

Arizona 2009 Tourism Facts

Year-end Summary





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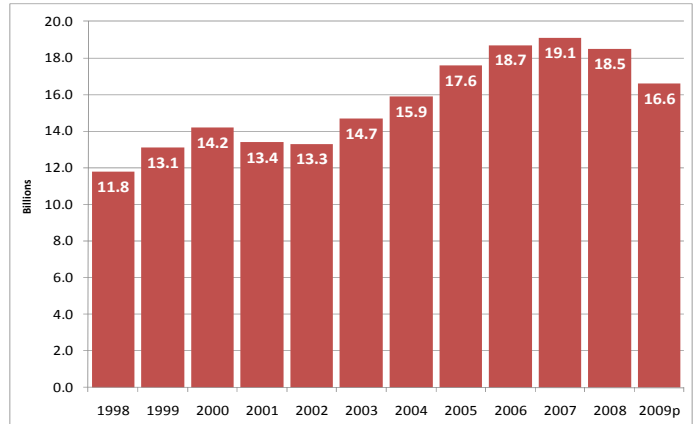
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This report summarizes the performance of the Arizona tourism industry in 2009. Areas highlighted are: economic impact, visitation volume and profile data, lodging performance, National and State Park visitation volume, airport passenger traffic and top attractions in Arizona.

2009 Overnight Visitation Summary

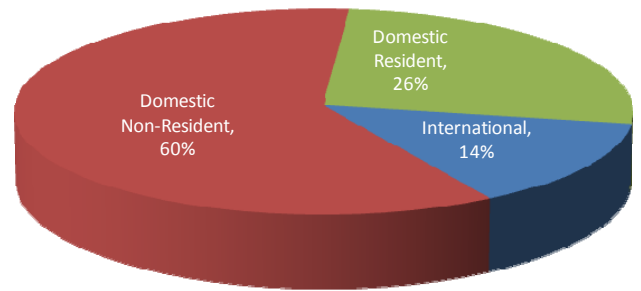
- Direct travel expenditures by all visitors to Arizona decreased -10.2 percent to \$16.6 billion in 2009.
- Direct travel spending in Arizona generated \$1.3 billion in local and state tax revenues and \$1.1 billion in federal tax revenues during 2009.
- Travel spending in Arizona generated a direct impact of 157,200 jobs with earnings of \$4.7 billion in 2009.
- Arizona hosted 35.3 million domestic and international overnight visitors, equal to roughly 97,000 visitors per day in 2009.
- Domestic non-residents made up the largest share of overnight visitors (60 percent) to Arizona with 21.2 million visitors in 2009. The second largest visitor segment was Arizona residents with 9.3 million overnight visitors, representing 26 percent of the market.
- 14 percent of Arizona’s overnight visitation was made up of the nearly 5 million international overnight visitors in 2009.

Direct Travel Expenditures - 1998-2009



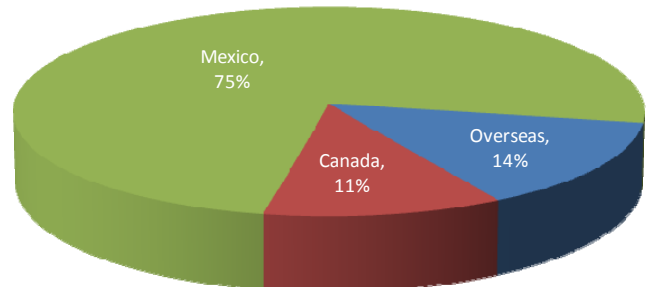
Source: Arizona Travel Impacts, Dean Runyan Associates

