

ECONOMIC IMPACT OF TOURISM IN SOUTH DAKOTA 2021

Prepared for:
South Dakota Department of Tourism



INTRODUCTION

The travel sector is an integral part of the South Dakota economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of South Dakota's future. How critical? Tourism represents 5.1% of South Dakota's economy and supports 8.7% of all jobs in the state.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for South Dakota as it builds upon its tourism economy. By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the economic significance of the tourism sector in South Dakota, Tourism Economics has prepared a comprehensive model detailing the wide-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, personal income, and fiscal (tax) impacts in the broader economy.

The analysis draws on the following data sources:

- D.K. Shifflet survey data, including spending and visitor profile characteristics for visitors to South Dakota
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: Lodging performance data, including room demand, room rates, occupancy, and room revenue
- US Census: business sales by industry and seasonal second homes inventory
- South Dakota Department of Revenue – sales tax data by industry and other data points
- Bed tax revenues – local sources
- National and State park attendance levels

KEY FINDINGS

KEY FINDINGS

2021 wasn't just recovery, it set records in South Dakota



Visitor Spending

In 2021, 13.5 million visitors spent \$4.4 billion in South Dakota.



Employment Supporter

Visitor activity supported 54,200 jobs in the state, recovering nearly all of the jobs lost during the pandemic.



2021 – more than just a recovery

Visitor spending surpassed 2019 spending levels with room revenues and room demand also setting new highs.



Fiscal Contributions

Visitors generated \$345 million in state and local taxes, which is equivalent to \$980 in tax savings for every household in South Dakota.

VISITATION AND SPENDING

VISITOR SPENDING TRENDS

A banner year in 2021

South Dakota tourism didn't just recover from the pandemic in 2021, it thrived. Key metrics like room revenues hit peaks in key summer months, registering 30% higher than what had ever been reported in the state previously. Sales tax collections in tourism-influenced industries like restaurants and gasoline affirmed the explosion of visitor activity that the state saw in 2021. Visitation to in-state national parks surpassed even the numbers seen when the National Park Service celebrated its 100th anniversary.

Visitor spending growth surged 30% in 2021, wiping out the pandemic-induced decline in 2020 and surpassing the pre-pandemic high by more than six percent.



South Dakota welcomed 13.5 million visitors in 2021

Visitation jumped 26% in 2021, recovering 75% of the visitation lost in 2020.



Visitors spent \$4.4 billion in South Dakota in 2021

Spending jumped nearly 30% to wipe out all of the pandemic visitor spending losses.



Lodging surpasses previous highs by more than \$100 million

After being hit hard during the pandemic, lodging sales surged past 2019 levels to reach nearly \$890 million, a jump of almost \$120 over 2019 levels.

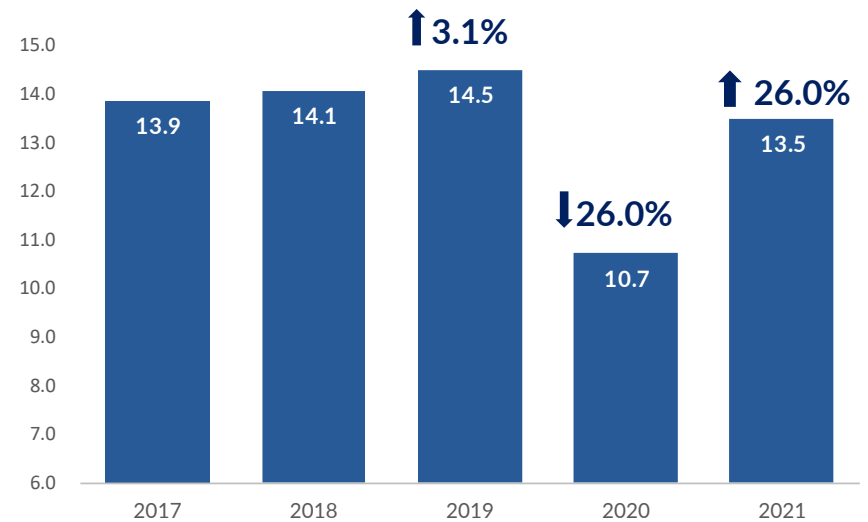
VISITATION

Total visitor count

Visitation leapt 26% in 2021, rebounding to 13.5 million from a revised 10.7 million visitors in 2020.

Visitation grew by 2.8 million, recovering 75% of the lost visitation in 2020.

South Dakota visitation levels (millions)



Source: D. K. Shifflet, Tourism Economics

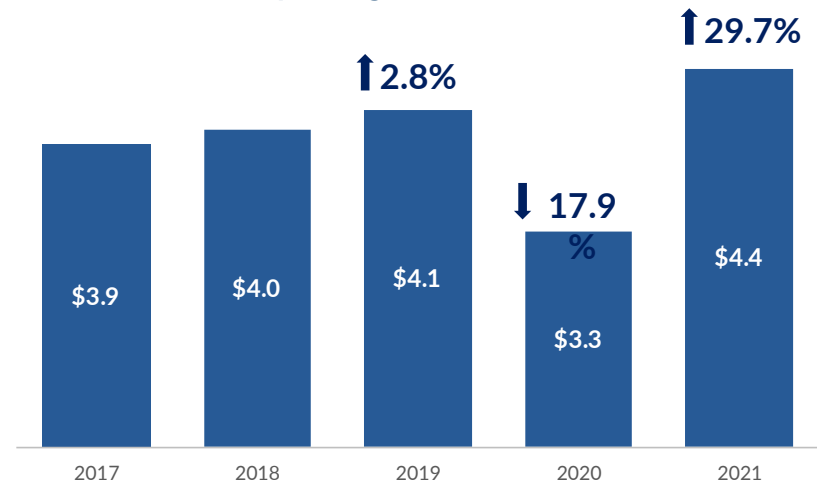
VISITOR SPENDING TRENDS

Total visitor spending

Visitors to South Dakota spent \$4.4 billion in 2021, an increase of 30%. Visitor spending jumped \$1 billion from its pandemic lows.

The visitor spending increase was supported by the rise in travel and from local businesses and attractions being open for the full year. Prices in key traveler sectors— including gasoline and lodging, rose, also supporting the jump in spending.

