

**The Economic Impact
of Travel on
South Carolina Counties
2007**

A Study Prepared for the
South Carolina Department of Parks, Recreation & Tourism
by the
Travel Industry Association
Washington, D.C.
July 2008

PREFACE

This study was conducted by the Research Department of the Travel Industry Association (TIA) for the South Carolina Department of Parks, Recreation & Tourism. The study provides preliminary 2007 estimates of domestic traveler expenditures in South Carolina, as well as the employment, payroll income, and state and local tax revenue directly generated by these expenditures.

Additionally, this study provides estimates of domestic travel expenditures and employment, payroll income, and state and local tax revenue directly generated by domestic travel expenditures for each of 46 counties in South Carolina. For the purpose of comparison, related 2006 impact estimates are also included in this report.

Travel Industry Association
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INTRODUCTION

This report presents preliminary 2007 estimates of the impact of U.S. resident traveler spending in South Carolina, as well as the employment, payroll income and tax revenue directly generated by this spending. For the purpose of comparison, 2006 impact data are also included in this report.

All estimates of the economic impact of travel contained in this volume are the product of TIA's Travel Economic Impact Model (TEIM), a proprietary economic model developed expressly to indicate the expenditures, employment, payroll, and tax revenue generated by travel away from home in the United States.

The Travel Economic Impact Model (TEIM) was initially developed in 1975 for the U.S. Department of the Interior to indicate the economic value of travel and tourism to states and counties. The original TEIM has been revised substantially based upon more accurate and targeted input data available from governments and the private sector. A summary of the methodology is provided in Appendix A.

U.S. residents traveling in South Carolina includes both state residents and out-of-state visitors traveling away from home overnight in paid accommodations, or on day or overnight trips to places 50 miles or more away from home. Travel commuting to and from work; travel by those operating an airplane, bus, truck, train or other form of common carrier transportation; military travel on active duty; and travel by students away at school are all excluded from the model. In addition, the payroll and employment estimates represent impact generated in the private sector and exclude public-supported payroll and employment.

Since additional data relating to travel and its economic impact in 2007 will become available subsequent to this study, TIA reserves the right to revise these estimates in the future.

EXECUTIVE SUMMARY

- Domestic travelers directly spent more than \$9.7 billion in South Carolina during 2007, up 6.5 percent from 2006.
- Domestic travel-generated employees in South Carolina earned nearly \$2.0 billion in payroll income during 2007. This represented a 6.0 percent increase from 2006.
- Domestic travel expenditures directly generated 115.2 thousand jobs within South Carolina in 2007, an increase of 2.9 percent over 2006. These jobs generated by domestic travel spending in South Carolina composed 5.9 percent of the total state non-agricultural employment in 2007.
- On average, every \$84,225 spent by domestic travelers in South Carolina during 2007 generated one job.
- Domestic travel spending in South Carolina directly generated nearly \$1.5 billion in tax revenue for federal, state and local governments in 2007, up 9.1 percent from 2006. This high tax revenue increase is partially driven by higher state sales and use tax rates started in June 1, 2007.
- Horry County received nearly \$3.1 billion in domestic travel expenditures to lead all of South Carolina's 46 counties. Charleston County ranked second with \$1.6 billion, followed by Beaufort County with more than \$1.0 billion.
- Twelve of South Carolina's 46 counties received over \$100 million in domestic travel expenditures in 2007.
- Thirteen counties in South Carolina had one thousand or more jobs directly supported by domestic travelers during 2007.

TRAVEL IMPACT ON U.S. ECONOMY IN 2007

The U.S. economy continued to grow in 2007, but at a slower pace. The real GDP increased 2.2 percent compared with 2006. Real disposable income was up 3.1 percent and real personal consumption expenditures rose 2.9 percent from 2006. Annual average total non-farm employment in the U.S. increased 1.5 million to 137.6 million, up 1.1 percent over 2006. The national unemployment rate remained the same as 2006 at 4.6 percent. The travel industry performed better in the job market than national average, nearly 133 thousands jobs were added during 2007, a 1.8 percent increase from 2006. The Consumer Price Index (CPI), an indicator of the level of price inflation, was up 2.8 percent in 2007, while TIA's Travel Price Index increased 4.5 percent during the same period, largely due to an 8.2 percent increase in the price of gasoline. The total U.S. current account deficit decreased to \$731.2 billion in 2007, down 7.2 percent from 2006. The U.S. travel industry generated more than \$17.6 billion trade surplus for the country in 2007.

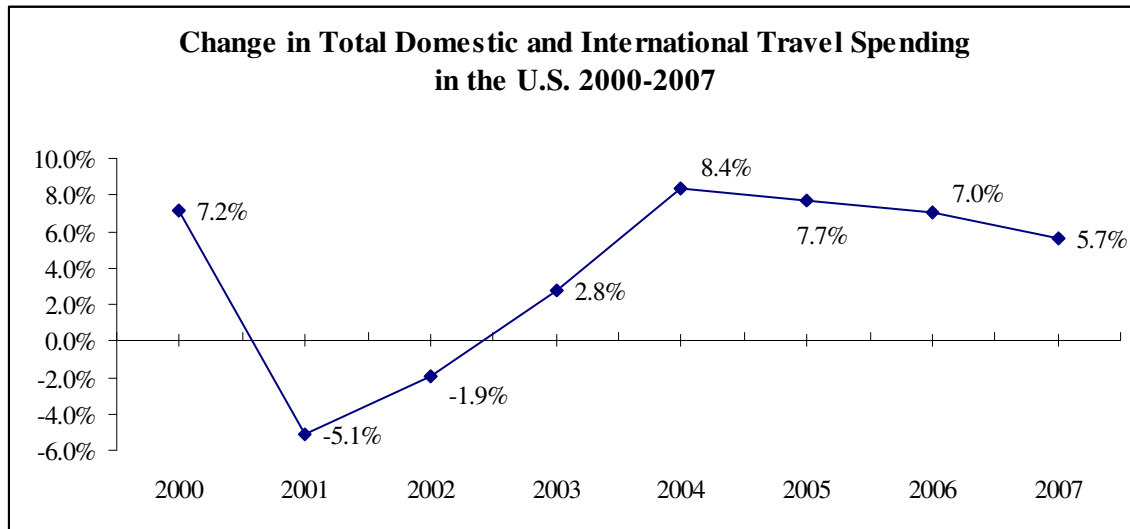
U.S. Travel Volume in 2007

In 2007, total U.S. domestic person-trips were up 0.4 percent over 2006. International visitors to the U.S. increased 10 percent in 2007 to nearly 56 million. Among the international visitors, overseas visitors were up 10 percent to 23.9 million, Canadian visitors increased 11 percent to 17.8 million, and Mexican visitors increased 8 percent to 14.3 million. However, the volume of overseas visitors traveled to the U.S. in 2007 remained 8 percent lower than its historical record set in 2000.

Travel Expenditures in 2007

In 2007, domestic and international travel expenditures in the U.S. totaled \$739.4 billion, 5.7 percent more than in 2006. Travel spending on auto transportation reached \$125.8 billion in 2007, a 6.7 percent increase over 2006, largely due to higher gasoline prices. Foodservices sector continually ranked number one among the six industry sectors, totaling \$175.2 billion and representing 23.7 percent of the total travel spending. Travel spending on lodging increased 7.6 percent over 2006, the greatest growth among six industry sectors investigated in this report. According to Smith Travel Research, hotel room demand (hotel room-nights sold) grew 1.2 percent and average daily rate jumped 5.9 percent in 2007.

International traveler spending jumped 12.8 percent from 2006, totaling \$96.7 billion, while domestic traveler spending reached \$642.7 billion, up 4.7 percent from 2006.



Sources: TIA, OTTI

Table 1: Total Domestic and International Travel Expenditures in the U.S. 2006 and 2007

<u>Industry Sector</u>	2007 Travel Spending in The U.S. (\$ Billions)	2006 Travel Spending in The U.S. (\$ Billions)	2007 Percent Change Over 2006 (%)
Public Transportation	\$132.5	\$127.6	3.9%
Auto Transportation	125.8	118.0	6.7%
Lodging	145.9	135.6	7.6%
Foodservice	175.2	166.1	5.5%
Entertainment/Recreation	82.8	79.6	4.1%
General Retail	77.1	72.9	5.8%
Total	\$739.4	\$699.8	5.7%
International	\$96.7	\$85.7	12.8%
Domestic	\$642.7	\$614.1	4.7%

Source: TIA

Total traveler spending does not include international passenger fare payments.

Travel Employment in 2007

More than 1.5 million jobs were added to the non-farm sector in 2007, a 1.1 percent increase from 2006, according to the U.S. Bureau of Labor Statistics (BLS). The national unemployment rate kept unchanged compared with 2006 at 4.6 percent. Total domestic and international travelers' spending in the U.S. directly generated nearly 7.7 million jobs for the U.S. economy in 2007, up 1.8 percent from 2006.

Among the seven travel industry categories investigated in this report, the greatest gain occurred in the arts/entertainment/recreation industry, with employment up 2.5 percent from 2006. The employment generated by total travel spending in the foodservices industry reached 2.9 million, up 2.0 percent over 2006. The jobs generated by total travel spending in lodging sector increased 1.5 percent from 2006 to 1.5 million. Total travel-generated employment in the public transportation sector increased 1.4 percent.

