The Economic Impact of Travel on South Carolina Counties 2010

A Study Prepared for the
South Carolina Department of Parks, Recreation & Tourism
by the
U.S. Travel Association
Washington, D.C.
September 2011

PREFACE

This study was conducted by the Research Department of the U.S. Travel Association for the South Carolina Department of Parks, Recreation & Tourism. The study provides preliminary 2010 estimates of domestic traveler expenditures in South Carolina, as well as the employment, payroll income, and state and local tax revenue directly generated by these expenditures.

Additionally, this study provides estimates of domestic travel expenditures and employment, payroll income, and state and local tax revenue directly generated by domestic travel expenditures for each of 46 counties in South Carolina. For the purpose of comparison, related 2009 impact estimates are also included in this report.

U.S. Travel Association
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TABLE OF CONTENTS

LIST OF TABLES

INTRODUCTION

This report presents preliminary 2010 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, 2009 impact data are also included in this report.

All estimates of the economic impact of travel contained in this volume are the product of U.S. Travel Association'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 for the U.S. Department of the Interior to indicate the economic value of travel and tourism to states and counties. The original TEIM has been revised substantially based upon more accurate and targeted input data available from governments and the private sector. A summary of the methodology is provided in Appendix A.

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

Since additional data relating to travel and its economic impact in 2010 will become available subsequent to this study, U.S. Travel Association reserves the right to revise these estimates in the future.

EXECUTIVE SUMMARY

- Domestic travelers directly spent $9.7 billion in South Carolina during 2010, up 8.6 percent from 2009.
- Domestic travel-generated employees in South Carolina earned nearly $2.0 billion in payroll income during 2010. This represented a 2.2 percent increase from 2009.
- Domestic traveler expenditures directly generated 107.9 thousand jobs within South Carolina in 2010, relatively unchanged from 2009. These jobs generated by domestic traveler spending in South Carolina composed 6.0 percent of the total state non-agricultural employment in 2010.
- On average, every $90,035 spent by domestic travelers in South Carolina during 2010 generated one job.
- Domestic traveler spending in South Carolina directly generated nearly $1.5 billion in tax revenue for federal, state and local governments in 2010, up 4.7 percent from 2009. The total tax revenue increase is largely driven by growth in federal payroll income tax, local property tax, and state sales tax.
- Horry County received nearly $3.1 billion in domestic travel expenditures to lead all of South Carolina's 46 counties. Charleston County ranked second with $1.6 billion, followed by Beaufort County with $956.9 million.
- Thirteen of South Carolina's 46 counties received over $100 million in domestic travel expenditures in 2010.
- Twelve counties in South Carolina indicated one thousand or more jobs directly supported by domestic travelers during 2010.

TRAVEL IMPACT ON THE U.S. ECONOMY IN 2010

2010 was a year of economic recovery**.** There were fluctuations in major economic indicators, but by and large, the economy showed signs of improvement. Real GDP in chained 2005 dollars grew 3.0 percent from 2009, the strongest annual rate of GDP growth since 2005. Yet, the U.S. economy showed signs of slowing down in the second half of 2010. After growing at an annual rate of 3.9 percent during the first half of the year, real GDP advanced at a slower 2.4 percent pace during the second half of 2010. Much of this slowdown was due to drops in residential investment and business inventories as well as a slowdown in business investment, which together more than offset improvements in consumer spending and exports.

In terms of employment, the economic recovery remained soft in 2010. A total of 940,000 non-farm jobs were added during the 12 months of 2010. Still, by the end of the year, total U.S. non-farm employment remained 7.7 million, or 5.6%, below the peak achieved in January of 2008. The national unemployment rate continued to climb in 2010, rising from 9.3 percent in 2009 to 9.6 percent, the highest level since 1983.

The Consumer Price Index (CPI), an indicator of the level of price inflation, rose 1.6 percent in 2010, while the U.S. Travel Association's Travel Price Index (TPI) increased a faster 3.8 percent during the same period. The jumping prices on motor fuel and airline fare were the major factors that caused the much faster increase in the Travel Price Index.

The performance of the U.S. economy in the first half of the year 2011 was disappointing. The annual growth rate of Real GDP increased just 0.4 percent in the first quarter and 1.0 percent in the second quarter. The subdued performance of the U.S. economy during the first half of the year was due to slowdowns in consumer spending, business investment and exports as well as a decline in government consumption expenditures, while residential investment remained stagnant. Since growth in Real GDP has been slower than anticipated so far in 2011, many forecasts for the full-year have been downgraded to a growth rate of 2.0 percent or a little less. Many research organizations believe that the unemployment rate will remain above 9 percent during the whole year of 2011. According to the U.S. Travel Association's forecast, the Consumer Price Index and Travel Price Index will increase 2.9 percent and 6.0 percent, respectively, in 2011. Combined with the anticipated modest growth of travel demand and higher cost of travel, total traveler spending is expected to increase 7.7 percent in 2011.

U.S. Travel Volume in 2010

U.S. domestic travel, including leisure and business travel increased 3.5 percent to a total of 1.96 billion person-trips in 2010. A person-trip is defined as one person on a trip away from home overnight in paid accommodations, or on a day or overnight trip to places 50 miles or more, one-way, away from home. Total domestic person-trips are expected to increase 2.1 percent in 2011.

Domestic leisure travel, which includes visits to friends and relatives as well as trips taken for outdoor recreation and entertainment purposes, increased 3.5 percent in 2010 as compared to 2009, totaling 1.52 billion person-trips and is expected to increase 2.4 percent in 2011. Leisure travel accounted for 77.2 percent of all U.S. domestic travel in 2010. After five consecutive years of decline, domestic business travel grew 3.7 percent in 2010 to 447.8 million person trips. Domestic business travel is forecasted to continue to increase 1.2 percent in 2011.

International inbound travelers, including visitors from overseas, Canada and Mexico, made 59.8 million visits to the United States in 2010, up 8.8 percent from 2009. These international travelers spent $103.5 billion (excluding passenger air fares paid to U.S. airlines) in the U.S. during 2010, up 9.9 percent from 2009. Total international arrivals to the U.S. are expected to increase 3.5 percent to 61.9 million in 2011 and total expenditures in the U.S. (excluding international passenger fares paid to U.S. airlines) are expected to reach $113.9 billion, up 10.0 percent from 2010.

Travel Expenditures in 2010

After a substantial decline in 2009, domestic and international travel spending in the U.S. increased 7.7 percent over 2009 to $758.7 billion in 2010. Leisure travelers' spending increased 7.4 percent while business travel spending was up 8.4 percent in the year. However, travel spending in 2010 was still lower than in 2008.

Domestic travelers directly spent $655.2 billion in 2010, a 7.4 percent increase from 2009. This increase reflected a higher travel volume, as well as a rise in travel costs largely driven by soared motor fuel prices and airline fares. Domestic travel expenditures are forecasted to grow 7.3 percent in 2011.

International travelers spent $103.5 billion in the U.S. during 2010, up 9.9 percent from 2009. In addition, international travelers paid a total of $30.9 billion to U.S. air carriers on international passenger fares in 2010, an increase of 18.5 percent from 2009. As a result, $31.6 billion was generated as a U.S. travel trade surplus in 2010, the largest surplus in the past 50 years and $10.6 billion more than 2009. International travelers' spending in the U.S. is expected to increase 10.0 percent in 2011.

