



## 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 can be found at the end of this fact sheet).

### Travel and Tourism Output

2020 was a watershed year for the travel and tourism industry. Total tourism-related output in the United States declined from \$1.9 trillion in 2019 to \$978 billion in 2020, a 50.1% decline. 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 declined from 9.5 million American jobs in 2019 (6.0% of total employment in the United States) to 6.3 million in 2020 (4.2% of total employment in the United States). The 3.2 million decline (-33.7%) in travel-supported employment in 2020 accounted for 34.2% of the total decline in employment in the United States from 2019.

### Travel Demand

All components of travel demand declined in 2020.

The largest decline was demand by nonresidents (i.e., international visitors to the United States), which declined 82.4%, followed by resident households (-53.2%), business (-40.9%) and government (-33.6%) (see Chart 1).

### 2020 Travel & Tourism: By the Numbers

Total travel output: **\$978 billion** (down 50.1% from \$1.9 trillion in 2019)

Travel and tourism supported jobs: **6.3 million jobs** (down 33.7% from 9.5 million in 2019)

Travel and tourism GDP: **1.7% of U.S. GDP**, down from 2.9% in 2019

Average Compensation per Tourism Employee: **\$55,266**

### Travel and Tourism Demand:

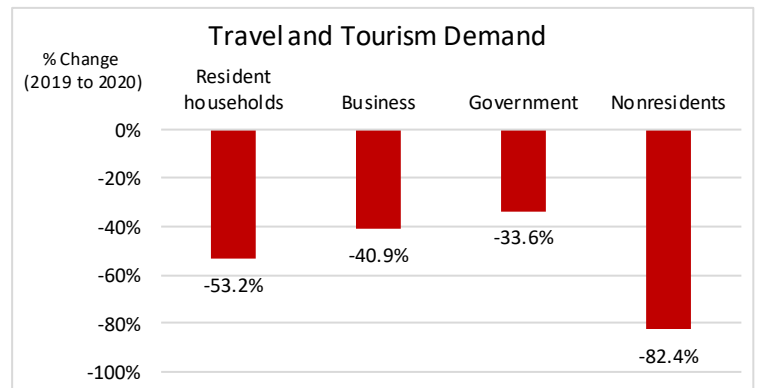
60% Households

31% Business

5% International Visitors

3% Government

Chart 1: Change in Components of Travel Demand



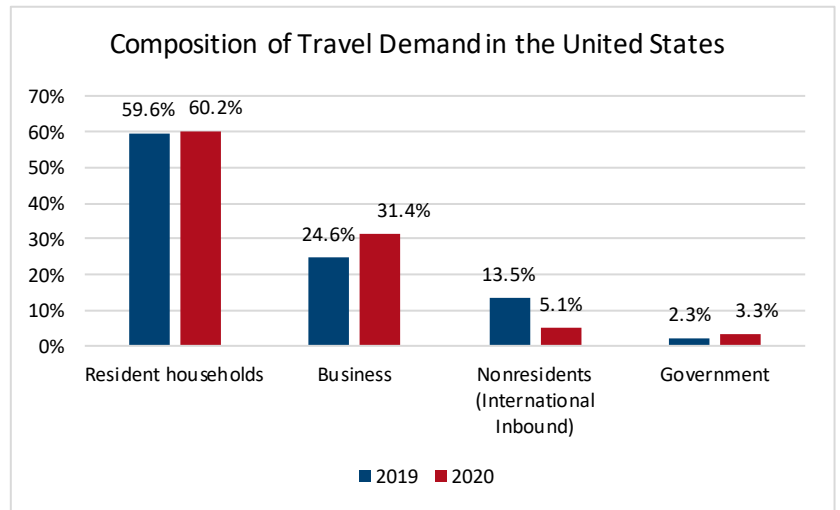
Source: U.S. Department of Commerce, Bureau of Economic Analysis

## The Travel and Tourism Satellite Account (TTSA)

Because travel demand by nonresidents declined much more than domestic demand for travel in 2020, nonresidents' share of travel demand in the United States fell from 13.5% in 2019 to 5.1% in 2020. As a result, the various domestic components' share of travel demand increased in 2020 (see Chart 2).

The 8.4%-point decline in nonresidents' share of travel demand was the largest annual decline since the TTSA began in 1998. It was more than fourtimes greater than the next-largest annual decline that occurred in 2001, when nonresidents' share of travel demand declined to 12.6% from the 2000 level of 14.4%, a drop of 1.9%-points.

