

Travel Is An Economic Engine

U.S. TRAVEL
ASSOCIATION

Why Travel Matters to Idaho

Spending (\$ Billions)	Payroll (\$ Millions)	Jobs	Tax Receipts (\$ Millions)
\$3.0	\$475.3	24,600	\$488.9

Travel and Tourism Works for Idaho

- Domestic and international travelers to Idaho spent \$3.0 billion in 2009 and generated \$488.9 million to federal, state and local governments, dollars that help fund jobs and public programs such as police, firefighters, teachers, road projects and convention centers.
- The 24,600 jobs created by travelers to Idaho in 2009 represent 4 percent of the state's total non-farm employment.
- Without these jobs generated by domestic and international travel, Idaho's 2009 unemployment rate of 7.7 percent would have been 11 percent of the labor force.
- For every \$1 million spent in Idaho by domestic and international travelers 8 jobs are created.

2009 Data

Travel and Tourism is Critical to the U.S. Economy

Travel and tourism is one of America's largest industries

- Generated **\$1.8 trillion** in ECONOMIC OUTPUT, with \$759 billion spent directly by domestic and international travelers that spurred an additional \$1 trillion in other industries.
- Directly generated **\$118 billion** in TAX REVENUE for local, state and federal governments.
- Each U.S. household would pay **\$1,000 MORE IN TAXES** without the tax revenue generated by the travel and tourism industry.
- Direct spending by resident and international travelers in the U.S. averaged \$2 billion a day, \$86.6 million an hour, \$1.4 million a minute and \$24,000 a second.

Travel and tourism is America's largest services export industry

- **\$134 billion** in travel exports (including traveler spending in the U.S. and international passenger fare payments to U.S. carriers) and the...
- **\$103 billion** in travel imports (including U.S. residents' spending abroad and international passenger fares paid to foreign carriers) creates...
- **\$32 billion** in BALANCE OF TRAVEL TRADE SURPLUS for the U.S.

Travel and tourism is one of America's largest employers

- Supported **14 million JOBS**, including 7.4 million directly in the travel industry and 6.7 million in other industries.
- **\$188 billion** in travel-generated PAYROLL for those employed directly in U.S. travel industry.
- 1 of every 9 U.S. non-farm jobs is created directly or indirectly or is induced by travel and tourism.
- Travel is among the TOP 10 INDUSTRIES in 48 states and D.C. in terms of employment

2010 Data

IDAHO'S TOURISM INDUSTRY

IDAHO
DEPARTMENT OF LABOR

C.L. "Butch" Otter, Governor
Roger B. Madsen, Director



Communications and Research Division

Idaho's Tourism Industry

Fall 2011



C.L. "Butch" Otter, Governor
Roger B. Madsen, Director

Communications and Research
Georgia Smith, Deputy Director

Report prepared by
Robert Kabel, Senior Research Analyst

Acknowledgements

The Idaho Tourism Report was produced in collaboration with the Idaho Department of Commerce. Contributors included Bob Uhlenkott, chief research officer; Janell Hyer, research supervisor; Catherine Dickinson, senior research analyst; Jean Cullen, public information specialist; and Bob Fick, communications manager.

This publication is available online at <http://labor.idaho.gov/publications/tourism.pdf>.
For more information, contact Robert Kabel at (208) 332-3570 ext. 3886 or robert.kabel@labor.idaho.gov.

labor.idaho.gov/lmi

This publication is produced by the Idaho Department of Labor which is funded at least in part by federal grants from the U.S. Department of Labor. Costs associated with this publication are available by contacting the Idaho Department of Labor.

The Idaho Department of Labor is an Equal Opportunity Employer and Service Provider. We are committed to providing employment services and programs and will not discriminate on the basis of race, color, national origin, religion, political affiliation or belief, sex, age or disability.

