

# 2018 Tourism in the Florida Keys & Key West: Stable Growth Despite Challenging Times

The Contribution of Travel & Tourism to the Monroe County Economy in Calendar Year 2018

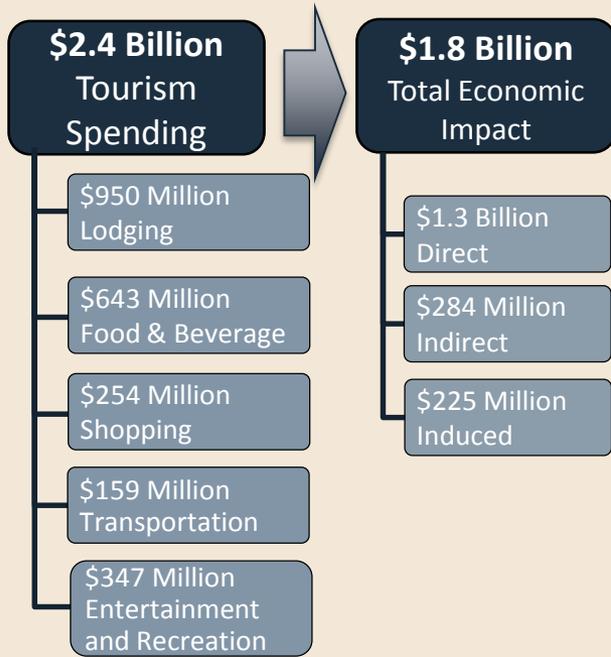


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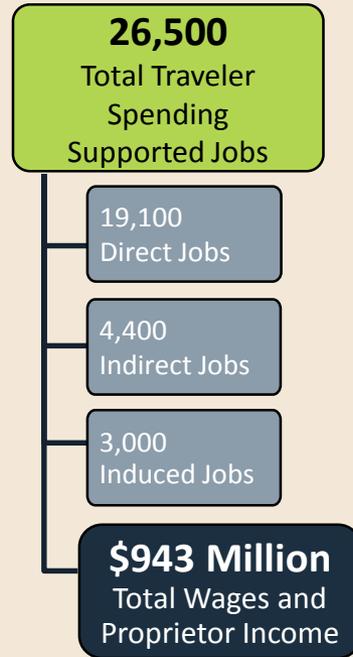


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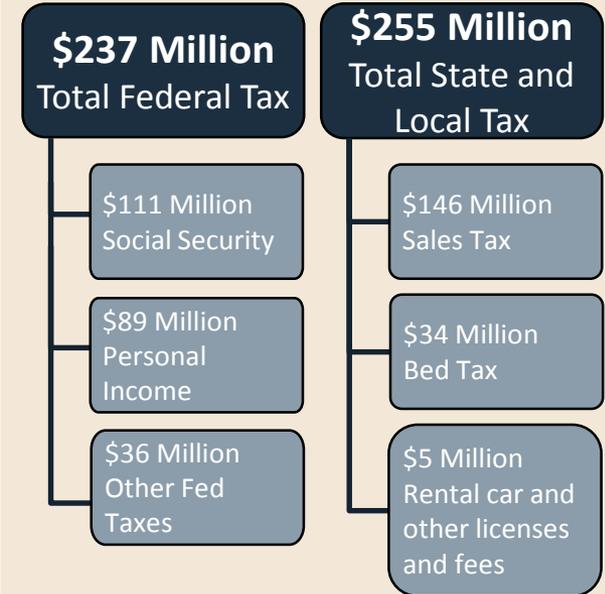
## Tourism and Impact



## Jobs and Wages



## Tax Revenue Generated



- The Florida Keys and Key West tourism sector was significantly challenged in 2017 and 2018 as Hurricane Irma, which made landfall in the Keys on September 10<sup>th</sup>, 2017, destroyed infrastructure, shuttered businesses, and damaged visitor perceptions. **Despite these challenges, visitor volume fell only -0.3% in 2017 and rebounded by 1.5% in 2018 to 5.1 million visitors<sup>1</sup>.** This included 3.8 million domestic visitors travelling for leisure, over 300,000 domestic business travelers, and over 1 million international visitors. In total, these visitors spent just shy of \$2.4 billion on lodging, food & beverage, entertainment, shopping, and transportation, an increase of 0.8% over 2017 spending totals.
- Tourism performance was mixed across the Keys in 2018, as Irma's impact was not uniform across the island districts. **Key West outperformed other districts in Monroe County with visitor spending eclipsing \$2 million, 10% over 2017 levels;** Key Largo eked out small gains in visitor spending while Islamorada, Marathon, and the Lower Keys all witnessed declines in visitor spending.
- Of the \$2.4 billion in Florida Keys and Key West visitor spending, **over \$1.8 billion was retained in the Monroe County economy, providing an array of businesses with revenue, supporting jobs for county citizens, and producing revenue for state and local governments.** Tourism's 2018 contribution to Monroe County Gross Domestic Product was down slightly (-1.1%) from a 2017 value of \$1.83 billion. Tourism's benefit to businesses that directly served Keys visitors (e.g. hotels, restaurants, entertainment venues) reached \$1.3 billion in 2018. The remaining \$500 million accrued to the county's supply chain and other downstream businesses.
- **Florida Keys tourism supported about 26,500 jobs for residents throughout Monroe County** when accounting for direct, indirect and other downstream jobs. This represents about 44% of all Monroe County jobs. **Tourism is far-and-away the largest employer in the county.** When measuring tourism employment as a percentage of total employment against major tourism counties throughout the state, Monroe County ranks #2 in its share of direct employment and #1 in its share of total employment.
- Monroe County tourism **generated more than \$492 million in tax receipts during 2018**, a slight decline of -0.8% versus 2017 totals. Of that total, the Florida state government received nearly \$142 million, an increase of 0.4%, and the local government accrued more than \$113 million, a decline of -1.3% vs. 2017 figures. The largest state and local tax (S&L) category generated by visitors is state sales tax at almost \$122 million.

<sup>1</sup> UNTWTO definition of a visitor includes anyone, regardless of origin, who stayed overnight or traveled more than 50 miles one way on a day trip.

# 2018 Economic Impact of Tourism in the Florida Keys & Key West

## Background & Methodology



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## Study Overview

The economic impact of tourism in Key West and the Florida Keys was commissioned by the Monroe County Tourism Development Council (TDC). The research was conducted by Rockport Analytics, an independent market research & consulting company, using a time-tested approach that has been applied to many state, regional, county and metropolitan destinations across the United States. The goal of the study was to measure and analyze the full economic contribution that visitors make to the Monroe County economy. The study covered the 2017-18 calendar years with a focus on 2018 and the changes in tourism performance between 2017 and 2018. We also estimated a longer term trend on visitor volume going back to 2014. The analysis seeks to translate the contribution made by visitors to Monroe County GDP, jobs, wages, and tax receipts.

## Methodology

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, Monroe County-based food suppliers to restaurants. The induced impact adds the effect of tourism-generated wages as they are spent throughout Monroe County's economy such as when an employee from a hotel spends on grocery items for their household.

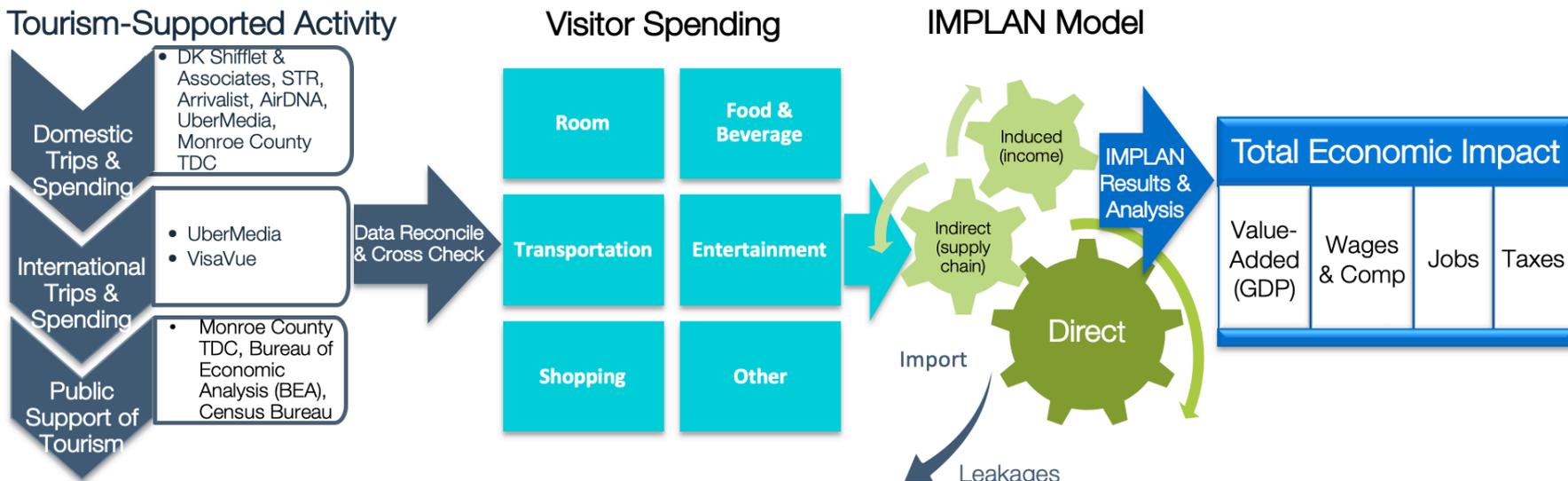
The economic impacts reported in this study are based on Monroe County visitor volume and spending estimated through numerous sources including, DK Shifflet & Associates, Monroe County TDC-commissioned intercept surveys, mobile location data from UberMedia, and international performance from VisaVue. This traveler data is then reconciled with Bureau of Labor Statistics (BLS) reported employment data, reported tax receipts from the Florida Department of Revenue, and other secondary sources such as STR and Dun & Bradstreet. The spending and associated impacts estimated at the county level include both in-state and out-of-state visitation. A visitor is defined as anyone traveling over 50 miles one way for either business or leisure purposes and includes both day trips and overnight stays.

## Methodology Cont.

An economic model of Monroe County is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Monroe County ([www.implan.com](http://www.implan.com)), a non-proprietary economic model that has become the standard for most economic impact assessments in the United States. This model is critical to measuring the direct, indirect, and induced impacts of visitation to the state.

IMPLAN also measures how much of each tourism dollar remains in the county economy. Total traveler spending generally exceeds the direct impact of tourism. This is because not all goods and services purchased by travelers are supplied by firms located in Monroe County. The IMPLAN model accounts for these import “leakages”<sup>2</sup> to suppliers located outside of the county. Generally, the more diversified a local economy, the lower are import leakages and the higher the retention and multiplier of visitor spending.

<sup>2</sup> Leakages refer to goods and services that must be imported into to the county due to insufficient in-state capacity.



# 2018 Economic Impact of Tourism in the Florida Keys & Key West

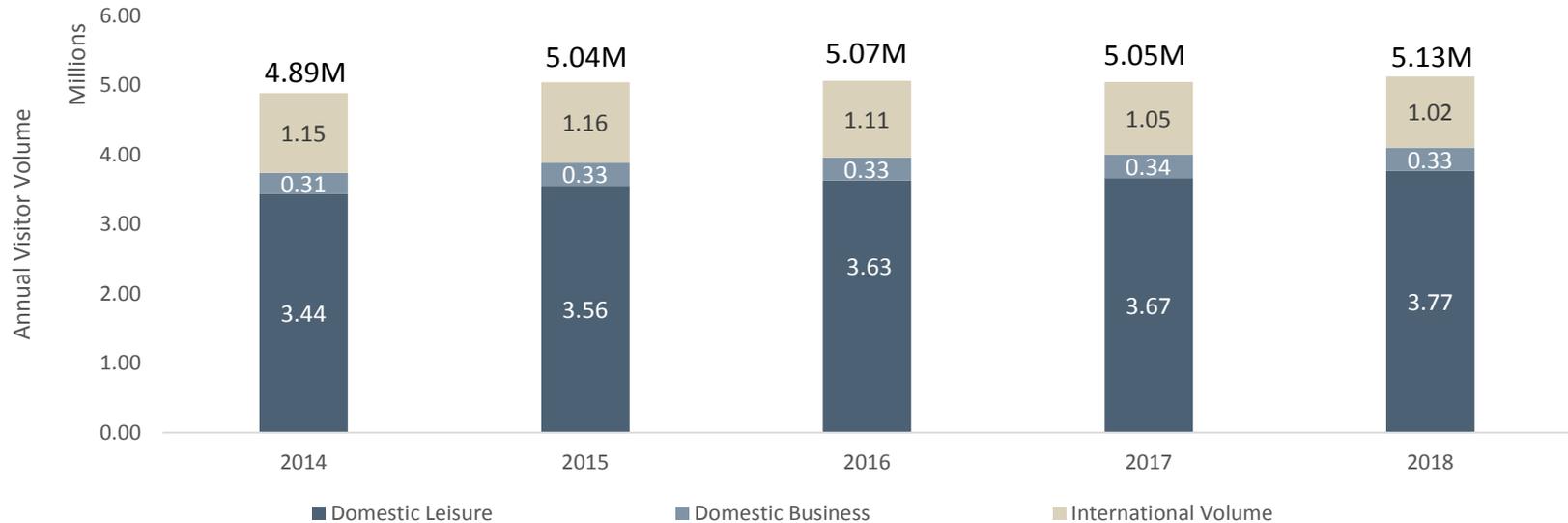
2018 Tourism Performance Across the Florida Keys



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# Total Volume to the Florida Keys & Key West Rose 1.5% in 2018 to 5.1M Visitors