**Chart 2: Composition of Travel Demand**



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

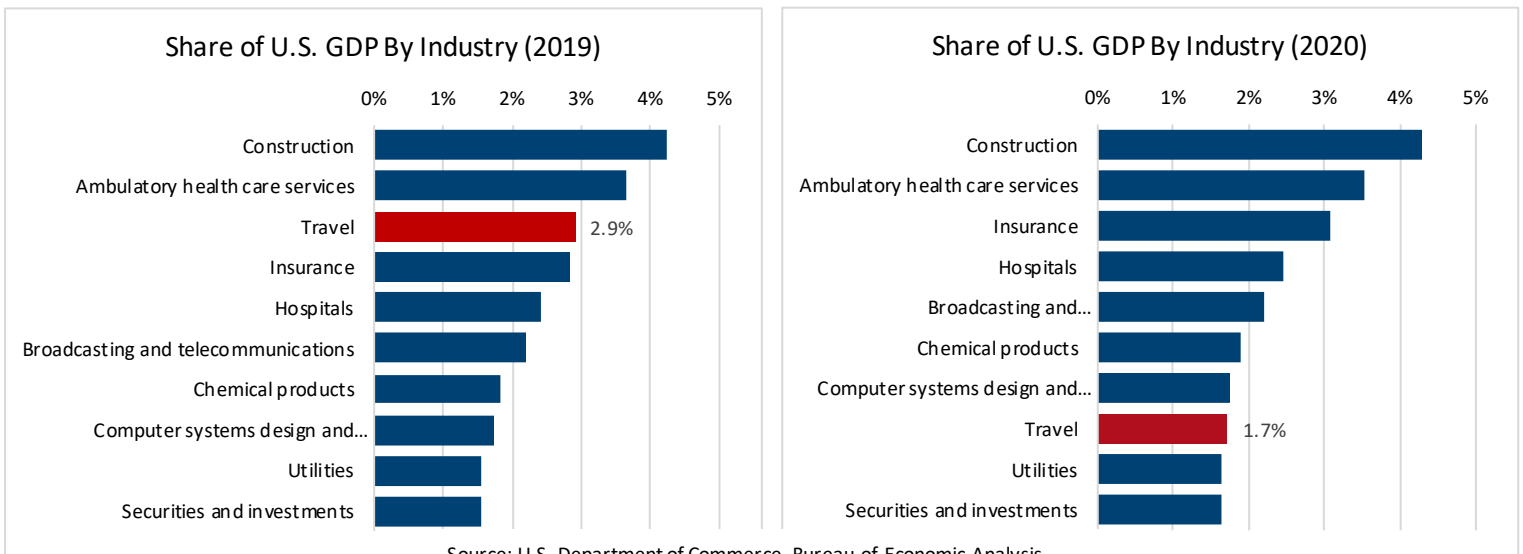
### Travel and Tourism GDP

During the decade prior to 2020, travel and tourism's share of U.S. GDP steadily increased from 2.6% in 2010 to 2.9% in 2019. In 2019, the \$625 billion in travel and tourism GDP was greater than the GDP of insurance industry, the hospital industry, the chemical manufacturing industry and the utility industry (see Chart 3).

In 2020, travel and tourism GDP declined by 42.9%. By comparison, overall U.S. GDP declined 2.2%. The decline in travel and tourism GDP accounted for more than half (56%) the overall decline in U.S. GDP from 2019 to 2020. As a result, travel and tourism's share of U.S. GDP declined from 2.9% in 2019 to 1.7% in 2020 (see Chart 4).

By comparison, motor vehicles, bodies, trailers and parts manufacturing GDP declined 47.1% in 2009 and computer and electronic products manufacturing GDP declined 23% in 2001.

**Chart 3: Share of GDP 2019**



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

## The Travel and Tourism Satellite Account (TTSA)

### Top Commodities Supported by Travelers in 2020

Total output supported by travel demand fell from \$1.9 trillion in 2019 to \$978 billion in 2020, a decline of 50.1%. The top 10 commodities accounted for 91% of the output supported by travel and tourism in 2020 and 92% of the decline from 2019. The largest percent declines were gasoline (-86.1%) followed by gambling (-67.3%) and travel arrangement and reservation services (-53.6%) (see Table 1).

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

		\$ Billions	Percent Change
<b>Rank</b>	<b>Travel and Tourism Total Output</b>	978.4	-50.1%
1	Traveler accommodations	231.2	-35.0%
2	Shopping	159.9	-43.6%
3	Domestic passenger air transportation services	149.1	-51.9%
4	Food and beverage services	143.1	-47.8%
5	International passenger air transportation services	46.5	-53.6%
6	Automotive rental and leasing	45.9	-34.3%
7	Travel arrangement and reservation services	35.7	-56.1%
8	Gambling	31.0	-67.3%
9	Gasoline	25.3	-86.1%
10	Passenger water transportation services	21.9	-45.9%

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

### Top Industries Employing Workers Supported by Travelers:

Total employment supported by travel demand fell from 9.5 million in 2019 to 6.3 million in 2020, a decline of 33.7%. The top 10 sectors accounted for 91% of employment supported by travel and tourism in 2020 and 83% of the decline from 2019. The largest percent declines were food services and drinking places (-48.4%) followed by participant sports (-47.0%) and water transportation services (-36.6%) (see Table 2).

