Tourism Industry Impact Study

Cecil County
Maryland

By

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The Impact of Tourism Industry in Cecil County, Maryland

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The Impact of Tourism Industry in Cecil County, Maryland

The Cecil County Department of Tourism retained the Jacob France Institute of the University of Baltimore to calculate the impact of the tourism industry in Cecil County, Maryland. This was done through three means: a survey of tourists[1] to Cecil County Maryland, a survey of tourism related firms in Cecil County, and analyzing the economic impact of the tourism sector on the County economy through an economic model. The Jacob France Institute conducted surveys of persons who resided outside of Cecil County on twelve different dates from June 29, 2002 to October 26, 2002. These surveys were completed at multiple locations throughout the County. There were a total of 804 surveys completed by parties of visitors to Cecil County. These parties represented 2,471 visitors to the County. In order to collect the information on tourism businesses, France Institute research personnel created and implemented a survey of all tourism-related businesses in Cecil County. Of the 530 tourism related firms identified by Cecil County Department of Tourism, a total of 105 firms completed and returned the survey for a response rate of 20%. The results of this survey are reported in three major business sectors, general business, hotels/motels, and marinas. The third component was an analysis of the economic impact of the tourism sector on the County's economy. This analysis is based on the survey of tourism related businesses described above.

Cecil County Visitor Survey

- The greatest percentage of visitors to Cecil County was from Mid-Atlantic States. Forty-three percent (43%) of visitors were from Pennsylvania, 19% were from Maryland (outside of Cecil County), 16% were from Delaware, 10% were from New Jersey, and 3% were from Virginia.
- Of the persons who responded to the survey, 15% earned under $40,000 annually, 40% earned from $40,000 to $79,000 and 45% earned over $80,000 annually. Cecil County visitors tended to have high household income levels.
- The most frequently cited responses of why tourists came to visit Cecil County included a festival or event (20%), sightseeing (15%), visiting friends in the area (8%), and a touring trip (8%).
- Eighty percent (80%) of visitors were repeat visitors to the County, indicating that Cecil County has a strong base of existing regular tourists.
- Per person, the average visitor spent $45 over the previous 24 hours. Persons who were on an overnight stay spent slightly over twice the amount per person of day-trippers. Overnight visitors spent $61 per person per day while day-trippers spent $29 per person per day.
- Ninety eight percent (98%) of visitors were very satisfied or satisfied with their visit to Cecil County.

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[1] In implementing this survey, Cecil County residents visiting the locations or events surveyed were screened out.

Cecil County Tourism Business Survey

- General tourism businesses responded that the average annual percentage of their sales to tourists to Cecil County is 44%.
- Cecil County general tourism firms employed, on average, 18 people per company. Of these 18 people, 10 were full-time employees and 8 were part-time employees.
- On average, hotels/motels/bed and breakfasts in Cecil County employed 24 people, with 18 full-time employees and 6 part-time employees.
- Hotels/motels/bed and breakfasts in Cecil County responded that their annual average vacancy rate is 33%. During peak business months of May to October, the average vacancy rate is less than half that at 16%.
- On average, each marina employs 11 persons. Of these employees, 87% are full-time and 13% are part-time employees.

Economic Impact of Tourism in Cecil County

- Cecil County businesses in the tourism and leisure sector of the economy employ a total of 5,349 workers and had total revenues of $292.5 million. Sales to tourists account for 58% of this sector's total sales, or $168.4 million, and support a total of 2,590 jobs in the County.
- The total impact of the tourism industry in Cecil County is $236.6 million. Direct tourism supported employment of 2,590 is combined with 360 jobs created by the local purchases of the tourism sector and 456 jobs created through the increase in local incomes for a total of 3,407 County jobs supported by the tourism sector. These 3,407 jobs account for more than 10% of total County employment of 33,335. The total wages and salaries associated with these jobs is $76.5 million.
- Tourism activity in Cecil County directly contributes $5.6 million in State income and sales tax revenues and contributes a total of $6.3 when indirect and induced impacts are considered. The jobs created and supported by tourism revenues contribute more than $1 million in County income tax revenues and the tourism sector supports $4.5 million in County and municipal property taxes. Tourism expenditures contribute between $200,000 and $300,000 per year in estimated County amusement tax revenues. Thus, the fiscal impact of tourism on Cecil County approaches $6 million in County and municipal revenues from the three revenue sources analyzed.

Table of Contents

The Impact of Tourism Industry in Cecil County, Maryland

Executive Summary

Cecil County Visitor Survey 1
Introduction and Methodology 1
Visitor Demographics 2
Visitor Dynamics 8
Where Visitors Stayed and Length of Stay 12
Travel Party Size 14
Leisure Activity and Leisure Frequency of Visitors 16
Visitor Spending. 18
Visitor Satisfaction 19
Cecil County Tourism Business Survey 20
Introduction 20
General Business Survey 20
Hotel/Motel Business Survey 25
Marina Survey. 28
The Economic Impact of Tourism in Cecil County 31
Introduction 31
Total and Tourism-Related Sales and Employment of the Tourism Sector. 31
The Economic Employment and Employee Compensation
Impact of Tourism in Cecil County 33
The Fiscal Impact of Tourism in Cecil County 36
Methodology 37

Index of Tables

Table 1 Tourist Survey Completions by Date of Survey 1
Table 2 Tourist Survey Completions by Location 2
Table 3 Primary Residence of Surveyed Tourists. 3
Table 4 Primary Residence of Surveyed Tourists, for Most Frequently Cited States 4
Table 5 Gender of Survey Respondents. 5
Table 6 Age of Survey Respondents 5
Table 7 Description of Survey Respondents by Household Classification . . . 6
Table 8 Highest Level of Education Completed by Survey Respondents . . 7
Table 9 Household Income of Survey Respondents 8
Table 10 Respondents Primary Reason for Visiting Cecil County. 9
Table 11 Is This Your First Visit To Cecil County 9
Table 12 Methods that First Time Visitors Learned About Cecil County. . . 10
Table 13 Average Number of Visits to Cecil County Annually, for Non-First Timers. 10
Table 14 Do You Plan to Visit Other Places On Your Trip 11
Table 15 Additional Locations Respondents Visited or Planned to Visit While in Cecil County 11

