

# Arizona Travel Impacts

## *1998-2005p*

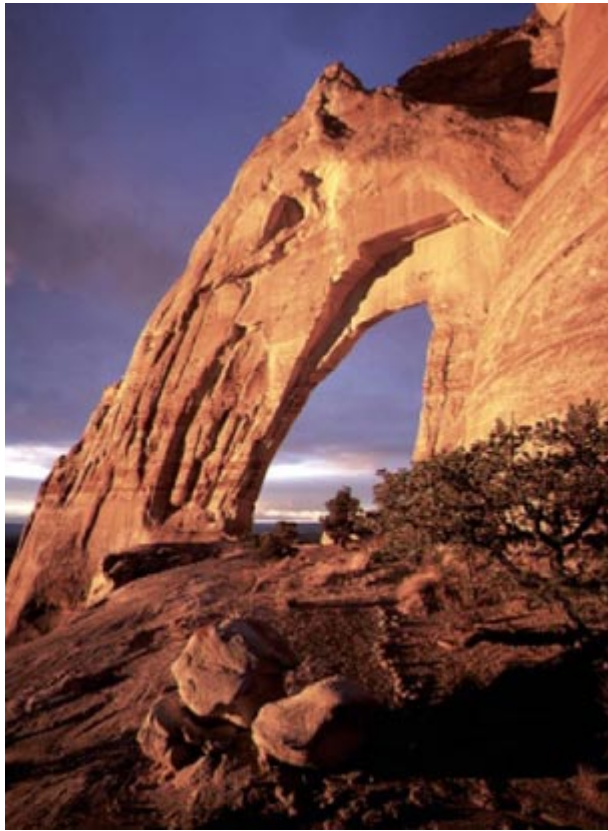


photo by George Stocking

April 2006

*Prepared for the*

Arizona Office of Tourism  
Phoenix, Arizona

# **ARIZONA TRAVEL IMPACTS 1998-2005P**

Arizona Office of Tourism

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**April 2006**

## EXECUTIVE SUMMARY

- Total direct travel spending in Arizona in 2005 was \$17.5 billion. This represents a 9.9 percent increase over 2004, and it follows a 7.4 percent increase the preceding year. In constant (inflation-adjusted) dollars, travel spending has increased by 4.5 percent from 2003 to 2004 and 5.7 percent from 2004 to 2005.
- Much of the increased travel activity in Arizona was related to increased passenger air travel. Approximately 7.7 million domestic visitors traveled to Arizona in 2005 by air. This is 5.7 percent increase over 2004.
- Visitors that stayed overnight in lodging establishments accounted for 42.3 percent of all visitor spending in 2005. Visitors that stayed in the private homes of friends or relatives accounted for 28.8 percent. Day travelers accounted for about 21.5 percent.
- More than one-half (52.7 percent) of all spending by visitors was for leisure and hospitality services (arts, entertainment, recreation, accommodations, food service). Retail spending (which includes food and beverages purchased for off-premise consumption) amounted to 23.3 percent. Transportation (including motor fuel) comprised the remaining 24 percent.
- In 2005, direct travel spending generated \$456 million in local taxes, \$583 million in state taxes and \$1.1 billion in federal taxes. The total of \$2.1 billion in tax revenues generated by direct travel spending in Arizona is equivalent to \$850 dollars of tax revenue for each household in the state.
- Direct travel spending in Arizona generated 168,100 jobs with earnings of \$4.5 billion in 2005. Three-fourths of these jobs were in the accommodations, food services, and arts, entertainment and recreation industries.
- Travel spending in Arizona generated a total (direct and secondary) impact of 313,000 jobs with earnings of \$9.3 billion in 2005. Most of the secondary impacts were in professional and business services.
- As a percentage of Gross State Product, the tax receipts generated by the travel industry are high relative to other industries (13.2 percent for the travel industry versus 7.8 percent for all industries in the state). And in contrast to other industries, most of the taxes generated by travel industry taxes are imposed on *visitors* rather than *residents*.
- The employment, earnings, and tax revenues generated by travel spending are relatively more important for the non-urban areas of the state, than for the more urbanized areas of greater Phoenix and Tucson.

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## PREFACE

The purpose of this study is to document the economic significance of the travel industry in Arizona from 1998 to 2005. These findings show the level of travel spending by visitors traveling to and within the state, and the impact this spending had on the economy in terms of earnings, employment and tax revenue.

Dean Runyan Associates prepared this study for the Arizona Office of Tourism. Dean Runyan Associates has specialized in research and planning services for the travel, tourism and recreation industry since 1984. With respect to economic impact analysis, the firm developed and currently maintains the Regional Travel Impact Model (RTIM), a proprietary computer model for analyzing travel economic impacts at the state, regional and local level. Dean Runyan Associates also has extensive experience in project feasibility analysis, market evaluation, survey research and travel and tourism planning.

Many individuals and organizations provided data and assistance for this report. State agencies include the Department of Revenue, Department of Commerce, Gaming Commission and State Parks. Information was also provided by the College of Business and Public Administration at the University of Arizona and the School of Hotel and Restaurant Management at Northern Arizona University. Federal agencies that provided essential data for this report include the Bureau of Economic Analysis, the Department of Labor, the Department of Transportation, the U.S. Forest Service, and the National Park Service.

Special thanks are due to AnnDee Johnson, Director of Research & Strategic Planning for the Arizona Office of Tourism. Without her support and assistance, this report would not have been possible.

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## I. INTRODUCTION

This report describes the economic impacts of travel to and through Arizona and each of its 15 counties over the time period 1998 to 2005. The estimates for 2005 are preliminary. This introductory section provides a brief overview of methodology, terminology and limitations of these impact estimates. The various appendices in this report provide greater detail for many of these topics.

### **DIRECT IMPACTS**

The estimates of the direct impacts associated with traveler spending in Arizona 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 Arizona travel industry were gathered from various local, state and federal sources.

Travel impacts consist of estimates of travel spending and the employment, earnings and tax receipts generated by this spending. These estimates are also broken out by type of traveler accommodation and by the type of business in which the expenditures occur. A description of RTIM methodology is included in Appendices A and B.

### **SECONDARY (INDIRECT AND INDUCED) IMPACTS**

Direct impacts are reported for all counties within Arizona. Secondary employment and earnings impacts over and above direct impacts are reported at the state level only for the year 2005. These indirect and induced impacts are generated from the direct impacts produced by the RTIM, discussed above, and an input-output model of the Arizona economy prepared by the Minnesota IMPLAN Group, Inc. Indirect impacts represent the purchases of goods and services from other firms by businesses that directly receive expenditures from travelers. Hotels, for example, purchase maintenance services from independent contractors. Induced impacts represent the purchase of goods and services by employees whose earnings are in part derived from travel expenditures. The sum of the direct, indirect and induced impacts equals the total impact of all spending by visitors in the state. The "multiplier" refers to the ratio of the total impacts to the direct impacts for employment or earnings.

## **PRELIMINARY ESTIMATES**

Preliminary estimates for 2005 were prepared at the state and county level. These estimates take advantage of the most current available data. However, because full-year data was not available in all cases, these estimates are subject to subsequent revision as additional information relating to travel and its economic impact in 2005 becomes available.

## **TYPES OF TRAVEL IMPACTS INCLUDED**

Most of the travel that occurs in Arizona 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 Arizona by U.S. residents and foreign visitors are included. The travel of Arizona residents to other destinations within Arizona is included, provided that it is neither commuting nor other routine travel. Travel to non-Arizona destinations by Arizona 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.



## IMPACT CATEGORIES

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

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Impact Category	Description
Expenditures	Purchases by travelers during their trip, including lodging taxes and other applicable local and state taxes, paid by the traveler at the point of sale.
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, including lodging, food and beverage service, retail goods and auto rental. The local share of the state transaction privilege tax is also included in this category. Property taxes are not included.
State Tax Receipts	The state share of the transaction privilege tax, personal and business income taxes, motor fuel tax and contributions from tribal gaming revenue is included in state tax receipts.

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## VISITOR CATEGORIES

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

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Type of Visitor	Description
Hotel/Motel	Travelers staying in hotels, motels, resorts, bed & breakfast establishments, and other commercial accommodations, excluding campgrounds, where a transient lodging tax is collected.
Campground	Travelers staying in a privately owned (i.e., commercial) or publicly managed campgrounds.
Private Home	Travelers staying as guests with friends or relatives.
Vacation Home	Travelers using their own vacation home or timeshare and those borrowing or renting a vacation home where a 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 Arizona.

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## REPORTING FORMAT

A description of the headings and categories of the detailed direct impact tables is provided below.

- *Total Direct Travel Spending* includes the total visitor spending at destination, described above, plus spending on travel agencies and resident air travel (other spending). 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 or motels includes their spending on accommodations, food & 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 & Beverage Services includes spending by visitors staying in hotels, private campgrounds, private homes and the other types of accommodation. The total spending on commodities is identical to the total spending by type of accommodation.

The next two sections, *Travel-Generated Earnings and 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.

- *Industry Earnings Generated by Travel Spending* includes the payroll, other earned benefits and proprietor income of all employees in that industry classification.
- *Industry Employment Generated by Travel Spending* includes all full- and part-time employees. This includes payroll employees covered by unemployment insurance and those that are not, as well as proprietors.

The final section provides an estimate of tax receipts generated by travel spending.

- *Tax Revenues Generated by Travel Spending* provides a breakout of local, state and federal tax receipts at the state level, and local and state tax receipts at the county level. Local taxes include all room taxes, local sales taxes and local auto rental taxes plus the local share of the state transaction privilege tax. The state share of the transaction privilege tax, personal and business income taxes, motor fuel tax and contributions from tribal gaming revenue are included in state tax receipts. Federal taxes include income and payroll taxes, the motor fuel excise tax and airline ticket taxes.

## INTERPRETATION OF IMPACT ESTIMATES

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

- The monetary estimates in this report are expressed in *current* dollars. There is no adjustment for inflation, with the exception of the graphs on pages 7 and 14.
- 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 jobs 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.



## II: NATIONAL TRAVEL TRENDS

Travel spending by domestic and international visitors in the United States was \$611 billion in 2005. This represents a 7.6 percent increase over 2004.

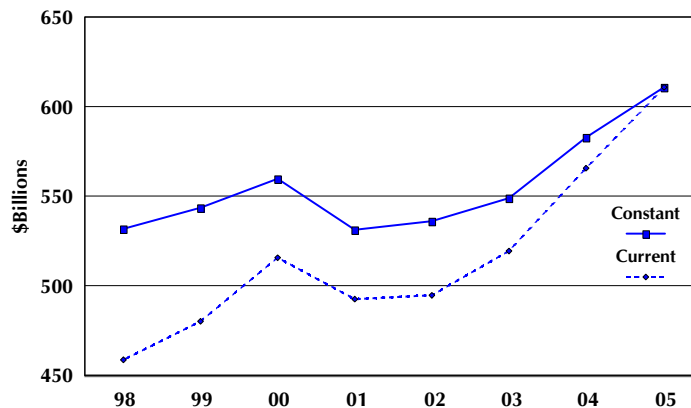
### Direct Travel Spending In U.S., 1998-2005 (\$Billions)

	Domestic	International	Total	Pct. Int'l.
1998	\$387	\$71	\$459	16%
1999	\$406	\$75	\$480	16%
2000	\$434	\$82	\$516	16%
2001	\$421	\$72	\$493	15%
2002	\$428	\$67	\$495	13%
2003	\$455	\$64	\$520	12%
2004	\$491	\$74	\$566	13%
2005	\$529	\$82	\$611	13%
<i>Annual Percentage Change</i>				
98-05	4.5%	2.1%	4.2%	
04-05	7.6%	10.7%	8.0%	

Source: Dean Runyan Associates and Bureau of Economic Analysis (BEA).

Travel spending in inflation-adjusted constant (2005) dollars is shown in the graph below. The 2004-2005 annual increase in travel spending in constant dollars was 4.8 percent, following a 6.2 percent increase from 2003 to 2004.

### U.S. Travel spending in Current and Constant Dollars, 1998-2005 (\$Billions)



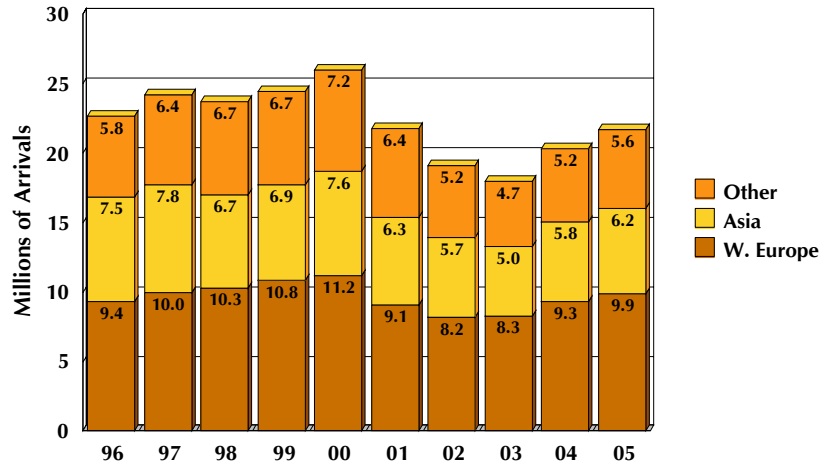
Source: Dean Runyan Associates and Bureau of Economic Analysis. Constant (2005) travel spending estimates derived from BEA constant (2000) dollar estimates.

The recent changes in travel spending can be considered in terms of three factors:

- International visitation
- Air travel
- Economic conditions affecting business and leisure travel.

With respect to the first factor, the decline in international travel spending was steeper from 2000 to 2001 and has been slower to recover than domestic travel spending. During 2005, travel spending by international visitors in current dollars was \$82 billion – the same level as in 2000. If the share of travel spending by international visitors was at the same 16% level as is it was in 2000, it would amount to \$98 billion. Most of the decline in international travel spending is due to a general decline in overseas visitation, as is shown in the graphic below. Note that arrivals from all three places of origin (Western Europe, Asia, and all other) are below their 2000 levels. However, arrivals for all three segments have been increasing over the past two years.

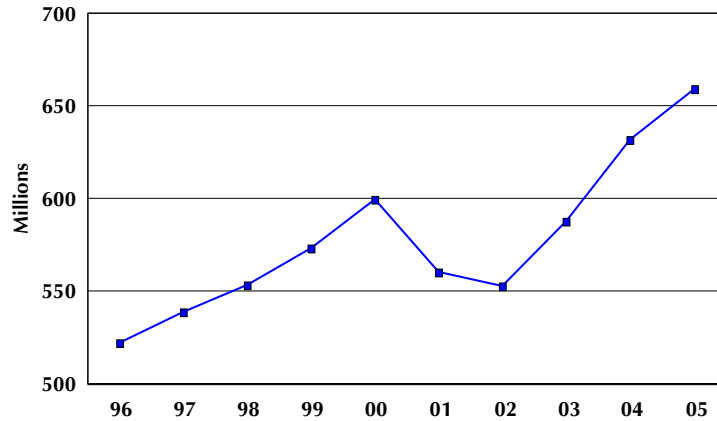
**Overseas Arrivals to the United States, 1996-2005**  
(Millions)



Source: Dean Runyan Associates and 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).

Domestic air travel was also profoundly affected by the events of September 11, 2001. As shown in the graph on the following page, domestic air travel has recovered (even if the industry has not). This is an indication that the volume of both domestic leisure and business travel has increased in recent years.

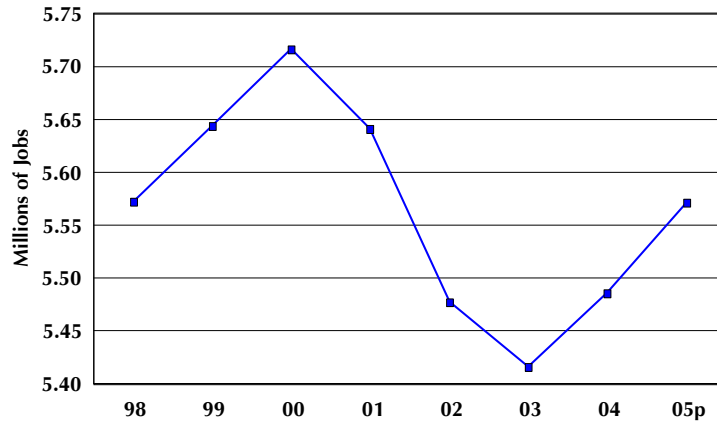
### U.S. Domestic Passenger Air Arrivals, 1996-2005



Source: Bureau of Transportation Statistics (U.S. Department of Transportation). T-100 domestic market data.

