Dean Runyan Associates

Arizona Travel Impacts

1998-2009p

photo courtesy of Arizona Office of Tourism

July 2010

Prepared for the

Arizona Office of Tourism
Phoenix, Arizona

ARIZONA TRAVEL IMPACTS
1998-2009P

Arizona Office of Tourism

Primary Research Conducted By:
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Portland, Oregon

July 2010

EXECUTIVE SUMMARY

This report describes the economic impacts of travel to and through Arizona and the state's fifteen counties. 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 estimates for Arizona are comparable to the U.S. Travel and Tourism Satellite Accounts produced by the Bureau of Economic Analysis. The estimates of spending, earnings, employment and tax receipts are also used as input data to derive estimates of other economic measures, including gross domestic product (GDP) and secondary effects of the travel industry.

THE ARIZONA TRAVEL INDUSTRY AND THE ECONOMIC RECESSION

The worldwide recession has had a profound effect on the travel industry. A number of factors have been especially important with respect to the Arizona travel industry:

- Arizona (as well as other western states) is more dependent on air travel than other regions of the country. The contraction of capacity by the air carriers has in and of itself reduced travel to Arizona.
- The economic recession and housing crash have been more severe in Arizona and southern California than other regions of the country.
- The contraction in visitation and related economic impacts began to affect Arizona earlier than the U.S. in general. The decline in employment in the state has consequently been greater, as changes in employment typically lag consumer spending and business revenue.

RECENT TRAVEL INDUSTRY TRENDS

The following discussion of spending, employment, tax receipts and visitation is intended to provide some context for interpreting and evaluating the economic impact of the Arizona travel industry in 2009.

- ***Spending.*** Travel spending declined by 10.2 percent in Arizona from 2008 to 2009. This compares to a 7.7 percent decline for the entire U.S. over the same time period. However, much of the decline in spending in Arizona and the U.S. was due to price changes – primarily for lodging and motor fuel. When adjusted for inflation, the decline in travel spending for Arizona was 5.4 percent, compared to 4.0 percent for the nation.
- ***Employment.*** Travel-generated employment decreased by 5.7 percent in Arizona from 2008 to 2009. U.S. travel industry employment declined by 4.4 percent over the same period. Total private sector employment in Arizona also declined by 8.3 percent.[1]

[1] Bureau of Labor Statistics Current Employment Survey.

- ***Tax Receipts.*** Total state and local tax receipts generated by travel spending declined by 8.1 percent from the 2008 to 2009 calendar years. On a fiscal year basis, the decline in travel-generated state and local tax receipts was 6.6 percent. This compares to a 15 percent decline for all tax revenues collected by the Arizona Department of Revenue for the 2009 fiscal year.
- ***Visitation.*** According to Smith Travel Research, room demand in Arizona decreased by 7.5 percent from 2008 to 2009. This compares to a decrease of 5.8 percent for the entire U.S. and 7.7 percent for the Mountain region.[2] Estimates of visitor air travel on domestic flights are similar – a decline of 7.9 percent for Arizona from 2008 to 2009 and 5.7 percent for the U.S.

THE TRAVEL INDUSTRY SUPPORTS EMPLOYMENT IN OTHER INDUSTRIES

Secondary impacts include the purchases of goods and services by travel industry businesses (indirect effects) and by travel industry employees (induced effects). In 2009, there were 157,200 direct travel-related jobs with earnings of $4.7 billion. Secondary impacts were 135,000 jobs with earnings of $4.9 billion. Most of the secondary impacts were in professional services, government, finance, real estate and construction.

THE TRAVEL INDUSTRY PRODUCES SIGNIFICANT TAX BENEFITS

Although state and local travel-generated tax receipts declined by 8.1 percent in 2009, the travel industry still makes a substantial contribution to government revenue. In recent years, the state and local tax revenues supported by the travel industry represented over 7 percent of all state and local tax revenues in Arizona. The visitors who purchase goods and services in the state directly pay most of these taxes.

THE TRAVEL INDUSTRY BENEFITS ALL REGIONS OF ARIZONA

About three-fourths of all travel spending occurs in the two most populous counties of the state – Maricopa and Pima. But in relation to the size of the regional economies within Arizona, travel is actually more important in the non-metropolitan areas of the state.

THE ARIZONA TRAVEL INDUSTRY IS A LEADING EXPORT-ORIENTED INDUSTRY

Travel and tourism is one of the most important ***"export-oriented"*** industries in Arizona. Spending by *visitors* generates jobs and tax revenues for communities within the state. In recent years the gross domestic product (GDP) of the Arizona travel industry has exceed that of other export industries such as mining, microelectronics and aerospace.

[2] The Mountain region includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming.

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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 2009. 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 Melissa Elkins, Research Manager for the Arizona Office of Tourism. Without her support and assistance, this report would not have been possible.

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I. National Travel Trends

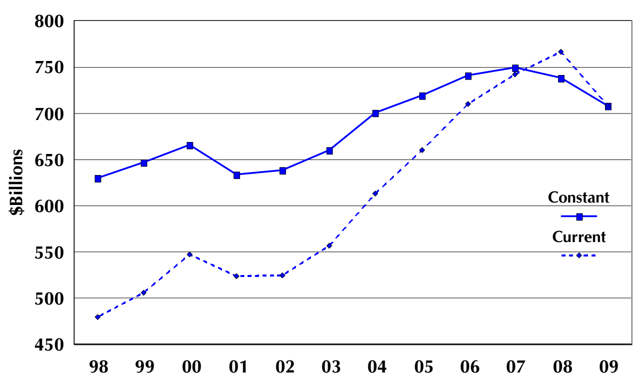
Direct travel spending by domestic and international visitors in the United States was $708 billion in 2009. This represents a 7.7 percent decrease from 2008 in current dollars (no adjustment for price changes). The economy-wide recession was primarily responsible for the decline in travel activity, although a substantial portion of the decrease was also due to lower room rates and gasoline prices relative to 2008. When adjusted for changes in prices, real travel spending declined by 4.0 percent.

Direct Travel Spending In U.S., 1998-2009
($Billions)

	Domestic	International	Total	Pct. Int'l.
1998	$389	$91	$480	19.0%
1999	$411	$95	$506	18.7%
2000	$444	$103	$547	18.8%
2001	$434	$90	$524	17.1%
2002	$442	$84	$525	15.9%
2003	$477	$80	$557	14.4%
2004	$515	$93	$608	15.4%
2005	$551	$103	$654	15.7%
2006	$593	$108	$700	15.4%
2007	$620	$123	$742	16.5%
2008	$625	$142	$767	18.5%
2009	$587	$121	$708	17.1%
Annual Percentage Change				
08-09	-6.1%	-14.6%	-7.7%	
98-09	3.8%	2.6%	3.6%	

Sources: Bureau of Economic Analysis and Dean Runyan Associates. Total spending estimates from BEA Travel & Tourism Satellite Accounts. International spending from BEA International Transactions. (2009 international estimates are preliminary).

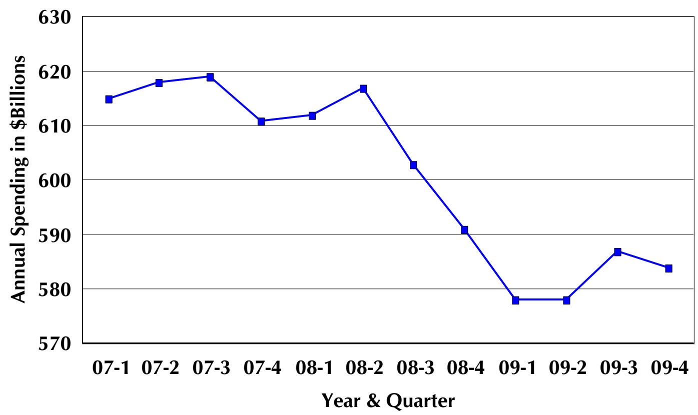
U.S. Direct Travel Spending in Current and Constant Dollars, 1998-2009
($Billions)



Source: Bureau of Economic Analysis Travel & Tourism Satellite Accounts. Constant (2009) travel spending estimates derived from BEA constant (2000) dollar estimates by Dean Runyan Associates, Inc.

The preceding graph indicates that travel spending declined in both 2008 and 2009 when adjusted for inflation. The graph below shows quarterly travel spending in annualized constant dollars (i.e., the effects of seasonality and inflation have been removed). As can be seen, the decline in travel spending that began in the 3rd quarter of 2008 leveled off in the 2nd quarter of 2009. However, there is still no evidence of a strong rebound in travel activity.

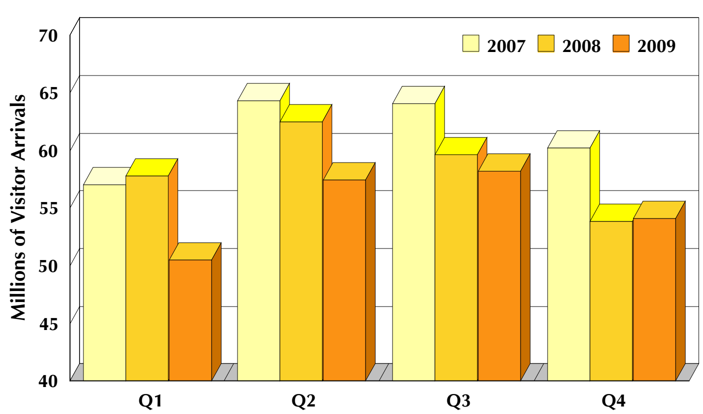
Annual U.S. Travel Spending, 2007Q1-2009Q4
Seasonally adjusted chained (2000) Dollars



Source: Bureau of Economic Analysis Travel & Tourism Satellite Accounts.

The same overall pattern is evident with visitor arrivals on U.S. domestic flights. A slight decline in air travel began in the 2nd quarter of 2008 and accelerated through the 1st quarter of 2009. Air travel in the 4th quarter of 2009 was equivalent to the same quarter of the preceding year, although still substantially below 2007.

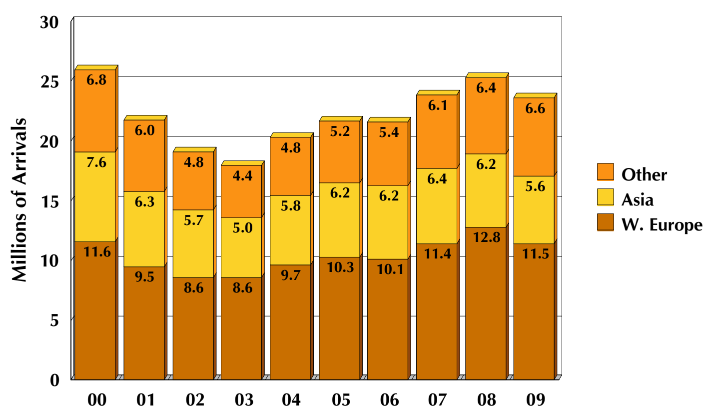
Visitor Air Arrivals in U.S., 2007Q1-2009Q4
Domestic Flights



Source: Department of Transportation Origin and Destination Survey.

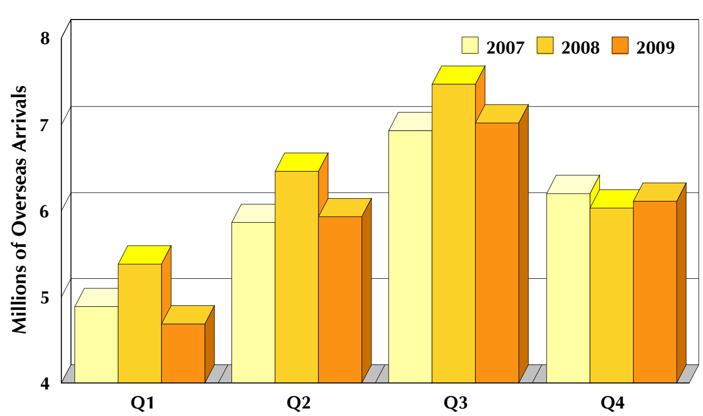
The following two graphs show overseas visitor arrivals to the United States. In contrast to resident travel within the U.S., overseas visitation was strong through most of 2008, due primarily to the drop in the value of the U.S. dollar relative to other currencies. However, the worldwide recession and higher airfares on international flights brought about a sharp reduction in overseas travel to the U.S. in 2009. Overseas arrivals were down 6.3% on an annual basis. This is reflected in the decline in spending shown in the table at the beginning of this section. (Note: International visitor spending includes spending by Canadian and Mexican visitors as well as visitors from overseas.)

Overseas Arrivals to U.S., 2000-2009



Source: U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries.

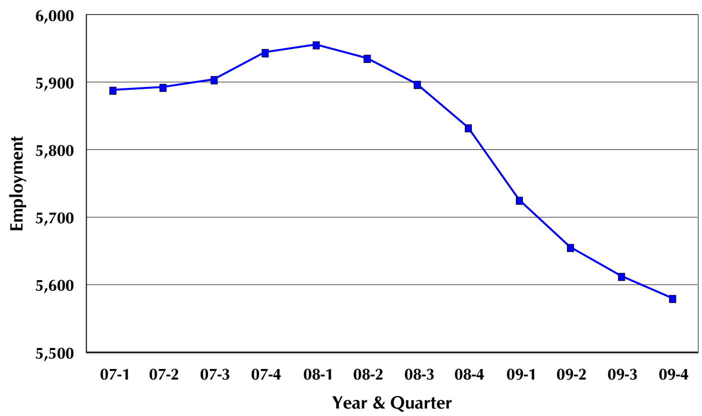
Overseas Arrivals to U.S., 2007Q1-2009Q4



Source: U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries.

The decline in travel industry employment also accelerated during the 3rd quarter of 2008. Typically, changes in travel industry employment lags real travel spending, as is typically the case in other industries.

U.S. Travel Industry Employment, 2007-Q1 to 2009-Q4
Seasonally Adjusted at Annual Rates

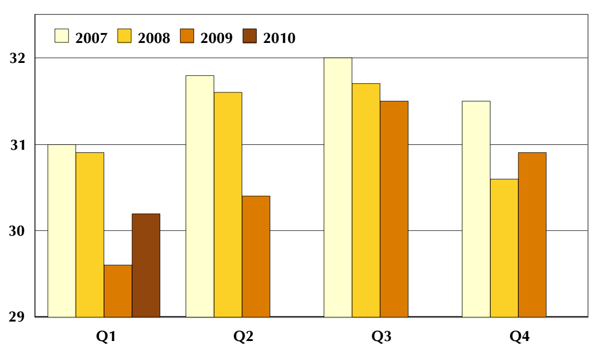


Source: Bureau of Economic Analysis Travel & Tourism Satellite Accounts.

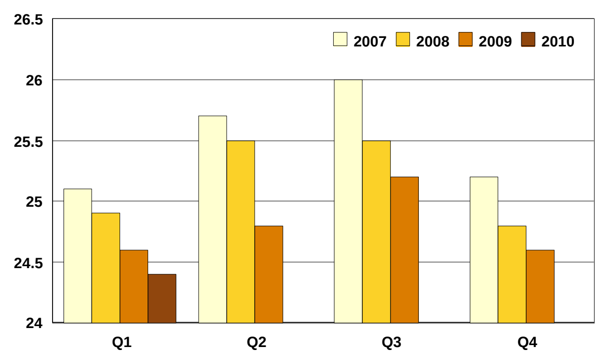
One reason for the lag in employment relative to travel spending is that employers may choose to increase the number of hours worked by existing employees rather than hire and train new employees as business revenue increases. The following graphs suggests that this may be occurring in the lodging industry, although the larger leisure and hospitality sector continued to experience a decline in average weekly hours through the 1st quarter of 2010.

