

**The Economic Impact
of Travel on
Oklahoma Counties
2006-2007**

A Study Prepared for the
Oklahoma Tourism and Recreation Department
Travel and Tourism Division
by the
Research Department of the
Travel Industry Association
Washington, D.C.
September 2007

PREFACE

This study was conducted by the research department of the Travel Industry Association (TIA) for the *Oklahoma Tourism and Recreation Department*. The study provides preliminary 2006 estimates of domestic traveler expenditures in the state of Oklahoma and its 77 counties, as well as the employment, payroll income, and state and local tax revenue directly generated by these expenditures. For the purpose of comparison, related 2005 impact estimates are also included in this report.

Travel Industry Association
Washington, D.C.
September 2007

TABLE OF CONTENTS

INTRODUCTION	1
EXECUTIVE SUMMARY	2
TRAVEL IMPACT ON THE U.S. ECONOMY - 2006	3
DOMESTIC TRAVEL IMPACT ON OKLAHOMA - 2006.....	10
TRAVEL EXPENDITURES	10
TOTAL EXPENDITURES BY TYPE OF U.S. TRAVELER IN OKLAHOMA, 2006.....	12
AVERAGE EXPENDITURES BY U.S. TRAVELERS IN OKLAHOMA, 2006	12
TRAVEL-GENERATED PAYROLL	14
TRAVEL-GENERATED EMPLOYMENT	16
TRAVEL-GENERATED TAX REVENUE	18
DOMESTIC TRAVEL IMPACT ON OKLAHOMA COUNTIES - 2006.....	20
COUNTY TABLES	22
APPENDICES.....	32
APPENDIX A: TRAVEL ECONOMIC IMPACT MODEL	33
APPENDIX B: GLOSSARY OF TERMS.....	37
APPENDIX C: TRAVEL-RELATED INDUSTRY MEASUREMENT	38
APPENDIX D: SOURCES OF DATA.....	41

LIST OF TABLES

<i>Table 1: Travel Expenditures in the U.S. 2005-2006</i>	4
<i>Table 2: Travel-Generated Employment in the U.S., 2005-2006</i>	5
<i>Table 3: Overall U.S. Economic Developments, 2004-2006</i>	6
<i>Table 4: U.S. Travel Trends, 2002-2006</i>	7
<i>Table 5: Direct Domestic Travel Expenditures in Oklahoma by Industry Sector, 2005-2006</i>	11
<i>Table 6: U.S. Traveler's Spending by Characteristics of Travelers to Oklahoma in 2006</i>	13
<i>Table 7: Domestic Travel-Generated Payroll in Oklahoma by Industry Sector, 2005-2006</i>	15
<i>Table 8: Domestic Travel-Generated Employment in Oklahoma by Industry Sector, 2005-2006</i>	17
<i>Table 9: Domestic Travel-Generated Tax Revenue in Oklahoma by Level of Government, 2005-2006</i>	19
<i>Table 10: Domestic Travel Impact in Oklahoma - Top 5 Counties, 2005-2006</i>	21
<i>Table A: Alphabetical by County, 2006</i>	23
<i>Table B: Ranking of Counties by Expenditure Levels, 2006</i>	26
<i>Table C: Percent Distribution by County, 2006</i>	29

INTRODUCTION

This report presents preliminary 2006 estimates of the impact of U.S. resident traveler spending in Oklahoma State and its 77 counties, as well as the employment, payroll income and tax revenue directly generated by the spending. For the purpose of comparison, related 2005 impact estimates are also included in this report.

All estimates of the economic impact of travel contained in this report 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.

Starting in 2003, TIA's TravelScope® has been modified to capture more information from traveling households. This resulted in an overall increase in travel volume and adjustment of the travel economic impact estimates. Due to this change, travel economic impact estimates in this report are not comparable to the impact estimates in previous reports prior 2004 for the Oklahoma Tourism and Recreation Department provided by TIA.

U.S. residents traveling in Oklahoma includes both state residents and out-of-state visitors traveling away from home overnight in paid accommodations, or on day 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 2006 will become available subsequent to this study, TIA reserves the right to revise these estimates in the future.

EXECUTIVE SUMMARY

Direct Impact of Domestic Travel

- Direct domestic travel spending in Oklahoma reached over \$5.3 billion during 2006, a 7.8 percent increase over 2005.
- Travel-generated employees earned over \$1.6 billion in payroll income during 2006, up 4.3 percent over 2005.
- Domestic travel expenditures generated 71.9 thousand jobs within Oklahoma in 2006, 4.6 percent of the state's total non-agricultural employment. Without these jobs generated by domestic travel, Oklahoma's 2006 unemployment rate of 4.0 percent would have been 4.2 percentage points higher than it was, or 8.2 percent of the labor force.
- On average, every \$73,863 spent in Oklahoma by domestic travelers generated one job in 2006.
- Domestic travel spending in Oklahoma generated \$842.0 million in tax revenue for federal, state and local governments in 2006, up 4.9 percent from 2005.
- Oklahoma County, which includes Oklahoma City, received more than \$1.8 billion in domestic travel expenditures to lead all Oklahoma counties in 2006.
- Tulsa County, which includes the city of Tulsa, indicated over \$1.3 billion in domestic travel expenditures to rank second among all Oklahoma counties during 2006.
- Fourteen of the seventy-seven counties in Oklahoma received over \$50 million in domestic travel expenditures in 2006.
- Six counties in Oklahoma indicated one thousand or more jobs directly supported by domestic travel expenditures in 2006.

TRAVEL IMPACT ON THE U.S. ECONOMY - 2006

The U.S. economy continued to grow in 2006, with real GDP increasing 2.9 percent. Both real disposable income and real personal consumption expenditures rose 3.1 percent from 2005. The U.S. job market improved during 2006 as annual average total non-farm employment increased nearly 2.5 million to 136.2 million. This reduced the national unemployment rate to 4.6 percent. The Consumer Price Index (CPI), an indicator of the level of price inflation, was up 3.2 percent in 2006, while TIA's Travel Price Index increased 4.8 percent during the same period, primarily due to a significant increase in the price of gasoline. The total U.S. current account deficit rose to a record high of \$811.5 billion in 2006. The U.S. travel industry, however, generated a \$13.7 billion trade surplus for the country in 2006 (excluding international passenger fares).

