



# Louisiana Tourism Forecast 2014-2017

*Prepared for:*

**Louisiana Department of Culture,  
Recreation and Tourism**

*By*



THE UNIVERSITY *of*  
**NEW ORLEANS**

HOSPITALITY  
RESEARCH CENTER

*Defining Tourism Opportunities*

**April, 2014**

## Acknowledgments

This report was prepared by **Maria J. Ortiz**, Project Manager in the Hospitality Research Center at the University of New Orleans. Special recognition is given to **Marius M. Mihai**, Research Analyst, **Karen Brakel**, Project and Budget Coordinator, and **Stefanie J. Perez**, Graduate Research Assistant, for their valued time and contribution to this project.

Special thanks go to **John Williams, Ph.D.**, Director of the Hospitality Research Center, for his valuable feedback, and his effort in procuring the input from the Greater New Orleans Hotel and Lodging Association and its member hotels.

Gratitude also goes to **Lynne Coxwell**, Research and Policy Analyst at Louisiana Office of Tourism, who provided valuable information for this report.

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## Executive Summary

- In 2013, the number of visitors to the state of *Louisiana* reached a new high for the second consecutive year. During 2013, 27.3 million people visited the state, exceeding the 26.3 million visitors who came in 2012, and 26.2 million in 2003. Total visitation increased by nearly 4% during 2013.
- Visitor spending statewide reached \$10.8 billion during 2013, an increase of 1% from 2012 estimates. Visitors who came to the state spent nearly \$394 during their trip.
- In 2013, \$807 million of state tax revenues were generated by travel and tourism activities in Louisiana.
- An estimated 152,000 direct jobs were attributable to visitor spending in the state of Louisiana during 2013. In the same year, tourism contribution, or direct value added to GDP accounted for about \$6.9 billion.
- Direct tourism employment accounted for nearly 8% of non-agricultural employment in Louisiana. Direct tourism value added represented nearly 3% of total GDP in the state.
- Without taxes paid by visitors to the state, each household in Louisiana would have had to pay \$468 in additional taxes to maintain revenues. Every \$70,800 of visitor expenditures creates one direct job in Louisiana.
- By 2017, the number of visitors to Louisiana is projected to reach 28.2 million. During the same year, spending is estimated to be \$11.7 billion.
- In 2013, total visitation to the *New Orleans* area was 9.3 million and spending was \$6.5 billion. Areas in the *Rest of Louisiana*, including Alexandria, Baton Rouge, Lafayette, Lake Charles, Monroe, Shreveport and Rural Areas of the southern and northern parts of the state received 18.0 million visitors, along with \$4.3 billion in spending.
- Other indicators of tourism activity in Louisiana remained stable during 2013. Hotel and airport activity reported the highest growth. Casino attendance and visitation to state parks and welcome centers are still lagging behind other indicators.

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## Methodology

This report includes the following list of estimates prepared by the Hospitality Research Center (HRC) at the University of New Orleans (UNO):

- Current and future estimates of visitation and spending
- A summary of current estimates and projections of number of hotel rooms sold, including those for conventions, airport passengers, tourism employment, and value added created by travel activity
- Current and future estimates of taxes paid by visitors to the state of Louisiana

The first step to obtain the above estimates is to explore relationships in current tourism data available in the Louisiana region. The data include:

- Airport passenger and capacity statistics
- Casino revenue and attendance
- Convention booking patterns
- Current and future economic indicators, including GDP and inflation
- Employment data
- External reports supported by the Louisiana Office of Tourism
- Hotel activity including occupancy rate, room rate, room inventory and taxes
- Hotel and visitor survey data files
- Louisiana Welcome Centers, State Historic Sites and State Parks visitation statistics
- Past relationships between historical visitor measurements and spending
- Past Visitor Profile reports which include visitation and spending

### *Visitation*

The HRC developed a model that projects trends in the number of visitors using the indicators and factors mentioned above. Before 2005, the tourism market in the New Orleans area had roughly the same volume as the areas in the Rest of Louisiana. Because of the severity of the damage on tourism activity in New Orleans after the Hurricanes, the analysis has been reviewed separately throughout this report. The HRC model provides estimates divided into New Orleans and the Rest of the State. These values are added together to determine the total visitation to the state of Louisiana.

The model provides information for visitation by segment for a forecast period through 2017. HRC surveys of hoteliers and visitors, as well as TNS survey data, are used to determine ongoing shifts in the types of visitors. The four visitor categories defined in this study are visitors who stay in hotels, visitors who stayed with friends and relatives (VFR's), visitors who stayed in other accommodations, and visitors who only came for the day (daytrippers). The HRC convention

bookings model provides insight into the future of hotel visitors, as well as convention bookings and their impact.

This forecast is based on the assumption that upward trends in tourism for New Orleans will continue, while the Rest of the State will remain at the higher levels reached after the storms. Another assumption is that some displacement of population and tourism activity will remain in the Rest of the State. Further, it is assumed that visitor mix and lengths of stay will gradually move in the direction of pre-Katrina/Rita figures.

Visitation estimates for 2003 through 2005 were done by TIA (U.S. Travel Association) in combination with CRT (Louisiana Department of Culture, Recreation and Tourism) using a different methodology. Though visitation is not from the same source or methods, the two series were concatenated to provide comparison with past estimates. Since TIA only measured domestic visitation, an effort was made to estimate foreign visitation and thus correct the series. The main tables containing visitation, expenditures, tourism indicators and taxes include both domestic and foreign visitation.

### *Spending*

Spending for New Orleans is estimated using data from HRC visitor survey files, along with historical and future measurements. TNS survey data is used to provide an insight into visitor spending in regions in the Rest of the State. While TNS includes domestic visitation only, the HRC makes an effort to correct for foreign visitation. The number of observations from TNS data panel does not allow for analysis of individual markets in areas outside New Orleans, thus they are analyzed as a whole. For smaller markets, other important tourism indicators are utilized.

Since Katrina/Rita, visitors to Louisiana have stayed longer and spent more money; however, spending increases can be partially attributed to higher costs. Wages and costs of doing business, particularly insurance, have increased substantially in the area. It is important to note that all spending figures presented throughout the report are not adjusted for inflation.

Spending numbers at the state level before 2007 are from TIA (U.S. Travel Association), in combination with TSA (Tourism Satellite Account). The main difference in the TSA methodology is that investment and government spending are included. A major difference in the TIA methodology is that it includes spending numbers for transportation purchased outside Louisiana such as airfare, as well as costs associated with owning a vehicle. TNS, which is HRC's main data source for spending numbers for areas outside New Orleans, includes only money spent inside Louisiana. As a result, pre-storms dollar values for the state are higher, including calculations for jobs created and taxes. It is also important to note that TIA does not measure spending by foreign travelers to Louisiana. An attempt was made to correct for spending and visits by foreign travelers between 2003 and 2006.

### *Travel Indicators*

The economic impact associated with current visitor spending, measured by *employment* and *value added*, is estimated using total direct and secondary spending due to visitors who come to Louisiana. Secondary spending, or the ripple effect, is based on the direct spending. For every new dollar of direct spending, additional dollars of secondary spending are generated in the economy. Secondary spending, employment and value added are estimated using multipliers provided by the United States Department of Commerce, Bureau of Economic Analysis (BEA). The most current BEA Regional Input-Output Modeling System (RIMS II) values for Louisiana were used for this analysis. Estimates of employment and value added are projected using a different methodology from that of 2003 to 2011 (TSA). Additional analysis was performed by HRC to insure that the figures were comparable over the years.

Government statistics, used to provide a comparison to estimates of employment and value added computed by HRC, are preliminary figures. Official data from the Louisiana Workforce Commission and Bureau of Economic Analysis is released approximately seven months after the end of the calendar year.

Indicators presented in appendix B are combined into groups by region to reflect recovery in the tourism industry. All indicators are compared to values from August 2003 through July 2005.

An effort has been made to remove hotel rooms sold to local evacuees during major hurricanes in the region. When considering measures of visitation to various facilities, such as welcome centers and state parks, all centers were included, despite their accessibility during the time frame of the analysis. New facilities, and those closed briefly after the storms, were analyzed since their return to use is considered a measure of recovery.

### *New Information and External Factors*

Current and forecast estimates are based on the best data available, historical information and multiple current tourism indicators, including primary data collection on plans to visit Louisiana.

Data and methodology have been improved substantially since the beginning of the project; however, they are continually studied and updated. The HRC estimates and forecasts continue to be refined as new information is released (e.g., new hotel openings, flights, perceptions, etc.). The forecast also changes based on new, exogenous factors including perceptions and changes in legislation. Since additional data relating to travel becomes available subsequent to the study, the HRC reserves the right to revise its estimates in the future.

## Introduction

The recovery and growth of tourism contribution is crucial for Louisiana. The research team seeks to bring together current information on the tourism industry into a cohesive whole, standardize the measures and data, and produce a comprehensive document. The results from this study are expected to assist Louisiana representatives in measuring the real impact of tourism in the state, and in determining visitor characteristics for future advertising and marketing efforts.

In 2004, before Hurricanes Katrina and Rita, the state's tourism industry was a major contributor to the Louisiana economy. During the same year, the Louisiana tourism industry was responsible for \$10 billion in visitor spending and the creation and support of direct employment for 165,000 Louisiana residents. In the aftermath of the Hurricanes, Louisiana's tourism resources were reallocated to address the needs of its residents, as well as government and contract workers. Some casinos, state parks and welcome centers were damaged to the point of closure. Many restaurants and hotels were closed or operating on a reduced schedule due to an inability to find workers.

The net effect of the Hurricanes aftermath was a 34% decline in visitor spending from 2004 to 2006. While a less dramatic impact on visitation was imposed by Gustav and Ike in the fall of 2008, the national recession affected Louisiana's tourism industry in 2009, resulting in both spending and visitation losses. In addition to these adverse events, the BP Horizon oil spill had a significant impact on the state's tourism in 2010 and early 2011. In the following years, overall tourism activity has recovered significantly. While spending and visitation during 2012 and 2013 remained strong, other tourism indicators are still lagging behind in recovery. Because tourism is such a vital part of Louisiana's economy and culture, this forecast was created to reveal insights into industry trends, particularly on the impact tourism visitation and spending have in the state's recovery and growth.

## Forecast Results

### LOUISIANA

The forecast has been revised in this cycle to show more of a recovery from the impact of the national recession (2009) and the BP oil spill (2010). Although travel, measured by visitation and spending, has significantly recovered throughout the state for the last four years, the industry has not reached comparable levels on other tourism indicators as seen in years prior to the recession.

Table 1 shows estimates for number of visitors and spending in the state of Louisiana from 2003 to 2013. In addition, it includes a four-year window forecast for the same indicators between 2014 and 2017.

In 2013, the number of visitors statewide reached a new high. During that year, 27.3 million people visited the state, exceeding the 26.3 million visitors who came in 2012 and the 26.2 million who visited in 2003. The number of visitors grew by approximately 4% during 2013, and it's expected to have a moderate growth during the upcoming years. By 2017, the number of visitors statewide is projected to reach 28.2 million.

Visitor spending statewide reached \$10.8 billion during 2013, an increase of 1% compared to 2012, and the highest figure since 2003. People who visited the state of Louisiana spent approximately \$394 during their trip. In the upcoming years, visitor spending is expected to increase by approximately 2% annually reaching \$11.7 billion by 2017. It is important to note that spending historical figures are not adjusted for inflation.

**Table 1: Louisiana Number of Visitors and Spending  
(Domestic and Foreign)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Visitors (Millions)<sup>1</sup></b>	26.2	24.8	19.6	18.2	23.8	24.4	24.0	25.1	25.5	26.3	27.3	27.5	27.7	28.0	28.2
<b>Total Spending (Billions)<sup>2</sup></b>	\$9.4	\$10.0	\$8.2	\$6.6	\$9.0	\$9.5	\$8.8	\$9.5	\$10.0	\$10.7	\$10.8	\$10.9	\$11.2	\$11.5	\$11.7

<sup>1</sup> Source: 2003-5 TIA data in combination with the Louisiana Department of Culture, Recreation and Tourism (CRT)

<sup>2</sup> Source: 2003-6 Louisiana TSA and TIA data  
Louisiana totals may not add due to rounding

Figure 1: Louisiana Visitation and Spending

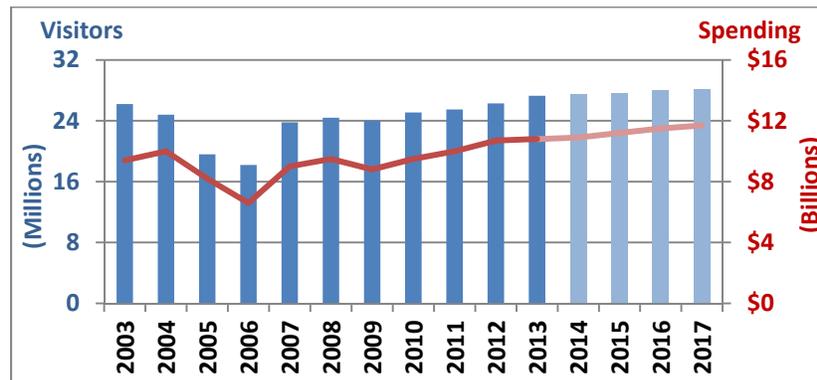


Figure 1 shows a graphical representation of the trend for visitation and spending over the next four years. Table 2 summarizes key tourism indicators including tourism employment, airport passenger figures, and hotel and convention rooms sold. These indicators are essential in order to understand the recovery of the tourism industry as a whole.

*Airport Passenger* estimates throughout the state, as measured by enplanements, were drastically affected by Hurricanes Katrina and Rita followed by the national recession. In 2013, this figure grew by 6% and recovered significantly, reaching higher figures than those seen during 2003. Airport indicators are expected to reach the highest figures, recorded in 2004, by 2015.

Estimates of *Hotel Rooms Sold*, as measured by roomnights demand, have recovered significantly compared to other indicators. Although during 2013, the number of hotel rooms remained unchanged from 2012 estimates, it stayed at its highest value since 2003.

