

MONTEREY COUNTY TRAVEL IMPACTS 1992-2014P

April 2015

Prepared for the

Monterey County Convention and Visitors Bureau

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INTRODUCTION

This study, prepared for the Monterey County Convention and Visitors Bureau, documents the economic significance of the travel industry in Monterey County from 1992 through 2014. This report provides preliminary 2014 estimates for Monterey County, estimates of selected areas within the county, and a countywide estimate of overnight visitor volume and average spending.

MEASUREMENT OF TRAVEL IMPACTS

The impact estimates associated with traveler spending in Monterey County were measured using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The RTIM was calibrated specifically to represent the unique characteristics of the travel industry in Monterey County. The impact estimates in this report are comparable to those found in the report prepared for the California Travel and Tourism Commission.¹ The estimates for 2014 are designated as preliminary due to some incomplete source data for the calendar year. Any future revisions will be minor.

REVISIONS TO 2014 REPORT

There were four methodological and data revisions in this year's report. These revisions apply to all estimates from 1992 through 2014.

Ground Transportation:

The estimate of destination or visitor spending now includes only a portion of the ground transportation expenditures for travel that occur in the county. The remaining portion is included in "other travel" as it represents transportation costs for travel to another destination within California.

State and Local Travel-Generated Tax Revenue:

Two additional types of tax revenue are included in this report: local property taxes paid by businesses and travel industry employees (households) and the state and local sales and excise taxes paid by travel industry employees (households).

Other Travel:

Other travel now includes a portion of spending on ground transportation (see above), travel arrangement services (NAICS 5615) and Convention and Trade Show Organizers (NAICS 56192). As with previous estimates, "other travel" also includes a portion of resident outbound air travel to non-California destinations.

¹ See *California Travel Impacts, 1992-2014p*, prepared for the California Travel and Tourism Commission.

Visitor Volume:

The recalibration of the impact model and the use of new survey data resulted in some adjustment to the visitor volume and average spending estimates.² The total overnight visitor volume estimates are now slightly greater because of the revised estimates for party size and length of stay. The total overnight per day spending estimate (\$418 for 2014) is only slightly less than the 2013 estimate (\$429).

INTERPRETATION OF IMPACT ESTIMATES

Users of this report should be aware of other issues regarding the interpretation of reported impact estimates

- All estimates contained in this report supersede those previously published.
- The estimates in this report are expressed in *current* dollars. There is no adjustment for inflation.
- Economic impact measurements reported herein represent only direct economic impacts. Direct economic impacts include only the spending by travelers and the employment generated by that spending. Secondary effects related to the additional spending of businesses and employees are not included.
- The employment estimates in this report are estimates of the total number of full and part-time jobs directly generated by travel spending, rather than the number of individuals employed. Both payroll and self-employment are included in these estimates. Caution should therefore be used in comparing these estimates with other employment data series.

² The visitor survey data was taken from TNS TravelsAmerica survey.

RECENT TRAVEL TRENDS IN MONTEREY COUNTY

Travel spending in Monterey County in 2014 was \$2,573 million. This represents a 4.4 percent increase from 2013. Employment increased for the fourth consecutive year following the recession. Employment has increased by 5.1 percent per year since 2011. Local and state travel-generated state tax receipts increased by 6.4 percent and 4.1 percent, respectively.

Monterey County Direct Travel Impacts, 1992-2014p

	Spending (\$Million)	Earnings (\$Million)	Employment	Tax Receipts (\$Million)		
				Local	State	Total
1992	1,254	446	18,710	44.8	56.2	101.0
1993	1,285	460	18,940	46.2	58.1	104.4
1994	1,303	458	19,000	47.1	58.3	105.4
1995	1,372	490	19,950	51.2	62.5	113.7
1996	1,534	539	21,090	56.6	68.9	125.6
1997	1,649	559	21,250	59.9	72.8	132.6
1998	1,707	609	22,060	62.5	74.3	136.8
1999	1,885	666	23,460	68.8	82.8	151.6
2000	1,962	683	22,480	71.8	85.4	157.2
2001	1,931	725	22,900	71.3	83.6	154.9
2002	1,910	740	22,050	71.5	85.8	157.3
2003	1,938	744	21,450	73.5	87.7	161.1
2004	1,967	750	21,340	72.5	91.2	163.7
2005	2,043	762	21,340	73.7	96.7	170.4
2006	2,156	823	21,960	81.2	102.2	183.5
2007	2,208	877	22,030	87.9	104.7	192.6
2008	2,236	898	22,080	88.5	104.8	193.3
2009	2,082	849	20,710	81.8	107.3	189.2
2010	2,114	817	19,540	80.7	111.4	192.1
2011	2,254	858	20,320	83.3	113.0	196.4
2012	2,364	922	22,010	88.5	111.8	200.3
2013	2,465	966	22,710	94.1	119.9	214.0
2014p	2,573	1,039	23,850	100.0	124.8	224.9
<i>Annual Percentage Change</i>						
13-14p	4.4	7.5	5.0	6.4	4.1	5.1
92-14p	3.3	3.9	1.1	3.7	3.7	3.7