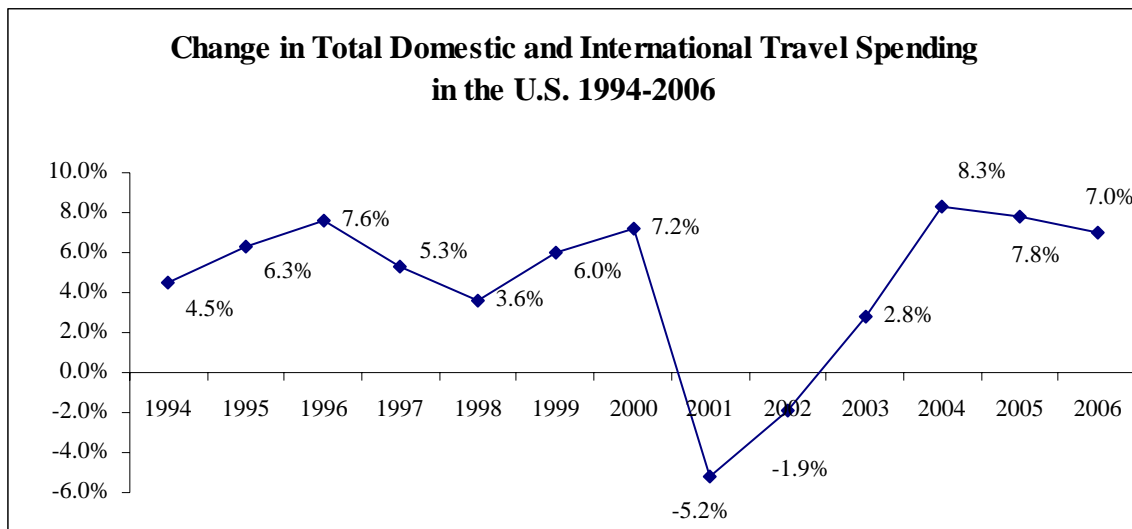
U.S. Travel Volume in 2006

In 2006, total U.S. domestic person-trips were up 0.4 percent over 2005, according to TIA TravelScope®/DIRECTIONS® by DKS&A survey.

International visitors to the U.S. increased 3.8 percent in 2006 to 51.1 million. However, the volume of international travel to the U.S. remained 0.3 percent lower than its historical record set in 2000.

Travel Expenditures in 2006

Domestic travelers spent \$614.2 billion in the U.S. during 2006, an increase of 7.3 percent over 2005. International traveler expenditures in the U.S., excluding international passenger fares, increased 4.8 percent to total \$85.7 billion in 2006. Combined domestic and international travel expenditures in the U.S. totaled nearly \$700 billion, 7.0 percent more than in 2005.



Sources: TIA, OTTI

Domestic travel spending on auto transportation jumped 10.1 percent over 2005, to \$117 billion, reflecting the dramatic increase in gasoline prices during 2006.

Domestic travel spending on lodging increased 8.4 percent over 2005. According to Smith Travel Research, hotel room demand (hotel room-nights sold) grew 1.1 percent and average daily rate jumped 7.0 percent.

Table 1: Travel Expenditures in the U.S. 2005-2006

<u>Industry Sector</u>	2006 Travel Spending in The U.S. (\$ Billions)	2005 Travel Spending in The U.S. (\$ Billions)	2006 Percent Change Over 2005 (%)
Public Transportation	\$116.8	\$108.5	7.6%
Auto Transportation	117.0	106.3	10.1%
Lodging	111.2	102.5	8.4%
Foodservice	149.3	141.6	5.5%
Entertainment	71.3	66.8	6.8%
General Retail	48.6	46.5	4.5%
Domestic Total	614.2	572.1	7.3%
International Total*	85.7	81.8	4.8%
Total	\$699.9	\$653.9	7.0%

Source: TIA

* Total international traveler spending does not include international passenger fares.

Travel Employment in 2006

Nearly 2.5 million jobs were added to the non-farm sector of the strengthening U.S. economy in 2006, a 1.8 percent increase from 2005, according to the U.S. Bureau of Labor Statistics (BLS). This reduced the national unemployment to 4.6 percent in 2006 from 5.1 percent in 2005. Domestic and international travelers' spending in the U.S. directly generated 7.5 million jobs for the U.S. economy in 2006, up 0.4 percent from 2005.

Domestic travel expenditures directly generated 6.6 million jobs for the travel and tourism industry in 2006, representing a 0.5 percent increase from 2005. Among all travel industry categories investigated in this report, the greatest gain occurred in the arts/entertainment/recreation industry, with employment up 1.8 percent from 2005. Travel-generated employment in the public transportation sector decreased 2.6 percent, mainly due to a large decline in the airline industry. The employment generated by travel in the retail industry experienced a slight decline as well.

Table 2: Travel-Generated Employment in the U.S., 2005-2006

<u>Industry Sector</u>	<u>2006 Travel-Generated Employment (Thousands)</u>	<u>2005 Travel-Generated Employment (Thousands)</u>	<u>2006 Percent Change Over 2005 (%)</u>
Public Transportation	904.6	928.4	-2.6%
Auto Transportation	267.9	265.4	1.0%
Lodging	1,238.9	1,228.8	0.8%
Foodservice	2,594.4	2,566.9	1.1%
Entertainment	1,130.5	1,110.1	1.8%
General Retail	337.3	340.6	-1.0%
Travel Planning	176.3	173.7	1.5%
Domestic Travelers	6,649.9	6,613.9	0.5%
International Travelers	892.2	894.9	-0.3%
Total	7,542.1	7,508.8	0.4%

Sources: TIA, BLS

* Excludes jobs generated by international passenger fare payments.

Table 3: Overall U.S. Economic Developments, 2004-2006

<u>Sector</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Nominal gross domestic product (\$ billions)	\$11,685.9	\$12,433.9	\$13,194.7
Real gross domestic product (\$ billions)*	\$10,675.8	\$11,003.4	\$11,319.4
Real disposable personal income(\$ billions)*	\$8,008.9	\$8,147.9	\$8,396.9
Real personal consumption expenditures (\$ billions)*	\$7,561.4	\$7,803.6	\$8,044.1
Consumer price index**	188.9	195.3	201.6
Travel Price Index**	210.2	221.4	232.0
Non-farm payroll employment (millions)	131.4	133.7	136.2
Unemployment rate (%)	5.5	5.1	4.6

Percentage change from previous year

Nominal gross domestic product	6.6%	6.4%	6.1%
Real gross domestic product	3.6%	3.1%	2.9%
Real disposable personal income	3.6%	1.7%	3.1%
Real personal consumption expenditures	3.6%	3.2%	3.1%
Consumer price index	2.7%	3.4%	3.2%
Travel Price Index	4.5%	5.3%	4.8%
Non-farm payroll employment	1.1%	1.7%	1.8%

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, 2002-2006

<u>Category</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006p</u>
U.S. travel expenditures (\$ billions)	\$478.3	\$495.8	\$532.4	\$572.1	\$614.17
International travel expenditures in the U.S.* (\$ billions)	\$66.6	\$64.4	\$74.5	\$81.8	\$85.7
Total travel expenditures (\$billions)	\$544.9	\$560.1	\$606.9	\$653.9	\$699.9
Travel price index**	196.3	201.1	210.2	221.4	232.0
Travel-generated employment*** (thousands)	7,440.5	7,336.0	7,452.7	7,508.8	7,542.1

Percentage change from previous year

U.S. travel expenditures	-1.1%	3.7%	7.4%	7.5%	7.3%
International travel expenditures in the U.S.	-7.4%	-3.4%	15.8%	9.7%	4.8%
Total travel expenditures (\$billions)	-1.9%	2.8%	8.3%	7.8%	7.0%
Travel price index	-0.3%	2.4%	4.5%	5.3%	4.8%
Travel-generated employment	-3.0%	-1.4%	1.6%	0.8%	0.4%

