

ECONOMIC IMPACT OF VISITORS IN NEW YORK 2020

Adirondacks Focus



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INTRODUCTION

The travel sector is an integral part of the New York economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of New York's future. How critical? Even in 2020, visitor spending neared \$34 billion.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for New York as it continues to expand upon its visitor economy, and by establishing a baseline of economic impacts, the industry can track its progress over time.

To quantify the economic significance of the tourism sector in New York, Tourism Economics has prepared a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for the state of New York. The model traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

The value of seasonal and second homes was estimated based on census data for seasonal units and estimated gross rents.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), Bureau of Economic Analysis. This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- Longwoods International: survey data, including spending profile characteristics for visitors to New York
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: Lodging performance data, including room demand, room rates, occupancy, and room revenue
- Tax collections: Lodging and sales tax receipts
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to New York based on aviation, survey, and credit card information

REGIONAL DETAIL FOR THE ADIRONDACKS

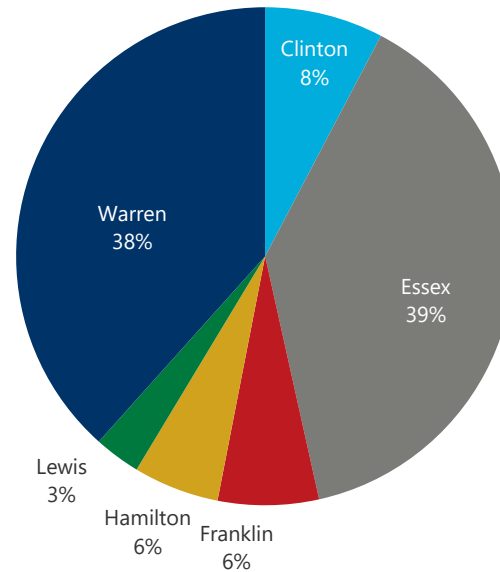
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County distribution

In 2020, visitor spending and tourism-related employment fell to \$1.3 billion and 16,991 jobs, respectively. The decline in direct spend of 15% relative to 2019 was the smallest across New York State, highlighting visitors' preference for outdoor and rural vacation destinations during the height of the pandemic.

Essex County—home to numerous outdoor recreational activities—was the only county in the State of New York to not experience a decline in visitor spend in 2020. Essex County (39%) overtook Warren County (38%) to become the leading generator of visitor spending in 2020 in the Adirondacks region.

Visitor Spending by County
Percentage of Adirondacks visitor spend



Source: Tourism Economics

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Total tourism impact

Tourism Economic Impact

Dollar amounts in millions of nominal dollars, employment in persons
Combined direct, indirect, and induced

| | Direct Sales | Labor Income | Employment, Persons | Local Taxes | State Taxes |
|--------------|------------------|-----------------|------------------------|----------------|----------------|
| Total | \$1,310.3 | \$643.6 | 16,991 | \$100.0 | \$75.6 |
| Clinton | \$100.8 | \$59.6 | 1,898 | \$8.8 | \$6.2 |
| Essex | \$508.7 | \$214.3 | 4,871 | \$34.0 | \$26.3 |
| Franklin | \$85.8 | \$52.5 | 1,958 | \$6.5 | \$5.3 |
| Hamilton | \$73.0 | \$27.5 | 703 | \$4.9 | \$4.5 |
| Lewis | \$39.4 | \$15.4 | 558 | \$3.2 | \$2.4 |
| Warren | \$502.6 | \$274.3 | 7,003 | \$42.7 | \$30.9 |

Source: Tourism Economics

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Traveler spending

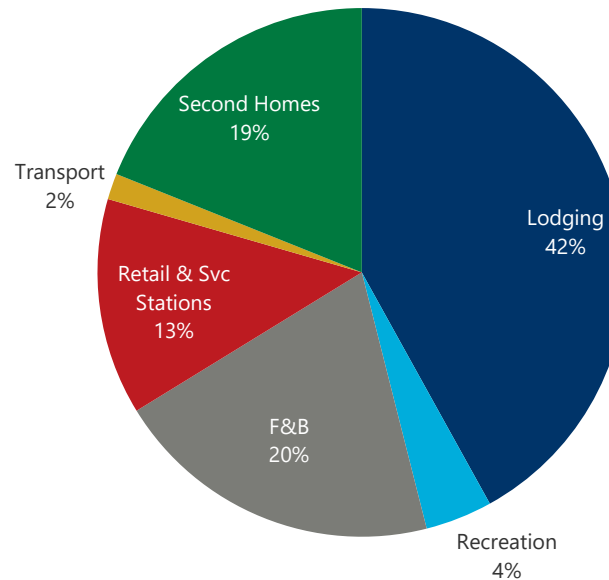
Travelers spent \$1.3 billion in the Adirondacks in 2020 across a diverse range of sectors.

