

The Economic Impact of Tampa's Visitor Economy, 2019

PREPARED FOR:



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CONTENTS

- REPORT HIGHLIGHTS 3
- LOCAL TOURISM TRENDS 6
- TRENDS IN VISITS AND SPENDING 11
- ECONOMIC IMPACTS 18
- IMPACTS IN CONTEXT 28
- THE COVID-19 PANDEMIC 31



REPORT HIGHLIGHTS

REPORT HIGHLIGHTS

Visitor spending, economic impact summary, and key facts



Visitor economy growth

Visitor spending reached \$4.5 billion in 2019, up from \$2.7 billion in 2009, a 67% increase in ten years.



Wage and job generation

Visitor spending supports 6.7% of all Hillsborough County income and 7.7% of all county jobs. The visitor economy is growing faster than the general economy.



Hotel sector impacts

Hotel room revenue reached \$756 million in revenue for hotels, up from \$395 million in 2009, a total increase of 91% in ten years.

Key statistics and economic impact figures for Hillsborough County's visitor economy

Total hotel nights sold	6.2 million
Total hotel room revenue	\$756 million
Total business sales supported	\$6.9 billion
Direct visitor spending	\$4.5 billion
Induced and indirect spending	\$2.4 billion
Jobs supported by tourism	54,260
Wages supported by tourism	\$2.5 billion
Taxes supported by tourism	\$967 million
Federal	\$551 million
State	\$204 million
Local	\$212 million

Source: Tourism Economics; BLS; STR

ECONOMIC IMPACT IN CONTEXT

Spending, jobs, and income impacts in context



**\$4.5
BILLION**

VISITOR SPENDING

The \$4.5 billion in visitor spending means that \$508,000 is spent EVERY HOUR in Hillsborough County.



**\$2.5
BILLION**

PERSONAL INCOME

The \$2.5 billion in total wages generated by tourism is equivalent \$3,300 for every household in Hillsborough County.



**54,260
JOBS**

EMPLOYMENT

The number of people employed directly by visitors (37,854) would exceed the current capacity of Tropicana Field (31,042), and the employees sustained by tourism's indirect and induced impacts (16,406) would fill up most of the Amalie Arena (19,092).



**\$416
MILLION**

STATE AND LOCAL TAXES

To make up for the \$416 million in state and local taxes generated by visitor spending, each household in Hillsborough County would need to contribute an additional \$840 annually to maintain the current level of government.

LOCAL TOURISM TRENDS

LOCAL TOURISM TRENDS

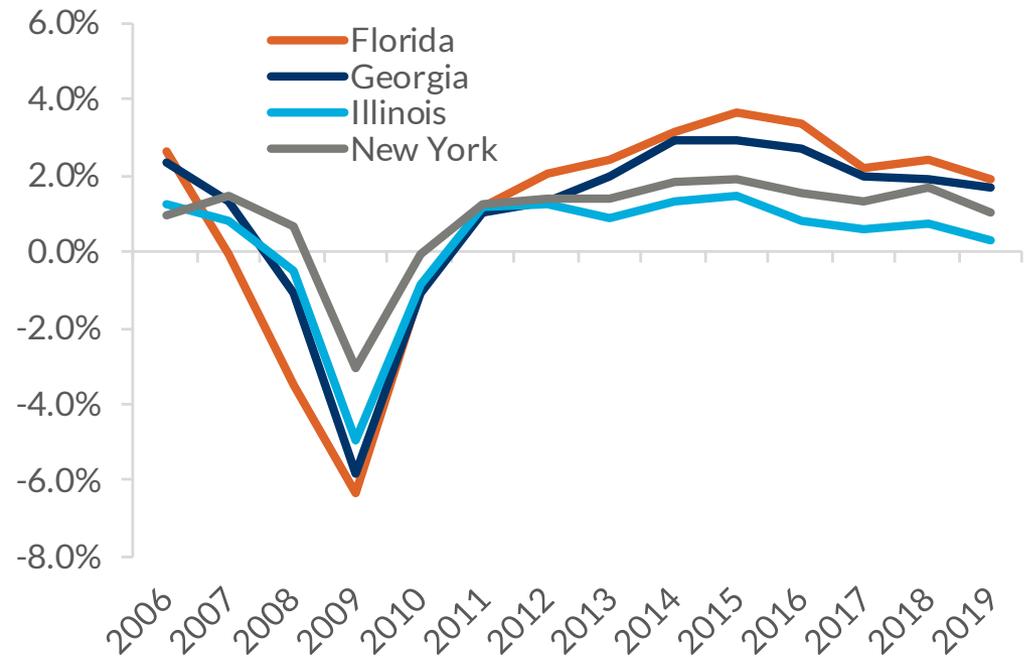
Source markets

Economic growth continues in important source markets.

Hillsborough's top four source markets continue to make gains in jobs and income, albeit at a slower pace.

Employment in key source markets

Annual percent change



Source: BLS

LOCAL TOURISM TRENDS

Hotel metrics

Hillsborough County reached new highs in all three key performance indicators (KPIs).

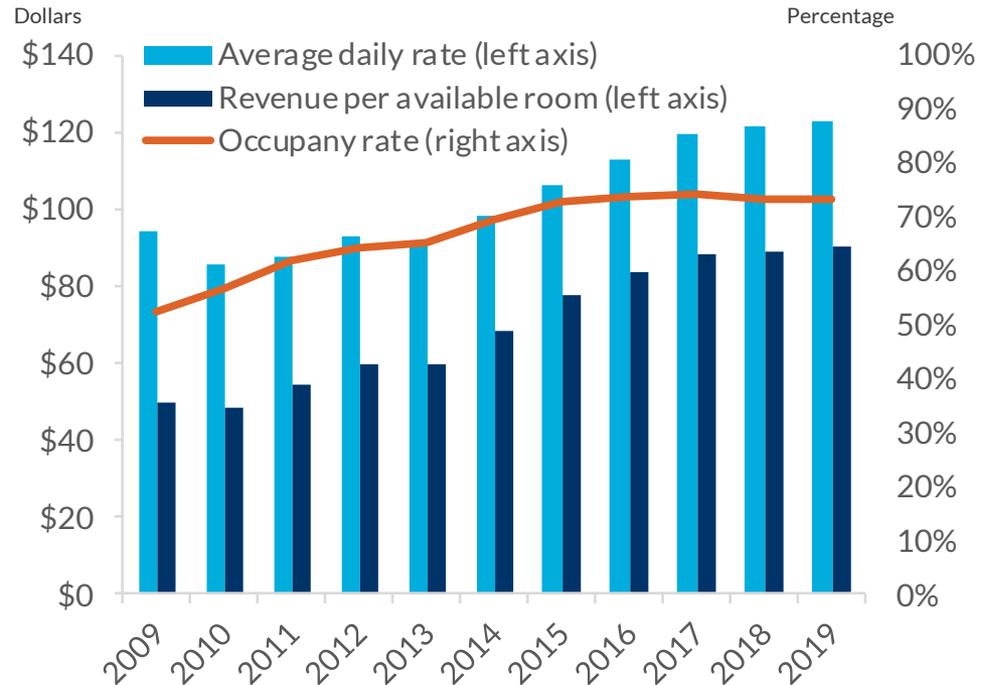
Revenue per available room (RevPAR) currently stands at \$90 and is up 82% from 2009.

Average Daily rate (ADR) reached \$123 and is up 30% from 2009.

