

**The Economic Impact  
of Travel on  
South Carolina  
2005**

A Study Prepared for the  
**South Carolina Department of Parks, Recreation & Tourism**  
by the  
Travel Industry Association of America  
Washington, D.C.  
August 2006



## **PREFACE**

This study was conducted by the Research Department of the Travel Industry Association of America (TIA) for the South Carolina Department of Parks, Recreation & Tourism. The study provides preliminary 2005 estimates of domestic traveler expenditures in South Carolina, as well as the employment, payroll income, and state and local tax revenue directly generated by these expenditures.

Additionally, this study provides estimates by county for domestic travel expenditures and employment, payroll income, and state and local tax revenue directly generated by domestic expenditures. For the purpose of comparison, related 2004 impact estimates are also included in this report

Travel Industry Association of America  
Washington, D.C.  
August 2006

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## **INTRODUCTION**

This report presents preliminary 2005 estimates of the impact of U.S. resident traveler spending in South Carolina, as well as the employment, payroll income and tax revenue directly generated by this spending. For the purpose of comparison, 2004 impact data are also included in this report.

All estimates of the economic impact of travel contained in this volume are the product of TIA's Travel Economic Impact Model (TEIM), a proprietary economic model developed expressly to indicate the expenditures, employment, payroll, and tax revenue generated by travel away from home in the United States.

The Travel Economic Impact Model (TEIM) was initially developed in 1975 for the U.S. Department of the Interior to indicate the economic value of travel and tourism to states and counties. The original TEIM has been revised substantially based upon more accurate and targeted input data available from governments and the private sector. A summary of the methodology is provided in Appendix A.

U.S. residents traveling in South Carolina includes both state residents and out-of-state visitors traveling away from home overnight in paid accommodations, or on day trips to places 50 miles or more away from home. Travel commuting to and from work; travel by those operating an airplane, bus, truck, train or other form of common carrier transportation; military travel on active duty; and travel by students away at school are all excluded from the model. In addition, the payroll and employment estimates represent impact generated in the private sector and exclude public-supported payroll and employment.

Since additional data relating to travel and its economic impact in 2005 will become available subsequent to this study, TIA reserves the right to revise these estimates in the future.

## **EXECUTIVE SUMMARY**

- Domestic travelers directly spent more than \$8.5 billion in South Carolina during 2005, up 9.8 percent from 2004.
- Domestic travel-generated employees in South Carolina earned nearly \$1.8 billion in payroll income during 2005. This represented a 3.1 percent increase from 2004.
- Domestic travel expenditures directly generated 110.3 thousand jobs within South Carolina in 2005, an increase of 0.6 percent over 2004. These jobs generated by domestic travel spending in South Carolina composed 5.9 percent of the total state non-agricultural employment in 2005.
- On average, every \$77,276 spent by domestic travelers in South Carolina during 2005 generated one job.
- Domestic travel spending in South Carolina directly generated nearly \$1.2 billion in tax revenue for federal, state and local governments in 2005, up more than 5.5 percent from 2004.
- Horry County received nearly \$2.7 billion in domestic travel expenditures to lead all of South Carolina's 46 counties. Charleston County ranked second with nearly \$1.4 billion, followed by Beaufort County with \$899 million.
- Eleven of South Carolina's 46 counties received over \$100 million in domestic travel expenditures in 2005.
- Twelve counties in South Carolina indicated one thousand or more jobs directly supported by domestic travelers during 2005.

## 2005 TRAVEL IMPACT ON U.S. ECONOMY

The U.S. economy continued to grow in 2005, with real GDP increasing 3.2 percent. Real disposable income rose 1.2 percent from 2004, while real personal consumption expenditures grew significantly by 3.5 percent from 2004. The U.S. job market improved during 2005 as annual average total non-farm employment increased more than 2 million from 2004 to 133.5 million. This reduced the national unemployment rate to 5.1 percent. The travel industry itself added 56 thousands jobs in 2005 as compared to 2004. The Consumer Price Index (CPI), an indicator of the level of price inflation, was up 3.4 percent in 2005, while TIA's Travel Price Index increased 5.3 percent during the same period, primarily due to a significant increase in the price of gasoline. The total U.S. current account deficit rose to a record high of \$792 billion in 2005. The U.S. travel industry, however, generated a \$12.5 billion trade surplus for the country in 2005 (excluding passenger fares).

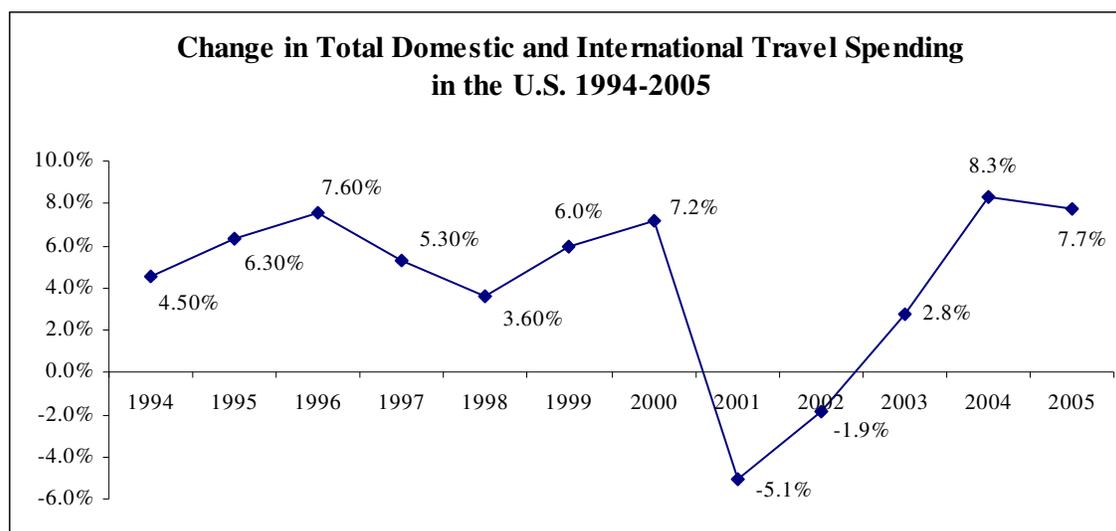
### U.S. Travel Volume in 2005

In 2005, total U.S. domestic person-trips were up 2.0 percent over 2004, according to TIA TravelScope®/DIRECTIONS® by DKS&A survey.

International visitors to the U.S. increased 7.2 percent in 2005 to 49.4 million. International travel to the U.S., however, remained 3.6 percent lower than its historical record set in 2000.

### Travel Expenditures in 2005

Domestic travelers spent \$572.1 billion in the U.S. during 2005, an increase of 7.5 percent over 2004. International traveler expenditures in the U.S., excluding spending on international airfares purchased outside the U.S., increased 9.6 percent to total \$81.7 billion in 2005. Combined domestic and international travel expenditures in the U.S. totaled \$653.8 billion, 7.7 percent more than in 2004.



Sources: TIA, OTTI

Domestic travel spending on auto transportation jumped 14.1 percent over 2004, to \$108.5 billion, reflecting the dramatic increase in gasoline prices during 2005. Total domestic air passenger enplanements were up 1.6 percent from 2004 and international air passenger enplanements jumped 9.4 percent in 2005, according to the Air Transport Association (ATA). In 2005, Amtrak reported a 2.4 percent increase in ridership. The growth in demand contributed to the 6.5 percent increase in public transportation expenditures in 2005. Domestic travel spending on lodging increased 7.3 percent over 2004. Hotel room demand (hotel room-nights sold) grew 3.3 percent, according to Smith Travel Research.

**Table 1: Travel Expenditures in the U.S. 2004-2005**

<u>Industry Sector*</u>	2005 Travel Spending in The U.S. (\$ Billions)	2004 Travel Spending in The U.S. (\$ Billions)	2005 Percent Change Over 2004 (%)
Public Transportation	\$108.5	\$101.9	6.5%
Auto Transportation	106.3	93.1	14.1%
Lodging	102.5	95.5	7.3%
Foodservice	141.6	134.3	5.4%
Entertainment	66.8	63.3	5.5%
General Retail	46.5	44.3	5.0%
Domestic Travelers	\$572.1	\$532.4	7.5%
International Travelers**	\$81.7	\$74.5	9.6%
Total	\$653.8	\$606.9	7.7%

Source: TIA

Total international traveler spending does not include international passenger fare payments, international traveler spending in the U.S. territories, and Canadian traveler spending not allocated to states.

## Travel Employment in 2005

More than 2 million jobs were added to the non-farm sector of the strengthening U.S. economy in 2005, a 1.5 percent up from 2004, according to the U.S. Bureau of Labor Statistics (BLS). This reduced the national unemployment rate fell to 5.1 percent from 5.5 percent in 2004. Employment generated by domestic and international traveler spending in the U.S. increased 0.8 percent during 2005.

