

ESTIMATED TOTAL IMPACT OF TOURISM IN

Hilton Head Island

ON BEAUFORT COUNTY, SOUTH CAROLINA 2024



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CONDUCTED BY:

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Introduction

This study estimates the economic impact generated by tourism to the Town of Hilton Head Island in the year 2024. 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 various tourist segments, as classified by the visitors' lodging type – villa rental, hotel, timeshare, second homeowners and their non-paying guests, and same-day 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 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 for each lodging type were produced using data on lodging demand, as provided by various third-party entities (e.g., Key Data), combined with visitor behavior data that is collected via a Visitor Profile Survey. The estimated total number of visitors in each segment for 2024 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 2024, 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 HHI Visitors

Segment	Visitors
Villa Rental	834,495
Hotel	453,826
Timeshare	483,070
Second Homeowner	652,215
Non-Paying Guests	169,258
Day Trip	242,361
Total Visitors	2,835,224

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. 2024 Estimated Total Expenditure by Spending Category

Category	Totals
Transportation (around the destination)	\$234,510,210
Lodging	\$1,020,793,976
Food – Dining Out	\$384,636,615
Food – Groceries	\$165,110,669
Shopping	\$310,062,092
Spas	\$60,325,531
Golf	\$74,930,879
Biking	\$27,785,235
Performance/Visual Arts	\$61,123,562
Festivals	\$33,395,923
Museums/Historical Tours	\$41,656,633
Boating/Sailing/Fishing	\$113,480,607
Nature-based Activities	\$64,785,638
Dolphin Tours	\$59,439,696
Tennis	\$45,526,046
Other Expenses	\$150,526,849
Total Expenditure	\$2,848,090,163

- **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

Visitation numbers to Hilton Head Island in 2024 declined slightly from the prior year. This pattern is consistent with macro-level trends amongst Southeastern coastal vacation destinations, which have seen demand soften since the post-pandemic boom when visitors flocked to such locales. Nonetheless, it is important to note that Hilton Head Island visitor volume in 2024 continued to significantly surpass the pre-pandemic high of 2.68 million visitors in 2019. Moreover, expenditure levels

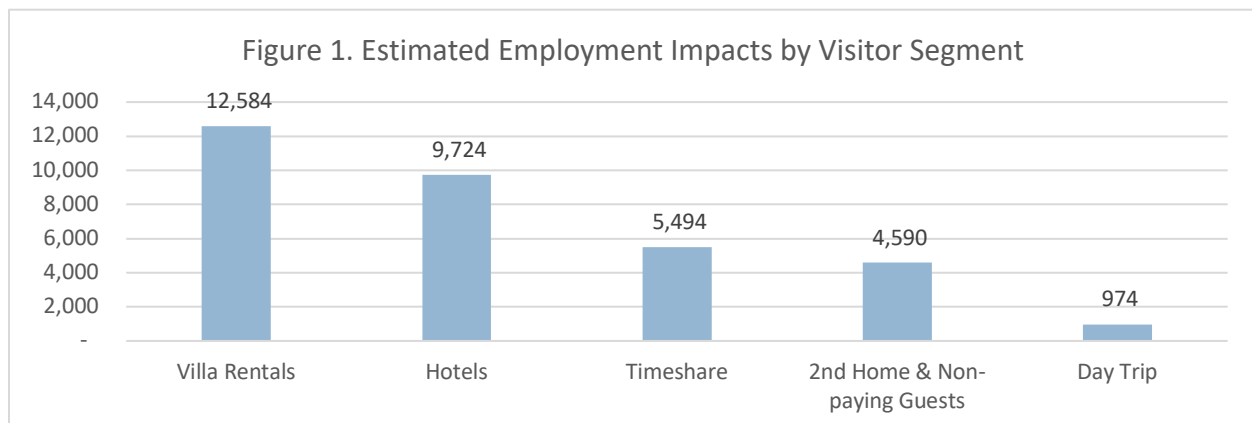
remained robust in 2024, such that the total economic impact of Hilton Head Island tourism on the Beaufort County economy is greater than it was in 2023.

