



The Economic Impact of Tourism in New York

2010 Calendar Year
Hudson Valley Focus



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

Key themes in 2010

- The New York State visitor economy rebounded in 2010, recovering 94% of the losses experienced during the recession.
 - Room demand surged, growing 8.5% in 2010. And room rates also began to recover with 6.1% growth.
 - Air passenger activity increased 3.7% for JFK and LGA combined.
 - A combination of higher fuel prices and additional drive visitors pushed spending at gasoline stations up 14%.
- All told, visitor spending grew 8.7% in 2010.
- Tourism employment grew more modestly at 2.1% as businesses remained cautious in hiring and increased hours of current employees in some cases. Thus, personal income generated by visitors grew 4.4%.

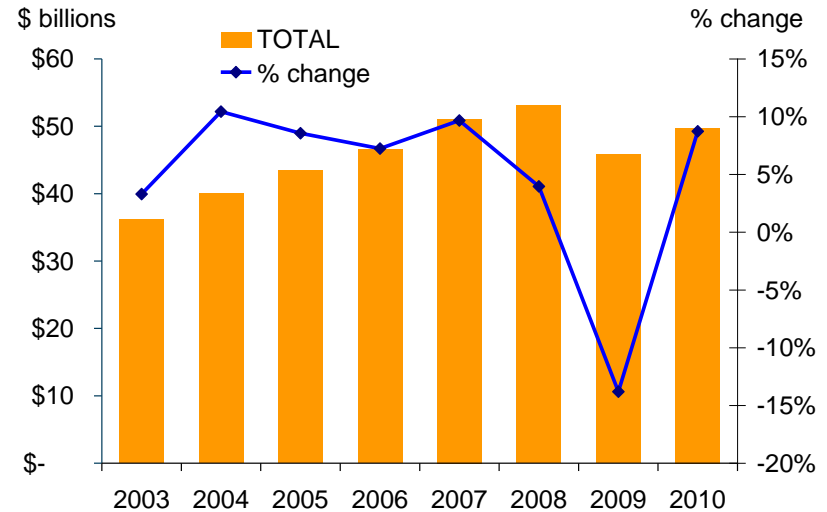
Headline results

- Travel & tourism remains is a vital and growing component of the New York State economy.
- Spending by visitors to New York grew 8.7% in 2010 to \$49.8 billion.
- This spending generated \$81 billion in total business sales including indirect and induced impacts.
- Nearly 674,000 jobs were sustained by tourism activity last year with total income of \$26.5 billion.
- 7.9% (1 in 13) of all New York state employment is sustained by tourism, either directly or indirectly.
- New York State tourism generated \$6.5 billion in state and local taxes in 2010.

Traveler spending growth

- Traveler spending rebounded from its 2009 depths growing 8.7% in 2010.
- With the stronger growth in the higher spending overnight visitor, spending growth outpaced visitation.
- Spending recovered 55% of the losses experienced during the recession.
- Traveler spending growth has averaged 4.6% per year from 2003-2010.

New York Traveler Spending

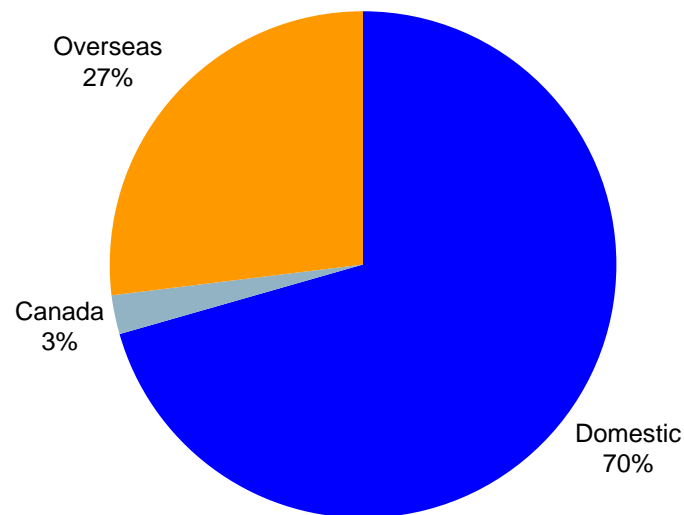


Source: Tourism Economics

New York State tourism markets

- US domestic markets supplied 70% (\$35 bn) of the New York State's traveler spending base in 2010.
- International markets represented 30% (\$15 bn) of the spending base.
- This share increased in 2010 as international visitation outpaced domestic visitation.

Traveler Spending by Market

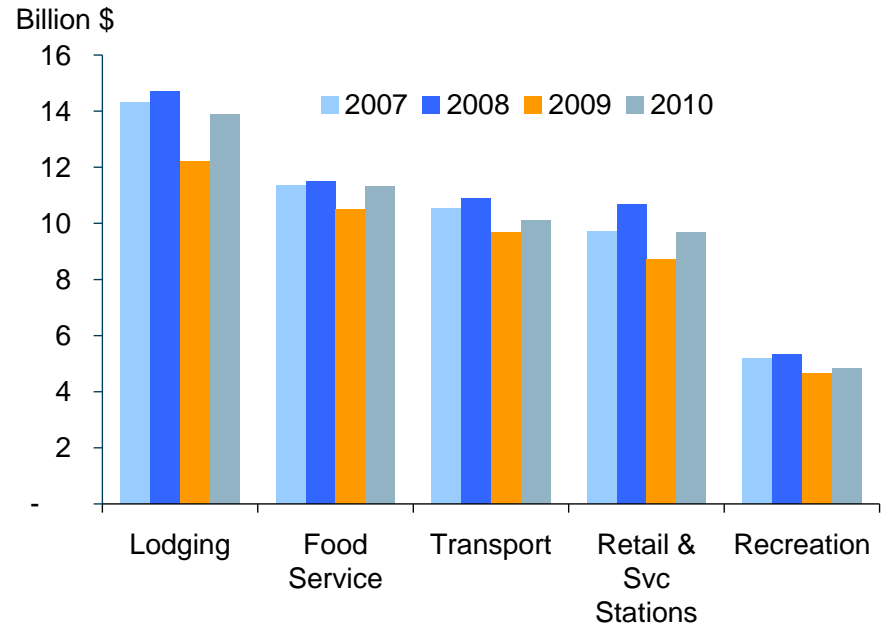


Source: Tourism Economics

All sectors grew in 2010

- Travelers increased their spending across all sectors in 2010
- Spending in the lodging sector expanded 14% in 2010—more than in any other

Traveler Spending By Sector

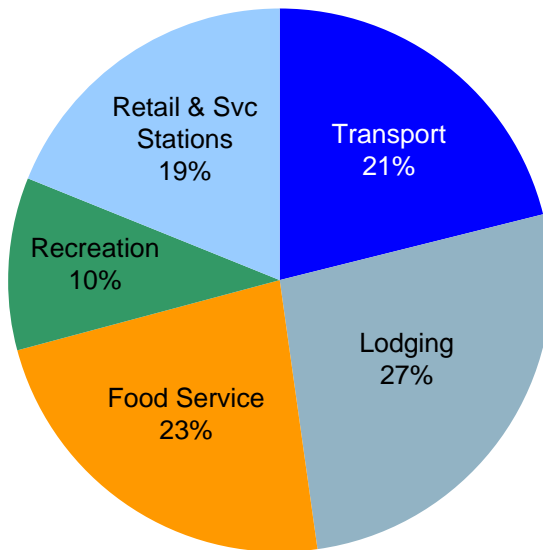


Source: Tourism Economics

Traveler spending distribution

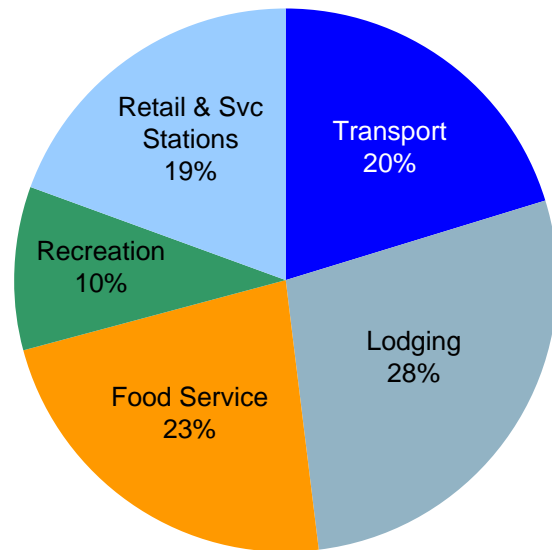
- Lodging gained share in 2010, while spending in transport sectors lost share of the New York State tourism dollar.
- Restaurants and bars received 23% of traveler spending
- Transport sectors, including aviation, taxis, limos, and site-seeing tours, represented 20% of all visitor spending.

