

# The Economic Impact of Tourism in Greater Philadelphia

---



2014 Analysis



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

# 2014 Highlights

---

- Visitor spending in Philadelphia accelerated in 2014, growing 4.6%, improving on its 2013 growth rate of 3.0%.
  - Total visitor spending surpassed \$6.5 billion with spending on lodging and food & beverages driving overall spending growth.
  - Visitor volume grew 1.7% to edge close to the 40 million visitor mark, reaching 39.7 million in 2014.
- Per trip spending grew 2.9%. Per trip spending growth was driven by stronger household finances and improving consumer confidence.

# Headline results

---

- The visitor economy generates substantial business sales, employment, and taxes in the Philadelphia region.
- Direct visitor spending of \$6.5 billion generated \$10.4 billion in total business sales, including indirect and induced impacts.
- 92,157 jobs were sustained by visitors to the Philadelphia region last year with total income of \$3.2 billion.
- 5.4% (1 in 18.6) of all jobs in the region are sustained by visitor activity.
- Visitors to Greater Philadelphia generated \$1.5 billion in taxes in 2014, with \$655 million accruing to state and local governments.

# Annual visitor trends

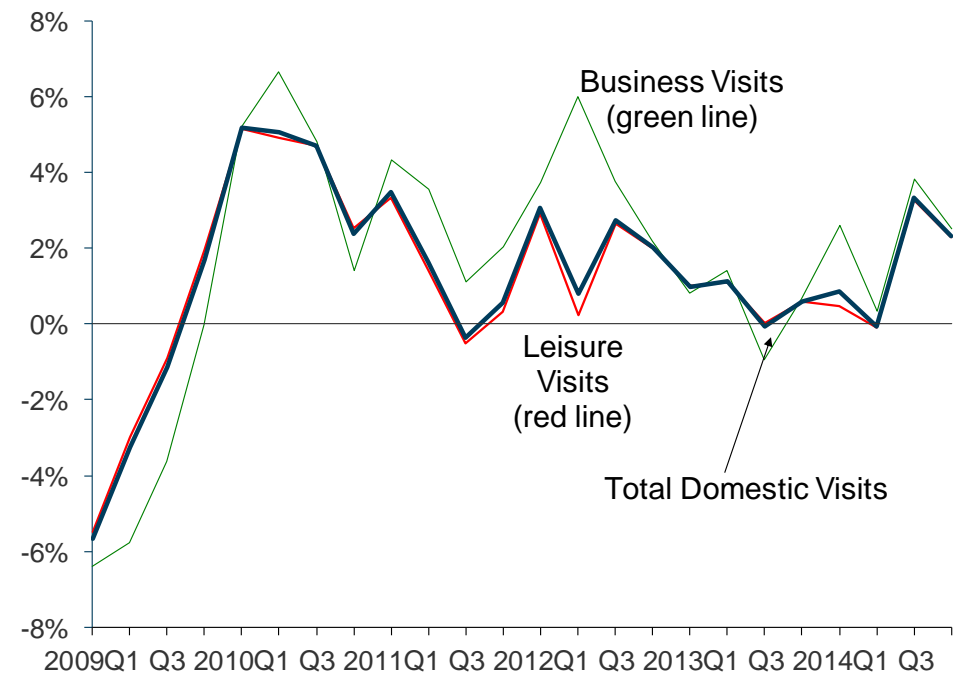
- Domestic visitation continued to advance, growing 1.7% in 2014.
- Business visitation outpaced leisure visitation growth, growing 2.3% in 2014.
- Overnight demand continued to outperform day visits.

Annual Visitor Estimates													
	(millions)							(% growth)					
	2008	2009	2010	2011	2012	2013	2014	2009	2010	2011	2012	2013	2014
Overnight Business	1.89	1.80	1.93	2.00	2.09	2.10	2.17	-5.0%	7.5%	3.7%	4.5%	0.2%	3.7%
Overnight Leisure	11.56	11.35	12.60	12.89	13.27	13.46	13.90	-1.8%	11.0%	2.3%	2.9%	1.5%	3.3%
Day Business	2.44	2.36	2.42	2.47	2.55	2.57	2.60	-3.2%	2.3%	2.0%	3.5%	0.7%	1.2%
Day Leisure	20.83	20.50	20.64	20.64	20.86	20.89	21.00	-1.6%	0.7%	0.0%	1.1%	0.1%	0.5%
Overnight Visitors	13.45	13.14	14.53	14.89	15.36	15.56	16.07	-2.3%	10.5%	2.5%	3.1%	1.3%	3.3%
Day Visitors	23.27	22.87	23.06	23.10	23.42	23.46	23.60	-1.7%	0.8%	0.2%	1.4%	0.2%	0.6%
Business	4.34	4.16	4.35	4.47	4.65	4.67	4.78	-4.0%	4.5%	2.8%	4.0%	0.5%	2.3%
Leisure	32.39	31.85	33.24	33.53	34.13	34.34	34.89	-1.7%	4.4%	0.9%	1.8%	0.6%	1.6%
Total Domestic Visitors	36.72	36.01	37.59	38.00	38.78	39.01	39.67	-1.9%	4.4%	1.1%	2.1%	0.6%	1.7%

# Summary: Leisure vs. Business

- Business visitation outperformed overall arrival growth in 2014.
- Growth was strongest in the second half of the year.
- Leisure visitor activity was restrained by weather-related travel issues. Snow storms in February slowed travel to Philly.

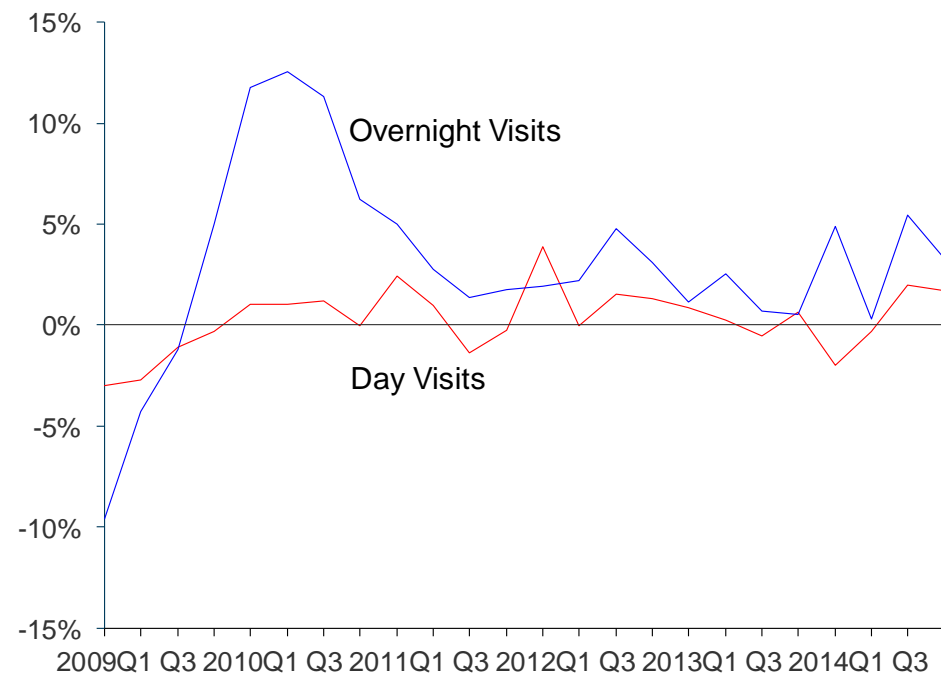
**Greater Philadelphia Domestic Arrivals**  
% growth, year-over-year



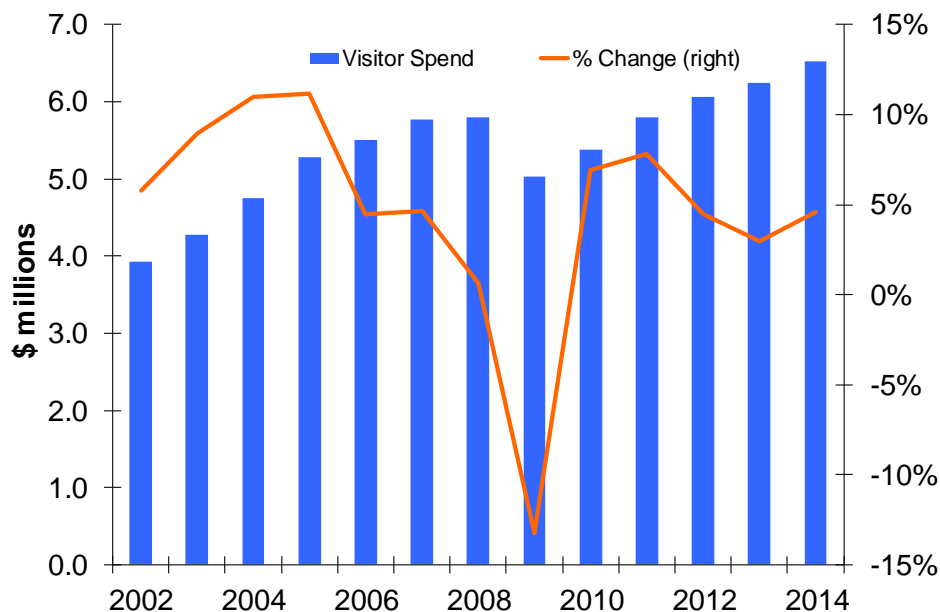
# Summary: Day vs. Overnight

- With continued growth in hotel demand, overnight visitation grew 3.3% in 2014, outpacing day visitation growth of 0.6%.
- Overnight visit growth continued to outperform overall visit growth in 2014.
- Day leisure visitor growth rebounded in the second half of the year.

