

The Economic Impact of Visitation to Anne Arundel County and Annapolis, MD

The Contribution of Travel & Tourism to the Anne Arundel County Economy in 2018



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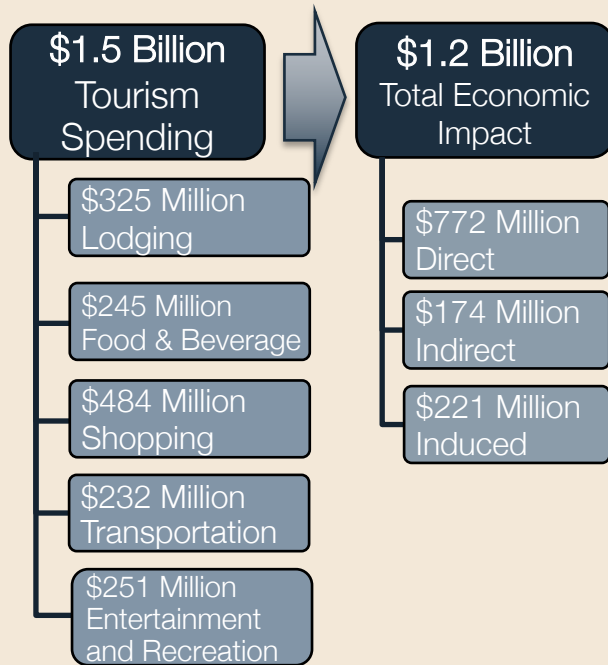
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Background & Methodology

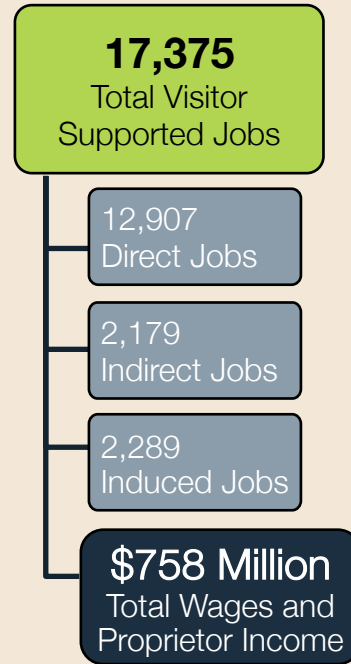
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2018 Anne Arundel County Tourism Highlights

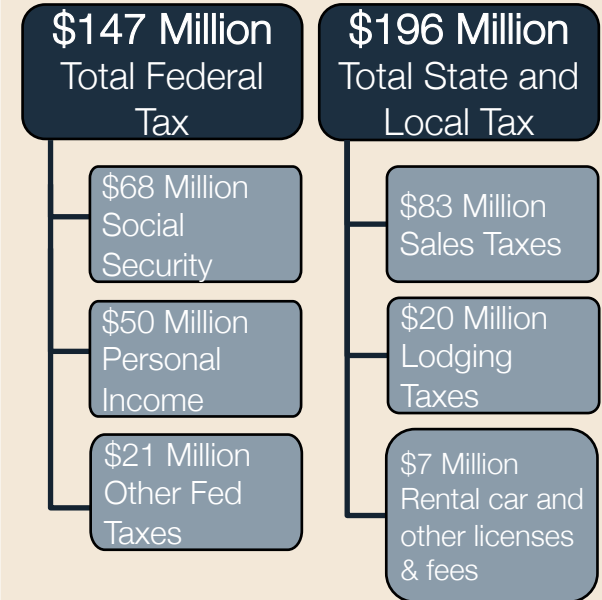
Tourism and Impact



Jobs and Wages



Tax Revenue Generated



2018 Anne Arundel County & Annapolis Tourism Headlines

- Anne Arundel County welcomed **6.3 million visitors in 2018, an increase of 3.3% vs 2017. In total, these visitors spent more than \$1.5 billion** on lodging, food & beverage, entertainment, shopping, and transportation, an increase of 2.7% over 2017 spending totals. Visitation to Annapolis reached 2.2 million in 2018 or roughly 35% of total visitation to the county and visitors to Annapolis spent \$513 billion on local goods and services.
- Of the \$1.5 billion in visitor spending, **nearly \$1.2 billion was retained in the Anne Arundel County economy, providing an array of businesses with revenue, supporting jobs for county citizens, and producing revenue for state and local governments.** Tourism's 2018 contribution to Anne Arundel County Gross Domestic Product (GDP) grew by 3.3% from a 2017 value of \$1.1 billion. Tourism's benefit to businesses that directly served visitors (e.g. hotels, restaurants, entertainment venues, etc.) reached \$748 million 2018. The remaining \$382 million accrued to the supply chain of those business and other downstream businesses.
- **Tourism supported more than 17,370 jobs for residents throughout Anne Arundel County** when accounting for direct, indirect and other downstream jobs. This represents an increase of 2.4% over 2017, outperforming the 2.2% growth in total county employment over the same period. In terms of direct jobs, tourism is the 13th largest employer in the county and it makes up approximately 3.1% of total county jobs, including government.
- **Visitor spending generated \$435 million in direct wages to Anne Arundel County employees.** The re-spending of travel-generated revenues by businesses and employees generates additional impacts throughout the county. In 2018, these induced impacts led to \$221 billion in additional value added to a large variety of sectors including business services, real estate, finance and health and human services.
- Anne Arundel County tourism **generated close to \$343 million in tax receipts during 2018**, an increase of 2.8% versus 2017 totals. Of that total, the Maryland state government received nearly \$115 million, an increase of 2.9%, and local governments accrued nearly \$81.4 million, an increase of 2.1% vs. 2017 figures. The largest single tax generated by visitors is state sales tax at almost \$83 million in 2018.
- In the absence of tourism in Anne Arundel County, **taxing authorities would need to generate an average of \$955 in additional state & local taxes from each of the county's 205,395 households** to maintain current levels of tax receipts.

The Economic Impact of Visitation to Anne Arundel County and Annapolis, MD

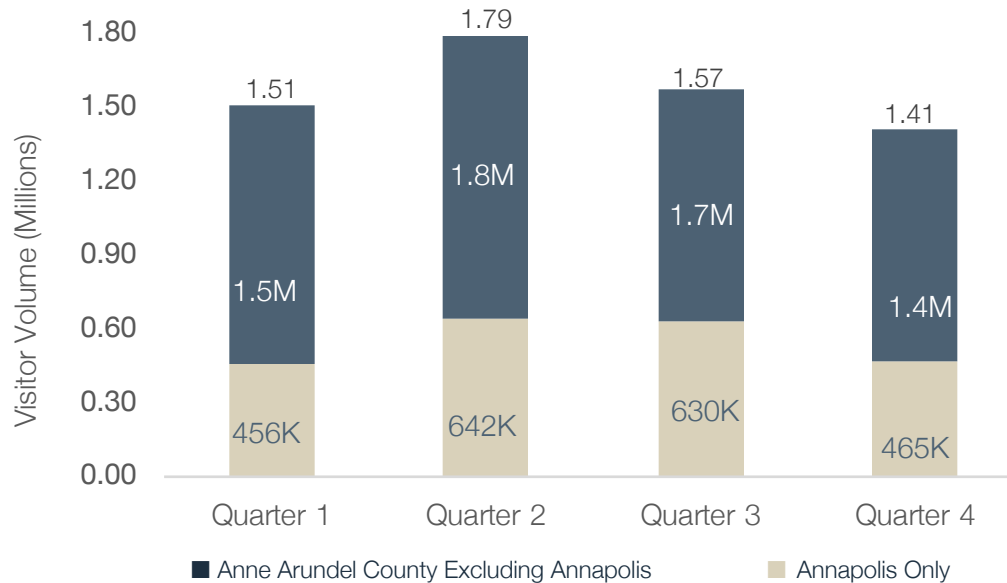
2018 Visitor Performance



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In 2018 Anne Arundel County Welcomed 6.3 Million Visitors

