

The Kansas City, Kansas Visitor Industry, 2022

December 2023

Prepared for: Visit Kansas City



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INTRODUCTION

PROJECT BACKGROUND

The travel sector is an integral part of the Kansas City, Kansas economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the city's economy. In 2022, tourism-supported jobs accounted for 6% of all jobs in Wyandotte County.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs.

This is particularly true for Kansas City as its visitor economy recovers. By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the significance of the visitor economy in Kansas City, Tourism Economics developed a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the visitor economy in terms of direct visitor spending, along with total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for Kansas City, Kansas. The model traces the flow of visitor-related expenditures through the city's economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

Visitors included those who stayed in overnight accommodations or traveled more than 50 miles to the destination.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis.

This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- Kansas Department of Revenue: tax collections by industry, including bed and sales tax receipts
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: lodging performance data, including room demand, room rates, occupancy, and room revenue
- Datafy: Mobile geolocation data

ECONOMIC IMPACTS

KEY FINDINGS

VISITOR SPENDING

Driven by pent up demand and price increases of key commodities, visitor spending in Kansas City increased 8% to reach \$483.2 million in 2022. Visitor spending in 2022 represented 99% of 2019's spending total.

TOTAL ECONOMIC IMPACT

The \$483.2 million visitors spent in Kansas City sustained 5,323 jobs and generated \$51.4 million in state and local tax revenues in 2022.



\$483.2M

Visitor Spending



5,323

Total
Jobs
Generated



\$51.4M

State & Local
Taxes
Generated



VISITOR INDICATOR TRENDS

SALES TAXES

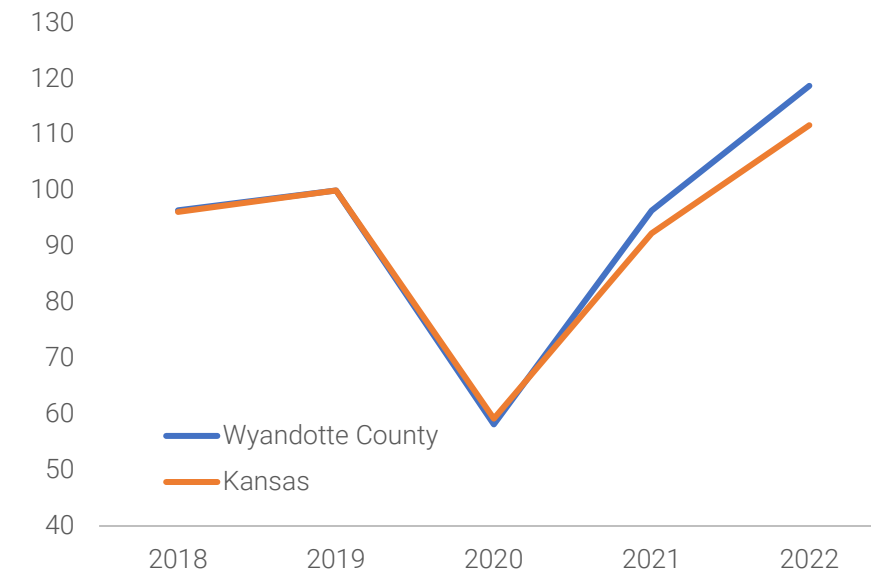
Understanding and comparing performance in local industries impacted by tourism at both the county and state level plays a key role in this analysis.

Lodging sales tax collections in Wyandotte County for 2022 grew 23% over the prior year. Lodging collections exceeded 2019 by 19%. Statewide, lodging collections surpassed 2019 by 12%.

Sales tax collections for Wyandotte County's recreational businesses in 2022 increased 6% over 2021, and now stand 10% larger than 2019. For the whole state, recreation collections in 2022 topped 2019's total by 18%.

Taxable lodging sales

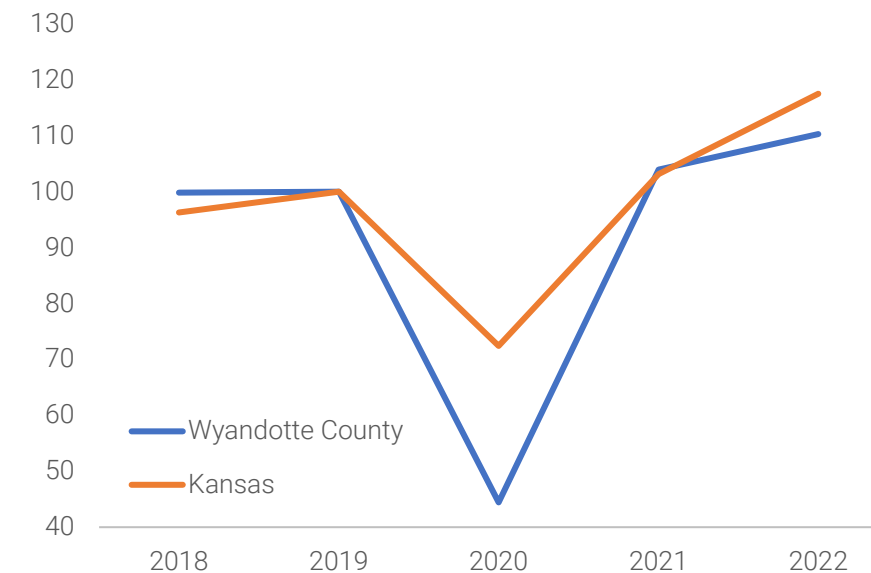
Indexed 2019=100



Source: Kansas Department of Revenue

Taxable recreation & entertainment sales

Indexed 2019=100



Source: Kansas Department of Revenue

EMPLOYMENT MEASURES

As with sales taxes, employment growth provides insight into the impact of tourism within the economy.

