



Rhode Island Tourism: Strength In A Difficult Time 2007 Tourism Satellite Account

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How Important is Tourism to Rhode Island?

Agenda

- **Quick Introduction to Global Insight**
- **What is Tourism Satellite Accounting?**
- **2007 Rhode Island Tourism Results**
- **What Do Visitors Mean to RI?**



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- Formed in 2001 by combining WEFA and DRI
- Provides the most **comprehensive** coverage of countries, regions and industries available from any single source
- Brings a **common analytical framework** and a consistent set of assumptions to diverse capabilities and products
- **Most consistently accurate** commercial forecaster
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 - **Infrastructure Analysis**
 - **Economic Development**
 - **Business Planning**
 - **Risk Assessment**
 - **Policy Evaluation**
 - **Economic Impact**
- **Strong reputation and experience within the travel & tourism sector**



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What does the economy mean to your organization?...

✓ Clients are varied and can view our capabilities both horizontally and vertically

✓ Internally, we are organized around markets or, where appropriate, around content

✓ Each market-defined business unit leverages the data repository, modeling assets, and cross-functional expertise of the other business units



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➤ We have **640** employees housed in **25** offices in **14** countries

➤ Global Insight is over **40** years young



Travel and Tourism Practice

- ***Visitation & Spending Forecasts*** –by category and by country, region, state, or U.S. city. Market size, growth, and share.
- ***Market Feasibility & Investment Facilitation*** market analysis & research, demand/supply review, policy evaluation, development cost analysis.
- ***Destination Impact & Concession Support*** economic impact of the construction and operations of individual facilities –resort, convention center, entertainment venue, event...
- ***Tourism Economic Impact & Tourism Satellite Accounting*** conforming to the UN/WTO standards. What does travel & tourism contribute in jobs, wages, spending, and taxes to a national or local economy?
- ***Tourism Policy Analysis*** travel & tourism policy evaluation and rationalization.



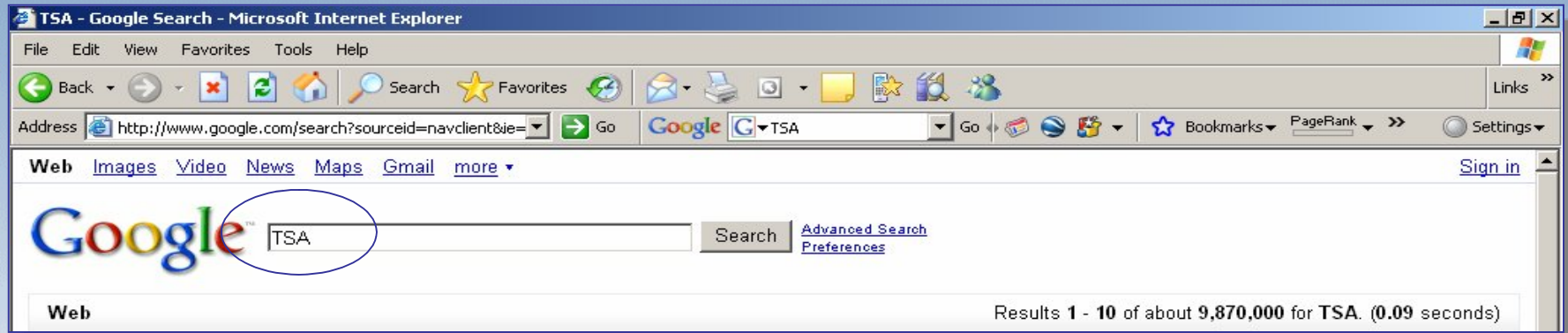
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What is a Tourism Satellite Account (TSA)?



[TSA | Transportation Security Administration | US Department of ...](#)

[Tourette Syndrome Association TSA Home Page...](#)

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Tourism Satellite Accounting

- The **Tourism Satellite Account** is the international (UN/WTO, OECD) standard for measuring the contribution of tourism to an economy
- **Measuring the industry “tourism” is difficult:**
 - tourism is not measured in standard economic accounting terms.
 - Most industries are accounted via the *supply-side*: firms are categorized into NAICS codes and asked about jobs, revenues, costs.
 - But tourism is a *demand-side* activity: the focus is on what the traveler buys before and during a trip(hotel, food, transpo, retail...).
 - As a result, *tourism touches many industries*
- **4Cs: Credibility, Comprehensiveness, Comparability, Consistency**



The Distinct Value of the TSA

✓ ***Credibility***

- The TSA is the product of over 10yrs of committees, conferences, papers and expert opinions.
- It defines tourism in measurements consistent with System of National Accounts (SNA) economic accounts.
- It has been ratified by the UN, OECD and Eurostat.

✓ ***Comprehensiveness***

- TSA includes a wider view of tourism demand to include second home activity, capital investment, outbound resident purchases, and government spending *-not just visitor spending.*
- TSA explicitly counts employment, sales, and GDP and allows (implicitly) for measurement of wages and taxes.
- System also provides a framework for indirect impact analysis.



The Distinct Value of the TSA

✓ *Comparability*

- Only the TSA provides measurements of tourism that are designed to be consistent with SNA.
- This facilitates inter-industry comparisons
- Facilitates inter-country/sub-national comparisons
- Enables share analysis (tourism is x% of GSP, wages, jobs)

✓ *Consistency*

- Measuring tourism using the same data sources and methodology year in and year out facilitates the analysis of tourism growth, promotional and public investment ROI, and economic development comparisons
- Changing research vendors or personnel should not result in a re-start



Benefits of a TSA

- ✓ **Are we spending enough on tourism promotion and infrastructure?** *Compares government support of the tourism sector with government revenue generated by tourism.*
- ✓ **Which are our best economic development targets and are any candidate-requested concessions worth it?** *Allows policy-makers to compare the size & growth of tourism to other industrial sectors.*
- ✓ **What is the ROI of public tourism investment?** *Enables analysts to assess long-term health of the tourism sector vis-a-vis capital investment and govt. support.*
- ✓ **How can we benchmark ourselves against our destination competition?** *Provides an accepted international standard for benchmarking.*
- ✓ **How can we communicate the full value of tourism to policy makers, businesses, and citizens?** *Quantifies the value of visitors to Rhode Island.*



TSA and Tourism Economic Impact Client Examples

Tourism Satellite Account

- **RHODE ISLAND**
- Israel
- New Jersey
- Dubai
- Bahamas
- Abu Dhabi
- Kansas
- North Dakota
- Guam
- North Carolina
- Alaska
- South Carolina
- Delaware
- Virginia
- Utah
- Hawaii
- Maryland

Economic Impact

- Idaho
- Pennsylvania
- Indiana

City Tourism Impact

- | | |
|------------------|--------------------|
| • Dallas | • Tulsa |
| • Boston | • St. Louis |
| • Arlington, TX | • Kansas City |
| • Sacramento | • Battle Creek, MI |
| • Baltimore | • Durham, NC |
| • Philadelphia | • Savannah |
| • Orlando | • Pittsburgh |
| • Washington, DC | • Austin |
| • NYC | • Indianapolis |
| • Camden & SNJ | • Richmond |
| • Omaha | |



TSA: Key Terms and Definitions

- **Visitor:** GT 50 miles, non-commuting or overnight stays
- **Resident Tourism:** Only outbound purchases made in advance of a trip are included. No resident usage of RI tourism assets.
- **Total Expenditures:** Includes visitor spending plus value of tourism investment and construction.

- **Tourism Spending:** A TSA concept, includes all spending by all constituents on travel made in the jurisdiction (RI)
- **Visitor Spending:** Spending in the jurisdiction by visitors (accommodations, food & beverage, shopping, transportation, entertainment, other)
- **Total Economic Impact:** “GDP” definition...spending less value of supply chain purchases made elsewhere. The amount truly *retained* in jurisdiction.
- **Import Leakages:** The value of supply chain purchases made outside of the jurisdiction.

