

# ECONOMIC IMPACT OF TOURISM IN MARYLAND 2020

Prepared for:  
Visit Maryland



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# INTRODUCTION

The travel sector is an important part of the Maryland economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of Maryland's economy. In fact, the tourism jobs lost during the pandemic of 2020 represented 1.7% of all state jobs.

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

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

The analysis draws on the following data sources:

- D.K. Shifflet: survey data, including spending and visitor profile characteristics for visitors to Maryland
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: Lodging performance data, including room demand, room rates, occupancy, and room revenue
- US Census: business sales by industry and seasonal second homes inventory
- Tax collections: lodging tax data
- Maryland Office of Comptroller: sales tax data by industry and other data points.

# KEY FINDINGS



# KEY FINDINGS

The pandemic affects travel – but travel shows its resilience



## Visitor Spending

In 2020, 24.7 million visitors spent \$11.6 billion in Maryland.



## Pandemic cuts spending and impacts

Visitor spending drops 37.5% with job losses reaching more than a quarter of all tourism jobs pre-pandemic.



## Industry is still noteworthy

Even in the pandemic, tourism's total impact of \$20.9 billion to state businesses along with support of 166,000 jobs, 4.7% of all state jobs, was an important piece of the state economy in 2020.



## Fiscal Contributions

Visitors generated \$1.7 billion in state and local taxes, which is equivalent to \$775 in tax savings for every household in Maryland.

# VISITATION AND SPENDING



# VISITATION AND VISITOR SPENDING HIGHLIGHTS

Pandemic affected visitor activity in 2020

**Shutdowns cut visitation and spending, but Maryland tourism still brought in visitors and their money.**

The 2020 visitor and visitor spending results have been significantly impacted by the pandemic. Both the limitations and restrictions to mobility, as well as economic disruptions, hit travel hard.

But travel did happen in 2020 – it was just a lot different than previous years. With travel limited, overnight visitors stayed longer when they did travel. Travel party sizes grew as more families traveled together while solo business travel declined. Outdoor destinations rose in favor compared to urban/indoor travel.

While declines in 2020 were significant, the number of trips and associated spending that occurred in Maryland during the year was still noteworthy.



## Visitation declines

Limits on travel cut more than 40% - 17 million – from 2019's visitation number.



## Visitor spending gets cut but is still significant

While visitation spending declined \$7.0 billion, visitors still brought in \$11.6 billion in 2020.



## Losses in retail spending more moderate

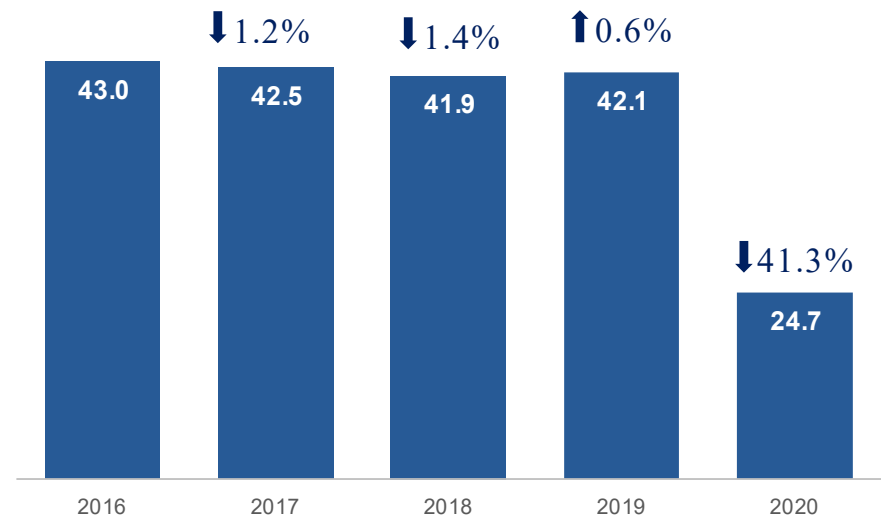
While commercial lodging and recreation were significantly affected by closures, travel that did happen moderated retail spending losses.

# VISITATION TRENDS

## Total visitor count

Limitations on travel and business closures affected travel across the US. Travel to urban destinations was hit harder than other types of travel. With Maryland travel affected by both Baltimore and Washington DC destinations, Maryland visitation fell sharper than the US, dropping over 40% to 24.7 million visitors in 2020, declining by 17.4 million.

Maryland visitation levels (millions)



Source: D.K. Shifflet; Tourism Economics

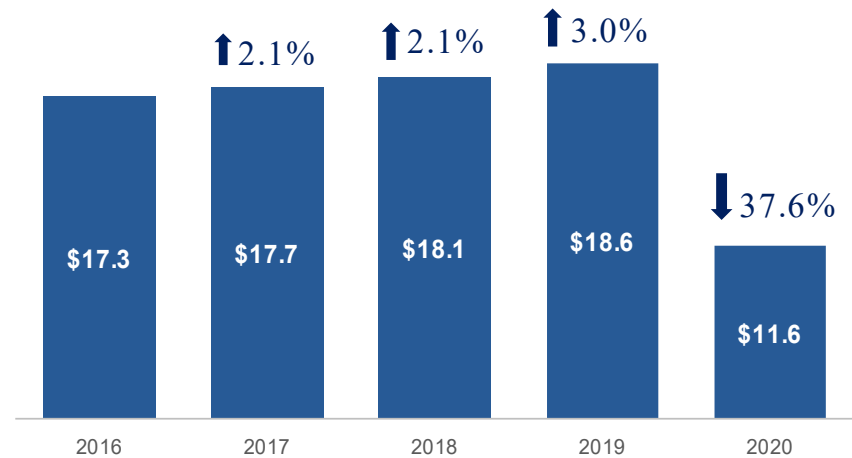
# VISITOR SPENDING TRENDS

## Total visitor spending

Visitor spending in Maryland declined 37.5% in 2020, registering \$11.6 billion.

Pandemic losses reached \$7.0 billion, dropping 2020 visitor spending levels to below those seen in the last recession in 2009. The pandemic wiped out a decade of visitor spending growth.

Maryland visitor spending (\$ billions)



Source: Tourism Economics



# SPENDING DETAILS

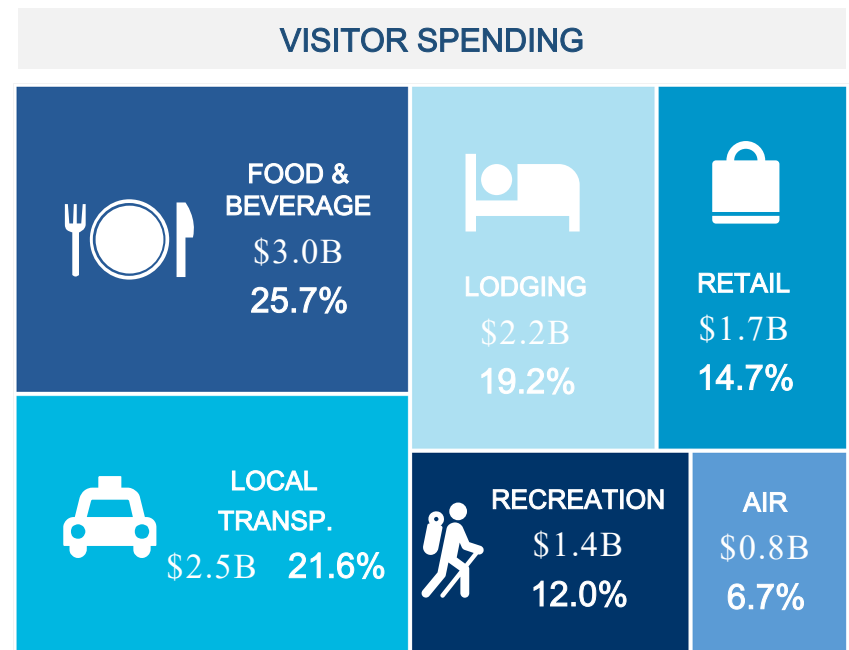
## Spending by category, 2020

**Food & beverages remains the largest spending category in 2020.**

Of the \$11.6 billion spent in Maryland in 2020 by visitors, 26% was spent on food & beverages with another 22% on local transportation costs.