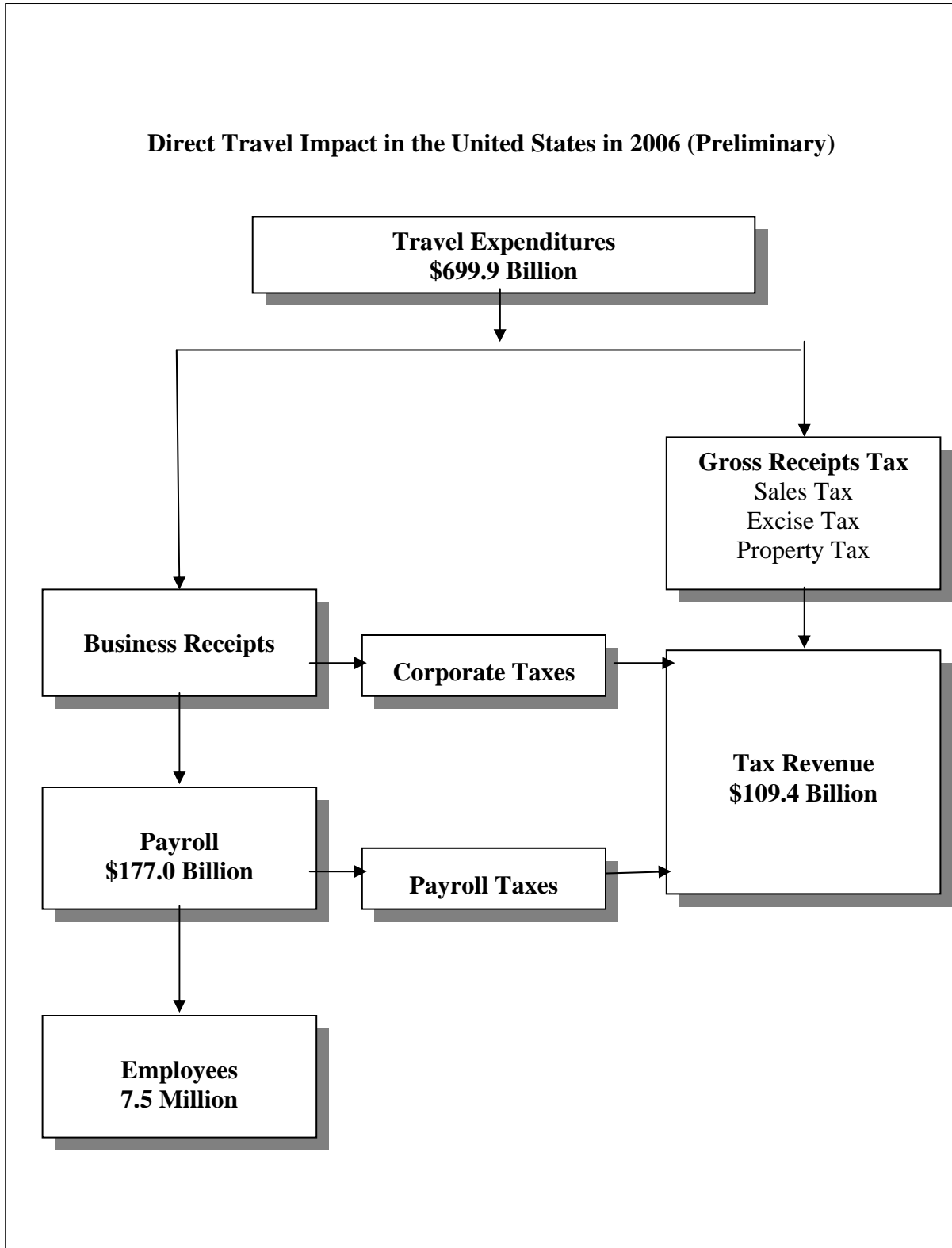
Sources: TIA, Office of Travel and Tourism Industries (OTTI)/International Trade Administration, BLS, BEA

P: preliminary

* International traveler spending does not include international passenger fares.

** Base period: 1982-84=100

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



Source:

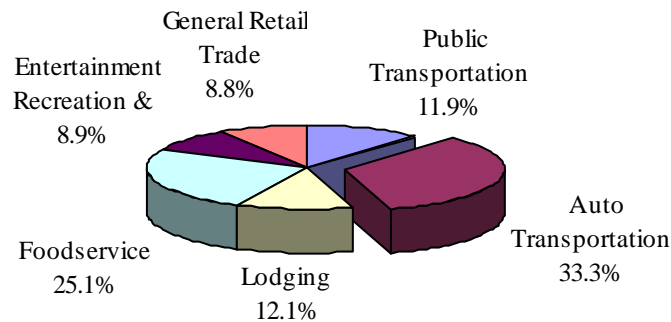
TIA

DOMESTIC TRAVEL IMPACT ON OKLAHOMA - 2006

Travel Expenditures

- Domestic travelers in Oklahoma spent over \$5.3 billion on transportation, lodging, food, entertainment and recreation, and incidentals. This represents an increase of 7.8 percent over 2005.
- Auto transportation was the largest expenditure category in 2006, totaling close to \$1.8 billion, 33.3 percent of total domestic travel expenditures in Oklahoma. Spending on auto transportation in 2006 increased 8.5 percent from 2005, largely due to higher gas prices.
- Foodservice expenditures ranked second with more than \$1.3 billion, 25.1 percent of the state total, up 7.4 percent from 2005.
- Travel spending on lodging totaled \$641.8 million in 2006, an 11.3 percent increase over 2005, mainly driven by strong room demand.

**Domestic Travel Spending in Oklahoma
by Industry Sector - 2006**



-
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.
-

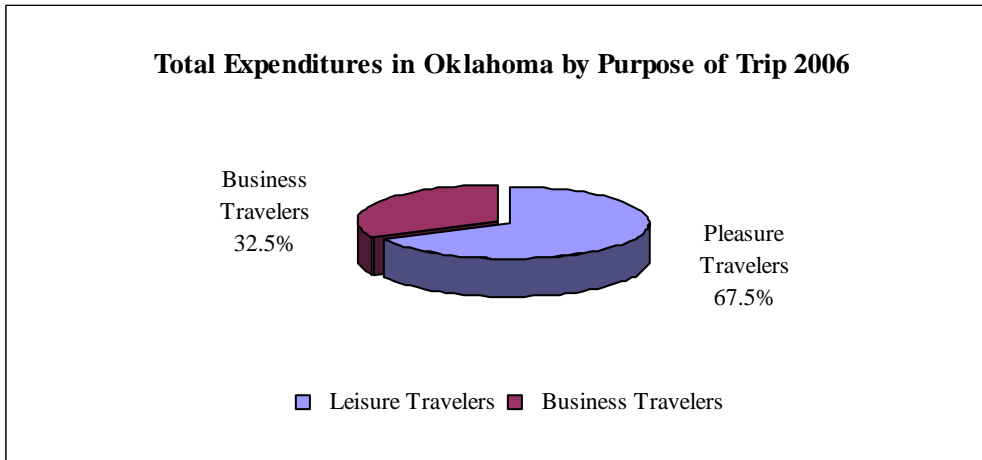
Table 5: Direct Domestic Travel Expenditures in Oklahoma by Industry Sector, 2005-2006

