

# Tourism's Economics Impact on the Meadowlands Liberty Region

---

*May 2018*



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

---

## Table of contents

1) Tourism Impact Summary and Trends	3
2) Detailed Results	10
3) Methodology	18

---

# 1) Tourism Impact Summary and Trends

## Economic impact summary

In 2017, visitors spent \$5.1 billion in the Meadowlands Liberty Region. This spending supported a total of \$8.2 billion in business sales, 62,728 jobs, and \$2.0 billion in income.

Tourism supported \$303 million of state taxes and \$287 million in local taxes. **Without tourism every household in the Meadowlands Liberty Region would have to contribute an additional \$968 annually** to maintain the current level of government services.

Detailed results are available in section 2.

## Tourism's Impact on the Meadowlands Liberty Region

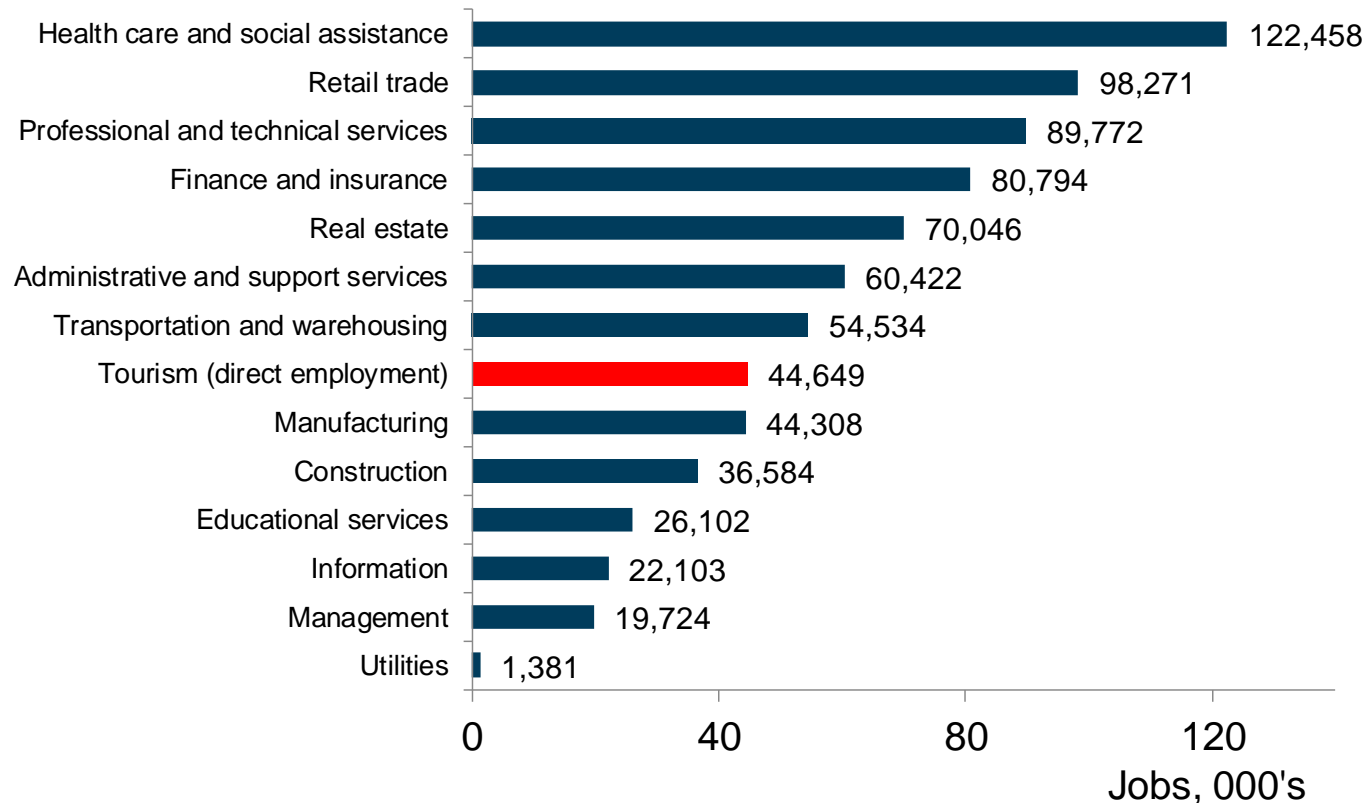
Nominal dollars, millions

<b>Visitor spending</b>	<b>\$5,110.8</b>
<b>Total economic output</b>	<b>\$8,154</b>
Direct expenditures	\$5,111
Indirect and induced output	\$3,043
<b>Total income</b>	<b>\$2,455</b>
Direct income	\$1,457
Indirect and induced income	\$998
<b>Total jobs</b>	<b>62,728</b>
Direct jobs	44,649
Indirect and induced jobs	18,079
<b>State Taxes and Revenue</b>	<b>\$303.2</b>
Sales	\$230.6
Personal Income	\$35.7
Corporate	\$17.8
Social Security	\$6.5
Excise and Fees	\$12.6
<b>Local Taxes and Revenue</b>	<b>\$287.4</b>
Sales	\$3.1
Bed Tax	\$34.2
Excise and Fees	\$18.1
Property	\$232.0

