

The Economic Impact of Tourism in New York

2015 Calendar Year

Adirondacks Focus



**TOURISM
ECONOMICS**

AN OXFORD ECONOMICS COMPANY

State Summary

Key trends in 2015

- New York State's tourism economy expanded in 2015 with 1.0% growth in traveler spending. Excluding purchases of gasoline, which fell due to a nearly 30% fall in fuel prices, traveler spending in New York expanded 3.8% last year.
- Traveler spending reached a new high of \$63.1 billion, which is 19% above the state's pre-recession peak set in 2008. Key industry data illustrate the industry's performance:

Room demand expanded 2.6% in 2015. However, room rates declines slightly by 0.4% equating to a total hotel revenue increase of 2.1% according to STR.

Passenger counts at all NYS airports increased 5.9% in 2015 with an associated ticket revenue increase of 2.8% as fares softened by 3.1%.

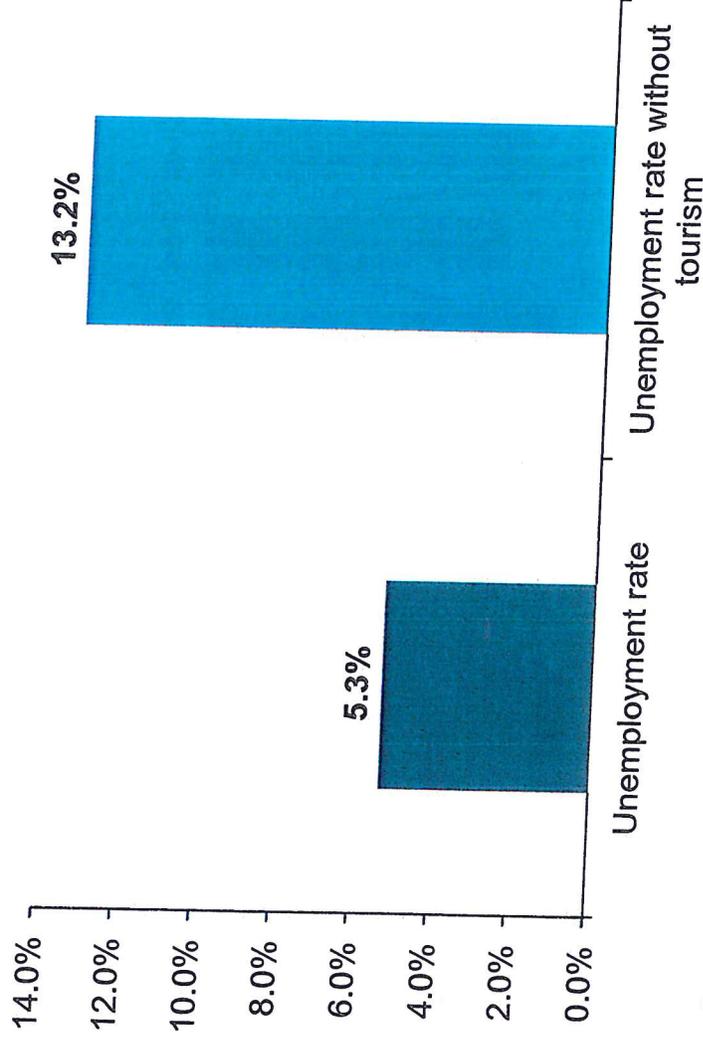
- Direct tourism employment grew 2.2% to reach a new high in 2015 while associated personal income expanded 4.1%. On both of these measures, tourism outpaced the general economy.

Headline results

- Travel & tourism is a substantial and growing component of the New York State economy.
- New York traveler spending grew 1.0% in 2015 to \$63.1 billion.
- This spending generated \$102 billion in total business sales including indirect and induced impacts.
- 764,000 jobs were sustained by tourism activity last year with total income of \$33.1 billion.
- 8.3% (1-in-12) of all New York state employment is sustained by tourism, either directly or indirectly.
- New York State tourism generated \$8.0 billion in state and local taxes in 2015, saving each NYS household an average of \$1,100 in taxes.

Tourism is vital to the NYS labor market

Unemployment Rate in New York State
2015

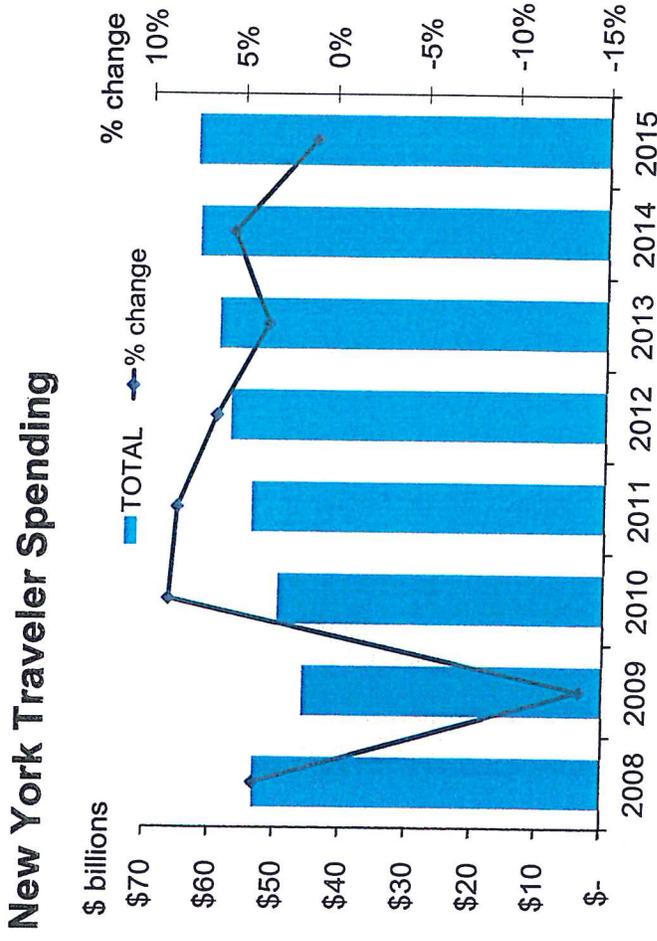


Source: BLS, Tourism Economics

- The unemployment rate in New York State was 5.3% in 2015. If the jobs sustained by travelers were eliminated, the unemployment rate would rise to 13.2%.

Traveler spending growth

- Traveler spending continued to expand in 2015, growing 1.0% after a 5.4% rebound in 2014. Excluding purchases of gasoline, traveler spending in 2014 expanded 3.8% last year.
- As a result, the tourism economy reached another high in 2015, with \$63.1 billion in traveler spending.
- Traveler spending growth has averaged 4.9% per year since the recovery began in 2010 (compound annual growth).

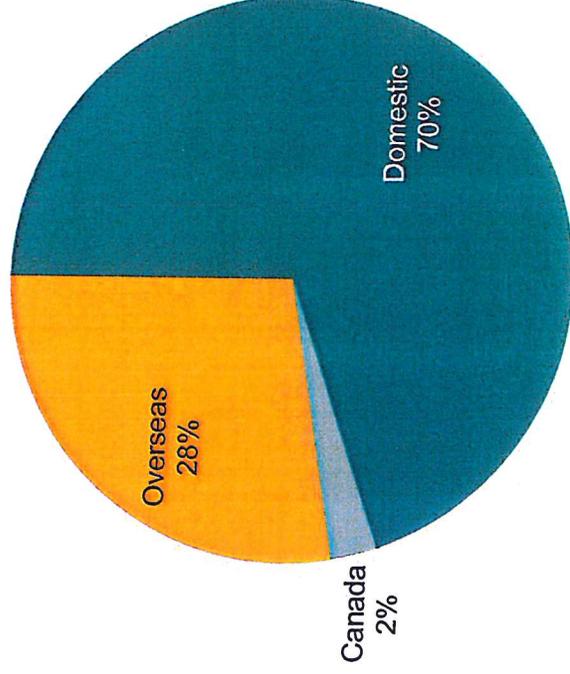


Source: Tourism Economics

New York State tourism markets

- US domestic markets supplied 70% (\$44 bn) of the New York State's traveler spending base in 2015.
- International markets represented 30% (\$19 bn) of the spending base.

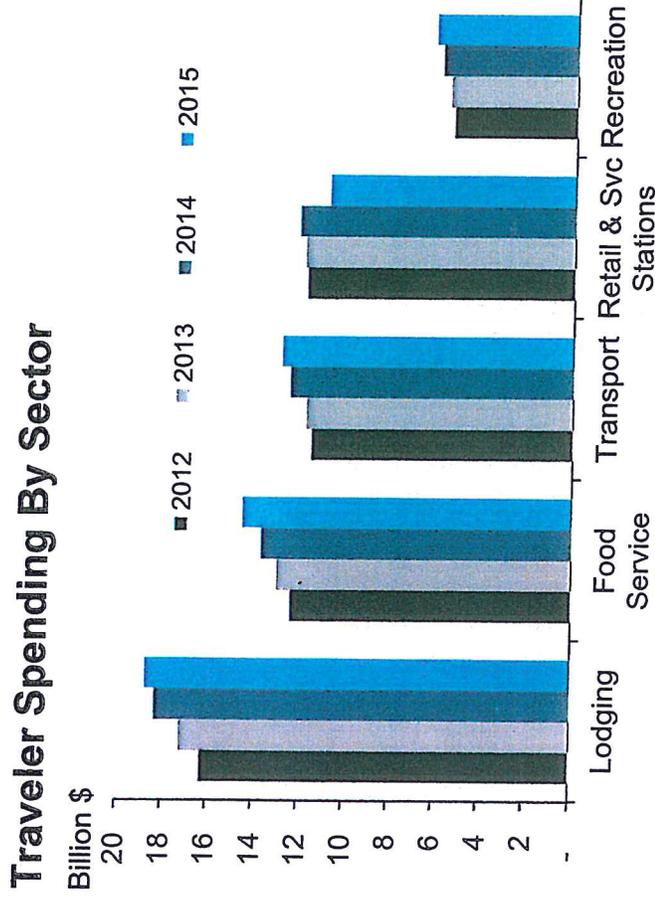
Traveler Spending by Market, 2015



Source: Tourism Economics

Broad-based growth

- Travelers increased their spending across all sectors except service stations in 2015.
- Spending increased the most in the restaurant sector (6%) as both volumes and prices rose.
- Growth was also strong in the recreation (5.5%) sector as day visits expanded at a faster rate than overnight.

