ESTIMATED TOTAL IMPACT OF TOURISM IN

Hilton Head Island

ON BEAUFORT COUNTY, SOUTH CAROLINA 2025

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CONDUCTED BY:

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Introduction

This study estimates the economic impact of tourism on the Town of Hilton Head Island in 2025. It examines the impact of such tourism on the broader economy of Beaufort County, South Carolina, and considers the direct spending by visitors, along with the positive secondary effects of those expenditures. The analysis entailed individually estimating the economic impacts associated with various tourist segments, as classified by visitors' lodging type – villa rental, hotel, timeshare, second homeowners and their non-paying guests, and same-day visitors – and then summing them to obtain 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 several steps and diverse data sources. Initially, visitor volume estimates for each lodging type were produced using data on lodging demand from various third-party entities (e.g., Key Data), combined with visitor behavior data collected via a Visitor Profile Survey. The estimated total number of visitors for each segment in 2025 is shown 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 for each category in 2025 is shown 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	795,108
Hotel	408,261
Timeshare	476,094
Second Homeowner	603,999
Non-Paying Guests	156,745
Day Trip	228,346
Total Visitors	**2,668,553**

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. 2025 Estimated Total Expenditure by Spending Category

Category	Totals
Transportation (around the destination)	$209,991,116
Lodging	$1,003,246,352
Food – Dining Out	$414,879,675
Food – Groceries	$166,713,061
Shopping	$267,845,799
Spas	$85,381,926
Golf	$153,558,010
Biking	$52,784,745
Performance/Visual Arts	$70,256,360
Festivals	$46,386,053
Museums/Historical Tours	$64,694,203
Boating/Sailing/Fishing	$127,660,591
Nature-based Activities	$48,709,382
Dolphin Tours	$56,343,640
Tennis	$43,427,850
Other Expenses	$84,576,647
Total Expenditure	**$2,896,455,409**

- ***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 2025 were slightly below the previous year. This pattern mirrors the experience of many Southeastern coastal destinations, which have seen demand gradually decline after a dramatic rise following the pandemic, when people sought out domestic destinations offering outdoor recreation opportunities. In addition, economic uncertainties and a decline in international visitation dampened travel demand throughout 2025 across much of the country. Nevertheless, Hilton Head Island visitor volume for 2025 was nearly identical to the pre-pandemic high that was reached in 2019. Furthermore, visitor expenditure levels increased in 2025, and consequently the total economic impact of Hilton Head Island tourism on the Beaufort County economy in 2025 exceeded that of 2024.

An estimated total of **2.67 million visitors** came to Hilton Head Island in 2025, down 5.9% compared to 2024 and down 0.6% from the pre-pandemic peak, reached in 2019. The overall economic impact of this tourism on Beaufort County was **$3.95 billion**, up 6.2% compared to 2024. 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 **31,604 jobs**, which represent **35.4%** 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 **1.37**. This signifies that every dollar spent by tourists on Hilton Head Island increased output in the overall Beaufort County economy by a total of $1.37.

The tourist expenditures generated an estimated **$49.58 million** in tax revenues for local Beaufort County governments. The Town of Hilton Head Island earned an additional **$49.84 million** in accommodations tax, hospitality tax, and beach preservation fees, as reported by the Town of Hilton Head Island Revenue Services. Together, this **$99.41 million** in tax revenue represents a Return on Tax Investment (ROTI) of 34.40, based on the $2.89 million that was spent on destination marketing in 2025. In other words, each dollar spent by the Visitor & Convention Bureau yielded an estimated return of **$34.40** in local tax revenue.