South Dakota visitor spending (\$ billions)



Source: D. K. Shifflet, Tourism Economics

INDICATORS

Sales tax collections

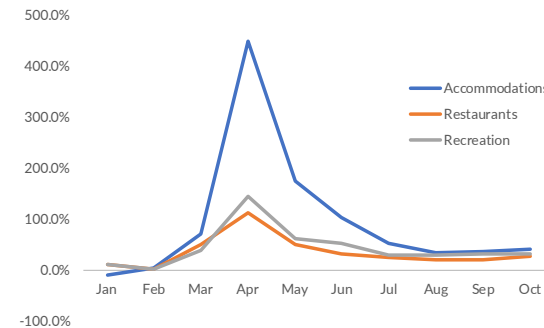
Sales tax data helps show likely visitor activity by examining sectors influenced by visitor activity.

Sales tax collections jumped in all the leisure and hospitality sectors in the spring of 2021, as these months are compared to spring 2020 when much of the country was shut down. However, even in the summer months--months in which South Dakota saw smaller declines in 2020--visitor-related industries such as restaurants and recreation registered growth of over 20% and 30%, respectively.

Many apparel stores were likely considered non-essential in 2020 and were closed, helping support the springtime jump in apparel stores sales in 2021. Across all key retail sectors, sales rose in the double digits in the latter part of the year with monthly growth in retail sales never falling below 30%. While some of this surge may be residents of the state spending stimulus money, the size of the strength is likely supported by visitor activity.

South Dakota monthly sales tax collections – leisure & hospitality

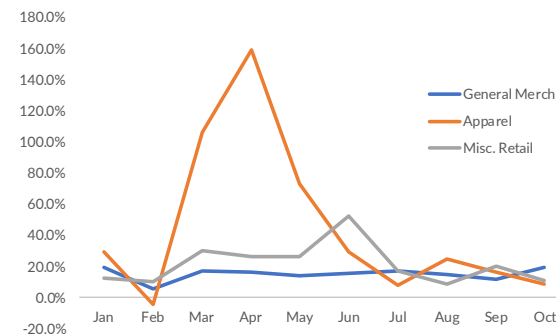
Y-o-y growth, by month, 2021



Source: Tourism Economics, South Dakota Department of Revenue

South Dakota monthly sales tax collections - retail

Y-o-y growth, by month, 2021



Source: Tourism Economics, South Dakota Department of Revenue

SPENDING DETAILS

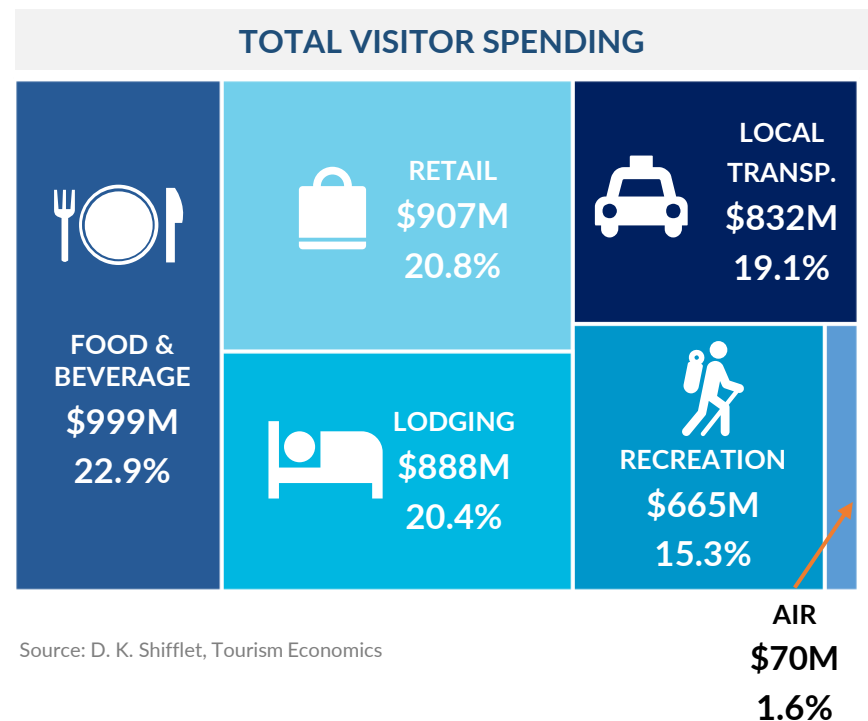
Spending by category, 2021

Spending by visitors on lodging recovers to the third largest spending category.

Of the \$4.4 billion spent in South Dakota in 2021 by visitors, food & beverage spending captured \$1.0 billion – 23% of the average visitor dollar.

Retail is a key spending sector for South Dakota travelers, capturing 21 cents of each visitor dollar, a total of \$907 million. Lodging captured 20% of each visitor dollar. The \$888 million in lodging spending includes both room rentals as well as 2nd home rental income.

Visitors spent 15.3% on recreational activities in 2021.



Source: D. K. Shifflet, Tourism Economics

SPENDING TIMELINE

Visitor spending timeline

Visitor spending leapt \$1 billion in 2021.

Visitor spending in South Dakota rose an incredible 30% in 2021 to reach \$4.4 billion. Every spending category increased more than 20%, with lodging spending surging 47%.

Visitor spending reached new highs in every category in 2021 with lodging spending outpacing 2019s results by 15%. Recreational spending levels in 2021 were 10% higher than those seen in 2019. Visitor spending on food & beverages reached \$1 billion in 2021.

Visitor Spending in South Dakota, 2017-2021

Amounts in millions of dollars

	2017	2018	2019	2020	2021	2021 Growth	2017-2021 CAGR
Total visitor spending	\$3,883	\$3,982	\$4,098	\$3,343	\$4,361	30.4%	2.9%
 Lodging*	\$722	\$740	\$769	\$604	\$888	47.0%	5.3%
 Food & beverages	\$869	\$885	\$917	\$806	\$999	23.9%	3.5%
 Retail	\$827	\$838	\$863	\$745	\$907	21.8%	2.3%
 Recreation	\$596	\$598	\$605	\$489	\$665	36.2%	2.8%
 Transportation**	\$870	\$922	\$944	\$700	\$902	28.9%	0.9%

Lodging includes 2nd home spending

Transportation includes both local and air transportation spending

Source: D. K. Shifflet, Tourism Economics

SPENDING BY CATEGORY TIMELINE

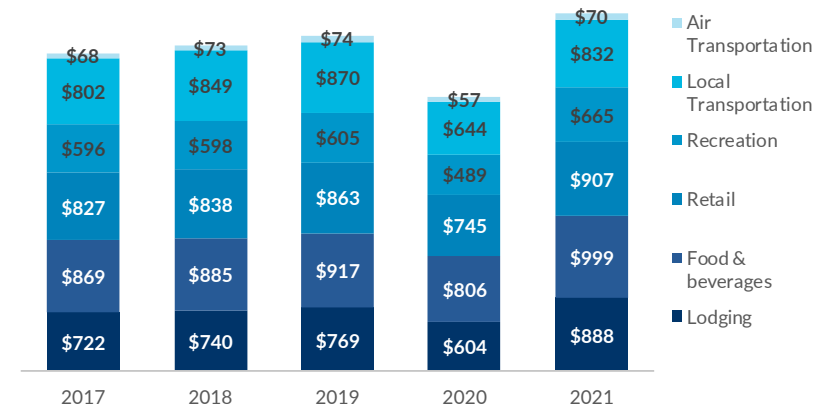
Spending by category

Visitor spending on lodging businesses in 2021 jumped to reach \$888 million in 2021. This is \$120 million more than visitor-associated lodging sales in 2019.