<i>2006 Expenditures</i>	Total (\$ Millions)	% of Total
Public Transportation	\$631.6	11.9%
Auto Transportation	1,765.5	33.3%
Lodging	641.8	12.1%
Foodservice	1,333.2	25.1%
Entertainment & Recreation	471.0	8.9%
General Retail Trade	466.1	8.8%
Total	\$5,309.1	100.0%
<i>2005 Expenditures</i>		
Public Transportation	\$591.1	12.0%
Auto Transportation	1,627.0	33.0%
Lodging	576.8	11.7%
Foodservice	1,240.9	25.2%
Entertainment & Recreation	447.0	9.1%
General Retail Trade	441.8	9.0%
Total	\$4,924.6	100.0%
<i>Percent Change 2006 over 2005</i>		
Public Transportation	6.9%	
Auto Transportation	8.5%	
Lodging	11.3%	
Foodservice	7.4%	
Entertainment & Recreation	5.4%	
General Retail Trade	5.5%	
Total	7.8%	

Source: TIA

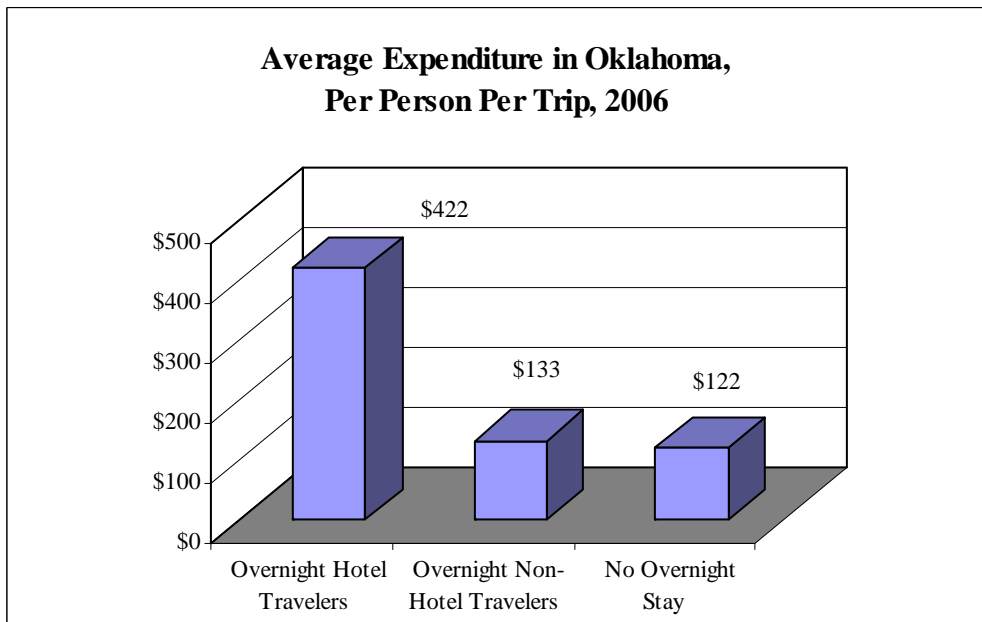
Total Expenditures by Type of U.S. Traveler in Oklahoma, 2006

Total U.S. traveler spending (excluding air transportation costs to Oklahoma) reached \$4.9 billion in 2006. Domestic leisure travelers¹⁾ spent more than \$3.3 billion in Oklahoma during 2006, accounting for 67.5 percent of state total, while domestic business travelers²⁾ spent nearly \$1.6 billion, accounting for 32.5 percent of state total.



Average Expenditures by U.S. Travelers in Oklahoma, 2006

Overall, domestic travelers including day trip travelers spent about \$201 on average (excluding airfares) during their stay in Oklahoma in 2006. Overnight hotel travelers spent nearly \$422 per trip on average, the highest among all traveler groups. Day-trip travelers spent close to \$122 per trip.



**Table 6: U.S. Traveler's Spending by Characteristics of Travelers to Oklahoma in 2006
(Excluding Expenditures on Air Tickets)**

	Total Expenditures (\$ Millions)	Percentage of Total Expenditures
Total Travelers	\$4,925.5	92.8%
Origin of Travelers		
Oklahoma Residents	\$1,328.1	27.0%
Non-Oklahoma Residents	\$3,597.3	73.0%
Purpose of Trip		
Leisure Travelers	\$3,326.0	67.5%
Business Travelers	\$1,599.4	32.5%

Source: TIA

Notes:

- 1) Leisure travel is defined as travel for visiting friends or relatives, entertainment, outdoor recreation and/or other pleasure/personal reasons.
- 2) Business travel includes travel for general business purposes (consulting, service, etc), travel to attend a convention/conference/seminar or for combined business and pleasure purpose.

DOMESTIC TRAVEL IMPACT ON OKLAHOMA - 2006

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. A dollar of travel spending generates different amounts of payroll income within the various travel industry sectors depending on the labor content and the wage structure of each sector.

- Payroll income paid by Oklahoma travel-related firms and directly attributable to domestic travel spending reached over \$1.6 billion in 2006, up 4.3 percent from 2005.
- On average, every dollar spent by travelers produced 30.4 cents in payroll income for Oklahoma residents during 2006.
- The public transportation sector posted the largest payroll generated by domestic travel spending in 2006 at \$803.4 million, 49.8 percent of the state total.
- Payroll in the foodservice sector ranked second with \$285.6 million, 17.7 percent of the state total.

**Domestic Travel-Generated Payroll in Oklahoma
by Industry Sector - 2006**

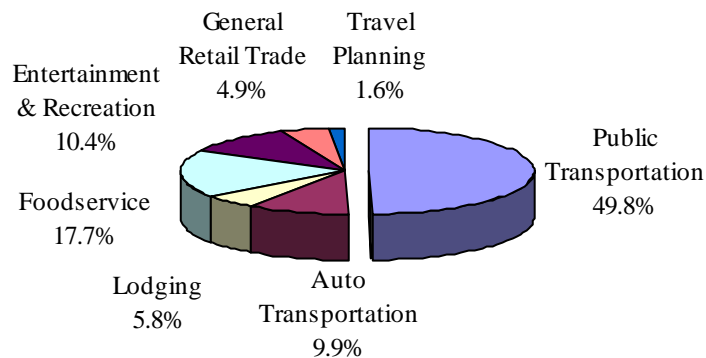


Table 7: Domestic Travel-Generated Payroll in Oklahoma by Industry Sector, 2005-2006

2006 Payroll	Total (\$ Millions)	% of Total
Public Transportation	\$803.4	49.8%
Auto Transportation	159.0	9.9%
Lodging	93.1	5.8%
Foodservice	285.6	17.7%
Entertainment & Recreation	167.1	10.4%
General Retail Trade	78.7	4.9%
Travel Planning*	26.5	1.6%
Total	\$1,613.4	100.0%
2005 Payroll		
Public Transportation	\$779.4	50.4%
Auto Transportation	154.1	10.0%
Lodging	86.8	5.6%
Foodservice	266.8	17.3%
Entertainment & Recreation	153.4	9.9%
General Retail Trade	75.7	4.9%
Travel Planning*	29.9	1.9%
Total	\$1,546.2	100.0%
Percent Change 2006 over 2005		
Public Transportation	3.1%	
Auto Transportation	3.1%	
Lodging	7.2%	
Foodservice	7.0%	
Entertainment & Recreation	8.9%	
General Retail Trade	4.0%	
Travel Planning*	-11.2%	
Total	4.3%	

Source: TIA

*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 OKLAHOMA - 2006

Travel-Generated Employment

The most impressive contribution that travel and tourism makes to the Oklahoma economy is the number of businesses and jobs it supports. Due to the diversity of the travel industry in Oklahoma, a wide variety of multi-level jobs are supported. These jobs include a large number of executive and managerial positions, as well as service-oriented occupations.

