

The State of Utah's Travel and Tourism Industry, 2018

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ANALYSIS IN BRIEF

Utah's diverse travel and tourism industry provides jobs and income for Utah residents and contributes state and local tax revenue. Utah's natural, cultural, and historical assets draw domestic and international visitors year-round. Since 2014, visitor spending in Utah's economy increased by an average 3.4% annually when adjusted for inflation. In 2018, travelers directly spent a record \$9.75 billion in Utah, generating an estimated 136,000 total Utah jobs, and \$1.28 billion in state

and local tax revenue. Utah's national parks, state parks, and ski resorts experienced record visitation in 2018 as well.

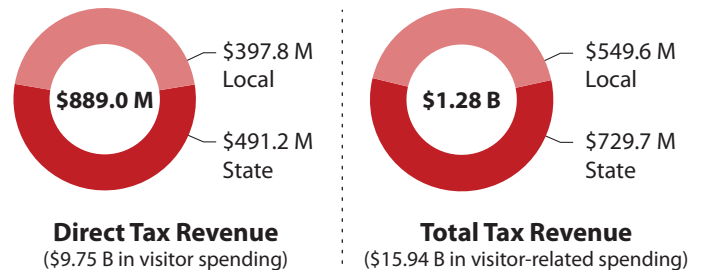
This report presents a high-level annual review of Utah's travel and tourism industry for 2018. It captures visitor spending and visitation trends, employment and wages, fiscal impacts, hotel occupancy data, and a snapshot of general tourism industry indicators. This report also recaps 2018 travel and tourism news events and provides an industry outlook.

Key Points include the following:

- **Spending** – visitors directly spent a record \$9.75 billion in the Utah economy in 2018, a 6.5% year-over-year increase.
- **Jobs** – Utah's travel and tourism industry accounted for an estimated 136,000 total jobs in 2018, a 5.4% year-over-year increase. Approximately 1 in 11 Utah jobs is supported by visitor spending, either directly or indirectly.
- **Wages** – private travel and tourism-related employment sectors experienced healthy year-over-year wage increases. Passenger air industry wages increased 10.5%, foodservice wages increased 7.8%, and wages in the accommodations sector increased 6.7%.
- **Tax Revenue** – the \$9.75 billion in direct visitor spending—leading to \$15.94 billion in total (direct, indirect, and induced) visitor-related spending—generated an estimated \$1.28 billion in total tax revenue.
- **Accommodations** – taxable sales in the accommodations sector reached \$2.0 billion for the first time ever in 2018, a 5.5% year-over-year increase; however, average statewide hotel occupancy rates and daily room rates remained flat.
- **Visitation** – Utah's national parks, state parks, and ski resorts experienced record visitation in 2018.

At-A-Glance

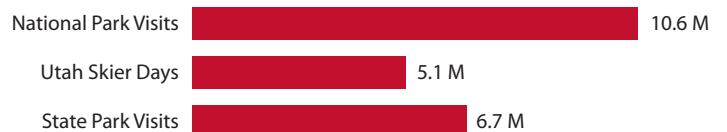
Travel and Tourism-Related Tax Revenue



One in Eleven Utah Jobs

is supported by visitor spending, either directly or indirectly.

2018 Record Visitation



136,000

Utah jobs supported by the travel and tourism industry.

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This research was sponsored by the Utah Office of Tourism.

Introduction

Utah is home to steep mountains, mixed forests, red rock deserts, and the largest salt water lake in the Western Hemisphere. In addition to its year-round outdoor recreation opportunities, Utah has a Native American history and pioneer heritage, a growing arts and culture scene, and a variety of conference and convention venues, all of which attract leisure and business visitors annually.

In 2018, travelers directly spent a record \$9.75 billion in Utah, generating an estimated \$1.28 billion in total state and local tax revenue. Travel and tourism spending also supported an estimated 136,000 total Utah jobs. Utah's national parks, state parks, and ski resorts all reported record visitation. Once again, Utah visitors purchased more hotel rooms and spent more money on Utah arts, entertainment, recreation, and restaurants than ever before.

Travel and Tourism Industry – 2018 Year in Review

In 2018, Utah's Board of Tourism Development allocated more than \$3.9 million in cooperative marketing matching funds, as well as \$676,000 in additional matching funds through its Cafeteria Co-op Marketing Program. Cooperative marketing programs enable destination-marketing organizations such as convention and visitor bureaus, county tourism offices, and nonprofit organizations to combine their marketing dollars with Utah Office of Tourism matching funds to promote a wide variety of statewide destinations and events.

During this same time, Utah became the first and only state to receive a Michelin three-star rating. Michelin usually awards one to three stars for particular state attractions; however, Michelin awarded the entire state of Utah a three-star "exceptional" designation, denoting the destination as "worth a special journey in itself."

In April 2018, the National Park Service (NPS) announced modest entrance fee increases at 115 national parks (including Utah's five national parks).¹ The NPS implemented fee increases to address an almost \$12 billion national park maintenance backlog. Natural Resources Chairman Rob Bishop and Representative Raul Grijalva introduced legislation to earmark national park infrastructure maintenance funding to further address this backlog.² Both House and Senate committees approved the bill, which currently awaits review by both chambers of Congress.

News media outlets announced in November that officials approved sales and property tax incentives for the construction of a 29-story Salt Lake City convention hotel.³ With construction slated for fall 2019 and hotel completion targeted for spring 2020, the \$337 million hotel will house over 700 rooms in addition to ballrooms, meeting spaces, and rooftop amenities. The new convention hotel aims to attract some of the world's largest gatherings that could generate millions of dollars in direct visitor spending.

In October 2018, the Utah Tourism Industry Association hosted its annual Utah Tourism Conference at Salt Lake City's Salt Palace Convention Center. The conference convened a record 500 local and national travel partners and industry experts who gathered to share tourism and travel industry information, ideas, and best practices.

Finally, a year after President Trump directed a reduction in Bears Ears and Grand Staircase–Escalante National Monuments, Representatives John Curtis and Chris Stewart proposed legislation to create two new monuments (Curtis) and a national park (Stewart) within the previously designated monument areas. Congress did not pass either measure. U.S. District Judge Tanya Chutkan is reviewing pending lawsuits against both national monument reductions and has rejected the Trump Administration's bid to dismiss these lawsuits.⁴

Travel and Tourism 2019 Outlook

Although the U.S. travel industry remained strong in 2018, travel industry forecasters predict slower growth in 2019. Taking into account European economic uncertainty, rising U.S./China trade tensions, and a general cooling of the global economy, the U.S. Travel Association forecasts domestic person-trips to decelerate and international person-trips to remain flat in 2019. Nevertheless, continued business investments, firming wages, and heightened U.S. consumer confidence lead forecasters to predict a 4.0% year-over-year increase in domestic and international visitor spending.⁵

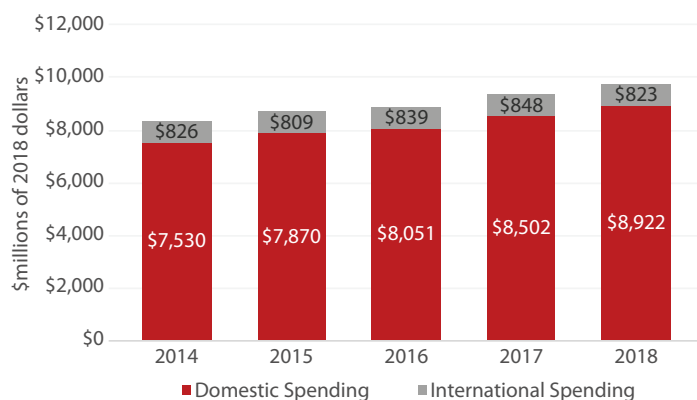
Spending and Visitation

Utah visitors directly spent a record \$9.75 billion in 2018. Domestic visitors contributed close to 92% and international visitors 8% of this total spending amount. When adjusted for inflation, Utah visitor spending increased 3.5% year-over-year and 16.6% over the past five years. Last year, out of 51 states (includes District of Columbia), Utah ranked 32nd in the nation for domestic visitor spending, 23rd for international visitor spending, and 21st for visitor spending as a percent of state GDP (Figure 1).

Of the \$9.75 billion in visitor spending, nonresident visitors spent an 86% share and Utah residents a 14% share. Overall, leisure travelers contributed 81% of the spending and business travelers 19%. Resident travelers spent smaller relative shares on dining and lodging and larger relative shares on shopping and groceries than nonresident visitors (Figures 2, 3, 4).

Taxable sales in the leisure and hospitality sector—which includes the arts, entertainment, recreation, accommodations, and foodservice sectors—increased 27.2% over the last five years and 3.1% year-over-year (Table 1). Leisure and hospitality sector sales generally reflect Utah tourism industry trends since travelers and tourists make around 30% of arts, entertainment,

Figure 2: Direct Visitor Spending



Note: Includes resident, domestic nonresident, and international visitor spending.
Source: U.S. Travel Association and Tourism Economics

recreation purchases, 85% of accommodations purchases, and 20% of foodservice purchases on a statewide basis. Regionally, the majority of leisure and hospitality sales took place in the Wasatch Front and North Mountains regions, followed by the Dixie and Canyon Country regions (Figure 5).