Table 16 Places Where Surveyed Visitors Stayed. 12
Table 17 Number of Nights that Overnight Visitors Stayed Away From Home. 13
Table 18 Number of Days Overnight Visitors Stayed in Cecil County 13
Table 19 Number of People in Travel Party. 14
Table 20 Number of People by Age Ranges. 15
Table 21 Favorite Leisure Activity and Recreation Activities of Survey Respondents. 16
Table 22 Times Per Year Visitors Engage in Leisure Activities Outside of the Home. 17
Table 23 Estimated Spending of Survey Respondents in Cecil County in Last 24 Hours 18
Table 24 Survey Respondents Level of Satisfaction With Visit to Cecil County 19
Table 25 Description of the Business 20
Table 26 Annual Sales and Revenues before Expenses 21
Table 27 Percentage of Annual Sales to Tourists 21
Table 28 Current Employment 22
Table 29 Hiring Additional Staff during Peak Business Months If yes, how many hires? 23
Table 30 Marketing Efforts outside of Cecil County If yes, has it been successful? 24
Table 31 Description of the Business 25
Table 32 Annual Sales and Revenues before Expenses. 25
Table 33 Current Employment. 26
Table 34 Hiring Additional Staff during Peak Business Months If yes, how many hires. 26
Table 35 Vacancy Rates 27
Table 36 Marketing Efforts outside of Cecil County If yes, has it been successful? 27
Table 37 Annual Sales and Revenues before Expenses 28
Table 38 Current Cecil County Marina Employment 28
Table 39 Hiring Additional Staff during Peak Business Months If yes, how many hires? 29
Table 40 Current Cecil County Marina Slips 29
Table 41 Marketing Efforts outside of Cecil County If yes, has it been successful? 30
Table 42 Total Visitor Sales of Key Tourism Related Businesses 32
Table 43 Summary: Economic Impact of Tourism in Cecil County 33
Table 44 Economic Impact of Tourism in Cecil County, By Industry 34
Table 45 Employment Impact of Tourism in Cecil County, By Industry. . . 35
Table 46 Employee Compensation Impact of Tourism in Cecil County, By Industry 36
Table 47 State and Local Fiscal Impact of Tourism Spending in Cecil County 37

Cecil County Visitor Survey

Introduction and Methodology

For the first part of this report, the Cecil County Department of Tourism retained the Jacob France Institute of the University of Baltimore to create and implement a survey of tourists[1] to Cecil County Maryland. The Jacob France Institute conducted surveys of persons who resided outside of Cecil County on twelve different dates from June 29, 2002 to October 26, 2002. These surveys were completed at multiple locations throughout the County. See Table 2 for a list of locations.

Table 1
Tourist Survey Completions by Date of Survey

	Number	%
Total Responses	804	
June 29, 2002	80	10.0%
July 5, 2002	32	4.0%
July 6, 2002	119	14.8%
July 7, 2002	60	7.5%
July 13, 2002	78	9.7%
July 14, 2002	50	6.2%
July 28, 2002	70	8.7%
August 12, 2002	71	8.8%
August 13, 2002	56	7.0%
August 17, 2002	61	7.6%
August 18, 2002	52	6.5%
October 26, 2002	75	9.3%

[1] In implementing this survey, Cecil County residents visiting the locations or events surveyed were screened out.

Table 2
Tourist Survey Completions by Location

	Number	%
Total Responses	804	
Fair Hill	202	25.1%
Chesapeake City	178	22.1%
Turkey Point	149	18.5%
Sandy Cove	100	12.4%
Boat Show	61	7.6%
Canal Day	57	7.1%
North East Water Festival	50	6.2%
Other	7	0.9%

There were a total of 804 surveys completed by parties of visitors to Cecil County. These parties represented 2,471 visitors to the County. Of these, 483 (60%) were completed by persons visiting Cecil County for a day (day trip) and 321 (40%) were completed by persons who were on multiple day trips (overnight stays).

Visitor Demographics

Visitors to Cecil County were asked several questions to give a more complete picture as to who is visiting Cecil County, including where they are from, their gender, their age, household description, highest level of education completed, and average annual household income. Cecil County can use this information in its efforts to target certain population segments and geographic locations for marketing purposes.

The greatest percentage of visitors to Cecil County was from Mid-Atlantic States. Forty-three percent (43%) of visitors were from Pennsylvania, 19% were from Maryland (outside of Cecil County), 16% were from Delaware, 10% were from New Jersey, and 3% were from Virginia. For persons on day trips, 43% were from Pennsylvania, 24% from Maryland, 22% from Delaware, 6% from New Jersey, and 2% from Virginia. For overnight visitors, 42% were from Pennsylvania, 11% from Maryland, 6% from Delaware, 16% from New Jersey, and 5% from Virginia.

Table 3
Primary Residence of Surveyed Tourists

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	3	0.4%	1	0.2%	2	0.6%
Total Valid Responses	801		482		319	
Pennsylvania	342	42.7%	209	43.4%	133	41.7%
Maryland	152	19.0%	117	24.3%	35	11.0%
Delaware	128	16.0%	108	22.4%	20	6.3%
New Jersey	81	10.1%	29	6.0%	52	16.3%
Virginia	24	3.0%	7	1.5%	17	5.3%
New York	21	2.6%	2	0.4%	19	6.0%
Florida	6	0.7%	0	0.0%	6	1.9%
Georgia	4	0.5%	0	0.0%	4	1.3%
Massachusetts	4	0.5%	2	0.4%	2	0.6%
West Virginia	4	0.5%	0	0.0%	4	1.3%
California	3	0.4%	0	0.0%	3	0.9%
Colorado	3	0.4%	1	0.2%	2	0.6%
District of Columbia	3	0.4%	1	0.2%	2	0.6%
Illinois	3	0.4%	0	0.0%	3	0.9%
North Carolina	3	0.4%	1	0.2%	2	0.6%
Ohio	3	0.4%	2	0.4%	1	0.3%
Washington	3	0.4%	1	0.2%	2	0.6%
Connecticut	2	0.2%	0	0.0%	2	0.6%
Kentucky	2	0.2%	1	0.2%	1	0.3%
Kansas	1	0.1%	0	0.0%	1	0.3%
Louisiana	1	0.1%	0	0.0%	1	0.3%
South Carolina	1	0.1%	0	0.0%	1	0.3%
Texas	1	0.1%	0	0.0%	1	0.3%
Vermont	1	0.1%	0	0.0%	1	0.3%
Wyoming	1	0.1%	0	0.0%	1	0.3%
Canada	3	0.4%	1	0.2%	2	0.6%
Italy	1	0.1%	0	0.0%	1	0.3%

Visitors were also asked the city or town they reside in. Table 4 shows, for the three most frequently cited states, the most frequently cited cities/towns. For visitors from Pennsylvania, the greatest number of visitors was from Lancaster (10%) and Philadelphia (8%). For visitors from Maryland, the greatest number of visitors was from Baltimore City (14%) and Annapolis (4%). The most frequently cited cities/towns by visitors from Delaware was Newark (32%), Wilmington (19%), and Newcastle (13%).

Table 4

Primary Residence of Surveyed Tourists, for Most Frequently Cited States

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Pennsylvania	342		209		133	
Lancaster	35	10.2%	22	10.5%	13	9.8%
Philadelphia	27	7.9%	18	8.6%	9	6.8%
Downingtown	11	3.2%	5	2.4%	6	4.5%
York	11	3.2%	7	3.3%	4	3.0%
Coatesville	6	1.8%	2	1.0%	4	3.0%
Other	252	73.7%	155	74.2%	97	72.9%
Maryland	152		117		35	
Baltimore City	21	13.8%	13	11.1%	8	22.9%
Annapolis	6	3.9%	4	3.4%	2	5.7%
Other	125	82.2%	100	85.5%	25	71.4%
Deleware	128		108		20	
Newark	41	32.0%	37	34.3%	4	20.0%
Wilmington	24	18.8%	20	18.5%	4	20.0%
Newcastle	17	13.3%	14	13.0%	3	15.0%
Other	46	35.9%	37	34.3%	9	45.0%

Table 5 shows the gender of visitors to Cecil County that were surveyed. Fifty-four percent (54%) of those persons surveyed were male and 46% were female.

