

# Economic Impact of Tourism in the City of Paso Robles, California - 2017

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**Prepared for :**

**The City of Paso Robles**



**TOURISM  
ECONOMICS**

AN OXFORD ECONOMICS COMPANY

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# 1. Introduction

## Introduction and definitions

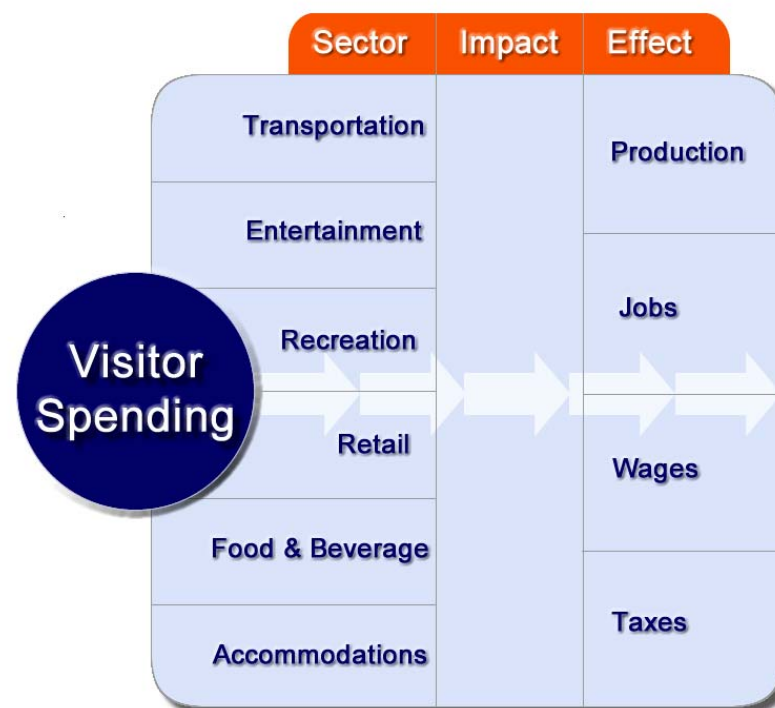
**This study measures the economic impact of tourism in the City of Paso Robles, California.** Our analysis of tourism's impact on Paso Robles begins with actual spending by tourists, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in Paso Robles, we input tourism spending into a model of the local 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.

## How visitor spending generates employment and income

*Visitor spending flows through the economy of Paso Robles and generates indirect benefits through supply chain and income effects.*



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## 2. Key Findings

## 1) Tourism is a major contributor to Paso Robles' economy

### Key facts about Paso Robles tourism sector

In 2017, nearly 1.3 million visitors spent approximately \$354 million in Paso Robles