Source: Tourism Economics

# Tourism is one of the largest industries in the Meadowlands Liberty Region

## Employment by industry in the Meadowlands Liberty Region



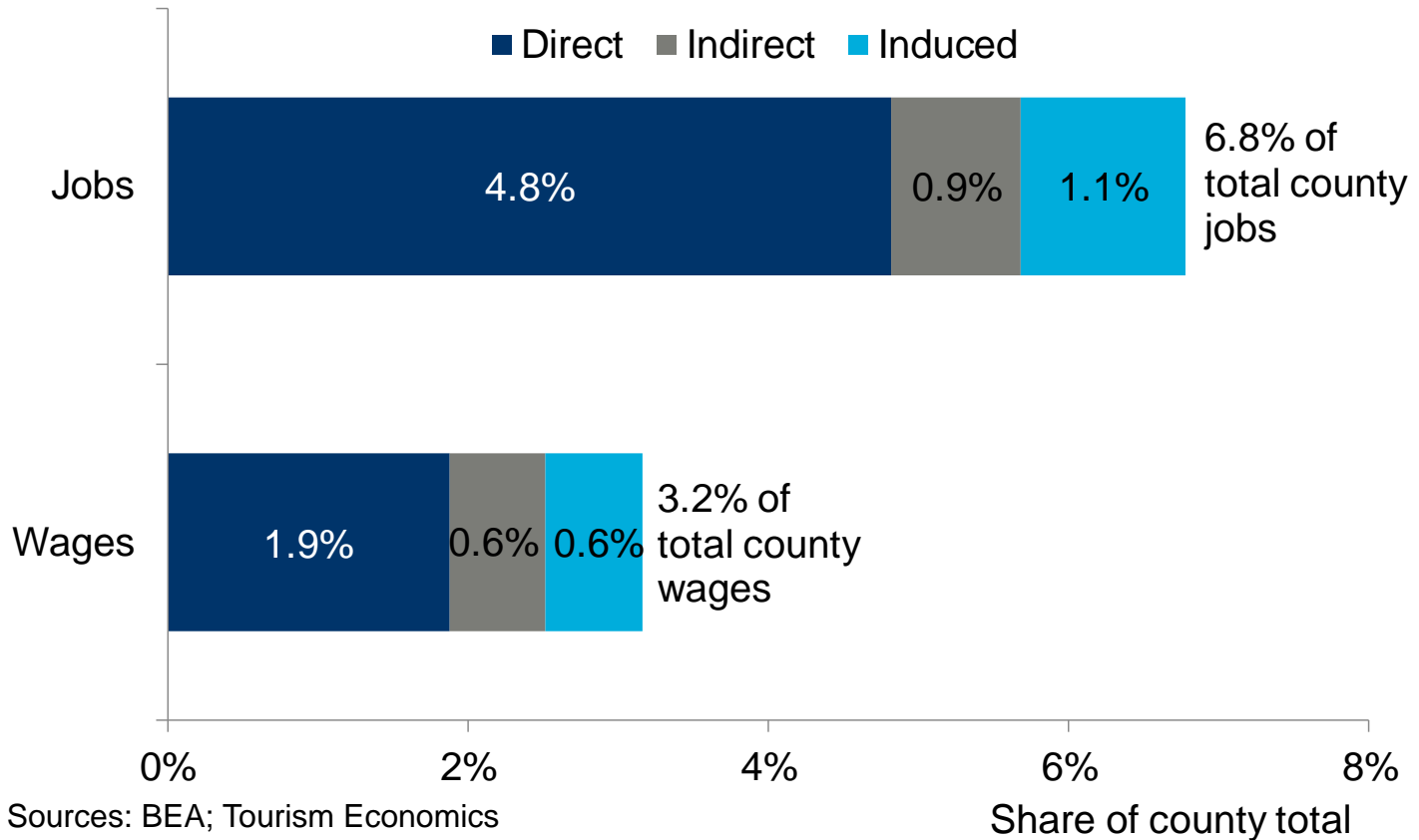
Sources: BEA; Tourism Economics

Note that BEA 2016 estimates are used for other industries

**The tourism sector is a major contributor to the Meadowlands Liberty Region's economy**

The tourism sector sustains 6.8% of all private sector jobs and 3.2% of all private sector income in the Meadowlands Liberty Region

