



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

2021 was a year of recovery for the travel and tourism industry. Total tourism-related output in the United States increased to \$1.7 trillion in 2021 from \$951 billion in 2020, a 79% increase from 2020 but still just 83% of 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 increased 34% to 7.4 million American jobs in 2021 (4.8% of total employment in the United States) from 5.5 million in 2020 (3.7% of total employment in the United States). Still, the 7.4 million Americans jobs supported by travel and tourism in 2021 remained just 75% of the 9.9 million jobs supported by travel and tourism in 2019 (6.3% of total employment in the United States).

Travel Demand

All components of travel demand increased in 2021, but none fully recovered to 2019 levels.

The largest increase was by resident households, which increased 85%, while the smallest increase was by nonresidents (i.e., international visitors to the United States), which increased 28%.

2021 demand by resident households was 93% of 2019, while demand by nonresidents was just 26% of 2019 (see Chart 1).

2021 Travel & Tourism: By the Numbers

Total travel output: **\$1.7 trillion** (up 79% from 2020 but still 83% of the \$2 trillion in 2019)

Travel and tourism supported jobs: **7.4 million jobs** (up 34% from 2020 but still 75% of the 9.9 million in 2019)

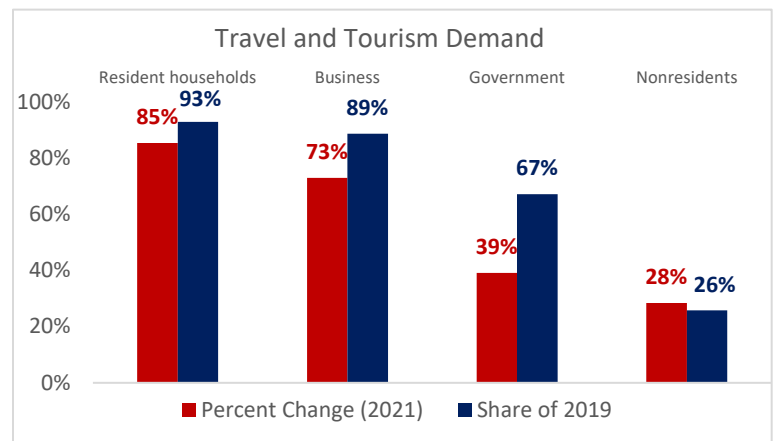
Travel and tourism GDP: **2.2% of U.S. GDP**, up from 1.5% in 2020 but still down from 3.0% in 2019

Average Compensation per Tourism Employee: **\$55,180**

Travel and Tourism Demand:

- 67% Households
- 26% Business
- 5% International Visitors
- 2% Government

Chart 1: Change in Components of Travel Demand and Share of 2019 Travel Demand



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

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Because travel by resident households recovered faster than other sources of travel demand in 2021, resident household's share of travel demand in the United States increased to a record-high 67% in 2021, while other sources of demand declined: business declined to 26%, nonresidents declined to a record-low of 5% and government declined to a record-low of 2%. (see Chart 2).

Prior to COVID-19 pandemic, resident household's share of travel demand ranged from 52% (1998) to 58% (2019); business' share ranged from 23% (2008) to 29% (1998); nonresident's share ranged from 11% (2003) to 18% (2019); and government's share ranged from 2% (2018) to 4% (2009).

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 3.0% in 2019. In 2019, the \$640 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 52%, while the rest of U.S. GDP was unchanged. As a result, travel and tourism's share of GDP fell to 1.5% in 2020. In 2021, travel and tourism GDP increased 63%, while the rest of U.S. GDP increased 10%. As a result, travel and tourism's share of U.S. GDP increased to 2.2% of GDP (see Chart 4).