International traveler spending generated 972.2 thousand jobs, up 8.8 percent from 2006, while domestic traveler spending generated more than 6.7 million jobs, a 0.8 percent increase over 2006.

Table 2: Total Domestic and International Travel-Generated Employment in the U.S., 2006 and 2007

<u>Industry Sector</u>	<u>2007 Travel-Generated Employment (Thousands)</u>	<u>2006 Travel-Generated Employment (Thousands)</u>	<u>2007 Percent Change Over 2006 (%)</u>
Public Transportation	996.5	983.2	1.4%
Auto Transportation	272.6	270.3	0.8%
Lodging	1,520.6	1,498.6	1.5%
Foodservice	2,930.2	2,874.0	2.0%
Entertainment/Recreation	1,289.7	1,258.1	2.5%
General Retail	489.7	482.9	1.4%
Travel Planning	176.9	176.2	0.4%
Total	7,676.2	7,543.4	1.8%
Domestic Total	6,704.0	6,649.9	0.8%
International Total	972.2	893.5	8.8%

Sources: TIA, BLS

* Excludes jobs generated by international passenger fare payments.

Table 3: Overall U.S. Economic Developments, 2005-2007

<u>Sector</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Nominal gross domestic product (\$ Billions)	\$12,433.9	\$13,194.7	\$13,841.3
Real gross domestic product (\$ Billions)*	\$11,003.4	\$11,319.4	\$11,566.8
Real disposable personal income (\$ Billions)*	\$8,147.9	\$8,396.9	\$8,658.6
Real personal consumption expenditures (\$ Billions)*	\$7,803.6	\$8,044.1	\$8,277.8
Consumer price index**	195.3	201.6	207.3
Travel Price Index**	222.6	233.5	244.0
Non-farm payroll employment (Millions)	133.7	136.1	137.6
Unemployment rate (%)	5.1	4.6	4.6
Percentage change from previous year			
Nominal gross domestic product	6.4%	6.1%	4.9%
Real gross domestic product	3.1%	2.9%	2.2%
Real disposable personal income	7.8%	3.1%	3.1%
Real personal consumption expenditures	3.2%	3.1%	2.9%
Consumer price index	3.4%	3.2%	2.8%
Travel Price Index	5.3%	4.9%	4.5%
Non-farm payroll employment	1.7%	1.8%	1.1%

Sources: U.S. Dept. of Commerce, U.S. Dept. of Labor, U.S. Census Bureau, TIA

* Chained 2000 dollars

** Base period: 1982-84=100

Table 4: U.S. Travel Trends, 2003-2007

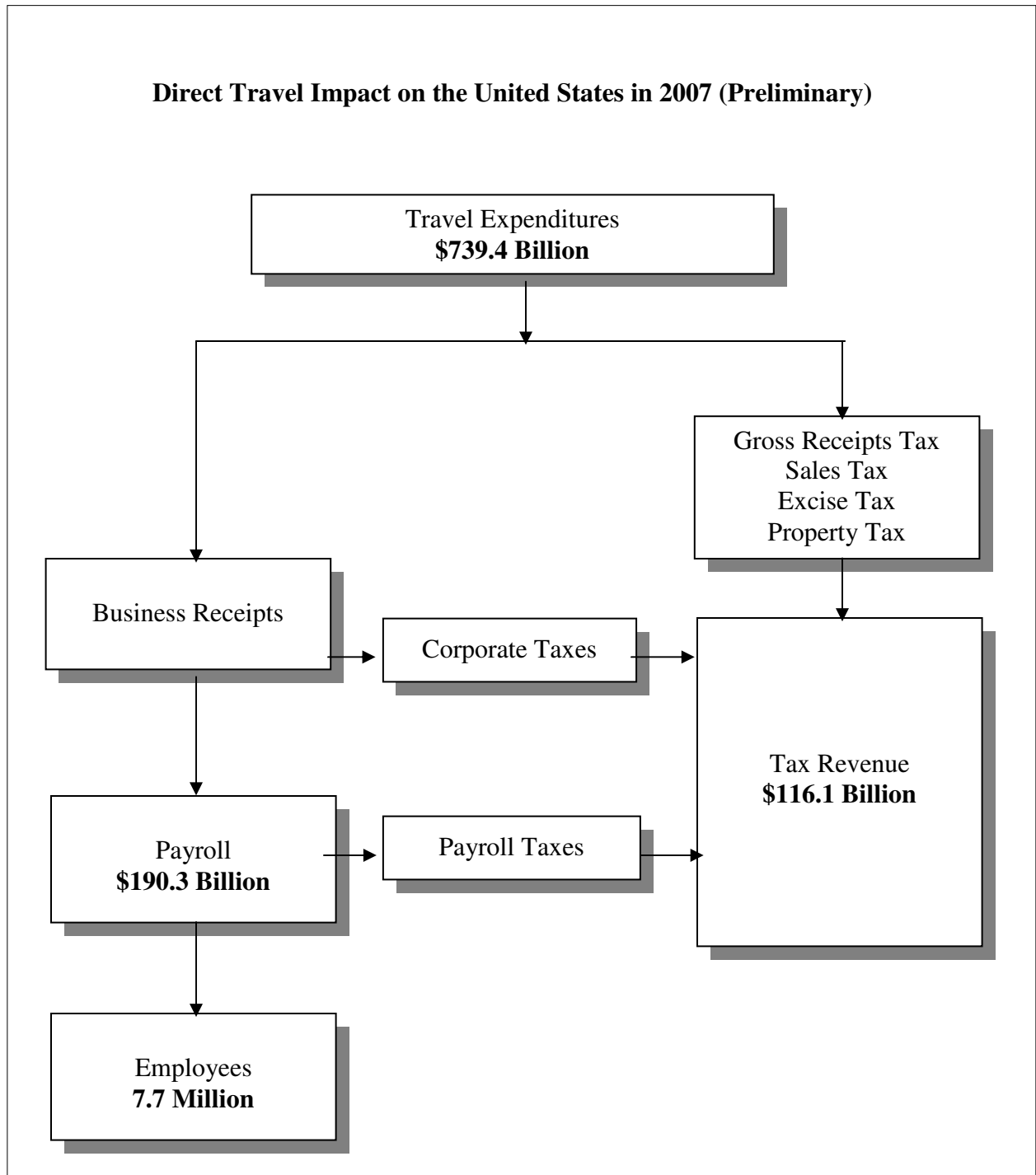
<u>Category</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total travel expenditures (\$ billions)	\$560.1	\$606.9	\$653.8	\$699.8	\$739.4
<i>U.S. travel expenditures (\$ billions)</i>	<i>\$495.8</i>	<i>\$532.4</i>	<i>\$572.1</i>	<i>\$614.1</i>	<i>\$642.7</i>
<i>International travel expenditures in the U.S.* (\$ billions)</i>	<i>\$64.3</i>	<i>\$74.5</i>	<i>\$81.7</i>	<i>\$85.7</i>	<i>\$96.7</i>
Travel price index	202.0	211.3	222.6	233.5	244.0
Travel-generated employment** (thousands)	7,335.7	7,452.7	7,508.8	7,543.4	7,676.2
<i>Percentage change from previous year</i>					
Total travel expenditures	2.8%	8.3%	7.7%	7.0%	5.7%
<i>U.S. travel expenditures</i>	<i>3.7%</i>	<i>7.4%</i>	<i>7.5%</i>	<i>7.3%</i>	<i>4.7%</i>
<i>International travel expenditures in the U.S.</i>	<i>-3.4%</i>	<i>15.8%</i>	<i>9.6%</i>	<i>4.9%</i>	<i>12.8%</i>
Travel price index	2.5%	4.6%	5.3%	4.9%	4.5%
Travel-generated employment	-1.4%	1.6%	0.8%	0.5%	1.8%

Sources: TIA, BEA and BLS.

P: preliminary

Note: * Includes international traveler spending within the U.S. only.

** Includes employment generated by both domestic and international traveler expenditures.



Source: TIA

Note: Excludes jobs generated by international passenger fare payments, international traveler spending in the U.S. territories, and Canadian traveler spending not allocated to states.

**DOMESTIC TRAVEL IMPACT
ON SOUTH CAROLINA**

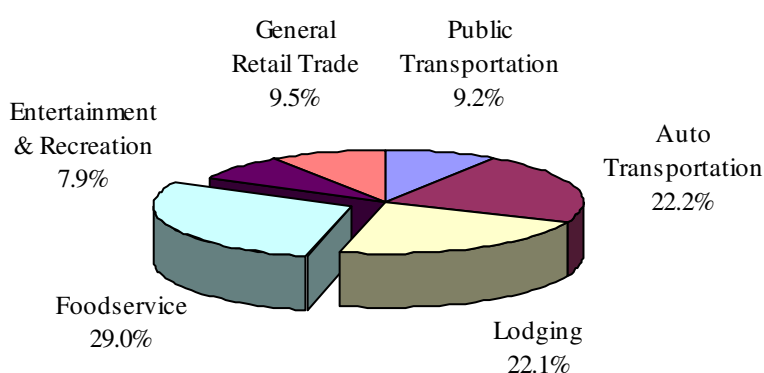
DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2007

Travel Expenditures

During 2007, domestic travelers to South Carolina spent more than \$9.7 billion on transportation, lodging, food, entertainment and recreation and incidentals, up 6.5 percent from 2006.

