

# THE PORT ARANSAS VISITOR ECONOMY 2022

April 2023

Prepared for: Port Aransas Tourism Bureau and Chamber of Commerce





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## INTRODUCTION

# PROJECT BACKGROUND

The travel sector is an integral part of the Port Aransas economy. Visitors generate significant economic benefits to households, businesses, and government. This economic activity represent a critical driver of the city's future. In 2022, visitors supported a total of \$372 million in sales at businesses in Port Aransas.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. This is particularly important for Port Aransas as its visitor economy has expanded significantly in recent years.

## METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for the city of Port Aransas. The model traces the flow of visitor-related expenditures through the city's economy and their effects on wider economy employment, wages, and taxes. The wider economy includes workers and businesses that contribute to Port Aransas' visitor economy and are located within the Corpus Christi MSA. 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.

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.

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

To quantify the significance of the visitor economy in Port Aransas, 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.

The analysis draws on the following data sources:

- Affinity: credit card transaction data, by spending category
- NEAR: mobile geolocation data, by type of visitor
- KeyData: data on short-term rentals including room demand, room supply, room rates, occupancy, and room revenue
- Port Aransas: annual data on occupancy taxes and local statistics related to the visitor economy
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: hotel lodging performance data, including room demand, room rates, occupancy, and room revenue
- TX Comptroller: sales tax receipts, by industry
- US Census: business sales by industry and seasonal second homes inventory



# ECONOMIC IMPACTS

## KEY FINDINGS

### DIRECT VISITOR SPENDING

Visitors to Port Aransas spent \$372 million in 2022, an increase of \$229 million since 2018. Over the past five years, visitor volume increased 637,000 to reach 1.05 million visitors in 2022, due in large part to the expansion of the short-term rental market. Port Aransas particularly benefited from the shift in visitor preferences away from dense, urban areas to destinations with more outdoor amenities.

### TOTAL ECONOMIC IMPACT

Direct visitor spending of \$372 million generated a total economic impact of \$564 million in Port Aransas in 2022 including indirect and induced impacts. This total economic impact sustained 4,925 jobs and generated \$63 million in state and local tax revenues in 2022.