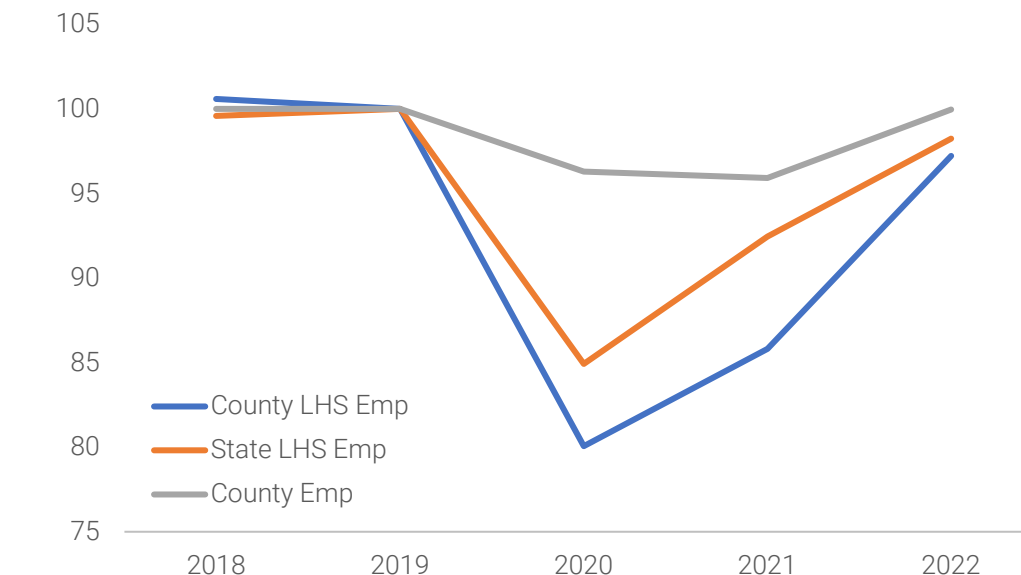
Wyandotte County's leisure and hospitality services (LHS) employment gained more ground in 2022, growing 13% over 2021 and reaching 97% of its 2019 total.

The sharp decline in LHS employment in 2020 dropped the sector's employment index significantly below Wyandotte's total employment index, a result of significant closures and restrictions during the pandemic. The county's LHS employment rebounded in 2021 and 2022 as restrictions were lifted and both residents and visitors alike returned to eating out and enjoying recreational services.

The data showed a stronger industry sales recovery in 2022 than for employment. This highlighted two trends: the LHS' difficulties in replacing workers laid off in the pandemic and inflation's role in spending gains.

Employment growth

Indexed 2019=100



Source: BLS

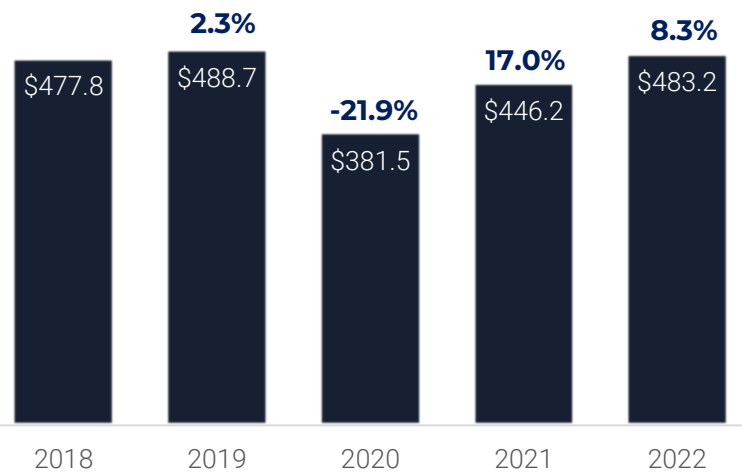


VISITOR SPENDING

Visitor spending in Kansas City saw a second year of strong growth in 2022, expanding 8% to reach more than \$483 million or 99% of 2019's total.

Kansas City visitor spending

Amounts in \$ millions



Source: Tourism Economics

VISITOR SPENDING

Visitors to Kansas City, Kansas spent \$483 million across a range of sectors in 2022.

Visitor spending expanded 8% in 2022. Of the \$483 million visitors spent in Kansas City, spending on transportation registered \$113 million, 23% of visitor spending.

Recreation and entertainment spending came in at 23% of overall spending, totaling \$110 million.

Spending on food and beverage comprised 22% of visitor spending and reached \$107 million, while retail spending captured \$92 million, 19%.

