

# THE IMPACT OF THE TRAVEL INDUSTRY ON THE MESA COUNTY ECONOMY

Commissioned by Hill Aevium  
for the  
Grand Junction Visitor &  
Convention Bureau  
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## I. INTRODUCTION

The travel industry is extremely important to the Colorado economy. It is one of the state's largest basic industries (a basic industry is one that brings new dollars into an economy), smaller than manufacturing but larger than agriculture, mining or the Federal government.

Table 1: Basic Industry in the Colorado Economy  
(in millions of \$s)

	2004	2015
Gross State Product	204,242	313,748
Agriculture/Forestry/Fishing	2,031	2,479
Manufacturing	15,582	22,909
Mining	5,733	13,246
Federal Government	9,390	*
Direct Travel Spending	11,972	19,136

Source: GSP data from the Bureau of Economic Analysis; tourism data from Dean Runyon Associates  
\*2015 data not available; in 2014 it was \$12.6B; total government in 2015 was \$38.5B, up 3.2%

### Study Purpose

This study was commissioned by Hill Aevium for the Grand Junction Visitor & Convention Bureau (GJVCB) to update similar studies done by The Adams Group, Inc. in 1997 and 2004. The objective of this study is to document the size and importance of the travel industry to the Mesa County economy. It provides tourism industry professionals, community leaders and interested citizens with detailed information on the complex interrelationship between the travel industry and employment, retail sales, personal income, construction and taxes.

### Approach

The definition of a tourist is a slippery concept. When does one stop being a local visitor and become a tourist? Is a person in town on business a tourist? In this study, we define a tourist using the Travel Industry Association of America definition of a tourist – someone who is more than 50 miles from home and/or spends the night away from home. In other words, a day-tripper from Delta (45 miles away) is not a tourist, but a day-tripper from Ouray (97 miles away) is. An overnight visitor from any distance is defined as a tourist. Both the leisure travelers, whether staying in a hotel or with friends, and the business traveler, whether in town to see a client or to attend a convention, fit this definition of tourist.

The way tourism data are presented can also be confusing. The data include:

- Marketable leisure travel
- Visits to friends and relatives
- Business travel
- Overnight visitors
- Day travel
- International visitors

It is not always obvious which segment/segments are being referenced when a statistic is quoted.

The study relies on secondary data available from a wide variety of public and private sources, as well as a series of e-mail interviews conducted between March 11, 2015 and September 30, 2016, and a number of personal interviews conducted in Mesa County during November 2016. It utilizes traditional multiplier analysis, using the RIMS II multipliers developed by the U.S. Department of Commerce (Appendix A).

Multiplier analysis was developed to trace the impact of a job or a dollar as it works its way through a local economy. It recognizes the interdependence of various sectors of a region's economy. Activities in one sector of the economy spill over into other sectors, stimulating business activity there. This study tracks the flow of dollars spent by leisure and business travelers during their time in the Mesa County area. Direct spending by visitors results in jobs, income and tax revenues, to name a few. These dollars are re-spent, generating additional economic impact as the dollars circulate through the economy.

This flow of dollars is divided into three groupings:

*Direct.* This is the first-round impact generated by leisure and business travelers as they rent cars, reserve hotel rooms, purchase meals and souvenirs and/or visit attractions in Mesa County. Employment and personal income are supported by these direct tourist expenditures. The six business categories that constitute the bulk of the travel industry include:

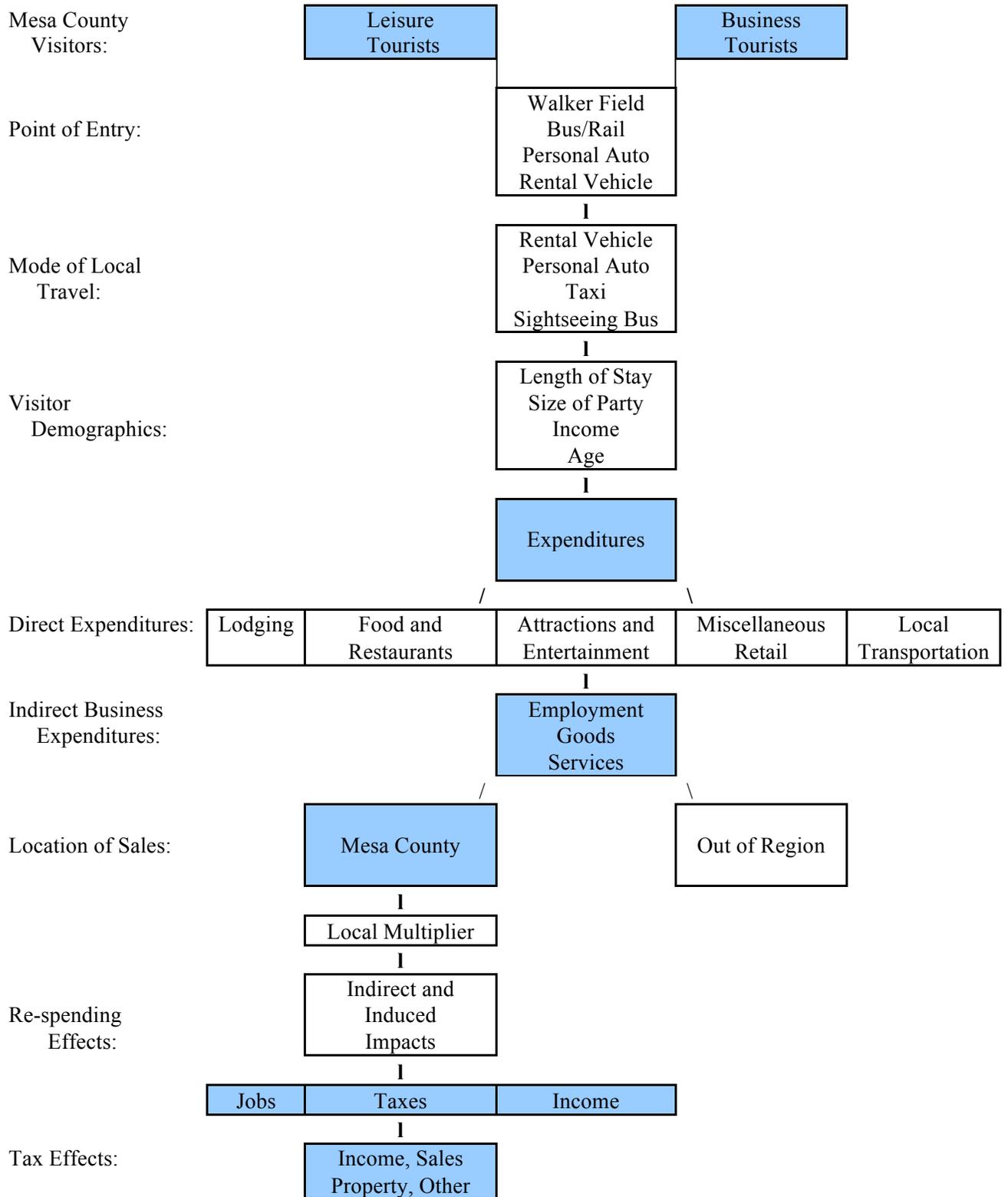
- Accommodations
- Food Service/Drinking
- Retail Trade
- Other Services
- Arts, Entertainment and Recreation
- Air/Local Transportation

*Indirect.* A second-round impact is generated by the purchase of goods and services by the businesses that are the original recipients of tourist expenditures. For example, the wholesale purchase of beer and hot dogs by a stadium or amusement park or cleaning services by a Grand Junction museum represent indirect economic impacts.

