
THE 2010
Louisiana
TOURISM **S**ATELLITE **A**CCOUNT:
AN UPDATE

SUBMITTED TO:

The Louisiana Department of Culture, Recreation and Tourism
The Office of the Lieutenant Governor



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Executive Summary

The following Tourism Satellite Account assesses the state of Louisiana's Tourism economy for the year 2010. The Louisiana Tourism Satellite Account was first produced in 2003 as a way to measure the impact of one of Louisiana's most important industries. Following Hurricane Katrina, this report has become even more valuable, providing metrics to gauge the recovery of the Louisiana Travel and Tourism sector in the wake of the nation's worst national disaster. Using metrics such as employment, the Travel & Tourism sector continues to be a very large economic engine in Louisiana.

Key observations:

- Total Louisiana visitor spending for 2010 was \$9.5 billion, 8.3% higher than the last year and 4.2% lower than 2004 (pre-Katrina/Rita) in nominal terms.
- Over 142,000 Louisiana residents were directly employed in Travel & Tourism in 2010 – down from a peak of over 175,800 workers in 2004.
- This implies that the Travel & Tourism Industry directly employed 7.8% of the Louisiana workforce in 2010.
- \$6.6 billion of 2010 Louisiana production (an estimated 3.0% of Louisiana's Gross Domestic Product) was directly attributable to expenditures in Travel & Tourism.
- In terms of taxes, fees and license revenues, visitor spending accounted for nearly \$754 million of 2010 Louisiana revenues, or 8.5% of this major revenue category.

2010 Tourism Satellite Account Results

This document represents a summary of results for the 2010 Louisiana Tourism Satellite Account (TSA). The 2010 TSA is an update of the 2003-2009 Louisiana TSAs. 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 2010 was the fifth 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. Annual spending since the hurricanes of 2005 indicates 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 and any affects future events may have moving forward like the BP Oil Spill.

As mentioned in the 2005 report, Louisiana's Travel & Tourism Industry has a crucial role to play in the recovery with almost 10 percent of the 2004 Louisiana workforce directly employed in Travel & Tourism. With Hurricanes Katrina and Rita, that figure dropped to 6 percent in 2006. In 2007, the proportion of Louisiana employment in the Travel & Tourism Industry rebounded to 7.7 percent. In 2010, the Travel and Tourism sector directly employed 7.8% of Louisiana's workforce.

Before moving to results, several measurement issues are worth noting. This report builds on estimates of Louisiana visitor spending. While these estimates account for the most important input, domestic visitor spending, we took additional steps to include other inputs such as international visitor spending and 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 for developing 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 2010 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 as well as other events that affect Louisiana's Travel & Tourism industry over time.

Though the BP Oil spill clearly affected Louisiana's Travel and Tourism sector, determining that impact is beyond the scope of this document. Louisiana's Travel and Tourism sector has been in recovery mode following Hurricane Katrina. Given this fact, one would anticipate growth in the sector as documented in this report. The extent to which the BP Oil Spill dampened this recovery is not a part of this study.²

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

² Evaluating the impact of the BP oil spill would require generating forecasts of what would have occurred in the absence of that spill.

Expenditures

Table 1 summarizes 2003-10 Travel & Tourism related expenditures from all sources and serves as the starting point for TSA analysis. As in all prior years, the largest share of Travel & Tourism expenditures (90 percent) is visitor expenditures. In 2010, Louisiana visitor spending was just under \$9.5 billion. Another interesting feature of Table 1 is Tourism Investment, which has been resiliently high since the hurricanes of 2005. This reflects ongoing hurricane related reconstruction and perhaps some repair of damages caused by yet another significant but less devastating storm, Hurricane Gustav in 2008. Investment spending on roads and buildings almost doubled in 2006 when compared to previous years' estimates. This investment continues to be 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.