**Greater Philadelphia Domestic Arrivals**  
% growth, year-over-year



# Trends in tourism spending



Tourism Expenditures		
Year	US\$ Mn	% Change
2002	3,925	5.8%
2003	4,275	8.9%
2004	4,745	11.0%
2005	5,275	11.2%
2006	5,509	4.4%
2007	5,764	4.6%
2008	5,800	0.6%
2009	5,031	-13.3%
2010	5,379	6.9%
2011	5,799	7.8%
2012	6,057	4.5%
2013	6,238	3.0%
2014	6,522	4.6%

- Visitor spending grew 4.6% reaching \$6.5 billion in 2014.
- Spending growth accelerated in 2014, boosted by overall economic trends along with stronger local tourism industry pricing.
- Spending has now grown for five consecutive years.

# Visitor spending by market

- Leisure travel growth of 6.2% fueled overall visitor spending growth.
- Spending by overnight visitors outpaced day visitor spending.
- Domestic visitor spending grew 4.6% in 2014.

<b>Tourism Expenditures in 2014</b>					
% Change Over 2013					
Purpose		Stay		Market	
<b>Business</b>	0.8%	<b>Day</b>	4.4%	<b>Domestic</b>	4.6%
<b>Leisure</b>	6.2%	<b>Overnight</b>	4.6%	<b>Overseas</b>	5.2%
<b>Both</b>	3.7%			<b>Canada</b>	-1.4%
<b>TOTAL</b>	4.6%		4.6%		4.6%

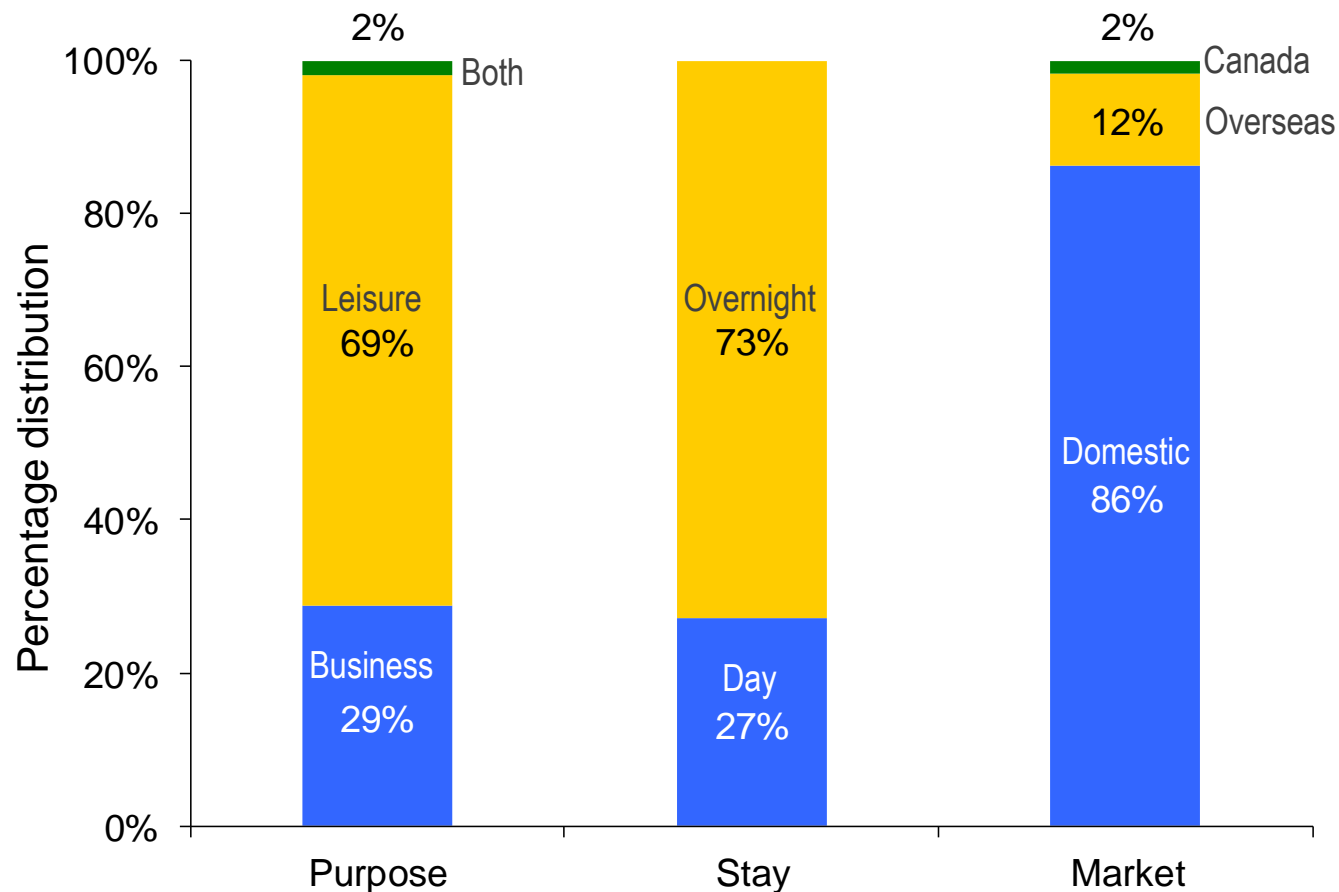
  

<b>Tourism Expenditures in 2014</b>					
(US\$ Million)					
Purpose		Stay		Market	
<b>Business</b>	1,880	<b>Day</b>	1,771	<b>Domestic</b>	5,631
<b>Leisure</b>	4,514	<b>Overnight</b>	4,751	<b>Overseas</b>	776
<b>Both</b>	129			<b>Canada</b>	115
<b>TOTAL</b>	6,522		6,522		6,522

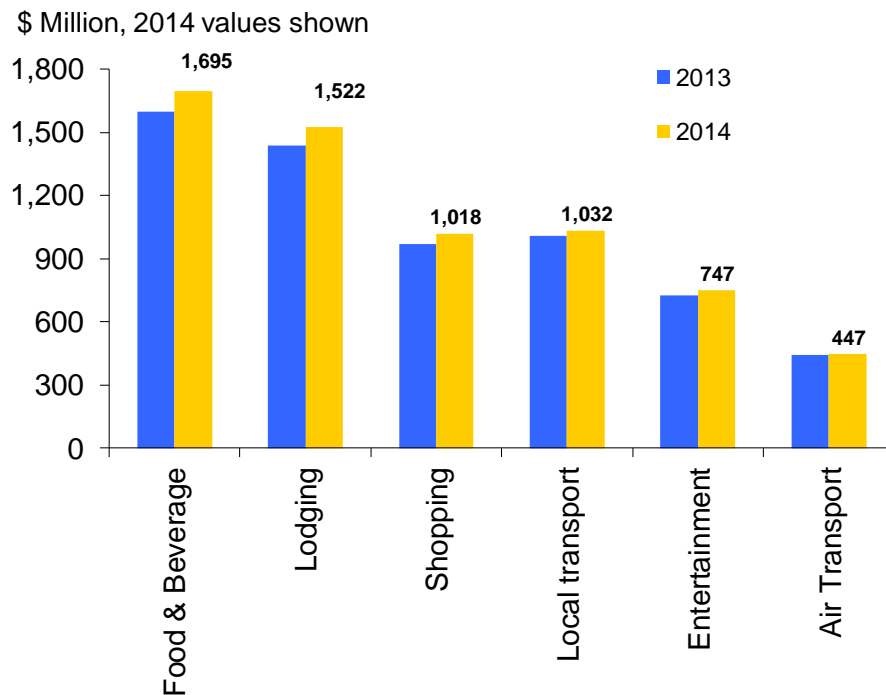


# Visitor spending by market

- Leisure, overnight and domestic visitors dominate spending in each spending group (purpose, stay and market, respectively).



# Visitor spending by sector

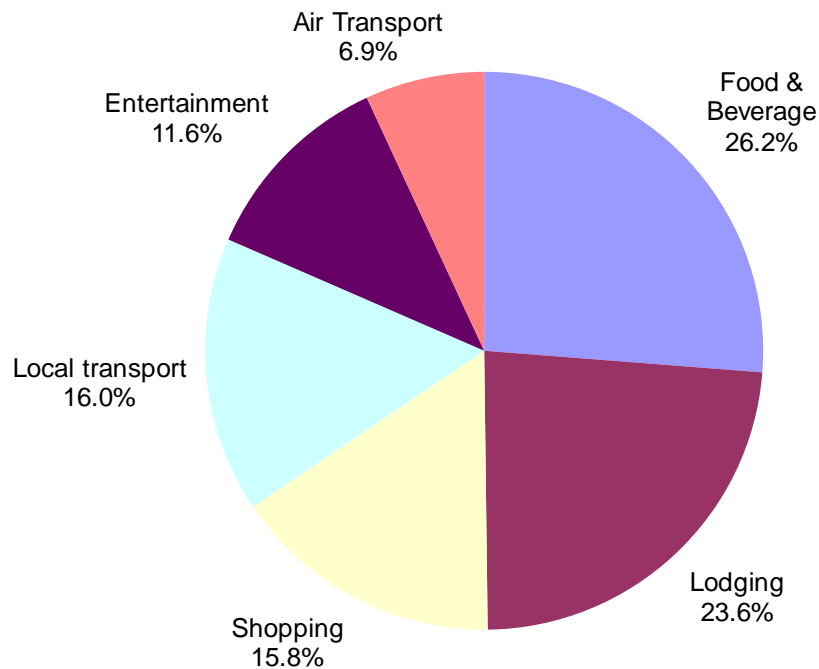


- Visitors spent \$1.7 billion in restaurants and bars and \$1.5 billion in the lodging sector last year. Visitor-related business sales in the retail industry reached \$1.0 billion.
- The lodging sector saw spending grow 6.0% as ADR grew by 4.5% in 2014.
- In other major spending categories, spending increased 6.0% on food and beverages and 3.2% on recreation in 2014.