- **Direct Spending/Jobs/Wages/Taxes:** Industries that “touch” the visitor (e.g. hotels, restaurants, museums,...)
- **Indirect Spending/Jobs/Wages/Taxes:** Industries that supply those that touch the visitor
- **Induced Spending/Jobs/Wages/Taxes:** Workers of industries that touch or supply will spend wages locally



T&T Industry and Economy

Travel & Tourism Industry

The direct effect of travel demand

Tourism Industry (Direct Effect)

Accommodation, Recreation, Catering, Entertainment, Transportation

Travel & Tourism Economy

The flow-through effect of travel demand across the economy

Tourism Economy (Indirect Effect)

Aircraft Manufacturing, Chemicals, Computers, Concrete, Financial Services, Foods and Beverages, Furniture and Fixtures, Iron/Steel, Laundry Services, Metal Products, Mining, Oil/Gas Suppliers, Plastics, Printing/Publishing, Rental Car Manufacturing, Resort Development, Sanitation Services, Security, Ship Building, Suppliers, Textiles, Utilities, Wholesalers, Wood

The TSA provides both a narrow & a broad understanding of the *Tourism "Industry"*



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2007 Rhode Island Tourism Results



Rhode Island Tourism Economic Impact - Definitions

Approach

- **TSA:** Results (spending, economic impact, jobs,...) conform strictly to the TSA definition (*e.g. 50mile+overnight visitor definition*).
- **TSA + Under 50 Mile:** TSA results, plus those coming from visitors traveling less than the 50 mile threshold. This classification is both historically consistent with previous studies and arguably more applicable to Rhode Island.

Impact Sources

- **Total Impact:** Total economic contribution of tourism to Rhode Island. Sum of core and non-core.
- **Core Impact:** Economic contribution of from industries directly providing goods and services to the visitor.
- **Non-core Impact:** Economic contribution from industries providing goods and services to core tourism providers. Also includes tourism investment.



Rhode Island Tourism: Did You Know?

DYK...

- ✓ **Tourism expenditures* reached \$6.8B in 2007**
- ✓ **In '07, visitation grew by 3% and visitor expenditures by 2%**
- ✓ **Avg. spend-per-visitor grew to \$384 in '07**
- ✓ **1 of every 10 Rhode Islanders owes his/her job to tourism**
- ✓ **Rhode Island keeps 62¢ of every dollar spent by visitors**
- ✓ **Tourism is responsible for 5% of total RI Gross State Product**
- ✓ **Tourism generated 12% of all state & local tax revenue in '06**
- ✓ **Tourism's tax contribution reached \$1,350 per RI Household**
- ✓ **Tourism is the 4th largest industry in RI (based upon jobs)**
- ✓ **Avg. Annual Tourism Wages reached \$31,100 in '07**
- ✓ **Every 220 visitor/travelers creates a new job in RI**
- ✓ **Appx. 41% of RI restaurant revenue can be attributed to visitors**



State Overview: 2007 Totals At A Glance

Tourism Concept	TSA	TSA + Under 50 Mile Visitors	Difference
Visits	7.87 M	17.73 M	9.86 M
Expenditure	\$4.24 B	\$6.81 B	\$2.57 B
Economic Impact (GSP)	\$2.63 B	\$3.66 B	\$1,036 M
Jobs	52,420	80,526	28,107
Wages	\$1.63 B	\$2.33 B	\$702 M
Taxes	\$929.8 M	\$1,429 M	\$499.2 M

Source: Global Insight

•Employment figures taken from a top down review of the total spending, creating a resultant number of jobs, both full-time and part-time required to support that spending.



Industry Structure: Definitions

Tourism & Under 50 Mile Visitor Expenditures
\$6.81 billion

Tourism Expenditures
\$4.24 billion

All Visitor Related Spending

Total Impact
\$2.63 billion

Import Leakage
\$1.62 billion



Tourism goods & services from outside of the state - e.g. RI keychains made in China

Economic Value to State



Core Tourism
(Direct)
\$1.87 billion

Industries directly providing goods & services to the visitor, such as restaurants

Non-Core Tourism
(Indirect & Investment)
\$756 million

Industries directly providing goods & services to core tourism providers - e.g. Food Distribution





State Overview: Tourism and Under 50Mile Visitors

Measurement	2007	2006	Definition
Tourism (TSA) + Under 50Mile Visitor Spending	\$6.81 B	\$6.21 B	• <i>Spending from all tourism factors</i>
▪ Tourism (TSA)	\$4.24 B	\$3.88 B	• <i>TSA Definition of State Tourism</i>
▪ Under 50Mile Visitors	\$2.57 B	\$2.32 B	• <i>Spending by visitors from less than 50 miles that utilize RI tourism assets</i>
Tourism + Under 50Mile Visitors Core Employment*	65,877	64,121	• <i>Employment required to support core RI tourism activity</i>
▪ Core Tourism (TSA) Employment*	40,635	40,297	• <i>TSA Definition of Tourism "Industry"</i>

Source: Global Insight

• Employment figures taken from a top down review of the total spending, creating a resultant number of jobs, both full-time and part-time required to support that spending.



Why Are the 2006 Figures Revised From Last Year?

Key Measurements	2006 Original TSA	2006 Recast TSA
RI Expenditures (\$B)	\$3.69	\$3.88
Economic Value		
▪ Core Tourism	\$1.80	\$1.71
▪ Total Impact	\$2.37	\$2.26
Wages & Salaries		
▪ Core Tourism	\$1.03	\$1.08
▪ Total Impact	\$1.38	\$1.45
Employment ('000)		
▪ Core Tourism	38.96	40.30
▪ Total Impact	47.85	49.33
Taxes –Total Impact	\$856 B	\$894 M

Each year revisions to most of the historical tourism metrics must be made in order to reflect:

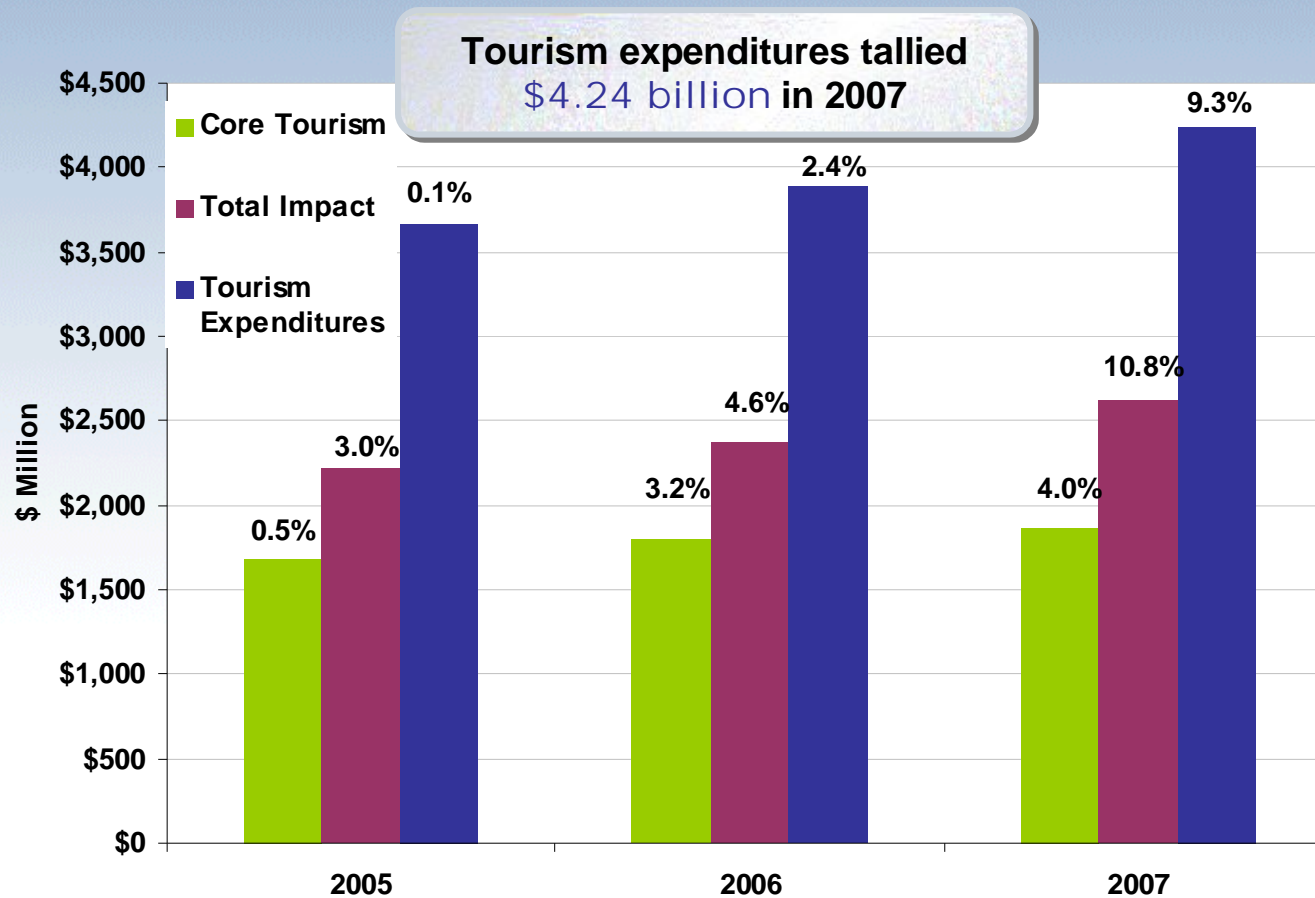
- Finalization of the annual visitor spending data from DKSA. This data was preliminary when the RI TSA was developed last year.
- Revisions to the BLS and BEA inputs covering employment, Gross State Product, Sales Output, and Payroll.
- Revisions to the IMPLAN interindustry model provided by MIG (Minnesota IMPLAN Group)

