

## **ECONOMIC IMPACTS**

**The procedure used in deriving estimates of visitor travel is easy to understand.**

**Here is how it works in a nutshell:**

**The basic data comes from the South Dakota Sales and Use Tax Reports. This data is compiled by sector for each county on a bimonthly basis.**

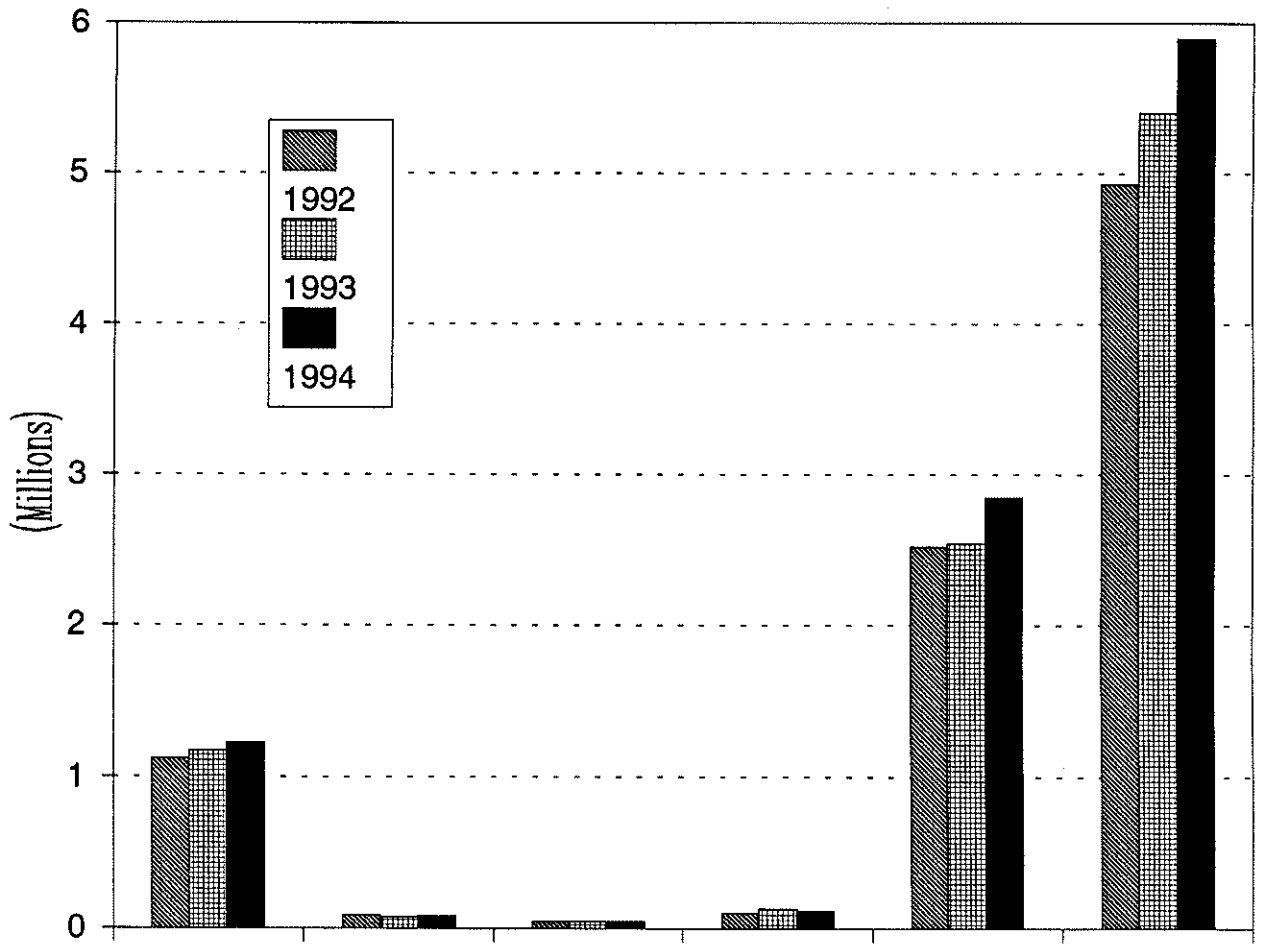
**Two sectors form the critical basis of the analysis:**

