



The Economic Impact of Tourism in Maryland



Tourism Satellite Account
Calendar Year 2012



December 2013



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

Important definitions

1. **Tourism Industry:** Measures the value of traveler activity within “tourism characteristic industries”. This concept measures only the direct impact of the travel industry.
2. **Tourism Economy:** Includes the tourism industry plus government spending and capital investment in support of tourism. This is the basis of the total economic impact analysis, including direct, indirect and induced impacts.

Illustrating the concepts

Travel & Tourism Industry

- The direct effect of visitor spending
- Focus of Tourism Satellite Account

Travel & Tourism Economy

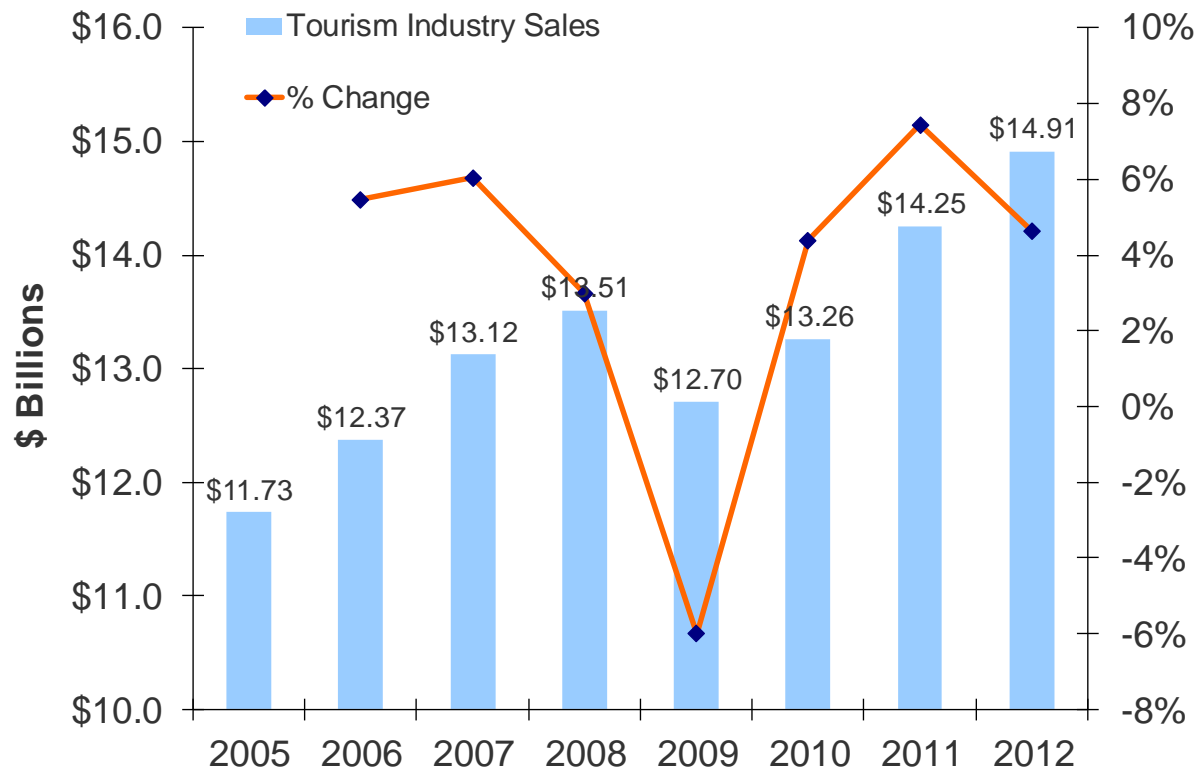
The flow-through effect of all tourism demand across the economy

- Expands the focus to measure the overall impact of tourism on all sectors of the economy



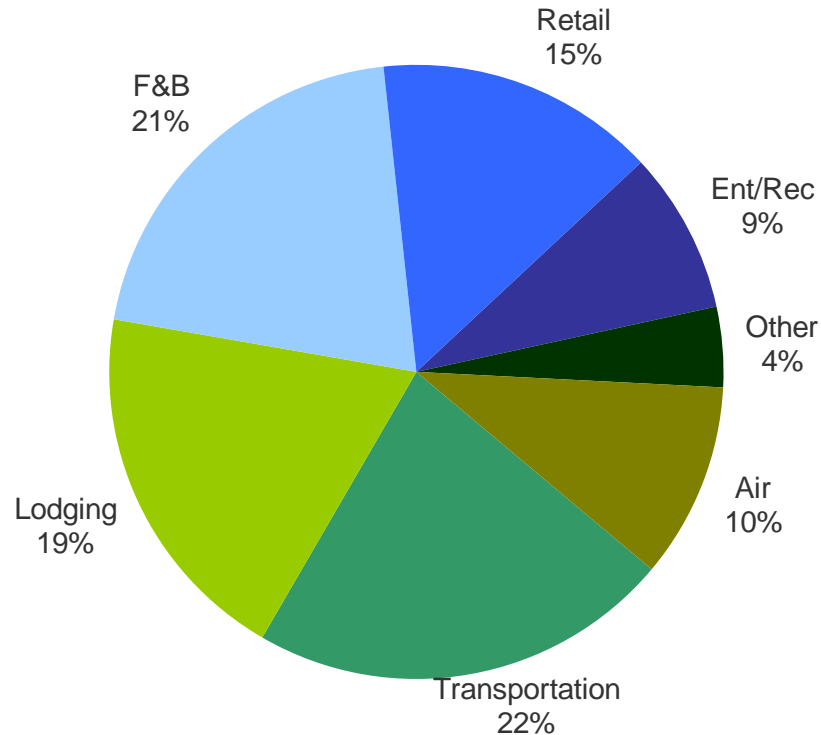
A new peak in tourism industry sales

- Visitor spending growth of 4.6% in 2012 brought tourism industry sales to nearly \$15 billion.



Tourism industry sales by sector

Tourism Industry by Sector



- More than half of visitor spending takes place in three industries – transportation, food & beverages and lodging.

Tourism industry and economy sales

- The direct impact of tourism is driven by tourism industry sales only. This allows for apples-to-apples comparisons with other industries.
- The total economic impact of tourism includes investment in support of tourism, government spending and non-visitor private consumption expenditures (PCE).

Tourism Sales, 2012		
State of Maryland		
Category	Industry	Economy
Lodging	\$2,888.6	\$2,888.6
Food & Beverage	\$3,063.3	\$3,063.3
Recreation	\$1,901.2	\$1,901.2
Shopping	\$2,201.1	\$2,201.1
Air	\$1,038.5	\$1,038.5
Other Transport	\$3,815.6	\$3,815.6
Non-Visitor PCE	\$0.0	\$63.7
Investment	\$0.0	\$823.4
Government	\$0.0	\$124.2
Total	\$14,908.4	\$15,919.7

