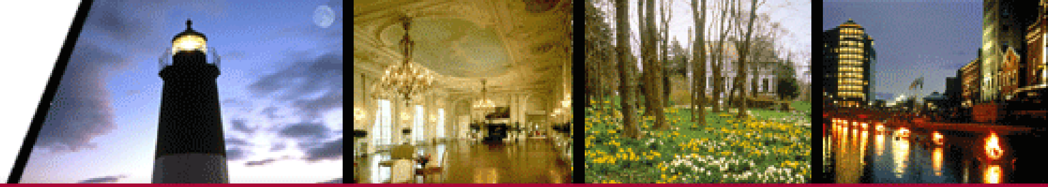
Rhode Island and US Tourism:

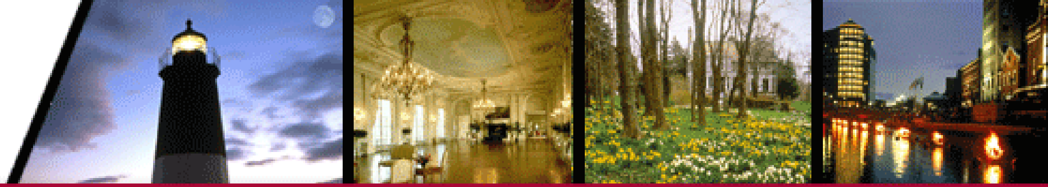
How long is this tunnel?

November, 2010



Agenda

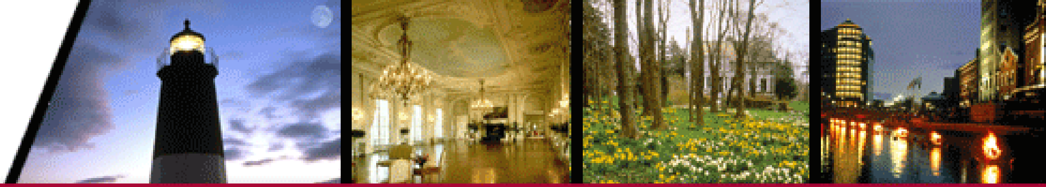
- Quick Introduction to IHS Global Insight
- What is Tourism Satellite Accounting?
- 2009 Rhode Island Tourism Results
- 2009 Regional Tourism Results
- Outlook for the Region
- What Do Visitors Mean to RI?



About IHS Global Insight:

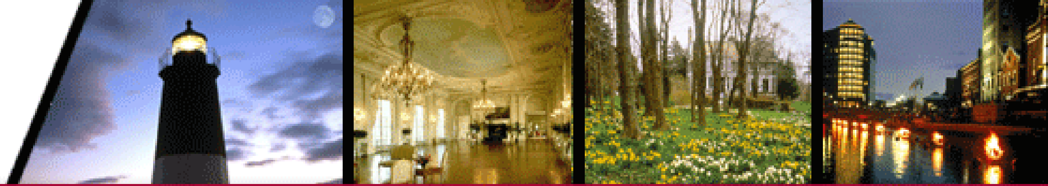
- **Premier economic analysis, forecasting, & consulting organization**
- **Formed in 2001 by combining WEFA and DRI**
- **Provides the most comprehensive coverage of countries, regions and industries available from any single source**
- **Brings a common analytical framework and a consistent set of assumptions to diverse capabilities and products**
- **Significant Travel & Tourism practice, with major public and private clients**
- **We are now part of IHS, an $900B publicly traded information company**

- Provides a broad range of consulting capabilities covering:
  - **Market Analysis**
  - **Investment Strategy**
  - **Infrastructure Analysis**
  - **Economic Development**
  - **Business Planning**
  - **Risk Assessment**
  - **Policy Evaluation**
  - **Economic Impact**
- Strong reputation and experience within the travel & tourism sector



Travel and Tourism Expertise

- *Visitation & Spending Forecasts* –by category and by country, region, state, or U.S. city. Market size, growth, and share.
- *Market Feasibility & Investment Facilitation* market analysis & research, demand/supply review, policy evaluation, development cost analysis.
- *Destination Impact & Concession Support* economic impact of the construction and operations of individual facilities –resort, convention center, entertainment venue, event…
- *Tourism Economic Impact & Tourism Satellite Accounting* conforming to the UN/WTO standards. What does travel & tourism contribute in jobs, wages, spending, and taxes to a national or local economy?
- *Tourism Policy Analysis* travel & tourism policy evaluation and rationalization.

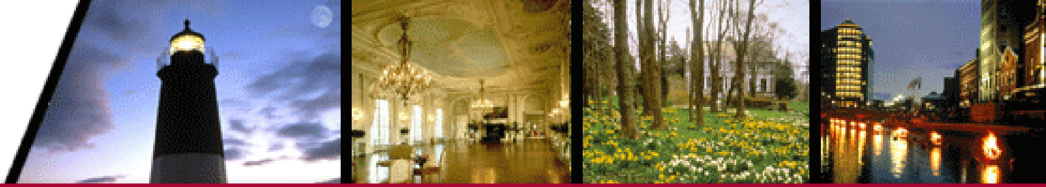


Tourism Satellite Accounting

- **The Tourism Satellite Account is the international (UN/WTO, OECD) standard for measuring the contribution of tourism to an economy**

- **Measuring the industry “tourism” is difficult:**
  - Tourism is not measured in standard economic accounting terms.
  - Most industries are accounted via the *supply-side*: firms are categorized into NAICS codes and asked about jobs, revenues, costs.
  - But tourism is a *demand-side* activity: the focus is on what the traveler buys before and during a trip(hotel, food, transportation, retail…).
  - As a result, *tourism touches many industries*

- **Why a TSA? -the 4”Cs”: Credibility, Comprehensiveness, Comparability, Consistency**



Benefits of a TSA

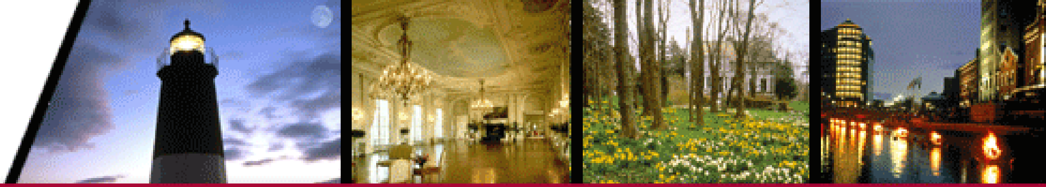
- ✓ **Are we spending enough on tourism promotion and infrastructure?** *Compares government support of the tourism sector with government revenue generated by tourism.*

- ✓ **Which are our best economic development targets and are candidate-requested concessions worth it?** *Allows policy-makers to compare the size & growth of tourism to other industrial sectors.*

- ✓ **What is the ROI of public tourism investment?** *Enables analysts to assess long-term health of the tourism sector vis-a-vis capital investment and govt. support.*

- ✓ **How can we benchmark ourselves against our destination competition?** *Provides an accepted international standard for benchmarking.*

- ✓ **How can we communicate the full value of tourism to policy makers, businesses, and citizens?** *Quantifies how other industries benefit from tourism.*



TSA and Tourism Economic Impact Client Examples

Tourism Satellite Account

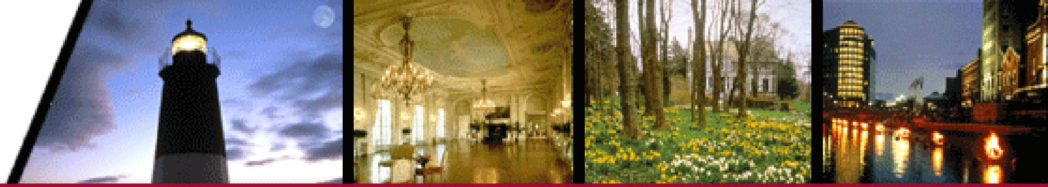
- RHODE ISLAND
- North Dakota
- New Jersey
- Bahamas
- Delaware
- Maryland
- Israel
- Dubai
- Abu Dhabi
- South Dakota
- Kansas
- Guam
- North Carolina
- Alaska
- South Carolina
- Virginia
- Utah

Economic Impact

- Idaho
- Pennsylvania
- Indiana

City Tourism Impact

- Washington, DC
- NYC
- Dallas
- Boston
- Arlington, TX
- Sacramento
- Baltimore
- Philadelphia
- Orlando
- Meadowlands
- Tulsa
- St. Louis
- Kansas City
- Battle Creek
- Durham, NC
- Savannah
- Pittsburgh
- Austin
- Indianapolis
- Omaha



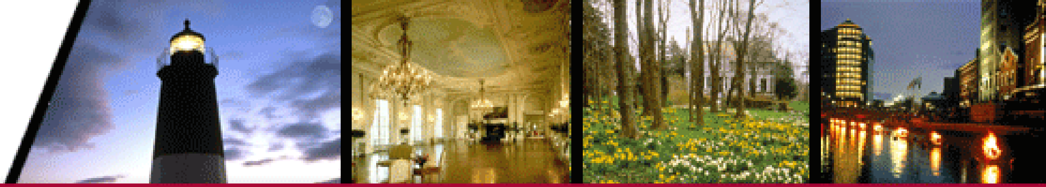
Tourism Economic Impact: Definitions

- **Visitor:** GT 50 miles, non-commuting; All overnight trips
- **Resident Tourism:** Outbound purchases made in advance of a trip only. Resident usage of RI tourism assets are not included.

- **Tourism Expenditures:** A TSA concept, includes all spending by all constituents on travel made in the state (RI), including tourism related investments
- **Visitor Spending:** Spending in the jurisdiction by visitors (see above) (on accommodations, food & beverage, shopping, transportation, entertainment,…
- **Economic Impact:** “GDP” definition…spending less value of supply chain purchases made outside RI. The amount retained in the RI economy.
- **Import Leakages:** The value of supply chain purchases made outside of RI.

