



CWO 06 Long Beach, CA

The Coastal Tourism and Recreation Economy: Irrational Exuberance?

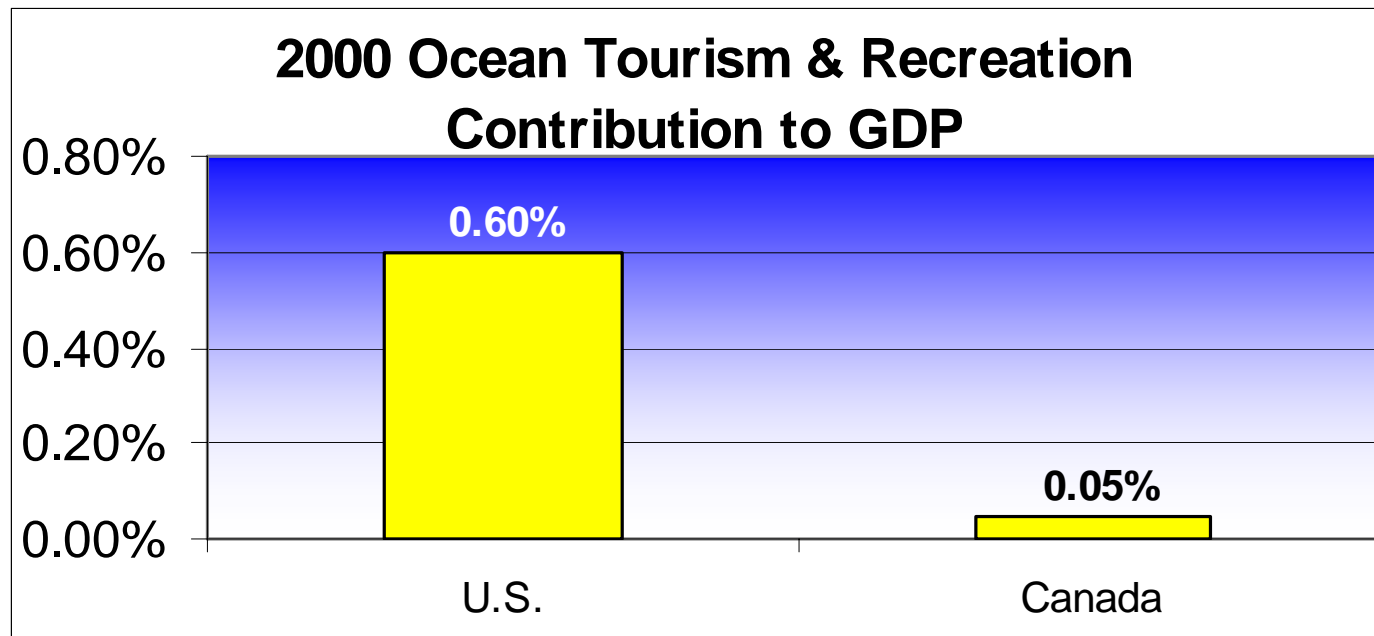
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Economics Program