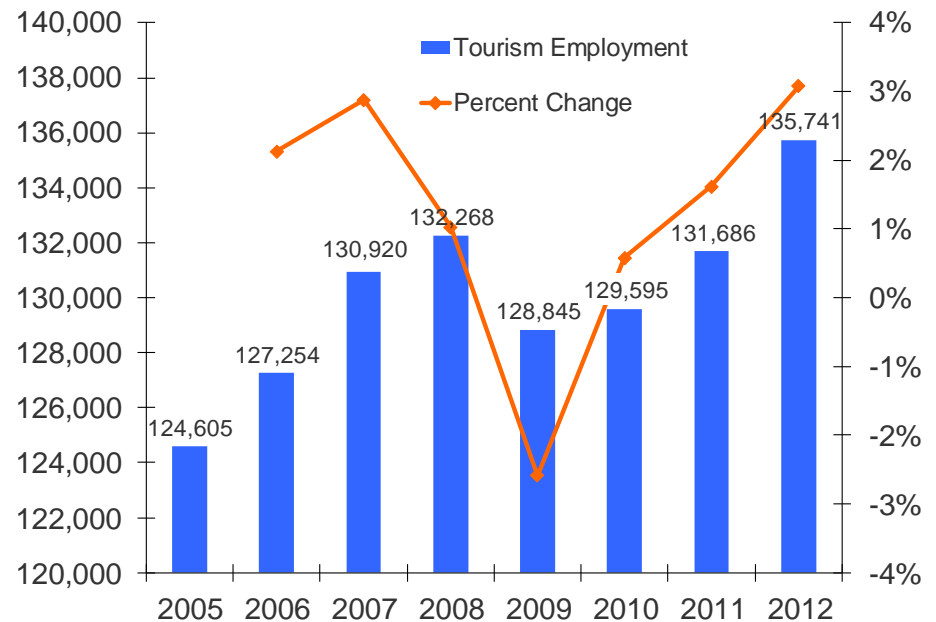
(Data shown in millions)

Tourism employment growth outpaces state

Tourism Employment

	2005	2006	2007	2008	2009	2010	2011	2012
Tourism Employment	124,605	127,254	130,920	132,268	128,845	129,595	131,686	135,741
Percent Change		2.1%	2.9%	1.0%	-2.6%	0.6%	1.6%	3.1%

- With continued growth in both visitation and sales, tourism businesses needed more staff in 2012. Tourism employment grew 3.1%.
- Tourism employment growth outpaced that of the state; total MD employment grew 1.7%.



Ranking tourism employment

- The direct employment contribution of the tourism industry was 135,741 in 2012. This narrow measurement of tourism includes only those jobs directly supported by visitor activity and allows for inter-industry ranking.
- On this basis, tourism is the 12th largest employer in the State of Maryland.

Employment Ranking State of Maryland		
Rank	Industry	2012
1	Health care and social assistance	415,116
2	Retail trade	342,425
3	Professional, scientific, and technical services	338,005
4	Local government	242,786
5	Accommodation and food services	224,338
6	Administrative and waste management services	212,274
7	Other services, except public administration	207,836
8	Construction	200,900
9	Federal, civilian	175,478
10	Real estate and rental and leasing	174,141
11	Finance and insurance	170,648
12	Tourism	135,741
13	Manufacturing	117,305
14	State government	101,288
15	Wholesale trade	96,373

Ranking tourism employment

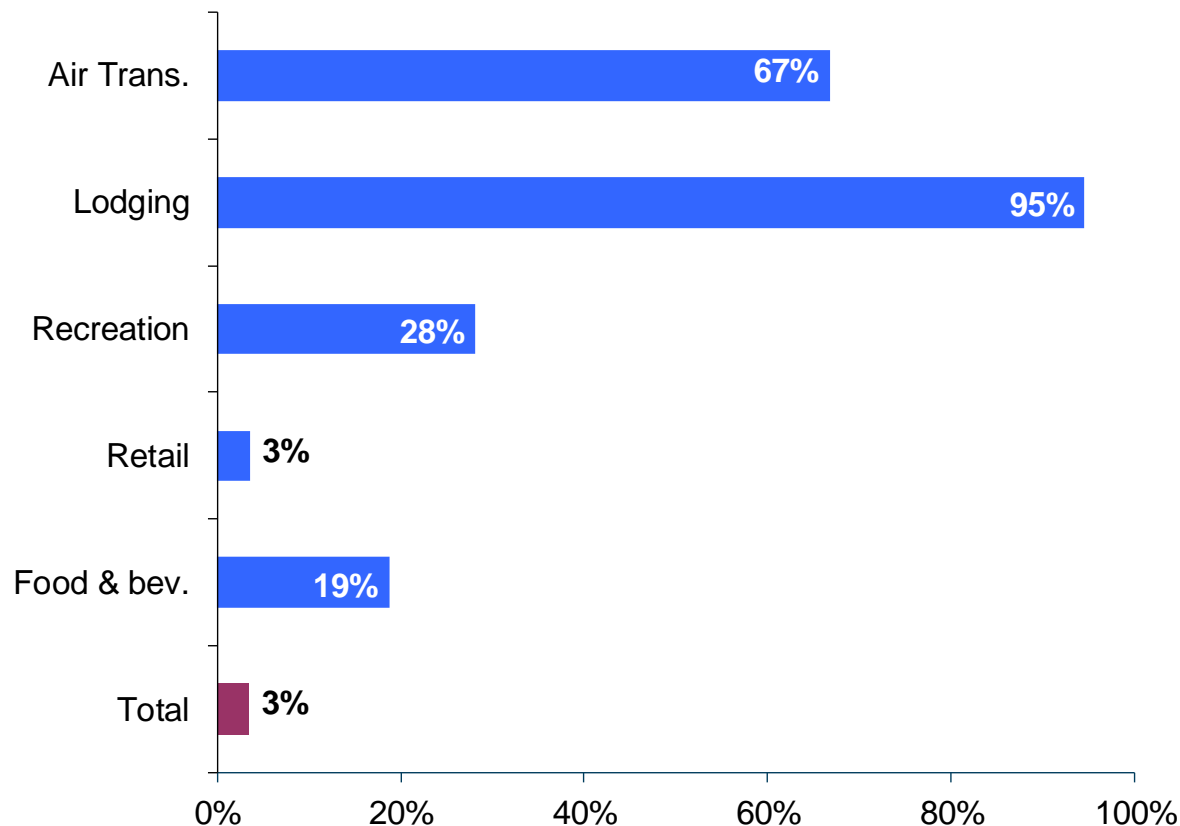
- Examining the Tourism industry against other private sector industries, tourism is the 10th largest employer in the State of Maryland.

Employment Ranking - Private Sector		
State of Maryland		
Rank	Industry	2012
1	Health care and social assistance	415,116
2	Retail trade	342,425
3	Professional, scientific, and technical services	338,005
4	Accommodation and food services	224,338
5	Administrative and waste management services	212,274
6	Other services, except public administration	207,836
7	Construction	200,900
8	Real estate and rental and leasing	174,141
9	Finance and insurance	170,648
10	Tourism	135,741
11	Manufacturing	117,305
12	Wholesale trade	96,373
13	Transportation and warehousing	94,421
14	Educational services	94,410
15	Arts, entertainment, and recreation	80,233

Tourism employment intensity

- Tourism is a significant part of several industries, representing 95% of lodging, 67% of air transport, 28% of recreation, and 19% of F&B.

Tourism Employment Intensity by Industry



Tourism economy tax generation

Traveler Generated Taxes				
Tax Type	2010	2011	2012	Pch Chnge
	Millions of \$			
Federal Taxes Subtotal	<u>1,567.8</u>	<u>1,633.2</u>	<u>1,704.8</u>	<u>4.4%</u>
Corporate	109.2	113.0	118.6	4.9%
Indirect Business	154.8	166.9	173.7	4.1%
Personal Income	505.0	524.2	547.1	4.4%
Social Security	798.7	829.1	865.4	4.4%
State and Local Taxes Subtotal	<u>1,852.0</u>	<u>1,953.3</u>	<u>2,022.2</u>	<u>3.5%</u>
Corporate	170.3	176.2	184.9	4.9%
Personal Income	197.5	205.0	214.0	4.4%
Sales	759.4	818.6	853.5	4.3%
Lodging	<u>110.2</u>	<u>122.0</u>	<u>128.0</u>	<u>4.9%</u>
Local	110.2	122.0	128.0	4.9%
Property	389.6	389.6	389.6	0.0%
Excise and Fees	207.1	223.2	232.7	4.3%
State Unemployment	18.0	18.7	19.5	4.4%
TOTAL	3,419.8	3,586.5	3,727.0	3.9%

- Taxes of \$3.7 billion were directly and indirectly generated by tourism in 2012.
- State and local taxes alone tallied more than \$2.0 billion.
- Each household in Maryland would need to be taxed an additional \$935 per year to replace the tourism taxes received by state and local governments.
- Each visitor adds \$56 to state and local coffers.

