

**TOURISM IN THE TUCSON METROPOLITAN AREA:
CHARACTERISTICS AND IMPACTS OF OVERNIGHT
VISITORS, 1995-1996**

by Alberta Charney and Julie Leones

**College of Business and Public Administration
and College of Agriculture**

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by Alberta Charney and Julie Leones ¹

Assisted by: Paul Hoyt, Monica Lopez, Amy Raymond, Alex Moseley, Denise Haefner,
Alan Trimmer and Matt Girardi

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TOURISM IN THE TUCSON METROPOLITAN AREA: CHARACTERISTICS AND IMPACTS OF OVERNIGHT VISITORS, 1995-1996

by Dr. Charney and Dr. Leones

Highlights

How many overnight visitors stayed in the Tucson area between August 1995 and July 1996?

2.5 million visitors in over 1 million visitor parties
1.1 million visitors stayed in commercial accommodations for a total of 2.8 million room nights.

Visitor parties spent a total of 8.9 million nights in Tucson

The average length of stay was:
4.8 nights for hotel visitors
7.5 nights for visitors to private homes
66.8 nights for winter visitors

What was the economic impact of overnight visitors?

\$ 909 million in expenditures in Pima County

\$ 1.5 billion in gross revenue impacts in Pima County

36,500 jobs directly and indirectly tied to overnight visitors in Pima County
12 percent of all jobs in Pima County

\$ 107.1 million in revenues to state and local government
\$ 62.8 million to the state of Arizona
\$ 16.8 million to Pima County
\$ 27.5 million to the City of Tucson

Why were these overnight visitors in the Tucson Metropolitan Area?

77 percent as leisure visitors
23 percent primarily on business (43 percent of hotel visitors on business)

Where did these overnight visitors come from?

- 15 percent from Arizona (outside of Pima County)
- 17 percent from California
- 14 percent from other Western states
- 18 percent from Central states
- 17 percent from Southern states
- 9 percent from Eastern states
- 10 percent from foreign countries

What was the age distribution of overnight visitors?

- 13 percent were under 18 years of age (vs. 26 percent of U.S. population)
- 26 percent were 18 to 35 years (vs. 27 percent of U.S. population)
- 39 percent were 36 to 59 years (vs. 30 percent of U.S. population)
- 22 percent were 60 and older years (vs. 17 percent of U.S. population)

What attractions did overnight visitors see while in the Tucson Metropolitan Area?

- 26 percent had members of their visiting party who visited the Arizona-Sonora Desert Museum
- 17 percent had members who visited Sabino Canyon
- 13 percent had members who visited Saguaro National Park
- 12 percent had members who visited San Xavier del Bac Mission
- 9 percent had members who visited Pima Air and Space Museum

(Old Tucson Studios was closed during the study)

What were some of hotel visitors' leisure activities while in the Tucson Metropolitan Area?

- 36 percent went shopping
- 32 percent went sightseeing
- 25 percent went hiking or walking
- 17 percent visited historic sites
- 13 percent visited museums
- 11 percent played golf
- 4 percent attended cultural events

How many rooms are available in commercial accommodations in the Tucson Metropolitan Area?

There are more than 12,800 rooms in hotels, resorts, motels, bed and breakfasts and guest ranches in the Metropolitan Tucson area.

500 of these rooms have opened since the study was completed in September, 1996.

Approximately 8,500 rooms are in the City of Tucson (two-thirds of all rooms)

About 2,150 rooms in the Tucson metropolitan area are in resort and luxury accommodations

Executive Summary

This study is designed to provide estimates of total overnight visitors to the Tucson Metropolitan area, overnight visitor expenditures and the economic and revenue impact associated with those expenditures. It also presents detailed information on why overnight visitors choose Tucson, what attractions they visit, what activities they participate in while they are here, and what their interests are.

This study does not include day-trip visitors to Tucson, for example: day trippers from Mexico and other parts of Arizona who come to Tucson for shopping, sight-seeing or visiting friends and relatives; and visitors who stop or who spend part of a day as they pass through on the interstate highway system. The study does not include travel and tourism expenditures of local residents. The study does not include travel and tourism expenditures made by overnight visitors prior to their arrival in Pima County (ex., airfare).

Estimates of overnight visitor numbers and visitor expenditures were obtained by surveying Tucson guests over a one-year period, from

August 1995 through July 1996. Hotel guests were surveyed through a random sample of hotels, and visitors to private homes were surveyed via random telephone and mail surveys. Winter visitors staying in condominiums, townhomes, apartments or single-family homes were also identified through a telephone survey. Estimates for winter visitors staying in RVs were obtained from the Winter Visitor Survey, a study done by the Center for Business Research, College of Business, Arizona State University.

Expenditures for visitors who spend the night in Tucson are \$909 million in fiscal year 1995-96. Overnight visitor expenditures generate 36,500 wage and salary jobs either directly or indirectly in the Tucson economy. This repre-

Table 1. Economic Impacts of Tourism, 1995-96

	Sales <i>(\$ million)</i>	Jobs
Direct	908.8	25,700
Indirect and induced	630.9	10,800
Total	1,539.7	36,500

sents more than 12 percent of the wage and salary jobs in Pima County (Table 1). Overnight visitors generate \$1.5 billion in sales impacts in Pima County. Overnight visitor spending contributes approximately \$63 million dollars in tax revenues to the State of Arizona, \$17 million to Pima County and \$28 million to the City of Tucson (Figure 1).

Figure 1. Tourism Revenue Summary for Fiscal 1996 (\$107.1 mill.)

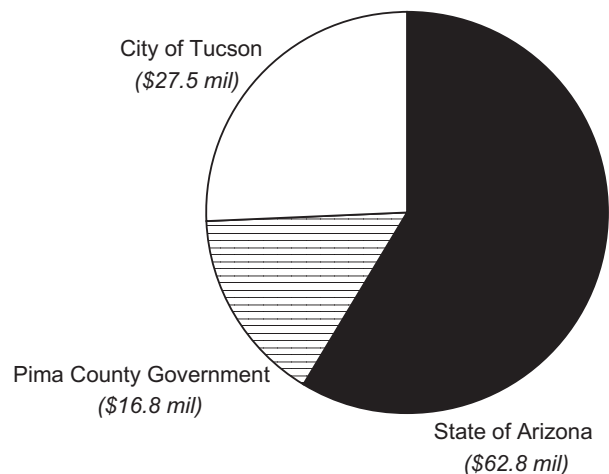
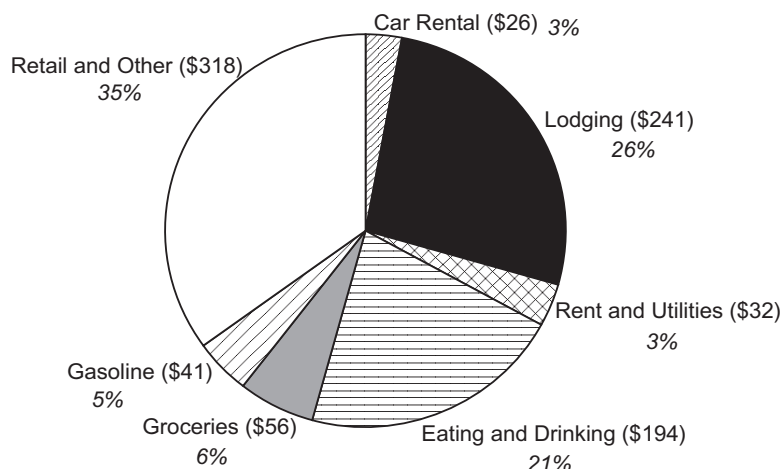


Figure 2. Expenditure Summary for Tourism, 1995-96, by Category^a



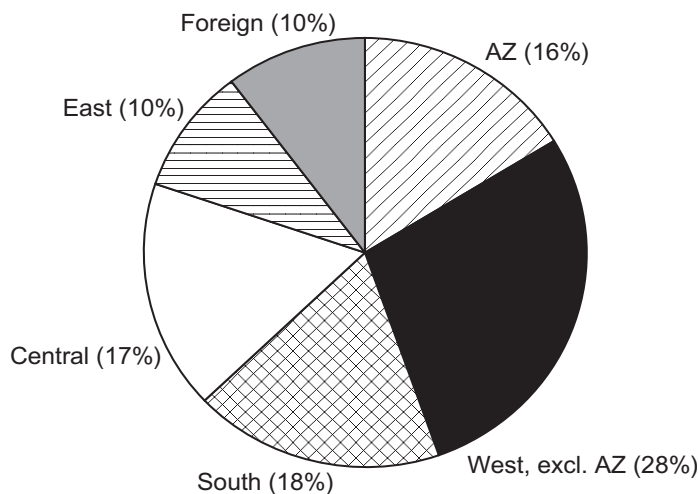
^a Category breakdown for winter visitors who stayed in RVs or trailers was based on a 1994 survey of Phoenix winter visitors, conducted by the Center for Business Research, College of Business, Arizona State University.

Table 2. Expenditures Summary for Tourism, 1995-96, by Accommodations

Expenditure	\$millions	Percent
Non-resort hotels	409.8	45.0
Resort hotels	194.3	21.4
Private homes	187.3	20.6
Winter visitors - non-RV	61.4	6.2
Winter visitors - RV and trailer ^a	56	6.8
Total	908.8	100

^a Winter visitors RV and Trailer data were obtained from *Arizona Business*, Center for Business Research, College of Business, Arizona State University, Volume 43, No. 8, August 1996, pp. 1-4.

Figure 3. Hotel Visitor Expenditures by Origin of Visitor, 1995-96



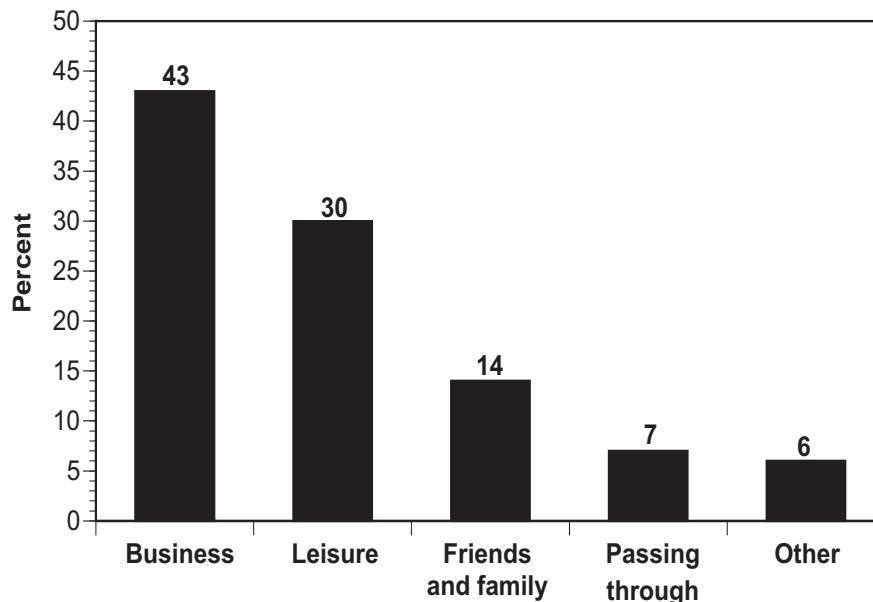
Lodging represents 26 percent of total expenditures and another 21 percent is spent at eating and drinking establishments (Figure 2). Two-thirds of Tucson's overnight visitor expenditures come from people staying in resorts and hotels. The rest is spent by visitors in private homes; winter visitors staying in condominiums, apartments and houses; and winter visitors staying in RVs and trailers (Table 2).

More than 1.1 million visitors spend the night in Tucson hotels. Each one stays an average of five nights and spends an average of \$547 in Tucson while on their trip. More than half travel in couples and almost one-quarter are visitors traveling alone. Only 15 percent are traveling with children and even fewer are traveling with business associates, friends or relatives. Tucson visitors are extremely well educated, with 64 percent holding at least a bachelor's degree, and have high incomes, with 57 percent earning more than \$60,000 per year.

Forty-four percent of the hotel visitors are from Arizona or other western states (Figure 3). Californians comprise a large share of those visitors and represent 15.8 percent of the total. The southern and central regions of the country each contribute approximately 18 percent of our visitors. Ten percent each are from eastern states and from foreign countries, including Mexico.

Business is cited as the primary reason for coming to Tucson by 43 percent of hotel visitors, although many are mixing business and leisure (Figure 4). Leisure is the primary objective of 30 percent of hotel guests, and

Figure 4. Hotel Visitors' Primary Reason for Visiting Tucson, 1995-96



another 14 percent are in Tucson to visit family and friends.

While they are here, hotel visitors enjoy a wide range of activities, but shopping, sightseeing and hiking are the most popular. Eleven percent of our visitors play golf while they are here. The most popular attractions for hotel visitors are the Arizona-Sonora Desert Museum, Saguaro National Park, Sabino Canyon, San Xavier Mission, Pima Air and Space Museum and Biosphere 2.

More than half of our hotel guests are return visitors, and 13 percent have returned at least five times. Once here, 81 percent say they plan to return. Most visitors generally like the area, the climate, and the friendly people. Few visitors indicate they dislike something about Tucson, but among those who do, traffic congestion and other transportation-related issues (such as street

lighting, rude drivers, and inadequate public transportation) are most frequently mentioned. A few visitors also dislike the urban sprawl and appearance of parts of Tucson.

Visitors learn about Tucson primarily from family and friends and through business or conventions. Nine percent learn about Tucson from guidebooks, and 13 percent learn of Tucson from brochures, magazines, newspaper articles, or TV and radio shows and advertisements. Once they are here, visitors strongly prefer to receive travel information through written materials and conversations with knowledgeable locals.

The following seven groups of hotel visitors are analyzed separately: international, resort, golf, over 60 years of age, business, leisure

and Gem and Mineral Show visitors. The same visitor may be included in more than one or these groups. Gem and Mineral Show visitor parties spend the most per room night (\$578); however, their spending figures include gem and mineral purchases. Aside from Gem and Mineral Show visitors, the highest expenditure per room night is for resort visitor parties (\$323) and golfers (\$299). Golfers spend twice as much during their stay as resort visitors because they stay more than twice as long. The seven groups enjoy the same attractions as other visitors, but there are some interesting differences. Resort visitors are more likely to visit the Downtown Arts District, and golfers and international visitors are more likely to visit Biosphere 2.

Tucson residents are hosts to approximately 1.4 million visitors in their homes. Private home guests are here an average of 7.5 nights and spend \$45 per party night. In all, private home visitors spend \$187 million in Tucson. Private home visitors come predominantly from Arizona and other western states (Table 3). Private

Table 3. Origin of Visitor Parties to Private Homes and Hotels, 1995-96

	Percent
Western states, excl. Arizona	31
Central states	18
Southern states	17
Arizona	15
Eastern states	9
International	10

home visitors are very well educated (59 percent hold bachelor's degrees or above).

In total, 2.5 million visitors come to Tucson each year and they stay a total of 8.9 million room/party nights (Table 4). Although the numbers of winter visitors are not large, the non-RV and RV

winter visitors account for 2.2 million party nights because they stay an average of four or five months.

In addition to the economic impact measured in this study, tourism provides other advantages to the community as well. Local residents enjoy the wide

variety of restaurants and recreational facilities that are available in Tucson. Tucson gets exposure through tourism that can result in firm relocations or new businesses created. In addition, firm recruitment and retention is facilitated by the quality of life that tourism helps to provide.

Table 4. Summary of Tucson's Overnight Visitors, 1995-96

Accommodation	Visitors	Visitor Parties	Room or Party Nights ^a	Total Visitor Expenditures	Percentage of Total Expenditures
Hotels	1,105,000	533,000	2,772,000	\$604,100,000	66
Private homes	1,361,000	523,000	3,936,000	\$187,300,000	21
Non-RV winter visitors	11,000	5,000	861,000	\$61,400,000	6
RV winter visitors ^a	22,000	11,000	1,344,000	\$56,000,000	7
Total	2,499,000	1,072,000	8,913,000	\$908,800,000	100

^a Figures are room nights for hotel visitors and party nights for other overnight visitors.

Introduction

The Tucson metropolitan area attracts tourists from around the world to enjoy the climate, the beautiful Sonoran Desert and the majestic mountains that ring the city. Tourists help to create jobs and other economic opportunities for Tucsonans who work in virtually all economic sectors. This is the first study of Tucson designed to estimate the total number of overnight visitors and overnight visitor parties that come to the Tucson area and measures the level of their spending. Overnight visitor spending is presented by season, by type of accommodation, and by broad expenditure categories. Total overnight visitor expenditures and the categorical breakdowns are used to estimate economic and revenue impacts on the Tucson economy. In addition, various characteristics of Tucson visitors are identified and described.