- Foodservice, the largest spending sector registered more than \$2.8 billion in 2007, up 5.2 percent from 2006 and accounted for 29.0 percent of the state total domestic travel spending.
- Domestic travelers' spending on auto transportation increased 8.0 percent to nearly \$2.2 billion. This was largely due to the increase of gasoline prices.
- The lodging industry, which reached more than \$2.1 billion, was the third largest spending sector in 2007, up 7.8 percent from 2006. This increase was mainly driven by room rate increases. Smith Travel Research's data show that average room rate in South Carolina increased 6.5 percent in 2007.
- Domestic travelers spent \$894 million on public transportation in South Carolina during 2007, up 8.7 percent compared with 2006, the highest growth rate among six categories investigated in this report. U.S. Bureau of Transportation Statistics reported that total domestic air enplanements increased more than 10 percent in South Carolina during 2007.

**Domestic Travel Expenditures in South Carolina
by Industry Sector - 2007**



1. Auto transportation sector includes privately-owned vehicles that are used for trips (e.g., automobiles, trucks, campers or other recreational vehicles), gasoline service stations, and automotive rental.
2. Foodservice sector includes restaurants, grocery stores and other eating and drinking establishments.
3. Public transportation sector comprises air, intercity bus, rail, boat or ship, and taxicab or limousine service.
4. Lodging sector consists of hotels and motels, campgrounds, and ownership or rental of vacation or second homes.
5. General retail trade sector includes gifts, clothes, souvenirs and other incidental retail purchases.
6. Entertainment and recreation sector includes amusement parks and attractions, attendance at nightclubs, movies, legitimate shows, sports events, and other forms of entertainment and recreation while traveling.

Domestic Travel Expenditures

**Table 5: Domestic Travel Expenditures in South Carolina by Industry Sector
2006 and 2007**

2007	Expenditures (\$ Millions)	% of Total
Public Transportation	\$894.0	9.2%
Auto Transportation	2,154.9	22.2%
Lodging	2,147.4	22.1%
Foodservice	2,815.4	29.0%
Entertainment & Recreation	767.9	7.9%
<u>General Retail Trade</u>	<u>924.3</u>	<u>9.5%</u>
 Total	 \$9,704.0	 100.0%
 2006		
Public Transportation	\$822.6	9.0%
Auto Transportation	1,994.7	21.9%
Lodging	1,992.0	21.9%
Foodservice	2,677.2	29.4%
Entertainment & Recreation	736.1	8.1%
<u>General Retail Trade</u>	<u>887.3</u>	<u>9.7%</u>
 Total	 \$9,109.9	 100.0%
 2007 over 2006		
	Percent Change (%)	
Public Transportation	8.7%	
Auto Transportation	8.0%	
Lodging	7.8%	
Foodservice	5.2%	
Entertainment & Recreation	4.3%	
<u>General Retail Trade</u>	<u>4.2%</u>	
 Total	 6.5%	

Source: TIA

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2007

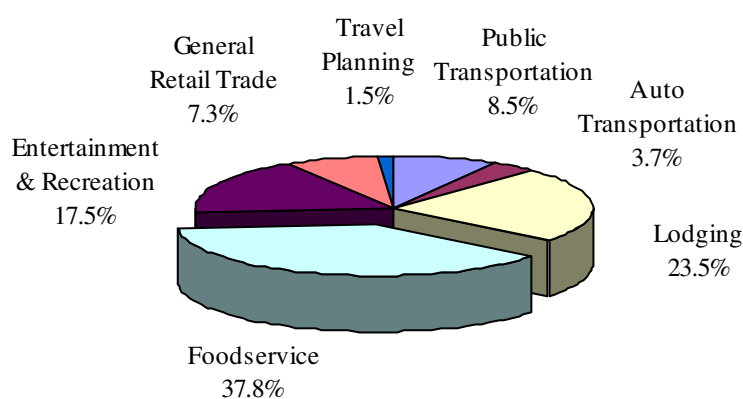
Travel-Generated Payroll

Travel-generated payroll is the wage and salary income paid to employees directly serving the traveler within the industry sectors from which these travelers purchase goods and services. Each dollar of travel spending generates different amounts of payroll income within the various travel industry sectors depending on the labor and the wage structure of each sector.

Payroll (wages and salaries) paid by South Carolina travel-related firms and directly attributable to domestic travel spending reached nearly \$2.0 billion in 2007. This represented an increase of 6.0 percent from 2006.

- On average, every dollar spent by domestic travelers produced 20.5 cents in wage and salary income for South Carolina residents in 2007.
- In 2007, the foodservice sector posted the largest payroll generated by domestic travel spending with \$750.6 million, accounting for 37.8 percent of the state total domestic travel-generated payroll.
- The lodging sector ranked second with \$467.5 million in travel-generated payroll income, representing 23.5 percent of the state total travel-generated payroll.
- The entertainment & recreation sector composed 17.5 percent of the state's total travel-generated payroll income, a 6.8 percent increase from 2006.

**Domestic Travel-Generated Payroll in South Carolina
by Industry Sector - 2007**



Domestic Travel-Generated Payroll

**Table 6: Domestic Travel-Generated Payroll in South Carolina by Industry Sector
2006 and 2007**

2007	Payroll (\$ Millions)	% of Total
Public Transportation	\$169.8	8.5%
Auto Transportation	73.8	3.7%
Lodging	467.5	23.5%
Foodservice	750.6	37.8%
Entertainment & Recreation	348.4	17.5%
General Retail Trade	146.0	7.3%
Travel Planning*	29.9	1.5%
Total	\$1,986.0	100.0%
2006		
Public Transportation	\$155.5	8.3%
Auto Transportation	71.8	3.8%
Lodging	432.3	23.1%
Foodservice	716.8	38.3%
Entertainment & Recreation	326.3	17.4%
General Retail Trade	141.6	7.6%
Travel Planning*	29.1	1.6%
Total	\$1,873.3	100.0%
2007 over 2006	Percent Change (%)	
Public Transportation	9.2%	
Auto Transportation	2.7%	
Lodging	8.2%	
Foodservice	4.7%	
Entertainment & Recreation	6.8%	
General Retail Trade	3.1%	
Travel Planning*	2.7%	
Total	6.0%	

Source: TIA

Note: * Refers to payroll income that goes to travel agents, tour operators, and other travel service employees who arrange passenger transportation, lodging, tours and other related services.

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2007

Travel-Generated Employment

The most impressive contribution that travel and tourism makes to the South Carolina economy is the number of businesses and jobs it supports. These jobs include a large number of executive and managerial positions, as well as service-oriented occupations.

During 2007, domestic travel spending in South Carolina generated 115.2 thousand jobs, including full-time and seasonal/part-time positions in the state, up 2.9 percent from 2006. On average, every \$84,225 spent by domestic travelers in South Carolina directly supported one job.

- The 115.2 thousand jobs generated by domestic travel in South Carolina composed 5.9 percent of the state's total non-agricultural employment during 2007. Without these jobs generated by domestic travel, South Carolina's 2007 unemployment rate of 5.9 percent would have been 5.4 percentage points higher, or the equivalent of 11.3 percent of the labor force.
- The foodservice sector, which includes restaurants and other eating and drinking places, provided more jobs than any other industry sector. During 2007, domestic travelers' spending in this sector supported 57.6 thousand jobs, accounting for 50.0 percent of the state total jobs generated by domestic travel. The labor-intensiveness of these businesses and the large proportion of travel expenditures spent on food service together contribute to the importance of this sector.
- Travel-generated employment in the lodging sector reached 23.2 thousand in 2007, 20.1 percent of the state total jobs generated by domestic travel.

**Domestic Travel-Generated Employment
in South Carolina by Industry Sector - 2007**

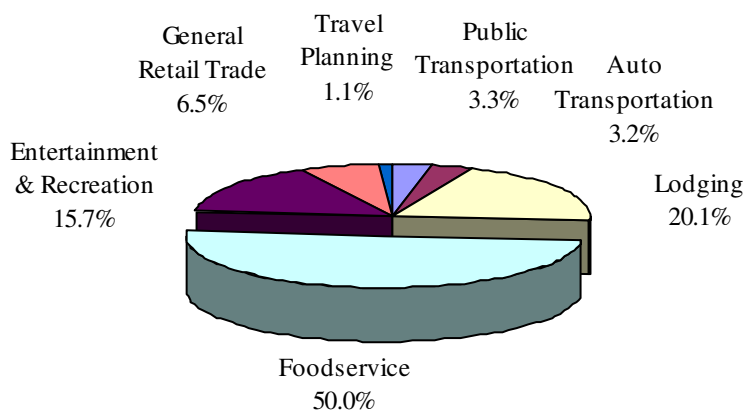


Table 7: Domestic Travel-Generated Employment in South Carolina by Industry Sector, 2006 and 2007

2007	Employment (Thousands)	% of Total
Public Transportation	3.9	3.3%
Auto Transportation	3.7	3.2%
Lodging	23.2	20.1%
Foodservice	57.6	50.0%
Entertainment & Recreation	18.1	15.7%
General Retail Trade	7.5	6.5%
Travel Planning*	1.2	1.1%
Total	115.2	100.0%
2006		
Public Transportation	3.7	3.3%
Auto Transportation	3.7	3.3%
Lodging	22.3	19.9%
Foodservice	56.2	50.1%
Entertainment & Recreation	17.5	15.7%
General Retail Trade	7.5	6.7%
Travel Planning*	1.2	1.0%
Total	112.0	100.0%
2007 over 2006		
	Percent Change (%)	
Public Transportation	4.3%	
Auto Transportation	0.8%	
Lodging	4.1%	
Foodservice	2.5%	
Entertainment & Recreation	3.5%	
General Retail Trade	0.3%	
Travel Planning*	5.1%	
Total	2.9%	

Source: TIA

Note: * Refers to jobs created in travel arrangement firms such as travel agencies, wholesale and retail tour companies, and other travel-related service businesses.

