



The Value & Economic Impact of IPW

A Profile of the Importance of IPW to the US Travel & Tourism Industry and its Impact on the US Economy

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INTRODUCTION

Research Challenge

IPW is U.S. Travel Association's annual event and the travel industry's premier international marketplace, bringing travel buyers and suppliers together for three days of intensive pre-scheduled business appointments. IPW is the catalyst for a significant amount of international inbound travel to the U.S. Moreover, given the first-hand exposure of the host destination to such a diverse group of international travel buyers, IPW creates a separate and distinct impact on the city that hosts the show each year.

Rockport Analytics, LLC was retained to (1) estimate the total amount of visitors and bookings that IPW brings to the U.S.; (2) to execute an economic impact study of that future visitation/spending; and (3) assess the additional visitation and spending that will occur in the host city and quantify its economic impact. In all cases our goal was to isolate visitation and spending sources that were specifically "net new." In other words, all of the spending and economic impacts reported in this study are uniquely tied to activity generated by IPW.

About Rockport Analytics

Rockport Analytics, LLC is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. Headquartered in West Chester, PA, Rockport's focus is on creative and actionable research in the travel & tourism market. We provide fast, nimble service in a transparent environment.

Rockport Analytics capabilities include:

- Market Analysis and Forecasting
- Economic Impact Assessment, Tourism Satellite Accounting, and Economic Development
- Market Modeling and Decision Support Tools
- Project Feasibility Assessment
- Primary Research and Secondary Research Synthesis
- Stakeholder Surveys – internal & external

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EXECUTIVE SUMMARY

IPW is the travel industry's premier international marketplace, bringing more than 6,000 travel buyers, media and suppliers from 70+ countries to participate in three days of intensive, pre-scheduled business appointments. The show creates tremendous value to stakeholders in the travel and tourism marketplace and, broadly, to the U.S. economy.

- IPW exposes travel buyers to new markets and ideas. Nearly two-thirds (65%) of IPW buyers claim that their time at IPW 2013 in Las Vegas will lead them to book into markets that they would not have otherwise considered.
- IPW creates an efficient environment where business gets done. More than 90,000, 20-minute business appointments are held over the three-day event.
- Suppliers and destinations benefit by having face-to-face time to communicate their offerings to a large set of qualified buyers. At IPW, the entire international marketplace comes to the U.S.—all under one roof.

Travel initiated by the 2013 IPW in Las Vegas will bring 8.8 million international visitors to the United States, \$28 billion in total spending, and \$4.7 billion in direct bookings to U.S. destinations over the next three years.

- Given the sales cycle that typically exists when U.S. suppliers meet with international buyers at IPW, much of this volume and spending will be pushed out to the future, with \$6.6 billion of the IPW-initiated spending projected for 2013, \$9.5 billion for 2014 and \$12 billion for 2015.
- Of this \$28 billion, \$4.7 billion will be generated directly from bookings contracted via IPW. The remaining \$23.3 billion will be the result of additional spending that will take place by the 8.8 million international visitors. For example, IPW buyers may contract a block of rooms at IPW, which will generate additional visitation spending on things like transportation, shopping, entertainment, and food and beverage.
- The \$28 billion in IPW-initiated spending will include an estimated \$5.9 billion on food and beverage, \$8.5 billion on retail, \$7.8 billion on accommodations, \$2.3 billion on recreation and entertainment, and \$3.5 billion on transportation. Additionally, we estimate there would be another \$9.1 billion will be spent on passenger airfares.

The \$28 billion in spending will generate a direct contribution to GDP (value-added) of \$16 billion, support 114,900 annual U.S. jobs, pay \$11 billion in U.S. wages, and contribute more than \$4.2 billion to state, local and federal tax revenues.

- These figures include only the benefit to those businesses that directly serve these new visitors such as hotels, restaurants and shopping venues. Downstream benefits (indirect and induced) that would accrue to supply chain businesses and workers, while also significant, were not included in our estimates in an effort to remain conservative.
- We estimate federal taxes, dominated by personal and corporate income receipts, will total \$2.1 billion. Meanwhile, state taxes will total \$1.1 billion and local taxes another \$966 million. State and local taxes will mostly come from sales, property, travel-related excise (e.g. hotel, rental car, admission, etc.), and income tax levies.
- After 2013 IPW in Las Vegas, 62% of buyers stated that they are more likely to book travel to Las Vegas than before IPW took place.

By hosting IPW in 2013, Las Vegas will increase its total number of international visitors over the next three years by 1.06 million passengers, which will result in additional tourism spending of \$1.6 billion and direct economic impact to the Las Vegas economy of \$891 million.¹

- The host destination has the unique benefit of gaining exposure around the world, so to speak. A diverse set of travel buyers from around the globe who, over the next three years, will be responsible for bringing nearly 12 million visitors per year to the United States spent on average at least three days in the host city.
- The "IPW Effect" will directly support 5,250 annual jobs and \$656 million in wages over the next three years in Las Vegas. The lift in visitation will also lead to an additional \$93.8 million in state in local tax revenue over the next three years.

