

**THE 2006 LOUISIANA TOURISM SATELLITE ACCOUNT  
AN UPDATE**

**Submitted to**

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

**And**

**The Office of the Lieutenant Governor**

**By**

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## **I. Executive Summary**

*The first full year after Hurricanes Katrina and Rita provides us with a standard for measuring recovery in the Louisiana Travel and Tourism industry. The three previous reports provide a baseline for a continuous assessment that will further clarify the potential for recovery.*

### **Key observations:**

- **Total Louisiana visitor spending for 2006 was \$6.6 billion – a 34.2% decline from the last full pre-storm year of 2004**
- **Over 107,000 Louisiana residents were directly employed in Travel & Tourism in 2006 – down from a peak of over 176,000 workers in 2004**
- **This implies that the Travel and Tourism Industry directly employed 6.0% of the Louisiana workforce in 2006**
- **\$3.9 billion of 2006 Louisiana production (2.0% of Gross State Product) was directly attributable to expenditures in Travel and Tourism**
- **In terms of tax revenues, visitor spending accounted for \$702 million of 2006 Louisiana revenues, or 8.0% of the 2006 budget**

## II. 2006 Tourism Satellite Account Results

This document represents a summary of results for the 2006 Louisiana Tourism Satellite Account (TSA). The 2006 TSA is an update of the 2003-2005 Louisiana TSA's. The methodology for creating a TSA has been revised over time by the World Tourism Organization in partnership with the OECD, the European Union, and the United Nations.<sup>1</sup> Our methodology follows the WTO guidelines and is identical to 2003 methodology to ensure comparability across years. For a discussion of the purpose and goals of the TSA, we refer the reader to the *2003 Louisiana Satellite Account Report*, which addresses these issues in some detail.

The year 2006 was the first full year of measurement since Hurricanes Katrina and Rita devastated Louisiana in 2005. As the State's largest Tourism locale, New Orleans, is counting on Tourism to help fuel the recovery. With evacuees and relief workers occupying hotel rooms around the state into 2006 and the city of New Orleans still early in the recovery mode, Louisiana Tourism almost certainly reached its bottom in 2006. As the recovery process matures, more attention will be focused on repairing damage to key industries such as Tourism. This 2006 TSA will provide an excellent baseline measure for documenting the recovery of Louisiana's Tourism Industry.

As mentioned in the 2005 report Louisiana's Tourism industry has a crucial role to play in the recovery with almost 10% of the 2004 Louisiana workforce directly employed in Travel and Tourism and its crucial role in New Orleans<sup>2</sup>. The health of the Travel and Tourism sector remains a critical component of the recovery.

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<sup>1</sup> See Tourism Satellite Account: Recommended Methodological Framework (2001) for a more detailed description of broader methodological issues.

<sup>2</sup> New Orleans visitor spending was \$5.6 billion or 58.8% of the Louisiana total in 2004.

Before moving to results, several measurement issues are worth noting. Visitors are traditionally defined as all persons traveling for over 50 miles or staying overnight for business or pleasure (excluding commuters or students). In the wake of the storm, two new groups appeared (evacuees and relief workers) beyond the scope of our traditional definition. These two are omitted from our 2006 measures of visitors and visitor spending for two reasons. First and foremost, these groups are a transitory presence in Louisiana and will not permanently support Louisiana's Tourism sector. Second, spending by these groups is better considered as emergency or relief spending rather than visitor spending. Thus, though a relief worker may appear similar to a business traveler in many ways, we do not consider spending by the relief worker as Travel and Tourism spending. Lastly, our report builds on the Travel Industry Association's (TIA) report titled "The Economic Impact of Travel on Louisiana Parishes". Our international and visitor spending come directly from this source. However, readers of both reports will notice that overall spending and subsequent employment and taxes collected are higher in our TSA than in the TIA report. While the TIA report accounts for the most important input, visitor spending, we take additional steps to include other inputs such as construction and government spending that benefits travel & tourism. The hurricanes of 2005 made road and hotel construction and repair more critical than ever. They are requisite additions to a more complete measure of how travel and tourism impacts the state's economy through all efforts to support it.

Throughout this document, we will include comparisons of 2006 results to those from past TSA's. The comparisons in this document will allow us to document the degree of devastation to Louisiana's Tourism industry. TSAs in future years and the Louisiana Tourism

Forecast will continue to document the recovery of Louisiana’s Travel and Tourism industry over time.

### III. Expenditures

Table 1 summarizes 2003-06 Travel and Tourism related expenditures from all sources and supplies the starting point for TSA analysis. Just as in 2004, the largest share of Travel and Tourism expenditures (88%) are visitor expenditures. In 2006 Louisiana visitor spending was just over \$6.5 billion. Another interesting feature of Table 1 is Tourism investment, which hit new highs in 2006. This reflects in part hurricane related reconstruction. Investment spending on roads and buildings almost doubled in 2006 when compared to previous years’ estimates. Because a portion of highway spending is used to support Tourism related travel, a portion of this spending on roads is included in our measures of Tourism spending.