**\$564 MILLION**

Total Visitor Economy Impact in Port Aransas in 2022



**\$372M**

Direct Visitor  
Spending



**\$564M**

Total  
Economic  
Impact



**4,925**

Total  
Jobs  
Generated

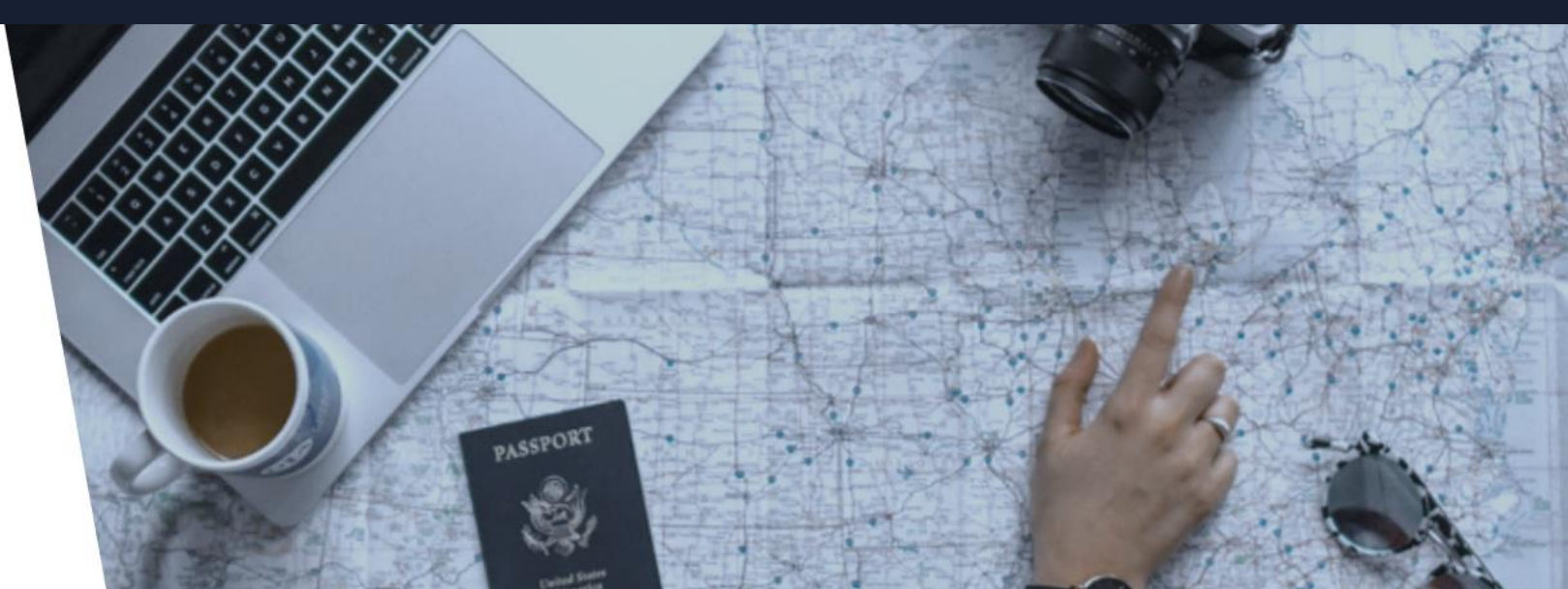


**\$63M**

State & Local  
Taxes  
Generated







# VISITS & VISITOR SPENDING

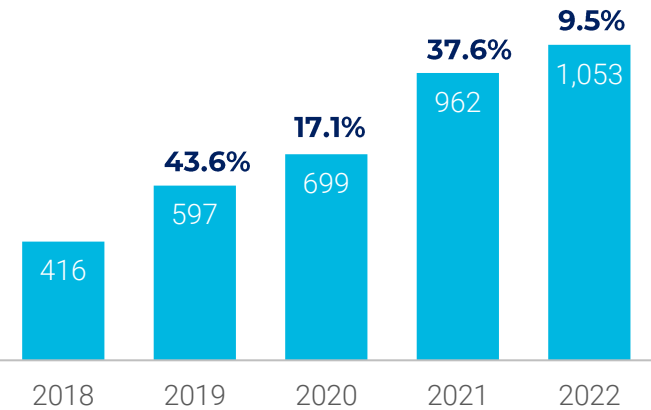
Port Aransas visits and visitor spending reached record levels in 2022. Visitor volumes totaled 1.05 million as spending grew 13% year-on-year to reach \$372 million in 2022. While much of the country continues to recover from the pandemic, spending by visitors to Port Aransas was nearly double pre-pandemic levels.

## VISITOR VOLUME

Port Aransas was well positioned to benefit from the pandemic

Port Aransas saw visitation grow considerably over the past five years, due in large part to the expansion of the short-term rental market. Coupled with a shift away from travel to dense, urban areas and the growing interest in remote schooling and work since the pandemic, Port Aransas has thrived in recent years. Between 2018 and 2022, the number of visitors grew by 637,000, of which nearly two-thirds were attributed to new overnight guests. Stronger day travel growth in 2022 helped boost visitor volume to a record 1.05 million visitors.

