



# The Economic Impact of Tourism in Spokane County

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2018 Analysis

June 2019

Prepared for:

Spokane



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

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# 1. Introduction

# Introduction and definitions

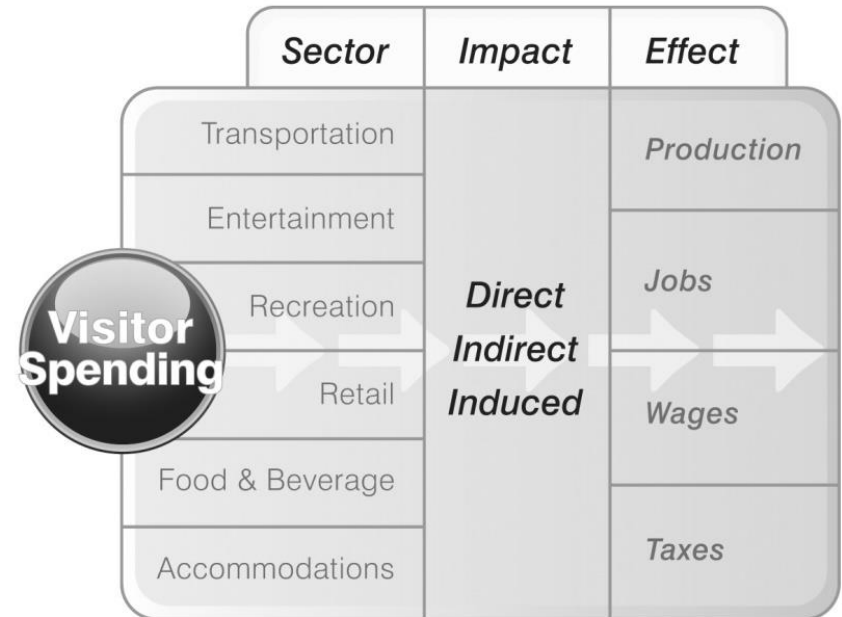
**This study measures the economic impact of tourism in Spokane County.** The study region is defined as Spokane County, which has a population of 508,000, of which 220,000 residents, or 43.3% of the total, live in the City of Spokane. Other key population centers include the City of Spokane Valley with just under 96,000 residents, and Liberty Lake with a population of 10,400. The County has a total hotel inventory of at least 7,800 rooms across 72 properties. Downtown Spokane has about 3,200 rooms, and the City of Spokane Valley hosts just over 1,000 hotel rooms.

Visitors to Spokane include those who stayed in overnight accommodations, and those travelers, including day trippers, whose trip to Spokane deviated from their normal routine. Impacts were measured in terms of business sales, employment, income, and tax revenues generated.

The total impact of tourism includes direct visitor spending, indirect impacts, and induced impacts. **Direct visitor spending** creates economic value within specific visitor-related sectors such as lodging, recreation, and transportation. This supports a relative proportion of jobs, wages, taxes, and GDP within each sector. **Indirect benefits** accrue to those sectors that provide goods and services as inputs into production, such as food wholesalers, utilities, and financial or legal services. **Induced benefits** are generated when employees whose income is driven directly or indirectly by tourism, spend a portion of that income in the local regional economy.

# How visitor spending generates employment and income

**Visitor spending flows through the Spokane regional economy and generates indirect benefits through supply chain and income effects.**



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## 2. Key Findings

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## Key findings in 2018

**Tourism is an integral part of the Spokane regional economy, and the industry made significant contributions to economic growth in 2018.**

**Visitors to Spokane spent \$1.3 billion in 2018, which generated a total of \$2.0 billion in total business sales, including indirect and induced impacts.**

**Tourism in Spokane generated \$357 million in tax revenues, including nearly \$206 million in state and local revenues, saving households in the County more than \$1,000 each.**

**Including direct, indirect, and induced impacts, more than 17,728 jobs were sustained by visitors to Spokane in 2018 with total income of \$548 million.**

**Approximately 5.9% (1 in 17) of all jobs in Spokane County were sustained by tourism.**

**An estimated 30% of tourism-supported jobs were in the food and beverage sector, 20% were in accommodations, and 11% were in each retail and recreation.**

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Tourism drives jobs and income growth in Spokane.



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## 3. 2018 Trends

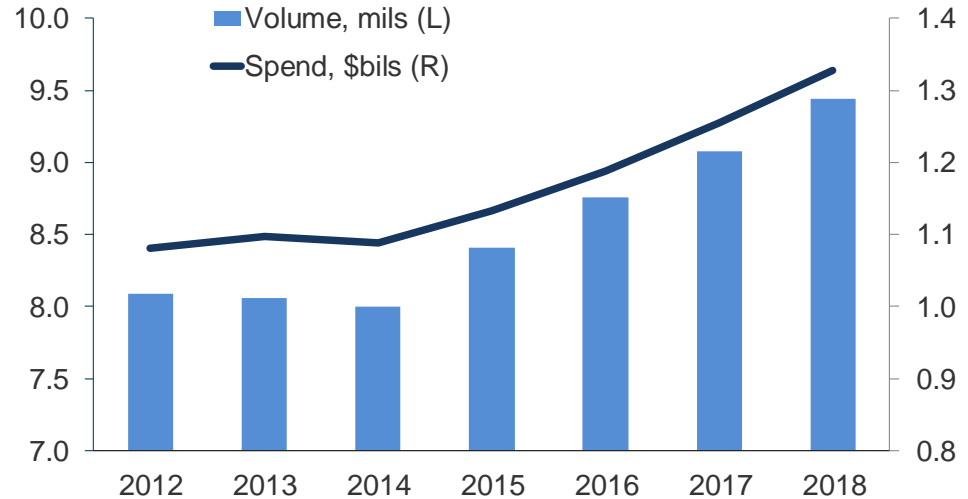
# 2018 Trends

Spokane visitation and visitor spending have expanded since 2014.

Visitor volume and spending expanded in 2018. Driven by employment and income growth in broader Washington, and neighboring states.

An estimated 9.4 million visitors spent \$1.3 billion in 2018, increases of 4.0% and 5.6% respectively from 2017.

## Spokane Visitor Volume and Spending



Sources: Longwoods Int'l, Tourism Economics

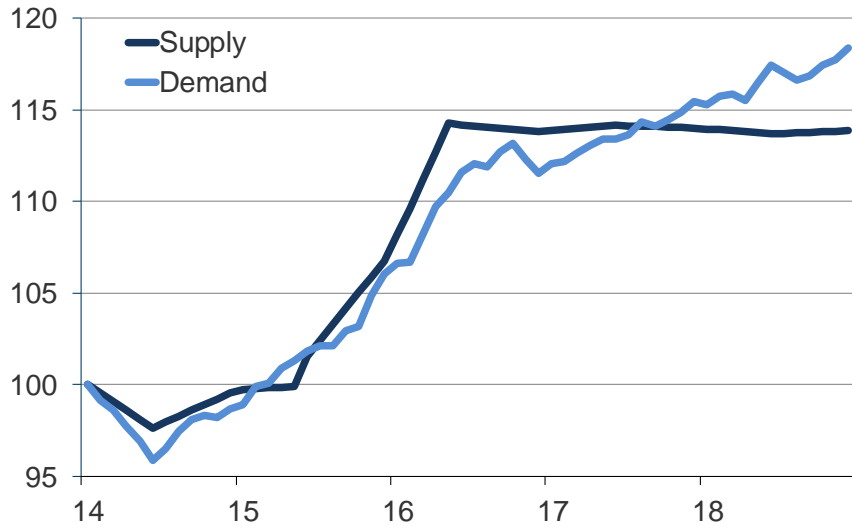
Spokane Visitor Volume and Spending						
	2013	2014	2015	2016	2017	2018
Visitor volume, mils	8.06	8.00	8.41	8.76	9.07	9.44
<i>% change</i>	-0.3	-0.7	5.1	4.1	3.6	4.0
Visitor spending, \$mils	1,097.3	1,088.2	1,133.0	1,188.1	1,255.1	1,328.0
<i>% change</i>	1.5	-0.8	4.1	4.9	5.6	5.8

# 2018 Trends

Room supply and demand in Spokane County are roughly balanced, although demand growth is starting to pull away, as supply has remained flat for two years. Overall, since 2014 demand growth has averaged 4.7% per year compared with 3.4% for supply. In 2018, room demand expanded 2.5% while supply slightly contracted 0.1%. Occupancy ticked up 1.7 ppt and ADR rose 3.0% on average.