Occupancy rates have risen to 73% in 2019 from 53% in 2009.

6.2 million hotel room-nights were booked in Hillsborough County in 2019.

Hotel sector KPIs



Source: STR

LOCAL TOURISM TRENDS

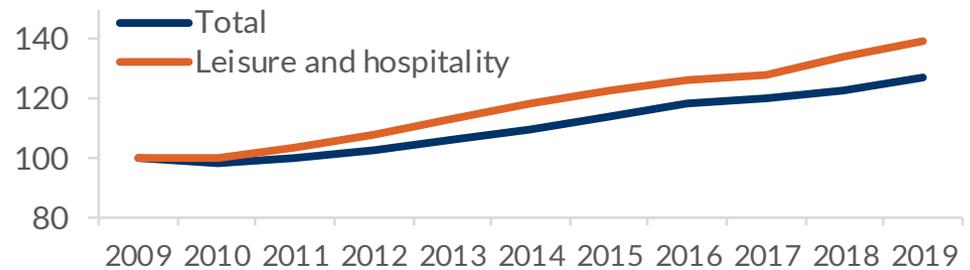
Visitor economy employment

The leisure and hospitality sector is growing faster than the general economy.

Employment and income in the leisure and hospitality sector has grown faster than the economy as a whole.

Visitor spending supported employment vs the general economy

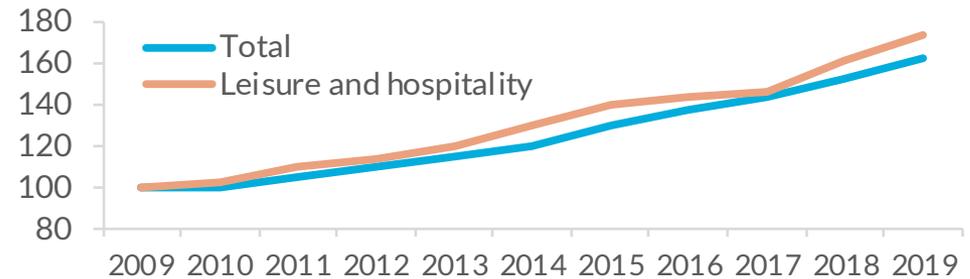
Index (2009=100)



Source: Tourism Economics

Visitor spending supported income vs the general economy

Index (2009=100)



Source: Tourism Economics

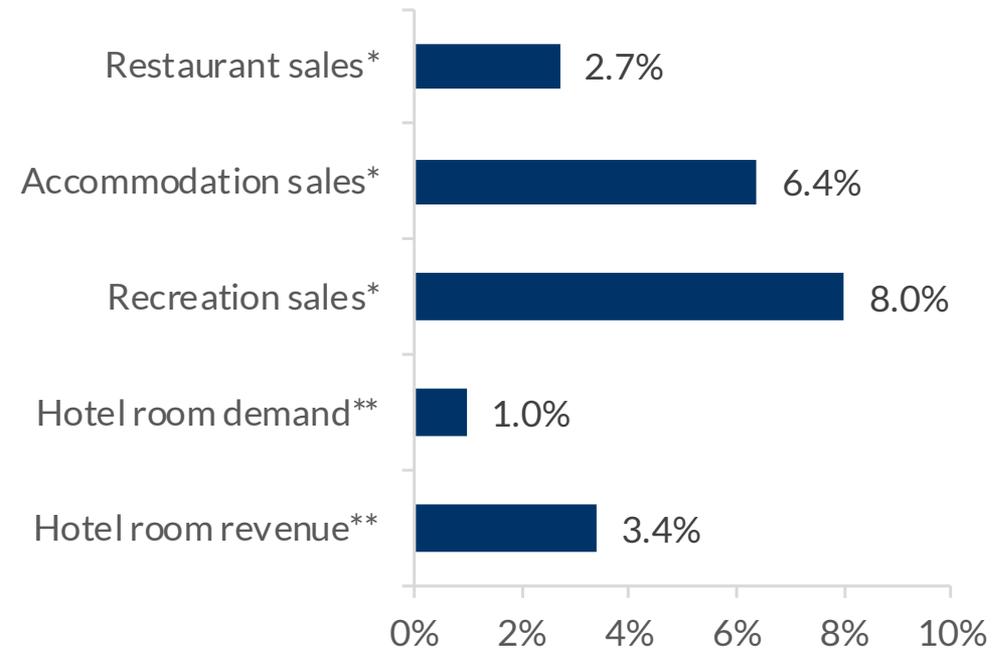
LOCAL TOURISM TRENDS

Travel sector growth

Data from Florida's Department of Revenue and STR point towards a strong year for the travel sector.

Growth in key indicators for Hillsborough County, 2019

Percent growth



Sources: *Florida Dept. of Revenue; **STR

TRENDS IN VISITS AND SPENDING

TRENDS IN VISITS AND SPENDING

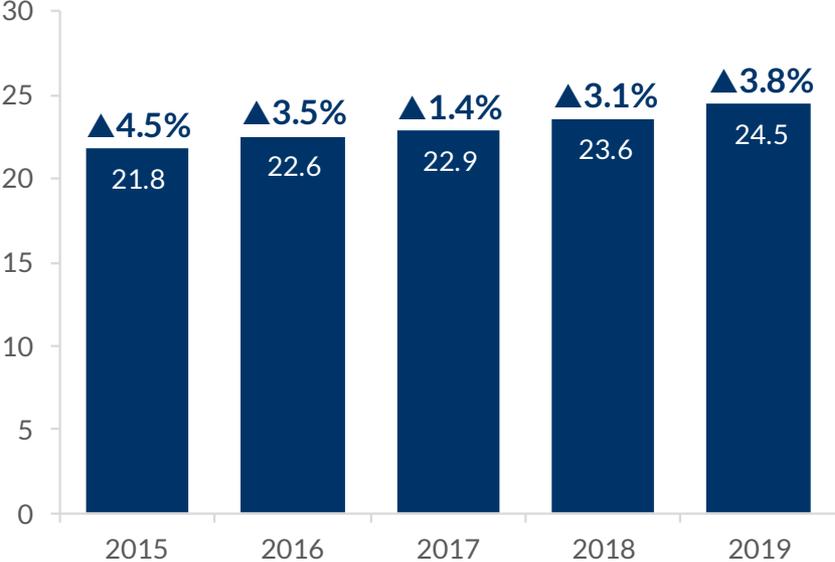
Total visitor count

Hillsborough County hosted 24.5 million visitors in 2019.

Visitation grew 3.8% in 2019 and reached a new all-time high; visits are up a total of 44% since 2009

Visits to Hillsborough County

Amounts in millions of visitors and year-on-year percentage growth



Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

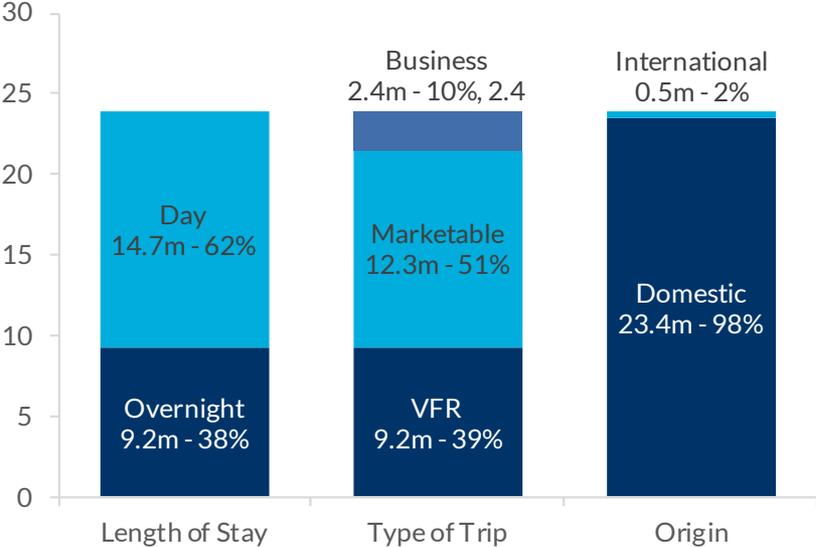
Total visitor count

Hillsborough County hosted 9.2 million overnight visitors in 2019.