## Tourism's share of key local indicators

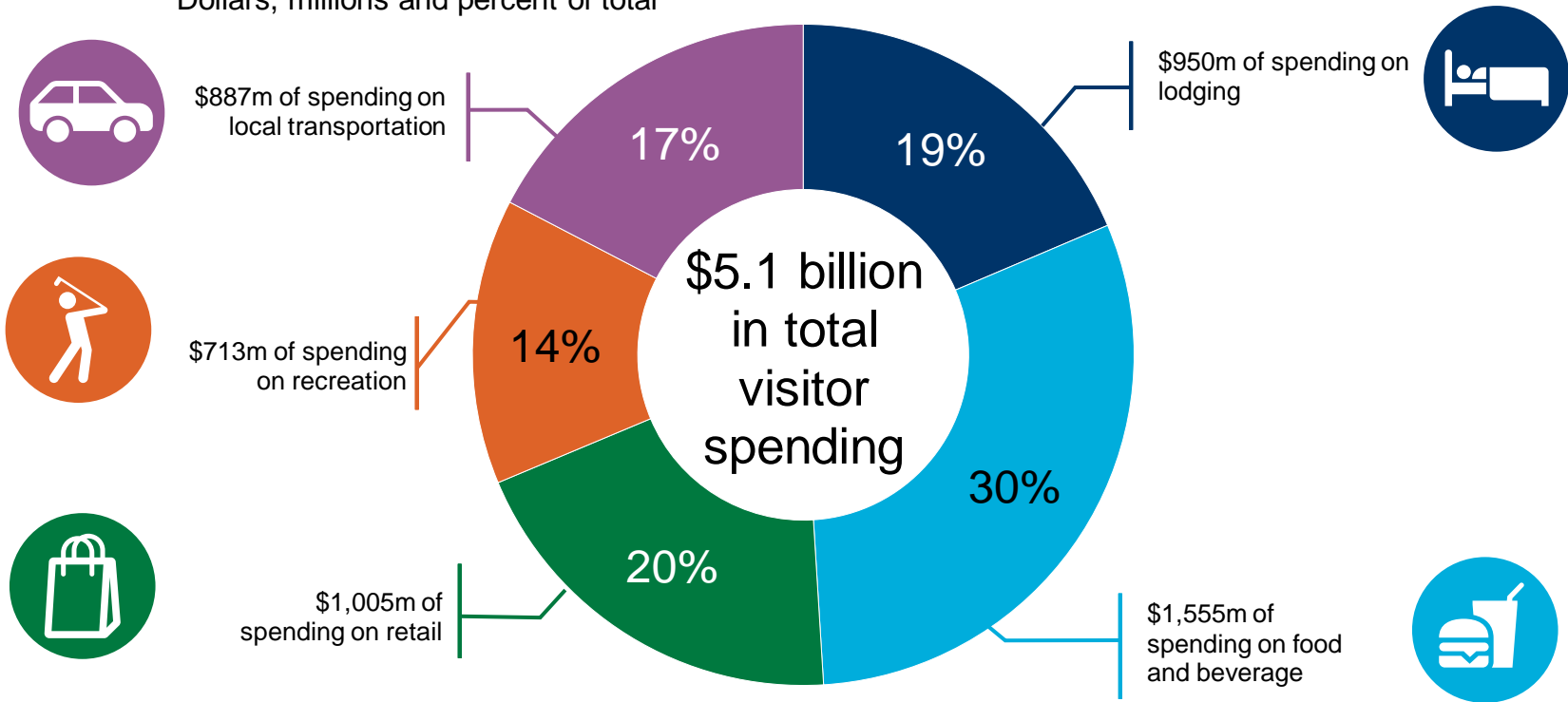


# Visitor spending in the Meadowlands Liberty Region

Visitors to the Meadowlands Liberty Region spent \$5.1 billion in 2017

## Meadowlands Region visitor spending by sector, 2017

Dollars, millions and percent of total



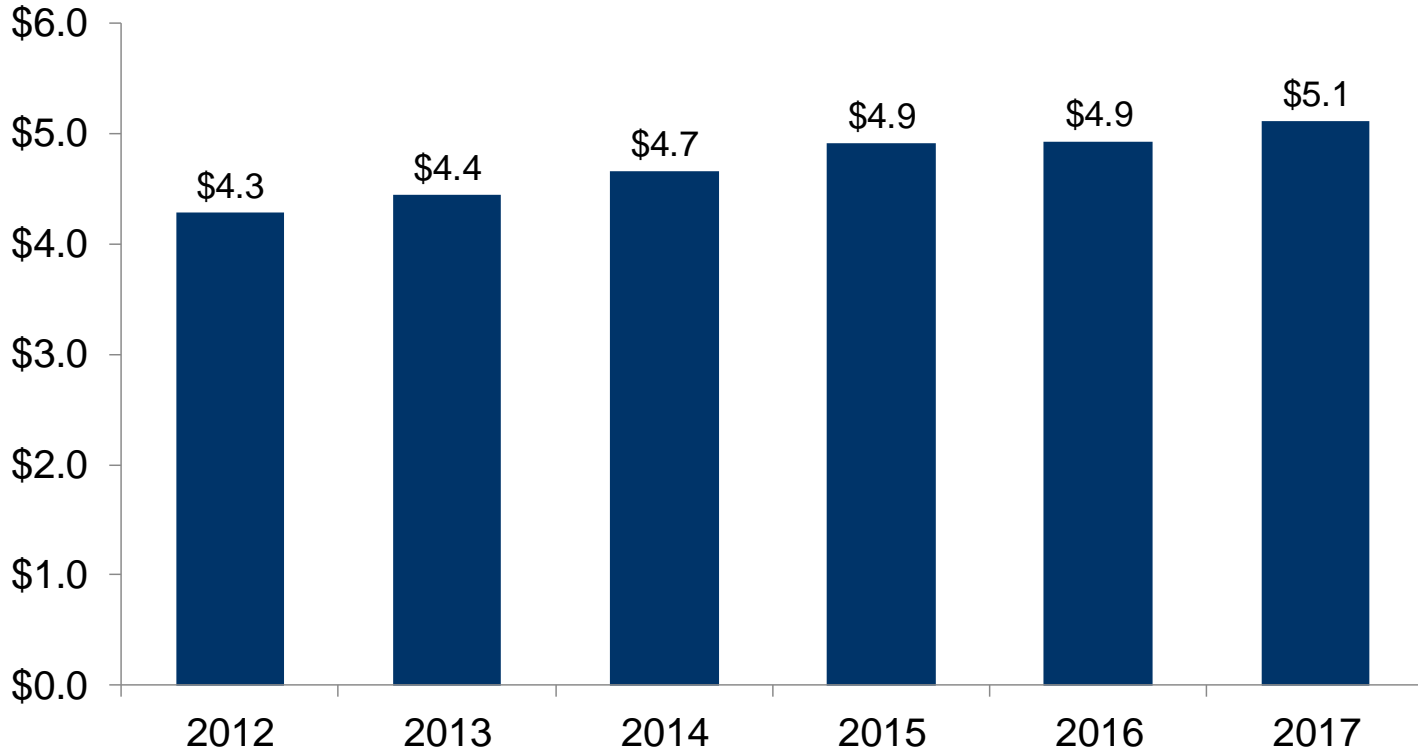
Source: Tourism Economics

