

ESTIMATED TOTAL IMPACT OF TOURISM IN BLUFFTON ON BEAUFORT COUNTY, SOUTH CAROLINA 2021

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Introduction

This study estimates the economic impact generated by tourism to the Town of Bluffton in the year 2021. 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 estimated total number of visitors in each segment for 2021 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 2021, 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 (IO) 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 (indirect and induced impacts). The model further estimates labor impacts and tax revenues.

Table 1. Number of Bluffton Visitors

Segment	Visitors
Overnight	172,349
Day Trip	309,137
Total Visitors	481,486

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 Spend by Spending Category

Category	Totals
Transportation (around the destination)	\$12,813,729
Lodging	\$18,060,040
Food – Dining Out	\$22,317,659
Food – Groceries	\$10,368,345
Shopping	\$31,699,550
Spas	\$9,634,647
Golf	\$4,556,621
Biking	\$2,119,502
Performance/Visual Arts	\$3,661,270
Festivals	\$3,546,999
Museums/Historical Tours	\$4,202,039
Boating/Sailing/Fishing	\$5,215,836
Nature-based Activities	\$3,310,566
Dolphin Tours	\$2,954,112
Tennis	\$2,884,225
Other Expenses	\$6,887,921
Total Expenditure	\$144,233,061

- **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

Compared to 2020, which was wholly defined by the COVID-19 pandemic, the year 2021 marked a significant shift back towards normalcy for the hospitality and tourism sector, and for society more broadly. This shift closely paralleled the rollout of widespread public vaccination early in the year. Nevertheless, the ongoing pandemic continued to influence travel behavior, with the rebound in tourism led by leisure travelers, who were largely attracted to non-urban destinations with opportunities for

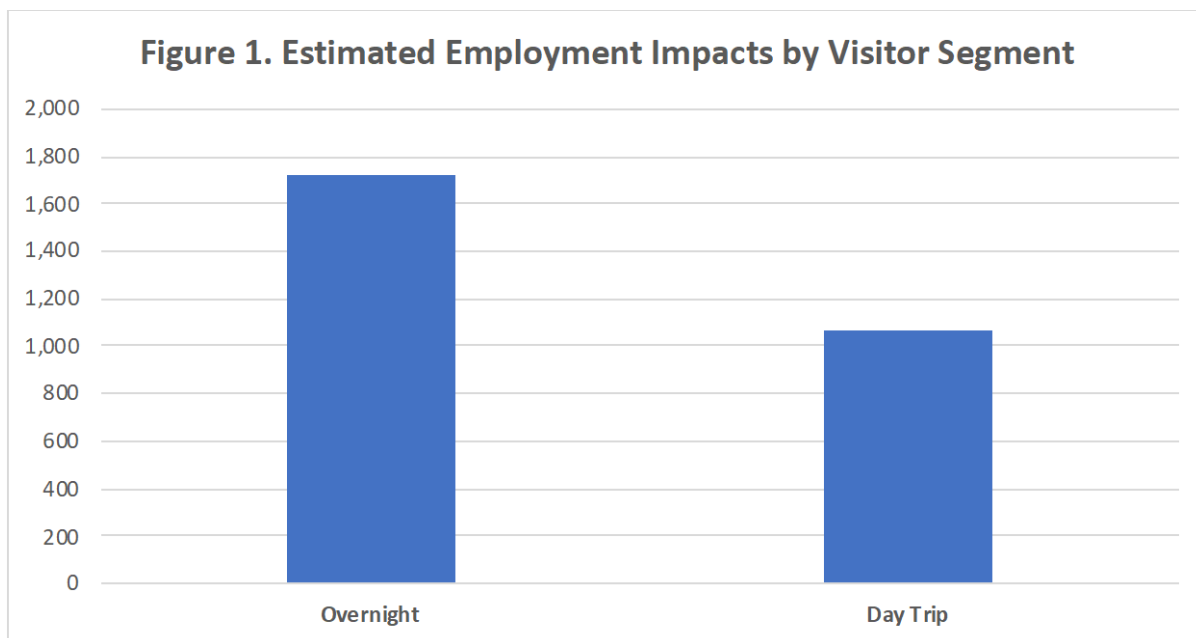
outdoor recreation. Such trends were favorable for Bluffton.

A total of **481 thousand visitors** came to Bluffton in 2021. The overall economic impact of this tourism for Beaufort County was **\$187.31 million**. 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 **2,782 jobs**, which represent 2.6% 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.

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 Bluffton tourism on Beaufort County was **1.30**. This signifies that every dollar spent by tourists in Bluffton increased output in the overall Beaufort County economy by a total of \$1.30.

