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The Economic Review of the Travel Industry in Montana
2014 Biennial Edition
The Economic Review of the Travel Industry in Montana

2014 Biennial Edition

Kara Grau, M.S., Jacob Jorgenson, M.S., Norma Nickerson, Ph.D.

12/10/2014

This edition of the Economic Review is intended to document the nature and impact of the nonresident travel industry on the state of Montana using the most current information available, as well as providing a historic perspective using time series data when possible.
The Economic Review of the Travel Industry in Montana
2014 Biennial Edition

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December, 2014

This study was funded by the Lodging Facility Use Tax

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Abstract
In this 8th edition of The Economic Review of the Travel Industry in Montana, both historical and current data related to the nonresident travel industry in the state are presented. Over the years, the number of nonresident travelers visiting the state has generally continued to increase, (over 11 million travelers in 2013, with a similar number projected for 2014) along with the associated spending in Montana (an estimated $3.98 billion during 2014). Likewise, the impact of nonresident travel on the state’s economy has generally followed an upward trend, with an estimated combined industry output of $5.11 billion and over 55,000 jobs supported by nonresident travel spending in 2014 (preliminary estimates).

Executive summary
- In 2013, nonresident travelers in Montana spent an estimated $3.62 billion, which generated approximately $4.47 billion in economic activity to the state’s economy. Preliminary estimates for 2014 project approximately $3.98 billion in spending, resulting in an economic contribution of approximately $5.1 billion to Montana’s economy.

- Over 11 million nonresident travelers were in Montana in 2013, with preliminary estimates for 2014 appearing to be level with 2013. While the number of travel groups increased slightly in 2014, according to these preliminary estimates, the number of people per group was down (2013 average group size of 2.24 people versus 2014 average group size of 2.21).

- In 2013, nonresident visitor spending directly supported over 33,000 travel jobs in Montana, and contributed to a total of over 48,800 jobs, leading to over $1.5 billion in total personal income. Preliminary 2014 estimates show an increase in travel supported employment to 55,000 jobs.

- The nonresident travel industry in Montana supports 8.7 percent of the state’s total employment and 3.8 percent of total personal income in Montana.

- As of 2012, Montana ranks 41st in the U.S. for tourist spending, but 6th in the nation in per capita tourist spending.

- Nonresident vacationers to Montana in 2013 came primarily from the U.S. (79%), while 17 percent came from Canada and five percent came from other foreign countries.

- Mountains and forests; Yellowstone and Glacier National Parks; and open space and uncrowded areas were the most frequent attractions for vacationers in Montana, while scenic driving, day hiking, and nature photography are the most popular activities.

- Deboardings in Montana airports are up 7.6 percent in 2014 (projected), while Amtrak ridership has significantly decreased (-20%, 2014p).

- The hotel industry, food service industry, and arts, entertainment and recreation services in Montana all saw improvements in 2013 over 2012.
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Section 1: Economic Impact of Nonresident Travel

Introduction
An introduction to this review and the travel industry.

Travel and the Economy
A brief analysis of the travel industry within the Montana economy.

Travel Volume
Data on nonresident travelers in Montana.

Travel Expenditures
Time-series data on travel expenditures in Montana with comparisons to changes in the overall state economy.

Travel-Generated Income
Time-series data on travel-generated and overall income in Montana.

Travel-Generated Employment
Overview of employment created within the travel industry sectors, seen in relation to other non-farm employment.

Montana Employment Structure
Current and historic make-up of Montana’s employment structure.

Travel-Generated Tax Revenue
Itemization of funds received by governments from taxes generated by nonresident travelers.
Introduction
This publication marks the eighth edition of the biennial report, *The Economic Review of the Travel Industry in Montana*. This review provides current and historical data of nonresident travel and tourism in Montana, and offers a look at the industry’s contribution to the economy in the state. In most cases, this report provides updated information for 2012 and 2013, and preliminary 2014 data if available. In order to provide the most objective data and analysis, only the most impartial sources were used and are noted throughout the report.

Defining Travel and the Travel Industry
The definition of travel is not necessarily clear cut. The Institute for Tourism and Recreation Research (ITRR) at the University of Montana uses two definitions distinguished by the type of traveler, nonresident or resident. When Montana residents travel within the state, they are termed “resident travelers.” “Nonresident travelers” are those who travel within Montana, but do not maintain permanent residency in the state.

Another complication is the definition of the travel industry itself. It is difficult to define because of its diverse and complex nature, comprised of different industry segments such as airlines, food services, accommodations, retail and others. These industries are related not because of the nature of their product, but because of a common consumer—the traveler. The difficulty of measuring the travel industry is compounded by the fact that these industry segments generally derive only a portion of their business from travelers.

This diversity can be viewed as a strength for the industry. In the words of the U.S. Travel Association (pg 4, TIA, 2005):

> A very wide range of businesses and their employees ultimately benefit from travelers. Buses, automobiles, airlines, rail, and other transportation companies bring travelers into an economic region. These consumers in turn purchase products and services offered by local lodging establishments, restaurants, amusement, recreational and entertainment establishments, and general retail outlets. This process creates many employment and business opportunities, all of which help sustain and expand the local economy.

Furthermore, the travel industry contributes to a diversified economic base, making the economy of a tourism area much more resilient than one relying on a single industry. This is especially true when it comes to the effects of adverse economic conditions, shifting consumer preferences, technological advances, and other economic influences. Some still doubt the importance of the travel and tourism
industry. In Montana, however, nonresident travel contributes jobs to every industrial sector, directly or indirectly\(^1\).

As for the industry’s potential weaknesses, it faces several challenges due to the varied nature of the types of businesses that benefit from tourism and travel in general. The same economic complexity that is one of the industry’s strengths also makes it hard to quantitatively measure and compare to other, more easily quantifiable, industries. As a consequence, government officials, business executives, and the general public have been slow in grasping the significance of the industry. This lack of recognition is perhaps the industry’s greatest hurdle and can make it vulnerable to unfavorable policy decisions and negative press. However, the aftermath of the terrorist attacks of September 11, 2001 illustrated the importance of the travel industry as an integral part of national and state economies. In the years that have followed, the tourism industry’s importance has gained clout both as a source of employment and income, but also as an indicator of the overall health of the economy. Likewise, the hit the travel industry took during the 2008-2010 recession and the effect of the Gulf oil spill on regional tourism reemphasized the important role that travel plays in the economy.

**Publication Notes**

Most information in this report is given both in text and table format, and all sources are indicated. In addition to research publications, ITRR sources include figures estimated using the IMPLAN V3\(^2\) input-output economic model.

This publication focuses on the impact of spending by nonresidents in Montana because these travelers bring out-of-state dollars to the state’s economy. The Institute concentrates its data collection at the statewide level and focuses on nonresident dollars moving into the Montana economy rather than between counties and communities within the state.

The Institute would be remiss not to mention the contribution of Montana resident travelers. Based on a 2011-12 statewide survey\(^3\), Montana residents spend over $861 million (2014$) per year on pleasure travel within the state. How these resident dollars are distributed across sectors and between counties has not yet been determined. It is hoped that readers of this report recognize that what is documented here does not reflect every aspect of Montana’s total travel industry.

In order to clarify the use of some terms found in this report, a discussion of their meanings is necessary. The term expenditure refers to the estimated dollars spent by nonresidents traveling in Montana. Expenditures are estimated by surveying nonresidents, which has been done continually since July, 2009, recording their travel spending, and inputting the data into the Institute’s Nonresident

---

\(^1\) Grau, 2007.
\(^3\) Grau and Nickerson, 2012.
Expenditure Estimation Model\textsuperscript{4}. Impacts, however, are various economic effects to Montana’s economy by nonresident travelers based on their spending, and are estimated in the IMPLAN V3 input-output model. This aggregated economic model produces three types of impacts which describe the contribution of travel spending to Montana’s economy: 1) direct impacts result from the purchases of goods and services made by nonresident travelers; 2) indirect impacts result from the purchases made by travel-related businesses (e.g., suppliers); and 3) induced impacts result from purchases by those employed in travel-related occupations. The total impact is the sum of these impacts. Unless otherwise noted, all travel industry figures (economic impacts, income, employment, and taxes) in Section 1 are the total impact.

It is important to note that one dollar of travel spending can generate different amounts of personal income within the various travel industry sectors, depending on the labor content and the wage structure of each sector. Additionally, the same direct impact can generate various levels of indirect and induced effects, depending on the availability of raw materials and labor within an economic region. The more inputs that need to be imported from outside the region to generate a final product, the smaller the impacts on Montana.

Readers should note that the 2012, 2013 and preliminary 2014 impacts were generated using IMPLAN’s Montana 2012 dataset and updated structural matrices. Datasets for IMPLAN are generated using economic data collected from federal agencies such as the Bureau of Labor Statistics and the Bureau of Economic Analysis. Based on this data, there are 344 industries in Montana reflected in the model. 2014 preliminary impacts are included in this publication, but readers should be aware that final 2014 estimates of the economic contribution of nonresident travel to Montana’s economy may be noticeably different from the preliminary estimates. 2014 final estimates will be prepared using newly released 2013 IMPLAN data, which has some significant changes from the 2012 IMPLAN data, including: incorporation of new Bureau of Economic Analysis Benchmark input-output tables; data from the latest BEA regional economic accounts, the 2012 Economic Census, the 2012 Census of Agriculture, Bureau of Labor Statistics QCEW dataset, preliminary 2012 Commodity Flow Survey results, among many more; increased industry detail from 440 to 536 sectors; enhanced use of demographic data from the Census Bureau’s American Community Survey on county- and zip code-level estimates of household income distributions\textsuperscript{5}. It is too early to know what differences attributable to these IMPLAN data changes may appear in the final 2014 estimates, but it is mentioned here so that readers are aware. Final 2014 estimates will be published on ITRR’s website in late May 2015.

The Institute’s Nonresident Visitation Estimation Model and Nonresident Expenditure Estimation Model data are annually updated (beginning July, 1, 2009). Traffic volume data and proportion counts of residents and nonresidents entering the state are also revised in the Nonresident Visitation Estimation

\textsuperscript{4} Total Annual Nonresident Expenditures = (number of groups)(average daily spending per group)(length of stay)

\textsuperscript{5} For more information, see IMPLAN: http://implan.com/index.php?option=com_content&view=article&id=505
Model each year. Nonresident data from 2010 - 2013 are based on full calendar years. However, 2014 4th quarter is based on 2013 4th quarter data in the Institute’s Nonresident Expenditure Estimation Model. Most recent information includes expenditure data, visitor characteristics, length of stay and travel group size.

Lastly, in regard to currency reporting, all dollar figures in this review are inflation-adjusted to 2014 dollars to isolate changes in revenue, income, receipts, etc. from the effects of inflation. The index used to adjust dollar figures is the U.S. Department of Labor’s Consumer Price Index, All Urban Consumers (CPI-U⁶).

Travel and the Economy
Travel volume in Montana and the United States is influenced by economic conditions at the local, national and global levels. Travel to and within Montana affects the state economy, along with local economies within the state. As this report briefly shows, the travel industry can have considerable impact on a region’s economic conditions, while itself being strongly influenced by economic conditions elsewhere. Changes in the economy have the power to impact travel volume and travel spending, which in turn affects the related economic benefits associated with travel spending. Much of this spending serves to redistribute funds to where people travel, such as from urban to rural areas or from rapidly growing areas to slower-growing ones.

Travel and Tourism: A Powerful Economic Force
Tourism’s contribution to Montana’s economy had been on an upward trend until 2008 when gas prices and the recession began affecting travel. However, recent results show a progressive increase in nonresident expenditure impacts. In 2012, total impacts by nonresident travelers to Montana were $4.23 billion in total industry output (Table 1). In 2013, total impacts by nonresident travelers to Montana were shown as $4.47 billion (Table 1). 2014 preliminary total impacts are approximately $5.11 billion (Table 1). As spending has increased in the past three years, so have nonresident travel-generated taxes at the state and local levels.