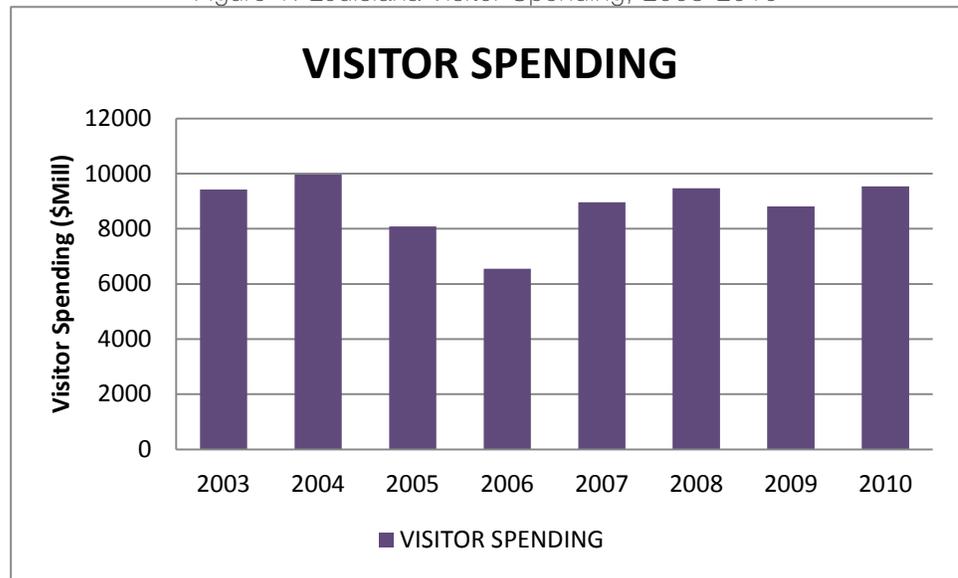
Table 1: 2003-10 Travel & Tourism Expenditures

Categorized Travel & Tourism Spending (\$Millions)	2003	2004	2005	2006	2007	2008	2009	2010
Domestic Visitors	\$9,055	\$9,539	\$7,889	\$6,425	\$8,671	\$9,158	\$8,473	\$9,177
International Visitors	\$364	\$425	\$198	\$130	\$294	\$311	\$339	\$367
Investment	\$423	\$578	\$424	\$828	\$864	\$701	\$757	\$703
Government Spending	\$89	\$84	\$81	\$88	\$88	\$107	\$106	\$104
Total	\$9,930	\$10,627	\$8,591	\$6,425	\$9,917	\$10,276	\$9,675	\$10,351

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. The general pattern from 2007-2010 is one of recovery from the devastating Hurricanes of 2005.

Figure 1: Louisiana Visitor Spending, 2003-2010



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. 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 since 2005 reflects both an injection of Federal funding and a return to normal state spending. It is important to note that both Investment and Government spending are small relative to visitor spending (5-12 percent since 2003) and thus fail to offset the decline in visitor spending from 2004 levels when computing total Travel & Tourism expenditures.