Estimates for 2014 are preliminary. These estimates supersede all previous reports.

TRAVEL IMPACTS WITHIN MONTEREY COUNTY

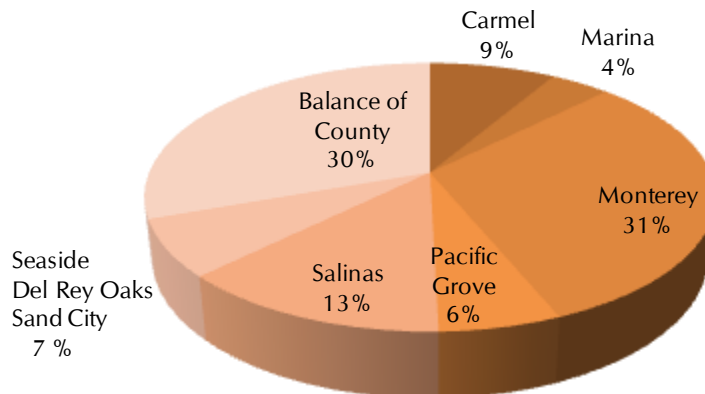
Summary breakouts for nine areas within Monterey County are reported below. The detailed breakouts of travel impacts for areas within Monterey County are based upon room tax receipts reported by the individual jurisdictions, the Economic Census, and taxable sales reported by the California State Board of Equalization. This provides a reasonable estimate of the distribution of travel impacts within Monterey County. However, such small area estimates are necessarily less reliable than countywide estimates. It is for this reason that only total impacts (e.g., total travel spending, employment) are provided at the sub-county level for the most recent year.

Travel Impacts within Monterey County, 2014p

	Spending (\$Million)	Earnings (\$Million)	Employment	Tax Receipts (\$Million)		
				Local	State	Total
Carmel	219	89	2,033	8.5	10.6	19.2
Marina	103	42	959	4.0	5.0	9.0
Monterey	803	324	7,443	31.2	39.0	70.2
Pacific Grove	150	61	1,393	5.8	7.3	13.1
Salinas	336	136	3,118	13.1	16.3	29.4
Seaside/Sand City/Del Rey Oaks	176	71	1,632	6.8	8.5	15.4
Balance of County	785	317	7,272	30.5	38.1	68.6
Monterey County Total	2,573	1,039	23,850	100.0	124.8	224.9

Sources: Dean Runyan Associates, California State Board of Equalization, 2007 Economic Census, and individual taxing jurisdictions.

Distribution of Travel Impacts within Monterey County, 2014p



VISITOR VOLUME AND AVERAGE SPENDING

The following table provides average spending estimates for overnight travelers to Monterey County.

Monterey County Average Spending, 2014p Overnight Visitors

	Visitor Spending (\$Million)	Travel Party		Person		Length of Stay (nights)	Party Size (persons)
		per day (\$)	per trip (\$)	per day (\$)	per trip (\$)		
Hotel, Motel	1,759	734	1,666	324	735	2.3	2.3
Private Home	170	118	386	56	181	3.3	2.1
Other Overnight	102	99	298	36	108	3.0	2.8
All Overnight	2,031	418	1,106	179	476	2.6	2.3

Notes: *Size refers to the average number of persons in the travel party. **Length of Stay refers to the average number of nights in Monterey County. Destination spending refers to visitor spending at destinations within Monterey County.