51% of all visitors are 'marketable' or non-VFR (visiting friends and relatives) leisure travelers.

Visits to Hillsborough County

Amounts in millions and share of total



Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

Total visitor count

In 2019, visitors spent \$4.5 billion in Hillsborough County.

Spending is up 67% since 2009, and increased by 5.7% in 2019 alone.

Visitor spending in Hillsborough County

Dollars in billions of visitors and year-on-year percentage growth



Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

Total visitor count

Visitor spending is distributed across a variety of sectors.

The largest share of the visitor dollar was spent on food and beverages - 28% of the total



Note: Transport includes both air and local transportation.
Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

Total visitor count

Food and beverage spending is increasing faster than other categories.

Visitor spending in Hillsborough County

Dollars in billions

	2015	2016	2017	2018	2019	2019 growth	15-'19 growth
Total	\$3,638	\$3,846	\$3,945	\$4,214	\$4,454	5.7%	22.4%
Lodging	\$691	\$747	\$802	\$838	\$871	3.9%	26.0%
Local trans.	\$425	\$403	\$427	\$479	\$519	8.4%	22.0%
Food & bev.	\$911	\$999	\$1,058	\$1,147	\$1,241	8.2%	36.3%
Retail	\$548	\$571	\$570	\$596	\$615	3.2%	12.2%
Recreation	\$868	\$935	\$896	\$967	\$1,015	4.9%	16.9%
Airfare	\$195	\$191	\$191	\$187	\$193	3.4%	-0.9%

Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

Total visitor count

While overnight visitors represent 40% of visitors, they represent 74% of all spending.

Spending is up 64% since 2009 and increased by 5.7% in 2019 alone.

Visits and visitor spending in Hillsborough County

Dollars in billions, visitors in millions

	2015	2016	2017	2018	2019	2019 growth	15-'19 growth
Total Visitors*	21.8	22.6	22.9	23.6	24.5	3.8%	12.3%
Day	13.1	13.6	13.6	14.1	14.7	4.2%	12.2%
Overnight	8.7	9.0	9.3	9.4	9.7	3.2%	12.4%
VFR	8.2	8.5	8.6	8.9	9.2	3.8%	12.4%
Marketable	10.9	11.3	11.5	11.8	12.3	4.2%	12.4%
Business	2.2	2.2	2.3	2.3	2.4	5.4%	12.4%
Total Spending	\$3,638	\$3,846	\$3,945	\$4,214	\$4,454	5.7%	22.4%
Day	\$939	\$1,005	\$978	\$1,071	\$1,162	8.5%	23.8%
Overnight	\$2,700	\$2,841	\$2,967	\$3,143	\$3,292	4.7%	21.9%

Source: Tourism Economics

ECONOMIC IMPACTS



ECONOMIC IMPACTS

How visitor spending generates employment and income

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

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

1. **Direct Impacts:** Visitors create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP 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.
3. **Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitors, spend those wages in the local economy.

ECONOMIC IMPACTS

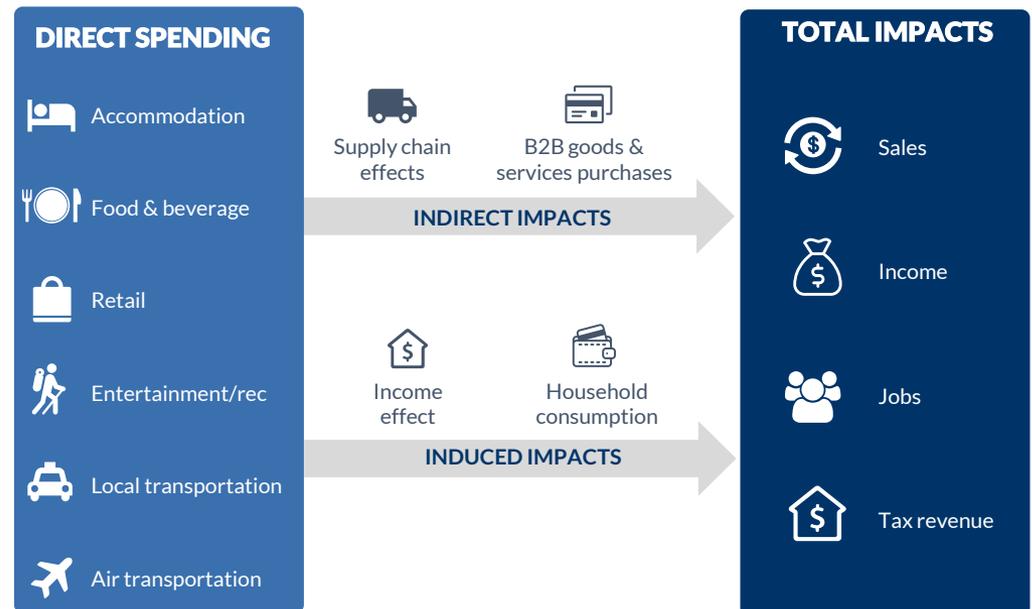
How visitor spending generates employment and income

IMPLAN models the entire local economy.

IMPLAN is particularly effective because it calculates these three levels of impact – direct, indirect, and induced – for a broad set of indicators.

These include the following:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes



ECONOMIC IMPACTS

Business sales impacts by industry

Visitors directly spent \$4.5 billion in Hillsborough County and supported \$6.9 billion in total economic activity when indirect and induced impacts are considered.

Summary economic impacts (\$ millions)



Business sales impacts by industry

Dollar amounts in millions	Direct sales	Indirect sales	Induced sales	Total sales
Total, all industries	\$4,454	\$1,099	\$1,371	\$6,924
By industry				
Agriculture, Fishing, Mining	\$0	\$2	\$1	\$2
Construction and Utilities	\$0	\$36	\$21	\$57
Manufacturing	\$0	\$19	\$14	\$33
Wholesale Trade	\$0	\$55	\$63	\$117
Air Transport	\$193	\$6	\$8	\$207
Other Transport	\$340	\$86	\$23	\$449
Retail Trade	\$615	\$18	\$110	\$744
Gasoline Stations	\$116	\$1	\$6	\$123
Communications	\$0	\$84	\$78	\$162
Finance, Insurance and Real Estate	\$63	\$315	\$449	\$827
Business Services	\$0	\$307	\$126	\$433
Education and Health Care	\$0	\$4	\$250	\$254
Recreation and Entertainment	\$1,015	\$45	\$22	\$1,082
Lodging	\$871	\$1	\$1	\$872
Food & Beverage	\$1,241	\$27	\$103	\$1,371
Personal Services	\$0	\$32	\$62	\$95
Government	\$0	\$61	\$36	\$96

