



IRVING VISITOR INDUSTRY

2018 Economic Impact Report

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Introduction

Research Objectives

This study presents the results of an annual research project conducted by Destination Analysts on behalf of the Irving Convention & Visitors Bureau. Throughout 2018, Destination Analysts administered several research projects designed to estimate the economic impact of the visitor industry on the City of Irving. This research was developed to gather information needed for use in Destination Analysts' Travel Industry Economic Impact Model, which produces estimates of direct visitor spending in Irving, tax revenues generated by tourism for the City of Irving and the number of jobs (and payroll) supported by the industry.

Methodology

Three research studies were conducted to develop the data inputs needed to use the Economic Impact Model for the City of Irving. These data inputs included annual estimates of the number of visitors and the average number of days they spent in Irving (for key traveler segments), as well as estimates of per-person, per-day spending in Irving (in detail by type of spending). This information, along with other data such as hotel occupancy rates, industry payroll data and city tax receipts, were all used as inputs to our Economic Impact Model in order to derive the results presented in this report. The model is a standard price-quantity model used in economic measurement, with visitor spending estimated in detail from survey research and visitor volume estimated from the combined use of survey data and estimates of the existing stock of hotel rooms and occupied housing units in the City of Irving.

A complete list of resources used to obtain all data inputs necessary to the Economic Impact Model is contained in Appendix I. The three research projects Destination Analysts conducted specifically to derive the data necessary for the Economic Impact Model are summarized following:

2018 Hotel Guest Survey:

The 2018 Irving Hotel Guest Survey was a 27-question survey implemented as an intercept survey in hotels around the city and throughout the year. This survey was developed to obtain data from Irving's hotel guests on direct visitor spending in various tourism-related categories, as well as other relevant information. In total, 506 fully-completed surveys were collected by our team of surveyors during the year.

2018 National-Regional Travel Survey:

The objective of the National-Regional Survey was to gather information to help develop visitor volume and spending profiles for visitors to Irving who came on day-trips, and for those who stayed overnight in Irving in private residences. This survey was conducted online of three groups of adult Americans: (1) those living in Texas (but outside the Dallas-Ft. Worth metropolitan area), (2) those living in the Dallas-Fort Worth Metroplex and (3) others living outside the state of Texas. The survey was conducted in January 2018—amongst a sample of 400 adults from each of the three geographic areas. Respondents to the survey were recruited from a national survey panel, with the survey invitation being sent to a representative sample of the adult population in each area.

2018 Survey of Irving Meeting Planners:

A survey of the City of Irving's meeting planner clients was also conducted, primarily to develop estimates of meeting sponsors' expenditures from holding their events in the city. This survey was collected amongst meeting planners who worked with the Irving CVB at some point to plan a meeting in 2018. Data from this short, six-question survey was collected from 80 meeting planners immediately after their meetings were held.

Executive Summary

Research Findings

- **Annual Visitor Volume:** Visitor volume in Irving continued to grow in 2018. The city hosted 3.95 million visitors, up 5.4 percent from 2017. The biggest component of Irving's visitor market are hotel guests, accounting for 1.96 million visitors, or 49.6 percent of the total. The second largest visitor segment are persons staying with friends or relatives in private homes either in Irving or outside the city but taking day trips into Irving. In total, 38.6 percent of Irving's visitors, or 1.52 million visitors, stayed in private homes outside Irving but in the DFW area. 7.7 percent, or 290,000, of the city's visitors stayed in homes inside the City of Irving. (Figure 4.1, Page 8).
- **Visitor Days in Irving:** As the average traveler visitor stayed 2.8 days in the city, visitors to Irving spent 11.2 million total person-days in the city during 2018. This is a 4.7 percent increase from 2017. On an average day during the year, there were 30,617 visitors in Irving. More than half (54.4%) of these visitor days were comprised of persons staying in an Irving hotel or motel. In total, visitors staying in the city's commercial lodging spent 6.1 million person-days in the city during 2018. (Figure 4.2, Page 9).
- **Visitor Spending in Irving:** Visitor spending in Irving reached new heights in 2018. The Irving visitor industry generated \$2.95 billion in direct visitor spending inside the city during the most recent calendar year, an increase of 10.1 percent over 2017. Most visitor spending came from hotel guests, who were responsible for \$2.34 billion in visitor spending, or 79.2 percent of the total. (Figure 4.3, Page 10).
- **Visitor Spending by Type:** Visitor spending impacts many industries. Irving visitors purchase a diverse range of items and services, including lodging, food and transportation. The single largest component of this spending is on lodging, which accounted for 32.0 percent of all spending, or \$943 million, in 2018. The second largest component was the \$599.6 million

visitors spent in Irving restaurants. This accounted for 20.3 percent of visitor spending in Irving. (Figure 4.4, Page 11).

