U.S. TRAVEL ASSOCIATION

THE ECONOMIC IMPACT

OF TRAVEL ON OKLAHOMA COUNTIES 2011-2012

A STUDY PREPARED FOR THE
OKLAHOMA TOURISM AND RECREATION DEPARTMENT
TRAVEL AND TOURISM DIVISION
BY THE RESEARCH DEPARTMENT OF THE
U.S. TRAVEL ASSOCIATION . WASHINGTON, D.C.
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PREFACE

This study was conducted by the Research Department of the U.S. Travel Association for the ***Oklahoma Tourism and Recreation Department***. The study presents 2012 domestic travel economic impact on Oklahoma and its 77 counties. Estimates include travel expenditures, travel-generated employment and payroll income, as well as tax revenues for federal, state and local government. For the purpose of comparison, 2011 impact data are displayed in this report.

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INTRODUCTION

This report presents 2012 estimates of the impact of domestic travel in Oklahoma and its 77 counties, as well as the employment, payroll income and tax revenue directly supported by the spending. For the purpose of comparison, 2011 impact data are also included in this report.

All estimates of the economic impact of travel contained in this volume are the product of the U.S. Travel Association's Travel Economic Impact Model (TEIM), a proprietary economic model developed expressly to indicate the expenditures, employment, payroll, and tax revenue generated by travel away from home in the United States.

The TEIM was created to capture the highly complex nature of the U.S. travel industry at national, regional, state and local levels. The TEIM was designed so that economic impact estimates could be compared across all fifty states and the District of Columbia, thereby allowing states and localities to assess their market share nationally, regionally or within the state.

The domestic component of TEIM is based on national surveys conducted by the U.S. Travel Association and other travel-related data developed by the U.S. Travel Association, various federal agencies, state government, and private travel organizations each year. A summary of the TEIM is provided in Appendix A.

U.S. residents traveling in Oklahoma include both state residents and out-of-state visitors traveling away from home overnight in paid accommodations, or on any overnight and day trips to places 50 miles or more away from home. Commuting to and from work; travel by those operating an airplane, bus, truck, train or other form of common carrier transportation; military travel on active duty; and travel by students away at school are all excluded from the model. In addition, the payroll and employment estimates represent impact generated in the private sector and exclude government supported payroll and employment.

Since additional data relating to travel and its economic impact in 2012 will become available subsequent to this study, the U.S. Travel Association reserves the right to revise these estimates in the future.

EXECUTIVE SUMMARY

- Domestic travelers directly spent nearly $7.2 billion in Oklahoma during 2012, a 6.1 percent increase over 2011.

- Travel-generated employees earned more than $2.0 billion in payroll income during 2012, up 2.2 percent over 2011.

- Domestic travel expenditures supported 78,200 jobs within Oklahoma in 2012, comprised 4.9 percent of the state's total non-agricultural employment. Without these jobs supported by domestic travel, Oklahoma's 2012 unemployment rate of 5.2 percent would have been 4.3 percentage points higher than it was, or 9.5 percent of the labor force.

- On average, every $91,640 spent in Oklahoma by domestic travelers generated one job in 2012.

- Domestic travel spending in Oklahoma generated $1.1 billion in tax revenue for federal, state and local governments in 2012, up 4.0 percent from 2011.

- Oklahoma County, which includes Oklahoma City, received almost $2.5 billion in domestic travel expenditures to lead all Oklahoma counties in 2012.

- Tulsa County, which includes the city of Tulsa, indicated over $1.7 billion in domestic travel expenditures to rank second among all Oklahoma counties during 2012.

- Nineteen of the seventy-seven counties in Oklahoma received over $50 million in domestic travel expenditures in 2012.

- Six counties in Oklahoma indicated one thousand or more jobs directly supported by domestic travel expenditures in 2012.

NATIONAL SUMMARY 2012

The U.S. economy continued to grow at a moderate pace in 2012. After increasing 2.4 percent in 2010 and 1.8 percent in 2011, Real GDP in chained 2005 dollars grew 2.2 percent from 2011. During the first three quarters of the year, real GDP grew at an average annual rate of 2.1 percent, with consumption and fixed investment (especially residential investment) leading the way. U.S. exports also rose at an average annual pace of 3.8 percent. However, the economy slowed in the fourth quarter, with GDP edging up at an annual rate of just 0.4 percent. This slowdown was caused by declines in government spending, exports and deceleration in business inventory investment. Together, these factors more than offset continued growth in consumer spending and business and residential fixed investment.

The U.S. employment situation continued to improve as well. A total of 2.2 million non-farm jobs were added during the 12 months of 2012. These increases helped reduce the unemployment rate from 8.9 percent in 2011 to 8.1 percent in 2012. However, the non-farm employment level by end of 2012 still remained 2.4 percent (3.4 million) below the peak employment level reached in January 2008.

The Consumer Price Index (CPI), an indicator of the level of price inflation, rose 2.2 percent in 2012. The U.S. Travel Association's Travel Price Index (TPI) increased at a roughly the same rate (2.3 percent) during the same period. Motor fuel and airline fare price increases have slowed from the double-digit price increases during the past two years, keeping the TPI more in-line with the rest of the economy.

U.S. economic growth improved in the first quarter of 2013. Real GDP grew by 2.4 percent (annualized) in the first quarter of 2013, a big improvement on the performance of the economy in the fourth quarter of 2012. Improvements in consumer spending, exports and inventory investment in the first quarter of 2013 more than offset a continued declined in government spending and a slowdown in business investment. Private residential investment also increased at a 12.1 percent annual rate in the first quarter, marking the fifth quarter of double digit growth during the past six quarters.

Through the first four months of 2013, the unemployment rate decreased to 7.5 percent in April, and a total of 783,000 jobs have been added since December 2012. Inflation has also remained moderate. Through the first 4 months of 2013, the CPI increased just 1.5 percent compared to the first four months of 2012. Similarly the TPI rose just 1.2 percent over the same timeframe.

U.S. Travel Volume in 2012

U.S. domestic travel, including leisure and business travel, increased 1.6 percent to a total of 2,030 million person-trips in 2012. A person-trip is defined as one person on a trip away from home overnight in paid accommodations, or on a day or overnight trip to places 50 miles or more, one-way, away from home.

Domestic leisure travel, which includes visits to friends and relatives as well as trips taken for outdoor recreation and entertainment purposes, increased 1.8 percent in 2012, totaling 1,571 million person-trips and is forecasted to increase 1.4 percent in 2013. Leisure travel accounted for 77.4 percent of all U.S. domestic travel in 2012. Domestic business travel grew 1.1 percent in 2012 to 459 million person-trips. International inbound travelers, including visitors from overseas, Canada and Mexico, made 66.6 million visits to the United States in 2012, up 6.8 percent from 2011.

Table 1: Overall U.S. Economic Indicators, 2010-2012

Sector	2010	2011	2012
Nominal gross domestic product ($Billions)	14,498.9	15,075.7	15,684.8
Real gross domestic product ($ Billions)*	13,063.0	13,299.1	13,593.2
Real disposable personal income ($Billions)*	10,016.5	10,149.7	10,321.2
Real personal consumption expenditures ($Billions)*	9,196.2	9,428.8	9,603.3
Consumer price index**	218.1	224.9	229.6
Travel Price Index	250.7	266.9	273.0
Non-farm payroll employment (Millions)	129.9	131.5	133.7
Unemployment rate (%)	9.6	8.9	8.1
Percentage change from previous year			
Nominal gross domestic product	3.8%	4.0%	4.0%
Real gross domestic product	2.4%	1.8%	2.2%
Real disposable personal income	1.8%	1.3%	1.7%
Real personal consumption expenditures	1.3%	3.4%	2.2%
Consumer price index	1.6%	3.1%	2.1%
Travel Price Index	3.8%	6.5%	2.3%
Non-farm payroll employment	-0.7%	1.2%	1.7%

Source: BEA, BLS, U.S. Travel Association
** In 2005 chained dollars*
*** 1982-84=100*

Travel Expenditures in 2012

Domestic and international travel spending in the U.S. increased 5.3 percent over 2011 to $855.4 billion in 2012. Leisure travelers' spending increased 5.8 percent while business travel spending was up 3.9 percent in the year.

Domestic travelers directly spent $726.9 billion in 2012, a 4.4 percent increase from 2011. This increase reflected greater demand for U.S. goods and services, as TPI grew only modestly over this period. Domestic travel expenditures are expected to grow 3.6 percent in 2013, moderating after the post-recession surge.

Table 2: Travel Expenditures - U.S. Nationwide

	2011 Spending ($ Billions)			2012 Spending ($ Billions)		
Category	Domestic	Intl.*	Total	Domestic	Intl.*	Total
Public Transportation	$142.6	$13.6	$156.2	$148.3	$14.5	$162.8
Auto Transportation	145.7	1.4	147.1	153.4	1.6	155.0
Lodging	116.0	31.4	147.4	122.8	35.6	158.4
Foodservice	167.6	24.4	191.9	174.2	27.2	201.4
Entertainment & Recreation	75.6	9.8	85.4	79.2	10.5	89.7
General Retail Trade	49.1	35.6	84.7	48.9	39.3	88.2
Total	**$696.5**	**$116.1**	**$812.7**	**$726.9**	**$128.6**	**$855.4**

Source: U.S. Travel Association

International travelers spent $128.6 billion in the U.S. during 2012, up 10.7 percent from 2011. In addition, international travelers paid a total of $39.5 billion to U.S. air carriers on international passenger fares in 2012, an increase of 7.6 percent from 2011. As a result, $50.0 billion in travel trade surplus was generated in 2012, the largest surplus in the past 50 years and $6.7 billion greater than the 2011 travel trade surplus. International traveler spending in the U.S. is estimated to increase 5.8 percent in 2013.

