

Travel:

AMERICA'S UNSUNG HERO OF
JOB CREATION

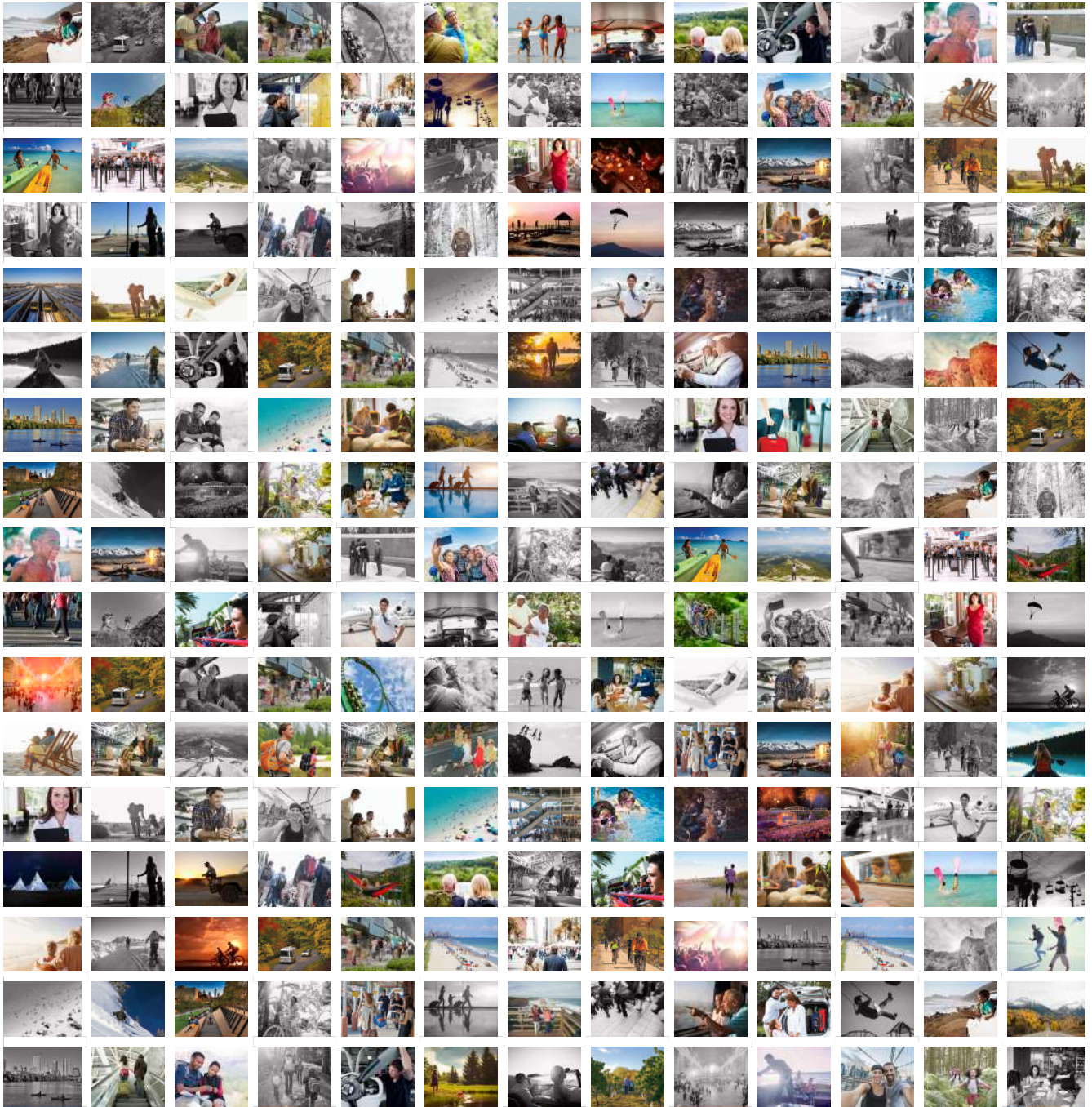


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Executive Summary

Travel: An Indispensable Source of American Jobs

2016 marked the eighth consecutive year where less than 60 percent of the working-age population in the U.S. was employed. Elected officials attempting to combat under-employment and income stagnation among their constituents, however, have one solution right in front of them: travel.

Travel is essential to the American economy, and provides an indispensable source for job creation. The travel industry, America's seventh-largest employer, supports a total of 15.3 million domestic jobs, and directly employs 8.6 million workers in every corner of the country, from coastal cities through the heartland.

It's not just major hotel chains or attractions that are driving travel industry job creation. The travel industry is the economic lifeblood of small businesses in the United States, which have driven the majority of U.S. job growth for several decades. The No. 1 small-business employer in the United States is the travel-dependent leisure and hospitality sector.

The travel industry creates jobs faster than other sectors of the economy. From 2010 to 2016, travel employment grew by 17 percent, versus 13 percent in the rest of the private sector. As a result, the travel industry generated 9 percent of all new jobs in the United States during this period. The travel industry created jobs in all 50 states from 2010 to 2015, and added jobs faster than the rest of the economy in 47 of the 50 states. Every \$1 million in travel spending supports 8.7 jobs in the travel industry, nearly double the 4.4 jobs supported by every \$1 million spent elsewhere in the private sector (e.g. technology, finance, manufacturing, energy, etc.)