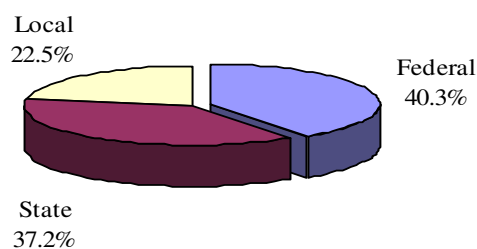
DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2007

Travel-Generated Tax Revenue

Travel tax receipts are the federal, state and local tax revenues attributable to travel spending in South Carolina. Travel-generated tax revenue is a significant economic benefit, as governments use these funds to support travel infrastructure and help support a variety of public programs.

- In 2007, total tax revenue generated by domestic traveler spending in South Carolina reached nearly \$1.5 billion, up 9.1 percent from 2006. The high tax revenue growth is partially driven by the increase of state sales and use tax rates. On average, each travel dollar spent by domestic travelers in South Carolina produced nearly 15.2 cents in tax receipts for federal, state and local governments in 2007.
- Domestic travel spending in South Carolina generated \$593.6 million for the federal government in 2007. This represents 40.3 percent of all travel-generated tax collections in the state. Each dollar spent by domestic travelers in South Carolina produced 6.1 cents for federal tax coffers.
- Spending by domestic travelers in South Carolina also generated \$547.5 million in tax revenue for the state treasury through state sales and excise taxes, and taxes on personal and corporate income. This composed 37.2 percent of all travel-generated tax revenue for 2007 collected in the state. On average, each travel dollar produced 5.6 cents in state tax receipts. Total tax revenue generated by domestic travel for South Carolina state government jumped 12.8 percent from 2006, partially due to a 1 percent increase on state sales and use tax rates started on June 1, 2007.
- Local governments in South Carolina directly benefited from domestic travel as well. During 2007, domestic travel spending generated \$331.2 million in sales and property tax revenue for local government, 22.5 percent of total travel-generated tax revenue in the state. Each travel dollar produced 3.4 cents for local tax coffers.

**Domestic Travel-Generated Tax Revenue
in South Carolina by Level of Government - 2007**



**Table 8: Domestic Travel-Generated Tax Revenue in South Carolina
by Level of Government, 2006 and 2007**

<i>2007</i>	Tax Revenue (\$ Millions)	% of Total
Federal Tax	\$593.6	40.3%
State tax	547.5	37.2%
Local Tax	331.2	22.5%
Total	\$1,472.4	100.0%
<i>2006</i>		
Federal Tax	\$557.9	41.3%
State tax	485.3	36.0%
Local Tax	306.4	22.7%
Total	\$1,349.7	100.0%
<i>2007 over 2006</i>		
	Percent Change (%)	
Federal Tax	6.4%	
State tax	12.8%	
Local Tax	8.1%	
Total	9.1%	

Source: TIA

**DOMESTIC TRAVEL IMPACT
ON SOUTH CAROLINA COUNTIES**

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA COUNTIES, 2007

Domestic travelers spent more than \$9.7 billion while traveling in South Carolina during 2007, up 6.5 percent from 2006.

The top five counties in South Carolina received more than \$7.0 billion in direct domestic travel expenditures, 72.5 percent of the state total. Domestic travel spending in the top five counties generated nearly \$1.5 billion in payroll (75.4 percent of the state total generated by domestic travel) and 88.6 thousand jobs (76.9 percent of the state total generated by domestic travel) in 2007.

Additionally, domestic travel expenditures in the top five counties generated \$400 million in tax revenue for the state treasury (73.1 percent of the state total generated by domestic travel) and \$248 million tax revenue for local governments (75.0 percent of the state total generated by domestic travel) during 2007.

Domestic Travel Impact in Top 5 Counties

Horry County, which includes the resort area of Myrtle Beach, led all counties in travel expenditures, payroll income and jobs directly generated by domestic traveler spending in 2007. Domestic travel expenditures in Horry County reached nearly \$3.1 billion, accounting for 31.7 percent of the state total. These expenditures generated more than \$622 million in payroll income and almost 39 thousand jobs for area residents.

Charleston County ranked second with nearly \$1.6 billion in domestic travel spending in 2007, representing 16.4 percent of the state total. The payroll income and jobs directly attributable to domestic travel spending reached \$344 million and 20.8 thousand jobs.

Beaufort County, which includes the resort area of Hilton Head Island, posted \$1 billion in domestic expenditures to rank third. These expenditures generated \$211 million in payroll as well as 13.2 thousand jobs within the county.

Greenville County received \$876 million from domestic travelers, 9.0 percent of the state total. These travel expenditures benefited area residents with \$229 million in wages and salaries and 9.6 thousand jobs.

Richland County, which includes the state's capital in Columbia, ranked fifth with \$474 million in domestic travel expenditures in 2007. These expenditures by domestic travelers generated nearly \$92 million in payroll income and 6.0 thousand jobs for the area residents.

Table 9: Domestic Travel Impact in South Carolina - Top 5 Counties, 2006 and 2007

<i>2007 Impact</i>					
<u>County</u>	<u>Expenditures (\$ Millions)</u>	<u>Payroll (\$ Millions)</u>	<u>Employment (Thousands)</u>	<u>State Tax Receipts (\$ Millions)</u>	<u>Local Tax Receipts (\$ Millions)</u>
Horry	\$3,072.15	\$622.06	38.95	\$183.01	\$129.51
Charleston	1,588.76	343.51	20.75	90.77	57.40
Beaufort	1,026.32	211.09	13.23	60.94	34.45
Greenville	876.47	228.84	9.63	36.62	14.81
Richland	474.27	91.81	6.04	28.65	12.15
Top Five County Total	\$7,037.96	\$1,497.32	88.60	\$400.00	\$248.32
State Total	\$9,704.01	\$1,985.98	115.22	\$547.53	\$331.18
Share of Top 5 Counties	72.5%	75.4%	76.9%	73.1%	75.0%
<i>2006 Impact</i>					
Horry	\$2,882.22	\$586.69	37.88	\$162.14	\$118.33
Charleston	1,456.19	316.52	19.72	78.57	52.69
Beaufort	958.11	198.10	12.80	53.73	31.05
Greenville	828.64	217.50	9.44	32.70	14.02
Richland	444.39	86.48	5.87	25.35	11.40
Top Five County Total	\$6,569.54	\$1,405.29	85.71	\$352.49	\$227.48
State Total	\$9,109.93	\$1,873.30	112.01	\$485.33	\$306.41
Share of Top 5 Counties	72.1%	75.0%	76.5%	72.6%	74.2%
<i>Percent Change 2007 over 2006</i>					
Horry	6.6%	6.0%	2.8%	12.9%	9.5%
Charleston	9.1%	8.5%	5.2%	15.5%	9.0%
Beaufort	7.1%	6.6%	3.3%	13.4%	11.0%
Greenville	5.8%	5.2%	2.0%	12.0%	5.6%
Richland	6.7%	6.2%	2.9%	13.0%	6.6%
Top Five County Total	7.1%	6.5%	3.4%	13.5%	9.2%
State Total	6.5%	6.0%	2.9%	12.8%	8.1%

Source: TIA

COUNTY TABLES

The following tables list the results of the County Economic Impact Component of the TIA's Travel Economic Impact Model for South Carolina in 2007 and 2006. The estimates presented are for direct domestic travel expenditures and related economic impact.

- Table A shows the counties listed alphabetically, with 2007 travel expenditures, travel-generated payroll and employment, and state tax revenue and local tax revenue for each.
- Table B ranks the counties in order of 2007 travel expenditures from highest to lowest.
- Table C shows the percent distribution for each impact measure in 2007.
- Table D shows the percent change in 2007 over 2006 estimates for each of the measures of economic impact.
- Table E shows the counties listed alphabetically, with 2006 travel expenditures, travel-generated payroll and employment, and state tax revenue and local tax revenue shown for each.