Table of Contents

Key Findings ----- 6

Establishments (Business Location) ----- 6

Employment ----- 7

Wages ----- 13

Indirect Labor and Wage Impact ----- 14

Regional Summary ----- 15

Appendix A

Methodology ----- 17

List of Charts, Figures, Tables

Table 1. Regional Share of Tourism Establishments ----- 6

Table 2. Top Tourism Groups by Share of Establishments ----- 6

Chart 1. Idaho Employment ----- 7

Table 3. Top Tourism Groups by Share of Employment ----- 7

Table 4. Tourism—Peak Employment ----- 7

Figure 1. 2007-2010 Tourism Decline ----- 8

Chart 2. Regional Share of Tourism Employment ----- 8

Figure 2. Tourism Employment by County ----- 9

Chart 3. Location Quotient by Region ----- 10

Chart 4. Location Quotient by County ----- 11

Figure 3. Tourism Location Quotient by County ----- 12

Table 5. Share of Tourism Wages within County ----- 13

Table 6. Average Annual Wage (Ordered by \$ Amount) ----- 13

Table 7. Tourism Wages by Region (Ordered by % Change) ----- 13

Table 8. Regional Share of
 Indirect Jobs and Wages (Ordered by Jobs) ----- 14

Figure 4. Tourism Impact-Jobs -----14

Figure 5. Tourism Impact-Wages -----14

Appendix B—List of Additional Charts, Figures, Tables

Appendix Table 1. Bureau of Economic Analysis Tourism Groups and Ratios-----19

Appendix Table 2. NAICS by Bureau of Economic Analysis Tourism Group-----20

Appendix Table 3. Idaho Tourism by Group-----28

Appendix Table 4. Idaho Tourism by Area-----29

Appendix Table 5. Idaho Tourism Share of Total Wages -----30

Appendix Table 6. Tourism Industry Geographic Impact-----31

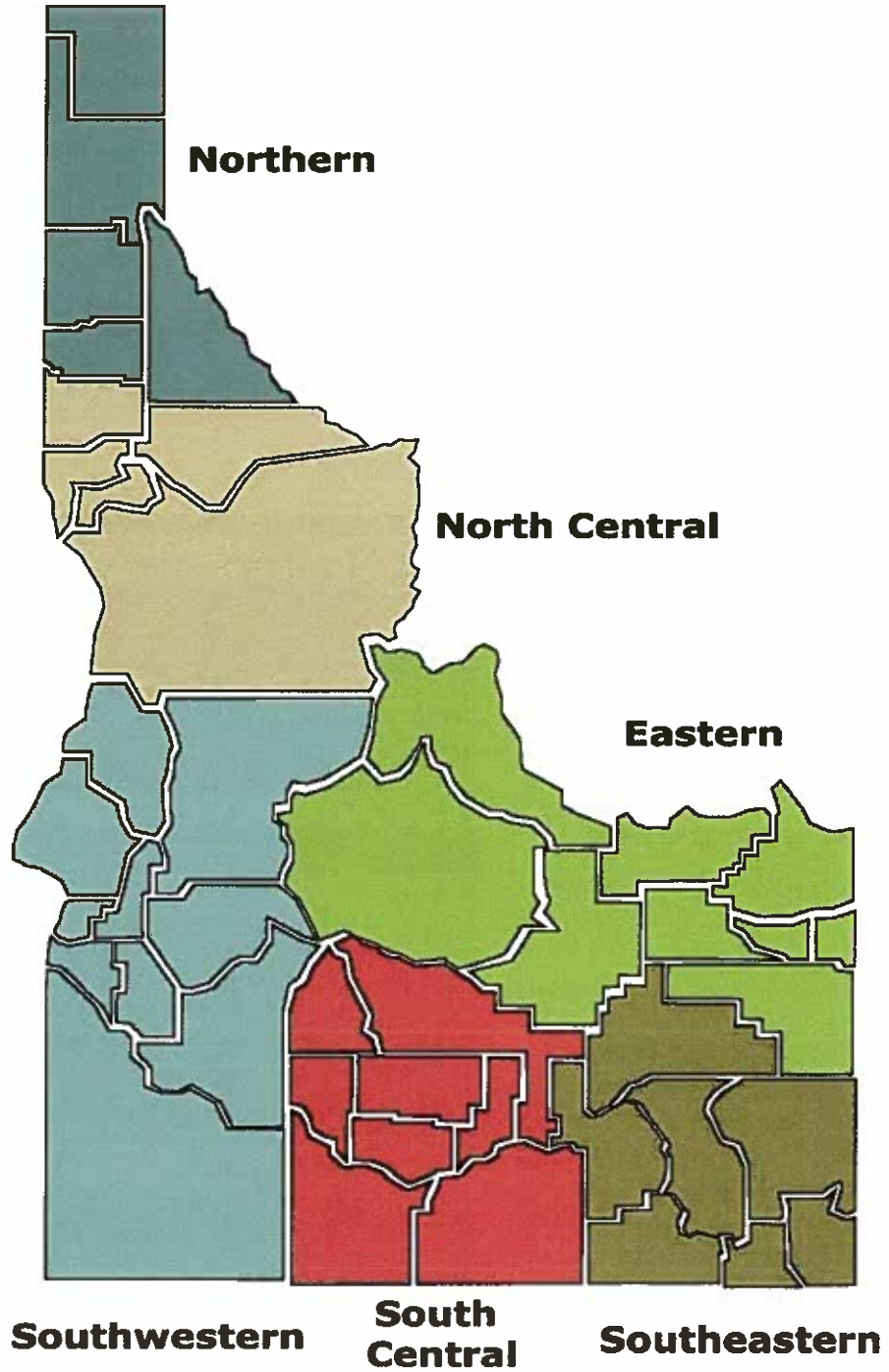
Appendix Table 3. Idaho Tourism by Group (17 X 11) -----32

Appendix Table 4. Idaho Tourism by Area (17 X 11) -----33

Appendix Table 7. Idaho Tourism by Area

(Idaho Department of Commerce Regions) -----34

Idaho Labor Market Regions



Idaho's Tourism Industries – 2011

Key Findings

Idaho's tourism industry encompasses almost 2,000 businesses with nearly 31,000 jobs that generate almost \$600 million in wages – 5 percent of total jobs and 2.4 percent of total wages. Indirectly, tourism helps support an estimated 12,700 non-tourism-related jobs. This brings the economic impact to over 43,700 jobs and around \$1 billion in wages. Tourism employment declined at a faster rate than employment overall after the recent recession began. From 2007 to 2010, Idaho's tourism jobs fell 10 percent while employment across all sectors dropped 8 percent. This disproportionate decline may be attributed to budget-strapped consumers foregoing luxuries like vacations and eating out – mainstays of the tourism economy.

This report is the result of an agreement between the Idaho Department of Commerce and the Idaho Department of Labor. The goal is to develop a valid process to estimate the economic impact of tourism on Idaho's economy for the study period of 2004 through 2010. The June 2011 agreement was developed by analysts and administrators from both agencies, meeting over several weeks in a notable example of collaboration that produced great value for both agencies and their stakeholders.

