

ECONOMIC IMPACT OF TOURISM IN TEMPE 2021

August 2022

Prepared for: Tempe Tourism Office



CONTENTS

Introduction Methodology & data sources	03
Key Findings Summary economic & fiscal impacts	04
Visitor Volume and Visitor Spending Trends in visitation and visitor spending	05
Economic Impact Methodology Impact model framework	08
Economic Impact Findings, 2021 Business sales, jobs, and labor income impacts in 2021	09
Economic Impact Findings, 2020 Business sales, jobs, and labor income impacts in 2020	15
Appendix	22



INTRODUCTION PROJECT BACKGROUND

The travel sector is an integral part of the Tempe, AZ economy and the broader regional economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent an important driver of the region's future. Gross output (business sales) attributable to tourism spending in the City of Tempe totaled \$1.0 billion in calendar year (CY) 2021.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for the City of Tempe as it builds upon its tourism economy.

To quantify the economic significance of the tourism sector in Tempe, Tourism Economics has prepared a comprehensive analysis detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

The full economic impacts are presented for the 2020 and 2021 calendar years, measured in terms of direct spending, gross business sales, employment, income, and tax revenues generated.

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for the Maricopa County region. The model 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.

Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges. Modeling results were then calibrated to reflect the benefits realized only in the City of Tempe.

Visitors included those who stayed in overnight accommodations or those who came from a distance greater than 50 miles and deviated from their normal routine.

Estimates of visitor expenditures in the City of Tempe based on several sources including:

- Smith Travel Research (STR) data on hotel room demand, supply, and revenues.
- Historical visitor profile survey research completed by DK. Shifflet, a national consumer research firm.
- Data from the US National Travel and Tourism Office (NTTO) and Tourism Economics proprietary database Global City Travel (GCT) were consulted to develop estimates for international visitor volume and spending.
- Gasoline price data were obtained from the U.S. Energy Information Administration
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry

ECONOMIC IMPACTS

KEY FINDINGS

DIRECT VISITOR SPENDING IMPACT

In 2021, 3.6 million visitors spent \$781 million across the City of Tempe’s economy. The City of Tempe’s visitor economy spans multiple industries. Visitors spend directly on accommodations, food and beverage, recreation, retail shopping, and local transportation.

TOTAL ECONOMIC IMPACT

The direct visitor spending impact of \$781 million generated a total economic impact of \$1.0 billion in the City of Tempe in 2021 including indirect and induced impacts. This total economic impact sustained more than 7,600 jobs and generated \$85 million in state and local tax revenues in 2021.



\$1.0 BILLION

Total Economic Impact of Tourism in the City of Tempe in 2021



\$781M

Direct Visitor Spending



\$1.0B

Total Economic Impact



7,600

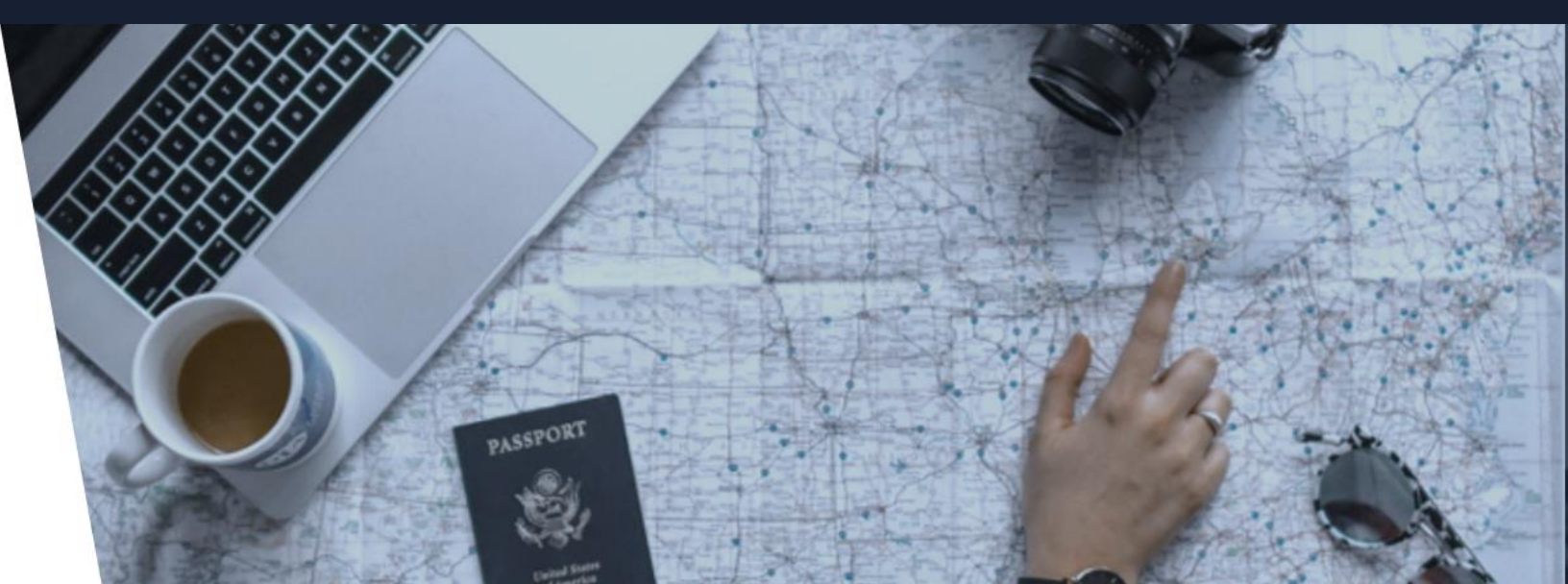
Total Jobs Generated



\$85M

State & Local Taxes Generated





VISITS & VISITOR SPENDING

The City of Tempe hosts millions of visitors each year. Following severe COVID-related declines the prior year, 2021 was a year of recovery and growth in which direct visitor spending reached \$781 million and visitor volume totaled 3.6 million. On average, each visitor spend \$215.

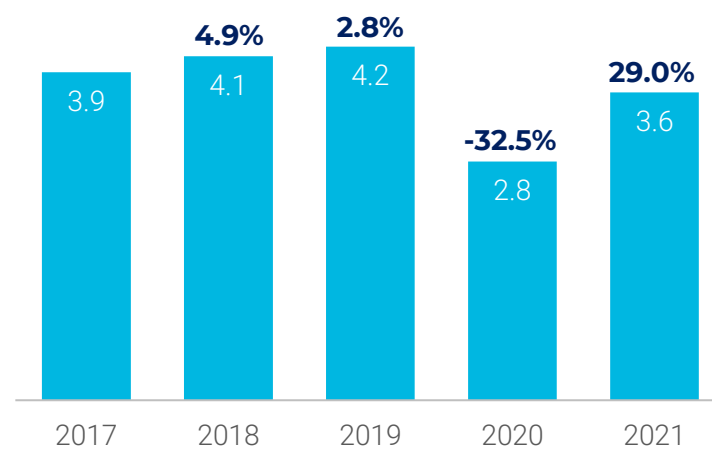
VISITOR VOLUME

Recovery in 2021

Visitor volume was impacted in 2020 by COVID-19 restrictions and closures. In 2021, travel confidence rebounded with easing restrictions and vaccines. With an increase of 815,000 visitors over the prior year, total visitation recovered to about 87% of 2019 volumes.

