

# The Economic Impact of San Antonio's Hospitality Industry 2024 Report

This study was prepared by

**Richard V. Butler, Ph.D. and  
Mary E. Stefl, Ph.D.,  
Trinity University**

## HIGHLIGHTS

- The 2023 economic impact of San Antonio's Hospitality industry was **\$21.5 billion**. This is the highest ever, 24% above the pre-pandemic peak in 2019 and nearly 11% more than in 2022.
- The San Antonio metropolitan area attracted **35.6 million visitors** in 2023.
- In 2023 the Hospitality Industry contributed **\$277 million** in taxes and fees to the city of San Antonio, and more than **\$500 million** to all local governments combined.
- In 2023, the industry employed more than **147,000** individuals. This was more than 1 out of every 8 workers employed in the San Antonio metropolitan area.
- Total payroll in the industry was **\$4.6 billion**, more than 12% above the previous peak in 2022.
- The economic impact of the Hospitality Industry in 2023 was 71% higher than in 2013. For a decade that included an unprecedented pandemic, this is an impressive performance.

## INTRODUCTION

San Antonio has long been a premier meeting destination city and is known as a favorite of visitors from around the world. These visitors, and the Hospitality Industry they support, produce a number of economic benefits for the city:

- The industry provides **a large number of both full-time and part-time jobs** in dozens of occupations, including culinary, customer service, administration, finance, maintenance, marketing, and human resources.
- Visitor spending **impacts virtually every corner of the local economy** – sports, food service, transportation, cultural events, healthcare and much more.
- The presence of so many visitors helps promote **a vibrant and diverse cultural and social atmosphere** that is attractive to San Antonio residents and visitors alike. Many of the amenities and attractions that San Antonians take for granted are available to them only because these attractions are also supported by millions of visitors.
- Because **visitors bring new dollars to San Antonio**, their spending has a multiplier effect. Each dollar of visitor spending generates approximately one additional dollar of income for San Antonio as the effects of this spending work their way through the local economy. Even if you don't work in the visitor industry, visitor spending affects your paycheck.

For the purposes of this report, the Hospitality Industry has been defined to include only those businesses that derive a significant portion of their sales from out-of-town visitors. Whether they come to San Antonio on a vacation, to attend a convention, or for business, these visitors patronize local companies that provide transportation and travel arrangements, lodging, recreational activities, and food and beverage services. Of course, the full economic impact of these businesses also includes their sales to local customers. A complete list of the industries included in this study can be found at the end of this report.

The economic impact analysis is based on data obtained from the Texas Workforce Commission (TWC). Following the same methodology used in the previous Economic Impact Studies of the Hospitality Industry, the current work is based on TWC's quarterly wage and employment data aggregated along the lines of business defined by the North American Industrial Classification System (NAICS).

## **THE HOSPITALITY INDUSTRY THROUGH THE PANDEMIC AND BEYOND**

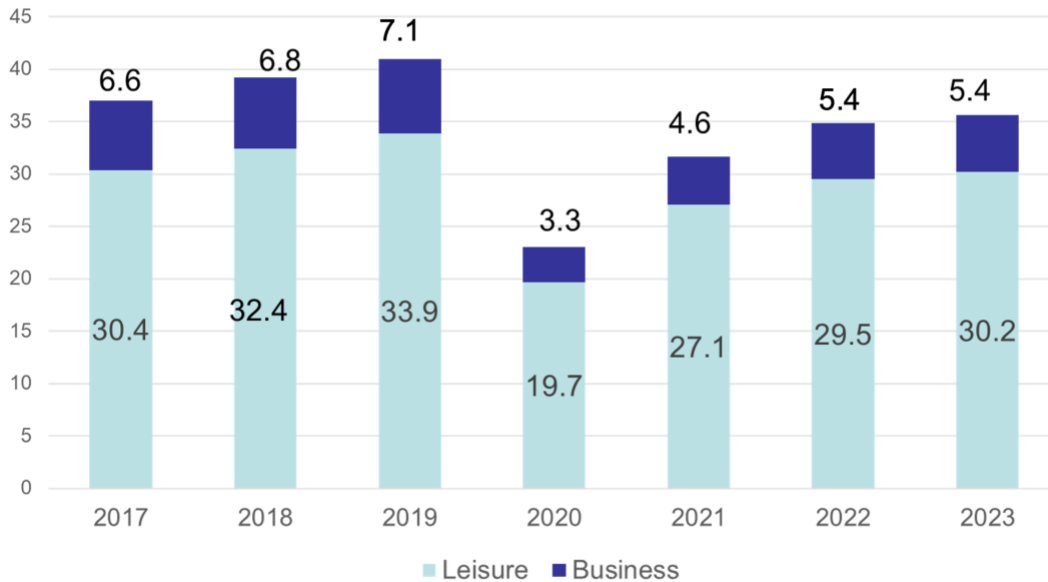
The Hospitality industry everywhere faced challenging times in the era of COVID-19, and San Antonio was no exception. In 2019, the industry had a very good year, extending the long-term trend of steady growth over the past three decades. Starting in March of 2020, the economic environment became much more challenging. Even so, millions of visitors came to San Antonio in a year when travel demand was greatly reduced. The rebound that started in mid-2020 continued through 2021. By 2023 the industry's economic impact and payroll had surpassed their previous high-water marks.