Examining just employment related to domestic travel expenditures, the greatest gain occurred in the entertainment/recreation sector, with employment up 2.2 percent. In 2005, domestic travel-generated employment related to foodservices and lodging increased 1.3 percent and 1.2 percent, respectively. Employment generated by domestic travel in the public transportation (composed

primarily of the airline industry) sector, however, declined 2.4 percent in 2005, the most severe decline among all travel industry sectors. Employment in the travel-planning sector (i.e., the travel agent and travel arrangement industry) continued to decline as well, down 0.9 percent from 2004.

**Table 2: Travel-Generated Employment in the U.S., 2004-2005**

<u>Industry Sector</u>	2005 Travel-Generated Employment (Thousands)	2004 Travel-Generated Employment (Thousands)	2005 Percent Change Over 2004 (%)
Public Transportation	928.4	951.6	-2.4%
Auto Transportation	265.4	265.3	0.0%
Lodging	1,228.8	1,214.0	1.2%
Foodservice	2,566.9	2,533.2	1.3%
Entertainment	1,110.0	1,085.9	2.2%
General Retail	340.6	344.0	-1.0%
Travel Planning	173.7	175.3	-0.9%
Domestic Travelers	6,613.9	6,569.3	0.7%
International Travelers*	894.9	883.4	1.3%
Total	7,508.8	7,452.7	0.8%

Sources: TIA, BLS

\* Excludes jobs generated by international passenger fare payments, international traveler spending in the U.S. territories, and Canadian traveler spending not allocated to states.

**Table 3: Overall U.S. Economic Developments, 2003-2005**

<u>Sector</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Nominal gross domestic product (\$ Billions)	\$10,469.6	\$10,971.2	\$11,734.3
Real gross domestic product (\$ Billions)*	\$10,301.0	\$10,703.5	\$11,048.6
Total retail sales (\$ billions)	\$3,265.5	\$3,477.3	\$3,719.2
Real disposable personal income (\$ Billions)*	\$7,729.9	\$8,010.8	\$8,104.6
Real personal consumption expenditures (\$ Billions)*	\$7,295.3	\$7,577.1	\$7,841.2
Consumer price index**	184	188.9	195.3
Travel Price Index**	201.1	210.2	221.4
Non-farm payroll employment (Millions)	130.0	131.4	133.5
Unemployment rate (%)	6.0	5.5	5.1

***Percentage change from previous year***

Nominal gross domestic product	4.7%	6.9%	6.3%
Real gross domestic product	2.5%	3.9%	3.2%
Total retail sales	4.2%	6.5%	7.0%
Real disposable personal income	2.2%	3.6%	1.2%
Real personal consumption expenditures	2.8%	3.9%	3.5%
Consumer price index	2.3%	2.7%	3.4%
Travel Price Index	2.4%	4.5%	5.3%
Non-farm payroll employment	-0.3%	1.1%	1.5%

Sources: U.S. Dept. of Commerce, U.S. Dept. of Labor, U.S. Census Bureau, TIA

\* Chained 2000 dollars

\*\* Base period: 1982-84=100

**Table 4: U.S. Travel Trends, 2001-2005**

<u>Category</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005p</u>
U.S. travel expenditures (\$ billions)	\$483.8	\$478.3	\$495.8	\$532.4	\$572.1
International travel expenditures in the U.S.* (\$ billions)	\$71.9	\$66.6	\$64.3	\$74.5	\$81.7
Total travel expenditures (\$billions)	\$555.7	\$544.9	\$560.1	\$606.9	\$653.8
Travel price index	196.9	196.3	201.1	210.2	221.4
Travel-generated employment** (thousands)	7,673.2	7,440.5	7,336.0	7,452.7	7,508.8

***Percentage change from previous year***

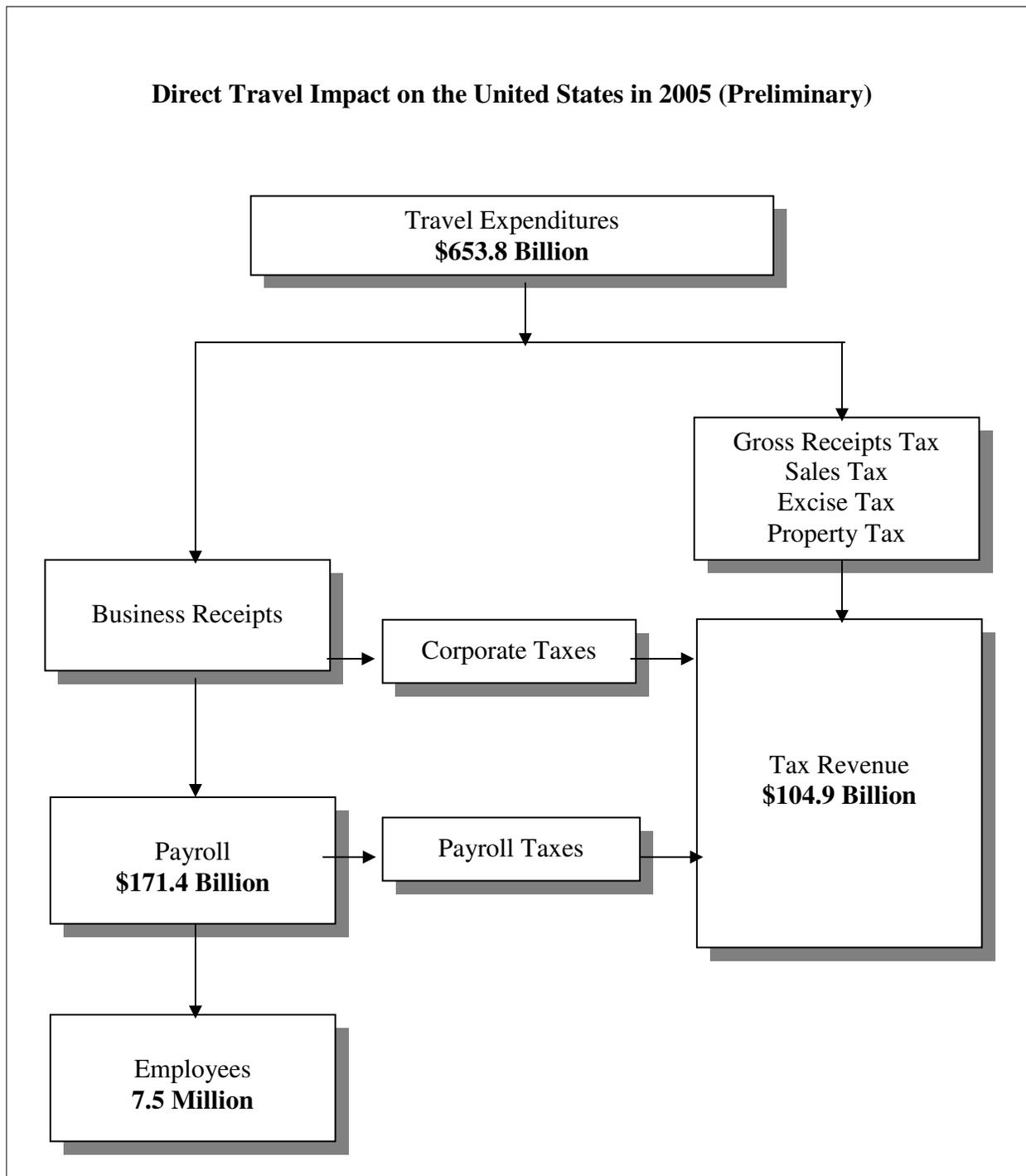
U.S. travel expenditures	-3.9%	-1.1%	3.7%	7.4%	7.5%
International travel expenditures in the U.S.	-12.8%	-7.4%	-3.4%	15.8%	9.6%
Total travel expenditures (\$billions)	-5.1%	-1.9%	2.8%	8.3%	7.7%
Travel price index	1.1%	-0.3%	2.4%	4.5%	5.3%
Travel-generated employment	-1.4%	-3.0%	-1.4%	1.6%	0.8%

Sources: TIA, BEA and BLS.

P: preliminary

Note: \* Includes international traveler spending within the U.S. only.

\*\* Includes employment generated by both domestic and international traveler expenditures.



Source: TIA

Note: Excludes jobs generated by international passenger fare payments, international traveler spending in the U.S. territories, and Canadian traveler spending not allocated to states.

**DOMESTIC TRAVEL IMPACT  
ON SOUTH CAROLINA**

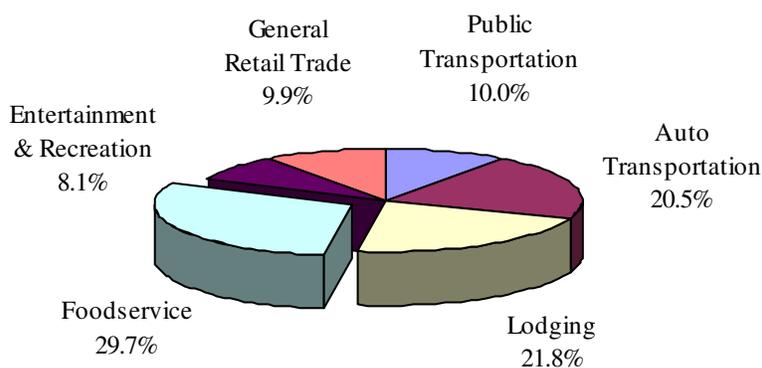
## DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2005

### Travel Expenditures

During 2005, domestic travelers to South Carolina spent more than \$8.5 billion on transportation, lodging, food, entertainment and recreation and incidentals, up 9.8 percent from 2004.