¹ The total economic impact is less than spending due to "leakages" from the local economy, i.e., imports.

DETAILED RESULTS

What is IPW?

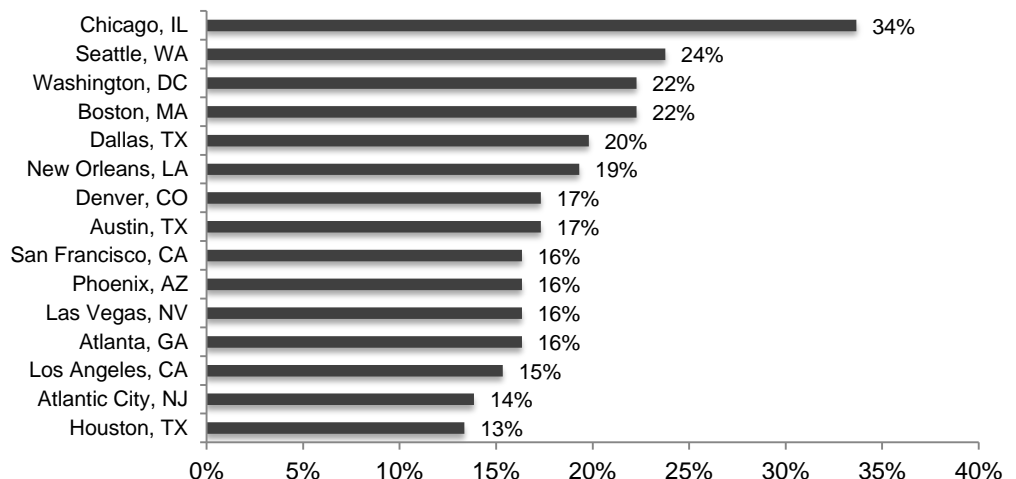
IPW is an annual convention where U.S. destinations and various types of travel suppliers meet with international travel buyers from all over the world. For many, if not most, delegates, IPW is the business networking event of the year.

In 2013, IPW was held in Las Vegas, NV at the Las Vegas Convention Center (LVCC) and was attended by over 5000 delegates from more than 70 different countries. In total, there were 1,344 delegates who could be classified as buyers and another 3,861 who could be classified as suppliers. Buyer delegates include tour operators, travel agents, wholesalers and retailers; suppliers include destinations, attractions, hotel chains, airlines and rental car companies. The event is set up for individual buyers and suppliers to engage in a full calendar of 20-minute meetings over the 3-day event period. In total, over 90,000 appointments are held per year.

Exposure to New Markets & Ideas

The value of IPW to both buyers and suppliers is tremendous. For starters, IPW helps to introduce travel buyers to new products and destinations. The show presents an opportunity to make new connections and the scheduled appointment times facilitating one-on-one interaction that leads to signed contracts. When asked about her time at IPW, Denise Sterling from WestJet Vacations stated, ***“IPW gives us an opportunity to talk about what’s happening presently and***

Which destinations (that you had never booked to before) are you booking or planning to book trips to as a result of your activity at IPW in Las Vegas



Source: US Travel Post-event Survey
 Base: Buyers who plan to book new destination

about what’s happening in the future. It enables the suppliers to update us on what’s going on at the properties – enhancements for innovations, new rate plans, new specials. Gives you an opportunity to do everything you need to do.”

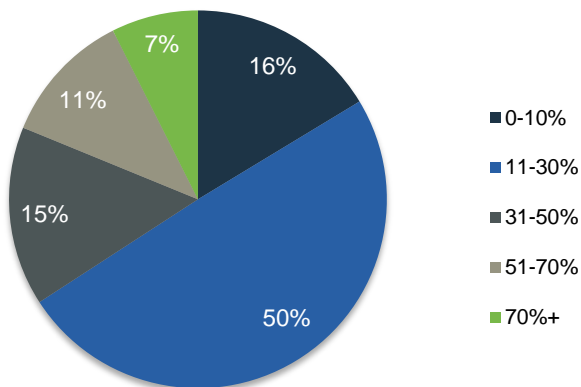
In a post-event survey of IPW buyers, nearly two-thirds (65%) claim that their time at IPW 2013 in Las Vegas will lead them to book into markets that would not have otherwise been considered. Interestingly, the top 15 markets identified include many top U.S. destinations like Chicago (the site of IPW 2014), Washington DC, San Francisco and Los Angeles but also second-tier markets like Seattle, Austin, Phoenix and Atlantic City. While not in the top-15 of responses, there were also many smaller U.S. markets identified such as Savannah, Memphis and Portland. IPW is helping to push more visitors into top tier U.S. destinations but it is also exposing the world to some of the country’s less-known attributes. When asked about sourcing new markets for his business at IPW, Marco Ferraz, an IPW buyer from Brazil, stated, ***“For us, tour operators, we have to differentiate from ‘direct’ by offering value. We have to add value, so when we come here, and I make my appointments and I have some time to walk the roads, the corridors and see***

what's going on in other states like Alaska. I want to offer Alaska in Brazil because I understand that it will be difficult to buy it directly from the Internet alone because travelers [from Brazil] need assistance."