- **Conference and Meeting Expenditures:** Conferences and other group meetings accounted for \$738.5 million in visitor spending for Irving in 2018. 88.6 percent of this spending was direct spending by meeting attendees in Irving. The remaining quarter of this total spending (approximately \$85 million) was in-market spending by persons sponsoring or exhibiting at these events and meetings. (Figure 4.5, Page 12).
- **Jobs Supported by Irving Visitor Industry:** The Irving visitor industry supports 23,148 jobs. Most of this employment is in either the hotel or restaurant industries. Visitor spending backs an estimated 7,828 hotel industry jobs and 9,038 jobs in restaurants and food-related industries. (Figure 4.6, Page 13).
- **Visitor Industry Payroll:** Last year, the 23,148 jobs supported by the Irving visitor industry had an estimated total combined payroll of \$657 million. (Figure 4.7, Page 14).
- **Tax Revenues Generated:** The Irving visitor industry generated over \$62.9 million in tax revenues for the city in 2018. Taxes directly generated by the visitor industry include revenues from the transient occupancy tax (hotel tax), sales taxes and property taxes paid on hotels. The hotel industry generates the majority of these revenues, with the combination of transient occupancy tax and property taxes on hotels creating almost \$49.2 million in income for the city. (Figure 4.8, Page 15).

Quick Facts:

The profile below compares key statistics emerging from this research for the past two years.

	2017	2018
Total visitors to Irving:	3.75 million	3.95 million
Visitors staying in Irving hotels or motels:	1.93 million	1.96 million
Visitors staying in private homes (inside Irving):	294 thousand	305 thousand
Visitors to Irving staying in private homes (other DFW area):	1.32 million	1.52 million
Total visitor spending in Irving:	\$2.68 billion	\$2.95 billion
Spending by visitors staying in Irving hotels, motels or inns:	\$2.12 billion	\$2.34 billion
Economic impact of conferences and group meetings:	\$582 million	\$739 million
Jobs supported by Irving visitor industry:	22,168	23,148
Irving visitor industry payroll:	\$611 Million	\$657 Million
Taxes generated by the visitor industry for the City of Irving:	\$61.8 million	\$62.9 million
Tax revenues generated per Irving household:	\$706	\$745
Visitors in Irving on an average day:	29,238	30,617
Visitor spending in Irving on an average day:	7.3 million	8.1 million
Annual visitor spending per Irving resident:	\$11,261	\$12,185

Graphical Presentation of Research Findings

In this section, we present the research's basic findings. A brief written analysis is included for each chart.

Annual Visitor Volume, 2018

Visitor volume in Irving continued to grow in 2018. The city hosted 3.95 million visitors, up 5.4 percent from 2017. The biggest component of Irving's visitor market are hotel guests, accounting for 1.96 million visitors, or 49.6 percent of the total. The second largest visitor segment are persons staying with friends or relatives in private homes either in Irving or outside the city but taking day trips into Irving. In total, 38.6 percent of Irving's visitors, or 1.52 million visitors, stayed in private homes outside Irving but in the DFW area. 7.7 percent, or 290,000, of the city's visitors stayed in homes inside the City of Irving.

Figure 4.1: Annual Visitor Volume, 2018 (by Place of Stay)
(in millions)