## Supply is Catching Up to Demand

Spokane County room demand and supply, indexed Jan 2014=100



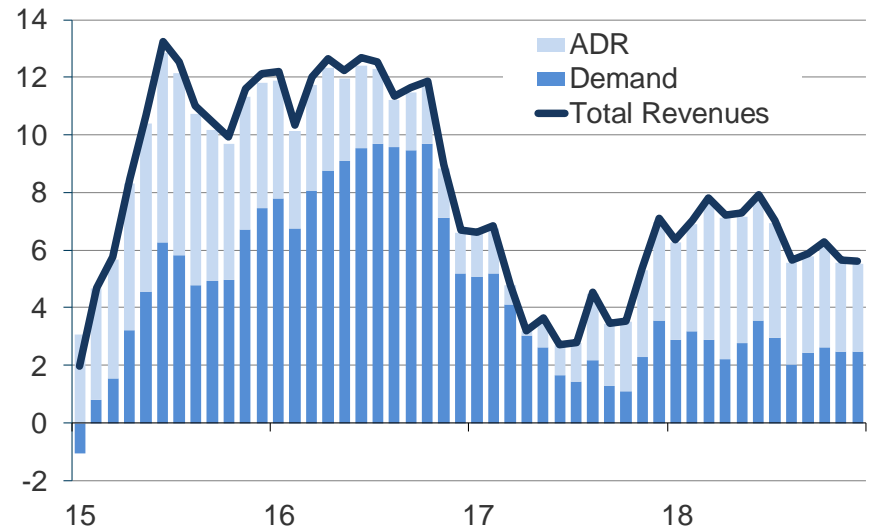
Sources: STR, Tourism Economics

# Revenue growth is well balanced between room demand and room rate growth.

With rising occupancy reflecting a tightening market, higher prices are playing more of a role to boost overall revenue growth. In 2018, higher room rates accounted for more than half of the growth in revenues, compared to about only a third of revenue growth in the prior three years.

## Volume and Prices Drive Revenues

Contribution to revenue growth, % ch year ago



Sources: STR, Tourism Economics



## 2018 Trends

Tourism employment growth in Spokane County is outpacing that of overall job growth.

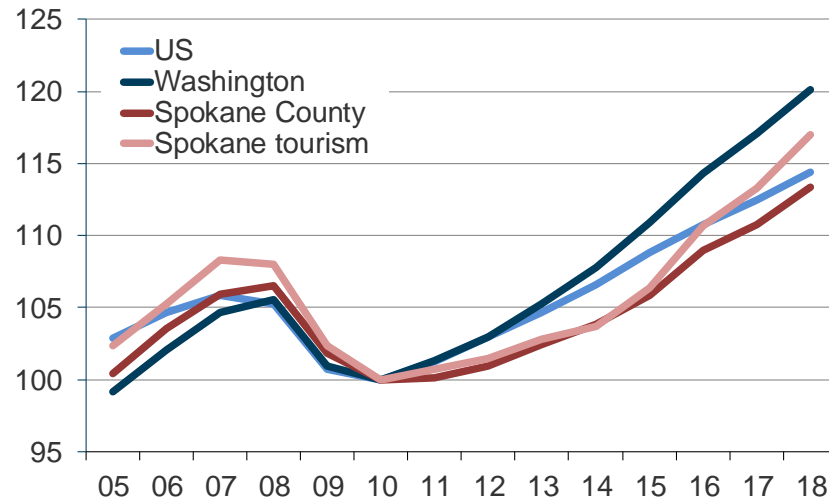
Since 2010, tourism employment has expanded faster than overall jobs in Spokane County, and both are keeping pace with the U.S. overall.

Employment in the industry is 17% higher than it was in 2010.

The industry added more than 200 jobs per year, averaging annual growth of 2.0% since 2010, faster than 1.6% for the County overall, and the U.S. at 1.7% per year.

### Spokane Tourism Jobs Outpace

Employment, indexed 2010=100



Sources: BEA, BLS, U.S. Census, Tourism Economics

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## 4. Visitors and Spending

# Visitor segmentation

Most visitors to Spokane come for the day, and come for leisure.

A total of 9.4 million visitors came to Spokane in 2018.

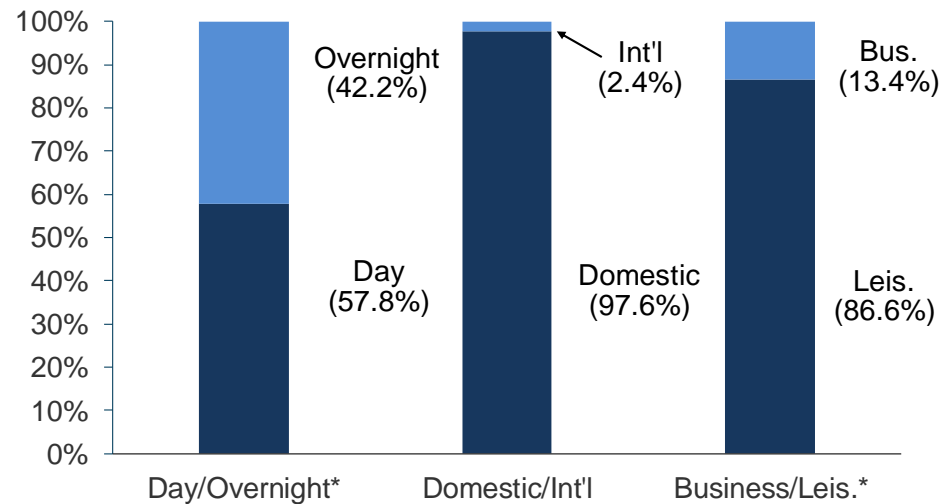
Domestic visitors accounted for nearly all visitor volume. Of domestic visitation, 3.9 million (42.2%) stayed overnight, and 5.3 million came for the day.

Most visitors to Spokane came for leisure (86.6%), and 13.4% came for business.

International visitors amounted to 0.2 million in 2018, accounting for 2.4% of total volume, but they tend to spend more and accounted for nearly 9% of total spending.

Domestic overnight visitors spent \$180 per person per trip and accounted for 60% of total domestic spending.

