

Economic Impact of Tourism in Orlando, 2018

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TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

1) 2018 marks nine straight years of visitation and spending growth in Orlando

Key facts about Orlando's tourism sector

Visitor spending rose 6.2% in 2018 to \$47.0 billion

This spending generated \$75.2 billion in total business sales

Tourism spending supports 41% of all jobs in Orlando

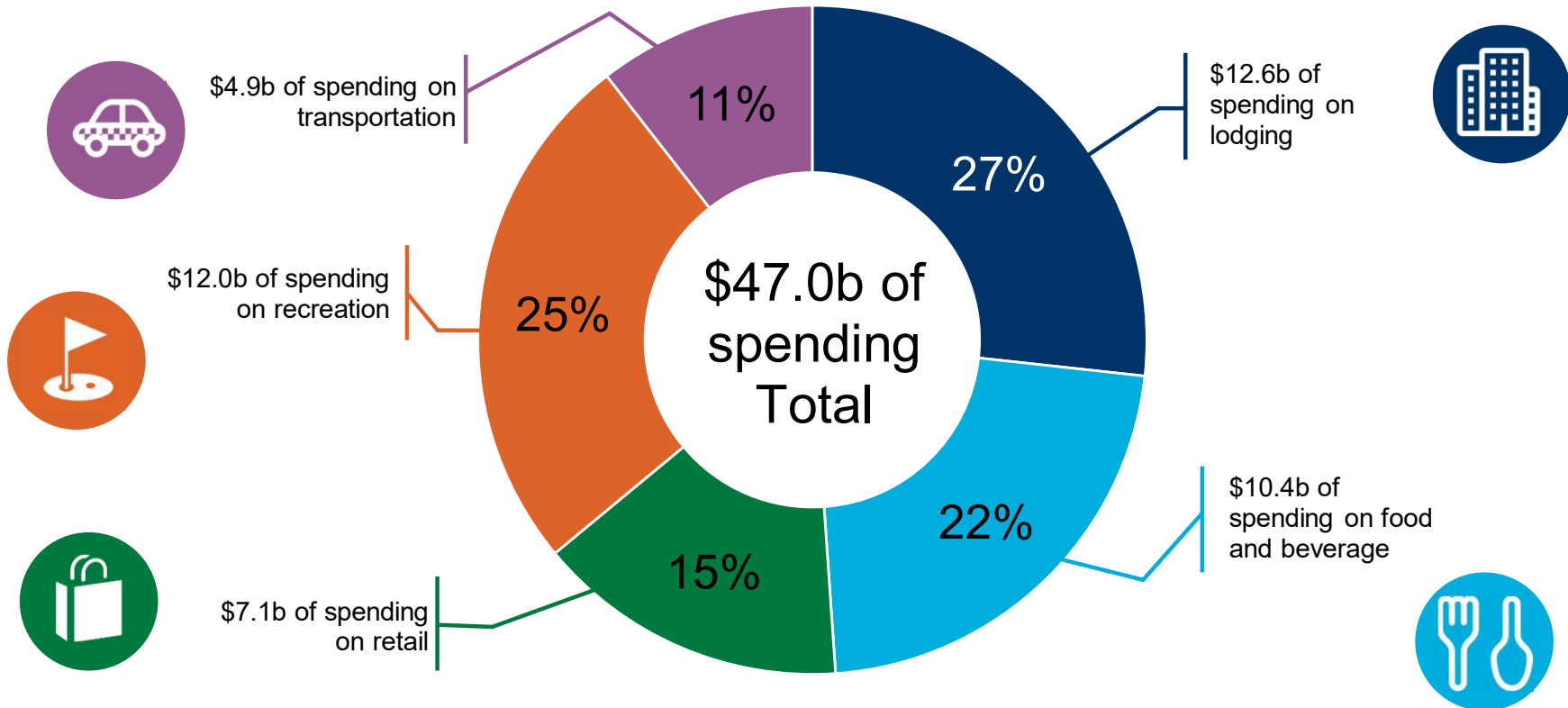
Tourism in Orlando generated \$2.5 billion in state taxes and \$3.3 billion in local taxes in 2018

Visitor spending in Orlando

40% of all visitor spending in Orlando is focused in recreational activities and retail shopping.

