

TRAVEL IN IOWA

DURING 1974

An Economic Analysis of  
Tourists and the Major Travel-Serving Businesses

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STATE OF IOWA

1975

HIGHLIGHTS      ON      IOWA'S      1974      TOURIST      SEASON

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Expenditures by Out-of-State Travelers . . . . .	\$460 Million
Vacation and recreation travel . . . \$320 Million	
Business travel . . . . . \$140 Million	
Proportion of Iowa retail business, 5 per cent	
Expenditures for All In-State and Out-of-State Travel. .	\$820 Million
Proportion of retail business, 9 per cent	
Out-of-State Travel Party-Trips or Visits to or through Iowa for Business or Pleasure . . . . .	17.1 Million
Out-of-State Person-Trips or Visits to Iowa . . . .	34.4 Million
Intercity Passenger-Miles Traffic, In-state and Interstate, by All Modes of Transport . . . . .	18.0 Billion
Passenger-Miles Traveled by Out-of-State Tourists. .	3.6 Billion
<u>Travelers on Trips of 100 Miles &amp; Over in Iowa:</u>	
Major Long Person-Trips in and through State . . . .	6.5 Million
Proportion of national total, 1.47 per cent	
Person-Nights in Travel Status on Long Trips Spent in Iowa . . . . .	18.8 Million
Proportion of national total, 1.05 per cent	
Spending Only on Long Trips in and through Iowa. .	\$412 Million
Proportion of national total, 0.92 per cent	

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Sources: Based on National Travel Survey; National Travel Expenditure Study by U. S. Travel Data Center; U. S. Censuses of Transportation and Business; surveys of tourist travel and spending; research on the travel market and outdoor recreation; highway and transportation surveys; and studies of family spending for travel. See detail in later tables.



# ECONOMIC CONTRIBUTION OF TOURISTS TO IOWA - -

## Showing Where the Tourist Dollar Goes

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<u>Total Expenditures by Out-of-State Tourists, 1974</u>	<u>\$460,000,000</u>
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Personal Income to People in Iowa . . . .	\$158,200,000
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Proportion of Tourist Dollar, 34 cents

### Market for Goods and Services:

Purchases of Goods from Other Industries . .	\$158,700,000
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Proportion of Tourist Dollar, 34 cents

Purchases of Services from Other Industries . .	\$ 71,800,000
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Proportion of Tourist Dollar, 16 cents

### Contribution of Tourists to State and Local Finance:

State Taxes Collected from Tourists . . . .	\$ 44,200,000
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Proportion of Tourist Dollar, 10 cents

Proportion of All State Taxes, 4.5 per cent

Local Taxes Collected from Tourists . . . .	\$ 11,000,000
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Proportion of Tourist Dollar, 2.4 cents

Federal Taxes Collected from Tourists . . . .	\$ 16,100,000
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Proportion of Tourist Dollar, 3.5 cents

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Sources: Based on U. S. Censuses of National Travel, Transportation, and Business; surveys of tourist travel and spending; research on the travel market and outdoor recreation; highway and transportation surveys; studies of family spending for travel; and detail in later tables.

TOURIST      TRADE      IS      EVERYBODY'S      BUSINESS      - -

Showing that Many Lines of Iowa Business Benefit

Original Tourist Dollar Spent in Wide Range of Business      - -

Retail Stores & Commercial Services . . . . .	\$0.09
Hotels, Motels, & Inns . . . . .	.15
Restaurants & Other Food Services . . . . .	.39
Auto Garages & Gasoline Stations . . . . .	.18
Recreation & Tourist Attractions . . . . .	.11
Other Businesses & Services . . . . .	.08
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Tourist Dollar . . . . .	\$1.00

Dollar in Tourist Trade Circulates to Other Businesses      - -

Taxes to State Government . . . . .	\$0.09
Taxes to Local Governments . . . . .	.02
Personal Income & Payrolls . . . . .	.33
Purchases from Suppliers & Other Industries . .	.36
Business Services -- Power, Fuel, Advertising, Insurance, Laundry . . . . .	.16
Federal Taxes on Goods & Services . . . . .	.04
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Iowa Dollar . . . . .	\$1.00

Sources: Based on data in U. S. Censuses of National Travel and Business; National Travel Expenditure Study by U. S. Travel Data Center; surveys of tourist travel and spending; research on the travel market and outdoor recreation; highway and transportation surveys; studies of family spending for travel; surveys of consumer expenditures; and detail in complete report.