Figure 1: Direct Visitor Spending as Percent of State GDP, 2018

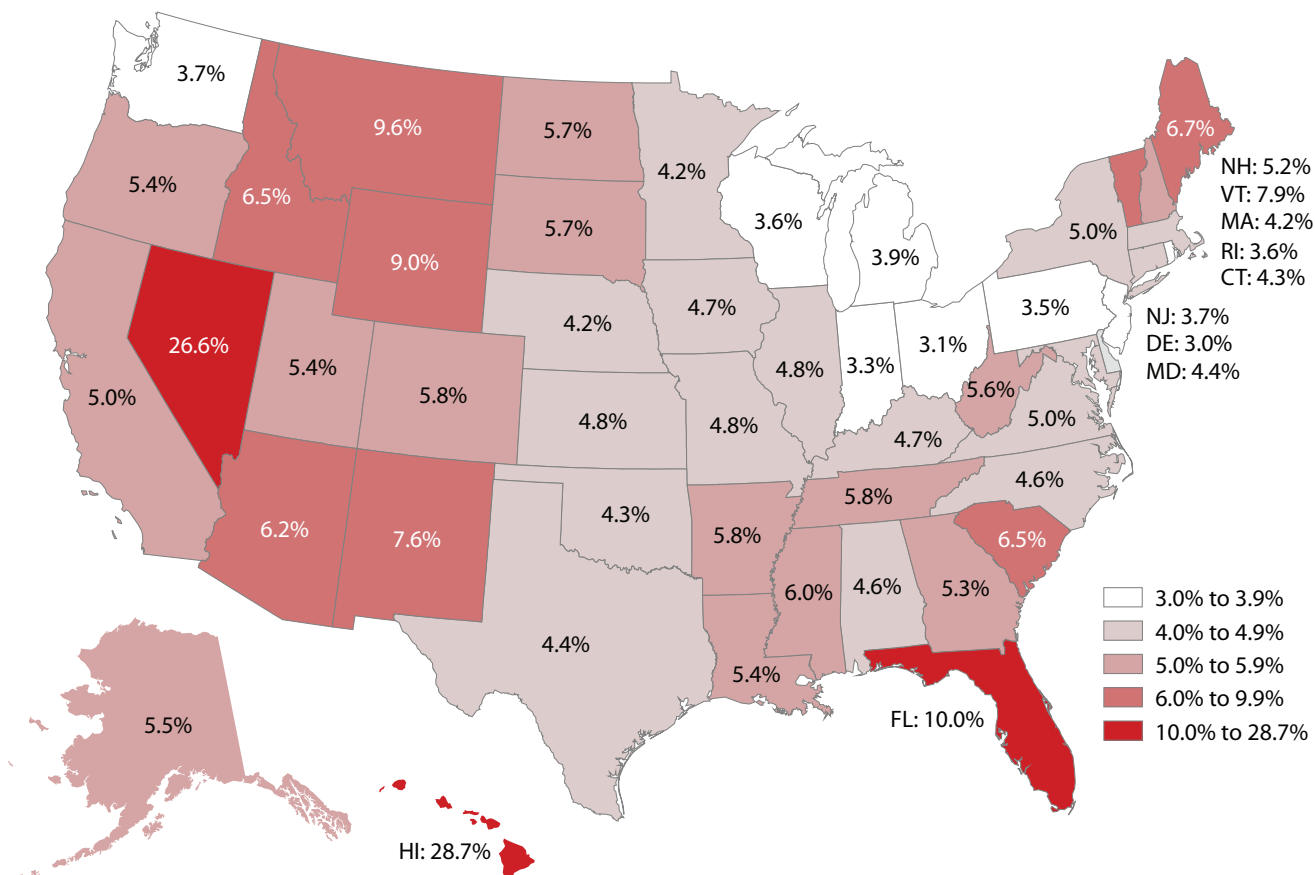
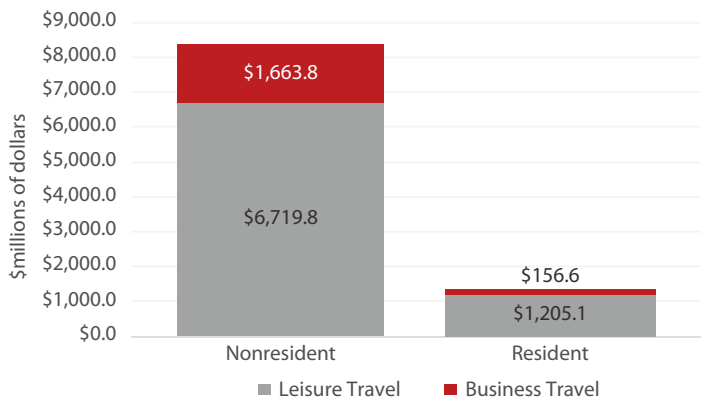
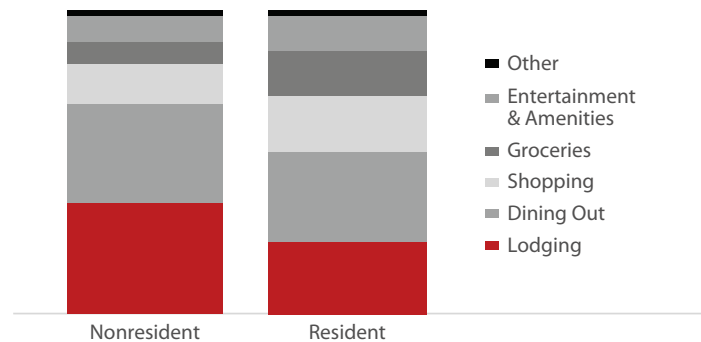


Figure 3: Direct Visitor Spending by Visitor Type, 2018



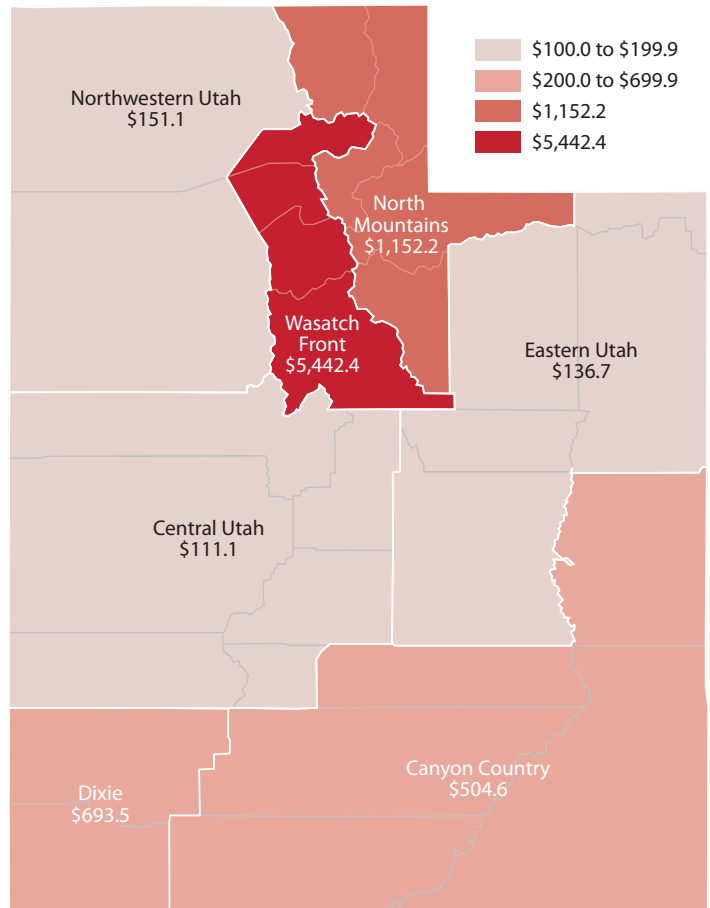
Source: U.S. Travel Association

Figure 4: Direct Visitor Spending by Category, 2018



Note: Public transportation spending (airfare, train, bus, taxi, etc.) has been removed.
Source: Kem C. Gardner Policy Institute analysis of U.S. Travel Association data.

Figure 5: Leisure and Hospitality Taxable Sales by Travel Region, 2018



Source: Kem C. Gardner Policy Institute analysis of Utah State Tax Commission data.

