

Tourism's Economics Impact on Sussex County

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TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

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1) Tourism Impact Summary and Trends

Economic impact summary

In 2017, visitors spent \$530 million in Sussex County. This spending supported a total of \$722 million in business sales, 8,147 jobs, and \$113 million in income.

Tourism supported \$23 million of state taxes and \$35 million in local taxes. **Without tourism, every household in Sussex County would have to contribute an additional \$1,098 annually** to maintain the current level of government services.

Detailed results are available in section 2.

Tourism's Impact on Sussex County

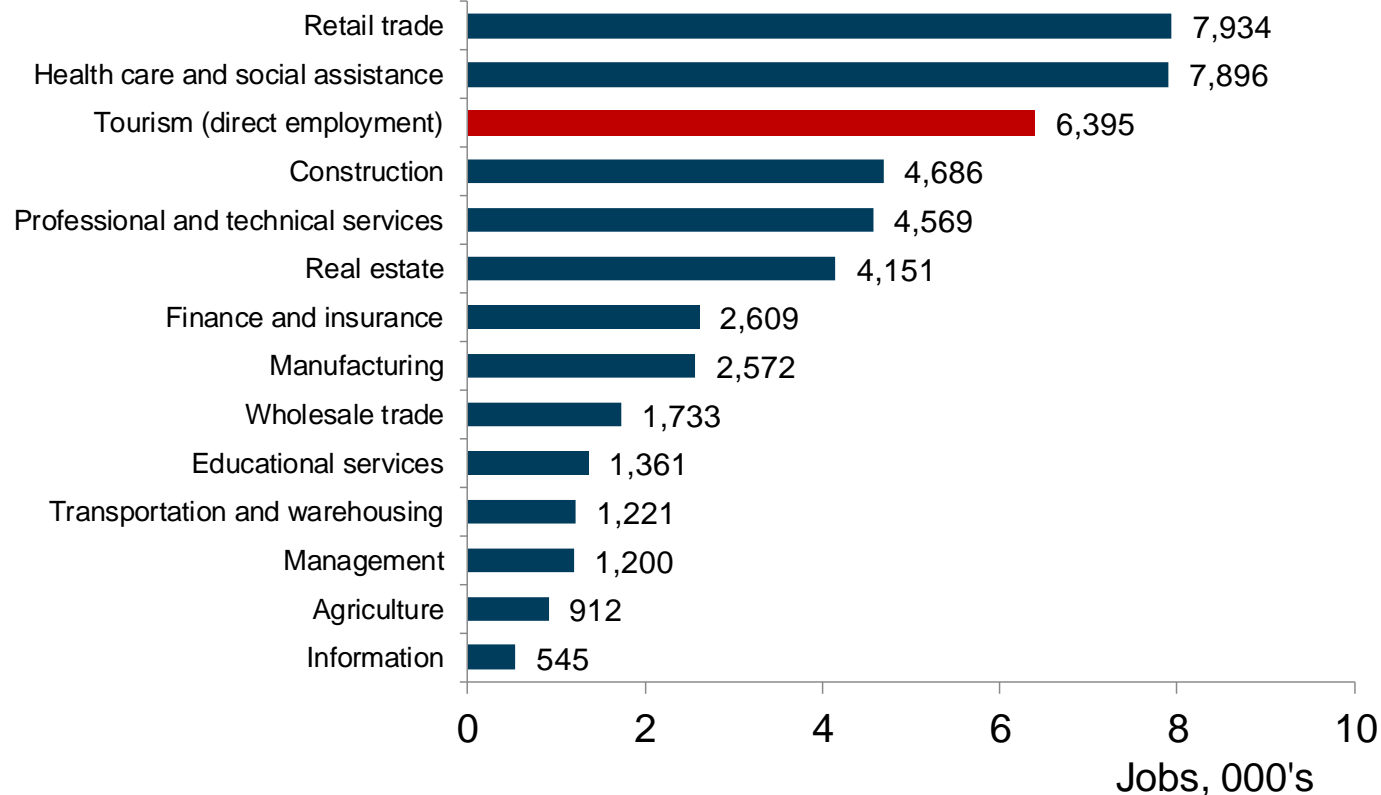
Nominal dollars, millions

Visitor spending	\$530.4
Total economic output	\$722
Direct expenditures	\$530
Indirect and induced output	\$192
Total income	\$113
Direct income	\$78
Indirect and induced income	\$35
Total jobs	8,147
Direct jobs	6,395
Indirect and induced jobs	1,752
State Taxes and Revenue	\$23.2
Sales	\$18.6
Personal Income	\$2.1
Corporate	\$1.1
Social Security	\$0.4
Excise and Fees	\$1.0
Local Taxes and Revenue	\$35.3
Sales	\$0.3
Bed Tax	\$2.2
Excise and Fees	\$1.4
Property	\$31.4

