

TRACKING DOMESTIC VISITOR VOLUMES FOR ARIZONA 2022 Q4 and 2022 Full Year Estimates

Prepared for:
The Arizona Office of Tourism



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QUARTERLY SUMMARY

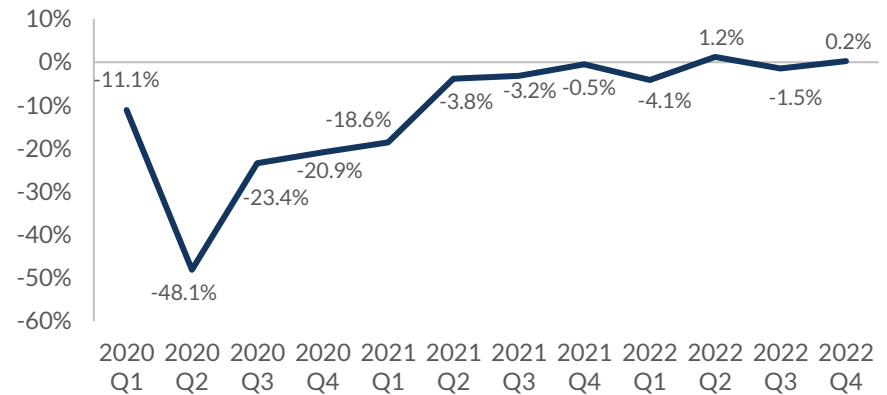
2022 Q4

Overnight visitation to Arizona during 2022 Q4 averaged slightly above 2019 levels

Travel activity in 2022 Q4 averaged 0.2% above 2019 levels as visits by non-residents reached pre-pandemic levels for the first time. Overnight visitors grew 0.7% relative to last year.

Overnight visitation 2020 Q1 - 2022 Q4

Amounts expressed in % change relative to 2019 levels



Source: Arizona Office of Tourism/Tourism Economics

Change relative to 2019	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Overnight Visitors	-11.1%	-48.1%	-23.4%	-20.9%	-18.6%	-3.8%	-3.2%	-0.5%	-4.1%	1.2%	-1.5%	0.2%
Overnight Leisure	-9.6%	-44.9%	-19.1%	-16.5%	-14.8%	-1.3%	-1.3%	1.1%	-3.2%	2.3%	-0.4%	1.2%
Overnight Business	-18.1%	-65.3%	-48.9%	-41.1%	-36.2%	-17.5%	-13.9%	-8.0%	-8.6%	-4.8%	-7.5%	-4.1%
Overnight Resident	-5.6%	-34.2%	-17.5%	-13.0%	-12.8%	-1.2%	-0.3%	0.3%	-2.2%	4.5%	0.8%	0.9%
Overnight Nonresident	-13.0%	-53.8%	-25.8%	-23.6%	-20.6%	-4.9%	-4.3%	-0.8%	-4.8%	-0.1%	-2.4%	0.0%

QUARTERLY SUMMARY

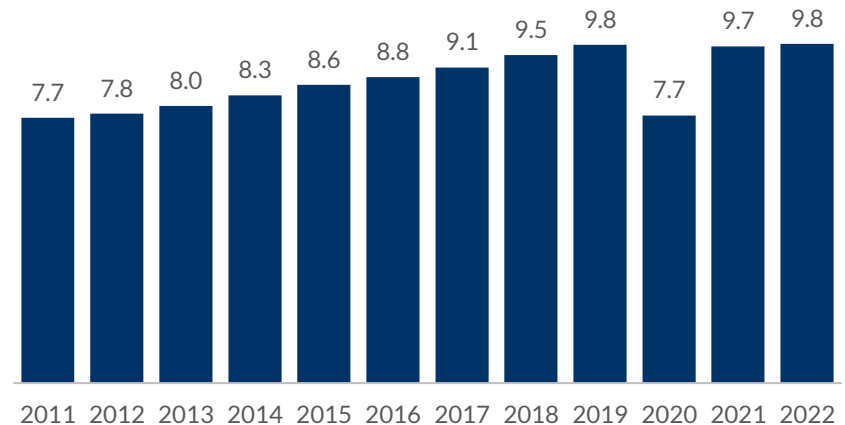
2022 Q4

Overnight visits to Arizona in 2022 Q4 were 0.2% above levels in 2019 Q4

Overnight visits were estimated at 9.8 million for the quarter, up 0.7% from last year, and 0.2% above 2019 levels.