## Spokane Visitor Characteristics



Sources: Longwoods Int'l, Tourism Economics  
\*Domestic only

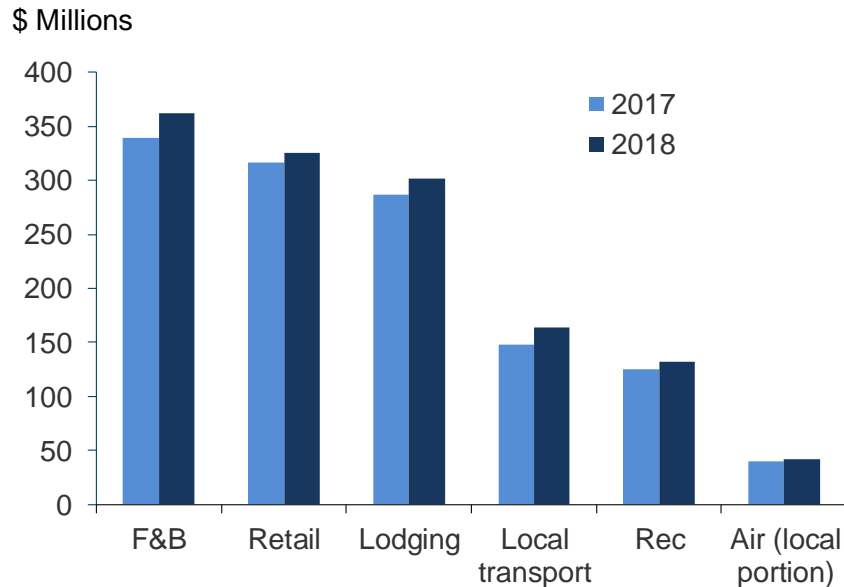
# Composition of visitor spending

Spokane's variety of tourism offerings are reflected in the fact that most visitor spending comes in food and beverage, retail, and then lodging. Visitor spending on accommodations amounted to more than \$301 million in 2018, and Spokane's many day visitors boosted spending in other categories. The local share of visitor spending on air transportation amounted to \$42 million.

Visitors to Spokane spend primarily on food, retail, and lodging.

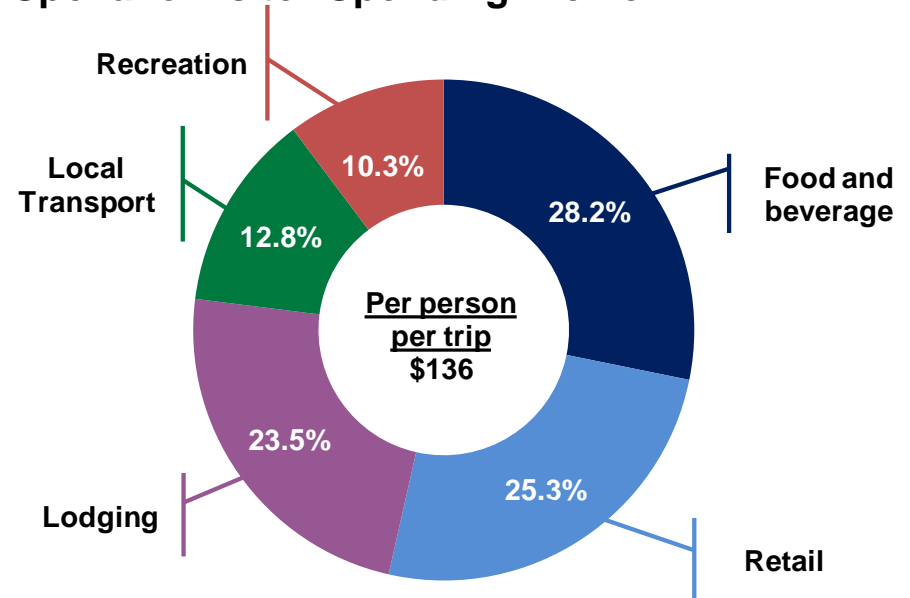
Visitor spending (excluding air) came primarily in food and beverage at 28.2%, followed by retail at 25.3%, lodging at 23.5%, local transportation at 12.8%, and recreation at 10.3%.

## Spokane Visitor Spending by Category



Sources: Longwoods Int'l, Tourism Economics

## Spokane Visitor Spending Profile



Sources: Longwoods Int'l, Tourism Economics

# Fuel price trends

Fuel prices are expected to level off over the next two years.

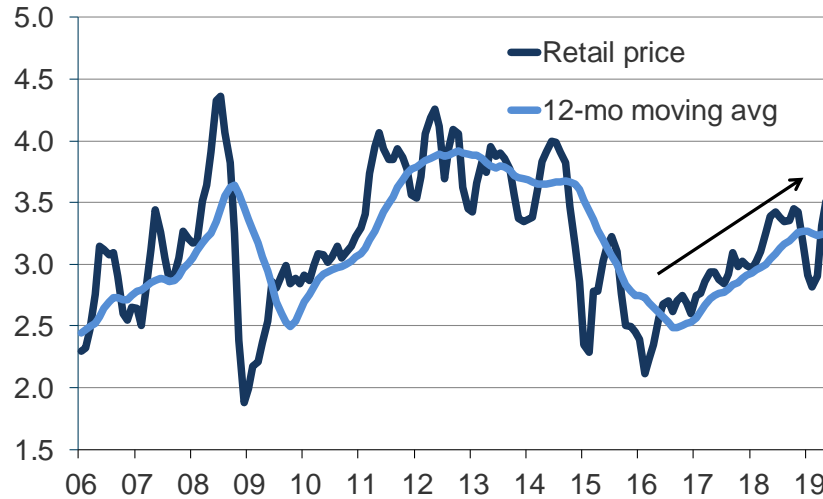
Gasoline price in Washington rose more than 12% in 2018, after several years of decline. Still, despite the increase, prices are still at relatively low levels.

The rising gas prices likely reduced some spending other spending, and have potential to undermine consumer confidence.

Looking forward, the Oxford Economics forecast calls for oil prices to remain below \$60 per barrel out to 2022, which implies gas prices in Spokane below \$3.50 per gallon for an extended period.

## Gas Prices Rose in 2018

Washington gasoline price, all grades, dollars per gallon



Source: Energy Information Administration

## Visitor spending trends

Total visitor spending expanded 5.8% in 2018, a pick up from a year earlier.

Growth was led by food and beverage, followed by lodging at 5.2%, and recreation at 5.1%.

Retail spending expanded 3.0%, and higher gas prices boosted spending on local transportation.

An estimated \$41.9 million of spending on air travel stayed local, and generated jobs and income in the region.

Visitor spending on food beverage increased 6.9% in 2018.

Spokane Visitor Spending by Category							
\$Millions							
	2013	2014	2015	2016	2017	2018	2017-18 %Ch
Food and beverage	276.4	278.2	296.8	319.2	339.0	362.6	6.9%
Retail	288.2	283.4	293.0	304.4	316.4	326.0	3.0%
Accommodations	232.9	233.2	254.6	270.0	286.6	301.6	5.2%
Local transportation	153.3	148.9	138.3	136.5	147.9	164.2	11.0%
Recreation	110.8	109.2	114.4	120.7	125.5	131.8	5.1%
Air transport (local portion)	35.6	35.4	35.9	37.2	39.7	41.9	5.6%
<b>Total</b>	<b>1,097.3</b>	<b>1,088.2</b>	<b>1,133.0</b>	<b>1,188.1</b>	<b>1,255.1</b>	<b>1,328.0</b>	<b>5.8%</b>
	1.5%	-0.8%	4.1%	4.9%	5.6%	5.8%	

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## 5. Economic impacts

## Tourism sales

Direct visitor spending amounted to \$1.3 billion in 2018.

Direct visitor spending of \$1.3 billion generated \$0.3 billion in indirect impacts and \$0.4 billion in induced impacts.

Adding direct, indirect, and induced impacts together, the total economic impact sums to \$2.0 billion in 2018.

