

# The Economic Impact of Travel

## Kingman

2020p

December 2021

**PREPARED FOR**  
Kingman Office of Tourism



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# The Economic Impact of Travel in Kingman

2020p

Kingman Office of Tourism

12/21/2021

## **PRIMARY RESEARCH CONDUCTED BY**

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Kingman

2020p

# Kingman / Summary

## Travel Impacts 2020p

Located in northwest Arizona about 100 miles south of Las Vegas in Mohave County, Kingman is home to a myriad of arts, cultural, and recreational opportunities.

During 2020, the COVID-19 pandemic caused global economic hardship. The travel industry has been especially hard hit, even more so than during the Great Recession. U.S. travel spending declined an estimated 36% in 2020. The Arizona travel industry was even more affected, experiencing an estimated decline of 41.2% in travel spending.

- Travel spending in Kingman declined 24.5% from \$146 million in 2019 to \$110 million in 2020.
- Direct travel-generated employment experienced a loss of approximately 260 jobs, a 17.7% decline in travel-generated employment.
- Direct travel-generated earnings experienced a loss of \$3.7 million, a 9.1% decline.
- Tax receipts generated by travel spending are down 21% compared to 2019.

Arizona's travel industry **contracted 41.2% in 2020**, whereas Kingman's travel economy **declined 24.5%**.

Note: These estimates for Kingman are subject to revision if more complete data becomes available. All economic impacts in this report are direct effects only.

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# Kingman / Trend

## Direct Travel Impacts 2016-2020p

	2016	2017	2018	2019	2020	Avg. Annual % Chg.	
						2019-20	2016-20
<b>Spending (\$Millions)</b>							
Total (Current \$)	117.6	127.7	137.5	145.9	110.2	▼ -24.5%	▼ -1.6%
Other	4.4	5.1	5.8	5.9	3.2	▼ -45.9%	▼ -7.9%
Visitor	113.2	122.6	131.8	140.0	107.0	▼ -23.6%	▼ -1.4%
Non-transportation	101.5	109.3	116.6	124.3	96.7	▼ -22.2%	▼ -1.2%
Transportation	11.6	13.2	15.1	15.7	10.3	▼ -34.2%	▼ -2.9%
<b>Earnings (\$Millions)</b>							
Earnings (Current \$)	41.2	44.2	47.3	40.1	36.4	▼ -9.1%	▼ -3.1%
<b>Employment (Jobs)</b>							
Employment	1,690	1,700	1,780	1,470	1,210	▼ -17.7%	▼ -8.0%
<b>Tax Revenue (\$Millions)</b>							
Total (Current \$)	12.1	13.3	14.3	13.9	11.0	▼ -21.0%	▼ -2.5%
County	2.9	3.3	3.5	2.9	2.5	▼ -14.9%	▼ -3.9%
City	3.6	3.9	4.2	4.5	3.4	▼ -24.5%	▼ -1.5%
State	5.6	6.2	6.6	6.5	5.1	▼ -21.3%	▼ -2.3%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

Employment and earnings include CARES Act support.

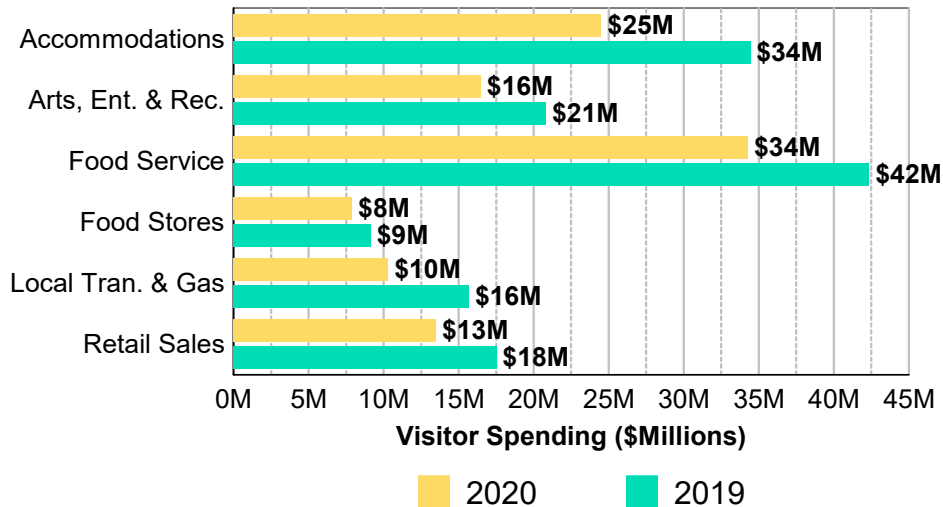
Other travel includes travel arrangement services, convention/trade shows, and a portion of ground transportation to visit other Arizona destinations.

