



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

ECONOMIC IMPACT OF VISITORS IN OAKLAND, 2022

April 2023

Prepared for: Visit Oakland



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INTRODUCTION

PROJECT BACKGROUND

The travel sector is an integral part of the Oakland economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the county's future. In 2022, visitors supported a total of \$590 million in sales at businesses in Oakland.

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 Oakland as it rebuilds its visitor economy.

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for Oakland. The model traces the flow of visitor-related expenditures through the counties' economies 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 overnight 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.

By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the significance of the visitor economy in Oakland, 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.

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:

- 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, for hotels
- Tax collections: Lodging tax receipts
- California Department of Revenues: sales tax collections by industry
- MMGY Travel Intelligence: historical survey data, including visitor profile characteristics for visitors to Oakland
- US Census: business sales by industry and seasonal second homes inventory
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to the region

ECONOMIC IMPACTS KEY FINDINGS

VISITOR SPENDING IMPACT

In 2022, 3.3 million visitors spent \$590 million across the Oakland economy, reaching 83% and 81%, respectively, of 2019 levels. Visitor spending increased by double-digits for the second year in a row as the recovery accelerates in Oakland.

TOTAL ECONOMIC IMPACT

Direct visitor spending of \$590 million generated a total economic impact of \$784 million in Oakland in 2022, including indirect and induced impacts. This total economic impact sustained nearly 5,400 jobs and generated \$86 million in state and local tax revenues in 2022.



\$784 MILLION

Total Economic Impact of Tourism in Oakland in 2022



\$590M

Direct Visitor
Spending



\$784M

Total
Economic
Impact



5,377

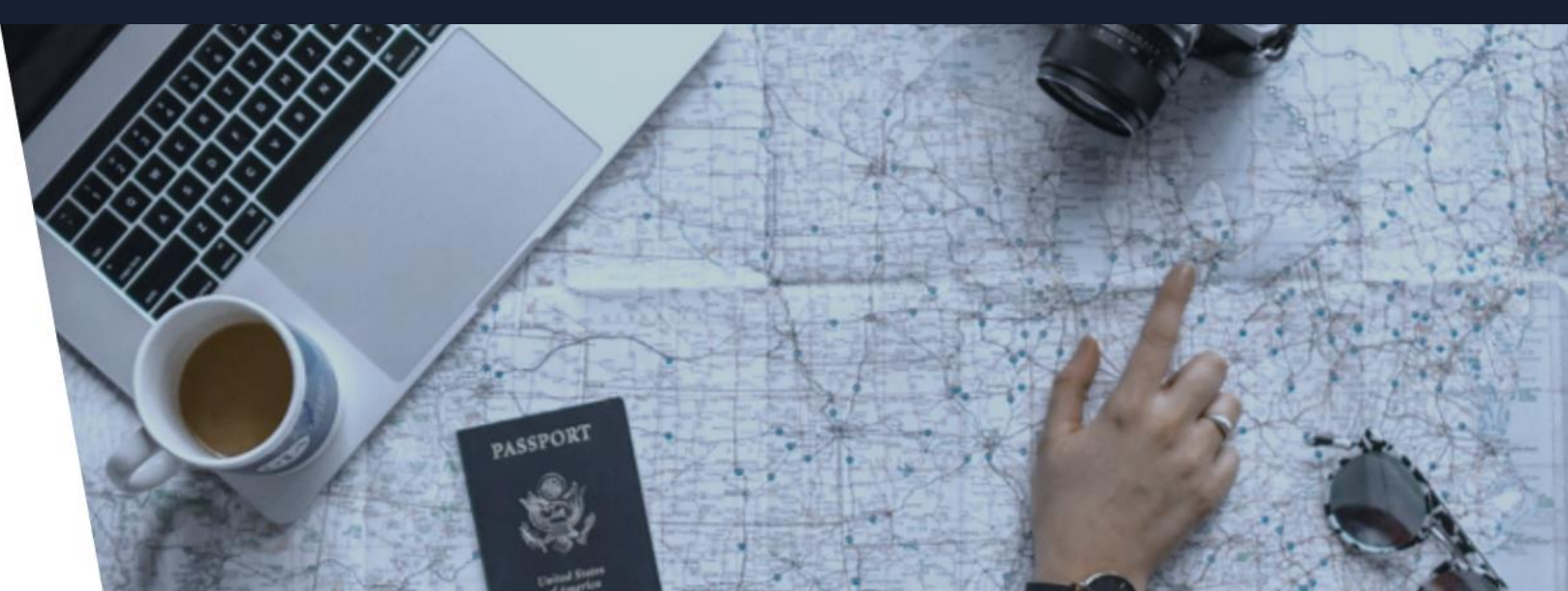
Total
Jobs
Generated



\$86M

State & Local
Taxes
Generated





VISITS & VISITOR SPENDING

Visitor volumes reached 3.3 million in 2022, about 660,000 visitors shy of 2019 levels. Visitor spending recovered to 81% of 2019 levels.