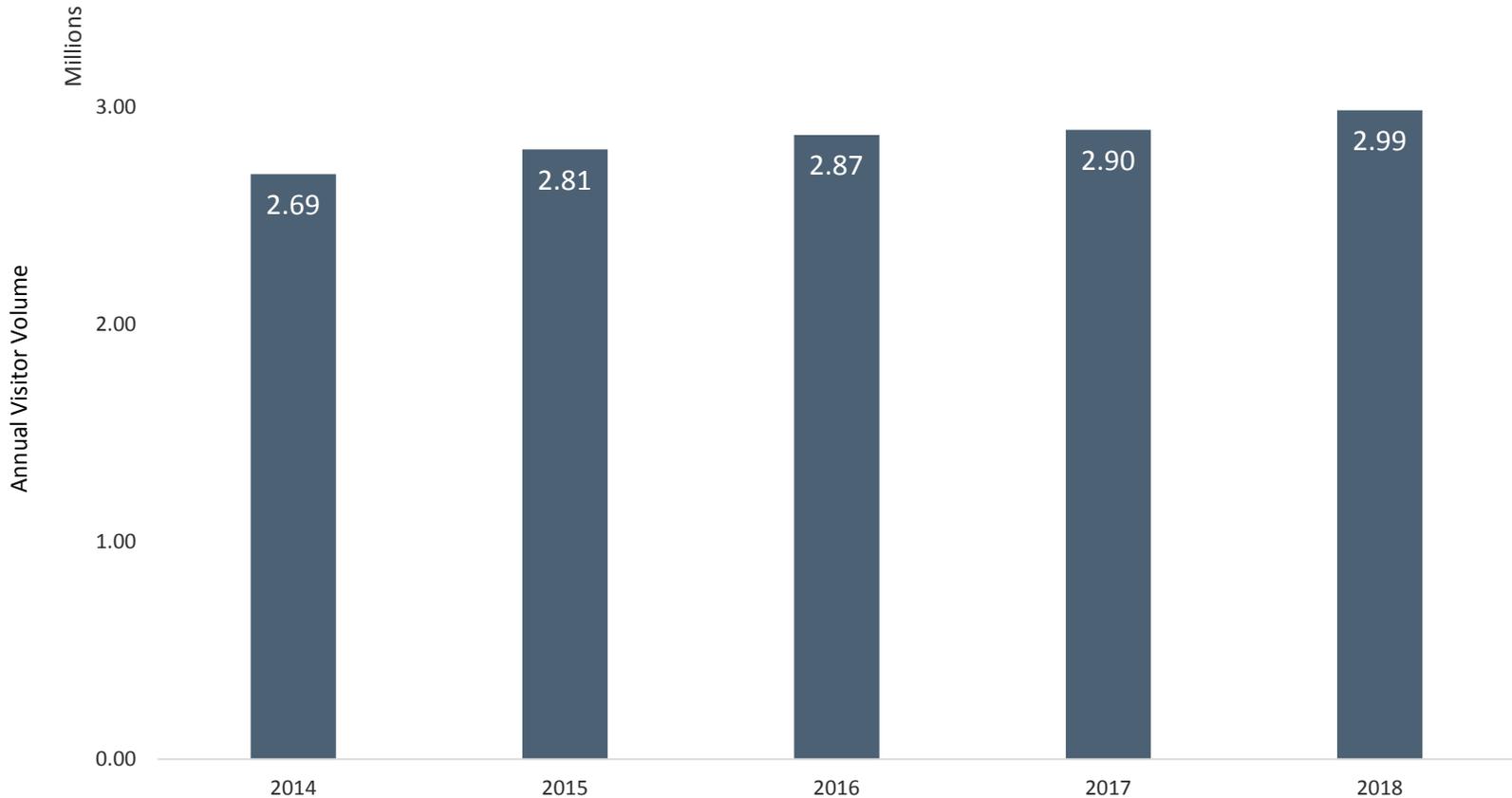
## Total Visitor Volume (Millions) to the Florida Keys and Key West: 2014 – 2018



Source: Rockport Analytics, Uber Media, DK Shifflet, VisaVue

- ✓ Overall visitation to the Florida Keys was up 1.5% in 2018 to 5.13 million trips; this follows a -0.3% decline in 2017. Of the 5.1 million visitors to the Keys in 2018, 74% traveled from domestic origins for leisure purposes, 6% from domestic origins for business purposes, and 20% from international origins.
- ✓ International volume has been a headwind to U.S. leisure travel over the last few years as a strengthening dollar (making U.S. travel relatively more expensive for many foreigners) and negative traveler perceptions have slowed U.S. tourism exports. The Keys have not been immune to this slowdown with international visitor volume falling on annual basis every year since 2015 and down 2% to 1.02 million visitors in 2018.

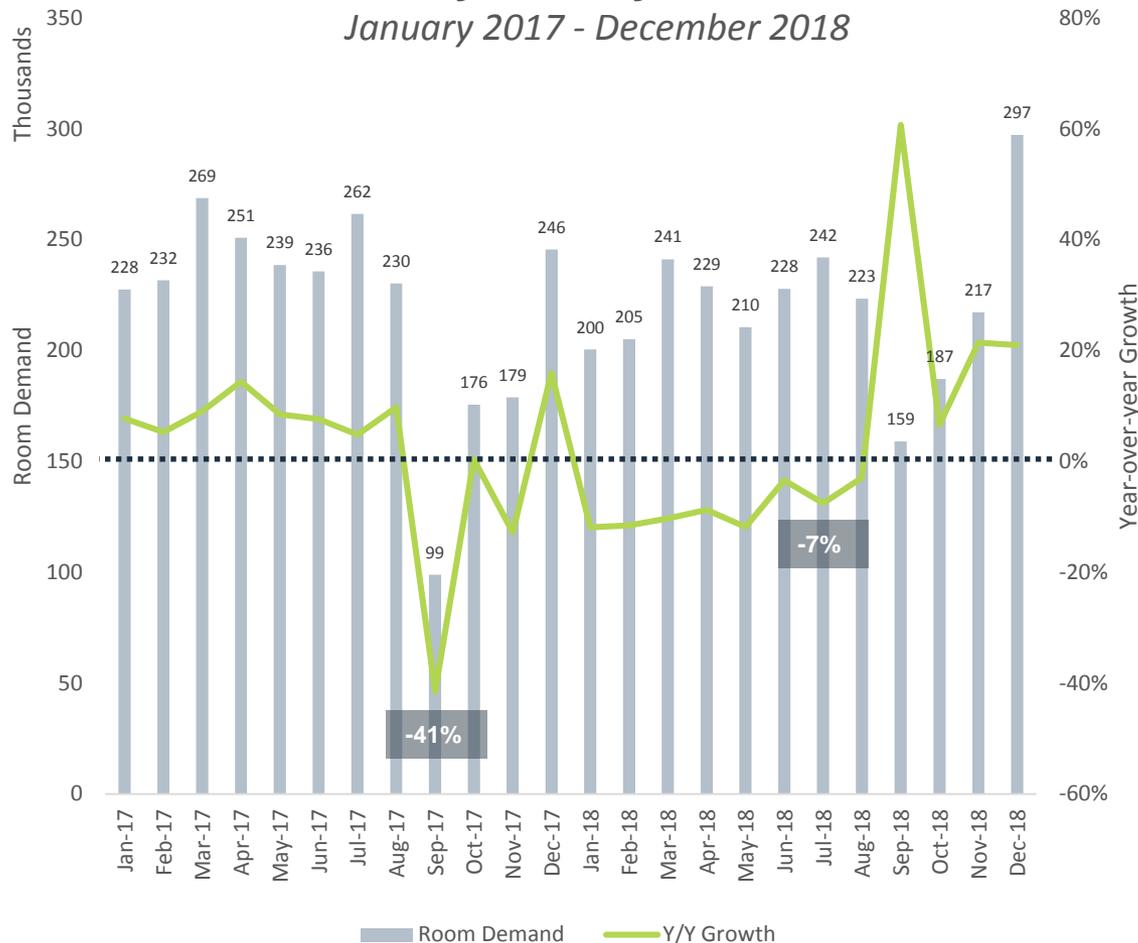
## Domestic Overnight Leisure Visitation (Millions) to the Florida Keys and Key West: 2014 – 2018



# Hurricane Irma Took a Significant Toll on Visitation in Late 2017 and Early 2018

## Monthly Room Demand in the Florida Keys & Key West:

January 2017 - December 2018



Source: STR

	Sept 2016 - Aug 2017	Sept 2017 - Aug 2018	Y/Y Growth
Supply	3.49 M	3.01 M	-13.7%
Demand	2.71 M	2.48 M	-8.4%
ADR	\$260.68	\$261.30	0.2%
Occupancy	77.5%	80.4%	3.8%
Revenue	\$724.7 M	\$656.4 M	-9.4%
RevPAR	\$208.03	\$217.82	4.7%

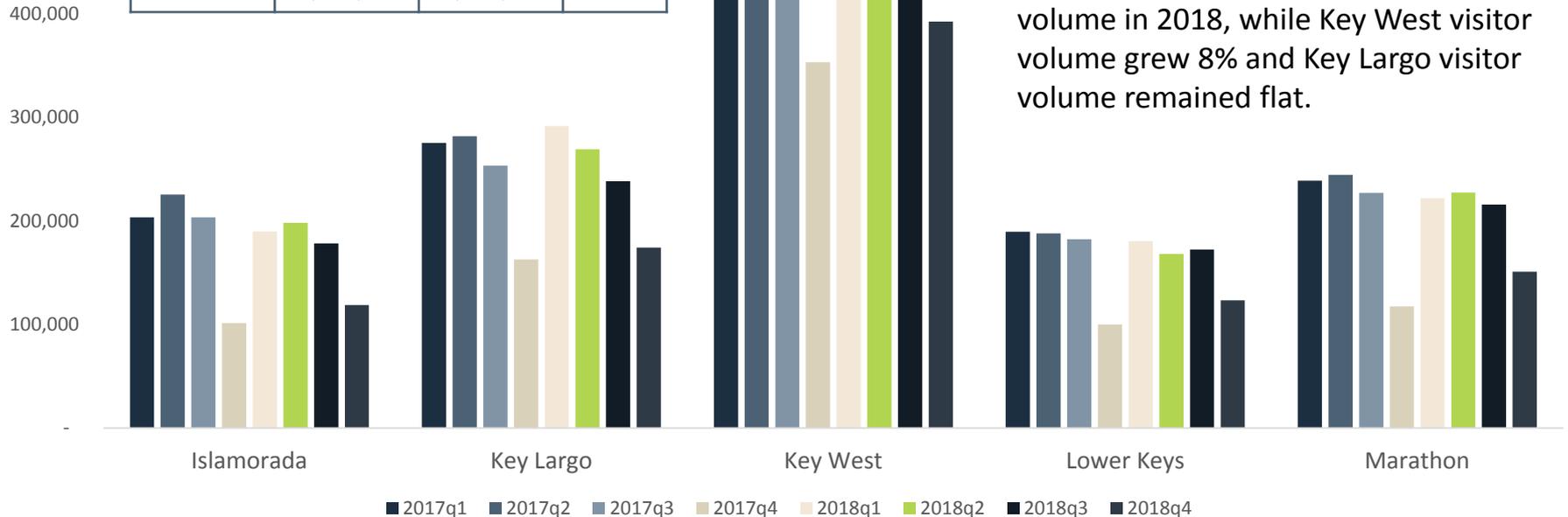
Source: STR

### Room demand (and supply) tumble following Irma

Room statistics clearly show the impact of Hurricane Irma. Room demand tumbled -41% in September 2017, on a year-over-year basis. October was essentially flat and December was up slightly – likely the result of clean-up efforts and travel by insurance adjusters, construction workers, and others to help stabilize the region. Demand remained down on a year-over-year basis for each month through Irma’s anniversary date in September 2018. Before Irma hit in September 2017, the Keys were on track for a banner tourism year with YTD room demand up 8.4% and YTD room revenue up 11.1%.

## Quarterly Visitor Volume By Island District: 2017-18

	2017	2018	Y/Y Growth
Islamorada	733,601	684,781	-6.7%
Key Largo	973,135	973,539	0.0%
Key West	1,856,580	2,008,725	8.2%
Lower Keys	659,288	643,832	-2.3%
Marathon	827,697	816,023	-1.4%
<b>Total</b>	<b>5,050,300</b>	<b>5,126,900</b>	<b>1.5%</b>



### Key West Outperforms

Despite the headwinds from Irma and international visitation, visitor volume rose by 1.5% Keys-wide in 2018 to 5.1 million visitors. Tourism performance was mixed across the various island districts, however, with the harder hit areas in the middle and lower Keys witnessing annual declines in visitor volume in 2018, while Key West visitor volume grew 8% and Key Largo visitor volume remained flat.

# 2018 Domestic Origin Markets Distributed Across U.S. but Led by NE & SE

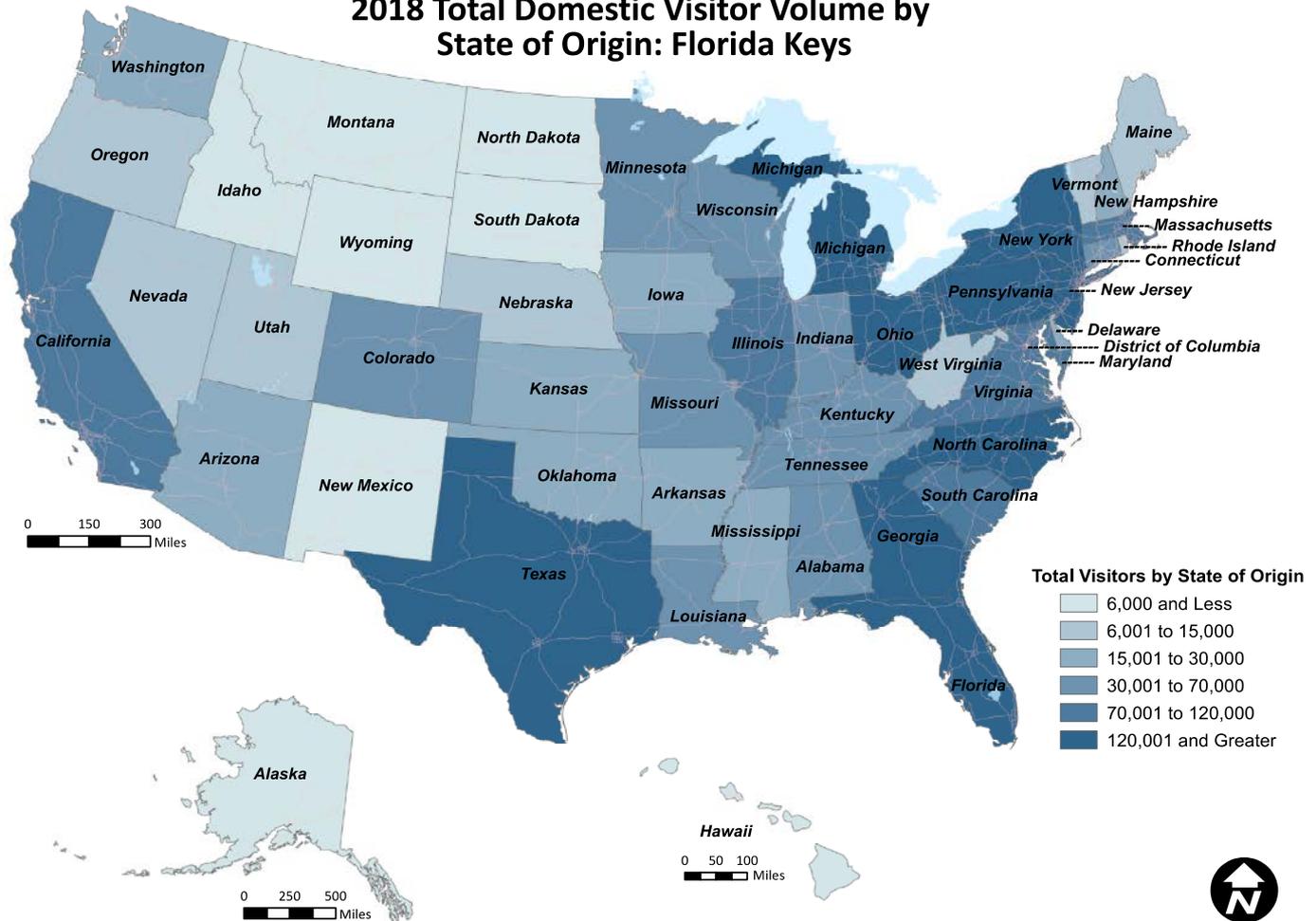
## Top-10 Origin States **By Volume**

	Estimated Number of Visitors
Florida	2,572,672
Texas	164,069
New York	162,608
Georgia	141,217
Ohio	131,176
North Carolina	131,090
Pennsylvania	131,033
Michigan	128,956
New Jersey	124,346
Illinois	119,636