Source: Global Insight



Total Tourism (TSA) Expenditures

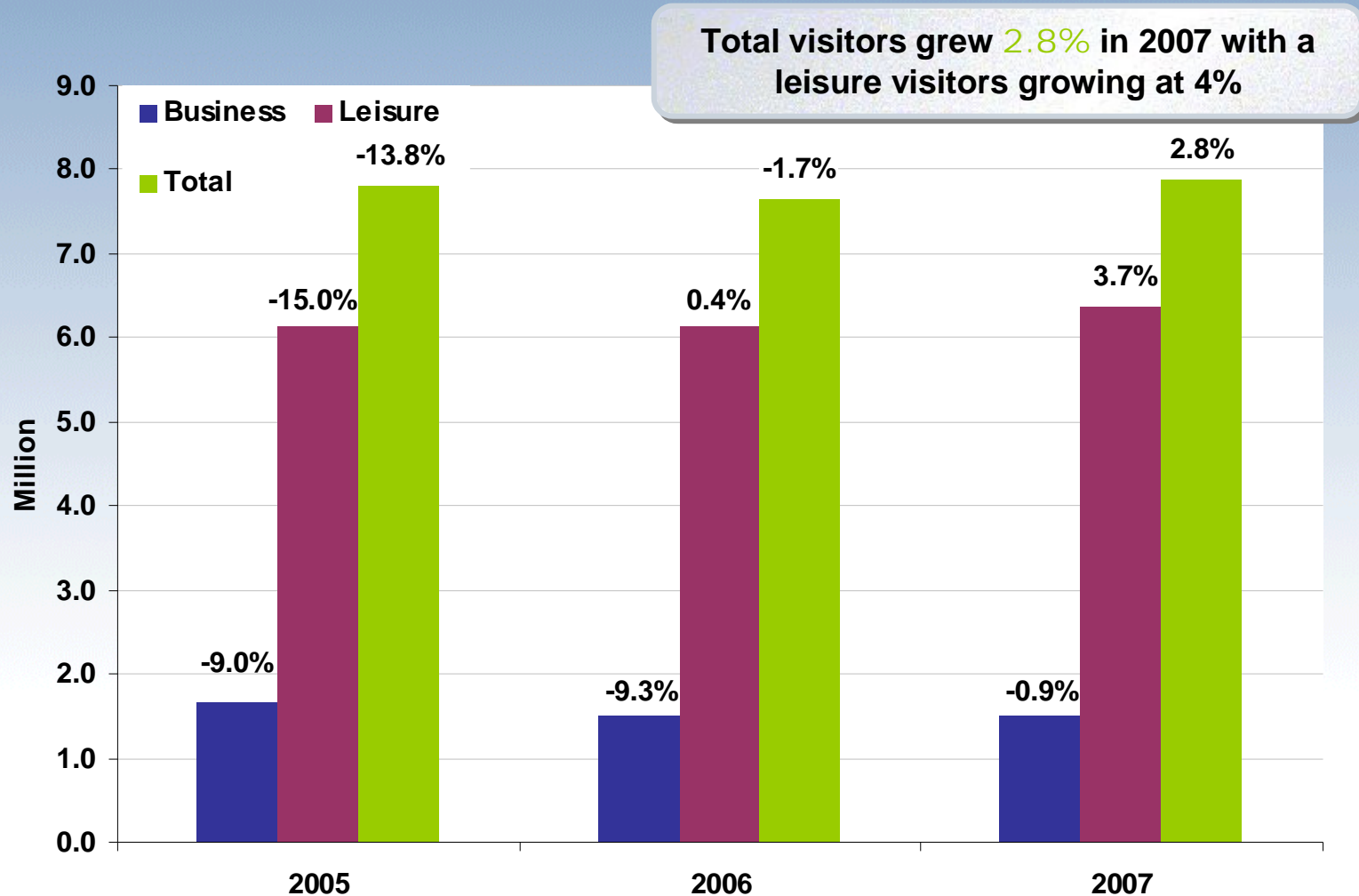
- RI visitation grew 2.8% in '07
- Spending per visit declined by 0.3% in '07
- Leisure travel increased by 4.0% in '07
- Business travel decreased by 3.1% in '07



Source: Global Insight



Visitors to Rhode Island*



* Visitors from GT 50 miles or overnight only, provided by DK Shifflet & Associates, Ltd. Business travel results were estimated by GII.



Tourism Shows Tremendous Growth in '07

Measurement	2006 (billions)	2007 (billions)	2006-07 growth
Tourism (TSA) + Under 50 Mile Visitor Expenditures	\$6.207	\$6.807	9.7%
● Tourism (TSA) Expenditures	\$3.882	\$4.241	9.3%
● Total Economic Impact	\$2.369	\$2.625	10.8%
● Core Tourism (direct)	\$1.780	\$1.869	4.0%
● Non-Core Tourism	\$0.571	\$0.756	32.4%
● Import Leakage	\$1.513	\$1.616	6.8%

Non-Core growth driven by significant increase in private investment

Source: Global Insight



RI Tourism Shows Remarkable Resiliency...

2007 TSA Bottom Line:

Measurement	2007	2006	%	Perspective
Economic Value (\$B) ▪ Core Tourism ▪ Total Impact	\$1.87 \$2.63	\$1.80 \$2.37	4.0% 10.8%	<ul style="list-style-type: none"> • Strong core tourism growth will benefit from increasing investment
Wages & Salaries ▪ Core Tourism (\$M) ▪ Total Impact (\$M)	\$1,129 \$1,631	\$1,083 \$1,448	4.2% 12.7%	<ul style="list-style-type: none"> • Average annual salary saw 6.0% and 3.3% growth respectively
Employment ('000) ▪ Core Tourism ▪ Total Impact	40.64 52.42	40.30 49.33	0.8% 6.3%	<ul style="list-style-type: none"> • Core tourism remains the 4th largest industry in RI
Taxes –Total Impact (\$M)	\$930	\$894	4.0%	<ul style="list-style-type: none"> • If tourism didn't exist, each household would pay an additional \$1,348 in taxes to maintain current tax receipts.