Average Weekly Hours, 2007Q1-2010Q1

U.S. Accommodations Industry

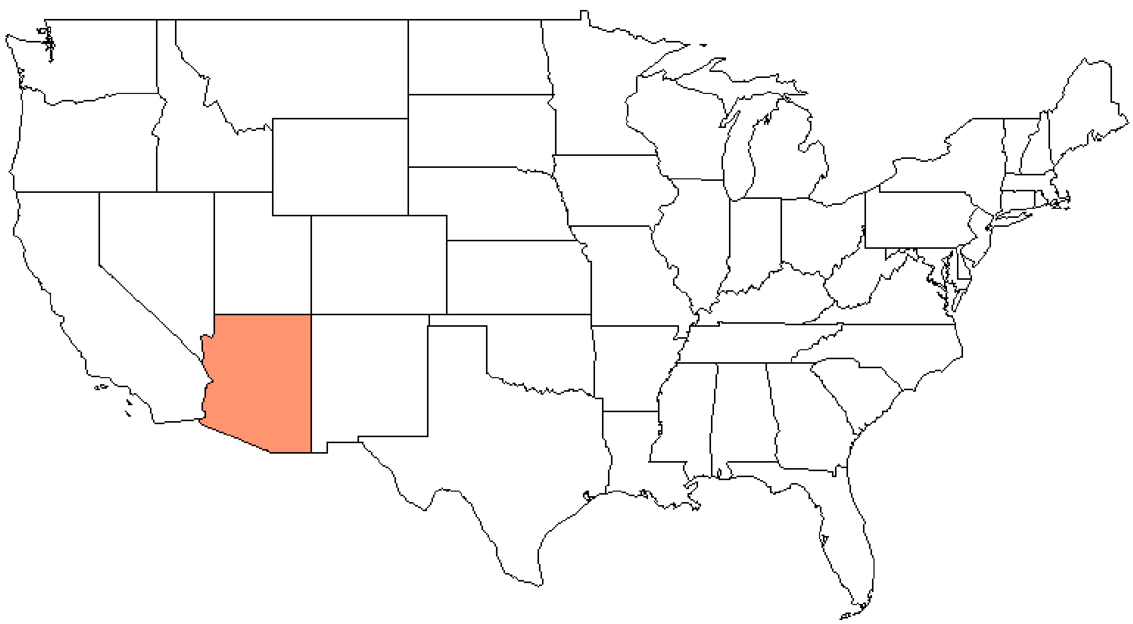


U.S. Leisure & Hospitality Sector



Source: Bureau of Labor Statistics Current Employment Survey. The accommodations industry covers NAICS 7211 (traveler accommodations). The Leisure & Hospitality sector includes NAICS 71 and 72 (arts, entertainment, recreation; accommodations and food services).

II: ARIZONA TRAVEL IMPACTS
1998-2009P



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 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 by businesses within Arizona for other goods and services (indirect impacts). Visitor generated earnings are also spent by employees for goods and services produced in Arizona (induced impacts).

DIRECT IMPACTS OF TRAVEL IN ARIZONA: A SUMMARY

- Total direct travel spending in Arizona in 2009 was $16.6 billion. This represents a 10.2 percent decrease over the preceding year in current dollars, following a 3.4 percent for the 2007-08 period. A substantial portion of the decline in spending in 2009 was due to price changes, especially lower room rates and gasoline prices. Travel spending decreased by 5.4 percent in 2009 in constant dollars and 7.9 percent in the preceding year.
- Quarterly data for visitor air arrivals and lodging sales also demonstrate the length and severity of the downturn. The decline in both lodging sales and visitor air arrivals began in the 4th quarter of 2007 (compared to the 4th quarter of 2006). Decreases occurred in every subsequent quarter except for two.
- Travel-generated employment has also declined during the past two years: 5.7 percent in 2009 and 1.9 percent in 2008. The fact that the contraction in the travel industry (and the wider economy) began in 2007 has contributed to the relatively large decrease in employment in over the past year.
- About one-half (52.9 percent) of all spending by visitors in 2009 was for leisure and hospitality services (arts, entertainment, recreation, accommodations, food service). Three-fourths of all travel-generated employment is in the leisure and hospitality sector.
- About one-fifth (21 percent) of all travel-related economic impacts in Arizona in 2009 were attributable to Arizona residents. More than three-fifths (63 percent) were associated with visitors from other states. International travel to Arizona accounted for the remainder (15 percent).
- The secondary effects of the travel industry are roughly equivalent to the direct impacts. In 2009, there were 157,200 direct travel-related jobs with earnings of $4.7 billion. Secondary impacts were 135,000 jobs with earnings of $4.9 billion.

TRAVEL TRENDS

Total direct travel spending in Arizona in 2009 was $16.6 billion. This represents a 10.2 percent decrease over the preceding year in current dollars. Employment (-5.7 percent), earnings (-5.8 percent), and tax receipts (-8.1 percent for state and local) also experienced substantial declines. This is the second consecutive year of contraction for the Arizona travel industry, following a year (2007) of relatively flat performance.

To a large extent the weakness of the Arizona travel industry is a reflection of the worldwide recession and the broader U.S. travel industry (see pages 1-4). However, travel activity to Arizona began to contract somewhat earlier than was the case for many other U.S. destinations, in part because of the severity of the housing collapse in the Southwest and the greater dependency of Arizona on air travel. The length of this contraction has, in turn, contributed to the large decrease in employment in 2009. As indicated earlier (page 4), changes in employment typically lag changes in business revenue.

Arizona Travel Trends, 1998-2009p

	Spending ($Billion)	**Earnings** ($Billion)	**Employment** (Thousand)	**Tax Revenue** ($Million) 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
Annual Percentage Change						
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

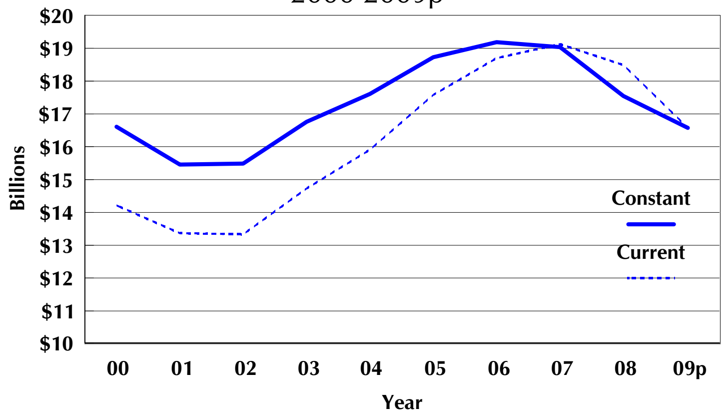
Note: p = preliminary. The percent change for 1998-2009p refers to the average annual percentage change. Direct Travel Impacts do not include secondary (indirect and induced) impacts. All visitor spending, airfares and local spending on travel agencies are included. Total Earnings include wage and salary disbursements, other earned income, and proprietor income. Employment includes full- and part-time payroll *positions* and *self-employment*. This figure is greater than the number of employed *individuals*.

The recent decline in travel spending was greater than the decline in earnings and, to a lesser extent, tax receipts primarily because of price changes. Both room rates and motor fuel prices declined substantially during 2009, while the prices of most other goods and services purchased by visitors changed very little. This is shown graphically on the following page.

When adjusted for inflation, travel spending in Arizona declined by 5.4 percent from the 2008 to 2009. This change in real or constant-dollar spending was actually less than 7.9 percent decrease in the preceding year. From 2006 to 2007, travel spending declined by 0.7 percent in constant dollars.

Direct Travel Spending in Arizona Adjusted for Inflation

2000-2009p

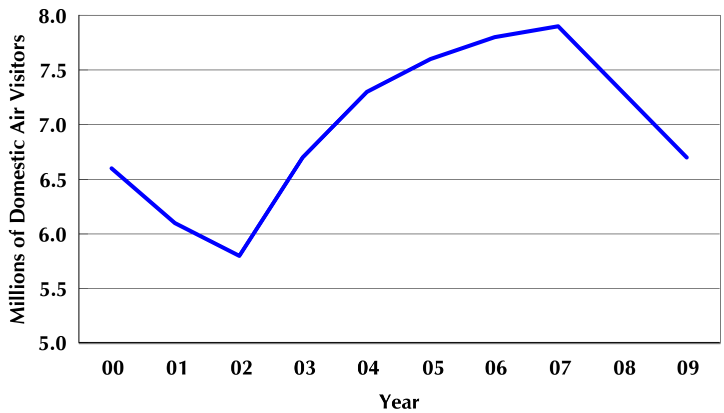


Note: Constant dollar travel spending was deflated by a composite of the West Urban CPI and room rates reported by Smith Travel.

Air travel is an important indicator of travel to Arizona.[3] The trend for visitor air arrivals is remarkably consistent with the trend in constant dollar travel. Visitor air travel to Arizona leveled off in 2007 and declined sharply in both 2008 and 2009 (-8.3 and –7.9 percent, respectively). Both constant dollar travel spending and visitor air arrivals in 2008 were roughly equivalent to the levels in 2000.

Visitor Air Arrivals to Arizona, 2000-2009

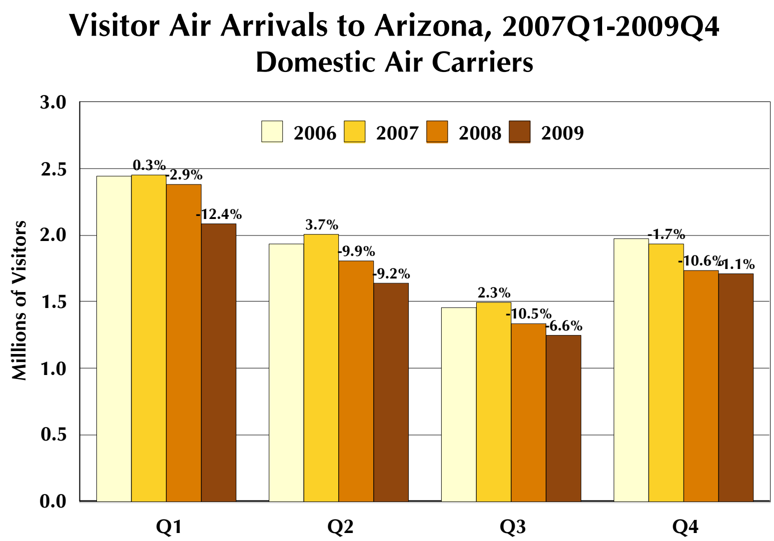
Domestic Air Carriers



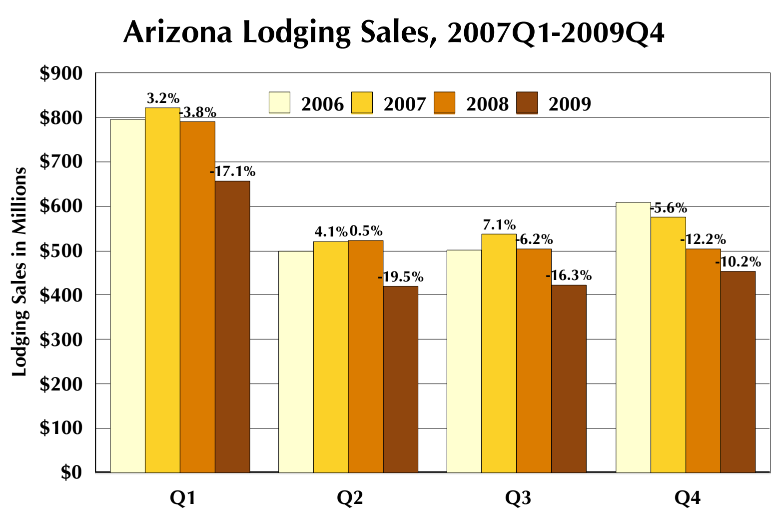
Source: Dean Runyan Associates and Airline Origin and Destination Survey, U.S. Bureau of Transportation Statistics.

[3] This represents between one-quarter and one-third of all overnight visitors to Arizona. Visitors that travel to Arizona by air also stay longer and spend more. At least 40 percent of all visitor nights by domestic travelers can be attributed to visitors that traveled by air. (Sources: 2001 National Household Transportation Survey, and TNS TravelsAmerica Survey.)

The following two graphs show quarterly data for visitor air travel and lodging sales. The decline in both lodging sales and visitor air arrivals began in the 4th quarter of 2007. There have been declines in lodging sales and visitor air arrivals in every subsequent quarter except for two.



Source: Dean Runyan Associates and Airline Origin and Destination Survey, U.S. Bureau of Transportation Statistics.



Source: Dean Runyan Associates and Arizona Department of Revenue.

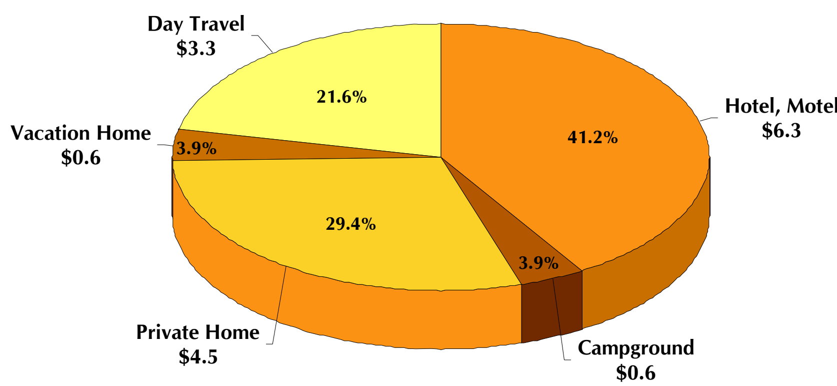
VISITOR SPENDING BY TYPE OF TRAVELER ACCOMMODATION

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 (29.4 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, about one-fifth of spending by day travelers in Arizona is generated by Mexican travel across the border.[4] The primary purpose of most of this travel is for retail goods and groceries.

Visitor Spending by Type of Traveler Accommodation, 2009p

(Billions)

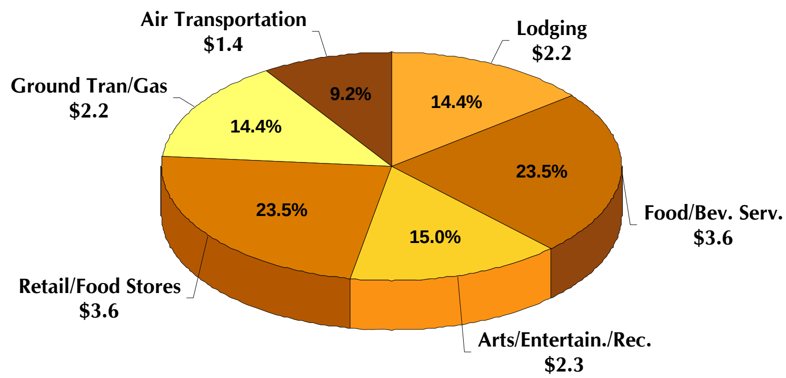


[4] Border Crossing Data reported by the Bureau of Transportation Statistics indicates a decline in such Mexican day travel over the past several years. However, the fact that the Mexican peso increased in value relative to the dollar during 2009 implies that each visitor spends more money in U.S. currency while visiting.

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 (52.9 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 23.5 percent. Transportation (including motor fuel) comprised the remaining 23.6 percent.