Real travel and tourism spending in chained 2005 dollars increased 3.5 percent in 2012, an increase for the third consecutive year since 2010. Price for travel goods and services increased 2.3 percent in 2012 after an increase of 6.5 percent in 2011, according to the U.S. Travel Association's Travel Price Index (TPI). The TPI is expected to increase 2.0 in 2013.

Travel Employment in 2012

The unemployment rate in the U.S. has taken another large step down from its 25-year 9.6 percent peak in 2010. The 2012 unemployment rate dropped another 0.8 percentage points from 2011 to 8.1 percent. Total non-farm employment in the U.S. has increased 1.7 percent in 2012, ticking upward for the second consecutive year after three years of decline. In 2012, travel directly generated nearly 7.7 million U.S. jobs, an increase of 1.9 percent from 2011. Travel-generated jobs accounted for 5.7 percent of total non-farm employment in the U.S. in 2012.

In the current recovery, travel and tourism has proven itself to be one of the most efficient job-creating engines of the U.S. economy. From when the employment recovery began in early 2010

through April 2013, the travel industry added 397,000 jobs, accounting for 6.5 percent of all nonfarm payroll jobs added during this time and making up 85 percent of the travel industry jobs lost during the recession. Moreover, through April 2013, the travel industry has added jobs at a 15 percent faster pace than the rest of the economy.

Table 3: Travel Generated Employment - U.S. Nationwide

	2011 Employment (Thousands)			2012 Employment (Thousands)		
Category	Domestic	Intl.*	Total	Domestic	Intl.*	Total
Public Transportation	886.0	66.4	952.4	893.9	68.2	962.1
Auto Transportation	251.3	2.0	253.2	257.4	2.1	259.5
Lodging	1,188.9	246.8	1,435.7	1,186.9	260.8	1,447.7
Foodservice	2,584.6	385.0	2,969.6	2,634.2	415.6	3,049.8
Entertainment & Recreation	1,065.8	215.3	1,281.0	1,083.1	221.6	1,304.7
General Retail Trade	316.8	160.5	477.3	314.4	171.2	485.6
Travel Planning	160.9	0.0	160.9	162.9	0.0	162.9
Total	**6,454.2**	**1,075.9**	**7,530.1**	**6,532.9**	**1,139.5**	**7,672.3**

Source: U.S. Travel Association

U.S. Travel Trends and Forecast

Stable growth is forecasted for both domestic travel and international travel markets over the next three years. As travel inflation will continue to increase moderately (2.7%, 3.0% and 3.1% in 2014, 2015 and

2016, respectively), domestic and international travelers' spending in the U.S. (using current dollars) is forecasted to increase by 4.4% in 2014, 4.8% in 2015, and 4.5% in 2016. With the implementation of the President's national travel strategy in promoting international travel to the U.S., an upward revision to the current forecast may be warranted.

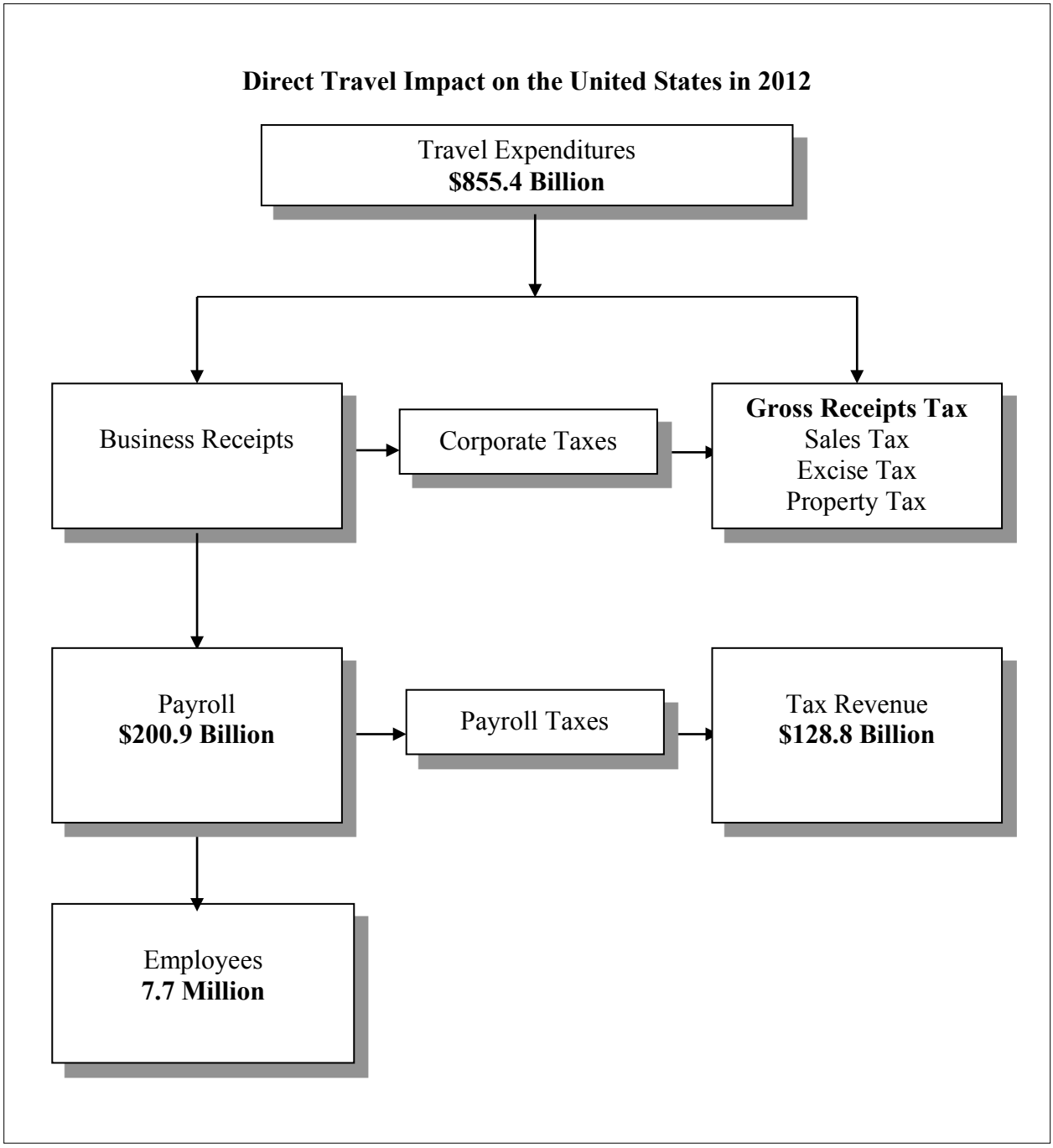
Table 4: U.S. Travel Forecasts

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Real GDP ($ Billions)	13,206.0	13,162.0	12,758.0	13,063.0	13,299.0	13,593.0	13,906.0	14,295.0	14,724.0	15,166.0
Unemployment Rate (%)	4.6	5.8	9.3	9.6	8.9	8.1	7.7	6.7	5.9	5.3
Consumer Price Index (CPI)*	207.3	215.3	214.6	218.1	224.9	229.6	234.0	238.8	243.9	248.4
Travel Price Index (TPI)	244.0	257.7	241.5	250.7	266.9	273.0	278.5	286.0	294.5	303.5
Total Travel Expenditures in U.S. ($ Billions)	738.0	772.5	699.8	747.4	812.7	855.4	889.1	928.1	972.5	1,016.3
U.S. Residents	640.6	662.1	605.6	643.9	696.5	726.9	753.1	782.2	816.5	849.7
International Visitors**	97.4	110.4	94.2	103.5	116.1	128.6	136.0	145.9	156.0	166.6
Total International Visitors to the U.S. (Millions)	56.0	57.9	54.9	59.7	62.3	66.6	68.8	72.3	78.0	81.2
Overseas Arrivals the U.S. (Millions)	23.9	25.3	23.8	26.4	27.9	29.6	30.9	32.7	34.9	36.6
Total Domestic Person-Trips (Millions)	2,005.0	1,965.0	1,900.0	1,964.0	1,998.0	2,030.0	2,057.0	2,095.0	2,133.0	2,161.0
Business	494.3	461.1	437.7	449.5	453.9	459.0	464.5	469.9	475.7	480.5
Leisure	1,510.2	1,503.8	1,462.4	1,514.2	1,543.6	1,571.3	1,592.9	1,625.0	1,656.9	1,680.1
Percent Change from Previous Year (%)										
Real GDP	1.9	-0.3	-3.1	2.4	1.8	2.2	2.3	2.8	3.0	3.0
Consumer Price Index (CPI)*	2.8	3.8	-0.3	1.6	3.1	2.1	1.9	2.1	2.1	1.9
Travel Price Index (TPI)	4.5	5.6	-6.3	3.8	6.5	2.3	2.0	2.7	3.0	3.1
Total Travel Expenditures in U.S.	6.1	4.7	-9.4	6.8	8.7	5.3	3.9	4.4	4.8	4.5
U.S. Residents	4.9	3.4	-8.5	6.3	8.2	4.4	3.6	3.9	4.4	4.1
International Visitors**	13.0	13.4	-14.7	9.9	12.2	10.7	5.8	7.3	6.9	6.8
Total International Visitors to the U.S.	9.8	3.5	-5.3	8.9	4.3	6.8	3.4	5.0	7.9	4.1
Overseas Arrivals the U.S.	10.1	6.1	-6.3	11.0	5.8	6.2	4.5	5.6	6.8	4.9
Total Domestic Person-Trips	0.2	-2.0	-3.3	3.3	1.7	1.6	1.3	1.8	1.8	1.3
Business	-2.9	-6.7	-5.1	2.7	1.0	1.1	1.2	1.2	1.2	1.0
Leisure	1.2	-0.4	-2.8	3.5	1.9	1.8	1.4	2.0	2.0	1.4