Visitor spending on lodging, including the value of second homes and spending on short-term rentals, accounted for \$62 million, 13% of visitor spending.

\$483 MILLION
Visitor Spending in 2022



Source: Tourism Economics
Note: Lodging spending is calculated as an industry. Spending also includes dollars spent on second homes and short-term rentals.

VISITOR SPENDING TRENDS

Visitor spending in Kansas City expanded 8% in 2022 to come within striking distance (99%) of a full recovery to pre-pandemic levels. Spending by visitors on both transportation (104%) and retail (110%) surpassed their 2019 benchmarks.

Kansas City visitor spending and annual growth

Amounts in \$ millions, 2022 % change, and % recovered relative to 2019

	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Visitor spending	\$477.8	\$488.7	\$381.5	\$446.2	\$483.2	8.3%	98.9%
Transportation	\$101.4	\$107.9	\$93.8	\$110.8	\$112.6	1.7%	104.4%
Recreation	\$115.9	\$115.0	\$82.7	\$95.7	\$109.7	14.7%	95.5%
Food & beverage	\$108.9	\$110.2	\$93.6	\$99.8	\$107.2	7.4%	97.3%
Retail	\$80.9	\$83.5	\$70.0	\$87.4	\$92.1	5.3%	110.3%
Lodging*	\$70.7	\$72.2	\$41.4	\$52.5	\$61.5	17.3%	85.2%