The third largest category was spending on lodging costs, encompassing 19% of the average visitor dollar. Lodging includes both room rentals as well as 2<sup>nd</sup> home rental income.

Retail shopping captured 15 cents of each visitor dollar in 2020. The \$1.4 billion in the state spent at recreational businesses in 2020 was 12 cents of each visitor dollar.



Source: Tourism Economics

# SPENDING TIMELINE




## Visitor spending timeline

**Pandemic losses hit every category of spending – but not equally.**

Of the travel that did occur in 2020, it weighted towards leisure travel rather than business travel. Travel shifted towards family travel compared to solo travel. There was more travel to the beach and the mountains and less to cities and urban centers. Categories that supported those types of travel sectors lost less than others.

Food & beverage and retail sector declines were more moderate while recreational spending and transportation spending suffered more significant declines. Recreational spending was affected by the closure of buildings and spectator limitations at sporting events with transportation affected both by fewer miles traveled and lower gasoline costs.

**Visitor Spending in Maryland, 2016 -2020**  
Amounts in billions of dollars

	2016	2017	2018	2019	2020	2020 Growth	2016-2020 CAGR
<b>Total visitor spending</b>	<b>\$17.32</b>	<b>\$17.68</b>	<b>\$18.05</b>	<b>\$18.59</b>	<b>\$11.62</b>	<b>-37.5%</b>	<b>-9.5%</b>
 Lodging*	\$3.35	\$3.43	\$3.43	\$3.55	\$2.23	-37.2%	-9.7%
 Food & beverages	\$3.85	\$4.01	\$4.14	\$4.34	\$2.99	-31.2%	-6.2%
 Retail	\$2.38	\$2.37	\$2.39	\$2.41	\$1.71	-29.1%	-7.9%
 Recreation	\$2.39	\$2.37	\$2.40	\$2.38	\$1.39	-41.4%	-12.6%
 Transportation**	\$5.35	\$5.49	\$5.68	\$5.91	\$3.30	-44.2%	-11.4%

\* Lodging includes 2nd home spending

\*\* Transportation includes both ground and air transportation

Source: D.K. Shifflet; Tourism Economics

# SPENDING DISTRIBUTION

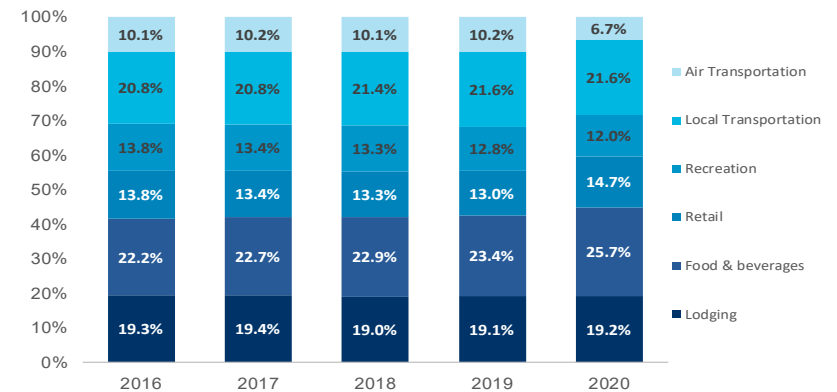
## Visitor spending shares

Spending shares had some of the most significant changes in 2020. Lodging shares were supported by 2<sup>nd</sup> home spending as the commercial lodging share fell by 1.5 percentage points

The share of the visitor dollar spent on food and beverages jumped more than two percentage points to nearly 26% of each visitor dollar.

Share increases were also seen in retail and local transportation categories while air transportation and recreational shares fell in 2020.

Maryland visitor spending (shares)



Source: Tourism Economics

# VISITATION AND SPENDING

## Day/overnight splits

Each traveler spent \$470 on their trip to Maryland in 2020.

Trips that did occur were either longer or travelers were trying to do more on those trips they were able to take. With those travel behaviors, per-person visitor spending rose during the pandemic.

Overnight person trips contributed \$9.9 billion in visitor spending to Maryland. With 11.5 million visitors, it amounted to travel spending of \$858 per person in 2020.

Day visitation of 13.2-million-person trips brought in visitor spending of nearly \$1.8 billion in 2020.

Overnight visitors comprised about 46% of all visitors in 2020 and their spending was about 85% of all visitor spending.

Spending increases from overnight visitors helped drive the overall spending increase. Per traveler spending for the average overnight visitor rose \$67 to reach \$858 per trip.

### Trips and spending, 2016 -2020

Amounts in nominal dollars and number of visitors

	2016	2017	2018	2019	2020
<b>Visitors (millions)</b>	<b>43.0</b>	<b>42.5</b>	<b>41.9</b>	<b>42.1</b>	<b>24.7</b>
Day	22.2	22.3	21.7	22.5	13.2
Overnight	20.8	20.2	20.1	19.6	11.5
<b>Traveler spending (\$ millions)</b>	<b>\$17,323</b>	<b>\$17,682</b>	<b>\$18,050</b>	<b>\$18,590</b>	<b>\$11,619</b>
Day	\$2,817	\$2,971	\$3,008	\$3,071	\$1,758
Overnight	\$14,506	\$14,711	\$15,043	\$15,519	\$9,861
<b>Per traveler spending</b>	<b>\$403</b>	<b>\$416</b>	<b>\$431</b>	<b>\$441</b>	<b>\$470</b>
Day	\$127	\$133	\$138	\$137	\$133
Overnight	\$697	\$730	\$747	\$791	\$858

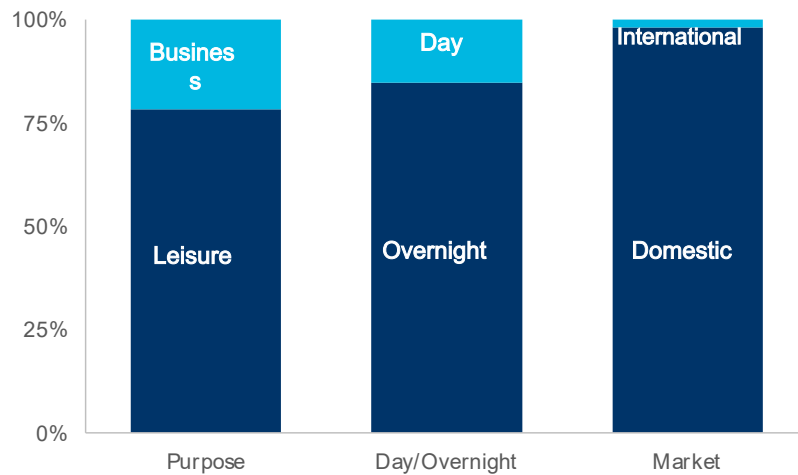
Source: D.K. Shifflet; Tourism Economics

# SPENDING

## Visitor spending by market

### Spending share by market, 2020

Expressed as a percentage of total expenditure per market



Source: Tourism Economics

### Maryland spending by market

Amounts in millions of nominal dollars and percent of total

	Spending	% of total
<b>Purpose</b>	\$11,619	
Leisure	\$9,118	78%
Business	\$2,501	22%
<b>Stay</b>	\$11,619	
Day	\$1,758	15%
Overnight	\$9,861	85%
<b>Market</b>	\$11,619	
Domestic	\$11,402	98%
International	\$217	2%

Source: Tourism Economics

# TOURISM ECONOMY



# CONSTRUCTION SPENDING

## Investment

**\$846 million was spent on construction costs in support of the tourism industry in Maryland.**

Economic disruptions from the pandemic along with visitor spending declines affected visitor-associated investment spending. While many longer-term projects went ahead as scheduled, more speculative investment and short-term spending was held back by the lack of revenue in many businesses.