Source: U.S. Travel Association

**1982-84=100.*

*** International traveler spending does not include international passenger fares.*



Source: U.S. Travel Association, BEA
**Does not include international passenger fare payments and other economic impact generated by these payments.*

DOMESTIC TRAVEL IMPACT ON OKLAHOMA - 2012

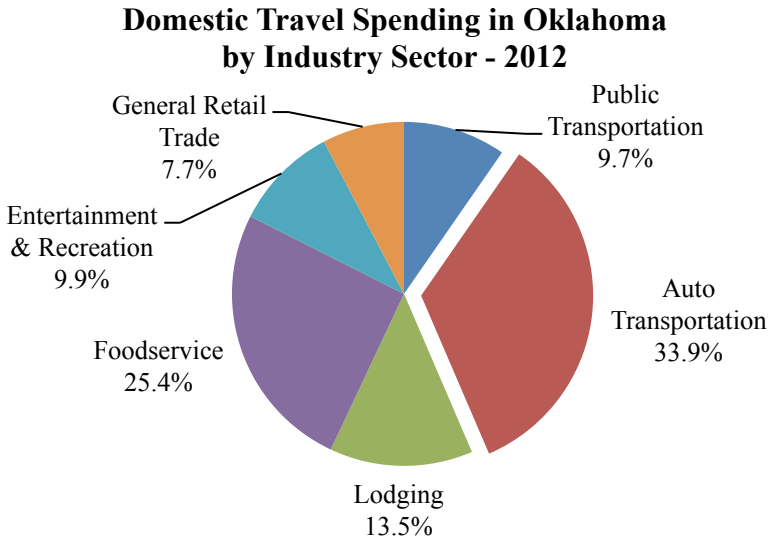
TRAVEL EXPENDITURES

Domestic travelers spent nearly $7.2 billion on transportation, lodging, food, entertainment and recreation, and retail shopping during their Oklahoma trips in 2012. This represents an increase of 6.1 percent over 2011.

Domestic traveler spending on auto transportation reached $2.4 billion in 2012, up 4.8 percent from 2011. Auto transportation is the largest expenditure category in Oklahoma, making up 33.9 percent of total domestic travel expenditures in Oklahoma.

Domestic travelers spent more than $1.8 billion on foodservices in 2012, up 6.8 percent from 2011; foodservice spending accounted for 25.4 percent of total 2012 domestic travel spending in the state. With a fairly strong demand in accommodation, travelers' spending on lodging increased 10.0 percent from 2011, reaching $964.4 million in 2012. The growth in lodging spending represents the largest sector annual growth for 2012.

Domestic travel spending on the entertainment & recreation products and services rose 6.6 percent to $705.8 million in 2012.



1. Auto transportation sector includes privately-owned vehicles that are used for trips (e.g., automobiles, trucks, campers or other recreational vehicles), gasoline service stations, and automotive rental.
2. Foodservice sector includes restaurants, grocery stores and other eating and drinking establishments.
3. Public transportation sector comprises air, intercity bus, rail, boat or ship, and taxicab or limousine service.
4. Lodging sector consists of hotels and motels, campgrounds, and ownership or rental of vacation or second homes.
5. General retail trade sector includes gifts, clothes, souvenirs and other incidental retail purchases.
6. Entertainment and recreation sector includes amusement parks and attractions, attendance at nightclubs, movies, legitimate shows, sports events, and other forms of entertainment and recreation while traveling.

Table 5: Direct Domestic Travel Expenditures in Oklahoma by Industry Sector, 2011-2012

2012 Expenditures	**Total** ($ Millions)	**% of Total**
Public Transportation	$691.3	9.7%
Auto Transportation	2,427.2	33.9%
Lodging	964.4	13.5%
Foodservice	1,821.7	25.4%
Entertainment & Recreation	705.8	9.9%
General Retail Trade	552.3	7.7%
Total	$7,162.8	100.0%
2011 Expenditures		
Public Transportation	$661.9	9.8%
Auto Transportation	2,316.0	34.3%
Lodging	877.0	13.0%
Foodservice	1,705.3	25.3%
Entertainment & Recreation	662.0	9.8%
General Retail Trade	526.5	7.8%
		9.8%
Total	$6,748.8	34.3%
Percent Change 2012 over 2011		
Public Transportation	4.4%	
Auto Transportation	4.8%	
Lodging	10.0%	
Foodservice	6.8%	
Entertainment & Recreation	6.6%	
General Retail Trade	4.9%	
Total	6.1%	

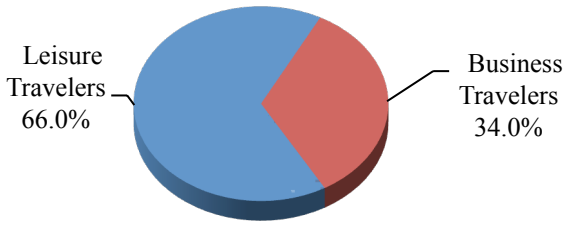
Source: US Travel Association

TOTAL EXPENDITURES BY TYPE OF U.S. TRAVELER IN OKLAHOMA, 2012

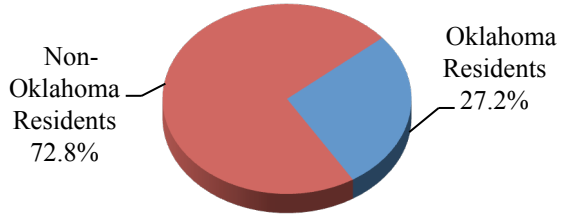
During 2012, domestic travelers spent a total of $7.2 billion in Oklahoma. Leisure travelers[1)] spent more than $4.7 billion or 66.0 percent of the total, while business travelers[2)] spent $2.4 billion, accounting for 34.0 percent of the total.

Among the $7.2 billion in domestic travel spending, $5.2 billion (72.8%) was spent by non-Oklahoma resident travelers to Oklahoma, while 27.2 percent (nearly $2.0 billion) was attributable to Oklahoma resident travel in the state.

Domestic Travel Spending in Oklahoma, 2012
Leisure and Business Travelers



Domestic Travel Spending in Oklahoma, 2012
In-State and Out-of-State travelers



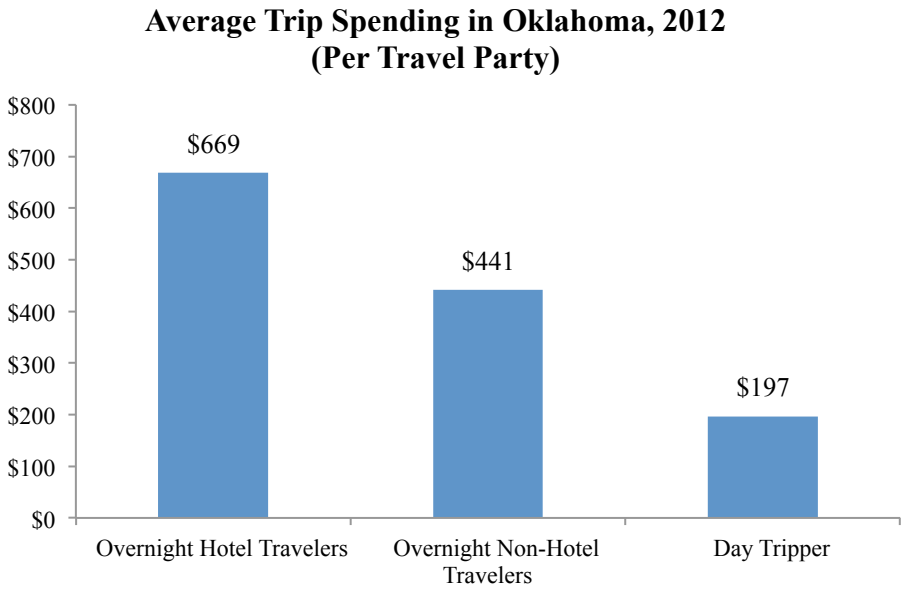
Average Trip Expenditures by U.S. Travelers in Oklahoma, 2012

Overall, per travel party average trip spending in Oklahoma was about $375 in 2012. Overnight hotel travelers spent an average of $669 per trip per travel party, the highest among all traveler groups. Day-trip travelers spent close to $197 per trip per travel party. The overall average travel party size for domestic travelers in Oklahoma was about 2.9 people.