Tourism spending increased 4.5% in 2017

Total visits increased 2.2% in 2017 over 2016 levels





## 2) Visitor spending generates income, jobs, and tax revenue

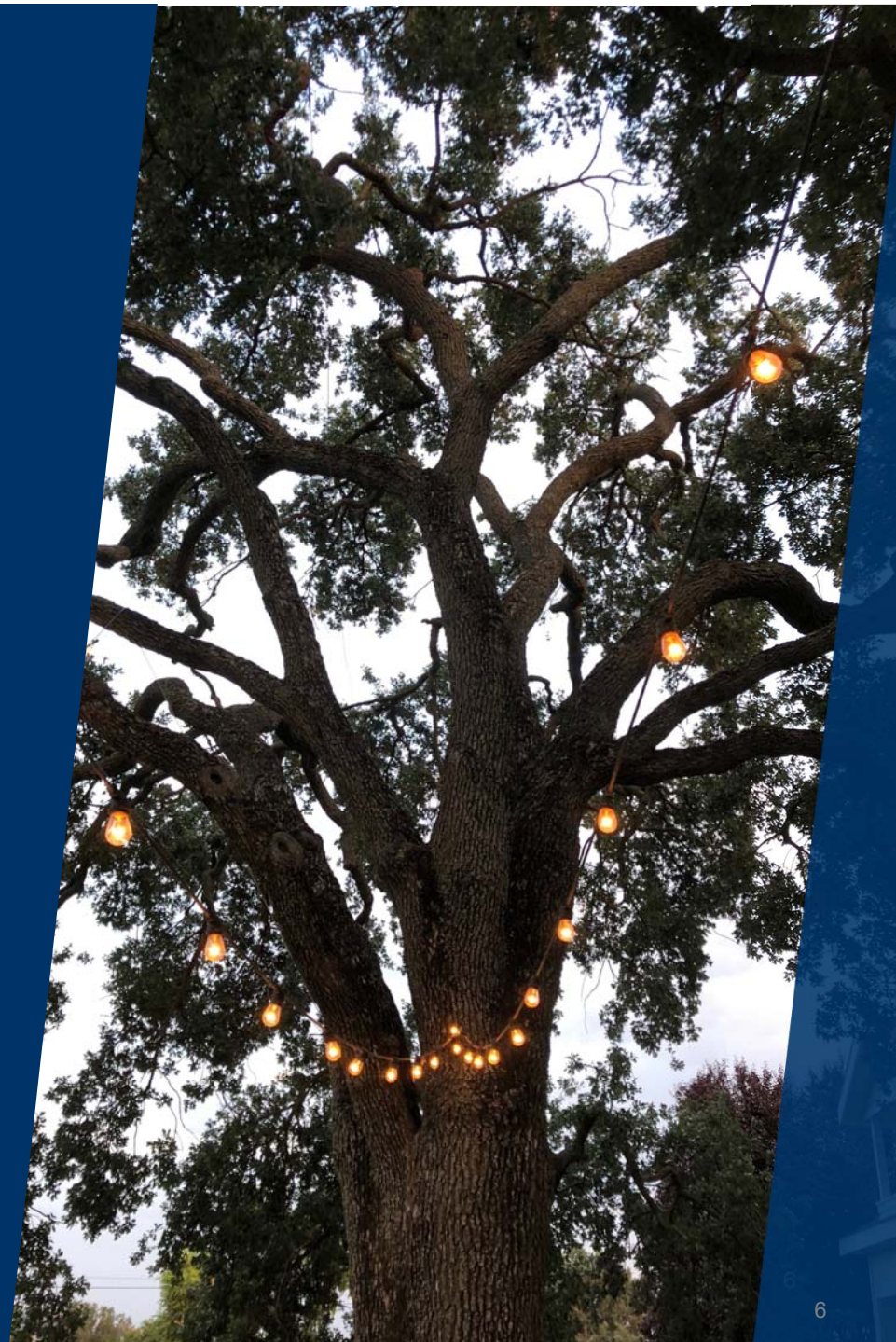
### Key indicators in Paso Robles, 2017

Dollar figures in millions

<b>Visitor spending</b>	<b>\$354</b>
<b>Total economic impact*</b>	<b>\$445</b>
<b>Employment sustained by tourism</b>	<b>4,422</b>
<b>Income generated by tourism</b>	<b>\$141</b>
<b>Taxes generated by tourism</b>	<b>\$69</b>
Federal	\$35
State	\$20
Local	\$15

Source: Tourism Economics

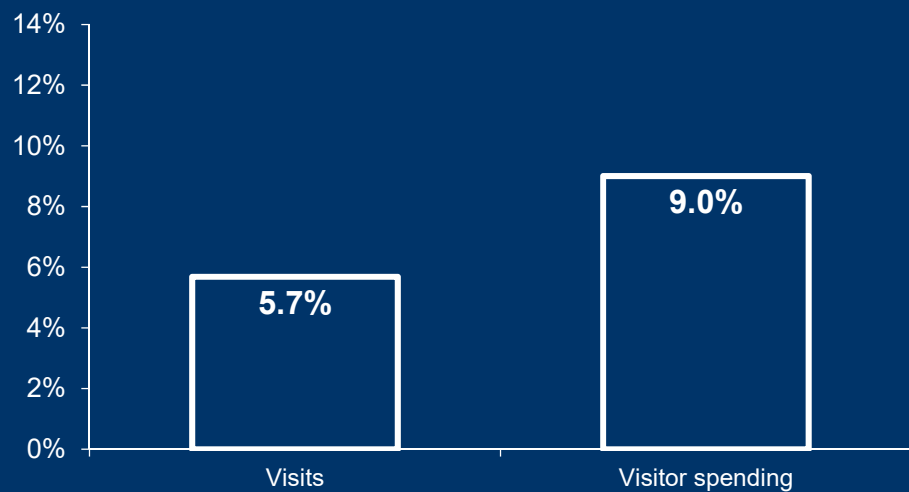
\* Includes direct, indirect, and induced impacts