County Results



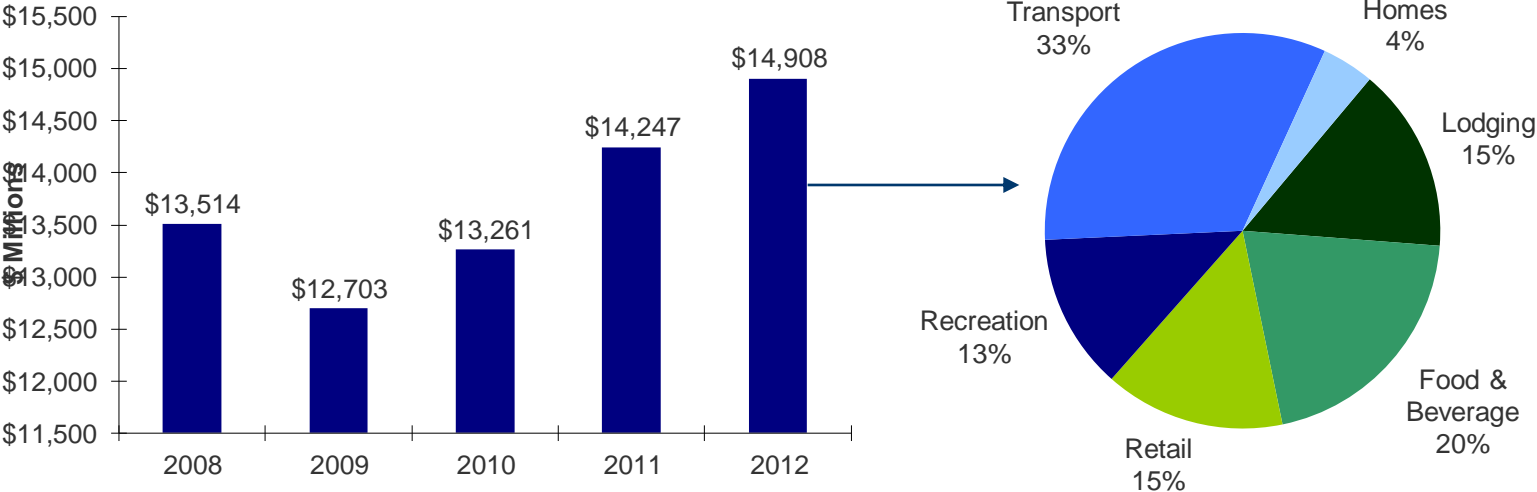
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Maryland Industry Sales

Maryland								
Tourism Industry Sales, (millions)								
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2012	\$2,250.8	\$3,063.3	\$2,201.1	\$1,901.2	\$4,854.1	\$637.8	\$14,908.4	4.6%
2011	\$2,134.0	\$2,856.3	\$2,083.8	\$1,878.4	\$4,707.9	\$587.2	\$14,247.5	7.4%
2010	\$2,069.3	\$2,755.7	\$1,934.8	\$1,725.1	\$4,228.6	\$547.4	\$13,261.0	4.4%
2009	\$1,944.3	\$2,656.6	\$1,823.7	\$1,679.9	\$4,067.0	\$531.7	\$12,703.2	-6.0%
2008	\$2,037.6	\$2,740.2	\$1,911.3	\$1,811.2	\$4,456.6	\$557.2	\$13,514.2	

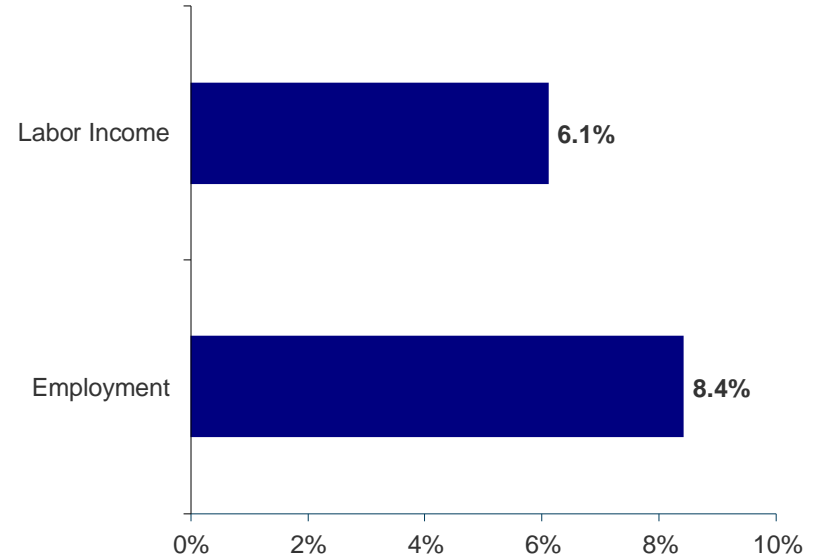
Tourism Industry Sales



Maryland Tourism Impact

Maryland				
Tourism Employment				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	135,741	206,480	100.00%	
2011	131,686	200,677	100.00%	
2010	129,595	196,842	100.00%	
2009	128,909	196,559	100.00%	
2008	132,338	202,935	100.00%	
Tourism Labor Income, (millions)				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	\$4,494.3	\$7,997.4	100.00%	
2011	\$4,295.3	\$7,662.1	100.00%	
2010	\$4,031.0	\$7,381.4	100.00%	
2009	\$4,007.6	\$7,338.7	100.00%	
2008	\$4,114.1	\$7,533.7	100.00%	
Total Tourism Tax Receipts (millions)				
Year	Federal	State and Local	Hotel	Total
2012	\$1,704.4	\$2,021.9	\$127.98	\$3,726.3
2011	\$1,633.2	\$1,953.3	\$121.95	\$3,586.5
2010	\$1,567.8	\$1,852.0	\$110.15	\$3,419.8
2009	\$1,535.8	\$1,761.8	\$105.09	\$3,297.6
2008	\$1,602.8	\$1,830.0	\$103.60	\$3,432.8