Figure 2: LA Investment Spending Attributed to Travel & Tourism, 2003-2010

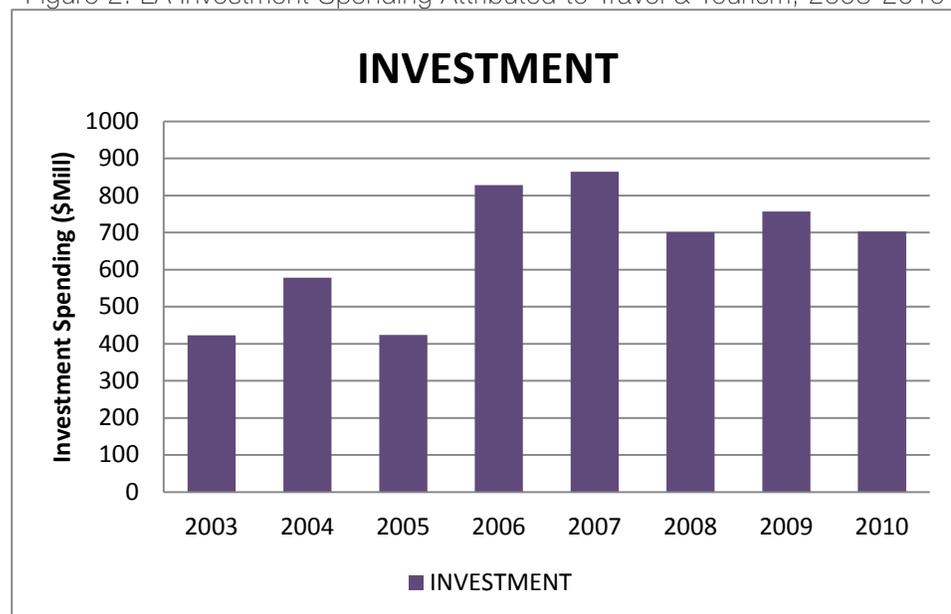
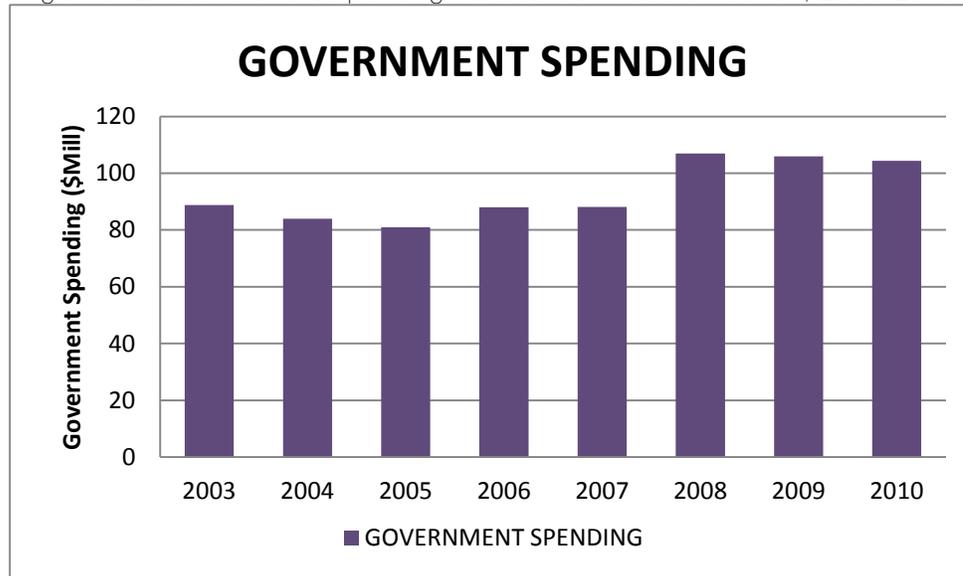


Figure 3: LA Government Spending Attributed to Travel & Tourism, 2003-2010



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 12th on this list using 2010 Louisiana Gross Domestic Product. This sector makes up \$6.6 billion of Louisiana output or 3.0 percent of Gross Domestic Product for Louisiana (GDP-LA). By reference, the sector ranked 11th in both 2003 and 2004 when it was 3.8 and 3.6 percent of GDP-LA respectively. Comparing value added to expenditures reveals that 70 cents out of every dollar in visitor spending stays in Louisiana – a figure comparable to the same measure in previous years.

Table 2: 2010 Louisiana Value Added

Rank	Industry	Value Added (\$Millions)
1	Manufacturing	\$39,566
2	Mining	\$29,306
3	Government	\$23,923
4	Real Estate, Rental, And Leasing	\$20,748
5	Health Care And Social Assistance	\$14,269
6	Retail Trade	\$12,656
7	Professional And Technical Services	\$10,031
8	Construction	\$9,655
9	Wholesale Trade	\$9,406
10	Transportation And Warehousing	\$8,336
11	Finance And Insurance	\$8,324
12	Travel & Tourism	\$6,635
13	Accommodation And Food Services	\$5,872
14	Administrative And Waste Services	\$5,107
15	Utilities	\$4,601
16	Information	\$4,485
	All Others	\$12,568
	Total	\$218,853

Source: US Bureau of Economic Analysis 20082010, IMPLAN, and author's calculations. Total does not include Travel & Tourism.