Chart 2: Composition of Travel Demand

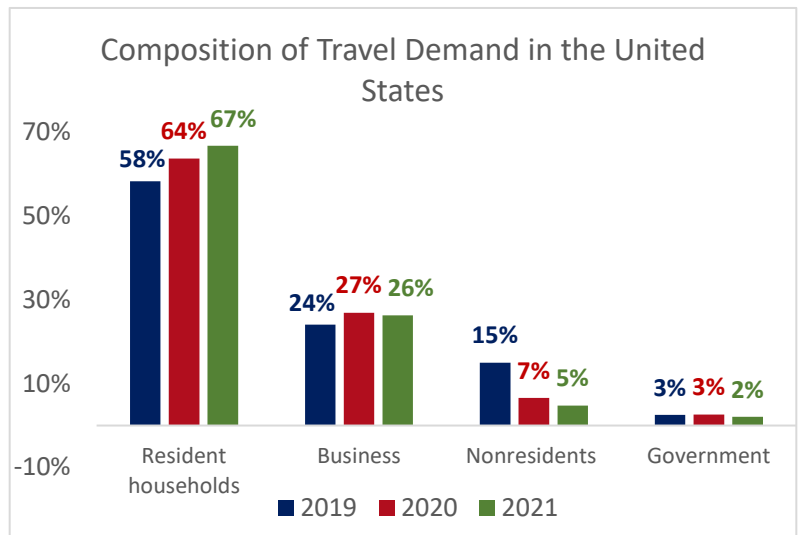


Chart 3: Travel Share of GDP 2019

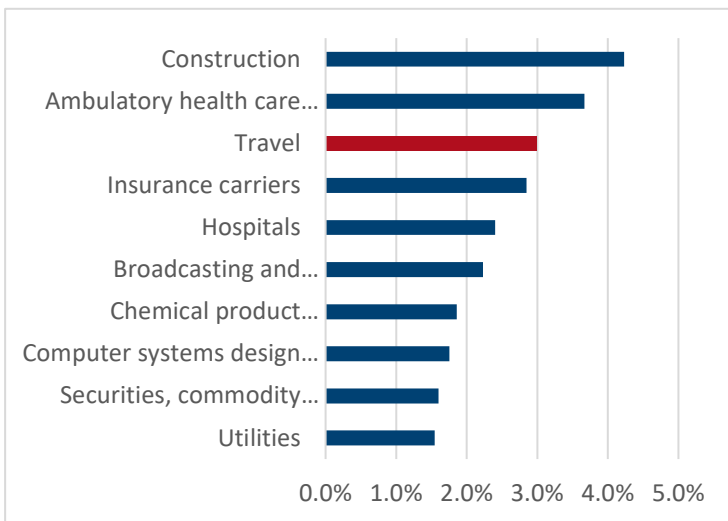
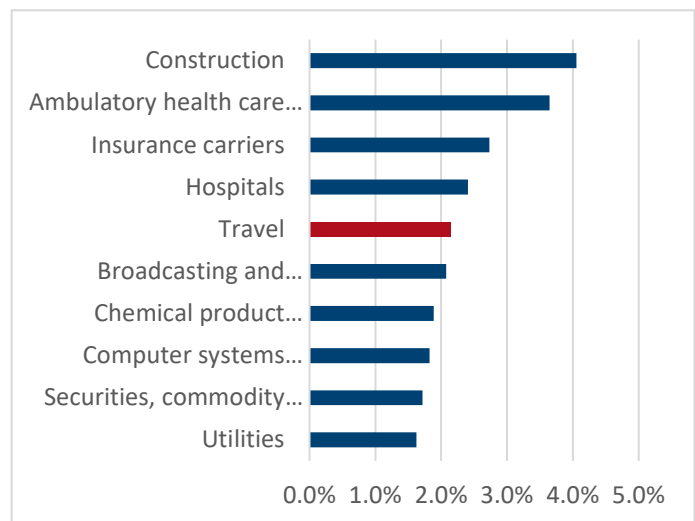


Chart 4: Travel Share of GDP



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

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Top Commodities Supported by Travelers in 2021

Total output supported by travel demand fell from \$2.0 trillion in 2019 to \$952 billion in 2020, a decline of 53%. In 2021, this output rose 79% to 1.7 trillion, though still down 17% compared to 2019. The top 10 commodities accounted for 93% of the output supported by travel and tourism in 2021. Within the top 10, four were at or above 2019 levels (food and beverage services, shopping, travel arrangement and reservation services, and automotive rental and leasing (see Table 1).

