

VERMONT

MONT

N



2015

BENCHMARK REPORT

TOURISM IN VERMONT

© VERMONT DEPARTMENT OF TOURISM & MARKETING

2015

BENCHMARK REPORT

INTRODUCTION & ORIGIN

Every two years, the Department of Tourism and Marketing prepares its Benchmark report on Tourism. The purpose is to describe qualitatively and quantitatively the impacts of tourism on the Vermont economy. These impacts include jobs and income for Vermonters, revenue for state and local governments, and improved cultural and recreational opportunities for Vermont residents.

“ IN 2015, VISITORS TO VERMONT SPENT MORE THAN \$2.6 BILLION. ”

This is a small increase from 2013. For some categories of spending, the expenditures decrease. An example being gasoline purchases. The cost of gasoline decreased by 40% between 2013 and 2015 so that overall gasoline purchases decreased by almost \$35 million dollars. Other decreases in reported figures are the results of improved data for analysis.

Expenditure increases are due to a combination of price increases and larger visitor volumes. The increases are largely from greater visitor expenditures per trip rather than an increase in the number of visits to Vermont. The number of visits remained constant at 13 million or 21 million visitor nights.

Tourism represents eight percent of Vermont's Gross Domestic Product (GDP) and unlike other large sectors of the economy such as health care and retail, tourism and recreation dollars are largely provided by out-of-state residents. This spending from out-of-state visitors provides money so that Vermonters can purchase out-of-state goods and services. In addition to balancing spending into and out of the state, jobs associated with tourism and recreation are known to include not only professional and management careers, but also entry-level positions that provide experience,

part-time employment and recreational access for young workers, adults seeking seasonal income for their household, and semi-retired seniors.

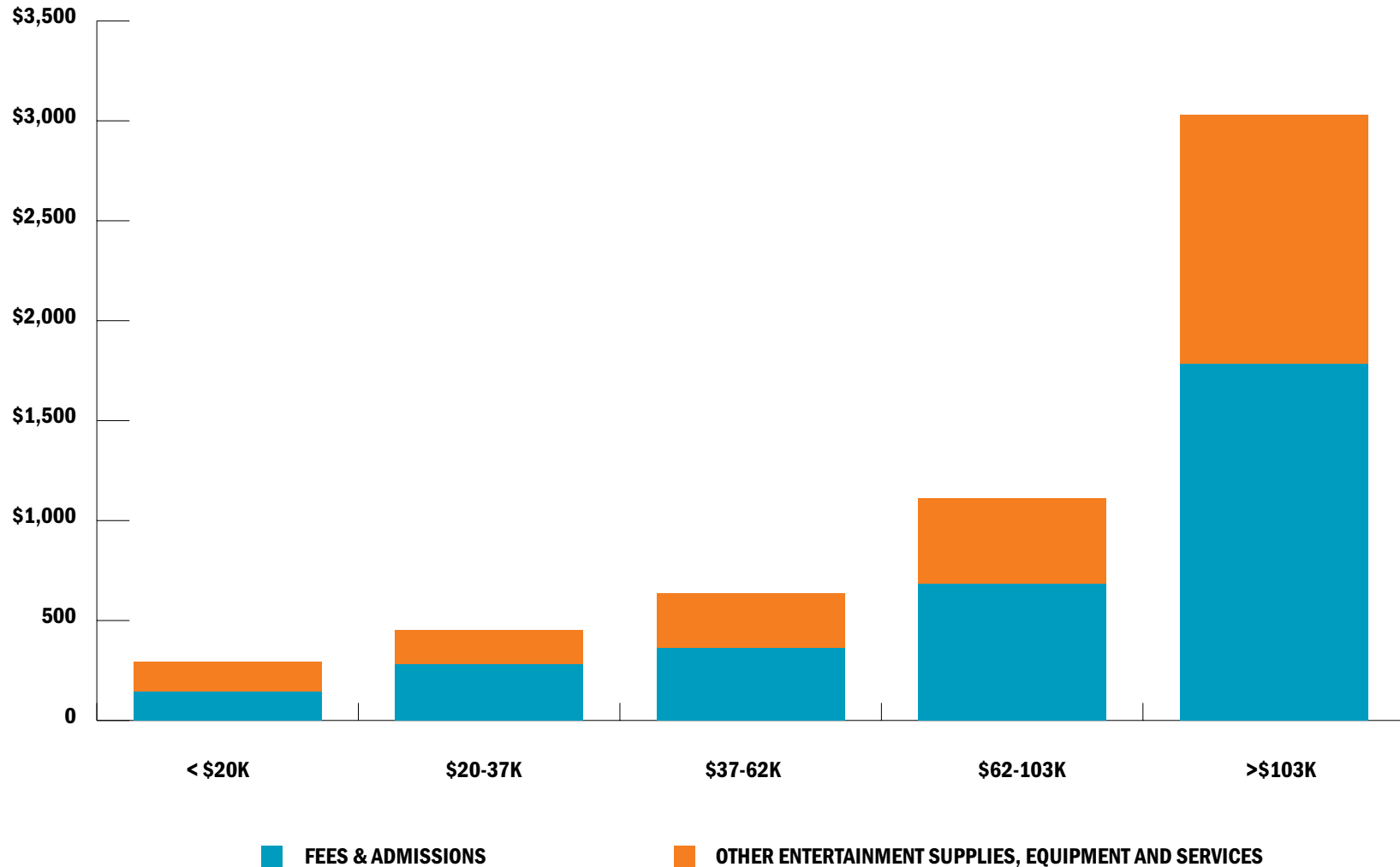
The tourism and recreation sectors represent 8% of the Vermont workforce and more than 5% of wage and business owner income.

FACTORS INFLUENCING TOURISM ACTIVITY

The regional and national economy provide the disposable income that is used for tourism. 2015 witnessed slow economic growth in the 6th year of recovery from the Great Recession. This slow recovery has provided some additional income to potential visitors allowing for the slow growth in tourism activity. An important component of overall economic growth is the growth of income for more affluent households. Available dollars for higher income households increased. Higher income households spend significantly more on recreation and entertainment activities and this sector has seen greater income growth than lower income households. The increase in spending per visitor is evidence of the increased disposable income for higher income households.



HOUSEHOLD ENTERTAINMENT EXPENDITURES BY INCOME



Most of Vermont's visitors come from the Northeastern states. These areas are showing only slow growth in population gains. As a result, Vermont tourism activity growth is slower than areas of the country that draw from more rapidly growing populations.

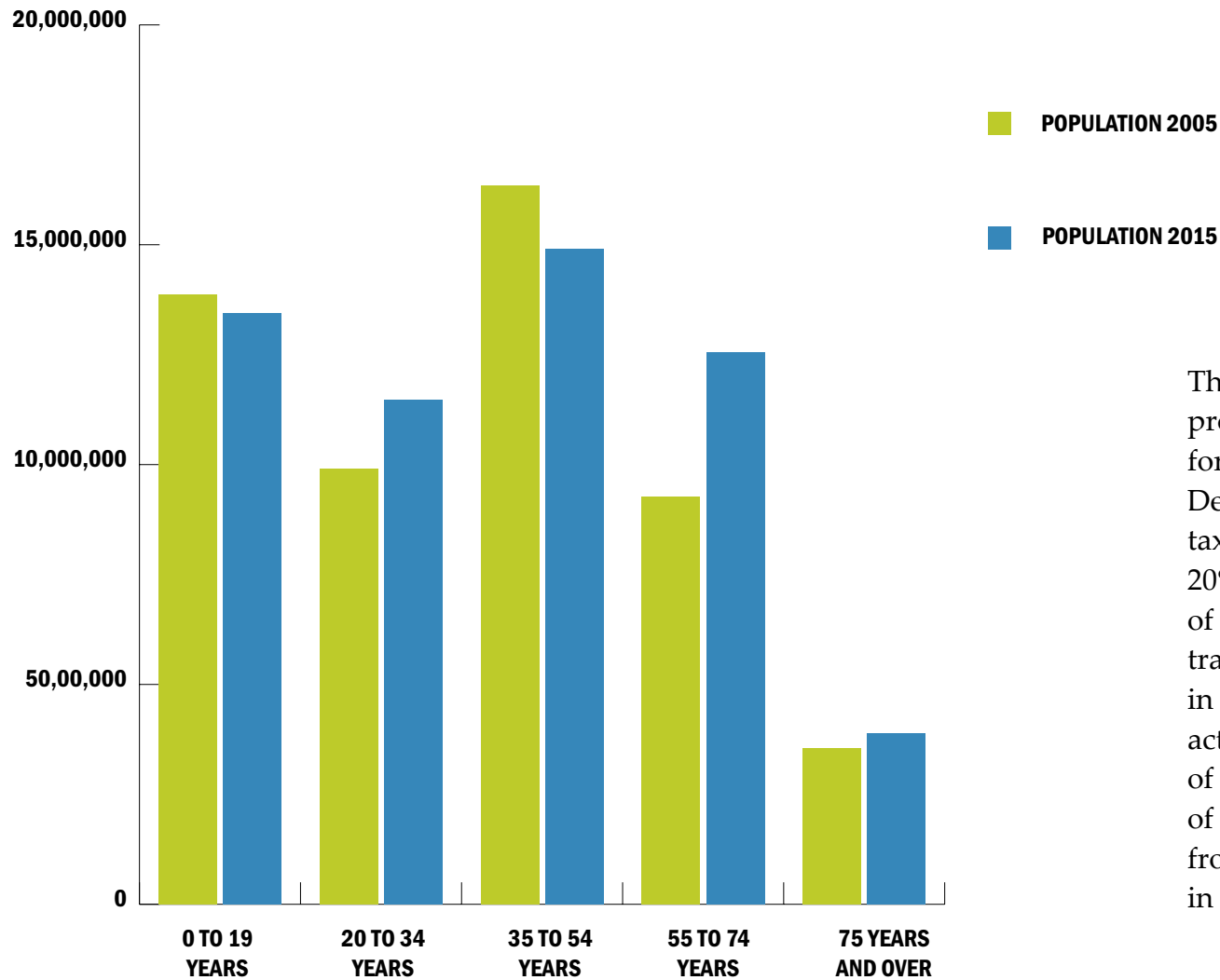
TABLE 1 shows the population growth rates in Vermont target metropolitan areas compared with other metropolitan areas that are homes to fewer people naturally choosing to visit Vermont.