<b>Gross Output (Business Sales)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0.6	0.3	0.9
<b>Construction and Utilities</b>	-	23.1	9.7	32.8
<b>Manufacturing</b>	-	7.3	4.6	11.9
<b>Wholesale Trade</b>	-	17.8	18.1	35.9
<b>Air Transport (local)</b>	41.9	1.0	1.3	44.3
<b>Other Transport</b>	43.8	15.8	7.0	66.7
<b>Retail Trade</b>	314.6	7.0	37.1	358.6
<b>Gasoline Stations</b>	73.3	0.4	1.3	75.0
<b>Communications</b>	-	30.8	13.3	44.0
<b>Finance, Insurance and Real Estate</b>	30.2	92.3	123.7	246.3
<b>Business Services</b>	-	90.4	29.0	119.4
<b>Education and Health Care</b>	-	0.6	75.8	76.5
<b>Recreation and Entertainment</b>	104.0	8.5	4.8	117.3
<b>Lodging</b>	402.2	0.4	0.3	402.8
<b>Food &amp; Beverage</b>	303.6	9.8	22.7	336.0
<b>Personal Services</b>	14.4	9.6	10.5	34.6
<b>Government</b>	-	21.5	15.9	37.4
<b>TOTAL</b>	<b>1,328.0</b>	<b>336.9</b>	<b>375.4</b>	<b>2,040.4</b>

\* Direct sales include cost of goods sold for retail and wholesale trade sectors

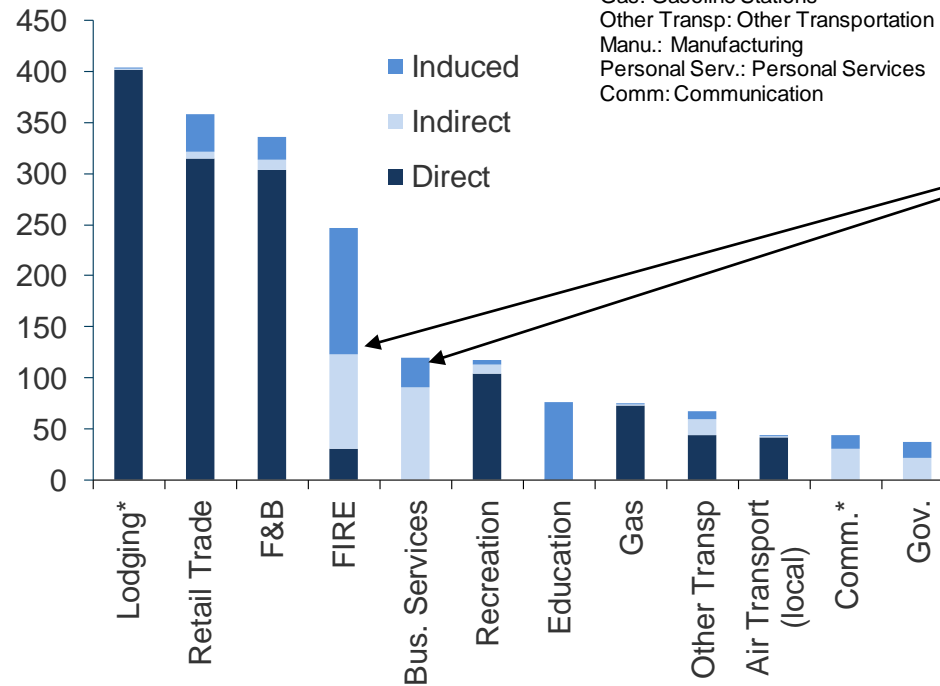


# Tourism sales

Indirect benefits came primarily in finance, real estate, and insurance, and business services.

## Gross Output by Industry

\$ million



Significant indirect benefits

## Tourism employment intensity by industry

Tourism accounts for a significant portion of employment in several industries.

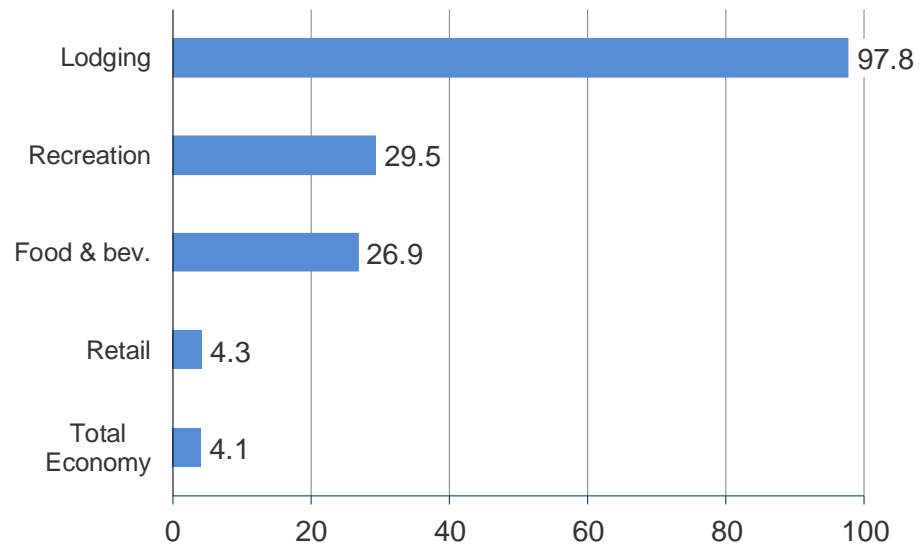
Direct visitor spending accounts for nearly all employment in lodging, at almost 98%.

Tourism's employment intensity in other industries is significant as well, at nearly 30% of recreation and almost 27% of food and beverage employment. More than 4% of retail jobs were supported by visitor spending.

Overall, **direct** tourism jobs account for 4.1% of all jobs in Spokane County.

### Tourism Employment Intensity by Industry

Spokane County, direct jobs as a share of total by industry, %



Source: Tourism Economics

# Tourism employment

Direct visitor spending sustained nearly 12,500 jobs in 2018, or 4.1% of all jobs in the County.

Including indirect and induced jobs, a total of 17,728 jobs were sustained by tourism in 2018, accounting for 5.9% of all jobs in Spokane County.

Tourism-supported employment amounted to more than 17,728 jobs in 2018.

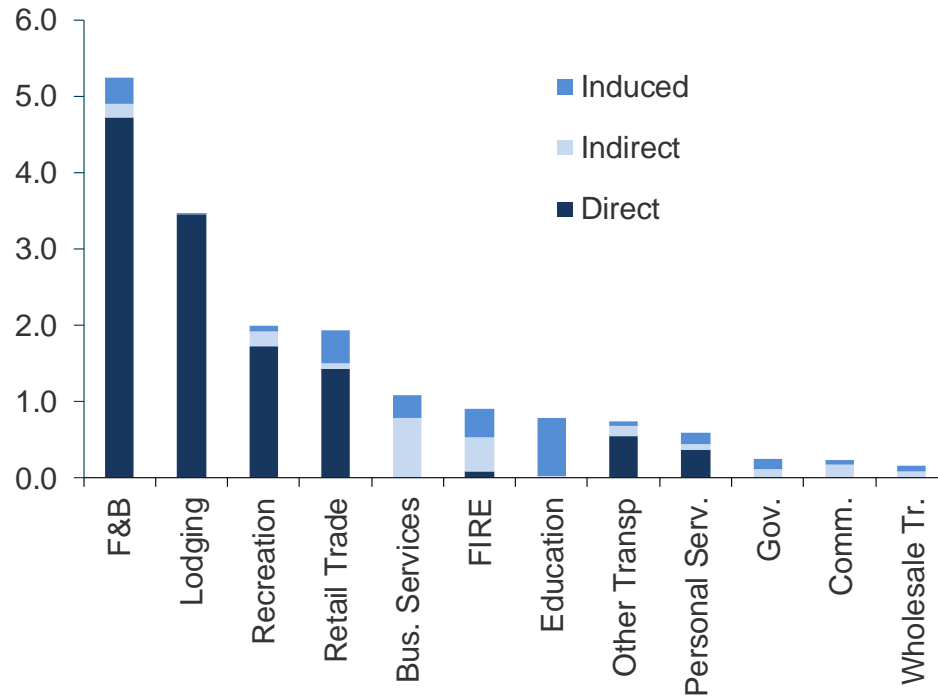
<b>Employment Impacts</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	6	4	9
<b>Construction and Utilities</b>	-	80	37	117
<b>Manufacturing</b>	-	27	10	37
<b>Wholesale Trade</b>	-	79	81	160
<b>Air Transport (local)</b>	115	3	4	121
<b>Other Transport</b>	547	122	64	734
<b>Retail Trade</b>	1,415	88	428	1,931
<b>Gasoline Stations</b>	106	6	17	129
<b>Communications</b>	-	173	53	227
<b>Finance, Insurance and Real Estate</b>	79	448	371	898
<b>Business Services</b>	-	783	292	1,075
<b>Education and Health Care</b>	-	18	765	783
<b>Recreation and Entertainment</b>	1,713	199	75	1,987
<b>Lodging</b>	3,446	4	2	3,451
<b>Food &amp; Beverage</b>	4,715	189	339	5,243
<b>Personal Services</b>	356	86	138	581
<b>Government</b>	-	113	132	245
<b>TOTAL</b>	<b>12,492</b>	<b>2,425</b>	<b>2,811</b>	<b>17,728</b>

# Tourism employment

Indirect and induced benefits accrue to other industries across the economy.

