

# **MONTEREY COUNTY TRAVEL IMPACTS 1992-2017P**

May 2018

*Prepared for the*

Monterey County Convention and Visitors Bureau

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TRAVEL IMPACTS, 1992-2017P**

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*Prepared by*

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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 2017. This report provides preliminary 2017 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.<sup>1</sup> The estimates for 2017 are designated as preliminary due to some incomplete source data for the calendar year. Any future revisions will be minor.

## 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.

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<sup>1</sup> See *California Travel Impacts by County, 2000-2017p*, prepared for the California Travel and Tourism Commission.

## RECENT TRAVEL TRENDS IN MONTEREY COUNTY

Travel spending in Monterey County in 2017 was \$2,849 million. This represents a 3.5 percent increase from 2016. Employment increased for the seventh consecutive year following the recession. Employment has increased by 3.9 percent per year since 2010. Local travel-generated receipts increased by 8.7 percent and state travel-generated receipts decreased 1.4 percent. The decrease in state taxes is due to the decrease in the state sales tax rate.

### Monterey County Direct Travel Impacts, 1992-2017p

	Spending	Earnings	Employment	Tax Receipts (\$Million)		
	(\$Million)	(\$Million)		Local	State	Total
1992	1,229	444	18,630	45	56	101
1993	1,260	458	18,870	46	58	104
1994	1,278	456	18,920	47	58	105
1995	1,347	489	19,870	51	62	113
1996	1,508	537	21,010	56	69	125
1997	1,623	557	21,170	60	73	132
1998	1,678	606	21,970	62	74	136
1999	1,857	663	23,350	68	83	151
2000	1,939	680	22,380	71	86	157
2001	1,907	722	22,800	71	84	154
2002	1,886	737	21,950	71	86	157
2003	1,917	740	21,330	73	88	161
2004	1,895	723	20,560	69	89	158
2005	2,031	756	21,170	73	98	170
2006	2,122	802	21,420	81	103	184
2007	2,189	860	21,610	88	106	194
2008	2,182	868	21,330	88	105	193
2009	2,131	870	21,220	87	111	197
2010	2,078	801	19,140	83	112	194
2011	2,274	863	20,510	87	116	202
2012	2,427	951	22,750	94	117	211
2013	2,495	989	23,310	100	123	223
2014	2,602	1,050	23,970	106	129	235
2015	2,695	1,110	24,190	113	130	244
2016	2,752	1,165	24,830	117	130	247
2017p	2,849	1,226	24,990	127	128	255
<i>Annual Percentage Change</i>						
16-17p	3.5%	5.2%	0.6%	8.7%	-1.4%	3.4%
92-17p	3.4%	4.1%	1.2%	4.3%	3.4%	3.8%

Estimates for 2017 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.

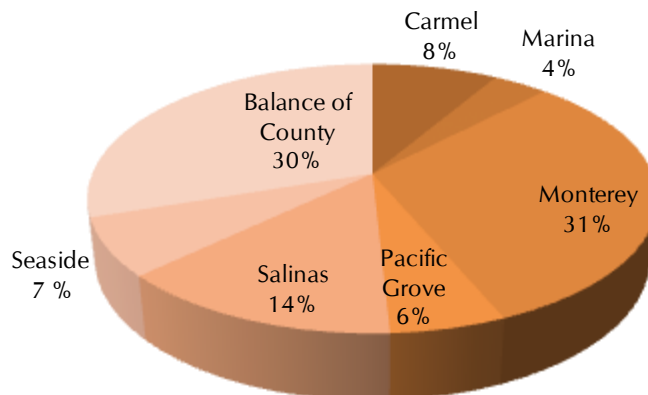
### Travel Impacts within Monterey County, 2017p

	Spending (\$Million)	Earnings (\$Million)	Employment	Tax Receipts (\$Million)		
				Local	State	Total
Carmel	243	104	2,128	10.8	10.9	21.7
Marina	106	46	930	4.7	4.8	9.5
Monterey	894	385	7,845	39.9	40.1	80.0
Pacific Grove	158	68	1,388	7.1	7.1	14.2
Salinas	392	169	3,438	17.5	17.6	35.1
Seaside	197	85	1,730	8.8	8.8	17.6
Balance of County	859	370	7,532	38.3	38.5	76.8
<b>Monterey County Total</b>	<b>2,849</b>	<b>1,226</b>	<b>24,990</b>	<b>127.1</b>	<b>127.7</b>	<b>254.9</b>

Note: The area of Seaside also includes a small portion representing Sand City and Del Rey Oaks.