	2010 CENSUS	2015 ESTIMATE	5 YEAR GROWTH
BOSTON-CAMBRIDGE-NEWTON, MA-NH METRO AREA	4,552,402	4,774,321	4.9%
NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA METRO AREA	19,567,410	20,182,305	3.1%
HARTFORD-WEST HARTFORD-EAST HARTFORD, CT METRO AREA	1,212,381	1,211,324	-0.1%
PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE-MD METRO AREA	5,965,343	6,069,875	1.8%
PROVIDENCE-WARWICK, RI-MA METRO AREA	1,600,852	1,613,070	0.8%
MIAMI-FORT LAUDERDALE-WEST PALM BEACH, FL METRO AREA	5,564,635	6,012,331	8.0%
ATLANTA-SANDY SPRINGS-ROSWELL, GA METRO AREA	5,286,728	5,710,795	8.0%
DALLAS-FORT WORTH-ARLINGTON, TX METRO AREA	6,426,214	7,102,796	10.5%
HOUSTON-THE WOODLANDS-SUGAR LAND, TX METRO AREA	5,920,416	6,656,947	12.4%
SAN FRANCISCO-OAKLAND-HAYWARD, CA METRO AREA	4,335,391	4,656,132	7.4%
DENVER-AURORA-LAKEWOOD, CO METRO AREA	2,543,482	2,814,330	10.6%

THE AGING OF THE BABY BOOMER GENERATION CONTINUES TO HAVE AN IMPACT ON EVERY SECTOR OF THE ECONOMY, AND TOURISM IS NO EXCEPTION.

The age profile of potential visitors also informs the spending patterns for households. The aging of people in the Northeastern US where most Vermont visitors originate will have a continuing impact on tourism activity. Older tourists pursue different activities and use different services than do younger visitors. This report does not provide any detail on how the aging population is changing visitor services and economic impact.

NORTHEASTERN STATES POPULATION CHANGES



The end of 2015 was notable in providing very poor snow conditions for winter recreation. The month of December showed a reduction in taxable room receipts of more than 20% when compared to December of 2014. This single month reduction translates to a more than 1.5% reduction in the complete 2015 year's tourism activity. In other words, if December of 2015 had been similar to December of 2014, Vermont would have benefited from an additional \$25 million increase in tourism spending.

★ START PLANNING YOUR TRIP TODAY @ VERMONTVACATION.COM ★

PUTTING TOURISM SPENDING INTO CONTEXT

Tourism is one of several economic sectors in Vermont. While this report is an effort to isolate specific dollar flow and employment opportunities associated with the sector, it is equally important to recognize the overlap of tourism with other Vermont economic sectors. Because tourists spend time in Vermont, they carry out many of the same activities as do residents. For example, they purchase snacks at convenience stores, put money in parking meters, and buy gasoline for their vehicles. In each case, the contribution of tourism dollars expands the scale and therefore efficiency of Vermont retail activity and service delivery. Another specific example is recreation. The broad range of recreational opportunities in Vermont is an important attraction for out-of-state visitors. Vermont residents also enjoy those same recreational opportunities, enhancing their own quality of life. In a similar fashion, housing in Vermont provides accommodations to Vermont's visitors. In the case of second homes, those units are options for full time residents, either for visitors that decide to make Vermont home or for Vermont residents in the market for appropriate housing.

Another example is the overlap of marketing Vermont for both tourism and business recruitment. Many of the same attributes that are attractive for visitors – aesthetic beauty, low traffic, high quality foods and a diverse selection of cultural activities, are equally important to those considering moving households and business activities to the state. Therefore, the regular monitoring of visitor activity is a useful indicator of the overall attractiveness of the state.

In fact, tourism contributes to all economic sector activities in varying degrees. As a consequence, the analysis of isolated tourism impacts is complicated and the results included in this report are to be reviewed with that recognition in mind.

⋮ *The dollar values in this report are estimates. While every effort is used to pursue precision, several data sources are either dated or rely on survey responses that may not be an accurate reflection of true spending patterns. The dollar values in this report may not be precise, but consistent methodology compares reported values over time and in some cases, compares Vermont economic figures with the United States and neighboring states. **Changes over time and comparisons to other states should be the focus for readers rather than the specific dollar figures.***



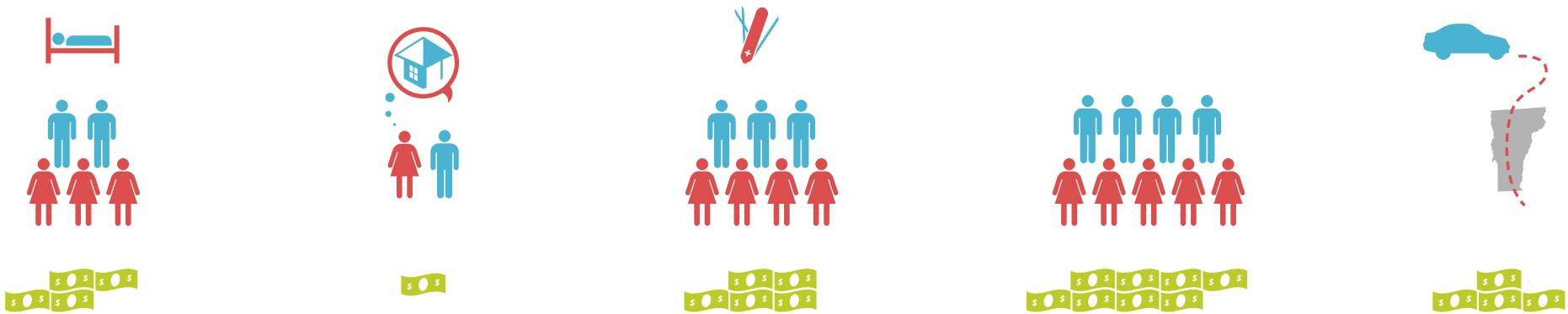
SUMMARY OF IMPACTS

VISITORS TO VERMONT SPEND MORE THAN \$2.6 BILLION PER YEAR ON THE FOLLOWING EXPENSES (INCLUDING SECOND HOME EXPENSES):

	2015 SPENDING	2003 SPENDING
LODGING	\$475 MILLION	\$320 MILLION
RESTAURANTS AND BARS	\$450 MILLION	\$275 MILLION
GASOLINE SALES	\$115 MILLION	\$65 MILLION
GROCERIES AND CONVENIENCE STORES	\$100 MILLION	\$100 MILLION
OTHER RETAIL SALES	\$240 MILLION	\$150 MILLION
RECREATION AND ENTERTAINMENT	\$340 MILLION	\$200 MILLION
TRAVEL EXPENSES (AIRLINE, OTHER PUBLIC TRANSPORTATION)	\$150 MILLION	\$100 MILLION
AUTOMOTIVE RENTALS	\$30 MILLION	\$25 MILLION
..... SECOND HOME EXPENSES		
CONSTRUCTION AND RENOVATION	\$210 MILLION	\$150 MILLION
PROPERTY TAXES	\$270 MILLION	\$140 MILLION
UTILITIES AND FUEL	\$115 MILLION	\$80 MILLION
MAINTENANCE, INSURANCE AND MANAGEMENT	\$115 MILLION	\$70 MILLION
.....		
TOTAL:	\$2.61 BILLION	\$1.75 BILLION

To support these activities, more than 31,000 Vermonters are employed and have wages and business income of almost \$1 billion. The impacts of wages and business income add an additional \$750 million of economic activity in the state.

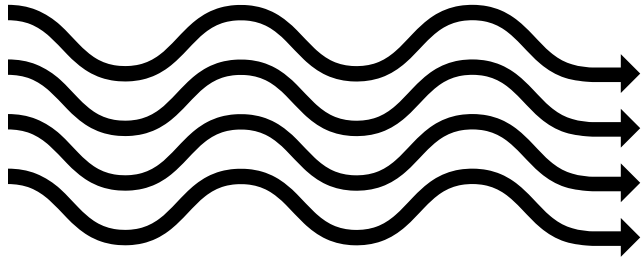
In addition to the purchases made by travel consumers, several businesses make significant investments in their infrastructure to support travelers. The most visible of these investments are the construction projects for lodging and recreation facilities. Vermont businesses consistently invest more than \$100 million per year in these construction projects.



THE ESTIMATE OF DOLLAR EXPENDITURES IS BASED ON THE DETERMINATION OF TRAVELER VOLUMES IN THE FOLLOWING CATEGORIES.

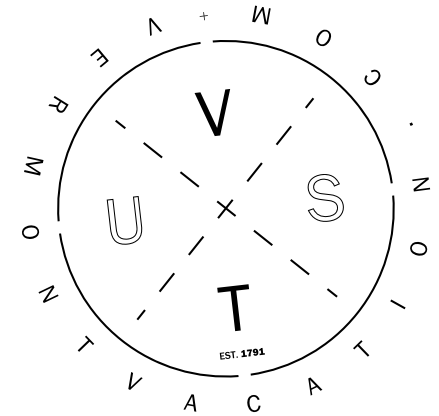
- » Overnight visitors using commercial lodging – 1.7 million visitors spending \$840 million
- » Overnight visitors using second homes – 1.7 million visitors spending \$510 million
- » Overnight visitors using campgrounds – 350,000 visitors spending \$40 million
- » Overnight visitors staying with friends and families – 2 million visitors spending \$275 million
- » Day visitors and drive through traffic – 7.2 million visitors spending \$255 million

(These spending figures do not include expenditures for building and maintaining second homes.)



HOW TO MEASURE VISITATION

Different tourism economic studies refer to several different measures of tourism activities. This report provides several of those measures.



NUMBER OF VISITS

Every time a household or group of individuals leaves home and visits Vermont, it is considered a visit. Vehicle counts crossing the borders is one representation of the number of visits.

NUMBER OF VISITORS

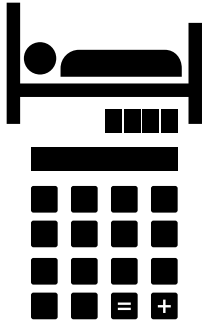
In most cases, visitors arrive with family or friends. While a single car represents a "visit", if there are four people in the car, that represents four visitors.

VISITOR NIGHTS


The largest of the tourism numbers is the product of visits, the number of people in a party (household or other group) and the number of nights that the visitors stay in Vermont. For example a single visit of a family of 4 that spends 6 nights in Vermont is 24 visitor nights.
(1 X 4 X 6)

ROOM NIGHTS

Hotels and campgrounds typically rent out rooms or sites for a number of nights to a single visiting group. The number of room nights is closely aligned with the tax revenue paid by businesses renting rooms and fees for campsites.



