THE ECONOMIC SIGNIFICANCE OF TOURISM AND NATURE TOURISM IN CORPUS CHRISTI

2009 UPDATE

Prepared for

Corpus Christi Convention & Visitors Bureau

Prepared by

Jim Lee, Ph.D.

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EXECUTIVE SUMMARY

This report provides an update to the previous studies on tourism in the Corpus Christi metropolitan area. Based on data through 2008, this study quantitatively estimates the extent to which Corpus Christi visitors contribute to the region's economic activity, household income and employment. As in the 2007 report, a separate section contains a profile of nature-based tourism and its economic significance to the region.

- Corpus Christi remains the sixth most popular tourist destination in Texas. As a popular leisure travel destination, Corpus Christi continues to have a high concentration of family vacationers. An estimated total of 7.2 million visitors spent nearly 17 million days in the area in 2008, injecting over $1 billion into the Corpus Christi economy. Visitor spending in the area has increased nearly 60 percent from 2000.

- Tourism remains a mainstay of the Corpus Christi economy. Nearly 5 percent of the area's economic activity comes from the core tourism industries. In addition to the area's hotels, motels and other lodging establishments, substantial portions of restaurants, food stores, retail businesses, public and recreational facilities, and transportation services are closely tied to visitors' activities in Corpus Christi.

- Nearly 13,000 local jobs are *directly* related to tourism, making this sector the second largest private employer in Corpus Christi. Direct visitor spending contributes the greatest number of jobs to eating and drinking establishments (5,733 jobs), followed by hotels and other accommodations (2,341 jobs). Employment in the tourism sector has grown about 24 percent since 2000, and it is projected to grow steadily at least through the end of 2010.

- The estimated total annual *economic impact* of tourism on Corpus Christi is $1.2 billion, or 8 percent of regional value-added economic activity. Visitors' total spending of $514.4 million in the area generates secondary or ripple effects, which total $677.9 million. The total volume of business activity directly or indirectly related to tourism supports nearly 22,000 jobs, $457.5 million in household earnings, and $82.9 million in state and local taxes.

- A significant share of tourist activities in Corpus Christi is related to nature and wildlife, particularly beach strolling, bird-watching, and hunting and fishing. Nature tourism accounts for nearly 40 percent of all visitor-trips. Destination spending by nature-oriented visitors is estimated at $546.5 million annually, which represents over 45 percent of all visitor spending. The total economic impact of nature tourism, including both direct and secondary effects, is estimated at $668.4 million in business sales, $371.7 million in value-added activity, and 8,748 jobs.

SUMMARY SHEET
Highlights of Corpus Christi Tourism, 2008

Visitors

- 7.2 million visitors (person trips to the metro area)
- About 17 million visitor-days (average 2.3 days per trip)
- Average party size of 2.3
  - 17% day travelers, 54% in hotels/motels, 7% camp
  - 70% visitors for leisure, 30% for business
  - 22% visitors go to beaches/waterfront, 20% sightseeing, 8% hunting/fishing

Spending

- Over $1 billion in total visitor destination spending
- $110.7 per visitor per day
  - Spending by category: restaurants & bars (25%), lodging (22%), local transportation (18%), shopping (15%), recreation & entertainment (11%)
  - Visitors account for 81% of sales in local hotels, 60% airport activity, 55% car rentals, 26% local transportation, 25% amusements, 22% restaurants & bars

Economic Impacts

- *Direct impacts of local tourism*
  - $514.4 million in value added (output)
  - $275.6 million in wages & salaries
  - 12,999 jobs
  - $23.2 million in local taxes, $59.7 million in state taxes
  - Tourism *directly* accounts for nearly 5% of local business activity and 7% of local workforce
  - Tourism employment by sector:
    - Restaurants & bars = 5,733 Hotels/motels = 2,341
    - Amusements = 1,777 Retail trade = 1,683

- *Total impacts, including secondary (ripple) effects*
  - $1.2 billion in value added
  - $457.5 million in wages & salaries
  - 21,737 jobs

Nature Tourism

- Largest component of visitor activities
- 40% of local visitor trips are nature based
- $456.5 million (45% total) in visitor destination spending
- *Total* economic impacts are $668.4 million in sales, $371.7 million in value added, and 8,748 jobs

I. INTRODUCTION

Background

Tourism continues to be a mainstay of the Corpus Christi economy. Despite the sheer size of this sector, official statistics about its economic significance are absence. The board scope and integrative nature of tourism make it less straightforward to provide quantitative assessments, particularly at a regional level. Previous two studies, which were prepared for the Corpus Christi Convention and Visitors Bureau, were intended to fill this gap.[1]

Objective

The objective of this report is to provide the latest update on the tourism industry in Corpus Christi and to evaluate its significance to the regional economy. A separate section deals with nature tourism as a growing market segment of tourism. As for the previous studies, this update is commissioned by the Corpus Christi Convention and Visitors Bureau. The goal is to provide a better understanding of Corpus Christi tourism today, which is essential for community leaders and city officials to make decisions on resource allocations in their efforts to promote a healthy regional economy.

Methodology

All statistics in this report pertain to the Corpus Christi Metropolitan Statistical Area (MSA), which comprises three counties in the Coastal Bend region of Texas: Aransas, Nueces and San Patricio.[2] The Corpus Christi MSA is the impacted region in this report. The benchmark year is 2008, the latest period for which the majority of data are available. Secondary data sources come from various travel reports made available from Texas state agencies, particularly the Texas Department of Economic Development and Tourism at the Office of the Governor. Whenever current data are unavailable,

[1] Jim Lee and Patrick Crowley, “Tourism and Its Economic Impact on Corpus Christi,” June 2001; and Jim Lee, “The Economic Significance of Tourism and Nature Tourism in Corpus Christi: 2007 Update,” May 2007.