An Environment Where Business Gets Done

Perhaps the most powerful attribute of IPW is the ability for suppliers to meet with a diverse set of international buyers who are attending IPW ready to sign contracts. In fact, when asked about the percentage of total 2014 sales commitments, one-third of buyers claimed that over 30% of their company's annual sales commitments could be directly tied to their time at IPW. There is tremendous benefit for international buyers in having the ability to meet with such a diverse set of suppliers and destinations in one place. For example, when asked about the value of the meeting format of IPW, Jill Warillow from North American Vacation Homes responded, **"We're in the UK. It's a long way to come to the States to have a meeting with somebody who you don't even know is going to fit your product. You can only do a synopsis of what you do, and so there's certain words that we look for and sometimes, that property is not**

Of the total sales commitments your company will generate for 2014, approximately what percentage (%) is attributable to your participation in IPW?



Source: US Travel Post-event Survey
Base: All buyer responses

going to work. You don't know that until you meet them, but you wouldn't want to travel a few thousand miles for them to say, 'Oh, actually, that's not going to work.' Here, we can do that face to face, and it either does or it doesn't. Not every meeting turns into a business relationship, but out of the 44 you get, an awful lot of them do."

Conversely, suppliers and destinations benefit by having the face-to-face time to communicate their offerings to a large set of qualified buyers. When asked where he would rank IPW against other events attended throughout the year, Fred Dixon of NYC & Company responded, **"I would rank IPW as the top event of my year**

because of the market mix that you have. We trust U.S. Travel to vet and to bring the top buyers from every market. We're getting the whole smorgasbord. This is the marketplace. It is the Whole Foods of the travel industry. In terms of buyers, you've got all of the top quality product that you want here."

Making a Significant Impact on International Inbound Travel to the United States

The business that gets done at IPW has a significant impact on international travel to the U.S. from countries around the globe. IPW is one of the key sources of international visitation to the U.S. The travel that is generated has an enormous impact on those industries that directly support tourism, but also on many other U.S. industries such as finance, real estate, business & professional services and manufacturing. IPW-initiated international visitation makes a significant contribution to U.S. employment and federal, state and local tax collections.

Furthermore, the city that hosts IPW each year gets a tremendous and unique opportunity to expose its attributes to key decision makers that are bringing international visitors to the U.S. These important impacts will be the focus of our attention over the subsequent sections of this report.

IPW Is A Significant Contributor to the U.S. Economy & the U.S. International Inbound Travel Market

IPW-Initiated Visitation & Spending

As we highlighted in the introduction to this report, one of the core focal points of IPW is to bring travel buyers, suppliers and destinations together to conduct the business that brings international visitors to the United States. In order to conduct this study, it was critical for us to quantify *how many* future U.S. visitors will ultimately result from IPW 2013 in Las Vegas and *how much* future spending those visitors will generate towards U.S. inbound travel & tourism. We were able to estimate² both of these vital metrics by utilizing survey data from a questionnaire developed by Rockport Analytics and U.S. Travel along with a number of other key data sources.

Over the next three years, we expect that the 2013 IPW held in Las Vegas will generate 8.8 million international visitors and \$28 billion in spending across the U.S. Of this \$28 billion, \$4.7 billion will be generated directly from bookings contracted during IPW. The remaining \$23.3 billion will be the result of additional spending that will take place by the 8.8 million international visitors. For example, IPW buyers may contract a block of rooms at IPW, which will generate additional visitation spending on things like transportation, shopping, entertainment and food and beverage.