Establishments (Business Location)

An estimated 2,000 businesses, or 4 percent of all Idaho businesses, are engaged in tourism. [Table 1](#) shows the regional share of these tourism establishments. Of the 2,000 establishments engaged in tourism, 38 percent are in southwestern Idaho, 16 percent are in northern Idaho, 15 percent in eastern Idaho, 13 percent in south central Idaho, 9 percent in southeastern Idaho and 8 percent in north central Idaho.

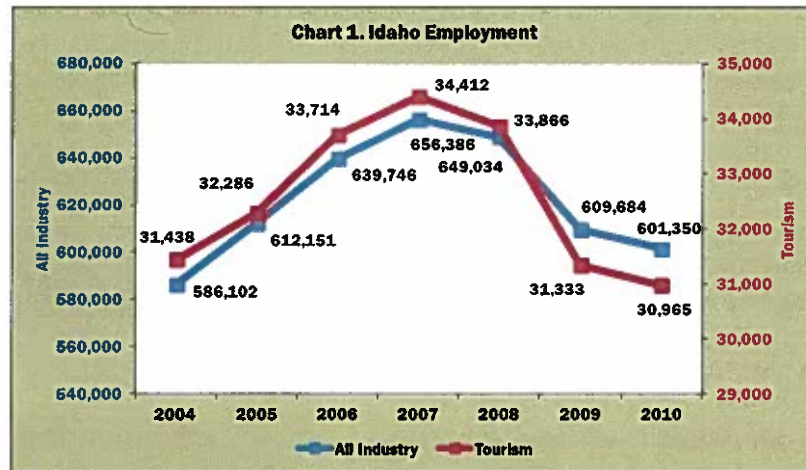
Over a quarter of all tourism establishments are food services or drinking places. An additional 18 percent are involved in traveler accommodations such as hotels, campgrounds and RV parks while 11 percent are in recreational activities such as operating skiing facilities, golf courses and sports centers. Eight percent are involved in retail trade for tourism. The remaining 35 percent of establishments are accounted for under the other 20 tourism groups not mentioned in [Table 2](#) but can be seen in [Appendix Table 3](#).

Area	2004	2006	2008	2010
Northern	16%	16%	17%	16%
North Central	9%	9%	8%	8%
Southwestern	37%	38%	38%	38%
South Central	14%	14%	13%	13%
Southeastern	9%	9%	9%	9%
Eastern	14%	15%	15%	15%
Idaho	100%	100%	100%	100%

Group	Percent
Food Services and Drinking Places	28%
Traveler Accommodations	18%
Participant Sports	11%
Retail Trade Services, Excluding Gasoline Service Stations	8%



Idaho Tourism



Employment

Since 2004, tourism has accounted for 5 percent of Idaho's jobs. As seen in Table 3, over a quarter of these tourism jobs are at food services and drinking places. An additional 20 percent are in traveler accommodations such as hotels, campgrounds and RV parks. These two groups account for nearly half of all Idaho's tourism-related employment and half of the jobs lost from 2007 to 2010. Participant sports account for another 12 percent and retail trade 8 percent. The rest of the tourism jobs – just over a third – are spread across 20 smaller industry subsectors.

Group	%
Food Services and Drinking Places	26%
Traveler Accommodations	20%
Participant Sports	12%
Retail Trade Services, Excluding Gasoline Service Stations	8%

In 2007, when both tourism and all Idaho employment peaked, 34,400 people worked in tourism. From 2007 to 2010, all employment decreased 8 percent and tourism employment decreased 10 percent to just under 31,000. Of the six regions, southwestern, southeastern and eastern Idaho tourism employment also peaked in 2007 while north central and south central peaked in 2006 a year earlier and northern Idaho a year later. See Table 4.

Area	2004	2005	2006	2007	2008	2009	2010
Northern	5,492	5,686	5,967	6,177	6,225	5,691	5,538
North Central	2,330	2,376	2,410	2,354	2,286	2,180	2,171
Southwestern	12,795	13,192	13,845	14,257	13,816	12,441	12,189
South Central	4,238	4,343	4,442	4,308	4,382	4,261	4,284
Southeastern	2,716	2,842	2,904	2,930	2,911	2,790	2,770
Eastern	3,868	3,847	4,145	4,385	4,245	3,971	4,014
Idaho	31,438	32,286	33,714	34,412	33,866	31,333	30,965



5%

Employment

Every region experienced employment decreases from 2007 through 2010, but southwestern Idaho was hit the hardest followed by the northern, eastern, north central, southeastern and then south central Idaho. The south central region had the fewest tourism job losses at just 24, partly due to this area starting to shed jobs a year earlier.

The rate of employment decline was greatest from 2008 to 2009. During this time, the southwestern region experienced the largest drop at 10 percent, or 1,400 tourism jobs. Northern Idaho was next with a loss of 8.6 percent, or 530 jobs. The eastern, north central, southeastern and south central regions followed with Idaho experiencing a total loss of 2,500 jobs, or about 70 percent of the overall recession loss, in that one year. Statewide, the job declines slowed to 1 percent from 2009 to 2010 both overall and in tourism. Each region also experienced smaller reductions in tourism jobs. Northern Idaho had the highest at 2.7 percent and north central the lowest at 0.4 percent.

Chart 2 shows the regional share of tourism employment while Figure 2 on page 9 shows the employment ranges by county. The southwestern region is the state's most populous with the largest share of tourism jobs at 39 percent.

Although Chart 2 does show the share of tourism employment for the six regions, it does not reveal how concentrated tourism jobs are in each area.

The concentration can start to reveal which areas specialize in tourism and are more dependent on outside dollars coming into the area from tourists.