City of Tempe visitor volume

Amounts in millions



Sources: Tourism Economics

VISITOR SPENDING

Visitors to the City of Tempe spent \$781 million across a range of sectors in 2021

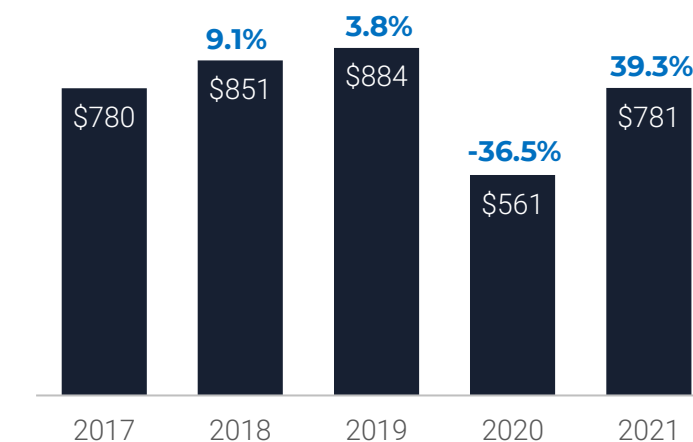
Visitor spending expanded 39.3% in 2021, recovering to 88% of 2019 levels.

Of the \$781 million spent in the City of Tempe in 2021 by visitors, food and beverage accounted for \$206 million, 26% of the average visitor dollar. Spending on transportation resulted in \$172 million.

Lodging captured 20%, a total of \$158 million. Retail comprised 20%, with recreation spending registering 12% of each visitor dollar.

City of Tempe visitor spending

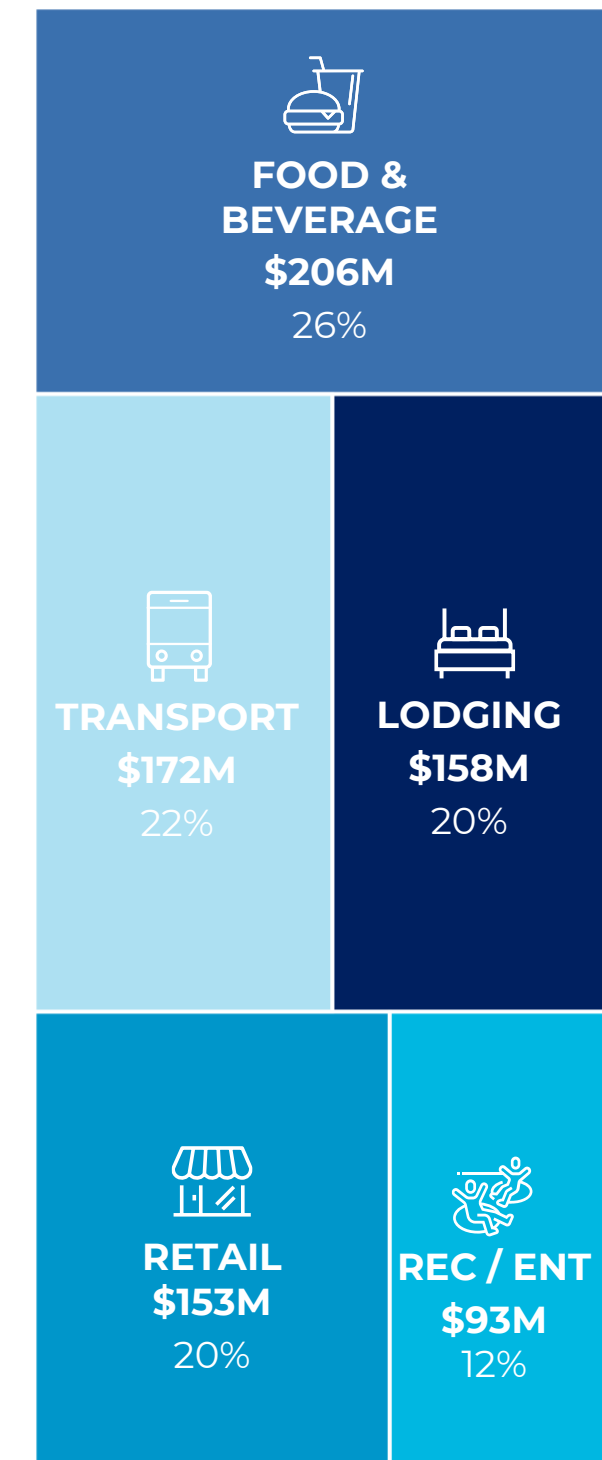
Amounts in \$ millions



Sources: Tourism Economics

\$781 MILLION

Direct Visitor Spending in 2021



Source: Tourism Economics

Note: Lodging spending is calculated as an industry.

VISITATION & SPENDING TRENDS

Visitor spending increased by 39.3% in 2021, a bounce back after the significant decline in 2020. Spending grew across all sectors, driven by both pent-up demand as well as increases in prices of key commodities, especially in transportation. Indeed, gas prices in the Phoenix MSA increased 29% versus 2020.

Strong growth was seen in lodging, one of the hardest hit categories during the pandemic. Despite lodging spending increasing 51% in 2021 compared to 2020, spending remains about 85% of 2019 levels.

Food and beverage spending increased 36% in 2021, reaching 89% of 2019 levels, while transportation spending grew 33% in 2021, raising it to 97% of pre-pandemic levels.

City of Tempe visitor spending

Amounts in \$ millions, 2021 percent change and percent recovered relative to 2019

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Total visitor spending	\$780.5	\$851.5	\$883.6	\$560.7	\$781.3	39.3%	88.4%
Lodging	\$154.5	\$171.4	\$186.6	\$104.3	\$157.7	51.2%	84.5%
Food and beverage	\$201.5	\$219.0	\$231.5	\$151.7	\$206.2	35.9%	89.1%
Retail	\$173.2	\$184.6	\$180.2	\$107.5	\$152.7	42.0%	84.7%
Recreation	\$94.7	\$102.8	\$107.4	\$68.1	\$92.6	35.8%	86.2%
Transportation	\$156.5	\$173.6	\$177.8	\$129.1	\$172.1	33.4%	96.8%

Source: Tourism Economics

City of Tempe visitor volume, by market

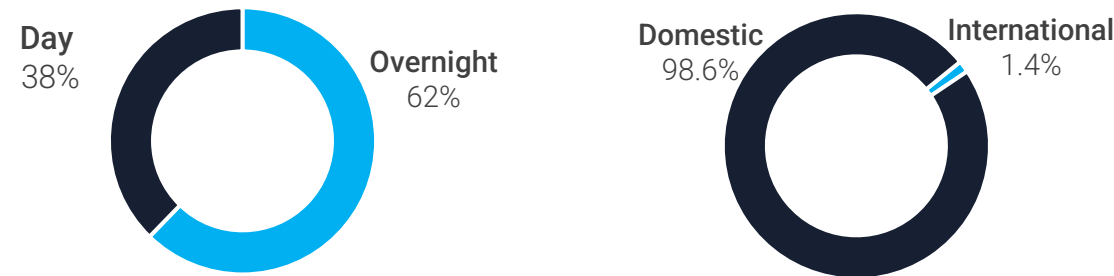
Amounts in millions of visitors, 2021 percent change and percent recovered relative to 2019

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Total visitor volume	3.86	4.05	4.17	2.81	3.63	29.0%	87.0%
International	0.17	0.18	0.18	0.06	0.05	-16.4%	29.1%
Domestic	3.69	3.88	3.99	2.75	3.58	30.0%	89.6%
Day	1.53	1.56	1.59	1.15	1.37	18.7%	86.0%
Overnight	2.16	2.32	2.40	1.60	2.21	38.1%	92.0%