Tourism Share of County Economy

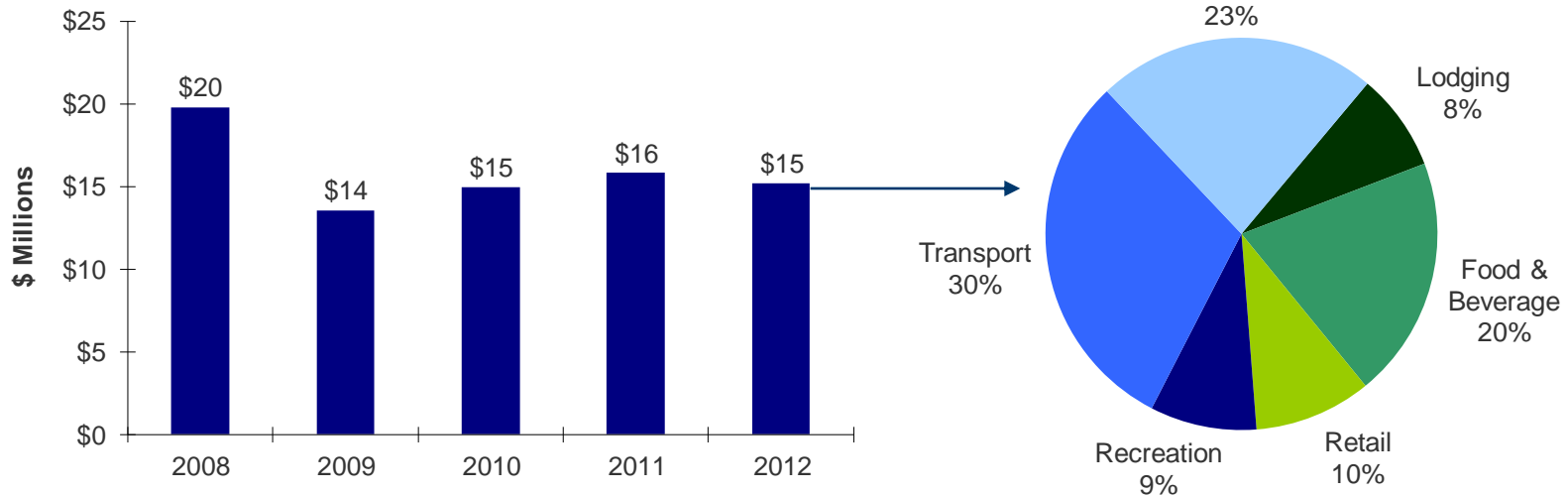


Tourism Sales (millions)	
Tourism Industry	Tourism Economy
\$14,908.4	\$16,046.1
\$14,247.5	\$15,291.0
\$13,261.0	\$14,263.0
\$12,703.2	\$13,887.1
\$13,514.2	\$14,622.4

Caroline County, Industry Sales

Caroline County								
Tourism Industry Sales, (millions)								
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2012	\$1.2	\$3.0	\$1.5	\$1.3	\$4.6	\$3.5	\$15.2	-3.9%
2011	\$1.2	\$3.0	\$1.4	\$1.3	\$4.5	\$4.6	\$15.8	5.8%
2010	\$1.2	\$2.8	\$1.3	\$1.2	\$4.2	\$4.2	\$15.0	10.2%
2009	\$0.9	\$2.5	\$1.1	\$1.0	\$3.9	\$4.1	\$13.6	-31.5%
2008	\$1.4	\$3.1	\$1.4	\$1.5	\$8.2	\$4.3	\$19.8	

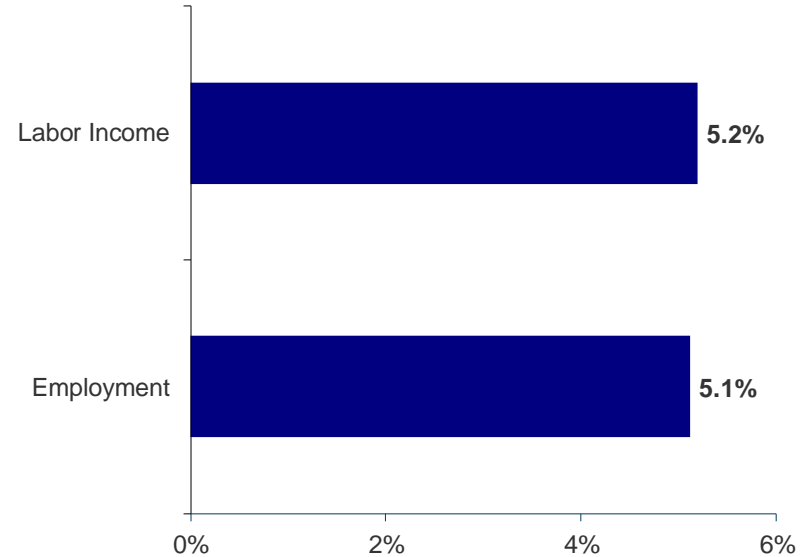
Tourism Industry Sales



Caroline County, Tourism Impact

Caroline County				
Tourism Employment				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	234	454	0.22%	
2011	237	454	0.23%	
2010	231	443	0.23%	
2009	216	449	0.23%	
2008	242	491	0.24%	
Tourism Labor Income, (millions)				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	\$6.3	\$16.4	0.20%	
2011	\$6.1	\$15.8	0.21%	
2010	\$6.1	\$15.8	0.21%	
2009	\$5.5	\$14.9	0.20%	
2008	\$6.1	\$15.9	0.21%	
Total Tourism Tax Receipts (millions)				
Year	Federal	State and Local	Hotel	Total
2012	\$3.2	\$2.5	\$0.04	\$5.7
2011	\$3.1	\$2.5	\$0.03	\$5.6
2010	\$3.1	\$2.4	\$0.03	\$5.5
2009	\$2.9	\$2.2	\$0.03	\$5.0
2008	\$3.2	\$2.9	\$0.03	\$6.1

Tourism Share of County Economy

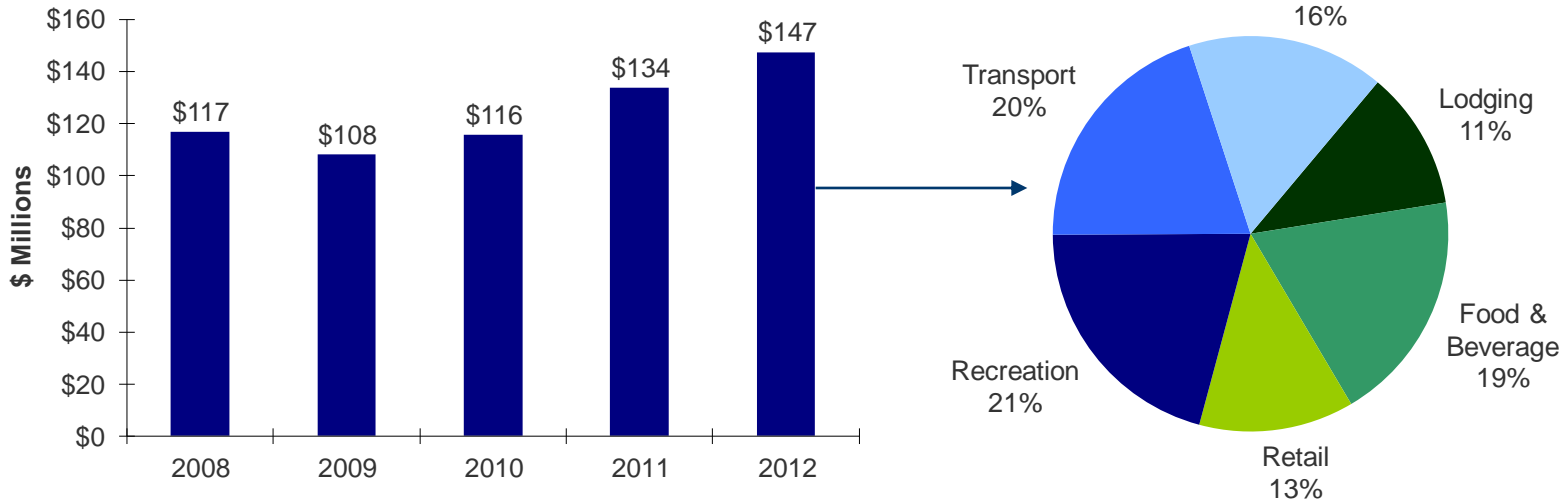


Tourism Sales (millions)	
Tourism Industry	Tourism Economy
\$15.2	\$16.4
\$15.8	\$17.0
\$15.0	\$16.1
\$13.6	\$14.8
\$19.8	\$21.4