Traveler Spending by Sector, 2009



Source: Tourism Economics

Traveler Spending by Sector, 2010



Source: Tourism Economics

Historic traveler spending by sector

| Visitor Spending | | | | | | | |
|-------------------------|-----------|-----------|--------------|------------|-----------------------|-----------|----------|
| | Transport | Lodging | Food Service | Recreation | Retail & Svc Stations | TOTAL | % change |
| 2003 | \$ 8,154 | \$ 9,200 | \$ 8,035 | \$ 3,540 | \$ 7,294 | \$ 36,223 | 3.3% |
| 2004 | \$ 8,790 | \$ 10,299 | \$ 8,715 | \$ 4,020 | \$ 8,182 | \$ 40,006 | 10.4% |
| 2005 | \$ 9,219 | \$ 11,575 | \$ 9,663 | \$ 4,259 | \$ 8,714 | \$ 43,431 | 8.6% |
| 2006 | \$ 9,410 | \$ 12,832 | \$ 10,565 | \$ 4,668 | \$ 9,100 | \$ 46,574 | 7.2% |
| 2007 | \$ 10,515 | \$ 14,301 | \$ 11,357 | \$ 5,191 | \$ 9,717 | \$ 51,081 | 9.7% |
| 2008 | \$ 10,881 | \$ 14,710 | \$ 11,492 | \$ 5,336 | \$ 10,689 | \$ 53,108 | 4.0% |
| 2009 | \$ 9,681 | \$ 12,208 | \$ 10,511 | \$ 4,668 | \$ 8,710 | \$ 45,777 | -13.8% |
| 2010 | \$ 10,108 | \$ 13,873 | \$ 11,313 | \$ 4,817 | \$ 9,664 | \$ 49,775 | 8.7% |
| 2010 % change | 4.4% | 13.6% | 7.6% | 3.2% | 11.0% | 8.7% | |

Traveler spending by market

| Tourism Direct Sales | | | | | |
|-----------------------------|-----------------|---------------|-----------------|--------------|--|
| | Domestic | Canada | Overseas | Total | |
| 2004 | \$ 30,140 | \$ 732 | \$ 9,768 | \$ 40,006 | |
| 2005 | \$ 31,287 | \$ 816 | \$ 10,384 | \$ 43,431 | |
| 2006 | \$ 34,057 | \$ 1,021 | \$ 11,496 | \$ 46,574 | |
| 2007 | \$ 36,724 | \$ 1,287 | \$ 13,070 | \$ 51,081 | |
| 2008 | \$ 38,259 | \$ 1,340 | \$ 13,508 | \$ 53,108 | |
| 2009 | \$ 33,163 | \$ 1,132 | \$ 11,482 | \$ 45,777 | |
| 2010 | \$ 35,075 | \$ 1,304 | \$ 13,396 | \$ 49,775 | |
| 2009 Growth | -13.3% | -15.5% | -15.0% | -13.8% | |
| 2010 Growth | 5.8% | 15.2% | 16.7% | 8.7% | |

How traveler spending generates impact

- Travelers create direct economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.

Visitor Spending

| <i>Sector</i> | <i>Impact</i> | <i>Effect</i> |
|-------------------|--|-------------------|
| Transportation | Direct Indirect Induced | <i>Production</i> |
| Recreation | | <i>Jobs</i> |
| Entertainment | | <i>Wages</i> |
| Accommodations | | <i>Taxes</i> |
| Retail | | |
| Food and Beverage | | |

- Lastly, the induced impact is generated when employees whose incomes are generated either directly or indirectly by tourism, spend those incomes in the city economy.

Tourism sales

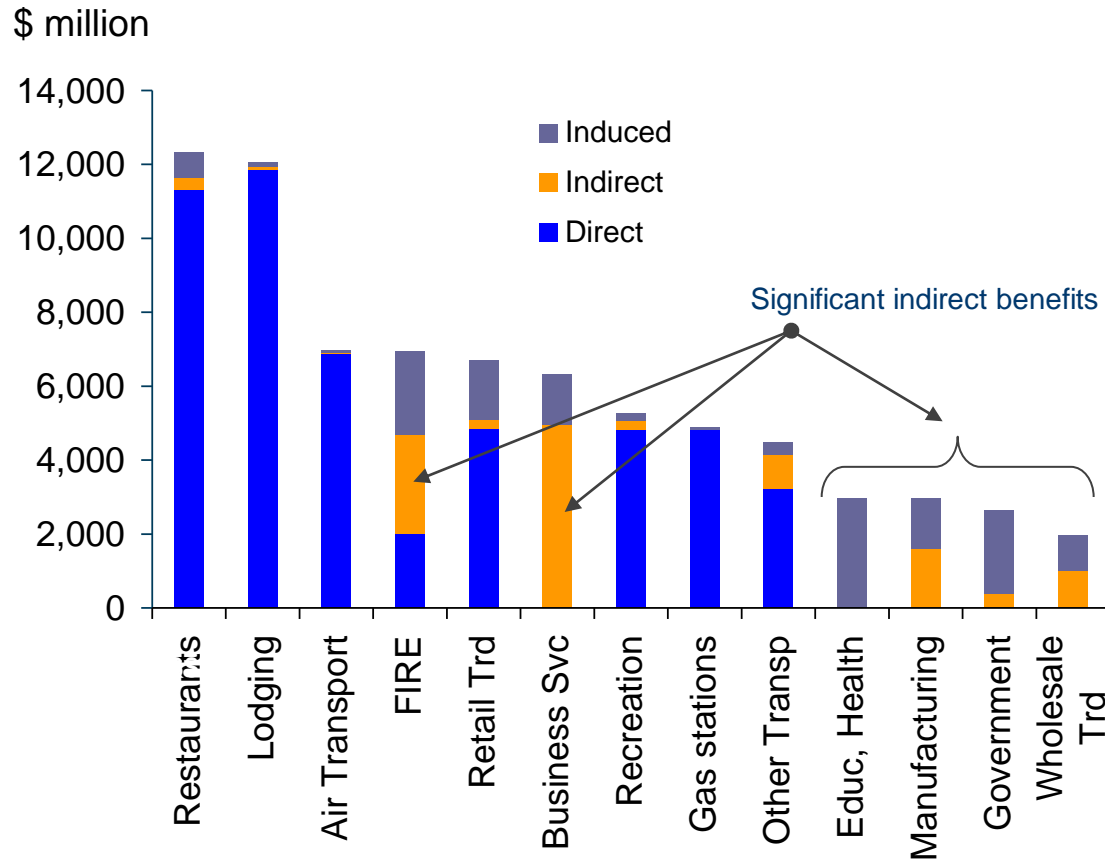
- Including the indirect and induced impacts, tourism generated \$81 billion in business sales in 2010, up 8%.

| Tourism Sales (Output) | | | | | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| (US\$ Million, 2010) | | | | | |
| | Direct* | Indirect | Induced | Total | % change |
| Agriculture, Fishing, Mining | - | 331.8 | 146.0 | 477.8 | 6.9% |
| Construction and Utilities | - | 958.6 | 470.4 | 1,429.0 | 6.8% |
| Manufacturing | - | 1,595.2 | 1,362.1 | 2,957.4 | 6.8% |
| Wholesale Trade | - | 996.9 | 960.9 | 1,957.8 | 6.8% |
| Air Transport | 6,874.8 | 40.9 | 53.9 | 6,969.5 | 3.8% |
| Other Transport | 3,233.3 | 924.8 | 328.9 | 4,487.0 | 6.1% |
| Retail Trade | 4,842.2 | 253.7 | 1,622.4 | 6,718.3 | 7.8% |
| Gasoline Stations | 4,821.8 | 9.6 | 56.2 | 4,887.5 | 13.7% |
| Communications | - | 1,023.6 | 599.6 | 1,623.3 | 6.8% |
| Finance, Insurance and Real Estate | 2,006.3 | 2,687.1 | 2,269.0 | 6,962.3 | 6.6% |
| Business Services | - | 4,966.5 | 1,367.7 | 6,334.2 | 6.9% |
| Education and Health Care | - | 17.7 | 2,955.6 | 2,973.3 | 6.6% |
| Recreation and Entertainment | 4,816.6 | 246.1 | 204.0 | 5,266.8 | 3.5% |
| Lodging | 11,866.6 | 89.2 | 108.9 | 12,064.6 | 14.9% |
| Food & Beverage | 11,313.4 | 335.8 | 679.3 | 12,328.5 | 7.6% |
| Personal Services | - | 274.8 | 643.3 | 918.0 | 6.7% |
| Government | - | 381.0 | 2,266.4 | 2,647.4 | 6.6% |
| TOTAL | 49,775.0 | 15,133.3 | 16,094.5 | 81,002.9 | 8.0% |
| % change | 8.7% | 7.0% | 6.6% | 8.0% | |