Overnight visitor trend, 2022 Q4

Amounts expressed in millions



Source: Arizona Office of Tourism/Tourism Economics

QUARTERLY SUMMARY

2022 Q4

Strong real amusement sales and car rental contracts

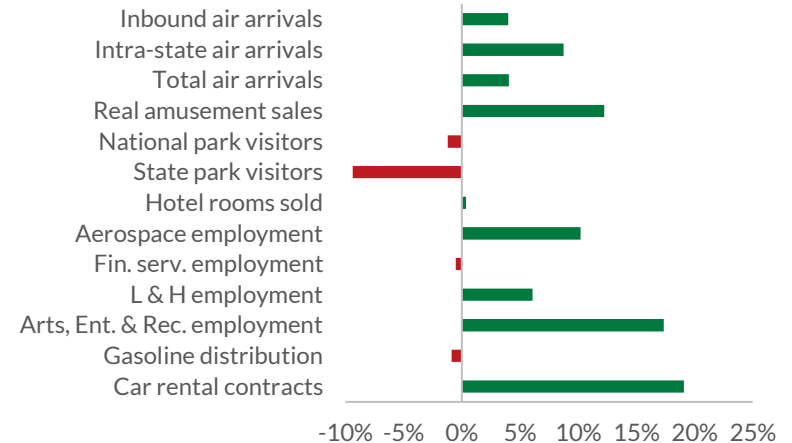
Continued strong growth in real amusement sales (+23.5% vs. 2019 Q4) boosted estimated overnight visitation in 2022 Q4. Car rental contracts were also up strongly (+17.7% vs. 2019 Q4) but partly offset by intra-state air arrivals and national park visitors remaining below pre-pandemic levels (-19.5% and -3.3%, respectively). Gasoline distribution was the only other indicator below 2019 levels (-1.3%).

Hotel rooms sold during 2022 Q4 moved back to positive change versus 2019 (+3.6%) after registering 0.8% below 2019 levels last quarter. Employment and air transport continued to posts gains above 2019 levels in 2022 Q4, as state park visitors moved above pre-pandemic levels (+4.5%) for the first time in 2022.

Versus the same period in 2021, car rental contracts grew fastest in 2022 Q4 (+19.1%), followed by arts, entertainment, and recreation employment (+17.3%).

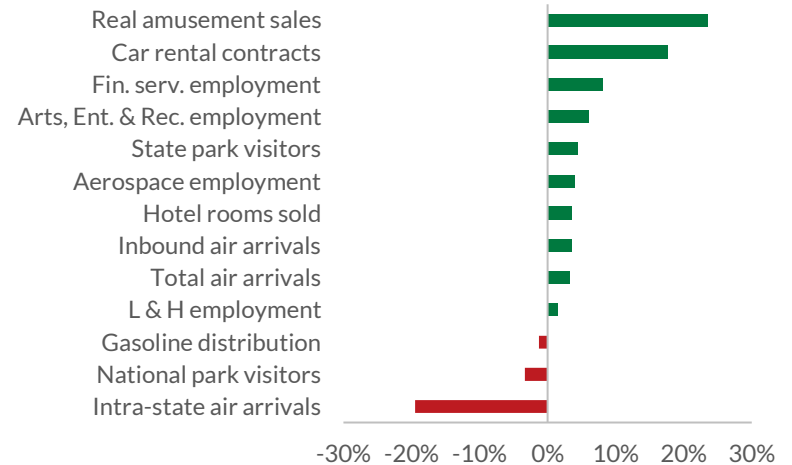
Indicator growth, 2022 Q4

Amounts expressed in % change YOY



Indicator growth, 2022 Q4

Amounts expressed in % change from the same quarter in 2019



Source: Tourism Economics

DOMESTIC OVERNIGHT VISITOR VOLUME ESTIMATES

2022 Q4

Millions	2018				2019				2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Overnight Visitors	10.55	10.13	9.46	9.46	10.74	10.31	9.82	9.76	9.55	5.35	7.52	7.72	8.74	9.92	9.51	9.71	10.30	10.44	9.67	9.78
Overnight Leisure	8.69	8.58	8.05	7.77	8.84	8.71	8.38	8.03	8.00	4.80	6.78	6.70	7.54	8.60	8.27	8.12	8.56	8.92	8.34	8.12
Overnight Business	1.86	1.55	1.41	1.69	1.89	1.60	1.44	1.73	1.55	0.55	0.73	1.02	1.21	1.32	1.24	1.59	1.73	1.52	1.33	1.66
Overnight Resident	2.79	2.97	2.77	2.48	2.84	2.98	2.82	2.54	2.68	1.96	2.32	2.21	2.47	2.95	2.81	2.54	2.77	3.12	2.84	2.56
Overnight Nonresident	7.76	7.16	6.69	6.98	7.90	7.33	7.00	7.22	6.87	3.39	5.20	5.52	6.27	6.97	6.70	7.17	7.52	7.32	6.83	7.22

