CTED | Community, Trade and Economic Development

Washington State Travel Impacts 1991-2008p

National Travel Trends, Average Visitor Spending, Gross State Product

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PREFACE

The purpose of this study is to document the economic significance of the travel industry in Washington state from 1991-2008. The estimates for 2008 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 2008. The estimates for 2008 are preliminary. The report also provides detailed regional estimates and summary county estimates for 2007. Detailed county estimates and lodging tax receipts for jurisdictions were provided in a previously released report.

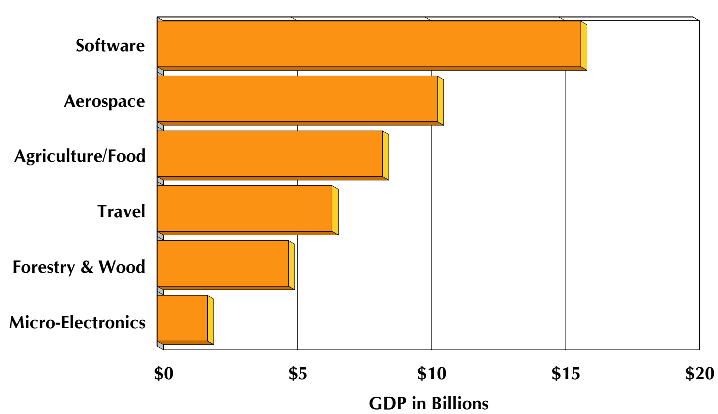
The estimates of the direct impacts associated with traveler spending in Washington were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The estimates for Washington are comparable to the U.S. Travel and Tourism Satellite Accounts produced by the U.S. Bureau 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 Gross Domestic Product (GDP) 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. (2007 is the most recent year for which sufficient data is available.)

Gross Domestic Product of Export-Oriented Industries
In Washington State, 2007p



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 (63 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 over $1 billion in local and state tax revenue in 2008. 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 $150 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, who are often 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 149,900 in 2008. This represents approximately 3.8 percent of all jobs in Washington.
- Travel spending directly generated $4.3 billion in earnings, representing 2.1 percent of all earnings in the state.

THE WASHINGTON TRAVEL INDUSTRY BENEFITS ALL REGIONS OF THE STATE

Six out of ten of all travel-generated jobs are located in the five most urbanized counties in Washington state (Clark, King, Pierce, Snohomish, and Spokane). However, many of the smaller counties have a greater number of travel-generated jobs *in relation* to total employment – they are more dependent on the travel industry.

- 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 12 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 13 counties. All of these counties are non-urban.

Other Findings

- Total direct travel spending in Washington state was $15.7 billion in 2008. This represents a 5.7 percent increase over the preceding year. However, in constant (inflation-adjusted) dollars, travel spending actually decreased by 0.1 percent—similar to the pattern for the entire U.S.
- There were an estimated 5.9 million domestic air passenger visitor arrivals to Washington state in 2008. The increase over 2007 was less than 1 percent.
- International visitors accounted for 11 percent of all visitor spending in the state in 2007. Residents from other states accounted for 52 percent of all travel spending.
- Local and state tax revenues directly generated by travel spending were $1 billion in 2008, a 3.3 percent increase over 2007. Travel spending generated an additional $850 million in federal tax receipts in 2008.
- Visitors who stayed overnight in commercial lodging (hotels, motels, resorts, and bed & breakfasts) spent $6.8 billion in 2008. This represents more than one-half of all visitor spending (not including resident air travel and travel agencies).

I: National Travel Trends

Direct travel spending by domestic and international visitors in the United States was $790 billion in 2008 (preliminary). This represents a 5.1 percent increase over 2007 in current dollars (no adjustment for price increases). However, projected travel spending over the last six months of 2008 has actually declined when adjusted for inflation. Travel spending in inflation-adjusted constant (2008) dollars is shown in the graph below. Higher prices for gasoline, accommodations, and airfares reduced the projected annual rate of real growth to near zero.

Direct Travel Spending In U.S., 1998-2008p

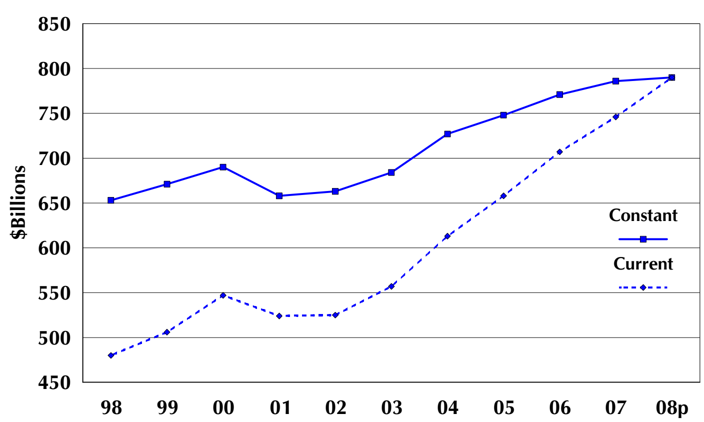
($Billions)

	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%
2007	$650	$97	$746	13.0%
2008p	$677	$113	$790	14.3%
Annual Percentage Change				
98-08p	5.2%	4.7%	5.1%	
07-08p	4.2%	16.6%	5.8%	

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

U.S. Direct Travel Spending in Current and Constant Dollars, 1998-2008p

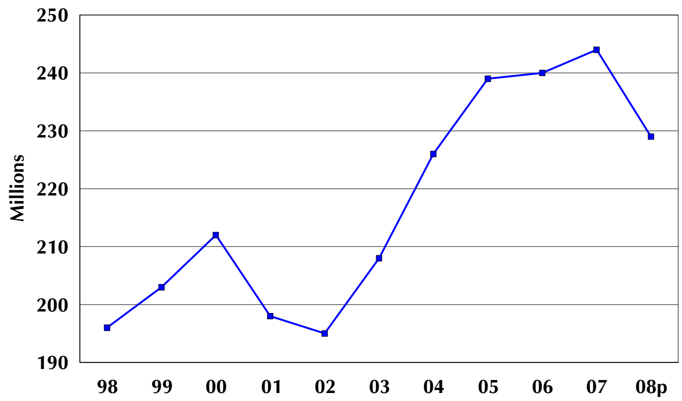
($Billions)



Source: Bureau of Economic Analysis. Constant (2008) travel spending estimates derived from BEA constant (2000) dollar estimates by Dean Runyan Associates, Inc.

The number of domestic trips on U.S. air carriers in 2008 is also projected to decrease by 6.3 percent on an annual basis. The economic recession, higher airfares, and reduced airline capacity have all contributed to the decrease in air travel.

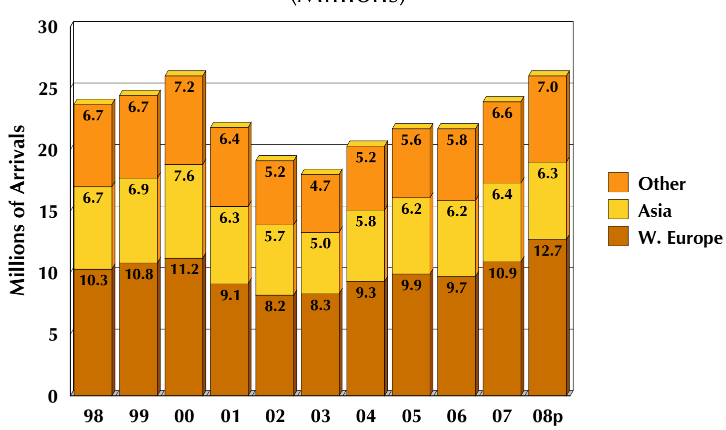
Visitor Air Arrivals in U.S., 1998-2008p
Domestic Air Carriers



Source: Bureau of Transportation Statistics, U.S. Department of Transportation (Origin & Destination Survey and T-100 domestic market data). Visitor air arrivals exclude return trips and passengers making connections to other flights.

The projected number of overseas arrivals to the U.S. in 2008 grew by 8.9 percent over the preceding year. The estimated 26 million arrivals in 2008 will equal the previous peak attained in 2000. The increase in international visitation is also reflected in their contribution to U.S. travel spending, which increased by 16.6 percent in current dollars (see preceding table). Visitation has increased over the past year in part due to the decreased value of the U.S. dollar in relation to foreign currencies. However, it should be noted that international air travel has also weakened in recent months.

Overseas Arrivals to the United States, 1998-2008p
(Millions)

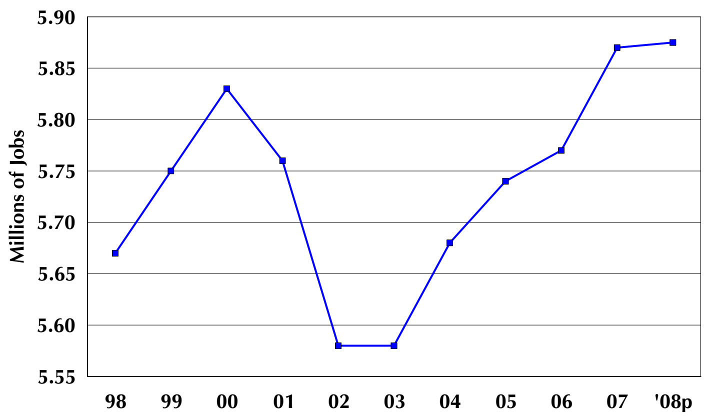


Source: U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries. Approximately 90% of all overseas arrivals are visitors. Canada and Mexico are not included (less than 20 percent of all international visitor spending).

Direct Travel-generated employment increased at a fairly constant rate from 2003 to 2007. It is expected to show little or no growth in 2008.

