

2024

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# Economic Impact of Visitors to San Luis Obispo, CA

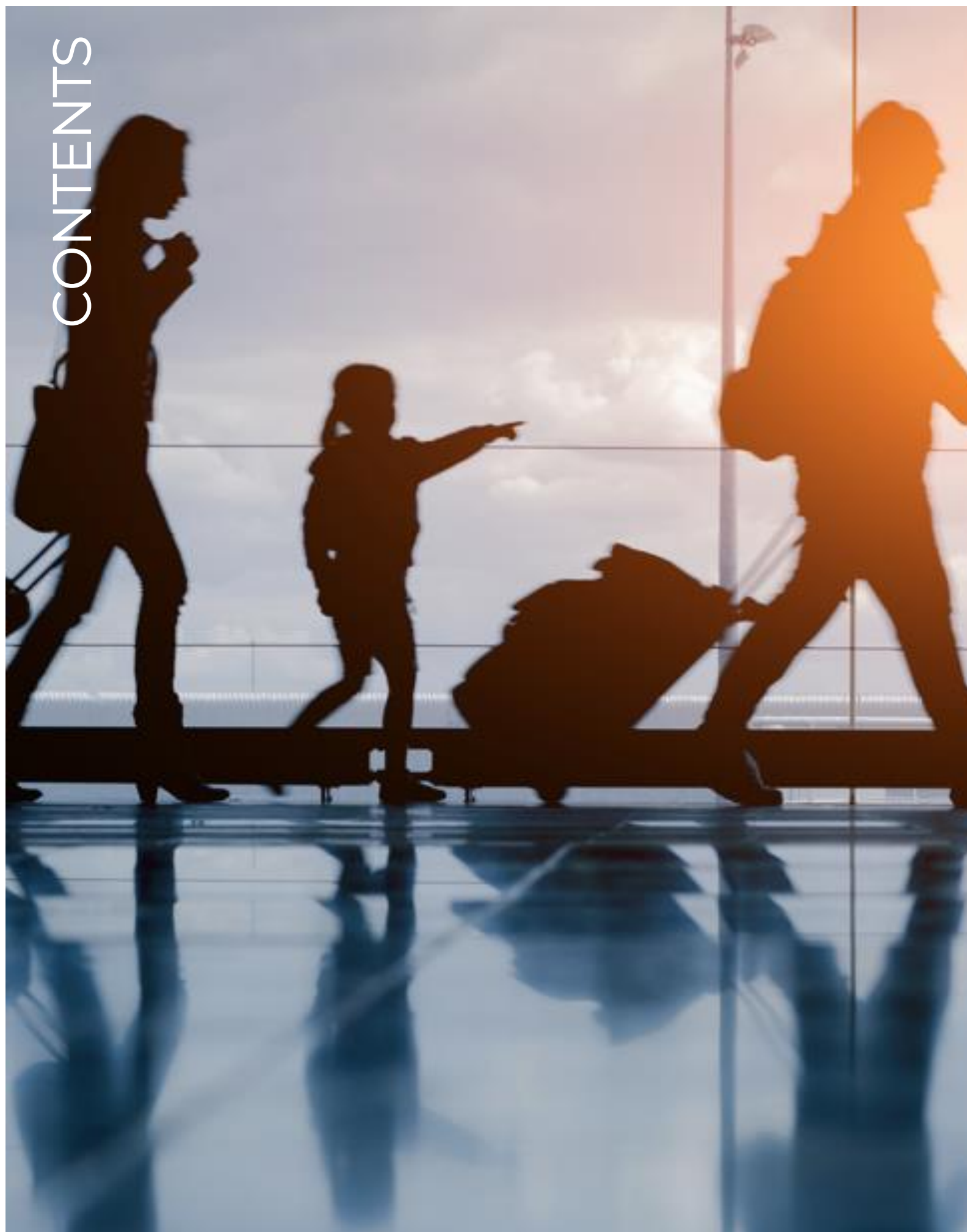
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Prepared for:



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# 1

## Introduction

### Background

The travel sector is an integral part of the economy in San Luis Obispo, California. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the regional economy.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs.

To quantify the economic significance of the tourism sector in San Luis Obispo, Tourism Economics prepared a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

### Methodology & Data Sources

Tourism Economics constructed an IMPLAN input-output model for San Luis Obispo County. The model traces the flow of visitor-related expenditures through the county's economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

The value of seasonal and second homes was estimated based on census data for seasonal units and estimated gross rents.

Visitors included those who stayed overnight or traveled more than 50 miles to the destination.

The analysis draws on the following data sources:

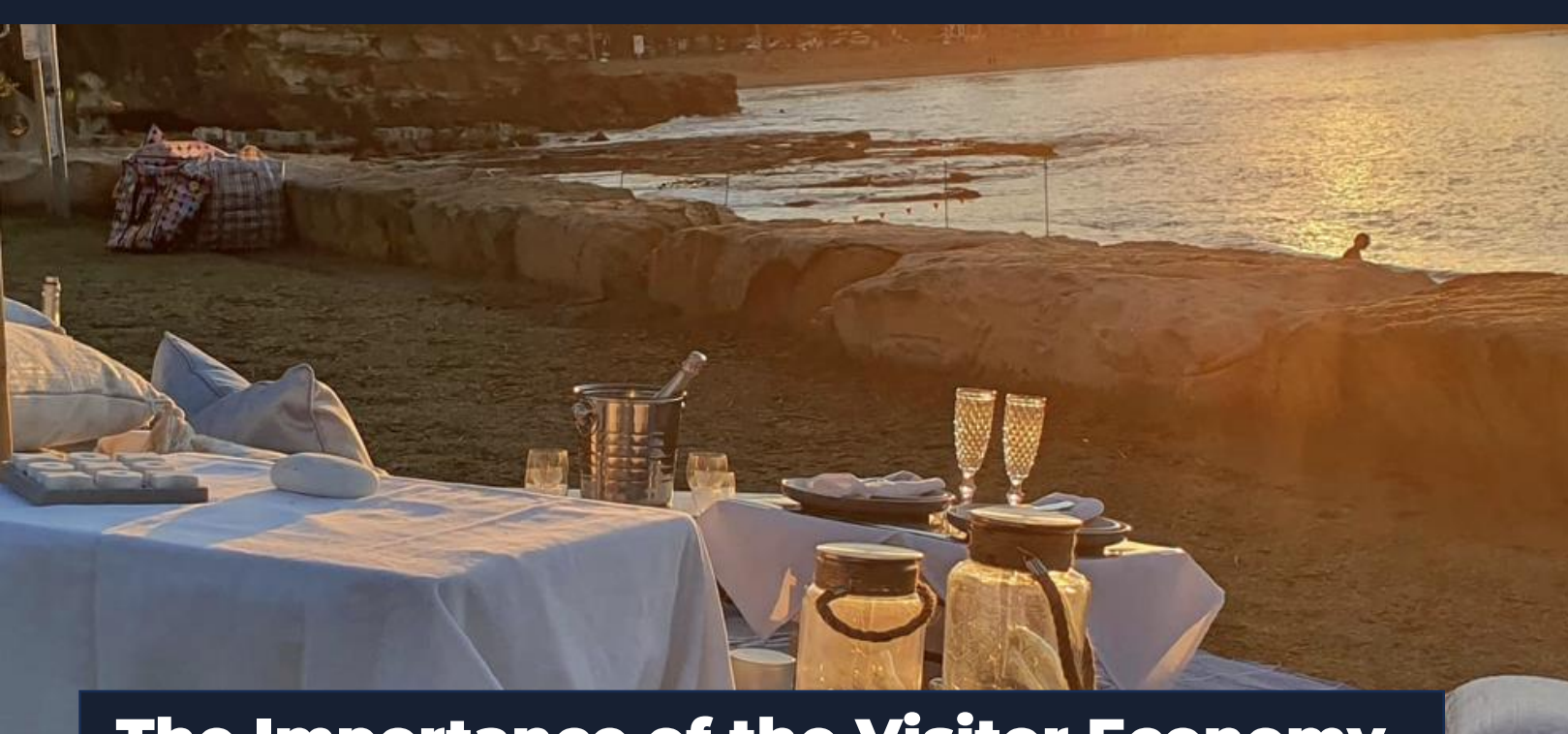
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: Lodging performance data, including room demand, room rates, occupancy, and room revenue
- San Luis Obispo County: Transit Occupancy Tax (TOT) collections by municipality
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to California based on aviation, survey, and credit card information
- VsaVue: Credit card spending data for international and domestic visitors



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# Executive Summary

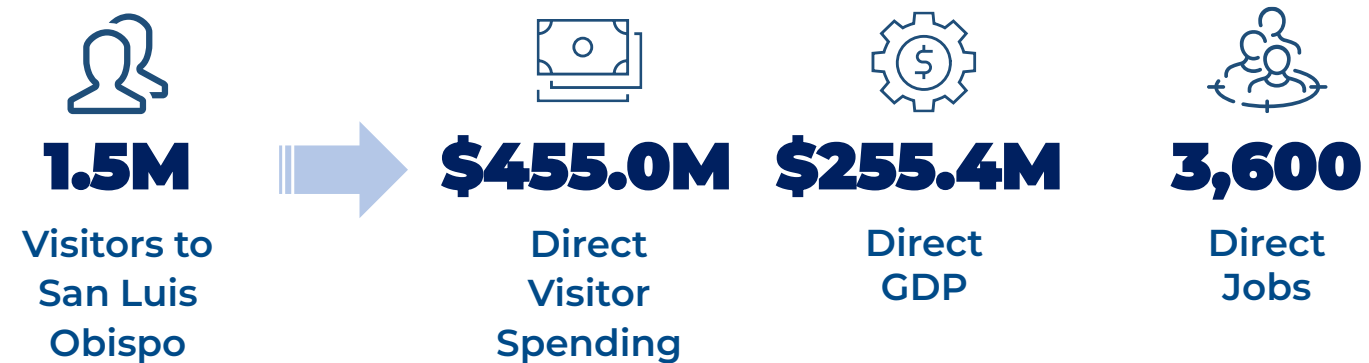




## The Importance of the Visitor Economy

### Summary Direct Visitor Spending in 2024

In 2024, San Luis Obispo welcomed approximately 1.5 million visitors, including 1.0 million overnight visitors and 488,000 day visitors. In total, these visitors spent \$455.0 million across the regional economy, supporting \$255.4 million in direct GDP and approximately 3,000 direct jobs.



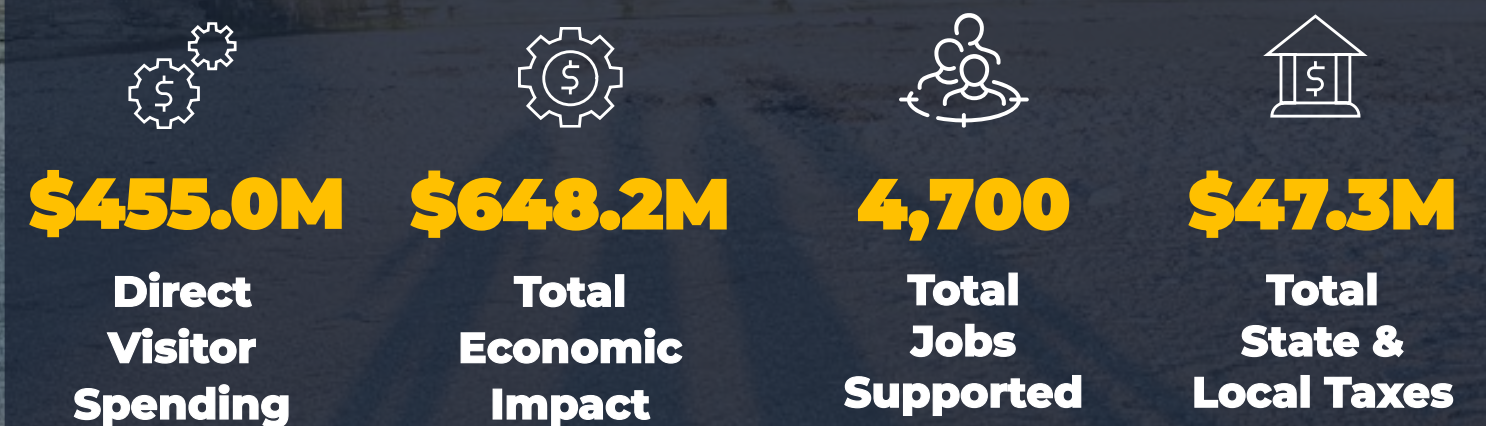
### Total Economic Impact

The direct visitor spending impact of \$455.0 million generated a total economic impact of \$648.2 million in the regional economy (including indirect and induced impacts) and sustained approximately 4,700 total jobs.

