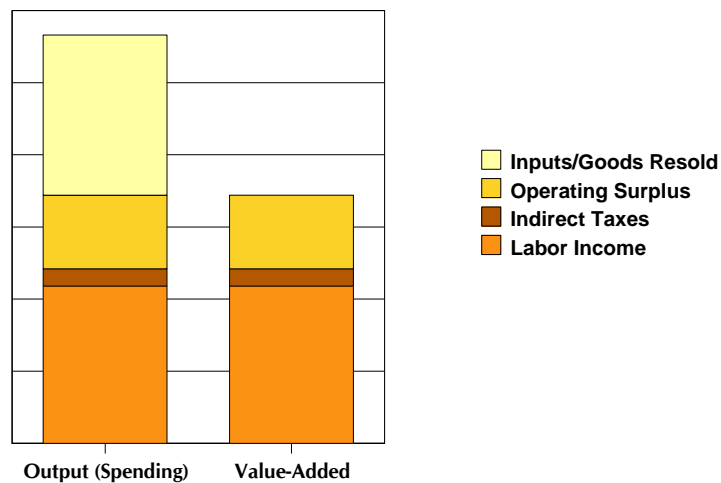
## COMPONENTS OF INDUSTRY OUTPUT

Because both the RTIM and the TTSA are empirically linked to NAICS industry accounts, it is possible to provide estimates of different components of economic output. The major economic components most often estimated are:<sup>16</sup>

- Travel spending (Gross Output)
- Value-added (Gross Product)
- Earnings (labor income)
- Indirect business taxes (sales, excise, property taxes & fees).

The relationship of these components is shown below. As indicated, the value-added of a particular industry (the bar on the right) is equal to gross output (travel spending) minus the intermediate inputs used by travel industry businesses to produce the good or service. Restaurants, for example, prepare and serve the food products that are purchased from suppliers. Airlines purchase or lease airplanes from other firms. These intermediate inputs are not counted as part of the value-added of the travel industry. They are counted as value-added in other industries (e.g., agriculture, aerospace manufacturing).

**Components of Industry Output**



The distinction between gross output and value-added is probably even more important at the state or regional level. This is because the intermediate inputs that are purchased from other industries are even more likely to be purchased from businesses located in different regions or states. For example, the economic impact

<sup>16</sup> There are some small differences between the BEA TTSA and the RTIM in what these components include. The BEA allocates proprietor income to Operating Surplus, the RTIM allocates it to Labor Income. The RTIM does not have an estimate of property taxes in indirect taxes. Overall, property taxes on businesses are a relatively small proportion of indirect taxes.

of air passenger travel in the state of Hawaii should not include the purchase of airplanes manufactured in other parts of the world. Travel industry value-added is a more meaningful measure of the true economic impact of visitor spending in Hawaii because a portion of the economic impact of visitor spending in the state will actually occur elsewhere.<sup>17</sup>

Value-added can also be viewed in terms of the distribution or payout of industry receipts, exclusive of those paid to other firms for intermediate inputs. Some of the receipts are distributed to labor as wages, benefits, and proprietor income. Some receipts are paid to government as indirect taxes. These taxes are called “indirect” because most of them are actually paid by consumers in the form of sales or excise taxes.<sup>18</sup> The remainder leaves gross operating surplus. Out of gross operating surplus various payments are made in the form of dividends, interest, and other payments, or retained by the firm. The sum of these three broad categories of payments is equal to travel industry value-added. To summarize:

Value-added = Spending *less* intermediate goods & services, or

Value-added = Labor Income *plus* indirect business taxes *plus* gross operating surplus.

The RTIM is similar to the TTSA in that it also provides estimates of these components of economic output. Travel spending, earnings, and tax impacts are generally provided at the state or regional level. Value-added is generally reported at the state-level only (sometimes referred to as Travel Industry Gross State Product). At the level of the state, travel industry value-added or GSP is an important measure – more economically meaningful than travel spending.<sup>19</sup> For smaller geographic areas, however, the rationale for reporting value-added is less clear. First, there are real data limitations and data costs in deriving these estimates. Second, ***the most important components of value added for the travel industry are earnings and tax receipts***. Because the travel industry is relatively labor intensive and because a large proportion of travel industry goods and services are subject to excise and sales taxes, these two components of value-added (labor income and indirect taxes) are relatively high for the travel industry. The local effects of gross operating surplus are generally less important and certainly much more difficult to assess than are earnings and tax impacts. The relevance of earnings and tax receipts is also in keeping the export-oriented emphasis of the travel industry: earnings and tax receipts are more likely to stay in the local economy than is operating surplus.

