

# Economic Impact of Tourism in Maryland - 2021

September 2022

Prepared for: Maryland Office of Tourism



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## INTRODUCTION PROJECT BACKGROUND

The travel sector is an integral part of the Maryland economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the state's economy. How critical? In 2021, visitor activity supported 4.8% of all jobs in the state and the increase in visitor activity in 2021 created \$333 million more in state and local governmental revenues.

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 its tourism economy rebounds. By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the significance of the visitor economy in Maryland, Tourism Economics developed a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the visitor economy in terms of direct visitor spending, along with total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

## METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for the state of Maryland. The model traces the flow of visitor-related expenditures through the state's economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

Visitors included those who stayed in overnight accommodations or those who came from a distance greater than 50 miles and deviated from their normal routine.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis.

This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- D.K. Shifflet: survey data, including spending and visitor totals for domestic 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, for hotels and short-term rentals
- Tax collections: Lodging, amusement, and sales tax receipts
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to Maryland based on aviation, survey, and credit card information

# ECONOMIC IMPACTS

## KEY FINDINGS

### DIRECT VISITOR SPENDING IMPACT

Visitor activity increased significantly in 2021. With the pandemic’s effects waning and traveler confidence rising, the number of visitors to Maryland grew to 35.2 million travelers in 2021, an increase of more than 10 million trips or 42%. The spending of these visitors grew by \$4.8 billion in 2021 to reach \$16.4 billion at hotels, restaurants, retailers and other businesses that support the visitor experience in Maryland. Visitor spending rebounded back to 88% of 2019 levels.

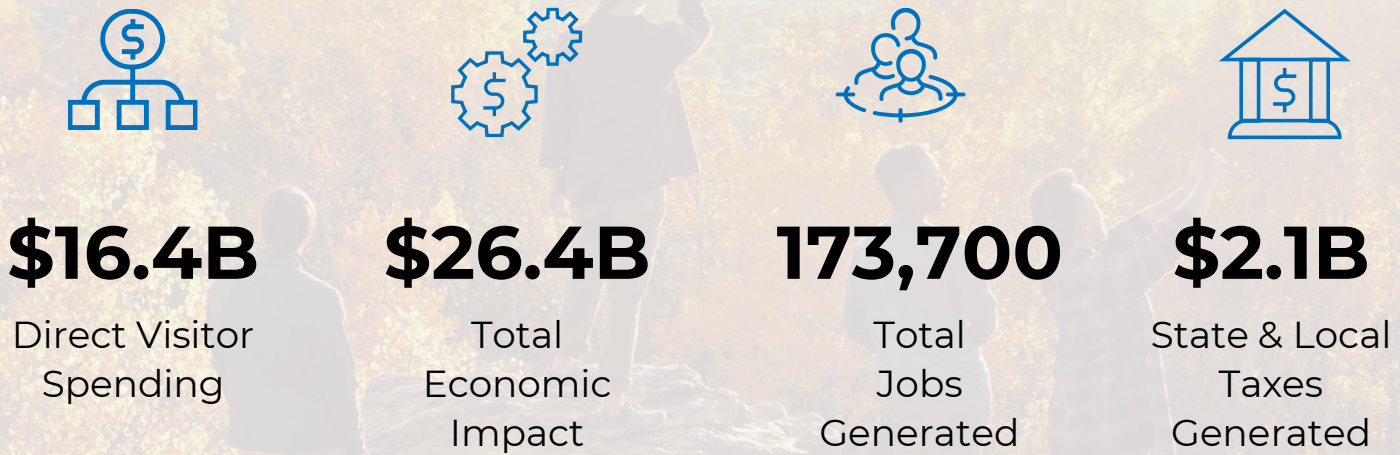


### TOTAL ECONOMIC IMPACT

The direct visitor spending impact of \$16.4 billion generated a total economic impact of \$26.4 billion in Maryland in 2021 including indirect and induced impacts. This total economic impact sustained 173,700 jobs and generated \$2.1 billion in state and local tax revenues in 2021.



### SUMMARY ECONOMIC IMPACTS Maryland Tourism (2021)





## VISITS & VISITOR SPENDING

A bounce back year would summarize 2021. As COVID concerns waned and attractions and events reopened, travelers returned. Rising consumer confidence in travel pushed visitation and visitor spending to impressive growth rates in 2021. However, the recovery remained uneven in 2021 as international travel remained subdued and COVID variants affected business and event-related travel. But strength in leisure travel resulted in historical growth rates in visitation and visitor spending.

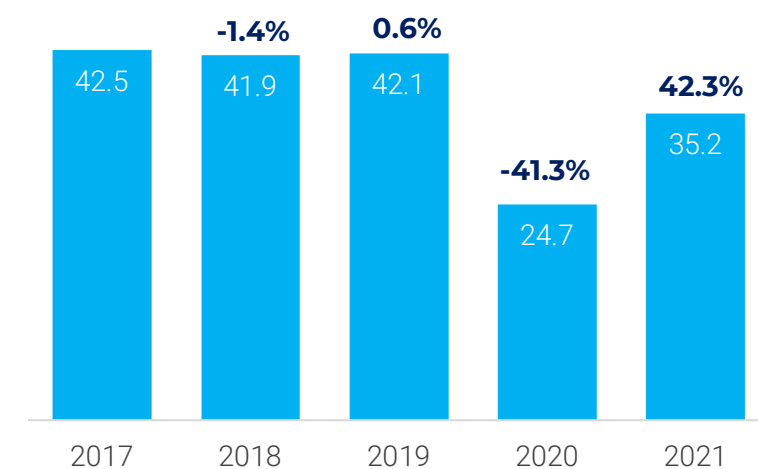
### VISITOR VOLUME

#### Rebound in 2021

In 2021, travel confidence rebounded with easing restrictions and available vaccines. As a result, visitor volume growth was strong, registering a gain of 42% in 2021, with levels recovering to 84% of pre-pandemic levels.

#### Maryland visitor volume

Amounts in millions



Sources: D. K. Shifflet, Tourism Economics

### VISITOR SPENDING

Visitor spending in 2021 in Maryland rebounded to 88% of 2019 levels.

With trips rebounding strongly, visitor spending jumped 41% in 2021. This growth has brought spending levels to within 12% of 2019 levels.

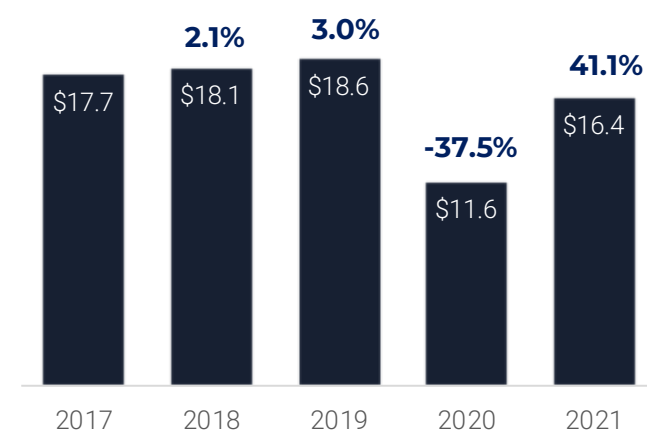
Transportation spending, including the value of the airport to the state's economy, remains the largest spending category in 2021 with 29% of each visitor dollar dedicated to transportation costs.

Visitors \$4 billion spent on food & beverages – at businesses from restaurants to grocery stores - was 23% of the average visitor dollar.

Eighteen percent of each visitor dollar spent in Maryland went to lodging with retail and recreation & entertainment spending seeing about 12% of each visitor dollar spent in Maryland in 2021.