**Table 1: 2003-06 Travel and Tourism Expenditures**

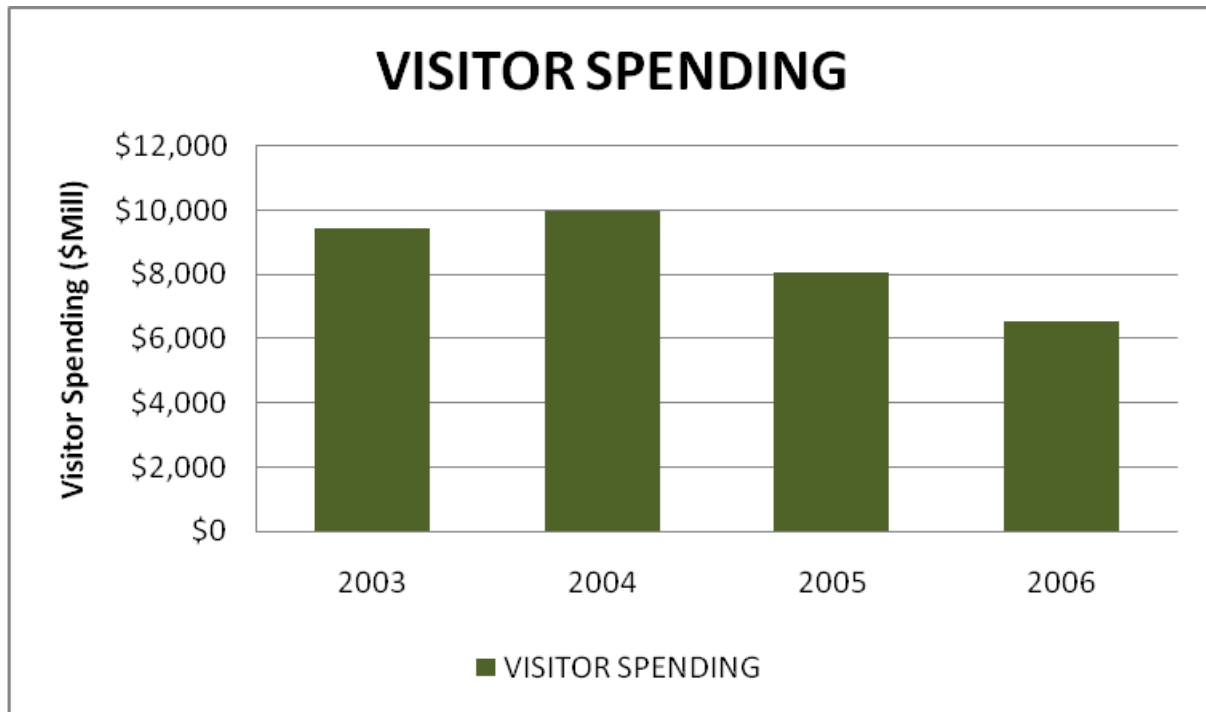
Categorized Travel & Tourism Spending (\$Millions)	2003	2004	2005	2006
Domestic Visitors	\$9,055	\$9,539	\$7,889	\$6,425
International	\$364	\$425	\$198	\$130
Investment	\$423	\$578	\$424	\$828
Government Spending	\$89	\$84	\$81	\$88
<b>Total</b>	<b>\$9,930</b>	<b>\$10,627</b>	<b>\$8,591</b>	<b>\$7,471</b>

Sources: See Appendix A.

Figures 1 through 3 give visual representations of spending levels. Figure 1 presents the largest component of Travel and Tourism Expenditures, total visitor spending. Notice that visitor spending peaked in the pre-storm year of 2004, fell in 2005 and continued to fall in 2006. The continued decline in 2006 may surprise some people. This stems from the fact that data

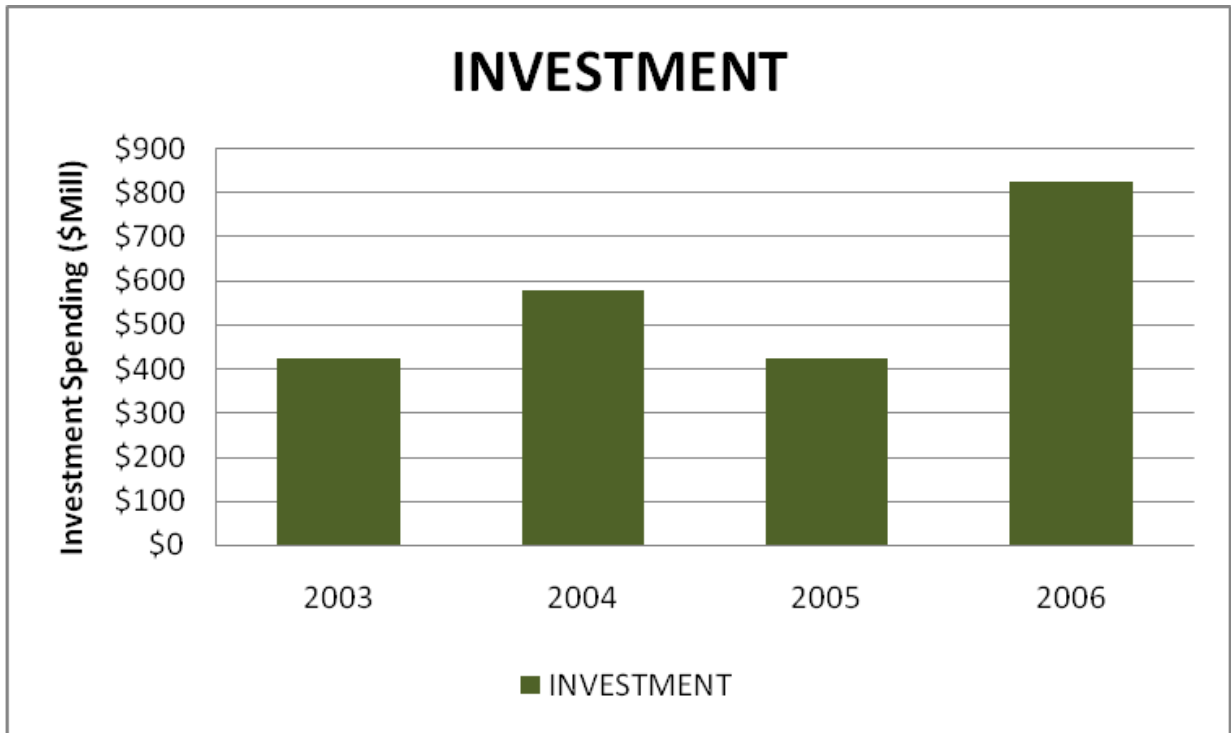
from January to July 2005 reveal that visitor spending was on track to break all records. Hurricanes Katrina and Rita changed that, but affected Tourism for the last four months of the year 2005. In 2006, Louisiana and, in particular New Orleans, continued to feel an impact from the storms for the full year.