Table 1: Leisure and Hospitality Taxable Sales (Millions of 2018 Dollars)

Industry	2014	2015	2016	2017	2018	% Change 2014-2018	% Change 2017-2018
Performing Arts, Spectator Sports, Related	\$117.2	\$124.1	\$143.5	\$145.2	\$156.4	33.5%	7.7%
Museums, Historical Sites, Zoos, Parks, Similar	\$38.8	\$34.9	\$40.3	\$57.3	\$61.9	59.6%	8.0%
Amusement & Recreation	\$505.6	\$607.3	\$681.4	\$702.7	\$711.9	40.8%	1.3%
Hotels, Motels, B&Bs, Resorts, Other	\$1,460.6	\$1,625.3	\$1,775.0	\$1,935.1	\$1,989.6	36.2%	2.8%
RV Parks, Camps	\$35.0	\$40.4	\$44.4	\$48.6	\$44.5	27.1%	-8.4%
Restaurants & Other Eating Places	\$3,776.0	\$4,118.3	\$4,305.5	\$4,421.0	\$4,554.5	20.6%	3.0%
Special Food Services, Food Carts	\$384.2	\$423.9	\$454.1	\$495.3	\$529.6	37.8%	6.9%
Drinking Places (alcoholic beverages)	\$117.1	\$123.4	\$127.5	\$133.8	\$138.4	18.2%	3.5%
Total	\$6,434.5	\$7,097.7	\$7,571.8	\$7,938.8	\$8,186.8	27.2%	3.1%

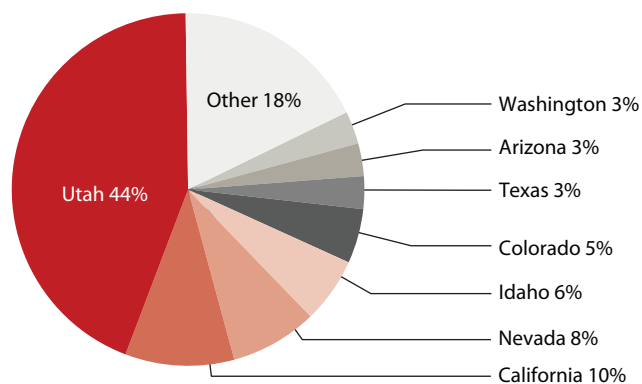
Source: Kem C. Gardner Policy Institute analysis of Utah State Tax Commission data.

Table 2: Leisure and Hospitality Taxable Sales, Top Ten Counties, 2018

Salt Lake County	\$3,439,631,776	Weber County	\$441,372,948
Utah County	\$960,466,879	Grand County	\$198,066,019
Summit County	\$802,141,317	Cache County	\$182,729,264
Davis County	\$600,925,046	Wasatch County	\$142,665,129
Washington County	\$572,906,770	Kane County	\$135,902,019

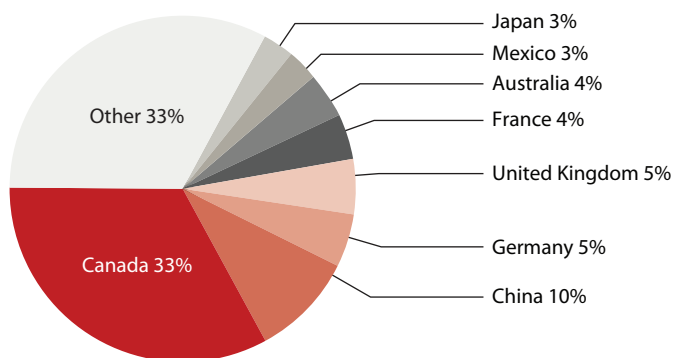
Source: Kem C. Gardner Policy Institute analysis of Utah State Tax Commission data.

Figure 6: Share of Domestic Visitors by State, 2018



Source: OmniTrak Group Inc.

Figure 7: Share of International Arrivals by Country, 2018



Source: Tourism Economics

In 2018, California, Nevada, and Idaho were the top three sources of domestic nonresident visitors to Utah; Canada, China, and Germany were the top three sources of international visitors (Figures 6, 7).

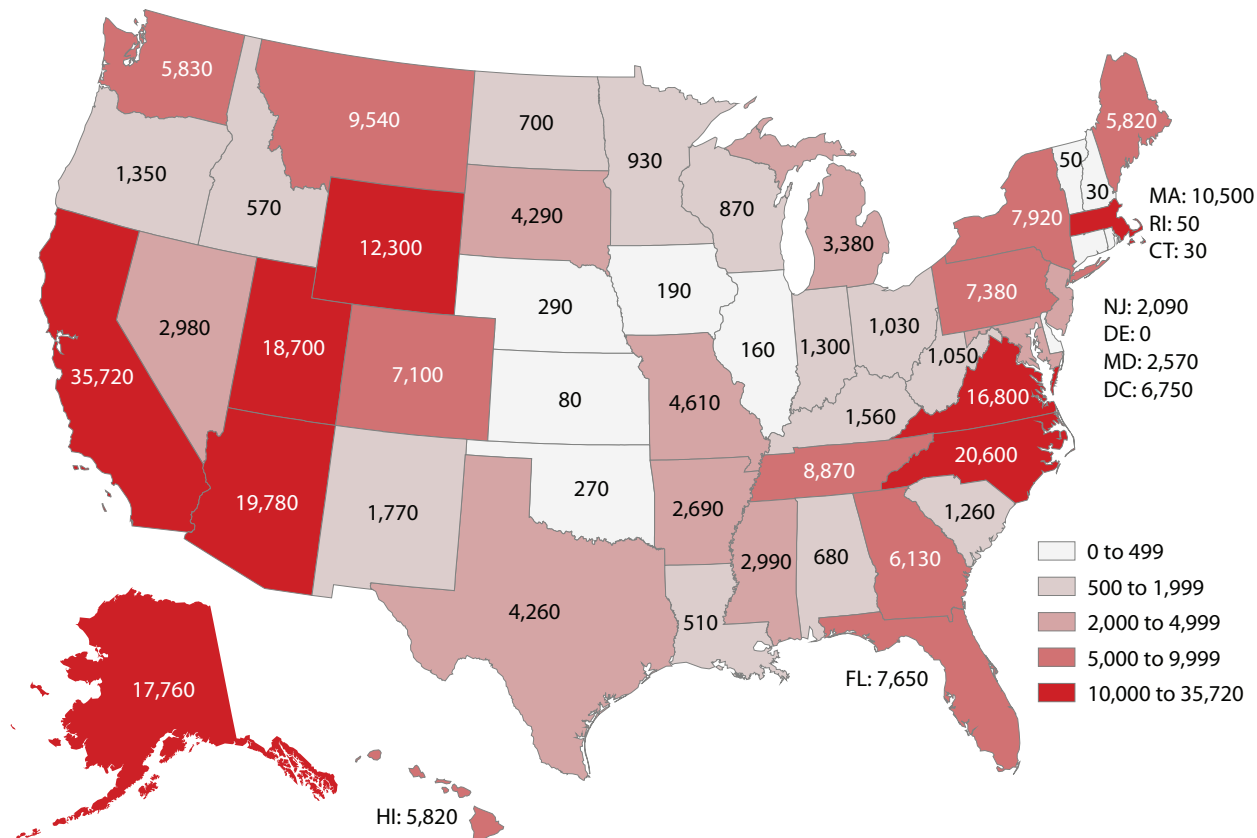
Park Visitation

Utah's national parks and national monuments, recreation areas, and historic sites ("national places") and state parks draw resident and nonresident visitors annually. In 2018, national

park visitors spent \$1.2 billion in Utah's "gateway communities," generating 18,700 jobs, \$605 million in labor income, and \$1.8 billion in total output.⁶ Utah national park visitors spent the largest share of dollars on hotels, restaurants, and gasoline (Figures 8, 9).

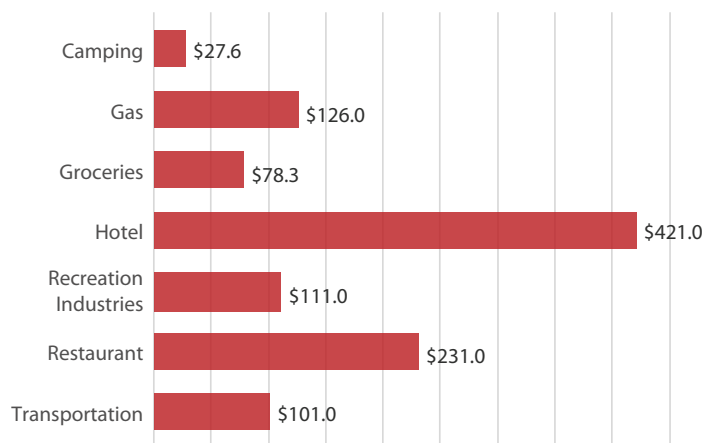
With five national parks, Utah ranked third in the nation for number of national parks, fourth for number of national park jobs, and fifth for national park visitor spending.⁷ In 2018, Utah's five national parks received a combined record 10.6

Figure 8: National Park Jobs by State, 2018



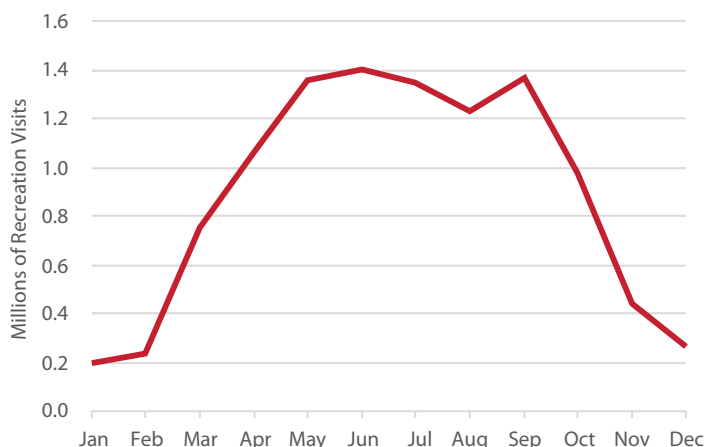
Source: National Park Service

Figure 9: Utah National Park Annual Visitor Spending by Category, 2018 (Millions of Dollars)



