

*Lauren Schlaw*  
*Consulting*



**Summary**  
**Economic & Fiscal Impacts of 2016**  
**Catalina Island Visitors**



**June 2017**

# VISITOR RESEARCH SUPPORTS MARKETING & DESTINATION GOALS

- The Catalina Island Chamber of Commerce & Visitor Bureau (CICCVB) is the official entity marketing Catalina Island to non-local visitors in order to build the destination brand and strengthen tourism, supporting the local economy.
- Underlying destination marketing and management, CICCVB conducted research to measure the economic and fiscal impacts of island visitation, and to obtain a current and comprehensive visitor profile for calendar 2016.
- The study is producing these main results:
  - annual **visitor volume** and **visitor days**
  - annual total and per-capita **direct visitor spending** on Catalina Island by category and by lodging segment
  - annual **fiscal (tax) impacts** generated by direct visitor spending
  - local **employment** supported by direct visitor spending
  - seasonal and annual **visitor profiles** of visitor trip behaviors and demographics
- 604 visitor groups were interviewed on Catalina Island; 202 in spring, 202 in summer, and 200 in fall 2016.
- Lauren Schlau Consulting, a tourism industry market research specialist, conducted the visitor study. CIC Research, Inc., produced the visitor volume, spending, tax and employment estimates using an econometric model with inputs derived from visitor collected survey data.

# CATALINA ISLAND 2016 TOURISM IMPACTS

- **Volume:** nearly **910,800** annual visitors
- **Visitor Days:** **1.3 million**, resulting from overall **1.44 days** average stay on Catalina Island
- **Daily Per-person Spending:** All visitors **\$127**; Overnight visitors **\$163**
- **Annual Direct Visitor Spending:** **\$166.7 million**
- **Lodging & Retail Sales Taxes:** **\$5.8 million** to Avalon from direct spending:
  - \$5.1 million in lodging tax, \$730,600 in retail sales tax.
- **Jobs:** Visitor spending supported **1,254 jobs** (FTE)

**Table I - Summary Catalina Island Tourism Impacts**

Indicator	2016
Annual Total Visitor Volume	910,773
Annual Total Visitor Days	1,314,574
Average Stay (days) All/Overnight	1.44/2.26
Per-capita Daily Spending: All/Overnight	\$127/\$163
Total Direct Visitor Spending (\$million)	\$166.7
Taxes generated: Lodging Tax (\$million)/Retail Sales tax	\$5.1/\$730,570
Total Jobs Supported by Tourism (spending)	1,254

Source for all tables and data: Lauren Schlaue Consulting and CIC Research Inc.

# ALL SEGMENTS VOLUME & VISITOR DAYS

Catalina Island visitor segments are defined and measured by their lodging, in this case, paid lodging segments of hotel/motel/inn, vacation rental, camping, or moored boats, non-paid private home/other unpaid lodging, or day visitors.

- The largest visitor segment was Day visitors at 590,400 or 65% of total volume.
- 320,400 visitors, 35% of the total stayed overnight, with 218,900 or 24% being hotel guests.

**Table 2 – Volume and Visitor Days by All Segments**

Visitor Category	Catalina Island Visitors	Ratio of Total Visitors	Avg. Stay on Catalina Island (Days)	Total Visitor Days	Ratio of Total Visitor Days	Group Size
Hotel	218,945	24.0%	1.93	421,672	32.1%	2.39
Vacation Rental	35,603	3.9%	2.21	78,671	6.0%	3.88
Camping	10,765	1.2%	3.16	33,996	2.6%	2.11
Private Boats	52,723	5.8%	3.46	182,402	13.9%	2.48
Other Paid Lodging	99,092	10.9%	2.98	295,069	22.4%	2.79
Hotel & Other Paid Lodging	318,037	34.9%	2.25	716,741	54.5%	2.50
Private Home/Other Unpaid Lodging	2,364	0.3%	3.16	7,460	0.6%	2.29
<b>Total Overnight</b>	<b>320,401</b>	<b>35.2%</b>	<b>2.26</b>	<b>724,202</b>	<b>55.1%</b>	<b>2.50</b>
<b>Day Visitors</b>	<b>590,372</b>	<b>64.8%</b>	<b>1.00</b>	<b>590,372</b>	<b>44.9%</b>	<b>3.07</b>
<b>Total Visitors</b>	<b>910,773</b>	<b>100.0%</b>	<b>1.44</b>	<b>1,314,574</b>	<b>100.0%</b>	<b>2.84</b>

