

## D. TOURISM

### 1. THE TOURISM INDUSTRY IN UTAH

With its abundance and variety of recreational areas and activities, Utah has always been a destination for outdoor enthusiasts. Following worldwide exposure from hosting the 2002 Olympic Winter Games, state legislators and businesses are attempting to capitalize on Utah's tourism potential, both nationally and internationally. In the United States, tourists spent \$523 billion in 1999, and \$4 billion of that was spent in Utah (Robson 2001).

In the past, the state budget only allotted \$900,000 for tourism branding and marketing, but new legislation has provided the Utah Office of Tourism with \$10 million during this fiscal year to develop a program to attract visitors. Utah's tourism budget formerly ranked 42<sup>nd</sup> in the United States, but with this budget increase, it will now be among the top 15 states in the country. Governor Jon Huntsman, Jr.'s goal is to increase the number of tourists who visit Utah by 5 million annually (Wallace, 2005).

Table D.1.1 provides a sense of the contribution of tourism revenues to the economy of Utah in 2004.

**TABLE D1.1**  
**Utah Tourism General Economic Statistics**

<b>Total Economic Impact</b>	<b>Number of Visitors to Utah</b>	<b>Employment in tourism</b>	<b>Tax Equivalent from tourism</b>	<b>Return on Investment from Tourism Advertising</b>
Nearly \$5 billion direct; \$10 billion direct and indirect.	Approx. 17.5 million in 2004	10% of state's employment; ranked 6 <sup>th</sup> or 3 <sup>rd</sup> if all elements considered	\$444 per household per year	8-to-1

Source: Utah Office of Tourism, 2005; Robson, 2001.

### 2. UTAH-MEXICO TOURISM

In 2001 there were 263 million entries into the US at the checkpoints on the US-Mexican border in California, Arizona, Texas and New Mexico. The reverse traffic would be comparable. This is one indicator of the extent of the contacts between citizens of Mexico and of the US. Another main contact point is travel for tourism, and this is more relevant to Utah since there is no border with Mexico.

In 2004, the U.S. Department of Commerce's International Trade Administration estimated the number of international tourists visiting the United States was over 46 million. This was a decline from its high point in 2000 when there were 51 million international visitors. These statistics do not count visitors who remain within 25 miles of the border. Of the 2004 figure, 11.9 million came from Mexico, over one-quarter of the total. Mexico's share has remained stable since at least 1994. Only Canada exceeded Mexico in the number of visitors with 13.9 million. Together, tourists from Canada and

Mexico represented 55 percent of all international visitors to the United States in 2004 (ITA, 2005).

The Utah Office of Tourism does not include Canada and Mexico in recording “International Visitors,” which summed to 9.8 million in 2004. They estimate that approximately 1% of Utah’s international tourists are from Mexico, or 98,000 people per year (Utah Office of Tourism, 2005). This appears to be a lower estimate than would be obtained from the numbers extrapolated from ITA data on air arrivals. In 2003, 17 percent of Mexicans who traveled by air to the US had the mountain states as their destination, summing to 236,000 in total. If even 25 percent of them went to Utah, this would give 59,000. And given the proximity of Utah to Mexico, it is likely that more than half of the Mexican visitors would have arrived by surface transportation, especially since only 21 percent of Mexican visitors to the US arrive by air (ITA, 2005). In any case, even 98,000 visitors from Mexico is a significant number.

Data for the US show that 56 percent of Mexican visitors come for vacation/holiday, 47 percent to visit friends or relatives, 23 percent on business, and 9 percent for conventions. It is likely that the vacation share in Utah is higher, though there is no precise estimate available.

Mexico is the largest travel destination for US residents. In 2004 19 million visitors went to Mexico, followed by 15 million to Canada. Mexico’s share was 31 percent and, together with Canada, accounted for 68 percent of the outbound visitors. The high point for visits to Mexico was 1996 when over 20 million US residents went there for one or more nights. After a decline in 2002, the volume increased by 10 percent between 2003 and 2004, the same amount as total foreign travel by US residents. Of those total visits, 38 percent were for vacation, 33 percent for visits to friends or relatives, and 22 percent for business. There are no data that would allow estimates for Utah.

