

ESTIMATED TOTAL IMPACT OF TOURISM IN

Bluffton

ON BEAUFORT COUNTY, SOUTH CAROLINA 2022



MARCH 2023

CONDUCTED BY:

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Introduction

This study estimates the economic impact generated by tourism to the Town of Bluffton in the year 2022. It examines the impact of such tourism on the broader economy of Beaufort County, South Carolina, and takes into account the direct spending of the visitors along with the positive secondary effects of such expenditures. The analysis entailed individually estimating the economic impacts associated with overnight visitors and day trip visitors, and then summing them together for an overall total.

This analysis was conducted by Dr. Daniel Guttentag and Melinda Patience of the Office of Tourism Analysis, which is part of the Hospitality and Tourism Management Department in the School of Business at the College of Charleston.

Methodology

The economic impact estimations undertaken for this analysis involved various steps and diverse data. Initially, visitor volume estimates were produced using data on lodging demand provided by STR, combined with visitor behavior data that is collected via a Visitor Profile Survey. The total number of visitors in each segment for 2022 can be observed in Table 1. These figures then were used to estimate the total direct visitor spending associated with each segment. Such spending estimates also relied upon visitor expenditure data collected as part of the previously mentioned Visitor Profile Survey, which asks respondents about their spending in over a

dozen categories (e.g., lodging, food, transportation, and activities). The list of expenditure categories, and the total estimated direct expenditure in each category for 2022, can be observed in Table 2.

The previously described data subsequently were used to determine average per-person expenditures. These figures were combined with the estimated visitor counts and used as inputs for a regional economic impact modelling tool, IMPLAN. IMPLAN is an input-output (I-O) model that uses regionalized economic data and other information to determine economic output that accounts for direct expenditure and the secondary benefits of such expenditure (i.e., indirect and induced impacts). The model further estimates labor impacts and tax revenues.

Table 1. Number of Bluffton Visitors

Segment	Visitors
Overnight	154,478
Day Trip	277,083
Total Visitors	431,561

The following metrics, as estimated by the economic impact model, are covered within this report:

- **Employment:** The number of jobs in the region supported by the economic activity, which involves an industry-specific mix of full-time, part-time, and seasonal employment. Seasonal jobs are adjusted to annual equivalents.

Table 2. 2021 Estimated Total Expenditure by Spending Category

Category	Totals
Transportation (around the destination)	\$12,656,658
Lodging	\$24,613,718
Food – Dining Out	\$30,615,172
Food – Groceries	\$12,810,826
Shopping	\$34,136,810
Spas	\$5,734,012
Golf	\$4,903,170
Biking	\$1,429,847
Performance/Visual Arts	\$5,720,159
Festivals	\$4,160,605
Museums/Historical Tours	\$7,342,227
Boating/Sailing/Fishing	\$6,715,010
Nature-based Activities	\$1,891,285
Dolphin Tours	\$2,107,214
Tennis	\$835,123
Other Expenses	\$7,667,465
Total Expenditure	\$163,339,299

- **Labor income:** All forms of employment income, including employee compensation (wages and benefits) and proprietor income.
- **Output:** The total value of industry production, which for the service sector represents total sales, for the retail sector represents gross margins, and for the manufacturing sector represents sales minus inventory change.
- **Direct:** The initial effects to local industries that are directly receiving the expenditures of interest.
- **Indirect:** The secondary effects resulting from business-to-business purchases in the supply chain occurring throughout the region, as triggered by or in support of the direct expenditure activity.
- **Induced:** The ripple effects in the region resulting from household spending of

income, after the removal of taxes, savings, and commuters.

- **Taxes:** These revenues take into account a variety of taxes, including sales tax, property tax, and income tax. These figures do not account for tourism taxes, such as accommodation taxes.

Results

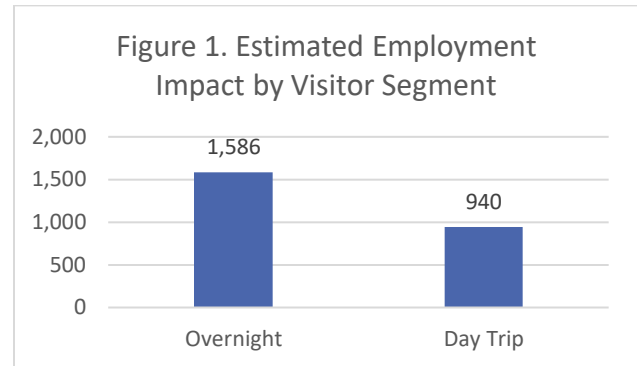
Following two years of travel behavior being largely shaped by the pandemic, in 2022 travel returned to much more traditional patterns. In particular, urban and international travel, together with business and group travel, rebounded considerably, after previously lagging behind in the travel recovery. As a result, the spike in visitation experienced by many non-urban destinations in 2021 did not continue. This shift in travel behavior inevitably impacted tourism visitation to Bluffton.