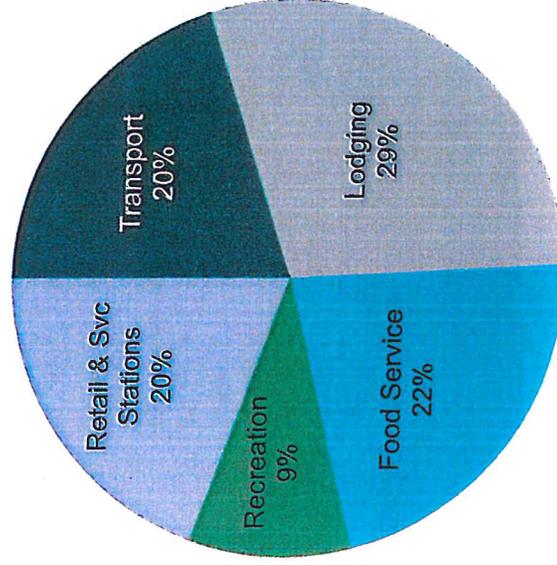


Source: Tourism Economics

Traveler spending distribution

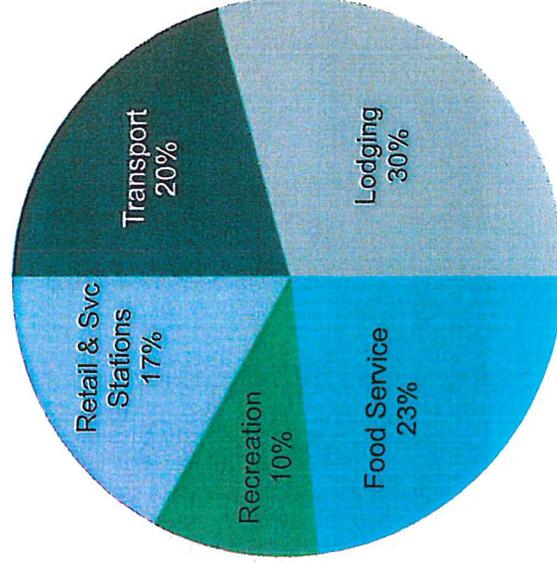
- Traveler spending is diverse and well-distributed across multiple sectors of the economy.
- Lower fuel prices shifted visitor spending toward the recreation, restaurant, and lodging industries in 2015.

Traveler Spending by Sector, 2014



Source: Tourism Economics

Traveler Spending by Sector, 2015



Source: Tourism Economics

Historic traveler spending by sector

| NYS Traveler Spending, millions | | | | | | | |
|---------------------------------|-----------|-----------|--------------|------------|-----------------------|-----------|----------|
| | Transport | Lodging | Food Service | Recreation | Retail & Svc Stations | TOTAL | % change |
| 2005 | \$ 6,453 | \$ 11,575 | \$ 9,663 | \$ 4,259 | \$ 4,615 | \$ 43,431 | 8.6% |
| 2006 | \$ 6,587 | \$ 12,832 | \$ 10,565 | \$ 4,668 | \$ 4,950 | \$ 46,574 | 7.2% |
| 2007 | \$ 7,361 | \$ 14,301 | \$ 11,357 | \$ 5,191 | \$ 5,360 | \$ 51,081 | 9.7% |
| 2008 | \$ 7,610 | \$ 14,710 | \$ 11,492 | \$ 5,336 | \$ 5,462 | \$ 53,108 | 4.0% |
| 2009 | \$ 6,626 | \$ 12,208 | \$ 10,511 | \$ 4,668 | \$ 4,471 | \$ 45,777 | -13.8% |
| 2010 | \$ 10,108 | \$ 13,873 | \$ 11,313 | \$ 4,817 | \$ 9,664 | \$ 49,775 | 8.7% |
| 2011 | \$ 10,875 | \$ 15,155 | \$ 11,806 | \$ 5,019 | \$ 11,055 | \$ 53,910 | 8.3% |
| 2012 | \$ 11,504 | \$ 16,267 | \$ 12,379 | \$ 5,332 | \$ 11,775 | \$ 57,257 | 6.2% |
| 2013 | \$ 11,740 | \$ 17,180 | \$ 12,953 | \$ 5,498 | \$ 11,874 | \$ 59,245 | 3.5% |
| 2014 | \$ 12,473 | \$ 18,292 | \$ 13,676 | \$ 5,863 | \$ 12,152 | \$ 62,456 | 5.4% |
| 2015 | \$ 12,853 | \$ 18,714 | \$ 14,502 | \$ 6,183 | \$ 10,825 | \$ 63,077 | 1.0% |
| 2015 % change | 3.1% | 2.3% | 6.0% | 5.5% | -10.9% | 1.0% | |

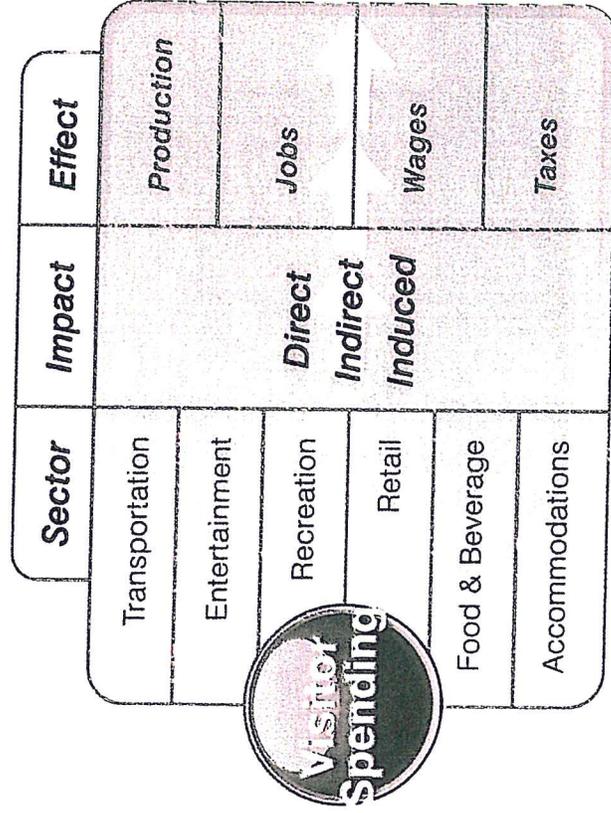
Traveler spending by market

| NYS Traveler Spending by Market | | | | | |
|---------------------------------|-----------|----------|-----------|-----------|--|
| | Domestic | Canada | Overseas | Total | |
| 2010 | \$ 35,075 | \$ 1,304 | \$ 13,396 | \$ 49,775 | |
| 2011 | \$ 37,579 | \$ 1,395 | \$ 14,937 | \$ 53,910 | |
| 2012 | \$ 40,050 | \$ 1,495 | \$ 15,711 | \$ 57,257 | |
| 2013 | \$ 41,030 | \$ 1,554 | \$ 16,661 | \$ 59,245 | |
| 2014 | \$ 43,533 | \$ 1,638 | \$ 17,285 | \$ 62,456 | |
| 2015 | \$ 44,045 | \$ 1,540 | \$ 17,493 | \$ 63,077 | |
| 2010 Growth | 5.8% | 15.2% | 16.7% | 8.7% | |
| 2011 Growth | 7.1% | 7.0% | 11.5% | 8.3% | |
| 2012 Growth | 6.6% | 7.2% | 5.2% | 6.2% | |
| 2013 Growth | 2.4% | 3.9% | 6.0% | 6.2% | |
| 2014 Growth | 6.1% | 5.4% | 3.7% | 5.4% | |
| 2015 Growth | 1.2% | -6.0% | 1.2% | 1.0% | |

- While spending from domestic and overseas markets both grew 1.2%, the Canadian market declined 6% as demand was deterred by the stronger US dollar.

How traveler spending generates impact

- Travelers create direct economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.



- Lastly, the induced impact is generated when employees whose incomes are generated either directly or indirectly by tourism, spend those incomes in the city economy.

Traveler-generated sales

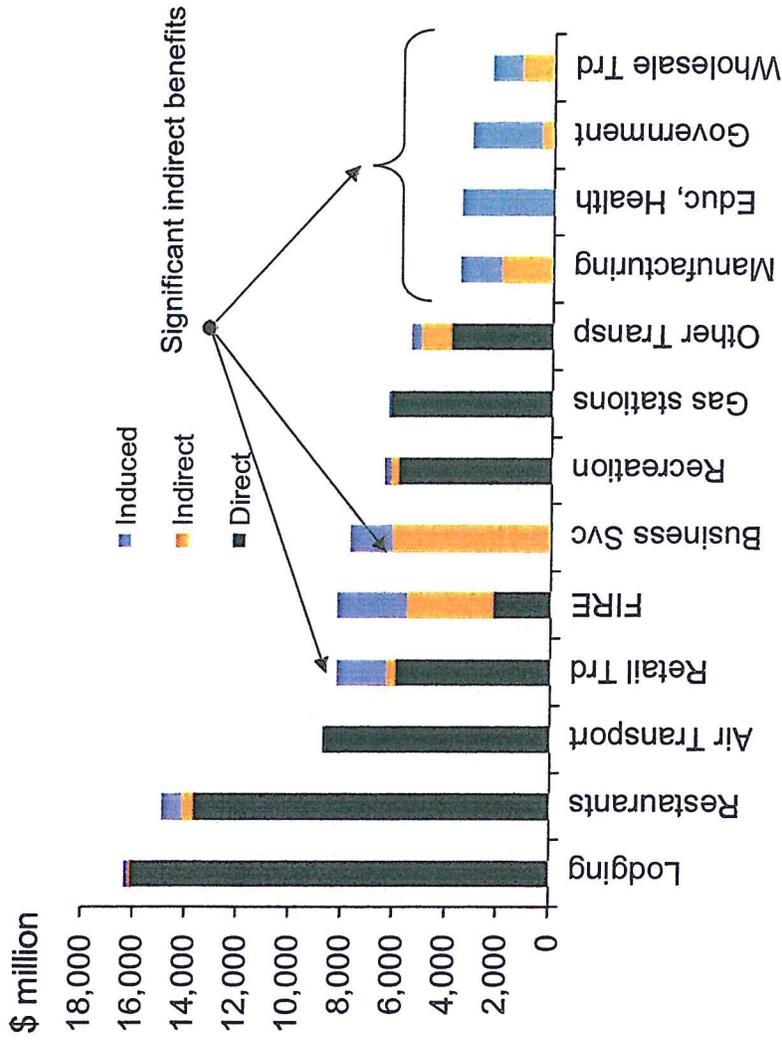
- Including the indirect and induced impacts, traveler spending generated \$102 billion in business sales in 2015, up 1.9%.