Food & beverage spending by visitors neared \$1 billion in 2021, increasing by \$180 million over 2020 pandemic results.

Retail spending by visitors surged past \$900 million, increasing 21% despite only declining 10% during the pandemic.

South Dakota visitor spending (\$ billions)



Source: Tourism Economics

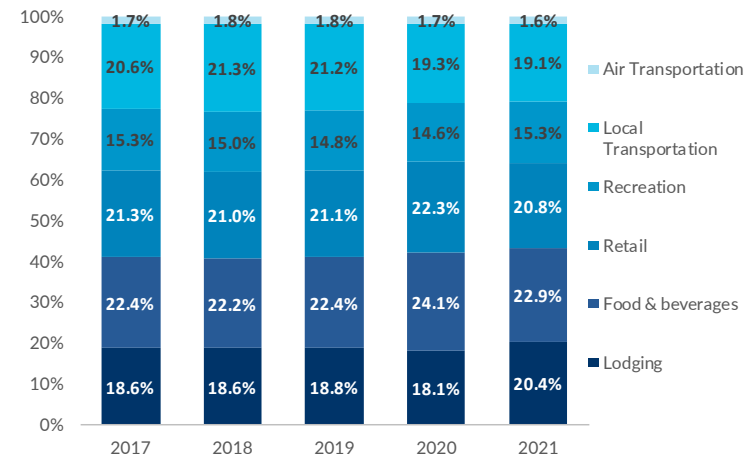
SPENDING SHARES TIMELINE

Visitor spending shares

Visitor spending category shares reverted back to pre-pandemic levels for some categories in 2021. The share of the visitor dollar on food & beverages declined to just under 23% - more in-line with pre-pandemic shares. The retail share also fell back to around 21% in 2021, in-line with pre-pandemic spending shares.

Recreational spending's share rose to 15.3% and the share of the visitor dollar spent on lodging in 2021 rose to over 20%, an increase of more than 1.6 percentage points as businesses reopened and travel restrictions declined.

South Dakota visitor spending (shares)



Source: Tourism Economics

VISITATION AND SPENDING

Average spending

Each traveler spends \$323, on average, on their trip to South Dakota.

After a summer of reduced travel in 2020, people were looking for vacations in 2021. And with international travel still limited, travelers stayed within the United States for their vacations. Leisure demand was strong in the summer, a key travel period for South Dakota. Along with that, the surge in travel and recovery in the economy helped bolster prices in key categories, especially lodging and gasoline. These trends helped push per-visitor spending up \$10 in 2021 to \$323 per traveler.

Trips and spending, 2017-2021

Amounts in nominal dollars and number of visitors

	2017	2018	2019	2020	2021
Total visitors (millions)	13.9	14.1	14.5	10.7	13.5
Total traveler spending (\$ millions)	\$3,883	\$3,982	\$4,098	\$3,343	\$4,361
Per traveler spending	\$280	\$283	\$283	\$312	\$323

Source: Tourism Economics

TOURISM ECONOMY

TOURISM SATELLITE ACCOUNT

Investment

\$219 million was spent on construction costs in support of the tourism industry in South Dakota.

Spending on machinery & equipment grew to \$124 million in 2021 as increasing sales demanded new equipment.

New construction held steady in 2021, showing a small decline as the pandemic likely curtailed any larger investment decisions.

The continued investment in new tourism facilities and modernization of current visitor-focused businesses will support growth in the industry.

Tourism capital investment, 2017-2021
Amounts in millions of dollars

	2017	2018	2019	2020	2021	2021 Growth	2017-2021 CAGR
Construction	\$93	\$96	\$82	\$96	\$94	-1.9%	0.5%
Machinery & Equipment	\$161	\$166	\$171	\$108	\$124	15.0%	-6.2%
Total	\$253	\$262	\$253	\$204	\$219	7.0%	-3.6%

Source: Dodge Construction; Tourism Economics

TOURISM SATELLITE ACCOUNT

Category contributions, 2021

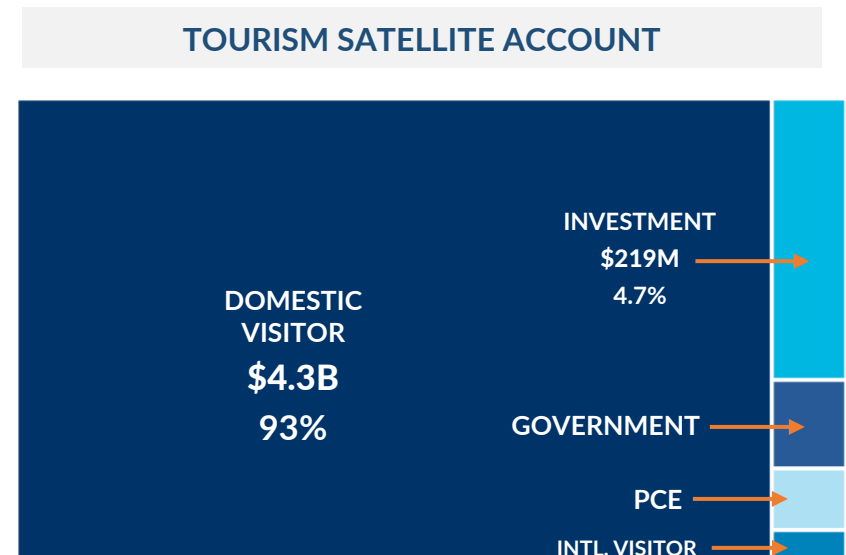
The direct contributions of tourism consumption to the South Dakota economy reached \$4.7 billion in 2021

The direct contribution of tourism includes visitor spending, investment in tourism facilities, governmental spending in support of visitors, and other tourism consumption.

