

# Louisiana Travel Pulse

April 2007

Produced by the Louisiana Office of Tourism

## Monthly Analysis/Highlights:

- New Orleans and south Louisiana celebrated a much stronger Mardi Gras than 2006. Hotel occupancy was 90% or greater according to local officials, and the number of permits and licensed vendors were up 310% in New Orleans.
- During the first quarter of 2007, the number of rounds played at the Audubon Golf Trail increased by 8% over the same period last year.
- The number of visitors to Louisiana's state and national parks have increased for the sixth straight month, but are still far from the levels set in 2004. However, a slow tourism recovery and a national trend in declining museum attendance may not help them return to those levels anytime soon.
- The number of enplanements at New Orleans International Airport increased by 45.9% over February 2006, and even though Baton Rouge's traffic has slowed somewhat this year, it is still at record levels.

## Louisiana Tourism Trends

	February 2007	February 2006	% +/-	(Benchmark)		YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
<b>Airport Trends</b>										
Airport Passenger Enplanements										
Louisiana Metro Airports Total	365,238	268,028	36.3%	848,527	532,390	722,010			35.6%	-14.9%
New Orleans	282,879	193,827	45.9%	734,739	377,781	566,474			49.9%	-22.9%
Other Metro*	82,359	74,201	11.0%	113,788	154,609	155,536			0.6%	36.7%
* Note: Includes Baton Rouge, Lafayette, Monroe, and Alexandria metropolitan airports.										
<b>Louisiana Hotel/Motel Trends</b>										
Rooms Sold	1,405,207	1,552,042	-9.5%	2,644,668	3,225,389	2,736,366			-15.2%	3.5%
Room Supply	2,057,188	1,935,136	6.3%	4,565,030	4,055,629	4,317,212			6.4%	-5.4%
Occupancy Rate	68.3%	80.2%	-14.8%	57.9%	79.5%	63.4%			-20.3%	9.5%
Average Daily Rate	\$100.88	\$101.43	-0.5%	\$85.49	\$99.11	\$95.53			-3.6%	11.7%
<b>Louisiana Gaming Indicators</b>										
Riverboat AGR*	\$150,779,067	\$168,852,347	-10.7%	\$275,378,856	\$338,160,074	\$286,926,437			-15.2%	4.2%
Non-Indian Land Based Casino GGR**	\$30,230,154	\$13,811,473	118.9%	\$52,447,441	\$13,811,473	\$62,201,381			350.4%	18.6%
Slots At Racetracks GGR***	\$31,353,242	\$32,075,666	-2.3%	\$44,922,171	\$66,426,517	\$60,150,094			-9.4%	33.9%
Total	\$212,362,463	\$214,739,486	-1.1%	\$372,748,468	\$418,398,064	\$409,277,912			-2.2%	9.8%
*Adjusted Gross Revenue										
**Gross Gaming Revenue from Harrah's New Orleans Casino										
***Initiated in 2/2002 at Delta Downs, 5/2003 at Louisiana Downs, and 12/2003 at Evangeline Downs										
<b>State Welcome Center Visitors</b>										
	95,549	88,469	8.0%	208,018	164,128	186,649			13.7%	-10.3%
Notes: 1) I-20/Mound Welcome Center - operated out of a trailer most of 2005 due to renovation, 2) I-10/Vinton Welcome Center - closed temporarily to the public due to Hurricane Rita, and 3) N.O. Welcome Center - operating on a restricted 5-day per week schedule following Katrina.										
<b>Louisiana Parks Visitors</b>										
Jean Lafitte NHP*	22,938	18,116	26.6%	83,041	36,492	58,301			59.8%	-29.8%
Louisiana State Parks and Historic Sites	75,686	73,225	3.4%	194,304	137,427	143,208			4.2%	-26.3%
* Recreational Visits										

## National Tourism Trends

(Benchmark)