Although travel-generated employment began to recover in 2004, it is still substantially below its peak level attained in 2000.

### U.S. Travel-Generated Employment, 1998-2005p (Millions of Jobs)



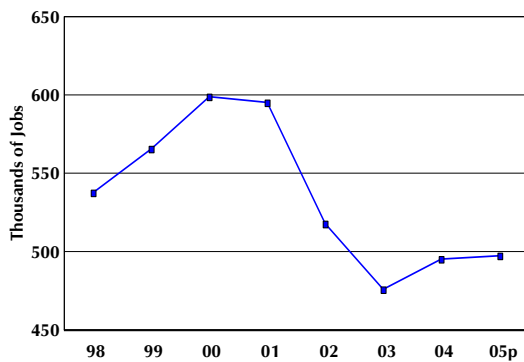
Source: Dean Runyan Associates and Bureau of Economic Analysis (BEA). Preliminary 2005 estimate based on data for 3 quarters of year.

There are several reasons for the lag in employment in relation to travel spending. Many of the jobs in the travel industry are entry-level and part-time positions. Because of this, employers will generally increase the hours worked by individual employees before hiring new employees.

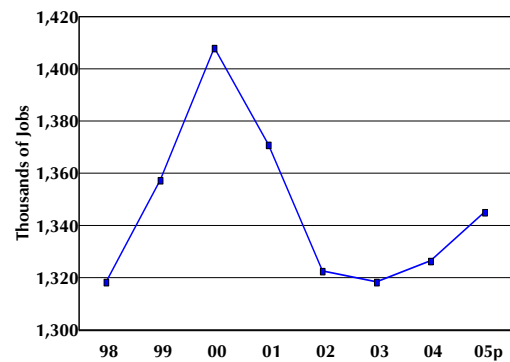
In addition, there have been significant structural changes in the travel industry that have affected the overall level of employment. The emergence of lower-cost air carriers and the impact of new information technology on travel arrangement services have resulted in structural employment losses in these two industries. Employment in travel accommodations has also not fully recovered despite strong growth in lodging sales over the past two years. This is primarily due to the fact that the increase in lodging sales has been driven by prices (room rates) rather than the construction and operation of new lodging establishments.

### US Travel-Generated Employment, Selected Travel Industries, 1998-2005p

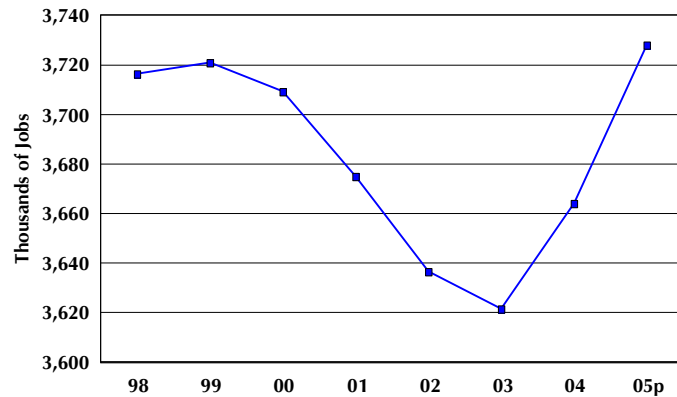
#### Air Passenger Transportation



#### Traveler Accommodations



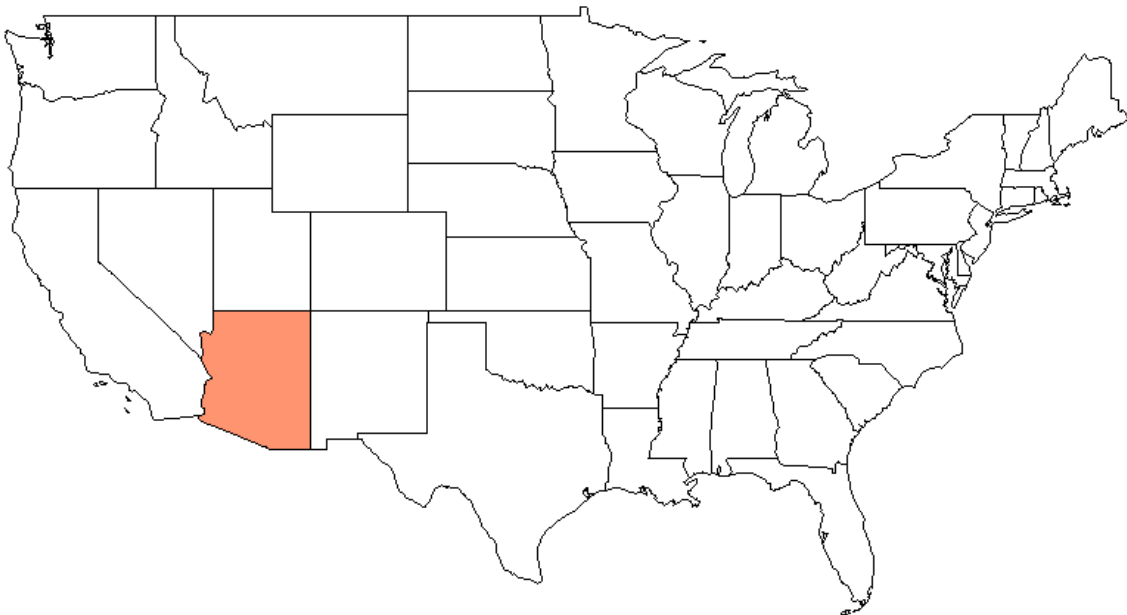
#### All Other Direct Travel-Generated Employment



Source: Dean Runyan Associates and Bureau of Economic Analysis, Payroll Employment only.



### III: ARIZONA TRAVEL IMPACTS 1998-2005P



The multi-billion dollar travel industry in Arizona is an important part of the state and local economies. The industry is represented primarily by businesses in the leisure and hospitality sector, transportation, and retail. The money that visitors spend on various goods and services while in Arizona produces business receipts at these firms, which in turn generate earnings and employment for Arizona residents. In addition, state and local governments collect taxes that are generated from visitor spending. Most of these taxes are imposed on the sale of a goods and services to visitors, thus avoiding a tax burden on local residents.

The economic impacts directly generated by visitor spending also contribute to significant secondary impacts. A portion of the business receipts generated by visitor spending is spent within Arizona for other goods and services. Visitor generated earnings are also spent by employees for goods and services produced in Arizona. This re-spending of visitor-generated revenues creates indirect and induced (secondary) impacts.

### **IMPACTS OF TRAVEL IN ARIZONA: A SUMMARY**

- Total direct travel spending in Arizona in 2005 was \$17.5 billion. This represents a 9.9 percent increase over 2004, and it follows a 7.4 percent increase the preceding year. In constant (inflation-adjusted) dollars, travel spending has increased by 4.5 percent from 2003 to 2004 and 5.7 percent from 2004 to 2005.
- Much of the increased travel activity in Arizona was related to increased passenger air travel. Approximately 7.7 million domestic visitors traveled to Arizona in 2005 by air. This is 5.7 percent increase over 2004.
- Visitors that stayed overnight in lodging establishments accounted for 42.3 percent of all visitor spending in 2005. Visitors that stayed in the private homes of friends or relatives accounted for 28.8 percent. Day travelers accounted for about 21.5 percent.
- More than one-half (52.7 percent) of all spending by visitors was for leisure and hospitality services (arts, entertainment, recreation, accommodations, food service). Retail spending (which includes food and beverages purchased for off-premise consumption) amounted to 23.3 percent. Transportation (including motor fuel) comprised the remaining 24 percent.
- In 2005, direct travel spending generated \$456 million in local taxes and \$583 million in state taxes.
- Direct travel spending in Arizona generated 168,100 jobs with earnings of \$4.5 billion in 2005. Three-fourths of these jobs were in the accommodations, food services, and arts, entertainment and recreation industries.
- Travel spending in Arizona generated a total (direct and secondary) impact of 313,000 jobs with earnings of \$9.3 billion in 2005.

## TRAVEL TRENDS

Total direct travel spending in Arizona in 2005 was \$17.5 billion. This represents a 9.9 percent increase over the preceding year. Travel industry employment also increased by 3.3 percent from 2004 to 2005. This is the third consecutive year of positive growth in employment after several years of contraction.

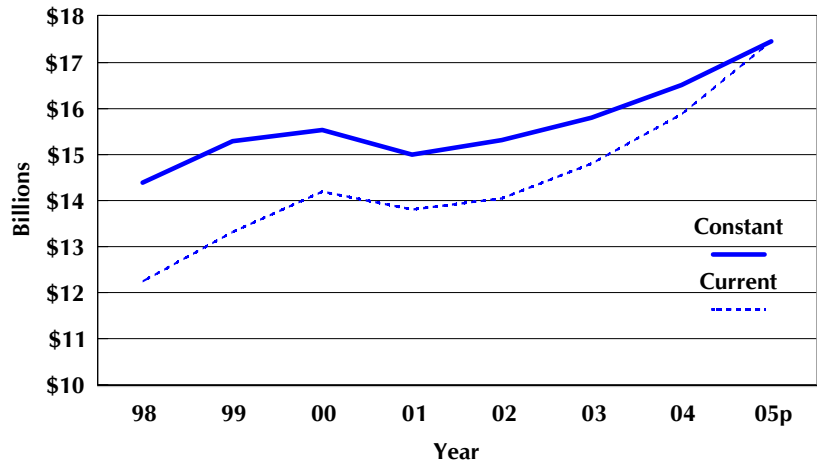
### Arizona Travel Trends, 1998-2005p

	Spending	Earnings	Employment	Tax Revenue (\$Million)			
	(\$Billion)	(\$Billion)	(Thousand)	Local	State	Federal	Total
1998	12.3	3.3	155	348	391	647	1,386
1999	13.3	3.6	161	368	429	712	1,509
2000	14.2	3.8	163	391	454	743	1,588
2001	13.8	3.8	159	372	457	795	1,623
2002	14.0	3.8	157	379	484	853	1,716
2003	14.8	4.0	159	391	503	914	1,808
2004	15.9	4.3	163	413	535	987	1,936
2005p	17.5	4.5	168	456	583	1,064	2,104
<i>Annual Percentage Change</i>							
04-05p	9.9	6.0	3.3	10.6	8.9	7.8	8.7
98-05p	5.2	4.6	1.2	3.9	5.9	7.4	6.1

Note: p = preliminary. The percent change for 1998-2005p refers to the average annual percentage change. Direct Travel Impacts do not include secondary (indirect and induced) impacts. All visitor spending, airfares and local spending on travel agencies are included. Total Earnings include wage and salary disbursements, other earned income, and proprietor income. 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 jobs and self-employment are included in these estimates.

In terms of inflation-adjusted (constant) dollars, travel spending was also strong, despite increases in room rates and gasoline. In constant (inflation-adjusted) dollars, travel spending increased by 5.7 percent from 2004 to 2005, following a 4.5 percent from 2003 to 2004. A comparison of travel spending trends in current and constant dollars is shown on the following page. Since 1998, travel spending has increased at an average annual rate of 2.8 percent in constant dollars.

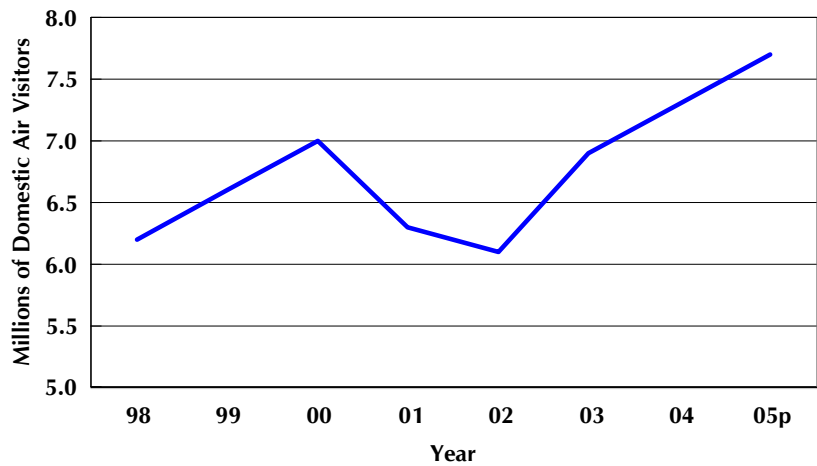
### Direct Travel Spending in Arizona Adjusted for Inflation



Note: Constant dollar travel spending was deflated by a composite of the West Urban CPI and room rates reported by Smith Travel. The average annual increase in travel spending in constant dollars for 1998-2005p is 2.8 percent.

In 2005, almost 7.7 million domestic visitors traveled to Arizona by air. This represents more than one-fourth of all overnight visitors to Arizona.<sup>1</sup> Since the trough of 2002, domestic air travel to Arizona has increased on average 8.2 percent per year.

### Domestic Air Passenger Visitor Arrivals to Arizona



Source: Dean Runyan Associates and Airline Origin and Destination Survey, U.S. Bureau of Transportation Statistics. Note: These estimates are for air arrivals only. They do not include return travel of Arizona residents or connecting flights normally reported in air passenger statistics.

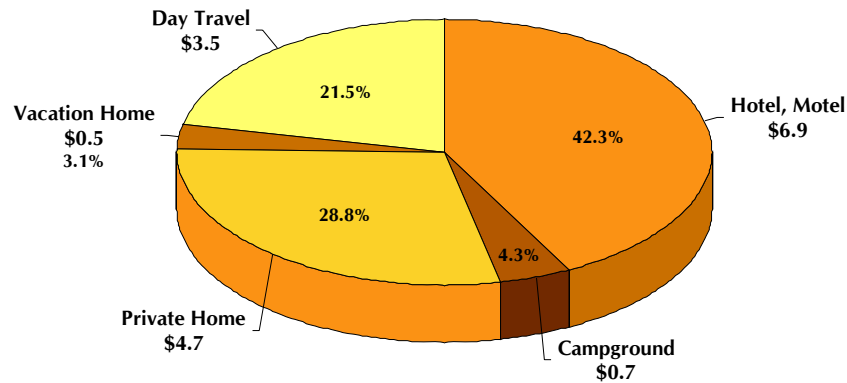
<sup>1</sup> Visitors that travel to Arizona by air also stay longer and spend more. According to the 2001 National Household Transportation Survey, about 45 percent of all visitor nights by domestic travelers can be attributed to visitors that traveled by air.

## VISITOR SPENDING BY TYPE OF TRAVELER ACCOMMODATION

The pie chart below provides a breakout of total visitor spending in Arizona (all spending on leisure and hospitality services, transportation, and retail) by the type of accommodation in which the visitor stayed. As is indicated, the three primary categories for Arizona (as well as most other states) are (1) the hotel, motel category (this also includes B&B's, Dude Ranches, and other commercial lodging facilities with the exception of campgrounds), (2) the private homes of friends or relatives, and (3) visitors that do not stay overnight away from home.

Arizona is somewhat atypical in two respects. First, a relatively high portion of visitor spending (28.8 percent) is generated by visitors that stay in the homes of friends and relatives. In part, this is probably due to the large influx in recent decades of residents from other states. A "visit" with these transplants by friends and family members entails a visit to Arizona. Such visits are often attractive due to Arizona's many attractions and its warm winter season. Second, much of the spending by day travelers in Arizona is generated by Mexican travel across the border. The primary purpose of most of this travel is for retail goods and groceries.<sup>2</sup>

**Visitor Spending by Type of Traveler Accommodation**  
**2005p**  
(Billions)

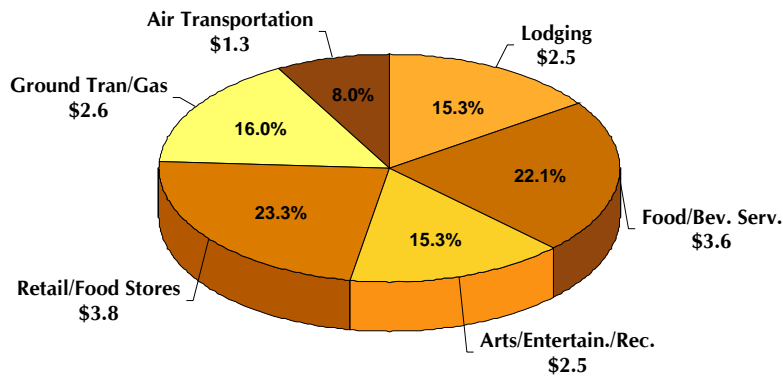


<sup>2</sup> Approximately one-fourth of all spending by day travelers is of Mexican origin. See page 17 of this report.