Note: Direct Sales include cost of goods sold for retail and gasoline stations

Tourism sales

Traveler-Generated Sales by Industry



* Direct sales include cost of goods sold for retail

** Air transport includes local airline and airport operations, including sales generated by inbound visitors, plus outbound and transit passengers

Tourism employment

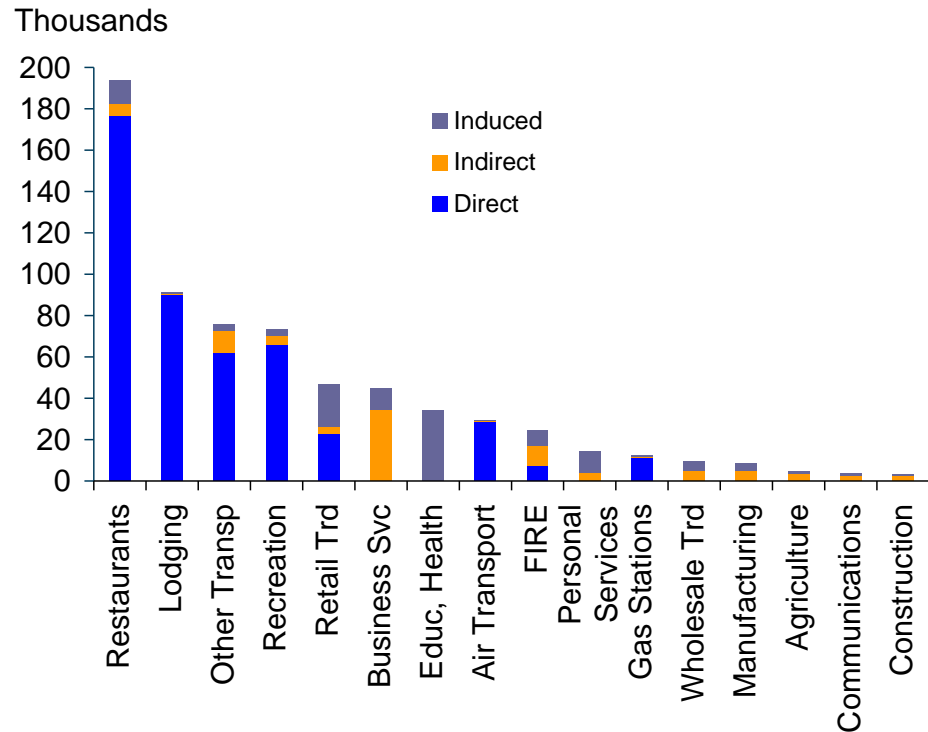
| Tourism Employment | | | | | |
|------------------------------------|----------------|---------------|----------------|----------------|-------------|
| 2010 | | | | | |
| | Direct | Indirect | Induced | Total | % change |
| Agriculture, Fishing, Mining | | 3,316 | 1,462 | 4,778 | 1.7% |
| Construction and Utilities | | 2,584 | 563 | 3,146 | 1.7% |
| Manufacturing | | 4,811 | 3,521 | 8,332 | 1.7% |
| Wholesale Trade | | 4,853 | 4,610 | 9,463 | 1.7% |
| Air Transport | 28,838 | 172 | 224 | 29,234 | -3.1% |
| Other Transport | 61,903 | 10,841 | 3,262 | 76,006 | -0.2% |
| Retail Trade | 22,806 | 3,265 | 20,743 | 46,813 | 1.7% |
| Gasoline Stations | 11,378 | 119 | 691 | 12,188 | 4.6% |
| Communications | | 2,650 | 1,236 | 3,886 | 1.7% |
| Finance, Insurance and Real Estate | 7,390 | 9,763 | 7,630 | 24,783 | 1.2% |
| Business Services | | 34,455 | 10,478 | 44,933 | 1.7% |
| Education and Health Care | | 257 | 33,975 | 34,232 | 1.6% |
| Recreation and Entertainment | 65,950 | 4,293 | 3,185 | 73,429 | 1.1% |
| Lodging | 89,891 | 739 | 901 | 91,531 | 2.9% |
| Food & Beverage | 176,620 | 5,788 | 11,539 | 193,947 | 3.6% |
| Personal Services | | 4,046 | 10,436 | 14,482 | 1.7% |
| Government | | 1,578 | 965 | 2,543 | 1.7% |
| TOTAL | 464,777 | 93,528 | 115,421 | 673,726 | 1.9% |
| % change | 2.1% | 1.7% | 1.6% | 1.9% | |

- The tourism sector supported 7.9% of payroll employment (1-in-13 jobs) in New York State last year.

Tourism employment

- As a labor intensive collection of services, tourism-related sectors represent significant employment to New York State.
- The more than 670,000 jobs sustained by traveler activity span every sector of the economy, either directly or indirectly.

Traveler-Generated Employment by Industry



Tourism employment ranking

| <i>Employment Ranking</i> | | |
|---------------------------|------------------------------------|------------|
| 000s | | |
| Rank | Industry | 2010 BLS |
| 1 | Health care and social assistance | 1,306 |
| 2 | Professional and business services | 1,100 |
| 3 | Retail trade | 873 |
| 4 | Finance and insurance | 490 |
| 5 | Tourism | 465 |
| 6 | Manufacturing | 457 |
| 7 | Administrative and waste services | 415 |
| 8 | Educational services | 397 |
| 9 | Food services and drinking places* | 336 |
| 10 | Wholesale trade | 325 |
| 11 | Construction | 306 |
| 12 | Transportation and utilities | 258 |
| 13 | Information | 252 |
| 14 | Real estate and rental and leasing | 176 |

* net of direct tourism-generated employment

- Tourism is the 5th largest employer in New York State on the basis of direct tourism employment.
- The above table compares our estimates of tourism-generated employment with total employment by sector.