Table A: Alphabetical by County, 2007

2007 Impact of Travel on South Carolina					
Table A: Alphabetical by County, 2007					
<u>County</u>	<u>Expenditures</u> <u>(\$ Millions)</u>	<u>Payroll</u> <u>(\$ Millions)</u>	<u>Employment</u> <u>(Thousands)</u>	<u>State Tax</u> <u>Receipts</u> <u>(\$ Millions)</u>	<u>Local Tax</u> <u>Receipts</u> <u>(\$ Millions)</u>
ABBEVILLE	\$6.44	\$0.95	0.05	\$0.40	\$0.49
AIKEN	95.80	16.80	0.90	5.22	2.13
ALLENDALE	4.20	0.62	0.04	0.26	0.18
ANDERSON	130.04	20.58	1.32	8.09	3.96
BAMBERG	5.56	0.81	0.05	0.36	0.19
BARNWELL	8.24	1.31	0.08	0.53	0.24
BEAUFORT	1,026.32	211.09	13.23	60.94	34.45
BERKELEY	91.08	16.04	0.99	5.71	3.31
CALHOUN	2.74	0.36	0.02	0.17	0.19
CHARLESTON	1,588.76	343.51	20.75	90.77	57.40
CHEROKEE	31.29	5.79	0.36	1.96	0.71
CHESTER	18.77	3.30	0.21	1.18	0.37
CHESTERFIELD	17.16	2.65	0.17	1.10	0.71
CLARENDON	46.69	7.38	0.43	2.91	3.53
COLLETON	86.33	16.59	1.06	5.30	2.81
DARLINGTON	28.71	4.47	0.27	1.87	0.86
DILLON	31.43	5.92	0.38	1.95	0.85
DORCHESTER	60.70	11.18	0.67	3.87	1.24
EDGEFIELD	9.20	1.35	0.07	0.60	0.42
FAIRFIELD	11.67	1.80	0.10	0.73	0.81
FLORENCE	227.12	47.05	2.42	11.89	5.89
GEORGETOWN	261.32	50.31	3.14	15.90	12.28
GREENVILLE	876.47	228.84	9.63	36.62	14.81
GREENWOOD	38.61	6.71	0.41	2.45	0.96
HAMPTON	11.26	2.02	0.13	0.70	0.25
HORRY	3,072.15	622.06	38.95	183.01	129.51
JASPER	46.87	9.62	0.63	2.84	1.69

Table A: Alphabetical by County, 2007

2007 Impact of Travel on South Carolina					
Table A: Alphabetical by County, 2007 (Continued)					
<u>County</u>	<u>Expenditures</u> <u>(\$ Millions)</u>	<u>Payroll</u> <u>(\$ Millions)</u>	<u>Employment</u> <u>(Thousands)</u>	<u>State Tax</u> <u>Receipts</u> <u>(\$ Millions)</u>	<u>Local Tax</u> <u>Receipts</u> <u>(\$ Millions)</u>
KERSHAW	39.63	6.57	0.38	2.50	1.95
LANCASTER	24.00	3.92	0.24	1.53	0.72
LAURENS	39.17	6.55	0.37	2.45	2.05
LEE	4.36	0.59	0.04	0.28	0.18
LEXINGTON	440.32	87.87	3.31	15.86	10.03
MCCORMICK	7.28	1.43	0.10	0.44	0.25
MARION	12.99	1.85	0.11	0.85	0.59
MARLBORO	11.05	1.79	0.10	0.69	0.36
NEWBERRY	22.52	3.67	0.21	1.41	1.31
OCONEE	46.99	7.71	0.45	2.95	2.69
ORANGEBURG	113.77	20.71	1.32	7.07	4.24
PICKENS	74.32	13.19	0.82	4.67	2.61
RICHLAND	474.27	91.81	6.04	28.65	12.15
SALUDA	3.72	0.45	0.02	0.24	0.25
SPARTANBURG	306.06	54.09	2.40	14.96	5.34
SUMTER	68.67	12.31	0.76	4.34	1.75
UNION	11.68	1.81	0.11	0.76	0.20
WILLIAMSBURG	9.51	1.13	0.07	0.63	0.32
YORK	158.79	29.39	1.86	9.91	3.96
State Totals	\$9,704.01	\$1,985.98	115.22	\$547.53	\$331.18

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Table B: Ranking of Counties by Expenditure Levels, 2007

2007 Impact of Travel on South Carolina					
Table B: Ranking of Counties by Expenditure Levels, 2007					
<u>County</u>	<u>Expenditures (\$ Millions)</u>	<u>Payroll (\$ Millions)</u>	<u>Employment (Thousands)</u>	<u>State Tax Receipts (\$ Millions)</u>	<u>Local Tax Receipts (\$ Millions)</u>
HORRY	\$3,072.15	\$622.06	38.95	\$183.01	\$129.51
CHARLESTON	1,588.76	343.51	20.75	90.77	57.40
BEAUFORT	1,026.32	211.09	13.23	60.94	34.45
GREENVILLE	876.47	228.84	9.63	36.62	14.81
RICHLAND	474.27	91.81	6.04	28.65	12.15
LEXINGTON	440.32	87.87	3.31	15.86	10.03
SPARTANBURG	306.06	54.09	2.40	14.96	5.34
GEORGETOWN	261.32	50.31	3.14	15.90	12.28
FLORENCE	227.12	47.05	2.42	11.89	5.89
YORK	158.79	29.39	1.86	9.91	3.96
ANDERSON	130.04	20.58	1.32	8.09	3.96
ORANGEBURG	113.77	20.71	1.32	7.07	4.24
AIKEN	95.80	16.80	0.90	5.22	2.13
BERKELEY	91.08	16.04	0.99	5.71	3.31
COLLETON	86.33	16.59	1.06	5.30	2.81
PICKENS	74.32	13.19	0.82	4.67	2.61
SUMTER	68.67	12.31	0.76	4.34	1.75
DORCHESTER	60.70	11.18	0.67	3.87	1.24
OCONEE	46.99	7.71	0.45	2.95	2.69
JASPER	46.87	9.62	0.63	2.84	1.69
CLARENDON	46.69	7.38	0.43	2.91	3.53
KERSHAW	39.63	6.57	0.38	2.50	1.95
LAURENS	39.17	6.55	0.37	2.45	2.05
GREENWOOD	38.61	6.71	0.41	2.45	0.96
DILLON	31.43	5.92	0.38	1.95	0.85
CHEROKEE	31.29	5.79	0.36	1.96	0.71
DARLINGTON	28.71	4.47	0.27	1.87	0.86

Table B: Ranking of Counties by Expenditure Levels, 2007

2007 Impact of Travel on South Carolina					
Table B: Ranking of Counties by Expenditure Levels, 2007 (Continued)					
<u>County</u>	<u>Expenditures (\$ Millions)</u>	<u>Payroll (\$ Millions)</u>	<u>Employment (Thousands)</u>	<u>State Tax Receipts (\$ Millions)</u>	<u>Local Tax Receipts (\$ Millions)</u>
LANCASTER	24.00	3.92	0.24	1.53	0.72
NEWBERRY	22.52	3.67	0.21	1.41	1.31
CHESTER	18.77	3.30	0.21	1.18	0.37
CHESTERFIELD	17.16	2.65	0.17	1.10	0.71
MARION	12.99	1.85	0.11	0.85	0.59
UNION	11.68	1.81	0.11	0.76	0.20
FAIRFIELD	11.67	1.80	0.10	0.73	0.81
HAMPTON	11.26	2.02	0.13	0.70	0.25
MARLBORO	11.05	1.79	0.10	0.69	0.36
WILLIAMSBURG	9.51	1.13	0.07	0.63	0.32
EDGEFIELD	9.20	1.35	0.07	0.60	0.42
BARNWELL	8.24	1.31	0.08	0.53	0.24
MCCORMICK	7.28	1.43	0.10	0.44	0.25
ABBEVILLE	6.44	0.95	0.05	0.40	0.49
BAMBERG	5.56	0.81	0.05	0.36	0.19
LEE	4.36	0.59	0.04	0.28	0.18
ALLENDALE	4.20	0.62	0.04	0.26	0.18
SALUDA	3.72	0.45	0.02	0.24	0.25
CALHOUN	2.74	0.36	0.02	0.17	0.19
State Totals	\$9,704.01	\$1,985.98	115.22	\$547.53	\$331.18

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Table C: Percent Distribution by County, 2007

