

Arizona Travel Impacts *1998-2014p*



Photo courtesy of Arizona Office of Tourism

September 2015

Prepared for the

Arizona Office of Tourism
Phoenix, Arizona

ARIZONA TRAVEL IMPACTS 1998-2014P

Arizona Office of Tourism

Primary Research Conducted By:
Dean Runyan Associates
Portland, Oregon

September 2015

EXECUTIVE SUMMARY

This report describes the economic impacts of travel to and through Arizona and the state's fifteen counties. The estimates of the direct impacts associated with traveler spending in Arizona were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The estimates for Arizona are generally comparable to the U.S. Travel and Tourism Satellite Accounts produced by the Bureau of Economic Analysis. The estimates of spending, earnings, employment and tax receipts are also used as input data to derive estimates of other economic measures, including gross domestic product (GDP) and secondary effects of the travel industry.

ANOTHER YEAR OF MODERATE EXPANSION FOR THE ARIZONA TRAVEL INDUSTRY

The Arizona travel industry had its strongest year of growth in 2014 in almost a decade. All measures of the industry – spending, employment and visitation were up sharply in 2014. The only decline was in state tax revenue, due to the expiration of the temporary 1 percent tax on May 31, 2013

- **Spending.** Total direct travel spending in Arizona was \$20.9 billion in 2014. This represents a 5.4 percent increase over the preceding year in current dollars. In real dollars (adjusted for inflation) Arizona travel spending increased by 4.9 percent. These spending increases are the strongest since the period immediately preceding the 2008-09 recession.
- **Travel Activity.** Visitor air travel on domestic flights to Arizona destinations increased by 3.9 percent in 2014 – also the strongest growth since the years before the recession.¹ Room demand increased by 4.5 percent for the year.²
- **Employment.** Direct travel-generated employment was 171,500 in 2014. This represents an addition of 6,200 jobs, an increase of 3.8 percent. Jobs were added in all major sectors of the travel industry.
- **Secondary Impacts.** The re-spending of travel-related revenues by businesses and employees creates secondary impacts. In 2014, the secondary impacts were 147,000 jobs with \$6.2 billion in earnings.
- **GDP.** The Gross Domestic Product of the travel industry was \$8.3 billion in 2014. The travel industry and the microelectronics industry have been the top two export-oriented industries in the state in recent years.

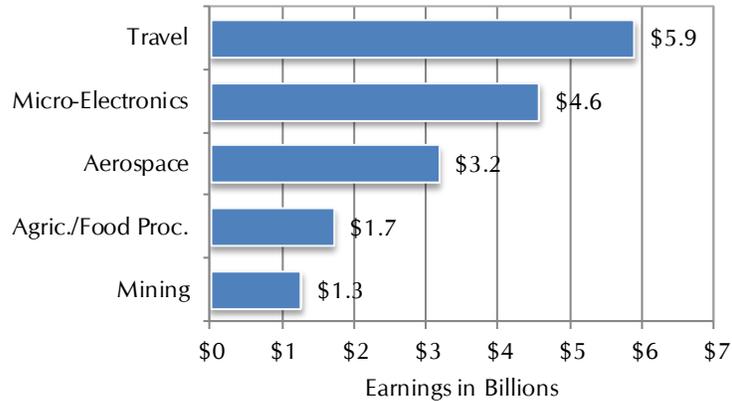
¹ U.S. Department of Transportation Origin and Destination Survey.

² STR, Inc.

THE ARIZONA TRAVEL INDUSTRY IS A LEADING EXPORT-ORIENTED INDUSTRY

Travel and tourism is one of the most important **“export-oriented”** industries in Arizona. Spending by visitors generates sales in lodging, food services, recreation, transportation and retail businesses – the “travel industry.” These sales support jobs for Arizona residents and contribute tax revenue to local and state governments. Travel is especially important in the non-metropolitan areas of the state, where manufacturing and traded services are less prevalent.

Selected Arizona Export-Oriented Industries, 2014



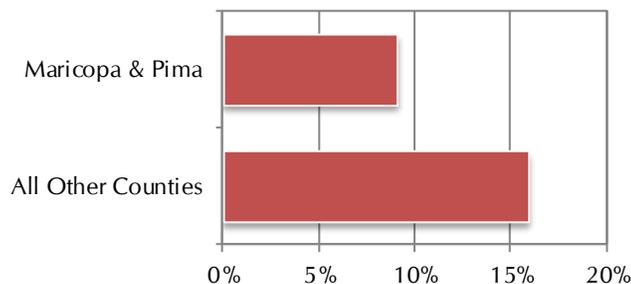
Note: Preliminary 2014 estimates by Dean Runyan Associates.
Agriculture includes food and beverage processing industries.

THE TRAVEL INDUSTRY GENERATES TAX BENEFITS FOR ARIZONA RESIDENTS

In 2014, the travel industry generated \$1,150 in local, state and federal tax receipts for each Arizona household.

- In 2014, more than seven percent of all local and state tax revenues were generated by the travel industry.
- The tax revenue impacts of the Arizona travel industry are relatively more important in non-urban counties (see graph).

State Transaction Privilege Taxes Generated By Direct Travel Spending, 2014 FY



ARIZONA TRAVEL IMPACTS, 1998-2014P

	page
I. U.S. Travel	1
II. Arizona Travel	5
Summary of Arizona Travel	6
Travel Trends	7
Seasonal and Regional Travel Impacts	9
Visitor Origin	10
Arizona Travel Industry Gross Domestic Product	11
Gross Domestic Product of Arizona Export-Oriented Industries	12
Direct, Secondary & Total Impacts	13
III. State and Local Government Revenue	18
Industry Gross Domestic Product and Taxes	18
Arizona Tax Structure	19
Travel Industry Tax Revenue	20
Summary	21
IV. Regional Travel Impacts	23
V. County Travel Impacts	31
Appendices	53
A. 2014 Travel Impact Estimates	54
B. Key Terms and Definitions	58
C. Regional Travel Impact Model	59
D. Travel Industry Accounts	60
E. Arizona Earnings and Employment by Industry Sector	71
F. Secondary Impacts Industry Groups	72

List of Tables and Figures

	page
I. US Travel	
Annual Direct Travel Spending in U.S., 2000-2014p	2
Spending by Foreign and Resident Travelers in U.S.	2
Foreign Share of U.S. Internal Travel	3
Overseas Arrivals	3
Relative Value of Selected Foreign Currencies compared to U.S. Dollar	3
U.S. Travel Industry Employment	4
Components of U.S. Travel Industry Employment	4
II. Arizona Travel	
Arizona Travel Trends, 1998-2014p	7
Arizona Direct Travel Spending, Real and Current Dollars	8
Air Passenger Visitor Arrivals to Arizona, US Air Carriers, 2000-2014	8
Arizona Lodging Sales, 2000-2014	8
Regional Shares of Arizona Taxable Lodging Sales, 2014	9
Taxable Lodging Sales by Region and Quarter, 2014	9
Arizona Taxable Lodging Sales by Quarter, 2008-2014	9
Arizona Visitor Spending by Origin of Visitor, 2014p	10
International Visitor Spending in Arizona, 2000-2014p	10
Arizona Travel Industry Gross Domestic Product, 2014p	11
Arizona Gross Domestic Product, 2014 (Selected Export-Oriented Industries)	12
Total Employment and Earnings Generated by Travel Spending in Arizona, 2014p	13
Direct & Secondary Employment Generated by Travel Spending, 2014p (graph)	15
Direct & Secondary Earnings Generated by Travel Spending, 2014p (graph)	15
Direct & Secondary Employment Generated by Travel Spending, 2014p (table)	16
Direct & Secondary Earnings Generated by Travel Spending, 2014p (table)	16
Arizona Travel Impacts, 2006-2014p (detail)	17
III. State and Local Government Revenue 18	
Production & Import Taxes as a Percent of Gross Domestic Product	18
Arizona State & Local Government Tax Revenues, 2013-14 FY	19
Arizona Travel Industry State & Local Government Tax Revenues, 2013-14 FY	20
Arizona State & Local Tax Revenues, 2013-14 FY (table)	21
State Transaction Privilege Taxes Generated by Travel Spending, 2013 FY (graph)	21
State Transaction Privilege Taxes Generated by Travel Spending, 2013 FY (table)	22
State and Local Travel-Generated Tax Revenue per Household	22
IV. Regional Travel Impacts 23	
Regional Impact Summary Tables	24-25
Regional Impact Detail Tables, 2006-2014p	26
IV. County Travel Impacts 31	
Distribution of Travel-Generated Employment, 2014p	32
Percent of Total Area Employment that is Travel-Generated, 2014p	33
Travel-Generated Employment and Earnings Shares by County, 2014p	34
County Impact Summary Tables	35-39
County Impact Detail Tables, 2006-2014p	39-52

PREFACE

The purpose of this study is to document the economic significance of the travel industry in Arizona from 1998 to 2014. These findings show the level of travel spending by visitors traveling to and within the state, and the impact this spending had on the economy in terms of earnings, employment and tax revenue.

Dean Runyan Associates prepared this study for the Arizona Office of Tourism. Dean Runyan Associates has specialized in research and planning services for the travel, tourism and recreation industry since 1984. With respect to economic impact analysis, the firm developed and currently maintains the Regional Travel Impact Model (RTIM), a proprietary computer model for analyzing travel economic impacts at the state, regional and local level. Dean Runyan Associates also has extensive experience in project feasibility analysis, market evaluation, survey research and travel and tourism planning.

Many individuals and organizations provided data and assistance for this report. State agencies include the Department of Revenue, Department of Commerce, Gaming Commission and State Parks. Information was also provided by the College of Business and Public Administration at the University of Arizona and the School of Hotel and Restaurant Management at Northern Arizona University. Federal agencies that provided essential data for this report include the Bureau of Economic Analysis, the Department of Labor, the Department of Transportation, the U.S. Forest Service, and the National Park Service.

Special thanks are due to Melissa Elkins, Research Manager for the Arizona Office of Tourism. Without her support and assistance, this report would not have been possible.

Dean Runyan Associates
833 SW 11th Ave., Suite 920
Portland, OR 97205

(503) 226-2973
info@deanrunyan.com
www.deanrunyan.com

This page intentionally blank

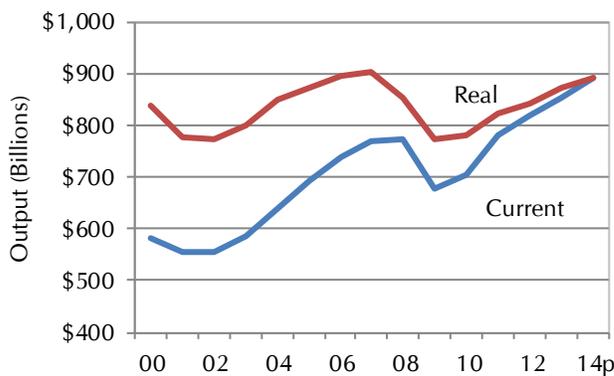
I. U.S. TRAVEL



The national level data in this section focuses on visitor spending trends in current and real dollars, resident and foreign visitor spending in the U.S., and trends in travel-generated employment.

The following two graphs are derived from the Bureau of Economic Analysis Travel and Tourism Satellite Accounts.¹ Both graphs show direct tourism output for the United States – spending by resident and foreign visitors.

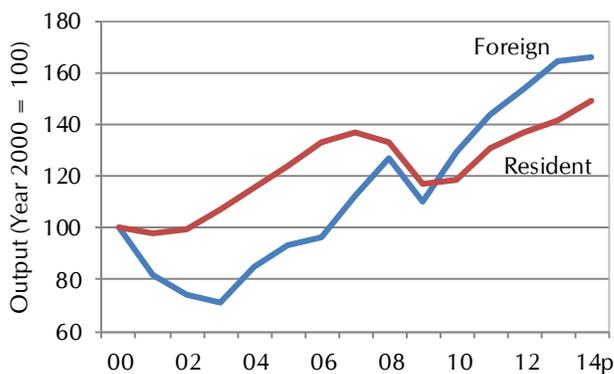
Annual Direct Travel Spending in U.S., 2000-14p



Spending by resident and foreign visitors was \$894 billion in 2014 in current dollars. This represents a 4.5 percent increase over 2013. When adjusted for changes in prices (real dollars), spending increased by 2.5 percent from 2013 to 2014 – compared to a 3.6 percent increase from 2012 to 2013.

Spending by Foreign* and Resident Travelers in U.S.

(Current Dollars; Year 2000 = 100)



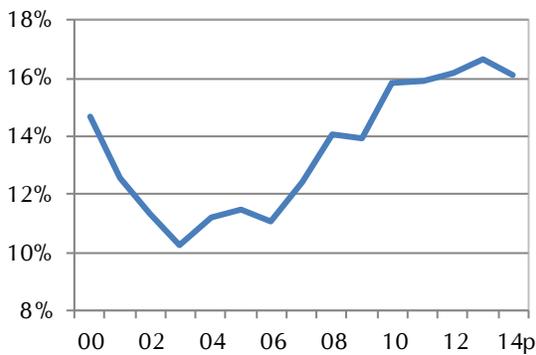
*Note: Foreign visitor spending does not include expenditures on health and educational services or expenditures by short term seasonal workers.

The bottom chart compares the change in current dollar spending by resident and foreign visitors since 2000. In 2014, the increase in spending by resident visitors (5.1 percent) exceeded the increase in foreign visitor spending (1.0 percent). This is the first time that resident spending growth was greater than foreign since the 2008-09 recession.

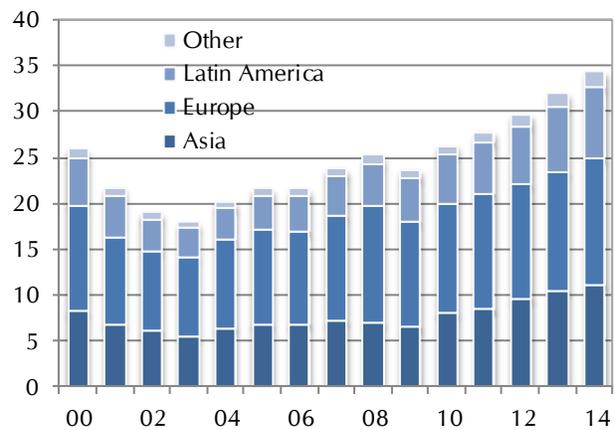
¹ See <http://www.bea.gov/industry/index.htm#satellite>.

The top left chart shows that the foreign share of U.S. internal travel declined in 2014 because of the lower rate of growth of foreign visitor spending (shown in preceding chart).² However, as the graph on the right indicates, overseas arrivals to the U.S. (34.4 million in 2014) continued to increase – 7.4 percent in 2014, following a 7.6 percent increase in 2013. Rather, much of the explanation for the declining foreign share of internal travel in the U.S. is due to the increasing value of U.S. currency (see bottom left chart). As the value of foreign currencies fall relative to the U.S. dollar, foreign visitors have less money to spend on U.S. goods and services.

Foreign Share of U.S. Internal Travel Spending

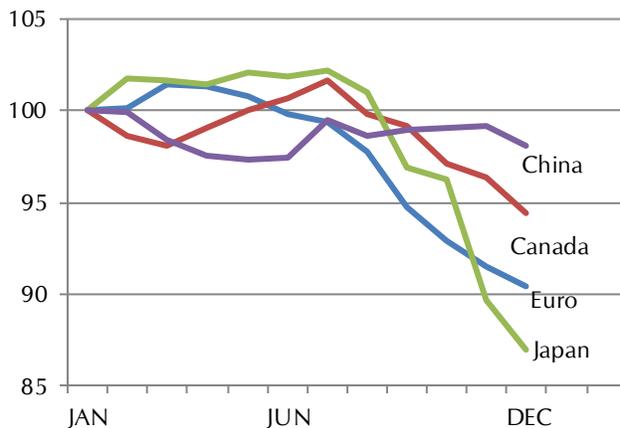


Overseas Arrivals (Millions)



Relative Value of Selected Foreign Currencies compared to U.S. Dollar

Monthly Averages, 2014



Sources:

Foreign Share of U.S Internal Travel: Bureau of Economic Analysis Travel & Tourism Satellite Accounts and International Transactions.

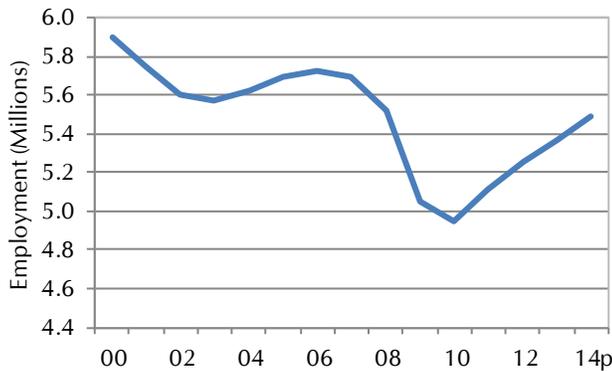
Overseas Arrivals: Office of Travel and Tourism Industries, U.S. Department of Commerce.

Relative Value of Selected Foreign Currencies: USForex, Inc. (www.usforex.com)

² Internal travel does not include spending on international airfares to U.S carriers.

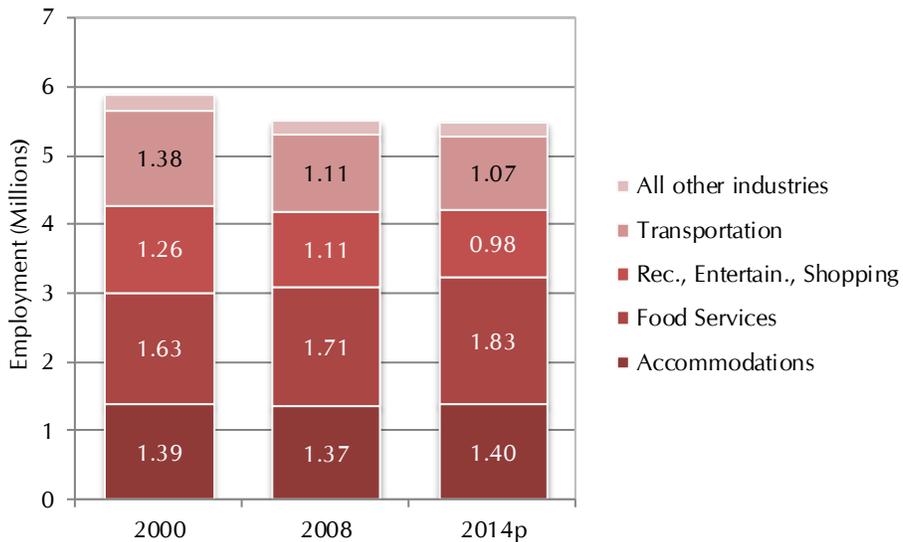
The following two graphs show employment trends since 2000. The first graph shows that travel-generated employment has increased at a steady rate since 2010, although it is still below the level attained prior to the 2008-09 recession. The second graph shows the employment trends of different types of businesses within the travel industry. The only industry that has exhibited substantial growth has been food services.

U.S. Travel Industry Employment

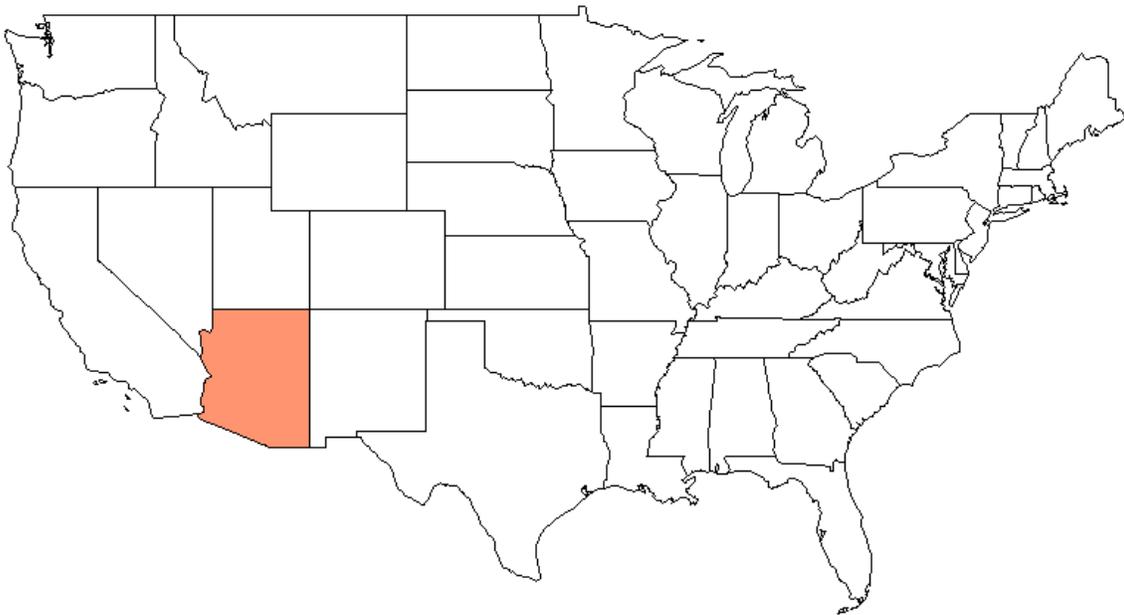


Source: Bureau of Economic Analysis
Travel & Tourism
Satellite Accounts.