*Induced.* This is the economic activity generated by the purchase of goods and services by the individuals whose incomes are derived directly or indirectly from the tourism industry. The purchases of an automobile or home by a hotel or restaurant employee or clothing or gasoline by an employee of the cleaning service used by the museum are examples of induced economic impact.

A simple model tracing the impact of the travel industry on the Mesa County economy is shown in Figure 1.

**Figure 1. THE MESA COUNTY TRAVEL INDUSTRY ECONOMIC MODEL**



## Limitations

Tourism is not a precise economic activity. However, it is easier to measure than it was in 1997 since the new North American Industrial Classification System (NAICS) was introduced to replace the 60-year old Standard Industrial Classification System (SIC) and data were reclassified going back to 1990. Among the industrial classifications available for Mesa County are Arts, Entertainment and Recreation (70710), Accommodations (70721) and Food Services and Drinking Places (70722).

Economic analysis must always operate within the constraints of data availability. Less data are available at the local level than at the state level. In particular, many data series in small counties such as Mesa County (population 149,249) are not statistically significant. Although the terms Grand Valley, Mesa County and Grand Junction are often used interchangeably, most data are collected at the county level.

Our data come from several sources, which sometimes disagree in results. The Bureau of Labor Statistics (BLS) and the Bureau of Economic Research (BEA) both provide employment and income data. Numerous surveys, including a recent one commissioned with Guest Research Inc., provide much of the rest of the data. Even within the same survey, results sometimes differ based on the sample size being used for a particular question. In all cases, we use the best available data, relying on a combination of government and proprietary data.

Economic analysis is both a science and an art. In the case of tourism, the analysis is particularly subjective. In all cases where a judgment call is required, we are conservative in our estimates, preferring to understate rather than overstate the importance of this major sector to the Mesa County economy.

In addition to the impacts of the travel industry that can be quantified through multiplier analysis, there are other important effects that don't lend themselves to measurement. These qualitative impacts are enumerated and discussed.

## II. OVERVIEW

Tourism is big business. According to the Travel Industry Association of America, U.S. domestic travel increased 3.3 percent in 2015 to a total of almost 2.2 billion person trips. (A domestic person trip is one person who travels 50 miles (one way) or more away from home and/or overnight.) The U.S. Bureau of Economic Analysis reported that inflation-adjusted spending on travel and tourism increased at an annual rate of 5.0 percent in the third quarter of 2016, much faster than overall growth of the U.S. economy of 3.2 percent.

Domestic leisure travel increased 3.5 percent to 1.7 billion person trips (79.2 percent of all domestic travel), while business travel grew a smaller 1.9 percent to 459 million person trips. International travelers made 77.5 million visits to the U.S. in 2015.

Table 2: National Travel Trends

	2015	% Change
Number of Domestic Person Trips (millions)	2,178.2	Up 3.3%
Leisure Travel	1,700.0	Up 3.6%
Business Travel	459.0	Up 1.9%
Number of International Visitors (millions)	77.5	Up 3.3%

U.S. Travel Association

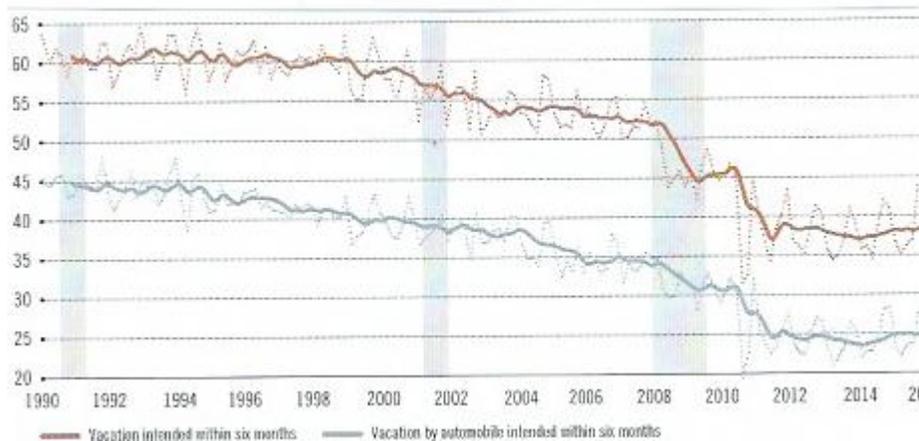
Including both resident and international travel, the U.S. travel industry received more than \$947 billion, generating over 8.1 million jobs, which provided \$232 billion in payroll income and \$148 billion in federal, state and local tax revenues (excluding property taxes). [Note: the Bureau of Economic Analysis Travel and Tourism Satellite Accounts reported a lower \$909 billion in spending by resident and foreign visitors, virtually unchanged from 2014.] In total, one out of every nine jobs in the U.S. depends in some way on travel and tourism, making it the seventh largest private employer in the country. Without the tax revenue created from tourism, each U.S. household would have to pay an additional \$1,192 in annual taxes.

An important component of the travel industry is outdoor recreation. The Outdoor Recreation and Jobs Economic Impact was signed into law in late 2016. It requires the Bureau of Economic Analysis to provide a full evaluation of the outdoor recreation industry's role in the overall economy, which supporters estimated to contribute \$646 billion annually to the U.S. economy with 6.1 million jobs.

Slow growth in the world economy and the strength of the U.S. dollars against most foreign currencies slowed international traveler spending in 2015 after five years of growth. While domestic travel spending increased 2.7 percent to \$814 billion, international travel spending fell 2 percent to \$133 billion. In addition, international travelers paid \$38.6 billion to U.S. air carriers on international passenger fares, a decline of 11 percent.

Despite recent increases in resident travel, there has been a long-term decline in the percentage of households reporting that they intend to take a vacation within the U.S. There is also a decline in households' intentions to drive for a vacation.

**Table 3: Household Vacation Intentions**



Source: Conference Board, Haver Analytics

(The sold lines show 12-month moving averages of underlying data (dotted lines). Gray areas indicate recessions.

Food services, which include restaurants, drinking places and grocery stores, were the largest component of travel spending, \$235.4 billion or 24.9 percent, in 2015. The second largest component was lodging, which includes hotels, motels, B&Bs, vacation homes and campgrounds. It totaled \$194.8 billion or 21 percent of travel spending. Spending on lodging was up 7.3 percent last year, the highest growth rate of any of the major components of travel spending.

Travel by auto increased noticeably in 2015 as gas prices declined. The Travel Price Index, compiled by the U.S. Travel Association, declined 2.6 percent in 2015. MMGY Global reported that in July 2016, 68 percent of U.S. adults planned to take at least one overnight leisure trip in the next six months. Spending increases were planned by 28 percent, while 12 percent planned to reduce their spending.