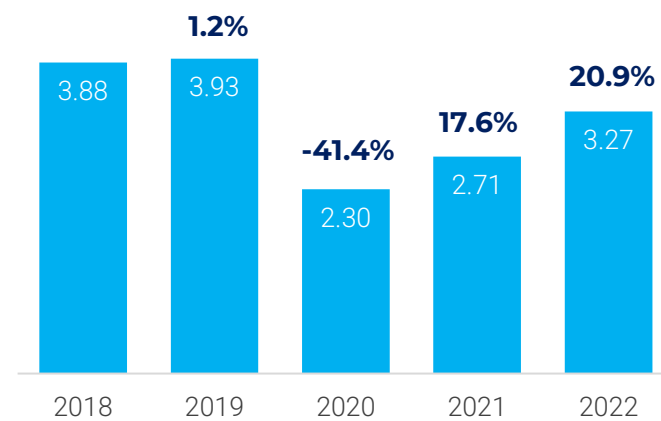
VISITOR VOLUME

Recovery in 2022

Oakland visitor volumes increased 21% in 2022. As travel was severely impacted by COVID in 2020 and many restrictions lingered into 2021, travel confidence has continued to build and bolster the recovery in Oakland.

Oakland visitor volume

Amounts in millions



Source: Tourism Economics

VISITOR SPENDING

Visitors to Oakland spent **\$590 million** across a range of sectors in 2022.

Visitor spending expanded 31% in 2022, recovering to 81% of 2019 levels.

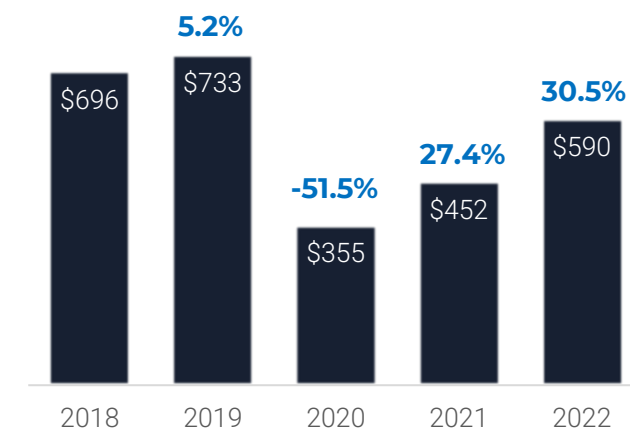
Of the \$590 million spent in Oakland in 2022 by visitors, lodging accounted for \$194 million, 33% of total visitor spending. Food and beverage spending resulted in \$155 million.

Transportation, including both air and transportation within the destination, as well as retail, captured 16% of total visitor spending.

Visitor spent 8% of their budget on recreation, resulting in \$50 million.

Oakland visitor spending

Amounts in \$ millions



Source: Tourism Economics

\$590 MILLION

Total Visitor Spending in 2022



Source: Tourism Economics

Note: Lodging spending is calculated as an industry. Transport includes both air and local transportation.

VISITATION & SPENDING TRENDS

Visitor spending increased by 31% in 2022, as spending grew across all sectors. Driven by both pent-up demand as well as increases in prices of key commodities, especially in lodging and transportation, visitor spending topped \$590 million. Indeed, average room rates at hotels in the city increased 17%.

Transportation led spending growth in 2022, followed by lodging. Strong growth was also seen in food and beverage, one of the most resilient categories during the pandemic. Food and beverage spending improved 27%, reaching 88% of 2019 levels. Recreational spending grew 24% in 2022, though remains at just 56% of 2019 levels.