- ***Direct* Spending/Jobs/Wages/Taxes:** Industries that “touch” the visitor (e.g. hotels, restaurants, museums,…)
- ***Indirect* Spending/Jobs/Wages/Taxes:** Industries that supply those that touch the visitor
- ***Induced* Spending/Jobs/Wages/Taxes:** Workers of industries that touch or supply spend their wages locally

- ***Core Impact*:** Impact results based purely off of visitor expenditures
- ***Total Impact*:** Impact results Include investment, government support, and expenditures



T&T Industry and Economy

Travel & Tourism Industry

The direct effect of travel demand

Tourism Industry (Direct Effect)

Accommodation, Recreation, Catering, Entertainment, Transportation

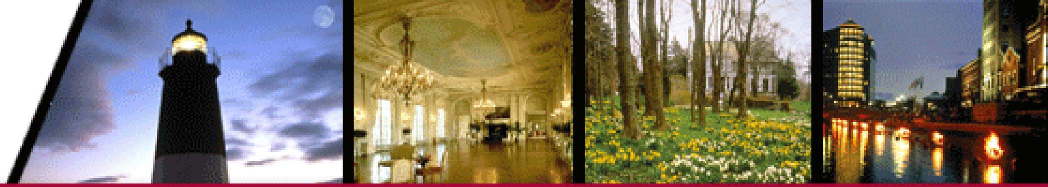
Travel & Tourism Economy

The flow-through effect of travel demand across the economy

Tourism Economy (Indirect Effect)

Aircraft Manufacturing, Chemicals, Computers, Concrete, Financial Services, Foods and Beverages, Furniture and Fixtures, Iron/Steel, Laundry Services, Metal Products, Mining, Oil/Gas Suppliers, Plastics, Printing/Publishing, Rental Car Manufacturing, Resort Development, Sanitation Services, Security, Ship Building, Suppliers, Textiles, Utilities, Wholesalers, Wood

The TSA provides both a narrow & a broad understanding of the *Tourism "Industry"*



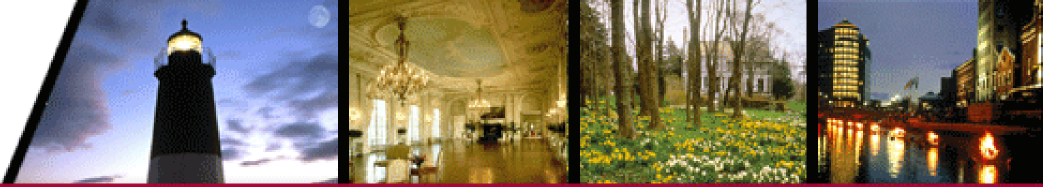
Rhode Island Tourism Economic Impact - Definitions

Approach

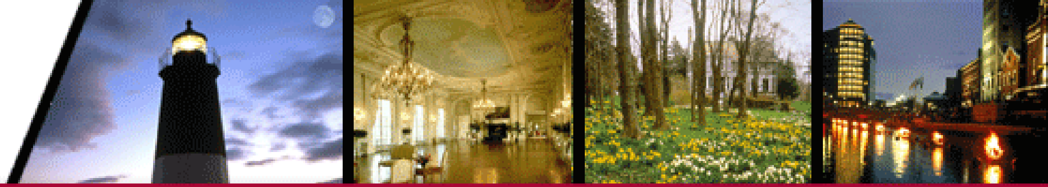
- **TSA:** Results (spending, economic impact, jobs,…) conform strictly to the TSA definition *(e.g. 50mile+overnight visitor definition).*
- **TSA + Under 50 Mile:** TSA results, plus those coming from visitors traveling less than the 50 mile threshold. This classification is both historically consistent with previous studies and arguably more applicable to Rhode Island.

Impact Sources

- **Total Impact:** Total economic contribution of tourism to Rhode Island. Sum of core and non-core.
- **Core Impact:** Economic contribution of from industries directly providing goods and services to the visitor.
- **Non-core Impact:** Economic contribution from industries providing goods and services to core tourism providers. Also includes tourism investment.



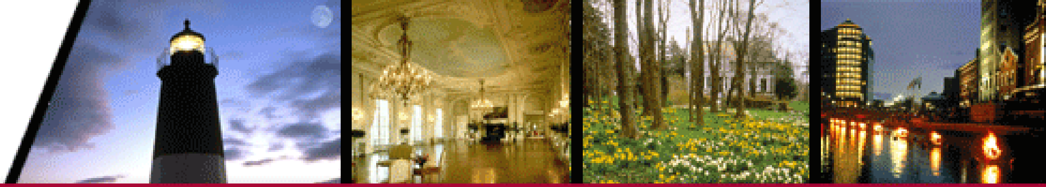
2009 Rhode Island Tourism Results



State Overview: 2009 Totals At A Glance

Tourism Concept	TSA + Under 50 Mile Visitors	TSA	TSA ’08 – ’09 Growth
Visits	**16.18 M**	**6.87 M**	***-6.3%***
Expenditures	**$4.99 B**	**$3.40 B**	***-5.5%***
Total Economic Impact	**$3.27 B**	**$2.31 B**	***-6.5%***
Core Economic Impact (GSP)	**$2.27**	**$1.62 B**	***-4.8%***
Total Jobs	**66,145**	**42,160**	***-6.8%***
Wages	**$1.88 B**	**$1.28 B**	***-7.3%***
Taxes	**$1,401 M**	**$921 M**	***-3.7%***

Source: IHS Global Insight



Industry Structure: Definitions

Tourism & Under 50 Mile Visitor Expenditures
$4.99 billion

Tourism Expenditures
$3.40 billion

All Visitor Related Spending

Total Impact
$2.31 billion

Import Leakage
$1.09 billion

Tourism goods & services from outside of the state - e.g. RI keychains made in China

Economic Value to State

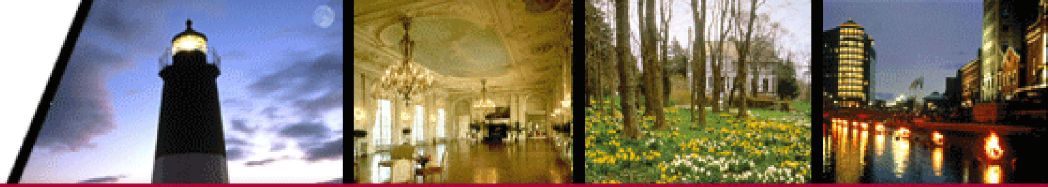
Core Tourism
(Direct)
$1.62 billion

Industries directly providing goods & services to the visitor, such as restaurants

Non-Core Tourism
(Indirect & Investment)
$698 million

Industries directly providing goods & services to core tourism providers - e.g. Food Distribution

Source: IHS Global Insight

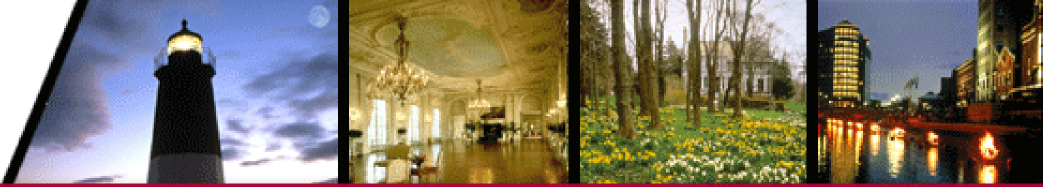


State Overview: Tourism and Under 50Mile Visitors

Measurement	2009	2008	Definition
Tourism (TSA) + Under 50Mile Visitor Spending	$4.99B	$5.27B	• *Spending from all tourism factors*
▪ Tourism Expenditures (TSA)	$3.40B	$3.60B	• *TSA Definition of State Tourism*
▪ Under 50Mile Visitors	$1.59B	$1.67B	• *Spending by visitors from less than 50 miles that utilize RI tourism assets*
Tourism + Under 50Mile Visitors Core Employment*	66,145	70,741	• *Employment required to support core RI tourism activity*
▪ Core Tourism (TSA) Employment*	33,268	35,120	• *TSA Definition of Tourism "Industry"*

Source: IHS Global Insight

•Employment figures taken from a top down review of the total spending, creating a resultant number of jobs, both full-time and part-time required to support that spending.



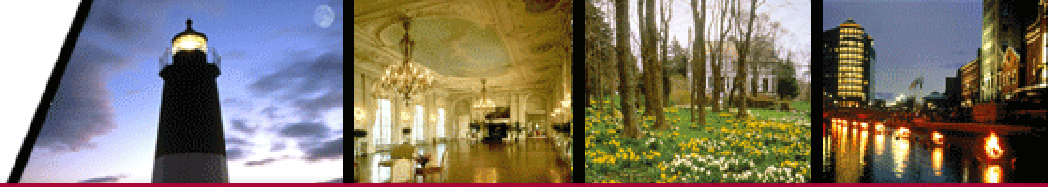
Why Are the 2008 Figures Revised From Last Year?

Key Measurements	2008 Original TSA	2008 Recast TSA
RI Expenditures ($B)	$3.60	$3.60
Economic Value		
▪ Core Tourism	$1.74	$1.70
▪ Total Impact	$2.26	$2.47
Wages & Salaries		
▪ Core Tourism	$1.05	$.891
▪ Total Impact	$1.37	$1.38
Employment (‘000)		
▪ Core Tourism	37.76	35.12
▪ Total Impact	45.54	45.23
Taxes –Total Impact	$843 M	$956 M

Source: IHS Global Insight

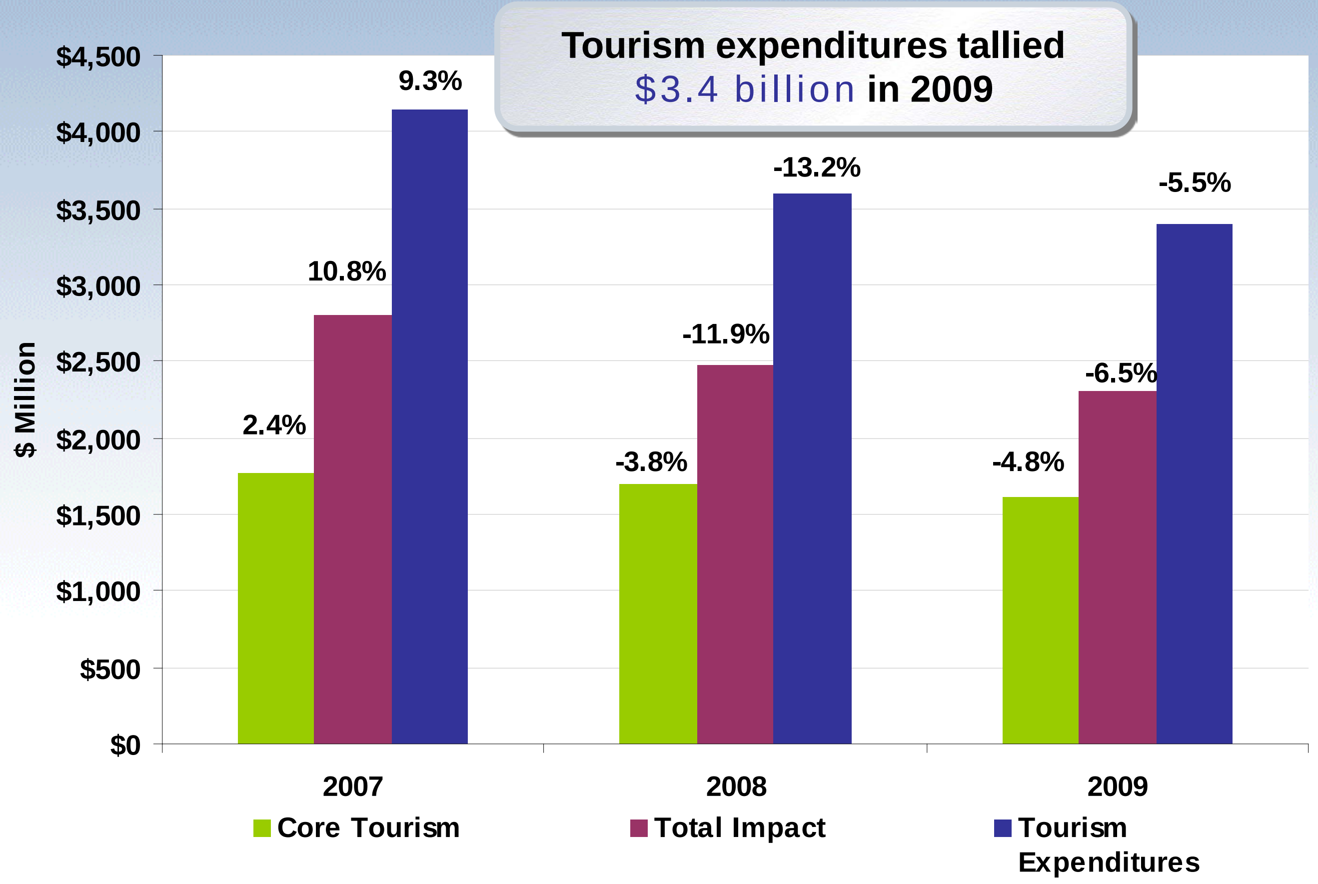
Each year revisions to most of the historical tourism metrics must be made in order to reflect:

- Finalization of the annual visitor spending data from DKSA.
- Revisions to the BLS and BEA inputs covering employment, Gross State Product, Sales Output, and Payroll for all industries at the jurisdiction county level.
- New Baseline Data for IMPLAN interindustry model incorporating latest Census data



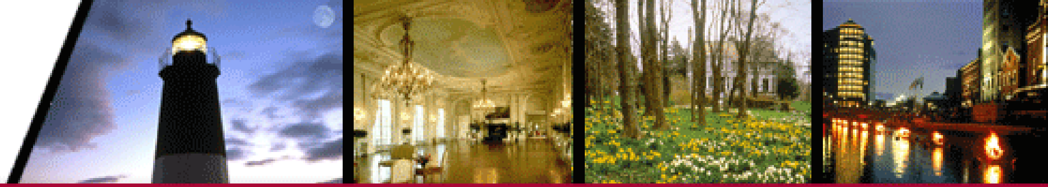
Total Tourism (TSA) Expenditures

- RI visitation fell by 6.3% in ‘09
- Spending per visit increased by 2.9% in ‘09
- Visitor spending fell 3.6% ’09
- Investment spending fell 44% in ‘09



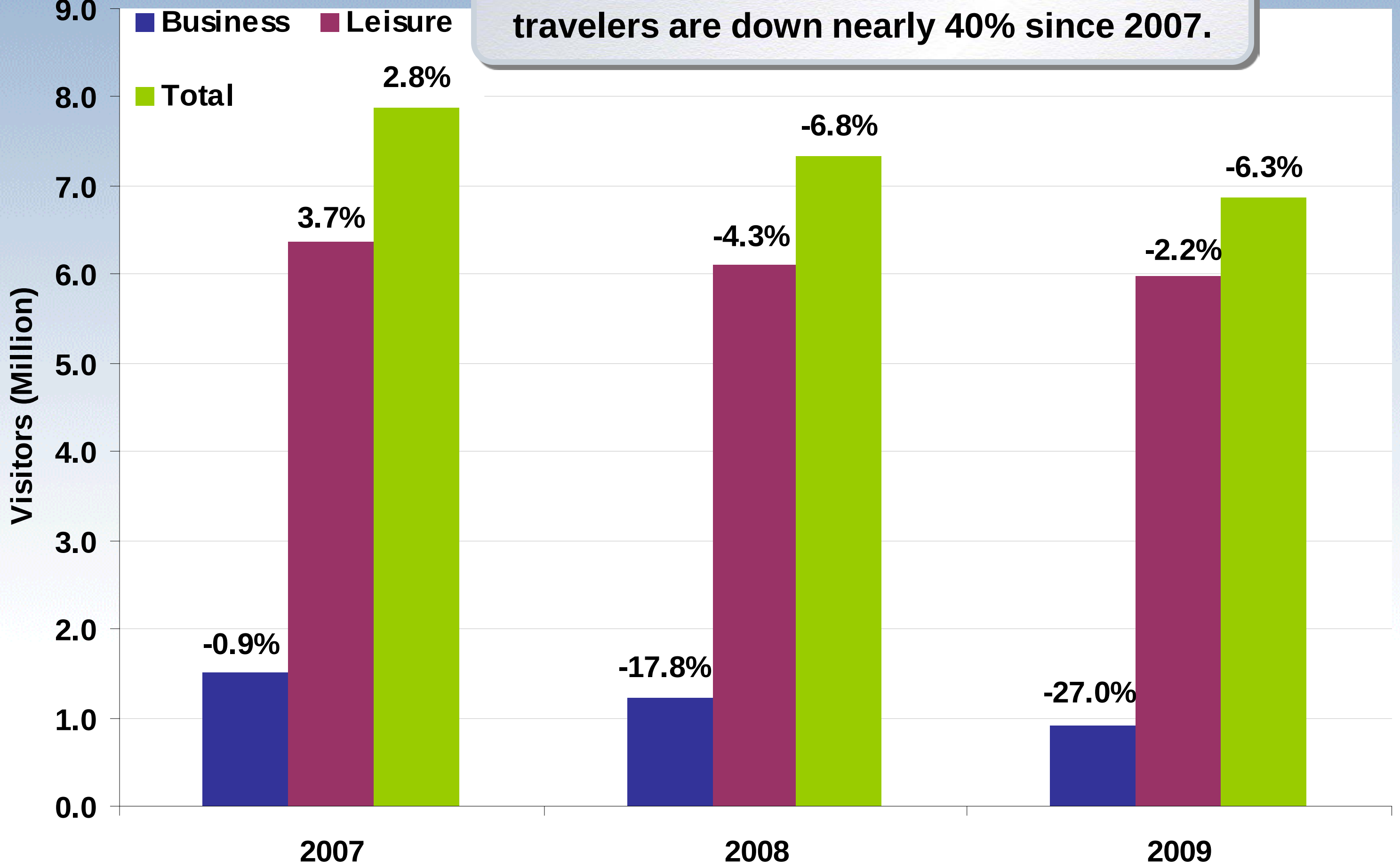
Tourism expenditures tallied $3.4 billion in 2009

Source: IHS Global Insight

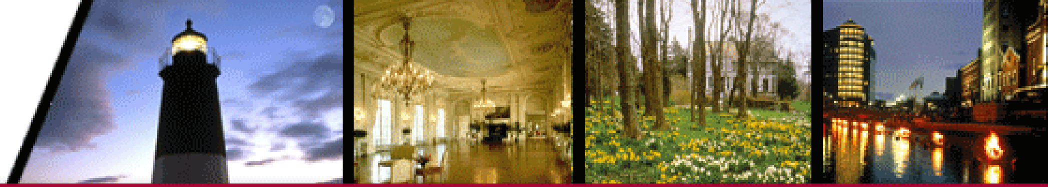


Visitors to Rhode Island*

Total visitors fell -6.3% in 2009; business travelers are down nearly 40% since 2007.



* Visitors from GT 50 miles or overnight only, provided by DK Shifflet & Associates, Ltd. Leisure and Business travel results were estimated by IGI.

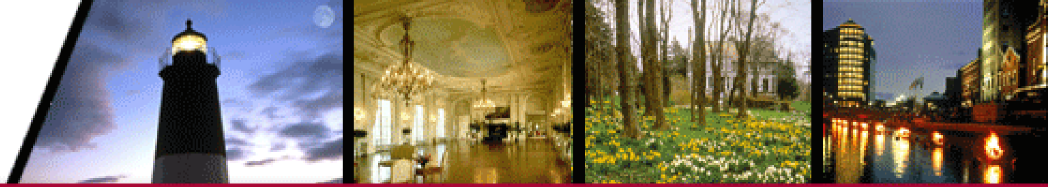


Recession May Have Ended, But Effects Linger

Measurement	2008 (billions)	2009 (billions)	2008-09 growth
Tourism (TSA) + Under 50Mile Visitor Expenditures	$5.274	$4.993	-5.3%
- Tourism (TSA) Expenditures	$3.601	$3.402	-5.5%
- Total Economic Impact	$2.474	$2.316	-6.5%
- Core Tourism (direct)	$1.697	$1.615	-4.8%
- Non-Core Tourism	$0.860	$0.742	-13.7%
- Import Leakage	$1.127	$1.089	-3.4%

Similar to 2008, Non-Core decline is driven by significant decrease in private investment; this decrease exacerbates declines in "Total" categories

Source: IHS Global Insight



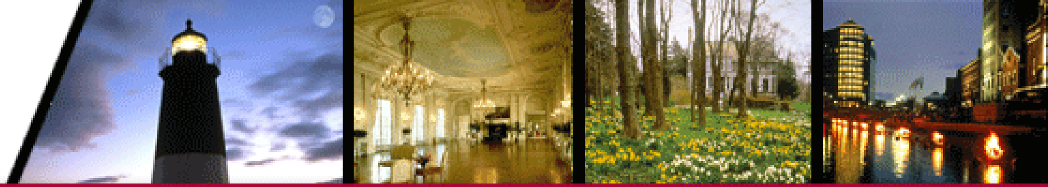
Tourism Remains Acutely Affected By Recession…

2009 TSA Bottom Line:

Measurement	2009	2008	%	Perspective
Economic Value ($B)				• *Continued weakness in construction/investment highlights decline in Total Impact*
▪ Core Tourism	$1.62	$1.70	-4.8%	
▪ Total Impact	$2.31	$2.47	-6.5%	
Wages & Salaries				• *Average annual salary grew 0.1% and fell 0.6% for Core and Total Tourism, respectively*
▪ Core Tourism ($M)	$845	$891	-5.2%	
▪ Total Impact ($M)	$1,279	$1,380	-7.3%	
Employment ('000)				• *Core tourism remains the 4th largest industry in RI*
▪ Core Tourism	33.27	35.12	-5.3%	
▪ Total Impact	42.16	45.23	-6.8%	
Taxes –Total Impact ($M)	$921	$957	-3.7%	• *If tourism didn't exist, each household would pay an additional $1,349 in taxes to maintain current tax receipts.*

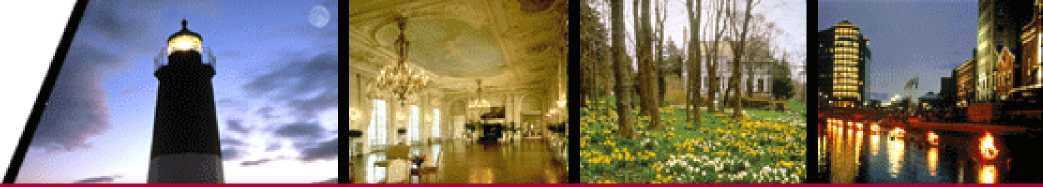
Numbers may differ due to rounding

Source: IHS Global Insight



Total Impact of Tourism

- In 2009, the total economic impact of travel & tourism (direct and indirect) was $2.31 billion. This represents 5.0% of RI Gross State Product
- The ratio of the total impact to total expenditures reveals that 68¢ of each tourism dollar spent in Rhode Island is retained in the state. The remainder represents import leakages. This share is fairly typical for a diversified state like Rhode Island and higher than many other states.
- 42,160 jobs – direct and indirect – were created by travel & tourism (TSA) economic activity. This accounts for 9.2% of total employment in RI
- $1.28 billion in wages & salaries were generated by travel & tourism (TSA) in 2009.
- Tourism (TSA) generated $921 million in federal, state, and local government taxes in 2009, with the state and local tax contribution making up 8.9% of all RI state gov. revenue.