**Figure 1: Louisiana Visitor Spending, 2003-2006**

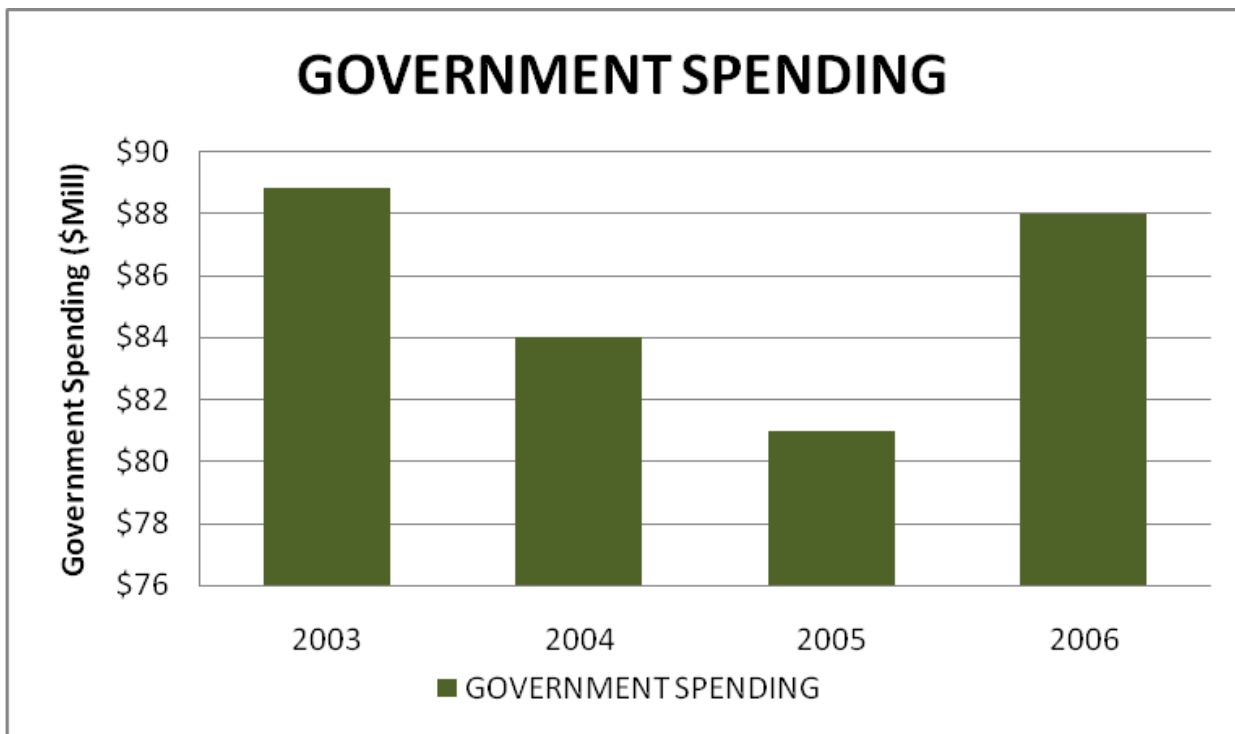


The other two components of Travel and Tourism expenditures, Investment and Government spending, are shown in Figures 2 and 3. Figure 2 shows a substantial increase in Tourism related Investment spending in 2006. This reflects dollars spent rebuilding Louisiana's devastated Tourism infrastructure. Figure 3 also shows a dramatic fall in Tourism related government spending in 2005 as the state froze budget amid the uncertainty of the impact of storms on the state budget. The rise in 2006 reflects both an injection of some Federal funding and a return to normal in state spending. It is important to note that both Investment and Government Spending are small relative to visitor spending and thus fail to offset its decline when computing total Travel and Tourism expenditures.

**Figure 2: LA Investment Spending Attributed to Travel & Tourism, 2003-2006**



**Figure 3: LA Government Spending Attributed to Travel & Tourism, 2003-2006**



## **IV. Value Added**

The Travel and Tourism sector differs from other industries in that it is divided across many other industries in standard government statistics.

For example, sales to visitors by retailers will appear in Federal and State statistics as the North American Industry Classification System (NAICS) categories 44 & 45 titled “Retail Trade”. Visitor spending on meals appears in NAICS 72 “Accommodations and Food Services”. However, both sectors also contain sales to Louisiana residents. Table 2 contains value added (an economic measure of production which includes only goods and services produced in Louisiana) for the top 16 sectors in the Louisiana economy. Included here, but not in traditional government statistics, is Travel & Tourism which is made up of parts of each industry.

The U.S. Bureau of Economic Analysis provides data for fifteen of these sectors, while Travel and Tourism value added is computed using the TSA methodology. The Travel and Tourism sector ranks 15<sup>th</sup> on this list. This sector makes up \$3.9 billion of Louisiana output or 2.0% of Gross State Product. By reference the sector ranked 11<sup>th</sup> in both 2003 and 2004, and 14<sup>th</sup> in 2005 comprising 2.7% of Gross State Product in 2005. The declining relative rank of the sector reflects the impact of Hurricanes Katrina and Rita. Comparing value added to expenditures reveals that 59 cents out of every dollar in visitor spending stays in Louisiana – a figure comparable to that in previous years.