Numbers may differ due to rounding

Source: Global Insight



2007 RI Tourism Scorecard

Measurement	2007			Perspective
	2007	2006	%	
RI Domestic Visitation ('000)	7.87	7.66	2.8%	• <i>Leisure visits remain very strong</i>
RI Tourism (TSA) + Under 50Mile Visitor Spending	\$6.81 B	\$6.21 B	9.7%	• <i>Short-haul visitors added \$2.6B</i>
RI Tourism (TSA) + Under 50Mile Visitor Jobs ('000)	80.5	75.9	6.2%	• <i>This is Total tourism (Core + Non-core)</i>
RI Tourism (TSA) Jobs ('000)				• <i>Employment growth came while state-wide employment fell</i>
▪ Core Tourism	40.64	40.30	0.8%	
▪ Total Impact	52.42	49.33	6.3%	
RI Tourism (TSA) Wages (\$M)				• <i>Avg. annual (total impact) wage increased to over \$31,000/year</i>
▪ Core Tourism	\$1,031	\$1,008	2.3%	
▪ Total Impact	\$1,381	\$1,357	1.8%	
Tourism (TSA) as a % of RI GSP	6.3%	5.8%		• <i>Core plus Non-core makes tourism 7th largest industry in RI</i>
RI % of US Tourism				• <i>Nationally, jobs were up 1.6% in tourism</i>
▪ Jobs	0.6%	0.6%	4.6%	
▪ Output	0.2%	0.2%	4.7%	



Total Impact of Tourism

- In 2007, the total economic impact of travel & tourism (direct and indirect) was **\$2.63 billion**. This represents **6.3%** of RI Gross State Product
- The ratio of the total impact to total expenditures reveals that **62¢ of each tourism dollar spent** in Rhode Island is retained in the state. The remainder represents import leakages. This share is fairly typical for a diversified state like Rhode Island.
- **80,526 jobs** – direct and indirect – were created by the entire tourism TSA + Under 50mile visitors. This accounts for **16.3%** of total employment in the state.
- **52,420 jobs** – direct and indirect – were created by travel & tourism (TSA) economic activity. This accounts for **10.6%** of total employment in the state
- Approximately **\$1.63 billion in wages & salaries** were generated by travel & tourism (TSA) in 2007.
- Tourism (TSA) generated **\$930 million in federal, state, and local government taxes** in 2007, a **4.0%** increase from 2006.



Sources of Tourism Expenditures

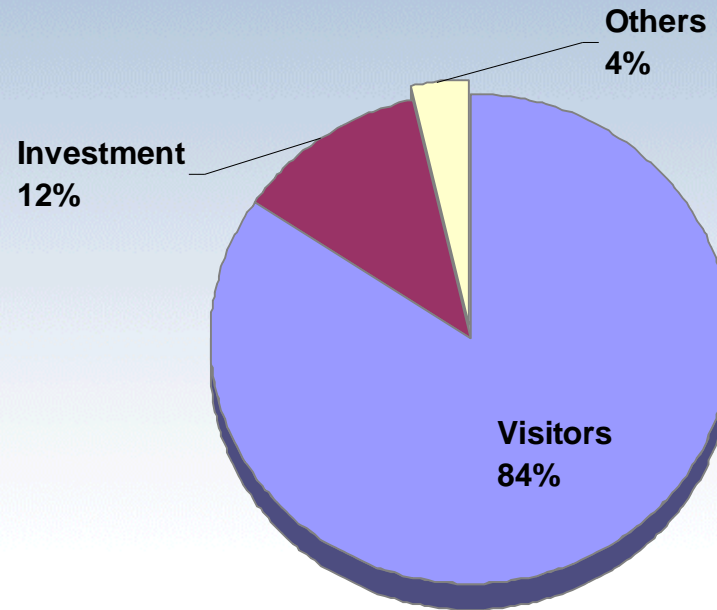
- **Visitor Spending** – Expenditures by visitors who have come from greater than 50 miles or stayed overnight
 - **Business Travel** – Businesses' spending within the state economy on travel
 - **Resident Outbound** – Resident spending preparing for an out-of-state trip
 - **Government Spending** – Tourism Office Budgets, transportation functions related to tourism, publicly funded attractions and funding for security in tourism-intensive areas
 - **Investment** – Construction of hotels, attractions, tourism infrastructure, operating and transportation equipment
 - **International** – Spending of international visitors within the state
-
- **Under 50Mile Visitors** – Spending by residents or non-residents who have come from under 50 miles. No commuters or local utilization. Not included in TSA definition.



Breaking Down Tourism Expenditures – \$4.24 Billion

16% of TSA Expenditures in Rhode Island come from outside of visitor spending, while in 2006 that share was 11%.

	Million \$	Share Of Total	2006 Growth
Investment	508	12%	114%
Visitors	3,578	84%	2%
Other	155	4%	2%
Total	4,241	100%	9%



Source: Global Insight

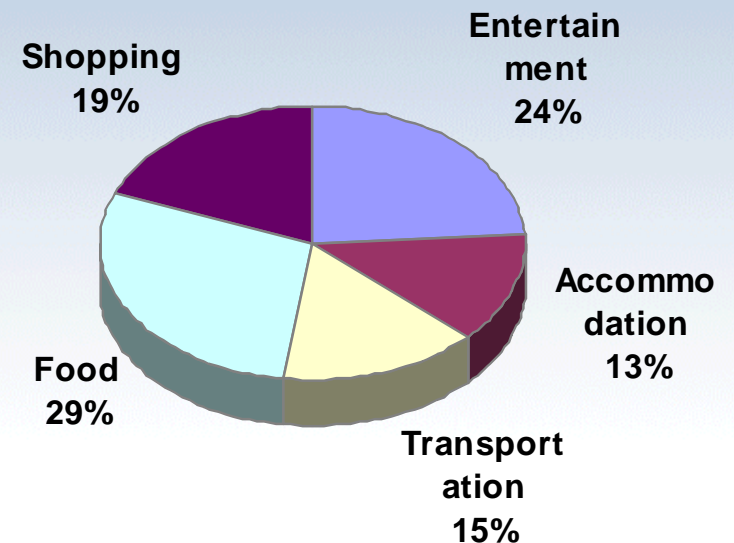


Category Distribution of Expenditures

The TSA category changes shown below, where strength in Accommodations and Transportation is coming at the expense of Food and Shopping, is something seen in many other markets as well.

	TSA + <50Mile Million \$	TSA Million \$	2006-2007 Growth (TSA)
Entertainment**	1,327	818	7.9%
Accommodation	739	739	4.6%
Transportation	846	815	5.2%
Food	1,598	773	1.9%
Shopping	1,062	470	-11.0%
Total *	5,572	3,615	2.5%

TSA + <50Mile Shares



* Direct and Indirect Tourism Expenditures (w/o construction & investment)

Source: Global Insight

** Entertainment category includes all marina and boating activity



Entertainment Spending Detail - TSA + Under 50Mile

The Entertainment category includes a wide array of industries, from gaming to recreation sports to movies. This data is only available at the county level.

	2007 (\$000)	2006 (\$000)
Amusement Parks & Arcades	4,921	4,617
Gambling Industries	447,998	406,504
Independent Artists, Writers, & Performers	12,768	11,891
Motion Picture & Video Industries	151,355	140,816
Museums & Historical Sites	76,323	73,563
Other Amusement & Rec. Services	476,628	441,465
Performing Arts Companies	65,885	62,041
Spectator Sports	90,773	87,020
Total Entertainment Spending	1,326,652	1,227,917

Source: Global Insight

** NAICS 7139 – Other Amusement & Rec. Services – includes both golf and marina activity



Core Tourism

- Answers the question **“How does tourism compare with other industries?”**
- Core Tourism measures the size of the industry directly providing goods & services to the visitor.
- Indirect effects are excluded – these are part of other supplier industries such as wholesalers. The impact of capital investment is also excluded.
- Core Tourism generated \$1.9 billion in economic value in 2007. This ranks core tourism as the 10th largest private industry in RI in terms of Gross State Product.



Core Tourism – Gross State Product

Core Tourism contributed \$1.87 billion in economic value in 2007. Tourism ranked as the 10th largest private industry in Rhode Island.