## VISITOR SPENDING BY TYPE OF COMMODITY PURCHASED

The following pie chart provides a breakout of visitor spending for all types of travelers by the type of commodity (good or service) purchased. Approximately one-half (52.7 percent) of all spending by visitors was for leisure and hospitality services (arts, entertainment, recreation, accommodations, food service). Retail spending (which includes food and beverages purchased for off-premise consumption) amounted to 23.3 percent. Transportation (including motor fuel) comprised the remaining 24.0 percent.

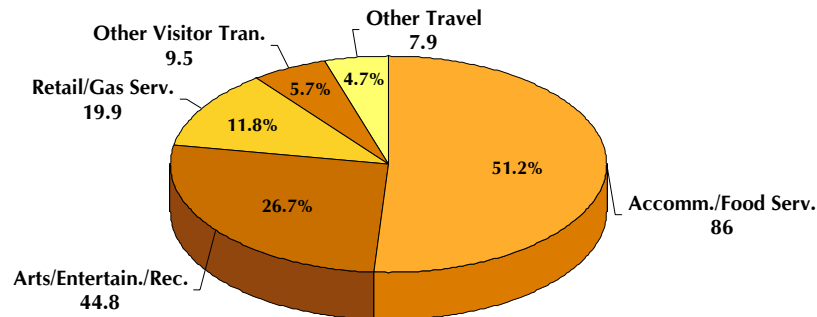
**Visitor Spending by Type of Commodity Purchased, 2005p**  
(Billions)



## TRAVEL-GENERATED EMPLOYMENT

While about one-half of all visitor spending is in leisure and hospitality services, about three-fourths of all travel-generated employment is in the accommodations, food service, arts, entertainment and recreation industries. This is because leisure and hospitality is more labor-intensive than retail trade (including gasoline service).

**Direct Travel-Generated Employment by Industry, 2005p**  
(Thousands)



Note: Other Visitor Transportation includes passenger air travel and all local ground transportation excluding motor fuel. Other Travel includes travel agencies and resident air travel. Gasoline Service is included in the Retail Industry category.

## VISITOR ORIGIN

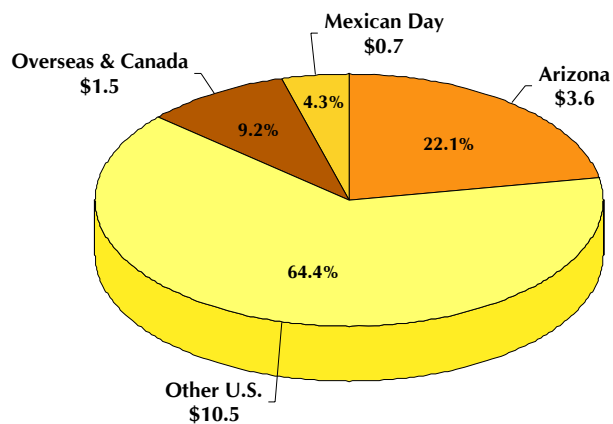
More than three-fourths of the visitor impacts in Arizona are generated by out-of-state travelers. Visitors from other states are the largest segment (over 64 percent of spending), while international travel comprises more than 13 percent of visitor impacts. Mexican day travel (4.3% of spending) is especially significant for the counties on the national border.

### Arizona Travel Impacts by Origin of Visitor, 2005p

Origin	Spending (\$ Billion)	Earnings (\$ Billion)	Employment (Thousand)	Tax Receipts (\$ Million)		
				Local	State	Federal
Arizona	3.6	0.8	33	90	133	145
Other U.S.	10.5	2.8	108	303	368	616
International	2.2	0.5	20	64	76	71
All Visitors	16.3	4.0	160	456	577	833
Other Travel	1.2	0.5	8	0	6	232
Total Travel	17.5	4.5	168	456	583	1,064

Sources: Dean Runyan Associates, International Trade Administration and Bureau of Economic Analysis (U.S. Dept. of Commerce), 2001 Household Transportation Survey (U.S. Dept. of Transportation), Statistics Canada, and A.H. Charney and V.K. Pavlakovich, "The Economic Impacts of Mexican Visitors to Arizona, 2001" (Karl Eller College of Business and Public Administration, University of Arizona). Other travel includes travel agencies and resident air travel.

### Visitor Spending in Arizona by Origin of Visitor, 2005p (Billions)



Sources: See table note, above.

Detailed direct travel impacts for the state of Arizona, 1998-2005p, are reported on pages 18 and 19.

## Arizona Direct Travel Impacts, 1998-2001

	1998	1999	2000	2001
<b>Total Direct Travel Spending (\$Billion)</b>				
Visitor Spending at Destination	11.4	12.4	13.2	12.9
Other Travel*	0.9	1.0	1.0	0.9
Total Direct Spending	12.3	13.3	14.2	13.8
<b>Visitor Spending by Type of Traveler Accommodation (\$Billion)</b>				
Hotel, Motel	5.0	5.4	5.8	5.3
Campground	0.5	0.5	0.6	0.6
Private Home	3.1	3.4	3.6	3.7
Vacation Home	0.4	0.4	0.4	0.4
Day Travel	2.4	2.7	2.9	2.9
Spending at Destination	11.4	12.4	13.2	12.9
<b>Visitor Spending by Commodity Purchased (\$Billion)</b>				
Lodging	1.9	2.0	2.1	1.9
Food & Beverage Services	2.4	2.6	2.8	2.8
Food Stores	0.7	0.7	0.7	0.7
Ground Tran. & Motor Fuel	1.2	1.5	1.8	1.7
Arts, Entertainment & Recreation	1.7	1.9	2.0	2.0
Retail Sales	2.5	2.6	2.7	2.7
Air Transportation (visitor only)	1.0	1.0	1.0	1.0
Spending at Destination	11.4	12.4	13.2	12.9
<b>Industry Earnings Generated by Travel Spending (\$Billion)</b>				
Accommodation & Food Services	1.4	1.5	1.6	1.6
Arts, Entertainment & Recreation	0.7	0.7	0.8	0.8
Retail**	0.5	0.5	0.5	0.5
Auto Rental & other ground tran.	0.1	0.1	0.1	0.1
Air Transportation (visitor only)	0.4	0.4	0.4	0.4
Other Travel*	0.4	0.4	0.4	0.4
Total Direct Earnings	3.3	3.6	3.8	3.8
<b>Industry Employment Generated by Travel Spending (Thousand jobs)</b>				
Accommodation & Food Services	78.3	82.4	84.8	80.4
Arts, Entertainment & Recreation	35.8	36.9	36.7	38.4
Retail**	20.0	20.8	20.8	20.0
Auto Rental & other ground tran.	2.4	2.3	2.3	2.1
Air Transportation (visitor only)	8.5	8.8	8.3	8.3
Other Travel*	9.8	10.1	10.1	9.4
Total Direct Employment	154.8	161.3	163.0	158.6
<b>Government Revenue Generated by Travel Spending (\$Million)</b>				
Local	348	368	391	372
State	391	429	454	457
Federal	647	712	743	795
Total Direct Gov't. Revenue	1,386	1,509	1,588	1,623

Details may not add to totals due to rounding.

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



## Arizona Direct Travel Impacts, 2002-2005p

	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Billion)</b>				
Visitor Spending at Destination	13.2	13.8	14.8	16.3
Other Travel*	0.9	1.0	1.1	1.2
Total Direct Spending	14.0	14.8	15.9	17.5
<b>Visitor Spending by Type of Traveler Accommodation (\$Billion)</b>				
Hotel, Motel	5.2	5.6	6.1	6.9
Campground	0.6	0.6	0.7	0.7
Private Home	3.8	4.1	4.3	4.7
Vacation Home	0.4	0.5	0.5	0.5
Day Travel	3.1	3.1	3.2	3.5
Spending at Destination	13.2	13.8	14.8	16.3
<b>Visitor Spending by Commodity Purchased (\$Billion)</b>				
Lodging	1.9	2.0	2.2	2.5
Food & Beverage Services	3.0	3.1	3.3	3.6
Food Stores	0.8	0.8	0.8	0.8
Ground Tran. & Motor Fuel	1.6	1.9	2.2	2.6
Arts, Entertainment & Recreation	2.1	2.2	2.4	2.5
Retail Sales	2.8	2.7	2.8	2.9
Air Transportation (visitor only)	1.0	1.1	1.2	1.3
Spending at Destination	13.2	13.8	14.8	16.3
<b>Industry Earnings Generated by Travel Spending (\$Billion)</b>				
Accommodation & Food Services	1.6	1.7	1.8	1.9
Arts, Entertainment & Recreation	0.8	0.9	0.9	1.0
Retail**	0.5	0.5	0.5	0.6
Auto Rental & other ground tran.	0.1	0.1	0.1	0.1
Air Transportation (visitor only)	0.4	0.4	0.5	0.5
Other Travel*	0.4	0.4	0.5	0.5
Total Direct Earnings	3.8	4.0	4.3	4.5
<b>Industry Employment Generated by Travel Spending (Thousand jobs)</b>				
Accommodation & Food Services	80.1	80.8	82.6	86.0
Arts, Entertainment & Recreation	38.4	41.2	43.1	44.8
Retail**	20.5	19.7	19.7	19.9
Auto Rental & other ground tran.	2.2	2.2	2.2	2.2
Air Transportation (visitor only)	7.1	7.1	7.3	7.3
Other Travel*	8.3	8.0	8.0	7.9
Total Direct Employment	156.5	158.9	162.8	168.1
<b>Government Revenue Generated by Travel Spending (\$Million)</b>				
Local	379	391	413	456
State	484	503	535	583
Federal	853	914	987	1,064
Total Direct Gov't. Revenue	1,716	1,808	1,936	2,104

Details may not add to totals due to rounding.

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

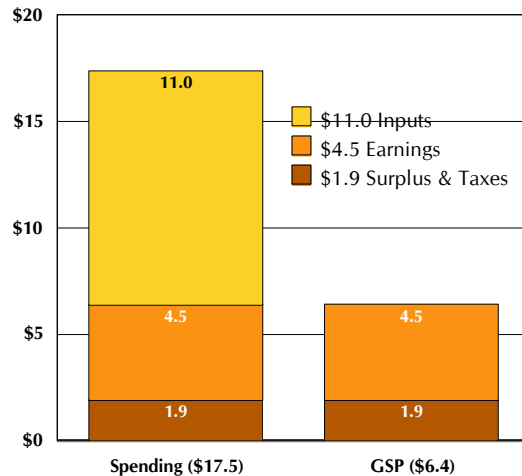
## TRAVEL INDUSTRY GROSS STATE PRODUCT

In concept, the Gross State Product (GSP) of a particular industry is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries). GSP is always smaller than output or sales because GSP 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.

Alternatively, GSP can be thought of as the sum of earnings, indirect business taxes (primarily excise and property taxes) and other operating surplus (including profits). Estimates of travel spending and travel industry GSP are shown in the chart below. Travel industry Gross State Product (GSP) amounted to \$6.4 billion in 2005. This represents 3.0 percent of the total Arizona GSP. Nationally, the travel industry comprises 2.6 percent of Gross Domestic Product.

About 63 percent of all travel spending in Arizona is 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 GSP 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.<sup>3</sup>

**Arizona Travel Spending and Gross State Product, 2005p**



Source: Dean Runyan Associates, Bureau of Economic Analysis, and Minnesota Implan Group.

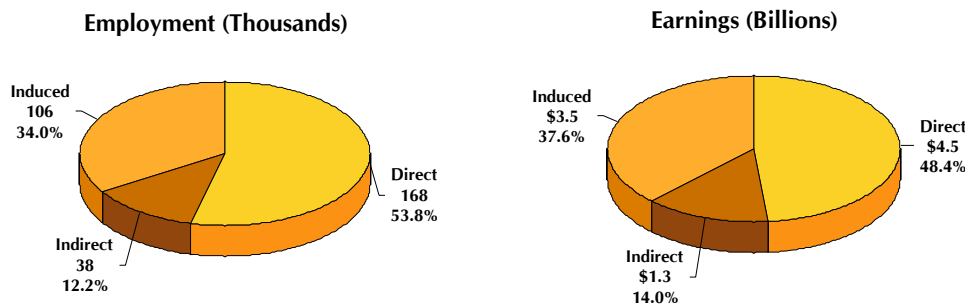
<sup>3</sup> About 38 percent of the \$11 billion of inputs and goods resold are purchased from other Arizona businesses. The total direct and indirect travel industry gross state product is \$10.6 billion.

## SECONDARY IMPACTS

Travel spending within Arizona brings money into many Arizona communities in the form of business receipts. Portions of these receipts are spent within the state for labor and supplies. Employees, in turn, spend a portion of their earnings on goods and services in the state. This re-spending of travel-related revenues creates *indirect and induced impacts*. To summarize:

- **Direct** impacts represent the employment and earnings attributable to travel expenditures made directly by travelers at businesses throughout the state.
- **Indirect** impacts represent the employment and earnings associated with industries that supply goods and services to the direct businesses (i.e., those that receive money directly from travelers throughout the state).
- **Induced** impacts represent the employment and earnings that results from purchases for food, housing, transportation, recreation, and other goods and services made by travel industry employees, and the employees of the indirectly affected industries.

### Total Employment and Earnings Generated by Travel Spending in Arizona, 2005p



Source: Dean Runyan Associates and Minnesota Implan Group.

The impacts in this section are presented in terms of the employment and earnings of eleven major industry groups. These industry groups are similar, but not identical to the business service (or commodity) categories presented elsewhere in this report. (The specific industries that comprise these major groups are listed in Appendix D.) Direct travel impacts, such as those discussed in the first part of this section and the regional and county impacts presented elsewhere in this report are found in the following industry groups:

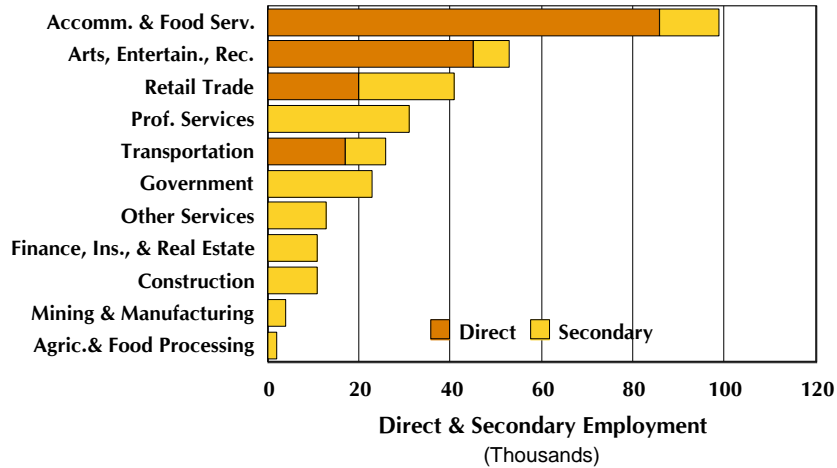
- **Accommodations & Food Services**
- **Arts, Entertainment, and Recreation**
- **Retail Trade**
- **Transportation**

As is indicated in the following tables and graphs, the total direct employment and earnings of these four industry groups is identical to the total direct employment and earnings shown in the first part of this section. The only difference is that these industry groups represent industry groupings (firms) rather than commodity or business service groupings.

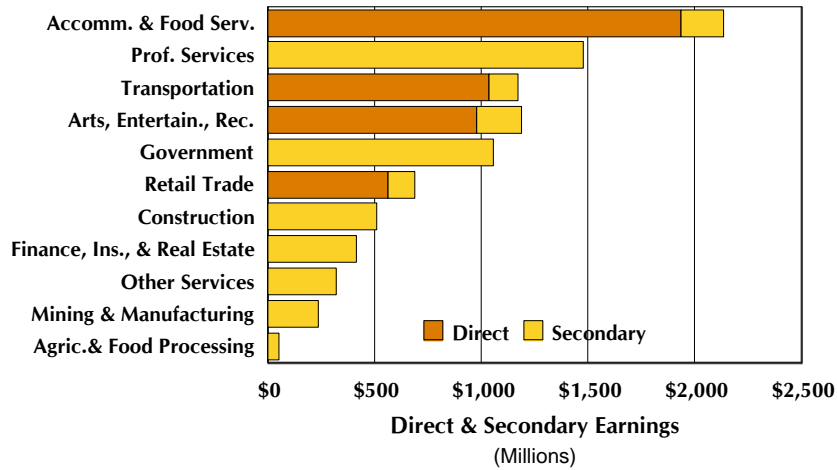
The indirect and induced impacts of travel spending are found in all eleven-industry groupings shown in the following tables and graphs. The remainder of this section summarizes the secondary impacts of travel spending in the primary industry groups.