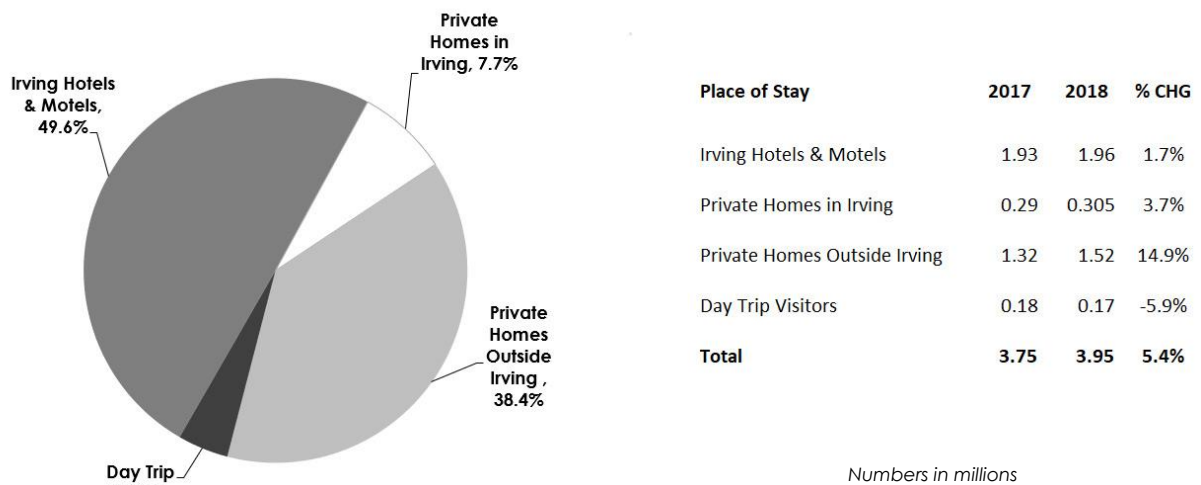
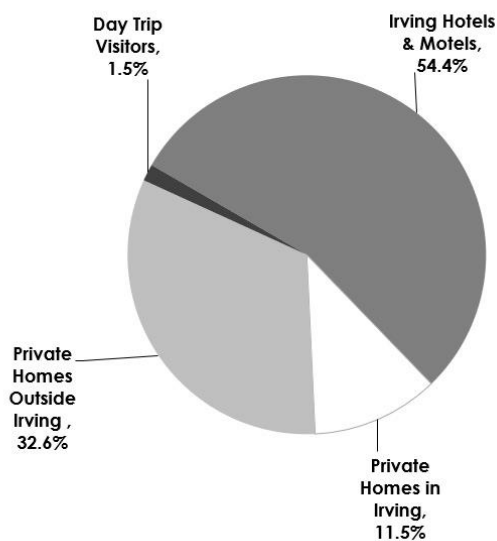


FIGURE 4.1 – Annual visitor volume in Irving defined by place of stay (2018). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Visitor Days in Irving, 2018

As the average traveler visitor stayed 2.8 days in the city, visitors to Irving spent 11.2 million total person-days in the city during 2018. This is a 4.7 percent increase from 2017. On an average day during the year, there were 30,617 visitors in Irving. More than half (54.4%) of these visitor days were comprised of persons staying in an Irving hotel or motel. In total, visitors staying in the city's commercial lodging spent 6.1 million person-days in the city during 2018.

Figure 4.2: Visitor Days in Irving, 2018
(in thousands)



Place of Stay	2017	2018	% CHG
Irving Hotels & Motels	5,942	6,083	2.4%
Private Homes in Irving	1,361	1,284	-5.7%
Private Homes Outside Irving	3,160	3,639	15.1%
Day Trip Visitors	209	169	-18.9%
Total	10,672	11,175	4.7%

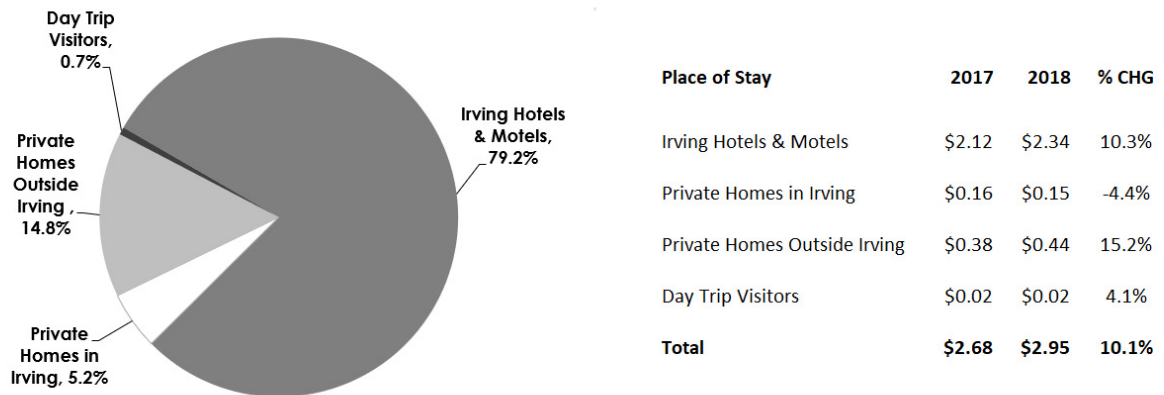
Numbers in thousands

FIGURE 4.2 - Annual visitor days (person-days) spent in Irving, defined by place of stay (2018). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Direct Visitor Spending in Irving, 2018

Visitor spending in Irving reached new heights in 2018. The Irving visitor industry generated \$2.95 billion in direct visitor spending inside the city during the most recent calendar year, an increase of 10.1 percent over 2017. Most visitor spending came from hotel guests, who were responsible for \$2.34 billion in visitor spending, or 79.2 percent of the total.

