



## National Travel and Tourism Office: Economic Impact of Travel and Tourism:

The *Travel and Tourism Satellite Account* (TTSA) forms an indispensable statistical instrument that allows the United States to measure the relative size and importance of the travel and tourism industry.

The travel and tourism industry provides goods and services (accommodations, transportation services, food and beverage services, shopping, entertainment and recreation, etc.) to domestic and international inbound visitors (a full list of key definitions are at the end of this fact sheet).

### Travel and Tourism Output:

Total tourism-related output for the United States reached \$1.9 trillion in 2019. Total tourism-related output consists of *direct tourism output* and *indirect tourism output*.

*Direct Tourism Output*: all domestically produced goods and services purchased by travelers, such as traveler accommodations and passenger transportation

*Indirect Tourism Output*: all output required to support the production of direct tourism output, such as toiletries for hotel guests and fuel for airplanes

### Total Travel and Tourism Employment:

Total employment supported by travel and tourism reached 9.5 million American jobs in 2019, which accounted for 6.1% of total employment in the U.S. Total tourism-related employment consists of *direct tourism employment* and *indirect tourism employment*.

*Direct Tourism Employment*: employment directly supported by all domestically produced goods and services purchased by travelers, such as traveler accommodations and passenger transportation

*Indirect Tourism Employment*: all employment supported by the output required to support the production of direct tourism output, such as toiletries for hotel guests and fuel for airplanes.

### Components of Travel Demand:

U.S. households purchased 57% of commodities *directly* provided by the travel and tourism industry in 2019, followed by business (25%), international inbound visitors (15%) and government (2%) (see Chart 1).

### 2019 Travel & Tourism By the Numbers

Total Travel output: **\$1.9 trillion**

Travel and Tourism supported **9.5 million jobs**.

From 2018, real Travel and Tourism output increased **1.5%**

Average Compensation per Tourism Employee: **\$50,487**

### Travel and Tourism Demand:

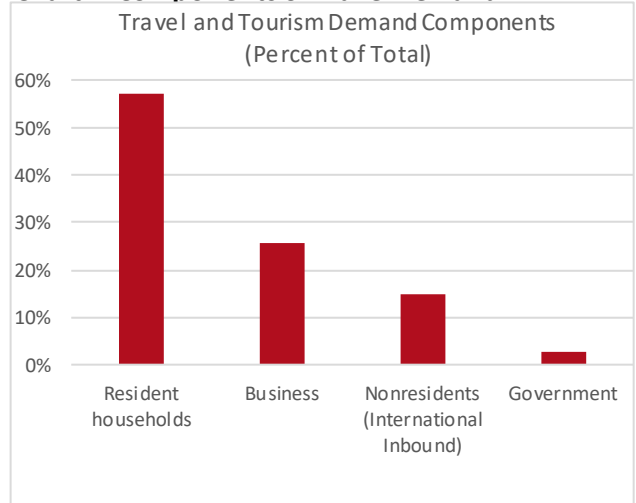
57% Households

25% Business

15% International Visitors

2% Government

**Chart 1: Components of Travel Demand**



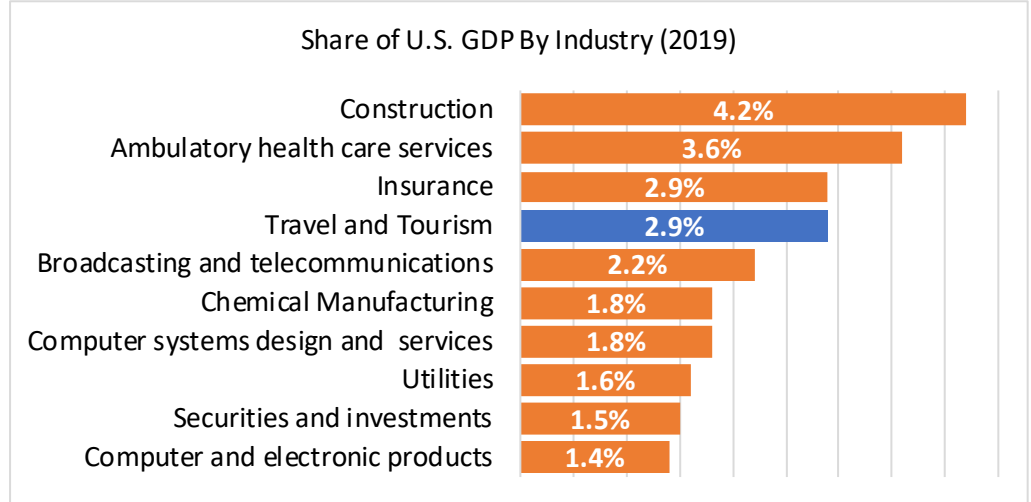
Source: U.S. Department of Commerce, Bureau of Economic Analysis

## The Travel and Tourism Satellite Account (TTSA)

### Travel and Tourism GDP:

Travel and tourism contributed \$621 billion to U.S. GDP in 2019. After peaking at 3.2% in 1999, travel and tourism's share of GDP edged down to 2.6% in 2010. Since 2010, its share has been on the rise. In 2019 travel and tourism accounted for 2.9% of U.S. GDP, which is similar to the insurance industry's share of GDP (see Chart 2).