**Table 2: 2006 Louisiana Value Added**

Rank	Industry	Value Added (\$Millions)
1	Manufacturing	\$40,514
3	Mining	\$27,431
2	Government	\$19,899
4	Real estate, rental, and leasing	\$15,286
5	Retail trade	\$12,826
6	Health care and social assistance	\$10,404
8	Construction	\$8,939
7	Wholesale trade	\$8,773
9	Professional and technical services	\$7,338
11	Transportation and warehousing	\$6,318
10	Finance and insurance	\$6,261
12	Accommodation and food services	\$4,947
13	Utilities	\$4,915
14	Administrative and waste services	\$4,790
<b>15</b>	<b>Travel &amp; Tourism</b>	<b>\$3,870</b>
16	Other services, except government	\$3,706
	All Others	\$6,653
	<b>Total</b>	<b>\$193,140</b>

Source: US Bureau of Economic Analysis, IMPLAN, and author's calculations. Total does not include Travel & Tourism.

## V. Employment

Table 3 contains Louisiana employment by industry for 2006 for all sectors employing over 75,000 Louisiana workers. Employment figures for all sectors other than Travel and Tourism were obtained from the Louisiana Department of Labor. Recall, that traditional definitions split Travel and Tourism across other sectors, so categories such as Retail Trade do include some jobs that are attributable to Travel and Tourism. Travel and Tourism employment was obtained using the TSA methodology. Travel and Tourism ranks 7<sup>th</sup> on this list -- just over

107,000 Louisiana workers were employed in this sector.<sup>3</sup> During the year 2006, that was 6% of all Louisiana workers. Again reflecting the impact of Hurricanes Katrina and Rita, these results imply both an absolute and relative decline in the Tourism Sector for 2006 compared to previous years. The Travel and Tourism sector ranked 4<sup>th</sup> in employment for both 2003 and 2004 and 6<sup>th</sup> in 2005 with over 176,000 workers in 2004 then 130,000 in 2005.

**Table 3**  
**2006 Louisiana Employment by Industry**

Rank	Industry	Employment
1	Health Care and Social Assistance	252,990
2	Retail Trade	221,577
3	Educational Services	160,071
4	Accommodation and Food Services	154,012
5	Manufacturing	152,126
6	Construction	140,230
<b>7</b>	<b>Travel &amp; Tourism</b>	<b>107,859</b>
8	Administrative and Waste Services	97,715
9	Public Administration	96,548
10	Professional and Technical Services	79,391
11	Transportation and Warehousing	77,478
	All Others	378,533
	<b>Total</b>	<b>1,810,669</b>

Source: US Bureau of Economic Analysis, IMPLAN, and author's calculations. Total does not include Travel and Tourism.

The 107,859 Travel and Tourism jobs are spread widely across the Louisiana economy. Table 4 contains the top ten areas of employment for Travel and Tourism workers, based on a three digit NAICS industry classification. Not surprisingly, the largest employment category is Food Services workers, with 33,388 or 31% of all Travel and Tourism employment.

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<sup>3</sup> Note that this figure represents average annual employment. A worker employed for eight months in the sector would be counted as  $8/12=2/3$  of a worker in our total. Likewise 12 workers employed only in the first eight months would be employment of  $8/12 \times 12=8$ .

**Table 4**  
**Composition of Direct 2006 LA Travel & Tourism Employment by Sector**

Rank	Industry	Employment	% of T&T	State Employment	% of State
1	Food services & drinking places	33,388	31.0%	132,561	25.2%
2	Accommodations	9,631	8.9%	21,450	44.9%
3	Transportation services	9,629	8.9%	20,837	46.2%
4	Amusement- gambling & recreation	7,950	7.4%	33,321	23.9%
5	Construction	7,464	6.9%	140,230	5.3%
6	Gasoline stations	6,467	6.0%	17,848	36.2%
7	General merchandise stores	5,405	5.0%	50,056	10.8%
8	Food & beverage stores	3,448	3.2%	36,195	9.5%
9	Real estate	3,328	3.1%	13,835	24.1%
10	Misc retailers	3,269	3.0%	11,401	28.7%
	All Others	17,880	16.6%	1,332,935	1.3%
	<b>Total</b>	<b>107,859</b>	<b>100.0%</b>	<b>1,810,669</b>	<b>6.0%</b>

Source: Expenditure data sources summarized in appendix A, IMPLAN, and author's calculations.

Table 5 focuses on production in the Travel and Tourism sector, rather than employment.

Overall, the sector is more dispersed as measured by value added. The labor intensive Food Services category falls in relative importance, while Accommodations rises in importance.

**Table 5**  
**Composition of Direct 2006 LA Travel & Tourism Value Added by Sector**

Rank	Industry	Value Added (\$Millions)	% of Total
1	Food services & drinking places	\$574	14.8%
2	Accommodations	\$561	14.5%
3	Amusement- gambling & recreation	\$409	10.6%
4	Real estate	\$301	7.8%
5	Construction	\$297	7.7%
6	Transportation services	\$256	6.6%
7	Gasoline stations	\$233	6.0%
8	General merchandise stores	\$194	5.0%
9	Sightseeing transportation	\$140	3.6%
10	Rental & leasing services	\$128	3.3%
	All Others	\$776	20.1%
	<b>Total</b>	<b>\$3,870</b>	<b>100.0%</b>

Source: Expenditure data sources summarized in Appendix A, IMPLAN, and author's calculations.