2018 Quarterly Visitor Volume

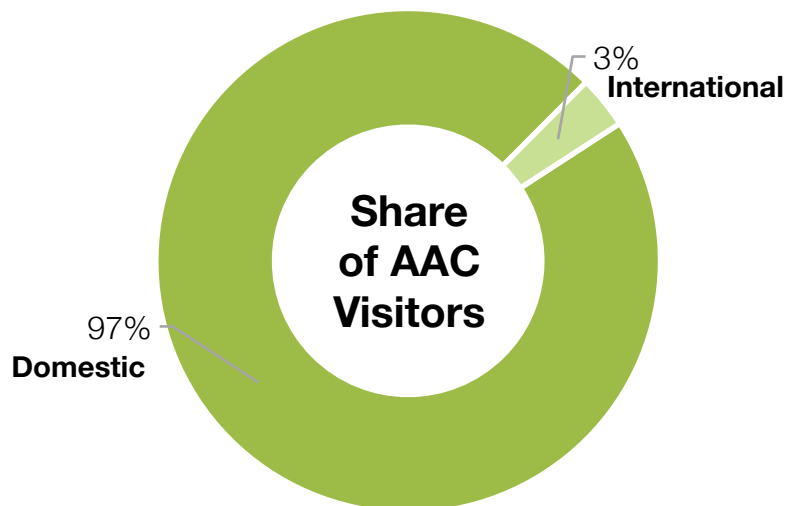
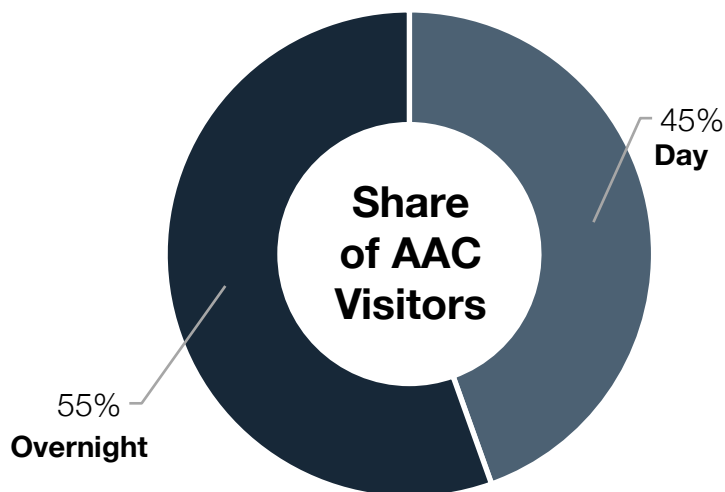


2018 Quarter	Anne Arundel County Total	Annapolis Only	Annapolis Share of County
Q1	1.5 Million	456,375	30.3%
Q2	1.8 Million	642,100	35.9%
Q3	1.7 Million	629,642	40.1%
Q4	1.4 Million	464,614	32.9%
Total	6.3 Million	2.2 Million	34.9%

- ✓ Visitation to Anne Arundel County reached 6.3 million in 2018. Of these visitors, approximately 35%, or 2.2 million, visited Annapolis.
- ✓ Anne Arundel County visitor volume was up 3.3% from 6.1 million in 2017. These gains came despite visitor volume declines of -1.4% to the state of Maryland over the same period.
- ✓ Visitor volume to the county was significantly higher in Q2 and Q3 of 2018 than in Q1 and Q4, following typical season patterns for the area. Annapolis, in particular, experiences heightened visitor activity in the middle of the year - 58% of Annapolis visitors arrived in Q2 or Q3. This compares to only 51% of visitors arriving in Q2 or Q3 elsewhere in the county.
- ✓ Visitor volume to Annapolis made up only 30% of county visitation in Q1 but over 40% in Q3.

Source: Rockport Analytics, UberMedia, DK Shifflet

2018 Anne Arundel County Visitation By Key Travel Segments



- ✓ Of Anne Arundel County's 6.3 million visitors, 55% stayed overnight and 45% visited for day trips. Overnight trip volume increased to nearly 3.4 million in 2018, 3.5% higher than 2017. Day trips advanced slightly slower (2.9%) over the period reaching 2.7 million.
- ✓ Most visitors to Anne Arundel County originate from within the U.S. with only 3% of visitors traveling from abroad in 2018. The number of international visitors grew by 3.5% from 2017, outperforming the 3.2% growth in domestic visitor volume.
- ✓ International visitors stay longer and spend more locally than their domestic counterparts. International visitors spent about \$745 per trip in 2018, a decrease of nearly 1% versus the previous year. Domestic travelers spent about \$227 per trip in 2018, on par with 2017 levels.
- ✓ Gains in international visitation have come despite international inbound headwinds to the US over the last few years. The strengthening dollar has made travel to the U.S. relatively more expensive for many foreign visitors in many key inbound visitor markets.

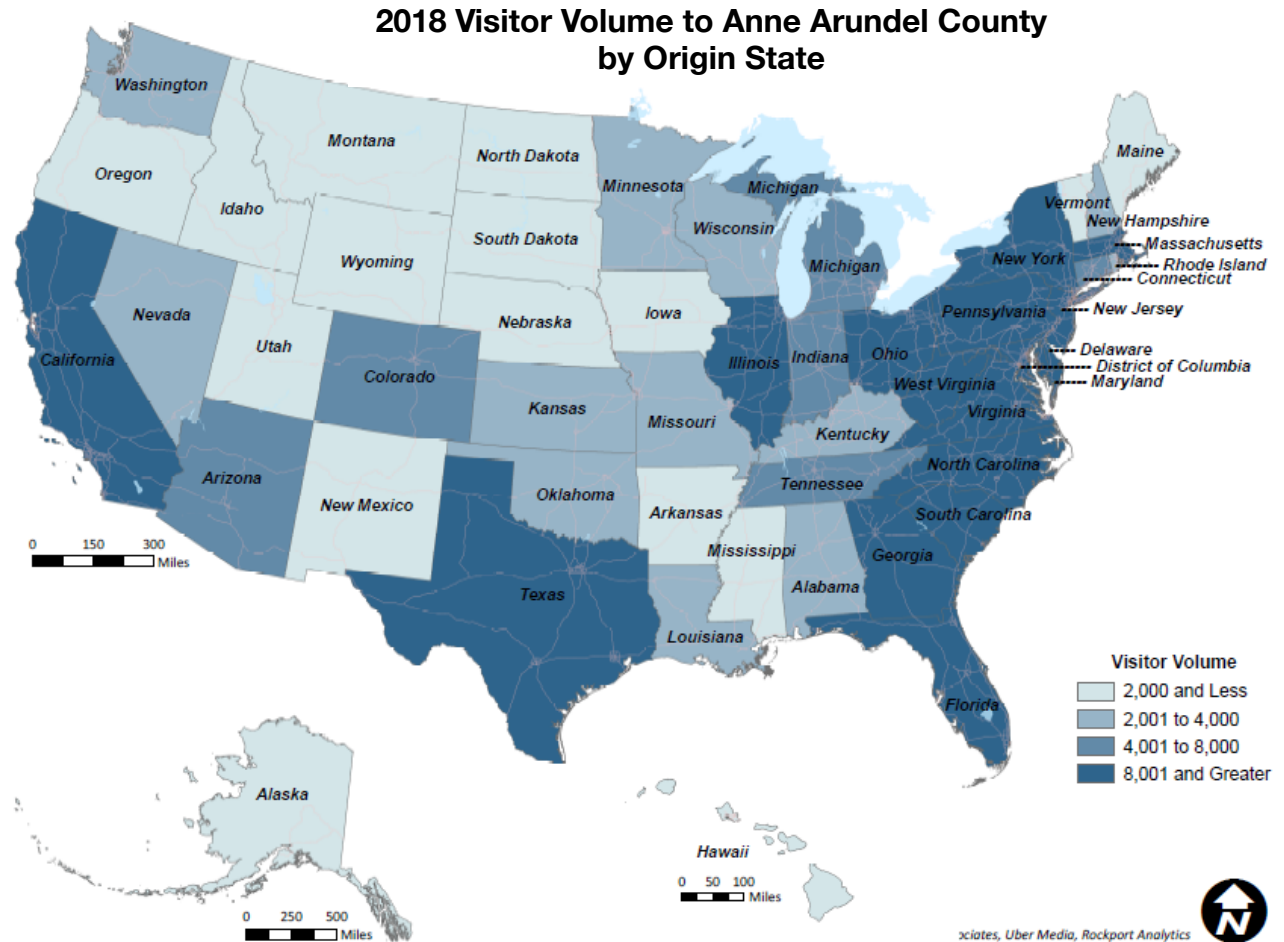
Source: Rockport Analytics, UberMedia, NTTD, DK Shifflet, Travel Market Insights, STR

2018 Domestic Origin Markets Distributed Mainly Across the East Coast

Visitors to Anne Arundel County traveled primarily from neighboring states or other states along the Atlantic seaboard. As highlighted below, longer-haul travelers from states such as Florida, Texas and California comprise a significant share of visitor activity as well.