Table 5
Gender of Survey Respondents

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
Male	430	53.5%	261	54.0%	169	52.6%
Female	374	46.5%	222	46.0%	152	47.4%

Visitors were also asked to provide their age. This information will better allow Cecil County to relate tourism attractions and events to persons within these ages. The largest group of persons surveyed was between the ages of 45 to 54 (31%). The second largest group was between the ages of 35 to 44 (24%). Persons under the age of 18 were not included in the survey.

Table 6
Age of Survey Respondents

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	6	0.7%	4	0.8%	2	0.6%
Total Classifiable Responses	798		479		319	
18 to 34	163	20.4%	98	20.5%	65	20.4%
35 to 44	190	23.8%	107	22.3%	83	26.0%
45 to 54	245	30.7%	144	30.1%	101	31.7%
55 to 64	122	15.3%	83	17.3%	39	12.2%
Over 65	78	9.8%	47	9.8%	31	9.7%

Table 7 shows the household description of survey respondents. The greatest percentage of persons surveyed responded that they are in a two-parent family with children under the age of 18 (33%). The second most frequent response was from couples with grown children (29%). When comparing persons on day trips to persons staying overnight, an interesting difference is observed. Those persons who were on day trips were more likely to be couples with grown children and persons who were staying overnight were more likely to be couples with children under 18 years old.

Table 7
Description of Survey Respondents by Household Classification

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	23	2.9%	18	3.7%	5	1.6%
Total Classifiable Responses	781		465		316	
Two-Parent Family (children < 18)	261	33.4%	134	28.8%	127	40.2%
Single-Parent Family (children < 18)	30	3.8%	17	3.7%	13	4.1%
Couple (no children)	124	15.9%	77	16.6%	47	14.9%
Couple (grown children)	225	28.8%	145	31.2%	80	25.3%
Single (grown children)	43	5.5%	26	5.6%	17	5.4%
Single (no children)	98	12.5%	66	14.2%	32	10.1%

Visitors to Cecil County that were surveyed were also asked the highest level of education that they have completed. Fifty-four percent (54%) of persons surveyed responded that they had a Bachelor's degree or higher. Cecil County tends to attract highly educated visitors.

Table 8
Highest Level of Education Completed by Survey Respondents

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	2	0.2%	2	0.4%	0	0.0%
Total Classifiable Responses	802		481		321	
Less than High School	15	1.9%	12	2.5%	3	0.9%
High School	186	23.2%	110	22.9%	76	23.7%
Some College	117	14.6%	69	14.3%	48	15.0%
Associates Degree	50	6.2%	30	6.2%	20	6.2%
BA or BS Degree	259	32.3%	151	31.4%	108	33.6%
Masters or Professional Degree	175	21.8%	109	22.7%	66	20.6%

Additionally, visitors were asked to provide their average annual household income (see Table 9). Of the persons who responded to the survey, 15% earned under $40,000 annually, 40% earned from $40,000 to $79,000 and 45% earned over $80,000 annually. Cecil County visitors tended to have high household income levels.

Table 9
Household Income of Survey Respondents

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	89	11.1%	61	12.6%	28	8.7%
Total Classifiable Responses	715		422		293	
Under $20,000	18	2.5%	10	2.4%	8	2.7%
$20,000 to $39,999	93	13.0%	48	11.4%	45	15.4%
$40,000 to $59,999	171	23.9%	106	25.1%	65	22.2%
$60,000 to $79,999	112	15.7%	65	15.4%	47	16.0%
$80,000 to $99,999	120	16.8%	71	16.8%	49	16.7%
Over $100,000	201	28.1%	122	28.9%	79	27.0%

Visitor Dynamics

Visitors to Cecil County were asked several questions regarding the reasons they chose to visit, the frequency of their visits, and the places that they visit while here. Visitors were asked the reasons that they chose to visit the County (see Table 10). Survey respondents were allowed to choose multiple reasons. The most frequently cited responses included a festival or event (20%), sightseeing (15%), visiting friends in the area (8%), and a touring trip (8%). Boating (7%) and outdoor recreation (7%) were also frequently cited reasons for visiting Cecil County. Day trip visitors primarily came for a festival/event (26%) or sightseeing (20%) while overnight visitors came to visit friends in the area (15%) or for outdoor recreation (14%).

Table 10
Respondents Primary Reason for Visiting Cecil County

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
Festival or Event	160	19.9%	127	26.3%	33	10.3%
Sightseeing	117	14.6%	97	20.1%	20	6.2%
Visiting Friends in the Area	67	8.3%	19	3.9%	48	15.0%
Touring Trip	61	7.6%	41	8.5%	20	6.2%
Boating	58	7.2%	31	6.4%	27	8.4%
Outdoor Recreation	55	6.8%	9	1.9%	46	14.3%
Dining	47	5.8%	43	8.9%	4	1.2%
Own Vacation Home in the Area	22	2.7%	0	0.0%	22	6.9%
Shopping	14	1.7%	13	2.7%	1	0.3%
Personal	3	0.4%	2	0.4%	1	0.3%
Other	219	27.2%	126	26.1%	93	29.0%

As presented in Table 11, 80% of visitors were repeat visitors to the County, indicating that Cecil County has a strong base of existing regular tourists. One of every five visitors (20%) to Cecil County responded that this was their first visit to the County. Of first time visitors to the County, a slightly greater percentage came for day trips than overnight stays.

Table 11
Is This Your First Visit To Cecil County

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Classifiable Responses	804		483		321	
No	647	80.5%	385	79.7%	262	81.6%
Yes	157	19.5%	98	20.3%	59	18.4%

By large, the most frequent way first time visitors learned about Cecil County was from family/friends (70%). This strong base of personal referrals indicates a positive perception of the County among visitors doing the referring.

Table 12
Methods that First Time Visitors Learned About Cecil County

	Number	%
Total Classifiable Responses	157	
Family/Friends	110	70.1%
Internet	13	8.3%
Newspaper	9	5.7%
Word of Mouth	7	4.5%
Brochure	5	3.2%
Billboard	4	2.5%
Radio	2	1.3%
Other	7	4.5%

Of the persons who were not first time visitors, 76% visited Cecil County from one to 10 times per year and 9% visited from 11 to 20 times per year. On average, visitors responded that they visit Cecil eleven times per year. Visitors who came to the County for the day averaged 12 visits per year while persons visiting overnight averaged 9 visits annually.

Table 13
Average Number of Visits to Cecil County Annually, for Non-First Timers

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	647		385		262	
No Response	92	14.2%	51	13.2%	41	15.6%
Total Classifiable Responses	555		334		221	
1 to 10	423	76.2%	254	76.0%	169	76.5%
11 to 20	52	9.4%	36	10.8%	16	7.2%
21 to 30	28	5.0%	12	3.6%	16	7.2%
31 to 40	9	1.6%	4	1.2%	5	2.3%
41 to 50	18	3.2%	13	3.9%	5	2.3%
Over 50	25	4.5%	15	4.5%	10	4.5%
Average Number of Visits	11		12		9	

Visitors to Cecil County were also asked if they were planning to visit additional locations in the County other than the location or event at which they were surveyed. Thirty percent (30%) of visitors were planning to visit other locations. Visitors on overnight trips were more likely (41%) to visit other locations in the County than persons on day trips (22%). The most frequently cited locations that visitors planned to tour while in the County included North East (44%), Elkton (8%), Havre de Grace (8%) (in Harford County), and Chesapeake City (6%).