Table 2: Louisiana Tourism Indicators

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Tourism Employment (Thousands)<sup>3</sup></b>	--	165	122	108	143	145	131	143	147	150	152	152	157	161	162
<b>Airport Passengers (Millions)</b>	5.7	6.0	5.2	4.5	5.1	5.2	5.0	5.3	5.6	5.6	5.9	5.9	6.0	6.1	6.2
<b>Hotel Rooms Sold (Millions)<sup>4</sup></b>	16.9	17.8	18.9	17.2	16.9	18.2	16.9	18.7	18.6	20.0	20.0	19.9	20.1	20.1	20.2
<b>Convention Rooms Sold (Millions)</b>	2.7	2.6	2.1	1.2	1.9	2.0	2.1	2.2	2.3	2.5	2.5	2.6	2.7	2.7	2.7

<sup>3</sup> Direct employment only, including construction work on infrastructure

<sup>4</sup> In 2005, 2006 and early fall 2008, many hotel rooms were not attributable to visitors

Louisiana totals may not add due to rounding

Source: See Appendix B

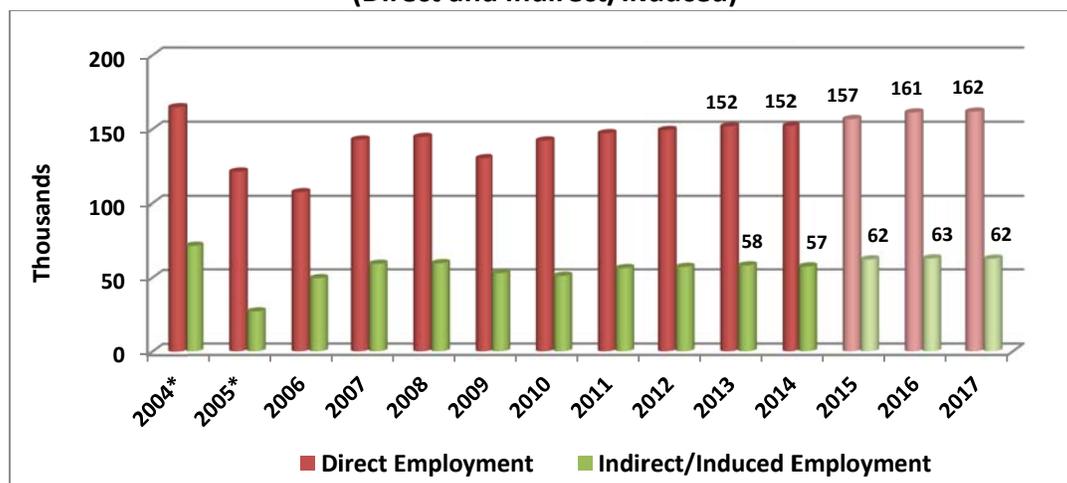
*Convention Rooms Sold* (measured by roomnights demand) have recovered at a slower pace, but are expected to reach 2004 estimates by 2014. The difference between the growth in hotel and convention rooms sold indicates that the state is successfully attracting other type of hotel visitors including leisure, business, and long-term visitors.

*Tourism Employment* represents the number of direct jobs created in the state of Louisiana by visitor spending among different employment industries, including non-tourism related. This definition differs from government's employment statistics in that the latter includes only people who work in the leisure and hospitality industry. In addition, tourism employment matches the TSA definition of tourism jobs, which includes those for infrastructure spending (i.e. the building and repair of highways and hotels). Immediately following Hurricanes Katrina and Rita, there was a surge in hotel construction in the northern part of the state along with many repairs to bridges and other travel infrastructure projects in the south. This type of activity has continued to decrease in the years following the Hurricanes as projects are being completed.

The primary spending of visitors to the state of Louisiana creates a secondary spending, which is a "multiplied" or "ripple effect" that occurs when primary dollars are filtered through the economy. As a result of the primary spending, indirect/induced jobs are generated in the local economy. Indirect/induced jobs were calculated using multipliers provided by the United States Department of Commerce, Bureau of Economic Analysis (BEA) along with author's calculations.

In 2013, approximately 152 thousand direct and 58 thousand indirect jobs were attributable to spending by visitors to the state. While visitor spending reached a new high in 2013, estimates for direct and indirect tourism employment are not expected to reach 2004 figures during the forecast window. Inflation, technology and cross-trained employees are factors that explain the reduction in personnel required to serve the industry. Thus, the amount of travel-related jobs is expected to recover at a slower pace than spending and other tourism indicators (Figure 2).

**Figure 2: Louisiana Tourism Employment  
(Direct and Indirect/Induced)**



\*Estimates

Source: See Appendix B

**Table 3: Tourism Employment Compared to Louisiana Workforce Commission Employment by Segments (Top 10)**

Segments (Thousands)	2013*
<b>Total LA Employment</b>	<b>1,886</b>
Health Care and Social Assistance	290
Retail Trade	223
Accommodation and Food Services	184
Educational Services	163
<b>Tourism Employment (Direct)**</b>	<b>152</b>
Manufacturing	143
Construction	139
Public Administration	98
Administrative and Waste Services	97
Professional and Technical Services	88
Transportation and Warehousing	81
Other	378

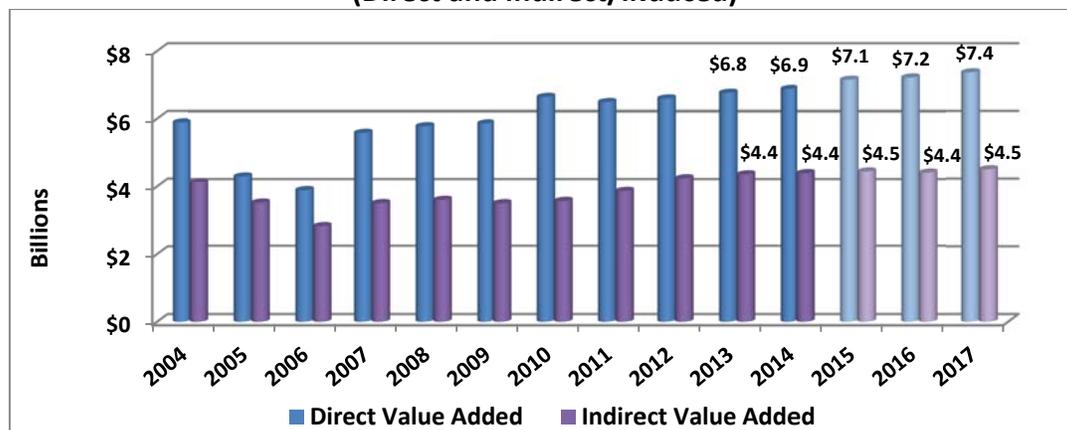
\*Preliminary estimate. Source: See Appendix B

\*\*Tourism employment is not part of standard government statistics from the LA Workforce Commission

Table 3 figures are included for comparison purposes only. The table shows total estimated direct *tourism employment* compared to standard government employment statistics. As mentioned earlier, direct tourism employment includes jobs created among all industries, including non-tourism related, while government sectors are divided by regular industries. When tourism employment is compared to regular government segments, it ranks 5th in number of jobs created.

Figure 3 contains estimates for *Tourism Value Added*, defined as the contribution of a private industry or government sector to the overall GDP. Direct and indirect value added, or contribution to GDP, created by visitor spending in the state was estimated using similar methodologies to those of employment. During 2013, direct and indirect tourism contribution accounted for approximately \$6.9 billion and \$4.4 billion, respectively. The values presented in Figure 3 are nominal and are not adjusted for inflation.

**Figure 3: Louisiana Tourism Value Added (Direct and Indirect/Induced)**



Source: See Appendix B

**Table 4: Tourism Value Added Compared to Louisiana GDP by Segments (Top 15)**

Segments (Billions of Current Dollars)	2013*
<b>Total LA GDP</b>	\$249.3
Manufacturing	\$59.4
Government	\$25.4
Real Estate, Rental and Leasing	\$22.1
Mining	\$21.7
Health Care and Social Assistance	\$15.2
Retail Trade	\$14.9
Professional, Scientific, and Tech. Services	\$11.9
Construction	\$11.7
Wholesale Trade	\$11.2
Transportation and Warehousing	\$10.4
Finance And Insurance	\$8.6
Accommodation and Food Services	\$7.6
<b>Tourism Value Added (Direct)**</b>	<b>\$6.8</b>
Administrative and Waste Management Svcs.	\$5.5
Other Services, Except Government	\$5.3
Utilities	\$5.0
Other	\$13.3

\*Preliminary estimate. Source: See Appendix B

\*\*Tourism value added is not part of GDP statistics from the Bureau of Economic Analysis

Table 4 includes a comparison of direct *tourism value added* and Louisiana GDP statistics. Similar to employment, direct value added includes the contribution by visitor spending to GDP among all industries, including non-tourism related, while BEA sectors are divided by industries, regardless of contribution origin. When the estimated tourism value added is compared to regular government segments, it ranks 13th in contribution to the state's GDP.

Table 5 includes the amount of state taxes paid by visitors throughout the state. The lowest figures were reached during 2006 and 2009 due to the Hurricanes and effects of the national recession, respectively. Since 2010, tax collection estimates have growth continuously and are expected to continue that trend over the upcoming years. In 2013, taxes for hotel and other spending reached new highs as well. Similar to spending, it is important to note that figures presented in table 5 are not adjusted for inflation.

**Table 5: Louisiana State Taxes**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Hotel Sales Taxes (Millions)<sup>5</sup></b>	\$76	\$61	\$58	\$66	\$73	\$66	\$75	\$77	\$87	\$93	\$93	\$96	\$98	\$100
<b>Non-hotel State Tax Revenue (Millions)<sup>6</sup></b>	\$541	\$511	\$449	\$610	\$633	\$590	\$607	\$636	\$664	\$671	\$683	\$698	\$714	\$729
<b>Louisiana Superdome and Exposition Tax (Millions)<sup>7</sup></b>	\$35	\$28	\$25	\$27	\$30	\$28	\$31	\$34	\$40	\$43	\$43	\$45	\$46	\$47

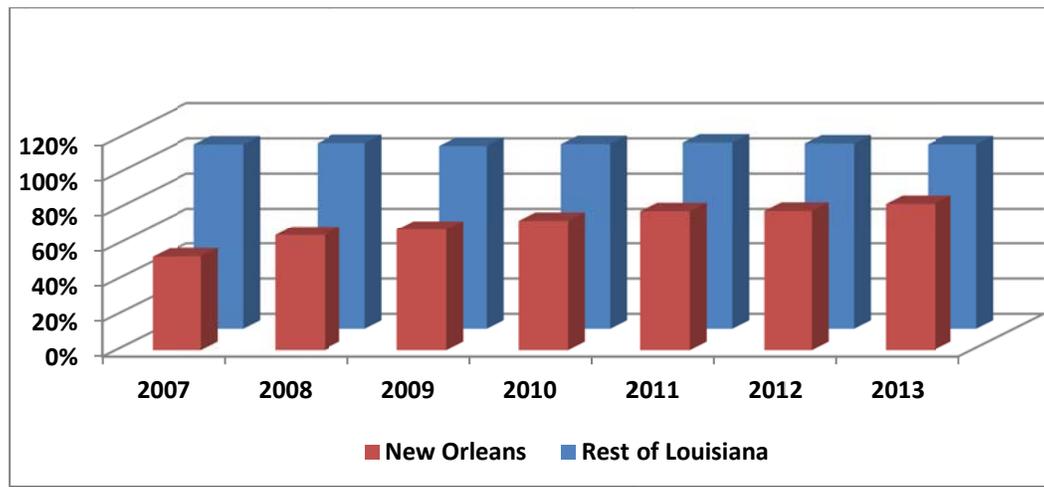
<sup>5</sup> 4% state sales tax. Residents were removed in hurricane periods

<sup>6</sup> Includes state taxes only, direct and indirect

<sup>7</sup> Source: See Appendix B

Louisiana totals may not add due to rounding

**Figure 4: Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



Source: See Appendix B

Figure 4, shows travel indicators for New Orleans and the Rest of the State compared to a period before Katrina/Rita. Travel indicators include activity in casinos, airports, employment, hotels, state parks, and welcome centers summarized by area. Before the Hurricanes, tourism market in the New Orleans area had roughly the same volume as areas in the Rest of Louisiana. In late 2005, because of the severity of the Hurricanes, the indicators for areas in the Rest of the State reached higher levels than New Orleans indicators. Since then, although New Orleans has recovered about 25% of the industry activity, areas in the Rest of the State have remained at higher levels. During 2013, travel indicators in New Orleans reached 83%, while areas in the Rest of the State remained at 105%.

Table 6 includes the percent recovery of travel indicators shown in Figure 4 categorized by segments. *Travel Infrastructure* is defined by the capacity available at airports, hotels, and labor force, while *Travel Activity* is defined by the number of airport passengers and hotel rooms sold. *Leisure Activity* is defined by the number of visitors to state parks and welcome centers. During 2013, the sectors lagging behind in recovery for both areas were leisure activity and casinos.

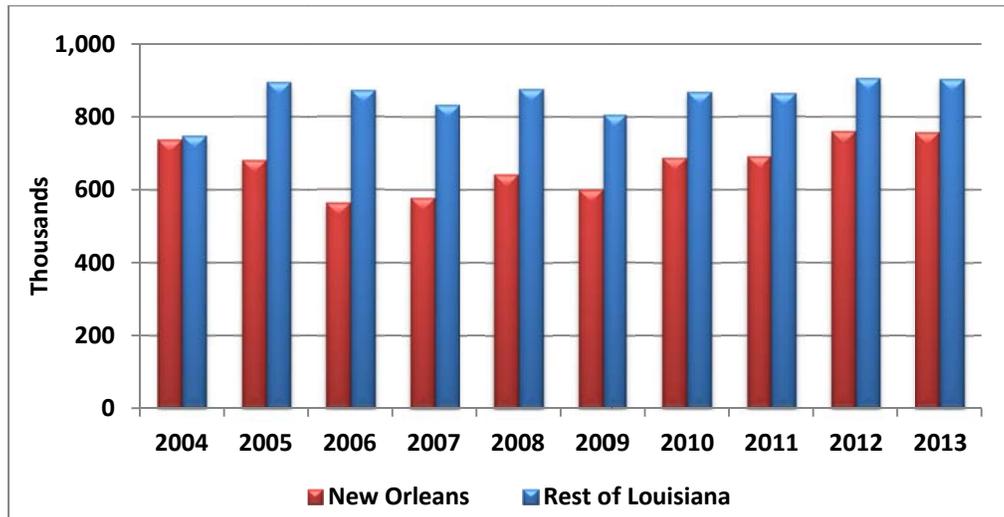
**Table 6: Travel Indicators by Segment  
(Percent Compared to Pre-Katrina/Rita Figures)**

<b>2013</b>	<b>New Orleans</b>	<b>Rest of Louisiana</b>
Travel Infrastructure	92%	139%
Travel Activity	98%	114%
Leisure Activity	66%	85%
Casino Attendance	68%	94%
Convention Rooms Sold	85%	113%*

\*Estimate

Source: See Appendix B

**Figure 5: Hotel Rooms Sold  
(Monthly Average)**

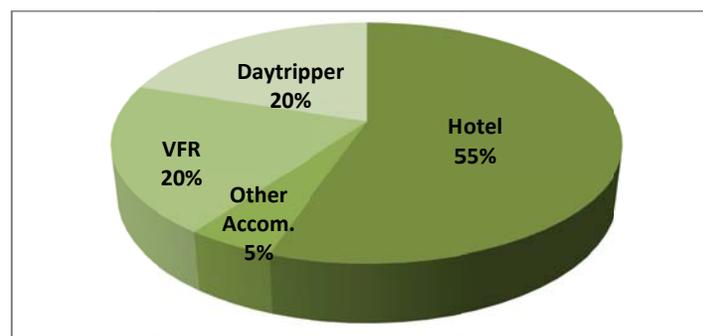


Source: See Appendix B

Figure 5 contains the monthly average number of hotel rooms sold in the New Orleans area and markets in the Rest of the State. Until 2004, the volume of rooms sold for both areas was virtually the same. However, even after the high-volume of room sales after the Hurricanes decreased, most of the Rest of the State sales remained higher than in years before the storms. In particular, Baton Rouge, Lafayette, Lake Charles and rural areas in north Louisiana added a great deal of hotel capacity and sales. During 2008 and 2012, there was a smaller hurricane season increase/drop in rooms sold due to Gustav/Ike and Isaac. The recession effects are visible in 2009, while the impact of BP on business visitation can be seen throughout 2010. While 2013 remained a strong year for tourism, hotel sales in both areas decreased slightly from 2012 figures.

