TOURISM ECONOMICS

AN OXFORD ECONOMICS COMPANY

Economic Impact of Visitors In Bucks County, 2023

September 2024

Prepared for: Visit Bucks County

CONTENTS

Introduction 03
Methodology & data sources

Key Findings 04
Summary economic & fiscal impacts

Visitor Volume and Visitor Spending 05
Trends in visitor volume & visitor spending

Economic Impact Methodology 07
Impact model framework

Economic Impact Findings 08
Business sales, jobs, & labor income impacts

Fiscal Impacts 12
Federal, state & local tax revenues

Economic Impact in Context 14
Adding context to the economic impact results

Industry Data 17

Appendix 18

INTRODUCTION
PROJECT BACKGROUND

The travel sector is an integral part of the Bucks County economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the county's future. In 2023, visitors spent $693 million directly on businesses in Bucks County.

By monitoring the visitor economy, the industry can track progress and quantify its significance. The industry can also carefully assess development and future needs. This is particularly important for Bucks County as it expands its visitor economy.

To quantify the impact of the visitor economy in Bucks County, 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.

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for Bucks County. The model traces the flow of visitor-related expenditures through the County's economy and their effects on employment, wages, and taxes. 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 50 miles or more 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.

The analysis draws on the following data sources:

- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: lodging performance data, including room demand, room rates, occupancy, and room revenue, for hotels
- Key Data: short term rental performance data including room demand, room rates, occupancy, and room revenue
- Hotel Lodging Taxes: Tax collections on lodging, including short term rentals
- US Census: population, household data, business sales by industry and real property taxes paid
- Energy Information Administration: gas price data for the Central Atlantic Region
- Oxford Economics: consumer spending data by category for Montgomery, Bucks, and Chester County
- Bucks County: County government budget data
- Near: geolocation visitor data by segment
- Affinity: credit card spending data
- PA Gaming Control Board: casino revenue data

ECONOMIC IMPACTS
KEY FINDINGS

VISITOR SPENDING

In 2023, 8.2 million visitors directly spent $693 million across the Bucks County economy, reaching 99% and 104%, respectively, of 2019 levels. Visitor spending experienced modest growth in comparison to 2022 as the visitor economy saw growth across all sectors which contributed to growth in indirect and induced spending growth.

TOTAL ECONOMIC IMPACT

Direct visitor spending of $693 million generated a total economic impact of $1.2 billion in Bucks County in 2023, including indirect and induced impacts. This total economic impact sustained 10,288 jobs and generated $95 million in state and local tax revenues in 2023.

$1.2 BILLION
Total Economic Impact of Tourism in Bucks County in 2023

$693M
Direct Visitor Spending

28,675
Total Leisure and Hospitality Jobs

10,288
Total Tourism Supported Jobs

$95M
State & Local Taxes Generated

VISITS & **VISITOR SPENDING**

Visitor volumes reached 8.2 million in 2023, climbing 2.5% over 2022. Visitor spending had continued to climb in 2023 with a 2.6% spending increase. Visitor volume remained about 107,000 visitors shy of 2019 levels.

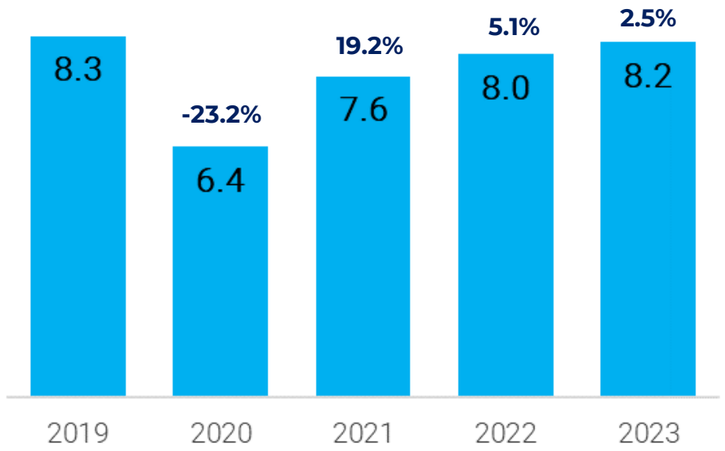
VISITOR VOLUME

Growth in 2023

While visits remained below 2019 levels, 2023 saw 2.5% growth as compared to 2022 and reached 8.2 million.

Bucks County visitor volume

Amounts in millions and year over year growth



Source: Tourism Economics

VISITOR SPENDING

Visitors to Bucks County directly spent $693 million across a range of sectors in 2023.

Visitor spending expanded 2.6% in 2023, reaching 104% of 2019 levels.