Top-10 Origin States: **Anne Arundel**

	Estimated Number of Visitors
Virginia	1,230,006
Pennsylvania	662,109
Washington, DC	521,985
New York	456,211
Florida	376,496
New Jersey	310,101
North Carolina	268,655
Texas	227,855
California	175,216
Georgia	161,642



Source: Rockport Analytics, UberMedia, DK Shifflet

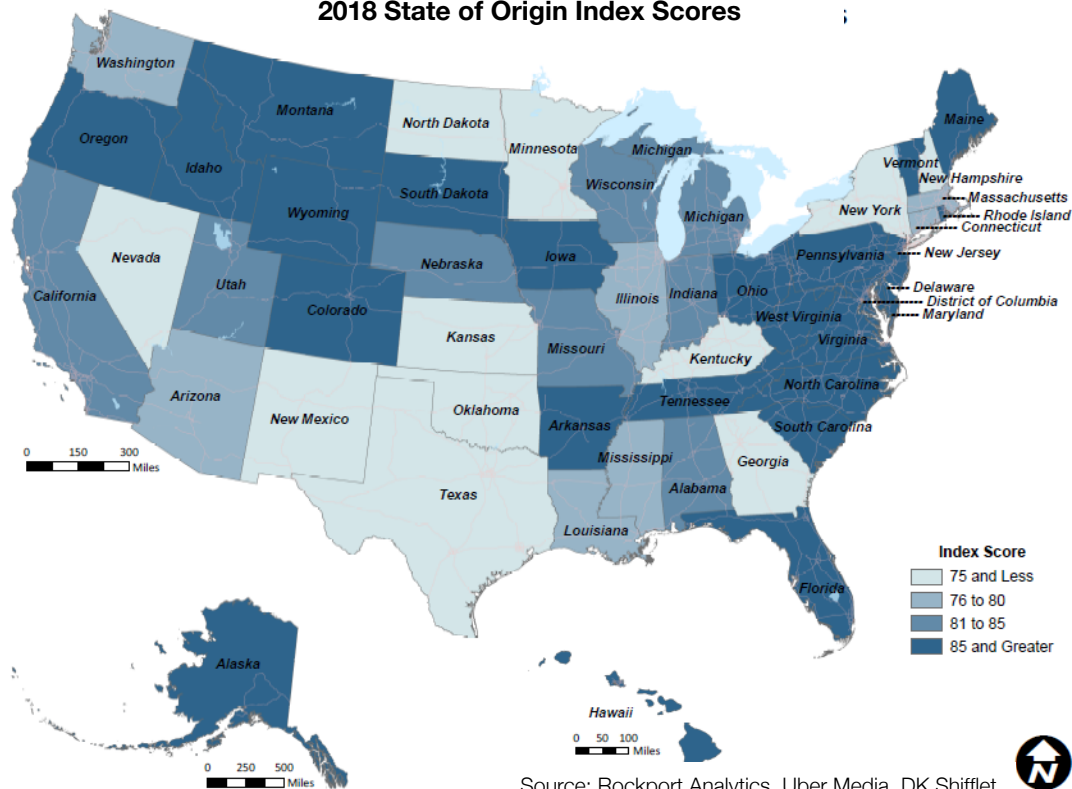
Index Scores of Origin States: Annapolis vs. Anne Arundel County

Index Scores of Origin States

Index numbers are a way of expressing the difference between two measurements by designating one number as the "base", giving it the value 100 and then expressing the second number as a percentage of the first. Example: If the population of a town increased from 20,000 in 1988 to 21,000 in 1991, the population in 1991 was 105% of the population in 1988. Therefore, on a comparative 1988 = 100 base, the population index for the town was 105 in 1991. An "index", as the term is generally used when referring to statistics, is a series of index numbers expressing a series of numbers as percentages of a single number.

The base used for comparison in our analysis was the **origin state of all Anne Arundel County visitors**. The index value represents the percentage that *Annapolis* visitation lies above or below that average for each origin state in the country. So for example, Annapolis has an index score of 109 for DC so Annapolis' share of DC visitors was 9% greater than Anne Arundel County's share as a whole.

2018 State of Origin Index Scores



Highest Indexing Origin Markets: Annapolis

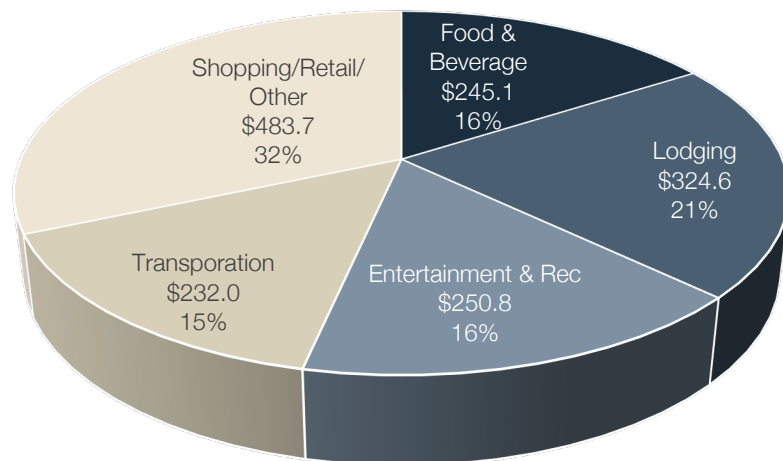
State	Index Score
Delaware	251
Maryland	231
Virginia	116
Washington, DC	109
South Carolina	105
Ohio	103
Oregon	103
Montana	102
West Virginia	101
Wyoming	101

Source: Rockport Analytics, Uber Media, DK Shifflet



Anne Arundel County Visitor Spending Eclipsed \$1.5 Billion in 2018

2018 Visitor Spending by Category



Spending Categories	2017 (Millions)	2018 (Millions)	Y/Y Growth
Food & Beverage (F&B)	\$239.6	\$245.1	2.3%
Lodging	\$313.2	\$324.6	3.6%
Entertainment & Rec	\$239.5	\$250.8	4.7%
Transportation	\$225.8	\$232.0	2.8%
Retail/Shopping/Other	\$478.1	\$483.7	1.2%
Total	\$1,496.3	\$1,536.2	2.7%

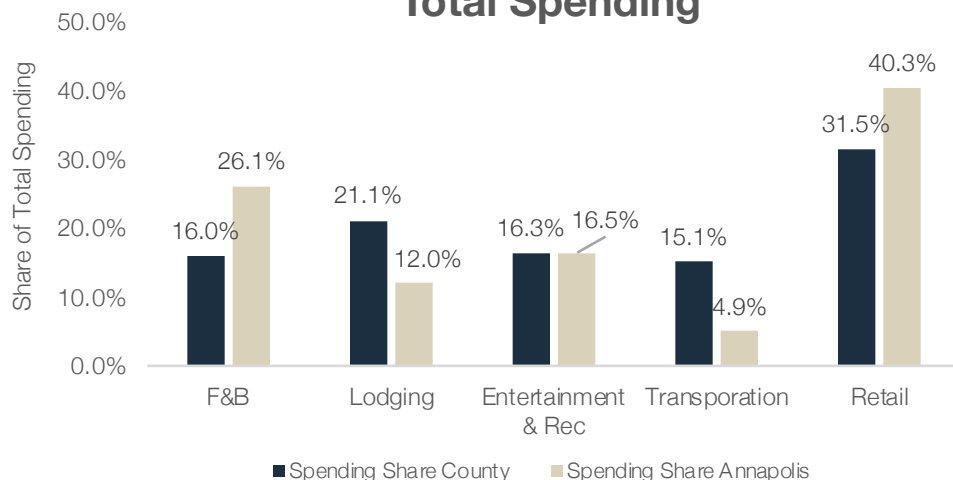
Source: D.K.Shifflet, UberMedia, STR, AirDNA, Visit Annapolis & Anne Arundel County
Rockport Analytics