Source: Bureau of Labor Statistics, State and Area Employment

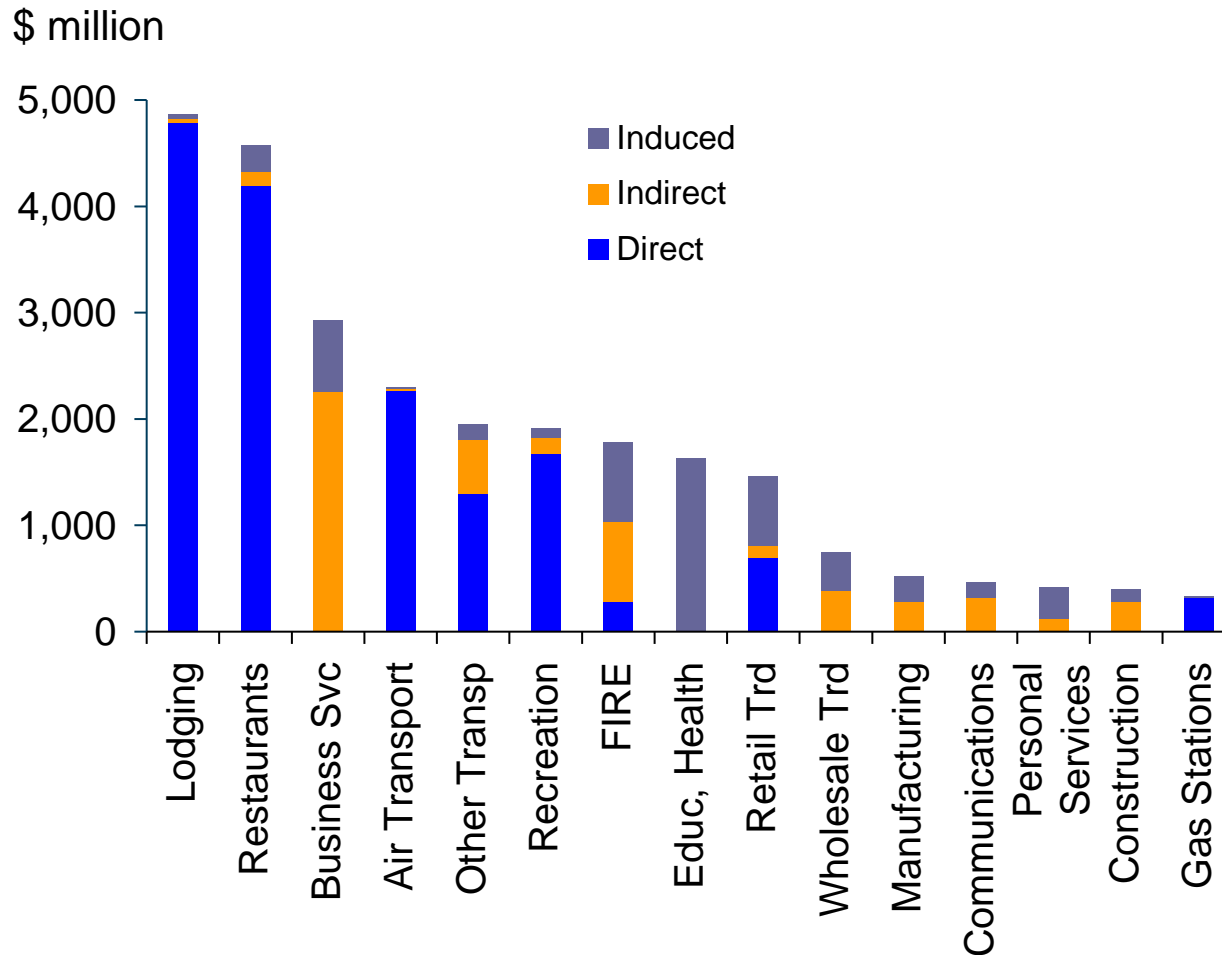
Tourism income

| Tourism Income (Compensation) | | | | | |
|--------------------------------------|---------------|-----------------|----------------|---------------|-----------------|
| (US\$ Million) | | | | | |
| | Direct | Indirect | Induced | Total | % change |
| Agriculture, Fishing, Mining | | 64 | 36 | 100 | 3.7% |
| Construction and Utilities | | 282 | 116 | 398 | 3.8% |
| Manufacturing | | 280 | 236 | 516 | 3.7% |
| Wholesale Trade | | 381 | 362 | 742 | 3.7% |
| Air Transport | 2,267 | 13 | 17 | 2,297 | 3.8% |
| Other Transport | 1,297 | 513 | 142 | 1,952 | 1.3% |
| Retail Trade | 698 | 105 | 659 | 1,461 | 2.9% |
| Gasoline Stations | 318 | 3 | 17 | 338 | 0.9% |
| Communications | | 318 | 149 | 468 | 3.7% |
| Finance, Insurance and Real Estate | 278 | 761 | 742 | 1,781 | 3.1% |
| Business Services | | 2,253 | 676 | 2,929 | 3.8% |
| Education and Health Care | | 10 | 1,626 | 1,636 | 3.7% |
| Recreation and Entertainment | 1,676 | 140 | 95 | 1,910 | 1.6% |
| Lodging | 4,787 | 34 | 39 | 4,859 | 7.5% |
| Food & Beverage | 4,199 | 125 | 250 | 4,574 | 4.8% |
| Personal Services | | 120 | 294 | 415 | 3.7% |
| Government | - | 102 | 60 | 162 | 3.7% |
| TOTAL | 15,519 | 5,504 | 5,517 | 26,540 | 4.1% |
| % change | 4.4% | 3.8% | 3.7% | 4.1% | |

- Tourism-generated income grew 4.1% with increased employment and longer hours from tourism workers.

Tourism income

Traveler-Generated Income by Industry



Tourism tax generation

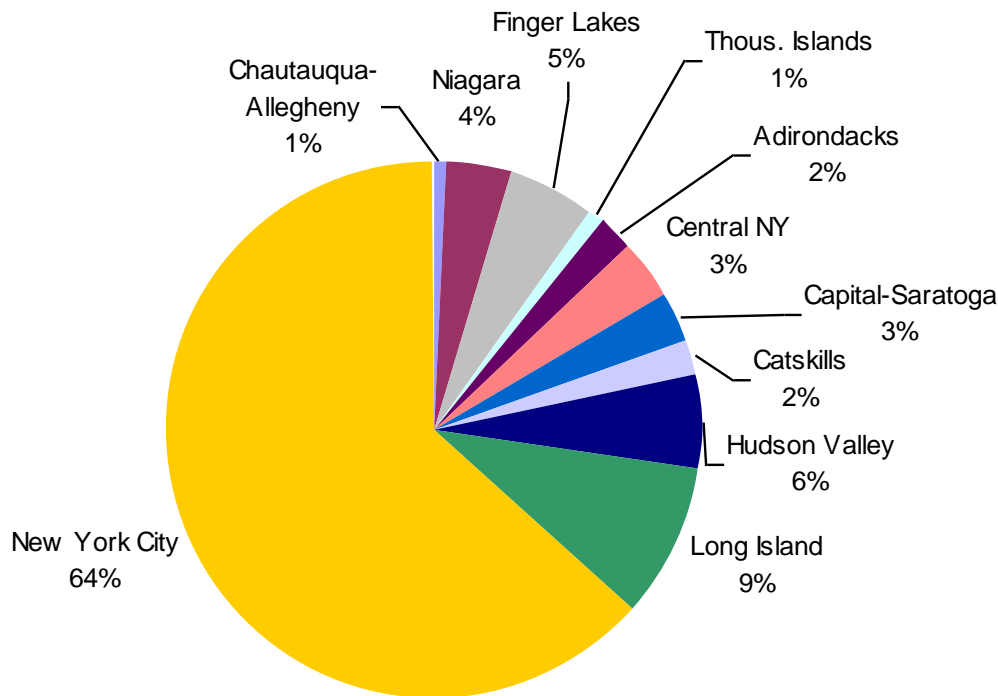
| Tourism-Generated Taxes | |
|--------------------------------|-----------------|
| (US\$ Million) | |
| | Total |
| Federal Taxes | 6,790.8 |
| Corporate | 1,170.7 |
| Indirect Business | 525.7 |
| Personal Income | 2,424.6 |
| Social Security | 2,669.8 |
| State and Local Taxes | 6,495.2 |
| Corporate | 1,246.8 |
| Personal Income | 1,048.4 |
| Sales | 1,905.1 |
| Property | 1,949.2 |
| Excise and Fees | 247.8 |
| State Unemployment | 97.8 |
| TOTAL | 13,286.0 |
| % change | 4.9% |

- Tourism generated \$13.3 billion in taxes in 2010.
- Total state and local tax proceeds of \$6.5 billion saved the state's households an average of \$814 in tax burden.

Regional Summary

Traveler spending by region

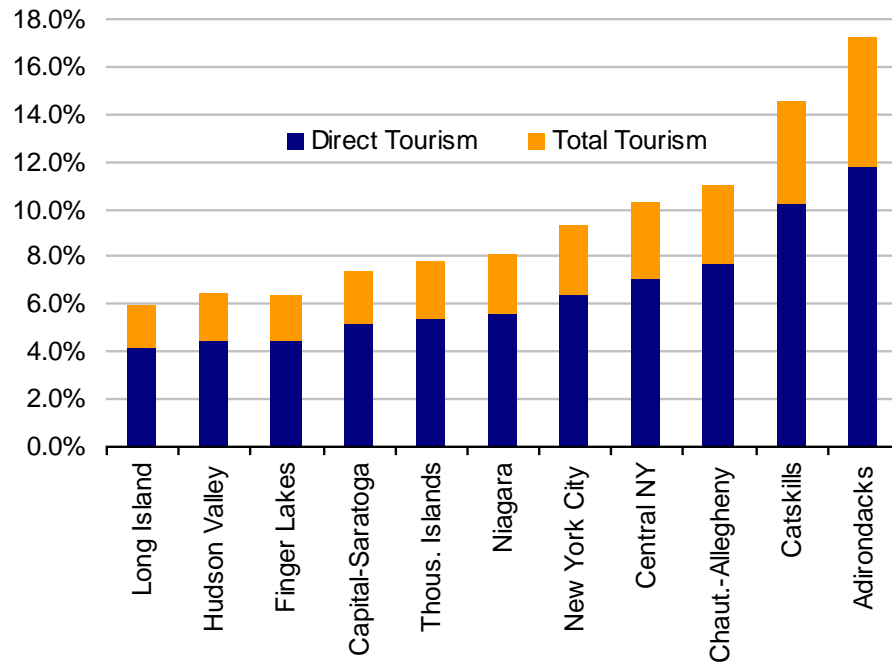
Traveler Spending, 2010



- New York State is divided into 11 economic regions.
- New York City is the largest single tourism region with 64% of state visitor spend.
- New York City, Long Island and Hudson Valley together comprise nearly 80% of New York State traveler spend.