- **Professional Services** (31,000 jobs and \$1,479 million earnings). Legal, medical, educational and other professional services are utilized by travel businesses (indirect effect) and by employees of these firms (induced effect).
- **Other Services** (13,000 jobs and \$324 million earnings). Employees of travel-related businesses purchase services from various providers, such as dry cleaners and repair shops. Similarly, travel businesses utilize a number of service providers, such as laundry, maintenance, and business services.
- **Government** (23,000 jobs and \$1,060 million earnings). Employees of travel-related businesses pay fees to attend public educational institutions and to operate motor vehicles.
- **Finance, Real Estate** (11,000 jobs and \$421 million earnings). Employees and businesses use the services of financial institutions, insurers, and real estate businesses.
- **Construction** (11,000 jobs and \$512 million earnings). Structures that house travel-related businesses, such as hotels and restaurants, require ongoing maintenance. (Note: this category does not include new construction premised on future travel activity.)

### Direct and Secondary Employment Generated by Travel in Arizona, 2005p



### Direct and Secondary Earnings Generated by Travel in Arizona, 2005p



Source: Dean Runyan Associates and Minnesota Implan Group.  
Industry Groups are defined in appendix.

Detailed estimates are reported in the following table. It should be emphasized that the estimates of indirect and induced impacts reported here apply to the entire state of Arizona and do not necessarily reflect economic patterns for individual counties, regions or sub-regions within the state. While total economic impacts can be calculated on a county or regional level, such a detailed analysis is not included in this study. In general, geographic areas with lower levels of aggregate economic activity will have smaller secondary impacts within those same geographic boundaries.

### Direct & Secondary Visitor-Generated Employment in Arizona, 2005p

(thousand jobs)

Industry Group	Direct	Secondary		Total	Grand Total
		Indirect	Induced		
Accommodation & Food Services	86	4	9	13	99
Arts, Entertainment & Recreation	45	5	2	8	53
Retail Trade	20	3	18	21	41
Professional Services	0	8	23	31	31
Transportation	17	5	4	9	26
Government	0	1	22	23	23
Other Services	0	5	8	13	13
Finance, Ins., & Real Estate	0	4	7	11	11
Construction	0	1	10	11	11
Mining & Manufacturing	0	1	2	4	4
Agriculture & Food Processing	0	1	1	2	2
All Industries	168	38	106	145	313

### Direct & Secondary Visitor-Generated Earnings in Arizona, 2005p

(\$ Million)

Industry Group	Direct	Secondary		Total	Grand Total
		Indirect	Induced		
Accommodation & Food Services	1,938	61	138	199	2,138
Professional Services	0	436	1,043	1,479	1,479
Transportation	1,042	103	31	134	1,176
Arts, Entertainment & Recreation	979	165	47	211	1,190
Government	0	71	990	1,060	1,060
Retail Trade	564	10	118	128	692
Construction	0	41	471	512	512
Finance, Ins., & Real Estate	0	147	274	421	421
Other Services	0	156	168	324	324
Mining & Manufacturing	0	91	150	241	241
Agriculture & Food Processing	0	27	30	57	57
All Industries	4,523	1,308	3,458	4,766	9,289

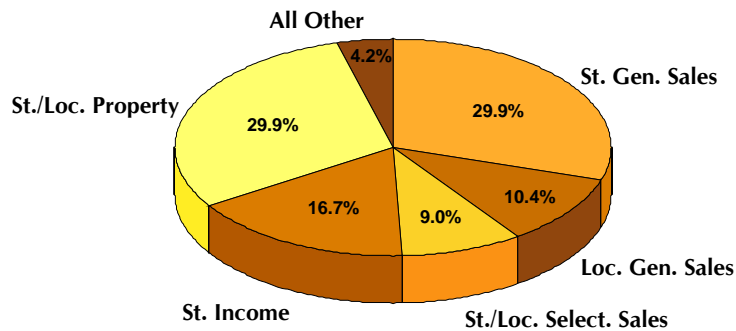
Source: Dean Runyan Associates & Minnesota Implan Group.  
Industry Groups are defined in Appendix E.

## IV. STATE AND LOCAL GOVERNMENT REVENUE GENERATED BY TRAVEL SPENDING

This section of the report provides an analysis of the state and local government revenue generated by visitor spending. Most major sources of government revenue, including sales and income taxes are included.<sup>4</sup> However, due to data limitations it is not possible to provide reliable estimates of property tax receipts attributable to travel nor taxes and fees based on a variety of selective goods or activities (e.g., tobacco taxes, license taxes). Hence, the travel-generated tax impacts reported here are generally conservative. Furthermore, these estimates are for tax revenues generated *directly* from visitor spending. Estimates of total tax revenues (direct, indirect and induced) are necessarily greater (see pages 21 through 24 for secondary employment and earnings impacts).

The pie chart below, adapted from the Bureau of the Census' State and Local Government Finance, shows the broad sources of tax revenue in Arizona. About one-half of all state and local tax revenue in Arizona is derived from excise or sales taxes. The next largest category is property taxes -- paid primarily by homeowners to local governments. Income taxes (which are primarily personal rather than business) comprised 16.7 percent of all state and local taxes in the 2001-02 fiscal year.

**Arizona State and Local Government Tax Revenues,  
2001-02 Fiscal Year**



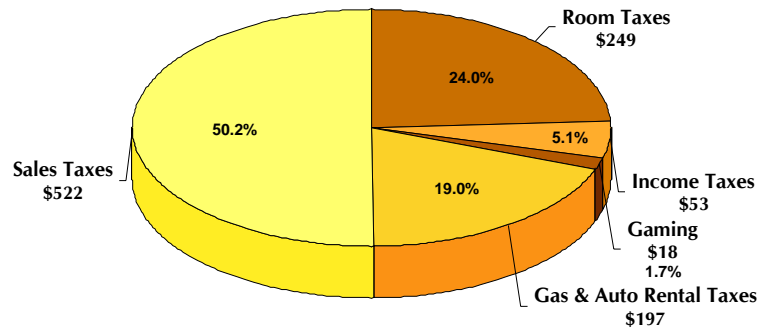
Source: Dean Runyan Associates and Bureau of the Census, State and Local Government Finance. The state transaction privilege tax is designated as a general sales tax. Over 90 percent of all property taxes are local. About 85 percent of all income tax receipts are personal (vs. corporate). Selective sales taxes include taxes on lodging, motor fuel, alcohol, tobacco and public utilities. Other taxes include license taxes. State tax receipts comprised 59 percent of all state and local tax receipts in the 2001-02 fiscal year.

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<sup>4</sup> The state transaction privilege tax is considered a sales tax for the purposes of this report.

The distribution of taxes generated by travel spending is shown in the next pie chart. Although property taxes are not included, their contribution would not substantially affect the fact that the overwhelming majority of travel-generated taxes – probably about 90 percent – are attributable to general and special purpose sales taxes.<sup>5</sup> This is a significantly higher proportion than the 50 percent share for all Arizona state and local tax revenues.

**Arizona State and Local Travel-Generated Tax Revenues, 2005p**  
(Million)



Source: Dean Runyan Associates. Property taxes and fees and taxes on selective goods and activities not included. "Other sales" includes the state transaction privilege tax and other municipal and county sales or transaction taxes. Total State and Local Tax revenues generated by travel spending were \$1,039 million in 2005.

Because the tax impacts of the travel industry are primarily realized through general and special purpose sales taxes, the industry generates proportionately more tax revenue than would be expected based on the industry earnings or gross state product. The Gross State Product of the Arizona Travel industry is about 3.1 percent of total state GSP (see page 20); travel industry earnings are about 3.3 percent of total state earnings (see page 34), the tax revenues generated by travel spending are between 5 and 6 percent of total state and local tax revenues.<sup>6</sup>

The following figures further illustrate this point through a comparison of the travel industry with some other major industry sectors in the state. The basis of comparison is Gross State Product (see pages 20 and 61-62), Indirect Business Taxes (IBT) and Personal Income Taxes (PIT). Indirect business taxes are primarily state

<sup>5</sup> Property taxes paid by businesses and travel industry employees would probably be similar to the share of income taxes (about 5 percent). The majority of property taxes are paid by homeowners, rather than commercial properties. Travel industry employees are, on average, younger and less likely to own homes than the general population.

<sup>6</sup> According to the Census Bureau's State and Local Finance, state tax revenues represent 59 percent of all state and local tax revenues in Arizona in the 2001-02 fiscal year. Gross state tax revenue for the 2004-05 fiscal year was \$11.3 billion. The estimate for total state and local tax revenues based on the 59 percent share for state taxes is \$19.2 billion. Travel-generated tax receipts (excluding property taxes) are \$1 billion, or 5.2 percent of the total.



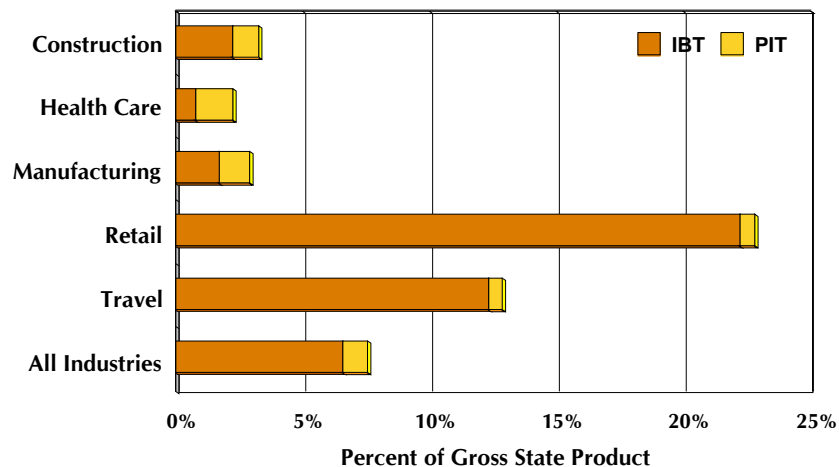
and local excise or sales taxes (such as the transaction privilege tax). Also included are property taxes and other fees. Corporate income taxes are not included. Personal Income taxes (PIT) are the state income taxes paid by employees.

As can be seen, only the retail sector has a greater tax impact than the travel industry in terms of taxes as a percentage of GSP. It should also be emphasized that the taxes generated by the travel industry are primarily paid by **visitors** rather than residents. As indicated in the previous section (page 17), most of the visitor spending in Arizona (about 80 percent) is made by international visitors and residents of other states. In this regard, the local and state tax revenue generated by travel spending is truly a net benefit to Arizona residents.

**Selected Arizona Industry Sectors, 2004**  
**Gross State Product and Indirect Business & Personal Income Taxes**  
**(\$Millions)**

	Gross State Product	Indirect Business Tax	Personal Income Tax	Sum of IBT & PIT
Construction	13,214	279	134	413
Health Care	12,357	100	181	281
Manufacturing	17,871	427	210	637
Retail	16,284	3,677	95	3,772
Travel	6,059	763	34	797
All Industries	194,246	13,233	1,913	15,146

**Indirect Business Tax and Personal Income Tax**  
**as Percent of Gross State Product,**  
**Selected Arizona Industry Sectors, 2004**

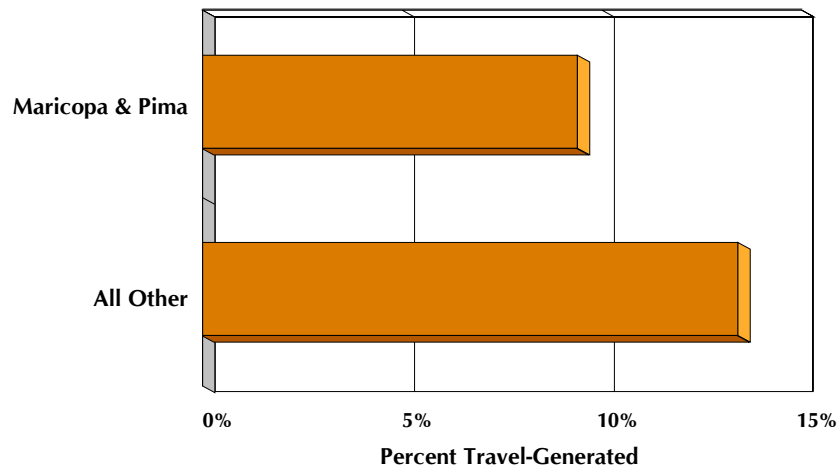


Source: Dean Runyan Associates and Bureau of Economic Analysis. Earnings and Indirect Business Tax (IBT) derived from Bureau of Economic Analysis. Indirect business taxes include property taxes, fees, and all local, state and federal excise taxes. The vast majority of indirect business taxes are state and local sales taxes. Personal Income tax (PIT) estimated by Dean Runyan Associates.

It is also important to recognize that the local and state tax revenues generated by travel spending are proportionately more important for non-urban areas. There are two reasons for this. First, the travel industry generally comprises a larger proportion of the economy in non-urban areas. Second, counties and municipalities impose special excise taxes on visitors (lodging, eating and drinking establishments, auto rentals) that are disproportionately borne by visitors, rather than residents.

The first point is illustrated in the chart below, where the percentage of the state transaction privilege tax generated by travel spending for two groups of counties is displayed. Maricopa and Pima counties – the most urbanized counties in the state – generate relatively lower tax impacts from visitor spending than do the less urbanized counties in the state.

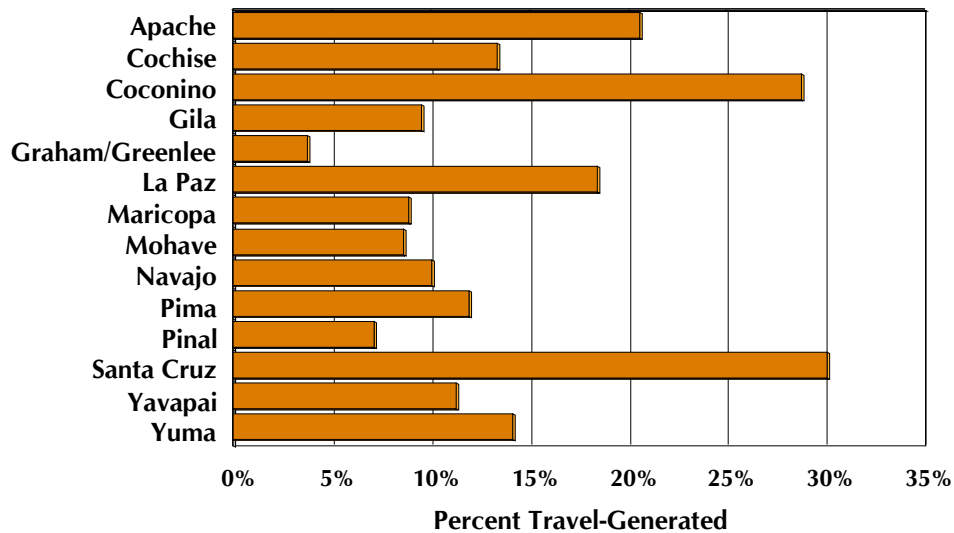
### State Transaction Privilege Taxes Generated By Direct Travel Spending, 2005p



Source: Dean Runyan Associates and Arizona Department of Revenue.

Detailed estimates for each county are also shown. The visitor-related share of local excise taxes would generally be somewhat higher, due to local taxes on lodging, eating and drinking, and auto rentals, as noted above.

### State Transaction Privilege Taxes Generated by Direct Travel Spending, 2005p



Source: Dean Runyan Associates and Arizona Department of Revenue. These estimates represent the total state transaction privilege tax receipts generated by travel spending. Counties and municipalities generally are allocated a portion of these receipts based on resident population. Other county and municipal excise taxes are also imposed on visitors.

To summarize this analysis of the state and local government revenue generated by travel spending in Arizona:

- Most of the taxes generated by travel industry taxes are imposed on **visitors** rather than **residents**.
- As a percentage of Gross State Product, the tax receipts generated by the travel industry are high relative to other industries (13 percent for the travel industry versus 7.5 percent for all industries in the state).
- The tax revenues generated by the travel industry are relatively more important for the non-urban areas of the state than for the more urbanized areas of greater Phoenix and Tucson.