Total visitor spending increased 2.7% in 2018 as the amount spent per visitor declined by -0.6%

- ✓ The 6.3 million visitors to Anne Arundel County spent a total of \$1.5 billion on various goods and services in 2018, a 2.7% increase over 2017. The spending categories that experienced the most growth in 2018 were entertainment & recreation, lodging, and transportation.
- ✓ The average amount spent per Anne Arundel County visitor in 2018 was \$244, this is a slight decline from 2017 when spending per visitor was \$246. Declines were driven by a decline in international spend per trip and relatively slow price growth across key travel and tourism commodities like transportation, food and lodging.
- ✓ Despite the slow growth in retail/shopping in 2018, spending in this category makes up more than a third of visitors' trip budgets. 2018 visitor spending was fueled by increased consumer confidence and rising household income.
- ✓ Nearly 12% of the average county-wide trip budget was devoted to transportation (gasoline and other passenger transportation); this spending pattern is vastly different from the 5% of Annapolis-only visitors, who are more likely to be getting around by foot.

One-Third of AAC Visitor Spending Occurred In Annapolis @ \$513 Million in 2018

Spending By Category as a Percent of Total Spending



Spending Categories (Dollar figures in millions)	Anne Arundel County 2018	Annapolis 2018	Annapolis Share of County
Food & Beverage (F&B)	\$245.1	\$133.8	54.6%
Lodging	\$324.6	\$61.4	18.9%
Entertainment & Rec	\$250.8	\$84.4	33.7%
Transporation	\$232.0	\$25.32	10.9%
Retail/Shopping/Other	\$483.7	\$206.9	42.8%
Total	\$1,536.2	\$512.8	33.4%

Annapolis visitor spending reached \$513 million

- ✓ The 2.2 million visitors to Annapolis spent nearly \$513 million on various goods and services in the local economy in 2018. This represents an average of \$234 per visitor and 33% of total visitor spending in the county over the period.
- ✓ The spending distribution among visitors is very different when comparing Annapolis to the rest of the county:
 - ✓ Annapolis' vibrant restaurant and shopping scene tends to attract more visitor dollars in those categories than in the rest of the county. Annapolis food and beverage (F&B) spending made up nearly 55% of total F&B spending in the county and retail made up nearly 43% of retail spending in the county.
 - ✓ Despite higher hotel class offerings and higher ADRs in Annapolis compared to the rest of the county, Annapolis' share of county lodging spending is only 18.9%. This is primarily driven by many visitors to BWI area hotels that may spend part of there trip budget outside of the county (i.e, in Baltimore City or surrounding counties).
 - ✓ Annapolis also tends to have a lower share of transportation spending than the share in other categories due to the walkable nature of Annapolis and less of a need for rental cars, ride share services and gasoline purchases.

Source: D.K.Shifflet, UberMedia, STR, AirDNA, Visit Annapolis & Anne Arundel County, Rockport Analytics

The Economic Impact of Visitation to Anne Arundel County and Annapolis, MD

2018 Economic Impact Results



ROCKPORT
ANALYTICS

Tourism's Economic Progression in Anne Arundel County



Anne Arundel County Visitor Expenditures



2018 @
\$1.5 billion



Expenditures include:

- Hotel, food and beverage (F&B), rental homes, shopping, recreation, etc.
- From out-of-state visitors to Annapolis & Anne Arundel County: U.S. & international
- On leisure & business trips
- Overnight or day trips

Tourism Contribution to the Anne Arundel County Economy



Retained in the
Local Economy
\$1.2 billion

Minus Import
Leakages
-\$369 million

In 2018, Anne Arundel County retained about 76 cents of every tourism dollar spent by visitors.

Leakages refer to goods & services that are imported into Anne Arundel County from outside due to insufficient local supply

Value to Anne Arundel County Businesses

Direct Tourism
Industry GDP
\$772 million

Indirect & Induced
Tourism Industry GDP
\$396 million

Total Tourism-Supported Jobs*
17,375

*Full & part time jobs

Direct Tourism refers to businesses that serve Anne Arundel County visitors (e.g. hotels, restaurants, retail, entertainment)

Indirect & Induced Tourism includes construction, business services, wholesale trade, personal services, etc.

Anne Arundel County: 2018 Visitor Economic Impact Summary

2018 Metric	Direct	Indirect	Induced	Total
Total Visitor Volume				6.27 Million
<i>2018 Y/Y Growth</i>				3.3%
Total Visitor Spending				\$1.54 Billion
<i>2018 Y/Y Growth</i>				2.7%
Economic Impact (GDP)	\$772.0M	\$174.4M	\$221.1M	\$1.17B
<i>2018 Y/Y Growth</i>	3.1%	4.0%	3.2%	3.3%
Wages	\$435.5M	\$117.5M	\$113.1M	\$666.1M
<i>2018 Y/Y Growth</i>	3.0%	4.0%	3.2%	3.2%
Jobs	12,907	2,179	2,289	17,375
<i>2018 Y/Y Growth</i>	2.9%	1.6%	0.7%	2.4%
Tax Receipts Total				\$342.9M
Tax Receipts Federal				\$146.7M
Tax Receipts State and Local				\$196.2M
<i>2018 Y/Y Growth in Total Receipts</i>				2.8%

Source: D.K.Shifflet, Visit Annapolis & Anne Arundel County, UberMedia, IMPLAN, STR, Maryland Comptroller, Anne Arundel County Office of Finance, Rockport Analytics.

Tourism is Anne Arundel County's 13th Largest Industry

Ranking of Major Anne Arundel County Industries By Total Employment

Rank	Industry	2018 Tourism- Supported Direct Jobs	2018 Reported*	2018 Tourism- Extracted**	% of Total Employment	18-17 Y/Y Growth
1	Government	0	95,523	95,523	22.9%	0.7%
2	Professional, Scientific & Tech services	0	38,737	38,737	9.3%	3.1%
3	Retail trade	2,681	39,762	37,081	8.9%	-0.8%
4	Health & social services	0	36,487	36,487	8.7%	2.3%
5	Accommodation & Food Services	6,190	30,909	24,719	5.9%	-1.4%
6	Construction	0	24,656	24,656	5.9%	5.2%
7	Administrative & waste services	0	24,096	24,096	5.8%	3.6%
8	Other services	0	20,949	20,949	5.0%	1.6%
9	Transportation & Warehousing	1,316	20,715	19,399	4.6%	15.4%
10	Real estate & rental	235	19,154	18,919	4.5%	3.0%
11	Manufacturing	0	13,970	13,970	3.3%	7.0%
12	Finance & insurance	0	13,283	13,283	3.2%	-1.5%
13	Anne Arundel County's Tourism Industry	12,907	-	12,907	3.1%	2.4%
14	Wholesale Trade	0	12,959	12,959	3.1%	-1.1%
15	Arts, Entertainment & Recreation	2,485	11,856	9,371	2.2%	5.5%
16	Educational services	0	5,927	5,927	1.4%	3.7%
17	Management of companies	0	3,826	3,826	0.9%	6.0%
18	Information	0	3,679	3,679	0.9%	1.5%
19	Utilities	0	699	699	0.2%	-22.0%
20	Ag, Forestry, Fish & Hunting	0	384	384	0.1%	2.9%
21	Mining	0	349	349	0.1%	-21.9%
Total County Employment		12,907	418,428	418,428	100%	2.2%

* 2018 Reported by the **Bureau of Economic Analysis**. Includes both Full & Part-Time Jobs.