## Top-10 Origin States **Per Capita**

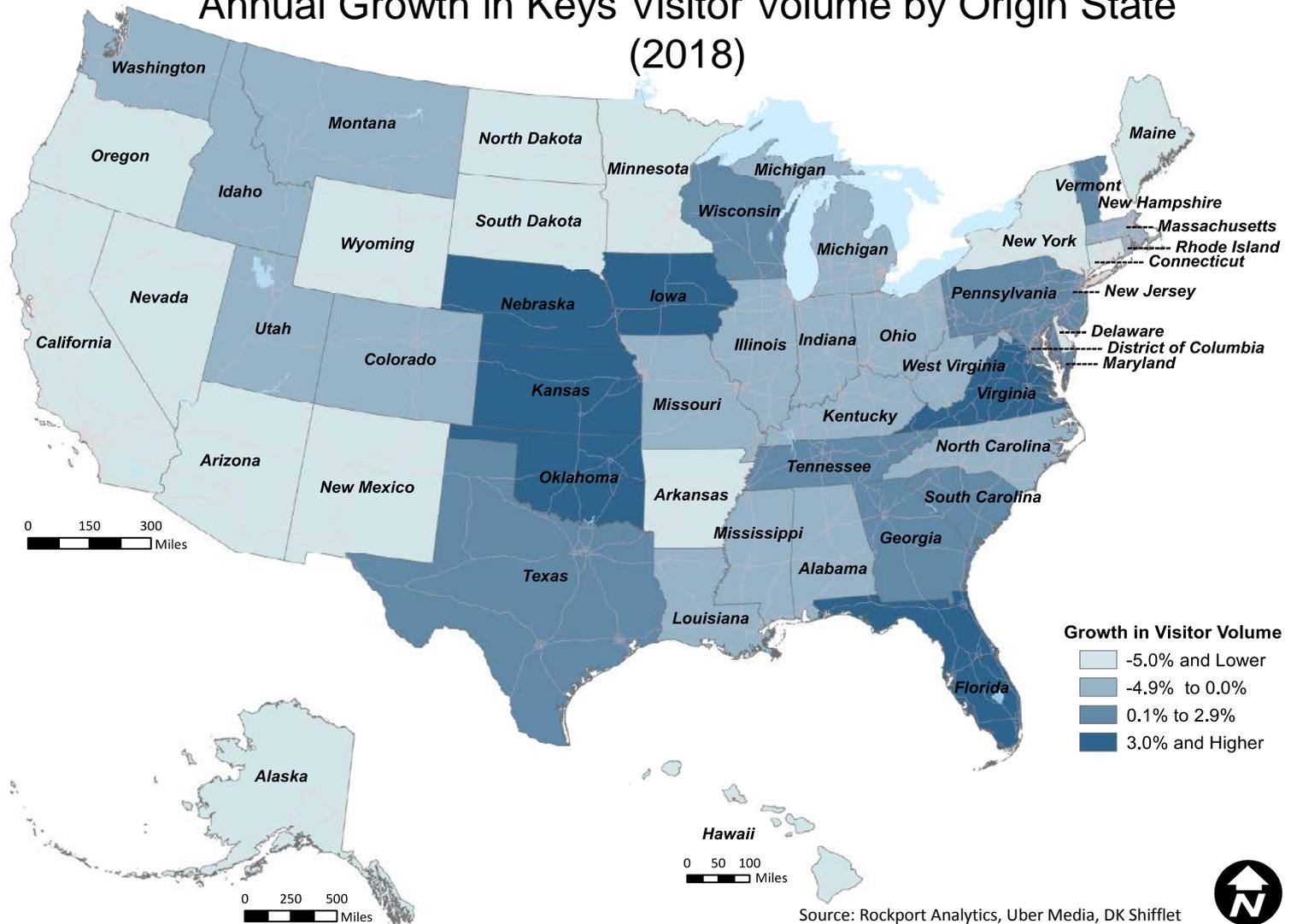
	Estimated Visitors Per Capita
Florida	12.5%
Washington, DC	2.1%
Delaware	1.6%
South Carolina	1.6%
New Jersey	1.4%
Georgia	1.4%
Maryland	1.4%
Michigan	1.3%
North Carolina	1.3%
New Hampshire	1.3%

## 2018 Total Domestic Visitor Volume by State of Origin: Florida Keys



Source: Rockport Analytics, Uber Media, DK Shifflet

## Annual Growth in Keys Visitor Volume by Origin State (2018)

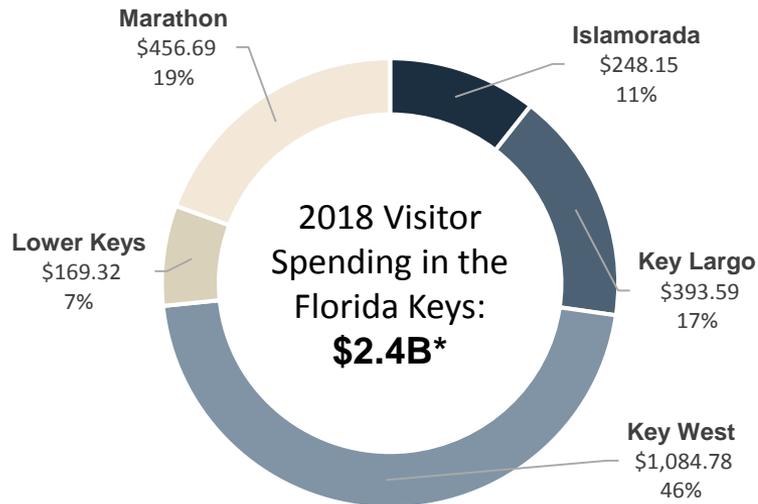
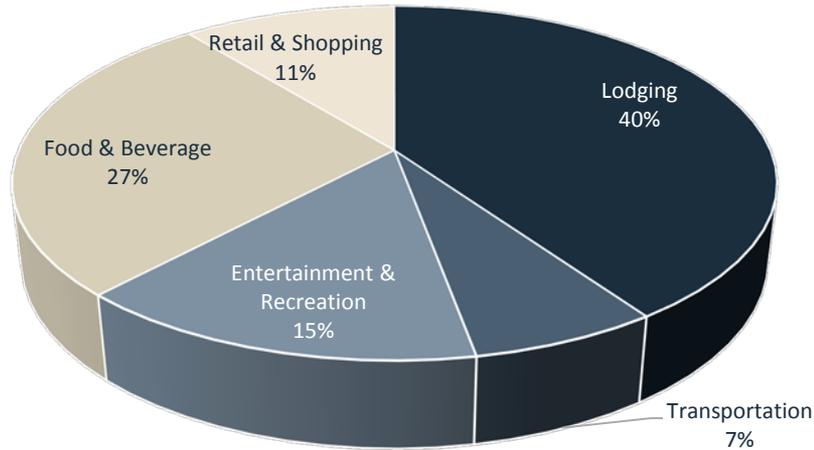


Source: Rockport Analytics, Uber Media, DK Shifflet



# Total Florida Keys Visitor Spending Was Just Shy of \$2.4 Billion in 2018

2018 Florida Keys Visitor Spending by Category



\*Island district spending in millions (\$)

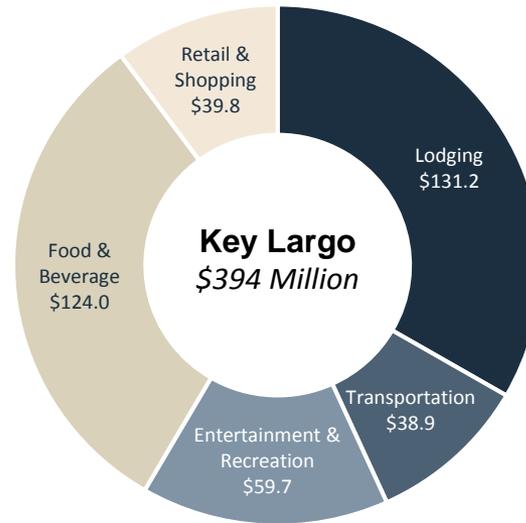
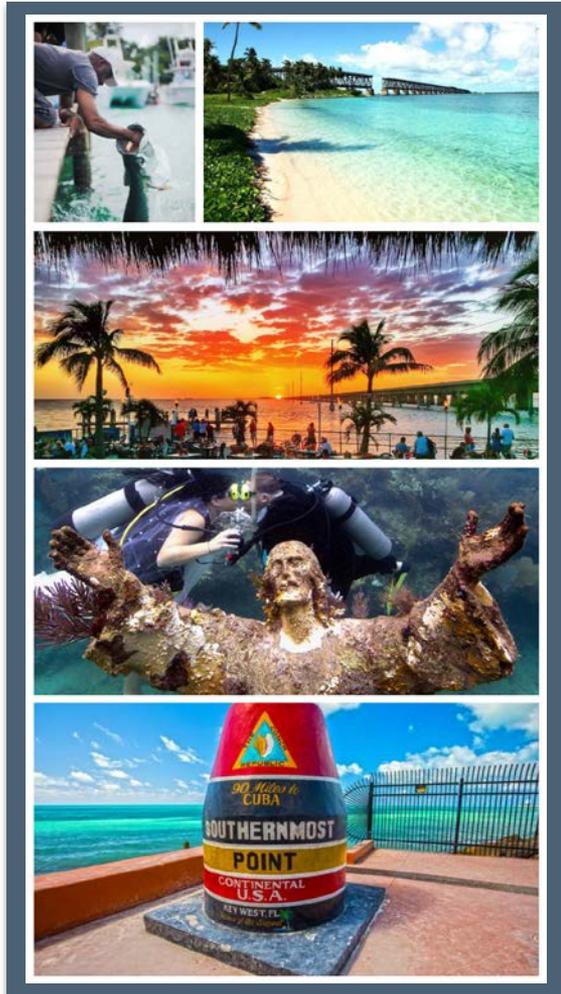
Source: D.K.Shifflet, Uber Media, NTT, STR, Monroe County TDC, AirDNA, VisaVue, Rockport Analytics

Spending Categories	2017 (Millions)	2018 (Millions)	Y/Y Growth
Lodging	\$947.4	\$950.1	0.3%
Transportation	\$165.7	\$158.9	-4.1%
Entertainment & Rec	\$345.9	\$347.4	0.5%
Food & Beverage	\$623.0	\$642.5	3.1%
Retail & Shopping	\$251.2	\$253.6	1.0%
<b>Total</b>	<b>\$2,333.2</b>	<b>\$2,352.5</b>	<b>0.8%</b>

**Total visitor spending increased 0.8% in 2018 as the amount spent per visitor declined by -0.7%**

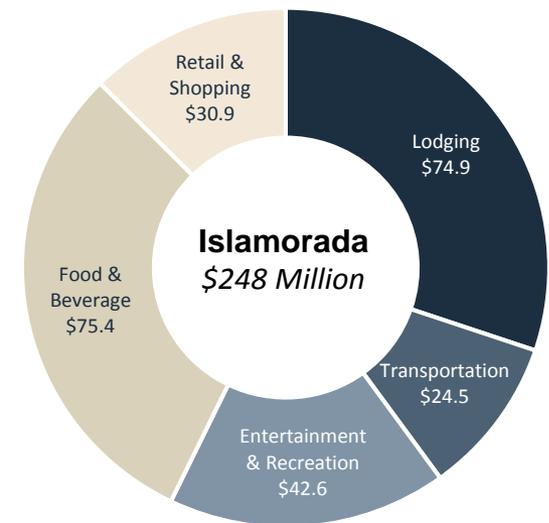
- ✓ The 5.1 million visitors to the Florida Keys spent a total of \$2.4 billion on various goods and services throughout the Keys in 2018, a 0.8% increase over 2017.
- ✓ The average amount spent per visitor fell from \$462 in 2017 to \$459 in 2018. Declines were driven by shorter average length of stays and a higher proportion of travel to visit friends and relatives (VFR).
- ✓ In 2018, an estimated 46% of visitor spending took place in Key West, 19% in Marathon, 17% in Key Largo, 11% in Islamorada, and 7% in the Lower Keys.