Visitor volume estimates for the county are shown below. These estimates are derived from the visitor spending estimates, visitor surveys and lodging data.

Monterey County Overnight Visitor Volume, 2012-2014p

	Person-Days (000)			Party-Days (000)		
	2012	2013	2014p	2012	2013	2014p
Hotel, Motel	4,900	5,200	5,400	2,200	2,300	2,400
Private Home	3,000	3,000	3,100	1,400	1,400	1,400
Other Overnight	2,600	2,700	2,800	1,000	1,000	1,000
All Overnight	10,500	11,000	11,300	4,500	4,700	4,900

	Person-Trip (000)			Party-Trips (000)		
	2012	2013	2014p	2012	2013	2014p
Hotel, Motel	2,200	2,300	2,400	1,000	1,000	1,100
Private Home	900	900	900	400	400	400
Other Overnight	900	900	900	300	300	300
All Overnight	4,000	4,100	4,300	1,700	1,800	1,800

Detailed travel impacts for 1992 through 2014p follow.

**Monterey County
Travel Impacts, 1992-2004**

	1992	1995	1998	1999	2000	2002	2004
Total Direct Travel Spending (\$Million)							
Destination Spending	1,206	1,324	1,620	1,789	1,851	1,824	1,895
Other Travel*	47	49	86	96	112	86	72
Total Direct Spending	1,254	1,372	1,707	1,885	1,962	1,910	1,967
Visitor Spending by Type of Traveler Accommodation (\$Million)							
Hotel, Motel	798	892	1,124	1,255	1,300	1,275	1,323
Private Home	99	100	113	120	124	128	141
Campground	17	19	22	23	25	27	26
Vacation Home	39	41	44	46	47	50	53
Day Travel	254	271	318	345	354	343	352
Destination Spending	1,206	1,324	1,620	1,789	1,851	1,824	1,895
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	259	297	379	424	462	437	448
Food Service	316	345	433	478	483	502	530
Food Stores	30	34	43	46	47	49	52
Local Tran. & Gas	67	74	86	104	120	114	140
Arts, Ent. & Rec.	203	219	261	283	285	284	291
Retail Sales	325	349	413	448	448	431	418
Visitor Air Tran.	6	6	6	6	6	6	16
Destination Spending	1,206	1,324	1,620	1,789	1,851	1,824	1,895
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	239	262	315	341	349	383	397
Arts, Ent. & Rec.	143	160	203	224	231	253	260
Retail**	42	44	52	59	60	65	65
Ground Tran.	10	11	14	16	16	17	16
Visitor Air Tran.	2	1	2	2	2	2	3
Other Travel*	10	11	23	24	26	20	9
Total Direct Earnings	446	490	609	666	683	740	750
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	12.1	12.9	14.0	14.8	14.2	14.2	14.2
Arts, Ent. & Rec.	3.6	3.9	4.4	4.8	4.6	4.3	4.0
Retail**	2.1	2.1	2.3	2.4	2.3	2.3	2.2
Ground Tran.	0.5	0.5	0.6	0.6	0.6	0.6	0.5
Visitor Air Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	0.4	0.4	0.7	0.7	0.7	0.6	0.3
Total Direct Employment	18.7	20.0	22.1	23.5	22.5	22.0	21.3
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	45	51	62	69	72	72	72
State Tax Receipts	56	62	74	83	85	86	91
Total Local & State	101	114	137	152	157	157	164

Details may not add to totals due to rounding.

*Other Travel includes resident air travel and ground transportation impacts for travel to other California destinations, travel arrangement & reservation services, and convention & trade show organizers. **Retail includes gasoline.