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<sup>17</sup> It should also be noted the value of the intermediate inputs used by travel industry firms will not necessarily disappear if the travel industry stops buying them. Aerospace firms will shift their production to other users (e.g., military). Agriculture will seek new markets for their products.

<sup>18</sup> Other taxes included here are property taxes, business franchise taxes, and other fees. Income taxes are not included, because they are paid out of operating surplus.

<sup>19</sup> It is also possible to compare different industries with respect to their value-added. It is more difficult and less useful to compare industries on the basis of sales.

## INDIRECT, INDUCED AND SECONDARY EFFECTS

To this point, the discussion of travel industry accounts has referred only to the direct output components. That is, the ripple effects of the re-spending of travel industry receipts throughout the larger economy have not been analyzed. The structure of both the TTSA and the RTIM permit such analysis.

- **Indirect** effects refer to the intermediate inputs used to produce the final product or service, providing that those inputs are themselves produced within the designated geographic area.
- **Induced** effects refer to the purchase of goods and services by *employees* that are attributable to direct and indirect impacts. These induced impacts are derived from economic data that describe the purchasing patterns of households. For example, employees of all the designated export-oriented industries will spend their income on food, household durables, health care, and so on.
- The sum of indirect and induced impacts is sometimes referred to as the **secondary** effect. These secondary impacts may be as great or greater than the direct impact alone.
- The ratio of the total effects (direct plus either indirect, induced, or secondary) to the direct effects is the **multiplier**.

The BEA reports the **indirect** components of economic output. This is equivalent to domestic travel spending less the goods and services imported from abroad to meet domestic demand. For travel, these imports would include souvenirs manufactured in China and petroleum extracted in Saudi Arabia. The indirect output multiplier for 2002 was 1.76. The ratio of domestic travel spending to travel industry value-added was 1.88. The difference reflects the intermediate inputs for travel imported from abroad.

At the state level, these indirect output multipliers are typically lower because relatively more of the intermediate inputs are purchased from outside of the state. At the county or metropolitan level, the multipliers are generally even lower for the same reason. Furthermore, the estimates are usually less reliable because of the data limitations of the regional input-output model used to estimate the indirect effects.

The BEA does not report **induced** effects – the effect of household spending of the direct and indirect labor income. Typically, these induced effects will be larger than the indirect effects at the state or regional level, in part because they are based on both the direct and indirect components.<sup>20</sup> As with indirect effects, the induced effects will also tend to be lower for smaller economic areas and the reliability of the estimates will be less.

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<sup>20</sup> The induced effects can be estimated with the Implan model maintained by the Minnesota Implan Group.

Secondary effects should be interpreted cautiously. These effects describe the relationship of economic transactions at a point in time. These relationships will not necessarily remain constant with a change in direct economic output. This is because all economic resources have alternative uses. Because of this, it is often difficult to determine the effect of an increase or decrease in visitor spending on the larger economic system over time.

### **THE REGIONAL TRAVEL IMPACT MODEL AND TRAVEL & TOURISM SATELLITE ACCOUNTS COMPARED**

This appendix has provided an overview of Dean Runyan Associates RTIM and the Bureau of Economic Analysis' domestic TTSA. These travel industry accounts are similar in terms of how they define the travel industry and the measures of the industry that are reported. The differences stem largely from their different levels of analysis – the BEA provides estimates at the national level only, while the RTIM's are typically constructed on a state or regional level. Because of this geographic focus, the RTIM provides a distinction between the visitor industry and the travel industry. The RTIM also provides measures of all of the components of economic output and secondary effects at the state or large region level. At smaller units of analysis, however, the emphasis is on earnings and tax receipts generated by travel spending as these are the most reliable and meaningful measures of the economic impact of travel at the local level.

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## TRAVEL IMPACT ESTIMATION PROCEDURES

### TRAVEL SPENDING

**Hotel, Motel, B&B.** Spending on commercial accommodations by hotel and motel guests is estimated from state room tax receipts for each county. Where room tax receipts are unavailable or incomplete, room sales are estimated from lodging inventories, occupancy rates, and room rates. Other lodging industry data, such as sales tax receipts, employment and earnings, are also used to estimate and/or validate room sales. Spending by hotel and motel guests in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data. The spending distribution shows how travelers divide their spending between lodging and other purchases.

**Private Campground.** Spending by campers using commercial campgrounds is estimated from the number of commercial campsites, the average occupancy of these campsites, and the average daily expenditures of visitor camp parties reported in survey data. Spending in other business categories is estimated in the same way as for hotel guests.