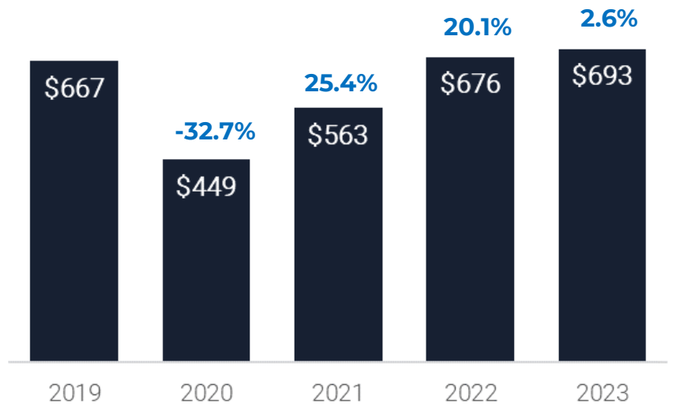
Of the $693 million spent in Bucks County in 2023 by visitors, food and beverage accounted for $213 million, 31% of total visitor spending. Lodging spending, including hotels and short-term rentals, resulted in $151 million or 22% of visitor spending.

Retail captured 18% of visitor spending, while transportation, including spending on gas, tallied 15% or spending—$103 million.

Visitors spent 14% of their budget on recreation, resulting in $99 million.

Bucks County direct visitor spending

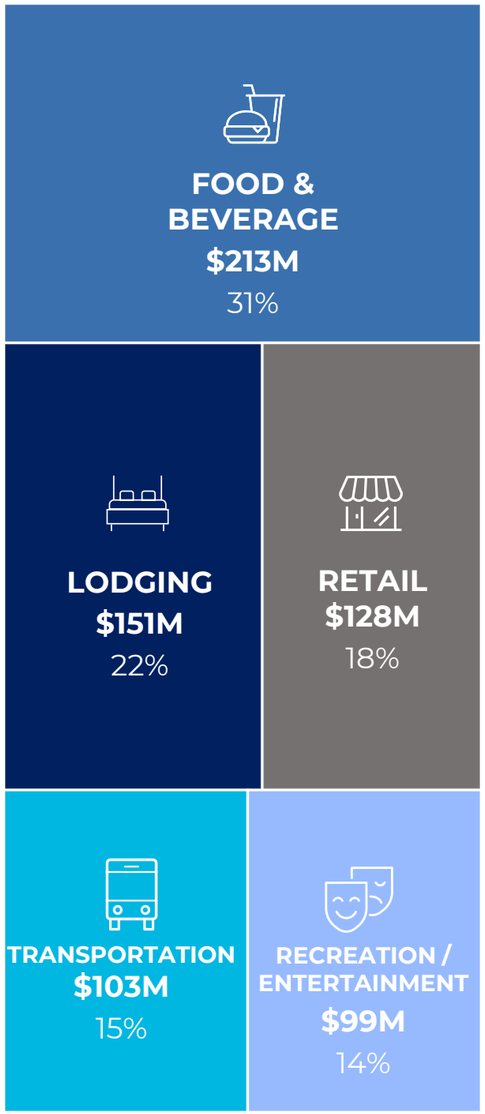
Amounts in $ millions and year over year growth



Source: Tourism Economics

$693 MILLION

Direct Visitor Spending* in 2023



Source: Tourism Economics

Note: Lodging spending is calculated as an industry and includes spending on both hotels and shot-term rentals.

*Refer to appendix for spending definitions.

VISITOR VOLUME & SPENDING TRENDS

Visitor spending increased 2.6% in 2023 as spending grew in most sectors. Driven by both price increases as well as demand increases, especially in the food and beverage sector, visitor spending topped $693 million.

Food and beverage led spending growth in 2023 at 4.7%, followed by recreation at 3.9%. Transportation, including local transportation such as ride shares, car rentals, and public transportation and gasoline spending, and retail were the most recovered sectors reaching 114.4% and 105.9%, respectively, of 2019 levels.

Lodging spending remained the same year-over-year and was the only spending category to not reach full recovery to 2019 levels. Slight declines in conventional hotel revenue were offset by growth in short term rentals.

Visitors to Bucks County climbed 2.5% with day visitors leading with 3.7% growth while overnight visitors grew 0.8%. While most visitors are day visitors, overnight visitors tend to spend more than day in comparison.

