



Division of Research
and Statistics

New York State's Travel and Tourism Sector: A Statewide and Regional Analysis

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Introduction

Travel and tourism is big business in the Empire State! Estimates prepared for Empire State Development by consulting firm Tourism Economics indicate New York State's tourism economy expanded in 2016. Direct traveler spending grew by 2.7%, reaching a new high of nearly \$65 billion. When indirect and induced impacts are included (i.e., the ripple effects due to the economic multiplier), traveler spending generated a total of nearly \$105 billion in business sales in New York State in 2016.

New York State continues to be a popular travel destination. Data compiled by the National Travel and Tourism Office, a unit in the U.S. Department of Commerce, show that New York was once again the most visited state in the nation by overseas travelers in 2016 (data excludes travelers from Canada and Mexico). More than 10 million visited last year, giving the Empire State a 26.6% market share. Rounding out the top five states for market share were Florida, California, Nevada and Hawaii.

Data from Tourism Economics indicate that visitors from international markets accounted for 30%, or \$19.2 billion, of the direct visitor spending received by New York's travel and tourism sector in 2016. Domestic visitors from the U.S. supplied the remaining 70%, or \$45.5 billion, of direct traveler spending.

What's Different About Travel and Tourism?

In most cases, an "industry" or "sector" refers to groups of companies that are related, based on their primary business activities or by the products they supply in common. However, the travel and tourism sector is different: it is demand-driven, defined by the common customers of the businesses in the sector.

Broadly speaking, an individual industry is recognized as part of the travel and tourism sector if it meets any of these criteria:

1. Frequently sells to travelers
2. Derives most of its sales from travelers
3. Receives the largest proportion of travelers' expenditures

Analysts at the U.S. Department of Commerce identified a total of approximately 70 detailed industries (i.e., 6-digit NAICS level) that meet at least one of the criteria outlined above. (See this report’s appendix for additional industry detail.) In turn, this industry list is organized into five principal groups, including:

1. Food Service
2. Lodging
3. Transportation
4. Retail and Gasoline Service Stations
5. Recreation

Which of the five industry groups received the most in visitor spending in 2016? Tourism Economics notes that “traveler spending [in New York State in 2016] is diverse and well-distributed across multiple sectors of the economy.” According to Tourism Economics, the industry sectors and their share of the nearly \$65 billion in direct traveler spending in 2016 (in descending order) included:

- Lodging: \$19.3 billion (30%)
- Food Service: \$15.4 billion (24%)
- Transportation: \$12.7 billion (19%)
- Retail and Gasoline Service Stations: \$10.9 billion (17%)
- Recreation: \$6.5 billion (10%)

The balance of this report looks at trends in employment and wages in New York State’s travel and tourism sector, based on the U.S. Department of Commerce’s industry list, using data from the Quarterly Census of Employment and Wages (QCEW). We then perform the same analysis for the state’s 10 labor market regions.

Issues in Counting Travel and Tourism Employment and Wages

Per guidelines from the U.S. Department of Commerce, we pro-rate employment and wage data of some travel and tourism industries to reflect the fact that not all jobs and wages in those industries are attributable to spending by visitors.

In many food service industries, for example, only 20% of jobs are counted as part of travel and tourism; the remaining 80% of jobs are supported by local resident spending. In contrast, 100% of hotel jobs are counted as part of the travel and tourism sector, since all employment stems from visitor spending. (See the appendix for industry-specific pro-ration factors.)

It is also important to note that the employment and wage figures listed in this report are calculated using a much different methodology than the estimates reported by Tourism

Economics. Figures presented in this report are based on pro-rated QCEW employment and wage figures for industries affected by traveler spending to varying degrees. They are not aggregate employment and wage levels directly attributable to spending by visitors in New York State.

In contrast, the figures in the Tourism Economics report cited earlier in this report are based on an input-output model, which translates direct traveler spending in the state into aggregate employment and wages by industry group. Therefore, estimates based on these two different methodologies should not be expected to match.

Trends in New York State’s Travel and Tourism Sector

Table 1 below reports the change in employment and wages in the state’s travel and tourism sector occurring between 2007 and 2015. Over this period, employment in the sector grew from 356,200 to 414,100, an increase of 16.2%. This translates into an overall growth rate of 16.2%, which is three times greater than the overall rate of job growth (+5.4%) experienced in the state over this eight-year time frame.

Total wages in the state’s travel and tourism sector rose from \$13.2 billion in 2007 to \$18.2 billion in 2015, a jump of \$5.0 billion, or 38.2%. This was almost double the 19.6% rate of wage growth for all industries in the state between 2007 and 2015.