** 2018 Tourism Extracted: Tourism's direct contribution to jobs in each industry is removed and placed in "Anne Arundel County's Tourism Industry"

Source: Rockport Analytics, BEA, IMPLAN

Tourism Supports Sales in a Multitude of Industries in Anne Arundel County

Anne Arundel County Tourism 2018: Economic Impact (Value Added/GDP)

Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in millions of dollars</i>			
Accommodation & food services	\$358.6	\$12.4	\$13.1	\$384.2
Arts- entertainment & recreation	\$167.5	\$1.1	\$3.5	\$172.1
Retail trade	\$122.3	\$3.9	\$21.2	\$147.5
Real estate & rental	\$66.2	\$33.5	\$71.6	\$171.3
Transportation & Warehousing	\$57.4	\$13.4	\$7.0	\$77.8
Ag, Forestry, Fish & Hunting	\$0.0	\$0.1	\$0.1	\$0.2
Mining	\$0.0	\$0.0	\$0.0	\$0.1
Utilities	\$0.0	\$2.6	\$4.6	\$7.2
Construction	\$0.0	\$3.3	\$1.7	\$4.9
Manufacturing	\$0.0	\$0.8	\$0.3	\$1.1
Wholesale Trade	\$0.0	\$10.8	\$10.4	\$21.3
Information	\$0.0	\$6.7	\$5.5	\$12.1
Finance & insurance	\$0.0	\$13.7	\$10.8	\$24.6
Professional- scientific & tech services	\$0.0	\$26.4	\$9.1	\$35.5
Management of companies	\$0.0	\$16.3	\$2.1	\$18.5
Administrative & waste services	\$0.0	\$21.5	\$6.6	\$28.1
Educational services	\$0.0	\$0.3	\$2.4	\$2.7
Health & social services	\$0.0	\$0.0	\$36.1	\$36.1
Other services	\$0.0	\$7.1	\$14.5	\$21.6
Non NAICs	\$0.0	\$0.0	\$0.0	\$0.0
Total 2018	\$772.0	\$174.4	\$221.1	\$1,167.5
Total 2017	\$748.5	\$167.7	\$214.3	\$1,130.5
<i>Y/Y Growth</i>	<i>3.1%</i>	<i>4.0%</i>	<i>3.2%</i>	<i>3.3%</i>

Source: Rockport Analytics, IMPLAN

Direct

Businesses that serve Anne Arundel County visitors

Indirect

Supply Chain businesses that often do not fully appreciate the benefits visitors bring to Anne Arundel County

Induced

Tourism-supported workers spend much of their wages locally creating benefits to virtually all local businesses

* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Tourism Supports Anne Arundel County Jobs in Many Different Sectors

Anne Arundel County Tourism: 2018 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Accommodation & food services	6,190	313	323	6,826
Retail trade	2,681	62	398	3,140
Arts- entertainment & recreation	2,485	80	83	2,648
Transportation & Warehousing	1,316	178	83	1,578
Real estate & rental	235	393	125	753
Ag, Forestry, Fish & Hunting	0	3	2	5
Mining	0	0	0	0
Utilities	0	6	9	15
Construction	0	36	17	53
Manufacturing	0	9	3	12
Wholesale Trade	0	58	51	109
Information	0	30	22	51
Finance & insurance	0	132	134	266
Professional- scientific & tech services	0	238	85	323
Management of companies	0	121	16	137
Administrative & waste services	0	392	104	496
Educational services	0	10	60	70
Health & social services	0	0	481	481
Other services	0	114	290	404
Non NAICs	0	0	0	0
Total 2018	12,907	2,179	2,289	17,375
Total 2017	12,547	2,145	2,273	16,965
<i>Y/Y Growth</i>	<i>2.9%</i>	<i>1.6%</i>	<i>0.7%</i>	<i>2.4%</i>

- ✓ In 2018, more than 12,900 Anne Arundel County jobs were directly supported by tourism. An additional 4,470 downstream jobs were supported by tourism across a multitude of sectors. Many of the county's indirect and induced tourism-supported workers may not realize the importance of visitors to various sectors throughout the county.
- ✓ Tourism is the 13th largest employer in the county, directly supporting 5.4% of the county's total private non-farm employment.
- ✓ 2018 Direct tourism employment increased by 2.9% over 2017 levels, outperforming the growth in total county employment which advanced by 2.2%.

* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Source: Rockport Analytics, IMPLAN

Significant Wages Were Paid to Anne Arundel County Workers as a Result of Tourism

Anne Arundel County Tourism 2018: Economic Impact (Wages)

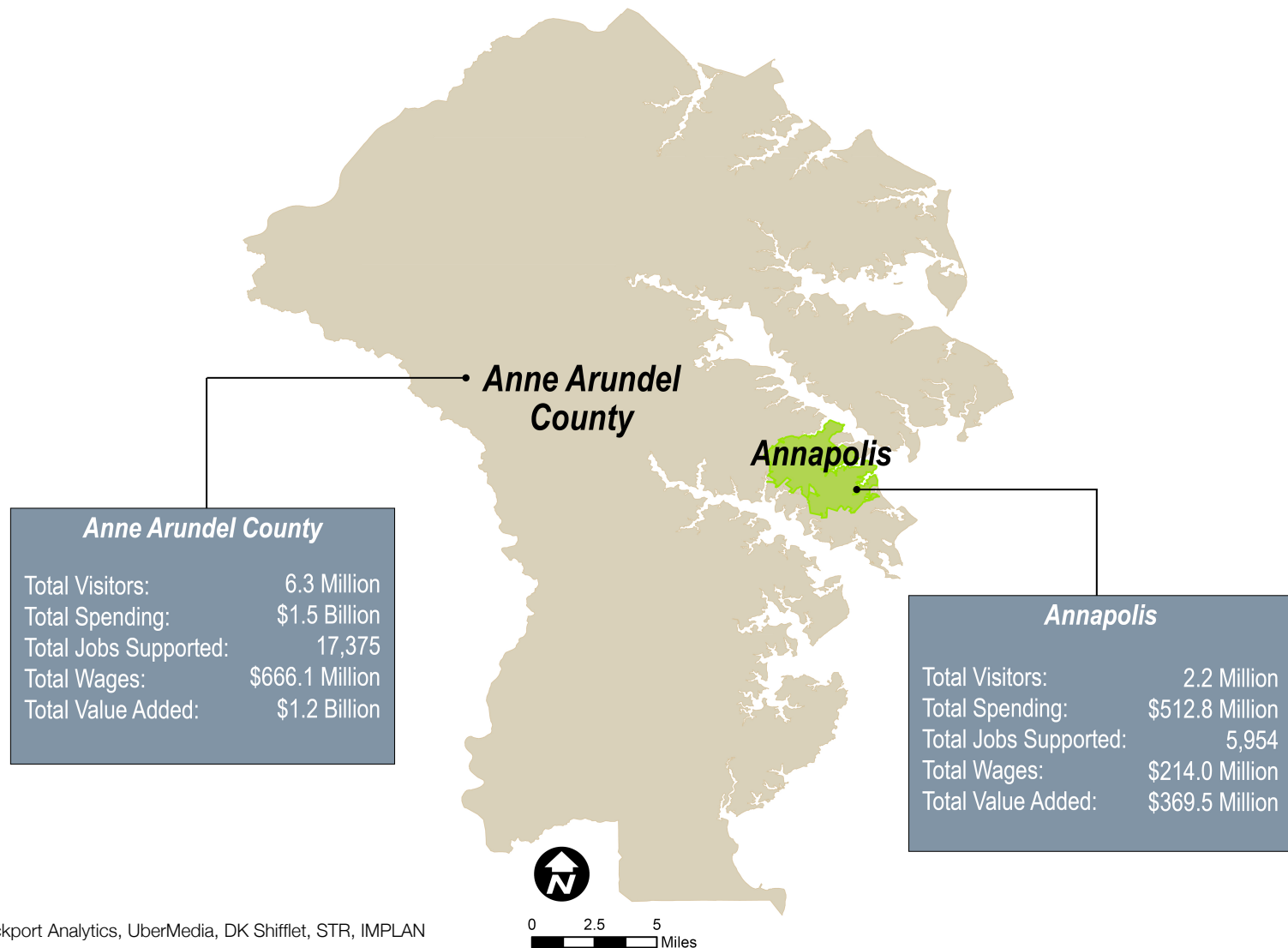
Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in millions of dollars</i>			
Accommodation & food services	\$435.5	\$117.5	\$113.1	\$666.1
Retail trade	\$212.4	\$8.9	\$8.4	\$229.7
Arts- entertainment & recreation	\$82.7	\$2.3	\$13.8	\$98.8
Transportation & Warehousing	\$69.6	\$0.6	\$1.8	\$72.0
Real estate & rental	\$40.1	\$11.3	\$4.9	\$56.3
Ag, Forestry, Fish & Hunting	\$30.7	\$14.5	\$5.4	\$50.7
Mining	\$0.0	\$0.1	\$0.1	\$0.2
Utilities	\$0.0	\$0.0	\$0.0	\$0.0
Construction	\$0.0	\$0.7	\$1.4	\$2.1
Manufacturing	\$0.0	\$2.5	\$1.2	\$3.7
Wholesale Trade	\$0.0	\$0.5	\$0.2	\$0.7
Information	\$0.0	\$5.6	\$5.0	\$10.6
Finance & insurance	\$0.0	\$3.2	\$1.8	\$5.0
Professional- scientific & tech services	\$0.0	\$8.3	\$6.3	\$14.7
Management of companies	\$0.0	\$20.8	\$7.2	\$28.1
Administrative & waste services	\$0.0	\$14.1	\$1.8	\$15.9
Educational services	\$0.0	\$16.6	\$5.0	\$21.6
Health & social services	\$0.0	\$0.3	\$2.6	\$2.9
Other services	\$0.0	\$0.0	\$32.2	\$32.3
Non NAICs	\$0.0	\$6.7	\$13.5	\$20.2
Total 2018	\$435.5	\$117.5	\$113.1	\$666.1
Total 2017	\$422.9	\$113.0	\$109.6	\$645.5
Y/Y Growth	3.0%	4.0%	3.2%	3.2%