# VISITOR PER-CAPITA DAILY & TOTAL SPENDING BY LODGING SEGMENT

- Visitors spent a total of \$166.7 million on Catalina Island in 2016.
- Overall each visitor spent an average of \$127 per day while here or \$183 per-trip.
- Hotel visitors, 24% of total volume, spent the highest total, \$81.8 million, or 49% of total spending.
- Day visitors spent \$48.5 million, 29% of the total, while visitors staying in moored boats spent a total of \$18.1 million, 11% of total spending.

**Table 3 – Spending Among All Segments on Catalina Island**

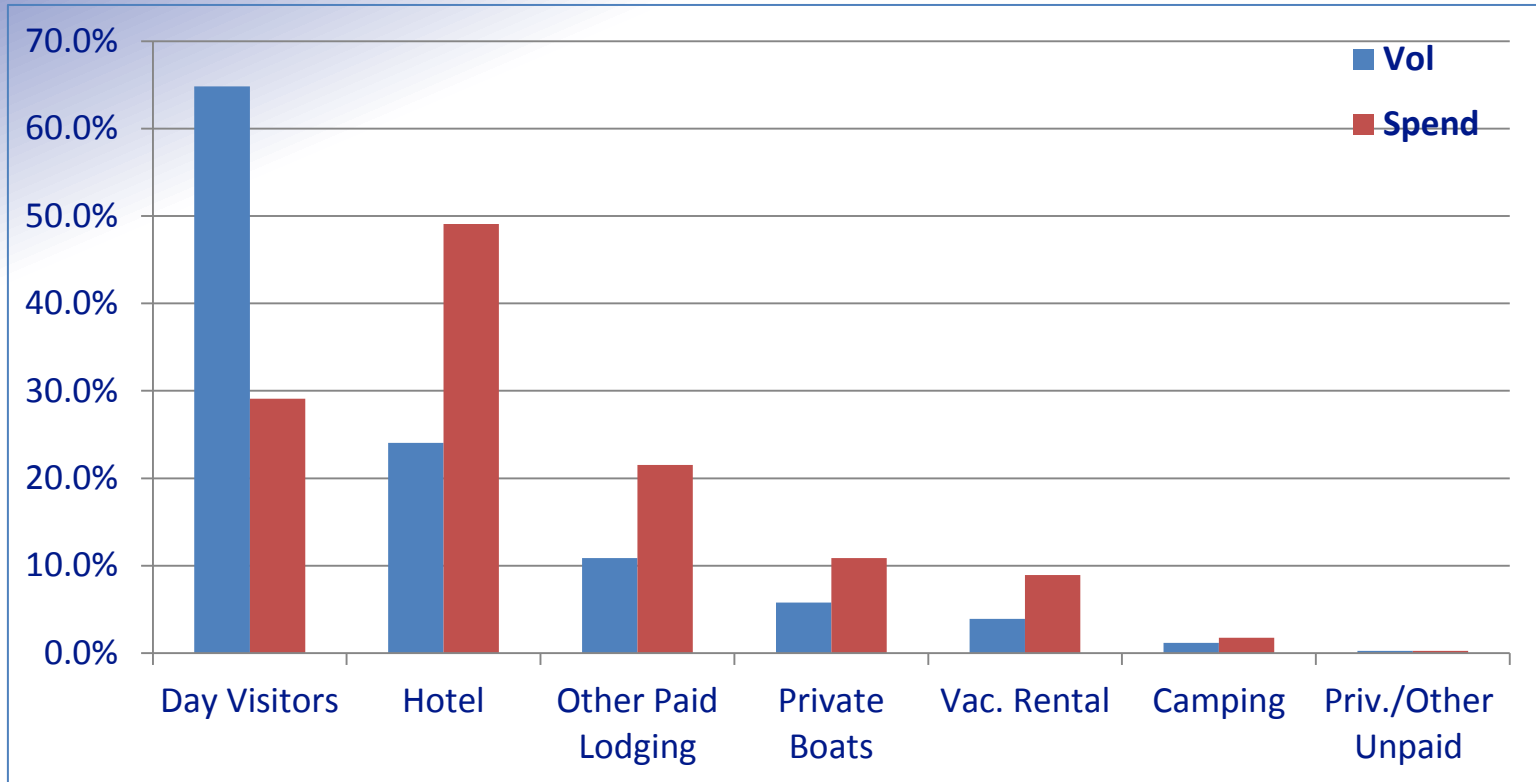
Visitor Lodging Segment	Avg. Daily Per Capita Spending*	Total Avg. Visitor Trip Spending	Total Annual Spending	Ratio of Total
Hotel	\$ 194.10	\$ 373.82	\$ 81,845,788	49.1%
Vacation Rental	\$ 188.86	\$ 417.31	\$ 14,857,548	8.9%
Camping	\$ 85.69	\$ 270.59	\$ 2,913,023	1.7%
Private Boats	\$ 99.25	\$ 343.35	\$ 18,102,719	10.9%
Other Paid Lodging	\$ 121.58	\$ 362.02	\$ 35,873,290	21.5%
Hotel & Other Paid Lodging	\$ 164.24	\$ 370.14	\$ 117,719,078	70.6%
Private Home/Other Unpaid Lodging	\$ 59.05	\$ 186.38	\$ 440,523	0.3%
<b>Total Overnight</b>	<b>\$ 163.16</b>	<b>\$ 368.79</b>	<b>\$ 118,159,600</b>	<b>70.9%</b>
<b>Day Visitors</b>	<b>\$ 82.18</b>	<b>\$ 82.18</b>	<b>\$ 48,518,556</b>	<b>29.1%</b>
<b>Total Visitors</b>	<b>\$ 126.79</b>	<b>\$ 182.58</b>	<b>\$ 166,678,156</b>	<b>100.0%</b>