Source: Tourism Economics

City of Tempe visitation share by segment

Expressed as percentage of total visitation by market



Source: Tourism Economics

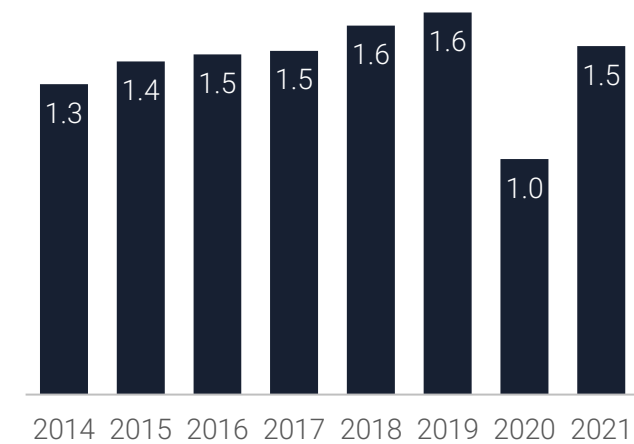
TOURISM ECONOMY TRENDS

Hotel industry

Hotel room demand increased 48.1% in 2021, reaching 1.5 million room nights. This led to an increase in the occupancy rate from 45.6% in 2020 to 61.7% in 2021. However, this is still 16 percentage points below 2019.

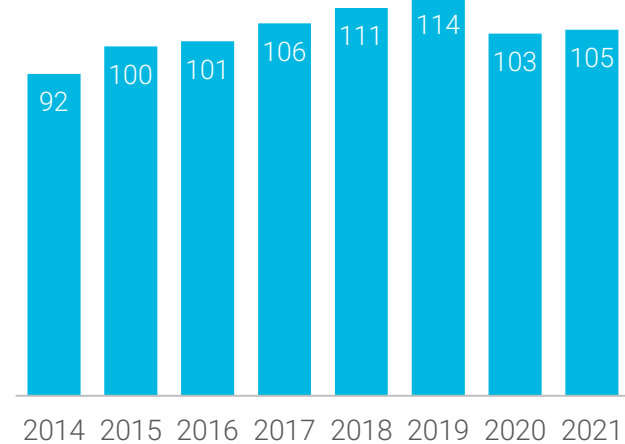
Room rates (ADR) rose 1.0% versus 2020, remaining at 92% of the average 2019 rate.

City of Tempe hotel room demand
Millions of room nights



Source: STR

City of Tempe average daily rate (ADR)
Rate in \$



Source: STR



ECONOMIC IMPACT METHODOLOGY

Our analysis of the visitor economy for the City of Tempe 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 Tempe regional 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.

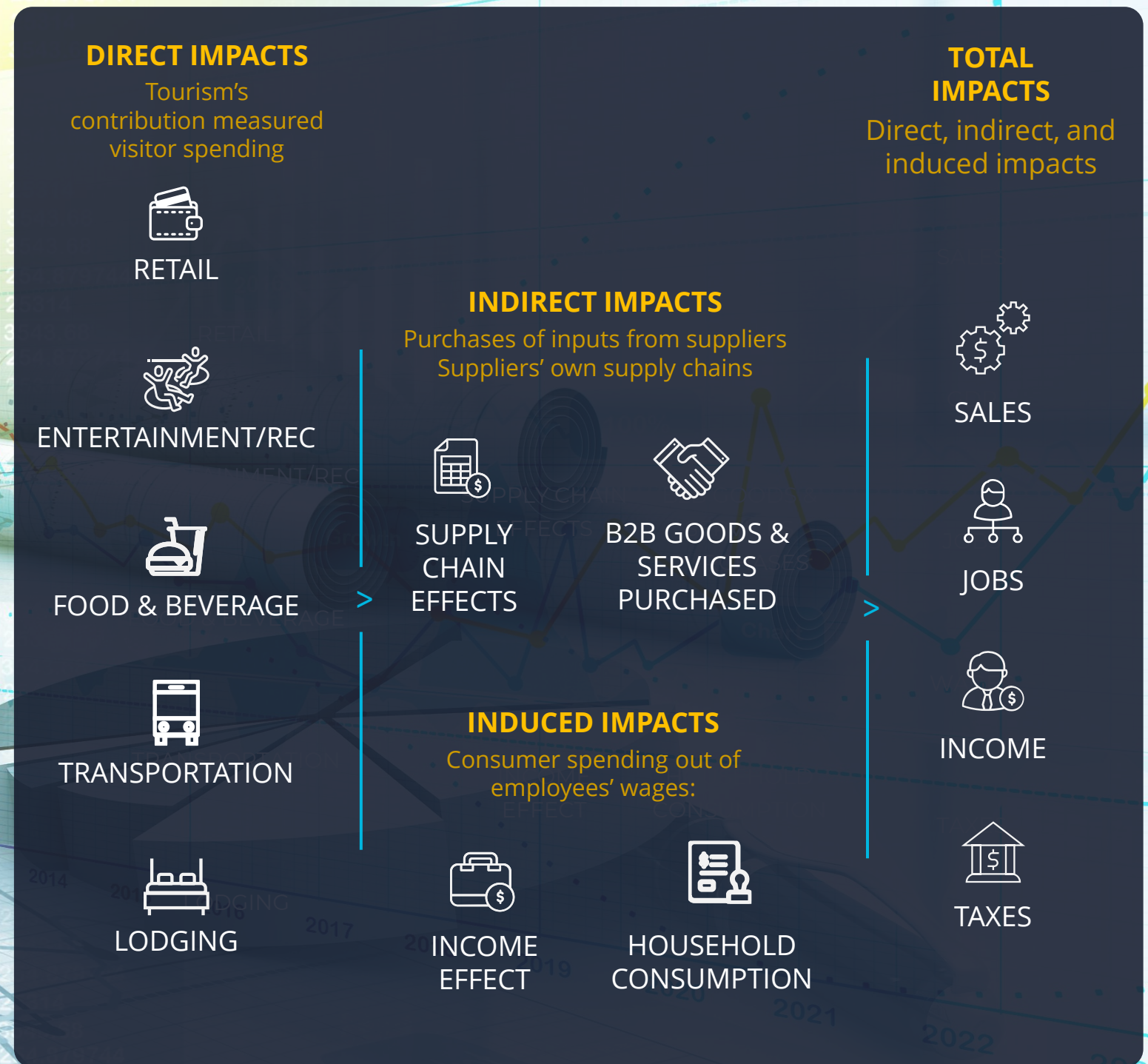
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete 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 FRAMEWORK





ECONOMIC IMPACT 2021 FINDINGS

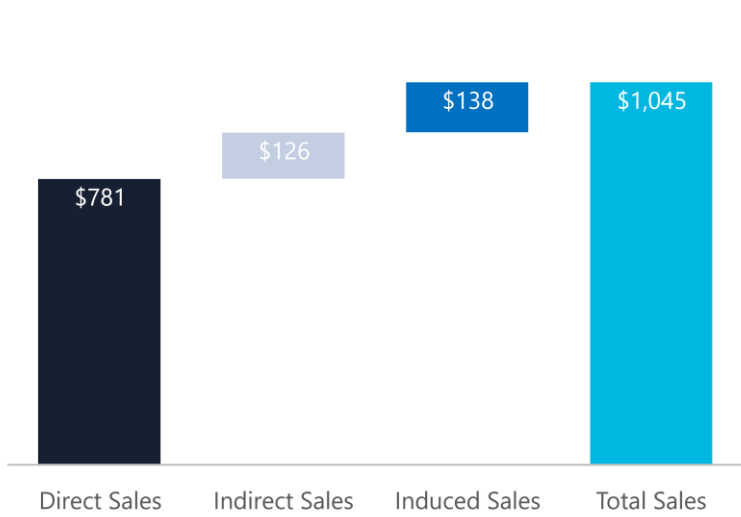
BUSINESS SALES IMPACTS

Visitors contributed a direct impact of \$781 million in 2021. This direct impact of \$781 million generated \$264 million in indirect and induced impacts, resulting in a total economic impact of \$1.0 billion in the City of Tempe.