## Visitor spending has been steadily increasing

Visitor spending reached \$5.1 billion in 2017, up from \$4.3 billion in 2012, a 19% increase in five years

### Visitor spending in the Meadowlands Liberty Region

Dollars, billions



Source: Tourism Economics

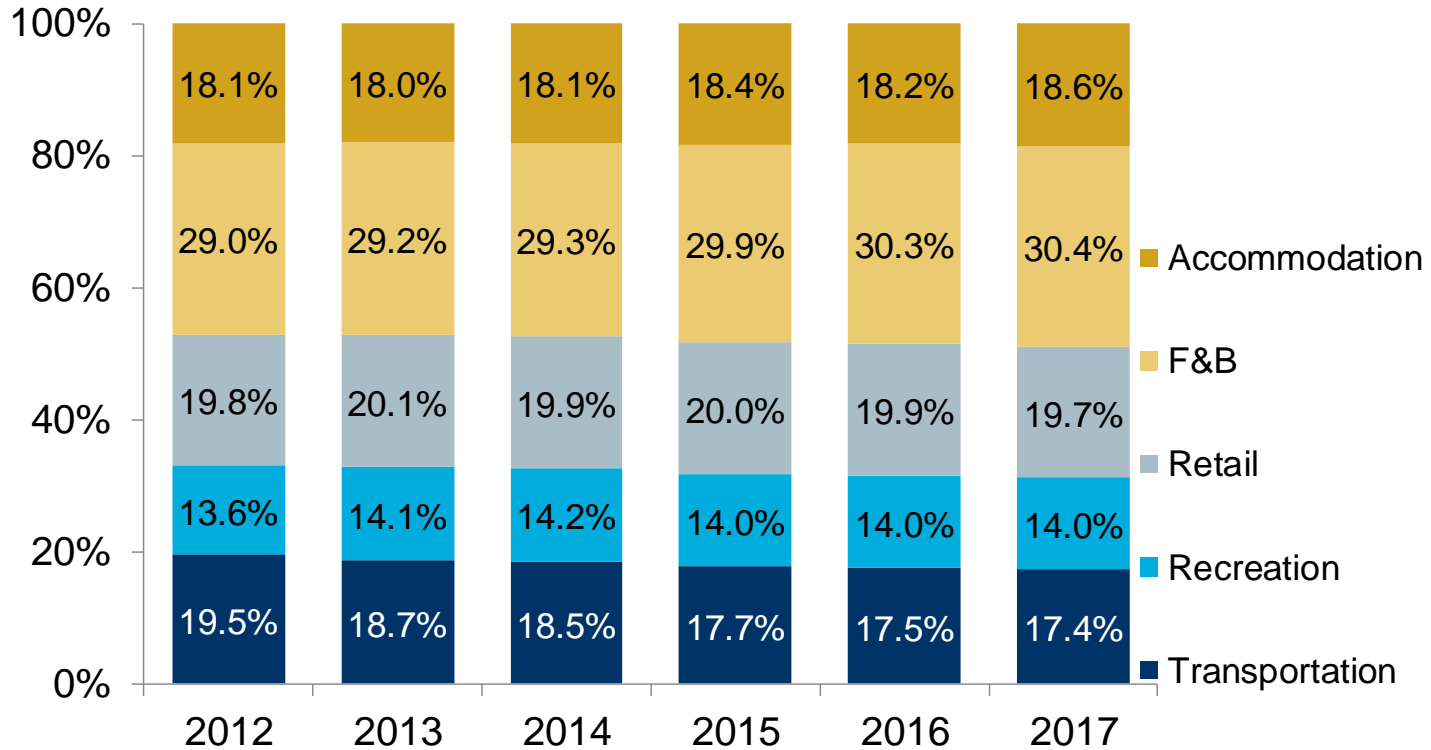


## Tourism spending is changing with prices

Low gasoline prices have reduced the share of spending on transportation over time