\* per-capita spending allocated to all visitors whether or not they spent in that category.

Spending includes taxes and tips.

VOLUME: 2/3 DAY VISITORS; 1/3 OVERNIGHT  
SPENDING: 1/2 BY HOTEL GUESTS

## Volume & Spending Share by Lodging Segment



# VISITOR SPENDING BY CATEGORY

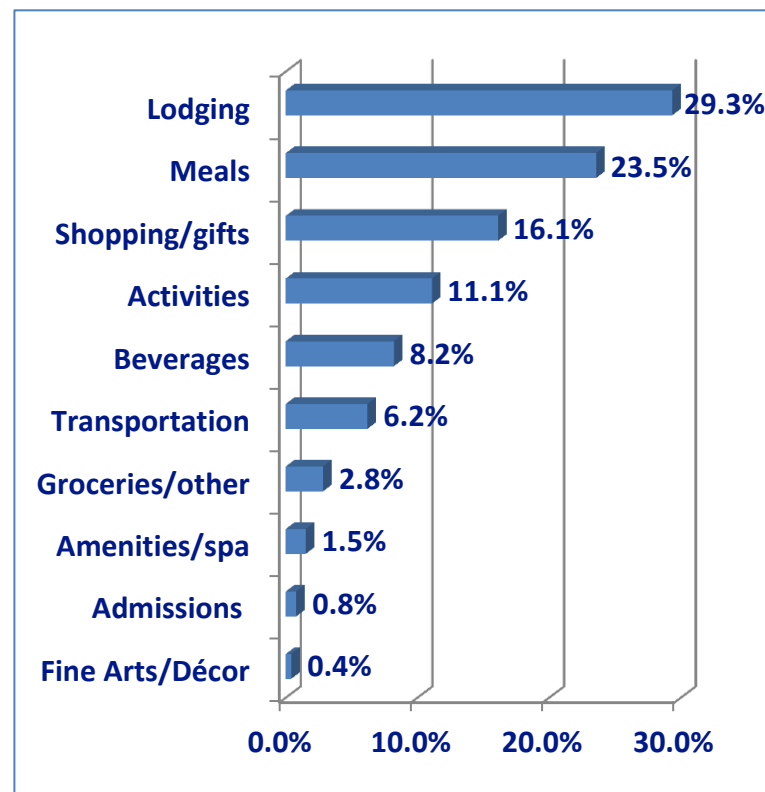
- Of all visitor spending on Catalina Island, the highest by category was \$48.9 million for paid lodging, \$39.2 million for meals out and \$26.8 million on retail items/gifts.