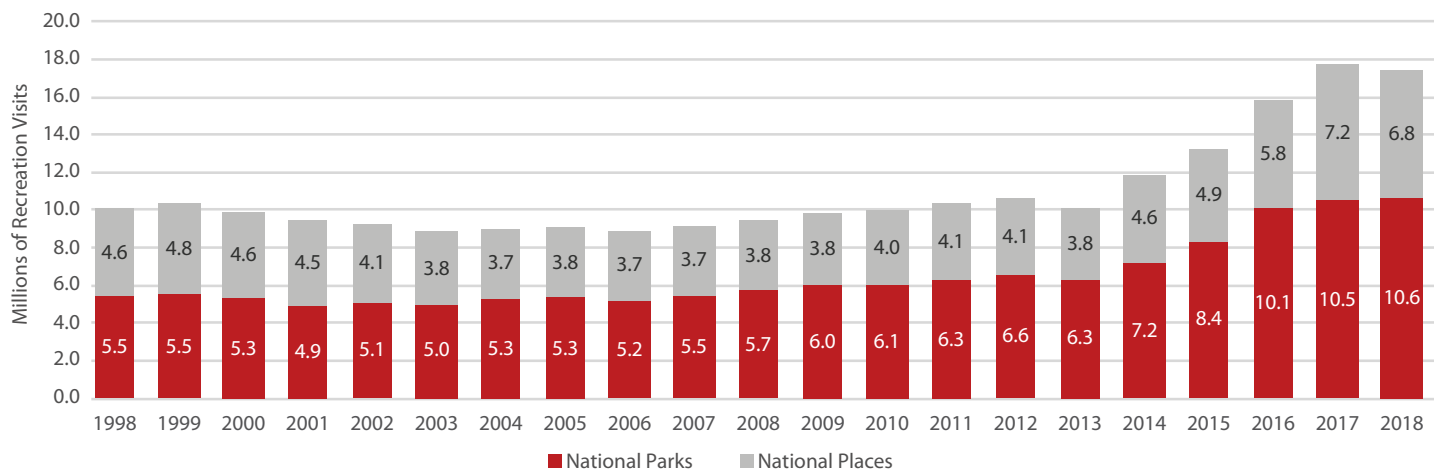
Source: National Park Service

Figure 11: Utah National Park Visitation by Month, 2018



Note: Includes Arches, Bryce Canyon, Canyonlands, Capitol Reef, and Zion National Parks.
Source: National Park Service

Figure 10: Utah National Park and Place Visitation



Note: Flaming Gorge NRA and Bears Ears NM visitation data are not included.
Source: National Park Service

million recreation visits, a 1.2% increase from 2017 and a 46.8% increase from 2014. Experts predict a deceleration and leveling off of national park visitation in the years to come due to the economy, gas prices, weather, and the natural after-effects of two historic visitation years (2016 park centennial and 2017 solar eclipse) (Figure 10).⁸

According to the National Park Service, in 2018 the majority of Utah's national park visits occurred between the months of May and September, followed by the "shoulder" months of April and October.

Arches National Park experienced the greatest year-over-year increase in visitation (8.1%) while there was a 4.1% decrease in visitation to Utah's "Crown Jewel" Zion National Park (Table 3).

In addition to five national parks, Utah is home to 11 national places. In 2018, Glen Canyon National Recreation Area received the largest number of recreation visits (over 4 million) and

Table 3: Utah National Park Visitation by Park

Utah National Parks	2017	2018	% Change
Arches NP	1,539,028	1,663,557	8.1%
Bryce Canyon NP	2,571,684	2,679,478	4.2%
Canyonlands NP	742,271	739,449	-0.4%
Capitol Reef NP	1,150,165	1,227,627	6.7%
Zion NP	4,504,812	4,320,033	-4.1%
Total National Park Visits	10,507,960	10,589,943	0.8%

Source: National Park Service

Timpanogos National Monument experienced the greatest year-over-year increase in visits (20.4%). Overall, in 2018 Utah national place visitation was down 6.2% from 2017 (Flaming Gorge NRA and Bears Ears NM visitation data not included) (Table 4).

Table 4: Utah National Place Visitation by Place

Utah National Places	2017	2018	% Change
Cedar Breaks NM	909,199	644,515	-29.1%
Dinosaur NM	315,859	304,468	-3.6%
Glen Canyon NRA	4,574,940	4,219,441	-7.8%
Golden Spike NHS	67,811	60,130	-11.3%
Grand Staircase-Escalante NM	982,993	1,157,916	17.8%
Hovenweep NM	39,970	40,574	1.5%
Natural Bridges NM	107,443	103,118	-4.0%
Rainbow Bridge NM	108,418	110,904	2.3%
Timpanogos NM	100,740	121,311	20.4%
Total National Place Visits	7,207,373	6,762,377	-6.2%

Source: National Park Service

Utah has 44 state parks, which attract resident and nonresident visitors year-round. In fiscal year 2018, Utah state parks recorded a combined 6.7 million recreation visits (a new record), with annual total visits increasing 17.9% from the previous year. Dead Horse Point State Park experienced the greatest visitation with over 750,000 visits, while Great Salt Lake State Park received the largest year-over-year visit increase (126.2%) (Table 5).

Table 5: Utah State Park Visitation

Utah State Park	FY 2017	FY 2018	% Change
Anasazi Indian Village State Park	19,565	20,062	2.5%
Antelope Island State Park	431,190	496,023	15.0%
Bear Lake State Park	298,463	338,018	13.3%
Camp Floyd State Park Museum	12,340	13,121	6.3%
Coral Pink Sand Dunes State Park	108,745	124,701	14.7%
Dead Horse Point State Park	560,783	765,436	36.5%
Deer Creek State Park	338,865	415,800	22.7%
East Canyon State Park	102,922	124,117	20.6%
Edge Of The Cedars State Park Museum	11,801	12,228	3.6%
Escalante Petrified Forest State Park	57,117	64,693	13.3%
Fred Hayes State Park at Starvation	115,328	120,856	4.8%
Fremont Indian State Park	22,446	25,373	13.0%
Frontier Homestead State Park Museum	10,493	12,458	18.7%
Goblin Valley State Park	241,770	268,760	11.2%
Gooseheads State Park	64,789	66,342	2.4%
Great Salt Lake State Park	54,031	122,192	126.2%
Green River State Park	58,459	73,655	26.0%
Gunlock State Park	19,122	33,459	75.0%
Huntington State Park	34,086	37,232	9.2%
Hyrum Lake State Park	75,636	90,320	19.4%

Note: Echo State Park, Flight Path State Recreation Area, Historic Union Pacific Rail Trail, and This is the Place Heritage Park visitation data are not included.

Source: Utah State Parks

Ski Industry

In 2018, Utah ranked 11th in the nation for number of ski resorts/ski areas (14 total), matching Minnesota and Idaho. Ski Utah reported a record-setting season in 2018–2019 with an unprecedented 5.1 million skier days. During this historic ski season, skiers and snowboarders spent an estimated \$1.76 billion in Utah with the largest shares of dollars going to dining, lodging, and lift passes. California, Texas, and New York were the top three domestic sources of nonresident visitors who enjoyed Utah's "Greatest Snow on Earth." In addition, nearly one out of 15 skiers and snowboarders visited Utah's slopes from outside of the U.S. (Figures 12–16).

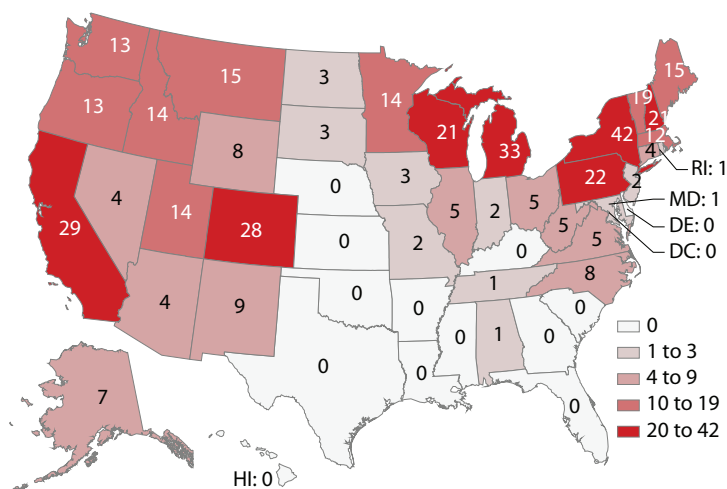
Travel and Tourism Employment

Visitor spending directly and indirectly generates and supports Utah jobs. In 2018, the record \$9.75 billion in direct visitor spending generated close to 92,000 direct jobs and supported around 44,000 additional indirect and induced jobs, summing to 136,000 total jobs statewide (a 5.4% year-over-year increase) (Figures 17, 18).