[2] Because Aransas County has been included into the Corpus Christi MSA since the 2001 report, historical data in this update may deviate from those presented in earlier reports.

projections are made using historical data. Data listed in tables may not add to totals due to rounding. The definitions of special terms are listed in Appendix B.

II. CORPUS CHRISTI TOURISM

Market Profile

According to the Texas Department of Economic Development and Tourism, over 7.2 million people visit the Corpus Christi metro area today, spending a total of over $1 billion per year locally.[3] Corpus Christi remains the sixth most-visited metropolitan area in Texas. According to its *2008 Top Attractions Survey*, the Texas State Aquarium (ranked 19), USS Lexington (ranked 21) and Port Aransas (ranked 33) are among the top 40 attractions for all visitors to Texas.

Collectively, local businesses that are associated with visitor spending constitute the second largest private employer in Corpus Christi, exceeded only by the health-care industry. Visitor spending directly or indirectly accounts for about one-tenth of local business activity and about one in ten local employees. Visitors also contribute a substantial amount to local and state tax revenues, which in turn support Corpus Christi's cultural events and public facilities that help improve the overall quality of life in the local community.

Visitor Profile

Table 1 outlines the profile of visitors traveling to Corpus Christi in comparison with visitors to the Texas state. The number of visitor-trips to Corpus Christi was 7.2 million in 2008. Visitors spent an average of 2.3 days in the area, slightly higher than the Texas average. Corpus Christi witnessed a total volume of 16.8 million visitor-days, about 5 percent greater than the volume in 2006.

As proportionally fewer people have traveled by air since the 9/11 events in 2001, Corpus Christi has continued to greet more visitors traveling in shorter distances. In 2008, Texas residents made up over 80 percent of all visitors to Corpus Christi. The

[3] The terms tourist, visitor, and traveler are used interchangeably in this report. The terms local, regional, and area pertain to the Corpus Christi MSA.

average distance traveled was 361 miles, a decrease of 26 miles from the estimate in 2006. The top designated market areas (DMA) remained to be San Antonio (24%), Houston (14%), Austin (9%), and Dallas-Ft. Worth (8%), but these market shares also noticeably increased with shorter distances from Corpus Christi. Compared to the rest of Texas, Corpus Christi had relatively fewer visitors (19%) from out of state.

The average party size of visitors to Corpus Christi was 2.3. Compared to 2006, Corpus Christi witnessed relatively more single visitors and fewer in the form of family vacations. Couples accounted for 30 percent, while adults with children accounted for another 20 percent of all visitors.

Travel Patterns

The vast majority of visitors (78%) traveled to Corpus Christi by car or other ground transportation modes (see ***Table 2***). The share of visitors coming by air in 2008 (10%) was lower than that in 2006 (13%). In 2008, more than half (54%) of all visitors to Corpus Christi stayed in paid accommodations in Corpus Christi, as compared to 47 percent for Texas as a whole. Since 2000, increasingly more visitors (46%) have stayed in economy- or mid-level-type hotels or motels instead of high-end hotels (7%).

The average length of stay was 2.6 days if day-trippers were included (see ***Table 3***). Excluding day-trippers, who made up 47 percent of visitor-trips, the average length of stay was 4.2 days. The overall length of stay among Corpus Christi visitors was longer in 2008 than in 2006, and in either year it was longer than the Texas average.

Activities

Corpus Christi has continued to be mainly a leisure travel destination. In 2008, 70 percent of visitors came to the area for leisure (see ***Table 4***). Among leisure travelers, 43 percent of them came for vacation, as compared to 18 percent for Texas a whole. As the share of leisure travelers to Corpus Christi decreased from 2006, the share of travelers for business or meeting purposes returned to its historical trend of 30%.

According to the Texas Office of the Governor, the Padre Island National Seashore, Texas State Aquarium and USS Lexington are among top attractions in Texas.[4] The most popular activities among visitors to Corpus Christi remained to be related to nature, including the area's beaches and waterfront (22%), and national and

[4] Office of the Governor, Economic Development and Tourism, *Texas Travel Facts*, 2008.

state parks (5%). These nature-related activities together accounted for 28 percent of local tourist activities in 2008, as compared to 10 percent for Texas as a whole. Other similar activities were sightseeing (20%) and outdoor sports (11%). Compared to 2006, the volume of nature related activities in Corpus Christi was lower in 2008 but it was more in line with the historical trend.

Demographics

The average age of visitors to Corpus Christi was 45.5 years, slightly higher than the state average (see ***Table 5***). Proportionally more visitors (41%) were in the 35-49 age group instead of the 18-34 age group in 2006. The average household income of visitors was $69,750. While nearly half of them belonged to middle-income families with annual income between $25,000 and $75,000, 21 percent of visitors earned a household income over $100,000. Similar to travelers to the Texas state as a whole, 16 percent were retired. Many of these retirees are commonly known as Winter Texans, who stay in the area for lengthy periods during the winter season.

Visitor Spending

A breakdown of visitor destination spending in 2008 is shown in ***Table 6*** and ***Table 7***. Visitors spent an average of $110.7, which was slightly lower than the state average. Local transportation (26%), food and drinks (23%), lodging (17%) and shopping (17%) were the major components. The share of local transportation cost increased noticeably from 23% in 2006 to 26% due to higher fuel costs. Including airfares, visitors collectively spent over $1 billion in Corpus Christi.

Table 8 compares visitors' destination spending by type of accommodation. In 2008, about 60 percent of the spending came from those who stayed in commercial lodging places (hotels, motels, resorts and condominiums). Visitors staying overnight in these establishments spent an estimated total of $579.2 million. The shares of visitor spending by accommodation type were largely the same as those in 2006.

