

Economic Impact of Missouri's Tourism and Travel Industry: July 2010 – June 2011 (FY11)

Executive Summary



Prepared by

Michael Kaylen, Ph.D.
Kaylen Economics
(Associate Professor, University of Missouri)

Columbia, MO 65203

December 2011

EXECUTIVE SUMMARY

The central purpose of this report is to present information on travel-related economic activity in Missouri during FY11 (Fiscal Year 2011 runs from July 2010 through June 2011). 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

- Despite a continuing weakness in the overall U.S. economy, tourism and travel activity in Missouri was up slightly during FY11 (July 2010 – June 2011). An estimated 19.48 million households visited Missouri, up 0.5% from FY10.
- There were 36.09 million domestic visitors to Missouri during FY11, up 0.7% from FY10. There were 32.40 million leisure visitors, accounting for 89.8% of all the domestic visitors.
- Domestic visitor days in Missouri are estimated to have totaled 98.21 million during FY11, up from 98.20 million during FY10.
- Domestic travelers spent an estimated \$6.20 billion while visiting Missouri during FY11, up 2.3% from the \$6.05 billion estimated for FY10.
- Expenditures by domestic household travel parties visiting Missouri during FY11 are estimated to have averaged \$318.14, up 1.8% from FY10.

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 \$7.44 billion during FY11, up from \$7.42 billion during FY10. Increases in direct domestic expenditures (from \$6.05 billion to \$6.20 billion) and international expenditures (from \$0.13 billion to \$0.14 billion) more than offset declines in airport-related expenditure (from \$1.24 billion to \$1.11 billion).

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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 \$11.2 billion during FY11, down 1.0% from FY10. The fact that there was a decline despite there being a slight increase in direct expenditures reflects a shrinking multiplier effect. As in recent past years, 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 increased 2.8% during FY11, to \$10.25 billion. This reverses declines during the past two fiscal years.
- 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 FY11 is \$627 million, down 1.8% from FY10. As is the case with industrial output, this number is sensitive to changes in the mix of expenditures and the declining manufacturing base.
- Employment in tourism-related industries fell to 279,599 during FY11, down 0.6% from FY10. Taking into account changes made for FY11 in which industries are included in this category, this slight decline should be interpreted as representing essentially no change.
- Taxable sales in the 17 tourism-related industries accounted for 14.6% of all taxable sales during FY11, up from 14.4% during FY10. Given changes made this year in the tourism-related industries used to track employment, this is the most reliable gauge of the relative importance of tourism to Missouri's economy.

TARGETING

- The average age of those respondents reporting travel to Missouri during FY11 was 46.6, slightly younger than the 46.7 reported for FY10. An estimated 43% of the respondents had household heads with a 4 year degree or higher during FY11, up from 42% during FY10.
- It is estimated that half of the households visiting Missouri during FY11 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 households visiting Missouri during FY11 that consisted of singles fell to 43% (from 45% during FY10). The percentage that consisted of families was also down slightly (20% versus 22%), while the percentage that consisted of couples increased from 31% to 35%.

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VISITOR PROFILE

- Visit Friends/Relatives accounted for 44.3% of all visitors to Missouri during FY11, while Other Pleasure/Personal (15.7%), Entertainment/Sightseeing (14.0%), and Business (10.0%, both General and Convention/Conference/Seminar) were other important primary purpose of stays.
- Most of Missouri's visitors during FY11 (85.2%) 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 FY11 were Visiting Relatives (28.0%), Shopping (19.1%), Visiting Friends (13.5%) and Rural Sightseeing (9.6%).
- The percentage of domestic travelers in Missouri originating from out-of-state decreased during FY11 to 53.5% from 55.9% during FY10.
- Travel to Missouri is not very seasonal. About 25% of the visitors came during Spring and Fall, 29% came during Summer and 22% came during Winter. Individual months show more variation. The largest share came in June (10.6%) while January had the smallest share (5.7%).

COMMUNICATING

- During FY11, 77.4% of Missouri travelers came from Missouri and its surrounding eight states. The neighboring states alone accounted for 57.8% of all out-of-state travelers.
- More than half (59.8%) of traveling Missourians reported traveling in the state during FY11. Missouri also attracted large shares of travelers from Kansas (19.5%) and Arkansas (12.7%) during FY11.
- Missouri ranked 13th out of 49 (48 continental states and Washington, D.C.) in terms of FY11 market share, accounting for 2.48% of all visitors. Only two of Missouri's eight neighboring states did better: Illinois (3.03%) and Tennessee (2.61%).

REGIONS

- The Northeast and Northwest Regions accounted for 42.3% and 25.3%, respectively, of Missouri's total taxable sales from the 17 tourism-related industries during FY11. The Southwest region was third, accounting for 16.0% of the state total.
- Similarly, the Northeast and the Northwest Regions accounted for 42.2% and 23.6%, respectively, of Missouri's employment in tourism-related industries during FY11. The Southwest region was third, accounting for 15.5% of the state total.