## Tourism Employment by Industry

Thousands



## Tourism income

Visitors and their spending sustained \$322 million in direct income earned, primarily in food and beverage, lodging, and retail.

When including indirect and induced benefits across other industries, a total of \$548.5 million in income was earned in the County in 2018.

Tourism sustained a total of more than \$548 million in income in Spokane County in 2018.

<b>Labor Income (Compensation)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0.1	0.1	0.2
<b>Construction and Utilities</b>	-	4.4	2.0	6.4
<b>Manufacturing</b>	-	1.3	0.5	1.8
<b>Wholesale Trade</b>	-	5.3	5.4	10.6
<b>Air Transport (local)</b>	6.8	0.2	0.2	7.2
<b>Other Transport</b>	13.8	5.1	1.9	20.8
<b>Retail Trade</b>	39.8	2.7	13.1	55.6
<b>Gasoline Stations</b>	3.4	0.2	0.6	4.2
<b>Communications</b>	-	8.4	2.5	10.8
<b>Finance, Insurance and Real Estate</b>	5.4	16.8	15.3	37.5
<b>Business Services</b>	-	40.9	13.3	54.2
<b>Education and Health Care</b>	-	0.3	44.0	44.3
<b>Recreation and Entertainment</b>	26.4	2.2	1.2	29.8
<b>Lodging</b>	104.1	0.1	0.1	104.2
<b>Food &amp; Beverage</b>	111.7	4.7	7.8	124.3
<b>Personal Services</b>	11.0	4.7	6.0	21.7
<b>Government</b>	-	8.9	6.0	14.9
<b>TOTAL</b>	<b>322.4</b>	<b>106.3</b>	<b>119.8</b>	<b>548.5</b>

## Tourism tax revenue generation

Nearly \$206 million in state and local taxes were generated in 2018.

Total tourism-generated tax revenues amounted to \$360 million in 2018.

Of this, nearly \$206 million accrued at the state and local level.

State tax revenues included \$88.4 million in sales tax.

Local tax revenues included \$28.4 million in sales tax revenues and \$7.4 million in bed taxes.

State and local tax revenues helped to relieve \$1,018 in tax burden for each household in Spokane County.

<b>Tax Revenues Generated</b>	
2018, \$millions	
	Amount
<b>Federal</b>	<b>151.4</b>
Personal Income	47.8
Corporate	17.3
Indirect business	21.1
Social Security	65.2
<b>State</b>	<b>105.1</b>
Sales	88.4
Social Security	4.2
Other Taxes and Fees	12.5
<b>Local</b>	<b>100.8</b>
Sales	28.4
Lodging	7.4
Property	58.6
Other Taxes and Fees	6.3
<b>TOTAL</b>	<b>357.3</b>

# Spokane tourism in context

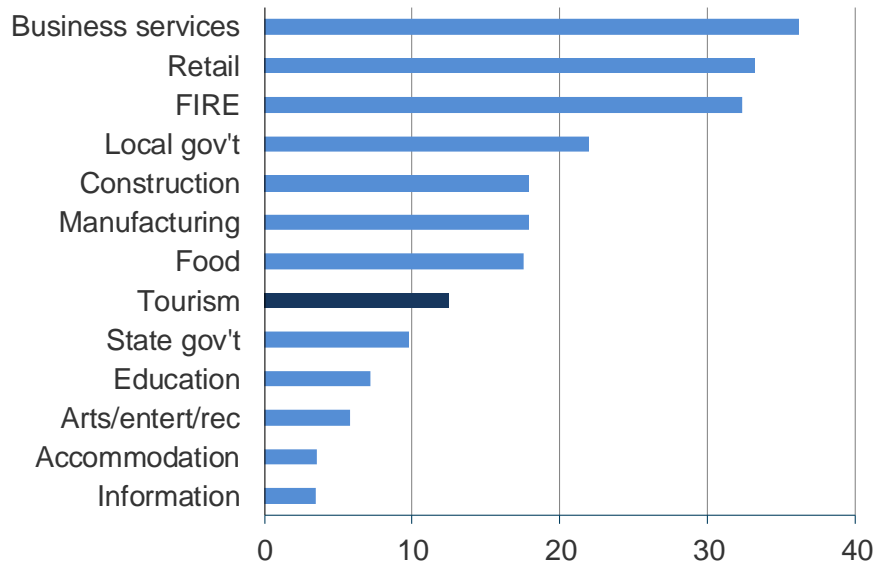
When taken together as an industry, tourism is the 8<sup>th</sup> largest employer in the Spokane region.

With more than 12,000 direct jobs, tourism is the 8<sup>th</sup> largest employer in the Spokane region.

When taken together as an industry, tourism employs more people than state gov't, education, and information.

## Spokane County Jobs by Industry in 2018

(Thousands)



Sources: BEA, BLS, U.S. Census, Tourism Economics

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## 5. City Level Economic Impact Details



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## Summary table: City Economic Impacts

	Direct Spending \$mils	Total Impact \$mils	Total Jobs	Total Income \$mils	S&L Tax Revenues \$mils
Spokane County	1,328.0	2,040.4	17,728	548.5	205.9
City of Spokane	656.9	1,044.5	9,150	283.6	107.5
City of Spokane Valley	212.4	314.9	2,623	80.4	31.6
City of Liberty Lake	24.2	35.2	304	10.1	3.4

Source: Tourism Economics

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## 5. City of Spokane

## Visitor spending trends – City of Spokane

Visitor spending in Spokane expanded 4.8% in 2018.

Total visitor spending expanded 4.8% in 2018, a rate slower than that of the previous year.

Growth was led primarily by food and beverage at 6.2%, followed by accommodations at 4.3%, and then recreation at 3.9%.

Retail spending expanded 1.3%, and as at the County level, higher gas prices boosted spending on local transportation.

City of Spokane Visitor Spending by Category							
\$Millions							
	2013	2014	2015	2016	2017	2018	2017-18 %Ch
Food and beverage	131.1	136.9	157.1	173.8	187.9	199.5	6.2%
Retail	125.7	127.3	141.6	151.0	159.3	161.4	1.3%
Accommodations	94.4	102.1	128.8	142.2	155.6	162.3	4.3%
Local transportation	64.2	64.6	63.7	64.4	71.6	79.5	11.0%
Recreation	39.9	40.6	45.7	49.5	52.2	54.3	3.9%
<b>Total</b>	<b>455.3</b>	<b>471.5</b>	<b>536.8</b>	<b>580.9</b>	<b>626.7</b>	<b>656.9</b>	<b>4.8%</b>
	0.4%	3.6%	13.8%	8.2%	7.9%	4.8%	

## Tourism sales – City of Spokane

Direct visitor spending amounted to \$657 million in the City of Spokane in 2018.