Table 6: U.S. Traveler's Spending by Characteristics of Travelers to Oklahoma in 2012

	Total Expenditures ($ Millions)	Percentage of Total Expenditures
Total Travelers	$7,162.8	100.0%
Origin of Travelers		
Oklahoma Residents	$1,951.2	27.2%
Non-Oklahoma Residents	$5,211.6	72.8%
Purpose of Trip		
Leisure Travelers	$4,729.8	66.0%
Business Travelers	$2,433.1	34.0%

Source: US Travel Association



Notes:
1) Leisure travel is defined as travel for visiting friends or relatives, entertainment, outdoor recreation and/or other pleasure/personal reasons.
2) Business travel includes travel for general business purposes (consulting, service, etc) or travel to attend a convention/conference/seminar.

TRAVEL-GENERATED PAYROLL

Travel-generated payroll is the wage and salary income paid to employees directly serving the traveler within the industry sectors from which these travelers purchase goods and services. A dollar of travel spending generates different amounts of payroll income within the various travel industry sectors depending on the labor content and the wage structure of each sector.

Payroll income paid by Oklahoma travel-related firms and directly generated by domestic travel spending reached $2.0 billion in 2012, up 2.2 percent from 2011.

On average, every dollar spent by travelers produced 28.0 cents in payroll income for Oklahoma residents during 2012.

The public transportation industry, which includes the airlines, posted the largest payroll supported by domestic travel spending in 2012 at $885.2 million, 44.1 percent of the state total. Payroll income in this sector decreased 0.8 percent from 2011.

Payroll in the foodservice industry ranked second with $396.0 million, 19.7 percent of the state total. It was up 6.6 percent over 2011.

Domestic Travel-Generated Payroll in Oklahoma by Industry Sector - 2012

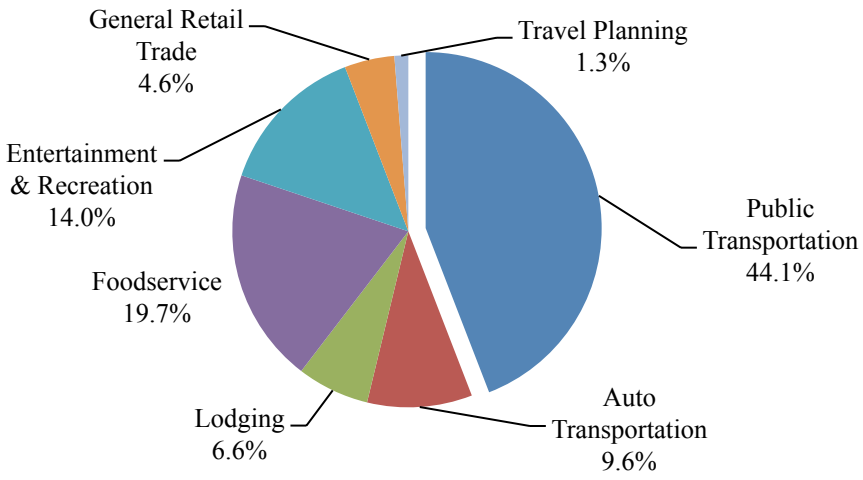


Table 7: Domestic Travel-Generated Payroll in Oklahoma by Industry Sector, 2011-2012

2012 Payroll	**Total** ($ Millions)	**% of Total**
Public Transportation	$885.2	44.1%
Auto Transportation	193.5	9.6%
Lodging	133.2	6.6%
Foodservice	396.0	19.7%
Entertainment & Recreation	280.6	14.0%
General Retail Trade	92.0	4.6%
Travel Planning*	25.5	1.3%
Total	$2,006.0	100.0%
2011 Payroll		
Public Transportation	$892.0	45.4%
Auto Transportation	184.5	9.4%
Lodging	126.7	6.5%
Foodservice	371.4	18.9%
Entertainment & Recreation	269.5	13.7%
General Retail Trade	86.1	4.4%
Travel Planning*	33.0	1.7%
Total	$1,963.3	100.0%
Percent Change 2012 over 2011		
Public Transportation	-0.8%	
Auto Transportation	4.8%	
Lodging	5.1%	
Foodservice	6.6%	
Entertainment & Recreation	4.1%	
General Retail Trade	6.9%	
Travel Planning*	-22.7%	
Total	2.2%	

Source: US Travel Association
**Refers to payroll income that goes to travel agents, tour operators, and other travel service employees who arrange passenger transportation, lodging, tours and other related services.*

TRAVEL-GENERATED EMPLOYMENT

The most impressive contribution that travel and tourism makes to the Oklahoma economy is the number of businesses and jobs it supports. Due to the diversity of the travel industry in Oklahoma, a wide variety of multi-level jobs are supported. These jobs include a large number of executive and managerial positions, as well as service-oriented occupations.

Domestic travel spending in Oklahoma supported 78,200 jobs in 2012, including full-time and seasonal/part-time positions, up 2.1 percent from 2011. On average, every $91,640 spent by domestic travelers in Oklahoma directly supported one job.

These 78,200 domestic traveler spending supported jobs account for 4.9 percent of total non-farm employment in Oklahoma during 2012. Without these jobs, Oklahoma's 2012 unemployment rate of 5.2 percent would have been 4.3 percentage points higher, or the equivalent of 9.5 percent of the labor force.

The foodservice industry, including restaurants and other eating and drinking places, provided more travel-supported jobs than any other industry investigated in this report. During 2012, domestic travel supported 27,700 jobs in the food service industry, accounting for 35.4 percent of state total travel employment. The labor-intensiveness of these businesses and the large proportion of travel expenditures spent on foodservice contribute to the high level of travel employment in this sector.

The public transportation was the second-largest beneficiary of travel-supported jobs in 2012; the number of public transportation jobs directly supported by domestic travel grew 1.1 percent to 16,500 jobs.

Domestic Travel-Generated Employment in Oklahoma by Industry Sector - 2012

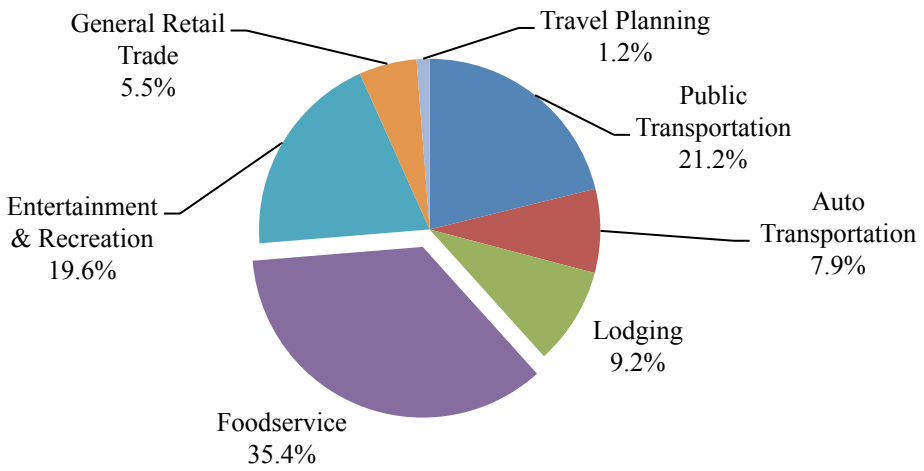


Table 8: Domestic Travel-Generated Employment in Oklahoma by Industry Sector, 2011-2012

2012 Employment	**Total** (Thousands)	**% of Total**
Public Transportation	16.5	21.2%
Auto Transportation	6.2	7.9%
Lodging	7.2	9.2%
Foodservice	27.7	35.4%
Entertainment & Recreation	15.3	19.6%
General Retail Trade	4.3	5.5%
Travel Planning*	1.0	1.2%
Total	78.2	100.0%
2011 Employment		
Public Transportation	16.4	21.4%
Auto Transportation	6.2	8.1%
Lodging	7.0	9.2%
Foodservice	26.6	34.8%
Entertainment & Recreation	15.0	19.6%
General Retail Trade	4.2	5.5%
Travel Planning*	1.2	1.5%
Total	76.6	100.0%
Percent Change 2012 over 2011		
Public Transportation	1.1%	
Auto Transportation	-0.1%	
Lodging	2.4%	
Foodservice	3.9%	
Entertainment & Recreation	2.2%	
General Retail Trade	2.4%	
Travel Planning*	-17.1%	
Total	2.1%	

Source: US Travel Association

** Refers to jobs created in travel arrangement firms such as travel agencies, wholesale and retail tour companies, and other travel-related service businesses.*

TRAVEL-GENERATED TAX REVENUE

Travel tax receipts are the federal, state and local tax revenues attributable to travel spending in Oklahoma. Travel-generated tax revenue is a significant economic benefit, as governments use these funds to support the travel infrastructure and help support a variety of public programs.

Domestic travel spending in Oklahoma generated $527.0 million for the federal government during 2012. This represents 47.9 percent of all travel-generated tax collections in the state. Each dollar spent by domestic travelers in Oklahoma produced 7.4 cents for federal tax coffers.

Spending by domestic travelers in Oklahoma also generated $385.3 million in tax revenue for the state treasury through state sales and excise taxes, and taxes on personal and corporate income. This comprised 35.0 percent of all travel-generated tax revenue for 2012 collected in the state. On average, each travel dollar produced 5.4 cents in state tax receipts.

Local governments in Oklahoma directly benefited from domestic travel as well. During 2012, domestic travel spending generated $188.5 million in sales and property tax revenue for the municipal government, 17.1 percent of total travel-generated tax revenue in the state. Each travel dollar produced 2.6 cents for local tax coffers.