Cecil County, Industry Sales

Cecil County								
Tourism Industry Sales, (millions)								
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2012	\$16.8	\$28.1	\$18.7	\$30.6	\$29.6	\$23.8	\$147.5	10.2%
2011	\$15.8	\$26.3	\$16.1	\$27.9	\$28.0	\$19.9	\$133.9	15.5%
2010	\$14.7	\$25.0	\$13.3	\$18.8	\$23.0	\$21.1	\$115.9	7.1%
2009	\$13.1	\$23.8	\$11.9	\$17.2	\$21.7	\$20.5	\$108.1	-7.6%
2008	\$14.3	\$25.7	\$12.2	\$18.2	\$25.3	\$21.5	\$117.1	

Tourism Industry Sales



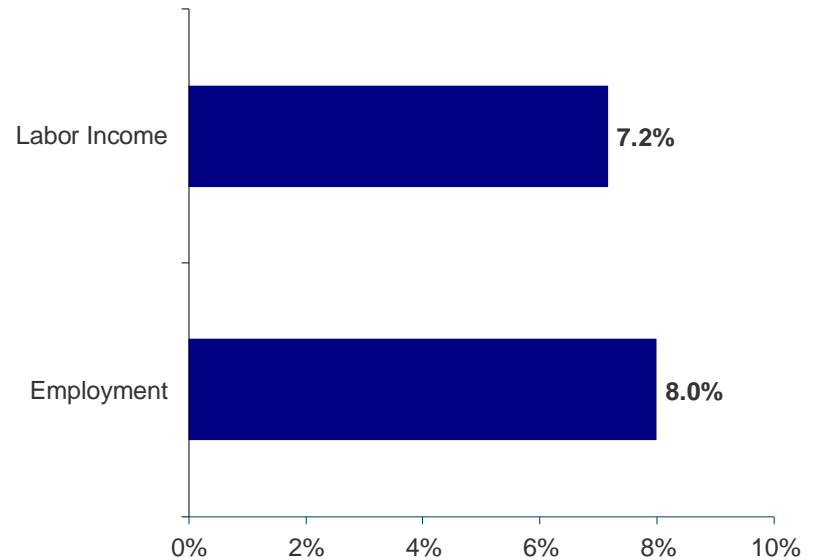
Cecil County, Tourism Impact

Cecil County			
Tourism Employment			
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)
2012	1,439	2,337	1.13%
2011	1,392	2,267	1.13%
2010	1,264	2,089	1.06%
2009	1,211	2,083	1.06%
2008	1,268	2,190	1.08%

Tourism Labor Income, (millions)			
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)
2012	\$44.2	\$87.8	1.10%
2011	\$40.6	\$81.7	1.07%
2010	\$33.4	\$71.4	0.97%
2009	\$31.4	\$68.1	0.93%
2008	\$32.4	\$70.3	0.93%

Total Tourism Tax Receipts (millions)				
Year	Federal	State and Local	Hotel	Total
2012	\$18.4	\$21.4	\$0.39	\$39.8
2011	\$17.1	\$19.9	\$0.35	\$37.0
2010	\$14.9	\$17.5	\$0.29	\$32.4
2009	\$14.1	\$16.3	\$0.28	\$30.3
2008	\$14.8	\$17.3	\$0.35	\$32.1

Tourism Share of County Economy

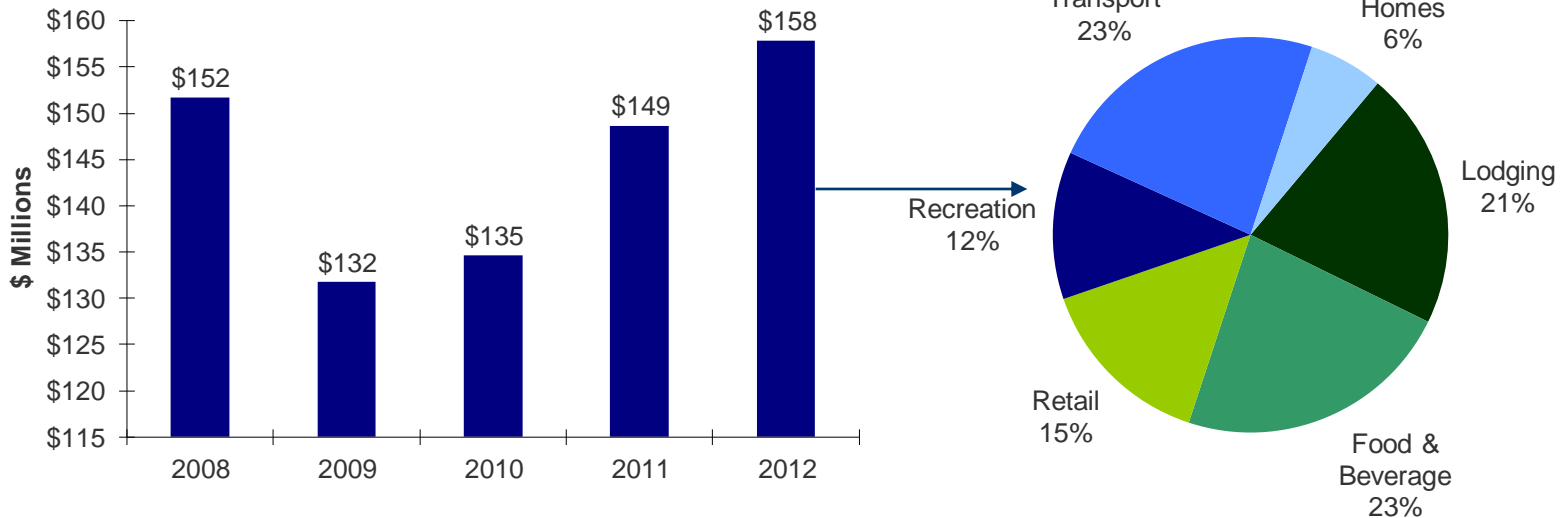


Tourism Sales (millions)	
Tourism Industry	Tourism Economy
\$147.5	\$158.8
\$133.9	\$143.7
\$115.9	\$124.6
\$108.1	\$118.2
\$117.1	\$126.7

Dorchester County, Industry Sales

Dorchester County								
Tourism Industry Sales, (millions)								
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2012	\$33.4	\$36.0	\$23.2	\$19.0	\$36.7	\$9.6	\$157.8	6.2%
2011	\$31.4	\$33.3	\$21.7	\$19.1	\$34.8	\$8.2	\$148.6	10.4%
2010	\$30.3	\$32.1	\$20.0	\$17.4	\$28.1	\$6.6	\$134.6	2.2%
2009	\$29.3	\$31.4	\$19.2	\$17.8	\$27.6	\$6.4	\$131.7	-13.1%
2008	\$33.5	\$35.0	\$22.0	\$20.9	\$33.6	\$6.7	\$151.7	