Source: Tourism Economics

Tourism is one of the largest industries in Sussex County

Employment by industry in Sussex County



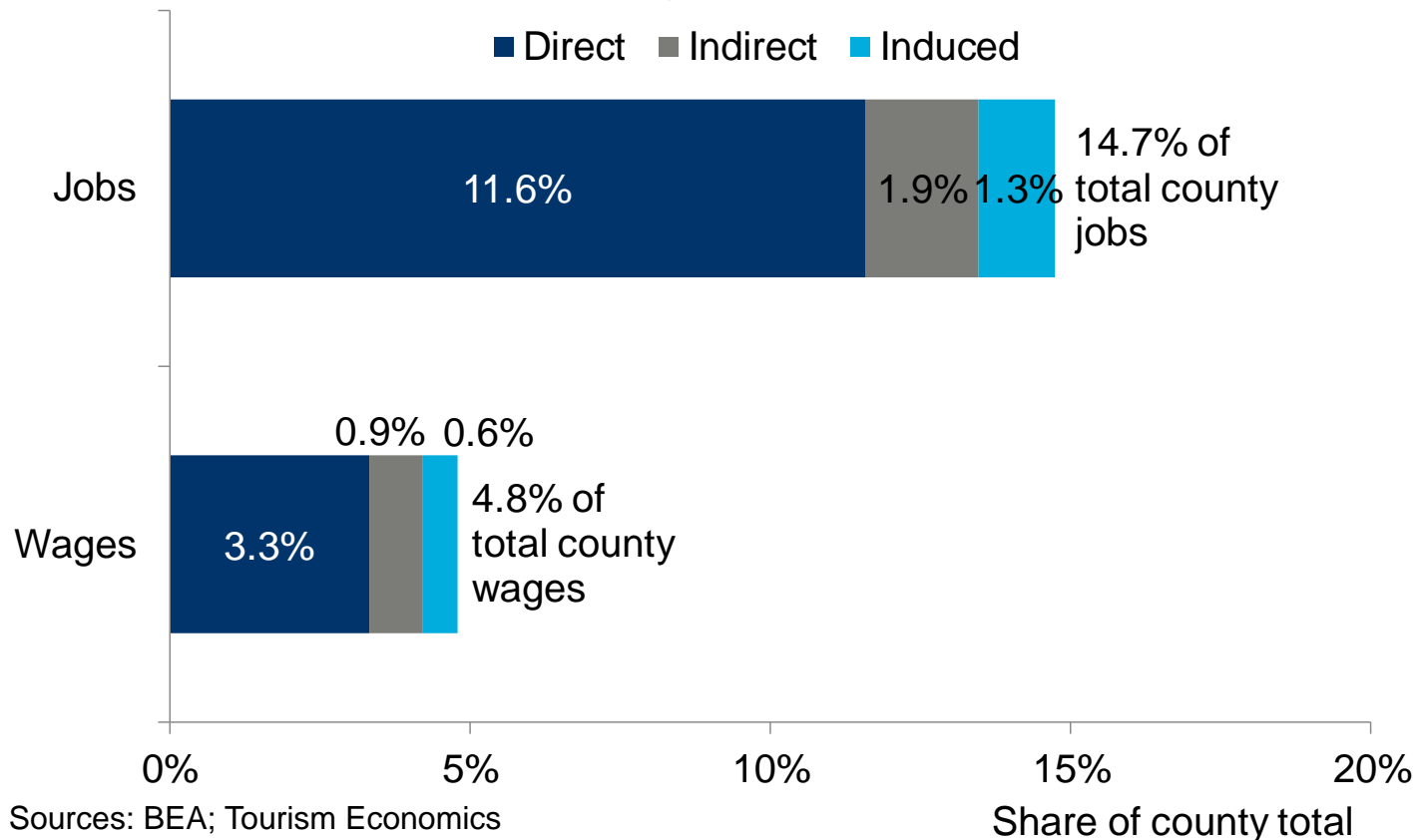
Sources: BEA; Tourism Economics

Note that BEA 2016 estimates are used for other industries

The tourism sector is a major contributor to Sussex County's economy

The tourism sector sustains 14.7% of all private sector jobs and 4.8% of all private sector income in Sussex County