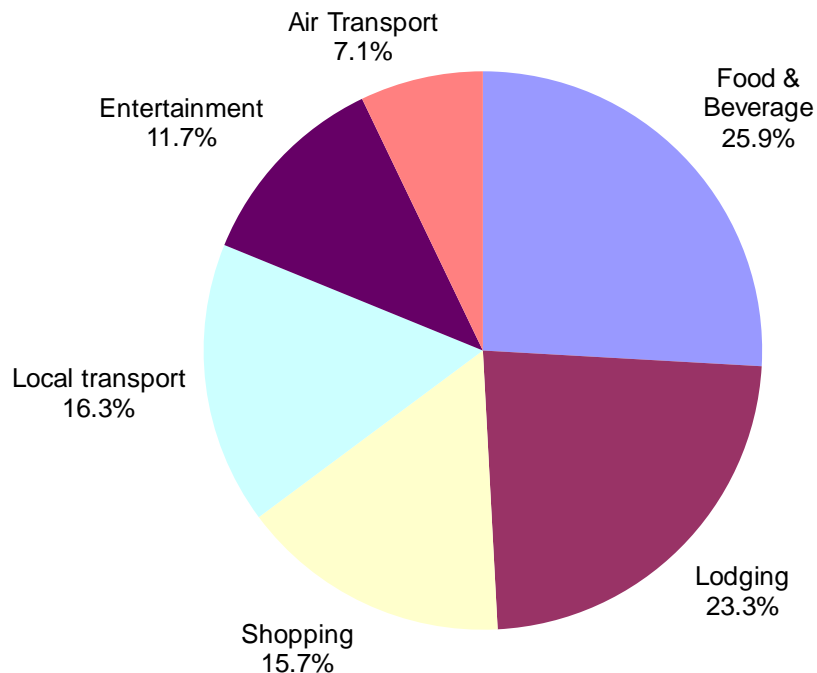
# Visitor spending by sector

- In the Philadelphia region, nearly half of the visitor dollar is spent in either the lodging industry or on food and beverages.
- Spending shares grew in both lodging and F&B spending in 2014.

**2014**

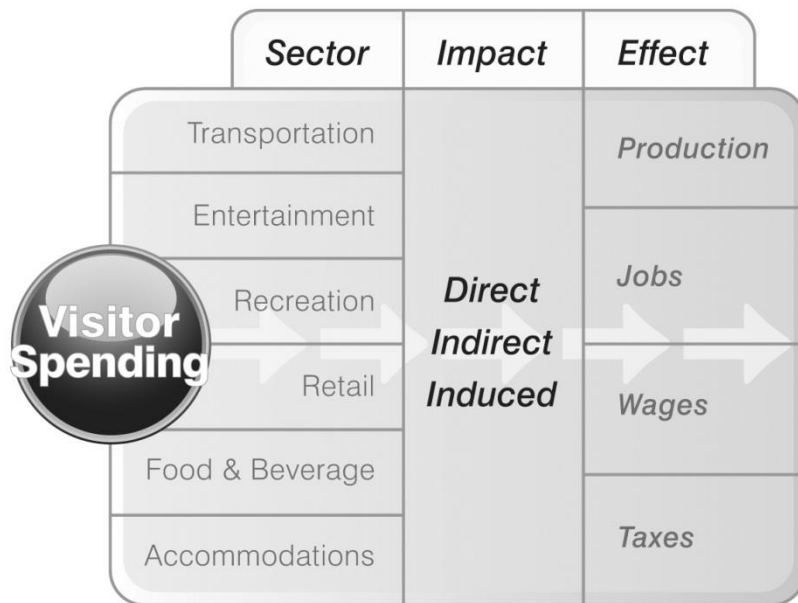


**2013**



# How visitor spending generates impact

- Travelers create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.



- Lastly, the induced impact is generated when employees whose incomes are generated either directly or indirectly by tourism, spend those incomes in the state economy.

# Tourism sales

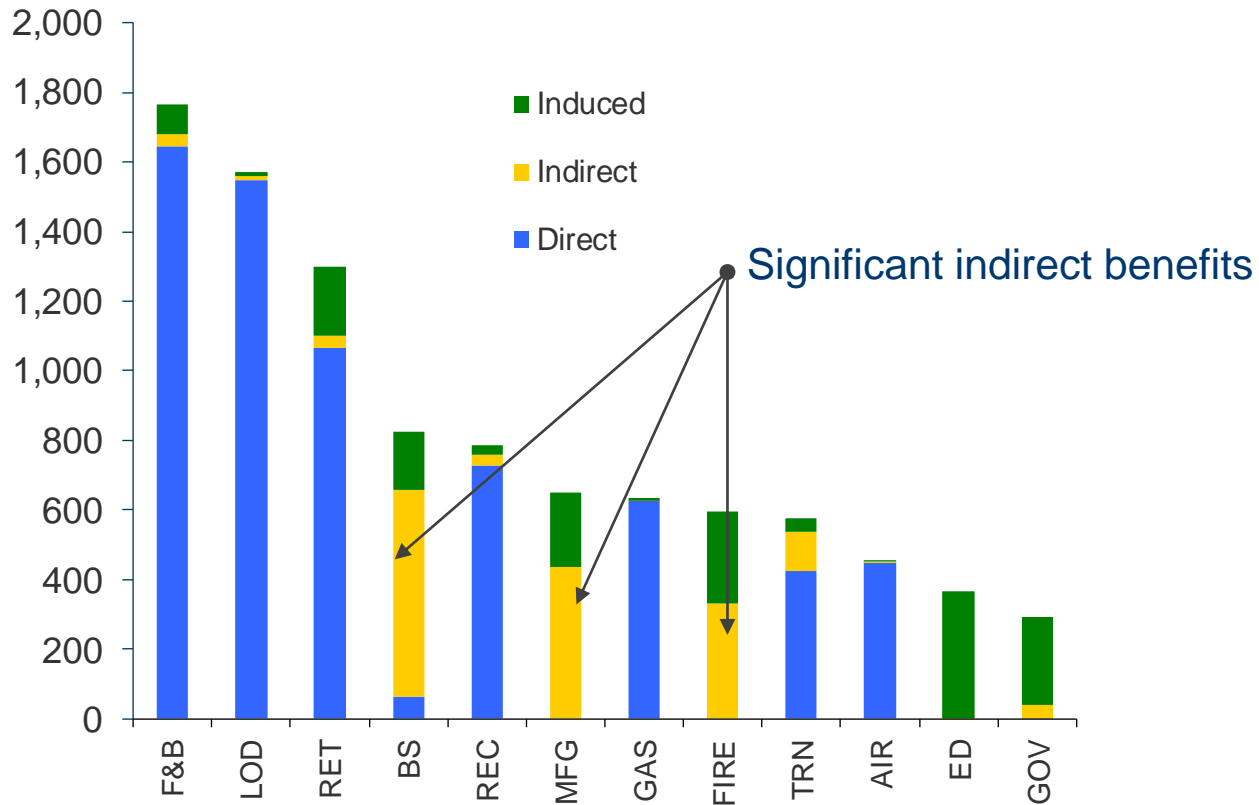
- Including the indirect and induced business sales, tourism generated \$10.4 billion in business sales in 2014, an increase of 4.3% over 2013.

<b>Tourism Sales (Output)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Agriculture, Fishing, Mining	-	8.1	3.9	12.0
Construction and Utilities	-	105.5	44.3	149.8
Manufacturing	-	437.2	212.0	649.2
Wholesale Trade	-	112.8	99.7	212.5
Air Transport	447.4	3.5	4.0	454.9
Other Transport	423.4	112.0	42.0	577.4
Retail Trade	1,066.2	36.3	198.3	1,300.8
Gasoline Stations	625.6	1.4	7.2	634.2
Communications	-	99.7	50.6	150.4
Finance, Insurance and Real Estate	-	329.7	266.8	596.6
Business Services	62.6	596.8	164.6	824.0
Education and Health Care	-	2.5	362.7	365.2
Recreation and Entertainment	725.8	34.8	26.4	787.0
Lodging	1,546.0	12.8	13.6	1,572.5
Food & Beverage	1,644.8	36.6	85.9	1,767.3
Personal Services	-	38.3	80.1	118.4
Government	0.4	41.1	250.9	292.4
<b>TOTAL</b>	<b>6,542.2</b>	<b>2,009.3</b>	<b>1,913.0</b>	<b>10,464.4</b>
<b>Percent Change</b>	<b>4.6%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>4.3%</b>