Oakland visitor spending

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

	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Total visitor spending	\$696.3	\$732.6	\$355.1	\$452.5	\$590.3	30.5%	80.6%
Lodging	\$231.2	\$247.7	\$110.1	\$143.2	\$193.8	35.4%	78.2%
Food & beverage	\$169.2	\$177.1	\$95.9	\$122.4	\$154.9	26.6%	87.5%
Retail	\$104.3	\$113.1	\$64.0	\$79.3	\$97.3	22.6%	86.0%
Transportation*	\$104.9	\$105.4	\$50.4	\$67.4	\$94.3	40.0%	89.5%
Recreation	\$86.6	\$89.3	\$34.7	\$40.2	\$50.0	24.3%	56.0%
Per visitor spending	\$179.4	\$186.5	\$154.4	\$167.2	\$180.4	7.9%	96.7%

Source: Tourism Economics

* Transportation includes both ground and air transportation

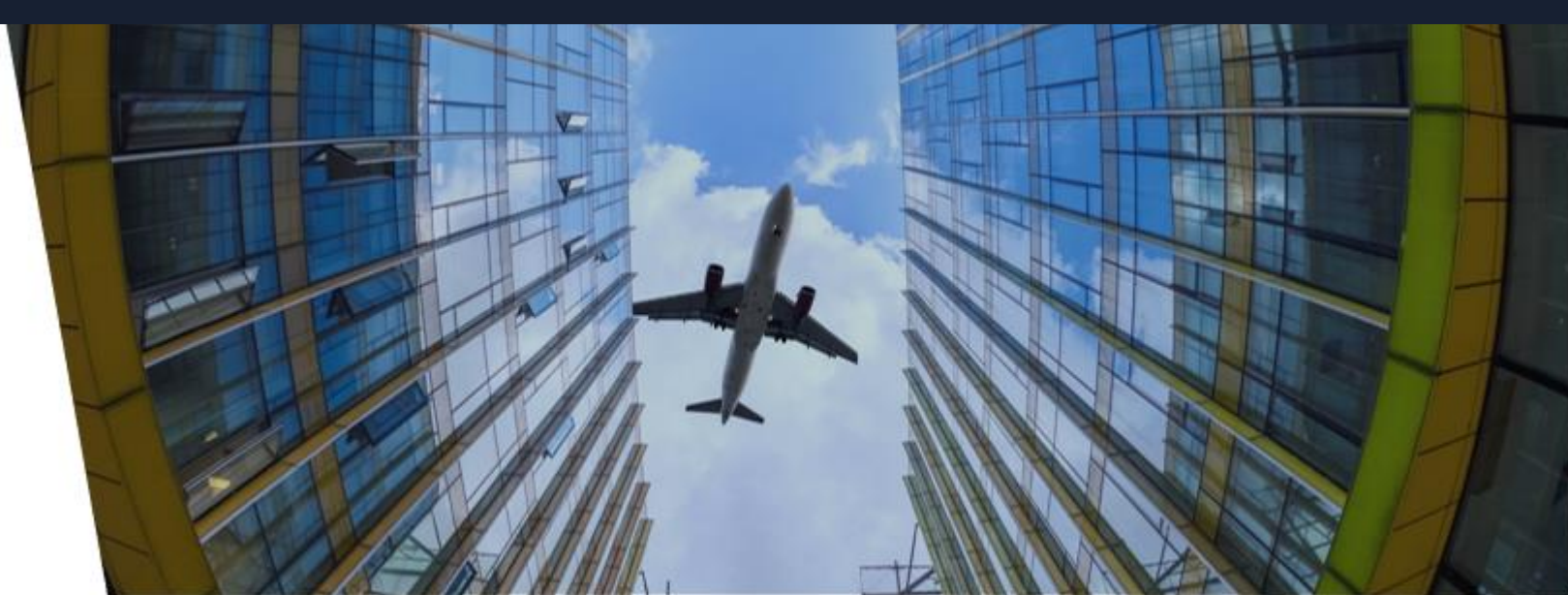
Oakland visitor volumes

Amounts in millions

	2018	2019	2020	2021	2022
Total visitors (millions)	3.88	3.93	2.30	2.71	3.27
Day	2.27	2.29	1.35	1.50	1.93
Overnight	1.61	1.64	0.95	1.21	1.34

