

ECONOMIC  
IMPACT OF  
CANADIAN VISITORS  
TO GREATER PALM SPRINGS  
2017





## OVERVIEW

To gain insight into the overall economic impact of tourism in Greater Palm Springs, the CVB contracted with Tourism Economics — An Oxford Economics Company — to undergo an in-depth analysis of visitor spending and its impact of the Coachella Valley.

## PURPOSE

By monitoring tourism's economic impact, policymakers can make better informed decisions regarding the funding and prioritization of tourism development. Such research also carefully monitors tourism's success and future needs. To achieve this, tourism must be measured in the same categories as other economic sectors – i.e. tax generation, employment, wages and gross domestic product.

The challenge lies in the fact that tourism is not easily measured because it is not a single industry but rather a demand-side activity which affects multiple sectors to various degrees. Tourism, as a whole, spans nearly a dozen sectors including lodging, recreation, retail, real estate, air passenger transport, food & beverage, car rental, taxi services, travel agents and more.





## GREATER PALM SPRINGS 2017 ECONOMIC IMPACT HIGHLIGHTS

### TOTAL VISITORS

**13.6** MILLION visitors

**\$5.5** BILLION in spend

**\$7** BILLION total economic impact generated

**51,866** Jobs

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### CANADIAN VISITORS

**300,000** Visitors

**\$236.5** MILLION in spend

**\$302.5** MILLION total economic impact generated

**2,067** Jobs





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## ALL VISITORS TO GPS vs. CANADIAN VISITORS

	VISITOR VOLUME	TOTAL SPENDING	SHARE STAYING OVERNIGHT
ALL VISITORS	13.6 MILLION	\$5.5 BILLION	44.6%
CANADIAN VISITORS	303,600	\$236.5 MILLION	94.2%

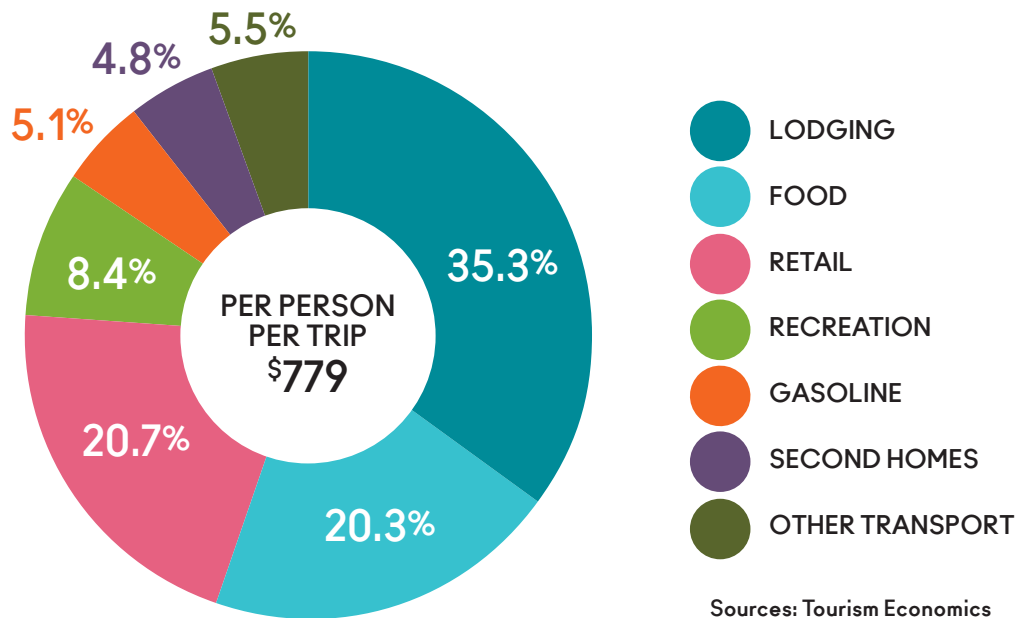
Sources: CIS, D.K. Shifflet, Visa Vue, Stats Canada, Tourism Economics