Similarly, the average wage paid in the state’s travel and tourism sector rose from \$36,900 to \$43,900 between 2007 and 2015. This translates into an increase of 19.0%. This rate of growth in the sector’s average wage was well above the 13.5% rate of increase in the average wage for all industries in New York State and the nation’s overall rate of inflation of 14.3% over this period.

**Table 1: Trends in Travel and Tourism Sector
Employment and Wages, New York State,
2007 and 2015**

Year	Employment	Total Wages (\$ billions)	Annual Average Wage
2007	356,200	\$13.2	\$36,900
2015	414,100	\$18.2	\$43,900
% Change, 2007-2015	+16.2%	+38.2%	+19.0%

Source: Quarterly Census of Employment and Wages

Table 2 on the next page shows the share of travel and tourism sector employment and wages by principal industry group in New York State. In 2015, the food service industry group

accounted for the largest share of travel and tourism employment (30.3%). With respect to total wages, the recreation industry group had the largest share (32.6%).

**Table 2: Travel and Tourism Sector
Employment and Wages, by Principal Industry Group,
New York State, 2015**

Principal Industry Group	% Share of Employment	% Share of Total Wages
Lodging	23.2%	23.3%
Recreation	23.4%	32.6%
Food Service	30.3%	15.4%
Transportation	19.2%	26.5%
Retail and Gasoline Service Stations	3.9%	2.3%

Source: Quarterly Census of Employment and Wages

Table 3 below reports employment, total wages and annual average wages for the travel and tourism sector in each of the state’s labor market regions. Not surprisingly, New York City had by far the most travel and tourism sector jobs and total wages of any region in New York State in 2015. In addition, New York City had the highest average wage (\$56,700), due in large part to the location of several large airports in that region.

**Table 3: Travel and Tourism Sector
Employment and Wages, by Labor Market Region,
New York State, 2015**

Region	Employment	Total Wages (\$ millions)	Annual Average Wage
Capital	22,700	\$592.1	\$26,100
Central New York	13,300	\$292.5	\$21,900
Finger Lakes	18,200	\$382.9	\$21,100
Hudson Valley	36,400	\$1,137.8	\$31,200
Long Island	41,700	\$1,441.9	\$34,600
Mohawk Valley	11,000	\$288.6	\$26,300
New York City	221,000	\$12,529.8	\$56,700
North Country	8,300	\$187.5	\$22,500
Southern Tier	9,200	\$206.4	\$22,300
Western New York	28,800	\$739.8	\$25,700
New York State	414,100	\$18,180.7	\$43,900

Source: Quarterly Census of Employment and Wages

Table 4 below reports the percentage change in travel and tourism sector jobs and total wages by labor market region between 2009 and 2015. New York City had by far the most rapid percentage growth of any region in travel and tourism employment (+25.3%) in 2009-2015. The Western New York region (+12.2%) was in second place. Rounding out the top five regions in travel and tourism employment growth were: the Hudson Valley (+9.7%); Long Island (+9.2%); and the North Country (+8.6%).

From 2009 to 2015, New York City also had the most rapid percentage growth of any region in total travel and tourism wages (+46.8%). Western New York was in second place with a growth rate of 33.5% in 2009-2015. Rounding out the top five regions in travel and tourism wage growth were: the Southern Tier (+29.8%); the North Country (+26.7%); and the Mohawk Valley (+24.0%).

**Table 4: Trends in Travel and Tourism Sector
Employment and Wages, by Labor Market Region,
New York State, 2009-2015**

Region	% Change in Employment	% Change in Total Wages
Capital	+3.5%	+18.0%
Central New York	+5.1%	+20.2%
Finger Lakes	+2.5%	+14.4%
Hudson Valley	+9.7%	+22.8%
Long Island	+9.2%	+8.5%
Mohawk Valley	+0.7%	+24.0%
New York City	+25.3%	+46.8%
North Country	+8.6%	+26.7%
Southern Tier	+4.2%	+29.8%
Western New York	+12.2%	+33.5%
New York State	+16.2%	+38.2%

Source: Quarterly Census of Employment and Wages

Summary

The travel and tourism sector occupies an important position in New York State's economy, as traveler spending generated a total of nearly \$105 billion in business sales in 2016, when indirect and induced effects are included. In addition, employment and total wages in the state's travel and tourism sector grew two to three times faster than the overall state economy between 2007 and 2015. Moreover, the sector is an important source of exports for the state's economy. These trends are likely to continue, as New York is the most visited state in America by overseas residents.

For Further Information

Questions regarding this report should be directed to Kevin Jack, Statewide Labor Market Analyst. He can be reached via email at Kevin.Jack@labor.ny.gov or by phone at (518) 457-3800.