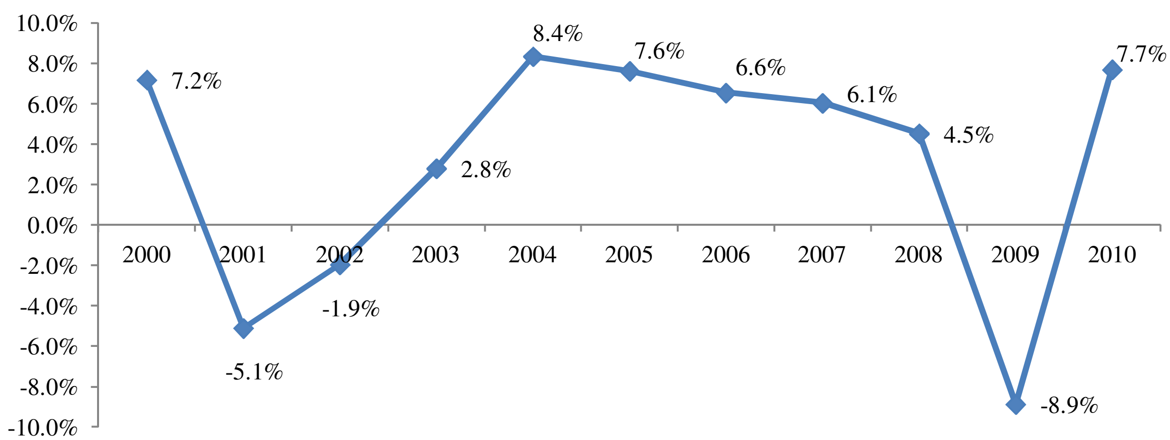
Real travel and tourism spending in chained 2005 dollars increased 3.7 percent in 2010, after two consecutive years of decline. Price for travel goods and services increased 3.9 percent in 2010 after a decrease of 6.3 percent in 2009, according to the U.S. Travel Association's Travel Price Index (TPI).

Table 1: Travel Expenditures in the U.S., 2009 and 2010

Industry Sector	2009 Travel Spending in The U.S. ($ Billions)	2010p Travel Spending in The U.S. ($ Billions)	% 2010p/2009 Travel Spending in The U.S. (Percent Change)
Domestic Travel			
Public Transportation	$114.1	$128.1	12.3%
Auto Transportation	112.0	127.7	14.0%
Lodging	101.9	108.5	6.5%
Foodservice	160.0	166.8	4.3%
Entertainment/Recreation	74.0	74.1	0.2%
General Retail	48.2	49.8	3.3%
Domestic Total	$610.2	$655.2	7.4%
International Total*	$94.2	$103.5	9.9%
Grand Total	**$704.4**	**$758.7**	**7.7%**

*Source: U.S. Travel Association. P: preliminary. * Excludes international passenger fare payments.*

Changes of Direct Travel Expenditures* in the U.S., 2000-2010p



*Source: U.S. Travel Association. P: preliminary. * Excludes international passenger fare payments.*

Travel Employment in 2010

The job market in the U.S. has been struggling after the recession ended at the middle of 2009, the nation's unemployment rate hit 9.6 percent in 2010, the highest since 1983 and it will remain above 9.0 percent in the rest of 2011. Total nonfarm employment in the U.S. decreased 0.8 percent in the year. In 2010, travel directly generated nearly 7.4 million U.S. jobs, a slight decline of 0.2% from 2009, after a decrease of 4.2 percent in 2009. Travel generated jobs accounted for 5.7 percent of total non-farm employment in the U.S. in 2010.

In current sluggish economy, with stubbornly high unemployment and weak job growth, travel and tourism has proven itself to be one of the most efficient job-creating industries. From December 2009, almost 77,000 jobs were added to travel and tourism industry, accounted for 8.2 percent of all jobs added to non-farm private industries. Between March 2010 and July 2011, job growth in the travel industry was 84 percent faster than the rest of the economy. So far in 2011, the travel industry is responsible for 1 out of every 9 new jobs that have been created in the United States.

Table 2: Travel-Generated Employment in the U.S., 2009 and 2010

Industry Sector	2009 Travel-Generated Employment (Thousands)	2010p Travel-Generated Employment (Thousands)	2010p Percent Change Over 2009 (%)
Domestic Travel			
Public Transportation	875.2	877.0	0.2%
Auto Transportation	250.7	248.6	-0.8%
Lodging	1,148.5	1,135.7	-1.1%
Foodservice	2,604.2	2,587.6	-0.6%
Entertainment/Recreation	1,140.0	1,124.4	-1.4%
General Retail	317.6	311.3	-2.0%
Travel Planning	163.8	157.7	-3.7%
Domestic Total	6,500.0	6,442.4	-0.9%
International Total*	893.6	934.8	4.6%
Grand Total	**7,393.6**	**7,377.1**	**-0.2%**

Sources: U.S. Travel Association, BLS
** Excludes jobs generated by international passenger fare payments.*

Table 3: Overall U.S. Economic Developments, 2008-2010

Sector	2008	2009	2010
Nominal gross domestic product ($ Billions)	$14,291.5	$13,939.0	$14,526.5
Real gross domestic product ($ Billions)*	$13,161.9	$12,703.1	$13,088.0
Real disposable personal income ($Billions)*	$10,119.5	$9,882.7	$10,061.6
Real personal consumption expenditures ($ Billions)*	$9,211.7	$9,037.5	$9,220.9
Consumer price index**	215.3	214.5	218.1
Travel Price Index**	257.7	241.5	250.7
Non-farm payroll employment (Millions)	136.8	130.8	129.8
Unemployment rate (%)	5.8	9.3	9.6
Percentage change from previous year			
Nominal gross domestic product	1.9%	-2.5%	4.2%
Real gross domestic product	-0.3%	-3.5%	3.0%
Real disposable personal income	2.4%	-2.3%	1.8%
Real personal consumption expenditures	-0.6%	-1.9%	2.0%
Consumer price index	3.8%	-0.4%	1.6%
Travel Price Index	5.6%	-6.3%	3.8%
Non-farm payroll employment	-0.6%	-4.4%	-0.8%