Discussion

- State of the Tourism and Recreation Sector
 - National
 - California

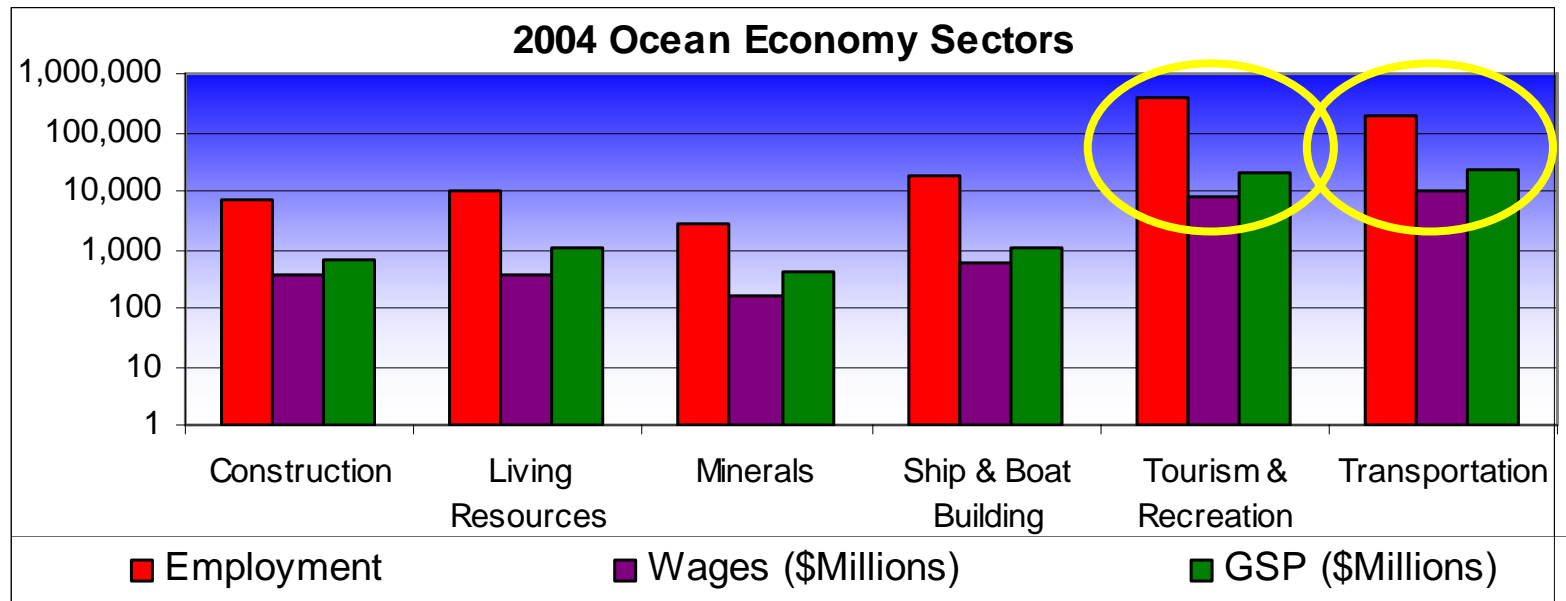
- Growth and Sustainability of the Sector

U.S. vs Canada: Ocean Tourism & Recreation



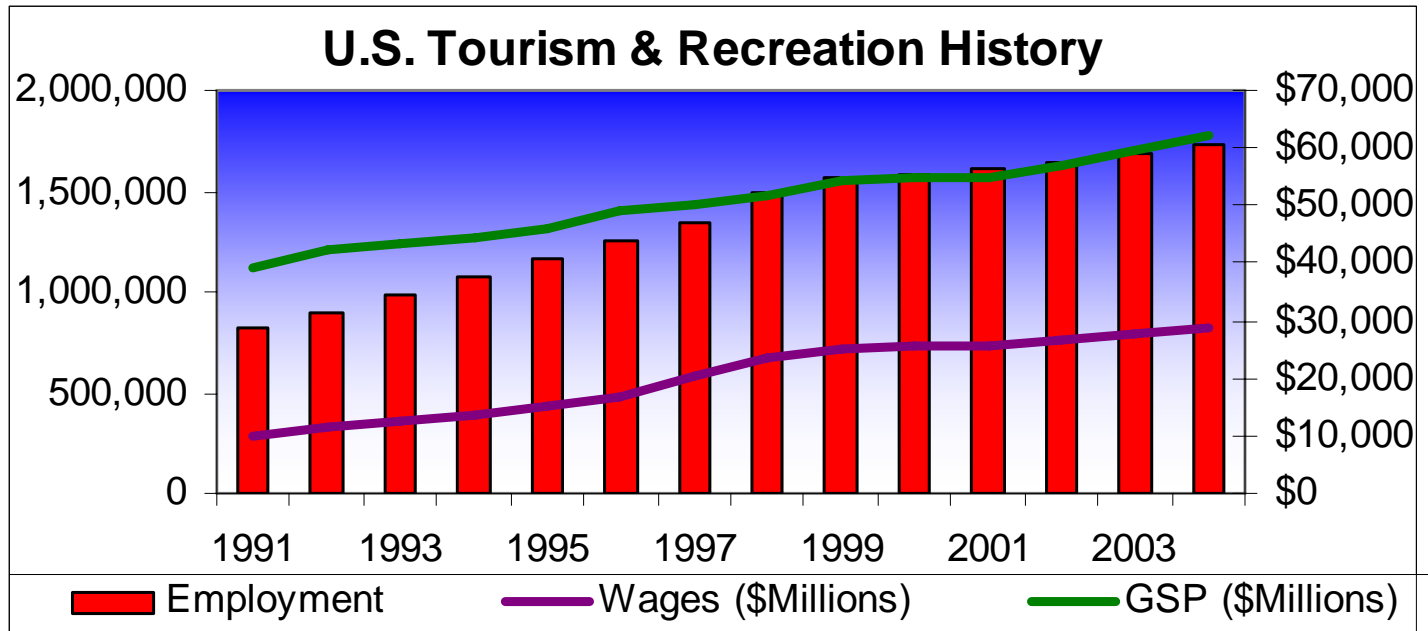
- U.S. Ocean T&R contributed nearly double to GDP what Canada's Ocean T&R contributed to its GDP

