

The Economic Impact of Tampa's Visitor Economy, 2020

PREPARED FOR:



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REPORT HIGHLIGHTS

REPORT HIGHLIGHTS

Visitor spending, economic impact summary, and key facts



A relatively strong performance

Tampa strongly outperformed a list of similar and competing cities, suffering the smallest losses in three different KPIs.



Wage and job generation

Visitor spending supports 6.8% of all Hillsborough County jobs and 4.9% of all county income.



Hotel sector impacts

Hotel room revenue fell to \$452 million in 2020 from \$756 million in 2019.

Key statistics and economic impact figures for Hillsborough County's visitor economy

Total hotel nights sold	4.2 million
Total hotel room revenue	\$452 million
Total business sales supported	\$4.7 billion
Direct visitor spending	\$2.9 billion
Induced and indirect spending	\$1.8 billion
Jobs supported by tourism	46,154
Wages supported by tourism	\$2.0 billion
Taxes supported by tourism	\$792
Federal	\$466
State	\$139
Local	\$187

Source: Tourism Economics; BLS; STR

ECONOMIC IMPACT IN CONTEXT

Spending, jobs, and income impacts in context



**\$2.9
BILLION**

VISITOR SPENDING

The \$2.9 billion in visitor spending means that \$328,000 is spent EVERY HOUR in Hillsborough County.



**\$2.0
BILLION**

PERSONAL INCOME

The \$2.0 billion in total wages generated by tourism is equivalent to \$2,600 for every household in Hillsborough County.



**46,154
JOBS**

EMPLOYMENT

The number of people employed directly by visitors (31,753) would easily fill up Amalie Arena (capacity 19,092), and the total number of people with jobs supported by tourism (46,154) would fill up 2/3rds of Raymond James Stadium (65,618).



**\$326
MILLION**

STATE AND LOCAL TAXES

To make up for the \$326 million in state and local taxes generated by visitor spending, each household in Hillsborough County would need to contribute an additional \$660 annually to maintain the current level of government.

LOCAL TOURISM TRENDS

LOCAL TOURISM TRENDS

Hotel metrics

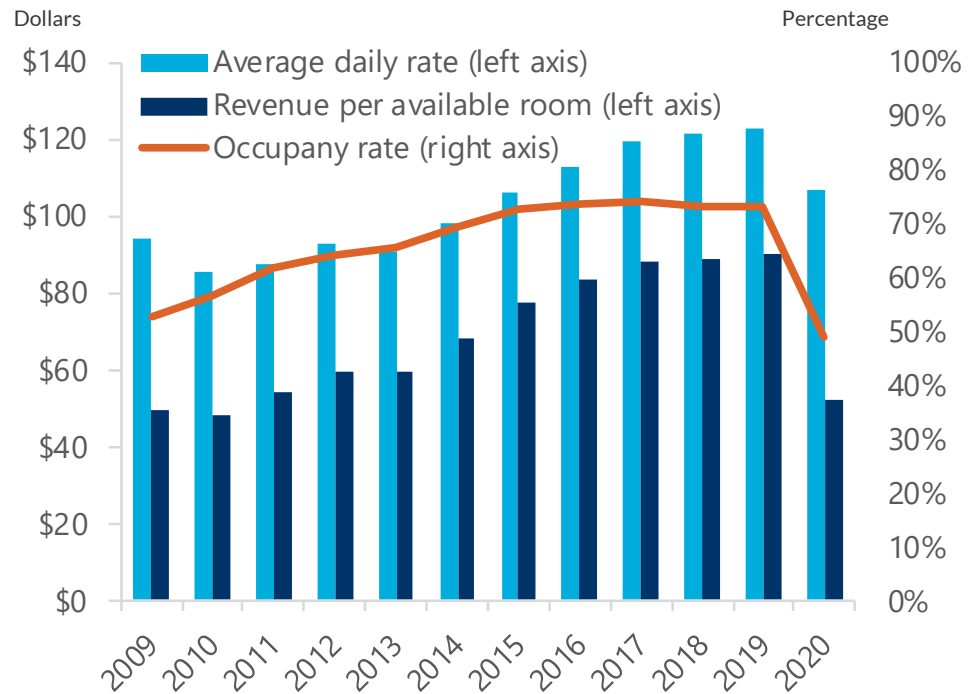
All three hotel key performance indicators (KPIs) fell sharply in 2020, as was the case across the US.

Revenue per available room (RevPAR) declined by 42% to \$52.

Average Daily rate (ADR) declined by 13% to \$107.

While these losses are stark, this report's next section, "Losses in Context", will show that this was a strong performance in light of the COVID-19 pandemic.

Hotel sector KPIs



Source: STR

LOCAL TOURISM TRENDS

Leisure and hospitality employment

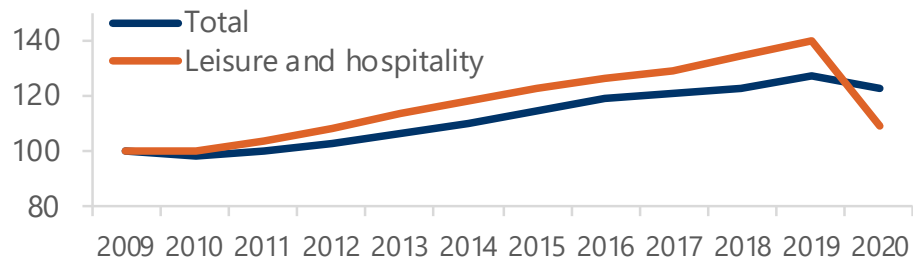
Before the pandemic, the leisure and hospitality sector was growing faster than the general economy.

In 2020, employment in the leisure and hospitality sector fell much faster than the general economy.

While income in the leisure and hospitality sector remained flat in 2020, income in the general economy grew 4%.