In CY 2024, visitor-generated state and local tax revenues amounted to \$47.3 million.



### Summary Economic Impacts of Visitors in San Luis Obispo (2024)





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# Visitor Volume & Visitor Spending



## Visitor Volume

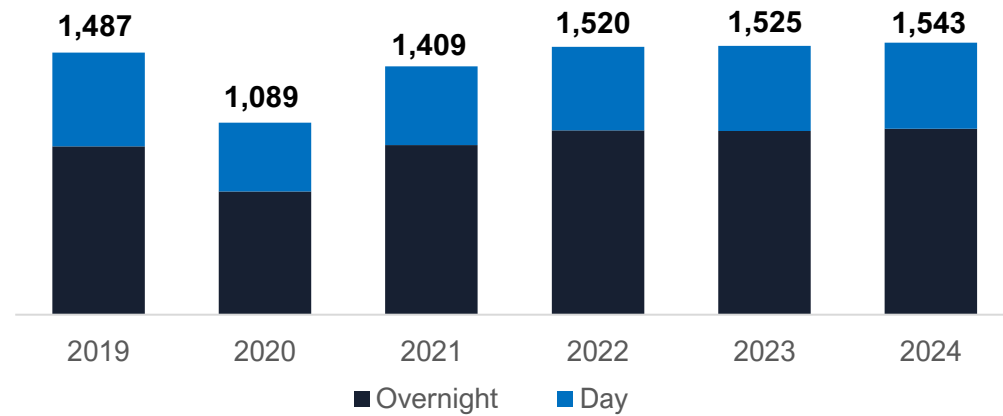
### San Luis Obispo welcomed 1.5 million visits in 2024.

The 1.5 million total visits included 1.1 million overnight visitors and 488,000 day visitors. In total, these visitors spent \$455.0 million, supporting \$113.0 million in direct labor income and approximately 3,600 direct jobs.

The 1.5 million total visits to San Luis Obispo in 2024 represented a 1.2% increase compared to total visitation levels in 2023.

#### Total Visits to San Luis Obispo CY 2019-2024 (Thousands of Visits)

	2019	2020	2021	2022	2023	2024
<b>Total visits</b>	<b>1,487.5</b>	<b>1,089.0</b>	<b>1,409.3</b>	<b>1,520.2</b>	<b>1,525.4</b>	<b>1,543.1</b>
Overnight	955.5	698.8	962.0	1,045.0	1,042.7	1,055.6
Day	531.9	390.1	447.3	475.2	482.6	487.5



Source: Tourism Economics

#### Total Visits to San Luis Obispo CY 2020-2024 (Year-on-Year % Change)

	2020	2021	2022	2023	2024
<b>Total visits</b>	<b>-26.8%</b>	<b>29.4%</b>	<b>7.9%</b>	<b>0.3%</b>	<b>1.2%</b>
Overnight	-26.9%	37.7%	8.6%	-0.2%	1.2%
Day	-26.7%	14.7%	6.2%	1.6%	1.0%

