

Economic Impact of Missouri's Tourism and Travel Industry: July 2009 – June 2010 (FY10)

Executive Summary

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EXECUTIVE SUMMARY

The central purpose of this report is to present information on travel-related economic activity in Missouri during FY10 (Fiscal Year 2010 runs from July 2009 through June 2010). For comparative purposes, charts, graphs and tables present historical data, with some going back as far as FY95. Primary sources used for this Economic Impact Report include several national and international reports which are respected nationally in the tourism industry, and information provided by two State of Missouri Departments. These sources include: TNS TravelsAmerica, TravelScope by the U.S. Travel Data Center, D.K. Shifflet and Associates, U.S. Travel Association's Impact of Travel on State Economies, Statistics Canada, U.S. Department of Commerce's Office of Travel and Tourism Industries and the Impact Analysis for Planning (IMPLAN) input-output model. The two state departments are the Missouri Department of Revenue and the Missouri Department of Labor, Employment Security Division.

MARKET ASSESSMENT

- Mirroring the overall weakness in the U.S. economy, tourism and travel activity in Missouri was down during FY10 (July 2009 – June 2010). An estimated 19.37 million households visited Missouri, 1.2% lower than for FY09.
- There were 35.83 million domestic visitors to Missouri during FY10, down 2.2% from FY09. There were 31.51 million leisure visitors, accounting for 87.9% of all the domestic visitors.
- Domestic visitor days in Missouri are estimated to have totaled 98.2 million during FY10, down 2.6% from FY09.
- Domestic travelers spent an estimated \$6.05 billion while visiting Missouri during FY10, down 3.5% from the \$6.27 billion estimated for FY09.
- Expenditures by domestic household travel parties visiting Missouri during FY10 are estimated to have averaged \$312.54, down 2.3% from FY09. Given the ongoing weakness of the U.S. economy, it is not surprising that this has been trending downward. On the positive side, average household party expenditures are still higher than for any year prior to FY07, when they were at an all-time high.

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 \$7.42 billion during FY10, down 5.8% from FY09. The biggest downturn was in airport-related expenditures, down 16.4%. International visitors do not make up a large share of overall direct expenditures (1.7%), but they were up 2.4% from FY09 despite a weak global economy, probably due to a weak dollar.

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- Total industrial output (the value of products produced by Missouri industries) due to travel in Missouri is estimated to have been \$11.4 billion during FY10, down 7.8% from FY09. The percentage decrease is larger than the percentage decline in direct expenditures, reflecting a smaller multiplier effect. This is due to both a changing mix in the direct expenditures, especially the reduction in airport-related expenditures, and a declining manufacturing base in Missouri.
- Taxable sales from 17 tourism-related industries fell 2.0% during FY10 to \$9.92 billion. This is the second consecutive decline between fiscal years and these are the only years for which there have been declines since the data have been reported (FY95). This is dramatic evidence of the state of the overall economy.
- The model-based estimate of state tax revenues (including state sales taxes, state income taxes and all other state taxes) due to travel in Missouri during FY10 is \$638 million, down 4.7% from FY09.
- Employment in tourism-related industries fell to 281,255 during FY10, down 2.2%. As with taxable sales, this is the second consecutive decline between fiscal years and these are the only years for which there have been declines since this data have been reported (FY03).
- Despite a fall in the level of tourism and travel related activity in Missouri, it has increased in relative importance and has helped mitigate the effects of the weak economy. Taxable sales in the 17 tourism-related industries accounted for 14.32% of all taxable sales during FY10, up from 14.17% during FY09. Similarly, employment in tourism-related industries accounted for 10.90% of all employment in Missouri during FY10, up from 10.79% during FY09.

TARGETING

- The average age of those respondents reporting travel to Missouri during FY10 was 46.7, slightly older than the 46.1 reported for FY09. An estimated 42% of the respondents had household heads with a 4 year degree or higher during FY10, up from 39% during FY09.
- It is estimated that half of the households visiting Missouri during FY10 had an income of \$50,000 or more. This is the same as every other fiscal year since FY00 with the exception of FY06, when the comparable income level was \$47,500.
- The percentage of singles visiting Missouri during FY10 was 45%, about the same as during the previous four fiscal years. The percentages of household travel parties consisting of couples (31%) and families (22%) were also similar to those for the previous four years. The average household travel party size was 1.85 during FY10, down slightly from 1.87 during FY09.

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VISITOR PROFILE

- Visit Friends/Relatives accounted for 41.5% of all visitors to Missouri during FY10, while Other Pleasure/Personal (15.1%), Entertainment/Sightseeing (14.0%), and Business (11.9%, both General and Convention/Conference/Seminar) were other important primary purpose of stays.
- Most of Missouri's visitors during FY10 (84.5%) relied on autos as their primary mode of transportation.
- TNS TravelsAmerica asks respondents to identify any of 51 activities they may have engaged in while visiting Missouri. The top three during FY10 were Visiting Relatives (27.0%), Shopping (18.7%) and Visiting Friends (12.6%). These were followed by Rural Sightseeing (10.9%) and Fine Dining (8.5%).
- The percentage of domestic travelers in Missouri originating from out-of-state increased during FY10 to 55.9% from 55.4% during FY09.
- Travel to Missouri is somewhat seasonal. While about 25% of the visitors do come during Spring and Fall, a bigger share comes in Summer (32%). The biggest difference in months during FY10 is July, with 11.8%, versus January, with 5.0%.

COMMUNICATING

- During FY10, 77.1% of Missouri travelers came from Missouri and its surrounding eight states. The neighboring states alone accounted for 59.1% of all out-of-state travelers.
- More than half (56.8%) of traveling Missourians reported traveling in the state during FY10. Missouri also attracted large shares of travelers from Kansas (19.9%) and Arkansas (12.8%) during FY10.

REGIONS

- The Northeast and Northwest Regions accounted for 42.6% and 25.1%, respectively, of Missouri's total taxable sales from the 17 tourism-related industries during FY10. The Southwest region was third, accounting for 15.8% of the state total.
- Similarly, the Northeast and the Northwest Regions accounted for 42.7% and 24.2%, respectively, of Missouri's employment in tourism-related industries during FY10. The Southwest region was third, accounting for 14.9% of the state total.