2007 Impact of Travel on South Carolina					
Table C: Percent Distribution by County, 2007					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
ABBEVILLE	0.07%	0.05%	0.05%	0.07%	0.15%
AIKEN	0.99%	0.85%	0.78%	0.95%	0.64%
ALLENDALE	0.04%	0.03%	0.04%	0.05%	0.06%
ANDERSON	1.34%	1.04%	1.15%	1.48%	1.20%
BAMBERG	0.06%	0.04%	0.04%	0.07%	0.06%
BARNWELL	0.08%	0.07%	0.07%	0.10%	0.07%
BEAUFORT	10.58%	10.63%	11.48%	11.13%	10.40%
BERKELEY	0.94%	0.81%	0.86%	1.04%	1.00%
CALHOUN	0.03%	0.02%	0.02%	0.03%	0.06%
CHARLESTON	16.37%	17.30%	18.01%	16.58%	17.33%
CHEROKEE	0.32%	0.29%	0.31%	0.36%	0.21%
CHESTER	0.19%	0.17%	0.18%	0.22%	0.11%
CHESTERFIELD	0.18%	0.13%	0.14%	0.20%	0.22%
CLARENDON	0.48%	0.37%	0.37%	0.53%	1.07%
COLLETON	0.89%	0.84%	0.92%	0.97%	0.85%
DARLINGTON	0.30%	0.23%	0.24%	0.34%	0.26%
DILLON	0.32%	0.30%	0.33%	0.36%	0.26%
DORCHESTER	0.63%	0.56%	0.58%	0.71%	0.37%
EDGEFIELD	0.09%	0.07%	0.06%	0.11%	0.13%
FAIRFIELD	0.12%	0.09%	0.09%	0.13%	0.25%
FLORENCE	2.34%	2.37%	2.10%	2.17%	1.78%
GEORGETOWN	2.69%	2.53%	2.73%	2.90%	3.71%
GREENVILLE	9.03%	11.52%	8.36%	6.69%	4.47%
GREENWOOD	0.40%	0.34%	0.36%	0.45%	0.29%
HAMPTON	0.12%	0.10%	0.11%	0.13%	0.07%
HORRY	31.66%	31.32%	33.81%	33.42%	39.11%
JASPER	0.48%	0.48%	0.55%	0.52%	0.51%

Table C: Percent Distribution by County, 2007

2007 Impact of Travel on South Carolina					
Table C: Percent Distribution by County, 2007 (Continued)					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
KERSHAW	0.41%	0.33%	0.33%	0.46%	0.59%
LANCASTER	0.25%	0.20%	0.21%	0.28%	0.22%
LAURENS	0.40%	0.33%	0.32%	0.45%	0.62%
LEE	0.04%	0.03%	0.03%	0.05%	0.05%
LEXINGTON	4.54%	4.42%	2.88%	2.90%	3.03%
MARION	0.08%	0.07%	0.08%	0.08%	0.07%
MARLBORO	0.13%	0.09%	0.10%	0.15%	0.18%
MCCORMICK	0.11%	0.09%	0.09%	0.13%	0.11%
NEWBERRY	0.23%	0.18%	0.19%	0.26%	0.40%
OCONEE	0.48%	0.39%	0.39%	0.54%	0.81%
ORANGEBURG	1.17%	1.04%	1.14%	1.29%	1.28%
PICKENS	0.77%	0.66%	0.71%	0.85%	0.79%
RICHLAND	4.89%	4.62%	5.24%	5.23%	3.67%
SALUDA	0.04%	0.02%	0.02%	0.04%	0.08%
SPARTANBURG	3.15%	2.72%	2.08%	2.73%	1.61%
SUMTER	0.71%	0.62%	0.66%	0.79%	0.53%
UNION	0.12%	0.09%	0.10%	0.14%	0.06%
WILLIAMSBURG	0.10%	0.06%	0.06%	0.12%	0.10%
YORK	1.64%	1.48%	1.62%	1.81%	1.20%
State Totals	100.00%	100.00%	100.00%	100.00%	100.00%

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Table D: Percent Change Over 2006

2007 Impact of Travel on South Carolina
Table D: Percent Change Over 2006

<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
ABBEVILLE	12.88%	12.28%	8.88%	19.53%	12.72%
AIKEN	6.19%	5.63%	2.43%	12.45%	6.04%
ALLENDALE	-0.98%	-1.50%	-4.48%	4.86%	-2.35%
ANDERSON	3.85%	3.31%	0.18%	9.97%	3.71%
BAMBERG	-0.83%	-1.35%	-4.34%	5.01%	-0.97%
BARNWELL	-0.75%	-1.27%	-4.26%	5.10%	-0.88%
BEAUFORT	7.12%	6.56%	3.33%	13.43%	10.96%
BERKELEY	5.09%	4.54%	1.37%	11.28%	4.94%
CALHOUN	0.51%	-0.02%	-3.04%	6.43%	0.37%
CHARLESTON	9.10%	8.53%	5.24%	15.53%	8.95%
CHEROKEE	1.88%	1.34%	-1.73%	7.88%	1.74%
CHESTER	2.75%	2.21%	-0.89%	8.80%	2.61%
CHESTERFIELD	4.03%	3.48%	0.35%	10.16%	3.89%
CLARENDON	2.22%	1.68%	-1.40%	8.24%	2.08%
COLLETON	7.25%	6.68%	3.45%	13.57%	7.10%
DARLINGTON	5.25%	4.69%	1.52%	11.45%	5.10%
DILLON	4.36%	3.81%	0.66%	10.51%	4.21%
DORCHESTER	7.51%	6.94%	3.70%	13.84%	7.36%
EDGEFIELD	5.60%	5.04%	1.86%	11.82%	5.45%
FAIRFIELD	0.67%	0.14%	-2.89%	6.60%	1.43%
FLORENCE	4.35%	3.80%	0.66%	10.50%	7.75%
GEORGETOWN	4.00%	3.46%	0.32%	10.13%	3.86%
GREENVILLE	5.77%	5.21%	2.03%	12.00%	5.63%
GREENWOOD	0.38%	-0.15%	-3.18%	6.29%	4.69%
HAMPTON	4.27%	3.73%	0.58%	10.42%	4.13%
HORRY	6.59%	6.03%	2.82%	12.87%	9.45%
JASPER	6.40%	5.84%	2.63%	12.67%	6.25%

Table D: Percent Change Over 2006

2007 Impact of Travel on South Carolina					
Table D: Percent Change Over 2006 (Continued)					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
KERSHAW	5.56%	5.01%	1.83%	11.78%	5.42%
LANCASTER	4.69%	4.14%	0.98%	10.86%	4.55%
LAURENS	4.40%	3.85%	0.70%	10.55%	4.25%
LEE	4.01%	3.46%	0.33%	10.14%	5.07%
LEXINGTON	5.38%	4.83%	1.65%	11.59%	5.23%
MCCORMICK	5.01%	4.46%	1.29%	11.20%	4.87%
MARION	7.38%	6.82%	3.58%	13.71%	7.23%
MARLBORO	1.14%	0.61%	-2.44%	7.10%	1.00%
NEWBERRY	1.99%	1.45%	-1.62%	7.99%	1.85%
OCONEE	7.89%	7.32%	4.07%	14.25%	7.74%
ORANGEBURG	7.81%	7.24%	3.99%	14.16%	7.66%
PICKENS	5.18%	4.62%	1.45%	11.37%	5.03%
RICHLAND	6.73%	6.16%	2.95%	13.01%	6.58%
SALUDA	0.72%	0.19%	-2.85%	6.65%	0.58%
SPARTANBURG	6.10%	5.54%	2.34%	12.35%	5.95%
SUMTER	1.80%	1.27%	-1.80%	7.80%	1.66%
UNION	8.70%	8.13%	4.85%	15.11%	8.55%
WILLIAMSBURG	4.66%	4.11%	0.95%	10.82%	4.51%
YORK	4.17%	3.63%	0.49%	10.31%	4.03%
State Totals	6.52%	6.02%	2.86%	12.82%	8.09%

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Table E: Alphabetical by County, 2006

2006 Impact of Travel on South Carolina					
Table E: Alphabetical by County, 2006					
<u>County</u>	<u>Expenditures (\$ Millions)</u>	<u>Payroll (\$ Millions)</u>	<u>Employment (Thousands)</u>	<u>State Tax Receipts (\$ Millions)</u>	<u>Local Tax Receipts (\$ Millions)</u>
ABBEVILLE	\$5.71	\$0.85	0.05	\$0.33	\$0.43
AIKEN	90.22	15.91	0.88	4.64	2.01
ALLENDALE	4.24	0.63	0.04	0.25	0.19
ANDERSON	125.22	19.93	1.32	7.36	3.82
BAMBERG	5.60	0.82	0.05	0.34	0.19
BARNWELL	8.30	1.32	0.09	0.50	0.24
BEAUFORT	958.11	198.10	12.80	53.73	31.05
BERKELEY	86.67	15.34	0.98	5.13	3.16
CALHOUN	2.73	0.36	0.02	0.16	0.19
CHARLESTON	1,456.19	316.52	19.72	78.57	52.69
CHEROKEE	30.71	5.72	0.36	1.82	0.70
CHESTER	18.27	3.23	0.21	1.08	0.36
CHESTERFIELD	16.50	2.57	0.17	1.00	0.69
CLARENDON	45.68	7.26	0.43	2.69	3.46
COLLETON	80.49	15.55	1.02	4.67	2.62
DARLINGTON	27.27	4.27	0.27	1.68	0.81
DILLON	30.12	5.71	0.38	1.77	0.81
DORCHESTER	56.46	10.45	0.65	3.40	1.15
EDGEFIELD	8.71	1.29	0.07	0.53	0.39
FAIRFIELD	11.59	1.80	0.11	0.68	0.80
FLORENCE	217.65	45.33	2.41	10.76	5.47
GEORGETOWN	251.26	48.63	3.13	14.43	11.82
GREENVILLE	828.64	217.50	9.44	32.70	14.02
GREENWOOD	38.47	6.72	0.43	2.31	0.92
HAMPTON	10.80	1.95	0.13	0.63	0.24
HORRY	2,882.22	586.69	37.88	162.14	118.33
JASPER	44.05	9.09	0.61	2.52	1.59