	February 2007	February 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
<b><u>U.S. Hotel/Motel Trends</u></b>								
Rooms Sold			-0.1%				-0.3%	
Room Supply			1.2%				1.2%	
Occupancy Rate	60.2%	61.0%	-1.4%	53.7%	57.1%	56.3%	-1.5%	4.8%
Average Daily Rate	\$103.72	\$97.24	6.7%	\$85.69	\$95.61	\$101.69	6.4%	18.7%
<b><u>National Park Trends</u></b>								
Recreational Visits (000)	11,634	11,960	-1.4%	23,395	23,675	22,900	-3.3%	-2.1%
<b><u>U.S. Consumer Confidence Index Trend</u></b>								
Index (1985=100)	111.2	102.7	8.3%	93.1	104.8	110.8	5.7%	19.0%

(Sources: Louisiana Metropolitan Airports, Air Transport Association, Smith Travel Research, Louisiana State Police, Travel Industry Association of America, National Park Service, The Conference Board, and DCRT)

### Glossary

**Enplanements** - a count of the number of passengers who board an airplane at one of Louisiana's metro airports.

**Average Daily Rate (ADR)** - Room revenue divided by rooms sold.

**Occupancy** - rooms sold divided by rooms available.

**Rooms available (Room Supply)** - The number of rooms times the number of days in the period.

**Room revenue** - total room revenue generated from the sale or rental of rooms.

**Rooms sold (Room Demand)** - The number of rooms sold (excludes complimentary rooms).

**Adjusted Gaming Revenue** - Net gains realized by a casino after payment of all cash paid out as losses to patrons.

**Welcome Center Visitors** - the number visitors who sign the register at Louisiana's 13 state welcome centers.

**Recreational Visits** - The entry of a person onto lands or waters administered by the NPS for recreational purposes

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## Other Louisiana Tourism Trends

<u>Visitors</u>	3rd Quarter		% +/-	(Benchmark)			% +/- 2005-2006	% +/- 2004-2006
	2006	2005		YTD 2004	YTD 2005	YTD 2006		
U.S. Resident Visitors To La.*	6,200,000	4,700,000	31.9%	17,597,000	16,801,000	12,300,000	-26.8%	-30.1%
Canadian Resident Vis. To La.**	17,100	21,000	-18.6%	80,300	91,400	48,400	-47.0%	-39.7%

\* 2006 domestic estimates are preliminary and subject to change. Hurricane related recovery travel is not included in 2006 estimates.  
 \*\* The source for Canadian visitor estimates is Statistics Canada.

<u>Intent To Visit Benchmarks</u>						
<b>MDRG Survey</b>	<b>January 2007</b>	<b>August 2006</b>	<b>% +/-</b>	<b>May 2006</b>	<b>March 2006</b>	<b>January 2006</b>
Regional Sample	56.3%	50.7%	11.0%	46.6%	49.8%	46.1%
National Sample	33.9%	31.5%	7.6%	30.8%	30.5%	35.6%
<b>TNS Survey</b>	<b>Fall 2006</b>	<b>Fall 2005</b>	<b>% +/-</b>	<b>Spring 2006</b>	<b>Spring 2005</b>	
Regional Sample	43.0%	37.0%	16.2%	31.0%	53.0%	
National Sample	13.0%	13.0%	0.0%	11.0%	21.0%	

Notes: The results shown here are primarily taken from surveys in which the following question was asked of travelers:  
 "How likely are you to take a trip to Louisiana during the next 12 months?" The choices are from 1 to 5 with 5 equals Extremely Likely and 1 equaling Not At All Likely. This is only a measurement of the attitude towards visiting La and should only be used as a gauge to measure a trend. This measurement is not used to estimate actual visitor volume.

