

**The Economic Impact of
Domestic Travel Expenditures
on South Carolina Counties
2004**

A Study Prepared for the
South Carolina Department of Parks, Recreation & Tourism
by the
Travel Industry Association of America
Washington, D.C.
November 2005

PREFACE

This study was conducted by the Research Department of the Travel Industry Association of America (TIA) for the South Carolina Department of Parks, Recreation & Tourism. The study provides preliminary 2004 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 by county for domestic travel expenditures and employment, payroll income, and state and local tax revenue directly generated by domestic expenditures. For the purpose of comparison, related 2003 impact estimates are also included in this report

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TABLE OF CONTENTS

INTRODUCTION	1
EXECUTIVE SUMMARY	2
2004 TRAVEL IMPACT ON U.S. ECONOMY	3
DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2004.....	10
TRAVEL EXPENDITURES	10
TRAVEL-GENERATED PAYROLL	12
TRAVEL-GENERATED EMPLOYMENT.....	14
TRAVEL-GENERATED TAX REVENUE	16
DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA COUNTIES - 2004	18
COUNTY TABLES	20
APPENDICES.....	31
APPENDIX A: TRAVEL ECONOMIC IMPACT MODEL	32
APPENDIX B: GLOSSARY OF TERMS – TEIM	36
APPENDIX C: TRAVEL-RELATED INDUSTRY MEASUREMENT	37
APPENDIX D: SOURCES OF DATA.....	40

LIST OF TABLES

<i>Table 1: 2003-2004 U.S. Domestic Travel Expenditures by Primary Purpose of Trip</i>	<i>4</i>
<i>Table 2: Travel Expenditures in the U.S. 2003-2004</i>	<i>5</i>
<i>Table 3: Travel-Generated Employment in the U.S. 2003-2004</i>	<i>6</i>
<i>Table 4: Overall U.S. Economic Developments, 2002-2004</i>	<i>7</i>
<i>Table 5: U.S. Travel Trends, 2000-2004</i>	<i>8</i>
<i>Table 6: Domestic Travel Expenditures in South Carolina by Industry Sector, 2003-2004</i>	<i>11</i>
<i>Table 7: Domestic Travel-Generated Payroll in South Carolina by Industry Sector, 2003-2004</i>	<i>13</i>
<i>Table 8: Domestic Travel-Generated Employment in South Carolina by Industry Sector,.....</i>	<i>15</i>
<i>Table 9: Domestic Travel-Generated Tax Revenue in South Carolina</i>	<i>17</i>
<i>Table 10: Domestic Travel Impact in South Carolina - Top 5 Counties, 2003-2004.....</i>	<i>19</i>

Economic Impact of Domestic Travel on South Carolina Counties

<i>Table A: Alphabetical by County, 2004.....</i>	<i>21</i>
<i>Table B: Ranking of Counties by Expenditure Levels, 2004.....</i>	<i>23</i>
<i>Table C: Percent Distribution by County, 2004</i>	<i>25</i>
<i>Table D: Percent Change Over Revised 2003.....</i>	<i>27</i>
<i>Table E: Alphabetical by County, Revised 2003.....</i>	<i>29</i>

INTRODUCTION

This report presents preliminary 2004 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, 2003 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 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 2004 will become available subsequent to this study, TIA reserves the right to revise these estimates in the future.

EXECUTIVE SUMMARY

- Domestic travelers directly spent nearly \$7.8 billion in South Carolina during 2004, up 7.6 percent from 2003.
- Domestic travel-generated employees in South Carolina earned more than \$1.7 billion in payroll income during 2004. This represented a 4.0 percent increase from 2003.
- Domestic travel expenditures directly generated 109.7 thousand jobs within South Carolina in 2004, an increase of 2.3 percent over 2003. These jobs generated by domestic travel spending in South Carolina composed 6.0 percent of the total state non-agricultural employment in 2004.
- On average, every \$70,791 spent by domestic travelers in South Carolina during 2004 generated one job.
- Domestic travel spending in South Carolina directly generated more than \$1.1 billion in tax revenue for federal, state and local governments in 2004, up 5.5 percent from 2003.
- Horry County received \$2.4 billion in domestic travel expenditures to lead all of South Carolina's 46 counties. Charleston County ranked second with more than \$1.2 billion, followed by Beaufort County with \$823 million.
- Eleven of South Carolina's 46 counties received over \$100 million in domestic travel expenditures in 2004.
- Twelve counties in South Carolina indicated one thousand or more jobs directly supported by domestic travelers during 2004.

2004 TRAVEL IMPACT ON U.S. ECONOMY

The U.S. economy turned in its best performance in five years in 2004, with real GDP increasing 4.2 percent. Real disposable income and real personal consumption expenditures both rose significantly, 3.4 percent and 3.9 percent, respectively. The U.S. job market also improved during 2004 as annual average total nonfarm employment increased nearly 1.5 million from 2003 to 131.5 million. This reduced the national unemployment rate to 5.5 percent, one-half point lower than in 2003. The travel industry itself added 72 thousands jobs in 2004 as compared to 2003. The Consumer Price Index (CPI), an indicator of the level of price inflation, remained relatively moderate—up 2.7 percent in 2004, while TIA’s Travel Price Index increased 4.5 percent during the same period, primarily due to a significant increase in the price of gasoline. Total U.S. current account deficit rose to a record high of \$666 billion in 2004. The U.S. travel industry, however, generated a \$5.8 billion trade surplus for the country in 2004.

Stimulated by the strong economy, domestic travel volume (total person-trips) increased 2.1 percent in 2004 and domestic travel expenditures rose even more at 6.8 percent. After three consecutive years of declines, international travel to the U.S. began to recover, reflecting appreciating currencies in many of the United States’ key origin markets. International traveler spending jumped nearly 16 percent from 2004, largely due to a sharp increase of international arrivals.