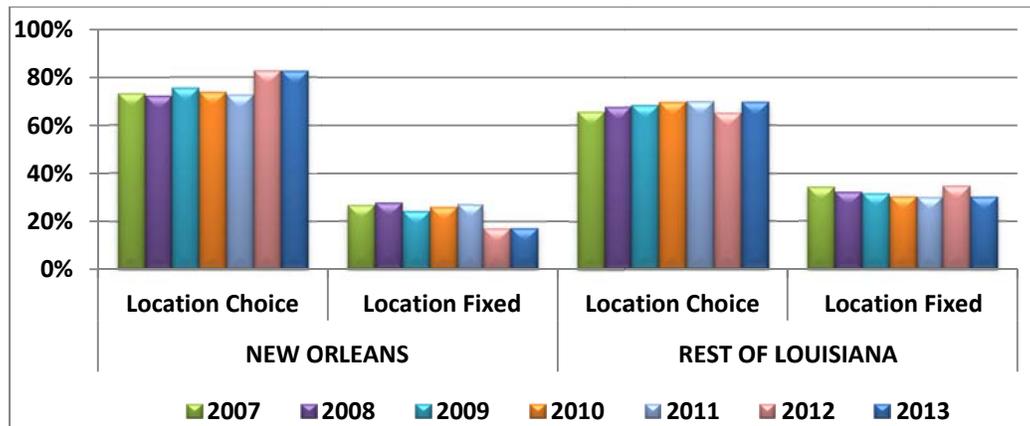
In 2013, approximately 55% of visitors to the state of Louisiana stayed in hotels during their visit. Another 20% stayed with friends or relatives, and nearly 20% decided to stay only for the day (Figure 6).

**Figure 6: Visitor Type**



Source: See Appendix B

Figure 7: Louisiana Visitor Mix



Excludes visiting friends & relatives

Source: See Appendix B

Travelers to Louisiana were split into two groups - those whose destination was “discretionary” and those whose destination was “required”. *Location choice* includes leisure travelers and convention visitors. Convention visitors belong to this category as planners, with input from organization members, choose the place for the convention. *Location fixed* includes travelers for personal business and regular business, since their destination is not optional. People whose primary purpose was to visit friends or relatives were excluded since the group is so prevalent in Louisiana that it conceals trends of other groups. During 2013, more visitors (83%) chose to visit New Orleans compared to last year. In the same year, visitors to the Rest of Louisiana were more likely (70%) to choose their destination. Both figures represent a slightly increase over last year’s estimates (Figure 7).

Table 7 includes an estimation of visitors, spending and taxes paid by domestic visitors only. The table excludes activity brought by international visitors.

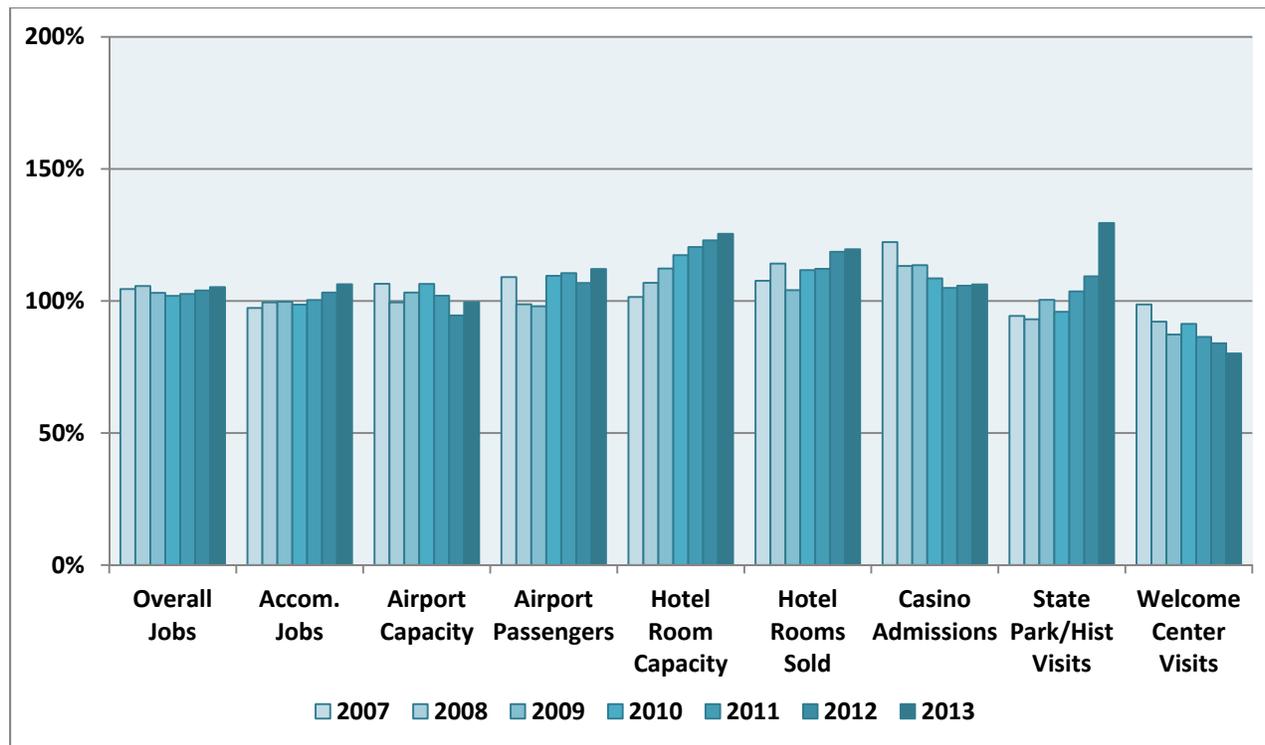
**Table 7: Louisiana Number of Visitors and Spending  
(Domestic Only)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Visitors (Millions)	25.3	24.1	18.7	17.8	23.2	23.8	23.3	24.4	24.7	25.5	26.5	26.6	26.8	27.1	27.3
Total Spending (Billions\$)	\$9.1	\$9.5	\$7.9	\$6.4	\$8.7	\$9.2	\$8.5	\$9.2	\$9.6	\$10.2	\$10.3	\$10.4	\$10.7	\$10.9	\$11.1
Taxes Generated to State by Domestic Visitation (Millions\$) <sup>1</sup>	--	\$623	\$585	\$521	\$679	\$711	\$656	\$687	\$717	\$766	\$781	\$793	\$812	\$829	\$846

<sup>1</sup> Visitor state direct and indirect taxes only

Source: See Appendix B

**Figure 8: Louisiana Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



*State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study*

*Source: See Appendix B*

Figure 8, contains travel indicators for Louisiana compared to a period before Katrina/Rita. While overall jobs have recovered at a slower pace for the last 4 years, employment in accommodation industries has showed a more significant growth. In 2013 accommodation jobs reached the highest point since the beginning of the study.

Airport capacity and passengers recovered substantially in 2013. After the recession, the state lost airport capacity and passengers, but has successfully recovered most of its activity. Hotel room capacity and hotel rooms sold have followed the overall tourism recovery. During 2013 hotel capacity reached the highest point since 2005. In the same year, the number of hotel rooms sold remained virtually unchanged.

Leisure-visitor indicators including casinos, state parks and welcome centers have not recovered at the same pace as other tourism factors. Casino activity has been decreasing, and although overall spending has recovered, gambling expenditures remain lower than in years prior to the recession. State parks and welcome centers visitation has fluctuated over the years. In 2013, state parks recovered significantly due to new state parks, while welcome center visits continued to decrease.

## NEW ORLEANS

Tourism recovery in the New Orleans area is critical to the overall recovery of the tourism industry in the state of Louisiana. Because of the size of the market, movement in the New Orleans region dominates the history and forecast, both in terms of damage and recovery.

Although in 2013 the total number of visitors statewide reached the highest number since 2003, it does not indicate that the travel industry has recovered uniformly in all areas throughout the state. Visitation to New Orleans will be increasing at a slower pace and is not expected to reach 2004 estimates until after the end of the forecast window. Travel to the areas in the remainder of the state have compensated for the decline in the number of visitors to the New Orleans area since the Hurricane.

New Orleans visitation showed an upward trend until half year 2008, followed by a slight dip. Specifically, year 2008 had a strong spring and a better than expected summer. However, the fall was marred by Hurricanes Gustav and Ike, lower than average convention bookings, and the influence of the national economic crisis. By 2009, the number of visitors to New Orleans decreased 1%. In 2010, the number of visitors to New Orleans increased significantly and has kept the momentum for the following years. In 2013, total visitation to the city was nearly 9.3 million and represented an increase of 3% from 2012. By 2016, visitation to New Orleans is estimated to reach approximately 9.7 million visitors; that is an increase of approximately 4% or 373,000 people from current visitation estimates.

New Orleans visitors spend more per person than visitors to the Rest of the State. Although New Orleans has fewer visitors than the Rest of the State, its economic impact is higher. During the recession, the number of visitors to New Orleans stayed almost the same but their expenditures dropped as people spent less on discretionary items. In 2010 the city recovered, and by 2013 total spending reached the highest figure since 2003 (\$6.5 billion). New Orleans is expected to reach nearly \$7.1 billion in visitor spending by the end of the forecast window, an increase of 9% from current spending estimates. It is important to note that spending figures are not adjusted for inflation (Table 8).

**Table 8: New Orleans Number of Visitors and Spending  
(Domestic and Foreign)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Visitors (Millions)</b>	8.5	10.1	6.7 <sup>a</sup>	3.7	7.1	7.6	7.5	8.3	8.8	9.0	9.3	9.3	9.4	9.5	9.7
<b>Total Spending (Billions)<sup>1</sup></b>	\$4.8	\$5.1	\$4.3 <sup>a</sup>	\$3.1	\$4.9	\$5.3	\$4.6	\$5.5	\$5.7	\$6.2	\$6.5	\$6.5	\$6.8	\$6.9	\$7.1

<sup>a</sup> Data for 2005 collected only through August

<sup>1</sup> Includes gambling expenditures

**Table 9: New Orleans Tourism Indicators**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Tourism Employment (Thousands)<sup>2</sup></b>	-	81	69	44	74	81	69	82	84	87	91	91	95	97	98
<b>Airport Passengers (Millions)</b>	4.6	4.9	3.9	3.1	3.8	4.0	3.9	4.1	4.3	4.3	4.6	4.6	4.7	4.8	4.8
<b>Hotel Rooms Sold (Millions)<sup>3</sup></b>	8.5	8.9	8.2	6.8	6.9	7.7	7.2	8.3	8.3	9.1	9.1	9.0	9.2	9.2	9.3

<sup>2</sup>Direct employment only, including construction work on infrastructure

<sup>3</sup>In 2005, 2006 and early fall 2008, many hotel rooms were not attributable to visitors

Source: See Appendix B

Table 9 summarizes key tourism indicators including tourism employment, airport passenger figures, and number of hotel rooms sold throughout the New Orleans area. *Tourism Employment* matches the TSA definition of tourism jobs, and includes jobs related to infrastructure spending. Similar to the state as a whole, the total number of travel-related jobs is not expected to recover at the same pace as spending indicators.

The number of *Airport Passengers*, as measured by enplanements, recovered significantly during 2013. With nearly 4.6 million enplaned passengers, it represented a 7% increase compared to 2012. At the end of the forecast window, in 2017, the number of airport passengers is expected to reach figures close to those seen before the Hurricane. Although the number of *Hotel Rooms Sold* (measure by roomnights demand) remained virtually unchanged compared to 2012, it represented the highest figure since 2003. By 2017, the number of rooms sold is expected to increase nearly 2% compared to current indicators.

Table 10 represents the total state taxes paid by visitors to the New Orleans area. In 2013, taxes paid by visitors increased nearly 4% compared to last year's estimates.

**Table 10: Louisiana State Taxes  
(paid by New Orleans Visitors)**

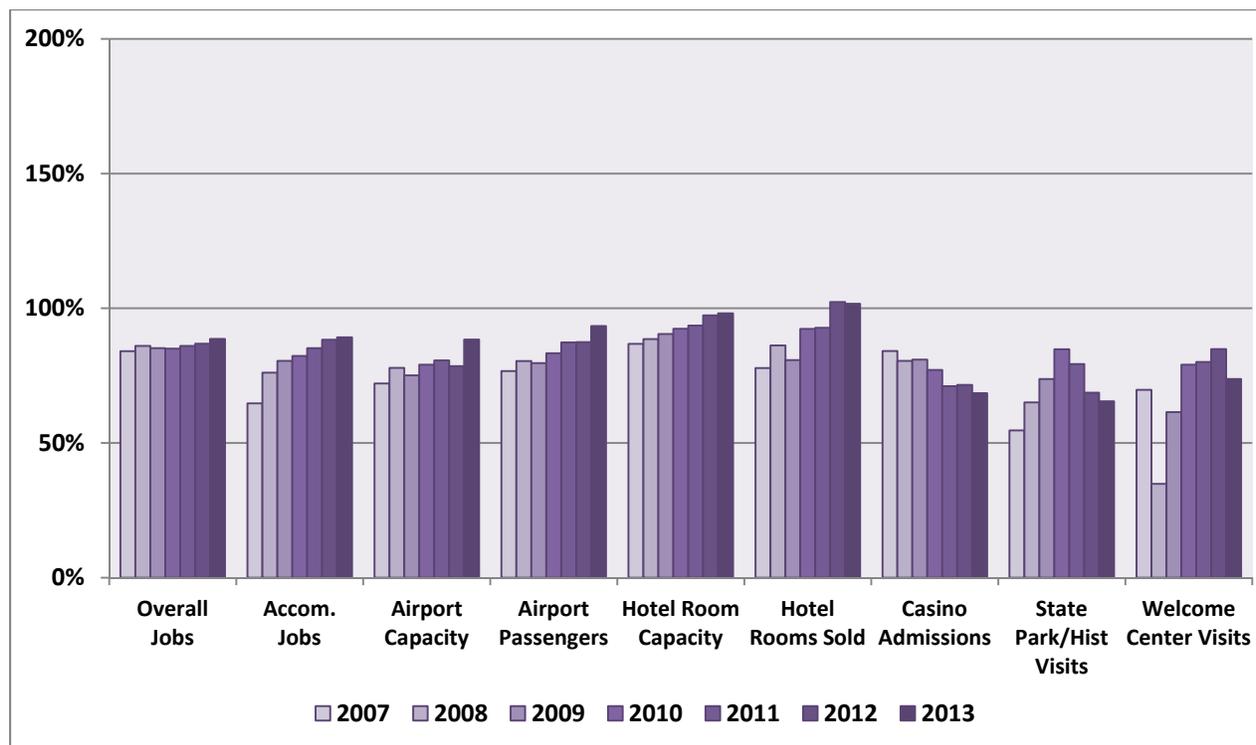
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Hotel Sales Taxes (Millions)<sup>4</sup></b>	\$48	\$41	\$29	\$36	\$40	\$36	\$43	\$45	\$53	\$58	\$58	\$60	\$61	\$63
<b>Non-hotel State Tax Revenue (Millions)<sup>5</sup></b>	\$243	\$222	\$162	\$259	\$275	\$240	\$273	\$282	\$299	\$308	\$312	\$322	\$329	\$336
<b>Louisiana Superdome and Exposition Tax (Millions)<sup>6</sup></b>	\$35	\$28	\$25	\$27	\$30	\$28	\$31	\$34	\$40	\$43	\$43	\$45	\$46	\$47