Components of U.S. Travel Industry Employment



II. ARIZONA TRAVEL



The multi-billion dollar travel industry in Arizona is an important part of the state and local economies. The industry is represented primarily by businesses in the leisure and hospitality sector, transportation, and retail. The money that visitors spend on various goods and services while in Arizona produces business receipts at these firms, which in turn generate earnings and employment for Arizona residents. In addition, state and local governments collect taxes that are generated from visitor spending. Most of these taxes are imposed on the sale of goods and services to visitors, thus avoiding a tax burden on local residents.

The economic impacts directly generated by visitor spending also contribute to significant secondary impacts. A portion of the business receipts generated by visitor spending is spent by businesses within Arizona for other goods and services (indirect impacts). Visitor generated earnings are also spent by employees for goods and services produced in Arizona (induced impacts).

SUMMARY OF ARIZONA TRAVEL

- Total direct travel spending in Arizona was \$20.9 billion in 2014. This represents a 5.4 percent increase over the preceding year in current dollars. In real dollars (adjusted for inflation) Arizona travel spending increased by 4.9 percent. These spending increases are the strongest since the period immediately preceding the 2008-09 recession.
- Lodging sales increased by 9.1 percent in 2014 following a 4.1 percent increase the preceding year. The growth in room sales was equally attributable to increased room rates and room demand (STR, Inc.).
- Visitor air travel on domestic flights to Arizona destinations increased by 3.9 percent in 2014 – also the strongest growth since the years before the recession. Visitor air arrivals to the state were essentially flat from 2010 through 2013.
- Direct travel-generated employment was 171,500 in 2014. This represents an addition of 6,200 jobs, an increase of 3.8 percent. Jobs were added in all major sectors of the travel industry. (See detailed employment estimates, page 17.)
- The Gross Domestic Product of the travel industry was \$8.3 billion in 2014. The travel industry and the microelectronics industry have been the top two export-oriented industries in the state in recent years.
- The re-spending of travel-related revenues by businesses and employees creates secondary impacts. In 2014, the secondary impacts were 147,000 jobs with \$6.2 billion in earnings.

TRAVEL TRENDS

The Arizona travel industry had its strongest year of growth in 2014 in almost a decade. All measures of the industry – spending, employment and visitation were up sharply in 2014. Total direct travel spending increased by 5.4 percent (*4.9 percent in real dollars, see next page*). Employment increased by 3.8 percent, as jobs were added in all industry sectors (*see detailed impact table, page 16*). The only decline was in state tax revenue due to the expiration of the temporary 1 percent tax on May 31, 2013.¹

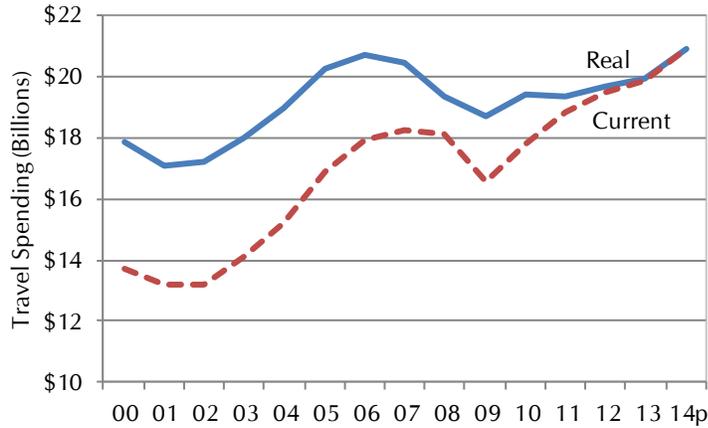
Arizona Travel Trends, 1998-2014p

	Spending (\$Billion)	Earnings (\$Billion)	Employment (Thousand)	Tax Revenue ¹ (\$Million)			
				Local	State	Federal	Total
1998	11.9	3.4	153.4	481	467	752	1,700
1999	12.7	3.6	158.5	521	500	805	1,826
2000	13.7	3.9	160.7	549	534	854	1,937
2001	13.2	3.8	152.7	514	534	783	1,831
2002	13.2	3.8	151.9	524	561	801	1,887
2003	14.1	4.0	155.1	556	591	844	1,991
2004	15.2	4.3	159.2	589	632	918	2,139
2005	16.9	4.6	165.9	652	694	987	2,332
2006	17.9	5.0	169.6	705	728	1,054	2,488
2007	18.2	5.2	169.2	721	736	1,102	2,559
2008	18.1	5.1	166.6	698	709	1,083	2,491
2009	16.6	4.9	157.7	667	686	1,045	2,398
2010	17.8	5.0	156.0	689	740	1,080	2,509
2011	18.8	5.2	158.8	717	803	1,028	2,548
2012	19.5	5.4	162.6	725	827	1,058	2,609
2013	19.9	5.5	165.3	722	808	1,170	2,699
2014p	20.9	5.9	171.5	737	798	1,240	2,774
<i>Annual Percentage Change</i>							
13-14p	5.4	6.3	3.8	2.1	-1.3	6.0	2.8
98-14p	3.6	3.5	0.7	2.7	3.4	3.2	3.1

Note: Estimates for 2014p are preliminary. These direct travel impacts do not include secondary (indirect and induced) impacts. One-way visitor airfares are included. Total earnings include wage and salary disbursements, other earned income and proprietor income. Employment includes full- and part-time payroll employees and self-employed.

¹ State tax revenue would have increased by 3.4 percent had there been no rate change. Local tax revenue would also have increased by 3.4 percent because of revenue sharing. The effect was even more pronounced because of the seasonality of the Arizona travel industry, as the temporary tax expired after the peak travel season in 2013.

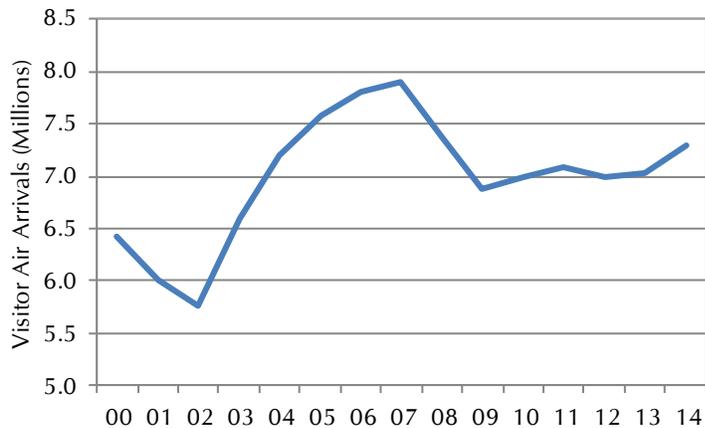
**Arizona Direct Travel Spending
Real and Current Dollars
2000-2014p**



In real dollars (adjusted for inflation) Arizona travel spending increased by 4.9 percent over 2013 – compared to a 1.5 percent increase in the preceding year. The only significant price increase was room rates (5.0 percent, STR, Inc).

Sources: STR, Inc., Energy Information Administration, U.S. Department of Transportation Origin and Destination Survey, and Bureau of Labor Statistics CPI-West Urban.

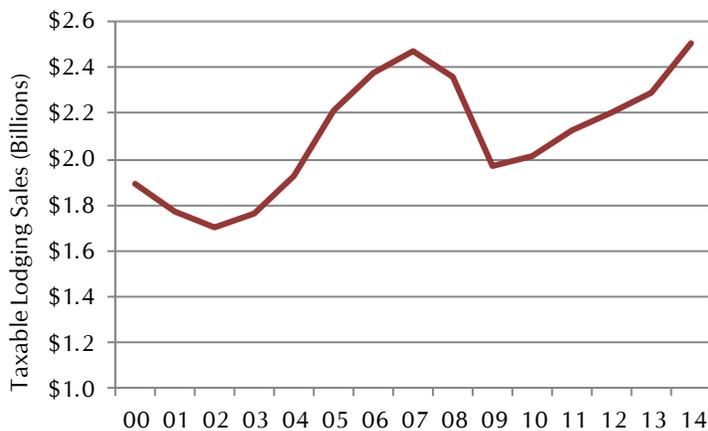
**Air Passenger Visitor Arrivals to Arizona
U.S. Air Carriers, 2000-2014**



Visitor air arrivals to Arizona increased by 3.9 percent from 2013 to 2014 – the strongest rate of growth since before the recession.

Sources: U.S. Department of Transportation Origin and Destination Survey and Dean Runyan Associates.

**Arizona Taxable Lodging Sales
2000-2014**



Lodging sales is another indicator of the strength of the travel industry as it reflects the profitability of one of its key sectors. Taxable lodging sales increased by 9.1 percent annually from 2013 to 2014 – following a 4.1 percent increase the preceding year. About one-half of this increase was due to increased room rates.

Sources: Arizona Department of Revenue and STR, Inc.

SEASONAL AND REGIONAL TRAVEL IMPACTS

Lodging sales are used in this section to document seasonal patterns in the Arizona tourism industry. (Lodging sales are used because travel spending and related impacts are estimated only on a calendar year basis.)

The pie chart shows the annual distribution of lodging sales by region. The lodging sales of the Phoenix and Central Arizona region are greater than the four other regions combined.

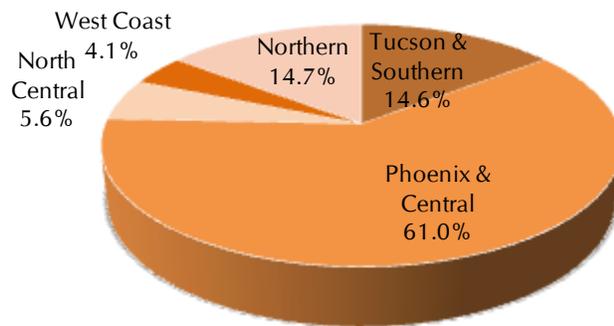
(The Northern Arizona region includes Apache, Coconino and Navajo counties. The West Coast region includes La Paz, Mohave and Yuma counties. The North Central region includes Gila and Yavapai counties. The Phoenix and Central Arizona region includes Maricopa and Pinal counties. The Tucson and Southern Arizona region includes Cochise, Graham, Greenlee, Pima and Santa Cruz counties.)

The next two graphs provide quarterly breakouts for the regions and the state.

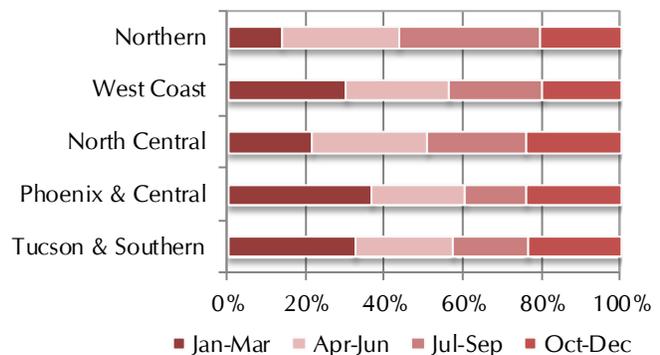
Lodging sales are greatest in the first quarter for three of Arizona's tourism regions – the West Coast, Phoenix and Tucson. By contrast, spring and summer quarters are most important for the Northern and North Central regions.

The bottom column chart provides a statewide quarterly breakout of lodging sales in two year increments beginning in 2008. (Lodging sales in 2008 were about 5 percent less than the peak year of 2007.) Lodging sales have rebounded in all four quarters.

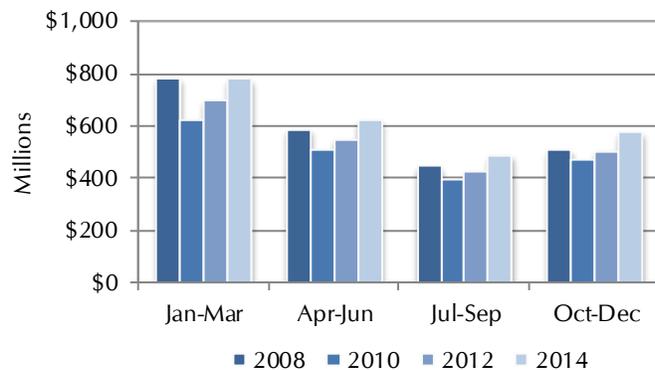
Regional Shares of Arizona Taxable Lodging Sales, 2014



Taxable Lodging Sales by Region and Quarter, 2014



Arizona Taxable Lodging Sales by Quarter, 2008-2014 (Millions)



Source: Arizona Department of Revenue taxable hotel/motel sales.

VISITOR ORIGIN

Out-of-state travelers generate more than three-fourths of the visitor impacts in Arizona. Visitors from other states are the largest segment (more than 60 percent of spending), while international travel, including day travel from Mexico, comprises approximately 17 percent of visitor impacts.

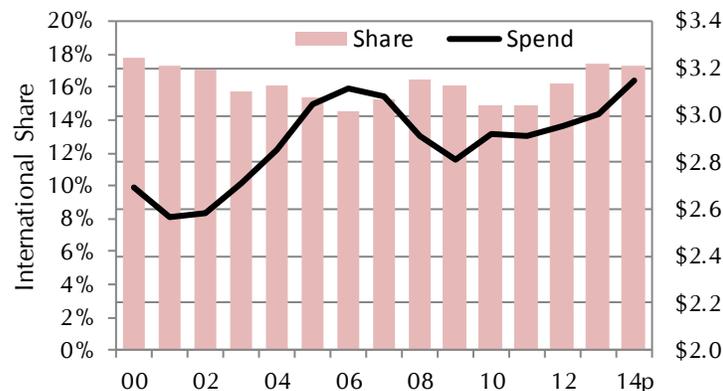
Arizona Travel Impacts by Origin of Visitor, 2014p

Origin	Spending	Earnings	Employment	Tax Receipts (\$ Million)	
	(\$ Billion)	(\$ Billion)	(Thousand)	Local/State	Federal
Arizona	3.9	0.9	31.5	318	193
Other U.S.	11.2	3.3	102.9	968	765
International	3.1	0.6	21.9	224	113
All Visitors	18.2	4.8	156.3	1,511	1,071
Other Travel	2.7	1.0	15.3	24	169
Total Travel	20.9	5.9	171.5	1,534	1,240

Sources: Dean Runyan Associates, International Trade Administration and Bureau of Economic Analysis (U.S. Dept. of Commerce), TNS TravelsAmerica visitor survey, Statistics Canada, Vera Pavlakovich-Kochi and Alberta H. Charney, "Mexican Visitors to Arizona: Visitor Characteristics and Economic Impacts, 2007-08" (Karl Eller College of Business and Public Administration, University of Arizona) and Bureau of Transportation Statistics Border Crossing/Entry Data.

International Visitor Spending in Arizona, 2000-2014p

Spending in Real (2014) Dollars



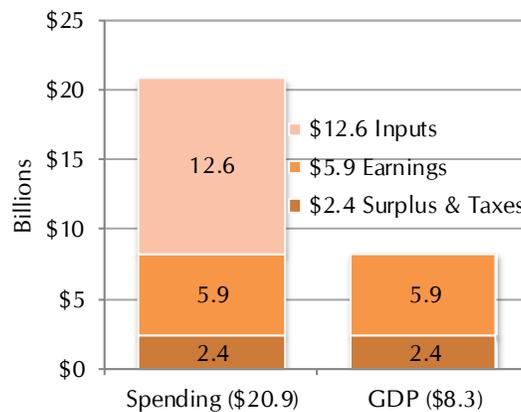
Sources: See above chart for source of international estimates. See first graph on preceding page for constant dollar estimates. Constant dollar visitor spending does not include "Other Travel."

ARIZONA TRAVEL INDUSTRY GROSS DOMESTIC PRODUCT

In concept, the Gross Domestic Product (GDP) of a particular industry is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries). GDP is always smaller than output or sales because GDP measures only the “value added” of an industry and does not include the cost of the inputs that are also necessary to produce a good or service. Alternatively, GDP can be thought of as the sum of earnings, indirect business taxes (primarily excise and property taxes) and other operating surplus (including profits). Estimates of travel spending and travel industry GDP are shown in the chart below. Arizona travel industry GDP amounted to \$8.3 billion in 2014. Arizona travel industry GDP has represented slightly less than 3.0 percent of total state GDP in recent years.

About 60 percent of all travel spending in Arizona is attributed to intermediate inputs and goods resold at retail. Intermediate inputs cover a range of goods and services that are purchased by travel industry businesses for the purpose of creating a product or service for the traveler. For example, lodging establishments purchase cable television services. Restaurants purchase food and beverages from vendors. In both cases, these inputs are classified as the GDP of other industries. In addition, travel spending occurs at many retail establishments where the goods purchased from the retailer are purchased as finished goods from suppliers. These resold goods are also counted as products of other industries. This would include motor fuel, groceries and most of the commodities sold at retail establishments.²

Arizona Travel Industry Gross Domestic Product, 2014p



Sources: Dean Runyan Associates, Bureau of Economic Analysis, and Minnesota Implan Group. Details may not add to totals due to rounding.

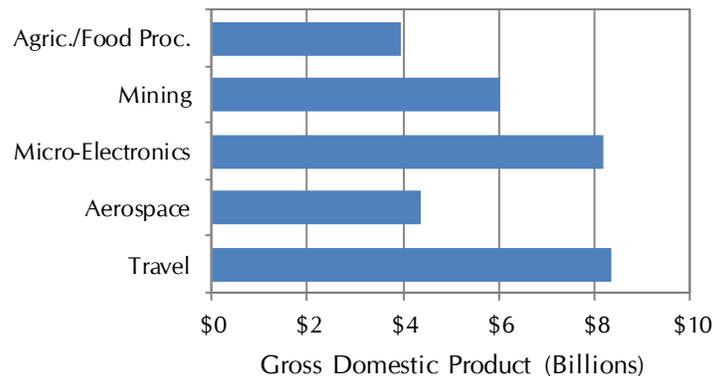
² About 38 percent of the \$12.6 billion of inputs and goods resold are purchased from other Arizona businesses.

GROSS DOMESTIC PRODUCT OF ARIZONA EXPORT-ORIENTED INDUSTRIES

Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations.³ Agriculture, mining, and manufacturing are the best examples of export-oriented industries. Clearly, there are cases in each of these three sectors where the products are sold within the local or regional market. Nonetheless, in general most businesses within these industries depend on export markets. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. The travel industry injects money into the local economy, as do the exports of other industries.

Exports are not necessarily more important than locally traded goods and services. However, diverse export-oriented industries in any economy are a source of strength – in part because they generate income that contributes to the development of other local services and amenities. Such industries characterize the “comparative advantage” of the local economy within larger regional, national and global markets. A comparison of the GDP’s of the leading export-oriented industries in Arizona is shown below.

2014 GDP of Major Arizona Export Industries



Sources: Bureau of Economic Analysis, Bureau of Labor Statistics and Dean Runyan Associates. 2014 estimates for non-travel industries based on 2013 GDP and 2014 earnings and payroll.

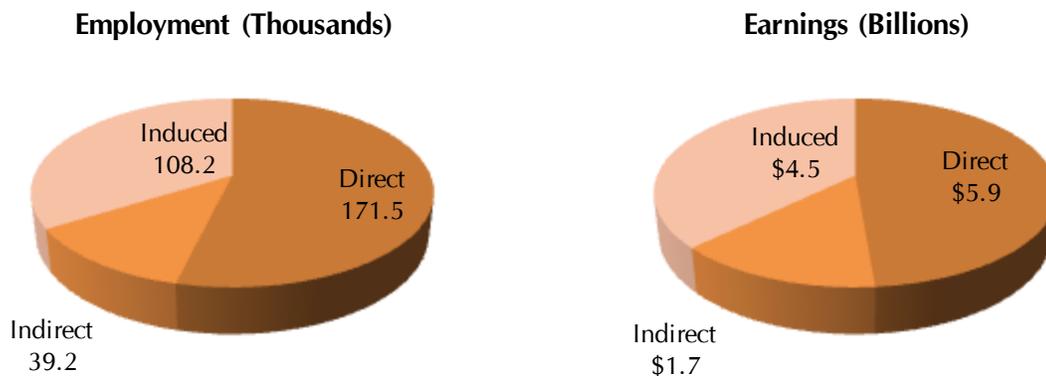
³ See also pages 55 of Appendix A and page 67 of Appendix D.

DIRECT, SECONDARY AND TOTAL IMPACTS

Travel spending within Arizona brings money into many Arizona communities in the form of business receipts. Portions of these receipts are spent within the state for labor and supplies. Employees, in turn, spend a portion of their earnings on goods and services in the state. This re-spending of travel-related revenues creates *indirect and induced impacts*. To summarize:

- **Direct** impacts represent the employment and earnings attributable to travel expenditures made directly by travelers at businesses throughout the state.
- **Indirect** impacts represent the employment and earnings associated with industries that supply goods and services to the direct businesses (i.e., those that receive money directly from travelers throughout the state).
- **Induced** impacts represent the employment and earnings that result from purchases for food, housing, transportation, recreation, and other goods and services made by travel industry employees, and the employees of the indirectly affected industries.

Total Employment and Earnings Generated by Travel Spending in Arizona, 2014p



Note: Indirect and induced impacts estimated by Dean Runyan Associates with Minnesota IMPLAN model. Total employment was 319,000. The employment multiplier for 2014 is 1.86 (319.0/171.5). Total earnings were \$12.1 billion. The earnings multiplier is 2.05 (\$12.1/\$5.9).