Figure 4.3: Direct Visitor Spending in Irving, 2018



Numbers in billions

FIGURE 4.3 - Annual direct visitor spending in Irving, defined by place of stay (2018). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Direct Visitor Spending by Type, 2018

Visitor spending impacts many industries. Irving visitors purchase a diverse range of items and services, including lodging, food and transportation. The single largest component of this spending is on lodging, which accounted for 32.0 percent of all spending, or \$943 million, in 2018. The second largest component was the \$599.6 million visitors spent in Irving restaurants. This accounted for 20.3 percent of visitor spending in Irving.

Figure 4.4: Visitor Spending in Irving by Type, 2018

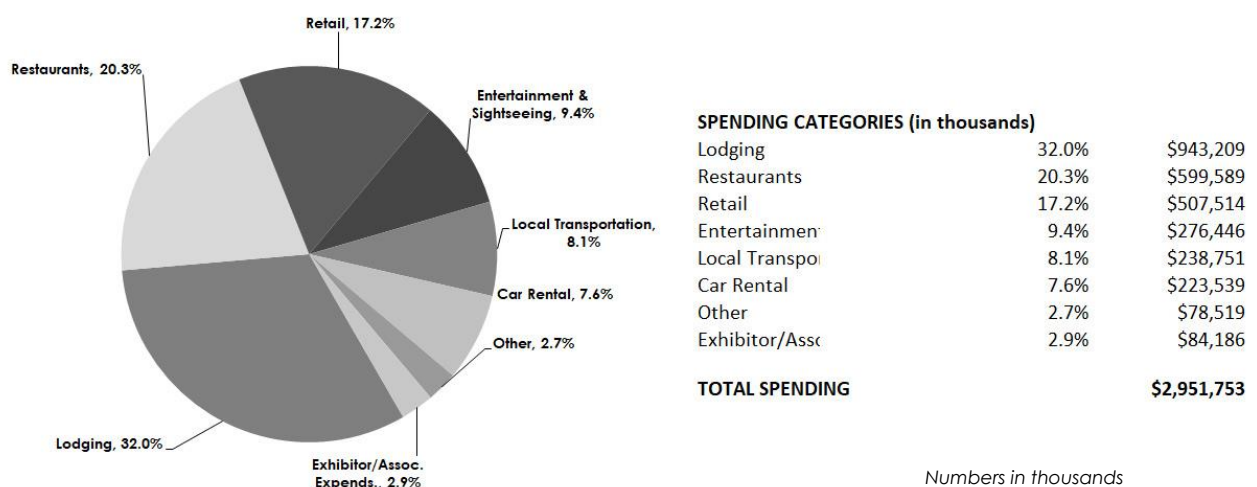


FIGURE 4.4 - Annual direct visitor spending in Irving by type (2018). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Conference and Meeting Expenditures, 2018

Conferences and other group meetings accounted for \$738.5 million in visitor spending for Irving in 2018. 88.6 percent of this spending was direct spending by meeting attendees in Irving. The remaining quarter of this total spending (approximately \$85 million) was in-market spending by persons sponsoring or exhibiting at these events and meetings.