U.S. Direct Travel-Generated Employment, 1998-2008p

(Millions of Jobs)

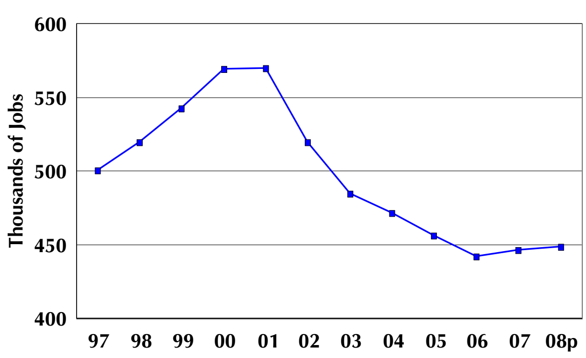


Source: Bureau of Economic Analysis, Bureau of Labor Statistics and Dean Runyan Associates, Inc.

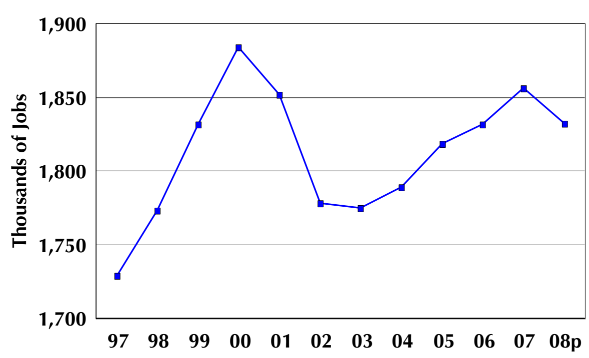
Employment trends for two of the most travel-intensive industries, air transportation and accommodations, are shown below. Note that employment in both sectors peaked in 2000. Most of the travel-generated growth in employment from 2003 to 2007 was in food services and, to a lesser extent, the arts, entertainment and recreation sector.

Employment for Selected Travel-Related Industries, 1997-2008p

Air Transportation

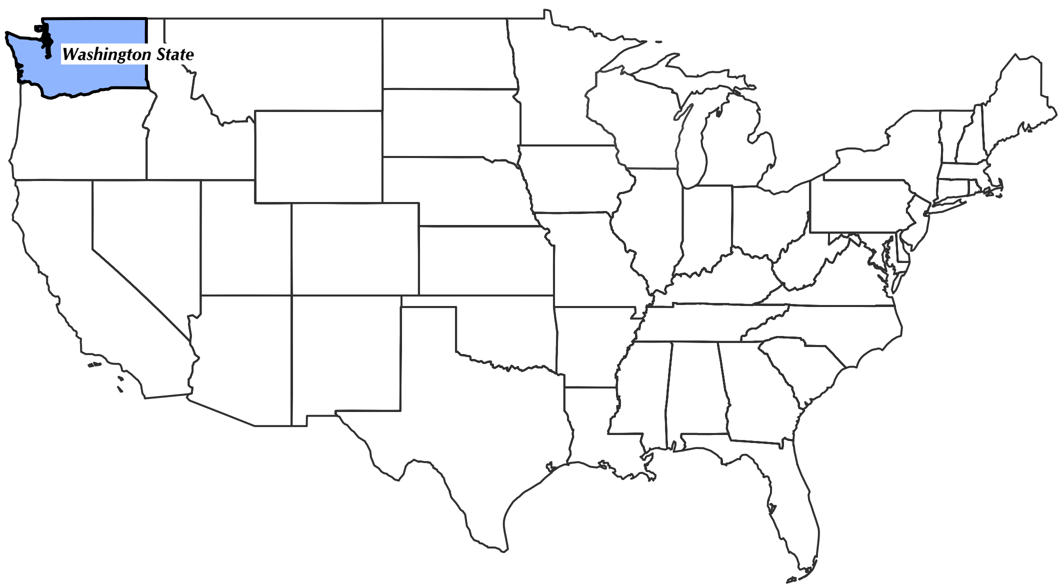


Accommodations



Source: Bureau of Labor Statistics and Dean Runyan Associates, Inc.

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 $15.7 billion in 2008. This represents a 5.7 percent increase over the preceding year. However, in constant (inflation-adjusted) dollars, travel spending actually decreased by 0.1 percent—similar to the pattern for the entire U.S.
- There were an estimated 5.9 million domestic air passenger visitor arrivals to Washington state in 2008. The increase over 2007 was less than 1 percent.
- International visitors accounted for 11 percent of all visitor spending in the state in 2007. Residents from other states accounted for 52 percent of all travel spending.
- Local and state tax revenues directly generated by travel spending were $1 billion in 2008, a 3.3 percent increase over 2007. Travel spending generated an additional $850 million in federal tax receipts in 2008.
- Visitors who stayed overnight in commercial lodging (hotels, motels, resorts, and bed & breakfasts) spent $6.8 billion in 2008. This represents more than one-half of all visitor spending (not including resident air travel and travel agencies).
- During 2008, travel spending in Washington directly supported 149,900 jobs with earnings of $4.3 billion. Consistent with the leveling of travel spending in constant dollars, there was no appreciable growth in travel-generated employment.

Washington State
Travel Impacts, 1991-2001

	1991	1993	1995	1997	1999	2001
Total Direct Travel Spending ($Million)						
Visitor Spending at Destination	5,678	6,079	6,595	7,384	8,174	8,981
Other Travel*	1,144	1,219	1,220	1,361	1,414	1,499
Total Direct Spending	6,823	7,298	7,815	8,745	9,589	10,480
Visitor Spending by Type of Traveler Accommodation ($Million)						
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
Visitor Spending by Commodity Purchased ($Million)						
Accommodations	889	950	1,091	1,266	1,467	1,568
Food & Beverage Services	1,358	1,433	1,566	1,759	1,975	2,167
Food Stores	284	297	325	372	411	451
Ground Tran. & Motor Fuel	927	1,012	1,084	1,203	1,299	1,592
Arts, Entertainment & Recreation	796	847	922	1,008	1,093	1,178
Retail Sales	1,013	1,080	1,158	1,268	1,354	1,440
Air Transportation (visitor only)	411	460	449	508	575	586
Spending at Destination	5,678	6,079	6,595	7,384	8,174	8,981
Industry Earnings Generated by Travel Spending ($Million)						
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	2,041	2,150	2,324	2,563	2,887	3,320
Industry Employment Generated by Travel Spending (Thousand Jobs)						
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
Tax Receipts Generated by Travel Spending ($Million)						
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, 2002-2008p

	2002	2003	2004	2005	2006	2007	2008p
Total Direct Travel Spending ($Million)							
Visitor Spending at Destination	8,932	9,439	10,162	11,019	12,009	12,876	13,690
Other Travel*	1,431	1,407	1,492	1,683	1,860	1,974	2,008
Total Direct Spending	10,362	10,846	11,654	12,702	13,869	14,850	15,699
Visitor Spending by Type of Traveler Accommodation							
Hotel, Motel	4,333	4,595	5,005	5,438	6,033	6,542	6,839
Private Campground	312	327	345	378	401	452	499
Public Campground	130	136	143	153	162	167	178
Private Home	2,219	2,330	2,470	2,673	2,861	3,011	3,259
Vacation Home	158	165	174	183	193	203	215
Day Travel	1,779	1,886	2,025	2,193	2,359	2,501	2,700
Spending at Destination	8,932	9,439	10,162	11,019	12,009	12,876	13,690
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	1,522	1,556	1,685	1,844	2,102	2,344	2,435
Food & Beverage Services	2,252	2,357	2,525	2,695	2,874	3,065	3,181
Food Stores	462	483	515	534	555	598	638
Ground Tran. & Motor Fuel	1,500	1,800	2,078	2,409	2,752	3,005	3,542
Arts, Entertainment & Recreation	1,202	1,246	1,303	1,344	1,405	1,456	1,466
Retail Sales	1,430	1,450	1,476	1,523	1,582	1,617	1,621
Air Transportation (visitor only)	564	546	580	671	739	791	807
Spending at Destination	8,932	9,439	10,162	11,019	12,009	12,876	13,690
Industry Earnings Generated by Travel Spending ($Million)							
Accommodations & Food Service	1,411	1,485	1,557	1,678	1,806	1,947	2,022
Arts, Entertainment & Recreation	634	674	687	729	762	790	815
Retail**	300	317	329	339	351	363	369
Auto Rental & Ground Tran.	100	108	113	117	123	128	134
Air Transportation (visitor only)	243	258	272	263	255	262	259
Other Travel*	642	674	713	708	716	738	735
Total Direct Earnings	3,330	3,516	3,672	3,833	4,013	4,227	4,335
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accommodations & Food Service	67.2	68.7	69.8	73.1	75.4	78.3	78.7
Arts, Entertainment & Recreation	36.9	38.0	36.8	36.9	37.6	38.2	38.3
Retail**	14.0	14.4	14.7	14.8	14.9	14.9	14.7
Auto Rental & Ground Tran.	4.3	4.7	4.8	4.7	4.8	4.6	4.7
Air Transportation (visitor only)	3.9	4.0	3.9	3.7	3.5	3.4	3.3
Other Travel*	11.0	11.0	10.7	10.5	10.4	10.4	10.2
Total Direct Employment	137.3	140.8	140.7	143.7	146.5	149.8	149.9
Tax Receipts Generated by Travel Spending ($Million)							
Local Tax Receipts	209	219	236	254	282	307	318
State Tax Receipts	513	530	564	591	630	666	687
Federal Tax Receipts	644	657	694	740	786	830	850
Total Direct Tax Receipts	1,366	1,407	1,493	1,585	1,698	1,804	1,855

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 5.7 percent from 2007 to 2008. However, 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, lodging, and airfares. When adjusted for inflation, travel spending in Washington state shows a small annual decrease of 0.1 percent for 2008.