Source: Tourism Economics





ECONOMIC IMPACT FRAMEWORK

ECONOMIC IMPACT METHODOLOGY

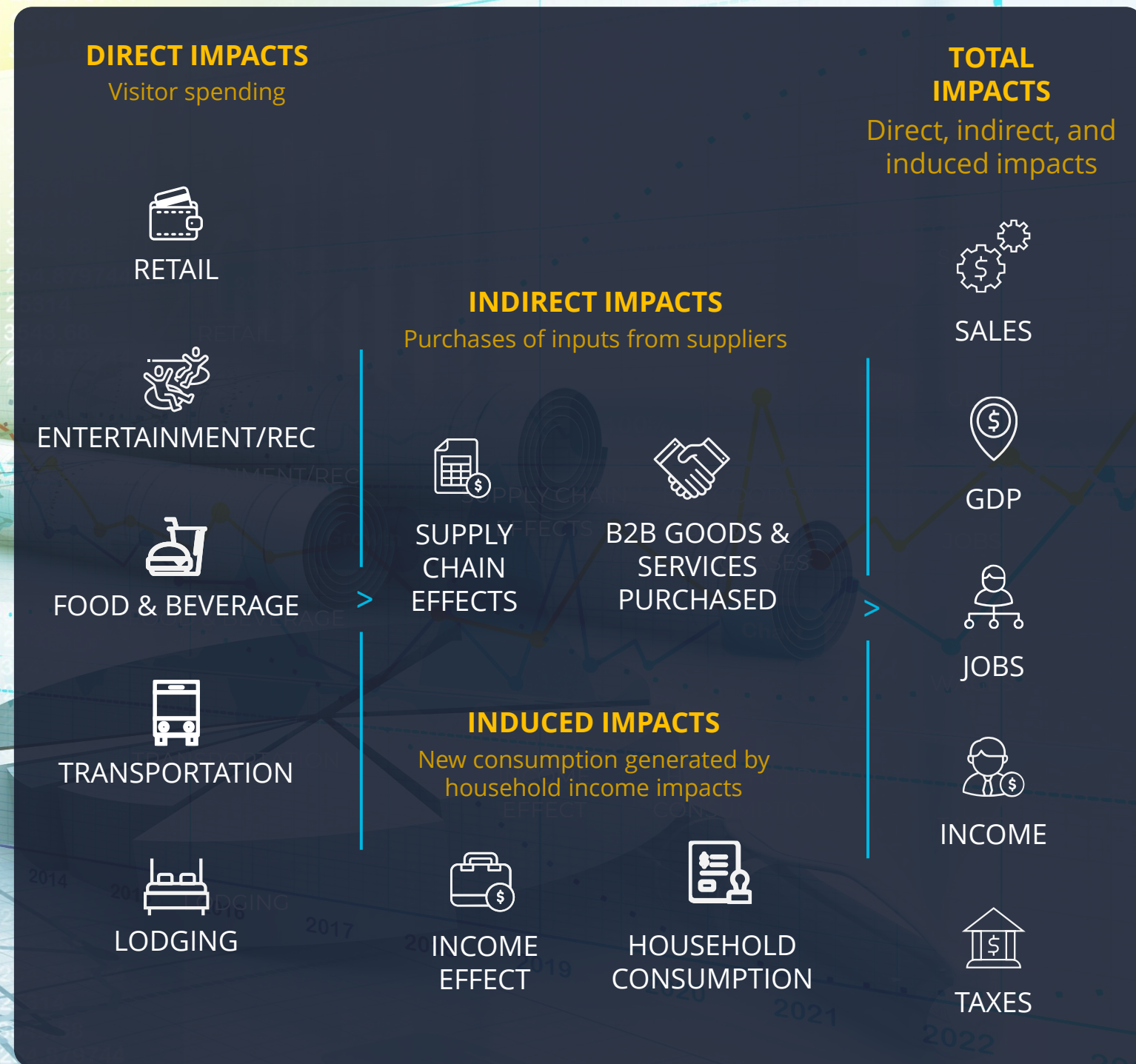
Our analysis of the Oakland visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Alameda County economy and adjusted for Oakland, constructed using 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 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 FINDINGS

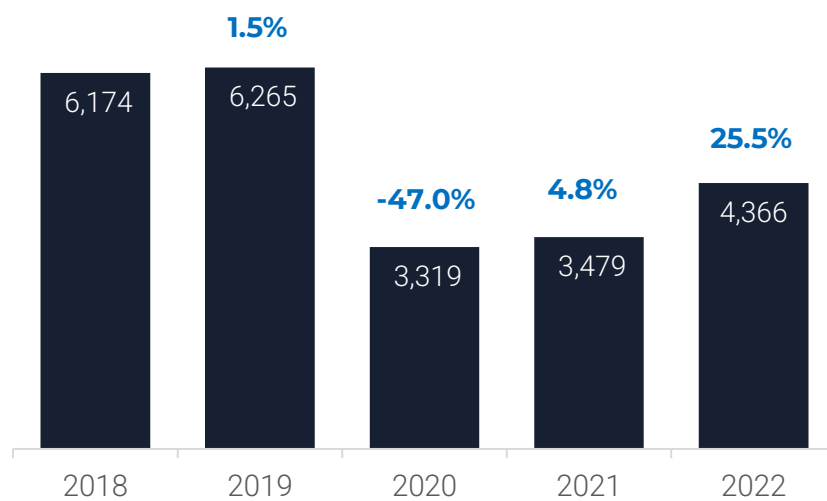
DIRECT IMPACTS

Employment supported by visitor activity rose 26% in 2022, rebounding to nearly 4,400 jobs. Despite increasing almost 900 jobs, the number of jobs directly supported by visitors remains 1,900 jobs below pre-pandemic levels.