2009 Arizona Overnight Visitation



Source: Tourism Economics.; US Dept. of Commerce; Stats Canada; U of Arizona

2009 Arizona Overnight International Visitation

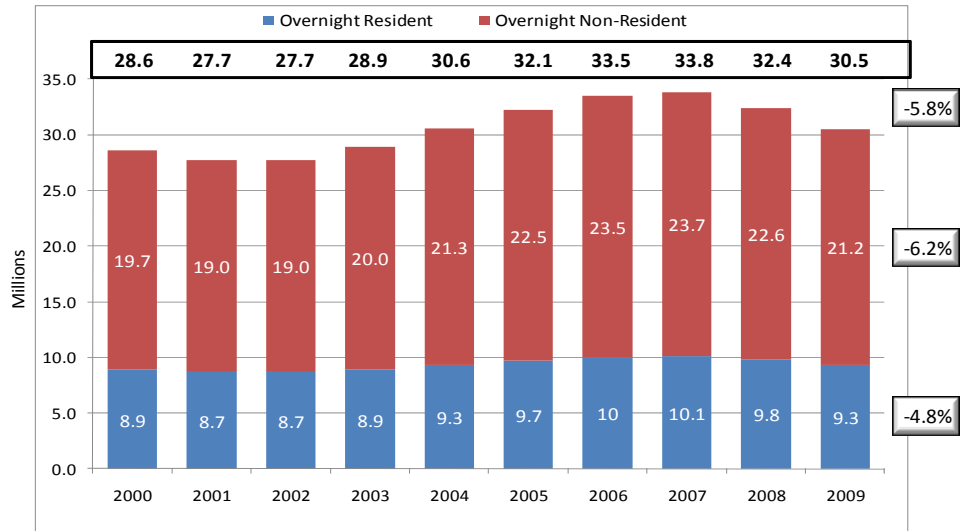


Source: US Department of Commerce; Stats Canada; U of Arizona

2009 Arizona Domestic Overnight Travel

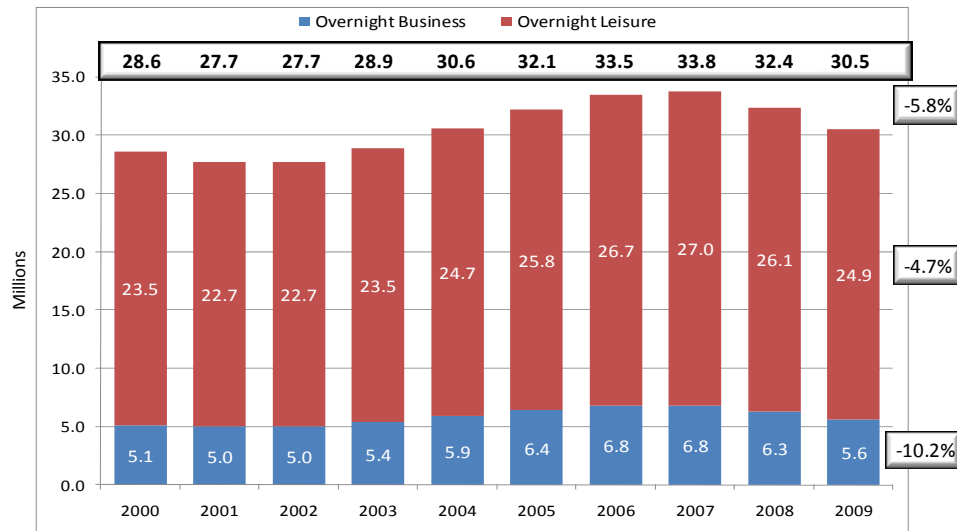
- In 2009, there were 30.5 million Arizona domestic overnight visitors, which is a decline of -5.8 percent.
- The decline in total domestic overnight travel to Arizona was mostly due to a -6.2 percent decrease in non-resident visitors. These 21.2 million visitors represented 70 percent of all domestic overnight visitation to Arizona in 2009. The smaller decline in resident visitation is consistent with closer-to-home and shorter trip travel patterns.
- There was a substantial decline of -10.2 percent in overnight domestic business travel to Arizona in 2009, reflecting the hard-hit meetings and conventions segment.
- 31 percent of Arizona’s 2009 domestic overnight visitors reside here in Arizona, while another 35 percent are from the neighboring states of California, Texas, New Mexico, Washington and Colorado.

Arizona Domestic Overnight - Non-Resident vs. Residents



Source: Tourism Economics

Arizona Domestic Overnight - Business vs. Leisure



Source: Tourism Economics

2009 Arizona Domestic Overnight Visitors - Non-Residents vs. Residents

- Non-resident visitors to Arizona stay longer on average (4.4 nights) compared to the average 2.1 nights of our resident visitors.
- Non-resident visitors are slightly older (46.9 years) than our resident visitors, who average 46.6 years of age.
- Non-resident visitors have a higher average household income compared to resident visitors, at \$81,400 compared to \$66,900.
- 27 percent of non-resident visitors travel by air, while 38 percent travel by auto. In contrast, 80 percent of resident visitors travel by auto. More non-residents rent cars in Arizona (18 percent) compared to the 5 percent of residents who travel in rental cars.
- Non-residents visitors primarily come to Arizona during Q1 & Q2 (January - June) while resident visitors travel within Arizona more often during Q2 & Q3 (April - September).

