



# The Economic Impact of Tourism in North Dakota

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## Tourism Satellite Account Calendar Year 2015

Prepared for :



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# Overview



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# 2015 at a glance

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## Visitor Spending

- Visitor spending of \$3.1 billion generated \$5.0 billion in total business sales in 2015 as visitor dollars flowed through the state's economy.
- Visitor spending has fluctuated the last two years, growing 8.6% in 2014 before declining 9.6% in 2015, bringing spending level with 2013.
- Despite the losses in 2015, visitor spending is still nearly \$500 million higher than in 2011 – an increase of almost 20%.

## Visitor Counts

- The number of person-trips in North Dakota declined by 2.6% in 2015, registering just below 22 million visitors.

# 2015 at a glance

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## Jobs

- A total of 42,614 jobs, with income of \$1.3 billion, were sustained by the visitor economy in North Dakota in 2015.
- Visitor-supported employment represents 7.5% of all employment in the state of North Dakota.
- If all tourism employees were unemployed, it would increase the unemployment rate by 7.3 percentage points.

## Taxes

- Including indirect and induced impacts, travel in North Dakota generated \$327 million in state and local taxes and \$323 million in Federal taxes in 2015.
- In the absence of the state and local taxes generated by visitors, each North Dakota household would need to pay \$1,092 to fill the gap.

# Visitor Spending

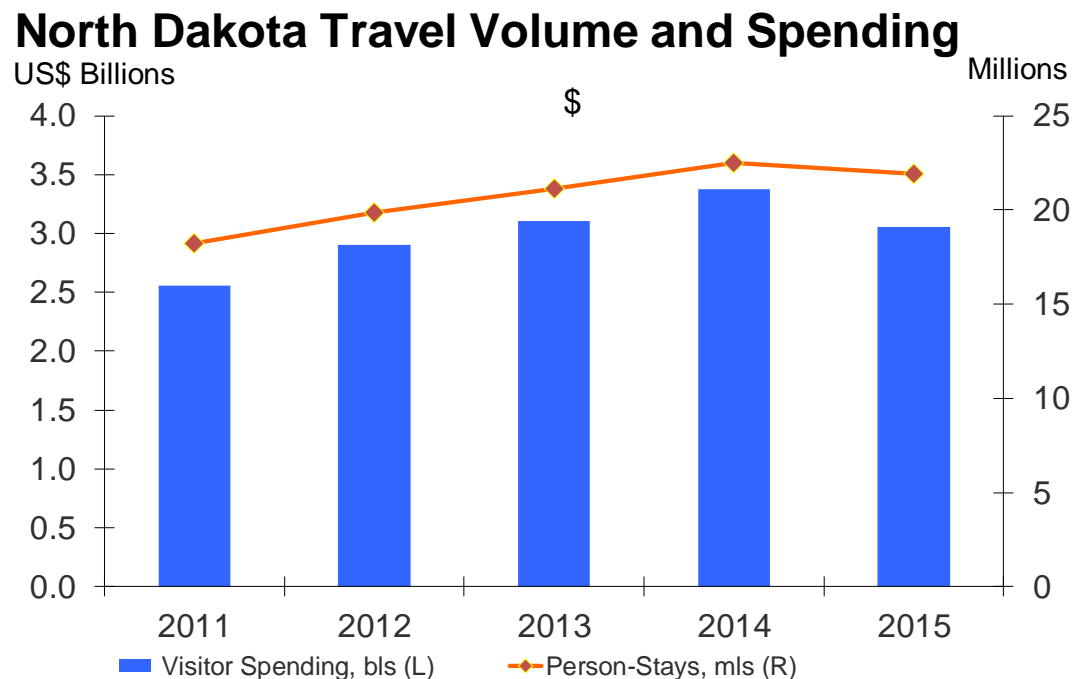


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# North Dakota visitation and spending

- Visitor spending declined by nearly 10.0%, yet the drop in visitors was just 2.6%.
- Declines in spending can be attributed to a shift in visitors from overnight to day visitation.
- Visitation dipped to 21.9 million in 2015, a 2.6% decline from 2014.



Sources: Longwoods International, NTTTO, Stats Can, Tourism Economics

# North Dakota visitation and spending

- North Dakota's travel volume is mainly made up of domestic visitors.
- While international travelers tend to spend more per trip, domestic travelers contribute the highest share to total spending.

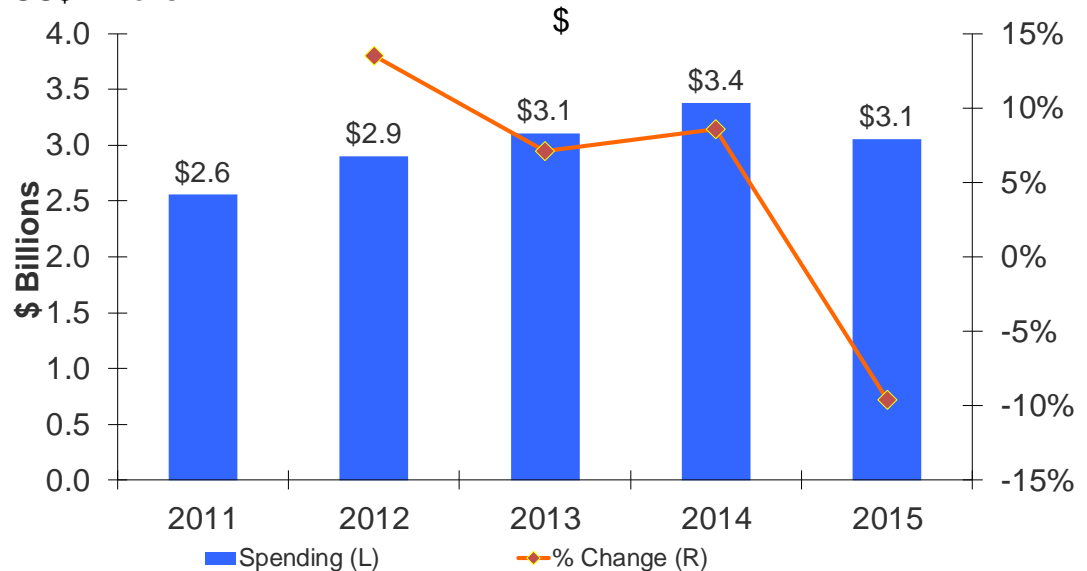
Visits and Spend						
	2011	2012	2013	2014	2015	% Change
<b>Total Visitors (millions)</b>	<b>18.24</b>	<b>19.87</b>	<b>21.13</b>	<b>22.51</b>	<b>21.93</b>	<b>-2.6%</b>
Domestic	17.21	18.76	20.09	21.58	21.17	-1.9%
Canada	0.96	1.02	0.96	0.87	0.69	-20.3%
Overseas	0.07	0.09	0.08	0.07	0.07	-1.7%
<b>Total Spending (million \$)</b>	<b>2,556</b>	<b>2,902</b>	<b>3,108</b>	<b>3,376</b>	<b>3,052</b>	<b>-9.6%</b>
Domestic	2,238.75	2,549	2,712	3,031	2,792	-7.9%
Canada	252	279	328	283	205	-27.7%
Overseas	66	73	68	61	55	-10.7%

# Visitor spending declines

- Visitor spending declined by 9.6% between 2014 and 2015, but remains close to all-time highs seen in 2013 and 2014, and is nearly 20% above 2011 spending.
- Gas price declines of 25% subdued overall spending.
- Despite the decline, visitor spending growth has averaged 4.9% per annum over the past four years.

## North Dakota Visitor Spending

US\$ Billions



Sources: Longwoods International, NTTO, Stats Can, Tourism Economics



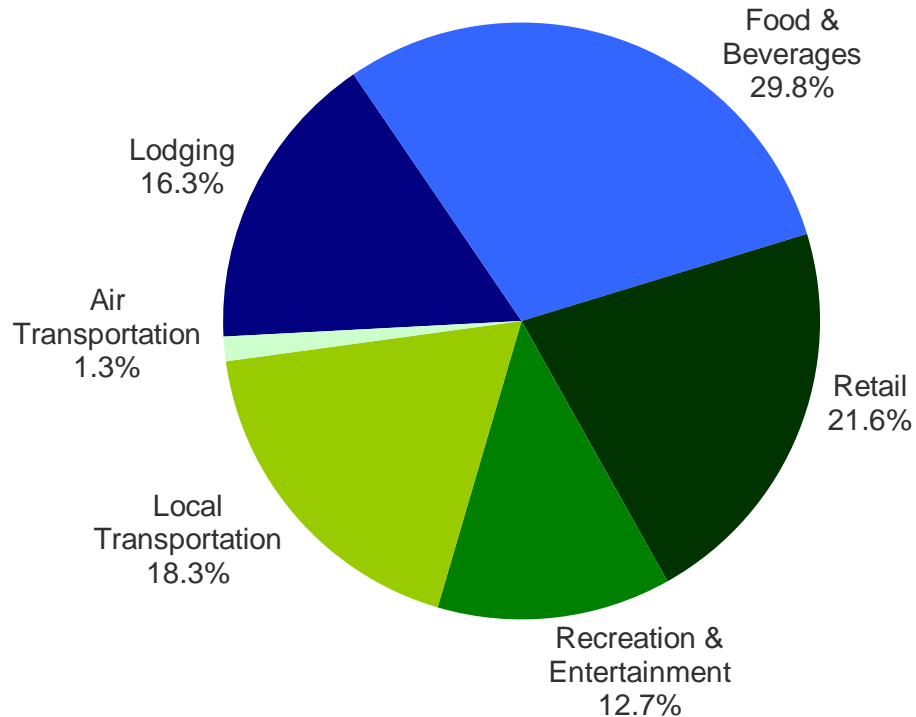
# Spending declines felt across all categories

- While declines in sectors like lodging and transportation were substantial, these declines were tied to the oil price decline that affected activity in the Bakken oil fields. Note the smaller declines in food & beverage and recreation, which indicate that marketable travel and travel to visit friends and relatives remain strong.