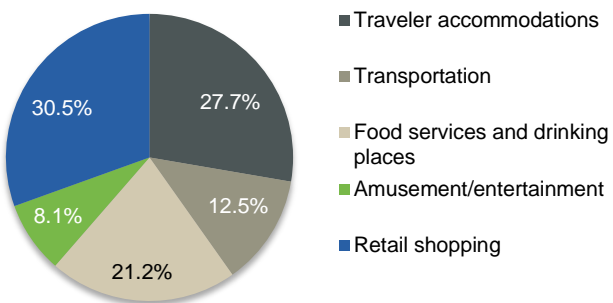
	2013	2014	2015	Total
IPW-Initiated Visitation (millions)	2.1	3.0	3.7	8.8
IPW-Initiated Direct Bookings (millions USD)	\$1,231	\$1,537	\$1,973	\$4,742
IPW-Initiated Total Spending (millions USD)	\$6,575	\$9,482	\$11,979	\$28,036

Source: Rockport Analytics

Given the typical sales cycle that exists when U.S. suppliers meet with international buyers at IPW, much of this volume is pushed out towards the future. The table above highlights the visitation and spending streams we expect to see over the next three years as a result of IPW 2013. While some future visitation will likely continue beyond the three years in question, we have remained purposely conservative in our estimates. These international visitors will spend on typical trip-driven goods and services that come from travel & tourism inflows including hotel accommodations, restaurants, shopping and entertainment. The pie chart below highlights the expected distribution of spending among

IPW-initiated international visitors across key tourism categories. IPW-initiated spending would include \$5.9 billion on food & beverage, \$7.8 billion on lodging, \$8.5

Distribution of International Tourism Spend by Category



Source: OTTI

Category	Total Spending (Millions \$USD)
Retail	\$8,551
Accommodations	\$7,766
F&B	\$5,944
Transportation	\$3,504
Amusement/entertainment	\$2,271
Total	\$28,036

billion on retail, \$2.3 billion on

Source: Rockport Analytics

² Reference the Appendix for a full methodology of the estimation process

accommodations, \$2.3 billion on recreation & entertainment and \$3.5 billion on transportation. Additionally, we estimate there would be another \$9.1 billion in passenger airfares.

IPW a Significant Contributor to U.S. Economy

The economic contribution of an industry, event, facility, or policy is estimated by measuring its impact on GDP, employment, payrolls and tax receipts. These universal measures describe how the activity contributes to living standards across the economy and can be readily compared to other similar activities. For IPW 2013, the economic contribution of actually hosting the meeting in Las Vegas is significant, but pales in comparison to the contribution made by the central purpose of the meeting –promoting international visitation across the United States. The business agreements struck between travel buyers from around the world and U.S. suppliers and destinations bring a substantial and steady stream of international visitors and their associated trip spending.

\$28 billion in New International Visitor Spending Will Add \$16 Billion to U.S. GDP

Most IPW agreements address visitation and supplier commitments for a period of three years. Consequently, Rockport Analytics has analyzed the U.S. economic contribution of the IPW-initiated stream of international visitors for the period 2013-2015. Their corresponding spending in the U.S. for accommodations, transportation, food and beverage, entertainment, and shopping was imported into the IMPLAN³ model of the U.S. economy in order to assist in the translation into downstream economic benefits. The IMPLAN model is a nonproprietary tool that has fast become the defacto standard for economic impact assessment of all kinds in the U.S.

The three-year stream of IPW-initiated U.S. visitation totaled 8.8 million trips with corresponding domestic trip spending estimated at \$28 billion USD. This spending will generate a direct contribution to U.S. GDP (value-added) of \$16.1 billion, a figure that includes only the benefit to those businesses that directly serve these new visitors such as hotels, restaurants, and shopping venues. Downstream benefits that would accrue to their supply chain businesses and workers, while also significant, were not included in our estimates in an effort to remain conservative.

2013-2015 IPW-Initiated Future Visitation and Spending U.S. Economic Impact

2013-2015 Impact Measure	Direct Impacts to U.S. Economy
Total IPW-Initiated Visitation (in millions of trips)	8.8
Total IPW-Initiated Spending (mils \$USD)	\$28,036.0
Economic Impact / Value-Added (mils \$USD)	\$16,060.5
Total Wages (mils \$USD)	\$10,967.5
Jobs (in Annual Full-Time Equivalents)	114,900
Total Tax Receipts (mils \$USD)	\$4,180.7
Federal	\$2,146.2
State	\$1,069.0
Local	\$965.6

Source: Rockport Analytics, IMPLAN

IPW-Initiated International Visitation Will Support 115,000 U.S. Jobs per Year

IPW’s efforts to attract new international visitors will support a significant number of jobs across many industries in the United States. The total number of workers that will benefit is actually higher than this figure. Because some of these

³ Minnesota IMPLAN Group – www.implan.com

jobs will be full-time and others will be part-time, the employment count reported above is expressed in annual full-time equivalents (FTEs) terms. This effectively converts all supported jobs into hours worked and then divides by 2,080, the number of hours in a full-time year.

Paying Wages of Nearly \$11 Billion

Total IPW-initiated wages are estimated at \$11 billion USD for the three-year period. Dividing this into supported jobs yields an average annual wage of about \$31,800 per year across a mix of both sectors and occupations. While this falls below the 2012 average annual wage of all U.S. employees (\$56,100), the industries that directly serve these international visitors have a higher concentration of part-time workers, a fact that brings this average down. Having said this, IPW-initiated average wages are still well above many of the sectors most responsible for current job growth in the U.S. economy.