	Total Overnight	Overnight Non-Residents	Overnight Residents
Visitors	30.5 million	21.2 million	9.3 million
Average Length of Stay	3.5 nights	4.4 nights	2.1 nights
Average Travel Party Size	2.6 persons	2.5 persons	2.6 persons
Purpose of Stay	39% VFR, 15% Touring & 8% Outdoors	41% VFR, 15% Touring, 8% Special Events & 6% Outdoors	36% VFR, 14% Touring & 13% Outdoors
Average Age	46.8 years	46.9 years	46.6 years
Average Household Income	\$76,000	\$81,400	\$66,900
Mode of Transportation	51% Auto, 20% Air, 14% Rented Auto	38% Auto, 27% Air, 18% Rented Auto	80% Auto, 5% Rented Auto
Accommodations	68% Paid, 32% Non-Paid	65% Paid, 35% Non-Paid	70% Paid, 30% Non-Paid
Trip Quarter	27% Q1, 25% Q2	29% Q1, 24% Q2, 24% Q4	28% Q3, 26% Q2

Source: Tourism Economics, Longwoods International

2009 Arizona Domestic Overnight Visitors - Leisure vs. Business

- Leisure visitors tend to stay longer when they visit Arizona (3.5 nights) compared to business visitors, who stay an average of 3.1 nights.
- Leisure visitors have an average travel party size of 2.7 persons compared to business visitors with 1.7 persons in their travel party.
- Business visitors have an average age of 47.7 years which is older than leisure visitors, who have an average age of 46.2 years.
- 54 percent of leisure visitors travel by auto compared to 34 percent of business visitors. Air travel also plays an important role with 32 percent of business visitors and 18 percent of leisure visitors traveling by air.

	Total Overnight	Overnight Leisure	Overnight Business
Visitors	30.5 million	24.9 million	5.6 million
Average Length of Stay	3.5 nights	3.5 nights	3.1 nights
Average Travel Party Size	2.6 persons	2.7 persons	1.7 persons
Purpose of Stay	39% VFR, 15% Touring & 8% Outdoors	48% VFR, 18% Touring, 10% Outdoors & 10% Special Event	71% General Business & 29% Conference/ Convention
Average Age	46.8 years	46.2 years	47.7 years
Average Household Income	\$76,000	\$72,200	\$93,100
Mode of Transportation	51% Auto, 20% Air, 14% Rented Auto	54% Auto, 18% Air, 12% Rented Auto	34% Auto, 32% Air, 20% Rented Auto
Accommodations	68% Paid, 32% Non-Paid	66% Paid, 34% Non-Paid	86% Paid, 14% Non-Paid
Trip Quarter	27% Q1, 25% Q2	26% Q1, 25% Q2	31% Q1, 26% Q3

Source: Tourism Economics, Longwoods International

2009 Arizona Domestic Overnight Visitors by Region

- Domestic Overnight visitation to Arizona’s regions varies in terms of visitor demographics, trip timing and origin region. The data shown in the table below provides an analysis of Arizona Domestic Overnight travelers by Arizona Region.
- The map to the right depicts Arizona’s five regions, the dark orange area represents Northern Arizona, the green area North Central Arizona, the purple area Phoenix & Central, the blue area Tucson & Southern and the light orange area the West Coast.



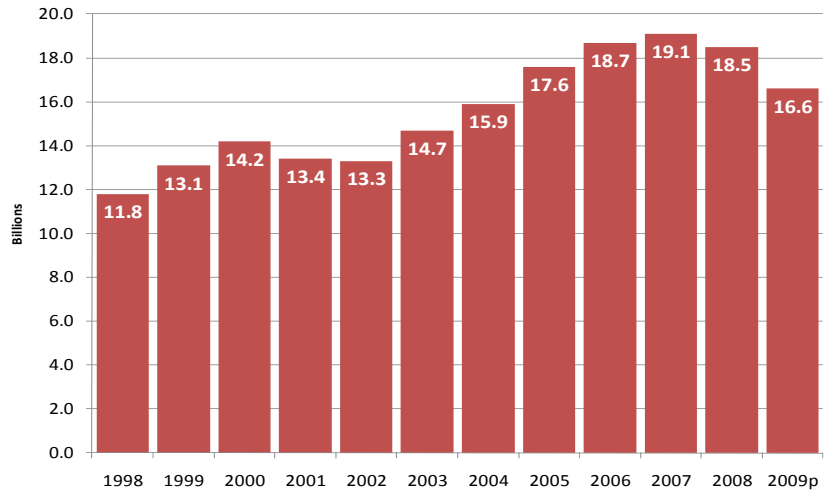
	Total Overnight	North Central Overnight	Northern Overnight	Phoenix & Central Overnight	Tucson & Southern Overnight	West Coast Overnight
Visitors	30.5 million	4.0 million	6.1 million	14.0 million	6.7 million	3.0 million
Average Length of Stay	3.5 nights	2.6 nights	2.6 nights	3.5 nights	3.4 nights	2.8 nights
Average Travel Party Size	2.6 persons	2.8 persons	2.9 persons	2.8 persons	2.2 persons	2.7 persons
Purpose of Stay	39% VFR, 15% Touring, 8% Outdoors	32% Touring, 30% VFR, 16% Outdoors	30% VFR, 28% Touring, 16% Outdoors	47% VFR, 10% Touring, 10% Special Event	45% VFR, 11% Business, 11% Touring	33% VFR, 17% Touring, 14% Outdoors
Average Age	46.8 years	49.2 years	45.3 years	47.7 years	48.8 years	43.1 years
Average HH Income	\$76,000	\$77,020	\$69,650	\$81,700	\$80,110	\$79,860
Mode of Transportation	51% Auto, 20% Air, 14% Rented Auto	60% Auto, 15% Rented Auto, 13% Air	62% Auto, 13% Air, 12% Rented Auto	43% Auto, 29% Air, 17% Rented Auto	53% Auto, 22% Air, 15% Rented Auto	63% Auto, 12% Rented Auto, 10% Air
Accommodations	68% Paid, 32% Non-Paid	71% Paid, 29% Non-Paid	72% Paid, 28% Non-Paid	63% Paid, 37% Non-Paid	61% Paid, 39% Non-Paid	72% Paid, 28% Non-Paid
Trip Quarter	27% Q1, 25% Q2	28% Q2, 26% Q1	28% Q2, 27% Q3	31% Q1, 26% Q4	31% Q1, 27% Q4	32% Q1, 26% Q3
Top Origin DMAs	Phoenix, Los Angeles, Tucson, New York, Albuquerque	Phoenix, Los Angeles, Tucson, Sacramento, San Diego	Phoenix, Los Angeles, Tucson, Albuquerque, San Francisco	Los Angeles, Tucson, New York, San Francisco, Seattle	Phoenix, Los Angeles, San Diego, Sacramento, Chicago	Los Angeles, Phoenix, San Diego, Las Vegas, Seattle