**Chart 2: Share of GDP (REPLACE CHART)**



Source: U.S. Department of Commerce, Bureau of Economic Analysis

### Top Commodities Purchased by Travelers:

Of the \$1.9 trillion generated by domestic and international inbound travelers, the top 10 commodities purchased account for 93%, or \$1.8 trillion (see Table 1).

**Table 1. Top Commodities Purchased by Domestic and International Travelers**

Rank	Travel and Tourism Total Output	\$ Billions	Percent
		<b>1,943.8</b>	<b>100%</b>
1	Passenger air transportation services	401.5	20.7%
2	Traveler accommodations	351.6	18.1%
3	Shopping	282.4	14.5%
4	Food and beverage services	280.1	14.4%
5	Gasoline	174.6	9.0%
6	Gaming	99.7	5.1%
7	Travel arrangement and reservation services	85.6	4.4%
8	Automotive rental and leasing	60.1	3.1%
9	Passenger water transportation services	40.2	2.1%
10	Participant sports	33.4	1.7%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

The top two commodities purchased by travelers (passenger air transportation services and accommodations) together account for more than a third (39%, \$753 billion) of traveler purchases. The top 5 (adding shopping, food and beverage services and gasoline) account for more than three fourths (77%, \$1.5 trillion). The bottom half of the top 10 commodities purchased by travelers include: gaming, travel arrangement and reservation services, automotive rental, passenger water transportation and participant sports.

## The Travel and Tourism Satellite Account (T TSA)

### Top Industries Employing Workers Supported by Travelers:

Of the 9.5 million workers supported by domestic and international inbound travelers, the top 10 industries account for 91%, or 8.6 million workers (see Table 2).

**Table 2: Top Employment Supported by Domestic and International Travelers**

Rank	Travel and Tourism Total Employment	Thousands	Percent
		9,501	100%
1	Traveler accommodations	2,234	23.5%
2	Food and beverage services	2,066	21.7%
3	Air transportation services	1,556	16.4%
4	Shopping	779	8.2%
5	Participant and spectator sports	670	7.1%
6	Travel arrangement and reservation services	389	4.1%
7	Wholesale trade and transportation services	295	3.1%
8	Gasoline service stations	240	2.5%
9	Automotive vehicle rental	225	2.4%
10	Gaming	189	2.0%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

The top two employers supported by travelers (traveler accommodations and food and beverage services) together account for close to half (45%, 4.3 million) of the total. The top 5 (adding air transportation services, shopping, and participant and spectator sports) account for more than three fourths (77%, 7.3 million) of the total. The bottom half of the top 10 employers supported by travelers include: travel arrangement and reservation services, wholesale trade and transportation services, gasoline service stations, automotive vehicle rental and gambling.

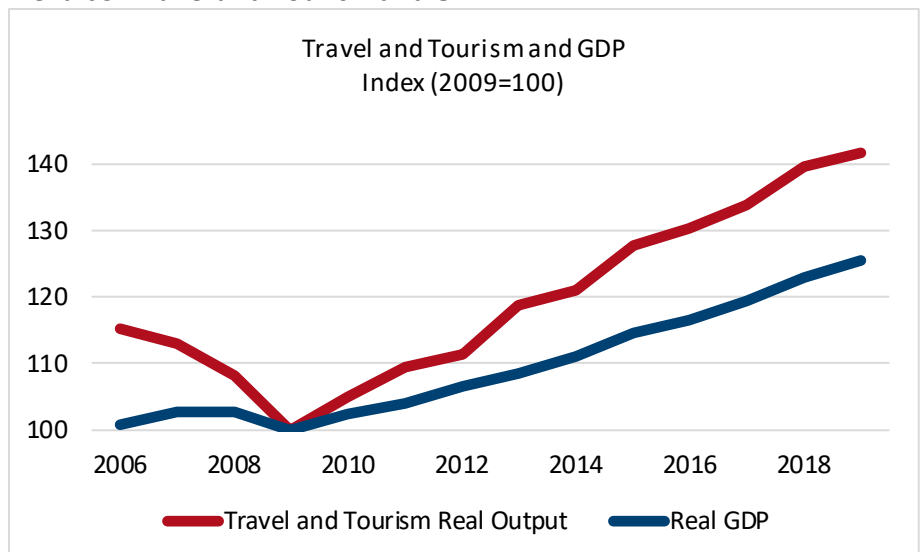
### Growth in Real Output and Employment:

Historically, travel and tourism is a cyclical industry, declining more than overall GDP during recessions and outpacing GDP during expansions. The past decade is a good reflection of the cyclical nature of the industry.