Visitor spending supported employment vs the general economy

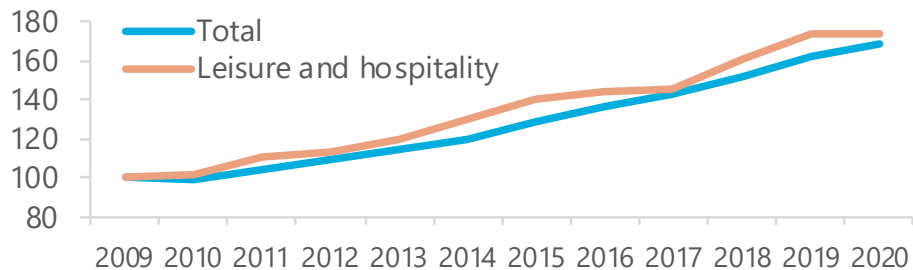
Index (2009=100)



Source: Tourism Economics

Visitor spending supported income vs the general economy

Index (2009=100)



Source: Tourism Economics

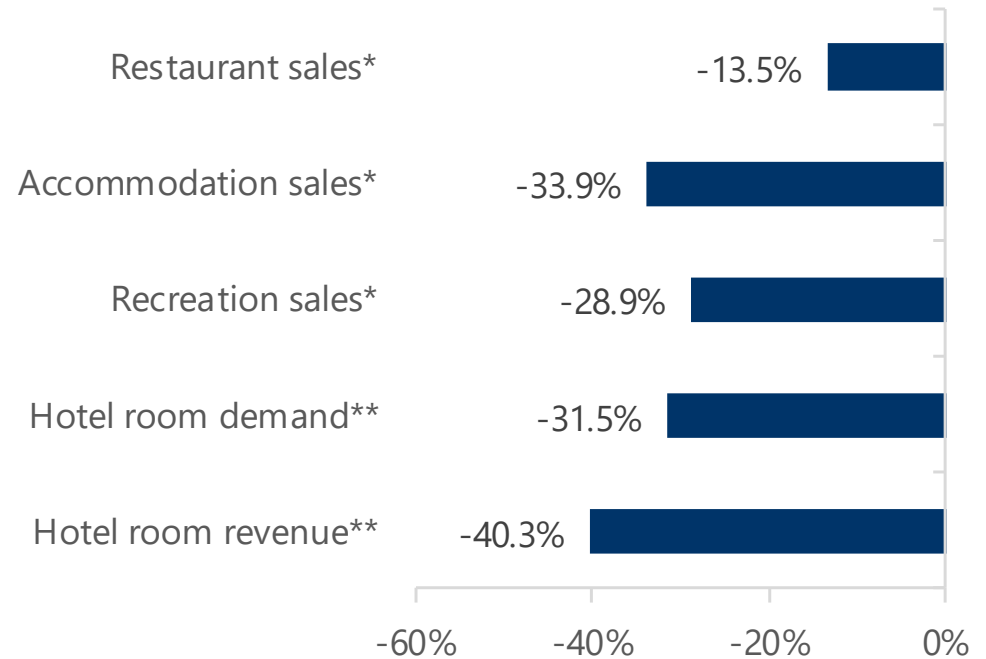
LOCAL TOURISM TRENDS

Travel sector losses

Data from Florida's Department of Revenue and STR demonstrate the impact of the pandemic on the travel and hospitality sector.

Growth in key indicators for Hillsborough County, 2020

Percent growth



Sources: *Florida Dept. of Revenue; **STR

LOSSES IN CONTEXT

LOSSES IN CONTEXT

State and national comparison

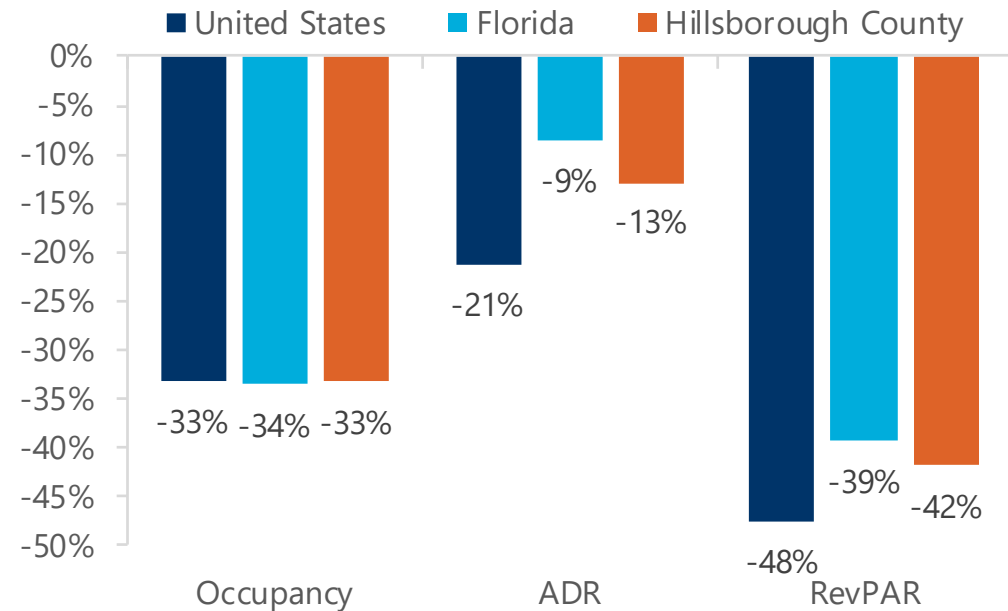
Hillsborough County fared slightly worse than Florida, but better than the nation.

Occupancy rate losses in Hillsborough county were similar to that of the state and nation.

The county's losses in ADR and RevPAR were slightly worse than the state, but better than the nation.