- 1. Lodging**
- 2. Eating and Drinking Establishments**

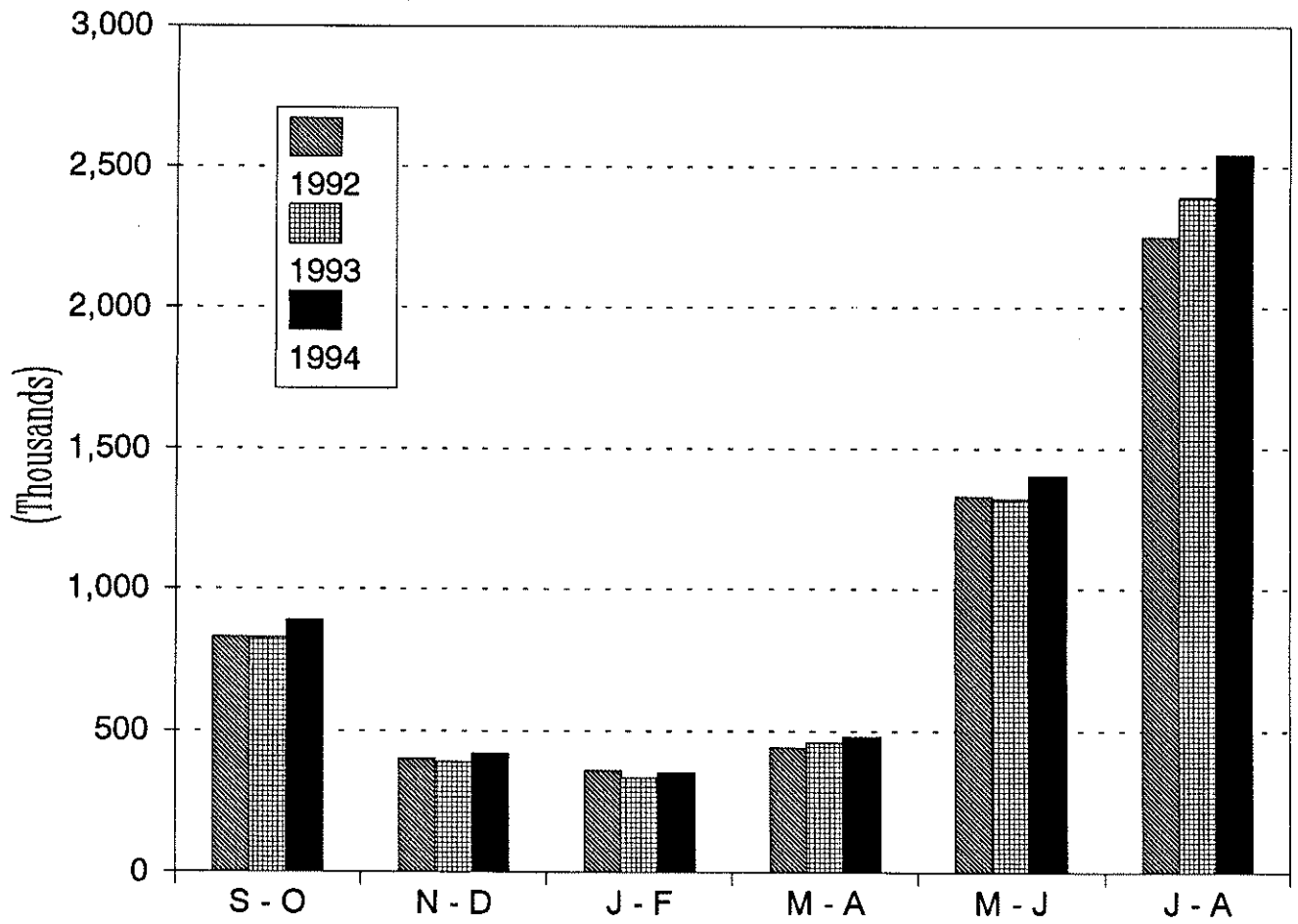
**They are critical because nearly all visitors interact with these sector. They distribute the balance of their spending in a wide variety of other sectors.**