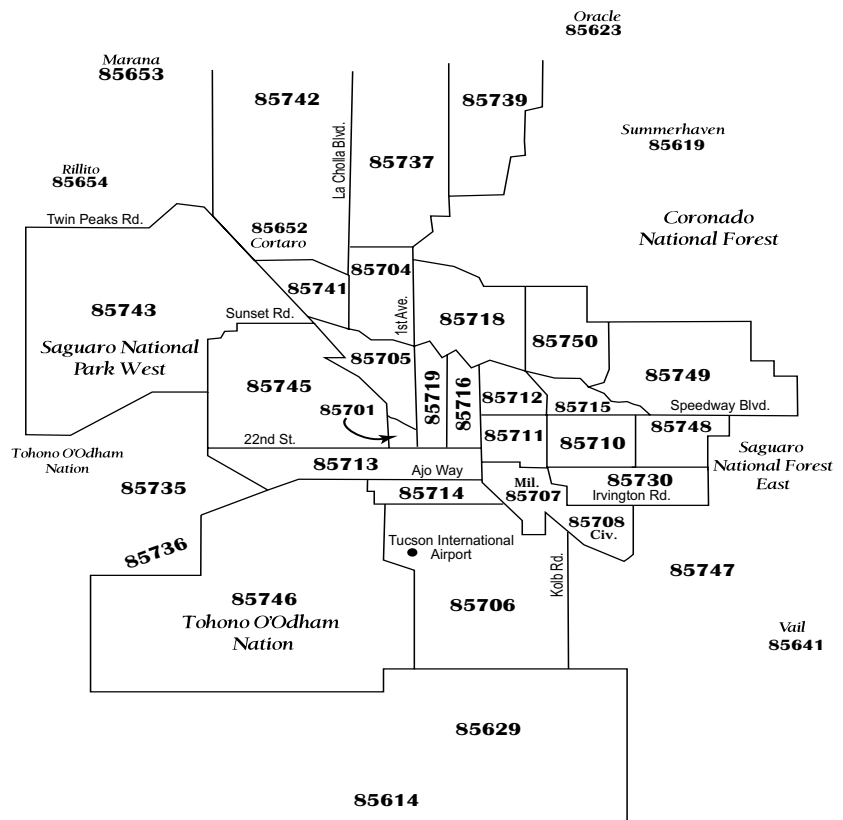
In this study, the word *tourism* includes all visitors who spend the night in the Tucson urbanized area, regardless of the purpose of their trip. Thus, tourists include business travelers as well as sightseers and vacationers. Since tourists were identified and surveyed where

they stayed, only those who spend the night are measured in this study; the expenditures and visitor figures presented exclude: day-trip visitors from other parts of Arizona and Sonora, Mexico; and visitors passing through who stop for gasoline, food, or for sightseeing but do not spend the night.

Assessment of total tourism requires a geographical boundary. Since a tourist is defined as a visitor from outside the

area, a clear and precise definition of the area of study is required. For this study, the urbanized area of Pima County is used. The Greater Tucson area includes the cities of Oro Valley, Marana, Tucson, South Tucson, and Sahuarita as well as the unincorporated areas surrounding these cities. Specifically, the urbanized area is defined to be all 857- zip code areas and 856- zip code areas ending in 14, 19, 23, 29, 41, 52, 53, and 54 (Figure 5).

Figure 5. Tucson Area Zip Codes



A thorough assessment of tourism also requires a breakdown of tourism into categories that provide complete coverage of tourism, do not overlap or duplicate one another, and can be sampled and generalized to determine the total number of tourists and their expenditures. For this study, tourists are categorized by the following types of accommodations:

- ❖ Visitors staying in hotels, motels, resorts, and bed and breakfasts (**hotel visitors**)
- ❖ Visitors staying in private homes (**private home visitors**)
- ❖ Visitors staying in apartments, condominiums or single-family residences (**non-RV winter visitors**)
- ❖ Visitors staying in recreational vehicles or trailers (**RV winter visitors**).

Three surveys were conducted to assess the first three types of visitors. Data for the fourth type of accommodation was obtained from Arizona State University. A random survey of visitors who stayed in hotels and other lodgings was conducted.

This was done by first selecting a random sample of hotels, stratified by room cost. Then The University of Arizona students visited these hotels on a monthly rotating schedule and either interviewed visitors in person or handed out surveys that were to be mailed back. The second two groups of visitors were reached through a combination of random telephone and random mail surveys. Survey data were collected monthly throughout the period of investigation, which was August 1995 through July 1996. A more detailed description of the survey methodology is contained in Appendix A.

Hotel visitor travel data were analyzed by travel seasons. For the purpose of this study, months were grouped into seasons that are consistent with travel patterns to Tucson. The following seasons are used in this study:

- ❖ **Peak:** January, February, March, April, May
- ❖ **Low:** June, July, August, September

- ❖ **Shoulder:** October, November, December

For part of the analysis, tourists are disaggregated by region. For purposes of disaggregation, the United States is divided into the following four major regions:

- ❖ **Eastern Region:** Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania
- ❖ **Southern Region:** Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas
- ❖ **Central Region:** Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas
- ❖ **Western Region:** Arizona, California, Alaska, Hawaii, Washington, Oregon, Nevada, Utah, New Mexico, Colorado, Wyoming, Idaho, Montana.

Economics and Revenue Impacts

Total Overnight Visitor Expenditures

Total expenditures by accommodation of visitor are presented in Table 5. Total estimated tourism expenditures for visitors that spend the night are \$908.8 million. Visitors staying in private homes spend 20.6 percent, and winter visitors are estimated to spend almost 13 percent of the total. Non-resort and resort hotel visitors account for a total of 66 percent of the total expenditures estimated in this report. Resort hotel visitors spend almost a third of the total hotel and

resort visitor expenditures. The methodology for estimating total expenditures is in Appendix B.

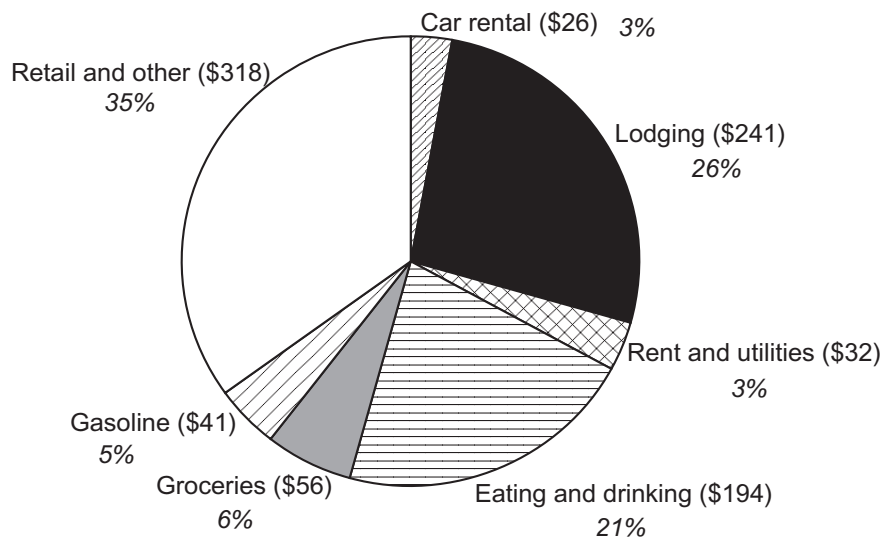
Total overnight visitor expenditures, by category, are summarized in Figure 5. Overall, lodging represents approximately 26 percent of total Tucson visitor expenditures and restaurants and bars account for 21 percent. The "other" category is large for Tucson be-

Table 5. Expenditures Summary for Tourism, 1995-96, by Accommodations

Expenditure	\$millions	Percent
Non-resort hotels	409.8	45.0
Resort hotels	194.3	21.4
Private homes	187.3	20.6
Winter visitors - non-RV	61.4	6.2
Winter visitors - RV and trailer ^a	56	6.8
Total	908.8	100

^a Winter visitors RV and Trailer data were obtained from *Arizona Business*, Center for Business Research, College of Business, Arizona State University, Volume 43, No. 8, August 1996, pp. 1-4.

Figure 6. Expenditure Summary for Tourism, 1995-96, by Category^a



^a Category breakdown for winter visitors who stayed in RVs or trailers was based on a 1994 survey of Phoenix winter visitors, conducted by the Center for Business Research, College of Business, Arizona State University.

cause, in addition to the typical tourism spending on souvenirs, clothing, and recreational activities, it includes large items such as art work, an occasional automobile or RV, or purchases at the Gem and Mineral Show.

Economic Impacts

To estimate what effect tourism has on the overall economy of the Tucson area, an input-output or interindustry model of Pima County was used. Input-output models are used to estimate multipliers, or what are known as **direct**, **indirect** and **induced** impacts or effects. In this case, the direct effects are the sales, income, employment, employee compensation, and value added generated directly

by the tourist dollars, such as hotel, restaurant and bar jobs and wages. **Indirect** impacts are the sales, income, employment, employee compensation and value added that result from other firms in the local economy selling to the tourism industry, such as towel or laundry services, food and liquor distributors, and wholesalers. **Induced** effects or impacts are the sales, income, employment, compensation and value added created as workers in the other two categories spend their wages and salaries in Pima County.

The input-output model used in this analysis is called IMPLAN (Input-Output Model for Planning and Analysis). Originally designed by the U.S. Forest Service, IMPLAN was further developed at the University of Minnesota, and a private firm is currently maintaining the model and updating the data sets necessary to run the model. In this study, the 1993 IMPLAN model was used to estimate economic impacts. The model provides a snapshot of Pima County's economy at one point in time. The impacts it estimates are medium-run impacts (impacts that might be expected to occur within five years of a shock to the economy). The model breaks the region's economy into 528 sectors with the most detail in manufacturing and less detail in service-oriented sectors. The model was modified

in the following way: an alternative method for computing induced effects was developed to correct a flaw in the IMPLAN model. A detailed description of this method is available from the authors.

Total expenditures by category in Figure 5 were used to assess the economic impacts of tourism on the Tucson area. Prior to entering these figures into the input-output model, a downward adjustment was made to the "other" expenditure category. The adjustment reflects a portion of the Gem and Mineral Show purchases that have little or no impact on the local economy because they are sales to Gem Show vendors from outside the Tucson area.

Total economic impacts are reported in Table 6. The \$909.8 million in tourism expenditures translates into direct economic impacts of \$619.2 million value added, total income of \$515.2 million, \$384.1 million in employee compensation, and 25,700 wage and salary jobs. Value added, a measure of the value of all goods and services produced by the tourism industry, is smaller than total sales

because it excludes the cost of materials and supplies purchased by the industry. Total income consist of what is paid to employees and to owners of businesses. Employee compensation represents only money paid to employees in the tourism industry; it excludes money accruing to owners of tourist attractions, hotels, etc. The dollar figures cannot be summed because total sales already contains value added. Value added contains total income. Employee compensation is a component of total income.

When indirect and induced effects are calculated and added onto the direct effects, the total economic impacts are \$1.54 billion in total sales, \$1.03 billion in value added, almost \$876 million in total income, and \$597 million in employee compensation. The number of wage and salary jobs generated directly, indirectly or induced by the tourism industry in Tucson totals 36,500, which is 12 percent of all wage and salary jobs in Pima County. Note that the job figure includes both part-time and full-time jobs, which is consistent with the

Table 6. Economic Impacts of Tourism, 1995-96

	Sales	Value Added	Total Income	Employee Compensation	Jobs
	(\$ million)				
Direct	908.8	619.2	515.2	384.1	25,700
Indirect and induced	630.9	407.6	360.7	213.1	10,800
Total	1,539.7	1,026.8	875.9	597.2	36,500

Table 7. Employment Impact of Tourism, by Sector, 1995-96^a

Category	Direct Job Impact	Percent	Induced and Indirect Impact	Total Job Impact	Percent
Agriculture	0	0	200	200	1
Mining	0	0	0	0	0
Construction	0	0	300	300	1
Manufacturing	0	0	1,000	1,000	3
Transport., comm., and utilities	100	0	600	700	2
Trade	18,300	71	2,600	20,900	57
Finance, insurance and real estate	0	0	1,200	1,200	3
Services	7,300	29	4,900	12,200	33
Total	25,700	100	10,800	36,500	100

^a Figures may not add due to rounding.

number of jobs reported by the U.S. Bureau of Economic Analysis, the U.S. Department of Commerce, and the Arizona State Department of Economic Security.

Wage and salary job impacts are disaggregated into nine major economic sectors in Table 7. Other than small numbers of jobs in transportation, communications and utilities, direct job impacts occur in the trade (wholesale and retail) sector and the service sector. Most tourism purchases, such as souvenirs, apparel, books, etc., as well as groceries and restaurant purchases, are included in the trade sector. Restaurant jobs are 6,200 out of the 18,200 direct trade jobs. Hotel jobs represent almost all (94 percent) of the direct job impact on services.

When multiplier effects are added to the direct job impacts, additional jobs are

added to both services and trade. When total jobs are considered, 57 percent are in the trade sector and 33 percent are in services. The multiplier creates wage and salary jobs in other major economic sectors as well, including construction; manufacturing; finance, insurance and real estate; and transportation, communications and utilities.

Revenue Impacts

Revenue impacts associated with overnight tourism are computed using the Pima County Tax Revenue Model. This model is an extensive spreadsheet that embodies state and local tax rates; state to local revenue-sharing formulas; current and recent tax collections from a variety of revenue sources for the city, county and state; parameters derived from economic theory and analysis; and

state, county and local economic characteristics, such as population, employment, and income. By inputting tourist expenditures and total wages generated by the tourism industry, the revenue model computes several categories of revenues that accrue to the State of Arizona, Pima County and City of Tucson governments. The model does not calculate revenues that accrue to local school districts, local special

districts, or other incorporated areas in Pima County. A detailed description of the Pima County Revenue Model is available from the authors.

The model computes both **direct** and **induced** revenue impacts. **Direct** revenue impacts are revenues paid by the tourists themselves. Tourists make purchases and expenditures that generate revenue dollars to the City of Tucson, Pima County and the State of Arizona. While **direct** revenues are generated by the industry being analyzed, **induced** revenues are generated when local income or wages are spent in the county. When an industry hires workers, the payroll is spent and taxes are paid in the form of income taxes, sales taxes, property taxes, vehicle license taxes, etc. In addition, when a basic industry, such as tourism, expands, the output and work force of other industries that sell to

Table 8. Tourism-Related Induced Revenue Impacts, 1995-1996

	Direct	Induced
State revenues (retained by state)	— (\$ million) —	
Income tax	-	14.7
Sales tax	27.0	14.1
Highway User Revenue Fund	2.9	2.8
Vehicle license tax	-	0.8
Property tax	-	0.5
Total state revenues	29.9	32.9
Pima County revenues		
State shared sales tax	3.7	2.7
State shared Highway User Revenue Fund	1.8	1.3
Vehicle license tax		0.5
Property tax		5.3
County Cactus League surtax	0.4	
1% County hotel/motel tax	1	
Total Pima County revenues	6.9	9.9
City of Tucson revenues		
Urban revenue sharing ¹		2.1
State shared sales tax	0.6	1.7
State shared Highway User Revenue Fund	1.7	2.1
Vehicle license tax		0.5
Property tax		0.6
City sales tax ²	11.1	5.3
City bed surtax (\$1/room night)	1.8	
Total City of Tucson revenues	15.2	12.3
¹ The impact associated with urban revenue sharing will have a two year lag from the commencement of the project.		
² City sales tax includes 4 percent transient occupancy tax on hotel and motel room receipts.		

the basic industry also expand. Workers in these technically linked industries also spend their money in the community and generate revenues. The revenues associated with the total change in wages effected by tourism are **induced** revenues.

Another type of **induced** revenues is associated with population change. Certain revenue-sharing formulas are dependent on the population counts within the

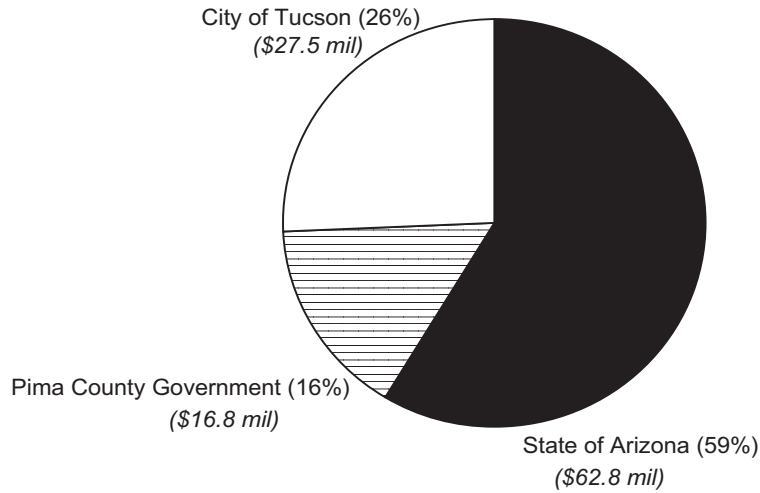
city or county. When population changes, it affects the amount of revenues received by the city or county from the following sources: the Urban Revenue Sharing Fund, the Highway User Revenue Fund, and state-shared sales tax revenues. When jobs are lost or gained, population either immigrates or out-migrates in the long run as the labor market adjusts to the new employment level. The revenue model is designed to

adjust revenue-sharing formulas to control for implied changes in population that are associated with changes in jobs. For tourism, a level of employment estimated for the low season was entered into the revenue model under the assumption that some tourism jobs are year-round while others are seasonal. Seasonal jobs tend to be filled with second-job holders or with seasonal workers, who are less likely to be considered full-year residents of the area.

Tourism-related direct revenue impacts are presented in Table 8. The State of Arizona receives almost \$30 million directly from tourism expenditures. Pima County receives almost \$7 million and the City of Tucson receives \$15.2 million. The largest direct revenue sources for all levels of government are associated with the city sales tax and the state sales tax, which is also shared with Pima County and the City of Tucson. Smaller amounts of revenue are generated by HURF, the County Cactus League surtax on rental car transactions, the county's hotel/motel tax and the city's bed tax. For readers unfamiliar with Arizona's tax structure, a brief description of revenue sources is in Appendix C.