### **Tens of Millions of Visitors**

Each year – even in the midst of a pandemic -- tens of millions of visitors come to San Antonio for business or pleasure.

- In 2019, 41 million visitors came to the San Antonio metropolitan area. During the height of the pandemic in 2020, that number dropped to 23 million, but by 2023 the total number of visitors had rebounded to more than 35 million, approaching pre-pandemic levels.
- Each year, millions of leisure visitors come to San Antonio to shop, play, and enjoy the city's unique history and culture. In 2019, the San Antonio metropolitan area hosted 33.9 million leisure visitors. In 2020, 19.7 million leisure visitors came to San Antonio. In 2021, that volume increased to 27.1 million leisure visitors, while in 2023 there were 30.2 million leisure visitors.
- San Antonio has long been one of the top convention cities in the country. In 2019, the area hosted 7.1 million business visitors for conventions and other business purposes. Of course, business and convention travel throughout the country was greatly reduced during the pandemic. Still, in 2020, 3.3 million business visitors came to San Antonio, and that number rose 40% to 4.6 million in 2021. By 2023, the business visitor count rose to 5.4 million.

# San Antonio Visitors Millions



## Overall Economic Impact: significantly exceeding the 2019 level

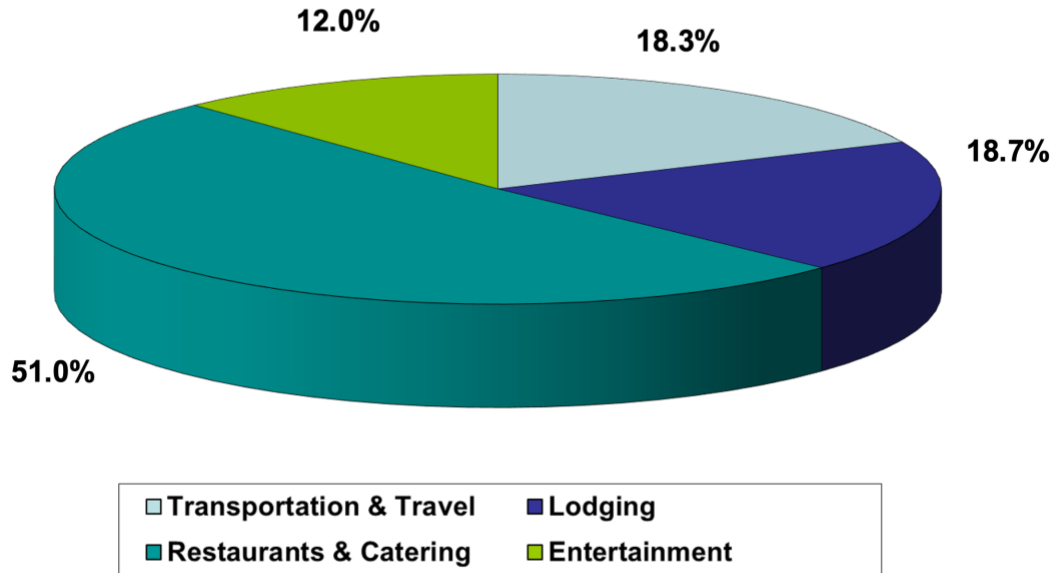
The Hospitality Industry's economic impact in 2023 was \$21.5 billion, 24% above the 2019 pre-pandemic peak and more than 11% above the 2022 level. The pandemic's effects notwithstanding, this represents a 71% increase over the decade since 2013. Hospitality is still one of the largest industries in San Antonio.