Spending on lodging and food & beverages increased to 42% and 20% of total visitor spending, respectively.

For Essex County, direct spending on lodging and seasonal second homes increased by 17% and 3% relative to 2019, respectively.

Across the Adirondacks, seasonal second home spending also generates significant economic activity in the region, tallying \$248 million.

Visitor Spending by Sector
Percentage of Adirondacks visitor spend



Source: Tourism Economics

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Total tourism impact

Traveler Spending

Amounts in millions of nominal dollars

| | Lodging | Recreation | F&B | Retail & Svc Stations | Transport | Second Homes | Total |
|--------------|----------------|---------------|----------------|--------------------------|---------------|-----------------|------------------|
| Total | \$549.7 | \$53.7 | \$264.5 | \$173.5 | \$20.8 | \$248.1 | \$1,310.3 |
| Clinton | \$30.8 | \$2.9 | \$28.7 | \$14.2 | \$8.6 | \$15.6 | \$100.8 |
| Essex | \$248.7 | \$32.7 | \$82.4 | \$80.3 | \$3.6 | \$61.0 | \$508.7 |
| Franklin | \$18.0 | \$4.9 | \$21.4 | \$10.5 | \$0.1 | \$31.0 | \$85.8 |
| Hamilton | \$14.5 | \$2.0 | \$7.2 | \$5.4 | \$0.2 | \$43.7 | \$73.0 |
| Lewis | \$3.9 | \$0.4 | \$4.5 | \$1.8 | \$0.0 | \$28.8 | \$39.4 |
| Warren | \$233.8 | \$10.8 | \$120.3 | \$61.3 | \$8.4 | \$68.1 | \$502.6 |

Source: Tourism Economics

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Regional growth

| Traveler Spend | | | | | 2020 |
|--|----------------|----------------|----------------|----------------|---------------|
| Amounts in millions of nominal dollars | | | | | Growth |
| | 2017 | 2018 | 2019 | 2020 | |
| Total | \$1,422 | \$1,491 | \$1,541 | \$1,310 | -15.0% |
| Clinton | \$136 | \$142 | \$148 | \$101 | -32.1% |
| Essex | \$471 | \$495 | \$508 | \$509 | 0.1% |
| Franklin | \$88 | \$98 | \$102 | \$86 | -16.2% |
| Hamilton | \$80 | \$83 | \$83 | \$73 | -11.6% |
| Lewis | \$44 | \$44 | \$46 | \$39 | -13.5% |
| Warren | \$603 | \$629 | \$655 | \$503 | -23.2% |

| State Taxes | | | | | 2020 |
|---|-----------------|-----------------|-----------------|-----------------|---------------|
| Amounts in thousands of nominal dollars | | | | | Growth |
| | 2017 | 2018 | 2019 | 2020 | |
| Total | \$78,189 | \$81,302 | \$84,498 | \$75,558 | -10.6% |
| Clinton | \$7,503 | \$7,729 | \$8,134 | \$6,198 | -23.8% |
| Essex | \$25,897 | \$26,988 | \$27,849 | \$26,276 | -5.6% |
| Franklin | \$4,847 | \$5,348 | \$5,613 | \$5,274 | -6.0% |
| Hamilton | \$4,378 | \$4,526 | \$4,526 | \$4,487 | -0.9% |
| Lewis | \$2,426 | \$2,422 | \$2,497 | \$2,422 | -3.0% |
| Warren | \$33,139 | \$34,290 | \$35,879 | \$30,901 | -13.9% |

| Local Taxes | | | | | 2020 |
|---|-----------------|------------------|------------------|------------------|---------------|
| Amounts in thousands of nominal dollars | | | | | Growth |
| | 2017 | 2018 | 2019 | 2020 | |
| Total | \$99,599 | \$101,585 | \$104,448 | \$100,033 | -4.2% |
| Clinton | \$9,208 | \$9,245 | \$9,510 | \$8,772 | -7.8% |
| Essex | \$33,110 | \$34,124 | \$34,961 | \$33,976 | -2.8% |
| Franklin | \$6,148 | \$6,746 | \$7,063 | \$6,525 | -7.6% |
| Hamilton | \$5,099 | \$5,097 | \$5,193 | \$4,912 | -5.4% |
| Lewis | \$3,360 | \$3,287 | \$3,366 | \$3,154 | -6.3% |
| Warren | \$42,673 | \$43,085 | \$44,354 | \$42,694 | -3.7% |