Induced revenues, generated through employee spending and spending formulas that include population, are also presented in Table 4. The State of Arizona receives almost \$33 million in induced revenues from Tucson tourism,

Figure 7. Tourism Revenue Summary for Fiscal 1996



while Pima County receives \$9.9 million and the City of Tucson receives \$12.3 million.

Revenues are summarized in Figure 6. Tucson tourism generates an estimated \$107.1 million in revenues to the State of Arizona, Pima County and the City of Tucson. Of this, \$16.8 million accrues to Pima County government and \$27.5 million to the City of Tucson. The City of Tucson collected \$278.4 million in taxes and state shared revenues in fiscal 1995-96. Overnight visitor revenues are close to 10 percent of this amount.

Hotel Visitors

Expenditures and Parties

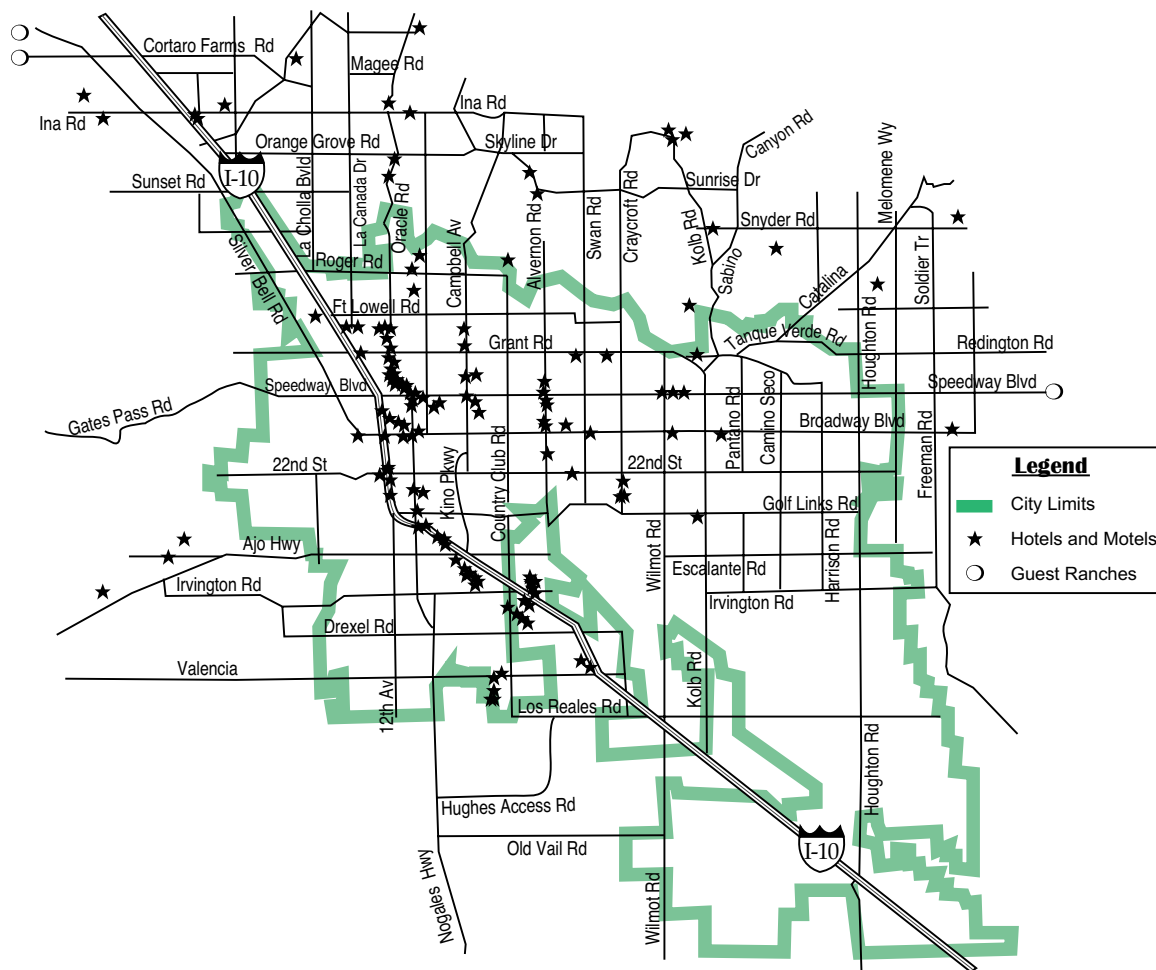
There are more than 12,300 hotel rooms in the Tucson Metropolitan area. Sixty-eight percent are within the City of Tucson and 32 percent are in the smaller sur-

rounding communities or in the unincorporated area (Figure 8). Approximately 17 percent of hotel rooms are at resorts, which are predominantly outside the city limits of Tucson. The large number of hotel rooms in a community of fewer

than 800,000 residents and the high percentage of resort-quality rooms highlight the importance of hotel visitors to the local community.

Hotel visitors' expenditures by category are presented in

Figure 8. Tucson Metropolitan Area Lodging, 1995-96



Source: Redrawn by Linda Taber, Department of Agricultural and Resource Economics, The University of Arizona, 1997. Original version drawn by: City of Tucson and Metro Tucson Convention & Visitors Bureau

Figure 9. Hotel Visitors' Expenditures by Category, 1995-96

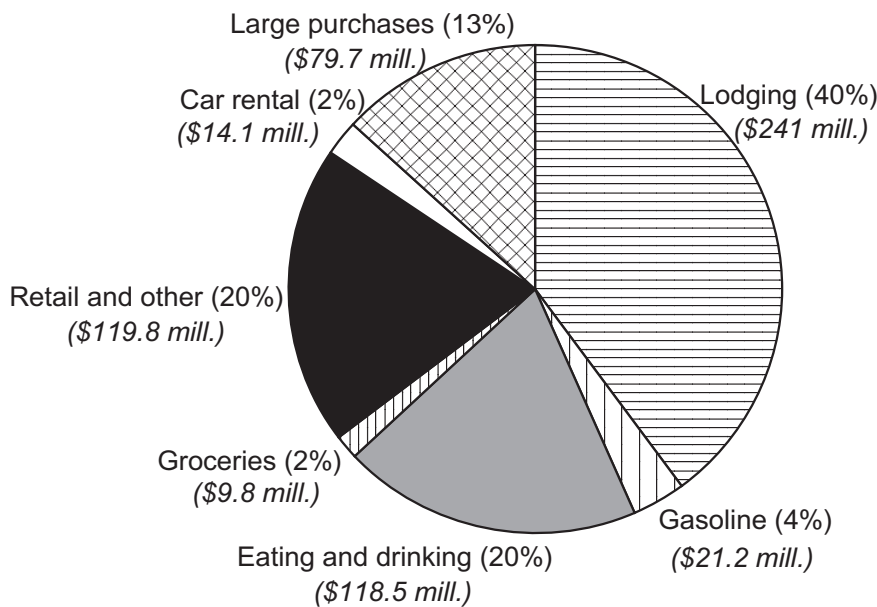


Figure 9. Almost 40 percent of their spending is for lodging and 20 percent is for eating and drinking. The retail and other category includes typical tourist purchases such as entrance fees, art, books and apparel. Large purchases includes items such as automobile and gem and mineral purchases. The purchases most frequently made are listed in Table 9.

Table 9. Hotel Visitors Making Selected Purchases, 1995-96

	Peak	Low	Shoulder	Total
	(percent)			
Restaurant purchases	99	99	98	99
Gasoline	81	76	74	78
Groceries	38	33	25	33
Entrance fees, donations	32	22	23	27
Apparel	25	24	24	25
Books	19	16	11	16
Art	13	11	13	13
Crafts	16	9	11	13
Transportation, e.g., taxis, bus	11	14	7	11
Miscellaneous	28	25	24	26
No. of observations	693	530	343	1,566

Total expenditures for the hotels, by season, are shown in Table 10. Approximately 55 percent of total hotel visitor expenditures occur in the five-month peak season, 23 percent in the four-month low season, and 22 percent in the three-month shoulder season. To control for the differing season lengths, the seasonal expenditures are also presented on a per month basis. The per month peak season hotel visitors' expenditures are almost double those of the low season.

Table 10. Hotel Visitors' Expenditures by Season, 1995-96

	Amount	Percent	Per Month
	(\$million)		(\$million)
Peak	335.8	55	67.2
Low	137.1	23	34.3
Shoulder	131.1	22	43.7
Total	604.1	100	

Table 11 presents hotel visitor numbers by season. Approximately 46 percent of all visitors come in the five-month peak season and 26 to 28 percent come in both the four-month low season and the three-month shoulder season. The typical stay is over five days in the peak and low seasons but less than

Table 11. Estimated Hotel Visitor Numbers, 1995-96

	Peak	Low	Shoulder	Total
Total visitors	496,000	313,000	296,000	1,105,000
Total visitor parties	246,000	140,000	148,000	533,000
Percent of visitor parties	46%	26%	28%	100%
Total room nights	1,304,000	781,000	636,000	2,722,000

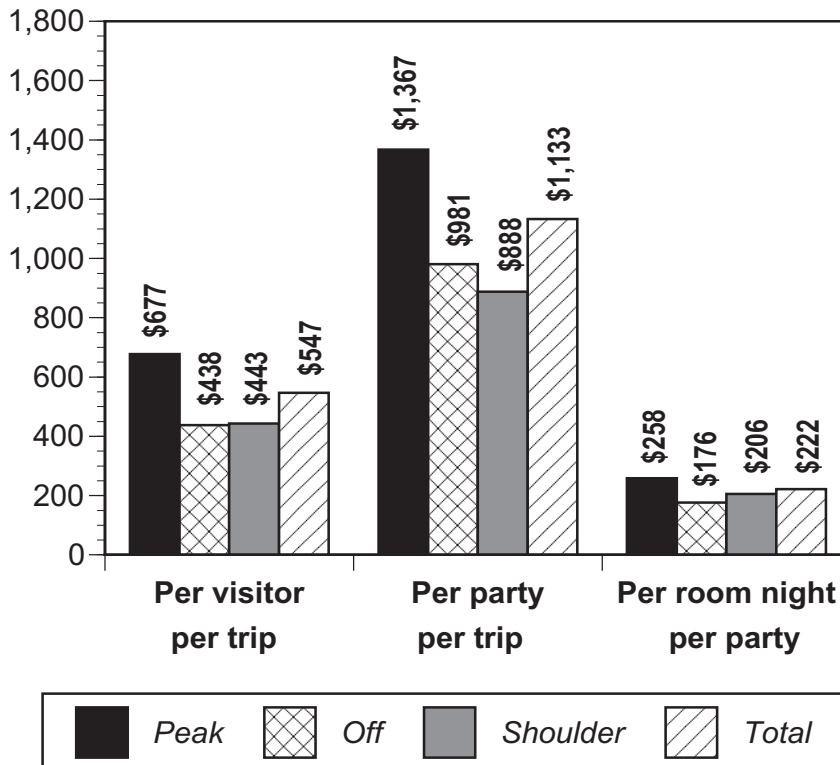
four days in the shoulder season (Table 12). Nights spent in Tucson represent under 40 percent of total nights spent on a visitor's trip. There is an average 2.07 persons per party.

Table 12. Summary Statistics on Hotel Visitors, 1995-96

	Peak	Low	Shoulder	Total
People per party	2.00	2.24	2.01	2.07
Average nights in Tucson	5.46	5.11	3.54	4.84
Average nights on trip	14.33	13.52	8.41	12.48
Average room nights per party	5.50	5.59	4.31	5.19

Figure 10 demonstrates expenditures per visitor, per party, and per room night. In the peak season, expenditures per party are \$1,367 during their stay in the Tucson Metropolitan Area. Expenditures per room night in the peak season exceed expenditures per room night in the low season by almost 50 percent. On average, each visitor spends \$547 on a five-night visit.

Figure 10. Average Expenditures for Hotel Visitor, 1995-96



Hotel visitors' expenditures and visitor parties, by origin, are presented in Table 13. Although other Arizonans represent over 16 percent of the visitor parties, their expenditures are only four percent of the total. Visitors from other western states contributed almost 30 percent of total expenditures. Most of the West's visitor expenditures derive from Californians, who account for almost 14 percent of total hotel visitors' expenditures. Visitors from southern states spend almost \$140 million in Tucson (23 percent of

Table 13. Hotel Visitor Expenditures by Origin of Visitor, 1995-96

Regions	Expenditures		Visitor Parties
	(\$million)	(percent)	(percent)
Arizona	25.7	4.3	16.3
West, excl. AZ	178.1	29.5	28.3
South	138.6	22.9	18.3
Central	91.5	15.1	17.3
East	76.9	12.7	9.5
Foreign	93.3	15.5	10.3
Total	604.1	100.0	100.0
Subregions			
California	83.8	13.9	15.8
Canada	13.2	2.2	3.3
Texas	39.2	6.5	5.1

Figure 11. Expenditures of Hotel Visitors by Mode of Transportation, 1995-96

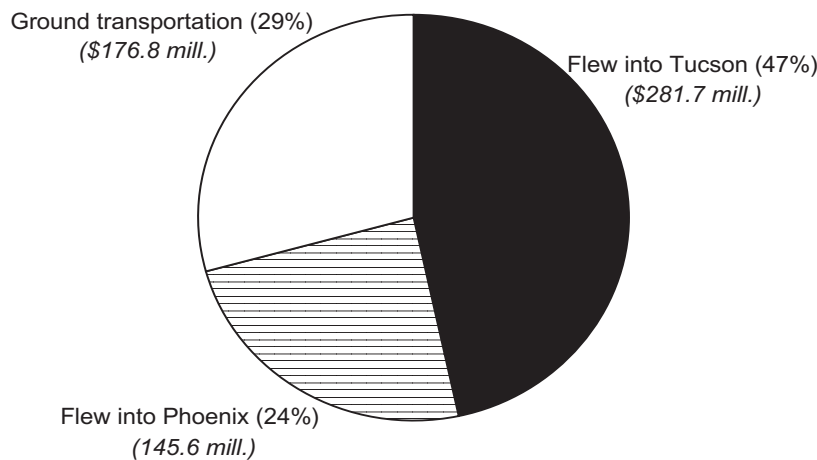


Table 14. Hotel Visitor Parties by Mode of Transportation, 1995-96

Transportation Mode	Peak	Low	Shoulder	Total
	(percent)			
Flew into Tucson or Phoenix	57	48	51	53
Arrived via ground transportation	43	52	49	47
Specific modes used:				
Flew into Tucson	41	30	33	36
Flew into Phoenix	17	18	18	18
Drove own car	31	39	36	34
Drove rental car	26	21	21	24
Drove own RV	2	2	4	2
Drove rental RV	1	4	5	3
Rode shuttle	0	1	1	0
Rode bus/train	1	1	0	1
Other	4	6	4	5

total expenditures). Californians and visitors from the central United States are below-average spenders since their percentage of expenditures is lower than their percentage of parties. The highest spenders, per party, are foreign visitors. Their expenditures are 15.5 percent of the total. They represent 10.3 percent of visitor parties.

Visitors who fly into Tucson account for almost half (47 percent) of all expenditures made by hotel visitors (Figure 11). Approximately 29 percent of hotel visitors' expenditures are made by persons arriving by ground transportation. A significant amount (24 percent) of Tucson hotel visitors' expenditures are made by persons who fly into Phoenix and then drive to Tucson. The number of direct flights to Tucson has grown, probably adding to the numbers of people flying to Tucson, but the area still depends heavily on Phoenix International Airport. In addition, for visitors planning to see several parts of Arizona, Phoenix is the natural starting point for their travel due to its central location.

While Figure 11 presents expenditures broken down by mode of transportation, Table 14 provides a more detailed breakdown of traveling parties by mode. More than half (53 percent) our

visitor parties fly into Arizona. Of those that arrive via ground transportation, only one percent arrive by bus or train.

Visitor Characteristics

Tucson appears to be an adult tourist destination; only seven percent of Tucson visitors are children under 18 years of age (Figure 12). Children are more likely to accompany their parents in the summer when school is not in session. Seniors make up a disproportionate share (25 percent) of tourists, even if the percentages are adjusted to account for the low number of children.