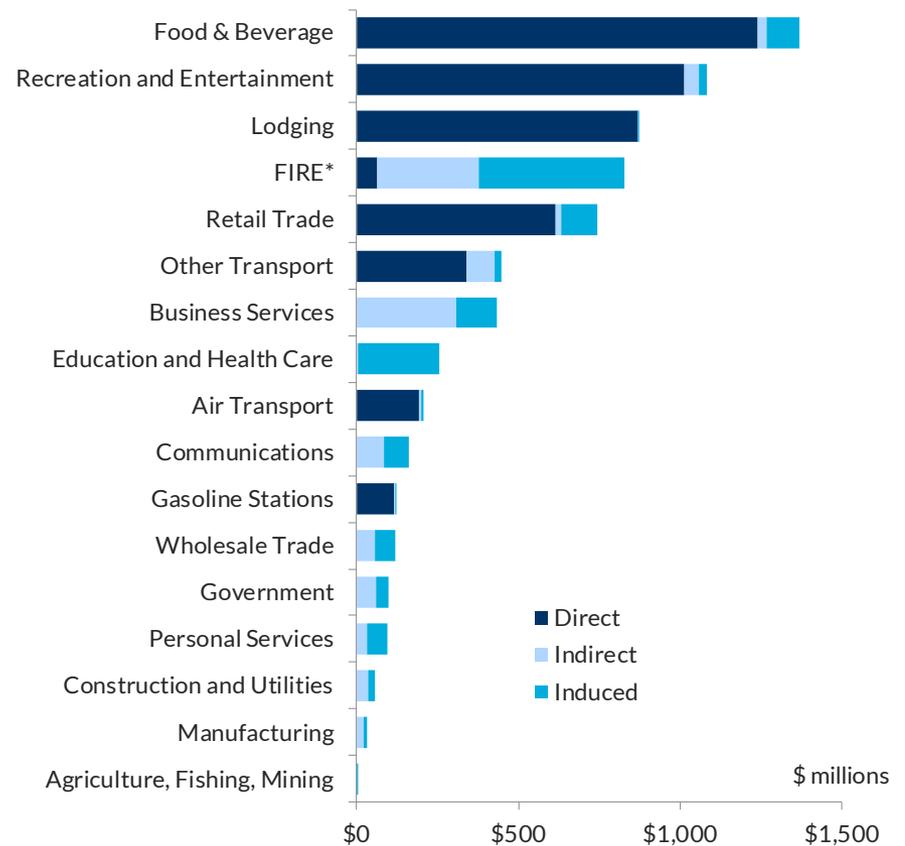
Source: Tourism Economics

ECONOMIC IMPACTS

Business sales impacts by industry

While the majority of sales are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Business sales impacts by industry

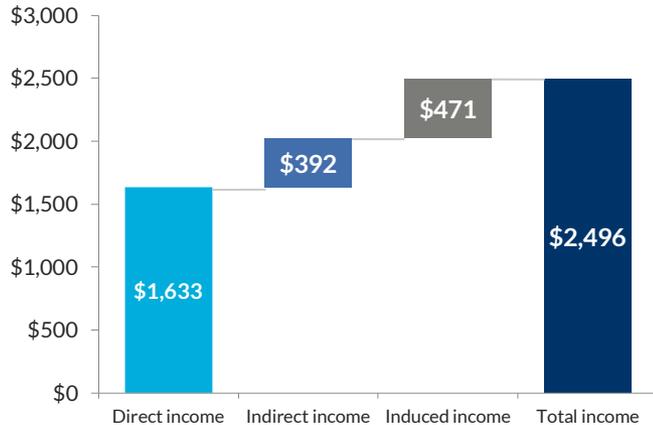


ECONOMIC IMPACTS

Income impacts by industry

Tourism generates \$1.6 billion in direct income and supports \$2.5 billion when indirect and induced impacts are considered.

Summary wage impacts (\$ millions)



Income impacts by industry

Dollar amounts in millions	Direct income	Indirect income	Induced income	Total income
Total, all industries	\$1,633	\$392	\$471	\$2,496
By industry				
Agriculture, Fishing, Mining	\$0	\$1	\$0	\$1
Construction and Utilities	\$0	\$12	\$7	\$19
Manufacturing	\$0	\$3	\$2	\$5
Wholesale Trade	\$0	\$18	\$20	\$38
Air Transport	\$33	\$1	\$2	\$36
Other Transport	\$129	\$28	\$7	\$164
Retail Trade	\$90	\$10	\$45	\$145
Gasoline Stations	\$7	\$1	\$3	\$11
Communications	\$0	\$19	\$15	\$35
Finance, Insurance and Real Estate	\$12	\$65	\$66	\$143
Business Services	\$0	\$154	\$64	\$218
Education and Health Care	\$0	\$2	\$138	\$140
Recreation and Entertainment	\$563	\$20	\$9	\$592
Lodging	\$267	\$0	\$0	\$268
Food & Beverage	\$531	\$12	\$46	\$589
Personal Services	\$0	\$18	\$36	\$54
Government	\$0	\$28	\$9	\$38

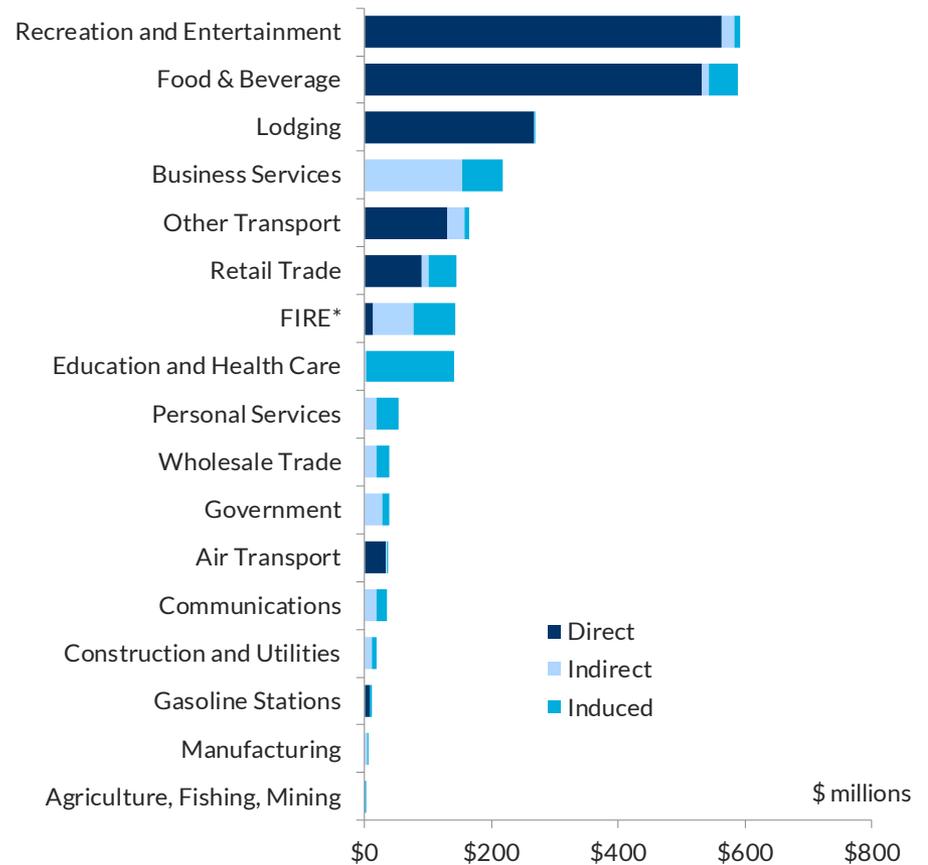
Source: Tourism Economics

ECONOMIC IMPACTS

Income impacts by industry

While the majority of wages are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Labor income impacts by industry