Sources of Tourism Expenditures

- **Visitor Spending** – Expenditures by visitors who have come from greater than 50 miles or stayed overnight
- **Business Travel** – Businesses' spending within the state economy on travel
- **Resident Outbound –** Resident spending preparing for an out-of-state trip
- **Government Spending** – Tourism Office Budgets, transportation functions related to tourism, publicly funded attractions and funding for security in tourism-intensive areas
- **Investment –** Construction of hotels, attractions, tourism infrastructure, operating and transportation equipment
- **International –** Spending of international visitors within the state

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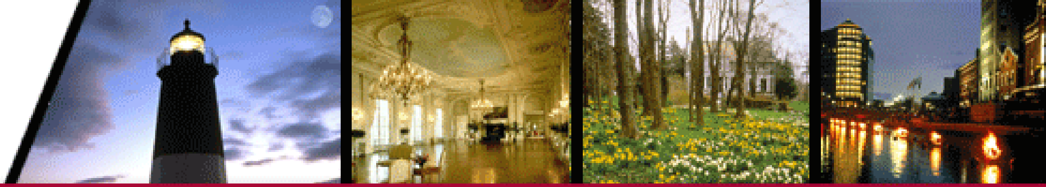
- **Under 50Mile Visitors –** Spending by residents or non-residents who have come from under 50 miles. No commuters or local utilization. Not included in TSA definition.

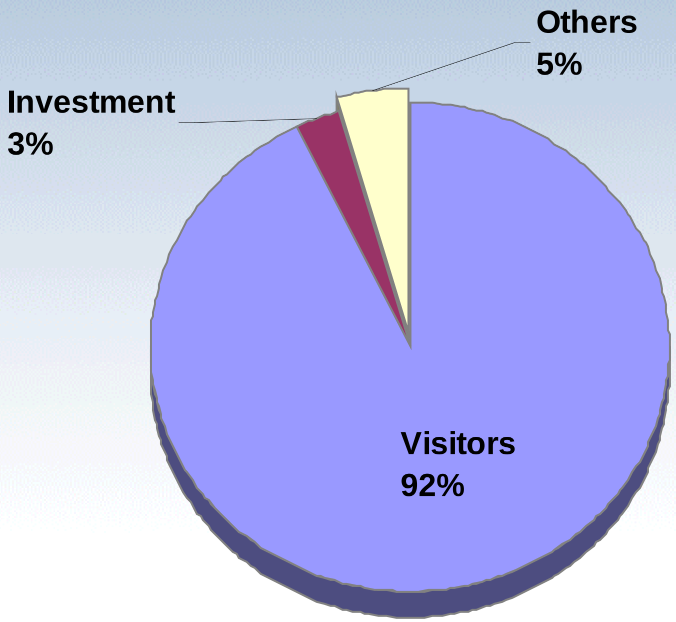


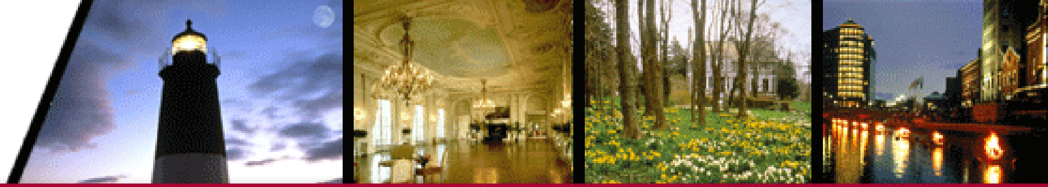
Breaking Down Tourism Expenditures – $3.40 Billion

Only 8% of TSA Expenditures in Rhode Island come from outside of visitor spending, while in 2007 that share was 16%. The source of that change is the 2 year collapse in investment spending.

	Million $	Share Of Total	'08 – '09 Growth
Investment	96	2.8%	-44.0%
Visitors	3,153	92.7%	-2.9%
Other	154	4.5%	-16.3%
Total	3,402	100%	-5.5%

Source: IHS Global Insight



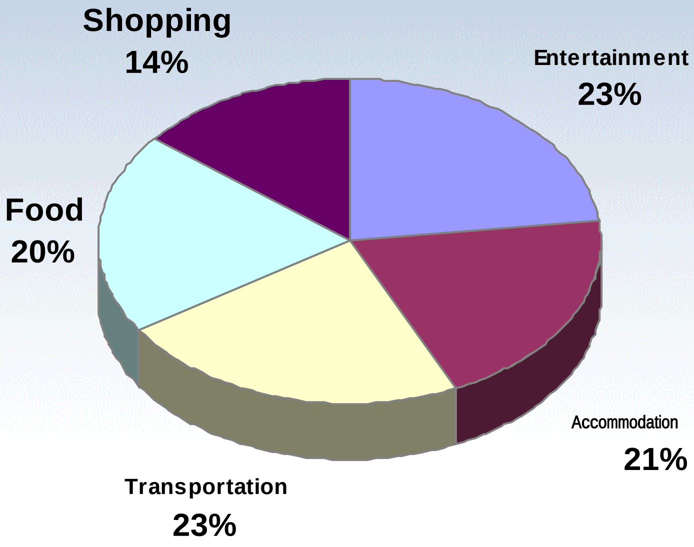


Category Distribution of Expenditures

In 2009, retail spending was up nearly 6%, which is a variation from what is occurring nationally, but 2009 retail spending is still 14% below 2007 levels, and the growth is really only due to the 19% decline in 2008.

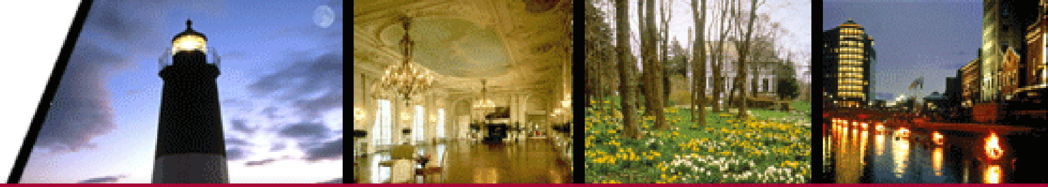
	2009 <50Mile Million $	2009 TSA Million $	TSA '08 – '09 Growth
Entertainment**	1,216	762	-1.7%
Accommodation	660	660	-7.4%
Transportation	773	755	-8.3%
Food	1,430	665	-2.3%
Shopping	818	465	5.9%
Total *	**4,897**	**3,306**	**-3.6%**

TSA Shares



*** Direct and Indirect Tourism Expenditures (w/o construction & investment)**

Source: IHS Global Insight
*** Entertainment category includes all marina and boating activity*

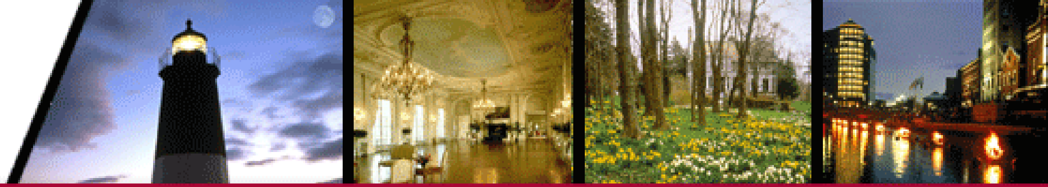


Entertainment Spending Detail - TSA + Under 50Mile

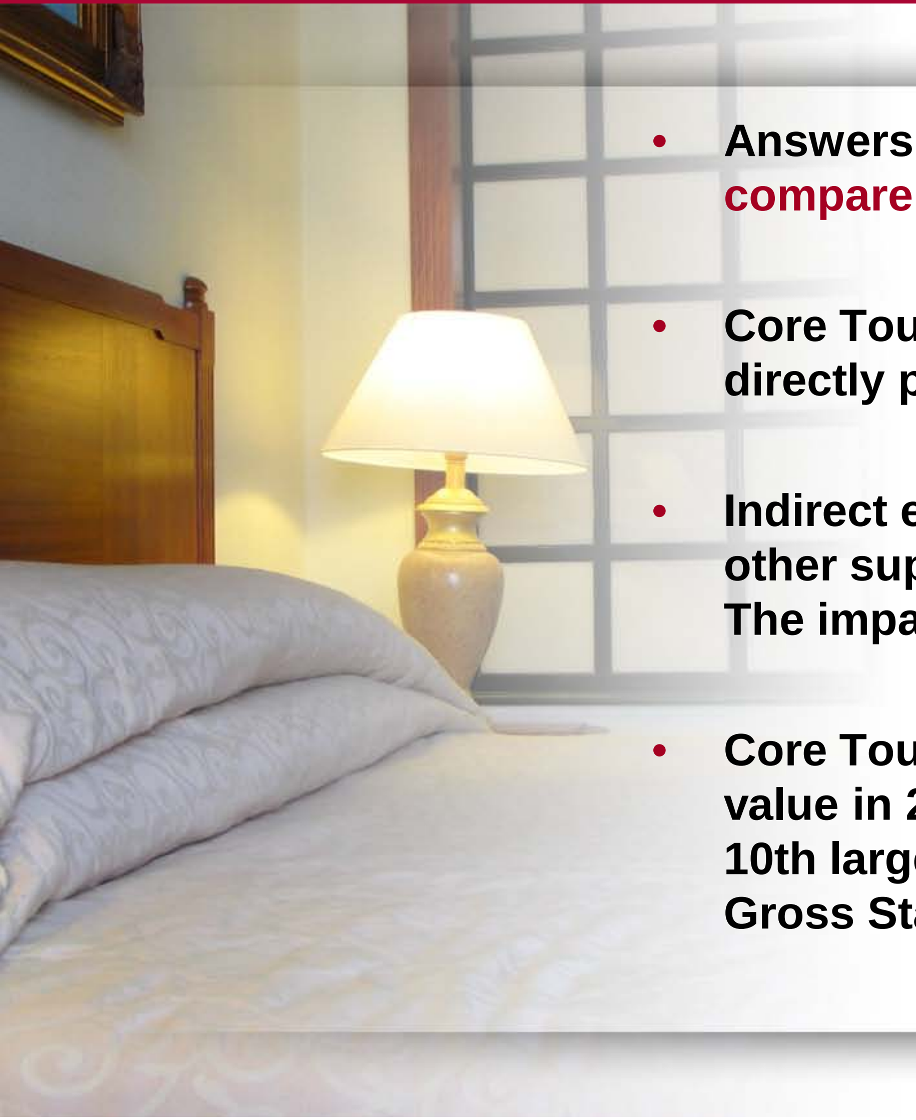
The Entertainment category includes a wide array of industries, from gaming to recreation sports to movies. This data is only available at the county level.

	2009 ($000)	2008 ($000)
Amusement Parks & Arcades	4,177	4,498
Gambling Industries	461,200	475,000
Independent Artists. Writers, & Performers	10,409	10,288
Motion Picture & Video Industries	117,612	129,390
Museums & Historical Sites	64,646	71,522
Other Amusement & Rec. Services**	383,209	409,184
Performing Arts Companies	71,498	76,598
Spectator Sports	103,327	110,786
Total Entertainment Spending	1,216,081	1,287,268

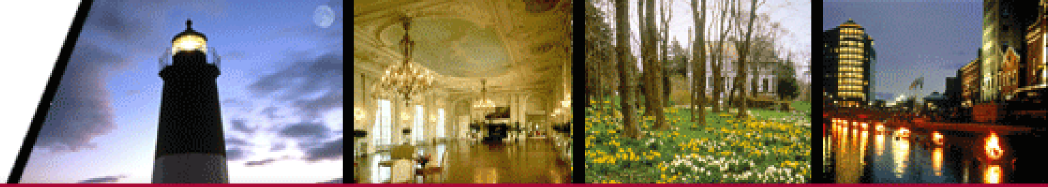
Source: IHS Global Insight
*** NAICS 7139 – Other Amusement & Rec. Services – includes both golf and marina activity*



Core Tourism



- Answers the question “How does tourism compare with other industries?”
- Core Tourism measures the size of the industry directly providing goods & services to the visitor.
- Indirect effects are excluded – these are part of other supplier industries such as wholesalers. The impact of capital investment is also excluded.
- Core Tourism generated $1.6 billion in economic value in 2009. This ranks core tourism as the 10th largest private industry in RI in terms of Gross State Product.