- Foodservice, the largest spending sector registered more than \$2.5 billion in 2005, up 6.6 percent from 2004 and accounted for nearly 30 percent of the state total.
- The lodging industry, which reached nearly \$1.9 billion, was the second largest spending sector in 2005, up 8.1 percent from 2004.
- Domestic travelers' spending on auto transportation jumped 19.0 percent to more than \$1.7 billion, the highest increase among six categories investigated in this report, largely due to the increase of gasoline prices.

**Domestic Travel Expenditures in South Carolina  
by Industry Sector - 2005**



- 
1. Auto transportation sector includes privately-owned vehicles that are used for trips (e.g., automobiles, trucks, campers or other recreational vehicles), gasoline service stations, and automotive rental.
  2. Foodservice sector includes restaurants, grocery stores and other eating and drinking establishments.
  3. Public transportation sector comprises air, intercity bus, rail, boat or ship, and taxicab or limousine service.
  4. Lodging sector consists of hotels and motels, campgrounds, and ownership or rental of vacation or second homes.
  5. General retail trade sector includes gifts, clothes, souvenirs and other incidental retail purchases.
  6. Entertainment and recreation sector includes such items as golf, skiing and gaming.
-

Domestic Travel Expenditures

**Table 5: Domestic Travel Expenditures in South Carolina by Industry Sector, 2004-2005**

<i>2005 Expenditures</i>	Total (\$ Millions)	% of Total
Public Transportation	\$852.6	10.0%
Auto Transportation	1,743.6	20.5%
Lodging	1,860.0	21.8%
Foodservice	2,534.0	29.7%
Entertainment & Recreation	692.7	8.1%
<u>General Retail Trade</u>	<u>842.8</u>	<u>9.9%</u>
 Total*	 \$8,525.7	 100.0%
 <i>2004 Expenditures</i>		
Public Transportation	\$741.8	9.6%
Auto Transportation	1,464.7	18.9%
Lodging	1,721.2	22.2%
Foodservice	2,377.4	30.6%
Entertainment & Recreation	663.5	8.5%
<u>General Retail Trade</u>	<u>795.3</u>	<u>10.2%</u>
 Total*	 \$7,763.7	 100.0%
 <i>Percent Change 2005 over 2004</i>		
Public Transportation	14.9%	
Auto Transportation	19.0%	
Lodging	8.1%	
Foodservice	6.6%	
Entertainment & Recreation	4.4%	
<u>General Retail Trade</u>	<u>6.0%</u>	
 Total*	 9.8%	

Source: TIA

Note: \* Percent change from previous year may not match those in county tables due to rounding.

## DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2005

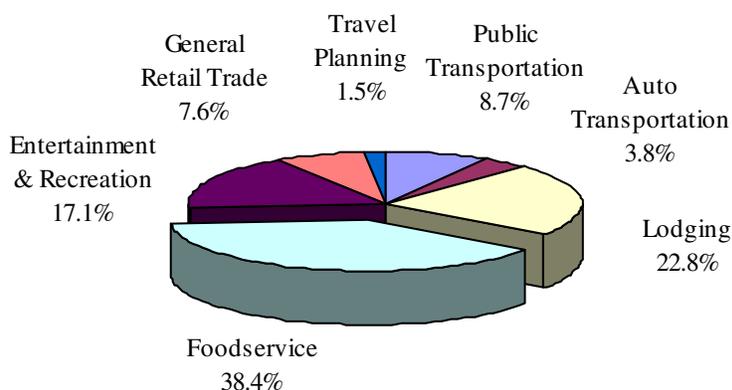
### Travel-Generated Payroll

Travel-generated payroll is the wage and salary income paid to employees directly serving the traveler within the industry sectors from which these travelers purchase goods and services. Each dollar of travel spending generates different amounts of payroll income within the various travel industry sectors depending on the labor content and the wage structure of each sector.

Payroll (wages and salaries) paid by South Carolina travel-related firms and directly attributable to domestic travel spending reached nearly \$1.8 billion in 2005. This represented an increase of 3.1 percent from 2004.

- On average, every dollar spent by domestic travelers produced almost 21 cents in wage and salary income for South Carolina residents in 2005.
- In 2005, the foodservice sector posted the largest payroll generated by domestic travel spending with \$683.9 million, accounting for 38.4 percent of the state total.
- Payroll in the lodging sector ranked second with \$405.7 million in travel-generated payroll income (22.8 percent of the state total).
- The entertainment & recreation sector composed 17.1 percent of the state's total travel-generated payroll income, up 4.5 percent from 2004.

**Domestic Travel-Generated Payroll in South Carolina  
by Industry Sector - 2005**



**Table 6: Domestic Travel-Generated Payroll in South Carolina by Industry Sector, 2004-2005**

<i>2005 Payroll</i>	Total (\$ Millions)	% of Total
Public Transportation	\$155.6	8.7%
Auto Transportation	68.4	3.8%
Lodging	405.7	22.8%
Foodservice	683.9	38.4%
Entertainment & Recreation	305.1	17.1%
General Retail Trade	135.1	7.6%
Travel Planning*	27.4	1.5%
<b>Total**</b>	<b>\$1,781.2</b>	<b>100.0%</b>
<i>2004 Payroll</i>		
Public Transportation	\$174.4	10.1%
Auto Transportation	65.3	3.8%
Lodging	392.8	22.7%
Foodservice	645.3	37.3%
Entertainment & Recreation	292.0	16.9%
General Retail Trade	131.0	7.6%
Travel Planning*	27.5	1.6%
<b>Total**</b>	<b>\$1,728.2</b>	<b>100.0%</b>
<i>Percent Change 2005 over 2004</i>		
Public Transportation	-10.7%	
Auto Transportation	4.8%	
Lodging	3.3%	
Foodservice	6.0%	
Entertainment & Recreation	4.5%	
General Retail Trade	3.2%	
Travel Planning*	-0.5%	
<b>Total**</b>	<b>3.1%</b>	

Source: TIA

Note: \* Refers to payroll income that goes to travel agents, tour operators, and other travel service employees who arrange passenger transportation, lodging, tours and other related services.

\*\* Percent change from previous year may not match those in county tables due to rounding.

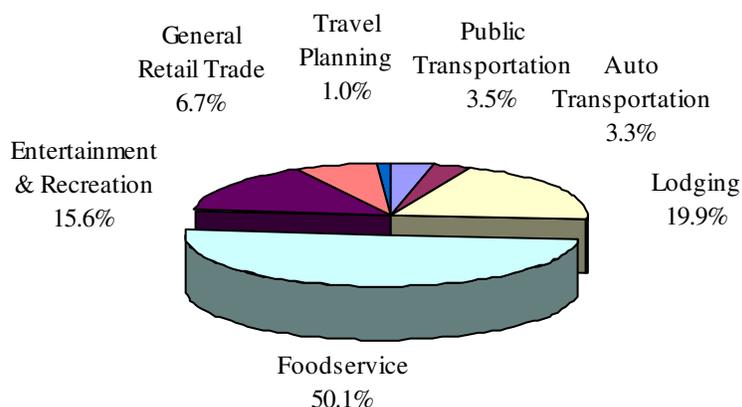
## DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2005

### Travel-Generated Employment

The most impressive contribution that travel and tourism make to the South Carolina economy is the number of businesses and jobs it supports. These jobs include a large number of executive and managerial positions, as well as service-oriented occupations.

- During 2005, domestic travel spending in South Carolina generated 110.3 thousand jobs, including full-time and seasonal/part-time positions in the state, up 0.6 percent from 2004. On average, every \$77,276 spent by domestic travelers in South Carolina directly supported one job.
- The 110.3 thousand jobs generated by domestic travel in South Carolina composed 5.9 percent of state's total non-agricultural employment during 2005. Without these jobs generated by domestic travel, South Carolina's 2005 unemployment rate of 6.8 percent would have been 5.3 percentage points higher, or the equivalent of 12.1 percent of the labor force.
- The foodservice sector, which includes restaurants and other eating and drinking places, provided more jobs than any other industry sector. During 2005, travelers' spending in this sector created 55.2 thousand jobs, accounting for 50.1 percent of the state total. The labor-intensiveness of these businesses and the large proportion of travel expenditures spent on food service contribute to the importance of this sector.
- The employment in public transportation sector in South Carolina declined 12.1 percent from 2004, largely due to Airlines' layoffs.
- Travel-generated employment in the lodging sector reached almost 22 thousand in 2005, nearly 20 percent of the state total.