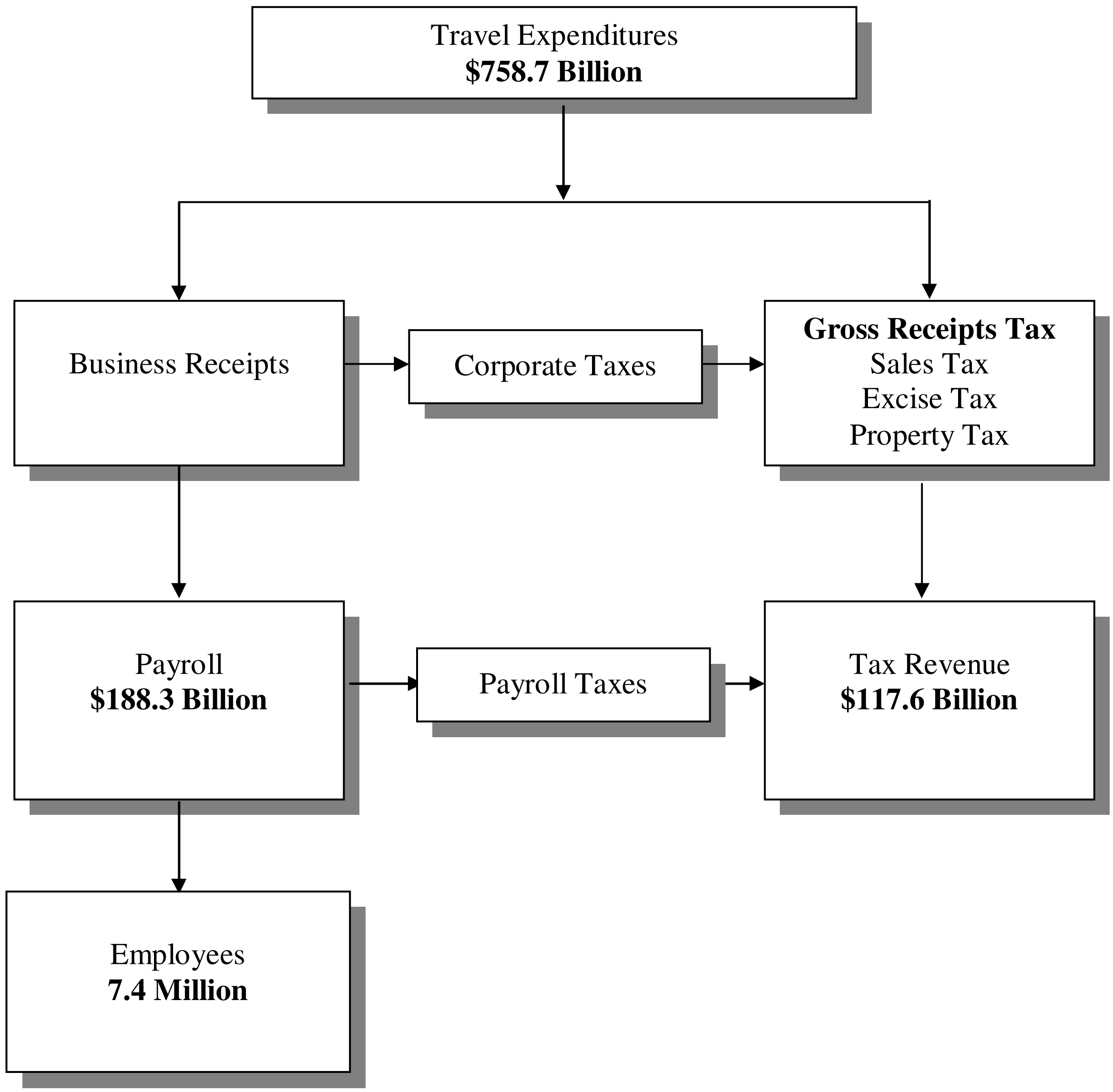
Sources: U.S. Dept. of Commerce, U.S. Dept. of Labor, U.S. Census Bureau, U.S. Travel Association
** Chained 2005 dollars*
*** 1982-84=100*

Table 4: U.S. Travel Trends, 2006-2010

Category	2006	2007	2008	2009	2010
Total travel expenditures ($ billions)	$697.1	$739.3	$772.9	$704.4	$758.7
U.S. travelers' expenditures ($ billions)	$610.9	$642.0	$662.4	$610.2	$655.2
International travelers' expenditures In the U.S. ($ billions)*	$86.2	$97.4	$110.4	$94.2	$103.5
Travel price index**	233.5	244.0	257.7	241.5	250.7
Travel-generated employment*** (thousands)	7,543.4	7,699.9	7,719.4	7,393.6	7,377.1
Percentage change from previous year					
Total travel expenditures	6.6%	6.1%	4.5%	-8.9%	7.7%
U.S. travelers' expenditures	6.8%	5.1%	3.2%	-7.9%	7.4%
International travelers' expenditures in the U.S.	4.9%	13.0%	13.4%	-14.7%	9.9%
Travel price index	4.9%	4.5%	5.6%	-6.3%	3.8%
Travel-generated employment	0.5%	2.1%	0.3%	-4.2%	-0.2%

Sources: U.S. Travel Association, BEA and BLS.
** International traveler spending does not include international passenger fares.*
*** 1982-84=100.*
**** Includes employment generated by both domestic and international traveler expenditures.*

Direct Travel Impact on the United States in 2010



Source: U.S. Travel Association, BEA
**Does not include international passenger fare payments and other economic impact generated by these payments.*

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DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA

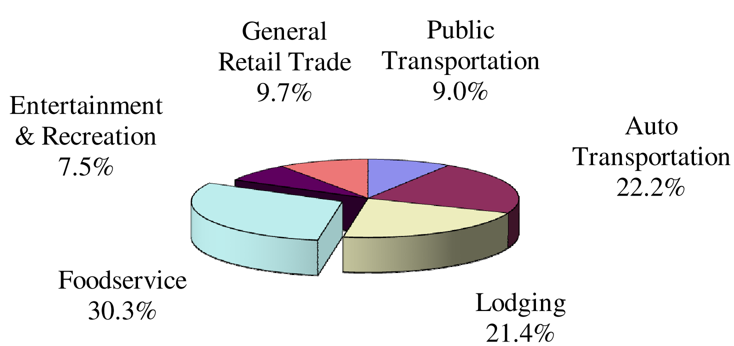
DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2010

Travel Expenditures

During 2010, domestic travelers to South Carolina spent $9.7 billion on transportation, lodging, food, entertainment and recreation and incidentals, up 8.6 percent from 2009.

- Foodservice, the largest spending sector, registered $2.9 billion in 2010, up 6.1 percent from 2009 and accounting for 30.3 percent of the state total domestic travel spending.
- The auto transportation industry, which reached close to $2.2 billion, was the second largest spending sector in 2010. It represents a 16.6 percent increase from 2009. This was mainly due to dramatically increased gasoline prices.
- Domestic traveler spending on lodging increased 8.8 percent to nearly $2.1 billion. Smith Travel Research's data show that total rooms sold in South Carolina increased 7.8 percent and average room rate in the state was up 1.0 percent in 2010.
- Domestic travelers spent $869.3 million on public transportation in South Carolina during 2010, up 9.2 percent compared with 2009, largely driven by increased air travel volume and increased fuel prices. U.S. Bureau of Transportation Statistics reported that total domestic air enplanements increased 0.5 percent in South Carolina during 2010 and U.S. Bureau of Labor Statistics' data show that motor fuel prices in the south urban area increased 19.2 percent in during 2010.