#### Maryland visitor spending

Amounts in \$ billions

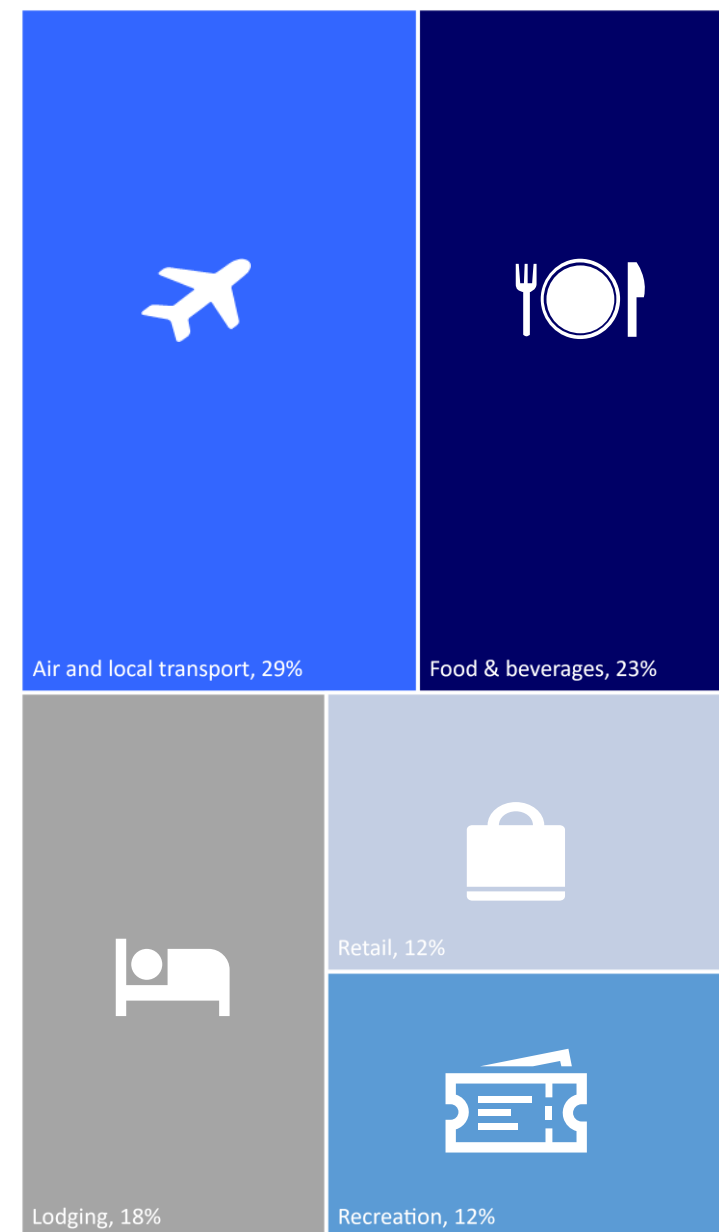


Sources: D. K. Shifflet, Tourism Economics



# \$16.4 BILLION

Total Visitor Spending in 2021



Source: Tourism Economics

Note: Lodging spending is calculated as an industry.. Spending also includes dollars spent on second homes. Transport includes both air and local transportation.

## VISITOR SPENDING TRENDS

Spending grew across all sectors with some of the strongest growth seen in the categories that had been hardest hit during the pandemic – transportation and recreation. Transportation spending by travelers in the state jumped more than \$1.7 billion to rebound past \$5.0 billion. With air travel only picking up in the latter part of 2021, overall transportation spending in the state remains 15% below pre-pandemic (2019 levels).

With key venues re-opening and attractions increasing capacity, recreational spending jumped 44% in 2021.

Lodging spending increased by 41% after a fall of 37% in 2020. With that historic increase, lodging spending grew to 89% of pre-pandemic levels, up from 63%.

Food & beverage spending has recovered more than other categories with 2021 spending by visitors at restaurants, bars, and grocery stores recovering to 92% of 2019 levels, only about \$350 million from pre-pandemic levels.

## VISITOR SEGMENTS

Spending by overnight visitors grew \$2.9 billion to \$12.7 billion in 2021. With 15.3 million person-trips in Maryland, spending by an overnight visitor was \$830 per-person.

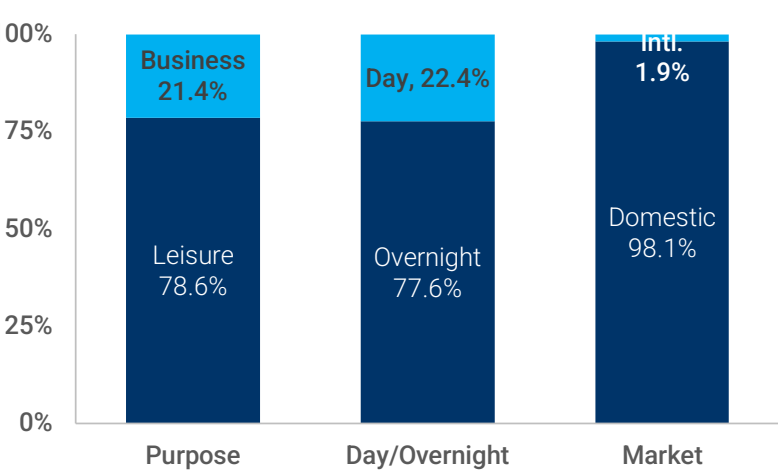
Day spending grew to \$3.7 billion in 2021.

With day travel rebounding and leisure trips still dominating overall travel, per-visitor spending fell slightly.

Leisure travel has led the recovery with the share of spending by leisure travelers growing to nearly 80% in 2021, from 75% in 2019.

### Maryland spending share by segment

Percent % of visitor spending by market



Source: Tourism Economics

### Maryland visitor spending and annual growth

Amounts in \$millions, 2021 % change, and % recovered relative to 2021

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Total visitor spending	\$17,682	\$18,050	\$18,590	\$11,619	\$16,391	41.1%	88.2%
Lodging*	\$3,434	\$3,432	\$3,550	\$2,230	\$3,152	41.4%	88.8%
Food & beverage	\$4,014	\$4,141	\$4,343	\$2,987	\$4,000	33.9%	92.1%
Retail	\$2,370	\$2,394	\$2,413	\$1,711	\$2,184	27.6%	90.5%
Recreation	\$2,373	\$2,404	\$2,378	\$1,393	\$2,012	44.4%	84.6%
Transportation**	\$5,491	\$5,678	\$5,906	\$3,298	\$5,043	52.9%	85.4%

Source: Tourism Economics

\* Lodging includes second home spending

\*\* Transportation includes both ground and air transportation

### Visitor volume and spending

Amounts in mils of persons, \$millions, and \$ per person

	2017	2018	2019	2020	2021
Total visitors	42.5	41.9	42.1	24.7	35.2
Day	22.1	21.6	22.3	13.2	19.8
Overnight	20.3	20.3	19.8	11.5	15.3
Total visitor spending	\$17,682	\$18,075	\$18,581	\$11,614	\$16,385
Day	\$2,971	\$3,008	\$3,071	\$1,758	\$3,667
Overnight	\$14,711	\$15,067	\$15,510	\$9,856	\$12,718
Per visitor spending	\$416	\$432	\$441	\$470	\$466
Day	\$134	\$139	\$138	\$133	\$185
Overnight	\$723	\$742	\$784	\$855	\$829

Source: Tourism Economics

## VISITOR SPENDING DISTRIBUTION - LEVELS

Visitor spending in 2021 increased in all the major spending categories, led by food & beverage and transportation. Food & beverage spending by visitors increased by nearly \$1.0 billion in 2021 to reach \$4.0 billion. Transportation spending grew by \$1.7 billion as air travel recovered and the number of trips increased significantly.

Recreational spending had been hard hit during the pandemic as closures and limitations on events affected attendance and revenues. Recreational spending increased by \$620 million in 2021 to reach \$2.0 billion, 85% of 2019 levels after falling to below 60% of 2019 levels in 2020.

Retail spending by visitors, having had the smallest impact from the pandemic, has recovered to within 10% of pre-pandemic levels.

