Dean Runyan Associates

Charlotte Travel Impacts

2004-2006

August 2007

Prepared for the

Charlotte Regional Visitors Authority
Charlotte, North Carolina

CHARLOTTE TRAVEL IMPACTS
2004-2006

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EXECUTIVE SUMMARY

This report, prepared for the Charlotte Regional Visitors Authority, documents the economic significance of travel to the Charlotte metro area during 2004 through 2006. The findings are presented in terms of spending, and the earnings, employment and tax receipts generated by that spending. A "visitor" is a person who stays overnight away from home or a person that travels 50 miles one-way to the area on a day trip of a non-routine or non-commuting nature. This definition of a "visitor" follows the convention used in the travel industry and travel industry research. Travel spending includes visitor spending plus spending on travel agencies and airfares by residents.

DIRECT TRAVEL IMPACTS

Total direct travel spending in the Charlotte MSA was $3.8 billion in 2006. This represents a 7.2 percent increase over the preceding year. This spending supported 31,400 jobs with earnings of $906 million. This spending also generated $216 million in state and local tax revenues.

Amount of Travel Spending to Support One Job	$121,010
Amount of Earnings Generated by $100 of Travel Spending	$23.87
Local Tax Revenue Generated by $100 of Travel Spending	$2.25
State Tax Revenue Generated by $100 of Travel Spending	$3.45
Travel-generated State & Local taxes per MSA household	$360

Other findings include:

- Thirty-two percent of all domestic visitor spending was for business, 29 percent for leisure, and 29 percent for visits with friends and relatives.
- Six percent of all visitor spending was related to international visitation.
- Fifty-seven percent of all visitor spending was by travelers that stayed in hotels and motels. Visitors on day trips accounted for 23 percent of visitor spending, and visitors that stayed overnight in private homes accounted for 19 percent.
- The leisure and hospitality sector (lodging, food services, entertainment & recreation) accounted for almost one-half of all visitor spending. This sector accounted for 73 percent of all travel-generated employment.

Secondary & Total Travel Impacts

Travel spending within Charlotte brings money into the metropolitan area in the form of business receipts. Portions of these receipts are spent within Charlotte for services and supplies. Employees, in turn, spend a portion of their earnings on goods and services in the area. This re-spending of travel-related revenues creates secondary (indirect and induced) impacts.

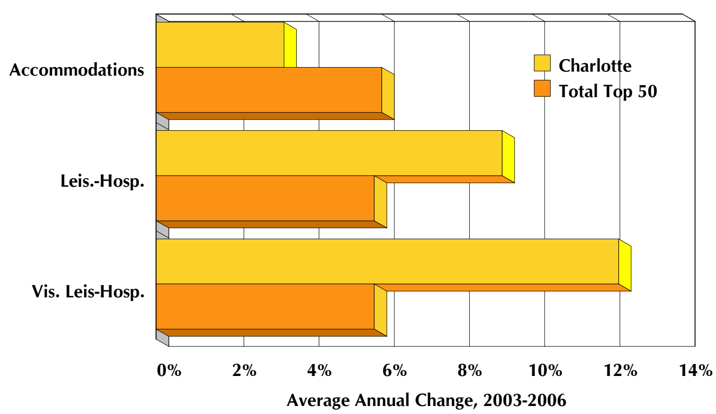
- Travel-generated secondary employment was 13,400 jobs in 2006. Total travel-generated employment (direct plus secondary) equals 44,700 jobs. This is equivalent to an employment "multiplier" of 0.43 (secondary jobs/direct jobs).
- Secondary earnings were $376 million in 2006. Total travel-generated earnings equaled $1,282 million. This is equivalent to an earnings "multiplier" of 0.41.

Comparison with other Metropolitan areas

The Charlotte metro area was compared to the top 50 national metropolitan statistical areas in terms of their payrolls relating to accommodations, the leisure and hospitality sector and estimates of the visitor share of the leisure and hospitality sector. In 2006, Charlotte ranked 42nd in terms of accommodations payroll, 33rd in terms of leisure and hospitality payroll and 33rd in terms of the estimated visitor share of the leisure and hospitality payroll.

In comparison to other metro areas, Charlotte has had one of the strongest overall rates of growth in recent years. This is summarized in the figure below. These trends are consistent with other findings cited in this report.

Charlotte & Top Fifty Metro Areas
Average Annual Percent Change in Payroll, 2003-06



Source: U.S. Bureau of Labor Statistics and Dean Runyan Associates.

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INTRODUCTION

This report describes the economic impacts of travel to and through the Charlotte Metropolitan Area from 2004 to 2006.[1] An overview of methodology, terminology and limitations of these impact estimates follows. Various appendices in this report provide greater detail for many of these topics.

DIRECT IMPACTS

The estimates of the direct impacts associated with traveler spending in Charlotte 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 Charlotte travel industry were gathered from various local, state and federal sources.

Travel impacts consist of estimates of travel spending and the employment, earnings and tax receipts 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.

SECONDARY (INDIRECT AND INDUCED) IMPACTS

Secondary employment and earnings impacts over and above direct impacts are reported for the year 2006. These indirect and induced impacts are generated from the direct impacts produced by the RTIM, discussed above, and an input-output model of the Charlotte 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.

TYPES OF TRAVEL IMPACTS INCLUDED

Most of the travel that occurs in Charlotte is included in the scope of this analysis. The purpose of such travel can be for business, pleasure, shopping, to attend meetings, or for personal, medical or educational purposes. All trips to Charlotte by U.S. residents and foreign visitors are included. Travel to destinations outside the Charlotte metropolitan area by Charlotte residents is not included as a component of *visitor* spending. However, outbound air travel impacts and spending on travel arrangement services are included in the "Other Travel" category. The impacts associated with both overnight and day travel are included if the travelers remain at

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[1] The Charlotte Metropolitan Statistical Area (MSA) includes Anson, Cabarrus, Gaston, Mecklenburg and Union counties in North Carolina; and York County in South Carolina.

the destination overnight or the destination is over 50 miles, one-way, from the traveler's home.

TRANSPORTATION IMPACTS

The focus of this analysis is on the destination-specific impacts of visitors. This is straightforward with respect to the spending on commodities such as accommodations, food services, recreation and retail purchases. It is less obvious with respect to ground and air transportation services, in that transportation provides a link between an origin and destination. In this report, the impacts related to spending on transportation are allocated to the location in which those spending impacts (i.e., employment and tax payments) occur, regardless of whether that location is the ultimate destination of the visitor. For this reason, some visitor spending on air transportation in Charlotte may be associated with travel to destinations outside of the Charlotte metropolitan area.