### Visitor spending by category in the Meadowlands Region

Dollars, millions



Source: Tourism Economics

---

## 2) Detailed Results

## Tourism's Impact on business sales (1 of 2)

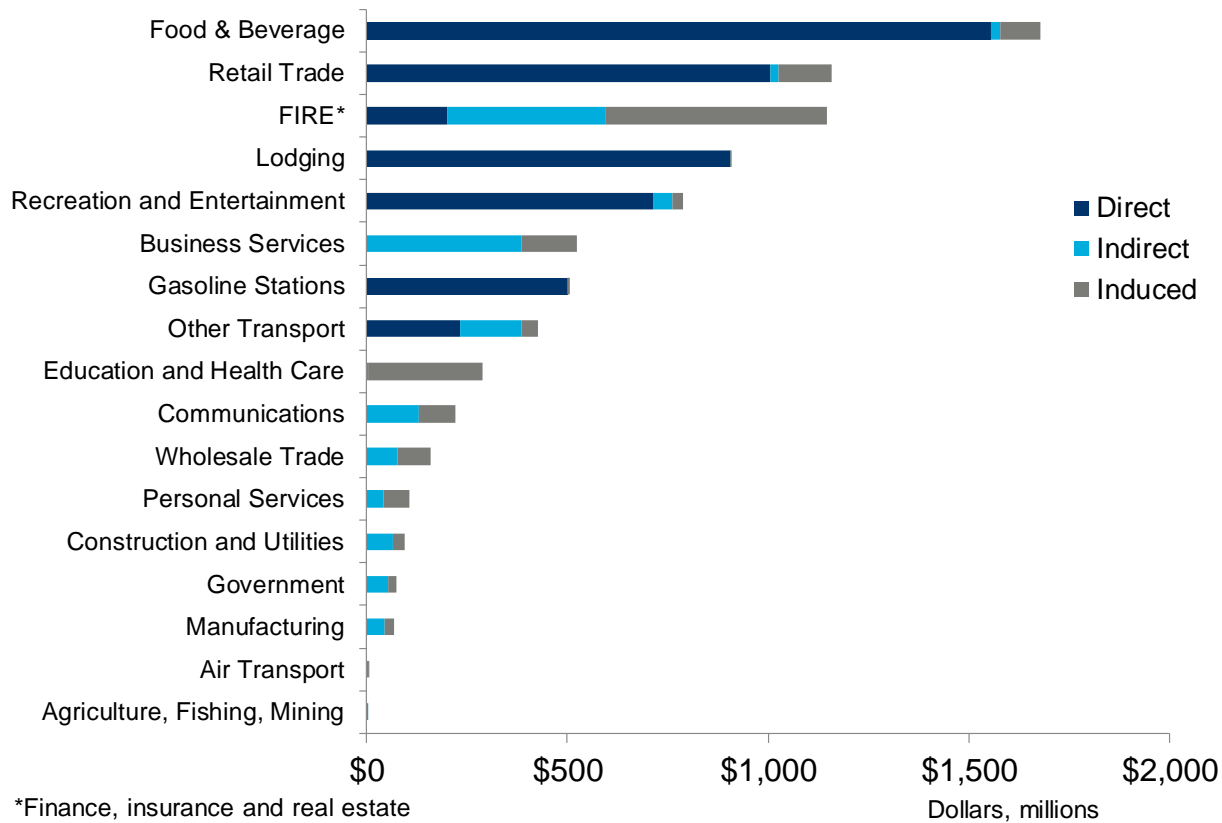
Tourism generated \$5.1 billion in direct sales and supported \$8.2 billion in total business sales

<b>Tourism industry generated business sales, millions</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	\$0.5	\$0.3	<b>\$0.8</b>
<b>Construction and Utilities</b>	-	\$64.7	\$29.9	<b>\$94.6</b>
<b>Manufacturing</b>	-	\$43.0	\$23.8	<b>\$66.8</b>
<b>Wholesale Trade</b>	-	\$77.7	\$80.6	<b>\$158.3</b>
<b>Air Transport</b>	-	\$2.5	\$3.7	<b>\$6.2</b>
<b>Other Transport</b>	\$231.9	\$153.0	\$42.1	<b>\$427.0</b>
<b>Retail Trade</b>	\$1,005.0	\$21.5	\$132.5	<b>\$1,159.0</b>
<b>Gasoline Stations</b>	\$500.1	\$1.3	\$5.7	<b>\$507.2</b>
<b>Communications</b>	-	\$128.2	\$93.0	<b>\$221.2</b>
<b>Finance, Insurance and Real Estate</b>	\$200.2	\$395.4	\$550.9	<b>\$1,146.4</b>
<b>Business Services</b>	-	\$385.9	\$137.9	<b>\$523.8</b>
<b>Education and Health Care</b>	-	\$2.9	\$284.5	<b>\$287.4</b>
<b>Recreation and Entertainment</b>	\$713.3	\$48.7	\$26.6	<b>\$788.6</b>
<b>Lodging</b>	\$905.6	\$0.5	\$0.4	<b>\$906.4</b>
<b>Food &amp; Beverage</b>	\$1,554.8	\$23.0	\$99.9	<b>\$1,677.6</b>
<b>Personal Services</b>	-	\$40.0	\$67.4	<b>\$107.5</b>
<b>Government</b>	-	\$53.8	\$21.4	<b>\$75.2</b>
<b>TOTAL</b>	<b>\$5,110.8</b>	<b>\$1,442.7</b>	<b>\$1,600.6</b>	<b>\$8,154.1</b>