For example, the southwestern region employs 39 percent of Idaho's tourism workers, but the regional location quotient is 0.88, meaning the concentration of tourism jobs is below

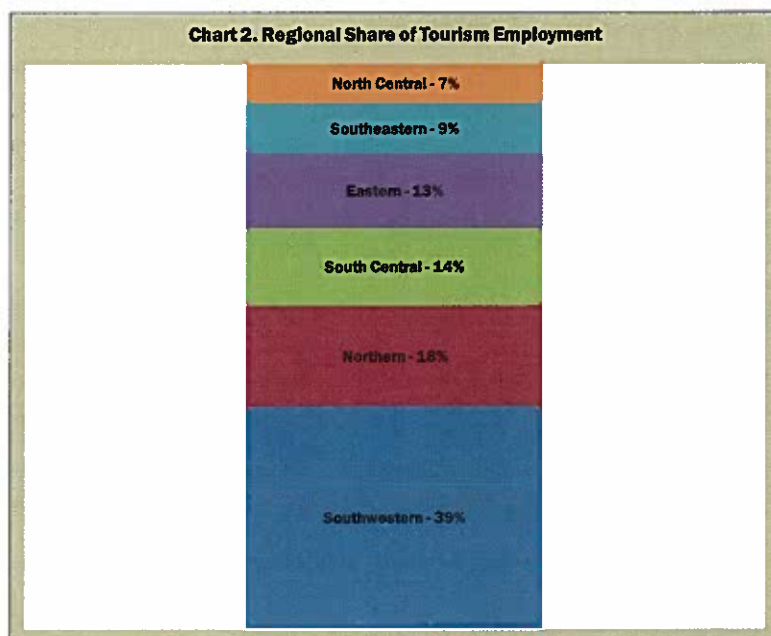
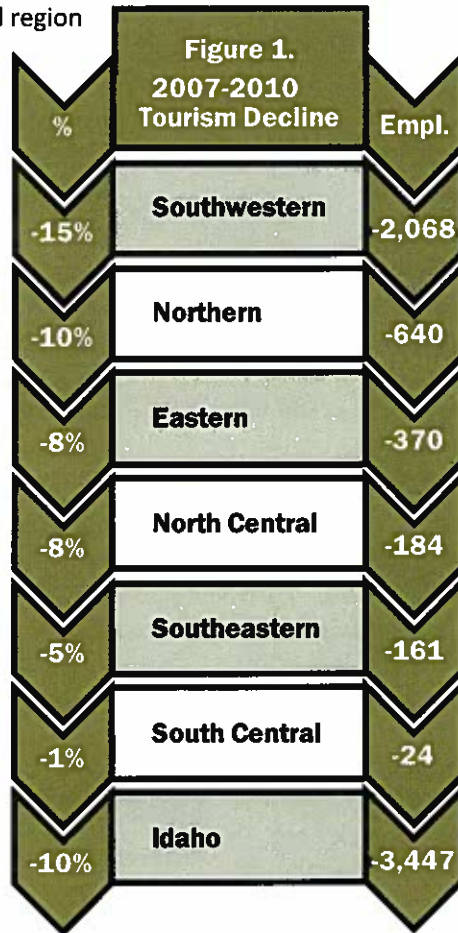
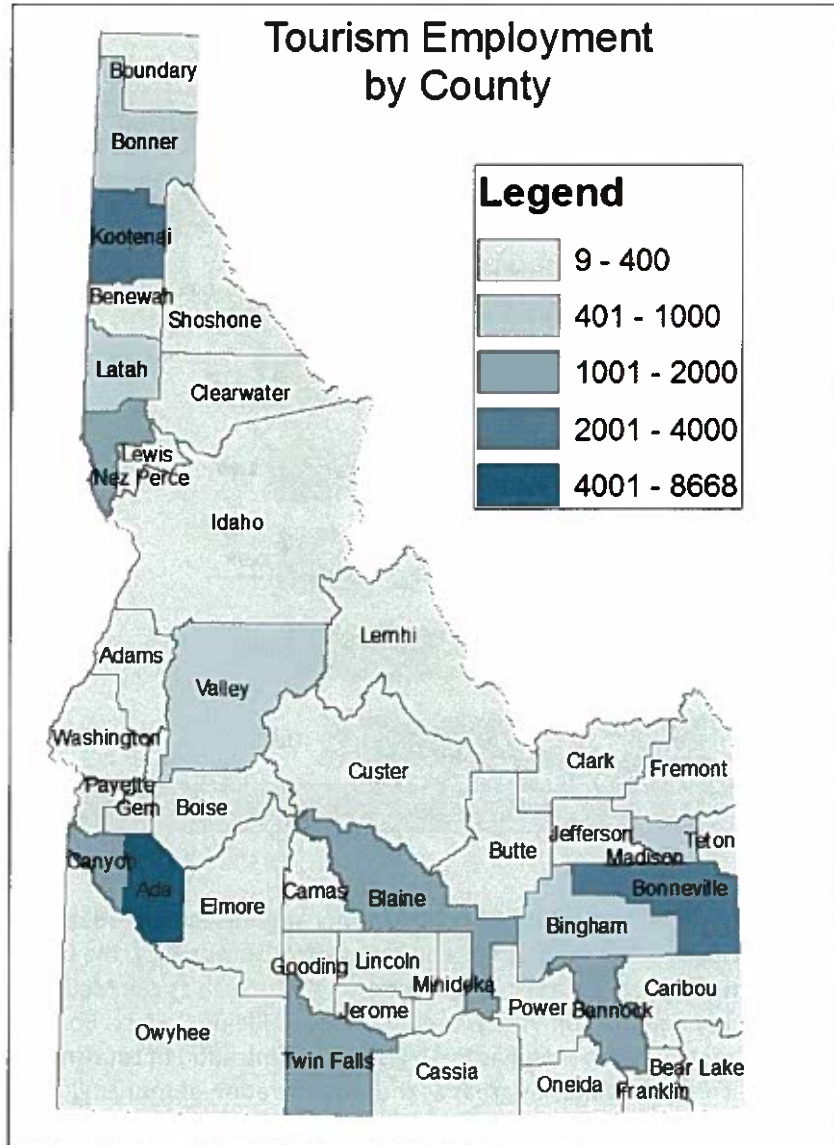