The number of hotels and motels in Corpus Christi has increased steadily over the last decade. Today, there are 208 hotels and motels in the Corpus Christi metro area, as compared to 140 in 1998 (see ***Table 9***). The number of room nights sold in the area grew over 30 percent during between 1998 and 2008, reaching over 2 million in 2008. During this period, room revenues increased by nearly 67 percent, reaching $184.5 million in 2008. Along with increases in room nights sold, growth in the local hotel industry was attributable to increases in room rates, which gained nearly 30 percent over that same period. The average room rate in 2008 was $90.1 per night.

Core Tourism Industries

Visitors to Corpus Christi interact with many businesses in the area. A core tourism industry is an industry that has a significant share of its business dealing *directly* with tourists. ***Table 10*** lists the regional industries that fit this definition. Over 80 percent of the local lodging industry is associated with visitor spending. Tourists account for 60 percent of activity at the Corpus Christi International Airport and local travel agencies, 55 percent of local car rentals, and 26 percent of local transportation such as taxis and bus rides. Other industries with a sizeable visitor share include: amusement and recreation services (25%); eating and drinking establishments (22%), and other retail trade (5%); commercial sports (20%); museums, botanical gardens, and other attractions (20%).

Based on *Regional Economic Model Inc.*'s (*REMI*) data, the total output (or value added) of the above nine core tourism industries in 2008 was just below $2.4 billion, accounting for 17 percent of the Corpus Christi economy. These industries, however, serve both visitors as well as local residents. When weighted by the visitor shares, the overall output volume that was linked *directly* to visitor spending was $514.4 million, or about 4 percent of regional economic activity.

III. ECONOMIC IMPACTS

The regional economic impact of tourism can be measured by value added (or output), household earnings, and employment in the Corpus Christi MSA that are associated with visitor spending. Visitor spending affects not only the core tourism industries but also other businesses that are *indirectly* related to tourism. The total economic impact on Corpus Christi, therefore, includes also the extent to which the presence of visitors affects all these businesses within the region. The estimates of the impacts in terms of value-added output and employment are listed in ***Table 11***.

Direct Impact

Direct economic impact originates with the initial visitor spending at the core tourism sector. Based on 2008 data, an estimated total of $1 billion in local visitor destination spending generates $514.4 million in value-added economic activity among the nine core tourism industries (see ***Table 11***), or about 4 percent of Corpus Christi's gross regional product (GRP).[5] These local tourism businesses collectively support nearly 13,000 jobs, the equivalent of 7 percent of area employment. Eating and drinking establishments generate 5,733 jobs, followed by 2,341 jobs in hotels and other lodging places.

Secondary Impacts

Economic activity in the core tourism industries is the backbone of regional economic activity that can be *indirectly* related to tourism. Business transactions in these industries represent only the first round of economic impact. As tourism-related businesses operate, portions of tourism-related revenues are used to pay for labor, capital, and other resources within the region. Employees in the core tourism industries in turn spend portions of their earnings on goods and services supplied locally. This re-spending creates secondary and tertiary impacts on regional output and employment (see ***Chart 1***).

There are two types of secondary impact: indirect and income induced impacts. *Indirect* impact represents the change in economic activity associated with businesses that supply goods and services to the core tourism industries. As visitors spend, more goods are ordered and produced, and more employees are added to provide the services needed. Some new orders are directed to businesses within the region, increasing the demand for jobs to be filled by local workers, thus creating more business-to-business transactions and new rounds of additional expenditures within the impacted region.

Income-induced impact represents the change in economic activity induced by the spending of employees in the core tourism sector, and by employees of suppliers to the core tourism sector. The effect takes place when a portion of the business receipts in core tourism businesses are used to make payments for their employees or payments for other suppliers. Over time, employees of core tourism industries as well as their

[5] Spending does not necessarily equal output or income because part of the spending is used to purchase goods or services produced outside of the region.

related businesses spend some of their earnings on goods and services provided locally, generating additional rounds of receipts and earnings across industries within the impacted region.

Multipliers

As a result of various rounds of business transaction, expenses by visitors in an area ultimately generate a multiple of expenditures and household earnings within the impacted area. These additional, or multiplier, effects cannot be observed directly. In order to account for the secondary flows of spending, this study employs *IMPLAN*'s regional input-output model for the Corpus Christi metro area.[6] The data are widely used to assess the regional economic and industrial impacts of projects and institutions for the federal government, local governments, and private industries.

Indirect impact multipliers for the Corpus Christi area tourism industry range between 1.74 (amusement and other recreation services) and 1.95 (commercial sports); income-induced impact multiplier estimates range between 0.38 (car rentals) and 0.97 (commercial sports). For the lodging industry, in particular, the indirect effect multiplier is 1.81 and the income-induced multiplier is 0.57. This implies that a $1 increase in hotel business activity generates an additional $1.38 in regional production.

The multiplier effect can also be measured by the change in regional employment as a result of a one-job change in the core tourism sector. For example, a typical job in the lodging industry generates 1.66 jobs across all industries within Corpus Christi due to the combined indirect (1.10 jobs) and induced (0.56 job) effects. For eating and drinking establishments, the total multiplier effect is 1.61, meaning that one job in the restaurant industry creates an additional 0.61 job in the area.

Total Economic Impact

When the multiplier or ripple effects are taken into account, it becomes clear that tourism plays a vital role in the Corpus Christi regional economy. ***Table 11*** reports measures of tourism's total regional economic impact based on 2008 data.

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[6] Minnesota IMPLAN Group, *IMPLAN*, 2008.

The estimate of $514.4 million in economic activity among core tourism industries generates an estimated total of $677.9 million in *secondary* impacts across different industries within the Corpus Christi MSA. Out of the total secondary impacts, $412.7 million is *indirect* impact and $265.2 million is *income-induced* impact. The total economic contribution of tourism, which is the sum of direct and secondary impacts, amounts to $1.2 billion (see ***Chart 2***). This total volume of economic activity, which is equivalent to over 8 percent of Corpus Christi's gross regional product (total output) in 2008, contributes $457.5 million in household earnings in the form of wages and salaries, and other earned incomes (***Table 12***).