Port Aransas visitor volume  
Amounts in thousands



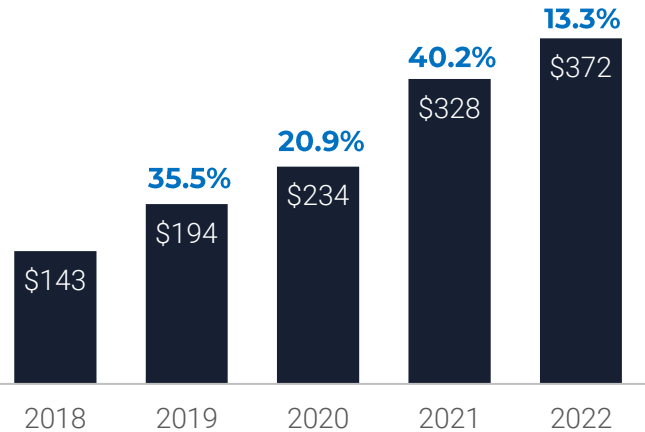
Sources: Tourism Economics

## VISITOR SPENDING

Visitors to Port Aransas spent \$372 million across a range of sectors in 2022

Visitor spending expanded 13% in 2022, reaching nearly double 2019 levels. Of the \$372 million spent in Port Aransas in 2022 by visitors, lodging, including the value of second homes, contributed \$153 million in sales – representing 41% of total visitor spending. Food and beverage spending accounted for 27% of visitor spending, totaling \$102 million. Visitors spent 15% of their total budget on recreation and entertainment, 13% on shopping, and 3% on transportation.

Port Aransas visitor spending  
Amounts in \$ millions



Sources: Tourism Economics

\$372 MILLION   
Total Visitor Spending in 2022



Source: Tourism Economics  
Note: Lodging spending is calculated as an industry and includes second homes spending.

VISITATION & SPENDING TRENDS

Overnight visitors to Port Aransas grew by a compound average growth rate (CAGR) of 26% between 2018 and 2022. The boost over the five-year period was supported by increased lodging demand and supply through short-term rentals.

The number of day visitors has also grown significantly. In 2022, year-on-year day visitor growth of 22% outpaced overnight visitor growth of 4% to reach more than one-third of total visits in 2022.

Greater visitor demand propelled the Port Aransas visitor economy from a \$143 million industry in 2018 to \$372 million in 2022. Visitor spending increased 13% year-on-year in 2022, further supported by increases in the prices of key commodities.

Lodging spending, including second homes, increased 6% in 2022 as overnight visitors faced strong ADR growth versus 2021. Spending on hotel accommodation grew fastest (18%) compared to 3% year-on-year growth in short-term rentals – the lodging category that experienced the strongest CAGR (33%). The implied rental value of second homes grew 12% in 2022 and at a more moderate pace than other lodging categories in the past five years (CAGR of 13%). The size of the short-term rental market in 2022 was 74% of total accommodation spending, compared to 62% in 2018.

Transportation spending grew fastest in 2022 versus the prior year (28%) as a result of high gas prices and a record number of visitors, most of whom drive to Port Aransas. Retail spending growth was strong at 25% relative to the prior year, while recreation spending increased 22% in 2022 and the most by CAGR (31%) between 2018 and 2022. Food and beverage spending by visitors to Port Aransas grew 14% year-on-year.

Port Aransas visitor spending

Amounts in \$ millions, 2022 percent change and CAGR between 2018 and 2022

	2018	2019	2020	2021	2022	2022 Growth	CAGR 2018-2022
Total visitor spending	\$142.9	\$193.6	\$234.0	\$328.2	\$371.9	13.3%	27.0%
Lodging*	\$58.9	\$79.1	\$100.4	\$144.7	\$152.9	5.7%	27.0%
Food & beverages	\$42.4	\$57.2	\$60.3	\$88.9	\$101.6	14.3%	24.5%
Recreation	\$18.8	\$26.0	\$34.8	\$45.7	\$56.0	22.4%	31.4%
Retail	\$18.0	\$24.4	\$31.0	\$38.9	\$48.7	25.4%	28.3%
Transport	\$5.0	\$6.9	\$7.5	\$10.0	\$12.7	27.8%	26.4%