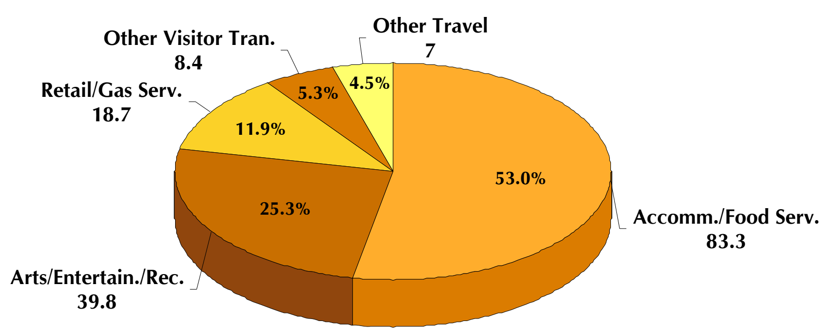
Visitor Spending by Type of Commodity Purchased, 2009p
(Billions)



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, 2009p
(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

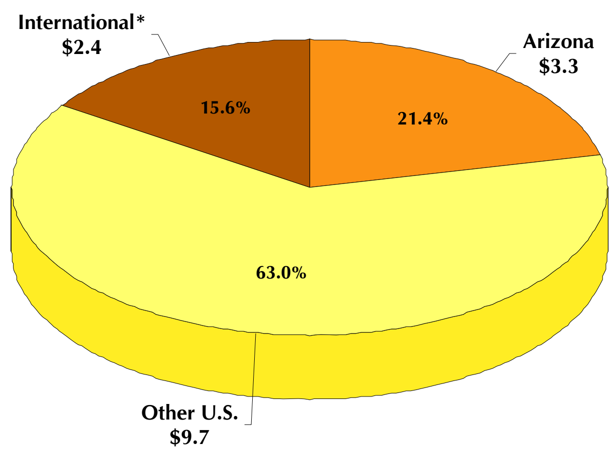
More than three-fourths of the visitor impacts in Arizona are generated by out-of-state travelers. Visitors from other states are the largest segment (over 60 percent of spending), while international travel comprises approximately 15 percent of visitor impacts.

Arizona Travel Impacts by Origin of Visitor, 2009p

Origin	Spending ($ Billion)	Earnings ($ Billion)	Employment (Thousand)	Tax Receipts ($ Million) Local/State	Federal
Arizona	3.3	0.8	30.4	278	138
Other U.S.	9.7	2.8	98.4	819	527
International	2.4	0.6	21.3	201	79
All Visitors	15.4	4.2	150.2	1,297	744
Other Travel	1.2	0.5	7.0	9	340
Total Travel	16.6	4.7	157.2	1,306	1,085

Sources: Dean Runyan Associates, International Trade Administration and Bureau of Economic Analysis (U.S. Dept. of Commerce), TNS TravelsAmerica visitor survey, Statistics Canada, Vera Pavlakovich-Kochi and Alberta H. Charney, "Mexican Visitors to Arizona: Visitor Characteristics and Economic Impacts, 2007-08" (Karl Eller College of Business and Public Administration, University of Arizona) and Bureau of Transportation Statistics Border Crossing/Entry Data. Other travel includes travel agencies and resident air travel.

Visitor Spending in Arizona by Origin of Visitor, 2009p
(Billions)



Sources: See table note, above.

Detailed direct travel impacts for the state of Arizona, 1998-2009p, are reported on pages 12-13.

Arizona Direct Travel Impacts, 1998-2003

	1998	1999	2000	2001	2002	2003
Total Direct Travel Spending ($Billion)						
Destination Spending	10.9	12.1	13.2	12.4	12.4	13.7
Other Travel*	0.9	1.0	1.0	0.9	0.9	1.0
Total Direct Spending	11.8	13.1	14.2	13.4	13.3	14.7
Visitor Spending by Type of Traveler Accommodation ($Billion)						
Hotel, Motel	5.0	5.4	5.8	5.3	5.2	5.6
Campground	0.5	0.5	0.6	0.6	0.6	0.6
Private Home	2.7	3.2	3.6	3.3	3.2	4.0
Vacation Home	0.4	0.4	0.4	0.4	0.4	0.5
Day Travel	2.4	2.6	2.9	2.8	2.9	3.1
Destination Spending	10.9	12.1	13.2	12.4	12.4	13.7
Visitor Spending by Commodity Purchased ($Million)						
Accommodations	1.9	2.0	2.1	1.9	1.9	2.0
Food Service	2.3	2.6	2.8	2.7	2.7	3.1
Food Stores	0.7	0.7	0.7	0.7	0.8	0.8
Local Tran. & Gas	1.2	1.5	1.8	1.6	1.5	1.9
Arts, Ent. & Rec.	1.6	1.8	2.0	2.0	2.0	2.2
Retail Sales	2.4	2.6	2.7	2.6	2.6	2.7
Visitor Air Tran.	0.9	1.0	1.0	0.9	0.9	1.1
Destination Spending	10.9	12.1	13.2	12.4	12.4	13.7
Industry Earnings Generated by Travel Spending ($Million)						
Accom. & Food Serv.	1.3	1.5	1.6	1.5	1.5	1.6
Arts, Ent. & Rec.	0.6	0.7	0.8	0.8	0.8	0.9
Retail**	0.4	0.5	0.5	0.5	0.5	0.5
Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.3	0.4	0.4	0.4	0.4	0.4
Other Travel*	0.4	0.4	0.5	0.4	0.4	0.4
Total Direct Earnings	3.2	3.5	3.8	3.7	3.6	4.0
Industry Employment Generated by Travel Spending (Thousand Jobs)						
Accom. & Food Serv.	75.2	80.8	85.0	77.6	75.7	80.4
Arts, Ent. & Rec.	33.9	35.8	36.8	36.7	35.7	40.9
Retail**	19.1	20.3	20.9	19.2	19.3	19.6
Ground Tran.	2.2	2.3	2.3	2.0	2.0	2.2
Visitor Air Tran.	7.9	8.5	8.1	8.0	6.8	6.8
Other Travel*	10.4	10.4	10.4	9.7	8.6	8.2
Total Direct Employment	148.8	158.1	163.3	153.3	148.2	158.2
Government Revenue Generated by Travel Spending ($Million)* **						
Local and State	941	1,043	1,138	1,082	1,101	1,211
Federal Tax Receipts	630	702	744	777	825	912
Total Direct Gov't Revenue	1,571	1,746	1,882	1,859	1,926	2,122

Details may not add to totals due to rounding.

*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Local and State tax revenues include property taxes and taxes attributable to travel industry employees. These tax receipts are not included in the county breakouts.

Arizona Direct Travel Impacts, 2004-2009p

	2004	2005	2006	2007	2008	2009p
Total Direct Travel Spending ($Billion)						
Destination Spending	14.8	16.3	17.3	17.6	17.2	15.4
Other Travel*	1.1	1.3	1.5	1.5	1.3	1.2
Total Direct Spending	15.9	17.6	18.7	19.1	18.5	16.6
Visitor Spending by Type of Traveler Accommodation ($Billion)						
Hotel, Motel	6.0	6.9	7.3	7.4	7.1	6.3
Campground	0.7	0.7	0.7	0.7	0.7	0.6
Private Home	4.3	4.7	5.0	5.2	5.0	4.5
Vacation Home	0.5	0.5	0.6	0.6	0.6	0.6
Day Travel	3.3	3.5	3.6	3.7	3.6	3.3
Destination Spending	14.8	16.3	17.3	17.6	17.2	15.4
Visitor Spending by Commodity Purchased ($Million)						
Accommodations	2.2	2.5	2.7	2.8	2.6	2.2
Food Service	3.3	3.6	3.8	3.9	3.7	3.6
Food Stores	0.8	0.8	0.8	0.9	0.9	0.9
Local Tran. & Gas	2.2	2.6	2.9	3.1	3.2	2.2
Arts, Ent. & Rec.	2.4	2.5	2.6	2.6	2.5	2.3
Retail Sales	2.8	2.9	2.9	2.9	2.8	2.7
Visitor Air Tran.	1.2	1.3	1.5	1.5	1.5	1.4
Destination Spending	14.8	16.3	17.3	17.6	17.2	15.4
Industry Earnings Generated by Travel Spending ($Million)						
Accom. & Food Serv.	1.8	1.9	2.1	2.2	2.2	2.1
Arts, Ent. & Rec.	0.9	1.0	1.1	1.1	1.1	1.0
Retail**	0.5	0.6	0.6	0.6	0.6	0.5
Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.5	0.5	0.5	0.5	0.5	0.5
Other Travel*	0.5	0.5	0.5	0.6	0.5	0.5
Total Direct Earnings	4.3	4.5	4.9	5.0	4.9	4.7
Industry Employment Generated by Travel Spending (Thousand Jobs)						
Accom. & Food Serv.	82.7	86.5	88.2	87.6	87.3	83.3
Arts, Ent. & Rec.	43.2	44.9	45.5	44.5	43.1	39.8
Retail**	19.7	19.8	20.1	19.9	19.2	18.7
Ground Tran.	2.2	2.2	2.3	2.4	2.3	2.0
Visitor Air Tran.	7.0	6.9	7.3	6.9	7.0	6.4
Other Travel*	8.3	8.4	8.7	8.7	7.8	7.0
Total Direct Employment	163.0	168.8	172.0	170.0	166.8	157.2
Government Revenue Generated by Travel Spending ($Million)* **						
Local and State	1,287	1,399	1,464	1,501	1,421	1,306
Federal Tax Receipts	988	1,081	1,176	1,213	1,154	1,085
Total Direct Gov't Revenue	2,275	2,479	2,640	2,713	2,575	2,391

Details may not add to totals due to rounding.

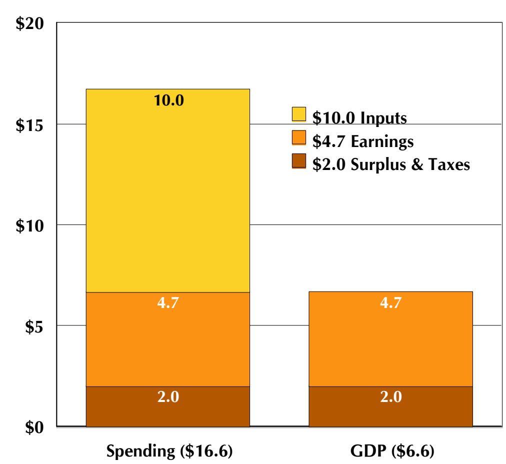
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Local and State tax revenues include property taxes and taxes attributable to travel industry employees. These tax receipts are not included in the county breakouts.

ARIZONA TRAVEL INDUSTRY GROSS DOMESTIC PRODUCT

In concept, the Gross Domestic Product (GDP) of a particular industry is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries). GDP is always smaller than output or sales because GDP measures only the "value added" of an industry and does not include the cost of the inputs that are also necessary to produce a good or service. Alternatively, GDP 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 GDP are shown in the chart below. Arizona travel industry GDP amounted to $6.6 billion in 2009. Arizona travel industry GDP represents a slightly higher proportion of state GDP than is the case nationwide. In 2007, the last year for which comparable data is available, Arizona travel industry GDP was 2.9 percent of total state GDP, whereas the U.S. proportion was 2.7 percent.[5]

About 60 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 GDP of other industries. In addition, travel spending occurs at many retail establishments where the goods purchased from the retailer are purchased as finished goods from suppliers. These resold goods are also counted as products of other industries. This would include motor fuel, groceries and most of the commodities sold at retail establishments.[6]

Arizona Travel Industry Gross Domestic Product, 2009p



[5] Eric S. Griffith and Steven L. Zemanek, "U.S. Travel and Tourism Satellite Accounts for 2005-2008," Survey of Current Business (June 2009): 25-38.
[6] About 38 percent of the $11.5 billion of inputs and goods resold are purchased from other Arizona businesses.

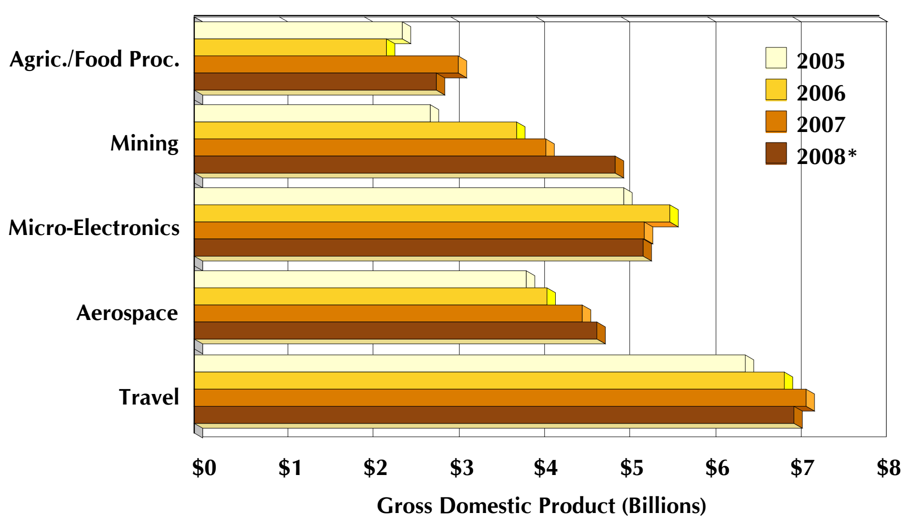
GROSS DOMESTIC PRODUCT OF ARIZONA EXPORT-ORIENTED INDUSTRIES

Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations.[7] Agriculture, mining, and manufacturing are the best examples of export-oriented industries. Clearly, there are cases in each of these three sectors where the products are sold within the local or regional market. Nonetheless, in general most businesses within these industries depend on export markets. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. The travel industry injects money into the local economy, as do the exports of other industries.

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

A comparison of the GDP's of the leading export-oriented industries in Arizona is shown below. Sufficient data for 2009 is not yet available for the comparison industries. As noted, the figures for 2008 are estimated by Dean Runyan Associates.

Arizona Gross Domestic Product, 2005-2008*
Selected Export-Oriented Industries



Source: Dean Runyan Associations and Bureau of Economic Analysis. *Estimates for all industries except travel based on preliminary GDP data for broader industry sectors and annual changes in payroll.

The travel industry and the microelectronics industry (NAICS 334) have been the top two export-oriented industries in the state in recent years.

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[7] See also pages 52 of Appendix A and page 66 of Appendix C.

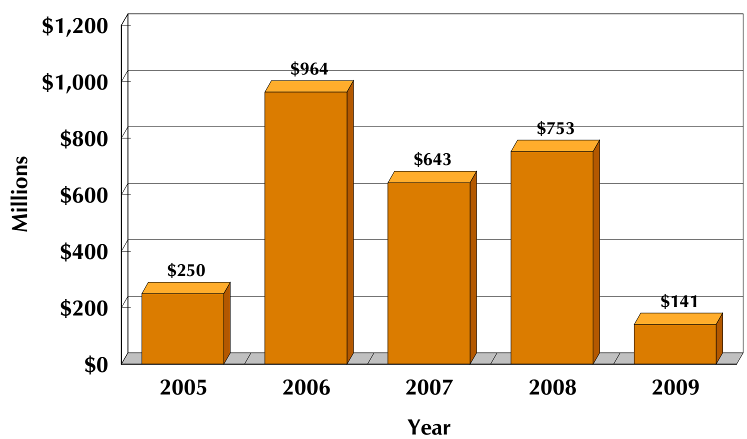
TRAVEL RELATED CONSTRUCTION ACTIVITY

Investment in the infrastructure of the travel industry represents another aspect of the travel economy. In the short term, such investments provide employment in the construction trades and architectural professions. In the longer term, investments in accommodations, attractions and other facilities serve to maintain and enhance Arizona's share of the visitor market.