# Tourism sales

## Tourism Sales

\$ million



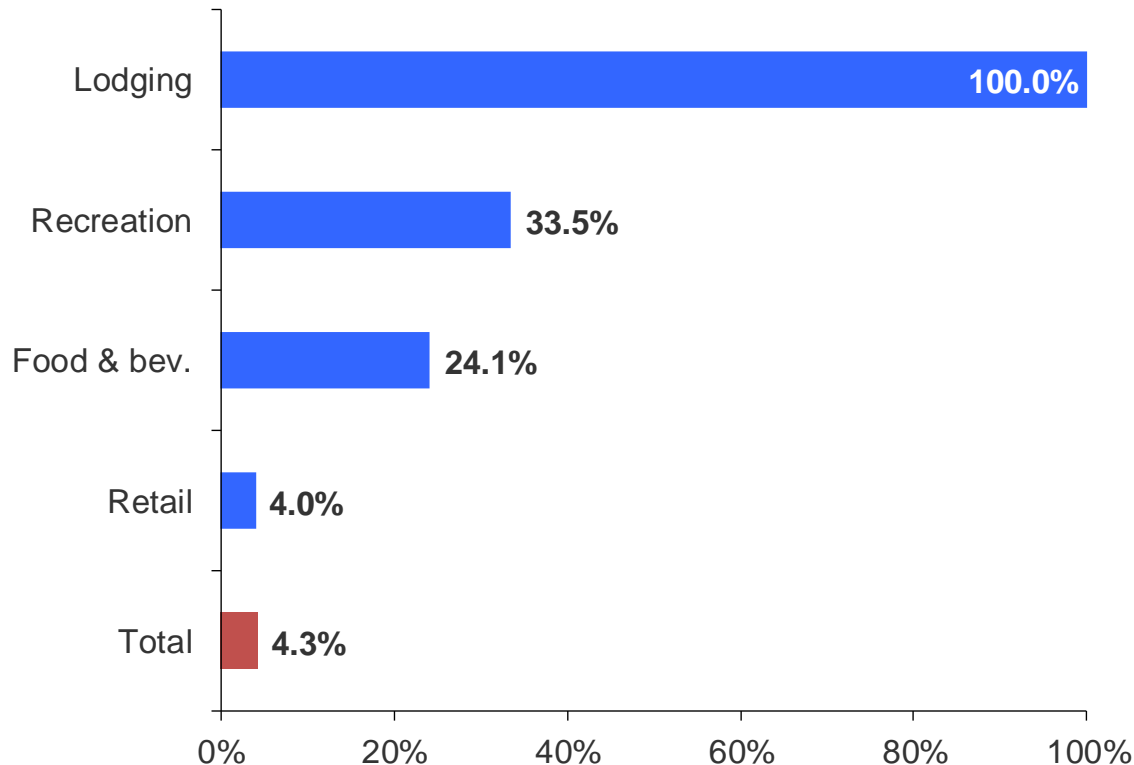
\* Direct sales include cost of goods sold for retail

F&B	Food & Beverage	GAS	Gasoline Stations
LOD	Lodging	FIRE	Finance, Insurance and Real Estate
RET	Retail Trade	TRN	Other Transport
BS	Business Services	AIR	Air Transport
REC	Recreation and Entertainment	ED	Education and Health Care
MFG	Manufacturing	GOV	Government

# Tourism employment

---

## Tourism Employment Share of Key Industries



- Tourism is a significant part of several industries – 24% of all employment in food and beverages is supported by tourism spending. Tourism spending supports a third of recreational employment.

# Tourism employment

<b>Total Tourism Employment Impact</b>				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	127	76	204
Construction and Utilities	-	345	78	423
Manufacturing	-	616	313	930
Wholesale Trade	-	448	389	837
Air Transport	2,508	17	19	2,544
Other Transport	5,406	998	327	6,731
Retail Trade	4,573	428	2,346	7,347
Gasoline Stations	1,138	14	68	1,219
Communications	-	362	129	491
Finance, Insurance and Real Estate	-	1,345	1,009	2,354
Business Services	498	4,204	1,275	5,976
Education and Health Care	-	29	3,725	3,753
Recreation and Entertainment	10,661	846	473	11,979
Lodging	14,889	120	132	15,140
Food & Beverage	28,184	631	1,418	30,233
Personal Services	-	434	1,186	1,620
Government	-	230	144	375
<b>TOTAL</b>	<b>67,856</b>	<b>11,195</b>	<b>13,106</b>	<b>92,157</b>
Percent Change	2.3%	1.3%	1.7%	2.1%

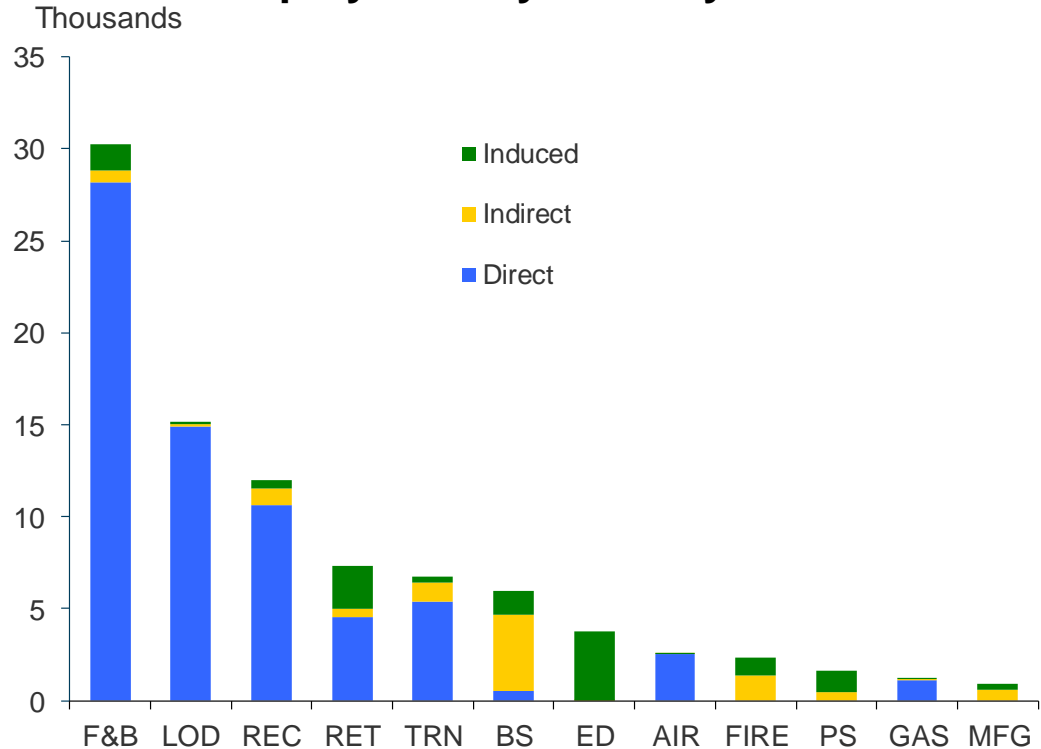
- The tourism sector supported 5.4% of employment (1-in-18.6 jobs) in Greater Philadelphia last year. Total tourism employment rose 2.1% last year to more than 90,000 jobs, outpacing overall employment growth.



# Tourism employment

- As a labor intensive collection of services, tourism-related sectors represent significant employment to the Philadelphia region.
- More than 92,150 jobs sustained by Philadelphia tourism span every sector of the economy, either directly or indirectly.

## Tourism Employment by Industry



F&B	Food & Beverage	ED	Education and Health Care
LOD	Lodging	AIR	Air Transport
REC	Recreation and Entertainment	FIRE	Finance, Insurance and Real Estate
RET	Retail Trade	PS	Personal Services
TRN	Other Transport	GAS	Gasoline Stations
BS	Business Services	MFG	Manufacturing

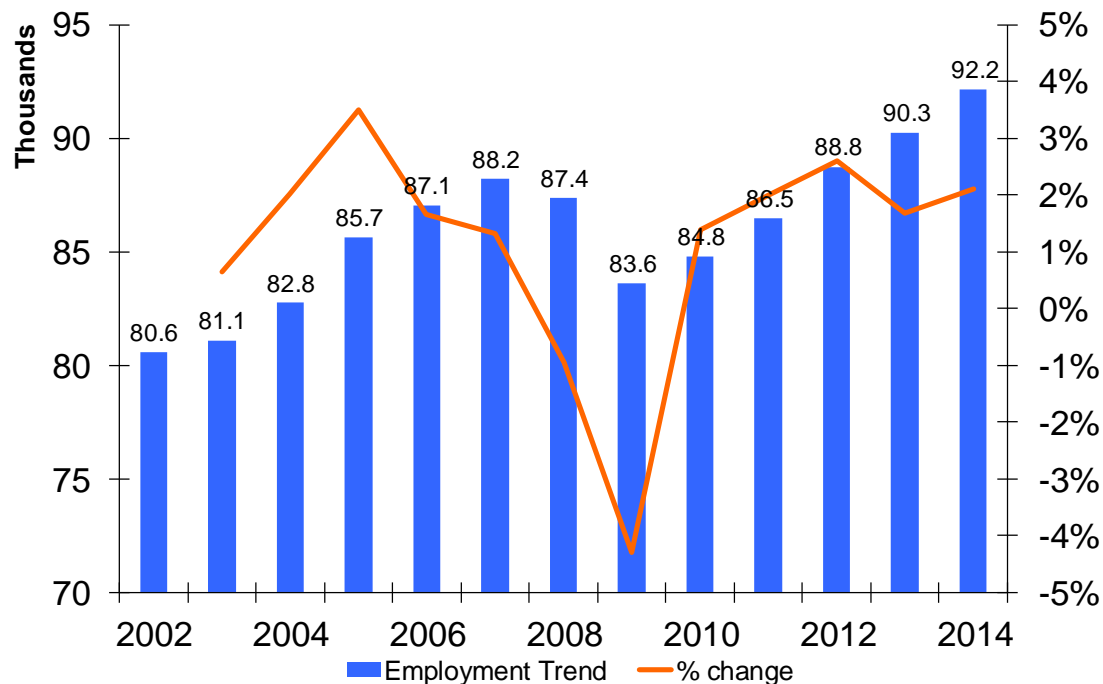
# Tourism employment

Employment Ranking							
Rank	Industry	2009	2010	2011	2012	2013	2014
1	Health Care and Social Assistance	305,500	309,600	314,500	320,200	324,900	333,400
2	Retail Trade	187,300	188,400	187,900	190,900	192,100	194,500
3	Professional, Scientific, and Technical Services	152,600	149,900	151,300	155,500	158,800	161,100
4	Accommodation and Food Services	120,300	123,200	126,400	131,500	134,600	137,500
5	Finance and Insurance	111,000	108,300	107,300	107,500	108,300	109,200
6	Educational Services	105,300	105,600	106,800	106,500	106,300	108,800
7	Administrative, Support & Waste Management	95,900	98,800	101,800	101,400	103,200	105,000
8	Other Services	82,400	83,000	84,000	84,300	84,500	85,800
9	Wholesale Trade	81,200	80,600	82,200	82,400	82,500	82,800
10	Mining, Logging, and Construction	66,900	64,200	65,200	64,800	65,700	69,000
<b>11</b>	<b>Tourism</b>	<b>60,936</b>	<b>61,765</b>	<b>63,049</b>	<b>65,034</b>	<b>66,321</b>	<b>67,856</b>
12	Durable Goods	69,300	67,300	67,500	67,300	66,900	66,400
13	Non-Durable Goods	66,700	64,900	63,100	60,900	59,900	60,600
14	Transportation and Utilities	58,600	58,700	59,200	58,900	59,200	60,400
15	Management of Companies and Enterprises	39,500	40,600	43,000	44,900	45,900	46,800

- Tourism employment, ranked as an industry, would be ranked 11<sup>th</sup> in 2014.
- Tourism employment passed durable goods manufacturing employment in 2013.