Tourism's share of key local indicators

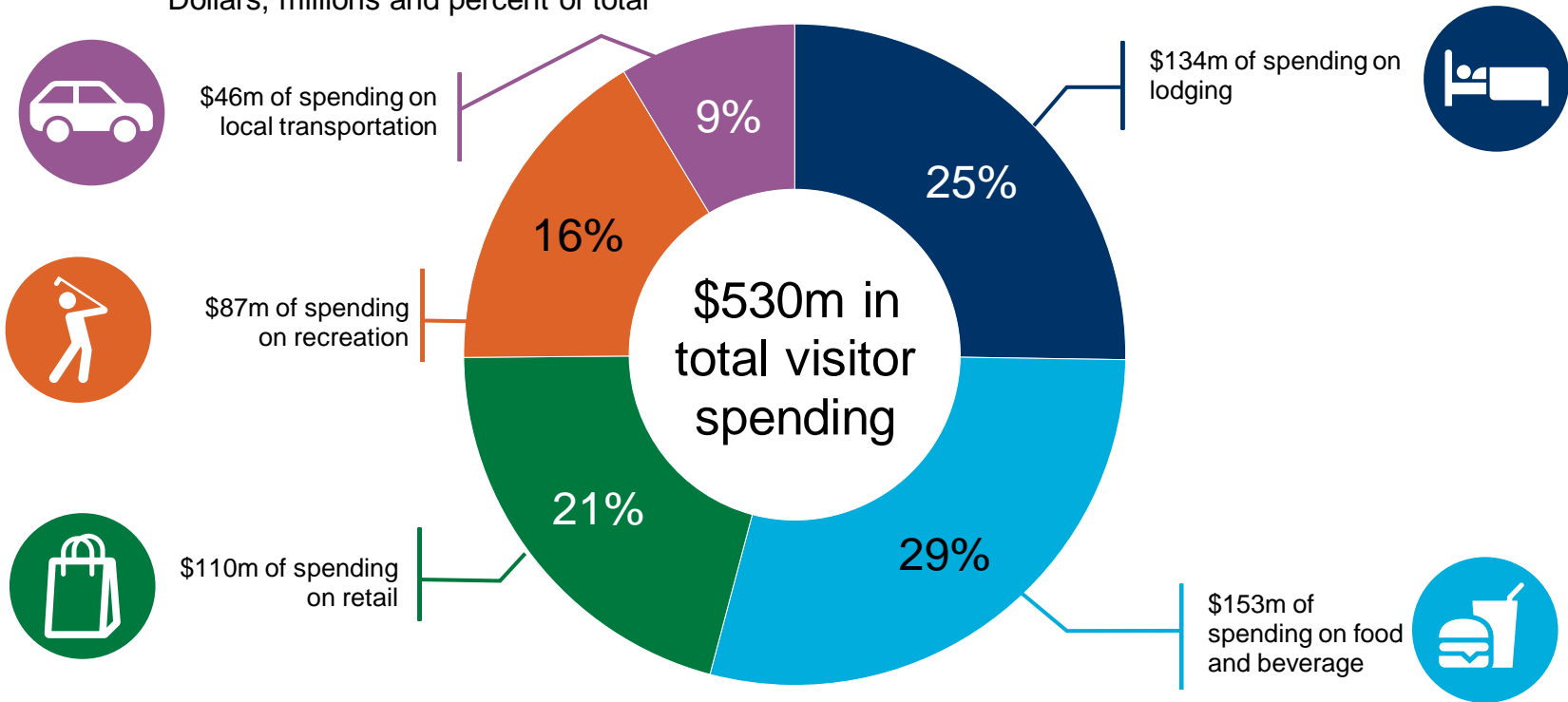


Visitor spending in Sussex County

Visitors to Sussex County spent \$530 million in 2017

Sussex County visitor spending by sector, 2017

Dollars, millions and percent of total