TRAVEL IS A MAJOR EMPLOYER ACROSS AMERICA

- 8.6M** American jobs directly supported by domestic and international travelers in the U.S.
- No.7** Travel is the **seventh largest employer** in the private sector.
- 15.3M** Total number of American jobs supported by travel.
- 1 in 9** American jobs (private sector) supported by travel.
- No.1** Travel-dependent leisure and hospitality is the **largest small-business employer** in the United States.
- 8.7** Number of travel jobs supported by \$1 million in travel spending—**double** the 4.4 jobs supported by \$1 million in the overall private sector.

TRAVEL JOBS GROWING ACROSS AMERICA

- 2 YRS** **Less time** for travel industry to recover from the Great Recession compared to the rest of the economy.
- 17%** 2010-2016 **increase in travel jobs** compared to 13 percent in rest of private sector.
- 50** Number of **states where travel employment increased** (2010-2015).
- 47** Number of states where travel employment **increased faster than the rest of the economy** (2010-2015).

TRAVEL JOBS EQUAL PROMISING CAREERS

- 22%** Share of Americans whose **first job** was in travel.*
- 1/3** Percentage of Americans who started in travel and **achieved a bachelor's degree**.*
- \$82K** **Average career salary** of Americans whose first job was in travel.*
- 2 in 5** Number of American workers whose first job was in travel and are now earning **more than \$100,000 a year**.*
- 52%** Share of **travel jobs earning a middle-class wage or higher** (2015).

* Oxford Economics

Travel jobs include those in transportation, hotels, restaurants, entertainment and many other fields, and the majority of these employees earn middle class wages or higher. For many young workers, a travel job means a first foothold on the career ladder. For part-time students, a travel job means the flexibility to pursue education and training while gaining the benefit of on-the-job experience. For workers at all stages of life, travel provides a viable path to upward mobility. On average, Americans whose first job was in the travel industry obtained an average career salary of \$81,900, higher than those who began working in most other industries.

The travel industry is unique: it is highly-dependent on human labor, it is generally immune to outsourcing abroad, and it plays a key role in international trade.

Inbound Travel: An Untold Export Success Story

During the past decade, travel exports have increased two-times faster than other U.S. exports. As a result, travel is now America's second-largest export industry. Like an overseas company buying an American manufacturing product, international travelers are buying an American product when they are visiting the U.S.—and their spending greatly improves the U.S. trade balance. Without them, our country's \$500 billion trade deficit last year would have been 17 percent larger.

Most importantly, though, travel exports boost American jobs. In fact, the 1.2 million American jobs supported by international visitor spending in 2016 accounted for one-fifth of all jobs directly supported by U.S. exports of goods and services. Moreover, \$1 million spent by international visitors in the U.S. directly supported 7.9 jobs in the travel industry—more than three times the number of jobs supported by \$1 million in overall U.S. exports of goods and services.

Pro-Travel Policies: Critical To Continued Growth

Given travel's critical role in job creation across the country, policies that are pro-growth, pro-competition and pro-traveler should be prioritized by policymakers at both the state and national level. America's collapsing surface and air transportation infrastructure needs to be rebuilt. Our government must send a clear message of welcome to all lawful international visitors. Initiatives that promote inbound international travel—such as Brand USA, the Visa Waiver Program and Open Skies Agreements—need to be maintained and strengthened.

In short, enacting policies that support domestic and international inbound travel will effectively increase economic growth and job creation in the United States. The following report details the economic impact of travel, particularly its role in creating good American jobs.

TRAVEL IS "MADE IN AMERICA"

\$246B

U.S. travel exports.

No.2

Travel is the United States' **second largest industry export** after transportation equipment.

16%

Share of spending by international visitors out of total U.S. travel expenditures in 2016.

\$87B

U.S. travel **trade surplus**.

17%

Increase in our trade deficit if travel were excluded.

INTERNATIONAL INBOUND TRAVEL = AMERICAN JOBS

1.2M

Number of **American jobs directly supported by** international inbound travel.

1/7

Share of travel jobs in the U.S. directly supported by international inbound travel.

1/5

Share of export reliant jobs across all industries supported by international inbound travel.

7.9

Number of travel jobs supported by \$1 million in international inbound travel spending—more than 3-times the 2.5 jobs supported by \$1 million in overall U.S. exports.

Introduction

Travel is fundamental to the American way of life. Americans took 2.2 billion person trips in 2016:¹ 1.8 billion leisure trips to visit friends and relatives, tour the countryside, explore our cities and discover the natural wonders of our national parks; and more than 400 million business trips to attend conferences, generate new business opportunities and strengthen existing professional relationships.² The United States also welcomed 78 million international visitors in 2016.³

Travel is equally essential to the American economy and an indispensable source for job creation. Travelers spent \$990 billion in 2016, of which 16 percent was spent by international visitors. This spending directly supported 8.6 million jobs in the travel industry and a total of 15.3 million jobs in all sectors across America—1 in every 9 nonfarm jobs in the United States.⁴

This report highlights the travel industry's critical role in creating millions of American jobs, across all 50 states, and in every congressional district nationwide. **Section I** focuses on the overall contribution of the travel industry (domestic and international inbound) to the U.S. labor market. **Section II** places specific emphasis on the valuable impact of international visitors to the U.S. economy and American jobs. **Section III** identifies the major policies that are pro-growth, pro-competition and pro-traveler which should be prioritized by lawmakers as some of the most effective ways to increase economic growth and job creation in the United States.

The share of Americans employed remains historically low—millions of jobs need to be created.