Table 14
Do You Plan to Visit Other Places On Your Trip

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Classifiable Responses	804		483		321	
No	567	70.5%	377	78.1%	190	59.2%
Yes	237	29.5%	106	21.9%	131	40.8%

Table 15
Additional Locations Respondents
Visited or Planned to Visit While in Cecil County

	Number	%
Total Persons	237	
North East	105	44.3%
Elkton/Fair Hill	19	8.0%
Havre De Grace	19	8.0%
Chesapeake City	14	5.9%
Beaches (Multiple Locations)	12	5.1%
Perryville Outlets	12	5.1%
Turkey Point	8	3.4%
Other	100	42.2%

Where Visitors Stayed and Length of Stay

Visitors to Cecil County were asked a series of questions about where they were staying while on their trip, the length of their stay and for how many days they were visiting Cecil County. Sixty one percent (61%) of visitors responded that they were staying at their primary residence, 13% were staying at a hotel/motel, and 7% were staying with friends/relatives. Of the visitors that were staying in hotels, 15% were staying in Elkton and of the visitors staying at bed and breakfasts, two-thirds (67%) were staying in Chesapeake City.

Table 16
Places Where Surveyed Visitors Stayed

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	49	6.1%	12	2.5%	37	11.5%
Total Classifiable Responses	755		471		284	
Primary Residence	451	59.7%	451	95.8%	0	0.0%
With a Friend/Relative	61	8.1%	5	1.1%	56	19.7%
Vacation Home	31	4.1%	3	0.6%	28	9.9%
Hotel/Motel	118	15.6%	0	0.0%	118	41.5%
Elkton	14	1.9%	0	0.0%	14	4.9%
Sandy Cove	31	4.1%	0	0.0%	31	10.9%
Newark, Delaware	4	0.5%	0	0.0%	4	1.4%
Other	69	9.1%	0	0.0%	69	24.3%
Bed and Breakfast	12	1.6%	0	0.0%	12	4.2%
Chesapeake City	8	1.1%	0	0.0%	8	2.8%
Other	4	0.5%	0	0.0%	4	1.4%
Other	111	14.7%	12	2.5%	99	34.9%
Camp Ground	51	6.8%	0	0.0%	51	18.0%
Boat	23	3.0%	0	0.0%	23	8.1%
Other	37	4.9%	12	2.5%	25	8.8%

Overnight visitors to Cecil County stayed an average of four nights away from their primary residence (see Table 17). Forty-one percent (41%) stayed one to two nights, 26% stayed from three to four nights, and 33% stayed more than four nights. Of these nights away from their home, visitors spent an average of two days in Cecil County with 66% staying for just a single day in the County.

Table 17
Number of Nights that
Overnight Visitors Stayed Away From Home

	Number	%
Total Responses	321	
No Response	33	10.3%
Total Classifiable Responses	288	
1 Night	48	16.7%
2 Nights	69	24.0%
3 Nights	52	18.1%
4 Nights	25	8.7%
5 Nights to 7 Nights	75	26.0%
8 Nights to 10 Nights	13	4.5%
11 or More Nights	6	2.1%
Average Number of Nights	4	

Table 18
Number of Days Overnight Visitors
Stayed in Cecil County

	Number	%
Total Responses	321	
No Response	5	1.6%
Total Classifiable Responses	316	
1 Day	209	66.1%
2 Days	27	8.5%
3 Days	29	9.2%
4 Days	22	7.0%
5 Days to 7 Days	23	7.3%
8 Days to 10 Days	5	1.6%
11 or More Days	1	0.3%
Average Number of Days	2	

Travel Party Size

While it is important to know who is coming to visit the County, where they are going, and where they are staying, it is also important to know how many persons are traveling together and what ages these persons are. Table 19 shows the number of persons in each travel party and Table 20 shows the total number of persons by age range.

On average, three persons were in each travel party that was surveyed. Those visitors that were on overnight visits averaged a slightly higher number of persons per travel group (4) than those visitors on day trips (3).

Table 19
Number of People in Travel Party

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	20	2.5%	15	3.1%	5	1.6%
Total Classifiable Responses	784		468		316	
1- 2 Persons	408	52.0%	258	55.1%	150	47.5%
3 - 4 Persons	263	33.5%	164	35.0%	99	31.3%
5 - 6 Persons	71	9.1%	28	6.0%	43	13.6%
7 or more	42	5.4%	18	3.8%	24	7.6%
Average Size of Travel Party	3		3		4	

When looking at the ages of persons, who were visiting Cecil County, a distinct difference presents itself. Persons visiting the County on a day trip were more likely to be older than those who were on overnight trips. Eighteen percent (18%) of persons on day trips were under 18 years old and 20% were over 56 years old. Twenty nine percent (29%) of persons on over night trips were under the age of 18 and 14% were over 56 years old. This indicates that Cecil County is viewed as a family destination for persons on overnight trips and an attractive place to visit for persons who are older looking for a location to visit for a single day.

Table 20
Number of People by Age Ranges

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Completed Surveys	300		483		321	
Total Persons	2,471		1,355		1,116	
Under 12	300	12.1%	127	9.4%	173	15.5%
12 - 17	260	10.5%	114	8.4%	146	13.1%
18 - 25	207	8.4%	103	7.6%	104	9.3%
26 -39	471	19.1%	273	20.1%	198	17.7%
40 - 55	810	32.8%	468	34.5%	342	30.6%
56 - 70	332	13.4%	222	16.4%	110	9.9%
Over 70	91	3.7%	48	3.5%	43	3.9%

Leisure Activity and Leisure Frequency of Visitors

Visitors to Cecil County were asked to name their favorite vacation/leisure activities that they participate in outside of their home. This data can be used to assist Cecil County in its tourism marketing efforts. Survey respondents were allowed to choose multiple leisure activities. Forty-five percent (45%) responded that they enjoyed walking, 41% enjoyed visiting historical places, 40% enjoy shopping, 38% enjoy boating, 31% enjoy hiking, 28% enjoy camping, and 27% enjoy bicycling. Persons on day trips most frequently selected walking (46%), while persons on overnight stays most frequently chose boating (46%).

Table 21

Favorite Leisure and Recreation Activities of Survey Respondents

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
Walking	362	45.0%	220	45.5%	142	44.2%
Visiting Historical Places	326	40.5%	204	42.2%	122	38.0%
Shopping	318	39.6%	186	38.5%	132	41.1%
Boating	307	38.2%	158	32.7%	149	46.4%
Hiking	252	31.3%	131	27.1%	121	37.7%
Camping	222	27.6%	111	23.0%	111	34.6%
Bicycling	213	26.5%	127	26.3%	86	26.8%
Visiting Museums	205	25.5%	120	24.8%	85	26.5%
Fishing	187	23.3%	91	18.8%	96	29.9%
Antiqueing	148	18.4%	93	19.3%	55	17.1%
Equestrian	95	11.8%	84	17.4%	11	3.4%
Other	197	24.5%	87	18.0%	110	34.3%

Table 22 shows the frequency that visitors to Cecil County engage in leisure activities outside of their home. Sixty-eight percent (68%) of surveyed visitors responded that they engage in leisure activities between 1 to 10 times annually. Fifteen percent (15%) engage in these activities from 11 to 20 times annually and 18% engage in leisure activities 21 or more times annually.