### The Travel Industry in Colorado

Colorado is a popular tourist destination. The Portrait of American Travelers by the Harrison Group reported that 21 percent of Americans wanted to visit Colorado in 2015, behind only California and Florida (39%), Hawaii (31%) and New York (28%). In 2003 12 percent of travelers put Colorado on their wish list, up from 9 percent in 1996.

In 2015, the state's travel industry continued its recovery from the Great Recession of December 2007-June 2009. After declining to \$13.5 billion in 2008, it rose to \$19.1 billion in 2015, a 41.5 percent increase. Employment, which fell six percent between 2008 and 2010, is now over eight percent above its prerecession high. However, the average trip length of 5.1 nights, although up from 4.7 nights in 2014, remains below the prerecession high of seven nights in 2000.

Colorado welcomed a record 77.7 million visitors in 2015. Direct travel spending in the state was \$19.1 billion, also a record, according to a June 2016 study by Dean Runyon Associates. This generated \$1.13 billion in state and local tax revenues and paid over \$5.5 billion in earnings to 160,000 direct employees. While the Runyon data look at the impact of both overnight and day travel at the state level, the study does not take account of the indirect and induced impacts of tourist spending.

Longwoods International reported that 46.3 percent of tourists were overnight visitors. They were divided between marketable leisure trips (22%), visits to friends and relatives (18.7%) and business trips (5.6%). Although all sectors posted healthy gains over 2014, day visitors and visits to friends and relatives showed the biggest increases, at 11 percent and 10 percent respectively.

Table 4: Colorado Tourism in 2015

	2015	% Change
Overnight Visitors (in millions)	36.0	7.0%
Marketable Leisure Trips	17.1	6.0%
Visit Friends and Relatives	14.5	10.0%
Business Trips	4.4	6.0%
Day Visitors (in millions)	41.7	11.0%

Source: Longwoods International

The statewide lodging occupancy rate has climbed steadily over the last five years, according to the Rocky Mountain Lodging Report, from 61.8 percent in 2012 to 68.8 percent in 2015 and 69.1 percent in 2016. The average daily room rate increased from \$123.48 in 2012 to \$145.30 in 2015 and \$152.11 in 2016.

Employment (seasonally adjusted) in the leisure and hospitality sectors fell in the spring of 2016, then rose to a new high of 334,200 in October before declining slightly in November.

### III. TRAVEL INDUSTRY IN MESA COUNTY

As outdoor tourism grows in importance, Mesa County is well positioned to benefit. There are 13 national parks, monument and historic sites in Colorado. They were visited by 7.1 million people in 2015, providing an economic benefit of \$450.4 million to the state. Mesa County is within a three-hour drive of three of these national parks (Black Canyon of the Gunnison, Canyonlands and Arches), three national monuments (Colorado, Dinosaur and Bear Ears), two national conservation areas (McInnis Canyon and the Gunnison Gorge), six national forests and three scenic byways (Grand Mesa, Dinosaur Diamond Prehistoric and Unaweep Tabeguache). Other activities include:

- three dinosaur quarry sites
- 23 wineries with tasting rooms (this figure varies depending on the source)
- three museums
- the 18-mile paved Riverfront Trail
- 600 acres of groomed trails and another 1,000 skiable acres for skiing and snowboarding at Powderhorn
- almost 10,000 miles of trails, including 2,000 miles of mountain bike trails
- five public golf courses offering 90 holes of golf.

Mesa County hotels offer 53,622 square feet of meeting space. Another 22,980 square feet of meeting space is located at Two Rivers Convention Center in downtown Grand Junction.

Table 5: Hotel and Meeting Space

	1997	2003	2015
Hotel Rooms	2,400	2,598	3,038
Hotel Meeting Space	20,000	50,590	53,622
Convention Center Space	22,980	22,980	22,980

Source: GJVCB

In-person meetings and conventions are declining in importance as more companies use the internet to conduct these activities. In 2013, the GJVCB Convention Services Department worked with 150 groups. By 2015 the figure had fallen to 120. Several hotel managers with whom we talked mentioned they are converting meeting rooms to other uses, including an indoor pickle ball court. Only 5.8 percent of respondents to the 2015-16 Guest Research survey reported they were in Mesa County primarily for business. However, the North Star survey conducted in June 2015 reported that 14 percent of respondents conducted business while they were visiting Mesa County.

In 2015 13,840 people visited the Visitor Center on Horizon Drive. Of these, 56 percent were from outside Colorado and 10 percent from outside the US. The GJVCB homepage on their website received 686,165 visits, enabling 535,204 visitors (from unique IP addresses) to access GJVCB services and information electronically.

Table 6: Mesa County Information Requests

	2015	2016
Visitor Center Visits	13,840	12,120
Outside Colorado	56.0%	57.4%
Outside U.S.	10.3%	10.3%
Website Visits	620,834	686,165
Non-internet Inquiries	9,069	10,152

Source: GJVCB

Visitor Center visits and phone calls have been slowly declining as more people get their information from the Internet. This is true both nationally and in Mesa County.

Table 7: Tourism Comparison

Source: GJVCB

In looking through interesting to note 1995 they were

	1997	2003	2016
Visitor Center Visits	33,196	28,186	12,120
Website Visits	50,025	192,188	686,165

old surveys, it is that in 1992 and based on telephone

calls, not website visits. By 1997 there were only 15,166 telephone inquiries and over 50,000 website visits. Telephone calls are no longer tracked in surveys.

One measure of the importance of the tourism industry to the local economy is the proportion of non-farm workers employed by travel related businesses. In Mesa County, 11.9 percent of the jobs (7,400) were in the Leisure and Hospitality sector in 2015, relative to 12.5 percent statewide. Of course, not all of these jobs are directly attributable to tourism, since local residents also purchase goods and services from the Leisure and Hospitality sector. By the same token, there are goods and services purchased by tourists that do not fall under Leisure and Hospitality. It is interesting to note that 2.3 percent of Colorado’s Leisure and Hospitality Industry employment is located in Mesa County, relative to 2.4 percent of total wage and salary employment. These data are essentially unchanged from the 2004 study.

In assessing the impact of travel-generated jobs on the local economy, Dean Runyon Associates estimates that \$281 million in direct travel spending in Mesa County in 2015 accounted for 1.8 percent (\$68 million) of total earnings. Although nominal travel spending was a record \$281 million in 2015, in inflation-adjusted dollars it remained 7 percent below its inflation-adjusted peak in 2008 prior to the impact of the Great Recession.

Table 8: Mesa County Travel Direct Impact

	2008	2015
Nominal Travel Spending (millions)	\$273	\$281
Inflation-adjusted Travel Spending (millions)	\$301	\$281
Employment	3,340	3,050

Source: Dean Runyon Associates

In 2015 the travel industry accounted for \$15 million in government revenue, \$9 million in local tax receipts and \$6 million in state tax receipts.

## Mesa County Tourism Survey

Between March 11, 2015 and September 30, 2016 1,104 Mesa County visitors agreed to participate in an e-mail survey conducted by Guest Research in Greenwood Village, Colorado. E-mail addresses were collected at the Visitor Center, in downtown Grand Junction, at the Mesa Mall, at a number of festivals and museums, a winery, Colorado National Monument, the airport, Powderhorn and mountain biking trailheads. There was also a pop-up questionnaire on the GJVCB website.