IMPACT & VISITOR CATEGORIES

The specific categories of travel impacts and categories of visitors included in this analysis are as follows:

Impact Category	
Expenditures	Purchases by travelers during their trip, including lodging taxes and other applicable local and state taxes, paid by the traveler at the point of sale.
Earnings	The earnings (wage and salary disbursements, earned benefits and proprietor income) of employees and owners of businesses that receive travel expenditures. Only the earnings attributable to travel expenditures are included; this typically is only a portion of all business receipts.
Employment	Employment associated with the above earnings; this includes both full- and part-time positions of wage and salary workers and proprietors.
Local Tax Receipts	Tax receipts collected by counties and municipalities, as levied on applicable travel-related purchases, including lodging, food and beverage service, and retail goods and auto rental. Property taxes are not included.
State Tax Receipts	Sales taxes, personal and business income taxes, and motor fuel taxes are included in state tax receipts.
Type of Visitor	
Hotel/Motel	Travelers staying in hotels, motels, resorts, bed & breakfast establishments, and other commercial accommodations, excluding campgrounds, where a transient lodging tax is collected.
Private Home	Travelers staying as guests with friends or relatives.
Other Overnight	Travelers using their own vacation home or timeshare and those borrowing or renting a vacation home where a transient lodging tax is not collected. Travelers staying in a privately owned (i.e., commercial) or publicly managed campgrounds.
Day Visitor	Both in-state and out-of-state residents whose trip does not include an overnight stay at a destination in Charlotte.

DIRECT TRAVEL IMPACTS

The direct travel impacts for the Charlotte MSA are summarized in the table below. In 2006, total direct travel spending was $3.8 million – an increase of 7.2 percent over 2005. This is the second straight year of strong growth. On an average annual basis, total direct travel spending increased by 8.5 percent per year from 2004 to 2006. This exceeds the U.S. travel industry rate of growth over the same period of 7.5 percent.[2]

Some of the increased spending over the past two years is attributable to increases in room rates and motor fuel costs. Nonetheless, the growth in travel-generated earnings and employment has also been substantial – 4.0 percent earnings growth and 5.2 percent employment growth from 2005 to 2006. The strong growth in earnings and employment has occurred despite a significant decline in air transportation payroll over the past several years.[3] Travel-generated local and state tax revenues have also increased over the past two years. The extraordinary 19.8 percent increase in tax revenues from 2005 to 2006 was due to increased room sales and an increased in the lodging tax rate (from 6% to 8%) in Mecklenburg County.

Charlotte MSA Direct Travel Impacts, 2004-2006

				Percent Change	
	2004	2005	2006	2004-05	2005-06
Total Direct Travel Spending (Million)	$3,224	$3,541	$3,796	9.8%	7.2%
Total Direct Earnings (Million)	$862	$871	$906	1.0%	4.0%
Total Direct Employment (Thousand)	29.0	29.8	31.4	2.8%	5.2%
Total Direct Tax Revenues (Million)	$174	$193	$216	10.8%	12.1%
Local (Million)	$65	$71	$85	9.7%	19.8%
State (Million)	$109	$122	$131	11.4%	7.7%

Source: Dean Runyan Associates.

Detailed travel impacts for the Charlotte metro area are provided on the following page.

[2] The average annual rates for Charlotte and the U.S. are not shown in the table.
[3] The decline in air transportation employment and earnings has occurred nationally as well. The greater decrease in payroll and earnings (as compared to employment) for air transportation is the explanation for the fact that overall travel-generated earnings growth has been less than employment growth in Charlotte.

Charlotte Metropolitan Area
Direct Travel Impacts, 2004-2006

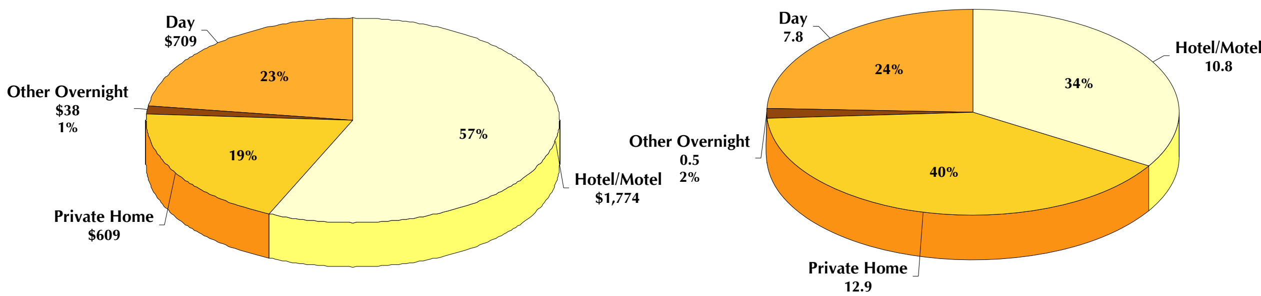
	2004	2005	2006
Total Direct Travel Spending ($Million)			
Visitor Spending at Destination	2,578	2,847	3,130
Other Travel*	646	693	665
Total Direct Spending	3,224	3,541	3,796
Visitor Spending by Type of Traveler Accommodation ($Million)			
Hotel, Motel	1,432	1,585	1,774
Private Home	514	572	609
Other Overnight	33	36	38
Day Travel	598	655	709
Spending at Destination	2,578	2,847	3,130
Visitor Spending by Commodity Purchased ($Million)			
Lodging	374	416	482
Food & Beverage Services	500	543	605
Food Stores	73	78	85
Ground Tran. & Motor Fuel	391	479	573
Arts, Entertainment & Recreation	361	389	428
Retail Sales	402	429	466
Air Transportation (visitor only)	476	514	491
Spending at Destination	2,578	2,847	3,130
Industry Earnings Generated by Travel Spending ($Million)			
Accommodation & Food Services	299	324	357
Arts, Entertainment & Recreation	167	180	198
Retail**	74	78	85
Auto Rental & other ground tran.	25	28	32
Air Transportation (visitor only)	124	108	96
Other Travel*	173	153	137
Total Direct Earnings	862	871	906
Industry Employment Generated by Travel Spending (Thousand jobs)			
Accommodation & Food Services	15.6	16.5	17.6
Arts, Entertainment & Recreation	5.2	5.1	5.3
Retail**	2.9	3.0	3.2
Auto Rental & other ground tran.	0.9	1.0	1.2
Air Transportation (visitor only)	1.8	1.7	1.7
Other Travel*	2.6	2.5	2.5
Total Direct Employment	29.0	29.8	31.4
Government Revenue Generated by Travel Spending ($Million)			
Local	65	71	85
State	109	122	131
State & Local	174	193	216

The following figures in this section describe in greater detail the economic impact of travel in the Charlotte metro area.

The two pie charts below provide a comparison of visitor volume (as measured in person-days) with visitor spending. Visitors that stayed overnight in hotels and motels accounted for about one-third of all person-days in Charlotte in 2006. These same visitors contributed over one-half of all visitor spending in the Charlotte MSA. The total of $1,774 million includes spending on rooms, food, recreation, shopping and local transportation. Almost one-quarter (23 percent) of visitor spending is attributable to day visitors and a fifth (19 percent) to visitors that stayed overnight in the homes of friends or relatives, despite the fact that these visitors accounted for 40 percent of all person-days.

Charlotte MSA, 2006
Visitor Spending & Visitor Volume by Type of Accommodation

(Millions of $) (Millions of Person-Days)

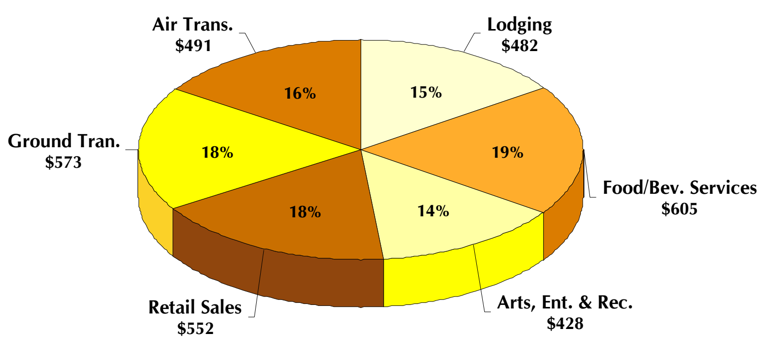


Source: Dean Runyan Associates and TNS TravelsAmerica visitor survey. Other overnight includes campgrounds and second homes. Spending on resident air travel and travel agencies not included. See Appendix B for estimates of trip volume.