Hotel sector KPI losses compared to 2019

Percent change from 2019



Source: STR

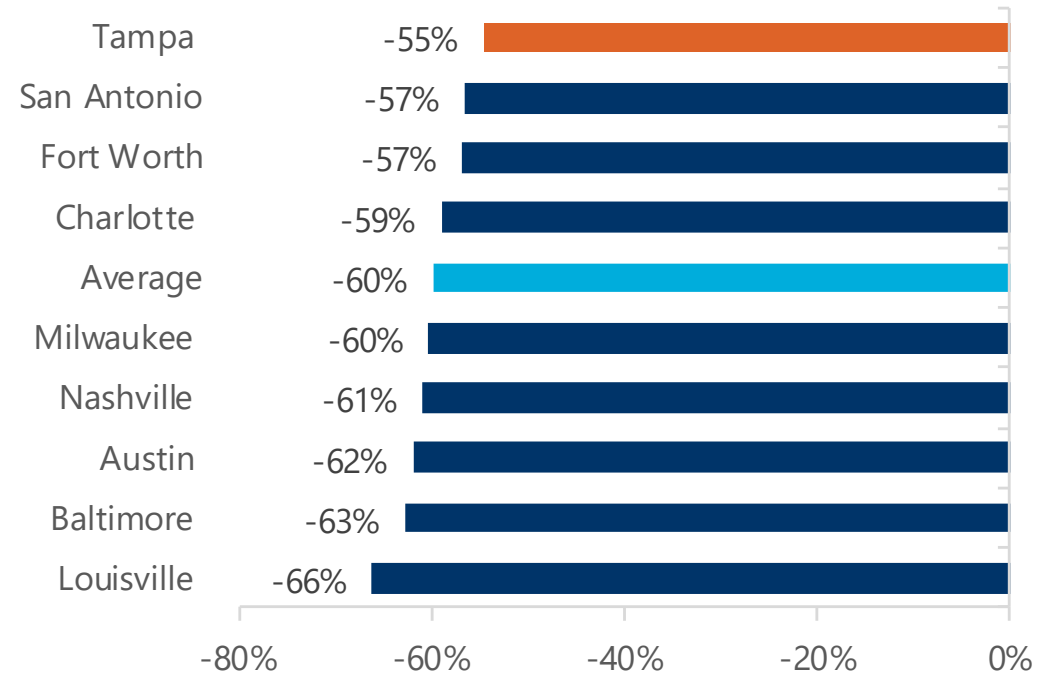
LOSSES IN CONTEXT

Competitive set comparison –
occupancy rate

Amongst similar and competitive CBDs (central business districts*), Tampa suffered to smallest loss in occupancy rates.

*STR provides data on downtown areas for Tampa and other major cities. This list of competitors was chosen ahead of the pandemic by Visit Tampa.

Occupancy rate* losses compared to 2019



Source: STR

Percent change from 2019

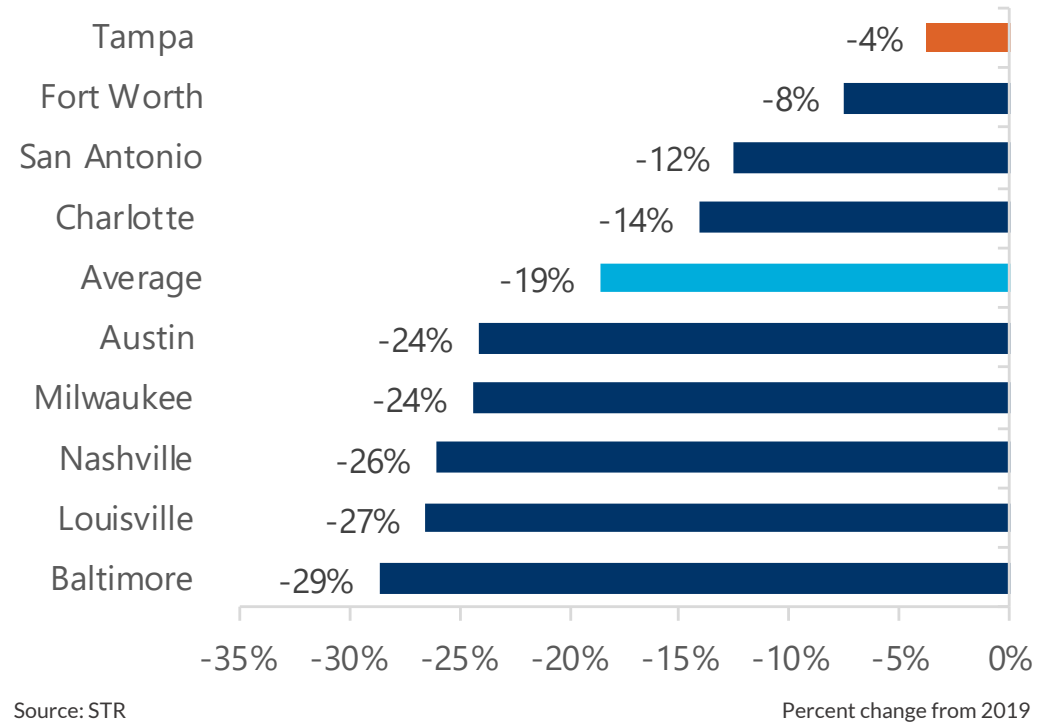
*This analysis is based on percent loss rather than raw loss, e.g., a drop in occupancy rate to 35% from 70% would be considered a 50% loss rather than a 35% loss.

LOSSES IN CONTEXT

Competitive set comparison –
ADR

Amongst similar and competitive CBDs,
Tampa suffered to smallest loss in ADR.

Hotel sector KPI losses compared to 2019



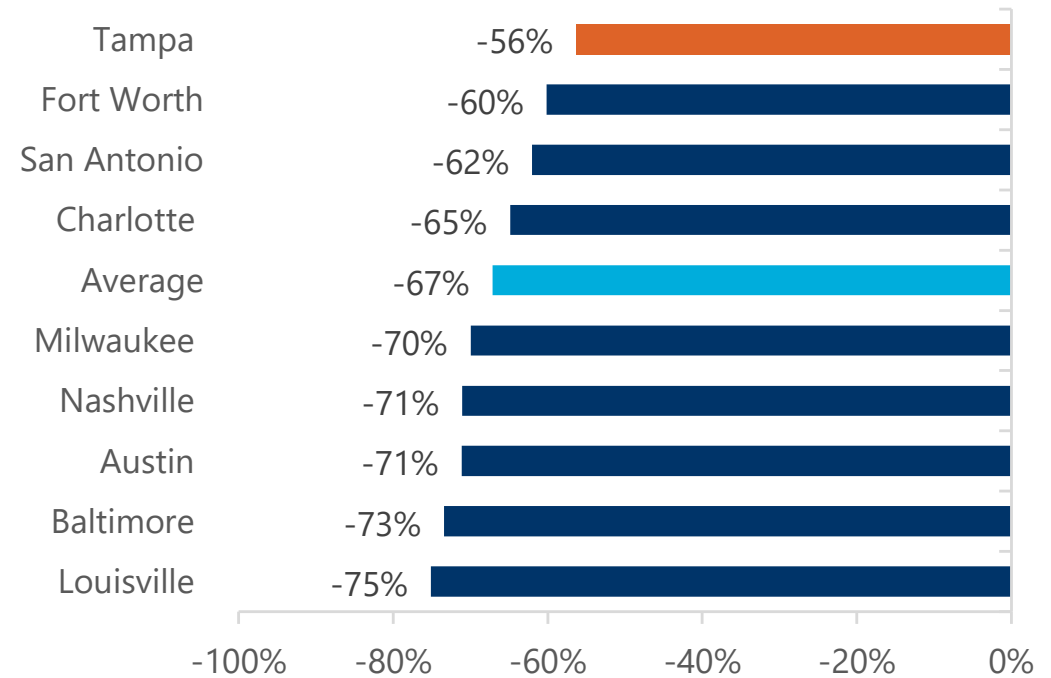
Source: STR

LOSSES IN CONTEXT

Competitive set comparison –
RevPAR

Amongst similar and competitive CBDs,
Tampa suffered to smallest loss in RevPAR.