Annual % growth	2018				2019				2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Overnight Visitors	2.10%	3.27%	3.92%	3.85%	1.80%	1.83%	3.82%	3.20%	-11.07%	-48.10%	-23.43%	-20.89%	-8.44%	85.33%	26.46%	25.79%	17.74%	5.24%	1.74%	0.71%
Overnight Leisure	2.19%	2.97%	3.89%	3.63%	1.79%	1.61%	4.18%	3.39%	-9.55%	-44.94%	-19.07%	-16.53%	-5.79%	79.23%	21.92%	21.17%	13.64%	3.69%	0.90%	0.01%
Overnight Business	1.66%	4.93%	4.09%	4.88%	1.85%	3.09%	1.72%	2.32%	-18.13%	-65.35%	-48.85%	-41.13%	-22.13%	138.20%	68.40%	56.20%	43.36%	15.33%	7.38%	4.31%
Overnight Resident	3.49%	3.07%	3.67%	2.21%	1.53%	0.46%	1.60%	2.22%	-5.62%	-34.19%	-17.52%	-13.04%	-7.66%	50.18%	20.85%	15.34%	12.16%	5.74%	1.14%	0.57%
Overnight Nonresident	1.60%	3.35%	4.03%	4.45%	1.90%	2.40%	4.74%	3.55%	-13.02%	-53.76%	-25.80%	-23.64%	-8.75%	105.68%	28.97%	29.97%	19.94%	5.03%	1.99%	0.76%

Source: Tourism Economics

SHARE OF DOMESTIC OVERNIGHT VISITS

2022 Q4

Percent	2018				2019				2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Overnight Leisure	82.4%	84.7%	85.1%	82.1%	82.4%	84.5%	85.4%	82.3%	83.8%	89.7%	90.2%	86.8%	86.2%	86.7%	87.0%	83.6%	83.2%	85.4%	86.3%	83.0%
Overnight Business	17.6%	15.3%	14.9%	17.9%	17.6%	15.5%	14.6%	17.7%	16.2%	10.3%	9.8%	13.2%	13.8%	13.3%	13.0%	16.4%	16.8%	14.6%	13.7%	17.0%
Overnight Resident	26.5%	29.3%	29.3%	26.2%	26.4%	28.9%	28.7%	26.0%	28.0%	36.7%	30.9%	28.6%	28.3%	29.7%	29.5%	26.2%	26.9%	29.8%	29.3%	26.2%
Overnight Nonresident	73.5%	70.7%	70.7%	73.8%	73.6%	71.1%	71.3%	74.0%	72.0%	63.3%	69.1%	71.4%	71.7%	70.3%	70.5%	73.8%	73.1%	70.2%	70.7%	73.8%

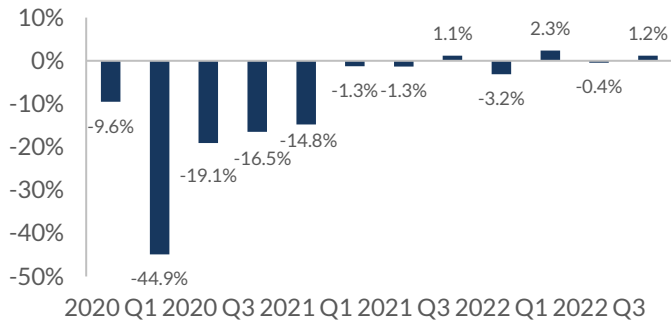
VISITATION COMPARED TO 2019 LEVELS

2022 Q4

Change relative to 2019	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Overnight Visitors	-11.1%	-48.1%	-23.4%	-20.9%	-18.6%	-3.8%	-3.2%	-0.5%	-4.1%	1.2%	-1.5%	0.2%
Overnight Leisure	-9.6%	-44.9%	-19.1%	-16.5%	-14.8%	-1.3%	-1.3%	1.1%	-3.2%	2.3%	-0.4%	1.2%
Overnight Business	-18.1%	-65.3%	-48.9%	-41.1%	-36.2%	-17.5%	-13.9%	-8.0%	-8.6%	-4.8%	-7.5%	-4.1%
Overnight Resident	-5.6%	-34.2%	-17.5%	-13.0%	-12.8%	-1.2%	-0.3%	0.3%	-2.2%	4.5%	0.8%	0.9%
Overnight Nonresident	-13.0%	-53.8%	-25.8%	-23.6%	-20.6%	-4.9%	-4.3%	-0.8%	-4.8%	-0.1%	-2.4%	0.0%