The next pie chart shows visitor spending broken out by the type of commodity purchased. As can be seen, spending is broadly distributed among the different goods and services purchased by visitors.

Charlotte MSA, 2006
Visitor Spending by Type of Commodity Purchased

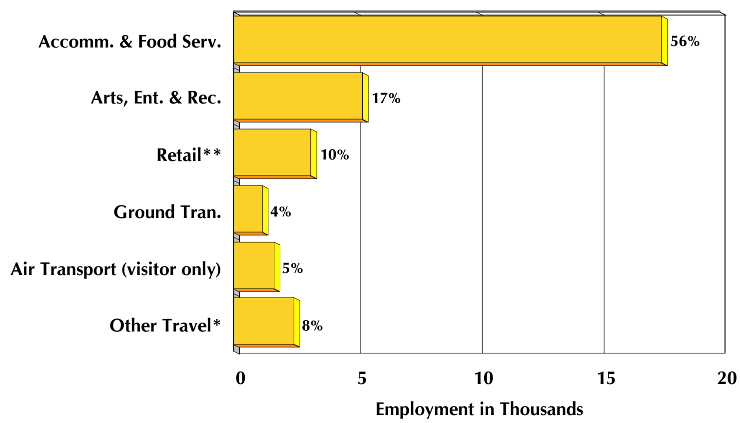
(Millions)



Source: Dean Runyan Associates. Spending on resident air travel and travel agencies not included.

In terms of employment, however, the impact of travel spending is concentrated in the leisure and hospitality sector (accommodations, food services and arts, entertainment, recreation). Almost three-fourths of all travel-generated employment is located in this sector (in contrast to one-half of visitor spending, see figure above). This employment distribution is a product of the different wage levels in the various industries and the fact that a high proportion of visitor spending on leisure and hospitality services is passed on to employees as payroll and earnings.

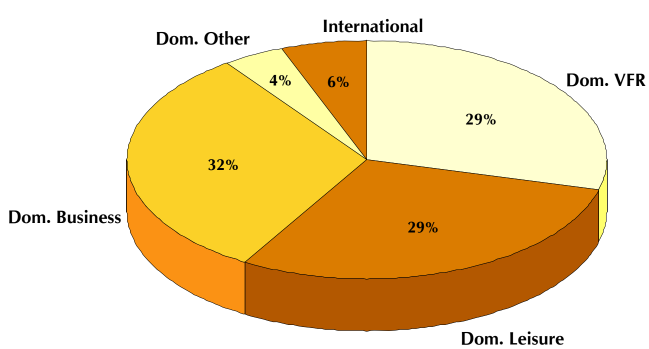
Charlotte MSA, 2006
Travel-Generated Employment



Source: Dean Runyan Associates. **Retail includes groceries and motor fuel. *Other Travel includes resident air transportation and travel agencies.

The pie chart below provides a breakout of visitor spending by trip purpose and origin (resident airfares and travel agencies are not included). International visitors accounted for approximately 6 percent of all visitor spending in Charlotte. The trip purposes of domestic visitors were relatively equally divided among business, pleasure and visiting friends and relatives.

Charlotte MSA, 2006
Visitor Spending by Domestic Trip Purpose & Origin

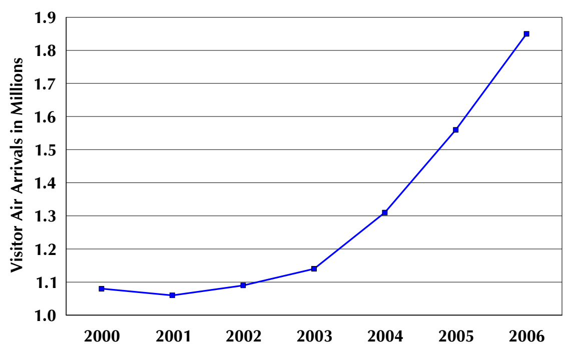


Sources: International Trade Administration and Bureau of Economic Analysis (U.S. Department of Commerce), TNS TravelsAmerica visitor survey, and Dean Runyan Associates.

Finally, the following two graphs provide some additional evidence of the strong performance of the Charlotte travel industry in recent years. The first graph shows the number of air passenger visitor arrivals to Charlotte since 2000. The second shows the trend in lodging sales over the same period.[4] Both measures indicate substantial growth since 2003. This is roughly the pattern that exists for the nation as a whole. However, Charlotte has performed somewhat better in recent years. Room Sales for the Charlotte MSA increased by 14.6 percent from 2005 to 2006. Nationwide, the increase in room sales was on the order of 8 percent according to Smith Travel Research. Visitor air arrivals to Charlotte increased by 18 percent from 2005 to 2006. Nationwide air passenger traffic was virtually unchanged over the same period.

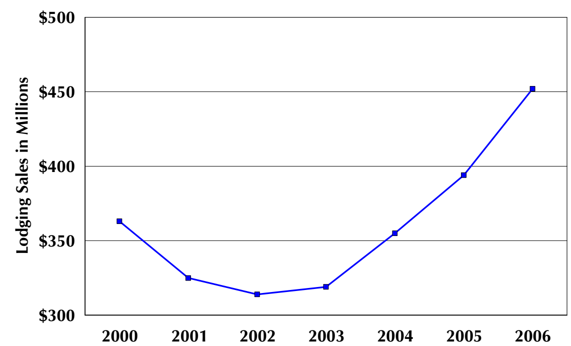
Charlotte MSA Travel Trends, 2000-2006

Air Passenger Visitor Arrivals



Source: U.S. Bureau of Transportation Origin and Destination Survey and Dean Runyan Associates.

Lodging Sales



Source: Local room tax receipts from various taxing jurisdictions and Dean Runyan Associates.

[4] Lodging sales are equivalent to room revenue, or the receipts collected by lodging establishments for the sale of accommodations. The figures reported here are calculated from tax receipts (specifically, the annual tax receipts divided by the applicable tax rate). The figures are similar to those reported by surveys of lodging facilities, such as Smith Travel Research.

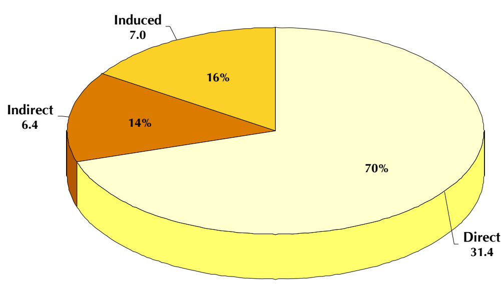
SECONDARY AND TOTAL TRAVEL IMPACTS

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

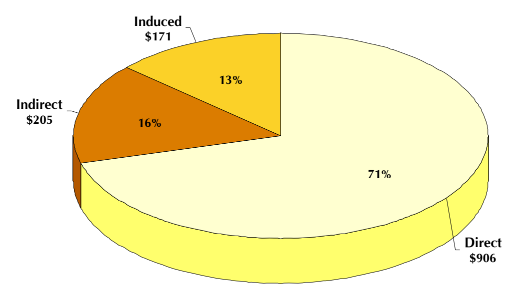
- **Direct** impacts represent the employment and earnings attributable to travel expenditures made directly by travelers at businesses in Charlotte.
- **Indirect** impacts represent the employment and earnings associated with industries that supply goods and services to the direct businesses (i.e., those that receive money directly from travelers in Charlotte).
- **Induced** impacts represent the employment and earnings that results 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.