Visitor Spending						
(US\$ Million)						
Sector	2011	2012	2013	2014	2015	% Change
Lodging	\$440	\$501	\$541	\$593	\$493	-16.9%
Food & Beverages	\$730	\$846	\$915	\$1,001	\$901	-10.0%
Retail	\$542	\$616	\$662	\$705	\$652	-7.5%
Recreation & Entertainment	\$307	\$350	\$378	\$408	\$383	-6.1%
Local Transportation	\$489	\$531	\$549	\$602	\$553	-8.1%
2nd homes	\$19	\$22	\$23	\$26	\$29	13.2%
Air Transportation	\$31	\$37	\$39	\$42	\$40	-3.4%
<b>TOTAL</b>	<b>\$2,556</b>	<b>\$2,902</b>	<b>\$3,108</b>	<b>\$3,376</b>	<b>\$3,052</b>	<b>-9.6%</b>
<b>% Change</b>		<b>13.5%</b>	<b>7.1%</b>	<b>8.6%</b>	<b>-9.6%</b>	

# Visitor spending by sector

## North Dakota Visitor Spending



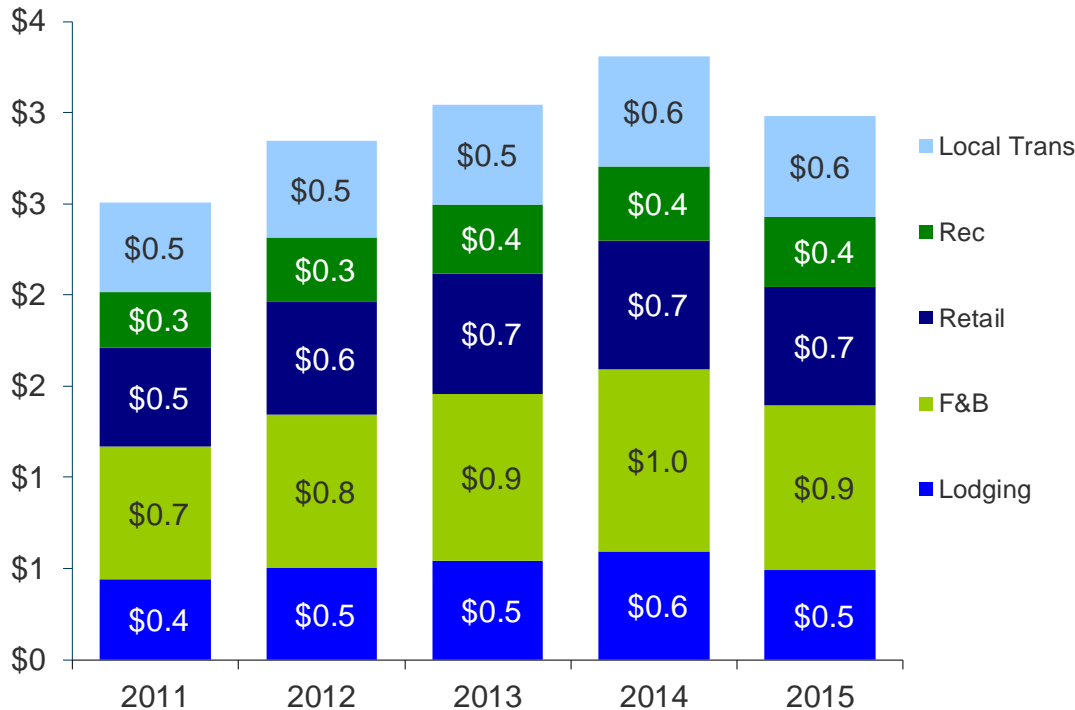
Sources: Longwoods International, NTTO, Stats Can, Tourism Economics

- F&B spending represents nearly 30% of all visitor spending.
- With marketable and leisure travel still strong, areas like recreation and & entertainment and retail grew shares.
- Retail purchases represent 21.6% of every visitor dollar.

# Visitor spending by sector

## North Dakota Visitor Spending

by Year, Billions of \$



Sources: Longwoods International, NTTO, Stats Can, Tourism Economics

F&B: Food & Beverages  
 Retail: Retail Shopping  
 Lodging: Accommodations Sales  
 Trans: Non-Air Transportation  
 Rec: Recreation & Entertainment  
 2nd homes: 2nd Home Rental Spending  
 Air: Air Transportation Spending

- Spending declined by just over \$300 million in 2015.
- Declines were in areas that North Dakota Tourism had minimal effects on – lodging losses due to the declining activity around the Bakken region and lower gas prices overall, lowering transportation spending. Areas like retail, recreation, and food and beverage stayed close to the all-time highs seen in 2013 and 2014.

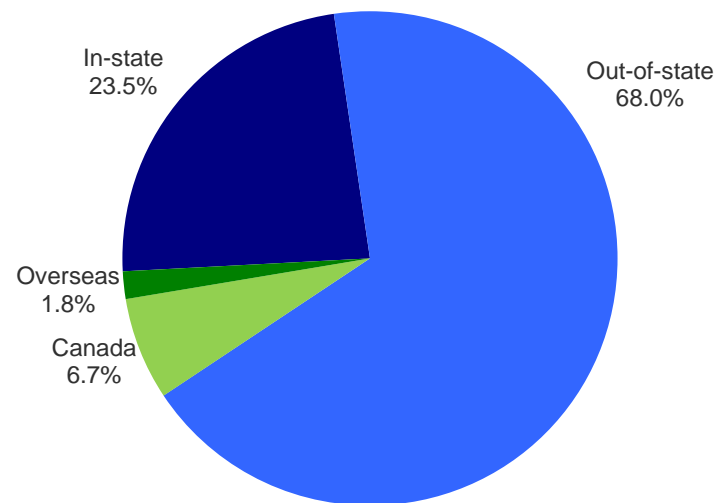
# Visitor spending by travel sector

- The largest share of visitor spending is done by visitors from outside the state of North Dakota (68%), followed by in-state visitors, which accounted for just 23.5%.
- Canadian and overseas travelers spent approximately \$260 million in North Dakota in 2015.

Visitor Spending		
2015, in millions		
<b>Total Spending</b>	<b>\$</b>	<b>3,052</b>
In-state		717
Out-of-state		2,074
Canada		205
Overseas		55

\*Numbers may not total due to rounding

North Dakota Visitor Spending



Sources: Longwoods International, Stats Can, Tourism Economics

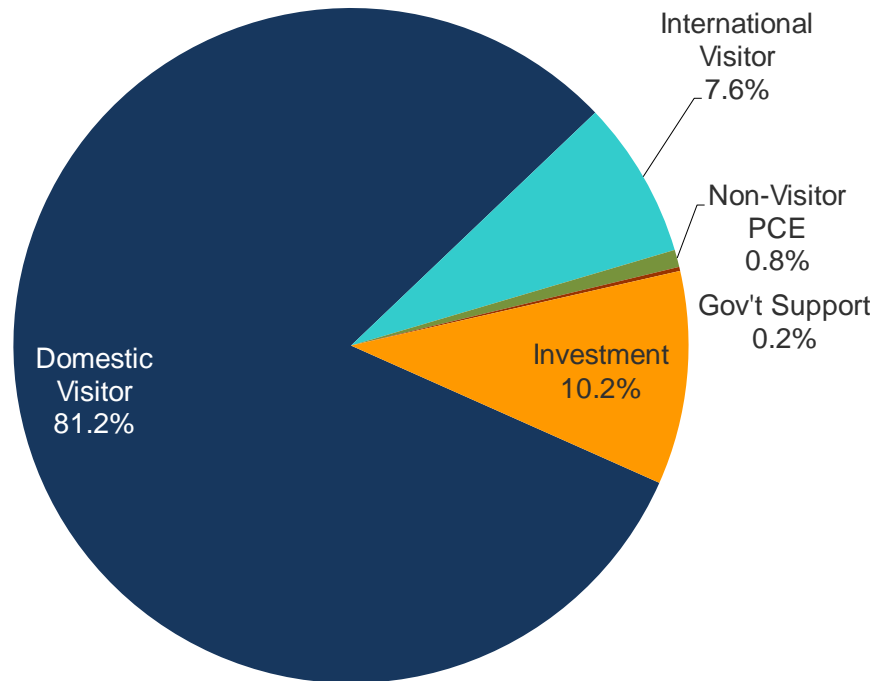
# Tourism industry and economy sales

- The direct impact of tourism is driven by tourism industry sales only. This allows for apples-to-apples comparisons with other industries.
- The total economic impact of tourism includes investment in support of tourism, government spending and non-visitor private consumption expenditures (PCE) – bringing all spending in North Dakota in support of tourism up to \$3.4 billion.