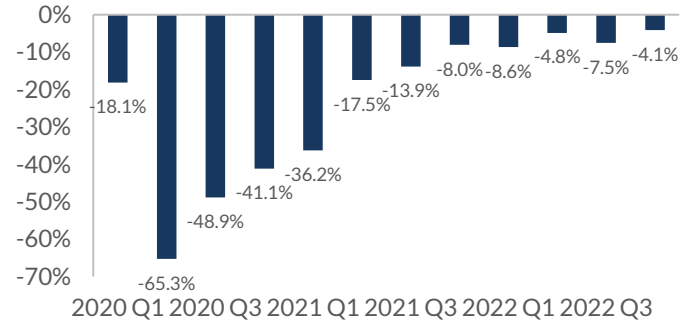
Leisure

Amounts expressed in % change versus same quarter in 2019



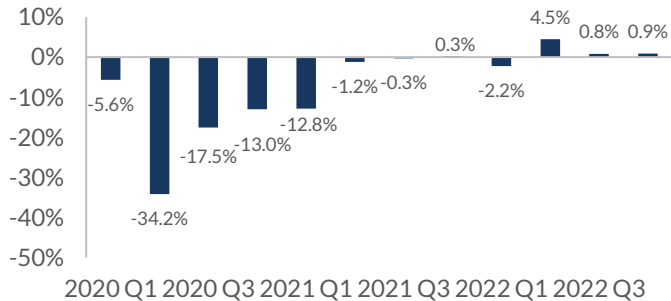
Business

Amounts expressed in % change versus same quarter in 2019



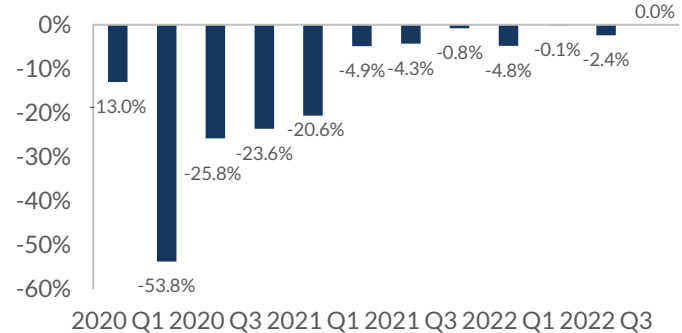
Resident

Amounts expressed in % change versus same quarter in 2019



Nonresident

Amounts expressed in % change versus same quarter in 2019



OVERNIGHT VISITATION

2022 Q4

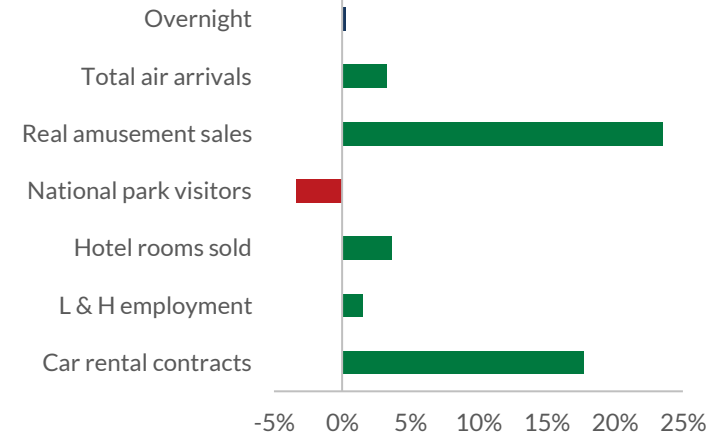
Total overnight visitation was 0.2% above 2019 levels in 2022 Q4

Hotel rooms sold were 3.6% above 2019 levels in 2022 Q4 and was an important contributor to year-over-year visitor growth. The leading growth contributor relative to 2021 for the quarter was car rental contracts, up 17.7% versus 2019 Q4. The real amusement sales contribution to overnight visits growth was also significant as sales rose 23.5% above 2019 levels.

Hospitality employment's contribution to year-over-year growth grew in significance, reaching 1.5% above 2019 levels. National park visitation was the only negative contributor to year-over-year overnight visitation growth (-3.3% vs. 2019). Total air arrivals continued to improve and were above 2019 levels (+3.2%).