Direct visitor spending of \$657 million generated \$183 million in indirect impacts and \$204 million in induced impacts.

Adding direct, indirect, and induced impacts together, the total economic impact sums to just over \$1.0 billion in 2018.

<b>Gross Output (Business Sales)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Agriculture, Fishing, Mining	-	0.3	0.1	0.5
Construction and Utilities	-	12.6	5.3	17.8
Manufacturing	-	4.0	2.5	6.5
Wholesale Trade	-	9.7	9.8	19.5
Air Transport (local)	-	0.6	0.7	1.3
Other Transport	21.2	8.6	3.8	33.7
Retail Trade	155.8	3.8	20.2	179.7
Gasoline Stations	35.5	0.2	0.7	36.4
Communications	-	16.7	7.2	24.0
Finance, Insurance and Real Estate	16.0	50.2	67.3	133.6
Business Services	-	49.2	15.8	65.0
Education and Health Care	-	0.3	41.3	41.6
Recreation and Entertainment	42.8	4.6	2.6	50.1
Lodging	216.3	0.2	0.1	216.7
Food & Beverage	163.3	5.3	12.3	181.0
Personal Services	5.9	5.2	5.7	16.9
Government	-	11.7	8.7	20.3
<b>TOTAL</b>	<b>656.9</b>	<b>183.3</b>	<b>204.3</b>	<b>1,044.5</b>

\* Direct sales include cost of goods sold for retail and wholesale trade sectors

## Tourism employment – City of Spokane

Direct visitor spending sustained just over 6,300 jobs in 2018, or 3.7% of all jobs in the City.

Including indirect and induced jobs, a total of 9,150 jobs were sustained by tourism in 2018, accounting for 5.3% of all jobs in the City of Spokane.

Tourism-supported employment amounted to more than 9,150 jobs in the City of Spokane in 2018.

<b>Employment Impacts</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	3	2	5
<b>Construction and Utilities</b>	-	44	20	63
<b>Manufacturing</b>	-	15	6	20
<b>Wholesale Trade</b>	-	43	44	87
<b>Air Transport (local)</b>	-	2	2	3
<b>Other Transport</b>	265	67	35	367
<b>Retail Trade</b>	701	48	233	981
<b>Gasoline Stations</b>	51	3	10	64
<b>Communications</b>	-	94	29	123
<b>Finance, Insurance and Real Estate</b>	42	244	202	487
<b>Business Services</b>	-	426	159	585
<b>Education and Health Care</b>	-	10	416	426
<b>Recreation and Entertainment</b>	705	108	41	854
<b>Lodging</b>	1,854	2	1	1,857
<b>Food &amp; Beverage</b>	2,536	103	184	2,824
<b>Personal Services</b>	147	47	75	269
<b>Government</b>	-	62	72	133
<b>TOTAL</b>	<b>6,301</b>	<b>1,320</b>	<b>1,529</b>	<b>9,150</b>

## Tourism income – City of Spokane

Tourism sustained a total of \$284 million in income in the City of Spokane in 2018.

Visitors and their spending sustained \$161 million in direct income earned.

When including indirect and induced benefits across other industries, a total of \$283.6 million in income was earned in the City of Spokane in 2018.

<b>Labor Income (Compensation)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0.1	0.0	0.1
<b>Construction and Utilities</b>	-	2.4	1.1	3.5
<b>Manufacturing</b>	-	0.7	0.3	1.0
<b>Wholesale Trade</b>	-	2.9	2.9	5.7
<b>Air Transport (local)</b>	-	0.1	0.1	0.2
<b>Other Transport</b>	6.6	2.8	1.0	10.4
<b>Retail Trade</b>	19.6	1.5	7.1	28.1
<b>Gasoline Stations</b>	1.7	0.1	0.3	2.1
<b>Communications</b>	-	4.5	1.3	5.9
<b>Finance, Insurance and Real Estate</b>	2.9	9.1	8.3	20.2
<b>Business Services</b>	-	22.1	7.2	29.3
<b>Education and Health Care</b>	-	0.2	23.8	24.0
<b>Recreation and Entertainment</b>	10.8	1.2	0.6	12.6
<b>Lodging</b>	55.6	0.1	0.0	55.7
<b>Food &amp; Beverage</b>	59.7	2.6	4.2	66.5
<b>Personal Services</b>	4.5	2.5	3.3	10.3
<b>Government</b>	-	4.8	3.2	8.1
<b>TOTAL</b>	<b>161.4</b>	<b>57.5</b>	<b>64.8</b>	<b>283.6</b>

# Tourism tax revenue generation

Nearly \$108 million in state and local taxes were generated in 2018.

Total tourism-generated tax revenues amounted to \$185 million in 2018. Of this, \$107.5 million accrued at the state and local level.

State tax revenues included \$45.2 million in sales tax. Local tax revenues included \$15.9 million in sales tax revenues and \$4.5 million in bed taxes.

State and local tax revenues helped to relieve \$1,162 in tax burden for each household in the City of Spokane.

Local tourism-generated tax revenues of \$53.7 million would account for 28.4% of the City's general fund if all revenues were directed to the GF, and would fund 90% of the police budget, Fire 1.3 times over, or Parks and Rec 3.8 times over.

<b>Tax Revenues Generated</b>	
2018, \$millions	
	Amount
<b>Federal</b>	<b>77.5</b>
Personal Income	24.5
Corporate	8.8
Indirect business	10.8
Social Security	33.4
<b>State</b>	<b>53.8</b>
Sales	45.2
Social Security	2.2
Other Taxes and Fees	6.4
<b>Local</b>	<b>53.7</b>
Sales	15.9
Lodging	4.5
Property	30.0
Other Taxes and Fees	3.2
<b>TOTAL</b>	<b>185.0</b>

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## 5. City of Spokane Valley



## Visitor spending trends – City of Spokane Valley

Visitor spending increased 4.8% in Spokane Valley in 2018.

Total visitor spending expanded 4.8% in 2018.

Growth was led by food and beverage at 6.5%, followed by recreation at 4.3%, and then accommodations at 3.7%.

Retail spending expanded 1.7%, and spending on local transportation was pushed higher by rising prices.

City of Spokane Valley Visitor Spending by Category							
\$Millions							
	2013	2014	2015	2016	2017	2018	2017-18 %Ch
Food and beverage	43.3	44.8	47.6	49.2	52.6	56.0	6.5%
Retail	63.4	63.4	65.3	65.2	67.9	69.0	1.7%
Accommodations	40.5	42.5	44.0	43.2	44.9	46.6	3.7%
Local transportation	28.2	28.0	25.6	24.2	26.6	29.6	11.3%
Recreation	9.7	9.7	10.1	10.3	10.7	11.2	4.3%
<b>Total</b>	<b>185.0</b>	<b>188.5</b>	<b>192.6</b>	<b>192.2</b>	<b>202.7</b>	<b>212.4</b>	<b>4.8%</b>
	5.1%	1.8%	2.2%	-0.3%	5.5%	4.8%	

# Tourism sales – City of Spokane Valley

Direct visitor spending amounted to \$212 million in in the City of Spokane Valley in 2018.

Direct visitor spending of \$212 million generated \$48.5 million in indirect impacts and \$54 million in induced impacts.

Adding direct, indirect, and induced impacts together, the total economic impact sums to nearly \$315 million in 2018.