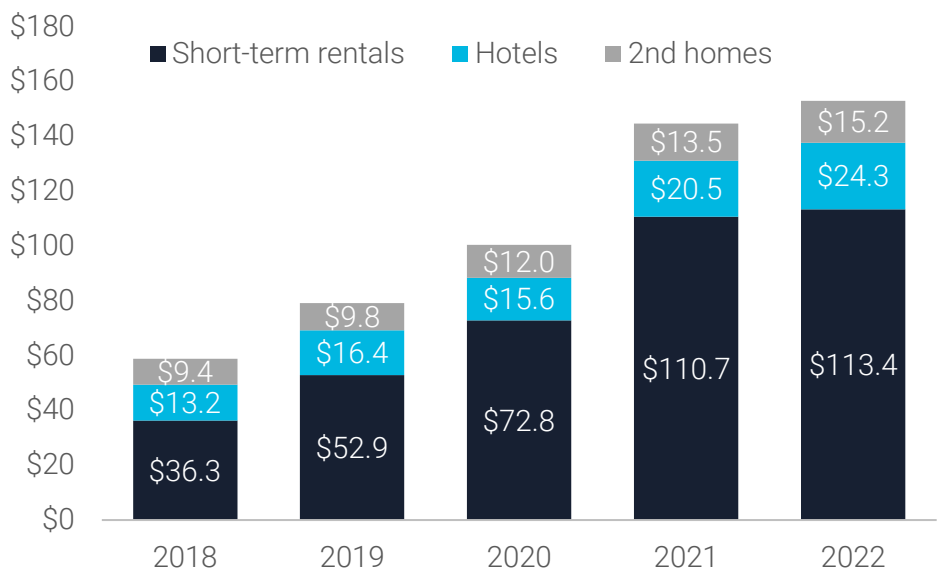
Source: Tourism Economics

\* Lodging includes second home spending

Port Aransas accommodation spending, by type

Amounts in \$ millions, 2022 percent change and CAGR between 2018 and 2022

	2018	2019	2020	2021	2022	2022 Growth	CAGR 2018-2022
Accommodations	\$58.9	\$79.1	\$100.4	\$144.7	\$152.9	5.7%	27.0%
Hotels	\$13.2	\$16.4	\$15.6	\$20.5	\$24.3	18.4%	16.5%
Short-term rentals	\$36.3	\$52.9	\$72.8	\$110.7	\$113.4	2.5%	33.0%
2nd homes	\$9.4	\$9.8	\$12.0	\$13.5	\$15.2	12.2%	12.7%



Source: Tourism Economics

Port Aransas visitation, by stay

Amounts in millions of visitors, 2022 percent change and CAGR between 2018 and 2022

	2018	2019	2020	2021	2022	2022 Growth	CAGR 2018-2022
Total visitors	415.5	596.7	698.6	961.5	1,052.9	9.5%	26.2%
Day	144.8	189.4	228.0	306.8	374.8	22.2%	26.8%
Overnight	270.7	407.3	470.6	654.7	678.1	3.6%	25.8%

Source: Tourism Economics





# ECONOMIC IMPACT METHODOLOGY

The analysis of the Port Aransas 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 Port Aransas 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

### DIRECT IMPACTS

Visitor spending



RETAIL



ENTERTAINMENT/REC



FOOD & BEVERAGE



TRANSPORTATION



LODGING

### INDIRECT IMPACTS

Purchases of inputs from suppliers



SUPPLY  
CHAIN  
EFFECTS



B2B GOODS &  
SERVICES  
PURCHASED

### INDUCED IMPACTS

New consumption generated by  
household income impacts



INCOME  
EFFECT



HOUSEHOLD  
CONSUMPTION

### TOTAL IMPACTS

Direct, indirect, and  
induced impacts



SALES



JOBS



INCOME



TAXES



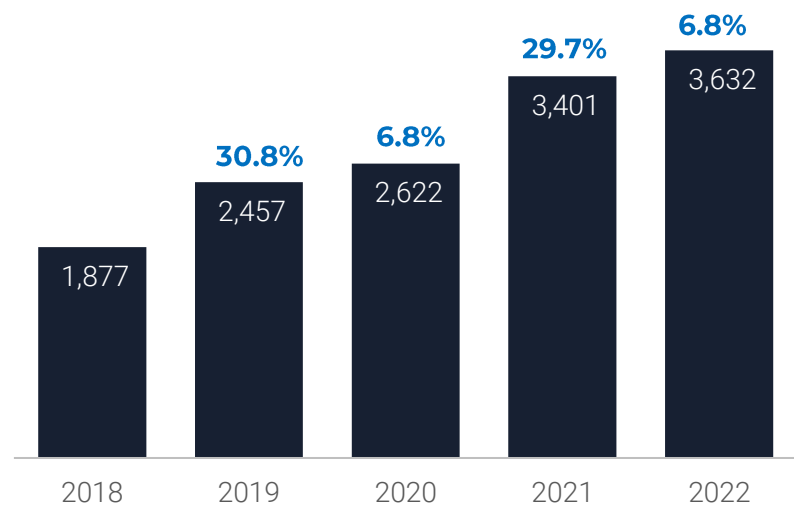
# ECONOMIC IMPACT FINDINGS

## DIRECT IMPACTS

Employment directly supporting the visitor economy added 1,755 jobs since 2018, registering 3,632 in 2022 – nearly double. Following stellar year-on-year job growth of 30% in 2021, employment grew 7% in 2022, reaching record levels.