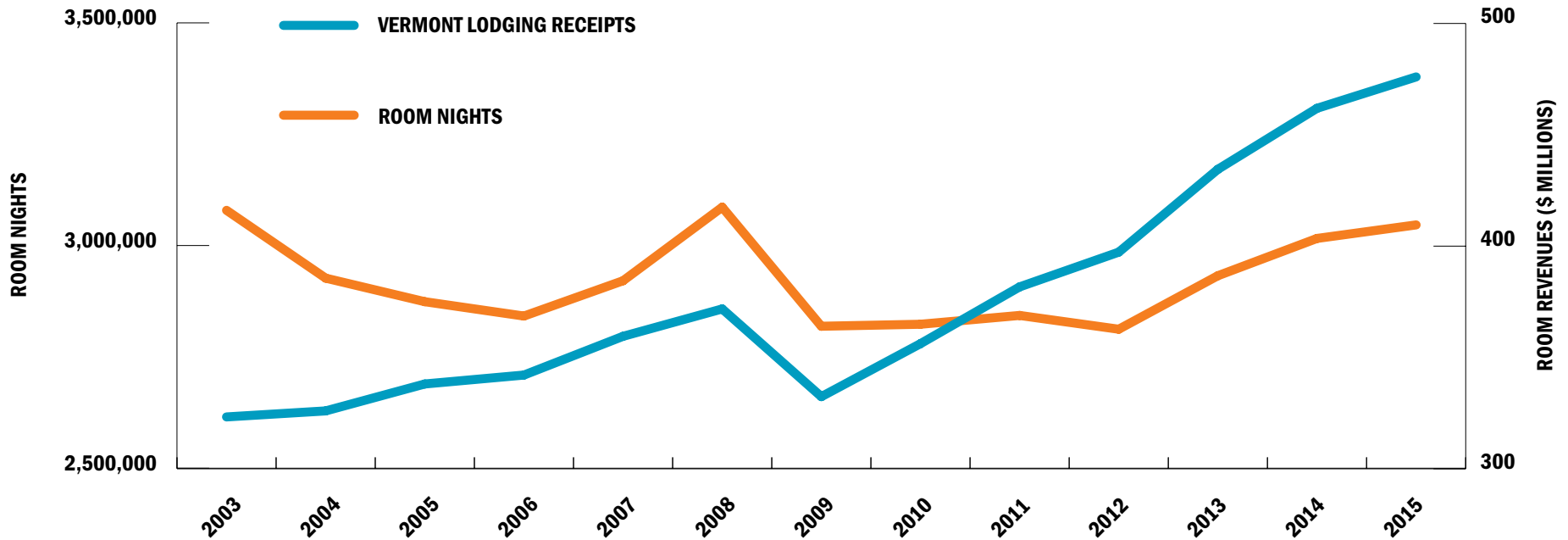
OVERNIGHT VISITOR CALCULATION – USING HOTELS AND INNS

The dollar value of overnight lodging is consistently collected by the Vermont Department of Taxes as the basis for collecting the Rooms Tax. The number of lodging nights is the receipt total divided by the average room rate. Figure  shows recent trends in rooms receipts and calculated room nights. The determination of average rates is challenging. Published “rack” rates are often different than rates available through tours, discount websites or package plans. The VDTM lodging establishment survey from 2015 suggest some rate reduction.

A further potential complication is the person per room occupancy rate. There is no reliable estimate for changes in average room occupancy. This report continues to use a figure of 2.45 persons per room obtained from earlier studies.



VERMONT LODGING RECEIPTS & ROOM NIGHTS



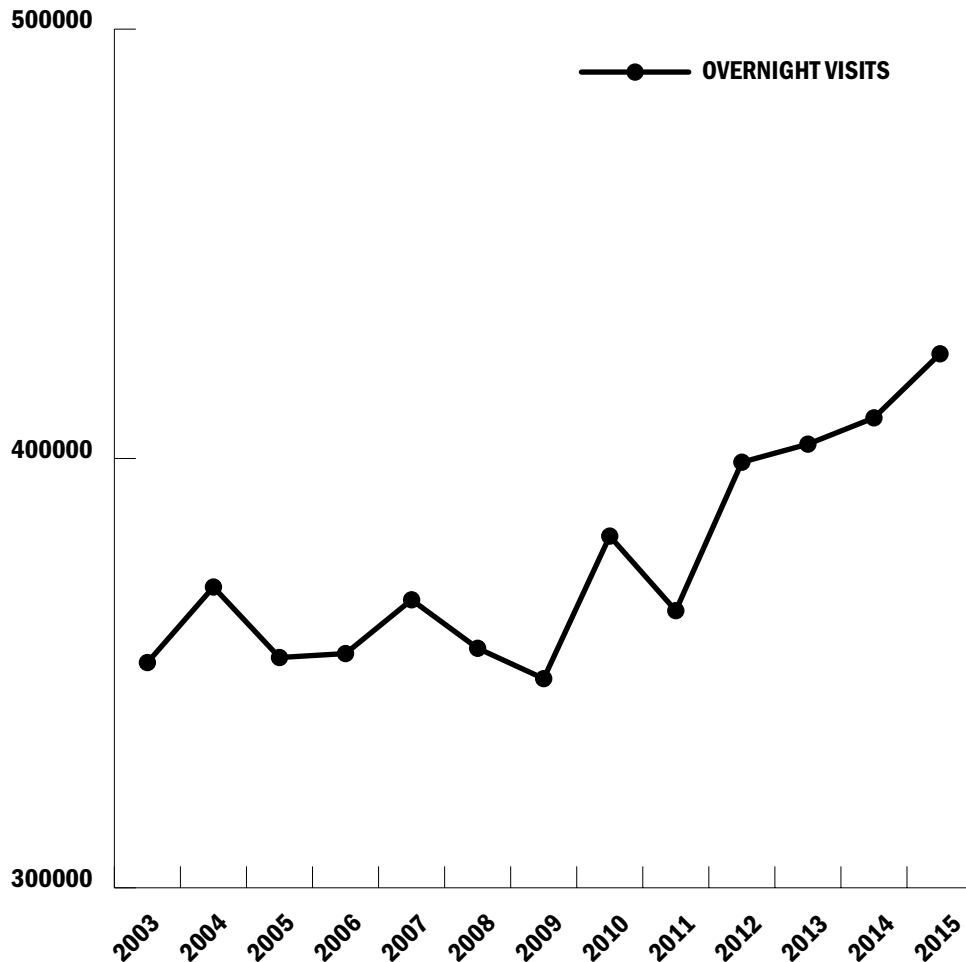
SOURCE: LODGING RECEIPTS FROM VERMONT DEPARTMENT OF TAXES

In 2015, taxable room receipts continued the steady progress of the past seven years. In addition, the number of room nights has shown some recent increases. The number of visits is determined by the room rentals. With no new data to estimate per room occupancy, total visitor nights are reported as increasing at the same rate as room nights. A number of estimates are used to determine that the average overnight visitor spends approximately 4.5 nights per trip.

SUMMARY OF VISITORS TO VERMONT USING COMMERCIAL OVERNIGHT ACCOMMODATIONS:

- » The number of room nights rented using this data is 3.1 million
- » The number of visitor nights is 7.3 million
- » The total number of overnight visitors is 1.7 million
- » The number of overnight visits is 0.64 million

STATE PARK OVERNIGHT VISITS



SOURCE: VT DEPARTMENT OF FORESTS & PARKS

OVERNIGHT VISITOR CALCULATION – USING CAMPGROUNDS

The Vermont Department of Forest, Parks and Recreation reported in 2015 that there were almost 425,000 camper nights, following the trend of general increases that started in 2009. The increase in state campground use of more than 15% in the past ten years is noteworthy, especially when comparing to other forms of tourism and recreation that have witnessed more modest growth.

Privately owned campgrounds represent an even greater proportion of campsites for visitors. Employment data for campgrounds collected by the Vermont Department of Labor shows small employment gains indicating patterns of increased private campground use parallel to the state campgrounds.

SUMMARY OF NON-RESIDENT CAMPING

- » The number of campsite nights rented = 0.35 million
- » The number of camper nights = 1.1 million
- » The number of visitors using camping accommodations = 0.35 million
- » The total number of visits represented by camping = 0.12 million

OVERNIGHT VISITOR CALCULATIONS – USING SECOND HOMES

In addition to visitors staying in overnight accommodations and campgrounds, many visitors stay in housing that they own as second or vacation homes. The most visible second homes are those near ski areas (for winter visitors) or lake shores (for summer visitors). For the purpose of the analysis in this report, we use the figure of 45,000 second home owners, most of which are out-of-state, but all of which reflect “visitors”.

The most consistent measure of vacation home numbers is from the US Census Bureau because of their requirement to contact each residential property for the census count of population. From Census statistics, the number of seasonal homes in Vermont has increased from 43,060 in 2000 (14.6% of the Vermont housing stock) to 50,198 in 2010 (15.6% of the Vermont housing stock). These statistics suggest and anecdotes support that second homes are a growing portion of not only the profile of Vermont housing stock but the profile of accommodations for Vermont visitors.

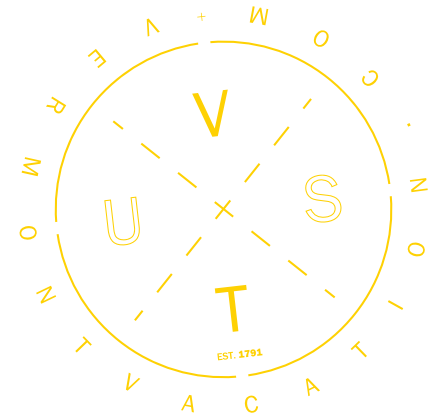
In 2010, the Economic Policy and Research (EPR) group that authored the Tourism Benchmark report for the year 2009 contracted with a survey team to complete a thorough survey of more than 1,000 second home owners to determine visitation and spending patterns. The survey asked each second home owner, how many trips per year, those homeowners and guests make. An average of the responses is 10 trips per unit. The average party size for a second home visit is 3.7 as reported by EPR in 2009.