U.S. Travel Volume in 2004

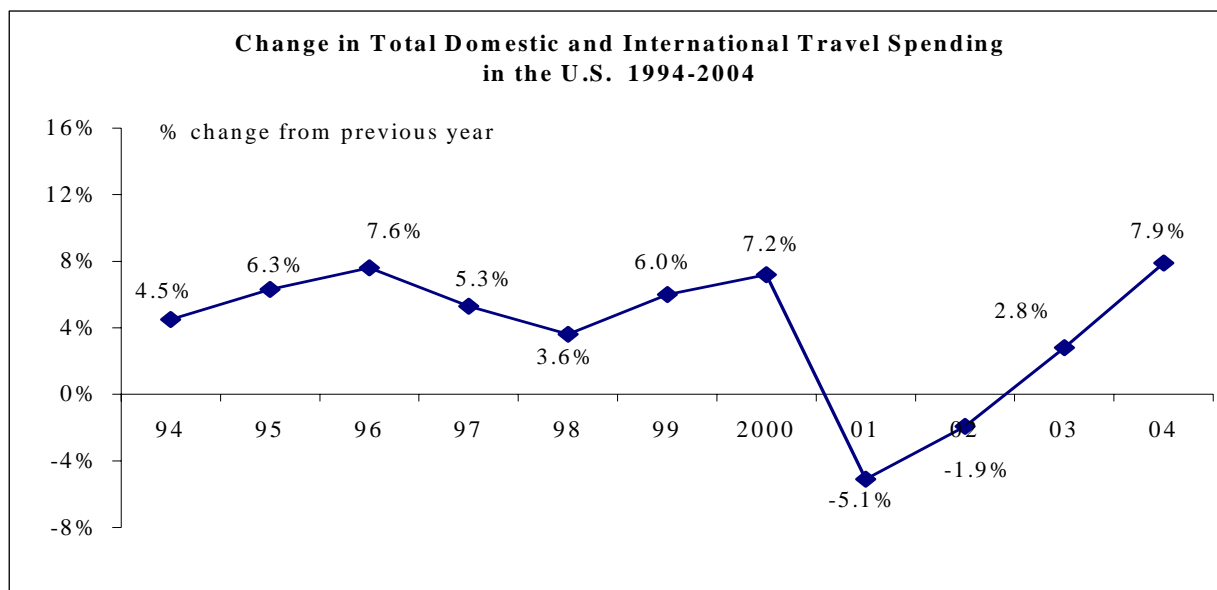
In 2004, total U.S. domestic person-trips were up 2.1 percent over 2003, according to TIA’s TravelScope® survey. Leisure person-trips grew at slower pace than in the past few years, rising 1.4 percent. Business/convention travel, however, began its long-awaited recovery, increasing 5.0 percent, the first increase posted since 1998. International visitors to the U.S. increased 11.8 percent in 2004 to 46.1 million. International travel to the U.S., however, remained 10.1 percent lower than its historical record set in 2000.

Travel Expenditures in 2004

Domestic travelers spent more than \$524.4 billion in the U.S. during 2004, an increase of 6.8 percent over 2003. International traveler expenditures in the U.S., excluding spending on international airfares purchased outside the U.S., increased 15.9 percent to total \$74.8 billion in 2004.

Combined domestic and international travel expenditures in the U.S. totaled \$599.2 billion, 7.9 percent more than in 2003. In fact, 2004 travel expenditures were 8.8 percent higher than in 2001, the most challenging year ever in U.S. travel industry history. And, for the first time since 9/11, total U.S. travel expenditures exceeded the historical record of \$580.8 billion set in 2000.

Total domestic leisure travel spending reached \$355.4 billion, up 5.3 percent over 2003. Spending by domestic business/convention travelers increased dramatically, up 10.1 percent to \$169 billion. Domestic business travelers’ spending accounted for about one-third of total domestic travel spending in 2004.



Sources: TIA, OTTI

Table 1: 2003-2004 U.S. Domestic Travel Expenditures by Primary Purpose of Trip

	2004 U.S. Domestic Travel Spending (\$ Billions)	2003 U.S. Domestic Travel Spending (\$ Billions)	2004 Percent Change Over 2003 (%)
Leisure Travelers	\$355.4	\$337.4	5.3%
Business Travelers	\$169.0	\$153.5	10.1%
Total	\$524.4	\$490.9	6.8%

Source: TIA

Domestic travel spending on auto transportation jumped 12.4 percent over 2003, to \$92.6 billion, reflecting the dramatic increase in gasoline prices during 2004. Total domestic air passenger enplanements were up 4.8 percent from 2003 and international air passenger enplanements jumped 13.9 percent in 2004, according to the Air Transport Association (ATA). In 2004, Amtrak reported a 2.6 percent increase in ridership. This growth in demand contributed to the 4.9 percent increase in public transportation expenditures in 2004.

Domestic travel spending on lodging increased 7.0 percent over 2003. Hotel room demand (hotel room-nights sold) grew 5.4 percent, according to Smith Travel Research.

Table 2: Travel Expenditures in the U.S. 2003-2004

<u>Industry Sector*</u>	2004 Travel Spending in The U.S. (\$ Billions)	2003 Travel Spending in The U.S. (\$ Billions)	2004 Percent Change Over 2003 (%)
Public Transportation	\$100.8	\$96.1	4.9%
Auto Transportation	92.6	82.4	12.4%
Lodging	93.9	87.8	7.0%
Foodservice	130.6	123.6	5.6%
Entertainment	63.5	59.9	6.0%
General Retail	43.0	41.0	4.8%
Domestic Travelers	\$524.4	\$490.9	6.8%
International Travelers**	\$74.8	\$64.5	15.9%
Total	\$599.2	\$555.4	7.9%

Source: TIA

Total international traveler spending does not include international passenger fare payments, international traveler spending in the U.S. territories, and Canadian traveler spending not allocated to states.

Travel Employment in 2004

Nearly 1.5 million jobs were added to the non-farm sector of the strengthening U.S. economy in 2004, a 1.1 percent up from 2003, according to the U.S. Bureau of Labor Statistics (BLS). This reduced the national unemployment rate fell to 5.5 percent from 6.0 percent in 2003. Employment generated by domestic and international traveler spending in the U.S. increased 1.0 percent during 2004.

Examining just employment related to domestic travel expenditures, the greatest gain occurred in the entertainment/recreation sector, with employment up 1.1 percent. Employment related to auto transportation and lodging increased 0.8 percent each in 2004. Employment generated by domestic travel in the travel planning sector (i.e., the travel agent and travel arrangement industry), however, declined 4.1 percent in 2004, the most severe decline among all travel industry sectors. Employment in the public transportation sector (composed primarily of the airline industry) continued to decline as well, down 2.3 percent from 2003.

Table 3: Travel-Generated Employment in the U.S., 2003-2004

<u>Industry Sector</u>	2004 Travel-Generated Employment (Thousands)	2003 Travel-Generated Employment (Thousands)	2004 Percent Change Over 2003 (%)
Public Transportation	946.8	969.4	-2.3%
Auto Transportation	257.4	255.4	0.8%
Lodging	1,211.4	1,202.2	0.8%
Foodservice	2,446.4	2,434.4	0.5%
Entertainment	1,081.9	1,069.8	1.1%
General Retail	332.7	335.9	-1.0%
Travel Planning	170.8	178.1	-4.1%
Domestic Travelers	6,447.4	6,445.3	0.0%
International Travelers*	884.3	814.8	8.5%
Total	7,331.7	7,260.1	1.0%

Sources: TIA, BLS

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

Table 4: Overall U.S. Economic Developments, 2002-2004

<u>Sector</u>	2002	2003	2004
Nominal gross domestic product (\$ billions)	\$10,469.6	\$10,971.2	\$11,734.3
Real gross domestic product (\$ billions)*	\$10,048.8	\$10,320.6	\$10,755.7
Total retail sales (\$ billions)	\$3,141.5	\$3,275.4	\$3,521.7
Real disposable personal income (\$ billions)*	\$7,562.2	\$7,741.8	\$8,004.3
Real personal consumption expenditures (\$ billions)*	\$7,099.3	\$7,306.6	\$7,588.6
Consumer price index**	179.9	184.0	188.9
Travel Price Index**	196.3	201.1	210.2
Non-farm payroll employment (millions)	130.3	130.0	131.5
Unemployment rate (%)	5.8	6.0	5.5