Tucson visitors to hotels are extremely well educated (Table 15). Sixty-four percent have bachelor's degrees, master's degrees or above, which is almost three times the national attainment rate. The extremely high educational attainment of hotel visitors is mirrored in the household income levels in Figure 13. A quarter of hotel visitors earn in

Figure 12. Age Distribution of Hotel Visitors, 1995-96

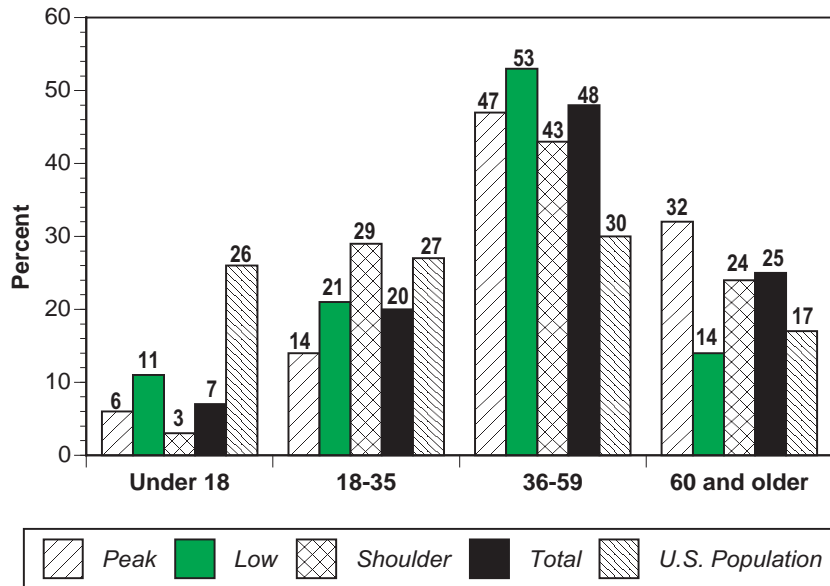


Figure 13. Household Income Distribution of Hotel Visitor Parties, 1995-96

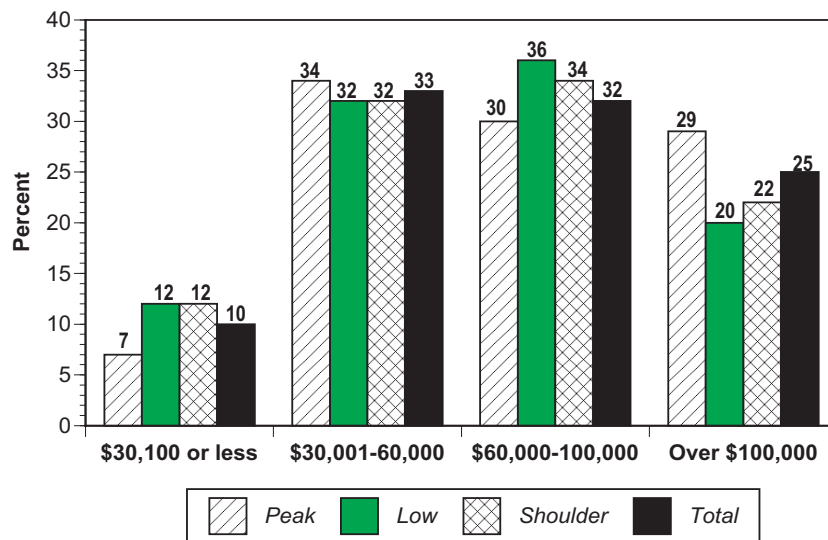


Table 15. Education of Hotel Visitors Over 21 Years of Age, 1995-96

	Peak	Low	Shoulder	Total	U.S. Avg.
	(percent)				
Less than a high school graduate	2	1	2	2	19
High school graduate	21	19	29	23	52
Associate degree	10	12	10	11	7
Bachelor's degree	44	38	39	40	15
Master's degree or equivalent	17	22	15	18	
Doctorate or equivalent	6	8	5	6	7 ^a

^a The 7 percent under U.S. average is the total percent with a masters or higher degree.

Table 16. Occupations of Hotel Visitors Over the Age of 21, 1995-96

	Peak	Low	Shoulder	Total
	(percent)			
Retired	33	12	20	23
Manager	28	20	15	23
Professional	19	21	24	21
Service	1	15	2	5
Crafts/repair	2	3	11	5
Government service	2	5	6	4
Technical sales	2	6	5	4
Clerical	2	4	4	3
Student	2	5	4	3
Machine operator/laborer	1	2	2	1
Business owner/self-employed	1	1	1	1
Other	6	5	7	6

Table 17. Composition of Hotel Visitor Parties, 1995-96

	Peak	Low	Shoulder	Total
	(percent)			
Couple	54	49	55	53
Traveling alone	20	27	23	23
Traveling with own children	10	26	11	15
Traveling with business associates	13	13	13	13
Traveling with friends	12	13	8	11
Traveling with other relatives	8	10	7	8
Traveling on a tour	1	3	0	1
Other	2	1	2	1

Table 18. Hotel Visitor Parties with Members of the Following Race and Ethnicity, 1995-96

	Peak	Low	Shoulder	Total
	(percent)			
White	96	89	93	93
African American	2	6	2	3
Asian American	2	4	2	3
Hispanic	3	8	6	5
American Indian	1	2	2	1
Other	2	4	1	2

Table 19. Citizenship of Hotel Visitors Parties' Member, 1995-96

	Peak	Low	Shoulder	Total
	(percent)			
U.S. citizen	89	92	91	90
Foreign citizen	12	15	15	13

excess of \$100,000 per year. In all, 57 percent of hotel visitors earn in excess of \$60,000, which is almost double the U.S. median household income of \$31,200.

Most of the nonretired Tucson hotel visitors are either managers (23 percent) or professionals (21 percent) (Table 16). Tucson hotel visitors who identify themselves as retired are very selective as to the season they visit; they comprise 33 percent of hotel visitors in the peak season but only 12 percent in the low season.

Hotel visitors are likely to be couples (53 percent) or traveling alone (23 percent) (Table 17). Comparatively fewer hotel visitors stay in Tucson hotels with children, with business associates, with friends or with other relatives.

Seven percent of Tucson hotel visitor parties include ethnic or racial minorities (Table 18). The parties with minority members who visit Tucson primarily in the summer and, to a lesser extent, in the shoulder season. Thirteen percent of hotel visitor parties report having a foreign citizen among their members (Table 19). Foreign citizens are somewhat more likely to visit in the low and shoulder seasons.

**Table 20. Interests of Hotel Visitor Parties
by Season, 1995-96**

	Peak	Low	Shoulder	Total
	(percent)			
Outdoor recreation	43	40	45	43
Shopping	35	46	43	40
Books	35	37	35	36
Music	27	33	37	31
Golf	25	36	28	29
Photography	27	28	25	27
History	18	27	25	22
Conservation/nature tourism	22	20	19	21
Fitness	17	24	21	20
Computers	17	25	19	20
Gardening	24	19	16	20
Gourmet food	19	19	19	19
Team sports	13	18	21	17
Antique collecting	16	15	14	15
Movies	11	16	17	14
Crafts and art	15	15	12	14
Rock collecting	18	9	7	13
Gambling	11	14	15	13
Angling/fishing	11	14	17	13
Collecting	16	9	8	12
Snow skiing	10	14	14	12
Boats	8	17	13	12
Religion	13	11	10	12
Art	11	12	12	11
Night clubbing	7	17	12	11
Water sports	8	19	9	11
Hunting	5	11	8	8
Horseback riding	6	10	8	8
Vegetarian food	9	9	7	8
Dance	5	9	8	7
Flight	4	8	4	5
Astronomy	5	6	4	5
Video games	3	8	2	4
Other	9	5	8	7

Hotel visitors have numerous and extensive interests (Table 20). Peak season visitors are predominantly interested in outdoor recreation; their other interests are cited less often. Low-season and shoulder-season visi-

tors tend to have extremely broad interests and are more interested in shopping and music than peak season visitors. The high percentage of peak-season visitors who are interested in rock collecting and collecting in general is un-

doubtedly due to the Gem and Mineral Show.

Hotel visitors are most likely to learn about Tucson from family and friends or through business or attending a convention (Figure 14). Nine percent learned of Tucson through a guidebook and another 13 percent discovered Tucson through brochures, magazine or newspaper articles and advertisements, or TV or radio news or advertisements. Since some of the hotel visitors learned about Tucson from more than one source, the sum of persons using brochures, magazines, newspapers, TV and radio news and advertisements is greater than 13 percent. Four percent of hotel visitors learn of Tucson through The University of Arizona.

The types of travel information most frequently used by hotel visitors are maps and brochures (Figure 15). Books, guides, newspapers and magazines are also used frequently. Visitor centers are cited by one out of every seven visitors. Hotel visitors strongly prefer to receive travel information through written materials or through conversations with knowledgeable local people (Figure 16).

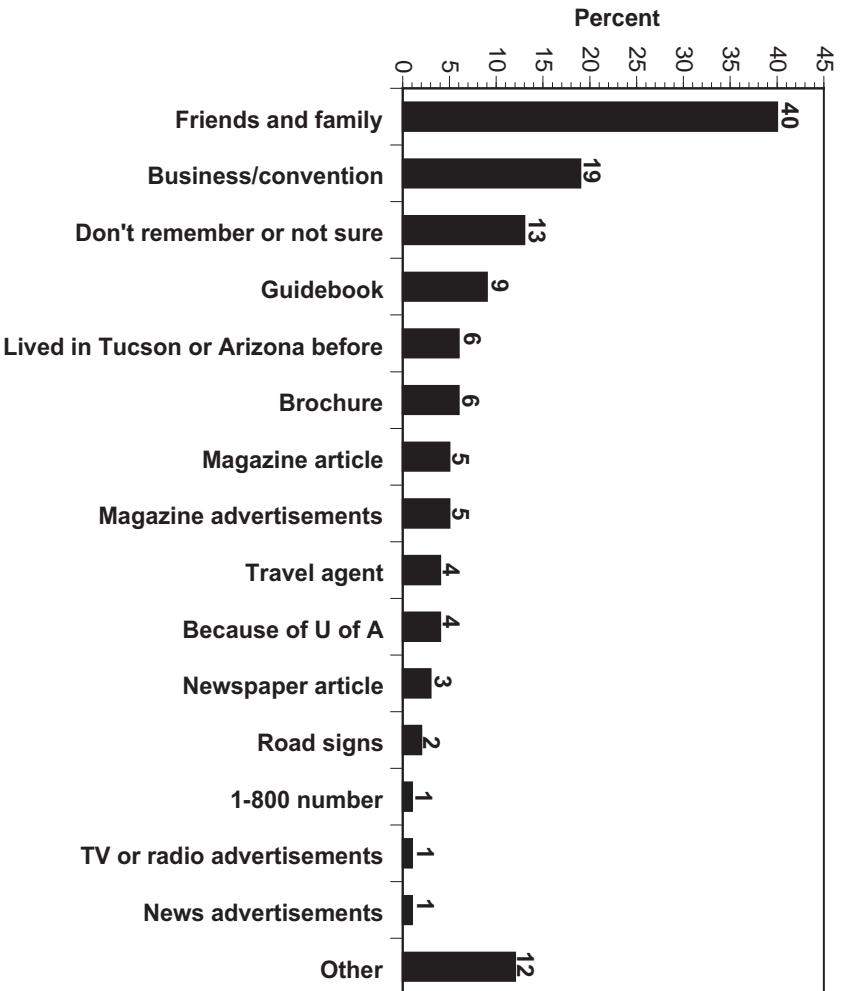


Figure 14. How Hotel Visitors Learned About Tucson, 1995-96

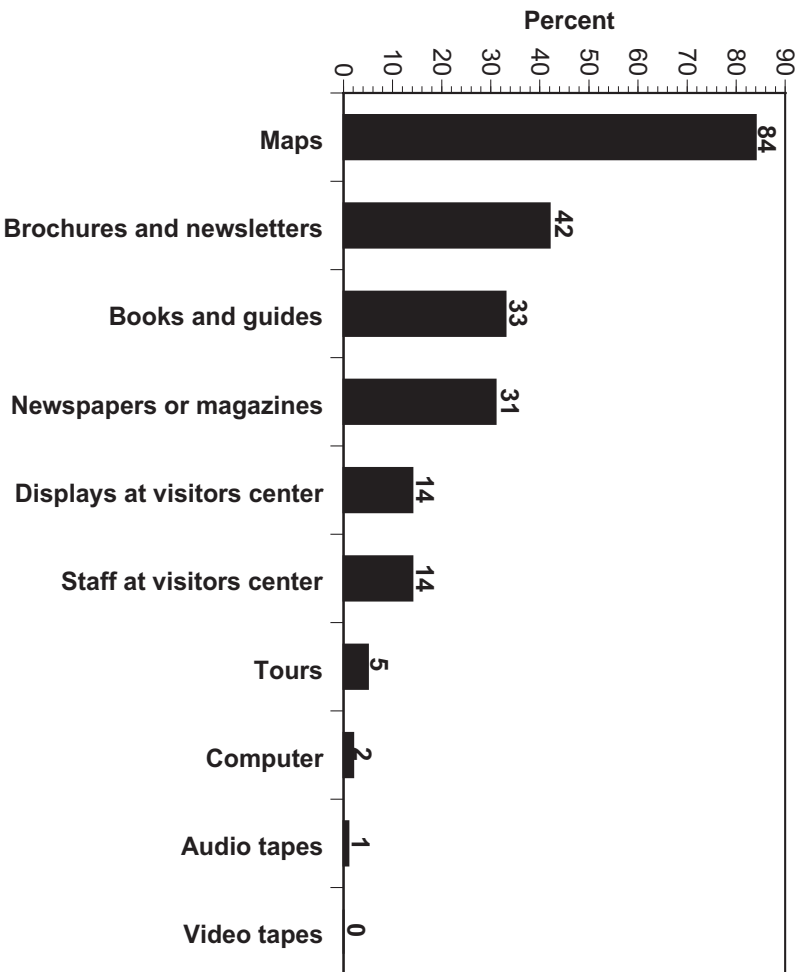


Figure 15. Types of Travel Information Used by Hotel Visitors, 1995-96

Figure 16. How Hotel Visitors Prefer to Receive Travel Information, 1995-96

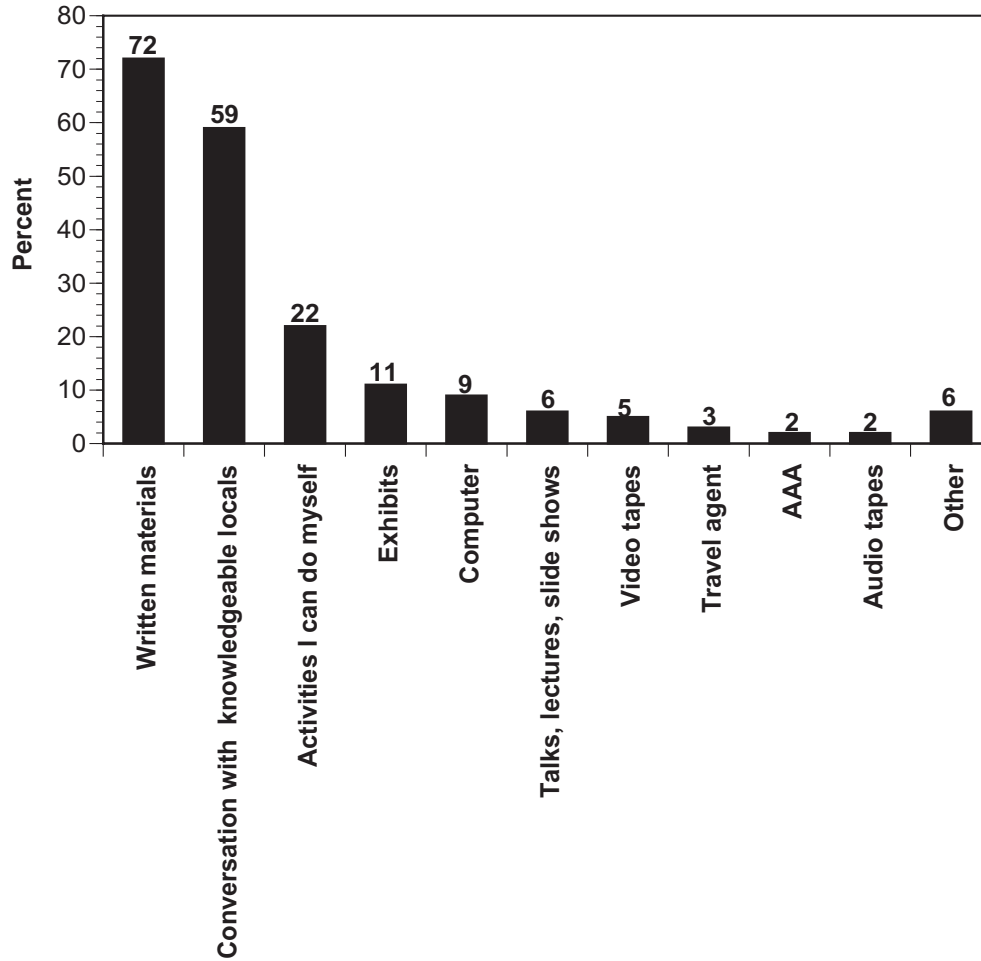


Figure 17. Hotel Visitors' Reasons for Coming to Tucson, 1995-96

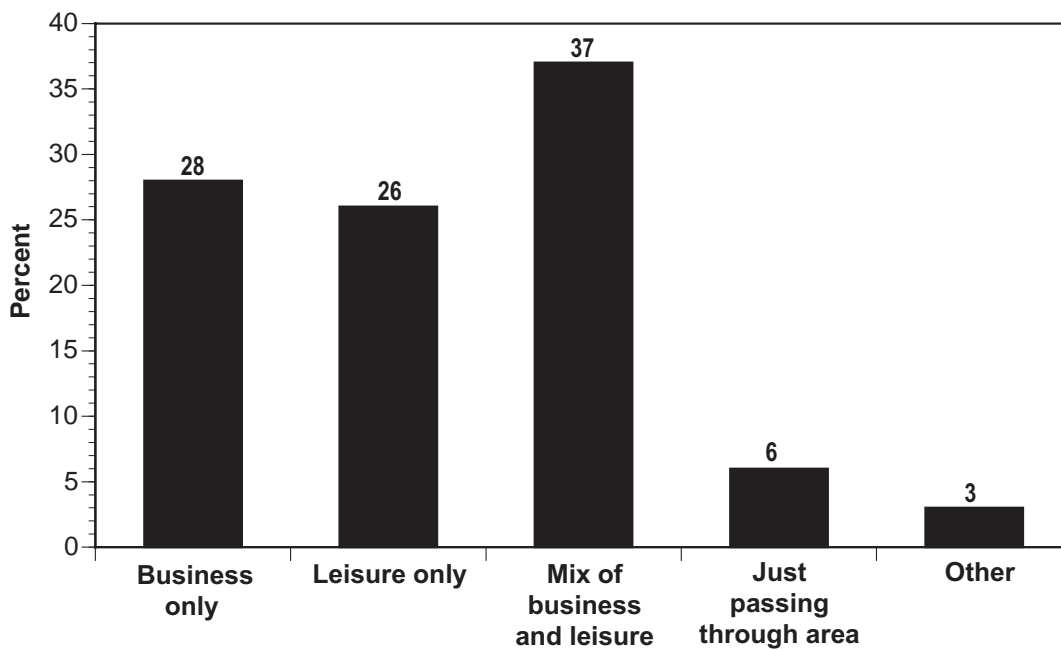
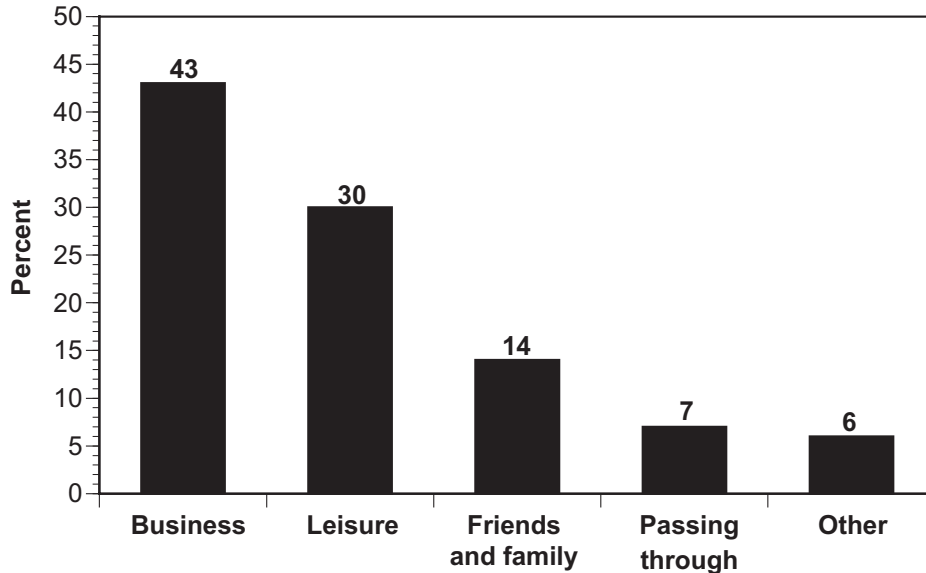