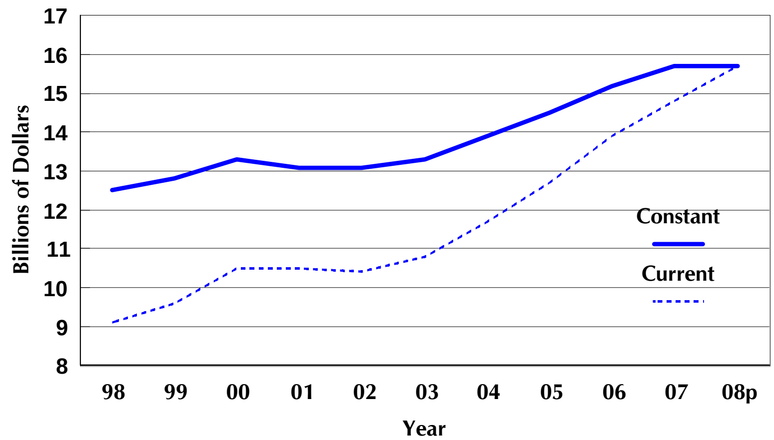
Consistent with the weakening of travel spending (primarily over the last half of 2008), the rate of increase in travel-generated tax revenues and employee earnings was lower than in recent years. Travel-generated employment remained virtually unchanged on an average annual basis.

Washington State Travel Trends, 1991-2008p

	Spending ($Billion)	**Earnings** ($Billion)	**Employment** (Thousand)	**Tax Receipts** ($Million) Local	State	Federal
1991	6.8	2.0	127.0	88	329	391
1992	7.1	2.1	125.7	90	337	404
1993	7.3	2.2	126.8	98	359	417
1994	7.5	2.2	127.3	104	365	420
1995	7.8	2.3	129.5	114	392	441
1996	8.3	2.4	128.3	133	409	464
1997	8.7	2.6	130.4	152	429	485
1998	9.1	2.7	131.5	166	448	512
1999	9.6	2.9	136.0	182	470	542
2000	10.5	3.2	139.9	205	501	593
2001	10.5	3.3	141.9	211	502	618
2002	10.4	3.3	137.3	209	513	644
2003	10.8	3.5	140.8	219	530	657
2004	11.7	3.7	140.7	236	564	694
2005	12.7	3.8	143.7	254	591	740
2006	13.9	4.0	146.5	282	630	786
2007	14.8	4.2	149.8	307	666	830
2008p	15.7	4.3	149.9	318	687	850
Annual Percentage Change						
07-08p	5.7	2.6	0.0	3.4	3.1	2.4
91-08p	4.7	4.4	1.0	7.7	4.2	4.5

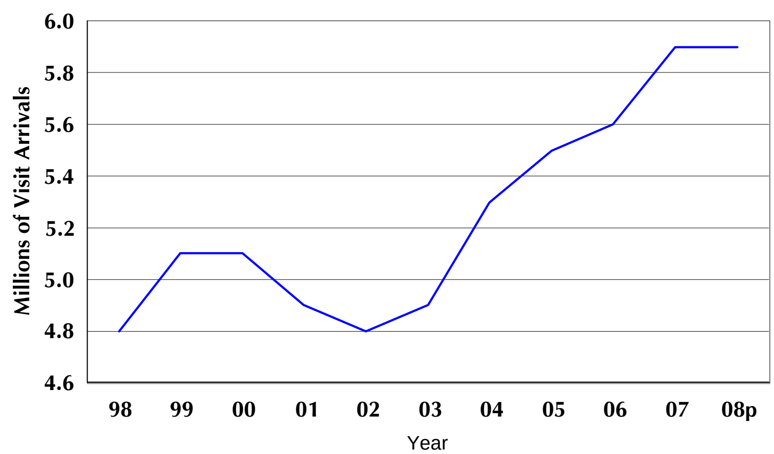
Note: p = preliminary. The percent change for 1991-2008p refers to the average annual percentage change. Direct Travel Impacts do not include secondary (indirect and induced) impacts. An estimate of one-way airfare to Washington state is included. Total Earnings include wage and salary disbursements, other earned income, and proprietor income. Employment includes full- and part-time payroll employees and proprietors.

Travel Spending in Washington Adjusted for Inflation, 1998-2008p



Note: Travel spending was deflated by a composite of price indices for the West Urban CPI. The average annual increase in constant dollars for 1998-2008p is 2.3 percent. The change from 2007 to 2008p is –0.1 percent.

Air Passenger Visitor Arrivals to Washington, 1998-2008p
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 2008 based on January through September data. The average annual increase in air passenger visitor arrivals from 1998 to 2008p is 2.1 percent. The increase from 2007 to 2008p is 0.9 percent.

VISITOR ORIGIN

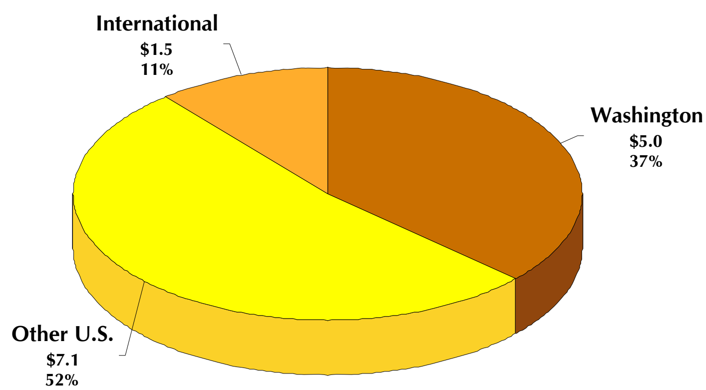
Most visitor spending in Washington state is attributable to international visitors (11 percent) and residents of other states (52 percent). The international component includes visitors from overseas as well as Canadian travelers.[1] The vast majority of out-of-state visitors stay overnight in Washington. 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, 2008p

Origin	Spending ($ Billion)	Earnings ($ Billion)	Employment (Thousand)	Tax Receipts ($ Million) Local	State	Federal
Washington	5.0	1.2	49	90	259	186
Other U.S.	7.1	2.0	75	186	348	361
International	1.5	0.4	16	42	77	56
All Visitors	13.7	3.6	140	318	684	603
Other Travel	2.0	0.7	10	0	3	247
Total Travel	15.7	4.3	150	318	687	850

Sources: Dean Runyan Associates, International Trade Administration and Bureau of Economic Analysis (U.S. Dept. of Commerce) and other survey data. Other travel includes resident passenger air travel and travel agencies.

Visitor Spending in Washington State by Origin of Visitor, 2008p



Sources: See preceding table note.

[1] 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.

Average Daily Spending and Average Trip Spending

Statewide estimates of average daily and average trip spending for overnight and day visitors are shown below. Transportation expenditures, including one-way passenger airfares to Washington, are *not* included in the average daily and trip expenditures for specific traveler types.

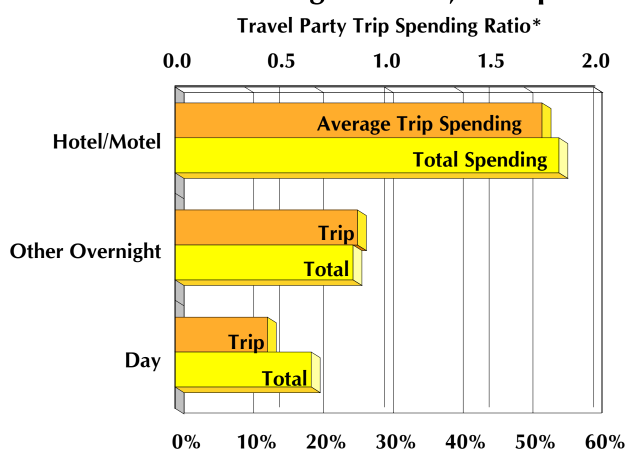
Average Daily and Trip Spending by Travel Parties and Persons, Washington State, 2008p

	Total	Travel Party		Person	
Accommodation	($Millions)	Per Day	Per Trip	Per Day	Per Trip
Overnight	$7,518	$208	$740	$77	$275
Hotel/Motel	$5,131	$363	$871	$191	$458
Other Overnight	$2,388	$109	$434	$34	$136
Day	$1,823	$219	$219	$84	$84
Day & Overnight	$9,341	$210	$496	$79	$185
Transportation	$4,349				
Total	$13,690	$308	$727	$115	$272

Sources: Dean Runyan Associates, TNS TravelsAmerica Survey and Longwoods International.
Spending on resident air transportation and travel agencies are not included in this table.
Spending on transportation included only in total.

The graph below is based on the data provided in the preceding table. Over one-half of all visitor spending is attributable to travelers that stayed overnight in hotels, motels and related lodging. This is reflected in the high average trip expenditures of visitors that stayed in hotels, motels, and related lodging (1.76 = $871/$496).

Spending by Type of Visitor, Washington State, 2008p

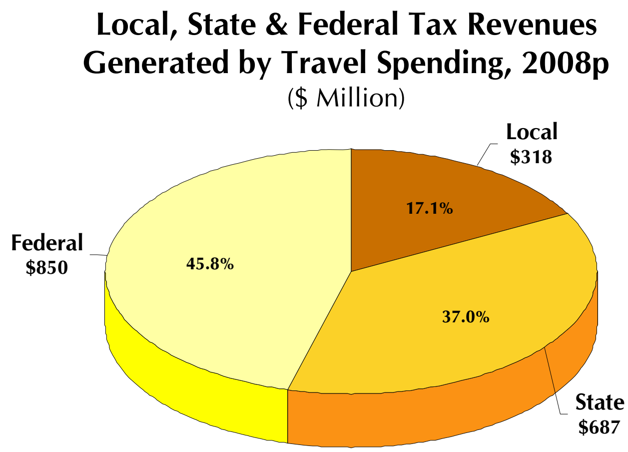


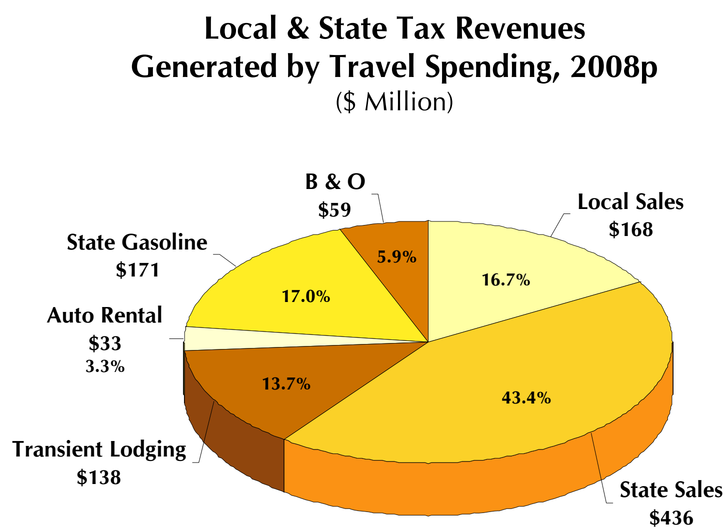
Sources: See above table. Spending figures do not include transportation. *Travel Party Trip Spending Ratio is calculated from trip spending for specific type of visitor divided by average trip spending for all visitors. Ratio for all travelers = 1.0.