Domestic visitors provided the majority of tourism economy spending at \$4.3 billion, 93% of the total.

Investment spending contributed 4.7% with governmental support of tourism contributing \$68 million or 1.5% of the total. Personal consumption spending in support of tourism adds \$23 million.

With most borders closed for much of 2021, international visitors and their \$22 million in spending accounted for 0.5% of the total. In 2019, international visitors accounted for 2.4% of spending.



Source: Tourism Economics

TOURISM SATELLITE ACCOUNT

Tourism economy in South Dakota

Non-visitor private consumption expenditures (PCE) represent tourism consumer durables such as an RV, boat, or furniture for a vacation home.

Government support for tourism includes the budgets for destination marketing and other budget items in broad support of tourism.

Capital investment (CAPEX) includes construction of hotels and attractions, as well as tourism equipment and infrastructure.

Tourism economy spending, 2017-2021

Amounts in millions of dollars

	2017	2018	2019	2020	2021	2021 Growth	2017-2021 CAGR
Domestic Visitor	\$3,777	\$3,872	\$3,989	\$3,324	\$4,339	30.5%	3.5%
International Visitor	\$106	\$109	\$109	\$19	\$22	14.0%	-32.5%
Non-Visitor PCE	\$38	\$40	\$43	\$41	\$24	-42.1%	-11.3%
Gov't Support	\$62	\$62	\$65	\$65	\$68	4.9%	2.5%
Investment	\$253	\$262	\$253	\$204	\$219	7.0%	-3.6%
Total	\$4,236	\$4,346	\$4,460	\$3,653	\$4,671	27.9%	2.5%

Source: Tourism Economics

DIRECT IMPACTS

TOURISM INDUSTRY IMPACTS

The tourism industry consists of visitor spending and its direct impacts on the state economy.

Tourism GDP is the value added of those sectors directly interacting with travelers.

The narrow definition of the tourism industry counts only tourism industry sales, which excludes capital investment and general government support of tourism. This also excludes indirect and induced effects. This definition is consistent with economic accounts.

On this basis, tourism industry GDP tallied \$1.6 billion in 2021, and tourism industry employment of 36,907, 5.9% of all jobs in the state.

Core tourism

Amounts in number of jobs and millions of nominal dollars

	Employment	GDP (millions)
Total	36,907	\$1,566
Food & Beverage	13,015	\$431
Lodging	8,054	\$441
Recreation and Entertainment	7,641	\$262
Retail Trade	4,328	\$228
Personal Services	1,194	\$33
Gasoline Stations	1,194	\$70
Other Transport	956	\$49
Air Transport	230	\$26
Finance, Insurance and Real Estate	228	\$20
Business Services	66	\$7

Source: Tourism Economics

DIRECT TOURISM INDUSTRY

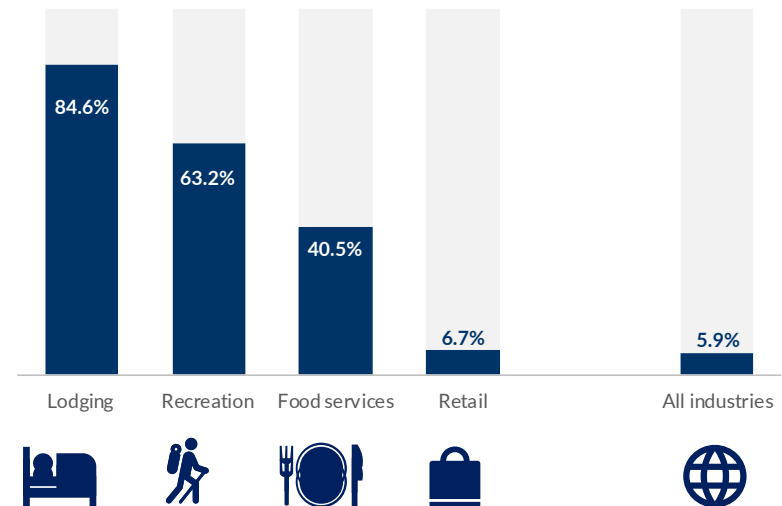
Tourism employment intensity

Tourism employment is a significant part of several industries—the majority of lodging employment, 63% of recreation, and 41% of food & beverage employment is supported by tourism spending.

Tourism shares rose in 2021 with the jump in visitor spending. The share of food service jobs supported by visitor activity increased one percentage point to 40.5% in 2021 as visitor spending and the jobs it supports rose faster than resident spending.

Tourism employment intensity

Amounts in percentage of total industry employment



DIRECT TOURISM INDUSTRY

Tourism employment growth

Visitor spending directly supported 36,907 jobs

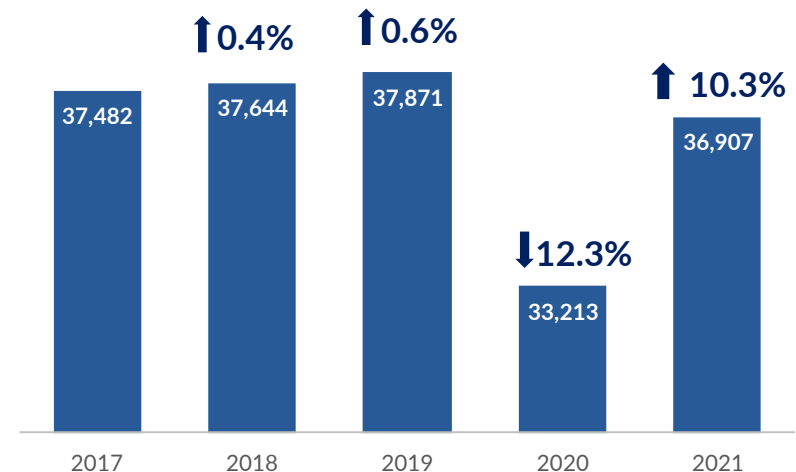
The number of jobs supported by visitor spending rose by 3,700 jobs in 2021. While spending reached new heights, employment has not quite recovered all the jobs lost during the pandemic.

Key visitor employment sectors are restaurants and lodging. Employment in both rose around 10%.

The 36,907 jobs supported by visitor activity represent 5.9% of all jobs in South Dakota. One out of every 17 jobs is directly supported by visitor spending.