# Visitor Spending By Island District



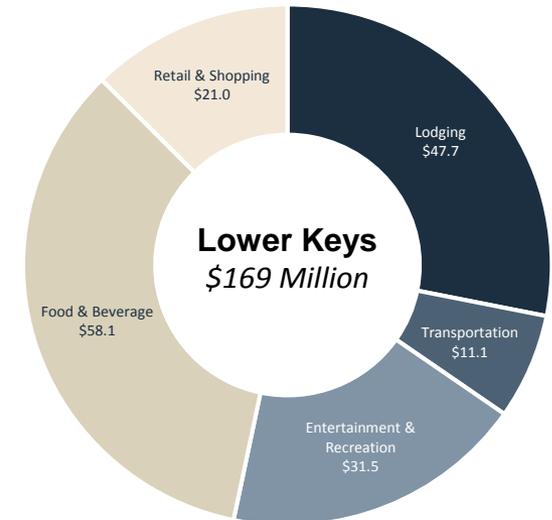
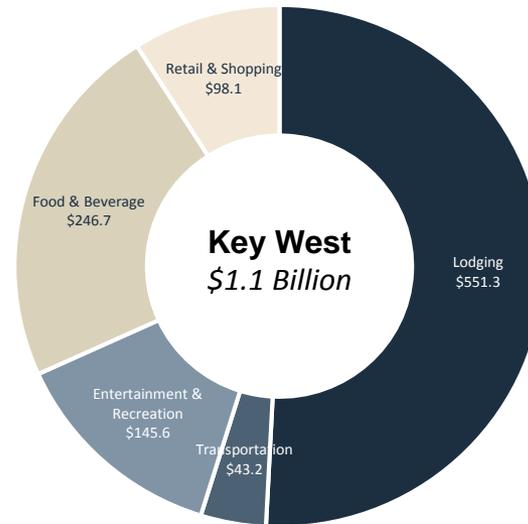
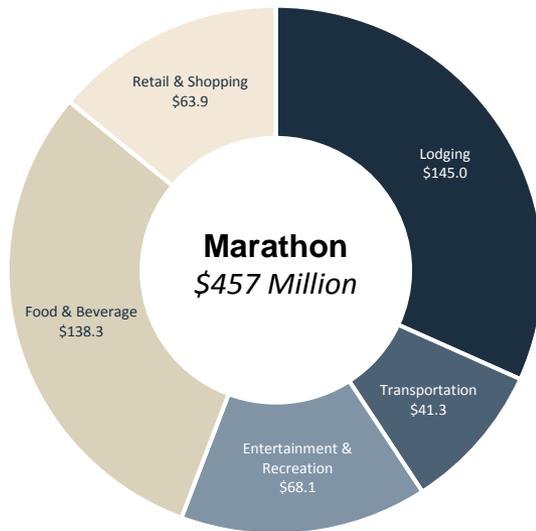
## Key Largo

Key Largo attracted a total of 974,000 visitors in 2018, up just slightly from 2017 levels. These visitors spent a total of \$394 million in the district, up 3% from 2017. This represents the 3rd highest level of spending among the five Key island districts and the second best district performer in terms of annual growth. Visitors spent \$131.2 million on lodging and \$124.0 billion on food & beverage. Nearly 10% of the average trip budget was devoted to transportation (gasoline and other passenger transportation) within Key Largo, tied with Islamorada for the highest share of transportation spend among the five island districts.



## Islamorada

Islamorada attracted a total of 685,000 visitors in 2018, down 6.7% from 2017 levels. These visitors spent a total of \$248 million in Islamorada, down 12.6% from 2017. This represents the 4th highest level of spending among the five Key island districts. Islamorada's year over year decline in spending was significant and it reflects Irma's devastation to hotels and infrastructure. In fact, visitor spending on lodging in Islamorada was down 20% from 2017 levels to \$74.9 million in 2018. Visitors spending on food & beverage and entertainment & recreation were down as well, but declines were in the single digits – 8.9% and 7.0%, respectively.



## Marathon

Marathon attracted a total of 816,000 visitors in 2018, down 1.4% from 2017 levels. These visitors spent a total of \$457 million, down 10% from 2017. This represents the 2nd highest level of spending among the five Key island districts. Nevertheless, in terms of annual spending growth, Marathon underperformed compared to other island districts. Declines in spending were strongest in lodging, transportation, and entertainment & recreation which were down -14.9%, -14.8% and -13.2%, respectively. Food & beverage spending only declined -2.8% from 2017 levels, totaling \$138.3 million in 2018.

## Key West

Key West attracted a total of 2 million visitors in 2018, up 8.2% from 2017 levels. These visitors spent a total of \$1.1 billion in Key West. Visitor spending in Key West made up 46% of total spending in the Keys. Lodging spend makes up roughly half of visitor's local trip budget in Key West, driven by higher ADRs and longer lengths of stay. Key West was far and away the bright spot in the region in 2018 as spending grew 10% over 2017.

## Lower Keys

The Lower Keys attracted a total of 644,000 visitors in 2018, down 2.3% from 2017 levels. These visitors spent a total of \$169 million in the Lower Keys, down -1.3% from 2017. While the Lower Keys were hit hard by Irma, the district likely benefitted from some day visitors from Key West. A smaller supply of lodging options in the Lower Keys leads to a smaller proportion of spending on lodging, which at \$47.7 million comprised only 28% of total visitor spending in the district in 2018. Food & beverage purchases comprise the largest share of visitor spending in the region (34%) at \$58.1 million.

# 2018 Economic Impact of Tourism in the Florida Keys & Key West

Tourism's Contribution to the Monroe County Economy



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# Tourism's Economic Progression in the Florida Keys



## Monroe County Visitor Expenditures



2018 @  
\$2.4 billion



Expenditures include:

- Hotel, food and beverage (F&B), rental homes, shopping, recreation, etc.
- From out-of-state visitors to the Florida Keys: U.S. & international
- On leisure & business trips
- Overnight or day trips

## Tourism Contribution to the Monroe County Economy



Retained in the Local Economy  
\$1.8 billion

Minus Import Leakages  
-\$525 million

Monroe County retains about 78 cents of every tourism dollar spent by visitors to the Keys

Leakages refer to goods & services that are imported into Monroe County from outside due to insufficient local supply

## Value to Monroe County Businesses

Direct Tourism Industry GDP  
\$1.3 billion

Indirect & Induced Tourism Industry GDP  
\$508 million

Total Tourism-Supported Jobs\*  
26,500

\*Full & part time jobs

Direct Tourism refers to businesses that serve Monroe County visitors (e.g. hotels, restaurants, retail, entertainment)

Indirect & Induced Tourism includes construction, business services, wholesale trade, personal services, etc.

## Florida Keys & Key West: 2018 Visitor Economic Impact Summary

2018 Metric	Direct	Indirect	Induced	Total
<b>Total Visitor Volume</b>				<b>5.1 Million</b>
<i>2018 Y/Y Growth</i>				<i>1.5%</i>
<b>Total Visitor Spending</b>				<b>\$2.4 Billion</b>
<i>2018 Y/Y Growth</i>				<i>0.8%</i>
<b>Economic Impact (GDP)</b>	<b>\$1.3B</b>	<b>\$283.6M</b>	<b>\$224.8M</b>	<b>\$1.8B</b>
<i>2018 Y/Y Growth</i>	<i>-1.4%</i>	<i>0.3%</i>	<i>-1.3%</i>	<i>-1.1%</i>
<b>Wages</b>	<b>\$675.4M</b>	<b>\$152.0M</b>	<b>\$112.2M</b>	<b>\$939.6M</b>
<i>2018 Y/Y Growth</i>	<i>-1.7%</i>	<i>0.1%</i>	<i>-1.3%</i>	<i>-1.3%</i>
<b>Jobs</b>	<b>19,100</b>	<b>4,400</b>	<b>3,000</b>	<b>26,500</b>
<i>2018 Y/Y Growth</i>	<i>-1.0%</i>	<i>-0.4%</i>	<i>-1.9%</i>	<i>-1.0%</i>
<b>Tax Receipts Total</b>				<b>\$491.8M</b>
Tax Receipts Federal				\$236.8M
Tax Receipts State and Local				\$254.9M
<i>2018 Y/Y Growth in Total Receipts</i>				<i>-0.8%</i>

Source: D.K.Shifflet, Monroe County TDC, VisaVue, Uber Media, Rockport Analytics, IMPLAN, Smith Travel Research (STR) Florida Office of Economic and Demographic Research (EDR), U.S. Bureau of Economic Analysis (BEA)

## Ranking of Major Monroe County Industries By Total Employment

Rank	Industry	2017 Tourism-Supported Jobs	2017 Reported*	2017 Tourism-Extracted**	% of Total Employment	17-16 Y/Y Growth
1	<b>Monroe County's Tourism Industry</b>	<b>19,293</b>		<b>19,293</b>	<b>31.4%</b>	<b>N/A</b>
2	Government	0	7,283	7,283	11.9%	0.0%
3	Retail Trade	1,901	6,738	4,837	7.9%	-2.6%
4	Construction	0	3,941	3,941	6.4%	0.3%
5	Other Services	0	3,895	3,895	6.3%	1.5%
6	Administrative & Waste Services	0	3,705	3,705	6.0%	1.9%
7	Accommodation & Food Services	11,436	14,573	3,137	5.1%	-3.0%
8	Health & Social Services	0	2,836	2,836	4.6%	-7.0%
9	Professional Services	0	2,770	2,770	4.5%	2.2%
10	Real Estate & Rental	2,486	4,900	2,414	3.9%	1.8%
11	Finance & Insurance	0	2,129	2,129	3.5%	2.8%
12	Ag, Forestry, Fish & Hunting	277	1,085	808	1.3%	-3.7%
13	Wholesale Trade	0	656	656	1.1%	-9.1%
14	Transportation & Warehousing	880	1,532	652	1.1%	0.6%
15	Information	0	646	646	1.1%	-0.2%
16	Educational Services	0	618	618	1.0%	-18.8%
17	Manufacturing	0	607	607	1.0%	-4.9%
18	Management of companies	0	448	448	0.7%	1.4%
19	Mining	0	373	373	0.6%	5.1%
20	Utilities	0	199	199	0.3%	8.2%
21	Arts, Entertainment & Recreation	2,312	2,425	113	0.2%	-1.2%
<b>Total Monroe County Employment</b>		<b>19,293</b>	<b>61,359</b>	<b>61,359</b>	<b>100%</b>	<b>-1.2%</b>

Source: Rockport Analytics, BEA, IMPLAN

\* 2017 Reported by the **Bureau of Economic Analysis**. Includes both Full & Part-Time Jobs. The 2018 County-level data to be released in November 2019

\*\* 2017 Tourism Extracted: Tourism's contribution to jobs in each industry is removed and placed in "**Monroe County's Tourism Industry**"

# Tourism to the Keys Has an Outsized Impact on Monroe County Employment

## Top Florida Visitor Markets Ranked by Tourism Jobs as a Percentage of Total County Jobs

County	Direct Tourism Employment as % of Total Employment	Direct Rank	Total Tourism Employment as % of Total County Employment	Total Rank
Walton	34%	1	43%	2
<b>Monroe</b>	<b>31%</b>	<b>2</b>	<b>44%</b>	<b>1</b>
Orange	28%	3	38%	3
Bay	25%	4	33%	4
Okaloosa	23%	5	29%	5
Osceola	23%	6	29%	6
Miami-Dade	11%	7	16%	7
Escambia	11%	8	14%	11
Collier	11%	9	14%	12
St. Johns	11%	10	14%	13
Lee	11%	11	14%	9
Volusia	10%	12	14%	10
Sarasota	10%	13	14%	8
Manatee	9%	14	12%	14
Pinellas	8%	15	11%	15
Lake	8%	16	10%	16
Brevard	7%	17	9%	17
Polk	7%	18	9%	18
Marion	6%	19	8%	19
Broward	5%	20	7%	20
Leon	5%	21	7%	21
Hillsborough	5%	22	7%	22
Palm Beach	4%	23	6%	23
Seminole	4%	24	5%	24
Duval	3%	25	5%	25

- ✓ Visitation to the Florida Keys & Key West directly supported nearly 20,000 jobs in 2018 in sectors such as hotel & lodging, restaurants, transportation and entertainment and recreation. These jobs made up an **enormous proportion, 31%, of the total Monroe County workforce (36% of private sector employment).**
- ✓ An additional 7,400 jobs were generated through tourism activity including 4,400 jobs in the supply chain sectors serving "direct" tourism businesses and another 3,000 jobs generated through the spent wages of Monroe County residents working for businesses directly supporting tourism. **When accounting for these additional jobs, Florida Keys Tourism supported nearly half (44%) of all county employment (49% of private sector employment).**
- ✓ In comparing Monroe County's tourism sector to all of the top visitor markets (counties) in the state, **Monroe ranks number two (behind Walton County) in terms of the proportion of county employment directly supported by tourism.** Monroe is the top ranked county ranked by the proportion of employment supported by the direct, indirect and induced impacts of tourism.