| Tourism Sales (Output) (US\$ Million, 2015) | | | | | |
|--|---------------|---------------|---------------|----------------|-------------|
| | Direct* | Indirect | Induced | Total | % change |
| Agriculture, Fishing, Mining | - | 420 | 179 | 600 | 3.4% |
| Construction and Utilities | - | 1,214 | 578 | 1,792 | 3.4% |
| Manufacturing | - | 2,021 | 1,673 | 3,694 | 3.3% |
| Wholesale Trade | - | 1,263 | 1,180 | 2,443 | 3.3% |
| Air Transport | 8,832 | 52 | 66 | 8,950 | 2.8% |
| Other Transport | 4,021 | 1,171 | 404 | 5,597 | 3.5% |
| Retail Trade | 6,187 | 321 | 1,993 | 8,501 | 3.8% |
| Gasoline Stations | 4,638 | 12 | 69 | 4,719 | -24.9% |
| Communications | - | 1,297 | 737 | 2,033 | 3.4% |
| Finance, Insurance and Real Estate | 2,274 | 3,403 | 2,787 | 8,465 | 3.4% |
| Business Services | - | 6,291 | 1,680 | 7,971 | 3.4% |
| Education and Health Care | - | 22 | 3,631 | 3,653 | 3.1% |
| Recreation and Entertainment | 6,183 | 312 | 251 | 6,746 | 5.3% |
| Lodging | 16,440 | 113 | 134 | 16,687 | 2.1% |
| Food & Beverage | 14,502 | 425 | 834 | 15,762 | 5.8% |
| Personal Services | - | 348 | 790 | 1,138 | 3.2% |
| Government | - | 483 | 2,784 | 3,267 | 3.2% |
| TOTAL | 63,077 | 19,168 | 19,772 | 102,017 | 1.9% |
| % change | 1.0% | 3.5% | 3.1% | 1.9% | |

Note: Direct Sales include cost of goods sold for retail and gasoline stations

Traveler-generated sales

Traveler-Generated Sales by Industry



* Direct sales include cost of goods sold for retail

** Air transport includes local airline and airport operations, including sales generated by inbound visitors, plus outbound and transit passengers

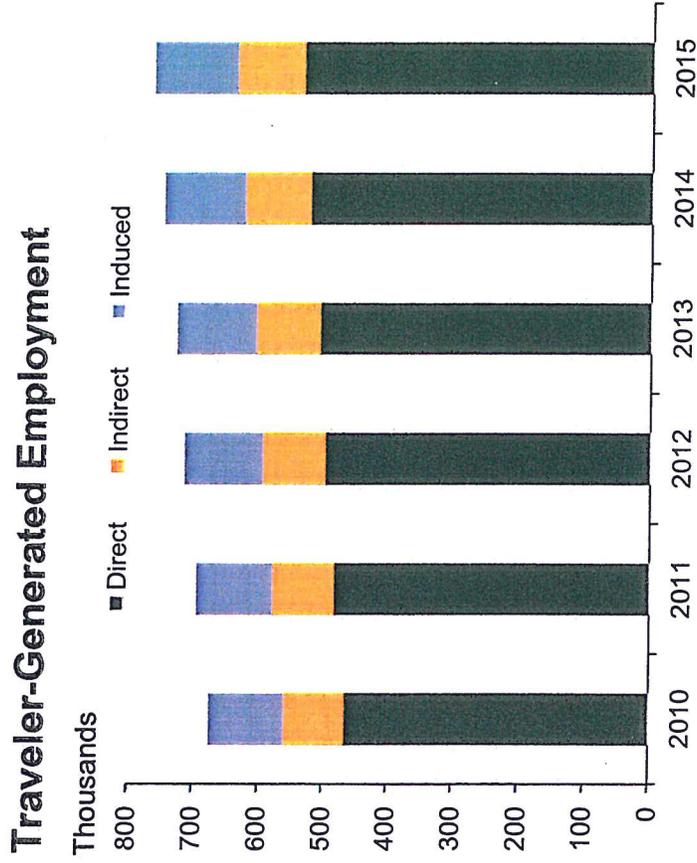
*** FIRE = Finance, Insurance, and Real Estate

Travel-generated employment

| Travel-Generated Employment 2015 | | | | | |
|--|----------------|----------------|----------------|----------------|-------------|
| | Direct | Indirect | Induced | Total | % change |
| Agriculture, Fishing, Mining Construction and Utilities | | 3,650 | 1,607 | 5,257 | 1.8% |
| Manufacturing | | 2,845 | 618 | 3,463 | 1.8% |
| Wholesale Trade | | 5,296 | 3,869 | 9,165 | 1.8% |
| Air Transport | | 5,342 | 5,066 | 10,408 | 1.8% |
| Other Transport | 31,546 | 189 | 246 | 31,981 | 5.2% |
| Retail Trade | 66,577 | 11,934 | 3,585 | 82,096 | 2.6% |
| Gasoline Stations | 25,171 | 3,594 | 22,794 | 51,558 | 1.7% |
| Communications | 12,237 | 131 | 759 | 13,127 | 2.7% |
| Finance, Insurance and Real Estate | 7,779 | 2,918 | 1,358 | 4,275 | 1.8% |
| Business Services | | 10,747 | 8,384 | 26,910 | 1.7% |
| Education and Health Care | | 37,930 | 11,514 | 49,443 | 1.8% |
| Recreation and Entertainment | | 282 | 37,333 | 37,616 | 1.9% |
| Lodging | 75,492 | 4,726 | 3,500 | 83,718 | 1.4% |
| Food & Beverage | 101,916 | 813 | 990 | 103,720 | 0.0% |
| Personal Services | 213,563 | 6,372 | 12,680 | 232,615 | 3.2% |
| Government | | 4,454 | 11,468 | 15,922 | 1.8% |
| TOTAL | 534,281 | 102,961 | 126,830 | 764,072 | 1.8% |
| % change | 2.3% | 1.7% | 1.9% | 2.2% | 2.2% |

- The tourism sector supported 8.3% of payroll employment (1-in-12 jobs) in New York State last year.
- Direct travel-generated employment grew significantly faster (2.3%) than the broader NYS economy (1.7%) in 2015.

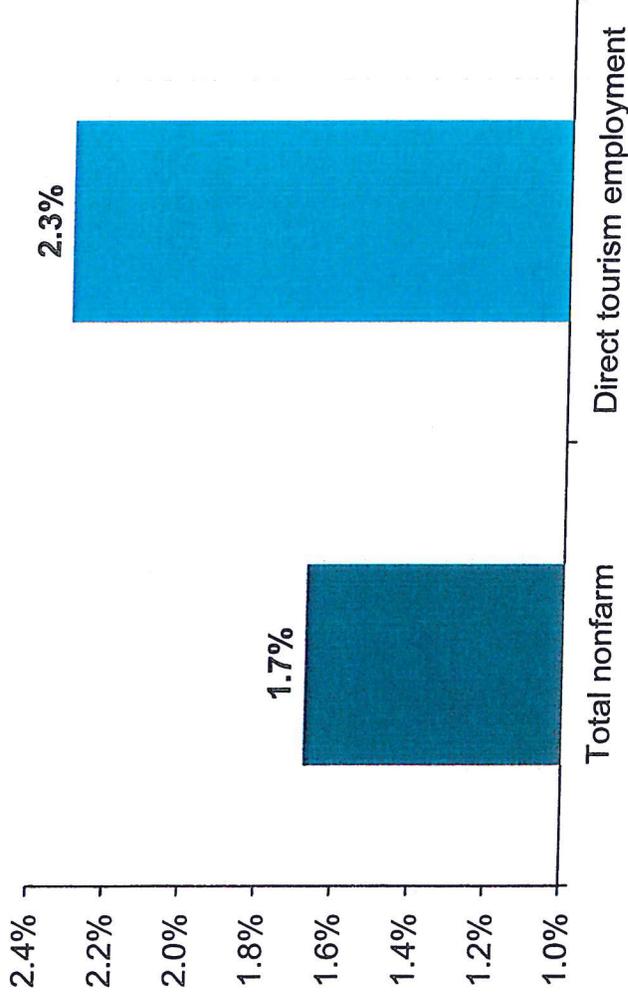
Tourism employment



- In 2007, the tourism sector supported 7.7% of payroll employment and now stands at 8.3% of payroll employment as measured by the US Bureau of Labor Statistics.
- Since 2009, travel-sustained employment has expanded 15.6%.