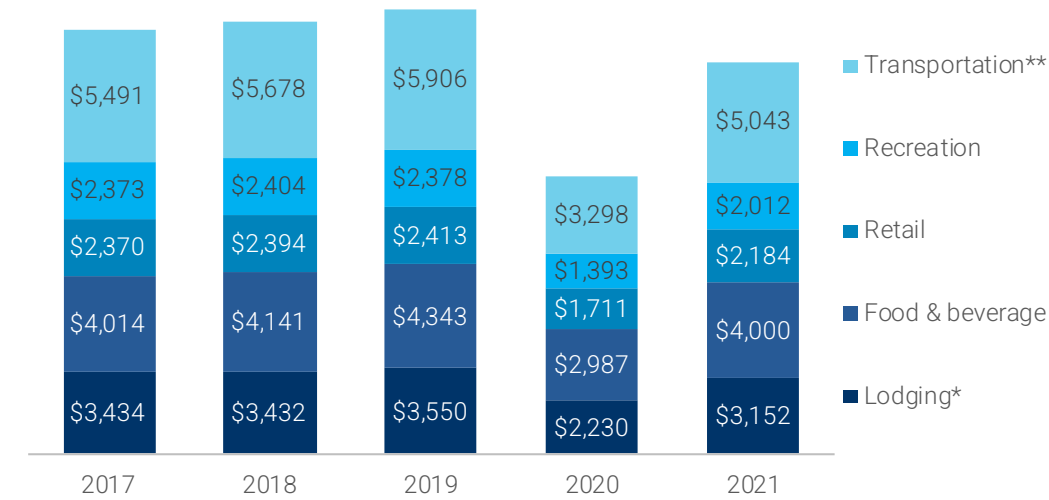
## VISITOR SPENDING DISTRIBUTION - SHARES

Spending shares inched back towards pre-pandemic levels as travel started to return to more normal conditions. Retail, which had increased its visitor spending share to nearly 15% in 2020, fell back to 13% in 2021, in-line with pre-pandemic spending behaviors.

Recreational spending rebounded to 12.3% of each visitor dollar after falling to 12% in 2020 with ticket sales suspended in many key attractions. Transportation spending, including the overall impact of air travel, jumped to nearly 31% of each visitor dollar in 2021, up more than two percentage points.

### Visitor Spending in Maryland, 2017-2021

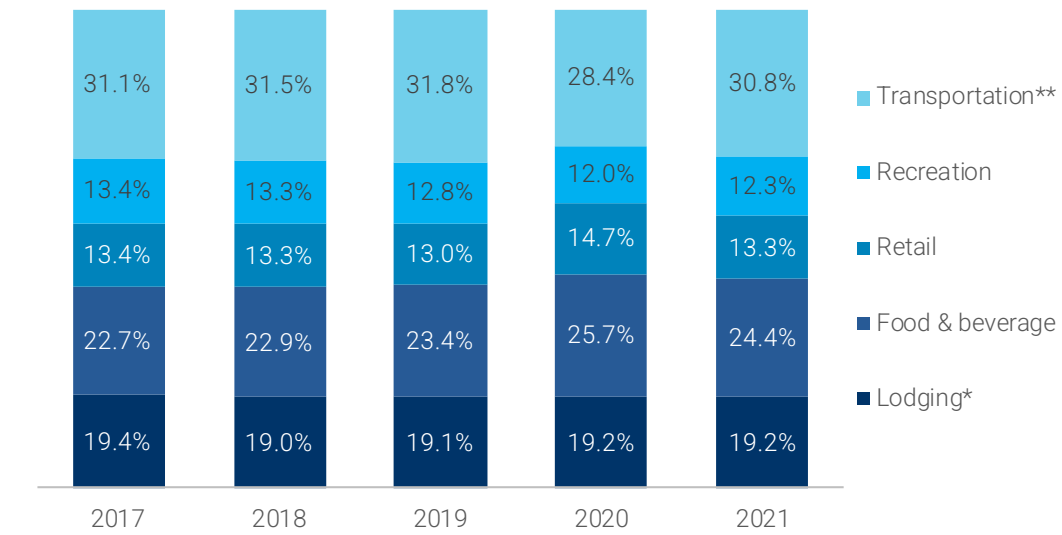
By category, amounts in millions of \$



Source: Tourism Economics

### Visitor Spending Shares in Maryland, 2017-2021

By category, %



Source: Tourism Economics

VISITOR ECONOMY TRENDS

The visitor economy looks at a broader range of tourism-related expenditures. These include government support for tourism as well as capital investment (both new structures and machinery and equipment spending).

Overall, traveler demand reached \$17.5 billion in 2021 with domestic traveler spending dominating, bringing in \$16.1 billion towards overall traveler demand. Capital investment in support of tourism grew to \$957 million in 2021, an increase of 13%.

Tourism Capital Investment

Amounts in \$ millions

	2017	2018	2019	2020	2021
Total Tourism CAPEX	\$1,151	\$1,213	\$1,199	\$846	\$957
Machinery & equip.	\$744	\$767	\$795	\$472	\$692
Construction	\$407	\$446	\$405	\$374	\$264

Source: FW Dodge, Tourism Economics

VISITOR ECONOMY DISTRIBUTION

In Maryland, domestic visitor markets increased their relative importance to 91.7% of tourism demand in 2021.

Capital investment in tourism-related construction and machinery & equipment represented 5.5% of all tourism-related demand.

International visitor markets provided 1.8% of demand in 2021. This is still significantly depressed as the US international travel ban was in place for a year and a half that only ended in November of 2021. International spending in 2019 was nearly 8% of all traveler demand so as international travel recovers, it will help the state recover.

Governmental support share was 0.7% of all Maryland tourism demand in 2021.

Maryland tourism demand

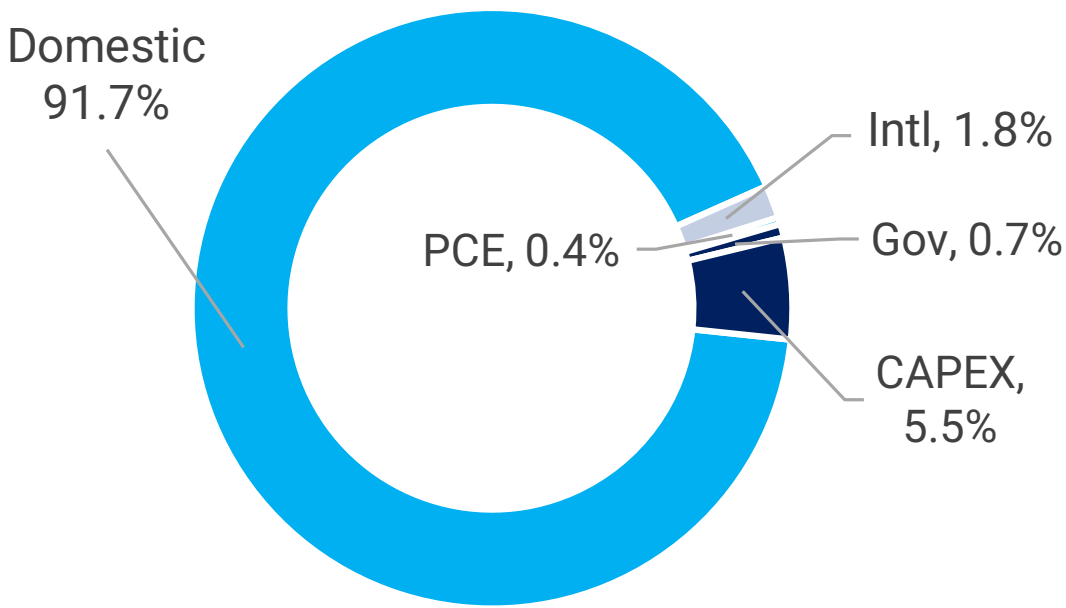
Amounts in \$millions, 2021 % change, and % relative to 2019

