

MONTEREY COUNTY TRAVEL IMPACTS 1992-2016P

May 2017

Prepared for the

Monterey County Convention and Visitors Bureau

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TRAVEL IMPACTS, 1992-2016P**

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Prepared by

Dean Runyan Associates
833 S.W. Eleventh Avenue, Suite 920
Portland, Oregon 97205
(503) 226-2973
www.deanrunyan.com

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INTRODUCTION

This study, prepared for the Monterey County Convention and Visitors Bureau, documents the economic significance of the travel industry in Monterey County from 1992 through 2016. This report provides preliminary 2016 estimates for Monterey County, estimates of selected areas within the county, and a countywide estimate of overnight visitor volume and average spending.

MEASUREMENT OF TRAVEL IMPACTS

The impact estimates associated with traveler spending in Monterey County were measured using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The RTIM was calibrated specifically to represent the unique characteristics of the travel industry in Monterey County. The impact estimates in this report are comparable to those found in the report prepared for the California Travel and Tourism Commission.¹ The estimates for 2016 are designated as preliminary due to some incomplete source data for the calendar year. Any future revisions will be minor.

INTERPRETATION OF IMPACT ESTIMATES

Users of this report should be aware of other issues regarding the interpretation of reported impact estimates

- All estimates contained in this report supersede those previously published.
- The estimates in this report are expressed in *current* dollars. There is no adjustment for inflation.
- Economic impact measurements reported herein represent only direct economic impacts. Direct economic impacts include only the spending by travelers and the employment generated by that spending. Secondary effects related to the additional spending of businesses and employees are not included.
- The employment estimates in this report are estimates of the total number of full and part-time jobs directly generated by travel spending, rather than the number of individuals employed. Both payroll and self-employment are included in these estimates. Caution should therefore be used in comparing these estimates with other employment data series.

¹ See *California Travel Impacts by County, 1992-2016p*, prepared for the California Travel and Tourism Commission.

RECENT TRAVEL TRENDS IN MONTEREY COUNTY

Travel spending in Monterey County in 2016 was \$2,803 million. This represents a 3.6 percent increase from 2015. Employment increased for the sixth consecutive year following the recession. Employment has increased by 4.3 percent per year since 2011. Local and state travel-generated state tax receipts increased by 5.8 percent and 1.8 percent, respectively.

Monterey County Direct Travel Impacts, 1992-2016p

	Spending (\$Million)	Earnings (\$Million)	Employment	Tax Receipts (\$Million)		
				Local	State	Total
1992	1,258	447	18,770	45	57	101
1993	1,289	462	19,000	46	58	105
1994	1,307	459	19,050	47	59	106
1995	1,376	492	20,000	51	63	114
1996	1,537	540	21,140	57	69	126
1997	1,652	560	21,290	60	73	133
1998	1,710	610	22,100	63	75	137
1999	1,888	667	23,490	69	83	152
2000	1,965	684	22,500	72	85	157
2001	1,934	726	22,940	71	84	155
2002	1,913	742	22,080	71	86	157
2003	1,940	745	21,470	73	88	161
2004	1,968	751	21,350	72	91	164
2005	2,045	762	21,350	74	97	170
2006	2,158	823	21,980	81	102	183
2007	2,209	877	22,040	88	105	192
2008	2,238	899	22,090	88	105	193
2009	2,084	850	20,730	82	107	189
2010	2,116	818	19,560	81	112	192
2011	2,256	858	20,340	83	113	196
2012	2,367	923	22,030	88	113	201
2013	2,467	967	22,720	94	122	216
2014	2,590	1,042	23,820	101	127	228
2015	2,704	1,110	24,200	108	130	238
2016p	2,803	1,187	25,220	115	132	247
<i>Annual Percentage Change</i>						
15-16p	3.6	6.9	4.2	5.8	1.8	3.6
92-16p	3.4	4.1	1.2	4.0	3.6	3.8

Estimates for 2016 are preliminary. These estimates supersede all previous reports.

TRAVEL IMPACTS WITHIN MONTEREY COUNTY

Summary breakouts for nine areas within Monterey County are reported below. The detailed breakouts of travel impacts for areas within Monterey County are based upon room tax receipts reported by the individual jurisdictions, the Economic Census, and taxable sales reported by the California State Board of Equalization. This provides a reasonable estimate of the distribution of travel impacts within Monterey County. However, such small area estimates are necessarily less reliable than countywide estimates. It is for this reason that only total impacts (e.g., total travel spending, employment) are provided at the sub-county level for the most recent year.