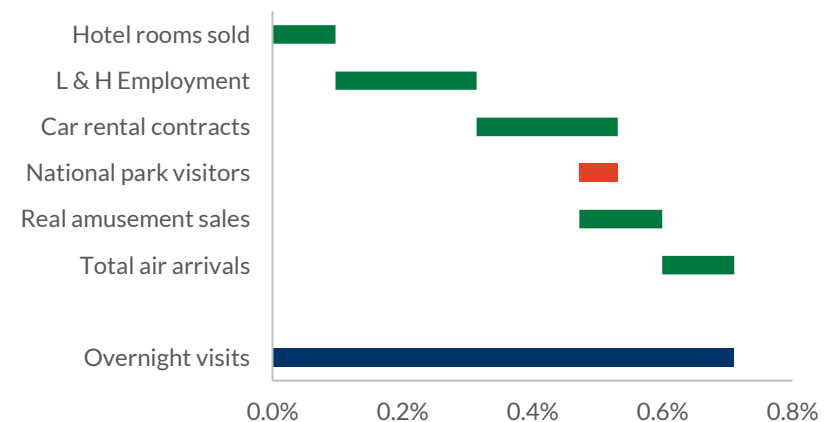
Overnight visits and indicator growth, 2022 Q4

Amounts expressed in % change relative to 2019



Contributions to overnight growth, 2022 Q4

Amounts expressed as %-point contribution to YOY growth



Source: Tourism Economics

OVERNIGHT LEISURE VISITATION

2022 Q4

Leisure visitation to Arizona in 2022 Q4 was up 1.2% relative to 2019 Q4

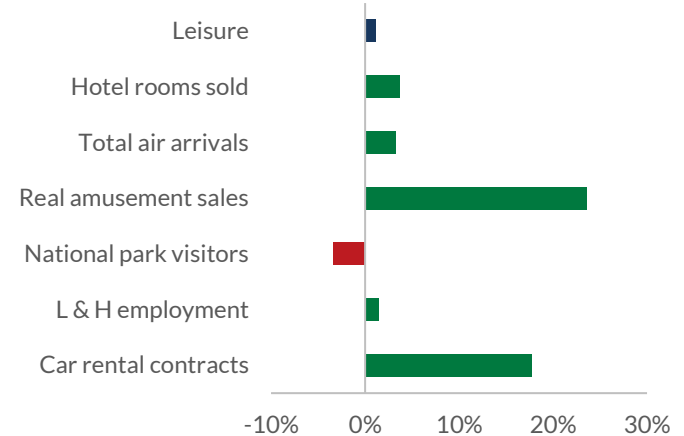
Leisure visits increased from 0.4% below 2019 levels in 2022 Q3 to 1.2% above in Q4. Year-over-year visitation growth was supported by strong gains in car rental contracts (17.7% vs. 2019 Q4). Relative to 2019, real amusement sales were up the most (+23.5%).

The hotel rooms sold contribution to year-over-year growth increased in importance and grew to 3.6% above 2019 levels, as hospitality employment recovered above pre-pandemic levels (+1.5%). Despite being 3.3% below 2019 levels, the national park visitation recovery improved compared to the prior quarter (-26.6% vs. 2019 Q3).

The share of leisure visitors in Q4 (83.0%) was down 0.6 ppt from its share in 2021 Q4 (83.6%), and up 0.8 ppt from its share in 2019 Q4 (82.3%).

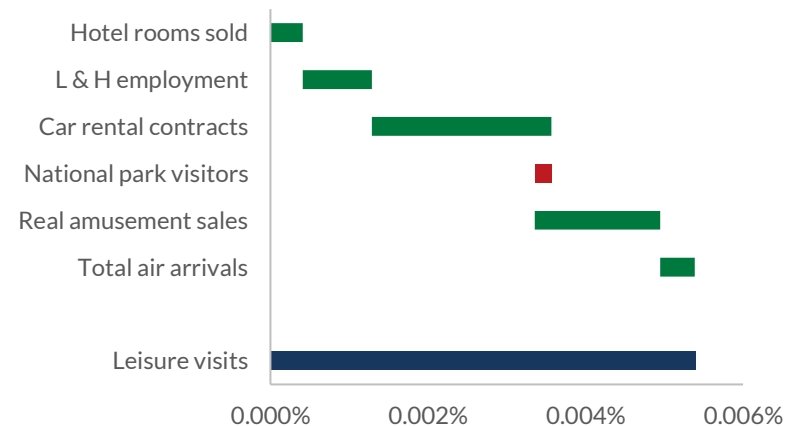
Leisure visits and indicator growth, 2022 Q4