City and County tax receipts include city and county sales taxes, state sales taxes distributed to local governments, lodging tax collections, property tax and sales tax payments attributable to the travel industry income of employees and businesses.

State tax receipts include lodging, sales, motor fuel taxes paid by visitors, and the income and sales tax payments attributable to the travel industry income of businesses and employees.



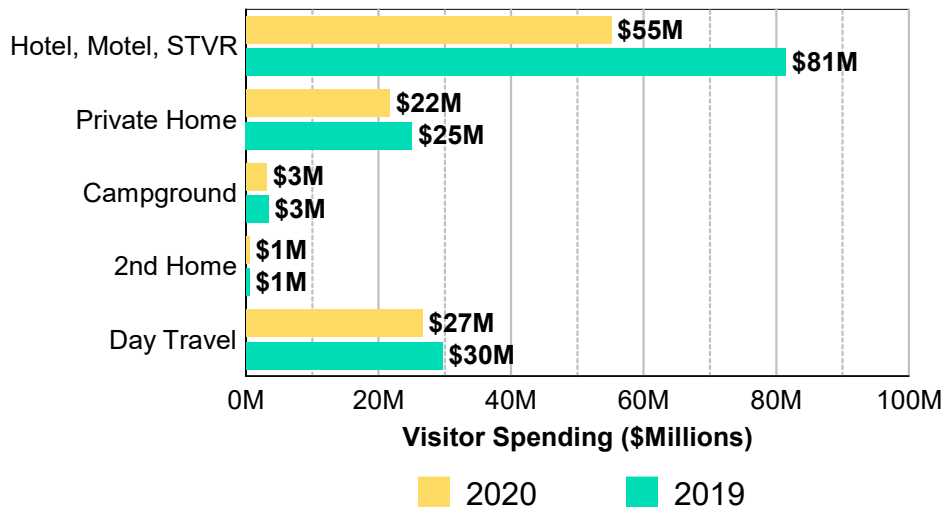
## Visitor Spending by Commodity Purchased / Kingman



The largest loss occurred in accommodations -- \$9 million was lost in 2020 compared to 2019, a decline of 28.9%.

Sources: City of Kingman, Arizona Department of Revenue, Dean Runyan Associates, Omnitrak Group

## Visitor Spending by Accommodation Type / Kingman



Visitors who stayed in a Hotel, Motel, or STVR spent \$55 million in 2020, a decline of 32.4%.