# TRAVEL-RELATED BUSINESS IN IOWA DURING 1974

Summary Data on Major Business Groups Engaged in  
Serving and Transporting Travelers along with Local Customers

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Sales to Both Local and Traveling Customers . .	\$1,705 Million
Proportion of retail business, 19 per cent	

## Purchases by Three Classes of Customers:

All Travelers, In-State and Out-of-State	\$820 Million
Out-of-state travelers . . .	\$460 Million
In-state travelers . . .	\$360 Million
Local Customers in Trade Area . . . .	\$885 Million

Number of Iowa Firms Serving and Transporting Travelers . .	17,970
Proportion of 104,310 business firms in state, 17 per cent	

Number Employed in Travel Business . . . . .	100,900
Proportion of 473,400 workers in commerce, 17 per cent	

## Contribution to Iowa Economy:

Personal income derived from travel business . . .	\$539 Million
Proportion of travel business sales, 32 per cent	
Market for goods and services . . . . .	\$863 Million
Proportion of travel business sales, 50 per cent	

## Contribution of Travel Business to Government Finance:

State taxes collected from travel business . .	\$206 Million
Proportion of travel business sales, 12 per cent	
Proportion of state taxes, 21 per cent	
Local taxes collected from travel business . .	\$ 27 Million
Federal taxes collected from travel business . .	\$ 70 Million

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Sources: Based on U. S. Census of Business, Survey of Retail Trade and Selected Services (New Sample), state business data, and reports of firms to state and federal agencies. Details are shown in text tables.



GROWTH OF THE IOWA TOURIST TRADE BETWEEN 1954 AND 1974

1954	Twenty - YEAR	INCREASE	1974
\$134,000,000	Expenditures of Tourists from Other States		\$460,000,000
7,040,000	Number of Out-of-State Tourist Parties		17,000,000
1,640,000,000	. . Out-of-State Tourist Passenger Miles. .		3,600,000,000
\$245,000,000	. . . Expenditures by All Travelers. . .		\$820,000,000
\$558,000,000	. . Sales by Firms Serving Travelers* .		\$1,705,200,000
56,100	. . . Employment in Travel Service* . .		100,900
\$150,660,000	. . . Income from Travel Service* . .		\$539,120,000
\$3,365,000,000	. . . All Retail Trade and Service. . .		\$9,168,000,000
\$4,525,000,000	. . . . Total Personal Income . . . . .		\$16,030,000,000
2,626,000	. . . Total Resident Population . . . .		2,855,000

\* Includes sales and services to both local and traveling customers.

Sources: Based on U. S. Censuses of National Travel, Transportation, Business, and Consumer Expenditures; surveys of tourist trade and spending; research on the travel market and outdoor recreation; highway and transportation surveys; and studies of family spending for travel. These estimates are comparable to those in reports prepared by Copeland for the nation, regions, and other states. See "Travel in Illinois," "Tourists and the Travel Business in Oklahoma," and "Tourists and the Southern Travel Business, 1974."

# TRAVEL IN IOWA DURING 1974

## HIGHLIGHTS AND SUMMARY

IOWA TOURISTS, 1974

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THIS ELEVENTH REPORT ON TOURISTS and the Iowa Travel Business shows that visitors from other states spent \$460 million in Iowa during 1974. This was the spending of seventeen million parties who toured the state or passed through en route to other destinations. The parties include persons who traveled for business, pleasure, or for personal reasons.

All travelers spent \$820 million in Iowa on travel trips during 1974. This includes the expenditures by residents while traveling within their own state as well as the spending of visitors from other states. One-day trips outside the local trade area are included along with overnight stays and journeys of a hundred miles or more.

The figures on travel expenditures include only the money spent on trips away from home outside the daily commuting zone. They do not include sizeable outlays made at home in preparation for trips and large outlays at destinations in other states.



Highlights and Summary - - - - - Iowa Tourists, 1974

These travel expenditures represent Iowa's share of the national travel market. Domestic nationwide expenditures were \$59 billion, with an additional \$7.4 billion spent abroad. The nation's travelers took 442 million major domestic person-trips, and they were away from home 1,794 million person-nights during 1974. About 6.5 million of these person-trips had destinations in Iowa, and Iowa was the destination or stopover for 18.8 million person-nights.

Domestic trips, including overnight stays, day outings, and shorter journeys beyond the local trade area generated 1.3 trillion passenger miles of travel traffic in the nation. The journeys of all travelers generated 18.0 billion passenger miles on Iowa highways, railways, and airways. This volume of traffic includes only intercity passenger miles, or the movement of passengers in travel status outside their daily commuting zone. The very large volume of transit movement within the local community is not included in these figures.

Out-of-state travelers generated 3.6 million passenger miles during their tours in or through Iowa. This visitor traffic accounts for a fifth of the 18.0 billion passenger miles traveled by all persons in the state.

Iowa businessmen have a large stake in this transient consumer traffic moving through the state. Persons away from home are quite dependent upon commercial establishments to fill their personal needs



and their requirements for transportation. Out-of-state tourists and Iowa travelers are the primary customers for the \$1.7 billion travel service and transport business in the state. Their purchases amount to nearly half of the combined sales of the major travel-related service industries. These comprise the special types of business enterprises and utilities which have arisen to meet the needs of persons away from home. While serving local customers, these merchants can look to a large market from beyond the local trade area.