	ARRIVING BY AIR	LENGTH OF STAY AND PARTY SIZE	SPEND PER VISITOR PER TRIP
ALL VISITORS	21%	3.1 DAYS; 2.6 PERSONS	\$402
CANADIAN VISITORS	66%	8.0 DAYS; 2.4 PERSONS	\$779

Sources: CIS, D.K. Shifflet, Visa Vue, Stats Canada, Tourism Economics

## CANADIAN VISITOR SPENDING BY CATEGORY

- Visitor Volume and spending in Greater Palm Springs expanded in 2017
- Accelerating income growth and a stronger currency in 2017 helped to boost Canadian visitation to Greater Palm Springs
- More than 300,000 visitors spend a total of \$236 million in 2017, an increase of 10.1% and 12.8% respectively from 2016



## CANADIAN VISITOR VOLUME AND SPENDING IN GPS

	2013	2014	2015	2016	2017
VISITOR VOLUME (ths)	278.3	296.7	291.8	275.7	303.6
% change	0	6.6	-1.7	-5.5	10.1
VISITOR SPENDING (\$mils)199.4	225.7	220.1	209.7	236.5	
% change	0	13.2	-2.5	-4.7	12.8



## CANADIAN VISITOR: DIRECT SPENDING

Visitors to Greater Palm Springs from Canada spend primarily on lodging, food and beverage, and retail. Spending growth in 2017 was led by food and beverage and retail, both increasing by nearly 15%.

CANADIAN VISITOR SPENDING IN GPS (\$ millions)						
	2013	2014	2015	2016	2017	16-17 chg
Lodging	66.0	78.2	77.5	74.9	83.5	11.5%
Food and beverage	39.9	44.8	43.9	41.8	48.0	14.8%
Retail	42.7	47.5	45.3	42.6	48.9	14.8%
Recreation	17.3	19.3	18.6	17.6	19.8	12.9%
Transportation (local)	15.1	16.6	15.5	13.9	15.9	14.7%
Second homes	10.1	10.3	10.6	11.0	11.4	3.9%
Air transportation	8.3	9.0	8.7	7.9	8.9	12.5%
<b>Total</b>	<b>199.4</b>	<b>225.7</b>	<b>220.1</b>	<b>209.7</b>	<b>236.5</b>	<b>12.8%</b>
		13.2%	-2.5%	-4.7%	12.8%	



