Tourism

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The Tourism indicator measures the number of visitors to Cape Cod, how much in taxes and direct spending visitor generate and how many jobs are sustained by the industry. A tourist in its loosest definition is anybody who visits a community from any distance and for any length of time. However, national organizations measuring tourism analyze those who travel at least 50 miles or spend more than one night away from home. A tourist is not a second homeowner, as their travel and spending patterns differ.

The tourism industry accounts for 26% of the regional employment but 40% of the economic activity. Visitors help pay to maintain the Cape's natural beauty and support its unique assets. Four percent of the 9.7% room occupancy taxes support the towns' annual operating budgets.

Visitor Research/Profile

TravelScope Survey, Travel Industry Association of America research has shown that visitors to Cape Cod traditionally come from one of three states:

- Massachusetts (42%),
- Connecticut (16%), and
- New York (10%).

Visitors to the Cape in the summer are typically families, couples and singles with household income of $75k. According to the survey the majority of visitors to Cape Cod stay in a private home (45%) while here, followed by a hotel, motel or bed-and-breakfast (37% - 19,000 guest rooms), and condo or timeshare (9%).

According to the 2004 Massachusetts Getaway Guide conversion study, 59% of Massachusetts travel parties include two adults and 63.2% of Massachusetts travel parties did not include children.

In 2004, the Cape Cod Chamber of Commerce surveyed visitors that stopped at the Chamber's visitor centers. The table below compares the results by season:

2004 Visitor Survey	**Spring**	**Summer**	**Fall**
Traveled as a couple	63%		72%
Traveled as a family		40%	
Stayed in hotel, motel, or B&B	66%	44%	70%
Stayed 1-2 days	35%	23% *	45%
Stayed 3-4 days	27%	51% **	24%
Favorite Activity:			
Beach	43%	42%	38%
Outdoor activities	35%	26%	27%
Arts & Culture	24%	5%	14%
Shopping	9%	15%	12%

* Day-trip only; **Neither day-trip or a stay of five or more days

Cape Cod has seen a rise in the international travel market in the past year (due largely to the weak dollar, as well as additional flights now coming to the region from overseas). Our visitor surveys report, particularly in the spring and fall, a growing number of international travelers to our region, primarily from the UK and Germany. The US Commerce Department reported that in 2004, the United States hosted 46 million international visitors, a 12 percent increase from 2003. The arrivals forecast for 2005-2008 indicates that by 2008, international arrivals will have reached almost 58 million, an increase of 25 percent between 2004 and 2008.

Shoulder season marketing research conducted for the Cape Cod Chamber of Commerce has shown that visitors during the shoulder seasons of fall, winter and spring are primarily couples and empty nesters (traveling without children), with a household income of $75k+ and from the Boston Metro DMA. The mid-week customer to Cape Cod continues to primarily be meeting or group business for hotels.

Tourism Data

Rooms Occupancy Tax Collections

The State of Massachusetts collects a 5.7% Room Occupancy Tax. Tracking the revenue generated by this tax is an indicator of tourism activity in the County over time and relative to the balance of the state. The data below suggests that tourism activity has yet to regain pre-9/11 levels, although some of the change may be due to a reduction in the tax base (rooms rented for $15 or more per day).

State 5.7% Rooms Tax Collected from Barnstable County			
Fiscal Year	Collections ($000)	% Change from prior Fiscal Year	Barnstable share of statewide collections
2004	$10,171	-3%	11%
2003	$10,443	-10%	13%
2002	$11,484	-7%	12%
2001	$12,280	-	10%

Source: Massachusetts Office of Travel and Tourism

In addition to the State tax, each municipality in the State may opt to levy an additional tax of up to 4% on room occupancy.