Recovery in visitor-supported jobs has been slower than spending, with visitor-supported employment levels at 70% of pre-pandemic levels compared to 81% of spending. Employment growth is lagging the spending recovery as businesses initially proceeded cautiously and face ongoing labor shortages.

Visitor supported employment in Oakland

Amounts in number of jobs



Source: Tourism Economics





ECONOMIC IMPACT FINDINGS

BUSINESS SALES IMPACTS

Spending in support of the visitor economy reached \$590 million in Oakland in 2022. This direct impact of \$590 million generated \$194 million in indirect and induced impacts, resulting in a total economic impact of \$784 million in Oakland.

Outside of direct impacts, significant benefits accrue in sectors like finance, insurance, and real estate, and business services.

Summary economic impacts (2022)

Amounts in \$ millions



Source: Tourism Economics

Business sales impacts by industry (2022)

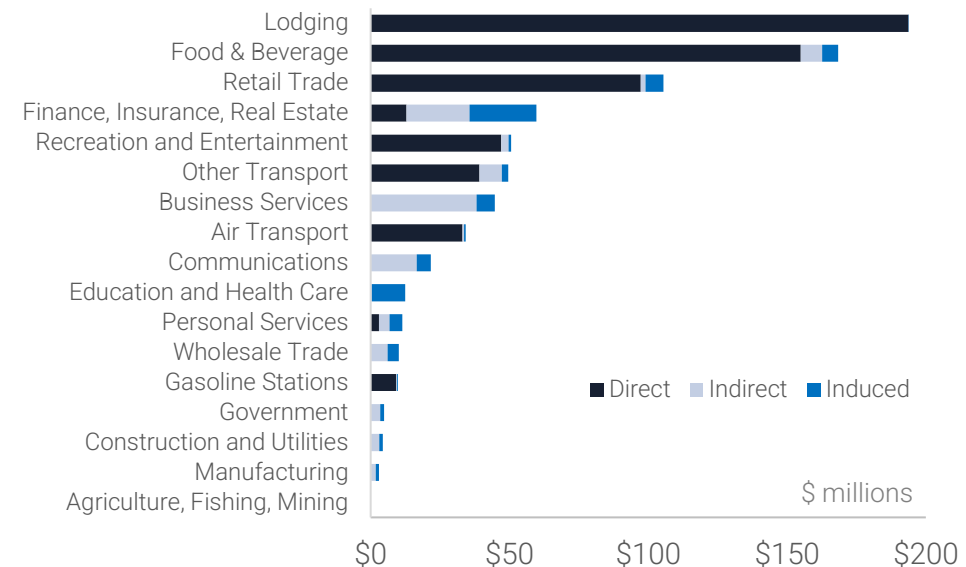
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$590.3	\$117.3	\$76.7	\$784.2
Lodging	\$193.8	\$0.0	\$0.0	\$193.8
Food & Beverage	\$154.9	\$7.7	\$5.8	\$168.4
Retail Trade	\$97.3	\$1.7	\$6.5	\$105.5
Finance, Insurance, Real Estate	\$12.9	\$22.8	\$24.1	\$59.7
Recreation and Entertainment	\$47.0	\$2.7	\$0.9	\$50.6
Other Transport	\$39.2	\$8.1	\$2.3	\$49.5
Business Services		\$38.2	\$6.6	\$44.7
Air Transport	\$33.1	\$0.6	\$0.6	\$34.2
Communications		\$16.6	\$5.1	\$21.7
Education and Health Care		\$0.3	\$12.2	\$12.5
Personal Services	\$3.0	\$3.8	\$4.5	\$11.4
Wholesale Trade		\$6.1	\$4.0	\$10.2
Gasoline Stations	\$9.2	\$0.2	\$0.4	\$9.8
Government		\$3.4	\$1.4	\$4.8
Construction and Utilities		\$3.1	\$1.3	\$4.4
Manufacturing		\$1.9	\$1.1	\$3.0
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.0

Source: Tourism Economics

Visitor economy business sales impacts by industry (2022)