Employment

Table 3 contains Louisiana employment by industry for 2010 for all sectors employing over 70,000 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 5th in 2010. Over 142,000 Louisiana workers were directly employed in this sector.¹ These workers represented 7.8 percent of all Louisiana workers in 2010. This measure has been showing a healthy rebound towards the peak of 9.4 percent in 2004 from the low of 6.0 percent in 2006. However, this trend stopped in 2009 as the percent of Louisiana workers in the Travel & Tourism sector fell. 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 2006 there were 107,000 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 to this were inflation and wage increases. Inflation in the "South Urban" category for the United States was 2.5 percent annually between 2004 and 2010.

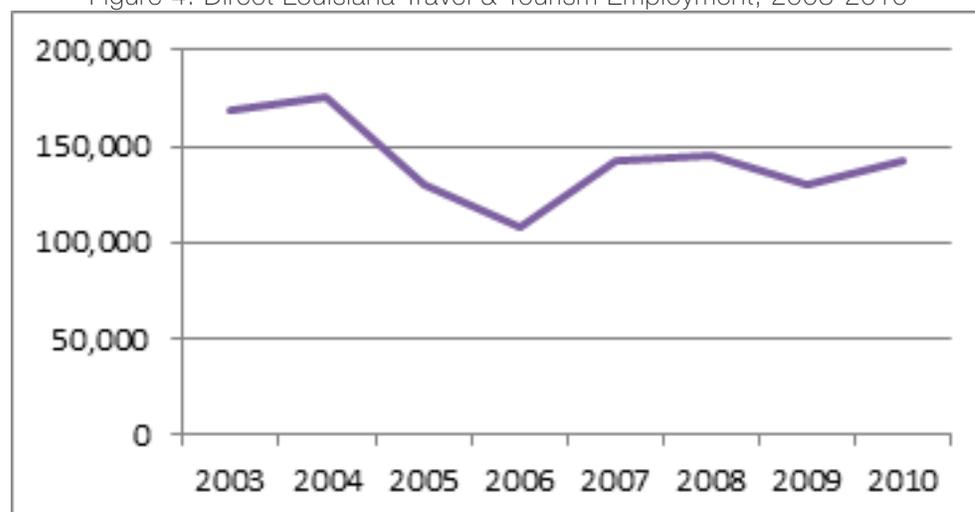
Table 3: 2010 Louisiana Employment by Industry

Rank	Industry	Employment
1	Health Care And Social Assistance	285,506
2	Retail Trade	218,423
3	Educational Services	171,066
4	Accommodation And Food Service	165,978
5	Travel & Tourism	142,505
6	Manufacturing	137,281
7	Construction	131,699
8	Public Administration	104,024
9	Administrative And Waste Services	91,307
10	Professional And Technical Service	82,248
11	Transportation And Warehousing	74,671
12	Wholesale Trade	70,377
	All Others	301,309
	Total	1,833,887

Source: US Bureau of Labor Statistics, IMPLAN, and author's calculations. Total does not include Travel & Tourism. These are estimates based on the average employment across the four quarters of 2010.

Figure 4 graphs the pattern of direct Louisiana employment in Travel and Tourism. The general pattern corresponds to that previously discussed. It is also worth noting that technical change is playing a significant role in tourism just as it has in manufacturing sectors. Increases in worker productivity have allowed Louisiana's Tourism Sector to produce more output per worker. While this leads to a more competitive sector and can support higher wages for workers, it also reduces the employment needed to maintain the current level of economic activity in the sector.

