



# IRVING VISITOR INDUSTRY

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## 2015 Economic Impact Report

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# Introduction

## Research Objectives

This report presents the findings of a year-long research project conducted by Destination Analysts on behalf of the Irving Convention & Visitors Bureau. Throughout calendar year 2015, Destination Analysts administered several research projects designed to estimate the economic impact of the visitor industry on the City of Irving. This research was developed to gather information needed for use in Destination Analysts' Travel Industry Economic Impact Model, which produces estimates of direct visitor spending in Irving (i.e., the Gross Economic Impact of the visitor industry to Irving), tax revenues generated by tourism for the City of Irving and the number of jobs (and payroll) supported by the industry.

## Methodology

Three distinct research studies were conducted to develop the data inputs needed to use the Economic Impact Model for the City of Irving. These data inputs included annual estimates of the number of visitors and the average number of days they spent in Irving (for key traveler segments), as well as estimates of per-person, per-day spending in Irving (in detail by type of spending). This information, along with other data such as hotel occupancy rates, industry payroll data and city tax receipts, were all used as inputs to our Economic Impact Model in order to derive the results presented in this report. The model is a standard price-quantity model used in economic measurement, with visitor spending estimated in detail from survey research and visitor volume estimated from the combined use of survey data and estimates of the existing stock of hotel rooms and occupied housing units in the City of Irving.

A complete list of resources used to obtain all data inputs necessary to the

Economic Impact Model is contained in Appendix I. The three research projects Destination Analysts conducted specifically to derive the data necessary for the Economic Impact Model are summarized following:

### **2015 Hotel Guest Survey:**

The 2015 Irving Hotel Guest Survey was a 27-question survey produced as a one-page, tri-fold postage-paid printed piece. This survey was developed to obtain data from Irving's hotel guests on direct visitor spending in various tourism-related categories, as well as other relevant information. The survey was distributed to all hotel guests at 26 participating hotels over a two-week period during each quarter of 2015. In total, 438 fully-completed surveys were collected.

### **2015 National-Regional Travel Survey:**

The objective of the National-Regional Survey was to gather information to help develop visitor volume and spending profiles for visitors to Irving who came on day-trips, and for those who stayed overnight in Irving in private residences. This survey was conducted online of three groups of adult Americans: (1) those living in Texas (but outside the Dallas-Ft. Worth metropolitan area), (2) those living in the Dallas-Fort Worth Metroplex and (3) others living outside the state of Texas. The survey was conducted in January 2015—amongst a sample of 400 adults from each of the three geographic areas. Respondents to the survey were recruited from a national survey panel, with the survey invitation being sent to a representative sample of the adult population in each area.

### **2015 Survey of Irving Meeting Planners:**

A survey of the City of Irving's meeting planner clients was also conducted, primarily to develop estimates of meeting sponsors' expenditures from holding their events in the city. This survey was collected amongst meeting planners who worked with the Irving CVB at some point to plan a meeting in 2015. Data from this short, six-question survey was collected from 72 meeting planners immediately after their meetings were held.

## Executive Summary

### Research Findings

- **Annual Visitor Volume:** Irving had over 3.4 million visitors in 2015, up 8.9 percent from the previous year. The biggest component of Irving's visitor market are hotel guests, accounting for 1.63 million visitors, or 47.5 percent of the total. The second largest visitor segment are persons staying with friends or relatives in private homes either in Irving or outside the city but taking day trips into Irving. In total, 38.5 percent of Irving's visitors, or 1.31 million visitors, stayed in private homes outside Irving but in the DFW Metroplex. 8.7 percent, or 300,000, of the city's visitors stayed in homes inside the City of Irving (Figure 4.1, Page 8).
- **Visitor Days in Irving:** The typical visitor to Irving spent 2.85 days in the city. In total, visitors to Irving spent 9.7 million total person-days in the city during 2015. This marks an approximate 10 percent increase from 2014. As a result, on an average day during the year, there were 26,632 visitors in Irving. Approximately half (51.6%) of these visitor days were comprised of persons staying in an Irving hotel or motel. In total, visitors staying in the city's commercial lodging spent 5.0 million person-days in the city during 2015 (Figure 4.2, Page 9).
- **Visitor Spending in Irving:** In 2015, the Irving visitor industry generated \$2.33 billion in direct visitor spending inside the city, an increase of 19.1 percent over 2014. Most of this spending came from local hotel guests. These visitors were responsible for \$1.78 billion in visitor spending, or 76.4 percent of the total (Figure 4.3, Page 10).