As many longer-term scheduled projects continued as scheduled, new construction spending's decline was moderate, falling 8% to \$374 million. Investment on machinery and equipment fell a sharper 41% in 2020.

### Tourism capital investment, 2016 -2020

Amounts in nominal dollars and number of visitors

	2016	2017	2018	2019	2020	2020 Growth	2016-2020 CAGR
Construction	\$459	\$407	\$446	\$405	\$374	-7.5%	-5.0%
Machinery & Equipment	\$727	\$744	\$767	\$795	\$472	-40.6%	-10.2%
Total	\$1,186	\$1,151	\$1,213	\$1,199	\$846	-29.4%	-8.1%

Source: Dodge Construction; Tourism Economics

# TOURISM SATELLITE ACCOUNT

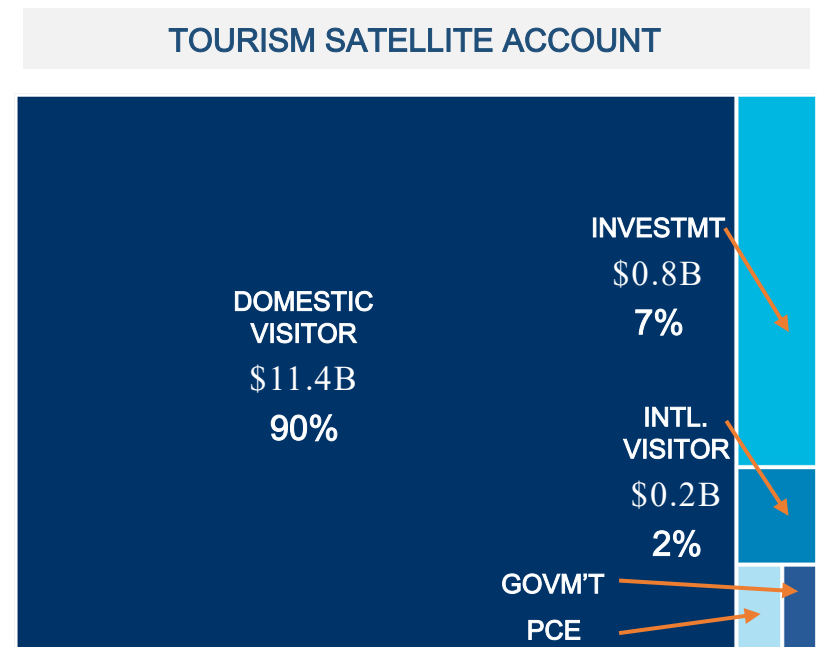
## Category contributions - 2020

Visitors to Maryland supported a total of **\$12.6 billion** in expenditures in 2020

Domestic visitors provided the majority of tourism economy spending at \$11.4 billion, 90% of the total.

Investment spending added 7%. International visitors and their \$0.2 billion in spending fell to 2% of the total – after registering 8% in 2019.

Governmental support and personal consumption spending in support of tourism were \$140 million in 2020, 1.1% of the total.



Source: Tourism Economics



# TOURISM SATELLITE ACCOUNT

## Tourism economy in Maryland

Non-visitor private consumption expenditures (PCE) represent tourism consumer durables such as an RV, boat, or furniture for a vacation home.

Government support for tourism includes the budgets for destination marketing and other budget items in broad support of tourism.

Capital investment (CAPEX) includes construction of hotels and attractions, as well as tourism equipment and infrastructure.

### Tourism economy spending, 2016 -2020 Amounts in millions of nominal dollars

	2016	2017	2018	2019	2020	2020 Growth	2016-2020 CAGR
Domestic Visitor	\$15,693	\$15,998	\$16,406	\$16,973	\$11,402	-32.8%	-7.7%
International Visitor	\$1,630	\$1,685	\$1,644	\$1,617	\$217	-86.6%	-39.6%
Non-Visitor PCE	\$78	\$85	\$92	\$100	\$56	-43.6%	-7.9%
Gov't Support	\$145	\$150	\$158	\$169	\$83	-51.0%	-13.1%
Investment	\$1,186	\$1,151	\$1,213	\$1,199	\$846	-29.4%	-8.1%
Total	\$18,733	\$19,069	\$19,514	\$20,059	\$12,605	-37.2%	-9.4%

Source: Tourism Economics

# DIRECT IMPACTS



# TOURISM INDUSTRY IMPACTS

The tourism industry consists of visitor spending and its direct impacts on the state economy.

Tourism GDP is the value added of those sectors directly interacting with travelers.

The narrow definition of the tourism industry counts only tourism industry sales, which excludes capital investment and general government support of tourism. This definition is consistent with economic accounts.

On this basis, tourism industry GDP tallied \$6.8 billion in 2020, and tourism industry employment reached 104,300, 2.9% of all Maryland employment.

## Core tourism

Amounts in number of jobs and millions of nominal dollars

	Employment	GDP (millions)
<b>Total</b>	<b>104,328</b>	<b>\$6,807</b>
Food & Beverage	38,678	\$1,788
Lodging	19,634	\$1,335
Recreation and Entertainment	16,535	\$686
Retail Trade	9,597	\$708
Other Transport	8,230	\$574
Gasoline Stations	3,836	\$266
Air Transport	3,128	\$654
Personal Services	2,233	\$110
Finance, Insurance and Real Estate	1,692	\$613
Business Services	765	\$73

Source: Tourism Economics

# DIRECT INDUSTRY EMPLOYMENT

## Tourism employment growth

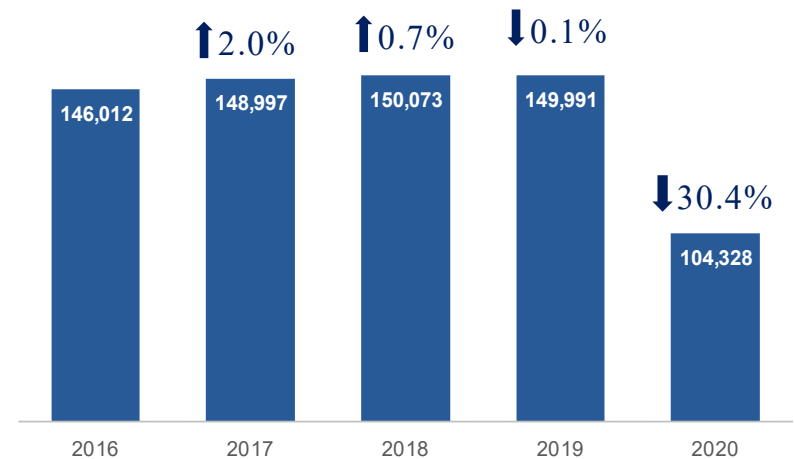
### Visitor spending directly supported 104,328 jobs

The pandemic's impact on tourism jobs in Maryland was a loss of over 45,600 jobs that directly interact with visitors, over 30% of all jobs directly supported by visitor activity.