Source: Tourism Economics

*Lodging includes dollars spent on second homes and short-term rentals

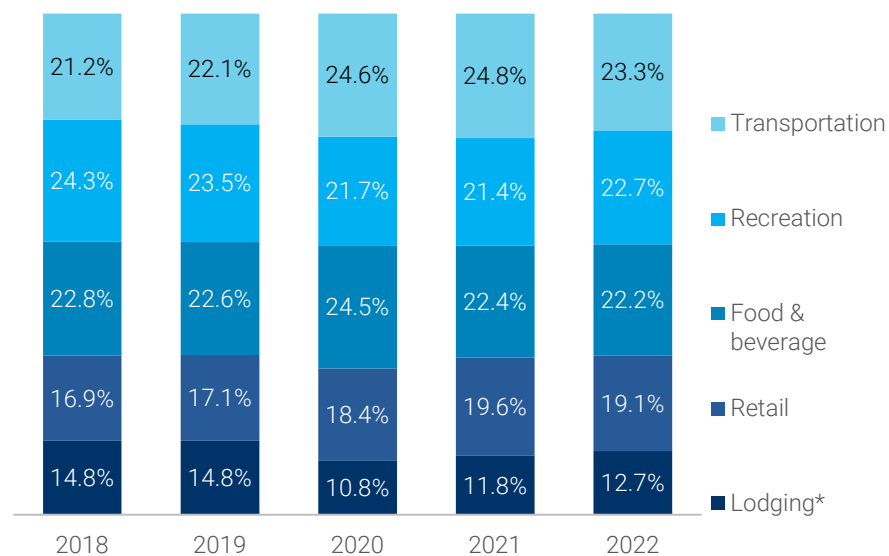
SPENDING SHARES

Shares in 2022

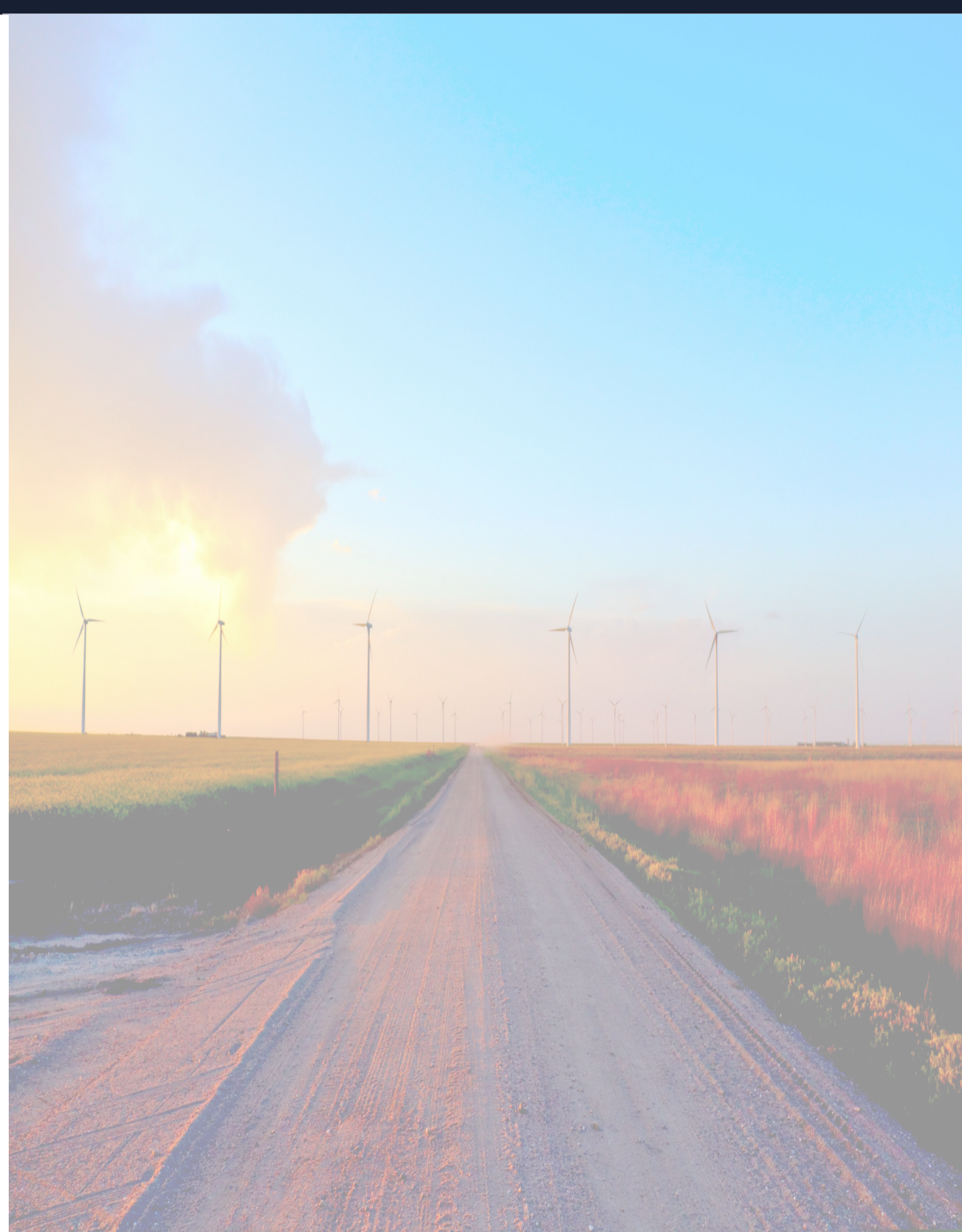
The categories of transportation and recreation continued to hold the two largest shares of visitor spending in 2022. Lodging's spending share experienced a nice rebound in 2021 and 2022, growing 1.9 percentage points from 2020's low. The spending share for recreation activity in 2022 grew 1.3 percentage points over the prior year but remained below 2019's level by 0.8 percentage points.

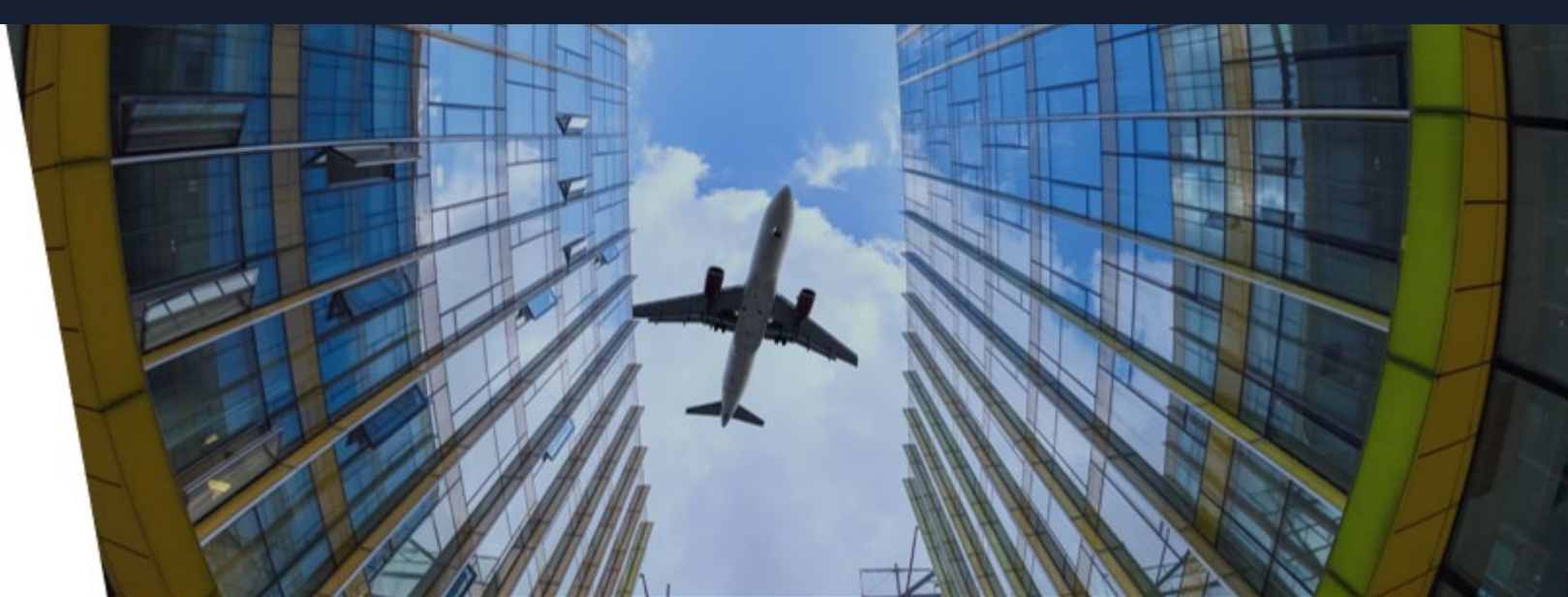
Kansas City Spending Shares, 2018-2022

By category, %



Source: Tourism Economics





ECONOMIC IMPACT METHODOLOGY

Our analysis of the Kansas City, Kansas visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Kansas City, Kansas economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