Hotel sector KPI losses compared to 2019



Source: STR

Percent change from 2019

TRENDS IN VISITS AND SPENDING

TRENDS IN VISITS AND SPENDING

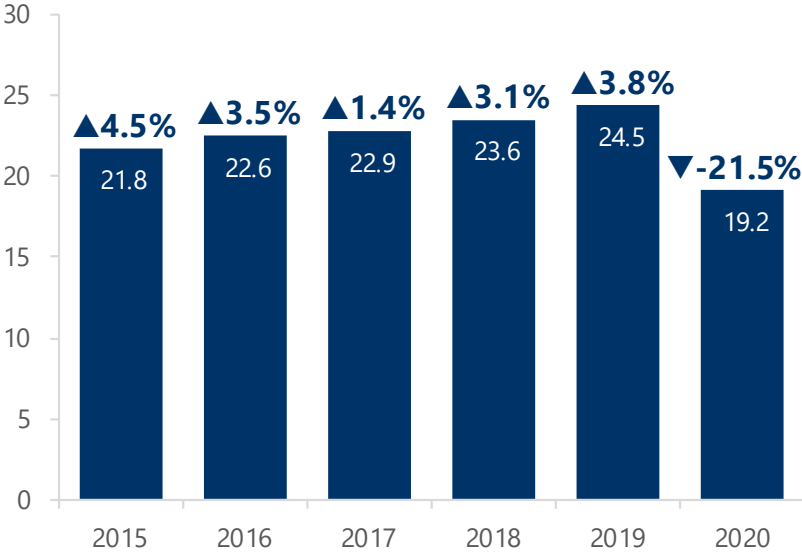
Total visitor count

Hillsborough County hosted 19.2 million visitors in 2020.

After growing for ten consecutive years, visitation fell 21.5% in 2020.

Visits to Hillsborough County

Amounts in millions of visitors and year-on-year percentage growth



Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

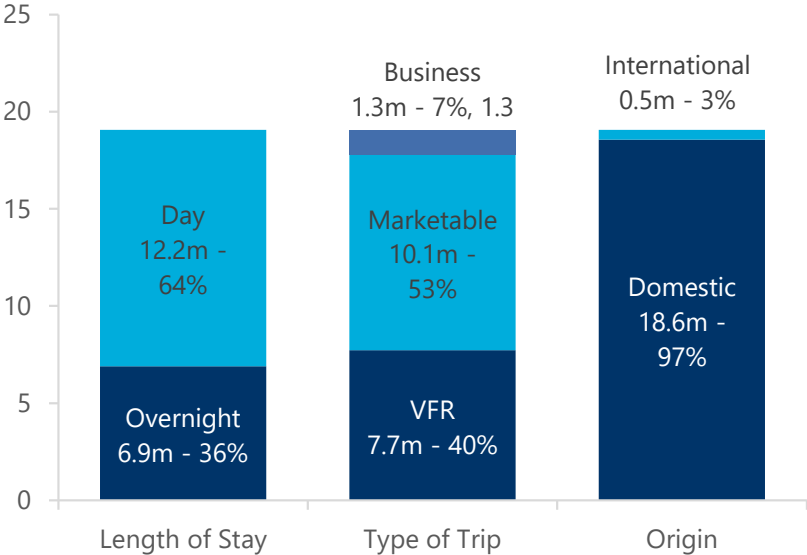
Total visitor count

Hillsborough County hosted 6.9 million overnight visitors in 2020.

53% of all visitors are 'marketable' or non-VFR (visiting friends and relatives) leisure travelers.

Visits to Hillsborough County

Amounts in millions and share of total



Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

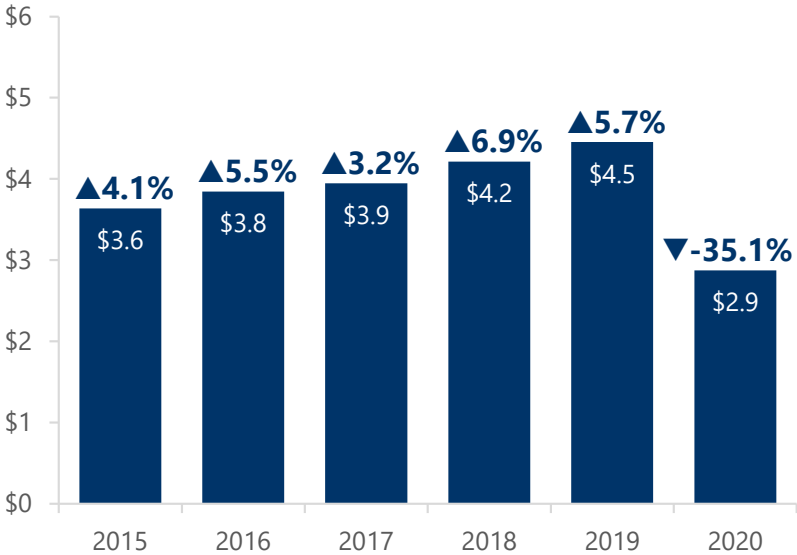
Total visitor count

In 2020, visitors spent \$2.9 billion in Hillsborough County.

After growing for ten consecutive years, visitor spending fell 35.1% in 2020. However, this is better than the 42% loss suffered by the nation.

Visitor spending in Hillsborough County

Dollars in billions of visitors and year-on-year percentage growth



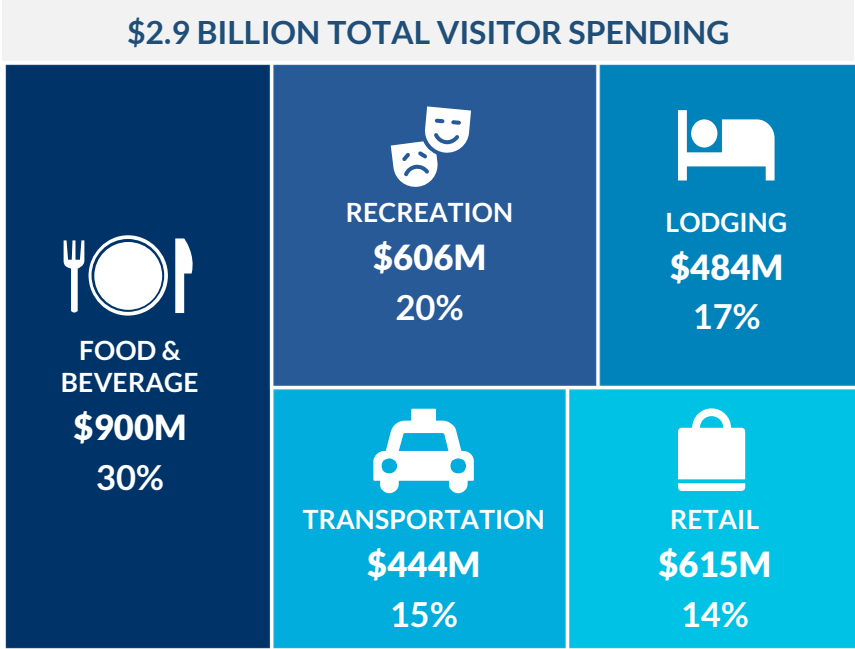
Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

Total visitor count

Visitor spending is distributed across a variety of sectors.