U.S. Ocean Economy 2004



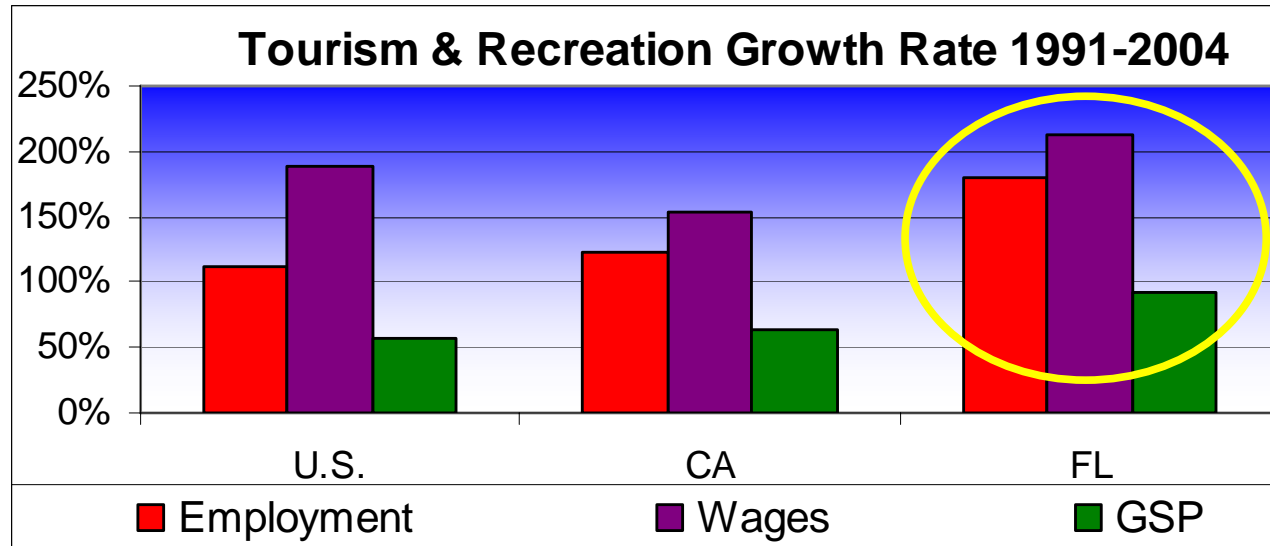
- T&R was first for employment, second for wages and GSP to Transportation in 2004