Nonetheless, the estimated number of visitors in 2022 remained just shy of the record-breaking number set in 2021. Moreover, despite the slight decline in visitor volume, an increase in expenditures led to a record-breaking overall economic impact.

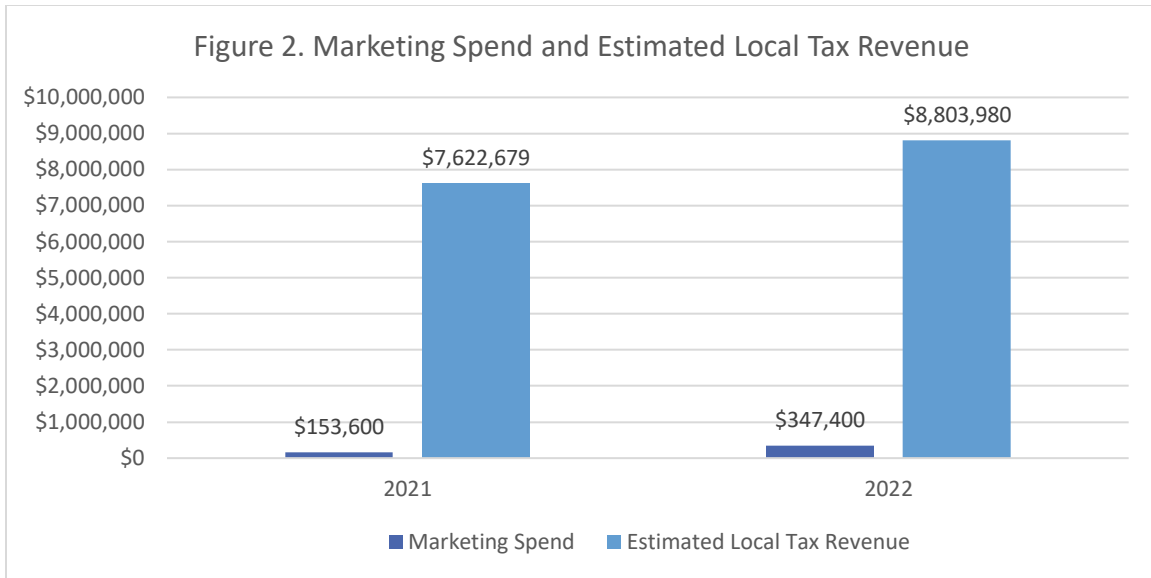
A total of **432 thousand visitors** came to Bluffton in 2022, down 10.4% compared to 2021. The overall economic impact of this tourism on Beaufort County was **\$206.81 million**, up 10.4% compared to 2021. This economic impact represents not just the direct expenditure by visitors, but also the secondary ripple effects of such economic activity that occur as tourism businesses spend operating funds and as tourism dollars are re-spent within the region. Bluffton tourism also (directly and indirectly) supported an estimated **2,526 jobs**, which represent 2.2% of all jobs in Beaufort County, as per employment data provided by the Bureau of Economic Analysis. Similar to the economic impact figure, this employment figure does not refer solely to jobs within the tourism sector, but rather to a combination of full-time, part-time, and seasonal jobs that are both directly and indirectly supported by the broader tourism economy and its secondary effects on non-tourism industries and enterprises. Impact estimates for each of the visitor segments are presented in the Appendix (Tables A1 - A3), and the employment impacts are presented in Figure 1.

The total output multiplier for tourist spending was calculated using the model estimates. This multiplier represents the ratio of total

economic impact to direct spending. The estimated output multiplier for Bluffton tourism on Beaufort County was **1.27**. This signifies that every dollar spent by tourists in Bluffton increased output in the overall Beaufort County economy by a total of \$1.27.