Figure 1. Estimated Employment Impacts by Visitor Segment

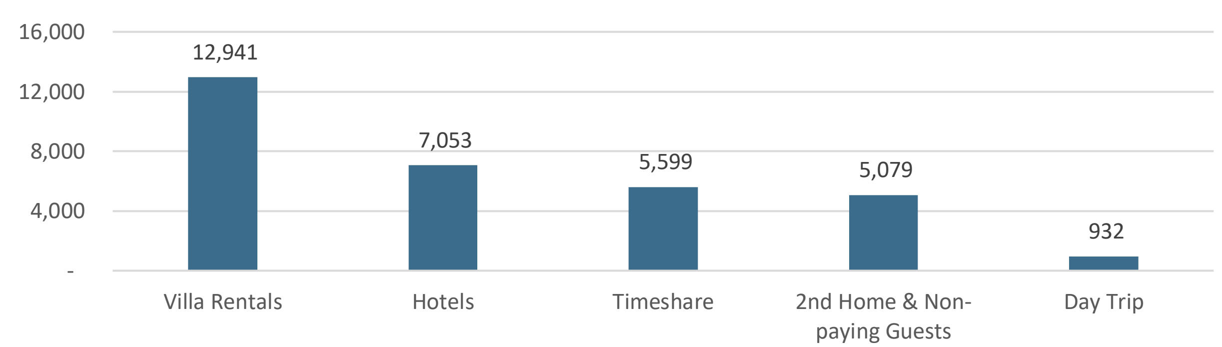
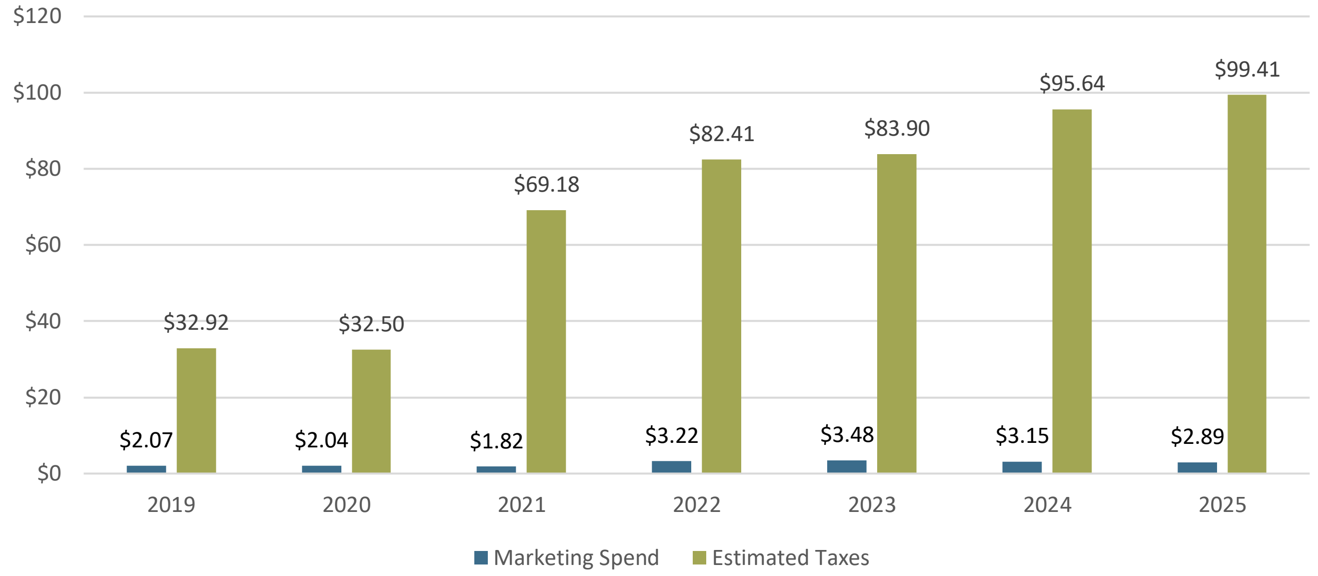


Figure 2. Marketing Spend and Estimated Local Tax Revenue Growth (in Millions)



Appendix

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

	Employment	Labor Income	Output
Direct	9,605	$350,616,959	$1,171,484,315
Indirect	2,123	$108,755,846	$366,453,107
Induced	1,214	$61,685,367	$219,287,871
Total	**12,941**	**$521,058,172**	**$1,757,225,294**

Table A2. Hotel – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	5,306	$159,076,138	$551,229,309
Indirect	1,168	$58,841,158	$203,218,677
Induced	578	$29,353,483	$104,351,712
Total	**7,053**	**$247,270,780**	**$858,799,698**

Table A3. Timeshare – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	4,190	$132,955,919	$465,617,728
Indirect	931	$47,938,835	$160,637,121
Induced	479	$24,322,997	$86,467,336
Total	**5,599**	**$205,217,751**	**$712,722,185**