Figure 2.



the state average. As seen in **Chart 3**, tourism jobs are concentrated in the northern, south central and north central regions, all regions with a location quotient greater than one. But as seen in **Chart 2**, these three regions only account for around 40 percent of tourism employment.

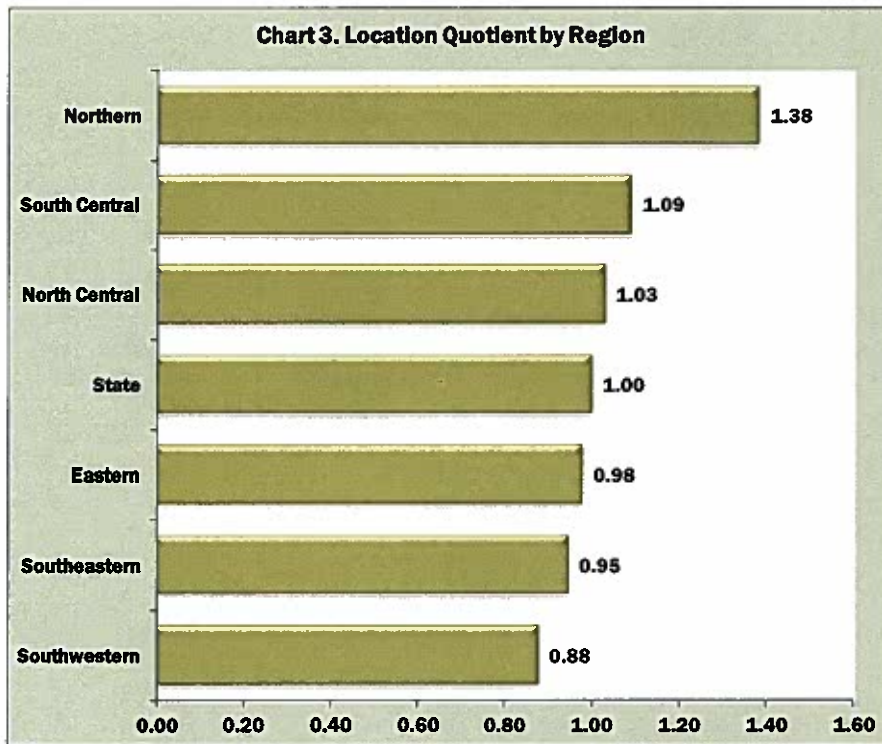


Chart 4 on page 11 shows location quotient by county and the associated region. **Figure 3** on page 12 shows location quotient ranges by county. Not surprisingly, the highest concentrations of tourism employment are in popular destinations such as the McCall-Donnelly area of Valley County and the Sun Valley-Ketchum area of Blaine County. Boise County in the Boise-Nampa metropolitan area has the highest concentration of tourism-related employment – three and a half times as great as the concentration of tourism jobs in Idaho’s overall economy. This is primarily due to employment at the Bogus Basin ski area – the county’s largest employer and less than an hour from downtown Boise.

Despite natural tourist attractions such as the Craters of the Moon National Monument and Preserve in parts of Butte county and historic landmarks in Clark county, both have the lowest location quotient for tourism employment. This low concentration of tourism employment makes sense since Butte County has a high level of professional, scientific and technical services jobs at the Idaho National Laboratory and Clark County, with a small labor force and population, is known more for agriculture, livestock and related industries.