Part of the state tax revenue is generated by nonresident travelers’ contributions to the statewide Accommodations Tax (currently at 7%). Three percent of the seven percent goes to the State General Fund. The remaining four percent is distributed to the Montana Historical Society, the University Travel Research Program, the Department of Revenue, Montana State Parks, the Montana Trade Program and the Department of Commerce, which in turn distributes funds to communities and regions across the state. Further tax discussion is provided in the Travel-Generated Tax Revenue section.

Travel throughout the Economic Cycle
The travel industry is not immune to economic downturns, but it is considered to be relatively hardy during recessions. Although travelers are likely to take shorter trips, less expensive trips, or fewer business trips, historically, they have still traveled enough to keep the travel industry viable during recessionary periods. History has many examples. The recession of 1991-92, which coincided with the Gulf War and its inflating effect on fuel prices slowed down travel, but only briefly. In 2000, as the overall economy started showing signs of a slow-down, strong consumer confidence and persistent consumer spending contributed to continued growth of the industry. Nationally, tourism took a hit as the effects of September 11, 2001 rippled through the economy, but Montana maintained their level of visitation and the U.S. travel industry quickly rebounded. The extremely high fuel prices in the summer of 2008, as well as the first effects of the recession hitting the nation’s economy, contributed to the first ever recorded decrease in visitation and nonresident traveler spending in Montana.
Since the 2008-2010 recession, however, Montana has experienced continual visitation and spending increases. In spite of that, it wasn’t until 2013 that nonresident spending and visitation finally surpassed the 2007 expenditure and visitation numbers. It took Montana five years to get back on the same trajectory that was being experienced from 2003 through 2007 (Table 2, Figures 1 & 2). Consumer confidence, lower unemployment, and household debt reduction has contributed to this increase in desire and ability to travel.

Table 1 – Economic Contribution\(^1\) of Nonresident Travel Spending in Montana, 2012, 2013 & Preliminary 2014

<table>
<thead>
<tr>
<th>Key Measurement</th>
<th>Direct Impact</th>
<th>Indirect Impact</th>
<th>Induced Impact</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012 Impacts (2014$)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Industry Output(^2)</td>
<td>$2,734,100,000</td>
<td>$877,300,000</td>
<td>$765,700,000</td>
<td>$4,377,100,000</td>
</tr>
<tr>
<td>Contribution to Individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Income(^3)</td>
<td>$832,500,000</td>
<td>$232,200,000</td>
<td>$230,700,000</td>
<td>$1,295,400,000</td>
</tr>
<tr>
<td>Employment(^4)</td>
<td>29,750</td>
<td>6,550</td>
<td>6,600</td>
<td>42,900</td>
</tr>
<tr>
<td>Contribution to Governments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$297,100,000</td>
</tr>
<tr>
<td>State/Local Taxes(^5)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$223,800,000</td>
</tr>
<tr>
<td><strong>2013 Impacts (2014$)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Industry Output(^2)</td>
<td>$2,903,100,000</td>
<td>$769,400,000</td>
<td>$886,300,000</td>
<td>$4,558,800,000</td>
</tr>
<tr>
<td>Contribution to Individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Income(^3)</td>
<td>$998,200,000</td>
<td>$240,600,000</td>
<td>$295,500,000</td>
<td>$1,534,300,000</td>
</tr>
<tr>
<td>Employment(^4)</td>
<td>33,670</td>
<td>6,380</td>
<td>8,210</td>
<td>48,260</td>
</tr>
<tr>
<td>Contribution to Governments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$320,300,000</td>
</tr>
<tr>
<td>State/Local Taxes(^5)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$240,600,000</td>
</tr>
<tr>
<td><strong>2014 Preliminary Impacts (2014$)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Industry Output(^2)</td>
<td>$3,257,800,000</td>
<td>$843,700,000</td>
<td>$1,011,900,000</td>
<td>$5,113,400,000</td>
</tr>
<tr>
<td>Contribution to Individuals</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Income(^3)</td>
<td>$1,144,900,000</td>
<td>$267,100,000</td>
<td>$336,700,000</td>
<td>$1,748,800,000</td>
</tr>
<tr>
<td>Employment(^4)</td>
<td>38,870</td>
<td>7,050</td>
<td>9,350</td>
<td>55,270</td>
</tr>
<tr>
<td>Contribution to Governments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$365,600,000</td>
</tr>
<tr>
<td>State/Local Taxes(^5)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$276,700,000</td>
</tr>
</tbody>
</table>

Source: ITRR;
\(^1\)Definitions: Direct impacts result from nonresident traveler purchases of goods and services; Indirect impacts result from purchases made by travel-related businesses (e.g., suppliers); Induced impacts result from purchases by those employed in travel-related occupations. The total impact is the sum of these impacts.
\(^2\)Industry output is the value of goods and services produced by an industry which nonresidents purchase.
\(^3\)Comprises both employee compensation and proprietor income.
\(^4\)Includes full-and part-time average annual jobs.
\(^5\)CHANGE: The IMPLAN data set now incorporates state-level BEA TOPI (taxes on production and imports) data, rather than using U.S. data to produce state-level estimates, as was done in previous IMPLAN data sets. Comparison to years prior to 2012 is not advised.
Travel Volume

Nonresident Travel in Montana

- Nonresident travel to Montana, including both pleasure and business travel\(^7\), continued recovering from the recession starting in 2010 with an increase of approximately 2.0 percent each year 2011 through 2013 (Table 2, Figure 1). Preliminary 2014 data project essentially level nonresident traveler numbers, and show a 12 percent increase over 2004.

- Nonresident travel groups (2.24 nonresident travelers per group in 2013; projected 2.21 travelers per group in 2014) increased 1.0 percent from 2013 to 2014 (projected). Comparing 2004 to 2014, groups of nonresident travelers increased 16.0 percent (Table 2).

- Of the 4.9 million visitor groups in Montana in 2013, 33 percent visited primarily for vacation or recreation, down slightly from the 36 percent of groups vacationing in 2012. Visitor groups passing through the state held steady at 31 percent in 2012 and 2013 (Figures 3 and 4).

Table 2 - Montana Nonresident Travel Volume, 2004-2014\(^p\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Nonresident Visitors</th>
<th>Percent change from previous year</th>
<th>Nonresident Travel Groups</th>
<th>Percent change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>9,800,000</td>
<td>1.3%</td>
<td>4,241,000</td>
<td>1.5%</td>
</tr>
<tr>
<td>2005</td>
<td>10,126,000</td>
<td>3.3%</td>
<td>4,129,000</td>
<td>-2.6%</td>
</tr>
<tr>
<td>2006</td>
<td>10,378,000</td>
<td>2.5%</td>
<td>4,236,000</td>
<td>2.6%</td>
</tr>
<tr>
<td>2007</td>
<td>10,684,000</td>
<td>2.9%</td>
<td>4,360,000</td>
<td>2.9%</td>
</tr>
<tr>
<td>2008</td>
<td>10,000,000</td>
<td>-6.4%</td>
<td>4,092,000</td>
<td>-6.1%</td>
</tr>
<tr>
<td>2009</td>
<td>9,992,000</td>
<td>-0.1%</td>
<td>4,101,000</td>
<td>0.2%</td>
</tr>
<tr>
<td>2010</td>
<td>10,377,000</td>
<td>3.9%</td>
<td>4,325,000</td>
<td>5.5%</td>
</tr>
<tr>
<td>2011</td>
<td>10,547,000</td>
<td>1.6%</td>
<td>4,515,000</td>
<td>4.4%</td>
</tr>
<tr>
<td>2012</td>
<td>10,768,000</td>
<td>2.1%</td>
<td>4,830,000</td>
<td>7.0%</td>
</tr>
<tr>
<td>2013</td>
<td>11,019,000</td>
<td>2.3%</td>
<td>4,871,000</td>
<td>0.8%</td>
</tr>
<tr>
<td>2014p</td>
<td>10,982,000</td>
<td>-0.3%</td>
<td>4,921,000</td>
<td>1.0%</td>
</tr>
<tr>
<td>Total Increase 2004-2014</td>
<td>1,182,000</td>
<td>12.1%</td>
<td>680,000</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

\(^7\) While nonresident travel to Montana includes both leisure and business travel, excluded from the survey are occupants of business vehicles such as semi-trucks, as well as vehicles with state and federal government license plates.
Figure 1 – Montana Nonresident Visitors, 2004-2014

Source: ITRR

Figure 2 – Montana Nonresident Travel Groups, 2004-2014

Source: ITRR

Figure 3 - MT Nonresident Visitor Primary Purpose of Travel, 2012

Source: ITRR

Figure 4 - MT Nonresident Visitor Primary Purpose of Travel, 2013

Source: ITRR
Nonresident Travel Expenditures in Montana

- In 2013, nonresident travelers spent an estimated total of $3.62 billion on travel-related goods and services in the state. It is projected that during 2014, nonresident travelers spent an estimated $3.98 billion. Fuel purchases accounted for 32 percent of total nonresident traveler spending in both 2013 and 2014. (Figures 5 and 6)

- Retail sales and purchases at restaurants or bars constituted the second- and third-largest spending categories in both 2013 and 2014 (preliminary). 2013 retail and restaurant sale totaled nearly $704 million and $625 million, consecutively. Preliminary estimates for 2014 are $708 million in restaurant and bar spending, and $675 million on retail.

Figure 5 - Nonresident Travel Expenditures and Distribution, 2013

Source: ITRR
Figure 6 - Nonresident Travel Expenditures and Distribution, 2014 (preliminary estimate)

2014p Total Nonresident Travel Expenditures: $3.98 billion

- Gasoline, Diesel: 32%
- Restaurant, Bar: 18%
- Retail sales: 17%
- Hotel, Motel: 9%
- Groceries, Snacks: 9%
- Auto Rental: 6%
- Outfitter, Guide: 6%
- Transportation Fares: <1%
- Gambling: <1%
- Campground, RV Park: 1%
- Misc. Services: 1%
- Vehicle Repairs: 1%
- License, Entrance Fees: 2%
- Rental cabin, Condo: 2%
- Vehicle Repairs: 1%
- License, Entrance Fees: 2%

Source: ITRR
Nonresident Travel Expenditure Trends

- Since 2010, estimates of nonresident travel expenditures have been increasing annually. In 2013, spending totaled $3.62 billion ($3.69 in 2014$). Preliminary estimates for 2014 put statewide travel spending $3.98 billion. (Table 3)

- As of 2013, nonresident travel expenditures constituted 8.4 percent of Montana’s Gross Domestic Product. (Table 3)

### Table 3 - Nonresident Travel Expenditures and Gross Domestic Product by State, 2004-2014p

<table>
<thead>
<tr>
<th>Year</th>
<th>Nonresident Travel Expenditures in Montana (millions 2014$)</th>
<th>% change from previous year</th>
<th>Gross Domestic Product by State1 (millions 2014$)</th>
<th>% change from previous year</th>
<th>Nonresident Travel Expenditures as % of GDP by State</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$2,461</td>
<td>1.7%</td>
<td>$34,416</td>
<td>5.6%</td>
<td>7.2%</td>
</tr>
<tr>
<td>2005</td>
<td>$3,349</td>
<td>N/A2</td>
<td>$35,947</td>
<td>4.4%</td>
<td>9.3%</td>
</tr>
<tr>
<td>2006</td>
<td>$3,432</td>
<td>2.5%</td>
<td>$37,347</td>
<td>3.9%</td>
<td>9.2%</td>
</tr>
<tr>
<td>2007</td>
<td>$3,533</td>
<td>2.9%</td>
<td>$39,527</td>
<td>5.8%</td>
<td>8.9%</td>
</tr>
<tr>
<td>2008</td>
<td>$3,009</td>
<td>-14.8%</td>
<td>$38,844</td>
<td>-1.7%</td>
<td>7.7%</td>
</tr>
<tr>
<td>2009</td>
<td>$2,691</td>
<td>-10.6%</td>
<td>$37,952</td>
<td>-2.3%</td>
<td>7.1%</td>
</tr>
<tr>
<td>2010</td>
<td>$2,664</td>
<td>-1.0%</td>
<td>$39,144</td>
<td>3.1%</td>
<td>6.8%</td>
</tr>
<tr>
<td>2011</td>
<td>$2,928</td>
<td>9.9%</td>
<td>$39,452</td>
<td>0.8%</td>
<td>7.4%</td>
</tr>
<tr>
<td>2012</td>
<td>$3,380</td>
<td>15.4%</td>
<td>$42,757</td>
<td>8.4%</td>
<td>7.9%</td>
</tr>
<tr>
<td>2013</td>
<td>$3,694</td>
<td>9.3%</td>
<td>$44,040</td>
<td>3.0%</td>
<td>8.4%</td>
</tr>
<tr>
<td>2014p</td>
<td>$3,978</td>
<td>7.7%</td>
<td>N/A</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: ITRR

1 “GDP by State” is simply defined by the BEA as “the value added in production by the labor and property located in a state.” GDP is a similar concept but at the national level (and includes military expenses abroad). For more detail, see (Beemiller & Wells, 1999).