The survey focused on who visits Mesa County, the primary purpose of the visit, the average length of stay, visitor frequency and the visitor demographic profile. It also looked at the importance of festivals and events in attracting visitors.

Survey respondents were primarily female and over 55. Most (96%) were from the U.S., particularly Colorado, Arizona and southern California. The majority (46%) earned \$75,000 a year or more. Overnight visitors comprised 71 percent of respondents and most (70%) visited the area with their spouse/significant other or immediate family. They came for vacation/leisure (44%) or to visit friends and family (16%). Business travel accounted for less than 6 percent of survey respondents, although this may have affected by survey locations. Most visitors stayed one (25%) or two (33%) nights.

Table 9: Visitor Surveys

	2015-16
Respondents	1,104
U.S.	96%
Foreign countries	4%
Overnight Visitors	71%
Day Visitors	17%
Just Passing Through	7%
Seasonal Resident/Second Home Owner	5%
Leisure Travelers – Primary Purpose	
Vacationing	44%
Visiting friends/relatives	16%
Passing Through Area	11%
Special event/festival/concert	8%
Activities during Visit	
Restaurants	70%
City/State/National Parks	38%
Shopping	38%
Wineries/Breweries/Distilleries	34%
Hiking	28%
Business Travelers	5.7%
International Travelers	4%
Retirees (over 65)	25%

Source: Guest Research, Inc.

Travelers from outside the U.S. comprise 4 percent of visitors to Mesa County. According to the GJVCB, competitive hotel rates with Moab, Utah, encourage tour operators to utilize Grand Junction as a hub for lodging. However, foreign motor coach tours have declined significantly in importance. There were 677 tours in 2000, but only 151 in 2003. Currently there are between 150 and 175 motor coach tours annually, both foreign and domestic, during the May-October season. Eighty or more are for Chinese

travelers. According to the GJVCB, each tour brings an estimated \$12,000 to Mesa County, for a total impact of almost \$2 million. Hotels we interviewed said the tour bus business (not necessarily foreign tourism) has had a major positive impact in the last few years.

The GJVCB welcomed visitors from 40 countries in 2015, led by Canada, Germany and England. The GJVCB sends out over 900 Grand Junction Visitor Guides to international tour companies from the GJVCB data base. This tour operator database information was built through the GJVCB's annual attendance at various international trade shows and familiarization tours to the Mesa County area.

Even though many of the sites that tourists visit when they come to Mesa County are outside the City of Grand Junction (e.g., Colorado National Monument, wineries and Grand Mesa), the vast majority of overnight visitors stay within the city limits. Survey respondents reported that 45 percent stayed near I70 and 23 percent stayed in downtown Grand Junction. Only 20 percent stayed in Fruita and Palisade. In addition, 66 percent visited downtown, 43 percent visited Horizon Drive and 27 percent visited the Mesa Mall area, which are all within the city limits.

### Survey Comparisons

It is interesting to compare the results of the recent survey with other surveys done (by different groups) dating back to 1992 in order to look at the similarities and changes in the average Mesa County tourist. The surveys are not strictly comparable and none purports to be a scientific sample or to provide statistically significant results. However, the anecdotal data are useful and interesting.

Tourists have consistently been divided between about 96 percent U.S. and 4 percent foreign. However, the proportion from the Mountain Region has declined from 63 percent in 2004 to 56 percent in 2015-16. In 1997 only 26 percent of tourists were from Colorado. This rose to 53 percent in 2004, then fell to 45 percent in the recent survey.

Visitors continue to be well educated. In both 2004 and 2015-16, 36 percent of visitors were at least college graduates and in the recent survey 30 percent said they had a graduate degree, up from 9 percent in 2004. In 2004, 25 percent had only a high school degree or less. Recently, only six percent did not have some college education.

Income comparisons are more difficult because they are reported in current rather than inflation adjusted dollars. However, Mesa County tourists have been relatively affluent through the period studied. In 2015-16, 43 percent of survey respondents had an annual income of \$100,000 or more. In 2004, over 50 percent earned more than \$75,000, which is \$94,000 in current dollars. In 1997, 53 percent of respondents reported an annual income of less than \$50,000, which is \$74,000 in 2015 dollars.

There have been some significant changes in why tourists report they are visiting Mesa County. Shopping has declined in importance – from 65 percent in 1997 to 38 percent in 2015-16. Visits to wineries have risen from 11 percent in 1997 to 34 percent recently. Arts and culture has risen from 11 percent in 1997 to 15 percent today. Visits to Colorado National Monument have remained the most popular tourist activity throughout 20 years of surveys, ranging from 38 percent in 1997 to 31 percent in 2004 to 35 percent in 2015-16.

Table 10 Survey Comparisons

	1997	2004	2015-16
<b>Residence</b>			
U.S.		96.9%	96%
Mountain Region		62.6%	56.2%
Colorado	26%	53.0%	44.6%
Utah		2.3%	4.8%
Arizona		2.5%	4.0%
Other U.S.		37.4%	43.8%
California	11%	5.8%	6.6%
International		3.1%	4.0%
<b>Age</b>			
<45			23%
45-64			57%
65+/retirees	20%		25%
<b>Education</b>			
High School or less		24.5%	6.0%
College Graduate	85%	36.0%	36.0%
Graduate Degree		9.4%	30%
<b>Income (adjusted for inflation)</b>			
<\$50,000	53%		19%
\$50,000-\$99,999			39%
\$100,000+			43%
Business Travelers	3.4%	2.3%	5.0%
<b>Activities</b>			
Outdoor Recreation			
Colorado National Monument	35.7%	31.0%	35%
Wineries	14.9%	22.5%*	34.4%
Shopping	65%	37.0%	38%
Arts and Culture	10.6%	6.0%	14.6%

Source: Guest Research Inc. and Adams Group, Inc.  
 (But 21.6% of survey respondents were interviewed at the Wine Festival)

In the recent survey, 37 percent of respondents used the internet to obtain information about visiting Grand Junction, while 22 percent said that it was the most helpful source of information. Only one percent cited social media sites, likely the result of 76 percent of visitors being over 45. However, several restaurant owners we interviewed said social media was an important source of customers.

## IV. ANALYSIS BY SECTOR

The tourist industry has its major direct impact on six sectors of the economy: accommodations, food service and drinking establishments, retail trade, other services, arts/entertainment/recreation, air and local transportation. The transportation sector is well paid, with an average weekly wage of \$939 in 2015 (Mesa County is too small to obtain a data breakdown below this level), while the other five sectors are among the lowest paid in the county. However, the abundance of part time jobs leads to understatement of the average hourly wage in these sectors.

**Table 11: Mesa County Travel Industry**

	# Establishments	Employment	Total Wages (thousands)	Average Weekly Wage
All Industries	4,745	59,801	\$2,474,463	\$796
Accommodations	41	1,089	\$22,986	\$406
Food Service/Drinking	254	5,363	\$85,976	\$308
Retail Trade	536	8,001	\$217,570	\$523
Other Services	360	1,715	\$51,976	\$308
Arts/Entertainment/Recreation	61	886	\$14,577	\$316
Transportation	188	2,230	\$105,961	\$914

Source: QCEW, CO Department of Labor and Employment

### Accommodations

There are over 3,000 hotel rooms in the Grand Junction area, up from about 2,500 when the 2004 study was done. Other overnight options include bed and breakfasts, RV parks and numerous public campgrounds. According to the 2017 Colorado Business Outlook Report from the Leeds School of Business at the University of Colorado in Boulder, there were one million visitors to Mesa County lodging properties in 2015.