The graph below is based upon the travel-related share of the value of new construction in hotels and motels; amusement, social and recreational buildings; and stores and restaurants. It is an underestimate of the total value of capital investment in the travel industry.[8] The $141 million figure represents 4.3 percent of all non-residential construction in Arizona in 2009. This investment supported 2,500 construction jobs with earnings of $132 million.

Overall, non-residential construction in Arizona declined by 35 percent from 2008 to 2009. Travel-related construction decreased by 81 percent over the same period. This greater decrease for travel-related construction is in part a reflection of the high levels of construction activity in preceding years. A modest level of growth is expected in 2010.

Value of New Construction in Travel-Related Buildings 2005-2009



Source: Dean Runyan Associates and McGraw-Hill Dodge Construction.
Note: The reported value is the sum of 100% of hotels and motels; 50% of amusement, social and recreational buildings; and 10% of stores and restaurants. The value of new construction represents the value of contract awards in place rather than the value work completed.

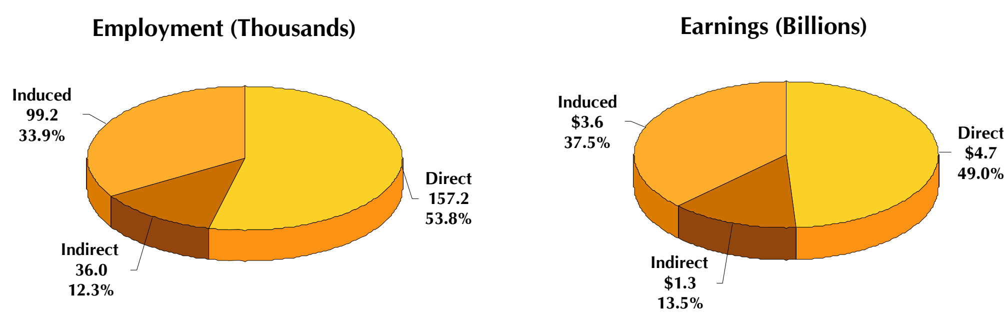
[8] Neither transportation-related construction nor second home construction is included. The figures refer only to new construction, not reconstruction or additions and alterations. Fees for architects and engineers are also excluded.

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, 2009p



Source: Dean Runyan Associates and Minnesota Implan Group.

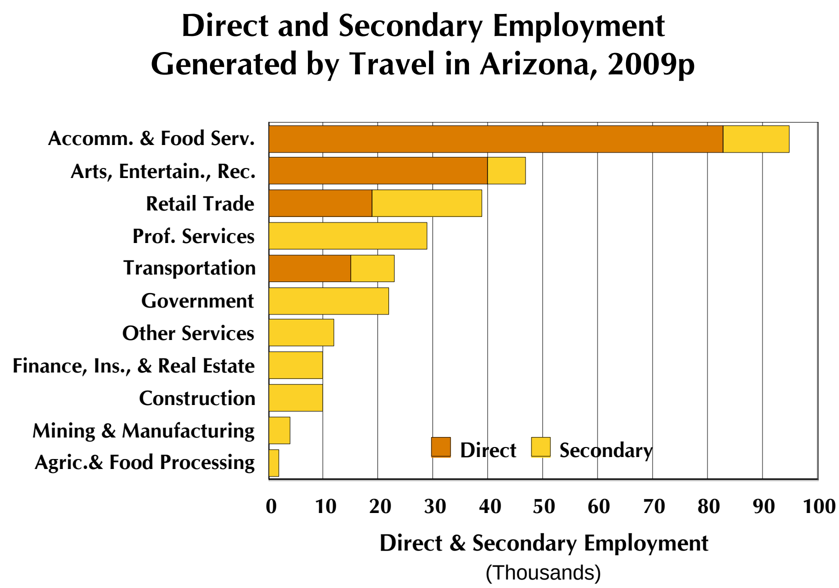
The impacts in this section are presented in terms of the employment and earnings of eleven major industry groups. These industry groups are similar, but not identical to the business service (or commodity) categories presented elsewhere in this report. (The specific industries that comprise these major 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:

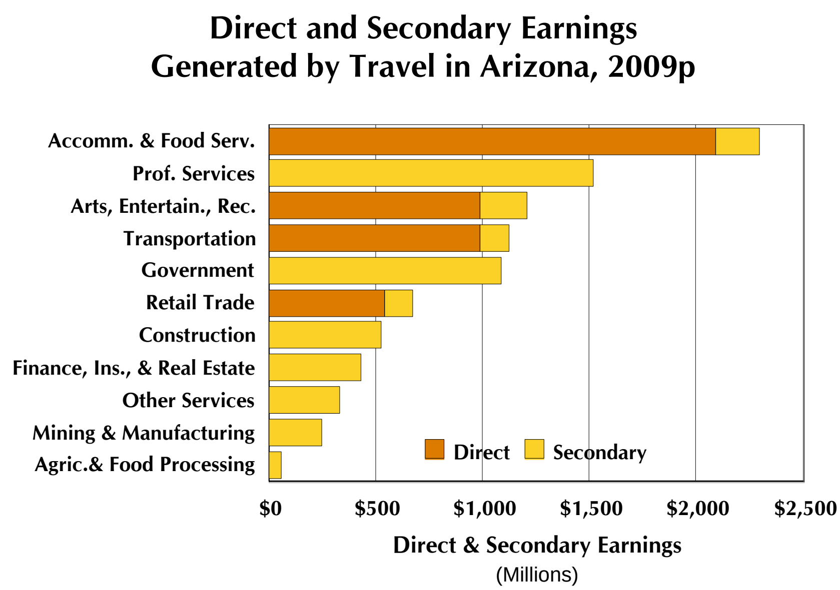
- **Accommodations & Food Services**
- **Arts, Entertainment, and Recreation**
- **Retail Trade**
- **Transportation**

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** (29,000 jobs and $1.5 billion 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** (12,000 jobs and $334 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** (22,000 jobs and $1.1 million earnings). Employees of travel-related businesses pay fees to attend public educational institutions and to operate motor vehicles.
- **Finance, Real Estate** (10,000 jobs and $433 million earnings). Employees and businesses use the services of financial institutions, insurers, and real estate businesses.
- **Construction** (10,000 jobs and $527 million earnings). Structures that house travel-related businesses, such as hotels and restaurants, require ongoing maintenance. (This category does not include new construction.)





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, 2009p
(thousand jobs)

		Secondary			Grand
Industry Group	**Direct**	**Indirect**	**Induced**	**Total**	**Total**
Accommodation & Food Services	83	4	8	12	95
Arts, Entertainment & Recreation	40	5	2	7	47
Retail Trade	19	3	17	20	38
Professional Services	0	7	22	29	29
Transportation	15	5	4	8	24
Government	0	1	21	22	22
Other Services	0	5	7	12	12
Finance, Ins., & Real Estate	0	4	6	10	10
Construction	0	1	9	10	10
Mining & Manufacturing	0	1	2	4	4
Agriculture & Food Processing	0	1	1	2	2
All Industries	157	36	99	135	292

Direct & Secondary Visitor-Generated Earnings in Arizona, 2009p
($ Million)

		Secondary			Grand
Industry Group	**Direct**	**Indirect**	**Induced**	**Total**	**Total**
Accommodation & Food Services	2,091	63	142	205	2,296
Professional Services	0	449	1,074	1,522	1,522
Transportation	1,027	106	31	138	1,164
Arts, Entertainment & Recreation	991	169	48	217	1,209
Government	0	73	1,018	1,091	1,091
Retail Trade	545	11	121	132	677
Construction	0	42	485	527	527
Finance, Ins., & Real Estate	0	151	282	433	433
Other Services	0	161	173	334	334
Mining & Manufacturing	0	94	154	248	248
Agriculture & Food Processing	0	28	31	58	58
All Industries	4,654	1,346	3,559	4,904	9,559

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

III. STATE AND LOCAL GOVERNMENT REVENUE

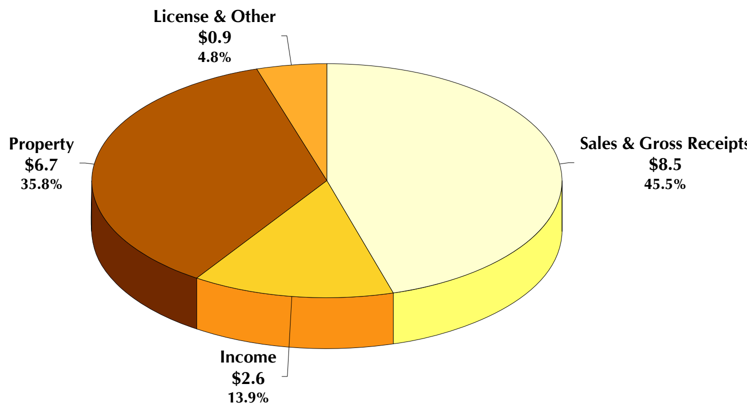
This section of the report provides an analysis of the state and local government revenue supported by the travel industry. Most major sources of government revenue, including sales, property and income taxes are included.

The pie chart below, adapted from the Bureau of the Census' State and Local Government Finance and other data sources, shows the main categories of tax revenue in Arizona. About one-half of all state and local tax revenue in Arizona is derived from sales or gross receipts taxes.[9] Three-fourths of all sales taxes are collected by the state. The next largest category is property taxes -- paid primarily by homeowners and businesses to local governments.[10] All income taxes (80 percent paid by individuals) are collected by the state.

Arizona State and Local Government Tax Revenues

2008-09 Fiscal Year

(Billion)



Sources: The 2008-09 fiscal year estimates of state and local tax revenues in Arizona were prepared by Dean Runyan Associates from various sources, including the Bureau of the Census (State and Local Government Finance), the Arizona Department of Revenue, the Bureau of Economic Analysis and a selection of annual financial reports for cities and counties. The state transaction privilege tax is designated as a general sales tax. Over 90 percent of all property taxes are local. About 80 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 comprise 60 percent of all state and local tax receipts.

The primary sources of travel industry tax revenue are:

- Sales tax receipts generated by ***visitor spending.*** This includes local and state sales taxes, lodging taxes, and motor fuel taxes. Other selective sales

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[9] The state transaction privilege tax is considered a sales tax in this report.

[10] Businesses pay 62 percent of all property taxes in Arizona based on calculations by Dean Runyan Associates from data reported by the Bureau of the Census, State and Local Government Finance and *Property Taxes on Business Capital*, Ernst and Young (March 2006).

taxes (e.g., cigarettes, liquor) were not estimated separately from the general sales tax.

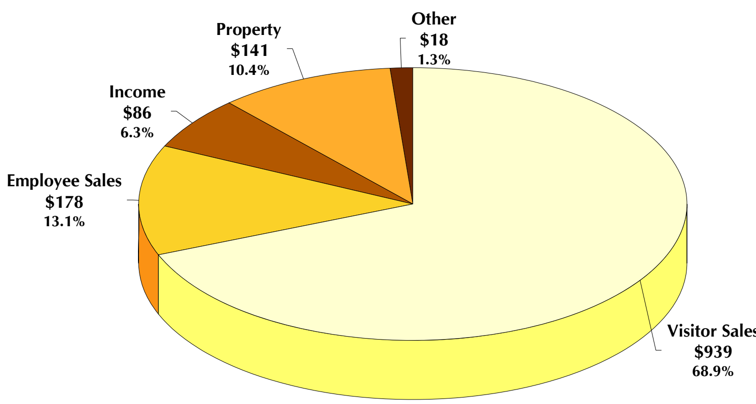
- Taxes paid by ***travel industry employees*** attributable to travel generated earnings (sales, property and income taxes). The estimates for these taxes were based primarily on the share of travel industry earnings in relation to total personal income in the state.
- Taxes paid by ***travel industry businesses*** attributable to travel generated business receipts (property and income taxes). The estimates for these taxes were based primarily on the share of travel industry earnings in relation to total earnings in the state. Other business taxes, such as licenses and payroll taxes, were not included.

The distribution of taxes generated by the travel industry for the 2008-09 fiscal year is shown in the following pie chart. The categories are the same as the preceding figure, with the exception that sales tax receipts are also distinguished between those that are generated by visitor spending and those that are generated by the spending of travel industry employees.

Arizona Travel Industry State and Local Government Tax Revenues

2008-09 Fiscal Year

(Million)



Source: Dean Runyan Associates. "Other" travel-generated tax revenue includes gaming taxes.

Whereas slightly less than one-half of all state and local tax revenue in Arizona was attributable to sales tax collections in the 2008-09 fiscal year, 82 percent of all travel industry tax revenue was attributable to sales tax receipts from visitors (68.9 percent) and the purchases of employees in the travel industry (13.1 percent). More than two-thirds of all tax revenues supported by the travel industry was directly related to visitor spending.

Travel industry state and local tax revenues are compared to total Arizona state and local tax revenues in the following table. Because of the travel industry generates a relatively high proportion of sales tax revenues, it is associated with proportionately more tax revenues than would be expected given the size of the industry, as measured by earnings or gross domestic product. Whereas the earnings and GDP of the travel industry are in the range of 3 percent of the state totals, travel industry tax revenues represent more than 7 percent of all state and local tax revenues in Arizona.

Arizona State and Local Tax Revenues
2008-09 Fiscal Year
($Million)

	Total	Travel Generated	Percent Travel
Sales & Gross Receipts	8,520	1,120	13.1%
Income	2,610	90	3.3%
Property	6,660	140	2.1%
License & Other	850	20	2.2%
Total Tax Receipts	18,650	1,360	7.3%

Source: Dean Runyan Associates and Bureau of the Census, State and Local Government Finance.

The tax revenue benefits of the travel industry are also borne out in comparison with other industries. This is illustrated in the table and figure below. The concept of Gross Domestic Product was discussed earlier (page 14; see also appendix pages 62-63). The tax payment categories are defined as follows:

- ***Indirect Business Taxes*** *(IBT)* include all property taxes, licenses, fees and sales taxes paid by the firm to all levels of government. Business income taxes are not included. Overall, sales taxes are the largest component. Even though consumers normally paid these taxes at the point of sale, they are defined as indirect business taxes in terms of GDP. Indirect Business Taxes are an official category of Gross Domestic Product, as defined by the Bureau of Economic Analysis.
- ***Employee Property and Income Taxes*** *(EPIT)* include the state and local property and income taxes paid by employees. These personal tax payments are estimated by Dean Runyan Associates on the basis of industry earnings and tax revenue data. EPIT is *not* an official category.

The tax payments generated by the travel industry in relation to Gross Domestic Product are greater than all industries except retail trade. Retail trade tax payments are especially high, of course, because of sales tax payments. However, in contrast to the travel industry, the sales taxes paid by retail establishments are primarily taxes on residents rather than visitors.