2 Due to new data in the Institute’s Nonresident Visitation Estimation Model and Nonresident Expenditure Estimation Model, the 2005 figure should not be compared to previous years.
Travel-Generated Income

Personal income generated from the expenditures of nonresident visitors to Montana is comprised of two categories: employee compensation, which is wages and salary income paid to employees of businesses within the travel industry; and proprietors’ income, which is the income of self-employed workers in businesses serving travelers.

- Preliminary 2014 estimates indicate that total personal income paid by travel-related firms in Montana attributable to nonresident travelers’ spending is over $1.7 billion for the year (Table 4).

- On average, every dollar spent by nonresident travelers in Montana in 2013 generated 41.5 cents in wage and salary income for state residents (the equivalent preliminary estimate for 2014 is 43.9 cents). The national equivalent is 23.6 cents.8 Personal income generated by nonresident spending in Montana constituted 3.8 percent of Montana residents’ total personal income in 2013, compared to 1.5 percent at the national level.9

Figure 7 - Change in Travel-Generated and Total Montana Personal Income, 2008-2014p

<table>
<thead>
<tr>
<th>Year</th>
<th>Travel-Generated Personal Income (millions 2014$)</th>
<th>% change from previous year</th>
<th>Total Personal Income (millions 2014$)</th>
<th>% change from previous year</th>
<th>Travel-Generated Income as % of Total Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$1,137</td>
<td>-18.7%</td>
<td>$37,363</td>
<td>1.3%</td>
<td>3.0%</td>
</tr>
<tr>
<td>2009</td>
<td>$998</td>
<td>-12.2%</td>
<td>$36,646</td>
<td>-1.9%</td>
<td>2.7%</td>
</tr>
<tr>
<td>2010</td>
<td>$994</td>
<td>-0.4%</td>
<td>$37,314</td>
<td>1.8%</td>
<td>2.7%</td>
</tr>
<tr>
<td>2011</td>
<td>$1,112</td>
<td>11.9%</td>
<td>$38,665</td>
<td>3.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>2012</td>
<td>$1,295</td>
<td>16.5%</td>
<td>$40,075</td>
<td>3.6%</td>
<td>3.2%</td>
</tr>
<tr>
<td>2013</td>
<td>$1,534</td>
<td>18.5%</td>
<td>$40,558</td>
<td>1.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2014p</td>
<td>$1,748</td>
<td>14.0%</td>
<td>N/A</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>


8 U.S. Travel Association, 2014: 2013 U.S. travel-generated payroll divided by total travel expenditures in the U.S.
9 Based on Bureau of Economic Analysis (SA04) and U.S. Travel Association estimates.
Travel-Generated Employment

Tourism is not a specifically defined industry, which can make it difficult to gauge the importance of travel to Montana’s economy in terms of employment and income. The travel industry is quite diverse, and, therefore, supports a wide variety of jobs throughout the state, both full- and part-time, year-round and seasonal. Nonresident travel supports jobs in every one of Montana’s industry segments (Table 6).

- In 2013, nonresident travel expenditures supported, directly or indirectly, over 48,000 jobs in Montana. Preliminary estimates for 2014 place the number of jobs supported at over 55,000. (Table 5)

- It is estimated that every $75,100 spent by nonresident travelers in Montana in 2013 supported one job in the state. Preliminary estimates for 2014 indicate one job supported for every $71,980 spent. The estimated equivalent figure for the U.S. in 2013 is $112,930.10

Table 5 - Travel-Generated and Total Montana Non-Farm Employment¹, 2008-2014p

<table>
<thead>
<tr>
<th>Year</th>
<th>Travel-Generated Employment</th>
<th>% change from previous year</th>
<th>Total Non-Farm Employment</th>
<th>% change from previous year</th>
<th>Travel-Generated Employment as % of Total Non-Farm Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>39,560</td>
<td>-20.7%</td>
<td>605,828</td>
<td>0.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2009</td>
<td>33,040</td>
<td>-16.5%</td>
<td>589,088</td>
<td>-2.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>2010</td>
<td>34,210</td>
<td>3.5%</td>
<td>584,354</td>
<td>-0.8%</td>
<td>5.9%</td>
</tr>
<tr>
<td>2011</td>
<td>38,840</td>
<td>13.5%</td>
<td>590,651</td>
<td>1.1%</td>
<td>6.6%</td>
</tr>
<tr>
<td>2012</td>
<td>42,900</td>
<td>10.5%</td>
<td>602,437</td>
<td>2.0%</td>
<td>7.1%</td>
</tr>
<tr>
<td>2013</td>
<td>48,260</td>
<td>12.5%</td>
<td>609,831</td>
<td>1.2%</td>
<td>7.9%</td>
</tr>
<tr>
<td>2014p</td>
<td>55,270</td>
<td>14.5%</td>
<td>N/A</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Sources: ITRR; U.S. Bureau of Economic Analysis (SA25N).
¹Employment denotes full-time and part-time jobs.
*BEA 2014 data unavailable.

10 U.S. Travel Association, 2014; 2013 total travel expenditures divided by travel-generated employment.
Figure 8 – Change in Travel-Generated and Total Montana Non-Farm Employment, 2008-2014p

Sources: ITRR; U.S. Bureau of Economic Analysis (SA25N).
*BEA 2014 data unavailable.
Montana’s Employment Structure

The Travel Industry’s Market Share in Montana

Table 6 displays the number of jobs in each sector attributed to nonresident travel in the state (estimated using IMPLAN software). Total employment in each sector, after nonresident travel generated jobs have been accounted for, is displayed in Table 7.

- Jobs supported by nonresident travel in Montana in 2014 (preliminary) are estimated to total over 55,000. Nonresident travel supports a significant portion of the employment in a number of industries in Montana, and accounts for at least a small percentage of employment in every industry sector in the state. (Table 6)

- Employment in the service industry is the highest of all industry sectors in Montana, accounting for 34 percent of all employment in the state. State and local government employment makes up 11 percent of the jobs in Montana, while retail trade and nonresident travel supported jobs each account for approximately 9 percent of employment (Figure 9, Table 7).

Table 6 - Employment Attributable to Nonresident Travel, 2014p

<table>
<thead>
<tr>
<th>Employment Sectors</th>
<th>Total Industry Employment (2013)</th>
<th>Nonresident Travel-Generated Employment (2014p)</th>
<th>Nonresident Travel-Generated Employment as % of Sector Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Trade</td>
<td>72,050</td>
<td>12,866</td>
<td>17.9%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>19,057</td>
<td>3,165</td>
<td>16.6%</td>
</tr>
<tr>
<td>Services</td>
<td>250,404</td>
<td>33,909</td>
<td>13.5%</td>
</tr>
<tr>
<td>Information</td>
<td>8,662</td>
<td>526</td>
<td>6.1%</td>
</tr>
<tr>
<td>Real Estate, Rental &amp; Leasing</td>
<td>27,992</td>
<td>1,685</td>
<td>6.0%</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>19,927</td>
<td>898</td>
<td>4.5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,282</td>
<td>108</td>
<td>3.3%</td>
</tr>
<tr>
<td>Federal</td>
<td>13,076</td>
<td>272</td>
<td>2.1%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>25,704</td>
<td>443</td>
<td>1.7%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>22,619</td>
<td>329</td>
<td>1.5%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>28,916</td>
<td>301</td>
<td>1.0%</td>
</tr>
<tr>
<td>Construction</td>
<td>42,415</td>
<td>340</td>
<td>0.8%</td>
</tr>
<tr>
<td>Forestry, Fishing &amp; Hunting</td>
<td>7,548</td>
<td>39</td>
<td>0.5%</td>
</tr>
<tr>
<td>State &amp; Local</td>
<td>73,423</td>
<td>370</td>
<td>0.5%</td>
</tr>
<tr>
<td>Mining</td>
<td>15,373</td>
<td>22</td>
<td>0.1%</td>
</tr>
<tr>
<td>Military</td>
<td>8,299</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>638,747</strong></td>
<td><strong>55,274</strong></td>
<td><strong>8.7%</strong></td>
</tr>
</tbody>
</table>

Sources: ITRR; U.S. Bureau of Economic Analysis (SA25N). † Nonresident travel employment figures are ITRR estimates based on expenditures. Travel is not an isolated industry since activity associated with travel is part of other sectors. ITRR has estimated the impacts of nonresident travel to various sectors and subtracted those impacts from the affected industries’ employment figures to avoid double-counting.
The Economic Review of the Travel Industry in Montana 2014

Figure 9 - Montana's Employment Structure, 2014

Table 7 - Employment Structure in Montana, 2014

<table>
<thead>
<tr>
<th>Employment Sectors</th>
<th>Number of Jobs</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>216,495</td>
<td>33.9%</td>
</tr>
<tr>
<td>State &amp; Local</td>
<td>73,053</td>
<td>11.4%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>59,184</td>
<td>9.3%</td>
</tr>
<tr>
<td>Nonresident Travel</td>
<td>55,273</td>
<td>8.7%</td>
</tr>
<tr>
<td>Construction</td>
<td>42,075</td>
<td>6.6%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>28,615</td>
<td>4.5%</td>
</tr>
<tr>
<td>Real Estate, Rental &amp; Leasing</td>
<td>26,307</td>
<td>4.1%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>25,261</td>
<td>4.0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>22,290</td>
<td>3.5%</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>19,029</td>
<td>3.0%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>15,892</td>
<td>2.5%</td>
</tr>
<tr>
<td>Mining</td>
<td>15,351</td>
<td>2.4%</td>
</tr>
<tr>
<td>Federal</td>
<td>12,804</td>
<td>2.0%</td>
</tr>
<tr>
<td>Military</td>
<td>8,299</td>
<td>1.3%</td>
</tr>
<tr>
<td>Information</td>
<td>8,136</td>
<td>1.3%</td>
</tr>
<tr>
<td>Forestry, Fishing &amp; Hunting</td>
<td>7,509</td>
<td>1.2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,174</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>638,746</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Sources: ITRR; U.S. Bureau of Economic Analysis (SA25N).

1Nonresident travel employment is a 2014 preliminary figure, while the remainder of the employment sectors reflect 2013 U.S. BEA data. 2Include both full- and part-time jobs.
Travel-Generated Tax Revenue, 2012-2014p

The travel tax receipts discussed below consist of the federal, state and local tax revenues attributable to nonresident travel spending in Montana. Because Montana does not have a sales tax, the state and local tax receipts generated by nonresident travelers are generally lower than other states. Montana does, however, have a statewide accommodations tax of seven percent on overnight lodging, in addition, nonresident travelers contribute to the tax base through the payment of excise taxes on items such as those on gasoline and alcohol, and by supporting industries that pay corporate taxes and whose workers pay income, property and other taxes.