Figure 18. Hotel Visitors' Primary Reason for Visiting Tucson, 1995-96 **Trip Characteristics**



Approximately 28 percent of visitors to Tucson hotels come only for business purposes (Figure 17). Business travelers exceed in number the visitors who come here for leisure only. Thirty-seven percent are able to combine business and leisure. When visitors are asked about their primary reason for visiting Tucson, business is cited by 43 percent of hotel visitors (Figure 18).

Figure 19. Hotel Visitor Parties by Number of Trips to Tucson, 1995-96

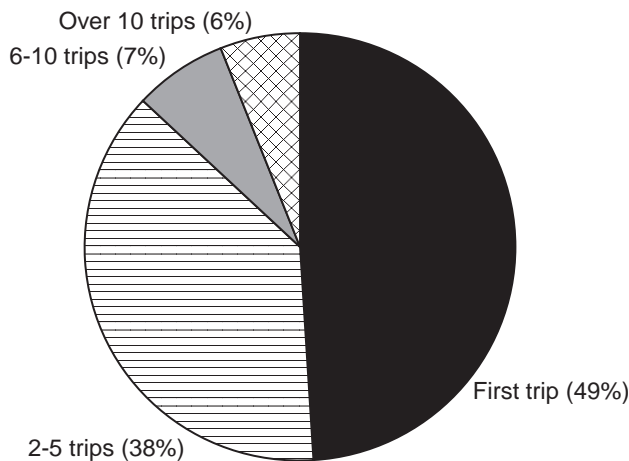
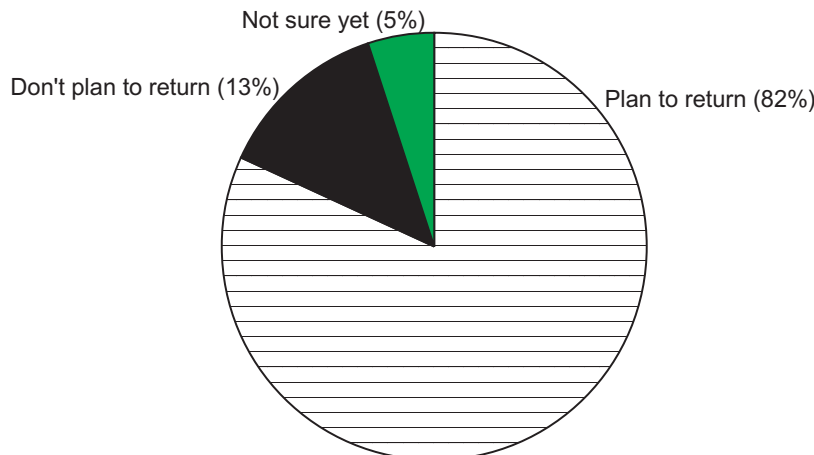


Figure 20. Hotel Visitor Parties by Plans to Return to Tucson, 1995-96



Although it is the first trip for almost half (49 percent) of Tucson's hotel visitors (Figure 19), 82 percent of all respondents say they plan to return (Figure 20). Significant numbers of hotel visitors return year after year; because the average number of trips across all respondents is 3.9. People return to Tucson because of business reasons, friends and family live here, they like the area, they like the weather and scenery, and they want to see or do more here (Table 21).

Only 13 percent say that they do not plan to return and five percent are unsure (Figure 20). For those few who do not plan on returning and say why (eight percent of survey), the primary reasons are

Table 21. Reasons for Returning to Tucson, 1995-96

	Percent
Business reasons	34
Friends and family live here	14
Like the area	11
Like weather and scenery	9
Want to do/see more here	8
Have connection to U of A	6
Relocating or retiring here	5
Due to Davis-Monthan AFB	1
For medical care	1
Close to home	1
Other	12

Table 22. Reasons for Hotel Visitors Not Returning to Tucson, 1995-96

	Percent
Want to see other places	28
No further business here	15
Too far from home	11
Don't like Tucson	7
Not sure if will return	6
No longer affiliated with U of A	5
Too expensive	5
Age limits travel	2
Other reasons	19
No. of observations	84
Percent not returning	8

Table 23. What Hotel Visitors Like Best About Tucson, 1995-96

	Percent
Climate/weather	49
Friendly people	15
Natural beauty/nature	14
Mountains	12
Desert vegetation	10
Like a specific place	5
Clean	4
Lots to do	3
Nice lodging places	2
Quiet and peaceful	2
Convenient location	2
No. observations	824
Percent indicating a like	79

Table 24. What Hotel Visitor Parties Like Least About Tucson, 1995-96

	Percent
Weather	22
Traffic	16
Transportation related	13
Urban sprawl/appearance	12
High prices	8
Run down appearance	4
Crime	3
Dirty	2
Other	29
No. observations	534
Percent indicating a dislike	51

that they want to see other places, they have no further business to bring them back, or the trip length is too long (Table 22).

When asked about their likes and dislikes regarding the Tucson area, hotel visitors frequently like the climate/weather, the friendly people, the natural beauty of the area, the mountains and the desert vegetation (Table 23). Weather

is the most frequently cited feature that is both liked and disliked about Tucson (Table 24). Traffic and other transportation-related features, such as the lack of a highway system, too few street lights, and rude drivers, are the other common dislikes among our visitors.

Hotel visitors most often cite shopping, sightseeing, walking or hiking, work, read-

ing and swimming as their activities while they are here (Table 25). Visitors are somewhat similar across seasons; however, summer visitors are far more likely to be swimming and less likely to be visiting museums or hiking than peak- and shoulder-season visitors. Peak-season visitors are more likely to be attending conferences or shows than low- and shoulder-season visitors.

Table 25. Activities of Tucson Hotel Visitor Parties, 1995-96

	Peak	Low	Shoulder	Total
	(percent)			
Shopping	37	40	31	36
Sightseeing	37	29	27	32
Hiking or walking	26	22	27	25
Work related activity	25	20	18	22
Reading	23	20	22	22
Swimming	17	43	14	23
Picture taking	25	18	21	22
Exercising	18	17	15	17
Visiting historical sites	18	14	17	17
Attending conferences or shows	18	7	10	13
Visiting museums	15	8	14	13
Wildlife or bird watching	11	9	10	10
Star gazing	8	8	3	6
Night clubbing	4	7	6	6
Dancing	3	7	5	5
Attending cultural events	3	6	2	4
Picnicking	4	3	2	3
Visiting family and friends	3	3	4	3
Playing tennis	2	2	2	2
Bicycling	1	0	2	1
Other	7	11	8	9

Overall, 11 percent of our visitors play golf while they are here (Table 26), with a slightly higher percentage playing golf in the peak season (12 percent) than in the low- and shoulder-seasons (10 and 11 percent, respectively).

Hotel visitors who stop at other places before coming to or after leaving Tucson are most likely to visit Phoenix and other parts of Arizona (Table 27). Aside from other Arizona destinations, the most common trip itineraries include California or visits to southern states such as Texas or Florida.

For those Tucson visitors who visit other places in Arizona, the most frequently mentioned places are the Phoenix area, Tombstone, Sedona, the Grand Canyon and Flagstaff (Table 28). While in Tucson, our visitors are most likely to

Table 26. Hotel Visitors Who Played Golf in Tucson, 1995-96

	Peak	Low	Shoulder	Total
	(percent)			
Played golf	12	10	11	11

Table 27. Trip Itineraries of Hotel Visitor Parties, 1995-96

	Prior to Tucson	After Tucson
	(percent)	
Trip includes		
Phoenix	24	11
Other parts of Arizona	16	13
California	9	6
Southern states	7	6
Other western states	3	1
Other southwestern states ^a	3	3
Several U.S. regions	4	2
International destinations	4	3
Las Vegas	4	2
Mexico	3	4

^a Other southwestern states include Colorado, Utah, New Mexico, and Texas.

Table 28. Other Places in Arizona Visited by Hotel Guests, 1995-96

Percent of Visitor Parties	
Phoenix	15
Tombstone	15
Sedona	14
Grand Canyon	13
Flagstaff	12
Nogales	10
Tubac	9
Bisbee	8
Sierra Vista	4
Patagonia	3
Picacho Peak	3
Tumacacori	3
Chiricahuas	2
Madera Canyon	2
Ramsey Canyon	1
Amerind Foundation	1
Other	8

visit parks, zoos and natural areas (Table 29). However, significant percentages visit downtown Tucson, historic attractions and The University of Arizona area. The most popular local attractions are the Arizona-Sonora Desert Museum

(26 percent), Sabino Canyon (17 percent) and the Saguaro National Park (18 percent) (Tables 30 and 31). The San Xavier Mission, the Pima Air Museum and Biosphere 2 are also popular local attractions (Tables 30 and 32).

The percentage of Tucson guests who visit The University of Arizona facilities is shown in Table 33. Three percent visit The University of Arizona football stadium, the Arizona State Museum, the Arizona Historical Society Museum and The University of Arizona Art Museum.

The Downtown Arts District and the Tucson Convention Center are frequently cited places to visit in downtown Tuc-

Table 29. Hotel Visitors Visiting General Types of Attractions, 1995-96

	Percent
Parks, zoos and natural areas	44
Downtown Tucson	22
Historic attractions	14
The University of Arizona area	16

Table 30. Most Popular Attractions for Hotel Visitor Parties, 1995-96

	Percent
Arizona-Sonora Desert Museum	26
Saguaro National Park	18
Sabino Canyon	17
San Xavier Mission	14
Pima Air and Space Museum	10
Biosphere 2	10
Downtown Arts District	9
Tucson Convention Center	7
Mount Lemmon	7
Old Tucson Studios ¹	7

¹ Old Tucson Studios was closed during the study period.

Table 32. Hotel Visitor Parties Going to Historic and Military Attractions, 1995-96

	Percent
San Xavier Mission	14
Pima Air and Space Museum	10
Davis-Monthan AFB	5
Titan Missile Museum	3
Fort Lowell Museum	2

Table 31. Hotel Visitor Parties Going to Natural Areas, Parks and Zoos, 1995-96

	Percent
Arizona-Sonora Desert Museum	26
Saguaro National Park	18
Sabino Canyon	17
Biosphere 2	10
Mount Lemmon	7
Tucson Mountain Park	5
Colossal Cave	5
Catalina State Park	4
A-Mountain	3
Tohono Chul Park	3
Tucson Botanical Gardens	3
Reid Park Zoo	3
Kitt Peak	2
Other	4

Table 33. Hotel Visitor Parties Going to The University of Arizona Area Attractions, 1995-96

	Percent
U of A Football Stadium	3
Arizona State Museum	3
Arizona Historical Society Museum	3
U of A Art Museum	3
McKale Basketball Stadium	2
Center for Creative Photography	1
Flandrau Planetarium	1
Hi Corbett Field	2
Other	5

son (Table 34). The casinos attract more visitors than the horse or dog tracks in Tucson (Table 35). However, very few hotel visitors go to any gambling place.

Aside from the categories already mentioned, the most popular visitor attractions are DeGrazia Gallery in the Sun and Old Tucson Studios (Table 36). A sur-

prisingly large percentage of visitors stopped by Old Tucson Studios despite the fact that it was closed, except for its giftshop, during the survey period.

Table 34. Hotel Visitor Parties Going to Downtown Area Attractions, 1995-96

	Percent
Downtown Arts District	9
Tucson Convention Center	7
Tucson Museum of Art	4
Metro Tucson Convention & Visitor Center	3
Barrio Historico	3
Sosa/Fremont/Carillo Houses	1
Children's Museum	1
Other	4

Table 35. Hotel Visitor Parties Going to Gambling Places, 1995-96

	Percent
Desert Diamond	3
Casino of the Sun	3
Rillito Horsetrack	1
Greyhound Park	1

Table 36. Hotel Visitor Parties Going to Other Attractions, 1995-96

	Percent
Old Tucson Studios	7
DeGrazia Gallery in the Sun	4
International Wildlife Museum	2
Rodeo Grounds	1
Fairgrounds	1

Private Home Visitors

Expenditures and Parties

The number of visitors to private homes in the Tucson area is estimated to be 1,361,000 people (Table 37). Residents of Tucson receive 523,000 house parties who spend 3,926,000 party nights in the Tucson area. Expenditures per private home party are \$330 per party, or equivalently, \$45 per party night in Tucson.

Figure 21 provides a breakdown of the expenditures of visitors to private homes. Because no money is spent on lodging, they spend almost one-third of their money on eating and drinking and almost 41 percent on other purchases, which are predominantly retail.

Forty-four percent of visitor parties to private homes make purchases of apparel (Table 38). Other common expenditures included souvenirs, entertainment or admission fees, postcards, arts and crafts or books.