In the US balance of payments, tourism generates a surplus. In 2004, expenditures in the US by international visitors were \$93.3 billion and US residents spent \$89.3 billion abroad, for a surplus of \$4.0 billion. The surplus reached its highest point in 1996 when it was \$26 billion and 2003 was its low point at \$1.6 billion (ITA, 2005). The balance with Mexico was negative, however, reflecting the larger number of US travelers to Mexico. In 2003, there was a deficit of \$1.2 billion and in 2004 that doubled to \$2.5 billion. Again, there are no data for Utah, though one might expect that the flows would be more balanced because of Utah’s attractiveness as a tourist destination. If the state’s tourism development program is successful, it should increase the number of Mexican visitors to Utah and should shift the balance toward the plus side for the state, since there has long been travel promotion to Mexico on the part of local travel agents and air charter companies.

### 3. WINTER TOURISM IN UTAH

The ski and snowboard industry is a very significant component of Utah tourism. International visitors represent a small fraction of the ski and snowboard business, yet still contribute to Utah’s tourist economy. Of the over 4,000 visitors polled in Ski Utah’s 2002-2003 survey, international visitors represented 3 percent. Based on the survey, the out of state/international visitor activity was estimated as follows:

**TABLE D3.1**  
**International Winter Visitors**

United Kingdom	.8% of total survey sample
Canada	.5% of total survey sample
Mexico	.2% of total survey sample
Germany	.2% of total survey sample
Australia	.2% of total survey sample

**TABLE D3.2**  
**Winter Tourist Expenditures**

	Aggregate Annual Expenditures
Out of state/International Visitors	\$695,757,156
Utah Residents	\$164,896,608
<b>TOTAL</b>	<b>\$860,653,764</b>

**TABLE D3.3**  
**Spending Pattern of Non-Utah Skiers and Snowboarders**

Money spent per capita	average of \$251.61/day
Money spent on mountain	average of \$82.14/day
Money spent in town	average of \$169.47/day
Money spent on accommodations	
Summit County	average of \$285.05/day
Salt Lake County	average of \$228.45/day
Other Places in UTAH	average of \$202.04/day
<b>TOTAL PER PERSON PER DAY</b>	<b>Average of \$536.66/day</b>

SOURCE: Ski Utah, 2003

Total aggregate expenditures in Utah by out-of-state/international skiers for the 2002/2003 season were estimated to be approximately \$695 million, \$160 million of which was airfare (Ski Utah, 2003). If one percent of the skiers were from Mexico, they would have spent almost \$7 million in Utah during the 2002-2003 ski season. The average skier spends \$537 per day in Utah.

#### 4. RELIGIOUS VISITATION

In addition to recreation opportunities, Utah is the international headquarters for the Church of Jesus Christ of Latter-Day Saints (LDS). The Salt Lake LDS Temple has long been an icon of the state's religious history, and attracts millions of visitors annually as it is known worldwide as the religious symbol of the LDS Church. Mexico represents a large fraction of non-US LDS church members, and thus the tourism relationship is a reflection, as many church members travel from Mexico to visit the Salt Lake Temple and other historical LDS-related tourist sites.

**TABLE D4.1**  
**LDS Church Membership Distribution (31 December 2004)**

United States - 5,599,177
South America - 2,904,085
Mexico - 1,013,071
Asia - 865,987
Central America - 527,511
Europe - 440,945
South Pacific - 396,104
Africa - 220,798
Canada - 169,633
Caribbean - 138,511
Source: LDS "Newsroom" <a href="http://www.lds.org/newsroom/page/0,15606,4036-1---12-168,00.html">http://www.lds.org/newsroom/page/0,15606,4036-1---12-168,00.html</a> <Accessed June 21, 2005>

In addition, Spanish is the second most spoken language by members of the LDS Church. There are 5.8 million English speakers and 3.7 million Spanish speakers, as well as 907,000 Portuguese speakers.

