



# Louisiana Tourism Forecast 2015-2018

*Prepared for*

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

*By*



THE UNIVERSITY of  
**NEW ORLEANS**

HOSPITALITY  
RESEARCH CENTER

*Defining Tourism Opportunities*

**April, 2015**

## Acknowledgments

This report was prepared by **Maria J. Ortiz**, Project Manager in the Hospitality Research Center (HRC) at the University of New Orleans (UNO). Special recognition is given to **Marius M. Mihai**, Research Analyst, **Karen Brakel**, Project and Budget Coordinator, and **Rosine PEMA SANGA**, 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 Department of Culture, Recreation and Tourism (CRT), who provided valuable information for this study.

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## Executive Summary

- In 2014, the number of visitors to the state of *Louisiana* set a new record for a third consecutive year. A total of 28.7 million people visited the state, exceeding the 27.4 million visitors recorded during 2013. Total visitation increased by nearly 5% throughout 2014.
- Visitor spending statewide reached \$11.2 billion during 2014, representing an increase of 3% from 2013 estimates. Visitors who came to the state spent nearly \$388 during their trip.
- In 2014, \$836 million of state tax revenues were generated by travel and tourism activities in Louisiana.
- An estimated 159,000 direct jobs were attributable to visitor spending in the state of Louisiana during 2014. In the same year, tourism contribution, or direct value added to GDP, accounted for about \$6.5 billion.
- Direct tourism employment accounted for nearly 8% of non-agricultural employment in Louisiana. Direct tourism value added represented nearly 3% of the total GDP in the state.
- Without taxes paid by visitors to the state, each *household* in Louisiana would have to pay \$481 in additional taxes to maintain revenues. Every \$70,000 of visitor expenditures creates one direct job in Louisiana.
- By the end of the forecast period in 2018, the number of visitors to Louisiana is projected to reach 30.6 million. During the same year, spending is estimated to be \$12.5 billion.
- In 2014, total visitation to the *New Orleans* area was 9.5 million, while spending was estimated at \$6.8 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 19.2 million visitors, along with \$4.3 billion in spending.
- Other indicators of tourism activity in Louisiana remained stable during 2014. Employment, hotel and airport activity reported substantial growth; while visitation to casinos, state parks and welcome centers is still lagging behind other indicators.

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## Methodology

The Hospitality Research Center (HRC) at the University of New Orleans (UNO) is conducting an ongoing forecast study for the Louisiana Department of Culture, Recreation and Tourism (CRT). This forecast contains the following indicators:

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

It is important to note that the main tables containing projections prepared by HRC include both domestic and international visitation.

In order to obtain the above estimates, data available for the Louisiana region is explored to determine the relationships in current tourism activity. The data include:

- Airport passenger and capacity statistics
- Casino revenue, attendance and taxes
- Convention booking patterns
- Current and future economic indicators, including GDP, inflation and multipliers
- Employment data
- External reports supported by the Louisiana Office of Tourism
- Hotel activity including occupancy rate, room rate, room inventory, revenue 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 containing visitation and spending estimates
- Population estimates and characteristics
- Other external information available to HRC

### **Visitation**

The HRC developed a model that projects trends in the number of visitors using the indicators and factors mentioned above. This model provides information for visitation by segments divided into *New Orleans* and the *Rest of the State* for a forecast period through 2018. 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 after the Hurricanes, the analysis has been reviewed separately throughout this report. These values are added together to determine the total visitation to the state of Louisiana.

HRC surveys of hoteliers and visitors, including TNS survey data, are used to determine ongoing shifts in the types of visitors for each segment. The four visitor categories defined in this study are visitors who stay in hotels, visitors who stayed with friends or relatives (VFR's), visitors who stayed in other accommodations, and visitors who only came for the day (daytrippers).

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 from 2003 through 2005 were done by TIA (U.S. Travel Association) in combination with CRT 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.

### ***Spending***

Total spending is derived from total visitation estimates and visitor survey data. For New Orleans, spending 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 for 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.

It is important to note that all spending figures presented throughout the report are not adjusted for inflation. Although the growth in visitor spending can be attributed to visitors staying longer and spending more money, the increment can be partially attributed to higher costs.

Spending numbers at the state level between 2003 and 2005 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 TIA's 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 in 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. Similar to visitation, an attempt was made to correct for spending by foreign travelers between 2003 and 2005.

### ***Tourism 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 in 2012 were estimated using multipliers created from the Regional Input-Output Modeling System (RIMS II) provided by the United States Department of Commerce, Bureau of Economic Analysis (BEA). Starting in 2013, IMPLAN multipliers for Louisiana were used for this analysis. Estimates of employment and value added since 2012 are projected using a different methodology from that of 2003 to 2011 (TSA), which includes government and investment spending. Additional analysis was performed by HRC to ensure that the figures are comparable over the years.

Government statistics, used to provide a comparison to estimates of employment and value added, 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.

Estimates of airport passengers, hotel roomnights and convention roomnights are based on current relationships. An effort has been made to remove hotel rooms sold to local residents due to major hurricanes in the region or particular events. 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 measurement of recovery.

### ***Taxes***

Government revenue is measured by hotel, sales and gambling taxes. This revenue estimate measures only the state taxes created by visitors to Louisiana. Local and federal taxes are not part of the analysis.

### ***New Information and External Factors***

Current and future estimates are based on the best data available; therefore the data and methodology used for this study 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 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 between 2012 and 2014 have remained strong, other tourism indicators in the industry are just reaching comparable levels as those seen in years prior to the Hurricanes. 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 that tourism visitation and spending have in the state's recovery and growth.

## Forecast Results

### LOUISIANA

Travel, measured by visitation and spending, has significantly recovered throughout the state over the last five years. Table 1 contains current estimates for number of visitors and spending between 2004 and 2014. In addition, it includes a four-year window forecast for the same indicators between 2015 and 2018.

In 2014, the number of visitors statewide reached a new record. During that year, 28.7 million people visited the state, exceeding the 27.4 million visitors who came in 2013, and the 26.3 million who visited in 2012. The number of visitors grew by nearly 5% throughout 2014, and it's expected to have a moderate growth during the upcoming years. By 2018, the number of visitors statewide is projected to reach 30.6 million, representing a growth of 7% over 2014 estimates.

Visitor spending statewide reached \$11.2 billion during 2014, an increase of 3% compared to 2013, and the highest figure since 2004. People who visited the state of Louisiana spent approximately \$388 during their trip. In the upcoming years, visitor spending is expected to increase by approximately 3% annually reaching \$12.5 billion by 2018 (Figure 1). It is important to note that historical spending figures are not adjusted for inflation.

**Table 1: Louisiana Visitation and Spending  
(Domestic and Foreign)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Visitors (Millions)<sup>1</sup></b>	24.8	19.6	18.2	23.8	24.4	24.0	25.1	25.5	26.3	27.4	28.7	29.2	29.5	30.1	30.6
<b>Total Spending (Billions)<sup>2</sup></b>	\$10.0	\$8.2	\$6.6	\$9.0	\$9.5	\$8.8	\$9.5	\$10.0	\$10.7	\$10.8	\$11.2	\$11.5	\$11.8	\$12.0	\$12.5

<sup>1</sup> Source: 2004-5 TIA data in combination with CRT

<sup>2</sup> Source: 2004-5 Louisiana TSA and TIA

Louisiana totals may not add due to rounding

**Figure 1: Louisiana Visitation and Spending**

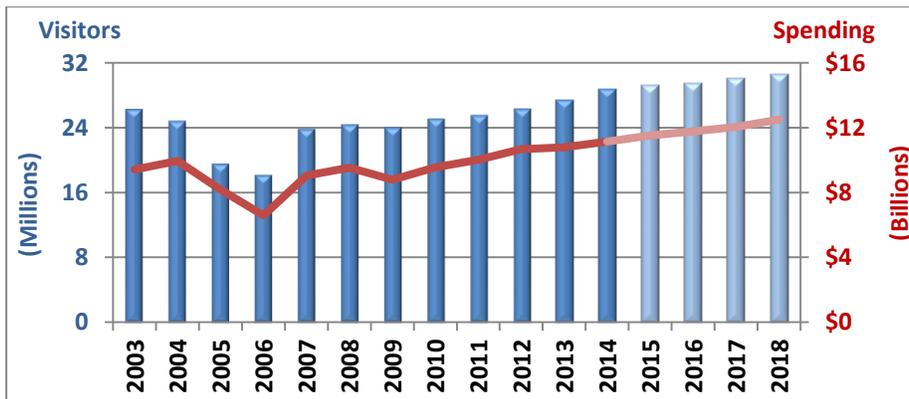


Table 2 summarizes key tourism indicators including tourism employment, airport passenger figures, and hotel and convention roomnights sold. These indicators are essential in order to understand the recovery of the tourism industry as a whole. Although, visitation and spending figures have recovered substantially since 2010, other tourism indicators in the industry have just reached comparable levels as those seen in years prior to the Hurricanes.

*Airport Passenger* estimates throughout the state, as measured by enplanements, were drastically affected by Hurricanes Katrina and Rita followed by the national recession. In 2014, this indicator reached 6.2 million, representing a growth of almost 6%. Over the last two years, enplanements have recovered significantly overpassing figures recorded in 2004. Airport indicators are expected to grow 3% annually reaching 6.8 million airport passengers by 2018.

Estimates of *Hotel Roomnights Sold*, as measured by roomnights demand, have recovered significantly compared to other indicators. In 2014, this indicator grew by 6% reaching 21.2 million roomnights sold throughout the state. Although during 2013 the number of hotel rooms remained unchanged, the number of rooms sold has continued to reach new records over the last three years.

In 2014, *Convention Roomnights Sold* (measured by roomnights demand) grew at a slower pace than the hotel industry as a whole. This indicator grew 2% reaching 2.8 million of roomnights sold to convention visitors. The difference between the growth in hotel and convention roomnights sold indicates that the state is successfully attracting other type of hotel visitors, including leisure and business visitors.

**Table 2: Louisiana Tourism Indicators**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Tourism Employment (Thousands)<sup>3</sup></b>	165	122	108	143	145	131	143	147	152	155	159	164	165	169	175
<b>Airport Passengers (Millions)</b>	6.0	5.2	4.5	5.1	5.2	5.0	5.3	5.5	5.6	5.9	6.2	6.4	6.4	6.6	6.8
<b>Hotel Roomnights Sold (Millions)<sup>4</sup></b>	17.8	18.9	17.2	16.9	18.2	16.9	18.7	18.6	20.0	20.0	21.2	21.4	21.6	21.8	22.3
<b>Convention Roomnights Sold (Millions)</b>	2.6	2.1	1.2	1.9	2.0	2.1	2.2	2.3	2.6	2.7	2.8	3.0	3.0	3.1	3.2

<sup>3</sup>Direct employment

<sup>4</sup>In 2005, 2006 and 2008, many hotel rooms were attributable to local residents  
Louisiana totals may not add due to rounding

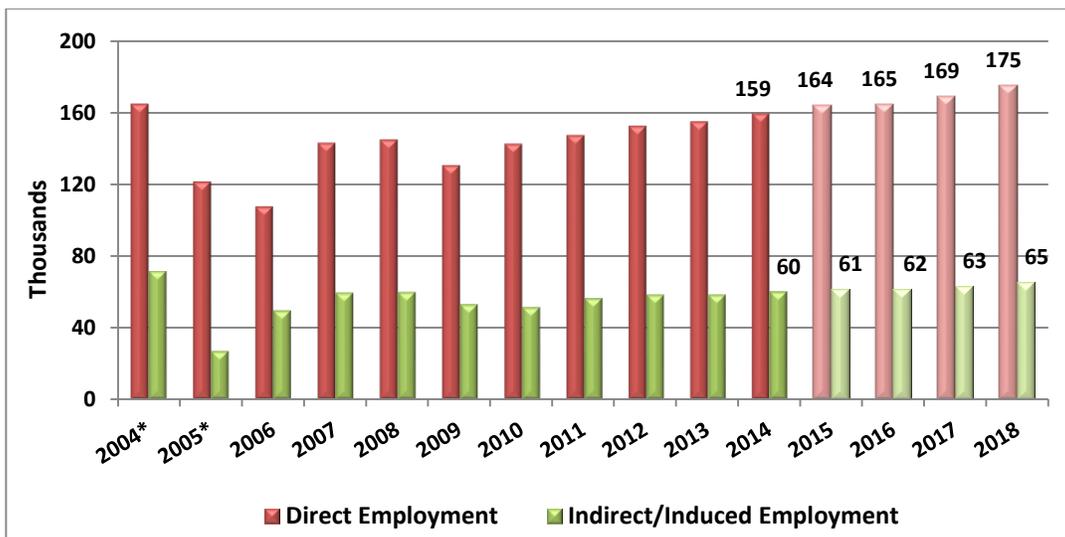
Source: See Appendix B

*Tourism Employment* represents the number of direct jobs created in the state of Louisiana by visitor spending across 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. Tourism employment before 2012, 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 the Hurricanes, 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 continued to decrease in the years following the Hurricanes as projects were being completed, and therefore, was removed from the analysis in 2012.

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 along with author’s calculations. In 2012, the BEA multipliers were utilized, while in 2013, they were replaced by IMPLAN data.