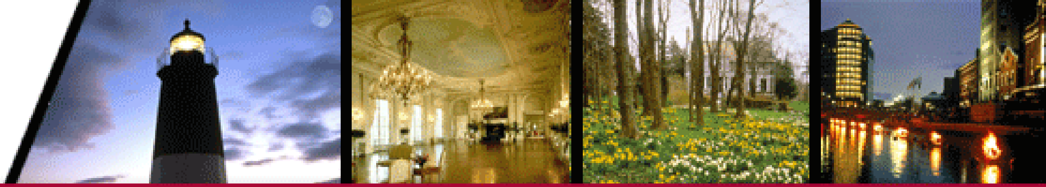
Core Tourism Impact – Composition

As discussed previously, the growth in the retail contribution is due in part to a comparison to a very down year in 2008.

Composition of Core Tourism

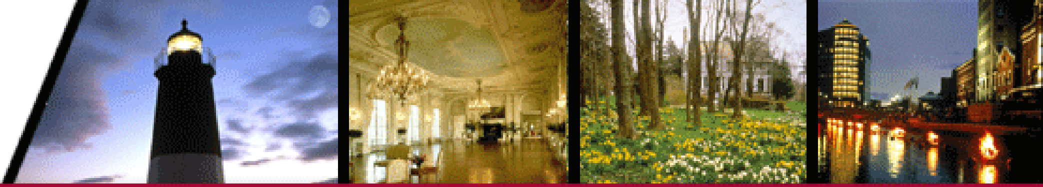
Rank	Industry	$ Value (Millions)	'08-'09 Growth	% of Total
1	Food services and drinking places	335	-4.0%	20.7%
2	Real estate establishments	288	-0.5%	17.8%
3	Other amusement and recreation industries	266	-0.8%	16.5%
4	Travel arrangement and reservation services	184	-7.3%	11.4%
5	Hotels and motels, including casino hotels	184	-14.7%	11.4%
6	Automotive equipment rental and leasing	164	-8.7%	10.2%
7	Performing arts companies	29	-6.7%	1.8%
8	Retail Stores - Food and beverage	28	5.3%	1.7%
9	Retail Stores - Clothing and clothing accessories	27	5.3%	1.7%
10	Spectator sports companies	23	-6.7%	1.4%
11	Transport by air	21	-13.1%	1.3%
12	Retail Stores - Gasoline stations	14	3.6%	0.9%
13	Scenic and sightseeing transportation	13	2.2%	0.8%
14	Transit and ground passenger transportation	11	-2.9%	0.7%
15	Retail Stores - Miscellaneous	11	5.3%	0.7%
	Other Industries	17	3.7%	1.0%
	Total	**1,615**	**-4.8%**	**100.0%**

Source: IHS Global Insight



Core Tourism – Employment

- Core Tourism is the 4th largest private sector employer in Rhode Island with 33,268 tourism supported jobs in 2009.
- Core Tourism generated 8.4% of private employment in 2009.
- Core Tourism jobs provided $845 million in wages & salaries in 2009.
- Core Tourism's average annual wage has grown to $25,400/year.



Ranking Core Tourism – Employment

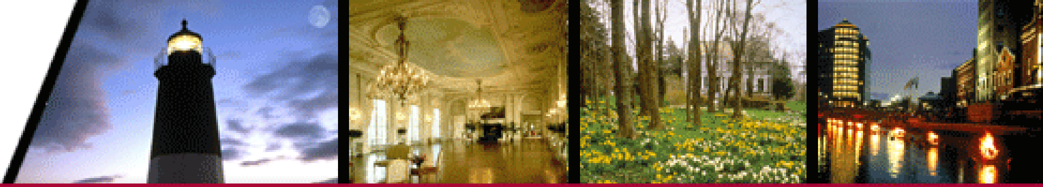
Travel & tourism is RI's *4th largest private sector employer.*

Rank	Industry	Reported Employment (Thousands)	2008-2009 Growth	% of State	Tourism-Extracted Employment (Thousands)
1	Health Care and Social Assistance	76.9	0.5%	16.8%	76.9
2	Retail Trade	46.9	-5.5%	10.2%	44.7
3	Accommodation and Food Services	41.0	-4.4%	8.9%	25.9
4	Manufacturing, Durables	26.8	-14.0%	5.8%	26.8
5	Finance and Insurance	25.2	-5.6%	5.5%	25.2
6	Educational Services	23.9	1.8%	5.2%	23.9
7	Other Services	22.0	-3.2%	4.8%	22.0
8	Administrative and Waste Services	22.0	-7.8%	4.8%	19.7
9	Professional, Scientific, and Tech. Services	21.1	-2.4%	4.6%	21.1
10	Construction	17.3	-15.6%	3.8%	17.3
11	Wholesale Trade	16.1	-5.0%	3.5%	16.1
12	Manufacturing, Nondurables	14.9	-11.6%	3.2%	14.9
13	Information	10.1	-5.5%	2.2%	10.1
14	Transportation and Warehousing	10.1	-7.4%	2.2%	9.3
15	Management of Companies and Enterprises	9.2	-1.0%	2.0%	9.2
	Other Industries	13.6	-6.8%	3.0%	0.8
	Total Private Nonfarm	397.1	-4.7%	100.0%	363.8
	Government	62.0	-2.4%	11.3%	62.0
	Travel & Tourism	**33.3**	**-5.3%**	**8.4%**	**33.3**

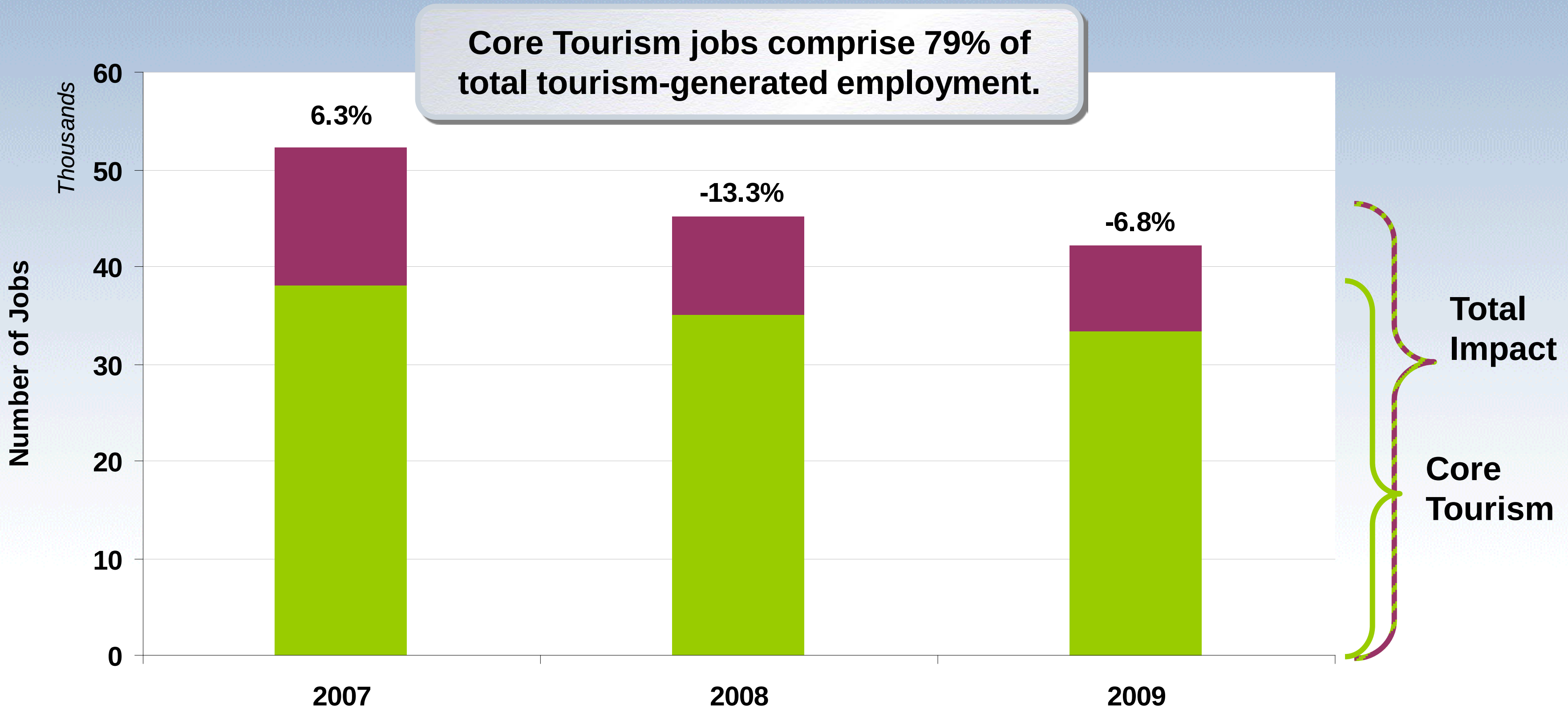
Core Tourism represented 33,268 jobs in 2009.

Source: Bureau of Labor Statistics and IHS Global Insight

IHS GLOBAL INSIGHT

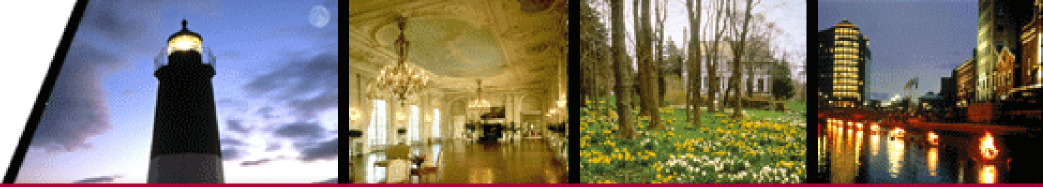


Total Rhode Island Tourism Employment fell 6.8% in 2009



Core Tourism jobs comprise 79% of total tourism-generated employment.