Amounts in \$ millions



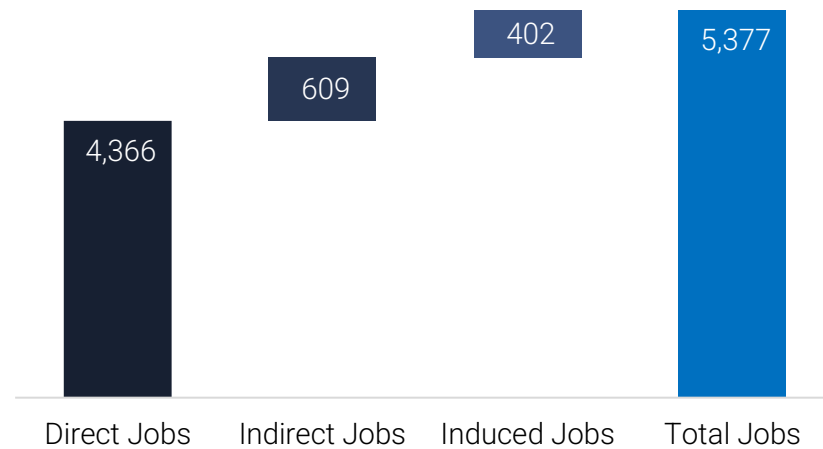
Source: Tourism Economics

EMPLOYMENT IMPACTS

Visitor activity sustained 4,366 direct jobs in 2022, with an additional 1,011 jobs supported through indirect and induced impacts. The total jobs impact recovered to 5,377 in 2022, about 3%, or one-in-31 jobs in Oakland.

Summary employment impacts (2022)

Amounts in number of jobs



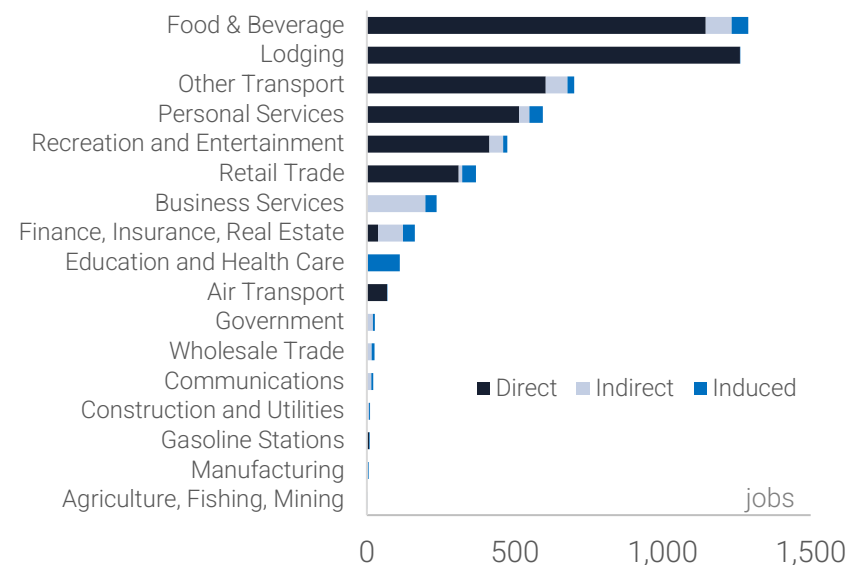
Source: Tourism Economics

Visitor spending supports the largest number of jobs in the food & beverage industry (1,290), followed by lodging (1,261).