Bucks County visitor spending

Amounts in $ millions, 2023 percent change

	2019	2020	2021	2022	2023	2023 Growth
Total direct visitor spending*	**$667**	**$449**	**$563**	**$676**	**$693**	**2.6%**
Lodging	$155	$97	$121	$151	$151	0.0%
Food & beverage	$203	$135	$171	$203	$213	4.7%
Retail	$121	$81	$102	$125	$128	2.5%
Transportation	$90	$68	$86	$102	$103	0.9%
Recreation	$98	$68	$83	$95	$99	3.9%

Source: Tourism Economics
*Refer to appendix for spending definitions

Bucks County visitor volumes

Amounts in millions, 2023 percent change

	2019	2020	2021	2022	2023	2023 Growth
Total visitors	**8.3**	**6.4**	**7.6**	**8.0**	**8.2**	**2.5%**
Day	5.0	4.1	4.5	4.9	5.1	3.7%
Overnight	3.3	2.3	3.1	3.1	3.1	0.8%

Source: Tourism Economics

ECONOMIC IMPACT **METHODOLOGY**

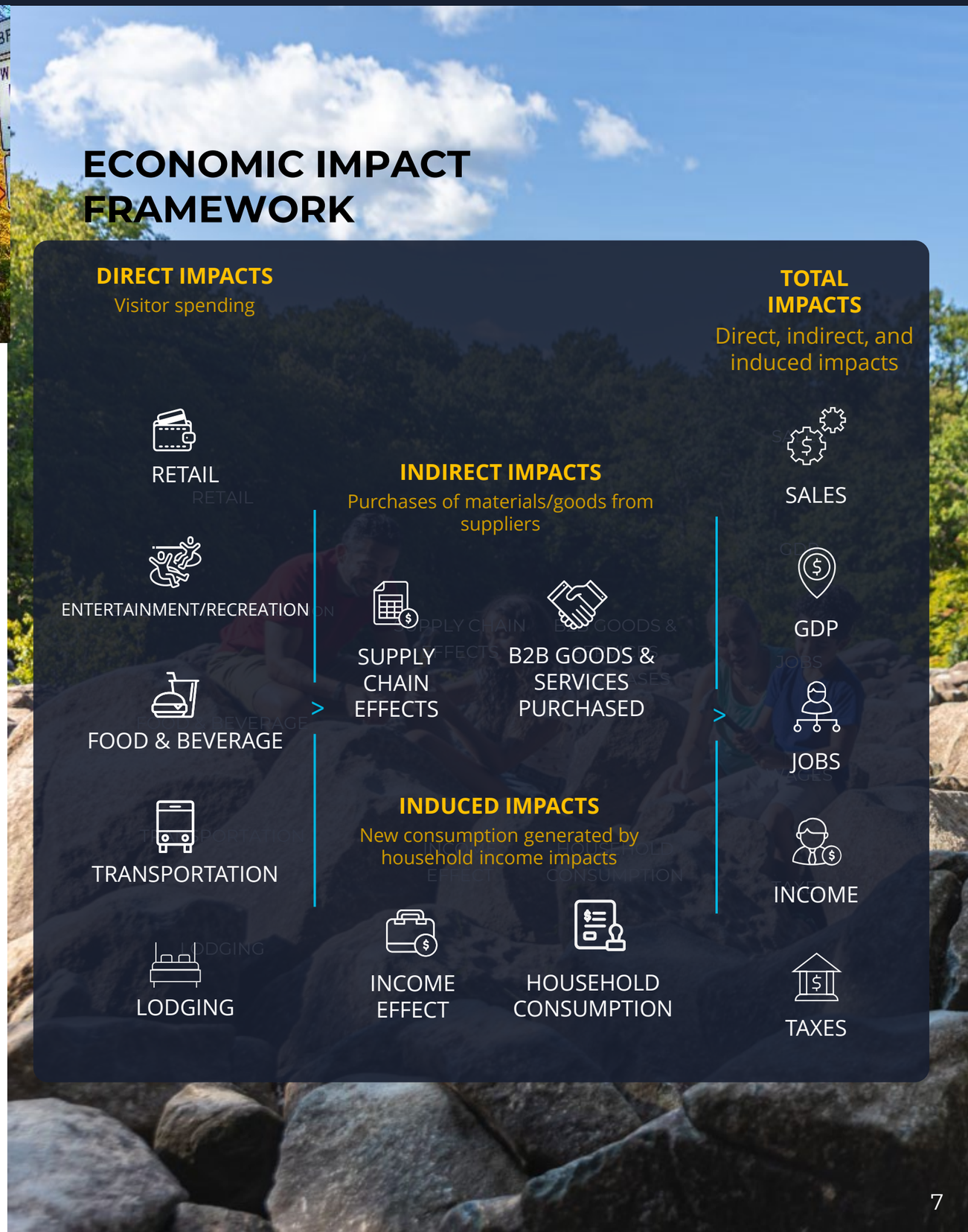
Our analysis of the Bucks County visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Bucks County economy, constructed using an IMPLAN input-output (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 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