<sup>4</sup> 4% state sales tax. Residents were removed in hurricane periods

<sup>5</sup> Includes state taxes only, direct and indirect

<sup>6</sup> Source: See Appendix B

**Figure 9: New Orleans Travel Indicators  
(Percent Compared to Pre-Katrina Figures)**



*State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study*

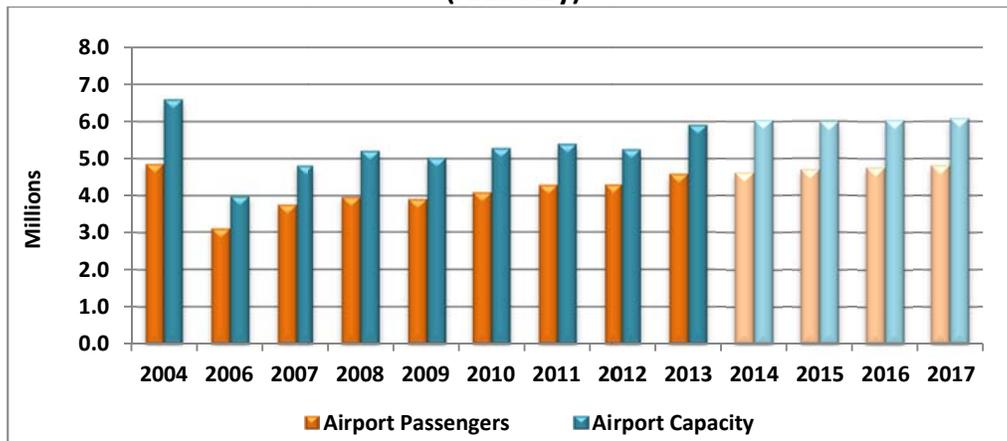
*Source: See Appendix B*

Figure 9 shows indicators of tourism activity in comparison to activity levels prior to Hurricane Katrina. While overall jobs have remained virtually unchanged for the last 6 years, employment in accommodation industries has showed significant recovery. During 2013, both overall employment and leisure jobs reached 89%, the highest figure since the storm.

Airport capacity, passengers, hotel room capacity and hotel rooms sold have followed the overall tourism recovery. Although 2013 was a strong year for tourism, hotel activity had a marginal decrease from 2012 figures. The number of hotel rooms available for visitors (hotel room capacity) reached 98% of pre-Katrina estimates. During the same year, the number of hotel rooms sold (roomnights demand) remained at 102%.

Casinos, state parks and welcome centers visitation has not recovered at the same pace as other tourism indicators. Casino activity has been decreasing. Although overall spending has recovered, gambling expenditures remain lower than in years prior to the recession. State parks and welcome centers visitation has fluctuated over the years. In 2013, state parks visits decreased to 65%, while welcome center visits decreased to 74% of figures prior to Katrina.

**Figure 10: New Orleans Airport Activity (Annually)**

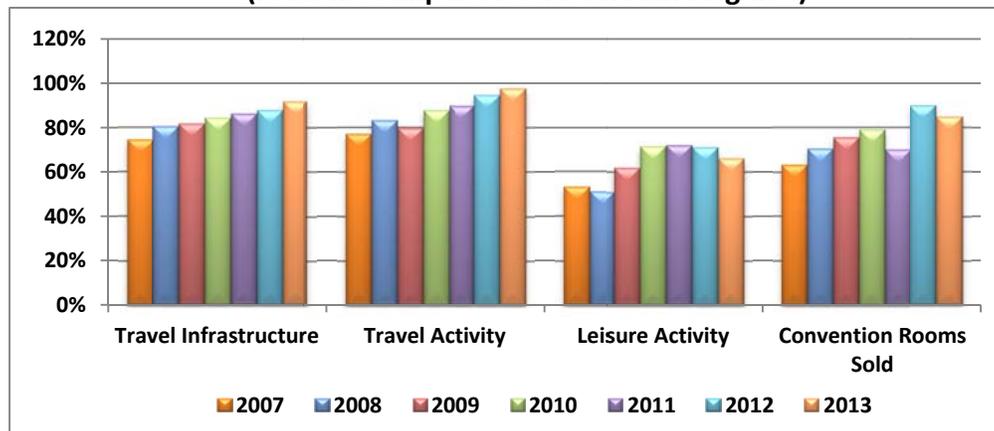


Source: See Appendix B

Figure 10 presents annual enplanements, or passengers leaving the New Orleans Armstrong airport, along with capacity, measured by number of seats available. During 2013, both capacity and enplanements reached a new high since 2006, increasing by 12% and 7%, respectively. A moderate growth is expected to continue through the end of 2017. In 2013, 90% of the seats were being filled by 97% of the passengers. In other words, airplanes are flying at a higher capacity than they were prior to the storm. This increase in the load factor in New Orleans is also part of a national trend in the airline industry.

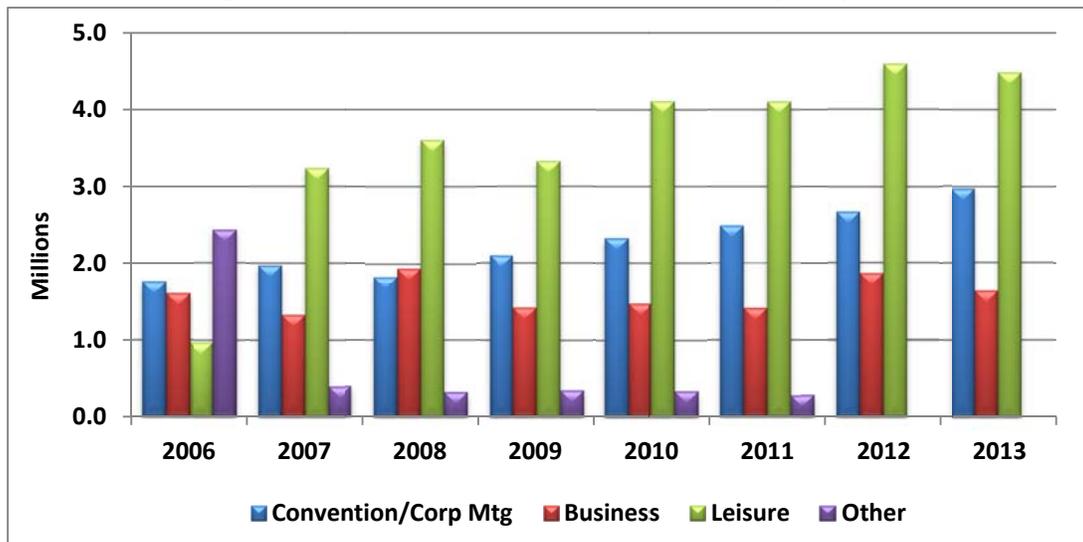
Figure 11 includes tourism indicators presented in Figure 9, grouped into different segments. *Travel infrastructure*, as measured by capacity in hotels and airport, and leisure employment showed an upward trend since the storm. *Travel Activity* measured by the actual demand for hotel rooms and airport enplanements reached 98% in 2013. *Leisure Activity*, including visitation at state parks and welcome centers, has been decreasing since the recession. *Convention Rooms Sold* has fluctuated over the years but it still shows a general upward trend. In 2013, it decreased to 85%.

**Figure 11: New Orleans Travel Indicators by Segments (Percent Compared to Pre-Katrina Figures)**



See Appendix B

Figure 12: New Orleans Hotel Rooms Sold by Purpose

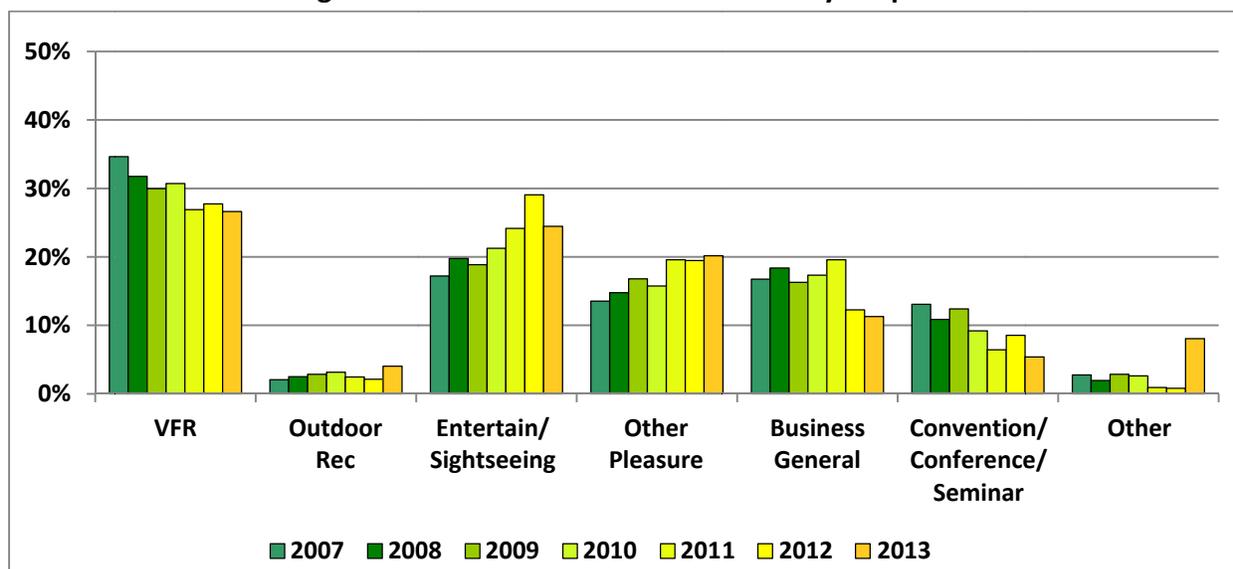


Source: See Appendix B

Results from a survey to hoteliers revealed that in the New Orleans area, the number of hotel rooms sold (measure by roomnights) to leisure visitors went from 1.0 million in 2006 to 4.5 million in 2013. Compared to 2012, hotel leisure visitors decreased by 2%. Contrarily, the number of hotel visitors who came for a convention or similar events increased to 3.0 million (11%). “Other” includes long term hurricane-related guests, including residents. This group had virtually disappeared by the end of 2007 and was removed from the survey in 2012 (Figure 12).

Figure 13 reflects changes in the primary purpose of visitors coming to New Orleans. Although TNS data provides a relatively small number of cases, these observations provide some indication of trends explaining why visitors are travelling to the area.

Figure 13: New Orleans Visitors - Primary Purpose



Source: See Appendix B

## REST OF THE STATE

Areas in the Rest of Louisiana include Alexandria, Baton Rouge, Lafayette, Lake Charles, Monroe, Shreveport and Rural Areas of the southern and northern parts of the state.

Visitation to the Rest of Louisiana represents about 66% of the total number of visitors in the entire state. Until 2008, the number of visitors in these areas showed an upward trend, followed by a drop in 2009 due to the recession. During 2010 and 2011, the BP oil spill brought non-traditional visitors to the area including workers, contractors and media. By 2012 traditional visitors returned to the area, and by 2013, total visitation reached 18.0 million, the highest figure since 2003. Although visitation increased by approximately 4%, total spending in 2013 decreased from 2012. Shorter stays combined with non-traditional lodging preferences of visitors, caused spending to decline. Nevertheless, visitors spent approximately \$240 during their trip. By 2017, visitation is expected to increase 3% from current estimates, while spending will grow 8%. During the same year, spending is projected to reach 2003 figures (Table 11).

**Table 11: Rest of the State Number of Visitors and Spending  
(Domestic and Foreign)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Visitors (Millions)<sup>1</sup></b>	17.7	14.7	12.9	14.5	16.7	16.8	16.4	16.8	16.8	17.3	18.0	18.2	18.3	18.4	18.5
<b>Total Spending (Billions)<sup>2</sup></b>	\$4.6	\$4.9	\$3.9	\$3.5	\$4.1	\$4.2	\$4.1	\$4.1	\$4.3	\$4.5	\$4.3	\$4.4	\$4.5	\$4.6	\$4.6

<sup>1</sup> 2003-5 TIA and UNO Hospitality Research Center data in combination with CRT

<sup>2</sup> 2003-6 TIA, UNO Hospitality Research Center and TSA data

Other tourism indicators including tourism employment, airport passengers and hotel rooms sold are included in Table 12. In 2013, the number of hotel rooms sold measured by roomnights demand, remained at 10.9 million, the highest since 2003.

