

**THE 2008 LOUISIANA TOURISM SATELLITE ACCOUNT
AN UPDATE**

Submitted to

The Louisiana Department of Culture, Recreation and Tourism

And

The Office of the Lieutenant Governor

By

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I. Executive Summary

The third full year after Hurricanes Katrina and Rita provides us with a continuing measure of recovery in the Louisiana Travel & Tourism industry. The tourism sector is approaching pre-Katrina levels of visitor spending, but the growth purely due to recovery appears to be slowing. Adjusting for inflation or using metrics such as employment, the Travel & Tourism sector is smaller than it was in 2004, but still a very large economic engine in Louisiana.

Key observations:

- **Total Louisiana visitor spending for 2008 was \$9.5 billion –5% lower than the last full pre-storm year of 2004 in nominal terms**
- **Over 144,900 Louisiana residents were directly employed in Travel & Tourism in 2008 – down from a peak of over 175,000 workers in 2004**
- **This implies that the Travel & Tourism Industry directly employed 7.7% of the Louisiana workforce in 2008**
- **\$5.8 billion of 2008 Louisiana production (an estimated 2.6% of Gross State Product) was directly attributable to expenditures in Travel & Tourism**
- **In terms of taxes, fees, and license revenues, visitor spending accounted for \$864 million of 2008 Louisiana revenues, or 8.2% of this major revenue category.**

II. 2008 Tourism Satellite Account Results

This document represents a summary of results for the 2008 Louisiana Tourism Satellite Account (TSA). The 2008 TSA is an update of the 2003-2007 Louisiana TSA's. The methodology for creating a TSA has been revised over time by the World Tourism Organization in partnership with the OECD, the European Union, and the United Nations.¹ Our methodology follows the WTO guidelines and is identical to 2003 methodology to ensure comparability across years. For a discussion of the purpose and goals of the TSA, we refer the reader to the *2003 Louisiana Satellite Account Report*, which addresses these issues in some detail.

The year 2008 was the third full year of measurement since Hurricanes Katrina and Rita devastated Louisiana in 2005. As the State's largest Tourism locale, New Orleans relies heavily on the Travel & Tourism sector. The 2008 estimates of traveler and tourist spending provided by UNO have affirmed our conjecture that 2006 was the low point in the industry's recovery. This series of TSAs continues to provide an excellent baseline measure for documenting the recovery of Louisiana's Travel & Tourism Industry.

As mentioned in the 2005 report, Louisiana's Travel & Tourism Industry has a crucial role to play in the recovery with almost 10% of the 2004 Louisiana workforce directly employed in Travel & Tourism. With Hurricanes Katrina and Rita, that figure dropped to 6% in 2006. In 2007, the proportion of Louisiana employment in the Travel & Tourism Industry rebounded to 7.7% and remained at that level in 2008. Simply stated, the Travel & Tourism Industry remains a critical component of the Louisiana economy.

¹ See *Tourism Satellite Account: Recommended Methodological Framework (2001)* for a more detailed description of broader methodological issues.

Before moving to results, several measurement issues are worth noting. First, though the format of the UNO estimates was almost identical to what we have used in the past from TIA, we did have to make one reallocation. To update TIA's "Public Transportation" category we estimated spending on "Public Transportation" using the proportion of the previous year's spending and Louisiana enplanements. Second, our report builds on UNO's estimates of Louisiana visitor spending. Our visitor spending came directly from this source. However, overall spending and subsequent employment and taxes collected have been higher in our TSA than in the UNO estimates. While the UNO estimates account for the most important input, visitor spending, we take additional steps to include other inputs such as construction and government spending that benefits Travel & Tourism. The hurricanes of 2005 made road and hotel construction and repair more critical than ever. They are requisite additions to a more complete measure of how Travel & Tourism impacts the state's economy through all efforts to support this industry.

Throughout this document, we will include comparisons of 2008 results to those from previous TSAs. The comparisons across each year's TSA results will allow us to document the degree of devastation and subsequent recovery in Louisiana's Travel & Tourism industry. TSAs and the Louisiana Tourism Forecast in future years will continue to document the recovery of Louisiana's Travel & Tourism industry over time.

III. Expenditures

Table 1 summarizes 2003-08 Travel & Tourism related expenditures from all sources and supplies the starting point for TSA analysis. Just as in 2004, the largest share of Travel & Tourism expenditures (90%) are visitor expenditures. In 2008, Louisiana visitor spending was just over \$9.4 billion. Another interesting feature of Table 1 is Tourism Investment, which continued to be high in 2008 though it is showing some signs of returning to pre storm levels. This reflects ongoing hurricane related reconstruction. Investment spending on roads and buildings almost doubled in 2006 when compared to previous years' estimates. 2007 and 2008 investment spending was similar to 2006. Because a portion of highway spending is used to support Tourism related travel, a portion of this spending on roads is included in our measures of Tourism spending.