Tourism employment is leading growth

Employment Growth in 2015



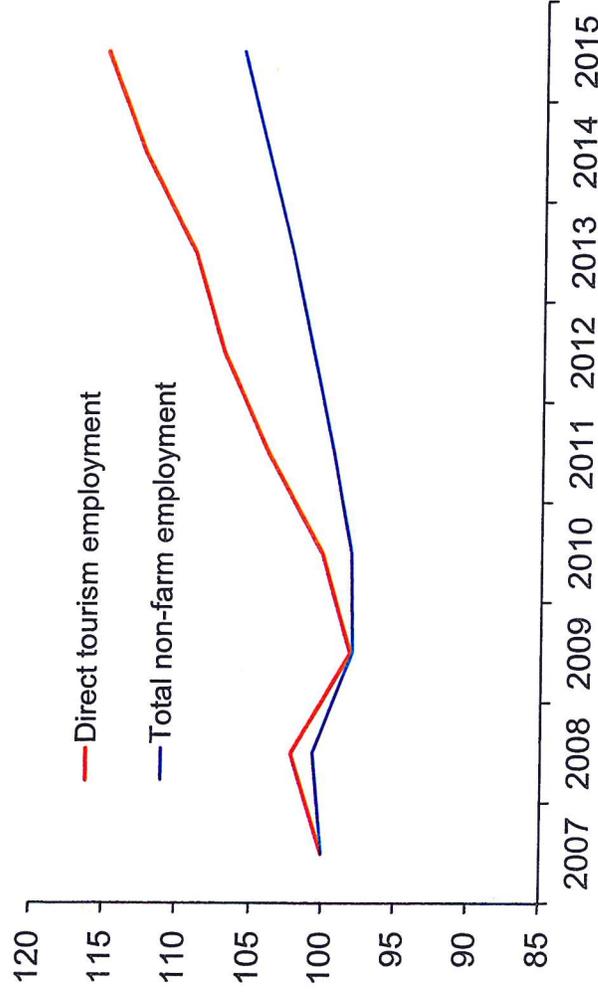
Source: BLS, Tourism Economics

- Direct tourism employment growth outpaced the overall NYS economy with growth of 2.3%.

Tourism is outpacing economy

New York State Employment

2007=100

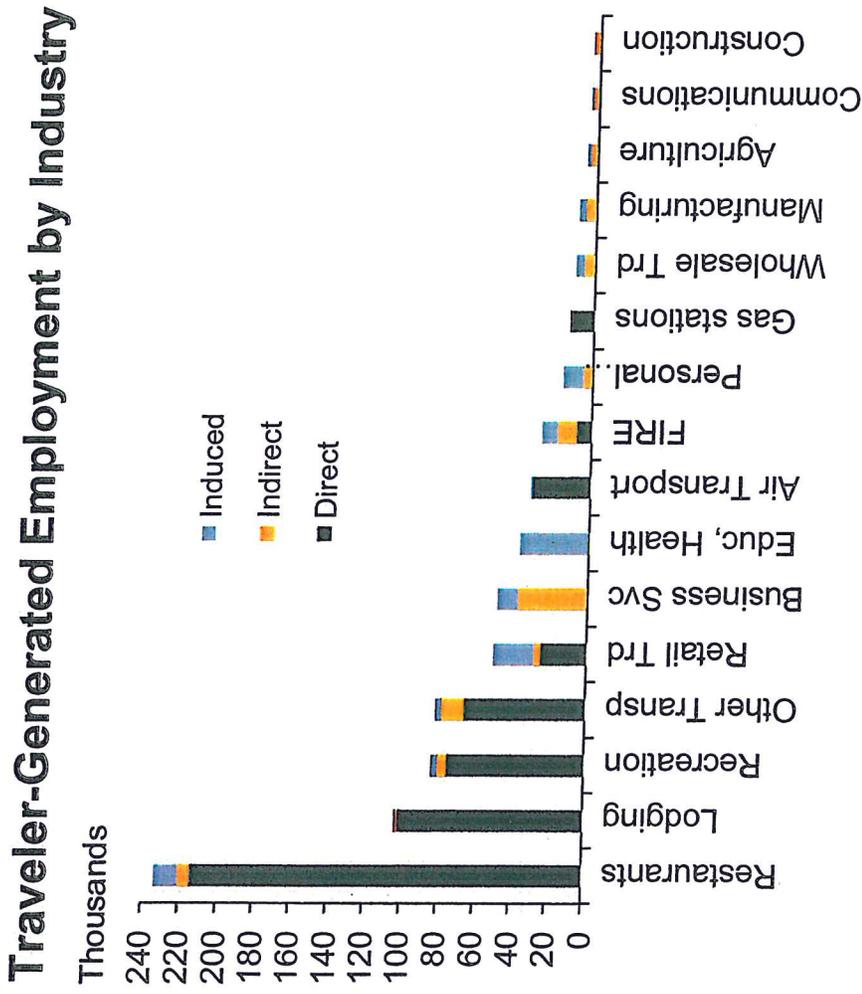


Source: Tourism Economics, BLS

- Direct tourism employment has outpaced the overall NYS labor market consistently since 2010, with tourism employment growing a cumulative 17.3% compared to just 8% for total non-farm employment.

Tourism employment

- As a labor intensive collection of services, tourism-related sectors represent significant employment to New York State.
- The 764,072 jobs sustained by traveler activity span every sector of the economy, either directly or indirectly.



FIRE = Finance, Insurance, and Real Estate

Tourism employment ranking

| Employment Ranking (Private Sector) | | |
|-------------------------------------|------------------------------------|------------------|
| Rank | Industry | 2015 BLS 000s |
| 1 | Health care and social assistance | 1,409 |
| 2 | Professional and business services | 1,264 |
| 3 | Retail trade | 945 |
| 4 | Tourism | 534 |
| 5 | Finance and insurance | 515 |
| 8 | Educational services | 478 |
| 7 | Administrative and waste services | 471 |
| 6 | Manufacturing | 455 |
| 9 | Food services and drinking places* | 425 |
| 11 | Construction | 361 |
| 10 | Wholesale trade | 341 |
| 12 | Transportation and utilities | 285 |
| 13 | Information | 266 |
| 14 | Real estate and rental and leasing | 191 |

* net of direct tourism-generated employment

- Tourism is now the 4th largest employer in New York State on the basis of direct tourism employment.
- The above table compares our estimates of tourism-generated employment with total employment by sector.

Source: Bureau of Labor Statistics, State and Area Employment

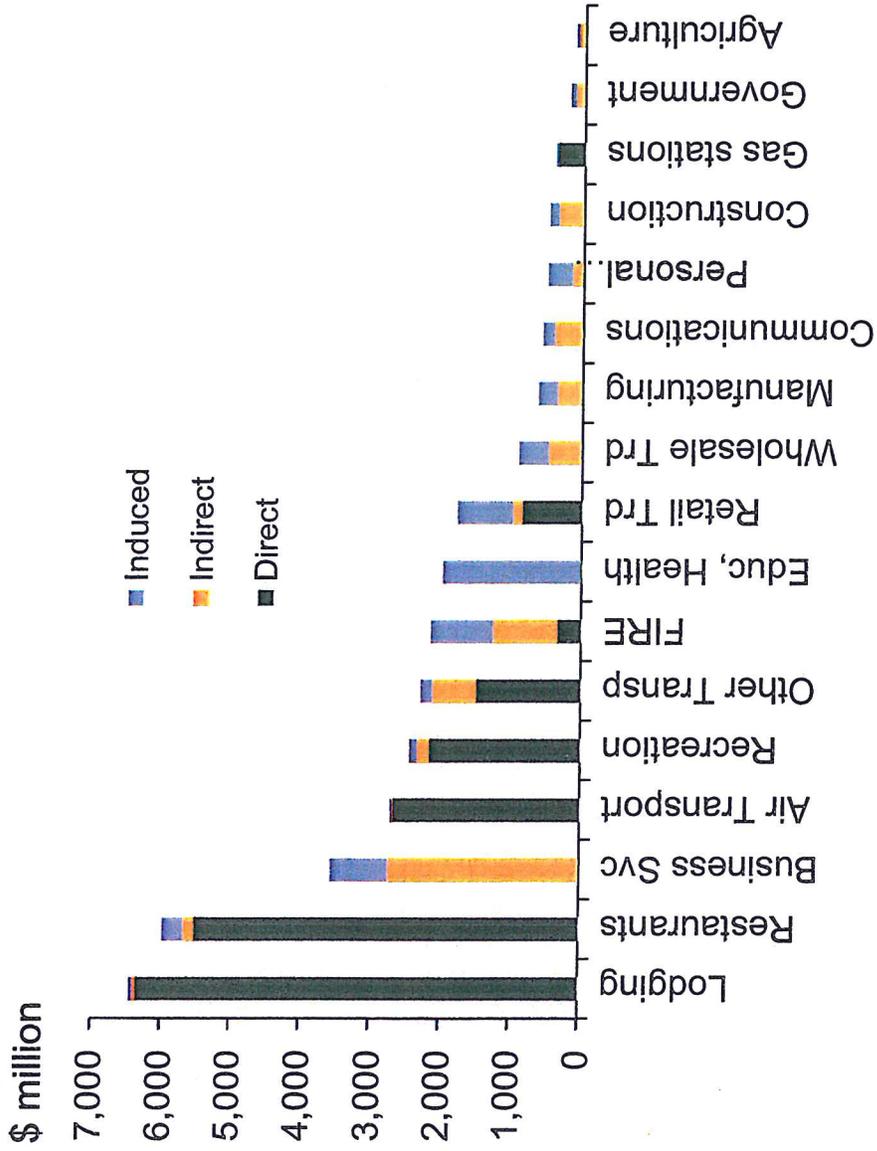
Traveler-generated income

| Tourism Income (Compensation) (US\$ Million, 2015) | | | | | |
|--|---------------|--------------|-----------|---------------|-------------|
| | Direct | Indirect | Induced | Total | % change |
| Agriculture, Fishing, Mining Construction and Utilities | | 78 | 43 | 122 | 4.1% |
| Manufacturing | | 343 | 141 | 484 | 4.1% |
| Wholesale Trade | | 340 | 286 | 627 | 4.1% |
| Air Transport | 2,679 | 463 | 439 | 902 | 4.1% |
| Other Transport | 1,489 | 16 | 21 | 2,715 | 4.6% |
| Retail Trade | 849 | 624 | 172 | 2,285 | 4.4% |
| Gasoline Stations | 377.12 | 127 | 800 | 1,775 | 3.8% |
| Communications | | 4 | 21 | 402 | 4.7% |
| Finance, Insurance and Real Estate | | 387 | 181 | 568 | 4.1% |
| Business Services | 323 | 925 | 901 | 2,148 | 4.0% |
| Education and Health Care | | 2,739 | 821 | 3,560 | 4.0% |
| Recreation and Entertainment | | 12 | 1,974 | 1,986 | 4.1% |
| Lodging | 2,154 | 170 | 115 | 2,439 | 4.9% |
| Food & Beverage | 6,351 | 41 | 47 | 6,439 | 2.6% |
| Personal Services | 5,515 | 152 | 303 | 5,970 | 5.0% |
| Government | | 146 | 357 | 504 | 4.1% |
| TOTAL | 19,736 | 6,692 | 73 | 33,124 | 4.1% |
| % change | 4.1% | 4.0% | 4.1% | 4.1% | 4.1% |

- Tourism-generated income grew 4.1% as a function of both employment growth and pay increases, reaching \$33.1 billion in 2015.