Source: Tourism Economics & Longwoods International

The Economic Impact of Travel in Arizona

- Travel is an important contributor to the vitality of both the state and local economies. In 2009, total direct travel spending in Arizona was \$16.6 billion, which generated 157,200 direct jobs paying \$4.7 billion in earnings.
- Arizona visitors staying overnight in paid lodging accounted for 41 percent of all visitor spending in 2009.
- Taxes generated by the travel industry are primarily paid by visitors rather than residents. In 2009, 79 percent of the visitor spending in Arizona was by non-Arizona residents. This new money imported into the state economy means the tax revenue generated by travel spending is a net benefit to Arizona residents.

Direct Travel Spending 1998-2009



Source: Arizona Travel Impacts, Dean Runyan Associates

Travel Employment - 2009

EMPLOYMENT	
Direct	157,200
Secondary	135,000
TOTAL	292,200

DIRECT EMPLOYMENT BY SECTOR	
1. Accommodation & Food Services	83,300
2. Arts, Entertainment & Recreation	39,800
3. Retail Trade	18,700
4. Transportation	15,400

DIRECT PAYROLL	\$4.7 B
TOTAL PAYROLL	\$9.6 B

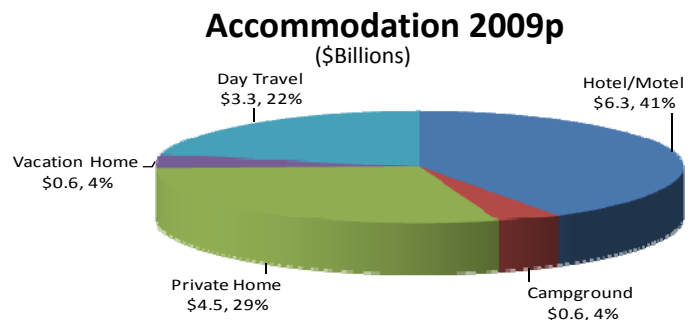
Source: Arizona Travel Impacts, Dean Runyan Associates

Direct Travel Expenditures - 2009

EXPENDITURES	\$16.6 B
TAX REVENUE	\$2.391 B
FEDERAL	\$1.085 B
STATE/LOCAL	\$1.306 B

Source: Arizona Travel Impacts, Dean Runyan Associates

Visitor Spending by Type of Traveler



Source: Arizona Travel Impacts, Dean Runyan Associates

Arizona Travel Impacts - 1998-2009p

Year	Spending		Earnings		Employment		Tax Revenues (\$Mln)		
	(\$Bln)	(\$Bln)	(Thousand)	Local/State	Federal	Total			
1998	11.8	3.2	148.8	941	630	1,571			
1999	13.1	3.5	158.1	1,043	702	1,746			
2000	14.2	3.8	163.3	1,138	744	1,882			
2001	13.4	3.7	153.3	1,082	777	1,859			
2002	13.3	3.6	148.2	1,101	825	1,926			
2003	14.7	4.0	158.2	1,211	912	2,122			
2004	15.9	4.3	163.0	1,287	988	2,275			
2005	17.6	4.5	168.8	1,399	1,081	2,479			
2006	18.7	4.9	172.0	1,464	1,176	2,640			
2007	19.1	5.0	170.0	1,501	1,213	2,713			
2008	18.5	4.9	166.8	1,421	1,154	2,575			
2009p	16.6	4.7	157.2	1,306	1,085	2,391			
<i>Annual Percentage Change</i>									
08-09p	-10.2%	-5.8%	-5.7%	-8.1%	-6.0%	-7.1%			
98-09p	3.1%	3.5%	0.5%	3.0%	5.1%	3.9%			