The impacts in this section are presented in terms of the employment and earnings of eleven major industry groups. These industry groups are similar, but not identical to the business service (or commodity) categories presented elsewhere in this report. (The specific industries that comprise these major groups are listed in Appendix D.) Direct travel impacts, such as those discussed in the first part of this section and the regional and county impacts presented elsewhere in this report are found in the following industry groups:

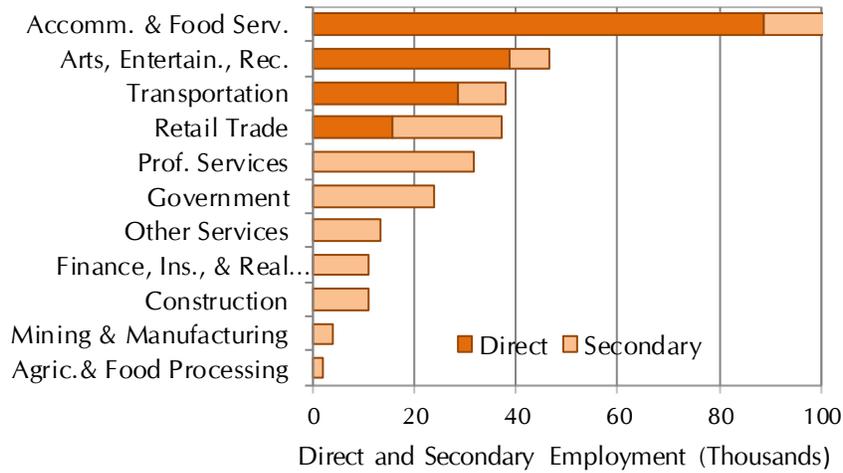
- **Accommodations & Food Services**
- **Arts, Entertainment and Recreation**
- **Retail Trade**
- **Transportation**

As is indicated in the following tables and graphs, the total direct employment and earnings of these four industry groups is identical to the total direct employment and earnings shown in the first part of this section. The only difference is that these industry groups represent industry groupings (firms) rather than commodity or business service groupings.

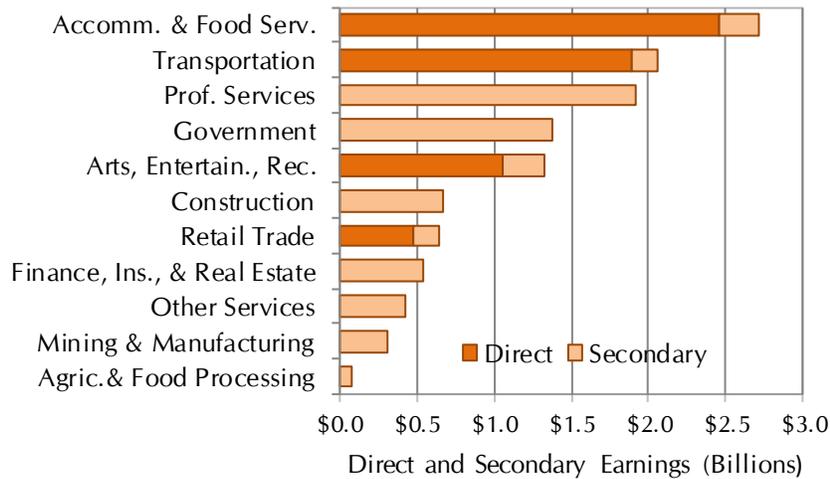
The indirect and induced impacts of travel spending are found in all eleven-industry groupings shown in the following tables and graphs. To summarize the primary secondary impacts:

- **Professional Services** (32,000 jobs and \$1.9 billion earnings). Legal, medical, educational and other professional services are utilized by travel businesses (indirect effect) and by employees of these firms (induced effect).
- **Other Services** (13,000 jobs and \$421 million earnings). Employees of travel-related businesses purchase services from various providers, such as dry cleaners and repair shops. Similarly, travel businesses utilize a number of service providers, such as laundry, maintenance and business services.
- **Government** (24,000 jobs and \$1.4 billion earnings). Employees of travel-related businesses pay fees to attend public educational institutions and to operate motor vehicles.
- **Finance, Insurance and Real Estate** (11,000 jobs and \$547 million earnings). Employees and businesses use the services of financial institutions, insurers and real estate businesses.

Direct and Secondary Employment Generated by Travel Spending in Arizona, 2014p



Direct and Secondary Earnings Generated by Travel Spending in Arizona, 2014p



See notes at end of table on page 20.

Detailed estimates are reported in the following table. It should be emphasized that the estimates of indirect and induced impacts reported here apply to the entire state of Arizona and do not necessarily reflect economic patterns for individual counties, regions or sub-regions within the state. While total economic impacts can be calculated on a county or regional level, such a detailed analysis is not included in this study. In general, geographic areas with lower levels of aggregate economic activity will have smaller secondary impacts within those same geographic boundaries.

Direct & Secondary Visitor-Generated Employment in Arizona, 2014p
(thousand jobs)

Industry Group	Direct	Secondary		Total	Grand Total
		Indirect	Induced		
Accomm. & Food Serv.	89	4	9	13	101
Arts, Entertain., Rec.	39	6	2	8	47
Transportation	29	5	4	9	38
Retail Trade	16	3	18	21	37
Prof. Services	0	8	24	32	32
Government	0	1	23	24	24
Other Services	0	5	8	13	13
Finance, Ins., & Real Estate	0	4	7	11	11
Construction	0	1	10	11	11
Mining & Manufacturing	0	1	2	4	4
Agric.& Food Processing	0	1	1	2	2
All Industries	172	39	108	147	319

Direct & Secondary Visitor-Generated Earnings in Arizona, 2014p
(\$ Million)

Industry Group	Direct	Secondary		Total	Grand Total
		Indirect	Induced		
Accomm. & Food Serv.	2,451	79	179	259	2,710
Transportation	1,886	134	40	174	2,060
Prof. Services	0	567	1,356	1,923	1,923
Government	0	92	1,286	1,378	1,378
Arts, Entertain., Rec.	1,058	214	60	274	1,332
Construction	0	53	613	665	665
Retail Trade	484	14	153	167	650
Finance, Ins., & Real Estate	0	191	356	547	547
Other Services	0	203	219	421	421
Mining & Manufacturing	0	119	195	313	313
Agric.& Food Processing	0	35	39	73	73
All Industries	5,878	1,700	4,495	6,195	12,073

Source: Dean Runyan Associates and Minnesota Implan Group.

Note: These industry groups are not equivalent to the categories used in the direct impact tables used in this report. See Appendix D. Details may not add to totals due to rounding.

Detailed direct travel impacts for 2006 through 2014p are shown on the following page.

Arizona Direct Travel Impacts, 2006-2014p

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Billion)							
Destination Spending	15.8	16.0	15.7	16.7	17.1	17.4	18.2
Other Travel*	2.1	2.2	2.0	2.1	2.4	2.5	2.7
Total Direct Spending	17.9	18.1	17.8	18.8	19.5	19.9	20.9
Visitor Spending by Type of Traveler Accommodation (\$Billion)							
Hotel, Motel	7.7	7.3	7.0	7.4	7.7	7.9	8.4
Private Home	3.5	3.8	3.9	4.2	4.2	4.3	4.4
Campground	0.6	0.7	0.6	0.7	0.7	0.7	0.7
Vacation Home	0.6	0.6	0.7	0.7	0.7	0.7	0.7
Day Travel	3.4	3.5	3.5	3.6	3.8	3.8	4.0
Destination Spending	15.8	16.0	15.7	16.7	17.1	17.4	18.2
Visitor Spending by Commodity Purchased (\$Billion)							
Accommodations	2.8	2.7	2.4	2.5	2.6	2.7	2.9
Food Service	3.2	3.2	3.4	3.5	3.6	3.7	4.0
Food Stores	0.8	0.9	0.9	0.9	0.9	0.9	1.0
Local Tran. & Gas	2.8	3.2	3.1	3.6	3.8	3.7	3.7
Arts, Ent. & Rec.	2.1	2.0	2.1	2.1	2.1	2.1	2.2
Retail Sales	2.5	2.4	2.4	2.4	2.5	2.5	2.6
Visitor Air Tran.	1.5	1.5	1.5	1.6	1.6	1.6	1.8
Destination Spending	15.8	16.0	15.7	16.7	17.1	17.4	18.2
Industry Earnings Generated by Travel Spending (\$Billion)							
Accom. & Food Serv.	2.0	2.1	2.1	2.1	2.2	2.3	2.5
Arts, Ent. & Rec.	0.9	0.9	0.9	0.9	1.0	1.0	1.1
Retail**	0.6	0.6	0.5	0.5	0.5	0.5	0.5
Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Visitor Air Tran.	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Other Travel*	0.8	0.8	0.8	0.8	0.9	0.9	1.0
Total Direct Earnings	5.0	5.1	5.0	5.2	5.4	5.5	5.9
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	83.7	83.4	80.2	82.2	83.3	85.9	88.6
Arts, Ent. & Rec.	38.7	37.4	35.6	35.7	36.6	37.3	38.7
Retail**	19.7	20.0	16.9	16.8	16.6	16.8	17.5
Ground Tran.	3.8	3.5	3.5	3.6	3.7	3.8	3.9
Visitor Air Tran.	8.2	7.9	7.1	7.4	7.5	7.2	7.6
Other Travel*	15.5	14.4	12.8	13.2	14.9	14.3	15.3
Total Direct Employment	169.6	166.6	156.0	158.8	162.6	165.3	171.5
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	705	698	689	717	725	722	737
State Tax Receipts	728	709	740	803	827	808	798
Federal Tax Receipts	1,054	1,083	1,080	1,028	1,058	1,170	1,240
Total Direct Gov't Revenue	2,488	2,491	2,509	2,548	2,609	2,699	2,774

Details may not add to totals due to rounding.

*Other Travel includes resident air travel, travel arrangement & reservation services, and convention & trade organizers. **Retail includes gasoline.

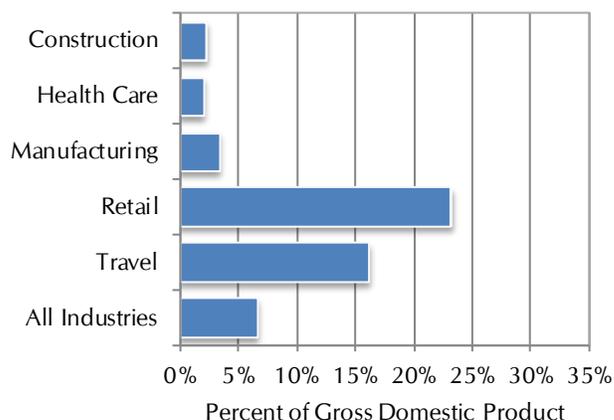
III. STATE AND LOCAL GOVERNMENT REVENUE

This section is concerned with the contribution of the Arizona travel industry to state and local government finance. The first part of the report compares the travel industry to various other sectors of the state economy. The remainder provides an overview of state and local finance and the revenue contribution of the travel industry.

INDUSTRY GROSS DOMESTIC PRODUCT AND TAXES

One way to consider the tax contributions of various sectors of the economy is to express the tax payments of businesses to government as a percentage of Gross Domestic Product. The bar chart and accompanying table show these tax payments (taxes on production and imports or TOPI) for a sample of goods-producing and service sectors in the state, including travel. TOPI include most of the taxes paid by the business firm to local, state and federal governments except for income taxes. This includes property taxes, licenses and fees and the sales and excise taxes collected from consumers. It is because of these later taxes that retail trade and travel have relatively high proportions of tax payments in relation to their gross domestic products.

Production & Import Taxes as a Percent of Gross Domestic Product
Selected Arizona Industry Sectors, 2013 Calendar Year



Sources: Bureau of Economic Analysis and Dean Runyan Associates.

*TOPI denotes taxes on production and imports, less subsidies.

GDP & TOPI expressed in \$Million.

	GDP	*TOPI	Percent
Construction	12,709	293	2.3%
Health Care	22,285	463	2.1%
Manufacturing	23,168	791	3.4%
Retail	20,683	4,812	23.3%
Travel	7,660	1,241	16.2%
All Industries	274,734	18,319	6.7%

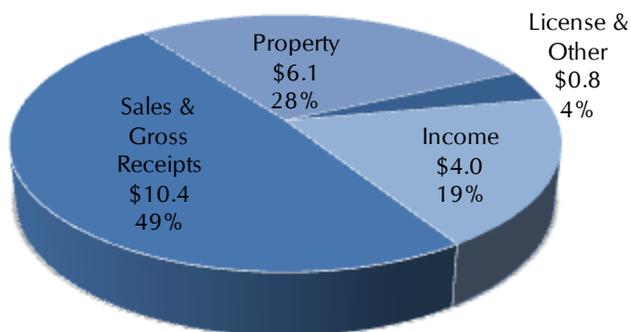
The remainder of this report will focus on the travel industry and the specific tax contributions made to state and local government in Arizona. In addition to the taxes on production discussed in the previous section, the tax payments of travel industry employees derived from the income earned from travel industry businesses will be included.¹ The three primary sources of tax revenue generated by the travel industry are:

- Sales tax receipts generated by **visitor spending**. This includes local and state sales taxes, lodging taxes, alcoholic beverage taxes, motor vehicle rental taxes and motor fuel taxes.
- Taxes paid by **travel industry businesses** attributable to travel generated business receipts (property and income taxes).
- Taxes paid by **travel industry employees** attributable to travel generated earnings (sales and property taxes).

ARIZONA TAX STRUCTURE

The pie chart below, adapted from the Bureau of the Census' State and Local Government Finance and other data sources, shows the main categories of tax revenue in Arizona. Approximately one-half of all tax revenue is derived from sales and gross receipts taxes. Property taxes, paid primarily by homeowners and businesses to local governments, constitute more than one-fourth of all tax revenue.² Income taxes constitute about one-fifth of all tax revenue.

Arizona State and Local Government Tax Revenues
2013-14 Fiscal Year (Billions)



Sources: The 2013-14 fiscal year estimates of state and local tax revenues in Arizona were prepared by Dean Runyan Associates from various sources, including the Bureau of the Census (State and Local Government Finance), the Arizona Department of Revenue, the Bureau of Economic Analysis and a selection of annual financial reports for cities and counties. Sales and gross receipts taxes include the state privilege tax, local sales taxes and a variety of selective taxes, such as those on motor fuel and lodging.

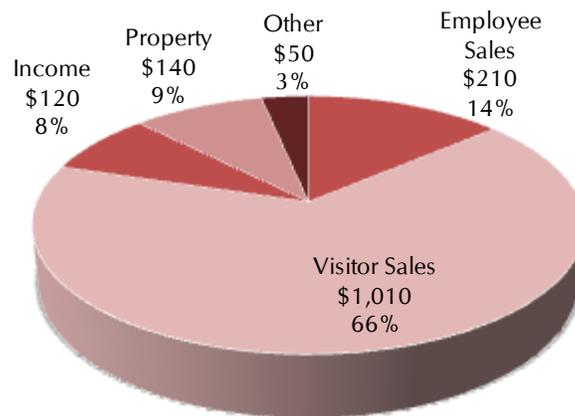
¹ In effect, this means re-allocating some of the sales and excise payments made by other industries to the travel industry because the payments are ultimately made by consumers that earned their income in the travel industry.

² Businesses pay 68 percent of all property taxes in Arizona according the Tax Foundation (Fiscal Fact No. 342, November 21, 2012).

TRAVEL INDUSTRY TAX REVENUE

The distribution of taxes generated by the travel industry for the 2013-14 fiscal year is shown in the following pie chart. The categories are the same as the preceding figure, with the exception that sales tax receipts are also distinguished between those that are generated by visitor spending and those that are generated by the spending of travel industry employees.

Arizona Travel Industry State and Local Government Tax Revenues
2013-14 Fiscal Year
(Million)



Source: Dean Runyan Associates. "Other" travel-generated tax revenue includes gaming taxes and passenger facility charges for visitors who travel to Arizona airports.

Whereas slightly about one-half of all state and local tax revenue in Arizona was attributable to sales tax collections in the 2013-14 fiscal year, 80 percent of all travel industry tax revenue was attributable to sales tax receipts from visitors (66 percent) and the purchases of employees in the travel industry (14 percent).

Travel industry state and local tax revenues are compared to total Arizona state and local tax revenues in the following table. Because the travel industry generates a relatively high proportion of sales tax revenues, it is associated with proportionately more tax revenues than would be expected given the size of the industry, as measured by earnings or gross domestic product. Whereas the earnings and GDP of the travel industry are in the range of two and one-half percent of the state totals, travel industry tax revenues represent 7.2 percent of all state and local tax revenues in Arizona. This is consistent with the initial analysis that compared different industries within the state.

Arizona State and Local Tax Revenues
2013-14 Fiscal Year
(\$Million)

	Total	Travel Generated	Percent Travel
Sales & Gross Receipts	\$4,010	\$1,230	30.6%
Income	\$10,430	\$120	1.2%
Property	\$6,090	\$140	2.3%
License & Other	\$840	\$50	5.8%
Total Tax Receipts	\$21,370	\$1,540	7.2%

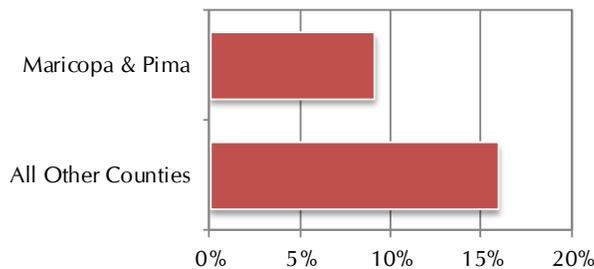
Source: Dean Runyan Associates and Bureau of the Census, State and Local Government Finance.

SUMMARY

This analysis of the tax revenue generated by the Arizona travel industry can be summarized as follows:

- The Arizona travel industry contributes more tax revenue to state and local governments than would be expected based on the size of the industry. Whereas the gross domestic product and employee earnings represent about three percent of the state economy, the travel industry generated 7.2 percent of tax revenue in the 2014 fiscal year.
- Eighty percent of all travel-generated tax revenue is attributable to sales and gross receipts taxes. The travel industry share of the state total is more than 30 percent. Not only are most travel industry goods and services taxed, but a large share of these commodities (lodging and motor fuel) are taxed at rates that are greater than the general sales tax.
- A majority of these tax revenues are borne by visitors who reside in other states and countries.
- The tax impacts of the travel industry are generally greater for the less urbanized counties in the state, as illustrated in the graph below.

**State Transaction Privilege Taxes Generated
By Direct Travel Spending, 2014 FY**



Source: Arizona Department of Revenue and Dean Runyan Associates. Graph derived from table on following page.

The revenue contributions of Arizona’s fifteen counties are detailed in the following two tables.

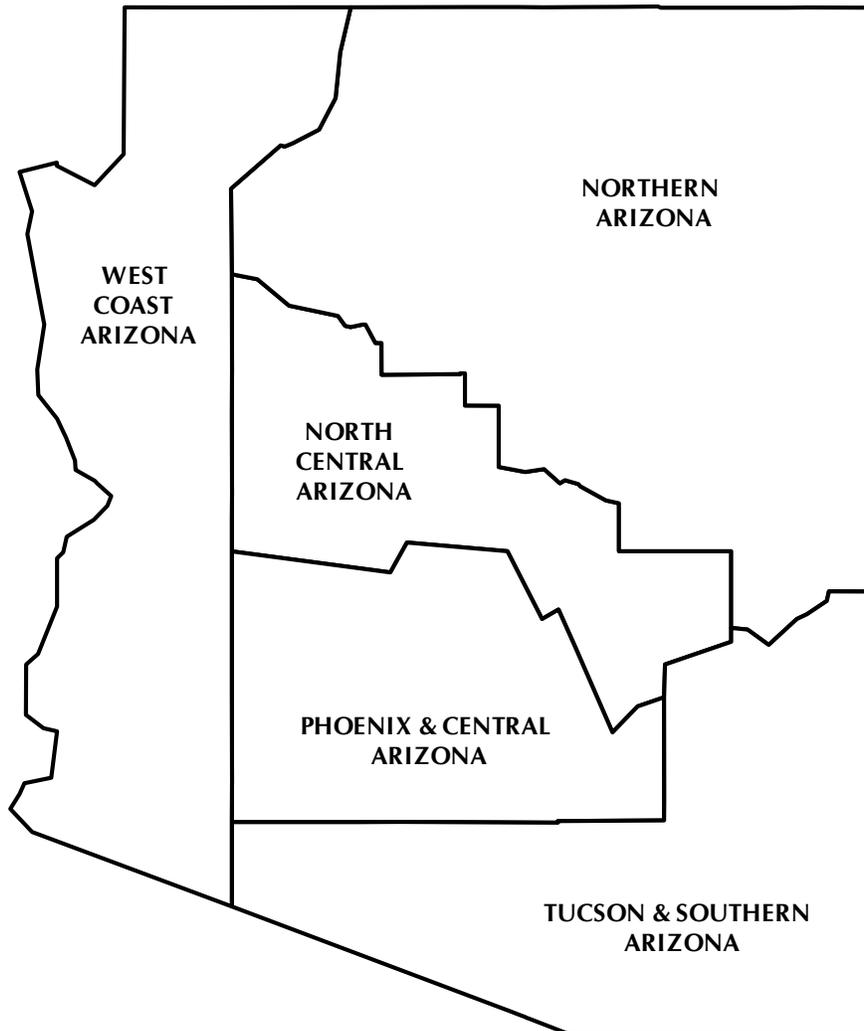
**State Transaction Privilege Taxes Generated
by Travel Spending, FY 2014**
(\$Millions)

	Total	Travel	Percent
Apache	15.1	3.2	21.0%
Cochise	72.3	9.7	13.5%
Coconino	127.0	39.0	30.7%
Gila	33.2	5.8	17.5%
Graham/Greenlee	56.5	2.9	11.9%
La Paz	13.4	3.1	22.9%
Maricopa	3,511.9	302.0	8.6%
Mohave	128.8	15.2	11.8%
Navajo	68.5	9.4	13.8%
Pima	705.0	78.9	11.2%
Pinal	144.4	17.6	12.2%
Santa Cruz	28.0	8.3	29.5%
Yavapai	150.0	20.0	13.3%
Yuma	120.2	16.8	13.9%
Arizona	5,174.1	532.3	10.3%

State and Local Travel-Generated Tax Revenue per Household
2014 Calendar Year

	Tax Revenue (Millions)			Households (Thousands)	Tax Revenue per Household
	Local	State	Total		
Apache	\$4.3	\$5.2	\$9.5	23.2	\$410
Cochise	\$13.7	\$14.3	\$27.9	50.8	\$550
Coconino	\$47.3	\$48.8	\$96.1	48.3	\$1,990
Gila	\$7.2	\$11.7	\$18.9	22.1	\$850
Graham/Greenlee	\$2.9	\$4.1	\$7.0	15.0	\$520
La Paz	\$4.5	\$5.9	\$10.3	9.3	\$1,110
Maricopa	\$484.0	\$462.1	\$946.1	1,501.9	\$630
Mohave	\$16.5	\$23.6	\$40.1	85.0	\$470
Navajo	\$11.1	\$13.6	\$24.7	36.1	\$690
Pima	\$74.3	\$110.8	\$185.1	400.1	\$460
Pinal	\$17.3	\$28.0	\$45.4	128.6	\$350
Santa Cruz	\$7.9	\$11.0	\$18.9	15.5	\$1,220
Yavapai	\$24.7	\$31.2	\$55.9	94.4	\$590
Yuma	\$19.5	\$26.7	\$46.2	67.2	\$690
Arizona	\$736.7	\$797.6	\$1,534.3	2,497.6	\$610

IV: REGIONAL TRAVEL IMPACTS 1998-2014P



*The **Northern Arizona** region includes Apache, Coconino and Navajo counties. **West Coast Arizona** includes La Paz, Mohave and Yuma counties. **North Central Arizona** includes Gila and Yavapai counties. **Phoenix and Central Arizona** includes Maricopa and Pinal counties. **Tucson and Southern Arizona** includes Cochise, Graham, Greenlee, Pima and Santa Cruz counties.*

2014p Arizona Regional Travel Impacts

	Travel Spending		Related Travel-Generated Impacts				
	Total (\$Million)	Visitor (\$Million)	Earnings (\$Million)	Employment (jobs)	Local Taxes (\$Million)	State Taxes (\$Million)	Total Taxes (\$Million)
Northern Arizona	1,601	1,497	437	16,990	63	68	130
West Coast Arizona	1,390	1,239	315	13,180	40	56	97
North Central Arizona	1,024	945	249	10,750	32	43	75
Phoenix & Central Arizona	13,326	10,082	4,098	100,150	501	490	991
Tucson & Southern Arizona	3,563	2,923	780	30,470	99	140	239
Arizona	20,923	18,211	5,878	171,540	737	798	1,534

Details may not add to totals due to rounding.

