

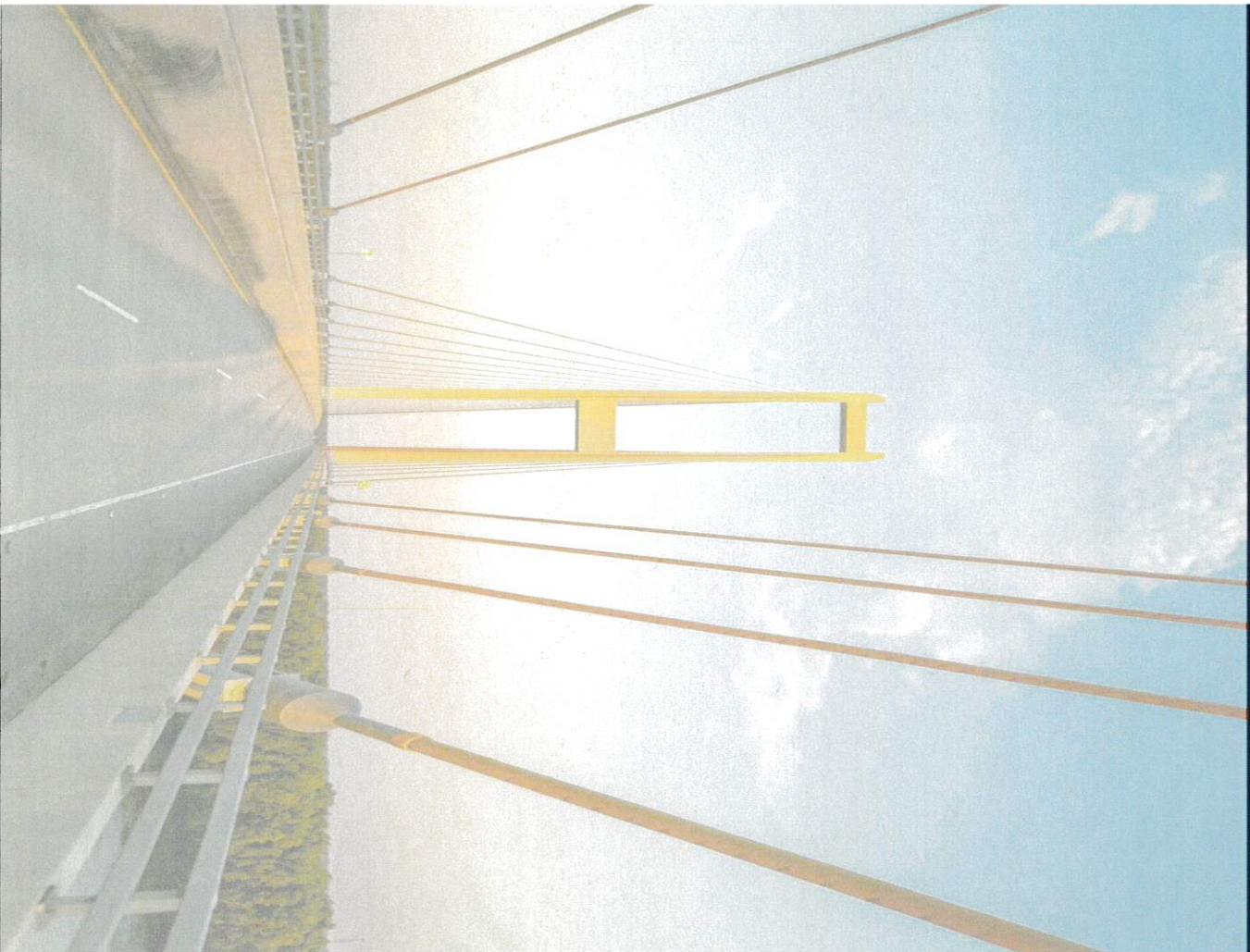


**TOURISM  
ECONOMICS**  
AN OXFORD ECONOMICS COMPANY

# **ECONOMIC IMPACT OF VISITORS IN LOUISIANA 2022**

May 2023

Prepared for: Louisiana Office of Tourism



## INTRODUCTION PROJECT BACKGROUND

The travel sector is an integral part of the Louisiana economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the state's future. In 2022, tourism-supported jobs accounted for more than 7.4% of all jobs in Louisiana.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for the state

of Louisiana as it builds upon its visitor economy. By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the economic significance of the tourism sector in Louisiana, Tourism Economics has prepared a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

## METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for Louisiana. The model traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

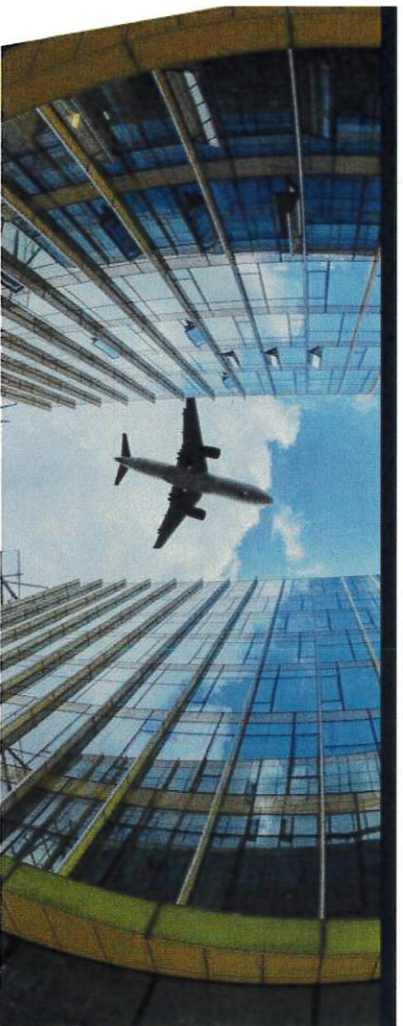
Visitors included those who stayed overnight or traveled more than 50 miles to the destination.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis.

This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- DKSA: survey data, including spending and visitor profile characteristics for visitors to Louisiana
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR lodging performance data, including room demand, room rates, occupancy, and room revenue, for hotels
- Visa Data Insights: credit card transaction data
- Tax collections: sales tax receipts by industry
- AirDNA lodging performance data, including supply, demand, and revenue for short-term rentals
- US Census: business sales by industry and seasonal second homes inventory
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to Louisiana based on aviation, survey, and credit card information



## ECONOMIC IMPACT METHODOLOGY

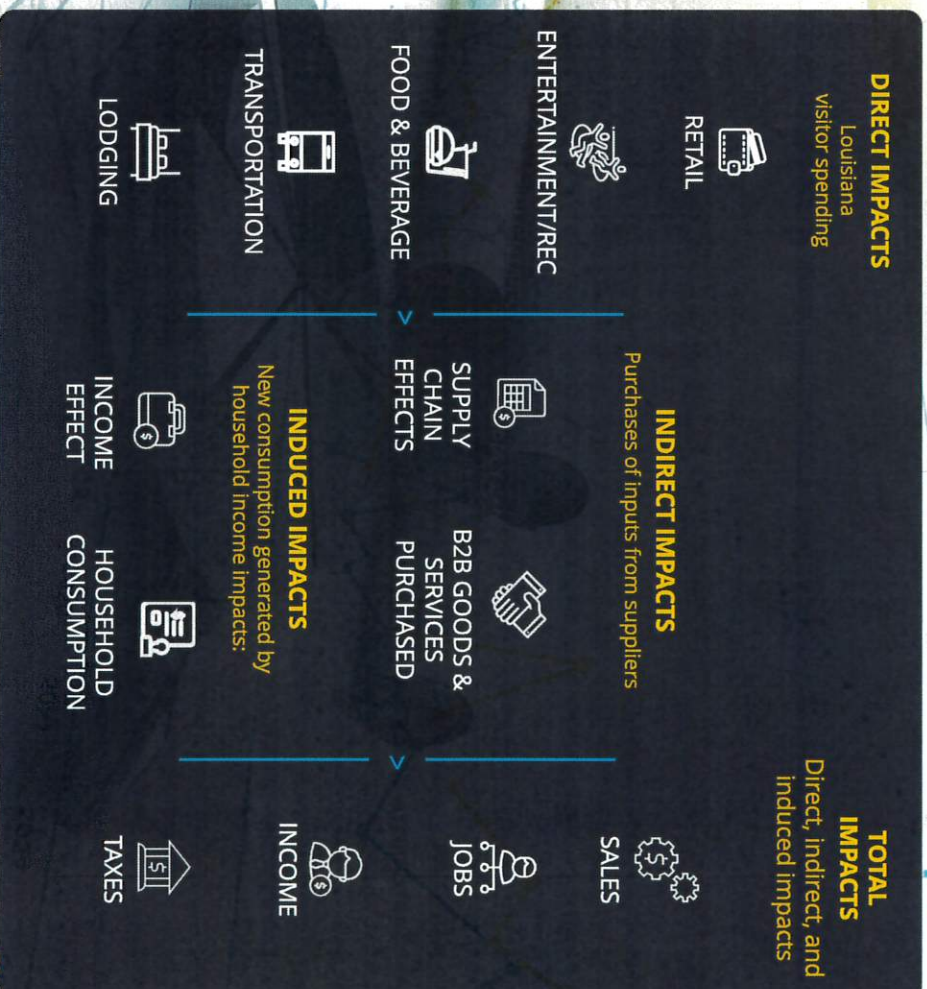
The analysis of the Louisiana visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Louisiana economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
  - 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
  - 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.
- The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