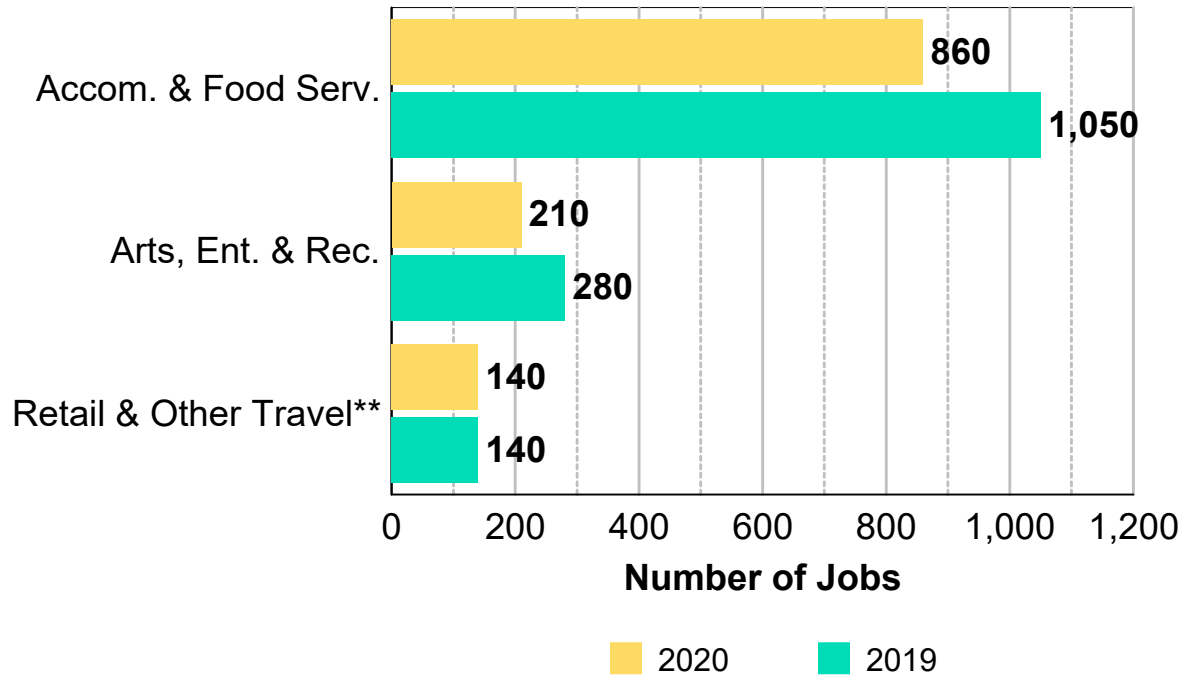
Visitors who stayed in a Private Home with friends and relatives spent \$22 million in 2020, a decline of 13.5%.

Sources: City of Kingman, AZ Dept. of Revenue, Dean Runyan Associates, Omnitrak Group, STR LLC.

Note: Private Home represents visitors staying with friends or family. (Glossary on page 13)



## Travel Industry Employment / Kingman



\*\*Retail includes gasoline station employment.

\*Other Travel includes travel arrangement services, convention/trade shows and a portion of ground transportation.

Employment includes CARES Act support.

Total direct job loss is estimated at 260 jobs in 2020.  
Overall, travel industry employment experienced a decline of 17.7%.

**Sources:** Dean Runyan Associates, Bureau of Labor Statistics, Bureau of Economic Analysis

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# Kingman / Detail

## Direct Travel Impacts 2016-2020p

	2016	2017	2018	2019	2020	2019-2020
<b>Direct Travel Spending (\$Million)</b>						
Destination Spending	113.2	122.6	131.8	140.0	107.0	▼ -23.6%
Other Travel*	4.4	5.1	5.8	5.9	3.2	▼ -45.9%
<b>TOTAL</b>	<b>117.6</b>	<b>127.7</b>	<b>137.5</b>	<b>145.9</b>	<b>110.2</b>	<b>▼ -24.5%</b>
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>						
Hotel, Motel, STVR	63.6	70.4	76.5	81.5	55.1	▼ -32.4%
Private Home	21.6	22.6	24.0	25.0	21.7	▼ -13.5%
Campground	2.9	3.0	3.1	3.4	3.1	▼ -6.2%
2nd Home	0.5	0.5	0.5	0.5	0.5	▼ -1.3%
Day Travel	24.7	26.1	27.6	29.6	26.6	▼ -10.2%
<b>TOTAL</b>	<b>113.2</b>	<b>122.6</b>	<b>131.8</b>	<b>140.0</b>	<b>107.0</b>	<b>▼ -23.6%</b>
<b>Visitor Spending by Commodity Purchased (\$Million)</b>						
Accommodations	27.7	30.7	32.4	34.5	24.5	▼ -28.9%
Food Service	33.1	36.0	39.2	42.4	34.3	▼ -19.0%
Food Stores	8.0	8.3	8.6	9.1	7.9	▼ -13.5%
Local Tran. & Gas	11.6	13.2	15.1	15.7	10.3	▼ -34.2%
Arts, Ent. & Rec.	17.6	18.6	19.7	20.8	16.5	▼ -20.9%
Retail Sales	15.2	15.9	16.7	17.5	13.5	▼ -23.1%
<b>TOTAL</b>	<b>113.2</b>	<b>122.6</b>	<b>131.8</b>	<b>140.0</b>	<b>107.0</b>	<b>▼ -23.6%</b>