Figure 4: Direct Louisiana Travel & Tourism Employment, 2003-2010



The 142,500 Travel & Tourism jobs are spread widely across the Louisiana economy. Table 4 contains the three-digit NAICS Industries with over 5,000 directly employed in Travel and Tourism. Not surprisingly, the largest employment category is Food Services workers with 44,102, or 30.9 percent, of all Travel & Tourism employment.

Table 4: Composition of Direct 2009 LA Travel & Tourism Employment by Sector

Rank	Industry	Direct Employment	% of T & T	State Employment	% of State
1	Food Svcs & Drinking Places	44,102	30.9%	138,820	7.6%
2	Accomodations	17,084	12.0%	27,158	1.5%
3	Amusement- Gambling & Recreation	13,803	9.7%	29,493	1.6%
4	General Merch Stores	11,425	8.0%	52,280	2.9%
5	Repair & Maintenance	8,166	5.7%	131,699	7.2%
6	Misc Retailers	7,761	5.4%	10,710	0.6%
7	Construction	6,504	4.6%	131,699	7.2%
8	Food & Beverage Stores	5,433	3.8%	35,771	2.0%
	All Other	28,227	19.8%	1,257,327	68.6%
	Total	142,505	100.0%	1,833,888	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. Again, the Food Services category tops the list, followed by Accommodations.

Table 5: Composition of Direct 2010 LA Travel & Tourism Value Added by Sector

Rank	Industry	Direct* (\$Millions)	% of Total
1	Food Svcs & Drinking Places	\$1,334	20.1%
2	Accomodations	\$1,091	16.4%
3	Amusement- Gambling & Recreation	\$817	12.3%
4	General Merch Stores	\$514	7.7%
5	Construction	\$377	5.7%
6	Repair & Maintenance	\$341	5.1%
7	Sightseeing Transportation	\$324	4.9%
8	Misc Retailers	\$267	4.0%
9	Food & Beverage Stores	\$250	3.8%
10	Gasoline Stations	\$224	3.4%
	All Other	\$1,097	16.5%
	Total	\$6,635	100.0%

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

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 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 create 50,892 additional Louisiana jobs. Accounting for both direct and indirect, 193,394 Louisiana jobs are attributable to Travel & Tourism.

Table 6: Total 2010 LA Employment Attributable to the Travel & Tourism Sector

Rank	Industry	Total Employment	% of T & T	State Employment	% of State
1	Food Svcs & Drinking Places	49,110	30.8%	138,820	7.6%
2	Accommodations	17,596	11.0%	27,158	2.5%
3	Amusement- Gambling & Recreation	14,364	9.0%	29,493	4.7%
4	General Merch Stores	12,700	8.0%	52,280	9.3%
5	Repair & Maintenance	9,214	5.8%	19,791	0.2%
6	Misc Retailers	8,330	5.2%	10,710	0.2%
7	Construction	7,314	4.6%	131,699	0.6%
8	Food & Beverage Stores	6,620	4.1%	35,771	0.0%
9	Real Estate	5,842	3.7%	14,037	0.8%
10	Gasoline Stations	4,500	2.8%	18,442	0.0%
	All Others	57,807	36.2%	1,355,688	76.0%
	Total	159,647	100.0%	1,833,888	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), the sector 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 2010 Economic Impact of Travel & Tourism on Louisiana's Economy

Rank	Industry	Total (\$Millions)	% of Total
1	Food Svcs & Drinking Places	\$1,489	14.6%
2	Accomodations	\$1,124	11.0%
3	Amusement- Gambling & Recreation	\$845	8.3%
4	Real Estate	\$808	7.9%
5	General Merch Stores	\$572	5.6%
6	Construction	\$425	4.2%
7	Repair & Maintenance	\$395	3.9%
8	Sightseeing Transportation	\$355	3.5%
9	Professional- Scientific & Tech Svcs	\$335	3.3%
10	Food & Beverage Stores	\$306	3.0%
	All Other	\$3,535	34.7%
	Total	\$10,190	100.0%