**Domestic Travel-Generated Employment  
in South Carolina by Industry Sector - 2005**



**Table 7: Domestic Travel-Generated Employment in South Carolina by Industry Sector, 2004-2005**

<i>2005 Employment</i>	Total (Thousands)	% of Total
Public Transportation	3.9	3.5%
Auto Transportation	3.6	3.3%
Lodging	21.9	19.9%
Foodservice	55.2	50.1%
Entertainment & Recreation	17.2	15.6%
General Retail Trade	7.4	6.7%
Travel Planning*	1.1	1.0%
<b>Total**</b>	<b>110.3</b>	<b>100.0%</b>
<i>2004 Employment</i>		
Public Transportation	4.4	4.0%
Auto Transportation	3.6	3.2%
Lodging	22.0	20.0%
Foodservice	54.0	49.2%
Entertainment & Recreation	17.1	15.6%
General Retail Trade	7.4	6.8%
Travel Planning*	1.2	1.1%
<b>Total**</b>	<b>109.7</b>	<b>100.0%</b>
<i>Percent Change 2005 over 2004</i>		
Public Transportation	-12.1%	
Auto Transportation	1.2%	
Lodging	-0.2%	
Foodservice	2.3%	
Entertainment & Recreation	0.6%	
General Retail Trade	-0.1%	
Travel Planning*	-10.6%	
<b>Total**</b>	<b>0.6%</b>	

Source: TIA

Note: \* Refers to jobs created in travel arrangement firms such as travel agencies, wholesale and retail tour companies, and other travel-related service businesses.

\*\* Percent change from previous year may not match those in county tables due to rounding.

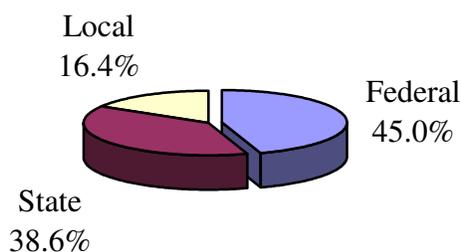
## DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA - 2005

### Travel-Generated Tax Revenue

Travel tax receipts are the federal, state and local tax revenues attributable to travel spending in South Carolina. Travel-generated tax revenue is a significant economic benefit, as governments use these funds to support the travel infrastructure and help support a variety of public programs.

- In 2005, total tax revenue generated by domestic traveler spending in South Carolina reached almost \$1.2 billion, up 5.5 percent from 2004. On average, each travel dollar spent by domestic travelers in South Carolina produced 14 cents in tax receipts for federal, state and local governments in 2005.
- Domestic travel spending in South Carolina generated more than \$537 million for the federal government in 2005. This represents 45.0 percent of all travel-generated tax collections in the state. Each dollar spent by domestic travelers in South Carolina produced 6.3 cents for federal tax coffers.
- Spending by domestic travelers in South Carolina also generated \$460 million in tax revenue for the state treasury through state sales and excise taxes, and taxes on personal and corporate income. This composed 38.6 percent of all travel-generated tax revenue for 2005 collected in the state. On average, each travel dollar produced 5.4 cents in state tax receipts.
- Local governments in South Carolina directly benefited from domestic travel as well. During 2005, domestic travel spending generated \$196 million in sales and property tax revenue for the municipal government, 16.4 percent of total travel-generated tax revenue in the state. Each travel dollar produced 2.3 cents for local tax coffers.

### Domestic Travel-Generated Tax Revenue in South Carolina by Level of Government - 2005



**Table 8: Domestic Travel-Generated Tax Revenue in South Carolina  
by Level of Government, 2004-2005**

<i>2005 Tax Revenue</i>	Total (\$ Millions)	% of Total
Federal Tax	\$537.2	45.0%
State tax	460.0	38.6%
Local Tax	196.0	16.4%
<b>Total</b>	<b>\$1,193.2</b>	<b>100.0%</b>
<i>2004 Tax Revenue</i>		
Federal Tax	\$510.4	45.1%
State tax	436.7	38.6%
Local Tax	183.5	16.2%
<b>Total</b>	<b>\$1,130.6</b>	<b>100.0%</b>
<i>Percent Change 2005 over 2004</i>		
Federal Tax	5.2%	
State tax	5.3%	
Local Tax	6.8%	
<b>Total</b>	<b>5.5%</b>	

Source: TIA

**DOMESTIC TRAVEL IMPACT  
ON SOUTH CAROLINA COUNTIES**

## **DOMESTIC TRAVEL IMPACT ON SOUTH CAROLINA COUNTIES - 2005**

Domestic travelers spent more than \$8.5 billion while traveling in South Carolina during 2005, up 9.8 percent from 2004.

The top five counties in South Carolina received more than \$6.1 billion in direct domestic travel expenditures, 72 percent of the state total. Domestic travel spending in the top five counties generated more than \$1.3 billion in payroll (74.9 percent of the state total) and 84.3 thousand jobs (76.4 percent of the state total) in 2005.

Additionally, domestic travel expenditures in top five counties generated nearly \$334 million in tax revenue for the state treasury (72.5 percent of the state total) and \$147 million tax revenue for local governments (75.0 percent of the state total) during 2005.

### **Domestic Travel Impact in Top 5 Counties**

**Horry County**, which includes the resort area of Myrtle Beach, led all counties in travel expenditures, payroll income and jobs directly generated by domestic traveler spending in 2005. Domestic travel expenditures in Horry County reached nearly \$2.7 billion, accounting for 31.4 percent of the state total. These expenditures generated nearly \$554 million in payroll income and 37.1 thousand jobs for county residents.

**Charleston County** ranked second with nearly \$1.4 billion in domestic travel spending in 2005, representing 15.9 percent of the state total. The payroll income and jobs directly attributable to domestic travel spending reached \$300 million and 19.4 thousand jobs.

**Beaufort County** posted \$899 million in domestic expenditures to rank third. These expenditures generated nearly \$189 million in payroll as well as 12.7 thousand jobs within the county.

**Greenville County** received more than \$779 million from domestic travelers, 9.1 percent of the state total. These travel expenditures benefited county residents with nearly \$208 million in wages and salaries and 9.4 thousand jobs.

**Richland County** ranked fifth with nearly \$421 million in domestic travel expenditures in 2005. These expenditures by domestic travelers generated \$83 million in payroll income and nearly 5.9 thousand jobs for the county residents.

**Table 9: Domestic Travel Impact in South Carolina - Top 5 Counties, 2004-2005**

**2005 Impact**

County	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax Receipts (\$ Millions)	Local Tax Receipts (\$ Millions)
Horry	\$2,678.31	\$553.89	37.08	\$152.72	\$94.60
Charleston	1,359.48	300.21	19.39	74.35	26.83
Beaufort	899.31	188.92	12.66	51.11	13.34
Greenville	779.09	207.76	9.35	31.16	9.16
Richland	420.89	83.22	5.85	24.33	3.11
Top Five County Total	\$6,137.09	\$1,334.00	84.34	\$333.68	\$147.03
State Total	\$8,525.75	\$1,781.18	110.33	\$459.98	\$196.01
Share of Top 5 Counties	72.0%	74.9%	76.4%	72.5%	75.0%

**2004 Impact**

Horry	\$2,436.28	\$536.95	36.82	\$144.77	\$88.32
Charleston	1,232.19	289.99	19.19	70.23	24.96
Beaufort	822.62	184.16	12.64	48.72	12.52
Greenville	708.26	201.29	9.28	29.52	8.55
Richland	380.34	80.14	5.77	22.92	2.88
Top Five County Total	\$5,579.70	\$1,292.53	83.70	\$316.15	\$137.23
State Total	\$7,763.69	\$1,728.18	109.67	\$436.68	\$183.51
Share of Top 5 Counties	71.9%	74.8%	76.3%	72.4%	74.8%

**Percent Change  
2005 over 2004**

Horry	9.9%	3.2%	0.7%	5.5%	7.1%
Charleston	10.3%	3.5%	1.1%	5.9%	7.5%
Beaufort	9.3%	2.6%	0.2%	4.9%	6.5%
Greenville	10.0%	3.2%	0.8%	5.6%	7.2%
Richland	10.7%	3.8%	1.4%	6.2%	7.8%
Top Five County Total	10.0%	3.2%	0.8%	5.5%	7.1%
State Total	9.8%	3.1%	0.6%	5.3%	6.8%

Source: TIA

## COUNTY TABLES

The following tables list the results of the County Economic Impact Component of the TIA's Travel Economic Impact Model for South Carolina in 2005 and 2004. The estimates presented are for direct domestic travel expenditures and related economic impact.

- Table A shows the counties listed alphabetically, with 2005 travel expenditures, travel-generated payroll and employment, and state tax revenue and local tax revenue for each.
- Table B ranks the counties in order of 2005 travel expenditures from highest to lowest.
- Table C shows the percent distribution for each impact measure in 2005.
- Table D shows the percent change in 2005 over 2004 estimates for each of the measures of economic impact.
- Table E shows the counties listed alphabetically, with 2004 travel expenditures, travel-generated payroll and employment, and state tax revenue and local tax revenue shown for each.