Almost 13,000 people in Corpus Christi are employed directly by the core tourism industries. Every one tourism-related job creates an additional 0.7 job within the metro area. Together, nearly 22,000 jobs in Corpus Christi, or 11 percent of total regional employment, are supported in different ways by visitor spending.

Tourism is the second largest private employer, exceeded only by the health-care industry. Since 2000, nearly 2,400 new jobs have been created directly in the tourism industry, and nearly 4,200 new jobs are attributable directly or indirectly to local tourism. Measured by employment, this industry grew over 20 percent during the period between 2000 and 2008. The impact of tourism on local household earnings grew nearly 60 percent over that period.

Impact on Tax Revenues

Visitors to Corpus Christi make a substantial contribution to local tax revenues as well. Other than sales taxes from the goods and services purchased locally, visitors are responsible for most of the hotel occupancy tax revenues.

Table 13 lists estimates of local and state tax revenues generated by direct visitor spending. In 2000, Corpus Christi received $18.1 million in tax revenues from visitors. In 2008, such revenues increased by 28 percent to $23.2 million. Over this same period, state tax revenues related to visitor spending increased from $47.7 million to $59.7 million. The total amount of local and state tax revenues attributable to local tourism was nearly $83 million in 2008.

IV. NATURE TOURISM

This section describes nature tourism in Corpus Christi and reports an update on its economic significance. What is nature tourism? The formal definition of nature-based tourism varies by source. According to Texas Parks and Wildlife Department (TPWD), this segment of tourism includes activities based on "the natural attractions of an area." Examples include bird-watching, photography, hunting, fishing, camping, hiking, and visiting parks. While most activities revolve around natural resources and wildlife, nature tourism is considered a growing industry segment that promotes sustainable economic development.

Nature tourism is a growing market segment of tourism in Texas, and it is a major market segment of tourism in Corpus Christi. The area's 113 miles of beaches and waterfront are above all the most popular destinations in Corpus Christi. The Padre Island National Seashore, in particular, was once ranked one of top-10 Texas attractions by non-Texans.[7]

Continuously recognized as "America's Birdiest City," Corpus Christi is also part of TPWD's Great Texas Coastal Birding Trail, which starts near Matagorda Bay in the north through south of Kingsville in the south. The Hummer Bird Festival in Rockport and the Celebration of the Whopping Cranes in Port Aransas are some of the most popular events in Texas for birdwatchers. The Texas SandFest in Port Aransas is also one of the largest sand sculpture festivals in Texas. The area is also home to the Aransas National Wildlife Refuge. Given the board scope as well as the potential of future growth for this industry segment, this section provides a quantitative assessment of local nature tourism.

Nature Tourism Profile

Following TPWD's definition of nature-based activities, nature tourism accounts for 39 percent of visitor-trips to Corpus Christi in 2008: 28 percent of those trips involved nature (beach strolling, camping, bird-watching, state and national parks, and hiking and biking), and 11 percent of those involved hunting, fishing and other outdoor sports (recall ***Table 4***). The share of these nature-related trips was substantially higher than the 16 percent for the state of Texas, highlighting the significance of this market segment to Corpus Christi and South Texas as a whole.

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[7] Office of the Governor, Economic Development & Tourism, *Texas Travel Facts*, 2006.

Table 14 outlines the profile of nature visitors to Corpus Christi. In 2008, 2.8 million trips were related to nature. Nature visitors spent an average of 2.4 days in Corpus Christi, slightly longer than the average of 2.3 days for all visitors. Not only did they stay longer, but they also had a larger average party size of 3.1 persons. Together, nature visitors generated 6.7 million visitor days. The average spending on nature-based activities was $115.7 per visitor per day, slightly more than $110.7 for the average spending of all visitors.

State and National Parks

One major nature tourism activity in Corpus Christi is visit to state and national parks. ***Table 15*** shows the latest visitor and budget data for those parks in the region: Fulton Mansion and Goose Island State Parks in Aransas County; Lake Corpus Christi State Park in San Patricio County; Mustang Island State Park in Nueces County; and the Padre Island National Seashore. The data for the Padre Island National Seashore are drawn from the National Park Service, and the latest data for the four state parks are projected from the Texas Coalition for Conservation.[9]

Including local visitors, these state and national parks generate a total of 1.9 million visitor days, 1.5 million of which are non-local visitors. The average party size is 3.1 and the average spending per visitor is $33.6 per day. The total destination spending of visitors to these parks is estimated at $50.3 million. In addition, these parks incurred budgets totaling over $5.7 million.

Nature Tourism Economic Impacts

The data for the state and national parks in Corpus Christi reflect the size of the economic contribution from nature tourism. Comparable to ***Table 11*** for overall tourism, ***Table 16*** displays measures of the impact of nature tourism on the Corpus Christi regional economy. Similar to tourism as a whole, the largest impact falls on hotels and other lodging places. In 2008, nature visitors accounted for $180.6 million in hotel revenues. Visitor spending also generated $119.4 for local restaurants and bars (eating and drinking places), and $58.8 for local retail stores. Based on these

[9] John L. Crompton and Juddson Culpepper, "The Economic Contributions of Texas State Parks," Department of Recreation, Park and Tourism Sciences, Texas A&M University, 2006; commissioned by the Texas Coalition for Conservation.

expenditure data for on nature-based activities, the total ***direct*** impact is estimated at $456.5 million in local business sales and $239 million in value-added economic activity. The economic output directly related to natural tourism represents 46 percent of the total output in tourism. Such an impact supports $156.8 million in household earnings (wages and other benefits), and 5,975 jobs.