## CANADIAN VISITOR: BUSINESS SALES

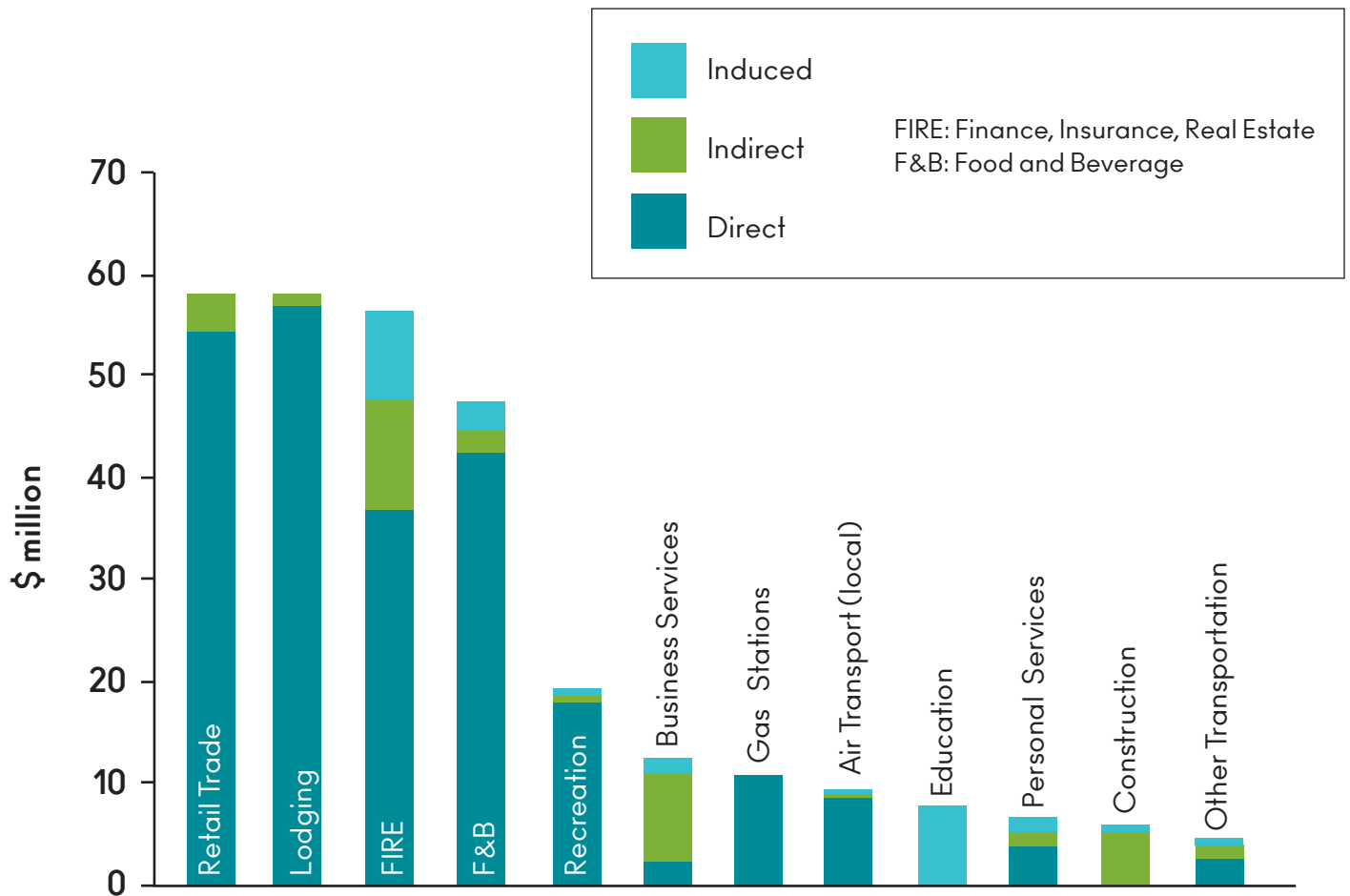
Including indirect and induced business sales, Canadian visitors generated \$302.5 MILLION in revenue in 2017.

GROSS OUTPUT (BUSINESS SALES US\$ millions)				
	*DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture, Fishing, Mining	-	0.2	0.1	0.3
Construction and Utilities	-	4.1	1.2	5.3
Manufacturing	-	0.6	0.3	0.9
Wholesale Trade	-	0.7	0.9	1.5
Air Transport (local)	8.9	0.1	0.2	9.2
Other Transport	2.5	0.9	0.3	3.7
Retail Trade	54.8	0.3	3.5	58.6
Gasoline Stations	12.0	0.0	0.2	12.3
Communications	-	2.2	0.6	2.9
FIRE†	36.3	9.7	10.1	56.1
Business Services	2.5	8.5	1.9	12.9
Education and Health Care	-	0.0	6.6	6.6
Recreation and Entertainment	16.8	1.0	0.7	18.4
Lodging	57.6	0.3	0.3	58.2
Food & Beverage	42.1	1.6	2.8	46.5
Personal Services	3.1	1.4	1.9	6.4
Government	-	1.8	0.9	2.7
<b>TOTAL</b>	<b>236.5</b>	<b>33.4</b>	<b>32.6</b>	<b>302.5</b>

\*Direct sales include cost of goods sold for retail sectors.