U.S. Tourism & Recreation



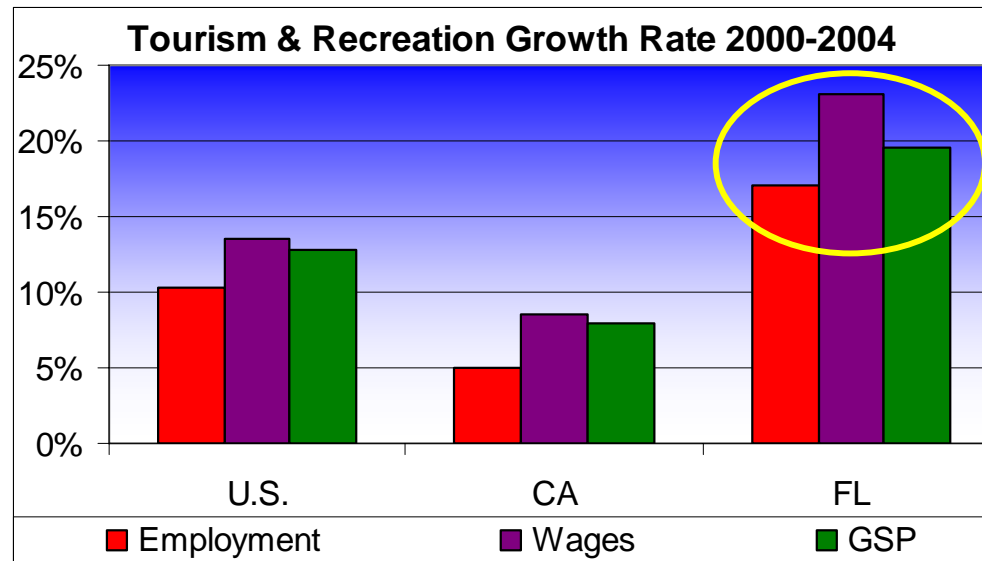
- Tourism & Recreation has increased steadily since 1991

Tourism & Recreation Growth 1991-2004



- U.S. T&R employment increased 112%, wages increased 189%, GSP increased 58%
- Wages grew disproportionately less than GSP
- Florida experienced more growth than California or the U.S. for all indicators

Tourism & Recreation Growth 2000-2004



- U.S. T&R employment increased 10%, wages increased 14%, GSP increased 13%
- Florida experienced more growth than California or the U.S. for all indicators

Tourism & Recreation 2004

2004 Total Tourism & Recreation Sector			
	Employment	Wages(mil\$)	GSP(mil\$)
U.S.	2,272,200	\$44,636	\$103,948
CA	378,746	\$8,098	\$19,351
FL	363,761	\$6,865	\$16,636

- California and Florida Tourism & Recreation was similar in 2004

California Direct Ocean Economy 2004

Sector	Employment	Wages (millions)	GSP (millions)	Avg. Wages	GSP/ Employee
Construction	3,674	\$218.60	\$355.10	\$59,499.18	\$96,652.15
Living Resources	5,095	\$148.00	\$592.30	\$29,048.09	\$116,251.23
Minerals	1,301	\$94.60	\$242.20	\$72,713.30	\$186,164.49
Ship & Boat Building	9,831	\$386.20	\$567.40	\$39,283.90	\$57,715.39
Tourism & Recreation	277,185	\$4,927.50	\$10,713.00	\$17,776.94	\$38,649.28
Transportation	72,358	\$5,552.10	\$11,680.10	\$76,730.98	\$161,420.99
All Ocean Sectors	369,444	\$11,327.00	\$24,150.00	\$30,659.59	\$65,368.50