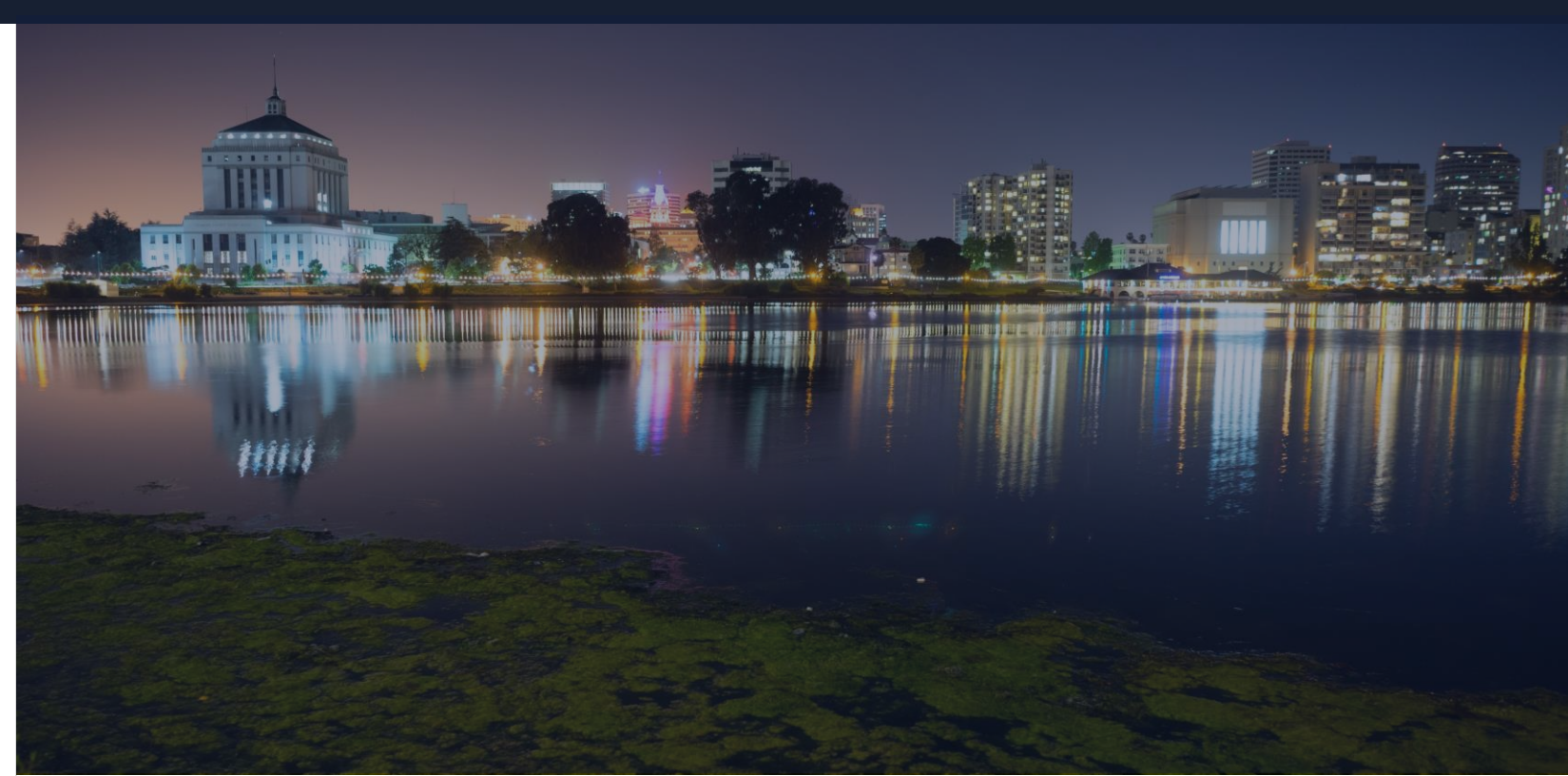
Spending by businesses directly impacted by visitor spending supports 199 jobs in the business services industry – in areas like accounting, advertising, and building services.

Tourism job impacts by industry (2022)

Amounts in number of jobs



Source: Tourism Economics



Employment impacts by industry (2022)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	4,366	609	402	5,377
Food & Beverage	1,146	87	57	1,290
Lodging	1,261	0	0	1,261
Other Transport	605	74	22	700
Personal Services	515	35	45	595
Recreation and Entertainment	415	47	13	475
Retail Trade	311	11	47	369
Business Services		199	37	236
Finance, Insurance, Real Estate	38	84	40	162
Education and Health Care		4	108	112
Air Transport	69	1	1	72
Government		21	6	27
Wholesale Trade		16	10	26
Communications		15	7	22
Construction and Utilities		8	3	11
Gasoline Stations	8	1	2	10
Manufacturing		5	2	7
Agriculture, Fishing, Mining		0	0	0

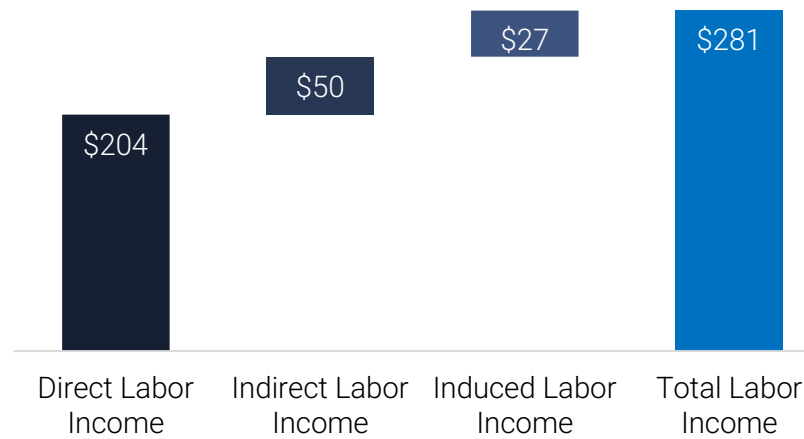
Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$204 million in direct labor income and a total of \$281 million when including indirect and induced impacts.