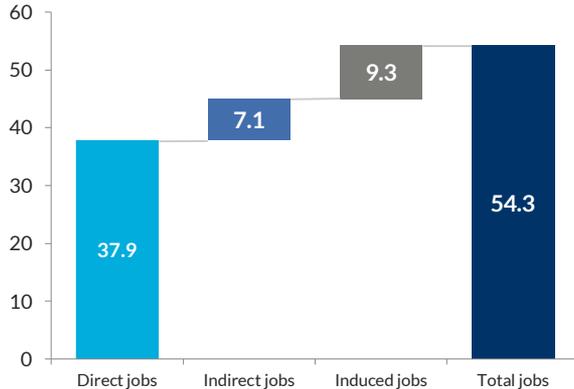


ECONOMIC IMPACTS

Job impacts by industry

Visitor spending directly generates 37,854 jobs and supports 54,260 jobs when indirect and induced impacts are considered.

Summary job impacts (000's)



Job impacts by industry

Includes seasonal and part time	Direct jobs	Indirect jobs	Induced jobs	Total jobs
Total, all industries	37,854	7,117	9,289	54,260
By industry				
Agriculture, Fishing, Mining	0	13	7	20
Construction and Utilities	0	187	111	297
Manufacturing	0	69	28	97
Wholesale Trade	0	218	270	488
Air Transport	467	16	25	508
Other Transport	2,094	544	140	2,778
Retail Trade	2,765	380	1,036	4,181
Gasoline Stations	124	22	62	208
Communications	0	220	155	375
Finance, Insurance and Real Estate	294	1,496	1,323	3,113
Business Services	0	2,426	1,048	3,474
Education and Health Care	0	60	2,286	2,346
Recreation and Entertainment	8,984	372	251	9,607
Lodging	7,499	9	6	7,514
Food & Beverage	15,628	410	1,407	17,445
Personal Services	0	379	1,008	1,387
Government	0	297	125	422

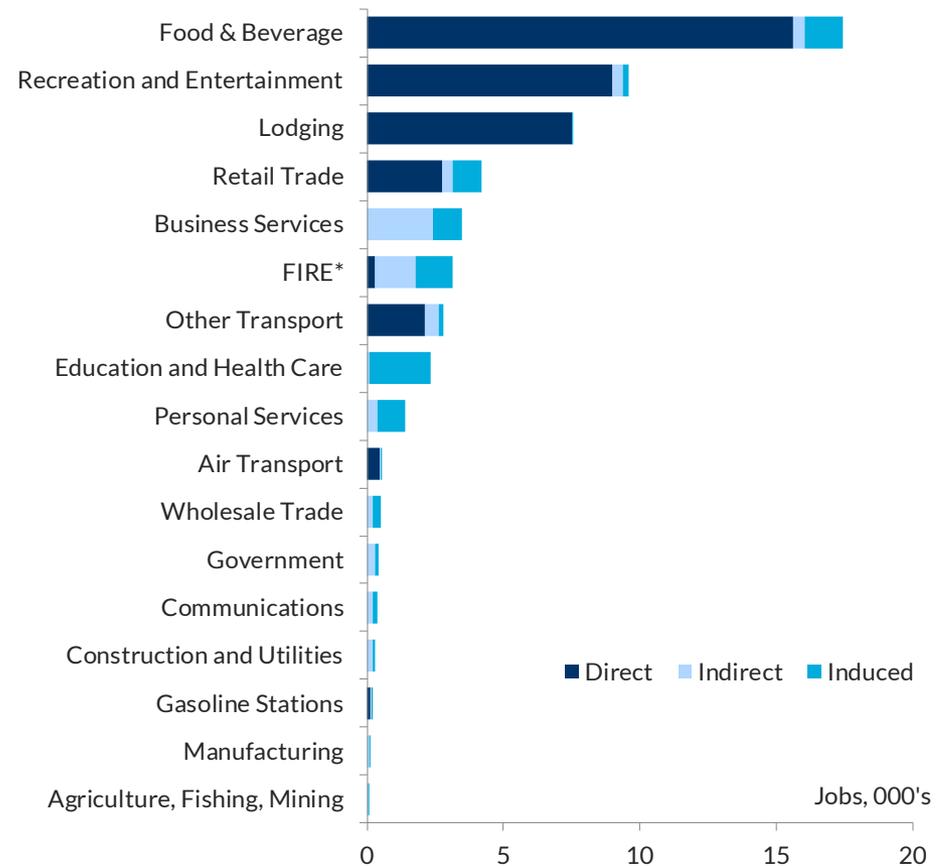
Source: Tourism Economics

ECONOMIC IMPACTS

Job impacts by industry

While the majority of jobs are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Job impacts by industry



ECONOMIC IMPACTS

Fiscal (tax) impacts

The visitor economy supports \$967 million in total government revenue including \$416 million in state and local government revenue.

Fiscal (tax) impacts

Dollars, million	Direct	Indirect / induced	Total
Total tax revenue	\$655	\$312	\$967
Federal	\$352	\$199	\$551
Personal Income	\$135	\$63	\$198
Corporate	\$29	\$30	\$59
Indirect business	\$44	\$17	\$61
Social Security	\$144	\$89	\$233
State	\$143	\$62	\$204
Sales	\$116	\$47	\$164
Corporate	\$4	\$4	\$8
Social Insurance	\$1	\$1	\$2
Excise and Fees	\$21	\$9	\$30
Local	\$160	\$51	\$212
Sales	\$19	\$8	\$27
Bed Tax	\$35	\$0	\$35
Excise and Fees	\$13	\$6	\$18
Property	\$93	\$38	\$131

Source: Tourism Economics

IMPACTS IN CONTEXT

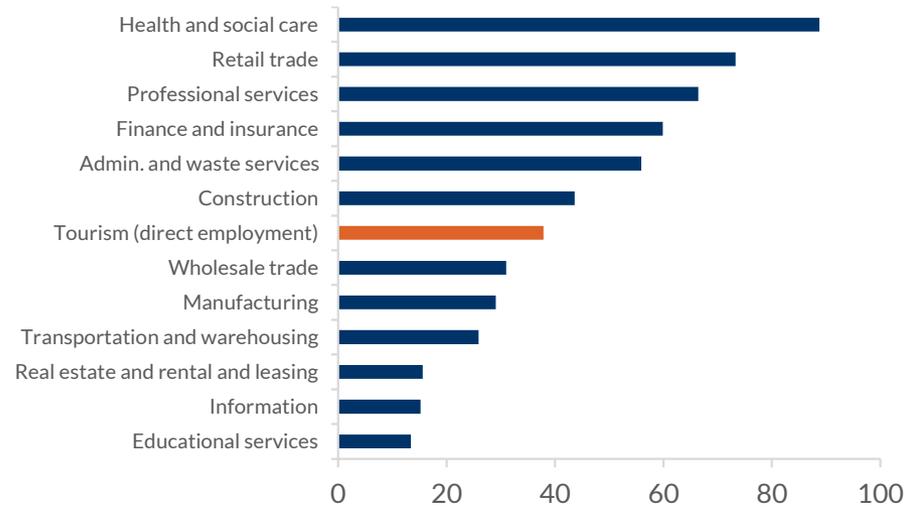
ECONOMIC IMPACTS IN CONTEXT

Visitor economy employment

Tourism is one of the largest industries in Hillsborough County.