## V. COUNTY TRAVEL IMPACTS 1998-2005P



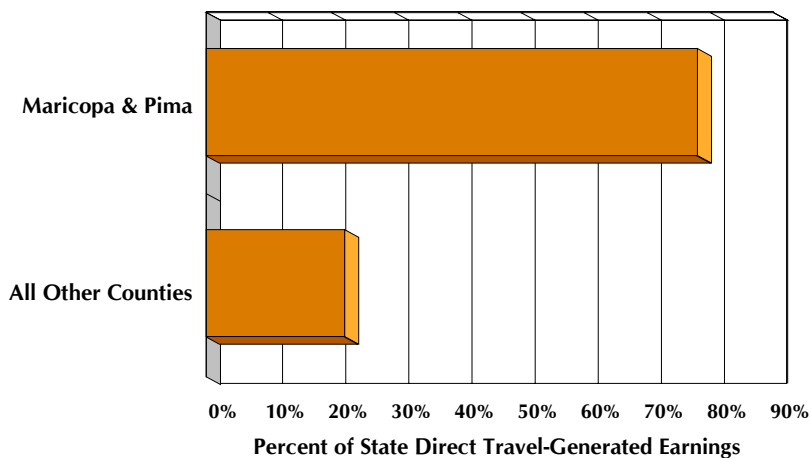
The analysis of travel impacts at the county level provides a valuable overview of how the economic benefits of travel and tourism are distributed throughout the state.

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

In many of the less urbanized areas of Arizona, however, the economic significance of travel and tourism is actually relatively more important. The infrastructure that serves visitors to Maricopa county also serves local residents. Most of the spending on recreation and food services in Maricopa county is by local residents. This is not the case in most other less urbanized areas of the state – leisure and hospitality businesses are generally much more dependent on visitor spending rather than local residents.

In the graph below, the two most populous counties in Arizona, Maricopa and Pima, are compared with the thirteen other counties in the state with respect to their share of total earnings – more than three-fourths of all travel-generated earnings occur within the two most populous counties in the state.

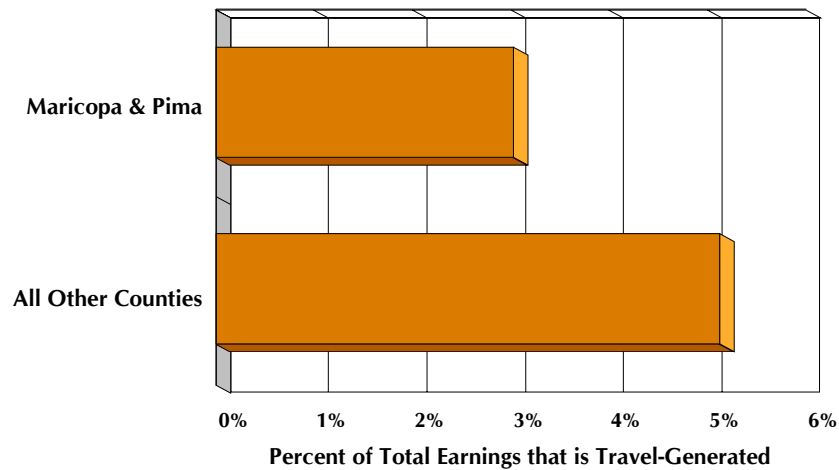
**Share of Travel-Generated Earnings, 2004p  
Maricopa & Pima Compared with Other Arizona Counties**



Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and travel-generated earnings estimates by Dean Runyan Associates.

However, as a group the less urbanized counties in the state actually have a higher proportion of travel-generated earnings in relation to total earnings. This is shown graphically below. About three percent of all earnings in Maricopa and Pima counties are travel-generated. By contrast, the proportion is over five percent in all other Arizona counties.

### Percentage of Total Earnings Generated by Travel Spending, 2005p



Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis.  
Total and travel-generated earnings estimates by Dean Runyan Associates.

In general, the earnings estimates provided in the preceding figures are probably the best measure at the county level of the relative importance of travel and tourism for local economies. The following table provides estimates for individual counties. Total employment includes all full-time and part-time salaried employees and proprietors. Because total employment includes all jobs, regardless of the hours worked or the average annual earnings of the job, this indicator may be less useful than earnings estimates. Nonetheless, the distribution of counties is similar. The ranking of the seven most tourism dependent counties – La Paz, Santa Cruz, Coconino, Gila, Yavapai, Navajo, and Mohave – are the same for earnings and employment.

## Travel-Generated Employment and Earnings as Percent of Total, 2005p

	Employment			Earnings (Million)		
	Total	Travel	Percent Travel	Total	Travel	Percent Travel
Apache	26,310	1,730	6.6	\$874	\$27	3.0
Cochise	60,370	4,190	6.9	\$2,346	\$71	3.0
Coconino	79,860	10,740	13.5	\$2,594	\$222	8.6
Gila	21,550	2,860	13.3	\$609	\$56	9.1
Graham/Greenlee	16,830	860	5.1	\$574	\$9	1.5
La Paz	8,200	1,430	17.4	\$244	\$31	12.6
Maricopa	2,111,160	91,160	4.3	\$97,691	\$2,981	3.1
Mohave	69,480	5,110	7.4	\$2,194	\$99	4.5
Navajo	38,220	3,040	8.0	\$1,248	\$58	4.6
Pima	484,720	25,550	5.3	\$18,666	\$544	2.9
Pinal	66,570	4,400	6.6	\$2,677	\$84	3.1
Santa Cruz	17,370	2,280	13.1	\$630	\$50	8.0
Yavapai	84,050	8,780	10.4	\$2,535	\$166	6.5
Yuma	87,370	5,990	6.9	\$2,963	\$127	4.3
Arizona	3,172,040	168,130	5.3	\$135,844	\$4,523	3.3

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and travel-generated employment estimates by Dean Runyan Associates.

Detailed direct travel impact estimates for 1998 through 2005p can be found on the following pages. As noted in the introductory section to this report, county level estimates are necessarily less reliable than the statewide estimates. Furthermore, estimates for the smallest counties are less reliable than those for larger counties due to survey sample sizes and other data limitations. For this reason, small changes in year-to-year estimates are less important than longer-term trends.



## 2005p Arizona County Travel Impacts

	Travel Spending		Related Travel-Generated Impacts				Total Taxes (\$Million)
	Total (\$Million)	Visitor (\$Million)	Earnings (\$Million)	Employment (jobs)	Local Taxes (\$Million)	State Taxes (\$Million)	
Apache	128.5	128.5	26.6	1,730	2.9	5.1	8.0
Cochise	322.4	321.6	70.9	4,190	10.6	11.3	21.9
Coconino	836.5	834.1	222.4	10,740	24.1	31.0	55.0
Gila	232.6	232.5	55.6	2,860	2.9	6.4	9.4
Graham/Greenlee	36.4	36.3	8.7	860.0	0.9	1.5	2.4
La Paz	205.9	205.9	30.8	1,430	2.1	8.5	10.6
Maricopa	10,960.6	9,824.1	2,980.6	91,160	311.5	345.9	657.4
Mohave	434.3	432.6	98.6	5,110	9.2	17.4	26.5
Navajo	259.1	258.8	57.7	3,040	5.5	9.8	15.3
Pima	2,198.3	2,170.0	543.8	25,550	47.2	82.3	129.5
Pinal	359.6	359.2	83.9	4,400	6.6	13.6	20.2
Santa Cruz	282.3	282.2	50.3	2,280	5.5	8.7	14.2
Yavapai	638.1	637.0	165.8	8,780	14.0	20.7	34.8
Yuma	566.3	563.2	127.3	5,990	13.4	20.5	33.9
Arizona	17,460.9	16,285.9	4,523.0	168,130	456.4	582.8	1,039.2

**Arizona County Total Travel Spending, 1998-2005p**  
(\$ Millions)

	1998	1999	2000	2001	2002	2003	2004	2005p	Annual Percent Chg.	
									04-05p	98-05p
Apache	83.1	95.9	109.2	104.7	105.2	107.8	113.2	128.5	13.5	6.4
Cochise	215.2	238.3	257.7	261.6	283.7	280.2	301.8	322.4	6.8	5.9
Coconino	678.8	714.1	733.9	697.5	699.6	735.9	780.5	836.5	7.2	3.0
Gila	181.2	190.3	205.9	205.9	207.8	213.6	220.5	232.6	5.5	3.6
Graham/Greenlee	24.9	27.1	31.2	29.6	29.7	30.7	31.8	36.4	14.6	5.6
La Paz	127.7	147.1	160.0	162.7	161.8	173.5	184.2	205.9	11.8	7.1
Maricopa	7,630.4	8,166.8	8,770.5	8,486.0	8,464.8	9,125.4	9,886.4	10,960.6	10.9	5.3
Mohave	261.7	298.2	320.9	328.6	336.5	362.7	396.7	434.3	9.5	7.5
Navajo	183.5	215.5	238.4	224.5	228.0	229.2	236.5	259.1	9.5	5.0
Pima	1,620.5	1,764.7	1,874.0	1,805.3	1,892.4	1,897.8	2,019.4	2,198.3	8.9	4.5
Pinal	219.4	244.1	262.7	271.5	278.6	293.8	323.3	359.6	11.2	7.3
Santa Cruz	207.6	227.2	236.8	237.9	299.7	262.2	272.2	282.3	3.7	4.5
Yavapai	437.8	583.9	555.6	554.5	558.9	581.3	588.2	638.1	8.5	5.5
Yuma	379.0	410.3	439.9	442.5	498.7	498.1	527.5	566.3	7.3	5.9
Arizona	12,250.8	13,323.5	14,196.7	13,812.7	14,045.4	14,792.3	15,882.3	17,460.9	9.9	5.2

**Arizona County Travel-Generated Earnings, 1998-2005p**  
(\$ Millions)

	1998	1999	2000	2001	2002	2003	2004	2005p	Annual Percent Chg.	
									04-05p	98-05p
Apache	19.7	22.3	25.2	24.2	25.0	24.3	24.5	26.6	8.4	4.3
Cochise	48.1	53.1	57.2	58.6	63.3	62.7	67.7	70.9	4.7	5.7
Coconino	187.0	196.1	200.8	191.0	193.2	202.2	214.1	222.4	3.9	2.5
Gila	43.5	45.4	49.4	49.4	50.2	51.5	53.0	55.6	4.9	3.6
Graham/Greenlee	6.6	7.0	8.0	7.6	7.8	7.8	7.9	8.7	10.7	4.1
La Paz	22.0	24.6	25.9	27.0	27.6	28.4	28.9	30.8	6.7	4.9
Maricopa	2,173.2	2,313.2	2,508.0	2,478.6	2,455.3	2,619.1	2,811.5	2,980.6	6.0	4.6
Mohave	63.5	71.3	75.4	78.8	82.5	87.1	94.1	98.6	4.8	6.5
Navajo	44.7	52.7	58.1	54.1	56.0	54.5	54.8	57.7	5.3	3.7
Pima	411.5	447.7	475.2	457.4	476.5	478.5	510.0	543.8	6.6	4.1
Pinal	53.0	58.2	61.8	65.1	68.2	70.8	77.4	83.9	8.5	6.8
Santa Cruz	37.5	40.9	42.2	42.0	52.4	46.2	48.4	50.3	3.8	4.3
Yavapai	113.6	156.1	146.4	146.6	148.9	153.8	154.9	165.8	7.0	5.6
Yuma	85.5	91.8	98.3	99.5	111.2	113.0	119.8	127.3	6.2	5.9
Arizona	3,309.3	3,580.3	3,832.1	3,779.7	3,818.1	3,999.8	4,267.0	4,523.0	6.0	4.6

### Arizona County Travel-Generated Employment, 1998-2005p

	1998	1999	2000	2001	2002	2003	2004	2005p	Annual Percent Chg.	
									04-05p	98-05p
Apache	1,490	1,560	1,650	1,750	1,560	1,590	1,680	1,730	3.0	2.2
Cochise	3,670	3,940	4,000	3,970	4,120	3,970	4,060	4,190	3.2	1.9
Coconino	11,230	11,260	11,110	10,410	10,220	10,480	10,630	10,740	1.0	-0.6
Gila	2,730	2,720	2,850	2,990	2,970	2,980	2,820	2,860	1.4	0.7
Graham/Greenlee	510	520	560	680	730	810	790	860	8.9	7.8
La Paz	1,390	1,460	1,460	1,440	1,430	1,440	1,390	1,430	2.9	0.4
Maricopa	87,580	88,820	90,400	85,490	82,290	84,610	87,410	91,160	4.3	0.6
Mohave	4,030	4,410	4,530	4,610	4,740	4,830	5,000	5,110	2.2	3.5
Navajo	3,210	3,520	3,750	3,440	3,310	3,210	3,070	3,040	-1.0	-0.8
Pima	22,290	23,840	24,420	23,410	24,000	23,910	25,120	25,550	1.7	2.0
Pinal	2,990	3,160	3,180	3,900	3,900	4,080	4,110	4,400	7.1	5.7
Santa Cruz	2,070	2,130	2,140	2,120	2,520	2,260	2,270	2,280	0.4	1.4
Yavapai	6,910	9,140	8,070	8,830	8,870	9,010	8,620	8,780	1.9	3.5
Yuma	4,660	4,800	4,940	5,590	5,870	5,770	5,830	5,990	2.7	3.7
Arizona	154,770	161,300	163,040	158,630	156,530	158,940	162,790	168,130	3.3	1.2

## Apache County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	83.1	109.2	104.7	105.2	107.8	113.2	128.5
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Spending	83.1	109.2	104.7	105.2	107.8	113.2	128.5
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	39.9	57.5	52.1	53.1	51.7	52.3	62.9
Campground	8.5	10.8	11.1	10.7	12.3	14.0	15.4
Private Home	20.4	23.8	24.4	24.3	25.7	27.4	29.1
Vacation Home	11.7	13.6	13.8	13.7	14.5	15.5	16.5
Day Travel	2.6	3.5	3.4	3.4	3.6	4.0	4.5
Spending at Destination	83.1	109.2	104.7	105.2	107.8	113.2	128.5
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	14.7	20.0	18.2	18.5	17.3	17.3	20.0
Food & Beverage Services	16.4	21.2	20.3	21.3	20.9	20.9	23.5
Food Stores	7.5	8.1	8.1	8.3	8.3	8.4	8.6
Ground Tran. & Motor Fuel	16.3	26.5	25.7	24.3	29.4	34.8	42.7
Arts, Entertainment & Recreation	11.7	14.8	14.7	15.1	15.1	15.4	16.3
Retail Sales	16.6	18.5	17.7	17.7	16.9	16.4	17.3
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	83.1	109.2	104.7	105.2	107.8	113.2	128.5
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	10.6	14.0	13.2	13.6	13.0	13.0	14.4
Arts, Entertainment & Recreation	4.9	6.2	6.1	6.3	6.3	6.4	6.8
Retail**	4.1	4.8	4.7	4.9	4.8	4.9	5.1
Auto Rental & other ground tran.	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	19.7	25.2	24.2	25.0	24.3	24.5	26.6
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	900	1,010	1,030	950	860	820	890
Arts, Entertainment & Recreation	310	320	420	300	430	550	540
Retail**	290	310	290	300	290	300	290
Auto Rental & other ground tran.	10	10	10	10	10	10	10
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	1,490	1,650	1,750	1,560	1,590	1,680	1,730
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	2.2	2.9	2.6	2.7	2.6	2.6	2.9
State	3.5	4.5	4.3	4.5	4.6	4.7	5.1
Total Direct Gov't. Revenue	5.7	7.3	7.0	7.1	7.2	7.4	8.0