# Tourism employment

## Tourism Employment



- Visitor-supported employment has now grown for five straight years.
- Tourism supported employment grew 2.1% in 2014.
- Tourism employment outpaced the employment growth of the whole private sector by a 1.3 percentage points. (Total region employment grew 0.8% in 2014)

# Tourism personal income

<b>Total Tourism Labor Income Impact</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Agriculture, Fishing, Mining	-	2.1	1.6	3.7
Construction and Utilities	-	33.9	12.2	46.1
Manufacturing	-	51.7	30.5	82.2
Wholesale Trade	-	42.5	36.6	79.1
Air Transport	86.5	0.6	0.7	87.8
Other Transport	151.6	59.5	18.2	229.4
Retail Trade	123.3	14.8	78.7	216.9
Gasoline Stations	37.5	0.4	2.2	40.1
Communications	-	27.7	10.8	38.5
Finance, Insurance and Real Estate	-	83.0	74.3	157.3
Business Services	20.5	263.1	78.2	361.7
Education and Health Care	-	1.5	199.7	201.2
Recreation and Entertainment	310.1	15.0	10.9	336.0
Lodging	572.5	4.8	4.8	582.1
Food & Beverage	598.2	13.1	29.7	641.1
Personal Services	-	16.4	36.3	52.7
Government	0.2	7.3	3.7	11.1
<b>TOTAL</b>	<b>1,900</b>	<b>637</b>	<b>629</b>	<b>3,167</b>
<b>Percent Change</b>	<b>3.6%</b>	<b>4.1%</b>	<b>4.0%</b>	<b>3.8%</b>

- Greater Philadelphia households earned \$3.17 billion as a result of visitor activity in 2014. Tourism-generated income rose 3.8%.

# Tourism tax generation

<b>Tourism-Generated Taxes</b>				
<b>(US\$ Million, 2012)</b>				
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>%</b>
<b>Federal Taxes</b>	<b>779.8</b>	<b>801.0</b>	<b>831.4</b>	<b>3.8%</b>
Corporate	124.9	128.6	133.5	3.8%
Indirect Business	68.9	71.0	73.7	3.8%
Personal Income	245.0	251.4	261.0	3.8%
Social Security	341.0	350.0	363.3	3.8%
<b>State Taxes</b>	<b>329.4</b>	<b>336.1</b>	<b>344.9</b>	<b>2.6%</b>
Corporate	109.0	109.4	109.6	0.2%
Personal Income	52.3	53.7	55.8	3.8%
Sales	168.0	173.0	179.6	3.8%
<b>Local Taxes</b>	<b>293.6</b>	<b>299.7</b>	<b>309.8</b>	<b>3.3%</b>
Sales	18.8	19.4	20.1	3.8%
Property	185.6	189.0	193.9	2.6%
Lodging	54.6	55.7	58.8	5.6%
Excise and Fees	13.2	13.6	14.1	3.8%
Personal Income	21.4	22.0	22.8	3.8%
<b>TOTAL</b>	<b>1,402.8</b>	<b>1,436.9</b>	<b>1,486.1</b>	<b>3.4%</b>

- Tourism generated \$1.5 billion in taxes in 2014. This represents an increase of 3.4%
- State and local tax proceeds of \$655 million saved the region's households an average of \$435 per household.
- Nearly \$310 million in local taxes were generated by tourism in 2014.

# The importance of tourism in Philadelphia in context



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

# How important is tourism?

- Philadelphia's 39.7 million visitors is the equivalent of everyone from New York, Ohio and Virginia visiting Philadelphia in 2014.



# How important is tourism?

---

- Were the Greater Philadelphia tourism industry a single business, it would rank around #400 on the Fortune 500 list, slightly smaller than Hershey but larger than Erie Insurance Group and Dick's Sporting Goods.





# How important is tourism?

---

- There are nearly as many jobs supported by tourism in the recreation industry as students at Villanova.
- Total tourism supported employment would be enough to nearly fill Lincoln Financial Field.



# How important is tourism?

---

- The \$655 million in state and local revenues from visitor activity represents \$435 per household in the Philadelphia region – or enough money for 58 cheesesteaks (at \$7.50 per cheesesteak).



# County Analysis



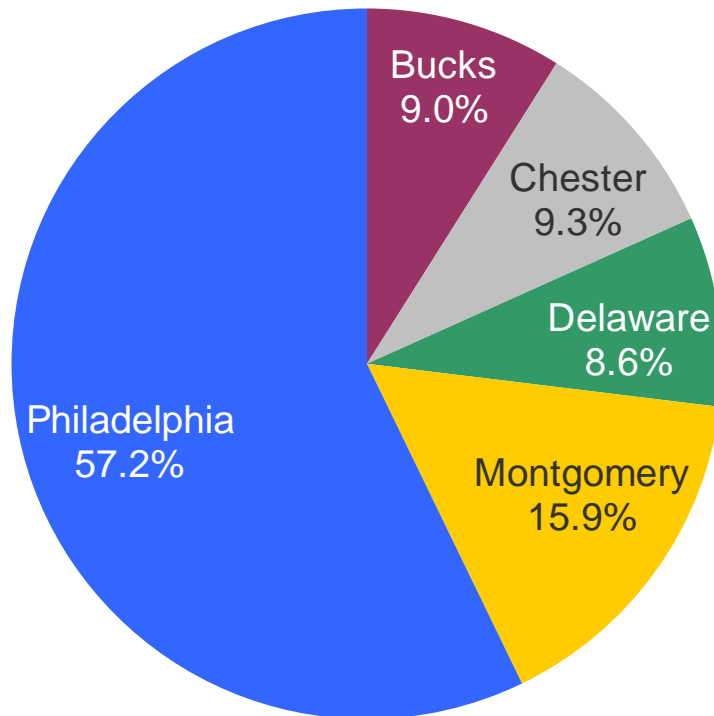
TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

# Tourism sales in 2014

---

## Distribution of Tourism Sales



Source: Tourism Economics

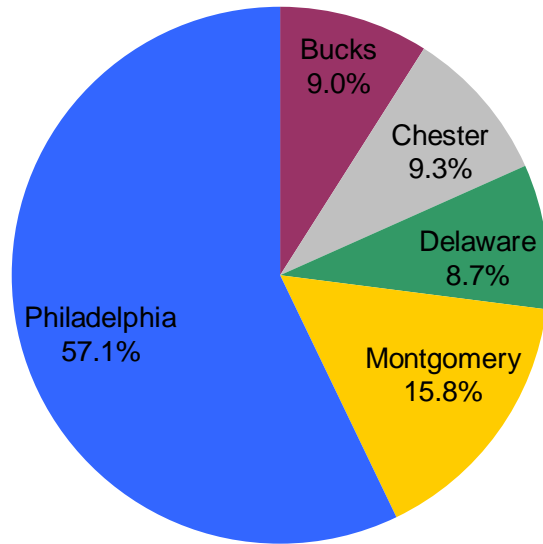
- Tourism sales rose 4.7% in Bucks County, increasing its share of visitor spending 0.1 percentage points to 9.0% of the region's total.
- Like Bucks County, visitor spending in Delaware and Chester County outperformed visitor spending growth in the region.