Source: Tourism Economics

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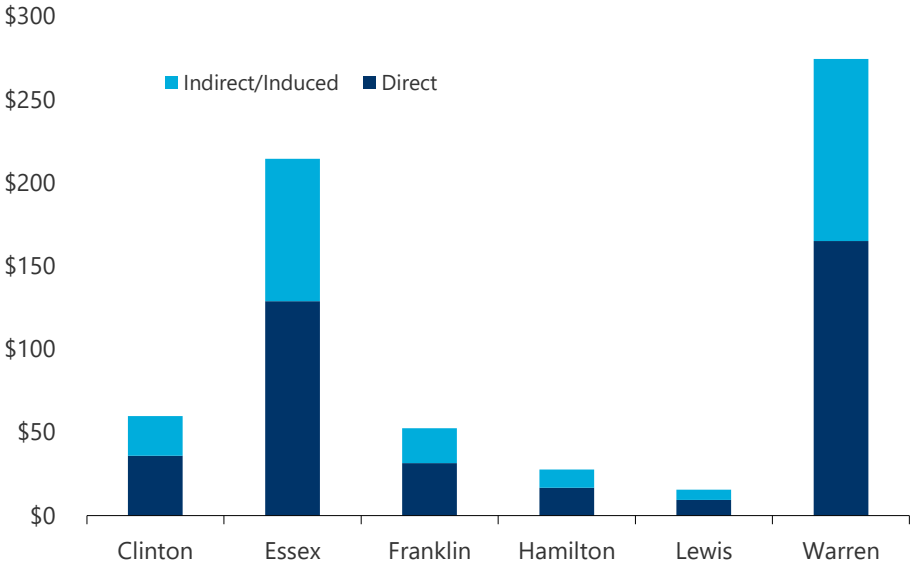
Labor income

Tourism in the Adirondacks region generated \$387 million in direct labor income and \$644 million including indirect and induced impacts.

Total labor income including indirect and induced impacts is the most significant in Warren County at \$274 million.

Tourism-Generated Labor Income

Amounts in millions of nominal dollars



Source: Tourism Economics

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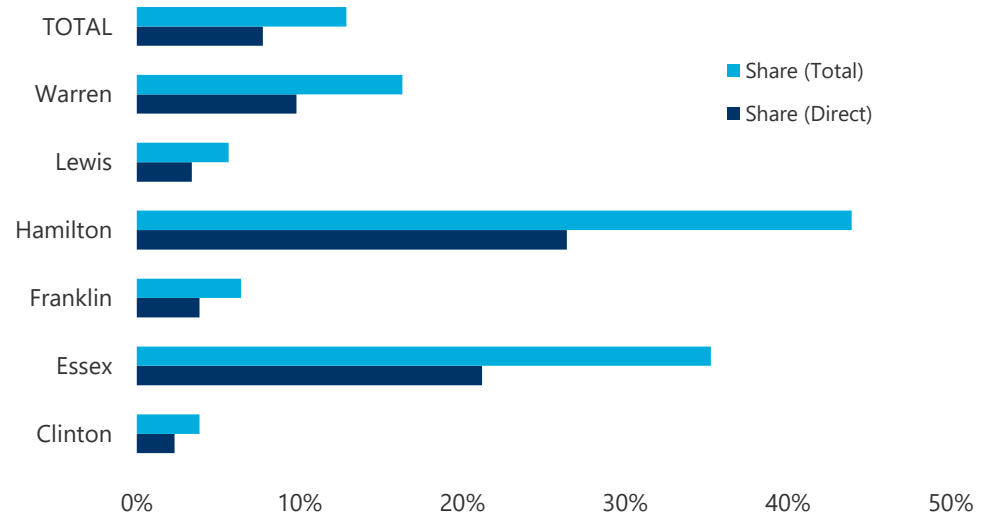
Labor income

In 2020, 12.9% of all labor income in the Adirondacks region was generated by tourism, compared with 14.8% in 2019. The share of direct income was 7.7% regionally in 2020. Both measures are the highest when compared across regions.