- Nonresident travel spending in Montana generated over $560 million in revenue for federal, state, and local governments in 2013, and preliminary 2014 estimates place the total tax revenue at over $642 million. (Table 8)

Table 8 - Travel-Generated Tax Revenue, 2012-2014p

<table>
<thead>
<tr>
<th>Level of Government</th>
<th>Tax Revenue (2014$)</th>
<th>Percent of Year’s Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 Tax Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$297,100,000</td>
<td>57%</td>
</tr>
<tr>
<td>State/Local</td>
<td>$223,800,000</td>
<td>43%</td>
</tr>
<tr>
<td>Total</td>
<td>$520,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>2013 Tax Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$320,300,000</td>
<td>57%</td>
</tr>
<tr>
<td>State/Local</td>
<td>$240,600,000</td>
<td>43%</td>
</tr>
<tr>
<td>Total</td>
<td>$560,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>2014p Tax Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$365,600,000</td>
<td>57%</td>
</tr>
<tr>
<td>State/Local</td>
<td>$276,700,000</td>
<td>43%</td>
</tr>
<tr>
<td>Total</td>
<td>$642,300,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: ITRR

11 Tax impacts are estimated using the IMPLAN input/output model and include indirect business taxes (property tax, motor vehicle license, duties, and other taxes and fees), personal taxes (income tax, property tax, motor vehicle license, fishing/hunting license, and other fees and fines), social security taxes (employee and employer contributions), corporate profits tax, Montana’s Accommodations Tax, alcohol and tobacco taxes, fuel taxes, dividends at federal, state, and local levels, and others.
12 For further detail on IMPLAN’s tax impact estimates, see Olson, 1999.
Comparisons between Montana total tax and the nonresident travel-generated total tax can be difficult. This is mainly due to which Montana total tax figure is being used. Different agencies often use different data collection methods and measurements to fit their specific needs. Unfortunately, these comparisons can show considerable variation in the nonresident travel industry’s contribution to Montana’s total tax depending on what source is used. In an effort to highlight these differences, two federal and three state and local tax data sources are used for comparison to nonresident travel-generated taxes (Table 9). For further details on these tax figures, refer to Appendix B.

In 2014 (preliminary), it is estimated that nonresident travelers contributed over $365 million in federal taxes. This represents 7.2 percent of Montana’s total federal tax collections when compared to the Internal Revenue Service (IRS) figure of over $5.0 billion. However, when compared to the Bureau of Economic Analysis (BEA) total federal tax for Montana, nonresidents’ contribution is 11.3 percent of the state’s total federal tax revenues. The BEA’s total federal taxes are lower than the IRS figures due to the apparent exclusion of corporate taxes, as well as several other components of total IRS collections (See Appendix B).

An estimated $276 million in total state and local taxes are attributable to nonresident travelers. When compared to Census Bureau data, this comprises 7.6 percent of Montana’s total state and local tax collections. However, when compared to the Montana Department of Revenue (DOR) and BEA figures, nonresident travel-generated tax contributions are 9.5 and 22.9 percent, respectively, to Montana total state and local taxes. The Census figure of over $3.6 billion in total state and local taxes seems to be the most tax-inclusive of the three state and local tax sources and is likely the most accurate for comparisons with nonresident travel. The Montana DOR total state and local tax is less than the Census figure since it does not account for taxes that go directly to other agencies (i.e. Dept. of Transportation through motor fuel taxes, licensing, permits, etc.; Dept. of Justice through fines, gambling taxes, fees, etc.). The BEA state and local total tax is lower still and appears to be understating total state and local property tax contributions.

Table 9 – Montana Total and Nonresident Travel-Generated Total Taxes

<table>
<thead>
<tr>
<th>Level of Government</th>
<th>Montana Total Tax (2014$)</th>
<th>Travel-Generated Total Tax¹ (2014$)</th>
<th>Travel Industry as % of Montana Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRS report, 2013</td>
<td>$5,092,697,000</td>
<td>$365,600,000</td>
<td>7.2%</td>
</tr>
<tr>
<td>BEA report, 2012</td>
<td>$3,229,169,000</td>
<td>$365,600,000</td>
<td>11.3%</td>
</tr>
<tr>
<td>State/Local</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Census report, 2011</td>
<td>$3,625,384,000</td>
<td>$276,700,000</td>
<td>7.6%</td>
</tr>
<tr>
<td>MT Dept. of Revenue report, 2012</td>
<td>$2,899,123,000</td>
<td>$276,700,000</td>
<td>9.5%</td>
</tr>
<tr>
<td>BEA report, 2012</td>
<td>$1,210,555,000</td>
<td>$276,700,000</td>
<td>22.9%</td>
</tr>
</tbody>
</table>

Definitions: BEA=U.S. Bureau of Economic Analysis; Census=U.S. Census Bureau; IRS=Internal Revenue Service.
¹Both federal and state/local tax figures are estimated using the IMPLAN input-output model.
Section 2: Montana as a Travel Destination

Montana’s Place in National Tourism
A comparison of Montana’s tourism with other states.

Montana’s Nonresident Vacationer Place of Residence
An overview of the general and specific areas in which Montana’s nonresident vacationers reside and where travelers enter the state.

Montana’s Nonresident Vacationer Attractions
Highlights Montana’s top attractions, activities, and destinations for nonresidents

Montana State Parks
Compares nonresident and resident visitation to Montana’s State parks and Fishing Access Sites.
Montana’s Place in National Tourism

Tourism Receipts as Reflected by U.S. Travel Association Data (USTA)

Within the U.S., states with large populations are generally seen as the primary hub for travelers to experience world-class cities, historical sites, and cultural centers. Cities with a large-scale population base are most popular for visitation and incur higher expenditures. However, many visitors wish to experience the natural areas and vast open landscapes that most western states possess. Montana’s rural appeal draws many nonresident travelers, but without a major city within the state, it does not rank near the top of the list in terms of travel expenditures. Figure 10 and Table 10 display the top 10 states’ travel expenditures for 2012. California leads with over $110.8 billion in expenditures followed by Florida ($74b), New York ($60b), and Texas ($58b) (2012$).

Figure 10 - Top 10 State Travel Expenditures Map, 2012

Source: U.S. Travel Association, 2014
Table 10 – Top 10 State Travel Expenditures

<table>
<thead>
<tr>
<th>State</th>
<th>Expenditures ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina</td>
<td>$20,129</td>
</tr>
<tr>
<td>Virginia</td>
<td>$21,692</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$23,249</td>
</tr>
<tr>
<td>Georgia</td>
<td>$23,988</td>
</tr>
<tr>
<td>Nevada</td>
<td>$30,906</td>
</tr>
<tr>
<td>Illinois</td>
<td>$33,530</td>
</tr>
<tr>
<td>Texas</td>
<td>$58,387</td>
</tr>
<tr>
<td>New York</td>
<td>$60,042</td>
</tr>
<tr>
<td>Florida</td>
<td>$74,790</td>
</tr>
<tr>
<td>California</td>
<td>$110,814</td>
</tr>
</tbody>
</table>

Source: U.S. Travel Association, 2014

Table 11 displays comparisons of state expenditure ranks from 2008, 2010, and 2012 and their share of the U.S. total travel expenditures. USTA and ITRR have differing definitions of what constitutes a traveler. USTA classifies travelers as those away from their home overnight or traveling 50 miles or more one way from home. ITRR’s data is defined by nonresident travelers, or only those who are living outside of the state. Thus, ITRR’s data is not comparable to USTA’s because of definitional differences. Furthermore, USTA data do not include primary sources, but rather federal and proprietary means. ITRR conducts primary research intercepting travelers while they are in the state.

- California continues to hold the top spot in terms of receipts from 2008 to 2012. Their share of nearly 13 percent of the U.S. market continues to grow. USTA reports that travelers spent over $110 billion in California during 2012.

- Montana ranks 41st in the U.S. in terms of travel expenditures with over $3.9 billion in receipts. Compared to bordering states, Montana moved one rank higher in 2012. Other than North Dakota, which moved five spaces higher in the ranking, the other bordering states each shifted just one rank since 2008, as well.
The Economic Review of the Travel Industry in Montana

Table 11 – Travel Spending Comparison by State, 2008/2010/2012

<table>
<thead>
<tr>
<th>U.S. Rank</th>
<th>State</th>
<th>2012 Receipts (millions 2011$)</th>
<th>% of U.S. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2010</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>California</td>
</tr>
<tr>
<td>110,814</td>
<td>12.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>2</td>
<td>Florida</td>
</tr>
<tr>
<td>$74,790</td>
<td>8.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>3</td>
<td>New York</td>
</tr>
<tr>
<td>$60,042</td>
<td>7.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>4</td>
<td>Texas</td>
</tr>
<tr>
<td>$58,387</td>
<td>6.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>5</td>
<td>Illinois</td>
</tr>
<tr>
<td>$33,530</td>
<td>3.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>6</td>
<td>Nevada</td>
</tr>
<tr>
<td>$30,906</td>
<td>3.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>7</td>
<td>Georgia</td>
</tr>
<tr>
<td>$23,988</td>
<td>2.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>8</td>
<td>Pennsylvania</td>
</tr>
<tr>
<td>$23,249</td>
<td>2.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>9</td>
<td>9</td>
<td>Virginia</td>
</tr>
<tr>
<td>$21,692</td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>11</td>
<td>10</td>
<td>North Carolina</td>
</tr>
<tr>
<td>$20,129</td>
<td>2.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>42</td>
<td>41</td>
<td>Montana</td>
</tr>
<tr>
<td>$3,949</td>
<td>0.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Border State Comparison</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>41</td>
<td>40</td>
<td>Idaho</td>
</tr>
<tr>
<td>$4,054.00</td>
<td>0.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>44</td>
<td>45</td>
<td>Wyoming</td>
</tr>
<tr>
<td>$2,969</td>
<td>0.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>46</td>
<td>47</td>
<td>South Dakota</td>
</tr>
<tr>
<td>$2,717</td>
<td>0.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>47</td>
<td>44</td>
<td>North Dakota</td>
</tr>
<tr>
<td>$3,013</td>
<td>0.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


- Thanks to the small population base, Montana fares better when comparing per-capita receipts (Table 12). Despite Montana’s 6th ranking in 2012 and 2010, the state is still far behind Washington, D.C., Hawaii, and Nevada. However, both Hawaii and Nevada rely heavily on tourism as a primary economic driver. Washington, D.C. represents a major transportation and business hub for both domestic and international travelers.

- Washington, D.C., albeit not a distinct state, is first in the list with $14.8 billion in per capita receipts in 2012. Hawaii falls second with $13.4 billion and Nevada 3rd with $11.2 billion. Montana’s bordering states Idaho, North Dakota, South Dakota, and Wyoming rank 23rd, 5th, 9th, and 4th respectively. North Dakota jumped two spots from 7th to 5th from 2010 to 2012 and had an increase of over $1 billion in spending between the two years. This is most likely due to the large increase in visitation due to oil and gas industry expansion within the state.