<b>Gross Output (Business Sales)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0.1	0.0	0.1
<b>Construction and Utilities</b>	-	3.3	1.4	4.7
<b>Manufacturing</b>	-	1.1	0.7	1.7
<b>Wholesale Trade</b>	-	2.6	2.6	5.2
<b>Air Transport (local)</b>	-	0.1	0.2	0.3
<b>Other Transport</b>	7.9	2.3	1.0	11.2
<b>Retail Trade</b>	67.4	1.0	5.3	73.8
<b>Gasoline Stations</b>	13.2	0.1	0.2	13.5
<b>Communications</b>	-	4.4	1.9	6.3
<b>Finance, Insurance and Real Estate</b>	4.8	13.3	17.8	35.9
<b>Business Services</b>	-	13.0	4.2	17.2
<b>Education and Health Care</b>	-	0.1	10.9	11.0
<b>Recreation and Entertainment</b>	8.8	1.2	0.7	10.7
<b>Lodging</b>	62.1	0.1	0.0	62.2
<b>Food &amp; Beverage</b>	46.9	1.4	3.3	51.6
<b>Personal Services</b>	1.2	1.4	1.5	4.1
<b>Government</b>	-	3.1	2.3	5.4
<b>TOTAL</b>	<b>212.4</b>	<b>48.5</b>	<b>54.0</b>	<b>314.9</b>

\* Direct sales include cost of goods sold for retail and wholesale trade sectors

## Tourism employment – City of Spokane Valley

Direct visitor spending sustained just over 1,869 jobs in 2018, or 2.7% of all jobs in the City.

Including indirect and induced jobs, a total of 2,623 jobs were sustained by tourism in 2018, accounting for 3.8% of all jobs in the City of Spokane Valley.

Tourism-supported employment amounted to more than 2,600 jobs in 2018.

<b>Employment Impacts</b>				
	Direct	Indirect	Induced	Total
<b>Agriculture, Fishing, Mining</b>	-	1	1	1
<b>Construction and Utilities</b>	-	12	5	17
<b>Manufacturing</b>	-	4	1	5
<b>Wholesale Trade</b>	-	11	12	23
<b>Air Transport (local)</b>	-	0	1	1
<b>Other Transport</b>	99	18	9	126
<b>Retail Trade</b>	303	13	62	378
<b>Gasoline Stations</b>	19	1	3	22
<b>Communications</b>	-	25	8	33
<b>Finance, Insurance and Real Estate</b>	12	65	53	130
<b>Business Services</b>	-	113	42	155
<b>Education and Health Care</b>	-	3	110	113
<b>Recreation and Entertainment</b>	145	29	11	185
<b>Lodging</b>	532	1	0	533
<b>Food &amp; Beverage</b>	728	27	49	804
<b>Personal Services</b>	30	12	20	63
<b>Government</b>	-	16	19	35
<b>TOTAL</b>	<b>1,869</b>	<b>349</b>	<b>405</b>	<b>2,623</b>

## Tourism income – City of Spokane Valley

Tourism sustained a total of \$80.4 million in income in Spokane Valley in 2018.

Visitors and their spending sustained \$48.3 million in direct income earned.

When including indirect and induced benefits across other industries, a total of \$80.4 million in income was earned in the City of Spokane Valley in 2018.

<b>Labor Income (Compensation)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0.0	0.0	0.0
<b>Construction and Utilities</b>	-	0.6	0.3	0.9
<b>Manufacturing</b>	-	0.2	0.1	0.3
<b>Wholesale Trade</b>	-	0.7	0.8	1.5
<b>Air Transport (local)</b>	-	0.0	0.0	0.1
<b>Other Transport</b>	2.5	0.7	0.3	3.5
<b>Retail Trade</b>	8.4	0.4	1.9	10.7
<b>Gasoline Stations</b>	0.6	0.0	0.1	0.7
<b>Communications</b>	-	1.2	0.3	1.5
<b>Finance, Insurance and Real Estate</b>	0.8	2.4	2.2	5.4
<b>Business Services</b>	-	5.8	1.9	7.7
<b>Education and Health Care</b>	-	0.0	6.2	6.3
<b>Recreation and Entertainment</b>	2.2	0.3	0.2	2.7
<b>Lodging</b>	15.8	0.0	0.0	15.9
<b>Food &amp; Beverage</b>	17.0	0.7	1.1	18.8
<b>Personal Services</b>	0.9	0.7	0.9	2.4
<b>Government</b>	-	1.3	0.8	2.1
<b>TOTAL</b>	<b>48.3</b>	<b>15.1</b>	<b>17.0</b>	<b>80.4</b>

# Tourism tax revenue generation

Nearly \$32 million in state and local taxes were generated in 2018.

Total tourism-generated tax revenues amounted to \$55 million in 2018. Of this, \$31.6 million accrued at the state and local level.

State tax revenues included \$13.6 million in sales tax. Local tax revenues included \$4.8 million in sales tax revenues and \$0.5 million in bed taxes.

State and local tax revenues helped to relieve \$793 in tax burden for each household in the City of Spokane Valley.

Local tourism-generated tax revenues of \$15.4 million would account for 36.1% of the City's general fund if all revenues were directed to the GF, and would fund 75% of the budgeted police contract, spending on Fire 3.1 times over, or Parks and Rec 5.2 times over.

<b>Tax Revenues Generated</b>	
2018, \$millions	
	Amount
<b>Federal</b>	<b>23.4</b>
Personal Income	7.4
Corporate	2.7
Indirect business	3.3
Social Security	10.1
<b>State</b>	<b>16.2</b>
Sales	13.6
Social Security	0.7
Other Taxes and Fees	1.9
<b>Local</b>	<b>15.4</b>
Sales	4.8
Lodging	0.5
Property	9.1
Other Taxes and Fees	1.0
<b>TOTAL</b>	<b>55.0</b>

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## 5. City of Liberty Lake

## Visitor spending trends – City of Liberty Lake

Visitor spending grew 6.5% in Liberty Lake in 2018.

Total visitor spending expanded 6.5% in 2018, slightly slower than a year earlier.

Growth was led by food and beverage at 7.9%, followed by accommodations at 7.1%, and then by recreation at 5.6%.

Retail spending expanded 2.9%, and higher gas prices boosted spending on local transportation.

City of Liberty Lake Visitor Spending by Category							
\$Millions							
	2013	2014	2015	2016	2017	2018	2017-18 %Ch
Food and beverage	4.6	5.1	5.3	6.2	6.7	7.2	7.9%
Retail	6.3	6.8	6.9	7.7	8.1	8.3	2.9%
Accommodations	0.8	0.9	1.0	1.1	1.2	1.2	7.1%
Local transportation	3.0	3.3	2.9	3.1	3.4	3.9	12.7%
Recreation	2.5	2.7	2.8	3.2	3.3	3.5	5.6%
<b>Total</b>	<b>17.3</b>	<b>18.8</b>	<b>18.9</b>	<b>21.2</b>	<b>22.7</b>	<b>24.2</b>	<b>6.5%</b>
	3.2%	9.2%	0.6%	11.7%	7.3%	6.5%	

## Tourism sales – City of Liberty Lake

Direct visitor spending amounted to \$24.2 million in the City of Liberty Lake in 2018.

Direct visitor spending of \$24.2 million generated \$5.2 million in indirect impacts and \$5.8 million in induced impacts.

Adding direct, indirect, and induced impacts together, the total economic impact sums to \$35.2 million in 2018.