**Monterey County
Travel Impacts, 2006-2014p**

	2006	2008	2010	2011	2012	2013	2014p
Total Direct Travel Spending (\$Million)							
Destination Spending	2,060	2,132	2,023	2,150	2,259	2,363	2,476
Other Travel*	96	103	91	103	105	102	97
Total Direct Spending	2,156	2,236	2,114	2,254	2,364	2,465	2,573
Visitor Spending by Type of Traveler Accommodation (\$Million)							
Hotel, Motel	1,433	1,479	1,385	1,475	1,565	1,658	1,759
Private Home	149	157	159	168	170	170	170
Campground	35	37	33	34	37	38	40
Vacation Home	56	60	59	61	61	61	62
Day Travel	386	400	387	411	426	436	446
Destination Spending	2,060	2,132	2,023	2,150	2,259	2,363	2,476
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	501	514	461	483	524	571	624
Food Service	574	612	612	645	676	702	733
Food Stores	55	61	57	62	63	65	69
Local Tran. & Gas	179	201	181	212	218	220	214
Arts, Ent. & Rec.	300	302	285	302	315	327	342
Retail Sales	431	423	413	431	446	461	478
Visitor Air Tran.	18	19	15	15	16	17	18
Destination Spending	2,060	2,132	2,023	2,150	2,259	2,363	2,476
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	432	469	434	452	485	506	551
Arts, Ent. & Rec.	285	312	280	297	321	338	359
Retail**	69	69	61	64	68	71	74
Ground Tran.	17	19	17	19	21	22	24
Visitor Air Tran.	7	12	10	10	11	13	14
Other Travel*	13	17	15	15	16	17	18
Total Direct Earnings	823	898	817	858	922	966	1,039
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accom. & Food Serv.	14.6	15.0	13.4	13.8	14.7	15.1	16.0
Arts, Ent. & Rec.	4.2	4.0	3.3	3.6	4.3	4.4	4.6
Retail**	2.2	2.1	1.9	2.0	2.1	2.2	2.2
Ground Tran.	0.5	0.6	0.5	0.5	0.6	0.6	0.6
Visitor Air Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Direct Employment	22.0	22.1	19.5	20.3	22.0	22.7	23.8
Government Revenue Generated by Travel Spending (\$Million)							
Local Tax Receipts	81	89	81	83	88	94	100
State Tax Receipts	102	105	111	113	112	120	125
Total Local & State	183	193	192	196	200	214	225

Details may not add to totals due to rounding.

*Other Travel includes resident air travel and ground transportation impacts for travel to other California destinations, travel arrangement & reservation services, and convention & trade show organizers. **Retail includes gasoline.

APPENDICES

APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

APPENDIX B: TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS

**REGIONAL TRAVEL IMPACT MODEL (RTIM)
TRAVEL IMPACT ESTIMATION PROCEDURES**

TRAVEL SPENDING

Hotel, Motel, B&B. Spending on commercial accommodations by hotel and motel guests is estimated from transient lodging tax collections at the city/county jurisdictional level.

Campgrounds. Spending by campers using commercial campgrounds is estimated from the number of commercial campsites, the average occupancy of these campsites. Spending by campers using public campgrounds is estimated from visitor counts at federal, state, and locally managed campsites and recreation areas, and the average daily expenditures of visitor camp parties reported in survey data.

Private Home. Spending by private home guests is determined from census data and visitor survey data. The average number of days per year visitors hosted by residents and the average daily spending of these visitors are estimated from visitor survey data.

Vacation Home. The estimated spending by vacation home renters and owners is also based on census data and visitor survey data.

Day Travel. The share of day visits as a percentage of total travel is estimated from visitor survey data and applied to average daily spending estimates to produce day visitor spending.

Spending by visitors in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data.

RELATED TRAVEL IMPACTS

Spending by travelers generates jobs, payroll, and state and local tax revenue.

Earnings generated directly from traveler expenditures are estimated from a payroll-to-receipts ratio obtained from the 2007 Economic Census and earnings estimates from the Bureau of Economic Analysis.

Employment in each business category is calculated from wage data supplied by the U.S. Department of Labor and earnings estimates from the Bureau of Economic Analysis.

Local Taxes consist of local room taxes and sales taxes attributable to visitor spending and property and sales taxes attributable to travel industry employees and businesses.

State Taxes consist of sales taxes and motor fuel taxes attributable to visitors and income and sales taxes attributable to travel industry employees.

TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS

TRAVEL IMPACT INDUSTRY	NAICS INDUSTRIES* (code)
Accommodation & Food Services	Accommodation (721) Food Services and Drinking Places (722) Residential Property Managers (531311)
Arts, Entertainment & Recreation	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487) Miscellaneous Industries (see note**)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)

Notes: *Government enterprises (e.g., park systems) are included in this classification.

**Includes parts of industries in other sectors (e.g., accommodation, charter bus).

A more detailed description of these industries can be found at <http://www.ntis.gov/naics>.