Table A: Alphabetical by County, 2005

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table A: Alphabetical by County, 2005</b>					
<u>County</u>	<u>Expenditures (\$ Millions)</u>	<u>Payroll (\$ Millions)</u>	<u>Employment (Thousands)</u>	<u>State Tax Receipts (\$ Millions)</u>	<u>Local Tax Receipts (\$ Millions)</u>
ABBEVILLE	\$5.50	\$0.83	0.05	\$0.33	\$0.39
AIKEN	84.58	15.15	0.87	4.41	0.99
ALLENDALE	3.82	0.58	0.04	0.23	0.14
ANDERSON	112.46	18.18	1.25	6.70	2.03
BAMBERG	5.19	0.77	0.05	0.32	0.17
BARNWELL	7.67	1.24	0.08	0.47	0.16
BEAUFORT	899.31	188.92	12.66	51.11	13.34
BERKELEY	80.41	14.46	0.96	4.83	2.43
CALHOUN	2.68	0.36	0.02	0.16	0.14
CHARLESTON	1,359.48	300.21	19.39	74.35	26.83
CHEROKEE	28.58	5.41	0.36	1.72	0.55
CHESTER	16.71	3.00	0.21	1.00	0.34
CHESTERFIELD	14.67	2.32	0.16	0.90	0.36
CLARENDON	43.48	7.02	0.43	2.60	2.66
COLLETON	76.03	14.92	1.02	4.47	2.01
DARLINGTON	26.37	4.20	0.27	1.64	0.47
DILLON	28.37	5.46	0.38	1.69	0.52
DORCHESTER	53.35	10.03	0.64	3.26	0.52
EDGEFIELD	8.32	1.25	0.07	0.52	0.36
FAIRFIELD	11.17	1.76	0.11	0.67	0.62
FLORENCE	198.99	42.10	2.32	9.97	3.20
GEORGETOWN	234.52	46.11	3.08	13.65	6.79
GREENVILLE	779.09	207.76	9.35	31.16	9.16
GREENWOOD	35.74	6.34	0.42	2.17	0.44
HAMPTON	10.18	1.87	0.13	0.61	0.17
HORRY	2,678.31	553.89	37.08	152.72	94.60
JASPER	40.95	8.58	0.60	2.38	0.77

Table A: Alphabetical by County, 2005

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table A: Alphabetical by County, 2005 (Continued)</b>					
County	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax Receipts (\$ Millions)	Local Tax Receipts (\$ Millions)
KERSHAW	35.93	6.08	0.38	2.17	1.59
LANCASTER	21.20	3.54	0.23	1.30	0.40
LAURENS	34.74	5.93	0.36	2.08	1.33
LEE	3.88	0.54	0.04	0.24	0.13
LEXINGTON	406.57	82.87	3.34	14.01	6.95
MCCORMICK	6.35	1.28	0.09	0.37	0.17
MARION	11.66	1.70	0.11	0.73	0.36
MARLBORO	10.19	1.68	0.10	0.61	0.45
NEWBERRY	21.21	3.53	0.22	1.27	0.78
OCONEE	43.86	7.35	0.46	2.64	1.73
ORANGEBURG	98.64	18.34	1.25	5.87	1.43
PICKENS	65.16	11.81	0.79	3.92	1.61
RICHLAND	420.89	83.22	5.85	24.33	3.11
SALUDA	3.53	0.44	0.02	0.22	0.22
SPARTANBURG	272.77	49.24	2.33	12.76	2.94
SUMTER	64.01	11.72	0.78	3.87	1.05
UNION	10.43	1.65	0.11	0.65	0.16
WILLIAMSBURG	8.56	1.04	0.07	0.54	0.29
YORK	140.21	26.51	1.80	8.37	1.15
<b>State Totals</b>	<b>\$8,525.75</b>	<b>\$1,781.18</b>	<b>110.33</b>	<b>\$459.98</b>	<b>\$196.01</b>

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Table B: Ranking of Counties by Expenditure Levels, 2005

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table B: Ranking of Counties by Expenditure Levels, 2005</b>					
<u>County</u>	<u>Expenditures (\$ Millions)</u>	<u>Payroll (\$ Millions)</u>	<u>Employment (Thousands)</u>	<u>State Tax Receipts (\$ Millions)</u>	<u>Local Tax Receipts (\$ Millions)</u>
HORRY	\$2,678.31	\$553.89	37.08	\$152.72	\$94.60
CHARLESTON	1,359.48	300.21	19.39	74.35	26.83
BEAUFORT	899.31	188.92	12.66	51.11	13.34
GREENVILLE	779.09	207.76	9.35	31.16	9.16
RICHLAND	420.89	83.22	5.85	24.33	3.11
LEXINGTON	406.57	82.87	3.34	14.01	6.95
SPARTANBURG	272.77	49.24	2.33	12.76	2.94
GEORGETOWN	234.52	46.11	3.08	13.65	6.79
FLORENCE	198.99	42.10	2.32	9.97	3.20
YORK	140.21	26.51	1.80	8.37	1.15
ANDERSON	112.46	18.18	1.25	6.70	2.03
ORANGEBURG	98.64	18.34	1.25	5.87	1.43
AIKEN	84.58	15.15	0.87	4.41	0.99
BERKELEY	80.41	14.46	0.96	4.83	2.43
COLLETON	76.03	14.92	1.02	4.47	2.01
PICKENS	65.16	11.81	0.79	3.92	1.61
SUMTER	64.01	11.72	0.78	3.87	1.05
DORCHESTER	53.35	10.03	0.64	3.26	0.52
OCONEE	43.86	7.35	0.46	2.64	1.73
CLARENDON	43.48	7.02	0.43	2.60	2.66
JASPER	40.95	8.58	0.60	2.38	0.77
KERSHAW	35.93	6.08	0.38	2.17	1.59
GREENWOOD	35.74	6.34	0.42	2.17	0.44
LAURENS	34.74	5.93	0.36	2.08	1.33
CHEROKEE	28.58	5.41	0.36	1.72	0.55
DILLON	28.37	5.46	0.38	1.69	0.52
DARLINGTON	26.37	4.20	0.27	1.64	0.47

Table B: Ranking of Counties by Expenditure Levels, 2005

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table B: Ranking of Counties by Expenditure Levels, 2005 (Continued)</b>					
<u>County</u>	<u>Expenditures</u> <u>(\$ Millions)</u>	<u>Payroll</u> <u>(\$ Millions)</u>	<u>Employment</u> <u>(Thousands)</u>	<u>State Tax</u> <u>Receipts</u> <u>(\$ Millions)</u>	<u>Local Tax</u> <u>Receipts</u> <u>(\$ Millions)</u>
NEWBERRY	21.21	3.53	0.22	1.27	0.78
LANCASTER	21.20	3.54	0.23	1.30	0.40
CHESTER	16.71	3.00	0.21	1.00	0.34
CHESTERFIELD	14.67	2.32	0.16	0.90	0.36
MARION	11.66	1.70	0.11	0.73	0.36
FAIRFIELD	11.17	1.76	0.11	0.67	0.62
UNION	10.43	1.65	0.11	0.65	0.16
MARLBORO	10.19	1.68	0.10	0.61	0.45
HAMPTON	10.18	1.87	0.13	0.61	0.17
WILLIAMSBURG	8.56	1.04	0.07	0.54	0.29
EDGEFIELD	8.32	1.25	0.07	0.52	0.36
BARNWELL	7.67	1.24	0.08	0.47	0.16
MCCORMICK	6.35	1.28	0.09	0.37	0.17
ABBEVILLE	5.50	0.83	0.05	0.33	0.39
BAMBERG	5.19	0.77	0.05	0.32	0.17
LEE	3.88	0.54	0.04	0.24	0.13
ALLENDALE	3.82	0.58	0.04	0.23	0.14
SALUDA	3.53	0.44	0.02	0.22	0.22
CALHOUN	2.68	0.36	0.02	0.16	0.14
<b>State Totals</b>	<b>\$8,525.75</b>	<b>\$1,781.18</b>	<b>110.33</b>	<b>\$459.98</b>	<b>\$196.01</b>

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Table C: Percent Distribution by County, 2005

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table C: Percent Distribution by County, 2005</b>					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
ABBEVILLE	0.06%	0.05%	0.04%	0.07%	0.20%
AIKEN	0.99%	0.85%	0.79%	0.96%	0.50%
ALLENDALE	0.04%	0.03%	0.04%	0.05%	0.07%
ANDERSON	1.32%	1.02%	1.13%	1.46%	1.04%
BAMBERG	0.06%	0.04%	0.05%	0.07%	0.09%
BARNWELL	0.09%	0.07%	0.08%	0.10%	0.08%
BEAUFORT	10.55%	10.61%	11.47%	11.11%	6.80%
BERKELEY	0.94%	0.81%	0.87%	1.05%	1.24%
CALHOUN	0.03%	0.02%	0.02%	0.03%	0.07%
CHARLESTON	15.95%	16.85%	17.58%	16.16%	13.69%
CHEROKEE	0.34%	0.30%	0.32%	0.37%	0.28%
CHESTER	0.20%	0.17%	0.19%	0.22%	0.17%
CHESTERFIELD	0.17%	0.13%	0.14%	0.20%	0.19%
CLARENDON	0.51%	0.39%	0.39%	0.56%	1.36%
COLLETON	0.89%	0.84%	0.92%	0.97%	1.03%
DARLINGTON	0.31%	0.24%	0.25%	0.36%	0.24%
DILLON	0.33%	0.31%	0.34%	0.37%	0.26%
DORCHESTER	0.63%	0.56%	0.58%	0.71%	0.27%
EDGEFIELD	0.10%	0.07%	0.07%	0.11%	0.18%
FAIRFIELD	0.13%	0.10%	0.10%	0.15%	0.32%
FLORENCE	2.33%	2.36%	2.10%	2.17%	1.63%
GEORGETOWN	2.75%	2.59%	2.79%	2.97%	3.46%
GREENVILLE	9.14%	11.66%	8.48%	6.77%	4.67%
GREENWOOD	0.42%	0.36%	0.38%	0.47%	0.22%
HAMPTON	0.12%	0.10%	0.11%	0.13%	0.09%
HORRY	31.41%	31.10%	33.61%	33.20%	48.26%
JASPER	0.48%	0.48%	0.54%	0.52%	0.39%