Figure 4.5: Conference and Meetings Expenditures, 2018

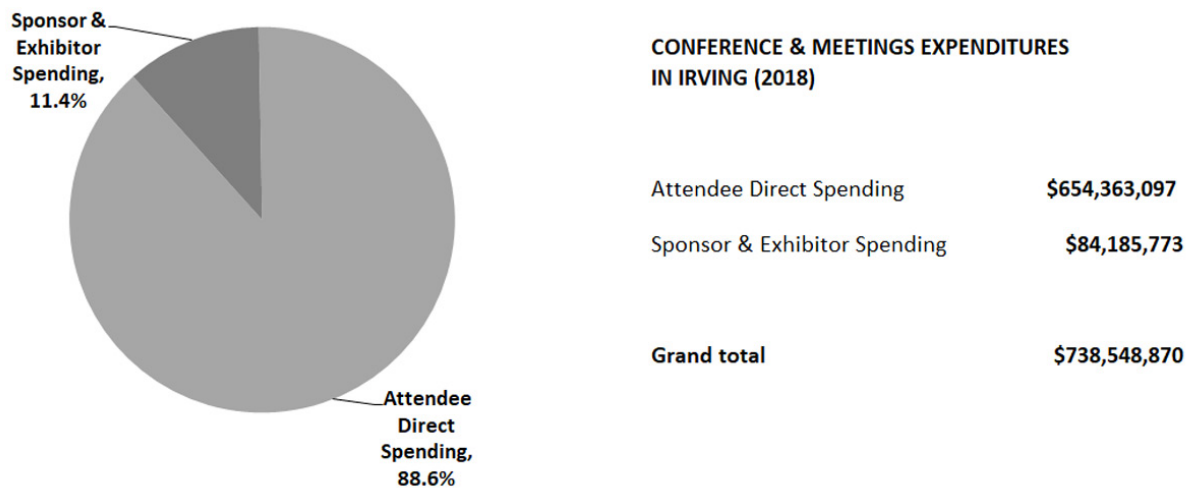


FIGURE 4.5 – Conference and meeting expenditures (2018): The two components estimated in this model are direct spending by meeting attendees and spending by a meeting’s sponsor or host for other goods and services necessary to hold a meeting. These meeting hosts include associations, businesses, churches and other organizations holding their meeting in Irving. Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Jobs Supported by Irving Visitor Industry, 2018

The Irving visitor industry supports 23,148 jobs. The majority of this employment is in either the hotel or restaurant industries. Visitor spending backs an estimated 7,828 hotel industry jobs and 9,038 jobs in restaurants and food-related industries.

Figure 4.6: Jobs Supported by Irving Visitor Industry, 2018

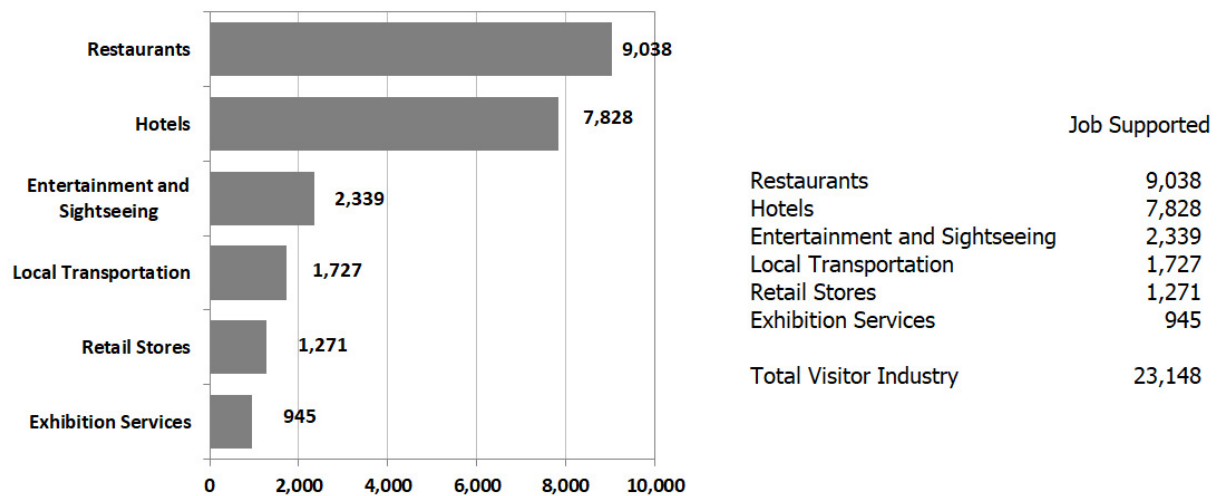


FIGURE 4.6 – Jobs supported by the Irving Visitor Industry (2018). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Irving Visitor Industry Payroll, 2018

Last year, the 23,148 jobs supported by the Irving visitor industry had an estimated total combined payroll of \$657 million.