† Finance, Insurance, Real Estate

## GROSS OUTPUT BY INDUSTRY





## CANADIAN VISITOR: EMPLOYMENT IMPACT

Canadian visitors supported 2,067 jobs in Greater Palm Springs in 2017, including indirect and induced impacts, which is 4.0% of all tourism generated jobs in the region.

EMPLOYMENT IMPACTS				
	*DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture, Fishing, Mining	-	1	1	2
Construction and Utilities	-	13	3	16
Manufacturing	-	3	1	4
Wholesale Trade	-	4	5	9
Air Transport (local)	28	-	1	29
Other Transport	12	7	3	22
Retail Trade	274	3	43	320
Gasoline Stations	11	-	2	13
Communications	-	11	2	13
FIRE†	74	41	27	142
Business Services	15	85	20	120
Education and Health Care	-	1	63	64
Recreation and Entertainment	192	14	9	215
Lodging	418	2	3	423
Food & Beverage	524	24	42	590
Personal Services	31	14	26	71
Government	-	10	4	14
<b>TOTAL</b>	<b>1,579</b>	<b>233</b>	<b>255</b>	<b>2,067</b>

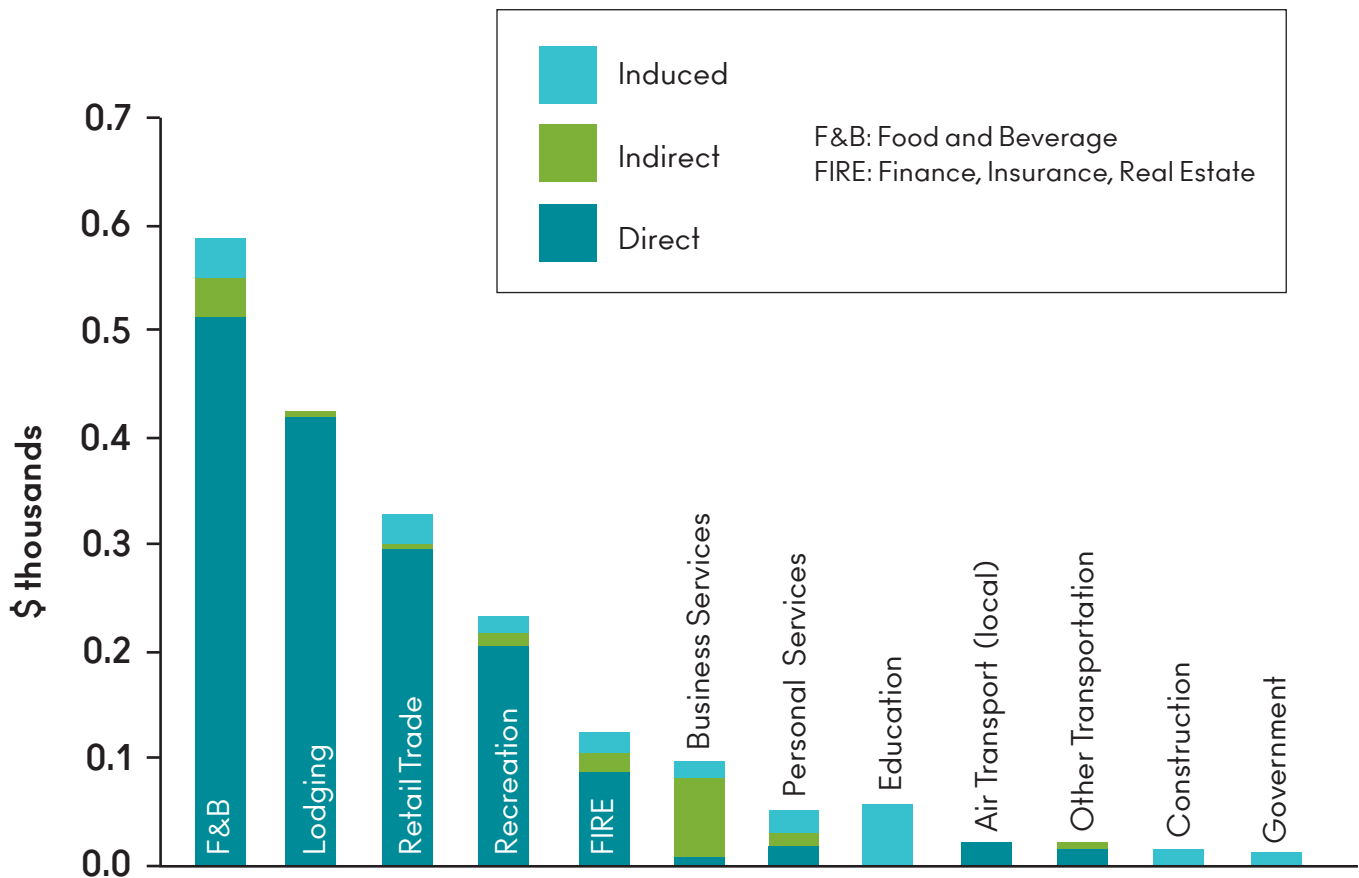
\*Direct sales include cost of goods sold for retail sectors.