- **Visitor Spending by Type:** Irving visitors purchase a diverse range of items and services, including lodging, food and transportation. The greatest single component of this spending is on lodging, which accounted for 28.5 percent of all spending, or \$644 million, in 2015. The second largest component was the \$519 million visitors spent in Irving restaurants. This accounted for 22.3 percent of visitor spending in Irving (Figure 4.4, Page 11).
- **Conference and Meeting Expenditures:** Group meetings accounted for \$505 million in visitor spending for Irving in 2015. 89.7 percent of this spending was direct spending by meeting attendees in Irving. The remaining quarter of this total spending (approximately \$52 million) was in-market spending by persons sponsoring or exhibiting at these events and meetings (Figure 4.5, Page 12).
- **Jobs Supported by Irving Visitor Industry:** In 2015, 19,666 jobs were supported by the visitor industry. The majority of these jobs are in either the hotel or restaurant industries. Visitor spending backs an estimated 5,950 hotel industry jobs and 8,446 jobs in restaurants and food-related industries (Figure 4.6, Page 13).
- **Visitor Industry Payroll:** In 2015, the 19,666 jobs supported by the Irving visitor industry had an estimated total combined payroll of \$523 million (Figure 4.7, Page 14).
- **Tax Revenues Generated:** The local visitor industry generated over \$55.6 million in tax revenues for the City of Irving in 2015. Taxes directly generated by the visitor industry include revenues from the transient occupancy tax (hotel tax), sales taxes and property taxes paid on hotels. The hotel industry generates the majority of these revenues, with the combination of transient occupancy tax and property taxes on hotels creating almost \$44 million in income for the city (Figure 4.8, Page 15).

## Quick Facts:

The profile below compares key economic statistics emerging from this research for the past two years:

	2014	2015
Total visitors to Irving:	3.13 million	3.4 million
Visitors staying in Irving hotels or motels:	1.4 million	1.6 million
Visitors staying in private homes (inside Irving):	270 thousand	296 thousand
Visitors to Irving staying in private homes (other DFW area):	1.24 million	1.3 million
Total visitor spending in Irving:	\$1.96 billion	\$2.3 billion
Spending by visitors staying in Irving hotels, motels or inns:	\$1.45 billion	\$1.73 billion
Economic impact of conferences and group meetings:	\$429 million	\$505 million
Spending in Irving by visitors for food and restaurants:	\$412 million	\$406 million
Jobs supported by Irving visitor industry:	16,502	19,966
Irving visitor industry payroll:	\$436 million	\$523 Million
Taxes generated by the visitor industry for the City of Irving:	\$51.5 million	\$55.6 million
Tax revenues generated per Irving household:	\$592	\$662
Visitors in Irving on an average day:	24,182	26,623
Visitor spending in Irving on an average day:	\$5.4 million	6.4 million
Annual visitor spending per Irving resident:	\$8,440	\$10,196