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## Cochise County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	214.3	256.8	260.8	282.8	279.4	301.0	321.6
Other Travel*	0.9	0.8	0.8	0.8	0.8	0.8	0.9
Total Direct Spending	215.2	257.7	261.6	283.7	280.2	301.8	322.4
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	40.2	54.4	53.8	54.2	57.3	69.4	78.9
Campground	35.5	41.8	42.6	41.8	44.8	47.5	50.0
Private Home	46.3	53.0	54.8	55.6	57.8	60.3	63.1
Vacation Home	5.0	5.6	5.7	5.8	6.0	6.3	6.5
Day Travel	87.3	102.0	103.9	125.4	113.5	117.6	123.0
Spending at Destination	214.3	256.8	260.8	282.8	279.4	301.0	321.6
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	22.2	27.8	27.7	27.8	28.8	33.6	37.6
Food & Beverage Services	46.1	55.5	57.1	63.0	62.3	67.4	72.2
Food Stores	49.8	56.0	57.3	69.8	62.2	63.3	64.0
Ground Tran. & Motor Fuel	16.9	27.6	26.6	25.2	30.5	36.1	44.4
Arts, Entertainment & Recreation	25.8	31.4	32.9	33.8	35.3	38.5	39.8
Retail Sales	53.4	58.5	59.2	63.2	60.2	61.9	63.5
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	214.3	256.8	260.8	282.8	279.4	301.0	321.6
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	21.2	25.9	26.4	28.4	28.4	31.6	33.7
Arts, Entertainment & Recreation	11.4	13.9	14.5	14.9	15.6	17.0	17.6
Retail**	14.7	16.6	16.9	19.2	17.9	18.3	18.7
Auto Rental & other ground tran.	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	48.1	57.2	58.6	63.3	62.7	67.7	70.9
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	1,700	1,960	1,960	2,010	1,960	2,040	2,120
Arts, Entertainment & Recreation	1,170	1,160	1,160	1,190	1,180	1,190	1,230
Retail**	750	840	820	890	800	810	820
Auto Rental & other ground tran.	10	10	10	10	10	10	10
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	40	30	30	20	20	20	20
Total Direct Employment	3,670	4,000	3,970	4,120	3,970	4,060	4,190
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	7.4	8.6	8.8	9.4	9.2	9.9	10.6
State	7.4	8.7	9.1	10.1	10.0	10.7	11.3
Total Direct Gov't. Revenue	14.8	17.4	17.9	19.5	19.3	20.6	21.9

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## Coconino County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	678.6	730.2	694.0	697.7	734.8	778.4	834.1
Other Travel*	0.2	3.7	3.5	1.9	1.1	2.2	2.4
Total Direct Spending	678.8	733.9	697.5	699.6	735.9	780.5	836.5
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	486.4	515.1	477.9	478.7	505.8	538.1	580.3
Campground	37.8	45.0	46.4	46.2	48.1	50.4	52.2
Private Home	50.0	54.7	56.7	59.1	61.6	64.0	67.3
Vacation Home	23.4	26.1	26.9	27.4	28.2	29.4	30.7
Day Travel	80.9	89.2	86.1	86.3	91.1	96.4	103.6
Spending at Destination	678.6	730.2	694.0	697.7	734.8	778.4	834.1
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	186.0	198.6	183.3	180.9	188.6	203.0	220.6
Food & Beverage Services	173.5	186.8	178.7	184.3	194.7	205.7	220.2
Food Stores	37.9	39.9	39.5	40.1	41.2	42.3	43.2
Ground Tran. & Motor Fuel	29.5	47.3	45.6	43.4	52.2	61.5	75.3
Arts, Entertainment & Recreation	100.9	111.4	108.9	111.0	117.6	124.8	128.8
Retail Sales	147.5	146.1	138.0	136.1	137.5	138.8	143.3
Air Transportation (visitor only)	3.3	0.0	0.0	1.8	2.9	2.3	2.5
Spending at Destination	678.6	730.2	694.0	697.7	734.8	778.4	834.1
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	118.5	127.1	119.3	120.5	126.3	134.7	140.3
Arts, Entertainment & Recreation	41.2	45.5	44.5	45.3	48.0	50.9	52.6
Retail**	25.4	26.1	25.1	25.1	25.5	26.0	26.9
Auto Rental & other ground tran.	0.5	0.6	0.6	0.6	0.6	0.6	0.7
Air Transportation (visitor only)	1.2	0.0	0.0	0.8	1.2	0.9	0.9
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	187.0	200.8	191.0	193.2	202.2	214.1	222.4
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	7,310	7,230	6,680	6,650	6,790	6,820	6,690
Arts, Entertainment & Recreation	2,540	2,590	2,520	2,400	2,550	2,690	2,910
Retail**	1,320	1,230	1,150	1,110	1,090	1,070	1,090
Auto Rental & other ground tran.	20	20	20	20	20	20	20
Air Transportation (visitor only)	30	0	0	10	20	10	10
Other Travel*	0	30	30	20	20	20	20
Total Direct Employment	11,230	11,110	10,410	10,220	10,480	10,630	10,740
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	20.2	21.3	20.0	19.9	21.3	22.5	24.1
State	24.1	26.0	25.6	26.6	27.8	29.2	31.0
Total Direct Gov't. Revenue	44.2	47.3	45.5	46.6	49.1	51.7	55.0

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## Gila County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	181.0	205.7	205.7	207.6	213.4	220.4	232.5
Other Travel*	0.2	0.2	0.2	0.2	0.1	0.1	0.1
Total Direct Spending	181.2	205.9	205.9	207.8	213.6	220.5	232.6
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	32.0	36.9	32.4	32.3	34.0	35.0	42.5
Campground	10.9	12.3	12.5	12.6	13.1	13.6	14.0
Private Home	14.9	16.9	17.5	17.8	18.2	18.8	19.4
Vacation Home	10.3	11.4	11.7	11.8	12.1	12.4	12.7
Day Travel	112.9	128.2	131.6	133.0	136.1	140.6	143.8
Spending at Destination	181.0	205.7	205.7	207.6	213.4	220.4	232.5
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	13.4	15.5	13.7	13.5	14.0	14.6	17.3
Food & Beverage Services	32.4	37.2	36.9	38.1	39.2	40.5	43.8
Food Stores	11.0	11.8	11.9	12.1	12.3	12.5	12.8
Ground Tran. & Motor Fuel	5.9	9.6	9.3	8.8	10.7	12.6	15.5
Arts, Entertainment & Recreation	75.0	86.5	89.5	91.3	94.1	97.6	99.3
Retail Sales	43.3	45.0	44.4	43.8	43.1	42.6	43.8
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	181.0	205.7	205.7	207.6	213.4	220.4	232.5
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	16.4	18.8	18.2	18.6	19.1	19.8	21.6
Arts, Entertainment & Recreation	19.2	22.2	22.9	23.3	24.1	25.0	25.5
Retail**	7.7	8.2	8.1	8.1	8.1	8.1	8.3
Auto Rental & other ground tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	43.5	49.4	49.4	50.2	51.5	53.0	55.6
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	1,210	1,330	1,270	1,310	1,270	1,250	1,290
Arts, Entertainment & Recreation	1,100	1,090	1,300	1,260	1,330	1,200	1,210
Retail**	410	420	400	380	360	360	360
Auto Rental & other ground tran.	0	0	0	0	0	0	0
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	10	10	10	10	10	10	0
Total Direct Employment	2,730	2,850	2,990	2,970	2,980	2,820	2,860
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	2.1	2.3	2.2	2.2	2.3	2.4	2.9
State	2.6	3.0	2.9	3.0	4.0	5.1	6.4
Total Direct Gov't. Revenue	4.6	5.3	5.1	5.2	6.3	7.6	9.4

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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



## Graham & Greenlee Counties Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	24.8	31.1	29.5	29.6	30.6	31.7	36.3
Other Travel*	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Direct Spending	24.9	31.2	29.6	29.7	30.7	31.8	36.4
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	12.1	16.0	14.1	14.3	14.4	14.4	17.9
Campground	1.0	1.2	1.2	1.1	1.2	1.4	1.5
Private Home	9.2	10.7	11.0	11.1	11.6	12.3	12.9
Vacation Home	0.7	0.8	0.8	0.8	0.9	0.9	1.0
Day Travel	1.9	2.4	2.4	2.3	2.5	2.7	3.1
Spending at Destination	24.8	31.1	29.5	29.6	30.6	31.7	36.3
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	4.3	5.5	4.8	4.8	4.7	4.7	5.9
Food & Beverage Services	6.5	8.0	7.6	8.0	8.1	8.1	9.1
Food Stores	1.1	1.2	1.2	1.2	1.2	1.2	1.2
Ground Tran. & Motor Fuel	3.4	5.6	5.4	5.1	6.2	7.3	9.0
Arts, Entertainment & Recreation	3.8	4.6	4.5	4.7	4.7	4.8	5.2
Retail Sales	5.7	6.2	5.9	5.9	5.7	5.6	5.9
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	24.8	31.1	29.5	29.6	30.6	31.7	36.3
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	3.5	4.4	4.0	4.2	4.2	4.2	4.7
Arts, Entertainment & Recreation	1.9	2.3	2.3	2.3	2.4	2.4	2.6
Retail**	1.1	1.3	1.2	1.2	1.2	1.2	1.3
Auto Rental & other ground tran.	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	6.6	8.0	7.6	7.8	7.8	7.9	8.7
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	300	340	370	370	380	360	390
Arts, Entertainment & Recreation	140	140	240	290	360	370	400
Retail**	70	70	70	60	60	60	70
Auto Rental & other ground tran.	0	0	0	0	0	0	0
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	510	560	680	730	810	790	860
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	0.7	0.8	0.7	0.7	0.7	0.7	0.9
State	1.1	1.3	1.3	1.4	1.4	1.4	1.5
Total Direct Gov't. Revenue	1.8	2.1	2.0	2.1	2.1	2.1	2.4

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

**La Paz County  
Travel Impacts, 1998-2005p**

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	127.7	160.0	162.7	161.8	173.5	184.2	205.9
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Spending	127.7	160.0	162.7	161.8	173.5	184.2	205.9
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	9.3	12.9	14.4	14.1	15.5	14.8	22.3
Campground	36.4	45.8	45.9	45.9	49.6	53.5	58.1
Private Home	15.1	18.6	18.9	19.0	19.9	21.1	22.6
Vacation Home	15.1	18.5	18.7	18.6	19.7	20.9	22.3
Day Travel	51.8	64.2	64.7	64.2	68.7	74.0	80.6
Spending at Destination	127.7	160.0	162.7	161.8	173.5	184.2	205.9
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	6.2	7.1	7.5	7.5	7.8	7.7	9.4
Food & Beverage Services	14.4	17.1	17.9	18.4	19.0	19.3	21.2
Food Stores	12.7	13.8	14.0	14.3	14.5	14.5	14.6
Ground Tran. & Motor Fuel	29.7	48.5	46.9	44.4	53.7	63.6	78.0
Arts, Entertainment & Recreation	39.8	47.2	49.8	50.8	52.6	53.9	56.7
Retail Sales	24.8	26.3	26.6	26.3	25.9	25.3	26.0
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	127.7	160.0	162.7	161.8	173.5	184.2	205.9
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	6.0	7.0	7.4	7.6	7.8	7.9	8.9
Arts, Entertainment & Recreation	9.3	11.1	11.7	11.9	12.4	12.7	13.2
Retail**	6.4	7.3	7.5	7.7	7.8	7.8	8.2
Auto Rental & other ground tran.	0.3	0.4	0.4	0.4	0.4	0.5	0.5
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	22.0	25.9	27.0	27.6	28.4	28.9	30.8
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	500	540	550	520	530	500	530
Arts, Entertainment & Recreation	530	530	510	520	530	510	500
Retail**	340	370	370	370	360	370	390
Auto Rental & other ground tran.	10	10	10	10	10	10	10
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	1,390	1,460	1,440	1,430	1,440	1,390	1,430
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	1.5	1.7	1.7	1.7	1.8	1.8	2.1
State	4.9	5.9	6.0	6.1	6.8	7.5	8.5
Total Direct Gov't. Revenue	6.3	7.6	7.7	7.9	8.6	9.3	10.6

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## Maricopa County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	6,799	7,849	7,620	7,613	8,186	8,854	9,824
Other Travel*	832	921	866	851	940	1,033	1,137
Total Direct Spending	7,630	8,771	8,486	8,465	9,125	9,886	10,961
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	3,244	3,673	3,361	3,269	3,535	3,871	4,431
Campground	150	181	184	182	194	206	219
Private Home	2,240	2,601	2,681	2,752	2,951	3,164	3,408
Vacation Home	129	153	160	165	174	185	198
Day Travel	1,037	1,241	1,234	1,246	1,331	1,428	1,569
Spending at Destination	6,799	7,849	7,620	7,613	8,186	8,854	9,824
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	1,135	1,296	1,174	1,129	1,192	1,314	1,536
Food & Beverage Services	1,441	1,683	1,677	1,738	1,843	1,975	2,168
Food Stores	225	246	246	252	262	273	287
Ground Tran. & Motor Fuel	829	1,157	1,107	1,086	1,248	1,417	1,683
Arts, Entertainment & Recreation	886	1,050	1,067	1,093	1,163	1,249	1,319
Retail Sales	1,330	1,418	1,394	1,387	1,408	1,441	1,521
Air Transportation (visitor only)	953	998	955	929	1,070	1,184	1,310
Spending at Destination	6,799	7,849	7,620	7,613	8,186	8,854	9,824
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	833	965	925	932	986	1,069	1,168
Arts, Entertainment & Recreation	365	433	439	449	479	515	544
Retail**	222	247	245	248	254	263	278
Auto Rental & other ground tran.	43	48	44	48	51	53	58
Air Transportation (visitor only)	361	401	416	390	435	469	478
Other Travel*	350	410	410	390	410	440	450
Total Direct Earnings	2,173	2,508	2,479	2,455	2,619	2,811	2,981
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accommodation & Food Services	42.8	45.6	43.0	42.0	43.1	44.4	46.8
Arts, Entertainment & Recreation	16.9	16.6	15.4	15.5	16.9	18.1	19.5
Retail**	8.8	9.0	8.6	8.6	8.6	8.6	8.7
Auto Rental & other ground tran.	1.8	1.7	1.6	1.6	1.6	1.6	1.7
Air Transportation (visitor only)	8.3	8.2	8.1	6.9	6.9	7.1	7.1
Other Travel*	8.9	9.3	8.8	7.8	7.5	7.5	7.5
Total Direct Employment	87.6	90.4	85.5	82.3	84.6	87.4	91.2
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	241	267	253	255	266	281	312
State	236	273	274	285	299	318	346
Total Direct Gov't. Revenue	477	541	527	540	565	599	657

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## Mohave County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	253.7	319.4	327.9	335.3	361.3	395.1	432.6
Other Travel*	8.0	1.5	0.7	1.2	1.4	1.6	1.7
Total Direct Spending	261.7	320.9	328.6	336.5	362.7	396.7	434.3
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	84.8	106.1	109.4	113.6	123.8	138.8	152.7
Campground	23.9	29.3	28.7	28.6	30.5	32.5	35.0
Private Home	75.0	96.3	100.2	102.4	109.0	117.3	127.5
Vacation Home	26.8	32.8	33.7	34.3	36.7	39.4	42.7
Day Travel	43.2	54.9	55.9	56.3	61.3	67.2	74.7
Spending at Destination	253.7	319.4	327.9	335.3	361.3	395.1	432.6
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	32.8	38.6	39.5	41.0	43.5	48.6	53.1
Food & Beverage Services	56.3	67.8	71.5	76.4	81.4	88.2	95.0
Food Stores	21.4	23.7	24.4	25.4	26.3	27.3	28.3
Ground Tran. & Motor Fuel	39.2	64.0	61.9	58.6	70.8	83.9	103.0
Arts, Entertainment & Recreation	42.1	50.9	54.2	56.9	60.5	65.4	67.8
Retail Sales	61.9	67.5	69.1	70.3	71.4	73.6	76.4
Air Transportation (visitor only)	0.0	6.8	7.3	6.7	7.3	8.0	8.9
Spending at Destination	253.7	319.4	327.9	335.3	361.3	395.1	432.6
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	28.6	34.2	35.8	37.8	40.3	44.2	46.7
Arts, Entertainment & Recreation	17.9	21.8	23.1	24.3	25.9	28.0	29.1
Retail**	13.3	15.3	15.7	16.3	16.7	17.4	18.2
Auto Rental & other ground tran.	0.4	0.5	0.5	0.5	0.5	0.6	0.6
Air Transportation (visitor only)	0.0	2.7	3.2	2.8	3.0	3.2	3.2
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	63.5	75.4	78.8	82.5	87.1	94.1	98.6
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	2,150	2,390	2,360	2,450	2,450	2,580	2,660
Arts, Entertainment & Recreation	1,170	1,330	1,450	1,520	1,630	1,660	1,700
Retail**	610	700	710	680	660	670	660
Auto Rental & other ground tran.	20	20	20	20	20	20	20
Air Transportation (visitor only)	0	60	60	50	50	50	50
Other Travel*	90	30	20	20	20	20	20
Total Direct Employment	4,030	4,530	4,610	4,740	4,830	5,000	5,110
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	6.1	7.0	7.3	7.5	7.9	8.6	9.2
State	11.0	13.2	13.7	14.6	15.3	16.3	17.4
Total Direct Gov't. Revenue	17.1	20.2	21.0	22.1	23.2	24.9	26.5