Percentage change from previous year

Nominal gross domestic product	3.4%	4.8%	7.0%
Real gross domestic product	1.6%	2.7%	4.2%
Total retail sales	2.3%	4.3%	7.5%
Real disposable personal income	3.1%	2.4%	3.4%
Real personal consumption expenditures	2.7%	2.9%	3.9%
Consumer price index	1.6%	2.3%	2.7%
Travel Price Index	-0.3%	2.4%	4.5%
Non-farm payroll employment	-1.1%	-0.3%	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 5: U.S. Travel Trends, 2000-2004

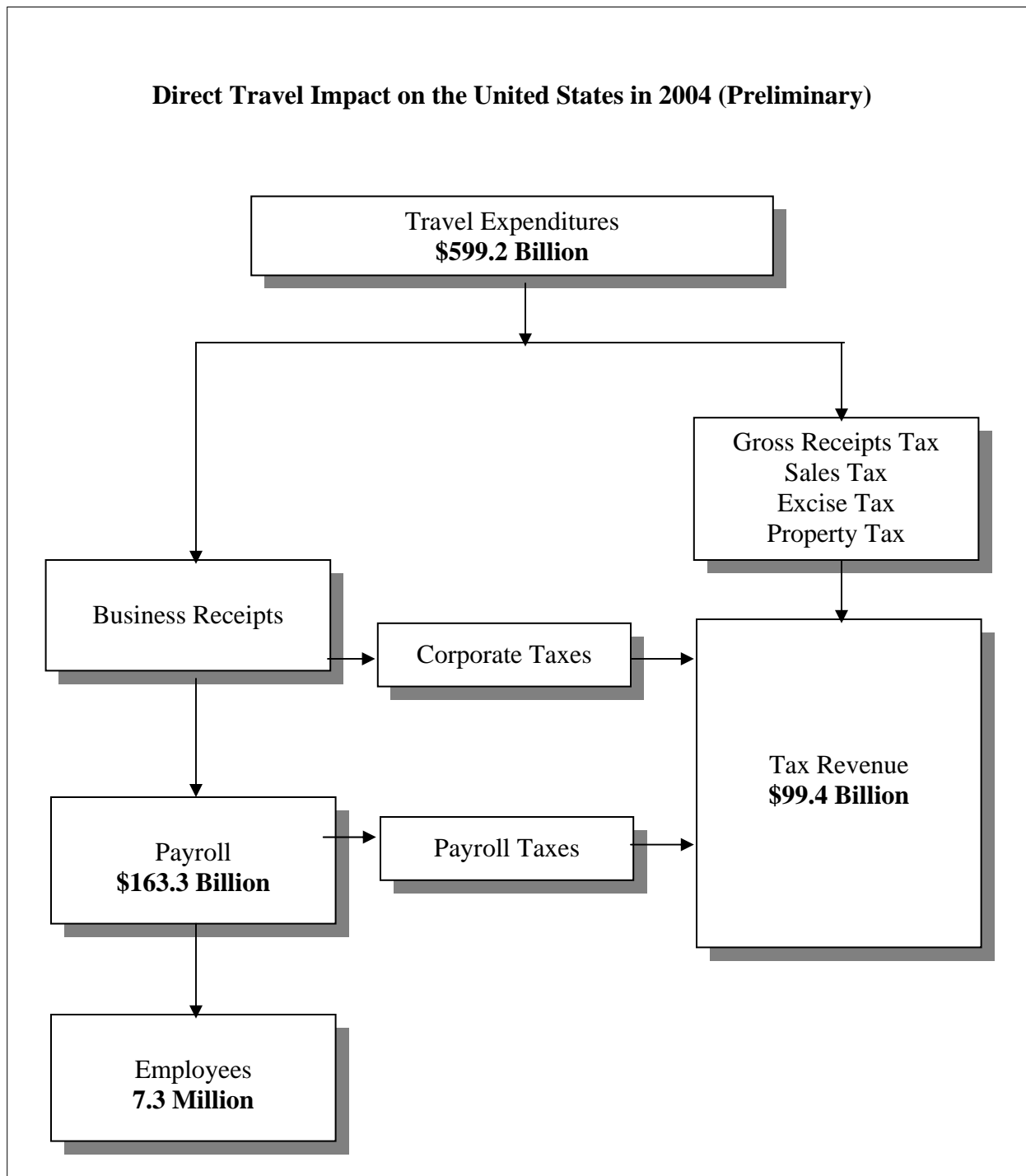
<u>Category</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004p</u>
Total U.S. resident person-trips (millions)	1,100.8	1,123.1	1,127.0	1,140.0	1,163.9
Total international visitors (millions)	51.2	46.9	43.6	41.2	46.1
U.S. travel expenditures (\$ billions)	\$498.4	\$479.0	\$473.6	\$490.9	\$524.4
International travel expenditures in the U.S. * (\$ billions)	\$82.4	\$71.9	\$66.7	\$64.5	\$74.8
Travel price index	194.8	196.9	196.3	201.1	210.2
Travel-generated employment** (thousands)	7,701	7,596	7,366	7,260	7,332
Percentage change from previous year					
Total U.S. resident person-trips	1.0%	2.0%	0.4%	1.2%	2.1%
Total international visitors	5.6%	-8.4%	-7.1%	-5.4%	11.8%
U.S. travel expenditures	6.7%	-3.9%	-1.1%	3.7%	6.8%
International travel expenditures in the U.S. *	10.2%	-12.8%	-7.2%	-3.3%	15.9%
Travel price index	6.1%	1.1%	-0.3%	2.4%	4.5%
Travel-generated employment**	2.9%	-1.4%	-3.0%	-1.4%	1.0%

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

P: Preliminary

Note: * Includes international traveler spending within the U.S. only. ** The most current estimates by OTTI

*** 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.

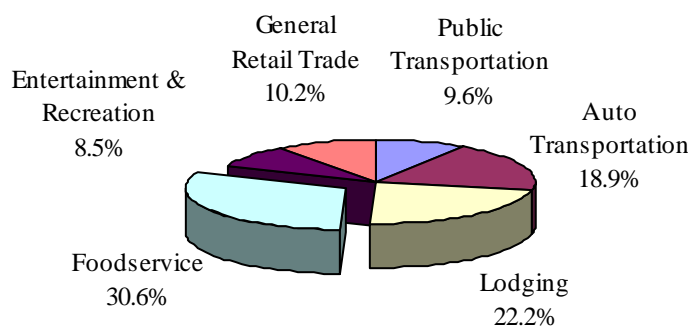
DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2004

Travel Expenditures

During 2004, domestic travelers to South Carolina spent nearly \$7.8 billion on transportation, lodging, food, entertainment and recreation and incidentals, up 7.6 percent from 2003.

