

# Economic Issues Impacting the Pigeon Forge Hotel & Lodging Industry

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# Four Economic Issues Impacting Pigeon Forge Hotel & Lodging

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1. Growth of tourism industry in Sevier Co.
2. Impact of Winterfest on Pigeon Forge
3. TN Post Labor Day school start issue
4. 2008 U.S. Economic Stimulus Plan (tax rebate checks planned for May – July)

# Sevier Co. is the 3<sup>rd</sup> Largest County in TN for Tourist Spending, (2006)

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1. Davidson Co. (Nashville)  
\$3.81 Billion
2. Shelby Co. (Memphis)  
\$2.85 Billion
- 3. Sevier Co.  
\$1.40 Billion**
4. Knox Co.  
\$739.3 Million
5. Hamilton Co. (Chatt)  
\$688.2 Million
6. Blount Co.  
\$254.2 Million
7. Williamson Co.  
\$233.9 Million
8. Rutherford Co.  
\$215.8 Million
9. Sullivan Co. (Kingsport)  
\$258.5 Million
10. Washington Co.  
\$176.6 Million

# Tourist Spending in Sevier Co., 2002 – 2006 (\$ Billions)



Source: TN Dept. of Tourist Dev.

# Ranking of TN Counties for Percent Growth in Tourist Spending, 2004 – 2006

(from top 5 tourist expenditure counties in TN)

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1. Davidson Co. (Nashville) +18.1%
- 2. Sevier Co. +16.3%**
3. Shelby Co. (Memphis) + 16.0%
4. Knox Co. + 15.9%
5. Hamilton Co. (Chattanooga) + 14.4%

Source: TN Dept. of Tourist Dev. & UT Tourism Institute

# Sevier Co. Rank of Industries by Employment Percent, 2006

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1.	<b>Hotel, Restaurant, &amp; Attractions</b>	<b>45.5%</b>
2.	Retail-Wholesale Trade, Transp., & Utilities	24.9%
3.	Construction	5.9%
4.	Professional & Bus. Services	5.7%
5.	Financial Activities	5.4%
6.	Education & Health Services	5.1%
7.	Manufacturing	3.9%
8.	Other Services	2.8%

Source: TN Dept. of Labor &  
Workforce Dev.

# Sevier Co. Hospitality & Tourism Generated **15,206 Jobs** Including...

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- **6,058** employees in restaurants
- **5,287** employees in hotels & lodging
- **3,562** employees in attractions,  
entertainment & recreation
- **299** employees in travel reserv.,  
transp., convention-trade shows

# Sevier Co. Hospitality & Tourism Generated **\$116.17 million** in combined State & Local taxes (2006)

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Spread Out Per Household in Sevier County:

- Each household in Sevier Co. pays **\$2,834 less in State & local taxes** as a result of taxes generated by hospitality & tourism in Sevier Co.

Source: TN Dept. of Tourist Dev., U.S. Census Bureau, UT  
Tourism Institute

# How much in Sevier Co. taxes did tourism generate per Sevier Co. household in 2006?

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- Spread out per household in Sevier Co.
- ✓ Each household in Sevier Co. pays **\$988 less in Sevier Co. taxes** as a result of taxes generated by tourism.

# Tourism & Education

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**Q:** How much of your Sevier County's local county school system's education budget is generated by Tourism Taxes?

# Tourism & Education

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**A:** Tourism activity in Sevier Co. generated 40.52 million in local Sevier Co. tax revenues, which is enough tax revenue to contribute **70% of the local county portion** of the school system's education budget.

(Note: Total education funding comes from 4 major sources: **local county taxes**, state taxes, federal taxes, and bonds)

# Sevier Co. generated **\$1.40 billion** in tourist spending in 2006

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- How much do tourists spend per day in Sevier Co.?
- Where do they spend it?

# On an Average Day in Sevier Co., tourists spend **\$3.85 million** in these type businesses...

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- Spend **\$958,904** daily on hotels & lodging
- Spend **\$882,191** daily on retail & outlets
- Spend **\$873,813** daily on attractions & entertainment
- Spend **\$794,412** in restaurants & food service
- Spend **\$345,205** on gas and groceries