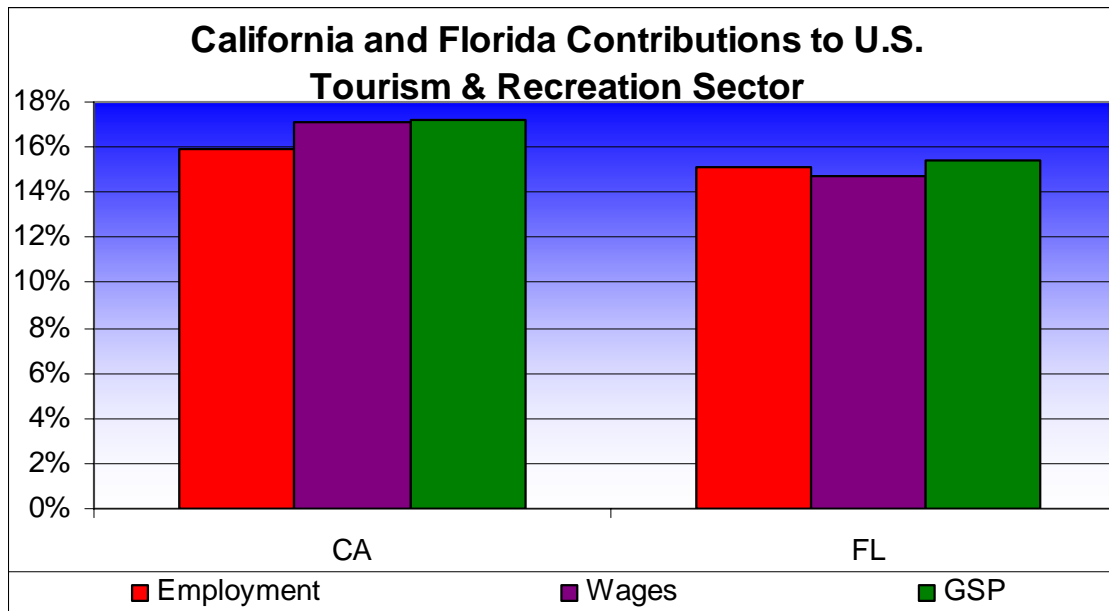
- T&R: lowest average wage per employee, \$17,800
- T&R: lowest average GSP per employee, \$38,700, 31% lower than the Ocean Economy average of \$74,300

California Total Ocean Economy 2004

Sector	Employment	Wages (millions)	GSP (millions)	Avg. Wages	GSP/ Employee
Construction	6,912	\$385.6	\$675.3	\$55,787.0	\$97,699.7
Living Resources	9,584	\$346.9	\$1,094.6	\$36,195.7	\$114,211.2
Minerals	2,609	\$156.0	\$400.7	\$59,793.0	\$153,583.7
Ship & Boat Building	18,786	\$620.2	\$1,019.9	\$33,013.9	\$54,290.4
Tourism & Recreation	378,524	\$8,082.1	\$19,350.9	\$21,351.6	\$51,122.0
Transportation	198,102	\$10,254.7	\$23,339.2	\$51,764.7	\$117,814.1
All Ocean Sectors	614,496	\$19,846.0	\$45,684.6	\$32,296.4	\$74,344.8

- T&R: lowest average wage per employee, \$21,000
- T&R: lowest average GSP per employee, \$51,100, 31% lower than the Ocean Economy average of \$74,300