And Will Generate \$4.2 Billion in Tax Receipts

The spending generated by the estimated 8.8 million visitors initiated by IPW business activities will be subject to an array of federal, state, and local taxes. In total, we estimate more than \$4 billion in new taxes will be generated by IPW-initiated visitors between 2013 and 2015. These are tax receipts that accrue to all levels of government with very little corresponding demand for government services. Federal taxes, dominated by personal and corporate income receipts, will total \$2.1 billion. Meanwhile, state and local taxes will add another \$1.1 billion and 966 million, respectively, between 2013 and 2015. These receipts will come primarily from sales, property, travel-related excise (e.g. hotel, rental car, admission, etc.), and income tax levies.

IPW-Initiated Future Visitation Supports a Broad Range of Industries

New international visitors will directly support an array of U.S. businesses across many travel-related segments. Some businesses will be very aware of the IPW visitation bump, namely those who serve them directly. Many others may be a step or two removed from direct visitor contact, but they will benefit as well. The table below presents the direct industry beneficiaries only of 2013-2015 IPW-initiated future international visitation. Of the direct total of 114,850 jobs per year, 43,840 or 38% of will fall into the ground transportation sector (taxi, rental car, rail, bus, etc.). The food and beverage industry and U.S. hoteliers will also need to add about 32,360 and 22,850 jobs, respectively, to serve this new demand.

Rank (based on Direct Supported Jobs)	U.S. Travel-Related Sector	IPW-Initiated Visitation Lift Direct Jobs*	IPW-Initiated Visitation Direct Value-Added (GDP) (mils\$)
1	Ground Transportation	43,840	\$5,710.9
2	Food Services & Restaurants	32,360	\$3,208.2
3	Hotels & Other Accommodations	22,850	\$4,534.9
4	Entertainment, Recreation, Sports, Gaming	12,310	\$2,113.8
5	Retail Establishments & Gas Stations	3,490	\$492.8
Total IPW Hosting Visitation Lift Direct Benefits		114,850	\$16,060.5

The last column in the table identifies the additional value-added that U.S. businesses can expect to derive from IPW-initiated visitation. Restaurants, for example, will net over \$3.2 billion during the 3-year period 2013-2015. Total U.S. value-added for the Restaurant sector was about \$345 billion in 2012. This includes both food & beverage purchases by visitors and residents. IPW's incremental contribution, about 1%, may at first appear insignificant, but in the absence of IPW activities, these businesses would have to scramble to find \$3 billion in sales elsewhere in order to retain over 32,000 U.S. workers. Meanwhile, the hotel and ground transportation sectors will see an additional \$4.5 billion and \$5.7 billion in net new business, respectively.

The IPW Effect: What Does IPW Mean for the Host City?

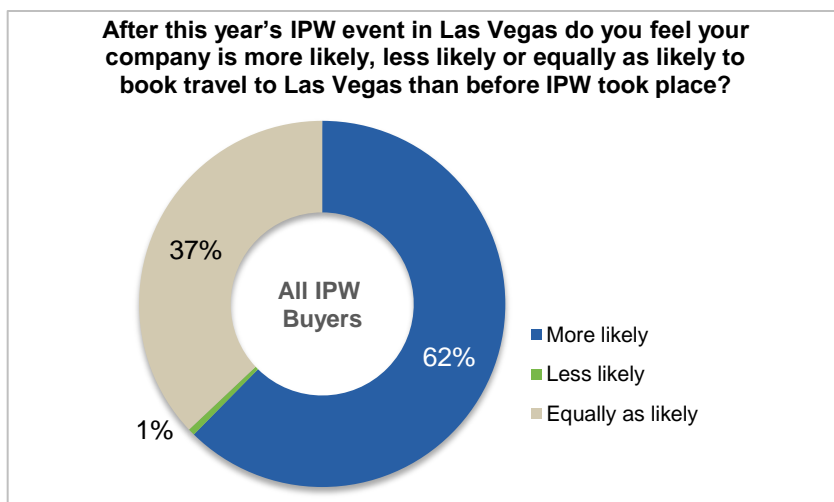
IPW: A Gift that Keeps on Giving

As this report has presented, IPW has a significant impact on the international inbound travel & tourism industry in the U.S. Not surprisingly, the impact is likely to be greatest in those destinations that have representatives actively involved in contracting new business at IPW. The destination with the most potential for increased visitation from IPW, however, is the host city itself. The beneficiary in 2013 was Las Vegas, NV.