Reliance on tourism

Tourism Share of Regional Employment 2010

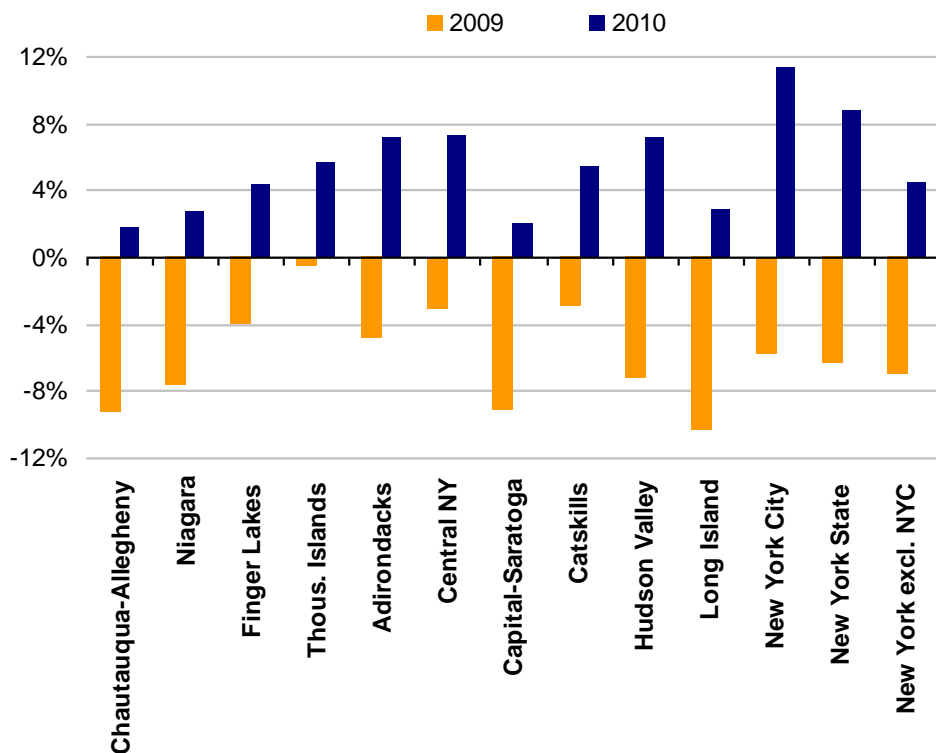


- Tourism is an integral part of every region's economy, generating from 6% to 17% of employment.
- Tourism is most important to the Adirondacks and Catskills, generating 17% and 15% of total employment, respectively.

Note: All regional and county tourism shares are calculated using QCEW (ES-202) employment and wage totals as produced by the NYS Dept. of Labor.

Tourism growth

Growth in Tourism Spending



- Traveler spending rose across every region of the state last year.
- New York City experienced the largest rebound in spending as room demand surged and room rates began to recover.
- The Adirondacks, Central Leatherstocking and Hudson Valley showed more than 7% growth in spending.

Regional growth

Traveler Spend Year-Over-Year Comparison

| Traveler Spend '000s | 2008 | 2009 | 2010 | 2010 / 2009 % |
|-------------------------|----------------------|----------------------|----------------------|------------------|
| 1. Chautauqua-Allegheny | \$ 510,676 | \$ 455,018 | \$ 463,181 | 1.8% |
| 2. Greater Niagara | \$ 2,118,638 | \$ 1,904,163 | \$ 1,955,008 | 2.7% |
| 3. Finger Lakes | \$ 2,667,298 | \$ 2,454,950 | \$ 2,561,784 | 4.4% |
| 4. Thousand Islands | \$ 433,056 | \$ 407,899 | \$ 431,002 | 5.7% |
| 5. Adirondacks | \$ 1,194,114 | \$ 1,060,646 | \$ 1,136,482 | 7.2% |
| 6. Central New York | \$ 1,760,230 | \$ 1,588,459 | \$ 1,705,158 | 7.3% |
| 7. Capital-Saratoga | \$ 1,679,103 | \$ 1,495,679 | \$ 1,525,253 | 2.0% |
| 8. Catskills | \$ 1,027,978 | \$ 946,228 | \$ 997,153 | 5.4% |
| 9. Hudson Valley | \$ 3,089,709 | \$ 2,674,712 | \$ 2,864,271 | 7.1% |
| 10. Long Island | \$ 5,136,334 | \$ 4,471,678 | \$ 4,600,685 | 2.9% |
| 11. New York City | \$ 33,485,671 | \$ 28,317,615 | \$ 31,535,008 | 11.4% |
| TOTAL | \$ 53,102,807 | \$ 45,777,048 | \$ 49,774,984 | 8.7% |

Regional tourism summary

Tourism Economic Impact Combined Direct, Indirect, and Induced

| Tourism Economic Impact | Direct Sales, '000s | Labor Income, '000s | Employment, Persons | Local Taxes, '000s | State Taxes, '000s |
|-------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|
| 1. Chautauqua-Allegheny | \$ 463,181 | \$ 209,907 | 10,641 | \$ 30,106 | \$ 28,715 |
| 2. Greater Niagara | \$ 1,955,008 | \$ 1,053,341 | 45,046 | \$ 126,848 | \$ 121,202 |
| 3. Finger Lakes | \$ 2,561,784 | \$ 1,323,228 | 57,650 | \$ 173,345 | \$ 158,820 |
| 4. Thousand Islands | \$ 431,002 | \$ 189,934 | 8,488 | \$ 27,207 | \$ 26,720 |
| 5. Adirondacks | \$ 1,136,482 | \$ 524,028 | 19,156 | \$ 73,235 | \$ 70,457 |
| 6. Central New York | \$ 1,705,158 | \$ 868,583 | 31,028 | \$ 103,856 | \$ 105,713 |
| 7. Capital-Saratoga | \$ 1,525,253 | \$ 828,028 | 32,578 | \$ 99,137 | \$ 94,559 |
| 8. Catskills | \$ 997,153 | \$ 446,378 | 16,666 | \$ 61,249 | \$ 61,819 |
| 9. Hudson Valley | \$ 2,864,271 | \$ 1,620,574 | 51,072 | \$ 177,568 | \$ 177,573 |
| 10. Long Island | \$ 4,600,685 | \$ 2,474,068 | 70,120 | \$ 282,618 | \$ 285,224 |
| 11. New York City | \$ 31,535,008 | \$ 17,001,807 | 331,279 | \$ 2,254,195 | \$ 1,955,041 |
| TOTAL | \$ 49,774,984 | \$ 26,539,876 | 673,726 | \$ 3,409,364 | \$ 3,085,845 |

Regional tourism impact distribution

Tourism Economic Impact Regional Shares

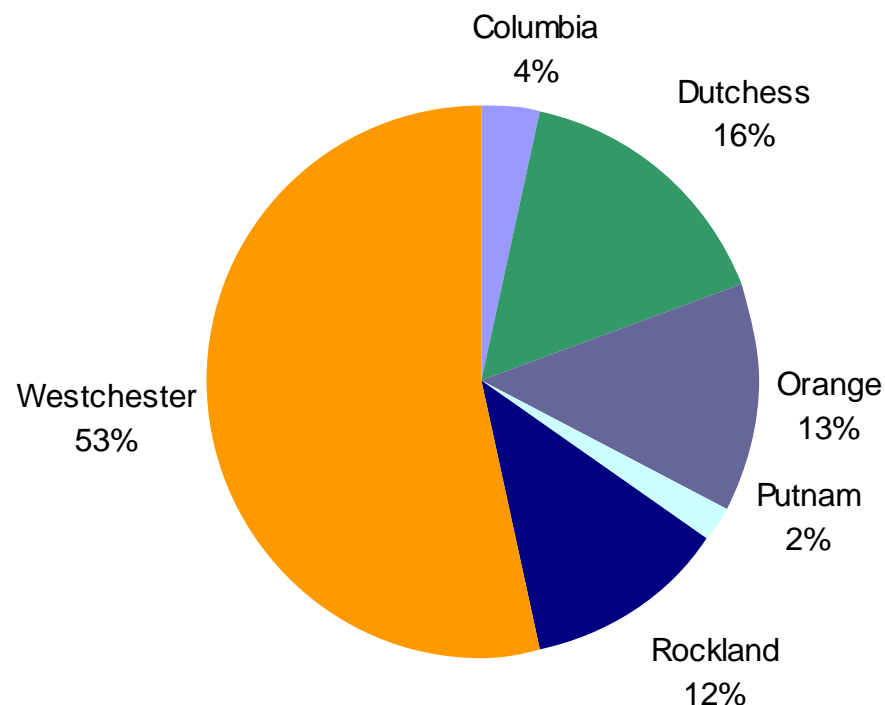
| Tourism Distribution | Sales | Labor Income | Employment | Local Taxes | State Taxes |
|-------------------------|-------|--------------|------------|-------------|-------------|
| 1. Chautauqua-Allegheny | 1% | 1% | 2% | 1% | 1% |
| 2. Greater Niagara | 4% | 4% | 7% | 4% | 4% |
| 3. Finger Lakes | 5% | 5% | 9% | 5% | 5% |
| 4. Thousand Islands | 1% | 1% | 1% | 1% | 1% |
| 5. Adirondacks | 2% | 2% | 3% | 2% | 2% |
| 6. Central New York | 3% | 3% | 5% | 3% | 3% |
| 7. Capital-Saratoga | 3% | 3% | 5% | 3% | 3% |
| 8. Catskills | 2% | 2% | 2% | 2% | 2% |
| 9. Hudson Valley | 6% | 6% | 8% | 5% | 6% |
| 10. Long Island | 9% | 9% | 10% | 8% | 9% |
| 11. New York City | 63% | 64% | 49% | 66% | 63% |
| TOTAL | 100% | 100% | 100% | 100% | 100% |