# Tourism sales

---

2012

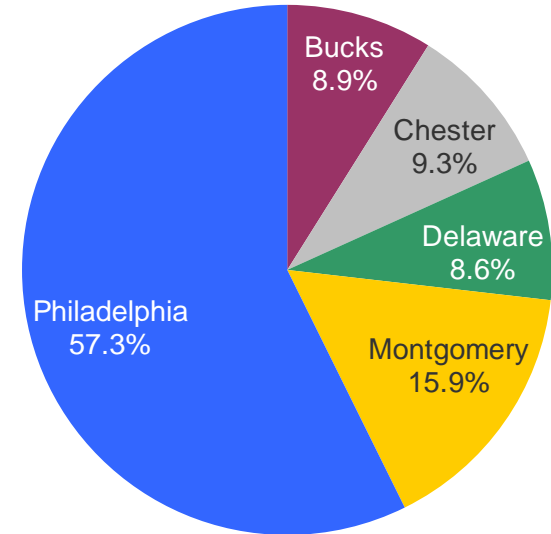
Distribution of Tourism Sales



Source: Tourism Economics

2013

Distribution of Tourism Sales



Source: Tourism Economics

# Tourism sales by county

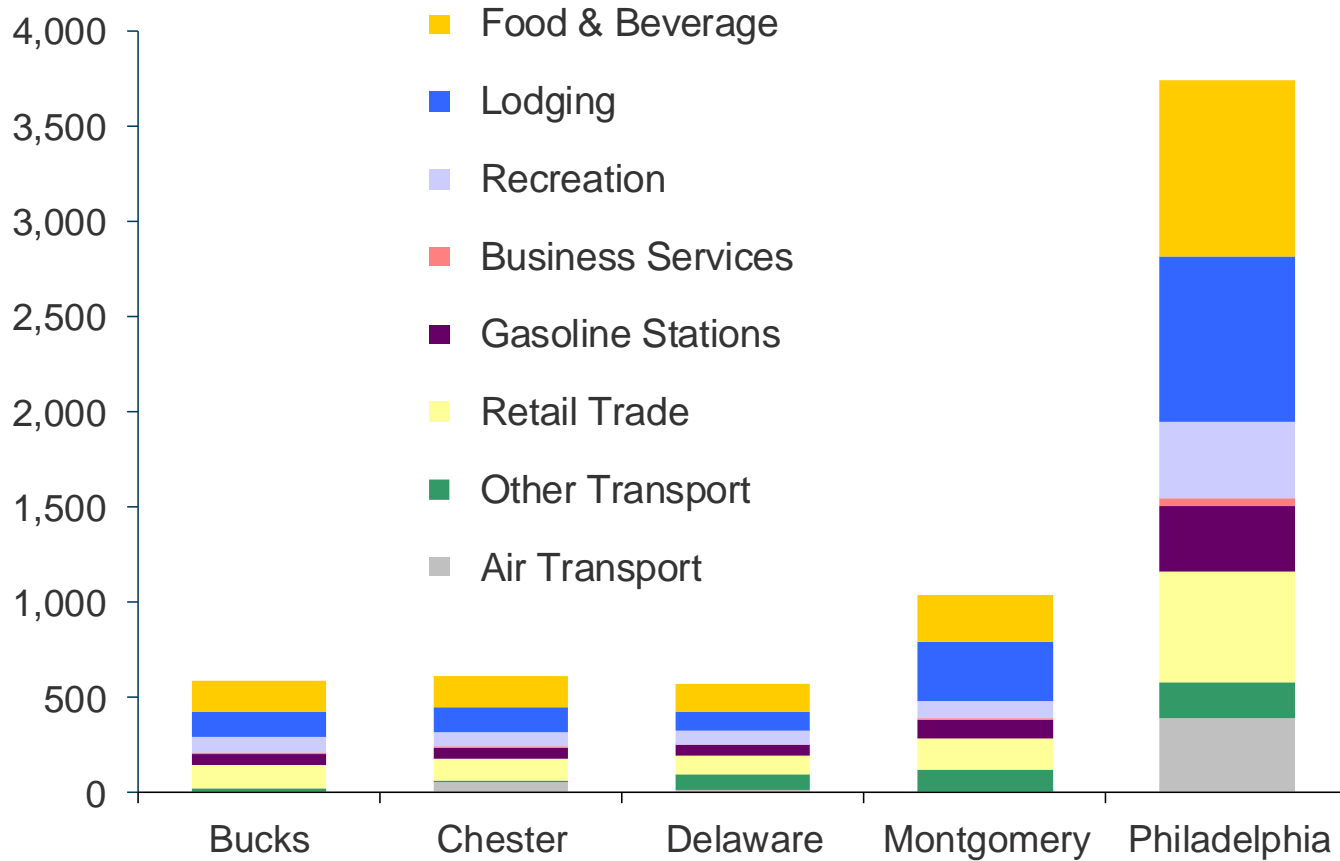
<b>Tourism Sales (Output)</b>						
<b>(US\$ Million)</b>						
	<b>Bucks</b>	<b>Chester</b>	<b>Delaware</b>	<b>Montgomery</b>	<b>Philadelphia</b>	<b>TOTAL</b>
<b>DIRECT SALES</b>						
Air Transport	1.3	49.6	6.8	5.2	384.5	447.4
Other Transport	21.5	9.7	86.1	114.0	192.1	423.4
Retail Trade	115.5	113.4	94.8	159.6	583.0	1,066.2
Gasoline Stations	64.7	57.3	58.7	98.5	346.3	625.6
Business Services	5.7	6.8	2.3	10.5	37.3	62.6
Recreation	78.5	76.3	73.9	90.7	406.5	725.8
Lodging	130.6	134.4	97.6	315.0	868.4	1,546.0
Food & Beverage	168.1	163.0	145.6	245.2	922.9	1,644.8
Government	*	*	*	*	*	0.4
<b>TOTAL DIRECT SALES</b>	<b>585.9</b>	<b>610.5</b>	<b>565.8</b>	<b>1,038.8</b>	<b>3,741.2</b>	<b>6,542.2</b>
<b>INDIRECT AND INDUCED SALES</b>	<b>351.3</b>	<b>366.0</b>	<b>339.2</b>	<b>622.8</b>	<b>2,243.0</b>	<b>3,922.2</b>
<b>TOTAL TOURISM SALES</b>	<b>937.2</b>	<b>976.5</b>	<b>905.0</b>	<b>1,661.6</b>	<b>5,984.2</b>	<b>10,464.4</b>
<b>% CHANGE SINCE 2013</b>	<b>4.7%</b>	<b>4.5%</b>	<b>5.0%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>4.3%</b>

- Visitor spending in Montgomery County surpassed \$1.0 billion in 2014, increasing 3.5%.

# Tourism sales by county

## Tourism Direct Sales

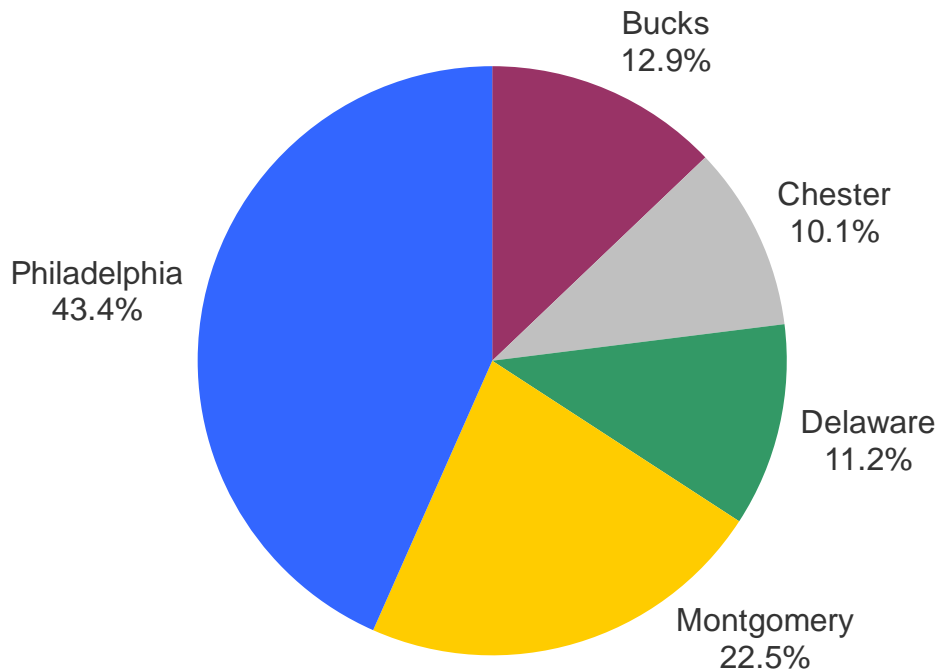
\$ million



Source: Tourism Economics

# Tourism employment by county

## Distribution of Tourism Employment



Source: Tourism Economics

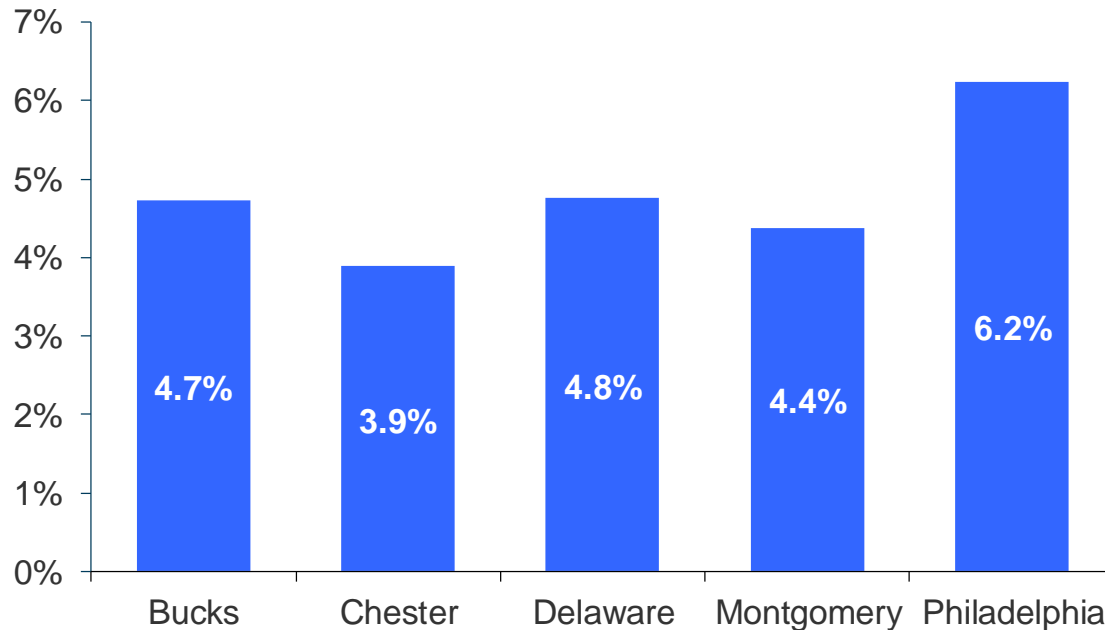
- In terms of employment, the “countryside” counties represent a larger share of Greater Philadelphia’s tourism economy than in sales terms.
- This reflects the relatively higher prices and wages in the city. As a result, tourism sales generates more employment per dollar spent in the countryside.
- Employment growth was strongest in Delaware County in 2014, supported by growth in lodging employment.