Domestic Travel Expenditures in South Carolina by Industry Sector - 2010



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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: Domestic Travel Expenditures in South Carolina by Industry Sector, 2009 and 2010

2010	Expenditures ($ Millions)	% of Total
Public Transportation	$869.3	9.0%
Auto Transportation	2,159.1	22.2%
Lodging	2,079.4	21.4%
Foodservice	2,938.7	30.3%
Entertainment & Recreation	725.3	7.5%
General Retail Trade	938.9	9.7%
Total	$9,710.8	100.0%
2009		
Public Transportation	$796.2	8.9%
Auto Transportation	1,852.2	20.7%
Lodging	1,910.6	21.4%
Foodservice	2,770.5	31.0%
Entertainment & Recreation	722.4	8.1%
General Retail Trade	886.2	9.9%
Total	$8,938.2	100.0%

2010 over 2009	Percent Change (%)
Public Transportation	9.2%
Auto Transportation	16.6%
Lodging	8.8%
Foodservice	6.1%
Entertainment & Recreation	0.4%
General Retail Trade	5.9%
Total	8.6%

Source: U.S. Travel Association

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2010

Travel-Generated Payroll

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

Domestic travel generated payroll income (wages and salaries) reached close to $2.0 billion in 2010. This represented an increase of 2.2 percent from 2009.

- On average, every dollar spent by domestic travelers produced 20.1 cents in wage and salary income for South Carolina residents in 2010.
- In 2010, the foodservice sector posted the largest payroll generated by domestic traveler spending with $773.6 million, accounting for 39.6 percent of the state total domestic travel-generated payroll.
- The lodging sector ranked second with $431.1 million in domestic travel-generated payroll income, representing 22.1 percent of the state total travel-generated payroll.
- The only sector to show a decline from 2009 is entertainment & recreation, composing 16.8 percent of the state's total domestic travel-generated payroll income totaling $327.6 billion. This represents a 2.5 percent decline from 2009.
- Domestic travel-generated payroll on the travel planning sector increased 18.7 percent to $28.2 million in 2010, the largest increase among all categories.

Domestic Travel-Generated Payroll in South Carolina by Industry Sector - 2010

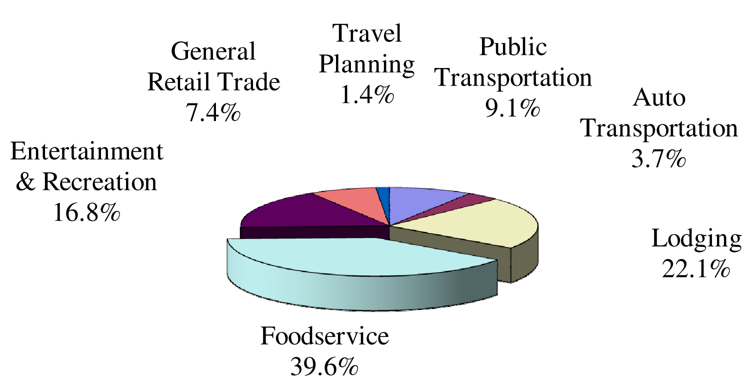

Table 6: Domestic Travel-Generated Payroll in South Carolina by Industry Sector, 2009 and 2010

2010	Payroll ($ Millions)	% of Total
Public Transportation	$177.4	9.1%
Auto Transportation	71.4	3.7%
Lodging	431.1	22.1%
Foodservice	773.6	39.6%
Entertainment & Recreation	327.6	16.8%
General Retail Trade	143.6	7.4%
Travel Planning*	28.2	1.4%
Total	$1,952.8	100.0%
2009		
Public Transportation	$175.5	9.2%
Auto Transportation	69.6	3.6%
Lodging	421.6	22.1%
Foodservice	742.5	38.9%
Entertainment & Recreation	336.0	17.6%
General Retail Trade	141.7	7.4%
Travel Planning*	23.8	1.2%
Total	$1,910.8	100.0%

2010 over 2009	Percent Change (%)
Public Transportation	1.1%
Auto Transportation	2.5%
Lodging	2.2%
Foodservice	4.2%
Entertainment & Recreation	-2.5%
General Retail Trade	1.3%
Travel Planning*	18.7%
Total	2.2%

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

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2010

Travel-Generated Employment

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

During 2010, domestic traveler spending in South Carolina generated 107.9 thousand jobs, including full-time and seasonal/part-time positions in the state, relatively stable from 2009. On average, every $90,035 spent by domestic travelers in South Carolina directly supported one job.

- The 107.9 thousand jobs generated by domestic travel in South Carolina composed 6.0 percent of the state's total non-agricultural employment during 2010. Without these jobs generated by domestic travel, South Carolina's 2010 unemployment rate of 11.2 percent would have been 5.0 percentage points higher, or the equivalent of 16.2 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 2010, domestic traveler spending in this sector supported 54.2 thousand jobs, accounting for over half (50.3%) of the state total jobs generated by domestic travel. The labor-intensiveness of these businesses and the large proportion of travel expenditures spent on food service together contribute to the importance of this sector.

- Domestic travel-generated employment in the lodging sector reached 21.3 thousand in 2010, 19.7 percent of the state's total jobs generated by domestic travel.

Domestic Travel-Generated Employment in South Carolina by Industry Sector - 2010

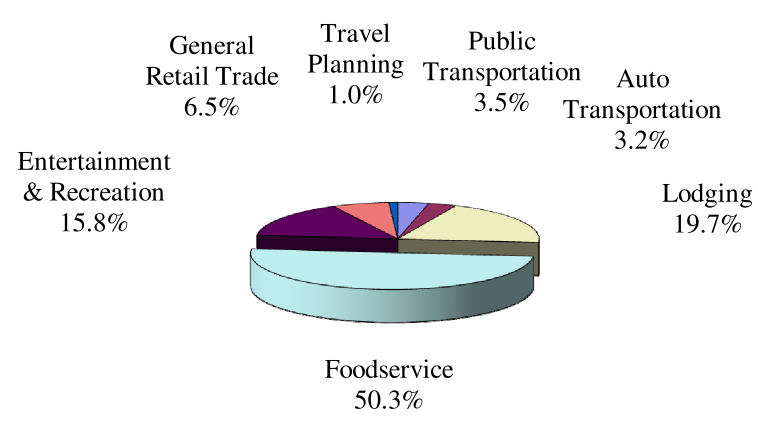

Table 7: Domestic Travel-Generated Employment in South Carolina by Industry Sector, 2009 and 2010

2010	Employment (Thousands)	% of Total
Public Transportation	3.8	3.5%
Auto Transportation	3.5	3.2%
Lodging	21.3	19.7%
Foodservice	54.2	50.3%
Entertainment & Recreation	17.0	15.8%
General Retail Trade	7.0	6.5%
Travel Planning*	1.1	1.0%
Total	107.9	100.0%
2009		
Public Transportation	3.8	3.5%
Auto Transportation	3.5	3.2%
Lodging	21.1	19.6%
Foodservice	53.8	49.9%
Entertainment & Recreation	17.7	16.4%
General Retail Trade	7.0	6.5%
Travel Planning*	0.9	0.9%
Total	107.8	100.0%

2010 over 2009	Percent Change (%)
Public Transportation	-0.8%
Auto Transportation	0.0%
Lodging	0.7%
Foodservice	0.8%
Entertainment & Recreation	-3.7%
General Retail Trade	-0.4%
Travel Planning*	17.5%
Total	0.0%

Source: U.S. Travel Association

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

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA – 2010

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 2010, total tax revenue generated by domestic traveler spending in South Carolina reached nearly $1.5 billion, up 4.7 percent from 2009. On average, each travel dollar spent by domestic travelers in South Carolina produced 15.1 cents in tax receipts for federal, state and local governments in 2010.
- Domestic traveler spending in South Carolina generated $582.4 million for the federal government in 2010. This represents 39.7 percent of all domestic travel-generated tax collections in the state. Each dollar spent by domestic travelers in South Carolina produced 6.0 cents for federal tax coffers.
- Spending by domestic travelers in South Carolina also generated $558.9 million in tax revenue for the state treasury through state sales and excise taxes, and taxes on personal and corporate income. This composed 38.1 percent of all domestic travel-generated tax revenue for 2010 collected in the state. On average, each domestic travel dollar produced 5.8 cents in state tax receipts. Total tax revenue generated by domestic travel for South Carolina state government increased 4.9 percent from 2009.
- Local governments in South Carolina directly benefited from domestic travel as well. During 2010, domestic travel spending generated $325.3 million in sales and property tax revenue for the local government, 22.2 percent of total travel-generated tax revenue in the state. Each travel dollar produced 3.3 cents for local tax coffers.