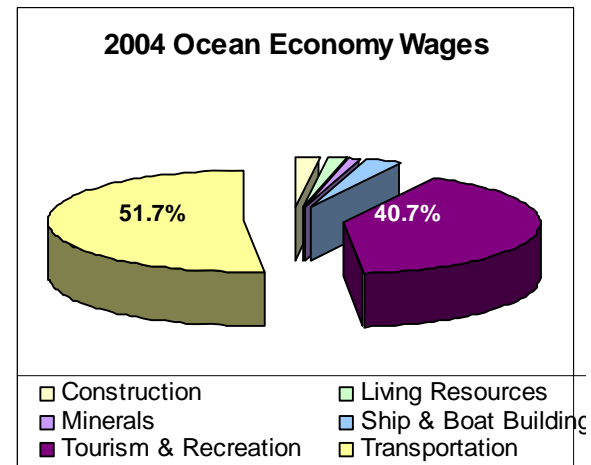
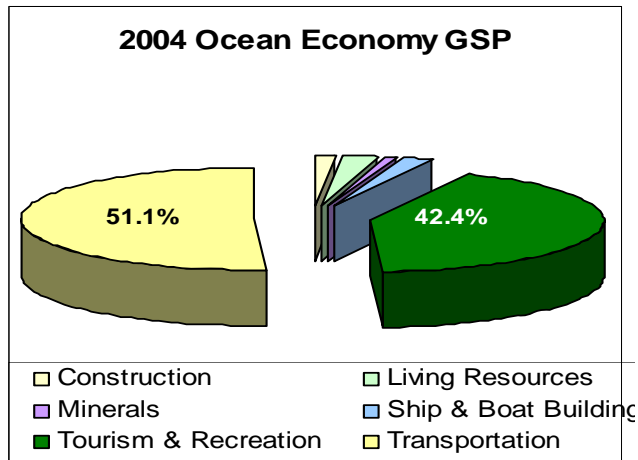
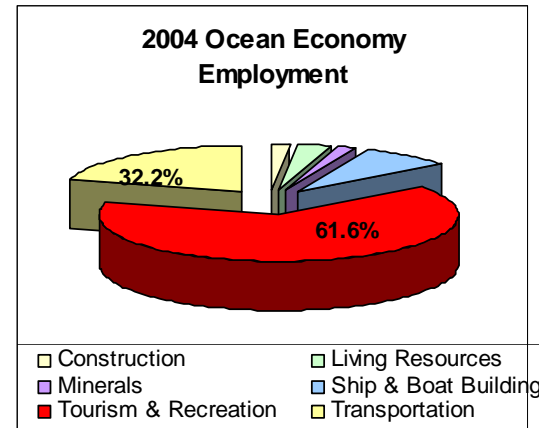
California and Florida Contributions



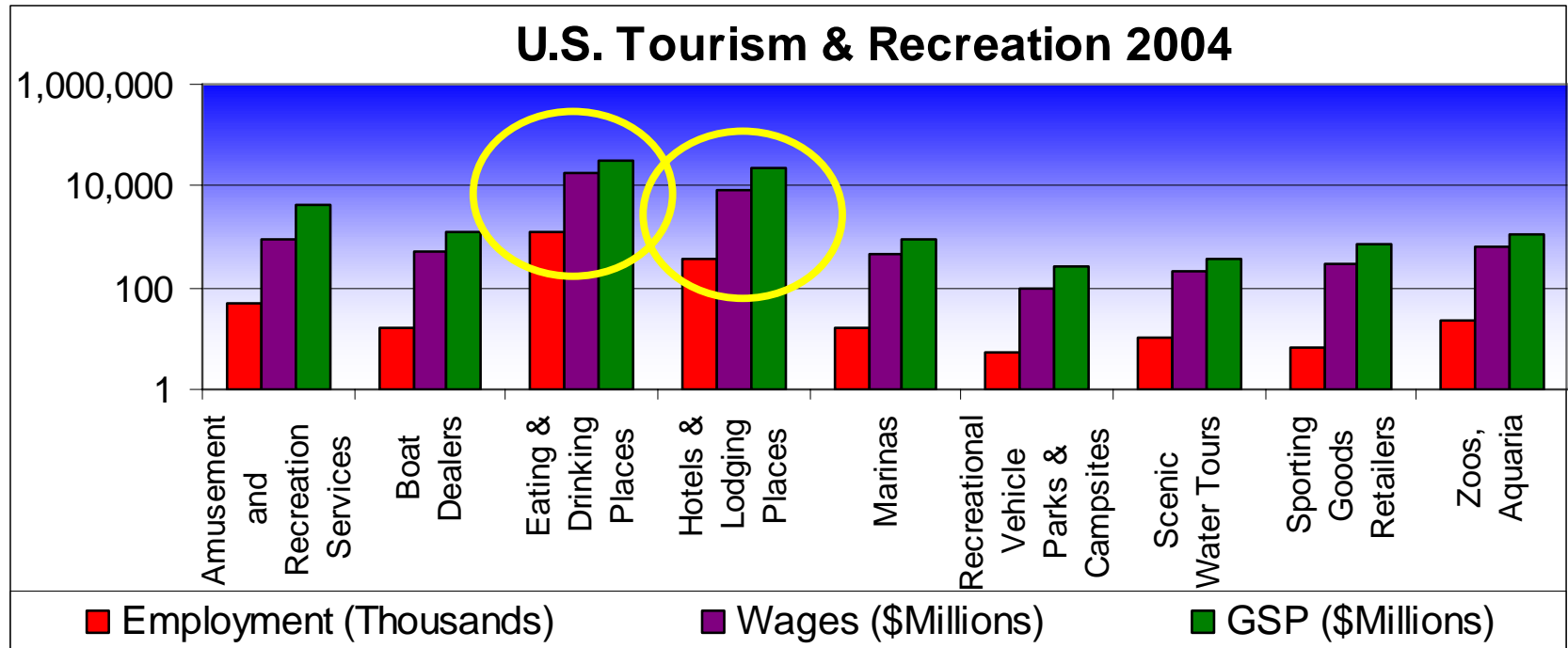
- California: contributed 16% employment, 17% wages, and 17% GSP to U.S. T&R
- Florida: contributed 15% employment, 15% wages, and 16% GSP to U.S. T&R