Tourism industry sales in Orlando, 2018

Dollars, billions and percent of total



Source: Tourism Economics

Tourism spending by market

Spending growth was seen across all markets.

Growth in domestic visitor spending, which supported overall visitor spending, increased 6.2% to \$40.9 billion.

After struggling for several years, international spending grew by 3.5% in 2018, supported by increases in international visitation.

Spending from both day and overnight visitors grew strongly.

Spending by visitors on leisure trips reached \$36.8 billion in 2018.

Tourism industry sales in Orlando, 2018

Nominal dollars, billions

Purpose		Stay		Market	
Leisure	\$39.28	Day	\$3.18	Domestic	\$40.80
Business	\$7.72	Overnight	\$43.82	Overseas	\$6.21
Total	\$47.00	Total	\$47.00	Total	\$47.00
Growth Rates					
Leisure	6.8%	Day	6.9%	Domestic	6.9%
Business	3.2%	Overnight	6.2%	Overseas	2.2%
Total	6.2%	Total	6.2%	Total	6.2%
Share					
Leisure	83.6%	Day	6.8%	Domestic	86.8%
Business	16.4%	Overnight	93.2%	Overseas	13.2%

Source: Tourism Economics

How tourism generates impact

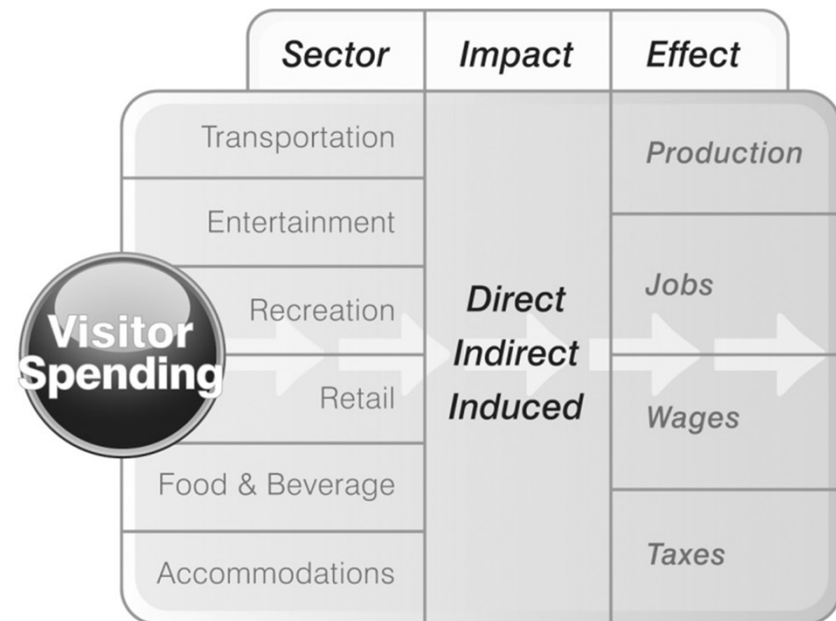
Our analysis of tourism’s impact on Orlando starts with actual spending by tourists, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in Orlando, we input tourism spending into a model of the Orlando’s economy created in IMPLAN. This model calculates three distinct types of impact: direct, indirect, and induced.

- Travelers create **direct** economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called **indirect** impacts.
- Lastly, the **induced** impact is generated when employees whose wages are generated either directly or indirectly by tourism, spend those wages in the local economy.

The impacts on business sales, jobs, wages, and taxes are calculated for all three levels of impact.

Tourism spending flows through the economy and generates economic benefit through multiple channels.

How tourism spending flows through the economy and generates economic benefits



Business sales impacts (1 of 2)

Visitors spent \$47 billion in Orlando, which supported a total of \$75.2 billion in business sales when indirect and induced impacts are considered.