Tourism supported employment in South Dakota

Amounts in number of jobs and year-on-year percentage growth



Source: Tourism Economics

DIRECT TOURISM INDUSTRY

Tourism employment

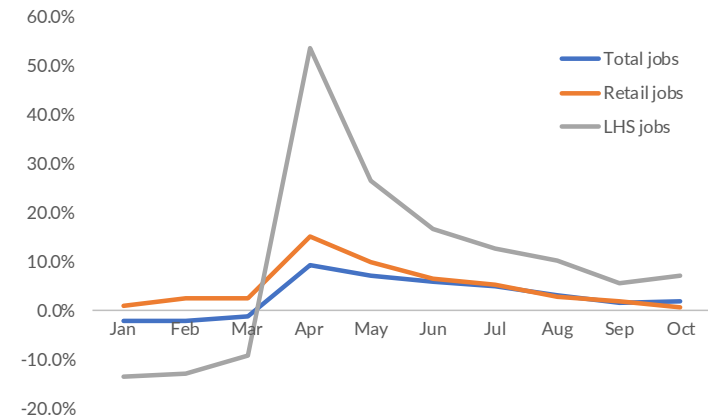
Leisure & hospitality jobs have seen the largest employment jumps

Recovery in leisure and hospitality jobs is tied to travel recovery. With the strong demand from travel in the summer months in South Dakota, leisure & hospitality jobs were up by double digits in the June-August period.

Statewide job growth averaged around 5% in the summer.

Employment in South Dakota, by major industry

Y-o-y growth, by month in 2021



LHS – Leisure and hospitality
Source: Tourism Economics, BLS

DIRECT TOURISM INDUSTRY

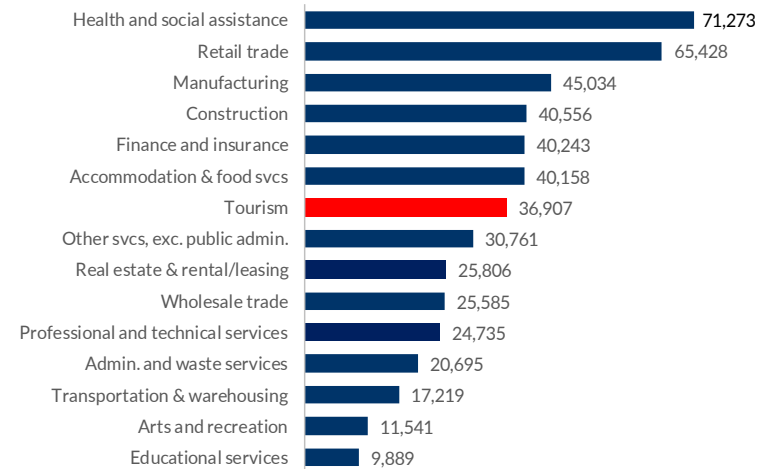
Tourism employment

In 2021, tourism was the 7th largest employer in South Dakota

Visitor activity directly supported 36,907 jobs in South Dakota in 2021. Comparing this with the direct employment in other industry sectors, tourism would rank as the 7th largest industry.

Employment in South Dakota, by major industry

Amounts in number of jobs



Source: Tourism Economics, BEA

ECONOMIC IMPACTS



ECONOMIC IMPACTS

How visitor spending generates employment and income

Our analysis of tourism's impact on South Dakota begins with actual spending by visitors, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in South Dakota, we input visitor spending into a model of the South Dakota economy created in IMPLAN. This move calculates three distinct types of impact: direct, indirect, and induced.

The impacts on business sales, jobs, wages, and taxes are calculated for all three levels of impact.

1. **Direct Impacts:** Visitors create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
2. **Indirect Impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.
3. **Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated wither directly or indirectly by visitors, spend those wages in the local economy.

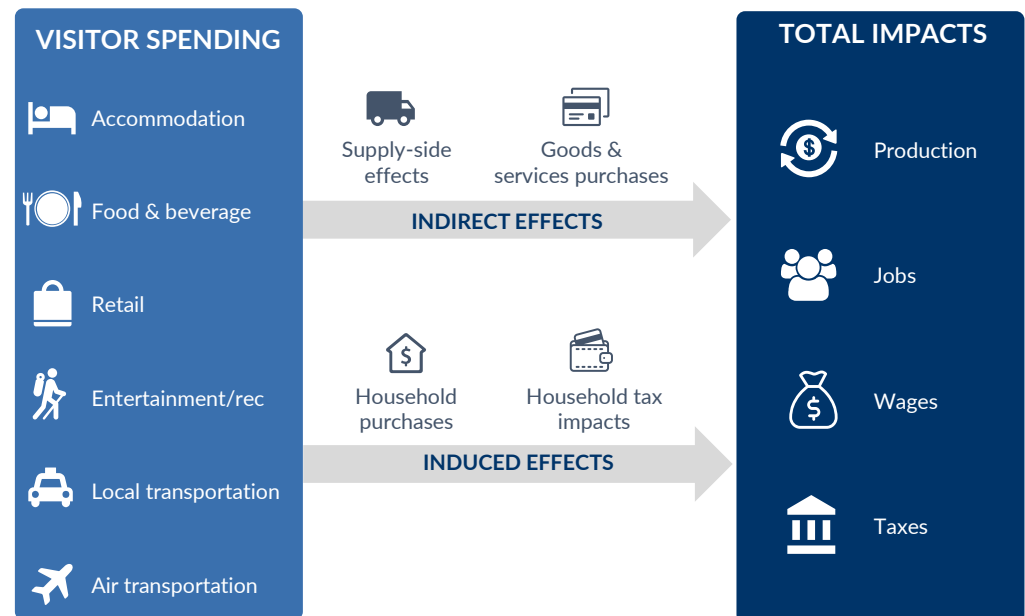
ECONOMIC IMPACTS

How visitor spending generates employment and income

Economic impact flowchart

IMPLAN calculates these three levels of impact – direct, indirect, and induced – for a broad set of indicators. These include the following:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

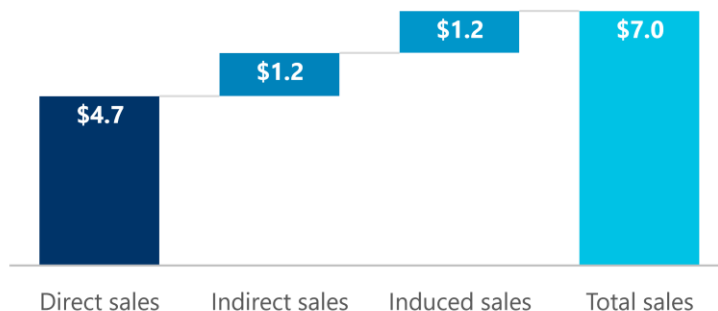


TOTAL BUSINESS SALES IMPACTS

Business sales by industry

Visitor influenced spending - direct spending coupled with construction and governmental spending in support of tourism - totaled \$4.7 billion in 2021. Including indirect and induced impacts, tourism activity supported \$7.0 billion in business sales in South Dakota.