Employment major sectors in Hillsborough County, 2019

Jobs, 000's



Sources: Tourism Economics; BLS

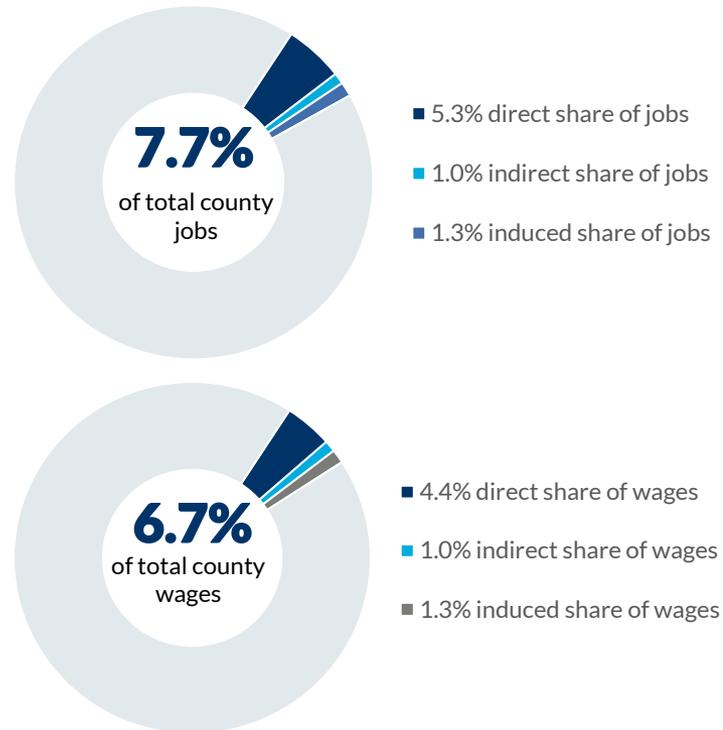
ECONOMIC IMPACTS IN CONTEXT

Visitor economy employment

Visitor spending supports 6.7% of all Hillsborough County income and 7.7% of all county jobs.

Share of Hillsborough County jobs and wages supported by tourism, 2019

Percent of all County jobs and income



Sources: Tourism Economics; BLS

THE COVID-19 PANDEMIC

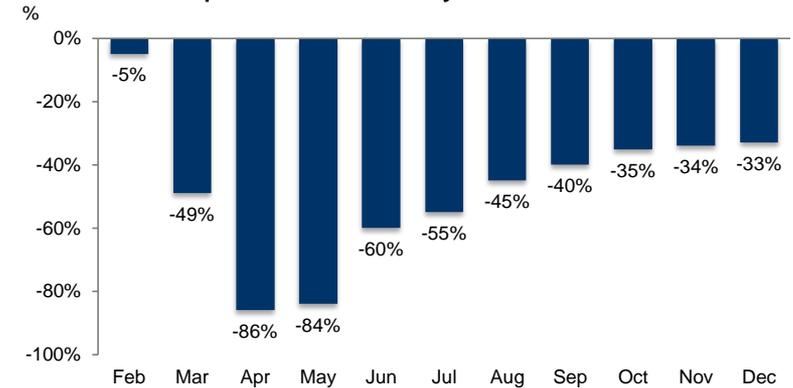
THE COVID-19 PANDEMIC

General outlook – travel spending

2020 will be a year to forget... but it's going to take a few years.

- The worst is (hopefully) behind us.
- 3/4th of recovery happens next year.
- The remainder takes longer.

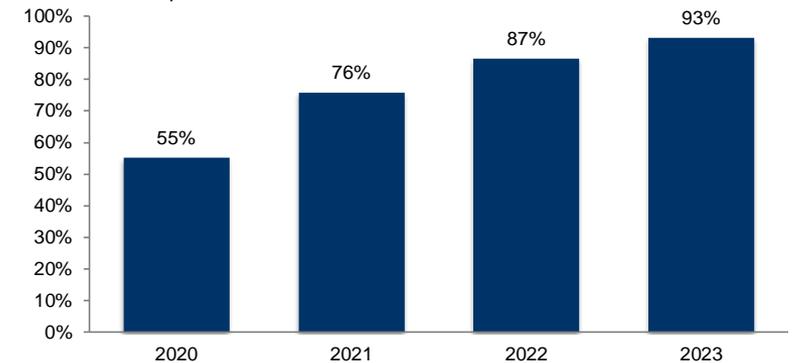
2020 COVID-19 impact on tourism industry revenue



Source: Oxford Economics

US travel spending

% recovered compared to 2019

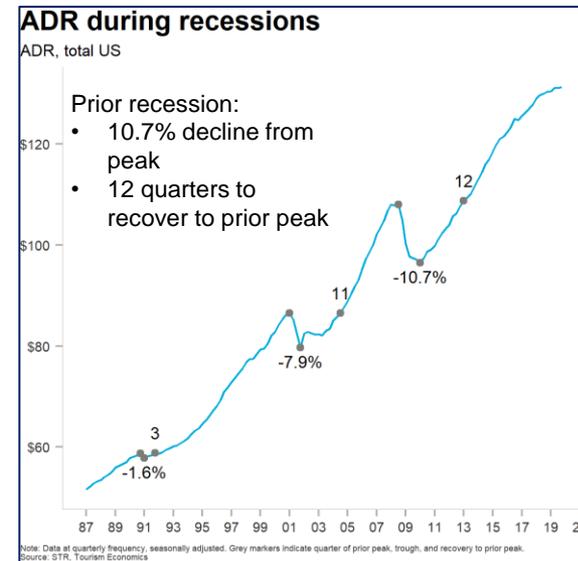
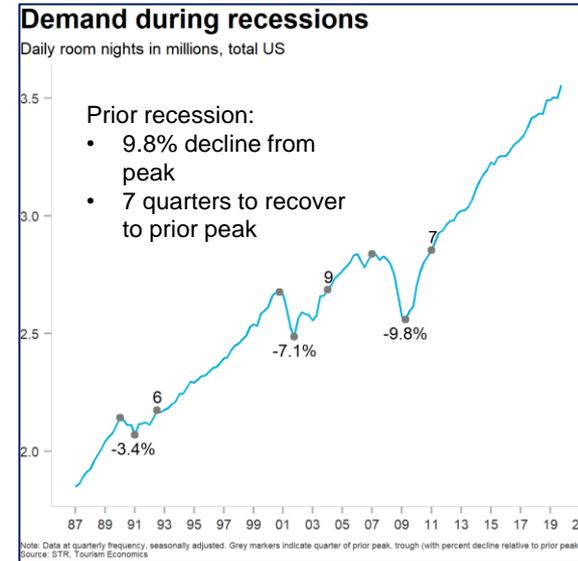


Source: Oxford Economics

THE COVID-19 PANDEMIC

General outlook – hotel KPIs

After previous recession, it took 7 quarters for demand to recover its prior peak, and 12 quarters for ADR in the US