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

Summary economic impacts (2021)

Amounts in \$ millions



Source: Tourism Economics

Business sales impacts by industry (2021)

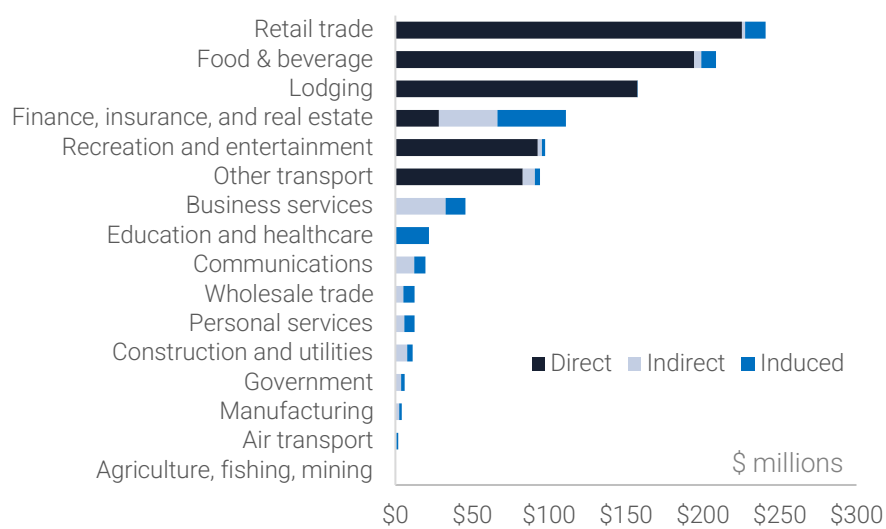
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$781.3	\$126.5	\$137.7	\$1,045.4
Retail trade	\$225.5	\$2.1	\$13.3	\$240.9
Food & beverage	\$194.5	\$4.5	\$9.6	\$208.6
Lodging	\$157.7	\$0.0	\$0.0	\$157.7
Finance, insurance, and real estate	\$28.2	\$38.1	\$44.7	\$111.0
Recreation and entertainment	\$92.6	\$2.7	\$2.0	\$97.3
Other transport	\$82.8	\$8.1	\$3.2	\$94.1
Business services		\$32.6	\$13.0	\$45.6
Education and healthcare		\$0.3	\$21.5	\$21.8
Communications		\$12.2	\$7.3	\$19.5
Wholesale trade		\$5.3	\$7.3	\$12.6
Personal services		\$5.8	\$6.7	\$12.5
Construction and utilities		\$7.7	\$3.6	\$11.3
Government		\$3.6	\$2.5	\$6.1
Manufacturing		\$2.6	\$1.6	\$4.2
Air transport		\$0.7	\$1.2	\$1.9
Agriculture, fishing, mining		\$0.2	\$0.2	\$0.4

Source: Tourism Economics

Visitor economy business sales impacts by industry (2021)

Amounts in \$ millions



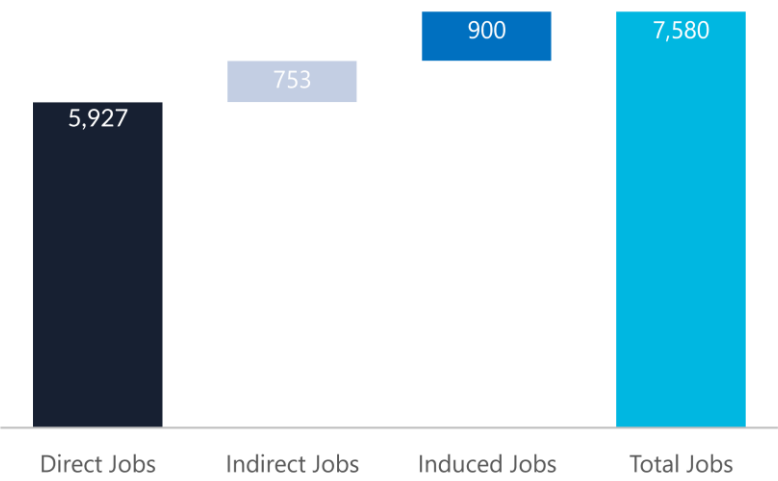
Source: Tourism Economics

EMPLOYMENT IMPACTS

Visitor activity sustained 5,927 direct jobs in 2021, with an additional 1,653 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact increased to 7,580 in 2021, representing 1 in 18 jobs.

Summary employment impacts (2021)

Amounts in number of jobs



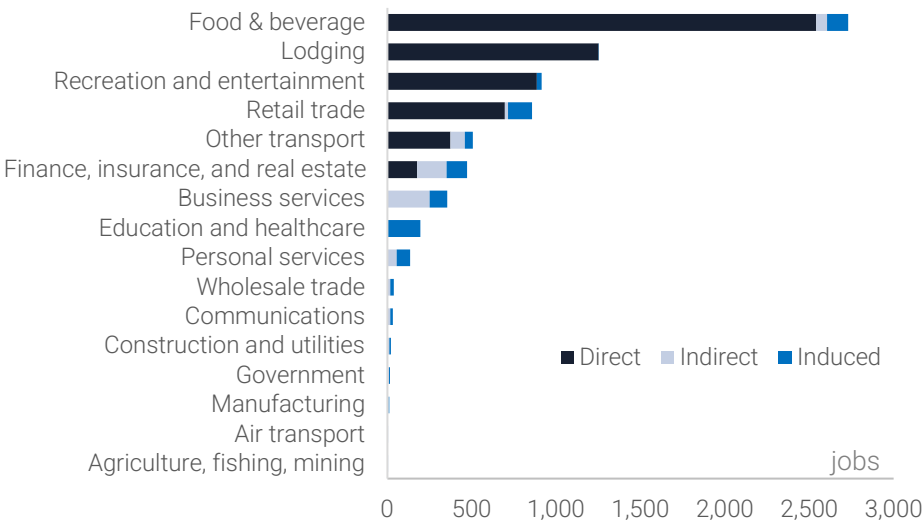
Source: Tourism Economics

Visitor spending supported the largest number of jobs in the food & beverage industry (2,541).