Summary economic impacts (\$ billions)



Business sales impacts by industry

Amounts in millions of current dollars	Direct sales	Indirect sales	Induced sales	Total sales
Total, all industries	\$4,671	\$1,190	\$1,161	\$7,022
By industry				
Food & Beverage	\$999	\$45	\$86	\$1,129
Retail Trade	\$929	\$33	\$99	\$1,061
Lodging	\$832	\$1	\$0	\$833
Finance, Ins. & Real Estate	\$88	\$310	\$376	\$775
Gasoline Stations	\$682	\$2	\$7	\$691
Recreation and Entertainment	\$579	\$20	\$16	\$615
Construction and Utilities	\$219	\$132	\$41	\$391
Business Services	\$13	\$261	\$69	\$344
Education and Health Care		\$3	\$246	\$249
Other Transport	\$116	\$60	\$20	\$196
Personal Services	\$73	\$42	\$62	\$177
Government	\$68	\$47	\$23	\$138
Wholesale Trade		\$76	\$53	\$130
Communications		\$84	\$38	\$122
Manufacturing	\$2	\$56	\$17	\$75
Air Transport	\$70	\$2	\$2	\$74
Agriculture, Fishing, Mining		\$16	\$7	\$23

Source: IMPLAN, Tourism Economics

TOTAL BUSINESS SALES IMPACTS

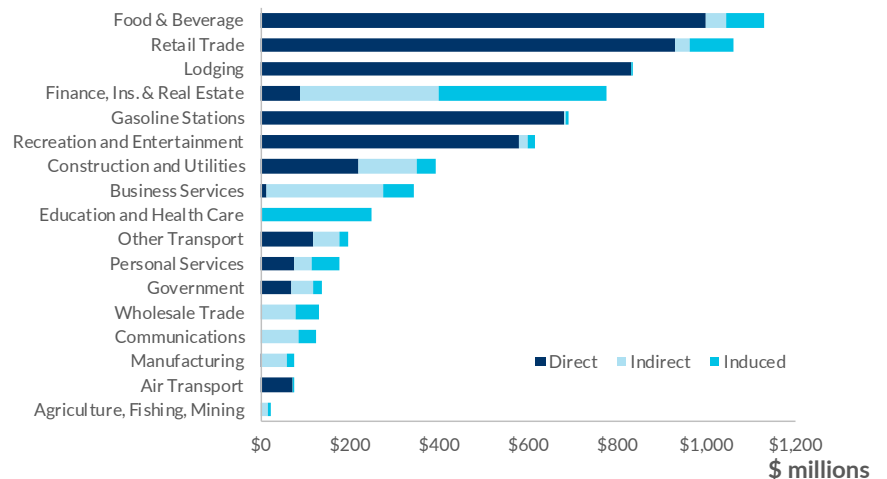
Business sales by industry

The indirect and induced effects add a total of \$2.3 billion in sales to businesses located in South Dakota. This includes \$690 million in sales supported by visitor activity but not by visitors to finance, insurance and real estate businesses.

Non-gas retail trade business sales directly from visitors provided \$930 million in sales. Adding in the \$130 million in retail sales from indirect and induced effects, and retail businesses received \$1.1 billion in sales resulting from visitor activity in South Dakota.

Significant benefits also accrue in sectors like business services, education & health care, manufacturing, and communications from selling to tourism businesses and employees.

Business sales impacts by industry



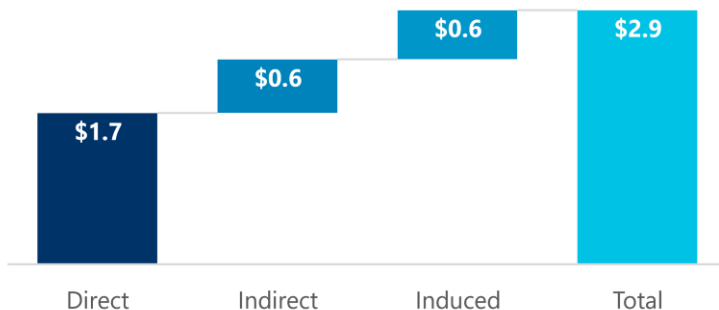
Source: IMPLAN, Tourism Economics

TOTAL VALUE-ADDED IMPACTS

GDP

Tourism generated \$2.9 billion in local GDP in 2021, or 5.1% of the South Dakota economy. This excludes all import leakages to arrive at the economic value generated by traveler activity in the state.

Summary GDP impacts (\$ billions)



GDP impacts by industry

Amounts in millions of current dollars	Direct value	Indirect value	Induced value	Total value
Total, all industries	\$1,727	\$644	\$570	\$2,941
By industry				
Food & Beverage	\$431	\$16	\$38	\$485
Lodging	\$441	\$1	\$0	\$443
Finance, Ins. & Real Estate	\$20	\$187	\$208	\$415
Retail Trade	\$228	\$33	\$51	\$312
Recreation & Entertainment	\$262	\$10	\$7	\$278
Business Services	\$7	\$167	\$33	\$206
Construction and Utilities	\$107	\$48	\$14	\$169
Education and Health Care		\$1	\$126	\$127
Personal Services	\$33	\$28	\$31	\$92
Other Transport	\$49	\$29	\$8	\$86
Gasoline Stations	\$70	\$2	\$3	\$76
Wholesale Trade		\$46	\$28	\$74
Communications		\$44	\$19	\$63
Government	\$52	\$10	-\$2	\$60
Air Transport	\$26	\$1	\$1	\$27
Manufacturing	\$2	\$18	\$4	\$23
Agriculture, Fishing, Mining		\$4	\$2	\$6