Even with those losses, visitor activity in Maryland still directly supported 104,328 jobs. This is 2.9% of all jobs in the state.

### Tourism supported employment in Maryland

Amounts in number of jobs and YOY percentage growth



Source: Tourism Economics

# DIRECT TOURISM EMPLOYMENT

## Tourism employment

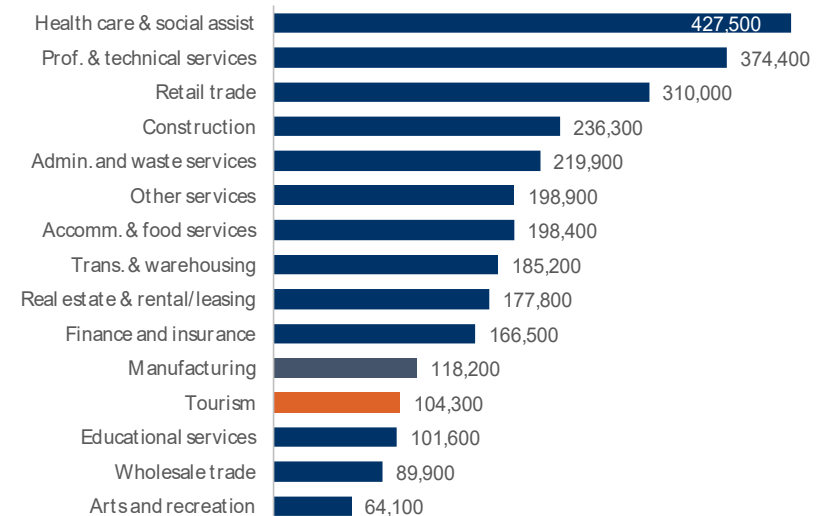
**In 2020, tourism would rank as the 12<sup>th</sup> largest private industry employer in Maryland**

Visitor activity directly supported 104,300 jobs in Maryland in 2020. Comparing this with the direct employment in other industry sectors, tourism would rank as the 12<sup>th</sup> largest industry.

In 2019, tourism ranked 11<sup>th</sup>, falling behind Manufacturing employment during the pandemic.

## Employment in Maryland, by major industry

Amounts in number of jobs



Source: Tourism Economics, BEA

# DIRECT TOURISM INDUSTRY

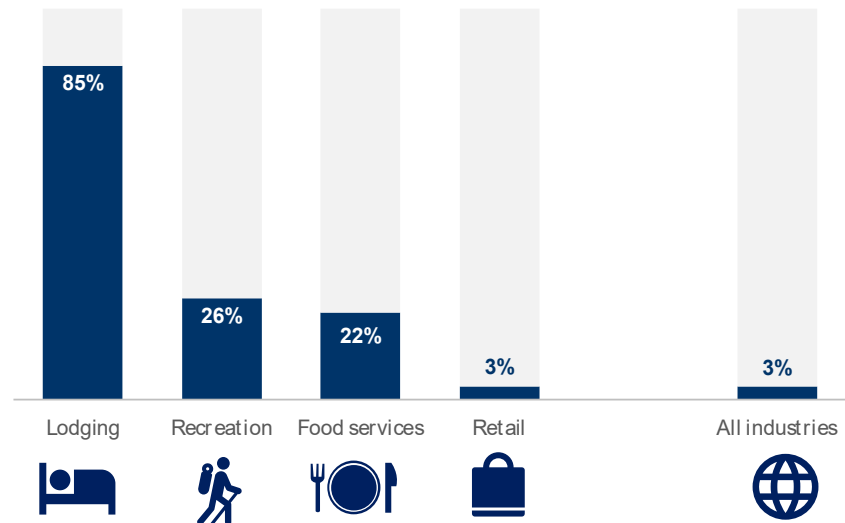
## Tourism employment intensity

### Tourism employment is a significant part of several industries

Tourism employment is a significant part of several industries – the majority of lodging employment, 26% of recreation, and 22% of food & beverage employment is supported by tourism spending.

### Tourism employment intensity

Amounts in percentage of total industry employment



# ECONOMIC IMPACTS





## ECONOMIC IMPACTS

How visitor spending generates employment and income

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

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

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



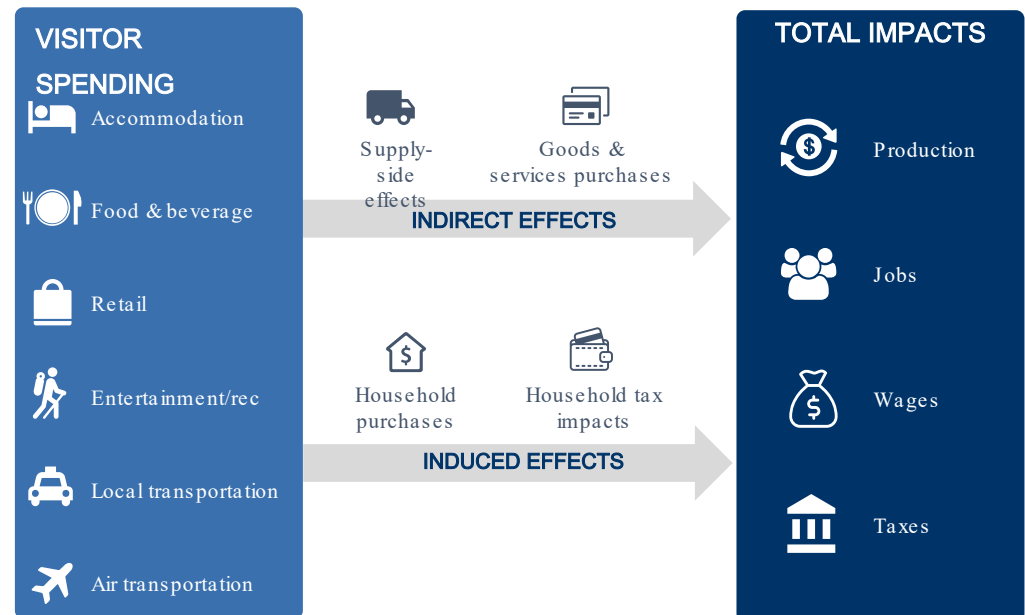
# ECONOMIC IMPACTS

How visitor spending generates employment and income

## Economic impact flowchart

IMPLAN calculates these three levels of impact – direct, indirect, and induced – for a broad set of indicators. These include the following:

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

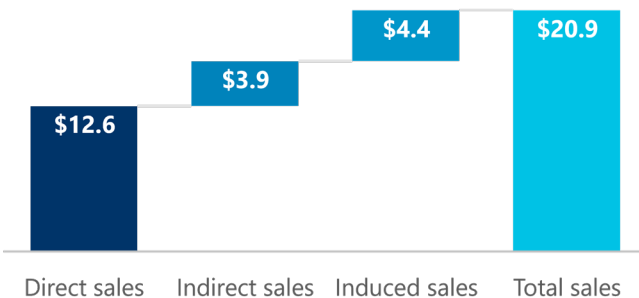


# TOTAL BUSINESS SALES IMPACTS

## Business sales by industry

Total direct spending in support of tourism registered \$12.6 billion in 2020. This supported another \$8 billion from indirect and induced sales for a total of \$20.9 billion in business sales in Maryland tied to visitor activity in the state.