Rank	Industry	Millions \$	'06-'07 Growth	% of State
1	Real Estate and Rental and Leasing	7,073	5.2%	17.0%
2	Finance and Insurance	5,697	-1.1%	13.7%
3	Health Care and Social Assistance	4,373	4.3%	10.5%
4	Durables Manufacturing	2,975	5.1%	7.1%
5	Retail Trade	2,915	6.8%	7.0%
6	Other Industries	2,809	5.3%	6.7%
7	Prof., Scientific, and Technical Services	2,469	-3.1%	5.9%
8	Wholesale Trade	2,443	6.4%	5.9%
9	Construction	1,969	-12.8%	4.7%
10	Information	1,809	0.4%	4.3%
11	Non-Durables Manufacturing	1,504	2.0%	3.6%
12	Accommodation and Food Services	1,324	3.5%	3.2%
13	Administrative and Waste Services	1,151	4.6%	2.8%
14	Management of Companies and Enterprises	1,074	4.8%	2.6%
15	Educational Services	1,071	6.4%	2.6%
	Other Services	1,023	4.7%	2.5%
	Total	41,678	2.5%	100.0%
	Government	5,224	3.2%	
	Travel & Tourism	1,869	4.0%	4.5%

Core Travel & Tourism would have 4.5% of Rhode Island's GSP

Source: Bureau of Economic Analysis and Global Insight



Core Tourism Impact – Composition

Amusement, including Gaming, is both the leading source of Core Tourism and also shows the strongest growth.

Composition of Core Tourism

Rank	Industry	\$ Value (Millions)	'06-'07 Growth	% of Total
1	Other amusement- gambling- and recreation	466	8.2%	24.9%
2	Food services and drinking places	378	1.9%	20.2%
3	Real estate	264	2.5%	14.2%
4	Hotels and motels- including casino hotels	239	6.8%	12.8%
5	Automotive equipment rental and leasing	175	1.8%	9.4%
6	Travel arrangement and reservation services	148	9.4%	7.9%
7	Food and beverage stores	38	-7.8%	2.0%
8	Air transportation	29	3.1%	1.6%
9	Clothing and clothing accessories stores	24	-13.5%	1.3%
10	Spectator sports	28	4.3%	1.5%
11	Performing arts companies	18	6.2%	1.0%
12	Gasoline stations	13	-5.3%	0.7%
13	Miscellaneous store retailers	12	-9.8%	0.6%
14	Transit and ground passenger transportation	10	-1.0%	0.5%
15	Scenic and sightseeing transportation and support	10	-3.5%	0.5%
	Other Industries	17	-14.1%	0.9%
Total		1,869	4.0%	100.0%

Source: Global Insight



Core Tourism – Employment

- Core Tourism is the 4th largest private sector employer in Rhode Island with **40,635 direct full-time equivalency jobs** in 2007.
- Core Tourism generated **8.2% of non-farm state employment** in 2007.
- Core Tourism jobs provided **\$1.13 billion in wages & salaries** in 2007.
- Core Tourism's **average annual wage** has grown to **\$27,774/year**.



Core Tourism Impact – Employment

Travel & tourism is RI's 4th largest private sector employer.

Rank	Industry	Reported Employment (Thousands)	2005-2006 Growth	% of State	Tourism-Extracted Employment (Thousands)
1	Health Care and Social Assistance	75.99	2.1%	15.4%	76.0
2	Retail Trade	51.78	-1.2%	10.5%	49.1
3	Accommodation and Food Services	43.19	1.6%	8.7%	24.0
4	Manufacturing, Durables	32.91	-3.5%	6.6%	32.9
5	Finance and Insurance	28.20	0.1%	5.7%	28.2
6	Administrative and Waste Services	25.02	-2.2%	5.1%	22.1
7	Educational Services	23.32	2.8%	4.7%	23.3
8	Other Services	23.21	0.7%	4.7%	23.2
9	Construction	22.10	-3.2%	4.5%	22.1
10	Prof., Scientific, and Technical Services	21.67	1.1%	4.4%	21.7
11	Manufacturing, Nondurables	17.91	-3.8%	3.6%	17.9
12	Wholesale Trade	17.91	-3.8%	3.6%	17.9
13	Transportation and Warehousing	11.03	0.6%	2.2%	10.2
14	Information	10.52	-3.9%	2.1%	10.5
15	Management of Companies and Enterprises	9.45	0.4%	1.9%	9.5
	Other Industries	16.2	0.9%	3.3%	1.2
	State & Local Government	64.6	-0.5%	13.1%	64.6
	Total Nonfarm	495.0	-0.3%	100.0%	454.3
	Travel & Tourism	40.6	0.8%	8.2%	40.6

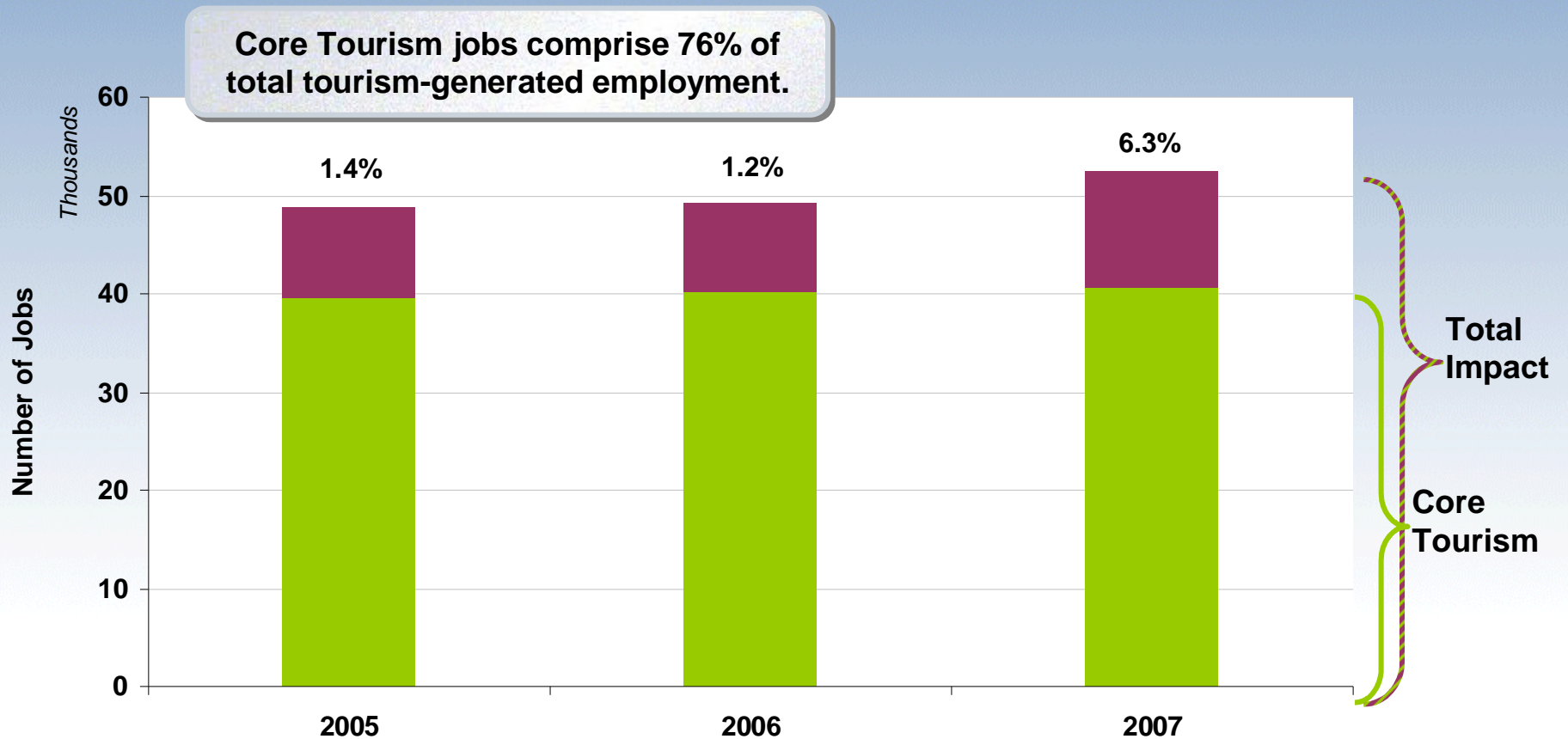
Core Tourism represented 40,635 jobs in 2007.