<b>Gross Output (Business Sales)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0.0	0.0	0.0
<b>Construction and Utilities</b>	-	0.4	0.2	0.5
<b>Manufacturing</b>	-	0.1	0.1	0.2
<b>Wholesale Trade</b>	-	0.3	0.3	0.6
<b>Air Transport (local)</b>	-	0.0	0.0	0.0
<b>Other Transport</b>	1.0	0.2	0.1	1.4
<b>Retail Trade</b>	8.8	0.1	0.6	9.5
<b>Gasoline Stations</b>	1.7	0.0	0.0	1.8
<b>Communications</b>	-	0.5	0.2	0.7
<b>Finance, Insurance and Real Estate</b>	1.7	1.4	1.9	5.1
<b>Business Services</b>	-	1.4	0.4	1.8
<b>Education and Health Care</b>	-	0.0	1.2	1.2
<b>Recreation and Entertainment</b>	2.8	0.1	0.1	3.0
<b>Lodging</b>	1.7	0.0	0.0	1.7
<b>Food &amp; Beverage</b>	6.0	0.2	0.4	6.5
<b>Personal Services</b>	0.4	0.1	0.2	0.7
<b>Government</b>	-	0.3	0.2	0.6
<b>TOTAL</b>	<b>24.2</b>	<b>5.2</b>	<b>5.8</b>	<b>35.2</b>

\* Direct sales include cost of goods sold for retail and wholesale trade sectors



## Tourism employment – City of Liberty Lake

Direct visitor spending sustained just over 223 jobs in 2018, or 2.3% of all jobs in the City.

Including indirect and induced jobs, a total of 304 jobs were sustained by tourism in 2018, accounting for 3.2% of all jobs in the City of Liberty Lake.

Tourism-supported employment amounted to more than 300 jobs in the City of Liberty Lake in 2018.

<b>Employment Impacts</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0	0	0
<b>Construction and Utilities</b>	-	1	1	2
<b>Manufacturing</b>	-	0	0	1
<b>Wholesale Trade</b>	-	1	1	2
<b>Air Transport (local)</b>	-	0	0	0
<b>Other Transport</b>	13	2	1	16
<b>Retail Trade</b>	40	1	7	48
<b>Gasoline Stations</b>	2	0	0	3
<b>Communications</b>	-	3	1	4
<b>Finance, Insurance and Real Estate</b>	5	7	6	17
<b>Business Services</b>	-	12	5	17
<b>Education and Health Care</b>	-	0	12	12
<b>Recreation and Entertainment</b>	46	3	1	50
<b>Lodging</b>	14	0	0	14
<b>Food &amp; Beverage</b>	93	3	5	102
<b>Personal Services</b>	10	1	2	13
<b>Government</b>	-	2	2	4
<b>TOTAL</b>	<b>223</b>	<b>38</b>	<b>43</b>	<b>304</b>

## Tourism income – City of Liberty Lake

Tourism sustained a total of \$10.1 million in income in the City of Liberty Lake in 2018.

Visitors and their spending sustained \$6.2 million in direct income earned.

When including indirect and induced benefits across other industries, a total of \$10.1 million in income was earned in the City of Liberty Lake in 2018

<b>Labor Income (Compensation)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0.0	0.0	0.0
<b>Construction and Utilities</b>	-	0.1	0.0	0.1
<b>Manufacturing</b>	-	0.0	0.0	0.0
<b>Wholesale Trade</b>	-	0.1	0.1	0.2
<b>Air Transport (local)</b>	-	0.0	0.0	0.0
<b>Other Transport</b>	0.4	0.1	0.0	0.5
<b>Retail Trade</b>	1.3	0.0	0.2	1.5
<b>Gasoline Stations</b>	0.1	0.0	0.0	0.1
<b>Communications</b>	-	0.1	0.0	0.2
<b>Finance, Insurance and Real Estate</b>	0.4	0.3	0.3	0.9
<b>Business Services</b>	-	0.7	0.2	0.9
<b>Education and Health Care</b>	-	0.0	0.8	0.8
<b>Recreation and Entertainment</b>	0.8	0.0	0.0	0.9
<b>Lodging</b>	0.5	0.0	0.0	0.5
<b>Food &amp; Beverage</b>	2.5	0.1	0.1	2.7
<b>Personal Services</b>	0.3	0.1	0.1	0.5
<b>Government</b>	-	0.2	0.1	0.3
<b>TOTAL</b>	<b>6.2</b>	<b>1.9</b>	<b>2.1</b>	<b>10.1</b>

# Tourism tax revenue generation

Just over \$3.4 million in state and local taxes were generated in 2018.

Total tourism-generated tax revenues amounted to \$6.0 million in 2018. Of this, \$3.4 million accrued at the state and local level.

State tax revenues included \$1.5 million in sales tax. Local tax revenues included \$0.4 million in sales tax revenues and nearly \$50,000 in bed tax revenues.

State and local tax revenues helped to relieve \$929 in tax burden for each household in the City of Liberty Lake.

Local tourism-generated tax revenues of \$1.6 million would account for 21% of the City's general fund if all revenues were directed to the GF, and would fund 72% of the Police budget, Fire 1.8 times over, or 64% of spending on Parks and Rec in Liberty Lake.

<b>Tax Revenues Generated</b>	
2018, \$thousands	
	Amount
<b>Federal</b>	<b>2,612.2</b>
Personal Income	824.6
Corporate	297.8
Indirect business	364.5
Social Security	1,125.3
<b>State</b>	<b>1,812.9</b>
Sales	1,524.4
Social Security	72.8
Other Taxes and Fees	215.8
<b>Local</b>	<b>1,596.1</b>
Sales	426.6
Lodging	48.9
Property	1,011.6
Other Taxes and Fees	108.9
<b>TOTAL</b>	<b>6,021.2</b>

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## 5. Data Sources and Methods

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# Notes

## Why quantify the tourism economy?

- By monitoring tourism's economic impact, policy makers can make informed decisions regarding the funding and prioritization of tourism development.
- It can also carefully monitor its successes and future needs.
- In order to do this, tourism must be measured in the same categories as other economic sectors – i.e. tax generation, employment, wages, and gross domestic product.

## Why is this a challenge?

- Most economic sectors such as financial services, insurance, or construction are easily defined within a region's economic statistics.
- Tourism is not so easily measured because it is not a single industry. It is a demand-side activity which affects multiple sectors to various degrees.
- Tourism spans nearly a dozen sectors including lodging, recreation, retail, real estate, air passenger transport, food & beverage, car rental, taxi services, travel agents, museums, and theme parks.

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# Methods and data sources

Estimates of direct visitor expenditures in Spokane County were based on several sources including:

- Visitor volume and spending estimates from Longwood's International, a national consumer research firm.
- Data covering hotel room demand, supply, revenues, occupancy, and room rates from STR.
- Industry data on employment, wages and sales from the U.S. Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics.
- Local transient rental tax data available from the Visit Spokane and the Washington Department of Revenue.
- Air transportation data available from the U.S. Bureau of Transportation Statistics.
- International data from Tourism Economics proprietary databases covering international travel to U.S. states and cities, and the National Tourism and Travel Office (NTTO)

An IMPLAN input-output model was constructed for Spokane County. The model traces the flow of visitor-related expenditures through the local 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.

Gasoline price data for the Spokane area were obtained from the Energy Information Administration.

Local level revenue estimates were based on 2018 city budget documents and line item revenues or expenditure where available. General Fund comparisons are intended to provide context for the revenues generated by visitor spending – not all visitor-generated revenues go to the respective City General Funds, and the General Fund is not necessarily the only source of funding for city departments.

Amounts used in the report calculations include:

City of Spokane, with 88,638 households:

- Total General Fund of \$189 million
- Police budget of \$58 million
- Fire budget of \$39.7 million
- Parks and Rec budget of \$14.2 million

City of Spokane Valley, 39,134 households:

- Total General Fund of \$42.6 million
- Police budget of \$20.6 million (by contract with the County)
- Fire budget of \$4.9 million (estimated for the fire districts)
- Parks and Rec budget of \$3.0 million

City of Liberty Lake, with 3,618 households:

- Total General Fund of \$7.6 million
- Police budget of \$2.2 million
- Fire budget of \$0.9 million
- Parks and Rec budget of \$2.5 million

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# About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination's full potential.

Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 30 highly-experional economists; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford Economics has offices in London, Oxford, Dubai, Philadelphia, and Belfast.