Business sales impacts, million				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	12.3	19.7	32.0
Construction and Utilities	-	1,021.8	414.1	1,435.9
Manufacturing	-	560.7	377.5	938.2
Wholesale Trade	-	695.0	928.9	1,623.9
Air Transport	2,395.3	70.2	89.1	2,554.6
Other Transport	239.7	696.3	334.2	1,270.2
Retail Trade	7,023.4	60.7	1,041.5	8,125.6
Gasoline Stations	1,279.4	2.0	32.9	1,314.3
Communications	-	1,740.1	656.8	2,396.9
Finance, Insurance and Real Estate	4,150.0	3,296.4	4,441.1	11,887.5
Business Services	1,461.7	3,696.9	1,064.2	6,222.8
Education and Health Care	-	13.7	3,324.8	3,338.5
Recreation and Entertainment	15,418.7	408.6	322.2	16,149.6
Lodging	8,056.0	28.4	22.9	8,107.3
Food & Beverage	6,423.0	494.4	968.5	7,885.9
Personal Services	555.7	393.5	567.5	1,516.6
Government	-	302.6	137.9	440.5
TOTAL	47,002.9	13,493.6	14,743.9	75,240.4
Pch Change	6.2%	6.9%	6.6%	6.4%

Employment impacts (1 of 2)

Tourism directly generated 282,828 jobs and 463,004 jobs when indirect and induced impacts are considered.

Employment impacts				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	62	129	191
Construction and Utilities	-	2,525	1,095	3,619
Manufacturing	-	1,197	691	1,887
Wholesale Trade	-	1,966	2,686	4,651
Air Transport	7,397	227	306	7,930
Other Transport	2,560	4,527	2,273	9,361
Retail Trade	42,456	835	13,731	57,022
Gasoline Stations	2,579	31	622	3,232
Communications	-	4,107	1,456	5,562
Finance, Insurance and Real Estate	11,897	14,022	11,073	36,991
Business Services	12,024	37,290	11,338	60,652
Education and Health Care	-	104	22,155	22,259
Recreation and Entertainment	72,766	5,980	2,903	81,648
Lodging	57,022	205	167	57,394
Food & Beverage	66,801	6,673	13,056	86,531
Personal Services	7,325	4,863	9,454	21,642
Government	-	1,776	654	2,430
TOTAL	282,828	86,388	93,787	463,004
Pch Change	2.9%	4.3%	2.6%	3.1%

Tax impacts

The tourism industry generated \$11 billion in governmental tax and fee revenue in 2018, an increase of 4.7%.

Visitor spending generated \$5.8 billion in state and local governmental tax revenue in 2018.

Sales and property taxes account for 82% of tourism-related state and local tax revenues.

Tourism Development Tax collections rose 8.1%.

Tax impacts, millions					
Tax Type	2014	2015	2016	2017	2018
Federal Taxes Subtotal	4,114.8	4,462.3	4,669.8	4,871.4	5,166.7
Corporate	457.3	501.6	515.7	533.6	559.6
Indirect Business	985.9	1,081.6	1,112.0	1,150.5	1,206.6
Personal Income	868.1	935.5	988.5	1,035.7	1,104.9
Social Security	1,803.5	1,943.5	2,053.6	2,151.7	2,295.5
State and Local Taxes Subtotal	4,795.6	4,992.2	5,246.2	5,512.0	5,839.1
Corporate	172.2	191.0	196.3	200.2	208.7
Personal Income	0.0	0.0	0.0	0.0	0.0
Sales	1,908.3	1,987.9	2,088.9	2,222.0	2,364.7
Lodging	253.0	281.9	294.9	319.0	344.5
Property	2,063.6	2,117.8	2,233.5	2,315.1	2,423.8
Excise and Fees	387.1	401.5	419.7	442.3	482.9
State Unemployment	11.3	12.1	12.8	13.4	14.4
TOTAL	8,910.4	9,454.4	9,915.9	10,383.4	11,005.9