There are two lodging occupancy surveys for Mesa County. The Rocky Mountain Lodging Report provides comparable data for other areas of Colorado but doesn't include several large Grand Junction properties. The STR Trend Report covers 83.3 percent of Grand Junction lodging facilities, 31 properties in all with 2,991 rooms.

The STR Trend Report indicates that both occupancy rates - 60.4 percent - and the average rental rate for a single room - \$80.93 - were at a seven-year high in 2016. The supply of rooms was down slightly from 2015 but the number of rooms sold - 659,206 - was also a seven-year record.

Table 12: Mesa County 2016 Lodging Occupancy Survey

	2016	2010-2016 average
Occupancy Rate	60.4%	57.0%
Average Rental Rate	\$80.93	\$80.02
Supply of Rooms	1,091,715	1,077,196
Rooms Sold	659,206	614,135
Revenue	\$53,352,263	\$49,142,387

Source: STR Trend Report

The Rocky Mountain Lodging report shows an occupancy rate of 63.9 percent in 2016, up from 59.1 percent a year earlier. The average daily rental rate of \$84.80 was up from \$83.19 in 2015. This survey was based on 38,316 available rooms, well below STR's

92,721. Grand Junction was slightly above the state occupancy rate of 69.1 percent, but well below the average rental rate of \$152.11.

Table 13: Mesa County versus Colorado in 2016

	Colorado	Grand Junction
Occupancy Rate	69.1%	63.9%
Average Daily Rental Rate	\$152.11	\$84.80
Available Rooms	1,716,249	38,316

Source: Rocky Mountain Lodging Report

Lodging taxes (3%) in Grand Junction totaled \$1.416 Million in 2016, up 3.4 percent over 2015. This provided 67 percent of the GJVCB budget.

One question we had for the people in the lodging industry that we interviewed was what the mandated increase in the minimum wage would do to employment and room rates. We were told that they would cut hours, not employment, and pass along the higher costs in room rates and banquet charges.

Interviewees also said there is little government business and that private business travel is down. Tour bus business, although down from earlier peaks, and local sporting events, however, have a major positive impact.

Bookings by third parties (e.g., Travelocity) are increasing. The third party takes a substantial cut (e.g., \$35 of a \$90 fee) and, although they receive the lodging tax piece, they doubt it is passed on to local government. The internet accounts for over half of business and groups for another 36 percent.

### Food Service/Drinking Establishments

Survey data show that 70 percent of visitors to Mesa County ate in a restaurant during their visit. The 254 establishments in the restaurant industry employ 5,363 workers at an average weekly wage of \$308. This excludes most tips.

We interviewed several restaurant owners with restaurants of various sizes, catering to different clientele. In our 2004 interviews, the primary problem managers cited was competition from national chains driving out the mom and pop and ethnic restaurants and driving up wages and prices. These factors were seldom mentioned in our recent discussions, although one restaurant owner did mention the pressure to compete with the chains on price and for back of house staff and another commented on the lack of good ethnic restaurants.

When asked about the potential impact of the increase in the minimum wage, one owner pointed out the seldom discussed impact on restaurant personnel now earning a few dollars above the minimum. They will likely see a decline in their wages as servers on tip wage receive a 70 percent increase.

The opening of high end downtown restaurants has encouraged tourists to not only eat downtown but also stay in downtown hotels. Healthy, locally grown food is popular, as are brew pubs. Demand for gluten-free food has dropped significantly. Pop up restaurants timed to coincide with special events are a growing market segment.

During tourist season and sporting events, up to 70 percent of restaurant clients are tourists, while in the winter customers are probably 80 percent locals. Business customers have declined significantly, especially at lunch.

High end restaurants were the one group that mentioned using social media to attract business. One owner mentioned that tourists sometimes get off of I70 just to eat at a restaurant they've heard about through social media.

### Retail Trade

Tourists buy gas, tee shirts, souvenirs, books and newspaper and a host of other things at retail outlets. In addition, in a regional shopping center like Grand Junction, where people come in from more than 50 miles away or stay for more than one day and thus are classified as tourist, they buy many non-tourist goods such as cars, building materials and appliances that are not available in the small towns and rural areas where they live.

Interviews conducted with management in the retail sector pointed out that it is difficult to tell what percentage of customers are tourists. Sales don't vary a great deal from month to month, although sporting events provide a boost. The online market is cutting into local sales and retailers seem happy to push business to their website. Also, new stores in Montrose and Glenwood Springs have reduced the frequency of visits from customers from surrounding counties.

There were 536 establishments in the retail trade sector in Mesa County in 2015 employing 8,001 workers with a total annual payroll of \$217.6 million, an average weekly wage of \$523. This included 50 gasoline stations, 45 sporting goods, hobby book and music stores and 20 general merchandise stores. Retail sales in 2014 (most recent data available) totaled \$4.7 billion, up 57.1 percent from 2003. After adjustment for inflation, the real increase was 22.1 percent.

Table 14: Mesa County Retail Sales  
(in millions)

	2003	2014
Nominal	\$2,969.3	\$4,665.8
Change		57.1%
Inflation adjusted	\$3,820.3	\$4,665.8
Change		22.1%

Source: Colorado Department of Revenue

Survey data show that 38 percent of Mesa County visitors shopped while visiting. This activity was second only to dining out.

### Arts, Entertainment and Recreation

Tourists avail themselves of many services in addition to hotels and lodging. They go to movies, visit museums and parks and utilize a host of other amusement and recreational services. In Mesa County in 2015 there were 61 establishments in the arts, entertainment and recreation sector, including three museums/historical sites/zoos/parks, 19 performing arts and spectator sports and 39 amusement, gambling and recreation establishments. These facilities employed 886 workers at an average salary of \$316. They directly contributed \$14.6 million in wages and salaries to the local economy.

The Bureau of Economic Analysis reports that arts and cultural economic activity has grown in every year between 1999 and 2013 (most recent data available) except for 2005, 2009 and 2011. In 2013 it increased 2.5 percent after adjustment for inflation.

A 2007 study for the Grand Junction Commission on Arts and Culture estimated that in 2006, 552,046 individuals attended almost 2,000 different events stages by local arts and cultural organizations in Mesa County. Of these they estimated that 17.8 percent (98,334) were from outside the county. This was up from 350,000 individuals at almost 700 events in 2003, with 17 percent from outside the county. Unfortunately, a 2017 update of these studies was not available when this report was completed. The economic impact of arts and cultural organization on the community was estimated at \$27.1 million in 2006.

A more recent study in January 2015 on the impact of the Museum of Western Colorado was conducted by CMU. The study estimated that 63 percent of museum visitors (38,385) came from outside the Western Slope, resulting in recreational spending of \$16.5 million, lodging expenditures of \$4.3 million and sales tax of \$1.2 million. Museum visitors (including Cross Orchards and Dinosaur Journey) stayed in the area approximately five days, well above the stay for the average tourist who responded to the 2015-16 survey.