Table E: Alphabetical by County, 2006

2006 Impact of Travel on South Carolina					
Table E: Alphabetical by County, 2006 (Continued)					
<u>County</u>	<u>Expenditures</u> <u>(\$ Millions)</u>	<u>Payroll</u> <u>(\$ Millions)</u>	<u>Employment</u> <u>(Thousands)</u>	<u>State Tax</u> <u>Receipts</u> <u>(\$ Millions)</u>	<u>Local Tax</u> <u>Receipts</u> <u>(\$ Millions)</u>
KERSHAW	37.54	6.25	0.38	2.24	1.85
LANCASTER	22.92	3.77	0.24	1.38	0.69
LAURENS	37.52	6.31	0.37	2.22	1.97
LEE	4.19	0.57	0.04	0.26	0.17
LEXINGTON	417.84	83.83	3.26	14.21	9.53
MCCORMICK	6.94	1.37	0.09	0.40	0.24
MARION	12.09	1.73	0.11	0.75	0.55
MARLBORO	10.92	1.78	0.11	0.64	0.36
NEWBERRY	22.09	3.61	0.22	1.31	1.29
OCONEE	43.55	7.18	0.43	2.58	2.50
ORANGEBURG	105.53	19.31	1.27	6.19	3.94
PICKENS	70.66	12.61	0.81	4.19	2.48
RICHLAND	444.39	86.48	5.87	25.35	11.40
SALUDA	3.70	0.45	0.02	0.22	0.25
SPARTANBURG	288.47	51.25	2.34	13.31	5.04
SUMTER	67.45	12.15	0.78	4.03	1.72
UNION	10.75	1.67	0.11	0.66	0.18
WILLIAMSBURG	9.09	1.08	0.07	0.57	0.30
YORK	152.43	28.37	1.85	8.98	3.81
State Totals	\$9,109.93	\$1,873.30	112.01	\$485.33	\$306.41

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APPENDICES

Appendix A: Travel Economic Impact Model

Introduction

The Travel Economic Impact Model (TEIM) was developed by the research department at TIA (formerly known as the U.S. Travel Data Center) to provide annual estimates of the impact of the travel activity of U.S. residents on national, state and county economies in this country. It is a disaggregated model comprised of 16 travel categories. The TEIM estimates travel expenditures and the resulting business receipts, employment, personal income, and tax receipts generated by these expenditures.

The TEIM has the capability of estimating the economic impact of various types of travel, such as business and vacation, by transport mode and type of accommodations used, and other trip and traveler characteristics. The County Impact Component of the TEIM allows estimates of the economic impact of travel at the county and city level.

Definition of Terms

There is no commonly accepted definition of travel in use at this time. For the purposes of the estimates herein, *travel* is defined as activities associated with all overnight and day trips to places 50 miles away or more, one way, from the traveler's origin and any overnight trips away from home in paid accommodations.

The word *tourism* is avoided in this report because of its vague meaning. Some define tourism as all travel away from home while others use the dictionary definition that limits tourism to personal or pleasure travel.

The *travel industry*, as used herein, refers to the collection of 16 types of businesses that provide goods and services to the traveler or potential traveler at the retail level (see Glossary of Terms). With the exception of Amtrak and second home ownership and rental, these business types are defined by the Office of Management and Budget in the 1997 North American Industry Classification System (NAICS) and well as in its predecessor, the 1987 Standard Industrial Classification System (SIC). In each case, the relevant NAICS and SIC codes are included.

Travel *expenditure* is assumed to take place whenever traveler exchanges money for an activity considered part of his/her trip. Total travel expenditures are separated into 16 categories representing traveler purchases of goods and services at the retail level. One category, travel agents, receives no travel expenditures as these purchases are allocated to the category (i.e. air transportation) actually providing the final good or service to the traveler. Travel expenditures are allocated among states by simulating where the exchange of money for goods or service actually took place. By their nature, some travel expenditures are assumed to occur at the traveler's origin, some at his/her destination, and some enroute.

Economic impact is represented by measures of spending, employment, payroll, business receipts and tax revenues generated by traveler spending. *Payroll* includes all forms of compensation, such as salaries, wages, commissions, bonuses, vacation allowances, sick leave pay and the value

of payments in kind paid during the year to all employees. Payroll is reported before deductions for social security, income tax insurance, union dues, etc. This definition follows that used by the U.S. Census Bureau in the quinquennial Census of Service Industries.

Employment represents the number of jobs generated by traveler spending, both full and part-time. As such, it is consistent with the U.S. Department of Labor series on nonagricultural payroll employment. *Tax revenues* include corporate income, individual income, sales and gross receipts, and excise taxes by level of government. *Business receipts* reflect travel expenditures less the sales and excise taxes imposed on those expenditures.

Description of the Model

Estimates of Travel Expenditures

Total travel expenditures includes spending by travelers on goods and services during their trips, such as lodging, transportation, meals, entertainment, retail shopping. Sixteen (16) categories of activities are covered in the TEIM. Generally, the TEIM combines the activity levels for trips to places within the United States with the appropriate average costs of each unit of travel activity, (e.g., cost per mile by mode of transport, cost per night by type of accommodation), to produce estimates of the total amount spent on each of 16 categories of travel-related goods and services by state. For example, the number of nights spent by travel parties in hotels in Vermont is multiplied by the average cost per night per travel party of staying in a hotel in the state to obtain the estimate of traveler expenditures for hotel accommodations.

The data on domestic travel activity levels (e.g., number of miles traveled by mode of transportation, the number of nights spent away from home by type of accommodation) are based on national travel surveys conducted by TIA, The Bureau of Labor Statistics' Survey of Consumer Expenditures, Smith Travel Research's Hotel and Motel Survey, etc. Average cost data are purchased and collected from different organizations and government agencies. Total sales and revenue and other data collected from state, local and federal government and other organizations are employed to compare, adjust and update the spending database of TEIM, as well as linking spending to other impact components.

The international travel expenditure estimates are based on Tourism Industries' (OTTI) In-Flight Survey and data provided to OTTI from Canada and Mexico. Other estimates of the economic impact of international visitors to the U.S. are generated by TEIM by incorporating the estimated international traveler expenditures with the data series utilized to produce the domestic estimates.

Estimates of Business Receipts, Payroll and Employment

The Economic Impact Component of the TEIM estimates travel generated business receipts, employment, and payroll. Basically, the 16 travel categories are associated with a type of travel-related business. For example, traveler spending on commercial lodging in a state is related to the business receipts, employment and payroll of hotels, motels and motor hotels (SIC 701; NAICS 7211) in the state. It is assumed that travel spending in each category, less sales and excise taxes, equals business receipts for the related business type as defined by the U.S. Census Bureau.

It is assumed that each job in a specific type of business in a state is supported by some amount of business receipts and that each dollar of wages and salaries is similarly supported by some dollar volume of business receipts. The ratios of employment to business receipts are computed for each industry in each state. These ratios are then multiplied by the total amount of business receipts generated by traveler spending in a particular type of business to obtain the measures of travel generated employment and payroll of each type of business in each state. For example, the ratio of employees to business receipts in the state commercial lodging establishments is multiplied by travel generated business receipts of these establishments to obtain traveler generated employment in commercial lodging. A similar process is used for the payroll estimates.

The total sales, payroll and employment data of each travel related industry (by SIC and NAICS) are provided by and collected from state, local and federal government, such as the Bureau of Labor Statistics, the Bureau of Economic Analysis, Census Bureau and The Bureau of Transportation Statistics.

Estimates of Tax Revenues

The Fiscal Impact Component of the TEIM is used to estimate traveler generated tax revenues of federal, state and local governments. The yield of each type of tax is related to the best measure of the relevant tax base available for each state consistent with the output of the Economic Impact Component. The ratios of yield to base for each type of tax in each state are then applied to the appropriate primary level output to obtain estimates of tax receipts generated by travel. For example, the ratio of Massachusetts State personal income tax collections to payroll in the state is applied to total travel generated payroll to obtain the estimate of state personal income tax receipts attributable to traveler spending in Massachusetts.

Estimates for Counties and Local Areas

Local area travel impact estimates is derived by distributing the state estimates to the area using proper proportions of each related category in the area. The proportions of a local area are calculated based on a set of data collected from federal, state and local governments and private organizations. The data can be gathered at the zip code level.

Data from the U.S. Bureau of the Census, Smith Travel Research, Enos Foundation, Runzheimer International, Cruise Lines International Association, Prentice-Hall, U.S. Department of Labor's Consumer Expenditure Survey and employment and payroll data, American Society of Travel Agents, the Federal Aviation Administration, the Department of Transportation, Amtrak, the Federal Highway Administration, state revenue departments, TIA's travel surveys and other sources are used in building and updating the model. These data indicate the change in travel spending for each of the expenditure categories for each state over the previous year, as well as changes in the relationship of travel spending to employment, payroll and tax revenue.

Limitations of the Study

This study is designed to indicate the impact of U.S. traveler expenditures on employment, payroll, business receipts and tax revenue in each of the states. These impact estimates reflect

the limitations inherent in the definition of travel expenditures. Two important classes of travel-related expenses have not been estimated due to various reasons. Consumers purchase certain goods and services in anticipation of a trip away from home. These include sports equipment (tennis racquet, skis, scuba gear, etc.), travel books and guides, and services such as language lessons and lessons for participatory sports (tennis, skiing, underwater diving, etc.). The magnitude of these purchases in preparation for a trip cannot be quantified due to lack of sound, relevant data.