Source: IHS Global Insight



Non-Core Tourism – Indirect Benefits

Excluding Investment, non-core tourism fell 6.2% in 2009

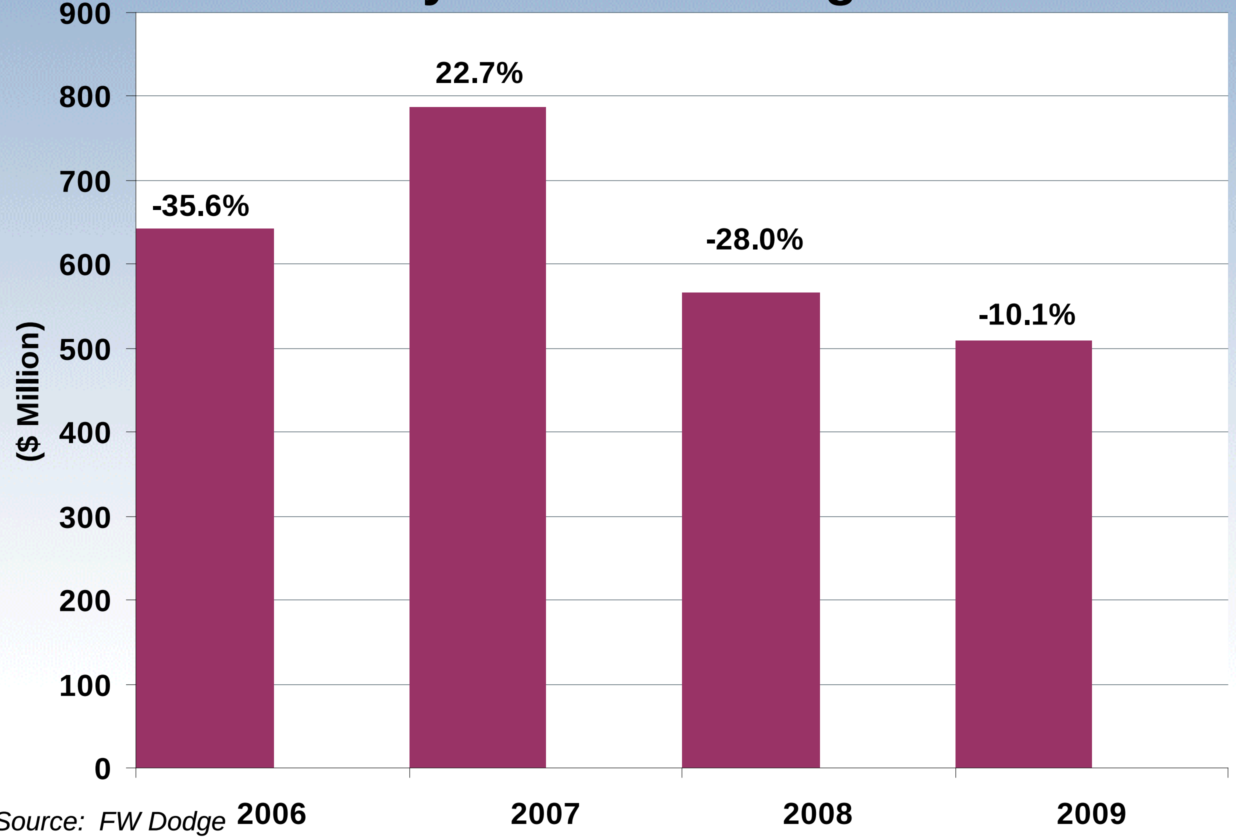
Indirect Benefits of Tourism

Rank	Industry	$ Value (Millions)	’08-’09 Growth	% of Total
1	Real estate	97	-4.5%	13.1%
2	Nondepository credit intermediation firms	47	-7.3%	6.4%
3	Wholesale trade	36	-5.3%	4.9%
4	Power generation and supply	32	-5.5%	4.3%
5	Monetary authorities and depository credit firms	32	-7.3%	4.3%
6	Telecommunications	26	-7.1%	3.5%
7	Legal services	25	-5.9%	3.4%
8	Maintenance and repair of nonresidential buildings	21	-5.8%	2.8%
9	Management of companies and enterprises	20	-8.2%	2.7%
10	Food services and drinking places	17	-6.9%	2.4%
11	Other State and local government enterprises	17	-5.8%	2.3%
12	Postal service	15	-6.2%	2.0%
13	Architectural and engineering services	11	-7.0%	1.5%
14	Employment services	11	-6.8%	1.5%
15	Accounting and bookkeeping services	11	-7.5%	1.4%
	Other Industries	227	-6.5%	30.6%
	Investment	96	-44.0%	12.9%
	Total	742	-13.7%	100.0%

Source: IHS Global Insight

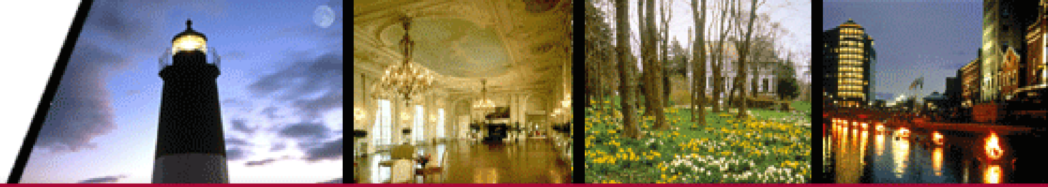
Non-Core Tourism – Construction Benefits

Construction Investment, Both Public and Private, Has Been Particularly Hard-hit During the Downturn



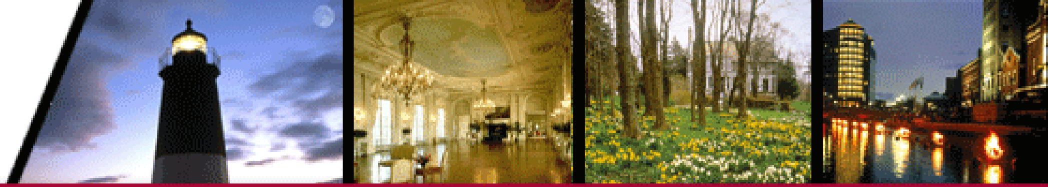
Source: FW Dodge

Data is "Value of Construction Contracts", measuring the value of government and private construction at the time when work begins, encompassing total value for entire projects which start or break ground in a given year, excluding ancillary costs such as land acquisition.



Tourism Generated $921M in Total Tax Revenue in 2009

- Tourism activity generated $536 million in state and local government revenue in 2009, a 1.2% decrease over 2008.
- In 2009, $370 million in state tax revenue was generated by the travel & tourism sector in Rhode Island. Indirect business tax (sales tax) and the gaming taxes are the two largest contributors.
- Tourism contributes disproportionately to state & local tax revenue. While Core Tourism is responsible for 3.5% of total RI GSP, it contributed 8.9% of state government revenue in 2008.
- If tourism didn’t exist, each RI household would pay $1,349 more in taxes to maintain the current level of state and local tax receipts.

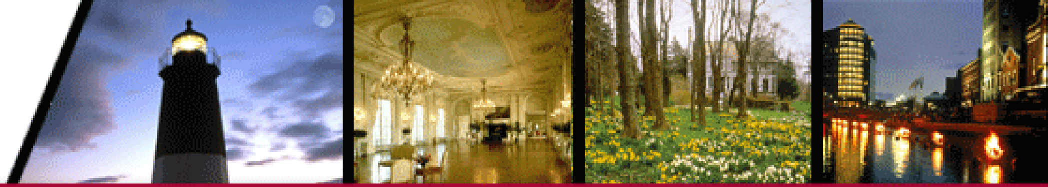


State and Local Government Revenue

Tax Revenues from Tourism (TSA)	2009 *(Million)*	'08-'09 Growth
Federal Government		
Corporate Profits Tax	79.8	-5.9%
Personal Income	116.1	-7.3%
Social Security & Other Taxes	189.9	-7.3%
Federal Total	**385.7**	**-7.0%**
State Government		
Corporate Profits Tax	12.9	-5.9%
Personal Income	36.9	-7.3%
Sales	114.5	-5.9%
Licenses & Fees	9.7	-7.1%
Gaming Tax	143.3	16.0%
Other Taxes	45.1	-6.1%
State Share of Occupancy Tax*	7.6	-10.2%
State Total	**370.2**	**1.19%**
Local Government		
Local Share of Occupancy Taxes	6.7	-10.2%
Property Taxes	158.6	-5.9%
Local Total	165.3	-6.1%
Total	**921.3**	**-3.7%**

Source: IHS Global Insight

** Remainder of Room Tax not distributed back to local towns and cities.*



How Important?

Total Tourism-related spending of $4.99 billion

TSA + UNDER 50MILE VISITORS

Gross State Product: $3.27 billion
7.1 % of GSP
Total Employment: 66,145 jobs
14.4% of Employment

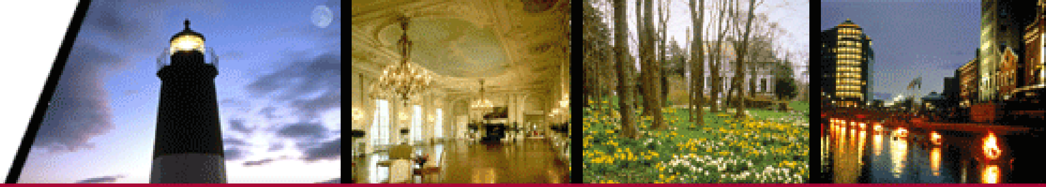
TOTAL TSA

Gross State Product: $2.31 billion
5.0% of GSP
Total Employment: 42,160 jobs
9.2% of Employment

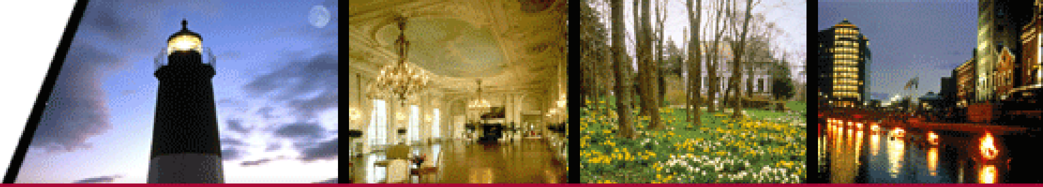
CORE TOURISM

Core GSP: $1.62 billion
3.5% of GSP
Core Employment: 33,268 jobs
7.2% of Employment

% shown are for total state GSP, including Government



2009 Rhode Island Tourism Regional Analysis



Regional Distribution of Tourism

Rhode Island is divided into eight regions in the analysis:

🔵 **Blackstone Valley**
- Burrillville
- Central Falls
- Cumberland
- Glocester
- Lincoln
- North Smithfield
- Pawtucket
- Smithfield
- Woonsocket

🟢 ▪ **Providence**
- Providence

🔵 ▪ **Warwick**
- Warwick

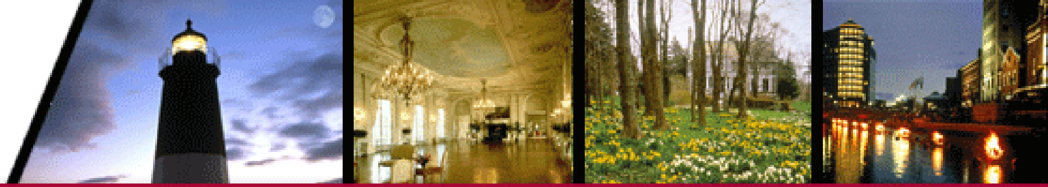
🔴 ▪ **Block Island**
- Block Island

🟠 ▪ **Balance of State**
- Cranston
- Foster
- Johnston
- North Providence
- Scituate
- West Warwick

🟡 **Newport County**
- Little Compton
- Middletown
- Newport
- Portsmouth
- Tiverton
- Jamestown

🟣 **South County**
- Charlestown
- Coventry
- East Greenwich
- Exeter
- Hopkinton
- Narragansett
- North Kingstown
- Richmond
- South Kingstown
- Westerly
- West Greenwich

🔵 **East Bay**
- Barrington
- Bristol
- East Providence
- Warren

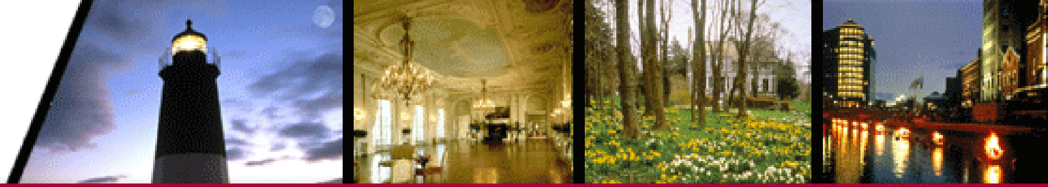


Regional TSA + Under 50Mile Expenditures

Regional Share of State Expenditures by Category ($M)

	Accomodations	Entertainment	Food	Retail	Transportation	Total
Balance of State	10.23	43.25	189.86	67.69	78.82	389.85
Blackstone Valley	22.83	443.59	219.93	54.23	79.82	820.40
Block Island	80.20	53.67	21.61	44.64	22.65	222.77
East Bay	5.24	33.07	100.15	42.76	44.11	225.32
Newport	204.18	175.11	201.77	70.79	41.59	693.45
Providence	122.50	330.24	297.22	323.17	254.56	1,327.68
South County	162.17	77.74	228.69	138.42	42.63	649.66
Warwick	52.56	59.40	170.47	76.54	208.97	567.93
Total	659.89	1,216.08	1,429.70	818.25	773.14	4,897.06

Entertainment data includes gaming, spectator sports boating and marina activity and other categories.