Source: Rockport Analytics, IMPLAN, BEA, Visit Florida

# Tourism Supports Sales in a Multitude of Industries in Monroe County

## Monroe County Tourism 2018: Economic Impact (Value

Industry (NAICS)*	Added/ Direct	Indirect	Induced	Total
<i>in millions of dollars</i>				
Accommodation & food services	\$730.5	\$15.1	\$20.9	\$766.4
Real estate & rental	\$214.0	\$80.8	\$66.8	\$361.6
Arts- entertainment & recreation	\$140.5	\$6.3	\$6.3	\$153.2
Ag, Forestry, Fish & Hunting	\$88.9	\$0.9	\$0.1	\$89.8
Retail trade	\$77.9	\$8.1	\$30.6	\$116.6
Transportation & Warehousing	\$46.8	\$23.7	\$4.0	\$74.5
Mining	\$0.0	\$0.4	\$0.0	\$0.4
Utilities	\$0.0	\$16.6	\$3.5	\$20.1
Construction	\$0.0	\$16.4	\$3.0	\$19.3
Manufacturing	\$0.0	\$0.6	\$0.2	\$0.8
Wholesale Trade	\$0.0	\$6.6	\$5.2	\$11.8
Information	\$0.0	\$10.8	\$6.1	\$17.0
Finance & insurance	\$0.0	\$11.5	\$12.7	\$24.2
Professional- scientific & tech services	\$0.0	\$35.7	\$9.4	\$45.1
Management of companies	\$0.0	\$8.3	\$1.0	\$9.2
Administrative & waste services	\$0.0	\$28.1	\$5.4	\$33.4
Educational services	\$0.0	\$0.4	\$3.2	\$3.6
Health & social services	\$0.0	\$0.0	\$28.3	\$28.3
Other services	\$0.0	\$6.5	\$14.1	\$20.6
Government	\$0.0	\$6.9	\$4.0	\$10.9
<b>Total 2018</b>	<b>\$1,298.6</b>	<b>\$283.6</b>	<b>\$224.8</b>	<b>1,806.9</b>
Total 2017	\$1,316.8	\$282.7	\$227.8	\$1,827.3
Y/Y Growth	-1.4%	0.3%	-1.3%	-1.1%

Source: Rockport Analytics, IMPLAN

### Direct

Businesses that serve Monroe County visitors

### Indirect

Supply Chain businesses that often do not fully appreciate the benefits visitors bring to Monroe County

### Induced

Tourism-supported workers spend much of their wages locally creating benefits to virtually all local businesses

\* North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

## Monroe County Tourism: 2018 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Accommodation & food services	11,659	274	392	12,325
Real estate & rental	2,485	913	280	3,678
Arts- entertainment & recreation	2,322	207	115	2,644
Retail trade	1,510	159	565	2,235
Transportation & Warehousing	842	379	74	1,295
Ag, Forestry, Fish & Hunting	278	4	1	284
Mining	0	9	1	10
Utilities	0	25	6	31
Construction	0	267	49	316
Manufacturing	0	10	2	12
Wholesale Trade	0	63	50	113
Information	0	104	43	147
Finance & insurance	0	199	223	422
Professional- scientific & tech services	0	502	137	639
Management of companies	0	161	19	180
Administrative & waste services	0	904	176	1,081
Educational services	0	15	95	109
Health & social services	0	0	427	427
Other services	0	133	364	497
Government	0	38	25	63
<b>Total 2018</b>	<b>19,096</b>	<b>4,365</b>	<b>3,045</b>	<b>26,506</b>
Total 2017	19,293	4,381	3,104	26,778
<i>Y/Y Growth</i>	<i>-1.0%</i>	<i>-0.4%</i>	<i>-1.9%</i>	<i>-1.0%</i>

- ✓ In 2018, just short of 19,300 Monroe County jobs were directly supported by tourism. An additional 7,400 downstream jobs were supported by tourism.
- ✓ Tourism is the largest employer, directly supporting 31% of the county's employment.
- ✓ Direct tourism employment declined by -1% compared to 2017. Total employment in the county also fell by the same amount in 2018.
- ✓ Many of Monroe County's indirect and induced tourism-supported workers may not realize the importance of visitors.

Source: Rockport Analytics, IMPLAN

\* North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

# Significant Wages Were Paid to Monroe County Workers as a Result of Tourism

## Monroe County Tourism 2018: Economic Impact (Wages)

Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in millions of dollars</i>			
Accommodation & food services	\$473.7	\$11.2	\$13.6	\$498.4
Arts- entertainment & recreation	\$76.0	\$4.6	\$3.5	\$84.1
Retail trade	\$49.6	\$5.4	\$18.9	\$73.8
Real estate & rental	\$34.8	\$14.2	\$4.4	\$53.4
Transportation & Warehousing	\$31.4	\$18.8	\$2.8	\$53.0
Ag, Forestry, Fish & Hunting	\$10.0	\$0.1	\$0.0	\$10.1
Mining	\$0.0	\$0.3	\$0.0	\$0.3
Utilities	\$0.0	\$3.1	\$0.7	\$3.8
Construction	\$0.0	\$10.4	\$1.9	\$12.3
Manufacturing	\$0.0	\$0.3	\$0.1	\$0.4
Wholesale Trade	\$0.0	\$2.9	\$2.3	\$5.1
Information	\$0.0	\$5.9	\$2.4	\$8.3
Finance & insurance	\$0.0	\$8.4	\$7.3	\$15.7
Professional- scientific & tech services	\$0.0	\$28.5	\$7.5	\$36.1
Management of companies	\$0.0	\$6.5	\$0.8	\$7.2
Administrative & waste services	\$0.0	\$23.1	\$4.4	\$27.5
Educational services	\$0.0	\$0.4	\$3.1	\$3.5
Health & social services	\$0.0	\$0.0	\$24.3	\$24.3
Other services	\$0.0	\$4.6	\$12.1	\$16.6
Government	\$0.0	\$3.5	\$2.1	\$5.5
<b>Total 2018</b>	<b>\$675.4</b>	<b>\$152.0</b>	<b>\$112.2</b>	<b>\$939.6</b>
Total 2017	\$686.7	\$151.8	\$113.6	\$952.2
<i>Y/Y Growth</i>	<i>-1.7%</i>	<i>0.1%</i>	<i>-1.3%</i>	<i>-1.3%</i>

- ✓ In 2018, visitor spending generated a total of \$939.6 million in wages for Monroe County employees.
- ✓ The 7,400 indirect and induced jobs supported by tourism, generated \$264 million in indirect and induced wages.
- ✓ Given the decline in both direct and total tourism employment, wages also decreased. Compared to 2017, direct wages declined by -1.7% and total wages by -1.3%.
- ✓ Most of these local wages will continue to circulate through the county's economy as consumers spend their dollars in goods and services.

\* North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

Source: Rockport Analytics, IMPLAN

## 2018 vs. 2017 Tourism Tax Revenue Collections

	2017	2018	18-17 Y/Y Growth
<b>Federal – U.S.</b>	<i>In thousands of dollars</i>		
Corporate Income	\$19,816	\$19,713	-0.5%
Personal Income	\$90,586	\$89,382	-1.3%
Excise & Fees	\$16,868	\$16,535	-2.0%
Social Security & Other Taxes	\$112,582	\$111,230	-1.2%
<b>Federal Tax Total</b>	<b>\$239,852</b>	<b>\$236,860</b>	<b>-1.2%</b>
<b>State – Florida</b>			
Corporate Income	\$3,039	\$3,023	-0.5%
Personal Income	NA	NA	NA
Social Insurance Taxes	NA	NA	NA
Other Business Taxes	\$12,367	\$12,123	-2.0%
Excise & Fees	\$4,401	\$4,342	-1.3%
FL Rental Car Surcharge	\$382	\$367	-4.1%
Sales Taxes	\$120,902	\$121,751	0.7%
<b>Florida State Tax Total</b>	<b>\$141,091</b>	<b>\$141,606</b>	<b>0.4%</b>
<b>Local – Monroe County</b>			
Bed Tax	\$34,970	\$33,943	-2.9%
Tourism Impact Tax	\$8,382	\$8,721	4.0%
Property Taxes	\$42,580	\$41,741	-2.0%
Rental Car Charges and Fees	\$1,317	\$1,263	-4.1%
Local Sales Tax	\$24,180	\$24,350	0.7%
Other Licenses, Fines & Fees	\$3,382	\$3,337	0.3%
<b>Local Tax Total</b>	<b>\$114,811</b>	<b>\$113,355</b>	<b>-1.3%</b>
<b>Total Tourism-Supported Taxes</b>	<b>\$495,754</b>	<b>\$491,821</b>	<b>-0.8%</b>

## Tourism-Supported State & Local Tax Receipts Reach \$255 million in 2018

- ✓ Total Tourism-supported taxes totaled nearly \$492 million in 2018, a slight decline of -0.8% from 2017. Local sales taxes (0.7%) and other licenses and fees (0.3%) did not see year over year decreases.
- ✓ Tourism contributed nearly \$24 million to Monroe County sales tax receipts, remaining relatively flat compared to 2017. Visitor-generated sales taxes make up 21% of all tourism-attributed local tax collections.
- ✓ Hotel taxes in the county declined by -2.9% in 2018, reaching nearly \$34 million. Hotel performance was severely disrupted as a result of Hurricane Irma.
- ✓ If tourism did not exist in Monroe County, taxing authorities around the state would need to generate an average of approximately \$3,750 in additional local taxes from each of the county's 30,200 households to maintain current levels of receipts.

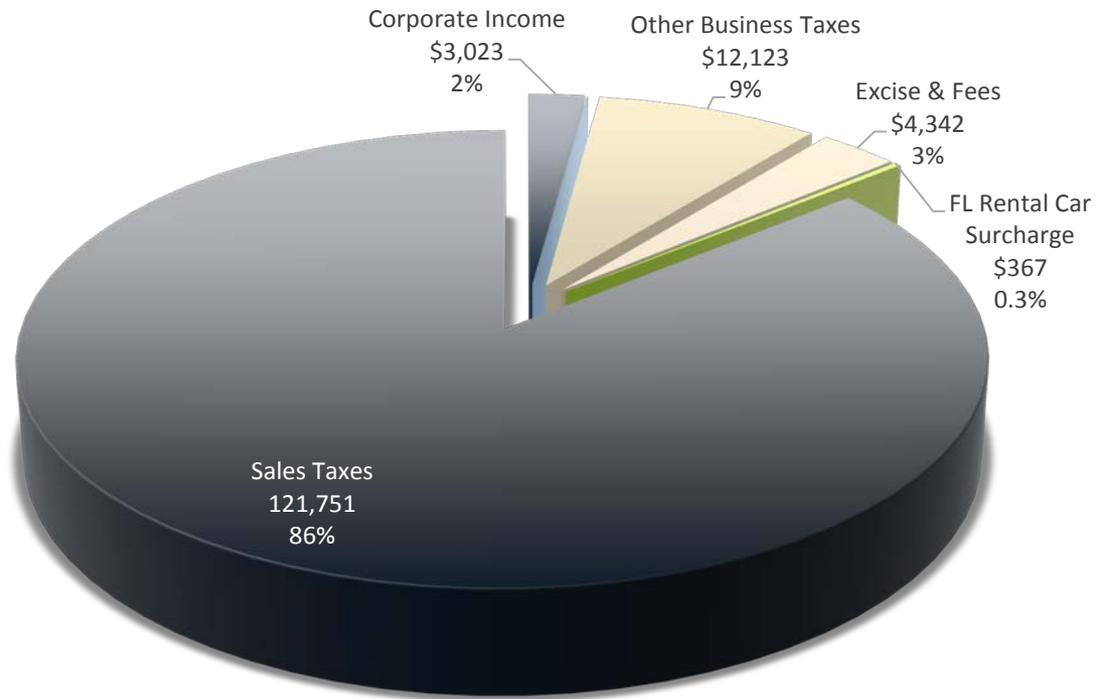
Source: Rockport Analytics, IMPLAN, Florida Office of Economic and Demographic Research (EDR)

Sales taxes paid by visitors make up nearly 57% of state and local tax receipts attributed to tourism.

Nearly every dollar of visitor spending is subject to the Florida sales tax (6%). Tourism-supported sales tax collections totaled nearly \$122 million in 2018. Sales taxes comprise 86% of all state taxes attributable to tourism.

Tourism-supported corporate income taxes and other business taxes comprise approximately 11% of state taxes. Rental car facility charges and excise and fee taxes make up an additional 3%.

## State Taxes Generated by Keys Tourism in 2018 \$141.6 Million



Source: Rockport Analytics, IMPLAN, Florida Office of Economic and Demographic Research (EDR)

## Lodging taxes reach \$33.9 million in 2018

Hurricane Irma had a significant impact on room supply, demand, and revenue, leading to a -2.9% decrease in tax collections. However, hotel taxes still comprised nearly 30% of local tourism-supported taxes.

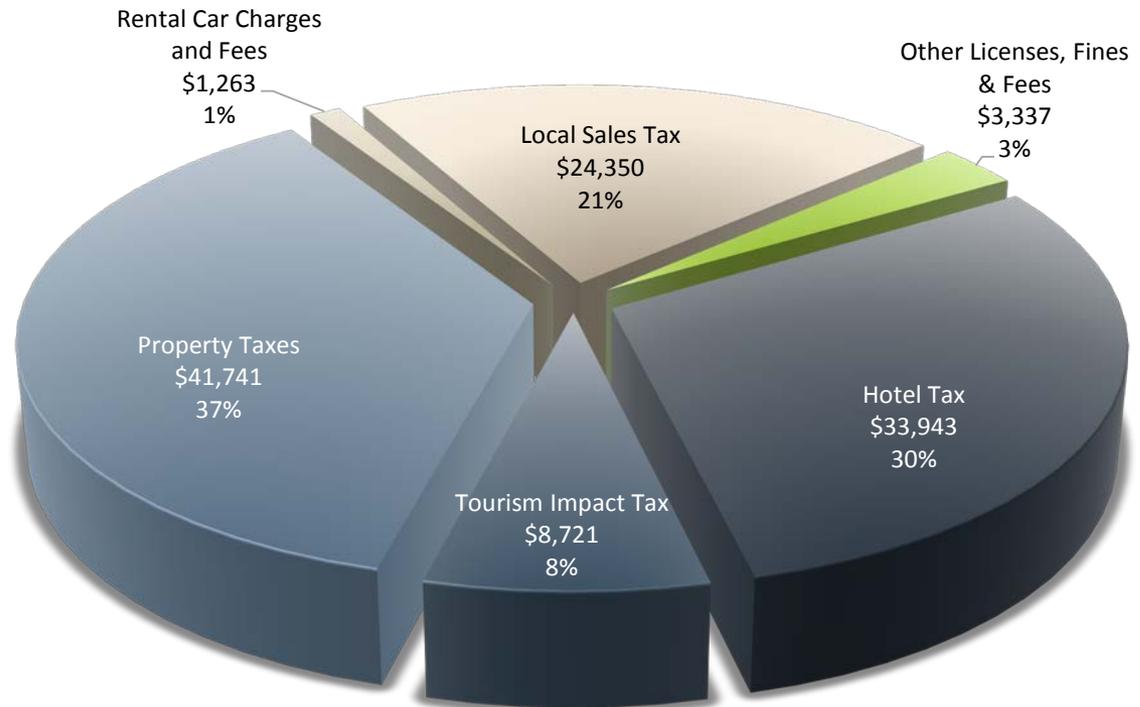
## Tourism's contribution to Monroe County's property taxes reaches almost \$42 million in 2018

Property taxes are calculated by the IMPLAN model. The model allocates a portion of total property tax receipts based upon tourism's contribution to residential wages (for residential property taxes) and commercial revenue (for commercial property taxes).

## Additional visitor transaction taxes generated \$4.6 million in local collections in 2018

These transaction taxes include rental car charges and fees, and other licenses, fines and fees.