In 2014, approximately 159,000 direct and 60,000 indirect jobs were attributable to spending by visitors to the state of Louisiana. While visitor spending reached a new record in 2014, estimates for total tourism employment, including direct and indirect, are not expected to reach 2004 figures until 2017. While direct employment is projected to recover at a faster pace, indirect jobs are expected to lag other indicators. Inflation, technology and changes in the labor force are factors that explain the reduction in personnel required to serve the industry. Thus, the amount of travel-related jobs is estimated 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)	2014*
<b>Total LA Employment</b>	<b>1,914</b>
Health Care and Social Assistance	290
Retail Trade	226
Accommodation and Food Services	190
Educational Services	163
<b>Tourism Employment (Direct)**</b>	<b>152</b>
Manufacturing	147
Construction	147
Administrative and Waste Services	101
Public Administration	97
Professional and Technical Services	90
Transportation and Warehousing	84
Other	378

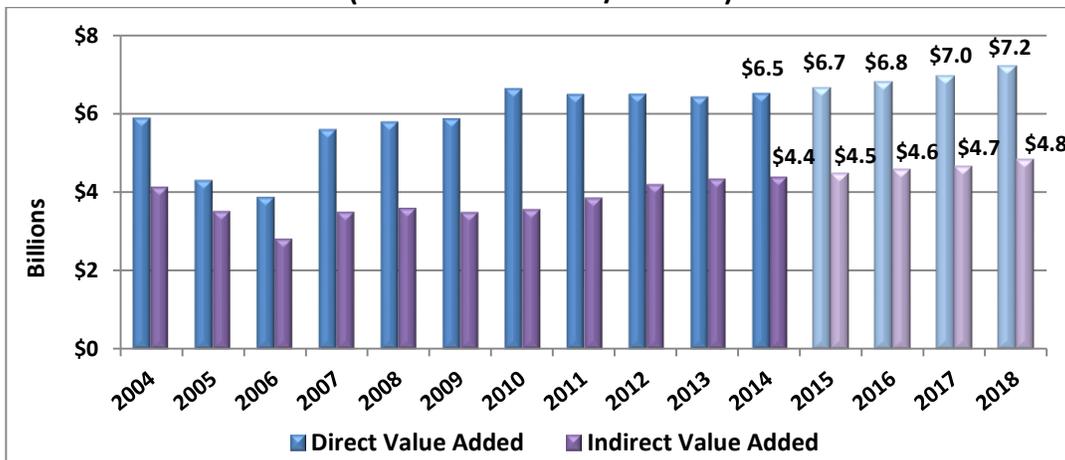
\*Preliminary estimate. Source: See Appendix B

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

Table 3 employment 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 5<sup>th</sup> 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 2014, direct and indirect tourism contribution accounted for approximately \$6.5 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 14)**

Segments (Billions of Current Dollars)	2014*
<b>Total LA GDP</b>	<b>\$255.8</b>
Manufacturing	\$60.6
Finance, Insurance, Real Estate, Rental, and Leasing	\$34.1
Government	\$25.9
Mining	\$19.0
Professional and Business Services	\$21.0
Educational Services, Health Care, and Social Assist.	\$16.0
Retail Trade	\$15.2
Construction	\$13.5
Wholesale Trade	\$12.5
Transportation and Warehousing	\$10.8
Arts, Entertainment, Recreation, Accommodation, and Food Services	\$9.7
<b>Tourism Value Added (Direct)**</b>	<b>\$6.5</b>
Information	\$4.7
Utilities	\$4.5
Agriculture, Forestry, Fishing, and Hunting	\$4.5
Other	\$3.7

\*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 12<sup>th</sup> in contribution to the state's GDP.

Table 5 includes the amount of state taxes paid by visitors throughout the state. The decrease in tax estimates during 2006 and 2009 was caused by the Hurricanes and effects of the national recession, respectively. Since 2010, tax collection estimates have gone up continuously and are expected to continue that trend over the upcoming years. In 2014, taxes for hotel and other spending reached new records 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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Hotel Sales Taxes (Millions)<sup>5</sup></b>	\$61	\$58	\$66	\$73	\$66	\$75	\$77	\$87	\$91	\$96	\$97	\$100	\$102	\$105
<b>Non-hotel State Tax Revenue (Millions)<sup>6</sup></b>	\$511	\$449	\$610	\$633	\$590	\$607	\$636	\$664	\$672	\$691	\$715	\$729	\$744	\$769
<b>Louisiana Superdome and Exposition Tax (Millions)<sup>7</sup></b>	\$28	\$25	\$27	\$30	\$28	\$31	\$34	\$40	\$43	\$49	\$50	\$50	\$51	\$52

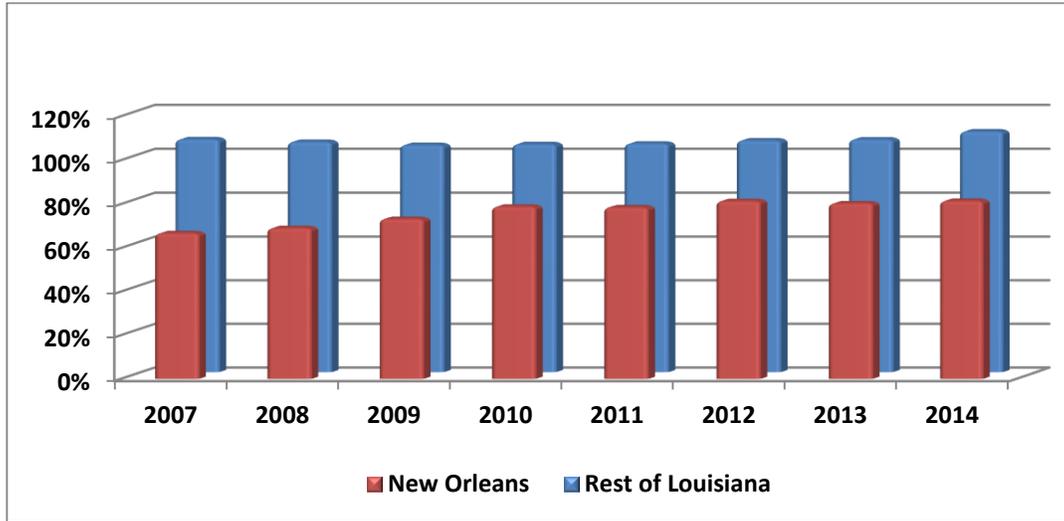
<sup>5</sup> 4% state sales tax. Residents were removed from the analysis

<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, illustrates the changes in travel indicators for New Orleans and the Rest of the State compared to a period before the Hurricanes. Travel indicators include visitation/capacity for casinos, airports, hotels, state parks, welcome centers, and activity for employment and conventions summarized by area. Before the Hurricanes, tourism activity in the New Orleans area had roughly the same volume as areas in the Rest of Louisiana. Because of the severity of the storm, the indicators for areas in the Rest of the State have reached higher levels than New Orleans indicators. Although New Orleans has recovered about 25% of the industry activity, areas in the Rest of the State have remained at higher levels. During 2014, travel indicators in New Orleans reached 82%, while areas in the Rest of the State grew to 110%.

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 roomnights sold. *Leisure Activity* is defined by the number of visitors to casinos, state parks and welcome centers. *Convention Activity* includes the number of roomnights sold to visitors whose primary purpose was to attend a gathering such as a convention.

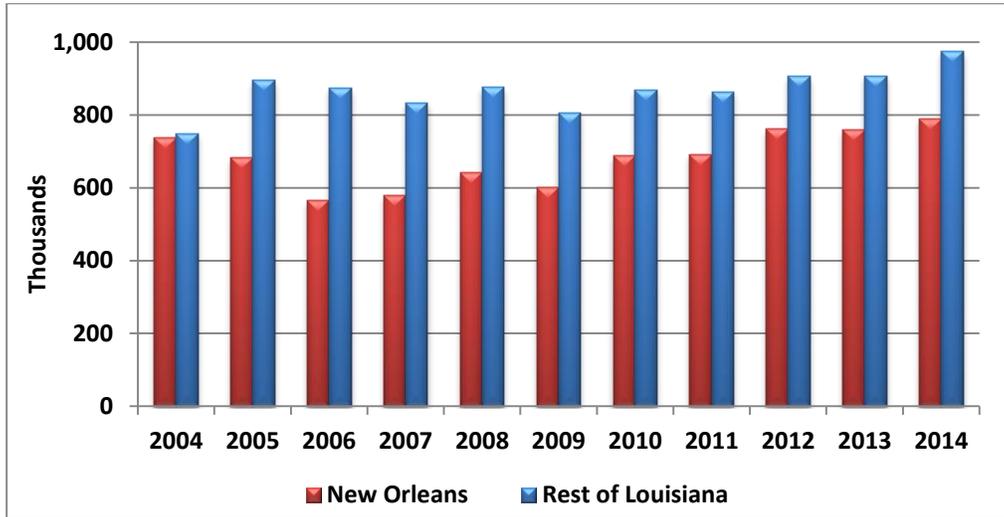
**Table 6: Travel Indicators by Segment  
(Percent Compared to Pre-Katrina/Rita Figures)**

<b>2014</b>	<b>New Orleans</b>	<b>Rest of Louisiana</b>
Travel Infrastructure	94%	127%
Travel Activity	103%	120%
Leisure Activity	66%	89%
Convention Activity	83%	128%*

\*Estimate

Source: See Appendix B

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

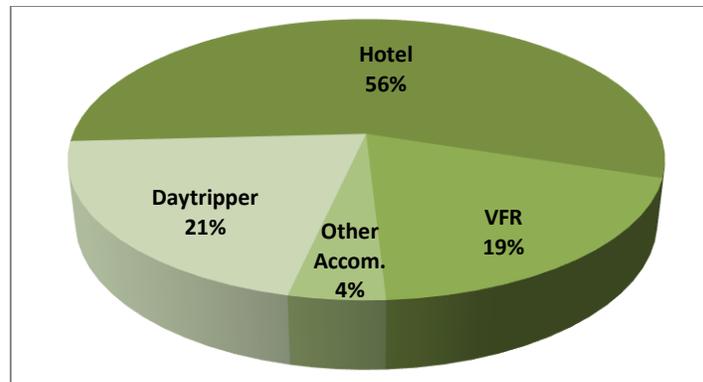


Source: See Appendix B

Figure 5 contains the number of hotel roomnights sold in New Orleans and in the Rest of the State, on a monthly basis. Until 2004, the volume of rooms sold for both areas was virtually the same. Since the storms in 2005, the number of rooms sold in the Rest of the State has remained significantly higher than in years before the storms. During 2008 and 2012, there was a small hurricane seasonality due to Gustav/Ike and Isaac, while the recession effects and the impact of BP on business visitation are visible in 2009 and 2010. In 2014, hotel sales experienced growth in both segments increasing 7% in areas in the Rest of Louisiana, and 4% in New Orleans.

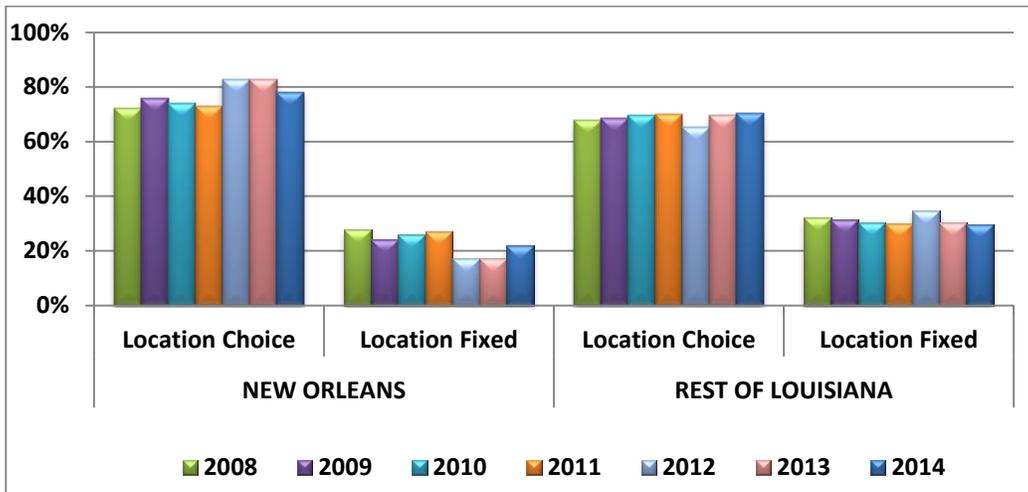
In 2014, approximately 56% of all visitors to the state of Louisiana stayed in hotels during their visit. Another 19% stayed with friends or relatives, and 4% stayed in other accommodations. Nearly 21% of all visitors decided to stay only for the day (Figure 6).

**Figure 6: Louisiana 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 to the area for 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 2014, fewer visitors (78%) chose to visit New Orleans, while in the same year, visitors to the Rest of Louisiana were more likely (71%) to choose their destination (Figure 7).