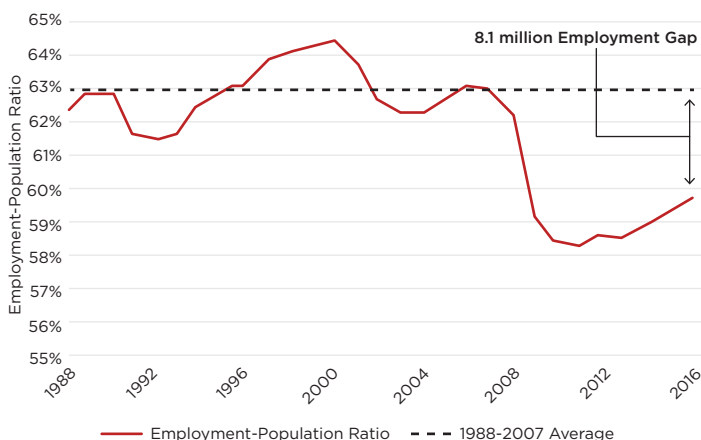
After reaching 9.6 percent in 2010 during the depths of the Great Recession, the 13.9 million jobs created during the ensuing economic recovery brought the official unemployment rate down to 4.9 percent by 2016.⁵ While progress has been made, the unemployment rate masks the very real need for faster job creation in the United States. Millions of Americans remain unemployed or have left the labor force altogether.

In 2016, just 59.7 percent of working-age Americans⁶ were employed across the country, considerably lower than the 62.9 percent employed, on average, during the two decades prior to the Great Recession (see Figure 1.1). An additional 8.1 million jobs were needed in 2016 for the employment-population ratio of working age Americans to return to historic norms.

This reality exists across the age-spectrum of working Americans. For example:

- For Americans in their prime-working years (ages 25 to 54) 78 percent were employed in 2016. By comparison, during the two decades prior to the Great Recession, 80 percent of Americans in their prime working years were typically employed.⁶ An additional 2.3 million jobs were needed in 2016 for the employment-population ratio of prime-working age Americans to return to historic norms (See Figure 1.2).
- For younger Americans, the current situation is even worse. Between 1988 and 2007, 57 percent of those between 16 and 24 years of age were typically employed. In 2016, less than half (49 percent) were employed. An additional 3 million jobs were needed in 2016 for the employment-population ratio of young Americans to return to historic norms (see Figure 1.3).

Figure 1.1 - Employment Levels Remain Historically Low



Note: 16 years and older
Source: U.S. Department of Labor and U.S. Travel Association

The travel industry is uniquely positioned to meet this pressing need.

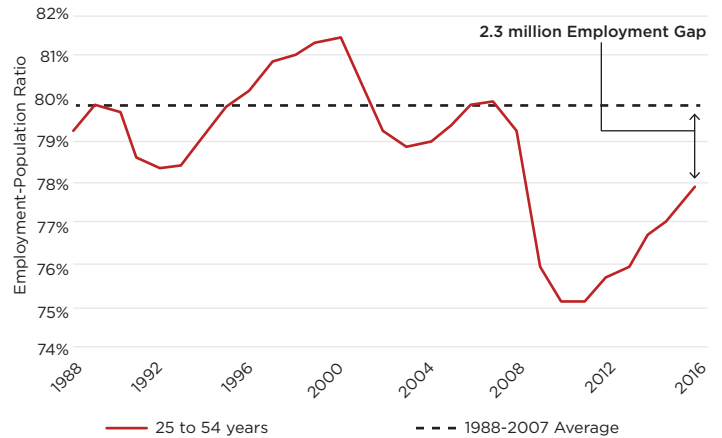
The service sector, particularly the travel industry, is better positioned to create jobs for Americans than the goods sector of the economy, which includes agriculture, manufacturing and mining. This is not because the production of goods is not critical to the economy, but rather because technological change and productivity growth have enabled this sector to achieve record levels of output today with fewer workers.

- For example, from 1987 to 2014, manufacturing output increased 78 percent. This increase was eclipsed by a 147 percent increase in manufacturing productivity. With productivity outpacing output, manufacturing employment declined by 31 percent during this time, not because fewer goods were manufactured in the United States but rather because technological change enabled more to be produced with fewer workers.⁷

Travel, on the other hand, did not generate the same productivity growth and therefore remains heavily reliant on human labor:

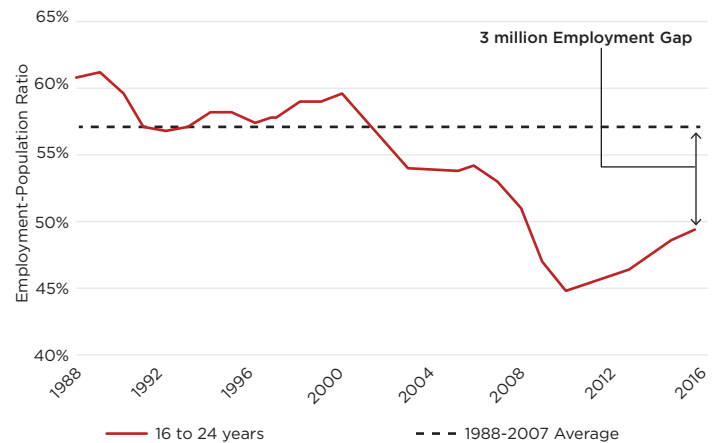
- For example, from 1987 to 2014, the output of accommodation and food services (two major components of the travel industry) rose 81 percent, while productivity increased by 22 percent. Because output grew faster than productivity, accommodation and food service employment increased 62 percent during this time (see Figure 1.4).