Traveler-generated income

Traveler-Generated Income by Industry



FIRE = Finance, Insurance, and Real Estate

Tourism tax generation

| Travel-Generated Taxes (US\$ Million, 2015) | | Total |
|---|--|-----------------|
| Federal Taxes | | 8,543.8 |
| Corporate | | 1,474.4 |
| Indirect Business | | 662.1 |
| Personal Income | | 3,026.1 |
| Social Security | | 3,381.3 |
| State and Local Taxes | | 8,001.4 |
| Corporate | | 1,570.3 |
| Personal Income | | 1,308.5 |
| Sales | | 2,399.4 |
| Property | | 2,285.4 |
| Excise and Fees | | 315.8 |
| State Unemployment | | 122.1 |
| TOTAL | | 16,545.2 |
| % change | | 2.9% |

- Tourism generated \$16.5 billion in taxes in 2015, growing 2.9%.
- Total state and local tax proceeds of \$8 billion saved the state's households an average of \$1,100 in tax burden.

Tourism tax generation: State vs. Local

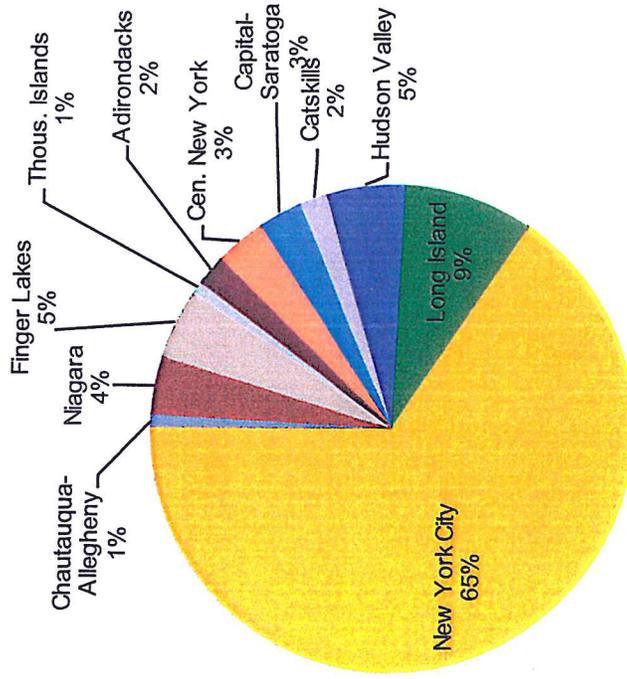
| Travel-Generated Taxes (US\$ Million) | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Tax Type | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| State Tax Subtotal | <u>2,784.3</u> | <u>2,974.8</u> | <u>3,142.3</u> | <u>3,247.5</u> | <u>3,409.4</u> | <u>3,498.1</u> |
| Corporate | 535.2 | 574.3 | 609.0 | 630.1 | 661.8 | 674.1 |
| Personal Income | 857.38 | 908.6 | 950.7 | 980.2 | 1,028.3 | 1,070.1 |
| Sales | 1,143.09 | 1,226.5 | 1,300.6 | 1,345.7 | 1,413.3 | 1,439.6 |
| Property | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Excise and Fees | 150.83 | 161.8 | 173.6 | 179.7 | 188.7 | 192.2 |
| State Unemployment | 97.8 | 103.6 | 108.4 | 111.8 | 117.3 | 122.1 |
| Local Tax Subtotal | <u>3,710.9</u> | <u>3,905.1</u> | <u>4,095.6</u> | <u>4,222.4</u> | <u>4,419.3</u> | <u>4,503.3</u> |
| Corporate | 711.6 | 763.5 | 809.6 | 837.7 | 879.8 | 896.2 |
| Personal Income | 191.0 | 202.4 | 211.8 | 218.4 | 229.1 | 238.4 |
| Sales | 762.1 | 817.6 | 867.0 | 897.1 | 942.2 | 959.8 |
| Property | 1,949.2 | 2,017.5 | 2,095.5 | 2,153.6 | 2,246.8 | 2,285.4 |
| Excise and Fees | 97.0 | 104.1 | 111.7 | 115.6 | 121.4 | 123.6 |
| State Unemployment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

- Tourism generated \$3.5 billion in state taxes in 2015.
- Tourism generated \$4.5 billion in local taxes in 2015.

Regional Summary

Traveler spending by region

Traveler Spending, 2015

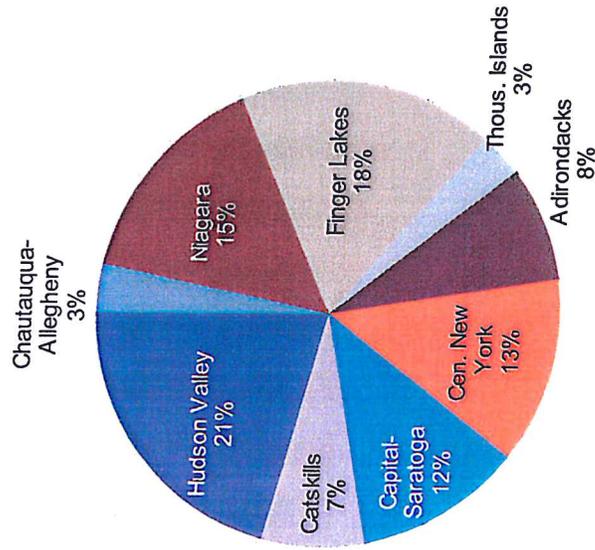


- New York State is divided into 11 economic regions.
- New York City is the largest single tourism region with 65% of state visitor spend.
- New York City, Long Island and Hudson Valley together comprise nearly 80% of New York State traveler spend.

Upstate traveler spending by region

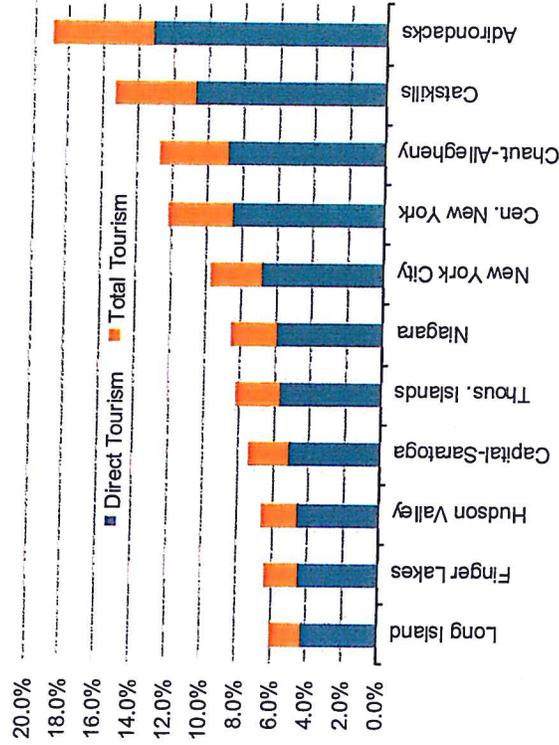
Upstate Traveler Spending, 2015

- Traveler spending is more evenly distributed across the upstate (excluding NYC and Long Island) regions of New York.



Reliance on tourism

Tourism Share of Regional Employment in 2015

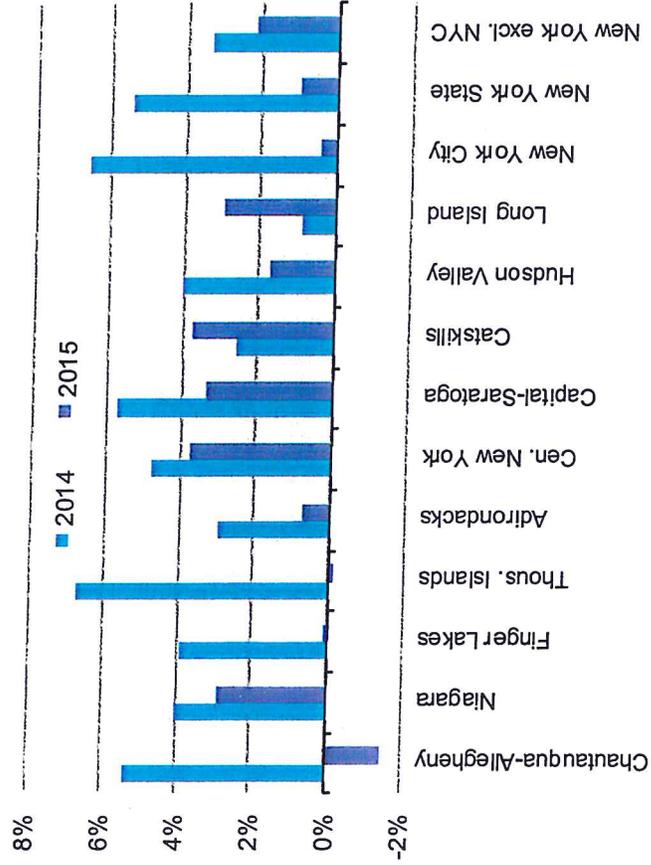


- Tourism is an integral part of every region's economy, generating from 6% to 19% of employment.
- Tourism is most important to the Adirondacks and Catskills, generating 19% and 15% of total employment, respectively.

Note: All regional and county tourism shares are calculated using QCEW (ES-202) employment and wage totals as produced by the NYS Dept. of Labor.

Traveler spending growth

Growth in Traveler Spending



- Traveler spending rose across most regions of the state last year.
- The strongest gains were experienced by Central New York, Catskills, and Capital-Saratoga.
- For most regions, growth slowed in 2015 as room demand softened along with hotel room rates. Lower gas prices also reduced overall spending by travelers in New York.