Including the effects of nature tourism related business activity that eventually ripple through all other industries and households in Corpus Christi, the total economic impact is estimated to be $668.4 million in business sales. Including all ripple effects, the ***total*** impact of nature tourism on household earnings is $233.5 million, and the impact on employment is 8,748 jobs.

V. FINAL REMARKS

This report has presented an update on the economic contribution of the tourism industry to the Corpus Christi area. Visitors directly and indirectly benefit the regional economy in addition to promoting a better quality of life for community residents. The Corpus Christi tourism industry has continued to grow steadily.

Tourist dollars impact different corners of the local community. Visitors in Corpus Christi pay over half of their spending dollars for lodging, eating and drinking. Not only are many local hotels, motels, and eating and drinking establishments heavily dependent on visitors, but also a significant portion of business activity in local shopping malls and recreational facilities is linked to tourism.

The total economic impact of tourism, however, is much larger than this. Simply counting business transactions in the core tourism sector would underestimate the industry's economic significance. The latest estimates indicate that the total size of tourism-related economic activity is about one-tenth of the local economy. Employment in the core tourism sector has grown steadily, and such growth is projected to prevail at least through the end of this decade.

Promoting nature tourism has been increasingly perceived around the world as a strategy for sustainable economic development. Given its prominence in Corpus Christi as a popular leisure destination, nature tourism has the potential to be a key driver for regional economic growth in the long run.

APPENDICES

A. Tables and Charts

Table 1

Corpus Christi Tourism At A Glance

		Corpus Christi		Texas
Summary		**2008**	**2006**	**2008**
Visitor-Trips		**7.2 million**	**7 million**	**197.5 million**
Average Length of Stay (Day & Overnight)		**2.3 days**	**2.1 days**	**2.1 days**
Visitor-Days		**16.8 million**	**16 million**	**418 million**
Average Total Spending Per Visitor Per Day		**$110.7**	**$111.4**	**$117.2**
Visitors' Origin				
Texas		**81%**	**79%**	**62%**
- San Antonio	24%			
- Houston	14%			
- Austin	9%			
- Dallas-Ft. Worth	8%			
Out-of-State		**19%**	**21%**	**38%**
- New Orleains, LA	1.4%			
- Oklahoma City, OK	1.1%			
- Little Rock-Pine Bluff, AR	0.9%			
- Jackson, MS	0.7%			
Average Distance Traveled		**361 miles**	**387 miles**	**463 miles**
Visitor Composition				
Average Party Size		**2.3**	**2.5**	**2.1**
Major Composition				
- One Male and One Female		30%	30%	23%
- One Male Only		20%	13%	26%
- Adults with Children		19%	28%	22%
- One Female Only		15%	15%	17%

Sources: Texas Economic Development and Tourism, 2008; and author's calculations.

Table 2

Travel Patterns, Visitor-Days

		Corpus Christi		Texas
Primary Transportation Modes				
Auto		**78%**		**74%**
- Car	55%		57%	
- Van/Small Truck	16%		14%	
- Camper/RV	7%		3%	
Air		**10%**		**20%**
Bus		**2%**		**1%**
Other		**10%**		**5%**
Accommodations				
Paid Accommodations		**76%**		**57%**
Hotel/Motel	**54%**		**47%**	
- High End	7%		13%	
- Mid-Level	32%		21%	
- Economy	14%		11%	
- Other Hotel/Motel	2%		3%	
Non-Hotel/Motel	**22%**		**10%**	
Non-Paid Accommodations		**21%**		**41%**
Day-Trips		**17%**		**17%**

Source: Texas Economic Development and Tourism, 2008.

Table 3

Length of Stay, Visitor-Trips

	Corpus Christi	Texas
Average Length (Day and Overnight)	2.6 days	2.2 days
Average Length (Overnight Only)	4.2 days	3.5 days
Day-Trips (%)	47%	47%
1-3 Nights (%)	42%	42%
4-7 Nights (%)	9%	9%
8+ Nights (%)	3%	2%

Source: Texas Economic Development and Tourism, 2008.

Table 4

Travel Purposes & Activities

		Corpus Christi			Texas
		2008	2006		2008
Travel Purpose (Visitor-Days)					
Leisure		**70%**	**79%**		**70%**
- Vacation	43%			18%	
- Non-Vacation	28%			51%	
-Visiting Friends/Relatives	15%			31%	
Business		**30%**	**21%**		**31%**
- Transient Business	19%			18%	
- Meetings	10%			13%	
Major Activities (Visitor-Trips)					
Nature		**28%**	**43%**		**10%**
- Beach/Waterfront	22%			3%	
- National/State Parks	5%			4%	
- Nature/Culture (Eco-travel)	4%			3%	
- Camping	2%			2%	
- Hike, Bike	2%			2%	
Touring		**24%**	**25%**		**17%**
- Sightseeing	20%			14%	
- Group Tour	4%			2%	
Attractions		**13%**	**14%**		**14%**
- Night Life	5%			6%	
- Gamble	4%			1%	
- Attend Sports Events	3%			4%	
- Theme/Amusement Park	3%			3%	
- Shows (auto/boat)	1%			1%	
Culture Events		**13%**	**20%**		**13%**
- Museum/Art Exhibits	7%			4%	
- Visit Historic Sites	5%			5%	
- Festival/Craft Fair	2%			3%	
- Concert, Play, Dance	1%			4%	
Outdoor Sports		**11%**	**16%**		**6%**
- Hunt/Fish	8%			3%	
- Boat/Sail	2%			1%	
- Golf	1%			2%	
- Other Adventure Sports	1%			2%	

Source: Texas Economic Development and Tourism, 2008.