# Tourism employment by county

## Tourism Total Employment

Share of total payroll employment



Source: Tourism Economics

- Tourism generates a significant share of employment in every county of Greater Philadelphia.
- With tourism employment growth stronger than overall county employment growth, the tourism share of total employment rose in Chester and Delaware County.

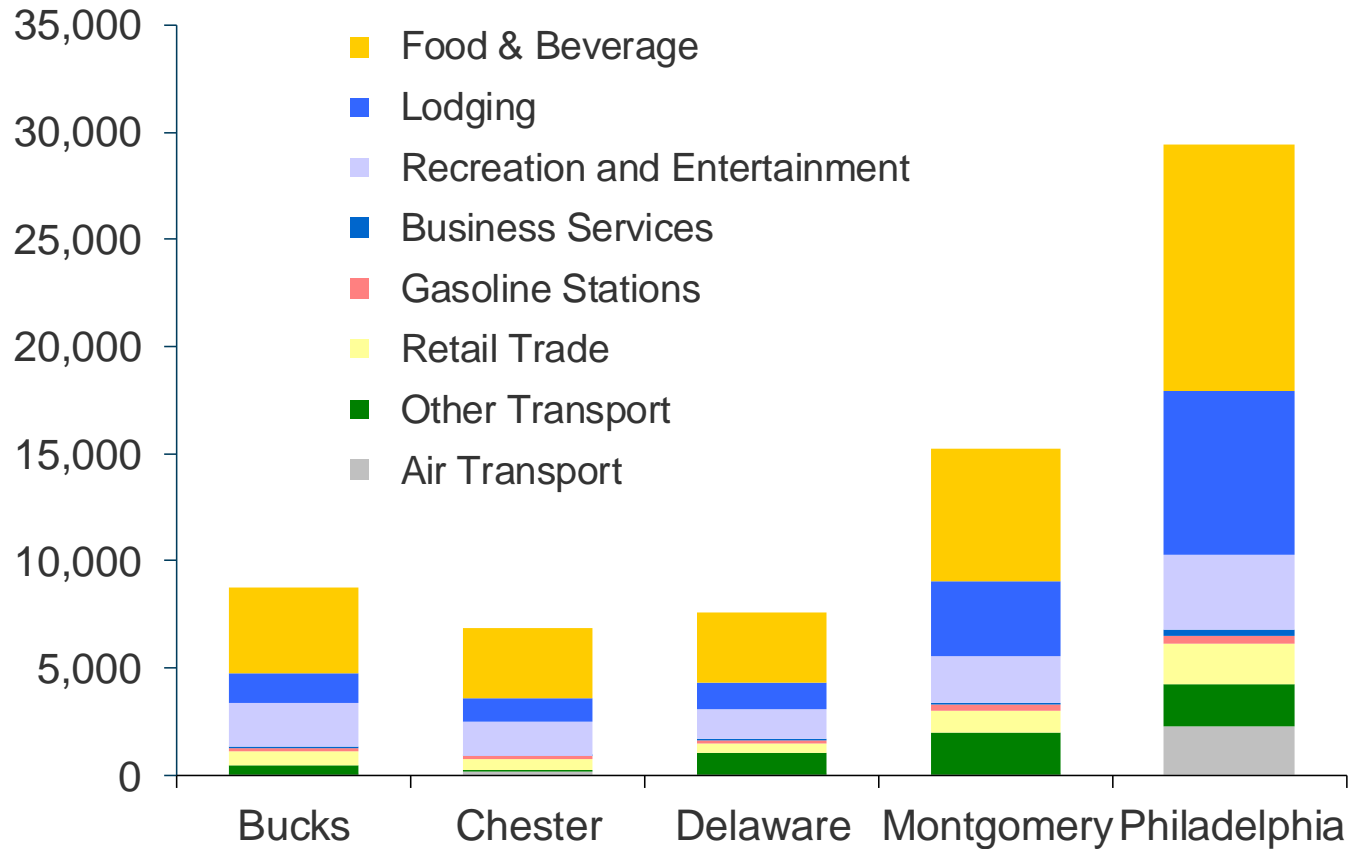
# Tourism employment detail

<b>Tourism Employment</b>						
Jobs						
	Bucks	Chester	Delaware	Montgomery	Philadelphia	TOTAL
<b>DIRECT EMPLOYMENT</b>						
Air Transport	21	152	50	39	2,245	2,508
Other Transport	403	78	970	1,936	2,019	5,406
Retail Trade	659	525	492	1,051	1,847	4,573
Gasoline Stations	172	121	129	288	427	1,138
Business Services	52	52	22	92	281	498
Recreation and Entertainment	2,086	1,552	1,425	2,143	3,454	10,661
Lodging	1,382	1,134	1,196	3,488	7,689	14,889
Food & Beverage	3,961	3,269	3,285	6,197	11,472	28,184
<b>TOTAL DIRECT EMPLOYMENT</b>	<b>8,735</b>	<b>6,883</b>	<b>7,570</b>	<b>15,234</b>	<b>29,434</b>	<b>67,856</b>
<b>INDIRECT AND INDUCED</b>	<b>3,128</b>	<b>2,465</b>	<b>2,711</b>	<b>5,456</b>	<b>10,541</b>	<b>24,301</b>
<b>TOTAL TOURISM EMPLOYMENT</b>	<b>11,863</b>	<b>9,348</b>	<b>10,282</b>	<b>20,689</b>	<b>39,975</b>	<b>92,157</b>
<b>% CHANGE SINCE 2013</b>	<b>1.7%</b>	<b>3.4%</b>	<b>3.7%</b>	<b>0.7%</b>	<b>2.3%</b>	<b>2.1%</b>

- Nearly 40,000 jobs in Philadelphia County were sustained by tourism activity (directly and indirectly) in 2014—an increase of 2.3%.
- Chester and Delaware Counties experienced the strongest tourism employment growth in 2014.
- In both counties, lodging employment growth supported the overall gains in tourism-related employment.

# Tourism employment

## Tourism Direct Employment



Source: Tourism Economics

# Tourism personal income

<b>Tourism Personal Income</b>						
<b>(US\$ Million)</b>						
	<b>Bucks</b>	<b>Chester</b>	<b>Delaware</b>	<b>Montgomery</b>	<b>Philadelphia</b>	<b>TOTAL</b>
<b>DIRECT INCOME</b>						
Air Transport	0.3	10.3	1.3	1.0	73.6	86.5
Other Transport	8.3	3.0	30.1	40.9	69.3	151.6
Retail Trade	13.0	12.9	10.9	18.4	68.1	123.3
Gasoline Stations	3.6	3.2	3.7	5.9	21.1	37.5
Business Services	2.1	2.2	0.9	3.7	11.6	20.5
Recreation and Entertainment	33.8	32.8	29.6	39.0	174.9	310.1
Lodging	46.1	43.8	36.4	156.3	290.0	572.5
Food & Beverage	61.0	60.3	53.2	88.5	335.2	598.2
Government	*	*	*	*	*	0.2
<b>TOTAL DIRECT INCOME</b>	<b>168.1</b>	<b>168.5</b>	<b>166.1</b>	<b>353.8</b>	<b>1,043.8</b>	<b>1,900.3</b>
<b>INDIRECT AND INDUCED INCOME</b>	<b>112.1</b>	<b>112.3</b>	<b>110.7</b>	<b>235.8</b>	<b>695.7</b>	<b>1,266.6</b>
<b>TOTAL TOURISM INCOME</b>	<b>280.2</b>	<b>280.9</b>	<b>276.8</b>	<b>589.6</b>	<b>1,739.5</b>	<b>3,167.0</b>
<b>% CHANGE SINCE 2013</b>	<b>3.6%</b>	<b>4.6%</b>	<b>5.0%</b>	<b>1.6%</b>	<b>4.3%</b>	<b>3.8%</b>