- Domestic travel spending in Oklahoma generated 71.9 thousand jobs in 2006, including full-time and seasonal/part-time positions, up 0.9 percent from 2005. On average, every \$73,863 spent by domestic travelers in Oklahoma directly supported one job.
- These 71.9 thousand travel and tourism-generated jobs comprised 4.6 percent of total non-farm employment in Oklahoma during 2006. Without these jobs generated by domestic travel, Oklahoma's 2006 unemployment rate of 4.0 percent would have been 4.2 percentage points higher than it was, or 8.2 percent of the labor force.
- The foodservice sector, including restaurants and other eating and drinking places, provided more jobs than any other industry sector in Oklahoma. During 2006, domestic travelers' spending on foodservices generated 24.6 thousand jobs for the industry, accounting for 34.2 percent of the state total. The labor-intensiveness of these businesses and the large proportion of travel expenditures spent on foodservice contribute to the high level of travel employment in this sector.
- The public transportation sector lost more than 600 jobs during 2006, total employment in this sector decreased 3.6 percent from 2005. Layoffs in the airline industry were the primary factor.

**Domestic Travel-Generated Employment
in Oklahoma by Industry Sector - 2006**

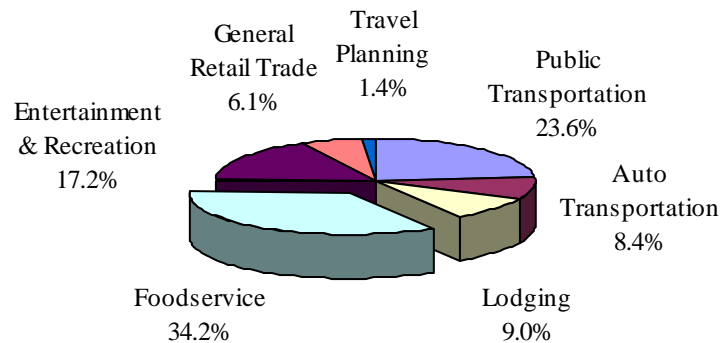


Table 8: Domestic Travel-Generated Employment in Oklahoma by Industry Sector, 2005-2006

<i>2006 Employment</i>	Total (Thousands)	% of Total
Public Transportation	16.9	23.6%
Auto Transportation	6.1	8.4%
Lodging	6.5	9.0%
Foodservice	24.6	34.2%
Entertainment & Recreation	12.4	17.2%
General Retail Trade	4.4	6.1%
Travel Planning*	1.0	1.4%
Total	71.9	100.0%
<i>2005 Employment</i>		
Public Transportation	17.6	24.7%
Auto Transportation	6.0	8.4%
Lodging	6.2	8.8%
Foodservice	24.0	33.7%
Entertainment & Recreation	11.8	16.5%
General Retail Trade	4.4	6.2%
Travel Planning*	1.2	1.7%
Total	71.2	100.0%
<i>Percent Change 2006 over 2005</i>		
Public Transportation	-3.6%	
Auto Transportation	0.6%	
Lodging	4.2%	
Foodservice	2.4%	
Entertainment & Recreation	5.4%	
General Retail Trade	-1.3%	
Travel Planning*	-15.0%	
Total	0.9%	

Source: TIA

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

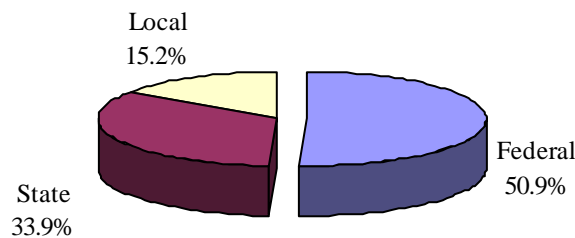
DOMESTIC TRAVEL IMPACT ON OKLAHOMA - 2006

Travel-Generated Tax Revenue

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

- Domestic travel spending in Oklahoma generated \$428.5 million for the federal government during 2006. This represents 50.9 percent of all travel-generated tax collections in the state. Each dollar spent by domestic travelers in Oklahoma produced close to 8.1 cents for federal tax coffers.
- Spending by domestic travelers in Oklahoma also generated \$285.5 million in tax revenue for the state treasury through state sales and excise taxes, and taxes on personal and corporate income. This comprised 33.9 percent of all travel-generated tax revenue for 2006 collected in the state. On average, each travel dollar produced nearly 5.4 cents in state tax receipts.
- Local governments in Oklahoma directly benefited from domestic travel as well. During 2006, domestic travel spending generated \$127.9 million in sales and property tax revenue for the municipal government, 15.2 percent of total travel-generated tax revenue in the state. Each travel dollar produced more than 2.4 cents for local tax coffers.

**Domestic Travel-Generated Tax Revenue
in Oklahoma by Level of Government - 2006**



**Table 9: Domestic Travel-Generated Tax Revenue in Oklahoma
by Level of Government, 2005-2006**

<i>2006 Tax Revenue</i>	Total (\$ Millions)	% of Total
Federal	\$428.5	50.9%
State	285.5	33.9%
Local	127.9	15.2%
Total	\$842.0	100.0%
<i>2005 Tax Revenue</i>		
Federal	\$411.2	51.2%
State	271.4	33.8%
Local	119.8	14.9%
Total	\$802.4	100.0%
<i>Percent Change 2005 over 2006</i>		
Federal	4.2%	
State	5.2%	
Local	6.8%	
Total	4.9%	

Source: TIA

DOMESTIC TRAVEL IMPACT ON OKLAHOMA COUNTIES - 2006

Domestic travelers spent over \$5.3 billion while traveling in Oklahoma during 2006, up 7.8 percent from 2005. These expenditures directly generated over \$1.6 billion in payroll income and 71.9 thousand jobs for Oklahoma residents.

Travel expenditures occurred throughout all the seventy-seven counties in Oklahoma. The top five counties in Oklahoma received close to \$3.6 billion in direct domestic travel expenditures, 66.9 percent of the state total. Domestic travel spending in the top five counties generated close to \$1.4 billion in payroll (85.0 percent of the state total) and 55.0 thousand jobs (76.5 percent of the state total) in 2006.

Additionally, domestic expenditures generated \$285.5 million in tax revenue for the state treasury and \$127.9 million in tax revenue for local governments during 2006.