Regional Detail for Hudson Valley

Hudson Valley, county distribution

- Tourism in the Hudson Valley region is a \$2.9 billion industry, supporting 51,072 jobs.
- Westchester County represents 53% of the region's tourism sales with \$1.5 billion in traveler spending.
- Traveler spending in the region increased 7.1% in 2010.

Traveler Spending



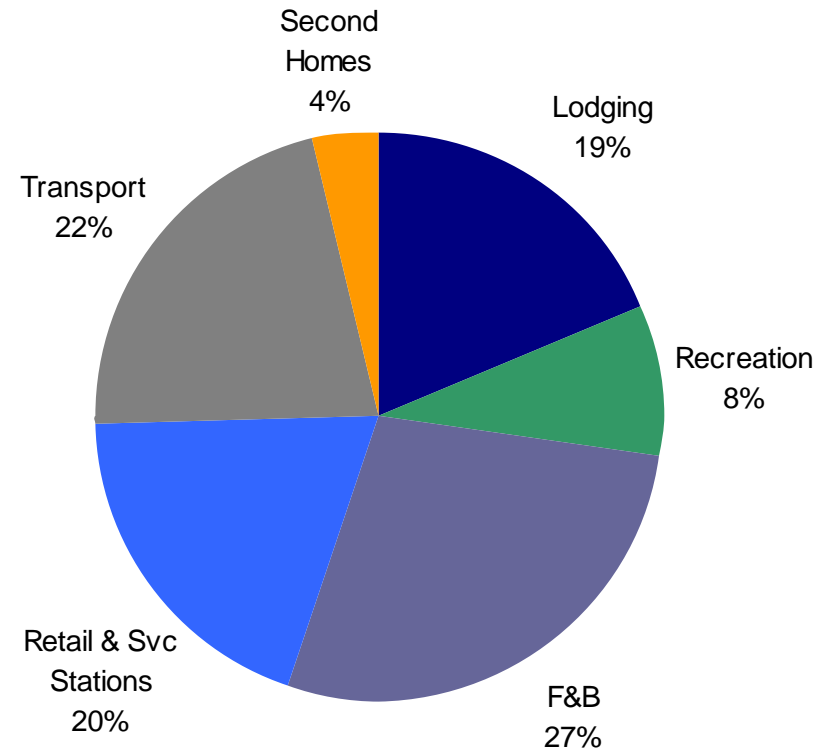
Hudson Valley, total tourism impact

| Total Tourism Impact, 2010 | Traveler Spend '000 | Labor Income, '000 | Employment | Local Taxes '000 | State Taxes '000 |
|----------------------------|---------------------|--------------------|---------------|------------------|------------------|
| Columbia | \$101,550 | \$47,334 | 1,385 | \$6,083 | \$6,296 |
| Dutchess | \$451,584 | \$244,743 | 8,717 | \$29,102 | \$27,996 |
| Orange | \$384,350 | \$213,397 | 8,635 | \$24,204 | \$23,828 |
| Putnam | \$54,619 | \$26,366 | 1,236 | \$3,342 | \$3,386 |
| Rockland | \$342,453 | \$190,706 | 8,069 | \$22,014 | \$21,231 |
| Westchester | \$1,529,715 | \$898,028 | 23,030 | \$92,823 | \$94,836 |
| TOTAL | \$2,864,271 | \$1,620,574 | 51,072 | \$177,568 | \$177,573 |

Hudson Valley, traveler spending

- Travelers spent nearly \$2.9 billion in the Hudson Valley region in 2010 across a diverse range of sectors.
- Spending on food & beverages and transportation services comprised 27% and 22% of the total, respectively.

Tourism Spending



Hudson Valley, traveler spending

| 2010 Traveler Spend '000s | Lodging | Recreation | F&B | Retail & Svc Stations | Transport | Second Homes | Total |
|------------------------------|------------------|------------------|------------------|--------------------------|------------------|------------------|--------------------|
| Columbia | \$15,129 | \$7,682 | \$19,263 | \$13,827 | \$18,534 | \$27,115 | \$101,550 |
| Dutchess | \$84,621 | \$31,260 | \$105,037 | \$78,031 | \$127,227 | \$25,408 | \$451,584 |
| Orange | \$57,948 | \$18,903 | \$109,948 | \$64,473 | \$121,527 | \$11,552 | \$384,350 |
| Putnam | \$4,946 | \$7,333 | \$18,723 | \$10,681 | \$2,915 | \$10,020 | \$54,619 |
| Rockland | \$64,092 | \$37,124 | \$119,390 | \$80,068 | \$38,534 | \$3,245 | \$342,453 |
| Westchester | \$318,204 | \$135,755 | \$418,918 | \$311,744 | \$318,060 | \$27,035 | \$1,529,715 |
| TOTAL | \$544,941 | \$238,057 | \$791,278 | \$558,824 | \$626,796 | \$104,375 | \$2,864,271 |

Regional growth

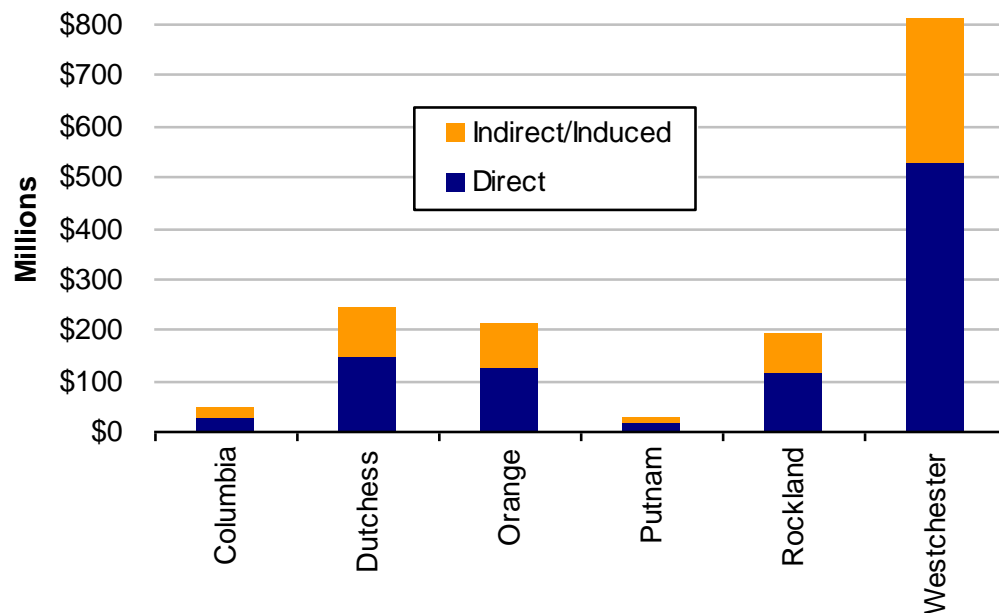
| Traveler Spend '000s | 2008 | 2009 | 2010 | 2010 / 2009 % |
|----------------------|---------------------|---------------------|---------------------|------------------|
| Columbia | \$ 105,288 | \$ 97,857 | \$ 101,550 | 3.8% |
| Dutchess | \$ 490,761 | \$ 438,366 | \$ 451,584 | 3.0% |
| Orange | \$ 424,533 | \$ 374,179 | \$ 384,350 | 2.7% |
| Putnam | \$ 59,412 | \$ 54,278 | \$ 54,619 | 0.6% |
| Rockland | \$ 373,384 | \$ 319,218 | \$ 342,453 | 7.3% |
| Westchester | \$ 1,636,331 | \$ 1,390,814 | \$ 1,529,715 | 10.0% |
| TOTAL | \$ 3,089,709 | \$ 2,674,712 | \$ 2,864,271 | 7.1% |