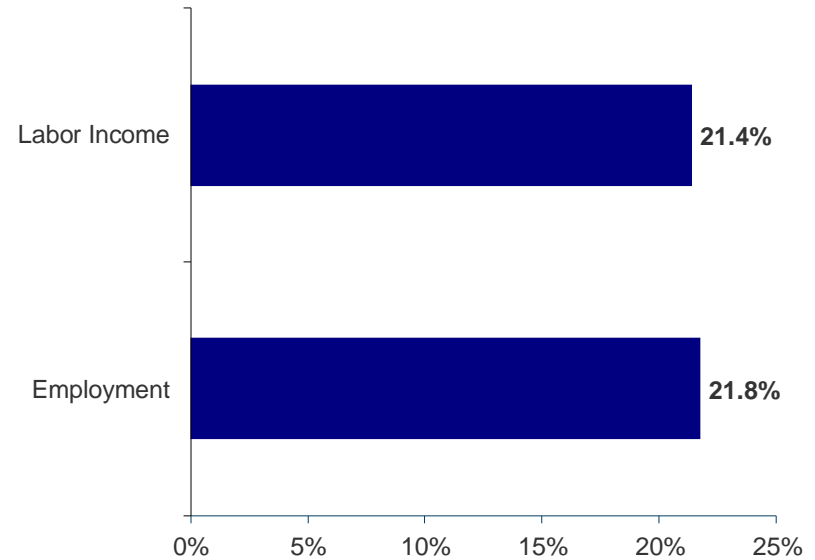
Tourism Industry Sales



Dorchester County, Tourism Impact

Dorchester County				
Tourism Employment				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	1,688	2,344	1.14%	
2011	1,684	2,338	1.17%	
2010	1,671	2,327	1.18%	
2009	1,661	2,316	1.18%	
2008	1,797	2,520	1.24%	
Tourism Labor Income, (millions)				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	\$49.8	\$82.0	1.03%	
2011	\$45.2	\$75.0	0.98%	
2010	\$42.7	\$72.8	0.99%	
2009	\$42.1	\$71.7	0.98%	
2008	\$44.1	\$75.0	1.00%	
Total Tourism Tax Receipts (millions)				
Year	Federal	State and Local	Hotel	Total
2012	\$17.6	\$19.9	\$1.01	\$37.5
2011	\$16.2	\$18.9	\$0.97	\$35.1
2010	\$15.5	\$17.7	\$0.92	\$33.3
2009	\$15.2	\$17.2	\$0.96	\$32.4
2008	\$16.3	\$19.2	\$1.05	\$35.5

Tourism Share of County Economy

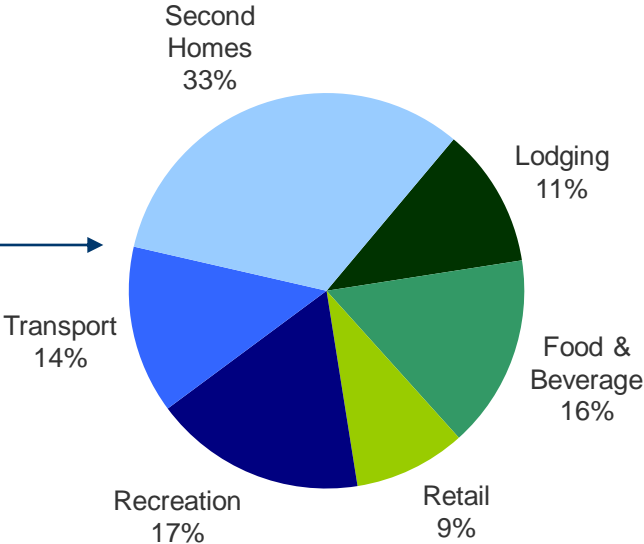
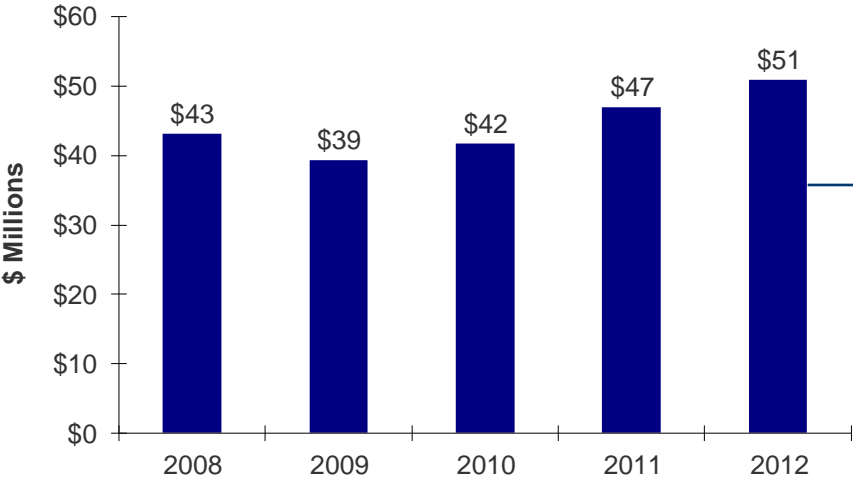


Tourism Sales (millions)	
Tourism Industry	Tourism Economy
\$157.8	\$169.9
\$148.6	\$159.5
\$134.6	\$144.8
\$131.7	\$144.0
\$151.7	\$164.1

Kent County, Industry Sales

Kent County								
Tourism Industry Sales, (millions)								
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2012	\$5.8	\$8.0	\$4.7	\$8.8	\$7.0	\$16.5	\$50.8	8.2%
2011	\$5.2	\$7.4	\$4.4	\$8.4	\$6.1	\$15.4	\$47.0	12.5%
2010	\$4.8	\$7.0	\$3.8	\$7.6	\$5.2	\$13.5	\$41.8	6.2%
2009	\$4.1	\$6.5	\$3.3	\$7.7	\$4.7	\$13.1	\$39.3	-8.7%
2008	\$4.6	\$7.0	\$3.6	\$8.5	\$5.7	\$13.7	\$43.1	

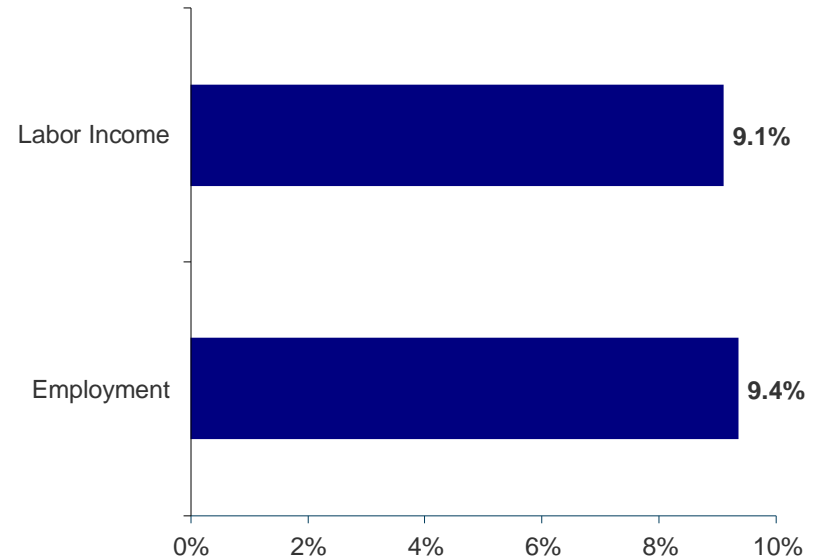
Tourism Industry Sales



Kent County, Tourism Impact

Kent County				
Tourism Employment				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	480	725	0.35%	
2011	461	698	0.35%	
2010	454	684	0.35%	
2009	454	691	0.35%	
2008	486	741	0.37%	
Tourism Labor Income, (millions)				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	\$14.0	\$25.3	0.32%	
2011	\$13.3	\$24.2	0.32%	
2010	\$13.0	\$24.1	0.33%	
2009	\$12.9	\$24.0	0.33%	
2008	\$13.8	\$25.5	0.34%	
Total Tourism Tax Receipts (millions)				
Year	Federal	State and Local	Hotel	Total
2012	\$5.5	\$7.2	\$0.25	\$12.6
2011	\$5.2	\$6.8	\$0.24	\$12.0
2010	\$5.1	\$6.3	\$0.23	\$11.3
2009	\$5.0	\$5.9	\$0.23	\$10.9
2008	\$5.4	\$6.3	\$0.23	\$11.7