- ✓ In 2018, visitor spending generated a total of \$666.1 million in wages for Anne Arundel County employees.
- ✓ The 4,470 indirect and induced jobs supported by tourism, generated \$230.6 million in indirect and induced wages.
- ✓ Given the increases in direct and total tourism employment, wages also increased. Compared to 2017, direct wages grew by 4.0% and total wages by 3.2%.
- ✓ Most of these local wages will continue to circulate through Anne Arundel County as consumers spend their dollars on goods and services in the local economy.

* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Source: Rockport Analytics, IMPLAN

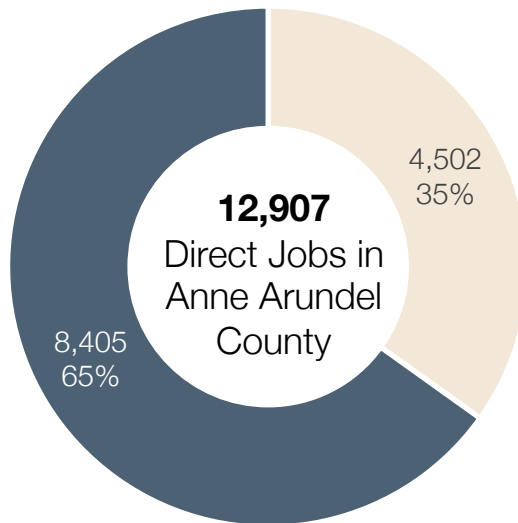
2018 Visitor Statistics & Economic Impact: Anne Arundel County & Annapolis



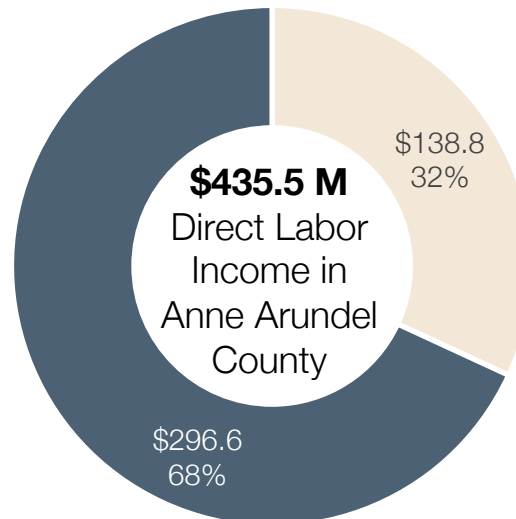
Source: Rockport Analytics, UberMedia, DK Shifflet, STR, IMPLAN

2018 Direct Economic Impact: Annapolis Share of Anne Arundel County

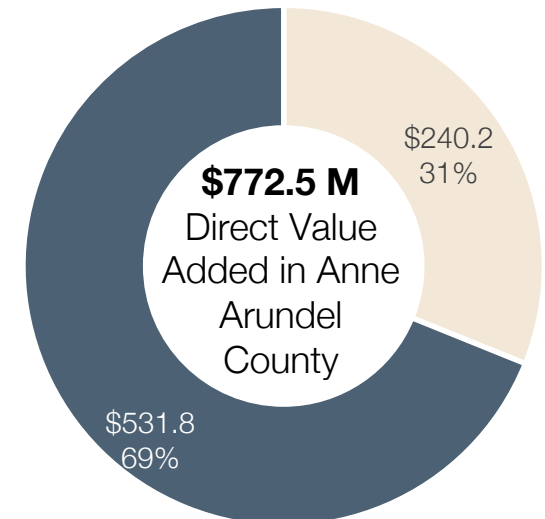
2018 Direct Tourism-Supported
Annapolis Share of County Employment



2018 Direct Tourism-Supported
Annapolis Share of County
Labor Income



2018 Direct Tourism-Supported
Annapolis Share of County
Total Value Added



■ Anne Arundel County Excluding Annapolis

■ Annapolis

Source: Rockport Analytics, UberMedia, DK Shifflet, STR, IMPLAN

- ✓ In 2018, more than 4,500 jobs in Annapolis were directly supported by visitor spending. This is more than a third (35%) of tourism-supported direct County jobs.

- ✓ In 2018, visitor spending generated a total of \$139 million in direct wages for Annapolis employees. An additional \$75 million was also paid as indirect and induced wages.

- ✓ In 2018, the direct economic activity supported by tourism in Annapolis generated about \$240 million in GDP, a third of all the direct value added attributable to tourism in the County.

Anne Arundel County Tourism-Supported Tax Revenue

2018 vs. 2017 Tourism Tax Revenue Collections

	2017	2018	18-17 Y/Y Growth
Federal – U.S.	<i>In thousands of dollars</i>		
Corporate Income	\$7,413	\$7,671	3.5%
Personal Income	\$48,513	\$50,057	3.2%
Excise & Fees	\$20,417	\$21,066	3.2%
Social Security & Other Taxes	\$65,848	\$67,939	3.2%
Federal Tax Total	\$142,191	\$146,733	3.2%
State – Maryland			
Corporate Income	\$2,782	\$2,879	3.5%
Personal Income	\$19,663	\$20,289	3.2%
Social Insurance Taxes	\$947	\$977	3.2%
Other Business Taxes	\$5,584	\$5,762	3.2%
Other Household Taxes & Fees	\$1,606	\$1,657	3.2%
MD Rental Car Surcharge	\$461	\$474	2.8%
Sales Taxes	\$80,515	\$82,761	2.8%
Maryland Tax Total	\$111,558	\$114,798	2.9%
Local – Anne Arundel County			
Hotel Occupancy Tax	\$20,176	\$20,383	1.0%
Property Taxes	\$52,657	\$54,330	3.2%
Rental Car Charges & Fees	\$3,841	\$3,947	2.8%
Admissions & Amusement Tax	\$1,992	\$1,686	-15.4%
Other Licenses, Fines & Fees	\$1,001	\$1,033	3.2%
Local Tax Total	\$79,667	\$81,378	2.1%
Total Tourism-Supported Taxes	\$333,416	\$342,909	2.8%