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

Figures 5 and 6 break the impact of Travel & Tourism into its direct (darker shade) and indirect/induced (lighter shade) effects. For example, the 2010 bar in Figure 4 shows that direct employment in Travel & Tourism was about 140,000 in that year with the sector creating over 190,000 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 5: The Impact of Travel & Tourism on Louisiana's Employment, 2003-2010

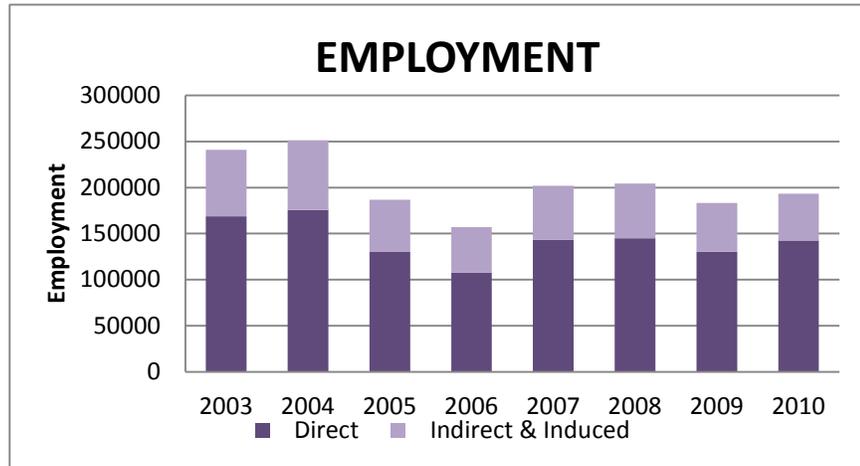
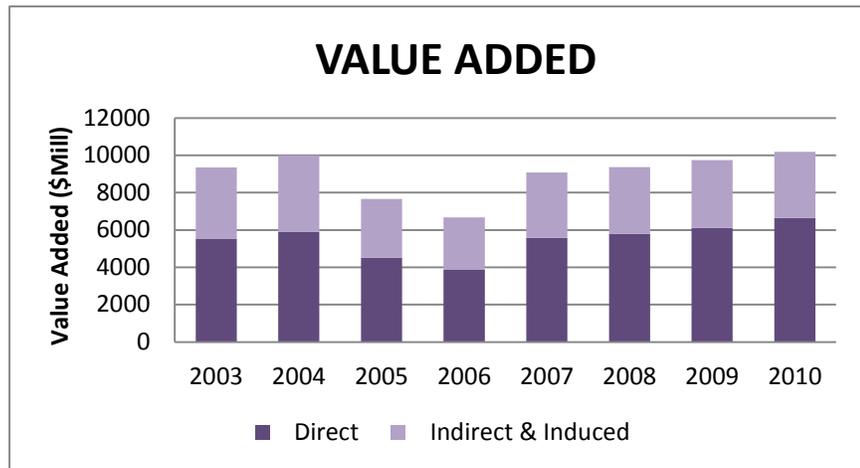


Figure 6: The Impact of Travel & Tourism on Louisiana's GDP-LA (Value Added), 2003-2010



Tax Impacts

The Travel & Tourism sector also generates tax revenues for Louisiana's state and local governments. Table 8 contains the 2010 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.

Table 8: 2010 Louisiana State Tax Revenues Attributable to the Travel & Tourism Sector

Revenue Category	Visitor Taxes (\$Millions)	% in category	State Total (\$Millions)	% of State Total
Alcohol Beverage	\$0.6	0.1%	\$19.7	3.1%
Beer Tax	\$1.1	0.1%	\$35.8	3.1%
Gasoline Tax	\$122.9	16.3%	\$588.0	20.9%
Auto Rental Excise	\$4.2	0.6%	\$5.2	81.3%
Sales Tax	\$220.0	29.2%	\$2,762.5	8.0%
Corporate Income Tax	\$24.4	3.2%	\$612.5	4.0%
Individual Income Tax	\$79.2	10.5%	\$2,966.1	2.7%
Motor Vehicle Licenses	\$2.9	0.4%	\$106.1	2.7%
Landbased Casino	\$20.3	2.7%	\$81.9	24.7%
Video Draw Poker	\$54.5	7.2%	\$212.1	25.7%
Riverboat Gaming	\$191.7	25.4%	\$374.8	51.2%
Ractrack Slots	\$32.1	4.3%	\$62.1	51.7%
Total*	\$753.9	100.0%	\$8,918.8	8.5%
*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.