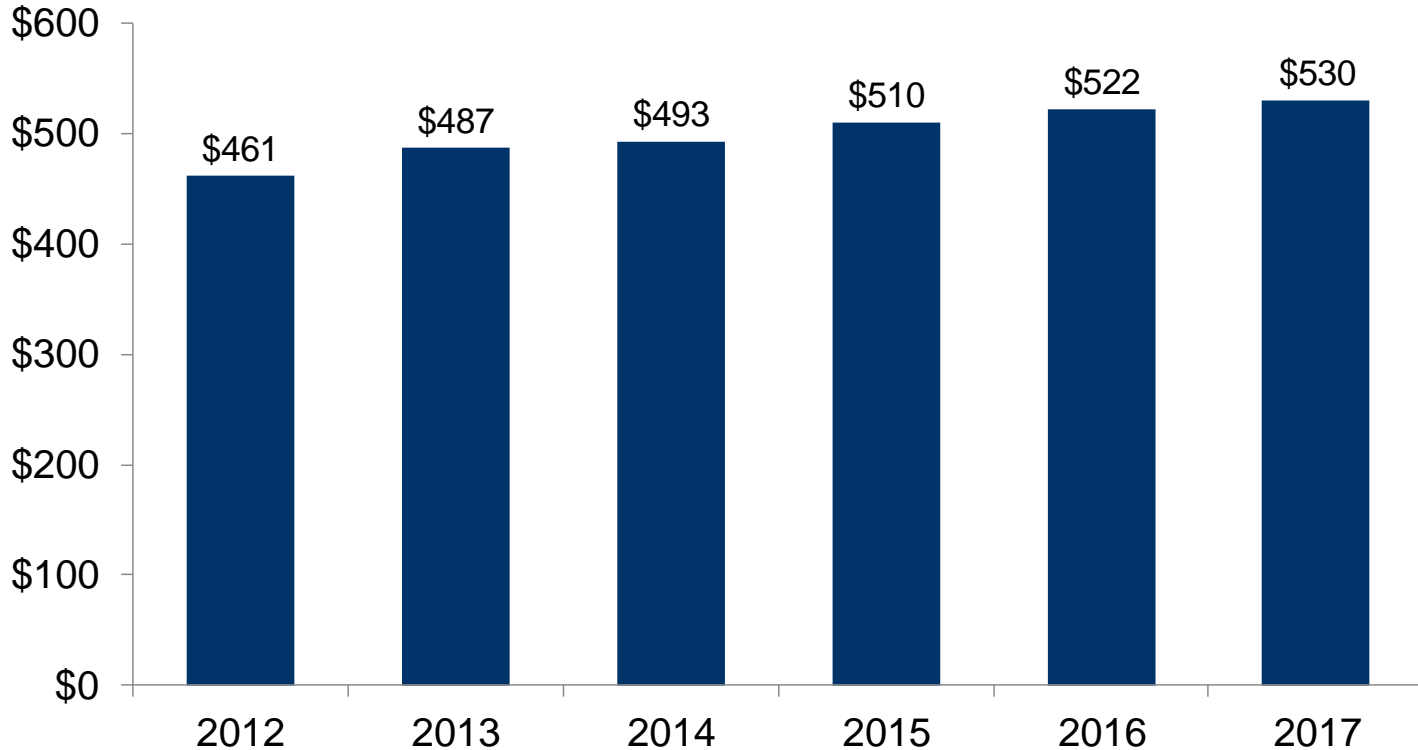
Source: Tourism Economics

Visitor spending has been steadily increasing

Visitor spending reached \$530 million in 2017, up from \$461 million in 2012, a 15% increase in five years