### Visitor supported employment in Port Aransas

Amounts in number of jobs



Source: Tourism Economics







# ECONOMIC IMPACT FINDINGS

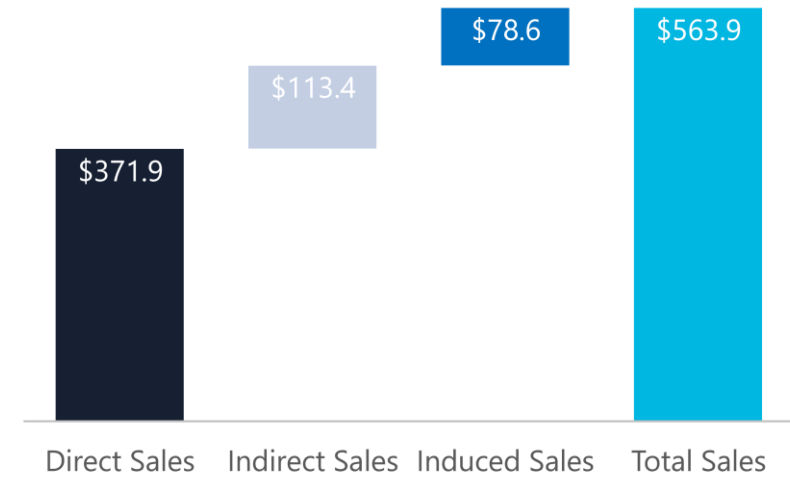
## BUSINESS SALES IMPACTS

Spending in support of the visitor economy reached \$371.9 million in Port Aransas in 2022. This direct impact generated \$192.0 million in indirect and induced impacts, resulting in a total economic impact of \$563.9 million in the Port Aransas economy.

Outside of direct impacts, significant benefits accrued 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)

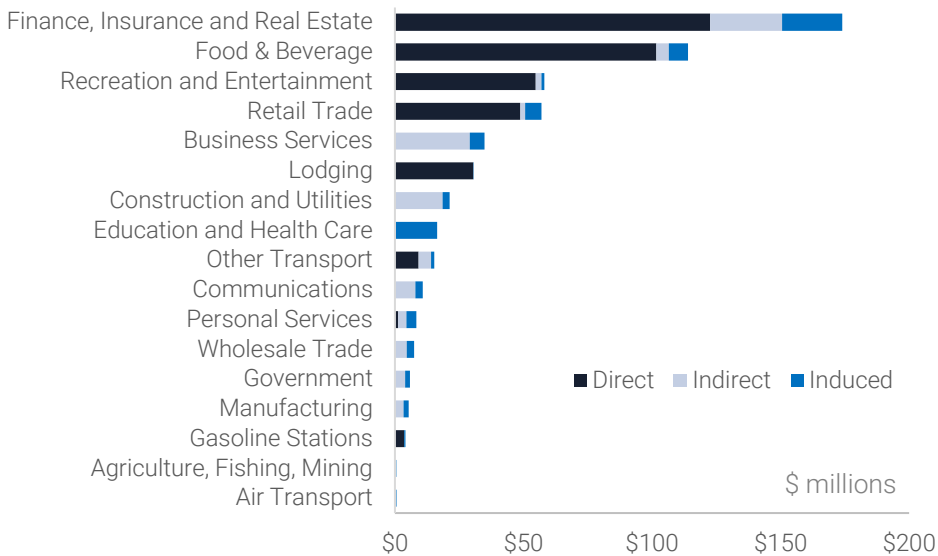
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$371.9	\$113.4	\$78.6	\$563.9
Finance, Insurance and Real Estate	\$122.5	\$28.1	\$23.4	\$174.0
Food & Beverage	\$101.6	\$4.9	\$7.5	\$114.0
Recreation and Entertainment	\$54.7	\$2.3	\$1.1	\$58.1
Retail Trade	\$48.7	\$2.0	\$6.3	\$57.0
Business Services		\$29.1	\$5.8	\$34.8
Lodging	\$30.4	\$0.0	\$0.0	\$30.4
Construction and Utilities		\$18.5	\$2.8	\$21.2
Education and Health Care		\$0.3	\$16.1	\$16.4
Other Transport	\$9.2	\$4.7	\$1.3	\$15.3
Communications		\$7.9	\$2.9	\$10.8
Personal Services	\$1.2	\$3.2	\$3.8	\$8.3
Wholesale Trade		\$4.5	\$2.9	\$7.4
Government		\$4.0	\$1.8	\$5.7
Manufacturing		\$3.4	\$1.9	\$5.3
Gasoline Stations	\$3.5	\$0.1	\$0.5	\$4.1
Agriculture, Fishing, Mining		\$0.4	\$0.2	\$0.6
Air Transport		\$0.3	\$0.3	\$0.6