| State Taxes, \$ | 2008 | 2009 | 2010 | 2010 / 2009 % |
|-----------------|--------------------|-----------------------|--------------------|------------------|
| Columbia | 6,557,564 | \$ 6,364,778 | 6,295,710 | -1.1% |
| Dutchess | 30,565,662 | \$ 28,512,165 | 27,996,334 | -1.8% |
| Orange | 26,440,856 | \$ 24,337,283 | 23,828,110 | -2.1% |
| Putnam | 3,700,277 | \$ 3,530,315 | 3,386,157 | -4.1% |
| Rockland | 23,255,174 | \$ 20,762,562 | 21,230,680 | 2.3% |
| Westchester | 101,914,201 | \$ 90,461,144 | 94,836,062 | 4.8% |
| TOTAL | 192,433,734 | \$ 173,968,248 | 177,573,053 | 2.1% |

| Local Taxes, \$ | 2008 | 2009 | 2010 | 2010 / 2009 % |
|-----------------|--------------------|-----------------------|--------------------|------------------|
| Columbia | 6,301,671 | \$ 6,027,340 | 6,082,877 | 0.9% |
| Dutchess | 31,340,956 | \$ 28,828,867 | 29,102,408 | 0.9% |
| Orange | 25,037,569 | \$ 22,759,394 | 24,204,161 | 6.3% |
| Putnam | 3,555,882 | \$ 3,343,150 | 3,341,741 | 0.0% |
| Rockland | 24,760,717 | \$ 21,585,155 | 22,014,133 | 2.0% |
| Westchester | 102,231,376 | \$ 89,765,202 | 92,822,773 | 3.4% |
| TOTAL | 193,228,171 | \$ 172,309,109 | 177,568,093 | 3.1% |

Hudson Valley, labor income

Tourism-Generated Labor Income

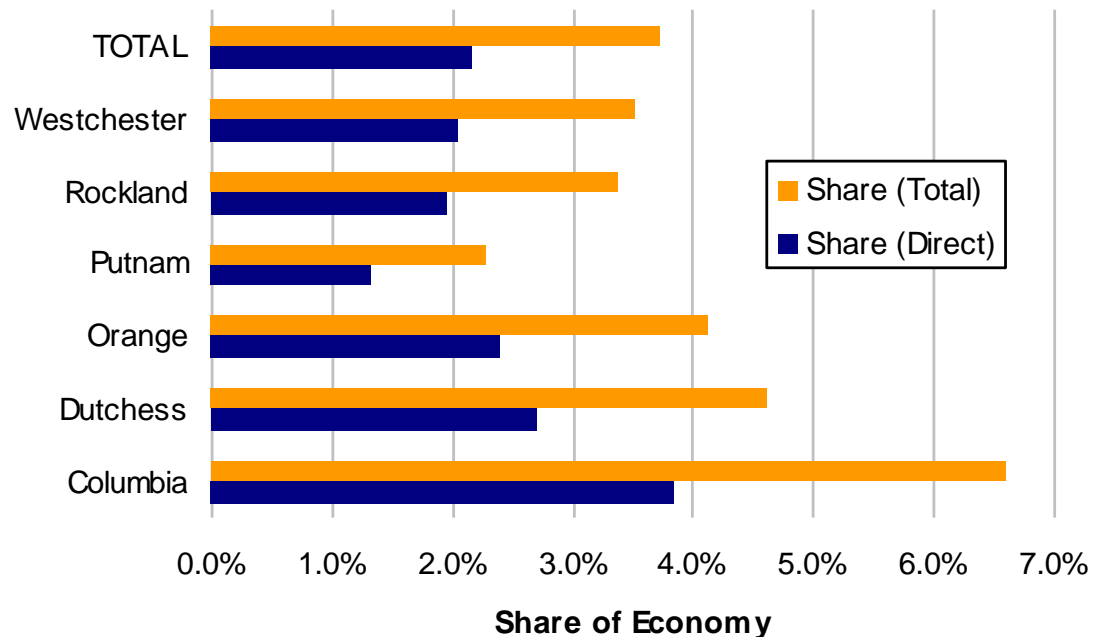


- Tourism in the Hudson Valley region generated \$948 million in direct labor income and \$1.62 billion including indirect and induced impacts.
- Tourism is most significant in Westchester County, generating \$898 million in labor income.

Hudson Valley, labor income

- 3.7% of all labor income in the Hudson Valley region is generated by tourism.
- Columbia County is the most dependent upon tourism with 6.6% of all labor income generated by visitors.

Tourism-Generated Labor Income Share of Economy, 2010



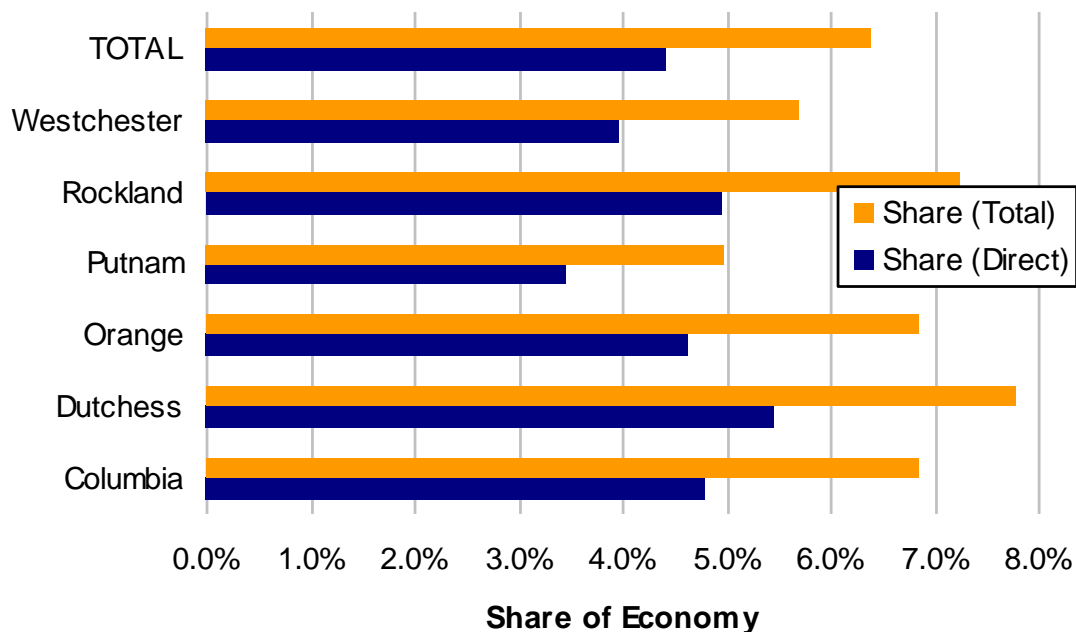
Hudson Valley, labor income

| 2010 Tourism Labor Income, '000 | Direct | Total (Direct, Indir., Induced) | Share (Direct) | Share (Total) |
|---------------------------------|------------------|---------------------------------|----------------|---------------|
| Columbia | \$27,678 | \$47,334 | 3.9% | 6.6% |
| Dutchess | \$143,111 | \$244,743 | 2.7% | 4.6% |
| Orange | \$124,782 | \$213,397 | 2.4% | 4.1% |
| Putnam | \$15,417 | \$26,366 | 1.3% | 2.3% |
| Rockland | \$111,513 | \$190,706 | 2.0% | 3.4% |
| Westchester | \$525,111 | \$898,028 | 2.1% | 3.5% |
| TOTAL | \$947,612 | \$1,620,574 | 2.2% | 3.7% |