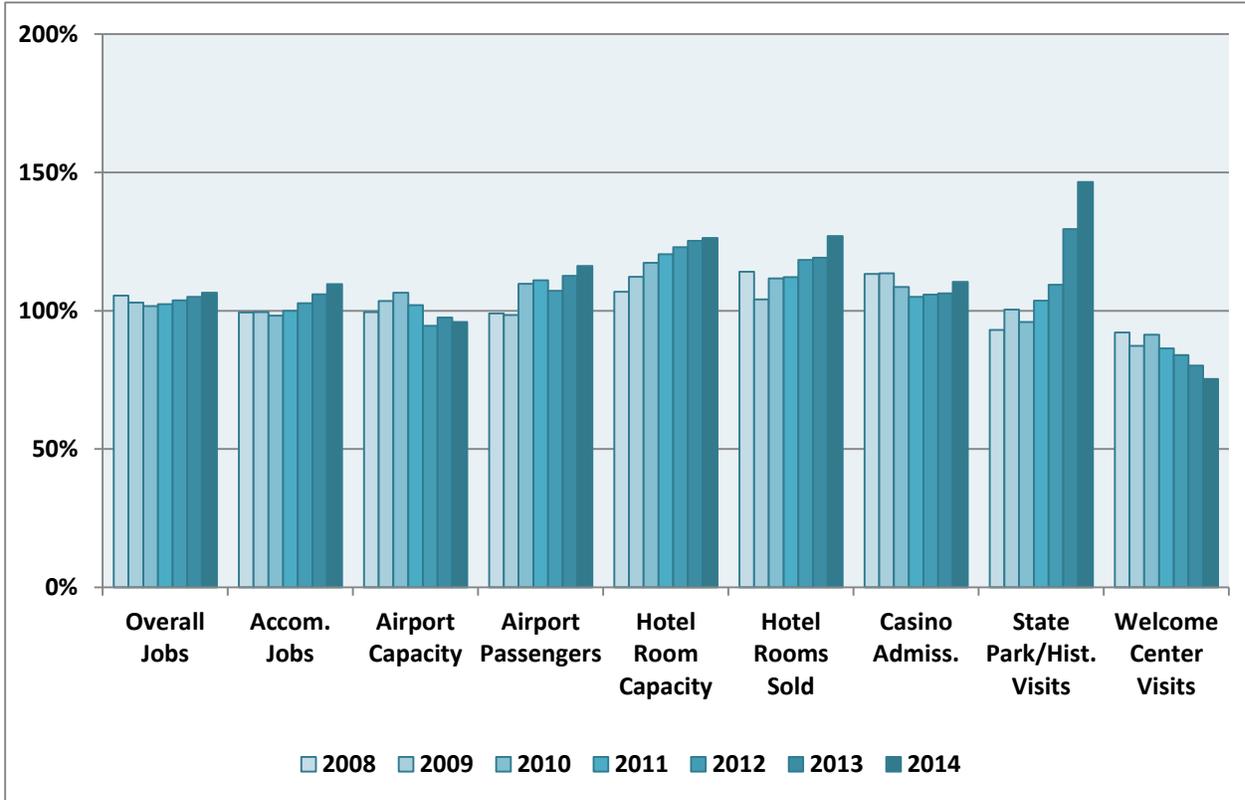
Table 7 includes visitation, spending and taxes paid by domestic visitors only. The table excludes tourism activity brought by international visitors. During 2014, it was estimated that 27.9 million domestic visitors came to the state, bringing \$10.7 billion in spending and \$799 million in taxes for the state of Louisiana.

Table 7: Louisiana Visitation and Spending (Domestic Only)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Visitors (Millions)	24.1	18.7	17.8	23.2	23.8	23.3	24.4	24.8	25.5	26.6	27.9	28.3	28.6	29.1	29.6
Total Spending (Billions)	\$9.5	\$7.9	\$6.4	\$8.7	\$9.2	\$8.5	\$9.2	\$9.6	\$10.2	\$10.3	\$10.7	\$11.0	\$11.2	\$11.5	\$11.9
Taxes Generated to the State (Millions) <sup>1</sup>	\$623	\$585	\$521	\$679	\$711	\$656	\$686	\$718	\$760	\$772	\$799	\$823	\$839	\$855	\$881

<sup>1</sup> Includes state taxes only, direct and indirect.  
 Source: See Appendix B

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



Source: See Appendix B

Figure 8, contains different travel indicators for Louisiana compared to a period before the Hurricanes. In the last year, overall jobs recovered significantly overpassing figures reached before the recession. Employment for accommodation industries has recovered at a faster pace than overall employment. In 2014, jobs in this industry reached the highest point since the beginning of the study.

Airport capacity and passengers have recovered at a different pace. After the recession, the state lost airport capacity, but has managed to recover some of its activity. Airport passengers, on the other hand, have recovered all of its activity. In 2014, the number of passengers reached the highest point since 2005. Hotel room capacity and hotel rooms sold have followed the overall tourism recovery. During 2014 hotel capacity and rooms sold also reached a new record.

Leisure-visitor indicators including casinos, state parks and welcome centers have not recovered at the same pace as other tourism factors. Casino activity increased in 2014 due to the opening of a new casino in Lake Charles. Although overall casino spending and admissions have recovered, gambling activity remains lower than in years prior to the recession. State parks and welcome centers visitation has fluctuated over the years. Over the last two years, state parks have recovered significantly due to openings of new facilities, while welcome center visits have continued to decrease.

## NEW ORLEANS

Because of the size of the market, movement in the New Orleans region dominates the history and forecast in tourism activity, both in terms of damage and recovery.

Although in 2014 the total number of visitors statewide reached a new record for the third consecutive year, it does not indicate that the travel industry has recovered uniformly in all areas throughout the state. Visitation to New Orleans is estimated to increase at a slower pace and is expected to reach 2004 estimates towards 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 experienced an upward trend until half year 2008, followed by a slight dip. During 2008 travel indicators 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%. Conversely, in 2010, visitation recovered significantly and has kept the momentum for the following years. In 2014, the total number of visitors to the city was nearly 9.5 million and represented an increase of 3% from 2013. By 2018, visitation to New Orleans is estimated to reach approximately 10.3 million visitors; that is an increase of nearly 8% or 800,000 people from current visitation estimates.

New Orleans visitors spend more per person than visitors to the Rest of the State. Although the city 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 substantially, and by 2014 total spending reached the highest figure since 2004 (\$6.8 billion). In 2014, visitors spent approximately \$716 during their trip to the area. New Orleans is expected to reach \$7.8 billion in visitor spending by the end of the forecast window; that is an increase of 15% from current spending estimates. It is important to note that spending figures are not adjusted for inflation (Table 8).

**Table 8: New Orleans Visitation and Spending  
(Domestic and Foreign)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Visitors (Millions)<sup>1</sup></b>	10.1	6.7	3.7	7.1	7.6	7.5	8.3	8.8	9.0	9.3	9.5	9.8	9.9	10.0	10.3
<b>Total Spending (Billions)<sup>2</sup></b>	\$5.1	\$4.3	\$3.1	\$4.9	\$5.3	\$4.6	\$5.5	\$5.7	\$6.2	\$6.5	\$6.8	\$7.0	\$7.2	\$7.5	\$7.8

<sup>1</sup> Data for 2005 was collected only through August

<sup>2</sup> Includes gambling expenditures

Table 9: New Orleans Tourism Indicators

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Tourism Employment (Thousands)<sup>3</sup></b>	81	69	44	74	81	69	82	84	89	93	97	100	101	105	110
<b>Airport Passengers (Millions)</b>	4.9	3.9	3.1	3.8	4.0	3.9	4.1	4.3	4.3	4.6	4.9	5.0	5.1	5.2	5.4
<b>Hotel Roomnights Sold (Millions)<sup>4</sup></b>	8.9	8.2	6.8	6.9	7.7	7.2	8.3	8.3	9.1	9.1	9.5	9.8	9.9	10.0	10.3

<sup>3</sup>Direct employment

<sup>4</sup>In 2005, 2006 and 2008, many hotel rooms were attributable to local residents

Source: See Appendix B

Table 9 summarizes key tourism indicators including tourism employment, airport passenger figures, and number of hotel roomnights sold in the New Orleans area. *Tourism Employment*, as defined in page 10, reached 97,000 jobs in 2014. Similar to the state as a whole, this indicator is not expected to recover at the same pace as spending figures.

The number of *Airport Passengers*, as measured by enplanements, recovered significantly during 2014, reaching figures seen in 2004. With nearly 4.9 million enplaned passengers, it represented a 6% increase over 2013. The number of *Hotel Roomnights sold* at 9.5 million grew by 4% compared to 2013. This indicator also reached the highest figure since 2004. By 2018, airport passengers and roomnights sold are expected to increase by 11% and 9%, respectively.

Table 10 contains the total state taxes paid by visitors to the New Orleans area. The revenue measured in this analysis includes hotel, sales and gambling taxes. In 2014, total state taxes paid by visitors increased to \$430 million; that is a 6% increment compared to last year's estimates.

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

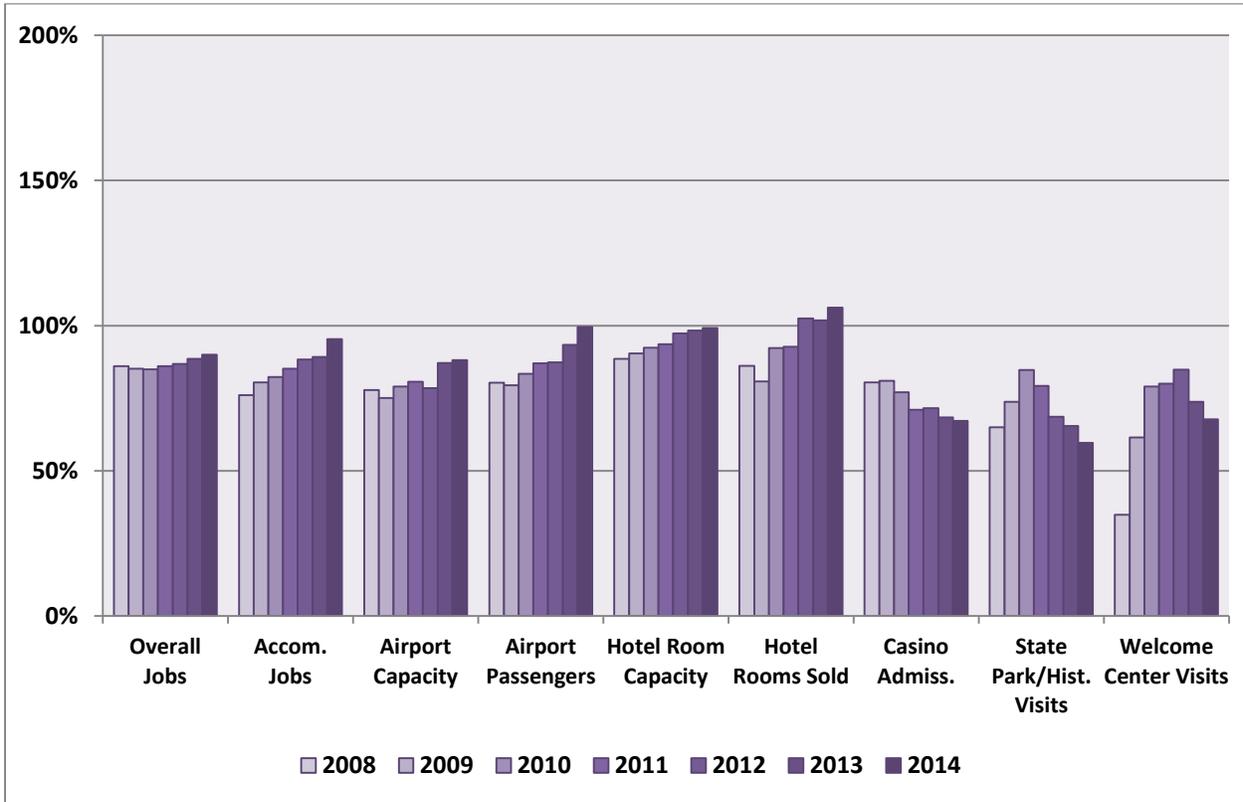
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Hotel Sales Taxes (Millions)<sup>5</sup></b>	\$41	\$29	\$36	\$40	\$36	\$43	\$45	\$53	\$57	\$59	\$60	\$61	\$63	\$65
<b>Non-hotel State Tax Revenue (Millions)<sup>6</sup></b>	\$222	\$162	\$259	\$275	\$240	\$273	\$282	\$299	\$308	\$322	\$332	\$342	\$353	\$369
<b>Louisiana Superdome and Exposition Tax (Millions)<sup>7</sup></b>	\$28	\$25	\$27	\$30	\$28	\$31	\$34	\$40	\$43	\$49	\$50	\$50	\$51	\$52

<sup>5</sup> 4% state sales tax. Residents were removed from the analysis

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

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

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



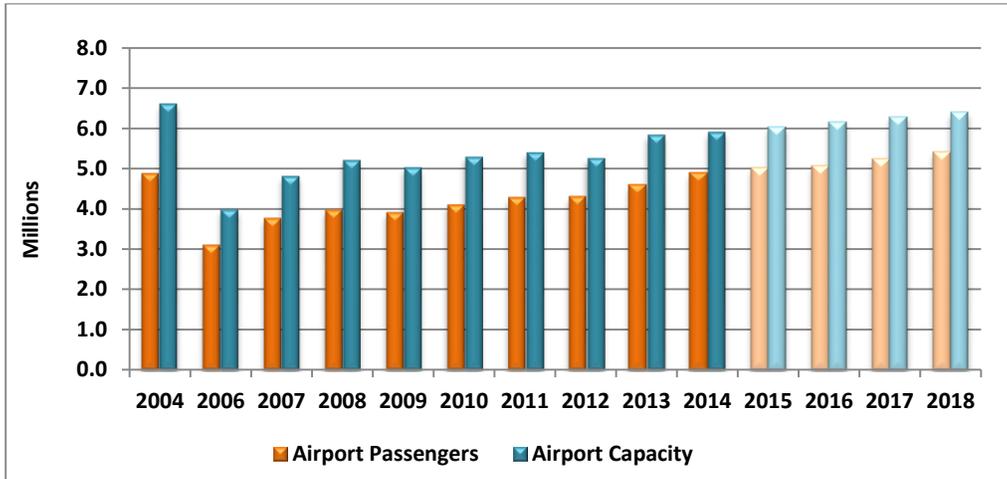
Source: See Appendix B

Figure 9 shows indicators of tourism activity in comparison to activity levels prior to Hurricane Katrina. While overall jobs have had a modest growth for the last 6 years, employment in accommodation industries has showed significant recovery. During 2014, overall employment reached 90% of figures seen before the storm, while accommodation employment is at 95%. Both indicators reached the highest figures since 2006.

