

# Vermont Tourism: By the Numbers

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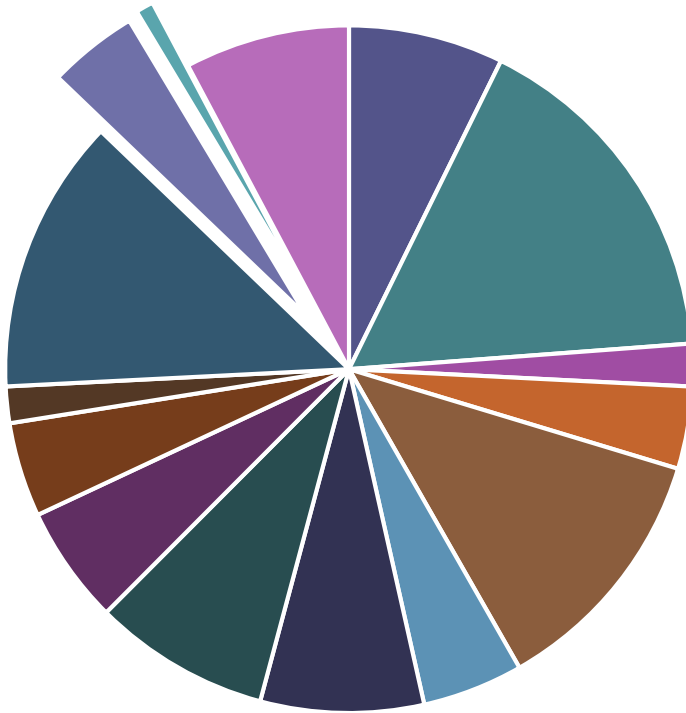
# Putting it in Context

## Marketing and Policy

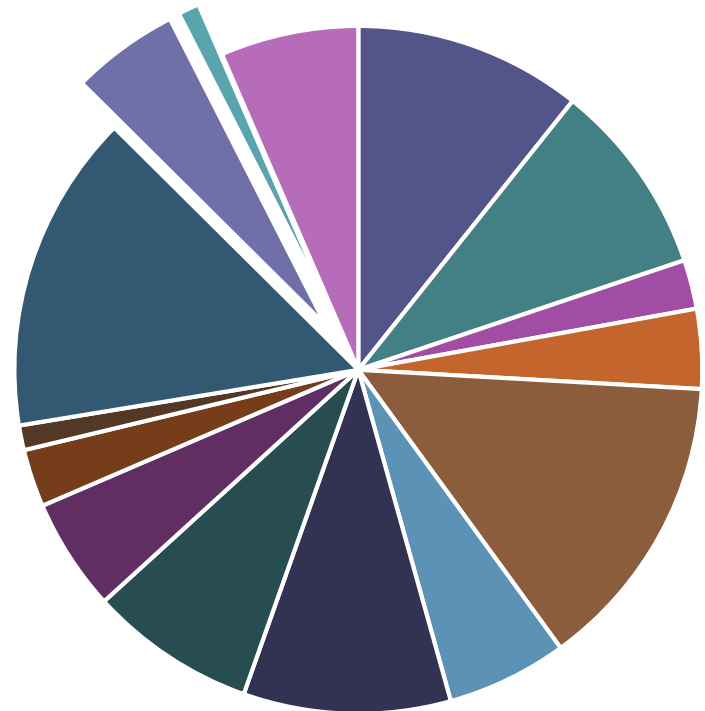
- What is the Size of the Vermont Economy?
- GDP - About \$31 billion
- Total income - About \$31 billion
  - \$21 billion wage and benefit

# GDP - Then ... and now

1997 GDP breakdown



2016 GDP breakdown



- Health Care
- Education (not K-12)
- Real Estate
- Professional and Business Services
- Wholesale
- Working lands
- Accommodations and Food