The businesses that make up the Hospitality Industry fall into four sectors: Transportation and Travel Arrangements, Lodging and other Traveler Accommodations, Restaurants and other eating and drinking establishments, and Entertainment and Recreation activities, ranging from golfing establishments to cultural events to amusement parks and spectator sports.

The Restaurants and Catering sector made the largest contribution to the local economy in 2023, accounting for more than half of the industry's total economic impact. Indeed, the \$11 billion impact of restaurants in 2023 is by a large margin the highest ever. Over the past three years, the share of the industry's economic impact due to restaurants has hovered around 50%. The vast majority of this large impact was due to full-service or limited-service restaurants and eating places, with the remainder coming from catering services and drinking establishments.

The Transportation and Lodging sectors contributed 18.3% and 18.7% respectively to the overall economic impact in 2023. Entertainment of various types comprised the remaining 12% of the industry's economic impact.

## The Economic Impact of the Hospitality Industry in 2023



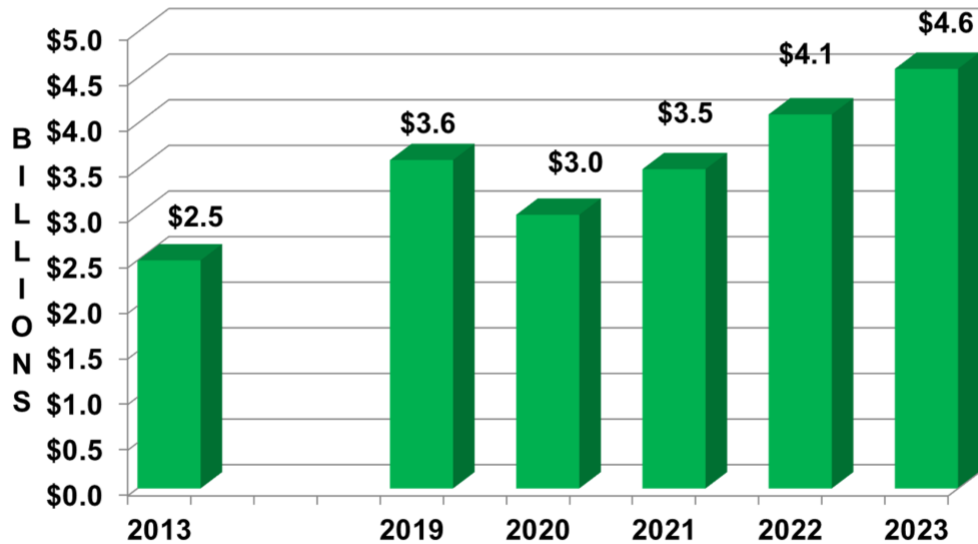
Economic Impact Data

### Annual Payroll: \$4.5 Billion

Prior to the pandemic, the Hospitality industry's payroll for 2019 was \$3.56 billion. This decreased to \$2.95 billion in 2020 but nearly recovered to the 2019 level by 2021. In 2023, payroll figures were 28% higher than they were in 2019.

Note that this wage data significantly understates employee compensation. It includes only salary, and it does not include benefits, nor the tips received by the many service employees in the hospitality industry. Total compensation, including benefits and gratuities, would be significantly higher.

