

January 2021



# Tourism Economics Research Summary



# Introduction

The travel sector is an integral part of the economy in Independence, Missouri. Visitors generate significant economic benefits to households, businesses and government alike and represent a critical driver of the region's future. Gross output (total business sales) attributable to visitor spending in the local economy amounted to more than \$224.2 million in 2019.

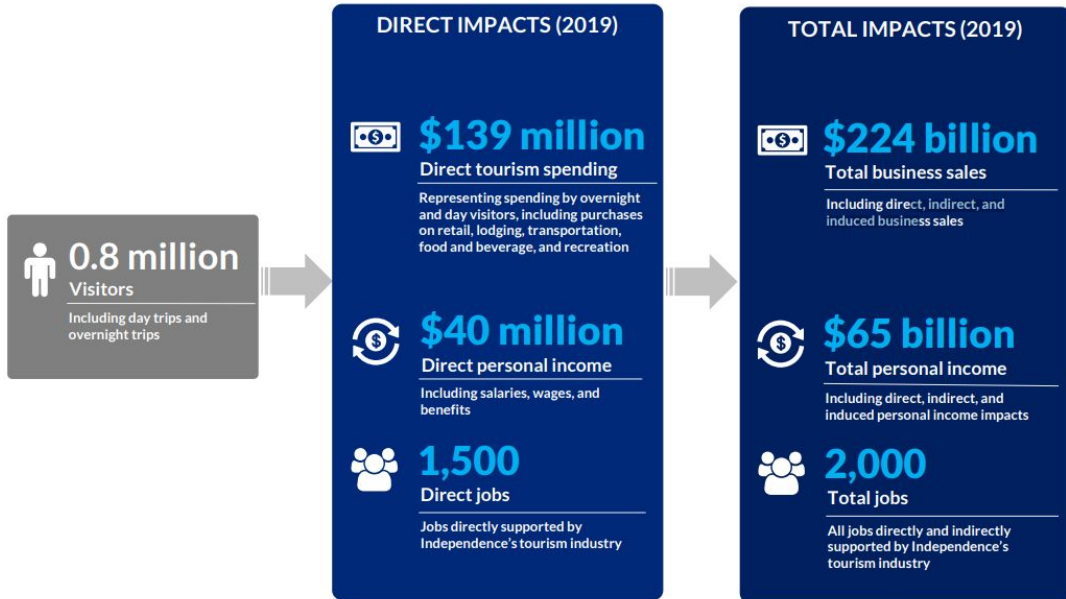
By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for Independence as it continues to expand upon its visitor economy, and by establishing a baseline for economic impacts, the industry can track its progress over time.

To quantify the economic significance of the tourism sector in Independence, Tourism Economics has prepared a comprehensive model detailing the far reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

# Economic Impact of Visitors 2019

## KEY FINDINGS

Impact of tourism in 2019



# Independence Forecast due to COVID-19

Scenario	Virus-related inhibitions on travel in 2021	Key economic indicators (forecast current as of October 30th, 2020)
<b>Upside</b>	<ul style="list-style-type: none"> <li>• Virus moderately contained, travel restrictions continue to ease</li> <li>• Traveler risk aversion remains moderate to high</li> </ul>	<ul style="list-style-type: none"> <li>• Peak national unemployment rate 13.0% - 2020 Q2</li> <li>• National GDP declines 2.1% in 2020</li> <li>• GDP returns to 2019 Q4 level in 2021 Q1</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• Virus contained in some regions, however many restrictions and containment measures remain through 2021</li> <li>• In some areas, groups permitted to meet with modifications, but risk aversion reduces attendance</li> </ul>	<ul style="list-style-type: none"> <li>• Peak national unemployment rate 13.0% - 2020 Q2</li> <li>• National GDP declines 3.5% in 2020</li> <li>• GDP returns to 2019 Q4 level in 2021 Q4</li> </ul>
<b>Downside</b>	<ul style="list-style-type: none"> <li>• Virus not well contained, restrictions and containment increase from fall 2020 levels</li> <li>• Very limited group travel, greater risk aversion, many public places closed/limited, restaurants more limited</li> </ul>	<ul style="list-style-type: none"> <li>• Peak national unemployment rate 13.0% - 2020 Q2</li> <li>• National GDP declines 4.3% in 2020</li> <li>• GDP returns to 2019 Q4 level in 2023 Q4</li> </ul>