Great Outdoors Colorado estimates that the wine industry contributes \$150 million to the Colorado economy annually. About 85 percent of the state's grapes are grown in Mesa County. The local industry has grown from Colorado's first modern winery that opened in 1968 to 15 in 2004 when we conducted our last impact analysis and to 27 today (Colorado Association for Viniculture & Enology).

According to the Colorado Association for Viniculture & Enology, 5,846 visitors from 38 states attended the 2013 Winefest. The GJVCB reported that it was the busiest tourist weekend in Mesa County, creating an economic impact between \$750,000 and \$1,000,000.

The North Star survey found that 14 percent community leaders said Grand Junction should target wineries/craft breweries to improve the economy. Twenty one percent of survey respondents said wineries/agritourism best describe the Grand Junction area and 21 percent said they had visited a winery or craft brewery.

The county's employment in the wine industry is difficult to estimate. Vineyard employment is reported in the crop production subsector of agriculture, while wineries are considered beverage manufacturers. Most tasting rooms are associated with wineries, but can spill over into food service and drinking places as well as wine shops. In Mesa County, the Beverage and Tobacco Production sector employs 202 workers in 15 establishments paying an average weekly wage of \$403, contributing \$4.2 million annually to the local economy. It is the lowest paid of the manufacturing subsectors.

Concerts and special events were cited by only 13 percent of respondents to the 2015-16 survey as something they did while in Grand Junction. However, there are several special events that make a major impact on the local tourist economy.

The Junior College Baseball World Series (JUCO) brings 180,000 fans over eight days to great Grand Junction. An \$8.2 million renovation of the JUCO center secured a 25-year

commitment to keep the event in Grand Junction. In 2015 it brought an estimated \$982,989 into the community, the largest single event.

JUCO's impact was followed by Colorado Mountain Winefest, with an estimated impact of between \$750,000 and \$1,000,000. It is the busiest tourist weekend for Mesa County. Tour of the Moon, involved 2,200 cyclists from 35 states and four foreign countries, 65 percent in the 45-64 age group. Its impact is estimated at \$740,000.

One topic that emerged in almost every interview we conducted was the need for an events center. There was a great deal of disagreement as to whether it should be built adjacent to the Two Rivers Convention Center, at Colorado Mesa University or elsewhere.

### Other Services

In addition to entertainment, tourists spend money in other parts of the service economy. They get their hair cut, do laundry and seek repairs on their automobiles and electronic goods. The other services sector employs 1,715 workers at 360 establishments, paying total wages of \$51.7 million, an average weekly wage of \$580.

### Transportation

The transportation is comprised of both air transportation and local transportation. Because of the small number of firms in the air transportation sector, no specific data are available. However, if we back out truck transportation, pipeline transportation, couriers and messengers, and warehousing and storage out of the Transportation and Warehousing sector, we are left with 38 firms including air transportation, transit and ground passenger transport (11 firms), scenic and sightseeing transportation and support activities (22 firms). That leaves five firms in air transportation and scenic and sightseeing transportation.

These 38 firms employ 859 workers at an average weekly wage of \$889. They contribute \$39.7 million annually to the local economy.

Most tourist travel to Mesa County in their personal car (71%) and another 12 percent come in rental cars, while seven percent arrive by plane.

Table 15: Travel to Mesa County

Personal Car	71%
Rental Car	12%
Plane	7%
RV/Camper	5%
Train	2%
Tour bus/Motor Coach	1%
Motorcycle	1%
Other	1%

Source: Guest Research, Inc.

One of the strengths of Mesa County is its modern airport, Walker Field. With four commercial airlines and one air taxi service offering 18 or more daily departures (varies by season) to six airports, it is the third busiest commercial airport in Colorado, after Denver and Colorado Springs. In 2016 there were 225,504 passenger boardings, up 3 percent from 2015.

Air traffic peaked in 1986 with 192,338 enplanements, prior to the lengthening of runways at Montrose and Eagle to accommodate large jets. It did not recover to that prior high until 2007, with 214,632 enplanements.

No usable air passenger data were available from the 2015-16 survey but in 2004 a survey showed that 56 percent of passengers were visitors – 19 percent from Colorado, 34 percent from other states and 3 percent from outside the U.S. This was similar to a 1997 survey that found 57.5 percent of passengers were visitors. Most (72%) were leisure travelers, while 24 percent were business travelers (30.6% in 1997) and 4 percent (1.2% in 1997) were combining business and pleasure. Airport management reports that current passenger traffic to Grand Junction includes a healthy balance of business travel, tourism and second home owners.

Airport management also reported that air traffic to Aspen is frequently diverted to Grand Junction. Shuttle services have been set up to get passengers, who frequently spend their first night in Grand Junction, to ski resorts in Aspen and Telluride. It is also cheaper to fly to Grand Junction than to Aspen and Telluride and, for people who are tired after three days of skiing, there are many other things to do in Mesa County.

Local transportation covers such things as cabs, limousines, city buses and trolleys, light rail and subways. In Mesa County, local transportation is limited to taxis and limousines. Several hotels provide shuttle service from the airport. However, most tourists (95%) rely on the automobile to get around. Only 1 percent or less used taxis, limo/car services or public transportation.

Table 16: Travel within the Grand Junction Area  
(all that apply)

Car	95%
Walk	12%
Bicycle	8%
Taxi	1%
Limo/Car Service	<1%
Public Transportation	<1%
Other	2%

Source: Guest Research

In 2015 there were 11 firms providing transit and ground passenger transportation. They had 258 employees and an average weekly wage of \$386, for a total annual payroll of \$49.5 million. In addition, there were an undisclosed number of scenic and sightseeing transportation firms. Of course, not all ground transportation is used by tourists. Local residents without cars use cabs for shopping, etc. and local bus tours comprised primarily of Mesa County residents were cited by the wine industry as a source of visitors.

## V. OUTDOOR RECREATION

MMGY Global reports that a significant theme among U.S. adults asked about their level of interest in participating in 30 different activities while on vacation is active and adventurous activities. Significant and increasing numbers want to visit a national park (61%), visit a mountain area (54%), hike (38%), camp (37%) and fish (36%).

A study by Southwick Associates for Colorado Parks and Wildlife in 2014 reported that outdoor recreation is a \$34.5 billion industry in Colorado. It supports over 313,000 jobs producing \$12.4 billion in wages and salaries and \$4.5 billion in local, state and federal tax revenues. This is the contribution of the entire recreation industry, not just the tourist portion.

Almost every person we interviewed in November cited outdoor recreation as the growing and most important segment of the Mesa County travel industry. The owner of a high-end restaurant pointed out that it is a mistake to assume people who come for outdoor recreation bring their tents and spend almost no money locally. “The mountain bikers come in their \$100,000 RVs with three \$10,000 mountain bikes on the front and spend a lot of money in town when they aren’t out on the trails.”

Twenty-eight percent of respondents to the North Star survey said “outdoor recreation” best describes the Grand Junction area, second only to “beautiful setting” – 33 percent. Community leaders (48.2%) said outdoor recreation/sports was the top area Mesa County should target to improve the community.