## ECONOMIC IMPACT FRAMEWORK



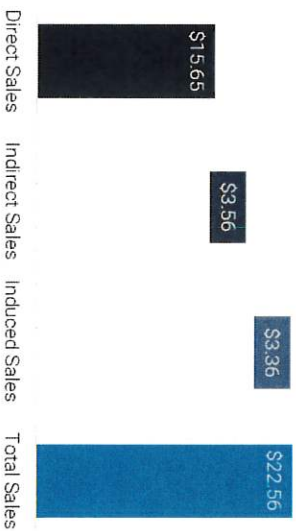


## ECONOMIC IMPACT FINDINGS

### BUSINESS SALES IMPACTS

Visitors contributed a direct impact of \$15.7 billion in 2022. This direct impact led to \$3.6 billion in indirect and \$3.4 billion in induced impacts. In total, visitors to Louisiana generated over \$22.6 billion in total business sales.

**Summary economic impacts (2022)**  
Amounts in \$ billions



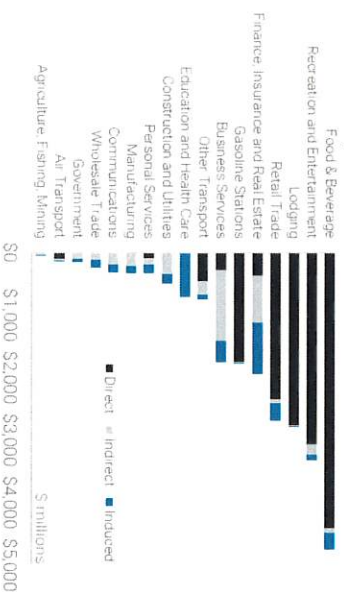
Source: Tourism Economics

**Business sales impacts by industry (2022)**  
Amounts in \$ millions

Industry	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
<b>Total, all industries</b>	<b>\$15,654.3</b>	<b>\$3,555.1</b>	<b>\$3,355.4</b>	<b>\$22,564.9</b>
Food & Beverage	\$4,398.5	\$80.3	\$267.1	\$4,746.0
Recreation and Entertainment	\$3,067.2	\$160.4	\$85.9	\$3,313.5
Lodging	\$2,764.6	\$9.4	\$4.2	\$2,778.2
Retail Trade	\$2,346.1	\$63.1	\$281.6	\$2,690.8
Gasoline Stations	\$1,751.8	\$5.7	\$17.6	\$1,775.1
Other Transport	\$463.5	\$208.3	\$82.0	\$753.7
Finance, Insurance and Real Estate	\$369.4	\$748.9	\$826.6	\$1,944.9
Business Services	\$286.6	\$1,126.9	\$332.5	\$1,746.0
Education and Health Care	\$9.5	\$704.3	\$713.8	\$1,427.6
Personal Services	\$94.1	\$97.6	\$147.0	\$338.8
Communications		\$129.0	\$129.9	\$258.9
Wholesale Trade		\$124.8	\$125.1	\$249.9
Construction and Utilities		\$345.7	\$149.7	\$495.5
Government		\$101.8	\$59.0	\$160.8
Manufacturing		\$222.1	\$113.9	\$336.0
Air Transport	\$112.4	\$17.6	\$13.6	\$143.5
Agriculture, Fishing, Mining		\$41.2	\$15.3	\$56.5