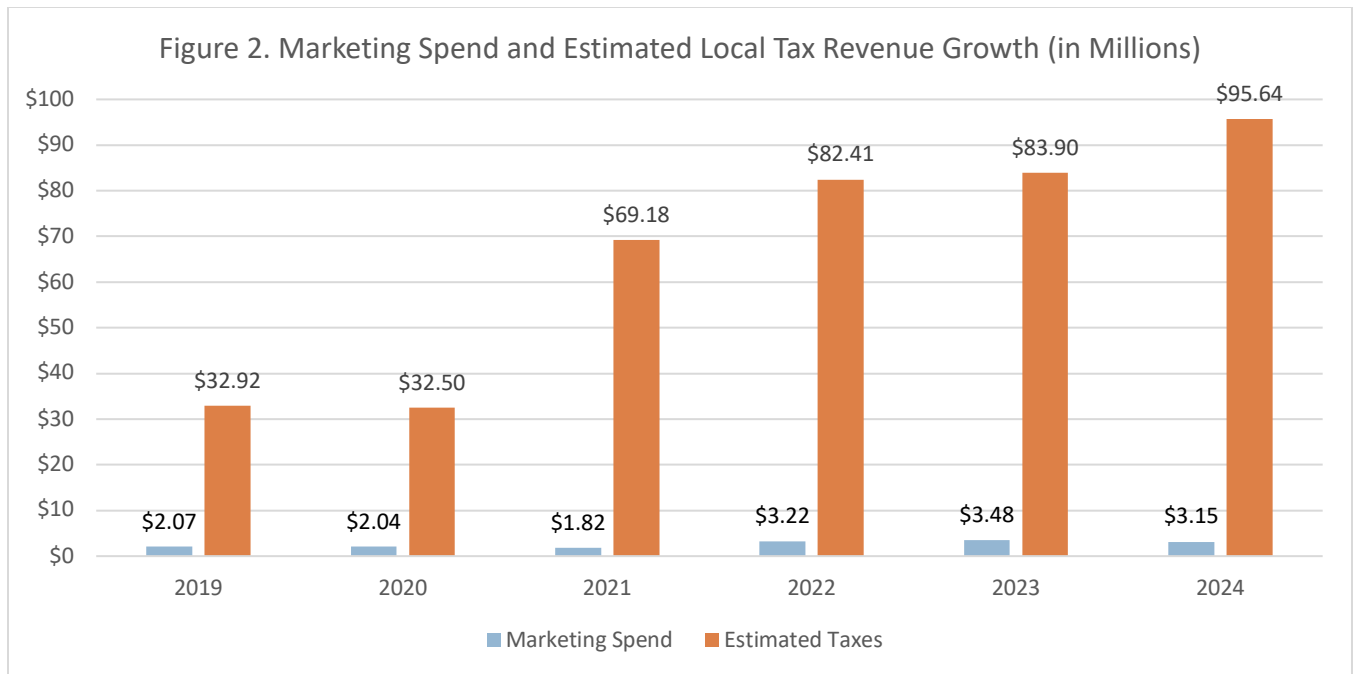
An estimated total of **2.84 million visitors** came to Hilton Head Island in 2024, down 5.0% compared to 2023 and up 5.6% over the 2019 prepandemic baseline. The overall economic impact of this tourism on Beaufort County was **\$3.72 billion**, up 3.1% compared to 2023. This economic impact represents 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. Hilton Head Island tourism also supported an estimated **33,367 jobs**, which represent **36.3%** of all jobs in Beaufort County, as per employment data provided by the Bureau of Labor Statistics. 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 - A6), and the employment impacts are presented in Figure 1.

A 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 Hilton Head Island tourism on Beaufort County was **1.31**. This signifies that every dollar spent by tourists on Hilton Head Island increased output in the overall Beaufort County economy by a total of \$1.31.

The tourist expenditures generated an estimated **\$50.95 million** in tax revenues for local Beaufort County governments. The Town of Hilton Head Island earned an additional **\$44.70 million** in accommodations tax, hospitality tax, and beach preservation fees, as reported by the Town of Hilton Head Island Revenue Services. Together, this **\$95.64 million** in tax revenue represents a Return on Tax Investment (ROTI) of 30.36, based on the \$3.15 million that was spent on destination marketing in 2024. In other words, each dollar spent by the Visitor & Convention Bureau yielded an estimated return of **\$30.36** in local tax revenue.