Specifically looking at the share of private leisure and hospitality sector jobs (i.e. arts, entertainment, recreation, accommodations, and foodservice) to total private jobs, the Canyon Country region

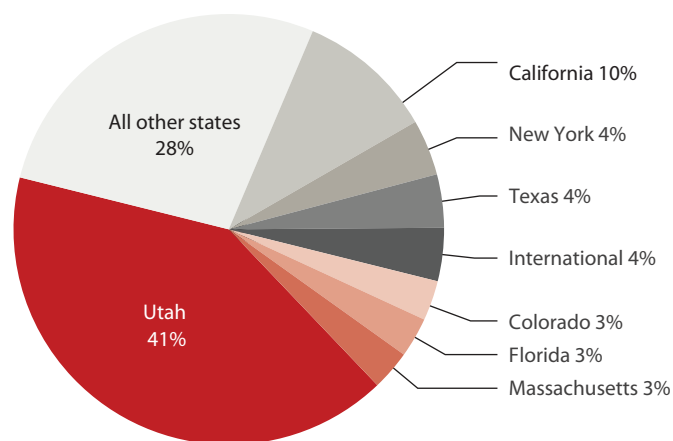
Utah State Park	FY 2017	FY 2018	% Change
Jordanella State Park	507,780	606,001	19.3%
Jordan River OHV State Park	17,172	35,951	109.4%
Kodachrome Basin State Park	116,992	125,867	7.6%
Millsite State Park	16,468	11,873	-27.9%
Otter Creek State Park	40,016	34,332	-14.2%
Palisade State Park	132,884	151,399	13.9%
Piute State Park	1,205	1,146	-4.9%
Quail Creek State Park	96,030	127,948	33.2%
Red Fleet State Park	31,156	43,393	39.3%
Rockport State Park	132,565	142,710	7.7%
Sand Hollow State Park	539,683	677,418	25.5%
Scofield State Park	20,846	24,438	17.2%
Snow Canyon State Park	299,798	343,043	14.4%
Steinaker State Park	42,546	33,859	-20.4%
Territorial Statehouse State Park Museum	7,869	7,445	-5.4%
Utah Field House Of Natural History State Park Museum	54,701	56,039	2.4%
Utah Lake State Park	134,511	93,437	-30.5%
Wasatch Mountain State Park	360,383	343,959	-4.6%
Willard Bay State Park	394,136	522,926	32.7%
Yuba State Park	105,964	103,904	-1.9%
Total Visits	5,690,656	6,711,932	17.9%

Figure 12: Number of Ski Resorts/Ski Areas by State, 2018



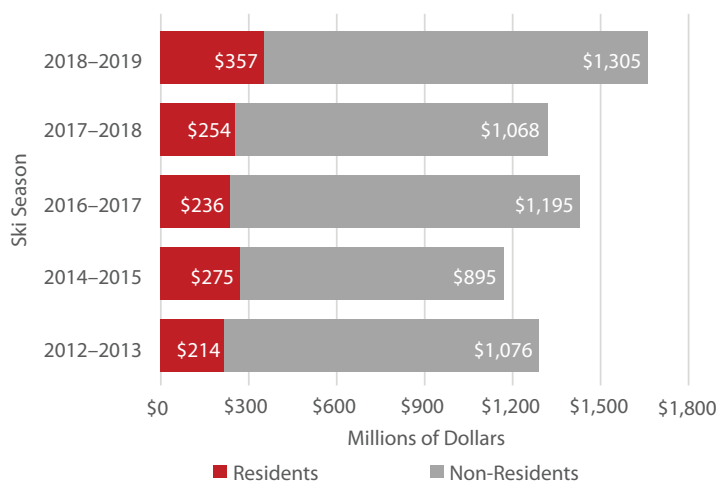
Source: Ski Central

Figure 13: Utah Ski Visitors by Place of Origin, 2018–2019



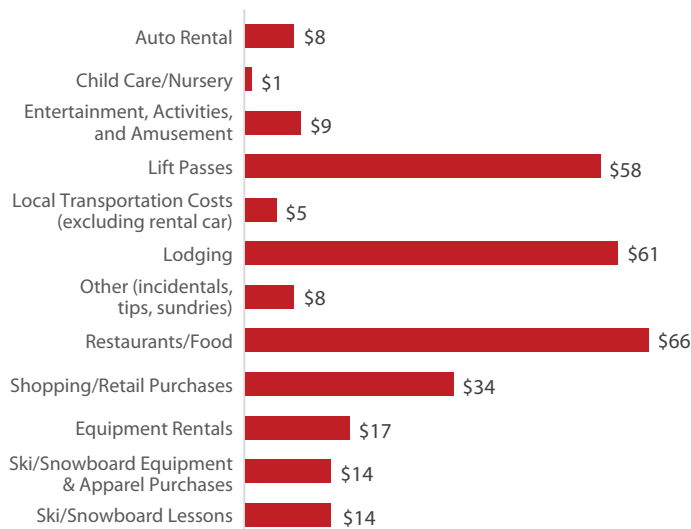
Source: RRC Associates

Figure 14: Utah Skier/Snowboarder Annual Spending, 2018



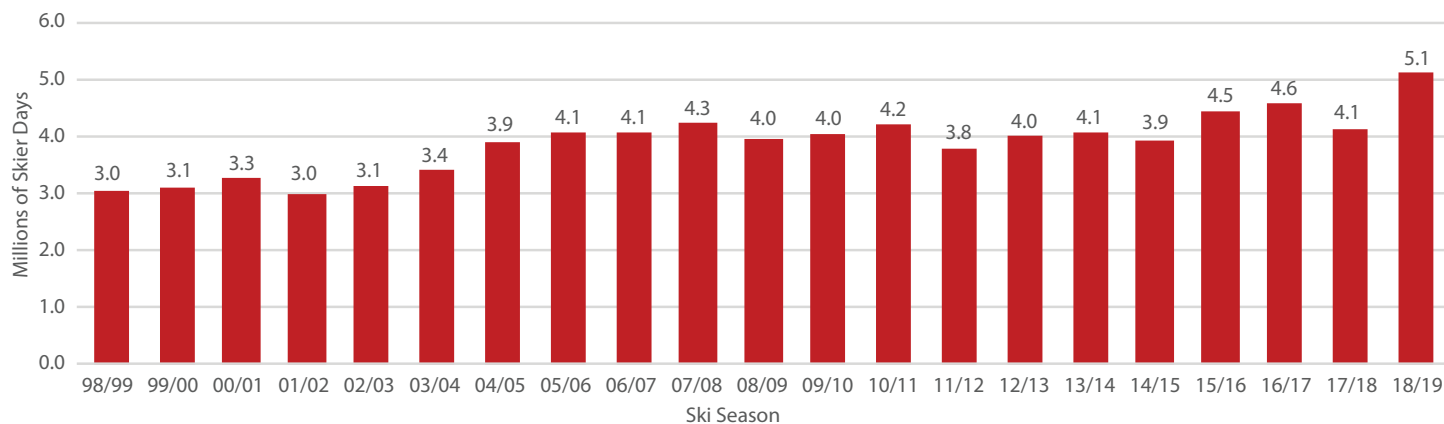
Source: RRC Associates

Figure 15: Average Per Person Per Day Spending by Category, 2018–2019 Ski Season



Note: Includes both resident and nonresident skiers/snowboarders.
Source: Kem C. Gardner Policy Institute analysis of RRC Associates data.

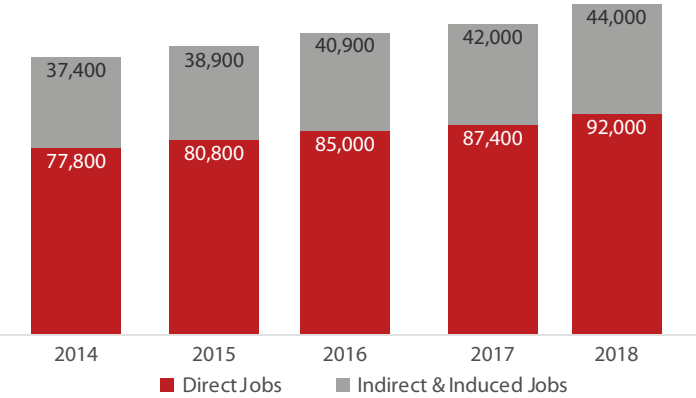
Figure 16: Utah Skier Days



Source: Ski Utah

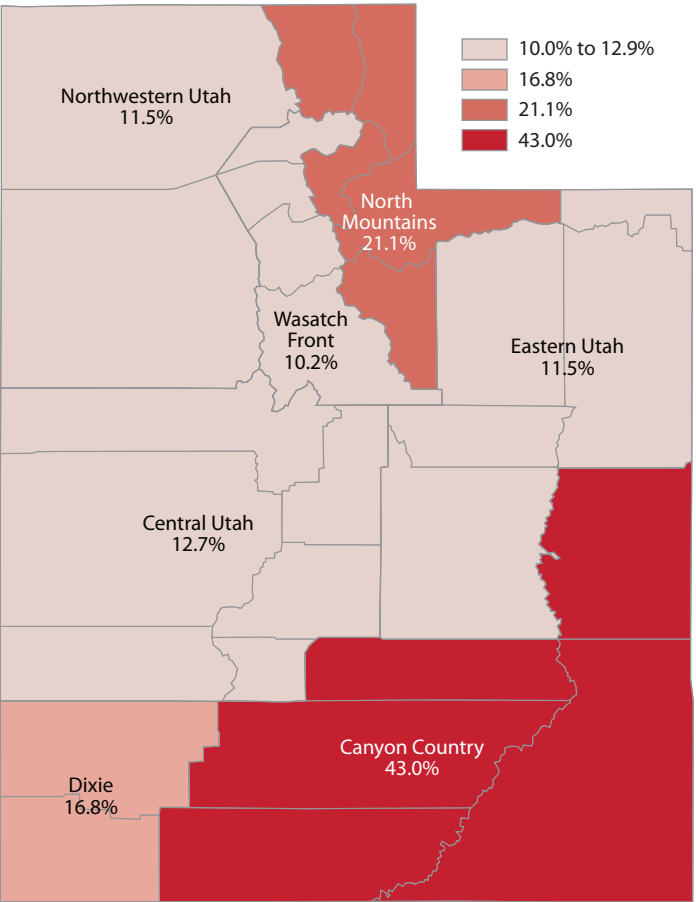
had the largest share at 43%. Over the past 10 years, the private leisure and hospitality employment sector has grown in all 29 Utah counties and has grown the most in Utah’s southeastern and north mountain counties (Figures 19, 20).