### Real Output

From 2006 to 2009, real GDP declined by 0.6%, while travel and tourism real output fell 13.2%. From 2009 to 2019, real travel and tourism output increased 41.7%, compared to the 25.5% increase in real GDP. Travel and tourism real output outpaced real GDP four consecutive years before 2019 (GDP 2.2% vs Travel and Tourism 1.5%) (see Chart 3).

**Chart 3: Travel and Tourism and GDP**



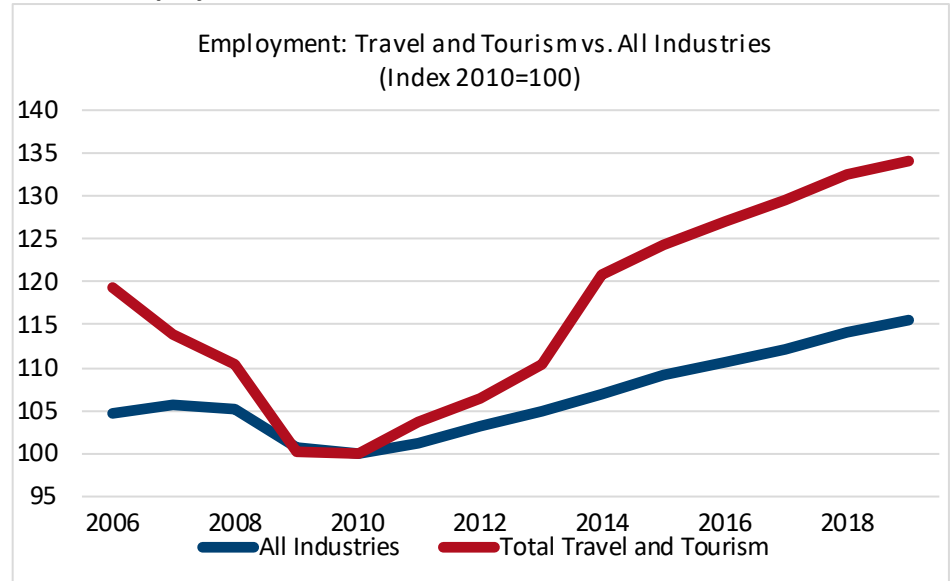
Source: U.S. Department of Commerce, Bureau of Economic Analysis

## The Travel and Tourism Satellite Account (TTSA)

### Employment:

From 2006 to 2010, overall employment across all industries declined by 4.4%, while total travel and tourism employment fell 16.2%. From 2010 to 2019, total travel and tourism employment increased 34.1%, compared to the 15.6% increase in overall employment in the United States. Travel and tourism employment outpaced total employment across all industries sGDP eight consecutive years before 2019 (total employment 1.3% vs Travel and Tourism 1.1%) (see Chart 4).

Chart 4: Employment



Source: U.S. Department of Commerce, Bureau of Economic Analysis

### Key Terms:

**Visitor:** A person who travels outside of his or her usual environment (more than 50–100 miles from the area of normal, everyday activities) for less than a year or who stays overnight in a hotel or motel. The visitor may travel for pleasure or business (private sector or government). Visitors exclude travelers who expect to be compensated at the location of their visit (such as migrant workers, persons traveling to new assignments, and diplomatic and military personnel traveling to and from their duty stations and their home countries).

**Tourism output:** Total tourism-related output consists of direct tourism output and indirect tourism output. Direct tourism output comprises all domestically produced goods and services purchased by travelers (for example, traveler accommodations and passenger air transportation), and indirect tourism output comprises all output required to support the production of direct tourism output (for example, toiletries for hotel guests and fuel for airplanes).

**Tourism employment:** Total tourism-related employment consists of direct tourism employment and indirect tourism employment. Direct tourism employment comprises all jobs where the workers are engaged in the production of direct tourism output (for example, hotel staff and airline pilots), and indirect tourism employment comprises all jobs where the workers are engaged in the production of indirect tourism output (for example, workers producing hotel toiletries and delivering fuel to airlines).

**Domestic vs. International Inbound Tourism:** *Domestic tourism* consists of travel-related expenditures by U.S. residents traveling within the United States. It comprises travel by resident households, business travel, and travel by government employees. *International Inbound tourism* consists of travel-related expenditures by nonresidents traveling within the United States and expenditures by nonresidents on international transportation purchased from U.S. providers.