Airport capacity, passengers, hotel room capacity and hotel roomnights sold have followed the overall tourism recovery. 2014 was a strong year for tourism as three out of the four indicators reached or overpassed pre-Katrina figures. Airport capacity in the New Orleans area is at 88%, while airport passengers is at 100%. Similarly, the number of hotel rooms available reached 99%, while the number of hotel rooms sold increased to 106%. The difference between capacity and demand indicates that the latter is growing at a faster pace than the industry’s response for capacity.

Casinos, state parks and welcome centers visitation figures have not recovered at the same pace as other tourism indicators. Casino activity has been decreasing, reaching 67% in 2014. 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 2014, state parks and welcome center visits decreased to 60% and 68%, respectively.

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

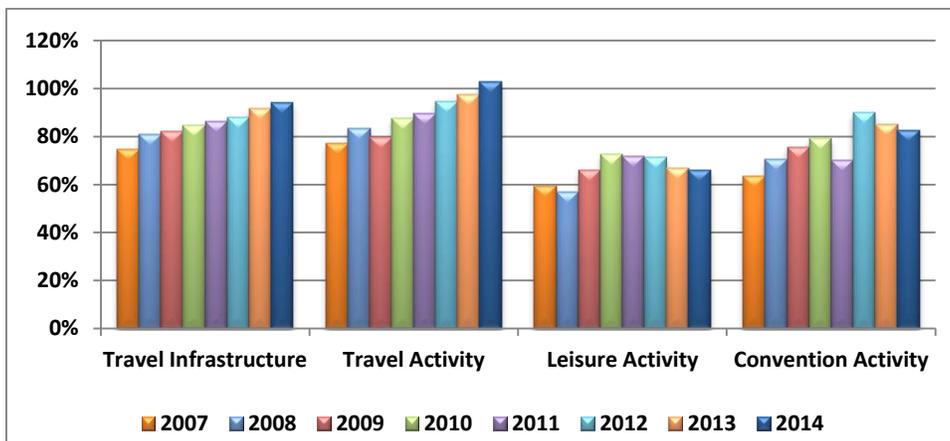


Source: See Appendix B

Figure 10 includes annual enplanements, or passengers leaving the New Orleans Armstrong airport, along with capacity, measured by number of seats available. During 2014, both capacity and enplanements reached the highest figure since 2006. While enplanements increased by 6%, capacity only grew by 1%. Even though a moderate growth is expected for both indicators through the end of 2018, the capacity available in 2004 is not expected to be reached until after the forecast window. In 2014, 83% of the seats were being filled by passengers. In other words, airplanes are flying at a higher capacity than they were prior to the storm (74%). This increase in the load factor is part of a national trend in the airline industry.

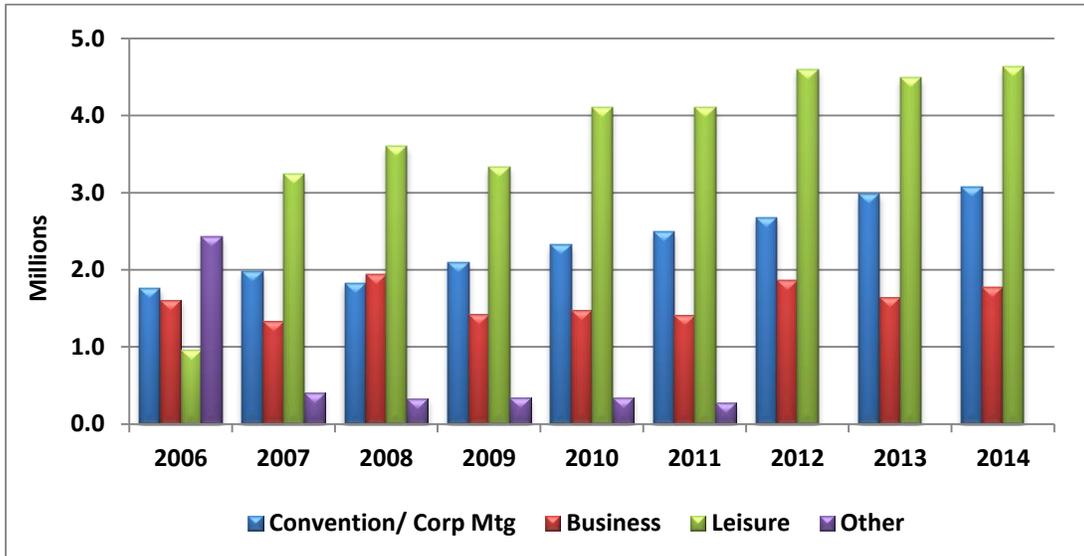
Figure 11 includes tourism indicators presented in Figure 9, grouped into different segments (see definition in page 13). As mentioned earlier in the report, *Travel infrastructure* has recovered at a slower pace than *Travel Activity*, while *Leisure Activity* remained virtually unchanged. *Convention Activity* has fluctuated over the years and in 2014, it decreased to 83%.

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



See Appendix B

Figure 12: New Orleans Hotel Roomnights Sold by Purpose

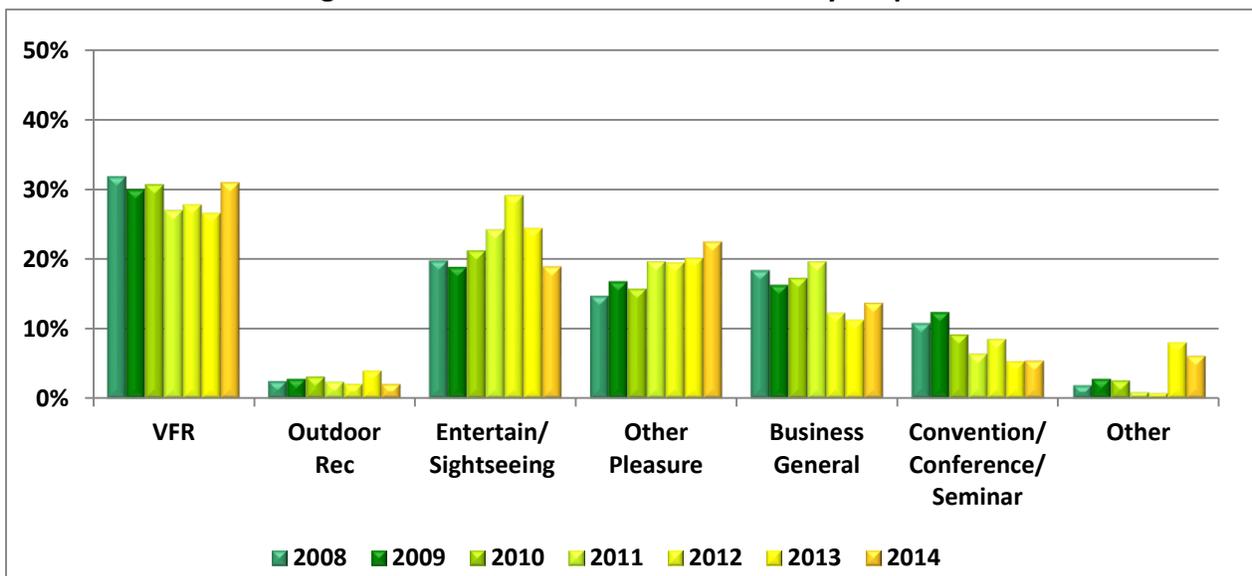


Source: See Appendix B

Results from a survey to hoteliers revealed that in the New Orleans area, the number of hotel roomnights sold to leisure visitors went from 1.0 million in 2006 to 4.6 million in 2014. During the same period, the number of rooms for visitors who came for a convention or similar events increased from 1.8 million to 3.1 million. Compared to 2013, roomnights for leisure and convention visitors increased by 3% each. “Other” includes long term hurricane-related guests, including residents. This group 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

Because of the severity of the damage on tourism activity after the Hurricanes, along with the limited visitor survey data available, regions in Louisiana, excluding New Orleans, are analyzed as a whole. Areas comprised 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 67% 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 of 2% 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 more people were attracted to the region. During 2014, total visitation for areas in the Rest of the State reached 19.2 million and resulted in an increase of 6% from 2013 estimates. The total number of visitors reached last year represented the highest figure since the beginning of the study. By 2018, visitation to the Rest of the State is estimated to be approximately 20.3 million visitors; that is an increase of approximately 6% or 1.1 million people from current visitation estimates.

Although areas in the Rest of the State have more visitors than New Orleans, its economic impact is smaller. During the recession and BP oil spill, the number of visitors stayed almost the same, but their expenditures dropped as people spent less on discretionary items. In 2012 the region recovered substantially, and by 2014 visitor spending for areas in the Rest of the State reached \$4.3 billion. Although visitation increased by approximately 6%, total spending in 2014 increased by only 1%. Shorter stays combined with non-traditional lodging preferences, caused spending to grow at a slower pace. Nevertheless, visitors spent approximately \$226 during their trip. By 2018, spending is expected to grow 8% from current estimates, reaching \$4.7 billion. It is important to note that spending figures presented in this analysis are not adjusted for inflation (Table 11).

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Visitors (Millions)<sup>1</sup></b>	14.7	12.9	14.5	16.7	16.8	16.4	16.8	16.8	17.3	18.1	19.2	19.4	19.7	20.0	20.3
<b>Total Spending (Billions)<sup>2</sup></b>	\$4.9	\$3.9	\$3.5	\$4.1	\$4.2	\$4.1	\$4.1	\$4.3	\$4.5	\$4.3	\$4.3	\$4.5	\$4.5	\$4.6	\$4.7

<sup>1</sup> 2004-5 TIA, CRT and UNO Hospitality Research Center

<sup>2</sup> 2004-5 TIA, TSA and UNO Hospitality Research Center

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Tourism Employment (Thousands)<sup>3</sup></b>	84	53	64	69	64	62	60	64	64	62	62	64	64	64	66
<b>Airport Passengers (Millions)</b>	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	1.4	1.4
<b>Hotel Roomnights Sold (Millions)<sup>4</sup></b>	9.0	10.7	10.5	10.0	10.5	9.7	10.4	10.3	10.9	10.9	11.7	11.6	11.7	11.8	11.9

<sup>3</sup>Direct employment

<sup>4</sup>In 2005, 2006 and 2008, many hotel rooms were attributable to local residents

Source: See Appendix B

Other indicators including tourism employment, airport passengers and hotel roomnights sold are included in Table 12. *Tourism Employment*, as defined in page 10, reached 62,000 jobs in 2014. Similar to the state as a whole, this indicator is not expected to recover at the same pace as spending figures. By 2018, tourism related jobs are projected to increase 6% from current estimates, reaching a total of 66,000 jobs for areas in the Rest of the State

In 2014, the number of *Airport Passengers* was 1.3 million, while the number of *Hotel Rooms Sold*, measured by roomnights demand, increased to 11.7 million. During the same year, the total roomnights in the Rest of the state reached the highest figure recorded since 2004. By 2018, airport passengers is expected to be at 1.4 million, while roomnights is estimated to reach 11.9 million.

Table 13 includes state taxes paid by visitors to areas in the Rest of the State. The revenue measured in this analysis includes hotel, sales and gambling taxes. During 2014, there was an increase of 8% for taxes collected in hotels, and a smaller increase of 1% for sales and gambling taxes. Overall, taxes collected in the Rest of the State increased by 2% from 2013 estimates.