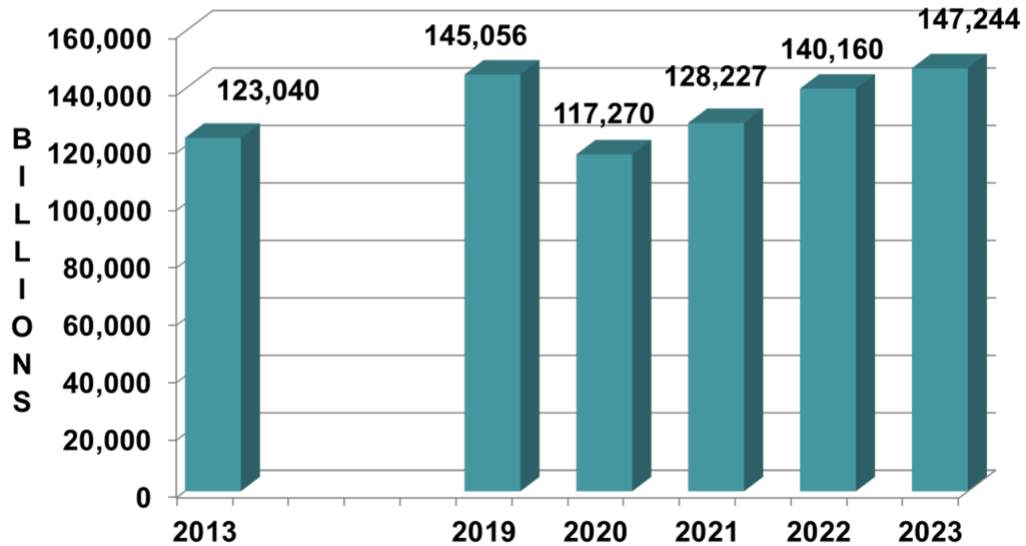
# Hospitality Industry Annual Payroll



## Employment: 13.4% of all San Antonio area jobs

During 2019, the Hospitality Industry provided 145,056 jobs, representing one-seventh of the total number of jobs in the San Antonio metropolitan area. Despite a 19% drop in employment for 2020, the industry still provided 11.9% of San Antonio's jobs. Employment rose by nearly 11,000 in 2021 and now exceeds the 2019 pre-pandemic level.

# Hospitality Industry Employment

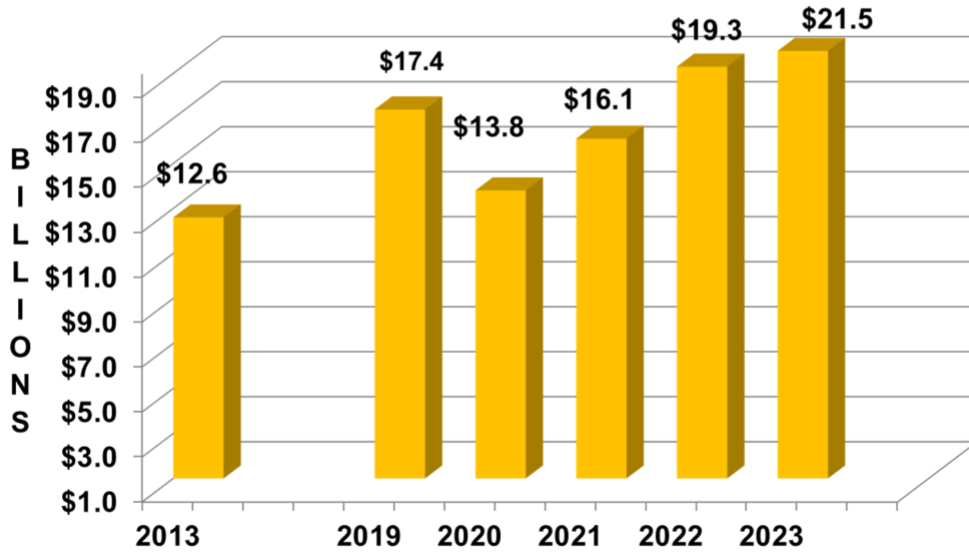


Many of these jobs provide life-long career opportunities and help employees develop skills that translate into many areas of business.

## THE HOSPITALITY INDUSTRY OVER TIME

From 2013 to 2023, the Hospitality Industry's economic impact grew substantially, from \$12.6 billion in 2013 to \$21.5 billion in 2019 – a 71% increase. What is especially striking is that the industry grew significantly over the decade despite challenging national economic conditions during much of that period. It is a great advantage for San Antonio to have as one of its major industries one that is so resilient over the business cycle.