Appendix:

Travel and Tourism Sector Industries

Sub-Cluster	NAICS Industry Code	NAICS Industry Name	% of Jobs and Wages Counted in Travel and Tourism
Lodging	721110	Hotels (except Casino Hotels) and Motels	100%
Lodging	721120	Casino Hotels	100%
Lodging	721191	Bed-and-Breakfast Inns	100%
Lodging	721199	All Other Traveler Accommodation	100%
Lodging	721211	RV (Recreational Vehicle) Parks and Campgrounds	100%
Lodging	721214	Recreational and Vacation Camps (except Campgrounds)	100%
Lodging	721310	Rooming and Boarding Houses	50%
Recreation	512131	Motion Picture Theaters (except Drive-Ins)	10%
Recreation	512132	Drive-In Motion Picture Theaters	10%
Recreation	711110	Theater Companies and Dinner Theaters	30%
Recreation	711120	Dance Companies	30%
Recreation	711130	Musical Groups and Artists	30%
Recreation	711190	Other Performing Arts Companies	30%
Recreation	711211	Sports Teams and Clubs	30%
Recreation	711212	Racetracks	30%
Recreation	711219	Other Spectator Sports	30%
Recreation	711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	100%
Recreation	711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities	100%
Recreation	711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	100%
Recreation	711510	Independent Artists, Writers, and Performers	100%
Recreation	712110	Museums	100%
Recreation	712120	Historical Sites	100%
Recreation	712130	Zoos and Botanical Gardens	100%
Recreation	712190	Nature Parks and Other Similar Institutions	100%
Recreation	713110	Amusement and Theme Parks	100%
Recreation	713120	Amusement Arcades	100%
Recreation	713210	Casinos (except Casino Hotels)	75%
Recreation	713290	Other Gambling Industries	75%
Recreation	713910	Golf Courses and Country Clubs	25%

Appendix:

Travel and Tourism Sector Industries (continued)

Sub-Cluster	NAICS Industry Code	NAICS Industry Name	% of Jobs and Wages Counted in Travel and Tourism
Recreation	713920	Skiing Facilities	100%
Recreation	713930	Marinas	75%
Recreation	713940	Fitness and Recreational Sports Centers	10%
Recreation	713950	Bowling Centers	10%
Recreation	713990	All Other Amusement and Recreation Industries	50%
Food Service	722110/722511	Full-Service Restaurants*	20%
Food Service	722211/722513	Limited-Service Restaurants*	20%
Food Service	722212/722514	Cafeterias, Grill Buffets, and Buffets*	20%
Food Service	722213/722515	Snack and Nonalcoholic Beverage Bars*	20%
Food Service	722310	Food Service Contractors	20%
Food Service	722320	Caterers	10%
Food Service	722330	Mobile Food Services	20%
Food Service	722410	Drinking Places (Alcoholic Beverages)	20%
Transportation	481111	Scheduled Passenger Air Transportation	100%
Transportation	481211	Nonscheduled Chartered Passenger Air Transportation	100%
Transportation	483112	Deep Sea Passenger Transportation	100%
Transportation	483114	Coastal and Great Lakes Passenger Transportation	100%
Transportation	483212	Inland Water Passenger Transportation	100%
Transportation	485210	Interurban and Rural Bus Transportation	100%
Transportation	485310	Taxi Service	46%
Transportation	485320	Limousine Service	46%
Transportation	485510	Charter Bus Industry	100%
Transportation	485999	All Other Transit and Ground Passenger Transportation	100%
Transportation	487110	Scenic and Sightseeing Transportation, Land	100%
Transportation	487210	Scenic and Sightseeing Transportation, Water	100%
Transportation	487990	Scenic and Sightseeing Transportation, Other	100%
Transportation	488111	Air Traffic Control	100%
Transportation	488119	Other Airport Operations	100%
Transportation	488490	Other Support Activities for Road Transportation	100%

Appendix:

Travel and Tourism Sector Industries (continued)

Sub-Cluster	NAICS Industry Code	NAICS Industry Name	% of Jobs and Wages Counted in Travel and Tourism
Transportation	532111	Passenger Car Rental	80%
Transportation	532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	80%
Transportation	561510	Travel Agencies	100%
Transportation	561520	Tour Operators	100%
Transportation	561591	Convention and Visitors Bureaus	100%
Transportation	561599	All Other Travel Arrangement and Reservation Services	100%
Retail and Gasoline Service Stations	441210	Recreational Vehicle Dealers	100%
Retail and Gasoline Service Stations	441222	Boat Dealers	100%
Retail and Gasoline Service Stations	447110	Gasoline Stations with Convenience Stores	7%
Retail and Gasoline Service Stations	447190	Other Gasoline Stations	7%
Retail and Gasoline Service Stations	451110	Sporting Goods Stores	20%
Retail and Gasoline Service Stations	453220	Gift, Novelty, and Souvenir Stores	75%

Sources: U.S. Department of Commerce; Empire State Development

* Industry codes were changed in 2012

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