## VI. Indirect & Induced Impacts

Up until this point, this report has focused on the direct impact of visitor spending on the Louisiana economy. However, the Travel and Tourism industry is made even more important at this critical juncture in Louisiana's history by its indirect impact on the state's economy. Like a rock dropped in a pond, the economic impact of visitor spending ripples throughout the economy. Visitors create demand for restaurants and other Louisiana businesses ranging from small retailers to large hotels. These businesses then purchase more goods and services from other Louisiana businesses and the ripples continue. Likewise, spending by workers receiving wages from Travel and Tourism businesses stimulate new economic activity.

Table 6 contains the total employment created by the Travel and Tourism sector, accounting for both the direct and secondary impacts. Comparing Table 6 to Table 4 reveals that the indirect effects of Travel and Tourism expenditures account create 49,301 additional Louisiana jobs.

**Table 6**

### **Total 2006 LA Employment Attributable to the Travel and Tourism Sector**

<b>Rank</b>	<b>Industry</b>	<b>Total Employment</b>	<b>% of Total</b>
1	Food services & drinking places	37,680	24.0%
3	Transportation services	11,229	7.1%
2	Accommodations	10,132	6.4%
4	Amusement- gambling & recreation	8,490	5.4%
5	Construction	8,481	5.4%
6	Gasoline stations	6,987	4.4%
7	General merchandise stores	6,869	4.4%
8	Real estate	5,774	3.7%
9	Food & beverage stores	4,995	3.2%
10	Administrative support services	4,419	2.8%
	All Other	52,105	33.2%
	<b>Total</b>	<b>157,160</b>	<b>100.0%</b>

Source: Expenditure data sources summarized in Appendix A, IMPLAN, and author's calculations.

Table 7 contains similar results for value added. Accounting for indirect and induced effects of Travel and Tourism (the ripples) adds \$2.8 billion in value added. Comparing the total value added for individual categories in Table 7 to direct value added in Table 5 allows one to assess the size of these economic ripples in different categories.

**Table 7**

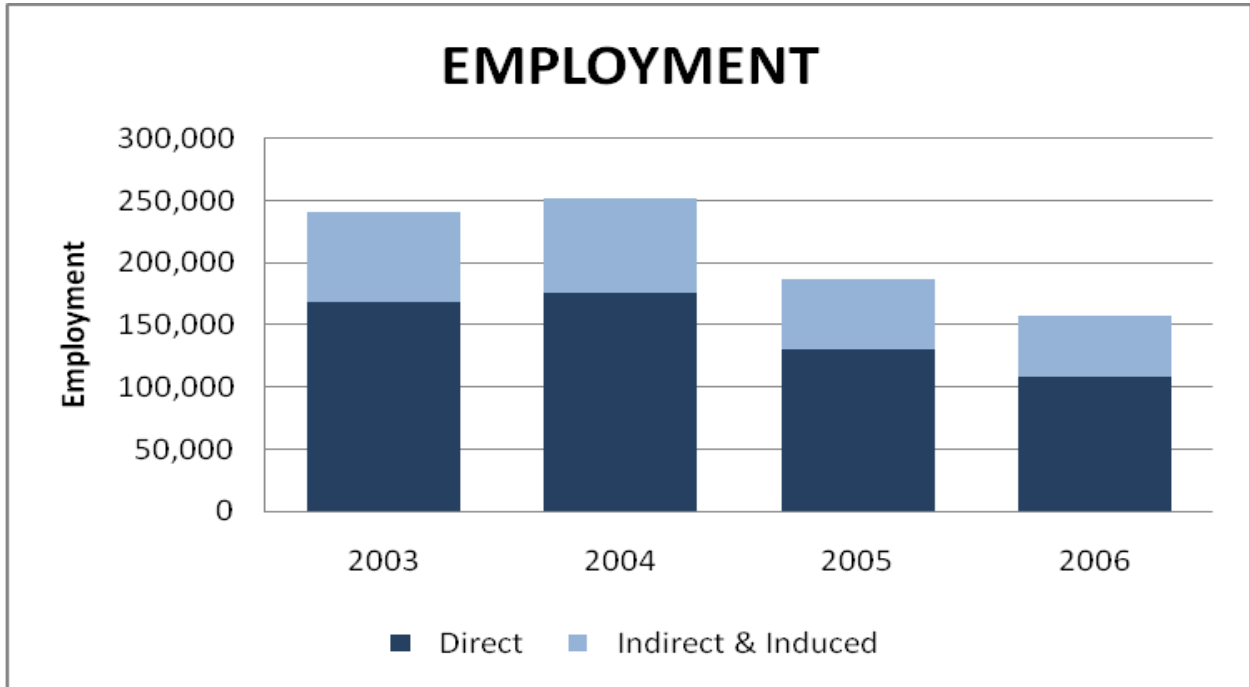
**Total 2006 Economic Impact of Travel and Tourism on Louisiana’s Economy**

Rank	Industry	Total Value Added (\$Millions)	% of Total
1	Food services & drinking places	\$648.0	9.7%
2	Accommodations	\$590.2	8.8%
3	Real estate	\$522.9	7.8%
4	Amusement- gambling & recreation	\$430.7	6.5%
5	Government & non NAICs	\$421.2	6.3%
6	Construction	\$336.9	5.0%
7	Transportation Services	\$306.1	4.6%
8	Gasoline stations	\$251.4	3.8%
9	General merchandise stores	\$247.0	3.7%
10	Professional- scientific & technical services	\$243.2	3.6%
	Other	\$2,676.3	40.1%
	Total	\$6,673.9	100.0%