Hosting the event brought many delegates, sponsors, and operations staff to Las Vegas in June 2013. These meeting attendees spent locally on hotels, restaurants, shopping, gaming and other entertainment, and transportation. Rockport Analytics has determined that the local spending of IPW's 6,000 delegates plus other event operational expenditures totaled over \$16 million⁴. Using the IMPLAN economic model of the Las Vegas economy, this spending translated into a total economic impact of \$14 million, supported nearly 220 annual local jobs in a broad range of industries, and generated over \$1.6 million in state and local tax receipts. The economic contribution of hosting IPW was significant and would be comparable to other Las Vegas conventions of similar scale. What makes IPW unique, however, is the additional benefit created by the future visitation "lift" that Las Vegas will receive from hosting the 2013 event.

Las Vegas Will Welcome 1.1 Million More International Visitors Between 2013 and 2015 for Hosting IPW

The IPW host destination has the unique benefit of exposing itself to the world, so to speak. A diverse set of travel buyers from around the globe, who over the next three years will be responsible for bringing nearly 12 million visitors per year to the United States, spend at least three days in the host city. During this time the host city has the ability to directly present all of the attributes it has to offer international visitors. During the time travel buyers spent at IPW 2013, for example, they were able to stroll the Las Vegas casinos, dine in Las Vegas restaurants and experience Las Vegas shows and nightlife...a powerful sales pitch. Las Vegas had a captive audience of travel suppliers, destination marketing



⁴ Delegate spending was estimated via a post-event survey of attending IPW buyers and suppliers with a completed sample size of 1,371. Average delegate spending was estimated to be \$2,724, on par with other Las Vegas events of similar nature and scale. Other IPW operating expenditures were supplied by the US Travel Association.

organizations, and travel facilitators/buyers – key decision makers who drive the international inbound travel market to the U.S. In fact, our post-event survey of IPW buyers confirmed that this future visitation lift is both real and significant.

As highlighted in the adjacent chart, 62% of buyers responded that their company is *more likely* to book travel into Las Vegas following IPW 2013; 37% responded they were *equally likely* to book travel into Las Vegas; and only 1% responded they would be *less likely* to book travel to Las Vegas after their time at IPW 2013.

On average, these respondents expect their companies to increase their current levels of visitors into Las Vegas by 25%. By applying these metrics to respondent level data (along with data covering current company booking levels into Las Vegas) **we are able to quantify that IPW will generate an increase in visitation to Las Vegas over the next three years of 1.1 million passengers. With average trip spending of about \$1,500 per visitor⁵, an increase in travel spending of \$1.6 billion USD over the next three years can be anticipated.** Of this \$1.6 billion, approximately \$424 million will come from direct bookings generated by IPW buyers. The remaining \$1.2 billion will come from the additional spending by IPW-attracted visitors on goods and services in the Las Vegas economy. To calculate the economic benefit of this “lift” to the Las Vegas economy, Rockport Analytics deployed the IMPLAN model for the Las Vegas–Paradise–Henderson Metropolitan Statistical Area. As was the case for the IPW-initiated future visitation stream for all U.S. destinations, IMPLAN will help to translate expected future spending in Las Vegas into local jobs, wages, taxes, and metro area GDP –the economic impact.

\$1.6 billion in New International Visitor Spending Will Directly Add \$891 million to Las Vegas GDP

IPW’s estimated lift of \$1.6 billion in visitor spending over the three-year period (2013-2015) will translate into \$891 million in direct Las Vegas metro area value-added (GDP). Some of this new visitor spending will naturally leak away to other geographic areas, but the Las Vegas businesses that directly serve these new international visitors will see a distinct top-line benefit. And this does not count any downstream impacts of the incremental lift. In contrast, Las Vegas’ total non-convention visitation in 2012 was estimated at nearly 35 million, contributing a total value-added of about \$33 billion. The 2012 increase in total visitation, including meeting & convention delegates, was approximately 800,000⁶.

The table below summarizes the economic impact of IPW’s hosting visitation lift for the Las Vegas metropolitan area. The figures reflect estimates for the three-year period 2013-2015.

⁵ Las Vegas Convention and Visitors Authority, Las Vegas Visitor Profile Study 2012

⁶ Las Vegas Convention and Visitors Authority, <http://www.lvcva.com/article/las-vegas-sets-record-visitation-2012/886/>

2013-2015 IPW-Initiated Las Vegas Hosting Visitation and Spending “Lift” Economic Impact

2013-2015	Direct Impacts to Las Vegas
IPW Hosting International Visitation “Lift” (millions of visitors)	1.06
IPW Hosting Lift Las Vegas Spending (mils \$USD)	\$1,586.4
Economic Impact / Value-Added (mils \$USD)	\$890.7
Total Wages (mils \$USD)	\$655.9
Jobs (in Annual Full-Time Equivalents)	5,250
Total Tax Receipts (mils \$USD)	\$217.3
Federal	\$123.5
State	\$55.6
Local	\$38.2

Source: Rockport Analytics, LVCVA, IMPLAN

IPW Hosting Visitation Lift Will Support 5,250 Las Vegas Jobs

The tourism industry already accounts for 370,000 jobs in the Las Vegas metro area, about 46% of total employment. Actually hosting IPW in June of 2013 supported about 220 jobs in Las Vegas, but the additional international visitors that are expected to come as a result of IPW exposure will require another 5,250 per year over the three-year period. These jobs will be needed in the local area businesses that will directly serve these new visitors.

