

**Economic Impact of
Missouri's Tourism
and Travel Industry:
July 2005 – June 2006
(FY06)
EXECUTIVE
SUMMARY**

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The central purpose of this report is to present estimates of travel-related economic activity in Missouri during FY06 (Fiscal Year 2006 runs from July 2005 through June 2006). As is noted throughout this report, the last couple of fiscal year estimates are based on two data sources different from the TIA TravelScope data used in FY04 and prior years. The FY05 estimates are based primarily on DKS&A data, a data source which had never before been used to do Economic Impact reports for Missouri's Division of Tourism. Some of the resulting estimates for FY05 differ quite a bit from estimates made for past years. It is likely that these changes are due more to differences in data collection and analysis methodology than to changes in underlying economic activity. Consequently, the reader is urged to interpret changes with caution. This is also true for FY06, but to a lesser extent. The FY06 estimates are based primarily on TNS TravelsAmerica data. TNS had been responsible for collecting the data under the old TravelScope program, so even though the data for FY06 is internet-based rather than paper-based, the results for FY06 seem more comparable to those for FY04 and earlier years than is the case for the FY05 results. Problems with the use of a new data source in FY06 have also been mitigated by adopting more of a model-based approach.

MARKET ASSESSMENT

- During FY06 (July 2005 – June 2006), an estimated 21.2 million households visited Missouri. This model-based estimate is 0.1% higher than the model-based estimate for FY05.
- The model-based estimate for visitors to Missouri during FY06 is 38.85 million, also up about 0.1% from the model-based estimate for FY05. This is also higher than any previous year's TravelScope-based estimate. Of the 38.85 million, 33.5 million were domestic leisure visitors, accounting for 86.3% of all the visitors. This percentage is a little higher than the 84.2% estimated for FY05 using DKS&A data and similar to estimates made for earlier years using TravelScope data (e.g., 86.9% for FY04).
- Domestic visitor days in Missouri are estimated to have totaled 109.8 million during FY06. This number represents a large percentage drop (12%) from the record estimated for FY05, but is in line with TravelScope-based estimates for earlier years.
- Domestic travelers spent an estimated record \$6.5 billion while visiting Missouri during FY06, up 3.4% from the model-based estimate of \$6.3 billion for FY05.
- Expenditures by domestic household travel parties visiting Missouri during FY06 are estimated to have averaged \$307.25, up 3.3% from an estimated \$297.57 during FY05.

TOTAL IMPACT

- Direct expenditures (on-site expenditures by domestic and international visitors plus airport-related expenditures) by travelers in Missouri are estimated to have been \$8.1 billion during FY06, up 1.1% from \$8.0 billion during FY05.
- Total industrial output (the value of products produced by Missouri industries) due to travel in Missouri is estimated to have been \$13.1 billion during FY06, up 2.4% from the \$12.8 billion estimated for FY05.

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- Taxable sales from 17 tourism-related industries reached a record \$9.07 billion during FY06, up from \$8.58 billion during FY05, an increase of 5.7%.
- State tax revenues (including state sales taxes, state income taxes and all other state taxes) due to travel in Missouri during FY06 totaled an estimated \$694 million, up from an estimated \$649 million during FY05.

TARGETING

- TravelsAmerica asks survey respondents about their ages and the education levels of their heads of households. The average respondent age for respondents reporting travel to Missouri during FY06 is 46.6, substantially younger than that reported for FY05, but about the same as the ages of the heads of households visiting Missouri during FY04 (47.6) and earlier years. An estimated 40% of the respondents had household heads with a 4 year degree or higher during FY06 versus an estimated 45% of the heads of households holding a 4 year degree or higher during FY04, but about the same percentage as the respondents for FY05.
- It is estimated that half of the households visiting Missouri during FY06 had an income of \$47,500 or more, down from \$50,000 during the previous six years.
- The model-based estimated percentage of singles visiting Missouri during FY06 is 45%, up substantially from the estimate for FY05 (18%), but in line with estimates made for FY04 and earlier years. Similarly, the percentage of household travel parties consisting of three or more adults during FY06 (3%) is much lower than was estimated for FY05 (15%) but very close to earlier estimates. These differences occurred despite the average number of household members per travel party remaining constant at 1.83.

VISITOR PROFILE

- TravelsAmerica asks respondents to characterize their Purpose of Stays using different categories than were used by either DKS&A or TravelScope, so the results are not directly comparable. During FY06, leisure is estimated to have been the dominant purpose of stay, accounting for 69% of Missouri's visitors. Visit Friends/Relatives accounted for 41% while Other Pleasure/Personal (16.1%), Entertainment/Sightseeing (14.0%), and Business(13.4%, consisting of both General and Convention/Conference/Seminar) were other important primary purpose of stays.
- It's estimated that most of Missouri's visitors during FY06 (81.0%) relied on autos as their primary mode of transportation. Only 8% are estimated to have used the airplane as their primary mode of transportation, reflecting a decline every year since a high of 16% during FY98.
- TravelsAmerica tracks more specific activities (44) than did either DKS&A (25) or TravelScope (20). Large percentages of visitors to Missouri during FY06 are estimated to have participated in Family/Friend Event/Reunion (27%), Shopping (26%), Fine Dining (15%) and Rural Sightseeing (11%).

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- It is estimated that 60% of the domestic travelers in Missouri during FY06 originated from outside Missouri. This is a higher estimate than was made for FY05 (56%), but still low relative to earlier years (65%-71%). The low estimates for the past two fiscal years are almost surely due, at least in part, to the use of different data sources. They probably do not signal an underlying behavioral change in visitation patterns.
- Model-based estimates for FY06 suggest travel in Missouri is less seasonal than was suggested by DKS&A-based estimates for FY05. The new estimates are similar to those made using TravelScope data for FY04 and earlier years.

COMMUNICATING

- Model-based estimates suggest a lower percentage of travelers in Missouri during FY06 originated from within the state (40%) than was estimated for FY05 (44%). However, the estimated percentages of visitors to Missouri from Missouri and its surrounding eight states are similar, 74.3% versus 73.0% for FY05.
- It is estimated that Missouri attracted 56.1% of all Missouri travelers during FY06, up from 52.4% during FY05 and similar to the 55.7% estimated for FY04. Kansas (19.6%) and Arkansas (13.2%) had the largest shares of travelers visiting Missouri during FY06.

REGIONS

- The top two Vacation Regions, St. Louis and Kansas City, accounted for 41% and 22%, respectively, of Missouri's taxable sales revenues from 17 tourism-related industries during FY06, about the same as during each of the fiscal years since FY96. The Ozark Mountain Vacation Region (which includes Branson and Springfield) was third, accounting for 15% of the state total.