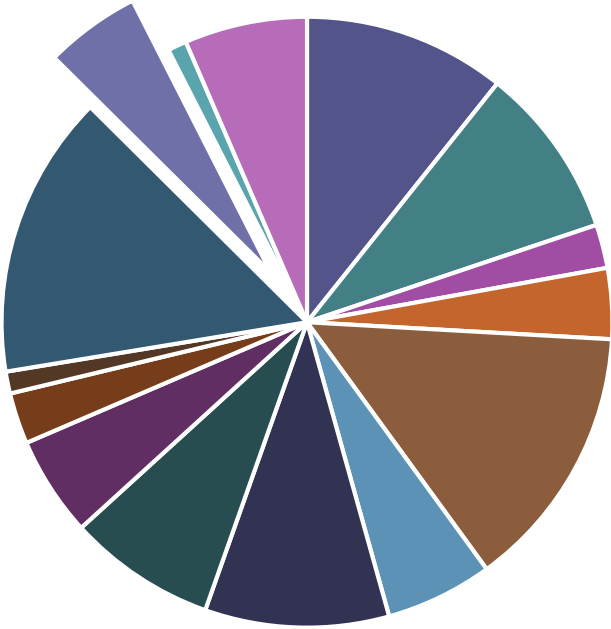
- manufacturing
- Construction
- Finance and Insurance
- Retail
- Information
- Government (includes K-12)
- Arts and Recreation

# GDP - Then ... and now

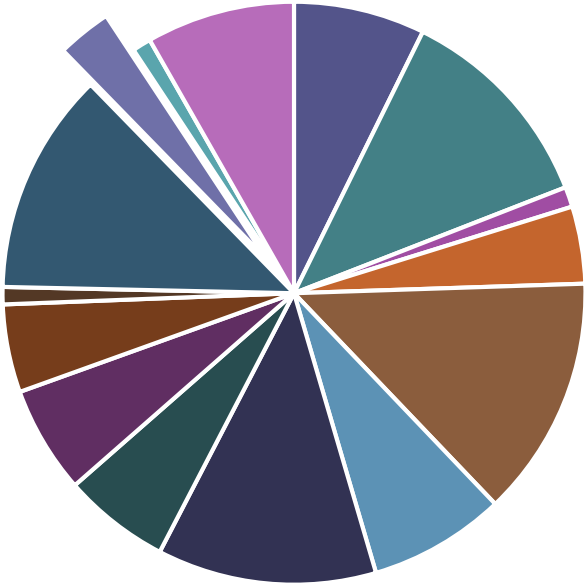
	1997	2016		LQ
Health Care	7.29%	10.71%	46.9%	1.46
manufacturing	16.52%	9.13%	-44.7%	0.77
Education (not K-12)	2.00%	2.31%	15.5%	<b><u>2.07</u></b>
Construction	3.87%	3.74%	-3.3%	0.87
Real Estate	12.06%	14.10%	16.8%	1.05
Finance and Insurance	4.74%	5.68%	19.7%	0.75
Professional and Business Services	7.68%	9.74%	26.9%	0.80
Retail	8.32%	7.84%	-5.8%	1.32
Wholesale	5.55%	5.29%	-4.7%	0.89
Information	4.45%	2.71%	-39.1%	0.55
Working lands	1.72%	1.16%	-32.3%	1.20
Government (includes K-12)	12.97%	15.03%	15.9%	1.21
Accommodations and Food	<b><u>4.23%</u></b>	<b><u>5.06%</u></b>	<b><u>19.7%</u></b>	<b><u>1.67</u></b>
Arts and Recreation	<b><u>0.84%</u></b>	<b><u>1.00%</u></b>	<b><u>19.2%</u></b>	<b><u>0.97</u></b>
Other	7.76%	6.49%	-16.3%	

# Comparing to the US GDP

VT GDP 2016



US GDP 2016



- Health Care
- Education (not K-12)
- Real Estate
- Professional and Business Services
- Wholesale
- Working lands
- Accommodations and Food
- Other
- manufacturing
- Construction
- Finance and Insurance
- Retail
- Information
- Government (includes K-12)
- Arts and Recreation

# Spending Money - Households in Northeast US

- Almost 12% on Food (5% Food away from home)
- 35% on housing (some of this on second homes, some on overnight accommodations (1.4% of total))
- 15% on transportation (most on personal vehicles)
- 5% on Recreation and entertainment

# Tourism Spending in Vermont

## 2017 Early estimates

- \$600 million on Food (\$500 million - Food away from home)
- \$1.25 billion on housing (\$700 million second homes, \$550 million overnight accommodations)
- \$300 million on transportation (gas, air, rail, tourbus)
- \$400 million on recreation and entertainment
- \$300 million on other spending (retail, etc.)