Tourism Sales State of North Dakota		
Categories	Industry	Economy
Lodging	\$522.5	\$522.5
Food	\$900.7	\$900.7
Retail	\$652.3	\$652.3
Recreation	\$382.9	\$382.9
Local Trans.	\$553.1	\$553.1
Air Trans.	\$40.1	\$40.1
PCE Spending	\$0.0	\$28.4
Investment	\$0.0	\$351.3
Government	\$0.0	\$6.7
<b>Total</b>	<b>\$3,051.6</b>	<b>\$3,438.0</b>

# Tourism economy sales by source

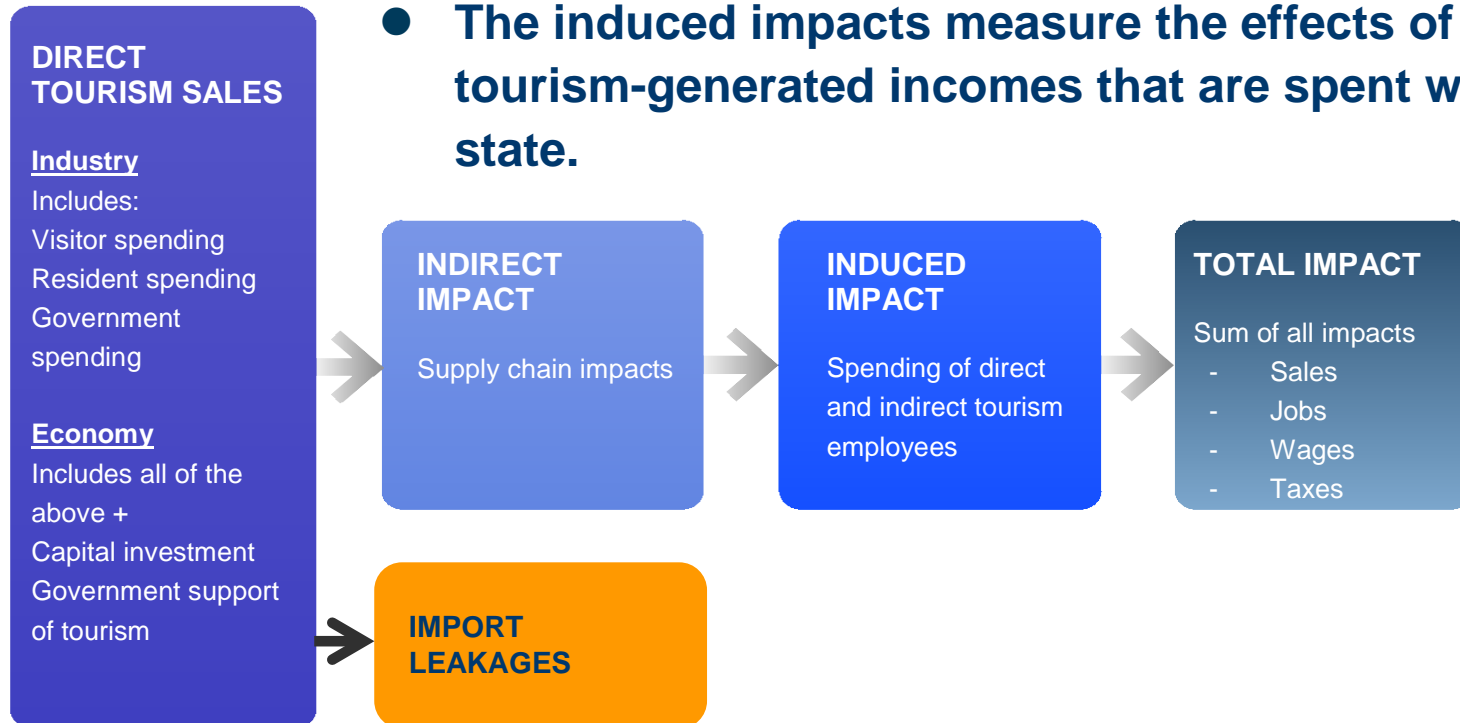
Tourism Demand by Source



- Domestic visitor markets comprise the majority (81.2%) of tourism sales in North Dakota.
- International visitor markets contributed 7.6% of tourism sales last year.
- Capital investment in tourism-related construction and machinery & equipment represents 10.2% of tourism economy sales.

# Translating sales into impact

- Direct tourism sales flow through the North Dakota economy, generating GDP, jobs, wages, and taxes.
- The indirect impacts measure supply chain (b2b) activity generated by tourism sales.
- The induced impacts measure the effects of tourism-generated incomes that are spent within the state.

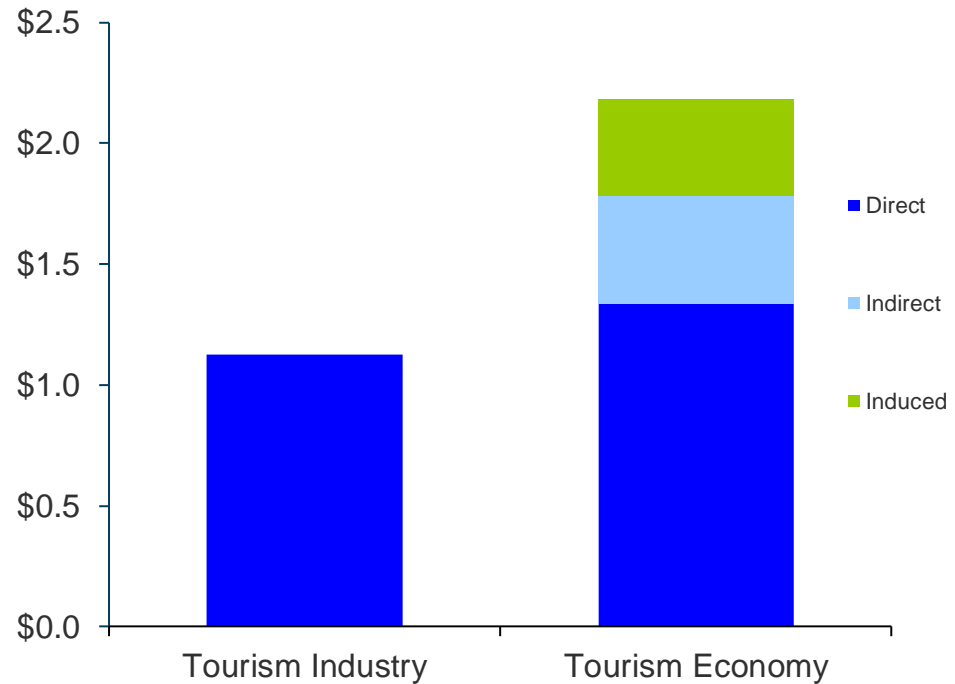


# Tourism impact summary - GDP

- Tourism industry GDP directly generated just over \$1.1 billion of North Dakota GDP in 2015.
- The tourism economy, including direct, indirect and induced impacts of all tourism sales, generated GDP of nearly \$2.2 billion. This is 4.0% of the state economy.

## Tourism GDP Impact

2015, US\$ Billions



Source: Tourism Economics

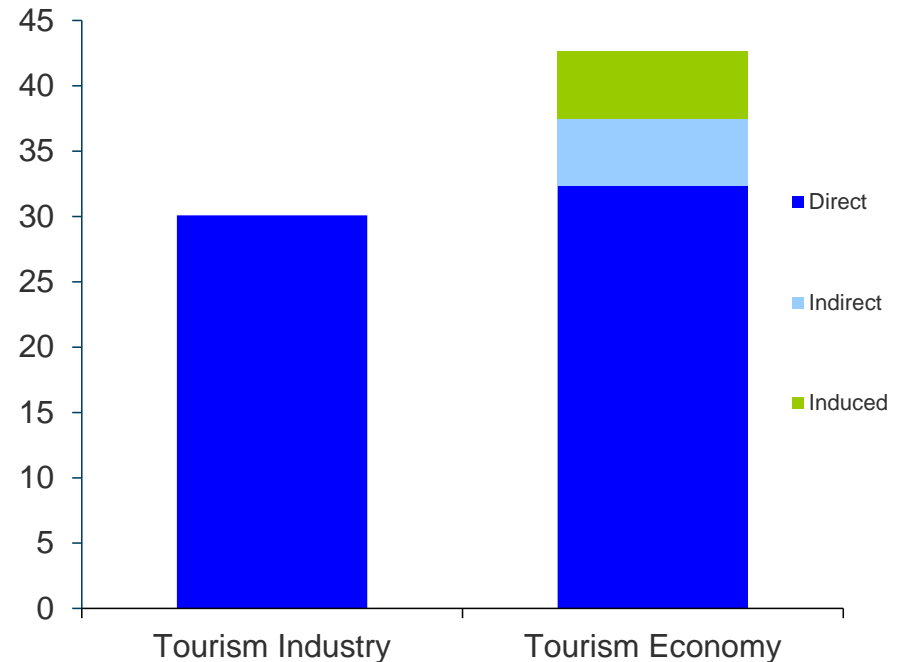


# Tourism impact summary - Jobs

- Tourism spending directly supported 30,088 jobs in North Dakota in 2015.
- The tourism economy, including direct, indirect and induced impacts, supported 42,614 jobs. This is 7.5% of all jobs in the state.