Source: Rockport Analytics, IMPLAN, Maryland Comptroller, Anne Arundel County Office of Finance

Tourism-Supported State & Local Tax Receipts Reach \$196 million in 2018

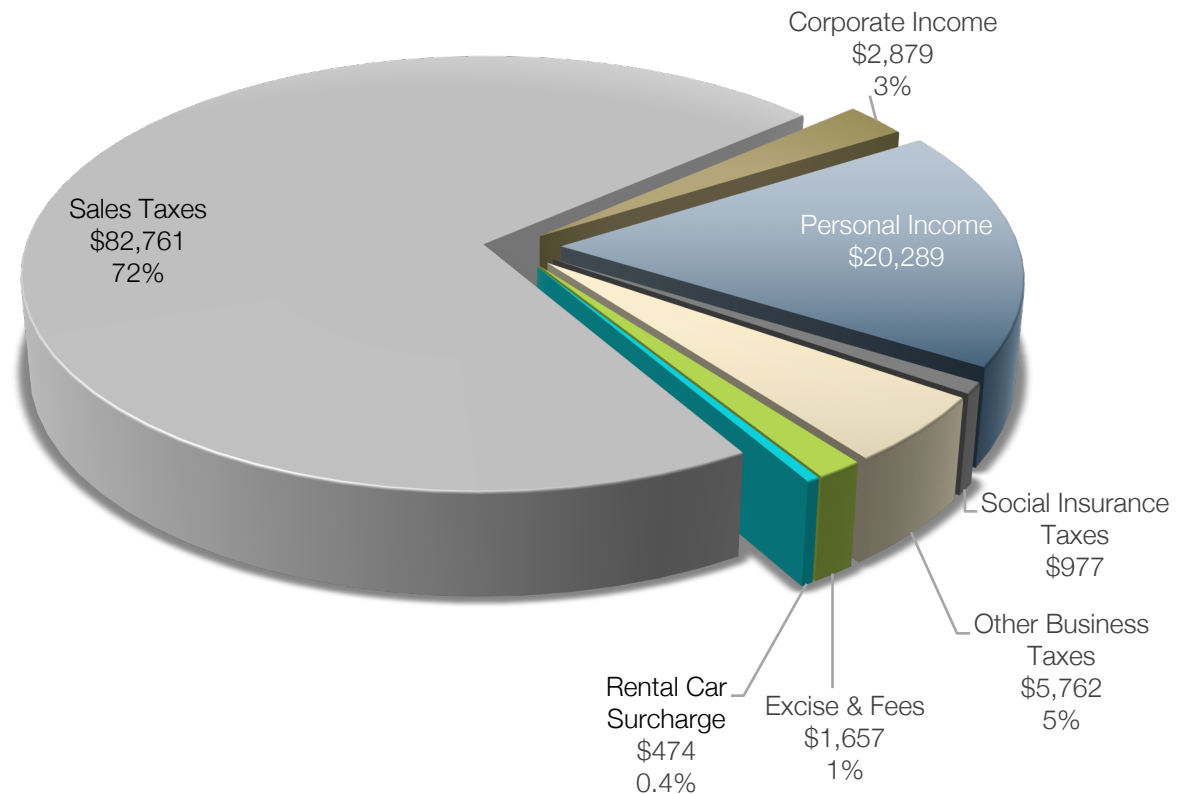
- ✓ Tourism-supported taxes totaled nearly \$343 million in 2018, an increase of 2.8% from 2017. Local taxes saw an increase of 2.1% from 2017, while overall state tax collections increased by 2.9%.
- ✓ Tourism contributed nearly \$82.8 million to Maryland sales tax receipts, up 2.8% from 2017 collections. Sales taxes represent more than 72% of tourism-related taxes collected by the state.
- ✓ Hotel taxes in the county remained relatively flat compared to 2017, increasing 1%. Overall tax collections in Anne Arundel County rose 2.1%.
- ✓ In the absence of tourism in Anne Arundel County, state and local taxing authorities would need to generate an average of approximately \$955 in additional local taxes from each of the county's 205,395 households to maintain current levels of receipts.

Sales taxes paid by Anne Arundel County visitors made up nearly three-quarters of state tax receipts attributed to tourism.

Nearly every dollar of visitor spending is subject to the Maryland sales tax. In 2018, sales taxes collected in the County totaled \$462 million. Tourism-supported sales tax collections reached nearly \$82.8 million, growing by 2.8% from 2017. These collections represent nearly 18% of state sales taxes collected within the county over the period.

Tourism-supported corporate income taxes and other business taxes comprise approximately 8% of state taxes. Personal income and social insurance taxes make up roughly 19% of tax revenues. Rental car facility charges and other household taxes & fees make up an additional 1.4%.

State Taxes Generated by Tourism 2018 \$114.8 Million



Source: Rockport Analytics, IMPLAN, Maryland Comptroller, Anne Arundel County Office of Finance

Lodging taxes reach nearly \$20.4 million in 2018

Hotel taxes grew slightly in 2018 (1.0%) compared to 2017. However, hotel taxes still comprised 25% of local tourism-supported taxes.

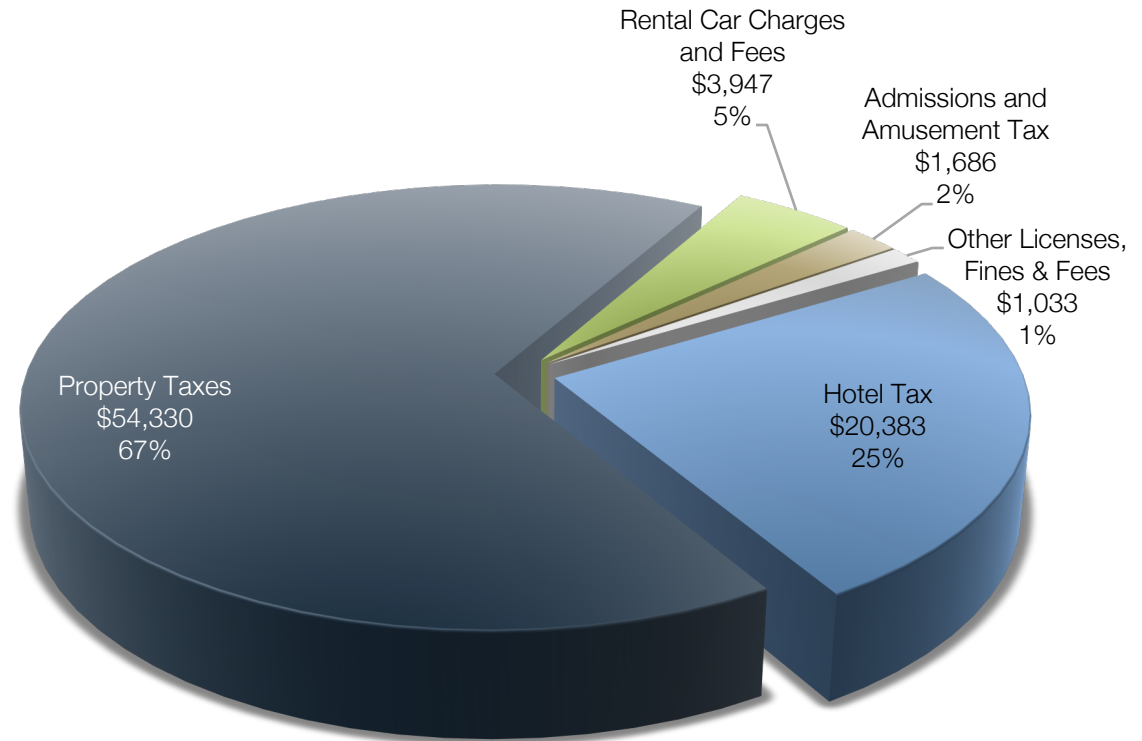
Tourism's contribution to Anne Arundel County property taxes reaches more than \$54.3 million in 2018

Property taxes are calculated by the IMPLAN model. The model allocates a portion of total property tax receipts based upon tourism's contribution to residential wages (for residential property taxes) and commercial revenue (for commercial property taxes).