### 3) Tourism indicators and economic impacts have increased since 2014\*

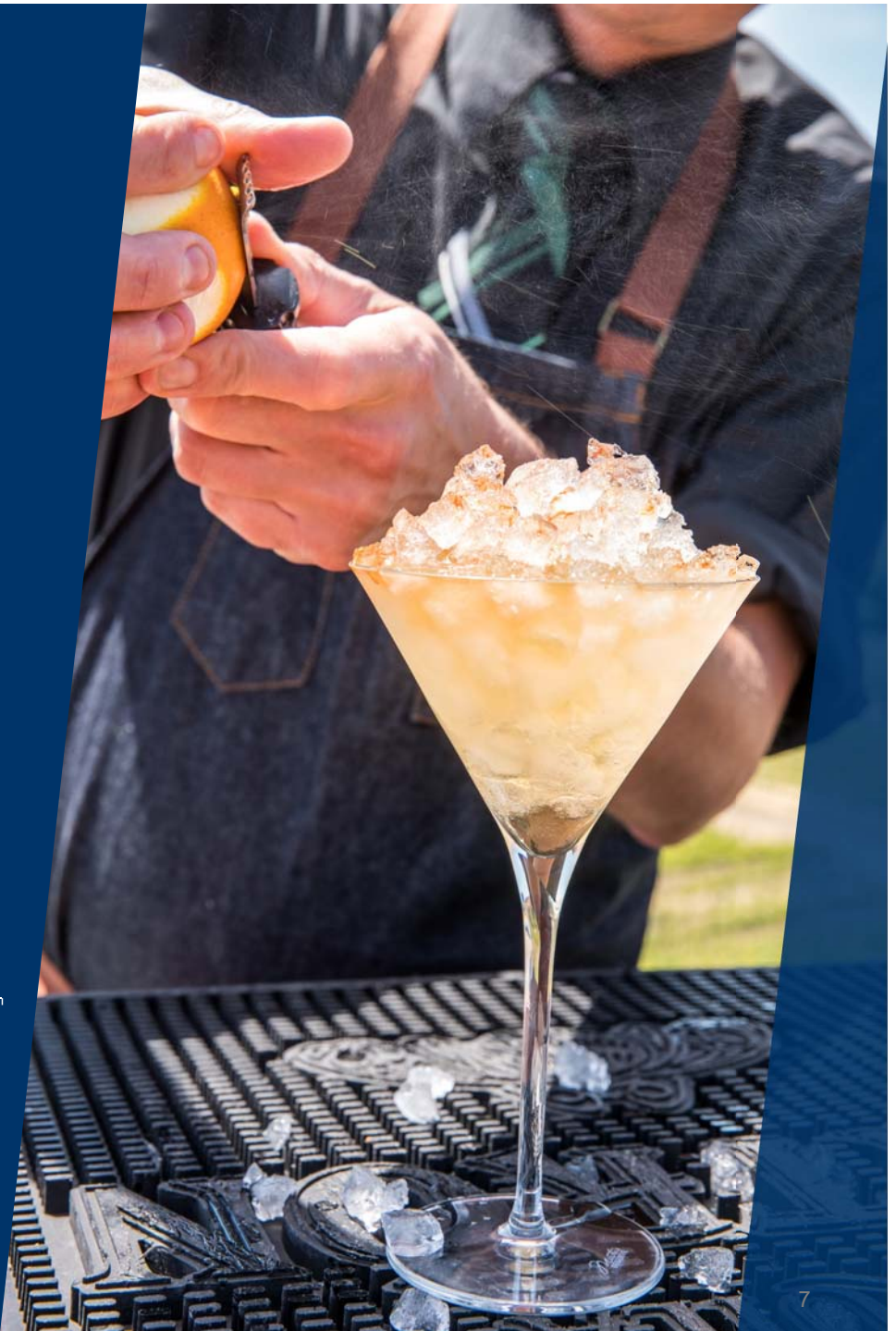
#### Growth in key indicators

Percent growth 2014-2017



Source: Tourism Economics

\* Note: While this study focuses on trends between 2014 and 2017, data shows that visitation and spending have been increasing since 2012.



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### 3. Focus on 2017

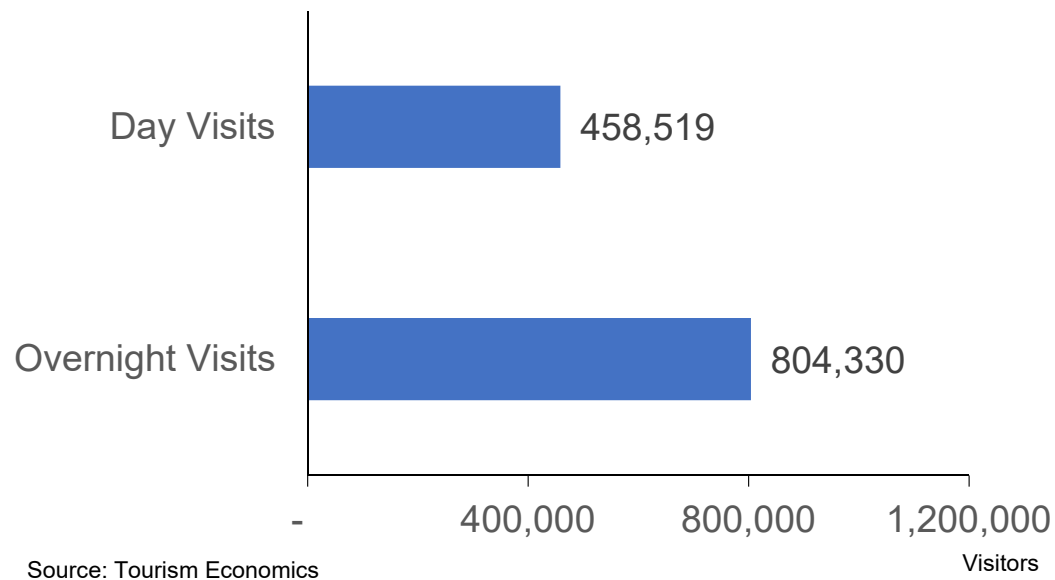


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## Paso Robles hosted 1.3 million visitors in 2017

Overnight visitors outpaced day visitors in 2017, increasing 3.1% to 0.8 million visits. Day visitors increased 0.5%, registering 0.5 million visits.