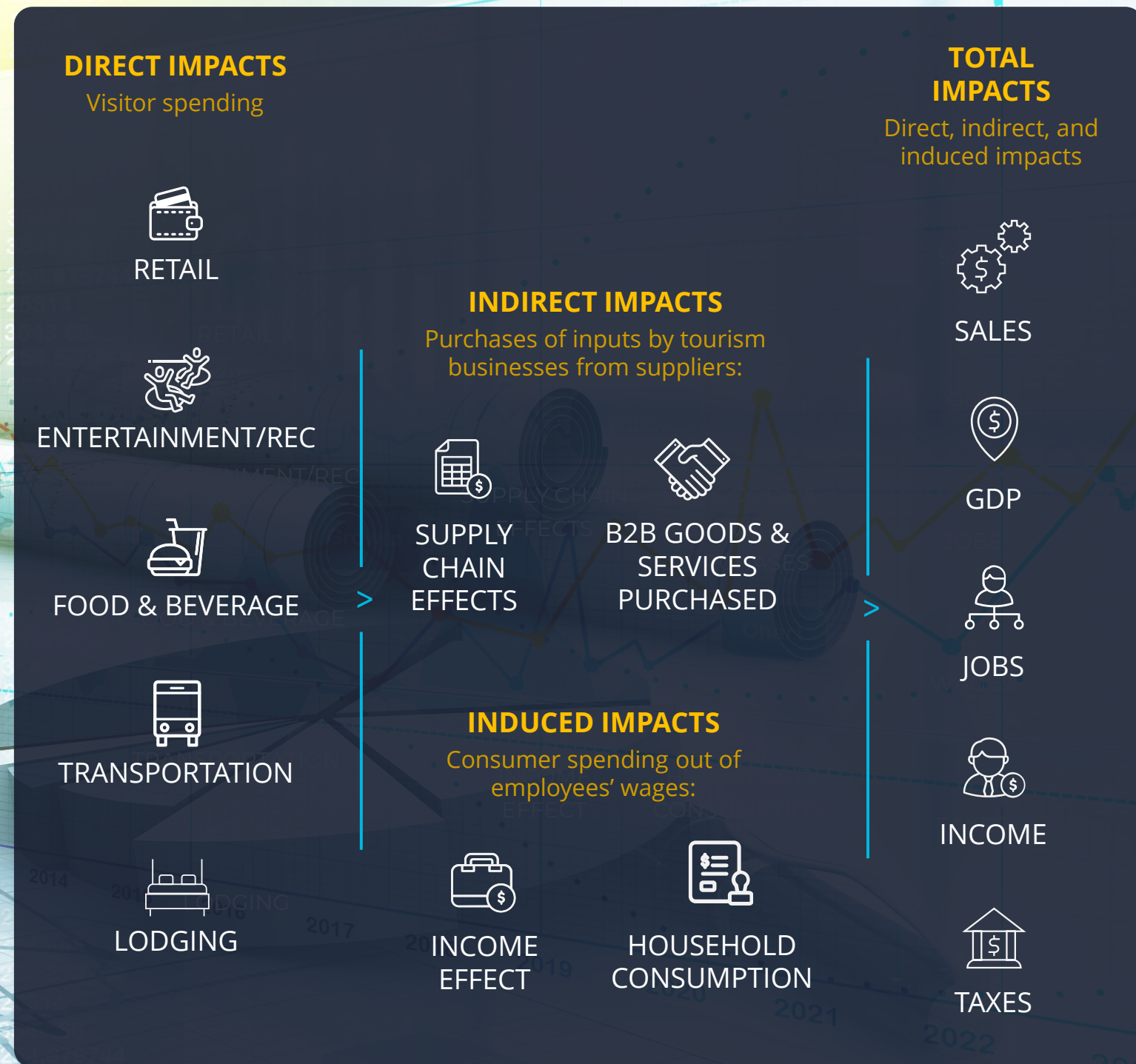
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