The sum of regional visitor spending is less than statewide visitor spending because a portion of ground transportation is allocated to "other travel" at the regional level.

Arizona Regional Total Travel Spending, 1998-2014p (\$ Millions)

														Annual Percent Chg.	
	1998	2000	2002	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014p	13-14p	98-14p
Northern Arizona	919	1,058	998	1,092	1,248	1,293	1,386	1,261	1,339	1,412	1,484	1,507	1,601	6.3	3.5
West Coast Arizona	795	908	958	1,065	1,233	1,232	1,280	1,229	1,263	1,332	1,352	1,371	1,390	1.3	3.6
North Central Arizona	570	689	694	742	884	914	915	831	876	924	974	992	1,024	3.2	3.7
Phoenix & Central Arizona	7,216	8,362	7,834	9,276	11,136	11,418	11,261	10,155	11,097	11,871	12,219	12,557	13,326	6.1	3.9
Tucson & Southern Arizona	2,355	2,718	2,733	3,038	3,406	3,391	3,299	3,102	3,207	3,266	3,461	3,428	3,563	3.9	2.6
Arizona	11,854	13,735	13,216	15,215	17,907	18,247	18,142	16,577	17,781	18,805	19,490	19,855	20,923	5.4	3.6

Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

Arizona Regional Travel-Generated Earnings, 1998-2014p
(\$ Millions)

														Annual Percent Chg.	
	1998	2000	2002	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014p	13-14p	98-14p
Northern Arizona	257	289	277	300	333	362	392	366	375	385	402	414	437	5.5	3.4
West Coast Arizona	195	216	234	254	292	297	309	308	297	300	301	309	315	1.8	3.0
North Central Arizona	155	184	188	195	231	246	246	227	221	219	232	242	249	3.2	3.0
Phoenix & Central Arizona	2,268	2,627	2,510	2,904	3,405	3,573	3,462	3,290	3,401	3,591	3,714	3,835	4,098	6.9	3.8
Tucson & Southern Arizona	506	579	603	649	719	733	711	685	679	684	743	730	780	6.9	2.7
Arizona	3,380	3,895	3,811	4,303	4,981	5,212	5,120	4,876	4,973	5,180	5,393	5,529	5,878	6.3	3.5

Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

Arizona Regional Travel-Generated Employment, 1998-2014p
(thousands)

														Annual Percent Chg.	
	1998	2000	2002	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014p	13-14p	98-14p
Northern Arizona	16.2	16.8	15.2	15.4	15.7	16.0	16.8	15.7	16.0	16.1	16.2	16.6	17.0	2.4	0.3
West Coast Arizona	11.8	12.1	12.9	13.0	14.5	13.8	13.7	13.6	13.2	13.2	13.2	13.3	13.2	-0.7	0.7
North Central Arizona	9.5	10.2	11.4	11.0	11.4	11.4	11.5	10.7	10.2	10.2	10.4	10.5	10.8	1.9	0.7
Phoenix & Central Arizona	87.6	91.4	82.2	88.2	95.2	96.1	94.5	88.5	88.2	90.9	93.0	95.4	100.2	5.0	0.8
Tucson & Southern Arizona	28.1	30.2	30.2	31.6	32.8	31.9	30.1	29.2	28.5	28.4	29.7	29.5	30.5	3.2	0.5
Arizona	153.4	160.7	151.9	159.2	169.6	169.2	166.6	157.7	156.0	158.8	162.6	165.3	171.5	3.8	0.7

Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

Travel-Generated Employment and Earnings as Percent of Total, 2014p

	Employment (thousands)			Earnings (Million)		
	Total	Travel	Percent Travel	Total	Travel	Percent Travel
Northern Arizona	155.0	17.0	11.0%	\$6,190	\$437	7.1%
West Coast Arizona	156.4	13.2	8.4%	\$6,595	\$315	4.8%
North Central Arizona	110.2	10.8	9.8%	\$4,056	\$249	6.1%
Phoenix & Central Arizona	2,450.0	100.2	4.1%	\$131,239	\$4,098	3.1%
Tucson & Southern Arizona	593.7	30.5	5.1%	\$27,700	\$780	2.8%
Arizona Total	3,465.3	171.6	5.0%	\$175,779	\$5,878	3.3%

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and travel-generated employment estimates by Dean Runyan Associates. Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

Northern Arizona Travel Impacts, 2006-2014p

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	1,182	1,307	1,266	1,327	1,385	1,405	1,497
Other Travel*	66	80	73	86	99	101	104
Total Direct Spending	1,248	1,386	1,339	1,412	1,484	1,507	1,601
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	722	803	764	795	840	860	931
Private Home	131	142	145	157	161	159	165
Campground	43	49	48	50	50	49	48
Vacation Home	82	89	89	93	96	96	99
Day Travel	204	223	220	230	239	242	254
Destination Spending	1,182	1,307	1,266	1,327	1,385	1,405	1,497
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	316	363	344	361	381	395	436
Food Service	276	304	309	315	331	340	365
Food Stores	69	78	76	80	83	83	89
Local Tran. & Gas	130	167	150	181	190	186	188
Arts, Ent. & Rec.	173	181	176	177	181	183	193
Retail Sales	203	206	198	198	205	204	212
Visitor Air Tran.	15	8	13	14	14	13	15
Destination Spending	1,182	1,307	1,266	1,327	1,385	1,405	1,497
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	199	244	232	232	245	254	270
Arts, Ent. & Rec.	76	83	91	99	100	102	104
Retail**	42	46	39	40	40	40	42
Visitor Air Tran.	8	6	6	6	6	5	6
Other Travel*	8	13	7	8	11	13	14
Total Direct Earnings	333	392	375	385	402	414	437
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	9.4	10.3	9.9	9.9	10.0	10.2	10.6
Arts, Ent. & Rec.	4.1	4.1	4.2	4.2	4.1	4.3	4.2
Retail**	1.8	1.9	1.6	1.6	1.6	1.6	1.6
Visitor Air Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	0.3	0.4	0.2	0.3	0.4	0.4	0.5
Total Direct Employment	15.7	16.8	16.0	16.1	16.2	16.6	17.0
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	50.7	58.4	57.6	59.5	61.3	60.7	62.7
State Tax Receipts	56.0	60.5	61.8	67.3	70.0	66.8	67.6
Total Direct Gov't Revenue	106.7	118.9	119.4	126.8	131.2	127.5	130.3

Details may not add to totals due to rounding.

*Other Travel includes resident air travel, travel arrangement services, and convention and trade shows.

**Retail includes gasoline.

Northern Arizona includes Apache, Coconino and Navajo counties.

West Coast Arizona Travel Impacts, 2006-2014p

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	1,133	1,150	1,137	1,189	1,205	1,224	1,239
Other Travel*	99	130	126	144	147	147	151
Total Direct Spending	1,233	1,280	1,263	1,332	1,352	1,371	1,390
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	289	259	253	278	277	266	277
Private Home	224	247	250	264	265	276	274
Campground	112	125	126	133	128	133	123
Vacation Home	91	99	98	103	105	106	109
Day Travel	418	420	410	411	429	443	456
Destination Spending	1,133	1,150	1,137	1,189	1,205	1,224	1,239
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	146	135	124	133	132	129	136
Food Service	240	245	259	266	271	280	287
Food Stores	120	128	124	126	131	136	143
Local Tran. & Gas	138	167	156	187	191	190	182
Arts, Ent. & Rec.	252	251	251	259	255	256	252
Retail Sales	227	212	211	206	214	220	225
Visitor Air Tran.	10	12	12	12	12	12	14
Destination Spending	1,133	1,150	1,137	1,189	1,205	1,224	1,239
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	123	130	136	140	137	145	151
Arts, Ent. & Rec.	103	106	95	94	98	97	94
Retail**	55	56	50	49	49	50	52
Visitor Air Tran.	0	0	1	1	0	0	0
Other Travel*	10	17	15	16	16	17	18
Total Direct Earnings	292	309	297	300	301	309	315
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	6.7	6.5	6.6	6.8	6.4	6.7	6.8
Arts, Ent. & Rec.	5.3	4.6	4.2	4.2	4.5	4.3	4.0
Retail**	2.1	2.0	1.8	1.7	1.7	1.7	1.7
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.4	0.6	0.5	0.5	0.5	0.5	0.6
Total Direct Employment	14.5	13.7	13.2	13.2	13.2	13.3	13.2
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	41.5	41.2	41.2	42.1	41.8	41.2	40.5
State Tax Receipts	54.0	53.2	55.7	59.4	59.8	58.4	56.1
Total Direct Gov't Revenue	95.5	94.4	96.9	101.5	101.5	99.6	96.6

Details may not add to totals due to rounding.

*Other Travel includes resident air travel, travel arrangement services, and convention and trade shows.

**Retail includes gasoline.

West Coast Arizona includes La Paz, Mohave and Yuma counties.

North Central Arizona Travel Impacts, 2006-2016p

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	819	843	812	851	899	916	945
Other Travel*	64	71	64	73	75	76	79
Total Direct Spending	884	915	876	924	974	992	1,024
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	286	277	250	261	293	310	330
Private Home	104	115	117	127	130	130	132
Campground	23	26	25	27	27	26	27
Vacation Home	35	38	37	39	40	41	42
Day Travel	371	388	382	398	408	410	415
Destination Spending	819	843	812	851	899	916	945
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	136	139	121	126	142	150	165
Food Service	153	157	161	166	176	182	191
Food Stores	56	62	61	64	66	67	70
Local Tran. & Gas	87	106	97	117	124	122	120
Arts, Ent. & Rec.	271	268	261	263	273	276	281
Retail Sales	115	110	111	113	116	117	118
Visitor Air Tran.	1	0	1	1	2	1	1
Destination Spending	819	843	812	851	899	916	945
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	96	107	96	100	111	120	128
Arts, Ent. & Rec.	99	102	93	87	89	89	87
Retail**	27	28	25	25	25	25	26
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	9	9	7	6	6	7	8
Total Direct Earnings	231	246	221	219	232	242	249
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	4.6	4.7	4.2	4.3	4.6	4.8	5.1
Arts, Ent. & Rec.	5.4	5.2	4.7	4.6	4.6	4.5	4.4
Retail**	1.1	1.2	1.0	1.0	1.0	1.0	1.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.4	0.4	0.3	0.2	0.2	0.2	0.2
Total Direct Employment	11.4	11.5	10.2	10.2	10.4	10.5	10.8
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	30.1	30.9	29.6	30.1	31.6	31.7	31.9
State Tax Receipts	39.7	39.7	39.7	42.2	44.4	43.5	42.9
Total Direct Gov't Revenue	69.8	70.6	69.3	72.3	75.9	75.2	74.8

Details may not add to totals due to rounding.

*Other Travel includes resident air travel, travel arrangement services, and convention and trade shows.

**Retail includes gasoline.

North Central Arizona includes Gila and Yavapai counties.

Phoenix & Central Arizona Travel Impacts, 2006-2014p

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	8,669	8,620	8,621	9,137	9,290	9,509	10,082
Other Travel*	2,468	2,642	2,476	2,734	2,929	3,048	3,244
Total Direct Spending	11,136	11,261	11,097	11,871	12,219	12,557	13,326
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	4,765	4,481	4,304	4,575	4,695	4,849	5,215
Private Home	2,227	2,355	2,495	2,625	2,625	2,696	2,823
Campground	269	289	278	293	297	267	282
Vacation Home	283	322	334	347	356	363	373
Day Travel	1,124	1,173	1,210	1,296	1,318	1,333	1,388
Destination Spending	8,669	8,620	8,621	9,137	9,290	9,509	10,082
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	1,742	1,680	1,413	1,522	1,568	1,618	1,779
Food Service	1,831	1,852	1,997	2,093	2,156	2,229	2,374
Food Stores	285	311	318	340	343	346	368
Local Tran. & Gas	1,027	1,111	1,115	1,269	1,297	1,299	1,338
Arts, Ent. & Rec.	1,186	1,140	1,158	1,193	1,205	1,222	1,273
Retail Sales	1,331	1,245	1,309	1,358	1,368	1,384	1,430
Visitor Air Tran.	1,266	1,281	1,311	1,363	1,353	1,411	1,520
Destination Spending	8,669	8,620	8,621	9,137	9,290	9,509	10,082
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	1,171	1,259	1,228	1,291	1,329	1,388	1,461
Arts, Ent. & Rec.	537	540	540	546	587	613	674
Retail**	234	234	218	231	227	226	238
Ground Tran.	107	102	109	117	119	120	127
Visitor Air Tran.	565	543	564	612	601	598	632
Other Travel*	792	786	743	795	852	890	965
Total Direct Earnings	3,405	3,462	3,401	3,591	3,714	3,835	4,098
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	44.3	45.0	43.1	44.6	45.1	46.9	48.3
Arts, Ent. & Rec.	18.0	18.1	16.9	17.2	17.9	18.7	20.4
Retail**	7.2	7.3	6.7	6.8	6.7	6.8	7.0
Ground Tran.	2.9	2.8	2.8	2.9	3.0	3.0	3.1
Visitor Air Tran.	7.8	7.5	6.8	7.0	7.2	7.0	7.3
Other Travel*	14.9	13.9	12.0	12.3	13.3	13.0	14.1
Total Direct Employment	95.2	94.5	88.2	90.9	93.0	95.4	100.2
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	475.3	465.6	459.9	485.2	488.0	489.5	501.3
State Tax Receipts	436.9	425.6	447.1	492.3	503.9	496.4	490.1
Total Direct Gov't Revenue	912.1	891.3	907.0	977.5	991.9	985.9	991.5

Details may not add to totals due to rounding.

*Other Travel includes resident air travel, travel arrangement services, and convention and trade shows.

**Retail includes gasoline.

Phoenix & Central Arizona includes Maricopa and Pinal counties.

Tucson & Southern Arizona Travel Impacts, 2006-2014p

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	2,883	2,719	2,671	2,667	2,771	2,803	2,923
Other Travel*	523	580	536	599	690	625	640
Total Direct Spending	3,406	3,299	3,207	3,266	3,461	3,428	3,563
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	1,262	1,114	1,097	1,093	1,118	1,130	1,168
Private Home	528	569	575	597	599	591	609
Campground	67	49	42	45	46	45	45
Vacation Home	51	56	56	59	60	60	62
Day Travel	975	932	901	874	947	976	1,039
Destination Spending	2,883	2,719	2,671	2,667	2,771	2,803	2,923
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	487	428	391	388	394	397	413
Food Service	658	616	652	651	682	699	732
Food Stores	287	290	274	265	289	302	329
Local Tran. & Gas	362	364	355	393	411	408	410
Arts, Ent. & Rec.	224	209	211	210	212	211	215
Retail Sales	656	590	584	557	585	597	621
Visitor Air Tran.	210	223	204	203	198	190	202
Destination Spending	2,883	2,719	2,671	2,667	2,771	2,803	2,923
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	385	383	375	385	410	416	442
Arts, Ent. & Rec.	98	95	94	92	92	92	101
Retail**	137	131	117	113	116	117	124
Ground Tran.	30	25	27	28	29	29	30
Visitor Air Tran.	10	12	11	10	9	7	10
Other Travel*	59	65	55	57	86	67	73
Total Direct Earnings	719	711	679	684	743	730	780
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	18.7	16.9	16.4	16.5	17.2	17.3	17.8
Arts, Ent. & Rec.	6.0	5.4	5.5	5.4	5.4	5.4	5.7
Retail**	5.1	4.8	4.1	4.0	4.0	4.0	4.2
Ground Tran.	0.8	0.7	0.7	0.7	0.7	0.7	0.7
Visitor Air Tran.	0.2	0.2	0.2	0.2	0.2	0.1	0.2
Other Travel*	2.0	2.1	1.6	1.5	2.2	1.9	1.8
Total Direct Employment	32.8	30.1	28.5	28.4	29.7	29.5	30.5
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	107.5	101.7	100.6	99.8	102.1	98.7	98.8
State Tax Receipts	141.9	130.4	135.7	142.1	148.7	142.9	140.1
Total Direct Gov't Revenue	249.4	232.1	236.3	241.9	250.8	241.5	238.9

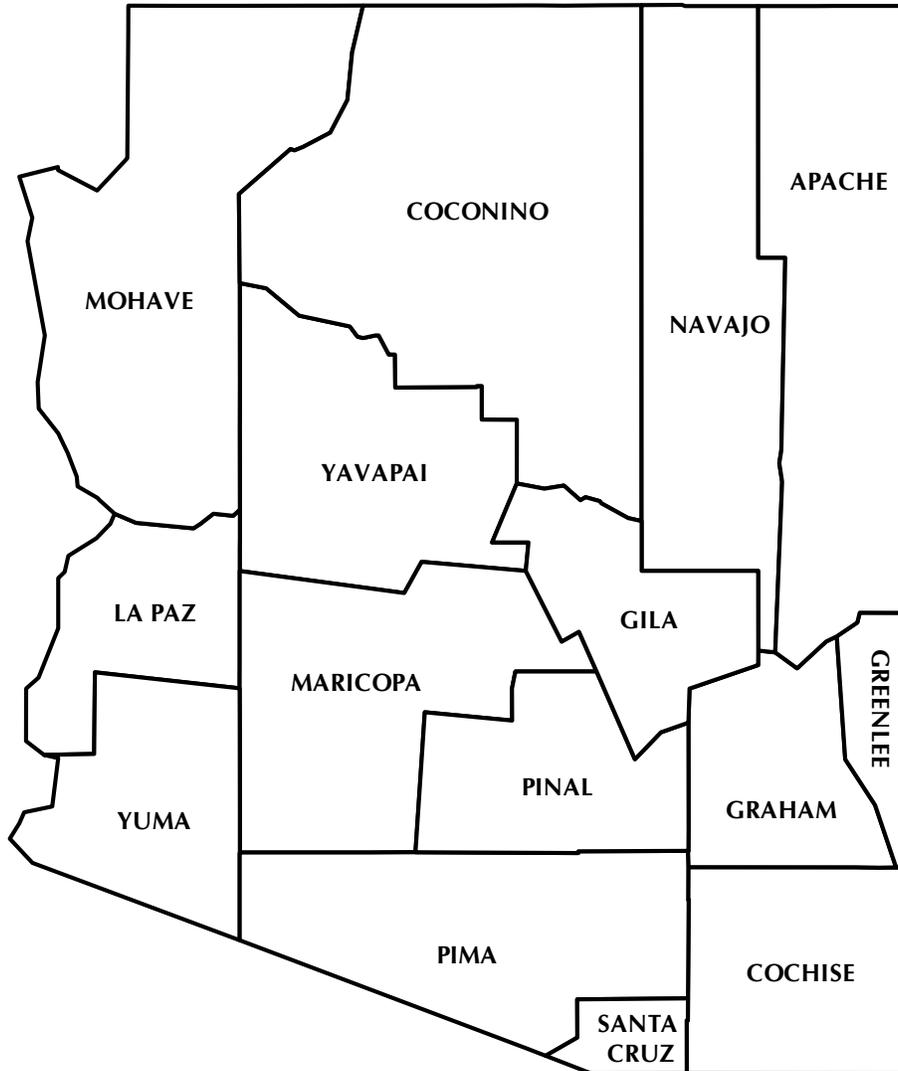
Details may not add to totals due to rounding.