Source: Arizona Travel Impacts, Dean Runyan Associates

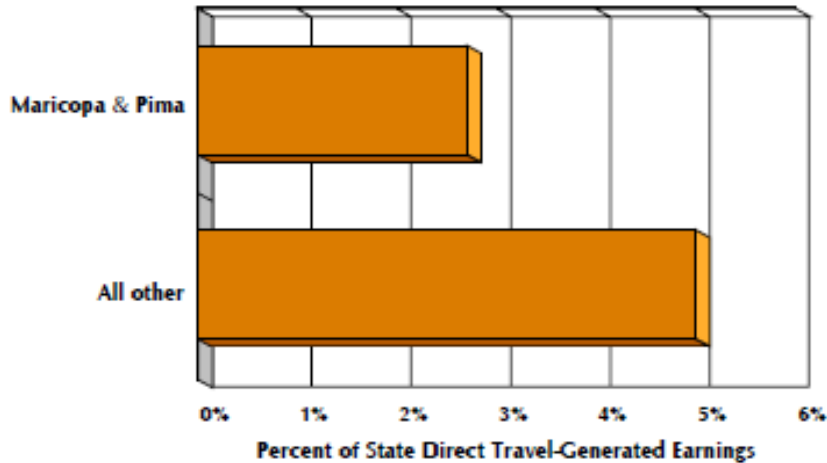
Arizona County Travel Impacts - 2009p

County	Travel			Related Travel-Generated Impacts		
	Spending (\$Mln)	Earnings (\$Mln)	Employment (jobs)	Local Taxes (\$Mln)	State Taxes (\$Mln)	Total Taxes (\$Mln)
Apache	125	30	1,700	3.0	5.0	8.1
Cochise	331	82	4,340	11.5	12.2	23.6
Coconino	891	269	11,130	26.9	35.0	61.9
Gila	217	57	2,560	2.6	6.0	8.6
Graham/Greenlee	36	10	930	0.9	1.6	2.5
La Paz	180	30	1,290	2.1	7.7	9.8
Maricopa	10,308	2,996	84,200	282.4	336.4	618.8
Mohave	406	104	4,780	8.7	16.9	25.6
Navajo	256	65	3,010	5.7	9.9	15.7
Pima	1,950	524	22,290	40.5	76.3	116.8
Pinal	422	113	4,670	8.2	16.1	24.3
Santa Cruz	270	50	1,960	5.3	8.6	13.9
Yavapai	624	180	8,410	14.0	21.2	35.1
Yuma	577	144	5,940	14.4	21.8	36.2
Arizona	16,594	4,654	157,210	426.2	574.8	1,000.9*

Source: Arizona Travel Impacts, Dean Runyan Associates

* Property taxes and sales taxes paid by travel industry employees not included.

State Transaction Privilege Taxes Generated By Direct Travel Spending, 2009p



The impact of traveler spending is relatively more important to Arizona's rural counties than urban counties.

Source: Dean Runyan Associates and Arizona Department of Revenue

Arizona County Total Direct Spending, 1998-2009p (millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	08-09p
Apache	80	94	109	101	100	107	113	129	138	143	148	125	-15.9
Cochise	207	234	258	253	271	279	302	320	328	352	351	331	-5.6
Coconino	675	715	741	694	691	741	788	843	870	920	955	891	-6.7
Gila	179	189	206	204	204	213	221	233	242	247	237	217	-8.1
Graham/Greenlee	23	26	31	28	28	30	32	36	45	48	48	36	-25.4
La Paz	126	146	162	160	158	175	186	208	210	216	216	180	-16.9
Maricopa	7,327	7,989	8,779	8,176	7,979	9,069	9,888	11,069	11,910	12,198	11,642	10,308	-11.5
Mohave	249	291	322	315	315	361	397	435	483	469	456	406	-10.9
Navajo	179	213	240	220	221	229	238	260	283	290	306	256	-16.4
Pima	1,552	1,725	1,876	1,738	1,788	1,885	2,019	2,197	2,263	2,237	2,101	1,950	-7.2
Pinal	206	236	263	257	257	291	323	365	408	450	461	422	-8.6
Santa Cruz	206	226	237	237	298	262	272	274	254	255	257	270	4.9
Yavapai	426	579	558	543	540	581	590	642	685	717	703	624	-11.1
Yuma	371	407	444	434	485	501	533	567	587	590	599	577	-3.6
Arizona	11,806	13,071	14,225	13,361	13,333	14,725	15,903	17,578	18,704	19,132	18,480	16,594	-10.2