**The obvious visitor impact on these sectors is apparent when viewing the following two graphs pertaining to Custer County as an example.**

# LODGING ESTABLISHMENTS TAXABLE SALES, CUSTER COUNTY

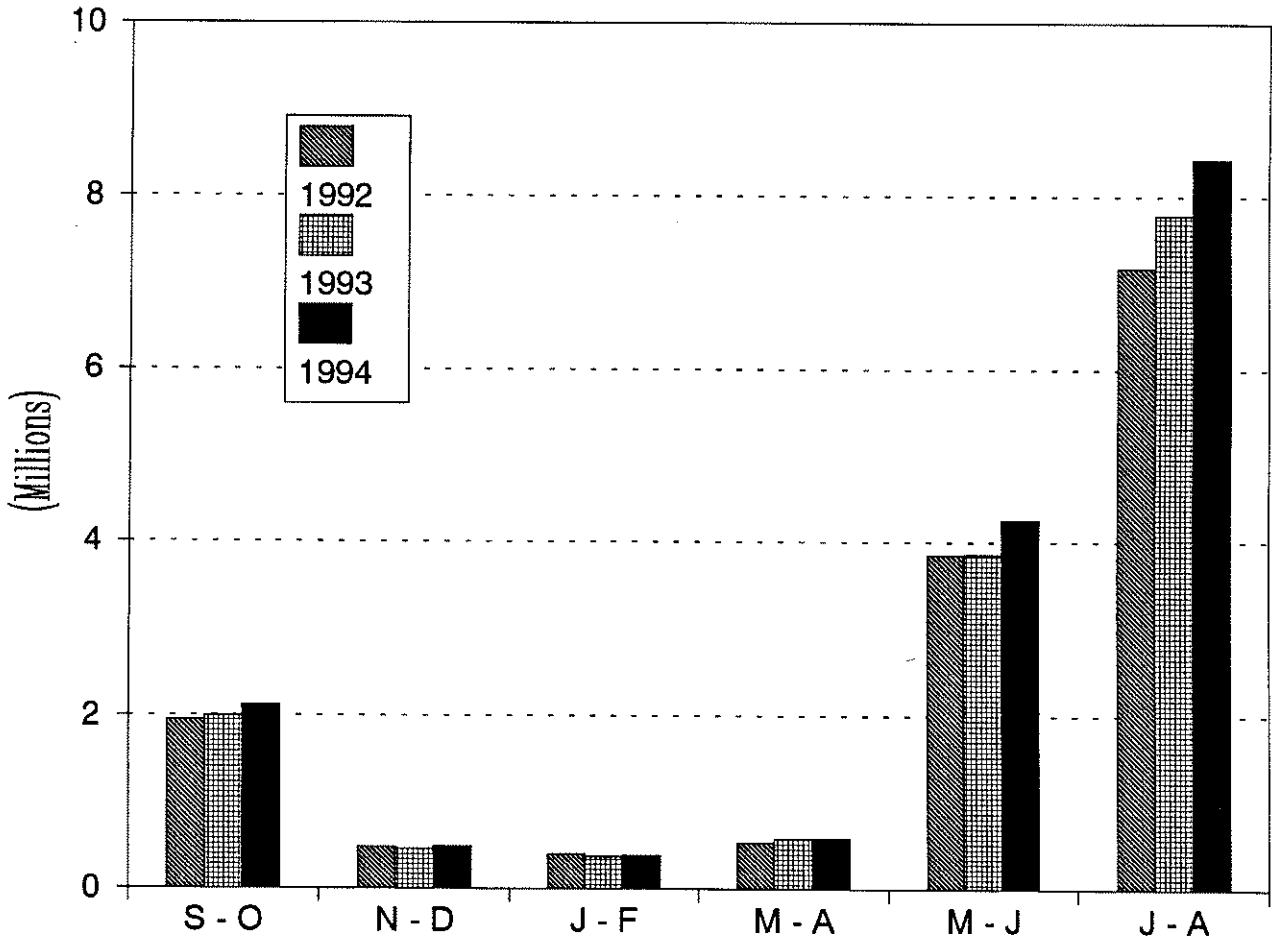