Regional growth

Traveler Spend Year-Over-Year Comparison

| Traveler Spend '000s | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015 / 2014 % |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1. Chautauqua-Allegheeny | \$ 463,181 | \$ 492,598 | \$ 497,549 | \$ 519,918 | \$ 547,646 | \$ 539,443 | -1.5% |
| 2. Greater Niagara | \$ 1,955,008 | \$ 2,122,491 | \$ 2,232,241 | \$ 2,283,154 | \$ 2,375,014 | \$ 2,443,851 | 2.9% |
| 3. Finger Lakes | \$ 2,561,784 | \$ 2,714,389 | \$ 2,767,948 | \$ 2,810,302 | \$ 2,919,091 | \$ 2,919,162 | 0.0% |
| 4. Thousand Islands | \$ 431,002 | \$ 455,931 | \$ 480,591 | \$ 466,760 | \$ 498,032 | \$ 497,218 | -0.2% |
| 5. Adirondacks | \$ 1,136,482 | \$ 1,185,516 | \$ 1,231,718 | \$ 1,258,061 | \$ 1,295,259 | \$ 1,303,957 | 0.7% |
| 6. Central New York | \$ 1,705,158 | \$ 1,829,583 | \$ 1,921,589 | \$ 1,925,178 | \$ 2,015,944 | \$ 2,091,433 | 3.7% |
| 7. Capital-Saratoga | \$ 1,525,253 | \$ 1,628,710 | \$ 1,689,826 | \$ 1,722,114 | \$ 1,820,582 | \$ 1,881,026 | 3.3% |
| 8. Catskills | \$ 997,153 | \$ 1,029,949 | \$ 1,070,983 | \$ 1,100,551 | \$ 1,128,817 | \$ 1,171,177 | 3.8% |
| 9. Hudson Valley | \$ 2,864,271 | \$ 3,066,304 | \$ 3,154,900 | \$ 3,190,823 | \$ 3,318,442 | \$ 3,375,348 | 1.7% |
| 10. Long Island | \$ 4,600,685 | \$ 4,835,602 | \$ 5,140,592 | \$ 5,280,732 | \$ 5,326,343 | \$ 5,483,672 | 3.0% |
| 11. New York City | \$ 31,535,008 | \$ 34,549,067 | \$ 37,069,055 | \$ 38,687,493 | \$ 41,209,799 | \$ 41,370,025 | 0.4% |
| TOTAL | \$ 49,774,984 | \$ 53,910,138 | \$ 57,256,992 | \$ 59,245,086 | \$ 62,454,969 | \$ 63,076,313 | 1.0% |

Regional tourism summary (2015)

Tourism Economic Impact Combined Direct, Indirect, and Induced

| Tourism Economic Impact | Direct Sales, '000s | Labor Income, '000s | Employment, Persons | Local Taxes, '000s | State Taxes, '000s |
|-------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|
| 1. Chautauqua-Allegheny | \$ 539,443 | \$ 240,833 | 11,815 | \$ 36,851 | \$ 29,916 |
| 2. Greater Niagara | \$ 2,443,851 | \$ 1,329,849 | 49,784 | \$ 166,368 | \$ 135,528 |
| 3. Finger Lakes | \$ 2,919,162 | \$ 1,449,801 | 59,293 | \$ 213,919 | \$ 161,887 |
| 4. Thousand Islands | \$ 497,218 | \$ 214,487 | 9,008 | \$ 32,730 | \$ 27,574 |
| 5. Adirondacks | \$ 1,303,957 | \$ 612,035 | 21,172 | \$ 90,435 | \$ 72,313 |
| 6. Central New York | \$ 2,091,433 | \$ 1,111,851 | 35,986 | \$ 133,546 | \$ 115,984 |
| 7. Capital-Saratoga | \$ 1,881,026 | \$ 966,431 | 33,760 | \$ 129,649 | \$ 104,316 |
| 8. Catskills | \$ 1,171,177 | \$ 524,158 | 17,379 | \$ 78,592 | \$ 64,950 |
| 9. Hudson Valley | \$ 3,375,348 | \$ 1,838,971 | 54,469 | \$ 224,530 | \$ 187,186 |
| 10. Long Island | \$ 5,483,672 | \$ 2,881,689 | 76,387 | \$ 372,323 | \$ 304,107 |
| 11. New York City | \$ 41,370,025 | \$ 21,953,737 | 395,020 | \$ 3,024,363 | \$ 2,294,250 |
| TOTAL | \$ 63,076,313 | \$ 33,123,841 | 764,072 | \$ 4,503,306 | \$ 3,498,012 |

Regional tourism impact distribution (2015)

Tourism Economic Impact Regional Shares

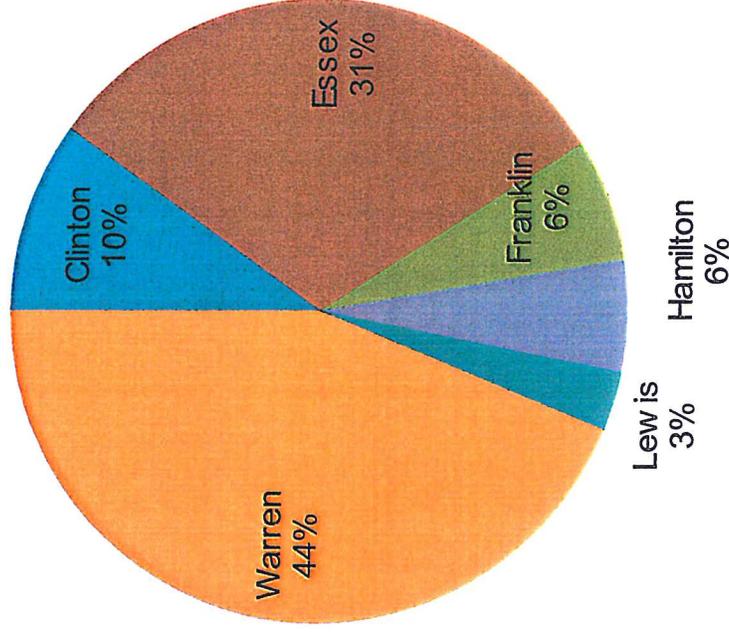
| Tourism Distribution | Sales | Labor Income | Employment | Local Taxes | State Taxes |
|-------------------------|-------------|--------------|-------------|-------------|-------------|
| 1. Chautauqua-Allegheny | 1% | 1% | 2% | 1% | 1% |
| 2. Greater Niagara | 4% | 4% | 7% | 4% | 4% |
| 3. Finger Lakes | 5% | 4% | 8% | 5% | 5% |
| 4. Thousand Islands | 1% | 1% | 1% | 1% | 1% |
| 5. Adirondacks | 2% | 2% | 3% | 2% | 2% |
| 6. Central New York | 3% | 3% | 5% | 3% | 3% |
| 7. Capital-Saratoga | 3% | 3% | 4% | 3% | 3% |
| 8. Catskills | 2% | 2% | 2% | 2% | 2% |
| 9. Hudson Valley | 5% | 6% | 7% | 5% | 5% |
| 10. Long Island | 9% | 9% | 10% | 8% | 9% |
| 11. New York City | 66% | 67% | 51% | 67% | 66% |
| TOTAL | 100% | 100% | 100% | 100% | 100% |

Regional Detail for The Adirondacks

Adirondacks, county distribution

- Tourism in the Adirondacks region is a \$1.3 billion industry, supporting 21,172 jobs.
- Warren County represents 44% of the region's tourism sales with \$571 million in direct tourism spending.
- Direct traveler spending in the region rose 0.7% in 2015.

Traveler Spending



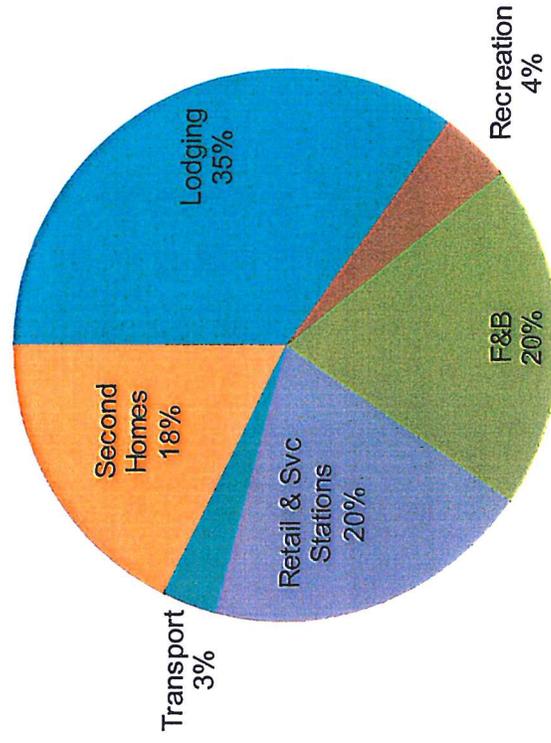
Adirondacks, total tourism impact

| Total Tourism Impact, 2015 | Traveler Spend '000 | Labor Income, '000 | Employment | Local Taxes '000 | State Taxes '000 |
|----------------------------|---------------------|--------------------|---------------|------------------|------------------|
| Clinton | \$128,658 | \$63,315 | 2,615 | \$8,611 | \$7,135 |
| Essex | \$406,087 | \$196,233 | 6,252 | \$28,394 | \$22,520 |
| Franklin | \$82,680 | \$36,839 | 1,649 | \$5,389 | \$4,585 |
| Hamilton | \$75,688 | \$27,023 | 902 | \$4,785 | \$4,197 |
| Lewis | \$39,958 | \$13,640 | 575 | \$3,067 | \$2,216 |
| Warren | \$570,886 | \$274,985 | 9,179 | \$40,189 | \$31,660 |
| TOTAL | \$1,303,957 | \$612,035 | 21,172 | \$90,435 | \$72,313 |

Adirondacks, traveler spending

- Travelers spent \$1.3 billion in the Adirondacks in 2015 across a diverse range of sectors.
- Spending on lodging and food & beverages comprised 35% and 20% of the total, respectively.
- Seasonal second homes also generate significant economic activity in the region, tallying \$236 million.