- Foodservice, the largest spending sector registered nearly \$2.4 billion in 2004, up 5.8 percent from 2003 and accounted for nearly one third of the state total.
- The lodging industry, which reached \$1.7 billion, was the second largest spending sector in 2004, up 7.5 percent from 2003.
- Domestic travelers' spending on auto transportation jumped 11.8 percent to nearly \$1.5 billion, the highest increase among six categories investigated in this report, largely due to the increase of gasoline prices.

**Domestic Travel Expenditures in South Carolina
by Industry Sector - 2004**



-
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 such items as golf, skiing and gaming.
-

Domestic Travel Expenditures

Table 6: Domestic Travel Expenditures in South Carolina by Industry Sector, 2003-2004

<i>2004 Expenditures</i>	Total (\$ Millions)	% of Total
Public Transportation	\$741.8	9.6%
Auto Transportation	1,464.7	18.9%
Lodging	1,721.2	22.2%
Foodservice	2,377.4	30.6%
Entertainment & Recreation	663.5	8.5%
<u>General Retail Trade</u>	<u>795.3</u>	<u>10.2%</u>
 Total*	 \$7,763.7	 100.0%
 <i>2003 Expenditures</i>		
Public Transportation	\$670.9	9.3%
Auto Transportation	1,310.5	18.2%
Lodging	1,600.9	22.2%
Foodservice	2,247.4	31.1%
Entertainment & Recreation	629.3	8.7%
<u>General Retail Trade</u>	<u>756.4</u>	<u>10.5%</u>
 Total*	 \$7,215.4	 100.0%
 <i>Percent Change 2004 over 2003</i>		
Public Transportation	10.6%	
Auto Transportation	11.8%	
Lodging	7.5%	
Foodservice	5.8%	
Entertainment & Recreation	5.4%	
<u>General Retail Trade</u>	<u>5.1%</u>	
 Total*	 7.6%	

Source: TIA

Note: * Percent change from previous year may not match those in county tables due to rounding.

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2004

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 content 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 over \$1.7 billion in 2004. This represented an increase of 4.0 percent from 2003.

- On average, every dollar spent by domestic travelers produced 22 cents in wage and salary income for South Carolina residents in 2004.
- In 2004, the foodservice sector posted the largest payroll generated by domestic travel spending with \$645.3 million, accounting for 37.3 percent of the state total.
- Payroll in the lodging sector ranked second with \$392.8 million in travel-generated payroll income (22.7 percent).
- The entertainment & recreation sector composed 16.9 percent of the state's total travel-generated payroll income, up 3.4 percent from 2003.

**Domestic Travel-Generated Payroll in South Carolina
by Industry Sector - 2004**

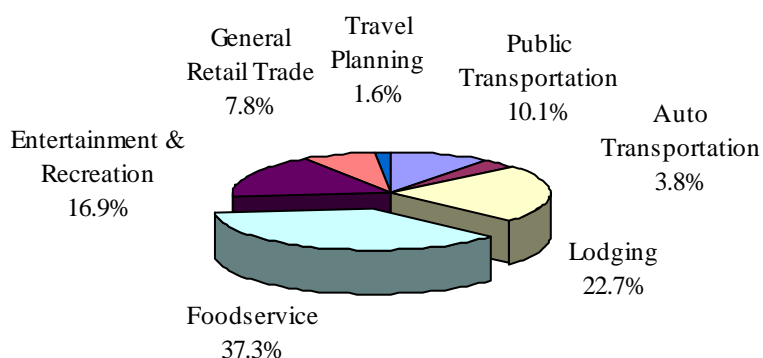


Table 7: Domestic Travel-Generated Payroll in South Carolina by Industry Sector, 2003-2004

<i>2004 Payroll</i>	Total (\$ Millions)	% of Total
Public Transportation	\$174.4	10.1%
Auto Transportation	65.3	3.8%
Lodging	392.8	22.7%
Foodservice	645.3	37.3%
Entertainment & Recreation	292.0	16.9%
General Retail Trade	131.0	7.6%
Travel Planning*	27.5	1.6%
Total**	\$1,728.2	100.0%
<i>2003 Payroll</i>		
Public Transportation	\$172.3	10.4%
Auto Transportation	64.1	3.9%
Lodging	365.7	22.0%
Foodservice	620.4	37.3%
Entertainment & Recreation	282.3	17.0%
General Retail Trade	130.1	7.8%
Travel Planning*	27.5	1.7%
Total**	\$1,662.4	100.0%
<i>Percent Change 2004 over 2003</i>		
Public Transportation	1.2%	
Auto Transportation	1.9%	
Lodging	7.4%	
Foodservice	4.0%	
Entertainment & Recreation	3.4%	
General Retail Trade	0.7%	
Travel Planning*	0.0%	
Total**	4.0%	

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.

** Percent change from previous year may not match those in county tables due to rounding.

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2004

Travel-Generated Employment

The most impressive contribution that travel and tourism make 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 2004, domestic travel spending in South Carolina generated 109.7 thousand jobs, including full-time and seasonal/part-time positions in the state, up 2.3 percent from 2003. On average, every \$70,791 spent by domestic travelers in South Carolina directly supported one job.
- The 109.7 thousand jobs generated by domestic travel in South Carolina composed 6.0 percent of state's total non-agricultural employment during 2004. Without these jobs generated by domestic travel, South Carolina's 2004 unemployment rate of 6.8 percent would have been 5.4 percentage points higher, or the equivalent of 12.2 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 2004, travelers' spending in this sector created 54 thousand jobs, accounting for 49.2 percent of the state total. The labor-intensiveness of these businesses and the large proportion of travel expenditures spent on food service contribute to the importance of this sector.
- The employment in public transportation sector in South Carolina declined 1.5 percent from 2003.
- Travel-generated employment in the lodging sector reached almost 22 thousand in 2004, 20 percent of the state total. It was up 4.0 percent from 2003, the highest increase among seven categories investigated in this report.