## Graphical Presentation of Research Findings

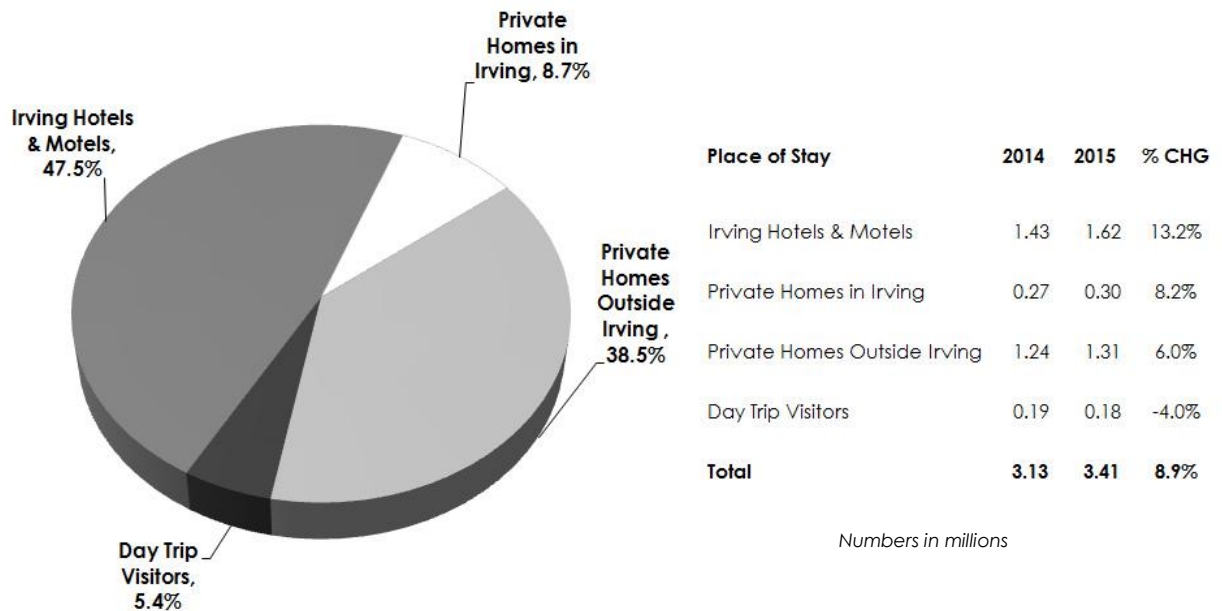
In this section, we present the research's basic findings. A brief written analysis is included for each chart.



## Annual Visitor Volume, 2015

Irving had over 3.4 million visitors in 2015, up 8.9 percent from the previous year. The biggest component of Irving's visitor market are hotel guests, accounting for 1.63 million visitors, or 47.5 percent of the total. The second largest visitor segment are persons staying with friends or relatives in private homes either in Irving or outside the city but taking day trips into Irving. In total, 38.5 percent of Irving's visitors, or 1.31 million visitors, stayed in private homes outside Irving but in the DFW Metroplex. 8.7 percent, or 300,000, of the city's visitors stayed in homes inside the City of Irving. 8.7 percent, or 300,000, of the city's visitors stayed in homes inside the City of Irving. 8.7 percent, or 300,000, of the city's visitors stayed in homes inside the City of Irving.