# Hospitality Industry Economic Impact

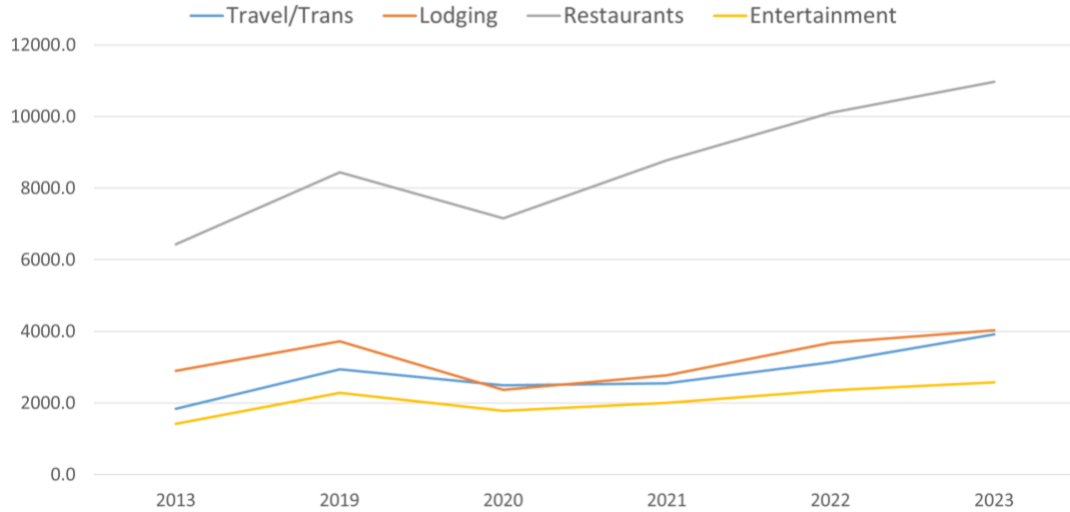


Over the past ten years, there's been a great deal of growth in the industry. The Restaurant sector has not only remained the dominant sector throughout the decade; it has grown rapidly over that period, reflecting San Antonio's growth and its designation as a UNESCO Creative City of Gastronomy. Indeed, its size in 2023, despite the challenges of the pandemic, is the highest it's ever been.

The big picture: despite hosting fewer visitor than in 2019, San Antonio's visitor industry has a larger economic impact and an increased payroll than before the pandemic. Everybody benefits from that.



## Economic Impact of the Industry Sectors over Time (\$ millions)



### FINANCIAL CONTRIBUTIONS TO LOCAL GOVERNMENT

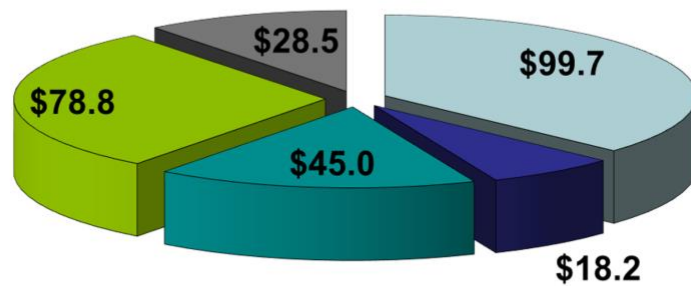
The Hospitality Industry is a major contributor of tax and other revenues to local governments. A complete accounting of these contributions is beyond the scope of this study, but an examination of the major revenue streams for the City of San Antonio shows the extent to which local government depends upon the Hospitality Industry for financial support.

The bottom line for the City is impressive, as the Hospitality Industry provided revenues of **\$277.09 million** in 2023, exceeding the pre-pandemic level. This is equivalent to **17%** of the City's adopted General Fund expenditure budget of \$1.6 billion for the 2022-23 fiscal year.

These revenues come from a variety of sources. The largest share (\$99.7million) comes from the Hotel Occupancy Tax (HOT). Property taxes on real and personal

business property accounted for \$45 million in City revenues. City sales taxes paid on purchases at businesses in the Hospitality Industry contributed another \$78.8 million. These businesses bought \$130 million worth of electricity and natural gas from CPS Energy; since 14% of CPS revenues are paid to the City in lieu of taxes, the City received \$18.2 million from these payments. Smaller amounts of revenue (\$35.4 million in all) were received from Tourism Public Improvement District assessment revenues, river cruise and Tower of the Americas concessions as well as taxes on alcoholic beverages sold in restaurants and bars.

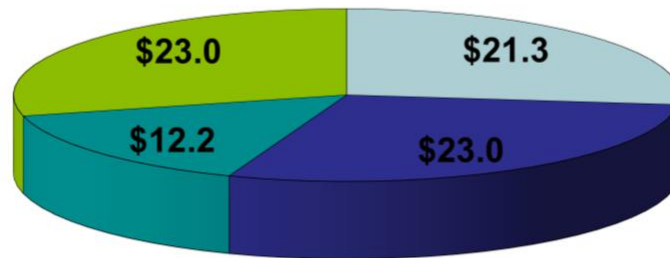
## Contributions to City Revenue \$277.1 million in 2023



**The City of San Antonio is not the only local government entity that depends on revenues from the Hospitality Industry.** The industry pays sales, property, and hotel occupancy taxes to other municipalities. In addition, Bexar County collects property and hotel occupancy taxes, while school districts, the Alamo Community College District, the University Health System, and the San Antonio River Authority all levy property taxes paid by Hospitality Industry businesses. These businesses also collect sales taxes to support VIA Metropolitan Transit and the Advanced Transportation District.