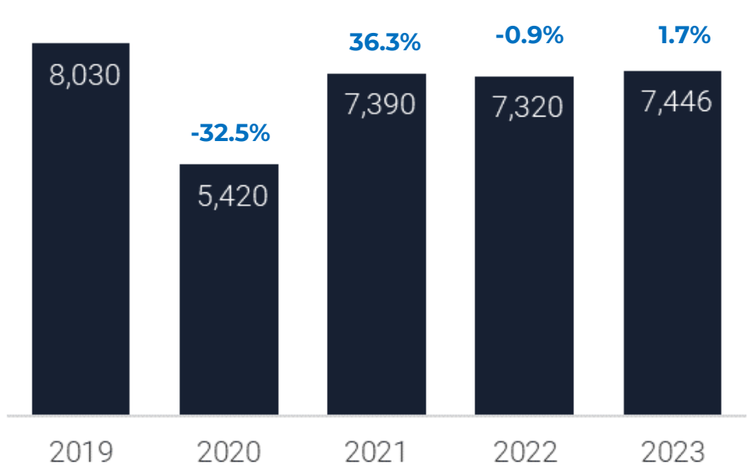
ECONOMIC IMPACT
FINDINGS

DIRECT VISITOR SUPPORTED EMPLOYMENT

Employment supported by visitor activity rose 1.7% in 2023, expanding to over 7,400 jobs. Despite increasing more than 100 jobs, the number of jobs directly supported by visitors remained nearly 600 jobs below 2019 levels.

Growth in visitor-supported jobs remained slower than spending, with visitor-supported employment levels at 93% of 2019 levels compared to 104% of spending. Growth in employment has slowed relative to 2022 levels as spending growth returned to 2019 behavior.

Direct Visitor supported employment in Bucks County
Amounts in number of jobs and year over year growth



Source: Tourism Economics

Leisure and Hospitality employment, which includes employment in food and beverage, accommodation, and arts, entertainment, and recreation employed 28,675 workers in Bucks County in 2023.

Photo Credit: Sesame Place Philadelphia

ECONOMIC IMPACT
FINDINGS

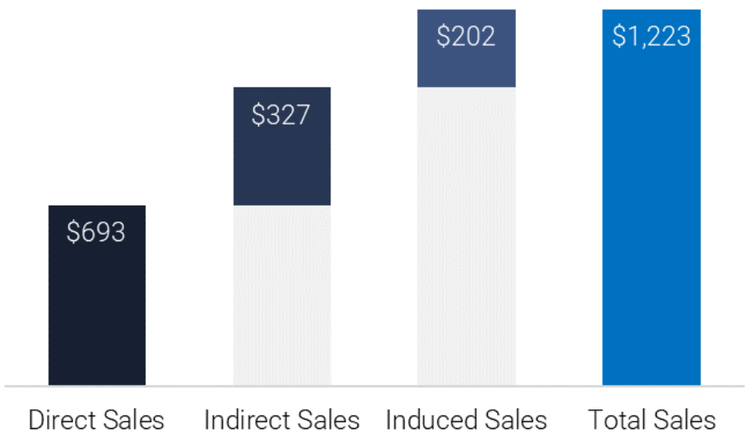
BUSINESS SALES IMPACTS

Direct spending in support of the visitor economy reached $693 million in Bucks County in 2023. This direct impact of $693 million generated $529 million in indirect and induced impacts, resulting in a total economic impact of $1.2 billion in Bucks County.

Outside of direct impacts, significant benefits accrue in sectors like finance, insurance, and real estate, and business services.

Summary economic impacts (2023)