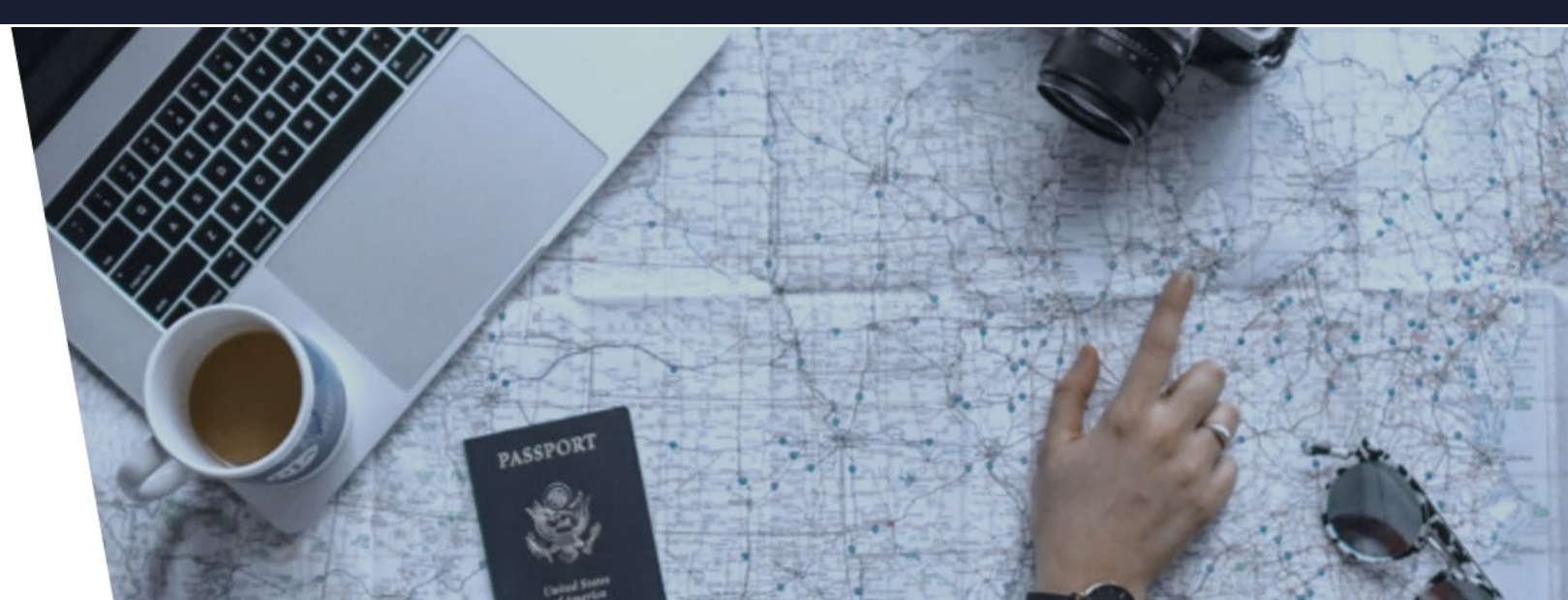
- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

ECONOMIC IMPACT FRAMEWORK





ECONOMIC IMPACT FINDINGS

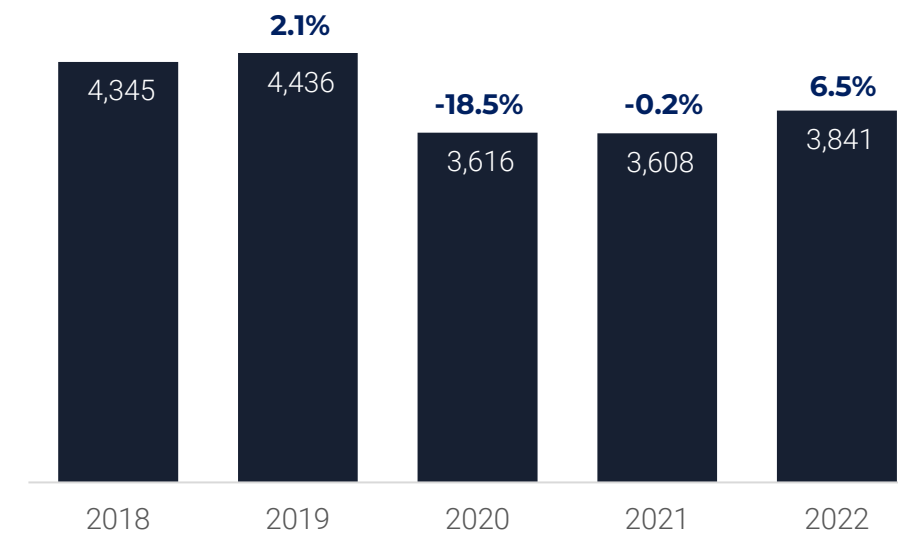
DIRECT IMPACTS

Employment supported directly by visitor activity increased by 233 jobs (6%) in 2022, reaching 3,841 jobs in Kansas City. The rebound of visitor-supported jobs lagged spending, with visitor-supported employment levels at 87% of pre-pandemic levels compared to 99% of spending in 2022.

The evaluation of the direct impact of visitor activity allows for comparisons and rankings against other industries. Based on employment levels, direct visitor-associated (tourism) employment in Kansas City as an industry would rank 8th in Wyandotte County against other industries.