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

	Employment	Labor Income	Output
Direct	3,912	$101,044,987	$320,925,055
Indirect	793	$39,520,883	$138,953,280
Induced	374	$19,000,070	$67,547,123
Total	**5,079**	**$159,565,941**	**$527,425,458**

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

	Employment	Labor Income	Output
Direct	716	$21,838,866	$59,910,050
Indirect	140	$6,807,261	$24,309,517
Induced	76	$3,864,687	$13,739,239
Total	**932**	**$32,510,814**	**$97,958,806**

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

	Employment	Labor Income	Output
Direct	23,729	$765,532,870	$2,569,166,457
Indirect	5,155	$261,863,984	$893,571,702
Induced	2,721	$138,226,603	$491,393,282
Total	**31,604**	**$1,165,623,457**	**$3,954,131,441**
Estimated Local Tax Revenue			$49,576,954
Local Tourism Tax Revenue (ATax, HTax, and Beach Preservation Fees)			$49,837,512
Total Estimated Local Tax Revenue			**$99,414,466**

Table A7. Top 50 Industries Impacted by HHI Tourism

	Industry	Output
1	Non-hotel accommodations	$822,889,518.65
2	Full-service restaurants	$443,306,443.76
3	Fitness and recreational sports centers	$251,435,561.60
4	Other real estate	$232,876,295.11
5	Transit and ground passenger transportation	$212,672,151.13
6	Hotels and motels, including casino hotels	$181,321,631.15
7	Miscellaneous store retailers	$148,643,562.94
8	Water transportation	$127,914,716.19
9	Museums, historical sites, zoos, and parks	$113,640,911.69
10	Owner-occupied housing	$100,375,180.06
11	Truck transportation	$97,767,253.22
12	Insurance agencies, brokerages, and related activities	$80,202,613.00
13	Performing arts companies	$72,910,574.30
14	Scenic and sightseeing transportation and support activities for transportation	$68,304,589.26
15	Food and beverage stores	$61,697,639.04
16	Other amusement and recreation industries	$49,376,615.62
17	All other food and drinking places	$37,810,002.38
18	Monetary authorities and depository credit intermediation	$35,550,066.72
19	Other local government enterprises	$31,119,623.71
20	Legal services	$28,502,345.38
21	Maintenance and repair construction of nonresidential structures	$27,063,775.60
22	Services to buildings	$25,216,129.18
23	Employment services	$24,547,143.00
24	Securities and commodity contracts intermediation and brokerage	$22,775,503.97
25	Limited-service restaurants	$21,813,950.10
26	Travel arrangement and reservation services	$20,283,748.66
27	Management consulting services	$20,036,143.43
28	Offices of physicians	$19,873,227.34
29	Landscape and horticultural services	$18,058,982.52
30	Advertising, public relations, and related services	$18,003,110.31
31	Postal service	$17,776,116.74
32	Management of companies and enterprises	$16,851,483.91
33	Nondepository credit intermediation and related activities	$16,657,563.63
34	Lessors of nonfinancial intangible assets	$16,549,080.81
35	Accounting, tax preparation, bookkeeping, and payroll services	$15,734,512.64
36	Other financial investment activities	$15,383,027.58
37	Data processing, hosting, and related services	$14,604,188.11
38	Automotive repair and maintenance, except car washes	$13,258,147.40
39	Motor vehicle and parts dealers	$12,626,802.31
40	Insurance carriers, except direct life	$12,067,724.66
41	Commercial and industrial machinery and equipment rental and leasing	$12,007,569.06
42	General merchandise stores	$11,487,702.74
43	Couriers and messengers	$11,323,509.03

	Industry	Output
44	Wholesale - Other nondurable goods merchant wholesalers	$10,944,823.49
45	Tenant-occupied housing	$10,818,011.66
46	Internet publishing and broadcasting and web search portals	$10,809,468.38
47	Personal and household goods repair and maintenance	$10,107,404.31
48	Waste management and remediation services	$9,391,336.02
49	Gasoline stores	$9,360,953.40
50	Electric power transmission and distribution	$9,117,760.87