State 5.7% Rooms Tax Collected from Barnstable County by Town							
Town/County/MA	FY 02	FY 03	FY 02 - FY 03 Change		FY 04	FY 03 - FY 04 Change	
			Dollars	Percent		Dollars	Percent
Barnstable	2,208,165	2,355,245	147,080	7%	2,311,401	(43,844)	-2%
Bourne	164,544	176,529	11,985	7%	134,195	(42,334)	-24%
Brewster	665,720	743,612	77,892	12%	788,686	45,074	6%
Chatham	1,280,213	1,321,482	41,269	3%	1,311,241	(10,241)	-1%
Dennis	651,339	652,166	827	0.10%	585,837	(66,329)	-10%
Eastham	319,811	348,624	28,813	9%	329,999	(18,625)	-5%
Falmouth	1,486,953	1,385,355	(101,598)	-7%	955,828	(429,527)	-31%

Harwich	457,945	546,204	88,259	19%	477,499	(68,705)	-13%
Mashpee	228,639	195,539	(33,100)	-14%	201,306	5,767	3%
Orleans	297,276	315,954	18,678	6%	291,624	(24,330)	-8%
Provincetown	1,257,066	1,342,247	85,181	7%	1,276,903	(65,344)	-5%
Sandwich	353,412	345,381	(8,031)	-2%	317,563	(27,818)	-8%
Truro	422,087	457,917	35,830	8%	390,139	(67,778)	-15%
Wellfleet	161,520	174,859	13,339	8%	164,618	(10,241)	-6%
Yarmouth	2,189,909	2,119,326	(70,583)	-3%	2,073,000	(46,326)	-2%
Barnstable County	12,144,589	12,480,440	335,851	3%	11,608,939	(871,501)	-7%
Massachusetts	92,867,643	83,154,882	(9,712,761)	-10%	88,890,383	5,735,501	7%

Source: Massachusetts Department of Revenue via the Cape Cod Commission

Employment and Wages

As part of the unemployment insurance program, the State collects employment and wage data from businesses covered by the program (Employment and Wages Report - ES-202). This data is widely used to compare employment and wages across industries and over time. Using this data, the estimated Leisure and Hospitality employment for third quarter 2005 was 26% of total employment in Barnstable County.

Barnstable County: Private Employment and Wages by Industry
Third Quarter (Summer Season) 2005

Description	No. of Establish-ments	Number of Employees			Total Wages	Average Monthly Employment	Average Weekly Wages
		Jul	Aug	Sep			
Total, All Industries	9,247	93,627	92,963	85,567	$747,737,515	90,719	$634
Goods-Producing Domain	1,502	9,184	9,093	8,830	$100,474,937	9,036	$855
Natural Resources and Mining	84	338	332	337	$3,143,532	336	$720
Construction	1,189	6,503	6,431	6,276	$70,939,343	6,403	$852
Manufacturing	229	2,343	2,330	2,217	$26,392,061	2,297	$884
Service-Providing Domain	7,745	84,443	83,870	76,737	$647,262,578	81,683	$610
Trade, Transportation and Utilities	2,123	23,401	23,273	21,383	$168,044,269	22,686	$570
22 - Utilities	6	360	358	359	$7,894,141	359	$1,691
42 - Wholesale Trade	331	1,615	1,620	1,533	$19,722,037	1,589	$955
44-45 - Retail Trade	1,633	19,305	19,184	17,398	$123,791,458	18,629	$511
48-49 - Transportation and Warehousing	153	2,121	2,111	2,093	$16,636,633	2,108	$607
Information	159	1,955	1,993	1,903	$24,320,397	1,950	$959
Financial Activities	733	4,601	4,637	4,437	$46,271,678	4,558	$781
52 - Finance and Insurance	343	2,475	2,477	2,430	$30,956,341	2,461	$968
53 - Real Estate and Rental and Leasing	390	2,126	2,160	2,007	$15,315,337	2,098	$562
Professional and Business Services	1,476	9,411	9,247	8,814	$102,124,367	9,157	$858
54 - Professional and Technical Services	824	4,321	4,351	4,169	$59,104,109	4,280	$1,062
55 – Mgmt. of Companies and Enterprises	27	691	679	674	$9,555,290	681	$1,079
56 - Administrative and Waste Services	625	4,399	4,217	3,971	$33,464,968	4,196	$613