Source: Tourism Economics

# Tourism's Impact on business sales (2 of 2)

## Tourism industry generated business sales, 2017



\*Finance, insurance and real estate

Source: Tourism Economics

## Tourism's Impact on income (1 of 2)

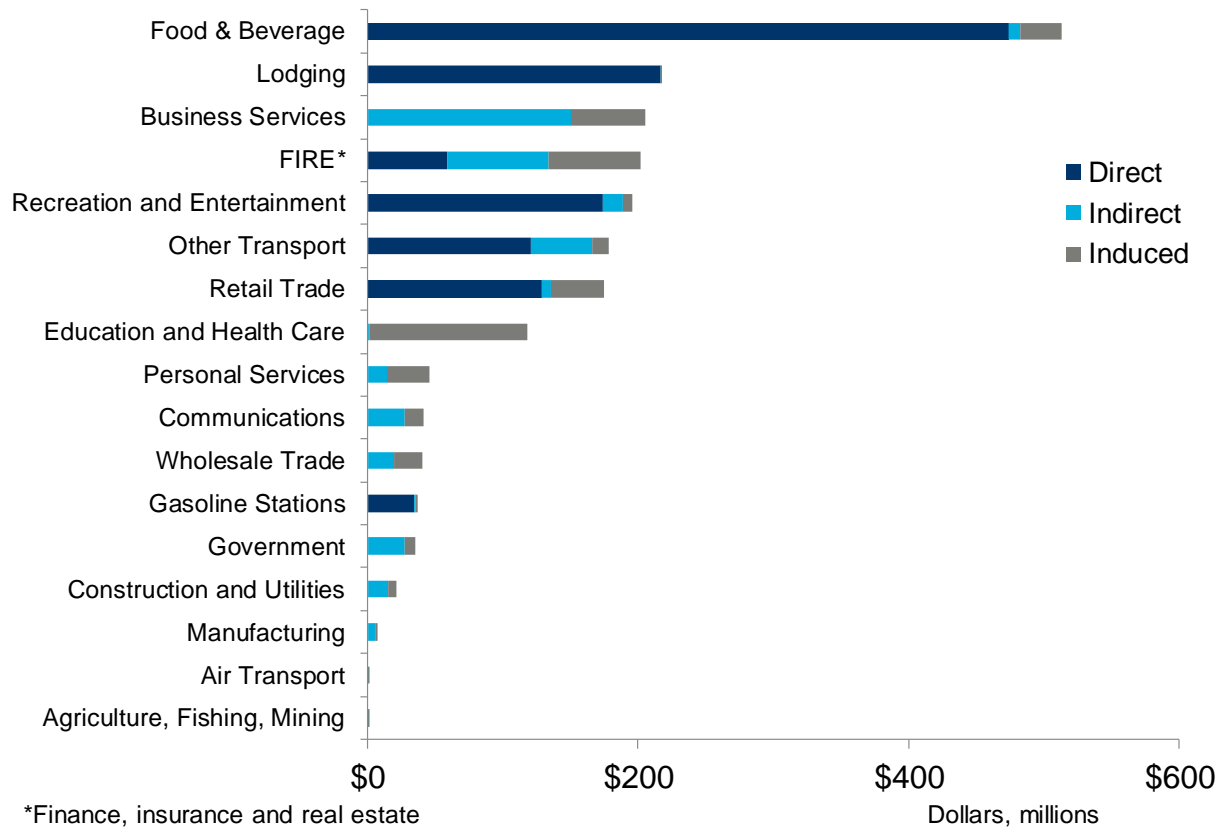
Tourism generated \$1.2 billion in local income and supported \$2.0 billion in total income

<b>Tourism industry generated income, millions</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	\$0.1	\$0.1	\$0.2
<b>Construction and Utilities</b>	-	\$14.8	\$7.0	\$21.8
<b>Manufacturing</b>	-	\$5.3	\$2.4	\$7.7
<b>Wholesale Trade</b>	-	\$19.8	\$20.6	\$40.4
<b>Air Transport</b>	-	\$0.5	\$0.7	\$1.2
<b>Other Transport</b>	\$120.6	\$45.8	\$12.2	\$178.6
<b>Retail Trade</b>	\$128.6	\$7.1	\$39.0	\$174.7
<b>Gasoline Stations</b>	\$34.4	\$0.5	\$2.3	\$37.2
<b>Communications</b>	-	\$27.7	\$13.8	\$41.5
<b>Finance, Insurance and Real Estate</b>	\$59.1	\$74.6	\$68.4	\$202.1
<b>Business Services</b>	-	\$150.4	\$54.7	\$205.1
<b>Education and Health Care</b>	-	\$1.3	\$116.5	\$117.8
<b>Recreation and Entertainment</b>	\$173.6	\$15.0	\$6.8	\$195.4
<b>Lodging</b>	\$216.3	\$0.1	\$0.1	\$216.5
<b>Food &amp; Beverage</b>	\$474.3	\$8.5	\$29.9	\$512.7
<b>Personal Services</b>	-	\$14.0	\$31.3	\$45.3
<b>Government</b>	-	\$27.3	\$8.1	\$35.4
<b>TOTAL</b>	<b>\$1,206.9</b>	<b>\$413.0</b>	<b>\$413.8</b>	<b>\$2,033.7</b>

