

## EXECUTIVE SUMMARY

This report provides detailed statewide travel impact estimates for Washington from 1991 to 2007. The estimates for 2007 are preliminary. The report also provides detailed regional estimates and summary county estimates for 2006. Detailed county estimates and lodging tax receipts for jurisdictions were provided in a previously released report.

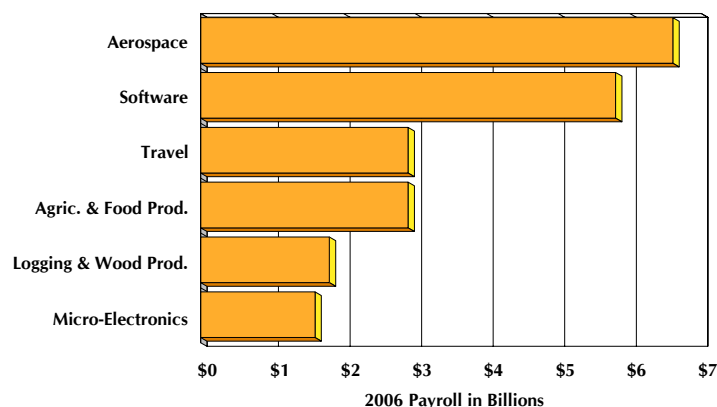
The estimates of the direct impacts associated with traveler spending in Washington were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The estimates for Washington are comparable to the U.S. Travel and Tourism Satellite Accounts produced by the U.S. Bureau of Economic Analysis.

### THE TRAVEL INDUSTRY IS EXPORT-ORIENTED

Travel and tourism is one of the most important **“export-oriented”** industries in Washington. Spending by visitors generates sales in lodging, food services, recreation, transportation, and retail businesses – the “travel industry.” These sales support jobs for Washington residents and contribute tax revenue to local and state governments.

The payrolls of the travel industry and other leading export-oriented industries in the state are shown in the graph below. Whereas the travel industry generates export income through spending by visitors, these other industries generate income by selling their products and services in other markets. Of these major export-oriented industries, only aerospace and software had significantly greater payrolls in 2006. (The most recent year for which data is available.)

**Annual Payrolls of Export-Oriented Industries  
 In Washington State**



Source: U.S. Dept. of Labor and Dean Runyan Associates.

## **THE TRAVEL INDUSTRY GENERATES TAX BENEFITS FOR WASHINGTON RESIDENTS**

Almost all (96 percent) of the state and local tax receipts generated by visitor spending are paid at the point of sale (sales, lodging, gasoline and auto rental taxes). Almost two-thirds (64 percent) of all visitor spending is associated with residents of other countries and states. Because of these two factors, the travel industry generates relatively large tax benefits for Washington residents.

- Travel spending accounted for \$975 million in local and state tax revenue in 2007. This represents roughly five percent of local and state tax collections, not including property tax collections.
- Visitors from outside of Washington (residents of other states or countries) generated \$250 of tax revenue for each Washington household. Resident travel within the state generated an additional \$140 of tax revenue per household.

## **THE TRAVEL INDUSTRY GENERATES JOB OPPORTUNITIES**

Most of the jobs directly supported by travel spending are in labor-intensive businesses in the leisure and hospitality sector and transportation. Many of these jobs provide valuable work experience for younger workers, many of who are continuing their formal education. There are also substantial opportunities for business ownership and self-employment in small and medium size businesses that depend on visitor spending.

- The total employment directly generated by travel spending was 149,800 in 2007. This represents approximately 3.8 percent of all jobs in Washington.
- Travel spending directly generated \$4.2 billion in earnings, representing 2.1 percent of all earnings in the state.

## **THE WASHINGTON TRAVEL INDUSTRY GREW IN 2007**

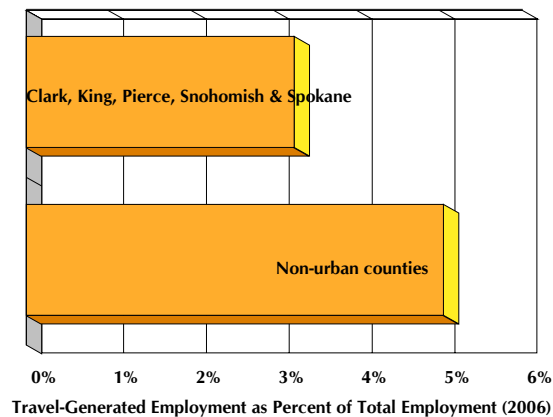
The Washington travel industry continued its strong growth in 2007.

- Travel spending was \$14.8 billion in 2007, a 6.8 percent increase over 2006. In constant (inflation-adjusted) dollars, travel spending increased by 3.6 percent over the preceding year.
- Since 2002, travel spending has increased by 7.4 percent annually. The earnings generated by travel spending have increased by 5.0 percent per year over the same period. Employment has increased by 1.8 percent and state and local tax receipts generated by travel spending have increased by 6.2 percent annually.

**THE WASHINGTON TRAVEL INDUSTRY BENEFITS ALL REGIONS OF THE STATE**

The five most urbanized counties in Washington state (Clark, King, Pierce, Snohomish and Spokane) have six out of every ten travel-generated jobs in the state. However, many of the smaller counties have a greater number of travel-generated jobs *in relation* to total employment.

**Percent of Total Employment Supported by Travel Spending  
 Urban versus Non-Urban Counties**



- The six counties with more than 10 percent travel-generated jobs were all non-urban (Skamania, Pacific, San Juan, Grays Harbor, Jefferson and Chelan). The 13 counties with more than 6 percent travel-generated jobs were also all non-urban.
- Travel spending generates more than 15 percent of local sales and lodging taxes in fourteen counties. All of these counties are non-urban.

**OTHER FINDINGS**

- There were 5.8 million air passenger visitor arrivals to Washington state that traveled on domestic airlines in 2007. This is a 2.6 percent increase over the preceding year.
- International visitors accounted for 10 percent of all visitor spending in the state in 2006. Residents from other states accounted for 53 percent of all travel spending.
- The performance of the Washington travel industry during 2007 exceeded the U.S. travel industry in terms of spending, employment, and air travel. As reported in the preceding section, real (inflation-adjusted) travel spending in the U.S. will increase by an estimated 1.9 percent in 2007, compared to 3.6 percent in Washington.