Source: Bureau of Labor Statistics and Global Insight



Total Rhode Island Tourism Employment up 6.3% in 2007



Source: Global Insight



Non-Core Tourism – Indirect Benefits

Non-Core Investment, Primarily Private Construction Investment, Is the Primary Driver of Non-Core Tourism Growth in 2007

Indirect Benefits of Tourism

Rank	Industry	\$ Value (Millions)	'06-'07 Growth	% of Total
1	Real estate	85	7.5%	8.4%
2	Wholesale trade	25	13.5%	2.4%
3	Nondepository credit intermediation and related firms	24	6.8%	2.4%
4	Power generation and supply	20	8.0%	2.0%
5	Monetary authorities and depository credit intermediaries	19	10.1%	1.8%
6	Telecommunications	16	9.2%	1.6%
7	Legal services	15	10.6%	1.5%
8	Architectural and engineering services	14	31.1%	1.4%
9	Management of companies and enterprises	13	15.6%	1.3%
10	Maintenance and repair of nonresidential buildings	13	6.3%	1.3%
11	Food services and drinking places	12	6.7%	1.2%
12	Other State and local government enterprises	10	8.2%	1.0%
13	Postal service	10	9.6%	1.0%
14	Employment services	8	9.5%	0.8%
15	Accounting and bookkeeping services	7	11.3%	0.7%
	Other Industries	202	12.3%	19.9%
	Investment	519	109.2%	51.2%
	Total	1,013	46.0%	100.0%

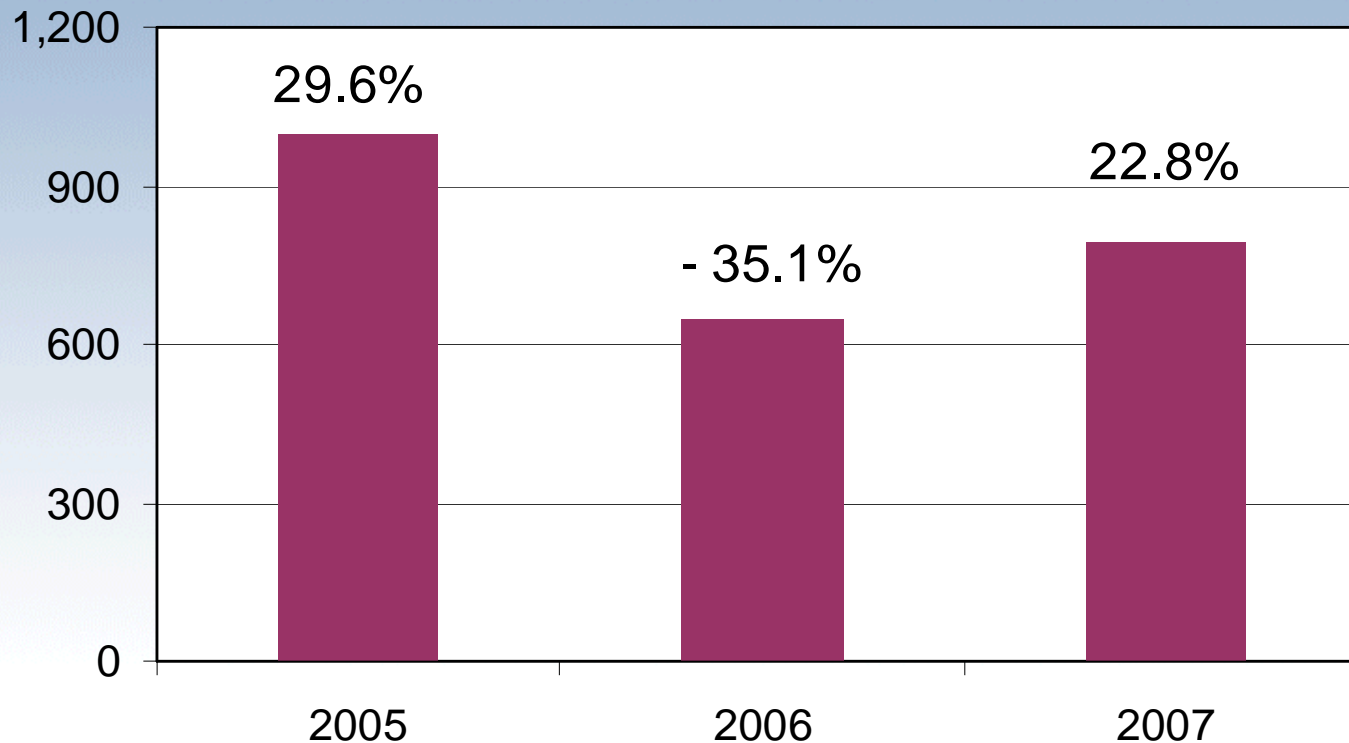
Source: Global Insight



Non-Core Tourism – Construction Benefits

The Construction sector is also a significant beneficiary of tourism.

(Millions)



Source: FW Dodge

Data is “Value of Construction Contracts”, measuring the value of government and private construction at the time when work begins, encompassing total value for entire projects which start or break ground in a given year, excluding ancillary costs such as land acquisition.



Tourism Generated \$980M in Total Tax Revenue in 2007

- Tourism activity generated **\$497 million in state and local government revenue** in 2007, a **4.3% increase over 2006**.
- In 2007, **\$332 million in state tax revenue** was generated by the travel & tourism sector in Rhode Island. Indirect business tax (sales tax) and the gaming taxes are the two largest contributors.
- Tourism contributes disproportionately to state & local tax revenue. While Core Tourism is responsible for 4.5% of RI GSP, it contributed **11.9% of state government revenue in 2007**.
- If tourism didn't exist, each RI household would pay **\$1,225 more in taxes** to maintain the current level of state and local tax receipts.



State and Local Government Revenue

Tax Revenues from Tourism (TSA)	2007 (Million)	'06-'07 Growth
Federal Government		
Corporate Profits Tax	72.0	-19.8%
Personal Income	141.8	10.2%
Social Security & Other Taxes	218.7	10.1%
Federal Total	432.4	3.7%
State Government		
Corporate Profits Tax	8.5	6.5%
Personal Income	45.1	10.2%
Sales	109.1	6.4%
Licenses & Fees	11.7	9.6%
Gaming Tax	97.9	-5.8%
Other Taxes	51.1	7.1%
State Share of Occupancy Tax*	8.7	7.1%
State Total	332.1	3.2%
Local Government		
Local Share of Occupancy Taxes	7.7	7.1%
Property Taxes	157.6	6.4%
Local Total	165.3	6.5%
Total	929.8	4.0%

* Remainder of Room Tax not distributed back to local towns and cities.



How Important?

TSA + UNDER 50 MILE VISITORS

Total Tourism-related spending of \$6.81 billion

TOTAL TSA

Gross State Product: \$3.66 billion
7.8% of GSP
Total Employment: 80,526 jobs
16.3% of Employment

CORE TOURISM

Gross State Product: \$2.63 billion
5.6% of GSP
Total Employment: 52,420 jobs
10.6% of Employment

Core GSP: \$1.87 billion
4.5% of GSP
Core Employment: 40,635 jobs
8.2% of Employment
4th largest private sector employer



2007 Rhode Island Tourism Regional Analysis



Regional Distribution of Tourism

Rhode Island is divided into eight regions in the analysis:

Blackstone Valley

- Burrillville
- Central Falls
- Cumberland
- Gloucester
- Lincoln
- North Smithfield
- Pawtucket
- Smithfield
- Woonsocket



Providence

- Providence



Warwick

- Warwick



Block Island

- Block Island



Balance of State

- Cranston
- Foster
- Johnston
- North Providence
- Scituate
- West Warwick

Newport County

- Little Compton
- Middletown
- Newport
- Portsmouth
- Tiverton
- Jamestown

South County

- Charlestown
- Coventry
- East Greenwich
- Exeter
- Hopkinton
- Narragansett
- North Kingstown
- Richmond
- South Kingstown
- Westerly
- West Greenwich

East Bay

- Barrington
- Bristol
- East Providence
- Warren





Regional TSA + Under 50Mile Expenditures

Regional Share of State Expenditures by Category (\$M)

	Accomodations	Entertainment	Food	Retail	Transportation	Total
Balance of State	12.57	45.95	213.71	88.43	85.82	446.47
Blackstone Valley	24.03	459.79	255.36	69.11	85.80	894.08
Block Island	91.16	60.86	25.03	58.74	23.63	259.41
East Bay	6.58	38.74	109.14	54.18	49.61	258.26
Newport	216.78	211.36	217.03	102.33	43.29	790.79
Providence	142.69	354.53	331.20	416.00	274.19	1,518.61
South County	181.43	89.67	257.11	176.62	46.99	751.83
Warwick	64.11	65.76	189.10	96.72	236.56	652.26
Total	739.35	1,326.65	1,597.69	1,062.12	845.90	5,571.71

Entertainment data includes gaming, spectator sports boating and marina activity and other categories.