Amounts expressed in % change relative to 2019



Contributions to leisure growth, 2022 Q4

Amounts expressed as %-point contribution to YOY growth



Source: Tourism Economics

OVERNIGHT BUSINESS VISITATION

2022 Q4

Business visitation to Arizona in 2022 Q4 was 4.1% behind levels in 2019 Q4

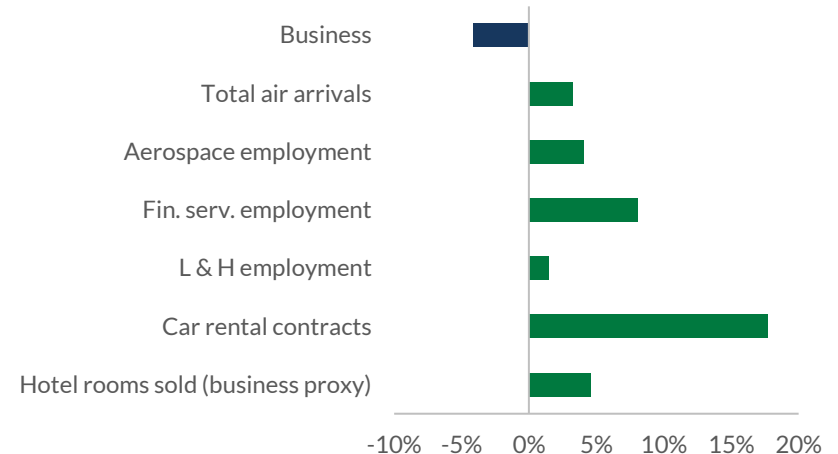
Despite strongest year-over-year growth across visitor segments, the number of business travelers to Arizona remained below pre-pandemic levels (-4.1%), reflecting broader business travel trends. Hotel demand in 2022 Q4, measured as a proxy for business transient and group activity, was above 2019 levels for the first time (+4.6%).

Aerospace employment – the biggest contributor to year-over-year business visitor growth – was 4.1% above 2019. Financial services employment was 8.1% above pre-pandemic levels, despite being a negative contributor to year-over-year growth.

Car rental contracts, another important contributor to year-over-year growth, was up the most versus 2019 (+17.7%). Total air arrivals grew in significance, reaching 3.2% above pre-pandemic levels.

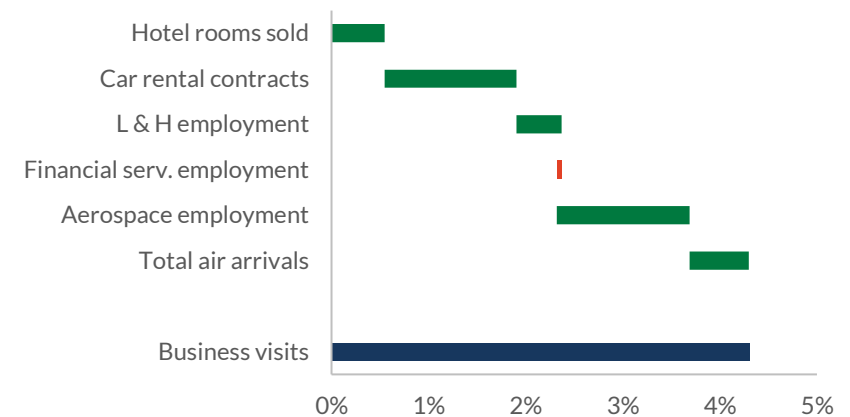
Business visits and indicator growth, 2022 Q4

Amounts expressed in % change relative to 2019



Contributions to business growth, 2022 Q4

Amounts expressed as %-point contribution to YOY growth



Source: Tourism Economics

OVERNIGHT RESIDENT VISITATION

2022 Q4

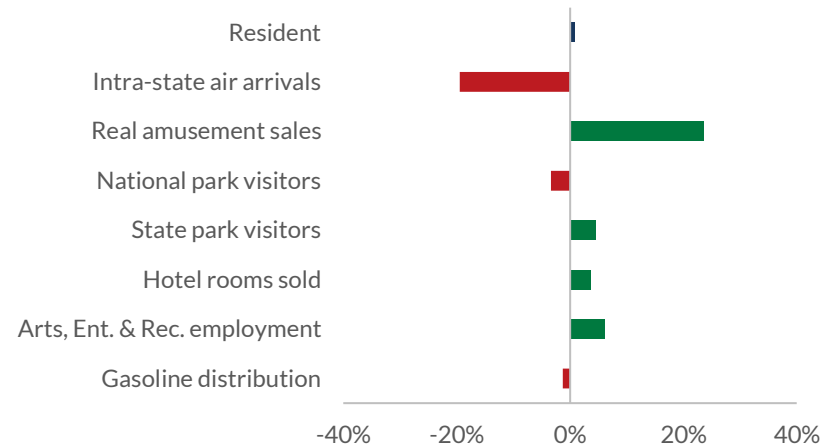
Resident visitation to Arizona in 2022 Q4 was 0.9% above pre-pandemic levels

Resident visitation in 2022 Q4 improved to 0.9% above pre-pandemic levels. Continued growth in resident visits was driven by strong real amusement sales (+23.5%) versus 2019. Hiring in arts, entertainment and recreation increased in Q4 to 6.1% above pre-pandemic levels. Intra-state air arrivals fell back below levels in 2019 (-19.5%) but was a positive contributor to year-over-year growth.