Source: Tourism Economics

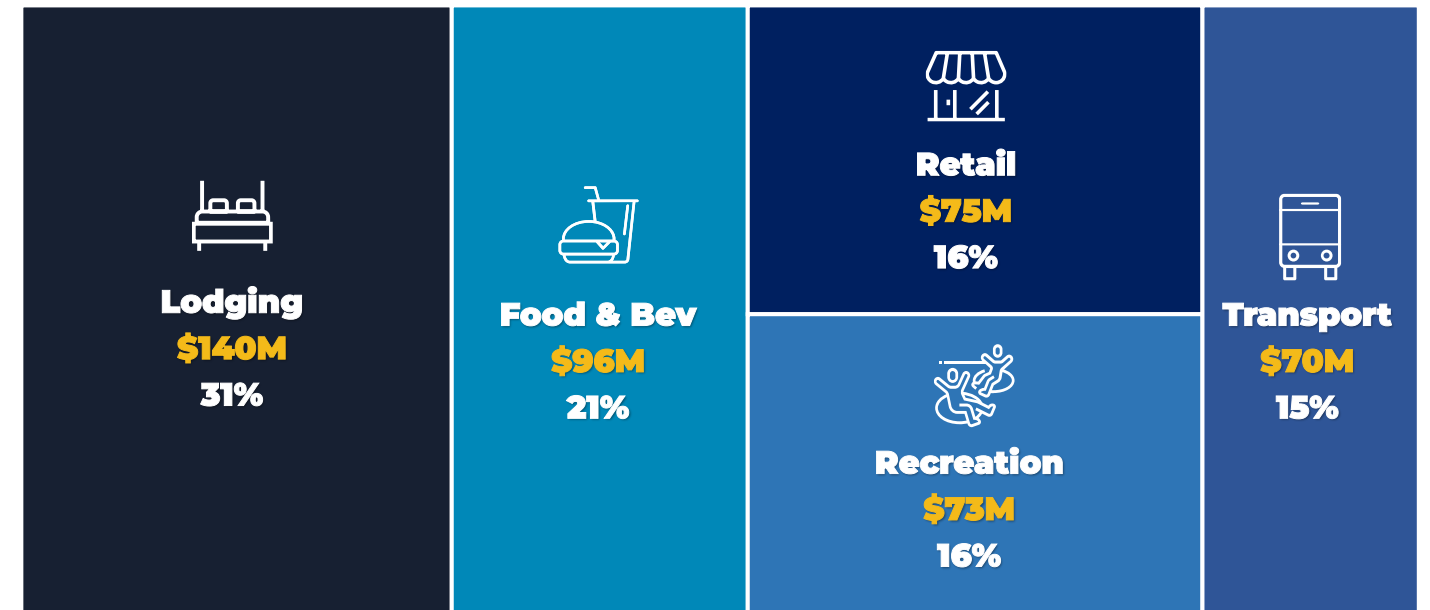
## Visitor Spending

### Visitors to San Luis Obispo spent approximately \$455 million in 2024.

Of the \$455.0 million spent by visitors to San Luis Obispo in 2024, lodging spending represented the highest spending category, registering \$140.2 million and capturing 31% of all visitor spending. Food and beverage spending followed, amounting to \$96.3 million, representing 21% of total visitor spending.

Retail spending amounted to \$75.1 million (16% of total spending), while recreation spending totaled \$73.0 million (16% of all visitor spending). Transportation spending, including both air and local transportation within the destination, totaled \$70.4 million (15% of total spending).

#### Total Spending by Visitors to San Luis Obispo, by Industry CY 2024 (\$ Millions and Percentage of Total Spending)



Source: Tourism Economics

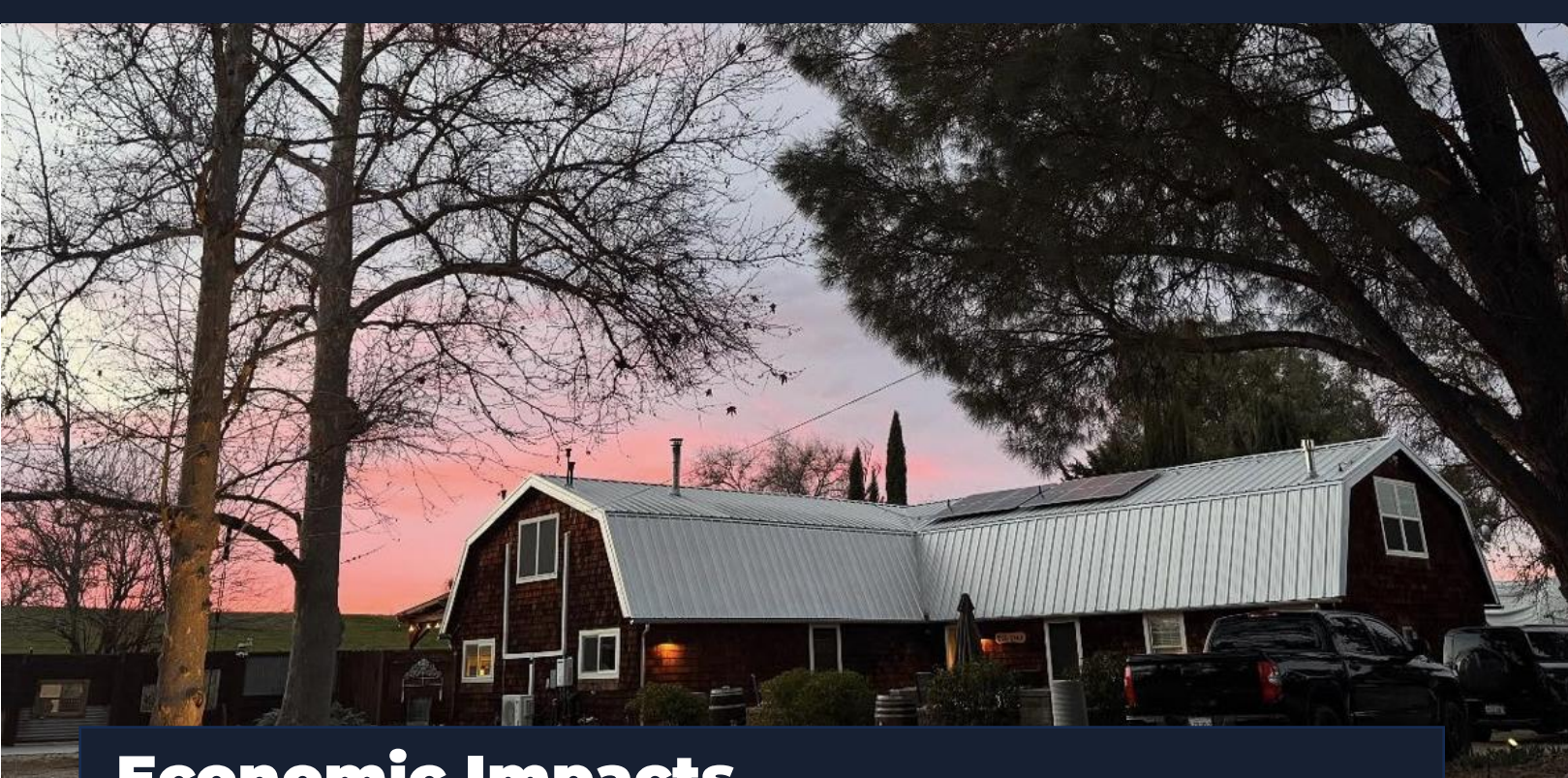


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# Economic Impacts







## Economic Impacts

Our analysis of the San Luis Obispo visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, direct visitor spending serves as an input into a model of the regional economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