Table 1: 2003-08 Travel & Tourism Expenditures

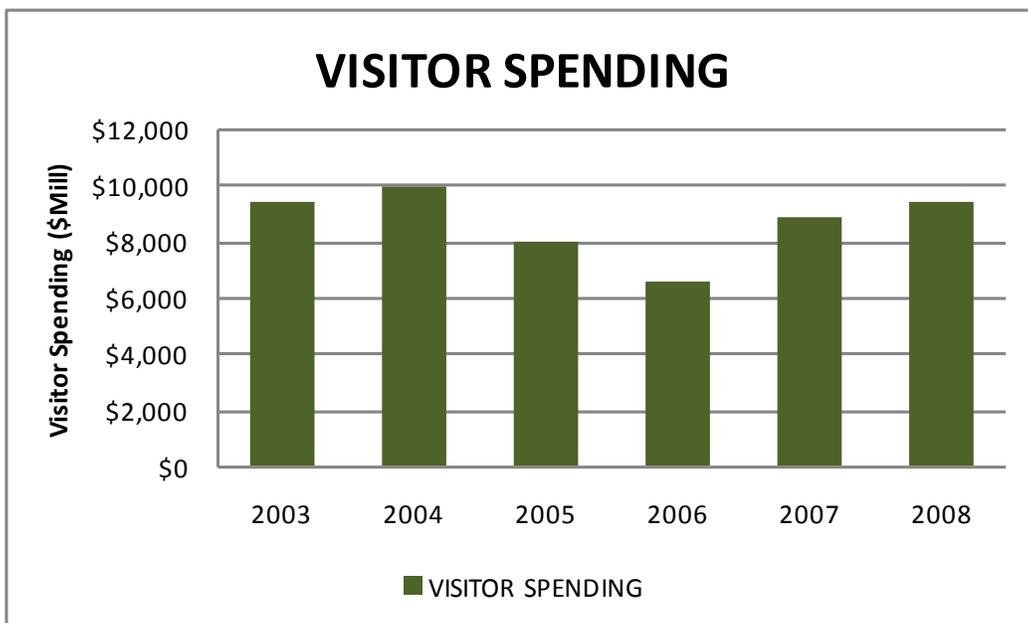
Categorized Travel & Tourism Spending (\$Millions)	2003	2004	2005	2006	2007	2008
Domestic Visitors	\$9,055	\$9,539	\$7,889	\$6,425	\$8,671	\$9,158
International Visitors	\$364	\$425	\$198	\$130	\$294	\$311
Investment	\$423	\$578	\$424	\$828	\$864	\$701
Government Spending	\$89	\$84	\$81	\$88	\$88	\$107
Total	\$9,930	\$10,627	\$8,591	\$6,425	\$9,917	\$10,276

Sources: See Appendix A.

Figures 1 through 3 give visual representations of spending levels. Figure 1 presents the largest component of Travel & Tourism Expenditures, total visitor spending. Notice that visitor spending peaked in the pre-storm year of 2004, fell in 2005 and continued to fall in 2006. Recall

that data from January to July 2005 revealed that visitor spending was on track to break all records. Hurricanes Katrina and Rita changed that by drastically affecting Travel & Tourism for the last four months of the year 2005. In 2006, Louisiana, and in particular New Orleans, continued to feel an impact from the storms for the full year. A healthy rebound has been experienced in 2007 and 2008.

Figure 1: Louisiana Visitor Spending, 2003-2008



The other two components of Travel & Tourism expenditures, Investment and Government spending, are shown in Figures 2 and 3. Both figures show a substantial increase in Travel & Tourism related Investment and Government spending in 2006 and its continuation through 2008. This reflects dollars spent rebuilding Louisiana's devastated Travel & Tourism infrastructure. Figure 3 also shows a dramatic fall in Travel & Tourism related Government spending in 2005 as the state froze its budget amid the uncertainty of the impact of those storms on the state budget. The increase in 2006, 2007 and 2008 reflects both an injection of Federal

funding and a return to normal in state spending. It is important to note that both Investment and Government spending are small relative to visitor spending and thus fail to offset its decline from 2004 levels when computing total Travel & Tourism expenditures.