<b>Hospitality Industry Employment</b>	QTR	QTR	% +/-	QTR	QTR	QTR	% Change From Prev. Qtr.	% Change From Prev. Year
	2006-3	2005-3		2006-3	2006-2	2005-3		
	Employment	Employment		Units	Units	Units		
Arts, Entertainment, & Recreation	42,760	47,170	-9.3%	1,533	1,539	1,546	-0.4%	-0.8%
Accommodations and Food Services	156,016	166,634	-6.4%	8,242	8,262	8,239	-0.2%	0.0%

Notes: Units or total units, referred to in the tables of this publication, represent the number of establishments in the industry.

<b>Audubon Golf Trail</b>	1st Quarter	1st Quarter	% +/-	
	2007	2006		
Number of Rounds Played	54,888	50,822	8.0%	
Number of Courses Open	12	10	20.0%	

Notes: The TPC Louisiana reopened in July 2006; AGT also added Black Bear Golf Course and Atchafalaya Course at Idlewild in 2006.

(Sources: University of New Orleans, Statistics Canada, La. Dept. of Labor, and DCRT.)

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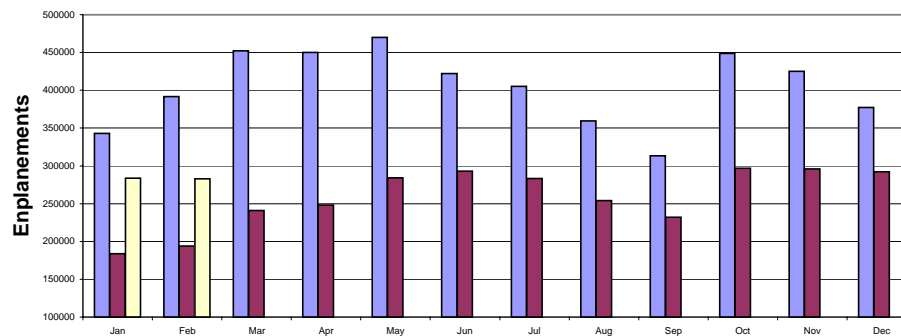
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Legend For All Graphs: 2004 = left bar (blue)(benchmark year), 2006 = middle bar (red), 2007 = right bar (yellow)

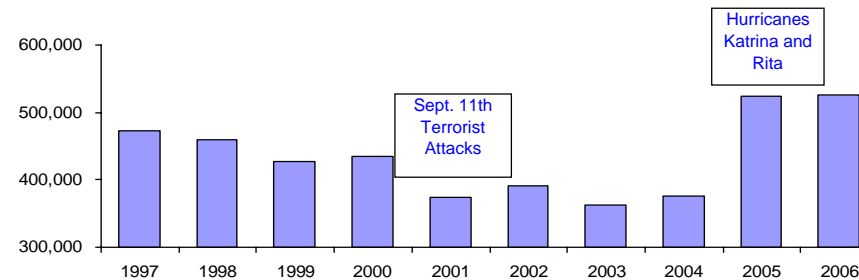
**Louisiana Airport Enplanements** - New Orleans International Airport continues to make slow progress. Seat capacity is still well below the number it had in 2004 but much better than last year. The improvement in seat capacity is the reason for February's 45.9% increase in enplanements over February 2006. Both the number of flights and the number of seats available will improve during the summer.

**New Orleans International Airport**



Activity at the Baton Rouge Metropolitan Airport has never been greater. When Hurricane Katrina damaged New Orleans and severely limited activity at the New Orleans International Airport, the Baton Rouge airport immediately became a beehive of activity. Over 500 thousand enplanements were recorded in both 2005 and 2006, which amounted to over 40% more than 2004. A decline in enplanements this year indicates that Baton Rouge may be leveling off as New Orleans increases its capacity. However, with the increase in population that resulted following the hurricanes, it is not likely that Baton Rouge's airport activity will not decline too greatly.