Paying Wages of Nearly \$660 Million

Total IPW hosting lift direct wages are estimated at \$659.9 million USD for 2013-2015. This includes only those wages paid to the workers directly involved in serving new IPW-attracted visitors. The average annual wage for these lift-supported workers will reach \$41,670 across a mix of both sectors and occupations. And these are not low paying jobs. This level is approximately equal to the average wages of all workers in the Las Vegas metropolitan area⁷.

And Will Generate \$94 Million in State and Local Tax Receipts

IPW’s hosting visitation lift will generate new tourism spending that will be subject to an assortment of federal, state, and local taxes. In total, we estimate \$217 million in new taxes will be generated by IPW lift-driven international visitors between 2013 and 2015. Incremental state and local levies will reach \$56 million and \$38 million, respectively. These receipts will come primarily from sales, property, travel-related excise (e.g. hotel, rental car, admission, etc.), and income taxes. The federal government will also benefit. IPW lift-driven federal taxes, dominated by personal and corporate income receipts, will total \$124 million over that same three-year period.

IPW’s Hosting Lift Will Directly Benefit Those Las Vegas Industries That Serve Tourism

New international visitors will support an array of Las Vegas businesses across many industry segments. Some businesses will be very aware of the IPW visitation bump, namely those who serve them directly. Many others may

⁷ Bureau of Economic Analysis, 2011 Las Vegas-Paradise-Henderson Metropolitan Statistical Area

be a step or two removed from direct visitor contact, but they will benefit as well. The table below presents the direct industry beneficiaries of the 2013-2015 IPW hosting lift advantage. Of the direct total of 5,250 jobs per year, 2,000 or 38% will fall in the entertainment and gaming sector, Las Vegas restaurants will need an estimate 1,860 more and retail businesses of all kinds will require another 590 jobs to support new IPW-driven international visitors.

The last column in the table identifies the additional value-added that Las Vegas businesses in each sector can expect to derive from IPW hosting lift visitation. Restaurants, for example, will net nearly \$248 million during the 3-year period 2013-2015. Ground transportation and hotels will see an additional \$105 million and \$102 million in net new business, respectively, from IPW's hosting lift.

Rank (based on Direct Supported Jobs)	Las Vegas Sector	IPW Hosting Lift Direct Jobs*	IPW Hosting Lift Direct Value-Added (GDP) (mils\$)
1	Entertainment, Recreation, Sports, Gaming	2,000	\$349.8
2	Food Services & Restaurants	1,860	\$247.7
3	Retail Establishments & Gas Stations	590	\$86.5
4	Ground Transportation	420	\$104.6
5	Hotels & Other Accommodations	380	\$102.1
Total IPW Hosting Visitation Lift Direct Benefits		5,250	\$890.7

APPENDIX A: METHODOLOGY AND DATA SOURCES

Survey Methodology

The primary data source for the estimation of IPW-initiated visitation and spending was a post-event survey that was fielded to all IPW delegates. In fact, two separate survey instruments were developed – one that targeted IPW suppliers and the other that targeted IPW buyers. Rockport Analytics developed the questionnaires along with the research team at U.S. Travel. For the purpose of deriving our spending estimates, we developed specific questions for the buyer questionnaire. Using the Qualtrics online survey tool, the IPW post conference survey was conducted from June 24 to July 20, 2013. The survey was sent out to individual attendees consisting of 1,339 buyers and 3,562 suppliers. Response rates were as follows:

	Total Mailing	Responses			Response Rates		
		Finished	Partial	Total	Finished	Partial	Total
Buyers	1339	318	230	548	23.7%	17.2%	40.9%
Suppliers	3562	369	454	823	10.4%	12.7%	23.1%

Data Analysis & Spending Estimates

Survey responses were then merged with responses from delegates’ IPW registration, which included additional firmographic information. In order to estimate IPW-initiated visitation and spending we asked a series of questions to each buyer respondent that estimated their company’s total bookings into the U.S. and the total number of visitors their company expected to bring to the U.S. in 2013, 2014 and 2015. As a follow up to that question, we asked how much of reported visitation and bookings (in U.S. dollars) could be directly attributed to their activity at IPW.