Hamilton County is the most dependent county on tourism in the state as 43.9% of all labor income in the county is generated by visitors.

The second highest in the State of New York, tourism in Essex County comprised 35.3% of all labor income in the county last year, down from 39.0% in 2019.

Tourism-Generated Labor Income
Share of economy



Source: Tourism Economics

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Labor income

Tourism Labor Income

Amounts in millions of nominal dollars

| | Direct | Total (Direct, Indir., Induced) | Share (Direct) | Share (Total) |
|--------------|----------------|------------------------------------|-------------------|------------------|
| Total | \$387.0 | \$643.6 | 7.7% | 12.9% |
| Clinton | \$35.9 | \$59.6 | 2.3% | 3.8% |
| Essex | \$128.8 | \$214.3 | 21.2% | 35.3% |
| Franklin | \$31.6 | \$52.5 | 3.8% | 6.4% |
| Hamilton | \$16.6 | \$27.5 | 26.4% | 43.9% |
| Lewis | \$9.3 | \$15.4 | 3.4% | 5.6% |
| Warren | \$164.9 | \$274.3 | 9.8% | 16.3% |

Source: Tourism Economics

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Tourism employment

Of all New York State counties, the tourism industry is most important to the Adirondacks in terms of employment.

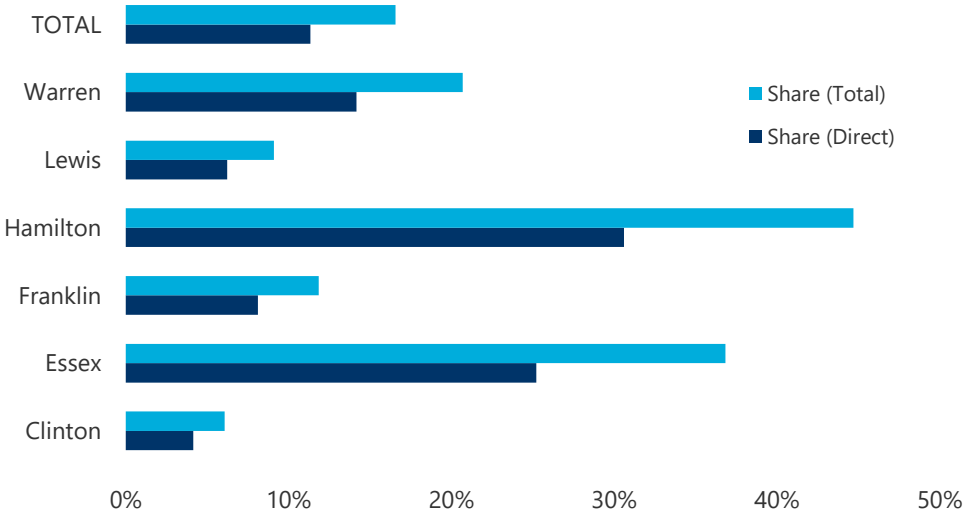
In 2020, total tourism-generated employment registered 16,991 jobs, 16.6% of regional employment.

Hamilton County is again the most dependent county upon tourism, with 44.7% of all employment sustained by visitors, followed by Essex County (36.8%).

Warren County creates the most tourism jobs in the Adirondacks region (7,003 jobs).