Figure 2: LA Investment Spending Attributed to Travel & Tourism, 2003-2008

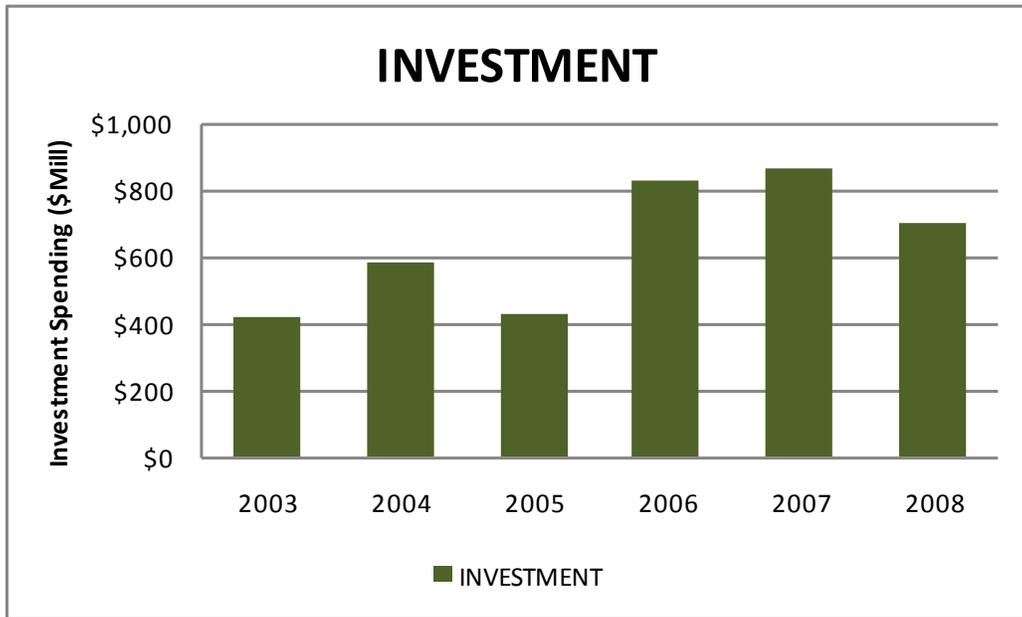
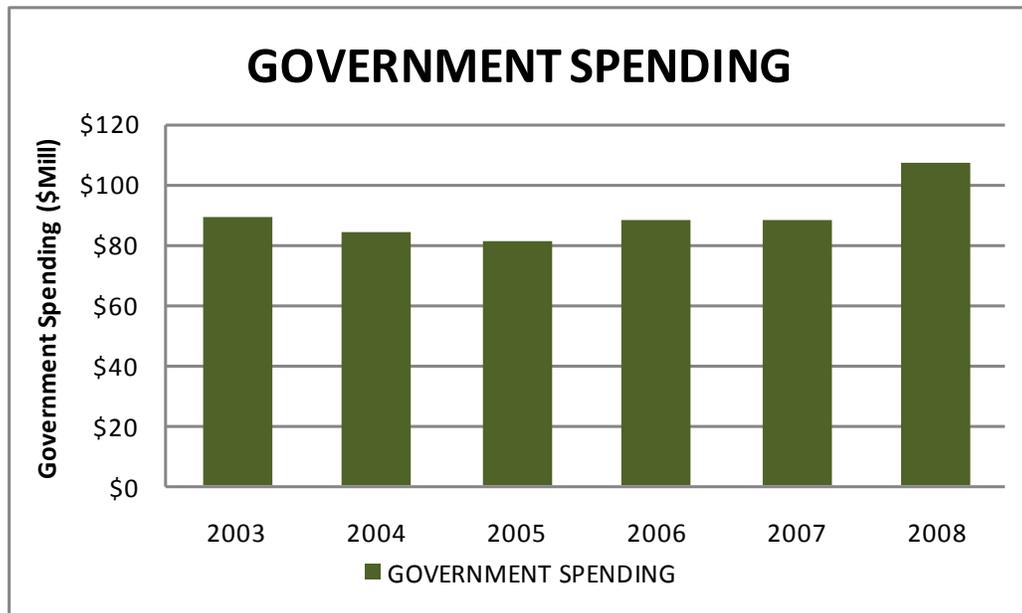


Figure 3: LA Government Spending Attributed to Travel & Tourism, 2003-2008



IV. Value Added

The Travel & Tourism industry differs from other industries in that it is divided across many other industries in standard government statistics. For example, sales to visitors by retailers will appear in federal and state statistics as the North American Industry Classification System (NAICS) categories 44 & 45 titled “Retail Trade”. Visitor spending on meals appears in NAICS 72 “Accommodations and Food Services”. However, both sectors also contain sales to Louisiana residents. Table 2 contains value added (an economic measure of production which includes only goods and services produced in Louisiana) for the top 16 sectors in the Louisiana economy. Included here, but not in traditional government statistics, is Travel & Tourism which is made up of parts of each industry.

The U.S. Bureau of Economic Analysis provides data for 20 of these sectors, while Travel & Tourism value added is computed using the TSA methodology. The Travel & Tourism sector was ranked 14th on this list for 2008. This sector makes up \$5.8 billion of Louisiana output or 2.6% of Gross State Product (GSP). By reference, the sector ranked 11th in both 2003 and 2004 when it was 3.8 and 3.6% of GSP respectively. Comparing value added to expenditures reveals that 61 cents out of every dollar in visitor spending stays in Louisiana – a figure comparable to the same measure in previous years.

Table 2: 2008 Louisiana Value Added

Rank	Industry	Value Added (\$Millions)
1	Manufacturing	\$40,545
2	Mining	\$36,517
3	Government	\$24,591
4	Real estate, rental, and leasing	\$15,648
5	Retail trade	\$13,556
6	Health care and social assistance	\$12,750
7	Professional and technical services	\$9,777
8	Wholesale trade	\$9,687
9	Construction	\$9,680
10	Transportation and warehousing	\$7,897
11	Finance and insurance	\$6,654
12	Utilities	\$5,905
13	Accommodation and food services	\$5,873
14	Travel & Tourism	\$5,787
15	Administrative and waste services	\$5,268
16	Information	\$4,447
	All Others	\$13,541
	Total	\$222,218

Source: US Bureau of Economic Analysis, IMPLAN, and author's calculations.
Total does not include Travel & Tourism.