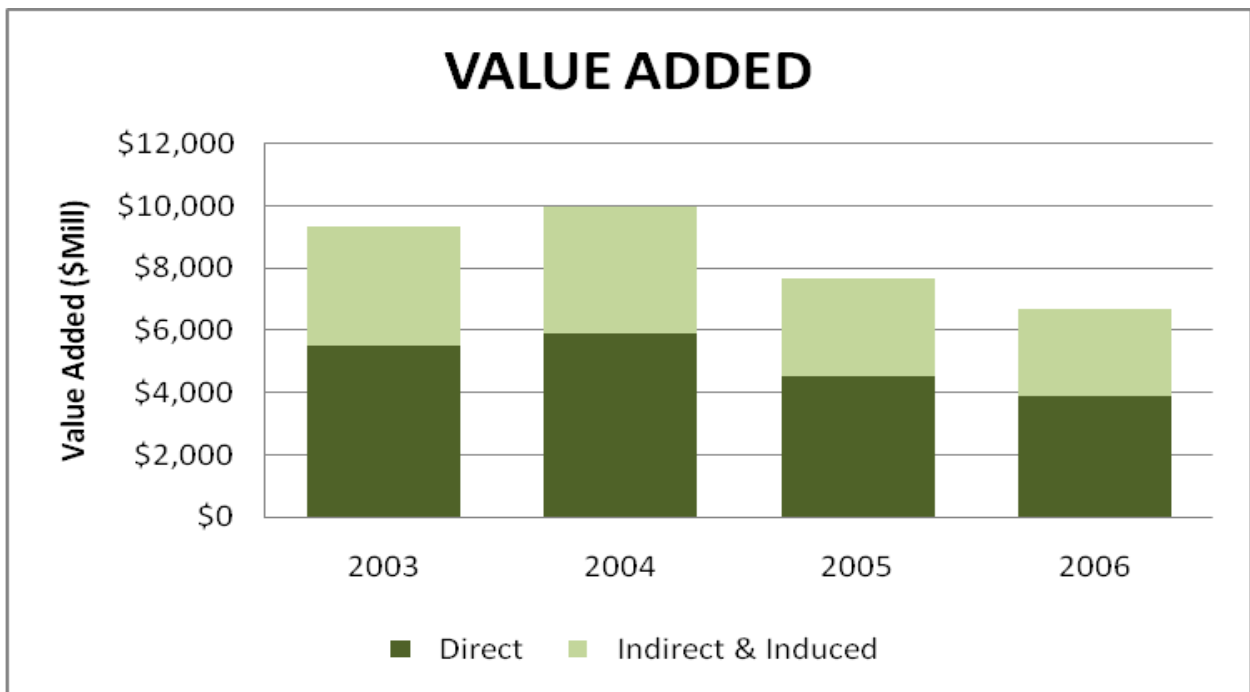
Source: Expenditure data sources summarized in appendix A, IMPLAN, and author’s calculations.

Figures 4 and 5 break the impact of Travel & Tourism’s into its direct (darker shade) and indirect/induced (lighter shade) effects. For example, the 2006 bar of Figure 4 shows that Direct employment in Travel and Tourism was just over 100,000 in that year with the sector creating over 150,000 total jobs when indirect and induced employment are included. The overall patterns in both figures are driven by visitor spending with a peak in 2004 followed by declines in 2005 and 2006 due to the devastating effects of the Hurricanes on Louisiana’s Travel and Tourism Industry.

**Figure 4: The Impact on Travel & Tourism on Louisiana's Employment, 2003-2006**



**Figure 5: The Impact on Travel & Tourism on Louisiana's GSP (Value Added), 2003-2006**



## VII. Tax Impacts

The Travel and Tourism sector also generates tax revenues for Louisiana's state and local governments. Table 8 contains the 2006 Louisiana state tax revenues generated from the Travel and Tourism sector. Visitor spending directly generates a large portion of this revenue. In particular, Auto Rental Excise Taxes, Riverboat Casino and Other Gaming Taxes, and Alcohol Taxes are computed based on the proportion of expenditures on the goods by visitors. Other items, such as Individual Income Taxes or Corporate Income Taxes, are the result of the earnings and firms who are either directly or indirectly supported by the Travel and Tourism sector.<sup>4</sup>

**Table 8**  
**2006 Louisiana State Tax Revenues Attributable**  
**to the Travel and Tourism Sector**

Revenue Category	Visitor Taxes	% in category	State Total (\$Millions)	% of State Total
Alcohol Beverage	\$0.5	0.1%	\$16.7	3.1%
Beer Tax	\$1.1	0.2%	\$35.5	3.1%
Gasoline Tax	\$94.2	13.4%	\$450.8	20.9%
Corporate Income Tax	\$11.5	1.6%	\$427.6	2.7%
Individual Income Tax	\$49.6	7.1%	\$2,416.2	2.1%
Auto Rental Excise	\$4.0	0.6%	\$4.4	90.0%
Sales Tax	\$211.3	30.1%	\$2,269.0	9.3%
Land based Casino	\$16.2	2.3%	\$74.4	21.8%
Video Draw Poker	\$62.9	9.0%	\$209.7	30.0%
Motor Vehicle Licenses	\$2.5	0.4%	\$87.5	2.9%
Riverboat Gaming	\$217.4	31.0%	\$398.5	54.5%
Racetrack Slots	\$31.0	4.4%	\$56.9	54.5%
<b>Total</b>	<b>\$702.2</b>	100.0%	<b>\$9,004.9</b>	<b>8.4%</b>
* includes categories not listed above				

Sources: Louisiana state budget, IMPLAN, expenditure data summarized in Appendix A, and author's calculations.

<sup>4</sup> Details on computation of the tax revenues attributable to visitor spending are available in the 2003 TSA.