**Table 4 – Spending By Category**

Spending Category	All Visitors To Catalina Island		
	Daily Per Capita Spending	Total Annual Spending*	Ratio of Total
Lodging	\$ 37.19	\$ 48,886,598	29.3%
Meals	\$ 29.86	\$ 39,247,786	23.5%
Beverages	\$ 10.39	\$ 13,662,657	8.2%
Shopping/gifts	\$ 20.42	\$ 26,839,895	16.1%
Admissions (attractions, etc.)	\$ 1.00	\$ 1,315,883	0.8%
Transportation	\$ 7.86	\$ 10,333,321	6.2%
Activities/Tours/Equipment	\$ 14.08	\$ 18,512,019	11.1%
Fine Arts and Décor	\$ 0.50	\$ 659,787	0.4%
Amenities/Spa/Health	\$ 1.91	\$ 2,516,970	1.5%
Groceries & Other	\$ 3.58	\$ 4,703,239	2.8%
<b>Total</b>	<b>\$ 126.79</b>	<b>\$ 166,678,156</b>	<b>100.0%</b>

\* Direct visitor spending including taxes and tips, and allocated to all visitors whether or not they spent in that category.

**Exhibit I – Category Share of Total Visitor Spending**



# TAXES GENERATED FROM DIRECT SPENDING, AND LEVIED FEES

**Table 5 – Visitor Generated Taxes and Locally Levied Use Fees**

- Taxable direct visitor spending totaled \$115.6 million.
- This taxable spending generated \$5.8 million to the City of Avalon of which:
  - \$5.1 million was transient lodging tax
  - \$730,600 was retail sales tax
- An additional \$1.26 million was levied by Catalina Island on visitor activity related to wharfage, admissions tax and harbor use, shown in the table.
- Thus Catalina Island visitors accounted for a total of \$7.1 million in taxes and fees to Catalina Island and City of Avalon.

Visitor Spending Taxable Category	Taxable Spending	Tax Generated	Ratio
<b>Lodging</b>	\$ 42,521,000	\$ 5,102,520	87.5%
Meals	\$ 32,843,000	\$ 328,430	5.6%
Beverages	\$ 11,433,000	\$ 114,330	2.0%
Shopping/gifts	\$ 24,511,000	\$ 245,110	4.2%
Admission Fees (attractions, etc.)	\$ -	\$ -	0.0%
Transportation/Tours	\$ 944,000	\$ 9,440	0.2%
Activities fees/rentals	\$ -	\$ -	0.0%
Fine arts/décor	\$ 603,000	\$ 6,030	0.1%
Amenities spa/beauty/club	\$ 575,000	\$ 5,750	0.1%
Groceries & Other	\$ 2,148,000	\$ 21,480	0.4%
<b>Subtotal Retail only</b>	<b>\$ 73,057,000</b>	<b>\$ 730,570</b>	<b>12.5%</b>
<b>Total Spending Taxes</b>	<b>\$ 115,578,000</b>	<b>\$ 5,833,090</b>	<b>82.2%</b>
<b>Locally Levied Fees</b>			
Wharfage Fees		\$ 3,748,153	
Admission Tax		\$ 858,252	
Harbor Use Fees		\$ 351,005	
<b>Total Levied fees</b>		<b>\$ 1,263,337</b>	<b>17.8%</b>
<b>Grand Total Taxes &amp; Fees</b>		<b>\$ 7,096,427</b>	<b>100.00%</b>