Education and Health Services	784	15,422	15,269	15,226	$149,703,221	15,306	$752
61 - Educational Services	64	969	967	938	$7,268,710	958	$584
62 - Health Care and Social Assistance	720	14,453	14,302	14,288	$142,434,511	14,348	$764
Leisure and Hospitality	1,404	25,303	25,153	20,881	$128,090,993	23,779	$414
71 - Arts, Entertainment, and Recreation	220	3,588	3,500	2,710	$21,503,447	3,266	$506
72 - Accommodation and Food Services	1,184	21,715	21,653	18,171	$106,587,546	20,513	$400
Other Services	1,066	4,350	4,298	4,093	$28,707,653	4,247	$520

Source: ES 202 Data from Mass. Dept. of Workforce Development

Within the Leisure and Hospitality industry the following sub-sectors where the largest:

Sub-sectors of Leisure & Hospitality: Q3 – 2005			
Industry	**Number of establishments**	**Number of employees**	**Average Weekly Wage**
Accommodations	1184	20,513	$400
Eating & drinking places	854	15,106	$382
Arts, entertainment & recreation	220	3,266	$506
Amusements & recreation	155	2,800	$517
Museums, Parks & Historic Sites	20	233	$393

Source: ES 202 Data from Mass. Dept. of Workforce Development

Tourism Workforce Issues
The overarching hospitality workforce issues are retention, recruitment, education, and training. A survey of senior executives within the hospitality industry has revealed the following issues:

- A large percentage of workers within the hospitality industry are non-English speaking. There is a need to identify and implement solutions to the workplace diversity issues that result from this type of workforce, e.g., facilitating English as the primary language in the workplace, coupled with workplace skills.

- Historically, employment within the restaurant/food service and the accommodation industries has been seen as low wage, offering little opportunities for career advancement. Industry leaders have suggested that there is a need to promote positive images of the hospitality industry, particularly throughout the community college system, and to further develop partnerships with community colleges so curriculum development incorporates industry standards.

- Due to the high employee turnover rate within the hospitality industry, employers need to focus their human resources outreach efforts towards alternative sources of labor such as transitioning military and military spouses, older workers, etc.

Temporary Foreign Workers

Increasingly, foreign nationals on temporary work visas have filled jobs within the leisure and hospitality sector. It is estimated that Cape Cod's hospitality industry accounts for approximately 15% of all H2B temporary workers admitted to the United States each year and that foreign college students (on J1 Visas) account for about 5.2% of the Cape's seasonal workforce (Barrow and Borges 2000).

These numbers have not changed until recently when a cap in H2B visa workers allowed into the country was enforced by Congress in 2004. This created a shortage of unskilled workers, as employers from Cape Cod were unable to file for visa permits until 120 days prior to their actual date of need. After intense lobbying, Congress allowed workers with previous records of returning to their homeland to re-enter to work for employers with whom they had a history. The new rules were a temporary solution for three years, expiring in 2006. Wages for H2B visa workers are set by the Department of Labor at the prevailing wage rates.

What Connections and Synergies Does this Indicator Have?

Economic

Visitor spending supports our local businesspeople, artisans and institutions. Tourists arrive, enjoy their leisure time, spend money and then leave. They are then replaced, hopefully, by another set of visitors, using the same infrastructure. They do not add to the permanent population base or increase buildings that support their visit. If a mix of domestic and international visitors are encouraged, a sustainable tourism industry could be maintained on a year round basis, filling the bedrooms "for sale" on Cape Cod. By encouraging visits all year round, jobs become less seasonal and thereby more attractive for residents.

Environmental

Cape Cod's large tourism industry is sustained by the natural resources that bring people to Cape Cod – our air, land, and architecture. If we loose the natural beauty, scenic vistas, clean environment, and unique architecture, we will loose those very things that make Cape Cod a desirable place for visitors and residents. We need to take measures to accommodate visitors more efficiently, (i.e., encourage use of public transportation, promote travel in months when the summer homeowner is not in residence, protect fragile coastal environments from pollution and erosion, preserve open vistas and use water and other resources more effectively) so that we can reduce the burden to our precious resources and built infrastructure.