Source: Tourism Economics

## Visitor economy business sales impacts by industry (2022)

Amounts in \$ millions



Source: Tourism Economics

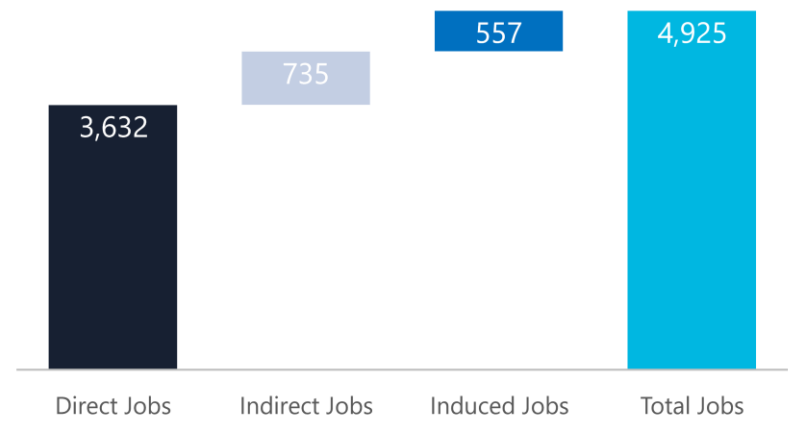


# EMPLOYMENT IMPACTS

Visitor activity sustained a total of 4,925 jobs in 2022, including 3,632 direct jobs and 1,292 jobs supported through indirect and induced impacts.

## Summary Employment Impacts (2022)

Amounts in number of jobs



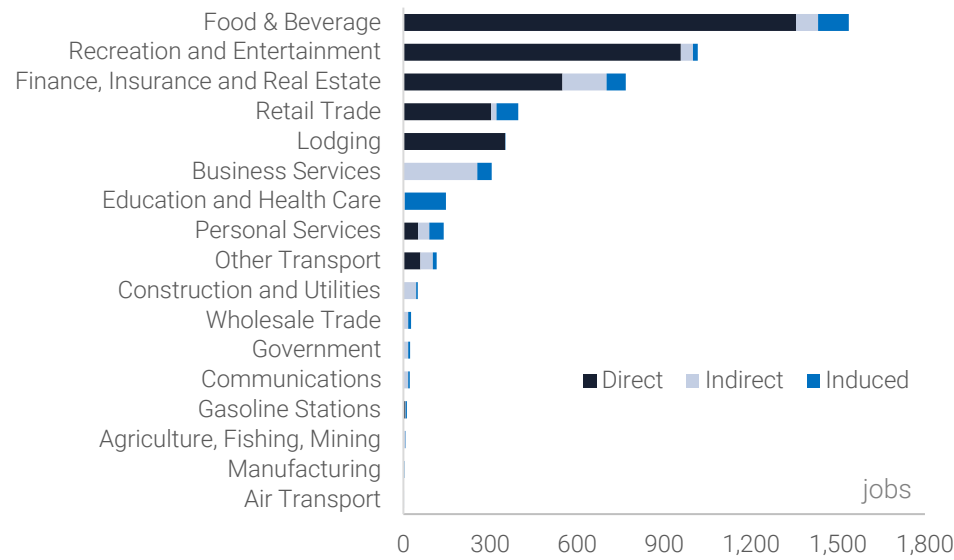
Source: Tourism Economics

Visitor spending supported the largest number of jobs in the food & beverage industry (1,538).