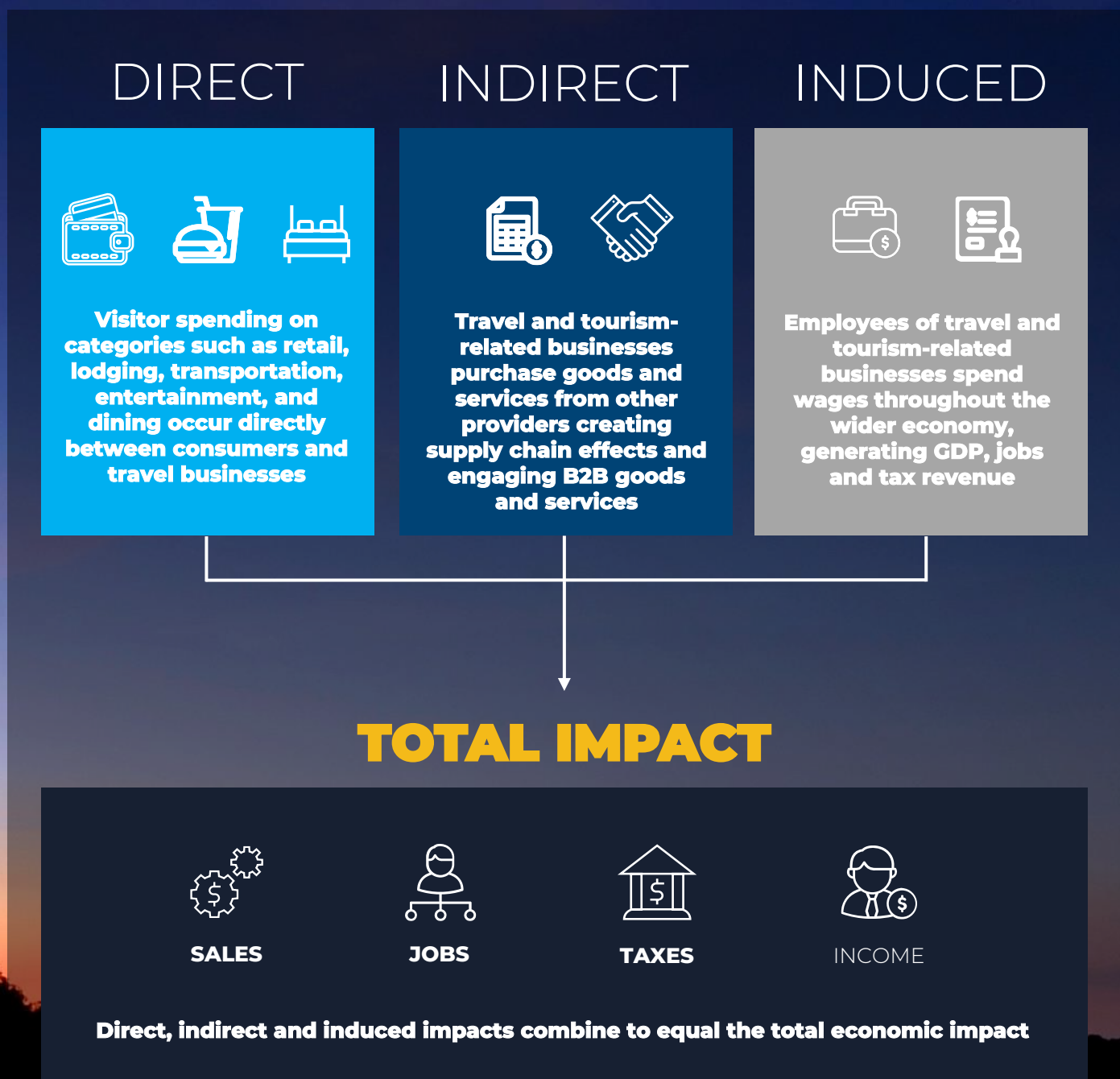
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as lodging, food and beverage, recreation, and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

## Economic Impact Framework





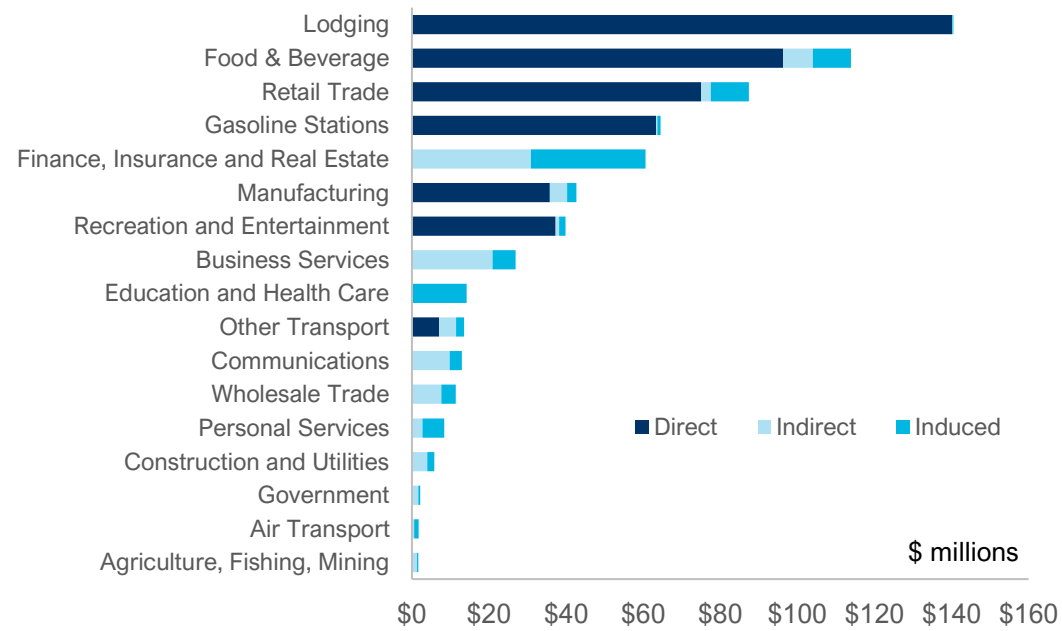
## Business Sales Impacts

The \$455.0 million in visitor spending in 2024 generated a total economic impact of \$648.2 million throughout the regional economy.

As previously outlined, visitors to San Luis Obispo contributed a direct impact of \$455.0 million in 2024. This direct impact generated \$100.0 million in indirect impacts and \$93.2 million in induced impacts, resulting in a total economic impact of \$648.2 million throughout the regional economy..

The lodging industry was the most-impact industry with \$140.5 million in total business sales. Food and beverage and retail followed, with \$113.9 million and \$87.4 million in total business sales, respectively.