Figure 17: Total Travel and Tourism Jobs



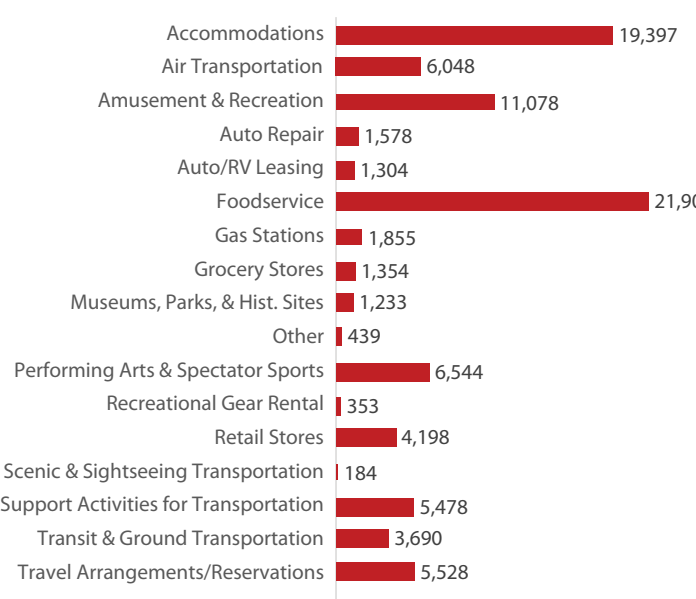
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis data.

Figure 19: Leisure and Hospitality Job Share by Travel Region, 2018



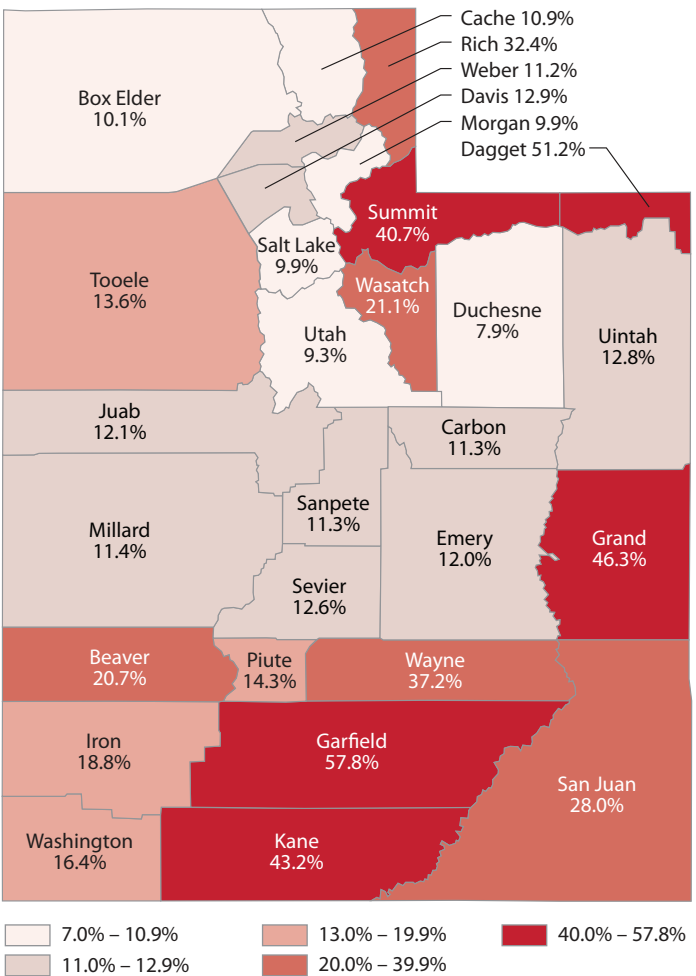
Source: Kem C. Gardner Policy Institute analysis of Utah Department of Workforce Services data.

Figure 18: Direct Travel and Tourism Jobs by Job Type, 2018



Note: Includes full- and part-time public and private employment and proprietors.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis data.

Figure 20: Change in Leisure & Hospitality Job Share by County, 2009-2018

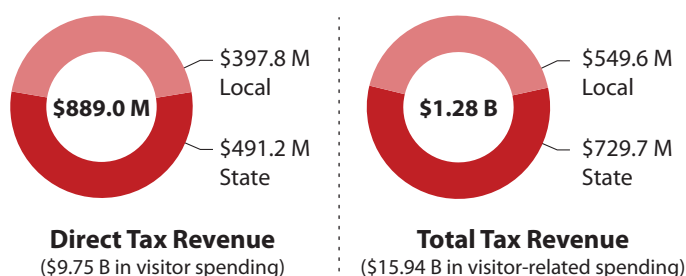


Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data.

Tax Revenue

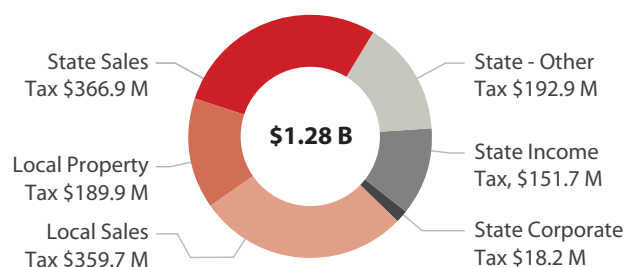
In 2018, the \$9.75 billion in direct visitor spending, which led to \$15.94 billion in total visitor-related spending through indirect and induced spending effects, generated an estimated \$1.28 billion in state and local tax revenues. All local travel and tourism-related tax revenues increased from 2017, even after adjusting for inflation. In fact, municipal transient room tax collections increased 20.9% from 2017 to 2018. Regionally, the Canyon Country and Dixie regions experienced the largest year-over-year growth in county transient room tax collections. At a county level, Piute, Wasatch, and Rich experienced over 20% revenue increases from the prior year. Salt Lake, Summit, and Washington counties collected the largest amount of county transient room tax statewide (Figures 21–26).

Figure 21: Travel and Tourism-Related Tax Revenue, 2018



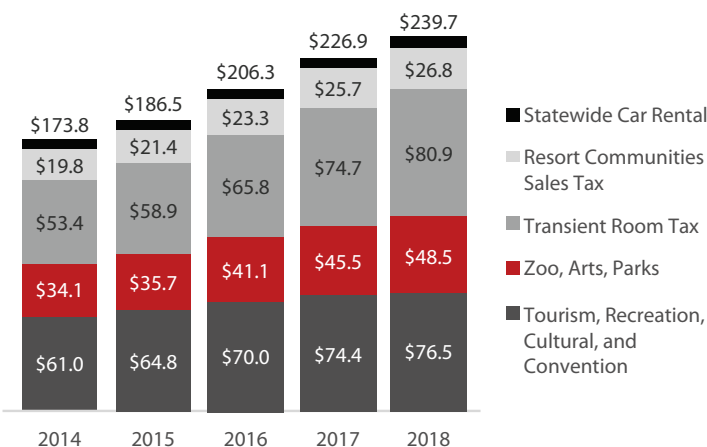
Source: Kem C. Gardner Policy Institute analysis of U.S. Travel Association and Utah State Tax Commission data.

Figure 22: Total Tax Revenue by Tax Type, 2018



Source: Kem C. Gardner Policy Institute of U.S. Travel Association and Utah State Tax Commission data.