These are not small sums. The County alone collected \$21.3 million in HOT taxes, \$12.2 million in rental car taxes, and \$23.0 million on property taxes from properties located within the City of San Antonio. In addition, the University Health System collected \$22.96 million in property taxes on those same properties, for a total of \$79.41 million.

## Contributions to County Revenue \$79.5 million in 2023



Beyond this, property taxes on just those hospitality-related businesses located within the San Antonio city limits contributed \$89.4 million to local school districts, and another \$13.9 million to the Alamo Colleges and the River Authority. VIA and ATD sales tax revenues from Hospitality Industry businesses within the San Antonio city limits totaled \$47.3 million. In all, Bexar County and the other local governments received **\$230 million**, not including the sales and property taxes paid to entities outside the City limits.

The government revenues itemized above add up to approximately **\$507 million**. Since this estimate excludes some property, sales and hotel taxes paid by hospitality-related businesses outside the San Antonio city limits, the full contribution of the industry to local government is in fact significantly greater than this estimate.

It is worth noting that every revenue stream except school district property taxes (which were reduced by the Legislature) exceeded the 2019 pre-pandemic amounts.

These revenues help reduce the taxes paid by those who live in the San Antonio metropolitan area. Without the tax payments from the hospitality industry, the city, county, and other agencies would either have to reduce services or find additional resources to balance their respective budgets. Another way to say this is that local residents enjoy lower taxes and better services because the visitor industry supports local government so abundantly.

A separate table accompanying this report presents a detailed breakdown of these revenues over the past five years.

## TECHNICAL NOTES

### Information Sources for the Economic Impact Estimates

As noted in the introduction, the primary information source for this Economic Impact Study is the Texas Workforce Commission's (TWC) Covered Employment and Wages database, which provides data on payroll and employment for the San Antonio Metropolitan Statistical Area aggregated into lines of business defined by the North American Industrial Classification System (NAICS) coding framework. It represents essentially a 100% sample of all the businesses in each NAICS code.

The specific industry codes used in this study are listed at the end of the Technical Notes section. The process of deciding which NAICS codes to include required some judgment. The study includes only those industries that derive a significant portion of their sales from out-of-town visitors, whether they are tourists, conventioners, or business visitors. These businesses, not surprisingly, are concentrated in the lodging, eating, and drinking, transportation, and entertainment sectors. Clearly, San Antonio's visitors patronize many other businesses, from department stores to gas stations. This spending would have to be included in an estimate of the overall impact of visitors on the San Antonio economy. But since this study is focused not on the impact of visitors but on the impact of *the industry that serves visitors*, the estimates presented here refer to the hospitality industry alone.

**NOTE:** The numbers reported in this study are based on the latest available data. Since data for prior years is often updated by the reporting agencies, the amounts reported here may differ slightly from the amounts appearing in previous reports.

## **Information Sources for the Estimates of Financial Contributions to Local Government**

Total revenues received in fiscal years 2019 - 2023:

*Hotel occupancy taxes, river cruise fees, liquor taxes:* Finance Department, City of San Antonio.  
*City General Fund Budget:* Fiscal Year 2023 Adopted Budget, City of San Antonio website.

Estimates of revenues for the Hospitality Industry NAICS codes only:

*CPS revenues:* CPS Energy.

*Sales taxes:* Texas State Comptroller's Office.

*Property taxes:* Finance Department, City of San Antonio.

### **Information source for visitor statistics:**

Annual studies of visitors to San Antonio, prepared for Visit San Antonio by D K Shiflett & Associates.

## **NAICS CODES FOR THE HOSPITALITY INDUSTRY**

### **Transportation and Travel Arrangements**

48111	Scheduled air transportation
48521	Interurban and rural bus transportation
48531	Taxi services
48551	Charter buses
48599	Other ground passenger transportation
48711	Scenic and sightseeing transportation
48811	Airport operations
53211	Passenger car rental and leasing
56152	Tour operators
56159	Other travel arrangement services
81293	Parking lots and garages

### **Lodging**

7211	Hotels, motels, etc.
7212	RV parks and recreational camps

**Restaurants, etc.**

7223 Special food services  
7224 Drinking places & Limited-service eating places.  
7225 Restaurants

**Entertainment**

51213 Motion picture exhibition  
7111 Performing arts companies  
71121 Spectator sports  
7113 Promoters of performing arts  
7115 Independent artists, writers, and performers  
7121 Museums, historical sites, zoos, etc.  
71311 Amusement and theme parks  
71312 Amusement arcades  
71391 Golf courses and country clubs  
71399 Other amusement and recreation