Visitor spending in Sussex County

Dollars, millions



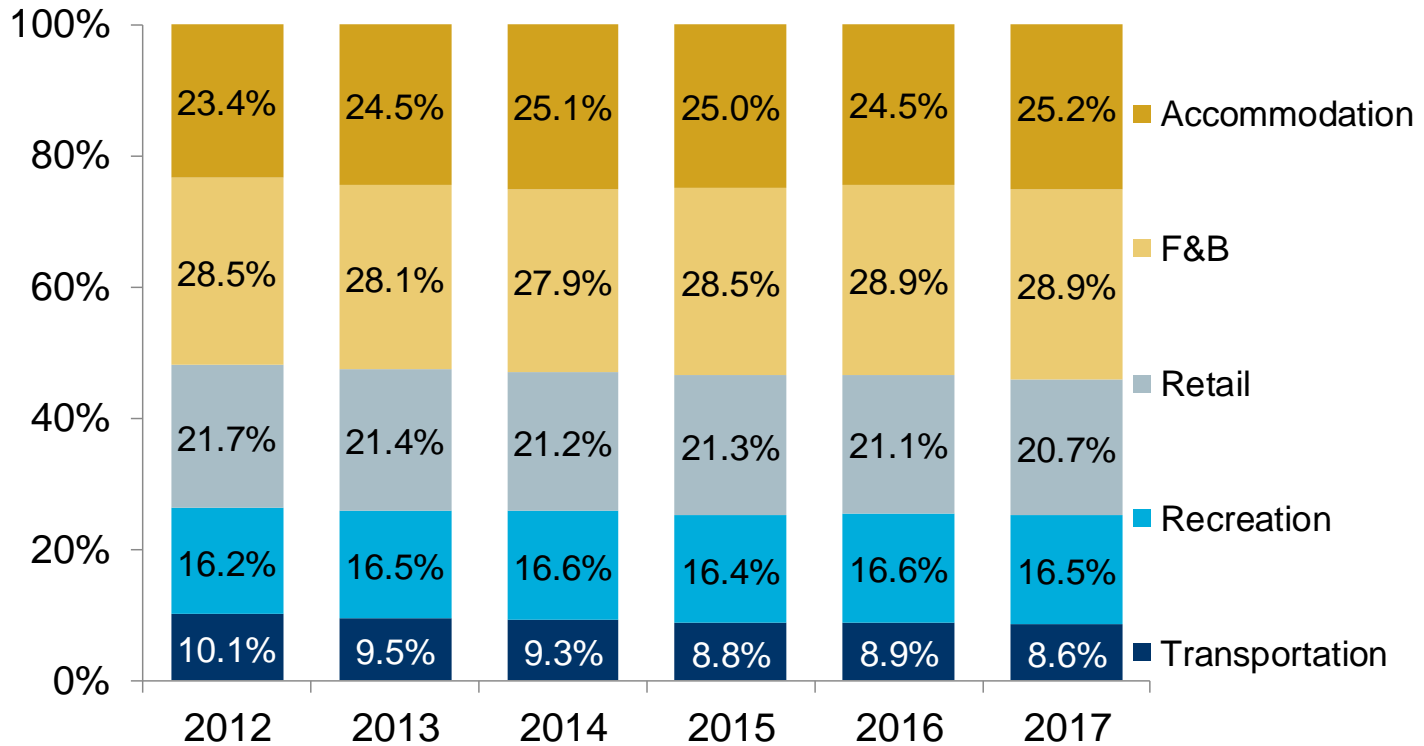
Source: Tourism Economics

Tourism spending is changing with prices

Low gasoline prices have reduced the share of spending on transportation over time

Visitor spending by category in Sussex County

Dollars, millions



Source: Tourism Economics

2) Detailed Results

Tourism's Impact on business sales (1 of 2)

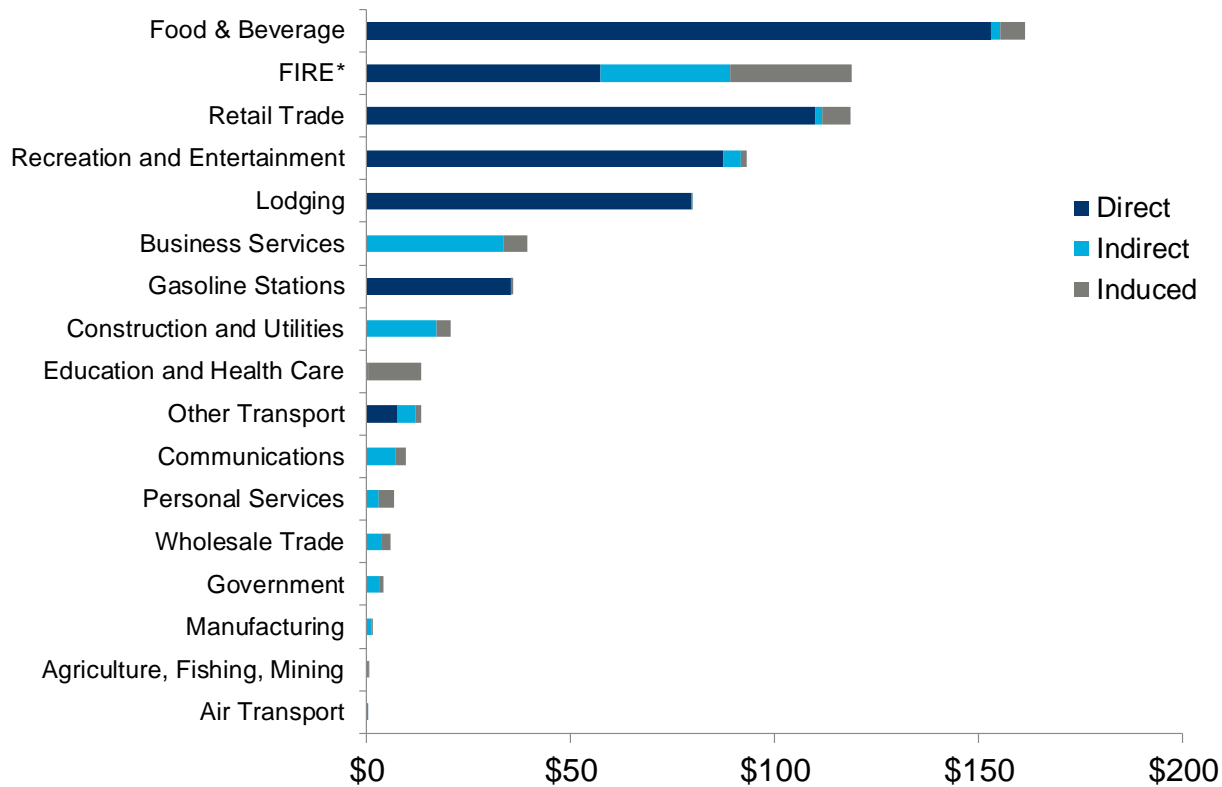
Tourism generated \$530 million in direct sales and supported \$722 million in total business sales