The second type of spending not covered due to lack of sufficient data is the purchase of major consumer durables generally related to outdoor recreation on trips. Further research is required in this area to determine to what extent pre-trip spending on consumer durable products can justifiably be included within a travel economic impact study.

Appendix B: Glossary of Terms – TEIM

Automobile Transportation Expenditure. This category includes a prorated share of the fixed costs of owning an automobile, truck, camper, or other recreational vehicle, such as insurance, license fees, tax, and depreciation costs. Also included are the variable costs of operating an automobile, truck, camper, or other recreational vehicle on a trip, such as gasoline, oil, tires, and repairs. The costs of renting an automobile or other motor vehicle are included in this category as well.

Entertainment/Recreation Expenditure. Traveler spending on recreation facility user fees, admissions at amusement parks and attractions, attendance at nightclubs, movies, legitimate shows, sports events, and other forms of entertainment and recreation while traveling.

Food Expenditure. Traveler spending in commercial eating facilities and grocery stores or carry-outs, as well as on food purchased for off-premise consumption.

Incidental Purchase Expenditure. Traveler spending on retail trade purchases including gifts for others, medicine, cosmetics, clothing, personal services, souvenirs, and other items of this nature.

Lodging Expenditure. Traveler spending on hotels and motels, B&Bs, campgrounds and trailer parks, rental of vacation homes and other types of lodging.

Public Transportation Expenditures. This includes traveler spending on air, bus, rail and boat/ship transportation, and taxicab or limousine service between airports and central cities.

Travel-generated Tax Receipts. Those federal, state and local tax revenues attributable to travel in an area. For a given state locality, all or some of the taxes may apply. "Local" includes county, city or municipality, and township units of government actually collecting the receipts and not the level that may end up receiving it through intergovernmental transfers.

Federal. These receipts include corporate income taxes, individual income taxes, employment taxes, gasoline excise taxes, and airline ticket taxes.

State. These receipts include corporate income taxes, individual income taxes, sales and gross receipts taxes, and excise taxes.

Local. These include county and city receipts from individual and corporate income taxes, sales, excise and gross receipts taxes, and property taxes.

Appendix C: Travel-Related Industry Measurement

SIC-NAICS Transition

As described in Appendix A, the 16 types of travel categories used in TEIM are associated with types of travel-related businesses. For many years, TIA selected these business types using 1987 U.S. Standard Industrial Classification (SIC) system codes.

The SIC system has been used for decades with tremendous success to classify all businesses in the U.S. by the types of products or services they make available. To its credit, the SIC system has facilitated the collection, tabulation and analysis of data. It has also promoted “apples-to-apples” comparability in statistical analyses. At the industry group level, SIC Codes report industry groups as 2 or 3 digit categories to 4 digits at their most specific.

However, as a direct consequence of rapid and widespread structural changes throughout the American economy in recent years, the SIC system has become largely outdated. Therefore, its business classification capabilities have become increasingly less than optimal.

In 1998, the United States Office of Management and Budget published a new industry classification system – the 1997 North American Industry Classification System (NAICS) to replace the SIC system. In contrast, the 2- to 6-digit NAICS industry classification system includes more useful and detailed economic data and provides a more comprehensive statistical representation of our industry. NAICS offers four major advantages over the SIC system:

Relevance: NAICS identifies hundreds of new, emerging, and advanced technology industries. Perhaps most important in terms of quantification of travel-related activity, NAICS reorganizes industries into more meaningful sectors, especially in the service-producing segments of the economy. A few examples of travel-related industries that are separately recognized for the first time:

- Convenience stores
- Gas stations with convenience stores
- Casino hotels
- Casinos
- Other gambling industries
- Bed and breakfast inns
- Limited service restaurants

International Comparability: NAICS was developed by the U.S. Office of Management and Budget (OMB) in cooperation with Statistics Canada and Mexico’s Instituto Nacional de Estadística, Geografía e Informática (INEGI). NAICS provides for comparable statistics among the three NAFTA trading partners.

Consistency: NAICS defines industries according to a consistent principle -- businesses that use similar processes are grouped together.

Adaptability: NAICS will be reviewed every five years, so classifications and information keep up with our changing economy.

TEIM: SIC/NAICS Industry Categories

With the transition to NAICS, TIA has adjusted its selections of the travel-related business types using the new NAICS codes and brought its travel economic research into conformity with NAICS. For measurement purposes, TIA's Travel Economic Impact Model, tracks business activity in seven (7) major travel-related industry groups. These, in turn, are comprised of sixteen (16) business subcategories.

The industry groups and subcategories used in the model are outlined below, followed by a detailed table of SIC and NAICS Codes.

1. Automobile Transportation Industry: Gasoline service stations, motor vehicle/parts dealers and passenger car rental.
2. Entertainment/Recreation Industry: Entertainment, art and recreation industry.
3. Foodservice Industry: Eating & drinking places, and grocery stores.
4. General Retail Trade Industry: General merchandise group stores and miscellaneous retail stores, including gift and souvenir shops.

Incidental Purchases Industry: See above, General Retail Trade Industry.

5. Lodging Industry: This industry includes hotels, motels, and motor hotels, camps and trailer parks.
6. Public Transportation Industry: Air transportation, taxicab companies, interurban & rural bus transportation, railroad passenger transportation (Amtrak) and water passenger transportation. Also is the "dummy" industry of "other transportation."
7. Travel Arrangement Industry: This includes travel agencies, tour operators, and other travel arrangement & reservation services.

**1987 SIC – 1997 NAICS:
SELECTED TRAVEL-RELATED CATEGORIES**

SIC DESCRIPTION(S)	SIC CODE(S)	NAICS DESCRIPTION(S)	NAICS CODE(S)
Accommodations			
<i>Hotels and Motels</i>	701	<i>Traveler Accommodation</i>	7211
<i>Recreational Vehicle Parks & Campsites</i>	703	<i>Recreational Vehicle Parks & Campgrounds</i>	7212
Auto Transportation			
<i>Passenger Car Rental</i>	7514	<i>Passenger Car Rental</i>	532111
<i>Gasoline Service Stations</i>	554	<i>Gasoline Stations with Convenience Stores; Other Gasoline Stations</i>	447110; 447190
<i>Automotive Dealers</i>	55 (excl. 554)	<i>Motor Vehicle & Parts Dealers</i>	4411; 4412; 4413
Entertainment and Recreation			
<i>Amusement and Recreational Services</i>	79	<i>Amusement, Gambling & Recreation Industries</i>	713
<i>Museums, Art Galleries, Botanical and Zoological Gardens</i>	84	<i>Performing Arts, Spectator Sports & Related Industries</i>	711
		<i>Museums, Historical Sites & Similar Institutions</i>	712
Food			
<i>Eating & Drinking Places (Alcoholic Beverages)</i>	581	<i>Foodservices & Drinking Places</i>	7221; 7222; 7224
<i>Grocery Stores</i>	541	<i>Food and Beverage stores</i>	4451; 4452; 4453
Public Transportation			
<i>Air Transportation</i>	45	<i>Passenger Air Transportation; Airport Support Activities</i>	481; 4881
<i>Rail - Local & Suburban Transit</i>	4111	<i>Rail Transportation</i>	485112
<i>Interurban & Rural Bus Carriers</i>	413	<i>Interurban & Rural Bus Transportation</i>	4852
<i>Charter Bus/Interstate</i>	4142	<i>Charter Bus (interstate/interurban)</i>	4855102
<i>Taxi & Limousine Services</i>	412	<i>Taxi & Limousine Services</i>	4853
<i>Water Transportation of Passengers</i>	448	<i>Water Passenger Transportation</i>	483112; 483114; 483212
--	--	<i>Scenic & Sightseeing Transportation</i>	487
		<i>(New industry-includes parts of SICs 4119,4489,4522,4789,7999)</i>	
Retail			
<i>General Merchandise Stores</i>	53	<i>General Merchandise Stores</i>	452
<i>Miscellaneous Retail Stores</i>	59	<i>Other Retail Stores</i>	453; 44611; 4483; 45111; 45112; 45121
Travel Arrangement			
<i>Travel Arrangement</i>	472	<i>Travel Arrangement & Reservation Services</i>	5615
		<i>(includes travel agencies and tour operators)</i>	

Appendix D: Sources of Data

This appendix presents the sources of data used in this report.

Organizations

Air Transport Association
American Automobile Association
Amtrak
American Society of Travel Agents
Bureau of Census, U.S. Department of Commerce
Bureau of Economic Analysis, U.S. Department of Commerce
Bureau of Labor Statistics, U.S. Department of Labor
Federal Aviation Administration, U.S. Department of Transportation
Federal Highway Administration, U.S. Department of Transportation
National Park Service
South Carolina Department of Revenue
South Carolina Department of Parks, Recreation & Tourism
South Carolina Department of Transportation
Smith Travel Research
OTTI/International Trade Administration, U.S. Department of Commerce