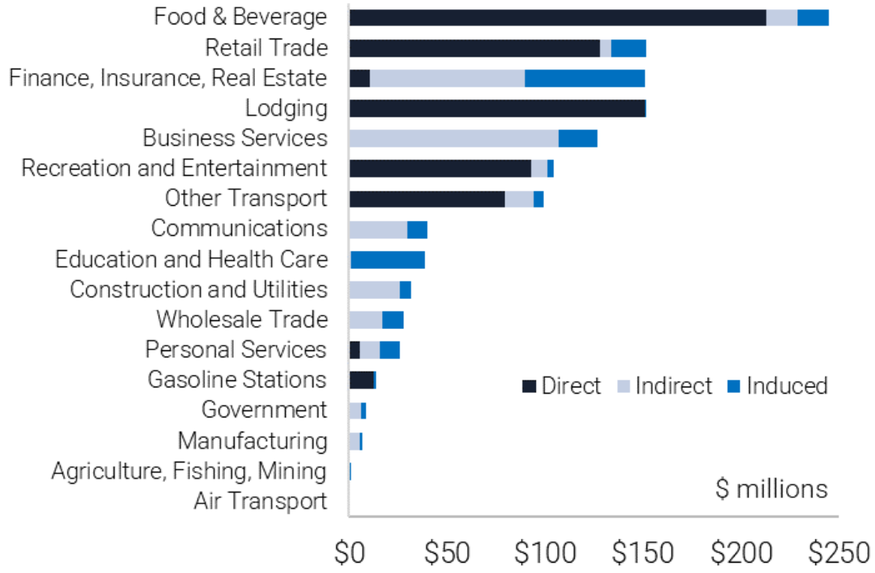
Amounts in $ millions



Source: Tourism Economics

Business sales impacts by industry (2023)

Amounts in $ millions



Source: Tourism Economics

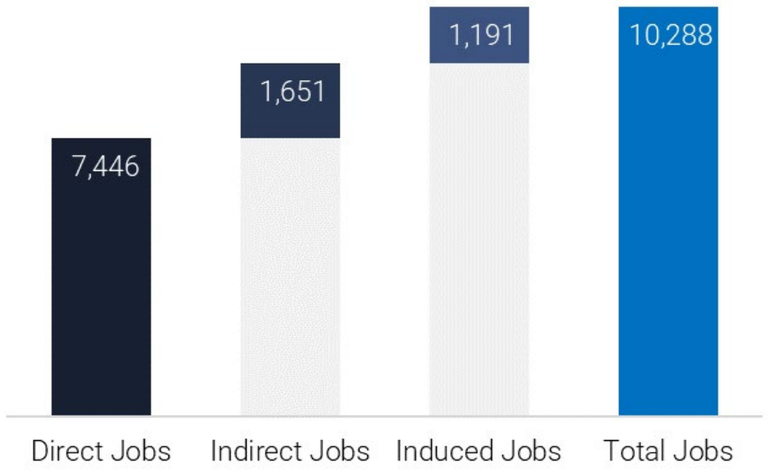
EMPLOYMENT IMPACTS

Visitor activity sustained 7,446 direct jobs in 2023, with an additional 2,842 jobs supported through indirect and induced impacts. The total jobs impact increased to 10,288 in 2023, about 2.5% or one-in-40 jobs in Bucks County.

Visitor spending supported the largest number of jobs in the food & beverage industry (3,107), followed by lodging with 1,792 jobs.

Summary employment impacts (2023)

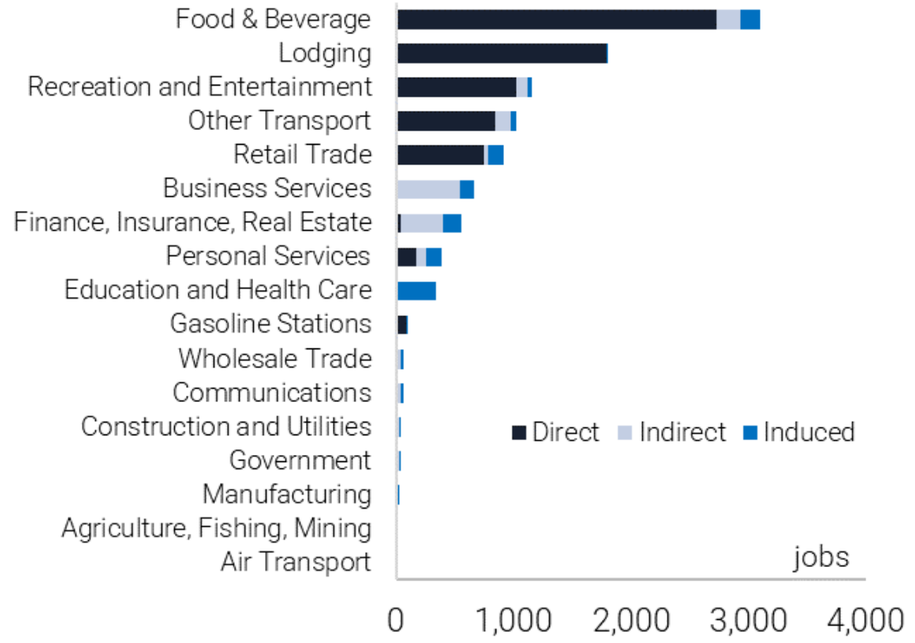
Amounts in number of jobs



Source: Tourism Economics

Tourism job impacts by industry (2023)