# Also, On an Average Day in Sevier Co., tourist spending...

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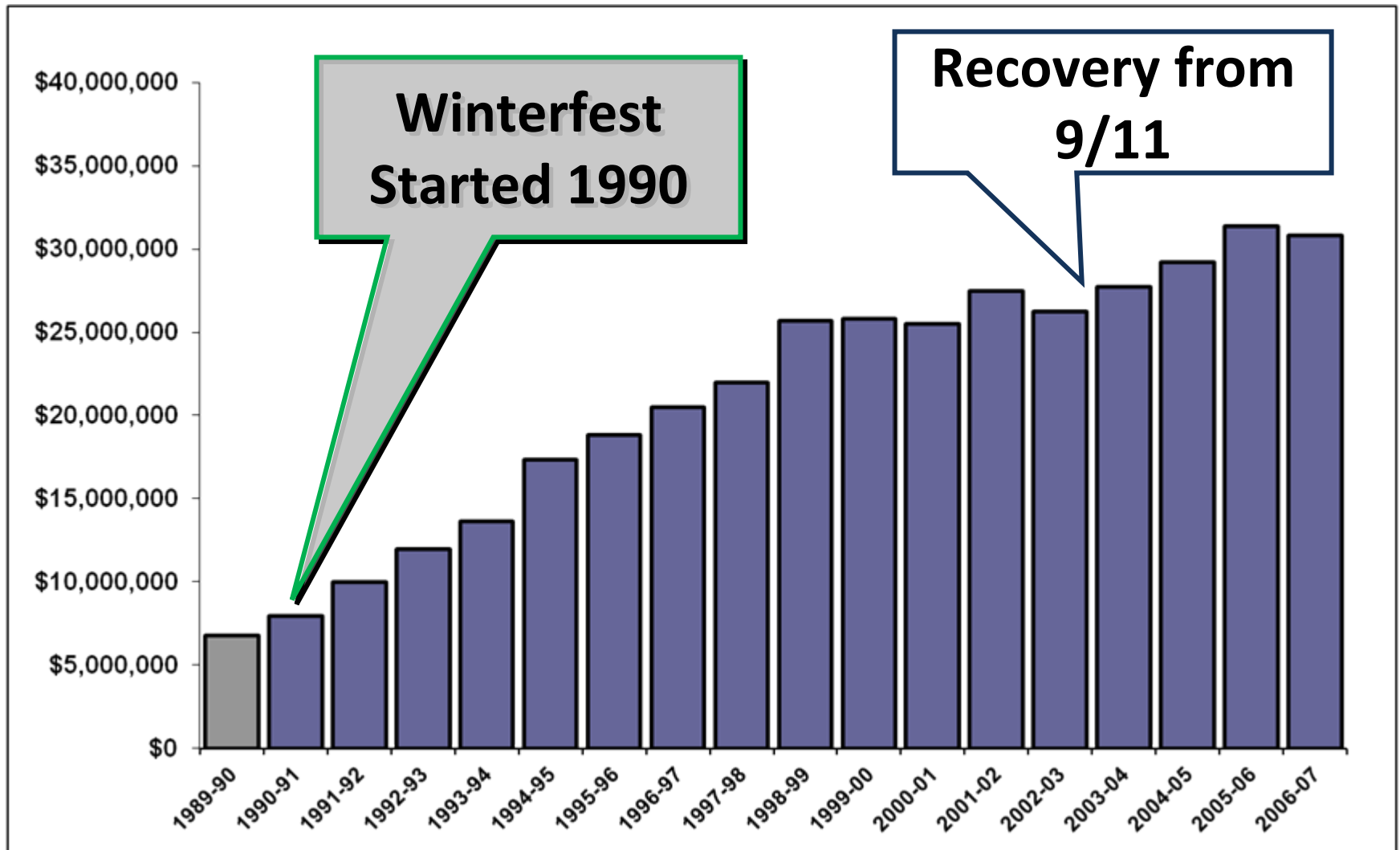
- Generates daily employee paychecks worth **\$968,341**
- Generates daily State taxes worth **\$207,262**
- Generates daily local Sevier Co. taxes worth **\$111,020**