Tourism industry generated business sales, millions				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	\$0.4	\$0.2	\$0.6
Construction and Utilities	-	\$17.0	\$3.5	\$20.5
Manufacturing	-	\$1.1	\$0.1	\$1.2
Wholesale Trade	-	\$3.4	\$2.6	\$5.9
Air Transport	-	\$0.0	\$0.0	\$0.0
Other Transport	\$7.6	\$4.2	\$1.4	\$13.2
Retail Trade	\$110.0	\$1.7	\$6.7	\$118.5
Gasoline Stations	\$35.2	\$0.2	\$0.5	\$35.9
Communications	-	\$6.9	\$2.7	\$9.6
Finance, Insurance and Real Estate	\$57.4	\$31.8	\$29.6	\$118.8
Business Services	-	\$33.6	\$5.9	\$39.5
Education and Health Care	-	\$0.2	\$13.1	\$13.3
Recreation and Entertainment	\$87.5	\$4.3	\$1.6	\$93.3
Lodging	\$79.4	\$0.1	\$0.0	\$79.6
Food & Beverage	\$153.2	\$2.1	\$6.1	\$161.3
Personal Services	-	\$3.0	\$3.6	\$6.6
Government	-	\$3.2	\$0.7	\$4.0
TOTAL	\$530.4	\$113.2	\$78.3	\$722.0

Source: Tourism Economics

Tourism's Impact on business sales (2 of 2)

Tourism industry generated business sales, 2017



*Finance, insurance and real estate

Source: Tourism Economics

Tourism's Impact on income (1 of 2)

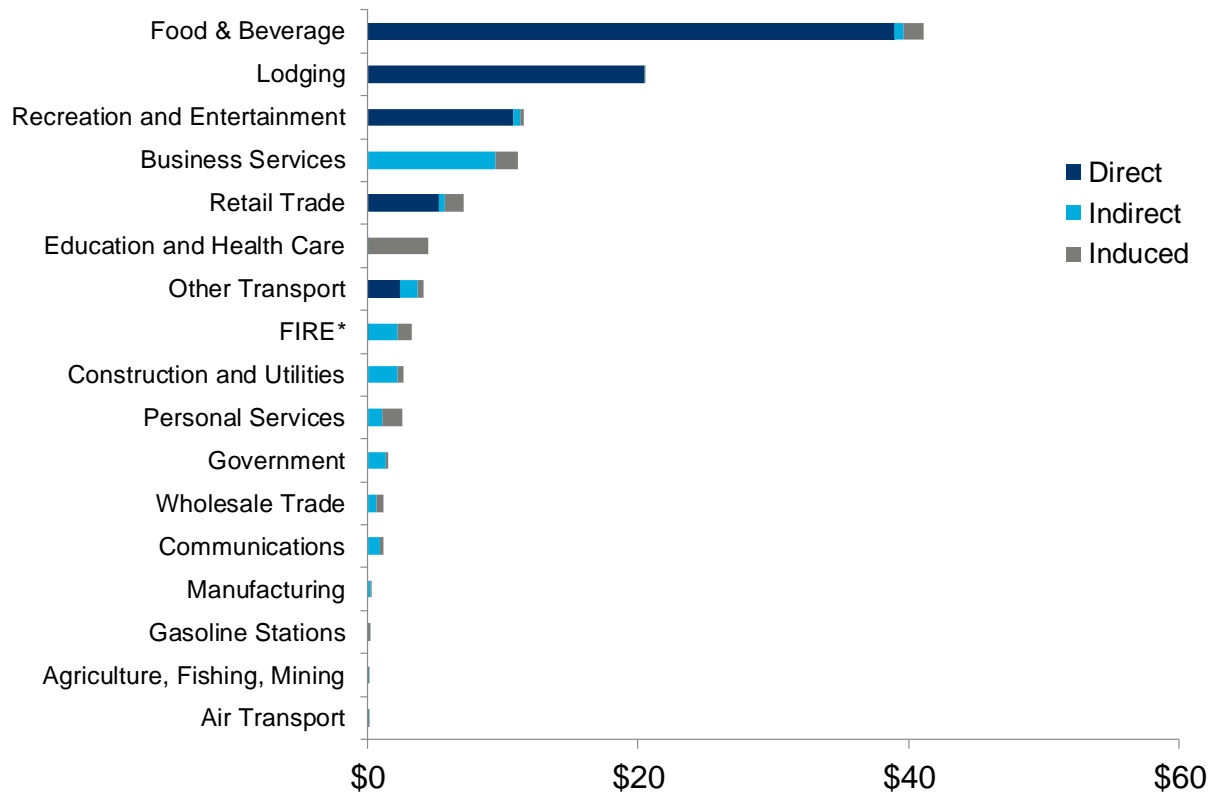
Tourism generated \$78 million in local income and supported \$113 million in total income