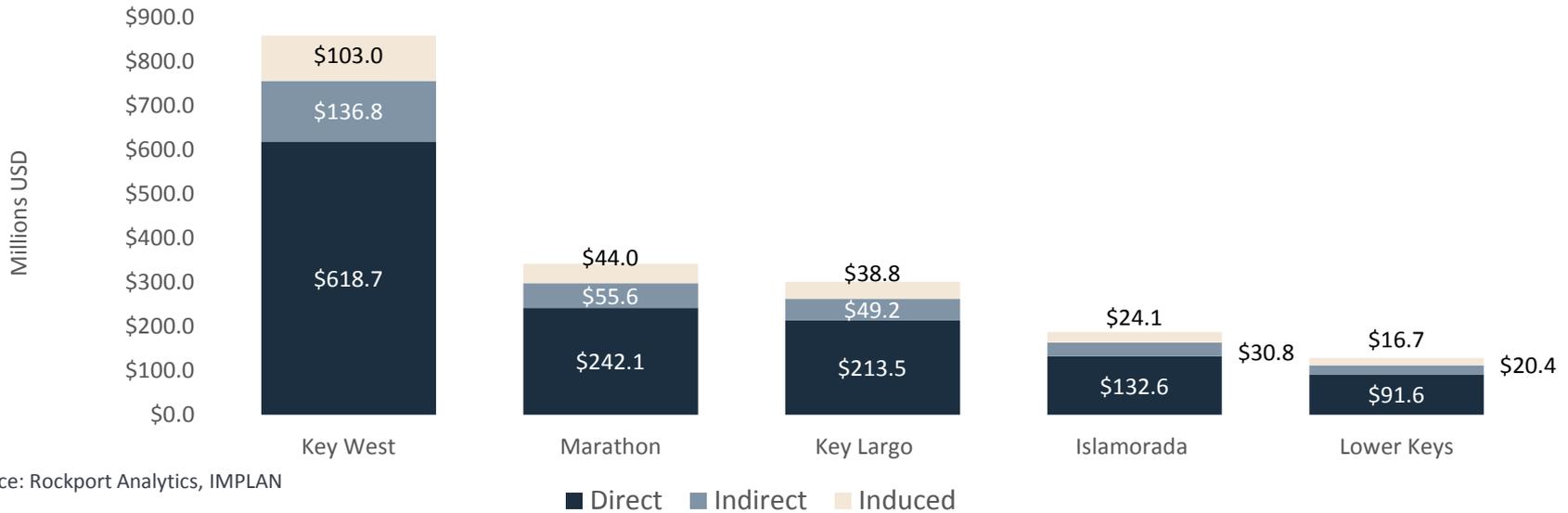
## Local Taxes Generated by Keys Tourism in 2018 \$113.3 Million



Source: Rockport Analytics, IMPLAN, Florida Office of Economic and Demographic Research (EDR)

# Tourism Has a Significant Impact on Monroe's Gross Domestic Product (GDP)

Total Visitor- Generated Impact (Value Added) 2018

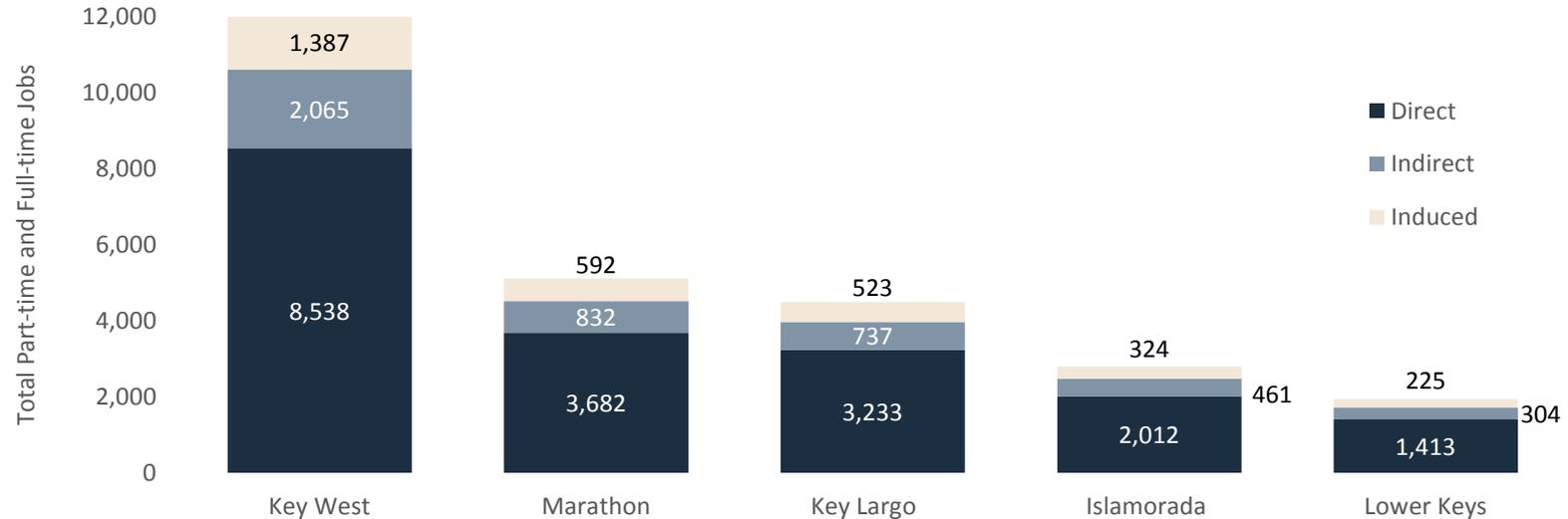


Source: Rockport Analytics, IMPLAN

## Highlights:

- In 2018, visitor spending directly generated \$1.3 billion in Monroe County's GDP. Including all the indirect and induced impacts, tourism contributed \$1.8 billion to the county's economy.
- Most of the direct economic impact was generated in the following industries, accommodation and food services (56%), real estate and rental (17%), and arts entertainment and recreation (11%). The indirect and induced impacts flow to a variety of sectors in the Monroe County economy including professional, scientific and tech services, administrative and waste services, and transportation and warehousing, to name a few.
- The top three island districts in terms of their direct contribution to the county's direct economic impact are Key West (48%), Marathon (19%), and Key Largo (16%). The \$619 million in direct impact generated in Key West is more than 2.5 larger than the direct impact generated in Marathon.

## Total Visitor-Supported Employment 2018



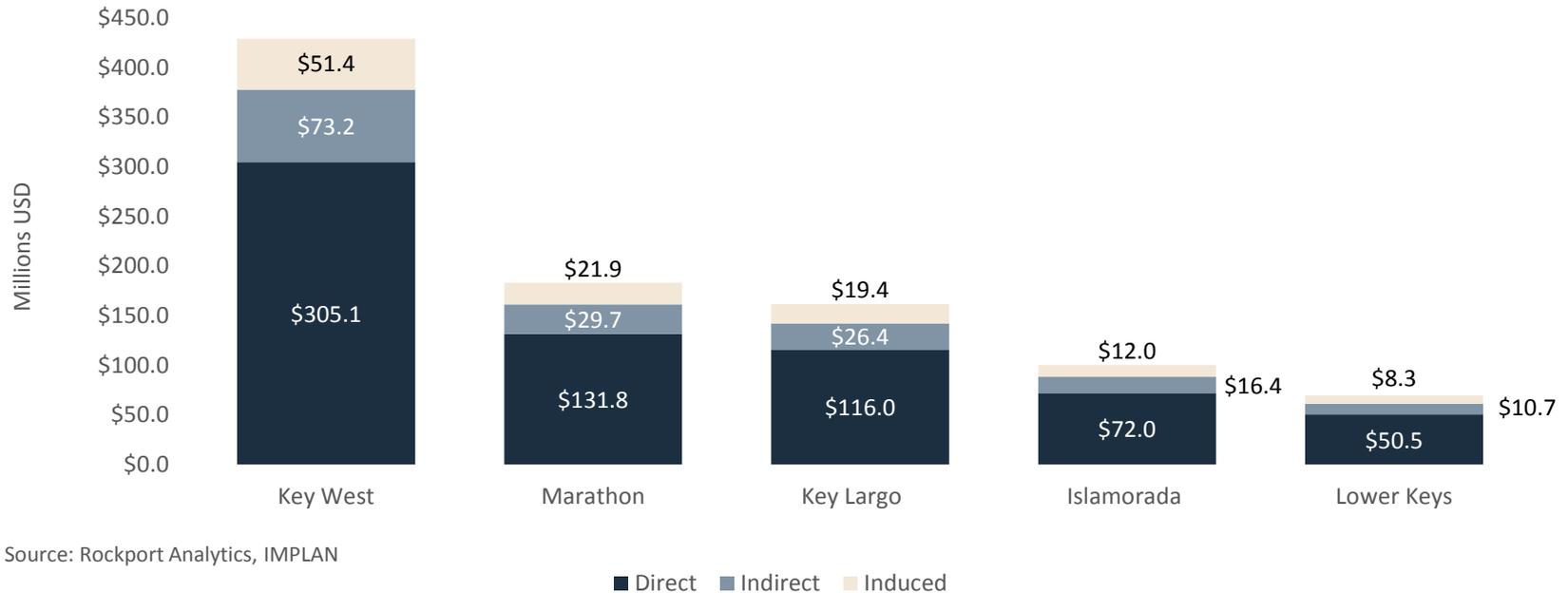
Source: Rockport Analytics, IMPLAN

### Highlights:

- In 2018, visitor spending directly supported nearly 19,100 full-time and part-time jobs in Monroe County. When including all the indirect and induced jobs, tourism supported more than 26,500 jobs.
- Nearly half of those jobs were supported in Key West (45%), followed by Marathon (19%), Key Largo (17%), Islamorada (11%), and the Lower Keys (7%).
- Most of the direct jobs supported were in the following sectors, accommodation and food services (61%), real estate and rental (13%), and arts entertainment and recreation (12%). Another 7,400 additional jobs were supported by supply chain businesses and by businesses benefitting from the re-spent wages of direct and indirect employees. The main beneficiaries were administrative and waste services (21%), professional, scientific & tech services (12%), and transportation and warehousing (9%).

# Tourism Generated a Total of \$340 Million in Wages Across the Island Districts

## Total Visitor-Supported Wages 2018



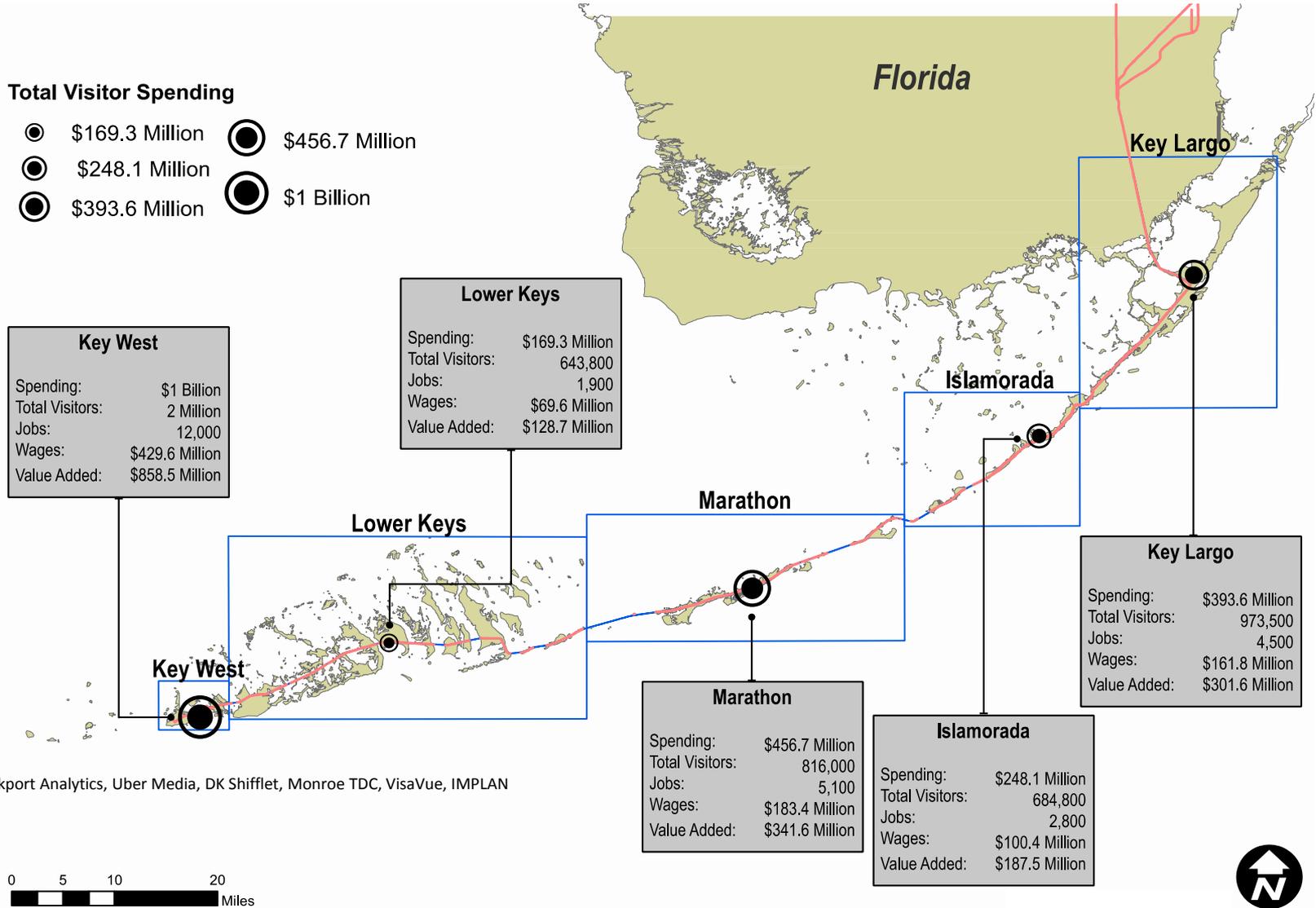
### Highlights:

- In 2018, visitor spending generated \$675.4 million in direct income for employees in Monroe County. When considering the additional indirect and induced impacts, total labor income reached \$939.6 million. The average annual wage paid to tourism-supported workers was \$35,448, which includes both full and part-time workers.
- Employees in the industries directly supporting tourism received the bulk of the wages. The top three industries in terms of direct employee compensation were accommodation and food services (70%), entertainment and recreation (11%), and retail trade (7%).
- Employees in real estate, construction, and finance & insurance also benefited from the indirect wages paid to these supply chain businesses. The average wage paid to employees that indirectly supported tourism was \$34,800 annually.