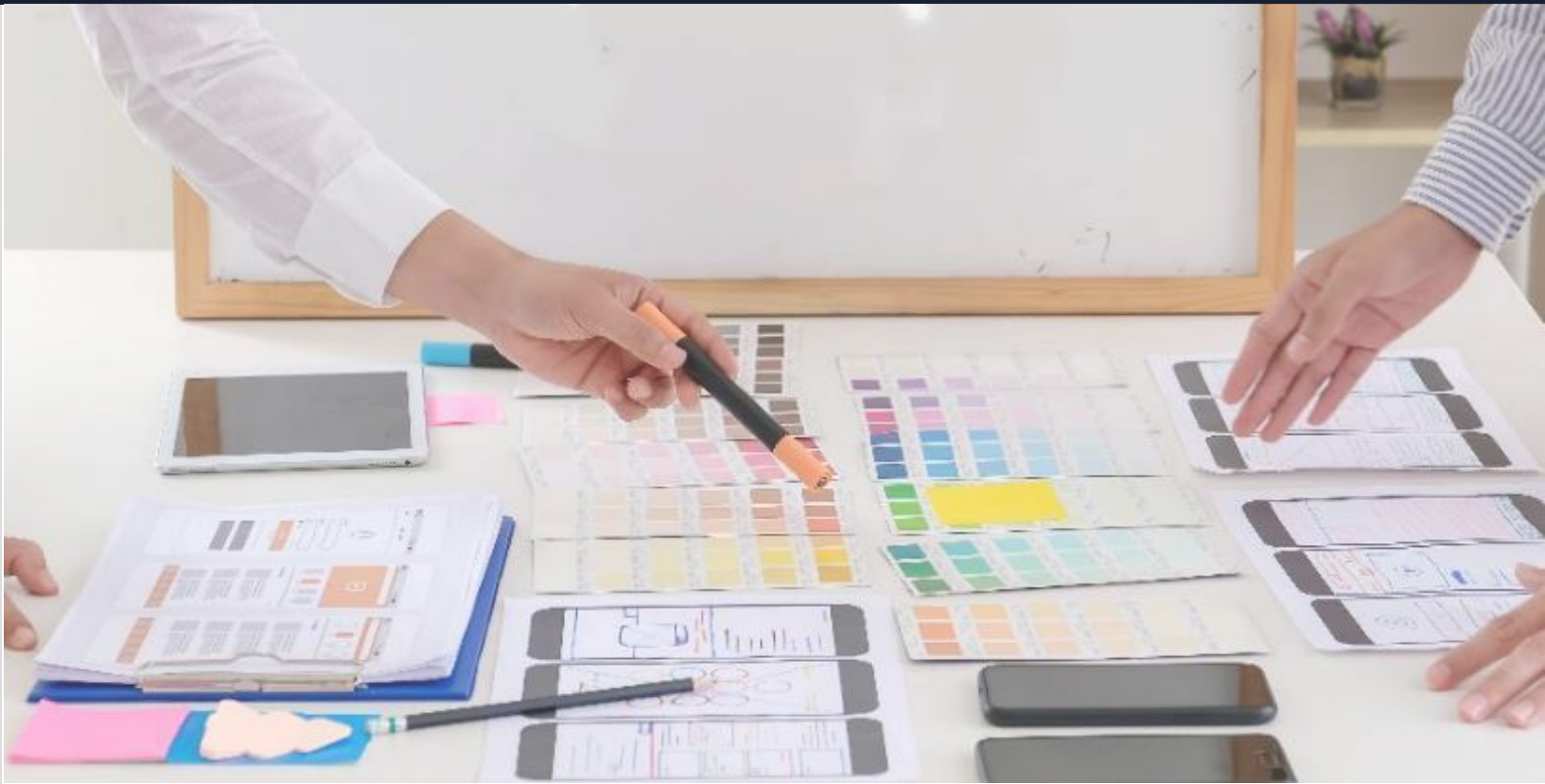
Significant indirect and induced impacts come in business services, finance, insurance, & real estate, and education & healthcare.

Tourism job impacts by industry (2021)

Amounts in number of jobs



Source: Tourism Economics



Employment impacts by industry (2021)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	5,927	753	900	7,580
Food & beverage	2,541	65	125	2,731
Lodging	1,252		1	1,252
Recreation and entertainment	887	31	27	944
Retail trade	696	21	141	857
Other transport	375	84	48	507
Finance, insurance, and real estate	177	174	121	472
Business services		252	104	355
Education and healthcare		3	193	196
Personal services		55	81	136
Wholesale trade		18	21	39
Communications		19	14	32
Construction and utilities		13	9	21
Government		9	6	16
Manufacturing		7	5	12
Air transport		2	4	5
Agriculture, fishing, mining		2	2	4

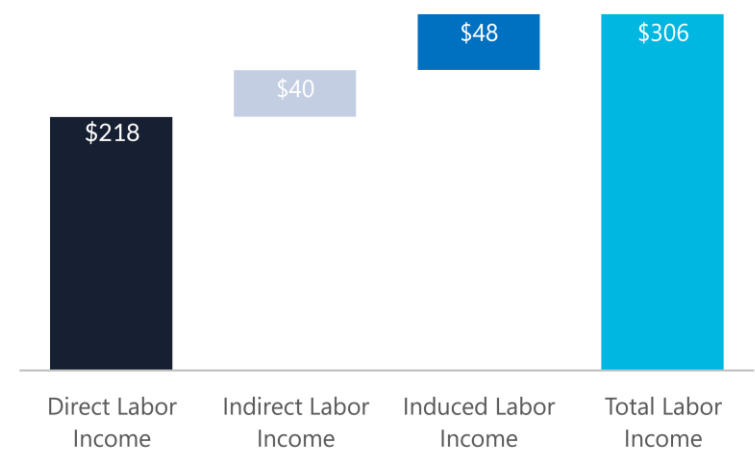
Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$218 million in direct labor income and a total of \$306 million when including indirect and induced impacts.

Summary labor income impacts (2021)

Amounts in \$ millions



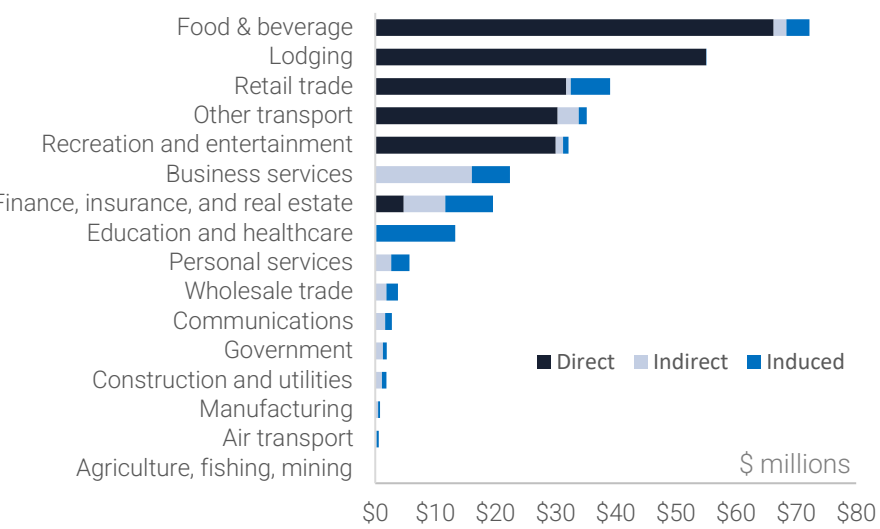
Source: Tourism Economics

Most of the personal income impacts are the direct result of visitor spending, compared to other impact results.

There are eight industries in which visitor activity supports more than \$10 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and education & healthcare.

Tourism labor income impacts by industry (2021)

Amounts in \$ millions



Source: Tourism Economics



Labor income impacts by industry (2021)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$218.1	\$40.0	\$48.2	\$306.4
Food & beverage	\$66.2	\$2.2	\$3.8	\$72.2
Lodging	\$55.0	\$0.0	\$0.0	\$55.0
Retail trade	\$31.8	\$0.8	\$6.5	\$39.1
Other transport	\$30.4	\$3.5	\$1.3	\$35.2
Recreation and entertainment	\$30.0	\$1.2	\$0.9	\$32.1
Business services		\$16.1	\$6.3	\$22.4
Finance, insurance, and real estate	\$4.8	\$6.9	\$7.9	\$19.6
Education and healthcare		\$0.2	\$13.1	\$13.3
Personal services		\$2.6	\$3.1	\$5.7
Wholesale trade		\$1.9	\$1.9	\$3.8
Communications		\$1.6	\$1.1	\$2.8
Government		\$1.3	\$0.6	\$1.9
Construction and utilities		\$1.1	\$0.8	\$1.9
Manufacturing		\$0.5	\$0.3	\$0.8
Air transport		\$0.2	\$0.4	\$0.6
Agriculture, fishing, mining		\$0.0	\$0.0	\$0.1

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$139.8 million in government revenues. State and local taxes alone tallied \$84.7 million in 2021.