DOMESTIC TRAVEL IMPACT IN TOP 5 COUNTIES

Oklahoma County, which includes Oklahoma City, led all counties in travel expenditures, payroll income and jobs directly generated by domestic visitor spending in 2006. Domestic travel expenditures in Oklahoma County reached more than \$1.8 billion, accounting for 34.3 percent of the state total. These expenditures generated \$715.8 million in payroll income and 28.5 thousand jobs for county residents.

Tulsa County, which includes the city of Tulsa, ranked second with over \$1.3 billion in domestic travel spending in 2006, representing 25.1 percent of the state total. Payroll income and jobs directly attributable to domestic travel spending reached \$593.9 million and 22.2 thousand jobs.

Cleveland County posted \$176.3 million in domestic expenditures to rank third. These expenditures generated \$23.9 million in payroll as well as 1.7 thousand jobs within the county.

Comanche County ranked fourth and received \$119.5 million from domestic travelers in 2006, 2.3 percent of the state total. These travel expenditures generated \$24.0 million in payroll income and 1.5 thousand jobs.

Beckham County ranked fifth in 2006 with \$106.4 million in domestic travel expenditures, 2.0 percent of the state total. These receipts from domestic travelers generated \$13.6 million in payroll income and 1.0 thousand jobs within the county.

Top 5 Counties

<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>
Oklahoma	\$1,820.7	\$715.8	28.5	\$99.4	\$48.0
Tulsa	1,331.0	593.9	22.2	71.3	33.5
Cleveland	176.3	23.9	1.7	8.0	4.1
Comanche	119.5	24.0	1.5	5.8	2.3
Beckham	106.4	13.6	1.0	7.3	1.2
Five County Total	\$3,553.9	\$1,371.2	55.0	\$191.8	\$89.1
State Total	\$5,309.1	\$1,613.4	71.9	\$285.5	\$127.9
Share Of Top 5 Counties	66.9%	85.0%	76.5%	67.2%	69.7%

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 Oklahoma in 2006. The estimates presented are for direct domestic travel expenditures and related economic impact.

Table A shows the counties listed alphabetically, with 2006 travel expenditures, travel-generated payroll and employment, and state tax revenue and the local tax revenue for each.

Table B ranks the counties in order of 2006 travel expenditures from highest to lowest.

Table C shows the percent distribution for each impact measure in 2006.

Table A: Alphabetical by County

2006 Domestic Travel Impact on Oklahoma					
Table A: 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>
ADAIR	\$11.89	\$1.03	0.05	\$0.82	\$0.16
ALFALFA	2.89	0.39	0.02	0.15	0.10
ATOKA	12.42	1.66	0.13	0.70	0.38
BEAVER	7.09	0.90	0.07	0.45	0.14
BECKHAM	106.42	13.56	1.00	7.30	1.23
BLAINE	8.73	0.84	0.05	0.55	0.14
BRYAN	27.88	4.58	0.33	1.40	0.83
CADDO	14.80	2.04	0.15	0.77	0.35
CANADIAN	70.88	9.10	0.62	3.43	2.23
CARTER	93.67	16.21	0.74	4.82	1.28
CHEROKEE	33.90	5.18	0.32	1.68	1.13
CHOCTAW	15.29	2.43	0.16	0.89	0.28
CIMARRON	4.08	0.61	0.05	0.21	0.11
CLEVELAND	176.27	23.92	1.74	8.03	4.08
COAL	2.27	0.36	0.02	0.14	0.10
COMANCHE	119.51	24.00	1.51	5.80	2.28
COTTON	2.65	0.38	0.03	0.13	0.06
CRAIG	23.48	2.97	0.21	1.36	0.51
CREEK	26.40	3.27	0.23	1.37	0.47
CUSTER	46.67	6.46	0.50	2.49	0.77
DELAWARE	29.52	4.74	0.29	1.59	0.90
DEWEY	4.38	0.52	0.03	0.25	0.09
ELLIS	3.75	0.57	0.04	0.19	0.07
GARFIELD	66.27	8.12	0.59	3.19	1.58
GARVIN	18.29	2.17	0.15	0.89	0.40
GRADY	41.38	4.40	0.30	2.37	0.68
GRANT	3.61	0.43	0.03	0.22	0.06

Table A: Alphabetical by County

2006 Domestic Travel Impact on Oklahoma						
Table A: Alphabetical by County, 2006 (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>	
GREER	5.49	0.60	0.04	0.37	0.09	
HARMON	0.85	0.08	0.01	0.04	0.01	
HARPER	6.03	1.19	0.09	0.32	0.16	
HASKELL	9.38	1.44	0.10	0.45	0.29	
HUGHES	17.95	1.63	0.10	1.33	0.26	
JACKSON	26.04	2.80	0.19	1.16	0.48	
JEFFERSON	4.80	0.67	0.06	0.23	0.16	
JOHNSTON	6.23	0.84	0.05	0.38	0.18	
KAY	57.41	9.49	0.68	2.96	1.25	
KINGFISHER	11.41	1.31	0.09	0.54	0.19	
KIOWA	5.90	0.70	0.05	0.34	0.14	
LATIMER	42.53	3.64	0.20	3.53	0.22	
LE FLORE	24.35	3.79	0.26	1.24	0.41	
LINCOLN	17.96	2.24	0.16	1.03	0.38	
LOGAN	23.53	3.82	0.26	1.24	0.60	
LOVE	6.08	1.00	0.07	0.32	0.22	
MCCLAIN	7.58	0.82	0.05	0.31	0.17	
MCCURTAIN	15.39	2.15	0.15	0.71	0.79	
MCINTOSH	24.74	2.95	0.18	1.36	0.70	
MAJOR	16.69	2.72	0.18	0.86	0.30	
MARSHALL	28.15	3.99	0.32	1.48	0.61	
MAYES	37.13	6.05	0.45	1.81	1.82	
MURRAY	14.09	1.72	0.13	0.69	0.25	
MUSKOGEE	76.23	9.07	0.65	4.21	1.69	
NOBLE	20.54	2.66	0.18	1.33	0.32	
NOWATA	4.38	0.54	0.04	0.26	0.13	
OKFUSKEE	7.15	0.94	0.07	0.44	0.22	

Table A: Alphabetical by County

2006 Domestic Travel Impact on Oklahoma					
Table A: Alphabetical by County, 2006 (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>
OKLAHOMA	1,820.68	715.84	28.53	99.39	48.05
OKMULGEE	33.64	4.69	0.36	1.83	0.61
OSAGE	20.52	3.05	0.21	1.14	0.61
OTTAWA	42.96	7.40	0.53	2.18	0.93
PAWNEE	9.40	1.17	0.08	0.48	0.19
PAYNE	67.25	9.14	0.66	3.68	1.09
PITTSBURG	58.63	8.94	0.70	2.90	1.78
PONTOTOC	42.27	5.50	0.39	2.31	0.74
POTTAWATOMIE	62.27	7.83	0.55	3.51	1.00
PUSHMATAHA	6.74	0.99	0.08	0.34	0.21
ROGER MILLS	5.55	0.83	0.06	0.30	0.20
ROGERS	42.06	4.95	0.32	2.41	0.67
SEMINOLE	10.70	1.44	0.10	0.54	0.29
SEQUOYAH	40.52	6.97	0.51	2.13	0.98
STEPHENS	40.85	5.03	0.37	1.98	0.77
TEXAS	23.00	2.79	0.20	1.22	0.45
TILLMAN	7.47	1.23	0.09	0.39	0.16
TULSA	1,331.01	593.92	22.22	71.33	33.50
WAGONER	20.05	3.16	0.24	1.00	0.63
WASHINGTON	87.30	13.07	1.05	4.03	1.70
WASHITA	7.39	0.84	0.05	0.39	0.19
WOODS	9.56	1.03	0.07	0.54	0.21
WOODWARD	26.95	3.89	0.31	1.34	0.51
STATE TOTAL	\$5,309.15	\$1,613.42	71.88	\$285.48	\$127.92