State and local organizations have supported this perception with dollars. Great Outdoors Colorado (GOCO), which invests proceeds of the Colorado Lottery in parks, trails, wildlife, rivers and open spaces, has committed more than \$38 million through nearly 200 grants made to 14 organizations in Mesa County since 1994. The Outdoor Recreation Coalition of the Grand Valley (ORC), which supports and promotes the outdoor recreation industry in Mesa County, has invested more than \$10 million in the county since the mid-1990s.

### Mountain Biking

Mountain biking is a growing component of outdoor tourism, although it was mentioned in each of our earlier studies. The 142 mile Kokopelli’s Trail from Grand Junction to Moab, Utah, and the Tabogauche Trail across the Uncompahgre Plateau from Montrose to Grand Junction were highlighted in the 1998 GJVCB Official Visitors Guide.

Over seven percent (7.4%) of 2015-16 survey respondent’s mountain biked while in Grand Junction. They rated the experience very highly, with a net promoter score of 76 percent. (The NPR is the percentage of respondents who would definitely recommend an activity minus those not likely to recommend it.) Only parks ranked higher (83%).

The North Star study found that 12 percent of respondents said “mountain biking” best describes the Grand Junction area. This rose to 16 percent among decision makers when asked to list the top three descriptors. Although only one percent said mountain biking was the primary purpose of their trip, four percent said they mountain biked while visiting the area.

The Palisade Plunge, a mountain bike trail from the top of the Grand Mesa to Palisade, has received \$90,000 from GOCO. It will intersect the Powderhorn ski lift, or bikers may shuttle up before biking down the 5,000 foot drop.

### Skiing

The Powderhorn ski resort reported that 20 percent of its skiers are from outside Mesa County. The area has 600 groomed acres, with a total of 1,600 skiable acres. Between our last two studies, skier days grew 15.6 percent, from 71,735 in 1996-97 to 82,948 in 2003-2004. The resort is no longer willing to share skier day data.

### Colorado National Monument

Colorado National Monument is consistently the most visited attraction among survey respondents. It is also the one attraction with almost 100 years of visitor data. Since 1919, it has welcomed almost 23 million visitors. The 588,006 visitors in 2015 set an all-time record. A FY2016 study by the Pacific Consulting Group found that 81 percent of respondents rated the Monument's outdoor recreation as very good and 83 percent said the combined recreational opportunities were very good.

Fifty-five percent of visitors were over 50, with the 61-70 age group the largest, at 24 percent. License plate data show that 40 percent of visitors are locals, who are most likely to come to hike on the Monument's underutilized trails. Enjoying the scenery and non-extreme sports are popular with the aging demographic.

Parking lots were full during the summer and campgrounds were full a record number of nights. Bookstore sales were up 20 percent. Anecdotal reports are that southeast Utah is overcrowded, so tourists are coming here.

Motor Coach Tours reached a low point about five years ago but have been increasing slowly since then. In spring and early summer visitors come from Europe; early fall is when tourists visit from the Far East. There are few visitors from South America or Africa.

Although visitation is up 77 percent since 2006, the Monument's budget has been flat for eight years. There are now no full-time employees below the division level and many employees have had to take furloughs.

### BLM/Forest Service Land

Over one third (35%) of 2015-16 survey respondents visits public lands during their time in Grand Junction. The Bureau of Land Management (BLM) Grand Junction field office reported over 1.1 million visitors in 2016, up slightly from 2015 after a two-year decline. Hiking/horseback riding areas reported a substantial decline in usage in 2016, down 31 percent. Trails for mountain biking/hiking/running had 299,999 visitors, up 15.8 percent since 2014.

Table 17: BLM Visitation

	2013	2014	2015	2016
Overall Visitation	1,212,065	1,188,526	1,160,646	1,137,356
Hiking/Horseback	131,919	135,510	123,900	85,300
Mountain Biking/Hiking/Running	264,260	258,163	280,700	299,000
OHV Riding	396,007	390,151	366,415	388,200
Mixed Motorized/Non-Motorized	49,089	58,866	62,326	62,300
Scenic Touring/Wildlife Viewing/ etc.	88,819	90,788	94,668	104,700
Target Shooting	91,362	87,997	109,224	113,873
River Boating	22,541	7,064	24,247	27,500

Source: BLM Grand Junction Field Office

## Hunting/Fishing

Hunting Works for Colorado reports that 259,000 people hunt in Colorado each year, almost half (44%) from out of state. Each hunter spends an average of \$1,800 a year in Colorado, supporting 8,400 jobs paying \$292 million in wages and salaries. They pay \$51 million in state and local taxes.

The Southwick Report cites Mesa County as the one of the top ten (#6) counties by total output from hunting. This includes 484 jobs, \$12.5 million in labor income and \$2.4 million in state and local taxes. However, this is based on hunters, not just tourists.

Although only one percent of respondents to our 2015-16 survey said they came to Mesa County to hunt, the North Star study found that hunting/fishing was the primary purpose of their trip for two percent of respondents. Seven percent said it was something they did while in the county. The response to this question was likely influenced by the time of year and location of the survey.

There are several hunting outfitters in the area, which see large numbers of hunters from California and Texas. They often shop at Cabela's, have their meat processed locally and use local taxidermists. Train to Hunt is a program teaching hunting with bow and arrow and the Hook and Bullet Club at Palisade will be one of the largest shooting complexes in Colorado.

## VI. IMPACT OF THE TRAVEL INDUSTRY ON MESA COUNTY

Tourism creates jobs in three ways. First, there are the jobs of the people who deal directly with tourists (direct employment). Then jobs are created in the sectors that provide goods and services to businesses dealing directly with tourists (indirect employment). Finally, jobs are created as people working in these sectors buy goods and services for their personal use (induced employment). The basis is survey data on tourist spending and likely misses some components, but it provides a rough estimate of the impact of the tourism sector as a dollar spent by someone coming from outside the region works its way through the Mesa County economy.

### Employment

In 2015 the travel industry in Mesa County provided 3,050 direct jobs from overnight travelers, according to Dean Runyon Associates. This was 5.1 percent of all jobs reported in the QCEW. Runyon does not provide impact estimates at the county level for day tourists or estimates of indirect and induced employment.

**Table 18: Employment Impact Analysis**

	2004	2015
Number of Visitors		
Travel Spending (millions)	\$180.4	\$281.0
Employment	2,701	3,050
Earnings	\$43.9	\$67.7
Local Taxes	\$5.4	\$8.7
State Taxes	\$4.5	\$6.4

Source: Dean Runyon Associates

To look at the total impact of tourism, we made the following estimates about employment in the industries where tourists spend their money.

**Table 19: Tourism Industry Employment**

	Total Employment	% Attributable to Tourism	Tourism Employment
Accommodations	1,089	100%	1,089
Food Service/Drinking	5,363	25%*	1,341
Air/Local Transportation	859	28%	241
Transit/Ground Transport	258	25%	65
Support Activities	527	25%	132
Air/Scenic/Sightseeing	74	60%	44
Arts/Entertainment/Recreation	886	25%	222
Retail Trade	8,001	20%	1,600
Other Services	1,715	20%	343
TOTAL	18,772		4,836

Source: QCEW and Summit Economics

\*National Restaurant Association estimate

We estimate that 4,836 jobs are directly attributable to overnight and day tourism. When the indirect and induced employment effects are included, overnight and day tourism in Mesa County is responsible for 5,566 jobs.