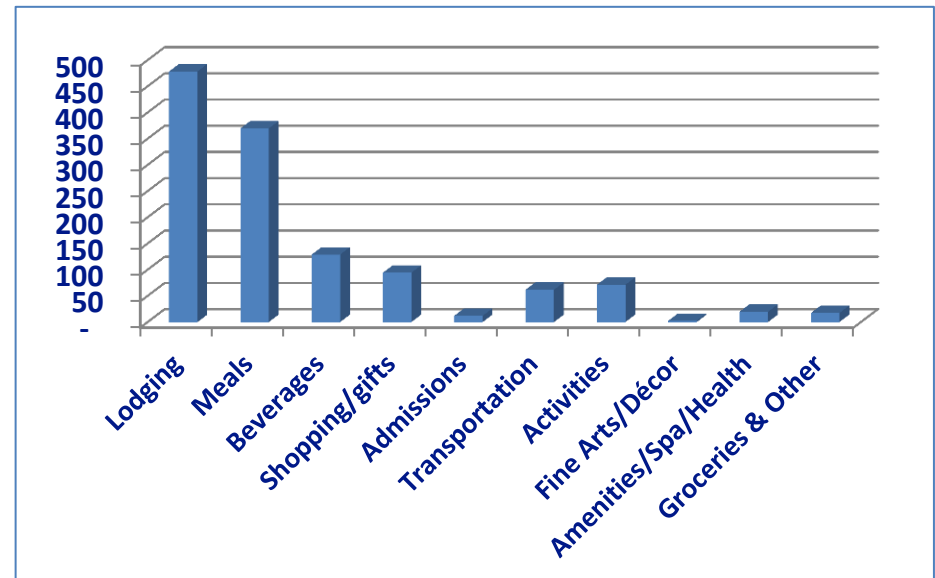


# JOBS SUPPORTED BY VISITOR SPENDING

- Visitor spending supports local employment. Excluding taxes and tips from total visitor spending yields \$144 million in pre-tax total visitor spending, which supported 1,254 local full-time equivalent jobs on Catalina Island.
- Most jobs, 478 were in paid lodging, followed by 369 supported by visitor meals sales, and 129 supported by their beverage sales, the top three categories, and accounting for 78% of the visitor supported jobs supported.

**Table 6 – Jobs Supported by Visitor Spending**

Taxable Category	Direct Jobs	Ratio Tourism Jobs
Lodging	478	38.1%
Meals	369	29.5%
Beverages	129	10%
Shopping/gifts	94	7.5%
Admission Fees (attractions, etc.)	12	0.9%
Transportation	62	4.9%
Activities/Tours/Equipment Rental	71	5.7%
Fine Arts and Décor	2	0.2%
Amenities/Spa/Health	20	1.6%
Groceries & Other	17	1.4%
<b>Total</b>	<b>1,254</b>	<b>100.0%</b>



# STAY AND SPENDING BY SEASON

- As shown, all visitors averaged just over one day on Catalina Island with some differences by season.
- Visitors staying overnight on the island averaged more than two days, again varied by season, with the most, 2.54 nights in summer.
- Summer visitors also spent the most (related to both longer stay and larger group size of over 3 persons), averaging \$137 daily per person compared to \$131 for Spring visitors and \$112 for Fall visitors.

**Table 7 – Seasonal Stays and Spending**

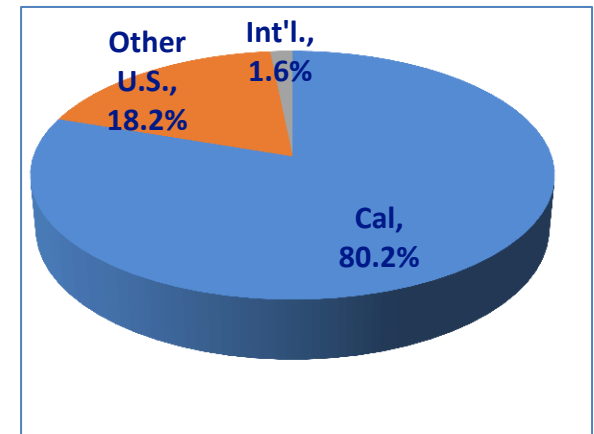
Season	Length of Stay – All Visitors (days)	Length of Stay - Overnight (days)	Avg. Daily Per - Capita Spending	Avg. Group Size (persons)
Spring	1.40	2.08	\$131	2.67
Summer	1.54	2.54	\$137	3.03
Fall	1.39	2.16	\$112	2.83
<b>Overall</b>	<b>1.44</b>	<b>2.26</b>	<b>\$127</b>	<b>2.84</b>