*Other Travel includes resident air travel, travel arrangement services, and convention and trade shows.

**Retail includes gasoline.

Tucson & Southern Arizona includes Cochise, Graham, Greenlee, Pima and Santa Cruz counties.

V: COUNTY TRAVEL IMPACTS 1998-2014P



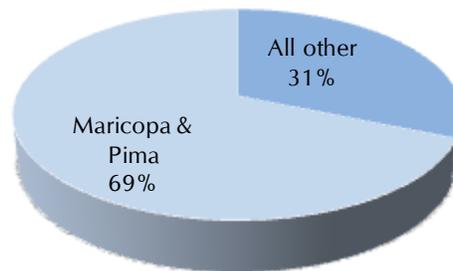
The analysis of travel impacts at the county level provides a valuable overview of how the economic benefits of travel and tourism are distributed throughout the state.

Urban areas, such as Maricopa County, tend to have highly developed travel industry infrastructure consisting of large inventories of amusement and recreation opportunities, commercial accommodations, and well-developed transportation links. Hotel/motel guests are important to these areas and, hence, a large proportion of travel expenditures are spent on overnight lodging.

In many of the less urbanized areas of Arizona, however, the economic significance of travel and tourism is actually relatively more important. The infrastructure that serves visitors to Maricopa County also serves local residents. Most of the spending on recreation and food services in Maricopa county is by local residents. This is not the case in most other less urbanized areas of the state – leisure and hospitality businesses are generally much more dependent on visitor spending rather than local residents.

In the graph below, the two most populous counties in Arizona, Maricopa and Pima, are compared with the thirteen other counties in the state with respect to their share of total employment – two-thirds of all travel-generated jobs in the state are in the two most populous counties.

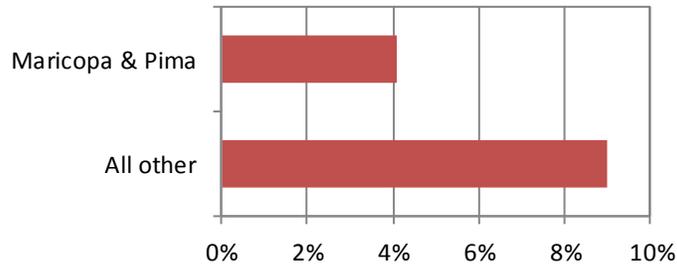
Distribution of Travel-Generated Employment, 2014p
Percent of State Direct Travel-Generated Employment



Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and travel-generated employments estimates by Dean Runyan Associates.

However, as a group the less urbanized counties in the state actually have a higher proportion of travel-generated employment in relation to the total employment of the county. This is shown graphically below. Four percent of all employment in Maricopa and Pima counties is travel-generated. By contrast, the proportion is more than double in for the other Arizona counties.

**Percent of Total Area Employment
that is Travel-Generated, 2014p**



Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and travel-generated employment estimates by Dean Runyan Associates. Travel-generated employment in Maricopa and Pima counties constitutes 4.1 percent of all employment in those counties. The comparable figure for other Arizona counties is 9.0

In general, the employment and earnings estimates provided in the preceding figures are probably the best measure at the county level of the relative importance of travel and tourism for local economies. The following table provides estimates for individual counties. Total employment includes all full-time and part-time wage and salary employment and self-employment. Because total employment includes all *jobs*, regardless of the hours worked, the average annual earnings of the job or the number of individuals employed, this indicator is in some respects less useful than earnings estimates. Nonetheless, the distribution of counties is similar for earnings and employment.

Travel-Generated Employment and Earnings as Percent of Total, 2014p

	Employment			Earnings (Million)		
	Total	Travel	Percent Travel	Total	Travel	Percent Travel
Apache	28,320	1,530	5.4%	\$1,062	\$30	2.8%
Cochise	54,090	3,790	7.0%	\$2,614	\$80	3.1%
Coconino	86,190	11,850	13.7%	\$3,599	\$321	8.9%
Gila	22,910	2,580	11.3%	\$912	\$62	6.7%
Graham/Greenlee	19,060	1,230	6.5%	\$1,033	\$18	1.8%
La Paz	8,010	1,390	17.4%	\$317	\$33	10.4%
Maricopa	2,365,970	94,300	4.0%	\$127,765	\$3,958	3.1%
Mohave	64,530	5,870	9.1%	\$2,512	\$140	5.6%
Navajo	40,480	3,610	8.9%	\$1,529	\$85	5.6%
Pima	500,590	23,410	4.7%	\$23,132	\$630	2.7%
Pinal	84,020	5,850	7.0%	\$3,474	\$140	4.0%
Santa Cruz	19,980	2,050	10.3%	\$920	\$52	5.6%
Yavapai	87,320	8,170	9.4%	\$3,143	\$188	6.0%
Yuma	83,830	5,920	7.1%	\$3,766	\$141	3.8%
Arizona Total	3,465,310	171,540	5.0%	\$175,779	\$5,878	3.3%

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and travel-generated employment estimates by Dean Runyan Associates.

Note: Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

Direct travel impact estimates for 1998 through 2014p can be found on the following pages. As noted in the appendix to this report, county level estimates are necessarily less reliable than the statewide estimates. Furthermore, estimates for the smallest counties are less reliable than those for larger counties due to survey sample sizes and other data limitations. For this reason, small changes in year-to-year estimates are less important than longer-term trends.

2014p Arizona County Travel Impacts

	Travel Spending		Related Travel-Generated Impacts				
	Total (\$Million)	Visitor (\$Million)	Earnings (\$Million)	Employment (jobs)	Local Taxes (\$Million)	State Taxes (\$Million)	Total Taxes (\$Million)
Apache	121	104	30	1,530	4.3	5.2	9.5
Cochise	350	318	80	3,790	13.7	14.3	27.9
Coconino	1,171	1,108	321	11,850	47.3	48.8	96.1
Gila	279	267	62	2,580	7.2	11.7	18.9
Graham/Greenlee	91	80	18	1,230	2.9	4.1	7.0
La Paz	142	137	33	1,390	4.5	5.9	10.3
Maricopa	12,683	9,528	3,958	94,300	484.0	462.1	946.1
Mohave	583	498	140	5,870	16.5	23.6	40.1
Navajo	310	285	85	3,610	11.1	13.6	24.7
Pima	2,815	2,228	630	23,410	74.3	110.8	185.1
Pinal	643	554	140	5,850	17.3	28.0	45.4
Santa Cruz	307	296	52	2,050	7.9	11.0	18.9
Yavapai	745	678	188	8,170	24.7	31.2	55.9
Yuma	665	604	141	5,920	19.5	26.7	46.2
Arizona	20,923	18,211	5,878	171,540	736.7	797.6	1,534.3

Details may not add to totals due to rounding.

The sum of county visitor spending is less than statewide visitor spending because a portion of county ground transportation is allocated to "other travel" at the county level.

Arizona County Total Travel Spending, 1998-2014p
(\$ Millions)

														Annual Percent Chg.	
	1998	2000	2002	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014p	13-14p	98-14p
Apache	83	104	99	101	122	124	133	118	122	127	129	117	121	3.3	2.3
Cochise	227	266	272	312	341	369	376	353	370	362	350	343	350	1.8	2.7
Coconino	640	705	667	759	846	887	945	881	941	996	1,050	1,084	1,171	8.0	3.8
Gila	196	218	214	229	260	269	260	245	257	266	279	280	279	-0.1	2.3
Graham/Greenlee	36	44	40	43	62	66	67	53	61	70	76	87	91	4.6	5.9
La Paz	105	114	117	122	127	130	133	130	128	139	143	144	142	-1.4	1.9
Maricopa	6,994	8,110	7,562	8,956	10,718	10,936	10,734	9,656	10,507	11,231	11,587	11,932	12,683	6.3	3.8
Mohave	312	354	381	424	520	510	522	486	530	545	554	579	583	0.6	4.0
Navajo	195	249	231	233	281	282	308	263	275	289	305	305	310	1.4	2.9
Pima	1,849	2,127	2,132	2,384	2,722	2,672	2,573	2,401	2,513	2,595	2,764	2,709	2,815	3.9	2.7
Pinal	222	252	272	321	418	482	527	499	589	640	632	625	643	2.9	6.9
Santa Cruz	242	281	289	300	282	285	283	295	263	239	271	288	307	6.6	1.5
Yavapai	375	471	480	513	623	644	655	586	619	658	695	712	745	4.5	4.4
Yuma	377	439	459	519	586	592	625	612	605	648	655	648	665	2.6	3.6
Arizona	11,854	13,735	13,216	15,215	17,907	18,247	18,142	16,577	17,781	18,805	19,490	19,855	20,923	5.4	3.6

Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

Arizona County Travel-Generated Earnings, 1998-2014p
(\$ Millions)

														Annual Percent Chg.	
	1998	2000	2002	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014p	13-14p	98-14p
Apache	20	24	24	23	27	29	31	31	31	31	32	29	30	4.6	2.6
Cochise	50	56	59	67	73	82	84	81	80	78	76	77	80	3.9	3.0
Coconino	189	204	195	221	240	265	284	266	268	277	285	299	321	7.6	3.4
Gila	50	54	54	57	65	69	66	64	56	55	58	61	62	1.3	1.3
Graham/Greenlee	9	10	9	9	14	15	15	12	13	14	15	17	18	6.7	4.9
La Paz	23	25	26	26	27	28	29	29	28	31	31	33	33	1.2	2.2
Maricopa	2,214	2,568	2,445	2,830	3,311	3,462	3,340	3,169	3,274	3,461	3,579	3,702	3,958	6.9	3.7
Mohave	85	94	104	110	133	134	137	134	125	124	124	134	140	4.8	3.1
Navajo	48	61	57	56	66	69	76	69	77	77	85	86	85	-1.3	3.6
Pima	404	463	483	519	581	582	557	538	537	549	605	587	630	7.4	2.8
Pinal	54	58	65	74	94	112	122	121	127	130	135	132	140	5.9	6.2
Santa Cruz	44	50	52	54	52	54	54	54	49	44	47	49	52	6.5	1.0
Yavapai	105	129	134	139	166	177	180	163	165	164	174	181	188	3.9	3.7
Yuma	86	97	104	118	132	135	144	145	143	144	146	143	141	-0.8	3.1
Arizona	3,380	3,895	3,811	4,303	4,981	5,212	5,120	4,876	4,973	5,180	5,393	5,529	5,878	6.3	3.5

Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

Arizona County Travel-Generated Employment, 1998-2014p

														Annual Percent Chg.	
	1998	2000	2002	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014p	13-14p	98-14p
Apache	1,560	1,640	1,540	1,530	1,600	1,590	1,660	1,630	1,640	1,620	1,570	1,480	1,530	3.7	-0.1
Cochise	3,690	3,870	3,800	3,930	4,110	4,380	4,350	4,130	4,050	3,890	3,730	3,700	3,790	2.4	0.2
Coconino	11,230	11,190	10,240	10,750	10,760	11,100	11,600	10,910	10,860	10,990	11,000	11,430	11,850	3.7	0.3
Gila	3,160	3,130	3,230	3,050	3,170	3,130	3,010	2,950	2,670	2,680	2,670	2,630	2,580	-1.6	-1.3
Graham/Greenlee	40	40	40	40	60	70	70	50	60	70	80	90	90	1.9	4.5
La Paz	1,510	1,420	1,360	1,290	1,200	1,220	1,220	1,230	1,200	1,320	1,310	1,380	1,390	0.1	-0.5
Maricopa	84,480	88,260	78,370	84,240	90,470	91,230	89,230	83,590	83,100	85,470	87,470	89,680	94,300	5.2	0.7
Mohave	5,510	5,690	5,960	6,030	7,080	6,520	6,400	6,240	5,900	5,770	5,560	5,750	5,870	2.1	0.4
Navajo	3,440	3,950	3,430	3,150	3,370	3,330	3,580	3,200	3,520	3,510	3,660	3,690	3,610	-1.9	0.3
Pima	21,320	23,110	23,050	24,230	25,120	23,880	22,230	21,820	21,430	21,620	22,940	22,590	23,410	3.6	0.6
Pinal	3,160	3,130	3,780	3,980	4,700	4,910	5,270	4,950	5,120	5,440	5,570	5,710	5,850	2.4	3.9
Santa Cruz	2,440	2,530	2,550	2,560	2,400	2,330	2,270	2,220	2,000	1,840	1,920	2,020	2,050	1.4	-1.1
Yavapai	6,380	7,110	8,140	7,910	8,260	8,290	8,470	7,710	7,490	7,500	7,760	7,920	8,170	3.1	1.6
Yuma	4,820	4,970	5,600	5,720	6,200	6,070	6,110	6,140	6,070	6,160	6,330	6,130	5,920	-3.4	1.3
Arizona	153,400	160,710	151,880	159,190	169,630	169,240	166,630	157,720	156,040	158,830	162,580	165,310	171,540	3.8	0.7

Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

**Apache County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	109.1	118.4	108.1	109.9	111.4	100.4	104.3
Other Travel*	12.7	14.7	13.8	16.6	17.2	16.4	16.4
Total Direct Spending	121.8	133.1	121.9	126.5	128.5	116.8	120.7
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	55.6	59.6	49.8	46.8	46.8	37.5	39.0
Private Home	31.4	34.8	34.6	38.0	39.0	37.7	39.7
Campground	6.5	7.1	7.0	7.5	7.7	7.5	7.4
Vacation Home	11.2	12.0	12.1	12.7	13.0	12.9	13.3
Day Travel	4.4	4.8	4.6	4.9	5.0	4.7	4.9
Destination Spending	109.1	118.4	108.1	109.9	111.4	100.4	104.3
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	22.9	26.1	22.2	21.1	21.0	17.8	18.4
Food Service	27.5	29.3	28.6	28.7	29.4	27.3	29.1
Food Stores	8.6	9.6	9.3	9.8	10.0	9.6	10.2
Local Tran. & Gas	15.0	18.7	16.5	19.8	20.4	18.7	18.7
Arts, Ent. & Rec.	8.9	8.9	8.3	8.2	8.3	7.6	7.9
Retail Sales	26.2	25.7	23.2	22.4	22.3	19.4	20.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	109.1	118.4	108.1	109.9	111.4	100.4	104.3
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	17.1	20.5	21.5	21.9	22.8	20.8	21.8
Arts, Ent. & Rec.	4.0	4.3	3.9	3.6	3.7	3.4	3.5
Retail**	5.4	5.7	4.7	4.7	4.6	4.1	4.3
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.7	0.8	0.5	0.5	0.5	0.5	0.5
Total Direct Earnings	27.3	31.3	30.7	30.7	31.5	28.8	30.1
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,020	1,040	1,110	1,130	1,100	1,050	1,090
Arts, Ent. & Rec.	250	300	290	260	240	210	210
Retail**	280	270	210	210	200	190	200
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	40	50	20	20	20	30	30
Total Direct Employment	1,600	1,660	1,640	1,620	1,570	1,480	1,530
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	5.0	5.4	5.1	5.0	5.0	4.3	4.3
State Tax Receipts	5.4	5.7	5.7	5.9	6.0	5.2	5.2
Total Direct Gov't Revenue	10.4	11.1	10.8	10.9	11.0	9.5	9.5

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Cochise County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	314.7	345.5	342.4	328.7	316.6	311.4	317.5
Other Travel*	26.2	30.3	27.5	32.8	33.2	32.0	32.0
Total Direct Spending	340.9	375.8	369.8	361.5	349.8	343.3	349.5
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	124.3	144.1	144.3	131.7	111.8	103.0	99.2
Private Home	57.2	62.9	65.5	69.1	68.7	68.3	69.5
Campground	8.6	9.6	9.3	10.0	10.2	10.0	9.9
Vacation Home	6.1	6.6	6.6	6.9	7.1	7.0	7.2
Day Travel	118.5	122.3	116.6	111.0	118.8	123.0	131.7
Destination Spending	314.7	345.5	342.4	328.7	316.6	311.4	317.5
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	41.6	52.1	51.9	47.2	40.3	35.9	36.2
Food Service	77.8	84.1	88.0	83.4	80.9	81.4	83.6
Food Stores	57.0	59.5	55.8	52.7	57.2	59.9	65.7
Local Tran. & Gas	40.6	50.8	47.2	53.5	53.0	51.1	49.9
Arts, Ent. & Rec.	22.0	22.8	22.9	21.7	20.1	19.5	19.3
Retail Sales	75.7	76.1	76.5	70.2	65.1	63.5	62.7
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	314.7	345.5	342.4	328.7	316.6	311.4	317.5
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	39.5	48.8	48.8	48.9	48.3	48.8	50.5
Arts, Ent. & Rec.	10.7	11.6	10.9	9.7	9.8	10.0	10.6
Retail**	20.1	21.1	18.7	17.4	16.7	16.5	17.1
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	2.4	2.7	1.7	1.7	1.7	1.8	1.9
Total Direct Earnings	72.6	84.3	80.1	77.7	76.5	77.1	80.1
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	2,390	2,540	2,470	2,420	2,370	2,340	2,380
Arts, Ent. & Rec.	700	810	760	700	650	650	680
Retail**	890	870	750	700	660	650	670
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	120	120	70	70	60	70	70
Total Direct Employment	4,110	4,350	4,050	3,890	3,730	3,700	3,790
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	14.9	16.6	16.8	15.8	14.6	13.9	13.7
State Tax Receipts	14.6	15.5	16.4	16.5	15.8	14.8	14.3
Total Direct Gov't Revenue	29.5	32.1	33.2	32.3	30.4	28.7	27.9

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Coconino County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	813.2	902.8	903.7	952.3	993.7	1,024.1	1,107.6
Other Travel*	32.6	42.0	37.8	44.0	56.6	60.4	63.2
Total Direct Spending	845.8	944.8	941.5	996.3	1,050.3	1,084.5	1,170.8
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	537.9	602.3	600.0	633.4	664.9	691.7	759.7
Private Home	52.0	53.5	58.1	62.2	63.2	63.2	66.3
Campground	19.8	24.7	23.9	25.2	26.4	25.9	25.5
Vacation Home	29.3	31.6	31.7	33.2	34.0	34.4	35.4
Day Travel	174.1	190.6	189.9	198.3	205.3	208.9	220.7
Destination Spending	813.2	902.8	903.7	952.3	993.7	1,024.1	1,107.6
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	240.4	276.7	271.3	289.1	304.5	320.6	359.3
Food Service	185.3	205.6	214.8	219.9	230.8	240.4	260.9
Food Stores	42.0	48.4	48.1	50.5	52.1	53.3	57.3
Local Tran. & Gas	83.8	108.6	100.1	120.4	126.9	126.0	128.4
Arts, Ent. & Rec.	133.7	139.8	138.0	139.0	142.9	145.8	154.9
Retail Sales	113.4	116.0	118.0	119.6	122.8	124.9	131.3
Visitor Air Tran.	14.6	7.7	13.4	13.7	13.7	13.2	15.5
Destination Spending	813.2	902.8	903.7	952.3	993.7	1,024.1	1,107.6
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	142.0	174.5	162.3	162.1	170.0	179.4	194.9
Arts, Ent. & Rec.	59.9	65.8	69.5	77.3	74.5	76.9	80.1
Retail**	25.0	27.8	24.4	25.1	25.1	25.3	26.9
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	7.6	5.8	5.8	6.4	5.5	5.4	6.5
Other Travel*	5.4	10.5	5.8	6.5	10.2	11.9	13.1
Total Direct Earnings	240.0	284.3	267.8	277.3	285.3	298.8	321.5
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	6,290	6,910	6,510	6,530	6,620	6,820	7,160
Arts, Ent. & Rec.	3,140	3,170	3,140	3,170	3,000	3,210	3,210
Retail**	1,000	1,090	940	970	960	950	980
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	150	120	110	120	100	100	120
Other Travel*	180	300	160	200	310	350	380
Total Direct Employment	10,760	11,600	10,860	10,990	11,000	11,430	11,850
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	35.3	41.4	41.6	43.6	44.6	45.0	47.3
State Tax Receipts	37.9	41.4	42.9	47.3	49.1	47.5	48.8
Total Direct Gov't Revenue	73.2	82.7	84.6	90.8	93.7	92.4	96.1