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

Note: Private Home represents visitors staying with friends or family. (Glossary on page 13)

\*Other travel includes travel arrangement services, convention/trade shows, and a portion of ground transportation to visit other Arizona destinations



# Kingman / Detail

## Direct Travel Impacts 2016-2020p

	2016	2017	2018	2019	2020	2019-2020
<b>Travel Industry Earnings (\$Million)</b>						
Accom. & Food Serv.	28.8	31.5	33.1	28.0	25.4	▼ -9.3%
Arts, Ent. & Rec.	8.4	8.4	9.7	7.2	5.8	▼ -19.1%
Retail & Other Travel**	4.0	4.2	4.5	4.8	5.1	▲ 6.6%
<b>TOTAL</b>	<b>41.2</b>	<b>44.2</b>	<b>47.3</b>	<b>40.1</b>	<b>36.4</b>	<b>▼ -9.1%</b>
<b>Travel Industry Employment (Jobs)</b>						
Accom. & Food Serv.	1,200	1,240	1,270	1,050	860	▼ -18.1%
Arts, Ent. & Rec.	350	340	370	280	210	▼ -24.4%
Retail & Other Travel**	130	130	140	140	140	▼ -1.7%
<b>TOTAL</b>	<b>1,690</b>	<b>1,700</b>	<b>1,780</b>	<b>1,470</b>	<b>1,210</b>	<b>▼ -17.7%</b>
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>						
County Tax Receipts	2.9	3.3	3.5	2.9	2.5	▼ -14.9%
City Tax Receipts	3.6	3.9	4.2	4.5	3.4	▼ -24.5%
State Tax Receipts	5.6	6.2	6.6	6.5	5.1	▼ -21.3%
<b>TOTAL</b>	<b>12.1</b>	<b>13.3</b>	<b>14.3</b>	<b>13.9</b>	<b>11.0</b>	<b>▼ -21.0%</b>

Details may not add to totals or show as 0 due to rounding. Percent change calculated on unrounded figures.

\*\*Retail includes gasoline.

\*Other travel includes travel arrangement, convention services, and a portion of ground transportation to other Arizona destinations.

Employment and earnings include CARES Act support.

City and County tax receipts include city and county sales taxes, state sales taxes distributed to local governments, lodging tax collections, property tax and sales tax payments attributable to the travel industry income of employees and businesses.

State tax receipts include lodging, sales, motor fuel taxes paid by visitors, and the income and sales tax payments attributable to the travel industry income of businesses and employees.



# Arizona / Trend

## Direct Travel Impacts 2011-2020p

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Avg. Annual % Chg.	
											2019-20	2011-20
<b>Spending (\$Millions)</b>												
Total (Current \$)	18,798	19,489	19,936	20,762	21,034	21,245	22,679	24,446	25,591	15,043	▼ -41.2%	▼ -2.4%
Other	2,147	2,398	2,486	2,573	2,580	2,628	2,764	2,949	3,050	1,302	▼ -57.3%	▼ -5.4%
Visitor	16,651	17,090	17,450	18,189	18,454	18,617	19,916	21,497	22,541	13,741	▼ -39.0%	▼ -2.1%
Non-transportation	11,425	11,757	12,081	12,683	13,394	13,831	14,701	15,744	16,558	10,809	▼ -34.7%	▼ -0.6%
Transportation	5,226	5,333	5,369	5,506	5,060	4,786	5,215	5,753	5,983	2,931	▼ -51.0%	▼ -6.2%
<b>Earnings (\$Millions)</b>												
Earnings (Current \$)	5,176	5,393	5,546	5,827	6,216	6,464	6,968	7,397	7,667	6,679	▼ -12.9%	▲ 2.9%
<b>Employment (000's)</b>												
Employment	158.7	162.5	165.6	172.7	179.5	184.2	187.9	192.3	194.3	160.5	▼ -17.4%	▲ 0.1%
<b>Tax Revenue (\$Millions)</b>												
Total (Current \$)	2,556	2,617	2,733	2,814	2,999	3,093	3,309	3,625	3,778	2,716	▼ -28.1%	▲ 0.7%
Local	727	735	756	787	856	893	953	1,111	1,161	786	▼ -32.3%	▲ 0.9%
State	801	825	805	796	839	859	933	1,010	1,051	718	▼ -31.7%	▼ -1.2%
Federal	1,028	1,057	1,172	1,230	1,304	1,341	1,423	1,505	1,566	1,212	▼ -22.6%	▲ 1.8%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