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Tourism Demand	\$19,077	\$19,516	\$20,059	\$12,605	\$17,542	39.2%	87.5%
Domestic Visitor	\$16,071	\$16,469	\$17,033	\$11,412	\$16,081	40.9%	94.4%
International Visitor	\$1,611	\$1,581	\$1,557	\$208	\$310	49.2%	19.9%
Non-visitor PCE	\$85	\$92	\$100	\$56	\$66	16.3%	65.6%
Govemrntal Support	\$158	\$161	\$169	\$83	\$129	55.3%	76.1%
Capital Investment	\$1,151	\$1,213	\$1,199	\$846	\$957	13.0%	79.8%

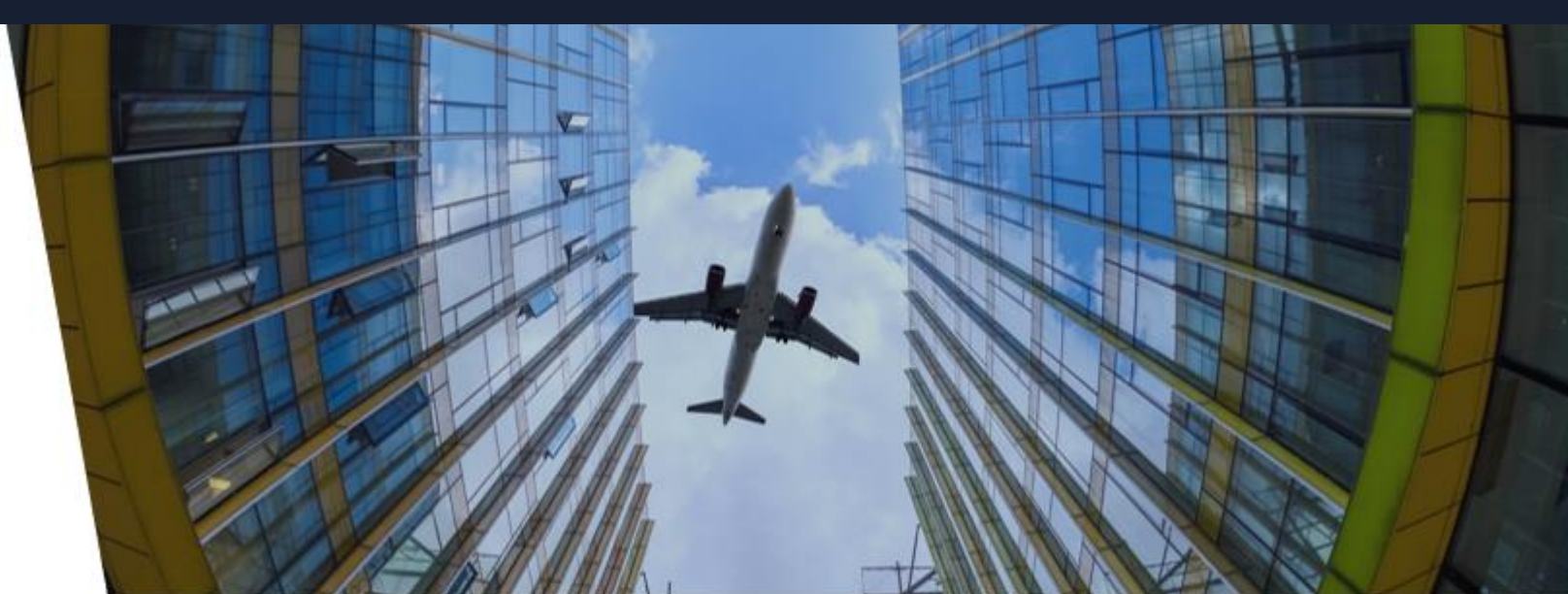
Source: FW Dodge, DK Shifflet, Tourism Economics

Maryland tourism demand

Percent distribution



Source: Tourism Economics



# ECONOMIC IMPACT METHODOLOGY

Our analysis of the Maryland visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Maryland economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes 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 or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

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

## ECONOMIC IMPACT FRAMEWORK

### DIRECT IMPACTS

Maryland tourism's contribution measured visitor spending



RETAIL



ENTERTAINMENT/REC



FOOD & BEVERAGE



TRANSPORTATION



LODGING

### INDIRECT IMPACTS

Purchases of inputs from suppliers  
Suppliers' own supply chains



SUPPLY  
CHAIN  
EFFECTS



B2B GOODS &  
SERVICES  
PURCHASED

### INDUCED IMPACTS

Consumer spending out of  
employees' wages:



INCOME  
EFFECT



HOUSEHOLD  
CONSUMPTION

### TOTAL IMPACTS

Direct, indirect, and  
induced impacts



SALES



GDP



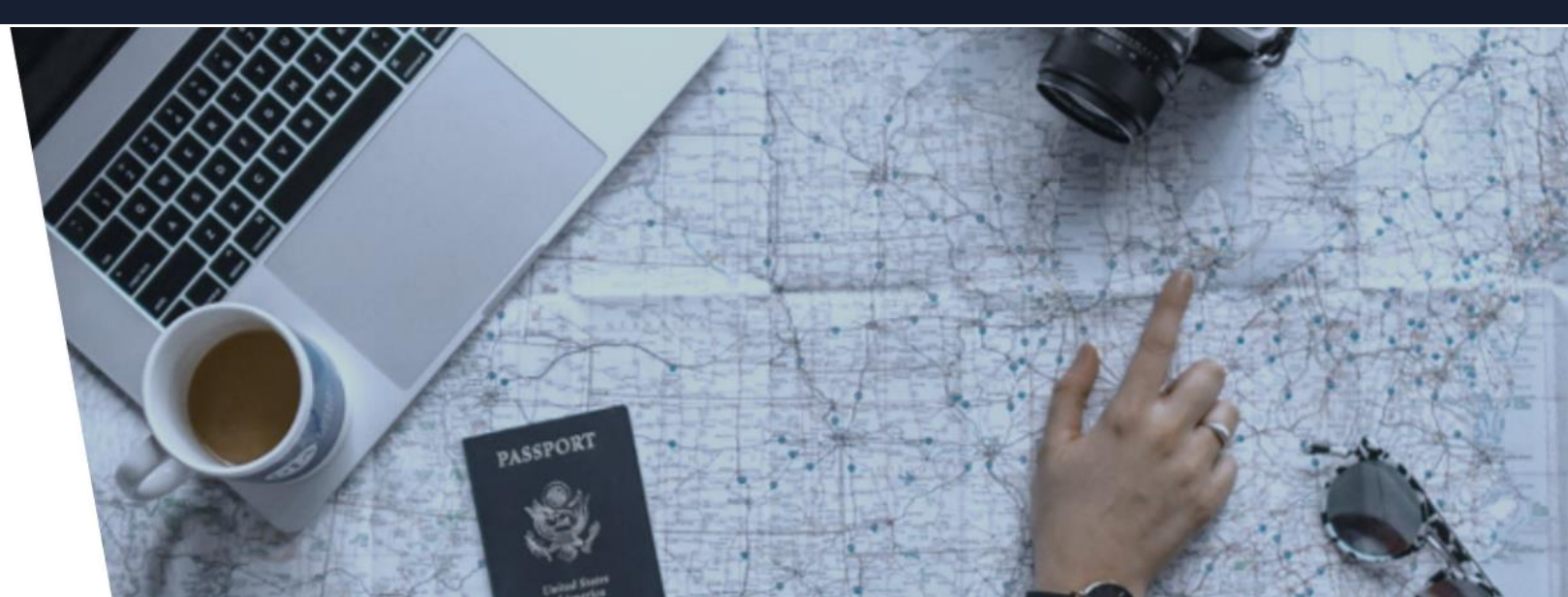
JOBS



INCOME



TAXES



## ECONOMIC IMPACT FINDINGS

### DIRECT IMPACTS

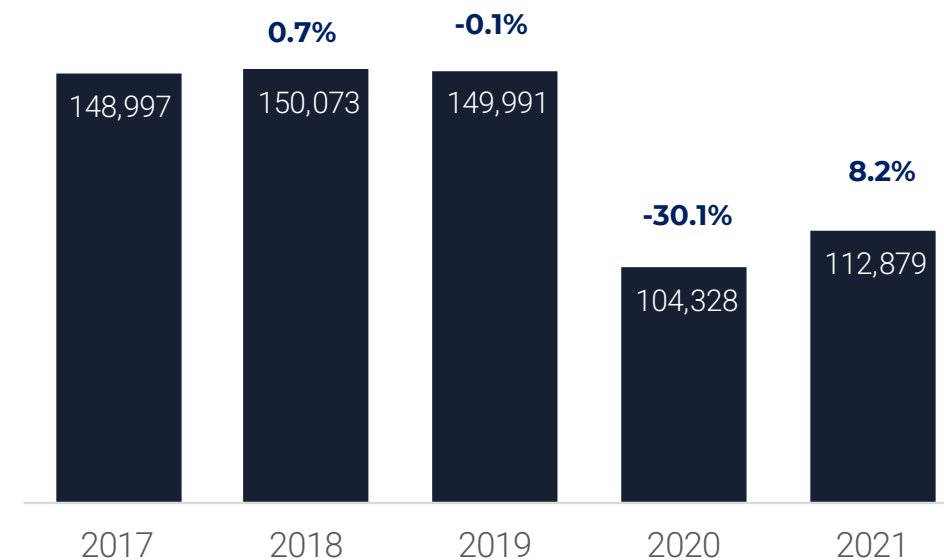
Employment supported by visitor activity rose 8.2% in 2021, rebounding to nearly 113,000 jobs. The number of jobs jumped by more than 8,500 in 2021. Despite the increase, the number of jobs directly supported by visitors remains 37,000 jobs below pre-pandemic levels.

The rebound of visitor-supported jobs has lagged spending, with visitor-supported employment levels at 75% of pre-pandemic levels compared to 88% of spending in 2021.

The evaluation of the direct impact of visitor activity allows for comparisons and rankings against other industries. Comparing employment levels, were direct visitor-associated employment to be ranked against other industries, tourism would rank 12<sup>th</sup> in the state.

### Visitor supported employment in Maryland

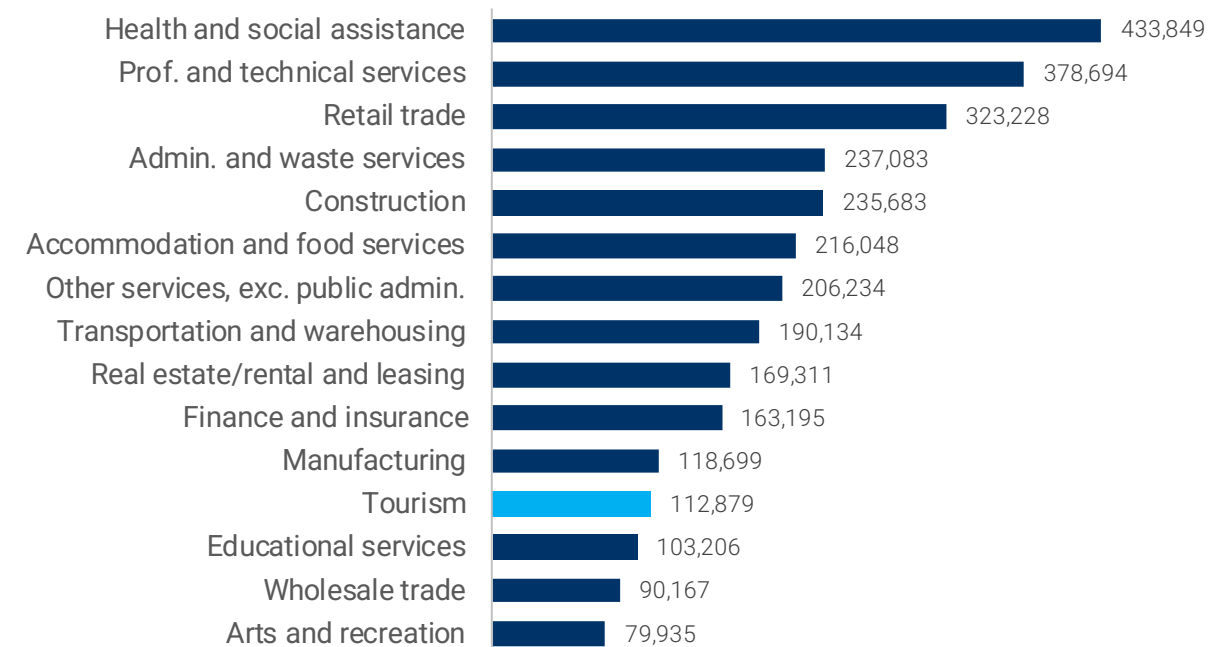
Amounts in number of jobs



Source: Tourism Economics

### Employment in Maryland, by major industry

Amounts in number of jobs



Source: Tourism Economics



# ECONOMIC IMPACT FINDINGS

## BUSINESS SALES IMPACTS

Spending on hotel rooms, restaurant meals, recreational activities and for shopping and transportation services by visitors reached \$16.4 billion in 2021. Adding in the investment and support of tourism by government resulted in a direct traveler demand of \$17.5 billion in 2021. This economic activity generated \$8.9 billion in indirect and induced impacts, resulting in a total economic impact of \$26.4 billion in the Maryland economy, 26% more than a year earlier.

Significant benefits accrue in sectors like finance, insurance, and real estate, and business services, education & health care. Companies that directly interact with visitors spent \$1.1 billion on business services like advertising, building services, and lawyers to support their visitor sales.

Summary Economic impacts (2021)

Amounts in billions of \$



Source: Tourism Economics

## Business sales impacts by industry (2021)

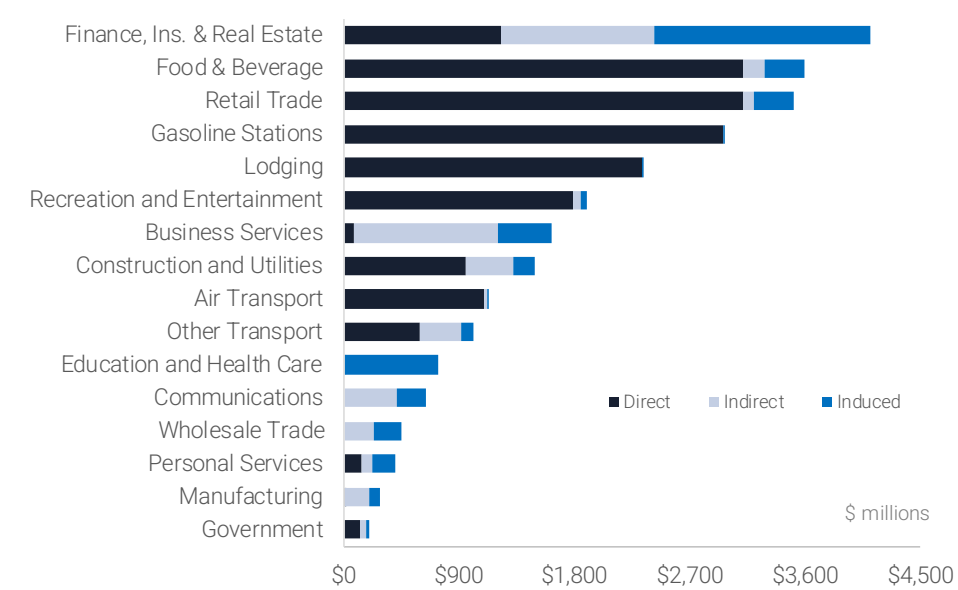
Amounts in millions of \$

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$17,542	\$4,303	\$4,550	\$26,395
Finance, Ins. & Real Estate	\$ 1,225	\$1,192	\$1,689	\$4,106
Food & Beverage	\$ 3,120	\$160	\$314	\$3,594
Retail Trade	\$ 3,117	\$87	\$309	\$3,513
Gasoline Stations	\$ 2,957	\$2	\$14	\$2,974
Lodging	\$ 2,322	\$1	\$3	\$2,326
Recreation and Entertainment	\$ 1,789	\$59	\$51	\$1,899
Business Services	\$ 82	\$1,118	\$419	\$1,619
Construction and Utilities	\$ 957	\$369	\$168	\$1,494
Air Transport	\$ 1,100	\$13	\$23	\$1,136
Other Transport	\$ 591	\$324	\$96	\$1,011
Education and Health Care	-	\$11	\$722	\$733
Communications	-	\$411	\$228	\$639
Wholesale Trade	-	\$233	\$212	\$445
Personal Services	\$ 141	\$75	\$183	\$399
Manufacturing	\$ 12	\$181	\$87	\$280
Government	\$ 129	\$46	\$26	\$201
Agriculture, Fishing, Mining	-	\$21	\$7	\$28