Figure 21. Private Home Visitors' Expenditures, by Category, 1995-96

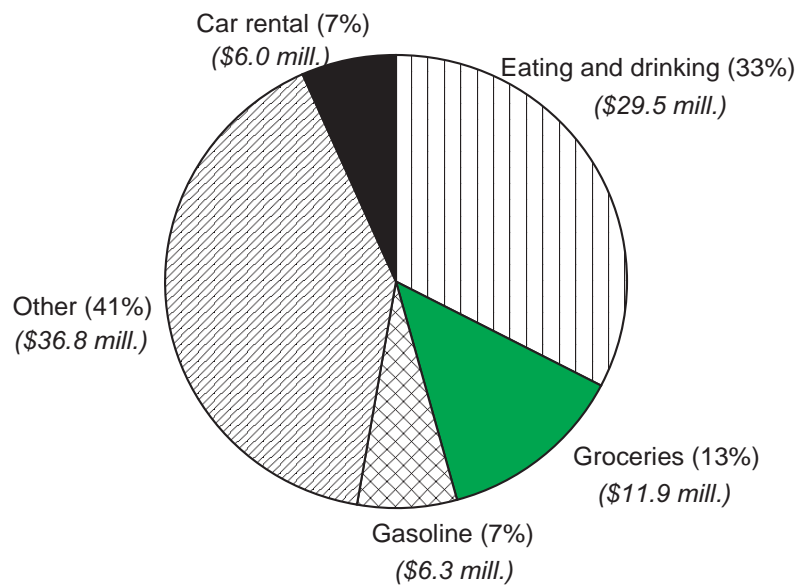


Table 37. Expenditure Characteristics of Visitors to Private Homes, 1995-96

Total visitor parties	523,000
Total visitors	1,361,000
Total party nights	3,926,000
Expenditures per party	\$330
Expenditures per party night	\$45
Expenditures per visitor	\$128
Expenditures per visitor night	\$17
No. of observations	814

Table 38. Private Home Visitor Parties, Making Selected Purchases, 1995-96

	Percent
Apparel	44
Souvenirs	32
Fees, admission, entertainment	22
Postcards	17
Arts and crafts	15
Books	14
Toiletries	11
Golf related	1
Other	12

Table 39. Visitor Parties to Private Homes by Month of Visit, 1995-96

By Month	Percent
July, 1995	7
August	5
September	4
October	4
November	8
December	11
January, 1996	7
February	12
March	12
April	12
May	10
June	8
By Season	Percent
Peak season	53
Low season	25
Shoulder season	22
No. of observations	1,778

Table 40. Summary Characteristics of Visitors to Private Homes, 1995-96

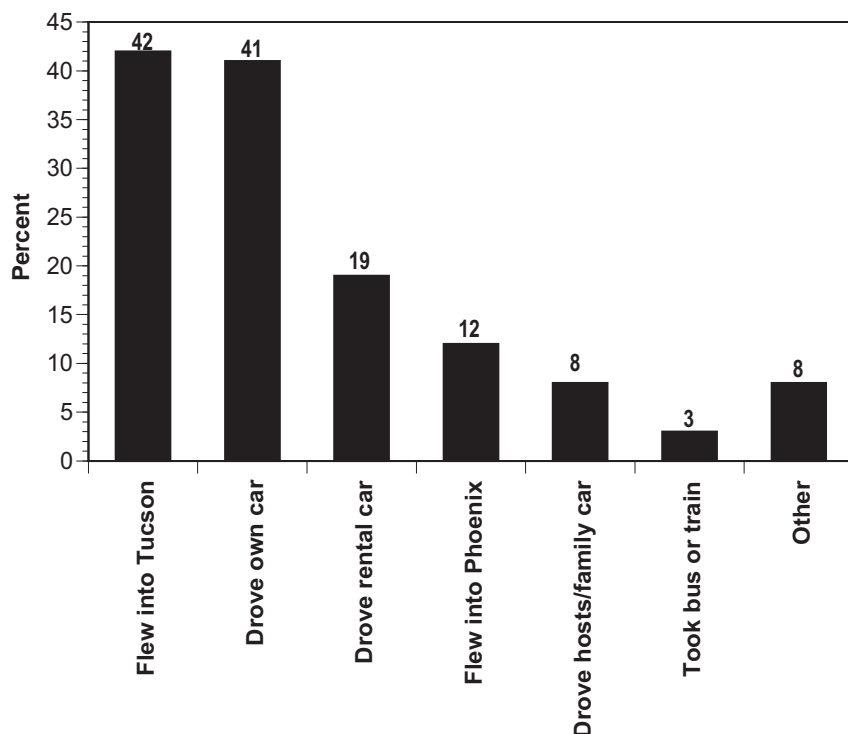
	Percent
Average number of people per party	2.6
Average length of stay (days)	7.5
Average number of trips	4.8
Percent expected to return to Tucson	84

Table 41. Composition of Private Home Visitor Parties, 1995-96

	Percent
Couple	40
One person traveling alone	31
Group includes children	19
Group includes other relatives	21
Group includes friends	10
Other	6

The monthly pattern of Tucson visitors staying in private homes is shown in Table 39. When aggregated by season, it is surprising to find a higher percentage of visitors staying in private homes (53 percent) in the peak season than the percentage staying in hotels in the peak season (45 percent). Similar numbers of visitors stay in private homes in the four-month low season and the three-month shoulder.

Figure 22. Private Home Visitor Parties by Mode of Transportation, 1995-96



Tucson visitors that stay in private homes, when compared to hotel visitors, tend to have more people in their party (2.6 vs. 2.1 for hotel visitors), and tend to stay longer (7.5 days vs. 5.1 for hotel visitors) (Table 40). A larger portion of visitors staying in private homes plan to return to Tucson (84 percent in Table 40 vs. 81 percent for hotel visitors).

Fewer visitors staying in private homes fly into Phoenix than those staying in hotels (12 percent vs. 18 percent for hotel visitors) (Figure 22). Visitors to private homes are more likely to use ground transportation than their hotel counterparts. Almost one-third of the visitors staying in private homes are persons traveling alone, compared to 23 percent of hotel visitors (Table 41). Forty

Table 42. Origin of Visitor Parties to Private Homes, 1995-96

	Percent
Western states, excl. AZ	34
Southern California	14
Northern California	4
Colorado	4
New Mexico	3
Central states	18
Illinois	4
Ohio	3
Southern states	16
Texas	7
Arizona	15
Phoenix	6
Eastern states	9
New York	3
International	10
Mexico	5
Canada	1

percent are couples compared to 53 percent for hotels. The percentage of parties traveling with children and other relatives are much higher for private home visitors than for hotel visitors.

Visitor Characteristics

Fifteen percent of our private home visitors come from other parts of Arizona, with six percent coming from Phoenix (Table 42). Of the 34 percent that are from other western states, most are from Southern California. Of those visitors from the central region, four percent are from Illinois and three percent are from Ohio. Half of our international visitors to private homes are from Mexico.

Private home visitors are broken out by age and by education in Figures 23 and 24. Significantly more chil-

Figure 23. Age Distribution of Private Home Visitors, 1995-96

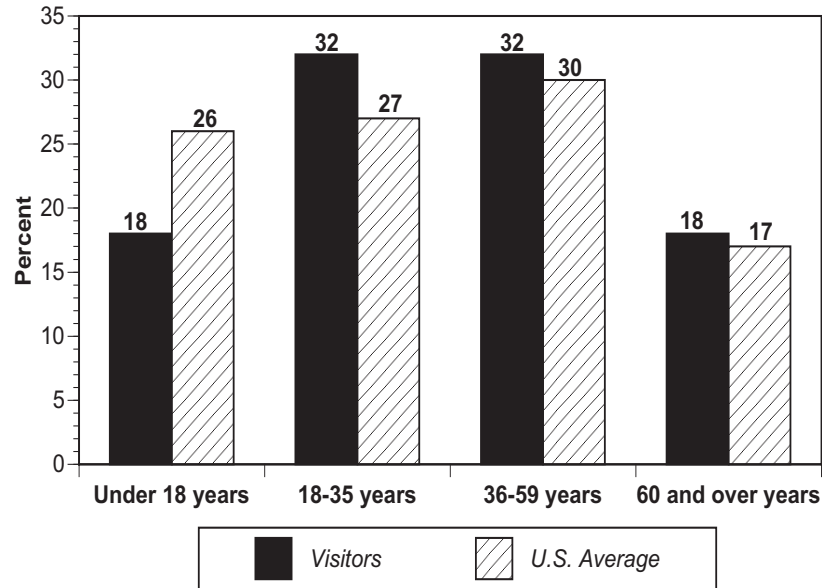
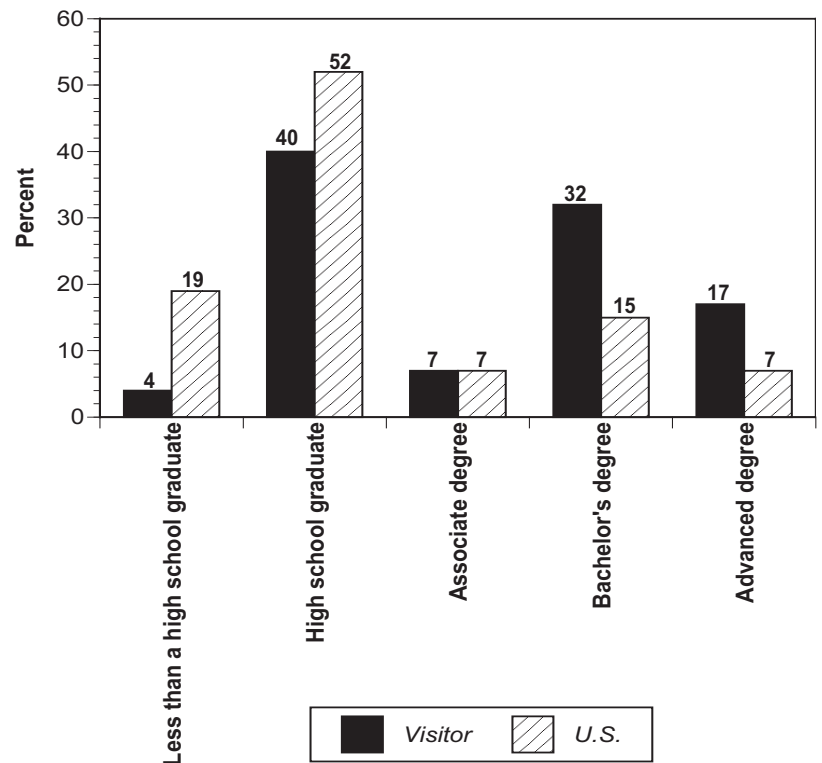


Figure 24. Education of Private Home Visitors Over 21 Years of Age, 1995-96



dren under 18 years of age visit private homes (18 percent) than visit hotels (7 percent). Seniors' representation among private home visitors is only slightly higher than their share of the general population (18

percent of visitors vs. 17 percent of U.S. resident population). Private home visitors are substantially better educated than the population as a whole since only four percent have less than a high school diploma

Table 43. Occupations of Private Home Visitors Over 21 Years of Age, 1995-96

	Percent
Retired	21
Professional	15
Student	8
Homemaker	8
Manager/administrator	7
Service	6
Teacher	5
Machine operator/laborer	4
Clerical	4
Self-employed/business owner	4
Government service	3
Technical sales	3
Crafts/repair	3
Unemployed	1
Farming, fishing, forestry	1
Other	4

Table 46. Citizenship of Private Home Visitor Parties, 1995-96

	Percent
Parties with U.S. citizens	89
Parties with foreign citizens	13

and almost half (49 percent) have at least a bachelor's degree. More than one in five are retired: however, among those who are not, the highest percentage are professionals (Table 43). Significant portions of private home visitors are also students, homemakers, teachers and service industry workers. Their special interests are broad and include outdoor activities, cultural and historical pursuits, and sports (Table 44).

The ethnicity and race of private home visitors approximates the population mix in the Tucson urbanized area (Table 45). Note that ethnicity and race subcategories do not equal 100 percent in either data set since people may identify with more than one group and more than one ethnic or race group may be represented in a visitor party. Eighty-nine percent of private home visitors are U.S. citizens (Table 46).

Table 44. Interests of Visitor Parties to Private Homes, 1995-96

	Percent
Outdoors, nature, ecology, conservation	67
Culture, music, art, dance	53
History, antiques and museums	51
Fitness and sports	50
Technology, science, computers, video games	38
Adventure - rafting, climbing	16

Table 45. Private Home Visitor Parties With Members of the Following Race, Ethnicity or Citizenship, 1995-96

	Private Home Visitors	Pima County Population
	————— (Percent) —————	
White	80	79
Hispanic	17	24
Black	3	3
American Indian	2	3
Asian	1	2
Other	3	13

Table 47. Trip Itineraries of Private Homes Visitor Parties, 1995-96

Itineraries	Prior to Tucson	After Leaving Tucson
	————— (Percent) —————	
Trip included:		
No other destinations	59	64
Phoenix	10	5
Other places in Arizona	7	8
California	6	3
Other southwestern states ^a	4	2
Several U.S. regions	2	2
Las Vegas	2	1
Other western states	2	2
International sites	1	1
Southern states	1	1

^a Southwestern states include Colorado, Utah, New Mexico and Texas.

Trip Characteristics

The majority of visitors to Tucson staying in private homes have no destinations other than Tucson (Table 47). The most frequently cited places visited before coming to and after leaving Tucson, are Phoenix, other places in Arizona, and California. As expected, the primary reason for visits to private homes is to see friends and family, with a major secondary rea-

son given as sightseeing (Table 48). Other, less important reasons are on-the-way stopovers, golf and shopping. The most frequently cited places private home visitors go in Arizona are Phoenix and Nogales, followed by Tombstone, the Grand Canyon, and Tubac (Table 49).

The Arizona-Sonora Desert Museum and Sabino Canyon are the most frequently cited local attractions visited by private

home visitors (Table 50). The percentages of private home visitors going to these two attractions are similar to the percentages of hotel visitors. However, higher percentages of private home visitors go to Mount Lemmon and the Reid Park Zoo than hotel visitors. A slightly higher portion of private home visitors play golf than those staying at hotels (13 percent for private home visitors in Table 51 vs. 11 percent for hotel visitors).

Table 48. Main Reasons that Private Home Visitors are in Tucson, 1995-96

	Percent
Visit friends and family	77
General sightseeing	20
On their way somewhere else	6
To play golf	5
Shopping	5
Business	4
Outdoor recreation	2
To visit historic sites	2
Other	10

Table 49. Other Places in Arizona Visited by Private Home Guests, 1995-96

	Percent
Phoenix	20
Nogales	11
Tombstone	8
Grand Canyon	8
Tubac	7
Sedona	4
Flagstaff	4
Bisbee	3
Madera Canyon	2
Tumacacori	1
Prescott	1
Patagonia	1
Other	18

Table 50. Private Home Visitors Parties Who Visited Local Attractions, 1995-96

	Percent
Arizona-Sonora Desert Museum	25
Sabino Canyon	17
Mount Lemmon	11
Reid Park Zoo	9
San Xavier del Bac	9
Saguaro National Park	7
Pima Air Museum	7
U of A Campus	7
Shopping Malls	6
Davis-Monthan AFB	5
Old Tucson Studios	4
Colossal Cave	4
Biosphere 2	3
Tucson Convention Center	3
Titan Missile Silo	2
Tohono Chul Park	2
Kitt Peak Observatory	2
Tucson Botanical Gardens	1
DeGrazia Studio	1
General areas:	
Parks and Natural Areas	51
The University of Arizona	15
Downtown	11

Table 51. Private Home Visitors Who Played Golf in Tucson, 1995-96

	Percent
Played golf	13

Market Segments of Hotel Visitors

While statistics on total hotel visitors are of interest in assessing the economic impact, it is also useful for the industry to have data for some of their major market segments. In this section, visitor profiles for the following market segments are provided:

- ❖ International visitors
- ❖ Visitors who stay in resorts
- ❖ Visitors who play golf

- ❖ Visitors who are over 60 years of age
- ❖ Visitors in Tucson primarily for business purposes
- ❖ Visitors in Tucson primarily for leisure purposes
- ❖ Visitors to the Gem and Mineral Show.

In addition, a visitor profile for winter visitors was assembled. However, since the

number of winter visitors identified through the telephone and mail surveys was small, the winter visitor profile is reported in Appendix D. These categories are not mutually exclusive. For example, a given visitor could be both a resort and a golf visitor.

Table 52 summarizes the age, education and income of

Table 52. Age, Education and Income of Major Hotel Market Segment, 1995-96

	Inter- national	Resort	Golf	Over 60	Business	Leisure	Gem and Mineral	Total
	(percent)							
Age of party members:								
Under 18 years	4	6	1	1	3	9	4	7
18 through 35 years	25	26	30	1	31	10	11	20
36 through 59 years	54	55	67	11	58	38	62	48
60 or more years	17	13	1	87	7	43	24	25
Retired party members	9	11	1	34	2	30	15	23
Education of party members:								
Less than a high school degree	1	2	1	1	1	2	1	2
High school graduate	20	10	1	22	15	26	26	23
Associate degree	4	5	1	17	9	15	19	11
College degree	53	47	80	35	49	32	34	40
Master's degree	17	24	17	17	20	18	15	18
Ph.D.	4	11	1	7	6	7	6	6
Household income:								
\$30,000 or less	17	6	3	14	9	11	15	10
\$30,001 to \$60,000	29	15	16	44	31	37	41	33
\$60,001 to \$100,000	38	34	35	25	38	29	30	32
Over \$100,000	17	45	46	18	21	33	14	25
No. of observations	119	184	108	303	471	480	90	1,587

each of the market segments. Thirteen percent of parties with a member over the age of 60 are accompanied by a person under 60. Most of these are in the age group just under 60; only two percent of people over 60 travel with persons under 35 years of age.

Visitors who play golf or cite business as their primary purpose are generally middle-aged adults (18 to 59). Very few are accompanied by children under 18 and very few are over 60. This is in contrast to the group that cite leisure as their primary reason to visit. Of these visitors, 43 percent are over the age of 60.

Visitors who stay in resorts are somewhat younger than the overall hotel group. Only 13 percent of resort visitors are 60 or over compared to 25 percent of total visitors. International visitors are more likely to be in the 36-59 age group and less likely to be 60 or over than the typical tourist. Gem and Mineral Show visitors are as likely to be over 60 as the typical visitor (24 percent); however, they are considerably more likely to be in the 36-59 age group and less likely to be in the 18-35 year old group.

Golfers and business travelers are not retirees. Only one and two percent, respectively, of these two groups are retired. International visitors and visitors who stay in resorts are more likely to be retired than golfers and business travelers; however, they are less likely to be retired than the typical

Tucson visitor. Thirty percent of visitors who come primarily for leisure are retired and a surprisingly small portion (30 percent) of persons over 60 years of age identify themselves as retired.

Education levels of Tucson visitors are very high compared to the national levels. Overall, 64 percent of Tucson visitors are college graduates and only two percent have less than a high school degree. Among the seven market segments, the Gem and Mineral Show visitors have the lowest levels of education, with 55 percent having earned at least a college degree. While this figure is lower than the comparable figure for all Tucson visitors, it still signifies a highly educated group of visitors. Leisure visitors and visitors over 60 also have smaller percentages with college degrees (57 percent and 59 percent, respectively) than the typical Tucson visitor. When the over-60 group entered the labor force, a college degree was less important to earning a good living.

International visitors are better educated than the typical Tucson visitor, with 74 percent having earned at least a college degree. Twenty-one percent hold a master's degree or higher. Business travelers also report high numbers of college graduates (75 percent) with more than one-quarter of them holding at least a master's degree. The two groups with the highest education attainment levels are

the resort visitors and the golfers. Eighty-three percent of the resort visitors are college graduates and a remarkable 97 percent of the golfers hold college degrees. Interestingly, fewer golfers hold master's degrees and above (18 percent) than resort visitors (35 percent).