Hudson Valley, tourism employment

Tourism-Generated Employment Share of Economy, 2010

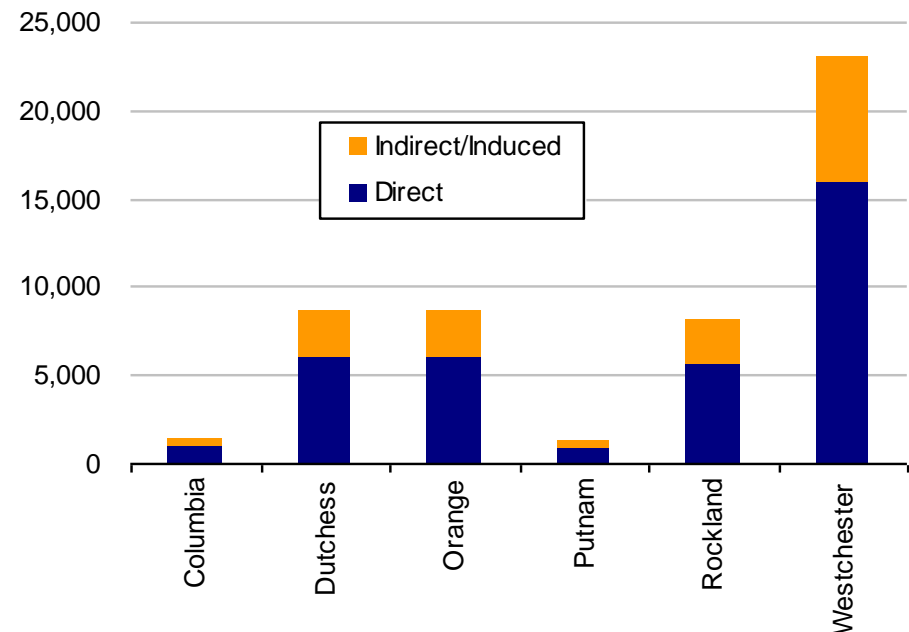
- 6.4% of all employment in the Hudson Valley region is generated by tourism.
- Dutchess County is the most dependent upon tourism with 7.8% of all employment sustained by visitors.



Hudson Valley, tourism employment

| 2010 Tourism Employment | Direct | Total (Direct, Ind., Induced) | Share (Direct) | Share (Total) |
|-------------------------|--------|-------------------------------|----------------|---------------|
| Columbia | 955 | 1,385 | 4.8% | 6.9% |
| Dutchess | 6,013 | 8,717 | 5.5% | 7.8% |
| Orange | 5,957 | 8,635 | 4.6% | 6.9% |
| Putnam | 853 | 1,236 | 3.5% | 5.0% |
| Rockland | 5,566 | 8,069 | 5.0% | 7.2% |
| Westchester | 15,888 | 23,030 | 4.0% | 5.7% |
| TOTAL | 35,233 | 51,072 | 4.4% | 6.4% |

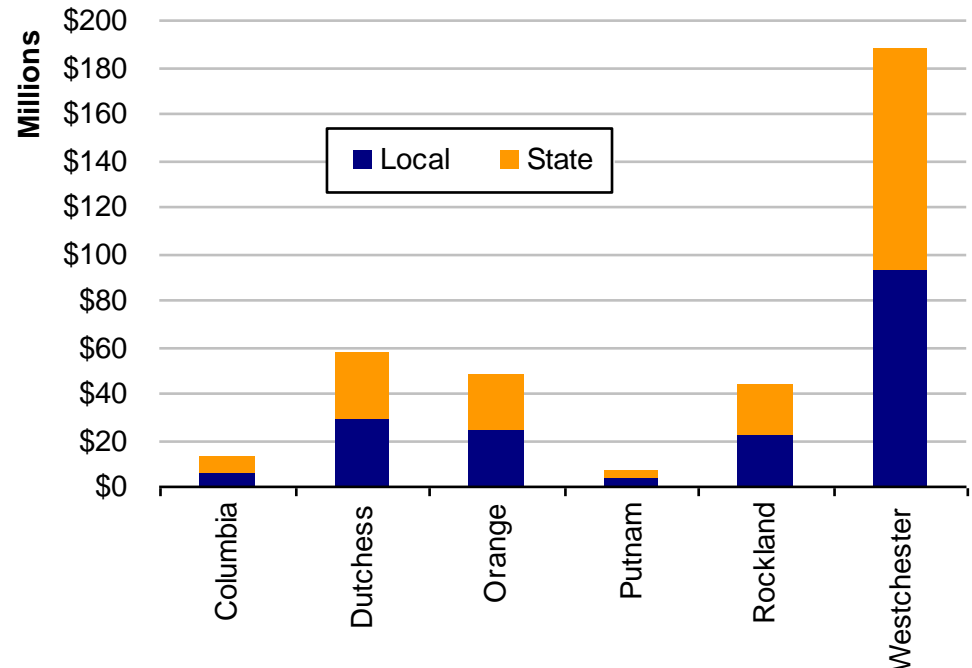
Tourism-Generated Employment, 2010



Hudson Valley, tourism taxes

- Tourism in the Hudson Valley region generated \$355 million in state and local taxes in 2010.
- Sales, property, and hotel bed taxes generated \$178 million in local taxes.
- Westchester county produced 53% of the region's tourism tax base in 2010.

Tourism-Generated Taxes, 2010



Hudson Valley, tourism taxes

| Tourism-Generated Taxes, 2010 | Local Taxes | State Taxes | Total | Region Share |
|-------------------------------|----------------------|----------------------|--------------------|---------------|
| Columbia | \$6,082,877 | \$6,295,710 | 12,378,587 | 3.5% |
| Dutchess | \$29,102,408 | \$27,996,334 | 57,098,742 | 16.1% |
| Orange | \$24,204,161 | \$23,828,110 | 48,032,271 | 13.5% |
| Putnam | \$3,341,741 | \$3,386,157 | 6,727,897 | 1.9% |
| Rockland | \$22,014,133 | \$21,230,680 | 43,244,813 | 12.2% |
| Westchester | \$92,822,773 | \$94,836,062 | 187,658,835 | 52.8% |
| TOTAL | \$177,568,093 | \$177,573,053 | 355,141,145 | 100.0% |

Methods and data sources

- Household surveys from the US Travel Association and Longwoods International have provided key inputs in establishing traveler spending figures by
- Employment definitions. The basis of our data and modeling is the Regional Economic Information System (REIS), Bureau of Economic Analysis, U.S. Department of Commerce. This is different than the NYS Department of Labor data source (ES202/QCEW). The main definitional difference is that sole-proprietors, which do not require unemployment insurance and are not counted in the ES202 data. BEA data shows (for example) state accommodations employment at 89,124, compared with QCEW at 82,190. For total employment (across all sectors), the difference is 20%.
- International methodology. Our approach (through Travel Industry Association calculations) is based the estimates on direct survey responses to the Department of Commerce in-flight survey and Statistics Canada data – constrained to BEA international balance of payments data. The NY data are consistent with TIA's state-by-state distribution which ensures against overestimation.
- Bottom-up vs. top-down. We have based our research on tourism expenditure analysis from surveys and controls to known industry measurements for key tourism sectors.

Methods and data sources

- Local taxes are a build-up of individual categories (sales, occupancy, property). The model is not equipped to deal with individual exemptions such as Indian gaming.
- Second home expenditures are based on the stock of seasonal second home inventory. Annual average expenditures for housing are pro-rated to the season length to account for various levels of expenditures not accounted in visitor surveys.
- Lodging sector. Our models use survey information and constrains this to the value of the hotel sector in each county. This can vary from certain bed tax estimates of total revenue for several reasons. One is that the bed tax may only be based on room revenue while total sales for the industry may include other revenue sources (room service, phone, etc.). Another is that certain smaller establishments may not fully report or be required to report their revenue.

Methods and data sources

- Tourism Economics utilized the IMPLAN input-output model for New York State to track the flow of sales through the economy to the generation of GDP, employment, wages, and taxes.
- The impacts are measured on three levels:
 - **Direct impact:** The immediate benefit to persons and companies directly providing goods or services to travelers.
 - **Indirect impact:** The secondary benefit to suppliers of goods and services to the directly-involved companies. For example, a food wholesaler providing goods to a restaurant. The model is careful to exclude imports from the impact calculations.
 - **Induced impact:** The tertiary benefit to the local economy as incomes in the prior two levels of impact are spent on goods and services. For example, a restaurant employee spends his wages at a grocery store, generating addition economic output.

About Tourism Economics

- Tourism Economics, headquartered in Philadelphia, is an Oxford Economics company dedicated to providing high value, robust, and relevant analyses of the tourism sector that reflects the dynamics of local and global economies. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, project feasibility analysis, tourism forecasting models, tourism policy analysis, and economic impact studies.
- Our staff have worked with over 100 destinations to quantify the economic value of tourism, forecast demand, guide strategy, or evaluate tourism policies.
- Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics is founded on a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 40 highly-experienced professional economists; a dedicated data analysis team; global modeling tools; close links with Oxford University, and a range of partner institutions in Europe, the US and in the United Nations Project Link.
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