### EATING AND DRINKING EST. TAXABLE SALES, CUSTER CO.



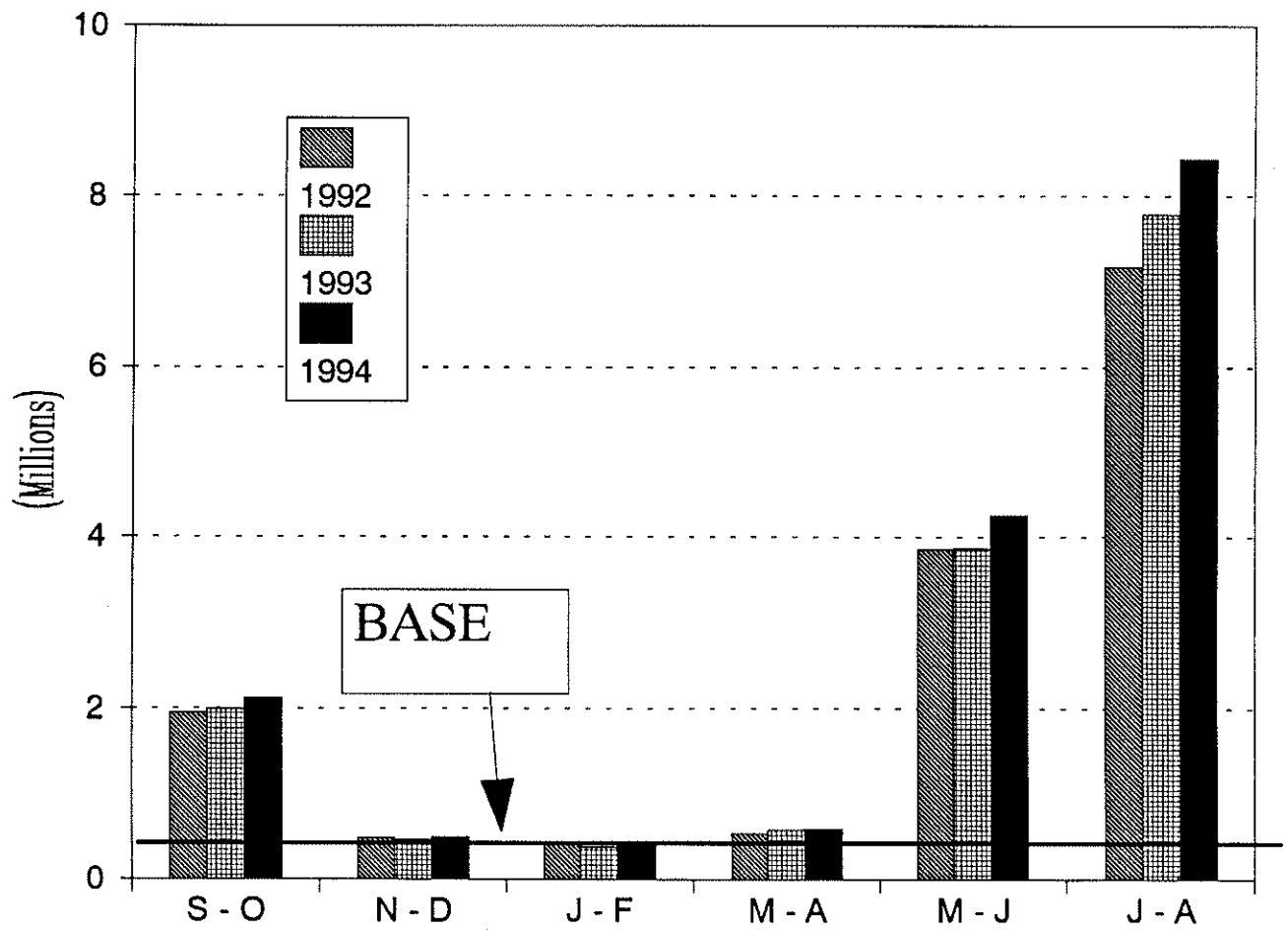
**These two sectors are then combined into one. The impact on these two sectors produced by visitors is obvious when observing the bimonthly data as shown on the following graph.**