Using the results of earlier surveys and an estimate of second homes equal to 45,000, there are more than 450,000 visits to second homes resulting in more than 1.7 million occupancy nights and almost 8 million visitor nights for second homes. To put this number in context, there are about 225 million occupancy nights for Vermont residents in their own residence each year. Therefore, on average, almost 10% of people spending the night in Vermont are non residents staying in hotels, second homes, campgrounds and private homes (the percentage is greater for weekends and holiday periods).

There is a growing importance of second home owners as an economic factor in Vermont. More than 20% of all housing units in the state are owned by out-of-state residents. The value of those homes is approximately \$11 billion. The initial purchase of the property brings a significant infusion of capital followed by the necessary spending for property taxes and property maintenance. More important is that many second home owners also contribute to the vitality of the local community in which they live. There are thousands of cases when second home owners transition from part time residency to establish permanent residency in Vermont. In those cases, the wealth developed while outside of Vermont is transferred to Vermont. This pipeline into Vermont provides a valuable addition to the Vermont economy.

SUMMARY OF VISITORS TO VERMONT WITH SECOND HOMES

- » The number of visit nights (equivalent to room nights in hotels) is 2.2 million
- » The number of guest nights is 8 million
- » The number of visits associated with second homes is 0.45 million
- » The number of visitors is 1.7 million



OVERNIGHT VISITOR CALCULATION – USING “PRIVATE” HOMES

In addition to second homes, some visitors stay with families and friends.

An earlier study reports that the number of out-of-state visitors coming to Vermont and staying with friends and family is 1.28 million. In the same study, more than half (58%) of Vermont homeowners and tenants report that they entertain visitors during the year.

Using the number of households in Vermont as 257,000 (2014) and adding second home owners provides a base of possible visitor sites of approximately 320,000. Additional survey results on the number of visits per year, the number of visitors per visit and the average duration of a visit, provide an estimate of the visitor volume from friends and family.

SUMMARY OF VISITORS TO VERMONT USING PRIVATE HOMES

- » Number of visitors $(840,000 \times 2.3) = 1.9$ million
- » Number of visitor nights = 5.0 million
- » Number of visits $(320,000 \times .58 \times 4.5) = 840,000$

DAY VISITOR CALCULATION

Earlier survey reports that for every overnight visitor, there are 0.3 day visitors. Using the visitor numbers from lodging and second homes as a baseline, this amounts to 2 million out of state day visitors to Vermont. The definition of a visitor will influence this number significantly, again considering the casual border crossings from New Hampshire, Massachusetts and New York: how many of those should be considered as tourism “visits?” When considering dollar impacts, using a lower estimate of these visits is appropriate, as the dollar expenditures from casual visits is minimal.

0.8 million day visits
2 million day visitors

DRIVE THROUGH VISITORS

Vermont Interstate highways 89 and 91 provide access between New Hampshire/Southern New England and the Montreal/Eastern Townships/ Quebec City region of Quebec. Vehicles and passengers using these interstates may not have Vermont as a destination but use traveler services in Vermont including gasoline and meals. As described in more detail below from Canadian border crossing data, more than 1.5 million vehicle crossings take place each year as Canadians pass through Vermont on their journeys to New Hampshire, Maine, Massachusetts and other southern New England destinations. Similarly, an additional 0.5 million American visitors pass through Vermont on their way to Canada.

1.9 million pass through trips
4.8 million pass through visitors

GRAND TOTAL

TYPE OF VISIT	VISITS	VISITORS	VISITOR NIGHTS	O'NIGHT STAYS
OVERNIGHT LODGING	640,000	1,700,000	7,200,000	3,100,000
SECOND HOME	450,000	1,700,000	8,000,000	2,200,000
CAMPGROUNDS	110,000	350,000	1,000,000	300,000
FRIENDS AND FAMILY	800,000	1,900,000	5,000,000	1,800,000
DAY TRIPS	1,000,000	2,300,000	---	---
DRIVE THROUGH	1,900,000	4,800,000	---	---
TOTAL	5.1 MILLION	13 MILLION	21 MILLION	7.4 MILLION

This report does not consistently include the dollar expenditures of Vermonters taking trips in the state. In some cases, such as for lodging receipts and second home visitors, Vermont resident activity is included. In other cases, such as day trips, Vermont resident activity is not included. However, Vermonters do take advantage of the same attractions and amenities that draw out of state visitors.

FOR EXAMPLE:

- » Vermonters use overnight camping (450,000 camping nights) and day visits to State Parks account for another 400,000 visitor days;
- » Vermonters account for almost 1 million skier days at our state’s ski areas;
- » Approximately 8,000 Vermont households own second homes in the state;
- » Almost all Vermonters take advantage of cultural experiences such as concerts, theater and fairs.

WHERE VERMONT VISITORS COME FROM

DOMESTIC VISITATION

For this report, we analyzed credit card data to determine the home location for Vermont visitors. This data assigns visitors to the Metropolitan Statistical Area (MSA) that represents their primary credit card use.

Lodging credit card receipts are direct measures of visitor use. Grocery store payments are a proxy for those that own second homes in Vermont.

	OVERNIGHT VISITOR HOME MSA	SECOND HOME OWNER PRIMARY RESIDENCE
BOSTON	23%	15%
NEW YORK	20%	19%
NON-URBAN AREAS	10%	24% (INCLUDES RESIDENTS FROM BORDER TOWNS)
HARTFORD, CT	5%	4%
WASHINGTON DC AND BALTIMORE	4%	3%
PHILADELPHIA	3%	2%
ALBANY, NY	2%	3%
CHICAGO	1%	<1%
OTHER METRO AREA	32%	29%

Together, these numbers provide a sense of where Vermont visitors come from and it is clear that the large majority come from within a 500 mile driving range of Vermont.

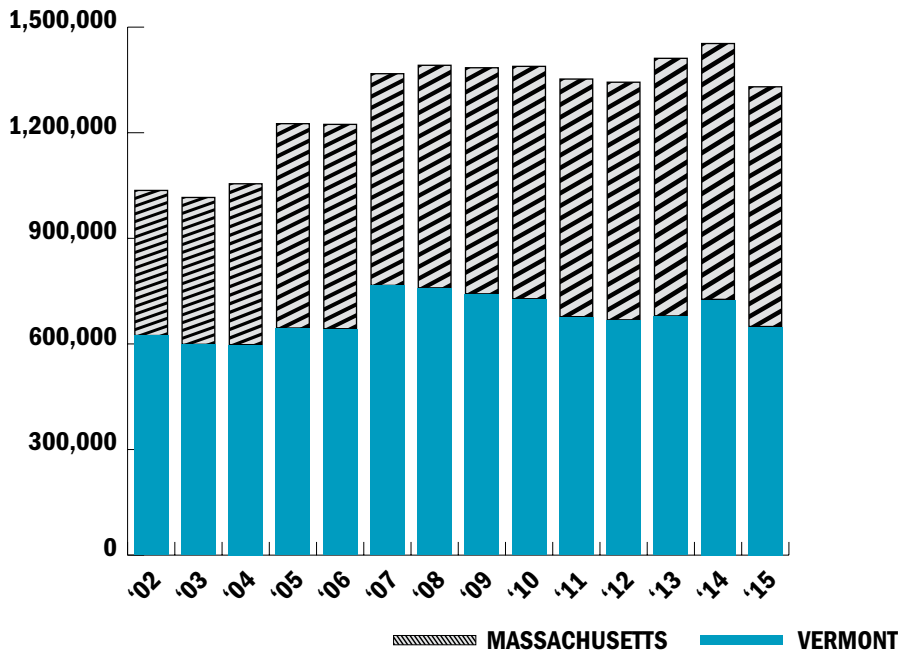
CANADIAN VISITATION

Statistics Canada has survey data that provides specific Canadian visitor numbers and visitor nights. These data are useful for affirming the relationships among the overnight, day trip, and drive through market calculations described above.

These numbers are used directly for

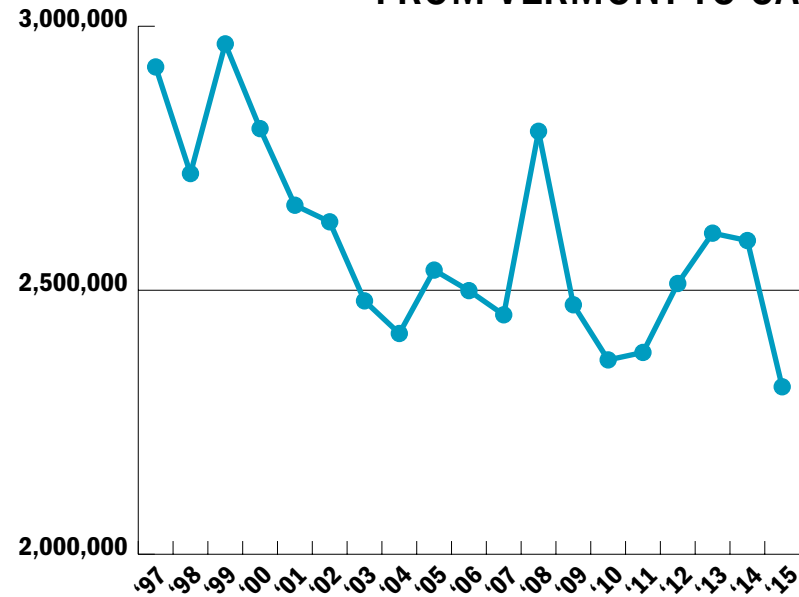
- » Visitor numbers
- » Visitor nights
- » Visitor expenditures

CANADIAN VISITATION



SOURCE: STATISTICS CANADA, TOURISM AND THE CENTRE FOR EDUCATION STATISTICS

BORDER CROSSINGS FROM VERMONT TO CANADA



SOURCE: US DOT, RITA

For 2015, the statistics show that there were 648,000 “visits” to Vermont from Canada. This includes 1.648 million visitor nights. If those nights adhere to the same 4.84 nights per visit, then Canadian overnight visits = 0.4 million and 0.3 million visits are considered day visits.