Table 22

Times Per Year Visitors Engage in Leisure Activities Outside of the Home

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	63	7.8%	35	7.2%	28	8.7%
Total Classifiable Responses	741		448		293	
1 - 10	501	67.6%	281	62.7%	220	75.1%
11 - 20	109	14.7%	72	16.1%	37	12.6%
21 - 30	63	8.5%	44	9.8%	19	6.5%
31 - 40	20	2.7%	13	2.9%	7	2.4%
41 - 50	32	4.3%	28	6.3%	4	1.4%
Over 51	16	2.2%	10	2.2%	6	2.0%

Visitor Spending

Visitors who came to Cecil County spent money on numerous activities while visiting the County. Survey respondents were asked to provide the amounts they had spent on various types of expenditures over the past 24 hours. Visitors spent the greatest amount in restaurants/bars (41%) and on shopping (22%). Persons on day trips spent the greatest amounts in restaurants/bars (51%) and shopping (26%) while visitors on overnight stays spent the greatest amounts in restaurants/bars (37%) and lodging (27%).

Per person, the average visitor spent $45 over the previous 24 hours. Persons who were on an overnight stay spent slightly over twice the amount per person of day-trippers. Overnight visitors spent $61 per person day while day-trippers spent $29 per person day.

Table 23
Estimated Spending of Survey Respondents in Cecil County in Last 24 Hours

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Expenditure per Person	$45		$29		$61	
Restaurant/Bar	$18	41.1%	$15	50.5%	$22	36.7%
Shopping	$10	22.0%	$8	26.1%	$12	20.1%
Lodging	$8	18.3%	$0	0.0%	$16	26.9%
Transportation	$2	5.5%	$2	5.9%	$3	5.4%
Groceries	$2	5.5%	$0	1.6%	$4	7.4%
Recreation/Attractions	$1	3.1%	$1	5.2%	$1	2.1%
Others	$2	4.5%	$3	10.8%	$1	1.5%

Visitor Satisfaction

Visitors to Cecil County responded that they were highly satisfied with their visit to the County. Of those persons surveyed who responded to the question, 98% of visitors were very satisfied or satisfied with their visit to Cecil County.

Table 24
Survey Respondents Level of Satisfaction With Visit to Cecil County

	Total		Day Trips		Overnight Stays	
	Number	%	Number	%	Number	%
Total Responses	804		483		321	
No Response	27	3.4%	18	3.7%	9	2.8%
Total Classifiable Responses	777		465		312	
Very Satisfied	541	69.6%	303	65.2%	238	76.3%
Satisfied	223	28.7%	153	32.9%	70	22.4%
Neither Satisfied or Dissatisfied	10	1.3%	7	1.5%	3	1.0%
Not Very Satisfied	3	0.4%	2	0.4%	1	0.3%
Dissatisfied	0	0.0%	0	0.0%	0	0.0%

Cecil County Tourism Business Survey

Introduction

For the second part of this report, the Cecil County Department of Tourism retained the Jacob France Institute of the University of Baltimore to create a visitor profile and analyze the economic impact of tourism in Cecil County. In order to collect the information required for this study, France Institute research personnel created and implemented a survey of all tourism-related businesses in Cecil County. Of the 530 tourism related firms identified by Cecil County Department of Tourism, a total of 105 firms completed and returned the survey for a response rate of 20%. The results of this survey are reported in three major business sectors, general business, hotels/motels, and marinas. These businesses comprise the Maryland Department of Labor, Licensing and Regulation definition of tourism related businesses. The report is broken into these three sections to better describe the tourism impacts on each of these particular types of businesses that are critical to Cecil County.

General Business Survey

General tourism businesses included, department stores, liquor and convenience stores, antique stores, restaurants/bars, museums/galleries/gardens, boat tours, tour operators, golf courses, gasoline service stations, and other retail establishments. Table 25 shows that of the 86 general tourism businesses that responded in Cecil County, 28% were restaurant/bars, 21% were other retail type stores, 8% were museums/galleries/gardens, and 7% were antique stores.

Table 25
Description of the Business

	Number	%
Total Responses	86	
Restaurant/Bar	24	27.9%
Other Retail Store	18	20.9%
Museum/Gallery	7	8.1%
Antique Store	6	7.0%
Department Store	3	3.5%
Convenience Store	2	2.3%
Liquor Store	2	2.3%
Camp Grounds	2	2.3%
Gasoline Service Station	2	2.3%
Boat Tours	1	1.2%
Golf Course	1	1.2%
Travel Agency/Tour Operator	1	1.2%
Other	17	19.8%

The greatest percentage (42%) of responding general tourism businesses had annual revenues under $200,000 prior to expenses (see Table 26). Sixteen percent (16%) had sales of $200,000 to $499,999 and 16% had annual sales from $500,000 to $999,999. Twenty-seven percent (27%) had annual revenues of over $1,000,000 annually prior to expenses.

Table 26
Annual Sales and Revenues before Expenses

	Number	%
Total Responses	86	
No response	3	
Total Valid Responses	83	
Under $200,000	35	42.2%
$200,000 to $499,999	13	15.7%
$500,000 to $999,999	13	15.7%
$1,000,000 to $2,499,999	14	16.9%
$2,500,000 to $4,999,999	3	3.6%
Over $5,000,000	5	6.0%

General tourism businesses responded that the average annual percentage of their sales to tourists to Cecil County is 44% (see Table 27). Twenty-four percent (24%) of firms responded that sales to tourists represents 0% to 19% of their annual sales and 13% responded that sales to tourists represent 20% to 39%. Thirty-one percent (31%) of businesses responded that sales to tourists represent 40% to 59% of annual sales, 19% replied that it represents 60% to 79%, and 14% responded that it represents 80% or more of their annual sales.

Table 27
Percentage of Annual Sales to Tourists

	Number	%
Total Responses	86	
No response	1	1.2%
Total Valid Responses	85	
0%-19%	20	23.5%
20%-39%	11	12.9%
40%-59%	26	30.6%
60%-79%	16	18.8%
80%-100%	12	14.1%
Average percentage of sales to tourists		44.0%

General tourism firms had substantial variation in their peak business season. Most firms responded that the summer months were their peak business season. However, some firms responded that their peak season was in the winter and fall months.

Table 28 shows that Cecil County general tourism firms employed, on average, 18 people per company. Of these 18 people, 10 were full-time employees and 8 were part-time employees. The 86 responding business employed a total of 1,562 people, of which 53% were full-time employees and 47% were part-time employees.

Table 28
Current Employment

	Number	%
Total number of employees	1,562	
Full-time	832	53.3%
Part-time	730	46.7%
Total number of businesses	86	
Average number of total employees	18	
Average number of full-time employees	10	
Average number of part-time employees	8	

When asked if during their peak business months if they hire additional staff, nearly half responded that they do (see Table 29). Forty-seven percent (47%) of firms responded that they hire additional staff during their peak business months. Of those firms that hire additional staff, they hired an additional 13 workers per firm, of which 4 were full-time employees and 9 were part-time employees.