Chart 4. Location Quotient by County

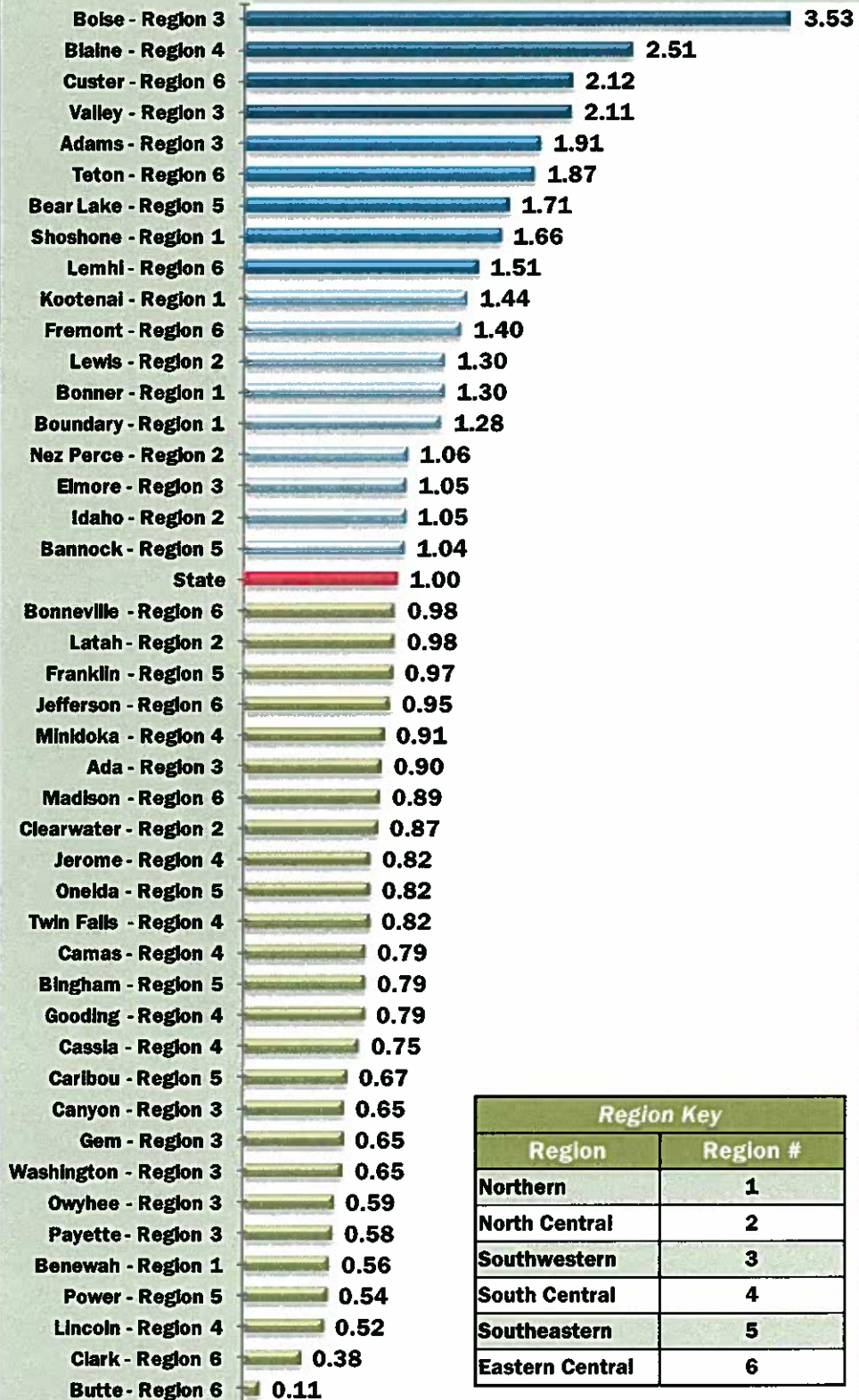
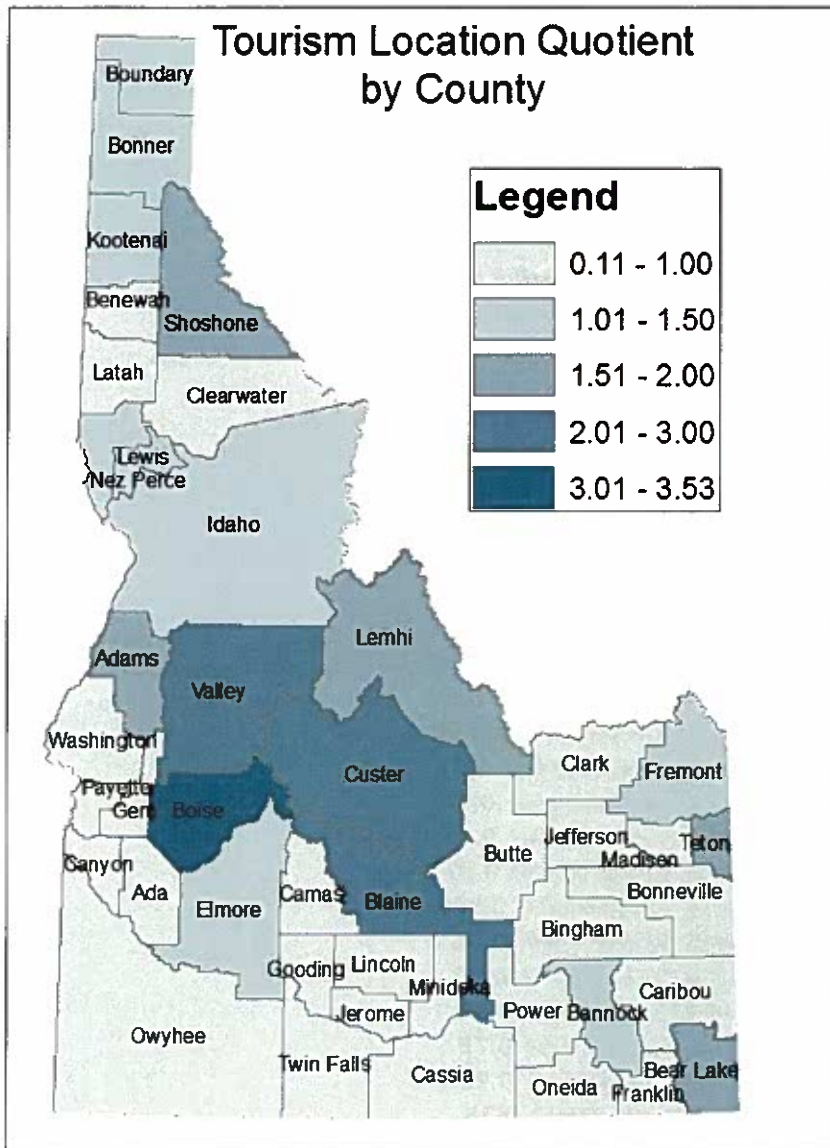


Figure 3.