Paso Robles visitors, 2017



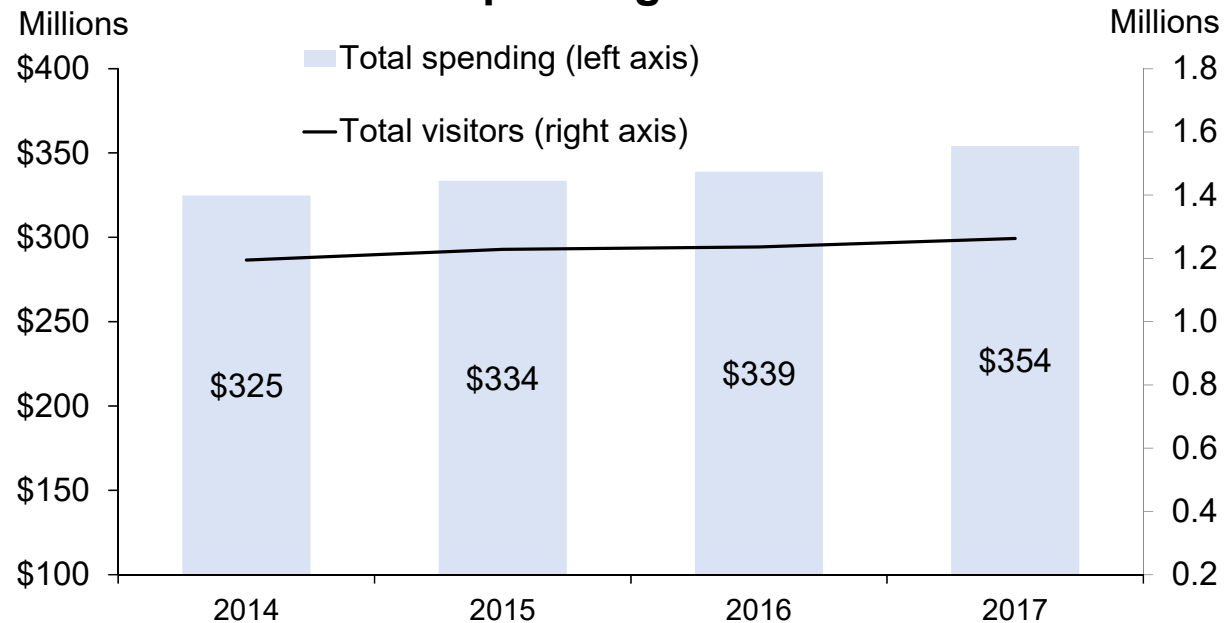
## 2017 Visitor trends

Total visitation reached 1.3 million in 2017, increasing by approximately 27,000 visits over 2016 levels.

Visitor volume in Paso Robles expanded 2.2% in 2017, as overnight visitation expanded 3.1%, while day visitation expanded 0.5%

An estimated 1.3 million visitors spent \$354 million in 2017, representing 4.5% growth compared to 2016 spending levels.

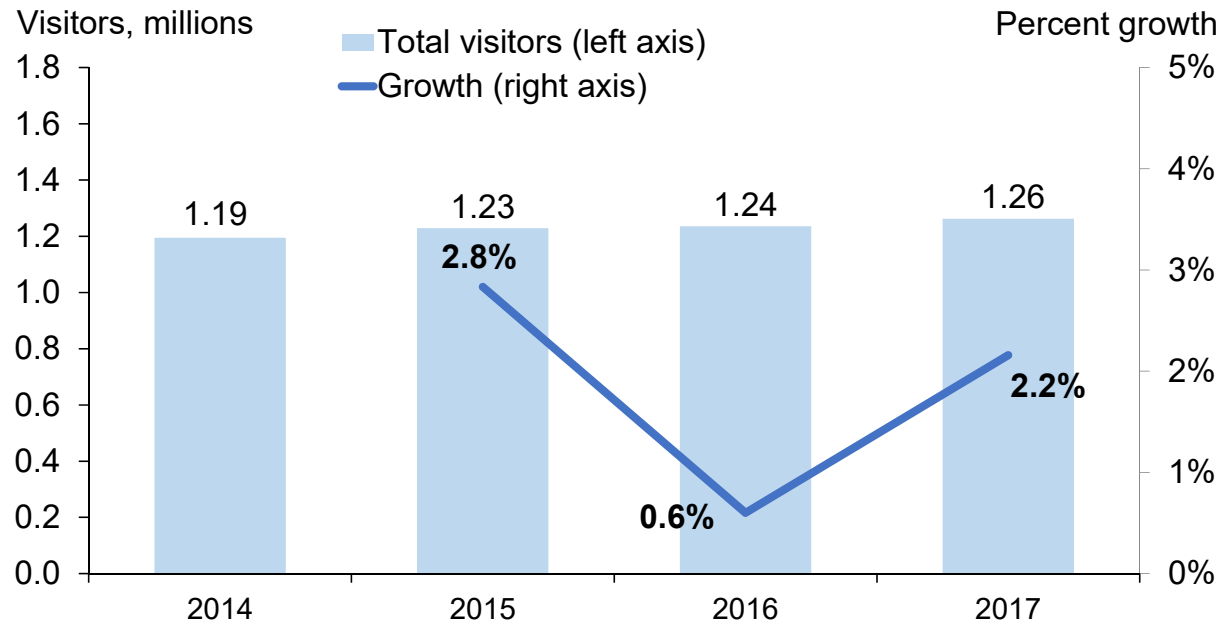
### Total visitation and spending in Paso Robles