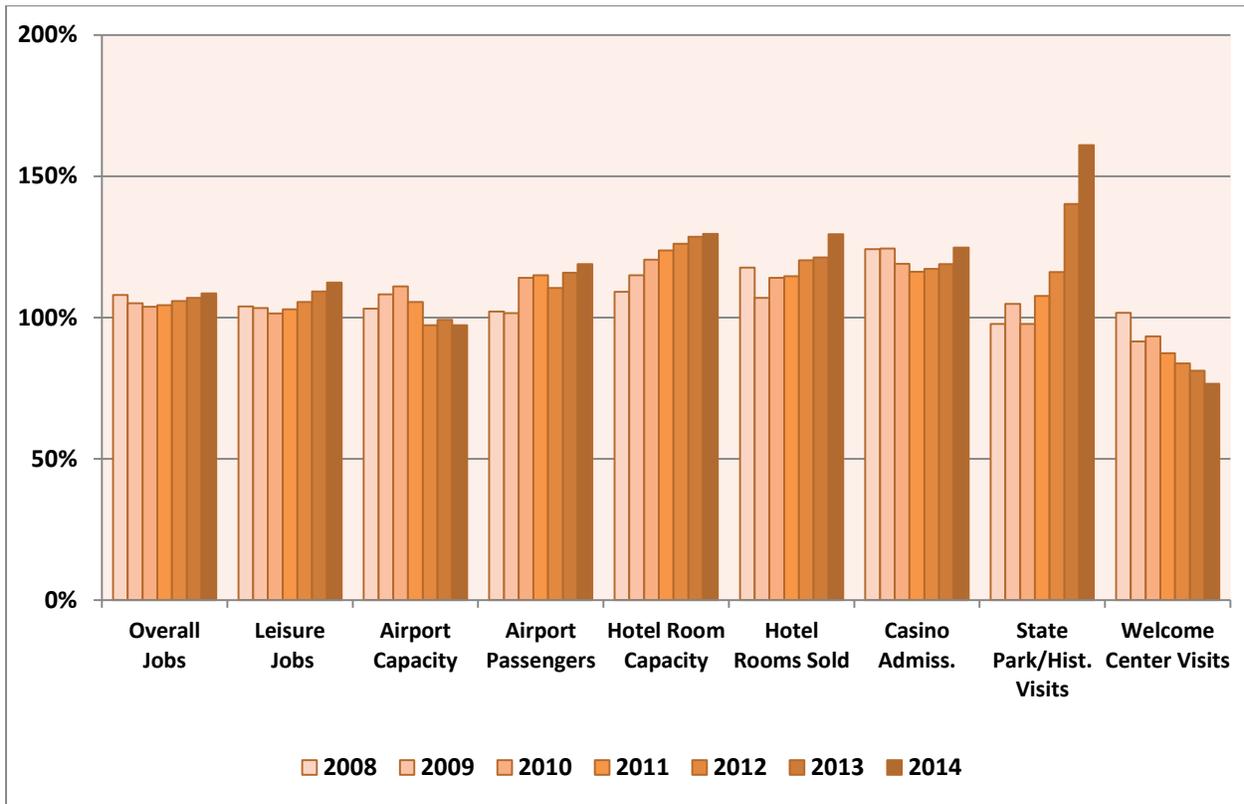
**Table 13: Louisiana State Taxes  
(paid by Rest of the State Visitors)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Hotel Sales Taxes (Millions)<sup>5</sup></b>	\$20	\$29	\$30	\$33	\$30	\$32	\$32	\$34	\$34	\$37	\$37	\$39	\$39	\$40
<b>Non-hotel State Tax Revenue (Millions)<sup>6</sup></b>	\$290	\$287	\$351	\$358	\$350	\$335	\$354	\$365	\$365	\$369	\$382	\$387	\$391	\$400

<sup>5</sup> 4% state sales tax. Residents were removed from the analysis

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

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



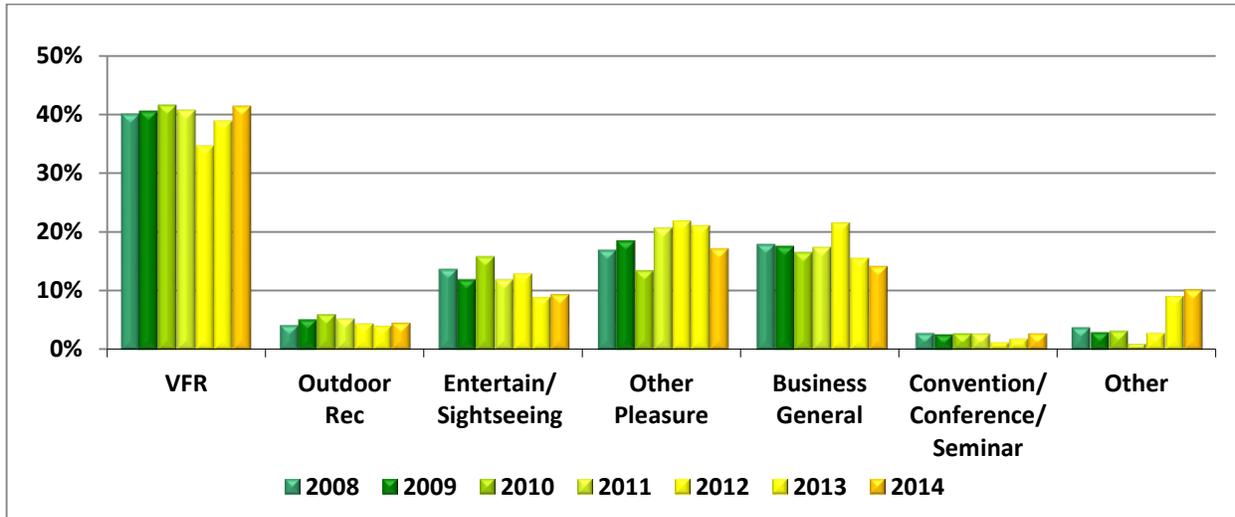
Source: See Appendix B

Figure 14 contains indicators of tourism activity comparing levels prior to the Hurricanes to current trends. Overall and leisure jobs have continued to grow after a decrease during the recession. Although both indicators have grown steadily, leisure employment has followed the state’s trend by recovering at a faster pace. In 2014, overall employment reached 109%, while leisure jobs increased to 112%.

Airport passengers and capacity showed different signs of recovery during 2014. Airport capacity decreased slightly to 97% from figures seen prior to the storms, while the number of airport passengers reached 119%. In 2014, the number of hotel rooms available for visitors (hotel room capacity) increased 1%, while the number of hotel roomnights sold grew by almost 9%. Last year, both indicators reached 130% of estimates reported before the storms.

Visitation estimates to casinos, state parks and welcome centers have not recovered at the same pace as other tourism indicators. In 2014, casino admissions experienced a significant recovery due to a new casino, reaching 125%. In the last three years, state parks have also captured back their visitation, growing to 161% in 2014. Welcome center visits is the only indicator that keeps lagging other factors. Last year, welcome centers lost visitors for the fourth consecutive year, reaching the lowest point since the beginning of the study (77%).

Figure 15: Rest of Louisiana Visitors - Primary Purpose

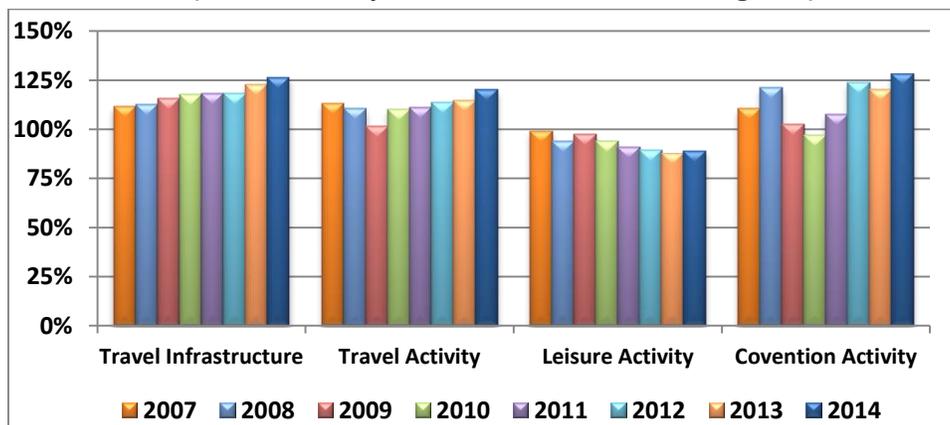


Source: See Appendix B

Figure 15 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 some indication of why visitors are travelling to the area.

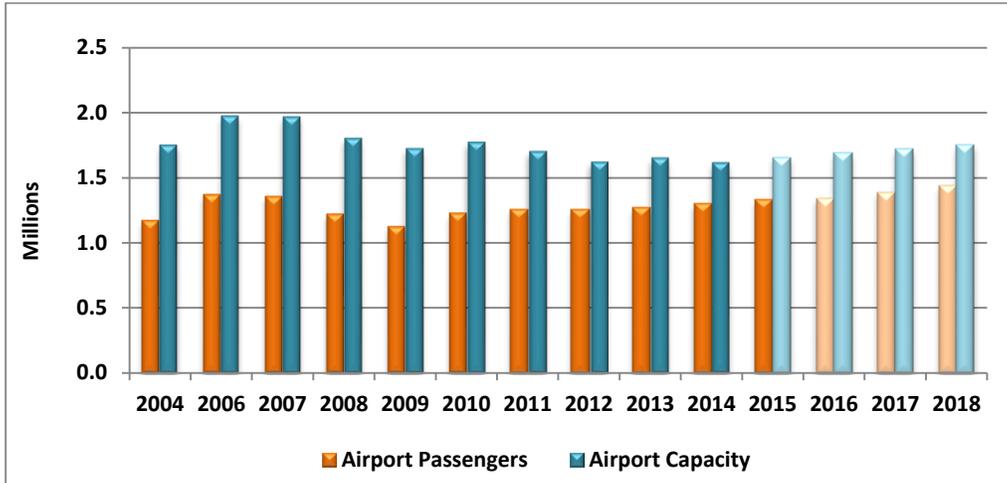
In Figure 16, tourism indicators presented in Figure 14, have been grouped into four segments (see definition in page 13). Contrary to the trend in New Orleans, *Travel Infrastructure* in the Rest of the State has grown continuously and at a faster pace than *Travel Activity*. In 2014, infrastructure reached 127%, while travel activity increased to 120%. Similar to New Orleans, traditional leisure sightseers in other Louisiana markets have been absent. This type of tourist can be represented by *Leisure Activity*. In 2013, it remained virtually unchanged at 89% representing one of the lowest point since 2007. *Conventions Activity* in areas in the Rest of the State has remained strong. Although this series is volatile, it shows a general upward trend as more cities have managed to expand their market to smaller meetings. In 2014, convention activity reached the highest figure since 2007 (128%).

Figure 16: Rest of the State Travel Indicators by Segments (Percent Compared to Pre-Katrina/Rita Figures)



Source: See Appendix B

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



Source: See Appendix B

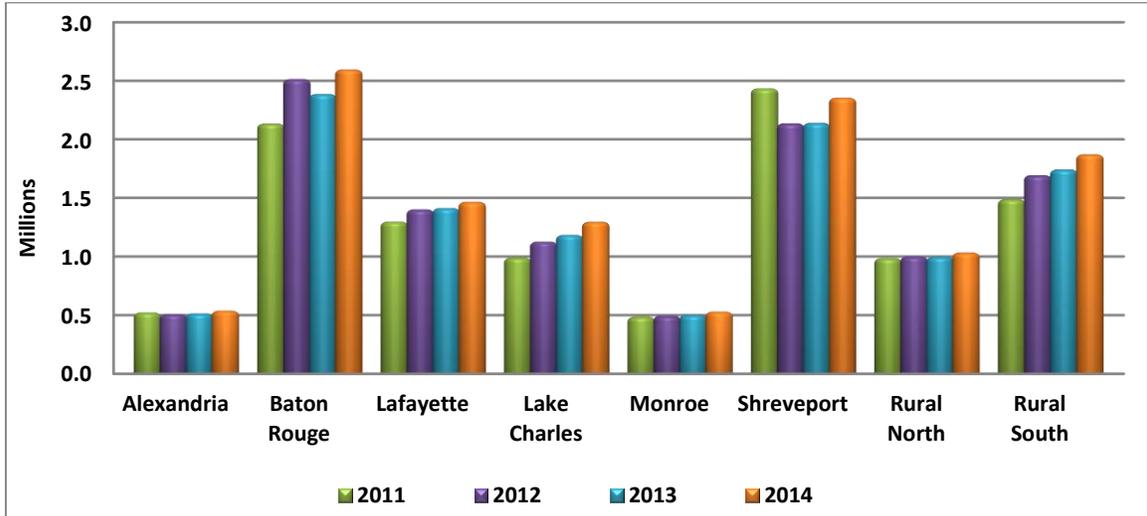
Figure 17 reflects changes in airport passengers and capacity (measured by scheduled seats per year) for major airports in areas in the Rest of Louisiana. Since the recession started, there has been a national trend towards capacity reduction in airports, particularly small regional airports. In 2014, airports in the region lost nearly 2% of the capacity when compared to 2013, while the number of airport passengers increased by the same proportion. 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. In 2014, 80% of the seats were being filled by passengers. In other words, airplanes are flying at a higher capacity than they were prior to the storm (67%).

By 2018, enplanements and capacity are expected to reach nearly 1.4 million passengers and 1.8 million seats. Although both indicators are expected to grow steadily, capacity will be lagging demand. By the end of the forecast window, it is estimated that capacity will grow by 8% compared to current estimates, while enplanements are projected to increase by almost 11%.