## Tourism Employment Impact

2015, Thousands



Source: Tourism Economics

# Direct Tourism Industry

*What is the direct economic value of tourism-related sectors?*



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# Tourism industry impacts

Core Tourism		
	Employment	GDP
Agriculture, Fishing, Mining	-	-
Construction and Utilities	-	-
Manufacturing	-	-
Wholesale Trade	-	-
Air Transport	104	\$16.2
Other Transport	687	\$46.0
Retail Trade	4,204	\$158.7
Gasoline Stations	861	\$35.6
Communications	-	-
Finance, Insurance and Real Estate	-	\$0.0
Business Services	218	\$25.0
Education and Health Care	-	-
Recreation and Entertainment	4,574	\$145.4
Lodging	5,443	\$269.9
Food & Beverage	13,398	\$421.8
Personal Services	600	\$8.7
Government	-	\$0.0
<b>TOTAL</b>	<b>30,088</b>	<b>\$1,127.3</b>

- Tourism GDP is the value added of those sectors directly interacting with visitors.
- The narrow definition of the tourism industry counts only tourism consumption, which excludes capital investment and general government support of tourism. This definition is consistent with economic accounts.
- On this basis, tourism industry GDP was just over \$1.1 billion in 2015, accounting for 2.1% of total North Dakota GDP.

# Why sales and GDP differ

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- Tourism industry sales in North Dakota totaled \$3.1 billion while direct GDP measures \$1.1 billion.
- GDP (Gross domestic product) is less than sales because it measures only the locally-produced value of goods and services consumed by visitors.
  - This includes the local labor, capital depreciation, and the profits of tourism-related companies that are based in North Dakota;
  - The costs of imported goods (gasoline, food or retail goods) that come from out-of-state are excluded from the GDP calculation;
  - In addition, business profits from out-of-state companies are also excluded. For example, Wal-Mart profits leave the state.

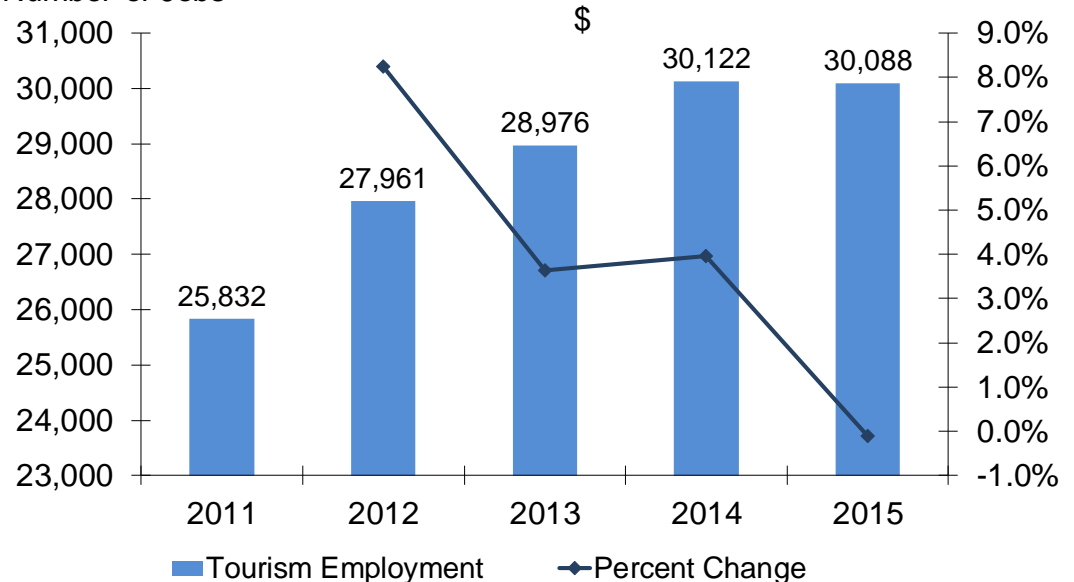
# Tourism employment growth (direct impacts)

Tourism Employment					
	2011	2012	2013	2014	2015
<b>Tourism Employment</b>	<b>25,832</b>	<b>27,961</b>	<b>28,976</b>	<b>30,122</b>	<b>30,088</b>
<b>Percent Change</b>		<b>8.2%</b>	<b>3.6%</b>	<b>4.0%</b>	<b>-0.1%</b>

- Tourism employment declined slightly in 2015.
- Since 2011, more than 4,000 new jobs have been created by visitor activity.

## Tourism Employment

Number of Jobs



Source: Tourism Economics

# Tourism ranking (direct impacts)

- Were tourism an industry as defined by the government, tourism employment would rank as the 5<sup>th</sup> largest industry in North Dakota.

Employment Ranking State of North Dakota		
Rank	Industry	Employment (000s)
1	Health care and social assistance	64,503
2	Retail trade	62,366
3	Construction	44,612
4	Accommodation and food services	39,072
<b>5</b>	<b>TOURISM</b>	<b>30,088</b>
6	Mining, quarrying, and oil and gas extraction	29,987
7	Wholesale trade	28,510
8	Transportation and warehousing	27,635
9	Other services (except public administration)	27,609
10	Manufacturing	27,044
11	Finance and insurance	26,777
12	Professional, scientific, and technical services	24,135
13	Real estate and rental and leasing	24,022
14	Administrative and support and waste management and remediation services	19,207
15	Arts, entertainment, and recreation	7,919
16	Information	7,507
17	Educational services	6,502
18	Management of companies and enterprises	5,737
19	Forestry, fishing, and related activities	5,001
20	Utilities	3,938

# Total Tourism Economy

*What is the total economic impact of tourism in North Dakota?*



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# Tourism generated sales

Tourism Sales (US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	21.6	7.5	29.1
Construction and Utilities	353.0	99.0	36.1	488.1
Manufacturing	28.4	45.2	12.8	86.5
Wholesale Trade	-	63.2	38.5	101.7
Air Transport	40.1	1.0	1.0	42.1
Other Transport	83.0	53.6	17.1	153.7
Retail Trade	652.3	23.9	62.1	738.3
Gasoline Stations	442.5	2.1	3.3	448.0
Communications	-	49.4	24.1	73.5
Finance, Insurance and Real Estate	49.2	181.5	216.7	447.4
Business Services	46.8	187.7	44.6	279.1
Education and Health Care	-	1.0	123.0	124.0
Recreation and Entertainment	344.6	12.3	9.8	366.6
Lodging	473.4	1.1	0.4	474.9
Food & Beverage	900.7	17.3	49.6	967.5
Personal Services	19.1	26.8	42.6	88.5
Government	6.7	25.5	14.2	46.4
<b>TOTAL</b>	<b>3,439.7</b>	<b>812.2</b>	<b>703.5</b>	<b>4,955.4</b>

\* Direct sales include cost of goods sold for retail sectors

The total tourism economy generated direct spending of \$3.4 billion, which in turn generated an economic impact of nearly \$5.0 billion in 2015 as visitor dollars flowed through the North Dakota economy.

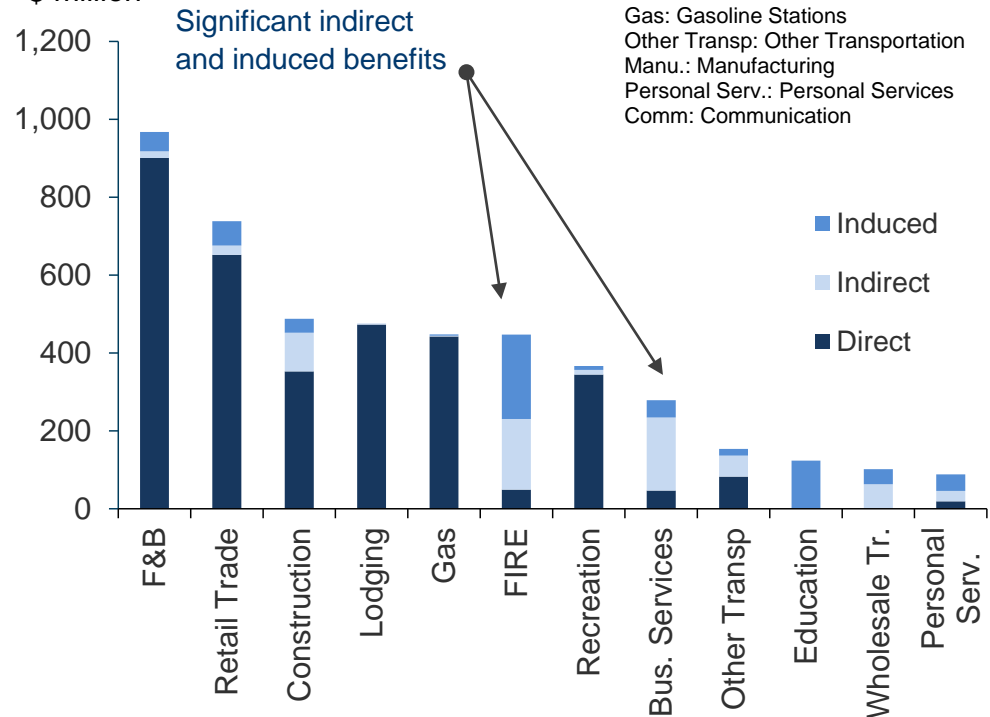


# Tourism sales

- All business sectors of the North Dakota economy benefit from tourism activity directly and/or indirectly.
- Sectors that serve the tourism industry, like business services, gain as suppliers to a dynamic industry.