**Figure 4.1: Annual Visitor Volume, 2015 (by Place of Stay)**  
(in millions)

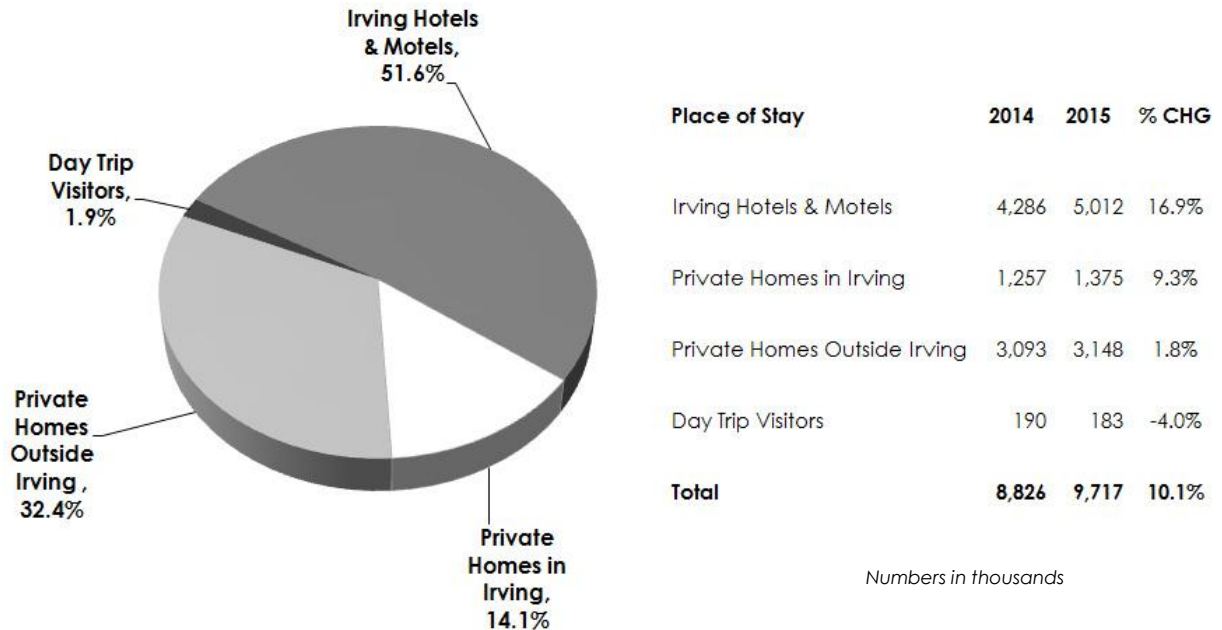


**FIGURE 4.1** – Annual visitor volume in Irving defined by place of stay (2015). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

## Visitor Days in Irving, 2015

The typical visitor to Irving spent 2.85 days in the city. In total, visitors to Irving spent 9.7 million total person-days in the city during 2015. This marks an approximate 10 percent increase from 2014. As a result, on an average day during the year, there were 26,632 visitors in Irving. Approximately half (51.6%) of these visitor days were comprised of persons staying in an Irving hotel or motel. In total, visitors staying in the city's commercial lodging spent 5.0 million person-days in the city during 2015.

**Figure 4.2: Visitor Days in Irving, 2015**  
(in thousands)

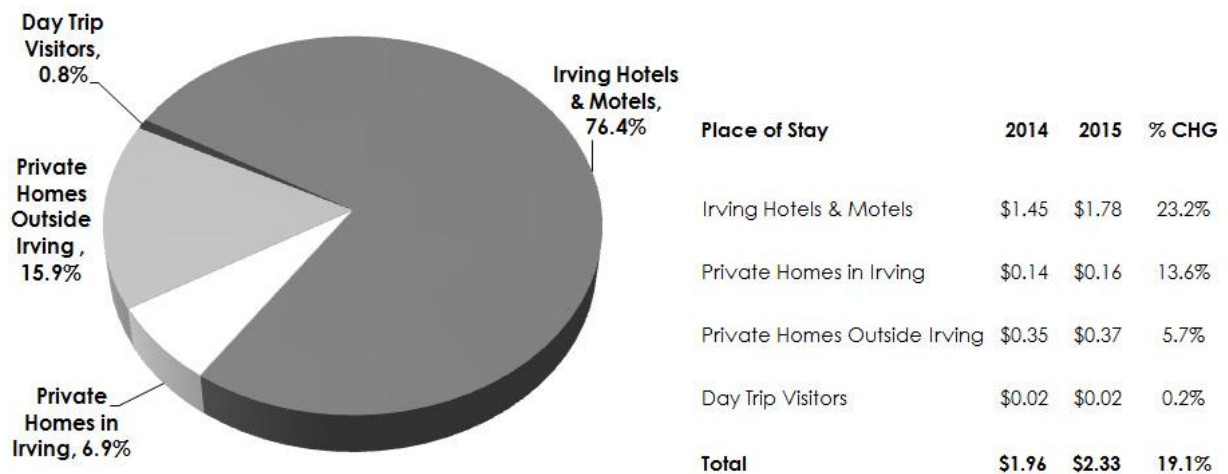


**FIGURE 4.2** - Annual visitor days (person-days) spent in Irving, defined by place of stay (2015).  
Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

## Direct Visitor Spending in Irving, 2015

In 2015, the Irving visitor industry generated \$2.33 billion in direct visitor spending inside the city, an increase of 19.1 percent over 2014. Most of this spending came from local hotel guests. These visitors were responsible for \$1.78 billion in visitor spending, or 76.4 percent of the total.