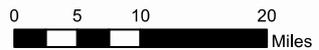
# 2018 FL Keys Visitor Statistics & Economic Impact By Island District

## Total Visitor Spending

- \$169.3 Million
- \$248.1 Million
- \$393.6 Million
- \$456.7 Million
- \$1 Billion



Source: Rockport Analytics, Uber Media, DK Shifflet, Monroe TDC, VisaVue, IMPLAN



# How Does Tourism Benefit Monroe County? Putting Tourism in Perspective

- ✓ 4 out of every 10 Monroe County workers owes his/her job to tourism activity. Tourism was responsible for 44% of all Monroe County jobs.
- ✓ The average wage of both full and part-time workers supported by tourism was \$35,448 in 2018.
- ✓ Jobs supported directly by tourism were responsible for 36% of all Monroe County private jobs.

## Promoting a Healthy Job Market



- ✓ Tourism-supported state and local tax collections were enough to educate 20,917 public school students<sup>1</sup> in Monroe County
- ✓ Over \$1.8 billion was retained in the Monroe County economy, providing an array of businesses with revenue, supporting jobs for county citizens and producing revenue for state and local governments.

## Contributing to Public Education & Other Gov Services



- ✓ Visitors generated top-line revenue totaling nearly \$1.8 billion benefiting a broad array of Monroe County businesses.
- ✓ Monroe County businesses that directly served visitors saw value-added of \$1.3 billion in 2018.
- ✓ Monroe County tourism supply chain businesses racked up value-added of \$508 million.

## Benefiting Monroe County Businesses



- ✓ Monroe County tourism contributed nearly \$255 million in tax revenue to state and local coffers in 2018.
- ✓ In 2018, sales taxes paid by visitors to Monroe County made up nearly 57% of state and local tax receipts attributed to tourism.
- ✓ Another \$43 million was raised from taxes such as hotel taxes, rental car fees, and other licenses and fees.

## Providing Tax Revenue to Support Local State & Local Government



- ✓ Without tourism, Monroe County's 30,200 households<sup>5</sup> would need to pay an additional \$3,750 in local taxes annually to maintain current levels of receipts.
- ✓ In 2018, the total economic impact generated by visitors to the Florida Keys represented approximately 54% of Monroe County's private sector GDP.<sup>6</sup>

## Helping to Relieve the Tax Burden of Monroe County Households



- ✓ For every \$1 spent by Monroe County visitors in 2018 the state economy retained about 78 cents.
- ✓ About 40 cents of each visitor dollar went towards paying Monroe County workers a total of \$940 million in wages and salaries.
- ✓ About 12 cents of each visitor dollar went towards the payment of Monroe County state and local taxes.

## Capturing and Retaining the Expenditures Made By Visitors



<sup>1</sup> Estimate based on the 2018 average cost per public school student as reported by the Florida Department of Education.

<sup>5</sup> The 2018 estimate of the number of households in Monroe County as reported by the US Census.

<sup>6</sup> The most recent BEA County-level GDP figures available is for calendar year 2015.

## Island District Index Scores of Origin States

The following pages highlight origin state index scores for each of the five island districts. Index numbers are a statistician's way of expressing the difference between two measurements by designating one number as the "base", giving it the value 100 and then expressing the second number as a percentage of the first. Example: If the population of a town increased from 20,000 in 1988 to 21,000 in 1991, the population in 1991 was 105% of the population in 1988. Therefore, on a comparative 1988 = 100 base, the population index for the town was 105 in 1991. An "index", as the term is generally used when referring to statistics, is a series of index numbers expressing a series of numbers as percentages of a single number.

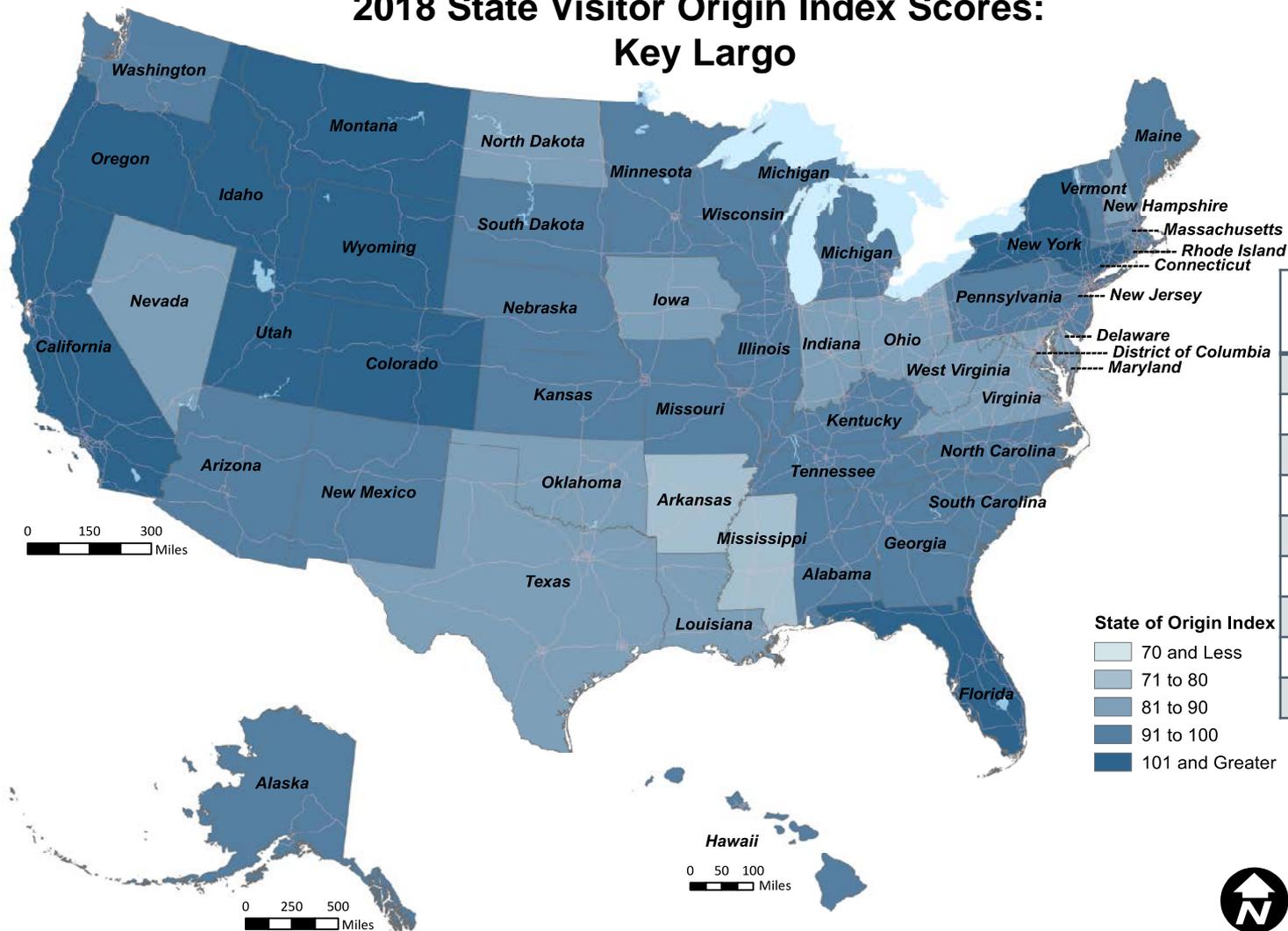
The base used for comparison in our analysis was the *origin state of all Florida Keys visitors*. The index value represents the percentage above or below that average for each origin state in the country. So for example, Islamorada has an index score of 109 for Utah so Islamorada had 9% more visitors from Utah than the Florida Keys as a whole.

## A Few Findings

- All districts outside of Key West index above average for visitors from within the state. This is likely driven by (1) the other island districts being located closer to the Florida mainland and (2) easier direct access to Key West from outside the state as most visitors are traveling by air.
- Conversely, most other origin states (outside of Florida) index above average for Key West. The exceptions being Wyoming, Montana, and South Carolina.
- The highest indexing origin states for each island district are:
  - **Key Largo** – Colorado, Utah
  - **Islamorada** – Florida, North Dakota
  - **Marathon** – South Carolina, Wyoming, Michigan
  - **Lower Keys** – Montana, Florida
  - **Key West** – Louisiana, Oklahoma

# Index Scores of Origin States by Island District: Key Largo

## 2018 State Visitor Origin Index Scores: Key Largo



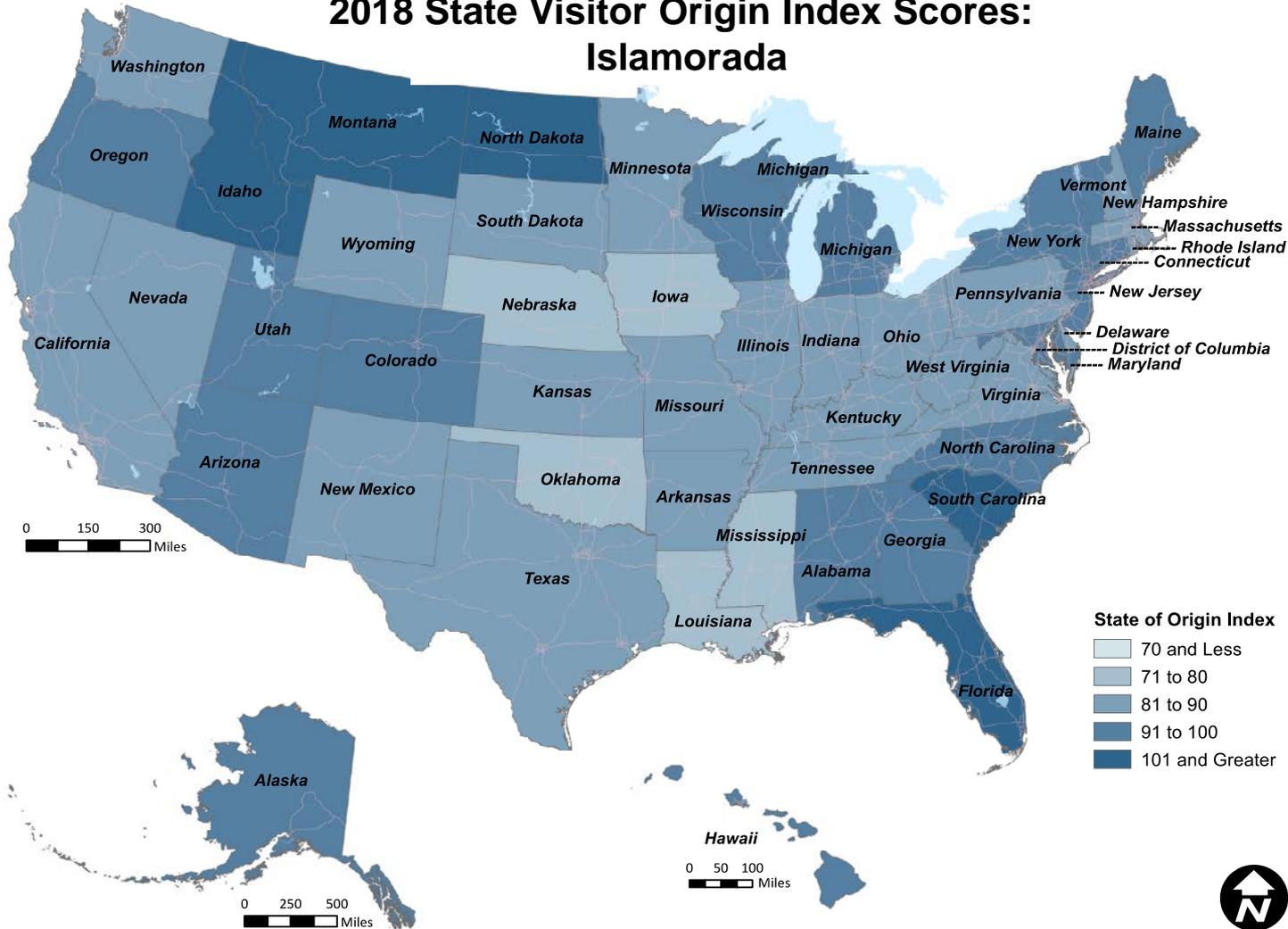
### Highest Indexing Origin Markets: Key Largo

State	Index Score
Colorado	117
Utah	109
Connecticut	106
Florida	106
Wyoming	106
Oregon	105
Idaho	103
Washington, DC	103
Montana	102