Table C: Percent Distribution by County, 2005

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table C: Percent Distribution by County, 2005 (Continued)</b>					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
KERSHAW	0.42%	0.34%	0.34%	0.47%	0.81%
LANCASTER	0.25%	0.20%	0.21%	0.28%	0.20%
LAURENS	0.41%	0.33%	0.33%	0.45%	0.68%
LEE	0.05%	0.03%	0.04%	0.05%	0.07%
LEXINGTON	4.77%	4.65%	3.03%	3.05%	3.55%
MCCORMICK	0.07%	0.07%	0.08%	0.08%	0.09%
MARION	0.14%	0.10%	0.10%	0.16%	0.19%
MARLBORO	0.12%	0.09%	0.09%	0.13%	0.23%
NEWBERRY	0.25%	0.20%	0.20%	0.28%	0.40%
OCONEE	0.51%	0.41%	0.41%	0.57%	0.89%
ORANGEBURG	1.16%	1.03%	1.13%	1.28%	0.73%
PICKENS	0.76%	0.66%	0.71%	0.85%	0.82%
RICHLAND	4.94%	4.67%	5.31%	5.29%	1.58%
SALUDA	0.04%	0.02%	0.02%	0.05%	0.11%
SPARTANBURG	3.20%	2.76%	2.12%	2.77%	1.50%
SUMTER	0.75%	0.66%	0.70%	0.84%	0.54%
UNION	0.12%	0.09%	0.10%	0.14%	0.08%
WILLIAMSBURG	0.10%	0.06%	0.06%	0.12%	0.15%
YORK	1.64%	1.49%	1.63%	1.82%	0.59%
<b>State Totals</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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Table D: Percent Change Over Revised 2004

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table D: Percent Change Over Revised 2004</b>					
<u>County</u>	<u>Expenditures</u>	<u>Payroll</u>	<u>Employment</u>	<u>State Tax Receipts</u>	<u>Local Tax Receipts</u>
ABBEVILLE	8.61%	1.92%	-0.49%	4.23%	5.82%
AIKEN	9.79%	3.02%	0.59%	5.36%	6.97%
ALLENDALE	7.43%	0.81%	-1.57%	3.09%	4.67%
ANDERSON	9.60%	2.85%	0.42%	5.18%	6.79%
BAMBERG	8.21%	1.53%	-0.86%	3.83%	5.43%
BARNWELL	11.33%	4.46%	1.99%	6.83%	8.46%
BEAUFORT	9.32%	2.58%	0.16%	4.91%	6.51%
BERKELEY	13.45%	6.45%	3.94%	8.87%	10.53%
CALHOUN	6.97%	0.37%	-2.00%	2.65%	4.22%
CHARLESTON	10.33%	3.53%	1.08%	5.87%	7.49%
CHEROKEE	10.03%	3.25%	0.81%	5.59%	7.21%
CHESTER	7.64%	1.00%	-1.38%	3.29%	4.87%
CHESTERFIELD	11.31%	4.45%	1.98%	6.81%	8.45%
CLARENDON	3.97%	-2.44%	-4.74%	-0.23%	1.30%
COLLETON	8.23%	1.55%	-0.85%	3.85%	5.44%
DARLINGTON	6.78%	0.20%	-2.17%	2.47%	4.04%
DILLON	6.87%	0.28%	-2.09%	2.55%	4.12%
DORCHESTER	10.70%	3.88%	1.42%	6.23%	7.86%
EDGEFIELD	6.51%	-0.06%	-2.42%	2.21%	3.77%
FAIRFIELD	5.63%	-0.88%	-3.22%	1.37%	2.92%
FLORENCE	9.40%	2.65%	0.23%	4.98%	6.59%
GEORGETOWN	5.83%	-0.70%	-3.04%	1.55%	3.11%
GREENVILLE	10.00%	3.22%	0.78%	5.56%	7.17%
GREENWOOD	9.53%	2.77%	0.34%	5.10%	6.71%
HAMPTON	6.09%	-0.46%	-2.81%	1.80%	3.36%
HORRY	9.93%	3.15%	0.72%	5.49%	7.11%
JASPER	6.08%	-0.46%	-2.81%	1.79%	3.35%

Table D: Percent Change Over Revised 2004

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table D: Percent Change Over Revised 2004 (Continued)</b>					
County	Expenditures	Payroll	Employment	State Tax Receipts	Local Tax Receipts
KERSHAW	8.68%	1.97%	-0.43%	4.29%	5.88%
LANCASTER	7.92%	1.27%	-1.13%	3.56%	5.15%
LAURENS	10.89%	4.05%	1.60%	6.41%	8.04%
LEE	5.68%	-0.84%	-3.18%	1.41%	2.96%
LEXINGTON	10.65%	3.82%	1.37%	6.18%	7.80%
MCCORMICK	6.87%	0.28%	-2.09%	2.55%	4.12%
MARION	9.60%	2.84%	0.41%	5.17%	6.78%
MARLBORO	5.36%	-1.14%	-3.48%	1.10%	2.65%
NEWBERRY	4.52%	-1.92%	-4.24%	0.30%	1.84%
OCONEE	4.35%	-2.08%	-4.39%	0.14%	1.67%
ORANGEBURG	10.88%	4.04%	1.59%	6.40%	8.03%
PICKENS	9.55%	2.79%	0.37%	5.12%	6.73%
RICHLAND	10.66%	3.84%	1.38%	6.19%	7.82%
SALUDA	9.28%	2.54%	0.12%	4.87%	6.47%
SPARTANBURG	12.02%	5.11%	2.63%	7.50%	9.14%
SUMTER	9.23%	2.49%	0.07%	4.82%	6.42%
UNION	5.18%	-1.31%	-3.64%	0.93%	2.47%
WILLIAMSBURG	6.79%	0.20%	-2.16%	2.47%	4.04%
YORK	10.98%	4.14%	1.68%	6.50%	8.13%
<b>State Totals</b>	<b>9.82%</b>	<b>3.07%</b>	<b>0.60%</b>	<b>5.34%</b>	<b>6.81%</b>

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Table E: Alphabetical by County, Revised 2004

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table E: Alphabetical by County, Revised 2004</b>					
County	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax Receipts (\$ Millions)	Local Tax Receipts (\$ Millions)
ABBEVILLE	\$5.07	\$0.81	0.05	\$0.31	\$0.36
AIKEN	77.04	14.71	0.86	4.19	0.92
ALLENDALE	3.55	0.57	0.04	0.22	0.13
ANDERSON	102.61	17.68	1.24	6.37	1.90
BAMBERG	4.79	0.76	0.05	0.31	0.16
BARNWELL	6.89	1.19	0.08	0.44	0.14
BEAUFORT	822.62	184.16	12.64	48.72	12.52
BERKELEY	70.87	13.58	0.92	4.43	2.20
CALHOUN	2.50	0.36	0.02	0.15	0.14
CHARLESTON	1,232.19	289.99	19.19	70.23	24.96
CHEROKEE	25.97	5.24	0.35	1.63	0.52
CHESTER	15.52	2.97	0.21	0.97	0.32
CHESTERFIELD	13.18	2.22	0.15	0.84	0.34
CLARENDON	41.82	7.19	0.46	2.60	2.62
COLLETON	70.25	14.69	1.03	4.30	1.91
DARLINGTON	24.70	4.19	0.28	1.60	0.45
DILLON	26.55	5.45	0.39	1.64	0.50
DORCHESTER	48.19	9.66	0.63	3.07	0.49
EDGEFIELD	7.81	1.25	0.08	0.51	0.35
FAIRFIELD	10.58	1.78	0.11	0.66	0.60
FLORENCE	181.89	41.01	2.31	9.50	3.00
GEORGETOWN	221.60	46.44	3.17	13.45	6.58
GREENVILLE	708.26	201.29	9.28	29.52	8.55
GREENWOOD	32.63	6.17	0.42	2.07	0.41
HAMPTON	9.60	1.87	0.13	0.60	0.17
HORRY	2,436.28	536.95	36.82	144.77	88.32
JASPER	38.60	8.62	0.62	2.34	0.74