**Figure 4.3: Direct Visitor Spending in Irving, 2015**



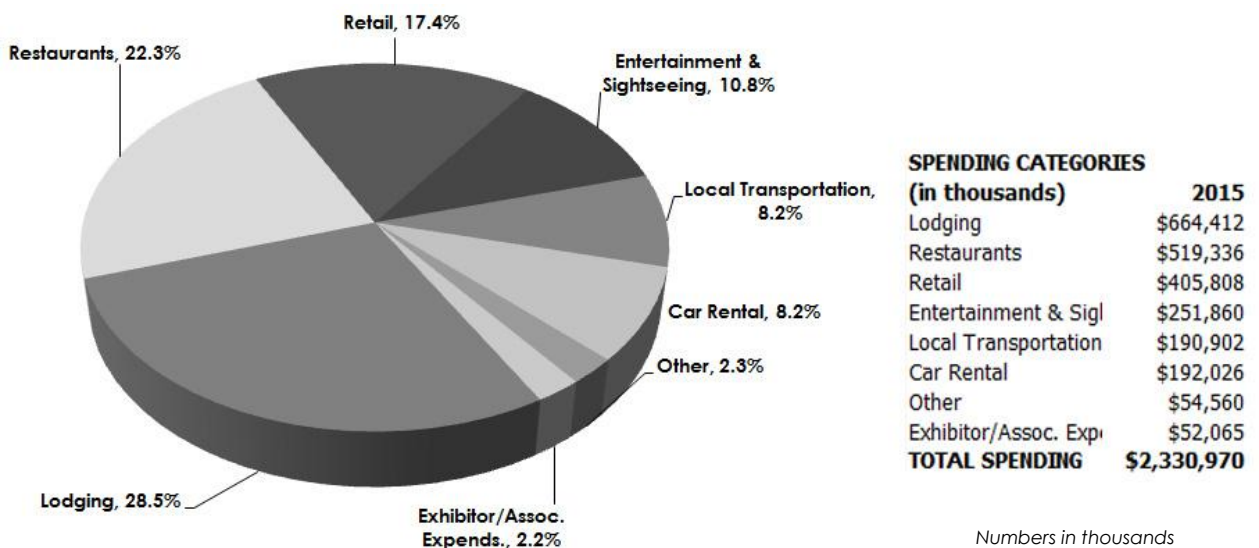
*Numbers in billions*

**FIGURE 4.3** - Annual direct visitor spending in Irving, defined by place of stay (2015). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

## Direct Visitor Spending by Type, 2015

Irving visitors purchase a diverse range of items and services, including lodging, food and transportation. The greatest single component of this spending is on lodging, which accounted for 28.5 percent of all spending, or \$644 million, in 2015. The second largest component was the \$519 million visitors spent in Irving restaurants. This accounted for 22.3 percent of visitor spending in Irving.