Charlotte, 2006
Total Employment and Earnings Generated by Travel Spending

Employment (Thousands)



Earnings (Million)



Source: Minnesota Implan Group and Dean Runyan Associates.

The sum of indirect and induced employment is 13,400 secondary jobs. Total travel-generated employment (direct plus secondary) equals 44,700 jobs. This is equivalent to an employment "multiplier" of 0.43 (secondary jobs/direct jobs).

Similarly, the sum of indirect and induced earnings is $376 million. Total travel-generated earnings equal $1,282 million. This is equivalent to an earnings "multiplier" of 0.41.

The impacts in this section are presented in terms of the employment and earnings of major industry groups. Direct travel impacts, such as those discussed in the first part of this section are found in the following industry groups:

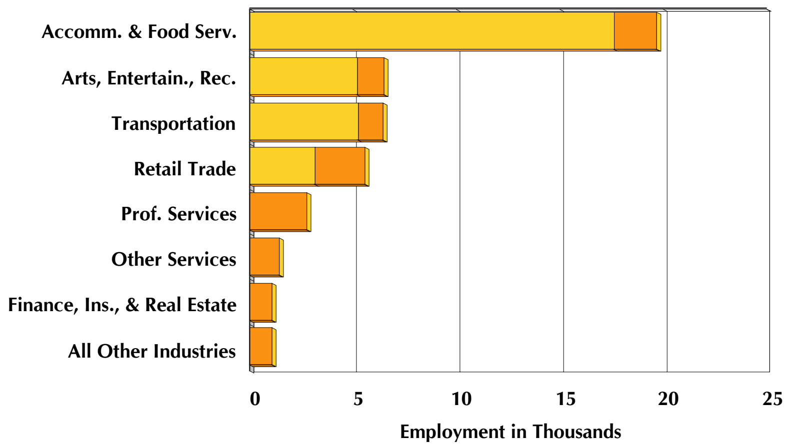
- **Accommodations & Food Services**
- **Arts, Entertainment, and Recreation**
- **Retail Trade**
- **Transportation**

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.

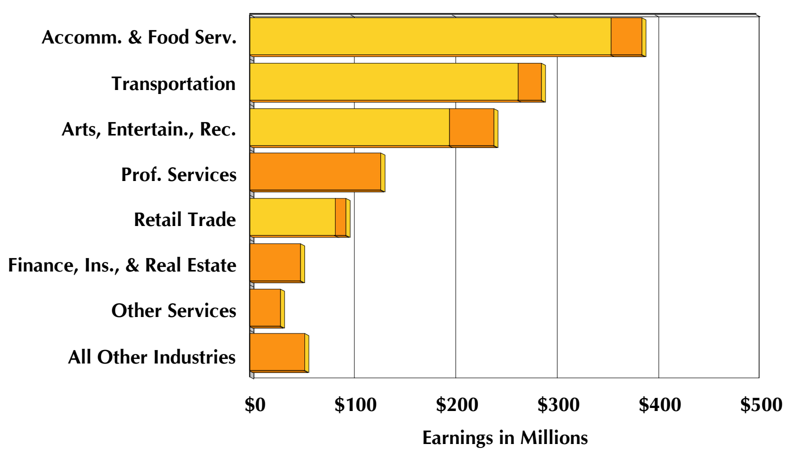
The indirect and induced impacts of travel spending are found in the industry groupings shown in the following tables and graphs. The remainder of this section summarizes the secondary impacts of travel spending in these primary industry groups.

- **Professional Services** (2,800 jobs and $130 million 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** (1,400 jobs and $31 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.
- **Finance, Real Estate** (1,100 jobs and $51 million earnings). Employees and businesses use the services of financial institutions, insurers, and real estate businesses.
- **All Other Industries** (1,100 jobs and $55 million earnings). For example, structures that house travel-related businesses, such as hotels and restaurants, require ongoing maintenance from construction firms. Employees of travel-related businesses pay fees to attend public educational institutions and to operate motor vehicles (government enterprises).

Charlotte 2006
Direct and Secondary Employment



Charlotte 2006
Direct and Secondary Earnings



Source: Minnesota Implan Group and Dean Runyan Associates. All Other Industries are listed separately in the tables on the following page.

The detailed estimates upon which the above graphs are based are reported in the following tables.

Direct & Secondary Visitor-Generated Employment in Charlotte MSA, 2006
(thousand jobs)

		Secondary			Grand
Industry Group	Direct	Indirect	Induced	Total	Total
Accommodation & Food Services	17.6	1.1	1.0	2.0	19.7
Arts, Entertainment & Recreation	5.3	1.0	0.3	1.3	6.5
Transportation	5.3	0.8	0.4	1.2	6.5
Retail Trade	3.2	0.6	1.8	2.4	5.6
Professional Services	0.0	0.8	2.0	2.8	2.8
Other Services	0.0	0.7	0.7	1.4	1.4
Finance, Ins., & Real Estate	0.0	0.6	0.5	1.1	1.1
Mining & Manufacturing	0.0	0.2	0.2	0.4	0.4
Agriculture & Food Processing	0.0	0.2	0.1	0.3	0.3
Government	0.0	0.2	0.1	0.2	0.2
Construction	0.0	0.1	0.1	0.2	0.2
All Industries	31.4	6.4	7.0	13.4	44.7

Direct & Secondary Visitor-Generated Earnings in Charlotte MSA, 2006
($ Million)

		Secondary			Grand
Industry Group	Direct	Indirect	Induced	Total	Total
Accommodation & Food Services	357	16	14	31	388
Transportation	266	20	2	23	288
Arts, Entertainment & Recreation	198	39	5	44	243
Professional Services	0	49	81	130	130
Retail Trade	85	2	9	11	95
Finance, Ins., & Real Estate	0	25	26	51	51
Other Services	0	19	12	31	31
Mining & Manufacturing	0	14	11	25	25
Government	0	8	4	12	12
Agriculture & Food Processing	0	7	3	11	11
Construction	0	5	2	7	7
All Industries	906	205	171	376	1,282

Source: Minnesota Implan Group and Dean Runyan Associates.