Domestic Travel-Generated Tax Revenue in South Carolina by Level of Government - 2010

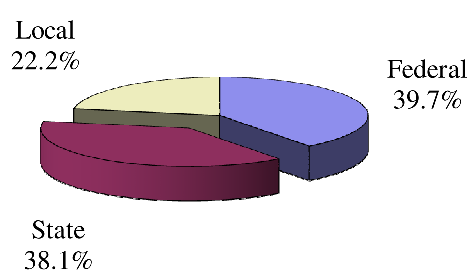

Table 8: Domestic Travel-Generated Tax Revenue in South Carolina by Level of Government, 2009 and 2010

2010	Tax Revenue ($ Millions)	% of Total
Federal Tax	$582.4	39.7%
State tax	558.9	38.1%
Local Tax	325.3	22.2%
Total	$1,466.5	100.0%
2009		
Federal Tax	$562.1	40.1%
State tax	532.9	38.0%
Local Tax	306.2	21.9%
Total	1,401.2	100.0%

2010 over 2009	Percent Change (%)
Federal Tax	3.6%
State tax	4.9%
Local Tax	6.2%
Total	4.7%

Source: U.S. Travel Association

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DOMESTIC TRAVEL IMPACT

ON South Carolina COUNTIES

DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA COUNTIES, 2010

Domestic travelers spent $9.7 billion while traveling in South Carolina during 2010, up 8.6 percent from 2009.

The top five counties in South Carolina received $7.0 billion in direct domestic travel expenditures, 72.4 percent of the state total. Domestic travel spending in the top five counties generated nearly $1.5 billion in payroll (75.3 percent of the state total) and 82.9 thousand jobs (76.9 percent of the state total) in 2010.

Additionally, domestic travel expenditures in the top five counties generated $408.9 million in tax revenue for the state treasury (73.2 percent of the state total) and $242.8 million tax revenue for local governments (74.6 percent of the state total) during 2010.

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 2010. Domestic travel expenditures in Horry County reached nearly $3.1 billion, accounting for 31.8 percent of the state total. These expenditures generated $612.1 million in payroll income and 36.6 thousand jobs for area residents.

Charleston County ranked second with $1.6 billion in domestic traveler spending in 2010, representing 16.6 percent of the state total. The payroll income and jobs directly attributable to domestic traveler spending reached $341.9 million and 19.5 thousand jobs.

Beaufort County, which includes the resort area of Hilton Head Island, posted $956.9 million in domestic traveler expenditures to rank third. These expenditures generated $192.8 million in payroll as well as 11.9 thousand jobs within the county.

Greenville County received $875.0 million from domestic travelers, 9.0 percent of the state total. These travel expenditures benefited area residents with $230.0 million in wages and salaries and 9.1 thousand jobs.

Richland County ranked fifth with $498.5 million in domestic travel expenditures in 2010. These expenditures by domestic travelers generated $93.9 million in payroll income and 5.8 thousand jobs for the area residents.

Table 9: Domestic Travel Impact in South Carolina - Top 5 Counties, 2009 and 2010

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
2010 Impact					
Horry	$3,085.1	$612.1	36.6	$191.8	$126.1
Charleston	1,615.8	341.9	19.5	92.9	57.7
Beaufort	956.9	192.8	11.9	57.2	31.7
Greenville	875.0	230.0	9.1	36.8	14.6
Richland	498.5	93.9	5.8	30.3	12.6
Top Five County Total	$7,031.4	$1,470.8	82.9	$408.9	$242.8
State Total	$9,710.8	$1,952.8	107.9	$558.9	$325.3
Share of Top 5 Counties	72.4%	75.3%	76.9%	73.2%	74.6%
2009 Impact					
Horry	$2,809.0	$594.1	36.4	$180.8	$117.5
Charleston	1,468.0	329.9	19.3	87.4	53.6
Beaufort	926.5	197.2	12.2	57.3	31.4
Greenville	797.9	222.7	9.0	34.8	13.6
Richland	465.4	93.0	5.9	29.3	12.1
Top Five County Total	$6,466.9	$1,436.8	82.8	$389.7	$228.2
State Total	$8,938.2	$1,910.8	107.8	$532.9	$306.2
Share of Top 5 Counties	72.4%	75.2%	76.8%	73.1%	74.5%
Percent Change 2010 over 2009					
Horry	9.8%	3.0%	0.6%	6.0%	7.4%
Charleston	10.1%	3.6%	1.0%	6.3%	7.6%
Beaufort	3.3%	-2.2%	-2.6%	-0.3%	0.9%
Greenville	9.7%	3.3%	0.6%	5.9%	7.2%
Richland	7.1%	1.0%	-0.8%	3.4%	4.7%
Top Five County Total	8.7%	2.4%	0.1%	4.9%	6.4%
State Total	8.6%	2.2%	0.0%	4.9%	6.2%

Source: U.S. Travel Association

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COUNTY TABLES

The following tables list the results of the County Economic Impact Component of the U.S. Travel Association's Travel Economic Impact Model for South Carolina in 2010 and 2009. The estimates presented are for direct domestic travel expenditures and related economic impact.

Table A	shows the counties listed alphabetically, with 2010 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 2010 travel expenditures from highest to lowest.
Table C	shows the percent distribution for each impact measure in 2010.
Table D	shows the percent change in 2010 over 2009 estimates for each of the measures of economic impact.
Table E	shows the counties listed alphabetically, with 2009 travel expenditures, travel-generated payroll and employment, and state tax revenue and local tax revenue shown for each.