Tourism-Generated Employment

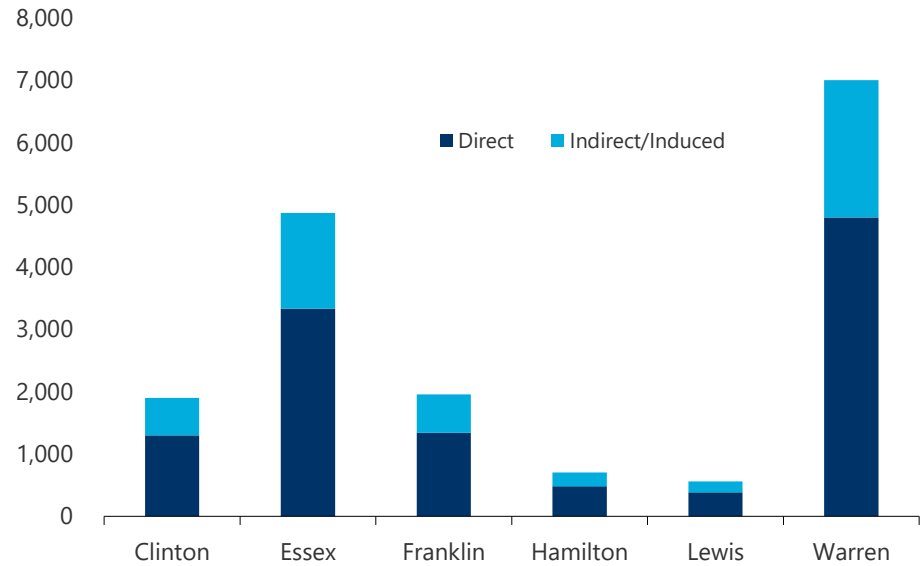
Share of economy



Source: Tourism Economics

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Tourism employment



| | Direct | Total (Direct, Indir., Induced) | Share (Direct) | Share (Total) |
|--------------|---------------|---------------------------------|----------------|---------------|
| Total | 11,634 | 16,991 | 11.3% | 16.6% |
| Clinton | 1,300 | 1,898 | 4.2% | 6.1% |
| Essex | 3,335 | 4,871 | 25.2% | 36.8% |
| Franklin | 1,341 | 1,958 | 8.1% | 11.9% |
| Hamilton | 481 | 703 | 30.6% | 44.7% |
| Lewis | 382 | 558 | 6.2% | 9.1% |
| Warren | 4,795 | 7,003 | 14.2% | 20.7% |

Source: Tourism Economics

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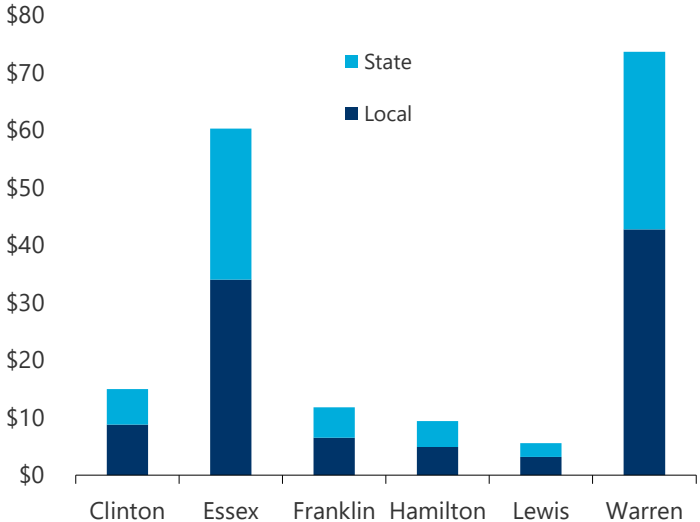
Tourism taxes

Tourism in the Adirondacks yielded nearly \$176 million in state and local taxes in 2020. This resulted in the smallest decline by any region in the state relative to 2019 (-7.0%).

Sales, property, and hotel bed taxes contributed \$100 million in local taxes.

Warren County constituted 41.9% of the region's tourism tax base.

Tourism-Generated Taxes
Amounts in millions of nominal dollars



Source: Tourism Economics

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Tourism taxes

Were it not for tourism-generated state and local taxes, the average household in the region would have to pay an additional \$1,664 to maintain the same level of government revenue, already hard hit by the pandemic.

Tourism-Generated Taxes

Amounts in thousands of nominal dollars

| | Local Taxes | State Taxes | Total | Regional Share | Tax Savings per Household |
|--------------|------------------|-----------------|------------------|----------------|---------------------------|
| Total | \$100,033 | \$75,558 | \$175,590 | 100.0% | \$1,664 |
| Clinton | \$8,772 | \$6,198 | \$14,970 | 8.5% | \$478 |
| Essex | \$33,976 | \$26,276 | \$60,252 | 34.3% | \$3,816 |
| Franklin | \$6,525 | \$5,274 | \$11,799 | 6.7% | \$621 |
| Hamilton | \$4,912 | \$4,487 | \$9,399 | 5.4% | \$8,123 |
| Lewis | \$3,154 | \$2,422 | \$5,576 | 3.2% | \$544 |
| Warren | \$42,694 | \$30,901 | \$73,595 | 41.9% | \$2,627 |

Source: Tourism Economics

ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 250 full-time staff, including 150 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

For more information:

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