**Baton Rouge Metro Airport Enplanements, 1997-2006**

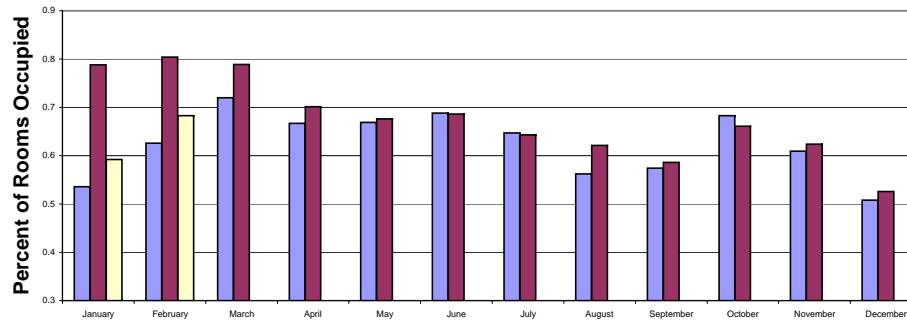


**Louisiana Lodging Trends** - February 2007 statistics for Louisiana were: Occupancy (68.3%): -14.8%; ADR (\$100.88): -0.5%; RevPar (\$68.91): -15.3%; Rooms Available: +6.3%; and Rooms Sold: -9.5%.

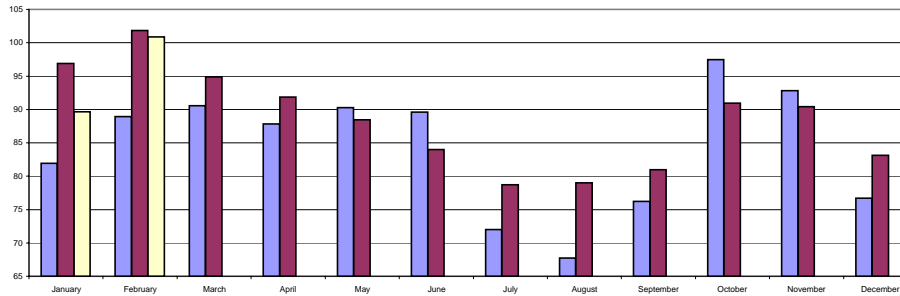
The number of hotels-motels in Louisiana now number approximately 676, 94% of the 718 hotel-motel properties that existed prior to the 2005 hurricanes. The number of rooms available now number approximately 73,400, 92% of what was available in July 2005. From a survey by the University of New Orleans, it was found that long term hurricane-related guests including residents took up 62.1% of the hotel rooms sold in January 2006 and gradually decreased to 12.9% in December 2006.

Their population, by December, had essentially left the upscale hotels but still took up 19.9% of the roomnights sold in midscale or economy hotels in the N.O. area. It is likely that some long term hurricane-related workers are still in the mix of hotel rooms in the N.O. area but this population will decline as N.O. recovers.

**Louisiana Hotel-Motel Occupancy Rate**



**Louisiana Average Daily Rate**

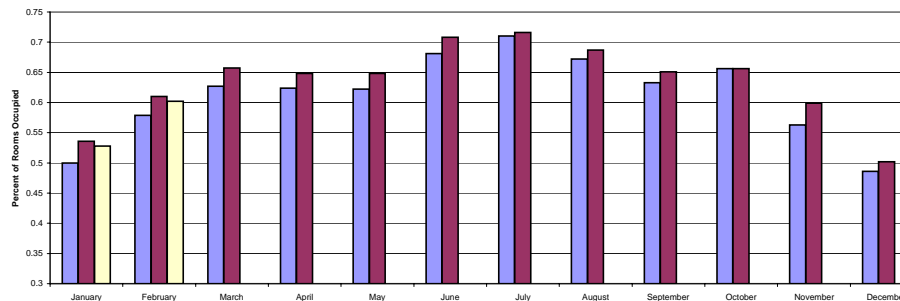


**U.S. Lodging Trends** - Domestic travel in January/February was down 0.3% from a year ago, based on hotel/motel room night demand. Nationally, resort demand was off 1.8%. Florida was down 3.3%.