Table 5

Demographic Profile of Visitors

	Corpus Christi		Texas	
Age (Average)		**45.5 Years**		**45.2 Years**
18-34	23%		32%	
35-49	41%		30%	
50-64	24%		26%	
65+	12%		12%	
Household Income (Average)		**$69,750**		**$72,150**
Under $25,000	13%		14%	
$25,000-$49,999	23%		23%	
$50,000-$74,999	26%		20%	
$75,000-$99,999	18%		18%	
$100,000+	21%		25%	
Employment				
Employed	65%		71%	
Retired	16%		12%	
Not Employed	19%		17%	

Source: Texas Economic Development and Tourism, 2008.

Table 6

Average Visitor Spending Per Visitor Per Day

	Corpus Christi	(% Total)	Texas	(% Total)
Total Spending Per Visitor Per Day	**$110.7**		**$117.2**	
Transportation	$28.5	26%	$39.7	34%
Food & Drinks	$25.6	23%	$25.1	21%
Lodging	$18.5	17%	$14.7	13%
Shopping	$18.5	17%	$19.2	16%
Entertainment	$12.8	12%	$12.0	10%
Miscellaneous	$6.7	6%	$6.5	6%

Sources: Texas Economic Development and Tourism, 2008; and author's calculations.

Table 7

Visitor Spending in Corpus Christi

	$ Millions	% Visitor Spending
Destination Spending by Commodity		
Accommodations	217.3	21.6%
Eating & Beverage Services	250.1	24.8%
Food Stores	68.3	6.8%
Ground Transportation & Motor Fuel	183.7	18.2%
Recreation & Entertainment	111.7	11.1%
Shopping	154.1	15.3%
Air Transportation	21.5	2.1%
Total Destination Spending	**1,006.7**	**100.0%**

Sources: Texas Economic Development and Tourism, 2008; and author's calculations.

Table 8

Visitors' Corpus Christi Destination Spending by Type of Accommodation

	($ Millions)	% total
Hotel, Motel & Other Lodging Places	579.2	58%
Private Campground	48.9	5%
Public Campground	7.1	1%
Private Home	168.7	17%
Vacation Home	26.2	3%
Day Travel	176.6	18%
Total Destination Spending	**1,006.7**	**100%**

Sources: Texas Economic Development and Tourism, 2008; and author's calculations.

Table 9

Corpus Christi Hotel/Motel Performance

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	1998-2008 % Change
# Hotels Available	140	149	151	161	171	170	171	184	193	197	208	37.9%
# Room Nights Sold (000's)	1,599	1,667	1,700	1,695	1,778	1,767	1,791	1,953	2,068	2,023	2,048	29.4%
Occupancy Rate (%)	51.4	51.8	52.7	51.6	52.8	51.8	51.9	50.9	54.2	49.0	47.5	5.4%
Room Revenue ($ Millions)	105.1	112.8	119.0	121.4	128.4	129.0	132.0	155.3	175.1	177.5	184.5	66.6%
Average Daily Rate ($)	65.7	67.7	70.0	71.6	72.2	73.0	73.7	79.6	84.7	87.8	90.1	28.8%

Sources: Texas Economic Development and Tourism; and author's calculations.

Table 10
Corpus Christi Core Tourism Industries, 2008

	Visitor Share	Output ($ Millions)	Weighted Output ($ Millions)
Air Transportation	60%	237.4	142.4
Eating & Drinking Places	22%	543.6	119.6
Retail Trade, except Eating & Drinking Places	5%	1,273.4	63.7
Hotels & Other Lodging Places	81%	153.2	124.1
Car Rentals	55%	80.5	44.3
Commercial Sports	20%	16.6	3.3
Amusement & Recreation Services	25%	49.9	12.5
Museums, Botanical, Zoological Gardens	20%	5.5	1.1
Local Transportation	26%	13.1	3.4
Total		**2,373.3**	**514.4**

Sources: Regional Economic Model Inc.; and author's calculations.

Table 11

Economic Impact of Corpus Christi Tourism, 2008

Output (Value Added)	**Direct Impact ($ Millions)**	**Indirect Impact ($ Millions)**	**Induced Impact ($ Millions)**	**Total Impact ($ Millions)**
Air Transportation	142.4	118.5	67.3	328.2
Eating & Drinking Places	119.6	96.2	61.8	277.6
Retail Trade, except Eating & Drinking Places	63.7	47.7	36.2	147.6
Hotels & Other Lodging Places	124.1	100.5	70.6	295.3
Car Rentals	44.3	34.0	16.9	95.2
Commercial Sports	3.3	3.1	3.2	9.7
Amusement & Recreation Services	12.5	9.2	6.8	28.4
Museums, Botanical, Zoological Gardens	1.1	0.8	0.6	2.5
Local Transportation	3.4	2.6	1.8	7.8
Total	**514.4**	**412.7**	**265.2**	**1,192.3**

Employment	**Direct Impact (Jobs)**	**Indirect Impact (Jobs)**	**Induced Impact (Jobs)**	**Total Impact (Jobs)**
Air Transportation	395	187	291	873
Eating & Drinking Places	5,733	361	3,163	9,257
Retail Trade, except Eating & Drinking Places	1,683	161	956	2,800
Hotels & Other Lodging Places	2,341	229	1,320	3,890
Car Rentals	386	176	289	852
Commercial Sports	474	6	240	721
Amusement & Recreation Services	1,794	339	1,076	3,208
Museums, Botanical, Zoological Gardens	162	31	97	289
Local Transportation	30	5	18	53
Total	**12,999**	**1,494**	**7,451**	**21,944**

Sources: REMI; IMPLAN; and author's calculations.