**Table 12: Rest of the State Tourism Indicators**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Tourism Employment (Thousands)<sup>3</sup></b>	--	84	53	64	69	64	62	60	64	63	61	61	62	64	64
<b>Airport Passengers (Millions)</b>	1.1	1.2	1.3	1.4	1.4	1.2	1.1	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3
<b>Hotel Rooms Sold (Millions)<sup>4</sup></b>	8.4	9.0	10.7	10.5	10.0	10.5	9.7	10.4	10.3	10.9	10.9	10.8	10.9	10.9	10.9

<sup>3</sup> Direct employment only, including construction work on infrastructure

<sup>4</sup> In 2005, 2006 and early fall 2008, many hotel rooms were not attributable to visitors

Source: See Appendix B

**Table 13: Louisiana State Taxes (paid by Rest of the State Visitors)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Hotel Sales Taxes(Millions)<sup>5</sup></b>	\$28	\$20	\$29	\$30	\$33	\$30	\$32	\$32	\$34	\$35	\$35	\$36	\$36	\$37
<b>Non-hotel State Tax Revenue (Millions)<sup>6</sup></b>	\$298	\$290	\$287	\$351	\$358	\$350	\$335	\$354	\$365	\$363	\$371	\$377	\$385	\$392

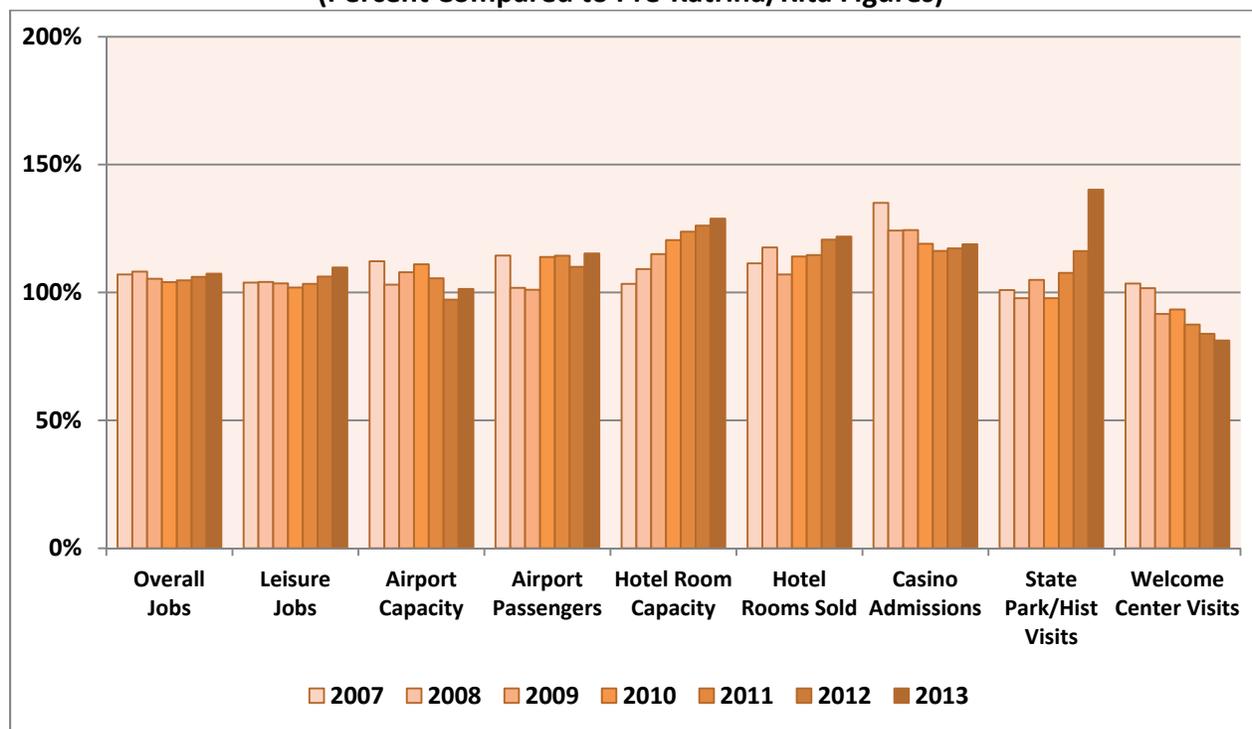
<sup>5</sup> 4% state sales tax. Residents were removed in hurricane periods

<sup>6</sup> Includes state taxes only, direct and indirect

Table 13 includes state taxes paid by visitors to areas in the Rest of the State. During 2013, there was an increase of 2% for taxes collected in hotels, and a small decrease of 0.4% for sales and gambling taxes.

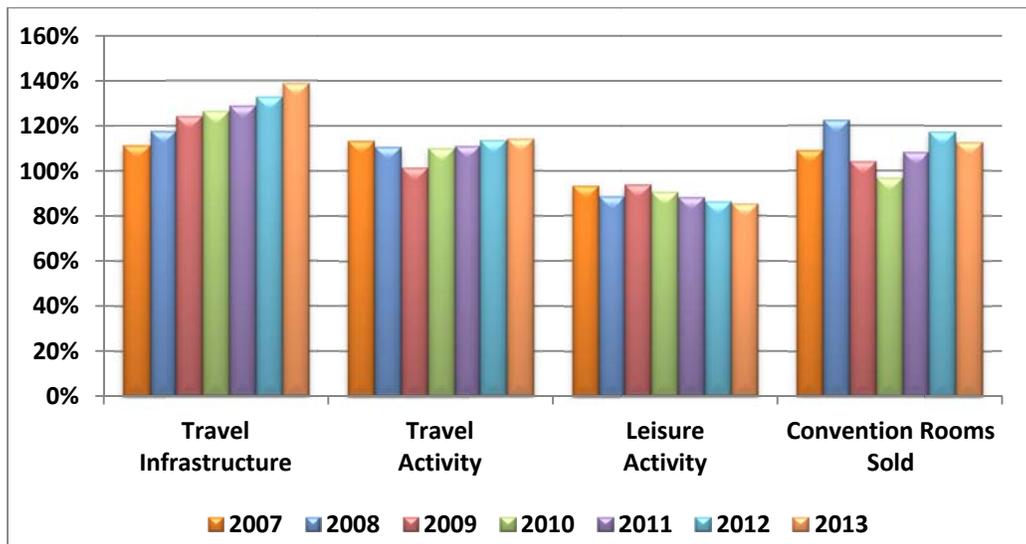
Figure 14 contains indicators of tourism activity comparing activity levels prior to the Hurricanes to current trends. Overall and leisure jobs have continued to grow after a decrease during the recession. Airport passengers and capacity showed signs of recovery during 2013; each increased by nearly 5%. In 2013, the number of hotel rooms available for visitors (hotel room capacity) increased to 129%, while the number of hotel rooms sold grew to 122%. Visitation to casinos, state parks and welcome centers has not recovered at the same pace as other tourism indicators. Casino admissions and welcome centers have lost visitors, while state parks have captured them back.

**Figure 14: Rest of the State Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study. Source: See Appendix B

**Figure 15: Rest of the State Travel Indicators by Segments  
(Percent Compared to Pre-Katrina/Rita Figures)**



Source: See Appendix B

In Figure 15, tourism indicators presented in Figure 14, have been grouped into four segments to show overall trends.

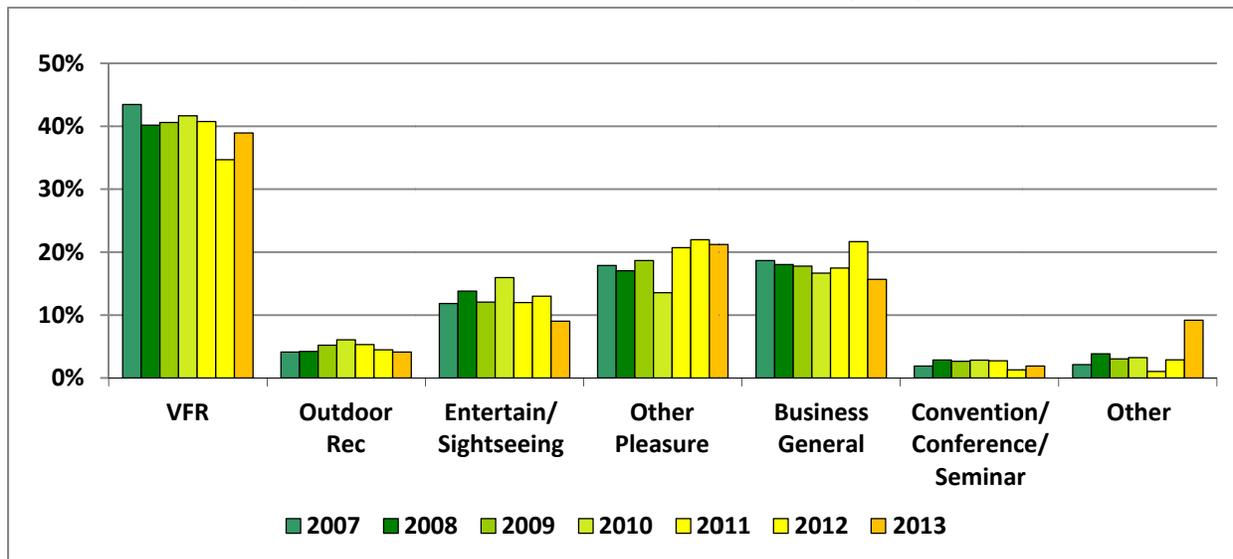
*Travel Infrastructure*, represented by hotel and airport capacity, and leisure jobs has grown continuously since the beginning of the study. In 2013, travel infrastructure reached 140%, the highest figure since 2005. All areas, especially those around Lafayette, Baton Rouge, Lake Charles and Shreveport, as well as the northern parts of the state, have opened new hotels or increased their hotel and airport capacity.

In the Rest of Louisiana, there was high *Travel Activity*, measured by hotel and airport demand, after Katrina/Rita. Much of this can be explained by business travel due to economic activity (film, oil and gas), recovery business, and some leisure and casino travel displaced from New Orleans and Mississippi areas.

Similar to New Orleans, traditional leisure sightseers have been absent in other Louisiana markets. This type of tourist can be represented by *Leisure Activity*, which is an average of indicators measuring activities in welcome centers, state parks and state historic sites. During 2013, it decreased to 85%, the lowest point since 2007.

Another important segment in this tourism analysis is that of *Conventions Rooms Sold*. In areas in the Rest of the State, total convention bookings have remained strong. Some cities have managed to expand their market to smaller meetings. This series is volatile but shows a general upward trend.

Figure 16: Rest of Louisiana Visitors - Primary Purpose

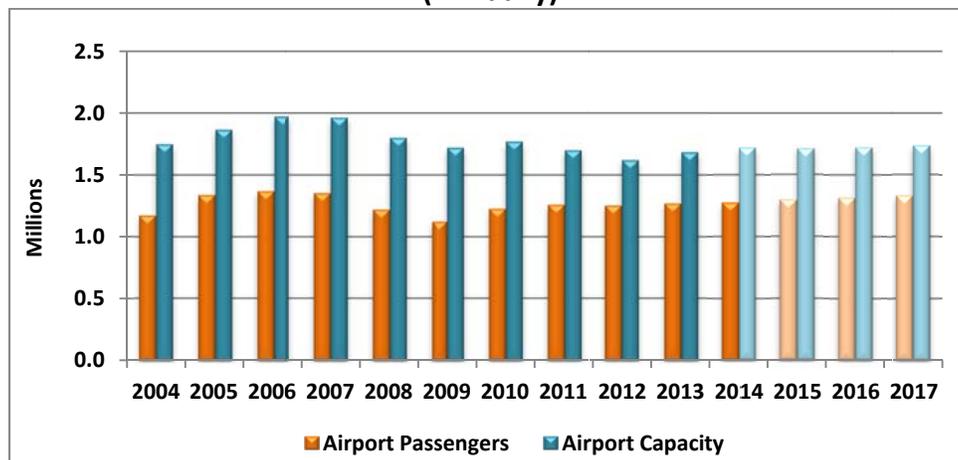


Source: See Appendix B

Figure 16 indicates the change in primary purpose of visitors coming to areas in the Rest of Louisiana. Although TNS analysis is based on a small number of observations, it provides a good indication of why visitors are travelling to the area.

Figure 17 reflects changes in airport passengers and capacity (measured by scheduled seats per year) for major airports in areas in the Rest of Louisiana. Since the recession started, there has been a national trend towards capacity reduction in airports, particularly small regional airports. In 2013, airports managed to recover nearly 4% of the capacity. During the same year, the number of airport passengers remained virtually unchanged when compared to 2012. Flights from airports in the Rest of the State are also exhibiting the national trend of flights operating at a higher capacity than in years prior to the recession. By 2017, enplanements and capacity are expected to reach nearly 1.33 million passengers and 1.73 million seats.

Figure 17: Rest of the State Airport Activity (Annually)

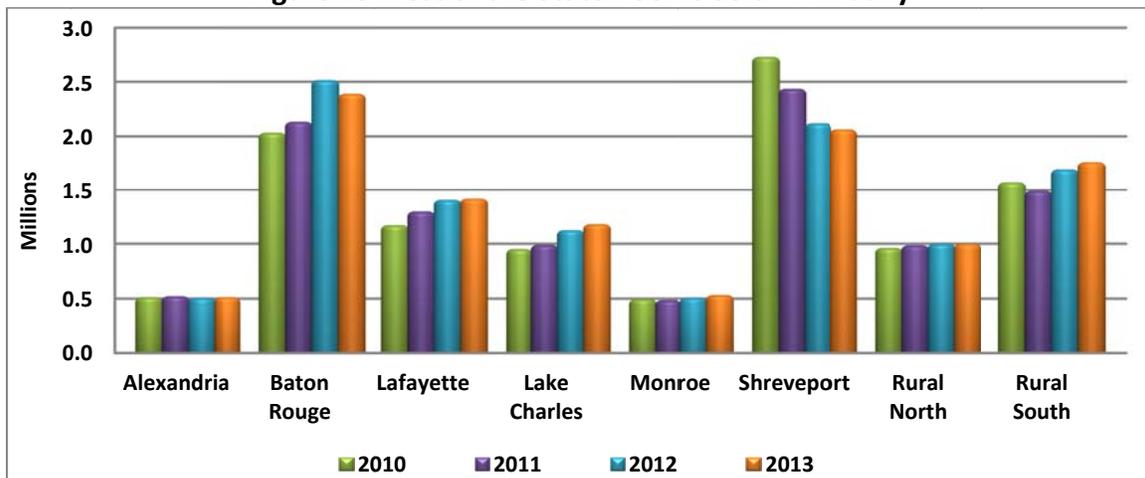


Source: See Appendix B

## Individual Areas

This section provides a review of each region in Louisiana, except for New Orleans. Ratios for each indicator are figures compared to seasonal activity before Katrina and Rita from late 2003 through mid-2005.

**Figure 18: Rest of the State Rooms Sold - Annually**

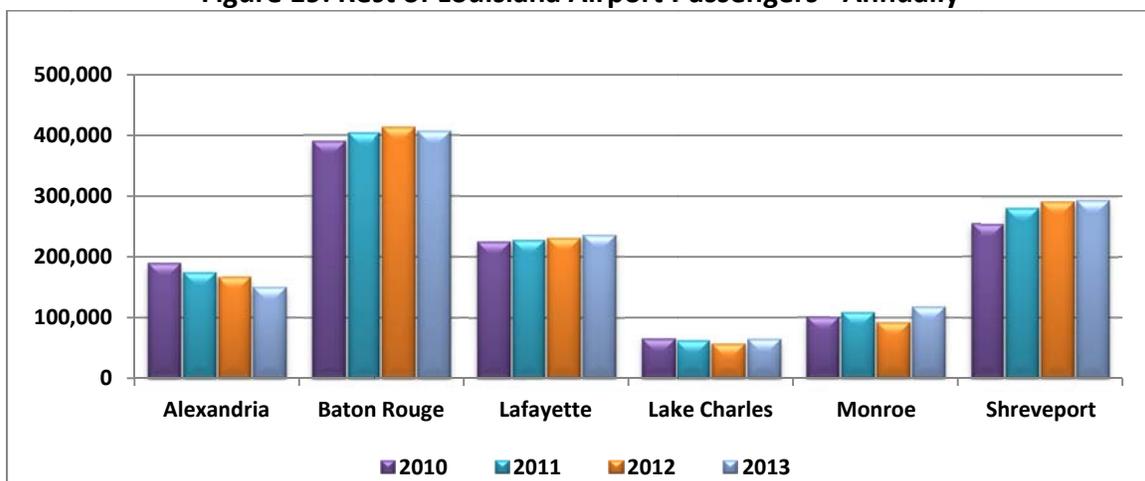


Source: See Appendix B

Figure 18 contains the relative size of different markets within the state as represented by hotel room sales (roomnights demand). While some areas like Lafayette and Rural South continue to increase hotel sales, other areas including Shreveport have experienced a decrease due to lower oil and gas activity.