Amounts in number of jobs



Source: Tourism Economics

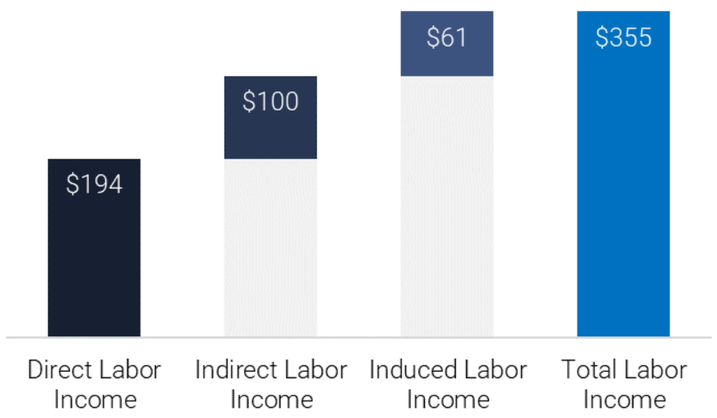
LABOR INCOME IMPACTS

Visitor activity generated $194 million in direct labor income and a total of $355 million when including indirect and induced impacts.

There are eight industries in which visitor activity supported more than $20 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and finance, insurance, and real estate.

Summary labor income impacts (2023)

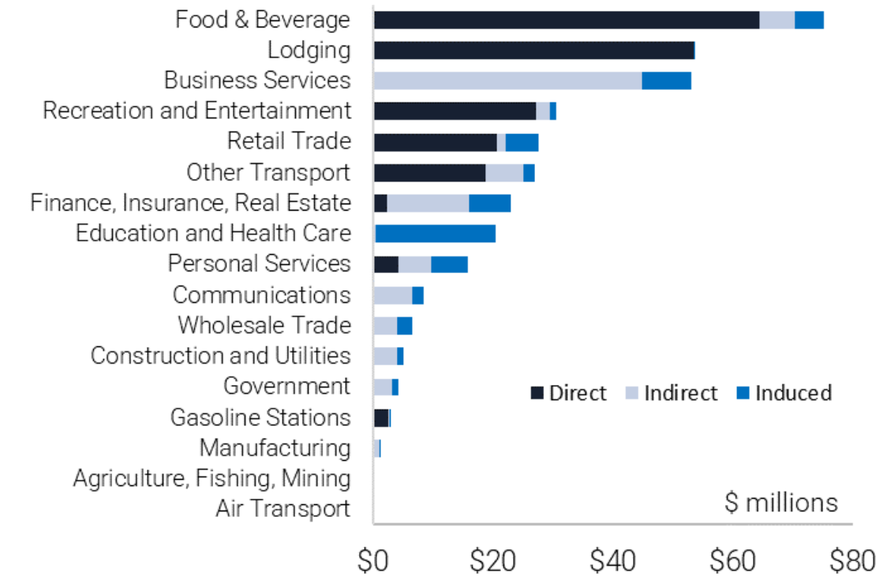
Amounts in $ millions



Source: Tourism Economics

Tourism labor income Impacts by industry (2023)

Amounts in $ millions



Source: Tourism Economics

Photo Credit: Crossing Vineyards & Winery

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated $167 million in government revenues.

State and local taxes alone tallied $95 million in 2023.

Were it not for visitor spending and associated impacts in Bucks County, households would need to pay an additional $378 for the same level of funding/services currently provided.

Fiscal (tax) impacts

Amounts in $ millions

	Direct	Indirect & Induced	Total
Total Tax Revenues	**$114.5**	**$52.8**	**$167.3**
Federal Taxes	**$45.3**	**$27.3**	**$72.6**
Personal Income	$16.7	$10.0	$26.7
Corporate	$2.6	$2.3	$4.9
Indirect Business	$1.5	$0.5	$1.9
Social Insurance	$24.6	$14.5	$39.1
State and Local Taxes	**$69.3**	**$25.5**	**$94.8**
Sales	$30.9	$12.8	$43.7
Lodging	$6.4	$0.0	$6.4
Personal Income	$3.9	$2.3	$6.2
Corporate	$1.2	$1.1	$2.3
Social Insurance	$0.0	$0.0	$0.1
Excise and Fees	$4.1	$1.4	$5.5
Property	$22.8	$7.9	$30.7

Source: Tourism Economics

Visitor-supported revenues to state government increased to $55 million in 2023. The majority of state revenues are from sales taxes, with income taxes, corporate taxes, social insurance, and excise and fees adding an additional $11 million to state revenues.

Local tax revenues from visitor activity rose to $40 million with property taxes, room taxes, and fees supporting local government revenues from visitor spending.