Figure 1.2 - For Americans in Prime Working Years, Employment Levels Remain Historically Low



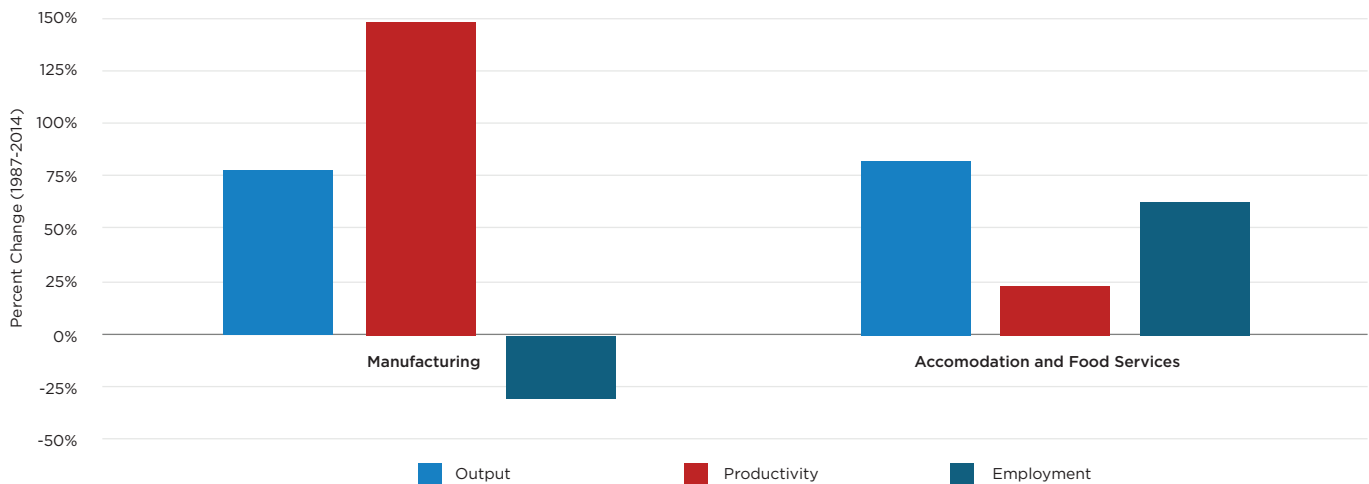
Source: U.S. Department of Labor and U.S. Travel Association

Figure 1.3 - For Younger Americans, Employment Levels Remain Historically Low



Source: U.S. Department of Labor and U.S. Travel Association

Figure 1.4 - Accommodation and Food Services vs. Manufacturing (Output, Productivity and Employment Growth)



Source: U.S. Travel Association Calculations based on U.S. Department of Labor Statistics

Section I – Travel: A Growing Industry Providing Jobs to Millions of Americans

1A. Travel is a Major Employer Across America

Travel directly supports more than eight million American jobs.

Travel is a major economic force in America. Spending by domestic and international travelers in the U.S. reached a record \$990 billion in 2016 and directly supported **8.6 million American jobs**.⁸ Without these 8.6 million jobs, the national unemployment rate of 4.9 percent in 2016 would have more than doubled to 10.3 percent.⁹ **The travel industry is the seventh largest employer** in the private sector (see Table 1.1).

Travel directly and indirectly supports one in nine American jobs.

Including multiplier effects, travel generated a total of \$2.3 trillion in economic output for the U.S. economy in 2016, which **supported a total of 15.3 million workers across all industries**. This accounted for one in nine American jobs in the nonfarm economy (see Figure 1.5).

Figure 1.5 - 15.3 Million Jobs Supported by Travel in 2016



Source: U.S. Travel Association

Table 1.1 - Private Industry Employment, 2016

Industry	Jobs (Thousands)	2016 Rank
Health Care and Social Assistance	19,057	1
Retail Trade*	14,692	2
Manufacturing	12,348	3
Professional and Technical Services	8,877	4
Administrative and Support and Waste Management and Remediation Services*	8,836	5
Accommodation and Food Services*	8,677	6
TRAVEL	8,598	7
Construction	6,711	8
Finance and Insurance	6,142	9
Wholesale Trade	5,867	10
Other Services (except Public Administration)	5,685	11
Transportation and Warehousing*	3,946	12
Educational Services	3,560	13
Information	2,772	14
Management of Companies and Enterprises	2,241	15
Real Estate and Rental and Leasing*	2,067	16
Arts, Entertainment, and Recreation*	776	17
Mining	626	18
Utilities	556	19

Source: U.S. Travel and U.S. Department of Labor
*Employment attributed to travel excluded

Most directly-supported travel workers are employed in leisure and hospitality.

Of the 8.6 million workers directly supported by travel in 2016, the majority (76%) were employed in the leisure and hospitality sector (see Figure 1.6). The leisure and hospitality sector, which includes arts, entertainment and recreation, as well as accommodation and food services, provides services to travelers as well as residents in local communities nationwide. Overall, this sector employed 15.6 million workers in 2016. Travel is the life blood of the leisure and hospitality sector. In fact, **spending by domestic and international travelers supports 42 percent of overall leisure and hospitality employment in the United States** (see Figure 1.7).

Travel drives small businesses across America.