Table 12
Tourism Industry Trends

Industry	2000	2002	2004	2006	2008	2000-08 % Change
Destination Spending ($ Millions)	643.2	671.8	727.2	964.4	1,006.7	57%
Earnings ($ Millions)	172.9	187.3	199.1	264.0	275.6	59%
Employment (Jobs)	10,620	10,700	11,599	12,622	12,999	22%
Regional Economic Impact						
Total Output ($ Millions)	931.5	1,021.9	1,080.4	1,157.3	1,192.3	28%
Total Earnings ($ Millions)	287.0	311.0	343.4	438.3	457.5	59%
Total Employment (Jobs)	17,674	18,030	19,579	21,308	21,944	24%

Sources: Texas Economic Development and Tourism, 2008; and author's calculations.

Table 13

Tax Revenues Generated by Direct Visitor Spending

Tax Revenues	**2000**	**2002**	**2004**	**2006**	**2008**
Local Taxes ($ Millions)	18.1	19.5	20.1	21.1	23.2
State Taxes ($ Millions)	47.7	50.2	52.2	55.2	59.7
Total Tax Revenues	**65.8**	**69.7**	**72.3**	**76.3**	**82.9**

Sources: Texas Economic Development and Tourism, 2008; and author's calculations.

Table 14

Corpus Christi Nature Tourism Profile, 2008

Visitor-Trips	2.8 million
Average Length of Stay (Day & Overnight)	2.4 days
Average Party Size	3.1
Visitor-Days	6.7 million
Average Spending Per Visitor Per Day	$114.9

Sources: D.K. Shifflet & Associates; Texas Economic Development and Tourism; Texas Parks and Wildlife Department; and author's calculations.

Table 15

Corpus Christi Area State & National Parks

	Fulton Mansion State Park	Goose Island State Park	Lake CC State Park	Mustang Island State Park	Padre Island National Seashore	Total
Visitor Days (incl. locals)	17,077	355,515	218,630	348,460	996,591	**1,936,273**
Non-Local Visitor Days	11,849	329,181	179,666	172,406	807,111	**1,500,213**
Avg. Party Size	3.6	3.8	4.0	3.8	2.6	**3.1**
Expenditure Per Visitor Per Day	$43.8	$14.9	$25.7	$9.8	$47.8	**$33.6**
Total Annual Visitor Spending	$519,357	$4,914,668	$4,625,720	$1,681,887	$38,611,650	**$50,353,282**
Park Budget	$215,800	$548,409	$577,597	$460,995	$3,907,039	**$5,709,840**

Sources: Crompton and Culpepper (2006); Texas Parks & Wildlife Department; National Park Service; and author's calculations.

Table 16

Economic Impacts of Visitor Spending: Nature Tourism

Spending Category:	Sales ($ Millions)	Output ($ Millions)	Household Earnings ($ Millions)	Employment (Jobs)
Hotels & Other Lodging Places	180.6	89.5	58.9	2,364
Camping Fees	15.4	4.6	2.0	202
Eating & Drinking Places	119.4	56.6	40.7	1,563
Admissions & Fees	49.2	27.9	17.0	644
Vehicle Expenses	5.7	2.7	1.7	74
Local Transportation	1.9	1.3	1.1	25
Retail Trade, Except Eating & Drinking Places	58.8	46.9	30.0	770
Wholesale Trade	10.4	7.1	4.2	136
Other Goods & Services	15.1	2.4	1.2	197
Total Direct Effects	**456.5**	**239.0**	**156.8**	**5,975**
Secondary Effects	**211.9**	**132.7**	**76.7**	**2,773**
Total Effects	**668.4**	**371.7**	**233.5**	**8,748**

Sources: Texas Parks & Wildlife Department; National Park Service; and author's calculations.