**Domestic Travel-Generated Employment in South Carolina
by Industry Sector - 2004**

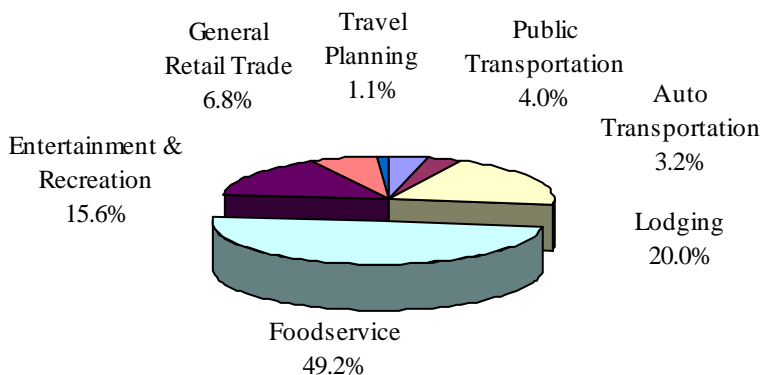


Table 8: Domestic Travel-Generated Employment in South Carolina by Industry Sector, 2003-2004

<i>2004 Employment</i>	Total (Thousands)	% of Total
Public Transportation	4.4	4.0%
Auto Transportation	3.6	3.2%
Lodging	22.0	20.0%
Foodservice	54.0	49.2%
Entertainment & Recreation	17.1	15.6%
General Retail Trade	7.4	6.8%
Travel Planning*	1.2	1.1%
Total**	109.7	100.0%
<i>2003 Employment</i>		
Public Transportation	4.5	4.2%
Auto Transportation	3.6	3.3%
Lodging	21.1	19.7%
Foodservice	52.4	48.9%
Entertainment & Recreation	16.9	15.8%
General Retail Trade	7.4	6.9%
Travel Planning*	1.2	1.1%
Total**	107.2	100.0%
<i>Percent Change 2004 over 2003</i>		
Public Transportation	-1.5%	
Auto Transportation	-0.9%	
Lodging	4.0%	
Foodservice	3.1%	
Entertainment & Recreation	1.1%	
General Retail Trade	-0.4%	
Travel Planning*	0.0%	
Total**	2.3%	

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.

** Percent change from previous year may not match those in county tables due to rounding.

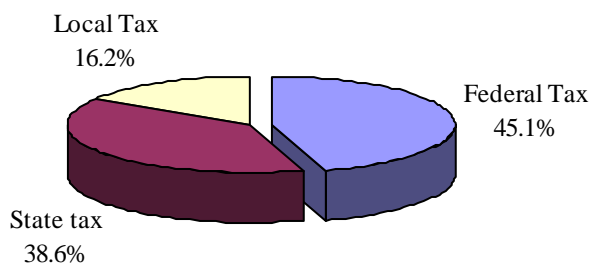
DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2004

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 the travel infrastructure and help support a variety of public programs.

- In 2004, total tax revenue generated by domestic traveler spending in South Carolina reached \$1.1 billion, up 5.5 percent from 2003. On average, each travel dollar spent by domestic travelers in South Carolina produced 15 cents in tax receipts for federal, state and local governments in 2004.
- Domestic travel spending in South Carolina generated \$510.4 million for the federal government in 2004. This represents 45.1 percent of all travel-generated tax collections in the state. Each dollar spent by domestic travelers in South Carolina produced 7 cents for federal tax coffers.
- Spending by domestic travelers in South Carolina also generated \$436.7 million in tax revenue for the state treasury through state sales and excise taxes, and taxes on personal and corporate income. This composed 38.6 percent of all travel-generated tax revenue for 2004 collected in the state. On average, each travel dollar produced 6 cents in state tax receipts.
- Local governments in South Carolina directly benefited from domestic travel as well. During 2004, domestic travel spending generated \$183.5 million in sales and property tax revenue for the municipal government, 16.2 percent of total travel-generated tax revenue in the state. Each travel dollar produced about 2 cents for local tax coffers.

Domestic Travel-Generated Tax Revenue in South Carolina by Level of Government - 2004



**Table 9: Domestic Travel-Generated Tax Revenue in South Carolina
by Level of Government, 2003-2004**

<i>2004 Tax Revenue</i>	Total (\$ Millions)	% of Total
Federal Tax	\$510.4	45.1%
State tax	436.7	38.6%
Local Tax	183.5	16.2%
Total	\$1,130.6	100.0%
<i>2003 Tax Revenue</i>		
Federal Tax	\$485.0	45.3%
State tax	413.8	38.6%
Local Tax	172.8	16.1%
Total	\$1,071.7	100.0%
<i>Percent Change 2004 over 2003</i>		
Federal Tax	5.2%	
State tax	5.5%	
Local Tax	6.2%	
Total	5.5%	

Source: TIA

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA COUNTIES - 2004

Domestic travelers spent nearly \$7.8 billion while traveling in South Carolina during 2004, up 7.6 percent from 2003.

The top five counties in South Carolina received nearly \$5.6 billion in direct domestic travel expenditures, 71.9 percent of the state total. Domestic travel spending in the top five counties generated nearly \$1.3 billion in payroll (74.8 percent of the state total) and 83.7 thousand jobs (76.3 percent of the state total) in 2004.

Additionally, domestic travel expenditures in top five counties generated \$316.2 million in tax revenue for the state treasury (72.4 percent of the state total) and \$137.2 million tax revenue for local governments (74.8 percent of the state total) during 2004.

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 2004. Domestic travel expenditures in Horry County reached \$2.4 billion, accounting for 31.4 percent of the state total. These expenditures generated \$537 million in payroll income and 36.8 thousand jobs for county residents.

Charleston County ranked second with more than \$1.2 billion in domestic travel spending in 2004, representing 15.9 percent of the state total. The payroll income and jobs directly attributable to domestic travel spending reached \$290 million and generated 19.2 thousand jobs.

Beaufort County posted \$822.6 million in domestic expenditures to rank third. These expenditures generated nearly \$184.2 million in payroll as well as 12.6 thousand jobs within the county.

Greenville County received \$708.3 million from domestic travelers, 9.1 percent of the state total. These travel expenditures benefited county residents with \$201.3 million in wages and salaries and 9.3 thousand jobs.

Richland County ranked fifth with \$380.3 million in domestic travel expenditures in 2004. These expenditures by domestic travelers generated \$80.1 million in payroll income and nearly 5.8 thousand jobs for the county residents.

Table 10: Domestic Travel Impact in South Carolina - Top 5 Counties, 2003-2004

2004 Impact

County	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax Receipts (\$ Millions)	Local Tax Receipts (\$ Millions)
Horry	\$2,436.28	\$536.95	36.82	\$144.77	\$88.32
Charleston	1,232.19	289.99	19.19	70.23	24.96
Beaufort	822.62	184.16	12.64	48.72	12.52
Greenville	708.26	201.29	9.28	29.52	8.55
Richland	380.34	80.14	5.77	22.92	2.88
Top Six County Total	\$5,579.70	\$1,292.53	83.70	\$316.15	\$137.23
State Total	\$7,763.69	\$1,728.18	109.67	\$436.68	\$183.51
Share of Top 5 Counties	71.9%	74.8%	76.3%	72.4%	74.8%

2003 Impact

Horry	\$2,232.86	\$509.18	35.45	\$135.24	\$82.21
Charleston	1,173.97	285.87	19.21	68.20	24.15
Beaufort	769.64	178.28	12.42	46.46	11.90
Greenville	661.94	194.65	9.11	28.12	8.12
Richland	348.65	76.01	5.56	21.41	2.68
Top Six County Total	\$5,187.06	\$1,243.98	81.76	\$299.43	\$129.06
State Total	\$7,215.43	\$1,662.42	107.16	\$413.83	\$172.84
Share of Top 5 Counties	71.9%	74.8%	76.3%	72.4%	74.7%

**Percent Change
2004 over 2003**

Horry	9.1%	5.5%	3.9%	7.0%	7.4%
Charleston	5.0%	1.4%	-0.1%	3.0%	3.3%
Beaufort	6.9%	3.3%	1.7%	4.9%	5.2%
Greenville	7.0%	3.4%	1.8%	5.0%	5.3%
Richland	9.1%	5.4%	3.8%	7.0%	7.4%
Top Six County Total	7.6%	3.9%	2.4%	5.6%	6.3%
State Total	7.6%	4.0%	2.3%	5.5%	6.2%

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 2004 and 2003. The estimates presented are for direct domestic travel expenditures and related economic impact.