## Tourism Sales by Industry

\$ million



# Tourism GDP (value added)

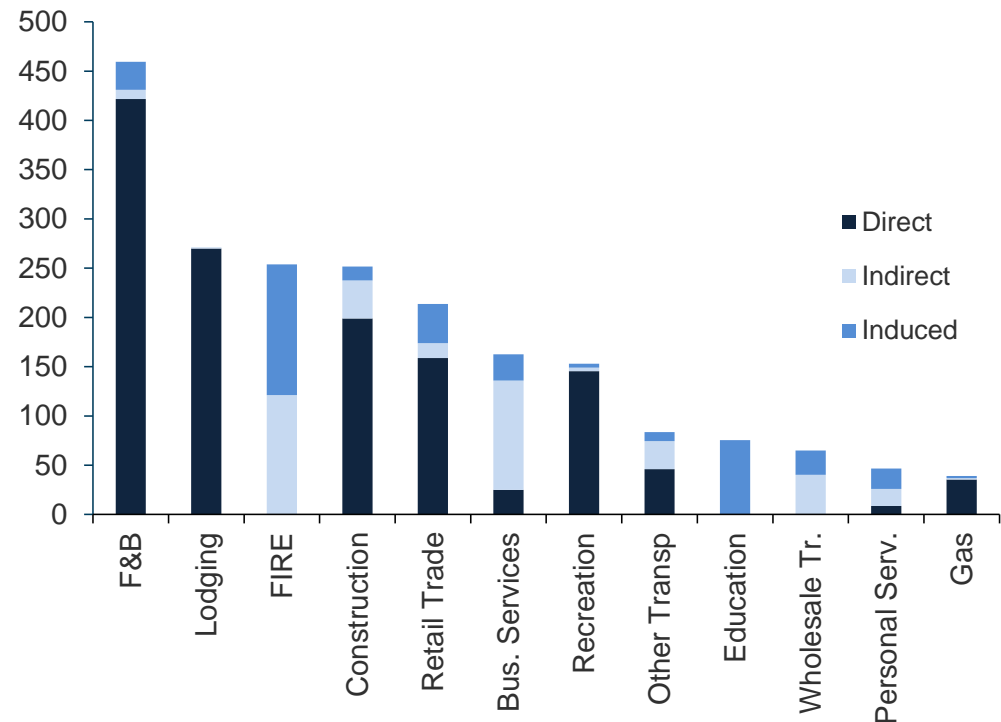
Tourism GDP (Value Added)				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	16.1	5.5	21.6
Construction and Utilities	199.0	38.4	14.2	251.7
Manufacturing	7.8	13.9	3.5	25.2
Wholesale Trade	-	40.4	24.6	64.9
Air Transport	16.2	0.4	0.4	17.0
Other Transport	46.0	28.5	9.1	83.6
Retail Trade	158.7	15.1	39.8	213.6
Gasoline Stations	35.6	1.4	2.2	39.1
Communications	-	20.0	11.8	31.7
Finance, Insurance and Real Estate	-	121.1	132.8	253.9
Business Services	25.0	110.9	26.7	162.6
Education and Health Care	-	0.4	75.1	75.5
Recreation and Entertainment	145.4	3.7	4.0	153.1
Lodging	269.9	0.6	0.2	270.8
Food & Beverage	421.8	9.4	28.3	459.4
Personal Services	8.7	17.3	20.7	46.7
Government	2.6	8.2	(1.8)	9.1
<b>TOTAL</b>	<b>1,336.7</b>	<b>445.8</b>	<b>397.1</b>	<b>2,179.6</b>

Tourism generated \$2.2 billion in state GDP in 2015, representing 4.0% of the total North Dakota economy.

# Tourism GDP (value added)

- The F&B (food and beverage services) industry generates the largest share of tourism-generated GDP, closely followed by lodging services.
- Despite not being a primary supplier directly to visitors, FIRE (finance, insurance and real estate) generates \$254 million of tourism GDP.

**Tourism GDP by Industry**  
\$ million



# Tourism employment

- The tourism sector supported 42,614 jobs in 2015.

Tourism Employment				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	75	27	103
Construction and Utilities	2,113	217	83	2,413
Manufacturing	161	108	21	290
Wholesale Trade	-	249	152	401
Air Transport	104	3	2	109
Other Transport	687	350	110	1,146
Retail Trade	4,204	311	756	5,271
Gasoline Stations	861	33	52	946
Communications	-	223	75	298
Finance, Insurance and Real Estate	-	823	546	1,369
Business Services	218	1,495	418	2,131
Education and Health Care	-	33	1,278	1,312
Recreation and Entertainment	4,574	319	146	5,039
Lodging	5,443	13	5	5,460
Food & Beverage	13,398	381	873	14,652
Personal Services	600	269	546	1,415
Government	27	162	71	260
<b>TOTAL</b>	<b>32,390</b>	<b>5,063</b>	<b>5,162</b>	<b>42,614</b>

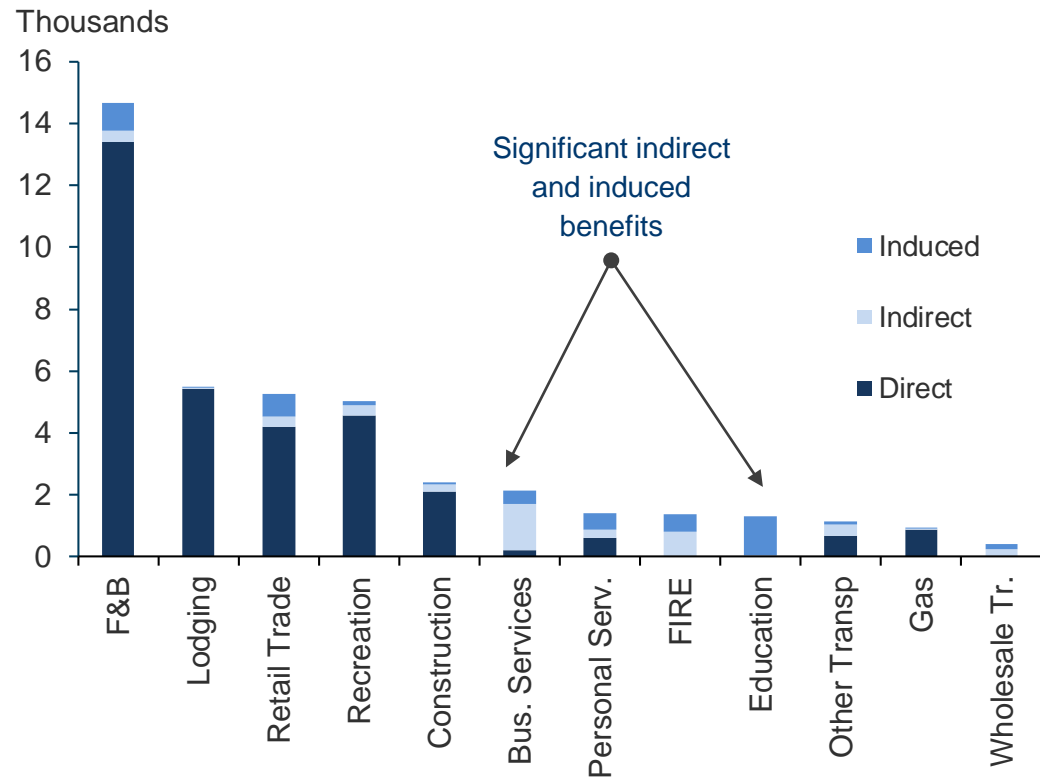
Indirect impacts quantify the supply chain to those industries directly providing goods or services to visitors.

Induced impacts are generated when employees whose incomes are generated either directly or indirectly by travel, spend those incomes in the state economy.

# Tourism employment

- Secondary benefits are realized across the entire economy through the supply chain and incomes as they are spent.
- If all tourism industry employees were unemployed, it would increase the unemployment rate by 7.3 percentage points.

