


PENNSYLVANIA

Travel & Tourism Industry

An Economic Driver



The role of Pennsylvania's travel and tourism industry in the state's economy is broad-based and far-reaching. The industry is a major employer, a growing export industry, an important source of tax revenues and a key economic development tool, spurring business investments in attractions and amenities that serve the traveling public and enhance the quality of life of PA residents. These investments also lead to growth in other sectors of the economy.

Businesses throughout Pennsylvania benefit from travel and tourism for both job creation, and revenue generation and growth. These include the thousands of businesses – both large and small – that directly interact with the traveling public (e.g., attractions, restaurants, gas stations, and lodging facilities), but also the businesses that are the industry's supply chain. Travel and tourism is a substantial resource for PA's construction; finance, insurance and real estate; business services; and retail trade sectors, which all derive billions of dollars in revenues and tens of thousands of jobs from travel and tourism.

\$37.2 billion

injected annually by travelers into PA's economy

\$3.8 billion

state and local tax revenues generated annually by PA's travel and tourism industry

29.1 million

hotel rooms sold in PA in 2012 and generating

\$3.1 billion in hotel room revenues

\$770

additional state and local taxes every PA household would owe annually to replace the tax revenues generated by the state's travel and tourism industry

\$1.5 billion

invested in machinery and equipment, and construction projects in PA annually

Economic Benefits

When people travel, they spend money regardless of whether the trip is a once-in-a-lifetime vacation, a child's out-of-town sporting event (think "travel team"), a visit to friends and family, a weekend getaway with friends, a special occasion, an industry's annual convention, or a sales call to business's customers. There are countless reasons why people travel, and each trip away from home results in spending – on transportation and, for many, on lodging, restaurant meals, souvenirs, and various other goods and services.

This spending directly translates into sales for Pennsylvania businesses, jobs for Pennsylvania residents, and much-needed tax revenues for Pennsylvania's state and local governments.

The economic contributions of the travel and tourism industry are substantial, as is the number of travelers who come to Pennsylvania each year. In 2011, Pennsylvania hosted a record 182 million U.S. domestic travelers, nearly two million travelers from Canada, and close to one million travelers from overseas markets. Together, they injected an estimated \$37.2 billion directly into Pennsylvania's economy.

The impact of travel and tourism is not confined to the sales made to the traveling public. The industry each year invests well over a billion dollars in capital projects with investments made in travel-related construction, and machinery and equipment projects. In 2011 alone, these investments totaled \$1.5 billion.

Jobs

One of the key economic benefits provided by the travel and tourism industry is the industry's ability to create jobs – especially during periods when most other sectors of the economy are struggling. The recent "Great Recession" provides a clear example of the industry's resilience during difficult economic times. While travel and tourism was not unscathed and initially suffered job losses, the industry rebounded stronger and faster than most other industries.

When the recession first hit, Pennsylvania's leisure and hospitality shed jobs at a rate well below that of the state's economy as a whole and has recovered jobs at a rate more than three times that of PA's overall economy. (Note: the leisure and hospitality industry is a surrogate for travel and tourism, which does not have its own separate and distinct NAICS code but comprises most components of leisure and hospitality.)

The underlying reason for the industry's strength is that even in difficult economic times, people still want to travel. They might cut back on how long or how far they are willing to travel, but travel they will. As a result, while many industries are still struggling to reach their pre-recession levels, the travel industry has reached record levels of employment. One out of every 16 workers in Pennsylvania owes his or her job in some way to travel and tourism.

291,480

PA jobs directly attributable to travel and tourism



\$15.16

average hourly wage of individuals employed directly by travel industry

27%

leisure and hospitality industry's share of total jobs created in PA since 2009



\$27.36

average hourly wage of individuals derived indirectly from travel industry

461,250

PA jobs in total supported by the travel and tourism industry



19%

the percent of individuals whose first job was in travel

A common criticism of jobs in travel and tourism is that they are low-wage jobs requiring few job skills and little education. As most other industries, travel and tourism employs business professionals, and computer and financial analysts, and offers a host of other high-skilled, well-paying positions. Well over half of all those employed in travel and tourism earn a middle-class salary or higher, according to a study by the U.S. Travel Association. The average hourly wage of persons working in a PA business directly serving the traveling public was \$15.16 in 2001, and \$27.36 for those who work in supplier or other indirect businesses.

The industry also serves as a valuable gateway into the workforce for those who have never held a job, including many of the nation's youth, and as a virtual lifeline for individuals with few job skills or who lack a college degree. (i.e., the groups most likely to be unemployed and who face unemployment rates twice the rate of those with a college degree).