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Gila County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	250.5	248.6	246.3	253.5	266.7	267.2	267.0
Other Travel*	9.9	11.5	10.6	12.3	12.5	12.5	12.5
Total Direct Spending	260.4	260.1	257.0	265.8	279.2	279.7	279.4
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	55.5	42.6	40.7	39.6	47.4	50.3	49.9
Private Home	34.8	37.6	39.0	41.5	42.7	42.3	42.1
Campground	11.5	12.8	12.4	13.4	13.7	12.1	11.9
Vacation Home	12.7	13.6	13.4	14.0	14.3	14.4	14.8
Day Travel	136.0	142.0	140.9	145.2	148.6	148.1	148.2
Destination Spending	250.5	248.6	246.3	253.5	266.7	267.2	267.0
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	21.0	18.0	16.9	16.5	18.8	19.4	20.1
Food Service	43.3	43.2	45.4	46.1	49.0	50.0	50.7
Food Stores	18.6	20.2	20.1	21.1	21.7	21.5	22.0
Local Tran. & Gas	27.3	32.6	30.3	36.2	38.2	36.8	35.4
Arts, Ent. & Rec.	106.0	102.2	100.5	100.3	104.7	105.3	104.9
Retail Sales	34.4	32.4	33.1	33.3	34.3	34.2	33.8
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	250.5	248.6	246.3	253.5	266.7	267.2	267.0
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	22.7	23.4	22.4	22.3	24.7	26.7	27.5
Arts, Ent. & Rec.	32.8	32.8	25.2	23.9	24.6	25.5	25.5
Retail**	8.7	9.0	8.0	8.2	8.1	8.0	8.0
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.6	0.8	0.5	0.4	0.4	0.5	0.5
Total Direct Earnings	64.8	65.9	56.1	54.7	57.9	60.8	61.5
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,280	1,190	1,120	1,110	1,170	1,230	1,270
Arts, Ent. & Rec.	1,480	1,390	1,200	1,220	1,160	1,040	970
Retail**	370	380	330	330	320	330	330
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	30	40	20	20	20	20	20
Total Direct Employment	3,170	3,010	2,670	2,680	2,670	2,630	2,580
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	7.9	7.6	7.3	7.2	7.5	7.5	7.2
State Tax Receipts	11.8	11.3	11.4	11.9	12.4	12.1	11.7
Total Direct Gov't Revenue	19.7	18.9	18.7	19.1	19.9	19.5	18.9

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Graham & Greenlee Counties
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	54.0	57.7	52.5	59.5	64.5	76.4	80.5
Other Travel*	7.8	9.8	9.0	10.8	11.1	11.0	11.0
Total Direct Spending	61.9	67.5	61.5	70.3	75.6	87.5	91.5
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	27.1	27.1	21.3	25.0	29.6	40.6	43.9
Private Home	18.9	21.7	22.5	25.0	25.1	25.5	26.0
Campground	1.8	2.0	1.9	2.0	2.1	2.1	2.0
Vacation Home	0.7	0.8	0.8	0.9	0.9	0.9	0.9
Day Travel	5.5	6.0	5.9	6.6	6.8	7.4	7.7
Destination Spending	54.0	57.7	52.5	59.5	64.5	76.4	80.5
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	9.1	9.9	7.6	8.8	10.6	15.2	15.8
Food Service	14.5	15.4	15.2	16.6	17.7	20.5	22.1
Food Stores	4.6	5.2	5.1	5.6	5.7	6.1	6.5
Local Tran. & Gas	8.2	10.3	9.4	11.8	12.4	13.1	13.2
Arts, Ent. & Rec.	4.4	4.4	4.1	4.4	4.6	5.2	5.5
Retail Sales	13.3	12.5	11.2	12.4	13.5	16.3	17.5
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	54.0	57.7	52.5	59.5	64.5	76.4	80.5
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	7.9	9.2	7.6	8.2	9.1	10.7	11.4
Arts, Ent. & Rec.	2.4	2.5	2.4	2.5	2.7	2.8	3.0
Retail**	2.9	3.0	2.4	2.7	2.8	3.2	3.4
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.5	0.7	0.4	0.4	0.4	0.5	0.5
Total Direct Earnings	13.7	15.3	12.8	13.9	15.0	17.1	18.3
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	630	640	500	520	570	660	670
Arts, Ent. & Rec.	410	430	380	380	390	410	410
Retail**	130	120	100	110	110	120	130
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	30	30	20	20	20	20	20
Total Direct Employment	1,200	1,230	1,000	1,030	1,090	1,210	1,230
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	2.1	2.2	2.0	2.2	2.4	2.9	2.9
State Tax Receipts	3.0	3.1	3.0	3.4	3.7	4.0	4.1
Total Direct Gov't Revenue	5.1	5.4	5.0	5.6	6.1	6.9	7.0

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**La Paz County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	123.0	129.2	123.9	134.7	138.0	139.4	137.4
Other Travel*	3.8	4.3	3.9	4.7	4.8	4.6	4.6
Total Direct Spending	126.8	133.5	127.8	139.4	142.8	144.0	142.0
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	8.4	6.6	3.9	6.9	8.3	9.9	8.8
Private Home	13.2	14.5	14.3	16.4	16.3	16.4	15.9
Campground	28.6	31.2	30.4	31.9	32.5	31.9	31.4
Vacation Home	15.8	16.7	16.3	17.0	17.5	17.6	18.1
Day Travel	57.0	60.1	59.0	62.4	63.4	63.6	63.2
Destination Spending	123.0	129.2	123.9	134.7	138.0	139.4	137.4
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	10.4	10.1	8.5	9.6	10.2	10.8	10.8
Food Service	21.4	22.5	22.8	24.6	25.4	26.2	26.3
Food Stores	11.2	12.4	12.1	13.1	13.3	13.3	13.5
Local Tran. & Gas	15.3	18.9	17.1	21.3	22.0	21.5	20.4
Arts, Ent. & Rec.	46.6	47.7	45.9	47.8	48.5	48.8	48.1
Retail Sales	18.0	17.6	17.5	18.4	18.6	18.7	18.3
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	123.0	129.2	123.9	134.7	138.0	139.4	137.4
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	8.9	9.7	10.5	12.6	12.5	13.3	13.7
Arts, Ent. & Rec.	13.4	14.0	13.6	14.2	14.4	14.8	14.9
Retail**	4.5	4.8	4.2	4.4	4.3	4.3	4.3
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Total Direct Earnings	27.0	28.9	28.5	31.3	31.4	32.6	33.0
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	520	520	560	650	650	700	700
Arts, Ent. & Rec.	470	480	450	470	480	500	500
Retail**	200	210	180	190	180	180	170
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	10	10	10	10	10	10	10
Total Direct Employment	1,200	1,220	1,200	1,320	1,310	1,380	1,390
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	3.9	4.3	4.2	4.6	4.6	4.7	4.5
State Tax Receipts	5.4	5.5	5.6	6.2	6.3	6.2	5.9
Total Direct Gov't Revenue	9.4	9.7	9.9	10.8	10.9	10.9	10.3

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Maricopa County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	8,301	8,164	8,106	8,586	8,750	8,974	9,528
Other Travel*	2,418	2,571	2,401	2,645	2,837	2,959	3,155
Total Direct Spending	10,718	10,734	10,507	11,231	11,587	11,932	12,683
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	4,731	4,444	4,269	4,535	4,657	4,817	5,182
Private Home	2,071	2,155	2,254	2,369	2,379	2,449	2,563
Campground	226	240	231	243	245	217	233
Vacation Home	231	254	258	269	275	281	289
Day Travel	1,042	1,069	1,093	1,170	1,194	1,210	1,261
Destination Spending	8,301	8,164	8,106	8,586	8,750	8,974	9,528
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	1,706	1,638	1,372	1,479	1,525	1,577	1,737
Food Service	1,719	1,712	1,829	1,917	1,983	2,055	2,189
Food Stores	252	268	271	289	294	296	315
Local Tran. & Gas	975	1,037	1,038	1,175	1,204	1,209	1,248
Arts, Ent. & Rec.	1,130	1,074	1,083	1,116	1,131	1,148	1,197
Retail Sales	1,252	1,154	1,201	1,246	1,261	1,278	1,321
Visitor Air Tran.	1,266	1,281	1,311	1,363	1,353	1,411	1,520
Destination Spending	8,301	8,164	8,106	8,586	8,750	8,974	9,528
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	1,123	1,196	1,154	1,215	1,248	1,311	1,383
Arts, Ent. & Rec.	509	506	510	517	556	581	636
Retail**	217	213	197	209	206	205	217
Ground Tran.	107	102	109	117	119	120	127
Visitor Air Tran.	565	543	564	612	601	598	632
Other Travel*	789	782	740	792	850	887	963
Total Direct Earnings	3,311	3,340	3,274	3,461	3,579	3,702	3,958
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	41.8	41,990	40,070	41.4	41.7	43.4	44.8
Arts, Ent. & Rec.	16.6	16,780	15,720	16.0	16.5	17.4	18.9
Retail**	6.6	6,480	5,900	5.9	5.9	6.0	6.2
Ground Tran.	2.9	2,770	2,780	2.9	3.0	3.0	3.1
Visitor Air Tran.	7.8	7,470	6,770	7.0	7.2	7.0	7.3
Other Travel*	14.8	13,730	11,860	12.2	13.2	12.9	13.9
Total Direct Employment	90.5	89,230	83,100	85.5	87.5	89.7	94.3
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	462.7	450.1	442.1	466.7	469.8	472.1	484.0
State Tax Receipts	417.2	402.1	419.1	462.0	474.0	467.9	462.1
Total Direct Gov't Revenue	879.9	852.3	861.1	928.7	943.9	940.0	946.1

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations, resident air travel, travel arrangement services, and convention and trade shows. **Retail includes gasoline.

**Mohave County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	468.4	450.5	460.5	466.3	473.4	496.4	497.8
Other Travel*	51.2	71.1	69.2	78.2	80.4	83.0	85.1
Total Direct Spending	519.6	521.6	529.7	544.5	553.8	579.4	582.9
All Overnight							
Hotel, Motel	145.7	112.4	119.0	119.5	120.0	124.0	132.0
Private Home	142.0	153.7	155.8	157.3	160.7	173.6	167.7
Campground	19.1	21.2	20.5	22.1	22.6	22.2	21.8
Vacation Home	35.7	38.3	37.7	39.4	40.4	40.6	41.8
Day	126.0	124.8	127.6	128.0	129.8	136.1	134.4
Destination Spending	468.4	450.5	460.5	466.3	473.4	496.4	497.8
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	71.9	57.8	55.3	56.2	56.5	58.1	63.5
Food Service	121.7	118.5	128.8	126.3	129.3	138.7	140.5
Food Stores	40.2	42.5	43.0	43.4	44.0	46.7	47.0
Local Tran. & Gas	68.3	79.5	75.5	87.0	89.7	92.1	87.6
Arts, Ent. & Rec.	89.3	82.3	84.3	81.7	82.0	85.7	85.4
Retail Sales	77.0	69.8	73.6	71.6	71.8	75.1	73.8
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	468.4	450.5	460.5	466.3	473.4	496.4	497.8
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	63.3	62.6	62.8	64.9	61.3	66.8	71.8
Arts, Ent. & Rec.	42.3	41.0	31.8	29.1	32.0	34.5	35.1
Retail**	19.9	20.0	18.0	17.7	17.3	18.0	17.9
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	7.6	12.9	12.5	12.8	13.1	14.6	15.5
Total Direct Earnings	133.1	136.5	125.1	124.5	123.8	133.9	140.3
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	3,550	3,200	3,220	3,240	2,950	3,110	3,280
Arts, Ent. & Rec.	2,540	2,030	1,630	1,500	1,580	1,590	1,520
Retail**	710	680	630	610	600	620	610
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	290	490	430	430	430	430	450
Total Direct Employment	7,080	6,400	5,900	5,770	5,560	5,750	5,870
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	17.6	16.5	16.6	16.5	16.3	16.7	16.5
State Tax Receipts	23.3	22.0	23.2	24.2	24.3	24.5	23.6
Total Direct Gov't Revenue	40.9	38.5	39.8	40.7	40.6	41.1	40.1

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Navajo County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	260.0	285.6	254.5	264.5	279.7	280.7	285.0
Other Travel*	20.7	22.9	20.9	24.9	25.4	24.7	24.6
Total Direct Spending	280.6	308.5	275.4	289.4	305.1	305.3	309.5
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	128.5	141.3	114.3	115.2	128.1	130.7	132.5
Private Home	48.1	53.9	52.3	57.0	58.4	57.6	58.7
Campground	16.4	17.2	16.7	17.6	16.4	15.2	14.7
Vacation Home	41.7	45.6	45.4	47.4	48.6	49.1	50.6
Day Travel	25.2	27.7	25.8	27.3	28.2	28.1	28.5
Destination Spending	260.0	285.6	254.5	264.5	279.7	280.7	285.0
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	52.9	60.4	50.1	50.6	55.2	57.0	57.9
Food Service	63.4	69.3	65.5	66.8	71.0	72.2	75.0
Food Stores	18.0	20.2	19.1	20.1	20.5	20.4	21.2
Local Tran. & Gas	31.4	39.7	33.9	40.8	42.8	41.4	40.4
Arts, Ent. & Rec.	30.9	32.0	29.6	29.8	30.3	29.9	30.2
Retail Sales	63.4	64.0	56.3	56.3	59.8	59.8	60.2
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	260.0	285.6	254.5	264.5	279.7	280.7	285.0
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	40.3	48.7	48.0	47.7	52.3	53.4	53.7
Arts, Ent. & Rec.	12.3	13.3	18.0	18.4	21.9	21.8	20.2
Retail**	11.8	12.7	10.1	10.4	10.6	10.4	10.7
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	1.5	1.3	0.8	0.8	0.8	0.8	0.8
Total Direct Earnings	65.9	76.0	76.8	77.3	85.5	86.4	85.3
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	2,130	2,330	2,250	2,250	2,300	2,330	2,340
Arts, Ent. & Rec.	670	680	810	810	900	900	820
Retail**	490	510	410	410	420	410	420
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	80	70	40	40	40	40	40
Total Direct Employment	3,370	3,580	3,520	3,510	3,660	3,690	3,610
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	10.5	11.6	10.9	11.0	11.7	11.4	11.1
State Tax Receipts	12.7	13.5	13.2	14.1	14.9	14.1	13.6
Total Direct Gov't Revenue	23.2	25.1	24.1	25.0	26.6	25.6	24.7

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Pima County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	2,241	2,043	2,022	2,051	2,130	2,138	2,228
Other Travel*	481	530	491	544	635	572	587
Total Direct Spending	2,722	2,573	2,513	2,595	2,764	2,709	2,815
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	1,074	903	895	908	946	951	992
Private Home	423	451	452	467	467	460	477
Campground	56	36	29	31	33	32	31
Vacation Home	43	47	47	49	51	51	53
Day Travel	645	605	598	595	633	644	675
Destination Spending	2,241	2,043	2,022	2,051	2,130	2,138	2,228
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	420	349	316	320	330	332	348
Food Service	526	475	508	514	542	552	580
Food Stores	134	132	129	131	138	140	150
Local Tran. & Gas	294	279	278	306	321	318	322
Arts, Ent. & Rec.	188	173	174	175	178	177	182
Retail Sales	468	411	413	401	423	428	445
Visitor Air Tran.	210	223	204	203	198	190	202
Destination Spending	2,241	2,043	2,022	2,051	2,130	2,138	2,228
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	319	304	297	309	334	337	359
Arts, Ent. & Rec.	80	76	77	75	76	75	83
Retail**	86	79	72	72	73	73	77
Ground Tran.	30	25	27	28	29	29	30
Visitor Air Tran.	10	12	11	10	9	7	10
Other Travel*	56	61	52	54	84	65	70
Total Direct Earnings	581	557	537	549	605	587	630
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	14,590	12,700	12,410	12,710	13,320	13,340	13,830
Arts, Ent. & Rec.	4,550	3,860	4,090	4,070	4,080	4,060	4,300
Retail**	3,110	2,870	2,560	2,540	2,520	2,500	2,630
Ground Tran.	840	690	700	710	740	740	750
Visitor Air Tran.	220	250	210	200	180	130	170
Other Travel*	1,820	1,860	1,450	1,400	2,110	1,820	1,730
Total Direct Employment	25,120	22,230	21,430	21,620	22,940	22,590	23,410
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	82.1	74.5	73.9	74.8	77.4	74.0	74.3
State Tax Receipts	113.3	101.1	105.7	112.3	118.2	112.9	110.8
Total Direct Gov't Revenue	195.4	175.6	179.6	187.1	195.6	186.9	185.1

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations, resident air travel, travel arrangement services, and convention and trade shows. **Retail includes gasoline.

**Pinal County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	368.1	456.2	514.6	551.0	540.1	535.5	554.1
Other Travel*	50.1	70.9	74.6	88.7	91.5	89.3	89.0
Total Direct Spending	418.2	527.2	589.1	639.7	631.6	624.7	643.1
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	33.8	37.1	34.7	40.0	37.8	32.5	33.1
Private Home	156.2	199.9	241.3	256.1	246.2	247.5	260.1
Campground	43.3	48.2	46.6	50.2	51.4	50.5	49.6
Vacation Home	52.4	67.4	75.3	78.7	80.6	81.6	84.1
Day Travel	82.4	103.6	116.7	126.1	124.0	123.4	127.2
Destination Spending	368.1	456.2	514.6	551.0	540.1	535.5	554.1
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	36.7	42.3	40.4	43.4	43.2	41.4	42.7
Food Service	111.7	140.1	168.1	175.8	173.0	174.7	184.7
Food Stores	33.3	42.3	47.4	50.5	49.5	49.6	52.2
Local Tran. & Gas	51.8	73.7	76.4	93.4	93.1	90.1	89.4
Arts, Ent. & Rec.	55.9	66.2	74.6	76.5	74.2	73.7	76.3
Retail Sales	78.7	91.6	107.6	111.4	107.1	105.9	108.9
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	368.1	456.2	514.6	551.0	540.1	535.5	554.1
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	47.2	62.9	73.4	76.4	80.3	77.4	78.2
Arts, Ent. & Rec.	27.4	34.1	29.3	28.7	31.4	31.5	37.4
Retail**	16.9	21.0	21.3	22.4	21.0	20.6	21.5
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	2.8	4.0	2.7	2.6	2.7	2.7	2.8
Total Direct Earnings	94.4	122.1	126.8	130.1	135.4	132.2	139.9
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	2,510	2,990	3,060	3,250	3,350	3,540	3,490
Arts, Ent. & Rec.	1,390	1,270	1,140	1,230	1,330	1,280	1,430
Retail**	670	820	780	830	770	770	800
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	140	200	130	130	120	130	130
Total Direct Employment	4,700	5,270	5,120	5,440	5,570	5,710	5,850
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	12.6	15.5	17.8	18.6	18.2	17.3	17.3
State Tax Receipts	19.6	23.5	28.0	30.2	29.9	28.6	28.0
Total Direct Gov't Revenue	32.2	39.0	45.8	48.8	48.0	45.9	45.4

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Santa Cruz County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	273.5	272.9	253.6	227.9	259.8	277.4	296.5
Other Travel*	8.4	10.1	9.1	10.9	11.1	10.7	10.6
Total Direct Spending	282.0	283.0	262.7	238.8	270.9	288.1	307.1
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	36.3	39.0	36.2	28.0	31.0	35.1	32.7
Private Home	29.0	33.1	34.9	36.2	38.0	37.7	36.6
Campground	1.1	1.3	1.2	1.3	1.4	1.3	1.3
Vacation Home	1.2	1.3	1.3	1.3	1.4	1.3	1.4
Day Travel	206.0	198.2	180.0	161.1	188.2	201.9	224.5
Destination Spending	273.5	272.9	253.6	227.9	259.8	277.4	296.5
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	15.6	16.9	15.5	11.9	12.8	14.0	13.4
Food Service	39.6	41.1	41.2	36.9	41.4	44.7	46.4
Food Stores	91.8	92.9	83.7	76.1	88.5	95.2	107.1
Local Tran. & Gas	19.1	23.2	20.7	22.2	24.9	25.4	24.9
Arts, Ent. & Rec.	9.1	9.3	9.1	8.0	8.5	9.0	8.5
Retail Sales	98.5	89.5	83.3	72.8	83.6	89.0	96.1
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	273.5	272.9	253.6	227.9	259.8	277.4	296.5
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	18.5	21.1	20.8	18.4	19.1	19.7	20.7
Arts, Ent. & Rec.	4.7	5.1	4.2	4.0	4.3	4.4	4.2
Retail**	28.0	27.3	23.6	20.8	23.1	24.2	26.6
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.6	0.7	0.3	0.3	0.3	0.3	0.3
Total Direct Earnings	51.8	54.1	48.9	43.6	46.8	48.7	51.8
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,070	1,000	970	870	900	930	960
Arts, Ent. & Rec.	330	340	290	300	290	330	290
Retail**	970	900	720	650	710	740	780
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	30	30	20	20	20	20	20
Total Direct Employment	2,400	2,270	2,000	1,840	1,920	2,020	2,050
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	8.4	8.4	8.0	7.0	7.7	7.9	7.9
State Tax Receipts	10.9	10.6	10.5	10.0	11.1	11.1	11.0
Total Direct Gov't Revenue	19.3	19.0	18.5	16.9	18.7	19.0	18.9