### Summary economic impacts (\$ billions)



### Business sales impacts by industry

Amounts in millions of current dollars	Direct sales	Indirect sales	Induced sales	Total sales
<b>Total, all industries</b>	<b>\$12,605</b>	<b>\$3,887</b>	<b>\$4,425</b>	<b>\$20,917</b>
<b>By industry</b>				
Finance, Ins. & Real Estate	\$961	\$1,102	\$1,700	\$3,764
Retail Trade	\$2,413	\$57	\$273	\$2,744
Food & Beverage	\$2,330	\$114	\$257	\$2,702
Gasoline Stations	\$1,886	\$2	\$13	\$1,901
Lodging	\$1,520	\$2	\$2	\$1,524
Business Services	\$57	\$1,049	\$401	\$1,507
Construction and Utilities	\$846	\$331	\$165	\$1,342
Recreation and Entertainment	\$1,239	\$45	\$42	\$1,326
Air Transport	\$784	\$10	\$19	\$812
Education and Health Care		\$8	\$754	\$762
Other Transport	\$377	\$264	\$84	\$725
Communications		\$343	\$183	\$526
Wholesale Trade		\$211	\$213	\$424
Personal Services	\$98	\$72	\$167	\$336
Manufacturing	\$11	\$198	\$109	\$319
Government	\$83	\$60	\$37	\$180
Agriculture, Fishing, Mining		\$16	\$6	\$22

Source: Tourism Economics

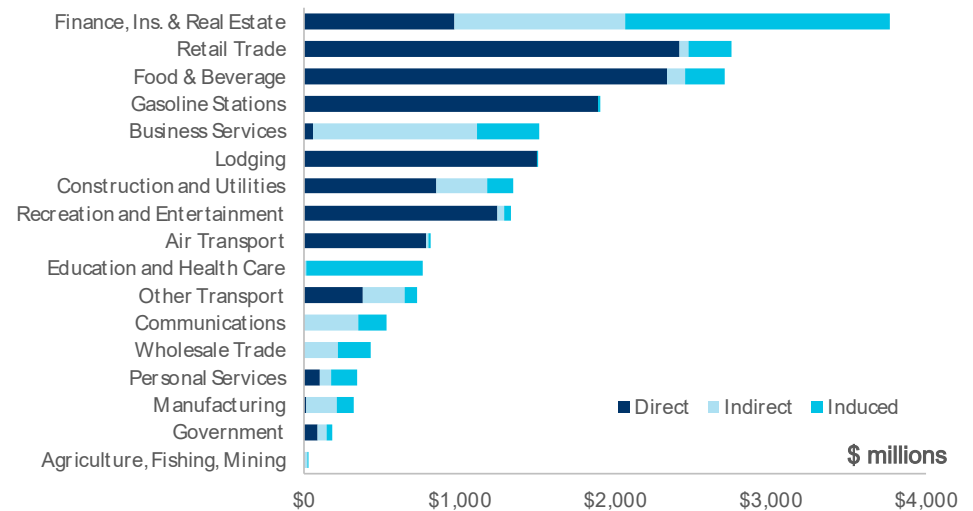
# TOTAL BUSINESS SALES IMPACTS

## Business sales by industry

While the majority of sales are in industries directly serving visitors, more than \$1.0 billion in business services industry sales is happening as a result of selling to tourism businesses.

Significant benefits also accrue in sectors like finance, insurance, and real estate (FIRE) and manufacturing from selling to tourism businesses and employees.

## Business sales impacts by industry



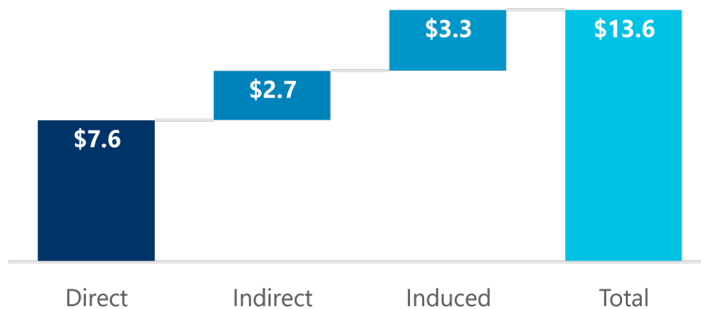
Source: Tourism Economics

# TOTAL VALUE-ADDED IMPACTS

## GDP

Tourism generated \$13.6 billion in local GDP in 2020, or 3.2% of the Maryland economy. This excludes all import leakages to arrive at the economic value generated by traveler activity in the state.

### Summary GDP impacts (\$ billions)



### GDP impacts by industry

Amounts in millions of current dollars	Direct value	Indirect value	Induced value	Total value
<b>Total, all industries</b>	<b>\$7,623</b>	<b>\$2,652</b>	<b>\$3,281</b>	<b>\$13,556</b>
<b>By industry</b>				
Finance, Ins. & Real Estate	\$613	\$797	\$1,186	\$2,597
Food & Beverage	\$1,788	\$77	\$213	\$2,078
Lodging	\$1,335	\$1	\$2	\$1,338
Business Services	\$73	\$758	\$293	\$1,125
Retail Trade	\$708	\$49	\$278	\$1,035
Construction and Utilities	\$720	\$188	\$97	\$1,004
Other Transport	\$574	\$158	\$47	\$779
Recreation and Entertainment	\$686	\$33	\$31	\$751
Air Transport	\$654	\$6	\$11	\$671
Education and Health Care		\$6	\$616	\$622
Personal Services	\$110	\$72	\$154	\$336
Communications		\$199	\$116	\$315
Wholesale Trade		\$152	\$154	\$306
Gasoline Stations	\$279	\$2	\$13	\$294
Government	\$81	\$71	\$32	\$184
Manufacturing	\$3	\$78	\$35	\$116
Agriculture, Fishing, Mining		\$4	\$2	\$6

Source: Tourism Economics

# TOTAL VALUE-ADDED IMPACTS

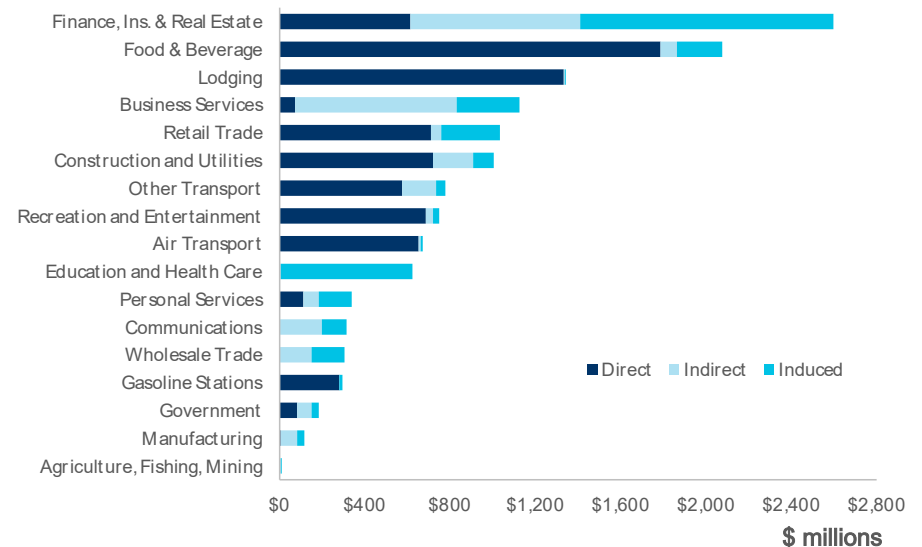
## GDP

In Maryland, the finance, insurance, and real estate industry has the largest local value created by visitor activity despite less than 20% of the total impact coming directly from visitor activity.

Food & beverages and the lodging industry follow as industries providing value to Maryland from visitor activity.

Recreational industry value added from tourism fell from 5<sup>th</sup> largest down to 8<sup>th</sup>, passed by retail, construction and other transportation industries, highlighting the impact of visitors on recreational-oriented businesses.