Direct employment in Kansas City

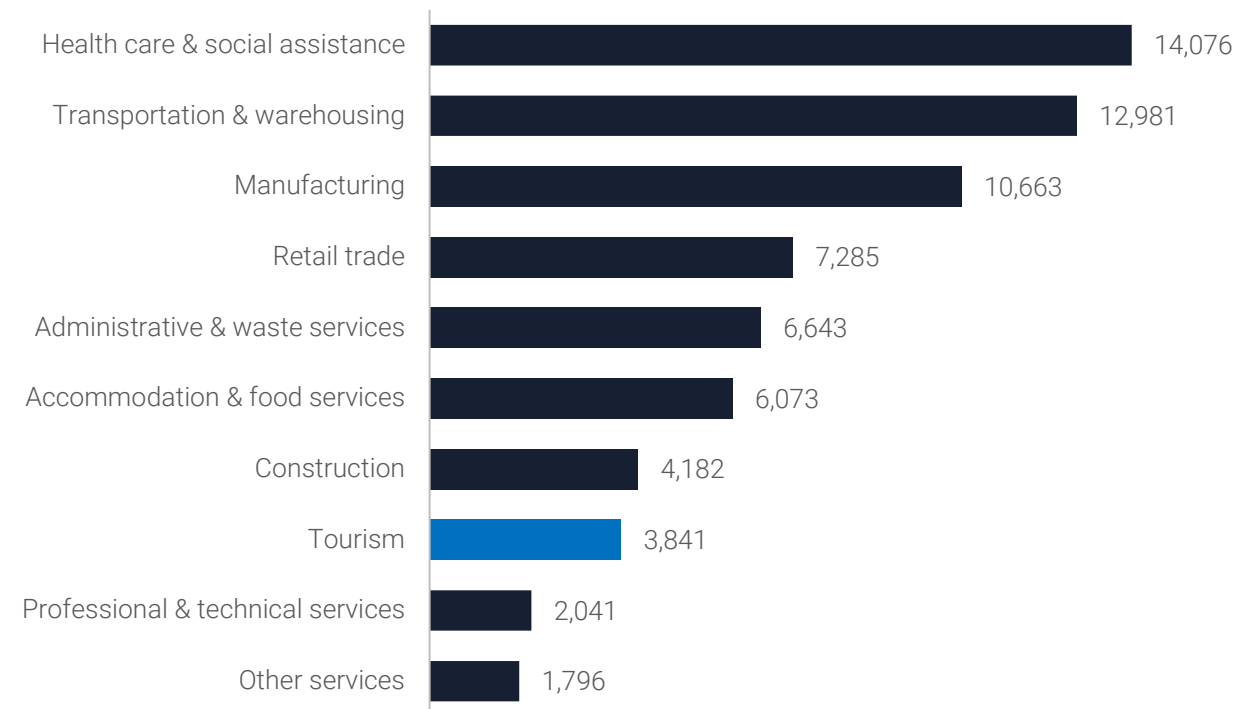
Amounts in number of jobs



Source: Tourism Economics

Direct employment in Wyandotte County, by major industry

Amounts in number of jobs



Source: BEA, BLS, Tourism Economics



ECONOMIC IMPACT FINDINGS

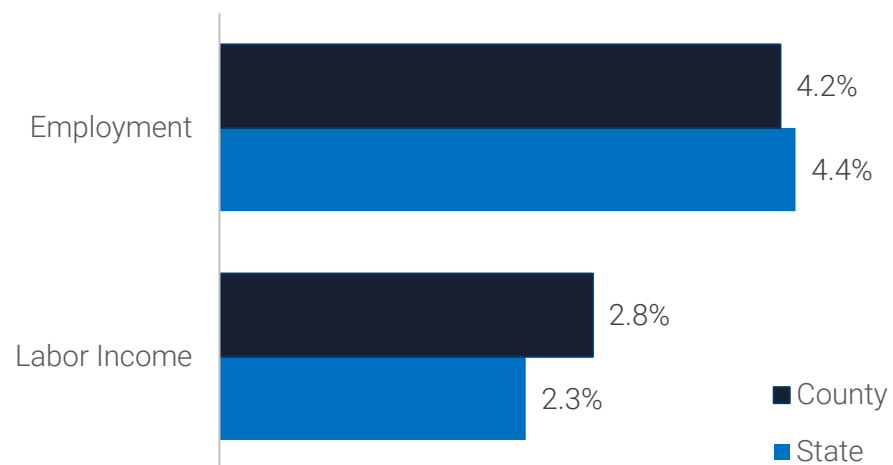
IMPACTS

Visitor activity in Kansas City directly supported 3,841 jobs (4%) of Wyandotte County jobs. When including indirect and induced impacts, total employment registered 5,323 jobs, 6% of all Wyandotte County jobs. Total labor income associated with this level of employment reached \$231 million in 2022.

Visitor activity in Kansas City supports a slightly smaller share of direct jobs in Wyandotte County than the statewide share but a larger share of labor income. Overall, the Kansas City economy's reliance on tourism is comparable the statewide average.