V. Employment

Table 3 contains Louisiana employment by industry for 2008 for all sectors employing over 75,000 Louisiana workers. Employment figures for all sectors other than Travel & Tourism were obtained from the Louisiana Department of Labor. Recall, that traditional definitions split Travel & Tourism across other sectors, so categories such as Retail Trade do include some jobs that are attributable to Travel & Tourism. Travel & Tourism employment was obtained using the

TSA methodology. The Travel & Tourism sector ranks 6th in 2008. Over 143,000 Louisiana workers were directly employed in this sector.¹ They represented 7.7% of all Louisiana workers in 2007. This is a significant rebound towards the peak of 9.4% (2004) from the low of 6.0% (2006). The Travel & Tourism sector ranked 4th in employment for both 2003 and 2004 and 6th in 2005. In 2004 there were 175,000 workers and in 2005 there were 130,000 workers directly employed in the Travel & Tourism Industry. One notable difference between spending and employment is that while spending has closely approached 2004 levels, employment has not. Two contributing factors for this were inflation and wage increases. Inflation in the “South Urban” category for the United States was 3.5% annually between 2004 and 2008. In addition, Louisiana’s average weekly wages have risen by 6.1% annually between 2004 and 2008.²

¹ A worker employed for 8 mos. in the sector would be counted as $8/12=2/3$ of a worker in our total. 12 workers employed 8 mos./year is $12 \times 8/12=8$ workers

² Inflation and wage calculations are by the author using data provided by the U.S. Bureau of labor statistics; www.bls.gov.

Table 3
2008 Louisiana Employment by Industry

Rank	Industry	Employment
1	Health Care and Social Assistance	272,617
2	Retail Trade	225,389
3	Educational Services	165,403
4	Accommodation and Food Services	163,559
5	Manufacturing	153,353
6	Travel & Tourism	144,908
7	Construction	142,973
8	Administrative and Waste Services	100,601
9	Public Administration	100,570
10	Professional and Technical Services	85,359
11	Transportation and Warehousing	80,372
12	Wholesale Trade	75,970
	All Others	318,648
	Total	1,884,815

Source: US Department Bureau of Labor, IMPLAN, and author's calculations.
Total does not include Travel & Tourism. Employment data for the entire year is not yet available. These are estimates based on the first three quarters of 2008 data.

The 144,908 Travel & Tourism jobs are spread widely across the Louisiana economy.

Table 4 contains the top ten areas of employment for Travel & Tourism workers based on a three digit NAICS industry classification. Not surprisingly, the largest employment category is Food Services workers with 47,263, or 32.6%, of all Travel & Tourism employment.

Table 4**Composition of Direct 2008 LA Travel & Tourism Employment by Sector**

Rank	Industry	Direct Employment	% of T&T	State Employment	% of State
1	Food Services & Drinking Places	47,263	32.62%	139,442	7.4%
2	Accomodations	13,499	9.32%	24,117	1.3%
3	Amusement- Gambling & Recreation	13,260	9.15%	34,927	1.9%
4	General Merch Stores	9,650	6.66%	51,598	2.7%
5	Misc Retailers	8,084	5.58%	11,383	0.6%
6	Transportation Services	7,821	5.40%	21,137	1.1%
7	Construction	7,791	5.38%	142,973	7.6%
8	Real Estate	5,471	3.78%	14,518	0.8%
9	Food & Beverage Stores	4,958	3.42%	36,755	2.0%
10	Gasoline Stations	4,229	2.92%	17,956	1.0%
	All Other	22,882	15.79%	1,390,009	73.7%
	Total	144,908	100.00%	1,884,815	100.0%

Source: Expenditure data sources summarized in appendix A, IMPLAN, and author's calculations. Recall from previous footnote that a part time worker is a fraction of one unit of employment in our results (column 3 above) but is counted as one unit by the state (column 5 above).

Table 5 focuses on production in the Travel & Tourism sector, rather than employment.

Overall, the sector is more dispersed as measured by value added. The labor intensive Food

Services category falls in relative importance while Accommodations rises in importance.

Table 5

Composition of Direct 2008 LA Travel & Tourism Value Added by Sector

Rank	Industry	Direct*	% of Total
1	Food Services & Drinking Places	\$1,121	19.4%
2	Amusement- Gambling & Recreation	\$751	13.0%
3	Accomodations	\$688	11.9%
4	Real Estate	\$479	8.3%
5	Construction	\$373	6.4%
6	Sightseeing Transportation	\$352	6.1%
7	General Merch Stores	\$335	5.8%
8	Transportation Services	\$273	4.7%
9	Misc Retailers	\$225	3.9%
10	Gasoline Stations	\$217	3.7%
	All Others	\$973	16.8%
	Total	\$5,787	100.0%

Source: Expenditure data sources summarized in Appendix A, IMPLAN, and author's calculations.