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## Navajo County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	183.2	238.1	224.1	227.6	228.9	236.3	258.8
Other Travel*	0.4	0.3	0.3	0.3	0.2	0.2	0.2
Total Direct Spending	183.5	238.4	224.5	228.0	229.2	236.5	259.1
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	85.5	121.9	105.3	108.5	102.4	101.1	113.7
Campground	22.7	27.2	28.0	27.4	30.0	32.7	35.3
Private Home	27.2	31.8	33.0	33.5	35.1	37.3	39.7
Vacation Home	35.7	41.3	42.5	42.9	45.1	47.8	50.8
Day Travel	12.2	15.9	15.3	15.3	16.2	17.3	19.3
Spending at Destination	183.2	238.1	224.1	227.6	228.9	236.3	258.8
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	31.5	44.0	37.7	38.3	36.1	35.9	39.6
Food & Beverage Services	32.4	43.8	40.0	42.1	41.3	41.2	45.0
Food Stores	22.7	25.2	25.2	25.8	26.2	26.6	27.3
Ground Tran. & Motor Fuel	22.6	36.9	35.6	33.8	40.8	48.3	59.3
Arts, Entertainment & Recreation	35.6	44.0	44.1	46.1	44.6	45.1	47.0
Retail Sales	38.4	44.2	41.5	41.5	40.0	39.1	40.6
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	183.2	238.1	224.1	227.6	228.9	236.3	258.8
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	22.3	30.7	27.2	28.2	27.1	27.0	28.7
Arts, Entertainment & Recreation	13.0	16.5	16.2	16.9	16.7	17.0	17.6
Retail**	8.8	10.4	10.1	10.3	10.3	10.3	10.8
Auto Rental & other ground tran.	0.2	0.3	0.3	0.3	0.3	0.3	0.4
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	44.7	58.1	54.1	56.0	54.5	54.8	57.7
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	1,650	2,180	1,870	1,830	1,730	1,620	1,570
Arts, Entertainment & Recreation	1,040	990	1,030	960	970	950	960
Retail**	500	550	520	500	490	480	490
Auto Rental & other ground tran.	10	10	10	10	10	10	10
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	20	10	10	10	10	10	10
Total Direct Employment	3,210	3,750	3,440	3,310	3,210	3,070	3,040
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	4.4	5.8	5.2	5.3	5.1	5.1	5.5
State	6.6	8.6	8.2	8.5	8.8	9.0	9.8
Total Direct Gov't. Revenue	11.1	14.4	13.4	13.8	13.9	14.1	15.3

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## Pima County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	1,594	1,847	1,779	1,869	1,874	1,993	2,170
Other Travel*	26	27	26	23	24	26	28
Total Direct Spending	1,621	1,874	1,805	1,892	1,898	2,019	2,198
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	700	812	724	737	743	814	931
Campground	57	66	67	67	71	75	78
Private Home	372	431	448	460	479	501	527
Vacation Home	27	31	32	32	34	35	37
Day Travel	438	506	508	573	547	568	597
Spending at Destination	1,594	1,847	1,779	1,869	1,874	1,993	2,170
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	290	338	300	302	300	332	395
Food & Beverage Services	369	431	422	448	454	484	522
Food Stores	90	100	100	112	106	109	112
Ground Tran. & Motor Fuel	161	215	205	204	230	258	303
Arts, Entertainment & Recreation	226	268	268	277	286	305	317
Retail Sales	443	480	471	512	481	488	502
Air Transportation (visitor only)	14	16	15	14	16	18	20
Spending at Destination	1,594	1,847	1,779	1,869	1,874	1,993	2,170
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	217	254	239	249	250	270	294
Arts, Entertainment & Recreation	90	107	107	110	114	122	127
Retail**	72	80	79	86	82	83	86
Auto Rental & other ground tran.	11	13	12	13	13	14	15
Air Transportation (visitor only)	5	6	6	6	7	7	7
Other Travel*	10	20	20	10	10	10	10
Total Direct Earnings	412	475	457	476	478	510	544
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	11,880	13,370	12,590	12,890	12,660	13,250	13,840
Arts, Entertainment & Recreation	6,080	6,630	6,650	6,810	7,260	7,860	7,660
Retail**	3,210	3,350	3,190	3,410	3,130	3,160	3,200
Auto Rental & other ground tran.	480	460	420	430	440	430	440
Air Transportation (visitor only)	130	130	120	110	100	110	110
Other Travel*	520	470	440	360	320	310	310
Total Direct Employment	22,290	24,420	23,410	24,000	23,910	25,120	25,550
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	36.2	41.2	38.1	39.5	39.1	41.9	47.2
State	57.1	65.7	65.7	72.1	72.0	76.1	82.3
Total Direct Gov't. Revenue	93.3	106.9	103.8	111.5	111.1	118.0	129.5

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

**Pinal County**  
**Travel Impacts, 1998-2005p**

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	219.3	262.6	271.4	278.5	293.4	322.8	359.2
Other Travel*	0.1	0.1	0.1	0.1	0.4	0.4	0.4
Total Direct Spending	219.4	262.7	271.5	278.6	293.8	323.3	359.6
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	43.6	46.4	48.2	48.8	46.5	51.9	60.0
Campground	13.8	16.6	16.5	16.2	17.4	18.5	19.6
Private Home	72.3	89.7	93.7	98.0	105.7	116.9	130.0
Vacation Home	30.0	36.7	38.0	39.5	42.6	47.0	52.0
Day Travel	59.7	73.3	75.0	76.0	81.2	88.5	97.7
Spending at Destination	219.3	262.6	271.4	278.5	293.4	322.8	359.2
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	17.5	18.4	19.0	19.1	18.1	20.2	22.6
Food & Beverage Services	49.1	58.0	61.5	65.6	68.3	75.3	84.1
Food Stores	20.5	23.1	24.0	25.1	26.3	28.2	30.3
Ground Tran. & Motor Fuel	26.9	43.9	42.4	40.2	48.6	57.5	70.7
Arts, Entertainment & Recreation	45.0	53.8	57.3	60.0	63.0	68.9	73.4
Retail Sales	60.2	65.4	67.3	68.6	69.2	72.8	78.2
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	219.3	262.6	271.4	278.5	293.4	322.8	359.2
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	21.6	24.8	26.1	27.5	28.1	31.1	34.3
Arts, Entertainment & Recreation	19.6	23.5	25.1	26.3	27.7	30.5	32.6
Retail**	11.5	13.1	13.5	13.9	14.3	15.1	16.2
Auto Rental & other ground tran.	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	53.0	61.8	65.1	68.2	70.8	77.4	83.9
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	1,490	1,580	1,610	1,720	1,810	1,820	1,930
Arts, Entertainment & Recreation	890	970	1,680	1,550	1,640	1,640	1,790
Retail**	590	620	600	610	610	620	660
Auto Rental & other ground tran.	10	10	10	10	10	10	10
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	10	0	0	0	20	20	10
Total Direct Employment	2,990	3,180	3,900	3,900	4,080	4,110	4,400
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	4.4	4.9	5.2	5.3	5.4	5.9	6.6
State	8.2	9.7	10.2	10.9	11.4	12.4	13.6
Total Direct Gov't. Revenue	12.6	14.6	15.4	16.2	16.8	18.3	20.2

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

**Santa Cruz County  
Travel Impacts, 1998-2005p**

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	207.6	236.8	237.9	299.6	262.2	272.2	282.2
Other Travel*	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Total Direct Spending	207.6	236.8	237.9	299.7	262.2	272.2	282.3
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	27.5	29.0	25.6	28.0	27.3	32.6	37.9
Campground	3.8	4.4	4.4	4.5	5.0	5.3	5.5
Private Home	6.8	8.0	8.4	8.7	9.1	9.7	10.4
Vacation Home	0.8	0.9	1.0	1.0	1.0	1.1	1.2
Day Travel	168.7	194.4	198.5	257.5	219.7	223.5	227.3
Spending at Destination	207.6	236.8	237.9	299.6	262.2	272.2	282.2
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	11.0	11.6	10.3	11.1	10.8	12.8	14.9
Food & Beverage Services	25.9	29.1	28.8	35.6	31.9	33.9	36.4
Food Stores	79.3	90.4	92.3	120.2	102.1	103.5	104.6
Ground Tran. & Motor Fuel	5.3	8.7	8.4	8.0	9.6	11.4	14.0
Arts, Entertainment & Recreation	6.2	6.9	6.7	7.3	7.4	8.4	9.1
Retail Sales	79.8	90.1	91.4	117.5	100.4	102.2	103.2
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	207.6	236.8	237.9	299.6	262.2	272.2	282.2
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	11.9	13.1	12.6	15.1	13.7	15.0	16.2
Arts, Entertainment & Recreation	2.9	3.3	3.1	3.4	3.5	3.9	4.3
Retail**	22.6	25.8	26.2	33.7	28.8	29.3	29.7
Auto Rental & other ground tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	37.5	42.2	42.0	52.4	46.2	48.4	50.3
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	830	830	820	970	890	930	960
Arts, Entertainment & Recreation	230	250	250	250	240	250	270
Retail**	1,010	1,060	1,050	1,300	1,120	1,080	1,040
Auto Rental & other ground tran.	0	0	0	0	0	0	0
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	2,070	2,140	2,120	2,520	2,260	2,270	2,280
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	4.2	4.7	4.6	5.8	5.0	5.3	5.5
State	5.9	6.7	7.0	9.2	8.1	8.4	8.7
Total Direct Gov't. Revenue	10.0	11.3	11.6	14.9	13.1	13.7	14.2

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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



## Yavapai County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	434.7	552.7	551.6	556.0	580.4	587.2	637.0
Other Travel*	3.1	2.9	2.9	3.0	0.9	1.0	1.0
Total Direct Spending	437.8	555.6	554.5	558.9	581.3	588.2	638.1
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	138.7	208.1	197.1	194.9	205.9	197.9	230.7
Campground	35.7	39.8	40.5	40.8	42.2	44.1	45.5
Private Home	69.6	82.1	86.4	89.9	94.5	99.9	105.6
Vacation Home	14.6	16.8	17.6	18.2	19.1	20.1	21.0
Day Travel	176.1	205.8	210.0	212.1	218.7	225.2	234.1
Spending at Destination	434.7	552.7	551.6	556.0	580.4	587.2	637.0
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	59.0	86.0	81.3	79.6	83.1	81.5	97.6
Food & Beverage Services	100.3	132.4	133.2	137.8	145.0	145.9	159.7
Food Stores	27.0	30.8	31.1	31.8	32.8	33.2	34.3
Ground Tran. & Motor Fuel	16.7	27.3	26.4	25.0	30.2	35.8	43.9
Arts, Entertainment & Recreation	118.1	146.1	150.7	153.9	160.7	165.2	170.4
Retail Sales	113.5	130.2	128.9	127.8	128.4	125.5	131.0
Air Transportation (visitor only)	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Spending at Destination	434.7	552.7	551.6	556.0	580.4	587.2	637.0
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	52.0	71.3	70.1	71.2	74.7	74.5	82.1
Arts, Entertainment & Recreation	40.7	51.5	53.0	54.1	56.8	58.2	60.4
Retail**	18.4	21.2	21.2	21.2	21.5	21.2	22.2
Auto Rental & other ground tran.	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	113.6	146.4	146.6	148.9	153.8	154.9	165.8
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	3,500	4,410	4,210	4,240	4,210	3,900	3,930
Arts, Entertainment & Recreation	2,350	2,580	3,570	3,620	3,890	3,840	3,920
Retail**	930	970	950	900	870	850	890
Auto Rental & other ground tran.	10	10	10	10	10	10	10
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	120	100	90	90	30	30	30
Total Direct Employment	6,910	8,070	8,830	8,870	9,010	8,620	8,780
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	8.9	12.0	11.7	11.7	12.4	12.3	14.0
State	11.0	14.5	14.8	15.5	17.1	18.1	20.7
Total Direct Gov't. Revenue	19.9	26.5	26.5	27.2	29.5	30.4	34.8

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## Yuma County Travel Impacts, 1998-2005p

	1998	2000	2001	2002	2003	2004	2005p
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	373.8	434.4	439.5	496.2	496.1	524.7	563.2
Other Travel*	5.2	5.5	3.0	2.5	2.0	2.8	3.1
Total Direct Spending	379.0	439.9	442.5	498.7	498.1	527.5	566.3
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	86.1	95.5	90.6	103.1	118.2	132.2	154.8
Campground	48.9	57.5	58.7	58.2	61.5	64.8	67.0
Private Home	63.6	77.0	81.4	83.3	87.7	92.1	97.2
Vacation Home	28.4	33.8	35.0	35.4	37.1	38.9	40.8
Day Travel	146.8	170.6	173.9	216.2	191.6	196.6	203.5
Spending at Destination	373.8	434.4	439.5	496.2	496.1	524.7	563.2
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Lodging	29.4	32.2	30.5	33.4	36.7	40.8	47.9
Food & Beverage Services	61.0	71.2	72.4	82.2	83.9	89.1	97.0
Food Stores	62.0	69.9	71.4	85.0	77.8	79.3	80.6
Ground Tran. & Motor Fuel	21.0	34.2	33.1	31.3	37.9	44.9	55.1
Arts, Entertainment & Recreation	77.9	90.8	92.1	99.4	108.0	116.9	124.9
Retail Sales	122.5	136.1	137.8	162.2	148.2	150.5	153.9
Air Transportation (visitor only)	0.0	0.0	2.2	2.7	3.7	3.4	3.7
Spending at Destination	373.8	434.4	439.5	496.2	496.1	524.7	563.2
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodation & Food Services	28.2	32.4	32.2	36.3	37.9	40.8	44.7
Arts, Entertainment & Recreation	28.4	33.5	34.2	36.7	39.6	42.7	45.4
Retail**	26.4	29.9	30.3	35.6	32.8	33.4	34.2
Auto Rental & other ground tran.	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Air Transportation (visitor only)	0.0	0.0	1.0	1.1	1.5	1.3	1.4
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	85.5	98.3	99.5	111.2	113.0	119.8	127.3
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodation & Food Services	2,020	2,080	2,040	2,190	2,250	2,310	2,430
Arts, Entertainment & Recreation	1,340	1,480	2,210	2,210	2,200	2,240	2,230
Retail**	1,230	1,310	1,280	1,410	1,260	1,220	1,270
Auto Rental & other ground tran.	10	10	10	10	10	10	10
Air Transportation (visitor only)	0	0	20	20	20	20	20
Other Travel*	60	60	40	30	30	30	30
Total Direct Employment	4,660	4,940	5,590	5,870	5,770	5,830	5,990
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local	9.2	10.4	10.4	11.9	11.7	12.3	13.4
State	11.4	13.2	13.9	16.3	16.8	18.4	20.5
Total Direct Gov't. Revenue	20.7	23.6	24.3	28.2	28.5	30.7	33.9

Details may not add to totals due to rounding. Estimates for 1999 not printed due to space limitations.

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

## APPENDICES

*Appendix A. Travel Industry Accounts: A comparison of the Regional Travel Impact Model and Travel & Tourism Satellite Accounts*

*Appendix B. Travel Impact Estimation Procedures*

*Appendix C. Definition of Terms*

*Appendix D. Secondary Impacts Industry Groups*

*Appendix E. Rounding and Format of Detailed Tables*

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

An economic account is a method for displaying inter-related information about a set of economic activities. A travel industry account is a method to report different types of related information about the purchase of goods and services by visitors. The Bureau of Economic Analysis (BEA), which now provides annual and quarterly estimates of travel and tourism at the national level describes a Travel and Tourism Satellite Account (TTSA) as “present(ing) a rearrangement of information from the National Income and Product Accounts, from the industry accounts, and from other sources so that travel and tourism activities can be analyzed more completely than is possible in the structure of the traditional national economic accounts.”<sup>7</sup> Similarly, the RTIM has been developed by Dean Runyan Associates to estimate travel spending, earnings, employment, and tax receipts at the state, county, and regional levels. These initial findings can, in turn, be used as input data for deriving estimates of other economic measures, such as value-added and indirect effects.

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

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

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

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<sup>7</sup> Peter D. Kuhbach, Mark A. Planting, and Erich H. Strassner, “U.S. Travel and Tourism Satellite Accounts for 1998-2003,” *Survey of Current Business* 84 (September 2004): 43-59.