A Key Export Industry

When travelers from other countries purchase goods or services in Pennsylvania, the dollars they spend are counted as U.S. exports in the same manner as when they purchase goods or services from the U.S. in their home countries.

The \$3.9 billion spent by travelers from international markets makes travel and tourism the state's fifth leading export industry.

Opportunity

The world travel and tourism industry is projected to experience phenomenal growth over the next two decades. According to the UN's World Tourism Organization (UNWTO), countries across the globe welcomed more than one billion international travelers in 2012 – a figure projected to nearly double to over 1.8 billion by the year 2030. These travelers are responsible for an estimated \$1 trillion in spending annually, as well as much-needed tax revenues that support a wide variety of critical government functions such as education, and fire and police protection.

Pennsylvania currently hosts close to one million visitors annually from overseas markets and an additional two million day-trip and overnight visitors from Canada. These travelers, especially those from overseas markets, typically stay longer and spend far more – close to 10 times more on a per trip basis based on the spending patterns of overseas travelers to the U.S. – than U.S. domestic travelers.

With its strong base of tourism assets and strategic location, Pennsylvania is well positioned to capitalize on the projected growth in international travel as well as from the expected growth in domestic travel. To fully take advantage of this opportunity, the state and industry must continue making the necessary investments in tourism marketing, tourism assets, and infrastructure, and support "traveler friendly" policies and strategies.

\$3.9 billion

spent by visitors from international markets in PA

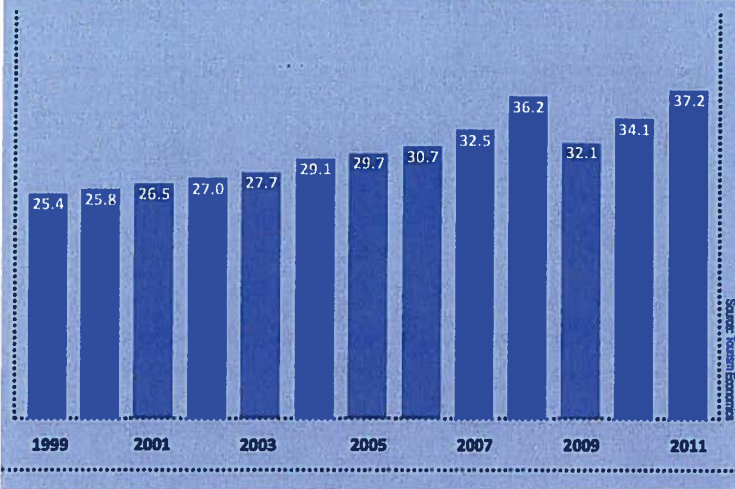
~1 million

visitors annually to PA from overseas markets

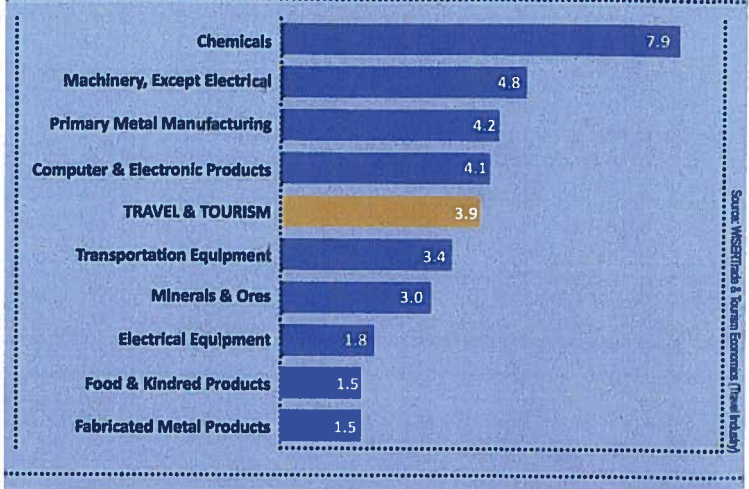
182 million

travelers from throughout the U.S. visit PA each year

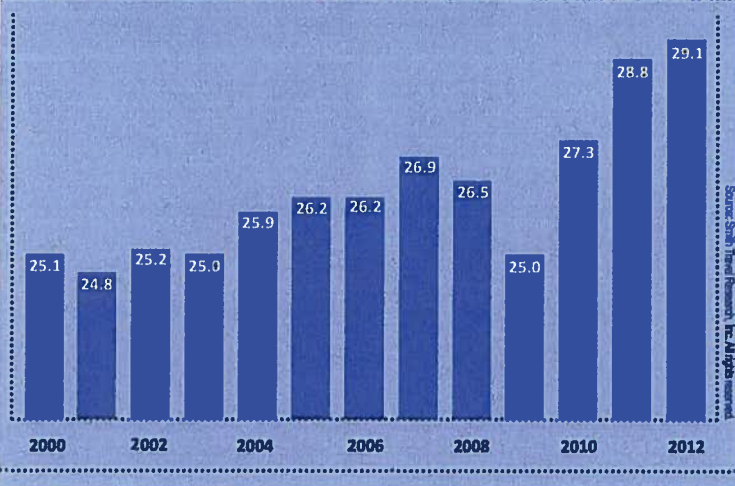
TOTAL PA TRAVELER SPENDING (in \$billions)