### GDP impacts by industry



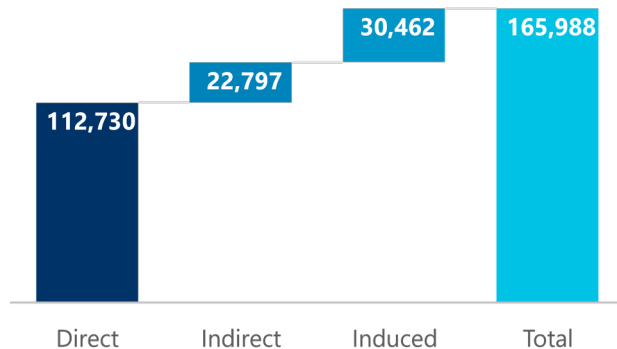
Source: Tourism Economics

# TOTAL EMPLOYMENT IMPACTS

## Employment

Tourism supported a total of 165,988 jobs when indirect and induced impacts are considered. This represents 4.7% of all jobs in the state – or one out of every 21 jobs in Maryland.

Summary employment impacts (number of jobs)



## Employment Impacts

Amounts in total employment	Direct jobs	Indirect jobs	Induced jobs	Total jobs
<b>Total, all industries</b>	<b>112,730</b>	<b>22,797</b>	<b>30,462</b>	<b>165,988</b>
<b>By industry</b>				
Food & Beverage	38,678	1,710	4,112	44,499
Lodging	19,634	22	24	19,680
Recreation and Entertainment	16,535	1,218	761	18,515
Retail Trade	9,772	515	3,763	14,049
Business Services	765	7,884	3,177	11,827
Other Transport	8,230	2,254	796	11,280
Finance, Ins. & Real Estate	1,692	4,188	3,742	9,623
Construction and Utilities	7,640	821	429	8,890
Education and Health Care		114	8,635	8,749
Personal Services	2,233	1,098	2,853	6,185
Gasoline Stations	3,836	21	186	4,043
Air Transport	3,128	30	55	3,213
Government	559	746	365	1,670
Wholesale Trade		766	826	1,592
Communications		771	405	1,177
Manufacturing	29	506	243	778
Agriculture, Fishing, Mining		133	88	221

Source: Tourism Economics

# TOTAL EMPLOYMENT IMPACTS

## Employment

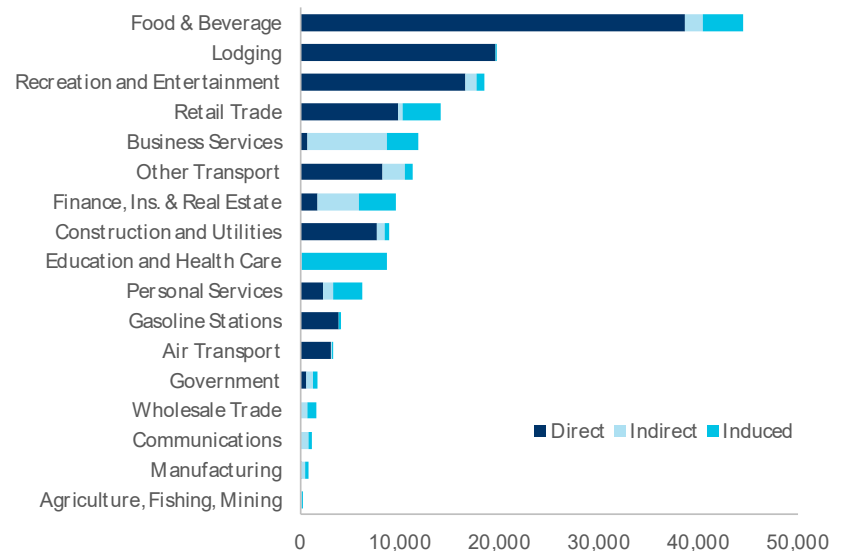
More of the employment impacts come directly from visitor activity. Two-thirds of the employment impacts are directly from visitor activity compared to 60% of total income earned by tourism-supported job holders in Maryland and 61% of all business sales supported by Maryland tourism activity.

Visitor spending supports the largest number of jobs in the food & beverage industry in Maryland –44,500.

Lodging employment ranks second with 19,680 jobs followed by recreational jobs.

Nearly 22,800 Maryland-based jobs are indirectly supported by visitor activity.

## Employment Impacts



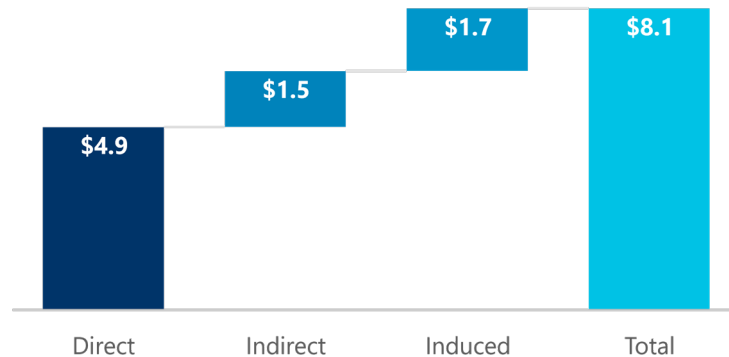
Source: Tourism Economics

# TOTAL INCOME IMPACTS

## Personal income

Tourism generated over \$4.9 billion in direct income and \$8.1 billion when indirect and induced impacts are considered.

Summary personal income impacts (\$ billions)



## Personal income impacts

Amounts in millions of current dollars	Direct income	Indirect income	Induced income	Total income
<b>Total, all industries</b>	<b>\$4,904</b>	<b>\$1,504</b>	<b>\$1,688</b>	<b>\$8,097</b>
<b>By industry</b>				
Food & Beverage	\$1,143	\$57	\$124	\$1,324
Lodging	\$806	\$1	\$1	\$808
Business Services	\$49	\$541	\$211	\$801
Construction and Utilities	\$562	\$80	\$40	\$682
Finance, Ins. & Real Estate	\$158	\$249	\$233	\$640
Recreation and Entertainment	\$556	\$38	\$24	\$618
Other Transport	\$445	\$131	\$38	\$614
Retail Trade	\$393	\$23	\$154	\$571
Education and Health Care		\$5	\$522	\$528
Air Transport	\$409	\$3	\$6	\$418
Personal Services	\$107	\$66	\$142	\$314
Gasoline Stations	\$202	\$1	\$8	\$211
Government	\$71	\$69	\$35	\$176
Communications		\$121	\$51	\$173
Wholesale Trade		\$69	\$74	\$143
Manufacturing	\$2	\$45	\$21	\$67
Agriculture, Fishing, Mining		\$4	\$3	\$7

Source: Tourism Economics



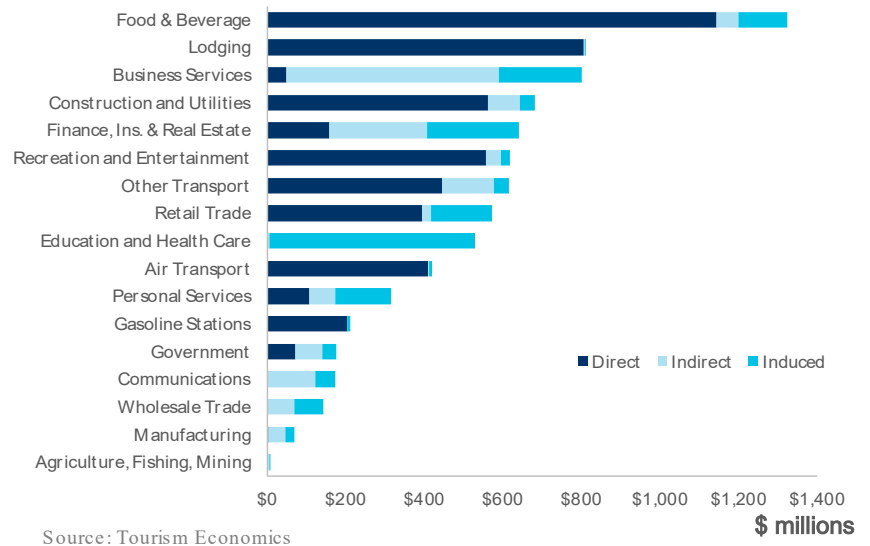
# TOTAL INCOME IMPACTS

## Personal income

There are nine industries in which visitor activity supports more than \$500 million in personal income. These range from the obvious—food & beverages and lodging, to the less obvious—business services and education & health care.