Small business is critical to the U.S. economy. According to the Small Business Administration, companies that employ under 500 workers account for 99.7 percent of firms with paid employees and provide jobs to 48 percent of the private-sector workforce. In addition to employing roughly half of America's workers, small businesses are the primary force for job creation. Over the past two decades (from 1992 to 2013) small businesses generated 63.3 percent of all new jobs in the United States.¹⁰

The No. 1 small-business employer in the United States is the travel-dependent leisure and hospitality sector. Small businesses in leisure and hospitality employ 8.8 million workers, which account for 15.4 percent of private-sector small-business employment in the country—more than any other industry (see Figure 1.8). This reality extends across America: leisure and hospitality is the No. 1 small-business employer in 23 states, and No. 2 in the remaining 27 states.¹¹

Figure 1.6 - Composition of Travel Employment, 2016

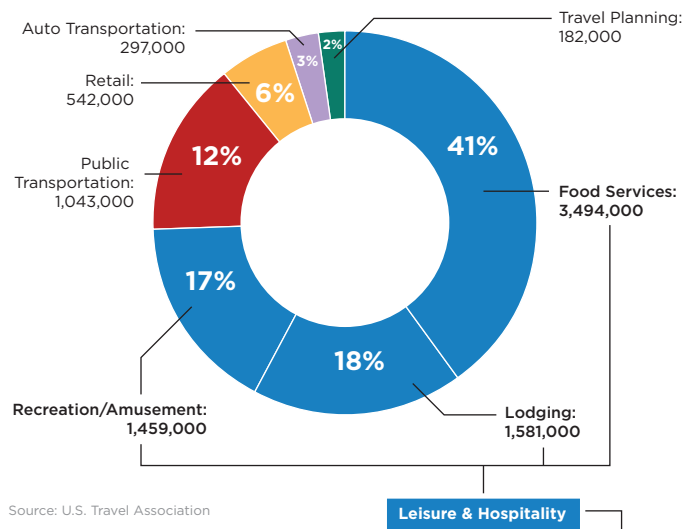
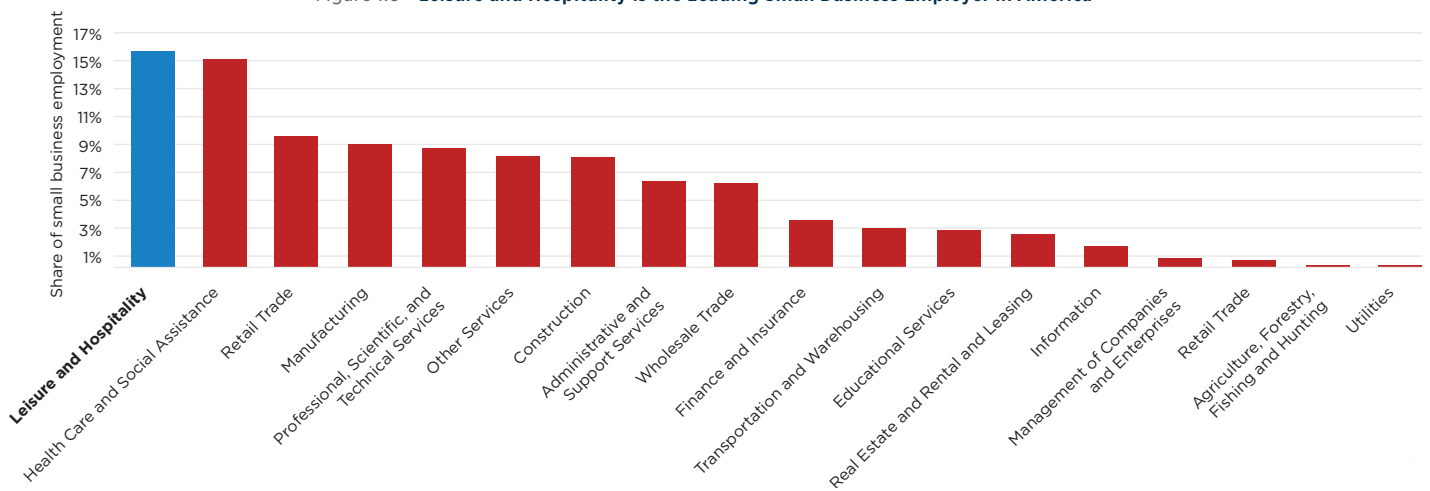


Figure 1.7 - Travel Supports 42 Percent of Employment in the Leisure and Hospitality Sector



Figure 1.8 - Leisure and Hospitality is the Leading Small Business Employer in America