Figure 23: Direct Tourism-Related Sales Tax Revenues
(Millions of 2018 Dollars)



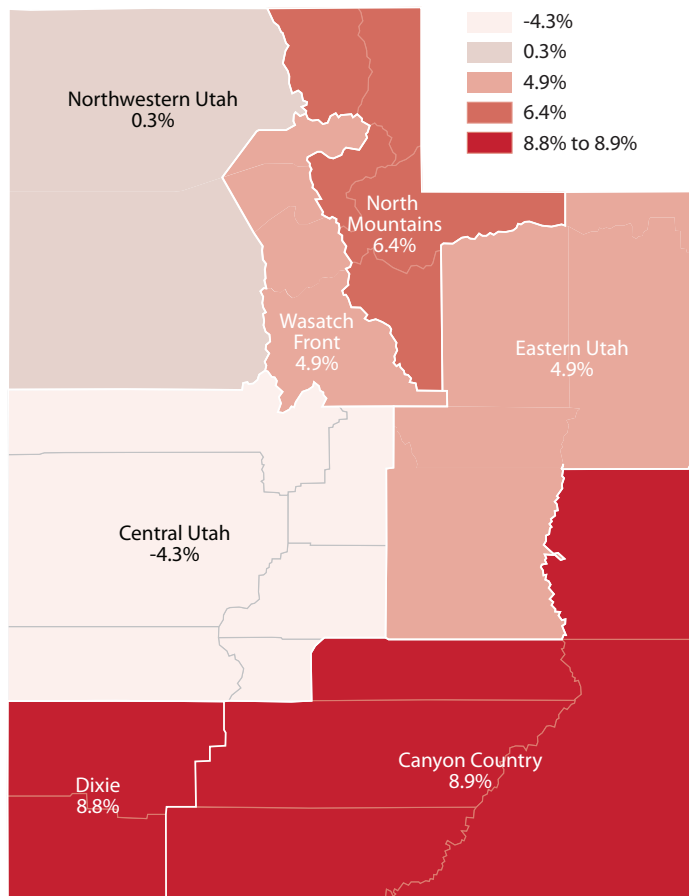
Note: Includes direct tourism-related sales tax revenues only; fiscal year totals shown.
Source: Kem C. Gardner Policy Institute analysis of Utah State Tax Commission data.

Figure 24: County Transient Room Tax Revenue by Select County, Top Ten Counties, 2018

Salt Lake County	\$20,425,587
Summit County	\$9,928,866
Washington County	\$8,599,254
Grand County	\$5,370,097
Utah County	\$3,813,235
Kane County	\$2,987,023
Wasatch County	\$2,293,372
Garfield County	\$2,210,479
Davis County	\$1,865,755
Weber County	\$1,698,260

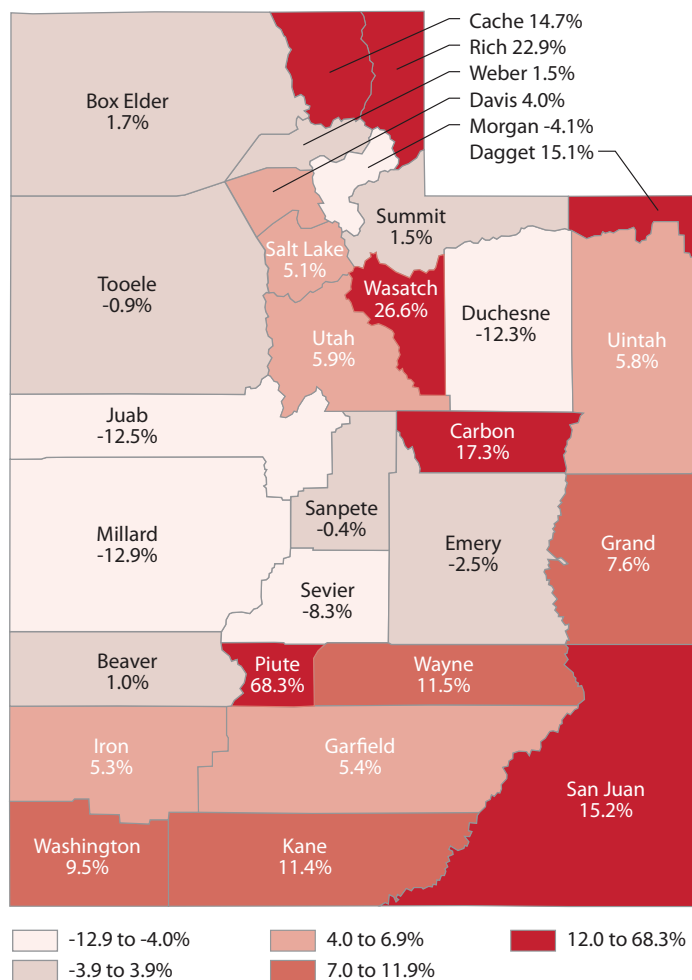
Source: Utah State Tax Commission

Figure 25: Percent Change in County Transient Room Tax Revenue by Travel Region, 2017-2018



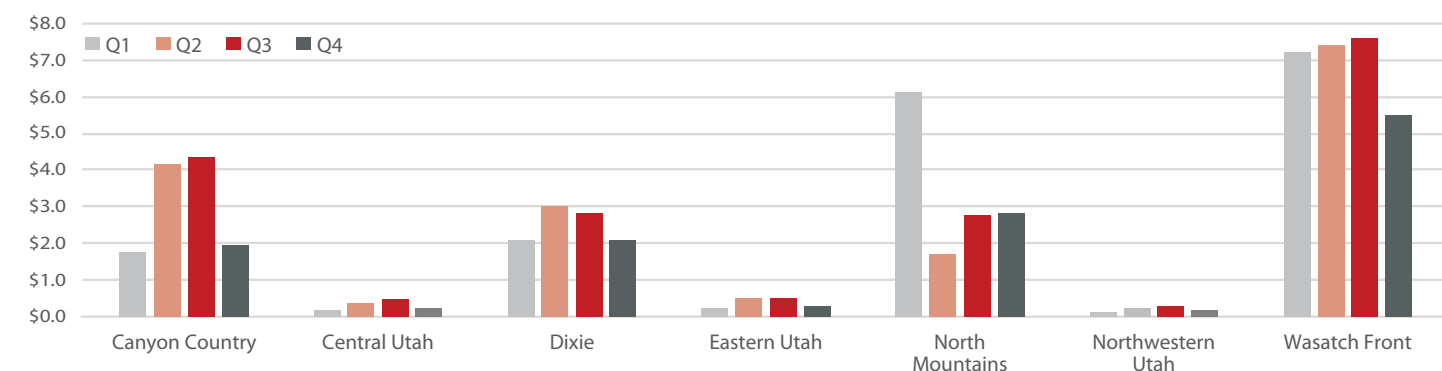
Source: Kem C. Gardner Policy Institute analysis of Utah State Tax Commission data.

Figure 26: Percent Change in County Transient Room Tax Revenue by County, 2017-2018



Source: Kem C. Gardner Policy Institute analysis of Utah State Tax Commission data.

Figure 27: County Transient Room Tax Revenue by Travel Region and Quarter, 2018

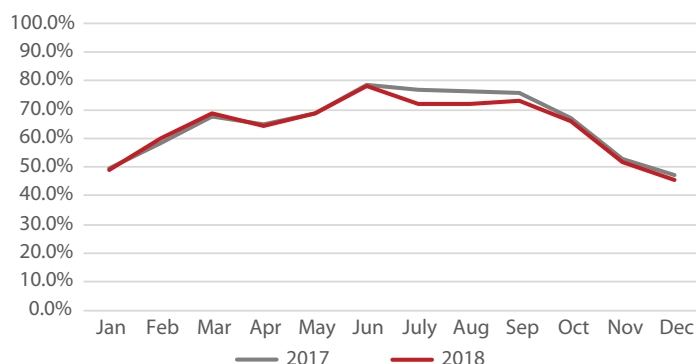


Source: Utah State Tax Commission

Hotel Occupancy and Rates

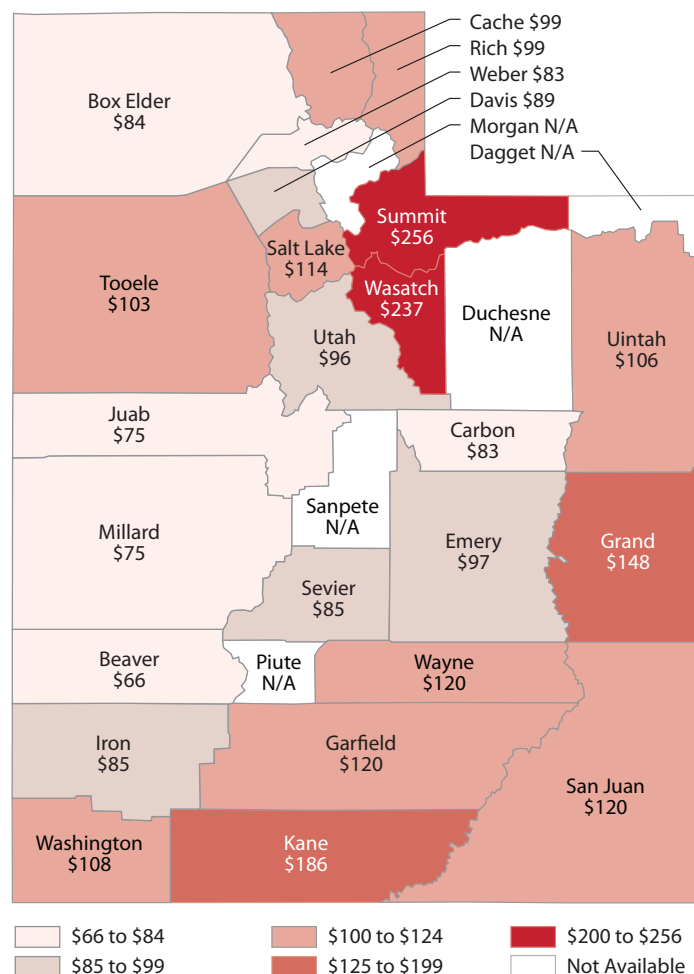
The average annual statewide occupancy rate in 2018 (64.1%) was slightly lower than in 2017 (65.3%); likewise, average daily room rates and revenue per available room remained flat. Possible explanations for these temperate year-over-year changes could be more visitors staying in short-term rentals (vs.