Fiscal (tax) impacts

Amounts in $ millions

	State	Local
Total Tax Revenues	**$54.6**	**$40.1**
Sales	$43.7	
Lodging		$6.4
Personal Income	$4.8	$1.2
Corporate	$2.3	
Social Insurance	$0.1	
Excise and Fees	$3.7	$1.8
Property	$0.1	$30.7

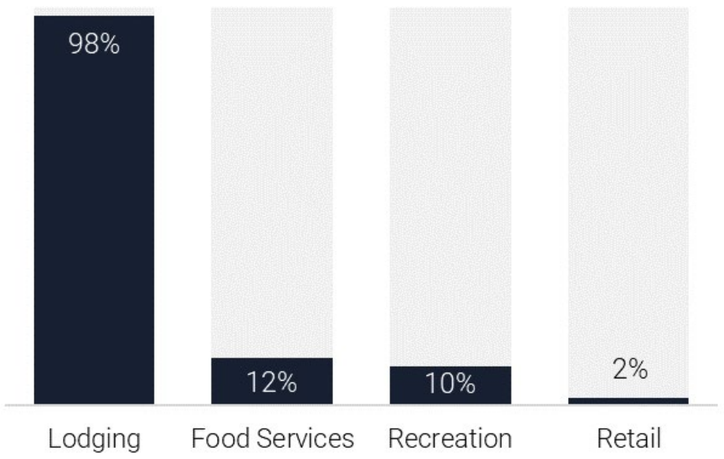
Source: Tourism Economics

ECONOMIC IMPACT
FINDINGS

EMPLOYMENT INTENSITY

Visitor activity supported a significant share of employment in several industries with nearly all lodging employment visitor-related. Of the 7,446 direct tourism supported jobs, visitor activity employed 12% of jobs in food services and 10% of all recreation employment.

Visitor employment intensity
Direct jobs, visitor-supported share of industry employment



Sources: BEA, BLS, Tourism Economics

ECONOMIC IMPACTS **IN CONTEXT**

LODGING MARKET KEY INDICATORS

Hotel occupancy and revenue per available room (RevPAR) in Bucks County declined 1% in 2023, with average daily rate remaining flat. Key performing lodging indicators trailed overall growth in the United States.

However, the overall post-pandemic growth in Bucks County was comparable to the recovery nationwide with occupancy 93% recovered, compared to the country at 97%, average daily rate at 118% and 119%, respectively. Revenue per available room in Bucks County remained ahead of the United States which tallied 109% recovery versus 2019. By comparison, the country as a whole has yet to fully recover at 97% of 2019 levels of Revenue Per Available Room.

Hotel Performance Indicators

Amounts in dollars, percent %, 2023 percent change, and percent recovered relative to 2019

	2019	2020	2021	2022	2023	2023 Growth	% relative to 2019
Bucks County							
Hotel Occupany	68.9%	50.5%	66.5%	64.9%	64.0%	-1.4%	92.9%
Average Daily Rate (ADR)	$107.9	$91.7	$112.8	$126.4	$127.0	0.4%	117.7%
Revenue Per Available Room (RevPAR)	$74.3	$46.3	$75.0	$82.0	$81.2	-1.0%	109.3%
United States							
Hotel Occupany	64.7%	43.9%	57.5%	62.6%	63.0%	0.6%	97.3%
Average Daily Rate (ADR)	$131.3	$103.6	$125.1	$149.2	$155.6	4.3%	118.5%
Revenue Per Available Room (RevPAR)	$101.4	$78.2	$49.4	$93.4	$98.0	4.9%	96.6%

Source: STR, Tourism Economics

ECONOMIC IMPACTS
IN CONTEXT

NATIONAL CONTEXT

The domestic leisure segment buttressed the U.S. travel industry throughout the pandemic-induced downturn, surpassing its 2019 level in 2022.

The continuing return of business travel saw visitors in this segment reach 89% of pre-pandemic levels in 2023. Meanwhile, international inbound arrivals to the U.S. reached 84% of 2019 levels in 2023, led by visits from Canada recovering to 101% of 2019 levels. Outbound U.S. travel visitor volumes reached 100 million in 2023, which fully recovered to 2019 levels.