- Compared to other western states such as Colorado (12th), California (14th), Arizona (27th), Oregon (30th), and Washington (40th), Montana ranks high for the region.
### Table 12 - Traveler Spending Per-Capita, Top 10 and Other Western States, 2010/2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>District of Columbia</td>
<td>605,125</td>
<td>$14,760</td>
<td>633,427</td>
<td>$14,876</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Hawaii</td>
<td>1,363,731</td>
<td>$11,786</td>
<td>1,390,090</td>
<td>$13,410</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Nevada</td>
<td>2,703,230</td>
<td>$10,003</td>
<td>2,754,354</td>
<td>$11,220</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Wyoming</td>
<td>564,222</td>
<td>$4,829</td>
<td>576,626</td>
<td>$5,150</td>
</tr>
<tr>
<td>7</td>
<td>5</td>
<td>North Dakota</td>
<td>674,344</td>
<td>$3,221</td>
<td>701,345</td>
<td>$4,296</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Montana</td>
<td>990,527</td>
<td>$3,306</td>
<td>1,005,494</td>
<td>$3,927</td>
</tr>
<tr>
<td>5</td>
<td>7</td>
<td>Florida</td>
<td>18,846,054</td>
<td>$3,539</td>
<td>19,320,749</td>
<td>$3,870</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>Vermont</td>
<td>625,793</td>
<td>$3,116</td>
<td>625,953</td>
<td>$3,443</td>
</tr>
<tr>
<td>10</td>
<td>9</td>
<td>South Dakota</td>
<td>816,211</td>
<td>$2,886</td>
<td>834,047</td>
<td>$3,251</td>
</tr>
<tr>
<td>11</td>
<td>10</td>
<td>Alaska</td>
<td>713,868</td>
<td>$2,882</td>
<td>730,307</td>
<td>$3,234</td>
</tr>
</tbody>
</table>

**Western State Comparison**

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Population</th>
<th>2010 Per Capita Receipts</th>
<th>2012 Per Capita Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Colorado</td>
<td>5,189,458</td>
<td>$3,116</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>California</td>
<td>37,999,878</td>
<td>$2,916</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Arizona</td>
<td>6,551,149</td>
<td>$2,467</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Utah</td>
<td>2,854,871</td>
<td>$2,563</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Idaho</td>
<td>1,595,590</td>
<td>$2,541</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Oregon</td>
<td>3,899,801</td>
<td>$2,359</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Washington</td>
<td>6,895,318</td>
<td>$2,001</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Travel Association, 2014; U.S. Census Bureau, 2013
Montana’s nonresident visitors reside in many locations across the globe. Nearby western states provide the bulk of travelers, but international visitors continue to frequent the state. 2013 saw 79 percent of vacationers in Montana residing in the United States. Canadian travelers represent 17 percent of vacationers with international countries comprising 5 percent (Figure 11).

Figure 11 – Residency of Montana’s Vacationers, 2013

- Figure 12 displays the visitor residency from the nine U.S. regions. The Mountain and Pacific regions make up 36 percent of Montana’s vacation travelers, each with an 18 percent share of Montana’s travelers. The New England region that includes Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island has the smallest share with only one percent of travelers.

- At the state/province level, Alberta (11%), Washington (8%), California (7%), Minnesota (5%), Wyoming (4%) and Idaho (4%) comprise the top six vacationer residences. Bordering and western states/provinces primarily round out the top 14 vacationer residences represented in 2013, with Florida being the only exception. (Figure 13)
Figure 12 – Montana Vacationer Residence by U.S. Region\(^1\), 2013

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific</td>
<td>18%</td>
</tr>
<tr>
<td>Mountain</td>
<td>18%</td>
</tr>
<tr>
<td>West-North-Central</td>
<td>12%</td>
</tr>
<tr>
<td>East-North-Central</td>
<td>9%</td>
</tr>
<tr>
<td>South Atlantic</td>
<td>8%</td>
</tr>
<tr>
<td>West-South-Central</td>
<td>5%</td>
</tr>
<tr>
<td>Mid Atlantic</td>
<td>4%</td>
</tr>
<tr>
<td>East-South-Central</td>
<td>3%</td>
</tr>
<tr>
<td>New England</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: ITRR, 2013
\(^1\) The nine regions defined here are the same regions used by STR, a company highly recognized for providing the travel industry with lodging performance data from around the country.

Mountain Region: ID, WY, CO, UT, NV, AZ, NM (this region also includes Montana when utilized by STR); Pacific Region: AK, WA, OR, CA, HI; West-North-Central Region: MN, ND, SD, IA, NE, MO, KS; East-North-Central Region: MI, WI, IL, IN, OH; South Atlantic Region: MD, DE, WV, VA, NC, SC, GA, FL, DC; West-South-Central Region: AR, OK, TX, LA; Middle Atlantic Region: NY, PA, NJ; East-South-Central: KY, TN, AL, MS; New England: ME, NH, VT, MA, CT, RI

Figure 13 – Montana Vacationer Residence by State or Province, 2013 (Top 14)

<table>
<thead>
<tr>
<th>State or Province</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta, Canada</td>
<td>11%</td>
</tr>
<tr>
<td>Washington</td>
<td>8%</td>
</tr>
<tr>
<td>California</td>
<td>7%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>5%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>4%</td>
</tr>
<tr>
<td>Idaho</td>
<td>4%</td>
</tr>
<tr>
<td>Texas</td>
<td>4%</td>
</tr>
<tr>
<td>British Columbia, Canada</td>
<td>4%</td>
</tr>
<tr>
<td>Colorado</td>
<td>4%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>3%</td>
</tr>
<tr>
<td>Utah</td>
<td>3%</td>
</tr>
<tr>
<td>Oregon</td>
<td>3%</td>
</tr>
<tr>
<td>Florida</td>
<td>3%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: ITRR, 2013
Nonresident visitors surveyed by ITRR travel into Montana through a variety of travel routes, but over one third came in through just four entry points in 2013: I-90 heading east (13%), I-90 heading west (7%), Highway 200 heading west (7%), and West Yellowstone (7%), via Yellowstone National Park.

- Highway 200’s high percentage of nonresident travelers may be inflated from the oil boom in western North Dakota/eastern Montana. However, nonresident travelers do enter the state in a variety of locations coming from all directions.

- Nearly 80 percent of travelers to Montana arrived in the state via one of the 15 entry points illustrated in Figure 14.

Figure 14 – Top 15 Entry Points to Montana for Nonresident Travelers, 2013

Source: ITRR, 2013
As for travelers primarily in Montana for vacation, travel routes are more focused on West Yellowstone (11%), I-90 heading east (11%), and Highway 89 (Gardiner, MT) (9%) (Figure 15). The more commonly used entry points for vacationers tend to be in the northwestern and southwestern parts of the state, perhaps because two of Montana’s most popular attractions, Glacier and Yellowstone National Parks, are located in those regions. Figure 15 represents entry points for 81 percent of vacationers in Montana.

Source: ITRR, 2013
Vacationer Attractions, Activities, and Destinations

Montana’s vacationers visit for a number of reasons. However, many visitors share similar motives as to why they travel to the state. Nonresident travel survey respondents are asked to state what specifically attracted them to the state.

- Montana travelers primarily here on vacation indicated that they were attracted by “mountains/forests” (66%), followed by Yellowstone and Glacier National Parks (53% and 48%, respectively), and “open space/uncrowded areas” (48%) (Table 13). These results show continued popularity of the state’s natural resources. Both Glacier and Yellowstone National Park continue to be the highest draw when vacationers were asked to state their primary attraction to Montana.

- Nonresident visitors primarily here for vacation cited scenic driving (73%) as the most popular primary activity, followed by day hiking (52%), nature photography (51%), and wildlife watching (50%) (Table 14). These results indicate Montana’s dependence on natural resources and scenic qualities.

Table 13 – Top 10 Attractions to Montana for Vacationers, 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Attraction</th>
<th>% who cited item as an attraction</th>
<th>% who cited item as the primary attraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mountains/forests</td>
<td>66%</td>
<td>10%</td>
</tr>
<tr>
<td>2</td>
<td>Yellowstone National Park²</td>
<td>53%</td>
<td>23%</td>
</tr>
<tr>
<td>3</td>
<td>Glacier National Park</td>
<td>48%</td>
<td>28%</td>
</tr>
<tr>
<td>4</td>
<td>Open space/uncrowded areas</td>
<td>48%</td>
<td>7%</td>
</tr>
<tr>
<td>5</td>
<td>Rivers</td>
<td>46%</td>
<td>1%</td>
</tr>
<tr>
<td>6</td>
<td>Wildlife</td>
<td>38%</td>
<td>1%</td>
</tr>
<tr>
<td>7</td>
<td>Lakes</td>
<td>36%</td>
<td>2%</td>
</tr>
<tr>
<td>8</td>
<td>Fishing</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>9</td>
<td>Family/friends</td>
<td>18%</td>
<td>5%</td>
</tr>
<tr>
<td>10</td>
<td>Lewis &amp; Clark History</td>
<td>14%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: ITRR, 2013

¹Respondents (primarily here for vacation) could select multiple attractions. ²Respondents also indicated their one primary attraction to MT. ³Although Yellowstone National Park is primarily located in WY, nearly 65% of park visitors enter via a MT entrance during their trip (NPS, 2014).
Table 14 – Top 10 Vacationer Activities in Montana, 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Activity</th>
<th>% indicating participation¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Scenic Driving</td>
<td>73%</td>
</tr>
<tr>
<td>2</td>
<td>Day hiking</td>
<td>52%</td>
</tr>
<tr>
<td>3</td>
<td>Nature photography</td>
<td>51%</td>
</tr>
<tr>
<td>4</td>
<td>Wildlife watching</td>
<td>50%</td>
</tr>
<tr>
<td>5</td>
<td>Recreational shopping</td>
<td>37%</td>
</tr>
<tr>
<td>6</td>
<td>Car/RV camping</td>
<td>31%</td>
</tr>
<tr>
<td>7</td>
<td>Visiting other historical sites</td>
<td>26%</td>
</tr>
<tr>
<td>8</td>
<td>Visiting museums</td>
<td>21%</td>
</tr>
<tr>
<td>9</td>
<td>Fishing/fly fishing</td>
<td>15%</td>
</tr>
<tr>
<td>10</td>
<td>Visiting Lewis &amp; Clark sites</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: ITRR, 2013
¹Respondents (primarily here for vacation) could select multiple activities.

Montana has many places for travelers to visit, all of which offer many of the attributes which attract most vacationers to the state, and allow them to take part in the activities they enjoy.

- While Yellowstone visitation decreased from 2012 to 2013*, and Glacier NP visitation showed just a modest increase, it should be noted that projected visitation for the parks in 2014 indicate approximately 10 percent and 7 percent increases in visitation, respectively.

Table 15 – Montana’s Top 10 Travelers Destinations, 2009-2013

<table>
<thead>
<tr>
<th>Destination¹</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>% change 2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glacier Nat’l Park</td>
<td>2,031,348</td>
<td>2,200,048</td>
<td>1,853,564</td>
<td>2,162,035</td>
<td>2,190,374</td>
<td>1%</td>
</tr>
<tr>
<td>Giant Springs State Park</td>
<td>301,575</td>
<td>331,736</td>
<td>324,495</td>
<td>292,725</td>
<td>307,666</td>
<td>5%</td>
</tr>
<tr>
<td>Little Bighorn Battlefield</td>
<td>302,811</td>
<td>320,959</td>
<td>311,805</td>
<td>346,326</td>
<td>277,883</td>
<td>-20%</td>
</tr>
<tr>
<td>Bighorn Canyon NRA</td>
<td>205,291</td>
<td>258,637</td>
<td>199,660</td>
<td>245,831</td>
<td>241,527</td>
<td>-2%</td>
</tr>
<tr>
<td>Lake Elmo</td>
<td>125,250</td>
<td>118,262</td>
<td>134,000</td>
<td>215,041</td>
<td>172,357</td>
<td>-20%</td>
</tr>
<tr>
<td>Spring Meadow State Park</td>
<td>111,148</td>
<td>78,206</td>
<td>78,460</td>
<td>102,525</td>
<td>158,842</td>
<td>55%</td>
</tr>
<tr>
<td>Cooney Reservoir</td>
<td>143,012</td>
<td>151,683</td>
<td>146,388</td>
<td>134,556</td>
<td>157,198</td>
<td>17%</td>
</tr>
<tr>
<td>Museum of the Rockies</td>
<td>124,940</td>
<td>142,196</td>
<td>161,000</td>
<td>128,960</td>
<td>145,213</td>
<td>13%</td>
</tr>
<tr>
<td>National Bison Range</td>
<td>120,000</td>
<td>126,575</td>
<td>122,100</td>
<td>124,050</td>
<td>125,338</td>
<td>1%</td>
</tr>
</tbody>
</table>

Sources: National Park Service; Montana State Parks; Museum of the Rockies; National Bison Range.
¹Includes only destinations that keep consistent visitation counts.
²Although YNP is primarily located in WY, about 65% of park visitors enter the park via a MT entrance during their trip (NPS 2012). Visitation through the three Montana entrances to YNP are included here.
*This decrease could be attributed to the new visitor estimation model numbers used in 2013 by Yellowstone
Montana State Parks – Compiled by Maren Murphy, Parks & Recreation Planner

Montana State Parks, a Division of Montana Fish, Wildlife & Parks (FWP), manages 54 state parks across Montana. 2014 marks the 75th anniversary of the Montana State Parks system, which was established in 1939 with Lewis & Clark Caverns State Park.