Total Canadian crossings = 2 million

Mass = 0.7 million

NH, ME, RI, CT = 0.6 million

Total VT crossings = 0.7 million

Border crossings represent:

- » Day trips
- » Overnight visits
- » Drive through
- » Work (*day visits, not counted as tourism activities*)

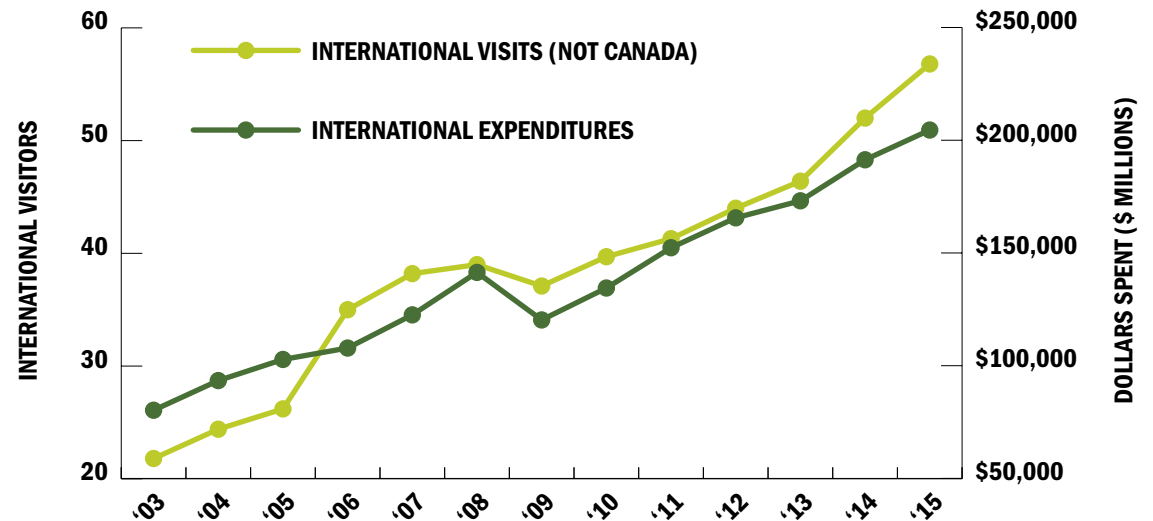
Since 2013, the value of the Canadian dollar has declined more than 20% against the US dollar. This has the consequence of making US goods and services, including tourism services more expensive and puts Vermont tourism at a relative disadvantage. This is a factor that influences Canadian visitation and partially explains the reduction of border crossings into Vermont.

INTERNATIONAL TRAVEL

International tourists, other than Canadians are a growing portion of all tourists in the United States. We estimate that 5% of Vermont visitor days are from international visitors, not including Canadians. While the population of traditional Vermont visitors from the USA is only growing slowly, the potential for growth in the international market is an opportunity for the future of Vermont tourism.

The following figure shows that the volume of international travel to the United States has almost doubled in the past ten years. This trend is reflected in both traveler numbers and dollars spent. The economic impacts of international travelers are captured in the other calculations used in this report for determining dollar volumes and employment.

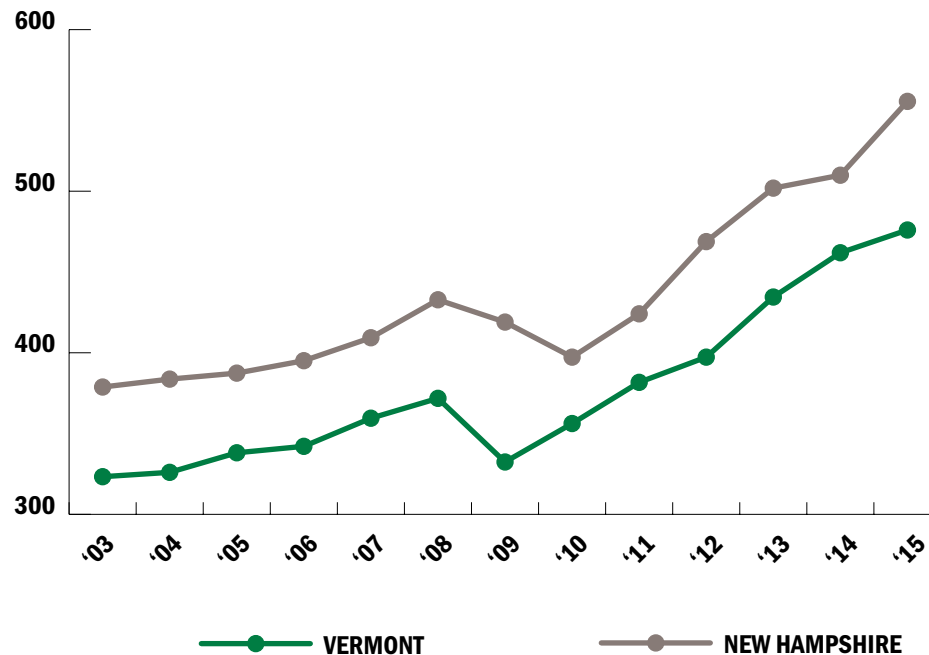
INTERNATIONAL VISITATION TO THE UNITED STATES



Travel Markets Insights (TMI), in a project for Travel New England, estimates that about 100,000 overseas visitors came to Vermont in 2015. Because overseas visitors have longer duration vacations than do regional visitors, the average stay in Vermont for these travelers is longer and their per visit expenditures is greater.

According to TMI, nine of the top ten home countries for Vermont visitors are European with the United Kingdom leading the list.

VT & NH ROOM RECEIPTS (\$ MILLIONS)



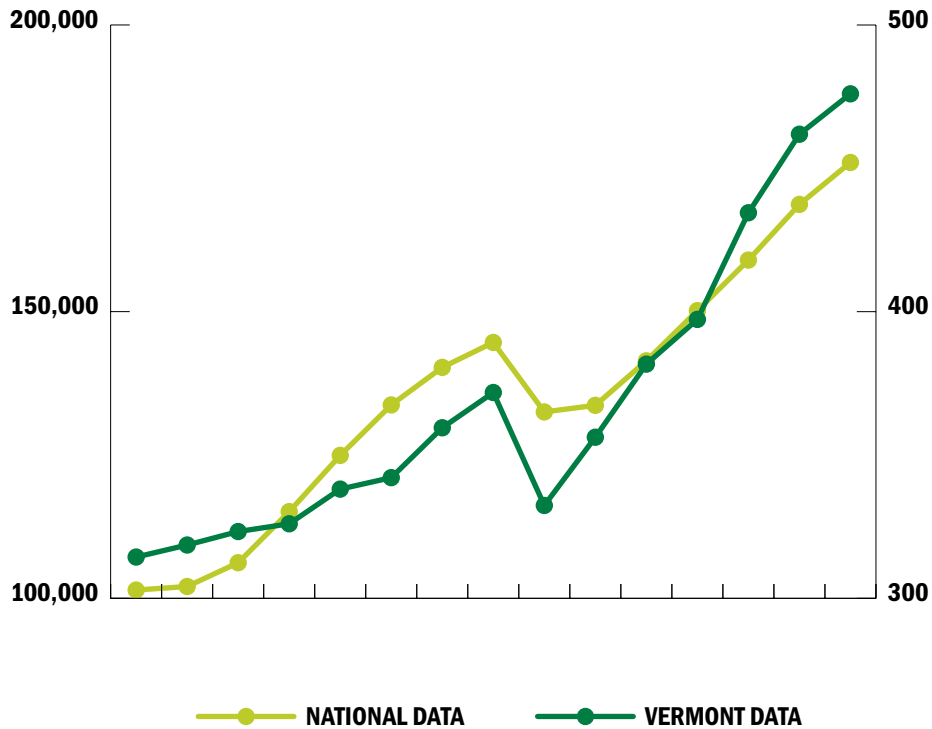
TRENDS IN VERMONT TRAVEL

The slow growth in visitation and higher increases in commercial room receipts are consistent with the profile of tourists in the Northeast and throughout the U.S. Taking a vacation is a decision that families and households make based on available time and disposable income. As has been highlighted in many economic reports, growth in income in the United States has been focused on higher income families and households for several decades. The population of affluent Americans able to make significant vacation plans becomes more concentrated in the upper income households, resulting in a contracting base of potential travelers. The income available for vacations has grown for those in the upper income families and households. The result is more tourism dollars spent in Vermont.

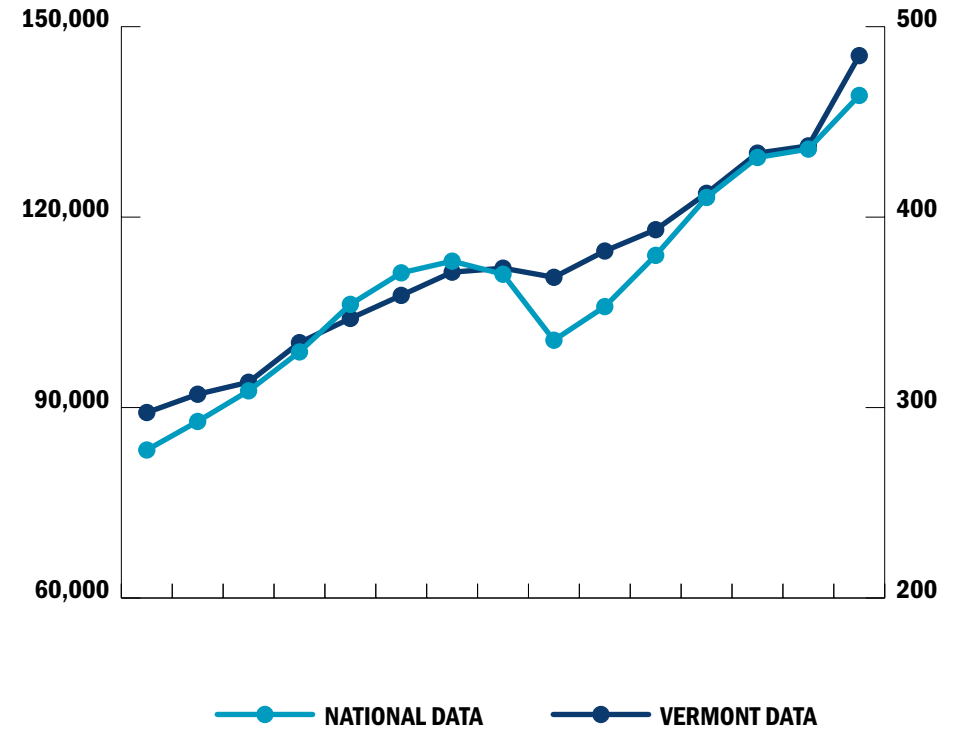
Evidence that the tourism trends in Vermont are a reflection of larger national trends is available when reviewing data from other states. New Hampshire lodging receipts show a pattern very similar to Vermont's.

National level data on tourism spending is also a close match to the Vermont data.