Table 29
Hiring Additional Staff during Peak Business Months
If yes, how many hires?

	Number	%
Total Responses	87	
Yes	41	47.1%
No	46	52.9%
Total Classifiable Reponses	41	
Total hires	524	
Full-time	162	30.9%
Part-time	362	69.1%
Total number of businesses	86	
Average number of total hires	6	
Average number of full-time hires	2	
Average number of part-time hires	4	

Nearly two-thirds (65%) of responding Cecil County general tourism firms replied that they are involved in marketing efforts outside of the County (see Table 30). Of the firms that are engaged in these marketing efforts, 91% responded that it is successful. Methods that Cecil general tourism businesses market outside of the County included use of internet sites, flyers and direct mailings, radio and television advertisement, newspapers, billboards, and magazines.

Table 30
Marketing Efforts outside of Cecil County
If yes, has it been successful?

	Number	%
Total Responses	87	
Yes	56	64.4%
No	31	35.6%
Total Classifiable responses	56	
Successful	51	91.1%
Not successful	5	8.9%

General tourism businesses had several suggestions on how to improve and further develop the tourism industry in Cecil County. The most frequent suggestion was to have more outdoor events or festivals, such as music, art, and antique events. Firms also suggested increased advertising using billboards, magazines, television, and the internet, especially along I-95. Other suggestions included tying the County's waterfront locations into its marketing and eliminating the sales tax in order to compete with the tax-free shopping in Delaware.

Hotel/Motel Business Survey

Eight hotels/motels/bed and breakfasts completed and returned the survey. Of the 8 firms that responded, 50% were hotels, 38% were bed and breakfasts, and 12% were motels (see Table 30).

Table 31
Description of the Business

	Number	%
Total Responses	8	
Hotel	4	50.0%
Bed and Breakfast	3	37.5%
Motel	1	12.5%

Table 31 shows that over half (57%) of the responding firms had annual revenues of less than $500,000 annually prior to expenses. Forty-three percent (43%) had annual revenues of $500,000 or more annually before expenses.

Table 32
Annual Sales and Revenues before Expenses

	Number	%
Total Responses	8	
No response	1	
Total valid responses	7	
Under $200,000	2	28.6%
$200,000 to $499,999	2	28.6%
$500,000 to $999,999	0	0.0%
$1,000,000 to $2,499,999	2	28.6%
$2,500,000 to $4,999,999	1	14.3%

The eight responding firms employed a total of 191 persons of which 75% were full-time employees and 25% were part-time employees (see Table 32). On average, each firm employed 24 people, with 18 full-time employees and 6 part-time employees.

Table 33
Current Employment

	Number	%
Total number of employees	191	
Full-time	144	75.4%
Part-time	47	24.6%
Total number of businesses	8	
Average number of total employees	24	
Average number of full-time employees	18	
Average number of part-time employees	6	

During their peak business months, 67% of firms hire additional staff (see Table 33). On average, firms that hire additional staff hired an additional 9 employees. Of these additional hires, 5 were full-time employees and 4 were part-time employees.

Table 34
Hiring Additional Staff during Peak Business Months
If yes, how many hires?

	Number	%
Total Responses	8	
No response	2	
Total valid responses	6	
Yes	4	66.7%
No	2	33.3%
Total Classifiable Reponses	4	
Total hires	34	
Full-time	18	52.9%
Part-time	16	47.1%

Table 34 shows that over the course of the year, firms responded that their annual average vacancy rate is 33%. During peak business months of May to October, the average vacancy rate is less than half that at 16%.

Table 35
Vacancy Rates

Vacancy rate during year	33%
Vacancy rate during peak months	16%

Sixty-three percent (63%) of firms responded that they are involved in marketing efforts outside of Cecil County (see Table 35). Of those firms that are involved in marketing efforts outside of the County, 80% responded that their efforts are successful. Methods that firms used to market themselves included the internet, magazine advertisements, and billboards.

Table 36
Marketing Efforts outside of Cecil County
If yes, has it been successful?

	Number	%
Total Responses	8	
Yes	5	62.5%
No	2	25.0%
Total Classifiable responses	5	
Successful	4	80.0%
Not successful	1	20.0%

The primary suggestion that responding firms had to improve the tourism industry in the County was to do direct mailing and advertisement of the historical areas within Cecil County.

Marina Survey

According to Dun and Bradstreet, Cecil County had 31 marinas (see Table 36). Eleven of these firms responded to the survey, representing 35% of the total marinas in the County. Of the 11 responding marinas, 27% had annual revenues of under $500,000 annually before expenses, 18% had annual sales from $500,000 to $2,499,999, and 55% had annual sales of $2,500,000 or more annually before expenses.

Table 37
Annual Sales and Revenues before Expenses

	Number	%
Total Responses	11	
Under $200,000	1	9.1%
$200,000 to $499,999	2	18.2%
$500,000 to $999,999	2	18.2%
$1,000,000 to $2,499,999	0	0.0%
$2,500,000 to $4,999,999	5	45.5%
Over $5,000,000	1	9.1%

Table 37 shows that on average, each marina employs 11 persons. Of these employees, 87% are full-time and 13% are part-time employees.

Table 38
Current Cecil County Marina Employment

	Number	%
Total number of employees	123	
Full-time	107	87.0%
Part-time	16	13.0%
Total number of businesses	11	
Average number of total employees	11	
Average number of full-time employees	10	
Average number of part-time employees	1	

Ninety percent (90%) of responding marinas hire additional staff during their peak business months of April to October. Of those firms hiring additional staff, only 6% were full-time employees and 94% were part-time employees (Table 38).

Table 39
Hiring Additional Staff during Peak Business Months
If yes, how many hires?

	Number	%
Total Responses	11	
No response	1	
Total valid responses	10	
Yes	9	90.0%
No	1	10.0%
Total Classifiable Reponses	9	
Total hires	100	
Full-time	6	6.0%
Part-time	94	94.0%

Table 39 shows that of the 10 total valid responses, there were a total of 1,317 slips or on average 132 slips per marina. Of these slips, 63% are leased to out-of-county residents and 37% are leased to out-of-state residents.

Table 40
Current Cecil County Marina Slips

	Number	%
Total firms	11	
No response	1	
Total valid response	10	
Total number of slips	1,317	
Slips leased out-of-coutry residents	832	63.2%
Slips leased out-of-state residents	485	36.8%

Seventy-three percent (73%) of responding marinas replied that they are involved in marketing efforts outside of Cecil County (see Table 40). Of the marinas that are involved in marketing efforts outside of the County, 75% responded that their efforts are successful and 25% responded that they feel their efforts are unsuccessful. Methods that marinas used for marketing included use of the internet, advertising at boat shows, magazine and trade journal advertising, and billboards.

Table 41
Marketing Efforts outside of Cecil County
If yes, has it been successful?