The tourist expenditures generated an estimated **\$1.87 million** in tax revenues for local Beaufort County governments. The Town of Bluffton earned an additional **\$5.76 million** in accommodations tax and hospitality tax, as reported by the Town of Bluffton Revenue Services. Together, this **\$7.62 million** in tax revenue represents a Return on Tax Investment (ROTI) of 49.63, based on the \$153.6 thousand that was spent on destination marketing in 2021. In other words, each dollar spent by the Visitor & Convention Bureau yielded an estimated return of **\$49.63** in local tax revenue.



Appendix

Table A1. Overnight – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	1,397	\$29,338,420	\$78,921,386
Indirect	189	\$7,792,929	\$28,415,385
Induced	134	\$5,362,728	\$18,292,994
Total	1,720	\$42,494,077	\$125,629,765

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

	Employment	Labor Income	Output
Direct	897	\$17,179,359	\$37,426,196
Indirect	89	\$3,676,884	\$13,904,250
Induced	76	\$3,034,404	\$10,349,610
Total	1,062	\$23,890,647	\$61,680,055

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

	Employment	Labor Income	Output
Direct	2,294	\$46,517,779	\$116,347,582
Indirect	278	\$11,469,812	\$42,319,634
Induced	209	\$8,397,133	\$28,642,604
Total	2,782	\$66,384,724	\$187,309,820
Estimated Local Tax Revenue			\$1,866,301
Local Tourism Tax Revenue (ATax and HTax)			\$5,756,378
Total Estimated Local Tax Revenue			\$7,622,679

Table A4. Top 50 Industries Impacted by Bluffton Tourism

	Industry	Output
1	Full-service restaurants	\$23,802,957.87
2	Hotels and motels, including casino hotels	\$18,062,368.24
3	Miscellaneous store retailers	\$17,897,666.41
4	Other real estate	\$13,400,678.59
5	Transit and ground passenger transportation	\$12,851,635.58
6	Personal care services	\$9,809,683.57
7	Fitness and recreational sports centers	\$9,677,582.60
8	Museums, historical sites, zoos, and parks	\$7,527,411.16
9	Water transportation	\$5,250,257.46
10	Owner-occupied dwellings	\$4,657,838.93
11	Scenic and sightseeing transportation and support activities for transportation	\$4,332,740.93
12	Food and beverage stores	\$4,104,712.56
13	Performing arts companies	\$3,788,658.66
14	Other amusement and recreation industries	\$3,723,143.07
15	Management of companies and enterprises	\$3,256,839.14
16	Monetary authorities and depository credit intermediation	\$2,480,325.00
17	Insurance agencies, brokerages, and related activities	\$2,065,122.92
18	Offices of physicians	\$1,398,659.88
19	Other local government enterprises	\$1,346,865.91
20	Electric power transmission and distribution	\$1,277,348.33
21	Legal services	\$1,247,183.72
22	Services to buildings	\$1,241,391.69
23	Maintenance and repair construction of nonresidential structures	\$1,195,709.98
24	All other food and drinking places	\$1,192,375.71
25	Limited-service restaurants	\$1,182,121.49
26	Employment services	\$1,102,580.00
27	Securities and commodity contracts intermediation and brokerage	\$987,935.00
28	Hospitals	\$960,404.22
29	Other financial investment activities	\$944,662.03
30	Advertising, public relations, and related services	\$924,294.33
31	Management consulting services	\$857,918.10
32	Non-depository credit intermediation and related activities	\$787,347.92
33	Automotive repair and maintenance, except car washes	\$685,984.13
34	General merchandise stores	\$677,951.46
35	Postal service	\$635,470.57
36	Landscape and horticultural services	\$630,130.63
37	Tenant-occupied housing	\$626,162.43
38	Waste management and remediation services	\$581,885.09
39	Non-store retailers	\$577,626.18
40	Accounting, tax preparation, bookkeeping, and payroll services	\$566,788.83

Impact of Tourism in Bluffton on Beaufort County, 2021

Industry		Output
41	Electric power generation - Fossil fuel	\$542,178.54
42	Radio and television broadcasting	\$502,061.78
43	Car washes	\$494,675.54
44	Gasoline stores	\$460,495.78
45	Wholesale - Petroleum and petroleum products	\$443,889.79
46	Nursing and community care facilities	\$424,816.94
47	Travel arrangement and reservation services	\$420,661.68
48	Commercial and industrial machinery and equipment rental and leasing	\$400,130.07
49	Building material and garden equipment and supplies stores	\$397,020.94
50	Clothing and clothing accessories stores	\$395,432.61