GDP and Tax Payments of Selected Arizona Industries

2008 Calendar Year

($Million)

	GDP	Indirect Bus. Taxes	Employee Inc. & Prop. Taxes	Sum of Bus. & Employee Taxes
Construction	13,269	349	365	714
Manufacturing	19,527	476	405	881
Retail trade	19,474	4,473	374	4,847
Health Care	17,976	143	474	617
Travel	7,014	884	144	1,028
All Industries	248,888	16,652	6,496	23,148

Tax Payments as Percent of GDP for Selected Arizona Industries

2008 Calendar Year

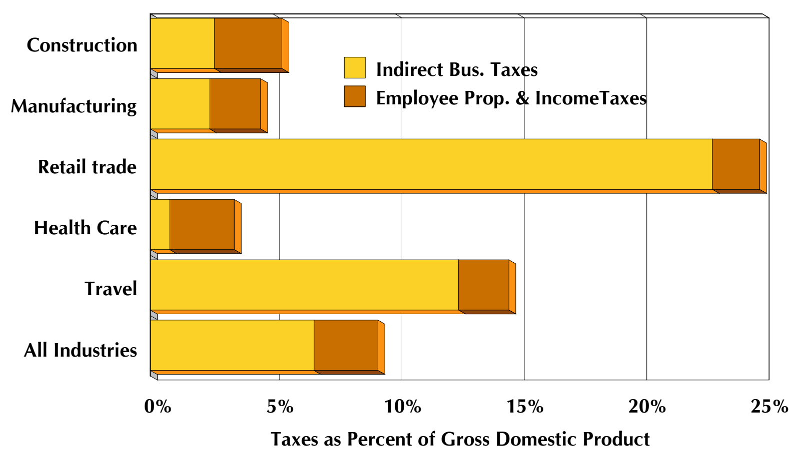
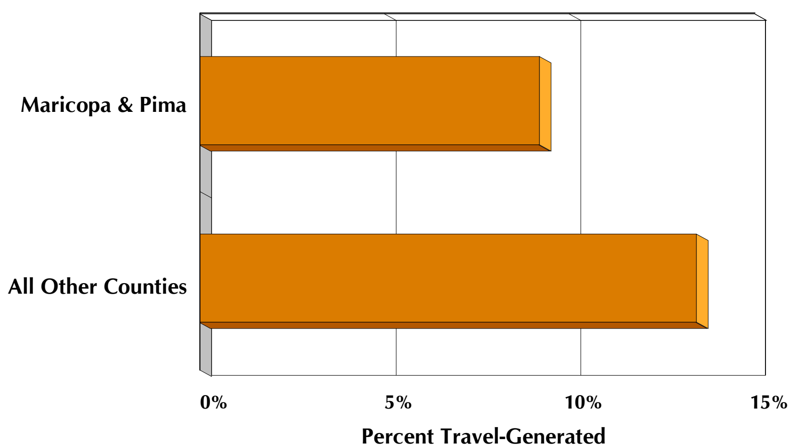


Table and graph sources: Bureau and Economic Analysis and Dean Runyan Associates. Travel industry and employee income and property tax payments estimated by Dean Runyan Associates. Other GDP and Indirect Business Taxes estimated by Bureau of Economic Analysis. *Travel Industry Business & Employee tax payments of $1,028 million are lower than the estimate on page 25 because business income taxes are not included and because employee sales tax payments are included in the indirect business taxes of other industries (especially retail trade). This is consistent with GDP accounting.

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.

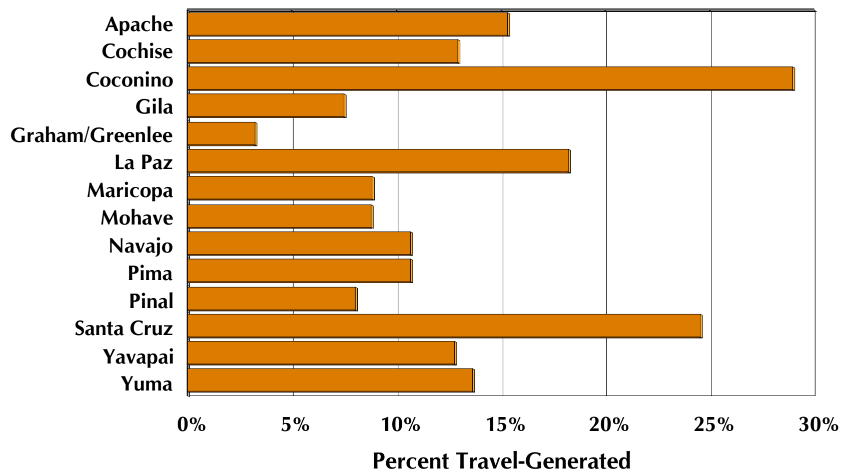
State Transaction Privilege Taxes Generated
By Direct Travel Spending, 2009 FY



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, 2009 FY

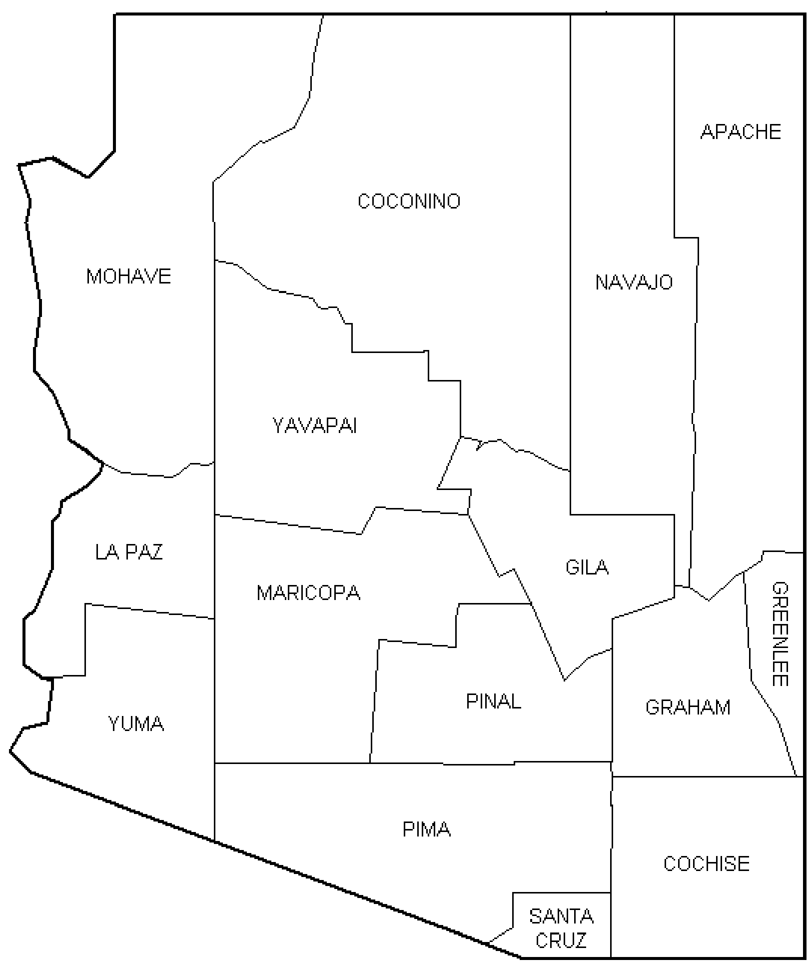


Source: Dean Runyan Associates and Arizona Department of Revenue. These estimates represent the total state transaction privilege tax receipts generated by travel spending. Counties and municipalities generally are allocated a portion of these receipts based on resident population. Other county and municipal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

To summarize this analysis of travel-generated state and local government revenue:

- The travel industry accounted for more than seven percent of all state and local tax revenues in Arizona in the 2008-09 fiscal year – more than twice the industry proportion of statewide earnings and gross domestic product.
- Most of the travel industry tax receipts are a result of ***visitor spending*** rather than taxes on Arizona ***residents***.
- The tax receipts generated by the Arizona travel industry are more than one-half greater in relation to gross domestic product than the industry average.
- The tax revenues generated by the travel industry are relatively more important for the non-urban areas of the state as compared to the urbanized areas of greater Phoenix and Tucson.

IV: County Travel Impacts
1998-2009P



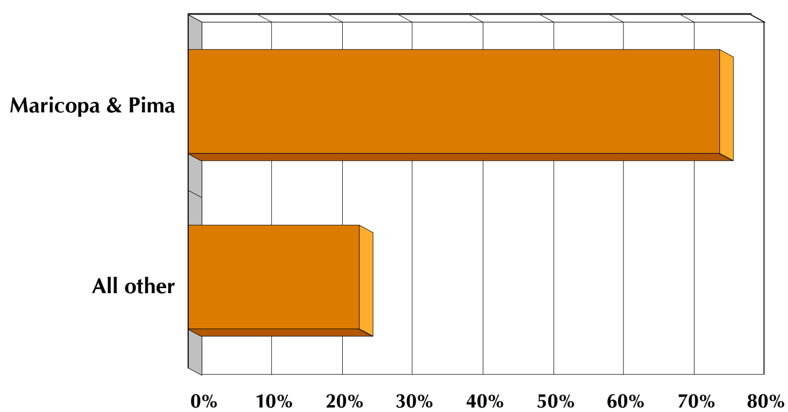
The analysis of travel impacts at the county level provides a valuable overview of how the economic benefits of travel and tourism are distributed throughout the state.

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.

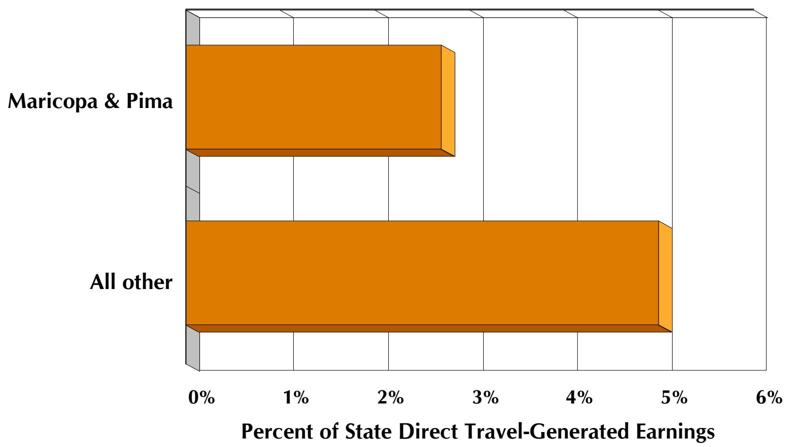
Distribution of Travel-Generated Earnings, 2009p



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. Maricopa and Pima counties have 68 percent of all travel-generated employment. The other Arizona counties have 32 percent of all travel-generated employment.

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.

Travel-Generated Earnings as Percent of Total Earnings 2009p



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. Travel-generate employment in Maricopa and Pima counties constitutes 4.1 percent of all employment in those counties. The comparable figure for other Arizona counties is 8.9 percent.

In general, the employment and 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 wage and salary employment and self-employment. Because total employment includes all *jobs*, regardless of the hours worked, the average annual earnings of the job or the number of individuals employed, this indicator is in some respects less useful than earnings estimates. Nonetheless, the distribution of counties is similar for earnings and employment.

Travel-Generated Employment and Earnings as Percent of Total, 2009p

	Employment			Earnings (Million)		
	Total	Travel	Percent Travel	Total	Travel	Percent Travel
Apache	31,400	1,700	5.4%	$1,095	$30	2.8%
Cochise	59,490	4,340	7.3%	$2,911	$82	2.8%
Coconino	82,560	11,130	13.5%	$3,171	$269	8.5%
Gila	22,260	2,560	11.5%	$758	$57	7.5%
Graham/Greenlee	11,100	930	8.4%	$421	$8	1.9%
La Paz	7,530	1,290	17.1%	$284	$30	10.5%
Maricopa	2,124,310	84,200	4.0%	$107,400	$2,996	2.8%
Mohave	65,290	4,780	7.3%	$2,239	$104	4.6%
Navajo	40,110	3,010	7.5%	$1,425	$65	4.6%
Pima	493,480	22,290	4.5%	$21,065	$524	2.5%
Pinal	68,520	4,670	6.8%	$3,067	$113	3.7%
Santa Cruz	17,250	1,960	11.4%	$766	$50	6.5%
Yavapai	83,980	8,410	10.0%	$2,768	$180	6.5%
Yuma	76,370	5,940	7.8%	$3,398	$144	4.2%
Arizona	3,187,710	157,210	4.9%	$151,031	$4,654	3.1%

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 2009p can be found on the following pages. As noted in the appendix to this report (page 56), 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.

2009p Arizona County Travel Impacts

	Travel Spending		Related Travel-Generated Impacts				
	Total ($Million)	Visitor ($Million)	Earnings ($Million)	Employment (jobs)	Local Taxes ($Million)	State Taxes ($Million)	Total Taxes ($Million)
Apache	125	125	30	1,700	3.0	5.0	8.1
Cochise	331	330	82	4,340	11.5	12.2	23.6
Coconino	891	890	269	11,130	26.9	35.0	61.9
Gila	217	217	57	2,560	2.6	6.0	8.6
Graham/Greenlee	36	36	10	930.0	0.9	1.6	2.5
La Paz	180	180	30	1,290	2.1	7.7	9.8
Maricopa	10,308	9,115	2,996	84,200	282.4	336.4	618.8
Mohave	406	402	104	4,780	8.7	16.9	25.6
Navajo	256	256	65	3,010	5.7	9.9	15.7
Pima	1,950	1,915	524	22,290	40.5	76.3	116.8
Pinal	422	421	113	4,670	8.2	16.1	24.3
Santa Cruz	270	270	50	1,960	5.3	8.6	13.9
Yavapai	624	624	180	8,410	14.0	21.2	35.1
Yuma	577	574	144	5,940	14.4	21.8	36.2
Arizona	16,594	15,354	4,654	157,210	426.2	574.8	1,000.9

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

Arizona County Total Travel Spending, 1998-2009p
($ Millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Annual Pe 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**

Arizona County Travel-Generated Earnings, 1998-2009p

($ Millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009p	Annual Pe 08-09p
Apache	19	22	25	23	24	24	25	27	28	30	32	30	-4.5
Cochise	46	52	57	57	60	62	68	70	73	81	83	82	-1.3
Coconino	186	196	203	190	191	204	216	224	234	253	274	269	-1.9
Gila	43	45	50	49	49	51	53	56	59	62	60	57	-4.4
Graham/Greenlee	6	7	8	7	7	8	8	9	11	12	13	10	-21.5
La Paz	22	25	26	27	27	29	29	31	30	31	31	30	-2.0
Maricopa	2,099	2,269	2,509	2,402	2,334	2,605	2,811	2,987	3,214	3,331	3,221	2,996	-7.0
Mohave	60	69	75	75	77	87	94	99	112	108	105	104	-1.2
Navajo	44	52	58	53	54	55	55	58	64	66	73	65	-10.5
Pima	394	438	475	440	450	475	510	543	567	568	542	524	-3.3
Pinal	50	56	62	61	62	70	77	85	97	110	116	113	-2.8
Santa Cruz	37	41	42	42	52	46	48	49	46	48	48	50	2.7
Yavapai	110	155	147	144	144	154	155	167	182	195	197	180	-8.5
Yuma	83	91	99	97	107	114	121	128	138	140	145	144	-1.0
Arizona	**3,199**	**3,518**	**3,838**	**3,668**	**3,639**	**3,982**	**4,271**	**4,533**	**4,858**	**5,034**	**4,940**	**4,654**	**-5.8**

Arizona County Travel-Generated Employment, 1998-2009p

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Annual P(…) 08-09p
Apache	1,435	1,533	1,648	1,701	1,494	1,578	1,678	1,744	1,664	1,665	1,737	1,703	-1.9
Cochise	3,489	3,841	4,003	3,825	3,893	3,950	4,069	4,159	4,228	4,477	4,462	4,340	-2.7
Coconino	11,177	11,281	11,204	10,366	10,111	10,549	10,721	10,952	10,676	10,780	11,358	11,131	-2.0
Gila	2,689	2,698	2,850	2,950	2,910	2,975	2,826	2,847	2,865	2,783	2,673	2,565	-4.0
Graham/Greenlee	482	505	558	644	673	798	793	869	1,131	1,184	1,170	928	-20.7
La Paz	1,367	1,463	1,483	1,428	1,397	1,454	1,412	1,469	1,333	1,326	1,284	1,286	0.2
Maricopa	83,870	86,743	90,451	82,249	77,264	84,014	87,394	91,307	92,903	92,986	91,141	84,203	-7.6
Mohave	3,817	4,288	4,536	4,418	4,432	4,799	5,004	5,175	5,830	5,128	4,854	4,780	-1.5
Navajo	3,138	3,487	3,766	3,381	3,220	3,211	3,080	3,120	3,290	3,227	3,456	3,007	-13.0
Pima	21,239	23,256	24,431	22,446	22,524	23,733	25,107	25,668	25,867	24,531	22,593	22,293	-1.3
Pinal	2,789	3,051	3,178	3,679	3,556	4,035	4,107	4,450	4,809	4,648	4,845	4,672	-3.6
Santa Cruz	2,054	2,121	2,141	2,096	2,490	2,261	2,272	2,242	2,120	2,029	2,000	1,956	-2.2
Yavapai	6,700	9,057	8,100	8,633	8,544	8,999	8,648	8,716	8,946	9,061	9,165	8,406	-8.3
Yuma	4,534	4,754	4,998	5,459	5,648	5,810	5,904	6,085	6,368	6,142	6,040	5,941	-1.6

