

Travel Industry Association of America's

Economic Impact of Travel on Louisiana Parishes

Domestic Traveler Expenditures

1995-2001

PREFACE

This information was collected from the research department of the Travel Industry Association of America (TIA) for the Louisiana Office of Tourism. The tables and graphs provide domestic traveler expenditures in Louisiana, as well as the employment, payroll income, and state and local tax revenue directly generated by these expenditures. The numbers are expressed in current dollars and have not been adjusted for inflation.

GLOSSARY OF TERMS

Tourism- generally avoided in this study, this can be used to refer to pleasure or personal travel, a subset of travel

Travel- the act of taking a "trip"

Traveler- person taking the "trip"

Travel Expenditure- the exchange of money or the promise of money for goods or service while traveling, including any advance purchase of public transportation tickets, lodging or other items normally considered incidental to travel, but which may be purchased in advance of the trip. In addition, certain of the "fixed" or capital costs of owning a motor vehicle (including campers, motor homes, etc.) or a vacation or second home are included as associated with taking a trip.

Generally, expenditures are assumed to take the place at the point where the good or service is bought while traveling. The two exceptions to this rule are that the fixed costs of operating a motor vehicle while on a trip are allocated to the traveler's area of residence, and the "imputed rent" of spending nights in the traveler's own vacation home is allocated to the area visited.

Travel-generated Employment- the number of jobs attributable to travel expenditures in an area.

These estimates of employment follow the "establishment payroll survey definition" rather than the "household survey definition." Consequently, the TEIM

estimates are more closely related to the number of jobs than to the number of employees. For a detailed description of the household and establishment survey differences see Green, Gloria P., "Comparing Employment Estimates from Household and Payroll Surveys," Monthly Labor Review, Volume 92, No. 12, December, 1969.

Travel-generated payroll- this is the payroll, or wage and salary income, attributable to travel expenditures in an area. Payroll includes all forms of compensation, such as salaries, wages, commissions, bonuses, vacations allowances, sick leave pay, and the value of payments in kind (such as free meals and lodgings) paid during the year to all employees. Trips and gratuities received by employees from patrons and reported to employers are included. For corporations, it includes amounts paid to officers and executives; for unincorporated businesses, it does not include profit nor other compensation of proprietors or partners. Payroll is reported before deductions for social security, income tax, insurance, union dues, etc.

Travel-generated tax receipts- these federal, state, and local tax revenues attribute to travel in an area. For a given state locality, all or some of the taxes may apply. "Local" includes county, city, or municipality, and township units of government actually collecting the receipts, and not the level that may end up receiving it through intergovernmental transfers.

State- these receipts include corporate income taxes, individual income taxes, employment taxes, sales and gross receipt taxes, and excise taxes.

Local- these include county and city receipts from individual and corporate income taxes, sales, excise and gross receipts taxes, and property taxes.

Trips- a trip occurs, for the purpose of the model, every time one or more persons goes to a place 50 miles or more, each way, from home in one day, or is out of town one or more nights in paid accommodations, and returns to his/her origin. Specifically excluded from this definition are: (1) travel as part of an operating crew on a train, plane, bus, truck, or ship; (2) commuting to a place of work; (3) student trips to school or those taken while in school.