**Business Sales Impacts, by Industry**  
CY 2024 (\$ Millions)



Source: Tourism Economics

## Business Sales Impacts, by Industry CY 2024 (\$ Millions)

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
<b>Total Business Sales, All Industries</b>	<b>\$455.0</b>	<b>\$100.0</b>	<b>\$93.2</b>	<b>\$648.2</b>
By industry				
Lodging	\$140.2	\$0.0	\$0.3	\$140.5
Food & Beverage	\$96.3	\$7.8	\$9.8	\$113.9
Retail Trade	\$75.1	\$2.5	\$9.9	\$87.4
Gasoline Stations	\$63.4	\$0.3	\$0.9	\$64.5
Finance, Insurance and Real Estate	\$0.0	\$30.9	\$29.7	\$60.6
Manufacturing	\$35.8	\$4.5	\$2.4	\$42.6
Recreation and Entertainment	\$37.3	\$0.9	\$1.6	\$39.8
Business Services	\$0.0	\$20.9	\$6.0	\$26.9
Education and Health Care	\$0.0	\$0.2	\$14.0	\$14.2
Other Transport	\$7.0	\$4.4	\$2.1	\$13.5
Communications	\$0.0	\$9.8	\$3.2	\$12.9
Wholesale Trade	\$0.0	\$7.6	\$3.8	\$11.4
Personal Services	\$0.0	\$2.7	\$5.7	\$8.4
Construction and Utilities	\$0.0	\$4.0	\$1.8	\$5.8
Government	\$0.0	\$1.6	\$0.5	\$2.2
Air Transport	\$0.0	\$0.5	\$1.2	\$1.8
Agriculture, Fishing, Mining	\$0.0	\$1.3	\$0.3	\$1.7

Source: Tourism Economics

Note: totals may not sum due to rounding.

## Summary Economic Impacts of San Luis Obispo Visitors in 2024



$$\mathbf{\$455.0M + \$100.0M + \$93.2M = \$648.2M}$$

Direct  
Visitor  
Spending

Indirect  
Business  
Sales

Induced  
Business  
Sales

Total  
Economic  
Impact



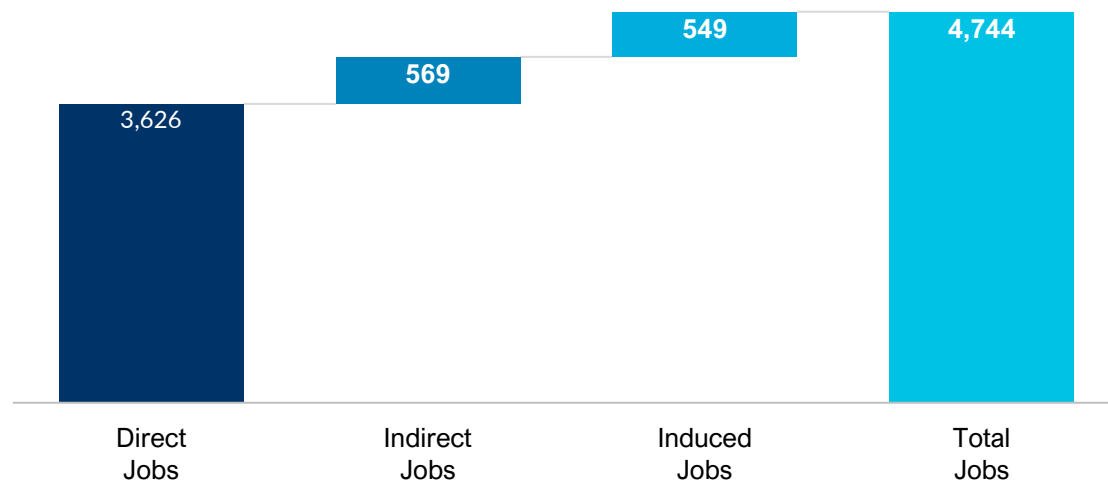
# Job Impacts

Visitors to San Luis Obispo generated a total employment impact of approximately 4,700 part-time and full-time jobs in 2024.

Visitor activity sustained more than 3,600 direct jobs in 2024. Indirect and induced impacts generated 569 indirect jobs and 549 induced jobs, resulting in a total employment impact of more than 4,700 total jobs.