COMPARISONS WITH OTHER METROPOLITAN AREAS

This final section of the report compares the Charlotte visitor industry with those of the other top fifty metropolitan areas in the U.S. The method for making this comparison is based upon payroll data for the leisure and hospitality sector published by the U.S. Bureau of Labor Statistics for metropolitan areas.[5] The annual wages for accommodations and the larger leisure and hospitality sector were compared for the fifty largest metro areas in terms of accommodations payroll. In addition, the metro areas were compared in terms of an estimate of the visitor share of the leisure and hospitality sector.[6]

This method of comparing the metropolitan areas obviously excludes some components of the larger travel industry, most notably transportation. It also does not provide an estimate of travel *spending* or *travel-generated tax receipts*, as is reported in the detailed findings for Charlotte. Despite these shortcomings, there are several advantages to the approach taken here:

- Reliable and comparable estimates of the detailed economic impacts of travel in all fifty metro areas would entail considerable cost.
- Most of the wage and employment impacts of the travel industry occur within the leisure and hospitality sector. Although air transportation impacts are significant for the larger travel industry, only a portion of them in any metropolitan destination is directly attributable to *visitor* spending. Furthermore, the wage impacts of visitor spending are ultimately more important than spending *per se*.
- This method can be easily replicated and updated on an annual basis for tracking purposes.

The estimates of visitor-generated leisure and hospitality payroll and the rankings of the metropolitan areas should be regarded as approximate. For one thing, the estimates and rankings are in part a product of the definition of the metropolitan areas.[7] The more important function of this type of comparison concerns trends – how different MSA's compare over time.

The following table shows the ranking of the Charlotte MSA over the past six years.

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[5] The leisure and hospitality sector includes accommodations, food services, arts, entertainment and recreation.

[6] This method is explained in the appendix.

[7] For example, the Los Angeles-Long Beach-Santa Ana Metropolitan Statistical Area represents both Los Angeles and Orange counties. A plausible argument might be made that the constituent Metropolitan Divisions representing the two counties would be a better basis of comparison. The same could be said for Dallas-Fort Worth-Arlington and other MSA's.

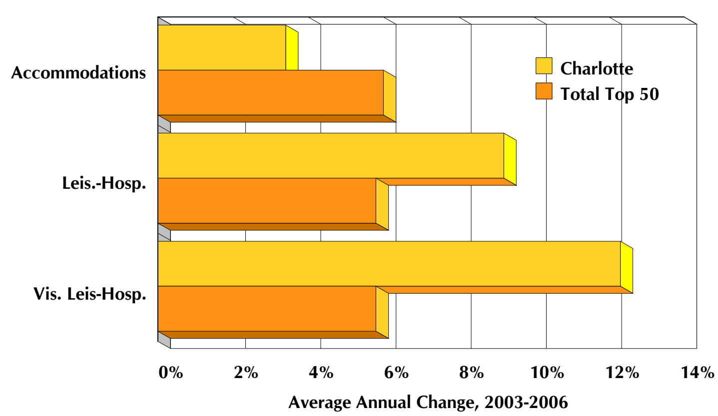
Charlotte MSA Rankings by Annual Payroll

	Accommo-	Leisure & Hospitality	
Year	dations	Total	Visitor Share
2001	*42	35	37
2002	*44	36	40
2003	43	36	38
2004	43	35	34
2005	40	34	33
2006	*42	33	33

Source: U.S. Bureau of Labor Statistics and Dean Runyan Associates.
Note: Accommodations payroll for Charlotte estimated from Mecklinburg county payroll for the years 2001, 2002 and 2006. Ranking also reflects an adjustment for metro areas where casino hotels are substantially present. See appendix.

The ranking based on accommodations payroll is a relatively good indicator of Charlotte's position in the paid overnight accommodations market. No clear trend is evident, due in part to missing data. In terms of the larger leisure and hospitality sector, Charlotte has a higher rank and its position appears to be strengthening as measured in terms of rank and the actual change in payroll over time (see detailed table, next page and graph below). However, both resident and visitor spending support the leisure and hospitality sector. The final column, visitor share of leisure and hospitality wages, is based on an estimate that accounts for the spending of residents of food services and recreation. It should also be noted that this estimate is consistent with the detailed impact estimates reported previously in this document.[8] The average annual percent change in the visitor share of the leisure and hospitality payroll for Charlotte is among the highest of all metropolitan areas.

Charlotte & Top Fifty Metro Areas
Average Annual Percent Change in Payroll, 2003-06



Source: U.S. Bureau of Labor Statistics and Dean Runyan Associates.

[8] This includes the estimate of earnings for accommodations, food services, arts, entertainment and recreation. It also reflects the importance of day travel and private home stays in Charlotte.

Accommodations Annual Payroll, 2001 - 2006 ($Millions)

Ranked by 2006 Value

Metro Area	2001	2002	2003	2004	2005	2006	Annual Change 03-06	Annual Change 01-06
Las Vegas-Paradise*	4,770	4,776	5,010	5,356	6,008	6,372	8.3%	6.0%
New York-Northern N.J.-Long Island	2,175	2,080	2,198	2,367	2,465	2,580	5.5%	3.5%
Los Angeles-Long Beach-Santa Ana	1,261	1,258	1,332	1,460	1,532	1,646	7.3%	5.5%
Atlantic City*	1,408	1,396	1,443	1,454	1,490	1,499	1.3%	1.3%
Miami-Fort Lauderdale-Miami Beach	915	930	1,005	1,158	1,315	1,296	8.8%	7.2%
Orlando	887	922	980	1,042	1,136	1,183	6.5%	5.9%
Chicago-Naperville-Joliet	*881*	*866*	*905*	962	1,012	1,092	6.5%	4.4%
San Francisco-Oakland-Fremont	863	835	867	904	942	1,021	5.6%	3.4%
Dallas-Fort Worth-Arlington	712	634	644	683	769	842	9.4%	3.4%
San Diego-Carlsbad-San Marcos	542	518	556	664	688	750	10.5%	6.7%
Phoenix-Mesa-Scottsdale	553	549	596	651	699	747	7.8%	6.2%
Boston-Cambridge-Quincy	650	608	615	650	673	723	5.5%	2.1%
Atlanta-Sandy Springs-Marietta	*500*	486	479	513	549	601	7.9%	3.8%
Memphis	*460*	*477*	*477*	*482*	*517*	596	7.7%	5.3%
Honolulu	446	444	472	514	539	572	6.7%	5.1%
Reno-Sparks*	581	548	544	542	531	538	-0.4%	-1.5%
Houston-Baytown-Sugar Land	*415*	*399*	384	422	*442*	*470*	6.9%	2.5%
Philadelphia-Camden-Wilmington	359	379	373	392	403	456	6.9%	4.9%
Riverside-San Bernardino-Ontario	297	328	353	484	396	406	4.8%	6.5%
Seattle-Tacoma-Bellevue	304	297	319	336	353	386	6.6%	4.9%
Denver-Aurora	*343*	*323*	*313*	321	*335*	*380*	6.7%	2.0%
San Antonio	*212*	*221*	*226*	*256*	*281*	*361*	16.8%	11.2%
Tampa-St. Petersburg-Clearwater	274	327	320	334	353	315	-0.6%	2.8%
Minneapolis-St. Paul-Bloomington	265	257	256	*268*	279	291	4.4%	1.9%
Nashville-Davidson--Murfreesboro	*254*	*232*	*236*	252	*270*	286	6.6%	2.4%
Gulfport-Biloxi*	*250*	331	356	358	*366*	235	-12.9%	-1.2%
New Orleans-Metairie-Kenner	300	305	*286*	*309*	*295*	*231*	-7.0%	-5.1%
Baltimore-Towson	181	201	210	216	215	222	1.9%	4.2%
St. Louis	*235*	224	234	*207*	215	220	-2.0%	-1.3%
Detroit-Warren-Livonia	194	199	199	218	220	218	3.1%	2.4%
San Jose-Sunnyvale-Santa Clara	198	178	179	191	201	213	6.0%	1.5%
Jacksonville	*152*	*152*	*157*	*160*	198	205	9.4%	6.2%
Salinas	170	168	170	186	197	205	6.3%	3.8%
Salt Lake City	156	158	156	159	172	198	8.3%	4.8%
Sacramento--Arden-Arcade--Roseville	130	144	157	163	179	190	6.6%	7.9%
Myrtle Beach-Conway-N. Myrtle Beach	125	132	142	148	145	187	9.5%	8.4%
Portland-Vancouver-Beaverton	*167*	169	171	174	177	185	2.7%	2.1%
Austin-Round Rock	134	133	137	152	164	180	9.5%	6.1%
Kansas City	*161*	156	*155*	158	169	176	4.2%	1.7%
Pittsburgh	156	168	170	169	163	171	0.3%	1.9%
Tucson	148	142	135	141	141	157	5.0%	1.1%
Indianapolis	145	141	141	146	146	156	3.2%	1.4%
Columbus	130	*132*	136	136	139	148	2.9%	2.6%
Charlotte-Gastonia-Concord	***129***	***124***	**131**	**134**	**144**	***145***	**3.4%**	**2.4%**
Charleston-North Charleston	103	113	118	122	130	142	6.2%	6.6%
Cleveland-Elyria-Mentor	118	129	130	127	128	137	1.8%	3.0%
Naples-Marco Island	95	104	108	122	128	136	8.0%	7.4%
Colorado Springs	89	84	108	114	117	123	4.5%	6.9%
Cincinnati-Middletown	124	121	114	115	117	119	1.3%	-0.8%
Santa Barbara-Santa Maria-Goleta	99	97	102	109	110	116	4.3%	3.2%
Total of Metro Areas	24,215	24,096	25,008	26,702	28,353	29,822	6.0%	4.3%