2010 Impact of Travel on South Carolina
Table A: Alphabetical by County, 2010

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
ABBEVILLE	$6.30	$0.92	0.05	$0.39	$0.47
AIKEN	102.84	17.41	0.89	5.64	2.26
ALLENDALE	3.88	0.56	0.04	0.25	0.17
ANDERSON	128.65	19.79	1.21	8.05	3.88
BAMBERG	5.58	0.80	0.05	0.37	0.19
BARNWELL	8.58	1.33	0.08	0.55	0.25
BEAUFORT	956.89	192.81	11.88	57.18	31.73
BERKELEY	89.37	15.47	0.90	5.64	3.21
CALHOUN	2.82	0.37	0.02	0.18	0.20
CHARLESTON	1,615.80	341.88	19.50	92.91	57.68
CHEROKEE	31.61	5.76	0.33	2.00	0.71
CHESTER	19.41	3.35	0.20	1.23	0.38
CHESTERFIELD	16.29	2.50	0.15	1.05	0.67
CLARENDON	46.08	7.15	0.39	2.89	3.44
COLLETON	89.43	17.11	0.99	5.53	2.87
DARLINGTON	29.60	4.49	0.26	1.94	0.87
DILLON	32.02	5.92	0.36	2.00	0.85
DORCHESTER	65.83	11.90	0.67	4.23	1.32
EDGEFIELD	8.57	1.24	0.06	0.56	0.38
FAIRFIELD	11.79	1.81	0.10	0.74	0.81
FLORENCE	237.32	47.66	2.35	12.51	6.08
GEORGETOWN	258.53	49.32	2.90	15.83	12.00
GREENVILLE	875.03	230.04	9.08	36.80	14.61
GREENWOOD	42.91	7.30	0.43	2.74	1.05
HAMPTON	11.43	2.01	0.12	0.72	0.25
HORRY	3,085.13	612.14	36.58	191.75	126.15
JASPER	50.25	9.97	0.62	3.07	1.79

2010 Impact of Travel on South Carolina
Table A: Alphabetical by County, 2010 (Continued)

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
KERSHAW	39.89	6.49	0.36	2.53	1.94
LANCASTER	25.39	4.08	0.24	1.63	0.75
LAURENS	41.96	6.89	0.37	2.65	2.17
LEE	4.43	0.59	0.04	0.29	0.18
LEXINGTON	418.56	82.98	3.03	15.17	9.42
MCCORMICK	7.03	1.36	0.09	0.43	0.24
MARION	12.19	1.71	0.10	0.80	0.55
MARLBORO	10.28	1.63	0.09	0.65	0.33
NEWBERRY	26.09	4.12	0.22	1.65	1.50
OCONEE	47.72	7.68	0.42	3.02	2.70
ORANGEBURG	112.45	20.15	1.22	7.03	4.14
PICKENS	82.51	14.41	0.83	5.22	2.86
RICHLAND	498.51	93.90	5.85	30.30	12.62
SALUDA	3.93	0.47	0.02	0.25	0.26
SPARTANBURG	293.40	50.44	2.11	14.43	5.06
SUMTER	68.12	12.02	0.69	4.33	1.71
UNION	11.34	1.72	0.10	0.74	0.19
WILLIAMSBURG	8.42	0.98	0.06	0.56	0.28
YORK	166.62	30.13	1.81	10.46	4.11
State Totals	**$9,710.81**	**$1,952.82**	**107.86**	**$558.87**	**$325.27**

2010 Impact of Travel on South Carolina
Table B: Ranking of Counties by Expenditure Levels, 2010

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
HORRY	$3,085.13	$612.14	36.58	$191.75	$126.15
CHARLESTON	1,615.80	341.88	19.50	92.91	57.68
BEAUFORT	956.89	192.81	11.88	57.18	31.73
GREENVILLE	875.03	230.04	9.08	36.80	14.61
RICHLAND	498.51	93.90	5.85	30.30	12.62
LEXINGTON	418.56	82.98	3.03	15.17	9.42
SPARTANBURG	293.40	50.44	2.11	14.43	5.06
GEORGETOWN	258.53	49.32	2.90	15.83	12.00
FLORENCE	237.32	47.66	2.35	12.51	6.08
YORK	166.62	30.13	1.81	10.46	4.11
ANDERSON	128.65	19.79	1.21	8.05	3.88
ORANGEBURG	112.45	20.15	1.22	7.03	4.14
AIKEN	102.84	17.41	0.89	5.64	2.26
COLLETON	89.43	17.11	0.99	5.53	2.87
BERKELEY	89.37	15.47	0.90	5.64	3.21
PICKENS	82.51	14.41	0.83	5.22	2.86
SUMTER	68.12	12.02	0.69	4.33	1.71
DORCHESTER	65.83	11.90	0.67	4.23	1.32
JASPER	50.25	9.97	0.62	3.07	1.79
OCONEE	47.72	7.68	0.42	3.02	2.70
CLARENDON	46.08	7.15	0.39	2.89	3.44
GREENWOOD	42.91	7.30	0.43	2.74	1.05
LAURENS	41.96	6.89	0.37	2.65	2.17
KERSHAW	39.89	6.49	0.36	2.53	1.94
DILLON	32.02	5.92	0.36	2.00	0.85
CHEROKEE	31.61	5.76	0.33	2.00	0.71
DARLINGTON	29.60	4.49	0.26	1.94	0.87

2010 Impact of Travel on South Carolina
Table B: Ranking of Counties by Expenditure Levels, 2010 (Continued)

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
NEWBERRY	26.09	4.12	0.22	1.65	1.50
LANCASTER	25.39	4.08	0.24	1.63	0.75
CHESTER	19.41	3.35	0.20	1.23	0.38
CHESTERFIELD	16.29	2.50	0.15	1.05	0.67
MARION	12.19	1.71	0.10	0.80	0.55
FAIRFIELD	11.79	1.81	0.10	0.74	0.81
HAMPTON	11.43	2.01	0.12	0.72	0.25
UNION	11.34	1.72	0.10	0.74	0.19
MARLBORO	10.28	1.63	0.09	0.65	0.33
BARNWELL	8.58	1.33	0.08	0.55	0.25
EDGEFIELD	8.57	1.24	0.06	0.56	0.38
WILLIAMSBURG	8.42	0.98	0.06	0.56	0.28
MCCORMICK	7.03	1.36	0.09	0.43	0.24
ABBEVILLE	6.30	0.92	0.05	0.39	0.47
BAMBERG	5.58	0.80	0.05	0.37	0.19
LEE	4.43	0.59	0.04	0.29	0.18
SALUDA	3.93	0.47	0.02	0.25	0.26
ALLENDALE	3.88	0.56	0.04	0.25	0.17
CALHOUN	2.82	0.37	0.02	0.18	0.20
State Totals	**$9,710.81**	**$1,952.82**	**107.86**	**$558.87**	**$325.27**

2010 Impact of Travel on South Carolina
Table C: Percent Distribution by County, 2010

County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
ABBEVILLE	0.06%	0.05%	0.05%	0.07%	0.14%
AIKEN	1.06%	0.89%	0.83%	1.01%	0.69%
ALLENDALE	0.04%	0.03%	0.03%	0.04%	0.05%
ANDERSON	1.32%	1.01%	1.12%	1.44%	1.19%
BAMBERG	0.06%	0.04%	0.04%	0.07%	0.06%
BARNWELL	0.09%	0.07%	0.07%	0.10%	0.08%
BEAUFORT	9.85%	9.87%	11.01%	10.23%	9.76%
BERKELEY	0.92%	0.79%	0.84%	1.01%	0.99%
CALHOUN	0.03%	0.02%	0.02%	0.03%	0.06%
CHARLESTON	16.64%	17.51%	18.08%	16.62%	17.73%
CHEROKEE	0.33%	0.29%	0.31%	0.36%	0.22%
CHESTER	0.20%	0.17%	0.19%	0.22%	0.12%
CHESTERFIELD	0.17%	0.13%	0.14%	0.19%	0.21%
CLARENDON	0.47%	0.37%	0.36%	0.52%	1.06%
COLLETON	0.92%	0.88%	0.92%	0.99%	0.88%
DARLINGTON	0.30%	0.23%	0.24%	0.35%	0.27%
DILLON	0.33%	0.30%	0.34%	0.36%	0.26%
DORCHESTER	0.68%	0.61%	0.62%	0.76%	0.41%
EDGEFIELD	0.09%	0.06%	0.06%	0.10%	0.12%
FAIRFIELD	0.12%	0.09%	0.09%	0.13%	0.25%
FLORENCE	2.44%	2.44%	2.18%	2.24%	1.87%
GEORGETOWN	2.66%	2.53%	2.69%	2.83%	3.69%
GREENVILLE	9.01%	11.78%	8.42%	6.58%	4.49%
GREENWOOD	0.44%	0.37%	0.40%	0.49%	0.32%
HAMPTON	0.12%	0.10%	0.11%	0.13%	0.08%
HORRY	31.77%	31.35%	33.91%	34.31%	38.78%
JASPER	0.52%	0.51%	0.58%	0.55%	0.55%