The tourist expenditures generated an estimated **\$2.30 million** in tax revenues for local Beaufort County governments. The Town of Bluffton earned an additional **\$6.51 million** in accommodations tax and hospitality tax, as reported by the Town of Bluffton Revenue Services. Together, this **\$8.80 million** in tax revenue represents an increase of \$1.18 million (15.5%) over 2021. This tax revenue also corresponds with a Return on Tax Investment (ROTI) of 25.34, based on the \$347.4 thousand that was spent on destination marketing in 2022. In other words, each dollar spent by the Visitor & Convention Bureau yielded an estimated return of **\$25.34** in local tax revenue. The comparative relationship over the past two years between destination marketing expenditure and the estimated local tax revenues generated from tourism can be seen in Figure 2.



Appendix

Table A1. Overnight – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	1,276	\$33,537,638	\$86,339,746
Indirect	184	\$9,001,920	\$27,933,588
Induced	126	\$5,793,002	\$19,721,327
Total	1,586	\$48,332,560	\$133,994,661

Table A2. Day Trip – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	763	\$19,435,153	\$45,184,745
Indirect	105	\$4,924,516	\$16,287,382
Induced	72	\$3,330,772	\$11,340,150
Total	940	\$27,690,441	\$72,812,276

Table A3. Total, All Segments – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	2,039	\$52,972,790	\$131,524,491
Indirect	288.53	\$13,926,436	\$44,220,970
Induced	198.1	\$9,123,774	\$31,061,477
Total	2,526	\$76,023,001	\$206,806,938
Estimated Local Tax Revenue			\$2,296,590
Local Tourism Tax Revenue (ATax and HTax)			\$6,507,390
Total Estimated Local Tax Revenue			\$8,803,980

Table A4. Top 50 Industries Impacted by Bluffton Tourism

	Industry	Output
1	Full-service restaurants	\$32,273,635
2	Hotels and motels, including casino hotels	\$24,616,021
3	Miscellaneous store retailers	\$18,773,939
4	Transit and ground passenger transportation	\$12,710,166
5	Other real estate	\$11,741,424
6	Museums, historical sites, zoos, and parks	\$9,247,745
7	Fitness and recreational sports centers	\$7,281,987
8	Water transportation	\$6,727,782
9	Owner-occupied dwellings	\$6,202,814
10	Performing arts companies	\$5,896,837
11	Personal care services	\$5,820,668
12	Food and beverage stores	\$5,166,142
13	Management of companies and enterprises	\$4,555,133
14	Other amusement and recreation industries	\$4,337,055
15	Scenic and sightseeing transportation and support activities for transportation	\$2,812,944
16	Insurance agencies, brokerages, and related activities	\$2,125,086
17	Other local government enterprises	\$1,799,103
18	Employment services	\$1,718,226
19	Monetary authorities and depository credit intermediation	\$1,703,189
20	Securities and commodity contracts intermediation and brokerage	\$1,625,058
21	Services to buildings	\$1,614,125
22	Legal services	\$1,594,027
23	All other food and drinking places	\$1,506,163
24	Limited-service restaurants	\$1,337,981
25	Offices of physicians	\$1,246,498
26	Nondepository credit intermediation and related activities	\$1,234,510
27	Advertising, public relations, and related services	\$1,172,724
28	Management consulting services	\$1,129,085
29	Other financial investment activities	\$1,071,570
30	Maintenance and repair construction of nonresidential structures	\$991,849
31	Postal service	\$840,477
32	Accounting, tax preparation, bookkeeping, and payroll services	\$836,903
33	Automotive repair and maintenance, except car washes	\$827,151
34	Retail - General merchandise stores	\$793,451
35	Landscape and horticultural services	\$783,275
36	Tenant-occupied housing	\$753,300
37	Nonstore retailers	\$735,118
38	Gasoline stores	\$644,040
39	Car washes	\$596,734

	Industry	Output
40	Radio and television broadcasting	\$595,675
41	Hospitals	\$589,521
42	Independent artists, writers, and performers	\$582,694
43	Warehousing and storage	\$534,328
44	Building material and garden equipment and supplies stores	\$511,950
45	Electric power transmission and distribution	\$508,783
46	Waste management and remediation services	\$494,310
47	Funds, trusts, and other financial vehicles	\$462,730
48	Marketing research and all other miscellaneous professional, scientific, and technical services	\$461,014
49	Investigation and security services	\$427,419
50	Truck transportation	\$425,460