In 2013, Montana State Parks had over 2.1 million visits, the highest visitation year on record. Statewide visitation was up 5 percent from 2012 levels and up 4 percent from 2009 levels. Visitation was up 28 percent for the 10-year period from 2004 to 2013. Giant Springs State Park in Great Falls had the most visits with over 307,000 visits, followed by Lake Elmo State Park (172,000 visits) in Billings and Spring Meadow Lake State Park (159,000 visits) in the Helena area. In 2013, Spring Meadow Lake had the largest increase in visits with approximately 56,000 more visits over 2012. In 2013, resident visitation statewide slightly increased from 77 percent of visits to 80 percent of visits. Approximately 83 percent of visits are day use.

In 2011, Montana State Parks implemented a campsite reservation program in 20 state parks. There are over 800 campsites throughout the system (including cabins, yurts, and tipis). In 2012 Montana State Parks had 70,595 registered campers and in 2013 registered campers increased 16 percent to 81,980 registered campers, with a total of 35,525 occupied nights statewide. Of those campers in 2012 58 percent were Montana residents and in 2013 62 percent were Montana residents. Statewide the average length of stay in 2012 was 1.90 days which slightly decreased in 2013 to 1.74 days. Cooney State Park consistently has the most registered resident campers, followed by Tongue River Reservoir, Placid Lake, and Hell Creek State Parks. Lewis & Clark Caverns, Big Arm, Whitefish Lake, and Beavertail Hill are popular among non-resident registered campers. It is important to note that camper numbers do not account for dispersed camping or parks whose inventory is not tracked in the reservation system.

In 2010, Montana State Parks produced an economic impact report with the Bureau of Business and Economic Research from the University of Montana. The economic impact report surveyed residents and non-resident visitors to state parks about their characteristics, activities, and expenditures. The median length of stay for state park visitors was two nights. The overall size of groups was 3.4 people per vehicle, an increase over 2002 when there was 2.1 people per vehicle. For resident vehicles, the average was 3.5 people, while nonresident vehicles had 2.9 people.

Total spending attributable to visitors to state parks was over $289 million in 2010, up considerably from 2002 when park visitors spent $214 million (a 35 percent increase). Nonresident visitors to state parks spent $122.3 million, created 1,600 jobs, $41.5 million in labor income, and over $126.7 million in industry sales. Approximately 60 percent of nonresident spending occurred outside a 50-mile radius from the parks. Nonresidents spend substantially more on lodging, gasoline, and restaurants than resident visitors. Resident visitors on the other hand spend slightly more on camping and incurred higher expenses preparing for their trip.
Figure 16 - Montana State Parks Visitation, 2004-2013

Source: Montana State Parks.

Figure 17 - Map of Montana State Parks and Regions
<table>
<thead>
<tr>
<th>Region</th>
<th>Total Visits</th>
<th>Group Size &amp; Walk-In</th>
<th>Resident %</th>
<th>Non-Res %</th>
<th>Day Use %</th>
<th>Overnight Visit %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest (Kalispell)</td>
<td>471,121</td>
<td>27,583</td>
<td>78%</td>
<td>22%</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>West Central (Missoula)</td>
<td>226,850</td>
<td>9,546</td>
<td>75%</td>
<td>25%</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>Southwest (Bozeman)</td>
<td>336,540</td>
<td>18,212</td>
<td>74%</td>
<td>26%</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>North Central (Great Falls)</td>
<td>602,276</td>
<td>11,902</td>
<td>91%</td>
<td>9%</td>
<td>93%</td>
<td>7%</td>
</tr>
<tr>
<td>Eastern (Billings)</td>
<td>475,289</td>
<td>9,937</td>
<td>83%</td>
<td>17%</td>
<td>85%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total/Average</strong></td>
<td><strong>2,112,076</strong></td>
<td><strong>77,180</strong></td>
<td><strong>80%</strong></td>
<td><strong>20%</strong></td>
<td><strong>83%</strong></td>
<td><strong>17%</strong></td>
</tr>
</tbody>
</table>

*Note: Overnight visits in this report are calculated based on a ratio developed through sampling, not based on revenues. Source: Montana State Parks.*
Section 3: Travel Industry Segment Data

Montana Transportation Overview
Time-series data on air and rail service in Montana, including traveler volume, personal income and employment.

Montana Travel Industry Segments
Hotel, foodservice, and amusement and recreation industry comparisons with time-series data.
Montana Transportation Overview

Airline Performance

The major airports in Montana include Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, and Missoula. The West Yellowstone airport is also reported here, but it is only open during the months of June through September. These airports record the number of passengers boarding and deboarding at their facility. ITRR uses the deboarding numbers as a count and incorporates them into its estimation model when calculating the number of nonresident travelers at each airport.

- Airport deboardings are highest between June and August. While 2013 tended to have a lower number of deboardings overall compared to 2012 monthly deboardings, 2014, January thru October, was higher than both preceding years. (Figure 18).

- According to projected estimates for 2014 deboardings, all but one airport saw increases in passenger deboardings (Helena remained essentially level with 2013 deboardings). Total passenger deboardings appear to be up by 7.6 percent in 2014, following a 2.0 percent decrease in 2013. (Table 17)

- Industry GDP and employment were up 8.8 percent and 2.0 percent in 2012, respectively, with employment again increasing 2.8 percent in 2013. Personal income saw a decrease of 4.6 percent from 2011 to 2012, but an increase of 9.2 percent in 2013. (Table 17)

Figure 18 – Monthly Airline Passenger Traffic, 2012-2014p

### Table 17 – Airline Passenger Deboardings by Airport, 2009-2014YTD

<table>
<thead>
<tr>
<th>Airport</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014p</th>
<th>% of total 2014p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings</td>
<td>395,677</td>
<td>388,586</td>
<td>403,025</td>
<td>438,172</td>
<td>387,112</td>
<td>415,664</td>
<td>23.5%</td>
</tr>
<tr>
<td>Bozeman</td>
<td>340,563</td>
<td>362,828</td>
<td>398,288</td>
<td>433,288</td>
<td>442,120</td>
<td>476,057</td>
<td>27.0%</td>
</tr>
<tr>
<td>Butte</td>
<td>22,035</td>
<td>24,137</td>
<td>22,846</td>
<td>20,016</td>
<td>28,156</td>
<td>28,831</td>
<td>1.6%</td>
</tr>
<tr>
<td>Great Falls</td>
<td>152,682</td>
<td>159,670</td>
<td>172,544</td>
<td>189,922</td>
<td>186,545</td>
<td>192,609</td>
<td>10.9%</td>
</tr>
<tr>
<td>Helena</td>
<td>90,255</td>
<td>96,632</td>
<td>101,847</td>
<td>95,808</td>
<td>97,245</td>
<td>97,119</td>
<td>5.5%</td>
</tr>
<tr>
<td>Kalispell</td>
<td>155,375</td>
<td>164,077</td>
<td>176,894</td>
<td>189,549</td>
<td>197,098</td>
<td>222,374</td>
<td>12.6%</td>
</tr>
<tr>
<td>Missoula</td>
<td>277,265</td>
<td>286,775</td>
<td>290,291</td>
<td>301,772</td>
<td>297,032</td>
<td>327,563</td>
<td>18.5%</td>
</tr>
<tr>
<td>West Yellowstone</td>
<td>4,127</td>
<td>4,412</td>
<td>5,142</td>
<td>5,029</td>
<td>5,410</td>
<td>5,893</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,437,979</td>
<td>1,487,117</td>
<td>1,570,877</td>
<td>1,673,556</td>
<td>1,640,718</td>
<td>1,766,110</td>
<td>100%</td>
</tr>
</tbody>
</table>


### Table 18 – Airline Performance in Montana, 2009-2013

<table>
<thead>
<tr>
<th>Key Measurement</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Deboarded</td>
<td>1,437,979</td>
<td>1,487,117</td>
<td>1,570,877</td>
<td>1,673,556</td>
<td>1,640,718</td>
</tr>
<tr>
<td>Industry GDP by State (millions 2014$)</td>
<td>$70</td>
<td>$72</td>
<td>$91</td>
<td>$99</td>
<td>N/A</td>
</tr>
<tr>
<td>Employment²</td>
<td>696</td>
<td>689</td>
<td>739</td>
<td>754</td>
<td>775</td>
</tr>
<tr>
<td>Personal Income³ (millions 2014$)</td>
<td>$22.3</td>
<td>$26.6</td>
<td>$28.4</td>
<td>$27.1</td>
<td>$29.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent Change from Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Deboarded</td>
</tr>
<tr>
<td>Industry GDP by State</td>
</tr>
<tr>
<td>Employment</td>
</tr>
<tr>
<td>Personal Income</td>
</tr>
</tbody>
</table>

Sources: Montana Aeronautics Division; U.S. Bureau of Economic Analysis.

Employment and income figures are for NAICS Sector 481, Air Transportation, which does not include Scenic and Sightseeing Transportation (Sector 487), and Couriers and Messengers (Sector 492).

¹GDP by State is defined as “. . . gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported)” (Beemiller et al., 1999).
²Includes full-time and part-time jobs.
³Comprises both employee compensation and proprietors’ income.
Amtrak Performance

Many of Montana’s municipalities are connected by various railroad lines, offering excellent connections for freight lines. However, passenger transit through the state is limited. The Empire Builder, Amtrak’s line in the northern portion of the state, provides the only passenger train service. Stations are located at Browning, Cut Bank, Essex, Glasgow, East Glacier Park, Havre, Libby, Malta, Shelby, Whitefish, West Glacier and Wolf Point.

- Montana Amtrak Ridership was down 3.1 percent from 2012 to 2013. In total, 145,736 people rode Amtrak in Montana throughout 2013. Projected ridership during 2014 shows a significant decrease (-20%) to 115,665. (Figure 19).

- In 2014 (projected), the Whitefish station had the most traffic with 50,549 riders and 43.7 percent of the Montana total. Shelby and East Glacier Park were the second and third busiest stations, each serving 10 percent of Montana’s Amtrak ridership (Table 19).

- In 2012, industry GDP increased 6.5 percent over 2011. Because of the limited data from the Bureau of Economic Analysis, employment and personal income percent change was not provided. However, 2011 saw increases of 6.6 percent in employment and 10.2 percent in personal income (Table 20).