Source: Tourism Economics

**Tourism business sales impacts by industry (2022)**  
Amounts in \$ millions



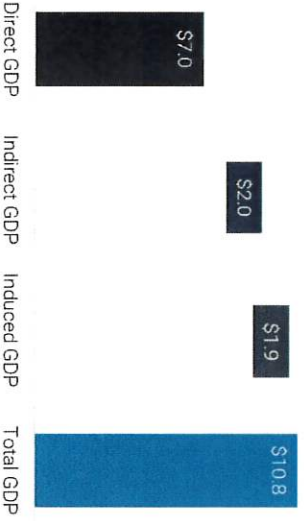
Source: Tourism Economics

## VALUE ADDED IMPACTS

The value of all visitor-associated goods and services produced in Louisiana in 2022 increased to \$ 10.8 billion, an increase of 15% over last year.

### Summary Value-added Impacts (2022)

Amounts in \$ billions



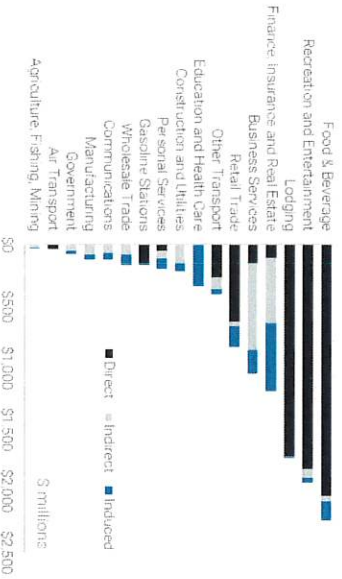
Source: Tourism Economics

The locally produced portion of visitor-associated sales in the food & beverage industry added \$2 billion to state GDP in 2022.

Spending by visitor-associated workers supported \$336 million in GDP contribution in the education and health care industries, showing how visitors support businesses across the industrial spectrum.

### Visitor Value-added Impacts by Industry (2022)

Amounts in \$ millions



Source: Tourism Economics



### Summary Value-added Impacts by Industry (2022)

Amounts in \$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
<b>Total, all industries</b>	<b>\$6,950.6</b>	<b>\$2,020.2</b>	<b>\$1,851.1</b>	<b>\$10,821.8</b>
Food & Beverage	\$2,042.1	\$41.5	\$155.2	\$2,238.9
Recreation and Entertainment	\$1,822.8	\$72.3	\$39.8	\$1,934.9
Lodging	\$1,719.1	\$5.5	\$2.3	\$1,726.8
Finance, Insurance and Real Estate	\$1,022.8	\$53.2	\$54.2	\$1,189.9
Business Services	\$1,510.0	\$70.6	\$192.2	\$1,049.5
Retail Trade	\$626.0	\$36.6	\$168.3	\$830.9
Other Transport	\$263.3	\$99.1	\$39.2	\$401.5
Education and Health Care	\$468.0	\$4.0	\$332.1	\$336.2
Construction and Utilities	\$149.9	\$151.4	\$66.3	\$217.7
Personal Services	\$468.0	\$63.3	\$85.4	\$195.5
Gasoline Stations	\$149.9	\$29.0	\$9.1	\$161.8
Wholesale Trade	\$80.5	\$80.5	\$80.2	\$160.7
Communications	\$68.1	\$68.1	\$52.6	\$120.8
Manufacturing	\$78.1	\$78.1	\$38.5	\$116.6
Government	\$22.1	\$50.6	\$22.1	\$72.8
Air Transport	\$26.7	\$4.9	\$4.9	\$36.5
Agriculture, Fishing, Mining	\$2.2	\$2.2	\$8.6	\$30.8

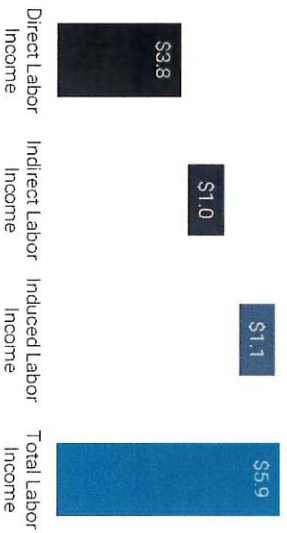
Source: Tourism Economics

## LABOR INCOME IMPACTS

Visitor activity generated \$3.8 billion in direct labor income and a total of \$5.9 billion when including indirect and induced impacts. Total 2022 visitor-supported income in Louisiana climbed to 13% above 2021.