# The Impact of Winterfest on the Pigeon Forge Tourism Economy

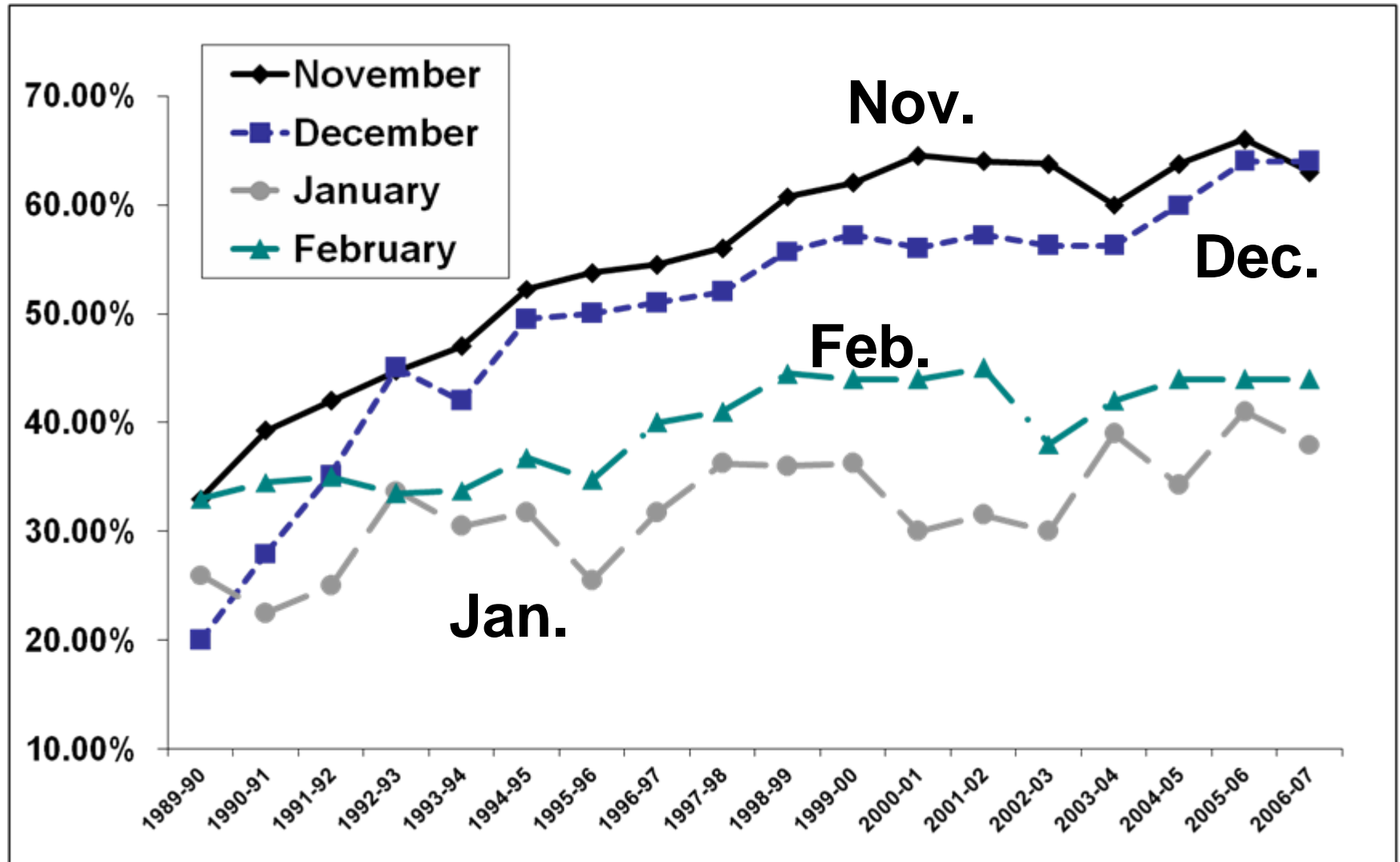
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- Thank you to Leon Downey and Kay Powell, Pigeon Forge Dept. of Tourism for the data for the Winterfest study
- This research and case study on Winterfest will be presented at the Southeast Tourism Society's April 1 meeting in Asheville, NC