LODGING DOLLARS (\$ MILLIONS)



VISITOR RESTAURANT DOLLARS (\$ MILLIONS)



WHERE VERMONT VISITORS GO

Just as with other economic activities, tourism is distributed unevenly across Vermont. In the winter, skiing activities are concentrated in communities with large ski areas. The evidence for this concentration is most apparent in the local breakdown for the Rooms Tax receipts.

Considering a list of the top ten ski towns in Vermont, during the month of February, these towns collect almost two thirds of all state rooms receipts. Those same towns collect a little more than 20% of receipts during the summer month (and Stowe represents the majority of the ski town summer receipts). Summer tourism is more evenly distributed. Trying to identify summer tourist towns (Manchester, Woodstock, Ferrisburgh) does not yield the same concentration of lodging receipts.

SPENDING PATTERNS

In order to evaluate the economic impact of tourism in Vermont, this report considers several categories of visitors, each with distinctive spending patterns:

- » Visitors using overnight, paid lodging
- » Second home owners
- » Overnight visitors spending time with friends and family
- » Overnight camping
- » Day travelers
- » Those driving through Vermont on their way to other destinations

For example, only overnight lodgers contribute appreciably to lodging receipts while second home and campers spend a greater proportion of their food budgets on groceries compared to taxable meals at restaurants.

This study focuses on the following expenditure categories

- » Lodging
- » Food and Beverages in Restaurants
- » Food and Beverages from Grocery and Convenience Stores
- » Retail Purchases (clothes, souvenirs, local products)
- » Gasoline
- » Recreation and Entertainment
- » Other Travel
(includes rental cars, air fares and other intercity transit)

(ALL FIGURES IN MILLIONS)

	LODGING	RESTAURANTS	GROCERIES	GASOLINE	RETAIL	REC AND ENTERTAIN.	OTHER TRAVEL
OVERNIGHT LODGING	\$465	\$190	\$15	\$15	\$35	\$85	\$55
SECOND HOME	---	\$175	\$40	\$10	\$130	\$115	\$55
CAMPERS	\$10	\$3	\$5	\$5	\$3	\$10	---
FRIENDS AND FAMILY	---	\$40	\$25	\$20	\$30	\$55	\$65
DAY TRIPS	---	\$15	\$5	\$50	\$25	\$75	---
PASS THROUGH (DRIVE THROUGH)	---	\$30	\$10	\$35	\$20	---	---

VISITORS USING OVERNIGHT, PAID LODGING

Lodging is the most straight forward category of expenditures for visitors. Those visitors using taxable lodging account for the receipts as reported from the Tax Department. In addition, the camping fees for overnight camping can be included in this category. Overnight lodging also represents one set of visitor types used in this report. The trends in lodging use and receipts are described earlier.

Food and Beverages in Restaurants reflect spending by every type of visitor. Those staying in hotels spend the most per person per day. The TNS survey provides one estimate for food

spending by visitors. The most reliable figure from this survey is the restaurant expense which averages \$25/ visitor / night. Other surveys of business travelers suggest higher values (\$50 per person per day), but households on vacation may not spend to those high levels and, may use lower cost restaurants. This report uses the lower value so as not to overestimate the impact.

Visitors using second homes use restaurants in a fashion similar to affluent, full time residents during their own leisure time (weekends and holidays). The Consumer Expenditure Survey suggests that Northeastern state residents with household incomes greater than

\$70,000 per year spend about \$40 per week, and if that is concentrated into weekends represents about \$20 per day.

Visitors staying with friends and family may not have the same level of affluence as second home owners and their restaurant usage will follow more median level expenditures. The Consumer Expenditure Survey suggests closer to \$7 per person per day for leisure time restaurant expenditures. Camping households may occasionally use restaurants and a very low figure of \$3 per person per day is assigned to these visitors. Day visitors and drive through visitors rely on restaurants; survey results suggest that they spend about \$5

per person per day on restaurant purchases.

The total for restaurant spending for visitors in Vermont is approximately \$450 million. This figure is consistent with national data when comparing lodging revenue to revenues from restaurant meals. In almost all cases, the dollar value for restaurant purchases is somewhat less than lodging revenues. \$450 million represents about 40% of total restaurant expenditures in Vermont, again consistent with previous studies. The remainder of restaurant spending (approximately \$600 million in 2015) is done by Vermont residents and some of this could be considered leisure time spending but is not included in this study.

FOOD AND BEVERAGES FROM GROCERY AND CONVENIENCE STORES

All visitors eat and drink. When food is not purchased from restaurants, it may be purchased from grocery and convenience stores. Unlike restaurant purchases, grocery store purchases are greater for second home users, campers and those staying with friends and family.

In Vermont, approximately \$1 billion is spent at grocery stores and convenience stores during a year; visitors may account for at least 10% of this spending, or \$100 million. The 10% figure is based on the total number of visitor nights in Vermont compared to residents' overnight occupancy. This is a conservative estimate when considering the fact that food purchases while on vacation or visiting friends may be a higher dollar amount than day-to-day grocery purchases.

Retail purchases are made up of many different kinds of sales. This analysis considers both sales traditionally considered as tourism related (clothing, art, souvenirs) and purchases necessary to support second homes. Visitor patterns in the United States show that more than 20% of vacationers list shopping as a primary purpose for their trips. While Vermont visitors put less emphasis on shopping, it remains an important aspect of tourism. The volume of tourism shopping dollar expenditures decreases on a per night basis for those visiting frequently or for long periods. This means less retail activity for second home users and more for day visitors and those staying in hotel/motel type, short term lodging.

In addition to the tourism related shopping associated with visitors, second home owners also make household purchases for use in their homes. In Vermont, furniture, appliances and electronics are all subject to the sales tax while clothing is not, making the second home purchases a greater share of taxable purchases.

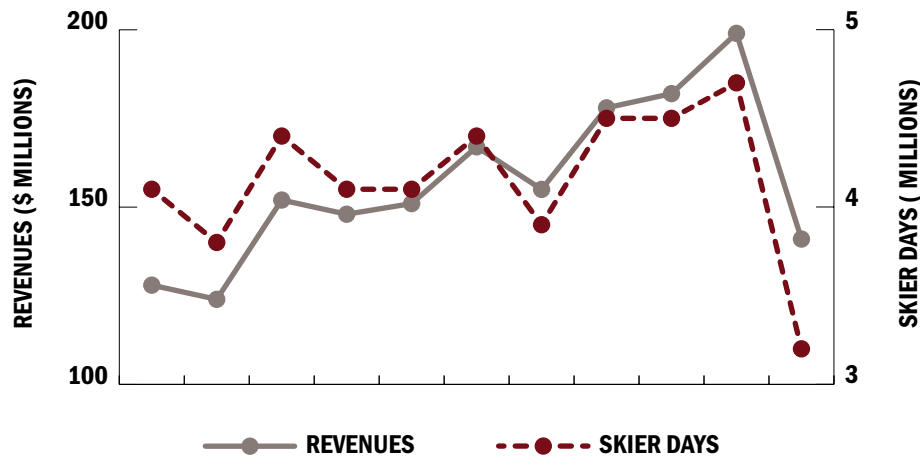
Survey data suggests retail purchases in the range of \$11 per person per day. Using that estimate would yield total retail sales in Vermont from visitors (\$240 million) equal to 10% of the overall state retail sales volume. Because the spending per day estimate does not include day visitors or larger purchases by second home owners, the 10 percent figure is a conservative basis for estimates in this report.

Gasoline sales are less dependent on the type of visitor and more dependent on the total miles traveled within the state. For this reason, the report bases gasoline sales on the proportion of vehicle miles traveled that can be assigned to tourism travel. This includes day trippers and drive through visitors equally with those spending extended stays in overnight accommodations, because it is on a per trip basis and not a per night basis. The average travel on Vermont roads for a visitor to Vermont is about 150 miles. Gasoline sales are one spending category that have large dollar values for day visitors and drive through visitors. These visitors represent 60% of visitor miles traveled in Vermont, and the total of visitor miles account for more than 15% of the state's annual vehicle miles traveled. To fuel this travel in 2015, visitors spent \$115 million on gasoline purchases.

RECREATION AND ENTERTAINMENT

Second only to visiting family and friends, recreation and entertainment are a focus of visitor traffic in Vermont. The dollars spent on these activities are distributed across the extensive range of activities available in the state.

ESTIMATE OF SKI TICKET REVENUES



² The ticket sales calculation is based on the number of skier days multiplied by an average ticket price. Posted ticket prices are higher than the average amount spent per day for tickets due to package pricing and season passes. To accommodate for this decrease in ticket yield, a yield factor of 50% adjusts average prices. The ticket receipts do not include other expenditures at ski areas such as rentals, lessons and food.

SKIING

Skiing plays a special role in Vermont tourism. In general, tourism in New England is focused on the summer months. In New Hampshire, lodging receipts during the summer months (July and August) are almost three times the value of receipts for January and February. Skiing and other winter sports provide Vermont a boost of activity that partially evens out the monthly distribution of visitor activity. Vermont's lodging receipts in July and August are only slightly higher than those in January and February.

The Vermont Ski Area Association tracks skier volume; their reporting uses average ticket prices to develop a measure of the economic activity gauging the direct expenditures for downhill skiing.² It is obvious that the 2015-16 ski season was dismal when compared with past years in Vermont (and throughout the Northeast.) This report focuses on calendar year 2015 and only a portion of the ski volume loss is reflected in other report estimates.

OTHER WINTER ACTIVITIES

In addition to downhill skiing, Vermont hosts cross country skiing, snowmobiling, snowshoeing, ice boating, dog sledding, ice fishing and ice climbing. Not all of these activities require entry fees, but snowmobiling in Vermont does require registration fees for public trail use. In 2013, the Vermont Association of Snow Travelers (VAST) and the Department of Motor Vehicles collected more than \$1 million for snowmobile permits purchased by non-residents. In-state residents paid an almost equal amount.

GOLF

Vermont is home to 74 golf courses. The 2012 economic Census reports that Vermont golf courses and country clubs received \$39.2 million in fees. While much of this is from in-state residents, visitors contribute a significant portion to the overall receipts.

MUSIC CONCERTS AND FESTIVALS

The Census reports that Vermont concert and festivals received more than \$15 million in 2012 for “live performing arts”. Annual reports of the largest of these businesses in Vermont, including the Flynn Center for Performing Arts and Catamount Arts, show that individual organizations represent large proportions of this amount.