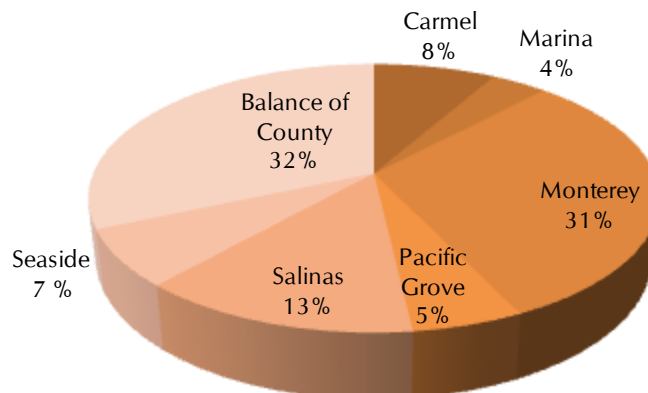
Travel Impacts within Monterey County, 2016p

	Spending (\$Million)	Earnings (\$Million)	Employment	Tax Receipts (\$Million)		
				Local	State	Total
Carmel	231	98	2,083	9.5	10.9	20.4
Marina	106	45	958	4.4	5.0	9.4
Monterey	863	365	7,765	35.3	40.7	76.1
Pacific Grove	150	63	1,348	6.1	7.1	13.2
Salinas	376	159	3,384	15.4	17.8	33.2
Seaside	192	81	1,724	7.8	9.0	16.9
Balance of County	884	375	7,959	36.2	41.8	78.0
Monterey County Total	2,803	1,187	25,220	114.8	132.3	247.1

Note: The area of Seaside also includes a small portion representing Sand City and Del Rey Oaks.

Sources: Dean Runyan Associates, California State Board of Equalization, 2012 Economic Census, and individual taxing jurisdictions.

Distribution of Travel Impacts within Monterey County, 2016p



VISITOR VOLUME AND AVERAGE SPENDING

The following table provides average spending estimates for overnight travelers to Monterey County.

Monterey County Average Spending, 2016p Overnight Visitors

	Visitor Spending (\$Million)	Travel Party		Person		Length of Stay (nights)	Party Size (persons)
		per day (\$)	per trip (\$)	per day (\$)	per trip (\$)		
Hotel, Motel	1,974	768	1,743	339	769	2.3	2.3
Private Home	171	120	392	56	184	3.3	2.1
Other Overnight	107	94	283	34	102	3.0	2.8
All Overnight	2,252	436	1,153	187	495	2.6	2.3

Notes: *Size refers to the average number of persons in the travel party. **Length of Stay refers to the average number of nights in Monterey County. Destination spending refers to visitor spending at destinations within Monterey County.

Visitor volume estimates for the county are shown below. These estimates are derived from the visitor spending estimates, visitor surveys and lodging data.

Monterey County Overnight Visitor Volume, 2014-2016p

	Person-Days (000)			Party-Days (000)		
	2014	2015	2016p	2014	2015	2016p
Hotel, Motel	5,400	5,700	5,800	2,400	2,500	2,600
Private Home	3,000	3,000	3,100	1,400	1,400	1,400
Other Overnight	3,000	3,100	3,200	1,100	1,100	1,100
All Overnight	11,500	11,800	12,100	4,900	5,100	5,200

	Person-Trip (000)			Party-Trips (000)		
	2014	2015	2016p	2014	2015	2016p
Hotel, Motel	2,400	2,500	2,600	1,100	1,100	1,100
Private Home	900	900	900	400	400	400
Other Overnight	1,000	1,000	1,000	400	400	400
All Overnight	4,300	4,500	4,600	1,900	1,900	2,000

Detailed travel impacts for 2000 through 2016p follow.