Tax Revenues Generated by Travel Spending

Travel spending in Washington state generated $1.9 billion in local, state, and federal tax collections in 2008. The estimated federal tax receipts are comprised of the motor fuel excise tax, airline ticket taxes, and payroll and income taxes.[2]

More than $1 billion local and state tax revenues were collected in 2008. The largest share of these tax receipts was attributable to the state sales tax ($436 million). Receipts from the state fuel tax on gasoline purchases ($171 million), local sales tax receipts ($168 million), and lodging taxes ($138 million) were also significant sources of tax revenue.





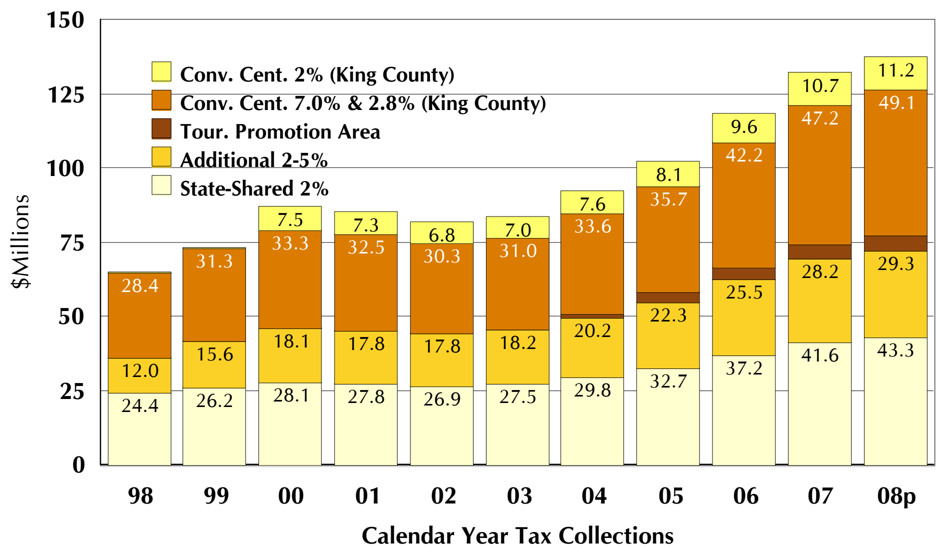
[2] According to the Tax Foundation, the Federal Government returns 90 percent of all taxes collected in Washington to the state.

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 $4.9 million in 2008.

The total estimated lodging tax receipts for the 2008 calendar year are $137.7 million. This represents a 4.0 percent increase over 2007 ($132.4 million). The increase in tax revenue was due primarily to higher room rates.

Transient Lodging Tax Receipts in Washington State

(1998-2008p Calendar Years)



Source: Washington State Department of Revenue and Dean Runyan Associates.

A detailed breakout of room tax distributions by city and county through 2007 can be found in the WASHINGTON STATE 1991-2007 COUNTY TRAVEL IMPACTS report.

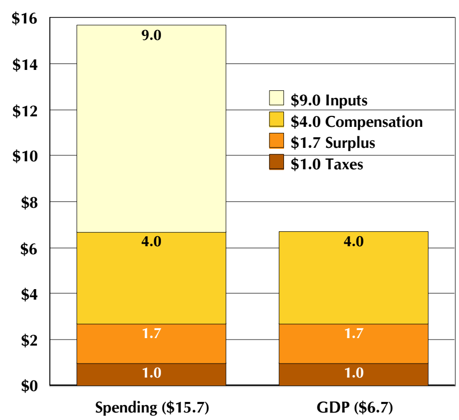
GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) is often used as a measure of an industry's economic size or value. In concept, industry GDP is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries). GDP is always smaller than output or sales because GDP measures only the "value added" of an industry and does not include the cost of the inputs that are also necessary to produce a good or service.

More than half of all travel spending in Washington can be attributed to intermediate inputs and goods resold at retail. Intermediate inputs cover a range of goods and services that are purchased by travel industry businesses for the purpose of creating a product or service for the traveler. For example, lodging establishments purchase cable television services. Restaurants purchase food and beverages from vendors. In both cases, these inputs are classified as the GDP of other industries. In addition, travel spending occurs at many retail establishments where the goods purchased from the retailer are purchased as finished goods from suppliers. These resold goods are also counted as products of other industries. This would include motor fuel, groceries, and most of the commodities sold at retail establishments.

Alternatively, GDP can be thought of as the sum of employee compensation, indirect business taxes (primarily excise and property taxes) and other operating surplus (including profits).[3] Estimates of travel spending and travel industry GDP are shown in the chart below. Washington travel industry GDP amounted to $6.7 billion in 2008. In recent years, the Washington travel industry GDP has represented about 2.1 percent of total state GDP.

GDP of Washington State Travel Industry, 2008p



Source: Dean Runyan Associates and Bureau of Economic Analysis.
See footnote on this page.

Export Industries

The following graph compares the GDP's of a number of Washington's export-oriented industries. Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations.[4] Agriculture, extractive industries (forestry, mining) and manufacturing are the best examples of export-oriented industries. In addition, professional and business services are often export-oriented. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. The travel industry injects money into the local economy, as do the exports of other industries.

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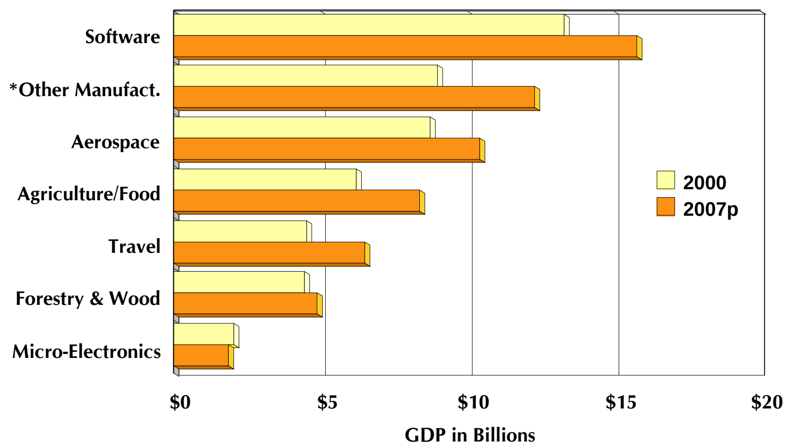
[3] *Compensation* includes wages, salaries and paid benefits. Proprietor income, which is also included in e*arnings*, is a component of operating surplus in GDP accounts. Business income taxes are also included in operating surplus, rather than *indirect business taxes*.
[4] See also Appendix A (pages 38-41) and Appendix C.

Exports are not necessarily more important than locally traded goods and services. However, diverse export-oriented industries in any economy are a source of strength – in part because they generate income that contributes to the development of other local services and amenities. Such industries characterize the "comparative advantage" of the local economy within larger regional, national, and global markets.

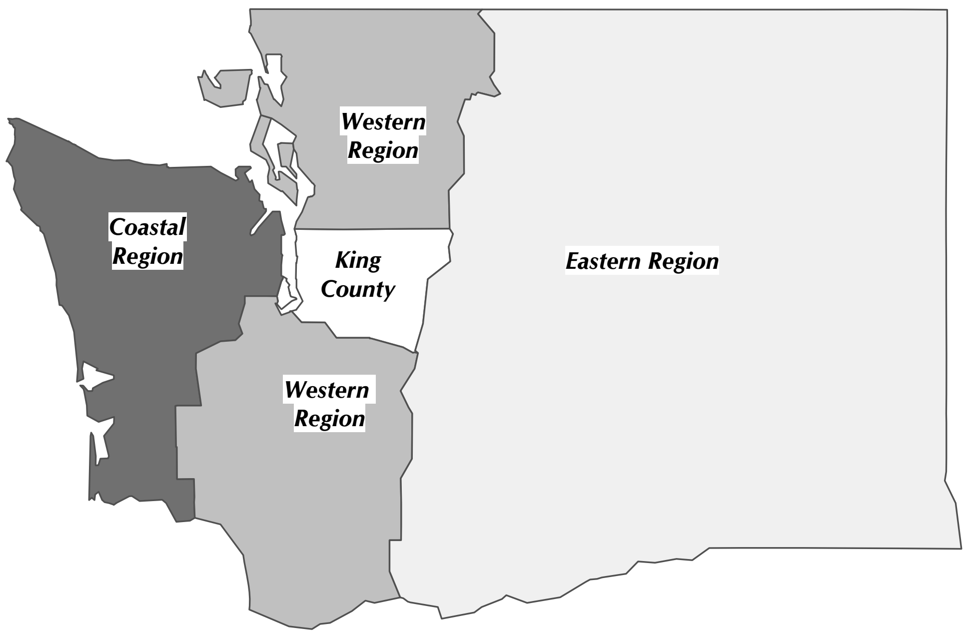
As shown in the graph below, the travel industry ranks among the major export-oriented industries in Washington state. Furthermore, its rate of growth since 2000 has been comparable to the other leading export-oriented industries in the state.