Figure 19, shows an overall upward trend in airport passengers, as measured by enplanements. During 2012 and 2013, the travel industry has recovered most of the enplanements it had before the recession.

**Figure 19: Rest of Louisiana Airport Passengers - Annually**



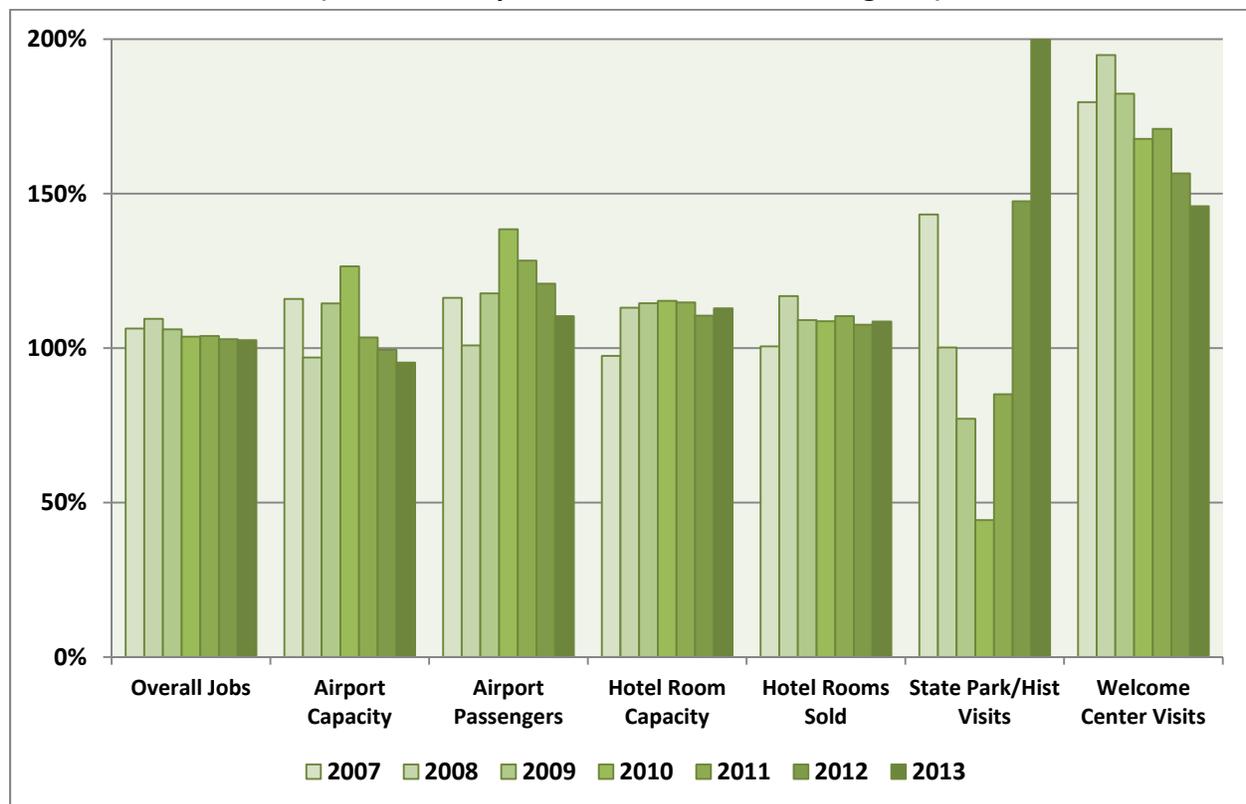
Source: See Appendix B

## ALEXANDRIA

Employment in Alexandria continued to decrease slightly in 2013, a trend that has been persistent since the recession disrupted the area in late 2008. Similarly, airport capacity and airport passengers in the area declined in 2013. In fact, Alexandria’s airport capacity incurred significant cuts which were of a greater magnitude than in 2008. Other tourism indicators such as hotel room capacity, and hotel rooms sold in Alexandria were marginally up in 2013 when compared to 2012. They remained at higher levels than 2004 estimates (Figure 20).

Until 2010, the area had been losing state park visitation. With the addition of Fort Randolph and Buhlow State Historic Site to the analysis in late 2010, and Kent House Historic Site in 2012, visitation trends have improved. In 2013, state park visits had a tremendous increase as a result of these recent additions. On the other hand, in 2013, welcome center visitation continued to exhibit a downward trend. After it reached a peak in 2008, welcome centers have been consistently losing visitors every year.

**Figure 20: Alexandria Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



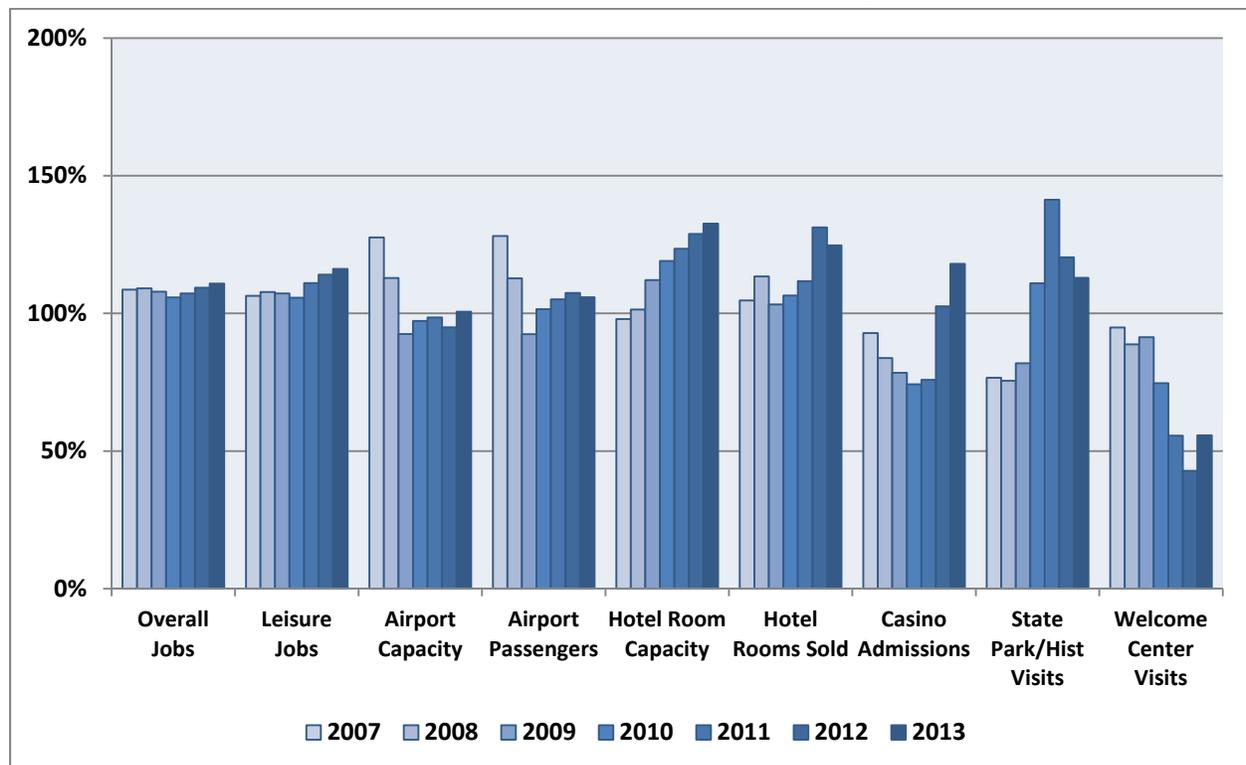
*State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study*  
 Source: See Appendix B

## BATON ROUGE

The Baton Rouge economy has done well since Katrina/Rita. Overall employment and leisure employment have continued to recover from recessionary effects. Year 2013 was no different, as the overall job market, including leisure, continues to increase for a third consecutive year. The decrease in airport passengers in 2008 and 2009 was caused by cuts in airline capacity by national airlines. During that time, 31% of seats scheduled were reduced in Baton Rouge. Since 2010, Baton Rouge airport passengers had been recovering, but they are still behind the levels seen in years prior to the recession. In 2013 there was a slight increase in airport capacity, while airport passengers reduced mildly (Figure 21).

Hotel activity has substantially grown over the past four years. As of 2013, hotel room capacity reached 133% of pre-Katrina/Rita figures, while the number of hotel rooms sold declined to 125% for the first time since 2010. It is very important to monitor the increase in hotel room capacity and make sure it is consistent with growth in rooms sold. The casino activity created in early years by displacement from New Orleans has dropped. Throughout 2012, gambling activity recovered due to the opening of the L’Auberge casino in Baton Rouge, and it continued to increase in 2013. The growth in state park visitation occurred as Bogue Chitto State Park was added to the analysis in late 2010. Despite the new addition, state park visits declined during 2013. During the same year, welcome center visits increased for the first time since 2009.

**Figure 21: Baton Rouge Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



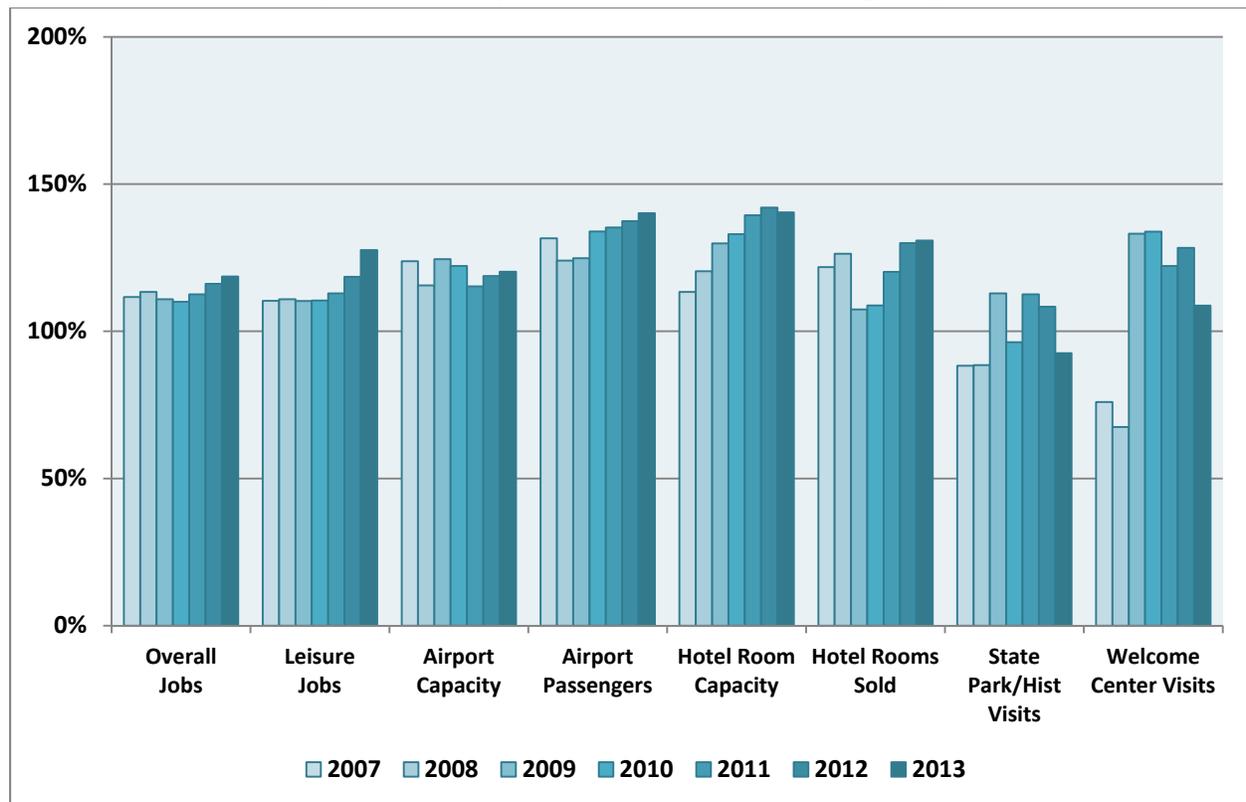
State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study. Source: See Appendix B

## LAFAYETTE

Lafayette has retained the jobs gained during a post-Katrina/Rita economic boom, as illustrated by Figure 22. The area has maintained the highest levels of employment recovery compared to other areas in the Rest of the State. In 2013, overall employment continued to increase reaching 119% of figures seen before the storms. Also, a significant gain occurred in leisure jobs where latest data indicates that it reached 128% of pre-Katrina and Rita. Such positive results can be attributed to a continuous growth in the oil industry present in the area. In addition, airport capacity and airport passengers have benefited from such growth. The number of hotel rooms available reduced slightly in 2013 while hotel rooms sold remained virtually unchanged from 2012.

In late 2010, Palmetto Island state park was added to the analysis. Despite the new addition, during 2013, state park visitation decreased to 93% of levels seen before the hurricane. The number of traditional visitors, indicated by visits to welcome centers in the area, remained above levels seen before the Hurricanes. However, in 2013 welcome center visits incurred a significant drop from 2012.

**Figure 22: Lafayette Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



*State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study*

*Source: See Appendix B*

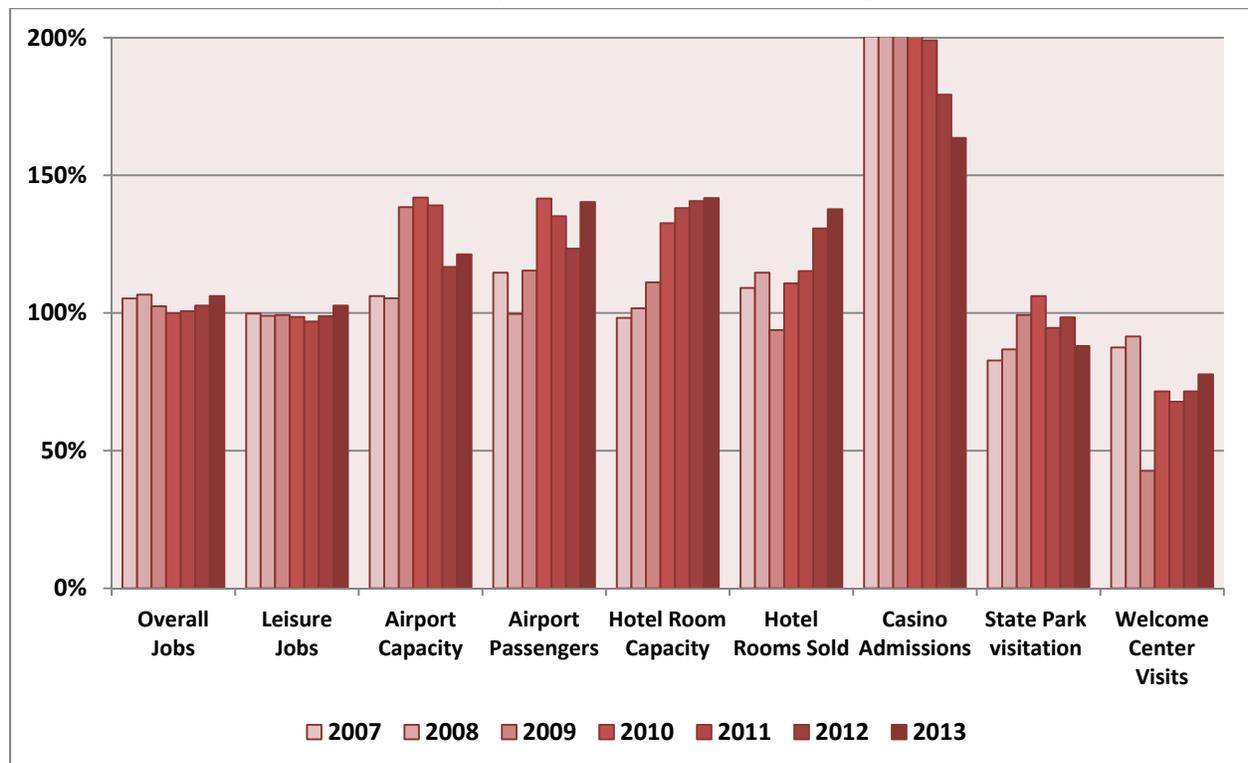
## LAKE CHARLES

Lake Charles employment continued to increase throughout 2013, reaching 106% of levels seen before the hurricane. Similar to Lafayette, such growth can be associated with an increase in the oil industry activity in the Lake Charles area. On the same note, airport passengers and airport capacity in the area were up from 2012. Hotel room capacity remained unchanged, while rooms sold were also up from 2012. Hotel rooms sold, as measured by Smith Travel, do not include casino hotels; therefore, there is more hotel traffic in Lake Charles than shown in the graph (Figure 23).