## 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.

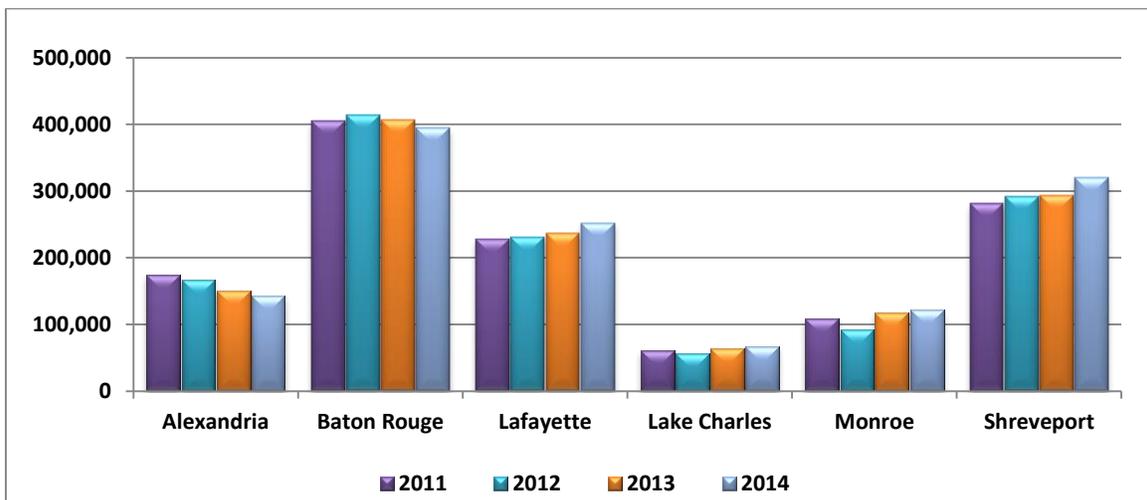
**Figure 18: Rest of the State Rooms Sold - Annually**



Source: See Appendix B

Figure 18 contains the relative size of different markets within the state as represented by hotel roomnights sales. In 2014, virtually all areas increased hotel activity. Even Shreveport, which experienced a decrease in the last two periods, due to lower oil and gas activity, managed to increase its hotel demand. Figure 19, shows an overall positive trend in airport passengers, as measured by enplanements. During 2013 and 2014 most regions added new enplanements recovering the activity lost during the recession.

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



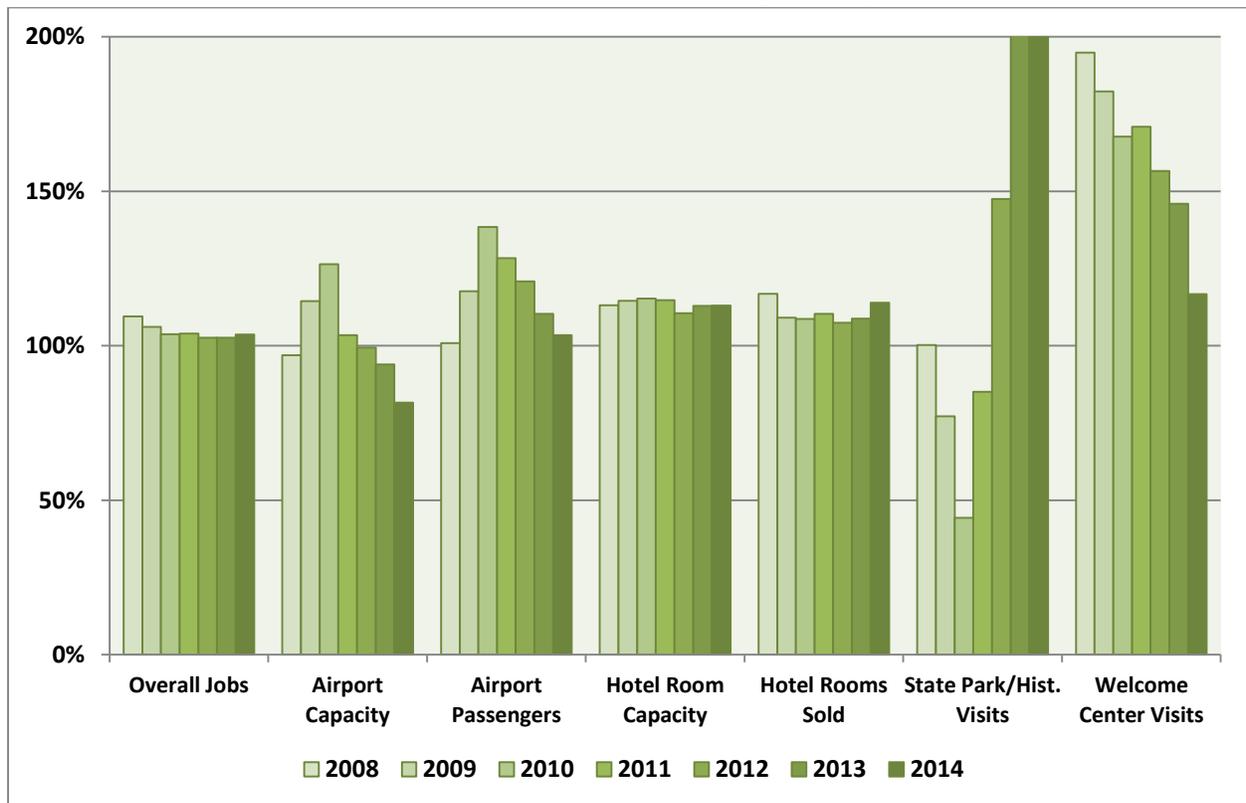
Source: See Appendix B

## ALEXANDRIA

Overall employment in Alexandria remained virtually unchanged in 2014, a trend that has persisted since the recession disrupted the area in late 2008. Travel indicators including airport capacity and passengers have not recovered at the same pace as other areas in the region. In 2014, Alexandria’s airport capacity incurred significant cuts that were of greater magnitude than those in 2008. Similarly, the number of airport passengers reached the lowest point for the last six years. Lodging tourism indicators such as hotel room capacity and roomnights sold were marginally up in 2014. When compared to the previous year, capacity remained almost unchanged, while demand increased by 5%. Both indicators 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 2014, state park visits had a tremendous increase as a result of these recent additions. Conversely, in 2014 welcome center visitation continued to exhibit a downward trend. After reaching 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)**



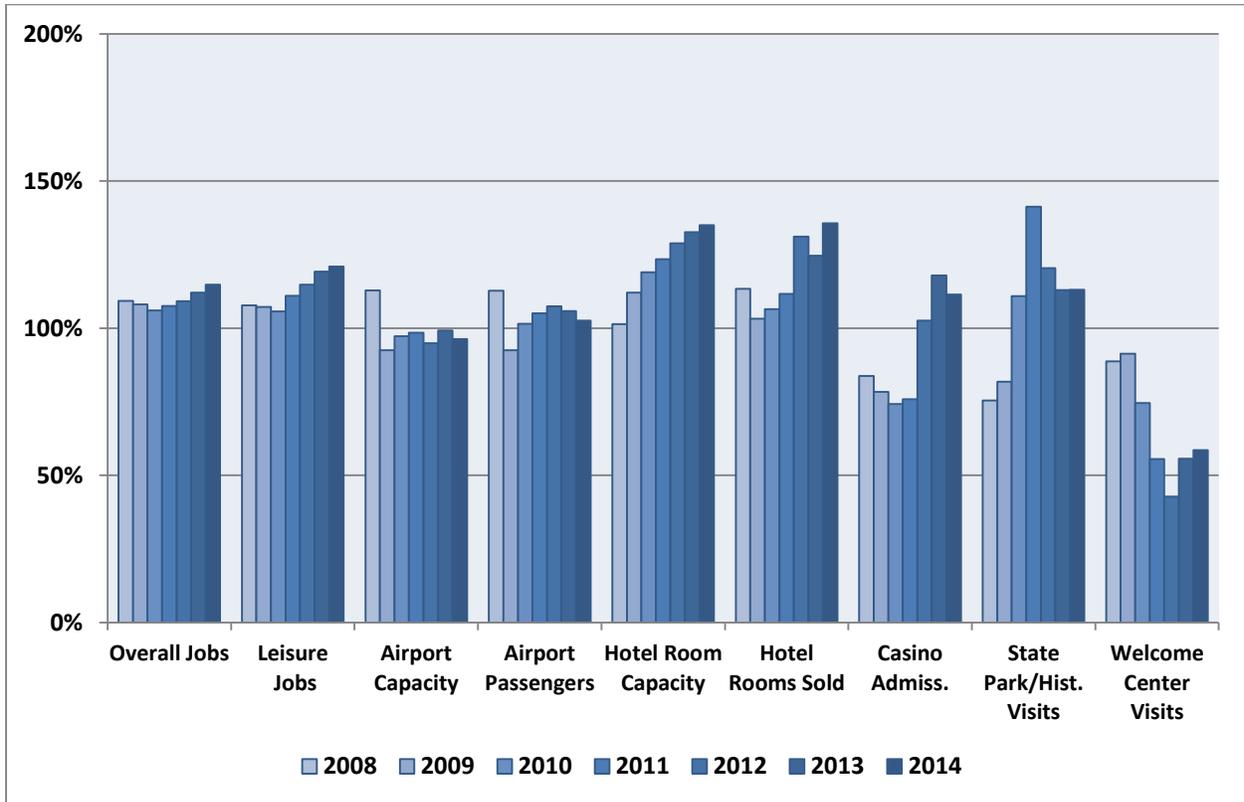
Source: See Appendix B

## BATON ROUGE

The Baton Rouge economy has recovered significantly since the recession. Overall and leisure employment have grown steadily reaching new records in 2014. During that year, overall employment grew at a slower pace than leisure jobs reaching 115% and 121%, respectively. The decrease in airport activity in late 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, airport passengers and capacity have been recovering, but they are still behind the levels seen in years prior to the recession. In 2014 there was a slight decrease in airport capacity and passengers, reaching 96% and 103%, respectively (Figure 21).

Hotel activity has substantially grown over the past seven years. In 2014, hotel roomnights sold increased significantly to 136%, while hotel capacity had a modest growth increasing to 126%. The casino activity created by displacement from New Orleans right after the storm has dropped. Since 2012, gambling activity has recovered due to the opening of the L’Auberge casino in Baton Rouge; however, casino admissions experienced a decrease of 7% in 2014. 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 in 2013, and remained unchanged in 2014. During the same year, welcome center visits increased for the second consecutive year.

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



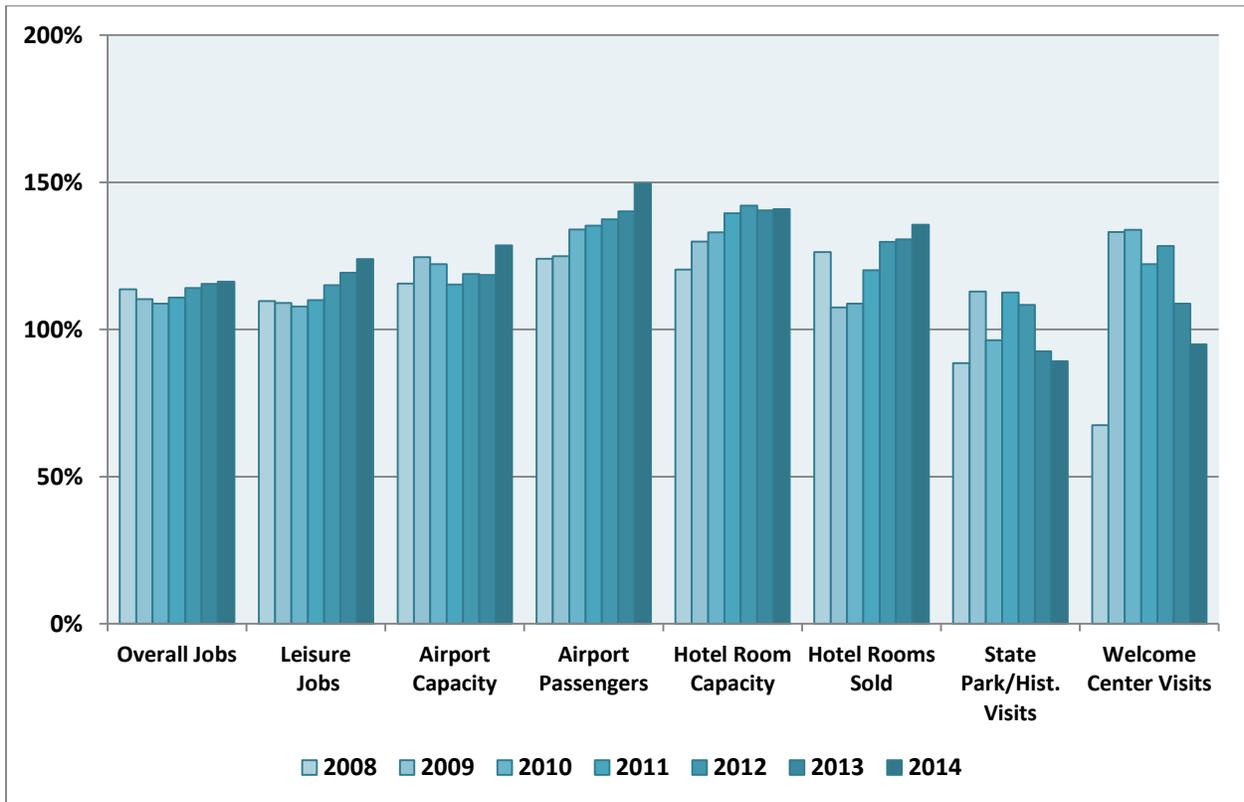
Source: See Appendix B

## 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 2014, overall employment continued to increase reaching 116% of figures recorded prior to the storms. Also, a significant gain occurred in leisure jobs where latest data indicates that it increased to 124%. 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. In 2014, both indicators registered the highest growth in the last seven years, increasing by approximately 10%, each. The number of hotel rooms available increased slightly (1%), while hotel rooms sold grew by almost 5%.