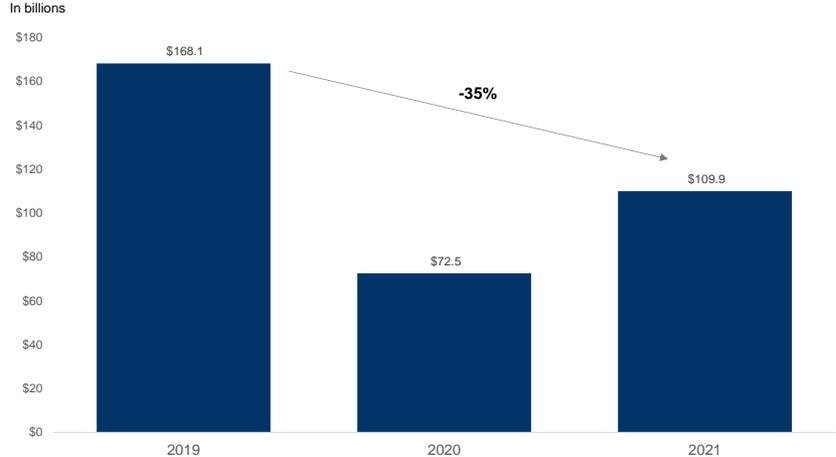


THE COVID-19 PANDEMIC

General outlook – hotel revenue

ADR drop implies a longer recovery period for room revenue.

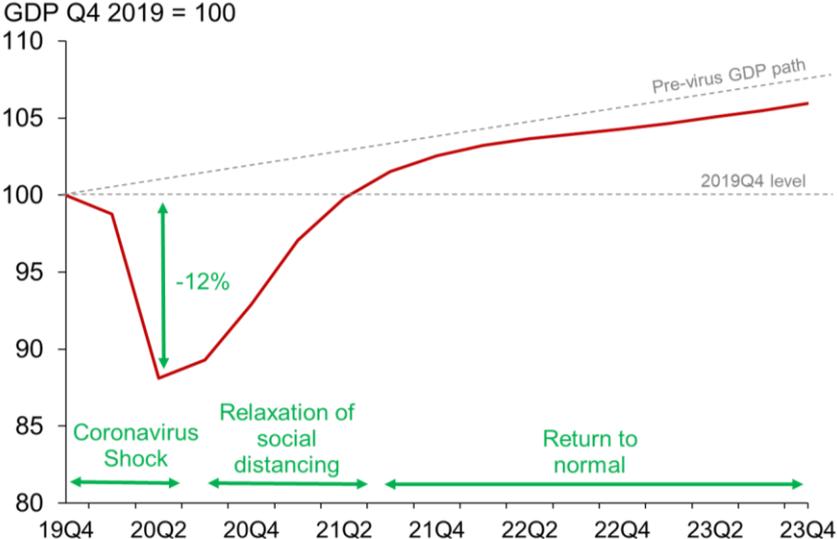
US room revenue



THE COVID-19 PANDEMIC

General outlook - GDP

US recovery should accelerate into 2021 but will remain below par. This represents a permanent setback for the US economy.



Source : Oxford Economics

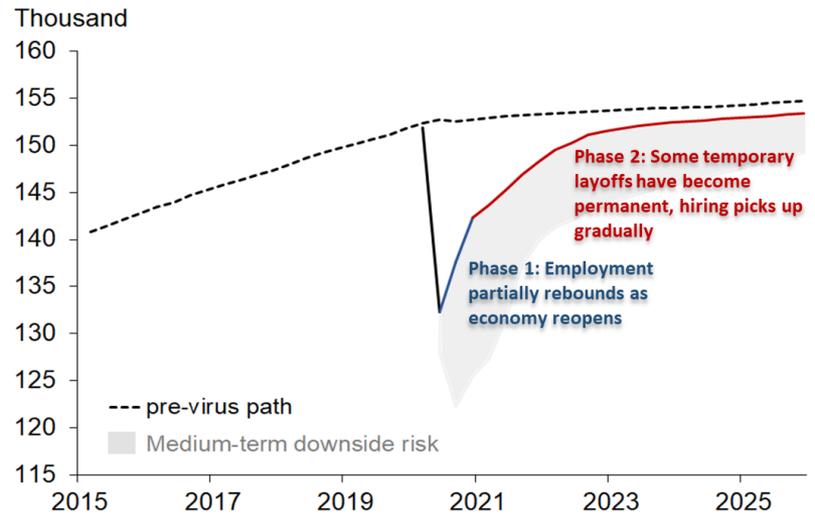
THE COVID-19 PANDEMIC

General outlook - recovery

Expect a two-phase labor market recovery.

The May and June jobs reports were very positive, but expect gains to plateau in the future.

US: Nonfarm employment



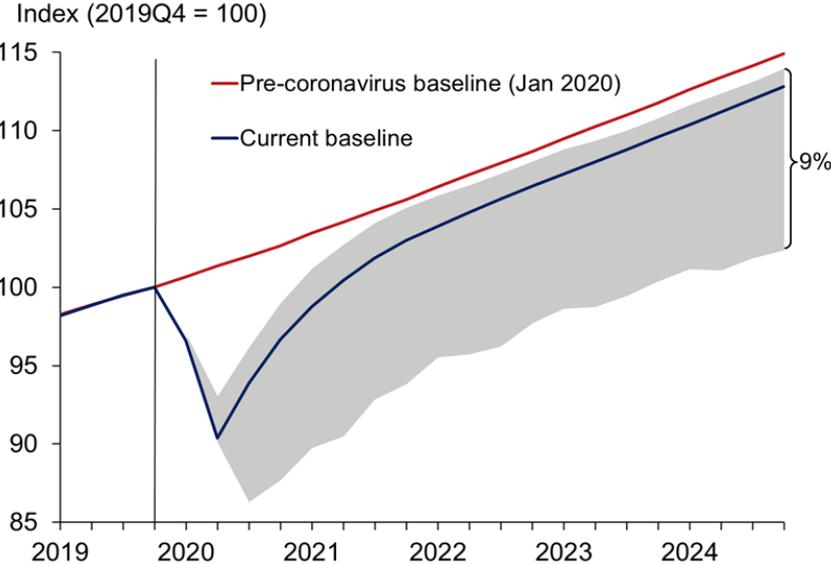
Source : Oxford Economics/Haver Analytics

THE COVID-19 PANDEMIC

The downside risk

Globally, risks are skewed to the downside, and the US is increasingly flirting with a second wave of COVID-19 that could deepen the national recession.

Global GDP: distribution of plausible scenarios



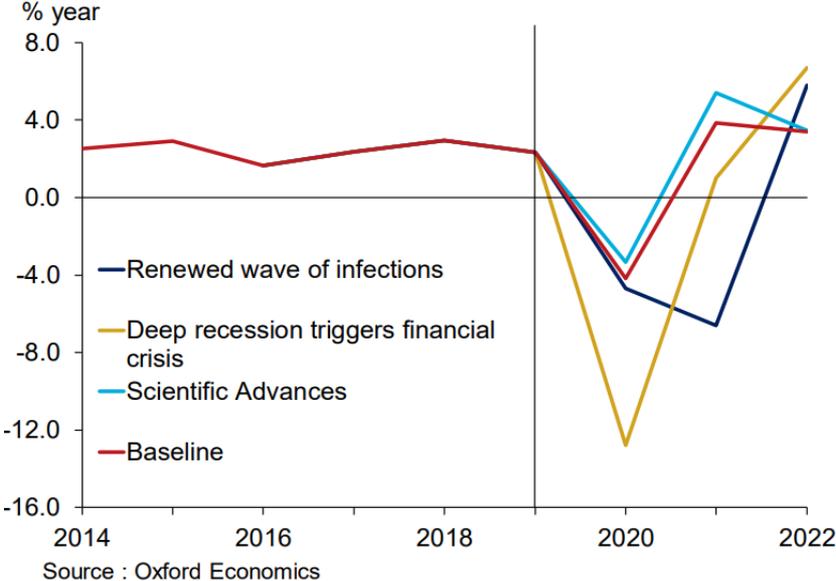
Source : Oxford Economics/Haver Analytics

THE COVID-19 PANDEMIC

The downside risk

Downside scenarios could deepen the recession in 2020 or lengthen the recession into 2021.