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

		Thousands	Percent Change
<b>Rank</b>	<b>Travel and Tourism Total Employment</b>	<b>6,269</b>	<b>-33.7%</b>
1	Traveler accommodations	1,540	-30.8%
2	Air transportation services	1,231	-21.5%
3	Food services and drinking places	1,038	-48.4%
4	Shopping	698	-12.0%
5	Travel arrangement and reservation services	302	-23.0%
6	Participant sports	295	-47.0%
7	Wholesale trade and transportation services	220	-27.4%
8	Automotive equipment rental and leasing	203	-19.1%
9	Water transportation services	90	-36.6%
10	Urban transit systems and other transportation	75	-28.6%

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

### Change 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: Travel and tourism real output declined more than total GDP from 2007 to 2009 and subsequently grew faster in the 2010-2019 period.

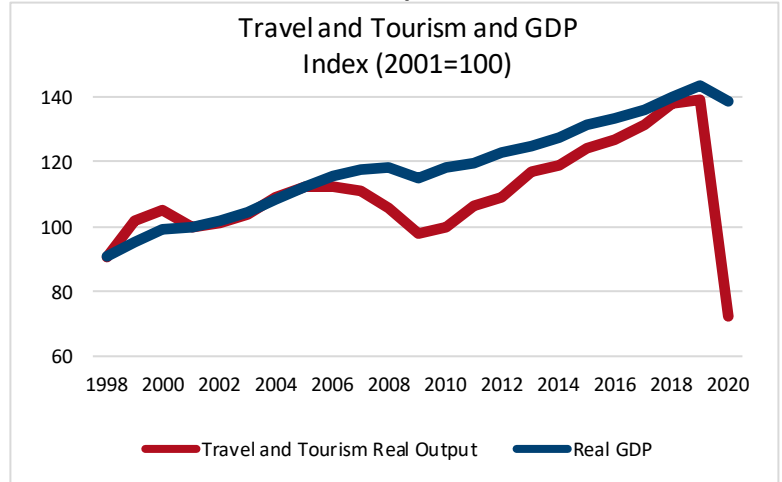
### Real Output

From 2009 to 2019, real travel and tourism output increased 42.1%, compared to the 24.9% increase in real GDP.

In 2020, travel and tourism real output declined 48%. This is more than three times greater than the 12.7% decline that took place from 2005 to 2009 and more than tentimes greater than the 4.7% decline that occurred in 2001 (see Chart 3).

By comparison, real GDP declined 3.4% in 2020.

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



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

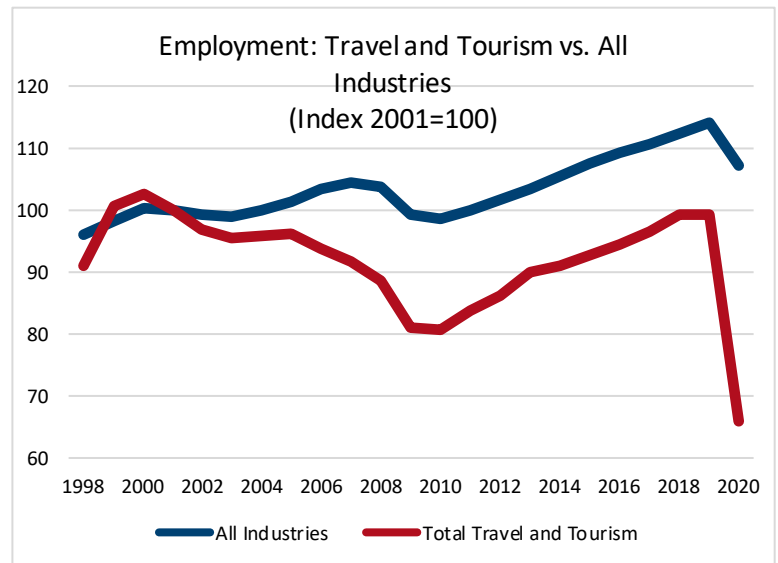
### Employment:

With two recessions bookending the decade, total travel and tourism employment fell by 2.1 million (-21%) from 2000 to 2010, while overall employment in the United States declined by 2.0 million (-1%).

From 2010 to 2019, total travel and tourism employment increased by 1.8 million (23%), while overall employment in the United States increased 21.2 million (16%).

In 2020, travel and tourism employment declined 3.2 million (-33.7%), while overall employment in the United States decreased by 9.3 million (-5.9%). The decline in travel and tourism employment accounted for 34.2% of the total decline in employment in the United States in 2020 from 2019 (see Chart 4).

**Chart 4: Employment**



## The Travel and Tourism Satellite Account (TTSA)

### Key Terms:

*Visitor:* A person who travels outside 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 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 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.