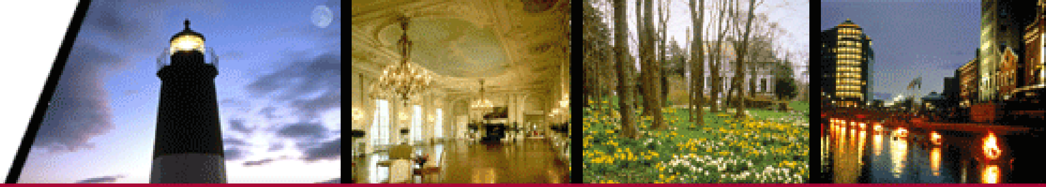


Regional TSA Tourism Expenditures

Regional Share of State Expenditures by Category ($M)

	Accomodations	Entertainment	Food	Retail	Transportation	Total
Balance of State	10.23	29.76	79.30	36.12	81.57	236.98
Blackstone Valley	22.83	191.42	100.24	31.76	79.95	426.19
Block Island	80.20	50.19	21.86	25.13	17.40	194.78
East Bay	5.24	33.01	49.22	28.33	39.16	154.96
Newport	204.18	117.62	88.49	39.81	27.18	477.28
Providence	122.50	232.96	152.56	176.56	255.86	940.44
South County	162.17	72.74	98.21	76.90	35.58	445.60
Warwick	52.56	34.13	74.72	50.87	217.92	430.19
Total	659.89	761.81	664.62	465.48	754.62	3,306.42

Accomodation data includes seasonal second home rentals, which creates significant differences in share from state room tax data. As the TSA definition of tourism includes any overnight stay, accomodations results are the same for TSA and TSA + Under 50Mile.

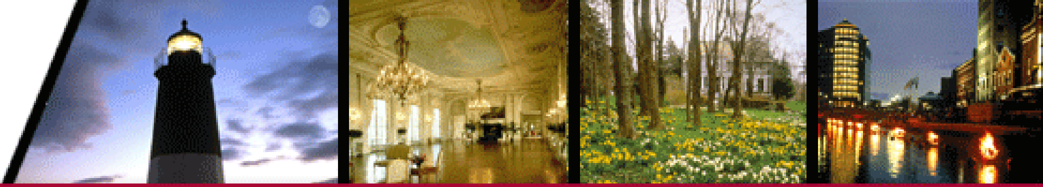


Regional Share of Statewide TSA + Under 50Mile Expenditures

Regional Share of State Expenditures by Category

	Accommodation	Entertainment	Food	Shopping	Transportation	Total
Providence	18.6%	27.2%	20.8%	39.5%	32.9%	27.1%
Blackstone Valley	3.5%	36.5%	15.4%	6.6%	10.3%	16.8%
Newport	30.9%	14.4%	14.1%	8.7%	5.4%	14.2%
South County	24.6%	6.4%	16.0%	16.9%	5.5%	13.3%
Warwick	8.0%	4.9%	11.9%	9.4%	27.0%	11.6%
Balance of State	1.5%	3.6%	13.3%	8.3%	10.2%	8.0%
East Bay	0.8%	2.7%	7.0%	5.2%	5.7%	4.6%
Block Island	12.2%	4.4%	1.5%	5.5%	2.9%	4.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Entertainment data includes gaming, spectator sports boating and marina activity and other categories.

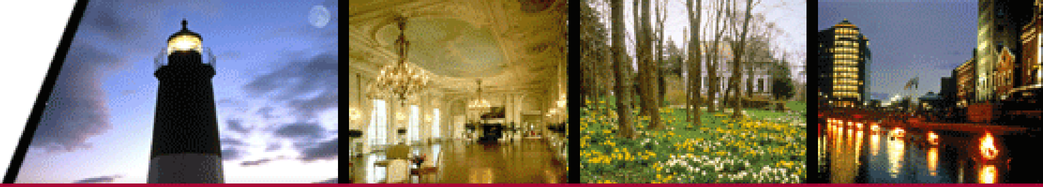


Regional Share of Statewide TSA + Under 50Mile Expenditures

Expenditure Category Share of Regional Tourism Spending

	Accommodation	Entertainment	Food	Shopping	Transportation	Total
Providence	9.2%	24.9%	22.4%	24.3%	19.2%	100.0%
Blackstone Valley	2.8%	54.1%	26.8%	6.6%	9.7%	100.0%
Newport	29.4%	25.3%	29.1%	10.2%	6.0%	100.0%
South County	25.0%	12.0%	35.2%	21.3%	6.6%	100.0%
Warwick	9.3%	10.5%	30.0%	13.5%	36.8%	100.0%
Balance of State	2.6%	11.1%	48.7%	17.4%	20.2%	100.0%
Block Island	2.3%	14.7%	44.4%	19.0%	19.6%	100.0%
East Bay	36.0%	24.1%	9.7%	20.0%	10.2%	100.0%
Grand Total	13.5%	24.8%	29.2%	16.7%	15.8%	100.0%

Warwick’s Transportation share is very high as TF Green Airport revenue is counted here.

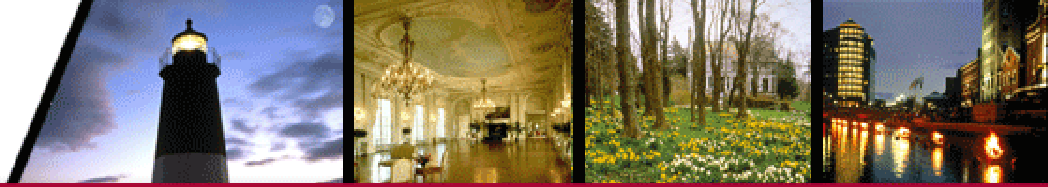


Regional Share of Statewide TSA Tourism

Regional Share of State Expenditures by Category

	Accommodation	Entertainment	Food	Shopping	Transportation	Total
Providence	18.6%	30.6%	23.0%	37.9%	33.9%	28.4%
Newport	30.9%	15.4%	13.3%	8.6%	3.6%	14.4%
South County	24.6%	9.5%	14.8%	16.5%	4.7%	13.5%
Warwick	8.0%	4.5%	11.2%	10.9%	28.9%	13.0%
Blackstone Valley	3.5%	25.1%	15.1%	6.8%	10.6%	12.9%
Balance of State	1.5%	3.9%	11.9%	7.8%	10.8%	7.2%
Block Island	12.2%	6.6%	3.3%	5.4%	2.3%	5.9%
East Bay	0.8%	4.3%	7.4%	6.1%	5.2%	4.7%
Total	100%	100%	100%	100%	100%	100%

Accomodation data includes seasonal second home rentals, which creates significant differences in share from state room tax data. As the TSA definition of tourism includes any overnight stay, accomodations results are the same for TSA and TSA + Under 50Mile.

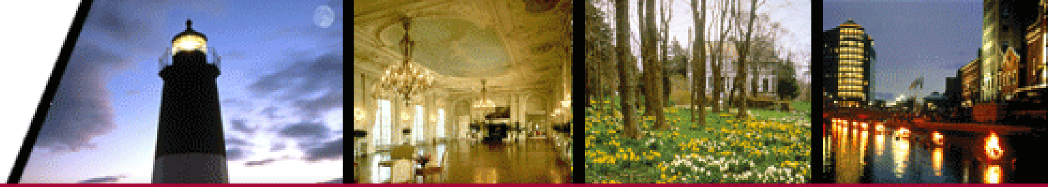


Regional Share of Statewide TSA Tourism

Expenditure Category Share of Regional Tourism Spending

	Accommodation	Entertainment	Food	Shopping	Transportation	Total
Providence	13.0%	24.8%	16.2%	18.8%	27.2%	100.0%
Newport	42.8%	24.6%	18.5%	8.3%	5.7%	100.0%
South County	36.4%	16.3%	22.0%	17.3%	8.0%	100.0%
Warwick	12.2%	7.9%	17.4%	11.8%	50.7%	100.0%
Blackstone Valley	5.4%	44.9%	23.5%	7.5%	18.8%	100.0%
Balance of State	4.3%	12.6%	33.5%	15.2%	34.4%	100.0%
Block Island	41.2%	25.8%	11.2%	12.9%	8.9%	100.0%
East Bay	3.4%	21.3%	31.8%	18.3%	25.3%	100.0%
Grand Total	**20.0%**	**23.0%**	**20.1%**	**14.1%**	**22.8%**	**100.0%**

Warwick's Transportation share is very high as TF Green Airport revenue is counted here.

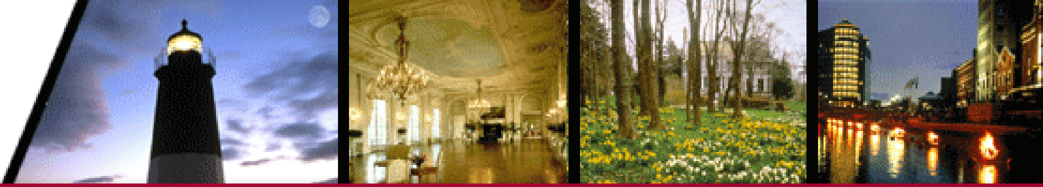


TSA + Under 50Mile Growth Rates by Region for 2009

Regional Growth Rates by Category 2009 vs 2008

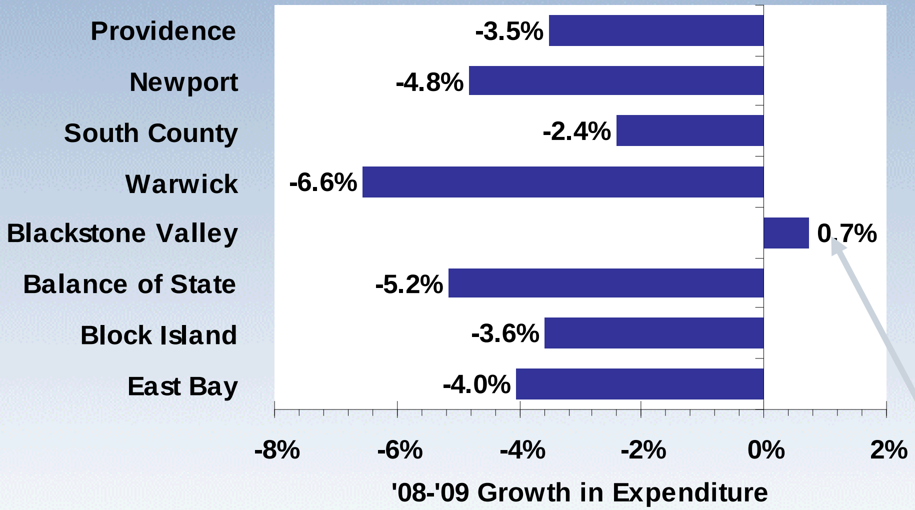
	Accomodation	Entertainment	Food	Retail	Transportation	Grand Total
Balance of State	-11.1%	-4.4%	-2.5%	-1.9%	-7.0%	-3.8%
Blackstone Valley	3.9%	-4.6%	-1.1%	-1.9%	-7.0%	-3.5%
Block Island	-6.0%	-7.1%	-1.3%	-2.8%	-2.2%	-4.8%
East Bay	-15.6%	-8.9%	1.0%	-1.7%	-11.3%	-4.1%
Newport	-6.4%	-6.9%	-3.2%	-5.6%	-8.9%	-5.7%
Providence	-10.6%	-4.4%	-2.0%	-1.9%	-7.0%	-4.4%
South County	-5.9%	-7.9%	2.8%	-1.7%	-10.7%	-2.7%
Warwick	-12.3%	-8.8%	-1.2%	-1.7%	-10.4%	-6.7%
Grand Total	-7.4%	-5.5%	-1.0%	-2.2%	-8.4%	-4.4%

Retail, including gas and grocery stores, saw by far the largest category level drop. Entertainment saw the only state-wide growth although it was not consistent across regions.