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## TOURISM EMPLOYMENT BY INDUSTRY

Visitor spending in the region supported employment in every sector of the economy, either directly or indirectly.

The most significant indirect impacts are in business services, as well as finance and insurance.





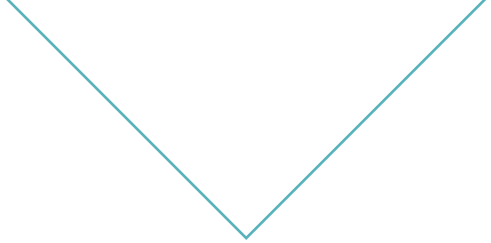
## LABOR INCOME GENERATION

Canadian visitor spending generated \$68 million in income for employees in Greater Palm Springs in 2017, which is 4.1% of all tourism-generated income in the region.

LABOR INCOME (COMPENSATION US\$ millions)				
	*DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture, Fishing, Mining	-	0.0	0.0	0.1
Construction and Utilities	-	1.1	0.3	1.4
Manufacturing	-	0.2	0.1	0.2
Wholesale Trade	-	0.3	0.4	0.7
Air Transport (local)	1.6	-	0.1	1.7
Other Transport	0.9	0.4	0.2	1.5
Retail Trade	7.9	0.1	1.6	9.5
Gasoline Stations	0.6	-	0.1	0.7
Communications	-	0.5	0.1	0.6
FIRE†	1.6	1.4	0.7	3.7
Business Services	0.8	3.4	0.8	5.1
Education and Health Care	-	0.0	3.7	3.7
Recreation and Entertainment	5.1	0.3	0.2	5.6
Lodging	14.2	0.1	0.1	14.4
Food & Beverage	12.5	0.6	1.1	14.2
Personal Services	1.4	0.8	1.0	3.2
Government	-	1.0	0.4	1.4
<b>TOTAL</b>	<b>46.7</b>	<b>10.2</b>	<b>10.8</b>	<b>67.7</b>

\*Direct sales include cost of goods sold for retail sectors.

† Finance, Insurance, Real Estate



Canadian visitors generated a total of \$45.8 million in taxes in 2017. This accounts for 4.4% of all tourism-generated tax revenues in the region.

State and local tax revenues amounted to \$26.9 million.

TAX REVENUES GENERATED 2017, (\$ millions)	
	AMOUNT
<b>Federal Taxes</b>	<b>18.9</b>
Corporate	3.2
Indirect Business	2.4
Personal Income	4.8
Social Security	8.5
<b>State and Local Taxes</b>	<b>26.9</b>
Corporate	0.9
Personal Income	1.9
Sales	9.8
Lodging	4.4
Property	6.7
Excise and Fees	2.7
State Unemployment	0.5
<b>Total Tax Revenues</b>	<b>45.8</b>









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