2010 Impact of Travel on South Carolina
Table C: Percent Distribution by County, 2010 (Continued)

County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
KERSHAW	0.41%	0.33%	0.33%	0.45%	0.60%
LANCASTER	0.26%	0.21%	0.22%	0.29%	0.23%
LAURENS	0.43%	0.35%	0.34%	0.47%	0.67%
LEE	0.05%	0.03%	0.04%	0.05%	0.05%
LEXINGTON	4.31%	4.25%	2.81%	2.71%	2.89%
MCCORMICK	0.07%	0.07%	0.08%	0.08%	0.07%
MARION	0.13%	0.09%	0.09%	0.14%	0.17%
MARLBORO	0.11%	0.08%	0.08%	0.12%	0.10%
NEWBERRY	0.27%	0.21%	0.20%	0.29%	0.46%
OCONEE	0.49%	0.39%	0.39%	0.54%	0.83%
ORANGEBURG	1.16%	1.03%	1.13%	1.26%	1.27%
PICKENS	0.85%	0.74%	0.77%	0.93%	0.88%
RICHLAND	5.13%	4.81%	5.42%	5.42%	3.88%
SALUDA	0.04%	0.02%	0.02%	0.05%	0.08%
SPARTANBURG	3.02%	2.58%	1.96%	2.58%	1.55%
SUMTER	0.70%	0.62%	0.64%	0.78%	0.53%
UNION	0.12%	0.09%	0.09%	0.13%	0.06%
WILLIAMSBURG	0.09%	0.05%	0.05%	0.10%	0.09%
YORK	1.72%	1.54%	1.68%	1.87%	1.26%
State Totals	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

2010 Impact of Travel on South Carolina
Table D: Percent Change over 2009

County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
ABBEVILLE	6.16%	1.38%	-0.13%	2.49%	3.76%
AIKEN	8.54%	1.56%	-0.43%	4.79%	6.09%
ALLENDALE	-2.17%	-7.76%	-9.43%	-5.55%	-4.38%
ANDERSON	8.86%	3.01%	0.54%	5.10%	6.40%
BAMBERG	5.39%	-0.62%	-2.43%	1.76%	3.02%
BARNWELL	4.56%	-1.41%	-3.20%	0.95%	2.20%
BEAUFORT	3.28%	-2.23%	-2.59%	-0.29%	0.95%
BERKELEY	3.93%	-2.00%	-3.78%	0.34%	1.59%
CALHOUN	6.24%	2.96%	0.63%	2.58%	3.85%
CHARLESTON	10.07%	3.63%	0.99%	6.27%	7.58%
CHEROKEE	8.37%	2.39%	-0.81%	4.63%	5.93%
CHESTER	7.24%	1.12%	-0.72%	3.54%	4.83%
CHESTERFIELD	6.83%	1.97%	0.35%	3.14%	4.42%
CLARENDON	6.30%	0.23%	-1.59%	2.63%	3.91%
COLLETON	8.39%	2.20%	0.35%	4.65%	5.95%
DARLINGTON	10.70%	3.44%	1.53%	6.88%	8.21%
DILLON	7.36%	1.23%	-0.61%	3.66%	4.94%
DORCHESTER	11.33%	4.97%	2.55%	7.49%	8.82%
EDGEFIELD	8.35%	2.17%	0.31%	4.61%	5.91%
FAIRFIELD	5.10%	0.65%	-1.75%	1.47%	2.73%
FLORENCE	9.81%	2.43%	0.39%	6.02%	7.33%
GEORGETOWN	7.82%	1.66%	-0.73%	4.09%	5.38%
GREENVILLE	9.67%	3.30%	0.56%	5.88%	7.19%
GREENWOOD	9.24%	2.75%	0.86%	5.47%	6.78%
HAMPTON	7.97%	1.81%	-0.04%	4.24%	5.54%
HORRY	9.83%	3.04%	0.60%	6.04%	7.35%
JASPER	6.88%	0.78%	-1.06%	3.19%	4.47%

2010 Impact of Travel on South Carolina
Table D: Percent Change over 2009 (Continued)

County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
KERSHAW	8.05%	1.89%	-0.20%	4.32%	5.62%
LANCASTER	4.61%	-1.30%	-2.10%	1.00%	2.25%
LAURENS	8.23%	2.05%	0.19%	4.49%	5.79%
LEE	7.94%	1.78%	-0.08%	4.21%	5.50%
LEXINGTON	8.12%	1.95%	0.09%	4.39%	5.68%
MCCORMICK	4.16%	-1.78%	-3.57%	0.57%	1.81%
MARION	5.40%	-0.61%	-2.42%	1.76%	3.03%
MARLBORO	-1.76%	-7.37%	-9.06%	-5.15%	-3.98%
NEWBERRY	12.51%	5.01%	3.09%	8.63%	9.98%
OCONEE	9.78%	3.52%	1.63%	5.99%	7.31%
ORANGEBURG	5.83%	-0.21%	-2.03%	2.17%	3.44%
PICKENS	12.93%	6.48%	2.64%	9.03%	10.38%
RICHLAND	7.11%	0.99%	-0.84%	3.41%	4.69%
SALUDA	8.51%	2.32%	1.91%	4.76%	6.06%
SPARTANBURG	8.94%	0.75%	-0.92%	5.18%	6.48%
SUMTER	7.38%	1.05%	-1.53%	3.67%	4.96%
UNION	-2.16%	-7.74%	-9.42%	-5.54%	-4.37%
WILLIAMSBURG	0.12%	-5.60%	-7.31%	-3.34%	-2.14%
YORK	12.58%	2.49%	1.71%	8.69%	10.04%
State Totals	**8.64%**	**2.20%**	**0.03%**	**4.87%**	**6.22%**