## PRIMARY CONCEPTS, CATEGORIES & DATA REQUIREMENTS

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

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

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

## TRAVEL INDUSTRY

Defining the travel industry is probably the most critical and data intensive effort involved in developing a travel industry account. It is an exercise in matching supply (sellers of goods and services) with demand (the travelers that purchase those particular goods and services). It is complicated by the fact that no single industrial classification scheme provides a valid measure of the travel industry.<sup>8</sup> There are only three significant industrial classifications, accommodations (NAICS 721) and Scheduled Passenger Air Transportation (NAICS 481111) and Travel Arrangement and Reservation Services (NAICS 5615) that *primarily* sell travel industry goods and services.<sup>9</sup> Firms in other industries (retail, recreation, transportation) provide goods and services to both travelers and other types of consumers.

Because of this, most satellite accounts, as well as the RTIM, incorporate at least some information about the expenditures of visitors in order to define the supply of visitor industry firms. For example, if there is an estimate of visitor-days and an

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<sup>8</sup> The North American Industrial Classification System (NAICS) is the current standard in the United States.

<sup>9</sup> Even these industries are not purely travel. For example, the accommodations industry provides services to local residents (food service and meeting rooms). Passenger airlines also ship cargo on the same planes that carry passengers. Fortunately, it is usually possible to make adjustments for these non-travel components through the use of additional data.

estimate of how much the average visitor spends on food services per day, then an estimate of visitor spending on food services can be calculated. In most cases, this will be only a fraction of all food service sales in that residents are a larger market for most restaurants.<sup>10</sup>

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

In the case of the transportation sector, the definition and measurement of the travel industry component is more complicated because most transportation spending by visitors involves travel to and from the destination, rather than travel at or within the destination market. This is not an issue if the geographic scope of the travel industry market includes the origin and destination of travel. National travel industry accounts thus include all domestic passenger air transportation in the travel industry. The issue is more complicated at the state or regional level, however. Suppose, for example, that the focus of a travel industry account is the state of Arizona. How should the purchase of a round trip airline ticket by a Chicago resident traveling to Phoenix be treated in that only some of the economic impact of this spending will occur in Arizona? A reasonable approach would be to allocate only a portion of this spending (and related payroll, taxes, etc.) to Arizona and ignore the remainder for the purpose of creating a travel industry account for Arizona. However, if this procedure were followed for every state, the sum of the state accounts would be less than the national travel account. The state accounts would be additive if outbound air travel from each state were included. However, this is methodologically inconsistent with the construction of a national account, which does not include outbound travel as a component of domestic tourism demand. The approach used in the RTIM is to make a distinction between the *visitor industry*, that includes only visitor demand, and the *travel industry*, which includes visitor demand and that portion of outbound travel that can be attributed to the resident economy. For example, the passenger air transportation employment in Arizona can be divided between three groups of travelers: inbound, outbound, and pass-through. Only that employment attributable to inbound travel is part of the Arizona *visitor industry*. Employment attributable to outbound and pass-through travelers is included with the larger *travel industry*.<sup>11</sup>

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<sup>10</sup> The proportion can vary enormously among regions and localities, however. In many popular visitor destinations, the primary market for food service will be visitors. It should also be noted that even with reliable visitor survey data, there is still the issue of how to translate spending on food service *commodities* to the supply of food service by *industry*. As indicated in the footnote above, food service is also supplied by the accommodation industry.

<sup>11</sup> The same issue arises with Travel agencies and reservation services (NAICS 5615). Most of these services are probably related to outbound travel and are treated as such in the RTIM.

The following two tables display the specific industries that are included in the travel industry for the BEA's national TTSA and the RTIM. Although not identical, the industries are equivalent with only a few exceptions.<sup>12</sup>

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

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

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

<sup>12</sup> The major exception is that the BEA includes the production of consumer non-durables that are sold through retail outlets. This is not a major component and would be even less so at the level of the state.

## RTIM Travel Impact Industries Matched to NAICS

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

Source: Dean Runyan Associates



## DEMAND SEGMENTS

The distinction between inbound and outbound travel has already been discussed in the previous section and in terms of the concepts of the *visitor industry* and the *travel industry*. Three other types of demand segments that are related exclusively to the *visitor industry* will be discussed here. The first two demand categories are reported by the BEA in their national 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. Furthermore, 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.<sup>13</sup> The distinction is obviously also important because it is based on different political, legal, and currency regimes – factors that in themselves influence travel behavior. At the level of the state or region, the distinction between resident and nonresident travel is less important, although it is often reported.<sup>14</sup> There are at least two reasons why this distinction is less useful at state and regional levels.

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

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<sup>13</sup> Conversely, the spending of U.S. visitors in other countries is treated as an import in the international transaction accounts.

<sup>14</sup> The issues discussed with regard to the reliability of survey data for leisure versus business travel also applies to this category

evaluation of the tax impacts of resident versus nonresident travel might also be important.<sup>15</sup>

Second, travel is behaviorally defined by length of distance from home (usually at least 50 miles one-way), trip purpose (non-routine), and/or the use of an overnight accommodation away from home. Rarely is domestic travel defined by virtue of crossing a geographic boundary.<sup>16</sup> The operators of tourist attractions in local communities are generally less interested in the origin of visitors than in the revenue that they generate for their businesses. In terms of the economic impacts at the *local* level, the distinction between in-state residents, out-of-state residents and international visitors may not be relevant other than for the purpose of marketing. However, other geographic characteristics of the visitor (e.g., distance traveled, the specific area of origin) are generally more useful measures of the visitor market than whether the visitor is a resident or nonresident.

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

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

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

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<sup>15</sup> Nonresident visitors who pay taxes in their destination state represent an unambiguous gain for the state. This effect is less clear for resident travelers within the state.

<sup>16</sup> In essence, state level travel impact estimates really represent an aggregation of smaller geographic units, such as counties or regions. Populous states with large landmasses (e.g., California or Texas) will have a higher proportion of resident travel than small states (e.g., Rhode Island or Delaware).

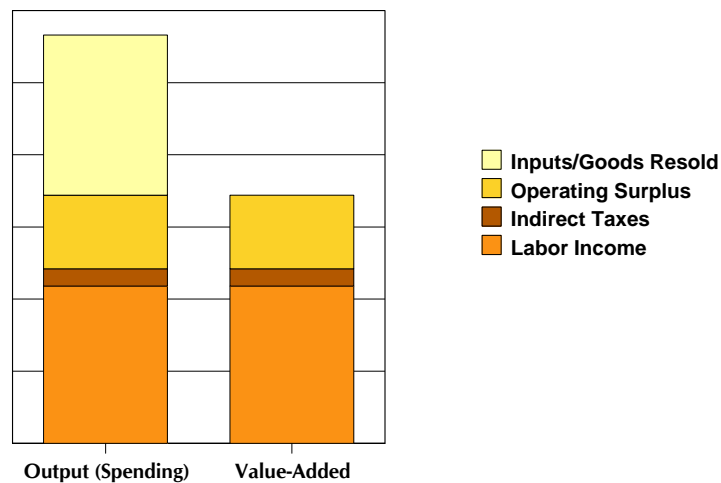
## COMPONENTS OF INDUSTRY OUTPUT

Because both the RTIM and the TTSA are empirically linked to NAICS industry accounts, it is possible to provide estimates of different components of economic output. The major economic components most often estimated are:<sup>17</sup>

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

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

**Components of Industry Output**



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

<sup>17</sup> There are some small differences between the BEA TTSA and the RTIM in what these components include. The BEA allocates proprietor income to Operating Surplus; the RTIM allocates it to Labor Income. The RTIM does not have an estimate of property taxes in indirect taxes. Overall, property taxes on businesses are a relatively small proportion of indirect taxes.

passenger travel in the state of Hawaii should not include the purchase of airplanes manufactured in the United States mainland by Boeing or in Europe by Airbus. Travel industry value-added is a more meaningful measure of the true economic impact visitor spending in Hawaii because some of economic impact of that spending will occur elsewhere.<sup>18</sup>

Value-added can also be viewed in terms of the distribution or payout of industry receipts, exclusive of those paid to other firms for intermediate inputs. Some of the receipts are distributed to labor as wages, benefits, and proprietor income. Some receipts are paid to government as indirect taxes. These taxes are called “indirect” because most of them are actually paid by consumers in the form of sales or excise taxes.<sup>19</sup> The remainder leaves gross operating surplus. Out of gross operating surplus various payments are made in the form of dividends, interest, and other payments, or retained by the firm. The sum of these three broad categories of payments is equal to travel industry value-added. To summarize:

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

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

The RTIM is similar to the TTSA in that it also provides estimates of these components of economic output. Travel spending, earnings, and tax impacts are generally provided at the state or regional level. Value-added is generally reported at the state-level only (sometimes referred to as Travel Industry Gross State Product). At the level of the state, travel industry value-added or GSP is an important measure – more economically meaningful than travel spending.<sup>20</sup> For smaller geographic areas, however, the rationale for reporting value-added is less clear. First, there are real data limitations and data costs in deriving these estimates. Second, ***the most important components of value added for the travel industry are earnings and tax receipts***. Because the travel industry is relatively labor intensive and because a large proportion of travel industry goods and services are subject to excise and sales taxes, these two components of value-added (labor income and indirect taxes) are relatively high for the travel industry. The local effects of gross operating surplus are generally less important and certainly much more difficult to assess than are earnings and tax impacts. The relevance of earnings and tax receipts is also in keeping the export-oriented emphasis of the travel industry: earnings and tax receipts are more likely to stay in the local economy than is operating surplus.

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<sup>18</sup> It should also be noted the value of the intermediate inputs used by travel industry firms will not necessarily disappear if the travel industry stops buying them. Aerospace firms will shift their production to other users (e.g., military). Agriculture will seek new markets for their products.

<sup>19</sup> Other taxes included here are property taxes, business franchise taxes, and other fees. Income taxes are not included, because they are paid out of operating surplus.

<sup>20</sup> It is also possible to compare different industries with respect to their value-added. It is more difficult and less useful to compare industries on the basis of sales.

## INDIRECT, INDUCED AND SECONDARY EFFECTS

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

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

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

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

The BEA does not report **induced** effects – the effect of household spending of the direct and indirect labor income. Typically, these induced effects will be larger than the indirect effects at the state or regional level, in part because they are based on both the direct and indirect components.<sup>21</sup> As with indirect effects, the induced effects will also tend to be lower for smaller economic areas and the reliability of the estimates will be less.

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<sup>21</sup> The induced effects can be estimated with the Implan model maintained by the Minnesota Implan Group.

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

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

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

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## TRAVEL IMPACT ESTIMATION PROCEDURES

### TRAVEL SPENDING

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

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

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

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

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

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

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

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

**Travel Arrangement Services.** This category consists of travel agencies (NAICS 56151). Employment estimates are based on employment data provided by the Bureau of Labor Statistics. Spending estimates are derived from the 1997 Economic Census.

## **RELATED TRAVEL IMPACTS**

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

**Earnings** generated directly from traveler expenditures are estimated from the payroll-to-receipts ratio obtained from data published in the 1997 Economic Census and the state and county estimates of earnings and employment produced annually by the Bureau of Economic Analysis' Regional Economic Information System (REIS). Earnings includes payroll and other earned benefits of employees, and proprietor income.

**Employment** in each business category is calculated from average earnings data derived from ES-202 statistics and the earnings and employment produced annually by the Bureau of Economic Analysis' Regional Economic Information System (REIS).

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

**State Taxes** consist of all statewide excise taxes (including sales taxes and gasoline excise taxes) and personal and business income taxes.



DEFINITION OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Indirect Impacts:** See secondary impacts.

**Induced Impacts:** See secondary impacts.

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

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

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

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

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

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

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

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

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

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

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

**Travel Arrangement:** Travel agents and tour operators.

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

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

**Vacation Home User:** Travelers using their own vacation home or timeshare and those renting a vacation home or cabin where a transient lodging tax is not collected.

## Industry Groups for Secondary Impacts

### **Accommodation & Food Services**

- Food services and drinking places
- Hotels and motels, including casino hotels
- Other accommodations

### **Arts, Entertainment & Recreation**

- Bowling centers
- Fitness and recreational sports centers
- Independent artists, writers, and performers
- Museums, historical sites, zoos, and parks
- Other amusement, gambling, and recreation industries
- Performing arts companies
- Promoters of performing arts and sports and agents for public figures
- Scenic and sightseeing trans and support activities for transportation
- Spectator sports

### **Wholesale & Retail Trade**

- Building material and garden supply stores
- Clothing and clothing accessories stores
- Electronics and appliance stores
- Food and beverage stores
- Furniture and home furnishings stores
- Gasoline stations
- General merchandise stores
- Health and personal care stores
- Miscellaneous store retailers
- Motor vehicle and parts dealers
- Nonstore retailers
- Sporting goods, hobby, book and music stores
- Wholesale trade

### **Transportation**

- Air transportation
- Automotive equipment rental and leasing
- Automotive repair and maintenance, except car washes
- Couriers and messengers
- Rail transportation
- Transit and ground passenger transportation
- Travel arrangement and reservation services
- Truck transportation
- Warehousing and storage
- Water transportation

## **Professional Services**

Accounting and bookkeeping services  
Advertising and related services  
All other miscellaneous professional and technical services  
Architectural and engineering services  
Book publishers  
Cable networks and program distribution  
Child day care services  
Civic, social, professional and similar organizations  
Colleges, universities, and junior colleges  
Computer systems design services  
Custom computer programming services  
Data processing services  
Database, directory, and other publishers  
Elementary and secondary schools  
Environmental and other technical consulting services  
Grantmaking and giving and social advocacy organizations  
Home health care services  
Hospitals  
Information services  
Legal services  
Management consulting services  
Management of companies and enterprises  
Motion picture and video industries  
Newspaper publishers  
Nursing and residential care facilities  
Offices of physicians, dentists, and other health practitioners  
Other ambulatory health care services  
Other computer related services, including facilities management  
Other educational services  
Periodical publishers  
Photographic services  
Radio and television broadcasting  
Religious organizations  
Scientific research and development services  
Social assistance, except child day care services  
Software publishers  
Sound recording industries  
Specialized design services  
Telecommunications  
Veterinary services

**Other Services**

- Business support services
- Car washes
- Commercial machinery repair and maintenance
- Death care services
- Drycleaning and laundry services
- Electronic equipment repair and maintenance
- Employment services
- Facilities support services
- General and consumer goods rental except video tapes and discs
- Household goods repair and maintenance
- Investigation and security services
- Lessors of nonfinancial intangible assets
- Machinery and equipment rental and leasing
- Office administrative services
- Other personal services
- Other support services
- Personal care services
- Private households
- Services to buildings and dwellings
- Video tape and disc rental
- Waste management and remediation services

**Government**

- Federal electric utilities
- Federal Military
- Federal Non-Military
- Other Federal Government enterprises
- Other State and local government enterprises
- Postal service
- State & Local Education
- State & Local Non-Education
- State and local government electric utilities
- State and local government passenger transit

**Construction**

- Commercial and institutional buildings
- Highway, street, bridge, and tunnel construction
- Maintenance and repair of farm and nonfarm residential structures
- Maintenance and repair of highways, streets, bridges, and tunnels
- Maintenance and repair of nonresidential buildings
- Manufacturing and industrial buildings
- New farm housing units and additions and alterations
- New multifamily housing structures, nonfarm
- New residential 1-unit structures, nonfarm
- New residential additions and alterations, nonfarm
- Other maintenance and repair construction
- Other new construction
- Water, sewer, and pipeline construction

**Finance, Ins., & Real Estate**

Funds, trusts, and other financial vehicles  
Insurance agencies, brokerages, and related  
Insurance carriers  
Monetary authorities and depository credit intermediation  
Nondepository credit intermediation and related activities  
Real estate  
Securities, commodity contracts, investments

**Mining & Manufacturing**

all mining & manufacturing industries except for food processing

**Agriculture & Food Processing**

farming & manufacturing industries in food processing

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## Rounding and Format of Detailed Tables

### ROUNDING OF ESTIMATES

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

### TABLE FORMAT

- *Total Direct Travel Spending* includes visitor spending at destination (including air transportation) plus other travel. Other travel includes resident spending on outbound air transportation and spending on travel arrangement services. Total direct travel spending does not include secondary (indirect and induced) effects.
- *Visitor Spending by Type of Traveler Accommodation* refers to the total direct spending of each category of visitor at that destination (county or state). For example, the spending of visitors that stayed at hotels, motels or B&B's includes their spending on accommodations, food & 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 & 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 all room taxes, local sales taxes and local auto rental taxes, plus the local share of the state transaction privilege tax. The state share of the transaction privilege tax, personal and business income taxes, motor fuel tax and contributions from tribal gaming revenue is included in state tax receipts. Federal taxes include payroll and income taxes, the motor fuel excise tax and airline ticket taxes.