The \$1.7 billion receipts in the travel-related services and transportation industries comprise a fifth of the \$9.2 billion retail trade and service enterprise. The purchases by out-of-state tourists account for five per cent of all retail business. The spending by all travelers away from home adds up to nine per cent of all retail business.

There are now 17,970 active commercial concerns serving and transporting travelers in Iowa. These firms comprise one in six of the 104,310 nonfarm business firms in the state. Among the 79,030 firms in private commerce alone one in five operate travel accommodations or related services.

The travel business concerns provide jobs for 100,900 proprietors and employed workers. One in six of employees in private commerce are serving the traveling public. The additional



trade brought into the state by tourists is sufficient to provide jobs for 27,200 Iowa workers. All travel spending in the state creates jobs for 48,400 persons.

Personal income derived from serving and transporting travelers amounted to \$539 million last year. Travel business firms distribute 32 cents from each dollar of sales to employees, proprietors, and others who share in the business. About a fourth of all personal income derived from retail business is paid out by firms allied with travel activities. About \$158 million of this income can be traced to the out-of-state tourist trade.

Expanding types of business such as the tourist trade stimulate several lines of commerce and they create growing markets for other enterprises. Business operating ratios show that firms in the travel business purchased \$625 million worth of goods from other industries during 1974. These outlays add up to 36 cents from each sales dollar. Another 14 cents out of each dollar, or \$243 million, were passed on to other industries for a wide range of services, such as power, fuel, advertising, laundry, and other expenses in operating travel accommodations. Total purchases of the travel business from other industries was \$863 million -- or 50 cents from each dollar of sales.



Highlights and Summary - - - - - Iowa Tourists, 1974

The economic benefits from trading with travelers are not confined to private business. The travel business also makes a significant contribution to the revenue of state and local governments. The State of Iowa collected \$206 million from the travel-related industry last year. This contribution adds up to a fifth of state tax revenue collections.

This is due to the fact that 12 cents from each dollar of travel-related sales are collected as some form of state taxes. In addition to state taxes, the travel business paid \$27 million in property and other local taxes. Municipal and county governments collect two cents from each tourist dollar for some form of tax levy.

Out-of-state tourists pay taxes on their purchases at the same rate as other customers. Ten cents out of each tourist dollar are collected as some form of state tax. Total state revenue of \$144 million can be traced to tourists or the trade they brought into the state in 1974. These taxes amounted to nearly five cents in each dollar of state tax collections last year.

About \$11 million in local taxes can be traced to out-of-state tourist spending. Tourists paid about \$55 million in state and local taxes combined -- or 12 cents out of each tourist dollar spent in the state. Each party of visitors from other states pays about \$3.20 in state and local taxes during its tour of the state.



## DEFINITIONS AND SOURCES OF INFORMATION - -

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The broad term traveler or tourist includes persons going outside their daily commuting zones. State residents traveling on trips away from home are included in the total, along with out-of-state visitors. The estimates include persons traveling for business, pleasure, and personal affairs. Also included are travelers passing through en route to destinations beyond, and parties making short trips, such as weekend or holiday visits. One-day as well as overnight trips are included. Regular commuters are not included.

The estimates of the volume of travel and expenditures were based on established procedures that have proven to be reliable in business analysis and market research. The expenditures by in-state and out-of-state travelers were estimated on the basis of highway traffic counts and vehicle-miles traveled; vehicle classification data; ratios and averages of travel expenditures calculated from surveys of travelers in states and to national parks and from national travel surveys; and on the basis of sales and receipts of firms at the service of travelers. These estimates were cross-checked against bench-mark economic data in several ways.

It is possible to estimate the volume and expenditures of travelers in a reliable manner because of several series of data on travel: (1) national travel surveys, including Surveys of Travel by the Bureau of the Census, National Travel Expenditure Study, Destination USA, Nationwide Personal Transportation Survey, National Recreation Survey, and surveys by the Michigan Survey Research Center; (2) several highway visitor surveys, including the Great Smoky Mountains National Park, the Shenandoah Valley National Park, Pennsylvania, Georgia, Oklahoma, Arkansas, Missouri, Kansas, and five surveys in Virginia; (3) detailed highway traffic classification counts extending over several years; (4) numerous highway-use studies; (5) figures on travel in family and business budget studies; and (6) the annual statistics collected by the Interstate Commerce Commission on intercity passenger travel.

Data from the Census of Business, County Business Patterns, and other sources on the travel business form the context for understanding and interpreting the economic impact of travel. The content of the travel trade was analyzed within the context of the total business structure. The basic approach was to relate travel to the business structure and to the travel market in the region and nation. The study of the data in the business structure and in geographic perspective gives additional dimensions to the analysis.