Regional TSA Tourism Expenditures

Regional Share of State Expenditures by Category (\$M)

	Accommodations	Entertainment	Food	Retail	Transportation	Total
Balance of State	12.57	32.77	94.27	36.93	88.96	265.50
Blackstone Valley	24.03	193.86	115.12	31.01	83.99	448.01
Block Island	91.16	56.91	25.88	24.67	17.53	216.15
East Bay	6.58	37.67	56.86	29.41	42.40	172.93
Newport	216.78	133.46	105.27	42.50	31.65	529.66
Providence	142.69	243.55	176.20	176.66	274.81	1,013.91
South County	181.43	81.85	112.81	77.57	38.41	492.07
Warwick	64.11	37.95	86.23	51.09	237.69	477.07
Total	739.35	818.03	772.64	469.83	815.43	3,615.29

Accommodation data includes seasonal second home rentals, which creates significant differences in share from state room tax data. As the TSA definition of tourism includes any overnight stay, accommodations results are the same for TSA and TSA + Under 50Mile.



Regional Share of Statewide TSA + Under 50 Mile Expenditures

Regional Share of State Expenditures by Category

	Accommodation	Entertainment	Food	Shopping	Transportation	Total
Providence	19.3%	26.7%	20.7%	39.2%	32.4%	27.3%
Blackstone Valley	3.2%	34.7%	16.0%	6.5%	10.1%	16.0%
Newport Country	29.3%	15.9%	13.6%	9.6%	5.1%	14.2%
South County	24.5%	6.8%	16.1%	16.6%	5.6%	13.5%
Warwick	8.7%	5.0%	11.8%	9.1%	28.0%	11.7%
Balance of State	1.7%	3.5%	13.4%	8.3%	10.1%	8.0%
Block Island	12.3%	4.6%	1.6%	5.5%	2.8%	4.7%
East Bay	0.9%	2.9%	6.8%	5.1%	5.9%	4.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Entertainment data includes gaming, spectator sports boating and marina activity and other categories.



Regional Share of Statewide TSA + Under 50 Mile Expenditures

Expenditure Category Share of Regional Tourism Spending

	Accommodation	Entertainment	Food	Shopping	Transportation	Total
Providence	9.4%	23.3%	21.8%	27.4%	18.1%	100.0%
Blackstone Valley	2.7%	51.4%	28.6%	7.7%	9.6%	100.0%
Newport Country	27.4%	26.7%	27.4%	12.9%	5.5%	100.0%
South County	24.1%	11.9%	34.2%	23.5%	6.2%	100.0%
Warwick	9.8%	10.1%	29.0%	14.8%	36.3%	100.0%
Balance of State	2.8%	10.3%	47.9%	19.8%	19.2%	100.0%
Block Island	35.1%	23.5%	9.6%	22.6%	9.1%	100.0%
East Bay	2.5%	15.0%	42.3%	21.0%	19.2%	100.0%
Total	13.3%	23.8%	28.7%	19.1%	15.2%	100.0%



Warwick's Transportation share is very high as TF Green Airport revenue is counted here.



Regional Share of Statewide TSA Tourism

Regional Share of State Expenditures by Category

	Accommodation	Entertainment	Food	Shopping	Transportation	Total
Providence	19.3%	29.8%	22.8%	37.6%	33.7%	28.0%
Newport Country	29.3%	16.3%	13.6%	9.0%	3.9%	14.7%
South County	24.5%	10.0%	14.6%	16.5%	4.7%	13.6%
Warwick	8.7%	4.6%	11.2%	10.9%	29.1%	13.2%
Blackstone Valley	3.2%	23.7%	14.9%	6.6%	10.3%	12.4%
Balance of State	1.7%	4.0%	12.2%	7.9%	10.9%	7.3%
Block Island	12.3%	7.0%	3.3%	5.2%	2.1%	6.0%
East Bay	0.9%	4.6%	7.4%	6.3%	5.2%	4.8%
Total	100%	100%	100%	100%	100%	100%



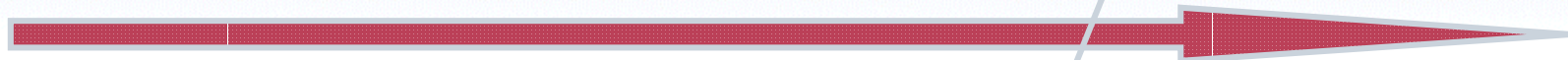
Accommodation data includes seasonal second home rentals, which creates significant differences in share from state room tax data. As the TSA definition of tourism includes any overnight stay, accommodations results are the same for TSA and TSA + Under 50Mile.



Regional Share of Statewide TSA Tourism

Expenditure Category Share of Regional Tourism Spending

	Accommodation	Entertainment	Food	Shopping	Transportation	Total
Providence	14.1%	24.0%	17.4%	17.4%	27.1%	100.0%
Blackstone Valley	5.4%	43.3%	25.7%	6.9%	18.7%	100.0%
Newport Country	40.9%	25.2%	19.9%	8.0%	6.0%	100.0%
South County	36.9%	16.6%	22.9%	15.8%	7.8%	100.0%
Warwick	13.4%	8.0%	18.1%	10.7%	49.8%	100.0%
Balance of State	4.7%	12.3%	35.5%	13.9%	33.5%	100.0%
Block Island	42.2%	26.3%	12.0%	11.4%	8.1%	100.0%
East Bay	3.8%	21.8%	32.9%	17.0%	24.5%	100.0%
Grand Total	20.5%	22.6%	21.4%	13.0%	22.6%	100.0%



Warwick's Transportation share is very high as TF Green Airport revenue is counted here.



TSA + Under 50Mile Growth Rates by Region for 2007

Regional Growth Rates by Category 2007 vs 2006

	Accomodation	Entertainment	Food	Retail	Transportation	Grand Total
Balance of State	-1.2%	5.0%	2.7%	1.9%	3.1%	2.7%
Blackstone Valley	9.6%	13.5%	6.3%	2.2%	7.2%	9.7%
Block Island	3.1%	6.4%	7.8%	4.2%	7.0%	4.9%
East Bay	-1.0%	4.5%	1.8%	0.5%	4.4%	2.3%
Newport	4.9%	1.8%	3.5%	5.1%	6.2%	3.7%
Providence	8.5%	7.6%	3.9%	3.0%	5.8%	5.3%
South County	3.1%	4.9%	3.2%	3.9%	4.0%	3.6%
Warwick	1.6%	5.9%	2.5%	4.4%	4.4%	3.7%
Grand Total	4.6%	8.0%	3.7%	3.3%	5.1%	5.0%

Retail includes grocery stores, where rising prices helped drive growth. Transportation saw the most consistent and evenly distributed category growth.