GDP of Selected Export-Oriented Industries, Washington State, 2000 and 2007p



Source: Dean Runyan Associates and Bureau of Economic Analysis. GDP estimates are nominal (not adjusted for inflation). Estimates for 2007p were calculated by Dean Runyan Associates from incomplete data. *Other Manufacturing includes all manufacturing industries not included in aerospace, agriculture/food, forestry & wood, and microelectronics. Food & beverage processing included in Agriculture/Food category. Wood and paper products included in Forestry & Wood category.

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 2007 follow. (Preliminary estimates for 2008 are not available at the regional and county levels due to data limitations.)

Coastal Region
Travel Impacts, 1991-2007

	1991	1999	2001	2003	2005	2006	2007
Total Direct Travel Spending ($Million)							
Visitor Spending at Destination	523	678	738	780	901	948	1,000
Other Travel*	4	3	4	3	4	5	5
Total Direct Spending	527	682	742	783	905	953	1,005
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	222	281	304	325	392	412	422
Private Campground	51	74	81	81	90	94	115
Public Campground	26	31	33	36	40	42	43
Private Home	97	134	150	159	178	189	197
Vacation Home	33	39	41	43	47	50	52
Day Travel	94	119	129	136	154	162	172
Spending at Destination	523	678	738	780	901	948	1,000
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	96	130	138	141	166	173	185
Food & Beverage Services	141	182	198	214	246	256	268
Food Stores	38	52	56	60	66	67	73
Ground Tran. & Motor Fuel	57	78	96	109	152	174	191
Arts, Entertainment & Recreation	90	111	118	125	135	138	141
Retail Sales	101	124	131	131	137	139	141
Air Transportation (visitor only)	*a*	*a*	*a*	*a*	*a*	*a*	*a*
Spending at Destination	523	678	738	780	901	948	1,000
Industry Earnings Generated by Travel Spending ($Million)							
Accommodations & Food Service	83.6	113.0	122.6	133.6	151.4	155.4	163.0
Arts, Entertainment & Recreation	44.4	56.1	63.6	65.0	70.9	72.6	74.3
Retail**	20.1	26.5	28.5	31.1	33.0	33.7	34.9
Auto Rental & Ground Tran.	2.0	3.6	4.3	4.8	5.3	5.6	5.9
Air Transportation (visitor only)	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Other Travel*	2.0	1.7	2.1	1.4	1.9	2.4	2.7
Total Direct Earnings	152.2	200.9	221.2	236.0	262.4	269.7	280.8
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accommodations & Food Service	7.5	7.7	7.6	7.9	8.3	8.2	8.4
Arts, Entertainment & Recreation	5.0	4.4	5.3	5.2	5.4	5.7	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	14.1	14.8	15.0	15.7	15.8	16.1
Tax Receipts Generated by Travel Spending ($Million)							
Local Tax Receipts	6.5	11.0	13.4	14.0	16.3	16.9	17.8
State Tax Receipts	29.5	38.3	40.9	43.0	48.3	50.2	52.5
Total Direct Tax Receipts	36.0	49.3	54.3	57.0	64.6	67.1	70.3

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'.
Coastal Region includes Clallam, Grays Harbor, Jefferson, Kitsap, Mason, Pacific, and Wahkiakum counties.

Western Region
Travel Impacts, 1991-2007

	1991	1999	2001	2003	2005	2006	2007
Total Direct Travel Spending ($Million)							
Visitor Spending at Destination	1,647	2,316	2,609	2,753	3,257	3,538	3,771
Other Travel*	42	35	44	26	29	38	43
Total Direct Spending	1,689	2,352	2,653	2,778	3,286	3,576	3,814
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	542	817	924	961	1,177	1,312	1,413
Private Campground	81	102	115	116	141	149	167
Public Campground	36	41	45	46	52	55	57
Private Home	449	637	725	786	901	962	1,013
Vacation Home	43	54	58	61	69	73	77
Day Travel	496	665	742	782	917	987	1,045
Spending at Destination	1,647	2,316	2,609	2,753	3,257	3,538	3,771
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	193	302	334	335	407	459	510
Food & Beverage Services	441	633	707	758	875	934	990
Food Stores	99	145	163	173	193	201	216
Ground Tran. & Motor Fuel	291	396	488	551	778	897	983
Arts, Entertainment & Recreation	271	374	411	430	469	492	507
Retail Sales	351	466	505	505	534	555	565
Air Transportation (visitor only)	*a*	*a*	*a*	*a*	*a*	*a*	*a*
Spending at Destination	1,647	2,316	2,609	2,753	3,257	3,538	3,771
Industry Earnings Generated by Travel Spending ($Million)							
Accommodations & Food Service	222.1	334.9	377.3	406.0	462.9	495.7	530.6
Arts, Entertainment & Recreation	120.4	167.4	196.0	198.4	217.1	227.2	233.9
Retail**	68.5	94.1	103.5	112.1	120.7	124.9	128.8
Auto Rental & Ground Tran.	8.4	15.1	18.0	20.1	22.4	23.8	24.8
Air Transportation (visitor only)	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	20.8	17.6	22.0	12.7	14.7	19.1	21.6
Total Direct Earnings	440.3	629.2	716.9	749.5	837.9	890.9	939.8
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accommodations & Food Service	18.7	20.7	20.8	21.1	22.7	23.5	24.2
Arts, Entertainment & Recreation	14.0	13.6	16.0	14.6	14.3	14.4	14.8
Retail**	5.1	5.2	5.2	5.3	5.5	5.6	5.6
Auto Rental & Ground Tran.	0.5	0.7	0.9	0.9	0.9	0.9	0.9
Air Transportation (visitor only)	c	c	c	c	c	c	c
Other Travel*	0.9	0.9	0.9	0.5	0.5	0.5	0.5
Total Direct Employment	39.2	41.1	43.9	42.5	44.0	45.0	46.1
Tax Receipts Generated by Travel Spending ($Million)							
Local Tax Receipts	18.9	35.1	41.7	44.3	53.8	59.1	63.3
State Tax Receipts	107.0	146.5	159.6	167.0	188.4	200.0	210.2
Total Direct Tax Receipts	125.9	181.6	201.4	211.3	242.2	259.2	273.5

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'.

Western Region includes Clark, Cowlitz, Island, Lewis, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, and Whatcom counties.

King County
Travel Impacts, 1991-2007

	1991	1999	2001	2003	2005	2006	2007
Total Direct Travel Spending ($Million)							
Visitor Spending at Destination	2,245	3,500	3,786	3,920	4,603	5,088	5,468
Other Travel*	1,058	1,335	1,404	1,340	1,604	1,760	1,862
Total Direct Spending	3,303	4,835	5,190	5,260	6,207	6,848	7,329
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	1,227	2,092	2,264	2,343	2,781	3,128	3,398
Private Campground	13	18	20	20	23	24	24
Public Campground	2	3	3	3	4	4	4
Private Home	679	919	987	1,008	1,158	1,244	1,312
Vacation Home	7	12	14	15	16	17	18
Day Travel	317	454	497	530	621	671	711
Spending at Destination	2,245	3,500	3,786	3,920	4,603	5,088	5,468
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	405	755	785	751	906	1,071	1,196
Food & Beverage Services	442	709	773	849	985	1,060	1,133
Food Stores	70	111	122	132	147	154	165
Ground Tran. & Motor Fuel	379	553	672	760	947	1,067	1,158
Arts, Entertainment & Recreation	226	342	366	391	426	449	466
Retail Sales	320	467	494	501	533	559	572
Air Transportation (visitor only)	402	563	574	536	659	726	777
Spending at Destination	2,245	3,500	3,786	3,920	4,603	5,088	5,468
Industry Earnings Generated by Travel Spending ($Million)							
Accommodations & Food Service	300	524	564	605	698	770	832
Arts, Entertainment & Recreation	132	204	233	241	263	278	288
Retail**	56	83	90	99	107	111	115
Auto Rental & Ground Tran.	32	54	65	73	78	82	85
Air Transportation (visitor only)	136	188	241	253	257	249	256
Other Travel*	411	491	617	641	670	668	683
Total Direct Earnings	1,067	1,542	1,810	1,911	2,073	2,158	2,259
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accommodations & Food Service	17.0	20.1	21.6	21.7	23.8	25.1	26.1
Arts, Entertainment & Recreation	6.3	7.6	7.3	7.8	7.5	7.4	7.6
Retail**	3.2	3.3	3.5	3.7	3.8	3.8	3.8
Auto Rental & Ground Tran.	2.0	2.5	2.9	3.1	3.1	3.1	3.0
Air Transportation (visitor only)	3.1	3.8	4.2	3.9	3.6	3.3	3.3
Other Travel*	8.7	10.0	10.6	9.9	9.4	9.3	9.2
Total Direct Employment	40.2	47.3	50.1	50.1	51.1	52.1	53.0
Tax Receipts Generated by Travel Spending ($Million)							
Local Tax Receipts	46.4	110.5	127.6	130.1	146.6	166.1	181.5
State Tax Receipts	114.0	181.8	189.9	201.3	224.2	242.2	256.9
Total Direct Tax Receipts	160.4	292.3	317.5	331.4	370.8	408.3	438.5