Apache County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	79.9	101.4	107.4	129.0	142.8	148.4	124.8
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Spending	79.9	101.4	107.4	129.0	142.8	148.4	124.8
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	39.9	51.9	51.7	63.2	70.0	76.7	64.2
Campground	8.5	11.0	12.3	15.4	16.9	16.7	13.3
Private Home	17.3	21.4	25.2	29.1	32.0	30.1	26.1
Vacation Home	11.7	13.8	14.5	16.6	18.5	19.3	17.0
Day Travel	2.5	3.3	3.7	4.7	5.3	5.4	4.3
Destination Spending	79.9	101.4	107.4	129.0	142.8	148.4	124.8
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	14.7	18.2	17.3	20.1	21.9	24.1	21.5
Food Service	15.4	19.4	20.7	23.6	25.5	26.4	25.4
Food Stores	7.4	8.0	8.3	8.6	9.1	9.6	9.5
Local Tran. & Gas	15.6	24.7	29.3	42.9	51.7	53.8	35.4
Arts, Ent. & Rec.	11.2	14.1	15.0	16.4	16.9	16.9	16.1
Retail Sales	15.6	17.0	16.8	17.4	17.7	17.6	16.9
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	79.9	101.4	107.4	129.0	142.8	148.4	124.8
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	10.3	12.8	13.0	14.4	16.4	18.3	17.5
Arts, Ent. & Rec.	4.7	5.9	6.2	6.8	7.3	7.7	7.3
Retail**	3.9	4.6	4.8	5.1	5.6	5.5	5.2
Ground Tran.	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Visitor Air Tran.	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	19.0	23.5	24.2	26.6	29.6	31.7	30.3
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	860	1,010	850	890	900	930	890
Arts, Ent. & Rec.	290	400	430	560	480	530	560
Retail**	270	280	290	280	280	270	240
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	1,430	1,700	1,580	1,740	1,670	1,740	1,700
Government Revenue Generated by Travel Spending ($Million)***							
Local Tax Receipts	2.1	2.6	2.6	3.0	3.1	3.3	3.0
State Tax Receipts	3.4	4.3	4.7	5.3	5.5	5.4	5.0
Total Direct Gov't Revenue	5.5	6.8	7.3	8.3	8.6	8.7	8.1

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Cochise County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	205.7	252.6	278.4	319.5	350.9	350.0	330.4
Other Travel*	0.9	0.8	0.8	0.8	0.9	1.0	0.9
Total Direct Spending	206.6	253.4	279.2	320.3	351.8	351.0	331.2
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	40.2	53.8	57.3	78.9	106.1	110.0	97.6
Campground	35.4	42.4	44.8	50.2	52.5	52.0	46.3
Private Home	39.3	48.1	56.6	63.3	67.2	63.1	59.2
Vacation Home	5.0	5.7	6.0	6.5	7.0	7.3	7.0
Day Travel	85.7	102.5	113.7	120.5	118.0	117.6	120.3
Destination Spending	205.7	252.6	278.4	319.5	350.9	350.0	330.4
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	22.2	27.7	28.8	37.6	49.0	50.8	46.0
Food Service	43.2	54.3	61.9	71.9	81.1	80.0	80.3
Food Stores	49.6	57.1	62.2	62.2	58.9	59.2	64.7
Local Tran. & Gas	16.2	25.6	30.4	44.6	53.7	55.8	36.8
Arts, Ent. & Rec.	24.1	31.2	35.1	40.0	43.8	41.9	40.0
Retail Sales	50.4	56.7	60.0	63.2	64.3	62.4	62.7
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	205.7	252.6	278.4	319.5	350.9	350.0	330.4
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	20.2	25.5	28.3	33.6	41.6	43.7	43.2
Arts, Ent. & Rec.	10.7	13.8	15.5	17.6	20.2	20.3	19.4
Retail**	14.2	16.5	17.8	18.3	18.6	18.3	18.7
Ground Tran.	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.7	0.6	0.6	0.6	0.7	0.7	0.6
Total Direct Earnings	45.9	56.6	62.4	70.4	81.4	83.3	82.3
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,620	1,890	1,950	2,110	2,270	2,280	2,210
Arts, Ent. & Rec.	1,100	1,100	1,180	1,220	1,380	1,410	1,350
Retail**	720	800	800	810	800	750	760
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	40	30	20	20	20	20	20
Total Direct Employment	3,490	3,830	3,950	4,160	4,480	4,460	4,340
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	7.1	8.5	9.2	10.5	11.8	11.7	11.5
State Tax Receipts	7.3	9.2	10.4	11.7	12.8	12.5	12.2
Total Direct Gov't Revenue	14.4	17.7	19.6	22.2	24.6	24.2	23.6

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Coconino County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	675.2	693.7	740.1	840.9	917.4	952.5	889.5
Other Travel*	0.2	0.4	0.8	2.2	2.1	2.5	1.9
Total Direct Spending	675.4	694.1	740.9	843.1	919.6	955.0	891.4
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	485.6	478.4	505.4	579.6	640.1	677.7	637.9
Campground	37.6	46.0	47.8	52.0	53.5	52.2	47.8
Private Home	42.7	51.5	60.5	66.8	70.9	66.0	59.6
Vacation Home	23.4	26.8	28.2	30.5	32.7	34.0	33.0
Day Travel	85.9	91.0	98.2	112.0	120.2	122.5	111.2
Destination Spending	675.2	693.7	740.1	840.9	917.4	952.5	889.5
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	186.0	183.3	188.6	220.6	255.2	270.4	252.4
Food Service	172.4	177.7	196.5	222.7	240.8	251.5	248.5
Food Stores	37.8	39.4	41.4	43.4	45.7	48.0	47.3
Local Tran. & Gas	28.2	43.8	52.0	75.6	90.9	94.4	62.6
Arts, Ent. & Rec.	100.2	108.4	118.6	130.2	134.2	135.3	130.0
Retail Sales	147.3	138.0	139.8	146.0	148.1	151.1	146.5
Visitor Air Tran.	3.3	3.2	3.3	2.3	2.5	1.8	2.2
Destination Spending	675.2	693.7	740.1	840.9	917.4	952.5	889.5
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	118.1	119.0	126.9	141.2	164.4	181.5	180.2
Arts, Ent. & Rec.	41.0	44.3	48.4	53.1	57.3	60.7	58.3
Retail**	25.3	25.0	25.8	27.0	28.7	29.1	27.7
Ground Tran.	0.5	0.5	0.6	0.7	0.8	0.7	0.7
Visitor Air Tran.	1.2	1.4	1.3	0.9	1.1	0.8	1.0
Other Travel*	0.1	0.2	0.4	1.0	1.0	1.2	0.9
Total Direct Earnings	186.2	190.3	203.5	224.0	253.3	274.1	268.7
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	7,290	6,670	6,820	6,830	6,850	7,270	7,290
Arts, Ent. & Rec.	2,530	2,510	2,570	2,970	2,760	2,920	2,710
Retail**	1,310	1,140	1,100	1,100	1,120	1,110	1,080
Ground Tran.	20	20	20	20	20	20	20
Visitor Air Tran.	30	30	20	10	10	10	10
Other Travel*	0	10	10	20	20	20	20
Total Direct Employment	11,180	10,370	10,550	10,950	10,780	11,360	11,130
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	20.1	19.9	21.5	24.3	26.8	28.1	26.9
State Tax Receipts	25.1	26.6	29.3	32.7	35.4	36.4	35.0
Total Direct Gov't Revenue	45.2	46.5	50.7	57.0	62.2	64.5	61.9

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Gila County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	178.6	203.3	213.3	232.7	247.1	236.4	217.2
Other Travel*	0.2	0.2	0.1	0.1	0.2	0.2	0.1
Total Direct Spending	178.8	203.5	213.4	232.9	247.3	236.6	217.4
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	31.9	32.4	34.0	42.4	48.9	37.6	34.5
Campground	10.9	12.5	13.0	14.0	14.4	14.1	13.2
Private Home	12.7	15.4	17.9	19.5	20.5	19.1	18.3
Vacation Home	10.3	11.7	12.1	12.7	13.6	14.0	13.6
Day Travel	112.8	131.4	136.3	144.1	149.8	151.6	137.7
Destination Spending	178.6	203.3	213.3	232.7	247.1	236.4	217.2
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	13.4	13.7	14.0	17.3	20.6	15.8	14.4
Food Service	31.6	36.1	39.2	43.9	47.6	44.9	45.6
Food Stores	10.9	11.8	12.3	12.8	13.5	13.8	13.7
Local Tran. & Gas	5.7	8.9	10.6	15.6	18.8	19.5	12.9
Arts, Ent. & Rec.	74.5	89.0	94.0	99.4	102.2	100.3	88.8
Retail Sales	42.5	43.7	43.1	43.9	44.4	42.1	42.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	178.6	203.3	213.3	232.7	247.1	236.4	217.2
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	16.1	17.9	19.1	21.6	25.1	23.7	23.7
Arts, Ent. & Rec.	19.0	22.7	24.0	26.0	27.8	27.6	25.1
Retail**	7.6	8.0	8.1	8.2	8.7	8.4	8.2
Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Total Direct Earnings	42.9	48.8	51.4	56.0	61.8	59.8	57.2
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,190	1,250	1,270	1,300	1,350	1,200	1,160
Arts, Ent. & Rec.	1,090	1,290	1,330	1,180	1,080	1,120	1,060
Retail**	400	390	360	360	350	340	340
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	10	10	10	10	10	10	10
Total Direct Employment	2,690	2,950	2,970	2,850	2,780	2,670	2,560
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	2.0	2.1	2.3	2.9	3.3	2.8	2.6
State Tax Receipts	2.6	2.9	4.2	6.6	7.2	6.6	6.0
Total Direct Gov't Revenue	4.6	5.0	6.5	9.5	10.5	9.4	8.6

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Graham & Greenlee Counties
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	23.4	28.1	30.4	36.4	48.0	47.9	35.7
Other Travel*	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Direct Spending	23.4	28.1	30.4	36.4	48.0	47.9	35.7
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	12.1	14.1	14.4	17.9	27.6	27.7	17.7
Campground	1.0	1.2	1.2	1.5	1.5	1.4	1.3
Private Home	7.8	9.8	11.4	13.0	14.2	13.9	12.8
Vacation Home	0.7	0.8	0.9	1.0	1.1	1.2	1.1
Day Travel	1.7	2.2	2.4	3.0	3.7	3.7	2.8
Destination Spending	23.4	28.1	30.4	36.4	48.0	47.9	35.7
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	4.3	4.8	4.7	5.9	10.0	9.8	6.1
Food Service	6.0	7.2	8.0	9.1	12.0	12.0	9.8
Food Stores	1.0	1.1	1.2	1.2	1.5	1.6	1.4
Local Tran. & Gas	3.3	5.2	6.1	9.0	10.9	11.3	7.4
Arts, Ent. & Rec.	3.5	4.3	4.7	5.2	6.4	6.2	5.1
Retail Sales	5.2	5.5	5.7	5.9	7.1	7.0	5.8
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	23.4	28.1	30.4	36.4	48.0	47.9	35.7
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	3.3	3.9	4.1	4.7	7.2	7.5	5.7
Arts, Ent. & Rec.	1.7	2.1	2.3	2.6	3.4	3.4	2.8
Retail**	1.0	1.1	1.2	1.3	1.6	1.5	1.3
Ground Tran.	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	6.2	7.2	7.8	8.7	12.2	12.5	9.8
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	290	360	370	390	530	530	400
Arts, Ent. & Rec.	130	220	360	410	580	570	460
Retail**	60	60	60	60	70	60	60
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	480	640	800	870	1,180	1,170	930
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	0.6	0.7	0.7	0.9	1.2	1.2	0.9
State Tax Receipts	1.1	1.3	1.4	1.6	2.0	1.9	1.6
Total Direct Gov't Revenue	1.7	2.0	2.2	2.5	3.2	3.1	2.5

Details may not add to totals due to rounding.

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

***Property taxes and sales tax payments of travel industry employees not included.

La Paz County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	125.5	160.5	174.7	208.4	215.6	216.5	180.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Spending	125.5	160.5	174.7	208.4	215.6	216.5	180.0
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	9.3	14.3	15.5	22.2	10.4	9.5	10.2
Campground	35.8	45.1	49.1	57.5	62.8	62.4	49.7
Private Home	12.7	16.5	19.4	22.5	24.7	23.2	20.0
Vacation Home	15.0	18.5	19.5	22.2	24.9	26.0	22.4
Day Travel	52.7	66.1	71.1	83.9	92.8	95.5	77.7
Destination Spending	125.5	160.5	174.7	208.4	215.6	216.5	180.0
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	6.2	7.5	7.8	9.4	7.0	6.5	6.5
Food Service	14.0	17.6	19.5	21.9	21.0	20.7	21.4
Food Stores	12.6	14.0	14.5	14.7	15.2	15.6	15.7
Local Tran. & Gas	28.4	45.0	53.4	78.4	94.4	98.2	64.7
Arts, Ent. & Rec.	39.6	49.7	52.9	57.1	52.4	51.0	46.8
Retail Sales	24.6	26.6	26.5	26.8	25.6	24.6	24.8
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	125.5	160.5	174.7	208.4	215.6	216.5	180.0
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	5.9	7.3	8.0	9.1	8.4	8.6	8.9
Arts, Ent. & Rec.	9.3	11.7	12.5	13.6	13.1	13.1	12.3
Retail**	6.3	7.4	7.8	8.3	8.7	8.4	8.2
Ground Tran.	0.3	0.4	0.4	0.5	0.5	0.5	0.5
Visitor Air Tran.	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	21.7	26.7	28.7	31.5	30.7	30.5	29.9
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	490	540	540	560	460	460	490
Arts, Ent. & Rec.	530	510	540	500	450	440	420
Retail**	340	360	370	390	400	370	370
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	1,370	1,430	1,450	1,470	1,330	1,280	1,290
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	1.4	1.7	1.9	2.2	2.2	2.1	2.1
State Tax Receipts	4.8	5.9	7.0	8.8	8.8	8.3	7.7
Total Direct Gov't Revenue	6.2	7.6	8.8	11.0	11.0	10.3	9.8