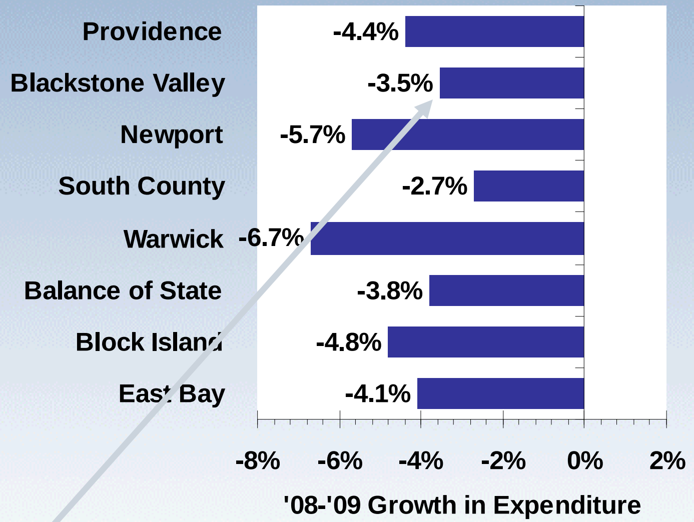


Regional Growth in Expenditures 2009 - 2008

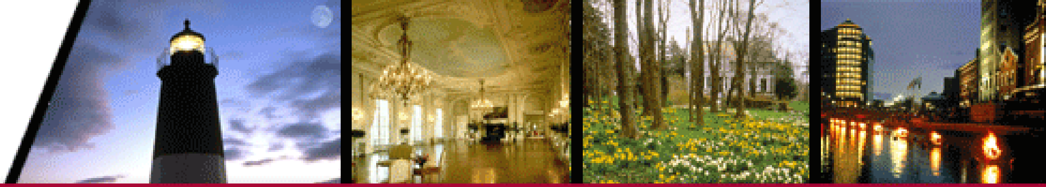
TSA Only



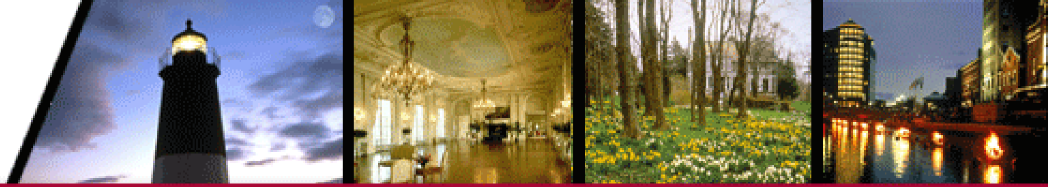
TSA + <50Mile



Blackstone Valley benefited from strong growth in casino gaming from out of state residents, which benefitted the TSA numbers, but total gaming was not as strong, resulting in less of a bump in the TSA +<50mile results.

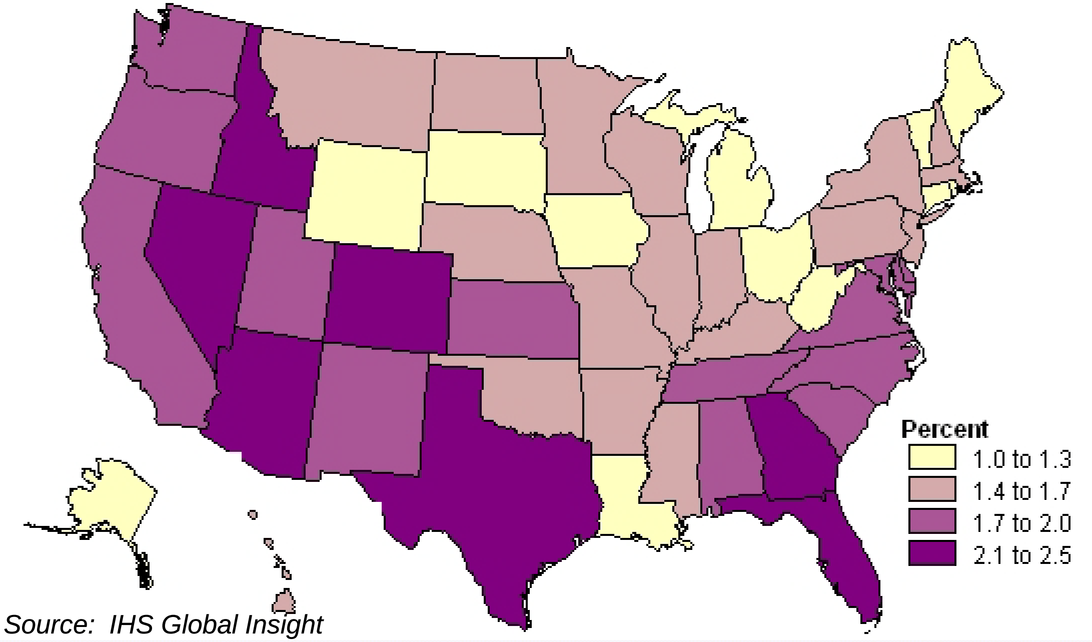


New England and Rhode Island Economic Overview



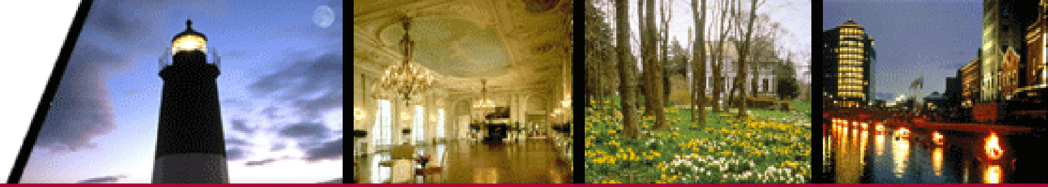
Employment Growth In New England Will Be Muted

Employment Growth 2010-2015 Annual Rate



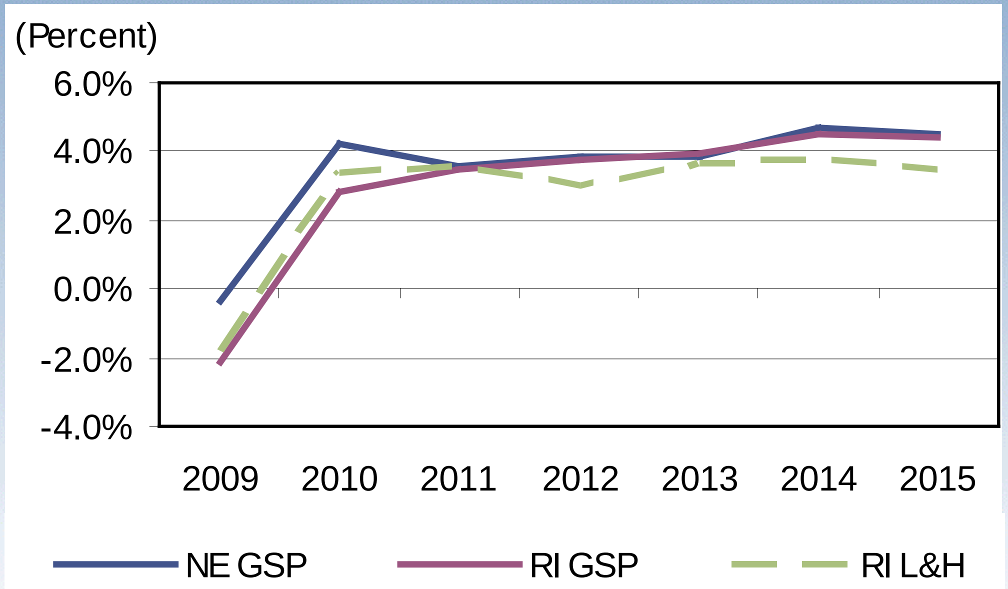
Source: IHS Global Insight

- While national unemployment rate peaked at over 10%, New England unemployment topped out at 9.1% in Q1, resulting in slower long-term growth
- RI unemployment has peaked at 12.6% in Q1, but not expected to drop below 10% until 2nd half of 2013
- Employment in Leisure and Hospitality in RI will remain below 2007 peak through 2015



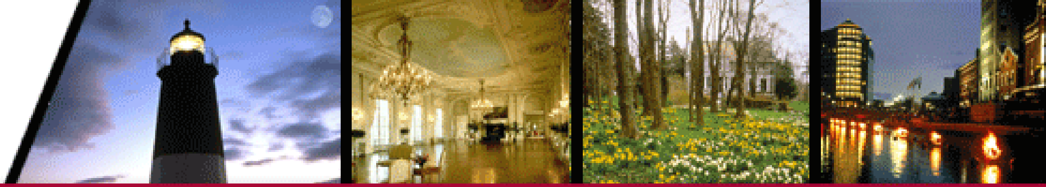
Economic Growth In New England and RI Should Boost Tourism

Annual Economic Growth for NE and RI



Source: IHS Global Insight; based on nominal dollars

- **New England's economic recovery, like that of the nation, is underway but will be slow and steady**
- **Rhode Island's overall economy, and the L&H industry, had a steep decline but are on a path to recovery**



Talking Points: What Do *Visitors* Mean to RI?

- ✓ If tourism didn’t exist, each household would pay $1,349 more in taxes to maintain the current level of state and local tax receipts
- ✓ Each visitor creates about $134 in tax receipts, $78 of which goes to state & local authorities
- ✓ It takes only 185 visitors to pay for one Rhode Island public school student for one year
- ✓ Each RI visitor/traveler generates about $481 in expenditures, $96 of which goes to RI businesses that do not directly “touch” that visitor
- ✓ Every 163 visitors creates a new RI job
- ✓ Each visitor adds about $235 to RI Gross State Product

Thank You!

Shane Norton
Senior Consultant, Travel & Tourism
shane.norton@ihsglobalinsight.com