2009 Impact of Travel on South Carolina
Table E: Alphabetical by County, 2009

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
ABBEVILLE	$5.93	$0.91	0.05	$0.38	$0.45
AIKEN	94.75	17.14	0.90	5.38	2.13
ALLENDALE	3.96	0.61	0.04	0.26	0.17
ANDERSON	118.18	19.22	1.20	7.66	3.64
BAMBERG	5.29	0.80	0.05	0.36	0.18
BARNWELL	8.20	1.35	0.08	0.55	0.24
BEAUFORT	926.52	197.20	12.19	57.35	31.43
BERKELEY	85.99	15.79	0.94	5.62	3.16
CALHOUN	2.66	0.36	0.02	0.17	0.19
CHARLESTON	1,468.01	329.89	19.31	87.43	53.61
CHEROKEE	29.17	5.63	0.33	1.91	0.67
CHESTER	18.09	3.31	0.21	1.18	0.36
CHESTERFIELD	15.25	2.46	0.15	1.02	0.64
CLARENDON	43.35	7.13	0.40	2.82	3.31
COLLETON	82.51	16.74	0.99	5.28	2.71
DARLINGTON	26.74	4.34	0.25	1.81	0.81
DILLON	29.82	5.85	0.36	1.93	0.81
DORCHESTER	59.13	11.34	0.65	3.93	1.22
EDGEFIELD	7.91	1.21	0.06	0.53	0.36
FAIRFIELD	11.22	1.80	0.10	0.73	0.79
FLORENCE	216.12	46.53	2.34	11.80	5.67
GEORGETOWN	239.79	48.51	2.92	15.20	11.39
GREENVILLE	797.90	222.71	9.03	34.75	13.63
GREENWOOD	39.28	7.10	0.42	2.60	0.99
HAMPTON	10.59	1.98	0.12	0.69	0.23
HORRY	2,809.04	594.08	36.36	180.83	117.51
JASPER	47.02	9.89	0.63	2.97	1.71

2009 Impact of Travel on South Carolina
Table E: Alphabetical by County, 2009 (Continued)

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
KERSHAW	36.92	6.37	0.36	2.43	1.84
LANCASTER	24.27	4.13	0.24	1.62	0.73
LAURENS	38.77	6.75	0.37	2.53	2.05
LEE	4.11	0.58	0.04	0.28	0.17
LEXINGTON	387.12	81.40	3.02	14.53	8.91
MCCORMICK	6.75	1.38	0.09	0.43	0.23
MARION	11.57	1.72	0.10	0.79	0.53
MARLBORO	10.46	1.76	0.10	0.68	0.35
NEWBERRY	23.19	3.93	0.21	1.52	1.36
OCONEE	43.47	7.42	0.42	2.84	2.52
ORANGEBURG	106.26	20.19	1.25	6.88	4.00
PICKENS	73.06	13.54	0.81	4.79	2.59
RICHLAND	465.43	92.98	5.90	29.30	12.06
SALUDA	3.62	0.46	0.02	0.24	0.25
SPARTANBURG	269.33	50.07	2.13	13.72	4.75
SUMTER	63.44	11.90	0.70	4.18	1.63
UNION	11.60	1.87	0.11	0.78	0.20
WILLIAMSBURG	8.41	1.04	0.06	0.58	0.28
YORK	148.00	29.40	1.78	9.62	3.73
State Totals	**$8,938.22**	**$1,910.77**	**107.83**	**$532.91**	**$306.21**

APPENDICES

Appendix A: Travel Economic Impact Model

Introduction

The Travel Economic Impact Model (TEIM) was developed by the research department at U.S. Travel Association (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 18 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. Eighteen (18) 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 18 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 U.S. TRAVEL ASSOCIATION, The Bureau of Labor Statistics' Survey of Consumer Expenditures, Smith Travel Research's Hotel and Motel Survey, etc. Average cost data are purchased and collected from different organizations and government agencies. Total sales and revenue and other data collected from state, local and federal government and other organizations are employed to compare, adjust and update the spending database of TEIM, as well as linking spending to other impact components.

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

Estimates of Business Receipts, Payroll and Employment

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

Bureau.

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

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

Estimates of Tax Revenues

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

Estimates for Counties and Local Areas

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

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

Limitations of the Study

This study is designed to indicate the impact of U.S. traveler expenditures on employment, payroll, business receipts and tax revenue in each of the states. These impact estimates reflect the limitations inherent in the definition of travel expenditures. Two important classes of travel-related expenses have not been estimated due to various reasons. Consumers purchase certain goods and services in anticipation of a trip away from home. These include sports equipment (tennis racquet, skis, scuba gear, etc.), travel books and guides, and services such as language lessons and lessons for participatory sports (tennis, skiing, underwater diving, etc.). The magnitude of these purchases in preparation for a trip cannot be quantified due to lack of sound, relevant data.

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

Appendix B: Glossary of Terms – TEIM

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

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

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

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

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

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

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

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

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

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

Appendix C: Travel-Related Industry Measurement

SIC-NAICS Transition

As described in Appendix A, the 16 types of travel categories used in TEIM are associated with types of travel-related businesses. For many years, U.S. Travel Association 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, U.S. TRAVEL ASSOCIATION 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, U.S. Travel Association'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			
Hotels and Motels	701	*Traveler Accommodation*	7211
Recreational Vehicle Parks & Campsites	703	*Recreational Vehicle Parks & Campgrounds*	7212
Auto Transportation			
Passenger Car Rental	7514	*Passenger Car Rental*	532111
Gasoline Service Stations	554	*Gasoline Stations with Convenience Stores; Other Gasoline Stations*	447110; 447190
Automotive Dealers	55 *(excl. 554)*	*Motor Vehicle & Parts Dealers*	4411; 4412; 4413
Entertainment and Recreation			
Amusement and Recreational Services	79	*Amusement, Gambling & Recreation Industries*	713
		Performing Arts, Spectator Sports & Related Industries	711
Museums, Art Galleries, Botanical and Zoological Gardens	84	*Museums, Historical Sites & Similar Institutions*	712
Food			
Eating & Drinking Places (Alcoholic Beverages)	581	*Foodservices & Drinking Places*	7221; 7222; 7224
Grocery Stores	541	*Food and Beverage stores*	4451; 4452; 4453
Public Transportation			
Air Transportation	45	*Passenger Air Transportation; Airport Support Activities*	481; 4881
Rail - Local & Suburban Transit	4111	*Rail Transportation*	485112
Interurban & Rural Bus Carriers	413	*Interurban & Rural Bus Transportation*	4852
Charter Bus/Interstate	4142	*Charter Bus (interstate/interurban)*	4855102
Taxi & Limousine Services	412	*Taxi & Limousine Services*	4853
Water Transportation of Passengers	448	*Water Passenger Transportation*	483112; 483114; 483212
--	--	*Scenic & Sightseeing Transportation* *(New industry-includes parts of SICs 4119,4489,4522,4789,7999)*	487
Retail			
General Merchandise Stores	53	*General Merchandise Stores*	452
Miscellaneous Retail Stores	59	*Other Retail Stores*	453; 44611; 4483; 45111; 45112; 45121
Travel Arrangement			
Travel Arrangement	472	*Travel Arrangement & Reservation Services*	5615
		(includes travel agencies and tour operators)	

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
Bureau of Transportation Statistics, Department of Transportation
Federal Aviation Administration, U.S. Department of Transportation
Federal Highway Administration, U.S. Department of Transportation
National Park Service
South Carolina Department of Revenue
South Carolina Department of Parks, Recreation & Tourism
South Carolina Department of Transportation
Smith Travel Research
OTTI/International Trade Administration, U.S. Department of Commerce
U.S. Travel Association