US visitor volume & Outbound Travel

Amounts in millions, 2023 percent change and percent recovered relative to 2019

	2019	2020	2021	2022	2023	2023 Growth	% relative to 2019
Total	**2,397.4**	**1,601.2**	**2,043.1**	**2,303.2**	**2,375.5**	**3.1%**	**99.1%**
Domestic	**2,318.0**	**1,582.0**	**2,021.0**	**2,252.3**	**2,309.0**	**2.5%**	**99.6%**
Business	463.9	181.3	249.5	370.7	413.3	11.5%	89.1%
Leisure	1,854.1	1,400.6	1,771.4	1,881.6	1,895.6	0.7%	102.2%
International	**79.4**	**19.2**	**22.1**	**50.9**	**66.5**	**30.8%**	**83.8%**
Overseas	40.4	7.6	9.2	24.0	31.0	29.3%	76.7%
Canada	20.7	4.8	2.5	14.4	21.0	46.1%	101.4%
Mexico	18.3	6.8	10.4	12.5	14.6	16.1%	79.4%

Source: Tourism Economics – Winter 2024 US Travel Forecast

US visitor spending (nominal)

Amounts in $ billions, 2023 percent change and percent recovered relative to 2019

	2019	2020	2021	2022	2023	2023 Growth	% relative to 2019
Total	**$1,173**	**$680**	**$934**	**$1,186**	**$1,274**	**7.5%**	**108.7%**
Domestic	**$992**	**$642**	**$891**	**$1,071**	**$1,119**	**4.4%**	**112.8%**
Business	$269	$88	$119	$234	$264	12.8%	98.0%
Leisure	$723	$554	$773	$837	$855	2.1%	118.3%
International*	**$181**	**$39**	**$42**	**$114**	**$155**	**35.6%**	**86.0%**

Source: Tourism Economics – Winter 2024 US Travel Forecast
* International spending includes traveler spending in the US and passenger fares

ECONOMIC IMPACTS
IN CONTEXT

$693M
DIRECT VISITOR SPENDING

The $693 million in visitor spending means that over $1.8 million was spent EVERY DAY by visitors in Bucks County.

$355M
LABOR INCOME

The $355 million in total income generated by tourism is the equivalent of $1,400 for every household in Bucks County.

10,288
TOTAL JOBS

If all visitor supported workers stood shoulder to shoulder it would be enough to fill the entirety of Fonthill Castle.

$95M
STATE & LOCAL TAXES

The $95 million in state and local taxes generated would cover the average income of 1,765 police/fire/EMS employees in Bucks County.

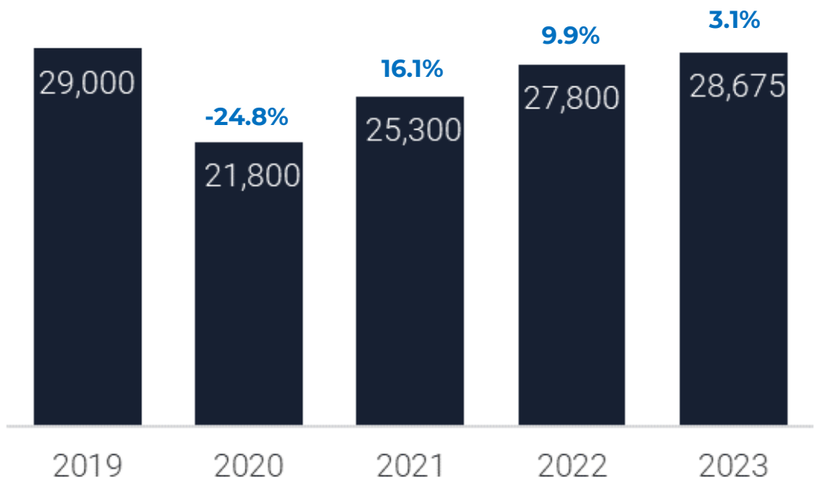
INDUSTRY DATA

LEISURE AND HOSPITALITY EMPLOYMENT

Leisure and Hospitality employment, which includes employment in food and beverage, accommodation, and arts, entertainment, and recreation grew 3.1% in 2023. Despite the growth, Leisure and Hospitality Employment remains below 2019 levels. In terms of employment, Leisure and Hospitality is the fourth largest sector of the Bucks County economy with 28,675 jobs.

Leisure and Hospitality employment in Bucks County

Amounts in number of jobs and year over year growth



Source: BLS, Tourism Economics

Employment in Bucks County, by major industry

Amounts in number of jobs

Source: BLS, Tourism Economics

APPENDIX

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 discrete 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	Employment is measured by the Bureau of Economic Analysis (BEA) and Bureau of Labor Statistics (BLS) definitions, and captures full-time and part-time jobs, which includes salary and wage employees and proprietors.
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 destinations 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 600 full-time staff, including 300 professional economists, industry experts, and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

For more information:

admin@tourismeconomics.com

Photo Credits: Visit Bucks County, Sesame Place Philadelphia, Crossing Vineyards & Winery