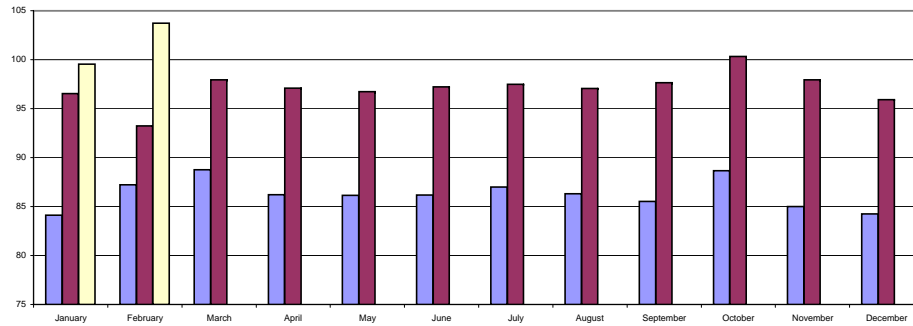
Hawaii was off more sharply at 10.3%. Domestic hotel/occupancy was at 56.3%, 1.5% off of 2006 but following a similar pattern to last year. RevPAR growth was a healthy 4.8%, driven totally by a gain in ADR of 6.4%.

Luxury and upscale properties, catering largely to high-end business travelers, are doing best, with room demand increases above a year ago. Hotel chains, whosmix include a high proportion of upscale/luxury properties, all project solid RevPAR gains this year.

**U.S. Occupancy Rates**

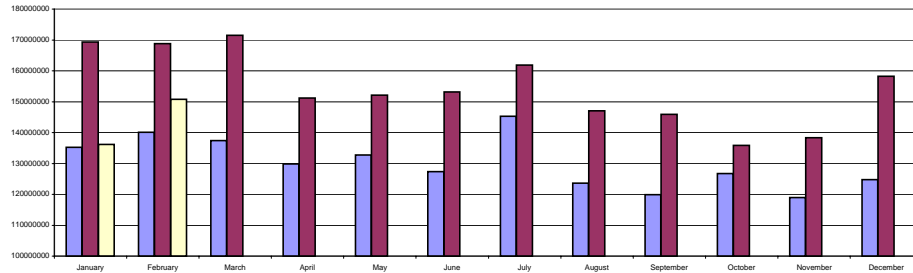


**U.S. Average Daily Rate**



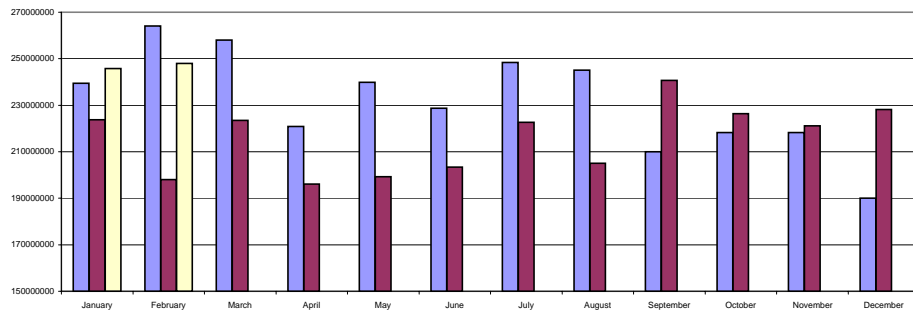
**Louisiana Gaming Indicators** - Harrah's in New Orleans has announced that 80 percent of the casino's revenue now comes from people who live within 50 miles of the casino. Prior to Hurricane Katrina only 40 percent of its revenue were from people living within 50 miles, while 20 percent came from people living from 50 to 250 miles away, and 40 percent came from those living beyond 250 miles away. In a study conducted by a consortium of Louisiana universities in 1998, similar percentages were found in the Lake Charles and Shreveport area casinos. However, in 1998 when Harrah's did not have its own hotel, the study found only a very small percentage of New Orleans area casinos had patrons who were from outside of the area.