Source: Tourism Economics

## Visitor economy business sales impacts by industry (2021)

Amounts in millions of \$



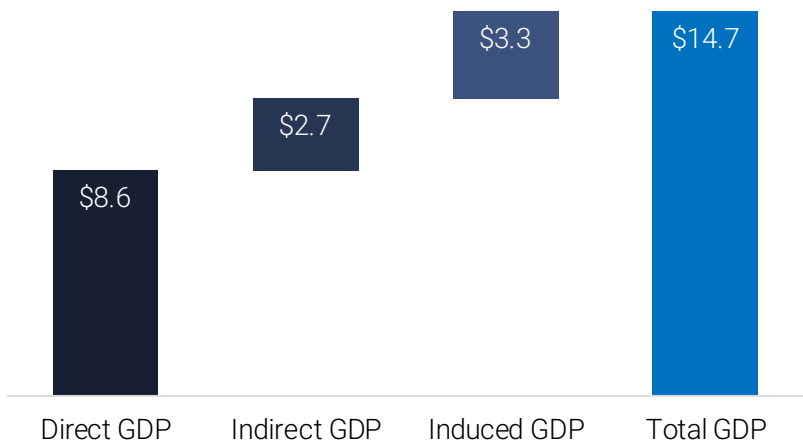
Source: Tourism Economics

# VALUE ADDED IMPACTS

The value of all visitor-supported goods & services produced in Maryland in 2021 for Maryland visitors was \$14.7 billion, 3.4% of the Maryland economy.

## Summary value-added impacts (2021)

Amounts in \$ billions



Source: Tourism Economics

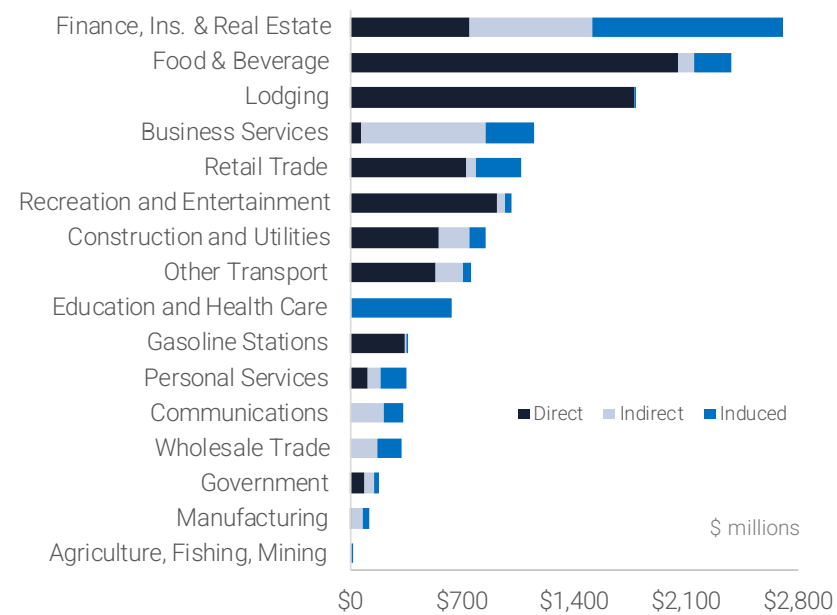
Note: Numbers may not add up due to rounding

The locally produced portion of visitor-supported sales in the finance & real estate industry added \$2.7 billion to state GDP in 2021.

Spending by travel demand-supported workers supported \$621 million in GDP contribution in the education and health care industries, showing how tourism activity supports businesses across the industrial spectrum.

## Visitor value-added impacts by Industry (2021)

Amounts in \$ millions



Source: Tourism Economics



## Summary value-added impacts by industry (2021)

Amounts in \$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$ 8,607	\$ 2,749	\$ 3,346	\$ 14,702
Finance, Ins. & Real Estate	\$ 746	\$ 771	\$ 1,186	\$ 2,703
Food & Beverage	\$ 2,051	\$ 100	\$ 231	\$ 2,382
Lodging	\$ 1,779	\$ 1	\$ 2	\$ 1,783
Business Services	\$ 65	\$ 777	\$ 304	\$ 1,146
Retail Trade	\$ 723	\$ 61	\$ 280	\$ 1,064
Recreation and Entertainment	\$ 915	\$ 48	\$ 40	\$ 1,003
Construction and Utilities	\$ 549	\$ 200	\$ 97	\$ 845
Other Transport	\$ 530	\$ 177	\$ 52	\$ 759
Air Transport	\$ 706	\$ 7	\$ 13	\$ 726
Education and Health Care	-	\$ 8	\$ 621	\$ 629
Gasoline Stations	\$ 344	\$ 3	\$ 14	\$ 360
Personal Services	\$ 112	\$ 76	\$ 165	\$ 353
Communications	-	\$ 209	\$ 120	\$ 329
Wholesale Trade	-	\$ 163	\$ 156	\$ 320
Government	\$ 84	\$ 65	\$ 29	\$ 177
Manufacturing	\$ 4	\$ 76	\$ 33	\$ 112
Agriculture, Fishing, Mining	-	\$ 7	\$ 3	\$ 10

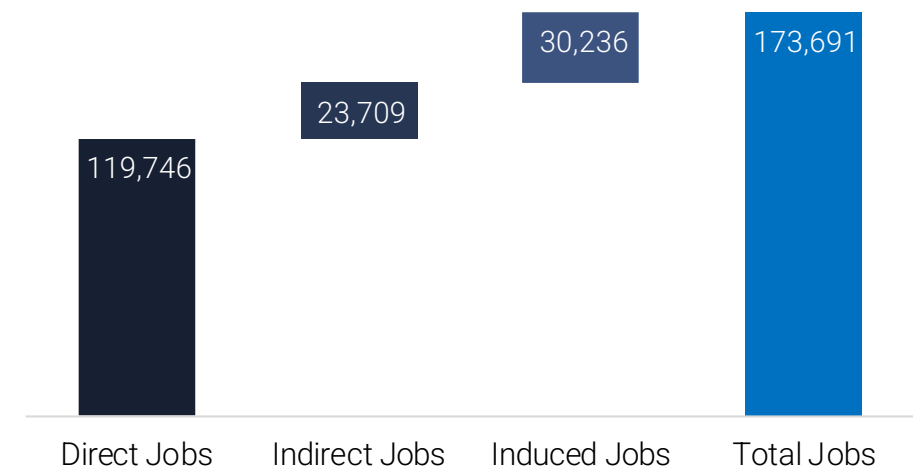
Source: Tourism Economics

# EMPLOYMENT IMPACTS

Visitor activity sustained 119,746 direct jobs in 2021, with an additional 54,000 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to 173,691 in 2021, one of every 21 jobs in the state.