Figure 28: Statewide Occupancy Rates by Month



Note: Republication or other re-use of this data without the express written permission of STR, Inc. is strictly prohibited.
Source: STR, Inc.

Figure 29: Average Daily Room Rates by County, 2018



Note: Republication or other re-use of this data without the express written permission of STR, Inc. is strictly prohibited.
Source: Kem C. Gardner Policy Institute analysis of STR, Inc. data.

hotels) and/or a larger 2018 hotel room supply (vs. 2017). On a statewide basis, Utah hotels experienced the highest occupancy in March (spring break) and June–September (summer break) (Figure 28). Summit, Wasatch, Kane, and Grand counties had the highest average daily room rates in 2018 (Figure 29).

Travel and Tourism Industry — Other Indicators

Utah's travel and tourism industries performed well in 2018. Private jobs in the leisure and hospitality industries grew 2.2 to 4.4% and wages 5.7 to 7.8%. Airline industry jobs increased 2.4% from 2017 and wages 10.5% (Tables 6-9).

Table 6: Utah's Passenger Air Industry

Year	Total Deplaned Passengers	% Annual Change	Employment	% Annual Change	Wages (\$Millions)	% Annual Change
2014	10,569,675	4.8%	6,212	2.5%	\$398	0.7%
2015	11,073,700	4.8%	6,162	-0.8%	\$444	11.5%
2016	11,573,010	4.5%	6,256	1.5%	\$527	18.6%
2017	12,100,265	4.6%	6,704	7.2%	\$561	6.4%
2018	12,777,748	5.6%	6,868	2.4%	\$619	10.5%

Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and SLC International Airport data.

Table 7: Utah's Arts, Entertainment, and Recreation Industry

Year	2017	2018	% Change
Private Employment	24,244	24,939	2.9%
Private Wages (\$Millions)	\$667	\$705	5.7%
Public Employment	7,203	7,417	3.0%
Public Wages (\$Millions)	\$122	\$123	0.9%
Taxable Sales (\$Millions)	\$880	\$930	5.7%

Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and Utah State Tax Commission data.

Table 8: Utah's Accommodations Industry

Year	2017	2018	% Change
Employment	20,555	21,137	2.8%
Wages (\$Millions)	\$529	\$565	6.7%
Taxable Sales (\$Millions)	\$1,928	\$2,034	5.5%

Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and Utah State Tax Commission data.

Table 9: Utah's Food Services Industry

Year	2017	2018	% Change
Employment	98,228	102,528	4.4%
Wages (\$Millions)	\$1,595	\$1,720	7.8%
Taxable Sales (\$Millions)	\$4,908	\$5,223	6.4%

Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and Utah State Tax Commission data.

Research Methods

This section provides insight regarding how the Kem C. Gardner Policy Institute conducted its analysis. The Institute defines key terms for conceptual clarity and economic impact and estimated tax revenue modeling in this report.

Terms

Employment is a measure of the average number of full-time and part-time jobs. Employment data from the Utah Department of Workforce Service and the U.S. Bureau of Labor Statistics include virtually all company and government employees. Employment impacts include the self-employed, as well as employees.

An **industry** is a category for grouping similar types of companies. For uniformity, government agencies and researchers in the U.S. follow the North American Industry Classification System (NAICS), which federal agencies periodically update as new types of companies become common enough to warrant a new category. However, the **travel and tourism industry** is not one distinct industry but rather an assortment of industries, comprised of goods and services purchased prior to, during, and even after a trip. The travel and tourism industry can be characterized as an export industry when travel-related goods and services are purchased in Utah by nonresident visitors.

Leisure and Hospitality Employment. The leisure and hospitality employment sector, as per the U.S. Bureau of Labor Statistics, includes the arts, entertainment, recreation, accommodation, and foodservice industries (e.g. NAICS 711–722). Statewide, around 65% of all travel- and tourism-related jobs are in the leisure and hospitality sector, while the other 35% are in several different sectors (e.g. transportation, real estate, rental and leasing, retail, personal services, etc.).

Travel Regions. For purposes of this report, Utah is divided into seven travel regions, organized by counties with similar demographics, economies, natural amenities, and recreational opportunities.

Wasatch Front includes Davis, Salt Lake, Utah, and Weber counties. This region is the state's metropolitan hub and is bordered by mountains on the east and lakes on the west. Travelers visit the Wasatch Front to ski and/or recreate outdoors, attend arts and cultural events, visit historic, religious, and other local attractions, attend conventions and trade shows, shop, and dine.

Canyon Country includes Garfield, Grand, Kane, San Juan, and Wayne counties. This region, which is home to four of Utah's five national parks, attracts visitors to its unique geology, recreational opportunities, and scenic beauty.

Central Utah includes Beaver, Juab, Millard, Piute, Sanpete, and Sevier counties. This region, located in the "heart" of the state, comprises rolling hills, agricultural lands, historic sites, and popular ATV trail systems.

Dixie includes Iron and Washington counties. Located in the southwestern corner of Utah, Dixie is the gateway to Zion National Park and is the warmest region in the state, allowing for year-round golf, outdoor theater, and general recreation and leisure.

Eastern Utah includes Carbon, Daggett, Duchesne, Emery, and Uintah counties. This region offers fly-fishing, boating, and river rafting opportunities in and around Flaming Gorge National Recreation Area, as well as abundant paleontological, archaeological, and geological sites.

North Mountains includes Cache, Rich, Summit, and Wasatch counties. This region includes large portions of Wasatch-Cache and Uinta National Forests, mountain topography, as well as eight state parks.

Northwestern Utah includes Box Elder and Tooele counties. This region consists of basin and range geography with rugged mountains, endless vistas, and the unique Great Salt Lake ecosystem.

Traveler Types. Utah visitors are divided into two categories: **residents** and **nonresidents**. Resident travelers are Utahns that travel at least 50 miles away from home (one-way) for work or leisure either for a day or overnight. Nonresident travelers include both **domestic** and **international** travelers. Domestic nonresident visitors are American travelers who are not Utah residents, and international visitors include all travelers from outside of the U.S.

Modeling Economic and Fiscal Impacts

The travel and tourism industry supports individuals and businesses in many different industries. Total economic impacts include direct, indirect, and induced impacts. When Utah visitors purchase from Utah businesses, these are the direct effects, including the employees and earnings that are supported by these purchases. These businesses purchase inputs from other local businesses, who in turn may purchase from other local businesses. These rounds of activity produce indirect employment and earnings effects. Then, direct and indirect employees spend a portion of their earnings in the local economy, spurring additional “induced” effects. In the tourism industry, a direct spending example would be a visitor paying their hotel bill. Indirect spending would be the hotel owner purchasing bed sheets from a linen company. Induced spending would include hotel employees and linen company employees spending their paychecks on personal purchases (e.g. rent, groceries, health care, etc.).

U.S. Travel Association provides the Utah Office of Tourism with direct spending numbers. To estimate the indirect and induced impacts that resulted from this direct activity, the Gardner Institute customized a travel and tourism economic impact model for Utah. This customized model utilizes 2017 IMPLAN economic impact software as well as U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis data.

To estimate fiscal impacts, the Gardner Institute customized a travel and tourism fiscal impact calculator. This customized model utilizes both the 2017 IMPLAN economic modeling software and the Gardner Institute fiscal calculator. The Gardner Institute’s fiscal calculator uses effective tax rates and per capita government spending to estimate the fiscal impacts related to the travel and tourism industry. Inputs to the model are employment, value added, and labor income results generated by IMPLAN software (based on total direct visitor spending entered as “output” and margined by the software). The underlying fiscal calculator analysis relies on historical data and assumes a linear relationship between taxes paid and personal income, earnings, industry output, and employment.

The Gardner Institute estimated tax revenue impacts for state and local sales taxes, personal and corporate income taxes, local property taxes, and other state taxes and fees (e.g. travel and tourism portion of fuel tax revenue, boat registration fees, alcohol and tobacco taxes, etc.). The Institute limited its model to state and local governments because Utah federal tax collections have a relatively small impact on federal government receipts. Similarly, the Gardner Institute assumed federal spending in the state in a given year is largely independent of economic activity in Utah’s industries, including the travel- and tourism-related industries.

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Endnotes

1. See <https://www.nps.gov/orgs/1207/04-12-2018-entrance-fees.htm>.
2. H.R. 6510.
3. See <https://www.sltrib.com/news/2018/11/07/with-tax-incentives-okd/>
4. See <https://kutv.com/news/local/trump-administration-loses-bid-to-dismiss-bears-ears-grand-staircase-escalante-lawsuits>
5. See https://www.ustravel.org/system/files/media_root/document/Research_Travel-Forecast_Summary-Table.pdf.
6. See <https://www.nps.gov/subjects/socialscience/vse.htm>
7. Utah ranks third behind California and Arizona for number of national parks; fourth behind California, North Carolina, and Arizona for number of national park jobs; and fifth behind California, Alaska, North Carolina, and Arizona for national park visitor spending.
8. See <https://flatheadbeacon.com/2019/08/26/drop-glacier-park-visitation-reflects-national-trend/>



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