Table E: Alphabetical by County, Revised 2004

<b>2005 Impact of Travel on South Carolina</b>					
<b>Table E: Alphabetical by County, Revised 2004 (Continued)</b>					
County	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax Receipts (\$ Millions)	Local Tax Receipts (\$ Millions)
KERSHAW	33.06	5.96	0.38	2.08	1.50
LANCASTER	19.65	3.50	0.23	1.25	0.38
LAURENS	31.33	5.70	0.36	1.96	1.24
LEE	3.67	0.54	0.04	0.24	0.13
LEXINGTON	367.45	79.82	3.30	13.20	6.45
MCCORMICK	5.94	1.27	0.09	0.36	0.16
MARION	10.64	1.65	0.11	0.69	0.34
MARLBORO	9.67	1.70	0.11	0.60	0.44
NEWBERRY	20.29	3.59	0.23	1.27	0.76
OCONEE	42.03	7.50	0.48	2.63	1.71
ORANGEBURG	88.96	17.63	1.23	5.51	1.32
PICKENS	59.48	11.49	0.79	3.73	1.51
RICHLAND	380.34	80.14	5.77	22.92	2.88
SALUDA	3.23	0.43	0.02	0.21	0.21
SPARTANBURG	243.50	46.84	2.27	11.87	2.69
SUMTER	58.61	11.43	0.78	3.70	0.99
UNION	9.92	1.67	0.11	0.64	0.16
WILLIAMSBURG	8.02	1.04	0.07	0.53	0.28
YORK	126.34	25.46	1.77	7.86	1.06
<b>State Totals</b>	<b>\$7,763.69</b>	<b>\$1,728.18</b>	<b>109.67</b>	<b>\$436.68</b>	<b>\$183.51</b>

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**APPENDICES**

## Appendix A: Travel Economic Impact Model

### Introduction

The Travel Economic Impact Model (TEIM) was developed by the research department at TIA (formerly known as the U.S. Travel Data Center) to provide annual estimates of the impact of the travel activity of U.S. residents on national, state and county economies in this country. It is a disaggregated model comprised of 16 travel categories. The TEIM estimates travel expenditures and the resulting business receipts, employment, personal income, and tax receipts generated by these expenditures.

The TEIM has the capability of estimating the economic impact of various types of travel, such as business and vacation, by transport mode and type of accommodations used, and other trip and traveler characteristics. The County Impact Component of the TEIM allows estimates of the economic impact of travel at the county and city level.

### Definition of Terms

There is no commonly accepted definition of travel in use at this time. For the purposes of the estimates herein, *travel* is defined as activities associated with all overnight and day trips to places 50 miles away or more, one way, from the traveler's origin and any overnight trips away from home in paid accommodations.

The word *tourism* is avoided in this report because of its vague meaning. Some define tourism as all travel away from home while others use the dictionary definition that limits tourism to personal or pleasure travel.

The *travel industry*, as used herein, refers to the collection of 16 types of businesses that provide goods and services to the traveler or potential traveler at the retail level (see Glossary of Terms). With the exception of Amtrak and second home ownership and rental, these business types are defined by the Office of Management and Budget in the 1997 North American Industry Classification System (NAICS) and well as in its predecessor, the 1987 Standard Industrial Classification System (SIC). In each case, the relevant NAICS and SIC codes are included.

Travel *expenditure* is assumed to take place whenever traveler exchanges money for an activity considered part of his/her trip. Total travel expenditures are separated into 16 categories representing traveler purchases of goods and services at the retail level. One category, travel agents, receives no travel expenditures as these purchases are allocated to the category (i.e. air transportation) actually providing the final good or service to the traveler. Travel expenditures are allocated among states by simulating where the exchange of money for goods or service actually took place. By their nature, some travel expenditures are assumed to occur at the traveler's origin, some at his/her destination, and some enroute.

*Economic impact* is represented by measures of spending, employment, payroll, business receipts and tax revenues generated by traveler spending. *Payroll* includes all forms of compensation, such as salaries, wages, commissions, bonuses, vacation allowances, sick leave pay and the value

of payments in kind paid during the year to all employees. Payroll is reported before deductions for social security, income tax insurance, union dues, etc. This definition follows that used by the U.S. Census Bureau in the quinquennial Census of Service Industries.

*Employment* represents the number of jobs generated by traveler spending, both full and part-time. As such, it is consistent with the U.S. Department of Labor series on nonagricultural payroll employment. *Tax revenues* include corporate income, individual income, sales and gross receipts, and excise taxes by level of government. *Business receipts* reflect travel expenditures less the sales and excise taxes imposed on those expenditures.

## **Description of the Model**

### *Estimates of Travel Expenditures*

Total travel expenditures includes spending by travelers on goods and services during their trips, such as lodging, transportation, meals, entertainment, retail shopping. Sixteen (16) categories of activities are covered in the TEIM. Generally, the TEIM combines the activity levels for trips to places within the United States with the appropriate average costs of each unit of travel activity, (e.g., cost per mile by mode of transport, cost per night by type of accommodation), to produce estimates of the total amount spent on each of 16 categories of travel-related goods and services by state. For example, the number of nights spent by travel parties in hotels in Vermont is multiplied by the average cost per night per travel party of staying in a hotel in the state to obtain the estimate of traveler expenditures for hotel accommodations.

The data on domestic travel activity levels (e.g., number of miles traveled by mode of transportation, the number of nights spent away from home by type of accommodation) are based on national travel surveys conducted by TIA, The Bureau of Labor Statistics' Survey of Consumer Expenditures, Smith Travel Research's Hotel and Motel Survey, etc. Average cost data are purchased and collected from different organizations and government agencies. Total sales and revenue and other data collected from state, local and federal government and other organizations are employed to compare, adjust and update the spending database of TEIM, as well as linking spending to other impact components.

The international travel expenditure estimates are based on Tourism Industries' (OTTI) In-Flight Survey and data provided to OTTI from Canada and Mexico. Other estimates of the economic impact of international visitors to the U.S. are generated by TEIM by incorporating the estimated international traveler expenditures with the data series utilized to produce the domestic estimates.

### *Estimates of Business Receipts, Payroll and Employment*

The Economic Impact Component of the TEIM estimates travel generated business receipts, employment, and payroll. Basically, the 16 travel categories are associated with a type of travel-related business. For example, traveler spending on commercial lodging in a state is related to the business receipts, employment and payroll of hotels, motels and motor hotels (SIC 701; NAICS 7211) in the state. It is assumed that travel spending in each category, less sales and excise taxes, equals business receipts for the related business type as defined by the U.S. Census Bureau.

It is assumed that each job in a specific type of business in a state is supported by some amount of business receipts and that each dollar of wages and salaries is similarly supported by some dollar volume of business receipts. The ratios of employment to business receipts are computed for each industry in each state. These ratios are then multiplied by the total amount of business receipts generated by traveler spending in a particular type of business to obtain the measures of travel generated employment and payroll of each type of business in each state. For example, the ratio of employees to business receipts in the state commercial lodging establishments is multiplied by travel generated business receipts of these establishments to obtain traveler generated employment in commercial lodging. A similar process is used for the payroll estimates.

The total sales, payroll and employment data of each travel related industry (by SIC and NAICS) are provided by and collected from state, local and federal government, such as the Bureau of Labor Statistics, the Bureau of Economic Analysis, Census Bureau and The Bureau of Transportation Statistics.

#### Estimates of Tax Revenues

The Fiscal Impact Component of the TEIM is used to estimate traveler generated tax revenues of federal, state and local governments. The yield of each type of tax is related to the best measure of the relevant tax base available for each state consistent with the output of the Economic Impact Component. The ratios of yield to base for each type of tax in each state are then applied to the appropriate primary level output to obtain estimates of tax receipts generated by travel. For example, the ratio of Massachusetts State personal income tax collections to payroll in the state is applied to total travel generated payroll to obtain the estimate of state personal income tax receipts attributable to traveler spending in Massachusetts.

#### Estimates for Counties and Local Areas

Local area travel impact estimates is derived by distributing the state estimates to the area using proper proportions of each related category in the area. The proportions of a local area are calculated based on a set of data collected from federal, state and local governments and private organizations. The data can be gathered at the zip code level.

Data from the U.S. Bureau of the Census, Smith Travel Research, Enos Foundation, Runzheimer International, Cruise Lines International Association, Prentice-Hall, U.S. Department of Labor's Consumer Expenditure Survey and ES-202, American Society of Travel Agents, the Federal Aviation Administration, the Department of Transportation, Amtrak, the Federal Highway Administration, state revenue departments, TIA's travel surveys and other sources are used in building and updating the model. These data indicate the change in travel spending for each of the expenditure categories for each state over the previous year, as well as changes in the relationship of travel spending to employment, payroll and tax revenue.

#### **Limitations of the Study**

This study is designed to indicate the impact of U.S. traveler expenditures on employment, payroll, business receipts and tax revenue in each of the states. These impact estimates reflect the limitations inherent in the definition of travel expenditures. Two important classes of

travel-related expenses have not been estimated due to various reasons. Consumers purchase certain goods and services in anticipation of a trip away from home. These include sports equipment (tennis racquet, skis, scuba gear, etc.), travel books and guides, and services such as language lessons and lessons for participatory sports (tennis, skiing, underwater diving, etc.). The magnitude of these purchases in preparation for a trip cannot be quantified due to lack of sound, relevant data.