VI. Indirect & Induced Impacts

Until this point, this report has focused on the direct impact of visitor spending on the Louisiana economy. However, the Travel & Tourism industry is made even more important at this critical juncture in Louisiana's history by its indirect impact on the state's economy. Like a rock dropped in a pond, the economic impact of visitor spending ripples throughout the economy. Visitors create demand for restaurants and other Louisiana businesses ranging from small retailers to large hotels. These businesses then purchase more goods and services from other Louisiana businesses and the ripples continue. Likewise, spending by workers receiving wages from Travel & Tourism businesses stimulate new economic activity.

Table 6 contains the total employment created by the Travel & Tourism sector, accounting for both the direct and secondary impacts. Comparing Table 6 to Table 4 reveals that the indirect effects of Travel & Tourism expenditures account create 59,349 additional Louisiana jobs. Accounting for both direct and indirect, 204,257 jobs are attributable to Travel & Tourism.

Table 6

Total 2007 LA Employment Attributable to the Travel & Tourism Sector

Rank	Industry	Total Employment	% of T&T	State Employment	% of State
1	Food Svcs & Drinking Places	52,019	25.47%	139,442	7.4%
2	Accomodations	14,463	7.08%	24,117	1.3%
3	Amusement- Gambling & Recreation	13,872	6.79%	34,927	1.9%
4	General Merch Stores	11,151	5.46%	51,598	2.7%
5	Real Estate	9,162	4.49%	14,518	0.8%
6	Construction	8,868	4.34%	142,973	7.6%
7	Repair & Maintenance	8,816	4.32%	21,137	1.1%
8	Misc Retailers	8,812	4.31%	11,383	0.6%
9	Food & Beverage Stores	6,389	3.13%	36,755	2.0%
10	Admin Support Services	5,315	2.60%	92,015	4.9%
	All Other	65,391	32.01%	1,315,950	69.8%
	Total	204,257	100.00%	1,884,815	100.0%

Source: Expenditure data sources summarized in Appendix A, IMPLAN, and author's calculations.

Table 7 contains similar results for value added. Accounting for indirect and induced effects of Travel & Tourism (the ripples) adds \$3.6 billion in value added. Comparing the total value added for individual categories in Table 7 to direct value added in Table 5 allows one to assess the size of these economic ripples in different categories.

Table 7

Total 2008 Economic Impact of Travel & Tourism on Louisiana's Economy

Rank	Industry	Total Value Added (\$Millions)	% of Total
1	Food Services & Drinking Places	\$1,234	13.2%
2	Real Estate	\$802	8.6%
3	Amusement- Gambling & Recreation	\$777	8.3%
4	Accomodations	\$739	7.9%
5	Government & Non Naics	\$502	5.4%
6	Construction	\$423	4.5%
7	Sightseeing Transportation	\$399	4.3%
8	General Merch Stores	\$388	4.1%
9	Repair & Maintenance	\$316	3.4%
10	Professional- Scientific & Tech Svcs	\$286	3.0%
	Other	\$3,504	37.4%
	Total	\$9,369	100.0%

Source: Expenditure data sources summarized in appendix A, IMPLAN, and author's calculations.

Figures 4 and 5 break the impact of Travel & Tourism into its direct (darker shade) and indirect/induced (lighter shade) effects. For example, the 2008 bar of Figure 4 shows that Direct employment in Travel & Tourism was about 144,900 in that year with the sector creating over 204,000 total jobs when indirect and induced employment are included. The overall patterns in both figures are driven by visitor spending with a peak in 2004 followed by declines in 2005 and 2006 due to the effects of the Hurricanes on Louisiana's Travel & Tourism Industry.