Impact of scenarios on GDP growth



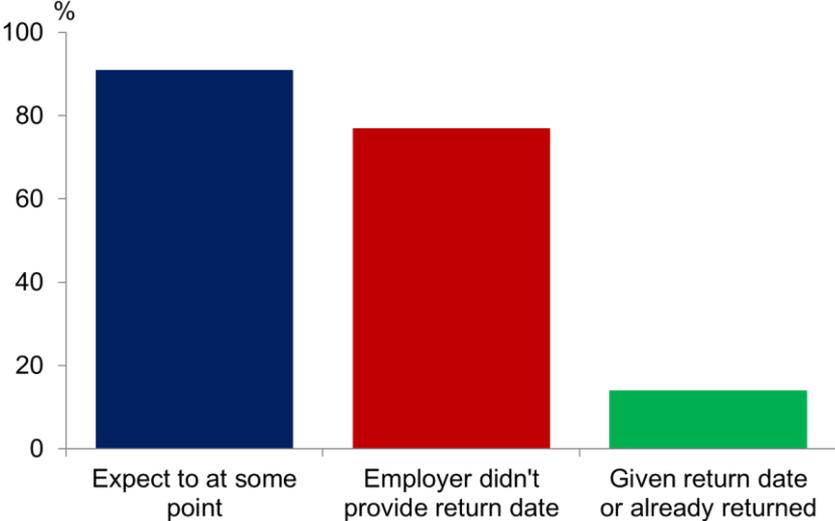
THE COVID-19 PANDEMIC

Positives – not all jobs are permanently lost

90% of unemployed expect to return to their jobs.

The unemployment rate may drop quickly over the next several months, but will remain much higher than the pre-pandemic period.

US: Asked about an expected return to work



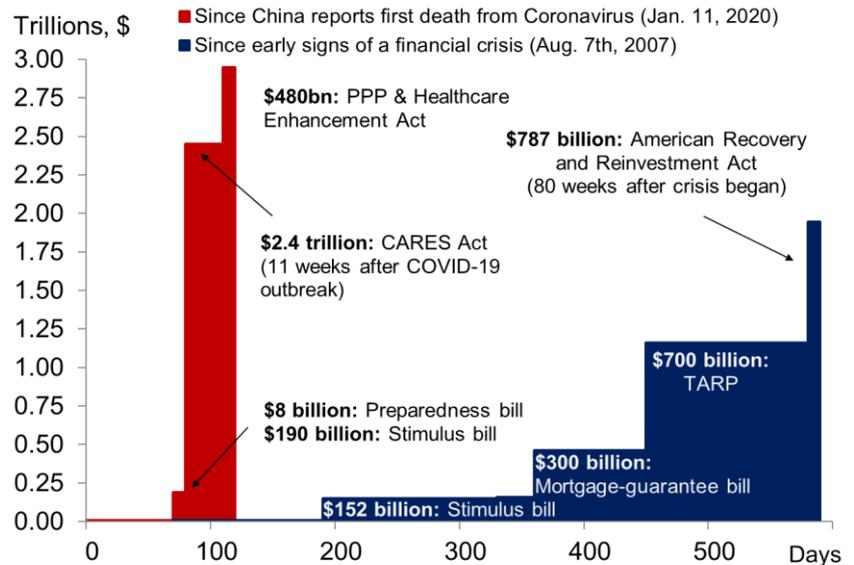
Source : Oxford Economics/Federal Reserve Well Being Survey

THE COVID-19 PANDEMIC

Positives – federal stimulus

Fortunately, massive stimulus was authorized quickly (compared to the 2008 financial recession).

US: Funds authorized by Congress



Source : Oxford Economics/CBO

THE COVID-19 PANDEMIC

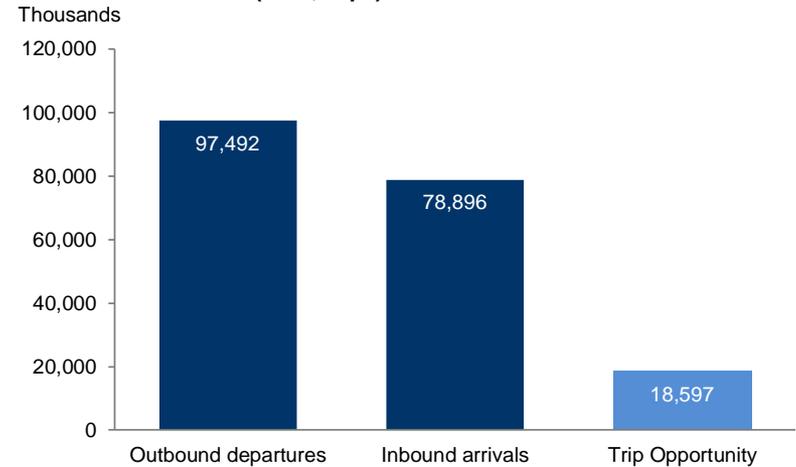
Positives – the international market opportunity

There is an opportunity to benefit from the international travel freeze.

Outbound trips outnumber inbound trips by 19 million, this represents a substantial opportunity. Outbound travel spending counterbalances 90% of inbound travel spending.

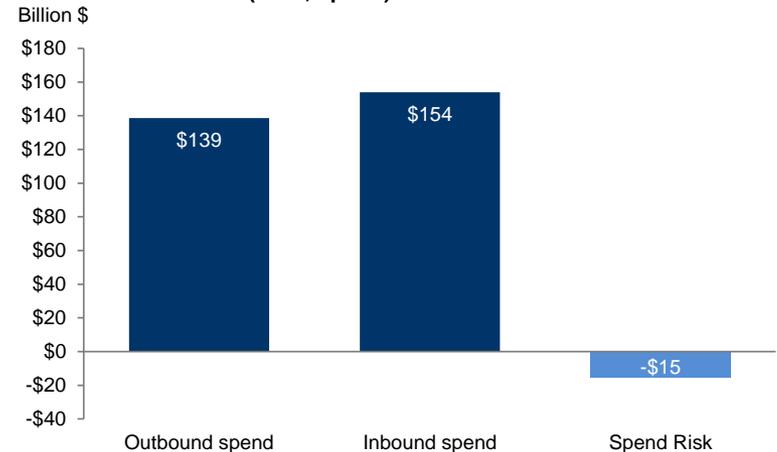
This indicates that while inbound and outbound travel remains minimal levels, the US domestic tourism can replace most of the US inbound market.

US Balance of Travel (2019, trips)



Source: Tourism Economics

US Balance of Travel (2019, spend)



Source: Tourism Economics

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, Buenos Aires, Dubai, Frankfurt, and Ontario.

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