Source: U.S. Bureau of Labor Statistics. Estimates (italicized) by Dean Runyan Associates. *Includes substantial casino hotel component.

Leisure & Hospitality Annual Payroll, 2001 - 2006 ($Millions)

Ranked by 2006 Value

Metro Area	2001	2002	2003	2004	2005	2006	Annual Change 03-06	Annual Change 01-06
New York-Northern N.J.-Long Island	12,847	13,207	13,989	14,888	15,461	16,846	6.4%	5.6%
Los Angeles-Long Beach-Santa Ana	11,416	12,094	13,147	13,946	14,116	15,110	4.7%	5.8%
Las Vegas-Paradise	5,963	6,036	6,394	6,930	7,728	8,278	9.0%	6.8%
Chicago-Naperville-Joliet	6,091	6,352	6,528	6,845	7,125	7,655	5.5%	4.7%
Miami-Fort Lauderdale-Miami Beach	3,917	4,017	4,250	4,670	5,091	5,388	8.2%	6.6%
Dallas-Fort Worth-Arlington	4,368	4,419	*4,611*	4,674	*4,911*	*5,235*	4.3%	3.7%
San Francisco-Oakland-Fremont	3,956	4,047	4,112	4,289	4,587	4,863	5.7%	4.2%
Boston-Cambridge-Quincy	3,825	3,921	4,039	4,247	4,358	4,535	3.9%	3.5%
Orlando	3,273	3,316	3,479	3,836	4,086	4,252	6.9%	5.4%
Atlanta-Sandy Springs-Marietta	3,325	3,425	3,570	3,701	3,961	4,216	5.7%	4.9%
Philadelphia-Camden-Wilmington	3,272	3,428	3,549	3,731	3,896	4,129	5.2%	4.8%
Houston-Baytown-Sugar Land	2,899	3,066	3,147	3,355	3,588	3,928	7.7%	6.3%
Phoenix-Mesa-Scottsdale	2,584	2,678	2,774	2,941	3,197	3,563	8.7%	6.6%
Detroit-Warren-Livonia	2,762	2,886	2,944	3,028	3,076	3,189	2.7%	2.9%
San Diego-Carlsbad-San Marcos	2,200	2,275	2,472	2,730	2,896	3,146	8.4%	7.4%
Seattle-Tacoma-Bellevue	2,454	2,445	2,563	2,764	2,909	3,102	6.6%	4.8%
Minneapolis-St. Paul-Bloomington	2,252	2,331	2,458	2,538	2,595	2,834	4.9%	4.7%
Denver-Aurora	2,055	2,118	2,141	2,195	2,265	2,468	4.9%	3.7%
St. Louis	1,950	2,047	2,096	2,153	2,269	2,358	4.0%	3.9%
Tampa-St. Petersburg-Clearwater	1,576	1,677	1,746	1,909	2,044	2,187	7.8%	6.8%
Baltimore-Towson	1,641	1,704	1,768	1,899	2,012	2,116	6.2%	5.2%
Riverside-San Bernardino-Ontario	1,445	1,576	1,649	1,923	1,940	2,105	8.5%	7.8%
Cincinnati-Middletown	*1,450*	*1,530*	*1,571*	*1,622*	*1,679*	*1,766*	4.0%	4.0%
Atlantic City	1,553	1,549	1,604	1,623	1,696	1,730	2.5%	2.2%
Nashville-Davidson--Murfreesboro	1,220	1,266	1,377	1,459	1,538	1,729	7.9%	7.2%
Pittsburgh	1,404	1,482	1,514	1,524	1,563	1,680	3.5%	3.7%
Kansas City	1,370	1,427	1,483	1,555	1,575	1,675	4.2%	4.1%
San Antonio	1,186	1,224	1,270	1,354	1,451	1,645	9.0%	6.8%
Portland-Vancouver-Beaverton	1,296	1,321	1,339	1,403	1,491	1,590	5.9%	4.2%
San Jose-Sunnyvale-Santa Clara	1,325	1,324	1,378	1,365	1,463	1,587	4.8%	3.7%
Cleveland-Elyria-Mentor	1,432	1,426	1,428	1,461	1,514	1,570	3.2%	1.9%
Indianapolis	1,250	1,263	1,307	1,375	1,457	1,530	5.4%	4.1%
Charlotte-Gastonia-Concord	**1,091**	**1,102**	**1,169**	**1,265**	**1,372**	**1,522**	**9.2%**	**6.9%**
Memphis	1,091	1,179	1,213	1,267	1,308	1,403	5.0%	5.2%
Sacramento--Arden-Arcade--Roseville	1,005	1,074	1,136	1,208	1,297	1,378	6.6%	6.5%
Honolulu	1,049	1,063	1,121	1,220	1,289	1,361	6.7%	5.3%
Columbus	1,120	1,179	1,232	1,263	1,282	1,354	3.2%	3.9%
New Orleans-Metairie-Kenner	1,309	1,369	1,419	1,483	1,400	1,236	-4.5%	-1.1%
Austin-Round Rock	901	924	960	1,049	1,131	1,235	8.8%	6.5%
Jacksonville	790	822	896	909	1,033	1,108	7.3%	7.0%
Salt Lake City	730	855	746	773	823	924	7.4%	4.8%
Reno-Sparks	823	798	807	817	822	856	2.0%	0.8%
Tucson	512	515	504	541	560	608	6.5%	3.5%
Naples-Marco Island	349	386	414	469	537	574	11.5%	10.5%
Charleston-North Charleston	383	416	446	473	508	551	7.3%	7.6%
Myrtle Beach-Conway-N. Myrtle Beach	386	403	435	454	474	530	6.9%	6.5%
Colorado Springs	409	417	426	432	451	475	3.7%	3.0%
Salinas	373	393	393	418	433	453	4.8%	4.0%
Santa Barbara-Santa Maria-Goleta	334	348	369	387	404	425	4.8%	4.9%
Gulfport-Biloxi	544	544	557	565	560	386	-11.5%	-6.6%
Total of Metro Areas	112,753	116,666	121,941	128,930	135,218	144,383	5.8%	5.1%

Source: U.S. Bureau of Labor Statistics. Estimates (italicized) by Dean Runyan Associates.