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

Eastern Region
Travel Impacts, 1991-2007

	1991	1999	2001	2003	2005	2006	2007
Total Direct Travel Spending ($Million)							
Visitor Spending at Destination	1,264	1,680	1,849	1,986	2,259	2,435	2,637
Other Travel*	40	40	46	39	46	57	63
Total Direct Spending	1,304	1,720	1,894	2,025	2,305	2,492	2,701
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	561	797	887	966	1,089	1,182	1,309
Private Campground	101	101	102	109	125	134	145
Public Campground	42	46	49	50	58	61	63
Private Home	229	317	356	377	436	467	490
Vacation Home	33	41	44	46	51	54	57
Day Travel	298	378	411	438	501	538	574
Spending at Destination	1,264	1,680	1,849	1,986	2,259	2,435	2,637
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	195	280	311	329	365	398	453
Food & Beverage Services	334	451	488	535	590	624	674
Food Stores	77	102	110	119	128	132	143
Ground Tran. & Motor Fuel	200	272	336	380	533	613	673
Arts, Entertainment & Recreation	209	266	282	301	314	326	342
Retail Sales	240	297	310	313	319	330	339
Air Transportation (visitor only)	8	12	11	9	12	13	13
Spending at Destination	1,264	1,680	1,849	1,986	2,259	2,435	2,637
Industry Earnings Generated by Travel Spending ($Million)							
Accommodations & Food Service	195.6	276.7	305.7	340.6	365.8	385.0	421.2
Arts, Entertainment & Recreation	110.0	143.6	161.9	169.6	177.4	184.2	193.4
Retail**	50.0	64.6	68.8	75.3	78.7	81.0	84.3
Auto Rental & Ground Tran.	4.4	7.7	9.2	10.4	11.2	11.7	12.2
Air Transportation (visitor only)	2.8	3.9	4.6	4.5	5.1	5.3	5.8
Other Travel*	18.4	17.6	21.8	19.0	21.9	26.8	30.2
Total Direct Earnings	381.2	514.1	572.0	619.2	660.2	693.9	747.2
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accommodations & Food Service	16.7	17.4	17.3	18.0	18.3	18.6	19.5
Arts, Entertainment & Recreation	11.6	11.2	10.9	10.5	9.6	10.1	10.1
Retail**	3.9	3.8	3.8	3.8	3.8	3.8	3.8
Auto Rental & Ground Tran.	0.3	0.4	0.4	0.4	0.4	0.5	0.4
Air Transportation (visitor only)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	0.6	0.7	0.7	0.5	0.5	0.5	0.6
Total Direct Employment	33.2	33.6	33.2	33.3	32.8	33.7	34.6
Tax Receipts Generated by Travel Spending ($Million)							
Local Tax Receipts	15.8	25.7	28.7	30.8	37.1	40.3	44.6
State Tax Receipts	78.2	103.9	111.5	118.9	129.9	137.1	146.2
Total Direct Tax Receipts	94.0	129.5	140.2	149.7	167.0	177.4	190.8

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

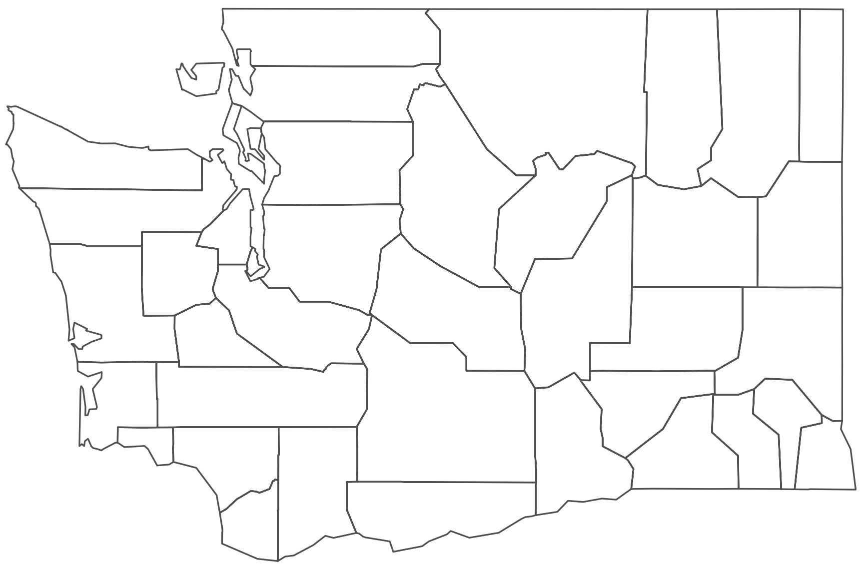
Eastern Region includes Adams, Asotin, Benton, Chelan, Douglas, Ferry, Franklin, Garfield, Grant, Lincoln, Kittitas, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman, and Yakima counties.

Washington State Regions
Travel Impacts, 2007

	Coastal	Western	King Co.	Eastern	State Total
Total Direct Travel Spending ($Million)					
Visitor Spending at Destination	1,000	3,771	5,468	2,637	12,876
Other Travel*	5	43	1,862	63	1,974
Total Direct Spending	1,005	3,814	7,329	2,701	14,850
Visitor Spending by Type of Traveler Accommodation ($Million)					
Hotel, Motel	422	1,413	3,398	1,309	6,542
Private Campground	115	167	24	145	452
Public Campground	43	57	4	63	167
Private Home	197	1,013	1,312	490	3,011
Vacation Home	52	77	18	57	203
Day Travel	172	1,045	711	574	2,501
Spending at Destination	1,000	3,771	5,468	2,637	12,876
Visitor Spending by Commodity Purchased ($Million)					
Accommodations	185	510	1,196	453	2,344
Food & Beverage Services	268	990	1,133	674	3,065
Food Stores	73	216	165	143	598
Ground Tran. & Motor Fuel	191	983	1,158	673	3,005
Arts, Entertainment & Recreation	141	507	466	342	1,456
Retail Sales	141	565	572	339	1,617
Air Transportation (visitor only)	*a*	*a*	777	13	671
Spending at Destination	1,000	3,771	5,468	2,637	12,876
Industry Earnings Generated by Travel Spending ($Million)					
Accommodations & Food Service	163.0	530.6	832.4	421.2	1,947.2
Arts, Entertainment & Recreation	74.3	233.9	288.1	193.4	789.7
Retail**	34.9	128.8	114.7	84.3	362.8
Auto Rental & Ground Tran.	5.9	24.8	84.9	12.2	127.8
Air Transportation (visitor only)	0.0	0.1	255.8	5.8	261.8
Other Travel*	2.7	21.6	683.1	30.2	737.6
Total Direct Earnings	280.8	939.8	2,259.1	747.2	4,226.9
Industry Employment Generated by Travel Spending (Thousand Jobs)					
Accommodations & Food Service	8.4	24.2	26.1	19.5	78.3
Arts, Entertainment & Recreation	5.7	14.8	7.6	10.1	38.2
Retail**	1.6	5.6	3.8	3.8	14.9
Auto Rental & Ground Tran.	0.2	0.9	3.0	0.4	4.6
Air Transportation (visitor only)	*c*	*c*	3.3	0.1	3.7
Other Travel*	0.1	0.5	9.2	0.6	10.4
Total Direct Employment	16.1	46.1	53.0	34.6	149.8
Tax Receipts Generated by Travel Spending ($Million)					
Local Tax Receipts	18	63	182	45	307
State Tax Receipts	53	210	257	146	666
Total Direct Tax Receipts	70	274	438	191	973

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, 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 29 and 30 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.[5] 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.[6]

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.

[5] 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.
[6] 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, 2007

	Travel Spending ($Million)	Earnings ($Million)	Employment (jobs)	Tax Receipts: Local ($Million)	Tax Receipts: State ($Million)	Tax Receipts: Total ($Million)
Adams	27.5	4.5	310	0.3	1.7	1.9
Asotin	26.6	7.5	370	0.3	1.4	1.7
Benton	261.1	62.6	3,140	5.2	14.7	19.9
Chelan	340.1	108.8	5,690	7.4	17.7	25.1
Clallam	181.0	51.6	3,130	3.6	9.7	13.3
Clark	399.4	102.4	3,950	6.0	22.3	28.3
Columbia	7.8	1.8	120	0.1	0.4	0.5
Cowlitz	136.7	32.5	1,810	1.8	7.6	9.4
Douglas	37.4	6.6	310	0.4	2.3	2.6
Ferry	14.8	3.4	250	0.1	0.7	0.8
Franklin	90.6	21.6	1,200	1.6	5.0	6.6
Garfield	1.7	0.4	20	0.0	0.1	0.1
Grant	189.8	47.0	2,410	2.4	10.5	12.9
Grays Harbor	256.9	79.4	4,790	4.9	13.1	18.1
Island	129.9	42.6	2,340	2.4	6.9	9.3
Jefferson	102.6	29.1	1,640	2.1	5.2	7.3
King	7,329.2	2,259.1	53,020	181.5	256.9	438.5
Kitsap	258.8	61.6	3,170	4.1	14.5	18.5
Kittitas	122.1	29.6	1,570	1.4	7.0	8.4
Klickitat	29.9	6.9	460	0.2	1.6	1.8
Lewis	180.0	36.9	2,010	1.9	10.7	12.6
Lincoln	16.7	3.5	170	0.1	1.0	1.1
Mason	90.2	27.9	1,310	1.5	5.0	6.4
Okanogan	135.5	38.6	1,700	1.7	7.3	9.0
Pacific	111.8	30.0	1,960	1.6	4.8	6.4
Pend Oreille	22.4	5.6	320	0.2	1.0	1.2
Pierce	893.1	221.3	10,930	18.6	48.6	67.3
San Juan	127.3	42.2	1,780	2.3	6.6	8.9
Skagit	255.0	59.4	3,030	3.2	14.9	18.1
Skamania	58.7	15.6	760	0.7	2.3	3.0
Snohomish	894.9	204.1	9,620	14.9	49.5	64.3
Spokane	859.4	275.7	10,100	15.4	44.9	60.3
Stevens	52.3	14.3	960	0.4	2.6	3.0
Thurston	285.6	69.3	3,070	4.4	15.8	20.1
Wahkiakum	4.2	1.2	70	0.0	0.2	0.3
Walla Walla	84.0	22.5	1,230	1.3	4.5	5.8
Whatcom	453.7	113.7	6,820	7.1	25.2	32.3
Whitman	53.9	14.6	860	0.7	3.1	3.9
Yakima	327.0	71.7	3,420	5.5	18.6	24.1
State Total	14,850	4,227	149,830	307.2	665.9	973.2