The largest share of the visitor dollar was spent on food and beverages, 30% of the total



Note: Transport includes both air and local transportation.
Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

Total visitor count

Spending on lodging and airfare fell farther than other sectors.

Visitor spending in Hillsborough County

Dollars in billions

	2015	2016	2017	2018	2019	2020	2020 decline	15-'19 growth
Total	\$3,638	\$3,846	\$3,945	\$4,214	\$4,454	\$2,872	-35.5%	22.4%
Lodging	\$691	\$747	\$802	\$838	\$871	\$484	-44.4%	26.0%
Local trans.	\$425	\$403	\$427	\$479	\$519	\$354	-31.8%	22.0%
Food & bev.	\$911	\$999	\$1,058	\$1,147	\$1,241	\$900	-27.5%	36.3%
Retail	\$548	\$571	\$570	\$596	\$615	\$438	-28.8%	12.2%
Recreation	\$868	\$935	\$896	\$967	\$1,015	\$606	-40.3%	16.9%
Airfare	\$195	\$191	\$191	\$187	\$193	\$90	-53.2%	-0.9%

Source: Tourism Economics

TRENDS IN VISITS AND SPENDING

Total visitor count

While overnight visitors represent 37% of visitors, they represent 68% of all spending.

Business trips fell the most during the pandemic, and overnight trips fell farther than day trips.

Visits and visitor spending in Hillsborough County

Dollars in billions, visitors in millions

	2015	2016	2017	2018	2019	2020	2020 decline	15-19 growth
Total Visitors*	21.8	22.6	22.9	23.6	24.5	19.2	-21.5%	12.3%
Day	13.1	13.6	13.6	14.1	14.7	12.2	-17.4%	12.2%
Overnight	8.7	9.0	9.3	9.4	9.7	7.0	-27.9%	12.4%
VFR	8.2	8.5	8.6	8.9	9.2	18.6	100.9%	12.4%
Marketable	10.9	11.3	11.5	11.8	12.3	0.5	-95.8%	12.4%
Business	2.2	2.2	2.3	2.3	2.4	0.0	-100.0%	12.4%
Total Spending	\$3,638	\$3,846	\$3,945	\$4,214	\$4,454	\$2,872	-35.5%	22.4%
Day	\$939	\$1,005	\$978	\$1,071	\$1,162	\$915	-21.2%	23.8%
Overnight	\$2,700	\$2,841	\$2,967	\$3,143	\$3,292	\$1,957	-40.6%	21.9%

Source: Tourism Economics

ECONOMIC IMPACTS



ECONOMIC IMPACTS

How visitor spending generates employment and income

Our analysis of tourism's impact on Hillsborough County begins with actual spending by visitors, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in Hillsborough County, we input visitor spending into a model of the Hillsborough County economy created IMPLAN. This model calculates three distinct types of impact: direct, indirect, and induced.

The impacts on business sales, jobs, wages, and taxes are calculated for all three levels of impact.

1. **Direct Impacts:** Visitors create direct economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
2. **Indirect Impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.
3. **Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated wither directly or indirectly by visitors, spend those wages in the local economy.

ECONOMIC IMPACTS

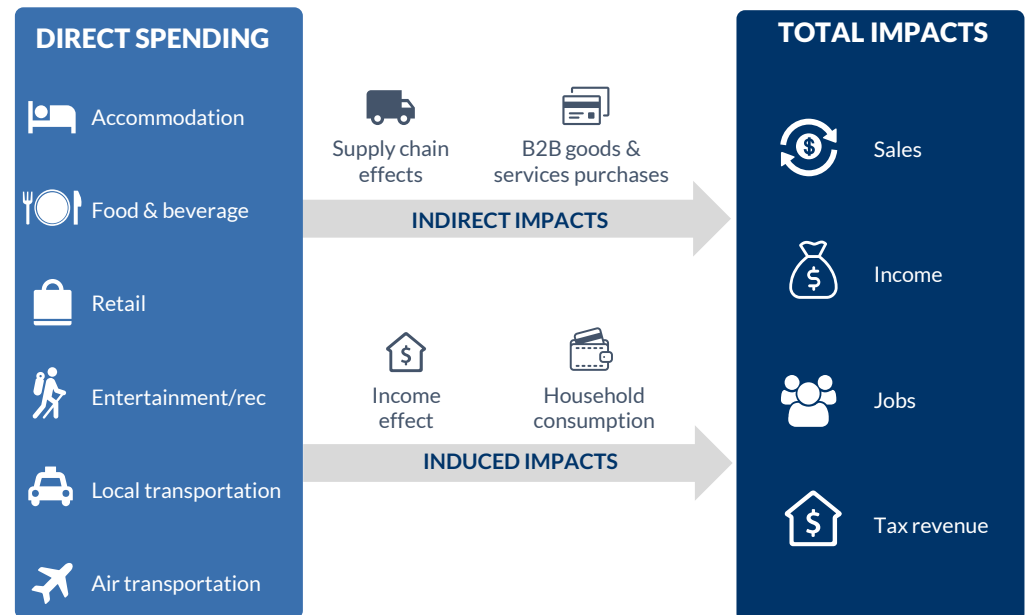
How visitor spending generates employment and income

IMPLAN models the entire local economy.

IMPLAN is particularly effective because it calculates these three levels of impact – direct, indirect, and induced – for a broad set of indicators.