The second type of spending not covered due to lack of sufficient data is the purchase of major consumer durables generally related to outdoor recreation on trips. Further research is required in this area to determine to what extent pre-trip spending on consumer durable products can justifiably be included within a travel economic impact study.

## **Appendix B: Glossary of Terms – TEIM**

Automobile Transportation Expenditure. This category includes a prorated share of the fixed costs of owning an automobile, truck, camper, or other recreational vehicle, such as insurance, license fees, tax, and depreciation costs. Also included are the variable costs of operating an automobile, truck, camper, or other recreational vehicle on a trip, such as gasoline, oil, tires, and repairs. The costs of renting an automobile or other motor vehicle are included in this category as well.

Entertainment/Recreation Expenditure. Traveler spending on recreation facility user fees, admissions at amusement parks and attractions, attendance at nightclubs, movies, legitimate shows, sports events, and other forms of entertainment and recreation while traveling.

Food Expenditure. Traveler spending in commercial eating facilities and grocery stores or carry-outs, as well as on food purchased for off-premise consumption.

Incidental Purchase Expenditure. Traveler spending on retail trade purchases including gifts for others, medicine, cosmetics, clothing, personal services, souvenirs, and other items of this nature.

Lodging Expenditure. Traveler spending on hotels and motels, B&Bs, campgrounds and trailer parks, rental of vacation homes and other types of lodging.

Public Transportation Expenditures. This includes traveler spending on air, bus, rail and boat/ship transportation, and taxicab or limousine service between airports and central cities.

Travel-generated Tax Receipts. Those federal, state and local tax revenues attributable to travel in an area. For a given state locality, all or some of the taxes may apply. "Local" includes county, city or municipality, and township units of government actually collecting the receipts and not the level that may end up receiving it through intergovernmental transfers.

Federal. These receipts include corporate income taxes, individual income taxes, employment taxes, gasoline excise taxes, and airline ticket taxes.

State. These receipts include corporate income taxes, individual income taxes, sales and gross receipts taxes, and excise taxes.

Local. These include county and city receipts from individual and corporate income taxes, sales, excise and gross receipts taxes, and property taxes.

## Appendix C: Travel-Related Industry Measurement

### SIC-NAICS Transition

As described in Appendix A, the 16 types of travel categories used in TEIM are associated with types of travel-related businesses. For many years, TIA selected these business types using 1987 U.S. Standard Industrial Classification (SIC) system codes.

The SIC system has been used for decades with tremendous success to classify all businesses in the U.S. by the types of products or services they make available. To its credit, the SIC system has facilitated the collection, tabulation and analysis of data. It has also promoted “apples-to-apples” comparability in statistical analyses. At the industry group level, SIC Codes report industry groups as 2 or 3 digit categories to 4 digits at their most specific.

However, as a direct consequence of rapid and widespread structural changes throughout the American economy in recent years, the SIC system has become largely outdated. Therefore, its business classification capabilities have become increasingly less than optimal.

In 1998, the United States Office of Management and Budget published a new industry classification system – the 1997 North American Industry Classification System (NAICS) to replace the SIC system. In contrast, the 2- to 6-digit NAICS industry classification system includes more useful and detailed economic data and provides a more comprehensive statistical representation of our industry. NAICS offers four major advantages over the SIC system:

**Relevance:** NAICS identifies hundreds of new, emerging, and advanced technology industries. Perhaps most important in terms of quantification of travel-related activity, NAICS reorganizes industries into more meaningful sectors, especially in the service-producing segments of the economy. A few examples of travel-related industries that are separately recognized for the first time:

- Convenience stores
- Gas stations with convenience stores
- Casino hotels
- Casinos
- Other gambling industries
- Bed and breakfast inns
- Limited service restaurants

**International Comparability:** NAICS was developed by the U.S. Office of Management and Budget (OMB) in cooperation with Statistics Canada and Mexico’s Instituto Nacional de Estadística, Geografía e Informática (INEGI). NAICS provides for comparable statistics among the three NAFTA trading partners.

**Consistency:** NAICS defines industries according to a consistent principle -- businesses that use similar processes are grouped together.

**Adaptability:** NAICS will be reviewed every five years, so classifications and information keep up with our changing economy.

### **TEIM: SIC/NAICS Industry Categories**

With the transition to NAICS, TIA has adjusted its selections of the travel-related business types using the new NAICS codes and brought its travel economic research into conformity with NAICS. For measurement purposes, TIA's Travel Economic Impact Model, tracks business activity in seven (7) major travel-related industry groups. These, in turn, are comprised of sixteen (16) business subcategories.

The industry groups and subcategories used in the model are outlined below, followed by a detailed table of SIC and NAICS Codes.

1. Automobile Transportation Industry: Gasoline service stations, motor vehicle/parts dealers and passenger car rental.
2. Entertainment/Recreation Industry: Entertainment, art and recreation industry.
3. Foodservice Industry: Eating & drinking places, and grocery stores.
4. General Retail Trade Industry: General merchandise group stores and miscellaneous retail stores, including gift and souvenir shops.

Incidental Purchases Industry: See above, General Retail Trade Industry.

5. Lodging Industry: This industry includes hotels, motels, and motor hotels, camps and trailer parks.
6. Public Transportation Industry: Air transportation, taxicab companies, interurban & rural bus transportation, railroad passenger transportation (Amtrak) and water passenger transportation. Also is the "dummy" industry of "other transportation."
7. Travel Arrangement Industry: This includes travel agencies, tour operators, and other travel arrangement & reservation services.

**1987 SIC – 1997 NAICS:  
SELECTED TRAVEL-RELATED CATEGORIES**

SIC DESCRIPTION(S)	SIC CODE(S)	NAICS DESCRIPTION(S)	NAICS CODE(S)
<b>Accommodations</b>			
<i>Hotels and Motels</i>	701	<i>Traveler Accommodation</i>	7211
<i>Recreational Vehicle Parks &amp; Campsites</i>	703	<i>Recreational Vehicle Parks &amp; Campgrounds</i>	7212
<b>Auto Transportation</b>			
<i>Passenger Car Rental</i>	7514	<i>Passenger Car Rental</i>	532111
<i>Gasoline Service Stations</i>	554	<i>Gasoline Stations with Convenience Stores; Other Gasoline Stations</i>	447110; 447190
<i>Automotive Dealers</i>	55 (excl. 554)	<i>Motor Vehicle &amp; Parts Dealers</i>	4411; 4412; 4413
<b>Entertainment and Recreation</b>			
<i>Amusement and Recreational Services</i>	79	<i>Amusement, Gambling &amp; Recreation Industries</i>	713
		<i>Performing Arts, Spectator Sports &amp; Related Industries</i>	711
<i>Museums, Art Galleries, Botanical and Zoological Gardens</i>	84	<i>Museums, Historical Sites &amp; Similar Institutions</i>	712
<b>Food</b>			
<i>Eating &amp; Drinking Places (Alcoholic Beverages)</i>	581	<i>Foodservices &amp; Drinking Places</i>	7221; 7222; 7224
<i>Grocery Stores</i>	541	<i>Food and Beverage stores</i>	4451; 4452; 4453
<b>Public Transportation</b>			
<i>Air Transportation</i>	45	<i>Passenger Air Transportation; Airport Support Activities</i>	481; 4881
<i>Rail - Local &amp; Suburban Transit</i>	4111	<i>Rail Transportation</i>	485112
<i>Interurban &amp; Rural Bus Carriers</i>	413	<i>Interurban &amp; Rural Bus Transportation</i>	4852
<i>Charter Bus/Interstate</i>	4142	<i>Charter Bus (interstate/interurban)</i>	4855102
<i>Taxi &amp; Limousine Services</i>	412	<i>Taxi &amp; Limousine Services</i>	4853
<i>Water Transportation of Passengers</i>	448	<i>Water Passenger Transportation</i>	483112; 483114; 483212
--	--	<i>Scenic &amp; Sightseeing Transportation</i>	487
		<i>(New industry-includes parts of SICs 4119,4489,4522,4789,7999)</i>	
<b>Retail</b>			
<i>General Merchandise Stores</i>	53	<i>General Merchandise Stores</i>	452
<i>Miscellaneous Retail Stores</i>	59	<i>Other Retail Stores</i>	4453; 44611; 4483; 45111; 45112; 45121
<b>Travel Arrangement</b>			
<i>Travel Arrangement</i>	472	<i>Travel Arrangement &amp; Reservation Services</i>	5615
		<i>(includes travel agencies and tour operators)</i>	

## **Appendix D: Sources of Data**

This appendix presents the sources of data used in this report.

### **Organizations**

Air Transport Association  
American Automobile Association  
Amtrak  
American Society of Travel Agents  
Bureau of Census, U.S. Department of Commerce  
Bureau of Economic Analysis, U.S. Department of Commerce  
Bureau of Labor Statistics, U.S. Department of Labor  
Federal Aviation Administration, U.S. Department of Transportation  
Federal Highway Administration, U.S. Department of Transportation  
National Park Service  
South Carolina Department of Revenue  
South Carolina Department of Parks, Recreation & Tourism  
South Carolina Department of Transportation  
Peterson, Howell & Heather, Inc.  
Smith Travel Research  
OTTI/International Trade Administration, U.S. Department of Commerce