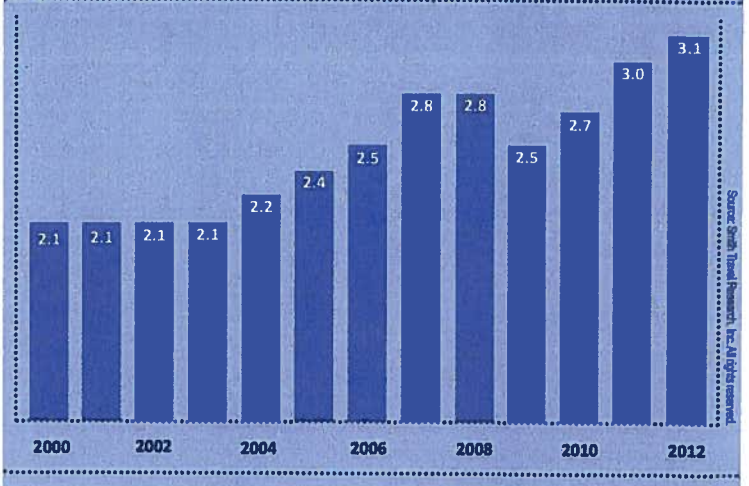
PENNSYLVANIA 2011 EXPORTS (in \$billions)



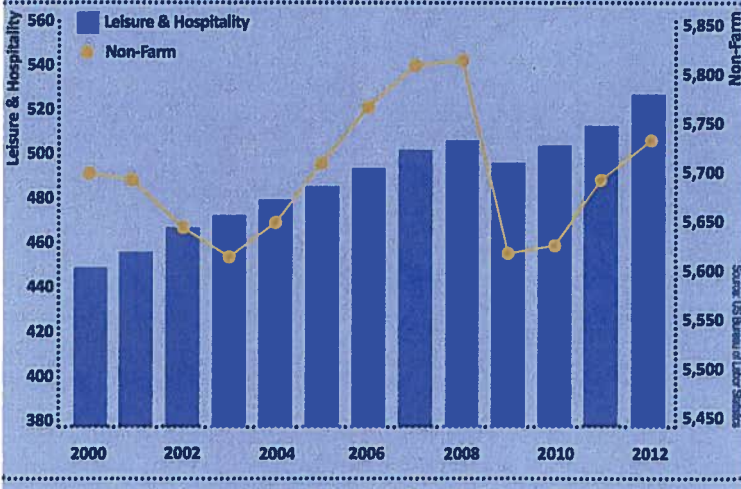
TOTAL HOTEL ROOMS SOLD (in millions)



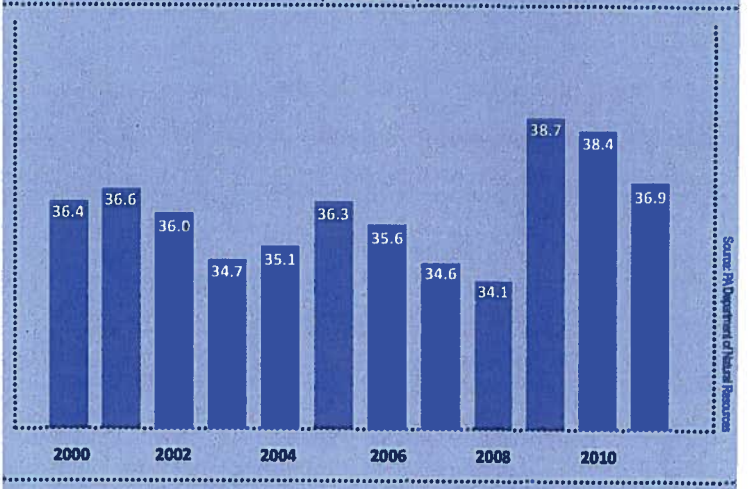
TOTAL HOTEL ROOMS REVENUE (in \$billions)



TOTAL NON-FARM AND LEISURE AND HOSPITALITY JOBS (in thousands)



TOTAL VISITORS TO PENNSYLVANIA STATE PARKS (in millions)



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