Estimated Visitor Share of Leisure & Hospitality Annual Payroll, 2001 - 2006 ($Millions)

Ranked by 2006 Value

Metro Area	2001	2002	2003	2004	2005	2006	Annual Change 03-06	Annual Change 01-06
Los Angeles-Long Beach-Santa Ana	5,913	6,532	7,417	7,876	7,756	8,342	4.0%	7.1%
Las Vegas-Paradise	5,375	5,426	5,732	6,181	6,885	7,363	8.7%	6.5%
New York-Northern N.J.-Long Island	2,624	3,205	3,828	4,099	4,121	4,636	6.6%	12.1%
Orlando	2,611	2,631	2,760	3,049	3,216	3,318	6.3%	4.9%
Miami-Fort Lauderdale-Miami Beach	2,084	2,138	2,310	2,599	2,850	2,994	9.0%	7.5%
Chicago-Naperville-Joliet	1,643	1,934	2,056	2,165	2,248	2,488	6.6%	8.7%
Dallas-Fort Worth-Arlington	1,633	1,724	1,911	1,830	1,902	1,971	1.0%	3.8%
San Francisco-Oakland-Fremont	1,232	1,481	1,543	1,599	1,749	1,842	6.1%	8.4%
San Diego-Carlsbad-San Marcos	1,052	1,084	1,229	1,412	1,509	1,671	10.8%	9.7%
Phoenix-Mesa-Scottsdale	1,194	1,276	1,312	1,357	1,461	1,647	7.9%	6.6%
Atlanta-Sandy Springs-Marietta	1,174	1,262	1,363	1,391	1,516	1,635	6.2%	6.8%
Atlantic City	1,438	1,431	1,480	1,495	1,562	1,589	2.4%	2.0%
Boston-Cambridge-Quincy	932	1,124	1,225	1,269	1,281	1,270	1.2%	6.4%
Seattle-Tacoma-Bellevue	759	771	862	1,047	1,086	1,105	8.6%	7.8%
Denver-Aurora	834	916	933	936	941	1,050	4.0%	4.7%
Tampa-St. Petersburg-Clearwater	683	773	805	902	979	1,047	9.2%	8.9%
St. Louis	804	890	920	942	1,004	1,040	4.2%	5.3%
Houston-Baytown-Sugar Land	589	764	832	907	935	992	6.0%	11.0%
Nashville-Davidson--Murfreesboro	651	685	764	806	841	974	8.4%	8.4%
Detroit-Warren-Livonia	620	772	786	839	838	973	7.4%	9.4%
Riverside-San Bernardino-Ontario	670	747	760	937	872	947	7.6%	7.2%
Philadelphia-Camden-Wilmington	666	775	790	831	870	939	5.9%	7.1%
Honolulu	723	722	763	837	883	932	6.9%	5.2%
San Antonio	634	660	683	731	790	925	10.7%	7.9%
Minneapolis-St. Paul-Bloomington	544	617	696	674	682	839	6.4%	9.0%
Memphis	598	670	682	709	734	795	5.2%	5.9%
New Orleans-Metairie-Kenner	852	902	937	980	906	746	-7.3%	-2.6%
Cincinnati-Middletown	592	653	666	670	688	745	3.8%	4.7%
Baltimore-Towson	535	566	594	656	702	738	7.5%	6.7%
Kansas City	534	583	630	666	650	701	3.6%	5.6%
Indianapolis	526	534	564	586	637	669	5.8%	4.9%
Reno-Sparks	656	630	630	625	617	639	0.5%	-0.5%
Charlotte-Gastonia-Concord	**389**	**385**	**436**	**489**	**539**	**618**	**12.3%**	**9.7%**
Pittsburgh	462	534	551	521	534	594	2.5%	5.2%
Portland-Vancouver-Beaverton	419	456	465	478	509	540	5.1%	5.2%
Jacksonville	365	386	436	417	501	531	6.7%	7.8%
Cleveland-Elyria-Mentor	480	486	464	456	489	508	3.1%	1.2%
Myrtle Beach-Conway-N. Myrtle Beach	330	343	372	387	403	452	6.7%	6.5%
Columbus	353	391	425	422	410	444	1.5%	4.7%
Naples-Marco Island	266	297	320	365	417	444	11.6%	10.8%
Austin-Round Rock	235	294	315	372	396	431	10.9%	12.9%
Sacramento--Arden-Arcade--Roseville	231	267	288	314	346	367	8.5%	9.7%
Salt Lake City	279	404	294	293	305	356	6.6%	5.0%
Charleston-North Charleston	212	236	255	270	289	317	7.6%	8.4%
Gulfport-Biloxi	474	472	482	488	479	304	-14.3%	-8.5%
Salinas	244	261	255	275	283	297	5.2%	4.0%
Tucson	266	262	240	259	251	274	4.5%	0.6%
Santa Barbara-Santa Maria-Goleta	188	200	213	221	227	242	4.3%	5.1%
Colorado Springs	202	213	220	217	226	238	2.6%	3.3%
Total of Metro Areas	46,768	50,764	54,495	57,851	60,314	64,517	5.8%	6.6%

Source: U.S. Bureau of Labor Statistics. Visitor share estimated by Dean Runyan Associates.

APPENDICES

Appendix A. Travel Impact Estimation Procedures

Appendix B. Visitor Volume

Appendix C. Metropolitan Area Comparisons

Appendix D. Rounding and Format of Detail Table

TRAVEL IMPACT ESTIMATION PROCEDURES

TRAVEL SPENDING

Hotel, Motel, B&B. Spending on commercial accommodations by hotel and motel guests is estimated from room tax receipts for each county. Where room tax receipts are unavailable or incomplete, room sales are estimated from lodging inventories, occupancy rates, and room rates. Other lodging industry data, such as sales tax receipts, employment and earnings, are also used to estimate and/or validate room sales. Spending by hotel and motel guests in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data. The spending distribution shows how travelers divide their spending between lodging and other purchase

Campgrounds. Spending by campers using campgrounds is estimated from the number of campsites, the average occupancy of these campsites, and the average daily expenditures of visitor camp parties reported in survey data. Spending in other business categories is estimated in the same way as for hotel guests.

Private Home. Spending by private home guests is determined from census data and visitor survey data. The number of owner occupied housing units per county is taken from the decennial census and updated annually. The average number of days per year visitors hosted by residents and the average daily spending of these visitors are estimated from visitor survey data.

Vacation Home. The estimated spending by vacation home renters and owners is also based on census data and visitor survey data. The number of seasonal housing units per county is taken from the decennial census and updated annually. The average number of days per year that these units are occupied by owners or renters (where a room tax is not collected) and the average daily spending of these visitors are estimated from visitor survey data.