Despite ranking a distant fifth in terms of jobs supported, the higher wages in the business services industries supported by visitor activity provide \$800 million in income to Maryland job holders, the third largest impact.

### Personal income impacts



# TOTAL TAX IMPACTS

## Fiscal (tax)

Visitor spending, visitor supported jobs, and business sales generated \$3.2 billion in governmental revenues.

State and local taxes alone tallied \$1.7 billion in 2020.

Each household in Maryland would need to be taxed an additional \$775 per year to replace the traveler taxes received by state and local governments.

This is down from \$1,175 per household in 2019; to make up for the tourism tax losses from the pandemic in 2020, each Maryland household would need to contribute \$400 to state and local governments.

## Tax impacts

Amounts in millions of current dollars					
	2016	2017	2018	2019	2020
<b>Total</b>	<b>\$4,404</b>	<b>\$4,552</b>	<b>\$4,675</b>	<b>\$4,823</b>	<b>\$3,241</b>
<b>Federal</b>					
Personal Income	\$666	\$689	\$706	\$727	\$519
Corporate	\$142	\$148	\$152	\$157	\$114
Indirect business	\$198	\$201	\$204	\$207	\$117
Social insurance	\$1,053	\$1,089	\$1,116	\$1,150	\$764
<b>State and Local</b>	<b>\$2,345</b>	<b>\$2,426</b>	<b>\$2,496</b>	<b>\$2,582</b>	<b>\$1,727</b>
Sales	\$1,001	\$1,027	\$1,040	\$1,060	\$546
Bed Tax	\$145	\$158	\$161	\$169	\$83
Personal Income	\$260	\$269	\$276	\$284	\$216
Corporate	\$222	\$231	\$234	\$237	\$152
Social insurance	\$24	\$25	\$25	\$25	\$16
Excise and Fees	\$273	\$280	\$299	\$319	\$201
Property	\$420	\$435	\$462	\$488	\$514

Source: Tourism Economics

# TOTAL TAX IMPACTS

## Fiscal (tax)

Visitor spending, visitor supported jobs, and business sales generated \$1.7 billion in state and local governmental revenues.

State taxes from visitor activity brought in \$950 million in 2020. Local governments received \$780 million in revenue from economic activity associated with visitors.

For the state, sales tax receipts provide a large share of governmental revenues. For local governments, property taxes along with bed, fees and income taxes provide the majority of local governmental revenues.

## Tax impacts

Amounts in millions of current dollars

	2016	2017	2018	2019	2020
<b>Total</b>	<b>\$2,345.0</b>	<b>\$2,425.6</b>	<b>\$2,495.9</b>	<b>\$2,582.0</b>	<b>\$1,727.0</b>
<b>State</b>	<b>\$1,499.4</b>	<b>\$1,543.9</b>	<b>\$1,575.3</b>	<b>\$1,614.7</b>	<b>\$948.7</b>
Sales	\$912.3	\$936.1	\$948.5	\$966.5	\$497.4
Bed Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Personal Income	\$165.3	\$170.9	\$175.2	\$180.4	\$136.8
Corporate	\$217.0	\$226.2	\$228.6	\$231.7	\$149.0
Property	\$34.0	\$35.2	\$37.4	\$39.5	\$41.6
Excise and Fees	\$149.0	\$152.9	\$163.1	\$174.0	\$109.7
State Unemployment	\$21.8	\$22.6	\$22.5	\$22.6	\$14.2
<b>Local</b>	<b>\$845.6</b>	<b>\$881.7</b>	<b>\$920.6</b>	<b>\$967.3</b>	<b>\$778.2</b>
Sales	\$88.4	\$90.7	\$91.9	\$93.6	\$48.2
Bed Tax	\$145.1	\$158.3	\$160.6	\$169.2	\$82.9
Personal Income	\$95.1	\$98.4	\$100.9	\$103.9	\$78.8
Corporate	\$4.7	\$4.9	\$5.0	\$5.0	\$3.2
Property	\$386.5	\$400.2	\$424.7	\$448.8	\$472.6
Excise and Fees	\$123.9	\$127.1	\$135.6	\$144.6	\$91.2
State Unemployment	\$2.0	\$2.0	\$2.0	\$2.0	\$1.3

Source: Tourism Economics

# ECONOMIC IMPACT IN CONTEXT



# ECONOMIC IMPACTS IN CONTEXT

## Figures in context



### Visitor spending

Stacking \$11.6 billion worth of \$10 bills would reach over 79 miles high— similar to the distance from Frederick to Aberdeen, MD.



### Visitor sales lost

The \$7.0 billion in visitor spending losses is similar in size to the state's FY21 funding for K-12 education (\$7.3 billion). These spending losses are also similar in size to the estimated cost of building a new Chesapeake Bay Bridge.



### Employment

Tourism employment fell by 60,000 jobs, enough to fill both Oriole Park at Camden Yards and Prince George's stadium for the Bowie Baysox. Tourism in 2020 supported 166,000 jobs, enough to fill both Pimlico and M&T Stadium.

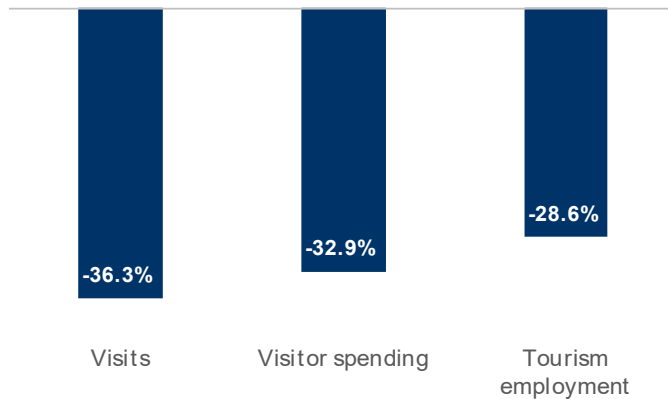


### Taxes

To make up for the \$1.7 billion in state and local taxes generated by visitor activity, each household in the state would need to contribute \$775 to maintain the current level of government.