### Summary labor income impacts (2022)

Amounts in \$ billions

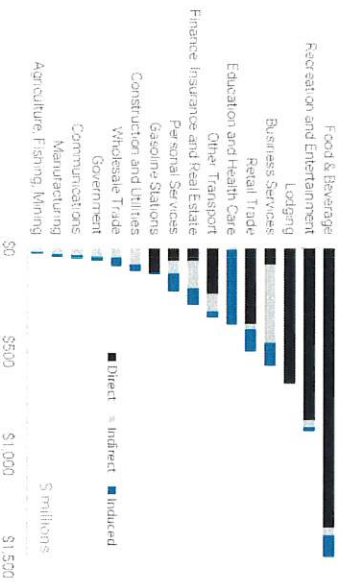


Source: Tourism Economics

There are 11 industries in which visitor activity supports more than \$100 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and education & healthcare.

### Tourism labor income impacts by industry (2022)

Amounts in \$ millions



Source: Tourism Economics



### Summary labor income impacts (2022)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
<b>Total, all industries</b>	<b>\$3,778.8</b>	<b>\$1,010.5</b>	<b>\$1,064.1</b>	<b>\$5,853.3</b>
Food & Beverage	\$1,360.2	\$36.8	\$106.2	\$1,503.2
Recreation and Entertainment	\$836.3	\$34.2	\$20.8	\$891.2
Lodging	\$655.4	\$2.1	\$1.0	\$658.5
Business Services	\$80.0	\$378.6	\$114.4	\$573.0
Retail Trade	\$368.8	\$24.9	\$110.7	\$504.3
Education and Health Care	\$4.8	\$368.8	\$373.6	\$373.6
Other Transport	\$223.5	\$82.6	\$32.8	\$338.9
Finance, Insurance and Real Estate	\$59.2	\$134.9	\$80.2	\$274.4
Personal Services	\$61.6	\$61.7	\$87.5	\$210.7
Gasoline Stations	\$117.8	\$2.0	\$6.6	\$126.4
Construction and Utilities	\$78.6	\$32.8	\$32.8	\$111.4
Wholesale Trade	\$43.8	\$44.1	\$87.9	\$87.9
Government	\$42.8	\$42.8	\$17.6	\$60.4
Communications	\$33.3	\$33.3	\$17.5	\$50.7
Manufacturing	\$28.0	\$28.0	\$12.2	\$40.2
Agriculture, Fishing, Mining	\$18.0	\$18.0	\$7.2	\$25.2
Air Transport	\$16.0	\$3.6	\$3.7	\$23.2

Source: Tourism Economics

## JOB IMPACTS

Visitor activity sustained 114,760 direct jobs in 2022, with an additional 41,895 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to 156,655 in 2022, meaning tourism supported approximately 1-in-14 jobs or 7% of all jobs in Louisiana.