# LODGING & EATING AND DRINKING TAXABLE SALES, CUSTER COUNTY



**The base spending which would occur in these sectors in the absence of the travel industry is illustrated on the next graph. Any bimonthly spending which lies above the Jan-Feb base for Custer County is reasoned to occur in connection with the visitor.**

# LODGING & EATING AND DRINKING TAXABLE SALES, CUSTER COUNTY

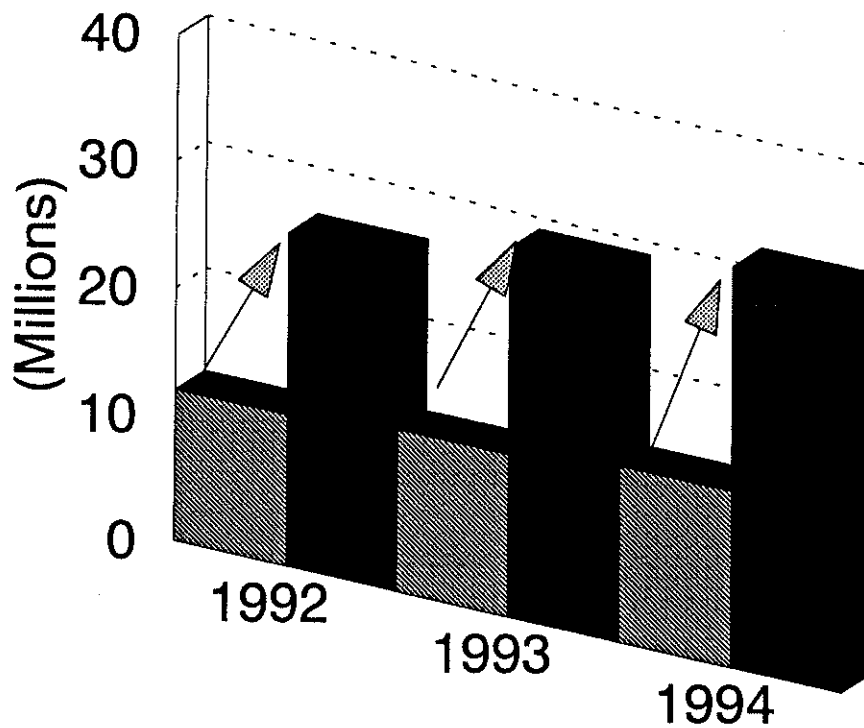


**Finally, using research which has identified expenditure patterns for visitors in South Dakota, the estimated spending within the balance of sectors is determined. This factor is utilized to mathematically determine TOTAL spending.**