U.S. T&R Importance to Ocean Economy

- Supports 62% of Ocean Economy Employment
- Supports 41% of Ocean Economy Wages
- Supports 42% of Ocean Economy GSP



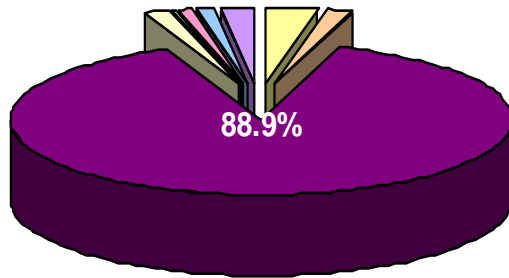
U.S. Tourism & Recreation 2004



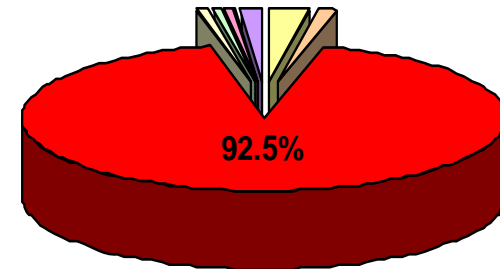
- Eating & Drinking Places and Hotels & Lodging Places are clearly the leading industries in 2004

Eating & Drinking Places, Hotel & Lodging Places Importance to U.S. T&R

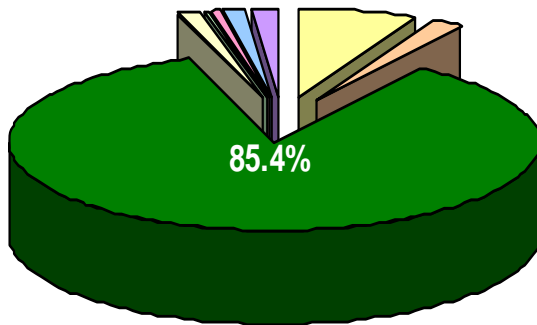
2004 Tourism & Recreation
Wages



2004 Tourism & Recreation
Employment



2004 Tourism & Recreation
GSP



- Support 93% of T&R Employment
- Support 89% of T&R Wages
- Support 86% of T&R GSP