Employment and earnings include CARES Act support.

Other travel includes travel arrangement services, convention/trade shows, and a portion of ground transportation to visit other Arizona destinations.

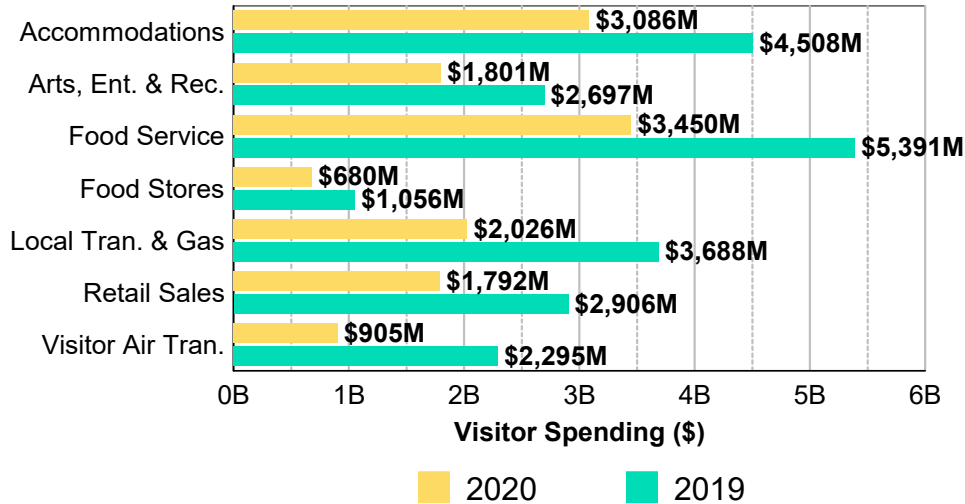
Local tax receipts include city and county sales taxes, state sales taxes distributed to local governments, lodging tax collections, property tax and sales tax payments attributable to the travel industry income of employees and businesses.

State tax receipts include lodging, sales, motor fuel taxes paid by visitors, and the income and sales tax payments attributable to the travel industry income of businesses and employees.