**Figure 4.4: Visitor Spending in Irving by Type, 2015**

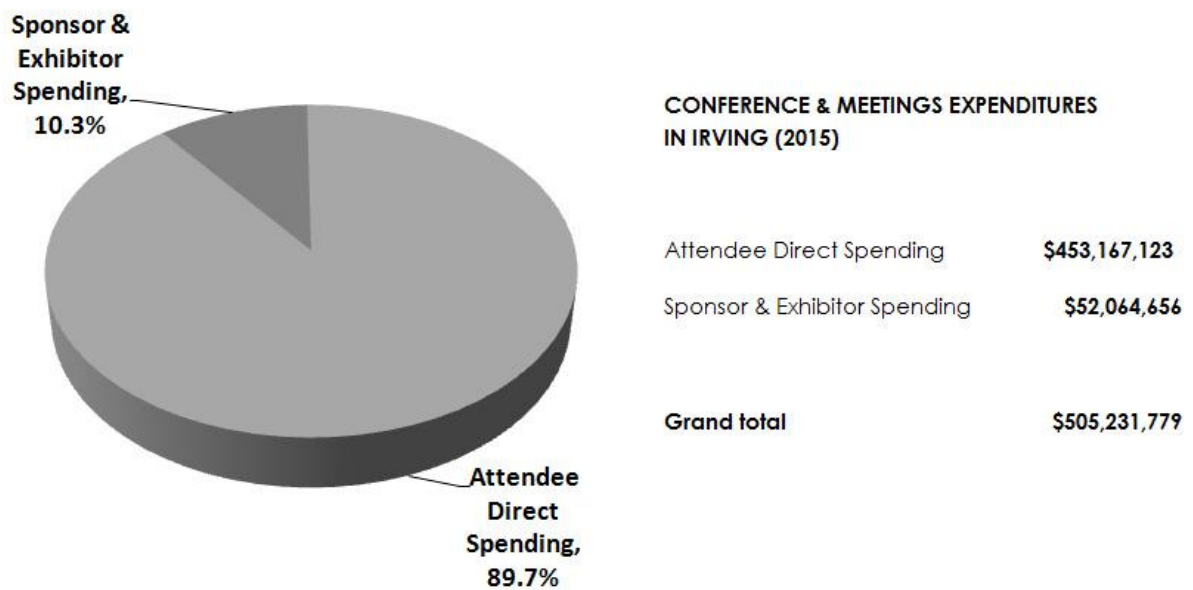


**FIGURE 4.4** - Annual direct visitor spending in Irving by type (2015). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

## Conference and Meeting Expenditures, 2015

Group meetings accounted for \$505 million in visitor spending for Irving in 2015. 89.7 percent of this spending was direct spending by meeting attendees in Irving. The remaining quarter of this total spending (approximately \$52 million) was in-market spending by persons sponsoring or exhibiting at these events and meetings.