## Summary employment impacts (2021)

Amounts in number of jobs



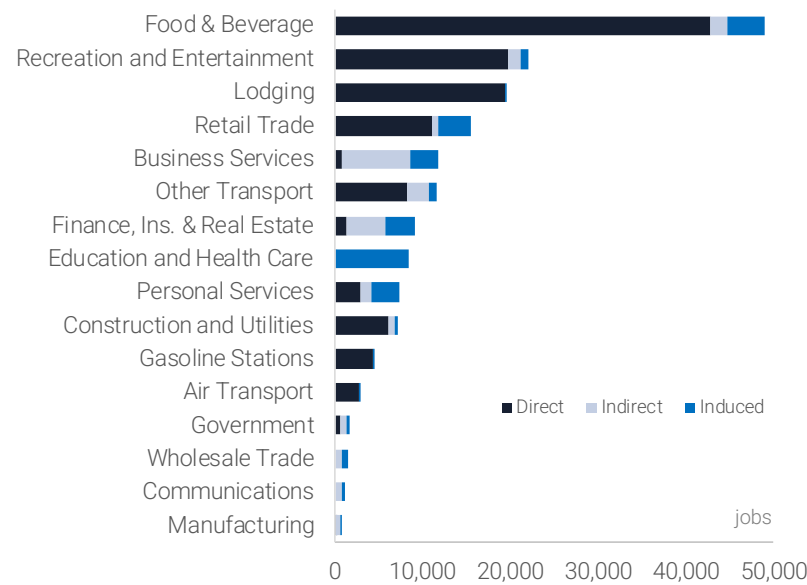
Source: Tourism Economics

With tourism a labor-intensive industry, more of the employment impact is directly from visitor activity, pushing those industries rankings up. Ranking 1<sup>st</sup>, visitor spending supports the largest number of jobs in the food & beverage industry, nearly 49,000.

Spending by tourism-supported workers supports 8,286 jobs in education and health care businesses.

## Visitor job Impacts by industry (2021)

Amounts in number of jobs



Source: Tourism Economics



## Summary employment Impacts by industry (2021)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	119,746	23,709	30,236	173,691
Food & Beverage	42,667	1,984	4,267	48,918
Recreation and Entertainment	19,760	1,442	888	22,090
Lodging	19,348	17	22	19,388
Retail Trade	11,092	677	3,749	15,518
Business Services	706	7,863	3,119	11,688
Other Transport	8,185	2,527	921	11,633
Finance, Ins. & Real Estate	1,377	4,296	3,497	9,170
Education and Health Care	-	132	8,286	8,418
Personal Services	2,941	1,203	3,091	7,235
Construction and Utilities	6,001	773	388	7,162
Gasoline Stations	4,234	22	172	4,429
Air Transport	2,751	30	56	2,838
Government	650	664	318	1,632
Wholesale Trade	-	758	755	1,513
Communications	-	716	409	1,125
Manufacturing	34	470	215	718
Agriculture, Fishing, Mining	-	135	83	218

Source: Tourism Economics

# LABOR INCOME IMPACTS

Visitor activity generated \$5.3 billion in direct labor income and a total of \$8.7 billion when including indirect and induced impacts. Total tourism-generated income in Maryland in 2021 rebounded 8% above 2020, \$630 million more in income to Maryland households.

## Summary labor income impacts (2021)

Amounts in \$ billions

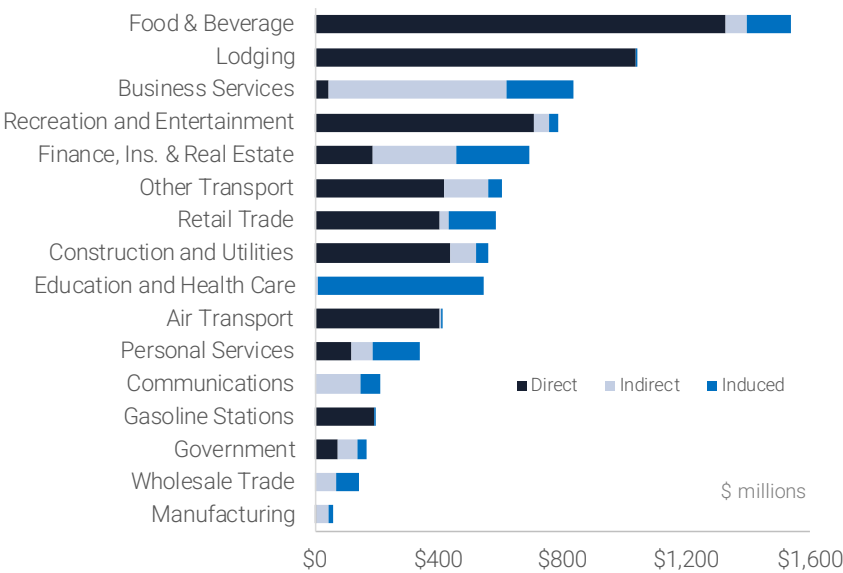


Source: Tourism Economics

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

## Visitor labor income Impacts by industry (2021)

Amounts in \$ millions



Source: Tourism Economics



## Summary labor income impacts (2021)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$5,342	\$1,637	\$1,749	\$8,729
Food & Beverage	\$ 1,325	\$73	\$140	\$1,538
Lodging	\$ 1,039	\$1	\$1	\$1,041
Business Services	\$ 45	\$574	\$218	\$837
Recreation and Entertainment	\$ 709	\$49	\$30	\$788
Finance, Ins. & Real Estate	\$ 184	\$273	\$235	\$692
Other Transport	\$ 415	\$147	\$41	\$604
Retail Trade	\$ 403	\$30	\$154	\$586
Construction and Utilities	\$ 436	\$84	\$40	\$559
Education and Health Care	-	\$7	\$538	\$544
Air Transport	\$ 404	\$4	\$7	\$415
Personal Services	\$ 118	\$70	\$152	\$340
Communications	-	\$147	\$62	\$209
Gasoline Stations	\$ 190	\$1	\$7	\$197
Government	\$ 74	\$64	\$31	\$168
Wholesale Trade	-	\$71	\$71	\$142
Manufacturing	\$ 2	\$40	\$18	\$61
Agriculture, Fishing, Mining	-	\$4	\$3	\$7

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

**FISCAL (TAX) IMPACTS**

Visitor spending, visitor supported jobs, and business sales generated \$3.8 billion in government revenues.

State and local taxes alone tallied \$2.1 billion in 2021, increasing by \$333 million.

Each household in Maryland would need to be taxed an additional \$923 to replace the visitor-generated taxes generated by visitor activity in Maryland and received by state and local governments in 2021.

**Fiscal (tax) impacts**

Amounts in \$ millions

	2017	2018	2019	2020	2021	2021 Growth
<b>Total Tax Revenues</b>	<b>\$4,551.5</b>	<b>\$4,672.7</b>	<b>\$4,819.7</b>	<b>\$3,239.3</b>	<b>\$3,789.9</b>	<b>17.0%</b>
<b>Federal Taxes</b>	<b>\$2,126.9</b>	<b>\$2,178.8</b>	<b>\$2,240.7</b>	<b>\$1,513.9</b>	<b>\$1,730.8</b>	<b>14.3%</b>
Personal Income	\$688.6	\$705.9	\$726.8	\$519.1	\$584.0	12.5%
Corporate	\$148.2	\$152.3	\$157.0	\$114.0	\$130.9	14.8%
Indirect Business	\$200.9	\$204.1	\$207.3	\$117.1	\$134.1	14.5%
Social Insurance	\$1,089.1	\$1,116.5	\$1,149.5	\$763.7	\$881.9	15.5%
<b>State and Local Taxes</b>	<b>\$2,424.6</b>	<b>\$2,494.0</b>	<b>\$2,579.0</b>	<b>\$1,725.4</b>	<b>\$2,059.1</b>	<b>19.3%</b>
Sales	\$1,026.1	\$1,038.8	\$1,057.8	\$545.6	\$707.9	29.7%
Bed Tax	\$158.3	\$160.6	\$169.2	\$82.9	\$128.9	55.3%
Personal Income	\$269.3	\$276.1	\$284.3	\$215.6	\$268.6	24.6%
Corporate	\$231.1	\$233.6	\$236.7	\$152.2	\$161.2	5.9%
Social Insurance	\$24.6	\$24.6	\$24.7	\$15.5	\$16.0	2.9%
Excise and Fees	\$279.8	\$298.3	\$318.0	\$199.3	\$231.0	15.9%
Property	\$435.4	\$462.1	\$488.3	\$514.2	\$545.7	6.1%

Source: Tourism Economics

Tourism-supported revenues to state government rose to \$1.2 billion in 2021. The majority of state revenues are from sales with income, corporate, and excise and fees from visitor activity all adding over \$100 million to state coffers.