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Yavapai County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	568.9	594.6	565.9	597.1	632.3	648.7	678.1
Other Travel*	54.3	60.0	53.5	60.6	62.9	63.7	66.5
Total Direct Spending	623.1	654.5	619.4	657.7	695.2	712.4	744.7
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	230.8	234.4	209.7	221.3	245.6	259.3	280.1
Private Home	69.6	77.0	78.3	85.3	87.6	87.7	89.4
Campground	11.8	13.0	12.6	13.2	13.8	13.5	14.7
Vacation Home	21.9	24.2	23.9	25.0	25.6	26.1	26.9
Day Travel	234.7	246.0	241.4	252.3	259.8	262.1	267.1
Destination Spending	568.9	594.6	565.9	597.1	632.3	648.7	678.1
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	114.9	121.3	104.4	109.7	122.8	131.1	144.8
Food Service	109.4	113.7	115.7	120.0	127.2	132.5	139.9
Food Stores	37.8	41.5	40.6	43.1	44.5	45.3	47.6
Local Tran. & Gas	60.2	73.6	66.5	81.0	85.7	84.9	84.4
Arts, Ent. & Rec.	165.5	166.3	160.4	163.0	168.4	170.9	176.0
Retail Sales	80.6	77.8	77.5	79.4	81.9	83.0	84.7
Visitor Air Tran.	0.5	0.4	0.8	1.0	1.8	1.0	0.8
Destination Spending	568.9	594.6	565.9	597.1	632.3	648.7	678.1
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	73.7	83.8	73.8	78.0	86.1	93.1	100.7
Arts, Ent. & Rec.	66.4	68.9	68.0	63.2	64.6	63.5	61.1
Retail**	18.1	19.1	16.5	17.1	17.2	17.2	17.8
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.2	0.3	0.3	0.3	0.4	0.3	0.3
Other Travel*	8.1	8.3	6.1	5.7	5.9	6.7	7.9
Total Direct Earnings	166.4	180.4	164.6	164.3	174.1	180.8	187.8
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	3,290	3,530	3,050	3,190	3,440	3,590	3,840
Arts, Ent. & Rec.	3,880	3,850	3,550	3,420	3,440	3,470	3,460
Retail**	750	780	650	670	670	670	690
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	10	10	10	10	10	10
Other Travel*	340	310	240	210	200	190	180
Total Direct Employment	8,260	8,470	7,490	7,500	7,760	7,920	8,170
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	22.3	23.3	22.3	22.9	24.1	24.3	24.7
State Tax Receipts	27.9	28.4	28.3	30.4	32.0	31.4	31.2
Total Direct Gov't Revenue	50.1	51.7	50.6	53.2	56.0	55.7	55.9

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

**Yuma County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	541.8	569.9	552.8	587.7	593.2	588.2	603.9
Other Travel*	44.5	54.7	52.6	60.7	62.1	59.7	60.8
Total Direct Spending	586.3	624.6	605.4	648.5	655.4	647.9	664.7
Visitor Spending by Type of Accommodation (\$Million)							
Hotel, Motel	134.5	140.2	130.3	151.2	149.2	132.5	136.2
Private Home	68.4	78.6	79.8	90.3	87.5	86.3	90.7
Campground	64.5	72.5	74.8	79.2	72.9	78.7	69.7
Vacation Home	39.5	43.7	44.5	46.5	47.6	47.8	49.2
Day Travel	234.9	234.9	223.5	220.6	236.0	242.9	258.0
Destination Spending	541.8	569.9	552.8	587.7	593.2	588.2	603.9
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	63.2	66.8	60.1	67.3	65.1	60.0	61.6
Food Service	97.4	103.8	107.3	114.7	116.2	115.4	120.7
Food Stores	68.8	72.9	69.1	69.1	73.4	76.5	82.4
Local Tran. & Gas	54.7	68.4	63.1	79.0	79.2	76.6	74.4
Arts, Ent. & Rec.	115.8	121.1	120.9	129.2	124.1	121.4	118.6
Retail Sales	132.4	124.4	120.1	116.1	123.5	125.8	132.6
Visitor Air Tran.	9.6	12.4	12.3	12.3	11.7	12.5	13.6
Destination Spending	541.8	569.9	552.8	587.7	593.2	588.2	603.9
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	50.4	58.1	62.4	62.9	63.6	64.7	65.2
Arts, Ent. & Rec.	47.2	50.7	50.0	50.3	51.9	47.3	43.7
Retail**	31.0	31.5	27.5	27.1	27.7	27.9	29.7
Ground Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Visitor Air Tran.	0.2	0.3	0.7	0.8	0.3	0.3	0.3
Other Travel*	2.6	3.4	2.8	3.0	2.3	2.4	2.6
Total Direct Earnings	131.5	143.9	143.3	144.1	145.8	142.6	141.4
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	2,650	2,800	2,860	2,910	2,840	2,900	2,860
Arts, Ent. & Rec.	2,280	2,060	2,140	2,190	2,480	2,220	2,000
Retail**	1,150	1,110	960	930	920	920	970
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	10	10	10	20	10	10	10
Other Travel*	110	130	100	100	90	90	90
Total Direct Employment	6,200	6,110	6,070	6,160	6,330	6,130	5,920
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	19.9	20.4	20.4	21.0	20.9	19.8	19.5
State Tax Receipts	25.3	25.8	26.8	29.0	29.2	27.7	26.7
Total Direct Gov't Revenue	45.2	46.2	47.2	50.0	50.1	47.6	46.2

Details may not add to totals due to rounding.

*Other Travel includes ground transportation to other Arizona destinations and travel arrangement services. **Retail includes gasoline.

APPENDICES

APPENDIX A	2014 TRAVEL IMPACT ESTIMATES
APPENDIX B	KEY TERMS AND DEFINITIONS
APPENDIX C	REGIONAL TRAVEL IMPACT MODEL
APPENDIX D	TRAVEL INDUSTRY ACCOUNTS
APPENDIX E	ARIZONA EARNINGS AND EMPLOYMENT BY INDUSTRY SECTOR
APPENDIX F	INDUSTRY GROUPS

2014 TRAVEL IMPACT ESTIMATES

This appendix provides a brief overview of the methodology, terminology and limitations of the travel impact and visitor volume estimates.

DIRECT IMPACTS

The estimates of the direct impacts associated with traveler spending in Arizona were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The input data used to detail the economic impacts of the Arizona travel industry were gathered from various local, state and federal sources.

Travel impacts consist of estimates of travel spending and the employment, earnings, and state and local taxes generated by this spending. These estimates are also broken out by type of traveler accommodation and by the type of business in which the expenditures occur.

GROUND TRANSPORTATION ESTIMATES

County and regional level estimates of destination or visitor spending include only a portion of the ground transportation expenditures for travel that occur in the county. The remaining portion is included in "other travel" as it represents transportation costs for travel to another destination within Arizona. State level estimates of visitor spending include all of these expenditures for ground transportation.

SECONDARY (INDIRECT AND INDUCED) IMPACTS

Direct impacts are reported for all counties within Arizona. Secondary employment and earnings impacts over and above direct impacts are reported at the state level only for the year 2013. These indirect and induced impacts are generated from the direct impacts produced by the RTIM, discussed above, and an input-output model of the Arizona economy prepared by the Minnesota IMPLAN Group, Inc. Indirect impacts represent the purchases of goods and services from other firms by businesses that directly receive expenditures from travelers. Hotels, for example, purchase maintenance services from independent contractors. Induced impacts represent the purchase of goods and services by employees whose earnings are in part derived from travel expenditures. The sum of the direct, indirect and induced impacts equals the total impact of all spending by visitors in the state. The "multiplier" refers to the ratio of the total impacts to the direct impacts for employment or earnings. A description of the methodology used to estimate secondary impacts can be found in the Appendix.

PRELIMINARY ESTIMATES

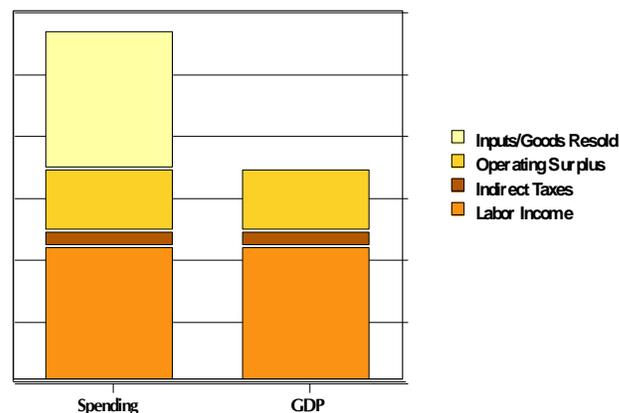
Preliminary estimates for 2014 were prepared at the state, regional and county level. These estimates take advantage of the most current available data. However, because full-year data was not available in all cases, these estimates are subject to subsequent revision as additional information relating to travel and its economic impact in 2014 becomes available.

GROSS DOMESTIC PRODUCT

An estimate of the Gross Domestic Product (GDP) of the Arizona travel industry based on the RTIM direct travel impacts is also provided in this report. The GDP of an industry is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries). GDP is always less than output or sales because GDP measures only the “value added” of an industry and does not include the cost of the inputs that are also necessary to produce a good or service. GDP is a useful concept because it permits comparisons of the economic contributions of different industries.

The relationship between spending and gross domestic product is illustrated in the figure below. Examples of inputs are the food or accounting services that restaurants purchase from suppliers. “Goods resold” are the commodities that retail establishments purchase from manufacturers or wholesale trade businesses and resell with a markup. These inputs or goods are not counted as the GDP of the restaurant or retail industry because their value was created in other industries (agriculture, accounting, manufacturing).

Relationship Between Spending and Gross Domestic Product



It is for this reason that “travel spending” – as measured from surveys of visitors – is not the best measure of the travel industry’s real economic contribution. This is because some visitor spending is actually counted as the GDP of other industries (e.g., agriculture, accounting, manufacturing). Furthermore, these other industries may or may not be located within the geographic area of interest. If the farm were located within the region of interest, then the GDP of the local farm would be included as an indirect or secondary effect. If not (e.g., a manufacturing firm in another state or country), then that portion of GDP is not counted.

The preceding graph also shows the three main components of GDP. For most industries, labor income (essentially equivalent to earnings in this report) is the primary component of GDP. This is true of the travel industry. A second component is the tax payments that businesses make to government, such as sales, excise and property taxes. In the case of excise taxes, businesses are essentially a collection agency for the government. The final component, operating surplus, represents the income and payments (e.g., dividends, interest) to other stakeholders of the firm.

The concept of GDP also illustrates that with small geographic units of analysis (e.g., counties), earnings, employment, and tax revenues are the best measures of the economic value of the travel industry to the local economy. Small area measures of GDP are less reliable and much of the operating surplus may leak out of the local economy anyway. Indirect effects are also generally less in smaller economies.

COMPARISON WITH OTHER EXPORT-ORIENTED INDUSTRIES

Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations. Agriculture, extractive industries, and manufacturing are the best examples of goods producing export-oriented industries. Many professional services (e.g., engineering, architecture, law) are also traded in export markets. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. The travel industry injects money into the local economy, as do the exports of other industries.

Exports are not necessarily more important than locally traded goods and services. However, diverse export-oriented industries in any economy are a source of strength – in part because they generate income that contributes to the development of other local services and amenities. Such industries characterize the “comparative advantage” of the local economy within larger regional, national and global markets.

For the purposes of this report, we have defined five major export-oriented industries in Arizona.

- **Aerospace.** This industry comprises establishments engaged in aerospace product and parts manufacturing.
- **Microelectronics.** This industry includes establishments that manufacture computers, communications equipment and similar products and components that utilize integrated circuits. This is the largest manufacturing subsector (NAICS 334).
- **Food.** The food group encompasses parts of two major industry categories: agriculture, and food manufacturing or processing.
- **Mining.** This industry is comprised primarily of copper mining companies.
- **Travel.** A portion of the transportation, retail, leisure, and hospitality industries as estimated in this report.

Comparisons with these industries are more meaningful for the travel industry than comparisons with non-export oriented industries (e.g., health care, retail trade, government) where industry growth is largely a function of population and demographic factors. See Appendix C for a list of Arizona industries.

INTERPRETATION OF IMPACT ESTIMATES

Users of this report should be aware of several issues regarding the interpretation of the impact estimates contained herein:

- The estimates contained in this report are based on the most current data available and supersede all previous estimates of travel impacts.
- The estimates in this report are expressed in *current* dollars unless otherwise noted.
- The employment estimates in this report are estimates of the total number of full and part-time jobs directly generated by travel spending, rather than the number of individuals employed. Both payroll and self-employment are included in these estimates. Caution should therefore be used in comparing these estimates with other employment data series.
- In general, estimates of small geographic areas (e.g., rural counties) are less reliable than estimates for regions or metropolitan counties. Trend analysis and comparisons of counties with relatively low levels of travel related economic activity should therefore be interpreted cautiously.
- The estimates of travel impacts published in this report will necessarily differ somewhat from estimates generated from different models, methodologies and data sources. Nonetheless, it should be emphasized that all credible estimates of direct travel impacts at the state level, including those of Dean Runyan Associates, are of similar magnitude.

KEY TERMS AND DEFINITIONS

Commodity: A classification of a product or service, such as lodging or food service. An establishment or industry may produce more than one commodity.

Direct Impacts: Employment, earnings and tax receipts *directly* generated by travel spending, as distinguished from secondary and total impacts.

Earnings: Earnings include wage and salary disbursements, other earned income or benefits, and proprietor income. Only the earnings attributable to travel expenditures are included.

Employment: Industry employment (jobs) associated with travel-generated *earnings*. Includes both full-time and part-time positions, and salaried or self-employed individuals. Employment is reported as an average for a time period, typically annual. (Unless otherwise noted, the employment estimates refer to establishment or industry employment at place of work, not the employment status or residence of the individual.)

Federal Taxes: Federal taxes include the motor fuel excise tax, airline ticket taxes, and personal income and payroll taxes.

Industry: A classification of business or government establishments based on their primary technological process. (See NAICS Appendix table.)

Local Taxes: Lodging, sales and auto rental taxes imposed by cities, counties and other regional tax jurisdictions in Arizona. These taxes are levied on sales to visitors and the spending of employees attributable to travel industry earnings. Passenger Facility Charges attributable to visitors (a fee imposed on airline tickets) are included in counties with airports. Property tax payments attributable to travel industry businesses and employees and a portion of tribal contributions from gaming to local governments are also included.

Other spending: Other spending includes spending by residents on ground and air transportation for travel to other destinations, spending on travel arrangement services, and convention/ trade shows.

Private Home: Unpaid overnight accommodations of friends and relatives.

Receipts: Travel expenditures less the sales and excise taxes paid by the consumer.

State Taxes: Lodging, sales, motor fuel, and business and personal income taxes imposed by the state of Arizona. These taxes are levied on sales to visitors and the spending of employees attributable to travel industry earnings. A portion of tribal contributions from gaming to state government is also included

Total Impacts: The sum of *Direct* and *Secondary* impacts.

Travel spending: The sum of visitor and other spending related to travel.

Visitor spending: All spending on goods & services by visitors at the destination. Also referred to as destination spending.

REGIONAL TRAVEL IMPACT MODEL

PRIMARY DATA SOURCES

Room Demand,
Visitor Surveys,
Population,
Inventory/Use
of Campsites &
Second Homes,
Visitor air
arrivals



Visitor Volume
(Travel Party Days by
Type of
Accommodation)



ECONOMIC IMPACTS OF TRAVEL

Accommodation
Sales,
Visitor Surveys,
Airmfares



Visitor Spending
(Type of
Accommodation and
Type of Commodity)



Point of Sale Taxes
(Sales and Excise Taxes
associated with Visitor
Spending)



*Note: Receipts equals
Spending less
POS Taxes*

Business Receipts
(not reported)



Business Taxes
(Taxes on business
income or receipts)



Ratio of
Earnings to
Receipts for
relevant
Industry



Earnings
(By Industry)



Personal Taxes
(Local, state and
federal income and
payroll taxes)



Average
Annual
Earnings per
job for
relevant
industry



Employment
(By Industry)

*Note: Most estimates of taxes
are based on implicit tax rates
applied to visitor spending,
business receipts, and
employee earnings. Lodging
tax receipts reflect actual tax
collections.*

TRAVEL INDUSTRY ACCOUNTS: A COMPARISON OF THE REGIONAL TRAVEL IMPACT MODEL AND TRAVEL & TOURISM SATELLITE ACCOUNTS

An economic account is a method for displaying inter-related information about a set of economic activities. A travel industry account is a method to report different types of related information about the purchase of goods and services by visitors. The Bureau of Economic Analysis (BEA), which now provides annual and quarterly estimates of travel and tourism at the national level, describes a Travel and Tourism Satellite Account (TTSA) as “present(ing) a rearrangement of information from the National Income and Product Accounts, from the industry accounts, and from other sources so that travel and tourism activities can be analyzed more completely than is possible in the structure of the traditional national economic accounts.”¹ Similarly, the RTIM has been developed by Dean Runyan Associates to estimate travel spending, earnings, employment, and tax receipts at the state, county, and regional levels. These initial findings can, in turn, be used as input data for deriving estimates of other economic measures, such as value-added and indirect effects.

This appendix provides an overview of the Regional Travel Impact Model (RTIM) and travel and tourism satellite accounts (TTSAs). Although there is no single or absolute form of a TTSA, the one developed by the Bureau of Economic Analysis (BEA) will be the basis of the analysis here. The definitions, framework, and estimating methods used for the U.S. BEA TTSA follow, as closely as is practicable, the guidelines for similar travel satellite accounts that were developed by the World Tourism Organization (WTO) and the Organization for Economic Co-operation and Development (OECD).

The primary focus is on the direct impacts of visitor spending. Visitors are defined as persons that stay overnight away from home, or travel more than fifty miles one-way on a non-routine trip. Only the expenditures related to specific trips are counted as visitor spending. Other travel related expenditures such as the consumption of durable goods (e.g., recreational vehicles or sporting equipment) or the purchase of vacation homes are not considered.

While such a definition of the travel industry (i.e., the trip related expenditures of visitors) is conservative, it is also in keeping with the notion of the travel industry as being an export-oriented industry for specific local communities. That is, visitors are important to regions because they inject money into the local economy. This focus on the export-oriented nature of the travel industry for local communities becomes blurred if the industry is defined so as to include non-trip related expenditures.

¹ Peter D. Kuhbach, Mark A. Planting, and Erich H. Strassner, “U.S. Travel and Tourism Satellite Accounts for 1998-2003,” *Survey of Current Business* 84 (September 2004): 43-59.

PRIMARY CONCEPTS, CATEGORIES & DATA REQUIREMENTS

There are three primary types of information that are measured and/or estimated in a travel industry account. The first is a measure of the **travel industry** in terms of both the characteristics of the business firms that sell travel goods and services and the characteristics of consumers that purchase travel industry goods and services. The second is a measure of the **demand segments** that consume travel industry goods and services. For example, the distinction between business and leisure travel is a measure of demand segments. The third is a measure of the **components of economic output** associated with the travel industry. The employee earnings generated by visitor spending is one such component. Travel-generated tax receipts are another. These three categories of information represent different aspects of the accounting ledger – they represent different ways of viewing or analyzing the travel industry.

The bulk of this paper will discuss these three types of information in terms of their conceptual foundations, the data requirements, and some of the more salient issues that users of this information should be aware of. There will also be some discussion of **indirect and induced effects** in that these effects can be reasonably estimated from the direct travel industry accounts. These secondary (versus direct) effects describe the relationship of the travel industry to other sectors of the larger economy.

The intent of this discussion will be to provide a general overview of the process of constructing travel industry accounts and the underlying similarity between the RTIM and a TTSA. More technical issues are generally placed in footnotes.

TRAVEL INDUSTRY

Defining the travel industry is probably the most critical and data intensive effort involved in developing a travel industry account. It is an exercise in matching supply (sellers of goods and services) with demand (the travelers that purchase those particular goods and services). It is complicated by the fact that no single industrial classification scheme provides a valid measure of the travel industry.² There are only three significant industrial classifications (Accommodations [NAICS 721], Scheduled Passenger Air Transportation [NAICS 481111] and Travel Arrangement and Reservation Services [NAICS 5615]) that *primarily* sell travel industry goods and services.³ Firms in other industries (retail, recreation, transportation) provide goods and services to both travelers and other types of consumers.

Because of this, most satellite accounts, as well as the RTIM, incorporate at least some information about the expenditures of visitors in order to define the supply of

² The North American Industrial Classification System (NAICS) is the current standard in the United States.

³ Even these industries are not purely travel. For example, the accommodations industry provides services to local residents (food service and meeting rooms). Passenger airlines also ship cargo on the same planes that carry passengers. Fortunately, it is usually possible to make adjustments for these non-travel components through the use of additional data.

visitor industry firms. For example, if there is an estimate of visitor-days and an estimate of how much the average visitor spends on food services per day, then an estimate of visitor spending on food services can be calculated. In most cases, this will be only a fraction of all food service sales in that residents are a larger market for most restaurants.⁴

The industry sectors that are usually matched to visitor spending in this way are: accommodations (NAICS 721), food service (722), arts, entertainment and recreation (71), and retail trade (44-45). A portion of transportation business is also part of the travel industry for obvious reasons.

In the case of the transportation sector, the definition and measurement of the travel industry component is more complicated because most transportation spending by visitors involves travel to and from the destination, rather than travel at or within the destination market. This is not an issue if the geographic scope of the travel industry market includes the origin and destination of travel. National travel industry accounts thus include all domestic passenger air transportation in the travel industry. The issue is more complicated at the state or regional level, however. Suppose, for example, that the focus of a travel industry account is the state of Arizona. How should the purchase of a round trip airline ticket by a Chicago resident traveling to Phoenix be treated in that only some of the economic impact of this spending will occur in Arizona? A reasonable approach would be to allocate only a portion of this spending (and related payroll, taxes, etc.) to Arizona and ignore the remainder for the purpose of creating a travel industry account for Arizona. However, if this procedure were followed for every state, the sum of the state accounts would be less than the national travel account. The state accounts would be additive if outbound air travel from each state were included. However, this is methodologically inconsistent with the construction of a national account, which does not include outbound travel as a component of domestic tourism demand. The approach used in the RTIM is to make a distinction between the *visitor industry*, that includes only visitor demand, and the *travel industry*, which includes visitor demand and that portion of outbound travel that can be attributed to the resident economy. For example, the passenger air transportation employment in Arizona can be divided between three groups of travelers: inbound, outbound, and pass-through. Only that employment attributable to inbound travel is part of the Arizona *visitor industry*. Employment attributable to outbound and pass-through travelers is included with the larger *travel industry*.⁵

⁴ The proportion can vary enormously among regions and localities, however. In many popular visitor destinations, the primary market for food service will be visitors. It should also be noted that even with reliable visitor survey data, there is still the issue of how to translate spending on food service *commodities* to the supply of food service by *industry*. As indicated in the footnote above, food service is also supplied by the accommodation industry.