2.4%

Wages

Wages

Statewide, wages paid to workers in a tourism industry accounted for 2.4 percent of all wages. The tourism share in individual counties varies. Adams, Blaine, Boise and Valley counties each pull 5 percent or more of their total wages directly from tourism as Table 5 shows. In the other 40 counties, tourism contributes less than 5 percent and, for most, less than 3 percent. Boise, Adams, Blaine, Lewis and Bear Lake counties all experienced an increase in the contribution of tourism to total wages over a five-year period while the remaining counties either saw the share of tourism wages decrease or remain the same. Statewide tourism decreased a tenth of a percent to 2.4 percent.

Top 5		Bottom 5	
BOISE	9.6%	LINCOLN	1.2%
BLAINE	7.8%	CLARK	1.1%
VALLEY	7.1%	PAYETTE	1.1%
ADAMS	5.2%	BENEWAH	1.0%
TETON	4.3%	BUTTE	0.1%

Area	2010
Idaho Average Annual Wage	\$34,700
Tourism Average Annual Wage	\$19,100
Southwestern	\$20,500
South Central	\$19,900
Northern	\$19,100
North Central	\$17,200
Eastern	\$16,600
Southeastern	\$16,500

Since tourism accounts for 5 percent of Idaho employment but only 2.4 percent of Idaho wages and is seasonal as well, it is no surprise to see lower-than-average wages. Idaho's average annual wage is just under \$35,000 per year. The tourism average annual wage is \$19,100.

Southwestern Idaho had the highest average annual tourism wage yet this area also showed the slowest five-year wage growth at 6 percent. The eastern and southeastern regions had the lowest average annual tourism wage at \$16,600 and \$16,500 but five-year wage growth over 10 percent.

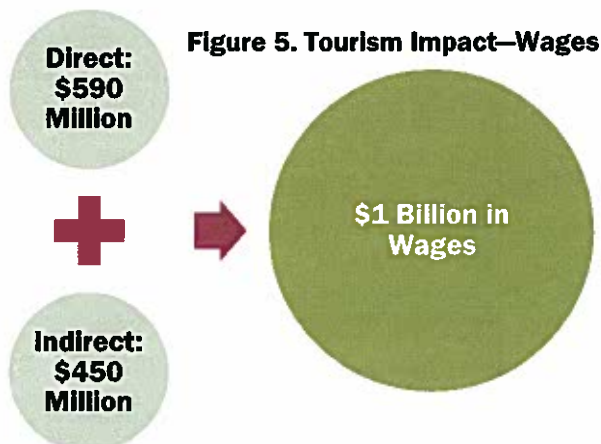
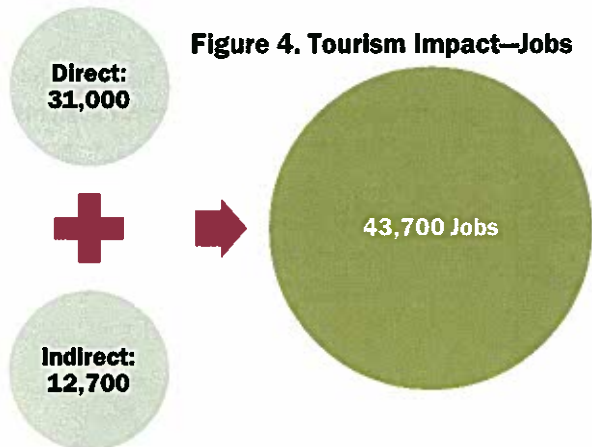
Area	2005	2010	% Change
Eastern	\$55,839,886	\$66,446,811	19%
South Central	\$76,704,287	\$85,203,547	11%
Northern	\$95,349,430	\$105,814,775	11%
Southeastern	\$42,228,409	\$45,811,979	8%
North Central	\$35,496,690	\$37,323,270	5%
Southwestern	\$254,059,791	\$249,735,441	-2%
Total Wages	\$559,678,493	\$590,335,824	5%

Indirect Labor and Wage Impact

Every economic sector has a certain amount of impact on unrelated industries. For example, the wages paid to a hotel worker in Blaine County are spread throughout the local economy adding partial support to a multitude of non-tourism industries. Because of this, these non-tourism employers are able to pay staff and order goods and services to supply the needs of the hotel worker. By aggregating the effects of Idaho's tourism jobs with non-tourism jobs, tourism is estimated to support an extra 12,700 jobs and add an additional \$450 million in wages to Idaho's economy.

Table 8 lists the share of these additional jobs and wages by region.

Table 8. Regional Share of Indirect Jobs and Wages (Ordered by Jobs)		
Area	Jobs	Wages
Southwestern	43%	50%
Northern	21%	20%
South Central	13%	11%
Eastern Central	10%	9%
Southeastern	8%	6%
North Central	5%	4%
Total Impact	100%	100%



Regional Summary

Northern Idaho – Benewah, Bonner, Boundary, Kootenai and Shoshone Counties

- Largest County Jobs Multiplier – Bonner/Kootenai at 1.43
- Total Tourism Wages – \$106 million
- Total Tourism Employment – 5,538
- Regional Location Quotient – 1.38
- Largest County Location Quotient – Shoshone at 1.66



North Central Idaho – Clearwater, Idaho, Latah, Lewis and Nez Perce Counties

- Largest County Jobs Multiplier – Idaho at 1.31
- Total Tourism Wages – \$37 million
- Total Tourism Employment – 2,171
- Regional Location Quotient – 1.03
- Largest County Location Quotient – Lewis at 1.30