Domestic Travel-Generated Tax Revenue in Oklahoma by Industry Sector - 2012

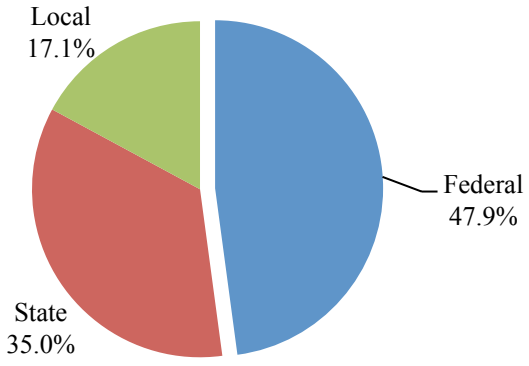


Table 9: Domestic Travel-Generated Tax Revenue in Oklahoma by Level of Government, 2011-2012

2012 Tax Revenue	**Total** ($ Millions)	**% of Total**
Federal	$527.0	47.9%
State	385.3	35.0%
Local	188.5	17.1%
Total	$1,100.8	100.0%
2011 Tax Revenue		
Federal	$512.4	48.4%
State	370.2	35.0%
Local	176.0	16.6%
Total	$1,058.6	100.0%
Percent Change 2011 over 2012		
Federal	2.9%	
State	4.1%	
Local	7.1%	
Total	4.0%	

Source: US Travel Association

DOMESTIC TRAVEL IMPACT ON OKLAHOMA COUNTIES - 2012

Domestic travelers spent close to $7.2 billion while traveling in Oklahoma during 2012, up 6.1 percent from 2011. These expenditures directly supported $2.0 billion in payroll income and 78,200 jobs for Oklahoma residents.

Travel expenditures occurred throughout all seventy-seven counties in Oklahoma. The top five counties in Oklahoma received more than $4.8 billion in direct domestic travel expenditures, 67.1 percent of the state total. Domestic travel spending in the top five counties supported $1.7 billion in payroll (85.2 percent of the state total) and more than 60,100 jobs (76.9 percent of the state total) in 2012.

Additionally, domestic expenditures generated $256.5 million in tax revenue for the state treasury and $131.2 million in tax revenue for local governments during 2012.

DOMESTIC TRAVEL IMPACT IN TOP 5 COUNTIES

Oklahoma County, which includes Oklahoma City, led all counties in travel expenditures, payroll income and jobs directly supported by domestic travel spending in 2012. Domestic travel expenditures in Oklahoma County reached almost $2.5 billion, accounting for 34.8 percent of the state total. These expenditures supported $912.1 million in payroll income and close to 31,600 jobs for the county.

Tulsa County, which includes the city of Tulsa, ranked second with $1.7 billion in domestic travel spending in 2012, representing 24.1 percent of the state total. Payroll income and jobs directly attributable to domestic travel spending reached $713.5 million and more than 23,400 jobs.

Cleveland County posted $244.7 million in domestic expenditures to rank third at 3.4 percent of the state total. These expenditures supported nearly $31.6 million in payroll and 2,000 jobs within the county.

Comanche County ranked fourth and received $182.7 million from domestic travelers in 2012, 2.6 percent of the state total. These travel expenditures supported $30.9 million in payroll income and nearly 1,800 jobs.

Washington County ranked fifth in 2012 with $160.7 million in domestic travel expenditures, 2.2 percent of the state total. These receipts from domestic travelers supported $20.0 million in payroll income and nearly 1,400 thousand jobs within the county.

Table 10: Domestic Travel Impact in Oklahoma - Top 5 Counties, 2012

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
OKLAHOMA	$2,491.04	$912.12	31.59	$135.99	$71.57
TULSA	1,728.74	713.53	23.41	92.74	45.78
CLEVELAND	244.74	31.57	2.00	11.20	6.17
COMANCHE	182.66	30.92	1.75	8.99	3.76
WASHINGTON	160.73	20.05	1.37	7.61	3.95
Five County Total	$4,807.91	$1,708.19	60.12	$256.53	$131.23
State Total	$7,162.85	$2,006.02	78.16	$385.30	$188.46
Share Of Top 5 Counties	67.1%	85.2%	76.9%	66.6%	69.6%

Source: US Travel Association

COUNTY TABLES

The following tables list the results of the County Economic Impact Component of the US Travel Association's Travel Economic Impact Model for Oklahoma in 2012. The estimates presented are for direct domestic travel expenditures and related economic impact.

Table A shows the counties listed alphabetically, with 2012 travel expenditures, travel-generated payroll and employment, and state tax revenue and the local tax revenue for each.

Table B ranks the counties in order of 2012 travel expenditures from highest to lowest.

Table C shows the percent distribution for each impact measure in 2012.

2012 Domestic Travel Impact on Oklahoma
Table A: Alphabetical by County, 2012

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
ADAIR	$15.05	$1.24	0.05	$1.01	$0.20
ALFALFA	3.43	0.42	0.02	0.18	0.13
ATOKA	18.33	2.27	0.15	1.04	0.60
BEAVER	8.72	1.02	0.06	0.55	0.19
BECKHAM	150.38	18.19	1.15	10.03	1.99
BLAINE	11.38	1.06	0.06	0.70	0.17
BRYAN	48.14	7.35	0.47	2.50	1.61
CADDO	20.49	2.68	0.17	1.08	0.57
CANADIAN	104.96	12.10	0.72	5.14	3.54
CARTER	133.64	20.94	0.83	7.18	1.90
CHEROKEE	40.84	5.62	0.30	2.07	1.49
CHOCTAW	19.12	2.88	0.17	1.11	0.39
CIMARRON	4.79	0.66	0.05	0.25	0.15
CLEVELAND	244.74	31.57	2.00	11.20	6.17
COAL	3.19	0.47	0.02	0.20	0.15
COMANCHE	182.66	30.92	1.75	8.99	3.76
COTTON	3.76	0.50	0.04	0.19	0.13
CRAIG	26.67	3.15	0.19	1.54	0.62
CREEK	39.03	4.38	0.28	2.06	0.76
CUSTER	70.29	8.75	0.58	3.80	1.34
DELAWARE	38.96	5.61	0.31	2.14	1.43
DEWEY	6.50	0.73	0.04	0.37	0.16
ELLIS	5.55	0.79	0.05	0.28	0.11
GARFIELD	105.15	11.71	0.70	5.05	2.95
GARVIN	24.81	2.72	0.17	1.22	0.66
GRADY	51.03	5.17	0.31	2.89	1.04
GRANT	5.13	0.61	0.04	0.30	0.11

2012 Domestic Travel Impact on Oklahoma
Table A: Alphabetical by County, 2012 (Continued)

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
GREER	$6.41	$0.68	0.04	$0.42	$0.12
HARMON	1.15	0.10	0.01	0.06	0.02
HARPER	8.22	1.44	0.10	0.46	0.23
HASKELL	11.13	1.59	0.10	0.54	0.35
HUGHES	22.33	1.98	0.10	1.58	0.32
JACKSON	35.04	3.53	0.21	1.53	0.68
JEFFERSON	5.70	0.74	0.05	0.28	0.25
JOHNSTON	8.08	1.00	0.06	0.50	0.24
KAY	70.28	10.53	0.69	3.65	1.72
KINGFISHER	15.89	1.72	0.10	0.74	0.25
KIOWA	6.97	0.76	0.05	0.40	0.17
LATIMER	48.85	4.10	0.18	3.86	0.27
LE FLORE	32.46	4.56	0.29	1.68	0.68
LINCOLN	22.87	2.69	0.17	1.31	0.54
LOGAN	27.59	4.12	0.26	1.48	0.65
LOVE	9.18	1.33	0.08	0.50	0.37
MCCLAIN	10.71	1.11	0.06	0.44	0.26
MCCURTAIN	22.46	2.91	0.18	1.06	1.21
MCINTOSH	30.35	3.26	0.18	1.68	0.98
MAJOR	21.35	3.20	0.19	1.13	0.40
MARSHALL	33.50	4.40	0.31	1.82	0.84
MAYES	53.79	7.63	0.49	2.73	2.89
MURRAY	18.30	2.07	0.13	0.90	0.36
MUSKOGEE	86.86	9.90	0.62	4.75	2.09
NOBLE	26.58	3.27	0.20	1.70	0.46
NOWATA	6.20	0.71	0.04	0.37	0.21
OKFUSKEE	8.43	1.04	0.06	0.52	0.28