**Louisiana Riverboat Adjusted Gross Revenue**



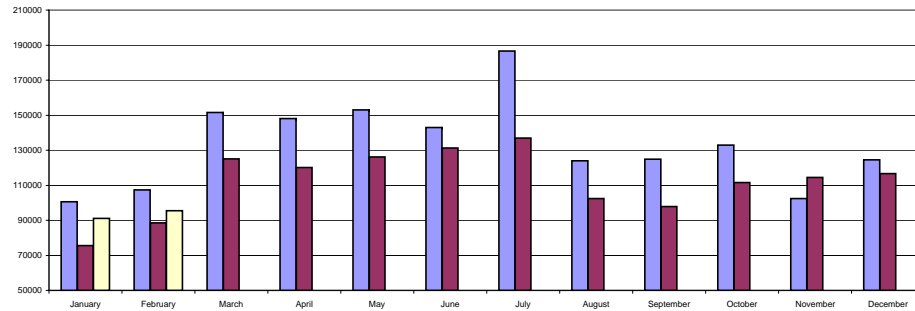
For the sixth straight month Mississippi's riverboat gaming revenue rose past the previous year's totals. Along the Mississippi Gulf Coast recovery has been strong as 10 casinos have reopened. Gross gaming revenue at these casinos in February 2007 totaled \$247.9 million compared to \$244.9 million in February 2005 which was prior to Hurricane Katrina when there were 12 casinos. Some industry analysts have suggested that Mississippi's gulf coast will join Las Vegas and Atlantic City as major casino destinations. Harrah's will announce plans for a major casino in Biloxi in May.

**Mississippi Riverboat Gross Gaming Revenue**



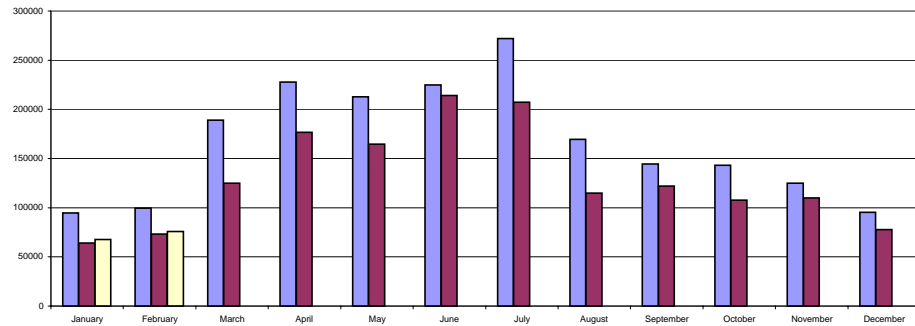
**State Welcome Center Visitors** - For the sixth straight month welcome center visitation increased over the same months of the previous year. This trend is a good sign as Louisiana continues to recover from decreased domestic and international visitors. All interstate highway centers except the Atchafalaya center experienced increased visitors during the month of February. Of the remaining centers, the New Orleans center experienced an increase while the State Capitol, Vidalia, and St. Francisville centers did not. The Capitol Park Center does not appear to have any effect on the attendance at the State Capitol as the CPC only recorded 214 visitors in February (or about 8 visitors per day). The new CPC has a long way to go compared to the Slidell Welcome Center which had almost 800 per day in February, one of its slowest months.