Source: Tourism Economics

# Tourism's Impact on income (2 of 2)

## Tourism industry generated income, 2017



\*Finance, insurance and real estate

Source: Tourism Economics

## Tourism's Impact on jobs (1 of 2)

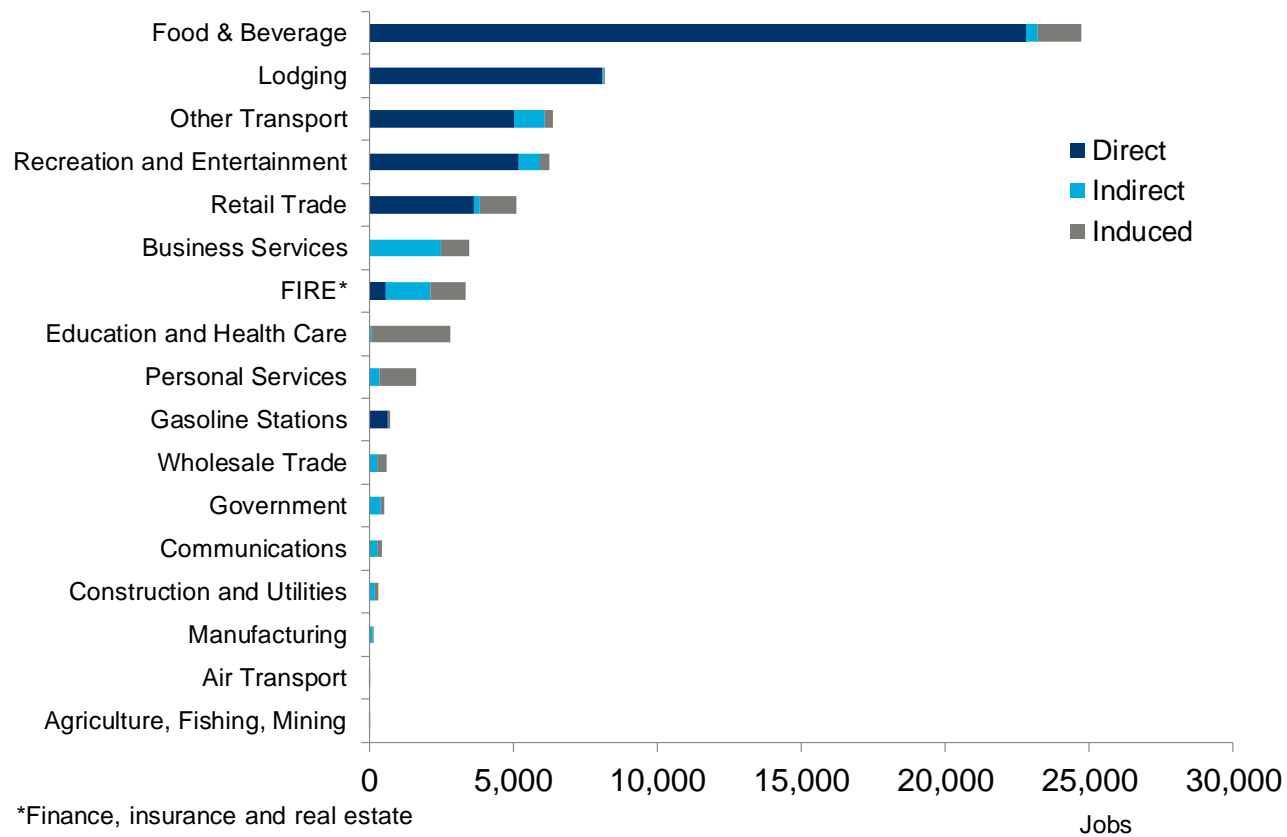
Tourism generated 44,649 jobs directly and supported 62,728 total jobs