**Public Campground.** Spending by campers using public campgrounds is estimated from visitor counts at federal, state, and locally managed campsites and recreation areas, and daily spending estimates from the visitor survey.

**Private Home.** Spending by private home guests is determined from census data and visitor survey data. The number of owner occupied housing units per county is taken from the decennial census and updated annually. The average number of days per year visitors hosted by residents and the average daily spending of these visitors are estimated from visitor survey data.

**Vacation Home.** The estimated spending by vacation home renters and owners is also based on census data and visitor survey data. The number of seasonal housing units per county is taken from the decennial census and updated annually. The average number of days per year that these units are occupied by owners or renters (where a room tax is not collected) and the average daily spending of these visitors are estimated from visitor survey data.

**Day Travel.** The share of day visits as a percentage of total travel is estimated from visitor survey data and applied to average daily spending estimates to produce day visitor spending.

**Air Transportation.** Visitor spending estimates for air transportation are derived from the Origin-Destination survey conducted for the Bureau of Transportation Statistics. Employment and earnings estimates are derived from industry receipts,

payroll, and employment data for passenger traffic. The impacts of air cargo operations on scheduled passenger flights are not included in these estimates.

**Travel Agencies.** This category consists of travel agencies (NAICS 56151). Employment estimates are based on employment data provided by the Bureau of Labor Statistics. Spending estimates are derived from the 2002 Economic Census.

## **RELATED TRAVEL IMPACTS**

Spending by travelers generates jobs, payroll, and state and local tax revenue.

**Earnings** generated directly from traveler expenditures are estimated from the payroll-to-receipts ratio obtained from data published in the 2002 Economic Census and the state and county estimates of earnings and employment produced annually by the Bureau of Economic Analysis' Regional Economic Information System (REIS). Earnings includes payroll and other earned benefits of employees, and proprietor income.

**Employment** in each business category is calculated from average earnings data derived from Bureau of Labor Statistics Covered Employment and Wages (CEW) data and the earnings and employment produced annually by the Bureau of Economic Analysis' Regional Economic Information System (REIS).

**Local Taxes** consist of all local (municipality, county, special districts) point-of-sale taxes, including room taxes, sales taxes, and auto rental taxes. Property taxes are not included.

**State Taxes** consist of all statewide point of sale taxes (including sales taxes and gasoline excise taxes) and business franchise taxes.

## DEFINITION OF TERMS

**Accommodations:** Spending for lodging by hotel and motel guests, campers, and vacation home users.

**Air Transportation:** Air passenger spending attributable to travelers in and to Washington. The spending total includes air travel spending made outside Washington for travel to Washington and air travel within the state.

**Campers:** Travelers staying at RV parks and commercial campgrounds or at public campgrounds such as those in state and national parks.

**Day Visitor:** A traveler whose trip does not include an overnight stay but who travels out of his/her local area (50+ miles one-way).

**Visitor Spending:** Spending by travelers at or near their destinations. This includes spending on airfares to the destination. All automobile operating expenses are included in the ground transportation component of destination spending.

**Direct Impacts:** Employment, earnings and tax receipts directly generated by travel spending. Direct impacts are one component of total impacts (see below).

**Earnings:** Total earnings include wage and salary disbursements, other earned income, and proprietor income. Only the earnings attributable to travel expenditures are included.

**Eating, Drinking:** Businesses serving food and beverages for immediate consumption. In addition to table service restaurants, this category includes fast-food outlets and refreshment stands.

**Employment:** Industry employment (jobs) associated with the travel-generated payroll and proprietors. This includes both full- and part-time positions.

**Expenditures:** Purchases by travelers during their trip, including lodging taxes and other applicable local and state taxes paid by the traveler at the point of sale.

**Food Stores:** Grocery stores, supermarkets, fruit stands, retail bakeries, and other businesses selling food for consumption off the premises.

**Ground Transport:** Spending on car rentals, gasoline, and other vehicle operating expenses and on local transportation such as taxi, bus, and train.

**Hotel and Motel Guests:** Travelers staying in hotels, motels, resorts, bed & breakfast establishments, condominiums, and other lodging places where the Hotel/Motel Occupancy Tax is collected.

**Hotel/Motel Occupancy Tax:** A state or local tax charged on lodging. Also referred to as room tax, transient lodging tax, or bed tax.

**Indirect Impacts:** See secondary impacts.

**Induced Impacts:** See secondary impacts.

**Local Tax Receipts:** Tax revenue collected by counties and municipalities, as levied on applicable travel-related businesses. Consists of hotel occupancy taxes, local sales taxes, and local auto rental taxes.