Source: Tourism Economics

## Visitation growth, 2014-2017

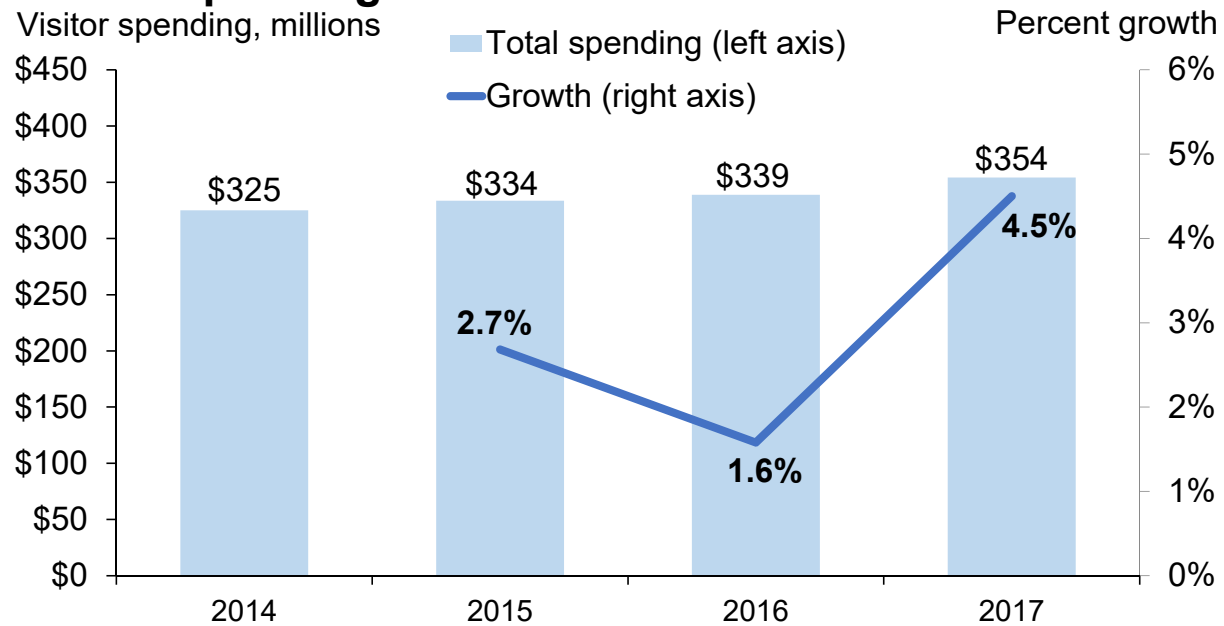
### Visitors to Paso Robles



Source: Tourism Economics

## Visitor spending growth, 2014-2017

### Visitor spending in Paso Robles



Source: Tourism Economics

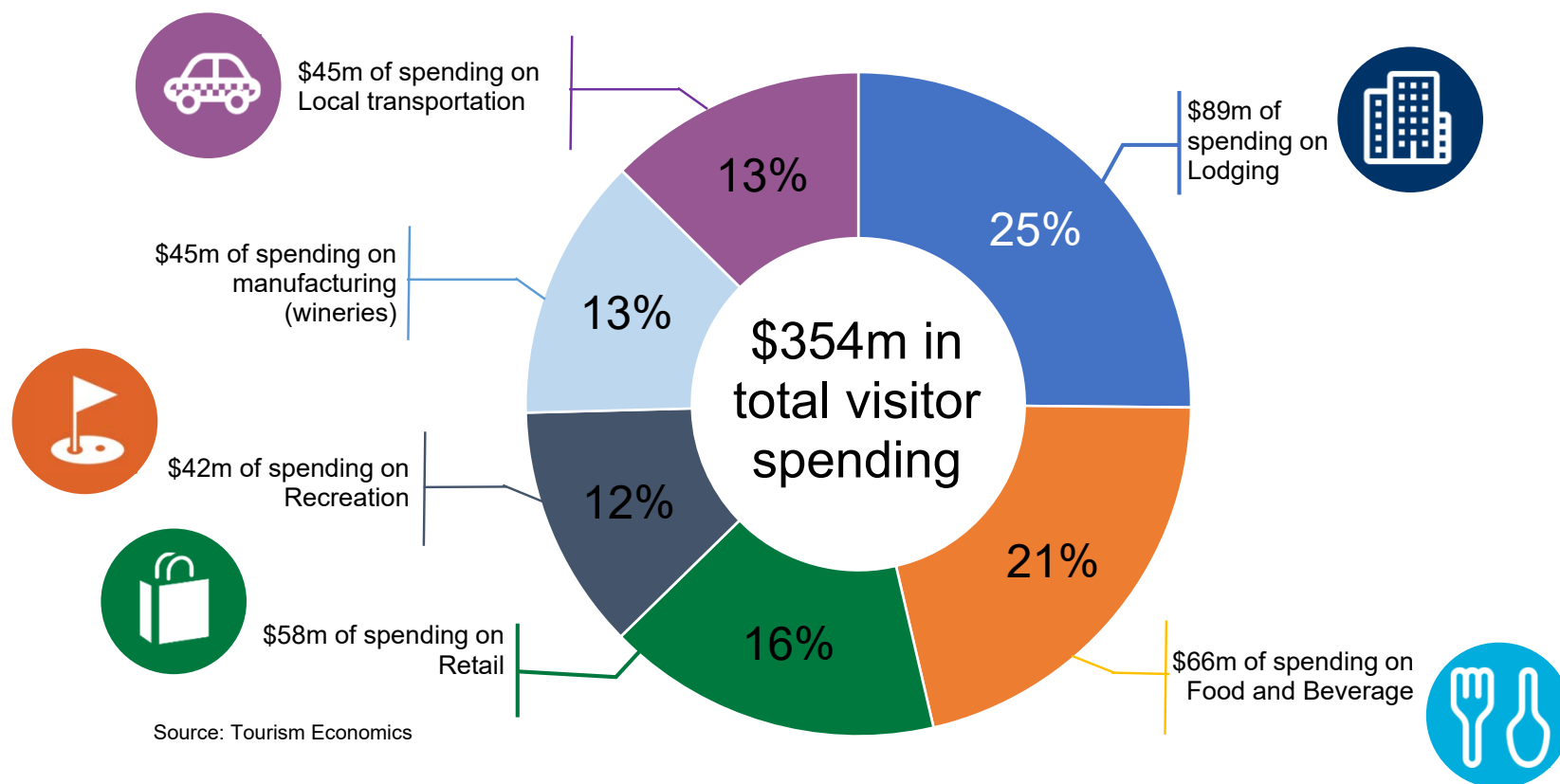


## Visitor spending in Paso Robles

Visitors to Paso Robles spent nearly \$354 million in 2017.