Spending by businesses directly impacted by visitor spending supported 255 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



## Summary Employment Impacts by Industry (2022)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	3,632	735	557	4,925
Food & Beverage	1,355	76	107	1,538
Recreation and Entertainment	958	41	17	1,016
Finance, Insurance and Real Estate	549	152	66	767
Retail Trade	302	20	75	397
Lodging	352	0	0	352
Business Services		255	49	305
Education and Health Care		4	143	147
Personal Services	51	38	50	140
Other Transport	59	42	13	114
Construction and Utilities		44	6	49
Wholesale Trade		17	10	27
Government		17	6	23
Communications		17	6	22
Gasoline Stations	7	1	5	12
Agriculture, Fishing, Mining		8	2	9
Manufacturing		3	1	5
Air Transport		1	1	2

Source: Tourism Economics

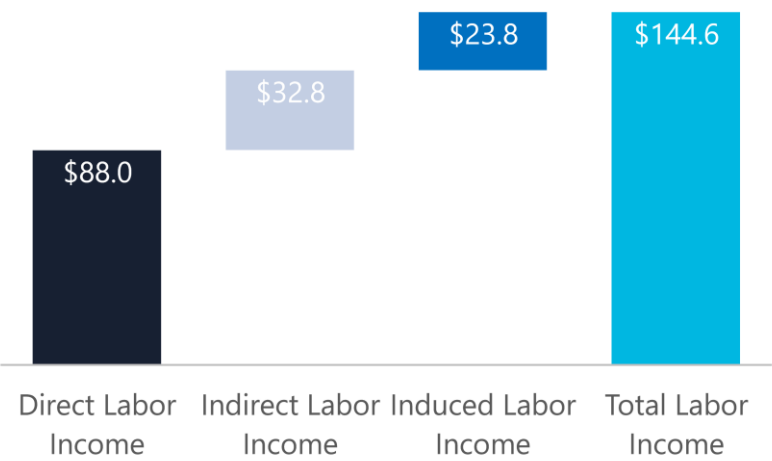


# LABOR INCOME IMPACTS

Visitor activity generated \$88.0 million in direct labor income and a total of \$144.6 million when including indirect and induced impacts.

## Summary Labor Income Impacts (2022)

Amounts in \$ millions

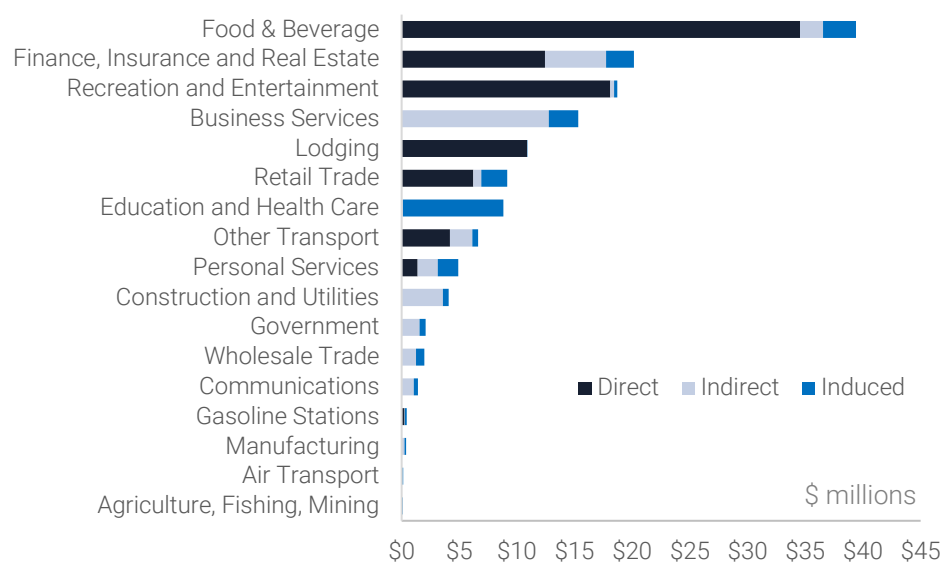


Source: Tourism Economics

There are 8 industries in which visitor activity supported more than \$5 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and education & healthcare.