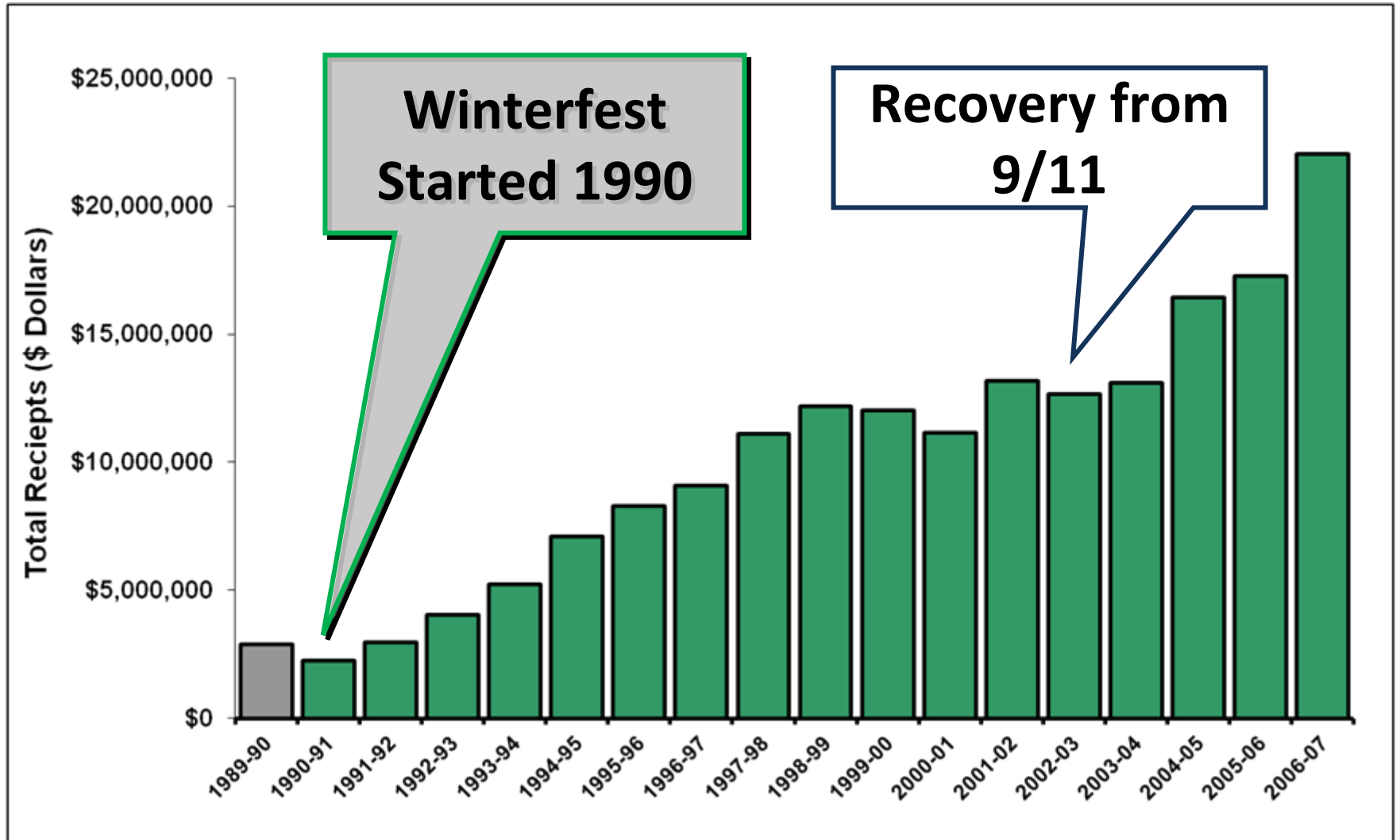
# City of Pigeon Forge Hotel & Lodging Sales Revenues, Adjusted for Inflation November - February (1989-2007)