Figure 4.7: Irving Visitor Industry Payroll (in millions), 2018

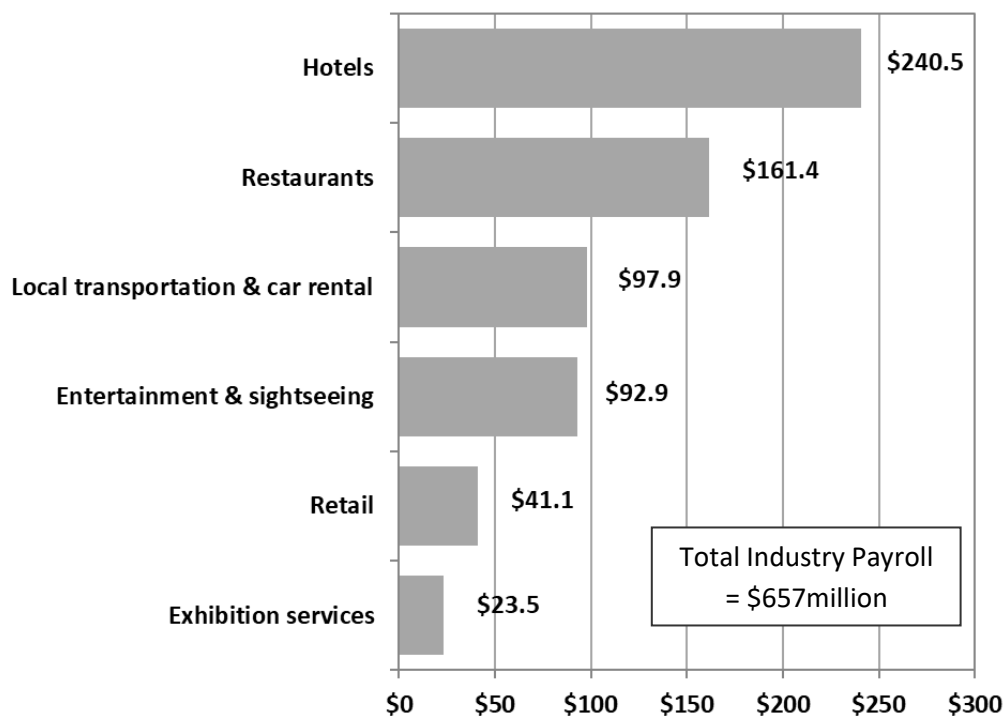


FIGURE 4.7 – Irving Visitor Industry Payroll (2018). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

Tax Revenues Generated for the City of Irving, 2018

The Irving visitor industry generated over \$62.9 million in tax revenues for the city in 2018. Taxes directly generated by the visitor industry include revenues from the transient occupancy tax (hotel tax), sales taxes and property taxes paid on hotels. The hotel industry generates the majority of these revenues, with the combination of transient occupancy tax and property taxes on hotels creating almost \$49.2 million in income for the city.

Figure 4.8: Tax Revenues Generated for the City of Irving, 2018

IRVING CITY REVENUES PAID DIRECTLY BY VISITOR INDUSTRIES: 2018		Total Annual Direct Revenue in 2018 \$1,000s
MAJOR REVENUE SOURCES		
HOTEL TAX		
Visitor Spending on Lodging	\$943,209	
Tax Rate (Local)	9.0%	
Factor for Non-Taxable Room Sales	31.2%	
Hotel Tax Collected by the City		\$26,504
HOTEL PROPERTY TAX		
Property Taxes Paid to the City by Hotels		\$22,676
SALES TAX		
Visitor Spending (including 8.25% tax)		
Retail	\$507,514	
Restaurants (less 15% tips)	\$599,589	
Entertainment & Sightseeing	\$276,446	
Tax Rate (net to City and County)	1.00%	
Sales Tax Returned to the City		\$13,699
DIRECT CITY REVENUES FROM VISITOR INDUSTRY		\$62,878

Source: Destination Analysts, Inc., model developed for the Irving Convention & Visitors Bureau

FIGURE 4.8 – Tax Revenues Generated for the City of Irving (2018). Source: City of Irving, Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau. Property taxes included are for hotels and motels in Irving.

Appendix I: References

The following resources were used in the preparation of these estimates.

1. 2018 Irving Hotel Guest Survey, Final Project Report. Research conducted by Destination Analysts, Inc. for the Irving Convention & Visitors Bureau
2. National-Regional Travel Survey, 2018 Survey of Adult Americans
3. 2018 Survey of Irving Meeting Planners, Final Project Report. Research conducted by Destination Analysts, Inc. for the Irving Convention & Visitors Bureau
4. Irving citywide hotel occupancy & hotel tax data provided by the Irving Convention & Visitors Bureau
5. U.S. Census Bureau, Economic Census
6. U.S. Census Bureau, County Business Patterns
7. U.S. Bureau of Labor Statistics, Employment Cost Index
8. U.S. Census Bureau, population estimates
9. Travel Industry Association of America, Travel Price Index