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 percent of alcohol sales were attributable to travelers and tourists. Gasoline taxes, like "Vehicle Miles Traveled," were estimated to be 20.9 percent while auto rental excise tax was estimated to be 81.3 percent attributable to travelers and tourists. Sales tax was calculated using the share of retail spending attributable to travelers and tourists (8.0 percent). Motor vehicle license fees were calculated by IMPLAN. The different forms and venues of gaming attract different proportions of travelers and tourists ranging from 24-52 percent. These share estimates include the use of results from license plate and visitor surveys at gaming locations.

The results in Table 8 imply that \$753.9 million of Louisiana “Net Total Taxes, Fees, Licenses,” which amounted to about \$8,919 million in FY 09-10, was attributable to the Travel & Tourism sector. This is 8.5 percent of this major revenue category in the Louisiana State budget. Compared to \$800.1 million of Tax Revenue in 2009 (see Table 9), this result implies a 5.8 percent decrease in state tax revenues attributable to Travel & Tourism during 2010. This is also an 11.4 percent 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: LA State Tax Revenues Attributable to the Travel & Tourism Sector, 2003-2010

Revenue Category	2003 Visitor Taxes	2004 Visitor Taxes	2005 Visitor Taxes	2006 Visitor Taxes	2007 Visitor Taxes	2008 Visitor Taxes	2009 Visitor Taxes	2010 Visitor Taxes
Alcohol Beverage	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.6	\$0.6
Beer Tax	\$1.2	\$1.2	\$1.2	\$1.1	\$1.1	\$1.1	\$1.2	\$1.1
Gasoline Tax	\$90.7	\$93.8	\$93.8	\$94.2	\$95.8	\$131.3	\$123.4	\$122.9
Auto Rental Excise	\$3.6	\$4.0	\$4.0	\$4.0	\$5.0	\$5.0	\$4.7	\$4.2
Sales Tax	\$212.4	\$220.1	\$201.6	\$211.3	\$227.8	\$265.3	\$257.2	\$220.0
Corporate Income Tax	\$17.3	\$18.0	\$13.6	\$11.5	\$21.6	\$22.2	\$23.0	\$24.4
Individual Income Tax	\$73.9	\$77.5	\$57.7	\$49.6	\$105.6	\$105.8	\$76.7	\$79.2
Motor Vehicle Licenses	\$7.9	\$8.2	\$6.1	\$2.5	\$3.1	\$3.2	\$2.7	\$2.9
Landbased Casino	\$16.8	\$19.0	\$18.1	\$16.2	\$22.6	\$24.4	\$22.2	\$20.3
Video Draw Poker	\$49.8	\$51.6	\$51.7	\$62.9	\$59.6	\$62.1	\$56.6	\$54.5
Riverboat Gaming	\$182.8	\$182.8	\$165.0	\$217.4	\$209.1	\$210.3	\$198.6	\$191.7
Ractrack Slots	\$0.0	\$0.0	\$24.7	\$31.0	\$30.6	\$32.7	\$33.3	\$32.1
Total	\$657.0	\$676.7	\$637.9	\$702.2	\$782.4	\$863.8	\$800.1	\$753.9

Conclusion

The Louisiana 2010 Tourism Satellite Account (TSA) provides accounting measures for Travel & Tourism. The availability of TSAs for 2003-2009 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. Visitor spending has risen since this low point, bringing over \$9.5 billion to Louisiana in 2010.