## Tourism Employment by Industry



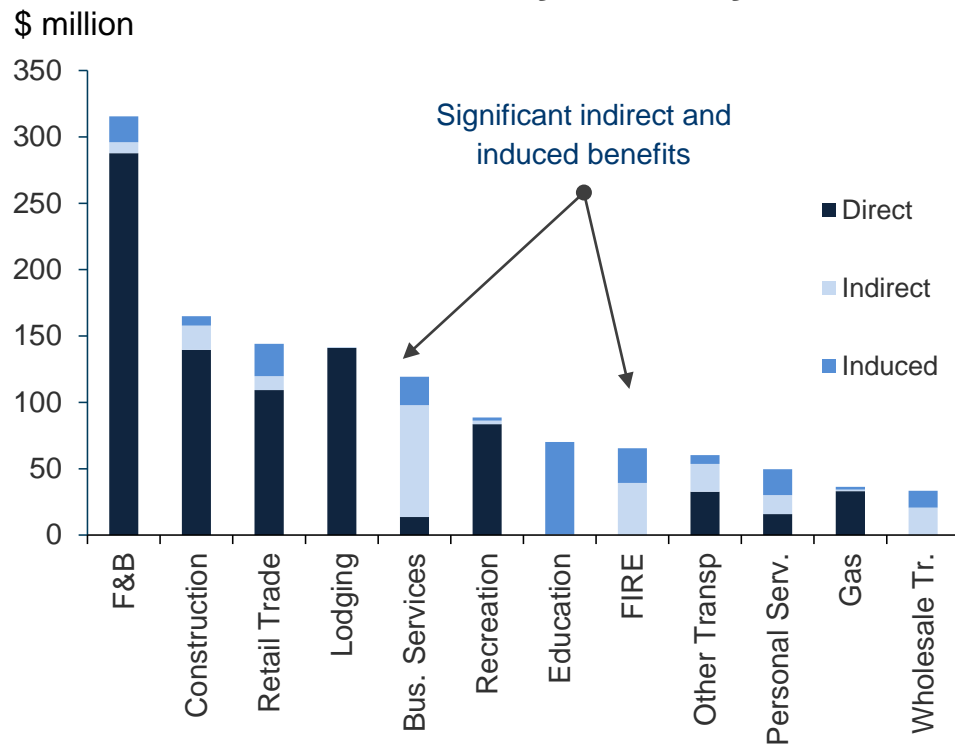
# Tourism personal income

Tourism Labor Income (Compensation)				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	6.1	2.1	8.2
Construction and Utilities	139.5	18.4	7.1	165.0
Manufacturing	4.6	6.4	1.3	12.3
Wholesale Trade	-	20.7	12.6	33.4
Air Transport	4.8	0.1	0.1	5.0
Other Transport	32.7	20.9	6.7	60.2
Retail Trade	109.3	10.4	24.5	144.2
Gasoline Stations	33.0	1.3	2.0	36.3
Communications	-	12.3	5.0	17.3
Finance, Insurance and Real Estate	-	39.4	26.0	65.4
Business Services	13.7	84.3	21.3	119.2
Education and Health Care	-	0.4	69.7	70.1
Recreation and Entertainment	83.5	2.8	2.3	88.6
Lodging	140.9	0.3	0.1	141.4
Food & Beverage	287.8	8.2	19.4	315.5
Personal Services	15.9	14.2	19.5	49.6
Government	1.5	11.8	4.8	18.1
<b>TOTAL</b>	<b>867.2</b>	<b>258.1</b>	<b>224.5</b>	<b>1,349.8</b>

# Tourism personal income

- Significant employment in F&B and recreation drives high labor income in those industries.
- Above average wages support labor income in supplier industries.
- The average labor income of workers supported by visitor spending was \$26,800 in 2015.

**Tourism Labor Income by Industry**



# Tourism tax generation

Traveler-Generated Tax Revenues			
(US\$ Million, Year)			
	Direct	Indirect/ Induced	Total
<b>Federal</b>	<b>202.5</b>	<b>120.1</b>	<b>322.6</b>
Personal Income	69.8	38.9	108.8
Corporate	26.3	24.3	50.5
Indirect business	8.9	3.4	12.3
Social Security	97.5	53.5	151.0
<b>State and Local</b>	<b>266.2</b>	<b>61.1</b>	<b>327.3</b>
Sales	155.1	16.7	171.8
Bed Tax	7.9	-	7.9
Personal Income	8.8	4.9	13.6
Corporate	4.1	3.8	7.9
Social Security	1.1	0.6	1.7
Excise and Fees	72.6	28.7	101.4
Property	16.6	6.4	23.0
<b>TOTAL</b>	<b>468.6</b>	<b>181.2</b>	<b>649.9</b>

- Taxes of \$650 million were directly and indirectly generated by tourism in North Dakota.
- State and local taxes alone tallied \$327 million in 2015.
- Each household in North Dakota would need to be taxed an additional \$1,092 per year to replace the visitor taxes received by state and local governments.
- Tourism-generated state and local taxes generate nearly 6% of total state and local taxes for North Dakota.



# 2015 Wrap-up

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- Despite declines in spending in the lodging and transportation sectors, visitor spending is still above 2011 levels and on par with 2013. In addition, employment supported by tourism remained above 30,000 and tourism's overall share of the state economy grew.
- Marketable travel and travel to visit friends and relatives remains strong.
- State and local tax revenues directly from visitor activity hit \$327 million, accounting for nearly 6% of total state and local taxes.

# Economic Impacts by County



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# Visitor spending by sector

North Dakota - All Counties								
County	Visitor Spending - 2015 (millions)						Growth Rate (2015/2014)	State and Local Tax Revenue (millions)
	Lodging*	F&B	Retail	Recreation	Transport**	Total		
Adams County	\$1.66	\$2.14	\$2.13	\$0.64	\$1.00	\$7.57	22.0%	\$0.80
Barnes County	\$3.94	\$7.81	\$3.12	\$1.96	\$3.72	\$20.55	-2.0%	\$2.26
Benson County	\$0.70	\$1.19	\$0.33	\$13.49	\$1.01	\$16.73	1.2%	\$1.70
Billings County	\$3.26	\$6.60	\$2.56	\$1.90	\$1.45	\$15.77	-4.2%	\$1.52
Bottineau County	\$4.60	\$7.51	\$2.27	\$1.50	\$2.92	\$18.80	-18.0%	\$1.96
Bowman County	\$2.17	\$3.27	\$1.76	\$0.95	\$2.61	\$10.74	-7.2%	\$1.10
Burke County	\$0.71	\$1.18	\$0.40	\$0.22	\$0.85	\$3.37	-16.9%	\$0.36
Burleigh County	\$80.59	\$139.74	\$113.50	\$43.50	\$92.99	\$470.33	0.5%	\$51.13
Cass County	\$124.59	\$230.07	\$207.53	\$128.53	\$149.26	\$839.98	-2.0%	\$92.76
Cavalier County	\$0.70	\$1.52	\$0.50	\$0.35	\$1.49	\$4.55	-6.0%	\$0.49
Dickey County	\$0.71	\$1.72	\$0.72	\$0.41	\$2.05	\$5.61	-2.5%	\$0.62
Divide County	\$0.95	\$1.93	\$0.38	\$0.38	\$0.46	\$4.10	4.6%	\$0.47
Dunn County	\$2.37	\$3.15	\$0.91	\$0.79	\$2.42	\$9.63	-4.7%	\$1.03
Eddy County	\$0.23	\$0.48	\$0.43	\$0.10	\$0.34	\$1.58	-15.4%	\$0.18
Emmons County	\$0.69	\$1.34	\$0.24	\$0.21	\$1.02	\$3.50	-11.7%	\$0.40
Foster County	\$1.48	\$2.06	\$1.05	\$0.81	\$1.86	\$7.26	-0.9%	\$0.78
Golden Valley County	\$0.50	\$0.62	\$0.34	\$0.17	\$0.39	\$2.02	-1.4%	\$0.22
Grand Forks County	\$50.14	\$92.59	\$72.84	\$19.07	\$53.16	\$287.80	-5.8%	\$31.42
Grant County	\$0.41	\$0.71	\$0.05	\$0.05	\$0.39	\$1.61	-4.7%	\$0.17
Griggs County	\$0.40	\$0.82	\$0.45	\$0.38	\$0.34	\$2.39	-8.8%	\$0.26
Hettinger County	\$1.06	\$1.49	\$0.62	\$0.35	\$0.98	\$4.50	1.6%	\$0.47
Kidder County	\$0.71	\$1.10	\$0.13	\$0.36	\$0.34	\$2.65	-11.4%	\$0.27
LaMoure County	\$0.58	\$1.38	\$0.32	\$0.38	\$0.64	\$3.30	-3.8%	\$0.35
Logan County	\$0.27	\$0.64	\$0.04	\$0.05	\$0.24	\$1.25	-19.1%	\$0.14
McHenry County	\$0.48	\$1.26	\$0.16	\$0.12	\$0.73	\$2.74	-13.9%	\$0.33
McIntosh County	\$0.74	\$1.35	\$0.29	\$0.19	\$0.46	\$3.03	-2.6%	\$0.34
McKenzie County	\$26.29	\$33.30	\$20.39	\$13.06	\$18.75	\$111.79	-17.0%	\$11.52