Total fiscal (tax) impacts (2021)

Amounts in \$ millions

	Total
Total tax revenues	\$139.8
Federal	\$55.1
Personal income	\$26.3
Corporate	\$5.1
Indirect business	\$4.6
Social Security	\$19.0
State and local	\$84.7
Personal income	\$5.1
Lodging	\$16.6
Sales	\$31.3
Social security	\$6.4
Corporate income	\$0.7
Property tax	\$20.2
Other taxes and fees	\$4.4

Source: Tourism Economics

In 2021, \$46.0 million in state revenues were generated in 2021, and local governments accrued \$38.7 million in revenues. Key revenue sources for local government included lodging taxes, sales taxes, and property taxes.

State and local fiscal (tax) impacts (2021)

Amounts in \$ millions

	State	Local
Total tax revenues	\$46.0	\$38.7
Personal income	\$5.1	
Lodging	\$8.7	\$7.9
Sales	\$20.7	\$10.6
Social security	\$6.4	
Corporate income	\$0.7	
Property tax	\$2.9	\$17.3
Other taxes and fees	\$1.6	\$2.8

Source: Tourism Economics



ECONOMIC IMPACTS

JOB & LABOR INCOME IMPACTS IN 2021

Direct visitor spending of \$781 million generated tourism's total economic impact of \$1.0 billion, including 7,600 total jobs (including full-time and part-time jobs) with associated labor income of \$306 million in 2021.



\$1.0B

Total Economic Impact



\$781M

Direct Visitor Spending



\$306M

Total Labor Income Impact



7,600

Total Jobs Impact

FISCAL IMPACTS

TAX REVENUES

The economic impacts attributable to visitors generate significant fiscal (tax) impacts as they ripple through the regional economy. Visitor activity generated \$84.7 million in state and local tax revenues in 2021.



\$84.7M

Total State & Local Tax Revenues



\$31.3M

Sales Tax Revenues



\$20.2M

Property Tax Revenues



\$16.6M

Lodging Tax Revenues

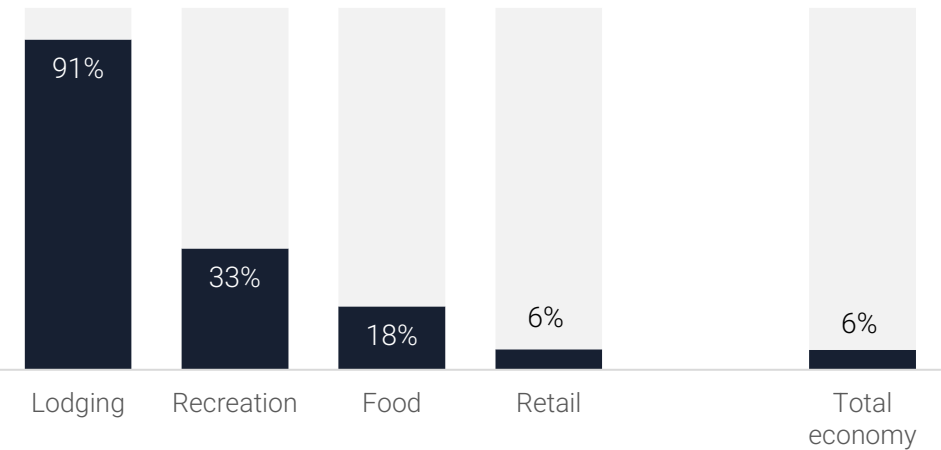
ECONOMIC IMPACTS IN CONTEXT

DIRECT TOURISM INDUSTRY

Despite the challenges since the pandemic’s onset, direct tourism employment supported significant shares of several industries in 2021 – nearly all of lodging, 33% of recreation, 18% of food and beverage employment, and 6% of retail employment.

Direct tourism employment intensity

Amounts in percentage of total industry employment



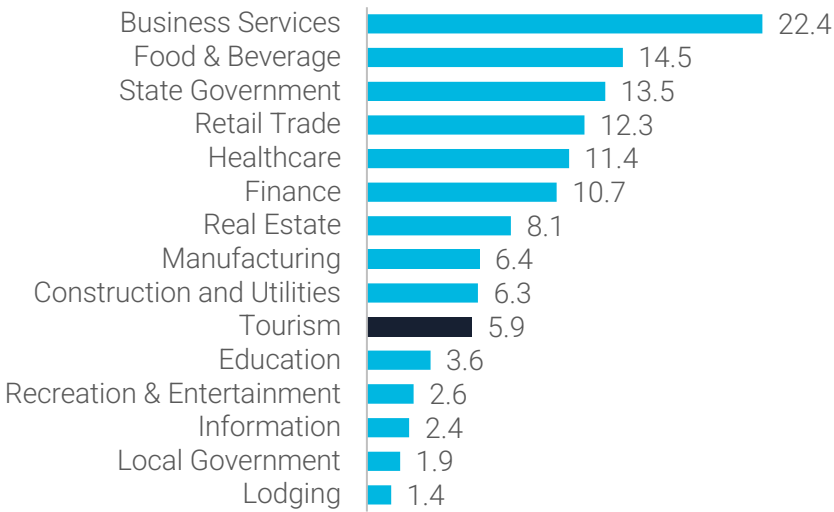
Source: BLS, BEA, Tourism Economics

IMPORTANCE OF TOURISM JOBS

Tourism is a key employer in the City of Tempe. Tourism jobs span across sectors and when considered as a group can be compared to other industries. Total *direct* employment from tourism in 2021 amounted to 5,900 jobs and ranked as the 10th largest employer in the City, representing 1 in 23 jobs.

Employment in the City of Tempe, by major industry

Amounts in thousands of jobs, 2021 estimates



Source: BEA, BLS, U.S. Census, Tourism Economics



ECONOMIC IMPACTS 2020 FINDINGS



ECONOMIC IMPACT 2020 FINDINGS

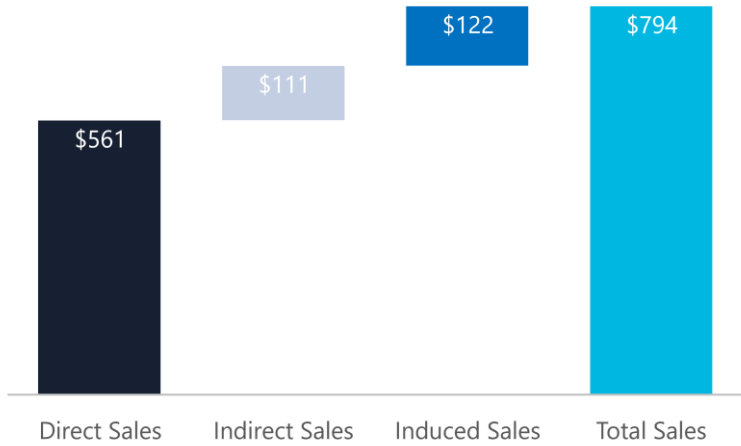
BUSINESS SALES IMPACTS

Visitors contributed a direct impact of \$561 million in 2020. This direct impact of \$561 million generated \$233 million in indirect and induced impacts, resulting in a total economic impact of \$794 million in the City of Tempe.