MOVIE THEATERS

Vermont movie theaters receive more than \$22 million per year in movie ticket receipts. In addition, Vermont is the home to several movie festivals that attract out-of-state visitors.

BIKE TOURING

Vermont is the home to several tour companies that emphasize bike touring. In addition, bike tours take place in Vermont whether the tour company is Vermont based or based in other states.

PARTICIPANT SPORTS

An increasing number of visitors come to Vermont to participate in athletic events such as the Burlington City Marathon (more than 5,000 in 2015), the Green Mountain Stage Race (more than 500 in 2014), the Killington Spartan race (6,000 finishers in 2015) and the Lake Champlain International fishing derby. The registration fees for some of these multi-day events are greater than \$100 representing hundreds of thousands and even a million dollars per event per year.

BOATING

The 2012 Economic Census reports more than \$13 million in boating costs paid to Vermont businesses.

NON COMPETITIVE HUNTING AND FISHING

The Vermont Department of Fish and Wildlife provides fishing and hunting licenses to out-of-state residents. In 2015, the Department sold more than 40,000 non-resident fishing licenses and almost 8,000 non-resident hunting licenses. The license fees associated with these activities is more than \$2 million.

NON-WINTER TRAIL USE

The Vermont Trails and Greenways Council sponsored a study looking at the economic impacts of trail use in Vermont. Fees for using the trails represented by a subset of all Vermont trail networks results in more than \$1 million annually. As with all recreation, the economic activity of these trail users is even

greater when considering lodging, transportation and meals.

AND LOTS OF OTHERS

Visitors come to Vermont for many activities such as bird watching, craft shows, educational workshops, food festivals and spas. Each activity is supported by many businesses in the state and results in revenue that goes beyond the lodging, food and transportation services that are described as other spending categories in this report.

THE BOTTOM LINE

Starting with ski area revenues at \$190 million, the total of recreation and entertainment costs in Vermont are well over \$330 million per year.

TRAVEL COSTS

The travel costs category of expenditures is largely related to the costs associated with arriving in Vermont via air, rail or bus and the rental of cars for travel in Vermont. The distribution of these costs is concentrated in the visitors using overnight accommodations and second homes and staying with friends and families. Campers, day visitors and drive through visitors do not use these travel services to a significant degree.

AIR TRAVEL

During 2015, the Burlington International Airport had almost 600,000 boardings. The average ticket price for flights originating in Burlington was \$446 representing total air

revenues of more than \$260 million. One half of those revenues are assumed to be for travelers originating in Burlington and one half (\$130 million) for passengers visiting Vermont from other airports. While all of these are travel costs, the \$130 million figure is assigned for Vermont travel.

RAIL TRAVEL

The use of the two Amtrak services in Vermont grows slowly. During Federal Fiscal Year 2015, there were more than 145,000 riders spending almost \$9 million in fares.

RENTAL CARS

The dollar volume of rental car use in Vermont is tracked for the purpose of the Vehicle Use Tax. In 2015, rental car receipts totaled about \$30 million.

INTERCITY BUS TRAVEL AND TOUR BUSES

There is no central data source for tracking intercity bus receipts in Vermont. Greyhound (replacing Vermont Transit) is the largest intercity bus carrier. Tour bus operators are located in Vermont, and also out-of-state operators provide several tour bus packages for those visiting Vermont.

SECOND HOME OWNERS

In addition to the expenditures that most visitors face, second home owners have costs associated with the operations and maintenance of their vacation homes. The total value of second homes estimated from the Vermont Department of

Property Valuation and Review (PVR) is more than 20% of the value of all residences, equaling more than \$11 billion. Therefore, construction and renovation of second homes is a significant portion of the overall residential construction economy.

However, limited occupancy reduces some of the costs for these homes. To get a rough estimate of dollars spent for second home operations and maintenance, 10% of the overall state total for the following categories are assigned to second home owners.

CONSTRUCTION AND REPAIR

Construction GDP in 2015 is reported by the US Bureau of Economic Analysis as \$1.28 billion. The receipts to generate this figure are in excess of \$1.7 billion. Residential construction payroll for 2015 was about \$107 million. If 10% of the construction activity is assigned to second homes, the value of construction is \$125 million. Building repair costs including new roofs, painting and heating system repair add to this total.

Many other costs are reported by the US Census Bureau Consumer Expenditure Survey. This survey identifies a few categories of home owner expenses for which the 45,000 second home households face as costs. As with construction costs, lower occupancy rates in second homes translate to a smaller share of the overall cost estimates.

	HOUSEHOLD COSTS IN THE NORTHEAST US (PER HOUSEHOLD)	SECOND HOME COSTS IN VERMONT (\$ MILLIONS)
HEATING AND ELECTRIC UTILITIES	\$5,105	\$130 MILLION
INSURANCE AND MANAGEMENT FEES	\$2,062	\$50 MILLION
OTHER HOUSEHOLD EXPENSES	\$2,116	\$55 MILLION
TOTAL SECOND HOME COSTS	\$9,283 PER HOUSEHOLD	\$235 MILLION

TAX REVENUES

The expenditures in Vermont by visitors also provide tax revenues to the state and to municipalities.

The dollar value of the taxes is:

VERMONT INCOME TAX		\$32 MILLION
MEALS AND ROOMS TAX		
	MEALS	\$33 MILLION
	ALCOHOL	\$7 MILLION
	ROOMS	\$43 MILLION
SALES TAX		\$36 MILLION
PROPERTY TAX (ED FUND)		\$225 MILLION
PROPERTY TAX (LOCAL GOVERNMENT SUPPORT)		\$80 MILLION
GASOLINE TAX		\$14 MILLION
PURCHASE AND USE TAX (TRANSPORTATION FUND)		\$3 MILLION
TOTAL		\$473 MILLION



SEASONAL PATTERNS

Seasons in Vermont are the source of pride and humor as well as a factor that influences the visitation pattern for tourists. The list of seasons goes beyond the celestial: spring, summer, fall and winter; to include stick season and mud season. There are those that refer to the old Vermonter definition of just two seasons – “Ten months of winter and two months of bad sleddin’”. What is true is that the breakdown of seasons into three month periods misses the true pattern of travel. Winter skiing is almost always longer than three months and the foliage season is a brief period peaking in October. And, as this report notes, different types of travelers – those using overnight accommodations, those in second homes and those just driving in for the day follow different seasonal patterns.

The following table provides a monthly view of travel concentration using data from out of state credit card holders during 2015:

	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
RENTAL CAR	5.6%	5.5%	5.9%	4.9%	6.5%	9.9%	13.8%	14.8%	10.0%	12.5%	5.0%	5.6%
GROCERIES	7.7%	7.0%	6.4%	4.9%	6.9%	8.6%	13.0%	12.6%	8.6%	8.2%	6.8%	9.4%
LODGING	7.6%	7.9%	7.3%	4.8%	6.3%	9.5%	12.3%	14.0%	10.4%	11.0%	4.4%	4.3%
GAS	8.0%	7.0%	7.6%	5.9%	7.7%	9.1%	12.3%	12.1%	8.9%	8.8%	6.3%	6.4%
RESTAURANTS	10.3%	10.2%	10.0%	5.5%	6.0%	7.1%	10.1%	10.9%	7.9%	9.2%	5.7%	7.1%
AVERAGE	8.0%	7.5%	7.4%	5.2%	6.7%	8.8%	12.3%	12.9%	9.1%	9.9%	5.6%	6.5%

The table shows that the two peak months of summer – July and August – are the peak for most visitor spending. Restaurants get the greatest winter use from out-of-state travelers while rental car companies get the strongest concentration of use during the summer months. What is also clear is that April shows the greatest lull in out-of-state business and that October is indeed, a single month bump reflecting most of the foliage season for all categories of tourist spending.

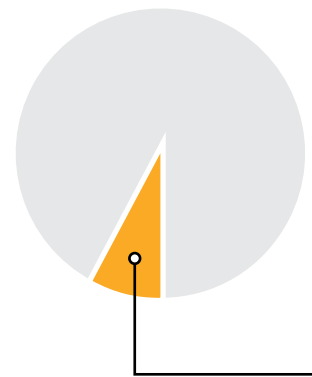
As a side note, out of state grocery store purchases are included as tourism spending to reflect the use of second homes. Those that have their own kitchens but live out of state purchase groceries. While winter second homes are prevalent in ski towns, the table suggests that summer homes may have greater use for meal preparation, possibly reflecting longer term summer vacations compared to frequent weekend short stays during the winter.

TRENDS IN TRAVEL

IMPACTS OF VISITOR EXPENDITURE

GDP

Many economic sectors contribute to the state GDP with a foundation from tourism spending. The following table includes recent trends in those sectors with an allocation factor for tourism.



(ALL FIGURES IN \$ MILLIONS)

	2003 GDP	2014 GDP	PERCENT FROM TOURISM	2014 TOURISM RELATED GDP
ACCOMMODATIONS	546	761	95%	723
RESTAURANTS AND BARS	441	583	35%	204
PERFORMING ARTS AND MUSEUMS	70	99	40%	39
RECREATION	97	153	40%	62
TRAVEL (AIR AND RAIL)	33	43	80%	35
RETAIL	1823	2212	10%	221
WHOLESALE	1084	1314	10%	131
CONSTRUCTION	1045	1180	15%	177
UTILITIES	432	702	10%	70
FINANCE, REAL ESTATE AND INSURANCE	3767	5766	5%	288
PROFESSIONAL BUSINESS SERVICES	1638	2734	10%	273
GOVERNMENT	2951	4323	5%	216
TOTAL	---	---	---	2439

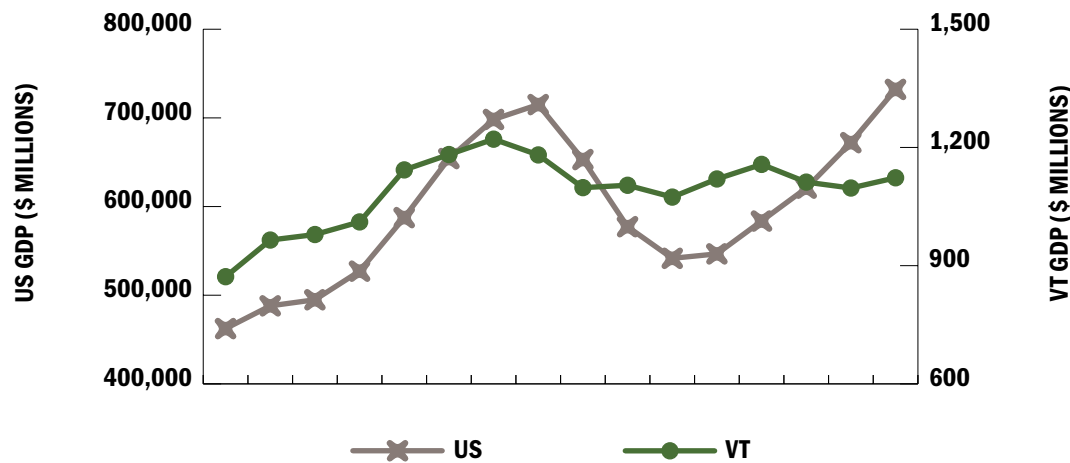
This total represents more than 8% of the total state GDP. The contribution of tourism to the Vermont economy has not changed appreciably in the past 10 years.