The estimates in table 8 come from the State Budget, State Troopers' Gaming reports, IMPLAN output, Loren Scott & Associates 2005 Gaming report and author's calculations. Using TNS survey data in previous TSA's it was estimated that 3.1% of alcohol sales were attributable to travelers and tourists. Gasoline taxes, like Vehicle Miles Traveled, were estimated to be 20.9% while auto rental excise tax was estimated to be 90% attributable to travelers and tourists. Sales tax was calculated using the share of retail spending attributable to travelers and tourists, 9.3%. Motor vehicle license fees were calculated by IMPLAN. The different forms and venues of gaming attract different proportions of travelers and tourists ranging from 27-55%. These share estimates include the use of results from a license plate and visitor surveys at gaming locations.

The results in Table 8 imply that \$702.2 million of Louisiana Tax revenue in 2006 was attributable to the Travel and Tourism sector, or 8.4% of the Louisiana State budget. Compared to \$637.9 million of Tax Revenue in 2005 (see Table 9), this result implies a 10.0% rebound in state tax revenues during 2006. This is also a 4% increase from 2004/pre-hurricane receipts of Travelers and Tourists. The main driver of this trend is Riverboat Gaming. Many of the gaming facilities along the Gulf Coast were down for some or all of 2006. Louisiana Gaming facilities were most likely entertaining many who would have otherwise gone to Mississippi. By this standard the tax revenues generated by visitor spending showed remarkable resilience in the wake of the storms.



**Table 9**  
**2003-06 LA State Tax Revenues Attributable To the Travel and Tourism Sector,**  
**2003-2006**

Revenue Category	2003 Visitor Taxes	2004 Visitor Taxes	2005 Visitor Taxes	2006 Visitor Taxes
Alcohol Beverage	\$0.5	\$0.5	\$0.5	\$0.5
Beer Tax	\$1.2	\$1.2	\$1.2	\$1.1
Gasoline Tax	\$90.7	\$93.8	\$93.8	\$94.2
Corporate Income Tax	\$17.3	\$18.0	\$13.6	\$11.5
Individual Income Tax	\$73.9	\$77.5	\$57.7	\$49.6
Auto Rental Excise	\$3.6	\$4.0	\$4.0	\$4.0
Sales Tax	\$212.4	\$220.1	\$201.6	\$211.3
Land based Casino	\$16.8	\$19.0	\$18.1	\$16.2
Video Draw Poker	\$49.8	\$51.6	\$51.7	\$62.9
Motor Vehicle Licenses	\$7.9	\$8.2	\$6.1	\$2.5
Riverboat Gaming	\$182.8	\$182.8	\$165.0	\$217.4
Racetrack Slots	\$0.0	\$0.0	\$24.7	\$31.0
<b>Total</b>	<b>\$657.0</b>	<b>\$676.7</b>	<b>\$637.9</b>	<b>\$702.2</b>

The Travel and Tourism sector also generates substantial revenues for local governments. With slightly higher tax rates than the state, it is clear that local governments received in excess of \$250 million in sales tax revenues alone.

## **VIII. Conclusion**

The Louisiana 2006 Tourism Satellite Account (TSA) provides accounting measures for Travel and Tourism. This TSA also includes comparisons to evaluate the impact of Hurricanes Katrina and Rita on Louisiana's Travel and Tourism industry. Results show that Travel and Tourism spending peaked at over \$10.6 billion in 2004 before falling to just under \$8.6 billion in 2005. Travel and Tourism fell again in 2006 to \$7.5 billion during the first full year after Hurricane Katrina and Rita.

There is much to suggest that the year 2006 will mark a low point from which to measure the recovery of Louisiana's Travel and Tourism industry. A healthy convention schedule in the fall of 2007 is one indicator that some phases of the recovery process are yielding returns. Preliminary data on the number of visitors and visitor spending for the first two quarters also supports this conjecture. As a result, the 2006 TSA should be viewed as a starting point for measuring the recovery of Louisiana's Travel & Tourism in terms of its impact on the state economy.

In 2006, over 107,000 workers were directly employed in the sector and almost 157,000 Louisiana jobs were directly or indirectly attributable to Travel and Tourism. These figures imply that the Travel and Tourism sector directly employed 6.0% and indirectly employed an additional 2.7% of Louisiana's workforce in 2006. Even though direct employment was down 69,000 from 2004, these results clearly show the important role of this industry in Louisiana.

Terrell and Bilbo's report on the status of Louisiana Businesses one year after the storms<sup>5</sup> included two industries closely related to Travel & Tourism: (1) Accommodations and Food Services sector and (2) Arts, Entertainment and Recreation. A look at these results on number of Employers for 2006Q4 provides a measure of the degree of devastation of the storms in New Orleans and the way that Travel and Tourism helps bolster the economy in a difficult time like this one.

Terrell and Bilbo's results report a net loss of 227 Orleans Parish employers (a 22% decline) in Accommodation and Food Services and a net loss of 41 Orleans Parish employers (a 25% decline) in Arts, Entertainment, and Recreation. These declines clearly document the impact of the storms, but are smaller than what one might expect. The American Community

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<sup>5</sup> See Terrell, Dek and Ryan Bilbo (2007), *A Report on the Impact of Hurricanes Katrina and Rita on Louisiana Businesses: 2005Q2-2006Q2*, available at <http://www.bus.lsu.edu/centers/ded/>.

Survey<sup>6</sup> for Orleans parish estimates that Orleans parish population was 51% lower in fall 2006 than it had been prior to the storm. With 50% fewer local customers, one might have anticipated an even larger loss of firms than 20-30%. In fact, the results reveal an overall 21% net loss of employers in Orleans Parish. Some of the resilience is clearly the result of the rebuilding effort and sheer determination of the citizens of the Parish. However, Travel and Tourism adds another much needed injection of spending that no doubt contributes to the survival of some of these firms.