Figure 4: The Impact on Travel & Tourism on Louisiana’s Employment, 2003-2008

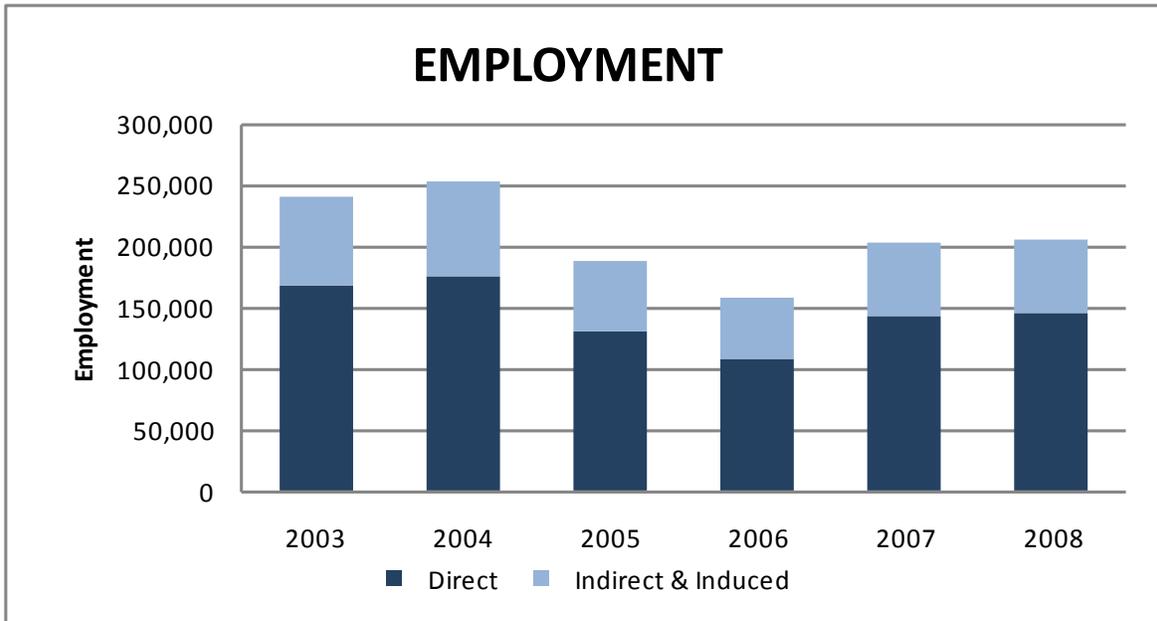
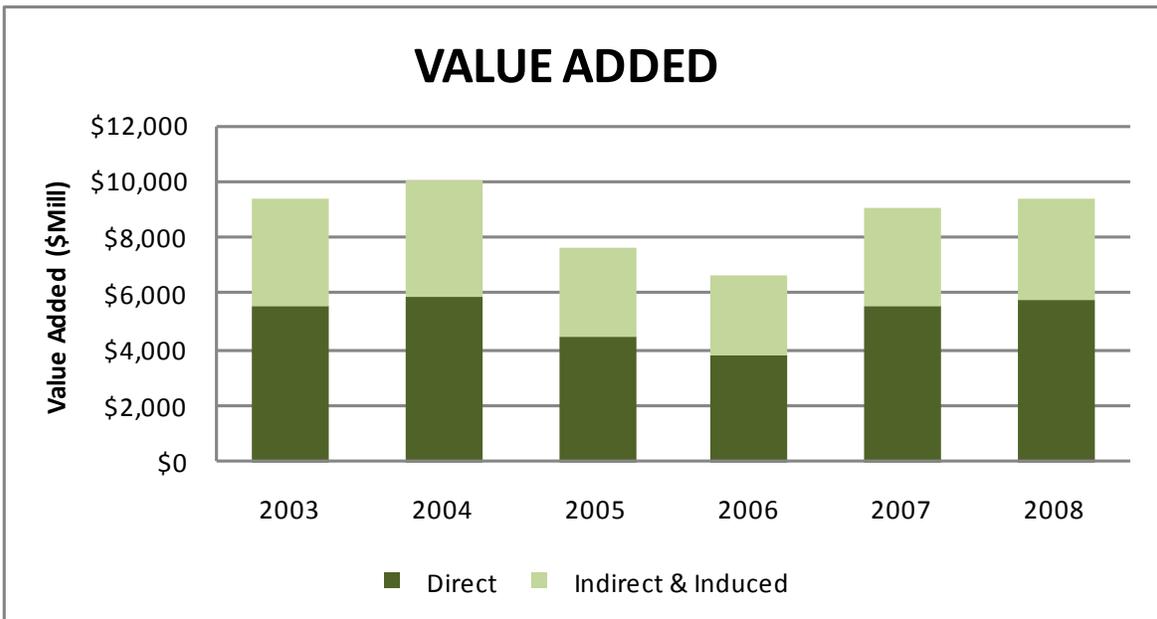


Figure 5: The Impact on Travel & Tourism on Louisiana’s GSP (Value Added), 2003-2008



VII. Tax Impacts

The Travel & Tourism sector also generates tax revenues for Louisiana's state and local governments. Table 8 contains the 2008 Louisiana state tax revenues generated from the Travel & Tourism sector (Visitor Taxes) as well as overall tax revenues (State Total). Visitor spending directly generates a large portion of this revenue. In particular, Auto Rental Excise Taxes, Riverboat Casino and Other Gaming Taxes, and Alcohol Taxes are computed based on the proportion of expenditures on the goods by visitors. Other items, such as Individual Income Taxes or Corporate Income Taxes, are the result of the earnings and firms who are either directly or indirectly supported by the Travel & Tourism sector.³

Table 8

2008 Louisiana State Tax Revenues Attributable To the Travel & Tourism Sector

Revenue Category	Visitor Taxes	% in category	State Total (\$Millions)	% of State Total
Alcohol Beverage	\$0.5	0.1%	\$17.0	3.1%
Beer Tax	\$1.1	0.1%	\$37.0	3.1%
Gasoline Tax	\$131.3	15.2%	\$628.0	20.9%
Auto Rental Excise	\$5.0	0.6%	\$5.5	90.0%
Sales Tax	\$265.3	30.7%	\$2,849.0	9.3%
Corporate Income Tax	\$22.2	2.6%	\$520.5	4.3%
Individual Income Tax	\$105.8	12.3%	\$2,569.0	4.1%
Motor Vehicle Licenses	\$3.2	0.4%	\$98.0	3.3%
Landbased Casino	\$24.4	2.8%	\$90.3	27.0%
Video Draw Poker	\$62.1	7.2%	\$206.9	30.0%
Riverboat Gaming	\$210.3	24.3%	\$385.8	54.5%
Ractrack Slots	\$32.7	3.8%	\$60.0	54.5%
Total*	\$863.8	100.0%	\$10,470.0	8.2%

*State total is "Net Total Taxes, Fees, and Licenses" which includes categories not listed above

Sources: Louisiana state budget, IMPLAN, expenditure data summarized in Appendix A, and author's calculations.