# Tourism Spending in Vermont 2017 Early estimates

- Bottom line – We are getting close to \$3 billion
- And the portion of the Vermont Economy associated with tourism is growing.



# Tourism Spending in Vermont Final Report

- The 2017 Tourism Benchmark Study will be developed and released this summer

# Where does the money come from?

- Where do tourists come from?
- What are the economic characteristics of our guests?
- What are the demographic characteristics of our guests?
- What are the seasonal characteristics of visitation?

# Where does the money go?

- How much to salaries and wages?
- How much is “return on capital”?
- How much in state tax revenue?

# Where do tourists come from?

<b>Second Homes</b>	
Massachusetts	18.79%
Connecticut	18.18%
New York	16.66%
New Jersey	8.39%
New Hampshire	8.10%
Florida	5.84%
Pennsylvania	2.75%
California	2.25%

<b>Credit Card spending</b>	
New York	19.89%
Massachusetts	17.61%
New Hampshire	16.36%
Connecticut	8.50%
New Jersey	5.91%
Florida	4.43%
Pennsylvania	3.38%
California	2.76%

# VisaVue

- Every Point of Sale transaction where a customer uses their Visa Card (credit, debit or prepaid)
- Includes only those card holders that live outside Vermont

# VisaVue

- Does not include:
  - Phone or web sales
  - No international customers
  - Vermont residents (based on Zip Code)
  - Other credit cards or cash
- Identifies each transaction to the state and MSA of the cardholder (about 300 MSAs)
- Assigns each transaction to one of 100+ spending categories

# Where do tourists come from?

Lodging customers	
MA	21.46%
NY	17.20%
CT	8.83%
NJ	6.35%
NH	8.53%
PA	4.37%
FL	2.97%
CA	2.78%
ME	3.35%
VA	2.05%

Source –VISA Corporation

Rental Car Customers	
CA	10.33%
FL	8.24%
NY	7.17%
VA	5.81%
NH	5.69%
TX	4.54%
NC	4.33%
CO	3.71%
MA	3.50%
IL	3.29%
MD	3.26%
PA	3.24%
DC	2.66%
WA	2.65%
NJ	2.42%
GA	2.39%

# What are the economic characteristics of our guests?

- Highest Income Quintile has >\$199,000 annual income – “Average” household ~\$75,000
- Highest Quintile spends \$6,320 on food away from home - 2X “average”
- They spend \$2,366 on “other lodging” (includes overnight) – 3X “average”
- They spend \$1,919 on Entertainment Fees and admissions – 3X “average”



# What are the demographic characteristics of our guests?

- For all of the spending categories, the highest spending is in the age groups with children.
  - Prechildren households are lower
  - Retirees are lower
- (No surprise and useful?)

# What are the seasonal spending patterns of our guests? (2015)

	January	April	July	October	November
	February	(Mud)	August	(Foliage)	December
RENTAL CAR	5.6%	4.9%	14.3%	12.50%	5.3%
GROCERIES	7.4%	4.9%	12.8%	8.20%	8.1%
LODGING	7.8%	4.8%	13.2%	11.00%	4.4%
GAS	7.5%	5.9%	12.2%	8.80%	6.4%
RESTAURANTS	10.3%	5.5%	10.5%	9.20%	6.4%
AVERAGE	7.8%	5.2%	12.6%	9.90%	6.1%

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AVERAGE	7.8%	5.2%	<b>12.6%</b>	9.90%	6.1%

Source : VISA

# Where does the money go?

- How much to salaries and wages?
  - About \$1 billion
- How much is “return on capital”?
  - To be determined
- How much in state tax revenue?
  - Meals and Rooms - ~\$100 million
  - State Education Property Tax - ~\$250 million
  - Income tax - ~\$50 million

# Ken's Conclusions

*(Take with great caution.)*

- Wealthy folks will continue to be a driver in tourism (and they are doing o.k.)
- Middle income folks are the great variable
- The older demographic is going to grow

# What about the “multiplier”?

- Messy
- Two parts
  - Indirect (supply chain impacts)
  - Induced (money circulating from wages and profit)
- A lot of it is based on in/state out of state consumption and supply chain sources that vary tremendously based on income and sector

Thank you for listening.

If you have questions about the Visa  
Vue data, and its possible applications  
for your marketing, contact me.

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