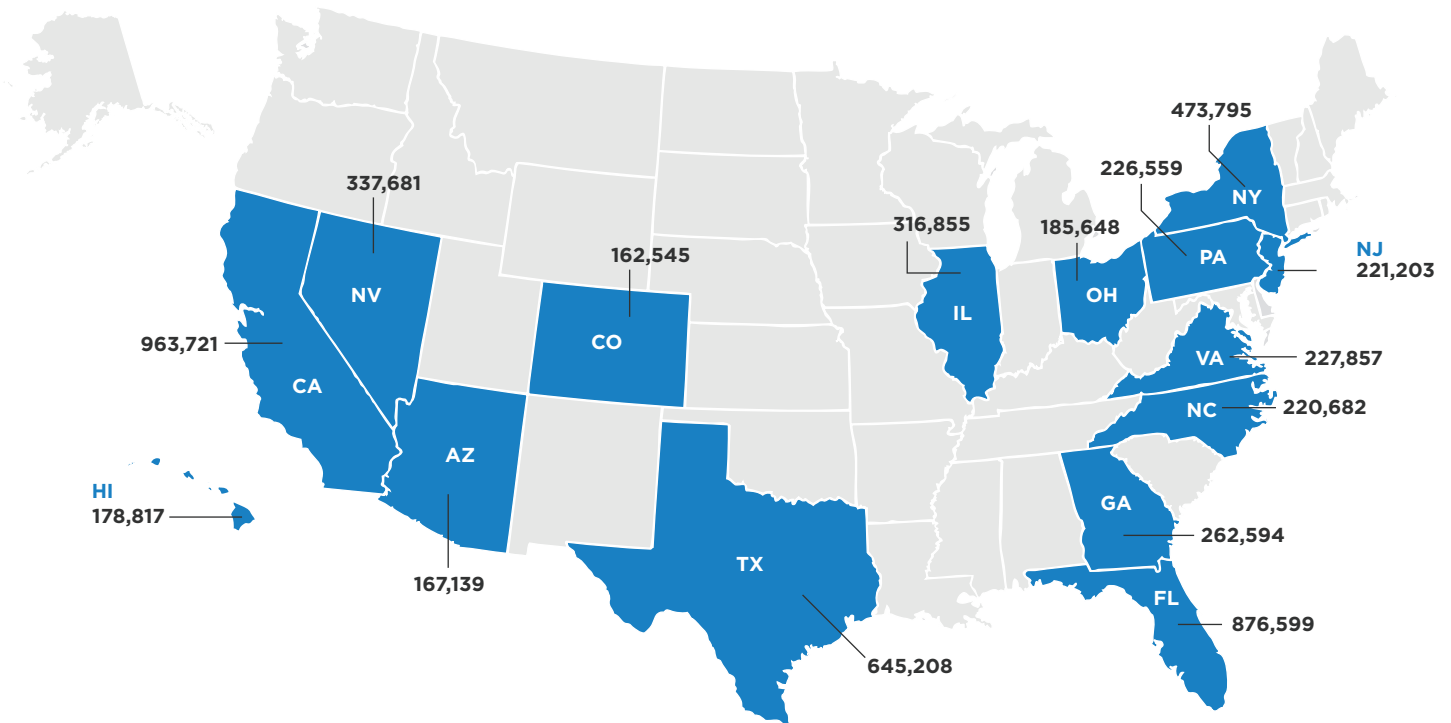
Leisure and hospitality is also more small-business oriented than the overall private sector. Small businesses employ 60 percent of the overall workforce in leisure and hospitality, compared to 48 percent in the private sector overall.

Because leisure and hospitality is the leading small business employer in the United States, and because travel accounts for a sizable 42 percent of leisure and hospitality employment, a thriving travel economy is essential to small business and job growth in America.

Travel is important to coastal states as well as states in the heartland.

From the coast, to the mountains, and across the rural heartland of America, millions of jobs rely on the travel industry. Most of the 15 states with the largest travel employment by number are on either the east or west coasts of the country (see Figure 1.9 and Table 1.2), which collectively account for two-thirds of direct travel employment in the U.S. At the same time, **the top 15 states by the travel industry's share of private-sector employment are concentrated in "Middle America"** and include states such as Nevada, Wyoming, Alaska, South Dakota, Montana, and Mississippi (see Figure 1.10 and Table 1.3).

Figure 1.9 - Top 15 States Travel Employment (Number of Jobs), 2015



Source: U.S. Travel Association

Table 1.2 - Top 15 States Travel Employment (Number of Jobs), 2015

	Travel Industry Employment	Share of Total Travel Employment in the U.S.
U.S.	8,157,112	
California	963,721	11.8%
Florida	876,599	10.7%
Texas	645,208	7.9%
New York	473,795	5.8%
Nevada	337,681	4.1%
Illinois	316,855	3.9%
Georgia	262,594	3.2%
Virginia	227,857	2.8%
Pennsylvania	226,559	2.8%
North Carolina	220,682	2.7%
New Jersey	211,203	2.6%
Ohio	185,648	2.3%
Hawaii	178,817	2.2%
Arizona	167,139	2.0%
Colorado	162,545	2.0%