### Visitor spending in Paso Robles, 2017

Dollars, millions and percent of total



Note: Lodging spending includes dollars spent on second homes

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### 3) The Economic Impact of Tourism

## Tourism's impact on business sales (1 of 2)

Spending in support of the tourism industry totaled \$354 million in Paso Robles, which supported nearly \$445 million in business sales when indirect and induced impacts are considered.

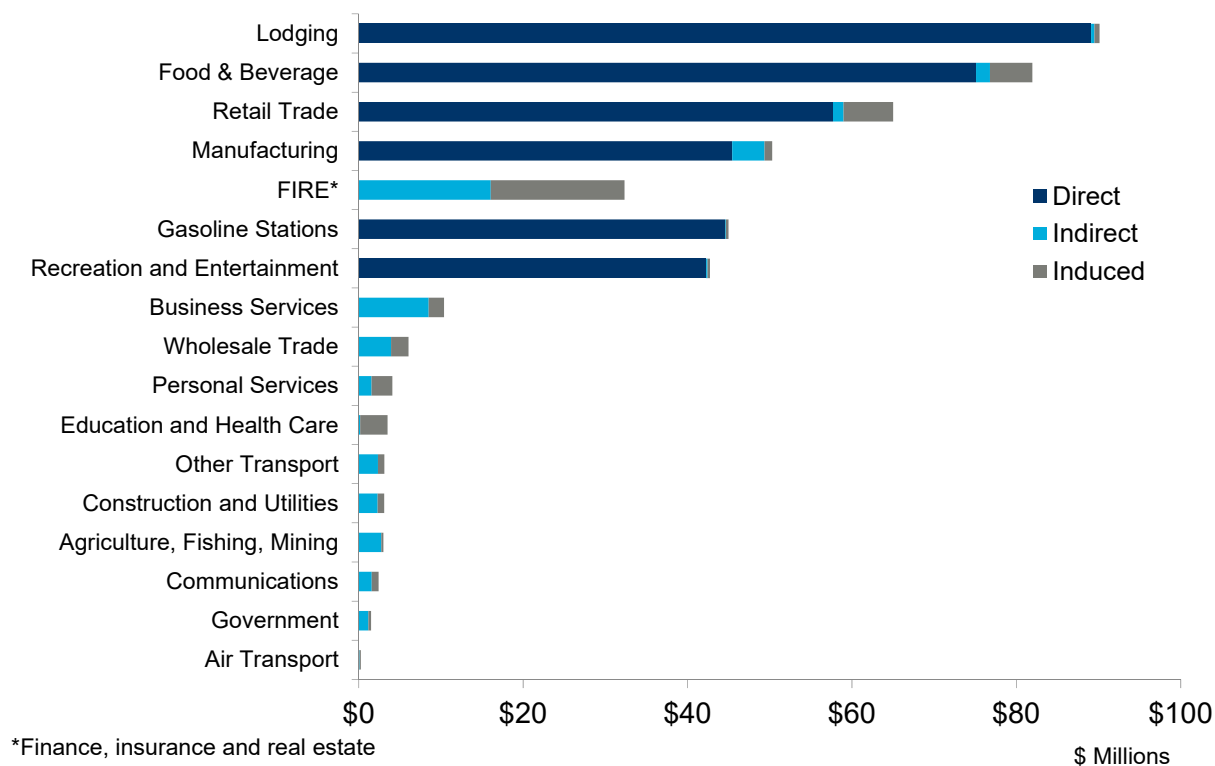
Tourism industry generated business sales, millions				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	\$2.8	\$0.2	\$3.0
Construction and Utilities	-	\$2.3	\$0.8	\$3.1
Manufacturing	\$45.4	\$3.9	\$0.9	\$50.3
Wholesale Trade	-	\$3.9	\$2.1	\$6.1
Air Transport	-	\$0.1	\$0.1	\$0.3
Other Transport	-	\$2.4	\$0.8	\$3.1
Retail Trade	\$57.7	\$1.3	\$6.0	\$65.0
Gasoline Stations	\$44.5	\$0.1	\$0.3	\$45.0
Communications	-	\$1.6	\$0.8	\$2.4
Finance, Insurance and Real Estate	-	\$16.1	\$16.3	\$32.3
Business Services	-	\$8.5	\$1.9	\$10.4
Education and Health Care	-	\$0.2	\$3.3	\$3.5
Recreation and Entertainment	\$42.3	\$0.2	\$0.3	\$42.7
Lodging	\$89.1	\$0.4	\$0.6	\$90.1
Food & Beverage	\$75.1	\$1.7	\$5.2	\$81.9
Personal Services	-	\$1.6	\$2.5	\$4.1
Government	-	\$1.2	\$0.3	\$1.5
<b>TOTAL</b>	<b>\$354.1</b>	<b>\$48.1</b>	<b>\$42.6</b>	<b>\$444.8</b>

Source: Tourism Economics

## Tourism's impact on business sales (2 of 2)

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.