## Job Impacts, by Industry CY 2024 (Number of Jobs)

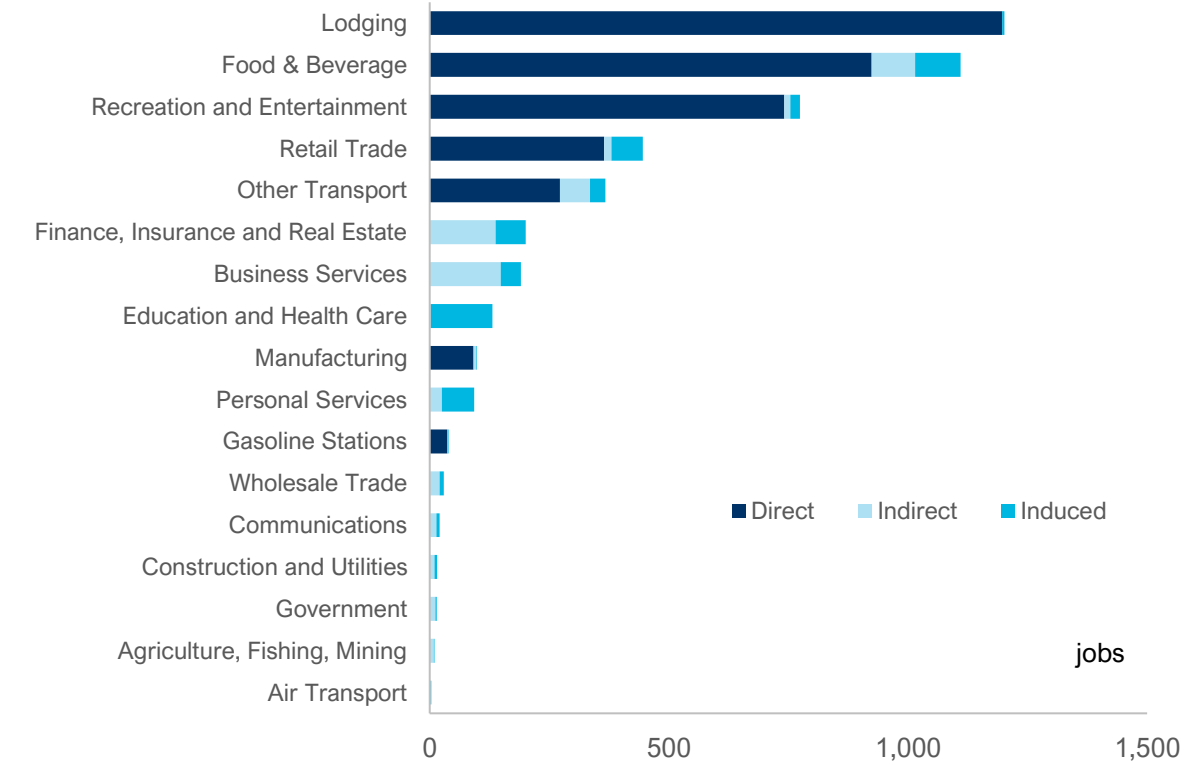
	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
<b>Total Jobs, All Industries</b>	<b>3,626</b>	<b>569</b>	<b>549</b>	<b>4,744</b>
By industry				
Lodging	1,196	0	5	1,201
Food & Beverage	924	91	95	1,110
Recreation and Entertainment	741	13	20	774
Retail Trade	365	15	65	445
Other Transport	272	63	32	367
Finance, Insurance and Real Estate	0	138	63	201
Business Services	0	149	42	190
Education and Health Care	0	2	129	131
Manufacturing	92	6	1	98
Personal Services	0	25	68	93
Gasoline Stations	37	1	2	39
Wholesale Trade	0	21	9	30
Communications	0	14	7	21
Construction and Utilities	0	10	5	15
Government	0	12	3	15
Agriculture, Fishing, Mining	0	8	1	10
Air Transport	0	1	2	4



Source: Tourism Economics  
Note: Jobs include part-time and full-time jobs

The lodging industry was the most-impact industry with approximately 1,200 total jobs. The food and beverage industry and recreation industry followed, with 1,100 and 770 total jobs, respectively.

## Job Impacts, by Industry CY 2024 (Number of Jobs)



Source: Tourism Economics  
Note: Jobs include part-time and full-time jobs



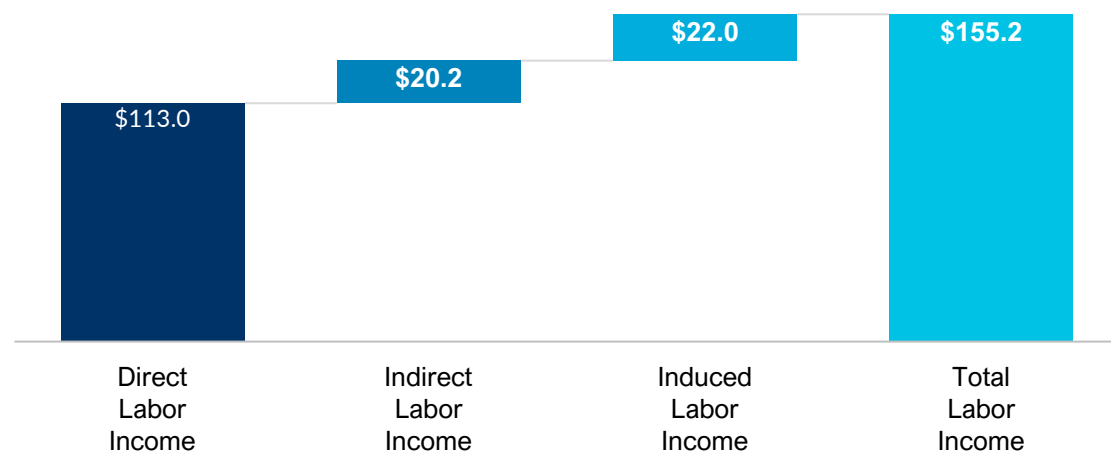
# Labor Income Impacts

Visitors to San Luis Obispo generated a total labor income impact of more than \$155 million in 2024.

Visitor activity sustained \$113.0 million in direct labor income in 2024. Indirect and induced impacts generated \$20.2 million in indirect labor income and \$22.0 million in induced labor income, resulting in a total labor income impact of \$155.2 million.