Figure 19– Amtrak Ridership in Montana, 2009-2014p

Table 19 - Amtrak Performance in Montana, 2009-2014p

<table>
<thead>
<tr>
<th>Stations</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014p</th>
<th>% of total 2014p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Browning</td>
<td>1,989</td>
<td>1,828</td>
<td>1,917</td>
<td>2,142</td>
<td>1,808</td>
<td>1,788</td>
<td>1.5%</td>
</tr>
<tr>
<td>Cut Bank</td>
<td>2,991</td>
<td>3,350</td>
<td>2,950</td>
<td>3,182</td>
<td>2,877</td>
<td>2,289</td>
<td>2.0%</td>
</tr>
<tr>
<td>East Glacier Park</td>
<td>13,149</td>
<td>17,631</td>
<td>11,950</td>
<td>14,982</td>
<td>14,862</td>
<td>11,846</td>
<td>10.2%</td>
</tr>
<tr>
<td>Essex</td>
<td>4,167</td>
<td>4,782</td>
<td>3,493</td>
<td>3,282</td>
<td>4,014</td>
<td>3,774</td>
<td>3.3%</td>
</tr>
<tr>
<td>Glasgow</td>
<td>5,934</td>
<td>5,967</td>
<td>4,414</td>
<td>5,546</td>
<td>5,344</td>
<td>3,774</td>
<td>3.3%</td>
</tr>
<tr>
<td>Havre</td>
<td>16,859</td>
<td>16,029</td>
<td>13,340</td>
<td>14,982</td>
<td>14,862</td>
<td>11,846</td>
<td>9.6%</td>
</tr>
<tr>
<td>Libby</td>
<td>5,628</td>
<td>5,365</td>
<td>5,149</td>
<td>6,791</td>
<td>6,387</td>
<td>5,202</td>
<td>4.5%</td>
</tr>
<tr>
<td>Malta</td>
<td>3,623</td>
<td>3,270</td>
<td>3,002</td>
<td>3,496</td>
<td>3,647</td>
<td>3,193</td>
<td>2.8%</td>
</tr>
<tr>
<td>Shelby</td>
<td>16,351</td>
<td>15,874</td>
<td>13,267</td>
<td>14,057</td>
<td>11,929</td>
<td>10.3%</td>
<td></td>
</tr>
<tr>
<td>West Glacier</td>
<td>6,643</td>
<td>7,828</td>
<td>5,009</td>
<td>6,252</td>
<td>6,380</td>
<td>4,947</td>
<td>4.3%</td>
</tr>
<tr>
<td>Whitefish</td>
<td>63,345</td>
<td>66,013</td>
<td>57,661</td>
<td>67,000</td>
<td>65,692</td>
<td>50,549</td>
<td>43.7%</td>
</tr>
<tr>
<td>Wolf Point</td>
<td>7,340</td>
<td>6,986</td>
<td>6,128</td>
<td>8,228</td>
<td>7,741</td>
<td>6,192</td>
<td>5.4%</td>
</tr>
</tbody>
</table>


Table 20 - Amtrak Passenger Traffic by Montana Station, 2009-2013

<table>
<thead>
<tr>
<th>Key Measurement</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amtrak Ridership</td>
<td>148,019</td>
<td>154,923</td>
<td>128,280</td>
<td>150,339</td>
<td>145,736</td>
</tr>
<tr>
<td>Industry GDP by State¹ (millions 2014$)</td>
<td>$879</td>
<td>$962</td>
<td>$865</td>
<td>$921</td>
<td>N/A</td>
</tr>
<tr>
<td>Employment²</td>
<td>2,704</td>
<td>2,632</td>
<td>2,805</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Personal Income³ (millions 2014$)</td>
<td>$277.6</td>
<td>$276.1</td>
<td>$304.3</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Percent Change from Previous Year

<table>
<thead>
<tr>
<th>Key Measurement</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amtrak Ridership</td>
<td>-10.0%</td>
<td>4.7%</td>
<td>-17.2%</td>
<td>17.2%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Industry GDP by State¹ (millions 2014$)</td>
<td>-8.8%</td>
<td>9.4%</td>
<td>-10.1%</td>
<td>6.5%</td>
<td>--</td>
</tr>
<tr>
<td>Employment²</td>
<td>-2.6%</td>
<td>-2.7%</td>
<td>6.6%</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Personal Income³ (millions 2014$)</td>
<td>-2.5%</td>
<td>-0.5%</td>
<td>10.2%</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Sources: Amtrak; U.S. Bureau of Economic Analysis
Employment and income figures are for NAICS Sector 482, Rail Transportation.
¹GDP by State is defined as “... gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported)” (Beemiller et al., 1999).
²Includes full-time and part-time jobs.
³Comprises both employee compensation and proprietors’ income.
Montana Travel Industry Overview

Hotel Industry
A portion of the information for this section has been kindly provided by STR.

Occupancy rates are often considered a measure of the performance of the hotel industry. Yet, occupancy rates also fluctuate based on changes in the room supply-demand relationship. When the growth in room demand exceeds the growth in room supply, occupancy rates increase. Conversely, they decrease when room supply increases faster than room demand, as is the case when the industry experiences a building boom. As a result, the measure of room demand is a better indication of how the hotel industry is changing year to year in terms of occupancy.

- Room demand increased just slightly in 2013 (0.4%). Room supply increased each year in the five year span (Table 21).
- After three years of increases, occupancy rates in Montana decreased slightly (-1.9%) in 2013.
- In inflation adjusted dollars (2014$s), both average daily rate and room revenues show increases over the last four years after decreasing in 2009.
- Personal income and employment in the hotel industry also increased each of the last four years. In 2013, average income per person in the hotel industry was $25,379\(^{13}\).

\(^{13}\) Calculated using BEA employment (full- and part-time jobs) and BEA personal income (comprised of employee compensation and proprietors’ income).
### Table 21 - Montana Hotel Industry Performance, 2009-2013

<table>
<thead>
<tr>
<th>Key Measurement</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupancy Rate</strong></td>
<td>53.6</td>
<td>55.6</td>
<td>58.1</td>
<td>59.2</td>
<td>58.1</td>
</tr>
<tr>
<td><strong>Room Demand (in thousands)</strong></td>
<td>5,132</td>
<td>5,383</td>
<td>5,660</td>
<td>5,833</td>
<td>5,854</td>
</tr>
<tr>
<td><strong>Room Supply (in thousands)</strong></td>
<td>9,567</td>
<td>9,679</td>
<td>9,754</td>
<td>9,876</td>
<td>10,122</td>
</tr>
<tr>
<td><strong>Average Daily Rate (2014$)</strong></td>
<td>$87.34</td>
<td>$88.36</td>
<td>$88.93</td>
<td>$91.34</td>
<td>$92.76</td>
</tr>
<tr>
<td><strong>Room Revenues (millions 2014$)</strong></td>
<td>$479.76</td>
<td>$500.77</td>
<td>$501.49</td>
<td>$533.82</td>
<td>$549.46</td>
</tr>
<tr>
<td><strong>CPI-U</strong></td>
<td>214.5</td>
<td>218.1</td>
<td>224.9</td>
<td>229.6</td>
<td>233</td>
</tr>
<tr>
<td><strong>Industry GDP by State</strong></td>
<td>$458.18</td>
<td>$472.57</td>
<td>$519.33</td>
<td>$533.62</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td>12,055</td>
<td>12,216</td>
<td>12,841</td>
<td>13,132</td>
<td>13,578</td>
</tr>
<tr>
<td><strong>Personal Income</strong></td>
<td>$273.1</td>
<td>$286.7</td>
<td>$318.5</td>
<td>$332.0</td>
<td>$344.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent Change from Previous Year</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupancy Rate</strong></td>
<td>-6.1%</td>
<td>3.7%</td>
<td>4.5%</td>
<td>1.9%</td>
<td>-1.9%</td>
</tr>
<tr>
<td><strong>Room Demand</strong></td>
<td>-5.0%</td>
<td>4.9%</td>
<td>5.1%</td>
<td>3.1%</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Room Supply</strong></td>
<td>1.1%</td>
<td>1.2%</td>
<td>0.8%</td>
<td>1.3%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Average Daily Rate</strong></td>
<td>-1.5%</td>
<td>1.2%</td>
<td>0.6%</td>
<td>2.7%</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Room Revenues</strong></td>
<td>-6.1%</td>
<td>4.4%</td>
<td>0.1%</td>
<td>6.4%</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>CPI-U</strong></td>
<td>-0.4%</td>
<td>1.7%</td>
<td>3.1%</td>
<td>2.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Industry GDP by State</strong></td>
<td>-9.1%</td>
<td>3.1%</td>
<td>9.9%</td>
<td>2.8%</td>
<td>--</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td>-3.3%</td>
<td>1.3%</td>
<td>5.1%</td>
<td>2.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Personal Income</strong></td>
<td>-13.1%</td>
<td>5.0%</td>
<td>11.1%</td>
<td>4.2%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Sources: Smith Travel Research (STR); U.S. Bureau of Economic Analysis. Employment and income figures are for NAICS Sector 721, Accommodation.

1 Data on occupancy rate, room demand, room supply, average daily rate and room revenue from Smith Travel Research represents MT hotels/motels with 15 rooms or more rented nightly. It excludes condos, time shares, corporate housing units, apartments, cabins, vacation homes, campgrounds, B&Bs.

2 GDP by State is defined as “… gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported)” (Beemiller et al., 1999).

3 Includes full-time and part-time jobs.

4 Comprises both employee compensation and proprietors’ income.
Food Service Industry

The foodservice industry is comprised of eating establishments and drinking places, and is a sizeable component of Montana’s travel industry. The following represents aggregate foodservice data, including sales and employment derived from expenditures by both travelers and local patrons.

- The growth in the indices for “food away from home,” “alcoholic beverages away from home” and the Consumer Price Index (CPI) all fluctuated throughout the five-year period (Figure 20). CPI grew from 2009 to 2011, and then fell in 2012 and 2013 in Montana. Alcoholic beverages away from home has tended to be a higher CPI than all items, indicating that a night out for drinks is relatively expensive in Montana.

- Employment in Montana’s foodservice industry has increased in Montana in 2011, 2012, and 2013. (Table 22). At over 40,000 employees, food service employment has risen 3.2% from 2012 to 2013.

- Personal income in this industry has grown continually since 2009 in Montana. From 2011 to 2012, personal income saw 5.4 percent growth, and 2.8 percent growth from 2012 to 2013. At its current state, income per person for foodservice employees is just over $19,000\textsuperscript{14}.

Figure 20 - Change in Foodservice Price and Consumer Price Indices, 2009-2013


\textsuperscript{14} Calculated using BEA employment (full- and part-time jobs) and BEA personal income (comprised of employee compensation and proprietors’ income).
Table 22 - Montana Foodservice Industry Performance, 2009-2013

<table>
<thead>
<tr>
<th>Key measurement</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price Index (1982-1984 = 100)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food away from home</td>
<td>223.3</td>
<td>226.1</td>
<td>231.4</td>
<td>237.9</td>
<td>243.1</td>
</tr>
<tr>
<td>Alcoholic beverages away from home</td>
<td>285.6</td>
<td>291.9</td>
<td>300.9</td>
<td>310.5</td>
<td>317.9</td>
</tr>
<tr>
<td><strong>CPI-U</strong></td>
<td>214.5</td>
<td>218.1</td>
<td>224.9</td>
<td>229.6</td>
<td>232.9</td>
</tr>
<tr>
<td><strong>Industry GDP by State</strong> (millions 2014$)</td>
<td>$856</td>
<td>$856</td>
<td>$855</td>
<td>$913</td>
<td>N/A</td>
</tr>
<tr>
<td>Employment</td>
<td>38,157</td>
<td>37,235</td>
<td>37,714</td>
<td>38,789</td>
<td>40,044</td>
</tr>
<tr>
<td><strong>Personal Income</strong> (millions 2014$)</td>
<td>$689.4</td>
<td>$690.9</td>
<td>$704.9</td>
<td>$743.2</td>
<td>$764.0</td>
</tr>
<tr>
<td><strong>Percent Change from Previous Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food away from home</td>
<td>3.5%</td>
<td>1.3%</td>
<td>2.3%</td>
<td>2.8%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Alcoholic beverages away from home</td>
<td>3.0%</td>
<td>2.2%</td>
<td>3.1%</td>
<td>3.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>CPI-U</td>
<td>-0.4%</td>
<td>1.7%</td>
<td>3.1%</td>
<td>2.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Industry GDP by State</td>
<td>2.9%</td>
<td>0.0%</td>
<td>-0.1%</td>
<td>6.8%</td>
<td>--</td>
</tr>
<tr>
<td>Employment</td>
<td>-3.4%</td>
<td>-2.4%</td>
<td>1.3%</td>
<td>2.9%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Personal Income</td>
<td>1.2%</td>
<td>0.2%</td>
<td>2.0%</td>
<td>5.4%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics.
GDP by State, employment and income figures are for NAICS Sector 722, Food Services and Drinking Places, which includes on-premises and off-premises consumption, and catering services.