- Table A shows the counties listed alphabetically, with 2004 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 2004 travel expenditures from highest to lowest.
- Table C shows the percent distribution for each impact measure in 2004.
- Table D shows the percent change in 2004 over 2003 estimates for each of the measures of economic impact.
- Table E shows the counties listed alphabetically, with 2003 travel expenditures, travel-generated payroll and employment, and state tax revenue and local tax revenue shown for each.

Table A: Alphabetical by County, 2004

2004 Impact of Travel on South Carolina					
Table A: Alphabetical by County, 2004					
<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	\$5.07	\$0.81	0.05	\$0.31	\$0.36
AIKEN	77.04	14.71	0.86	4.19	0.92
ALLENDALE	3.55	0.57	0.04	0.22	0.13
ANDERSON	102.61	17.68	1.24	6.37	1.90
BAMBERG	4.79	0.76	0.05	0.31	0.16
BARNWELL	6.89	1.19	0.08	0.44	0.14
BEAUFORT	822.62	184.16	12.64	48.72	12.52
BERKELEY	70.87	13.58	0.92	4.43	2.20
CALHOUN	2.50	0.36	0.02	0.15	0.14
CHARLESTON	1,232.19	289.99	19.19	70.23	24.96
CHEROKEE	25.97	5.24	0.35	1.63	0.52
CHESTER	15.52	2.97	0.21	0.97	0.32
CHESTERFIELD	13.18	2.22	0.15	0.84	0.34
CLARENDON	41.82	7.19	0.46	2.60	2.62
COLLETON	70.25	14.69	1.03	4.30	1.91
DARLINGTON	24.70	4.19	0.28	1.60	0.45
DILLON	26.55	5.45	0.39	1.64	0.50
DORCHESTER	48.19	9.66	0.63	3.07	0.49
EDGEFIELD	7.81	1.25	0.08	0.51	0.35
FAIRFIELD	10.58	1.78	0.11	0.66	0.60
FLORENCE	181.89	41.01	2.31	9.50	3.00
GEORGETOWN	221.60	46.44	3.17	13.45	6.58
GREENVILLE	708.26	201.29	9.28	29.52	8.55
GREENWOOD	32.63	6.17	0.42	2.07	0.41
HAMPTON	9.60	1.87	0.13	0.60	0.17
HORRY	2,436.28	536.95	36.82	144.77	88.32
JASPER	38.60	8.62	0.62	2.34	0.74

Table A: Alphabetical by County, 2004

2004 Impact of Travel on South Carolina					
Table A: Alphabetical by County, 2004 (Continued)					
County	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax Receipts (\$ Millions)	Local Tax Receipts (\$ Millions)
KERSHAW	33.06	5.96	0.38	2.08	1.50
LANCASTER	19.65	3.50	0.23	1.25	0.38
LAURENS	31.33	5.70	0.36	1.96	1.24
LEE	3.67	0.54	0.04	0.24	0.13
LEXINGTON	367.45	79.82	3.30	13.20	6.45
MCCORMICK	5.94	1.27	0.09	0.36	0.16
MARION	10.64	1.65	0.11	0.69	0.34
MARLBORO	9.67	1.70	0.11	0.60	0.44
NEWBERRY	20.29	3.59	0.23	1.27	0.76
OCONEE	42.03	7.50	0.48	2.63	1.71
ORANGEBURG	88.96	17.63	1.23	5.51	1.32
PICKENS	59.48	11.49	0.79	3.73	1.51
RICHLAND	380.34	80.14	5.77	22.92	2.88
SALUDA	3.23	0.43	0.02	0.21	0.21
SPARTANBURG	243.50	46.84	2.27	11.87	2.69
SUMTER	58.61	11.43	0.78	3.70	0.99
UNION	9.92	1.67	0.11	0.64	0.16
WILLIAMSBURG	8.02	1.04	0.07	0.53	0.28
YORK	126.34	25.46	1.77	7.86	1.06
State Totals	\$7,763.69	\$1,728.18	109.67	\$436.68	\$183.51

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Table B: Ranking of Counties by Expenditure Levels, 2004

2004 Impact of Travel on South Carolina					
Table B: Ranking of Counties by Expenditure Levels, 2004					
<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	\$2,436.28	\$536.95	36.82	\$144.77	\$88.32
CHARLESTON	1,232.19	289.99	19.19	70.23	24.96
BEAUFORT	822.62	184.16	12.64	48.72	12.52
GREENVILLE	708.26	201.29	9.28	29.52	8.55
RICHLAND	380.34	80.14	5.77	22.92	2.88
LEXINGTON	367.45	79.82	3.30	13.20	6.45
SPARTANBURG	243.50	46.84	2.27	11.87	2.69
GEORGETOWN	221.60	46.44	3.17	13.45	6.58
FLORENCE	181.89	41.01	2.31	9.50	3.00
YORK	126.34	25.46	1.77	7.86	1.06
ANDERSON	102.61	17.68	1.24	6.37	1.90
ORANGEBURG	88.96	17.63	1.23	5.51	1.32
AIKEN	77.04	14.71	0.86	4.19	0.92
BERKELEY	70.87	13.58	0.92	4.43	2.20
COLLETON	70.25	14.69	1.03	4.30	1.91
PICKENS	59.48	11.49	0.79	3.73	1.51
SUMTER	58.61	11.43	0.78	3.70	0.99
DORCHESTER	48.19	9.66	0.63	3.07	0.49
OCONEE	42.03	7.50	0.48	2.63	1.71
CLARENDON	41.82	7.19	0.46	2.60	2.62
JASPER	38.60	8.62	0.62	2.34	0.74
KERSHAW	33.06	5.96	0.38	2.08	1.50
GREENWOOD	32.63	6.17	0.42	2.07	0.41
LAURENS	31.33	5.70	0.36	1.96	1.24
DILLON	26.55	5.45	0.39	1.64	0.50
CHEROKEE	25.97	5.24	0.35	1.63	0.52
DARLINGTON	24.70	4.19	0.28	1.60	0.45