**Louisiana Welcome Center Visitors**



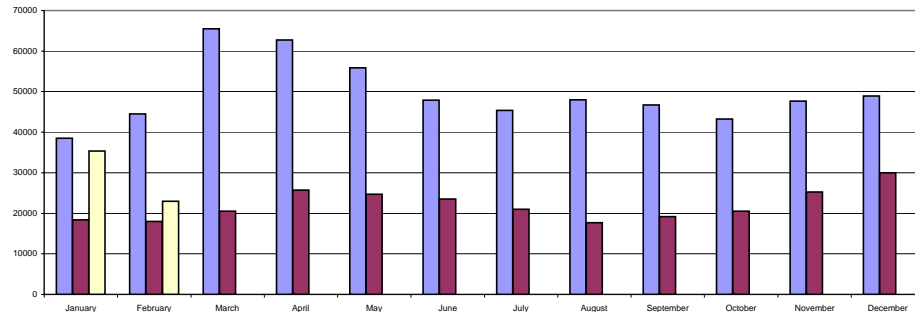
**Louisiana State Park Trends** - February is normally a slow month for State Parks and Historic Sites in Louisiana. Overall visitation increased by 3.4%. This increase was mainly due to increased day use at State Parks (+10,570) and increased visitors to State Historic Sites (+1,316). Overnight visitors declined by 1,984 (-4%). St. Bernard State Park reopened in December 2006, while Fort Pike State Historic Site continues to be closed due to damage suffered from Hurricane Katrina. In the near future Hodges Gardens State Park will open in Sabine Parish.

**La State Park and Historic Site Visitors**



**Jean Lafitte NHP Trends** - Attendance at Jean Lafitte NHP rose again for the six straight month. As the graph to the right shows, current attendance may be higher than last year, but still much lower than that of February 2004. In a recent article in Civil War Times magazine, a recognized writer noted a downward trend in visitors to historical museums over the last ten years. He reasoned that even though the national population has risen by 12 percent during this period, visitation to museums have declined. Another study of art museums attendance by Carnegie Mellon University found attendance to be virtually static during the same ten year period. Even though not every museum (historic or otherwise) has declining attendance, the trend may prove to be harder for Jean Lafitte NHP to return to pre-Katrina visitation levels, especially since the New Orleans area visitors have been slow to return.

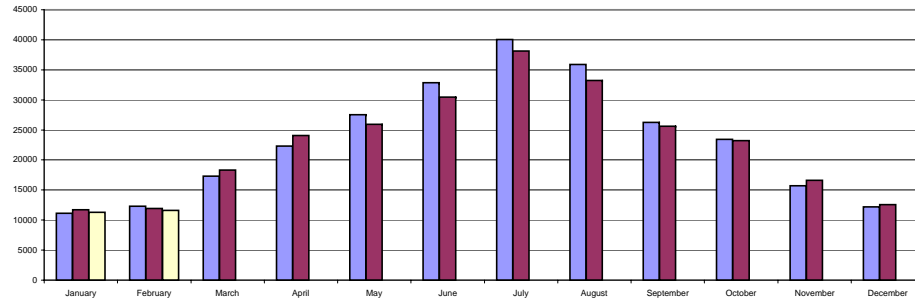
**Jean Lafitte NP Recreational Visits**





The National Park Service reported visitation to parks and historic sites nationwide were down for the second month in a row. A similar trend was experienced in May through August, the Park Service's peak months. Stiffer competition for leisure time is likely the main reason for declining attendance. Also, large theme parks and other destinations have huge promotion budgets while the National Park Service does not. There is also competition from increased leisure activities in or near the home from computer gaming, surfing the internet, and local waterparks. There's lots of speculation as to the reasons for the decline in parks and museum attendance but small towns tend to be suffering the most according to an article in USA Today (August 10, 2006). Will future trends also be affected by declining travel due to global warming? Some research in the U.K. say this trend is coming.

**National Park Service Visitors Nationwide**



**U.S. Consumer Confidence Index Trend** - The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households. The monthly survey is conducted for The Conference Board by TNS. TNS is the world's largest custom research company. The Conference Board Consumer Confidence Index has been climbing, helped by consumers' faith in the job market according to some experts. Economists closely monitor consumer confidence because consumer spending accounts for two-thirds of all U.S. economy activity.

**U.S. Consumer Confidence Index**