Traveler Spending



Adirondacks, traveler spending

| 2015 Traveler Spend '000s | Lodging | Recreation | F&B | Retail & Svc Stations | Transport | Second Homes | Total |
|------------------------------|------------------|-----------------|------------------|--------------------------|-----------------|------------------|--------------------|
| Clinton | \$35,152 | \$3,998 | \$33,236 | \$20,755 | \$19,401 | \$16,116 | \$128,658 |
| Essex | \$161,647 | \$32,398 | \$78,582 | \$76,578 | \$5,398 | \$51,483 | \$406,087 |
| Franklin | \$14,409 | \$5,117 | \$21,448 | \$12,644 | \$97 | \$28,964 | \$82,680 |
| Hamilton | \$14,805 | \$2,387 | \$7,632 | \$6,950 | \$403 | \$43,511 | \$75,688 |
| Lewis | \$3,858 | \$421 | \$4,615 | \$2,937 | \$0 | \$28,126 | \$39,958 |
| Warren | \$236,665 | \$13,638 | \$131,074 | \$105,246 | \$16,610 | \$67,653 | \$570,886 |
| TOTAL | \$466,537 | \$57,960 | \$276,588 | \$225,109 | \$41,909 | \$235,854 | \$1,303,957 |

Regional growth

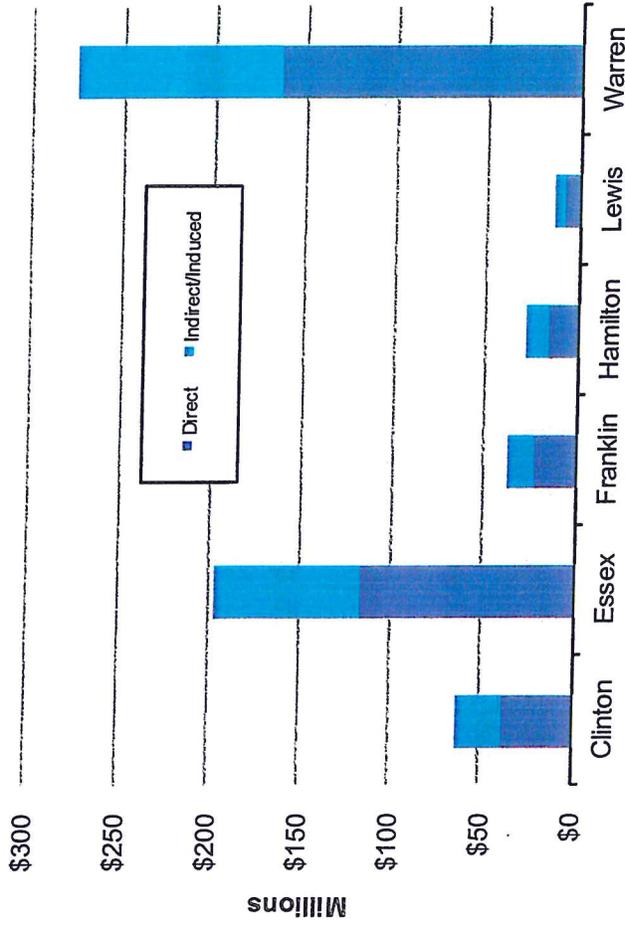
| Traveler Spend '000s | 2013 | 2014 | 2015 | 2015 / 2014 % |
|----------------------|---------------------|---------------------|---------------------|---------------|
| Clinton | \$ 128,231 | \$ 131,161 | \$ 128,658 | -1.9% |
| Essex | \$ 393,843 | \$ 408,122 | \$ 406,087 | -0.5% |
| Franklin | \$ 89,645 | \$ 83,657 | \$ 82,680 | -1.2% |
| Hamilton | \$ 69,672 | \$ 75,007 | \$ 75,688 | 0.9% |
| Lewis | \$ 40,263 | \$ 40,591 | \$ 39,958 | -1.6% |
| Warren | \$ 536,407 | \$ 556,720 | \$ 570,886 | 2.5% |
| TOTAL | \$ 1,258,061 | \$ 1,295,259 | \$ 1,303,957 | 0.7% |

| State Taxes, \$ | 2013 | 2014 | 2015 | 2015 / 2014 % |
|-----------------|----------------------|-------------------|-------------------|---------------|
| Clinton | \$ 6,806,643 | 7,159,871 | 7,134,950 | -0.3% |
| Essex | \$ 21,788,123 | 22,278,689 | 22,520,305 | 1.1% |
| Franklin | \$ 4,936,239 | 4,566,684 | 4,585,163 | 0.4% |
| Hamilton | \$ 3,819,019 | 4,094,524 | 4,197,420 | 2.5% |
| Lewis | \$ 2,207,006 | 2,215,802 | 2,215,957 | 0.0% |
| Warren | \$ 29,402,826 | 30,390,359 | 31,659,550 | 4.2% |
| TOTAL | \$ 68,959,856 | 70,705,929 | 72,313,344 | 2.3% |

| Local Taxes, \$ | 2013 | 2014 | 2015 | 2015 / 2014 % |
|-----------------|----------------------|-------------------|-------------------|---------------|
| Clinton | \$ 8,654,398 | 8,708,593 | 8,611,155 | -1.1% |
| Essex | \$ 27,516,447 | 28,258,427 | 28,394,296 | 0.5% |
| Franklin | \$ 5,834,966 | 5,426,142 | 5,388,813 | -0.7% |
| Hamilton | \$ 4,481,084 | 4,714,544 | 4,784,786 | 1.5% |
| Lewis | \$ 3,016,758 | 3,102,073 | 3,067,158 | -1.1% |
| Warren | \$ 37,383,707 | 38,759,354 | 40,188,964 | 3.7% |
| TOTAL | \$ 86,887,360 | 88,969,132 | 90,435,172 | 1.6% |

Adirondacks, labor income

Tourism-Generated Labor Income

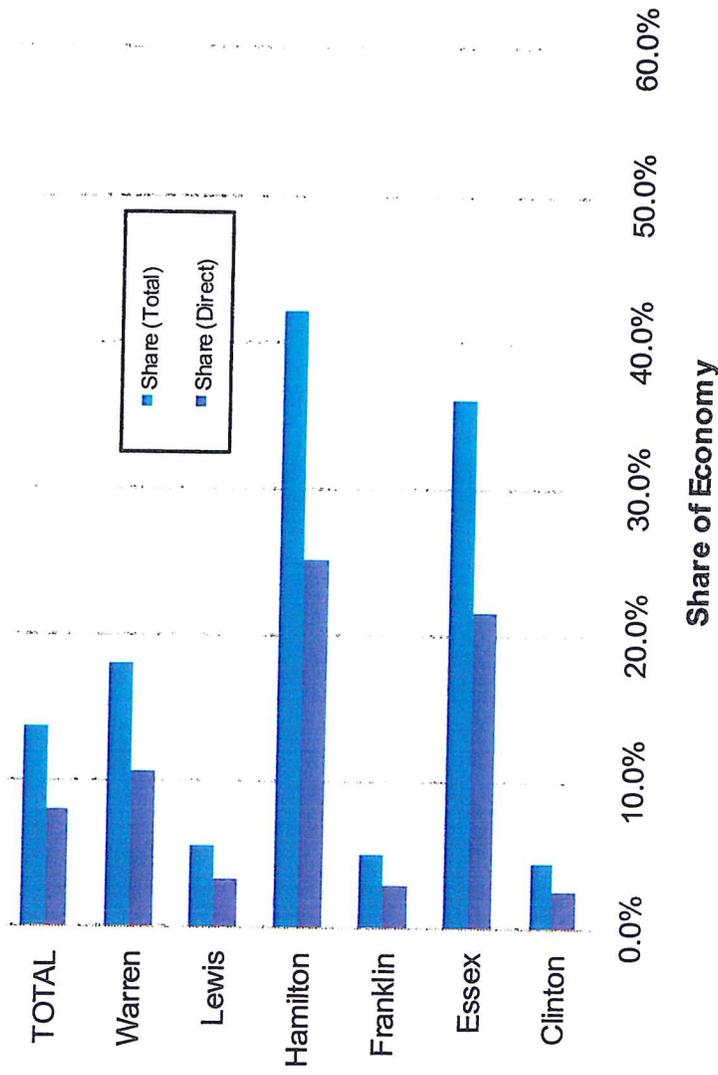


- Tourism in the Adirondacks region generated \$365 million in direct labor income and \$612 million including indirect and induced impacts.
- Tourism is most significant in Warren County, generating \$275 million in labor income.

Adirondacks, labor income

- 13.7% of all labor income in the Adirondacks region is generated by tourism.
- Hamilton County is the most dependent upon tourism with 42.2% of all labor income generated by visitors.
- Tourism in Essex County generated 36.2% of all labor income last year.

**Tourism-Generated Labor Income
Share of Economy, 2015**



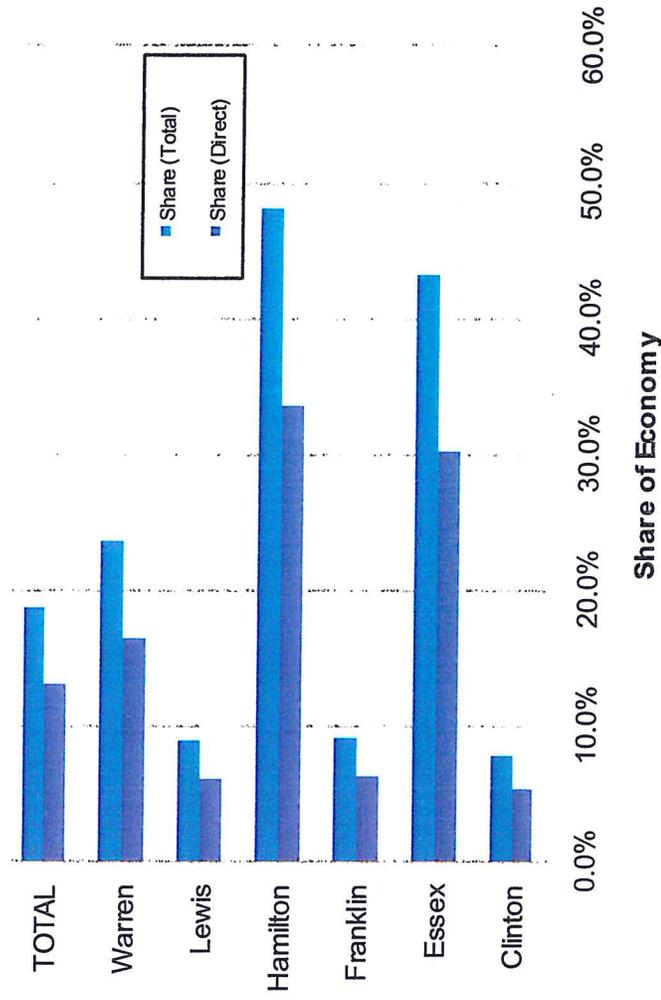
Adirondacks, labor income

| 2015 Tourism Labor Income, '000 | Direct | Total (Direct, indir., induced) | Share (Direct) | Share (Total) |
|---------------------------------|------------------|---------------------------------|----------------|---------------|
| Clinton | \$37,725 | \$63,315 | 2.7% | 4.6% |
| Essex | \$116,921 | \$196,233 | 21.6% | 36.2% |
| Franklin | \$21,950 | \$36,839 | 3.1% | 5.2% |
| Hamilton | \$16,101 | \$27,023 | 25.1% | 42.2% |
| Lewis | \$8,127 | \$13,640 | 3.4% | 5.7% |
| Warren | \$163,844 | \$274,985 | 10.7% | 18.0% |
| TOTAL | \$364,667 | \$612,035 | 8.2% | 13.7% |

Adirondacks, tourism employment

- 18.9% of all employment in the Adirondacks region is generated by tourism.
- Hamilton County is again the most dependent upon tourism with 48.1% of all employment sustained by visitors.