	Number	%
Total Responses	11	
Yes	8	72.7%
No	3	27.3%
Total Classifiable responses	8	
Successful	6	75.0%
Not successful	2	25.0%

Suggestions on how to improve and develop the tourism industry in Cecil County included increased advertising through the internet, advertising at boat shows, and lowering permitting fees.

The Economic Impact of Tourism in Cecil County

Introduction

The third component of the Jacob France Institute's study of tourism in Cecil County was an analysis of the economic impact of the tourism sector on the County's economy. This analysis is based on the survey of tourism related businesses described above. In the business survey, each business was asked to identify the proportion of total sales made to non-Cecil County resident tourists. This information was used to extrapolate the percentage of total revenues attributable to tourism and to estimate the economic impact of the tourism sector.

Total and Tourism-Related Sales and Employment of the Tourism Sector

There are a total of 629 Cecil County businesses in the sectors identified by the Maryland Department of Labor, Licensing, and Regulation as being in the tourism and leisure sector.[2] However, a key problem in measuring the economic importance of tourism on a region's economy arises because not all of the sales of key tourism related businesses are made to tourists. A certain proportion of every business's sales are made to local residents, for instance County residents eating out, playing golf, or keeping a boat at a local marina. In order to estimate the share of businesses revenues attributable to local residents and to tourists, a survey of all businesses in the tourism and leisure sector of the County's economy was conducted. Firms were asked to estimate the share of their annual sales made to tourists to Cecil County. Overall, businesses in the tourism and leisure sector of the County economy reported that 44% of their sales were to tourists, ranging from 15% for Food Stores to a high of 88% for Hotels and Lodging Places.[3] The percentage of sales made to tourists was analyzed by sector and used to estimate the amount of business revenues and employment derived from tourist sales.

The results of this analysis are presented in Table 42. The 629 Cecil County businesses in the tourism and leisure sector of the economy employ a total of 5,349 workers and had total revenues of $292.5 million. Sales to tourists account for 58% of this sector's total sales, or $168.4 million, and support a total of 2,590 jobs in the County. The largest components of the tourism and leisure sector are Marinas, the Arrangement of Passenger Transportation and Eating and Drinking Places.

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[2] The business and employment data are from the Dun & Bradstreet I-Market database. Revenues were estimated using the IMPLAN input-output model and were based on each industries employment.

[3] The Arrangement of Passenger Transportation sector was dominated by a single large firm - AMTRAK, that provides services nationally. This business did not complete the survey, but was treated as serving mostly a non-resident clientele. While this business is not a major part of the tourism sector in Cecil County, the company is included in the industries defined by the Maryland Department of Labor, Licensing, and Regulation and others as in the Tourism and Leisure sector. Because this analysis, along with the Maryland and TIAA analyses utilizes an industry-based definition of the tourism industry, it is included in the estimation of economic impacts so that the results are comparable to the State report.

Table 42
Total and Visitor Sales of Key Tourism Related Businesses

Industry	Number of Businesses	Total Industry Employment	Estimated Tourism-Based Industry Employment	Estimated Industry Revenues	Estimated Tourism Revenues	Tourism as a % of Total Sales
Total	629	5,359	2,590	$292,471,643	$168,384,750	58%
Marinas	28	195	174	$47,099,504	$41,978,940	89%
Arrangement Of Passenger Transportation	8	468	440	$44,171,684	$41,557,252	94%
General Merchandise Stores	7	336	144	$18,272,084	$7,809,141	43%
Food Stores	66	494	74	$16,799,498	$2,519,925	15%
Automotive Service Stations	33	598	179	$39,893,380	$11,968,014	30%
Eating & Drinking Places	142	1,747	857	$64,846,280	$31,799,548	49%
Miscellaneous Retail	229	990	405	$35,134,448	$14,387,379	41%
Hotels and Lodging Places	40	179	157	$12,684,368	$11,111,222	88%
Automobile Rental and Leasing	3	44	7	$4,333,621	$650,043	15%
Amusement and Recreational Services	67	294	147	$8,934,741	$4,467,371	50%
Museums, Art Galleries, Botanical and Zoological Gardens	6	14	6	$302,035	$135,916	45%

Source: Jacob France Institute, Dun & Bradstreet, and IMPLAN

The Economic, Employment and Employee Compensation Impact of Tourism in Cecil County

Once the level of industry revenues and employment associated with tourism spending is known, it is possible to estimate the economic impacts associated with this spending. This analysis used the IMPLAN input-output model to estimate the economic impacts associated with tourism spending in the County.[4] Input-output analysis is based on the use of multipliers, which describe the response of an economy to a change in demand or production. The multiplier impact includes the direct, indirect and induced impacts of tourism spending. The direct effect is the tourism revenues of local businesses. Indirect impacts are the effects of the local purchases made by County tourism-related businesses in order to provide goods or services to local tourists. Induced impacts are the effect of the increase in local incomes from the employment created by tourism activity. The total impact of the tourism sector is the total of direct plus indirect and induced impacts.

The economic impact of the tourism sector on the Cecil County economy is presented in Table 43. Total tourism related revenues of $168.4 million are combined with $34.0 million in indirect effects and $34.1 million in induced effects for a total impact of $236.6 million. Direct tourism supported employment of 2,590 is combined with 360 jobs created by the local purchases of the tourism sector and 456 jobs created through the increase in local incomes for a total of 3,407 County jobs supported by the tourism sector. These 3,407 jobs account for more than 10% of total County employment of 33,335. The total wages and salaries associated with these jobs is $76.5 million, including $55.6 million in the tourism related businesses and $10.4 million from indirect employment impacts and $10.4 million from induced employment impacts.

Table 43
Summary
Economic Impact of Tourism in Cecil County

Industry	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Economic Output ($)	$168,384,752	$34,041,859	$34,119,583	$236,546,193
Employment (Jobs)	2,590	360	456	3,407
Employee Compensation ($)	$55,674,543	$10,430,196	$10,396,892	$76,501,634

Source: JFI and IMPLAN

The total economic output, employment and employee compensation impacts are presented by industry sector in Table 44, Table 45, and Table 46. The economic impacts of tourism on the Cecil County economy are concentrated in the Transportation, Communications, and Public Utilities (TCPU), Retail, and Services sectors of the County's economy. The

[4] See the methodology section below for more detailed information on the impact analysis conducted.

economic impacts of tourism on the Cecil County economy are concentrated in the Transportation, Communications, and Public Utilities (TCPU), Retail, and Services sectors of the County's economy. Economic impacts occur across a broad spectrum of industries as local tourism related and tourism impacted industries purchase the inputs necessary to produce their goods or services and local employees of these industries purchase goods or services for their own consumption. For example, a local restaurant may purchase local produce from an area farm or electricity from a utility. As a result, the economic impacts associated with tourism occur in all sectors of the County's economy.