Source: Arizona Travel Impacts, Dean Runyan Associates

Mountain Region States

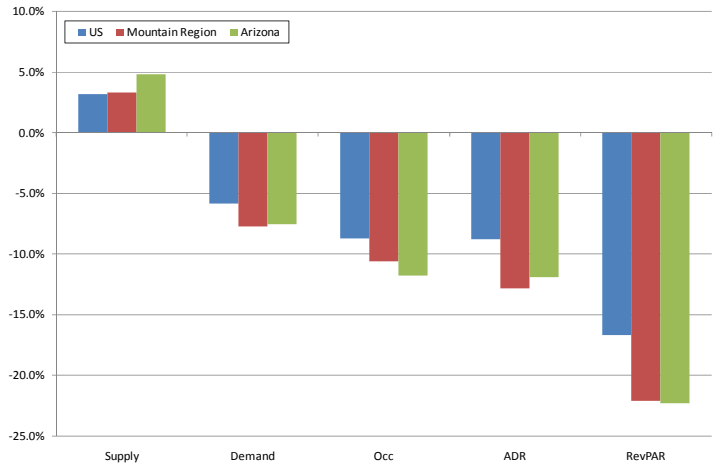


Source: U.S. Census Bureau

2009 Arizona Lodging

- The performance of the lodging industry in 2009 was a reflection of the current recession which started late 2007.
- Demand for lodging in Arizona decreased -7.5 percent over 2008 compared to the US decrease of -5.8 percent and the Mountain region decrease of -7.7 percent.
- Despite the decline in room demand, Arizona’s room supply increased 4.8 percent in 2009. The US and Mountain Region also witnessed increases of 3.2 percent and 3.3 percent respectively.
- Decreased room demand and increased room supply in 2009 drove decreases in occupancy rates in Arizona lodging. Statewide occupancy decreased an average of -11.8 percent for the year to a rate of 53.3 percent. The occupancy rate for both the U.S. and Mountain region declined to -8.7 percent and -10.6 percent.
- Due to the decline in demand, the Average Daily Rate (ADR) for Arizona in 2009 decreased -11.9 percent over 2008 to \$95.01. The U.S. and Mountain region ADR also declined -8.8 percent and -12.8 percent.
- The average RevPAR decreased -22.3 percent to a rate of \$50.63 for Arizona. For the U.S. and Mountain region, RevPAR declined -16.7 percent and -22.1 percent.

Arizona Lodging Performance 2009 (% Change)