These include the following:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

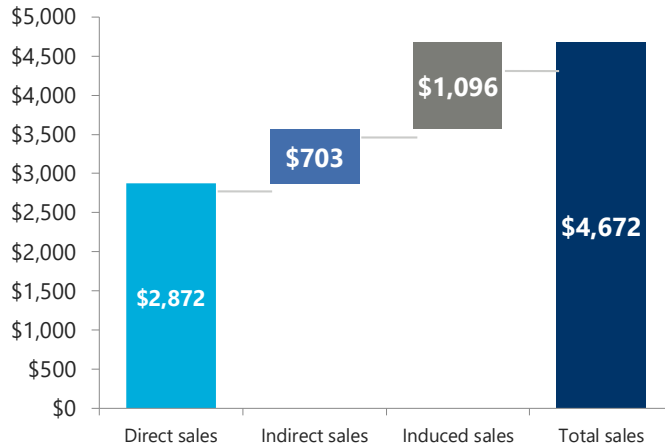


ECONOMIC IMPACTS

Business sales impacts by industry

Visitors directly spent \$2.9 billion in Hillsborough County and supported \$4.7 billion in total economic activity when indirect and induced impacts are considered.

Summary economic impacts (\$ millions)



Business sales impacts by industry

Dollar amounts in millions

	Direct sales	Indirect sales	Induced sales	Total sales
Total, all industries	\$2,872	\$703	\$1,096	\$4,672
By industry				
Agriculture, Fishing, Mining	\$0	\$1	\$0	\$2
Construction and Utilities	\$0	\$23	\$17	\$40
Manufacturing	\$0	\$12	\$11	\$23
Wholesale Trade	\$0	\$35	\$50	\$85
Air Transport	\$90	\$4	\$6	\$100
Other Transport	\$223	\$55	\$18	\$296
Retail Trade	\$438	\$12	\$88	\$538
Gasoline Stations	\$103	\$1	\$4	\$108
Communications	\$0	\$54	\$62	\$116
Finance, Insurance and Real Estate	\$39	\$202	\$359	\$599
Business Services	\$0	\$196	\$101	\$297
Education and Health Care	\$0	\$2	\$200	\$203
Recreation and Entertainment	\$606	\$29	\$18	\$652
Lodging	\$474	\$1	\$0	\$475
Food & Beverage	\$900	\$17	\$82	\$1,000
Personal Services	\$0	\$21	\$50	\$71
Government	\$0	\$39	\$28	\$67

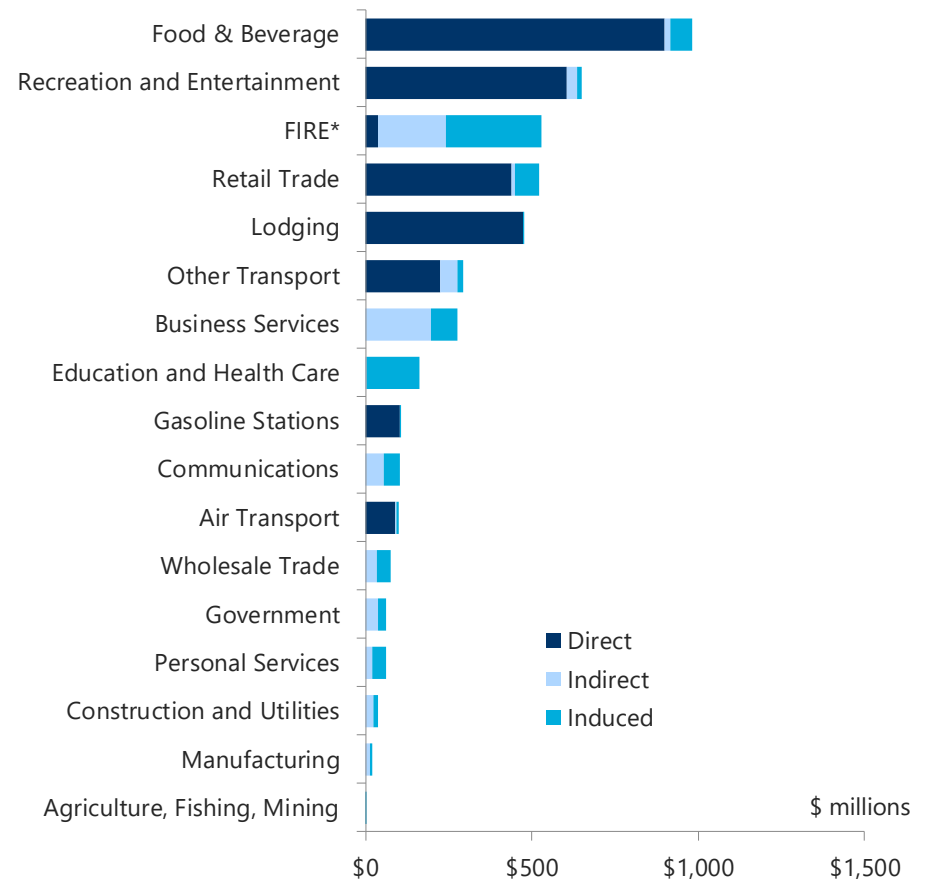
Source: Tourism Economics

ECONOMIC IMPACTS

Business sales impacts by industry

While the majority of sales are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Business sales impacts by industry

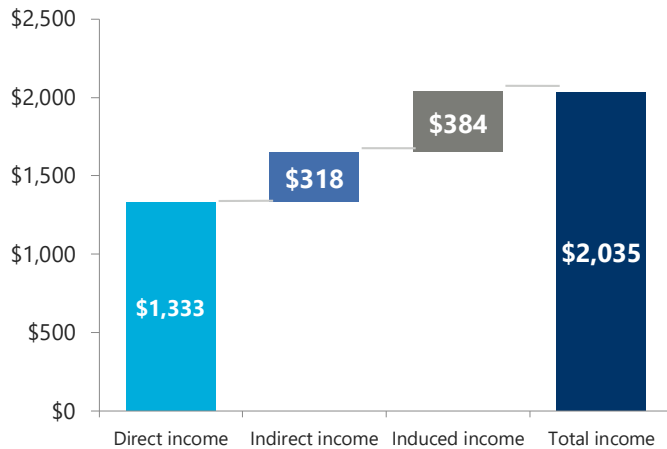


ECONOMIC IMPACTS

Income impacts by industry

Tourism generates \$1.3 billion in direct income and supports \$2.0 billion when indirect and induced impacts are considered.