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Maricopa County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	6,424	7,276	8,092	9,827	10,725	10,362	9,115
Other Travel*	903	900	977	1,241	1,473	1,281	1,194
Total Direct Spending	7,327	8,176	9,069	11,069	12,198	11,642	10,308
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	3,215	3,350	3,521	4,428	4,725	4,492	3,951
Campground	150	185	194	220	232	234	203
Private Home	1,946	2,408	2,886	3,409	3,822	3,698	3,292
Vacation Home	129	160	175	199	224	240	227
Day Travel	983	1,173	1,317	1,573	1,721	1,696	1,441
Destination Spending	6,424	7,276	8,092	9,827	10,725	10,362	9,115
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	1,135	1,174	1,192	1,538	1,692	1,585	1,285
Food Service	1,343	1,575	1,823	2,173	2,332	2,230	2,148
Food Stores	216	238	261	288	308	312	301
Local Tran. & Gas	789	1,060	1,243	1,692	1,993	2,044	1,437
Arts, Ent. & Rec.	830	1,007	1,151	1,322	1,373	1,285	1,193
Retail Sales	1,230	1,301	1,391	1,525	1,553	1,454	1,371
Visitor Air Tran.	882	921	1,032	1,291	1,474	1,451	1,379
Destination Spending	6,424	7,276	8,092	9,827	10,725	10,362	9,115
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	800	891	980	1,169	1,324	1,319	1,223
Arts, Ent. & Rec.	341	413	474	546	591	578	539
Retail**	208	231	252	277	296	280	260
Ground Tran.	40	42	50	58	64	62	52
Visitor Air Tran.	334	402	419	457	506	498	474
Other Travel*	376	424	430	480	549	484	449
Total Direct Earnings	2,099	2,402	2,605	2,987	3,331	3,221	2,996
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	40.9	41.3	42.7	46.8	47.4	47.5	44.5
Arts, Ent. & Rec.	15.8	14.5	16.8	19.5	20.0	19.2	17.3
Retail**	8.2	8.1	8.5	8.7	8.8	8.6	8.0
Ground Tran.	1.7	1.5	1.6	1.7	1.8	1.8	1.5
Visitor Air Tran.	7.7	7.8	6.7	6.8	6.8	6.8	6.3
Other Travel*	9.5	9.1	7.7	7.9	8.2	7.3	6.6
Total Direct Employment	83.9	82.2	84.0	91.3	93.0	91.1	84.2
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	230	243	264	314	336	318	282
State Tax Receipts	238	278	313	366	389	366	336
Total Direct Gov't Revenue	468	521	577	680	724	684	619

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Mohave County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	240.6	314.1	358.1	430.5	462.5	452.9	401.9
Other Travel*	8.0	0.8	2.6	4.9	6.5	2.7	4.2
Total Direct Spending	248.6	314.9	360.7	435.4	469.0	455.7	406.0
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	84.8	109.3	123.2	150.8	152.7	146.8	135.5
Campground	24.0	28.8	30.5	34.9	37.3	37.7	31.1
Private Home	63.8	88.6	106.2	126.1	139.7	133.6	119.1
Vacation Home	26.9	33.8	36.7	43.0	48.7	51.1	45.9
Day Travel	41.2	53.7	61.5	75.8	84.1	83.6	70.3
Destination Spending	240.6	314.1	358.1	430.5	462.5	452.9	401.9
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	32.8	39.5	43.5	53.1	54.5	49.2	44.8
Food Service	52.1	67.1	80.7	95.5	101.5	97.1	98.9
Food Stores	21.0	24.0	26.2	28.4	30.6	31.5	31.3
Local Tran. & Gas	37.5	59.4	70.5	103.5	124.6	129.6	85.4
Arts, Ent. & Rec.	39.6	51.6	60.1	68.2	69.9	65.9	64.4
Retail Sales	57.6	65.2	70.9	77.0	77.9	73.2	72.7
Visitor Air Tran.	0.0	7.3	6.1	4.8	3.5	6.5	4.5
Destination Spending	240.6	314.1	358.1	430.5	462.5	452.9	401.9
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	27.2	34.3	40.0	46.9	51.4	50.7	50.9
Arts, Ent. & Rec.	16.8	22.0	25.7	29.3	31.4	31.0	30.4
Retail**	12.6	15.0	16.6	18.2	19.6	18.7	18.1
Ground Tran.	0.4	0.5	0.5	0.6	0.7	0.6	0.6
Visitor Air Tran.	0.0	3.2	2.5	1.9	1.5	2.9	2.0
Other Travel*	3.2	0.5	1.2	2.1	3.0	1.3	2.0
Total Direct Earnings	60.3	75.5	86.6	99.0	107.6	105.3	104.0
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	2,040	2,260	2,440	2,660	2,710	2,590	2,640
Arts, Ent. & Rec.	1,100	1,380	1,620	1,750	1,640	1,530	1,420
Retail**	580	680	660	670	690	640	640
Ground Tran.	20	20	20	20	20	20	20
Visitor Air Tran.	0	60	40	30	20	40	30
Other Travel*	90	20	30	40	50	30	40
Total Direct Employment	3,820	4,420	4,800	5,170	5,130	4,850	4,780
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	5.8	7.0	7.9	9.2	9.5	8.9	8.7
State Tax Receipts	10.8	13.6	15.7	18.1	18.8	17.6	16.9
Total Direct Gov't Revenue	16.6	20.6	23.6	27.3	28.3	26.5	25.6

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Navajo County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	179.0	219.9	229.0	260.1	290.1	306.1	255.9
Other Travel*	0.4	0.3	0.2	0.2	0.3	0.3	0.2
Total Direct Spending	179.4	220.2	229.2	260.4	290.4	306.4	256.2
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	85.3	105.0	102.3	113.6	129.7	146.0	113.5
Campground	22.5	27.7	29.9	35.2	37.2	36.2	31.0
Private Home	23.0	28.9	34.4	39.7	43.4	40.8	37.3
Vacation Home	35.6	42.3	45.0	50.8	56.3	58.8	54.4
Day Travel	12.7	16.0	17.4	20.8	23.5	24.3	19.9
Destination Spending	179.0	219.9	229.0	260.1	290.1	306.1	255.9
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	31.5	37.7	36.1	39.6	44.5	50.3	40.9
Food Service	31.1	38.8	41.3	45.4	51.3	55.2	48.9
Food Stores	22.6	25.1	26.2	27.3	29.6	31.5	30.9
Local Tran. & Gas	21.6	34.2	40.6	59.6	71.8	74.7	49.2
Arts, Ent. & Rec.	34.9	43.4	44.6	47.2	50.0	50.6	45.4
Retail Sales	37.3	40.6	40.2	41.0	42.9	43.9	40.6
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	179.0	219.9	229.0	260.1	290.1	306.1	255.9
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	21.8	26.8	27.1	28.9	34.0	39.2	34.4
Arts, Ent. & Rec.	12.7	16.0	16.7	17.8	19.7	21.0	19.0
Retail**	8.6	9.9	10.3	10.8	11.8	12.0	11.2
Ground Tran.	0.2	0.3	0.3	0.4	0.4	0.4	0.4
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Total Direct Earnings	43.7	53.1	54.5	57.9	66.1	72.8	65.1
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,610	1,840	1,730	1,620	1,680	1,870	1,590
Arts, Ent. & Rec.	1,020	1,010	980	990	1,020	1,080	930
Retail**	480	510	490	490	510	490	470
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	20	10	10	10	10	10	10
Total Direct Employment	3,140	3,380	3,210	3,120	3,230	3,460	3,010
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	4.3	5.1	5.1	5.5	6.1	6.6	5.7
State Tax Receipts	6.7	8.2	9.1	10.1	10.9	11.1	9.9
Total Direct Gov't Revenue	11.0	13.3	14.2	15.7	17.0	17.8	15.7

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Pima County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	1,526	1,712	1,861	2,168	2,199	2,065	1,915
Other Travel*	26	26	24	29	38	36	35
Total Direct Spending	1,552	1,738	1,885	2,197	2,237	2,101	1,950
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	700	724	743	932	900	797	742
Campground	57	67	71	78	83	83	74
Private Home	318	395	470	531	589	562	499
Vacation Home	27	32	34	37	41	44	42
Day Travel	424	493	543	589	586	579	558
Destination Spending	1,526	1,712	1,861	2,168	2,199	2,065	1,915
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	290	300	300	395	393	340	303
Food Service	347	399	450	522	532	495	491
Food Stores	88	98	106	110	109	108	112
Local Tran. & Gas	153	196	229	304	355	363	261
Arts, Ent. & Rec.	213	254	283	317	314	288	272
Retail Sales	420	450	477	497	469	443	450
Visitor Air Tran.	14	15	16	21	28	28	27
Destination Spending	1,526	1,712	1,861	2,168	2,199	2,065	1,915
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	210	231	248	294	310	294	288
Arts, Ent. & Rec.	85	101	113	127	131	126	119
Retail**	69	76	81	85	84	80	79
Ground Tran.	11	11	13	15	17	16	14
Visitor Air Tran.	5	6	7	7	9	9	9
Other Travel*	15	15	13	14	17	16	15
Total Direct Earnings	394	440	475	543	568	542	524
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	11,380	12,130	12,570	14,000	13,320	12,370	12,280
Arts, Ent. & Rec.	5,710	6,290	7,190	7,650	7,220	6,440	6,360
Retail**	3,060	3,060	3,110	3,150	3,040	2,890	2,900
Ground Tran.	450	400	440	450	490	470	390
Visitor Air Tran.	130	120	100	110	130	120	110
Other Travel*	520	440	320	310	340	290	260
Total Direct Employment	21,240	22,450	23,730	25,670	24,530	22,590	22,290
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	35.2	37.1	38.9	47.2	48.6	43.7	40.5
State Tax Receipts	57.0	65.9	74.5	85.6	85.8	79.5	76.3
Total Direct Gov't Revenue	92.3	103.1	113.4	132.8	134.4	123.2	116.8

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Pinal County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	206.0	257.4	290.7	364.3	449.2	461.0	421.2
Other Travel*	0.1	0.1	0.4	0.4	0.4	0.4	0.4
Total Direct Spending	206.1	257.5	291.1	364.8	449.6	461.4	421.6
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	43.6	48.2	46.5	59.9	70.1	68.9	59.6
Campground	13.8	16.6	17.4	19.5	19.3	18.8	16.4
Private Home	61.6	82.6	103.7	133.2	172.9	174.6	162.3
Vacation Home	30.0	38.1	42.7	53.3	69.7	78.2	76.0
Day Travel	56.9	71.9	80.4	98.5	117.1	120.5	106.9
Destination Spending	206.0	257.4	290.7	364.3	449.2	461.0	421.2
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	17.5	19.0	18.1	22.6	27.3	26.6	22.5
Food Service	44.7	56.8	67.3	85.6	110.3	113.1	112.3
Food Stores	20.1	23.6	26.2	30.9	39.7	44.4	44.9
Local Tran. & Gas	25.7	40.8	48.4	71.0	85.5	88.9	58.6
Arts, Ent. & Rec.	42.4	54.4	62.4	74.6	89.6	90.7	86.9
Retail Sales	55.6	62.9	68.3	79.7	96.8	97.4	96.1
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	206.0	257.4	290.7	364.3	449.2	461.0	421.2
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	20.1	24.6	27.8	34.8	46.3	49.5	48.3
Arts, Ent. & Rec.	18.3	23.7	27.4	33.3	42.4	44.9	43.5
Retail**	10.8	12.8	14.2	16.4	20.4	20.9	20.3
Ground Tran.	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.1	0.1	0.3	0.3	0.3	0.3	0.3
Total Direct Earnings	49.5	61.5	70.0	85.2	109.9	116.0	112.8
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,380	1,510	1,780	1,950	2,260	2,350	2,240
Arts, Ent. & Rec.	830	1,580	1,620	1,810	1,560	1,670	1,630
Retail**	560	570	600	660	800	800	780
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	10	0	20	20	20	10	10
Total Direct Employment	2,790	3,680	4,030	4,450	4,650	4,850	4,670
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	4.1	4.8	5.4	6.7	8.4	8.5	8.2
State Tax Receipts	8.0	10.0	11.7	14.3	16.9	16.8	16.1
Total Direct Gov't Revenue	12.1	14.8	17.0	21.0	25.3	25.3	24.3

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Santa Cruz County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	206.4	236.6	262.0	273.5	255.2	257.0	269.6
Other Travel*	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Total Direct Spending	206.4	236.6	262.0	273.6	255.2	257.0	269.7
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	27.4	25.5	27.3	38.0	42.1	42.4	30.8
Campground	3.8	4.4	5.0	5.5	5.9	5.9	5.3
Private Home	5.8	7.4	9.0	10.4	11.3	10.7	10.1
Vacation Home	0.8	1.0	1.0	1.2	1.3	1.4	1.3
Day Travel	168.5	198.3	219.7	218.4	194.5	196.6	222.2
Destination Spending	206.4	236.6	262.0	273.5	255.2	257.0	269.6
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	11.0	10.3	10.8	14.9	16.9	16.6	12.1
Food Service	25.6	28.4	31.8	35.6	35.1	34.7	35.3
Food Stores	79.3	92.3	102.1	100.5	90.6	90.6	103.1
Local Tran. & Gas	5.1	8.1	9.6	14.0	16.9	17.6	11.6
Arts, Ent. & Rec.	6.0	6.5	7.3	9.1	9.5	9.2	7.7
Retail Sales	79.5	91.0	100.3	99.4	86.2	88.4	99.8
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	206.4	236.6	262.0	273.5	255.2	257.0	269.6
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	11.7	12.5	13.7	15.9	17.0	17.6	16.7
Arts, Ent. & Rec.	2.8	3.0	3.5	4.3	4.7	4.7	4.0
Retail**	22.6	26.1	28.8	28.3	25.8	26.0	29.0
Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Total Direct Earnings	37.2	41.7	46.1	48.6	47.6	48.5	49.8
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	820	810	890	960	850	830	780
Arts, Ent. & Rec.	220	240	240	270	310	320	220
Retail**	1,000	1,050	1,120	1,010	870	850	940
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	2,050	2,100	2,260	2,240	2,030	2,000	1,960
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	4.2	4.6	5.0	5.4	5.1	5.2	5.3
State Tax Receipts	6.0	7.2	8.4	8.8	8.2	8.2	8.6
Total Direct Gov't Revenue	10.2	11.8	13.4	14.2	13.3	13.4	13.9

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Yavapai County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	422.8	540.1	579.9	640.6	716.2	701.6	623.6
Other Travel*	3.1	2.9	0.9	1.0	1.0	1.0	0.9
Total Direct Spending	425.9	543.0	580.8	641.6	717.2	702.7	624.5
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	138.6	197.0	205.9	230.7	276.8	268.3	226.7
Campground	35.6	40.4	42.2	45.4	46.4	45.4	42.9
Private Home	59.1	76.0	92.6	106.7	118.3	111.5	101.4
Vacation Home	14.6	17.6	19.1	21.3	23.8	25.0	24.4
Day Travel	174.9	209.2	220.2	236.5	250.8	251.4	228.2
Destination Spending	422.8	540.1	579.9	640.6	716.2	701.6	623.6
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	59.0	81.3	83.1	97.6	121.7	115.7	95.2
Food Service	96.1	129.1	144.7	160.9	183.4	180.8	170.2
Food Stores	26.6	30.8	32.8	34.5	37.6	38.5	37.4
Local Tran. & Gas	16.0	25.4	30.1	44.1	53.2	55.3	36.4
Arts, Ent. & Rec.	115.7	148.3	160.6	171.1	180.7	176.7	157.6
Retail Sales	109.4	125.4	128.4	132.2	139.5	134.5	126.6
Visitor Air Tran.	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Destination Spending	422.8	540.1	579.9	640.6	716.2	701.6	623.6
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	50.6	68.7	74.6	82.5	101.4	103.6	95.2
Arts, Ent. & Rec.	39.6	51.8	56.7	61.3	68.1	68.5	62.1
Retail**	17.8	20.6	21.5	22.2	24.2	23.6	22.0
Ground Tran.	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Other Travel*	2.3	2.1	0.7	0.7	0.7	0.7	0.6
Total Direct Earnings	110.4	143.5	153.7	167.0	194.8	196.8	180.2
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	3,390	4,120	4,200	4,000	4,390	4,460	4,110
Arts, Ent. & Rec.	2,280	3,490	3,890	3,790	3,680	3,750	3,380
Retail**	900	930	870	890	960	920	880
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	120	90	30	30	30	30	20
Total Direct Employment	6,700	8,630	9,000	8,720	9,060	9,160	8,410
Government Revenue Generated by Travel Spending ($Million)* **							
Local Tax Receipts	8.6	11.4	12.4	14.1	16.5	15.9	14.0
State Tax Receipts	11.1	15.0	17.8	21.7	24.5	23.7	21.2
Total Direct Gov't Revenue	19.7	26.5	30.2	35.8	41.0	39.6	35.1