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	7.2	7.6	7.9	8.5	8.5	8.6	9.2	9.1	9.8
Mason	47.1	48.6	50.1	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	6,822.6	7,068.3	7,298.4	7,470.4	7,814.7	8,310.3	8,744.9	9,058.3	9,588.6

Washington State
Travel Spending by County, 2000-2007

($Millions)

	2000	2001	2002	2003	2004	2005	2006	2007	*Annual Change
Adams	18.3	18.5	17.5	19.7	22.1	24.3	26.1	27.5	4.8%
Asotin	22.0	22.2	22.2	21.6	24.4	24.1	26.5	26.6	3.9%
Benton	174.2	183.1	189.5	201.2	214.6	223.2	238.5	261.1	6.2%
Chelan	247.3	249.9	256.4	263.0	278.9	282.9	315.7	340.1	5.0%
Clallam	133.1	138.0	138.5	142.8	156.1	166.8	172.8	181.0	3.8%
Clark	252.8	260.4	261.5	277.7	298.9	333.5	370.3	399.4	6.3%
Columbia	5.4	5.5	5.5	6.3	5.9	6.8	6.7	7.8	6.0%
Cowlitz	96.3	100.7	97.0	98.4	106.8	112.8	122.9	136.7	3.9%
Douglas	25.1	25.5	23.9	26.8	27.5	30.7	34.2	37.4	4.3%
Ferry	12.4	12.4	12.5	12.1	12.3	13.1	13.8	14.8	2.5%
Franklin	57.1	59.9	59.2	61.3	66.5	76.5	81.6	90.6	3.8%
Garfield	1.4	1.4	1.4	1.5	1.6	1.6	1.7	1.7	3.1%
Grant	134.4	127.6	131.2	134.2	142.7	161.5	169.6	189.8	4.2%
Grays Harbor	178.7	183.2	184.0	195.0	205.5	218.5	233.0	256.9	4.9%
Island	106.0	111.7	108.6	109.5	115.9	120.7	126.6	129.9	3.1%
Jefferson	85.8	84.1	87.3	87.3	98.4	95.7	98.6	102.6	3.1%
King	5,296.6	5,190.3	5,058.2	5,259.6	5,624.7	6,206.5	6,848.1	7,329.2	5.1%
Kitsap	176.5	183.1	190.5	199.2	216.5	237.3	251.7	258.8	4.3%
Kittitas	77.9	79.1	78.9	83.9	88.8	102.1	112.2	122.1	5.1%
Klickitat	21.6	23.3	23.5	23.3	24.3	25.7	27.4	29.9	3.7%
Lewis	118.2	122.8	124.8	132.1	141.0	155.1	169.1	180.0	4.8%
Lincoln	11.0	11.3	11.0	11.6	12.8	14.3	16.0	16.7	5.4%
Mason	61.1	62.4	62.0	62.3	70.5	79.1	85.4	90.2	4.1%
Okanogan	108.7	109.2	101.3	107.2	115.2	120.5	128.3	135.5	4.2%
Pacific	87.9	89.1	91.5	93.2	97.5	104.0	106.9	111.8	3.7%
Pend Oreille	18.2	18.6	18.3	19.2	19.2	21.5	21.5	22.4	3.6%
Pierce	646.0	640.1	644.2	674.0	729.1	786.5	852.8	893.1	4.8%
San Juan	105.6	113.9	110.6	106.2	116.1	118.8	121.3	127.3	5.7%
Skagit	174.2	171.3	167.4	178.7	195.0	211.6	234.6	255.0	4.8%
Skamania	39.6	37.2	37.5	46.8	51.4	53.5	55.9	58.7	10.9%
Snohomish	584.2	591.2	589.2	611.6	681.0	755.7	835.1	894.9	6.0%
Spokane	574.4	570.5	568.5	637.6	686.4	727.8	788.3	859.4	4.8%
Stevens	38.3	39.1	39.5	40.9	43.2	46.9	49.8	52.3	3.4%
Thurston	180.0	189.6	190.3	208.6	223.8	241.7	265.4	285.6	6.2%
Wahkiakum	2.5	2.4	2.6	3.3	3.0	3.1	4.1	4.2	6.8%
Walla Walla	50.7	57.2	57.5	60.5	65.1	71.6	75.8	84.0	5.6%
Whatcom	303.9	313.9	317.7	334.6	361.9	396.4	422.5	453.7	4.2%
Whitman	40.4	39.8	39.8	43.8	46.1	47.4	51.4	53.9	5.3%
Yakima	235.9	240.2	241.2	249.2	263.5	282.3	307.1	327.0	3.8%
State Total	10,504	10,480	10,362	10,846	11,654	12,702	13,869	14,850	5.0%

*Annual Change is the average annual percentage change from 1991-2007.

Total Employment and Earnings Compared to Travel-Generated Employment and Earnings, by County (2007)

County	Employment Total	Employment Travel	Employment Percent	Earnings ($Millions) Total	Earnings ($Millions) Travel	Earnings ($Millions) Percent
Adams	8,780	310	3.5%	234.2	4.5	1.9%
Asotin	8,660	370	4.3%	274.7	7.5	2.7%
Benton	93,080	3,140	3.4%	4,482.7	62.6	1.4%
Chelan	54,790	5,690	10.4%	1,911.2	108.8	5.7%
Clallam	37,030	3,130	8.4%	1,248.9	51.6	4.1%
Clark	187,520	3,950	2.1%	8,056.4	102.4	1.3%
Columbia	2,080	120	5.6%	65.4	1.8	2.7%
Cowlitz	49,100	1,810	3.7%	2,092.0	32.5	1.6%
Douglas	13,310	310	2.3%	426.7	6.6	1.5%
Ferry	2,820	250	8.8%	84.0	3.4	4.1%
Franklin	31,670	1,200	3.8%	1,229.8	21.6	1.8%
Garfield	1,300	20	1.7%	23.3	0.4	1.8%
Grant	43,870	2,410	5.5%	1,505.2	47.0	3.1%
Grays Harbor	33,960	4,790	14.1%	1,234.3	79.4	6.4%
Island	38,300	2,340	6.1%	1,662.0	42.6	2.6%
Jefferson	15,420	1,640	10.7%	452.4	29.1	6.4%
King	1,537,190	53,020	3.4%	99,080.3	2,259.1	2.3%
Kitsap	128,680	3,170	2.5%	6,203.8	61.6	1.0%
Kittitas	20,750	1,570	7.6%	682.3	29.6	4.3%
Klickitat	10,090	460	4.6%	331.3	6.9	2.1%
Lewis	36,590	2,010	5.5%	1,286.1	36.9	2.9%
Lincoln	5,130	170	3.2%	111.2	3.5	3.2%
Mason	21,690	1,310	6.0%	741.2	27.9	3.8%
Okanogan	24,200	1,700	7.0%	762.6	38.6	5.1%
Pacific	10,220	1,960	19.2%	292.4	30.0	10.3%
Pend Oreille	4,310	320	7.3%	165.8	5.6	3.4%
Pierce	393,060	10,930	2.8%	19,396.2	221.3	1.1%
San Juan	11,200	1,780	15.9%	295.9	42.2	14.3%
Skagit	68,030	3,030	4.4%	2,861.6	59.4	2.1%
Skamania	3,340	760	22.8%	103.0	15.6	15.1%
Snohomish	345,100	9,620	2.8%	17,533.2	204.1	1.2%
Spokane	279,140	10,100	3.6%	11,447.0	275.7	2.4%
Stevens	16,800	960	5.7%	509.8	14.3	2.8%
Thurston	133,220	3,070	2.3%	5,728.6	69.3	1.2%
Wahkiakum	1,690	70	4.3%	43.5	1.2	2.8%
Walla Walla	34,530	1,230	3.6%	1,252.8	22.5	1.8%
Whatcom	114,800	6,820	5.9%	4,478.3	113.7	2.5%
Whitman	23,220	860	3.7%	855.0	14.6	1.7%
Yakima	126,350	3,420	2.7%	4,635.6	71.7	1.5%
State Total	3,971,020	149,830	3.8%	203,780.7	4,226.9	2.1%

Source: Dean Runyan Associates, Bureau of Economic Analysis and Bureau of Labor Statistics. Total earnings and employment for 2007 estimated by Dean Runyan Associates from 2006 earnings and employment data from the Bureau of Economic Analysis and 2007 payroll data from the Bureau of Labor Statistics.