**Multiplier:** Refers to the ratio of total impacts to direct impacts for employment or earnings.

**Private Home Guests:** Travelers staying as guests with friends or relatives.

**Receipts:** Travel expenditures less the sales and excise taxes imposed on those expenditures. Also referred to as business receipts.

**Recreation:** Spending on entertainment and recreation, such as admissions to tourist attractions or artistic events.

**Retail Sales:** Spending for gifts, souvenirs, and other items. Excludes spending listed separately, such as food stores or recreation.

**Secondary Impacts:** The sum of indirect and induced impacts. Indirect impacts refer to the purchases of goods and services by the businesses that receive travel expenditures. Induced impacts refer to the spending by employees of the businesses that directly and indirectly receive travel expenditures.

**Spending Distributions:** Information from visitor surveys showing how spending by each type of visitor is divided among various business categories.

**State Tax Receipts:** State hotel occupancy taxes and sales taxes, motor fuel taxes, and business franchise taxes attributable to travel expenditures.

**Total Impacts:** The sum of direct and secondary impacts.

**Travel:** A day or overnight trip that is not of a local or commuting nature. Travel may be for business or pleasure purposes.

**Travel Spending.** Spending by visitors on trip-related goods and services. Travel spending does not include purchases of durable goods (e.g., recreational equipment, luggage, etc.) used for or during travel. *Total travel spending* is the sum of *Destination Spending* (see above) and spending on airfares and travel arrangement services.

**Traveler:** A person traveling in Washington. A traveler may be a Washington resident or a resident of another state. The terms traveler and visitor have the same meaning in this report.

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## ROUNDING AND FORMAT OF DETAILED TABLES

### ROUNDING OF ESTIMATES

Dollar amounts in the detailed metropolitan and regional reports are rounded to the nearest \$100,000. For example, an estimate of \$3,674,352 before rounding would be rounded to \$3,700,000. In the detailed tables, this is presented as \$3.7 million. Most employment estimates are rounded to the nearest ten jobs. For example, an employment estimate of 137 jobs before rounding would be rounded to 140 jobs. Employment estimates for large metropolitan and regional areas are rounded to the nearest 100 jobs and reported in thousands (e.g., 3,943 reported as 3.9 thousand). All totals in the tables are the sum of the estimates before rounding. For example, the sum of 40 (rounded from 37) and 60 (rounded from 57) would be 90 (rounded from  $37 + 57 = 94$ ). This means that the reported totals are occasionally different from the sum of the rounded details.

### TABLE FORMAT

- *Total Direct Travel Spending* includes visitor spending at destination (including air transportation) plus other travel. Other travel includes resident spending on outbound air transportation and spending on travel arrangement services. Total direct travel spending does not include secondary (indirect and induced) effects.
- *Visitor Spending by Type of Traveler Accommodation* refers to the total direct spending of each category of visitor at that destination (county or state). For example, the spending of visitors that stayed at hotels, motels or B&B's includes their spending on accommodations, food and beverage service, recreation, transportation, and all other visitor related commodities.
- *Visitor Spending by Commodity Purchased* refers to the total spending on each commodity for all types of visitors. For example, the total spending on food and beverage services includes spending by visitors staying in hotels, private campgrounds, private homes, and the other types of accommodation. The total visitor spending on commodities is identical to the total spending by type of accommodation.

The next two sections, *Direct Travel-Generated Earnings by Industry* and *Direct Travel-Generated Employment by Industry*, provide estimates of travel-generated earnings and employment that are based on an industry, rather than a commodity, classification. A business that is classified in a particular industry may include more than one commodity. For example, a resort that is classified in the accommodation industry may provide accommodations, food and beverages, and recreation.

- *Direct Travel-Generated Earnings by Industry* includes the payroll, other earned benefits, and proprietor income of all employees in that industry classification.
- *Direct Travel-Generated Employment by Industry* includes all full- and part-time employees. This includes payroll employees covered by unemployment insurance and those that are not, as well as proprietors.
- *Tax Revenues Generated by Travel Spending* provides a breakout of local state taxes. A breakout of federal tax impacts is provided at the state level only. Local taxes include local room taxes, local sales taxes, and local auto rental taxes. State taxes include the stateroom tax, state sales tax, state motor fuel tax, the state auto-rental tax, and the business franchise tax. Federal taxes include payroll and income taxes, the motor fuel excise tax, and airline ticket taxes.