2012 Domestic Travel Impact on Oklahoma
Table A: Alphabetical by County, 2012 (Continued)

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
OKLAHOMA	$2,491.04	$912.12	31.59	$135.99	$71.57
OKMULGEE	37.90	4.91	0.33	2.06	0.82
OSAGE	27.51	3.86	0.24	1.57	0.88
OTTAWA	44.16	6.79	0.43	2.30	1.07
PAWNEE	12.73	1.49	0.09	0.66	0.29
PAYNE	93.39	11.88	0.76	5.11	1.70
PITTSBURG	88.03	12.24	0.85	4.47	3.03
PONTOTOC	55.31	6.50	0.41	3.01	1.06
POTTAWATOMIE	75.97	8.84	0.55	4.28	1.38
PUSHMATAHA	9.05	1.24	0.08	0.48	0.32
ROGER MILLS	7.07	0.99	0.06	0.39	0.29
ROGERS	48.27	5.41	0.30	2.75	0.88
SEMINOLE	13.84	1.69	0.11	0.71	0.41
SEQUOYAH	45.95	7.35	0.47	2.48	1.29
STEPHENS	56.92	6.55	0.41	2.78	1.19
TEXAS	31.23	3.65	0.23	1.64	0.72
TILLMAN	8.43	1.29	0.09	0.46	0.25
TULSA	1,728.74	713.53	23.41	92.74	45.78
WAGONER	23.11	3.51	0.23	1.19	0.81
WASHINGTON	160.73	20.05	1.37	7.61	3.95
WASHITA	$9.32	$1.01	$0.06	$0.49	$0.27
WOODS	13.30	1.38	0.08	0.74	0.32
WOODWARD	43.40	5.85	0.38	2.19	1.01
Statewide	**$7,162.85**	**$2,006.02**	**78.16**	**$385.30**	**$188.46**

2012 Domestic Travel Impact on Oklahoma
Table B: Ranking of Counties by Expenditure Levels, 2012

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
OKLAHOMA	$2,491.04	$912.12	31.59	$135.99	$71.57
TULSA	1,728.74	713.53	23.41	92.74	45.78
CLEVELAND	244.74	31.57	2.00	11.20	6.17
COMANCHE	182.66	30.92	1.75	8.99	3.76
WASHINGTON	160.73	20.05	1.37	7.61	3.95
BECKHAM	150.38	18.19	1.15	10.03	1.99
CARTER	133.64	20.94	0.83	7.18	1.90
GARFIELD	105.15	11.71	0.70	5.05	2.95
CANADIAN	104.96	12.10	0.72	5.14	3.54
PAYNE	93.39	11.88	0.76	5.11	1.70
PITTSBURG	88.03	12.24	0.85	4.47	3.03
MUSKOGEE	86.86	9.90	0.62	4.75	2.09
POTTAWATOMIE	75.97	8.84	0.55	4.28	1.38
CUSTER	70.29	8.75	0.58	3.80	1.34
KAY	70.28	10.53	0.69	3.65	1.72
STEPHENS	56.92	6.55	0.41	2.78	1.19
PONTOTOC	55.31	6.50	0.41	3.01	1.06
MAYES	53.79	7.63	0.49	2.73	2.89
GRADY	51.03	5.17	0.31	2.89	1.04
LATIMER	48.85	4.10	0.18	3.86	0.27
ROGERS	48.27	5.41	0.30	2.75	0.88
BRYAN	48.14	7.35	0.47	2.50	1.61
SEQUOYAH	45.95	7.35	0.47	2.48	1.29
OTTAWA	44.16	6.79	0.43	2.30	1.07
WOODWARD	43.40	5.85	0.38	2.19	1.01
CHEROKEE	40.84	5.62	0.30	2.07	1.49
CREEK	39.03	4.38	0.28	2.06	0.76

2012 Domestic Travel Impact on Oklahoma
Table B: Ranking of Counties by Expenditure Levels, 2012 (Continued)

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
DELAWARE	$38.96	$5.61	0.31	$2.14	$1.43
OKMULGEE	37.90	4.91	0.33	2.06	0.82
JACKSON	35.04	3.53	0.21	1.53	0.68
MARSHALL	33.50	4.40	0.31	1.82	0.84
LE FLORE	32.46	4.56	0.29	1.68	0.68
TEXAS	31.23	3.65	0.23	1.64	0.72
MCINTOSH	30.35	3.26	0.18	1.68	0.98
LOGAN	27.59	4.12	0.26	1.48	0.65
OSAGE	27.51	3.86	0.24	1.57	0.88
CRAIG	26.67	3.15	0.19	1.54	0.62
NOBLE	26.58	3.27	0.20	1.70	0.46
GARVIN	24.81	2.72	0.17	1.22	0.66
WAGONER	23.11	3.51	0.23	1.19	0.81
LINCOLN	22.87	2.69	0.17	1.31	0.54
MCCURTAIN	22.46	2.91	0.18	1.06	1.21
HUGHES	22.33	1.98	0.10	1.58	0.32
MAJOR	21.35	3.20	0.19	1.13	0.40
CADDO	20.49	2.68	0.17	1.08	0.57
CHOCTAW	19.12	2.88	0.17	1.11	0.39
ATOKA	18.33	2.27	0.15	1.04	0.60
MURRAY	18.30	2.07	0.13	0.90	0.36
KINGFISHER	15.89	1.72	0.10	0.74	0.25
ADAIR	15.05	1.24	0.05	1.01	0.20
SEMINOLE	13.84	1.69	0.11	0.71	0.41
WOODS	13.30	1.38	0.08	0.74	0.32
PAWNEE	12.73	1.49	0.09	0.66	0.29
BLAINE	11.38	1.06	0.06	0.70	0.17

2012 Domestic Travel Impact on Oklahoma
Table B: Ranking of Counties by Expenditure Levels, 2012 (Continued)

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
HASKELL	$11.13	$1.59	0.10	$0.54	$0.35
MCCLAIN	10.71	1.11	0.06	0.44	0.26
WASHITA	9.32	1.01	0.06	0.49	0.27
LOVE	9.18	1.33	0.08	0.50	0.37
PUSHMATAHA	9.05	1.24	0.08	0.48	0.32
BEAVER	8.72	1.02	0.06	0.55	0.19
TILLMAN	8.43	1.29	0.09	0.46	0.25
OKFUSKEE	8.43	1.04	0.06	0.52	0.28
HARPER	8.22	1.44	0.10	0.46	0.23
JOHNSTON	8.08	1.00	0.06	0.50	0.24
ROGER MILLS	7.07	0.99	0.06	0.39	0.29
KIOWA	6.97	0.76	0.05	0.40	0.17
DEWEY	6.50	0.73	0.04	0.37	0.16
GREER	6.41	0.68	0.04	0.42	0.12
NOWATA	6.20	0.71	0.04	0.37	0.21
JEFFERSON	5.70	0.74	0.05	0.28	0.25
ELLIS	5.55	0.79	0.05	0.28	0.11
GRANT	5.13	0.61	0.04	0.30	0.11
CIMARRON	4.79	0.66	0.05	0.25	0.15
COTTON	3.76	0.50	0.04	0.19	0.13
ALFALFA	3.43	0.42	0.02	0.18	0.13
COAL	3.19	0.47	0.02	0.20	0.15
HARMON	1.15	0.10	0.01	0.06	0.02
Statewide	**$7,162.85**	**$2,006.02**	**78.16**	**$385.30**	**$188.46**

2012 Domestic Travel Impact on Oklahoma
Table C: Percent Distribution by County, 2012

County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
ADAIR	0.21%	0.06%	0.06%	0.26%	0.11%
ALFALFA	0.05%	0.02%	0.03%	0.05%	0.07%
ATOKA	0.26%	0.11%	0.20%	0.27%	0.32%
BEAVER	0.12%	0.05%	0.08%	0.14%	0.10%
BECKHAM	2.10%	0.91%	1.47%	2.60%	1.05%
BLAINE	0.16%	0.05%	0.08%	0.18%	0.09%
BRYAN	0.67%	0.37%	0.61%	0.65%	0.85%
CADDO	0.29%	0.13%	0.22%	0.28%	0.30%
CANADIAN	1.47%	0.60%	0.93%	1.33%	1.88%
CARTER	1.87%	1.04%	1.07%	1.86%	1.01%
CHEROKEE	0.57%	0.28%	0.39%	0.54%	0.79%
CHOCTAW	0.27%	0.14%	0.22%	0.29%	0.21%
CIMARRON	0.07%	0.03%	0.06%	0.07%	0.08%
CLEVELAND	3.42%	1.57%	2.56%	2.91%	3.27%
COAL	0.04%	0.02%	0.03%	0.05%	0.08%
COMANCHE	2.55%	1.54%	2.24%	2.33%	1.99%
COTTON	0.05%	0.02%	0.05%	0.05%	0.07%
CRAIG	0.37%	0.16%	0.25%	0.40%	0.33%
CREEK	0.54%	0.22%	0.36%	0.53%	0.40%
CUSTER	0.98%	0.44%	0.74%	0.99%	0.71%
DELAWARE	0.54%	0.28%	0.39%	0.56%	0.76%
DEWEY	0.09%	0.04%	0.05%	0.09%	0.08%
ELLIS	0.08%	0.04%	0.06%	0.07%	0.06%
GARFIELD	1.47%	0.58%	0.90%	1.31%	1.56%
GARVIN	0.35%	0.14%	0.22%	0.32%	0.35%
GRADY	0.71%	0.26%	0.39%	0.75%	0.55%
GRANT	0.07%	0.03%	0.05%	0.08%	0.06%