Additional visitor transaction taxes generated more than \$6.7 million in local collections in 2018

These transaction taxes include rental car charges & fees, admissions & amusement taxes, and other licenses, fines & fees.

Local Taxes Generated by Tourism 2018 \$81.4 Million



Source: Rockport Analytics, IMPLAN, Maryland Comptroller, Anne Arundel County Office of Finance

How Do Visitors Benefit Anne Arundel County? Putting Tourism in Perspective...

- ✓ Tourism supports 3% of all jobs in Anne Arundel County.
- ✓ Tourism is Anne Arundel County's 13th largest employer
- ✓ The average wage of both full and part-time workers supported by tourism was \$38,330 in 2018.
- ✓ Jobs supported by tourism were responsible for 5% of County private, non-farm jobs.

Promoting a Healthy Job Market



- ✓ Tourism-supported state and local tax collections were enough to educate 14,350 public school students¹ in Anne Arundel County and pay for the salaries of 4,270 public school teachers.²
- ✓ Tourism-supported state and local tax collections can pay for the starting salaries of 4,190 law enforcement agents³ and 4,970 firefighters⁴ in Anne Arundel.

Contributing to Public Education & Other Gov Services



- ✓ Visitors generated top-line revenue totaling nearly \$1.5 billion benefiting a broad array of Anne Arundel County businesses.
- ✓ County businesses that directly served visitors saw value-added of \$772 million in 2018.
- ✓ County tourism supply chain businesses racked up value-added of \$396 million.

Benefiting County Businesses



- ✓ Anne Arundel tourism contributed more than \$196 million in tax revenue to state and local coffers in 2018.
- ✓ In 2018, sales taxes paid by visitors to Anne Arundel County made up more than 42% of state and local tax receipts attributed to tourism.
- ✓ Another \$27 million was raised from taxes such as hotel taxes, rental car fees, and other licenses & fees.

Providing Tax Revenue to Support State & Local Government



- ✓ Without tourism, Anne Arundel's 205,395 households⁵ would need to pay an additional \$955 in local taxes annually to maintain current levels of tax receipts.
- ✓ In 2018, the total economic impact generated by visitors to the County represented approximately 4% of the County's private sector GDP.⁶

Helping to Relieve the Tax Burden of County Households



- ✓ For every \$1 spent by Anne Arundel County visitors in 2018 the local economy retained about 76 cents.
- ✓ About 43 cents of each visitor dollar went towards paying AAC workers a total of \$666 million in wages and salaries.
- ✓ About 13 cents of each visitor dollar went towards the payment of state and local taxes.

Capturing and Retaining the Expenditures Made By Visitors



¹ Estimate based on the 2018 average cost per public school student in Anne Arundel County of \$13,662 as reported by the Maryland Department of Legislative Services

² Estimate based on the 2018 starting salary of an entry-level teacher in Anne Arundel County of \$45,891 as reported by the Maryland Department of Education

³ Estimate based on the 2018 starting salary of an entry-level Deputy Sheriff in Anne Arundel County of \$46,750 as reported by the Anne Arundel County Sheriff's Office

⁴ Estimate based on the 2018 starting salary of an entry-level firefighter in Anne Arundel County of \$39,418 as reported by the Anne Arundel County Government

⁵ The 2018 estimate of the number of households in Anne Arundel County as reported by the US Census Bureau

⁶ The most recent BEA County-level GDP figures available is for calendar year 2015.

The Economic Impact of Visitation to Anne Arundel County and Annapolis, MD

Background & Methodology



ROCKPORT
ANALYTICS

Study Overview

The economic impact of tourism in Annapolis and Anne Arundel County was commissioned by Visit Annapolis & Anne Arundel County. The research was conducted by Rockport Analytics, an independent market research & consulting company, using a time-tested approach that has been applied to many state, regional, county and metropolitan destinations across the United States. The goal of the study was to measure and analyze the full economic contribution that visitors make to the Anne Arundel County economy. The study covered the 2017-18 calendar years with a focus on 2018 and the changes in tourism performance between 2017 and 2018. The analysis seeks to translate the contribution made by visitors to Anne Arundel County and Annapolis GDP, jobs, wages, and tax receipts.

Methodology

The spending and associated impacts estimated at the county level include both in-state and out-of-state visitation. A visitor is defined as anyone traveling over 50 miles one way for either business or leisure purposes and includes both day trips and overnight stays.

Visitor volume and spending were estimated using a number of sources including DK Shifflet & Associates *Directions* syndicated traveler program and mobile location data from UberMedia. These data sources were then reconciled with Bureau of Labor Statistics (BLS) reported employment data, BEA reported Earnings and Employment, reported tax receipts from Anne Arundel County Office of Finance and the MD Comptroller, and other secondary sources such as STR, AirDNA and Dun & Bradstreet. Results from a recently conducted visitor intercept survey also provided key checks in estimated visitor per diems and stay patterns in Annapolis.

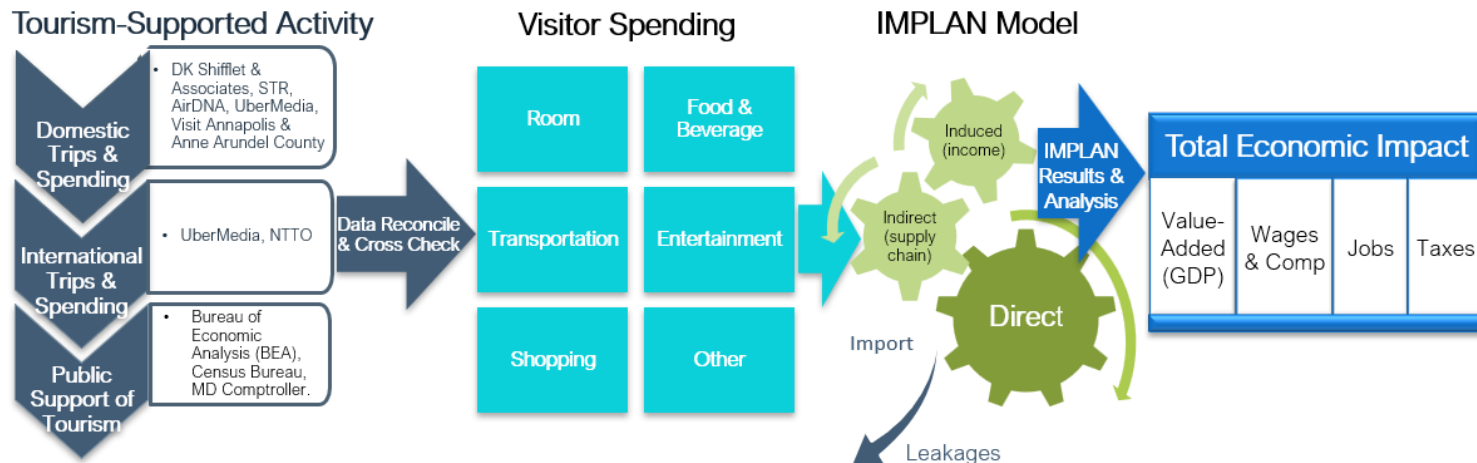
An economic model of Anne Arundel County is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Anne Arundel County (www.implan.com), a non-proprietary economic model that has become the standard for most economic impact assessments in the United States. This model is critical to measuring the direct, indirect, and induced impacts of visitation to the state.

¹ UNTWTO definition of a visitor includes anyone, regardless of origin, who stayed overnight or traveled more than 50 miles one way on a day trip.

Methodology Cont.

IMPLAN also measures how much of each tourism dollar remains in the county economy. Total traveler spending generally exceeds the direct impact of tourism. This is because not all goods and services purchased by travelers are supplied by firms located in Anne Arundel County. The IMPLAN model accounts for these import “leakages”² to suppliers located outside of the county. Generally, the more diversified a local economy, the lower are import leakages and the higher the retention and multiplier of visitor spending.

The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Anne Arundel County-based food suppliers to restaurants. The induced impact adds the effect of tourism-generated wages as they are spent throughout Anne Arundel County’s economy such as when an employee from a hotel spends on grocery items for their household.



² Leakages refer to goods and services that must be imported into the county due to insufficient in-state capacity.



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