**Figure 4.5: Conference and Meetings Expenditures, 2015**

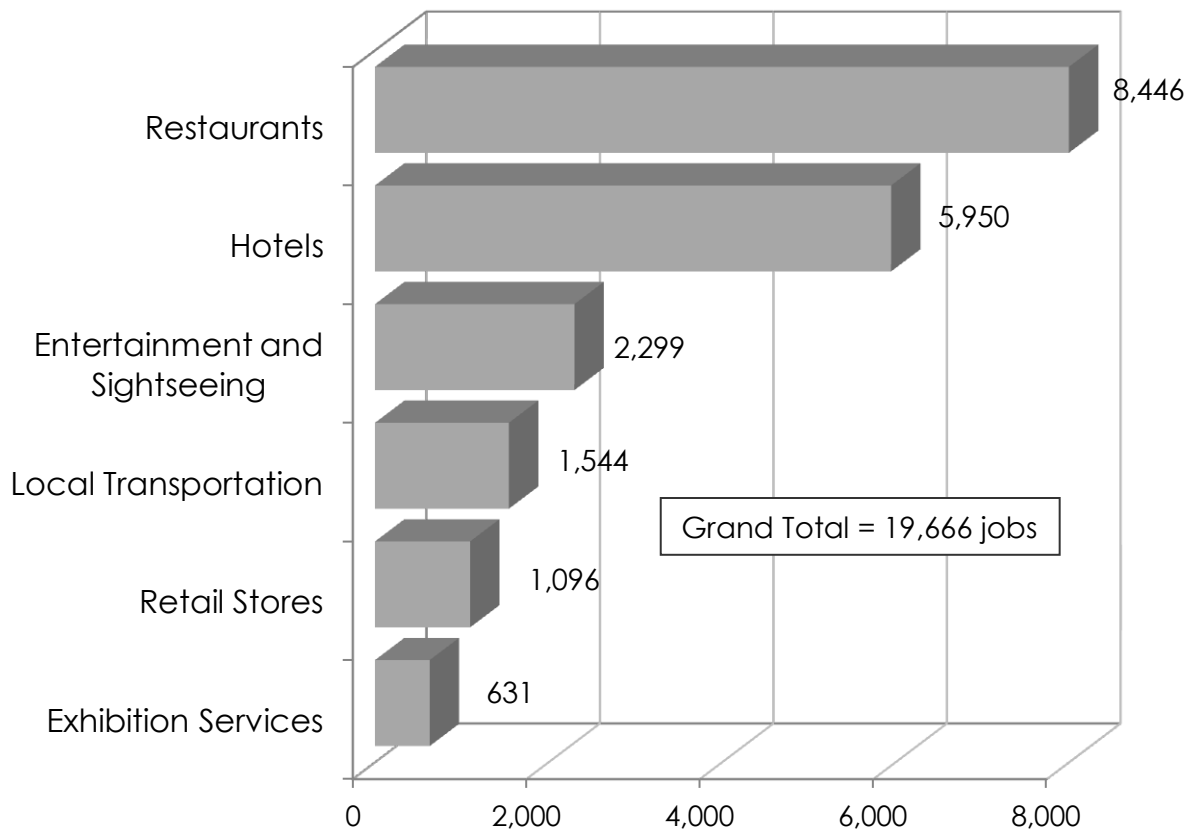


**FIGURE 4.5** – Conference and meeting expenditures (2015): The two components estimated in this model are direct spending by meeting attendees and spending by a meeting’s sponsor or host for other goods and services necessary to hold a meeting. These meeting hosts include associations, businesses, churches and other organizations holding their meeting in Irving. Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

## Jobs Supported by Irving Visitor Industry, 2015

In 2015, 19,666 jobs were supported by the visitor industry. The majority of these jobs are in either the hotel or restaurant industries. Visitor spending backs an estimated 5,950 hotel industry jobs and 8,446 jobs in restaurants and food-related industries.