Until 2009, the opening of L’Auberge du Lac casino had an enormous impact on casino admissions. While admissions are still above pre-Katrina/Rita levels, they have been decreasing consistently since 2009, thus matching gaming activity in the rest of the state.

Lake Charles incurred major damage in 2005 due to Hurricane Rita. While park facilities have recovered for the most part since 2005, recent data indicates a decline in visitation for 2013. Contrarily, welcome center visits increased in 2013, reaching 77% of the levels seen before the hurricanes. The unexpected drop in 2009 was due to the temporary closure of Vinton welcome center.

**Figure 23: Lake Charles Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



*State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study*

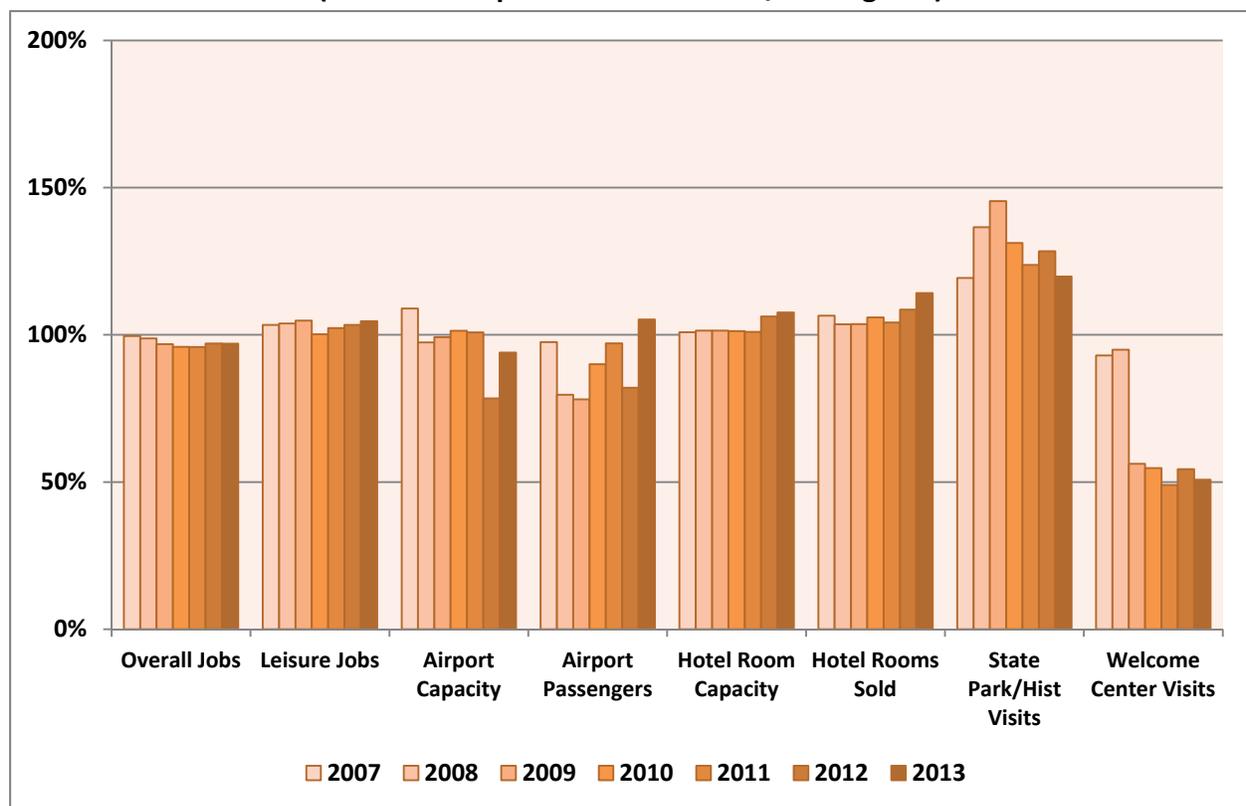
*Source: See Appendix B*

## MONROE

Overall employment in Monroe has remained virtually unchanged since the recession in 2009. On the contrary, leisure jobs have had a modest growth, increasing by nearly 2% compared to 2012. During 2013, a significant gain occurred in airport capacity and passengers. Nearly 16% of new capacity was added, while 23% of additional passengers arrived to the region. Hotel rooms sold and capacity also grew in 2013. Over the last year, Monroe added new hotel capacity (2% increase), and successfully sold the new hotel rooms (5% increase).

State park and historic visits in Monroe have remained strong over the years. In 2012, Caney Creek Lake state park was included into the analysis. Despite the new addition in 2012, visits to state parks decreased by 8% during 2013. Welcome center visits have remained lower than estimates in 2008 and have fluctuated over the last five years, following the state’s visitation trend (Figure 24).

**Figure 24: Monroe Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study

Source: See Appendix B

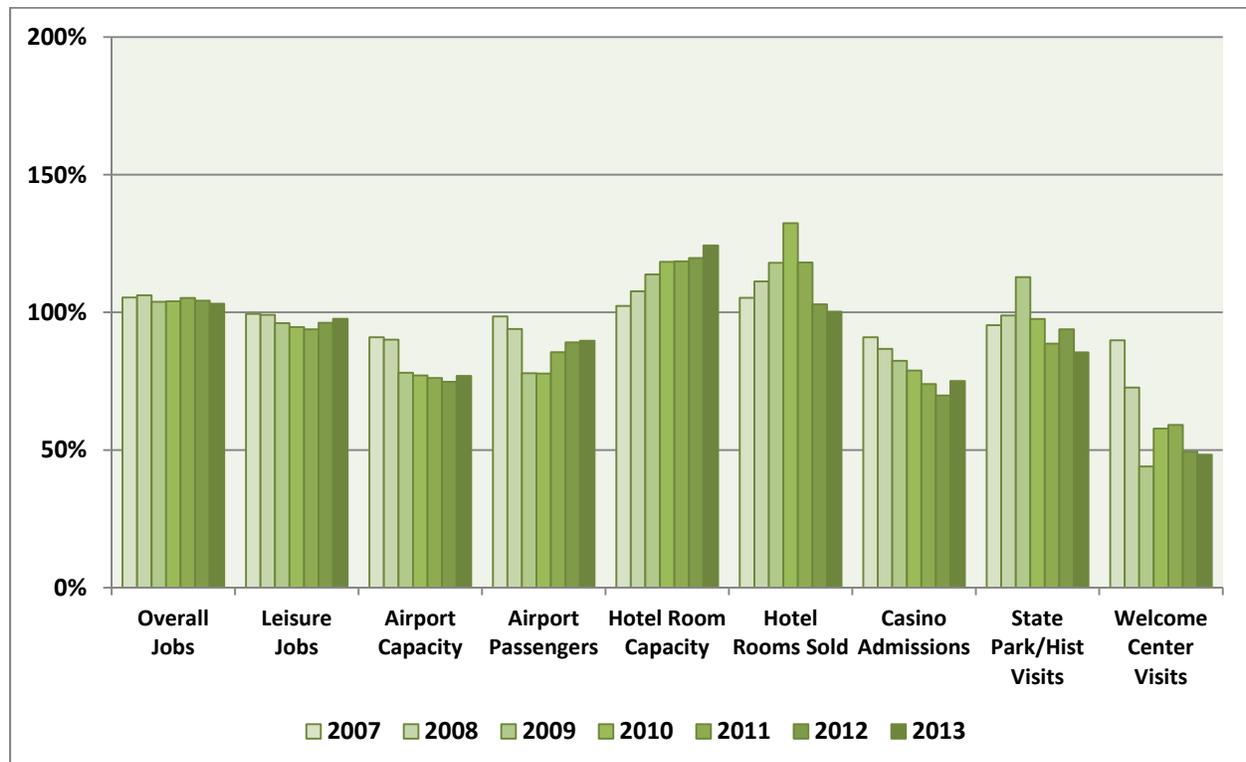
## SHREVEPORT

The economy in Shreveport has been relatively stable. Overall jobs have remained at above average levels, but presented a marginal decrease in 2013. Leisure employment was affected by the recession, but has showed signs of recovery during the last two years. In 2013, 2% of additional leisure jobs were added into the economy (Figure 25).

Capacity and passengers at the airport have recovered since the recession. In 2013, airport capacity added nearly 2% of airplane seats, while the number of passengers increased by 1%. Although both figures have recovered significantly, they are still under normal levels. Hotels have been adding capacity continuously at a slower pace. In 2013, hotel capacity increased by 4%. On the contrary, the number of rooms sold has continued to decrease since 2010. Over the last year, this indicator declined by nearly 3%. Similar to Baton Rouge, both statistics should be monitored to reduce the risk of an excess supply in hotel capacity.

Admissions to casinos, state parks, and welcome centers have declined. The big drop in welcome center visits in late 2008 and throughout 2009 occurred after the Greenwood center was temporarily closed. With casino, state park and welcome center activity reducing continuously, the increase in hotel and airport statistics could be attributed to activity related to the film industry and nearby natural gas production.

**Figure 25: Shreveport Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study

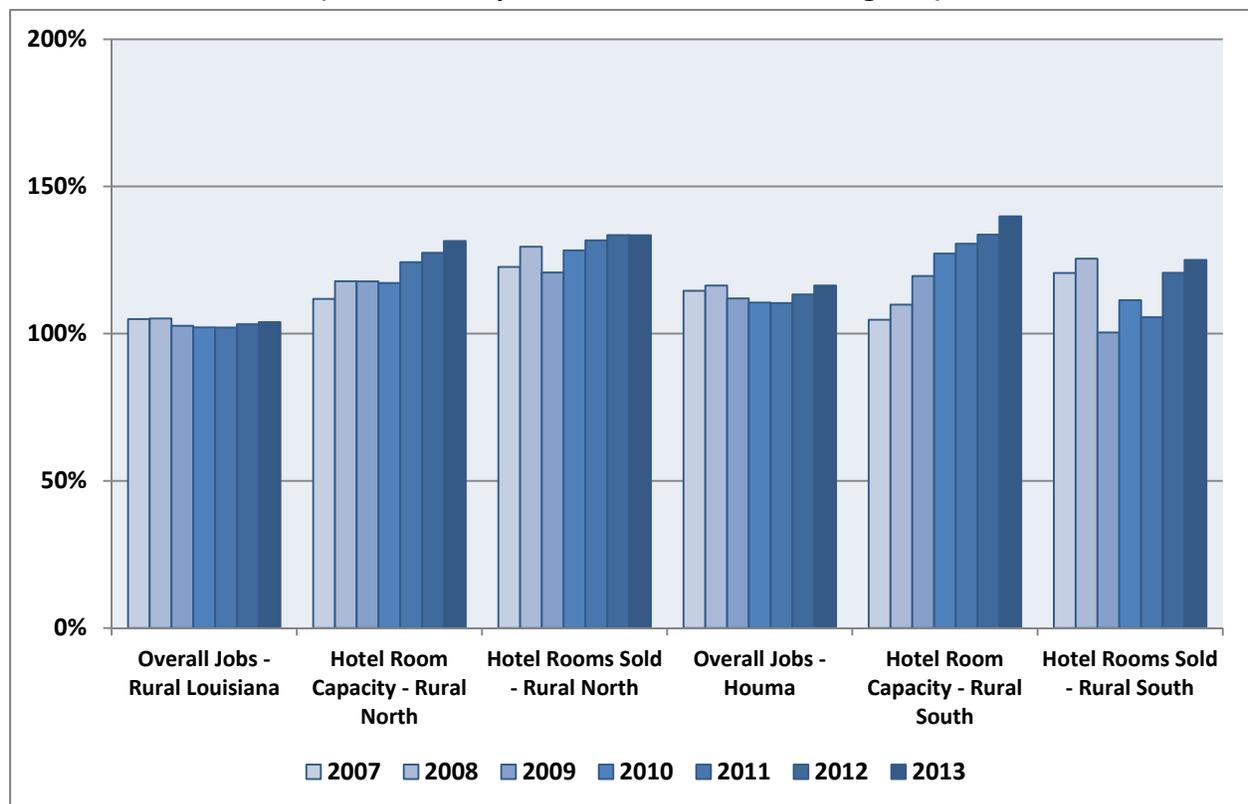
Source: See Appendix B

## OTHER AREAS

Overall jobs for non-metropolitan areas in the north of Louisiana have remained virtually unchanged over the last seven periods. On the other hand, hotel room activity is substantially above 2003-2004 levels. In the rural northern part of the state, new hotels have been built, and rooms are being filled. Activity related to the natural gas shale in northwestern Louisiana is contributing to strong hotel sales in the rural north. The rural northern part of the state continues to have hotel activity that is 20% above pre-Katrina/Rita levels.

The oil industry present in Houma represents a strong driver of economic activity in the area. During 2013, the area added nearly 3% of jobs to the economy. Hotels around the area have added capacity to match local needs from the oil industry. During 2005, Houma hotels would have supported efforts to repair damage from Hurricanes Rita and Katrina and in 2008 for Gustav and Ike. During 2010, hotel activity was attributed mostly to the BP oil spill. In 2013, both hotel capacity and rooms sold increased by 6% and 4%, respectively.

**Figure 26: Other Areas Travel Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



State parks and welcome centers indicators include visits from facilities closed temporarily and new facilities opened since the beginning of the study

Source: See Appendix B

## Appendix A

### Forecast Accuracy

This section contains an evaluation of the accuracy of the estimates for hotel rooms sold, airport passengers, number of visitors and spending throughout the state for 10 years.