Table 1. Top Commodities Supported by Domestic and International Travelers

		\$ Billions	Percent Change from 2020	Share of 2019
Rank	Travel and Tourism Total Output	1,704	79%	83%
1	Food and beverage services	324	123%	103%
2	Traveler accommodations	310	43%	85%
3	Shopping	294	139%	100%
4	Domestic passenger air transportation services	211	62%	68%
5	Gasoline	144	101%	75%
6	Travel arrangement and reservation services	95	94%	101%
7	Automotive rental and leasing	70	56%	100%
8	International passenger air transportation services	59	66%	60%
9	Gambling	43	47%	44%
10	Motion pictures and performing arts	29	19%	82%

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 9.9 million in 2019 to 5.2 million in 2020, a decline of 44%. In 2021, travel supported employment increased 34% to 7.4 million, though still down 25% compared to 2019. The top 10 sectors accounted for 90% of employment supported by travel and tourism in 2021. Of the top 10 largest travel supporting industries, none reached 2019 employment levels in 2021 (see Table 2).

Table 2. Top Industry Employment Supported by Domestic and International Travelers

		Thousands	Percent Change from 2020	Share of 2019
Rank	Total	7,358	34%	75%
1	Food services and drinking places	1,899	83%	83%
2	Traveler accommodations	1,541	8%	69%
3	Air transportation services	1,204	5%	77%
4	Participant sports	437	60%	75%
5	Retail trade services, excluding gasoline service stations	397	74%	83%
6	Industries producing nondurable PCE commodities, excluding petroleum refineries	305	107%	88%
7	Travel arrangement and reservation services	257	-9%	66%
8	Wholesale trade and transportation services	228	69%	75%
9	Automotive equipment rental and leasing	183	17%	73%
10	Gasoline service stations	180	43%	72%

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

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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 48%, compared to the 25% increase in real GDP.

In 2020, travel and tourism real output declined 51%. This is more than four times greater than the 13% decline that took place from 2005 to 2009 and more than ten times greater than the 5% decline that occurred in 2001 (see Chart 5).

By comparison, real U.S. GDP declined 3% in 2020.

Chart 5: Real Travel and Tourism Output and GDP



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

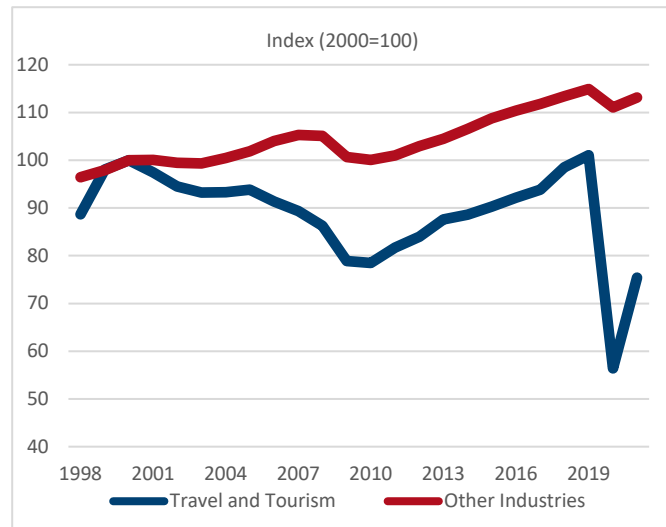
Employment:

With two recessions bookending the decade, total travel and tourism employment fell by 2.1 million (-21%) from 2000 to 2010, while other industry employment in the United States increased by 78,000 million (+0.1%).

From 2010 to 2019, total travel and tourism employment increased by 2.2 million (+29%), while other industry employment in the United States increased 21.2 million (+17%).

In 2020, travel and tourism employment declined 4.4 million (-44%), while other industry employment in the United States decreased by 4.9 million (-3%). Travel and tourism accounted for 47% of the total decline in employment in the United States in 2020 from 2019. In 2021, travel and tourism employment increased 1.8 million (+34%) to 7.4 million, remaining 25% below 2019 levels (see Chart 6).

Chart 6: Travel and Tourism Employment



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

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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.