Retail Sales and Lodging Tax Collections
Total Collections Compared to Visitor-Generated Collections, by County (2007)
($000)

	Total Tax Collections (see note)			Percent Visitor-Generated		
	State Sales	Local Sales	Lodging	State Sales	Local Sales & Lodging	Total
Adams	11,950	2,030	110	5.8%	11.9%	6.8%
Asotin	12,280	1,330	170	8.9%	21.1%	10.4%
Benton	167,150	46,340	2,230	5.2%	10.7%	6.5%
Chelan	96,140	22,420	3,280	14.9%	28.6%	18.3%
Clallam	68,790	19,140	1,130	10.4%	17.6%	12.2%
Clark	315,330	67,900	2,660	4.1%	8.5%	4.9%
Columbia	2,710	420	30	9.4%	17.3%	10.7%
Cowlitz	91,740	16,190	700	5.6%	10.6%	6.4%
Douglas	29,800	6,400	130	3.2%	5.7%	3.6%
Ferry	2,460	420	50	20.5%	32.0%	22.7%
Franklin	68,840	15,860	650	4.9%	9.6%	5.8%
Garfield	1,130	170	0	5.0%	6.0%	5.2%
Grant	99,820	19,990	940	5.8%	11.3%	6.8%
Grays Harbor	62,030	17,260	1,860	14.6%	25.8%	17.6%
Island	57,350	15,920	530	9.9%	14.6%	11.0%
Jefferson	24,310	6,810	670	17.8%	28.7%	20.8%
King	3,054,190	1,085,090	87,840	5.4%	14.5%	8.1%
Kitsap	232,800	75,010	910	3.5%	5.4%	4.0%
Kittitas	51,530	9,550	540	7.1%	13.8%	8.3%
Klickitat	11,020	1,280	60	8.6%	14.5%	9.3%
Lewis	74,740	14,940	520	7.4%	12.1%	8.3%
Lincoln	5,300	900	10	8.2%	11.3%	8.7%
Mason	36,410	10,120	280	9.6%	14.0%	10.7%
Okanogan	33,800	5,760	770	13.1%	25.8%	15.4%
Pacific	14,100	2,870	690	26.1%	44.3%	31.0%
Pend Oreille	6,510	1,100	40	11.9%	17.0%	12.7%
Pierce	817,720	275,780	5,950	3.8%	6.6%	4.5%
San Juan	23,980	4,550	1,070	22.8%	41.4%	27.3%
Skagit	163,510	35,110	1,100	4.9%	8.9%	5.7%
Skamania	5,200	440	530	37.9%	73.2%	47.6%
Snohomish	762,850	234,230	3,880	3.9%	6.2%	4.4%
Spokane	498,680	122,940	6,770	5.6%	11.7%	7.0%
Stevens	23,940	4,050	120	6.7%	10.6%	7.3%
Thurston	273,150	75,530	1,200	3.5%	5.7%	4.0%
Wahkiakum	1,730	270	10	10.3%	16.4%	11.2%
Walla Walla	45,610	9,510	560	6.6%	13.0%	7.8%
Whatcom	210,310	58,260	1,660	7.8%	11.9%	8.7%
Whitman	31,900	5,900	300	6.3%	12.1%	7.3%
Yakima	183,460	45,160	2,440	5.3%	11.5%	6.7%
State total	7,674,260	2,336,960	132,390	5.5%	12.0%	7.2%

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. Washington Earnings and Employment by Industry Sector, 2007

Appendix D. 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 2008. The estimates for 2008 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.[7]

IMPACT CATEGORIES

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

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).

[7] 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:

Type of Visitor	Description
Hotel/Motel/B&B	Travelers staying in hotels, motels, resorts, and 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.

GROSS DOMESTIC PRODUCT

An estimate of the Gross Domestic Product (GDP) of the Washington travel industry based on the RTIM direct travel impacts is also provided in this report. The GDP of an industry is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries). GDP is always less than output or sales because GDP measures only the "value added" of an industry and does not include the cost of the inputs that are also necessary to produce a good or service. GDP is a useful concept because it permits comparisons of the economic contributions of different industries.

EXPORT-ORIENTED INDUSTRIES

Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations. Agriculture, extractive industries (mining and forestry), and manufacturing are the best examples of export-oriented industries. Professional and business services may also be export-oriented. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. The travel industry injects money into the local economy, as do the exports of other industries.

For the purposes of this report, five major export-oriented industries in Washington state, in addition to the travel industry, are compared:

- **Aerospace**. This industry comprises establishments engaged in aerospace product and parts manufacturing (NAICS 3364).
- **Agriculture/Food**. The agriculture/food group encompasses parts of two major industry categories: the agriculture part of Sector 11 and food manufacturing or processing (NAICS 311 & 312).
- **Forestry & Wood.** The forestry & wood products group also encompasses parts of two major industry categories: the forestry part of Sector 11 and the manufacture of wood and paper products (NAICS 321, 322 & 337).
- **Microelectronics**. This industry includes establishments that manufacture computers, communications equipment and similar products and components that utilize integrated circuits (NAICS 334).
- **Software**. This industry is comprised of establishments that publish computer software (NAICS 5112).
- **Travel**. A portion of the transportation, retail, leisure, and hospitality industries as estimated in this report.
- **Other Manufacturing**. All manufacturing industries not otherwise classified in these categories. This collection of industries is represented for comparative purposes only, rather than as an explicitly defined export industry.

PRELIMINARY ESTIMATES

Preliminary estimates for 2008 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.

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."[8] 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.

[8] 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.[9] 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.[10] Firms in other industries (retail, recreation, and 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

[9] The North American Industrial Classification System (NAICS) is the current standard in the United States.

[10] 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.[11]

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. However, the issue is more complicated at the state or regional level. Suppose, for example, that the focus of a travel industry account is the state of Washington. How should the purchase of a round trip airline ticket by a Chicago resident traveling to Seattle be treated in that only some of the economic impact of this spending will occur in Washington? A reasonable approach would be to allocate only a portion of this spending (and related payroll, taxes, etc.) to Washington and ignore the remainder for the purpose of creating a travel industry account for Washington. 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 Washington can be divided between three groups of travelers: inbound, outbound, and pass-through. Only that employment attributable to inbound travel is part of the Washington *visitor industry*. Employment attributable to outbound and pass-through travelers is included with the larger *travel industry*.[12]

[11] The proportion can vary enormously among regions and localities. 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.

[12] 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.[13]

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

Accommodations & Food Service	**35.4%**
Traveler accommodations	21.0%
Food services and drinking places	14.3%
Transportation	**29.2%**
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%
Recreation	**11.1%**
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%
Retail & nondurable goods production	**16.2%**
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%
Travel arrangement & reservation services	**7.0%**
All other industries	**1.1%**
Total Tourism Compensation	**100.0%**

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.

[13] 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

Travel Impact Industry	NAICS Industry (code)
Accommodation & Food Services	
	Accommodation (721)
	Food Services and Drinking Places (722)
Arts, Entertainment & Recreation	
	Performing Arts, Spectator Sports (711)
	Museums (712)
	Amusement, Gambling (713)
	Scenic and Sightseeing Transportation (487)
Retail	
	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)
Ground Transportation	
	Interurban and Rural Bus Transportation (4852)
	Taxi and Limousine Service (4853)
	Charter Bus Industry (4855)
	Passenger Car Rental (532111)
	Parking Lots and Garages (812930)
Air Transportation	
	Scheduled Air Passenger Transportation (481111)
	Support Activities for Air Transportation (4881)
Travel Arrangement Services	
	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 TTSA. 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. Futhermore, business and leisure travelers tend to have different spending profiles. The availability of this information in either a state or regional TTSA or RTIM 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 TTSA 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.[14] The distinction is obviously 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.[15] 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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[14] Conversely, the spending of U.S. visitors in other countries is treated as an import in the international transaction accounts.

[15] 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.[16]

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.[17] 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.

[16] 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.

[17] 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).

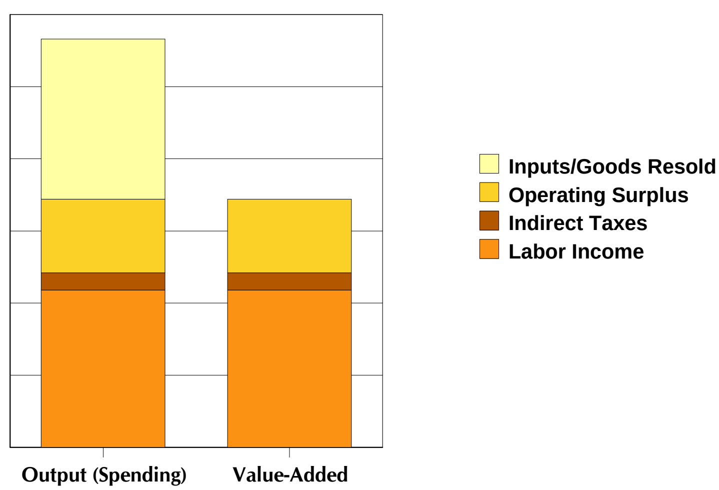
COMPONENTS OF INDUSTRY OUTPUT

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:[18]

- 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

[18] 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.[19]

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.[20] 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.[21] 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.

[19] 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.
[20] 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.
[21] 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.[22] 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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[22] 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.

Washington Earnings and Employment by Industry Sector, 2007

Industry Sector	Earnings ($Million)	Percent of Total	Employment (Thousand)	Percent of Total
Primarily Export-Oriented	**28,510**	**14.1%**	**440**	**11.2%**
Agriculture, Forestry, Fishing and related	3,841	1.9%	124	3.1%
Mining	342	0.2%	6	0.1%
Manufacturing	24,327	12.0%	311	7.9%
***Travel*	*4,227*	*2.1%*	*150*	*3.8%*
Primarily Local/Regional	**97,642**	**48.4%**	**2,093**	**53.0%**
Construction	15,146	7.5%	281	7.1%
Utilities	724	0.4%	5	0.1%
Wholesale trade	10,068	5.0%	142	3.6%
Retail trade	13,556	6.7%	415	10.5%
Real estate, rental and leasing	4,087	2.0%	193	4.9%
Management of companies and enterprises	3,733	1.8%	36	0.9%
Administrative and waste services	7,247	3.6%	203	5.1%
Other services, except public administration	5,585	2.8%	209	5.3%
Government and government enterprises	37,495	18.6%	609	15.4%
Mixed	**75,730**	**37.5%**	**1,415**	**35.8%**
Transportation and warehousing	6,351	3.1%	118	3.0%
Information	14,584	7.2%	113	2.9%
Finance and insurance	10,917	5.4%	148	3.7%
Professional and technical services	17,535	8.7%	262	6.6%
Educational services	1,557	0.8%	67	1.7%
Health care and social assistance	17,655	8.7%	368	9.3%
Leisure and Hospitality	7,131	3.5%	340	8.6%
Washington Total**	**201,881**	**100.0%**	**3,949**	**100.0%**

**Travel is not included in the sub and grand totals because it is also represented in other sectors (primarily leisure and hospitality, transportation, and retail trade).

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.