# Arizona / Trend

## Visitor Spending by Commodity Purchased / Kingman

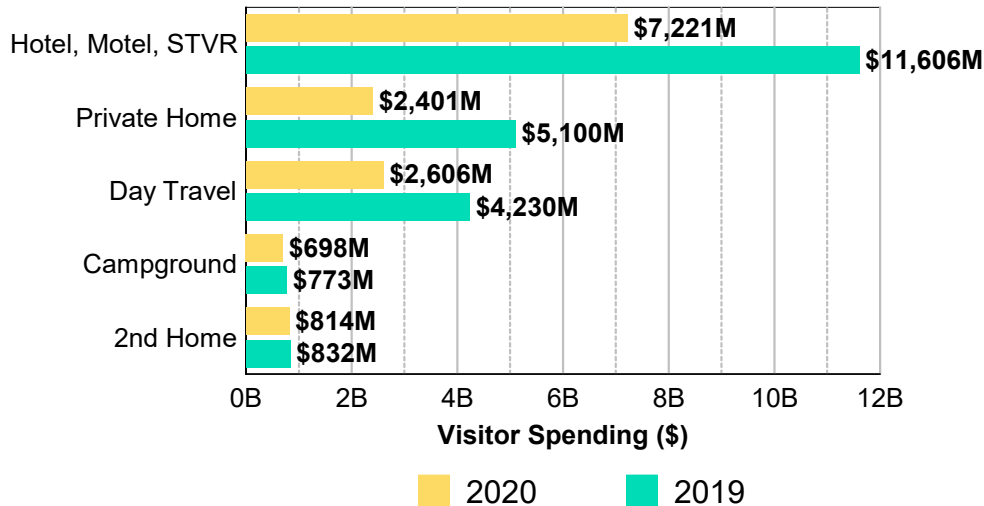


The largest loss occurred in food and beverage service. \$1.9 billion was lost in 2020 compared to 2019, a decline of 36.0%.

Accommodations lost approximately \$1.4 billion, a decline of 31.5%.

Sources: AZ Department of Revenue, STR LLC. Omnitrak Group, Dean Runyan Associates

## Visitor Spending by Accommodation Type / Kingman



Visitors who stayed in a Hotel, Motel, or STVR (short term vacation rental) spent \$6.8 billion in 2020, a decline of 41.8%.

Visitors who stayed in a Private Home with friends and relatives spent \$2.4 billion in 2020, a decline of 52.9%.

Sources: AZ Department of Revenue, STR LLC. Omnitrak Group, Dean Runyan Associates

# Kingman / Travel Comparison

## Economic Census 2017

The Census Bureau's Economic Census program is a survey conducted every 5 years to better understand the American economy. This dataset is helpful for comparing the travel generated economic activity to the local economy as a whole. Travel industry employment is estimated to be approximately 14.8% of total employment in Kingman, Arizona.

NAICS	Estab.	Sales (\$1,000)	Payroll (\$1,000)	Employees
22 Utilities	D	Q	D	100 to 249 employees
42 Wholesale trade	17	137,121	15,492	318
44-45 Retail trade	137	964,448	71,943	2,654
48-49 Transportation and warehousing	29	102,372	24,046	517
51 Information	15	N	4,515	150
52 Finance and insurance	51	N	13,977	268
53 Real estate and rental and leasing	34	22,090	2,787	94
54 Professional, scientific, and technical services	51	23,749	10,054	269
56 Administrative and support and waste management	37	32,704	14,964	592
61 Educational services	D	D	D	20 to 99 employees
62 Health care and social assistance	126	441,980	172,247	3,496
71 Arts, entertainment, and recreation	7	2,455	676	42
72 Accommodation and food services	105	117,879	32,017	1,927
81 Other services (except public administration)	51	29,379	8,862	331

### 2017 Travel Industry\*

127,659

34,182

1,610

N fields are suppressed for company confidentiality. D fields are non-disclosed due to size. Q revenue not collected at detail level.

\*Travel Industry is a combination of sectors and is estimated by Dean Runyan Associates. Payroll and employees are less than earnings/employment presented in other report tables. For comparison purposes we removed the additional benefits and sole proprietorships that are included in our analysis.

Source: U.S. Census Bureau

# Kingman / Overnight Volume

## Overnight Visitor Volume and Average Spending

Overnight visitor volume for Kingman is based on cross-referencing visitor surveys and lodging data. Volume estimates therefore will differ from methodologies that rely solely on visitor surveys. Visitor Spending is a more reliable metric to Visitor Volume in accounting for changes in the travel industry, as it is more closely tied to economic data and lessens the variability from visitor surveys. Day travel estimates are not included because of data limitations.