Source: Rockport Analytics, Uber Media, DK Shifflet

# Index Scores of Origin States by Island District: Islamorada

## 2018 State Visitor Origin Index Scores: Islamorada



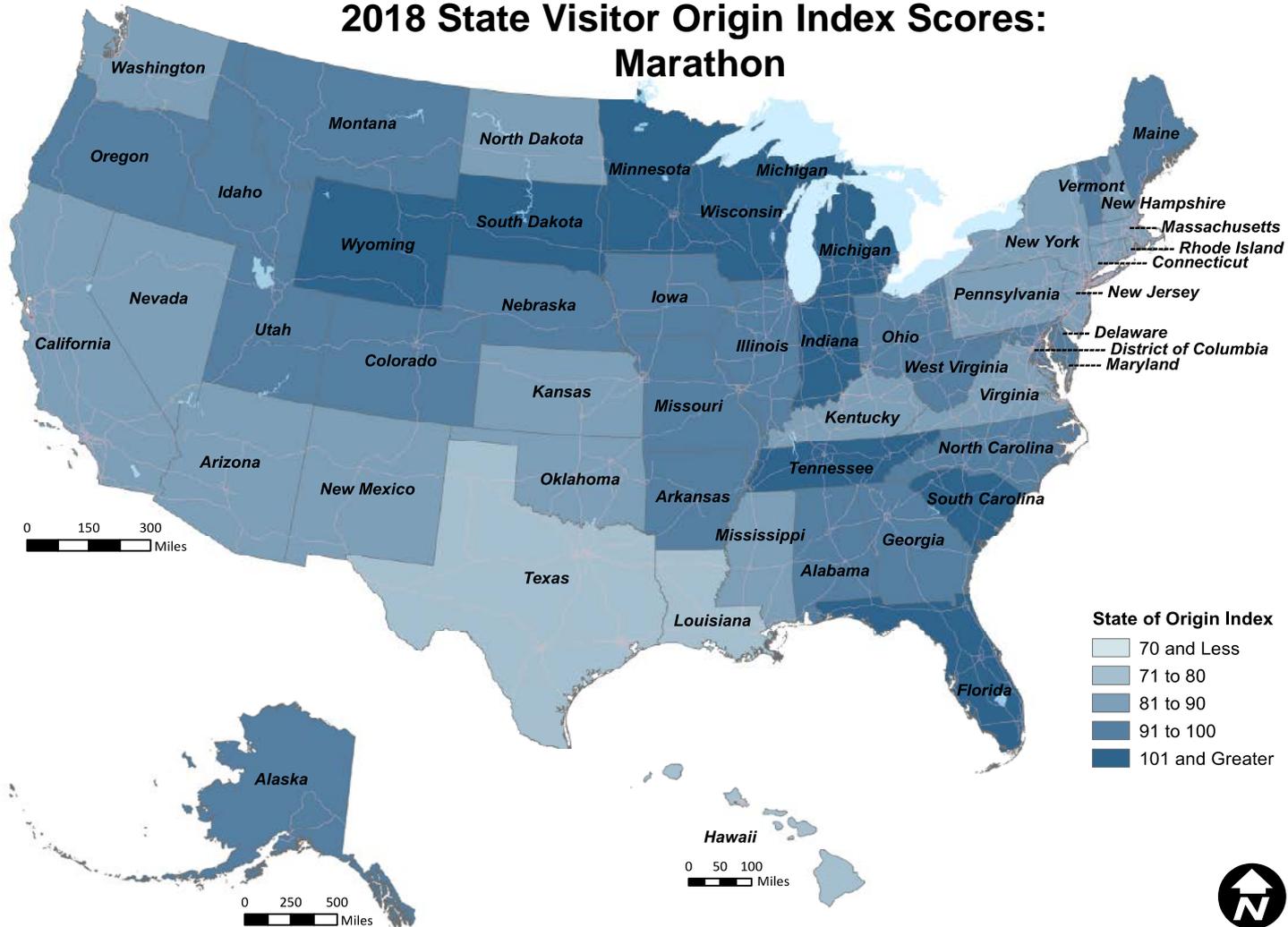
### Highest Indexing Origin Markets: Islamorada

State	Index Score
Florida	109
North Dakota	108
South Carolina	106
Montana	104
Idaho	103

Source: Rockport Analytics, Uber Media, DK Shifflet

# Index Scores of Origin States by Island District: Marathon

## 2018 State Visitor Origin Index Scores: Marathon



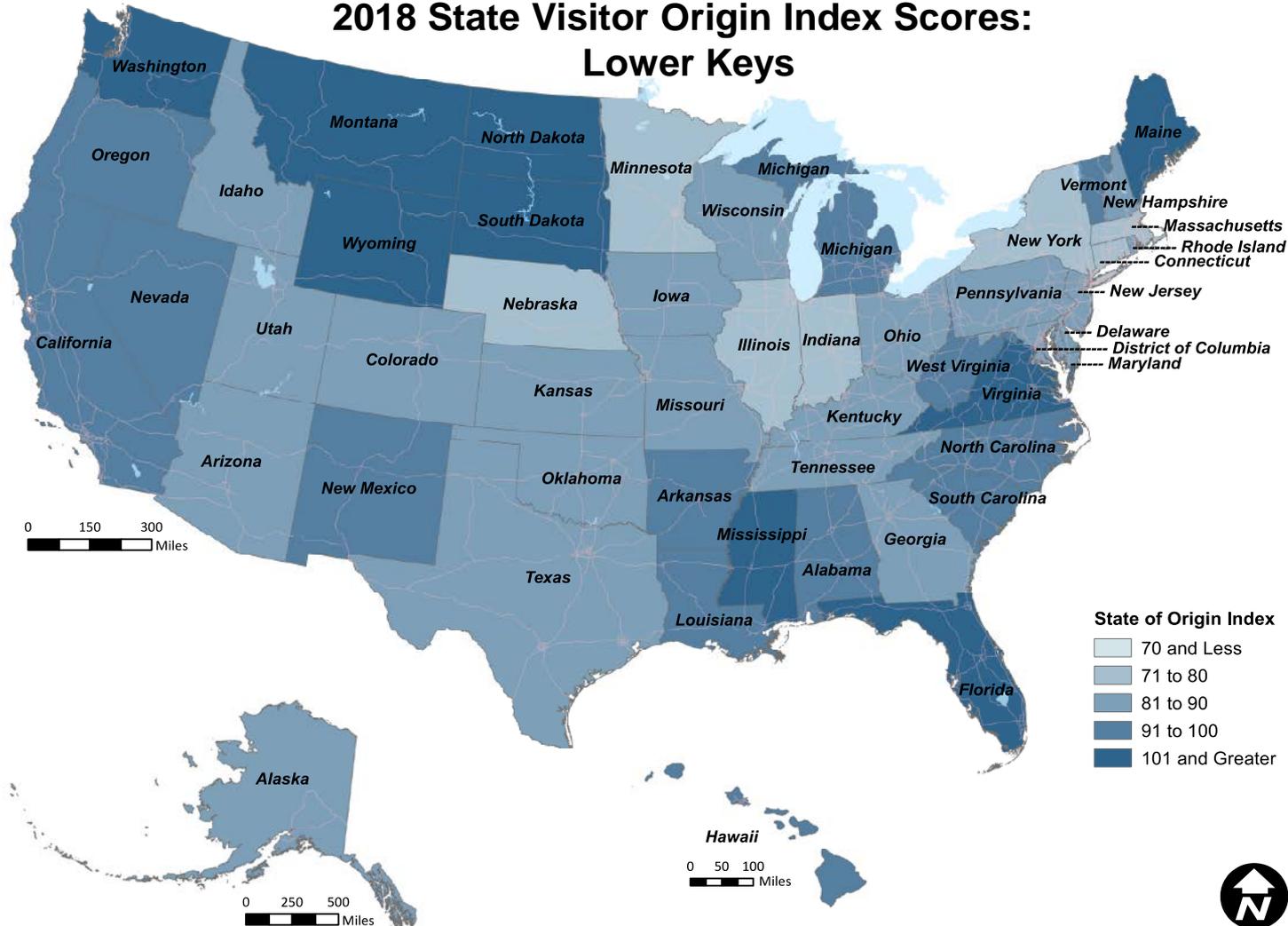
### Highest Indexing Origin Markets: Marathon

State	Index Score
South Carolina	113
Wyoming	111
Michigan	108
Florida	108
Wisconsin	105
Montana	104
South Dakota	104
Tennessee	102

Source: Rockport Analytics, Uber Media, DK Shifflet

# Index Scores of Origin States by Island District: Lower Keys

## 2018 State Visitor Origin Index Scores: Lower Keys



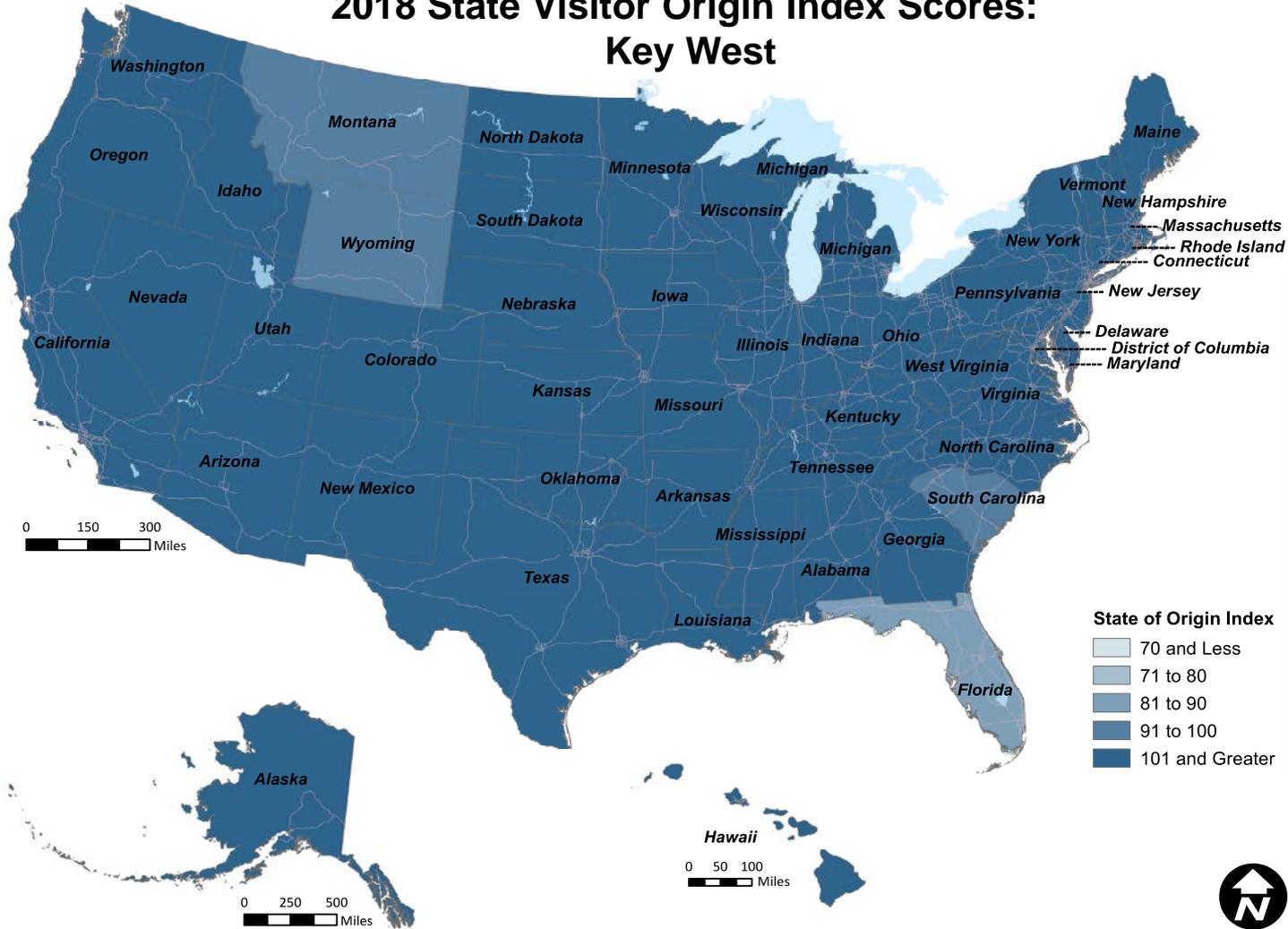
### Highest Indexing Origin Markets: Lower Keys

State	Index Score
Montana	120
Florida	113
Washington	110
Wyoming	104
Mississippi	103
Maine	103
North Dakota	103
South Dakota	102
Virginia	101

Source: Rockport Analytics, Uber Media, DK Shifflet

# Index Scores of Origin States by Island District: Key West

## 2018 State Visitor Origin Index Scores: Key West



### Highest Indexing Origin Markets: Key West

State	Index Score
Louisiana	129
Oklahoma	128
Texas	126
Mississippi	125
New Hampshire	125
Arizona	125
Iowa	123
Massachusetts	123
Delaware	122
Kansas	121

Source: Rockport Analytics, Uber Media, DK Shifflet

- **Agriculture, Forestry, Fishing and Hunting:** growing of crops, raising animals, harvesting timber, and harvesting fish and other animals from farms, ranches, or the animals' natural habitats
- **Mining, Quarrying, and Oil and Gas Extraction:** extraction of naturally occurring mineral solids, such as coal and ore; liquid minerals, such as crude petroleum; and gases, such as natural gas and other preparation at the mine site, or as part of mining activity
- **Utilities:** generation, transmittal, and/or distribution of electricity, gas, steam, and water and removing sewage through a permanent infrastructure of lines, mains, and pipe
- **Construction:** erecting buildings and other structures (including additions); heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs
- **Manufacturing:** mechanical, physical, or chemical transformation of materials, substances, or components into new products
- **Wholesale Trade:** selling or arranging for the purchase or sale of goods for resale; capital or durable nonconsumer goods; and raw and intermediate materials and supplies used in production, and providing services incidental to the sale of the merchandise
- **Retail Trade:** retailing merchandise generally in small quantities to the general public and providing services incidental to the sale of the merchandise
- **Transportation and Warehousing:** providing transportation of passengers and cargo, warehousing and storing goods, scenic and sightseeing transportation, and supporting these activities
- **Information:** distribution of information and cultural products, providing the means to transmit or distribute these products as data or communications, and processing data
- **Finance and Insurance:** the creation, liquidation, or change in ownership of financial assets (financial transactions) and/or facilitating financial transactions

- **Real Estate and Rental and Leasing:** renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyrighted works), and providing related services
- **Professional, Scientific, and Technical Services:** performing of professional, scientific, and technical services for the operations of other organizations
- **Management of Companies and Enterprises:** holding of securities of companies and enterprises, for the purpose of owning controlling interest or influencing their management decisions, or administering, overseeing, and managing other establishments of the same company or enterprise and normally undertaking the strategic or organizational planning and decision-making role of the company or enterprise
- **Administrative and Support and Waste Management and Remediation Services:** performing of routine support activities for the day-to-day operations of other organizations
- **Educational Services:** provision of instruction and training in a wide variety of subjects
- **Health Care and Social Assistance:** provision of health care
- **Arts, Entertainment, and Recreation:** operating or providing services to meet varied cultural, entertainment, and recreational interests of their patrons
- **Accommodation and Food Services:** providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption
- **Other Services (except Public Administration):** the provision of services elsewhere specified, including repairs, religious activities, grantmaking, advocacy, laundry, personal care, death care, and other personal services
- **Public Administration:** administration, management, and oversight of public programs by Federal, State, and local governments

Source: NAICS Manual [https://www.census.gov/eos/www/naics/2017NAICS/2017\\_NAICS\\_Manual.pdf](https://www.census.gov/eos/www/naics/2017NAICS/2017_NAICS_Manual.pdf).



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