C2007 TIA

Table B: Ranking of Counties by Expenditure Level

2006 Domestic Travel Impact on Oklahoma					
Table B: Ranking of Counties by Expenditure Levels, 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>
OKLAHOMA	\$1,820.68	\$715.84	28.53	\$99.39	\$48.05
TULSA	1,331.01	593.92	22.22	71.33	33.50
CLEVELAND	176.27	23.92	1.74	8.03	4.08
COMANCHE	119.51	24.00	1.51	5.80	2.28
BECKHAM	106.42	13.56	1.00	7.30	1.23
CARTER	93.67	16.21	0.74	4.82	1.28
WASHINGTON	87.30	13.07	1.05	4.03	1.70
MUSKOGEE	76.23	9.07	0.65	4.21	1.69
CANADIAN	70.88	9.10	0.62	3.43	2.23
PAYNE	67.25	9.14	0.66	3.68	1.09
GARFIELD	66.27	8.12	0.59	3.19	1.58
POTTAWATOMIE	62.27	7.83	0.55	3.51	1.00
PITTSBURG	58.63	8.94	0.70	2.90	1.78
KAY	57.41	9.49	0.68	2.96	1.25
CUSTER	46.67	6.46	0.50	2.49	0.77
OTTAWA	42.96	7.40	0.53	2.18	0.93
LATIMER	42.53	3.64	0.20	3.53	0.22
PONTOTOC	42.27	5.50	0.39	2.31	0.74
ROGERS	42.06	4.95	0.32	2.41	0.67
GRADY	41.38	4.40	0.30	2.37	0.68
STEPHENS	40.85	5.03	0.37	1.98	0.77
SEQUOYAH	40.52	6.97	0.51	2.13	0.98
MAYES	37.13	6.05	0.45	1.81	1.82
CHEROKEE	33.90	5.18	0.32	1.68	1.13
OKMULGEE	33.64	4.69	0.36	1.83	0.61
DELAWARE	29.52	4.74	0.29	1.59	0.90
MARSHALL	28.15	3.99	0.32	1.48	0.61

Table B: Ranking of Counties by Expenditure Level

2006 Domestic Travel Impact on Oklahoma						
Table B: Ranking of Counties by Expenditure Levels, 2006 (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>	
BRYAN	27.88	4.58	0.33	1.40	0.83	
WOODWARD	26.95	3.89	0.31	1.34	0.51	
CREEK	26.40	3.27	0.23	1.37	0.47	
JACKSON	26.04	2.80	0.19	1.16	0.48	
MCINTOSH	24.74	2.95	0.18	1.36	0.70	
LE FLORE	24.35	3.79	0.26	1.24	0.41	
LOGAN	23.53	3.82	0.26	1.24	0.60	
CRAIG	23.48	2.97	0.21	1.36	0.51	
TEXAS	23.00	2.79	0.20	1.22	0.45	
NOBLE	20.54	2.66	0.18	1.33	0.32	
OSAGE	20.52	3.05	0.21	1.14	0.61	
WAGONER	20.05	3.16	0.24	1.00	0.63	
GARVIN	18.29	2.17	0.15	0.89	0.40	
LINCOLN	17.96	2.24	0.16	1.03	0.38	
HUGHES	17.95	1.63	0.10	1.33	0.26	
MAJOR	16.69	2.72	0.18	0.86	0.30	
MCCURTAIN	15.39	2.15	0.15	0.71	0.79	
CHOCTAW	15.29	2.43	0.16	0.89	0.28	
CADDO	14.80	2.04	0.15	0.77	0.35	
MURRAY	14.09	1.72	0.13	0.69	0.25	
ATOKA	12.42	1.66	0.13	0.70	0.38	
ADAIR	11.89	1.03	0.05	0.82	0.16	
KINGFISHER	11.41	1.31	0.09	0.54	0.19	
SEMINOLE	10.70	1.44	0.10	0.54	0.29	
WOODS	9.56	1.03	0.07	0.54	0.21	
PAWNEE	9.40	1.17	0.08	0.48	0.19	
HASKELL	9.38	1.44	0.10	0.45	0.29	

Table B: Ranking of Counties by Expenditure Level

2006 Domestic Travel Impact on Oklahoma						
Table B: Ranking of Counties by Expenditure Levels, 2006 (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>	
BLAINE	8.73	0.84	0.05	0.55	0.14	
MCCLAIN	7.58	0.82	0.05	0.31	0.17	
TILLMAN	7.47	1.23	0.09	0.39	0.16	
WASHITA	7.39	0.84	0.05	0.39	0.19	
OKFUSKEE	7.15	0.94	0.07	0.44	0.22	
BEAVER	7.09	0.90	0.07	0.45	0.14	
PUSHMATAHA	6.74	0.99	0.08	0.34	0.21	
JOHNSTON	6.23	0.84	0.05	0.38	0.18	
LOVE	6.08	1.00	0.07	0.32	0.22	
HARPER	6.03	1.19	0.09	0.32	0.16	
KIOWA	5.90	0.70	0.05	0.34	0.14	
ROGER MILLS	5.55	0.83	0.06	0.30	0.20	
GREER	5.49	0.60	0.04	0.37	0.09	
JEFFERSON	4.80	0.67	0.06	0.23	0.16	
DEWEY	4.38	0.52	0.03	0.25	0.09	
NOWATA	4.38	0.54	0.04	0.26	0.13	
CIMARRON	4.08	0.61	0.05	0.21	0.11	
ELLIS	3.75	0.57	0.04	0.19	0.07	
GRANT	3.61	0.43	0.03	0.22	0.06	
ALFALFA	2.89	0.39	0.02	0.15	0.10	
COTTON	2.65	0.38	0.03	0.13	0.06	
COAL	2.27	0.36	0.02	0.14	0.10	
HARMON	0.85	0.08	0.01	0.04	0.01	
STATE TOTAL	\$5,309.15	\$1,613.42	71.88	\$285.48	\$127.92	