**The result for Custer County is shown on the following graph.**

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## RELATION BETWEEN E&D AND LODGING AND TOTAL SPENDING

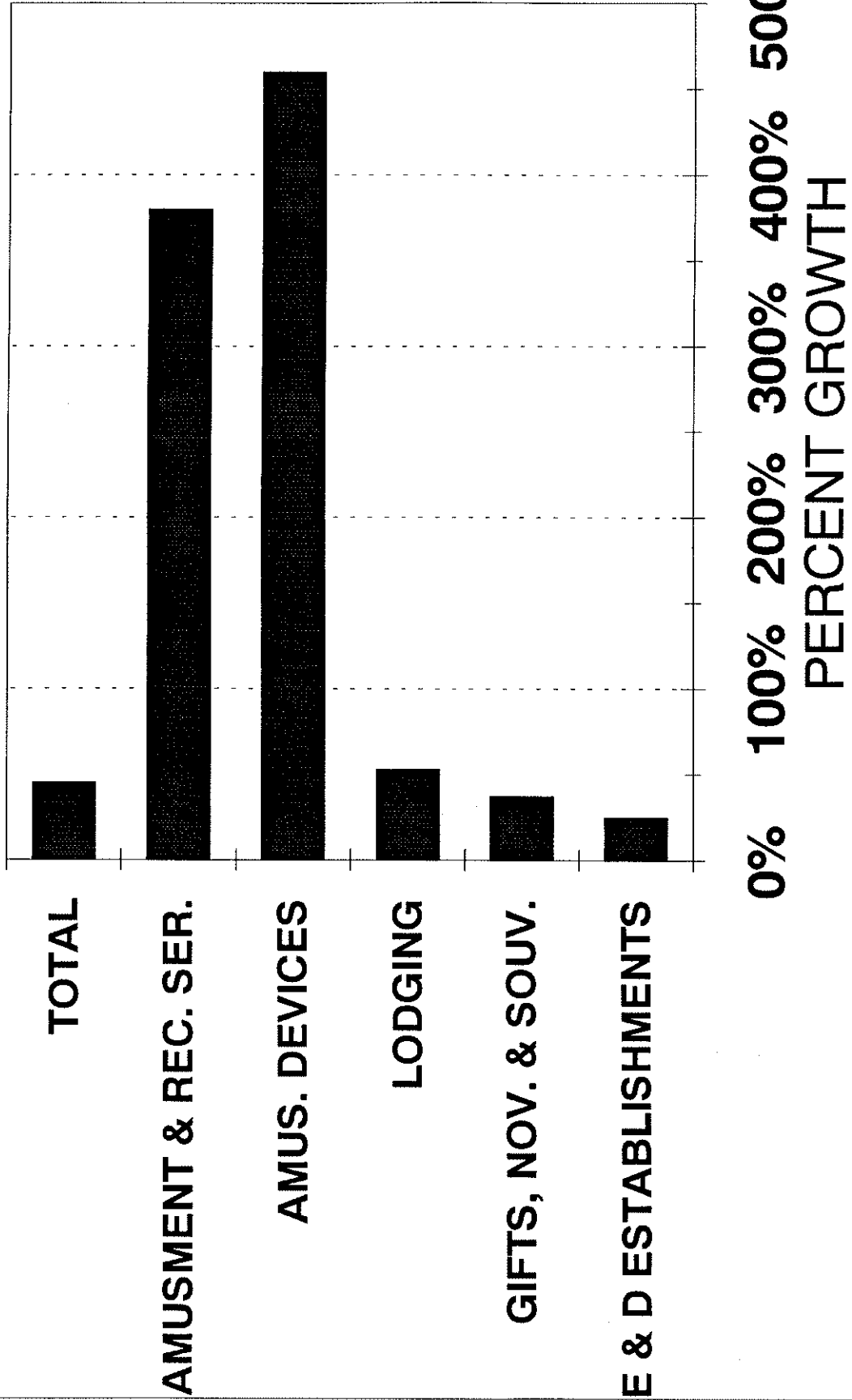


■ E&D AND LODGING ■ TOTAL SPENDING

**This process is repeated for all of the Counties in South Dakota to track spending patterns and industry growth. Since 1986, it is estimated that vacation travel spending has increased about 105%. Some of this spending increase is attributed to rising prices for goods and services and some is traced to real growth in the travel industry.**

**Approximately 60% of this increase in spending since 1986 is attributed to real spending increases. It is the rise in real spending which gives rise to growth in State employment. This growth in employment is verified by examining data developed by the South Dakota Labor Market Information Center. See the following graph.**

**PERCENT GROWTH BY SELECTED  
TRAVEL SECTOR 1986 to 1993**



**The following graphs compare changes in employment which have occurred in other sectors as estimated by the South Dakota Labor Market Information Center. The changes in travel related employment is estimated by the South Dakota Tourism Department using the model described above.**