\* Lodging spending includes 2nd home valuation

\*\* Transport includes local and air transportation

# Visitor spending by sector (cont.)

North Dakota - All Counties								
County	Visitor Spending - 2015 (millions)						Growth Rate (2015/2014)	State and Local Tax Revenue (millions)
	Lodging*	F&B	Retail	Recreation	Transport**	Total		
McLean County	\$2.82	\$6.12	\$0.79	\$1.55	\$3.37	\$14.65	-14.9%	\$1.49
Mercer County	\$4.88	\$8.04	\$3.39	\$1.83	\$4.03	\$22.17	-5.8%	\$2.44
Morton County	\$6.78	\$16.84	\$5.84	\$6.07	\$11.57	\$47.10	-4.4%	\$5.55
Mountrail County	\$19.93	\$18.22	\$10.80	\$17.40	\$13.53	\$79.89	-37.9%	\$8.05
Nelson County	\$0.60	\$1.42	\$0.38	\$0.27	\$0.98	\$3.65	-8.8%	\$0.42
Oliver County	\$0.11	\$0.20	\$0.03	\$0.07	\$0.22	\$0.62	7.1%	\$0.14
Pembina County	\$2.20	\$3.29	\$1.69	\$1.31	\$4.08	\$12.57	-1.7%	\$1.36
Pierce County	\$1.62	\$2.56	\$1.11	\$0.61	\$1.94	\$7.85	-8.0%	\$0.90
Ramsey County	\$7.29	\$14.12	\$6.30	\$4.78	\$6.78	\$39.26	-5.3%	\$4.37
Ransom County	\$0.79	\$1.99	\$0.66	\$0.40	\$1.75	\$5.60	-8.8%	\$0.64
Renville County	\$0.33	\$0.91	\$0.34	\$0.07	\$0.33	\$1.98	14.3%	\$0.22
Richland County	\$3.38	\$8.35	\$2.95	\$15.52	\$6.07	\$36.27	-0.4%	\$3.64
Rolette County	\$2.57	\$4.77	\$2.12	\$15.50	\$4.18	\$29.14	-2.3%	\$2.86
Sargent County	\$0.16	\$0.91	\$0.05	\$0.22	\$0.66	\$1.99	-6.3%	\$0.25
Sheridan County	\$0.56	\$0.71	\$0.13	\$0.07	\$0.22	\$1.69	-3.6%	\$0.18
Sioux County	\$1.04	\$1.23	\$0.83	\$12.53	\$1.15	\$16.76	-1.8%	\$1.74
Slope County	\$0.15	\$0.19	\$0.03	\$0.01	\$0.10	\$0.48	-2.2%	\$0.09
Stark County	\$29.76	\$50.36	\$27.50	\$11.06	\$27.21	\$145.90	-27.6%	\$14.72
Steele County	\$0.33	\$0.53	\$0.44	\$0.06	\$0.26	\$1.61	-3.1%	\$0.17
Stutsman County	\$12.82	\$22.99	\$11.74	\$4.58	\$10.27	\$62.39	0.7%	\$7.10
Towner County	\$0.37	\$0.64	\$0.05	\$0.07	\$0.77	\$1.90	-11.3%	\$0.20
Traill County	\$0.45	\$2.47	\$0.30	\$0.44	\$2.34	\$6.01	-12.4%	\$0.70
Walsh County	\$1.26	\$3.30	\$1.70	\$1.11	\$3.89	\$11.27	-9.6%	\$1.33
Ward County	\$55.21	\$98.38	\$87.78	\$37.84	\$95.16	\$374.37	-14.0%	\$37.84
Wells County	\$2.00	\$2.72	\$1.53	\$1.00	\$1.60	\$8.85	8.2%	\$0.90
Williams County	\$54.15	\$82.45	\$50.31	\$18.59	\$48.94	\$254.45	-24.5%	\$26.98
<b>State Total</b>	<b>\$522.53</b>	<b>\$900.67</b>	<b>\$652.27</b>	<b>\$382.85</b>	<b>\$593.26</b>	<b>\$3,051.58</b>	<b>-9.60%</b>	<b>\$327.29</b>

\* Lodging spending includes 2nd home valuation

\*\* Transport includes local and air transportation

# Visitor spending timeline by county

North Dakota - All Counties						
County	Visitor Spending (Millions)				Percent Change (2015/2014)	Share of State
	2012	2013	2014	2015		
Adams County	\$4.83	\$5.31	\$6.20	\$7.57	22.0%	0.25%
Barnes County	\$19.00	\$21.66	\$20.98	\$20.55	-2.0%	0.67%
Benson County	\$16.23	\$16.54	\$16.53	\$16.73	1.2%	0.55%
Billings County	\$16.21	\$14.20	\$16.46	\$15.77	-4.2%	0.52%
Bottineau County	\$21.50	\$23.06	\$22.92	\$18.80	-18.0%	0.62%
Bowman County	\$9.65	\$10.67	\$11.58	\$10.74	-7.2%	0.35%
Burke County	\$5.77	\$4.50	\$4.06	\$3.37	-16.9%	0.11%
Burleigh County	\$428.37	\$453.26	\$468.06	\$470.33	0.5%	15.41%
Cass County	\$733.38	\$800.54	\$857.07	\$839.98	-2.0%	27.53%
Cavalier County	\$5.50	\$5.80	\$4.85	\$4.55	-6.0%	0.15%
Dickey County	\$5.34	\$5.28	\$5.75	\$5.61	-2.5%	0.18%
Divide County	\$3.50	\$3.61	\$3.92	\$4.10	4.6%	0.13%
Dunn County	\$9.25	\$10.42	\$10.11	\$9.63	-4.7%	0.32%
Eddy County	\$1.71	\$1.81	\$1.87	\$1.58	-15.4%	0.05%
Emmons County	\$3.84	\$3.80	\$3.96	\$3.50	-11.7%	0.11%
Foster County	\$7.05	\$7.52	\$7.33	\$7.26	-0.9%	0.24%
Golden Valley County	\$2.03	\$2.03	\$2.05	\$2.02	-1.4%	0.07%
Grand Forks County	\$273.73	\$299.51	\$305.58	\$287.80	-5.8%	9.43%
Grant County	\$1.36	\$1.53	\$1.69	\$1.61	-4.7%	0.05%
Griggs County	\$2.52	\$2.50	\$2.62	\$2.39	-8.8%	0.08%
Hettinger County	\$3.23	\$3.78	\$4.43	\$4.50	1.6%	0.15%
Kidder County	\$3.04	\$2.94	\$2.99	\$2.65	-11.4%	0.09%
LaMoure County	\$3.07	\$3.46	\$3.43	\$3.30	-3.8%	0.11%
Logan County	\$1.72	\$1.68	\$1.54	\$1.25	-19.1%	0.04%
McHenry County	\$3.36	\$3.14	\$3.18	\$2.74	-13.9%	0.09%
McIntosh County	\$2.99	\$2.82	\$3.11	\$3.03	-2.6%	0.10%
McKenzie County	\$33.61	\$68.92	\$134.71	\$111.79	-17.0%	3.66%

# Visitor spending timeline by county (cont.)

North Dakota - All Counties						
County	Visitor Spending (Millions)				Percent Change (2015/2014)	Share of State
	2012	2013	2014	2015		
McLean County	\$15.23	\$17.35	\$17.23	\$14.65	-14.9%	0.48%
Mercer County	\$18.48	\$22.14	\$23.54	\$22.17	-5.8%	0.73%
Morton County	\$45.53	\$48.28	\$49.28	\$47.10	-4.4%	1.54%
Mountrail County	\$129.90	\$115.91	\$128.71	\$79.89	-37.9%	2.62%
Nelson County	\$3.09	\$3.68	\$4.00	\$3.65	-8.8%	0.12%
Oliver County	\$0.48	\$0.57	\$0.58	\$0.62	7.1%	0.02%
Pembina County	\$11.66	\$12.23	\$12.78	\$12.57	-1.7%	0.41%
Pierce County	\$7.83	\$8.23	\$8.53	\$7.85	-8.0%	0.26%
Ramsey County	\$35.19	\$38.16	\$41.47	\$39.26	-5.3%	1.29%
Ransom County	\$5.66	\$6.28	\$6.14	\$5.60	-8.8%	0.18%
Renville County	\$2.13	\$1.84	\$1.73	\$1.98	14.3%	0.06%
Richland County	\$33.17	\$35.09	\$36.41	\$36.27	-0.4%	1.19%
Rolette County	\$28.39	\$29.58	\$29.82	\$29.14	-2.3%	0.95%
Sargent County	\$2.07	\$2.12	\$2.12	\$1.99	-6.3%	0.07%
Sheridan County	\$1.43	\$1.64	\$1.75	\$1.69	-3.6%	0.06%
Sioux County	\$16.40	\$16.93	\$17.06	\$16.76	-1.8%	0.55%
Slope County	\$0.54	\$0.56	\$0.49	\$0.48	-2.2%	0.02%
Stark County	\$201.68	\$179.08	\$201.58	\$145.90	-27.6%	4.78%
Steele County	\$1.49	\$1.65	\$1.66	\$1.61	-3.1%	0.05%
Stutsman County	\$57.02	\$60.83	\$61.93	\$62.39	0.7%	2.04%
Towner County	\$2.10	\$1.99	\$2.15	\$1.90	-11.3%	0.06%
Traill County	\$6.17	\$6.40	\$6.85	\$6.01	-12.4%	0.20%
Walsh County	\$11.25	\$11.64	\$12.46	\$11.27	-9.6%	0.37%
Ward County	\$387.58	\$410.49	\$435.51	\$374.37	-14.0%	12.27%
Wells County	\$5.69	\$7.95	\$8.17	\$8.85	8.2%	0.29%
Williams County	\$250.14	\$287.58	\$336.85	\$254.45	-24.5%	8.34%
State Total	\$2,902.11	\$3,108.48	\$3,375.80	\$3,051.58	-9.6%	100.00%