C2007 TIA

Table C: Percent Distribution by County

2006 Domestic Travel Impact on Oklahoma					
Table C: Percent Distribution by County, 2006					
County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
ADAIR	0.22%	0.06%	0.07%	0.29%	0.12%
ALFALFA	0.05%	0.02%	0.03%	0.05%	0.08%
ATOKA	0.23%	0.10%	0.18%	0.25%	0.30%
BEAVER	0.13%	0.06%	0.09%	0.16%	0.11%
BECKHAM	2.00%	0.84%	1.39%	2.56%	0.96%
BLAINE	0.16%	0.05%	0.08%	0.19%	0.11%
BRYAN	0.53%	0.28%	0.46%	0.49%	0.65%
CADDO	0.28%	0.13%	0.20%	0.27%	0.28%
CANADIAN	1.34%	0.56%	0.87%	1.20%	1.74%
CARTER	1.76%	1.00%	1.03%	1.69%	1.00%
CHEROKEE	0.64%	0.32%	0.44%	0.59%	0.88%
CHOCTAW	0.29%	0.15%	0.23%	0.31%	0.22%
CIMARRON	0.08%	0.04%	0.07%	0.07%	0.09%
CLEVELAND	3.32%	1.48%	2.42%	2.81%	3.19%
COAL	0.04%	0.02%	0.03%	0.05%	0.08%
COMANCHE	2.25%	1.49%	2.11%	2.03%	1.79%
COTTON	0.05%	0.02%	0.04%	0.05%	0.05%
CRAIG	0.44%	0.18%	0.29%	0.48%	0.40%
CREEK	0.50%	0.20%	0.33%	0.48%	0.37%
CUSTER	0.88%	0.40%	0.70%	0.87%	0.60%
DELAWARE	0.56%	0.29%	0.41%	0.56%	0.71%
DEWEY	0.08%	0.03%	0.05%	0.09%	0.07%
ELLIS	0.07%	0.04%	0.05%	0.07%	0.05%
GARFIELD	1.25%	0.50%	0.81%	1.12%	1.23%
GARVIN	0.34%	0.13%	0.21%	0.31%	0.31%
GRADY	0.78%	0.27%	0.42%	0.83%	0.53%
GRANT	0.07%	0.03%	0.04%	0.08%	0.05%

Table C: Percent Distribution by County

2006 Domestic Travel Impact on Oklahoma					
Table C: Percent Distribution by County, 2006 (Continued)					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
GREER	0.10%	0.04%	0.06%	0.13%	0.07%
HARMON	0.02%	0.00%	0.02%	0.01%	0.01%
HARPER	0.11%	0.07%	0.13%	0.11%	0.12%
HASKELL	0.18%	0.09%	0.15%	0.16%	0.22%
HUGHES	0.34%	0.10%	0.13%	0.47%	0.20%
JACKSON	0.49%	0.17%	0.26%	0.41%	0.37%
JEFFERSON	0.09%	0.04%	0.08%	0.08%	0.12%
JOHNSTON	0.12%	0.05%	0.07%	0.13%	0.14%
KAY	1.08%	0.59%	0.95%	1.04%	0.98%
KINGFISHER	0.21%	0.08%	0.12%	0.19%	0.15%
KIOWA	0.11%	0.04%	0.07%	0.12%	0.11%
LATIMER	0.80%	0.23%	0.27%	1.24%	0.17%
LE FLORE	0.46%	0.23%	0.36%	0.43%	0.32%
LINCOLN	0.34%	0.14%	0.22%	0.36%	0.30%
LOGAN	0.44%	0.24%	0.37%	0.43%	0.47%
LOVE	0.11%	0.06%	0.10%	0.11%	0.17%
MCCLAIN	0.14%	0.05%	0.07%	0.11%	0.13%
MCCURTAIN	0.29%	0.13%	0.21%	0.25%	0.61%
MCINTOSH	0.47%	0.18%	0.25%	0.48%	0.55%
MAJOR	0.31%	0.17%	0.26%	0.30%	0.23%
MARSHALL	0.53%	0.25%	0.44%	0.52%	0.48%
MAYES	0.70%	0.38%	0.62%	0.63%	1.42%
MURRAY	0.27%	0.11%	0.18%	0.24%	0.19%
MUSKOGEE	1.44%	0.56%	0.90%	1.47%	1.32%
NOBLE	0.39%	0.16%	0.26%	0.47%	0.25%
NOWATA	0.08%	0.03%	0.05%	0.09%	0.10%
OKFUSKEE	0.13%	0.06%	0.09%	0.15%	0.17%

Table C: Percent Distribution by County

2006 Domestic Travel Impact on Oklahoma					
Table C: Percent Distribution by County, 2006 (Continued)					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
OKLAHOMA	34.29%	44.37%	39.69%	34.81%	37.56%
OKMULGEE	0.63%	0.29%	0.50%	0.64%	0.48%
OSAGE	0.39%	0.19%	0.30%	0.40%	0.48%
OTTAWA	0.81%	0.46%	0.73%	0.76%	0.73%
PAWNEE	0.18%	0.07%	0.12%	0.17%	0.15%
PAYNE	1.27%	0.57%	0.92%	1.29%	0.85%
PITTSBURG	1.10%	0.55%	0.98%	1.02%	1.39%
PONTOTOC	0.80%	0.34%	0.54%	0.81%	0.57%
POTTAWATOMIE	1.17%	0.49%	0.76%	1.23%	0.78%
PUSHMATAHA	0.13%	0.06%	0.10%	0.12%	0.16%
ROGER MILLS	0.10%	0.05%	0.08%	0.11%	0.16%
ROGERS	0.79%	0.31%	0.44%	0.84%	0.53%
SEMINOLE	0.20%	0.09%	0.14%	0.19%	0.23%
SEQUOYAH	0.76%	0.43%	0.70%	0.75%	0.76%
STEPHENS	0.77%	0.31%	0.51%	0.69%	0.61%
TEXAS	0.43%	0.17%	0.28%	0.43%	0.35%
TILLMAN	0.14%	0.08%	0.13%	0.14%	0.13%
TULSA	25.07%	36.81%	30.92%	24.98%	26.19%
WAGONER	0.38%	0.20%	0.33%	0.35%	0.49%
WASHINGTON	1.64%	0.81%	1.46%	1.41%	1.33%
WASHITA	0.14%	0.05%	0.07%	0.14%	0.15%
WOODS	0.18%	0.06%	0.09%	0.19%	0.16%
WOODWARD	0.51%	0.24%	0.43%	0.47%	0.40%
STATE TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

C2007 TIA

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.

A *travel expenditure* is assumed to take place whenever a 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 ES-202, 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

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. Also included are expenditures on "other transportation" as indicated in the TravelScope.

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, 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>Performing Arts, Spectator Sports & Related Industries</i>	711
<i>Museums, Art Galleries, Botanical and Zoological Gardens</i>	84	<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> <i>(New industry-includes parts of SICs 4119,4489,4522,4789,7999)</i>	487
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> <i>(includes travel agencies and tour operators)</i>	5615

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
Oklahoma Employment Security Commission
Oklahoma Tourism and Recreation Department
Oklahoma Tax Commission
Oklahoma Department of Transportation
Peterson, Howell & Heather, Inc.
Runzheimer International Ltd.
Smith Travel Research
The Office of Travel and Tourism Industries (OTTI)/ITA, U.S. Department of Commerce
Travel Industry Association