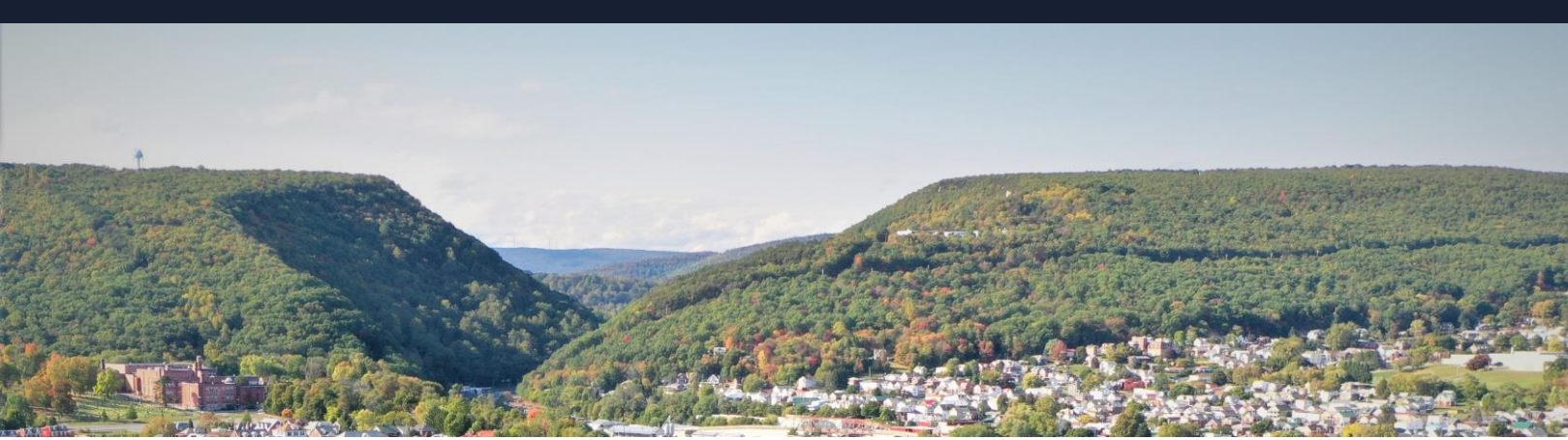
Local tax revenues from visitor activity rose to \$903 million with property taxes, bed taxes, fees, and income taxes supporting local governmental revenues from tourism.

**Fiscal (tax) impacts**

Amounts in \$ millions

	2017	2018	2019	2020	2021
<b>State Taxes</b>	<b>\$1,253.5</b>	<b>\$1,272.4</b>	<b>\$1,293.7</b>	<b>\$1,096.3</b>	<b>\$1,156.0</b>
Sales	\$645.9	\$645.9	\$645.9	\$645.9	\$645.9
Bed Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Personal Income	\$170.9	\$175.2	\$180.4	\$136.8	\$173.2
Corporate	\$226.2	\$228.6	\$231.7	\$149.0	\$157.7
Social Insurance	\$22.6	\$22.5	\$22.6	\$14.2	\$14.7
Excise and Fees	\$152.8	\$162.9	\$173.6	\$108.8	\$118.1
Property	\$35.2	\$37.4	\$39.5	\$41.6	\$46.5
<b>Local Taxes</b>	<b>\$852.9</b>	<b>\$890.5</b>	<b>\$935.4</b>	<b>\$791.3</b>	<b>\$903.1</b>
Sales	\$62.0	\$62.0	\$62.0	\$62.0	\$62.0
Bed Tax	\$158.3	\$160.6	\$169.2	\$82.9	\$128.9
Personal Income	\$98.4	\$100.9	\$103.9	\$78.8	\$95.4
Corporate	\$4.9	\$5.0	\$5.0	\$3.2	\$3.4
Social Insurance	\$2.0	\$2.0	\$2.0	\$1.3	\$1.3
Excise and Fees	\$127.0	\$135.4	\$144.3	\$90.5	\$112.9
Property	\$400.2	\$424.7	\$448.8	\$472.6	\$499.2

Source: Tourism Economics



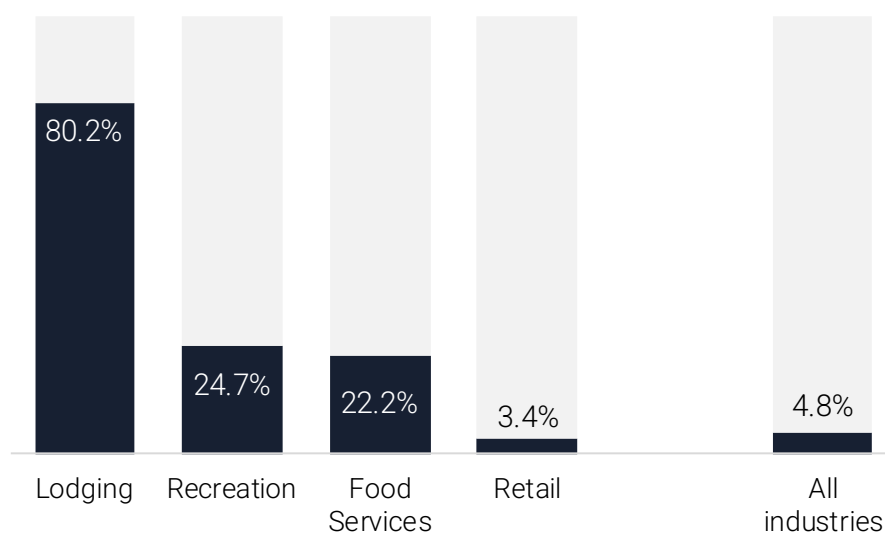
## ECONOMIC IMPACTS IN CONTEXT

Visitor activity supports a significant share of employment in several industries with 80% of lodging employment visitor-related. Visitor activity employs 25% of jobs in recreational industries and 22% of all restaurant employment.

Overall, tourism jobs accounted for 4.8% of all jobs in Maryland in 2021. As the travel recovery continues to gather force, the share of employment supported by visitors is expected to rise.

### Visitor employment intensity

Direct jobs, visitor-supported share of industry employment



Source: BEA, BLS, Tourism Economics

## ECONOMIC IMPACTS IN CONTEXT



### \$16.4B VISITOR SPENDING

Would be enough to buy more than two billion pounds of blue crab (at \$8 per pound), which would buy the average crab harvest of 60 million pounds of crab for 34 years.



### \$4.8B VISITOR SPENDING INCREASE

The \$4.8 billion increase in visitor spending is 40% larger than the total estimated cost of the purple line (\$3.4 billion).



### 173,691 JOBS

The number of jobs supported by traveler demand is equal in size to the population of Carroll County, the 9<sup>th</sup> largest county in Maryland.



### \$2.1B STATE & LOCAL TAXES

Each household in Maryland would need to be taxed an additional \$923 to replace the visitor taxes received by the state and local governments in 2021.

Glossary – Spending Definitions

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

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	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).
Indirect Impact	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).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	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.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	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.
State Taxes	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, state, and city 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, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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