Summary wage impacts (\$ millions)



Income impacts by industry

Dollar amounts in millions

	Direct income	Indirect income	Induced income	Total income
Total, all industries	\$1,333	\$318	\$384	\$2,035
By industry				
Agriculture, Fishing, Mining	\$0	\$0	\$0	\$1
Construction and Utilities	\$0	\$10	\$6	\$16
Manufacturing	\$0	\$3	\$2	\$4
Wholesale Trade	\$0	\$15	\$18	\$32
Air Transport	\$24	\$1	\$1	\$26
Other Transport	\$106	\$22	\$6	\$134
Retail Trade	\$77	\$9	\$36	\$122
Gasoline Stations	\$6	\$1	\$3	\$10
Communications	\$0	\$16	\$12	\$28
Finance, Insurance and Real Estate	\$7	\$52	\$54	\$113
Business Services	\$0	\$125	\$52	\$177
Education and Health Care	\$0	\$2	\$113	\$115
Recreation and Entertainment	\$450	\$16	\$8	\$473
Lodging	\$209	\$0	\$0	\$209
Food & Beverage	\$454	\$10	\$38	\$501
Personal Services	\$0	\$15	\$30	\$44
Government	\$0	\$22	\$8	\$30

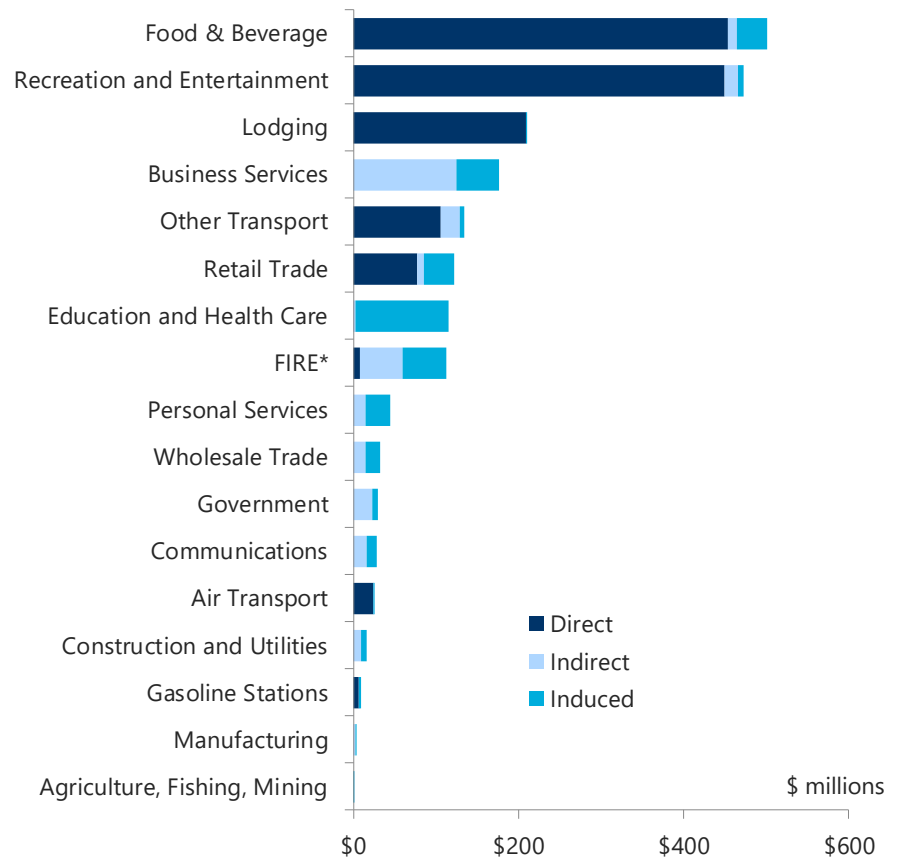
Source: Tourism Economics

ECONOMIC IMPACTS

Income impacts by industry

While the majority of wages are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Labor income impacts by industry

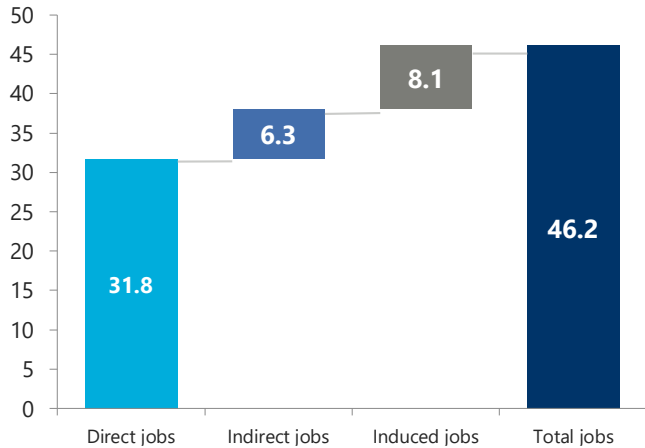


ECONOMIC IMPACTS

Job impacts by industry

Visitor spending directly generates 31,753 jobs and supports 46,154 jobs when indirect and induced impacts are considered.

Summary job impacts (000's)



Job impacts by industry

Includes seasonal and part time

	Direct jobs	Indirect jobs	Induced jobs	Total jobs
Total, all industries	31,753	6,300	8,102	46,154
By industry				
Agriculture, Fishing, Mining	0	12	6	18
Construction and Utilities	0	168	97	265
Manufacturing	0	62	25	87
Wholesale Trade	0	197	235	433
Air Transport	396	15	22	432
Other Transport	1,903	493	122	2,518
Retail Trade	2,555	342	904	3,800
Gasoline Stations	119	20	55	194
Communications	0	192	135	327
Finance, Insurance and Real Estate	180	1,352	1,154	2,687
Business Services	0	2,116	914	3,030
Education and Health Care	0	52	1,994	2,046
Recreation and Entertainment	6,672	324	219	7,214
Lodging	5,488	8	5	5,501
Food & Beverage	14,441	357	1,227	16,025
Personal Services	0	330	879	1,210
Government	0	259	109	368