Sources: Dean Runyan Associates, California State Board of Equalization, 2012 Economic Census, and individual taxing jurisdictions.

### Distribution of Travel Impacts within Monterey County, 2017p



## VISITOR VOLUME AND AVERAGE SPENDING

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

### Monterey County Average Spending, 2017p 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	2,014	784	1,780	346	786	2.3	2.3
Private Home	157	110	359	52	169	3.3	2.1
Other Overnight	104	89	268	32	97	3.0	2.8
All Overnight	2,274	438	1,159	188	497	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, 2015-2017p

	Person-Days (000)			Party-Days (000)		
	2015	2016	2017p	2015	2016	2017p
Hotel, Motel	5,700	5,800	5,800	2,500	2,500	2,600
Private Home	3,000	3,000	3,100	1,400	1,400	1,400
Other Overnight	3,100	3,200	3,200	1,100	1,100	1,200
All Overnight	11,800	12,000	12,100	5,100	5,100	5,200

	Person-Trip (000)			Party-Trips (000)		
	2015	2016	2017p	2015	2016	2017p
Hotel, Motel	2,500	2,500	2,600	1,100	1,100	1,100
Private Home	900	900	900	400	400	400
Other Overnight	1,000	1,000	1,100	400	400	400
All Overnight	4,500	4,500	4,600	1,900	1,900	2,000

Detailed travel impacts for 2000 through 2017p follow.

**Monterey County  
Travel Impacts, 2000-2017p**

	2000	2005	2010	2012	2014	2016	2017
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	1819	1934	1976	2319	2501	2667	2755
Other Travel*	120	98	102	109	101	85	94
Total Direct Spending	1939	2031	2078	2427	2602	2752	2849
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	1301	1355	1361	1627	1797	1952	2014
Private Home	99	128	142	159	154	150	157
Campground	25	32	33	37	41	42	44
Vacation Home	38	48	53	57	57	58	60
Day Travel	355	371	386	438	452	465	480
Destination Spending	1819	1934	1976	2319	2501	2667	2755
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	462	470	452	540	634	712	733
Food Service	483	546	603	709	757	837	874
Food Stores	47	53	57	67	70	73	73
Local Tran. & Gas	132	181	204	245	240	208	226
Arts, Ent. & Rec.	286	290	280	325	346	367	375
Retail Sales	403	375	364	417	437	452	455
Visitor Air Tran.	6	18	15	16	17	18	18
Destination Spending	1819	1934	1976	2319	2501	2667	2755
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	349	404	427	505	559	637	670
Arts, Ent. & Rec.	231	261	276	331	365	388	405
Retail**	56	61	56	65	70	76	78
Ground Tran.	16	16	17	22	24	28	32
Visitor Air Tran.	2	4	10	11	13	16	19
Other Travel*	26	10	16	16	18	20	23
Total Direct Earnings	680	756	801	951	1050	1165	1226
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accom. & Food Serv.	14.2	14.1	13.2	15.3	16.2	16.8	16.9
Arts, Ent. & Rec.	4.7	4.1	3.3	4.4	4.7	4.8	4.8
Retail**	2.1	2.0	1.8	2.0	2.1	2.2	2.1
Ground Tran.	0.6	0.5	0.5	0.6	0.6	0.7	0.7
Visitor Air Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel*	0.7	0.3	0.3	0.3	0.3	0.3	0.3
Total Direct Employment	22.4	21.2	19.1	22.7	24.0	24.8	25.0
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	71	73	83	94	106	117	127
Visitor	51	51	53	63	73	82	90
Business or Employee	20	22	30	32	33	35	38
State Tax Receipts	86	98	112	117	129	130	128
Visitor	62	71	84	85	92	91	92
Business or Employee	23	27	28	32	37	38	36
Total Local & State	157	170	194	211	235	247	255

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.

Local tax receipts include transient occupancy taxes, sales taxes and airport passenger facility charges paid by visitors, and the property tax payments and sales tax payments attributable to the travel industry income of employees and businesses.

State tax receipts include sales tax payments and motor fuel tax payments of visitors, and the income tax payments and sales tax payments attributable to the travel industry income of employees and businesses.

## 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 2012 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>.