Weak performance was recorded for national park visitors versus 2019 Q4 (-3.3%), as state park visitors moved back above pre-pandemic levels (+4.5%) despite both negatively contributing to year-over-year growth. Gasoline distribution declined year-over-year to reach 1.3% below 2019 levels. The recovery in hotel rooms sold improved versus the prior quarter to reach 3.6% of pre-pandemic levels.

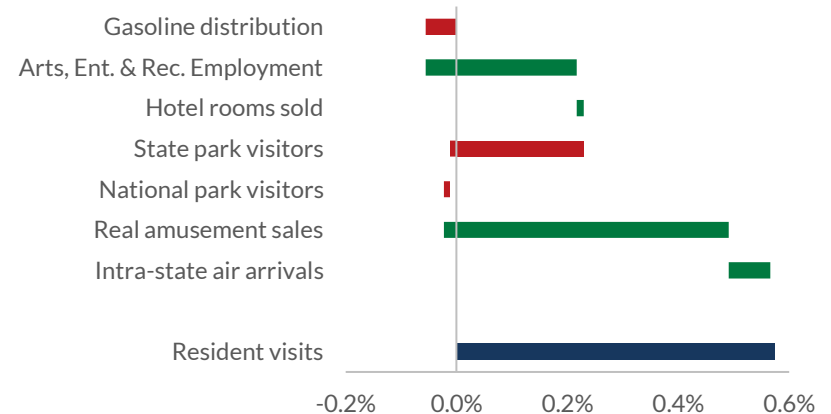
Resident visits and indicator growth, 2022 Q4

Amounts expressed in % change relative to 2019



Contributions to resident growth, 2022 Q4

Amounts expressed as %-point contribution to YOY growth



Source: Tourism Economics

OVERNIGHT NON-RESIDENT VISITATION

2022 Q4

Non-resident visitation to Arizona in 2022 Q4 recovered to 2019 Q4 levels

Estimated non-resident visits in 2022 Q4 reached pre-pandemic levels for the first time.

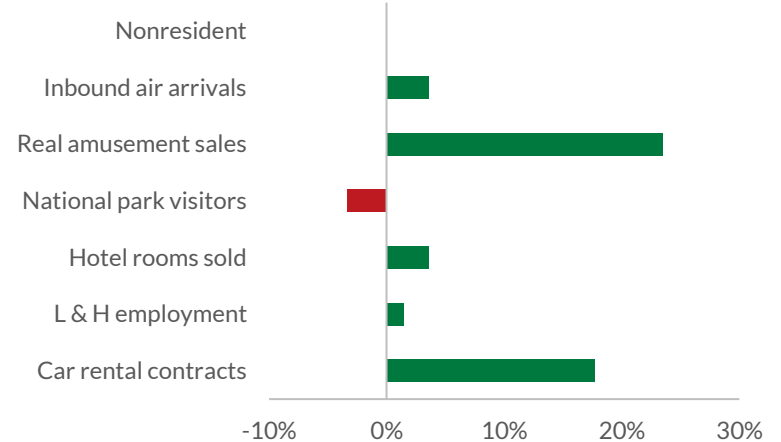
Hospitality employment – the biggest positive driver of year-over-year non-resident visitation growth in 2022 Q4 – was 1.5% above 2019 Q4 levels, while real amusement sales were 23.5% higher. Car rental contracts were also an important contributor to year-over-year growth, up 17.7% versus 2019.

National park visitors – who often come from out-of-state – were 3.3% below 2019 Q4 levels, negatively contributing to year-over-year-growth. Hotel rooms sold returned to positive growth versus 2019 (+3.6%).

The non-resident visitor share in Q4 (73.8%) was 0.2 ppt below the same quarter in 2019 (74.0%).

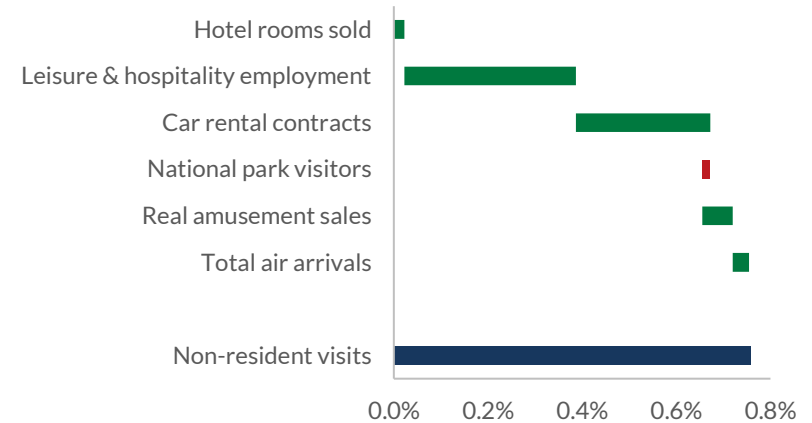
Non-resident visits and indicator growth, 2022 Q4