**Monterey County
Travel Impacts, 2000-2016p**

	2000	2005	2010	2012	2014	2015	2016p
Total Direct Travel Spending (\$Million)							
Destination Spending	1,853	1,962	2,026	2,262	2,493	2,616	2,721
Other Travel*	112	83	91	105	97	88	82
Total Direct Spending	1,965	2,045	2,116	2,367	2,590	2,704	2,803
Visitor Spending by Type of Traveler Accommodation (\$Million)							
Hotel, Motel	1,301	1,360	1,386	1,565	1,770	1,882	1,974
Private Home	125	145	159	170	170	170	171
Campground	25	32	33	37	41	41	42
Vacation Home	47	55	59	62	63	64	65
Day Travel	355	370	389	427	450	459	468
Destination Spending	1,853	1,962	2,026	2,262	2,493	2,616	2,721
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	462	472	461	524	625	680	720
Food Service	483	547	613	677	748	796	845
Food Stores	47	53	57	63	69	73	74
Local Tran. & Gas	121	160	181	219	215	203	192
Arts, Ent. & Rec.	286	291	285	316	342	356	370
Retail Sales	448	420	414	447	476	490	501
Visitor Air Tran.	6	18	15	16	17	18	18
Destination Spending	1,853	1,962	2,026	2,262	2,493	2,616	2,721
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	349	405	434	486	552	587	643
Arts, Ent. & Rec.	231	262	281	321	361	384	392
Retail**	60	65	61	68	74	79	82
Ground Tran.	16	16	17	21	24	26	29
Visitor Air Tran.	2	4	10	11	13	16	19
Other Travel*	26	10	15	16	17	18	22
Total Direct Earnings	684	762	818	923	1,042	1,110	1,187
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	14.2	14.2	13.4	14.7	16.0	16.2	17.0
Arts, Ent. & Rec.	4.7	4.1	3.3	4.3	4.6	4.7	4.8
Retail**	2.3	2.2	1.9	2.1	2.2	2.3	2.3
Ground Tran.	0.6	0.5	0.5	0.6	0.6	0.6	0.7
Visitor Air Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	0.7	0.3	0.3	0.3	0.3	0.3	0.3
Total Direct Employment	22.5	21.4	19.6	22.0	23.8	24.2	25.2
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	72	74	81	88	101	108	115
Visitor	52	51	51	57	68	73	78
Business or Employee	20	22	30	31	33	35	37
State Tax Receipts	85	97	112	113	127	130	132
Visitor	62	70	83	83	90	92	93
Business or Employee	23	27	28	30	37	38	40
Total Local & State	157	170	192	201	228	238	247

Details may not add to totals due to rounding.

*Other Travel includes resident air travel and ground transportation impacts for travel to other California destinations, travel arrangement & reservation services, and convention & trade show organizers. **Retail includes gasoline.

Local tax receipts include transient occupancy taxes, sales taxes and airport passenger facility charges paid by visitors, and the property tax payments and sales tax payments attributable to the travel industry income of employees and businesses.

State tax receipts include sales tax payments and motor fuel tax payments of visitors, and the income tax payments and sales tax payments attributable to the travel industry income of employees and businesses.

APPENDICES

APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

APPENDIX B: TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS

**REGIONAL TRAVEL IMPACT MODEL (RTIM)
TRAVEL IMPACT ESTIMATION PROCEDURES**

TRAVEL SPENDING

Hotel, Motel, B&B. Spending on commercial accommodations by hotel and motel guests is estimated from transient lodging tax collections at the city/county jurisdictional level.

Campgrounds. Spending by campers using commercial campgrounds is estimated from the number of commercial campsites, the average occupancy of these campsites. Spending by campers using public campgrounds is estimated from visitor counts at federal, state, and locally managed campsites and recreation areas, and the average daily expenditures of visitor camp parties reported in survey data.

Private Home. Spending by private home guests is determined from census data and visitor survey data. 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.

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.

Spending by visitors in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data.

RELATED TRAVEL IMPACTS

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

Earnings generated directly from traveler expenditures are estimated from a payroll-to-receipts ratio obtained from the 2012 Economic Census and earnings estimates from the Bureau of Economic Analysis.

Employment in each business category is calculated from wage data supplied by the U.S. Department of Labor and earnings estimates from the Bureau of Economic Analysis.

Local Taxes consist of local room taxes and sales taxes attributable to visitor spending and property and sales taxes attributable to travel industry employees and businesses.

State Taxes consist of sales taxes and motor fuel taxes attributable to visitors and income and sales taxes attributable to travel industry employees.

TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS

TRAVEL IMPACT INDUSTRY	NAICS INDUSTRIES* (code)
Accommodation & Food Services	Accommodation (721) Food Services and Drinking Places (722) Residential Property Managers (531311)
Arts, Entertainment & Recreation	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487) Miscellaneous Industries (see note**)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)

Notes: *Government enterprises (e.g., park systems) are included in this classification.

**Includes parts of industries in other sectors (e.g., accommodation, charter bus).

A more detailed description of these industries can be found at <http://www.ntis.gov/naics>.