Share of county

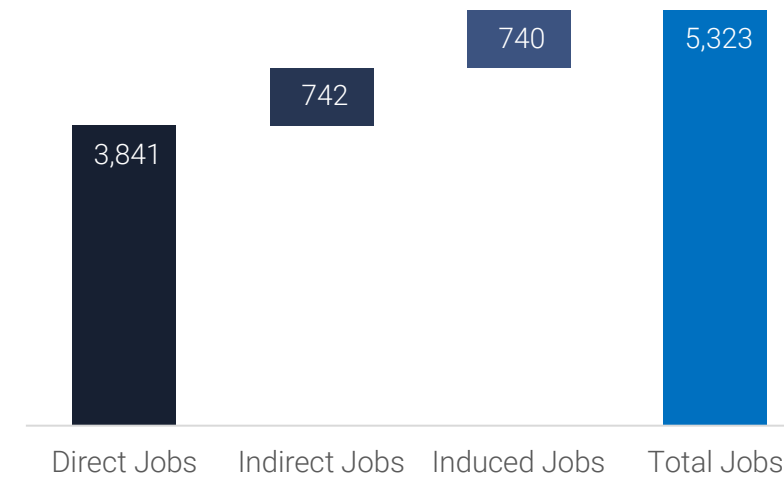
Direct tourism share of county employment and wages



Source: BLS, Tourism Economics

Summary employment impacts (2022)

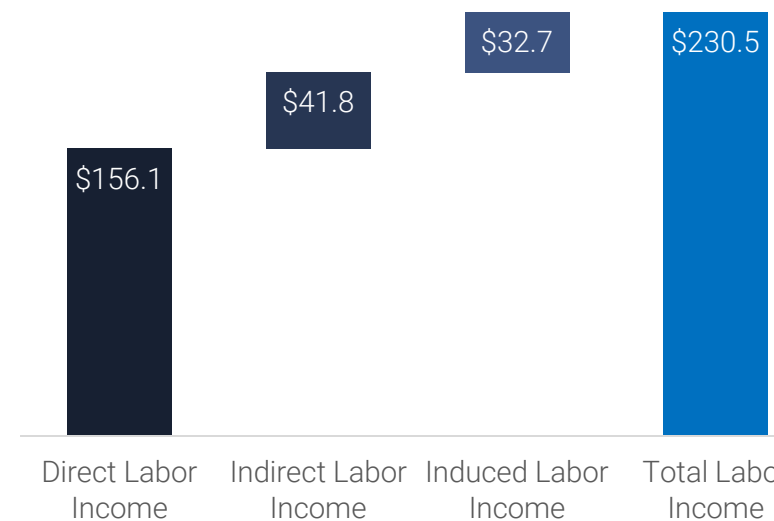
Amounts in number of jobs



Source: Tourism Economics

Summary labor income impacts (2022)

Amounts in \$ millions



Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

DIRECT IMPACTS

Kansas City's \$483.2 million in visitor spending represented 6.3% of all visitor spending in Kansas. Kansas City's share of visitor spending fell slightly in 2022, as visitor spending growth in the city was outpaced by that of the state.

Of all jobs directly supporting visitor activity in Kansas, 6.3% occurred in Kansas City. Local employees that directly support visitor activity earned \$156.1 million in wages and other income.

Direct impacts

Employment in jobs, spending and income in \$ millions

	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Visitor Spending							
Kansas City	\$477.8	\$488.7	\$381.5	\$446.2	\$483.2	8.3%	98.9%
Kansas	\$7,106.6	\$7,326.6	\$5,445.7	\$6,960.3	\$7,676.8	10.3%	104.8%
Share	6.72%	6.67%	7.01%	6.41%	6.29%		
Employment							
Kansas City	4,345	4,436	3,616	3,608	3,841	6.5%	86.6%
Kansas	65,352	66,007	53,084	57,051	60,655	6.3%	91.9%
Share	6.65%	6.72%	6.81%	6.32%	6.33%		
Labor Income							
Kansas City	\$155.8	\$165.6	\$141.1	\$147.0	\$156.1	6.2%	94.3%
Kansas	\$1,745.7	\$1,801.4	\$1,516.6	\$1,721.5	\$1,904.6	10.6%	105.7%
Share	8.92%	9.19%	9.30%	8.54%	8.20%		

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

TOTAL IMPACTS

Tourism supported 5,323 jobs in Kansas City – 1-in-17 jobs.

Kansas City jobholders supported by visitor activity earned \$231 million in wages and benefits from their jobs.

Visitor activity supported more than \$51.4 million in state and local governmental revenues in 2022.

Total impacts

Employment in jobs, income and taxes in \$ millions

	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Employment							
Kansas City	5,583	5,699	4,837	4,850	5,323	9.8%	93.4%
Kansas	96,590	97,234	80,152	84,431	88,509	4.8%	91.0%
Share	5.78%	5.86%	6.03%	5.74%	6.01%		
Labor Income							
Kansas City	\$220.0	\$232.4	\$201.6	\$205.5	\$230.5	12.2%	99.2%
Kansas	\$3,182.2	\$3,263.8	\$2,821.7	\$3,112.2	\$3,388.0	8.9%	103.8%
Share	6.91%	7.12%	7.14%	6.60%	6.80%		
State & Local Taxes							
Kansas City	\$43.4	\$46.7	\$50.8	\$43.8	\$51.4	17.3%	110.1%
Kansas	\$617.9	\$673.7	\$589.3	\$700.5	\$759.6	8.4%	112.7%
Share	7.02%	6.93%	8.62%	6.26%	6.77%		

Source: Tourism Economics

APPENDIX

Glossary – Spending Definitions

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitor spending within the arts, entertainment and recreation sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, state, and city coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 600 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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