1Figures are based on data for eating and drinking places, excluding possible effect of institutional and military restaurant services.

2GDP by State is defined as “... gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported)” (Beemiller et al., 1999).

3Includes full-time and part-time jobs.

4Comprises both employee compensation and proprietors’ income.
The Economic Review of the Travel Industry in Montana 2014

**Arts, Entertainment, and Recreation Services**

The arts, entertainment, and recreation services industry generally includes theatrical productions (except motion pictures), various amusement services and recreation activities. Similar to the foodservice industry, these data include sales and employment derived from the expenditures of both nonresidents and Montana residents.

- The Gross Domestic Product by State (GDP by State) has seen a 3.9 percent increase from 2012 to 2013. Over time, the GDP has fluctuated up and down since the 2008 recession, but appears to be on the upswing.

- Employment has increased slightly in both 2011 and 2012 rising by 1.4 percent and 1.7 percent respectively.

- Personal Income saw a decrease in 2012 by 0.8 percent, but has now increased in 2013 by 3.9 percent. In total, employment in the arts, entertainment and recreation services industry generated $322.3 million in personal income during 2013.

**Table 23 - Montana Arts, Entertainment, and Recreation Industry Performance, 2009-2013**

<table>
<thead>
<tr>
<th>Key measurement</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry GDP by State</strong> (millions 2014$)</td>
<td>$522</td>
<td>$520</td>
<td>$519</td>
<td>$515</td>
<td>$535</td>
</tr>
<tr>
<td>Employment</td>
<td>18,910</td>
<td>18,691</td>
<td>18,963</td>
<td>19,289</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Personal Income</strong> (millions 2014$)</td>
<td>$314.5</td>
<td>$305.8</td>
<td>$306.2</td>
<td>$305.8</td>
<td>$322.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent Change from Previous Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry GDP by State</strong></td>
<td>1.5%</td>
<td>-0.4%</td>
<td>-0.2%</td>
<td>-0.8%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Employment</td>
<td>-3.1%</td>
<td>-1.2%</td>
<td>1.4%</td>
<td>1.7%</td>
<td>--</td>
</tr>
<tr>
<td><strong>Personal Income</strong></td>
<td>0.3%</td>
<td>-2.8%</td>
<td>0.1%</td>
<td>-0.2%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Economic Analysis.

GDP by State, employment, and income figures are for NAICS Sector 71, Arts, Entertainment, and Recreation, which generally includes live performances, exhibits, and participatory recreation activities.

1GDP by State is defined as “... gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported)” (Beemiller et al., 1999).

2Includes full-time and part-time jobs.

3Comprises both employee compensation and proprietors’ income.
Conclusions & Recommendations

Nonresident travelers come to Montana for a variety of reasons. As Montana’s brand states, Montana has “more spectacular unspoiled nature than anywhere else in the lower 48 states; vibrant and charming small towns that serve as gateways to the natural wonders; and breathtaking experiences by day, relaxing hospitality at night.” Travelers typically leave the state with a very positive impression and quite often become repeat visitors because of their initial Montana experience.

As this review illustrates, nonresident travel makes contributions to many areas of the economy through visitor expenditures leading to employment opportunities, income generation, and through tax contributions at all levels of government. Montana’s travel industry also serves to diversify the state’s economy which can help alleviate the effects of national economic fluctuations.

By 2010, the travel industry in Montana seemed to have recovered from the effects of the recession. Increases in visitation and traveler spending have continued through 2013. While visitation seems to have plateaued in 2014, in terms of individual travelers, the number of travel groups and travel spending by those groups has again increased, according to preliminary estimates for the year. Despite the fact that individual travelers to the state remained level in 2014 (preliminary), it seems to have been another robust year in tourism, with not only estimates of total spending in the state indicating an increase, but individual business owners echoing this observation (2014 Annual Outlook Survey). While the individual number of travelers to Montana each year is an impressive number and interesting talking point, 2014 is an example of a year in which it is important to remember that there are more pieces to the puzzle than just one number. Just as the travel industry is made up of many far-reaching parts in the state’s economy, we must be aware of all of the components of the industry’s impact on the state to come to a full understanding of the benefits to Montana and its citizens.
Works Cited


http://www.bea.gov/regional/index.htm

http://data.bls.gov/cgi-bin/surveymost


http://scholarworks.umt.edu/itrr_pubs/300/


Appendix A: Montana Total Tax Tables by Source

The following four tables show the differences in Montana total taxes depending upon the tax reporting agency. These tables are presented to help the reader see the differences and to assist in deciding which source is most relevant for the reader’s needs. Please note, when reported in the Travel-Generated Tax Revenue section of this report, the following tax figures were inflated to 2014 dollars, but are reported in actual dollars here. Lastly, each table indicates the direct source of the tax figures presented within the table.

U.S. Bureau of Economic Analysis

SA50 Personal current tax receipts—Montana, 2013

<table>
<thead>
<tr>
<th>Item</th>
<th>2013 ($1,000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income</td>
<td>$39,962,564</td>
</tr>
<tr>
<td>less: Personal current taxes</td>
<td></td>
</tr>
<tr>
<td>equals: Disposable personal income</td>
<td>$35,576,888</td>
</tr>
<tr>
<td>Population (persons)</td>
<td>1,015,165</td>
</tr>
<tr>
<td>Per capita personal income</td>
<td>$39,366</td>
</tr>
<tr>
<td>Per capita disposable personal income</td>
<td>$35,045</td>
</tr>
<tr>
<td>Personal current taxes to</td>
<td></td>
</tr>
<tr>
<td>Federal government</td>
<td>$3,168,294</td>
</tr>
<tr>
<td>Income taxes (net of refunds)</td>
<td>$3,168,294</td>
</tr>
<tr>
<td>Income taxes (gross)</td>
<td>$3,760,035</td>
</tr>
<tr>
<td>less: Refunds</td>
<td>$591,741</td>
</tr>
<tr>
<td>Personal current taxes to</td>
<td></td>
</tr>
<tr>
<td>State government</td>
<td>$1,179,540</td>
</tr>
<tr>
<td>Income taxes</td>
<td>$1,061,011</td>
</tr>
<tr>
<td>Motor vehicle license</td>
<td>$56,145</td>
</tr>
<tr>
<td>Other taxes</td>
<td>$62,384</td>
</tr>
<tr>
<td>Personal current taxes to</td>
<td></td>
</tr>
<tr>
<td>Local government</td>
<td>$8,195</td>
</tr>
<tr>
<td>Income taxes</td>
<td>$0</td>
</tr>
<tr>
<td>Motor vehicle license</td>
<td>$4,176</td>
</tr>
<tr>
<td>Other taxes</td>
<td>$4,019</td>
</tr>
<tr>
<td>State and local personal property taxes</td>
<td>$26,647</td>
</tr>
<tr>
<td>Total personal current taxes(^1)</td>
<td>$4,382,676</td>
</tr>
</tbody>
</table>


\(^1\)Sum of personal current taxes to federal, state, local governments; plus state and local personal property taxes.
Montana Department of Revenue

State and Local Taxes in Montana, FY2012

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$1,342,056,097</td>
</tr>
<tr>
<td>Income and corporate</td>
<td>$1,026,625,293</td>
</tr>
<tr>
<td>Natural resource</td>
<td>$175,146,517</td>
</tr>
<tr>
<td>Selective sales and other taxes</td>
<td>$259,578,641</td>
</tr>
<tr>
<td><strong>Total taxes</strong></td>
<td><strong>$2,803,406,549</strong></td>
</tr>
</tbody>
</table>


U.S. Internal Revenue Service

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2013

<table>
<thead>
<tr>
<th>Item</th>
<th>2013 ($1,000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business income taxes</td>
<td>$188,462</td>
</tr>
<tr>
<td>Individual income and employment taxes</td>
<td>$4,742,390</td>
</tr>
<tr>
<td>Income tax payments and SECA tax</td>
<td>$1,391,949</td>
</tr>
<tr>
<td>Income tax withheld and FICA tax</td>
<td>$3,286,884</td>
</tr>
<tr>
<td>Railroad retirement tax</td>
<td>$24,809</td>
</tr>
<tr>
<td>Unemployment insurance tax</td>
<td>$13,044</td>
</tr>
<tr>
<td>Estate and income trust tax</td>
<td>$25,705</td>
</tr>
<tr>
<td>Estate tax</td>
<td>$13,081</td>
</tr>
<tr>
<td>Gift Tax</td>
<td>$8,911</td>
</tr>
<tr>
<td>Excise tax</td>
<td>$43,848</td>
</tr>
<tr>
<td><strong>Total Internal Revenue collections</strong></td>
<td><strong>$4,996,692</strong></td>
</tr>
</tbody>
</table>

## U.S. Census Bureau

### State and Local Government Finances by Level of Government and by State: 2011

<table>
<thead>
<tr>
<th>Description ($1,000s)</th>
<th>State &amp; Local Government</th>
<th>State Government</th>
<th>Local Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>General revenue from own sources</td>
<td>$5,272,157</td>
<td>$3,354,033</td>
<td>$1,918,124</td>
</tr>
<tr>
<td>Tax revenue, total</td>
<td>$3,434,612</td>
<td>$2,303,516</td>
<td>$1,131,096</td>
</tr>
<tr>
<td>Property</td>
<td>$1,339,480</td>
<td>$243,684</td>
<td>$1,095,796</td>
</tr>
<tr>
<td>Sales and gross receipts</td>
<td>$542,046</td>
<td>$533,372</td>
<td>$8,674</td>
</tr>
<tr>
<td>General sales</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Selective sales</td>
<td>$542,046</td>
<td>$533,372</td>
<td>$8,674</td>
</tr>
<tr>
<td>Motor fuel</td>
<td>$209,416</td>
<td>$209,416</td>
<td>-</td>
</tr>
<tr>
<td>Alcoholic beverage</td>
<td>$24,850</td>
<td>$24,850</td>
<td>-</td>
</tr>
<tr>
<td>Tobacco products</td>
<td>$85,934</td>
<td>$85,934</td>
<td>-</td>
</tr>
<tr>
<td>Public utilities</td>
<td>$50,518</td>
<td>$50,518</td>
<td>-</td>
</tr>
<tr>
<td>Other sales tax</td>
<td>$171,328</td>
<td>$162,654</td>
<td>$8,674</td>
</tr>
<tr>
<td>Individual income</td>
<td>$812,629</td>
<td>$812,629</td>
<td>-</td>
</tr>
<tr>
<td>Corporate income</td>
<td>$123,985</td>
<td>$123,985</td>
<td>-</td>
</tr>
<tr>
<td>Motor vehicle license</td>
<td>$143,994</td>
<td>$136,658</td>
<td>$7,336</td>
</tr>
<tr>
<td>Other miscellaneous taxes</td>
<td>$472,478</td>
<td>$453,188</td>
<td>$19,290</td>
</tr>
<tr>
<td>Charges and misc. general revenue</td>
<td>$1,837,545</td>
<td>$1,050,517</td>
<td>$787,028</td>
</tr>
<tr>
<td>Utility revenue</td>
<td>$111,706</td>
<td>-</td>
<td>$111,706</td>
</tr>
<tr>
<td>Liquor store revenue</td>
<td>$73,456</td>
<td>$73,456</td>
<td>-</td>
</tr>
<tr>
<td>Insurance trust revenue</td>
<td>$2,108,469</td>
<td>$2,108,469</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental revenue</td>
<td>$2,669,071</td>
<td>$2,414,552</td>
<td>$1,482,813</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$10,234,859</strong></td>
<td><strong>$7,950,510</strong></td>
<td><strong>$3,512,643</strong></td>
</tr>
</tbody>
</table>

Montana nonresident traveler and travel trend information can be accessed at www.itrr.umt.edu.

Go to www.tourismresearchmt.org to create your own MT nonresident travel data reports.