Table B: Ranking of Counties by Expenditure Levels, 2004

2004 Impact of Travel on South Carolina						
Table B: Ranking of Counties by Expenditure Levels, 2004 (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>	
NEWBERRY	20.29	3.59	0.23	1.27	0.76	
LANCASTER	19.65	3.50	0.23	1.25	0.38	
CHESTER	15.52	2.97	0.21	0.97	0.32	
CHESTERFIELD	13.18	2.22	0.15	0.84	0.34	
MARION	10.64	1.65	0.11	0.69	0.34	
FAIRFIELD	10.58	1.78	0.11	0.66	0.60	
UNION	9.92	1.67	0.11	0.64	0.16	
MARLBORO	9.67	1.70	0.11	0.60	0.44	
HAMPTON	9.60	1.87	0.13	0.60	0.17	
WILLIAMSBURG	8.02	1.04	0.07	0.53	0.28	
EDGEFIELD	7.81	1.25	0.08	0.51	0.35	
BARNWELL	6.89	1.19	0.08	0.44	0.14	
MCCORMICK	5.94	1.27	0.09	0.36	0.16	
ABBEVILLE	5.07	0.81	0.05	0.31	0.36	
BAMBERG	4.79	0.76	0.05	0.31	0.16	
LEE	3.67	0.54	0.04	0.24	0.13	
ALLENDALE	3.55	0.57	0.04	0.22	0.13	
SALUDA	3.23	0.43	0.02	0.21	0.21	
CALHOUN	2.50	0.36	0.02	0.15	0.14	
State Totals	\$7,763.69	\$1,728.18	109.67	\$436.68	\$183.51	

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Table C: Percent Distribution by County, 2004

2004 Impact of Travel on South Carolina					
Table C: Percent Distribution by County, 2004					
<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%	0.20%
AIKEN	0.99%	0.85%	0.79%	0.96%	0.50%
ALLENDALE	0.05%	0.03%	0.04%	0.05%	0.07%
ANDERSON	1.32%	1.02%	1.13%	1.46%	1.04%
BAMBERG	0.06%	0.04%	0.05%	0.07%	0.09%
BARNWELL	0.09%	0.07%	0.08%	0.10%	0.08%
BEAUFORT	10.60%	10.66%	11.52%	11.16%	6.82%
BERKELEY	0.91%	0.79%	0.84%	1.01%	1.20%
CALHOUN	0.03%	0.02%	0.02%	0.04%	0.07%
CHARLESTON	15.87%	16.78%	17.49%	16.08%	13.60%
CHEROKEE	0.33%	0.30%	0.32%	0.37%	0.28%
CHESTER	0.20%	0.17%	0.19%	0.22%	0.17%
CHESTERFIELD	0.17%	0.13%	0.14%	0.19%	0.18%
CLARENDON	0.54%	0.42%	0.42%	0.60%	1.43%
COLLETON	0.90%	0.85%	0.94%	0.99%	1.04%
DARLINGTON	0.32%	0.24%	0.25%	0.37%	0.25%
DILLON	0.34%	0.32%	0.35%	0.38%	0.27%
DORCHESTER	0.62%	0.56%	0.58%	0.70%	0.26%
EDGEFIELD	0.10%	0.07%	0.07%	0.12%	0.19%
FAIRFIELD	0.14%	0.10%	0.10%	0.15%	0.33%
FLORENCE	2.34%	2.37%	2.11%	2.18%	1.64%
GEORGETOWN	2.85%	2.69%	2.89%	3.08%	3.59%
GREENVILLE	9.12%	11.65%	8.46%	6.76%	4.66%
GREENWOOD	0.42%	0.36%	0.38%	0.47%	0.22%
HAMPTON	0.12%	0.11%	0.12%	0.14%	0.09%
HORRY	31.38%	31.07%	33.57%	33.15%	48.13%
JASPER	0.50%	0.50%	0.56%	0.53%	0.41%

Table C: Percent Distribution by County, 2004

2004 Impact of Travel on South Carolina					
Table C: Percent Distribution by County, 2004 (Continued)					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
KERSHAW	0.43%	0.34%	0.35%	0.48%	0.82%
LANCASTER	0.25%	0.20%	0.21%	0.29%	0.21%
LAURENS	0.40%	0.33%	0.32%	0.45%	0.67%
LEE	0.05%	0.03%	0.04%	0.05%	0.07%
LEXINGTON	4.73%	4.62%	3.01%	3.02%	3.51%
MCCORMICK	0.08%	0.07%	0.09%	0.08%	0.09%
MARION	0.14%	0.10%	0.10%	0.16%	0.19%
MARLBORO	0.12%	0.10%	0.10%	0.14%	0.24%
NEWBERRY	0.26%	0.21%	0.21%	0.29%	0.41%
OCONEE	0.54%	0.43%	0.44%	0.60%	0.93%
ORANGEBURG	1.15%	1.02%	1.12%	1.26%	0.72%
PICKENS	0.77%	0.66%	0.72%	0.85%	0.82%
RICHLAND	4.90%	4.64%	5.26%	5.25%	1.57%
SALUDA	0.04%	0.02%	0.02%	0.05%	0.11%
SPARTANBURG	3.14%	2.71%	2.07%	2.72%	1.47%
SUMTER	0.75%	0.66%	0.71%	0.85%	0.54%
UNION	0.13%	0.10%	0.10%	0.15%	0.09%
WILLIAMSBURG	0.10%	0.06%	0.06%	0.12%	0.15%
YORK	1.63%	1.47%	1.61%	1.80%	0.58%
State Totals	100.00%	100.00%	100.00%	100.00%	100.00%

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Table D: Percent Change Over Revised 2003

2004 Impact of Travel on South Carolina					
Table D: Percent Change Over Revised 2003					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
ABBEVILLE	6.12%	2.56%	1.00%	4.11%	4.48%
AIKEN	6.77%	3.19%	1.62%	4.75%	5.13%
ALLENDALE	5.40%	1.86%	0.32%	3.40%	3.77%
ANDERSON	8.04%	4.42%	2.83%	5.99%	6.37%
BAMBERG	5.15%	1.62%	0.08%	3.16%	3.53%
BARNWELL	5.51%	1.98%	0.43%	3.52%	3.89%
BEAUFORT	6.88%	3.30%	1.73%	4.86%	5.24%
BERKELEY	7.10%	3.51%	1.94%	5.08%	5.45%
CALHOUN	4.24%	0.74%	-0.79%	2.27%	2.63%
CHARLESTON	4.96%	1.44%	-0.10%	2.98%	3.34%
CHEROKEE	8.17%	4.55%	2.96%	6.13%	6.50%
CHESTER	4.32%	0.82%	-0.71%	2.34%	2.71%
CHESTERFIELD	4.38%	0.88%	-0.65%	2.41%	2.77%
CLARENDON	9.44%	5.77%	4.16%	7.37%	7.75%
COLLETON	6.07%	2.52%	0.96%	4.07%	4.44%
DARLINGTON	7.10%	3.52%	1.94%	5.08%	5.45%
DILLON	8.48%	4.84%	3.25%	6.43%	6.81%
DORCHESTER	9.63%	5.96%	4.35%	7.56%	7.94%
EDGEFIELD	7.73%	4.12%	2.53%	5.69%	6.07%
FAIRFIELD	7.34%	3.74%	2.16%	5.31%	5.68%
FLORENCE	7.18%	3.59%	2.01%	5.15%	5.53%
GEORGETOWN	6.74%	3.16%	1.59%	4.72%	5.09%
GREENVILLE	7.00%	3.41%	1.84%	4.98%	5.35%
GREENWOOD	6.26%	2.70%	1.14%	4.25%	4.62%
HAMPTON	9.89%	6.21%	4.59%	7.81%	8.19%
HORRY	9.11%	5.45%	3.85%	7.05%	7.43%
JASPER	2.41%	-1.02%	-2.53%	0.47%	0.83%