Chart 1

Schematic Diagram of Economic Impacts

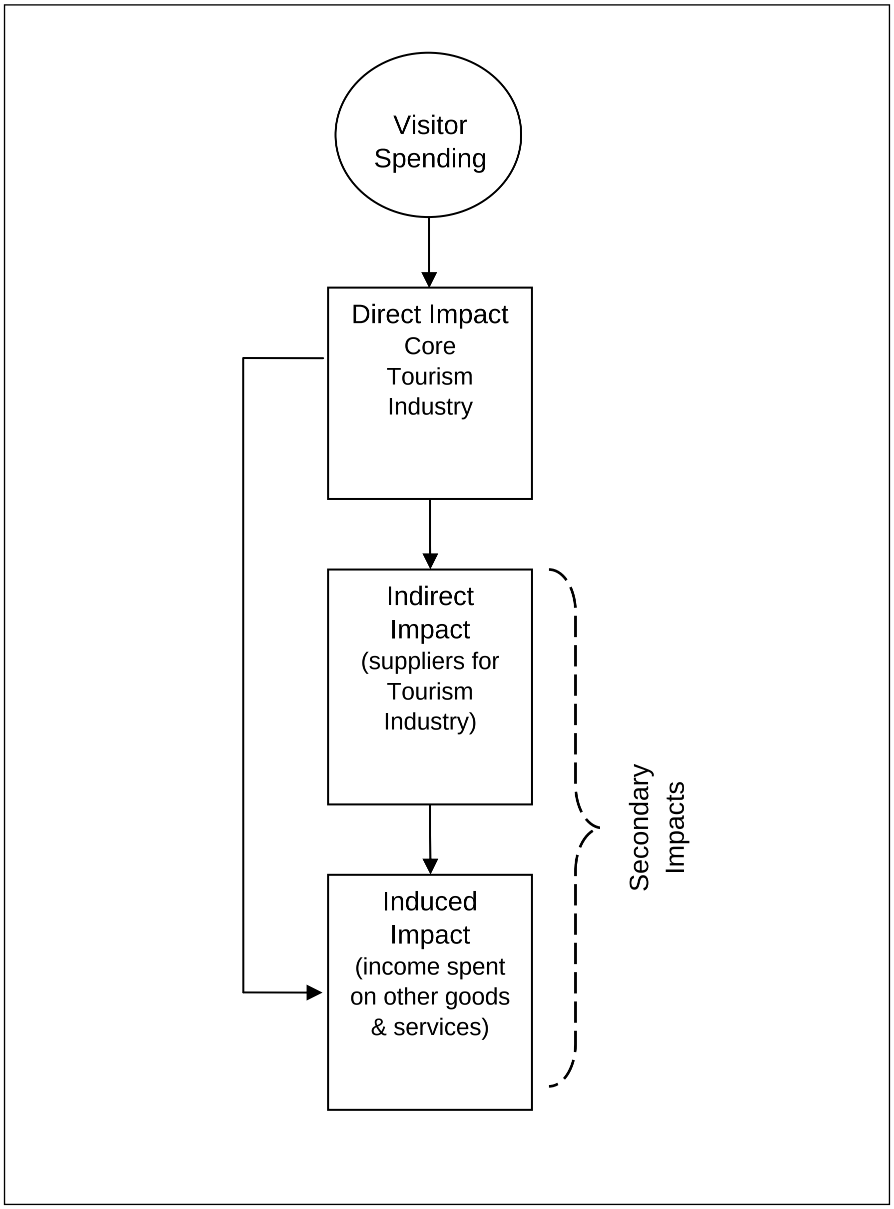
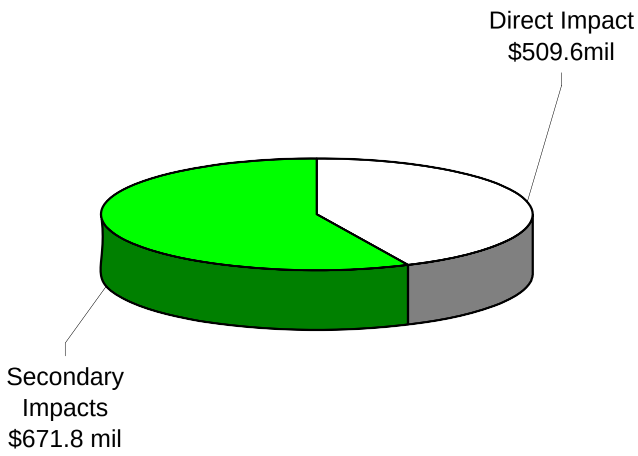


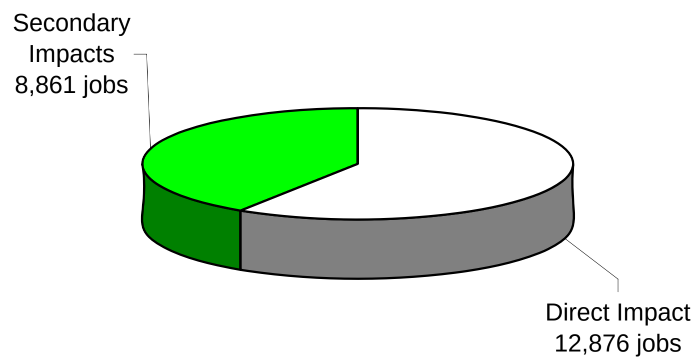
Chart 2

Economic Impacts of Tourism on Corpus Christi, 2008

Total Value Added $1.2 billion



Total Employment 21,737 jobs



Source: Author's calculations.

B. DEFINITION OF TERMS

Accommodation: Lodging by hotel and motel guests, campers, and vacation home users.

Core Tourism Industry: An industry that has a significant share of its business dealing directly with tourists.

Designated Market Area: An area of origin from visitors.

Destination Spending: Spending by visitors at or near their destinations. This excludes spending on air transportation and travel agent commissions, but includes expenses on ground transportation within their areas of destination.

Day-traveler: A visitor who travels at least 50 miles to a destination, but whose trip does not include an overnight stay.

Direct Impacts: Output, employment and earnings directly generated by travel spending. Direct impacts are one component of total impacts (see below).

Earnings: Total earnings include wages and salary disbursements, other earned income, and proprietor income.

Eating and Drinking Places: Businesses serving food and beverages for immediate consumption. In addition to restaurants, these businesses include fast-food outlets and refreshment stands.

Employment: Jobs associated with the travel-generated payroll and businesses. This includes both full- and part-time positions.

Gross Regional Product: The total dollar value of goods and services purchased by consumers and government institutions in a given year.

Hotel/Motel Occupancy Tax: A local tax charged on lodging. Also referred to as room tax.

Income-Induced Impacts: The spending by employees of businesses that directly or indirectly receive travel expenditures as a result of increased earnings. Induced impacts are one component of secondary impacts (see below).

Indirect Impacts: The purchases of goods and services by the businesses that receive travel expenditures. Indirect impacts are one component of secondary impacts (see below).

Local Tax Receipts: Tax revenues collected by all local taxing entities in Corpus Christi. Consists of hotel occupancy tax and local sales tax.

Multiplier: The ratio of total impacts to direct impacts for output, employment or earnings.

Output: The production of goods and services; same as **value added**.

Nature Tourism: Any visiting activity that is based on the natural attractions of an area

Receipts: Travel expenditures less the sales and excise taxes imposed on those expenditures.

Secondary Impacts: The sum of indirect and induced impacts.

Simulation: A projection of changes in economic activity given a hypothetical scenario.

Total Impacts: The sum of direct and secondary impacts.

Travel: Any travel with a night away from home or a Day-Trip which is 50 or more miles one-way.

Travel Expenditures: Purchases by travelers during their trips, including lodging taxes and other applicable local and state taxes paid by the travelers.

Value Added: Same as **Output**.

Visitor: A person who travels at least 50 miles to a destination.

Visitor-Days: The number of visitors multiplied by the average number of days of visit.