## Labor Income Impacts, by Industry CY 2024 (\$ Millions)

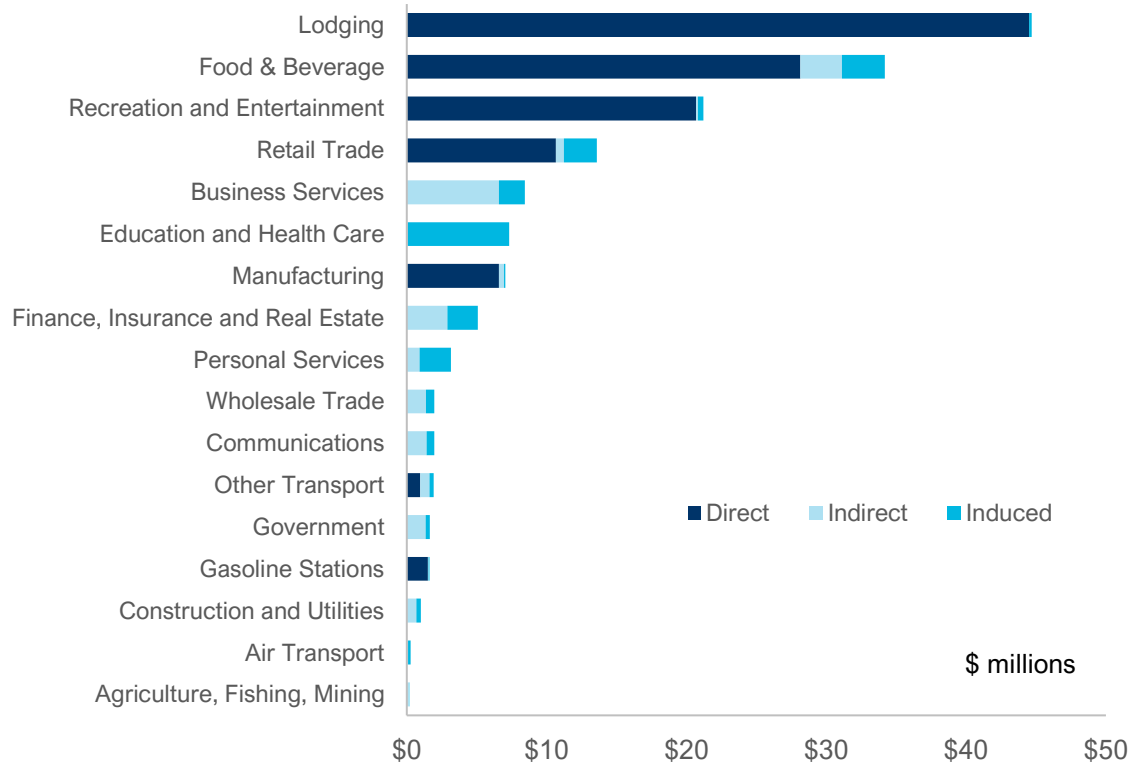
	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
<b>Total Labor Income, All Industries</b>	<b>\$113.0</b>	<b>\$20.2</b>	<b>\$22.0</b>	<b>\$155.2</b>
By industry				
Lodging	\$44.5	\$0.0	\$0.2	\$44.7
Food & Beverage	\$28.2	\$3.0	\$3.1	\$34.2
Recreation and Entertainment	\$20.7	\$0.1	\$0.4	\$21.2
Retail Trade	\$10.7	\$0.6	\$2.4	\$13.6
Business Services	\$0.0	\$6.6	\$1.9	\$8.4
Education and Health Care	\$0.0	\$0.1	\$7.2	\$7.3
Manufacturing	\$6.6	\$0.4	\$0.1	\$7.0
Finance, Insurance and Real Estate	\$0.0	\$2.9	\$2.2	\$5.1
Personal Services	\$0.0	\$0.9	\$2.3	\$3.2
Wholesale Trade	\$0.0	\$1.4	\$0.6	\$2.0
Communications	\$0.0	\$1.4	\$0.6	\$2.0
Other Transport	\$0.9	\$0.7	\$0.3	\$1.9
Government	\$0.0	\$1.3	\$0.3	\$1.6
Gasoline Stations	\$1.5	\$0.0	\$0.1	\$1.6
Construction and Utilities	\$0.0	\$0.7	\$0.3	\$1.0
Air Transport	\$0.0	\$0.1	\$0.2	\$0.3
Agriculture, Fishing, Mining	\$0.0	\$0.2	\$0.0	\$0.2



Source: Tourism Economics

The lodging industry was the most-impact industry with \$44.7 million in labor income. The food and beverage industry and the recreation industry followed, with \$34.2 million and \$21.2 million in total labor income, respectively.

## Labor Income Impacts, by Industry CY 2024 (\$ Millions)



Source: Tourism Economics



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# Fiscal (Tax) Impacts



## Fiscal (Tax) Impacts

Visitors to San Luis Obispo generated a total fiscal (tax) impact of \$87.1 million, including \$39.8 million in federal taxes and \$47.3 million in state and local taxes.

Visitor spending directly generated \$37.1 million in state and local taxes, including \$17.4 million in sales tax revenue (which included \$10.8 million in Transient Occupancy Tax (TOT) revenue).

The visitor industry generated approximately \$47.3 million in total state and local tax revenues in CY 2024, including approximately \$18.5 million in sales tax revenue, \$7.0 million in personal income taxes, \$2.7 million in corporate taxes, \$2.9 million in excise and fees, and \$16.2 million in property tax revenues.

### Fiscal (Tax) Impacts, by Type CY 2024 (\$ Millions)

	Direct Taxes	Indirect & Induced Taxes	Total Taxes
<b>Total Taxes</b>	<b>\$62.8</b>	<b>\$34.5</b>	<b>\$87.1</b>
<b>Federal</b>	<b>\$25.7</b>	<b>\$24.3</b>	<b>\$39.8</b>
Personal income	\$13.9	\$6.1	\$20.0
Corporate	\$1.6	\$1.2	\$2.7
Indirect business	\$1.2	\$0.5	\$1.7
Social insurance	\$9.1	\$6.3	\$15.4
<b>State and Local</b>	<b>\$37.1</b>	<b>\$10.2</b>	<b>\$47.3</b>
Sales	\$17.4	\$1.1	\$18.5
Transient Occupancy Tax (TOT)	\$10.8	\$0.0	\$10.8
Personal income	\$4.9	\$2.1	\$7.0
Corporate	\$1.6	\$1.2	\$2.7
Excise and fees	\$2.0	\$0.9	\$2.9
Property	\$11.2	\$5.0	\$16.2

Source: Tourism Economics



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# Appendix





## Glossary – Spending Definitions

Term	Description
<b>Lodging</b>	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
<b>Food and beverage</b>	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
<b>Recreation</b>	Includes visitors spending within the arts, entertainment and recreation sub-sector.
<b>Shopping</b>	Includes visitor spending in all retail sub-sectors within the local economy.
<b>Local transport</b>	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
<b>Service stations</b>	Visitor spending on gasoline.
<b>Second homes</b>	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

## Glossary – Economic Impact Definitions

Term	Description
<b>Direct Impact</b>	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
<b>Indirect Impact</b>	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
<b>Induced Impact</b>	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
<b>Employment</b>	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
<b>Labor income</b>	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
<b>Value Added (GDP)</b>	The economic enhancement a company gives its products or services before offering them to customers.
<b>Local Taxes</b>	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
<b>State Taxes</b>	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.



## About the Research Team



Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 600 full-time staff, including 250 professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.