2012 Domestic Travel Impact on Oklahoma
Table C: Percent Distribution by County, 2012 (Continued)

County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
GREER	0.09%	0.03%	0.06%	0.11%	0.07%
HARMON	0.02%	0.00%	0.02%	0.02%	0.01%
HARPER	0.11%	0.07%	0.13%	0.12%	0.12%
HASKELL	0.16%	0.08%	0.13%	0.14%	0.19%
HUGHES	0.31%	0.10%	0.13%	0.41%	0.17%
JACKSON	0.49%	0.18%	0.27%	0.40%	0.36%
JEFFERSON	0.08%	0.04%	0.07%	0.07%	0.13%
JOHNSTON	0.11%	0.05%	0.07%	0.13%	0.13%
KAY	0.98%	0.52%	0.88%	0.95%	0.91%
KINGFISHER	0.22%	0.09%	0.12%	0.19%	0.14%
KIOWA	0.10%	0.04%	0.06%	0.10%	0.09%
LATIMER	0.68%	0.20%	0.24%	1.00%	0.15%
LE FLORE	0.45%	0.23%	0.37%	0.44%	0.36%
LINCOLN	0.32%	0.13%	0.22%	0.34%	0.29%
LOGAN	0.39%	0.21%	0.33%	0.39%	0.35%
LOVE	0.13%	0.07%	0.11%	0.13%	0.19%
MCCLAIN	0.15%	0.06%	0.08%	0.11%	0.14%
MCCURTAIN	0.31%	0.15%	0.23%	0.28%	0.64%
MCINTOSH	0.42%	0.16%	0.23%	0.44%	0.52%
MAJOR	0.30%	0.16%	0.24%	0.29%	0.21%
MARSHALL	0.47%	0.22%	0.39%	0.47%	0.45%
MAYES	0.75%	0.38%	0.63%	0.71%	1.54%
MURRAY	0.26%	0.10%	0.17%	0.23%	0.19%
MUSKOGEE	1.21%	0.49%	0.79%	1.23%	1.11%
NOBLE	0.37%	0.16%	0.25%	0.44%	0.25%
NOWATA	0.09%	0.04%	0.05%	0.10%	0.11%
OKFUSKEE	0.12%	0.05%	0.08%	0.14%	0.15%

2012 Domestic Travel Impact on Oklahoma
Table C: Percent Distribution by County, 2012 (Continued)

County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
OKLAHOMA	34.78%	45.47%	40.42%	35.29%	37.98%
OKMULGEE	0.53%	0.24%	0.42%	0.53%	0.44%
OSAGE	0.38%	0.19%	0.30%	0.41%	0.47%
OTTAWA	0.62%	0.34%	0.54%	0.60%	0.57%
PAWNEE	0.18%	0.07%	0.12%	0.17%	0.16%
PAYNE	1.30%	0.59%	0.97%	1.33%	0.90%
PITTSBURG	1.23%	0.61%	1.09%	1.16%	1.61%
PONTOTOC	0.77%	0.32%	0.52%	0.78%	0.56%
POTTAWATOMIE	1.06%	0.44%	0.71%	1.11%	0.73%
PUSHMATAHA	0.13%	0.06%	0.11%	0.13%	0.17%
ROGER MILLS	0.10%	0.05%	0.08%	0.10%	0.15%
ROGERS	0.67%	0.27%	0.39%	0.72%	0.47%
SEMINOLE	0.19%	0.08%	0.14%	0.18%	0.22%
SEQUOYAH	0.64%	0.37%	0.60%	0.64%	0.69%
STEPHENS	0.79%	0.33%	0.53%	0.72%	0.63%
TEXAS	0.44%	0.18%	0.29%	0.43%	0.38%
TILLMAN	0.12%	0.06%	0.11%	0.12%	0.13%
TULSA	24.13%	35.57%	29.95%	24.07%	24.29%
WAGONER	0.32%	0.18%	0.29%	0.31%	0.43%
WASHINGTON	2.24%	1.00%	1.75%	1.98%	2.10%
WASHITA	0.13%	0.05%	0.07%	0.13%	0.14%
WOODS	0.19%	0.07%	0.10%	0.19%	0.17%
WOODWARD	0.61%	0.29%	0.49%	0.57%	0.54%
Statewide	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

APPENDICES

Appendix A: Travel Economic Impact Model

Introduction

The Travel Economic Impact Model (TEIM) was developed by the research department at U.S. Travel Association (formerly known as the U.S. Travel Data Center) to provide annual estimates of the impact of the travel activity of U.S. residents on national, state and county economies in this country. It is a disaggregated model comprised of a variety of travel categories (described in Appendix B: Glossary of Terms). The TEIM estimates travel expenditures and the resulting business receipts, employment, personal income, and tax receipts generated by these expenditures.

The TEIM has the capability of estimating the economic impact of various types of travel, such as business and vacation, by transport mode and type of accommodations used, and other trip and traveler characteristics. The County Impact Component of the TEIM allows estimates of the economic impact of travel at the county and city level.

Definition of Terms

There is no commonly accepted definition of travel in use at this time. For the purposes of the estimates herein, *travel* is defined as activities associated with all overnight and day trips to places 50 miles away or more, one way, from the traveler's origin and any overnight trips away from home in paid accommodations.

The word *tourism* is avoided in this report because of its vague meaning. Some define tourism as all travel away from home while others use the dictionary definition that limits tourism to personal or pleasure travel.

The *travel industry*, as used herein, refers to the collection of 18 types of businesses that provide goods and services to the traveler or potential traveler at the retail level (see Glossary of Terms). With the exception of Amtrak and second home ownership and rental, these business types are defined by the Office of Management and Budget in the 1997 North American Industry Classification System (NAICS) and well as in its predecessor, the 1987 Standard Industrial Classification System (SIC). In each case, the relevant NAICS and SIC codes are included.

Travel *expenditure* is assumed to take place whenever traveler exchanges money for an activity considered part of his/her trip. Total travel expenditures are separated into related categories representing traveler purchases of goods and services at the retail level. One category, travel agents, receives no travel expenditures as these purchases are allocated to the category (i.e. air transportation) actually providing the final good or service to the traveler. Travel expenditures are allocated among states by simulating where the exchange of money for goods or service actually took place. By their nature, some travel expenditures are assumed to occur at the traveler's origin, some at his/her destination, and some enroute.

Economic impact is represented by measures of spending, employment, payroll, business receipts and tax revenues generated by traveler spending. *Payroll* includes all forms of compensation, such as salaries, wages, commissions, bonuses, vacation allowances, sick leave pay and the value of payments in kind paid during the year to all employees. Payroll is reported before deductions for social security, income tax insurance, union dues, etc. This definition follows that used by the U.S. Census Bureau in the quinquennial Census of Service Industries.

Employment represents the number of jobs generated by traveler spending, both full and part-time. As

such, it is consistent with the U.S. Department of Labor series on nonagricultural payroll employment. *Tax revenues* include corporate income, individual income, sales and gross receipts, and excise taxes by level of government. *Business receipts* reflect travel expenditures less the sales and excise taxes imposed on those expenditures.

Description of the Model

Estimates of Travel Expenditures

Total travel expenditures includes spending by travelers on goods and services during their trips, such as lodging, transportation, meals, entertainment, retail shopping. Eighteen (18) categories of activities are covered in the TEIM. Generally, the TEIM combines the activity levels for trips to places within the United States with the appropriate average costs of each unit of travel activity, (e.g., cost per mile by mode of transport, cost per night by type of accommodation), to produce estimates of the total amount spent on each of 18 categories of travel related goods and services by state. For example, the number of nights spent by travel parties in hotels in Vermont is multiplied by the average cost per night per travel party of staying in a hotel in the state to obtain the estimate of traveler expenditures for hotel accommodations. The estimates derived through the cost factor method are also validated through three additional methods: Household travel spending ratio method - the ratio of out of town spending to total household spending; Trip expenditure ratio method – the ratio of each travel spending category in a trip to that trip's total expenditures; and economic and business statistics validations.

The data on domestic travel activity levels (e.g., number of miles traveled by mode of transportation, the number of nights spent away from home by type of accommodation) are based on national travel surveys conducted by U.S. Travel Association, The Bureau of Labor Statistics' Survey of Consumer Expenditures, Smith Travel Research's Hotel and Motel Survey, etc. Average cost data are purchased and collected from different organizations and government agencies. Total sales and revenue and other data collected from state, local and federal government and other organizations are employed to compare, adjust and update the spending database of TEIM, as well as linking spending to other impact components.

The international travel expenditure estimates are based on Tourism Industries' (OTTI) Survey of International Air Travelers and data provided to OTTI from Canada and Mexico. Other estimates of the economic impact of international visitors to the U.S. are generated by TEIM by incorporating the estimated international traveler expenditures with the data series utilized to produce the domestic estimates.

Estimates of Business Receipts, Payroll and Employment

The Economic Impact Component of the TEIM estimates travel generated business receipts, employment, and payroll. Basically, the 18 travel categories are associated with a type of travel related business. For example, traveler spending on commercial lodging in a state is related to the business receipts, employment and payroll of hotels, motels and motor hotels (SIC 701; NAICS 7211) in the state. It is assumed that travel spending in each category, less sales and excise taxes, equals business receipts for the related business type as defined by the U.S. Census Bureau.

It is assumed that each job in a specific type of business in a state is supported by some amount of business receipts and that each dollar of wages and salaries is similarly supported by some dollar volume of business receipts. The ratios of employment to business receipts are computed for each industry in each state. These ratios are then multiplied by the total amount of business receipts generated by traveler spending in a particular type of business to obtain the measures of travel generated employment and payroll of each type of business in each state. For example, the ratio of employees to business receipts in

the state commercial lodging establishments is multiplied by travel generated business receipts of these establishments to obtain traveler generated employment in commercial lodging. A similar process is used for the payroll estimates. The total sales, payroll and employment data of each travel related industry (by SIC and NAICS) are provided by and collected from state, local and federal government, such as the Bureau of Labor Statistics, the Bureau of Economic Analysis, Census Bureau and The Bureau of Transportation Statistics.