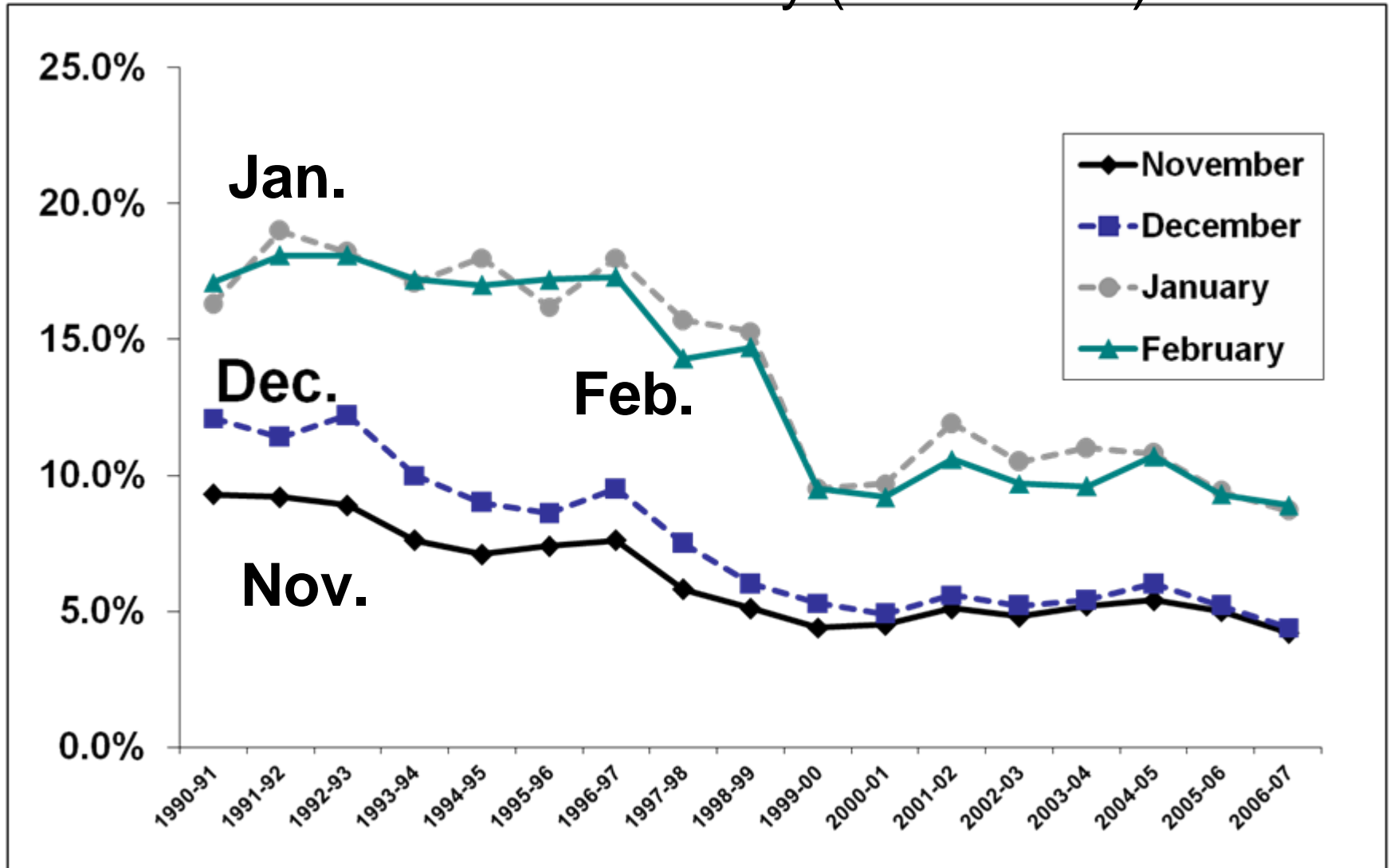
# Winterfest Generates Higher PF Occupancy Rates Over 18 Years, November – February, 1989-2007



# City of Pigeon Forge Attractions Sales Revenues, Adjusted for Inflation November - February (1989-2007)



# Winterfest Generates Lower Sevier Co. Unemployment Rates, November - February (1990-2007)



# TN Post Labor Day School Start Issue

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- The TN Legislature is considering legislation requiring TN public schools to start no earlier than Labor Day each year
- What would be the impact on the Pigeon Forge tourism economy from post Labor Day school starts?

# TN Statewide Survey to TN Residents Who Take TN Vacations

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Q: If TN schools started after Labor Day, would you take an extra vacation in TN, or extend a planned TN vacation?

# Results of TN Survey

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<b>60%</b>	No	would not take an additional TN vacation
<b>27%</b>	Yes	would take 1 additional TN vacation
<b><u>13%</u></b>	<b><u>Yes</u></b>	would extend a planned TN vacation
<b>100%</b>		

# What Would Post Labor Day School Starts Mean for Sevier Co. Tourism?

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- **\$20.5 million** in additional tourism spending
- **\$1.1 million** in State tax revenues generated
- **\$5.1 million** in new payroll and worker income
- **\$591,000** in new Sevier Co. tax revenues

**For the Pro's & Con's of the School  
Start legislation, go to.....**

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# 2008 U.S. Economic Stimulus Bill

(Tax Rebate Plan May – July)

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- 130 million U.S. families will receive tax rebate checks from the IRS
- Family of 4, with adjusted gross income less than \$150,000 will receive \$1,800 checks
- Will be mailed by the IRS from May 15 – July 15

# What will people do with this new money? My predictions...

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1. Buy electronics (flat screen TV's)
2. Travel – take vacations
3. Pay down existing debt

# My Predictions - Impact of new money on Pigeon Forge tourism

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- Late wave of hotel booking demand in July, August, & September
- Strong tourists demand for Pigeon Forge from August – Labor Day
- Hotel rates – stronger demand should support higher than normal room rates in late summer

# Thank You for inviting me

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Questions?      Comments?

Web site:

<http://www.utk.edu/tourism>

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