## Income

The QCEW reports also provide data on wages and salaries paid by reporting companies. We use these data to estimate the total wages and salaries in Mesa County attributable to the travel industry.

**Table 20: Wage and Salary Impact Analysis**  
(millions of \$s)

	Total Wages	% Attributable to Tourism	Tourism Wages
Accommodations	22.99	100%	22.99
Food Service/Drinking	85.98	25%*	21.49
Air/Local Transportation	39.70	28%	11.16
Arts/Entertainment/Recreation	14.68	25%	3.64
Retail Trade	217.51	20%	43.50
Other Services	51.68	20%	10.34
<b>TOTAL</b>	<b>\$432.43</b>		<b>\$113.12</b>

Source: QCEW and Summit Economics

We estimate that \$113.12 million in wages and salaries are directly attributable to overnight and day tourism. When the indirect and induced income effects are included, overnight and day tourism in Mesa County is responsible for \$139.88 million in wages and salaries.

## Tax Revenue

According to the Colorado Department of Revenue, retail sales in Mesa County in 2014 were \$4.66 billion. Unfortunately, 2015 data are not yet available. Taxable sales were \$2.39 billion and net taxes were \$67.5 million. BBC Research and Consulting estimates that 30 percent of sales tax revenues come from spending by visitors from outside Mesa County. In 2015 this amounted to \$12.8 million.

In addition, all lodging taxes are paid by tourists. In 2016 tourists paid \$1.416 million in lodging taxes.

Tourists were indirectly responsible for millions of dollars in taxes paid by employees whose jobs they supported. Other taxes are attributable to the tourist industry, as well, but those data are not available to make a responsible estimate of the amount.

## VII. QUALITATIVE ANALYSIS

Tourism impacts the Mesa County economy in ways that go beyond what is captured by the traditional multiplier analysis used above. These impacts are both positive and negative. They are more easily identified in small, tourist-dependent resort communities than in a regional trade center such as Grand Junction, but they exist here as well.

One example is the impact on the retirement community, an important component of the local economy. The amenities that result from a healthy tourist economy – nice restaurants, attractions, cultural events and golf courses, to name a few – are attractive to retirees. The availability of these amenities helps attract retirees with their pensions, Social Security and investment income to the Mesa County area. The 2015-16 survey reported that 35 percent of survey respondents would consider relocating to the Mesa County area. This is important, since the U.S. population is aging rapidly. The Bureau of the Census estimates that by 2030, more than 20 percent of the U.S. population will be aged 65 and over, up from 12.4% in 2000.

A second example is quality of life. The availability of the amenities that attract retirees also enhances the quality of life of Mesa County residents. At the same time, the congestion and crowding caused by tourists reduces the quality of life. On balance, the impact is probably positive.

A third example is medical tourism. Local health care providers and hospitals all contribute indirectly to the tourist industry. St. Mary's Regional Medical Center estimates that 33 percent of its patients come from outside Mesa County, similar to 2004 and up slightly from 30.3 percent in 1997. Community Hospital receives 11 percent of its inpatients from outside Mesa County and eight percent of its outpatients. This eight percent total is double the impact in our 2004 report. Family and friends come with patients seeking medical care, staying in local hotels and eating at local restaurants.

Educational tourism is a fourth example. At Colorado Mesa University (CMU) in 2016, 62.7 percent of the 9,120 students are from outside Mesa County, including 16.3 percent from outside Colorado. There are 88 international students.

Family and friends accompany students on recruiting visits and when they enroll, then return for special events such as homecoming, plays and concerts, Parents' Weekend and graduation. Athletic events that bring in visitors include RMCA and NCAA championship games and "border wars" tournaments with Utah and other parts of Colorado, in addition to regular university games. Sporting events were mentioned by several people we interviewed as bringing tourists to the region and boosting their revenues.

The university also impacts the tourist economy by holding summer sports camps (e.g., soccer and basketball) and regional tournaments. Parents and friends accompany the athletes, spending an average of one night in the area. A university official we interviewed pointed out that many of these people come back to the Grand Valley to vacation after becoming acquainted with the region during their initial visit to CMU.

A recently released study identified 464,594 visitors to the university, with 33 percent from outside the western Colorado region. The study estimated that these visitors spent \$37.3 million in Mesa County in fiscal year 2015-16.

The Grand Junction Economic Partnership, an economic development agency that promotes Mesa County as a mecca for outdoor sports, suggested that recreation-related industries often locate in the Grand Junction area after the owner first comes as a tourist.

Of the 168 manufacturing firms in Mesa County, several create products for the outdoor recreation industry. These include:

- Colorado Clear – A Palisade company that crates biodegradable, recyclable water bottles.

- Bonsai Design – A Grand Junction company that develops outdoor aerial adventure parks throughout North America, including the Vail zip line and aerial adventure course.

- Leitner Poma – A leading manufacturer of cable transport systems such as gondolas and trams.

Enstrom, a fourth-generation Grand Junction firm that manufactures toffee and other confections, attracts tourists to its downtown facility to watch the process, enjoy samples and purchase their product.

Michael Porter, a respected Harvard business professor, argues that a healthy tourist economy helps make the inner-city function. The availability of low skilled part time jobs allows unskilled workers with poor work habits to enter the labor force and learn the skills that will enable them to hold better jobs in the future. Even though general merchandise store jobs pay only 51.3 percent of the Mesa County average, hotel and lodging jobs pay only 51 percent and food service jobs pay only 38.7 percent (understated because not all tips are included), they provide valuable training to workers who would otherwise be unable to enter the labor market. They also offer part time work opportunities to students, retirees and others who prefer not to enter the full-time workforce.

## VIII. SUMMARY

Clearly, the travel industry is important to the Mesa County economy. In terms of bringing new dollars into Colorado, it is the state's second largest industry (after manufacturing) and there is every reason to believe it is similarly important to the Mesa County economy.

What does an industry that generates 5,566 jobs, \$139.88 million in wages and salaries, 30 percent of sales tax revenue (\$12.8 million) and \$1.416 in lodging tax revenues mean to the people who live, work and pay taxes in Mesa County?

Our estimates show that tourism directly accounts 25 percent of restaurant employment and salaries. Additional jobs and salaries are generated by the multiplier effect through indirect and induced spending. If there were no tourist industry in Mesa County, at least 64 of the region's 254 food service and drinking places would go out of business.

There would be no hotel and lodging industry in Mesa County if there were no tourists. This would eliminate 41 establishments, 1,089 jobs in the lodging industry and 179 jobs in other industries.

Walker Field would be much smaller if it weren't for the business and leisure travelers, with far fewer flights. There would be less competition and air fares would surely be higher.

There would be fewer cultural activities, less incentive for retirees to relocate or remain here and fewer opportunities for people with minimal job skills to gain valuable work experience. Without the tourist industry, Mesa County would have a far less diverse, more parochial economy.

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## **INTERVIEWS**

City Officials  
GJVCB Board Members and Staff  
Colorado Mesa University  
Grand Junction Economic Partnership  
Mesa Mall  
Enstrom Candies  
JUCO  
Lodging Industry  
Restaurant Industry  
Ski Industry  
Colorado National Monument  
Grand Junction Daily Sentinel  
Wineries  
Walker Field  
Real Estate Industry