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

Yuma County
Travel Impacts, 1998-2009p

	1998	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending ($Million)							
Destination Spending	365.7	431.4	498.5	563.5	586.7	595.4	574.0
Other Travel*	5.2	3.1	2.2	3.0	3.4	3.2	3.1
Total Direct Spending	370.9	434.5	500.7	566.6	590.1	598.6	577.1
Visitor Spending by Type of Traveler Accommodation ($Million)							
Hotel, Motel	86.0	90.5	118.0	154.4	174.2	185.0	167.0
Campground	48.8	58.4	61.3	66.8	68.6	66.9	59.1
Private Home	54.0	71.6	85.7	97.6	106.9	101.7	95.4
Vacation Home	28.4	34.9	37.0	41.1	45.7	48.3	46.7
Day Travel	148.6	176.1	196.4	203.7	191.4	193.6	205.7
Destination Spending	365.7	431.4	498.5	563.5	586.7	595.4	574.0
Visitor Spending by Commodity Purchased ($Million)							
Accommodations	29.4	30.5	36.7	47.9	56.9	58.7	54.1
Food Service	58.1	69.5	84.7	98.6	106.3	107.5	110.5
Food Stores	61.8	71.2	77.8	79.1	77.2	79.1	85.1
Local Tran. & Gas	20.1	31.8	37.7	55.3	66.7	69.3	45.7
Arts, Ent. & Rec.	76.2	90.4	108.5	126.3	132.7	133.3	120.6
Retail Sales	120.1	135.8	149.5	153.0	143.9	144.7	155.4
Visitor Air Tran.	0.0	2.1	3.4	3.2	3.0	2.7	2.5
Destination Spending	365.7	431.4	498.5	563.5	586.7	595.4	574.0
Industry Earnings Generated by Travel Spending ($Million)							
Accom. & Food Serv.	27.3	31.3	38.2	45.2	52.4	56.0	56.7
Arts, Ent. & Rec.	27.6	33.4	39.9	46.6	51.1	52.7	49.1
Retail**	26.0	29.9	33.0	33.6	33.2	33.4	35.0
Ground Tran.	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Visitor Air Tran.	0.0	0.9	1.4	1.3	1.3	1.2	1.1
Other Travel*	2.2	1.5	1.0	1.3	1.6	1.6	1.5
Total Direct Earnings	83.3	97.3	113.7	128.4	140.1	145.3	143.8
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,950	1,970	2,270	2,500	2,620	2,700	2,720
Arts, Ent. & Rec.	1,300	2,150	2,220	2,280	2,290	2,110	1,940
Retail**	1,210	1,260	1,260	1,250	1,180	1,170	1,230
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	20	20	20	20	20	10
Other Travel*	60	40	30	30	30	30	30
Total Direct Employment	4,530	5,460	5,810	6,080	6,140	6,040	5,940
Government Revenue Generated by Travel Spending ($Million)***							
Local Tax Receipts	9.0	10.2	11.8	13.4	14.0	14.2	14.4
State Tax Receipts	11.6	14.1	17.5	21.3	22.1	22.1	21.8
Total Direct Gov't Revenue	20.6	24.3	29.3	34.7	36.2	36.4	36.2

Details may not add to totals due to rounding.
*Other Travel includes resident air travel and travel agencies. **Retail includes gasoline.
***Property taxes and sales tax payments of travel industry employees not included.

APPENDICES

Appendix A. Regional Travel Impact Model

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

Appendix C. Arizona Earnings and Employment by Industry Sector

Appendix D. Secondary Impacts Industry Groups

REGIONAL TRAVEL IMPACT MODEL

This appendix 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

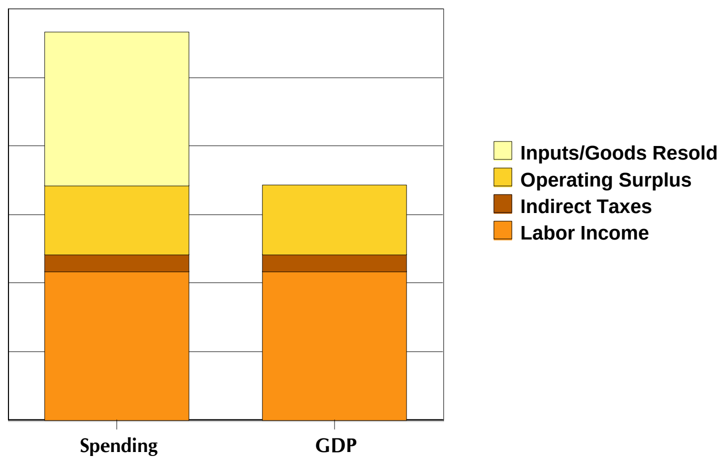
Direct impacts are reported for all counties within Arizona. Secondary employment and earnings impacts over and above direct impacts are reported at the state level only for the year 2009. These indirect and induced impacts are generated from the direct impacts produced by the RTIM, discussed above, 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.

GROSS DOMESTIC PRODUCT

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

The relationship between spending and gross domestic product is illustrated in the figure below. Examples of inputs are the food or accounting services that restaurants purchase from suppliers. "Goods resold" are the commodities that retail establishments purchase from manufacturers or wholesale trade businesses and resell with a markup. These inputs or goods are not counted as the GDP of the restaurant or retail industry because their value was created in other industries (agriculture, accounting, manufacturing).

Relationship Between Spending and Gross Domestic Product



It is for this reason that "travel spending" – as measured from surveys of visitors – is not the best measure of the travel industry's real economic contribution. This is because some visitor spending is actually counted as the GDP of other industries (e.g., agriculture, accounting, manufacturing). Furthermore, these other industries may or may not be located within the geographic area of interest. If the farm were located within the region of interest, then the GDP of the local farm would be included as an indirect or secondary effect. If not (e.g., a manufacturing firm in another state or country), then that part of GDP is not counted.

The preceding graph also shows the three main components of GDP. For most industries, labor income (essentially equivalent to earnings in this report) is the primary component of GDP. This is true of the travel industry. A second component is the tax payments that businesses make to government, such as sales, excise and property taxes. In the case of sales taxes, businesses are essentially a collection agency for the government. The final component, operating surplus, represents the income and payments (e.g., dividends, interest) to other stakeholders of the firm.

The concept of GDP also illustrates that with small geographic units of analysis (e.g., counties), earnings, employment, and tax revenues are the best measures of the economic value of the travel industry to the local economy. Small area measures of GDP are less reliable and much of the operating surplus may leak out of the local economy anyway. Indirect effects are also generally less in smaller economies.

COMPARISON WITH OTHER EXPORT-ORIENTED INDUSTRIES

Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations. Agriculture, mining, and manufacturing are the best examples of export-oriented industries. Clearly, there are cases in each of these three sectors where the products are sold within the local or regional market. Nonetheless, in general most businesses within these industries depend on export markets. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. The travel industry injects money into the local economy, as do the exports of other industries.

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

For the purposes of this report, we have defined five major export-oriented industries in Arizona.

- **Aerospace**. This industry comprises establishments engaged in aerospace product and parts manufacturing.
- **Microelectronics**. This industry includes establishments that manufacture computers, communications equipment and similar products and components that utilize integrated circuits. This is the largest manufacturing subsector (NAICS 334).
- **Food**. The food group encompasses parts of two major industry categories: agriculture, and food manufacturing or processing.
- **Mining**. This industry is comprised primarily of copper mining companies.
- **Travel**. A portion of the transportation, retail, leisure, and hospitality industries as estimated in this report.

These industries are compared in terms of earnings and GDP in order to illustrate the significance of the travel industry in the larger economy. This type of comparison is more meaningful for the travel industry than comparisons with non-export oriented industries (e.g., health care, retail trade, government) where industry growth is largely a function of population and demographic factors. See Appendix C for a list of Arizona industries.

TRAVEL RELATED CONSTRUCTION ACTIVITY

Investment in the infrastructure of the travel industry represents another aspect of the travel economy. In the short term, such investments provide employment in the construction trades and architectural professions. In the longer term, investments in accommodations, attractions and other facilities serve to maintain and enhance

Arizona's share of the visitor market. The statewide estimate of travel related construction activity is based on McGraw-Hill Dodge Construction statistics.

PRELIMINARY ESTIMATES

Preliminary estimates for 2009 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 2009 becomes available.

STATEWIDE TAX IMPACTS

As with last year's report, the sum of travel-generated state and local tax revenues at the county level is less than the statewide estimate of state and local tax revenues. This is because property taxes and the sales tax revenues attributable to the spending of travel industry employees are included at the statewide level. Data limitations do not permit the estimate of the aforementioned taxes at the county level.

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:

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 included for the statewide total. They are not included for county level estimates.
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. Also included at the state level only is an estimate of the sales tax payments associated with travel industry earnings.

Visitor Categories

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

Type of Visitor	Description
Hotel/Motel	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.

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 generally expressed in *current* dollars. There is no adjustment for inflation unless noted.
- The employment estimates in this report are estimates of the total number of full- and part-time jobs (positions) 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.

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."[11] Similarly, the RTIM has been developed by Dean Runyan Associates to estimate travel spending, earnings, employment, and tax receipts at the state, county, and regional levels. These initial findings can, in turn, be used as input data for deriving estimates of other economic measures, such as value-added and indirect effects.

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

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

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

[11] 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.[12] 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.[13] 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

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

[13] 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.[14]

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*.[15]

[14] 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.

[15] 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.[16]

Bureau of Economic Analysis Tourism Industries
Distribution of Travel-Generated Compensation
in United States, 2007

Accommodation & Food Services	**38.1%**
Traveler accommodations	21.5%
Food services and drinking places	16.6%
Transportation	**23.3%**
Air transportation	15.4%
Rail transportation	0.4%
Water transportation	1.2%
Interurban bus transportation	0.3%
Interurban charter bus transportation	0.2%
Urban transit systems & other tran.	1.7%
Taxi service	1.0%
Automotive equipment rental & leasing	2.0%
Automotive repair services	0.8%
Parking lots and garages	0.2%
Toll highways	0.1%
Recreation	**11.2%**
Scenic and sightseeing transportation	0.4%
Motion pictures and performing arts	1.1%
Spectator sports	2.3%
Participant sports	2.4%
Gambling	3.0%
All other recreation and entertainment	2.0%
Retail & Nondurable Goods Production	**16.2%**
Petroleum refineries	0.6%
Industries producing nondurable PCE commodities, excluding petroleum refineries	4.4%
Wholesale trade & tran. services	4.2%
Gasoline service stations	1.3%
Retail trade services, excluding gasoline service stations	5.8%
Travel Arrangement	**7.3%**
All other industries	**2.2%**
Total Tourism Compensation	**100.0%**

Source: Adapted from Eric S. Griffith and Steven L. Zemanek, "U.S. Travel and Tourism Satellite Accounts for 2005-2008," Survey of Current Business (June 2009): 37, table 6.

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

RTIM Travel Impact Industries Matched to NAICS

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

Source: Dean Runyan Associates

DEMAND SEGMENTS

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

The distinction between ***leisure versus business travel*** is useful for several reasons. Economists like to distinguish between personal consumption expenditures on the one hand and business expenditures on the other. Indeed, this distinction is central for the National Income and Product Accounts (NIPAs). Those in the travel industry are more likely to be interested in this distinction because leisure travelers represent a more "marketable" segment because their travel choices are less determined by economic and business factors. 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.[17] 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.[18] 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

[17] Conversely, the spending of U.S. visitors in other countries is treated as an import in the international transaction accounts.

[18] 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.[19]

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.[20] 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.

[19] 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.
[20] 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).

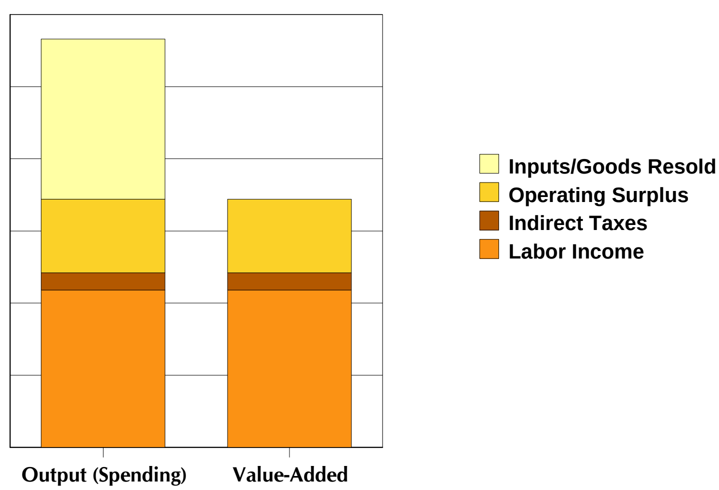
Components of Industry Output

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:[21]

- 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

[21] 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.[22]

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.[23] 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 Domestic Product). At the level of the state, travel industry value-added or GDP is an important measure – more economically meaningful than travel spending.[24] 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 revenue***. 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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[22] 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.
[23] 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.
[24] 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.[25] 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.

[25] 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.

Arizona Earnings and Employment by Industry Sector, 2008

Industry Sector	Earnings ($Million)	Percent of Total	Employment (Thousand)	Percent of Total
Primarily Export-Oriented	**16,265**	**10.2%**	**250**	**7.3%**
Agriculture, Forestry, Fishing and related	1,046	0.7%	43	1.2%
Mining	1,311	0.8%	20	0.6%
Manufacturing	13,908	8.7%	187	5.5%
***Travel*	*4,940*	*3.1%*	*167*	*4.9%*
Primarily Local/Regional	**84,995**	**53.2%**	**1,921**	**55.9%**
Construction	12,525	7.8%	247	7.2%
Utilities	1,505	0.9%	13	0.4%
Wholesale trade	8,595	5.4%	120	3.5%
Retail trade	12,858	8.0%	393	11.4%
Real estate and rental and leasing	4,250	2.7%	210	6.1%
Management of companies and enterprises	2,437	1.5%	30	0.9%
Administrative and waste services	9,369	5.9%	282	8.2%
Other services, except public administration	5,603	3.5%	167	4.9%
Government and government enterprises	27,853	17.4%	459	13.3%
Mixed	**58,556**	**36.6%**	**1,267**	**36.8%**
Transportation and warehousing	4,958	3.1%	98	2.9%
Information	3,159	2.0%	52	1.5%
Finance and insurance	10,151	6.4%	190	5.5%
Professional and technical services	12,926	8.1%	221	6.4%
Educational services	2,042	1.3%	60	1.7%
Health care and social assistance	17,545	11.0%	325	9.5%
Leisure and Hospitality	*7,777*	4.9%	321	9.3%
Arizona Total**	**159,816**	**100.0%**	**3,437**	**100.0%**

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

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
Newpaper 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