## 4 OF 5 VISITOR GROUPS FROM CALIFORNIA

- An 81% majority of Catalina Island visitor groups were from California, of which 27% were from Los Angeles County, 43% from other Southern California areas, and 11% from the rest of the state.
  - Another 18% were from Other States (excl. California), and 1.6% were International.
- A higher share, 88% of Hotel guests were Californians, as were 88% of weekend visitors while 21% of weekday visitors were from other states.

**Table 8 – Visitor Share by Overall Residence**

	Total	Overnight or Day			Visitation		Travel Family Group
		Hotel/ Inn	Day-(excl Cruise)	Day-Cruise Ships	W-end	W-Day	
<b>Base:</b>	<b>604</b>	<b>237</b>	<b>275</b>	<b>36</b>	<b>202</b>	<b>402</b>	<b>175</b>
California	80.2%	88.4%	79.4%	71.1%	87.4%	77.3%	79.8%
Other US	18.2%	9.9%	17.9%	28.9%	11.0%	21.1%	19.0%
International	1.6%	1.8%	2.7%	0.0%	1.6%	1.6%	1.2%



# DOMESTIC VERSUS INTERNATIONAL

- 98.4% of Catalina Island visitors were United States residents, with 1.6% from International countries.
- With slightly longer stays by International visitors, 1.70 days versus 1.44 days by Domestic, they accounted for a slightly higher share, 1.9% of visitor days (versus their volume).
- Total International spending was \$2.7 million, or a 1.6% share versus \$164 million total spending by Domestic visitors, 98.4% share of the total.
- Each International visitor spent less per day, \$109 versus \$127 per U.S. resident visitor.
- As well, International groups were smaller, 2.16 persons versus 2.86 for Domestic groups.

**Table 9 – Domestic versus International**

	International	Domestic	All Visitors
<b>Total Estimated Visitors</b>	<b>14,489</b>	<b>896,284</b>	<b>908,120</b>
Share of Total Visitors	1.6%	98.4%	100.0%
Spending Per Visitor Day	\$ 109.10	\$ 127.13	\$ 126.79
Visitor Days	24,569	1,290,006	1,314,574
Share of Total Visitor Days	1.9%	98.1%	100.0%
Avg. Days on C.I. (including Day Visitors)	1.70	1.44	1.44
Total Spending	\$2,680,453	\$ 163,997,875	\$ 166,678,331
Share of Total Visitor Spending	1.6%	98.4%	100.0%
Group Size	2.16	2.86	2.84

## TABLE 10 CATALINA ISLAND VISITOR SUMMARY PROFILE

Characteristic	2016
% California resident	<b>80.2%</b>
% U.S. Resident visitor (excl. California)	<b>18.2%</b>
% International Visitor	<b>1.6%</b>
% First-Time Visitor/Repeat Visitor	<b>67%/33%</b>
Avg. Trips to Catalina Island in past 3 years (repeat visitors)	<b>5.5</b>
% Visiting Catalina Island for pleasure/vacation (main reason) or celebration	<b>67%/16%</b>
Catalina Island main destination of this trip	<b>66%</b>
% using any internet/mobile as Catalina Island planning resource	<b>48%</b>
Arrived on Catalina island by express ferry	<b>68%</b>
% Day/% Overnight on Catalina Island (of Total Visitors)	<b>65%/35%</b>
Length of Stay in Catalina Island: all visitors/overnight only (nights)	<b>1.44/2.26</b>
% of Total Visitors in a Catalina Island hotel/avg. # nights	<b>24%/1.9</b>
Avg. travel group size (persons)/% traveling with children ages 0-18	<b>2.84/21%</b>
Travel group: %couple/%family	<b>44%/32%</b>
% married/% single	<b>62%/25%</b>
Of U.S. visitors % Caucasian/% Hispanic/Latino	<b>52%/30%</b>
Respondent Median age	<b>44.5</b>
Median annual household income	<b>\$87,100</b>