**Tourism Industry Generated Business Sales, 2017**





## Tourism's impact on local employment (1 of 2)

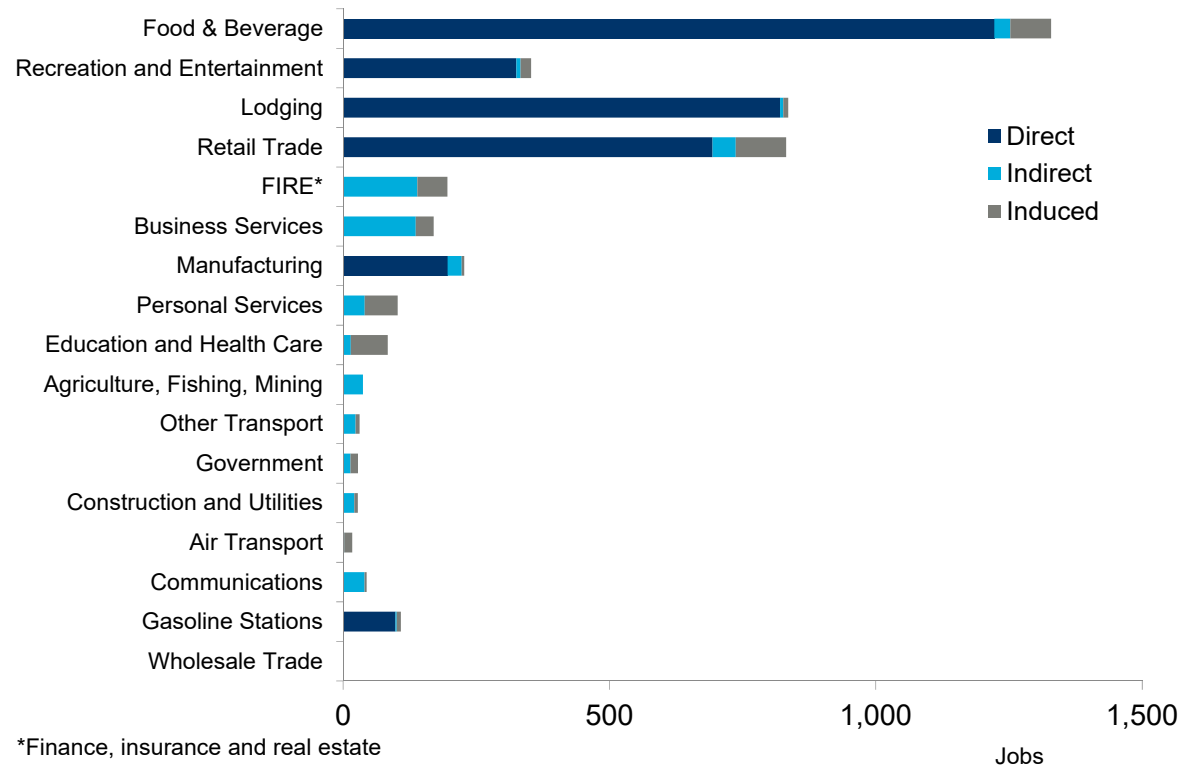
Tourism directly generated 3,356 jobs and 4,422 jobs when indirect and induced impacts are considered.

Tourism industry generated employment				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	37	-	37
Construction and Utilities	-	21	7	28
Manufacturing	196	26	5	227
Wholesale Trade	-	-	-	-
Air Transport	-	2	15	17
Other Transport	-	23	8	31
Retail Trade	694	43	95	832
Gasoline Stations	98	3	8	108
Communications	-	40	4	44
Finance, Insurance and Real Estate	-	139	57	196
Business Services	-	136	34	170
Education and Health Care	-	14	70	84
Recreation and Entertainment	325	8	20	353
Lodging	820	6	9	836
Food & Beverage	1,223	30	77	1,329
Personal Services	-	40	62	102
Government	-	14	14	28
<b>TOTAL</b>	<b>3,356</b>	<b>583</b>	<b>483</b>	<b>4,422</b>