Tourism industry generated income, millions				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	-	-	-
Construction and Utilities	-	\$2.2	\$0.4	\$2.6
Manufacturing	-	\$0.2	-	\$0.2
Wholesale Trade	-	\$0.7	\$0.5	\$1.2
Air Transport	-	-	-	-
Other Transport	\$2.4	\$1.3	\$0.4	\$4.1
Retail Trade	\$5.3	\$0.4	\$1.4	\$7.1
Gasoline Stations	-	\$0.1	\$0.1	\$0.2
Communications	-	\$0.9	\$0.2	\$1.1
Finance, Insurance and Real Estate	-	\$2.2	\$1.0	\$3.2
Business Services	-	\$9.4	\$1.7	\$11.1
Education and Health Care	-	\$0.1	\$4.5	\$4.6
Recreation and Entertainment	\$10.7	\$0.6	\$0.2	\$11.5
Lodging	\$20.4	-	-	\$20.4
Food & Beverage	\$39.0	\$0.7	\$1.5	\$41.2
Personal Services	-	\$1.1	\$1.5	\$2.6
Government	-	\$1.3	\$0.2	\$1.5
TOTAL	\$77.8	\$21.1	\$13.8	\$112.7

Source: Tourism Economics

Tourism's Impact on income (2 of 2)

Tourism industry generated income, 2017



*Finance, insurance and real estate

Source: Tourism Economics

Tourism's Impact on jobs (1 of 2)

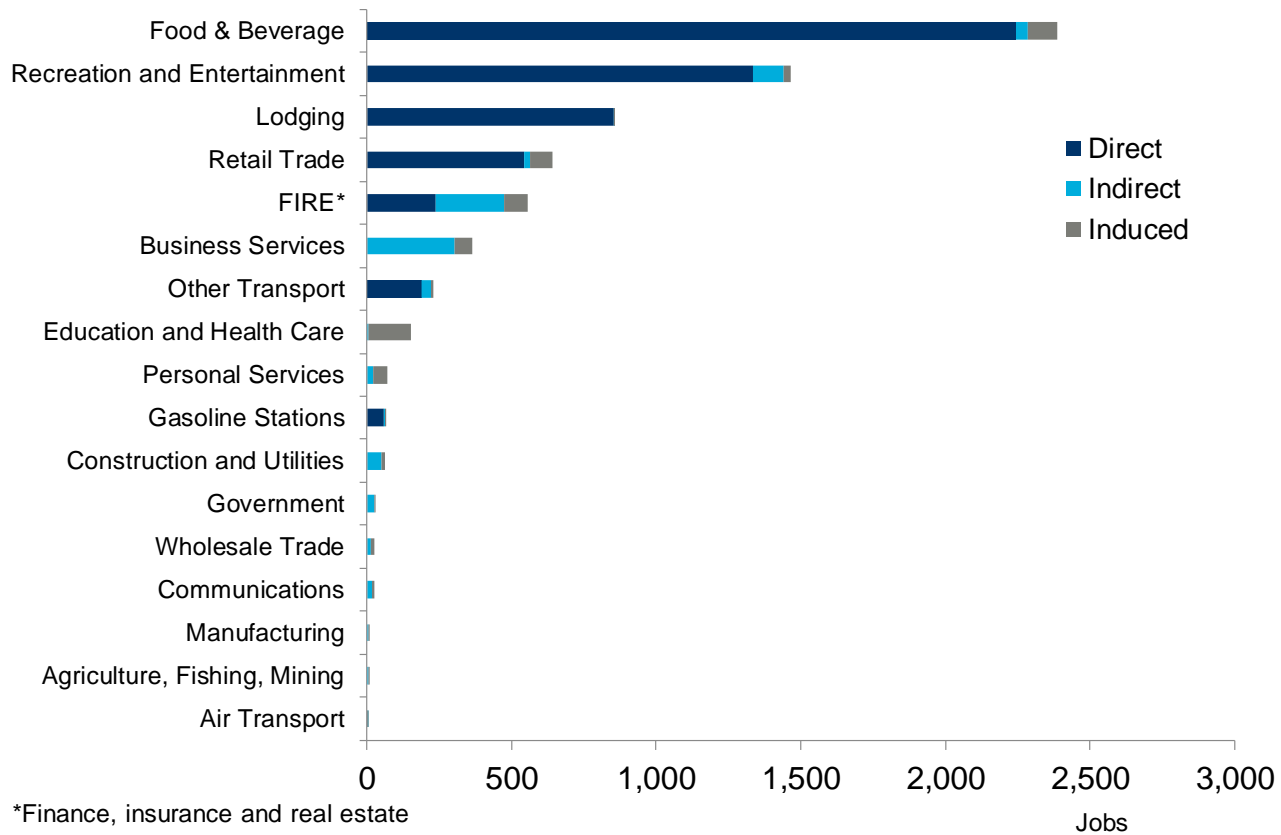
Tourism generated 6,395 jobs directly and supported 8,147 total jobs