**61%**  
Hotel, Motel, STVR  
share of overnight  
person-trips

### Average Expenditure for Overnight Visitors, 2020p

	Person		Party		Party Size	Length of Stay
	Day	Trip	Day	Trip		
Hotel, Motel, STVR*	\$90	\$216	\$263	\$633	2.9	2.4
Private Home	\$45	\$156	\$122	\$427	2.7	3.5
Other Overnight	\$44	\$144	\$126	\$418	2.9	3.3
<b>All Overnight</b>	<b>\$68</b>	<b>\$192</b>	<b>\$193</b>	<b>\$549</b>	<b>2.8</b>	<b>2.8</b>

### Overnight Visitor Volume, 2018-2020p

	Person-Trips			Party-Trips		
	2018	2019	2020	2018	2019	2020
Hotel, Motel, STVR*	277,200	300,800	254,800	98,200	106,600	87,000
Private Home	160,000	163,800	138,600	66,100	67,700	50,800
Other Overnight	19,200	20,100	25,500	7,400	7,800	8,800
<b>All Overnight</b>	<b>456,400</b>	<b>484,700</b>	<b>418,800</b>	<b>171,700</b>	<b>182,000</b>	<b>146,500</b>

	Person-Nights			Party-Nights		
	2018	2019	2020	2018	2019	2020
Hotel, Motel, STVR*	747,900	811,500	613,900	265,000	287,500	209,600
Private Home	484,600	496,200	485,000	200,100	204,900	177,700
Other Overnight	75,600	79,300	84,200	29,300	30,800	29,000
<b>All Overnight</b>	<b>1,308,100</b>	<b>1,387,100</b>	<b>1,183,100</b>	<b>494,500</b>	<b>523,300</b>	<b>416,300</b>

Note: Private Home represents visitors staying with friends or family. (Glossary on page 13)  
\*STVR: stands for short term vacation rental.

# Glossary

## Term

Hotel, Motel, STVR

Private Home

Other Overnight

Day Travel

Visitor Spending

Other Spending

Direct Spending

Direct Earnings

Direct Employment

Local Taxes

State Taxes

Destination Spending

STVR

2nd Home

## Definition

Accommodation types that house transient lodging activity.

Personal residences used to host visiting friends and family overnight.

Combination of other overnight visitors who stay in campgrounds or 2nd homes.

Greater than 50 miles traveled non-routine to the destination.

Direct spending made by visitors in a destination.

Spending by residents on travel arrangement services, or spending for convention activity.

Expenditures made by consumers, combination of Visitor Spending and Other Spending.

Total after-tax net income from travel. It includes wage and salary disbursements, proprietor income, and other earned income or benefits.

Employment generated by direct spending; Includes full time, part time, seasonal, and proprietors.

City and county taxes generated by travel spending.

State taxes generated by travel spending.

Interchangeable with Visitor Spending. Direct spending made by visitors in a destination.

Short Term Rental, private and semi-private lodging rented by owners or property management companies (e.g. Airbnb, VRBO).

Homes under private ownership for personal use as a vacation property.



# Assumptions / Methodology

## Travel Impacts Methodology

Dean Runyan Associates uses our proprietary Regional Travel Impact Model (RTIM) to generate the data presented in this report. This input-output model uses a fiscal based approach to accurately quantify travel and reduce reliance and variability of survey data. Each accommodation type (Hotel/Motel/STVR, Private Home, 2nd Home, Camping, and Day) is modeled uniquely to capture the different types of economic contributions from these visitors. Earnings and employment data are derived from the relationship between business income and employee expenses. Tax receipts are generated based on each unique tax rate that applies to the underlying economic activity.

Our approach starts at local levels of geography building up to state findings.

The RTIM is in use in 12 states covering over 400 counties and local jurisdictions. Findings from this study are directly comparable to any of our research publications.

## Travel Impacts Assumptions

- The distribution of commodity expenditures by visitors tracks closely with the larger geographic region of Mohave County.
- Overnight visitors are defined as non-local overnight visitation utilizing accommodations that are Hotels/Motels, Short Term Rentals (STVR), Camping, Private Home (VFR), and 2nd homes.
- Day visitors include anyone traveling 50 miles or more one way for non-routine travel (e.g. commuting or regular shopping trips).
- Travel contains tourism activity, business activity, and other transient activity.
- Source data is accurate and complete. (Sources include: Bureau of Labor Statistics, Census Bureau, Bureau of Economic Analysis, STR LLC., U.S. Department of Transportation, Omnitrak Group)