Estimates of Tax Revenues

The Fiscal Impact Component of the TEIM is used to estimate traveler generated tax revenues of federal, state and local governments. The yield of each type of tax is related to the best measure of the relevant tax base available for each state consistent with the output of the Economic Impact Component. The ratios of yield to base for each type of tax in each state are then applied to the appropriate primary level output to obtain estimates of tax receipts generated by travel. For example, the ratio of Massachusetts State personal income tax collections to payroll in the state is applied to total travel generated payroll to obtain the estimate of state personal income tax receipts attributable to traveler spending in Massachusetts.

Estimates for Counties and Local Areas

Local area travel impact estimates is derived by distributing the state estimates to the area using proper proportions of each related category in the area. The proportions of a local area are calculated based on a set of data collected from federal, state and local governments and private organizations. The data can be gathered at the zip code level. Consumer survey data are not used in locality impact estimates due to small sample size issue**.**

The data used to estimate the local area shares includes sales, employment, payroll and taxes for all travel-related industry categories. Local data provided by states such as sales/tax receipts, employment and wages, attraction attendances, etc. are critical inputs. County and local sales, establishments, employment and payroll data derived from Economic Census, County Business Patterns and the Quarterly Census of Employment and Wages (QCEW) are also used in the model.

Limitations of the Study

This study is designed to indicate the impact of U.S. traveler expenditures on employment, payroll, business receipts and tax revenue in each of the states. These impact estimates reflect the limitations inherent in the definition of travel expenditures. Two important classes of travel-related expenses have not been estimated due to various reasons. Consumers purchase certain goods and services in anticipation of a trip away from home. These include sports equipment (tennis racquet, skis, scuba gear, etc.), travel books and guides, and services such as language lessons and lessons for participatory sports (tennis, skiing, underwater diving, etc.). The magnitude of these purchases in preparation for a trip cannot be quantified due to lack of sound, relevant data.

The second type of spending not covered due to lack of sufficient data is the purchase of major consumer durables generally related to outdoor recreation on trips. Further research is required in this area to determine to what extent pre-trip spending on consumer durable products can justifiably be included within a travel economic impact study.

Estimates of Travel Expenditure

- Travel spending in category *i* = level of the travel activity *i* * *per unit cost of the activity i*
  Example: Spending on hotel rooms = nights stayed in hotel * average hotel room rate
- Total Travel Spending = ∑ Travel Spending in category *i , i=1,2,3…..18*

Estimates of Business Receipts, Payroll and Employment

For Category *i*

- Travel business receipts = estimated travel spending – (sales and excise taxes)
- Travel-generated payroll
  = Total payroll of the industry / total sales of the industry * travel business receipts
- Travel-generated employment
  = Total employment of the industry / total payroll of the industry * travel-generated payroll
- Total business receipts, payroll and employment are equal to the sum of all categories of each measurement respectively.

Estimates of Tax Revenues

The types of tax revenue included in the estimations:

- Retail sales and excise taxes
  For each travel related industry:
  Sales tax or excise tax revenue =
  (tax rate (federal, state and local)) * estimated travel spending of the category
- Individual income tax
  For each travel related industry:
  Travel-generated personal income tax revenue =
  (total state PI tax collection / total state PI) * estimated travel-generated personal income
- Corporate income tax and property tax are estimated in the same way.
- Total tax receipts for the federal, state and local government are equal to the sum of all kinds of taxes of all industries.

Estimates of Travel Economic Impact of counties (CTEIM)

- County share = measurement of the county / sum of all counties for the same measurement.
- Travel Impact on the county = county share * the state total (estimated by TEIM).

Appendix B: Glossary of Terms – TEIM

Automobile Transportation Expenditure. This category includes a prorated share of the fixed costs of owning an automobile, truck, camper, or other recreational vehicle, such as insurance, license fees, tax, and depreciation costs. Also included are the variable costs of operating an automobile, truck, camper, or other recreational vehicle on a trip, such as gasoline, oil, tires, and repairs. The costs of renting an automobile or other motor vehicle are included in this category as well.

Entertainment/Recreation Expenditure. Traveler spending on recreation facility user fees, admissions at amusement parks and attractions, attendance at nightclubs, movies, legitimate shows, sports events, and other forms of entertainment and recreation while traveling.

Food Expenditure. Traveler spending in commercial eating facilities and grocery stores or carry-outs, as well as on food purchased for off-premise consumption.

Incidental Purchase Expenditure. Traveler spending on retail trade purchases including gifts for others, medicine, cosmetics, clothing, personal services, souvenirs, and other items of this nature.

Lodging Expenditure. Traveler spending on hotels and motels, B&Bs, campgrounds and trailer parks, rental of vacation homes and other types of lodging.

Public Transportation Expenditures. This includes traveler spending on air, bus, rail and boat/ship transportation, and taxicab or limousine service between airports and central cities. Also included are expenditures on "other transportation" as indicated in the TravelScope.

Travel-generated Tax Receipts. Those federal, state and local tax revenues attributable to travel in an area. For a given state locality, all or some of the taxes may apply. "Local" includes county, city or municipality, and township units of government actually collecting the receipts and not the level that may end up receiving it through intergovernmental transfers.

Federal. These receipts include corporate income taxes, individual income taxes, employment taxes, gasoline excise taxes, and airline ticket taxes.

State. These receipts include corporate income taxes, individual income taxes, sales and gross receipts taxes, and excise taxes.

Local. These include county and city receipts from individual and corporate income taxes, sales, excise and gross receipts taxes, and property taxes.

Appendix C: Travel Related Industry by NAICS

Travel industry categories: With the transition to NAICS, the U.S. Travel Association has adjusted its selection of the travel-related business types using the new NAICS codes and brought its travel economic research into conformity with NAICS. For measurement purposes, U.S. Travel Association's Travel Economic Impact Model tracks business activity in seven (7) major travel-related industry groups. The industry groups and subcategories used in the model are outlined below, followed by a detailed table of NAICS Codes. The share of travel in each of listed industries will depend on travel spending estimates for the related categories and are different from industries and areas.

Automobile Transportation: Gasoline service stations, passenger car rental, motor vehicle/parts dealers, automotive repairs and maintenance.

Entertainment/Recreation industry: Entertainment, art and recreation industry.

Foodservice industry: Eating & drinking places, and grocery stores.

Retail Trade industry: General merchandise group stores and miscellaneous retail stores, including gift and souvenir shops, and other retail stores.

Lodging industry: This industry includes hotels, motels, and motor hotels, camps and trailer parks.

Public Transportation industry: Air transportation, taxicab companies, interurban & rural bus transportation, railroad passenger transportation (Amtrak) and water passenger transportation. Also is the "dummy" industry of "other transportation."

Travel Arrangement industry: This includes travel agencies, tour operators, and other travel arrangement & reservation services.

TRAVEL REALTED INDUSTRY BY NAICS

Accommodations
7211 Traveler Accommodations
7212 Recreational Vehicle Parks & Campgrounds

Auto Transportation
532111 Passenger Car Rental
447 Gasoline Stations
4411 Automobile Dealers
4412 Other Motor Vehicle Dealers
4413 Automotive Parts, Accessories and Tire Stores
8111 Automotive Repair and Maintenance

Entertainment and Recreation
711 Performing Arts, Spectator Sports & Related Industries
712 Museums, Historical Sites & Similar Institutions
713 Amusement, Gambling & Recreation

Food
7221 Full service Restaurants
7222 Limited Service Eating Places
7224 Drinking Places
445 Food and Beverage stores

Public Transportation
481 Passenger Air Transportation
4881 Airport Support Activities
4821 Rail Transportation
4852 Interurban and Rural Bus Transportation
4853 Taxi & Limousine Services
485510 Charter Bus
483112 Deep Sea Passenger Transportation
483114 Coastal and Great Lakes Passenger Transportation
483212 Inland Water Passenger Transportation
487 Scenic & Sightseeing Transportation

Retail
451 Sporting Goods, Hobby, Book, and Music Stores
452 General Merchandise Stores
453 Miscellaneous Store Retailers
443 Electronics and Appliance Stores
444 Building Material and Garden Equipment and Supplies Dealers
446 Health and Personal Care Stores
448 Clothing and Clothing Accessories Stores

Travel Arrangement
5615 Travel Arrangement & Reservation Services (includes travel agencies and tour operators

Appendix D: Sources of Data

This appendix presents the sources of data used in this report.

Organizations

Airlines for America (A4A), (formerly known as Air Transport Association of America - ATA)
American Automobile Association
American Gaming Association
Amtrak
American Society of Travel Agents
Bureau of Census, U.S. Department of Commerce
Bureau of Economic Analysis, U.S. Department of Commerce
Bureau of Labor Statistics, U.S. Department of Labor
Energy Information Administration
Federal Aviation Administration, U.S. Department of Transportation
Federal Highway Administration, U.S. Department of Transportation
National Park Service
Oklahoma Employment Security Commission
Oklahoma Indian Casinos Supersite
Oklahoma Tourism and Recreation Department
Oklahoma Tax Commission
Oklahoma Department of Transportation
Smith Travel Research
The Office of Travel and Tourism Industries (OTTI)/ITA, U.S. Department of Commerce
U.S. Travel Association