In order to use the survey data to estimate total IPW-initiated visitation and spending, we took a number of steps:

1. Data were cleaned such that only one response per company was counted;
2. Data were analyzed for any outliers to reported visitation or revenue;
3. In the case of multiple company responses respondent values were averaged;
4. Data were weighted to assure company size (by revenue) of the sample was representative of the universe of IPW buyers as a whole;
5. Sample data were extrapolated to the known universe of IPW buyers to create our visitation and spending estimates.

To further estimate the spending flows and economic impact, we had to assign our estimated spending total to specific industry categories. We achieved this by using published information by the Department of Commerce’s Office of Travel & Tourism Industries (OTTI). The categorical spending distribution was assumed to follow the national average of all international inbound travel to the U.S. (e.g., 23% on accommodations, 16% on F&B, etc.) derived from the OTTI’s Survey of International Air Travelers (SIAT).

We have been extremely conservative in our estimation process. The actual amount of IPW-initiated visitation and spending are likely to be higher than the figures reported in this analysis for a couple of reasons:

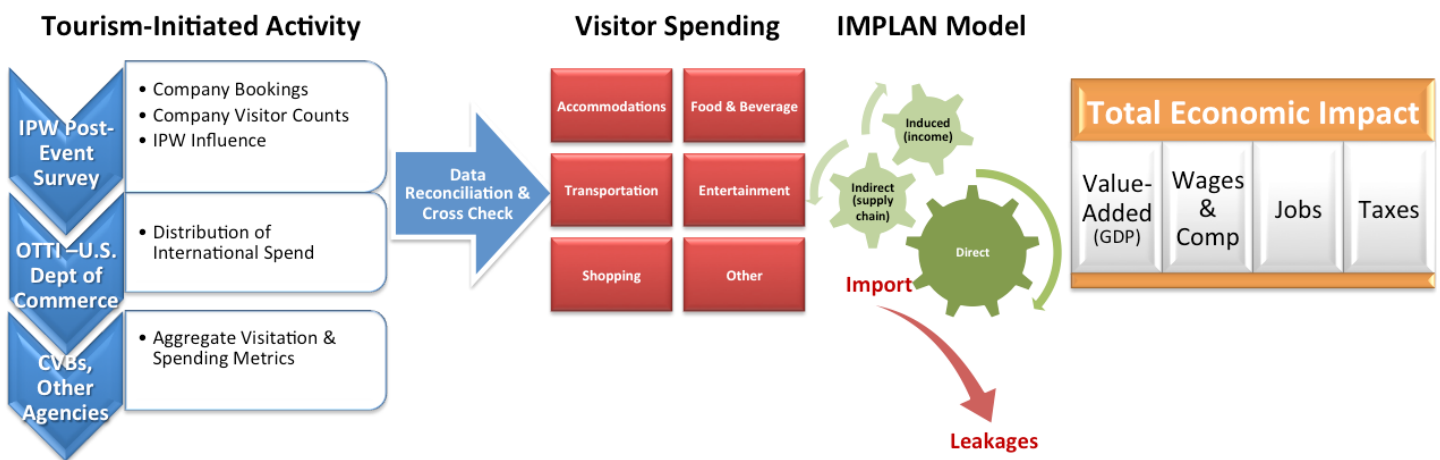
1. Our measure only covers bookings three years into the future. However, there are likely additional bookings that will stem from IPW 2013 well beyond 2015.
2. In order to avoid any double counting of visitation or U.S. bookings, we have not included the contribution of receptive tour operators (whose bookings are likely to be reported by the IPW buyers they are selling to). It

is highly probably that some of these bookings would not be reported by IPW buyers and thus missing from our total estimate.

IPW event spending was estimated using responses from both the buyer and supplier surveys. Spending includes the following categories: accommodations, airfare, car rental, other transportation, food & beverage, entertainment shopping, and ‘other.’ Additionally, we included any spending by U.S. travel on hotel rooms or food & beverage.

IMPLAN Modeling

The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The *direct* impacts represent the value added of those sectors that interact directly with, or touch, the visitor. The *indirect* impact represents the benefit to local suppliers to those direct sectors. This would include, for example, food suppliers to restaurants. The *induced* impact adds the effect of tourism-generated wages as they are spent throughout U.S. economy.



The economic impacts reported in this study are based on traveler spending estimated as described above. Two separate models were critical to estimating how traveler spending resounds through the economy. In order to estimate the total U.S. impact of IPW-initiated visitation, a model of the entire U.S. economy was used; to estimate the impact of future visitation to the host city we used a model focused strictly on the Las Vegas economy. Rockport Analytics has chosen the IMPLAN (Impact Analysis for Planning; www.implan.com) model for both study areas. IMPLAN is a non-proprietary economic model that has fast become the defacto standard for most economic impact assessment in the U.S.