In late 2010, Palmetto Island state park was added to the analysis. Despite the new addition, state park visitation has been decreasing since 2012, reaching 89% in 2014. The number of traditional visitors, indicated by visits to welcome centers in the area, incurred a significant drop from estimates recorded in 2012. For the first time since 2009, visitation to welcome centers decreased to figures below those recorded in years prior to the Hurricanes (95%).

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



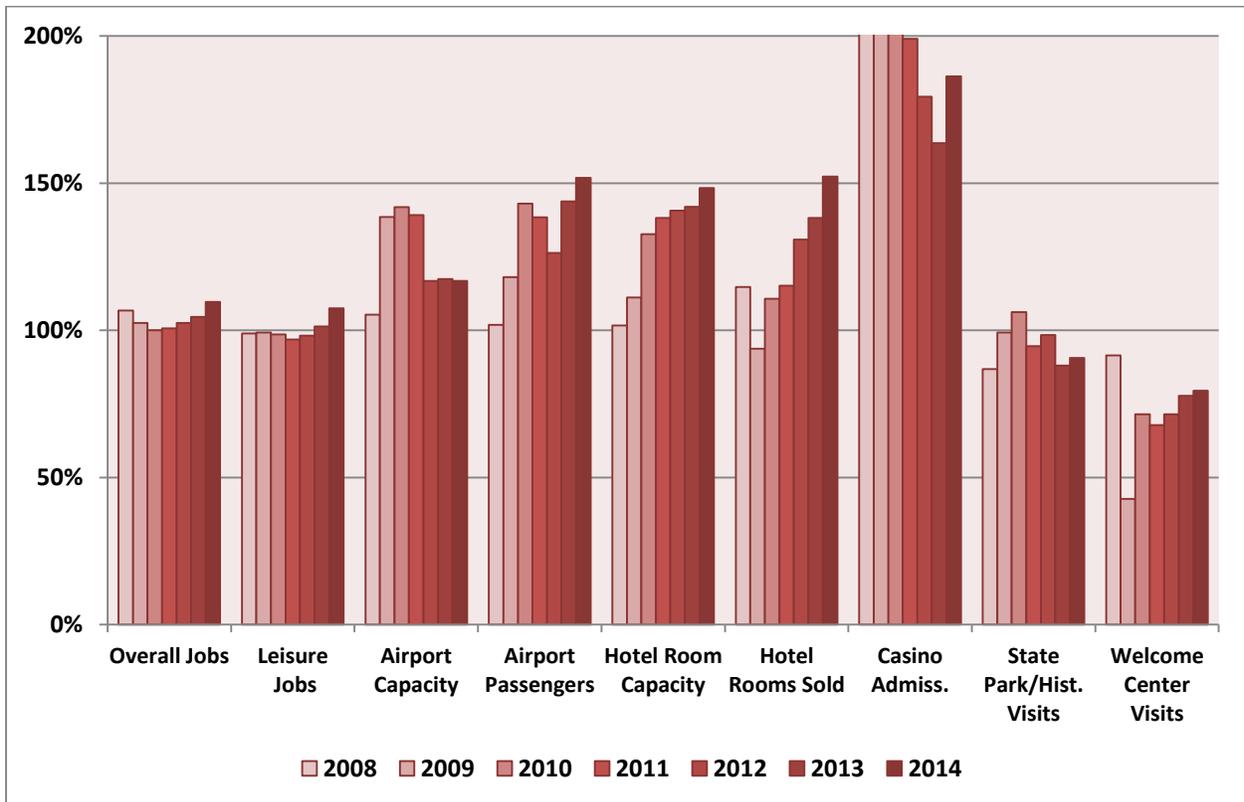
Source: See Appendix B

## LAKE CHARLES

Lake Charles employment continued to increase throughout 2014, reaching 115% for overall jobs, and 121% for leisure employment. Similar to Lafayette, such growth can be associated with the oil industry activity in the Lake Charles area. Airport passengers and capacity have followed different trends over the last three years. Airport demand has increased, reaching 152% in 2014, while airport capacity has remained virtually unchanged at 117%. Similar to other areas in the state, Lake Charles experienced significant growth in hotel activity during 2014. Hotel room capacity grew to 148%, while rooms sold went up to 152%. Hotel rooms sold, as measured by Smith Travel Research, do not include casino hotels; therefore, there is more hotel traffic in Lake Charles than presented in this analysis.

Until 2009, the opening of L’Auberge du Lac casino had an enormous impact on casino admissions. While casino demand is still above pre-Katrina/Rita levels, it was decreasing continuously until 2014, when the opening of the new Golden Nugget casino reversed the negative trend. Lake Charles incurred major damage in 2005 due to Hurricane Rita. While park facilities have recovered for the most part since then, recent data indicates a declining trend. Contrarily, welcome center visits continue to recover, reaching 79% of the levels seen before the Hurricanes. The unexpected drop in 2009 was due to the temporary closure of Vinton welcome center (Figure 23).

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



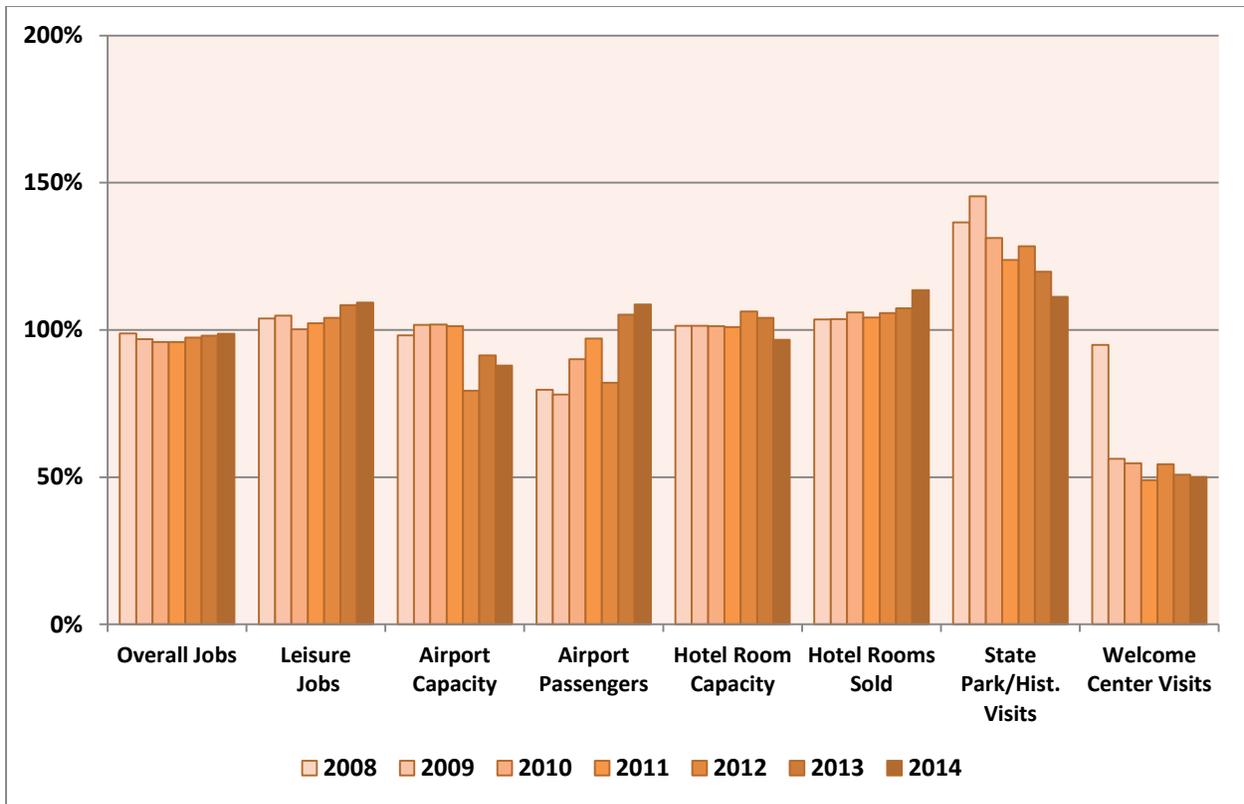
Source: See Appendix B

## MONROE

Overall employment in Monroe has gradually increased since the recession affected the area in 2009. On the contrary, leisure jobs have had a substantial growth, increasing to 109% in 2014. During the same year, airport capacity and passengers moved in different directions. Nearly 3% of capacity was lost, while 4% of additional passengers arrived to the region. Hotel rooms sold and capacity followed the same trend as airport activity. Over the last year, Monroe removed hotel capacity (5% decrease), and sold new hotel rooms (7% increase).

State park and historic visits in Monroe have remained strong over the years. Despite the addition of Caney Creek Lake state park to the analysis in 2012, visitation has decreased since 2013. In 2014, this indicator declined by almost 9%. 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)**



Source: See Appendix B

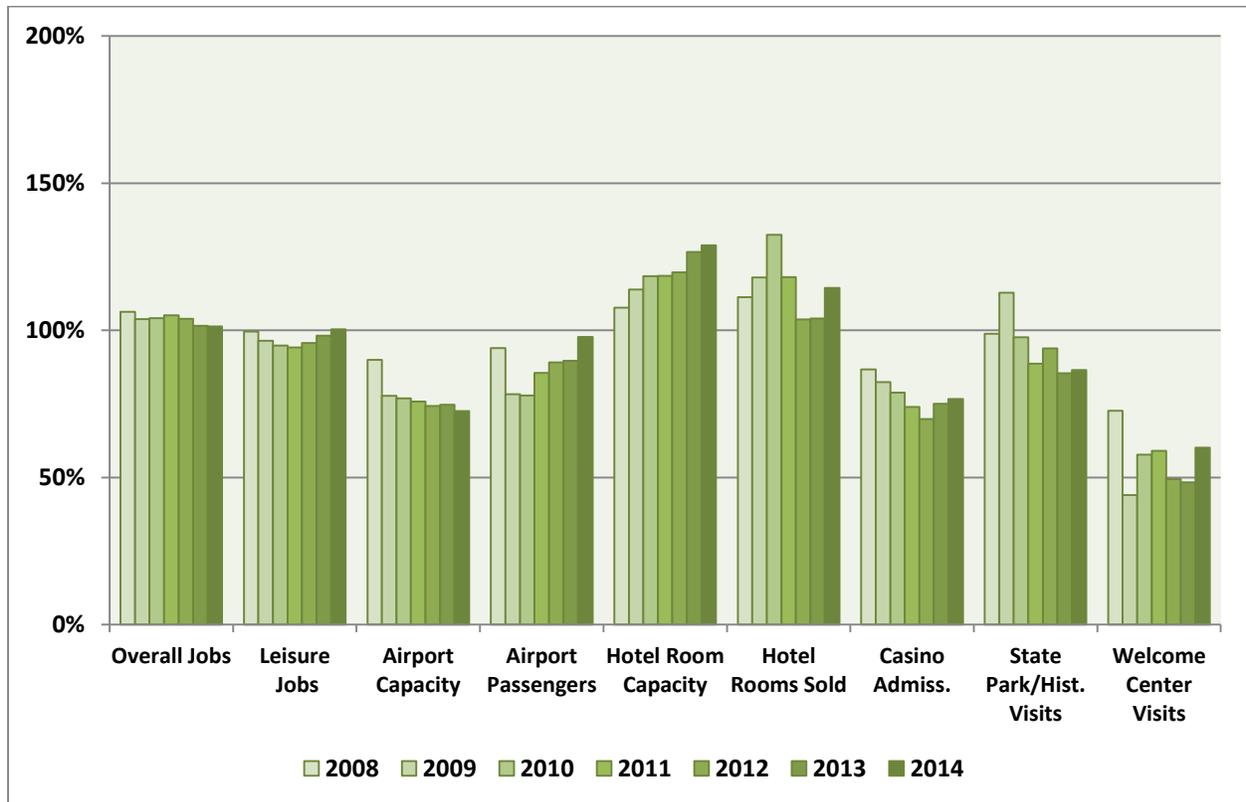
## SHREVEPORT

The economy in Shreveport has been relatively stable. Overall jobs have remained at above average levels, but presented a marginal decrease in 2014. Leisure employment was highly affected by the recession, but has showed signs of recovery during the last three years. In 2014, 2% of additional leisure jobs were added into the economy (Figure 25).

Airport capacity and passengers have recovered at different paces since the recession. In 2013, airport capacity lost nearly 2% of airplane seats, while the number of passengers increased by almost 8%. Although airport activity has recovered significantly, it is still under levels recorded prior to the storms. Hotels have been adding capacity continuously at a slower pace. In 2013, hotel capacity increased by 2%. Conversely, the number of rooms sold has fluctuated over the last five years. In 2014, this indicator increased by nearly 10%.