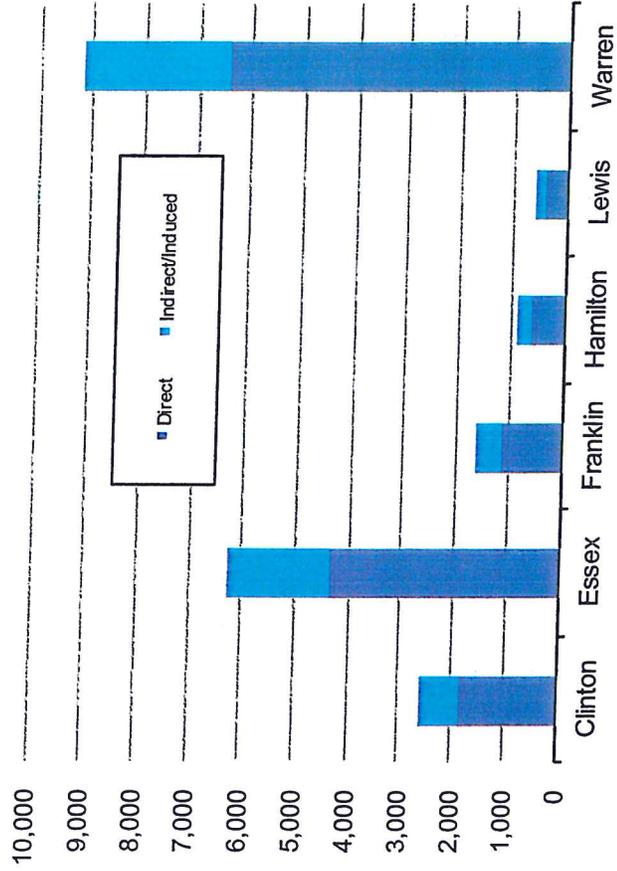
Tourism-Generated Employment
Share of Economy, 2015



Adirondacks, tourism employment

Tourism-Generated Employment, 2015

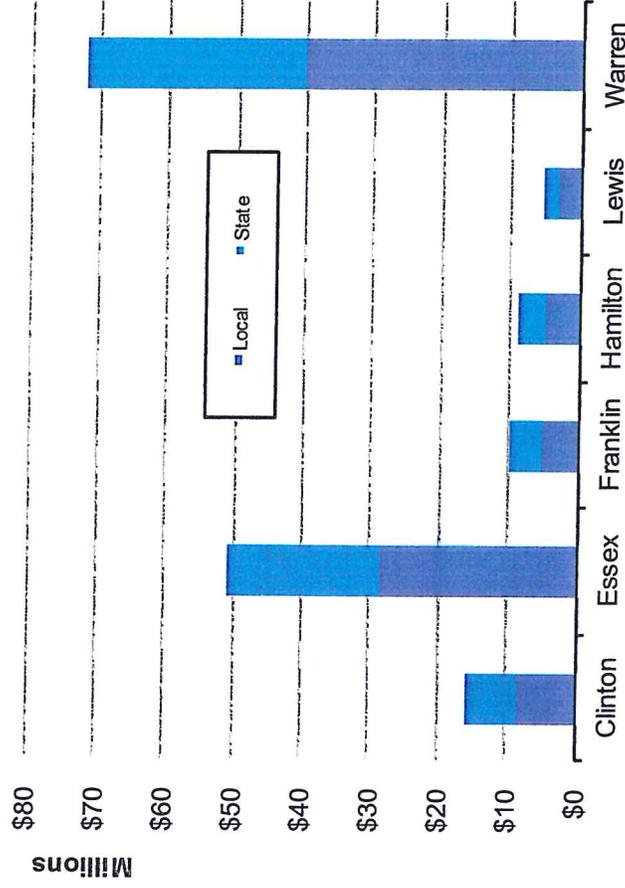
| 2015 Tourism Employment | Direct | Total (Direct, Ind., Induced) | Share (Direct) | Share (Total) |
|-------------------------|---------------|-------------------------------|----------------|---------------|
| Clinton | 1,828 | 2,615 | 5.5% | 7.9% |
| Essex | 4,372 | 6,252 | 30.2% | 43.2% |
| Franklin | 1,153 | 1,649 | 6.5% | 9.2% |
| Hamilton | 631 | 902 | 33.7% | 48.1% |
| Lewis | 402 | 575 | 6.3% | 9.0% |
| Warren | 6,418 | 9,179 | 16.6% | 23.8% |
| TOTAL | 14,805 | 21,172 | 13.2% | 18.9% |



Adirondacks, tourism taxes

- Tourism in the Adirondacks generated more than \$162 million in state and local taxes in 2015
- Sales, property, and hotel bed taxes contributed \$90 million in local taxes.
- Warren County produced 44.1% of the region's tourism tax base.

Tourism-Generated Taxes, 2015



Adirondacks, tourism taxes

| Tourism-Generated Taxes, 2015 | Local Taxes | State Taxes | Total | Region Share | Tax Savings per Household |
|-------------------------------|---------------------|---------------------|--------------------|---------------|---------------------------|
| Clinton | \$8,611,155 | \$7,134,950 | 15,746,105 | 9.7% | \$499 |
| Essex | \$28,394,296 | \$22,520,305 | 50,914,601 | 31.3% | \$3,169 |
| Franklin | \$5,388,813 | \$4,585,163 | 9,973,976 | 6.1% | \$527 |
| Hamilton | \$4,784,786 | \$4,197,420 | 8,982,206 | 5.5% | \$3,900 |
| Lewis | \$3,067,158 | \$2,215,957 | 5,283,115 | 3.2% | \$498 |
| Warren | \$40,188,964 | \$31,659,550 | 71,848,514 | 44.1% | \$2,531 |
| TOTAL | \$90,435,172 | \$72,313,344 | 162,748,516 | 100.0% | \$1,509 |

- Were it not for tourism-generated state and local taxes, the average household in the region would have to pay an additional \$1,509 to maintain the same level of government revenue.

Methods and data sources

- Household travel surveys from Longwoods International have provided key inputs in establishing traveler spending figures. This is a representative survey with a sample of more than 300,000 trips per year. Industry data on lodging, airport activity, Amtrak, and attractions inform year-over-year growth analysis.
- Employment definitions. The basis of our data and modeling is the Regional Economic Information System (REIS), Bureau of Economic Analysis, U.S.
- Department of Commerce. This is different than the NYS Department of Labor data source (ES202/QCEW). The main definitional difference is that sole-proprietors, which do not require unemployment insurance and are not counted in the ES202 data. For total employment (across all sectors), the difference is 20%.
- International methodology. Our approach is based the estimates on direct survey responses to the Department of Commerce in-flight survey and Statistics Canada data - constrained to BEA international balance of payments data.
- All employment and income results are constrained to known industry measurements for key tourism sectors.

Methods and data sources

- Local taxes are a build-up of individual categories (sales, occupancy, property). The model is not equipped to deal with individual exemptions such as Indian gaming.
- Second home expenditures are based on the stock of seasonal second home inventory. Annual average expenditures for housing are pro-rated to the season length to account for various levels of expenditures not accounted in visitor surveys.
- Lodging sector. Our models use survey information and constrains this to the value of the hotel sector in each county. This can vary from certain bed tax estimates of total revenue for several reasons. One is that the bed tax may only be based on room revenue while total sales for the industry may include other revenue sources (room service, phone, etc.). Another is that certain smaller establishments may not fully report or be required to report their revenue.

Methods and data sources

- Tourism Economics utilized the IMPLAN input-output model for New York State to track the flow of sales through the economy to the generation of GDP, employment, wages, and taxes.
- The impacts are measured on three levels:
 - Direct impact: The immediate benefit to persons and companies directly providing goods or services to travelers.
 - Indirect impact: The secondary benefit to suppliers of goods and services to the directly-involved companies. For example, a food wholesaler providing goods to a restaurant. The model is careful to exclude imports from the impact calculations.
 - Induced impact: The tertiary benefit to the local economy as incomes in the prior two levels of impact are spent on goods and services. For example, a restaurant employee spends his wages at a grocery store, generating additional economic output.

About Tourism Economics

- Tourism Economics, headquartered in Philadelphia, is an Oxford Economics company dedicated to providing high value, robust, and relevant analyses of the tourism sector that reflects the dynamics of local and global economies. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, project feasibility analysis, tourism forecasting models, tourism policy analysis, and economic impact studies.
- Our staff have worked with over 100 destinations to quantify the economic value of tourism, forecast demand, guide strategy, or evaluate tourism policies.
- 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 is founded on a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 40 highly-experienced professional economists; a dedicated data analysis team; global modeling tools; close links with Oxford University, and a range of partner institutions in Europe, the US and in the United Nations Project Link.
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