Income levels, by market segment, correlate closely with the education levels. Four of the groups are considerably more likely to earn over \$60,000 than under \$60,000 per year. Eighty-one percent of the golfers earn over \$60,000 and 46 percent earn in excess of \$100,000. Only three percent of golfers earn less than \$30,000 per year. Resort visitors have earning patterns very similar to those of the golfers, but slightly lower. Sixty percent of business visitors earn over \$60,000 and 21 percent earn over \$100,000. Although 55 percent of international visitors earn over \$60,000, this group has the highest percentage of visitors earning less than \$30,000 (17 percent).

Leisure visitors are almost as likely to earn less than \$60,000 as they are to earn more than \$60,000, yet almost one-quarter (23 percent) earn over \$100,000. The two lowest income groups are the over 60 visitor and the Gem and Mineral Show visitor. Substantially fewer than half earn over \$60,000 (43 percent and 44 percent, respectively), and comparatively fewer earn over \$100,000 (18 percent and 14 percent, respectively).

Summary statistics for trip and party characteristics are in Table 53. Despite the comparatively long trips of international visitors (18.1 trip nights), they spend only 5.5 days in Tucson. Golfers spend the most time in Tucson (10.2 room nights) out of their average 15.6 day trip. Interestingly, not only do business travelers take longer trips than leisure travelers (15.3 nights for business vs. 11.8 nights for leisure travelers), they spend more time in Tucson (6.5 room nights for business travelers vs. 5.5 room nights for the leisure group). The over-60 group takes comparatively longer trips than the leisure group and they spend an average of half a night longer in the Tucson area than the leisure group. Gem and Mineral Show visitors take the longest trips (21.0 nights) of any of our visitors, but they spend only 8.3 nights in Tucson. Resort visitors both take

the shortest trips (7.1 nights) among our market segments and spend the least amount of time in Tucson (4.6 nights).

The average number of visitors per party for all hotel visitors is 2.1. Although all the market segments have similar party sizes, there are a few differences. Not surprisingly, visitors on business travel with the fewest people (1.8 visitors per party), while leisure visitors travel with the most (2.3 visitors per party).

The highest expenditures per room night, per person, and per party are made by the Gem and Mineral Show visitors (see Table 53 footnote); however, these high expenditure figures include all Gem Show purchases. Not all of the Gem and Mineral Show visitors' expenditures provide economic benefit to the Tucson community since a high portion of

these purchases are made from nonlocal vendors.

Aside from the Gem and Mineral Show visitors, resort and golf visitors have the highest expenditures per room night (\$323 for resort visitors and \$299 for golf visitors). Because golfers spend more than twice as long in Tucson as resort visitors, golfers spend more than twice as much per party and per person as resort visitors while they are here. The over-60 segment spends the least per room night but their six night stay results in over \$1,100 in expenditures.

High percentages of all groups indicate they plan on returning. International visitors have the lowest percent planning to return (71 percent), probably because of trip length. As expected, Gem and Mineral Show visitors have the highest percentage planning to

Table 53. Summary Statistics for Hotel Visitors, by Major Market Segment, 1995-96

	Inter- national	Resort	Golf	Over 60	Business	Leisure	Gem and Mineral	Total
Trip nights per party	18.1	7.1	15.6	14.0	15.3	11.8	21.0	12.5
Room nights per party	5.5	4.6	10.2	6.0	6.5	5.5	8.3	5.2
Visitors per party	2.1	2.2	1.9	2.1	1.8	2.3	1.9	2.1
Expenditures per room night	\$215	\$323	\$299	\$189	\$226	\$204	\$177 ^a	\$222
Expenditures per person	\$553	\$689	\$1,587	\$557	\$825	\$491	\$773 ^a	\$547
Expenditures per party	\$1,183	\$1,491	\$3,037	\$1,143	\$1,480	\$1,131	\$1,469 ^a	\$1,133
Average number of trips	2.96	3.09	2.90	3.89	3.40	3.31	2.46	3.90
Percent planning to return	71%	86%	83%	78%	86%	79%	89%	82%
No. of observations	152	182	105	398	681	681	89	1,587

^a Figures in the table do not include Gem Show purchases. The expenditure figures for Gem and Mineral Show visitors including all Gem Show purchases were \$578 per room night, \$2,551 per person and \$4,805 per party .

return (89 percent). Resort visitors, business travelers, and golfers have percentages planning to return that are above the average for all Tucson visitors.

Among the seven groups, the over-60 segment has the highest number of trips to Tucson (3.89 trips). Business travelers, leisure and resort visitors all made an average of more than three trips to Tucson. Note that all market segments have fewer previous trips than the average calculated for all visitors (3.9 trips). The reason for this is that the missing segment, visitors who are here for the primary purpose of visiting friends and family, has a very high average number of previous trips.

The percentage of each market segment visiting ma-

ior attractions in the Tucson area are presented in Table 54. Gem and Mineral Show visitors and business travelers visit attractions less frequently than other types of guests, presumably because they have less time. Except for the Gem and Mineral Show guests visiting the Tucson Community Center, where the Gem and Mineral Show is centered, the most popular attraction for all market segments is the Arizona Sonora Desert Museum. Sabino Canyon and Saguaro National Park are the second and third most popular attractions. The San Xavier Mission is generally the fourth most popular attraction, although visitors over 60 prefer it to Sabino Canyon, perhaps because it is more accessible. International guests are almost twice as likely as

the typical Tucson visitor to visit Biosphere 2. The Downtown Arts District is more popular among resort visitors than any other group.

International visitors tend to focus their visits on parks, natural areas and zoos (61 percent) rather than downtown Tucson or the University area. Leisure visitors also concentrate on parks and natural areas (63 percent); however, a comparatively high percentage of them visit The University of Arizona as well (23 percent vs. 16 percent for total visitors). The over-60 travelers have the time or interest to visit all three of the general areas listed more frequently than the typical Tucson visitor. Business visitors and Gem and Mineral Show visitors apparently have little time to visit

Table 54. Attractions Visited by Hotel Visitors, by Major Hotel Market Segment

	Inter- national	Resort	Golf	Over 60	Business	Leisure	Gem and Mineral	Total
	(percent)							
Specific attractions:								
Arizona Sonora Desert Museum	43	30	29	34	15	40	18	26
Saguaro National Park	22	16	14	24	12	28	17	18
Sabino Canyon	19	23	23	19	11	25	12	17
San Xavier Mission	18	11	14	22	6	23	7	14
Pima Air and Space Museum	18	10	13	15	8	14	6	10
Biosphere 2	17	11	14	10	7	12	8	10
Downtown Arts District	3	16	11	13	6	14	7	9
Tucson Community Center	8	4	2	11	12	6	56	7
Mount Lemmon	7	8	9	8	5	11	4	7
Old Tucson Studios	9	4	9	8	3	11	4	7
General areas:								
Parks, Natural Areas and Zoos	61	47	47	50	31	63	34	44
The University of Arizona	10	16	23	20	11	23	10	16
Downtown Tucson	19	27	21	31	22	28	60	22

parks and natural areas or The University of Arizona, spending more of their time in downtown Tucson.

Shopping and sightseeing are the activities enjoyed by most market segments and all Tucson travelers (Table 55). Business travelers and Gem Show visitors have less time for activities outside of work related tasks and conferences, and this is reflected in lower percentages on most other ac-

tivity categories. Very few Gem Show visitors swim (six percent), probably because the Gem and Mineral Show is held in February. Leisure and over-60 visitors have very low percentages doing work related tasks or attending conferences. International visitors, the over-60 visitors, and leisure visitors are the most likely to visit historic sites and museums, while resort visitors are the most likely to go wildlife or bird watching. Besides the business and Gem

Show visitors, international visitors are the least physically active group, with comparatively low percentages hiking or walking, exercising, or golfing. Resort visitors are the most physically active, with high percentages involved in all forms of exercise. Golfers also enjoy swimming and other forms of exercise and they are the most likely group to go nightclubbing. International and the over-60 visitors are the most likely to be picture taking.

Table 55. Activities of Hotel Visitors, by Major Segment, 1995-96

Activity	Inter-	Resort	Golf	Over	Business	Leisure	Gem and Mineral	Total
	national			60				
	<i>(percent)</i>							
Shopping	47	42	46	37	26	47	28	36
Sightseeing	48	34	31	45	19	49	22	32
Hiking/walking	20	38	27	26	19	32	14	25
Swimming	27	47	34	17	18	26	6	23
Reading	21	30	27	22	20	23	18	22
Picture taking	34	27	19	30	13	33	16	22
Work related tasks	21	23	20	7	46	4	39	22
Exercising	10	34	26	13	16	18	9	17
Visit historic sites	26	13	13	26	7	27	6	17
Conferences	15	20	16	10	27	5	57	13
Visit museums	23	13	13	20	8	20	7	13
Golf	10	24	100	9	9	13	3	11
Watch wildlife or birds	11	16	9	10	7	14	10	10
Star gazing	5	13	9	5	7	7	8	6
Nightclubbing	6	4	13	1	9	4	4	6
Dancing	5	6	6	3	6	4	3	5
Cultural activities	2	4	4	9	3	5	2	4
Picnicking	3	2	2	5	2	5	1	3
Visit friends	2	2	1	5	2	5	1	3
Tennis	0	6	1	1	1	3	0	2
Bicycling	1	3	1	1	1	1	1	1

Conclusions

The results of this study demonstrate the importance of tourism to the Tucson economy. A staggering 25,700 wage and salary jobs at hotels, eating and drinking establishments, and retail shops are directly attributable to the overnight tourism industry. Through local purchases of supplies and the spending of tourism-related income, the industry generates another 10,800 jobs in the local area for a total of 36,500 wage and salary jobs. In total, 12 percent of all wage and salary jobs in Pima County are attributable directly or indirectly to the tourism industry. These jobs account for almost \$600 million in employee compensation, \$876 million in income, and \$1.54 billion in total sales in the community. The City of Tucson and Pima County receive \$27.5 million and \$16.8 million, respectively, in government revenues as a result of overnight tourism. The State of Arizona receives another \$62.8 million.

It is important to note that this study excludes the economic impact of day-trip visitors, such as: those from Sonora, Mexico and other parts of Arizona; and inter-

state travelers stopping for gas, food or sightseeing. The survey strategy used in this study does not identify or measure day-trip visitors so the present study cannot address how many day-trip visitors there are or what they spend. The most recent tourism survey of Tucson by Behavioral Research Center, Inc. found in 1995 that seven percent of the visitors intercepted at local tourist attractions and hotels were day-trip visitors. We do not have precise estimates on day-trip visitors expenditures per day; however, they would be expected to be substantially lower than per day expenditures for persons staying in commercial lodging facilities.

The visitors to Tucson are very well educated and earn much higher than average incomes. They are likely either to be retired or to hold a managerial or professional position. Half of all visitor parties are traveling as couples. Relatively few travelers to Tucson hotels are accompanied by children.

Visitors learn of Tucson primarily from friends and family or via their business or convention. Nine percent of

hotel visitors learn of Tucson from guidebooks and 13 percent learn of Tucson through printed marketing materials and the radio and TV media. Once they are here, they prefer either to use written travel information or to talk to locals who are knowledgeable about the local area.

More than half of Tucson visitors are repeat visitors and over 80 percent of both hotel and private home visitors intend to return. They plan to come back for business reasons; because they have friends and family here; or because they like the area and climate; and they want to see and do more here. Five percent of our hotel visitors are planning to relocate or retire here. While most visitors are very positive about Tucson, some indicate a dislike for its appearance or urban sprawl, the traffic congestion, and related transportation issues such as rude drivers.

The results of this study highlight the importance of interpreted natural areas to tourism in Tucson. The three most frequently visited attractions, the Arizona-Sonora Desert Museum, Saguaro

National Park and Sabino Canyon, all provide visitors with opportunities to both see and learn about the Sonoran desert.

In general, most local attractions are outdoors. This is expected given the climate of the area and the general outdoor orientation of visitors to Tucson. However, there may be opportunities for areas with more indoor-oriented activities, such as the museums around The University of Arizona, the Tucson Art Museum and the Arts District in downtown Tucson, to bill themselves as good places to get out of the heat or to come in out of the cold. Given the relatively low number of visitors to most of The University of Arizona and downtown attractions, addi-

tional work could be done in marketing to visitors. Information on downtown and The University of Arizona attractions may also need to highlight where visitors can park.

In all, there are an estimated 2.5 million overnight visitors and one million visitor parties that spend almost 9 million party/room nights in the Greater Tucson area (Table 56). Through tourism, the attractiveness of the Tucson area is disseminated throughout the United States and the world, which provides benefits for other aspects of the Tucson economy. Specifically, the exposure that Tucson gets through tourism can result in firm relocations or new businesses created because business people come to Tucson for conven-

tions or for leisure activities and like the area.

Tourism offers other advantages to the community as well. Local residents can enjoy the wide variety of restaurants and recreation facilities that are available in Tucson largely because of the tourism trade. These types of benefits for local citizens are not measured in the type of analysis undertaken in this study. Further, the tourist-related hotel, restaurant and amusement facilities that are available in Tucson are also useful in the recruitment and retention of other types of businesses. Recruitment of the desirable high technology firm or research organization, for example, is clearly facilitated by the quality of life that tourism helps to provide.

Table 56. Summary of Tucson's Overnight Visitors, 1995-96

Accommodation	Visitors	Visitor Parties	Room or Party Nights^a
Hotels	1,105,000	533,000	2,772,000
Private homes	1,361,000	523,000	3,936,000
Non-RV winter visitors	11,000	5,000	861,000
RV winter visitors ^a	22,000	11,000	1,344,000
Total	2,499,000	1,072,000	8,913,000

^a Figures are room nights for hotel visitors and party nights for other overnight visitors.

Appendix A: Survey Methodology

I. The Hotel Survey

Our first task was to compile as complete a list of hotels in the Tucson area as possible. The Metropolitan Tucson Convention & Visitors Bureau provided an excellent database of accommodations in Pima County that provided our starting point.

One of our research assistants then called every property to confirm the number of rooms and to request information concerning room rates for peak-season single and double rooms. The standard room was assumed to be one with two queen-size beds, unless otherwise indicated by the hotel manager.

The hotel properties were then divided into four categories: resort, high, moderate or budget. In resort and very high-end properties, room rates ranged from \$200 to \$600 per night. High-end hotel room rates ranged from \$100 to \$170 per night. Moderate hotel room rates ran from \$60 to \$140 per night. Budget hotel room rates ranged from \$17 to \$60 per night.

We then put the hotels in each category in alphabetical

order and selected five properties from each category by dividing the total number of hotel rooms in each of the four categories by five. We counted forward this number of rooms to select each of the five properties in each class at random. Using this room-weighted method of selection, we selected properties that represent approximately 32 percent of the total stock of hotel rooms in the Tucson area.

Initially, we planned to interview visitors on site at the hotels where they were staying. During the pretest this proved impractical, so we switched to a mail-back survey instrument. The survey instruments were a four-page and a two-page survey. Two-page surveys (or the short version) were offered to visitors who were just passing through Tucson or were in town for only a day or two. This survey was designed to take less than five minutes to complete. The four-page or the long survey was given to guests who were going to be in Tucson for more than a few days. It was designed to take approximately ten minutes to complete. Returned surveys were entered using programs written in Questionnaire Programming Language (QPL).

Research assistants contacted a total of 4,446 guests. Of these guests, 3,797 accepted a copy of the survey, 276 refused because they were local residents and 649 refused for other reasons. A total of 1,588 surveys were mailed back, giving an overall response rate of 41.8 percent. Local residents represented 5.8 percent of all visitors contacted but they were not surveyed.

A total of 537 surveys were returned by visitors in Tucson during the months of June through September (low season). In the months of October through December (shoulder season), 343 surveys were returned. During the months of January through May (peak season) 708 surveys were returned.

II. Telephone Survey of Local Residents

The lists of telephone numbers used to conduct the telephone survey were purchased from US West Communications. We purchased three separate lists from them, each randomly selected from a different target population. Two of the samples of 4,000 listings each were drawn from house-

holds with phones living within the Tucson area as specified by zip code. We included outlying communities such as Green Valley, Marana, Oro Valley, Vail, Summerhaven, etc.¹ US West Communications provided a total number of residential phone hookups for each of these lists. The total number of phone hookups in the area at the time this sample was drawn was 160,272.

The third sample of more than 2,000 listings was drawn from the population of new residential hookups in the Tucson area during the months of October 1995 through January 1996. The total number of such hookups was 12,636. This list was requested with the hope of collecting additional information on long-term winter visitors to Tucson. A separate survey instrument was designed for this survey. This winter visitor survey instrument was also used when research assistants contacted a winter visitor while calling from the larger random phone listings.

The survey instrument was designed to be used in QPL. Research assistants entered the data collected directly into the computer as they spoke with a respondent on the phone. The survey

¹ Specifically, listings were drawn randomly from the following zip code area: all zip codes beginning with 857, 85614, 85619, 85623, 85629, 85641, 85652, 85653, 85654.

was designed to take approximately 10 minutes and to be conducted in cases where the household had visitors within the prior three months.

Research assistants placed more than 5,800 calls. Of these, 620 (10.7 percent) were to numbers that had been temporarily or permanently disconnected. Another 2,926 calls (50.4 percent) were either not answered or were answered by voice mail. An additional 104 calls required call backs or could not be conducted for other reasons (such as language problems or no adult present). A total of 2,169 households (37.3 percent) answered the calls placed. Of these households, 1,636 were willing to be interviewed and 533 refused to be interviewed. The estimated response rate is approximately 75.4 percent. This response rate is made with the assumption that voice mail was not being used to screen calls in the 1,883 calls that resulted in voice mail.