Hotel rooms, measured by roomnights demand (Table 14), and airport passengers, measured by enplanements (Table 15), are examined first because their values are reported by external sources and can easily be checked. Note that hotel rooms sold initially were reported excluding residents. At the request of the Louisiana Department of Culture, Recreation and Tourism (CRT), this value has been adjusted to be consistent with Smith Travel Research hotel room demand.

Methodologies for forecasting hotel rooms and air passengers have remained relatively unchanged since the start of this project. External factors, such as the national recession or the BP oil spill, resulted in trend changes for future estimates. In 2007, in particular, hotel sales and airport traffic were better than expected. The trend continued into 2008. The increase in hotel rooms sold in 2008 could partially be attributed to Hurricanes Gustav and Ike. Since 2010, recovery moved at a faster pace resulting in a slightly higher forecast for future years. Although many factors are involved and reality does not match estimates perfectly, predictions have been very consistent over the years.

**Table 14: Forecast Performance - Hotel Rooms Sold**

Millions	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>2010</b>	16.9	17.1	17.2	17.7	18.0				
<b>2011</b>		18.6	17.9	18.3	18.6	19.1			
<b>2012</b>		18.7	18.7	19.3	19.6	19.8	20.1		
<b>2014</b>			18.7	20.0	20.2	20.2	20.5	20.6	
<b>Forecast Mar 14</b>	<b>16.9</b>	<b>18.7</b>	<b>18.6</b>	<b>20.0</b>	<b>20.0</b>	<b>19.9</b>	<b>20.1</b>	<b>20.1</b>	<b>20.2</b>
<b>Change from 2013 Forecast</b>	-	-	-	-	-1.3%	-1.7%	-2.1%	-2.5%	-

**Table 15: Forecast Performance - Airport Passengers**

Millions	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>2010</b>	5.1	5.1	5.3	5.5	5.7				
<b>2011</b>		5.3	5.3	5.5	5.7	5.9			
<b>2012</b>			5.6	5.6	5.7	5.7	5.9		
<b>2014</b>				5.6	5.7	5.7	5.9	6.0	
<b>Forecast Mar 14</b>	<b>5.0</b>	<b>5.3</b>	<b>5.6</b>	<b>5.6</b>	<b>5.9</b>	<b>5.9</b>	<b>6.0</b>	<b>6.1</b>	<b>6.2</b>
<b>Change from 2013 Forecast</b>	-	-	-	-	3.3%	2.9%	2.1%	1.4%	-

**Table 16: Forecast Performance - Number of Visitors**

Millions	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>2010</b>	24.0	24.2	24.7	25.3	25.7				
<b>2011</b>		25.1	24.7	25.2	26.0	26.5			
<b>2012</b>			25.5	26.1	26.8	27.0	27.5		
<b>2014</b>				26.3	26.8	27.2	27.6	28.0	
<b>Forecast Mar 14</b>	<b>24.0</b>	<b>25.1</b>	<b>25.5</b>	<b>26.3</b>	<b>27.3</b>	<b>27.5</b>	<b>27.7</b>	<b>28.0</b>	<b>28.2</b>
<b>Change from 2013 Forecast</b>	-	-	-	-	1.8%	1.4%	0.2%	-0.2%	-

Visitation is tougher to quantify (Table 16). It is an estimate which may evolve over time, but cannot be checked directly against an external source - except other estimates. Data for part of Louisiana is limited in scope. The TNS data set has a relatively small number of observations to cover such a large area. In 2007, the forecast methodology changed to include a better estimate of visitors who do not stay in hotels to be more consistent with other sources. In 2009 and 2010, the recession and the BP oil spill were given a greater weight on the forecast for future years. In 2014, the estimates were revised higher to reflect a strong visitation during 2013. While visitation was revised, projections have remained reliable over the years.

Spending is the most difficult calculation (Table 17). It is contingent upon accuracy in the number of visitors. Due to a small TNS sample size for visitor spending, the methodology has continually evolved over the years of this project. For instance, methods for estimating transportation spending for New Orleans visitors as they move through the Rest of the State have been estimated and then revised in later forecast cycles. In addition, spending per person, particularly in New Orleans, has been higher than expected. Sometimes the spending increase reflects prices going up as well as visitors choosing to spend more. In the most recent forecast, spending estimates were revised lower. The new estimates are comparable to those made in 2011.

**Table 17: Forecast Performance - Visitor Spending**

\$Billions	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>2010</b>	8.1	8.3	8.7	9.1	9.5				
<b>2011</b>		9.6	9.4	9.9	10.5	11.0			
<b>2012</b>		9.5	10.0	10.4	10.9	11.1	11.5		
<b>2014</b>			10.0	10.7	11.1	11.3	11.6	11.7	
<b>Forecast Mar 14</b>	<b>8.8</b>	<b>9.5</b>	<b>10.0</b>	<b>10.7</b>	<b>10.8</b>	<b>10.9</b>	<b>11.2</b>	<b>11.5</b>	<b>11.7</b>
<b>Change from 2013 Forecast</b>	-	-	-	-	-2.6%	-3.5%	-2.8%	-2.4%	-

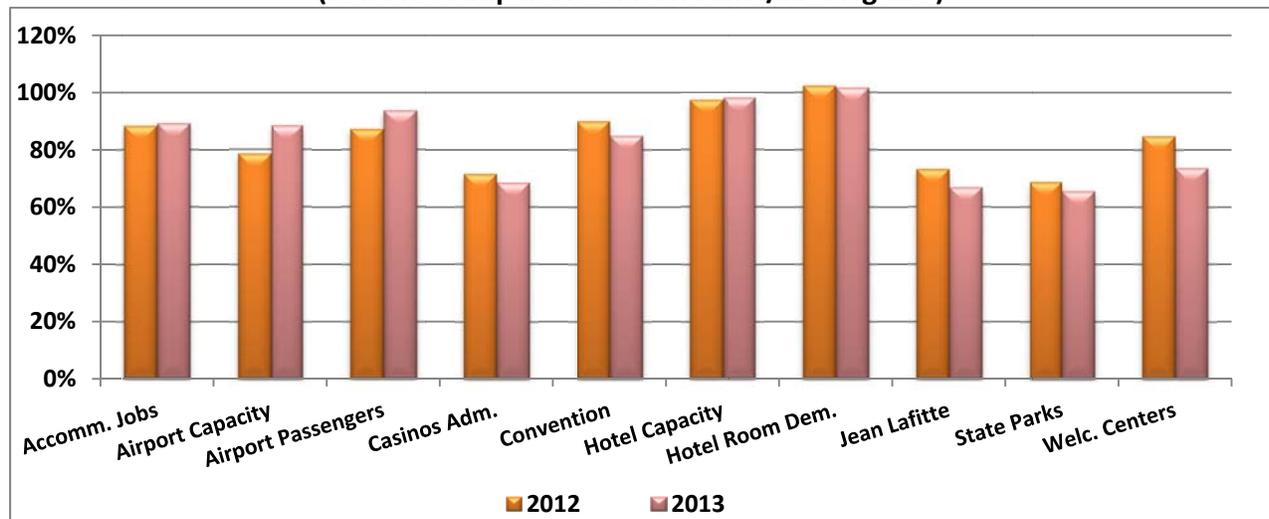
## Appendix B

### Sources:

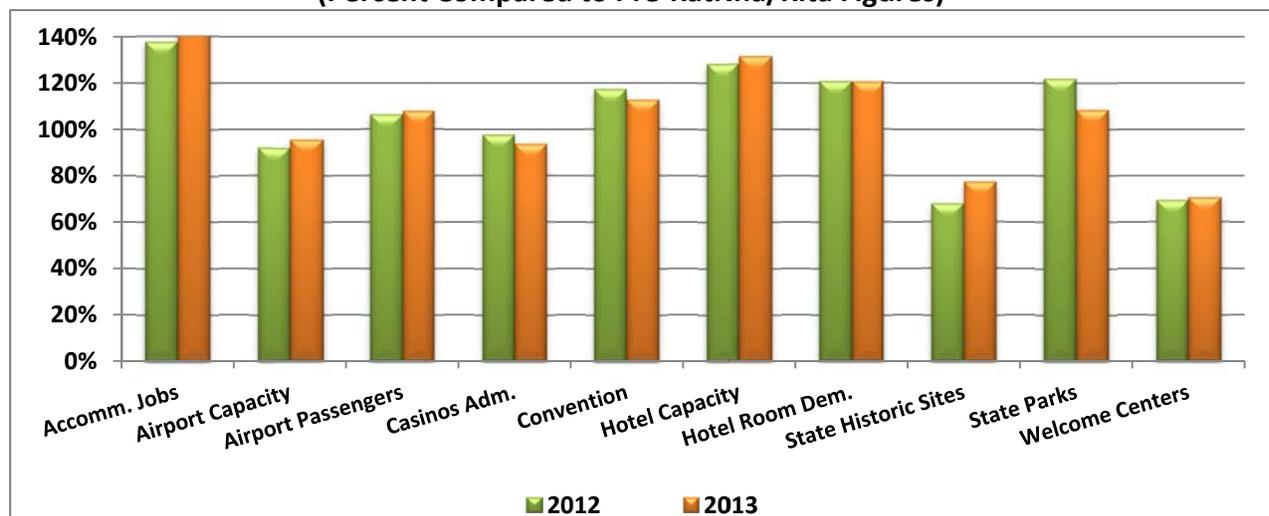
#### Travel Indicators

Figure 27 and 28 contain a list of tourism indicators by area used for analysis in this report. These figures were combined into groups for New Orleans and the Rest of the State to reflect Travel/Tourism Indicators. All indicators are compared to the average of each indicator during the same month from August 2003 through July 2005. This period was used to define “normal” activity before Hurricanes Katrina and Rita.

**Figure 27: New Orleans Tourism Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



**Figure 28: Rest of Louisiana Tourism Indicators  
(Percent Compared to Pre-Katrina/Rita Figures)**



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*All Sources*

- Airport Capacity:
  - Historical Data: Bureau of Transportation Statistics
  - Forecasts: UNO Hospitality Research Center
  
- Airport Passengers:
  - Historical Data New Orleans: Louis Armstrong Airport
  - Historical Data Rest of Louisiana: Louisiana Department of Culture, Recreation and Tourism (CRT)
  - Forecasts: UNO Hospitality Research Center
  
- Casino Admissions and Revenue:
  - Louisiana State Police
  
- Convention Rooms Sold (Roomnights Demand):
  - Historical Data: New Orleans Convention & Visitor Bureau, Visit Baton Rouge, Lafayette Convention and Visitors Commission, Lake Charles/Southwest Louisiana Convention & Visitors Bureau, Shreveport-Bossier Convention & Tourism Bureau.
  - Forecasts: UNO Hospitality Research Center
  
- Employment:
  - Accommodation, Leisure and Overall Employment: United States Bureau of Labor Statistics (BLS)
  - Tourism Employment (Direct and Indirect):
    - Between 2004 and 2011, Louisiana Tourism Satellite Account (TSA).
    - Since 2012, UNO Hospitality Research Center using multipliers from the United States Department of Commerce, Bureau of Economic Analysis (BEA), Regional Input-Output Modeling System (RIMS II)
  - Louisiana Employment by Segments: Louisiana Workforce Commission and UNO Hospitality Research Center
  
- Hotel Room Capacity and Hotel Rooms Sold (Roomnights Demand):
  - Historical Data: Smith Travel Research(STR), CRT
  - Forecasts: UNO Hospitality Research Center

- International Visitors:
  - TIA (U.S. Travel Association) for visitation in 2003 through 2005
  - Hotelier Survey, UNO Hospitality Research Center
  - Tourism Satellite Account (TSA) between 2003 and 2011
  - UNO Hospitality Research Center
  
- Louisiana GDP by Segments: Bureau of Economic Analysis, Industry detail based on the 2002 North American Industry Classification System (NAICS)
  
- New Orleans Hotel Rooms Sold by Purpose; Hotel Association of New Orleans surveyed by UNO Hospitality Research Center and Smith Travel Research(STR)
  
- Taxes:
  - Hotel and Non-Hotel Taxes: UNO Hospitality Research Center
  - Louisiana Department of Revenue, Orleans and Jefferson parishes only, 2004-2013. In 2006, only \$19.8 million are attributed to visitors. In 2008, only \$27.2 million are attributed to visitors
  
- Value Added (Direct and Indirect):
  - Between 2004 and 2011, Louisiana Tourism Satellite Account (TSA).
  - Since 2012, UNO Hospitality Research Center using multipliers from the United States Department of Commerce, Bureau of Economic Analysis (BEA), Regional Input-Output Modeling System (RIMS II)
  
- Visitation to State Historic Sites, State Parks and Welcome Centers
  - CRT
  - National Park Services
  
- Visitor Type: UNO Hospitality Research Center
  
- Visitor Mix and Visitor Primary Purpose: TNS survey data files

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## Appendix C

### Definitions of Key Terms

#### *Visitors:*

**Tourist or Visitor:** Any person who comes temporarily to a specific area in the state of Louisiana and who lives outside the travel destination. The term traveler is also used as synonym. Using the word “tourist” may be confusing to people who do not understand that business travelers or meeting attendees are tourists as much as leisure travelers. This is why we prefer to use “visitor”.

**Domestic Visitor:** A resident of the U.S. who travels within the country and visits places outside his/her usual environment.

**Foreign Visitor:** A resident of a foreign country who travels to the U.S.

**Overnight Visitor:** Any visitor who spends at least one night in Louisiana.

**Daytripper:** Any visitor who does not stay overnight in Louisiana.

**Short Term Visitor:** Any visitor who stayed in Louisiana for less than 15 days

**Long Term Visitor:** Any visitor who stayed in Louisiana for 15 or more days

**Association/Convention/Trade Show/Corporate Meeting Visitors:** All visitors who indicate that their primary purpose of visit is to attend a gathering such as a convention, a trade-show, an exposition or corporate meeting.

**Business Visitors:** All visitors who indicate that their primary purpose of visit is to conduct business in the state of Louisiana.

**Leisure Visitors:** All visitors who indicate that their primary purpose of visit is to vacation, visit friends and relatives, attend a special event, a sporting event, to dine out, or to gamble. Visitors who pass through are also categorized as leisure visitors.

#### *Analysis:*

**Pre-Katrina/Rita:** Period from August 2003 through July 2005 defined as “normal” activity before the storms.

**Roomnight Demand:** Number of hotel rooms sold or rented per night.

**Enplanements:** Total number of passengers boarding an aircraft

*Statistical Terms:*

**Median:** The median is the number that lies at the midpoint of the distribution of responses ranked from low to high; it divides the distribution of scores into two equal halves. For example, if the scores are 2, 3, 5, 7 and 8, the median would be 5 (5 is the midpoint with two scores above and two scores below).

**Mean:** The arithmetic mean is the sum of all the scores divided by the number of scores. This mean is often called average.

The mean and the median are measures of central tendency. In other words, they indicate the most representative score in the group. The median is helpful when the mean does not make sense (e.g., “average party size” or “average number of kids per family” of 2.35), or when the mean is affected by extreme scores (i.e., outliers). For example, some very high spenders pull the mean expenditure up. In such a situation, it is preferable to report a measure that is more appropriate representation of the average, the median.