**Figure 4.6: Jobs Supported by Irving Visitor Industry, 2015**

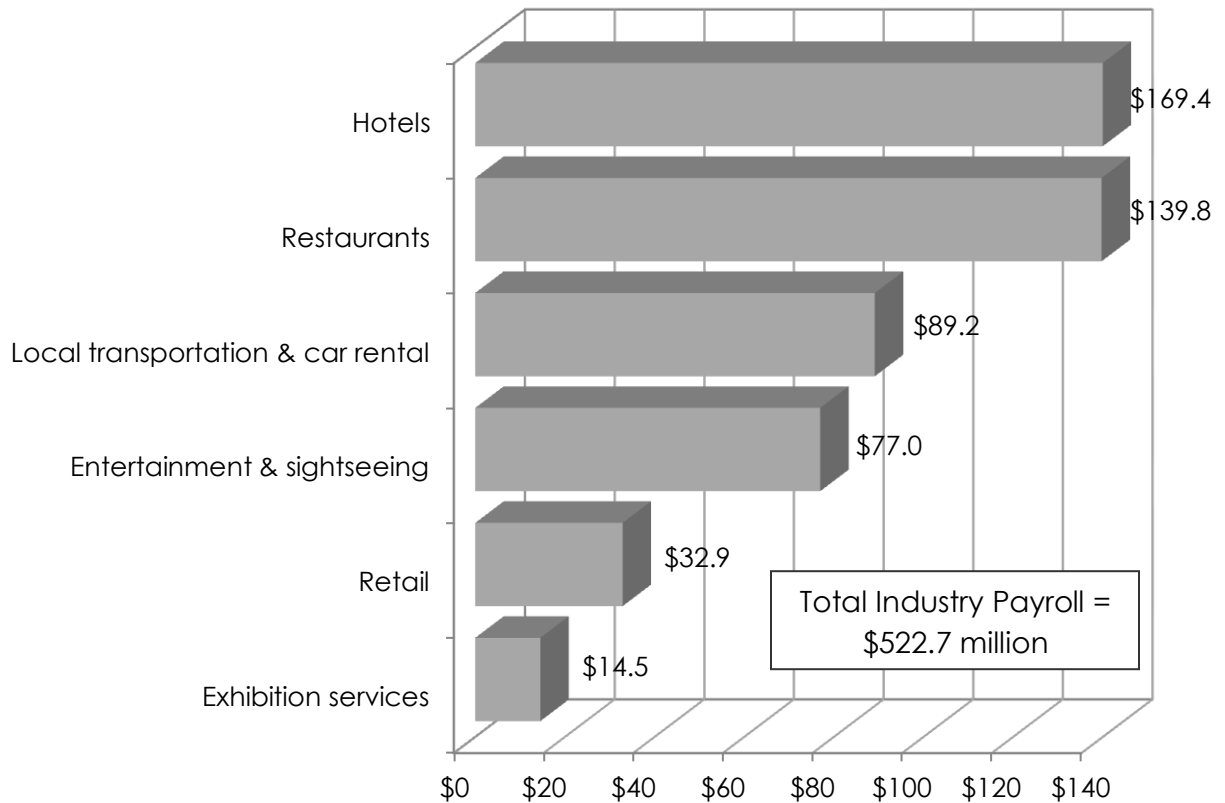


**FIGURE 4.6** – Jobs supported by the Irving Visitor Industry (2015). Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

## Irving Visitor Industry Payroll, 2015

In 2015, the 19,666 jobs supported by the Irving visitor industry had an estimated total combined payroll of \$523 million.

**Figure 4.7: Irving Visitor Industry Payroll (in millions), 2015**



**FIGURE 4.7 – Irving Visitor Industry Payroll (2015).** Source: Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau.

## Tax Revenues Generated for the City of Irving, 2015

The local visitor industry generated over \$55.6 million in tax revenues for the City of Irving in 2015. Taxes directly generated by the visitor industry include revenues from the transient occupancy tax (hotel tax), sales taxes and property taxes paid on hotels. The hotel industry generates the majority of these revenues, with the combination of transient occupancy tax and property taxes on hotels creating almost \$44 million in income for the city.

**Figure 4.8: Tax Revenues Generated for the City of Irving, 2015**

<b>IRVING CITY REVENUES PAID DIRECTLY BY VISITOR INDUSTRIES: 2015</b>		Total Annual Direct Revenue in 2015 \$1,000s
<b>MAJOR REVENUE SOURCES</b>		
<b>HOTEL TAX</b>		
Visitor Spending on Lodging	\$664,412	
Tax Rate (Local)	9.0%	
Factor for Non-Taxable Room Sales	40.5%	
Hotel Tax Collected by the City		\$24,208
<b>HOTEL PROPERTY TAX</b>		
Property Taxes Paid to the City by Hotels		\$19,767
<b>SALES TAX</b>		
Visitor Spending (including 8.25% tax)		
Retail	\$405,808	
Restaurants (less 15% tips)	\$519,336	
Entertainment & Sightseeing	\$251,860	
Tax Rate (net to City and County)	1.00%	
Sales Tax Returned to the City		\$11,654
<b>DIRECT CITY REVENUES FROM VISITOR INDUSTRY</b>		<b>\$55,628</b>

Source: Destination Analysts, Inc., model developed for the Irving Convention & Visitors Bureau

**FIGURE 4.8 – Tax Revenues Generated for the City of Irving (2015).** Source: City of Irving, Destination Analysts Economic Impact Model developed for the Irving Convention & Visitors Bureau. Property taxes included are for hotels and motels in Irving.



## Appendix I: References

The following resources were used in the preparation of these estimates.

1. 2015 Irving Hotel Guest Survey, Final Project Report. Research conducted by Destination Analysts, Inc. for the Irving Convention & Visitors Bureau
2. National-Regional Travel Survey, 2015 Survey of Adult Americans
3. 2015 Survey of Irving Meeting Planners, Final Project Report. Research conducted by Destination Analysts, Inc. for the Irving Convention & Visitors Bureau
4. Irving citywide hotel occupancy & hotel tax data provided by the Irving Convention & Visitors Bureau
5. U.S. Census Bureau, Economic Census
6. U.S. Census Bureau, County Business Patterns
7. U.S. Bureau of Labor Statistics, Employment Cost Index
8. U.S. Census Bureau, population estimates
9. Travel Industry Association of America, Travel Price Index