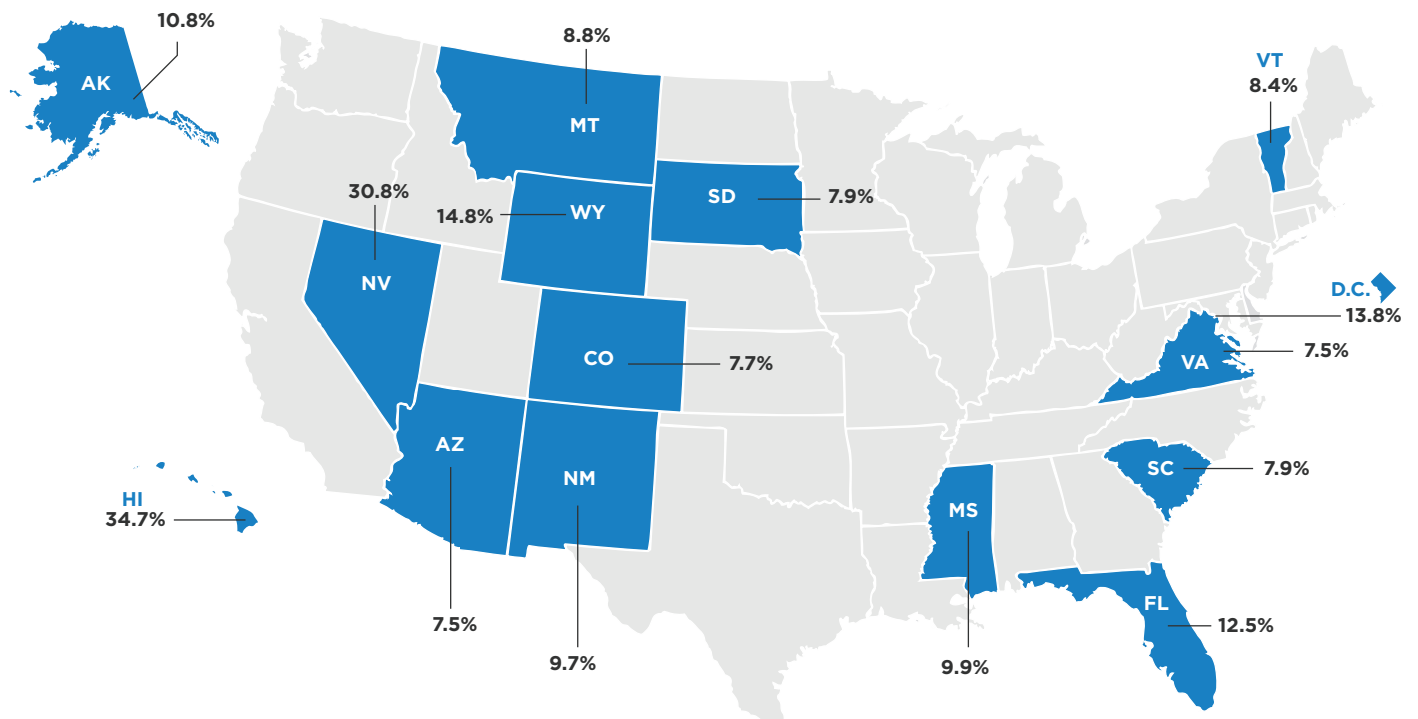
Source: U.S. Travel Association

Table 1.3 - Top 15 States Travel Employment (Share of Private Sector Employment), 2015

	Travel Industry Employment
Hawaii	34.7%
Nevada	30.8%
Wyoming	14.8%
District of Columbia	13.8%
Florida	12.5%
Alaska	10.8%
Mississippi	9.9%
New Mexico	9.7%
Montana	8.8%
Vermont	8.4%
South Dakota	7.9%
South Carolina	7.9%
Colorado	7.7%
Arizona	7.5%
Virginia	7.5%

Source: U.S. Travel Association and U.S. Department of Labor

Figure 1.10 - Top 15 States Travel Employment (Share of Private Sector Employment), 2015



Source: U.S. Travel Association and U.S. Department of Labor

The travel industry is uniquely labor-intensive, internationally engaged and largely immune to outsourcing employment abroad.

The travel industry is more labor-intensive than other sectors of the economy: a dollar earned through travel has a stronger effect on job creation than a dollar earned in the overall private sector. In fact, every \$1 million spent by domestic and international inbound travelers in the U.S. directly supports 8.7 travel jobs. By contrast, \$1 million spent in the overall private sector directly supports just 4.4 jobs. So, **\$1 million spent on travel supports four more jobs than \$1 million spent in the overall private sector** of the economy (see Figure 1.11).

By its nature, travel is also engaged in international trade. More Americans travel abroad than citizens of any other country in the world. At the same time, the U.S. attracts more long-haul¹² international visitors than any other country. In fact, **the travel industry is nearly 50 percent more trade-engaged¹⁵ than the overall private sector** (see Figure 1.12). The U.S. travel industry is also deeply engaged in stiff competition with other key global destinations to lure international travelers to visit.

Millions of Americans have lost their jobs due to offshore outsourcing to other countries. However, unlike jobs in factories or call centers, for example, **most travel jobs cannot be shipped overseas**. Jobs tied to national parks, iconic cities and beautiful shorelines can be no more outsourced than the attractions themselves. In the travel-dependent leisure and hospitality sector, companies that outsource or transfer any business function or service to a company outside the U.S. account for just 3.1 of industry sales. By comparison, across all sectors, firms that outsource account for 11.5 percent of industry sales (see Figure 1.13).

Travel industry employment provides opportunities to young workers and minorities.

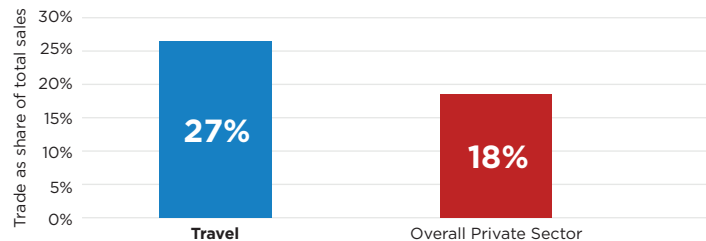
The need for American job creation is especially pertinent for younger workers, as well as minorities. **Nearly one-quarter (24%) of workers employed by the travel industry are younger than 25 years old**, compared to just 13 percent for the rest of the economy.¹⁴ At the same time, African-Americans, Hispanics and other minorities make up 36 percent of the travel industry workforce, compared to 30 percent for the rest of the economy. A healthy and growing travel industry is critical to providing employment opportunities for Americans who are in greatest need of a job.

Figure 1.11 - Travel Creates Double the Number of Jobs for Every \$1 of Sales Compared to the Overall Private Sector