## Tourism Labor Income Impacts by Industry (2022)

Amounts in \$ millions



Source: Tourism Economics



## Summary Labor Income Impacts (2022)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$88.0	\$32.8	\$23.8	\$144.6
Food & Beverage	\$34.6	\$2.0	\$2.8	\$39.4
Finance, Insurance and Real Estate	\$12.4	\$5.3	\$2.4	\$20.1
Recreation and Entertainment	\$18.1	\$0.3	\$0.3	\$18.7
Business Services		\$12.8	\$2.6	\$15.3
Lodging	\$10.9	\$0.0	\$0.0	\$10.9
Retail Trade	\$6.2	\$0.7	\$2.2	\$9.2
Education and Health Care		\$0.1	\$8.7	\$8.8
Other Transport	\$4.2	\$2.0	\$0.5	\$6.6
Personal Services	\$1.4	\$1.8	\$1.8	\$4.9
Construction and Utilities		\$3.6	\$0.5	\$4.1
Government		\$1.5	\$0.6	\$2.1
Wholesale Trade		\$1.2	\$0.7	\$2.0
Communications		\$1.1	\$0.4	\$1.4
Gasoline Stations	\$0.3	\$0.0	\$0.2	\$0.4
Manufacturing		\$0.3	\$0.1	\$0.4
Air Transport		\$0.1	\$0.1	\$0.1
Agriculture, Fishing, Mining		\$0.1	\$0.1	\$0.1

Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

**FISCAL (TAX) IMPACTS**

Visitor spending, visitor supported jobs, and business sales generated \$95.8 million in government revenues. State and local taxes alone tallied \$63.2 million in 2022, compared to \$32.5 million from federal taxes.

Each occupied household in Port Aransas would need to be taxed an additional \$43,800 to replace the visitor-generated state and local taxes received by the Port Aransas local government in 2022.

**Fiscal (tax) impacts**

Amounts in \$ millions

	Direct	Indirect/ Induced	Total
<b>TOTAL</b>	<b>\$75.6</b>	<b>\$20.2</b>	<b>\$95.8</b>
<b>Federal</b>	<b>\$20.3</b>	<b>\$12.2</b>	<b>\$32.5</b>
Personal Income	\$7.7	\$5.0	\$12.7
Corporate	\$2.0	\$0.9	\$3.0
Indirect business	\$1.6	\$0.5	\$2.1
Social insurance	\$8.9	\$5.8	\$14.7
<b>State and Local</b>	<b>\$55.3</b>	<b>\$8.0</b>	<b>\$63.2</b>
Sales	\$12.0	\$3.8	\$15.8
Bed Tax	\$17.9		\$17.9
Social insurance	\$0.1	\$0.1	\$0.1
Excise and Fees	\$1.7	\$0.7	\$2.4
Property	\$23.6	\$3.4	\$27.0

Source: Tourism Economics





# ECONOMIC IMPACTS IN CONTEXT



## **\$372M VISITOR SPENDING**

The \$372 million in visitor spending means that approximately \$1.0 million was spent EVERY DAY by visitors in Port Aransas.



## **\$145M LABOR INCOME**

The \$145 million in total income generated by tourism is the equivalent of \$100,000 for every occupied household in Port Aransas.



## **4,925 TOTAL JOBS**

The number of jobs sustained by the visitor economy (4,925) is enough to fill every housing unit in Port Aransas.



## **\$63M STATE & LOCAL TAXES**

Each occupied household in Port Aransas would need to be taxed an additional \$43,800 to replace the \$63 million in visitor-generated state and local taxes received by the Port Aransas local government in 2022.



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, 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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