Southwestern Idaho – Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley and Washington Counties

- Largest County Jobs Multiplier – Ada at 1.41
- Total Tourism Wages – \$250 million
- Total Tourism Employment – 12,189
- Regional Location Quotient – 0.88
- Largest County Location Quotient – Boise at 3.53



South Central Idaho – Blaine, Camas, Cassia, Minidoka, Twin Falls, Gooding, Jerome and Lincoln Counties

- Largest County Jobs Multiplier – Twin Falls at 1.43
- Total Tourism Wages – \$85 million
- Total Tourism Employment – 4,284
- Regional Location Quotient – 1.09
- Largest County Location Quotient – Blaine at 2.51



Southeastern Idaho – Bingham, Bannock, Bear Lake, Caribou, Franklin, Oneida and Power Counties

- Largest County Jobs Multiplier – Bannock at 1.35
- Total Tourism Wages – \$46 million
- Total Tourism Employment – 2,770
- Regional Location Quotient – 0.95
- Largest County Location Quotient – Bear Lake at 1.71



Eastern Idaho – Bonneville, Butte, Custer, Jefferson, Clark, Madison, Fremont, Teton and Lemhi Counties

- Largest County Jobs Multiplier – Lemhi at 1.42
- Total Tourism Wages – \$66 million
- Total Tourism Employment – 4,014
- Regional Location Quotient – 0.98
- Largest County Location Quotient – Custer at 2.12



Appendix A

Methodology

Employment

Employment data in this report came from official Idaho Department of Labor Quarterly Census of Employment and Wages data and the U.S. Census Bureau's Nonemployer Statistics. Only Labor Department data for establishments with an assigned county were used. These account for 99 percent of all data. The nonemployer data was assigned a North American Industry Classification System industry code where possible. These data were then organized by industry code, region and county and summed. Then the Bureau of Economic Analysis satellite account tourism taxonomy and tourism employment ratios were applied. For the years 2007 through 2010, 2007 nonemployer data were used due to the lack of disclosable cells in the more recent years. In addition, 2005 nonemployer data were used for the year 2004. A detailed explanation of nonemployer data is at <http://www.census.gov/econ/nonemployer/methodology.htm>.

Establishments

Establishment data within this report came from official Idaho Department of Labor Quarterly Census of Employment and Wages. These data were organized by industry code, region and county and then the Bureau of Economic Analysis tourism satellite account taxonomy and tourism employment ratios were applied. For the purposes of this analysis, the Bureau of Economic Analysis employment ratios were applied directly to establishment data. Actual establishments may not be proportionally representative of employment.

Wages

Wage data within this report came from official Idaho Department of Labor Quarterly Census of Employment and Wages. These data were organized by industry code, region and county and summed. For the purposes of this analysis, the Bureau of Economic Analysis tourism employment ratios were applied directly to Labor Department wage data, and then average wage by county or tourism group was proportionally applied to the nonemployer data. Actual wages may not be proportionally representative of employment.

Location Quotient

The location quotient is the regional concentration for the county or region divided by the regional concentration for Idaho as a whole. This is defined as $(X/Y) / (X'/Y')$

Where

X = Tourism Employment by defined area (County or Region);

Y = Total Employment (County or Region)

X' = Total Tourism Employment (State)

Y' = Total Employment (State)

The location quotient can help determine which areas have a high concentration of

employment in the tourism industry. For the purposes of this report, the six Idaho regions were compared to Idaho as a whole. It is important to keep in mind that Idaho may have a higher tourism location quotient compared to the nation.

NAICS Taxonomy and Ratios

The tourism industry definition for this analysis uses the tourism satellite account taxonomy developed by the Bureau of Economic Analysis to identify a more finite or detailed tourism industry for Idaho. Idaho Department of Labor staff updated the Bureau of Economic Analysis North American Industry Classification System taxonomy to match 2007 industry codes, the current system in use. The industry code taxonomy was then categorized into 24 Bureau of Economic Analysis tourism groups. These 24 groups contain the tourism ratios used in this analysis. These ratios are directly carried over from the bureau's model — in essence, national ratios were applied to Idaho — and in further research could be adjusted to define more specifically the impact of tourism in Idaho. More information on the bureau's satellite accounts is at http://www.bea.gov/industry/tourism_data.htm.

Labor and Wage Impact

The economic multipliers used in this analysis are from the Economic Modeling Specialist Inc. input/output model. Indirect economic impact outside the tourism cluster was used to estimate existing indirect economic impact. Tourism multipliers are larger when accounting for new direct impact and disinvestment within the sector as that would also include new indirect impact inside the tourism cluster. The Bureau of Economic Analysis tourism employment ratios were applied to the input/output model to develop the tourism economic multipliers. These figures were then applied to Quarterly Census of Employment and Wages and Census Bureau nonemployer data to establish the existing economic impact in terms of jobs and wages. The results show the impact on non-tourism jobs and wages. Analysis was by individual six-digit industry code multipliers and individual geographies. Because of this, the counties will not add to the regions and the regions will not add to the state.

Idaho Regions

Appendix Table 7 lists Idaho's tourism statistics for employment, establishments and wages for the Idaho Department of Commerce regions. The Idaho Department of Labor organizes Idaho's 44 counties into six regions while the Idaho Department of Commerce organizes them into seven regions. The classification of northern, north central, southwestern and southeastern regions remains identical between the two agencies. The difference in organization comes from commerce's seventh region—central Idaho. Commerce's central region includes Butte, Custer and Lemhi counties from eastern Idaho and Blaine and Camas counties from south central Idaho.