Table 44
Economic Impact of Tourism in Cecil County, By Industry

Industry	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Total	**$168,384,752**	**$34,041,859**	**$34,119,583**	**$236,546,193**
Ag. & Mining	--	$381,455	$451,733	$833,188
Construction	--	$1,126,543	$714,957	$1,841,500
Manufacturing	--	$1,753,018	$695,455	$2,448,472
TCPU	$83,536,192	$10,012,441	$2,129,878	$95,678,512
Wholesale Trade	--	$2,228,598	$1,844,112	$4,072,709
Retail	$68,484,008	$512,888	$7,419,569	$76,416,464
FIRE	--	$5,432,135	$9,325,666	$14,757,800
Services	$16,364,552	$11,756,317	$10,570,264	$38,691,133
Government	--	$838,466	$967,950	$1,806,415

Ag. & Mining = Agriculture and Mining industries, TCPU = Transportation, Communications and Public Utilities, FIRE = Finance, Insurance and Real Estate

Source: JFI and IMPLAN

Table 45
Employment Impact of Tourism in Cecil County, By Industry

Industry	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Total	**2,590**	**360**	**456**	**3,407**
Ag. & Mining	--	4	5	9
Construction	--	18	9	27
Manufacturing	--	14	4	18
TCPU	614	54	13	681
Wholesale Trade	--	21	18	39
Retail	1,659	12	173	1,845
FIRE	--	38	29	67
Services	317	193	198	708
Government	--	7	6	13

Ag. & Mining = Agriculture and Mining industries, TCPU = Transportation, Communications and Public Utilities, FIRE = Finance, Insurance and Real Estate

Source: JFI and IMPLAN

Table 46
Employee Compensation Impact of Tourism in Cecil County, By Industry

Industry	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Total	**$55,674,543**	**$10,430,196**	**$10,396,892**	**$76,501,634**
Ag. & Mining	--	$32,504	$49,014	$81,519
Construction	--	$550,137	$283,316	$833,452
Manufacturing	--	$407,015	$152,370	$559,385
TCPU	$24,093,750	$2,192,186	$476,157	$26,762,094
Wholesale Trade	--	$893,715	$739,528	$1,633,242
Retail	$27,647,202	$197,117	$3,202,707	$31,047,028
FIRE	--	$648,991	$590,248	$1,239,239
Services	$3,933,591	$5,128,783	$4,552,320	$13,614,694
Government	--	$379,749	$351,233	$730,982

Ag. & Mining = Agriculture and Mining industries, TCPU = Transportation, Communications and Public Utilities, FIRE = Finance, Insurance and Real Estate

Source: JFI and IMPLAN

The Fiscal Impact of Tourism in Cecil County

In addition to the economic output, employment and employee compensation impacts discussed above, tourism revenues contribute to the fiscal health of both the County and the State. It is outside of the scope of this analysis to analyze all State and Local fiscal impacts of the tourism sector. This analysis looks at five key revenue sources, State income taxes, State sales taxes, County income taxes, County and municipal property taxes, and County amusement taxes. These revenues sources account for the majority of the revenues associated with the tourism sector but understate the actual State and County fiscal impacts.

Tourism activity in Cecil County directly contributes $5.6 million in State income and sales tax revenues and contributes a total of $6.3 when indirect and induced impacts are considered. The jobs created and supported by tourism revenues contribute more than $1 million in County income tax revenues and the tourism sector supports $4.5 million in County and municipal property taxes. Tourism expenditures contribute between $200,000 and $300,000 per year in estimated County amusement tax revenues. Thus, the fiscal impact of tourism on Cecil County approaches $6 million in County and municipal revenues from the five revenue sources analyzed. This can be viewed as a conservative estimate of the fiscal impact of tourism on the County, because only five sources of revenue were analyzed. It was outside of the scope of this project to estimate all other tax revenues. Thus, this figure likely underestimates the actual fiscal impacts of the tourism sector.

Table 47
State and Local Fiscal Impact of Tourism Spending in Cecil County

Item	Direct Impact	Indirect Impact	Induced Impact	Total Impact
State Sales and Income Tax Revenues	$5,564,619	$384,686	$383,457	$6,332,762
State Income Tax Revenues[1]	$1,221,049	$228,754	$228,024	$1,677,827
State Sales Tax Revenues[2]	$4,343,570	$155,931	$155,434	$4,654,935
County Income Tax Revenues[3]	$754,056	$141,267	$140,815	$1,036,138
County and Local Property Taxes[4]	n.a.	n.a.	n.a.	$4,455,095

1 State income tax revenues are estimated based on the increase in Maryland incomes attributable to tourism activity multiplied by the effective State income tax rate.

2 State sales tax revenues are estimated based on the increase in Maryland incomes attributable to the tourism activity. Sales tax impacts included the sales taxes on direct tourism purchases as well as the sales taxes derived from the increase in local revenues. Prior research has shown that 29.9% of Maryland income is spent on items subject to the 5% state sales tax.

3 It is not possible to know the county in which the employees filling the jobs created will reside. It is assumed that all employees reside in Cecil County. Thus, county income taxes are estimated based on the average effective county income tax rate. This analysis is for income taxes only and excludes property and other county taxes.

4 County and local property taxes are estimated based on the IMPLAN model and the State, County, and municipal rates. It is not possible to determine the breakdown of property taxes for the County and municipalities in the County.

Source: JFI, MD Comptroller's Office, U.S. Bureau of Economic Analysis

Methodology

This analysis used the IMPLAN model to estimate the contribution made to the Cecil County economy by the tourism sector.[5] IMPLAN is one of the three most widely used input-output models in the nation and is used by other State of Maryland agencies. It was used in this analysis because it readily allows the estimation of economic impacts based on employment figures. Input-output analysis is based on the use of multipliers, which describe the response of an economy to a change in demand or production. Multiplier effects occur as an initial round of spending is spent and re-spent in the State economy. For example, an industry pays a worker a salary, a portion of which is then spent on goods and services from Cecil County companies, which in turn becomes income for other workers and supplier firms. Thus, each dollar of spending creates more than one dollar in economic activity, as that spending is earned and, in turn, spent by others in the County. These multipliers are based on the relationship between locally occurring production by an industry and the use of local inputs, such as labor, supplies

[5] For a description of input-output analysis and the IMPLAN modeling process, please reference: The Minnesota IMPLAN Group, Inc., IMPLAN Pro Users Guide, (Stillwater, MN: MIG, Inc, 1997) pp. 77-104.

and raw materials in the production process. The IMPLAN model essentially estimates the local inputs required to produce the good or service being analyzed in order to estimate the total economic importance of the sector(s) being analyzed.

An input-output analysis examines the relationships among businesses and among businesses and final consumers. The IMPLAN model allows the estimation of three effects:

- Direct effects, which represent the changes in economic activity, in this case the revenues attributable to tourism activity, in the industries to which a final demand change was made;
- Indirect effects, which represent the changes in inter-industry purchases, for example the purchase of raw materials from a local supplier, in response to the new demands from the directly affected industries; and
- Induced effects that reflect changes in spending from households as income and population increases (or decreases) due to changes in production.

The total effects shown in this report are the combined impact of the direct revenue effects of tourism spending plus the indirect and induced effects.

An input-output model allows the estimation of several different economic impacts. This analysis estimated the total, direct, indirect, and induced economic output, employment, and employee compensation effects of tourism spending in Cecil County, Maryland.

- Economic output represents the value of production by a particular industry, in this case tourism revenues, in an economy over a given period of time.
- Employment is the total number of wage and salary earning employees and self-employed individuals in a region.
- Employee compensation consists of wage and salary payments paid to employees by employers. Employee compensation includes all benefits and non-cash compensation paid to employees.

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