Summary labor income impacts (2022)

Amounts in \$ millions

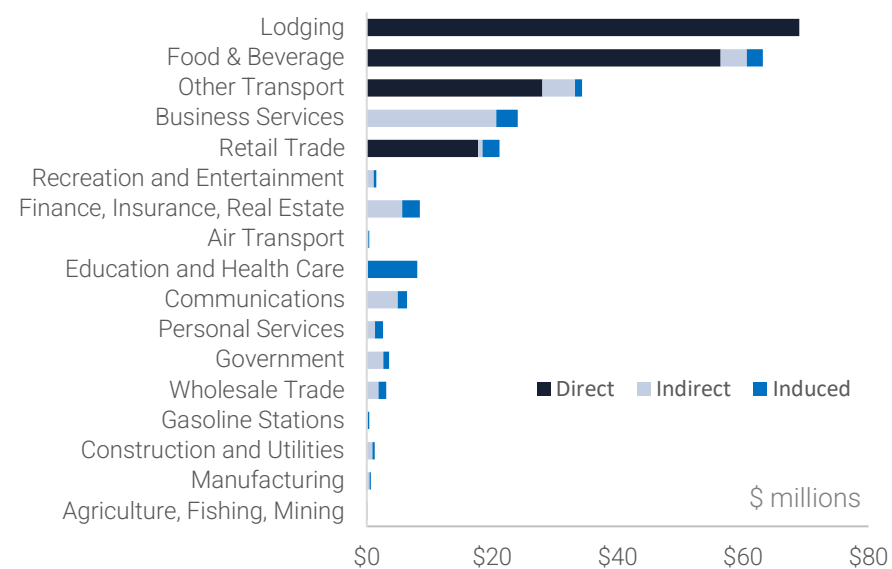


Source: Tourism Economics

There are eight industries in which visitor activity supports more than \$11 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services.

Tourism labor income Impacts by industry (2022)

Amounts in \$ millions



Source: Tourism Economics



Labor income impacts by industry (2022)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$204.0	\$50.0	\$26.9	\$280.8
Lodging	\$68.9	\$0.0	\$0.0	\$69.0
Food & Beverage	\$56.4	\$4.2	\$2.6	\$63.2
Other Transport	\$28.0	\$5.2	\$1.1	\$34.3
Business Services		\$20.6	\$3.5	\$24.1
Retail Trade	\$17.8	\$0.7	\$2.7	\$21.2
Recreation and Entertainment	\$14.6	\$1.1	\$0.4	\$16.2
Finance, Insurance, Real Estate	\$3.6	\$5.6	\$2.8	\$12.0
Air Transport	\$11.4	\$0.2	\$0.2	\$11.8
Education and Health Care		\$0.2	\$7.9	\$8.0
Communications		\$4.9	\$1.5	\$6.4
Personal Services	\$1.9	\$1.3	\$1.3	\$4.5
Government		\$2.6	\$0.9	\$3.6
Wholesale Trade		\$1.9	\$1.2	\$3.1
Gasoline Stations	\$1.3	\$0.1	\$0.2	\$1.7
Construction and Utilities		\$0.9	\$0.4	\$1.3
Manufacturing		\$0.4	\$0.2	\$0.6
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.0

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$147 million in government revenues.

State and local taxes alone tallied \$86 million in 2022.

Each household in Oakland would need to be taxed an additional \$516 to replace the visitor-generated taxes received by state and local governments in 2022.

Fiscal (tax) impacts

Amounts in \$ millions

	Total
Total Tax Revenues	\$147.0
Federal Taxes	\$60.6
Personal Income	\$22.6
Corporate	\$5.4
Indirect Business	\$2.7
Social Insurance	\$29.9
State and Local Taxes	\$86.4
Sales	\$30.4
Bed Tax	\$27.1
Personal Income	\$8.9
Corporate	\$3.4
Excise and Fees	\$4.2
Social Insurance	\$1.5
Property	\$10.9

Source: Tourism Economics



ECONOMIC IMPACTS IN CONTEXT



\$590M VISITOR SPENDING

The \$590 million in visitor spending means that nearly \$1.6 million was spent EVERY DAY by visitors in Oakland.



\$281M LABOR INCOME

The \$281 million in total income generated by tourism is the equivalent of \$1,679 for every household in Oakland.



5,377 TOTAL JOBS

The number of jobs sustained by tourism (5,377) supports about 3% of all jobs in Oakland.



\$86M STATE & LOCAL TAXES

The \$86 million in state and local taxes generated would cover the average salary of 1,250 public school teachers in Oakland.

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 discrete 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 destinations 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, city, and state 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 400 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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