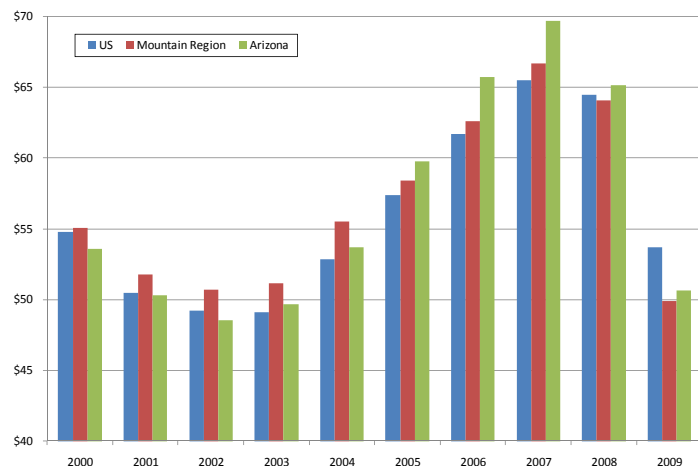
Source: Smith Travel Research

Arizona Occupancy Rates - 2000-2009



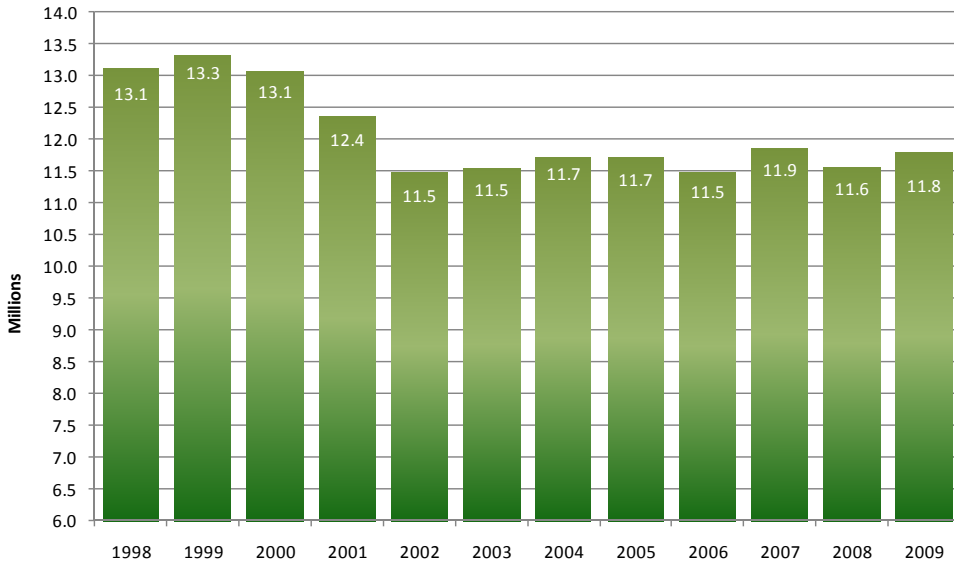
Source: Smith Travel Research

Arizona RevPAR - 2000-2009



Source: Smith Travel Research

Arizona National Park Visitation - 1998-2009



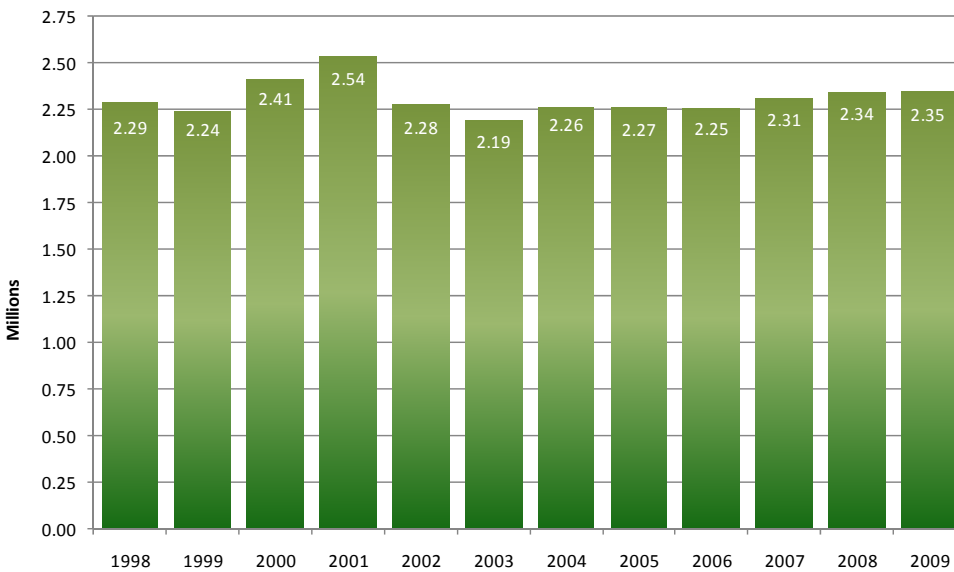
Source: National Park Service

Arizona’s National Parks welcomed 11,785,054 visitors in 2009, an increase of 1.9 percent from 2008.

Top Visited National Parks 2009:

1. Grand Canyon NP
2. Glen Canyon NRA
3. Lake Mead NRA
4. Canyon de Chelly NM
5. Saguaro NP

Arizona State Park Visitation - 1998-2009



Source: Arizona State Parks

There were 2,348,958 visitors to Arizona’s State Parks in 2009 with an increase of 0.3 percent from 2008.

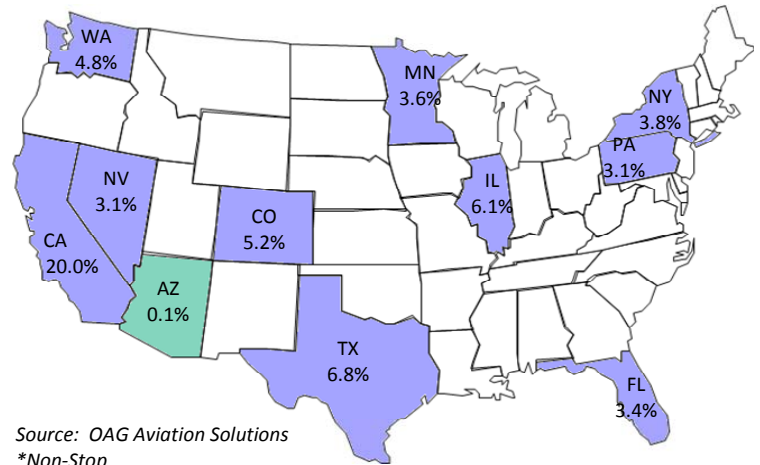
Top Visited Arizona State Parks 2009:

1. Slide Rock SP
2. Lake Havasu SP
3. Patagonia Lake SP
4. Catalina SP
5. Kartchner Caverns SP

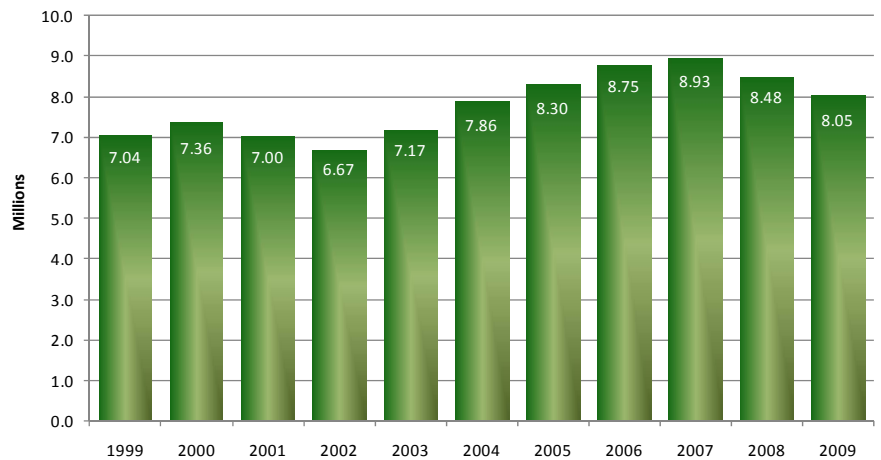
2009 Air Visitors to Arizona

- According to Dean Runyan Associates, Arizona is above average in terms of the importance of passenger air travel to the state’s visitor industry. Over one-half of all travel spending by visitors to Arizona is attributable to visitors that traveled by air.
- Nearly 60 percent of Arizona’s domestic air visitors come from the top ten origin states. 20 percent of air visitors come from California, 7 percent from Texas and 6 percent from Illinois. Air visitors traveling within Arizona only make up 0.1 percent of the total air volume to Arizona.
- Reflecting the current state of the airline industry, in 2009, there were 8.1 million out-of-state visitors to Arizona arriving by air. This number excludes Arizona residents returning home and anyone simply making a connection at an Arizona airport. This was a decline of -5 percent from 2008.

2009 Air Visitors to AZ - Market Share of Top Origin States*



Out of State Air Visitors to Arizona - 1999-2009*



Source: OAG Aviation Solutions *Non-Stop

Top Arizona Attractions by Visitation - 2009

<u>Top 25 Private Attractions</u>		<u>Top 25 Natural Attractions</u>	
Attraction	Visitation	Attraction	Visitation
Tempe Town Lake	2.8 million	Grand Canyon NP	4.3 million
London Bridge	2.5 million	South Mountain Park	2.0 million
Chase Field	2.1 million	Glen Canyon NRA	1.6 million
The Phoenix Zoo	1.4 million	Lake Mead NRA	1.6 million
Jobing.com Arena	1.2 million	Canyon de Chelly	826,000
U of Phoenix Stadium	1.2 million	Saguaro NP	664,000
U.S. Airways Center	1.1 million	Petrified Forest NP	632,000
Desert Botanical Garden	640,000	Montezuma Castle NM	580,000
WestWorld of Scottsdale	600,000	Lake Pleasant RP	436,000
Reid Park Zoo	536,000	Lake Havasu SP	368,000
Tombstone	500,000	Organ Pipe Cactus NM	326,000
ASU Sun Devil Stadium	430,000	Grand Canyon West Skywalk	292,000
Rawhide Western Town	428,000	Slide Rock SP	259,000
Wildlife World Zoo & Aquarium	410,000	Wupatki NM	233,000
Arizona Science Center	364,000	Patagonia Lake SP	214,000
Grand Canyon Railway	289,000	Sunset Crater Volcano NM	177,000
Arizona Temple and Visitors' Center	271,000	Catalina SP	175,000
Scottsdale Center for the Performing Arts	236,000	Dead Horse Ranch SP	171,000
Phoenix Art Museum	201,000	Tohono Chul Park	156,000
Arizona Snowbowl	180,000	Kartchner Caverns SP	144,000
Heard Museum	180,000	Walnut Canyon NM	128,000
Tucson Museum of Art & Historic Block	176,000	Tuzigoot NM	106,000
Pima Air & Space Museum	145,000	Hubbell Trading Post NHS	102,000
Verde Canyon Railroad	89,000	Buckskin Mountain SP	100,000
Lowell Observatory	80,000	Coronado National Forest	97,000

Source: Reporting Entities