

## Mississippi's Broader View: State-Level Tourism Accounts

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### **Purpose:**

This presentation highlights how the MDA/Tourism Division's Research Unit, with input from a Senior Economist, Center for Policy Research and Planning, Mississippi Institutions of Higher Learning, estimates Tourism's Broader View. The Broader View is an on-going effort to estimate Tourism's Total Value Added, or portion of the Gross State Product; rank in total statewide employment among all sectors; contribution to the state General Fund, based on Tourist/Visitor expenditures, labor income, sales and construction activity taxes, the portion of state sales taxes returned to cities attributed to Tourism, Tourism Capital Investment and other indicators. Data published in Mississippi's Fiscal Year (FY) 2005 Tourism Economic Impact Report, February 2006, will be compared to FY 2004 estimates.

### **Keywords:**

Concentration Rank, Establishment-based Employment, General Fund, IMPLAN, Indirect/Induced Impact, North American Industry Classification System (NAICS) Codes and Sectors, State-level Tourism Accounts, Total Value Added, Tourism Capital Investment, Travel Industry Association of America (TIA), Type SAM (Social Accounting Matrix) Multipliers.

### **Findings:**

The FY 2005 Broader View data were estimated after collaborative research focusing on the General Fund, IMPLAN, etc. This followed years of fine-tuning Tourism Employment and Expenditure factors plus that FY 2004 was the initial year that county/statewide Tourism Capital Investment was estimated.

Tourism comprised \$3.8 billion in FY 2005 Total Value Added, or 5.0% of Mississippi's GSP. The Tourism Industry ranked 5<sup>th</sup> in total statewide employment—all sectors—based on Mississippi Department of Employment Security, Labor Market Information data. Tourism Capital Investment totaled about \$513 million, with 80% from private sources and 20% from public entities. Tourism accounted for \$376 million, or 1/10 of the \$3.78 billion General Fund, in FY 2005. About \$41.4 million in state sales taxes returned to cities' General Fund (18.5% of the 7.0% state sales tax) were attributed to Tourism.

Tourism activities resulted in an additional 34,800 indirect and induced jobs, from a base of 91,700 estimated direct jobs. These direct jobs equaled 8.2%, or 1/12, of all statewide establishment-based, nonfarm jobs. This proportion of nonfarm jobs, or Concentration Rank, was 6<sup>th</sup> nationally, behind Nevada, Hawaii, Wyoming, Florida and Washington, D.C., per TIA's *Impact of Travel & Tourism on the U.S. & State Economies, 2005 edition*.

### **Conclusions:**

Mississippi's Tourism Industry is now positioned within the state's economy as state-level Tourism accounts. The Broader View focuses on the circular flow of goods and services in the economy between Tourism Industry Supply and the impact of Tourism Commodity Demand. It is no longer relevant to compare Tourism Employment, for example, with three-digit NAICS sub-sectors or four-digit NAICS industry groups. Mississippi's Tourism Industry is relatively

more important in terms of General Fund contributions and proportion of nonfarm employment, than it is with regard to Total Value Added.

**Applications:**

The Broader View lends credibility to Mississippi's Tourism Industry. Mississippi's local Tourism Offices realize that The Broader View of Tourism's contributions go beyond special taxes. MDA/Tourism Division uses The Broader View indicators in response to information requests from constituent groups plus state-level agencies, associations, among other entities.

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