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

Summary economic impacts (2020)

Amounts in \$ millions



Source: Tourism Economics

Business sales impacts by industry (2020)

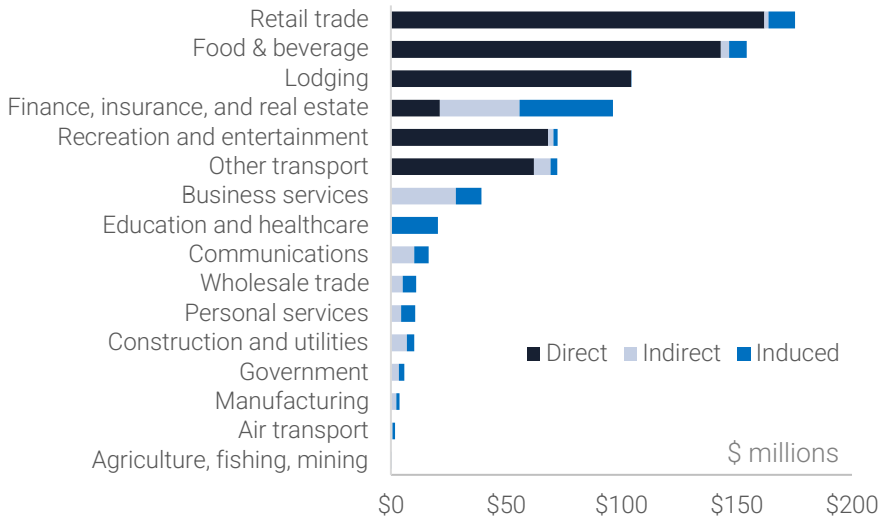
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$560.7	\$111.3	\$122.2	\$794.1
Retail trade	\$162.0	\$1.8	\$11.5	\$175.3
Food & beverage	\$143.1	\$3.5	\$7.6	\$154.3
Lodging	\$104.3	\$0.0	\$0.0	\$104.3
Finance, insurance, and real estate	\$21.2	\$34.6	\$40.5	\$96.3
Recreation and entertainment	\$68.1	\$2.4	\$1.8	\$72.3
Other transport	\$62.1	\$7.2	\$2.9	\$72.2
Business services		\$28.1	\$11.2	\$39.3
Education and healthcare		\$0.3	\$20.2	\$20.4
Communications		\$10.2	\$6.1	\$16.3
Wholesale trade		\$5.1	\$5.8	\$10.9
Personal services		\$4.4	\$6.1	\$10.6
Construction and utilities		\$6.9	\$3.2	\$10.1
Government		\$3.5	\$2.4	\$5.9
Manufacturing		\$2.3	\$1.5	\$3.7
Air transport		\$0.7	\$1.2	\$1.8
Agriculture, fishing, mining		\$0.2	\$0.2	\$0.4

Source: Tourism Economics

Visitor economy business sales impacts by industry (2020)

Amounts in \$ millions



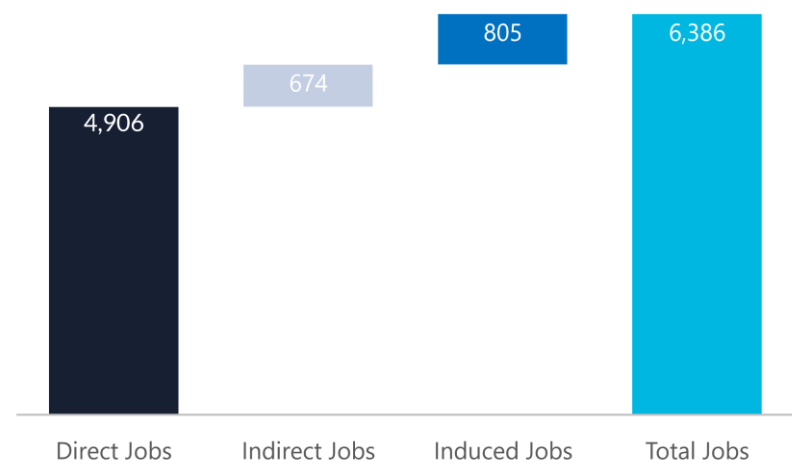
Source: Tourism Economics

EMPLOYMENT IMPACTS

Visitor activity sustained 4,906 direct jobs in 2020, with an additional 1,480 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact fell to 6,386 in 2020, representing 1 in 21 jobs.

Summary employment impacts (2020)

Amounts in number of jobs



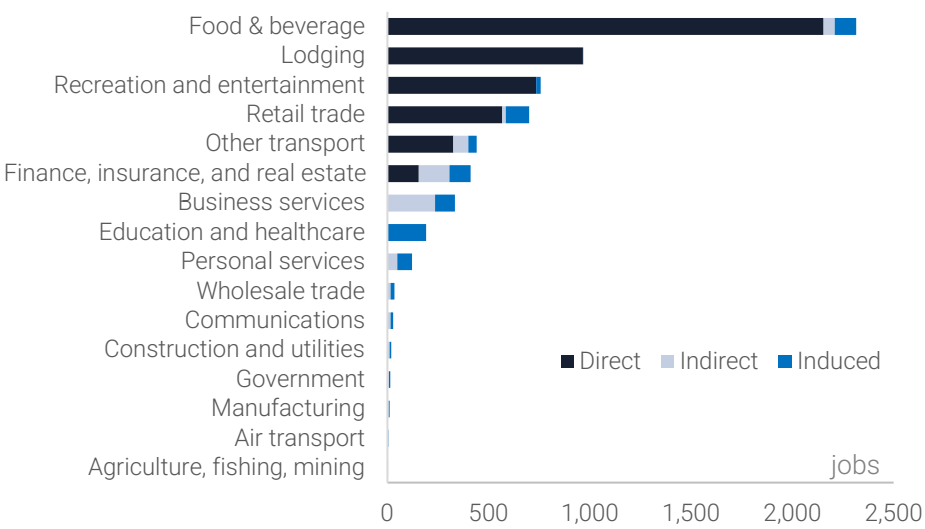
Source: Tourism Economics

Visitor spending supported the largest number of jobs in the food & beverage industry (2,155).

Significant indirect and induced impacts come in business services, finance, insurance, & real estate, and education & healthcare.

Tourism job impacts by industry (2020)

Amounts in number of jobs



Source: Tourism Economics



Employment impacts by industry (2020)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	4,906	674	805	6,386
Food & beverage	2,155	54	106	2,315
Lodging	966		1	967
Recreation and entertainment	735	25	22	782
Retail trade	568	17	116	701
Other transport	327	73	41	441
Finance, insurance, and real estate	156	151	105	412
Business services		236	97	334
Education and healthcare		3	188	191
Personal services		50	73	123
Wholesale trade		17	19	36
Communications		17	13	30
Construction and utilities		12	8	20
Government		9	6	15
Manufacturing		7	5	12
Air transport		2	4	5
Agriculture, fishing, mining		2	2	3

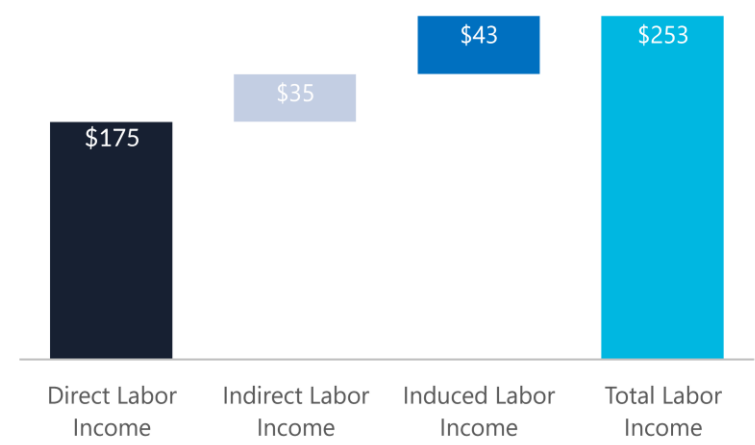
Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$175 million in direct labor income and a total of \$253 million when including indirect and induced impacts.