Amounts expressed in % change relative to 2019



Contributions to non-resident growth, 2022 Q4

Amounts expressed as %-point contribution to YOY growth



Source: Tourism Economics

ANNUAL RESULTS

ANNUAL VISITATION SUMMARY

2022

Arizona welcomed 40.19 million overnight domestic visitors for the year as visitation increased in 2022 (+6.1%) to reach 99% of 2019 levels.

The recovery in visitation was led by leisure and resident visits, which recovered to 2019 levels in 2022. Visits by business travelers grew 16.5% year-over-year to 94% of 2019 levels, while non-resident visits reached 98% of pre-pandemic levels.

In 2021, even as demand for travel recovered strongly, hesitancy to return to work, coupled with movement into new industries by former travel and tourism employees, slowed the jobs recovery. By the final quarter of 2022, employment in the industry moved above 2019 levels for the first time as re-hiring picked up to accommodate strong travel demand.

Millions	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Overnight Visitors	33.46	33.80	32.39	30.03	31.80	32.81	33.13	33.77	35.03	36.43	37.41	38.35	39.59	40.63	30.14	37.88	40.19
Overnight Leisure	26.69	27.00	25.60	24.75	26.08	27.02	27.44	28.03	29.14	30.35	31.24	32.07	33.08	33.97	26.28	32.53	33.95
Overnight Business	6.77	6.80	6.79	5.28	5.72	5.79	5.69	5.74	5.90	6.08	6.17	6.28	6.51	6.66	3.86	5.35	6.24
Overnight Resident	9.97	10.08	9.70	8.96	9.25	9.31	9.37	9.56	9.89	10.20	10.44	10.68	11.01	11.17	9.17	10.77	11.28
Overnight Nonresident	23.49	23.72	22.69	21.08	22.55	23.50	23.76	24.22	25.14	26.23	26.97	27.67	28.58	29.46	20.98	27.11	28.90

Source: Tourism Economics

ANNUAL OVERNIGHT VISITOR SHARES BY SEGMENT

2022

Annual % growth	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Overnight Visitors	4.1%	1.0%	-4.2%	-7.3%	5.9%	3.2%	1.0%	1.9%	3.7%	4.0%	2.7%	2.5%	3.2%	2.6%	-25.8%	25.7%	6.1%
Overnight Leisure	3.5%	1.2%	-5.2%	-3.3%	5.4%	3.6%	1.5%	2.2%	3.9%	4.2%	2.9%	2.7%	3.1%	2.7%	-22.6%	23.8%	4.4%
Overnight Business	6.3%	0.5%	-0.2%	-22.2%	8.3%	1.3%	-1.7%	0.9%	2.7%	3.1%	1.5%	1.7%	3.8%	2.2%	-42.1%	38.8%	16.5%
Overnight Resident	3.2%	1.1%	-3.8%	-7.6%	3.3%	0.7%	0.6%	2.0%	3.5%	3.1%	2.3%	2.3%	3.1%	1.4%	-17.9%	17.5%	4.8%
Overnight Nonresident	4.5%	1.0%	-4.4%	-7.1%	7.0%	4.2%	1.1%	1.9%	3.8%	4.3%	2.8%	2.6%	3.3%	3.1%	-28.8%	29.3%	6.6%

Percent share	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Overnight Leisure	79.8%	79.9%	79.0%	82.4%	82.0%	82.3%	82.8%	83.0%	83.2%	83.3%	83.5%	83.6%	83.5%	83.6%	87.2%	85.9%	84.5%
Overnight Business	20.2%	20.1%	21.0%	17.6%	18.0%	17.7%	17.2%	17.0%	16.8%	16.7%	16.5%	16.4%	16.5%	16.4%	12.8%	14.1%	15.5%
Overnight Resident	29.8%	29.8%	29.9%	29.8%	29.1%	28.4%	28.3%	28.3%	28.2%	28.0%	27.9%	27.8%	27.8%	27.5%	30.4%	28.4%	28.1%
Overnight Nonresident	70.2%	70.2%	70.1%	70.2%	70.9%	71.6%	71.7%	71.7%	71.8%	72.0%	72.1%	72.2%	72.2%	72.5%	69.6%	71.6%	71.9%

Source: Tourism Economics

TOURISM ECONOMICS

For more information:

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