Day Travel. The share of day visits as a percentage of total travel is estimated from visitor survey data and applied to average daily spending estimates to produce day visitor spending.

Air Transportation. Visitor spending estimates for air transportation are derived from the Origin-Destination survey conducted for the Bureau of Transportation Statistics. Employment and earnings estimates are derived from industry receipts, payroll, and employment data for passenger traffic. The impacts of air cargo operations on scheduled passenger flights are not included in these estimates.

Travel Agencies. This category consists of travel agencies (NAICS 56151). Employment estimates are based on employment data provided by the Bureau of Labor Statistics. Spending estimates are derived from the 2002 Economic Census.

RELATED TRAVEL IMPACTS

Spending by travelers generates jobs, earnings, and state and local tax revenue.

Earnings generated directly from traveler expenditures are estimated from the payroll-to-receipts ratio obtained from data published in the 2002 Economic Census and the state and county estimates of earnings and employment produced annually by the Bureau of Economic Analysis' Regional Economic Information System (REIS). Earnings includes payroll and other earned benefits of employees, and proprietor income.

Employment in each business category is calculated from average earnings data derived from Bureau of Labor Statistics Covered Employment and Wages (CEW) data and the earnings and employment produced annually by the Bureau of Economic Analysis' Regional Economic Information System (REIS).

Local Taxes consist of all local (municipality, county, special districts) point-of-sale taxes, including room taxes, sales taxes, and auto rental taxes. Property taxes are not included.

State Taxes consist of all statewide point of sale taxes (including sales taxes and gasoline excise taxes) and personal and business income taxes.

VISITOR VOLUME

The table below provides an estimate of 2006 visitor volume (visitor-days and trips) that is based on the visitor spending estimates for Charlotte produced by Dean Runyan Associates and trip characteristics for visitors to Charlotte from the TNS TravelsAmerica survey.

Because visitor volume estimates are a function of trip characteristics (length of stay, travel party size), they should be interpreted with caution. Small variations in trip characteristics can result in substantial changes in visitor volume. These differences may be a product of the sampling and measurement, rather than true changes in the visitor population. For this reason, comparisons of annual visitor volume estimates should be evaluated in conjunction with other measures of visitor activity (e.g., room nights sold, visitor air deplanements).

Charlotte MSA Visitor Volume, 2006

	Visitor-Days (Millions)	Length of Stay (Days)	Trips (Millions)
Hotel/Motel	10.8	2.3	4.7
Private Home	12.9	3.5	3.7
Other Overnight	0.5	2.3	0.2
Day	7.8	1.0	7.8
Total	32.1	2.0	16.4

Source: Dean Runyan Associates and TNS TravelsAmerica visitor survey.

METROPOLITAN AREA COMPARISONS

The primary source data for the metropolitan area comparisons was taken from the U.S. Bureau of Labor Statistics (BLS) quarterly census of employment and wages (CEW). This data was downloaded from the BLS website for the years 2001 to 2006. The data for 2006 is preliminary. Dean Runyan Associates made the following adjustments and estimates with this data:

Missing Values

In some instances, data was not disclosed at the metropolitan level in order to protect the confidentiality of reporting units. In these cases, Dean Runyan Associates estimated the missing values by using the reported values of constituent counties within the MSA's. Because data was generally withheld in counties with relatively few establishments, the estimates are not likely to deviate greatly from the true values. Estimates are designated in the report tables with *italicized values*.

Casino Hotels

In most cases, the accommodations payroll is a reflection of lodging sales. Lodging establishments typically generate about 75 percent of their revenue from room sales. Most of the remaining revenue is from food services. In the case of casino hotels, however, this is not the case. Most revenue at casino hotels (as much as 80 percent) is generated from gambling. For this reason, the rank of Charlotte in terms of accommodations payroll was adjusted to reflect the fact that two metro areas (Reno-Sparks and Gulfport-Biloxi) ranked higher than Charlotte because of the presence of casino hotels.

Estimated Visitor Share of Leisure-Hospitality Payroll

The estimated visitor share of leisure & hospitality payroll was estimated by calculating an amount of payroll attributable to residents and subtracting this resident figure from the total leisure and hospitality payroll. The resident estimate was based on (a) the total payroll of all industries, (b) a factor (7%) that reflects the amount of payroll spent on leisure and hospitality and (c) a factor (35%) that reflects the share of spending that is allocated to payroll. The factors used for casino hotels were (a) 10% and (b) 25%.

A more exact procedure would, among other things, be based on resident income, account for resident leisure and hospitality spending on travel, and consider unique characteristics of different leisure and hospitality sectors. That being said, the method used produced reasonable results compared to other metro areas where other travel impact estimates were available (many of which were available from Dean Runyan Associates).

ROUNDING AND FORMAT OF DETAILED TABLES

ROUNDING OF ESTIMATES

Dollar amounts in the detailed metropolitan table are rounded to the nearest $100,000. For example, an estimate of $3,674,352 before rounding would be rounded to $3,700,000. In the detailed tables, this is presented as $3.7 million. Most employment estimates are rounded to the nearest ten jobs. For example, an employment estimate of 137 jobs before rounding would be rounded to 140 jobs. Employment estimates for large metropolitan and regional areas are rounded to the nearest 100 jobs and reported in thousands (e.g., 3,943 reported as 3.9 thousand). All totals in the tables are the sum of the estimates before rounding. For example, the sum of 40 (rounded from 37) and 60 (rounded from 57) would be 90 (rounded from 37 + 57 = 94). This means that the reported totals are occasionally different from the sum of the rounded details.

TABLE FORMAT

- *Total Direct Travel Spending* includes visitor spending at destination (including air transportation) plus other travel. Other travel includes resident spending on outbound air transportation and spending on travel arrangement services. Total direct travel spending does not include secondary (indirect and induced) effects.
- *Visitor Spending by Type of Traveler Accommodation* refers to the total direct spending of each category of visitor at that destination (county or state). For example, the spending of visitors that stayed at hotels, motels or B&B's includes their spending on accommodations, food and beverage service, recreation, transportation, and all other visitor related commodities.
- *Visitor Spending by Commodity Purchased* refers to the total spending on each commodity for all types of visitors. For example, the total spending on food and beverage services includes spending by visitors staying in hotels, private campgrounds, private homes, and the other types of accommodation. The total visitor spending on commodities is identical to the total spending by type of accommodation.

The next two sections, *Direct Travel-Generated Earnings by Industry* and *Direct Travel-Generated Employment by Industry*, provide estimates of travel-generated earnings and employment that are based on an industry, rather than a commodity, classification. A business that is classified in a particular industry may include more than one commodity. For example, a resort that is classified in the accommodation industry may provide accommodations, food and beverages and recreation.

- *Direct Travel-Generated Earnings by Industry* includes the payroll, other earned benefits, and proprietor income of all employees in that industry classification.
- *Direct Travel-Generated Employment by Industry* includes all full- and part-time employees. This includes payroll employees covered by unemployment insurance and those that are not, as well as proprietors.
- *Tax Revenues Generated by Travel Spending* provides a breakout of local state taxes. Local taxes include all local sales taxes. Property taxes are not included. State taxes include sales taxes and personal and business income taxes.