Of the 1,636 survey respondents in the telephone survey, 554 (33.9 percent) had visitors in their home in the past three months. The other 1,082 indicated that they had not had visitors in their home during the previous three months. Because we did not feel that we had contacted a sufficient number of households through the phone survey, we conducted a mail survey that is described next.

III. Mail Survey of Local Residents

When it became clear that we had underestimated the amount of time required to contact a sufficient number of local residents to gain meaningful numbers on visitors to private residences, we decided to conduct a mail survey. We selected every third household from the second telephone list that we had ordered from US West Communications and that we had not yet used for the phone survey.

The survey instrument was designed to take no more than 10 minutes to complete. A cover letter, survey instrument and postage-paid return envelope were sent to each randomly selected household. A second letter, survey instrument and postage-paid return envelope were sent to the randomly selected households that had not responded within three weeks of the first mailing. No other follow-up was done for this survey. In addition to asking about the expenditures of the household's most recent visitor party, we took this opportunity to ask the hosts about their own expenditures to entertain their most recent guests. The mail surveys were entered into computer databases using QPL.

A total of 1,010 surveys were mailed out to local residents from this list. Approximately 7.6 percent of the addresses on this list

were no longer current. A total of 78 surveys were returned to us because of outdated addresses. A total of 543 surveys were completed by local residents and returned to us. The overall response rate for this survey was close to 58 percent. Of those who responded, 159 (29 percent) indicated that they had no visitors to their homes in the past year. The majority of respondents, 384 or 71 percent, indicated that they had at least one visitor party in their homes over the past year.

In comparing the telephone and mail surveys, there is no question that the mail survey was much more cost-effective. Although the response rate for the mail survey was lower, the two response rates are difficult to compare due to complications discussed earlier in the telephone survey methods section. A response rate of 58 percent is quite adequate in a survey of this nature. Hence, our recommendation for the future would be to collect information from local residents concerning their visitors using a mail survey.

IV. Survey Instruments

In all, five survey instruments were developed: long and short hotel surveys, resident and winter visitor telephone surveys, and a mail survey. Some of these surveys were written in Spanish and English. All survey instruments are available from the authors upon request. However, the telephone surveys are available only in QPL, the programming language that was used for directly entering telephone interview data directly onto the computer.

Appendix B: Methodology for Estimating Visitor Numbers and Total Expenditures

I. Hotel Visitor Estimates

Several sources of data were used in estimating total hotel visitor numbers. First, we collected monthly occupancy data from a random sampling of hotels and resorts in the metropolitan Tucson area. We also acquired information from the City of Tucson concerning their two hotel/motel-related taxes. The first tax is a charge of one dollar per night for every night that a hotel room is occupied. This gave us an independent estimate of total room nights within the City of Tucson. The second tax is a four percent tax in the City of Tucson on total hotel receipts. We also acquired data on hotel/motel taxable sales in all of Pima County, available from the Arizona Department of Revenue.

The occupancy data were used to estimate total room nights in four different categories of hotels: resort, high, moderate and economy hotels. These categories are described further in Appendix A. The survey estimates, by hotel category, of average expenditure, party size, and number of nights in Tucson were used with the room

night estimates to determine total number of visitors, visitor parties and visitor expenditures. Where possible, estimated expenditures by category were compared to 1992 Economic Census gross receipt figures by industry and to the tax receipts for Pima County and the City of Tucson. For example, hotel industry gross receipts from the Census of Services and an estimate of gross receipts based on hotel tax receipts were compared to the survey estimates.

II. Private Home Visitor Estimates

The total private home visitor party estimate is based on the percentage of households in the Tucson Metropolitan area who had visitors in any given month according to a telephone survey and a mail-back survey. These percentages are determined based solely on those households that responded to the phone or to the mail survey. The percentage of survey respondents with visitor parties was multiplied by the total number of households in the Greater Tucson area.

The total number of households is the average of July 1, 1995 and July 1, 1996 household estimates obtained from the City of Tucson Planning Department. The 1995 and 1996 household figures are consistent with the sample surveys conducted by the U.S. Bureau of the Census in the fall of 1995. Sample surveys were used in Pima County in lieu of conducting a 1995 Special Census because of cost considerations. The average of 1995 and 1996 households (324,626 and 334,082, respectively), is used as a representation of mid-fiscal year 1995-96. It is assumed that 97 percent of Pima County households are in the Greater Tucson area (97 percent of 329,354 equals 319,473 households). The 1995 and 1996 household figures have been adopted by Pima Association of Governments and approved by the Population Technical Advisory Committee (POPTAC) of the Arizona Department of Economic Security.

The average expenditures per party were taken from the mail and phone survey results and multiplied by the estimated number of visitor

parties to private homes to estimate total expenditures by visitors to private homes.

The expenditures of a given visitor party were estimated by the Tucson area host. A series of prompts were used in eliciting this estimate (i.e., did visitors rent a car, stay at a hotel, eat out), but it is a less accurate estimate than if the visitor had provided this information. The home visitor expenditures are very conservative estimate of these visitors' expenditures. The hosts were asked to provide the name and address of their guests. The researchers intended to survey guests directly concerning expenditures and compare these with host

estimates. However, most phone survey respondents declined to provide their guests' address.

A weighted average of the phone and mail survey figures was used to estimate the number of visitor parties, average number of visitors per party, and average length of visit to Tucson. Phone and mail survey averages were weighted by the number of observations in the phone and mail surveys.

III. Winter Visitors Other than RV Park Winter Visitors

The winter visitor party estimate is based on the percentage of households with new

phone connections put in between October, 1995 and January 1996 who indicated that they spent only part of the year in Tucson. It is also based on the percentage of households contacted using the larger random list of all households in Tucson who indicated that they stay in Tucson only during the winter months.

Average expenditures per winter-visitor party were determined for visitors not in RV parks from the phone survey expenditure questions and multiplied by our estimate of total winter visitors to come up with an estimate of total expenditures by winter visitors staying in accommodations other than RV parks.

Appendix C: Revenue Sources

The following is a brief overview of the revenue sources in Arizona.

Property Taxes

Property taxes are imposed in this state at many different levels of government, including the state, counties, cities, school districts and a variety of special districts, e.g., community colleges, fire districts, etc. In the present analysis, only property taxes that are collected by the state, county and city governments are computed.

Vehicle License Tax

The license tax was imposed in 1940. It is a tax imposed on the value of motor vehicles, currently set at a rate of \$4.00 per \$100 of value, where value is set at 60 percent of the manufacturer's base retail price for the first 12 months of vehicle life and reduced by 15 percent in each 12 month period thereafter.

Of total vehicle license tax collections, 31.5 percent is deposited into HURF (see below) for distribution. The remaining 68.5 percent is distributed directly as follows:

five percent for administration, 20 percent to the state general fund, 25 percent to the state general fund for education, 25 percent to the county from which the tax is collected, and 25 percent to incorporated cities and towns in the county from which the tax is collected. Cities and towns receive their portion of the 25 percent according to their share of incorporated population within the county. During the 1996 legislature, these formulas were changed, effective 1997.

State-Shared Fuel Taxes and the Highway User Revenue Fund (HURF)

Cities and counties receive monies from the state's Highway User Revenue Fund, which consists primarily of: gasoline and use fuel (diesel fuel) tax collections, a portion of vehicle license taxes, registration and license fees and the motor carrier tax (imposed on trucks according to the miles driven, the rate varying with the weight of the truck). HURF funds are shared among the State Highway Fund, counties, and incorporated cities and towns through a complicated set of formulas.

State-Shared Sales Tax Collections

The state imposes a "sales" tax on 17 categories of taxable activities. The most important of these for the present analysis are: utilities, communications, publishing, printing, restaurants and bars, rentals of real and personal property, contracting (materials only, or 65 percent of the contracting award), amusements, hotels/motels and retail. Most tax rates are five percent, but a relevant exception is the tax on hotel/motels, which is 5.5 percent. The state's tax on real property rentals (i.e., the commercial lease tax) is scheduled to be phased out by fiscal year 1998. The current two percent tax rate (as of May 1996) will decrease by one percent per year until fiscal year 1998.

The tax revenue from these activities is not "shared" equally. Differing proportions of each activity form the total *distribution base*, or that portion of sales taxes that is distributed to cities and counties. Specifically, 40 percent of the revenues from restaurant and bars, rentals of personal property, and retail goes into the distribution

base. Twenty percent of utilities, communications, printing, publishing and amusements revenues, 50 percent of hotel/motel revenues and 53.33 percent of real property rental revenues go into the distribution base.

Once the total distribution base is determined by applying the appropriate distribution base percentage to the collections in each taxable category, 25 percent is shared to incorporated cities and towns and 40.51 percent is shared to counties. Individual cities and towns receive their portion of the 25 percent based on their share of total incorporated population in the state, according to the latest U.S. decennial or special census, adjusted for changes in city or town boundaries. A county receives its share of revenues according to a complicated 10-step formula that weighs each county's contribution to the state's distribution base, the county's share of total statewide secondary net assessed value and the county's population relative to all other counties. Thus a county receives more state-

shared sales taxes when its taxable sales, population or net assessed value increases. Nondistributed sales taxes are retained by the state.

Urban Revenue Sharing

The Urban Revenue Sharing Fund is credited with 12.8 percent of the proceeds of state income taxes (total net collections from the individual and corporate income taxes, less voluntary contributions) collected two fiscal years prior to the current fiscal year. Each city and town receives monies from the fund according to its share of the state's incorporated population based on the latest U.S. decennial or special census, adjusted for changes in city or town boundaries.

County Cactus League Surtax

Pima County imposes a \$2.50 tax for each rental car contract in the county. Proceeds go toward construction of a stadium for the Cactus League baseball organization. As of July 1996, this sur-

tax increased to \$3.50 per rental car contract.

County Hotel/Motel Tax

Pima County currently imposes a one percent tax on hotel/motel tax receipts in the county. Taxpayers (hotels/motels) located in incorporated areas that impose city hotel/motel taxes receive a credit against the county's tax. Thus, this one percent applies only to the unincorporated area of Pima County and it is in addition to the county's share of the state's 5.5 percent tax.

City of Tucson Sales Tax

The City of Tucson imposes a sales tax of two percent for most categories. A relevant exception is the sales tax on hotels/motels, which is four percent.

City Bed Surtax

The City of Tucson charges a \$1.00 per room night surcharge on all occupied hotel/motel rooms within the city limits.

Appendix D: Winter Visitor Profile

The information in this section on long-stay winter visitors to Tucson is derived from the telephone and mail survey thus it excludes data on winter visitors who do not have telephones listed in the Tucson phone directory. The winter resident survey of persons staying in recreational vehicles and trailers conducted by Arizona State University could provide some insights into that group. The number of winter visitors identified in the present study is quite small (57); thus, the accuracy of the following statistics is considered to be lower than that for other types of visitors. The results are reported for all winter visitors contacted and for winter visitors who did not stay in RVs or motor homes (39 respondents).

Tucson has long been the home of long-stay visitors who come to Tucson during the winter months to escape the cold of their home climates. These "winter visitors," as they are called, come predominantly from the western and central states (Table D1). Winter visitors from the eastern states comprise only about 15 percent of our visitors, presumably because Florida is a nearby alternative. A low percentage of Southerners come

to Arizona to spend the winter, both because Florida is closer and because the southern climate is mild. Approximately 12 percent of our winter visitors are from foreign countries, including Canada.

More than half of all winter visitors mention the climate or weather as a "primary" reason for their choice of Tucson as a winter home (Table D2). Approximately half also cite proximity to family or friends as a reason for their choice. Of the winter visitors contacted in the survey, approximately 30 percent stay in apartments, 30 percent stay in RVs or mobile homes, 23 percent stay in rented or owned single-family homes and 16 percent stay in condos, townhouses, or duplexes (Table D3).

Table D1. Origin of Winter Visitors, 1995-96

	Non-RV	Total
	—— (percent) ——	
Western states	33	32
Central states	31	37
Eastern states	15	14
Canada	8	7
Foreign countries	8	5
Southern states	5	5

Table D2. Reasons Winter Visitors Chose to Stay in Tucson, 1995-96

	Non-RV	Total
	—— (percent) ——	
Climate/weather	56	54
Close to family	25	26
Close to friends	25	19
Scenery	8	11
People are friendly	11	7
Lived here before	6	7
Good medical facilities	6	6
Affordable	8	6
Variety of things to do here	3	4
Other	25	24

Table D3. Accommodations of Winter Visitors to Tucson, 1995-96

	Non-RV	Total
	—— (percent) ——	
Apartment	42	30
Single family home	36	23
Condo/townhouse/duplex	22	16
RV/mobile home	0	31

The actual percentage staying in RVs or mobile homes is probably substantially higher than 31 percent; however, people could not be contacted through our sampling method unless they had a phone.

Winter visitors travel in pairs and three-quarters of them are retired (Table D4). Winter visitors are repeat visitors, having already spent an average of five winters here. Almost all responding winter visitors are planning to return. Most winter visitors (almost 80 percent) are, as expected, 60 or more years of age (Table D5). A significant portion (15 percent) are between the ages of 36 and 59.

Winter visitors tend to be well educated. Almost all of them have at least high school diplomas and almost half have some type of postsecondary degree. Education levels of the winter visitors are reflected in their incomes. Half of these mostly retired households receive between \$30,000 and \$60,000 per year in income, and a quarter receive more than \$60,000 per year. Winter visitors are predominantly white (approximately 90 percent), with ethnic or racial minorities combined representing only about 10 percent.

Over half the winter visitors mention sightseeing as one of their leisure activities while visiting Tucson (Table D6). About one-third cite playing golf, reading or shopping. About one-fourth of winter visitors cite hiking or walking as leisure activities, and swimming and visiting friends are each cited by approximately 15 percent.

Table D4. General Characteristics of Winter Visitors, 1995-96

	Non-RV	Total
Average party size	2.03	1.96
Average number of winters spent in Tucson	5.1	5.1
Percent planning to return to Tucson	97	98
Percent retired	74	79

Table D5 Age Distribution of Winter Visitors, 1995-96

	Non-RV	Total
	— (percent) —	
Age:		
Under 18 years of age	5	4
18-35 years	4	3
36-59 years	22	15
60 and over years	69	79
Education:		
Less than a high school graduate	1	1
High school graduate	46	49
Associate degree	6	7
Bachelor's degree	31	29
Master's degree	11	11
Ph.D. or equivalent	4	4
Income:		
\$30,000 or less	15	22
\$30,001-60,000	55	54
over \$60,000	30	24
Race and ethnicity:		
White	86	91
Hispanic	6	4
Asian	3	2

Table D6. Leisure Activities of Winter Visitors, 1995-96

	Non-RV	Total
	— (percent) —	
Sightseeing	50	50
Playing golf	39	33
Reading	31	31
Shopping	31	35
Hiking/walking	25	26
Swimming	19	15
Visiting friends	14	13

NOTE: Hotel refers to visitors at hotel, home refers to visitors staying at private homes, total to all visitors, and all the numbers refer to page numbers.

Activities

20 hotel

Age

13 hotel

25 home

Arizona communities visited

20 hotel

27 home

Attractions visited

21-22 hotel

27 home

Business visitors to hotels - 24-33

Children

14 hotel

24 home

Citizenship

14 hotel

26 home

Couples

14 hotel

24 home

Definitions - 2

Destination or itinerary

20 hotel

26-27 home

Economic impacts - xi, 3-5

Education

13 hotel

25-26 home

Employment impacts - xi, 4-5

Ethnicity

14 hotel

26 home

Expenditures

by accommodations - xii, xiv, 3

by expenditure category - xiii, 3

10 hotel

23 home

by mode of transportation, hotel visitors - 12

by origin, hotel visitors - xii, 12

by season, hotel visitors - 10
 total expenditures - xii, xiv
 per person
 23 home
 31 hotel
 per room night
 11 hotel
 23 home
 per party
 11 hotel
 23 home
Gem and Mineral Show, hotel visitors - 29-33
Golf
 20, 29-33 hotel
 27 home
Hotel locations - 9
Hotel visitors - 9-22, 29-33
Income
 13 hotel
Information, used by hotel visitors - 15-16
Information preferences for hotel visitors - 15, 17
Interests
 15 hotel
 26 home
International visitors to hotels - 29-33
Itinerary or destination
 20 hotel
 26-27 home
Learned about Tucson, hotel visitors - 16
Leisure visitors to hotels - 29-33
Like best about Tucson, hotel visitors - 19
Like least about Tucson, hotel visitors - 19
Modes of Transportation
 12 hotel
 24 home
Month of visit
 home - 24
Number of hotels - 9
Occupations
 14 hotel
 26 home
Older visitors to hotel - 29-33
Origin - xiii
 12 hotel
 25 home
Party composition
 14 hotel
 24 home
Private home visitors - 23-27
Purchase types
 10 hotel
 23 home

Purpose of trips - xiii
17-18 hotel
27 home

Race
14 hotel
26 home

Reason for not returning to Tucson
18-19 hotel

Reason for returning to Tucson
18-19 hotel

Reason for visiting Tucson - xiii
17-18 hotel
27 home

Resort visitors - 29-33

Revenue impacts - xi, 5-7

Revenue sources - 43-44

Room nights - xiv, 11

Rural communities visited
20 hotel
27 home

Survey methodology - 37-39

Tax revenues - 5-7

Times in Tucson
18 hotel
24 home

Visitor numbers - xiv
11 hotel
23-24 home

Winter visitors - 45-46

Zip code areas - 1