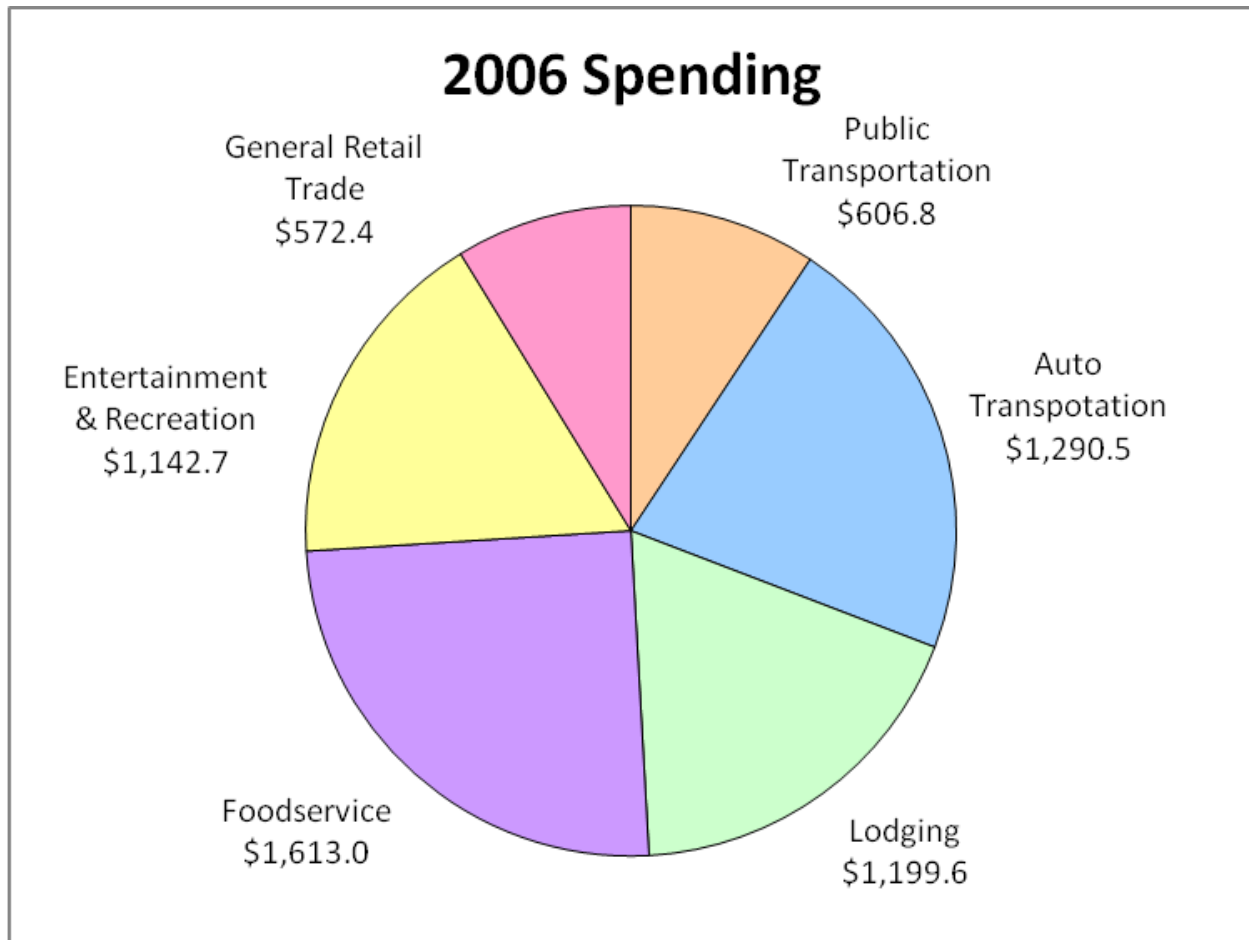
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<sup>6</sup> See *American Community Survey* <http://www.census.gov>

**Appendix A**  
**Data Sources**

## Travel and Tourists Spending Categorized

In their summary report titled “Travel Impact on Louisiana Preliminary 2005 and 2004”, a joint effort between the Louisiana Tourism Office and D.K. Schifflett, visitor spending was split between 6 categories as illustrated below.



All input data used in the impact model and this report with regard to Traveler and Tourist spending was estimated for 2006 by UNO and the TNS-Travels America Database. The categories and amounts allotted to them above are from previous editions of this TSA.

## **Government Spending**

TSA methodology suggests including all government spending that subsidizes the activities of visitors. Obvious examples include spending on state parks and museums. However, the methodology also suggests adding items such as additional security provided during tourism events. For this study, we included only items from the Louisiana state budget directly related to tourism. Government spending on roads is treated elsewhere as it has a unique place in the impact model.

## **Construction**

Using data purchased from McGraw Hill Construction we calculated annual construction spending within Louisiana. McGraw-Hill Construction is the author of the F.W. Dodge Reports and is the lead authority on construction information. Government spending on roads is treated elsewhere as it has a unique place in the impact model. Annual spending on Travel and Tourism related construction in Louisiana was reported as:

<b>Construction Spending (\$Millions)</b>	
2002	\$306.5
2003	\$297.3
2004	\$447.3
2005	\$200.8
2006	\$368.3

It is worth noting that construction spending in Travel and Tourism is quite volatile and can be sensitive to a few large projects.

## **Roads**

The Louisiana Department of Transportation and Development (LADOTD) reported their “lettings” (actual contracts awarded) and their operational budget for FY05’-06’ to sum to \$2,201.4 million. However, not all road work is done on behalf of Travelers and Tourists. Previous calculations have shown the share of vehicle miles traveled by “Travelers and Tourists” to be approximately 21%. This translates into roughly \$460.09 million in spending on behalf of T&T by LADOTD in 2006.

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