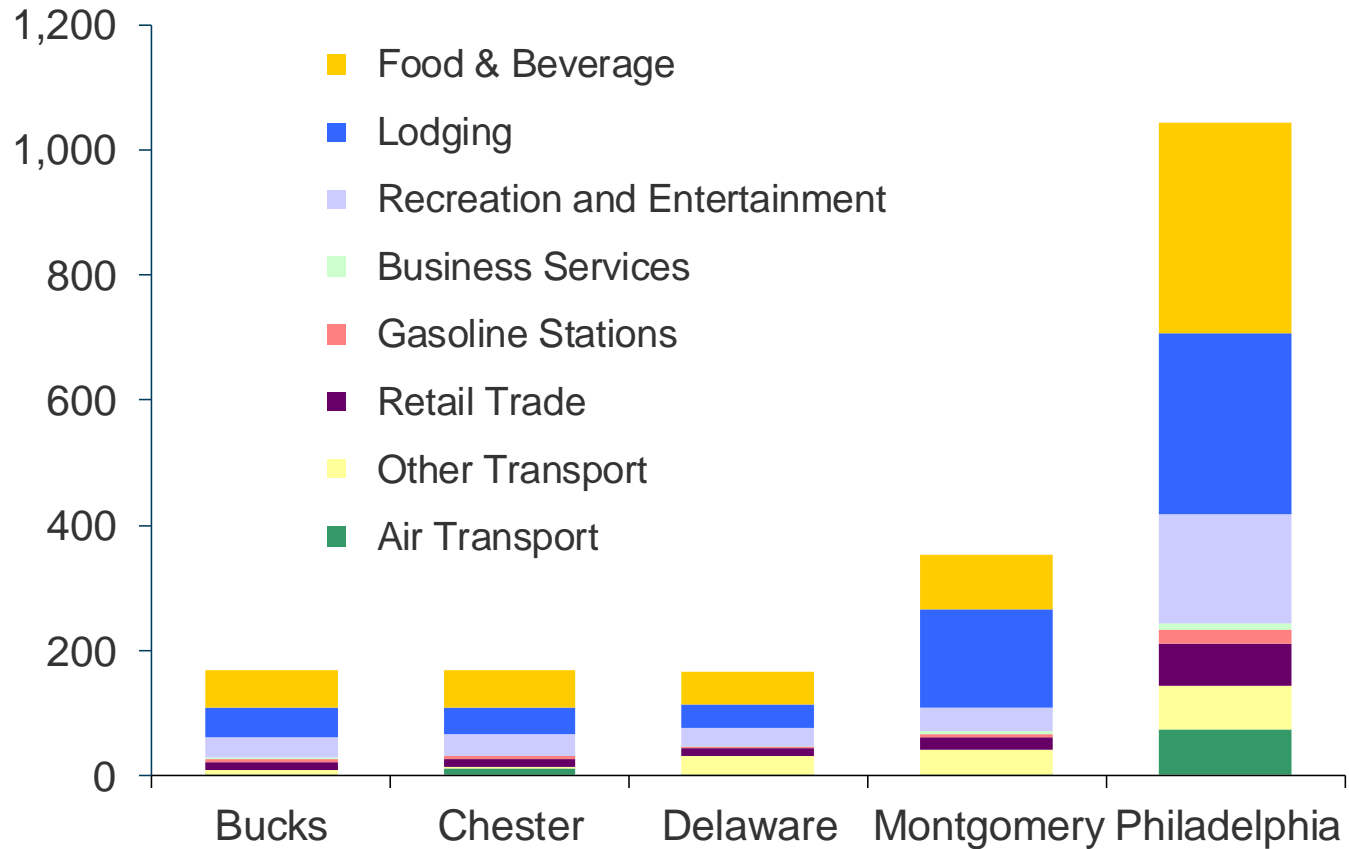
\* Not Disclosable

- With larger tourism employment gains, Chester and Delaware Counties sustained strong personal income gains.
- Delaware County's lodging sector drove income gains in that county while Chester County's gains were more widespread across several tourism industries.

# Tourism personal income

## Tourism Direct Income

\$ million



Source: Tourism Economics

# Tourism taxes

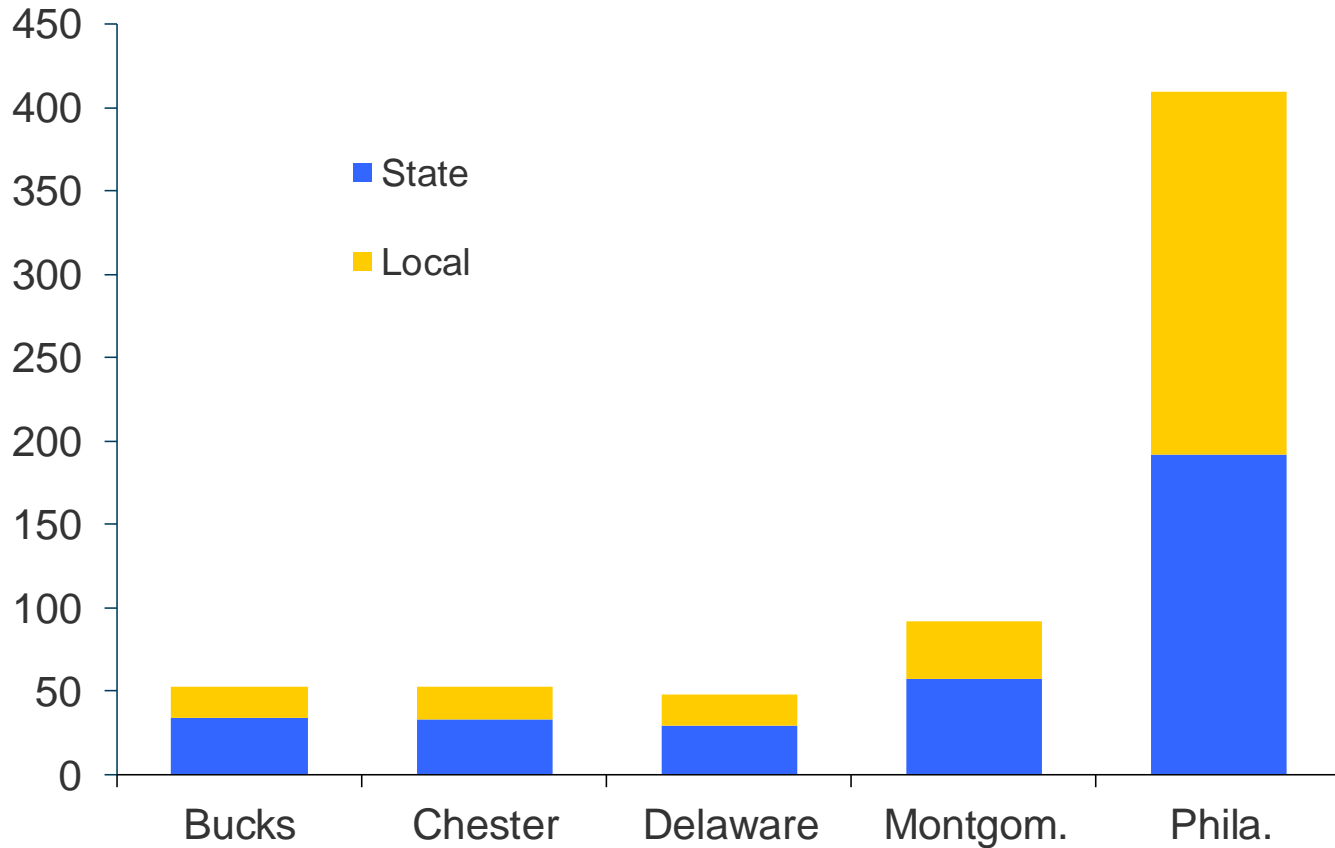
<b>Tourism Taxes</b>						
\$ million						
	Bucks	Chester	Delaware	Montgom.	Phila.	TOTAL
<b>Federal</b>	73.7	76.5	71.9	132.0	477.4	831.4
<b>State</b>	33.6	32.8	29.2	57.3	191.9	344.9
<b>Local</b>	19.1	19.8	18.6	34.2	218.0	309.8
<b>TOTAL TOURISM TAXES</b>	<b>126.4</b>	<b>129.2</b>	<b>119.7</b>	<b>223.5</b>	<b>887.4</b>	<b>1,486.1</b>
<b>%CHANGE SINCE 2013</b>	<b>3.3%</b>	<b>4.1%</b>	<b>4.5%</b>	<b>1.5%</b>	<b>3.7%</b>	<b>3.4%</b>

- Strong tourism sales growth along with higher income levels drove higher tourism tax revenues in Delaware and Philadelphia County.
- Sales taxes are a major source of revenue for the State. State sales taxes rose 2.7% in Philadelphia County.
- Local taxes weight heavily towards Philadelphia County (70%) with its higher lodging, income, sales, and amusements taxes.

# Tourism taxes

## Tourism State and Local Taxes

\$ million



Source: Tourism Economics

# Methodology



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY



# Methods and data sources

---

- Domestic visitor expenditure estimates are provided by Longwoods International's representative survey of US travelers. These are broken out by sectors (lodging, transport at destination, food & beverage, retail, and recreation), by purpose (business and leisure), and by length of stay (day and overnight).
- Tourism Economics then adds several categories of spending to these figures:
  - Overseas visitor spending (source: OTTI, Philadelphia CVB, TE)
  - Canada visitor spending (source: Statistics Canada, TE)
  - Spending on air travel which accrues to PHL airport and locally-based airlines
  - Gasoline purchases by visitors (source: TE calculation)
  - Recreational second home expenditures (source: US Census)
  - Convention business spending (source: BLS and TE)

# Methods and data sources

---

- An IMPLAN model was compiled for the 5-county Greater Philadelphia region. This traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism.
- Tourism Economics then cross-checks these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.
- The source of the employment and wage data is the Regional Economic Information System (REIS), Bureau of Economic Analysis, U.S. Department of Commerce. This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data. The main definitional difference is that sole-proprietors, which do not require unemployment insurance and are not counted in the ES202 data.

# Description of spending categories

---

<b>Spend Category</b>	<b>Description</b>
Lodging	Includes visitor spending in accommodation sector. This includes food and other services provided by hotels and similar establishments.
Recreation	Includes visitors spending within the arts, entertainment and recreation supersector.
Air transport	Includes the local economic activity generated by visitors within the air transport (airline) and support services (on air-port) sectors.
Other transport	Includes all forms of local transport services such as taxis, limos, trains, rental cars, and buses.
Shopping	Includes visitor spending within all retail sectors within the Philadelphia economy.
Service stations	Visitor spending on gasoline. Only the margin counts as local economic impact.
Second homes	Spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Department.
Food and beverage	Includes all spending at restaurants and bars.



# TOURISM ECONOMICS

AN OXFORD ECONOMICS COMPANY

For more information:

[info@tourismeconomics.com](mailto:info@tourismeconomics.com)