### Summary employment impacts (2022)

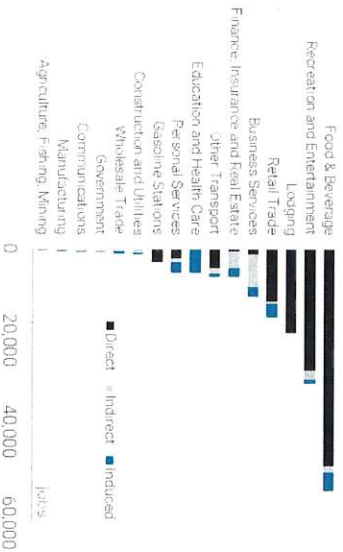
Amounts in number of jobs



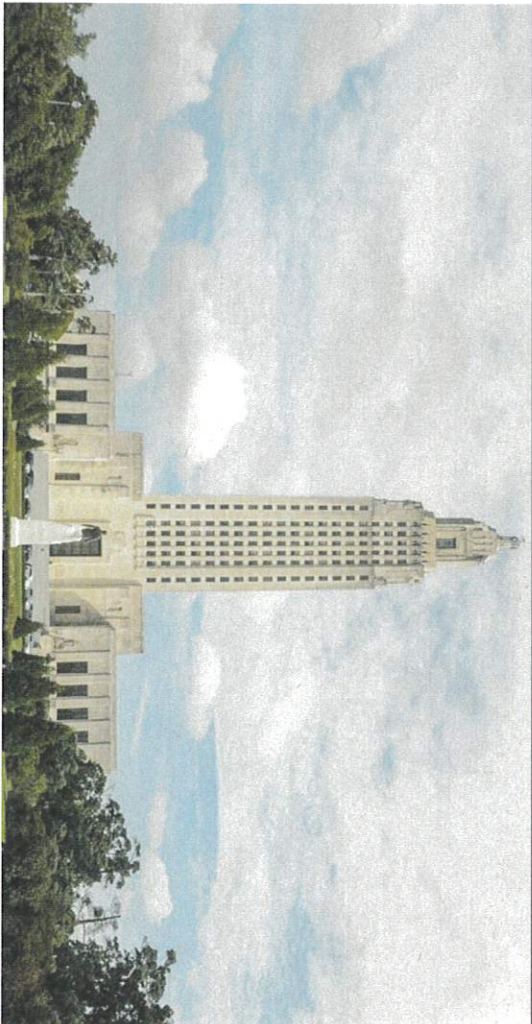
Source: Tourism Economics

### Tourism job impacts by industry (2022)

Amounts in number of jobs



Source: Tourism Economics



### Summary job impacts by industry (2022)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
<b>Total, all industries</b>	<b>114,760</b>	<b>20,331</b>	<b>21,564</b>	<b>156,655</b>
Food & Beverage	47,494	1,286	3,956	52,735
Recreation and Entertainment	26,600	1,899	831	29,330
Lodging	18,223	54	24	18,301
Retail Trade	11,436	654	2,957	15,048
Business Services	1,268	7,100	2,153	10,522
Finance, Insurance and Real Estate	615	3,617	1,915	6,147
Other Transport	4,149	1,324	563	6,036
Education and Health Care	153	5,106	5,259	10,518
Personal Services	2,062	1,004	2,164	5,229
Gasoline Stations	2,777	54	178	3,008
Construction and Utilities	925	382	3,008	4,315
Wholesale Trade	511	522	1,307	2,340
Government	533	245	778	1,556
Communications	484	242	726	1,452
Manufacturing	439	174	613	1,226
Agriculture, Fishing, Mining	260	118	379	757
Air Transport	136	35	34	205

Source: Tourism Economics

## ECONOMIC IMPACT FINDINGS

### FISCAL (TAX) IMPACTS

Visitor spending generated \$3.3 billion in government revenues in 2022.

State and local taxes alone tallied \$1.9 billion. The majority of state and local revenues are from sales taxes, with property, corporate taxes, and excise and fees adding an additional \$659.7 million.