Source: IMPLAN, Tourism Economics

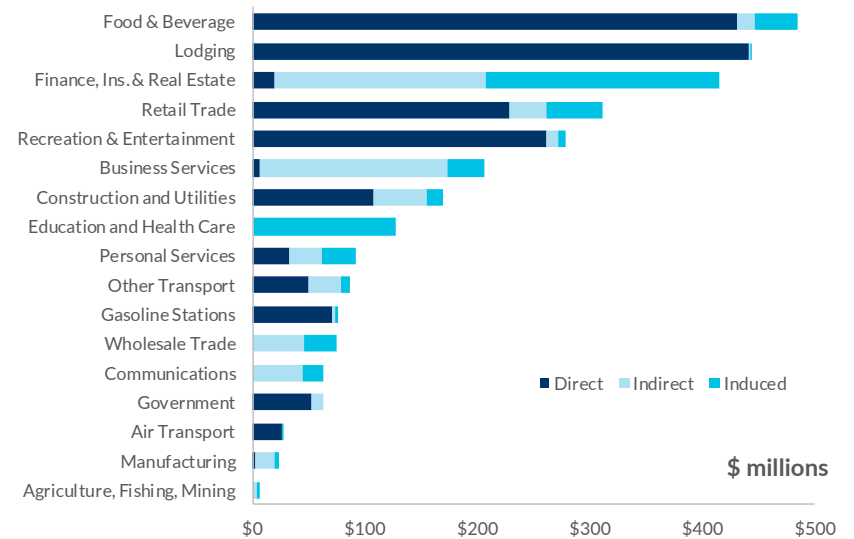
TOTAL VALUE-ADDED IMPACTS

GDP

In South Dakota, restaurant spending by visitors creates the most local value with the lodging industry capturing second over the finance, insurance & real estate industry.

Ranking 4th is the retail trade industry.

GDP impacts by industry



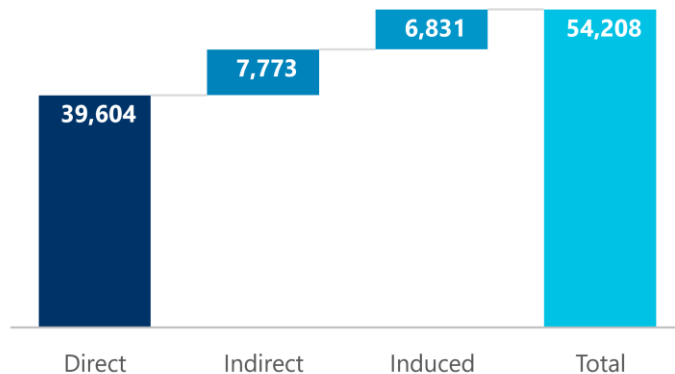
Source: IMPLAN, Tourism Economics

TOTAL EMPLOYMENT IMPACTS

Employment

Tourism supported a total of 54,208 jobs when indirect and induced impacts are considered. This represents 8.7% of all jobs in the state—or one out of every 11.5 jobs in South Dakota.

Summary employment impacts (number of jobs)



Employment Impacts

Amounts in total employment	Direct jobs	Indirect jobs	Induced jobs	Total jobs
Total, all industries	39,604	7,773	6,831	54,208
By industry				
Food & Beverage	13,015	587	1,134	14,735
Recreation and Entertainment	7,641	608	232	8,481
Lodging	8,054	10	4	8,068
Retail Trade	4,447	506	861	5,814
Business Services	66	2,227	571	2,864
Finance, Ins. & Real Estate	228	1,508	802	2,538
Personal Services	1,194	380	650	2,223
Construction and Utilities	1,826	291	105	2,222
Education and Health Care		60	1,825	1,885
Other Transport	956	462	138	1,556
Gasoline Stations	1,194	41	63	1,298
Government	684	254	85	1,022
Wholesale Trade		285	191	477
Communications		267	88	355
Manufacturing	68	198	42	308
Air Transport	230	7	6	243
Agriculture, Fishing, Mining		83	35	118

Source: IMPLAN, Tourism Economics

TOTAL EMPLOYMENT IMPACTS

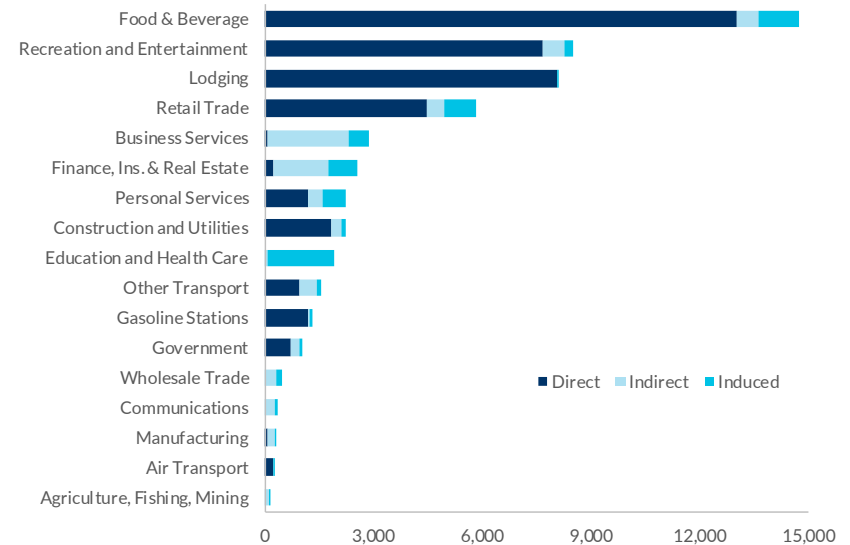
Employment

Visitor spending supports the largest number of jobs in the food & beverage industry –14,700. The majority of those jobs are directly supported by visitor activity.

Another 8,500 South Dakota jobs are supported by visitor spending in the recreational industry with lodging employment providing 8,100 jobs in South Dakota.

Close to 7,800 South Dakota-based jobs were indirectly supported by visitor activity in 2021.

Employment Impacts



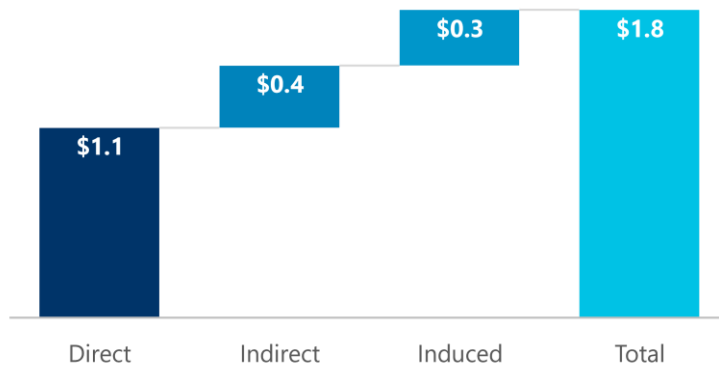
Source: IMPLAN, Tourism Economics

TOTAL INCOME IMPACTS

Personal income

Tourism generated \$1.1 billion in direct income and \$1.8 billion when indirect and induced impacts are considered. These wages and benefits are paid to people whose jobs are located in South Dakota.