<b>Tourism industry generated employment</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	7	3	10
<b>Construction and Utilities</b>	-	205	89	294
<b>Manufacturing</b>	-	113	46	159
<b>Wholesale Trade</b>	-	290	301	591
<b>Air Transport</b>	-	5	7	12
<b>Other Transport</b>	2,341	1,012	284	3,637
<b>Retail Trade</b>	4,857	217	1,209	6,283
<b>Gasoline Stations</b>	647	14	62	723
<b>Communications</b>	-	273	168	441
<b>Finance, Insurance and Real Estate</b>	580	1,494	1,215	3,289
<b>Business Services</b>	-	2,412	972	3,384
<b>Education and Health Care</b>	-	61	2,665	2,726
<b>Recreation and Entertainment</b>	11,108	698	315	12,121
<b>Lodging</b>	4,549	4	3	4,556
<b>Food &amp; Beverage</b>	20,567	423	1,448	22,438
<b>Personal Services</b>	-	363	1,204	1,567
<b>Government</b>	-	396	101	497
<b>TOTAL</b>	<b>44,649</b>	<b>7,987</b>	<b>10,092</b>	<b>62,728</b>

Source: Tourism Economics

# Tourism's Impact on jobs (2 of 2)

## Tourism industry generated employment, 2017



\*Finance, insurance and real estate

Source: Tourism Economics



## Tourism's Impact on taxes (2 of 2)

Tourism supported a total of \$287 million in local government revenue

<b>Tourism supported tax revenue, millions</b>			
	Direct	Indirect/Induced	Total
<b>Federal</b>	<b>\$425.0</b>	<b>\$300.0</b>	<b>\$725.0</b>
Personal Income	\$172.7	\$118.7	\$291.5
Corporate	\$38.8	\$36.8	\$75.6
Indirect business	\$21.5	\$16.5	\$38.0
Social Security	\$191.9	\$128.0	\$319.9
<b>State and Local</b>	<b>\$362.9</b>	<b>\$184.3</b>	<b>\$590.6</b>
Sales	\$138.7	\$45.8	\$233.7
Bed Tax	\$34.2	-	\$34.2
Personal Income	\$21.2	\$26.0	\$35.7
Corporate	\$9.1	\$8.7	\$17.8
Social Insurance	\$3.9	\$2.5	\$6.5
Excise and Fees	\$18.2	\$13.3	\$30.7
Property	\$137.7	\$88.1	\$232.0
<b>Total</b>	<b>\$787.9</b>	<b>\$484.4</b>	<b>\$1,315.6</b>

Source: Tourism Economics

<b>Tourism supported tax revenues, millions</b>	
	Total
<b>State Revenues</b>	<b>\$303.2</b>
Sales	\$230.6
Bed Tax	-
Personal Income	\$35.7
Corporate	\$17.8
Social Security	\$6.5
Excise and Fees	\$12.6
Property	-
<b>Local Govt. Revenues</b>	<b>\$287.4</b>
Sales	\$3.1
Bed Tax	\$34.2
Personal Income	-
Corporate	-
Social Security	-
Excise and Fees	\$18.1
Property	\$232.0
<b>Total</b>	<b>\$590.6</b>

Source: Tourism Economics

---

## 3) Methodology

## How tourism generates impact

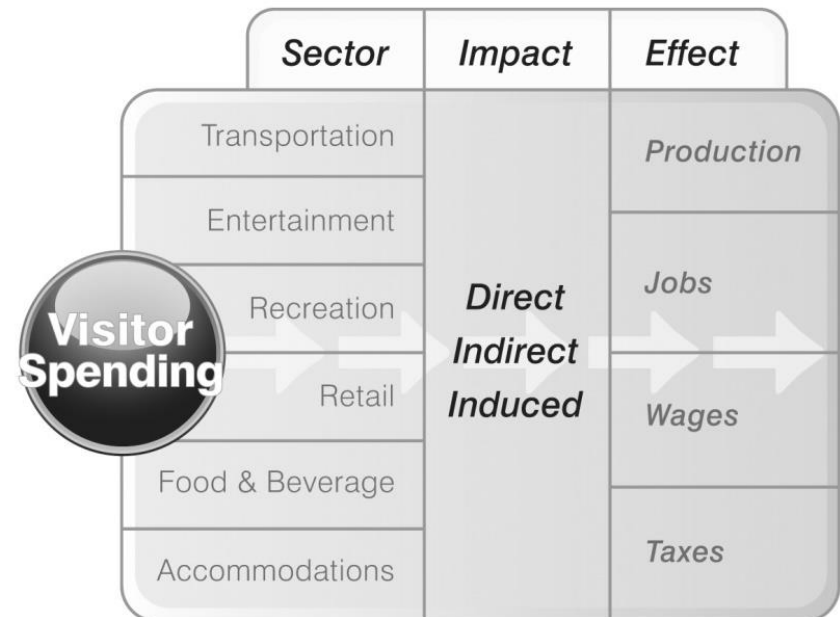
Our analysis of tourism's impact on the Meadowlands Liberty Region starts with actual spending by tourists, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in the Meadowlands Liberty Region, we input tourism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

- Travelers create **direct** economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called **indirect** impacts.
- Lastly, the **induced** impact is generated when employees whose wages are generated either directly or indirectly by tourism, spend those wages in the local economy.

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

Tourism spending flows through the economy and generates economic benefit through multiple channels

## How tourism spending flows through the economy and generates economic benefits



# Illustrating the concepts

## Travel & Tourism Industry

- The direct effect of visitor spending

## Travel & Tourism Economic Impact

The flow-through effect of T&T all demand across the economy

- Expands the focus to measure the overall impact of T&T on all sectors of the economy