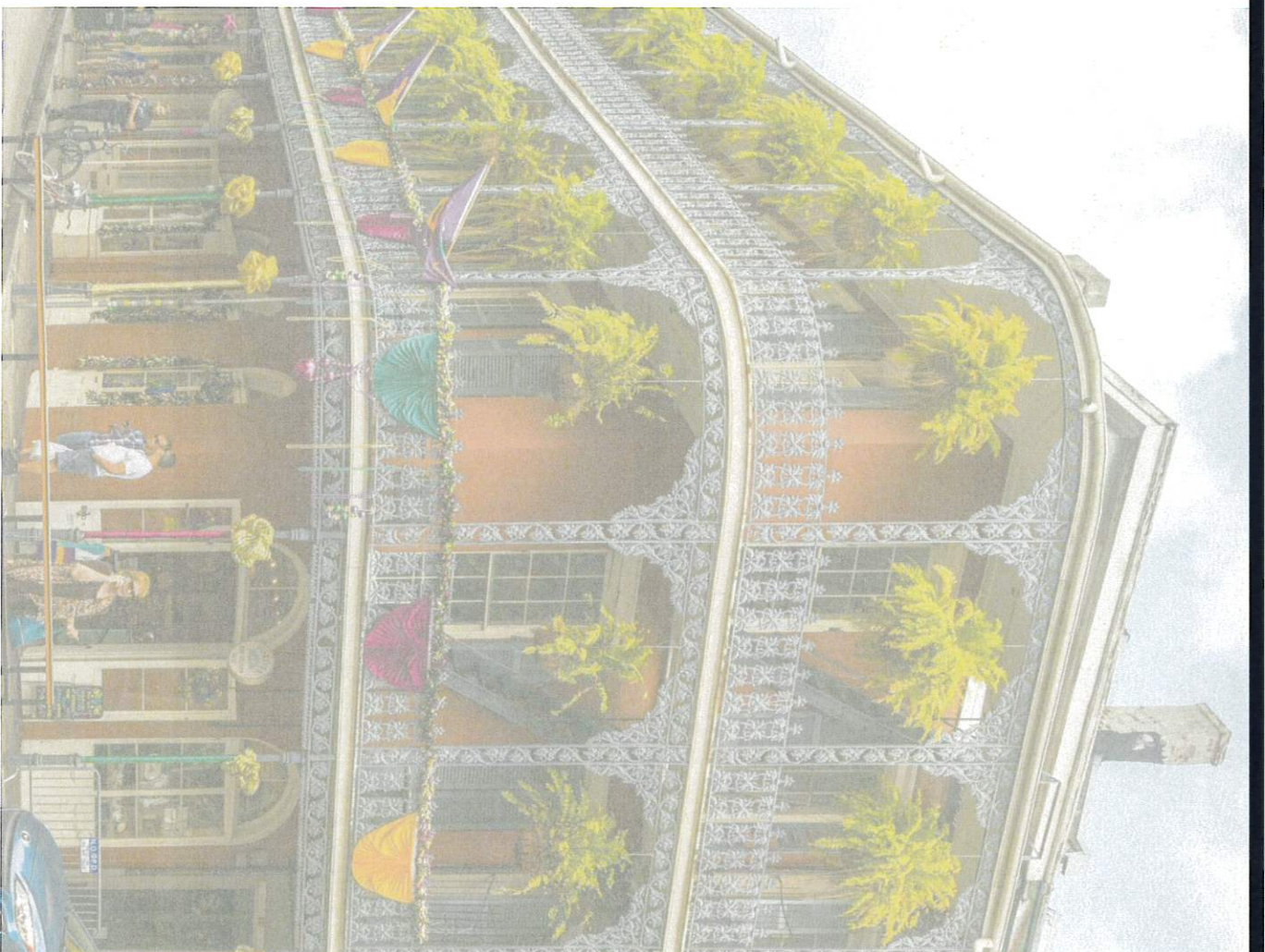
Each household in Louisiana would need to be taxed an additional \$1,068 to replace the visitor-generated taxes received by state and local governments in 2022.

#### Fiscal (tax) impacts

Amounts in \$ millions

	Direct	Indirect / Induced	Total
<b>Total Tax Revenues</b>	<b>\$2,504.7</b>	<b>\$1,477.5</b>	<b>\$3,329.3</b>
<b>Federal Taxes</b>	<b>\$943.7</b>	<b>\$332.4</b>	<b>\$1,461.1</b>
Personal Income	\$337.0	\$0.2	\$522.1
Corporate	\$119.4	\$99.6	\$219.0
Indirect Business	\$121.2	\$35.0	\$156.2
Social Insurance	\$366.2	\$197.6	\$563.8
<b>State and Local Taxes</b>	<b>\$1,561.0</b>	<b>\$1,145.1</b>	<b>\$1,868.2</b>
Sales	\$1,007.3	\$1,007.3	\$1,176.7
Bed Tax	\$152.3	\$0.0	\$152.3
Personal Income	\$48.3	\$26.8	\$75.1
Corporate	\$5.9	\$5.7	\$11.6
Social Insurance	\$7.7	\$4.1	\$11.8
Excise and Fees	\$110.5	\$35.1	\$145.6
Property	\$229.0	\$66.2	\$295.1

Source: Tourism Economics





# ECONOMIC IMPACTS IN CONTEXT



## **\$15.7B** **VISITOR** **SPENDING**

The \$15.7 billion in visitor spending is enough to pay every rostered player on the New Orleans Saints their annual salary 190 times.



## **\$5.9B** **LABOR** **INCOME**

The \$5.9 billion in total income generated by tourism is the equivalent of \$3,347 for every household in Louisiana.



## **156,655** **TOTAL** **JOBS**

If Louisiana's visitor supported employees met in one location, they would fill Caesar's Superdome twice.



## **\$1.9B** **STATE & LOCAL** **TAXES**

The \$1.9 billion in state and local taxes generated by tourism is enough to cover the salaries of 35,000 public-school teachers.

## APPENDIX B: DEFINITIONS

### Glossary – Spending Definitions

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitor spending within the arts, recreation & entertainment sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

### Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Labor Income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

## ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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