A final measure of the centrality of Mexico to the LDS Church is that it has built 10 of its 119 temples in Mexico, 8 of those 10 having been constructed in the last five years.

**TABLE D4.2**  
**LDS Temples in Mexico and Construction Dates**

1. Mexico City (D.F.) 1983
2. Chihuahua 1999
3. Sonora 2000
4. Oaxaca 2000
5. Tuxtla 2000
6. Tampico 2000
7. Villahermosa 2000
8. Mérida 2000
9. Veracruz 2000
10. Guadalajara 2001

Source: LDS "Newsroom": <http://www.lds.org/newsroom/templelist> <Accessed June 21, 2005>

## 5. TOURISM AND UTAH'S JOB MARKET

Economists cite the growing economy, the preparation, celebration and aftermath of the 2002 Winter Olympic Games, the national expansion, and statewide structural economic changes as factors that have led to increasing demand for the types of labor that

immigrants have traditionally provided (Perlich, 2004). Twenty percent of the population growth in Utah during the 1990's was due to the increase in Utah's foreign-born population.

Recall that among Utah's foreign-born population, 42% reported Mexico as their birthplace, compared to 29.5% of the entire nation's foreign-born population (US Census, 2000). In addition, 52.3% of Utah's foreign-born population cited their ethnicity as Hispanic. In 1850, Utah recorded only 7 foreign-born residents from Mexico; in 2000, it reported 66,478; and Mexico remains Utah's largest immigrant source.

From 1990-2000, employment in Utah increased by approximately 35,000 jobs annually in areas such as highway construction, light rail construction, sports facility construction, hotel and residence construction, and the staffing of hotels and restaurants. The more recent foreign-born, most of whom are of working age and generally bring few children with them, occupy many of the jobs that propel Utah's tourist industry. According to Census 2000 data, twelve of the top twenty-five occupations of the Utah Foreign-Born Population were tourism-related (Table D5.1). Recall the importance of Mexicans among Utah's foreign born population. In addition, the concentration of foreign born in many of these occupations, particularly those that are among the lowest paying, is far higher than their share in the overall working population. For example, there are 5.5 times as many foreign born workers who are dishwashers than would be expected from their share of the Utah labor force. This highlights their centrality to the orderly functioning of the hospitality industry.

**TABLE D5.1**  
**Tourism-Related Occupations of Utah's Foreign-Born Population**

Rank (out of 25)	Occupation	# Estimated Number	Relative Concentration
2	Cooks	4,243	3.0
3	Maids/Housekeeping	4,076	5.4
4	Construction Laborers	3,990	3.5
5	Janitors/Building Cleaners	3,589	1.8
7	Cashiers	2,651	0.9
8	Grounds/Maintenance Workers	2,634	3.6
10	Retail Salespersons	2,131	0.6
11	Customer Service	1,947	0.7
12	Waiters/Waitresses	1,907	1.2
17	Food Preparation Workers	1,589	2.8
23	First-Line Supervisors/ Managers of Retail Sales Workers	1,182	0.4
25	Dishwashers	1,103	5.5

Source: Perlich, 2004, based on Census 2000, Tables 4-6.

Consequently, the three regions of Utah with the largest percent of foreign-born residents, Wendover (46.3 %), Park City (19.4%), and Salt Lake City (18.3%) are also

very large tourist venues and rapidly growing business and residential communities. The areas of greatest concentrations of foreign-born people in Utah are in close proximity to employment in the hospitality sector. Therefore, while the tourist relationship between Utah and Mexican tourists is not completely balanced, the tourism industry itself would not have been able to achieve the growth it has enjoyed in recent years without the vital labor resources provided by the foreign-born who have immigrated to Utah.

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