Table D: Percent Change Over Revised 2003

2004 Impact of Travel on South Carolina					
Table D: Percent Change Over Revised 2003 (Continued)					
County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
KERSHAW	5.98%	2.43%	0.87%	3.98%	4.35%
LANCASTER	5.02%	1.50%	-0.04%	3.04%	3.40%
LAURENS	5.47%	1.94%	0.39%	3.48%	3.85%
LEE	6.37%	2.81%	1.24%	4.36%	4.73%
LEXINGTON	10.80%	7.08%	5.45%	8.70%	9.09%
MCCORMICK	6.55%	2.98%	1.41%	4.53%	4.91%
MARION	3.95%	0.46%	-1.06%	1.98%	2.35%
MARLBORO	2.78%	-0.67%	-2.18%	0.83%	1.19%
NEWBERRY	5.20%	1.67%	0.12%	3.21%	3.57%
OCONEE	6.18%	2.62%	1.06%	4.17%	4.54%
ORANGEBURG	4.96%	1.45%	-0.10%	2.98%	3.35%
PICKENS	6.22%	2.66%	1.10%	4.21%	4.58%
RICHLAND	9.09%	5.43%	3.83%	7.03%	7.41%
SALUDA	6.23%	2.67%	1.11%	4.22%	4.59%
SPARTANBURG	9.80%	6.12%	4.50%	7.72%	8.10%
SUMTER	6.76%	3.18%	1.61%	4.74%	5.11%
UNION	4.65%	1.14%	-0.40%	2.67%	3.03%
WILLIAMSBURG	4.22%	0.73%	-0.81%	2.25%	2.61%
YORK	7.07%	3.48%	1.91%	5.05%	5.42%
State Totals	7.60%	3.96%	2.34%	5.52%	6.17%

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Table E: Alphabetical by County, Revised 2003

2004 Impact of Travel on South Carolina					
Table E: Alphabetical by County, Revised 2003					
County	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax Receipts (\$ Millions)	Local Tax Receipts (\$ Millions)
ABBEVILLE	\$4.77	\$0.79	0.05	\$0.30	\$0.35
AIKEN	72.15	14.25	0.85	4.00	0.88
ALLENDALE	3.37	0.56	0.04	0.22	0.13
ANDERSON	94.97	16.93	1.21	6.01	1.79
BAMBERG	4.56	0.75	0.05	0.30	0.15
BARNWELL	6.53	1.17	0.08	0.43	0.14
BEAUFORT	769.64	178.28	12.42	46.46	11.90
BERKELEY	66.17	13.12	0.90	4.22	2.08
CALHOUN	2.40	0.36	0.02	0.15	0.13
CHARLESTON	1,173.97	285.87	19.21	68.20	24.15
CHEROKEE	24.01	5.01	0.34	1.53	0.49
CHESTER	14.88	2.95	0.21	0.95	0.31
CHESTERFIELD	12.63	2.20	0.15	0.82	0.33
CLARENDON	38.21	6.80	0.44	2.42	2.43
COLLETON	66.23	14.33	1.02	4.14	1.83
DARLINGTON	23.06	4.05	0.27	1.52	0.43
DILLON	24.48	5.19	0.37	1.55	0.47
DORCHESTER	43.95	9.12	0.61	2.85	0.45
EDGEFIELD	7.25	1.20	0.07	0.48	0.33
FAIRFIELD	9.85	1.71	0.11	0.63	0.57
FLORENCE	169.71	39.59	2.27	9.04	2.85
GEORGETOWN	207.62	45.02	3.13	12.84	6.26
GREENVILLE	661.94	194.65	9.11	28.12	8.12
GREENWOOD	30.71	6.01	0.41	1.98	0.39
HAMPTON	8.73	1.77	0.12	0.55	0.15
HORRY	2,232.86	509.18	35.45	135.24	82.21
JASPER	37.70	8.71	0.63	2.32	0.74

Table E: Alphabetical by County, Revised 2003

2004 Impact of Travel on South Carolina						
Table E: Alphabetical by County, Revised 2003 (Continued)						
County	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax Receipts (\$ Millions)	Local Tax Receipts (\$ Millions)	
KERSHAW	31.19	5.82	0.38	2.00	1.44	
LANCASTER	18.71	3.45	0.23	1.21	0.36	
LAURENS	29.70	5.59	0.35	1.89	1.19	
LEE	3.45	0.53	0.04	0.23	0.12	
LEXINGTON	331.64	74.54	3.13	12.14	5.91	
MCCORMICK	5.58	1.24	0.09	0.35	0.15	
MARION	10.23	1.64	0.11	0.68	0.33	
MARLBORO	9.41	1.72	0.11	0.60	0.43	
NEWBERRY	19.29	3.54	0.23	1.23	0.74	
OCONEE	39.59	7.31	0.47	2.53	1.63	
ORANGEBURG	84.75	17.38	1.23	5.35	1.28	
PICKENS	56.00	11.19	0.78	3.58	1.44	
RICHLAND	348.65	76.01	5.56	21.41	2.68	
SALUDA	3.04	0.41	0.02	0.20	0.20	
SPARTANBURG	221.78	44.14	2.18	11.02	2.49	
SUMTER	54.90	11.08	0.76	3.53	0.94	
UNION	9.48	1.65	0.11	0.62	0.15	
WILLIAMSBURG	7.69	1.03	0.07	0.52	0.27	
YORK	118.00	24.60	1.73	7.48	1.01	
State Totals	\$7,215.43	\$1,662.42	107.16	\$413.83	\$172.84	

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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 trips away from home in paid accommodations and day trips to places 50 miles or more, one way, from the traveler's origin. The TEIM definition includes all overnight trips regardless of distance away from home, but excludes day trips to places less than 50 miles away from home.

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 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 – 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. 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, 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>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>	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>	4453; 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
Peterson, Howell & Heather, Inc.
Smith Travel Research
OTTI/International Trade Administration, U.S. Department of Commerce