Admissions to casinos, state parks, and welcome centers have remained weak. In 2014, casino admissions had a modest growth of 2%, while visits to state parks increased by 1%. Welcome center visitation increased by almost 12%. The drop in this indicator during 2008 and 2009 occurred after the Greenwood center was temporarily closed. With casino, state park and welcome center activity remaining below pre-storm figures, the increase in hotel and airport statistics could be partially 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)**



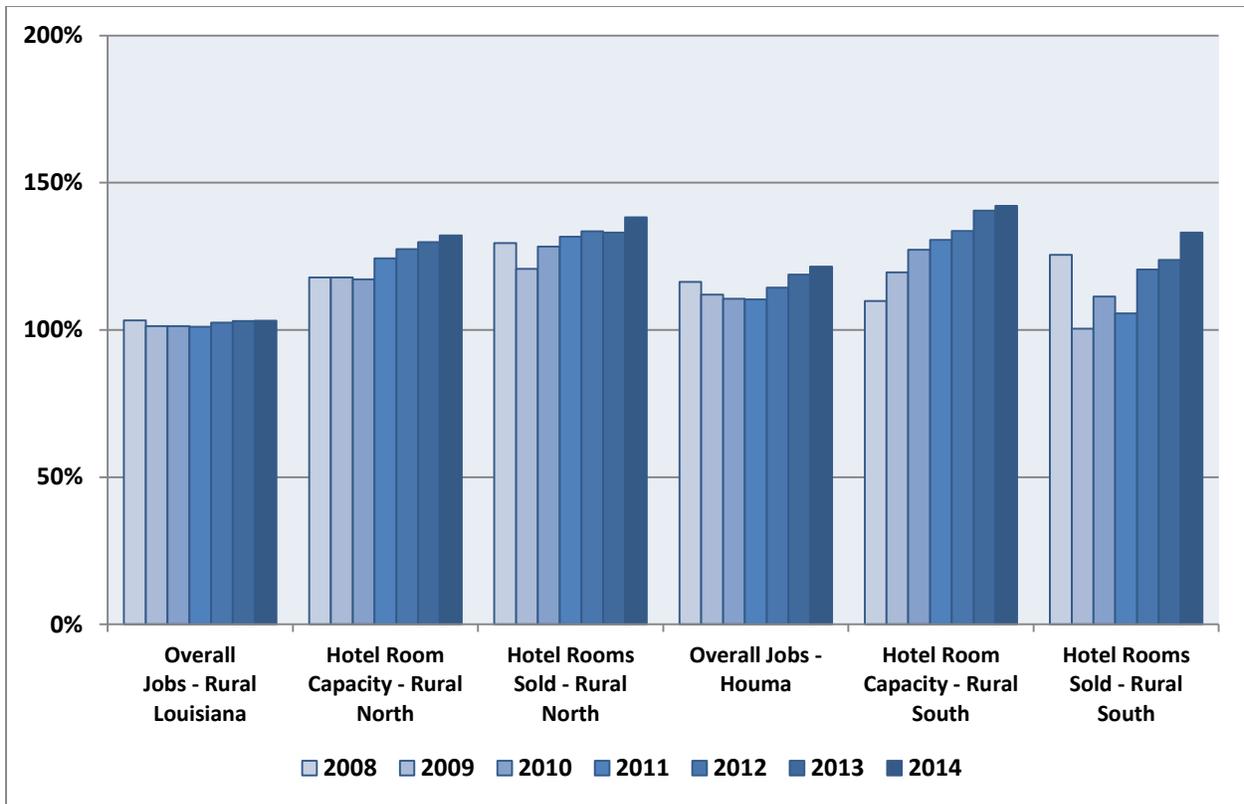
Source: See Appendix B

## 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 has substantially grown. 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 2014, room capacity grew 2%, while roomnights sold increased by 5%.

The oil industry present in Houma represents a strong driver of economic activity in the area. During 2014, the area added nearly 3% of jobs to the economy. Hotels around the area have also added capacity to match local needs from the oil industry. During 2008 Houma hotels would have supported efforts to repair damage from Gustav and Ike, and in 2010, most hotel activity was attributed to the BP oil spill. In 2014, both hotel capacity and roomnights sold increased by 1% and 9%, respectively.

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



Source: See Appendix B

## Appendix A

### Forecast Accuracy

This section contains an evaluation of the forecast accuracy for hotel roomnights sold, airport passengers, number of visitors and spending in the state of Louisiana.

Hotel rooms, measured by roomnights demand (Table 14), and airport passengers, measured by enplanements (Table 15), are examined first since 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 Hurricanes Gustav and Ike in 2008, the national recession in 2009, or the BP oil spill in 2010, resulted in trend changes for future estimates. Since 2012, recovery has 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 Roomnights Sold**

Millions	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>2011</b>	18.6	17.9	18.3	18.6	19.1				
<b>2012</b>		18.7	19.3	19.6	19.8	20.1			
<b>2013</b>			20.0	20.2	20.2	20.5	20.6		
<b>2014</b>				20.0	19.9	20.1	20.1	20.2	
<b>2015</b>	<b>18.7</b>	<b>18.6</b>	<b>20.0</b>	<b>20.0</b>	<b>21.2</b>	<b>21.4</b>	<b>21.6</b>	<b>21.8</b>	<b>22.3</b>
<i>Change from 2014</i>	-	-	-	-	6.7%	6.8%	7.3%	8.2%	-

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

Millions	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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>2013</b>			5.6	5.7	5.7	5.9	6.0		
<b>2014</b>				5.9	5.9	6.0	6.1	6.2	
<b>2015</b>	<b>5.3</b>	<b>5.5</b>	<b>5.6</b>	<b>5.9</b>	<b>6.2</b>	<b>6.4</b>	<b>6.4</b>	<b>6.6</b>	<b>6.8</b>
<i>Change from 2014</i>	-	-	-	-	4.9%	5.9%	5.4%	7.6%	-

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

Millions	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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>2013</b>			26.3	26.8	27.2	27.6	28.0		
<b>2014</b>				27.3	27.5	27.7	28.0	28.2	
<b>2015</b>	<b>25.1</b>	<b>25.5</b>	<b>26.3</b>	<b>27.4</b>	<b>28.7</b>	<b>29.2</b>	<b>29.5</b>	<b>30.1</b>	<b>30.6</b>
<i>Change from 2014</i>	-	-	-	-	4.3%	5.5%	5.6%	6.6%	-

Visitation, presented in Table 16, is tougher to quantify. 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, as visitor surveys from TNS have a relatively small number of observations to cover such a large area. Therefore, the forecast methodology has been revised over the years. Changes in visitor type, especially for non-hotel visitor, along with external factors, like the recession and BP oil spill, have been given a greater weight on the forecast for future years. In 2015, the estimates were revised higher to reflect the strong visitation over the last two years. The new estimates are about 6% higher than those done in 2014. While visitation was revised, projections have remained reliable over the years.

Spending is the most difficult calculation. 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 visitors choosing to spend more as well as prices going up. In the most recent forecast, spending estimates were also revised higher. The new estimates are comparable to those made in 2013 (Table 17).

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

\$Billions	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>2011</b>	9.6	9.4	9.9	10.5	11.0				
<b>2012</b>		10.0	10.4	10.9	11.1	11.5			
<b>2013</b>			10.7	11.1	11.3	11.6	11.7		
<b>2014</b>				10.8	10.9	11.2	11.5	11.7	
<b>2015</b>	<b>9.5</b>	<b>10.0</b>	<b>10.7</b>	<b>10.8</b>	<b>11.2</b>	<b>11.5</b>	<b>11.8</b>	<b>12.0</b>	<b>12.5</b>
<i>Change from 2014</i>	-	-	-	-	2.1%	2.6%	2.8%	2.9%	-

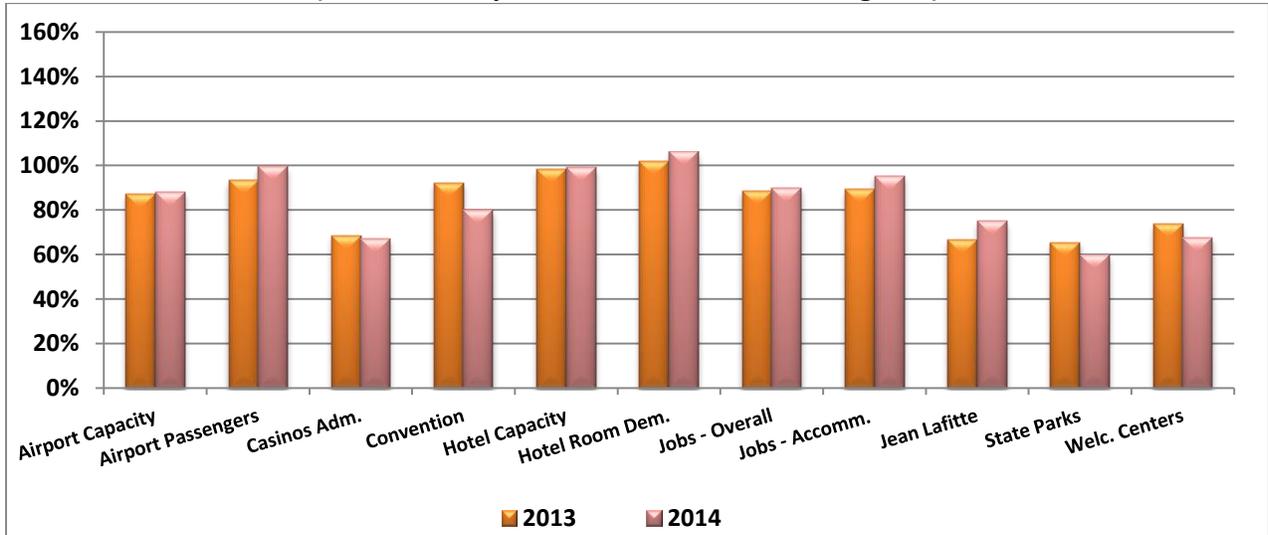
## Appendix B

### Sources:

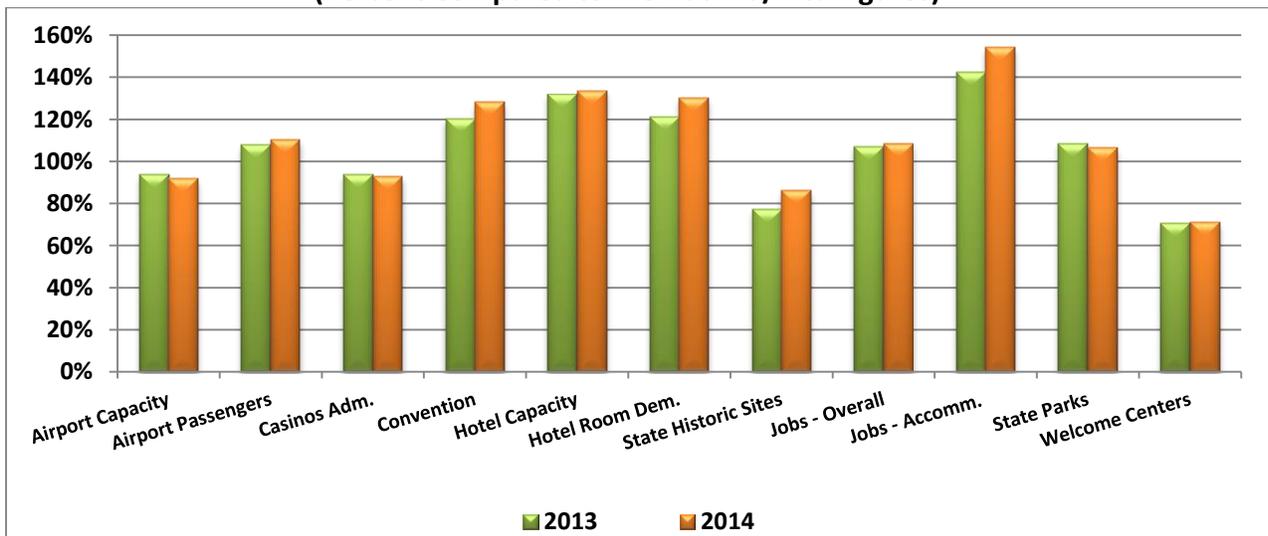
- Travel Indicators

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)**



- 
- 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, Revenue and Taxes:
    - Louisiana State Police
  
  - Convention Roomnights Sold:
    - 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 economic multipliers. In 2012, the multipliers belonged to the United States Department of Commerce, Bureau of Economic Analysis (BEA), Regional Input-Output Modeling System (RIMS II). In 2013, multipliers were obtained from IMPLAN
    - 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)
    - Forecasts: UNO Hospitality Research Center
  
  - Hotel Roomnights Sold by Purpose (New Orleans):
    - Hotel Association of New Orleans surveyed
    - Smith Travel Research (STR)
    - UNO Hospitality Research Center

- International Visitors:
  - TIA (U.S. Travel Association) for visitation between 2003 and 2005
  - Hotelier Survey, UNO Hospitality Research Center
  - Tourism Satellite Account (TSA) spending between 2003 and 2011
  - Louisiana Department of Culture, Recreation and Tourism (CRT)
  - UNO Hospitality Research Center
  
- Louisiana GDP by Segments:
  - Bureau of Economic Analysis, Industry detail based on the 2007 North American Industry Classification System (NAICS)
  
- Population Estimates and Characteristics:
  - Historical Data: United States Census Bureau
  - Forecasts: UNO Hospitality Research Center
  
- Taxes:
  - Hotel and Non-Hotel Taxes, current and forecast: UNO Hospitality Research Center
  - Louisiana Department of Revenue, Orleans and Jefferson parishes, 2004-2014. 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 economic multipliers. In 2012, the multipliers belonged to the United States Department of Commerce, Bureau of Economic Analysis (BEA), Regional Input-Output Modeling System (RIMS II). In 2013, multipliers were obtained from IMPLAN
  
- Visitation to State Historic Sites, State Parks and Welcome Centers:
  - Louisiana Department of Culture, Recreation and Tourism (CRT)
  - National Park Services
  
- Visitor Type, Mix and Primary Purpose:
  - TNS survey data files
  - UNO Hospitality Research Center

## 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.