³ Details on computation of the tax revenues attributable to visitor spending are available in the 2003 TSA.

The estimates in table 8 come from the State Budget, State Troopers' Gaming reports, IMPLAN software output, Loren Scott & Associates 2005 Gaming Report and the author's calculations. Using TNS survey data it was estimated that 3.1% of alcohol sales were attributable to travelers and tourists. Gasoline taxes, like "Vehicle Miles Traveled", were estimated to be 20.9% while auto rental excise tax was estimated to be 90% attributable to travelers and tourists. Sales tax was calculated using the share of retail spending attributable to travelers and tourists (9.3%). Motor vehicle license fees were calculated by IMPLAN. The different forms and venues of gaming attract different proportions of travelers and tourists ranging from 27-55%. These share estimates include the use of results from license plate and visitor surveys at gaming locations.

The results in Table 8 imply that \$863.8 million of Louisiana "Net Total Taxes, Fees, Licenses", which amounted to \$10,470 million in FY 07-08', was attributable to the Travel & Tourism sector. This is 8.2% of this major revenue category in the Louisiana State budget. Compared to \$782.4 million of Tax Revenue in 2007 (see Table 9), this result implies a 10% increase in state tax revenues attributable to Travel & Tourism during 2008. This is also a 28% increase from 2004/pre-hurricane receipts of Travelers and Tourists. By this standard, the tax revenues generated by visitor spending have continued to show remarkable resilience in the wake of the storms.

Table 9
2003-08 LA State Tax Revenues Attributable To the Travel & Tourism Sector,
2003-2008

Revenue Category	2003 Visitor Taxes	2004 Visitor Taxes	2005 Visitor Taxes	2006 Visitor Taxes	2007 Visitor Taxes	2008 Visitor Taxes
Alcohol Beverage	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Beer Tax	\$1.2	\$1.2	\$1.2	\$1.1	\$1.1	\$1.1
Gasoline Tax	\$90.7	\$93.8	\$93.8	\$94.2	\$95.8	\$131.3
Auto Rental Excise	\$3.6	\$4.0	\$4.0	\$4.0	\$5.0	\$5.0
Sales Tax	\$212.4	\$220.1	\$201.6	\$211.3	\$227.8	\$265.3
Corporate Income Tax	\$17.3	\$18.0	\$13.6	\$11.5	\$21.6	\$22.2
Individual Income Tax	\$73.9	\$77.5	\$57.7	\$49.6	\$105.6	\$105.8
Motor Vehicle Licenses	\$7.9	\$8.2	\$6.1	\$2.5	\$3.1	\$3.2
Landbased Casino	\$16.8	\$19.0	\$18.1	\$16.2	\$22.6	\$24.4
Video Draw Poker	\$49.8	\$51.6	\$51.7	\$62.9	\$59.6	\$62.1
Riverboat Gaming	\$182.8	\$182.8	\$165.0	\$217.4	\$209.1	\$210.3
Ractrack Slots	\$0.0	\$0.0	\$24.7	\$31.0	\$30.6	\$32.7
Total	\$657.0	\$676.7	\$637.9	\$702.2	\$782.4	\$863.8

The Travel & Tourism sector also generates substantial revenues for local governments. With slightly higher tax rates than the state, it is clear that local governments received in excess of \$130 million in sales tax revenues alone.

VIII. Conclusion

The Louisiana 2008 Tourism Satellite Account (TSA) provides accounting measures for Travel & Tourism. The availability of TSAs for 2003-2008 allows for comparisons over a particularly important period for Louisiana's Travel & Tourism industry. Results show that Travel & Tourism spending peaked at over \$10.6 billion in 2004 before falling to \$7.5 billion in 2006. In 2008, the third full year after hurricanes Katrina and Rita, the state rebounded to \$9.5 billion in visitor spending with continued historically high investment in infrastructure.