⁵ The same issue arises with travel agencies and reservation services (NAICS 5615). Most of these services are probably related to outbound travel and are treated as such in the RTIM.

The following two tables display the specific industries that are included in the travel industry for the BEA's national TTSA and the RTIM. Although not identical, the industries are equivalent with only a few exceptions.⁶

**Bureau of Economic Analysis Tourism Industries
Distribution of Travel-Generated Compensation
in United States, 2007**

Accommodation & Food Services	38.1%
Traveler accommodations	21.5%
Food services and drinking places	16.6%
Transportation	23.3%
Air transportation	15.4%
Rail transportation	0.4%
Water transportation	1.2%
Interurban bus transportation	0.3%
Interurban charter bus transportation	0.2%
Urban transit systems & other tran.	1.7%
Taxi service	1.0%
Automotive equipment rental & leasing	2.0%
Automotive repair services	0.8%
Parking lots and garages	0.2%
Toll highways	0.1%
Recreation	11.2%
Scenic and sightseeing transportation	0.4%
Motion pictures and performing arts	1.1%
Spectator sports	2.3%
Participant sports	2.4%
Gambling	3.0%
All other recreation and entertainment	2.0%
Retail & Nondurable Goods Production	16.2%
Petroleum refineries	0.6%
Industries producing nondurable PCE commodities, excluding petroleum refineries	4.4%
Wholesale trade & tran. services	4.2%
Gasoline service stations	1.3%
Retail trade services, excluding gasoline service stations	5.8%
Travel Arrangement	7.3%
All other industries	2.2%
Total Tourism Compensation	100.0%

Source: Adapted from Eric S. Griffith and Steven L. Zemanek, "U.S. Travel and Tourism Satellite Accounts for 2005-2008," Survey of Current Business (June 2009): 37, table 6.

⁶ The major exception is that the BEA includes the production of consumer non-durables that are sold through retail outlets. This is not a major component and would be even less so at the level of the state.

RTIM Travel Impact Industries Matched to NAICS

Travel Impact Industry	NAICS Industry (code)
Accommodation & Food Services	Accommodation (721) Food Services and Drinking Places (722)
Arts, Entertainment & Recreation	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)
Air Transportation	Scheduled Air Passenger Transportation (481111) Support Activities for Air Transportation (4881)
Administrative/Support Services	Travel Arrangement and Reservation Services (5615) Convention and Trade Show Organizers (56192)

Source: Dean Runyan Associates

DEMAND SEGMENTS

The distinction between inbound and outbound travel has already been discussed in the previous section and in terms of the concepts of the *visitor industry* and the *travel industry*. Three other types of demand segments that are related exclusively to the *visitor industry* will be discussed here. The first two demand categories are reported by the BEA in their national TTSA. They are: **leisure versus business travel**, and **resident versus non-resident travel**. The third demand category is typically reported in the RTIM: **type of traveler accommodation**. These three demand categories will be discussed in turn.

The distinction between **leisure versus business travel** is useful for several reasons. Economists like to distinguish between personal consumption expenditures on the one hand and business expenditures on the other. Indeed, this distinction is central for the National Income and Product Accounts (NIPAs). Those in the travel industry are more likely to be interested in this distinction because leisure travelers represent a more “marketable” segment because their travel choices are less determined by economic and business factors. Furthermore, business and leisure travelers tend to have different spending profiles. The availability of this information in either a state or regional TTSA or RTIM is essentially dependent on the availability of survey data (as it is at the national level). It should be noted, however, that such estimates are considerably less reliable for smaller geographic areas because of the limitations of survey data. Even at the state level, year-to-year changes in the composition of this demand segment should be interpreted in conjunction with other data.

The distinction between **resident versus non-resident travel** is fundamental to a national TTSA because it mirrors the distinction between the domestic economy and international transactions. Non-resident travel in the United States is considered an export in the official international transaction accounts.⁷ The distinction is obviously also important because it is based on different political, legal, and currency regimes – factors that in themselves influence travel behavior. At the level of the state or region, the distinction between resident and nonresident travel is less important, although it is often reported.⁸ There are at least two reasons why this distinction is less useful at state and regional levels.

First, there is considerably less of an economic rationale for distinguishing resident and non-resident travel at the level of the state, or any other political jurisdiction within the United States, than there is at the national level. States do not maintain interstate trade balance sheets that chart the flow of goods and services across state boundaries. From an economic point of view, the administration of the tax system is the primary, if only, reason for this distinction. In the case of travel and tourism,

⁷ Conversely, the spending of U.S. visitors in other countries is treated as an import in the international transaction accounts.

⁸ The issues discussed with regard to the reliability of survey data for leisure versus business travel also applies to this category

the evaluation of the tax impacts of resident versus nonresident travel might also be important.⁹

Second, travel is behaviorally defined by length of distance from home (usually at least 50 miles one-way), trip purpose (non-routine), and/or the use of an overnight accommodation away from home. Rarely is domestic travel defined by virtue of crossing a geographic boundary.¹⁰ The operators of tourist attractions in local communities are generally less interested in the origin of visitors than in the revenue that they generate for their businesses. In terms of the economic impacts at the *local* level, the distinction between in-state residents, out-of-state residents and international visitors may not be relevant other than for the purpose of marketing. However, other geographic characteristics of the visitor (e.g., distance traveled, the specific area of origin) are generally more useful measures of the visitor market than whether the visitor is a resident or nonresident.

Finally, the distinction among different ***types of traveler accommodations*** is generally reported in the RTIM. Typically, these categories are:

- Visitors who stay in hotels, motels, B&Bs., and similar lodging facilities
- Visitors who stay at campsites
- Visitors who stay in the private homes of friends or relatives
- Visitors who stay in vacation or second homes
- Visitors who do not stay in overnight accommodations on their trip away from home (day visitors).

These distinctions can be useful because estimates of economic impacts are often used for different purposes. The total of all accommodation types, of course, is an estimate of the total magnitude of the visitor industry. Visitors who stay in commercial lodging such as hotels and motels are most likely to have the greatest economic impact on a person-day basis. These visitors are also more likely to be influenced by marketing efforts. In urban areas, a large proportion will represent business travel. In other words, the type of accommodation category can be used in conjunction with other types of data to analyze the market characteristics of visitors.

⁹ Nonresident visitors who pay taxes in their destination state represent an unambiguous gain for the state. This effect is less clear for resident travelers within the state.

¹⁰ In essence, state level travel impact estimates really represent an aggregation of smaller geographic units, such as counties or regions. Populous states with large landmasses (e.g., California or Texas) will have a higher proportion of resident travel than small states (e.g., Rhode Island or Delaware).

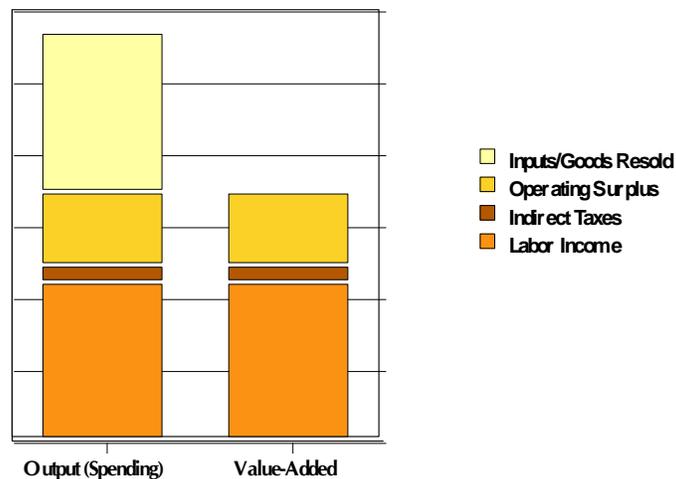
COMPONENTS OF INDUSTRY OUTPUT

Because both the RTIM and the TTSA are empirically linked to NAICS industry accounts, it is possible to provide estimates of different components of economic output. The major economic components most often estimated are:¹¹

- Travel spending (Gross Output)
- Value-added (Gross Product)
- Earnings (labor income)
- Indirect business taxes (sales, excise, property taxes & fees).

The relationship of these components is shown below. As indicated, the value-added of a particular industry (the bar on the right) is equal to gross output (travel spending) minus the intermediate inputs used by travel industry businesses to produce the good or service. Restaurants, for example, prepare and serve the food products that are purchased from suppliers. Airlines purchase or lease airplanes from other firms. These intermediate inputs are not counted as part of the value-added of the travel industry. They are counted as value-added in other industries (e.g., agriculture, aerospace manufacturing).

Components of Industry Output



The distinction between gross output and value-added is probably even more important at the state or regional level. This is because the intermediate inputs that are purchased from other industries are even more likely to be purchased from businesses located in different regions or states. For example, the economic impact

¹¹ There are some small differences between the BEA TTSA and the RTIM in what these components include. The BEA allocates proprietor income to Operating Surplus, the RTIM allocates it to Labor Income. The RTIM does not have an estimate of property taxes in indirect taxes. Overall, property taxes on businesses are a relatively small proportion of indirect taxes.

of air passenger travel in the state of Hawaii should not include the purchase of airplanes manufactured in other parts of the world. Travel industry value-added is a more meaningful measure of the true economic impact of visitor spending in Hawaii because a portion of the economic impact of visitor spending in the state will actually occur elsewhere.¹²

Value-added can also be viewed in terms of the distribution or payout of industry receipts, exclusive of those paid to other firms for intermediate inputs. Some of the receipts are distributed to labor as wages, benefits, and proprietor income. Some receipts are paid to government as indirect taxes. These taxes are called “indirect” because most of them are actually paid by consumers in the form of sales or excise taxes.¹³ The remainder leaves gross operating surplus. Out of gross operating surplus various payments are made in the form of dividends, interest, and other payments, or retained by the firm. The sum of these three broad categories of payments is equal to travel industry value-added. To summarize:

Value-added = Spending *less* intermediate goods & services, or

Value-added = Labor Income *plus* indirect business taxes *plus* gross operating surplus.

The RTIM is similar to the TTSA in that it also provides estimates of these components of economic output. Travel spending, earnings, and tax impacts are generally provided at the state or regional level. Value-added is generally reported at the state-level only (sometimes referred to as Travel Industry Gross State Product). At the level of the state, travel industry value-added or GSP is an important measure – more economically meaningful than travel spending.¹⁴ For smaller geographic areas, however, the rationale for reporting value-added is less clear. First, there are real data limitations and data costs in deriving these estimates. Second, ***the most important components of value added for the travel industry are earnings and tax receipts***. Because the travel industry is relatively labor intensive and because a large proportion of travel industry goods and services are subject to excise and sales taxes, these two components of value-added (labor income and indirect taxes) are relatively high for the travel industry. The local effects of gross operating surplus are generally less important and certainly much more difficult to assess than are earnings and tax impacts. The relevance of earnings and tax receipts is also in keeping the export-oriented emphasis of the travel industry: earnings and tax receipts are more likely to stay in the local economy than is operating surplus.

¹² It should also be noted the value of the intermediate inputs used by travel industry firms will not necessarily disappear if the travel industry stops buying them. Aerospace firms will shift their production to other users (e.g., military). Agriculture will seek new markets for their products.

¹³ Other taxes included here are property taxes, business franchise taxes, and other fees. Income taxes are not included, because they are paid out of operating surplus.

¹⁴ It is also possible to compare different industries with respect to their value-added. It is more difficult and less useful to compare industries on the basis of sales.

INDIRECT, INDUCED AND SECONDARY EFFECTS

To this point, the discussion of travel industry accounts has referred only to the direct output components. That is, the ripple effects of the re-spending of travel industry receipts throughout the larger economy have not been analyzed. The structure of both the TTSA and the RTIM permit such analysis.

- **Indirect** effects refer to the intermediate inputs used to produce the final product or service, providing that those inputs are themselves produced within the designated geographic area.
- **Induced** effects refer to the purchase of goods and services by *employees* that are attributable to direct and indirect impacts. These induced impacts are derived from economic data that describe the purchasing patterns of households. For example, employees of all the designated export-oriented industries will spend their income on food, household durables, health care, and so on.
- The sum of indirect and induced impacts is sometimes referred to as the **secondary** effect. These secondary impacts may be as great or greater than the direct impact alone.
- The ratio of the total effects (direct plus either indirect, induced, or secondary) to the direct effects is the **multiplier**.

The BEA reports the **indirect** components of economic output. This is equivalent to domestic travel spending less the goods and services imported from abroad to meet domestic demand. For travel, these imports would include souvenirs manufactured in China and petroleum extracted in Saudi Arabia. The indirect output multiplier for 2002 was 1.76. The ratio of domestic travel spending to travel industry value-added was 1.88. The difference reflects the intermediate inputs for travel imported from abroad.

At the state level, these indirect output multipliers are typically lower because relatively more of the intermediate inputs are purchased from outside of the state. At the county or metropolitan level, the multipliers are generally even lower for the same reason. Furthermore, the estimates are usually less reliable because of the data limitations of the regional input-output model used to estimate the indirect effects.

The BEA does not report **induced** effects – the effect of household spending of the direct and indirect labor income. Typically, these induced effects will be larger than the indirect effects at the state or regional level, in part because they are based on both the direct and indirect components.¹⁵ As with indirect effects, the induced effects will also tend to be lower for smaller economic areas and the reliability of the estimates will be less.

¹⁵ The induced effects can be estimated with the Implan model maintained by the Minnesota Implan Group.

Secondary effects should be interpreted cautiously. These effects describe the relationship of economic transactions at a point in time. These relationships will not necessarily remain constant with a change in direct economic output. This is because all economic resources have alternative uses. Because of this, it is often difficult to determine the effect of an increase or decrease in visitor spending on the larger economic system over time.

THE REGIONAL TRAVEL IMPACT MODEL AND TRAVEL & TOURISM SATELLITE ACCOUNTS COMPARED

This appendix has provided an overview of Dean Runyan Associates RTIM and the Bureau of Economic Analysis' domestic TTSA. These travel industry accounts are similar in terms of how they define the travel industry and the measures of the industry that are reported. The differences stem largely from their different levels of analysis – the BEA provides estimates at the national level only, while the RTIM's are typically constructed on a state or regional level. Because of this geographic focus, the RTIM provides a distinction between the visitor industry and the travel industry. The RTIM also provides measures of all of the components of economic output and secondary effects at the state or large region level. At smaller units of analysis, however, the emphasis is on earnings and tax receipts generated by travel spending as these are the most reliable and meaningful measures of the economic impact of travel at the local level.

Arizona Earnings and Employment by Industry Sector, 2013

Industry Sector	Earnings (\$Billion)	Percent of Total	Employment (Thousand)	Percent of Total
Primarily Export-Oriented	16.4	9.7%	237	7.0%
Agriculture, Forestry, Fishing and related	1.3	0.8%	44	1.3%
Mining	1.4	0.9%	24	0.7%
Manufacturing	13.6	8.1%	168	5.0%
<i>**Travel</i>	5.5	3.2%	164	4.8%
Primarily Non Export-Oriented	86.4	51.0%	1,812	53.4%
Construction	9.7	5.7%	175	5.2%
Utilities	1.6	0.9%	12	0.4%
Wholesale trade	8.6	5.1%	111	3.3%
Retail trade	12.6	7.4%	363	10.7%
Real estate and rental and leasing	5.1	3.0%	221	6.5%
Management of companies and enterprises	2.9	1.7%	34	1.0%
Administrative and waste services	10.0	5.9%	277	8.2%
Other services, except public administration	6.3	3.7%	177	5.2%
Government and government enterprises	29.8	17.6%	442	13.0%
Mixed	66.7	39.3%	1,343	39.6%
Transportation and warehousing	5.3	3.1%	98	2.9%
Information	3.5	2.0%	53	1.6%
Finance and insurance	12.4	7.3%	214	6.3%
Professional and technical services	13.5	8.0%	211	6.2%
Educational services	2.9	1.7%	71	2.1%
Health care and social assistance	20.8	12.3%	367	10.8%
Leisure and Hospitality	8.3	4.9%	329	9.7%
Arizona Total**	169.5	100.0%	3,392	100.0%

**Travel is not included in the sub and grand totals because it is also represented in other sectors (primarily leisure and hospitality, transportation, and retail trade).

Industry Groups

Accomm. & Food Serv.

Eating & Drinking
Hotels and Lodging Places

Agric. & Food Proc.

Agricultural- Forestry- Fishery Services
Animal and Marine Fats and Oils
Blended and Prepared Flour
Bottled and Canned Soft Drinks & Water
Bread- Cake- and Related Products
Canned and Cured Sea Foods
Canned Fruits and Vegetables
Canned Specialties
Cattle Feedlots
Cereal Preparations
Cheese- Natural and Processed
Chewing and Smoking Tobacco
Chewing Gum
Chocolate and Cocoa Products
Cigarettes
Cigars
Commercial Fishing
Condensed and Evaporated Milk
Confectionery Products
Cookies and Crackers
Cotton
Cottonseed Oil Mills
Creamery Butter
Dairy Farm Products
Dehydrated Food Products
Distilled Liquor- Except Brandy
Dog- Cat- and Other Pet Food
Feed Grains
Flavoring Extracts and Syrups- N.E.C.
Flour and Other Grain Mill Products
Fluid Milk
Food Grains
Food Preparations- N.E.C
Forest Products
Forestry Products
Frozen Fruits- Juices and Vegetables
Frozen Specialties
Fruits
Grass Seeds

Agric. & Food Proc.

Greenhouse and Nursery Products
Hay and Pasture
Hogs- Pigs and Swine
Ice Cream and Frozen Desserts
Landscape and Horticultural Services
Macaroni and Spaghetti
Malt
Malt Beverages
Manufactured Ice
Meat Packing Plants
Miscellaneous Crops
Miscellaneous Livestock
Oil Bearing Crops
Other Meat Animal Products
Pickles- Sauces- and Salad Dressings
Potato Chips & Similar Snacks
Poultry and Eggs
Poultry Processing
Prepared Feeds- N.E.C
Prepared Fresh Or Frozen Fish Or Seafood
Ranch Fed Cattle
Range Fed Cattle
Rice Milling
Roasted Coffee
Salted and Roasted Nuts & Seeds
Sausages and Other Prepared Meats
Sheep- Lambs and Goats
Shortening and Cooking Oils
Soybean Oil Mills
Sugar
Sugar Crops
Tobacco
Tobacco Stemming and Redrying
Tree Nuts
Vegetable Oil Mills- N.E.C
Vegetables
Wet Corn Milling
Wines- Brandy- and Brandy Spirits

Arts, Entertain., Rec.

Amusement and Recreation Services- N.E.C.
Bowling Alleys and Pool Halls
Commercial Sports Except Racing
Membership Sports and Recreation Clubs
Motion Pictures
Other Nonprofit Organizations
Racing and Track Operation
Theatrical Producers- Bands Etc.
Water Transportation

Construction

- Maintenance and Repair Oil and Gas Wells
- Maintenance and Repair Other Facilities
- Maintenance and Repair- Residential
- New Farm Structures
- New Government Facilities
- New Highways and Streets
- New Industrial and Commercial Buildings
- New Mineral Extraction Facilities
- New Residential Structures
- New Utility Structures

Finance, Real Estate

- Banking
- Credit Agencies
- Insurance Agents and Brokers
- Insurance Carriers
- Owner-occupied Dwellings
- Real Estate
- Security and Commodity Brokers

Government

- Commodity Credit Corporation
- Federal Electric Utilities
- Federal Government - Military
- Federal Government - Non-Military
- Local Government Passenger Transit
- Other Federal Government Enterprises
- Other State and Local Govt Enterprises
- State & Local Government - Education
- State & Local Government - Non-Education
- State and Local Electric Utilities
- U.S. Postal Service

Misc. Manf.

*Includes all utilities, mining and manufacturing industries
not elsewhere classified*

Misc. Services

- Advertising
- Beauty and Barber Shops
- Computer and Data Processing Services
- Detective and Protective Services
- Domestic Services
- Electrical Repair Service
- Equipment Rental and Leasing
- Funeral Service and Crematories
- Laundry- Cleaning and Shoe Repair
- Miscellaneous Personal Services
- Miscellaneous Repair Shops
- Other Business Services
- Personnel Supply Services
- Photofinishing- Commercial Photography
- Portrait and Photographic Studios
- Services To Buildings
- Watch- Clock- Jewelry and Furniture Repair

Prof. Services

Accounting- Auditing and Bookkeeping
Business Associations
Child Day Care Services
Colleges- Universities- Schools
Doctors and Dentists
Elementary and Secondary Schools
Engineering- Architectural Services
Hospitals
Job Trainings & Related Services
Labor and Civic Organizations
Legal Services
Management and Consulting Services
Nursing and Protective Care
Other Educational Services
Other Medical and Health Services
Religious Organizations
Research- Development & Testing Services
Residential Care
Social Services- N.E.C.

Retail Trade

Apparel & Accessory Stores
Building Materials & Gardening
Food Stores
Furniture & Home Furnishings Stores
General Merchandise Stores
Miscellaneous Retail
Wholesale Trade

Transportation

Air Transportation
Arrangement Of Passenger Transportation
Automobile Parking and Car Wash
Automobile Rental and Leasing
Automobile Repair and Services
Automotive Dealers & Service Stations
Local- Interurban Passenger Transit
Motor Freight Transport and Warehousing
Railroads and Related Services
Transportation Services