TSA Tourism Growth Rates by Region for 2007

Regional Growth Rates by Category 2007 vs 2006

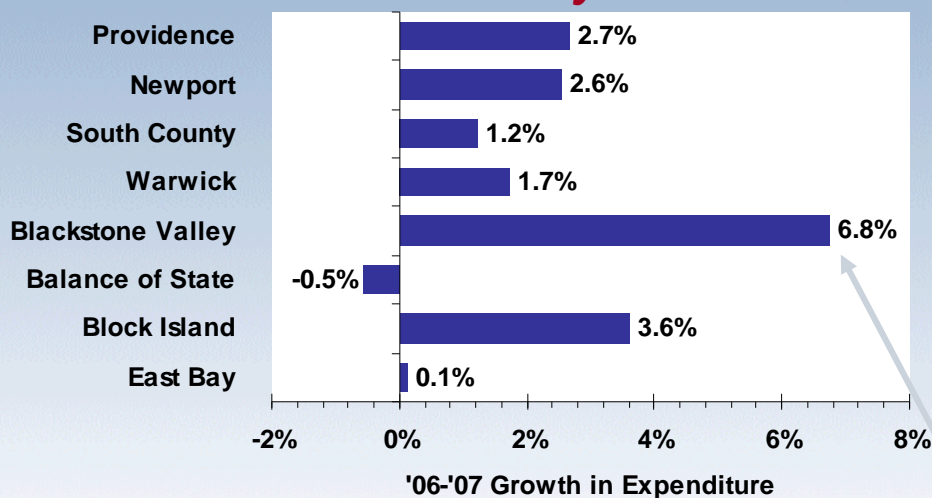
	Accomodation	Entertainment	Food	Retail	Transportation	Grand Total
Balance of State	-1.2%	5.3%	-1.1%	-11.5%	3.4%	-0.5%
Blackstone Valley	9.6%	12.1%	3.3%	-9.7%	6.2%	6.8%
Block Island	3.1%	8.7%	10.1%	-11.9%	7.7%	3.6%
East Bay	-1.0%	5.8%	1.4%	-11.6%	3.2%	0.1%
Newport	4.9%	3.1%	2.7%	-12.4%	8.2%	2.6%
Providence	8.5%	8.3%	1.9%	-10.8%	5.5%	2.7%
South County	3.1%	7.9%	1.9%	-11.0%	5.4%	1.2%
Warwick	1.6%	5.0%	0.6%	-10.5%	4.8%	1.7%
Total	4.6%	7.9%	1.9%	-11.0%	5.2%	2.5%

Rising prices for Accomodations and Transportation seem to be sapping spending dollars from Retail, a situation not unique to Rhode Island.

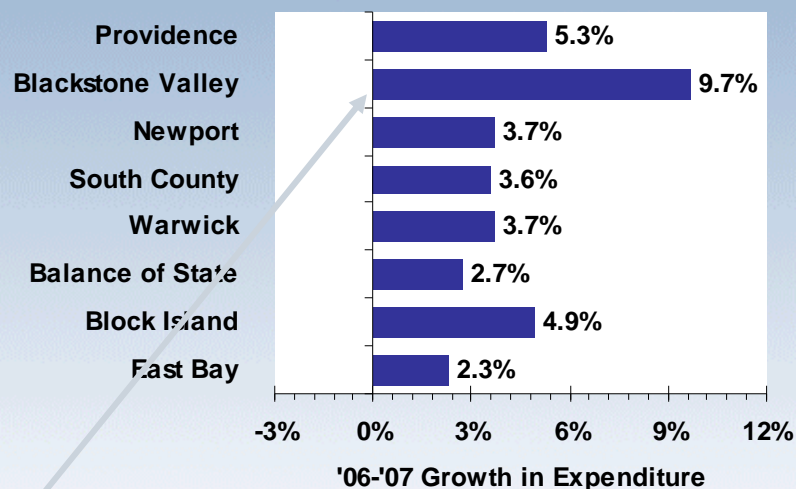


Regional Growth in Expenditures 2007 - 2006

TSA Only



TSA + <50Mile



Blackstone Valley benefited from strong growth in casino gaming, while most other regions were fairly balanced in both the TSA and TSA + <50Mile.



Regional Share of Statewide TSA + Under 50Mile Visitation

Regional Share of State Visitors - 2007

	Share of Expenditures	Share of Visitation	Total Visitors (000)
Balance of State	8.0%	7.6%	1,361.4
Blackstone Valley	16.0%	18.8%	3,330.7
Block Island	4.7%	3.5%	616.3
East Bay	4.6%	4.7%	830.8
Newport	14.2%	16.4%	2,901.4
Providence	27.3%	27.4%	4,845.5
South County	13.5%	12.7%	2,251.0
Warwick	11.7%	9.0%	1,591.5
Total	100.0%	100.0%	17,728.6

Biggest variances from spending shares are in regions where there is a dominant category, such as expensive accommodations in Block Island or high transportation revenue in Warwick



Regional Share of Statewide TSA Tourism Visitation

Regional Share of State Visitors - 2007

	Share of Expenditures	Share of Visitation	Total Visitors (000)
Balance of State	7.3%	7.9%	618.9
Blackstone Valley	12.4%	14.5%	1144.9
Block Island	6.0%	5.6%	444.7
East Bay	4.8%	6.2%	490.1
Newport	14.7%	15.3%	1205.5
Providence	28.0%	28.9%	2276.7
South County	13.6%	12.6%	989.9
Warwick	13.2%	8.9%	701.2
Total	100.0%	100.0%	7872.0

Biggest variances from spending shares are in regions where there is a dominant category, such as expensive accommodations in Block Island or high transportation revenue in Warwick



Regional Share of Statewide Core TSA + Under 50Mile Employment

Regional Share of State Tourism Employment - 2007

	Share of State Expenditures	Share of Total Employment	Total Employment
Balance of State	8.0%	9.8%	6,440
Blackstone Valley	16.0%	10.8%	7,103
Block Island	4.7%	3.3%	2,159
East Bay	4.6%	5.8%	3,852
Newport	14.2%	12.3%	8,127
Providence	27.3%	32.4%	21,348
South County	13.5%	8.7%	5,725
Warwick	11.7%	16.9%	11,122
Total	100.0%	100.0%	65,877

Biggest variances from spending shares are in regions where with a high concentration in one area, such as entertainment for Blackstone Valley, accomodations for Block Island and South County, or transportation for Warwick



Regional Share of Statewide Tourism Employment

Regional Share of State Tourism Employment - 2007

	Share of State Expenditures	Share of Total Employment	Total Employment
Balance of State	7.3%	9.3%	3,769
Blackstone Valley	12.4%	10.2%	4,135
Block Island	6.0%	3.5%	1,422
East Bay	4.8%	6.2%	2,535
Newport	14.7%	12.2%	4,963
Providence	28.0%	33.6%	13,656
South County	13.6%	8.1%	3,311
Warwick	13.2%	16.8%	6,845
Total	100.0%	100.0%	40,635

Biggest variances from spending shares are in regions where there is a dominant category, such as accommodations in Block Island and South County or high transportation revenue in Warwick



How Important is Tourism to Rhode Island?

Agenda

- Quick Introduction to Global Insight
- What is Tourism Satellite Accounting?
- 2007 Rhode Island Tourism Results
- **What Do Visitors Mean to RI?**



Talking Points: What Do *Visitors* Mean to RI?

- ✓ **Each RI visitor/traveler generates about \$460 in expenditures, \$63 of which goes to RI businesses that do not directly “touch” that visitor**
- ✓ **Every 150 visitors creates a new RI job**
- ✓ **Each visitor creates about \$118 in tax receipts, \$63 of which goes to state & local authorities**
- ✓ **It takes only 235 visitors to pay for one Rhode Island public school student for one year**
- ✓ **Each RI visitor generates \$207 in wages paid to RI workers employed across an array of industries**
- ✓ **Each visitor adds about \$333 to RI Gross State Product**

Based on TSA definition of “visitor”.



Talking Points: What Does the Entire Industry Mean to RI?

- ✓ **Each RI visitor/traveler generates about \$384 in expenditures, \$38 of which goes to RI businesses that do not directly “touch” that visitor**
- ✓ **Every 220 visitors creates a new RI job**
- ✓ **Each visitor creates about \$81 in tax receipts, \$45 of which goes to state & local authorities**
- ✓ **It takes only 306 visitors to pay for one Rhode Island public school student for one year**
- ✓ **Each RI visitor generates \$132 in wages paid to RI workers employed across an array of industries**
- ✓ **Each visitor adds about \$207 to RI Gross State Product**

Based on TSA + Under 50Mile definition of “visitor”.



Thank You!

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