Source: Tourism Economics

## Tourism's impact on local employment (2 of 2)

### Tourism Industry Generated Employment, 2017



Source: Tourism Economics

## Tourism's impact on local income (1 of 2)

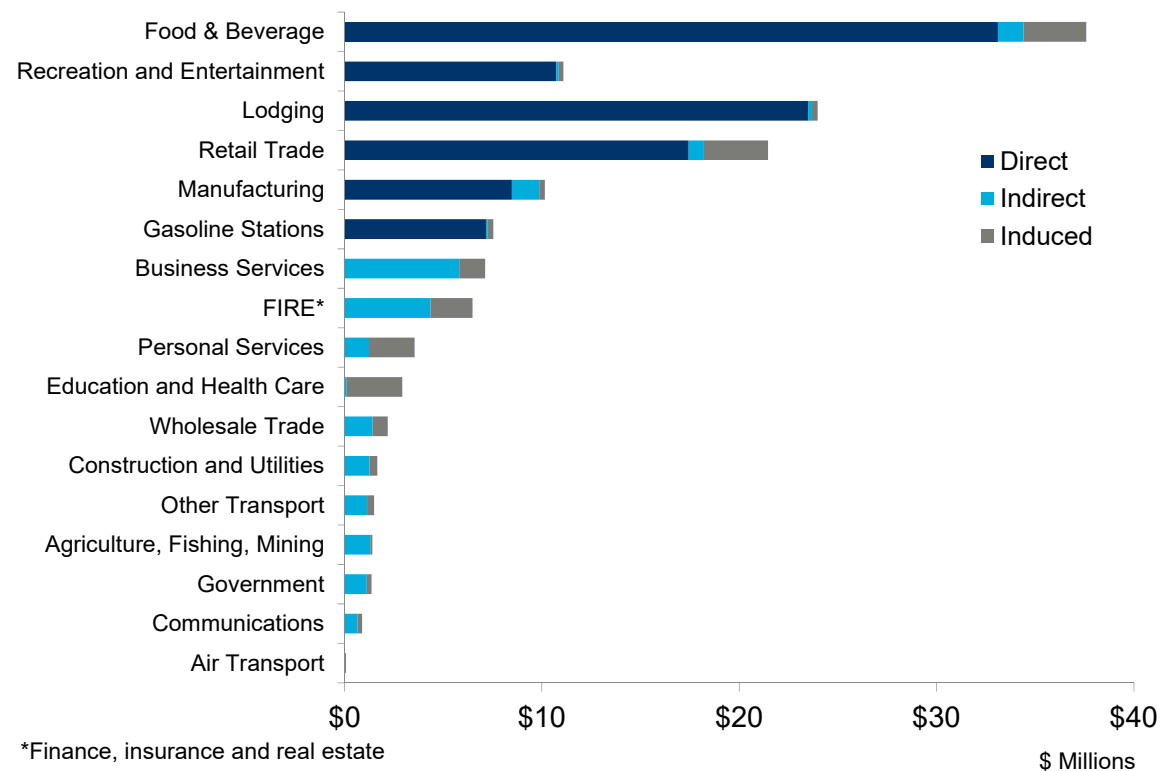
Tourism generated \$100 million in direct income and \$141 million when indirect and induced impacts are considered.

Tourism industry generated wages, millions				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	\$1.3	\$0.1	\$1.4
Construction and Utilities	-	\$1.3	\$0.4	\$1.7
Manufacturing	\$8.5	\$1.4	\$0.3	\$10.2
Wholesale Trade	-	\$1.4	\$0.8	\$2.2
Air Transport	-	\$0.0	\$0.0	\$0.1
Other Transport	-	\$1.2	\$0.4	\$1.5
Retail Trade	\$17.4	\$0.8	\$3.2	\$21.5
Gasoline Stations	\$7.2	\$0.1	\$0.3	\$7.5
Communications	-	\$0.7	\$0.2	\$0.9
Finance, Insurance and Real Estate	-	\$4.4	\$2.1	\$6.5
Business Services	-	\$5.8	\$1.3	\$7.1
Education and Health Care	-	\$0.1	\$2.8	\$2.9
Recreation and Entertainment	\$10.7	\$0.1	\$0.2	\$11.1
Lodging	\$23.5	\$0.2	\$0.3	\$24.0
Food & Beverage	\$33.1	\$1.3	\$3.2	\$37.6
Personal Services	-	\$1.2	\$2.3	\$3.6
Government	-	\$1.1	\$0.2	\$1.4
<b>TOTAL</b>	<b>\$100.4</b>	<b>\$22.4</b>	<b>\$18.2</b>	<b>\$141.0</b>

Source: Tourism Economics

## Tourism's impact on local income (2 of 2)

### Tourism Industry Generated Wages, 2017





## Tourism's impact on taxes

State and local taxes alone amounted to approximately \$34 million.

Tourism generated approximately \$69 million in total tax revenue in 2017, including \$35 million in Federal tax revenue and more than \$34 million in State and Local tax revenue.

Tourism supported tax revenue, millions			
	Direct	Indirect/Induced	Total
<b>Federal</b>	<b>\$25.5</b>	<b>\$9.6</b>	<b>\$35.1</b>
Personal Income	\$9.6	\$3.3	\$12.9
Corporate	\$1.6	\$1.4	\$3.0
Indirect business	\$2.1	\$1.0	\$3.0
Social insurance	\$12.3	\$4.0	\$16.3
<b>State and Local</b>	<b>\$24.6</b>	<b>\$9.7</b>	<b>\$34.3</b>
Sales	\$11.1	\$3.9	\$15.0
Personal income	\$3.6	\$1.2	\$4.8
Corporate	\$0.3	\$0.3	\$0.6
Social insurance	\$0.5	\$0.2	\$0.7
Excise and Fees	\$1.7	\$0.7	\$2.4
Property	\$7.4	\$3.4	\$10.9
<b>TOTAL</b>	<b>\$50.1</b>	<b>\$19.3</b>	<b>\$69.4</b>

Source: Tourism Economics

Note: Sales tax revenue includes transient occupancy tax (TOT) revenue.

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## About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination's full potential.

Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of more than 120 professional economists; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford Economics has offices in London, Oxford, Dubai, Philadelphia, and Belfast.

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