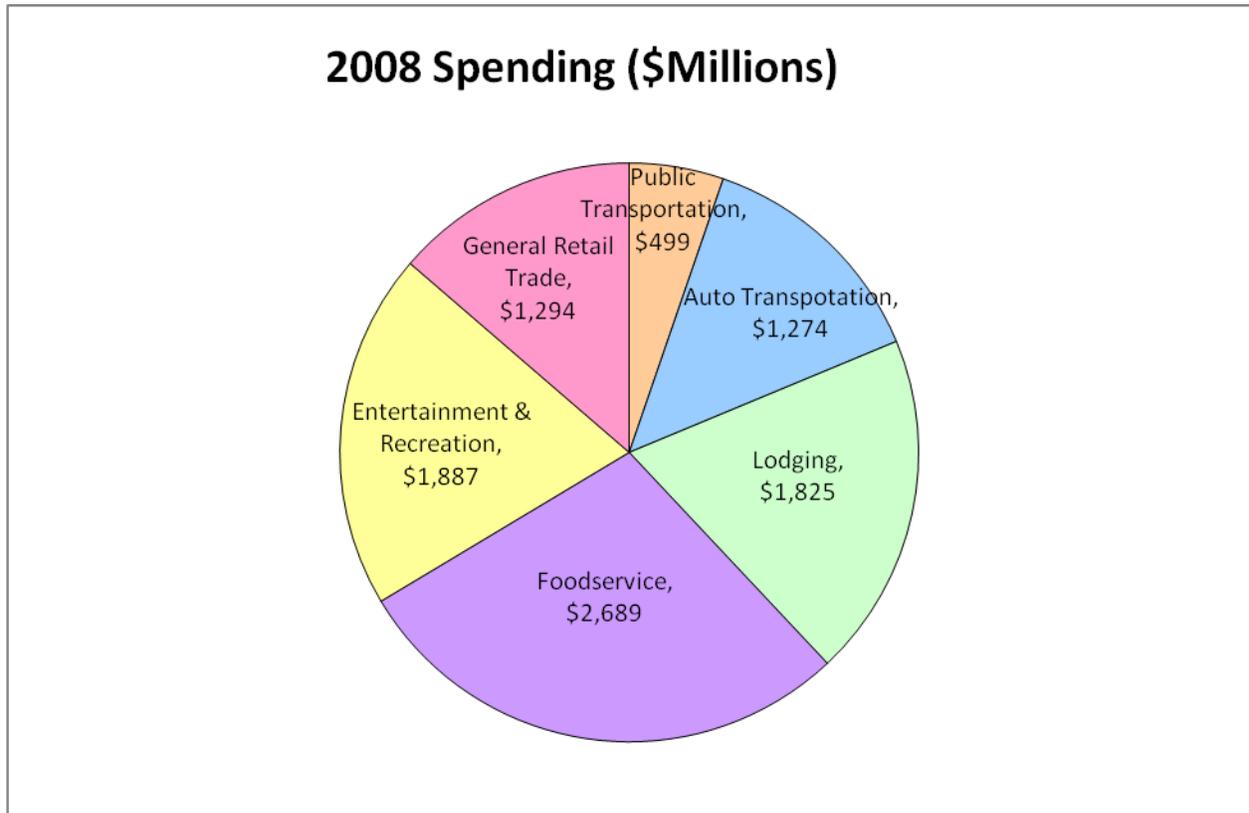
Results clearly suggest that the year 2006 marks the low point from which to measure the recovery of Louisiana's Travel & Tourism industry. The 2008 TSA underscores this by revealing a healthy rebound of the Travel & Tourism Industry with continued, though slowing growth. The continued rebuilding and renewal of this sector will continue to pay dividends. For example, Orleans Parish industries such as Accommodation and Food Services and Arts, Entertainment, and Recreation continue to show remarkable resiliency in Post-Katrina New Orleans.

In 2008, over 144,900 workers were directly employed in the sector and 204,000 Louisiana jobs were directly or indirectly attributable to Travel & Tourism. These figures imply that the Travel & Tourism Industry directly employed 7.7% and indirectly employed an additional 3.1% of Louisiana's workforce in 2008. The result that almost 11% (1 in 9) of Louisiana workers are either directly or indirectly employed by Travel & Tourism clearly shows the important role of this industry in Louisiana.

Appendix A
Data Sources

Travel and Tourists Spending Categorized

In their summary report titled “Travel Impact on Louisiana Preliminary 2005 and 2004”, a joint effort between the Louisiana Tourism Office and D.K. Schifflett, visitor spending was split between 6 categories as illustrated below. For consistency, we continue to use these categories.



All 2008 input data used in the impact model and this report with regard to Traveler and Tourist spending was estimated by UNO. The categories and proportions allotted to them above are derived either directly from UNO’s division of spending or from proportional relationships found in previous editions of this TSA.

Government Spending

TSA methodology suggests including all government spending that subsidizes the activities of visitors. Obvious examples include spending on state parks and museums. However, the methodology also suggests adding items such as additional security provided during tourism events. For this study, we included only items from the Louisiana state budget directly related to tourism. Government spending on roads is treated elsewhere as it has a unique place in the impact model.

Construction

Using data purchased from McGraw Hill Construction we calculated annual construction spending within Louisiana. McGraw-Hill Construction is the author of the F.W. Dodge Reports and is the lead authority on construction information. Government spending on roads is treated elsewhere as it has a unique place in the impact model. Annual spending on Travel & Tourism related construction in Louisiana was reported as:

Construction Spending (\$Millions)	
2002	\$306.5
2003	\$297.3
2004	\$447.3
2005	\$200.8
2006	\$368.3
2007	\$429.9
2008	\$282.2

It is worth noting that construction spending in Travel & Tourism is quite volatile and can be sensitive to a few large projects.

Roads

The Louisiana Department of Transportation and Development (LADOTD) reported their “lettings” (actual contracts awarded) and their operational budget for FY07’-08’ sum to \$2,003.6 million. However, not all road work is done on behalf of Travelers and Tourists. Previous calculations have shown the share of vehicle miles traveled by “Travelers and Tourists” to be approximately 21%. This translates into roughly \$419 million in spending on behalf of T&T by LADOTD in 2008.

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