



UNPACKING THE POWER OF TOURISM

DISCOVERING THE HIDDEN VALUE OF
A \$22 BILLION INDUSTRY



TOURISM AUTHORITY

ABOUT THE SAN DIEGO TOURISM AUTHORITY

The San Diego Tourism Authority is a 501(c)(6) private not-for-profit corporation that is governed by an 18-member board of directors comprised of industry and non-industry representatives.

Founded in 1954, the SDTA mission is to drive visitor demand to economically benefit the San Diego region by attracting travelers to the destination for leisure, meetings and conventions.

The SDTA is a membership organization with more than 900 member businesses across all sectors of the industry including accommodations, restaurants, transportation, venues, professional sports, attractions, arts, entertainment, professional services, event planners and more.



An aerial photograph of San Diego, California, showing the city skyline, the San Diego Bay, and the Mission San Diego in the foreground. The sky is blue with some clouds.

ONE OF AMERICA'S COOLEST CITIES

— FORBES

A SUMMER OF ECONOMIC POWER

Summer 2023 in San Diego is officially here! As the tourism industry continues to rebound from the pandemic, travel demand increases, and conventions and events are back in swing, it's high season to recognize and unpack the direct and hidden value of San Diego's tourism industry.

Tourism is a vital part of San Diego's economy and lifestyle, sustaining a diverse range of jobs across several sectors, and driving economic activity far outside the bounds of what has traditionally been considered tourism.

While many of its benefits to the region are widely known, this industry creates public investment and economic activity that may not always be obvious.

When the tourism industry thrives, San Diegans reap the positive outcomes in many ways. A report by the San Diego Regional Policy & Innovation Center and the San Diego Tourism Authority found that, in total, the local tourism industry generates about 8 percent of San Diego's total annual economic output. Moreover, in 2022, tourism generated more than \$1 billion in tax revenues for municipalities across San Diego County, which were used to fund everything from fire safety to infrastructure. Those revenues also eased the tax burden of local residents by an average of almost \$1,000 per household in 2022.



TOURISM BENEFITS: MORE THAN LEISURE & HOSPITALITY

TOURISM BENEFITS TO THE REGION EXTEND WELL BEYOND THE TYPICAL LEISURE AND HOSPITALITY INDUSTRIES

Local visitor spending includes more than \$3 billion each spent on accommodations and full-service restaurants; \$2 billion spent on local attractions such as amusement parks, arcades, museums, sports and concerts; \$1.5 billion on retail; and more than \$1 billion each was spent on other food and drinking places and transportation. But the economic power of these dollars is felt far beyond the leisure and hospitality component of the industry.

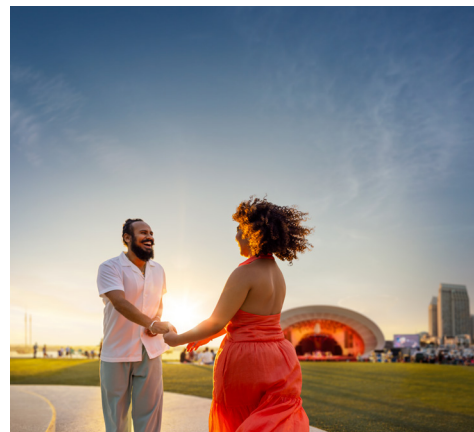
Of the 214,000 jobs supported by tourism dollars in the region, around half are leisure and hospitality jobs, with the other 100,000-

plus jobs being found in industries as diverse as transportation, information, finance and insurance; real estate; and professions such as accountants, lawyers and judges.

In addition, the substantial indirect effects of this industry on the region cannot be disputed. Visitor spending in direct tourism industries cascades into other sectors, driving economic activity in real estate, management of companies and enterprises, employment services and various other areas for the benefit of all San Diegans.

In 2022, the total indirect output of visitor spending in San Diego amounted to \$4.24 billion, 19 percent of tourism's total impact on the region. Visitors coming to San Diego of course spend money on direct tourism industries, but the businesses in those industries in turn purchase goods and services, some of which they source locally. These can include spending on financing and legal support to open a new establishment; IT services to set up systems for these businesses; and transportation of goods such as tourism-industry companies stocking and restocking items that are used or purchased by visitors during their stay.

In addition to business spending by tourism companies in the region, the region also benefits from an additional \$4.9 billion boost to its coffers, or 22 percent of tourism's impact, as workers in the industry spend their pay checks at local businesses, schedule medical and dental care visits, rent an apartment or buy a home; basically, on expenditures on items these workers need to conduct their daily lives.



VISITORS SPENT MORE AND EXTENDED THEIR STAYS

In 2022, San Diego experienced record-setting visitor spending and longer stays. In 2022, \$13.6 billion of visitor spending generated by 28.8 million visitors in San Diego eclipsed the \$11.6 billion spent here in 2019, despite there being 6 million fewer visitors. This is in large part because of inflation, but it's also because visitors last year spent more time in San Diego, on average, than they did pre-pandemic. Overnight visitors stayed an average of 4.2 nights in America's Finest City in 2022 versus 3.7 nights they spent here in 2019. While that may not sound like much of a difference, it means that even though there were 6 million fewer visitors than three years ago, San Diego hotels still sold a total of 17 million room nights in 2022. That is just shy of the 17.7 million room nights sold in 2019. However, hotels enjoyed record revenues in 2022 amid higher nightly rates, bringing in \$3.5 billion in 2022 versus \$3.0 billion in 2019, a 17.6% increase.



A THRIVING TOURISM ECONOMY BENEFITS ALL OF SAN DIEGO

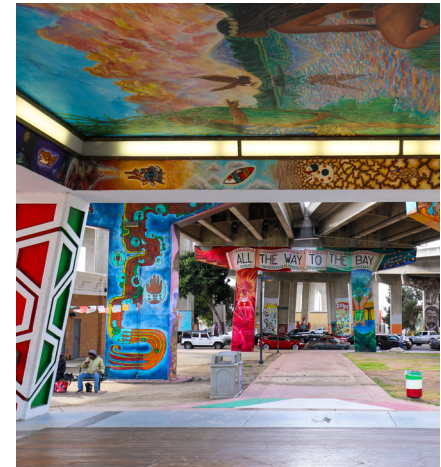
In 2022, the regional tourism industry generated more than \$1 billion in tax revenues across San Diego County, including \$360 million in Transient Occupancy Tax (TOT). Specifically in the City of San Diego, the tourism industry generated more \$259.1 million in TOT in addition to spurring sales tax revenue and other economic activity in 2022.

The lives of visitors to our region and San Diego residents are inextricably connected beyond sharing a great quality of life.

By generating TOT, which is tax collected on hotel room nights by guests staying in overnight accommodations in the City of

San Diego, the tourism industry creates tax revenue that can be used for funding investments in the local community.

With TOT revenue generation for the City of San Diego's General Fund, the tourism industry helps fund essential services and invests in public infrastructure that directly benefits our region. Essential services include public safety, lifeguards, trash collection and recycling, libraries, parks and recreation, among others. Investments in local, public infrastructure can include roads, streetlights, traffic lights, storm drains, and sidewalks and much more.





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