# STATE OF MARYLAND HIGHLIGHTS AND VISITATION

Cumulative Growth in Key Indicators, 2016 -2020

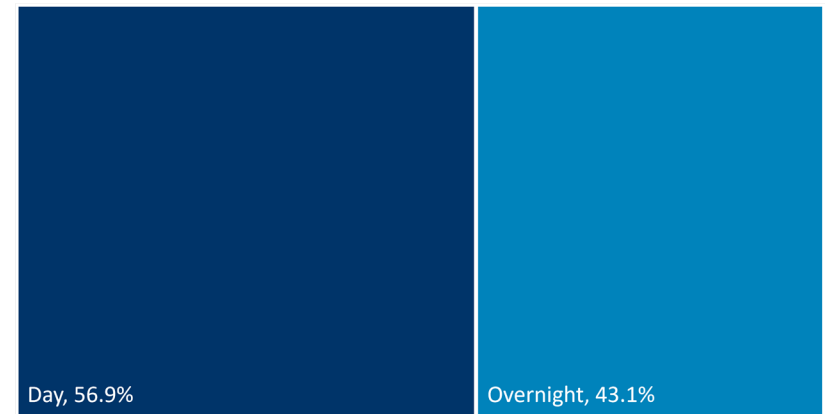


State of Maryland visitor levels

	2016	2017	2018	2019	2020
<b>Total visitors (thousands)</b>					
Day	30,147	30,687	31,566	32,859	19,595
Overnight	23,934	24,820	25,649	26,203	14,838
<b>Total</b>	<b>54,081</b>	<b>55,507</b>	<b>57,214</b>	<b>59,063</b>	<b>34,433</b>
		2.6%	3.1%	3.2%	-41.7%

Source: Tourism Economics

Visits by type , 2020



Source: Tourism Economics

# VISITOR SPENDING

## Visitor spending in Maryland

Millions of dollars

	2016	2017	2018	2019	2020	2020 Growth	2020-2016 CAGR
Lodging*	\$3,351	\$3,434	\$3,432	\$3,550	\$2,230	-37.2%	-9.7%
Food & beverages	\$3,853	\$4,014	\$4,141	\$4,343	\$2,987	-31.2%	-6.2%
Retail	\$2,383	\$2,370	\$2,394	\$2,413	\$1,711	-29.1%	-7.9%
Recreation	\$2,391	\$2,373	\$2,404	\$2,378	\$1,393	-41.4%	-12.6%
Transportation**	\$5,346	\$5,491	\$5,678	\$5,906	\$3,298	-44.2%	-11.4%
<b>Total</b>	<b>\$17,323</b>	<b>\$17,682</b>	<b>\$18,050</b>	<b>\$18,590</b>	<b>\$11,619</b>	<b>-37.5%</b>	<b>-9.5%</b>

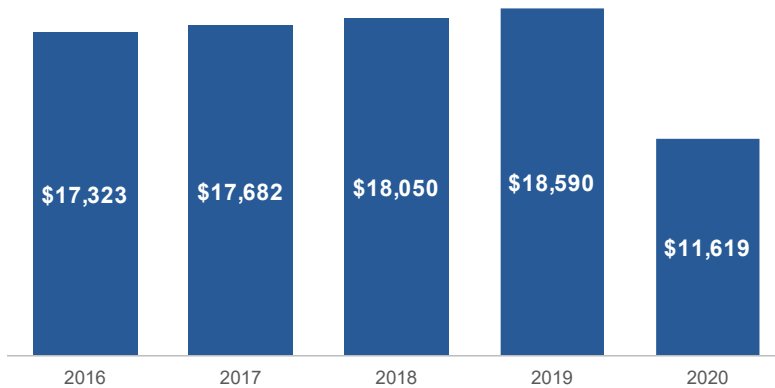
\* Lodging includes 2nd home spending

\*\* Transportation includes both ground and air transportation

Source: Tourism Economics

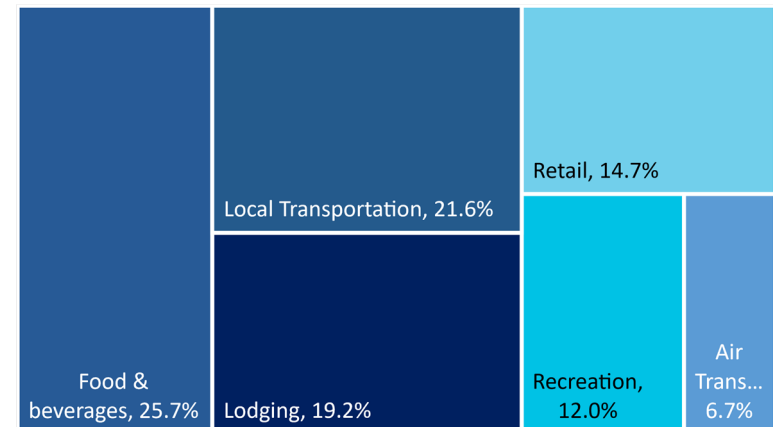
## Visitor spending timeline

Millions of dollars



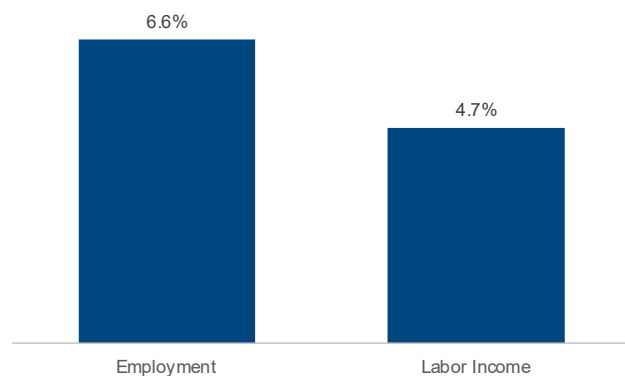
## Visitor spending by category

Percent of total



# ECONOMIC IMPACTS

## Tourism share of county economy



Source: Tourism Economics, Bureau of Labor Statistics

## Visitor impacts in Maryland

Employment in units, Income and taxes in millions of dollars

	2016	2017	2018	2019	2020	% Chg
<b>Employment</b>						
Direct	146,061	148,997	150,073	149,991	104,328	-30.4%
Total	221,589	224,170	226,235	226,427	165,988	-26.7%
Share of State	100.0%	100.0%	100.0%	100.0%	100.0%	
<b>Labor Income</b>						
Direct	\$5,368	\$5,613	\$5,765	\$5,925	\$4,269	-27.9%
Total	\$9,732	\$10,065	\$10,318	\$10,623	\$8,097	-23.8%
Share of State	100.0%	100.0%	100.0%	100.0%	100.0%	
	2016	2017	2018	2019	2020	% Chg
<b>Tax revenues</b>						
Federal	\$1,718.9	\$1,777.7	\$1,822.3	\$2,240.7	\$1,513.9	-32.4%
State and Local	\$707.3	\$732.3	\$759.9	\$2,582.0	\$1,727.0	-33.1%
Hotel	\$150.3	\$158.3	\$160.6	\$169.2	\$82.9	-51.0%
Total	\$2,426.3	\$2,510.0	\$2,582.2	\$4,822.6	\$3,240.8	-32.8%

Source: Tourism Economics, Maryland Department of Revenue



# APPENDIX

# GLOSSARY – SPENDING

Term	Description
<b>Lodging</b>	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels and similar establishments.
<b>Food and beverage</b>	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
<b>Recreation</b>	Includes visitors spending within the arts, entertainment and recreation sub-sector.
<b>Shopping</b>	Includes visitor spending in all retail sub-sectors within the local economy.
<b>Local transport</b>	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, and buses.
<b>Service stations</b>	Visitor spending on gasoline.
<b>Second homes</b>	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

# GLOSSARY - IMPACTS

Term	Description
<b>Direct Impact</b>	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
<b>Indirect Impact</b>	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
<b>Induced Impact</b>	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
<b>Employment</b>	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
<b>Personal Income</b>	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
<b>Value Added (GDP)</b>	The economic enhancement a company gives its products or services before offering them to customers.
<b>Local Taxes</b>	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
<b>State Taxes</b>	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

# ABOUT TOURISM ECONOMICS

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

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

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

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For more information:

[info@tourismeconomics.com](mailto:info@tourismeconomics.com)