CONSTRUCTION GDP IN VERMONT AND UNITED STATES

THE CONSTRUCTION SECTOR OF THE ECONOMY

Distinct from the dollars visitors spend for each individual trip, the travel, tourism and recreation industry invests millions of dollars building facilities that serve as infrastructure for tourism and recreation visits. In the past ten years, several projects amounting to almost \$1 billion in construction activity have taken place at or near the state's large ski resorts. In addition to these large ticket construction projects, tourism properties are constantly undergoing upkeep and renovation.

As a result of these activities, the construction industry in Vermont has been somewhat buffered from the dramatic decreases seen in other parts of the country.



JOB

Similar to the discussion regarding GDP, there are many sectors that employ workers to support the travel industry in Vermont. The following table shows the number of jobs and wages associated with several categories of tourism related businesses. The totals show that tourism supports 8% of Vermont employment and 5% of its wage and business income.

OCCUPATION	NAICS	EMPLOYEES	% TOURISM	TOURISM EMPLOYEES	AVG. WAGE	TOURISM WAGES (\$MILLIONS)
ACCOMMODATION	72111 (HOTEL,MOTEL,INN)	10,810		10,270	\$25,618	\$263.08
	721191 (B&B)	626	95%	594	\$19,174	\$11.40
	721214 (RV PARK)	366		347	\$34,182	\$11.89
RESTAURANT AND BAR	722	19,982	35%	6,994	\$18,096	\$126.56
ARTS AND ENTERTAINMENT	7111 (PERFORMERS)	243		121	\$27,566	\$3.35
	7112 (ATHLETES)	156		78	\$39,469	\$3.08
	7113 (PROMOTERS)	294	50%	147	\$21,994	\$3.23
	7114 (AGENTS)	20		10	\$55,993	\$0.56
	7115 (ARTISTS)	101		51	\$48,831	\$2.47
RECREATION	71391 (GOLF)	582	30%	175	\$24,521	\$4.33
	71392 (SKIING)	342	80%	274	\$23,060	\$6.31
	71393 (MARINAS)	75	50%	37	\$37,035	\$1.39
ATTRACTIONS	7121 (MUSEUMS,HIST.SITES)	491	50%	246	\$27,668	\$6.79
	7131 (AMUSEMENT PARKS)	26	50%	13	\$10,794	\$0.14
TRAVEL	4852 (INTERCITY BUS)	154	90%	139	\$40,721	\$5.64
	4853 (TAXI AND LIMO)	137	75%	103	\$15,647	\$1.61
	4855 (CHARTER BUS)	99	100%	99	\$36,292	\$3.59
	487 (SIGHT SEEING BUS)	39	100%	39	\$35,639	\$1.39
	4811 (PASSENGER AIR)	85	100%	85	\$36,698	\$3.12
	4881 (SUPPORT FOR AIR)	185	100%	185	\$41,316	\$7.64
	488 (PUBLIC SECTOR AIR)	45	100%	45	\$87,678	\$3.95
	48549 (STATE ROAD)	456	20%	91	\$49,248	\$4.49
RETAIL	44-45	37,896	5%	1,895	\$29,402	\$55.71
CONSTRUCTION	23	15,167	15%	2,275	\$46,930	\$106.77
INDIRECT WHOLESAL	4233 (LUMBER)	453	10%	45	\$56,140	\$2.54
	4236 (H'HOLD APPLIANCES)	389	10%	39	\$59,400	\$2.31
	42391 (SPORTING AND REC)	249	10%	25	\$52,129	\$1.30
	4243 (CLOTHING)	330	5%	17	\$47,461	\$0.78
	4249 (GROCERY)	1,852	10%	185	\$47,763	\$8.85
	4248 (BEER AND WINE)	797	10%	80	\$49,248	\$3.75

OCCUPATION	NAICS	EMPLOYEES	% TOURISM	TOURISM EMPLOYEES	AVG. WAGE	TOURISM WAGES (\$MILLIONS)
INDIRECT RETAIL	45431 (FUEL OIL)	1,143	10%	114	\$50,140	\$5.73
	295 (GROCERIES)	8,796	5%	440	\$21,678	\$9.53
	3804 (GAS STATIONS)	3,835	20%	767	\$19,675	\$15.09
INDIRECT REAL ESTATE & INSURANCE	5312/5313 REAL ESTATE	1,499	10%	150	\$42,548	\$6.38
	5242 INSURANCE BROKERS	1,606	5%	80	\$64,170	\$5.15
INDIRECT PROFESSIONAL BUSINESS SERVICES	54-56 PROFESSIONAL BUSINESS SERVICES	27,417	5%	1371	\$59,482	\$81.54

SELF-EMPLOYMENT (FROM NON-EMPLOYER DATABASE)

RESTAURANT AND ACCOMMODATIONS		1,153	50%	577	\$40,939	\$23.6
ARTS, ENTERTAINMENT AND RECREATION		4,357	20%	871	\$20,069	\$17.49
CONSTRUCTION		9,204	15%	1,381	\$53,024	\$73.20
RETAIL		4,312	5%	216	\$44,052	\$9.50
REAL ESTATE		5,440	15%	861	\$87,549	\$71.44
-	-	-	-	-	-	-
TOTAL				31,432		\$973.59

INDIRECT AND INDUCED IMPACTS

The analysis reported in this document is based on the direct impacts of tourism spending. In most economic analyses, the additional indirect and induced impacts are included.

Indirect impacts are those economic activities that are required by businesses providing direct services to their customers. Examples in the tourism sector include the laundry services provided to hotels and inns and the food suppliers to restaurants. In general, the indirect impacts from recreation and tourism are not large because many indirect purchases are sourced outside of the state. The one set of economic activities that is significant is the professional services that support the multi-billion dollar recreation and tourism sector. In total, professional services provides about \$1.5 billion in Vermont wages. Because tourism represents 5% of the state's business activity, about \$75 million in professional service wages can be attributed to the sector and comprises an important contribution to the indirect impacts of tourism and recreation.

Induced impacts result from the use of wage and salary income by residents for their day-to-day economic activities. For example, wait staff receiving wages and tips in a restaurant use that money to pay their rent or mortgage, purchase food, cars, clothes and all of the other things that reflect their role as economic consumers. All economic activities have an induced impact. When considering the tourism and recreation economy, a starting point for the calculation of induced impacts is the wages and salary of recreation and tourism workers as a proportion of the total for all Vermonters.

In 2015, Employed and self employed workers realized more than \$950 million in wages, salaries and business income. This is almost 5 percent of the reported income of Vermonters. The simplest consideration for induced impacts is that 5 percent of all consumer transactions are based on the revenues from tourism. The table below identifies the largest categories of consumer spending and allocates a portion of that spending to households with income from recreation and tourism.

ECONOMIC ACTIVITY	TOTAL \$ VOLUME (2014)	DOLLARS FROM RECREATION AND TOURISM INCOME
GROCERY PURCHASES	\$930 BILLION	\$45 MILLION
RESTAURANT PURCHASES	\$660 MILLION	\$35 MILLION
UTILITIES AND FUEL	\$990 MILLION	\$50 MILLION
VEHICLE PURCHASE	\$770 MILLION	\$35 MILLION
RECREATION AND ENTERTAINMENT	\$640 MILLION	\$30 MILLION
HEALTH CARE	\$5.5 BILLION	\$275 MILLION
CLOTHES	\$430 MILLION	\$20 MILLION
VT PERSONAL INCOME TAX	\$640 MILLION	\$32 MILLION
VT PROPERTY TAX	\$1.62 BILLION	\$81 MILLION
TOTAL HOUSEHOLD EXPENDITURES	\$13.7 BILLION	\$690 MILLION

CONCLUSIONS

The tourism and recreation industries are an important part of the Vermont economic landscape. This report identifies 3.5 billion dollars of economic activity each year supported by the employment of more than 31,000 Vermont workers and providing hundreds of millions of tax dollars to support state and local government programs. It is always tempting to provide a statement regarding the relative value of one economic sector compared with others but such statements mostly miss the point regarding the interrelated nature of economic activities. It is extremely difficult to shift economic activity from one sector to another. Individuals working in tourism and recreation cannot easily transition to other sectors such as healthcare, manufacturing or professional services. Similarly, the assets used for supporting tourism activities such as ski lifts and hotels are not easily transformed to other uses.

The trends in tourism activity not only affect the state's economic bottom line, but represent trends in the attractiveness of the state for its residents. Visitors come to Vermont for its scenery, recreation, cultural activities, food and pace of life. Vermont has been able to maintain popularity for tourists and overall migration patterns show permanent residents continue to move to the state for the same reasons.

Headlines highlighting that young adults are moving out of Vermont tell an important, but sometimes one-sided, story. Young families continue to move into our towns and cities and this report suggests that overnight accommodations and campers are increasing their attention to Vermont as a place to visit. If the past is a good indicator, then these upticks in visitation may lead to future in-migration, as well.

Travel and tourism is the first step of an important economic development scenario that has been important to

Vermont for several decades. Visitors to Vermont often become second home owners and this report shows that second home owners are an important part of the state's economic activity. Furthermore, those second home owners regularly transition to become full time Vermont residents and bring their own business activities with them. Building the strength of Vermont's travel industries will continue to keep this pipeline full of future residents and business owners.

As the state faces demographic challenges to keeping a sustaining population, the tourist to resident scenario will become even more important to the state.

Paying attention to the changing age demographic and the attractions that are most appealing for each age group may be a key to ensuring the long term viability of Vermont's tourism.