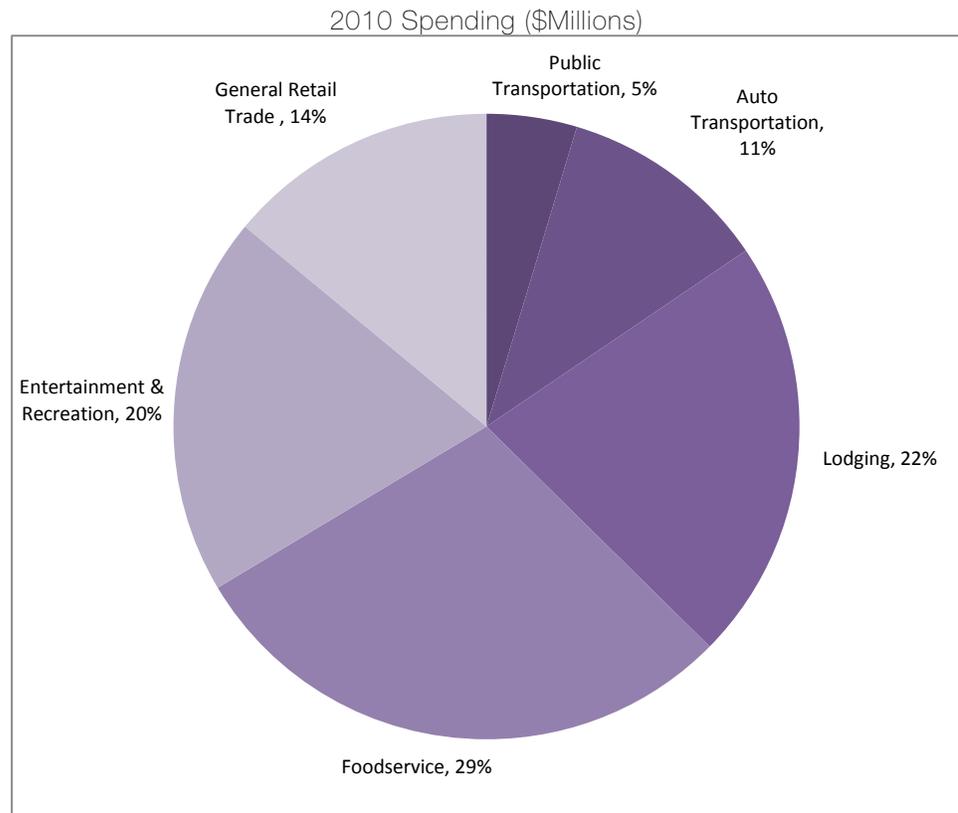
Results clearly suggest that the year 2006 marks the low point from which to measure the recovery of Louisiana's Travel & Tourism industry. The continued rebuilding and renewal of this sector will continue to pay dividends. For example, Orleans Parish industries such as Accommodation and Food Services and Arts, Entertainment, and Recreation continue to show remarkable resilience in Post-Katrina New Orleans.

In 2010, over 142,000 workers were directly employed in the sector and nearly 193,400 Louisiana jobs were directly or indirectly attributable to Travel & Tourism. These figures imply that the Travel & Tourism Industry directly employed 7.8 percent and indirectly employed an additional 2.8 percent of Louisiana's workforce in 2010. The result that 10.6 percent (1 in 11) of Louisiana workers are either directly or indirectly employed by Travel & Tourism clearly shows the important role of this industry in Louisiana.

Appendix: 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 2010 input data used in the impact model and this report with regard to Traveler and Tourist spending was estimated by U.S. Travel Association. The categories and proportions allotted to them above are derived either directly from their division of spending or from proportional relationships found in previous editions of these estimates and the 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	\$306.50
2003	\$297.30
2004	\$447.30
2005	\$200.80
2006	\$368.30
2007	\$429.90
2008	\$282.20
2009	\$395.70
2010	\$447.90

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 FY 09-10 sum to \$1,219.6 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 percent. This translates into roughly \$255 million in spending on behalf of T&T by LADOTD in 2010.

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