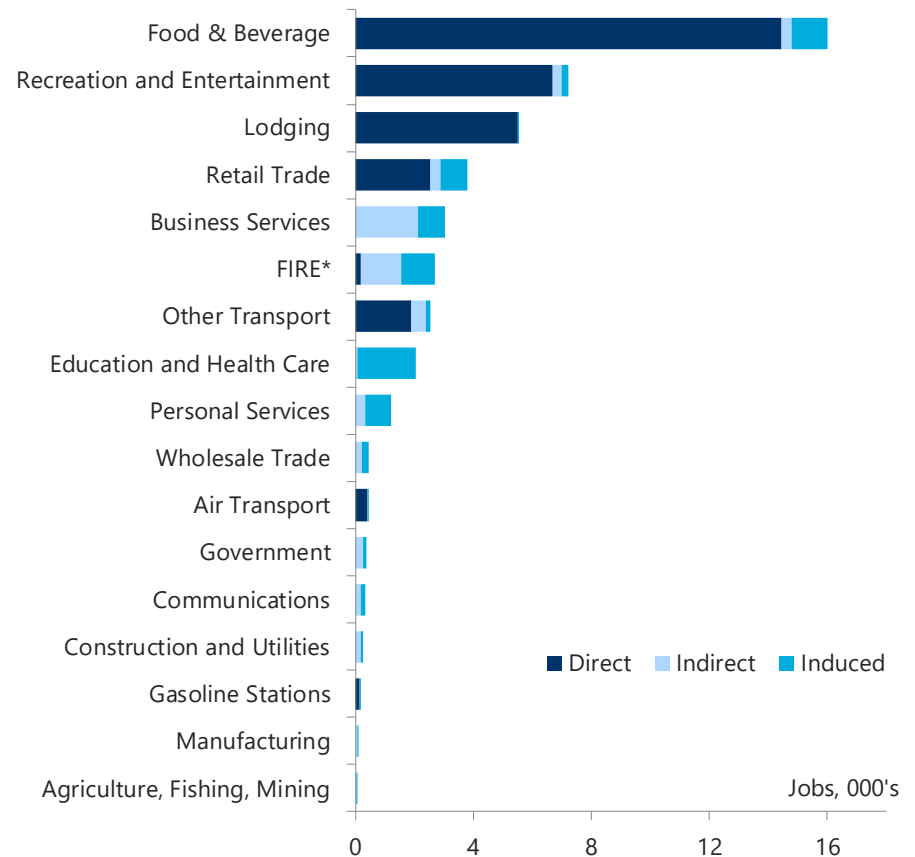
Source: Tourism Economics

ECONOMIC IMPACTS

Job impacts by industry

While the majority of jobs are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Job impacts by industry



ECONOMIC IMPACTS

Fiscal (tax) impacts

The visitor economy supports \$792 million in total government revenue including \$326 million in state and local government revenue.

Fiscal (tax) impacts

Dollars, million	Direct	Indirect / induced	Total
Total tax revenue	\$533	\$260	\$792
Federal	\$298	\$168	\$466
Personal Income	\$116	\$54	\$169
Corporate	\$26	\$27	\$53
Indirect business	\$39	\$15	\$54
Social Security	\$118	\$72	\$190
State	\$93	\$46	\$139
Sales	\$74	\$34	\$108
Corporate	\$4	\$4	\$7
Social Insurance	\$1	\$1	\$2
Excise and Fees	\$15	\$7	\$23
Local	\$141	\$46	\$187
Sales	\$12	\$6	\$18
Bed Tax	\$30	\$0	\$30
Excise and Fees	\$10	\$5	\$15
Property	\$88	\$36	\$123

Source: Tourism Economics

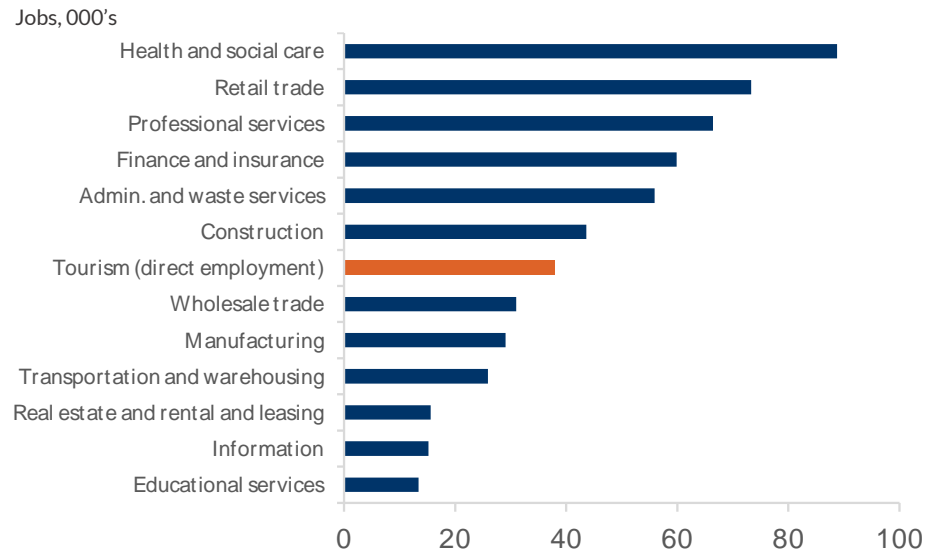
IMPACTS IN CONTEXT

ECONOMIC IMPACTS IN CONTEXT

Visitor economy employment

Tourism is one of the largest industries in Hillsborough County.

Employment major sectors in Hillsborough County, 2020



Sources: Tourism Economics; BLS

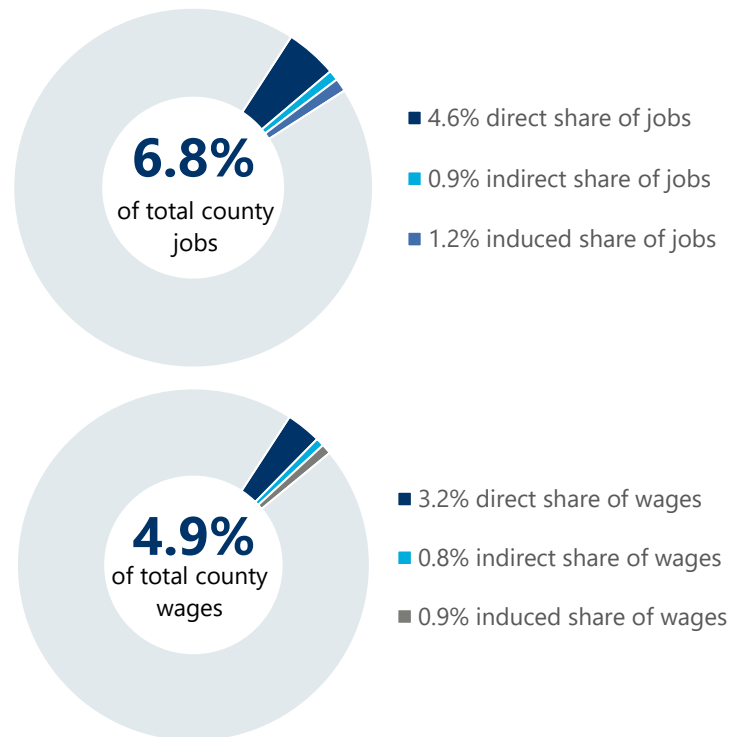
ECONOMIC IMPACTS IN CONTEXT

Visitor economy employment

Visitor spending supports 6.8% of all county jobs and 4.9% of all Hillsborough County income.

Share of Hillsborough County jobs and wages supported by tourism, 2020

Percent of all County jobs and income



Sources: Tourism Economics; BLS

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.

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