Summary personal income impacts (\$ billions)



Personal income impacts

Amounts in millions of current dollars	Direct income	Indirect income	Induced income	Total income
Total, all industries	\$1,092	\$363	\$317	\$1,773
By industry				
Food & Beverage	\$275	\$12	\$25	\$311
Lodging	\$230	\$0	\$0	\$231
Retail Trade	\$153	\$18	\$32	\$204
Recreation and Entertainment	\$146	\$7	\$4	\$156
Business Services	\$3	\$118	\$30	\$152
Construction and Utilities	\$96	\$20	\$7	\$123
Education and Health Care		\$1	\$117	\$118
Finance, Ins. & Real Estate	\$7	\$64	\$37	\$108
Personal Services	\$42	\$19	\$24	\$86
Other Transport	\$48	\$23	\$7	\$78
Government	\$34	\$18	\$5	\$57
Gasoline Stations	\$40	\$2	\$2	\$44
Wholesale Trade		\$21	\$14	\$36
Communications		\$22	\$7	\$28
Manufacturing	\$1	\$13	\$3	\$17
Air Transport	\$16	\$0	\$0	\$16
Agriculture, Fishing, Mining		\$5	\$2	\$7

Source: IMPLAN, Tourism Economics

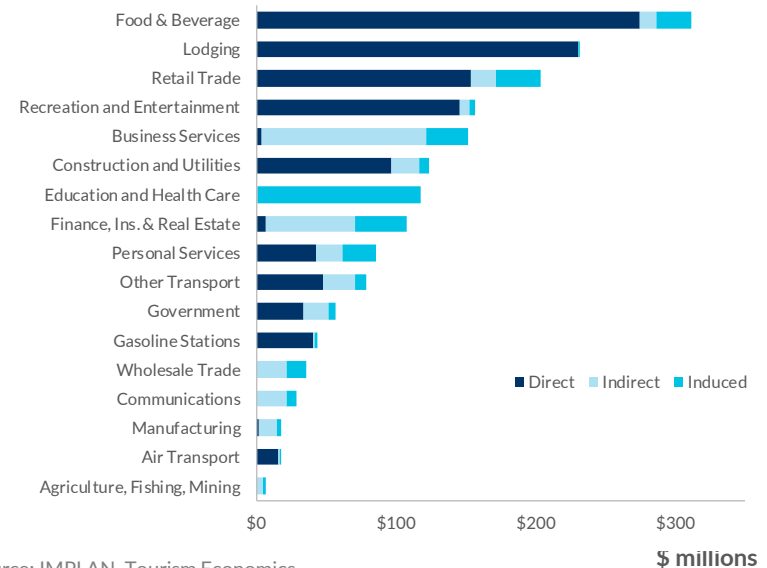
TOTAL INCOME IMPACTS

Personal income

There are eight industries in which visitor activity supports more than \$100 million in personal income. These range from the obvious—food & beverages and lodging, to the less obvious—business services and education & health care.

Despite ranking a distant fifth in terms of jobs supported, the higher wages in the business services industry supported by visitor activity provides \$150 million in income to South Dakota job holders, the fifth largest impact.

Personal income impacts



TAX IMPACTS

Fiscal (tax)

Visitor spending, visitor supported jobs, and business sales generated \$723 million in governmental revenues.

State and local taxes alone tallied \$345 million in 2021.

Each household in South Dakota would need to be taxed an additional \$980 per year to replace the traveler taxes received by state and local governments.

Tax impacts

Amounts in millions of current dollars

	2017	2018	2019	2020	2021
Total	\$661.0	\$675.6	\$698.2	\$612.5	\$723.3
Federal	\$370.0	\$377.3	\$390.6	\$336.5	\$378.8
Personal Income	\$115.6	\$117.7	\$121.9	\$114.3	\$127.8
Corporate	\$53.4	\$54.7	\$56.6	\$34.1	\$31.9
Indirect business	\$25.0	\$25.6	\$26.5	\$21.7	\$21.7
Social insurance	\$176.1	\$179.2	\$185.6	\$166.4	\$197.4
State and Local	\$290.9	\$298.3	\$307.6	\$276.0	\$344.6
Sales	\$146.4	\$150.2	\$154.6	\$133.9	\$170.3
Bed Tax	\$27.5	\$28.2	\$28.9	\$22.4	\$33.3
Personal Income	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	\$2.5	\$2.5	\$2.6	\$2.0	\$2.1
Social insurance	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Excise and Fees	\$24.9	\$25.6	\$26.5	\$24.4	\$28.1
Property	\$89.4	\$91.6	\$94.9	\$93.1	\$110.5

Source: IMPLAN, Tourism Economics

TAX IMPACTS

Fiscal (tax)

Visitor spending, visitor supported jobs, and business sales generated significant revenues for state and local governments alike.

Visitor activity supported \$160 million in state tax revenues in 2021. Local governments received \$184 million in revenue from economic activity associated with visitors.

For the state, sales tax receipts provide a large share of governmental revenues. For local governments, property taxes along with bed and sales taxes provide the majority of governmental revenues.

State & local tax impacts

Amounts in millions of current dollars

	2018	2019	2020	2021
Total	\$298.3	\$307.6	\$276.0	\$344.6
State	\$131.7	\$135.7	\$118.5	\$160.3
Sales	\$108.4	\$111.5	\$96.6	\$135.1
Bed Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Income	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	\$2.5	\$2.6	\$2.0	\$2.1
Social insurance	\$0.2	\$0.2	\$0.2	\$0.2
Excise and Fees	\$20.6	\$21.3	\$19.7	\$22.8
Property	\$0.0	\$0.0	\$0.0	\$0.0
Local	\$166.6	\$172.0	\$157.5	\$184.3
Sales	\$41.8	\$43.0	\$37.3	\$35.1
Bed Tax	\$28.2	\$28.9	\$22.4	\$33.3
Personal Income	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	\$0.0	\$0.0	\$0.0	\$0.0
Social insurance	\$0.0	\$0.0	\$0.0	\$0.0
Excise and Fees	\$4.9	\$5.1	\$4.7	\$5.3
Property	\$91.6	\$94.9	\$93.1	\$110.5

Source: IMPLAN, Tourism Economics

APPENDIX

GLOSSARY – SPENDING

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitors spending within the arts, entertainment and recreation sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, and buses.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

GLOSSARY - IMPACTS

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Personal Income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

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- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

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