Tourism industry generated employment				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	4	2	6
Construction and Utilities	-	62	12	74
Manufacturing	-	7	1	8
Wholesale Trade	-	18	14	32
Air Transport	-	-	-	-
Other Transport	189	36	13	238
Retail Trade	549	26	89	664
Gasoline Stations	58	3	8	69
Communications	-	22	7	29
Finance, Insurance and Real Estate	238	275	99	612
Business Services	-	355	72	427
Education and Health Care	-	9	171	180
Recreation and Entertainment	2,424	124	31	2,579
Lodging	449	1	-	450
Food & Beverage	2,487	50	118	2,655
Personal Services	-	25	61	86
Government	-	33	4	37
TOTAL	6,395	1,050	702	8,147

Source: Tourism Economics

Tourism's Impact on jobs (2 of 2)

Tourism industry generated employment, 2017



Tourism's Impact on taxes (2 of 2)

Tourism supported a total of \$35 million in local government revenue

Tourism supported tax revenue, millions			
	Direct	Indirect/Induced	Total
Federal	\$33.5	\$15.0	\$48.5
Personal Income	\$12.1	\$5.5	\$17.7
Corporate	\$2.9	\$1.7	\$4.7
Indirect business	\$2.2	\$1.1	\$3.3
Social Security	\$16.2	\$6.6	\$22.8
State and Local	\$41.0	\$15.7	\$58.5
Sales	\$13.0	\$3.2	\$18.9
Bed Tax	\$2.2	-	\$2.2
Personal Income	\$1.5	\$1.2	\$2.1
Corporate	\$0.7	\$0.4	\$1.1
Social Insurance	\$0.3	\$0.1	\$0.4
Excise and Fees	\$1.6	\$0.8	\$2.4
Property	\$21.7	\$9.9	\$31.4
Total	\$74.5	\$30.6	\$107.0

Source: Tourism Economics

Tourism supported tax revenues, millions	
	Total
State Revenues	\$23.2
Sales	\$18.6
Bed Tax	-
Personal Income	\$2.1
Corporate	\$1.1
Social Security	\$0.4
Excise and Fees	\$1.0
Property	-
Local Govt. Revenues	\$35.3
Sales	\$0.3
Bed Tax	\$2.2
Personal Income	-
Corporate	-
Social Security	-
Excise and Fees	\$1.4
Property	\$31.4
Total	\$58.5

Source: Tourism Economics

3) Methodology

How tourism generates impact

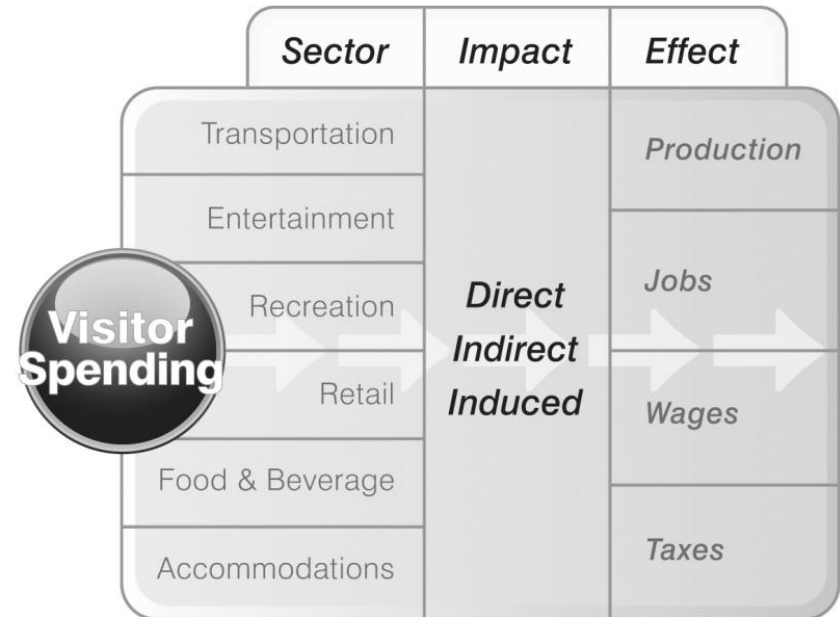
Our analysis of tourism's impact on Sussex County starts with actual spending by tourists, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in Sussex County, we input tourism spending into a model of Sussex County's economy created in IMPLAN. This model calculates three distinct types of impact: direct, indirect, and induced.

- Travelers create **direct** economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called **indirect** impacts.
- Lastly, the **induced** impact is generated when employees whose wages are generated either directly or indirectly by tourism, spend those wages in the local economy.

The impacts on business sales, jobs, wages, and taxes are calculated for all three levels of impact.

Tourism spending flows through the economy and generates economic benefit through multiple channels

How tourism spending flows through the economy and generates economic benefits



Illustrating the concepts

Travel & Tourism Industry

- The direct effect of visitor spending

Travel & Tourism Economic Impact

The flow-through effect of T&T all demand across the economy

- Expands the focus to measure the overall impact of T&T on all sectors of the economy