Appendix

Table A1. Villa Rental – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	9,481	\$354,599,842	\$1,068,235,666
Indirect	1,905	\$91,183,147	\$296,417,573
Induced	1,198	\$56,868,859	\$197,562,837
Total	12,584	\$502,651,849	\$1,562,216,077

Table A2. Hotel – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	7,336	\$228,124,091	\$659,247,307
Indirect	1,572	\$71,385,619	\$247,621,245
Induced	816	\$38,702,533	\$134,463,330
Total	9,724	\$338,212,244	\$1,041,331,882

Table A3. Timeshare – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	4,167	\$130,828,786	\$403,965,472
Indirect	863	\$41,086,514	\$136,346,984
Induced	464	\$22,044,922	\$76,586,493
Total	5,494	\$193,960,223	\$616,898,950

Table A4. Second Homeowner & Non-Paying Guests – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	3,584	\$81,242,119	\$249,963,176
Indirect	698	\$32,162,908	\$112,974,092
Induced	309	\$14,665,815	\$50,952,917
Total	4,590	\$128,070,841	\$413,890,184

Table A5. Day Trip – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	761	\$19,166,663	\$55,034,147
Indirect	143	\$6,587,714	\$23,377,079
Induced	70	\$3,337,264	\$11,594,701
Total	974	\$29,091,640	\$90,005,927

Table A6. Total, All Segments – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	25,328	\$813,961,501	\$2,436,445,769
Indirect	5,181	\$242,405,902	\$816,736,973
Induced	2,858	\$135,619,393	\$471,160,277
Total	33,367	\$1,191,986,796	\$3,724,343,019
Estimated Local Tax Revenue			\$50,946,081
Local Tourism Tax Revenue (ATax, HTax, and Beach Preservation Fees)			\$44,697,517
Total Estimated Local Tax Revenue			\$95,643,598

Table A7. Top 50 Industries Impacted by HHI Tourism

	Industry	Output
1	Non-hotel accommodations	\$874,283,360
2	Full-service restaurants	\$419,652,270
3	Transit and ground passenger transportation	\$241,109,342
4	Other real estate	\$180,588,099
5	Hotels and motels, including casino hotels	\$174,937,056
6	Retail - Miscellaneous store retailers	\$172,904,374
7	Fitness and recreational sports centers	\$151,899,567
8	Water transportation	\$113,269,468
9	Museums, historical sites, zoos, and parks	\$108,650,684
10	Owner-occupied housing	\$95,018,328
11	Insurance agencies, brokerages, and related activities	\$81,859,369
12	Truck transportation	\$71,792,666
13	Scenic and sightseeing transportation and support activities for transportation	\$69,645,391
14	Performing arts companies	\$64,669,083
15	Retail - Food and beverage stores	\$61,028,386
16	All other food and drinking places	\$37,808,287
17	Other amusement and recreation industries	\$36,706,273
18	Monetary authorities and depository credit intermediation	\$33,808,488
19	Other local government enterprises	\$32,531,173
20	Management of companies and enterprises	\$31,948,696
21	Maintenance and repair construction of nonresidential structures	\$27,842,251
22	Legal services	\$27,304,032
23	Employment services	\$25,581,365
24	Services to buildings	\$23,807,856
25	Limited-service restaurants	\$21,762,387
26	Management consulting services	\$20,994,412
27	Travel arrangement and reservation services	\$20,146,153
28	Securities and commodity contracts intermediation and brokerage	\$19,952,770
29	Advertising, public relations, and related services	\$19,234,408
30	Offices of physicians	\$18,854,352
31	Other financial investment activities	\$18,496,146
32	Nondepository credit intermediation and related activities	\$17,626,040
33	Accounting, tax preparation, bookkeeping, and payroll services	\$17,511,422
34	Landscape and horticultural services	\$16,444,038
35	Lessors of nonfinancial intangible assets	\$15,391,495
36	Postal service	\$15,285,101
37	Data processing, hosting, and related services	\$14,188,157
38	Couriers and messengers	\$12,426,811
39	Automotive repair and maintenance, except car washes	\$12,248,302

Industry		Output
40	Retail - Motor vehicle and parts dealers	\$11,859,539
41	Commercial and industrial machinery and equipment rental and leasing	\$11,548,420
42	Retail - General merchandise stores	\$10,555,137
43	Independent artists, writers, and performers	\$10,542,448
44	Insurance carriers, except direct life	\$10,250,300
45	Wholesale - Other nondurable goods merchant wholesalers	\$10,158,923
46	Internet publishing and broadcasting and web search portals	\$9,529,293
47	Waste management and remediation services	\$9,011,511
48	Computer systems design services	\$8,888,373
49	Retail - Building material and garden equipment and supplies stores	\$8,777,823
50	Personal and household goods repair and maintenance	\$8,749,730