Summary labor income impacts (2020)

Amounts in \$ millions



Source: Tourism Economics

Most of the personal income impacts are the direct result of visitor spending, compared to other impact results.

There are eight industries in which visitor activity supports more than \$10 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and education & healthcare.

Tourism labor income impacts by industry (2020)

Amounts in \$ millions



Source: Tourism Economics



Labor income impacts by industry (2020)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$175.0	\$35.2	\$42.9	\$253.1
Food & beverage	\$54.4	\$1.8	\$3.2	\$59.4
Lodging	\$40.5	\$0.0	\$0.0	\$40.5
Retail trade	\$25.6	\$0.6	\$5.3	\$31.5
Other transport	\$26.1	\$3.0	\$1.1	\$30.2
Recreation and entertainment	\$24.3	\$1.0	\$0.7	\$26.0
Business services		\$14.6	\$5.8	\$20.4
Finance, insurance, and real estate	\$4.0	\$5.8	\$6.6	\$16.5
Education and healthcare		\$0.2	\$12.8	\$13.0
Personal services		\$2.3	\$2.7	\$5.0
Wholesale trade		\$1.6	\$1.7	\$3.3
Communications		\$1.4	\$1.0	\$2.5
Government		\$1.0	\$0.7	\$1.7
Construction and utilities		\$1.2	\$0.6	\$1.7
Manufacturing		\$0.4	\$0.3	\$0.7
Air transport		\$0.2	\$0.4	\$0.6
Agriculture, fishing, mining		\$0.0	\$0.0	\$0.1

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$100.6 million in government revenues. State and local taxes alone tallied \$61.1 million in 2020.

Total fiscal (tax) impacts (2020)

Amounts in \$ millions

	Total
Total tax revenues	\$100.6
Federal	\$39.6
Personal income	\$18.9
Corporate	\$3.7
Indirect business	\$3.3
Social Security	\$13.7
State and local	\$61.1
Personal income	\$3.6
Lodging	\$11.0
Sales	\$23.2
Social security	\$4.6
Corporate income	\$0.5
Property tax	\$14.5
Other taxes and fees	\$3.6

Source: Tourism Economics

In 2020, \$33.0 million in state revenues were generated in 2020, and local governments accrued \$28.1 million in revenues. Key revenue sources for local government included lodging taxes, sales taxes, and property taxes.

State and local fiscal (tax) impacts (2020)

Amounts in \$ millions

	State	Local
Total tax revenues	\$33.0	\$28.1
Personal lincome	\$3.6	
Lodging	\$5.7	\$5.2
Sales	\$15.3	\$8.0
Social security	\$4.6	
Corporate income	\$0.5	
Property tax	\$2.1	\$12.4
Other taxes and fees	\$1.1	\$2.5

Source: Tourism Economics



ECONOMIC IMPACTS

JOB & LABOR INCOME IMPACTS IN 2020

Direct visitor spending of \$561 million generated tourism's total economic impact of \$794 million, including 6,400 total jobs (including full-time and part-time jobs) with associated labor income of \$253 million in 2020.



\$794M

Total Economic Impact



\$561M

Direct Visitor Spending



\$253M

Total Labor Income Impact



6,400

Total Jobs Impact

FISCAL IMPACTS

TAX REVENUES

The economic impacts attributable to visitors generate significant fiscal (tax) impacts as they ripple through the regional economy. Visitor activity generated \$61.1 million in state and local tax revenues in 2020.



\$61.1M

Total State & Local Tax Revenues



\$23.2M

Sales Tax Revenues



\$14.5M

Property Tax Revenues



\$11.0M

Lodging Tax Revenues

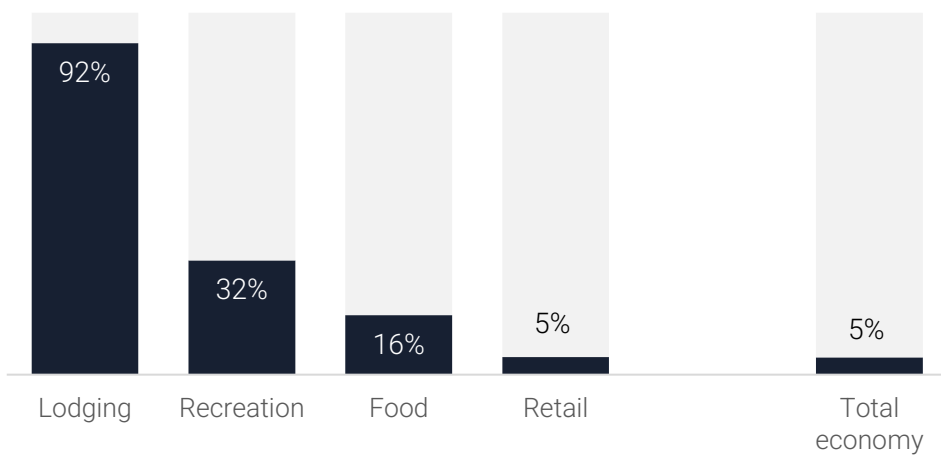
ECONOMIC IMPACTS IN CONTEXT

DIRECT TOURISM INDUSTRY

Despite the challenges since the pandemic’s onset, direct tourism employment supported significant shares of several industries in 2020 – nearly all of lodging, 32% of recreation, 16% of food and beverage employment, and 5% of retail employment.

Direct tourism employment intensity

Amounts in percentage of total industry employment



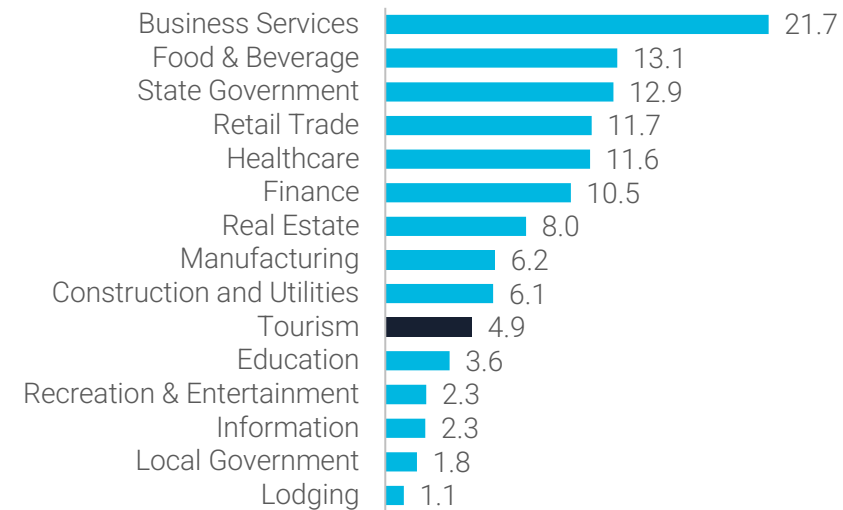
Source: BLS, BEA, Tourism Economics

IMPORTANCE OF TOURISM JOBS

Tourism is a key employer in the City of Tempe. Tourism jobs span across sectors and when considered as a group can be compared to other industries. Total *direct* employment from tourism in 2020 amounted to 4,900 jobs and ranked as the 10th largest employer in the City, representing 1 in 27 jobs.

Employment in the City of Tempe, by major industry

Amounts in thousands of jobs, 2020



Source: BEA, BLS, U.S. Census, Tourism Economics

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.
Retail	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.

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 discreet 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	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
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 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, 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 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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