Tourism Share of County Economy

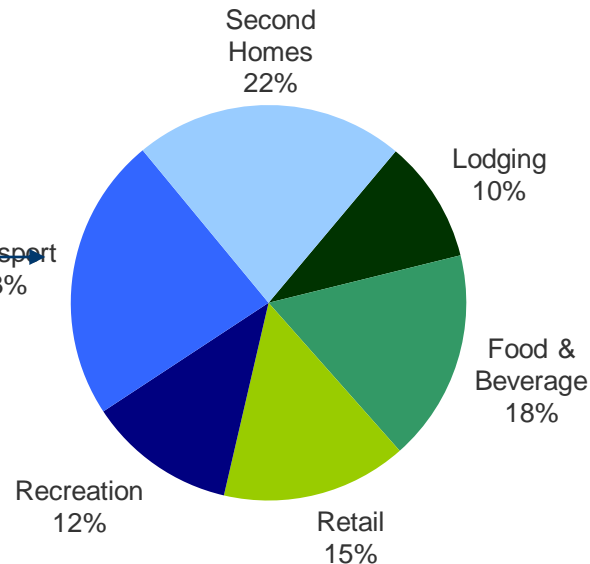
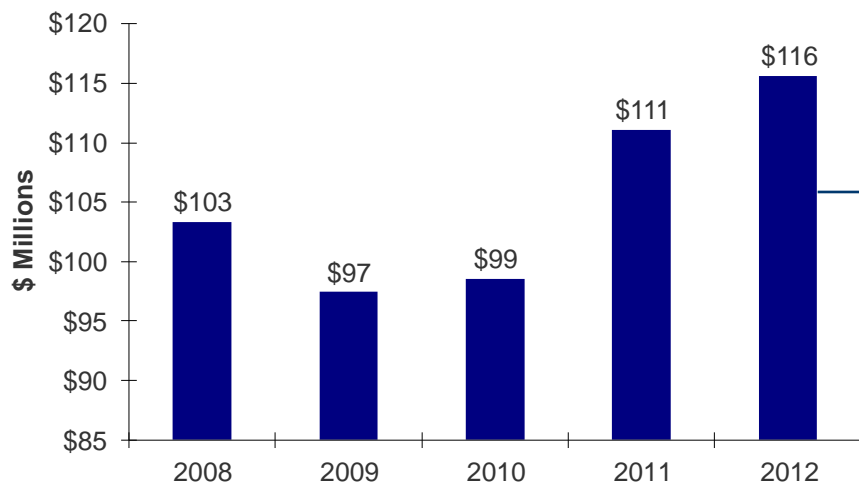


Tourism Sales (millions)	
Tourism Industry	Tourism Economy
\$50.8	\$54.7
\$47.0	\$50.4
\$41.8	\$44.9
\$39.3	\$43.0
\$43.1	\$46.6

Queen Anne's County, Industry Sales

Queen Anne's County								
Tourism Industry Sales, (millions)								
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2012	\$11.6	\$20.0	\$17.5	\$14.0	\$26.9	\$25.5	\$115.6	4.1%
2011	\$11.0	\$18.8	\$16.4	\$14.4	\$26.3	\$24.2	\$111.1	12.7%
2010	\$10.5	\$17.6	\$14.5	\$13.6	\$21.7	\$20.8	\$98.6	1.2%
2009	\$10.2	\$17.5	\$13.6	\$14.6	\$21.3	\$20.2	\$97.4	-5.7%
2008	\$10.7	\$17.2	\$14.4	\$16.7	\$23.3	\$21.1	\$103.3	

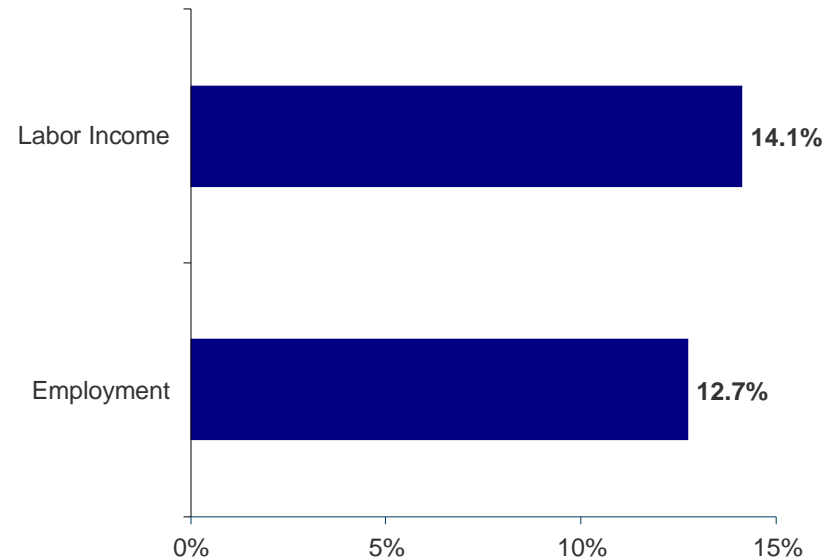
Tourism Industry Sales



Queen Anne's County, Tourism Impact

Queen Anne's County				
Tourism Employment				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	1,158	1,724	0.84%	
2011	1,132	1,687	0.84%	
2010	1,088	1,624	0.82%	
2009	1,105	1,674	0.85%	
2008	1,124	1,721	0.85%	
Tourism Labor Income, (millions)				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	\$37.7	\$67.0	0.84%	
2011	\$37.0	\$65.6	0.86%	
2010	\$33.6	\$61.5	0.83%	
2009	\$33.7	\$61.6	0.84%	
2008	\$34.5	\$63.0	0.84%	
Total Tourism Tax Receipts (millions)				
Year	Federal	State and Local	Hotel	Total
2012	\$14.1	\$15.2	\$0.46	\$29.2
2011	\$13.8	\$14.8	\$0.45	\$28.6
2010	\$12.8	\$13.5	\$0.42	\$26.3
2009	\$12.7	\$13.2	\$0.41	\$25.9
2008	\$13.2	\$13.8	\$0.47	\$27.0