# Impacts by county, 2015

North Dakota - All Counties						
County	Employment		Share of State	Share of County	Labor Income, (Millions)	
	Direct	Total			Direct	Total
Adams County	73	106	0.2%	6.0%	\$1.3	\$2.9
Barnes County	233	340	0.8%	4.3%	\$3.8	\$7.9
Benson County	233	297	0.7%	8.7%	\$3.0	\$5.8
Billings County	134	167	0.4%	18.5%	\$3.5	\$4.9
Bottineau County	206	279	0.7%	5.7%	\$3.4	\$6.6
Bowman County	101	135	0.3%	5.0%	\$1.5	\$3.2
Burke County	23	36	0.1%	2.1%	\$0.5	\$1.2
Burleigh County	4,353	6,571	15.4%	8.6%	\$109.8	\$233.4
Cass County	9,260	13,126	30.8%	9.0%	\$208.6	\$414.8
Cavalier County	36	49	0.1%	1.6%	\$0.5	\$1.1
Dickey County	59	88	0.2%	2.5%	\$0.8	\$2.0
Divide County	41	68	0.2%	3.5%	\$0.8	\$2.5
Dunn County	63	99	0.2%	2.3%	\$1.7	\$4.3
Eddy County	14	26	0.1%	1.8%	\$0.2	\$0.6
Emmons County	58	73	0.2%	3.3%	\$1.1	\$1.7
Foster County	86	104	0.2%	3.9%	\$1.5	\$2.3
Golden Valley County	12	19	0.0%	1.4%	\$0.2	\$0.5
Grand Forks County	3,370	4,688	11.0%	8.6%	\$69.3	\$129.4
Grant County	13	24	0.1%	1.6%	\$0.2	\$0.6
Griggs County	20	32	0.1%	1.8%	\$0.2	\$0.8
Hettinger County	67	71	0.2%	3.9%	\$1.0	\$1.2
Kidder County	29	33	0.1%	2.1%	\$0.5	\$0.7
LaMoure County	22	28	0.1%	1.0%	\$0.2	\$0.5
Logan County	20	23	0.1%	1.7%	\$0.2	\$0.3
McHenry County	31	54	0.1%	1.8%	\$0.6	\$1.7
McIntosh County	31	52	0.1%	2.4%	\$0.4	\$1.3
McKenzie County	1,061	1,276	3.0%	9.3%	\$37.1	\$54.5

# Impacts by county, 2015 (cont.)

North Dakota - All Counties						
County	Employment		Share of State	Share of County	Labor Income, (Millions)	
	Direct	Total			Direct	Total
McLean County	112	156	0.4%	2.6%	\$2.1	\$4.5
Mercer County	268	363	0.9%	5.2%	\$4.4	\$11.4
Morton County	514	873	2.0%	5.0%	\$10.8	\$27.9
Mountrail County	699	845	2.0%	9.2%	\$19.1	\$30.4
Nelson County	63	79	0.2%	3.5%	\$0.8	\$1.4
Oliver County	10	27	0.1%	1.9%	\$0.1	\$1.7
Pembina County	132	207	0.5%	3.7%	\$1.8	\$5.1
Pierce County	128	157	0.4%	5.1%	\$2.4	\$3.6
Ramsey County	559	707	1.7%	8.3%	\$11.7	\$18.0
Ransom County	68	100	0.2%	2.9%	\$0.9	\$2.2
Renville County	25	30	0.1%	2.0%	\$0.4	\$0.6
Richland County	302	439	1.0%	4.0%	\$4.4	\$10.0
Rolette County	313	408	1.0%	6.1%	\$4.9	\$7.8
Sargent County	27	49	0.1%	1.2%	\$0.4	\$1.2
Sheridan County	16	34	0.1%	4.1%	\$0.1	\$0.1
Sioux County	186	331	0.8%	16.1%	\$3.0	\$7.2
Slope County	5	22	0.1%	4.4%	\$0.2	\$1.4
Stark County	809	1,248	2.9%	4.2%	\$21.9	\$48.0
Steele County	15	20	0.0%	1.5%	\$0.2	\$0.5
Stutsman County	924	1,198	2.8%	7.8%	\$18.7	\$30.5
Towner County	20	25	0.1%	1.4%	\$0.2	\$0.4
Traill County	65	100	0.2%	1.9%	\$1.0	\$2.5
Walsh County	153	230	0.5%	3.0%	\$2.1	\$5.4
Ward County	2,972	4,214	9.9%	8.1%	\$76.2	\$139.7
Wells County	78	105	0.2%	3.4%	\$1.1	\$2.1
Williams County	1,980	2,782	6.5%	6.4%	\$67.0	\$127.4
<b>State Total</b>	<b>30,088</b>	<b>42,615</b>			<b>708.0</b>	<b>1,377.9</b>



# Tourism in Context

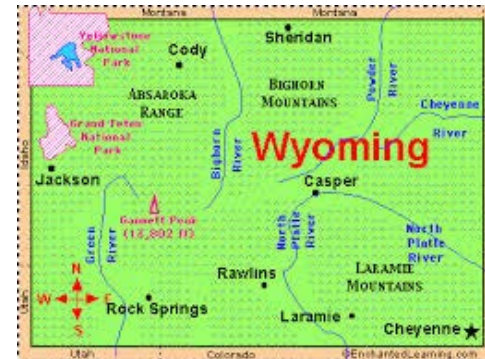


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# How important is tourism?

- North Dakota's 21.9 million visitors in 2015 would be like everyone from Minnesota, Missouri, Oklahoma, and Wisconsin visiting North Dakota – with enough room to welcome everyone from Wyoming, too.



# How important is tourism?

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- The \$3.1 billion tourism industry in North Dakota is equal to the amount Americans spent on costumes for Halloween.

Source: <http://www.self.com/story/how-much-the-average-american-spends-on-halloween>



# How important is tourism?

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- The 30,088 direct tourism jobs would be enough jobs for every resident of Morton County – the seventh largest county in North Dakota.



- Total tourism supported employment is three times larger than the enrollment of North Dakota State.



# How important is tourism?

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- The \$327 million in state and local revenues from visitor activity is enough to fully fund the state portion of the:
  - Highway Patrol
  - Department of Parks and Recreation
  - Game and Fish Department
  - Minot State University
  - Office of Attorney General

For the 2015-2017 budget years.

# How important is tourism?

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- The \$327 million in state and local revenues from visitor activity represents a 'savings' of \$1,092 per household in North Dakota – or enough money for more than 135 admissions into the National Buffalo Museum.





# Methodology and Background



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# Definitions and terms

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- A visitor includes all overnight and day visitors - traveling outside of their usual environment, defined as beyond 50 miles.
- The analysis measures the economic impact of visitors to the State of North Dakota, including:
  - Day trips and overnight visitors
  - Domestic, Canadian and overseas visitors
  - Resident and non-resident travel



# Quantifying the travel and tourism economy

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- Most economic sectors such as financial services, insurance, or construction are easily defined within a country's national accounts statistics.
- Travel is not so easily measured because it is not a single industry. It is a demand-side activity which affects multiple sectors to various degrees.
- Travel spans nearly a dozen sectors including lodging, retail, real estate, air passenger transport, food & beverage, car rental, taxi services, travel agents, and recreation (including museums, theme parks, sports events and others).

# Methods and data sources

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- Domestic visitor expenditure estimates are provided by Longwoods International's representative survey of US travelers. These are broken out by sectors (lodging, transport at destination, food & beverage, retail, and recreation), by purpose (business and leisure), and by length of stay (day and overnight).
- Tourism Economics (TE) then adds and cross-checks several categories of spending:
  - International visitor spending (source: NTTO, TE)
  - Canada visitor spending (source: Statistics Canada, TE)
  - Spending on air travel which accrues to North Dakota airports and locally-based airlines
  - Gasoline purchases by visitors (source: TE calculation)
  - Recreational second home expenditures (source: US Census)
  - Smith Travel Research (lodging performance)
  - Local level lodging tax data
  - Sales tax by industry (North Dakota Department of Revenue)
  - Industry-by-industry employment and personal income (Bureau of Economic Analysis and Bureau of Labor Statistics)

# Methods and data sources

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- An IMPLAN model was utilized for the State of North Dakota. This traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of travel.
- Tourism Economics then cross-checks these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.
- The source of the employment and wage data is the Regional Economic Information System (REIS), Bureau of Economic Analysis, U.S. Department of Commerce. This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data. The main definitional difference is that sole-proprietors, which do not require unemployment insurance, are not counted in the ES202 data.

# Description of spending categories

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<b>Spend Category</b>	<b>Description</b>
Lodging	Includes visitor spending in accommodation sector. This includes food and other services provided by hotels and similar establishments.
Recreation	Includes visitor spending within the arts, entertainment and recreation supersector.
Air transport	Includes the local economic activity generated by visitors within the air transport (airline) and support services (on airport) sectors.
Other transport	Includes all forms of local transport services such as taxis, limos, trains, rental cars, and buses.
Shopping	Includes visitor spending within all retail sectors within the North Dakota economy.
Service stations	visitor spending on gasoline. Only the margin counts as local economic impact.
Second homes	Spending associated with the operation of seasonal second homes for recreational use as defined by the Census Department. This is based on an “imputed rent” calculation over an estimated peak season.
Food and beverage	Includes all visitor spending at restaurants and bars.

# About Tourism Economics

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- 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 200 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 160 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.
- For more information: [info@tourismeconomics.com](mailto:info@tourismeconomics.com).



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