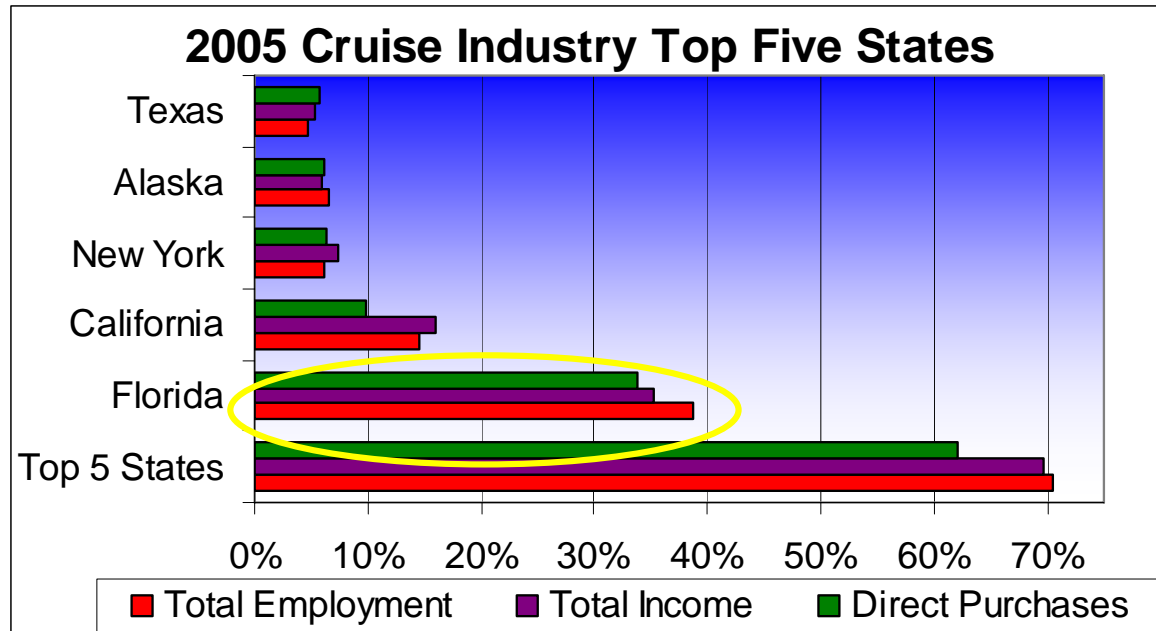
Cruise Industry 2005

2005 Top Five Cruise Coastal States			
	Total Employment	Total Income (\$Millions)	Direct Purchases (\$Millions)
Florida	128,042	\$4,772	\$5,472
California	47,860	\$2,155	\$1,606
New York	20,000	\$992	\$1,042
Alaska	21,389	\$792	\$994
Texas	15,807	\$713	\$934
Top 5 States	233,098	\$9,424	\$10,048
U.S.	330,346	\$13,516	\$16,180

Source: International Council of Cruise Lines

- Generated \$16.2B in purchases, \$13.5B in wages in U.S.
- Supported 330,346 jobs in U.S.

State Contribution to U.S. Cruise Industry 2005



- Florida doubles California, New York, Alaska and Texas
- The Top Five provide 71% total employment, 70% total income, and 62% total purchases

State Cruise Embarkations 2005

2005 State Cruise Passengers		
	Passengers	% U.S. Passengers
Florida	4,843,000	56.2%
California	1,301,000	15.1%
Texas	630,000	7.3%
New York	370,000	4.3%
Alaska	163,500	1.9%
Top 5 States	7,307,500	84.9%
U.S.	8,612,000	

- Florida had 49% more passengers than the other four states combined
- The Top Five provided 85% of U.S. cruise passengers

Observations

- ❑ Growing lack of diversification with dependence on climate and weather
- ❑ Low Salaries, but high cost of living
- ❑ Replacement of higher paying jobs with lower ones.
- ❑ T and R Footprints contribute to loss of permeable surfaces.

www.OceanEconomics.org