Tourism Share of County Economy

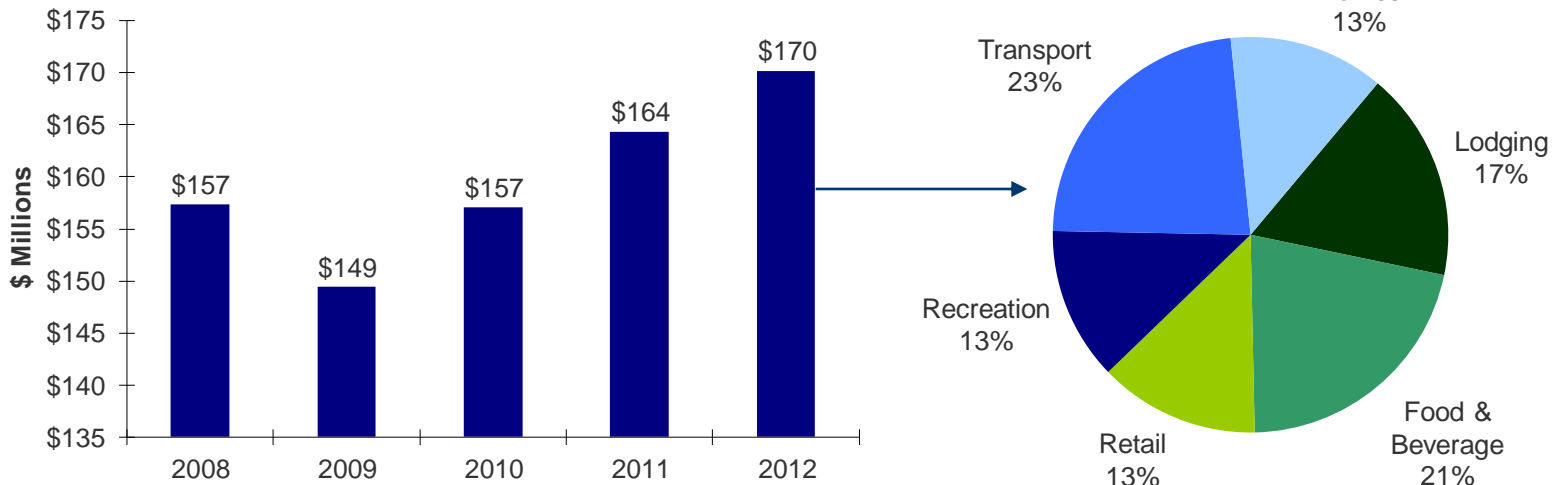


Tourism Sales (millions)	
Tourism Industry	Tourism Economy
\$115.6	\$124.5
\$111.1	\$119.2
\$98.6	\$106.0
\$97.4	\$106.5
\$103.3	\$111.8

Talbot County, Industry Sales

Talbot County								
Tourism Industry Sales, (millions)								
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2012	\$29.2	\$36.4	\$22.3	\$21.3	\$39.3	\$21.7	\$170.2	3.6%
2011	\$27.2	\$33.2	\$20.7	\$21.4	\$36.9	\$24.9	\$164.3	4.6%
2010	\$26.3	\$31.8	\$19.4	\$20.2	\$32.4	\$27.1	\$157.1	5.1%
2009	\$24.4	\$30.1	\$18.1	\$19.3	\$31.2	\$26.3	\$149.4	-5.0%
2008	\$25.3	\$30.9	\$18.5	\$20.3	\$34.8	\$27.5	\$157.3	

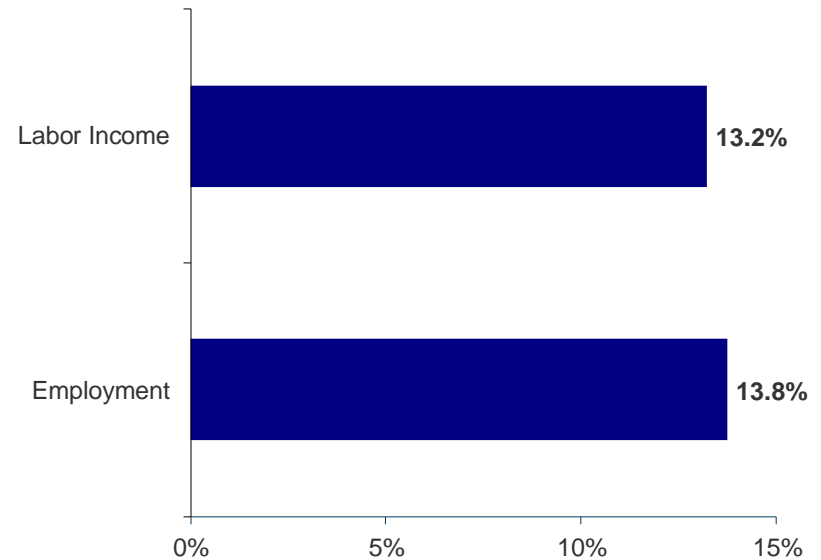
Tourism Industry Sales



Talbot County, Tourism Impact

Talbot County				
Tourism Employment				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	1,760	2,485	1.20%	
2011	1,720	2,432	1.21%	
2010	1,674	2,371	1.20%	
2009	1,680	2,367	1.20%	
2008	1,819	2,576	1.27%	
Tourism Labor Income, (millions)				
Year	Direct	Total (Dir, Ind, Induced)	Share of State (Total)	
2012	\$55.9	\$92.4	1.15%	
2011	\$53.6	\$88.8	1.16%	
2010	\$49.4	\$84.2	1.14%	
2009	\$50.0	\$85.0	1.16%	
2008	\$53.6	\$90.9	1.21%	
Total Tourism Tax Receipts (millions)				
Year	Federal	State and Local	Hotel	Total
2012	\$19.6	\$22.3	\$1.08	\$42.0
2011	\$18.9	\$21.7	\$1.02	\$40.6
2010	\$18.0	\$21.2	\$0.96	\$39.2
2009	\$17.8	\$20.3	\$1.00	\$38.1
2008	\$19.2	\$21.1	\$1.10	\$40.3

Tourism Share of County Economy



Tourism Sales (millions)	
Tourism Industry	Tourism Economy
\$170.2	\$183.2
\$164.3	\$176.4
\$157.1	\$169.0
\$149.4	\$163.3
\$157.3	\$170.2

Methodology and Background



TOURISM
ECONOMICS

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Methods and data sources

- Domestic visitor expenditure estimates are provided by DK Shifflet representative survey of US travelers. These are broken out by sectors (lodging, transport at destination, food & beverage, retail, and recreation), by purpose (business and leisure), and by length of stay (day and overnight).
- Tourism Economics then adjusts these levels of spending based on a range of known measures of tourism activity:
 - Overseas visitor spending (source: OTTI, TE)
 - Canada visitor spending (source: Statistics Canada, TE)
 - Bed tax receipts
 - Sales tax by sector
 - Spending on air travel which accrues to all airports and locally-based airlines
 - Gasoline purchases by visitors (source: TE calculation)
 - Smith Travel Research data on hotel revenues
 - Construction Value by McGraw-Hill Construction
 - Industry data on employment, wages, GDP, and sales (source: BEA, BLS, Census)

Methods and data sources

- An IMPLAN model was compiled for the State of Maryland. This traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism.
- All results are benchmarked and cross-checked and adjusted based on the following:
 - US Bureau of Labor Statistics and Bureau of Economic Analysis (employment and wages by industry)
 - US Census (business sales by industry)
- The source of the employment and wage data is the Regional Economic Information System (REIS), Bureau of Economic Analysis, U.S. Department of Commerce. All employment rankings are based on Bureau of Labor Statistics (ES202/QCEW) data.

About Tourism Economics

- Tourism Economics, headquartered in Philadelphia, is an Oxford Economics company dedicated to providing high value, robust, and relevant analyses of the tourism sector that reflects the dynamics of local and global economies. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, project feasibility analysis, tourism forecasting models, tourism policy analysis, and economic impact studies.
- Our staff have worked with over 100 destinations to quantify the economic value of tourism, forecast demand, guide strategy, or evaluate tourism policies.
- 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 is founded on a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 40 highly-experienced professional economists; a dedicated data analysis team; global modeling tools; close links with Oxford University, and a range of partner institutions in Europe, the US and in the United Nations Project Link.
- For more information: info@tourismeconomics.com.