Source: U.S. Travel Association and U.S. Department of Labor

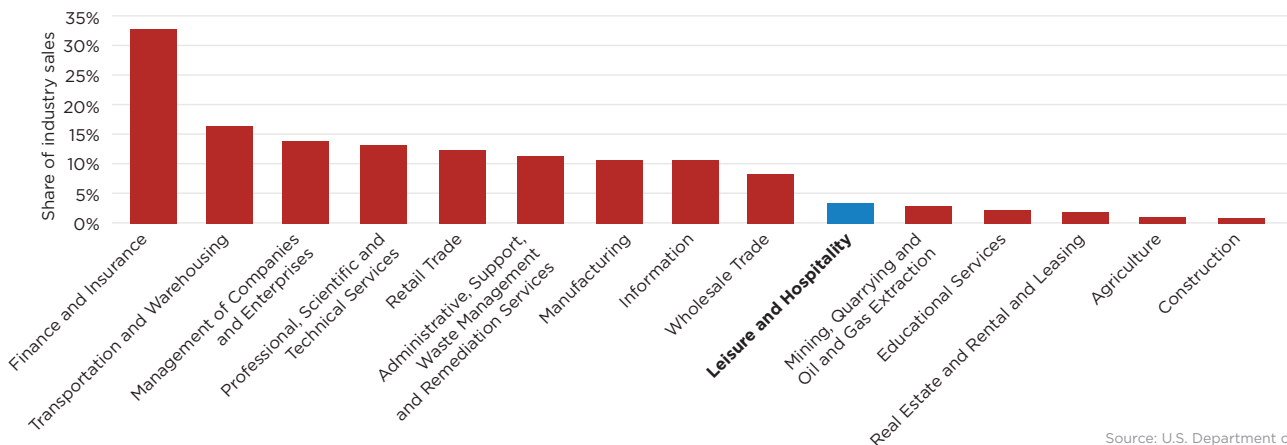
Figure 1.12 - The Travel Industry is More Trade-Intensive Than the Overall Private Sector



Source: U.S. Travel Association and U.S. Travel calculations based on Commerce Department data
Note: Trade Intensity: (Exports+Imports)/Total Sales

Figure 1.13 - Leisure and Hospitality Outsource Less than Most Other Sectors of the Economy

Percent of industry sales from firms that outsource business activities to companies outside the U.S.



Source: U.S. Department of Commerce (2012)

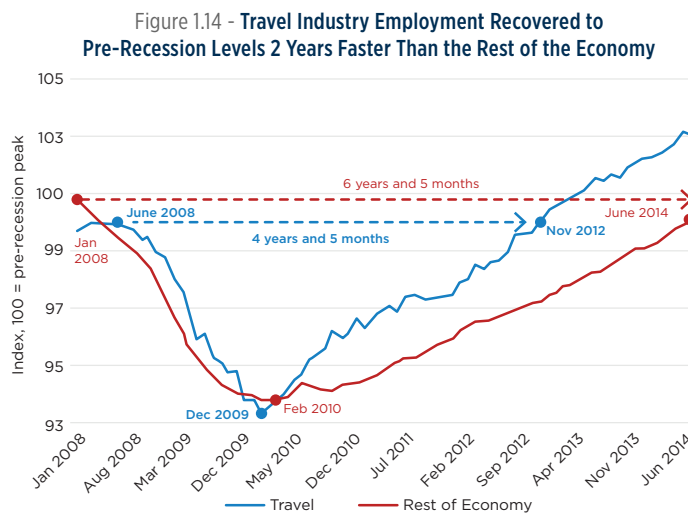
1B. Travel Jobs are Expanding Across America

In addition to being a top employer across the country, travel creates jobs faster than the rest of the economy.

Travel has been key to the employment recovery following the Great Recession.

Overall employment in the U.S. fell by 6.3 percent (-8.7 million jobs) during the Great Recession. Travel industry employment fell an even steeper 6.7 percent (-521,000 jobs) during the recession.

After employment began to decline in 2008, it took the travel industry four years and five months to return to its pre-recession employment peak—fully two years shorter than the six years and five months it took the rest of the economy (see Figure 1.14). So, **even though the travel industry suffered a deeper employment decline during the Great Recession, travel employment recovered much faster than the rest of the economy.**



Source: U.S. Travel Association and U.S. Department of Labor

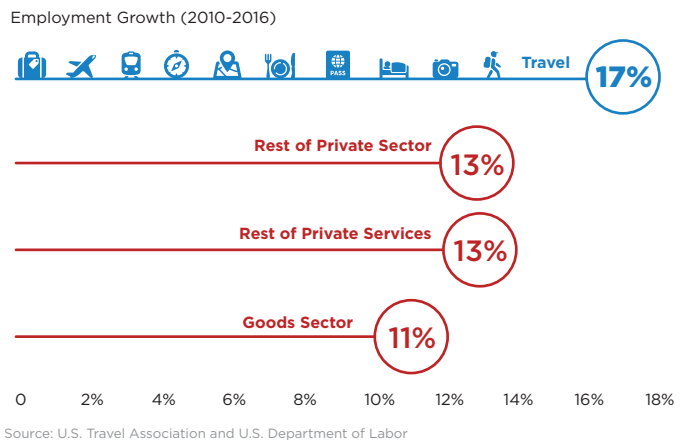
Travel employment has created jobs faster than the rest of the economy across America.

From 2010 to 2016, overall nonfarm employment in the U.S. rose by 13.9 million jobs. During this same time, travel industry employment rose by more than 1.2 million, **generating 9 percent of all new jobs created.** In fact, the 17-percent rise in travel employment during this period considerably outpaced job growth in the rest of the private sector (13%) (see Figure 1.15).

Travel employment grew in all 50 states between 2010 and 2015—an achievement that distinguishes travel from most other industries. The only other industry not related to travel that similarly increased employment across all states and D.C. was health care and social assistance (see Figure 1.16).

Moreover, from 2010 to 2015, the **travel industry created jobs faster than the rest of the nonfarm economy in 47 of the 50 states** (see Figure 1.17).

Figure 1.15 - Travel Employment Grows Faster Than Rest of Private Sector



Source: U.S. Travel Association and U.S. Department of Labor

Figure 1.16 - Nearly Unparalleled, Travel Employment Has Increased Universally Across All 50 States and the District of Columbia in Recent Years

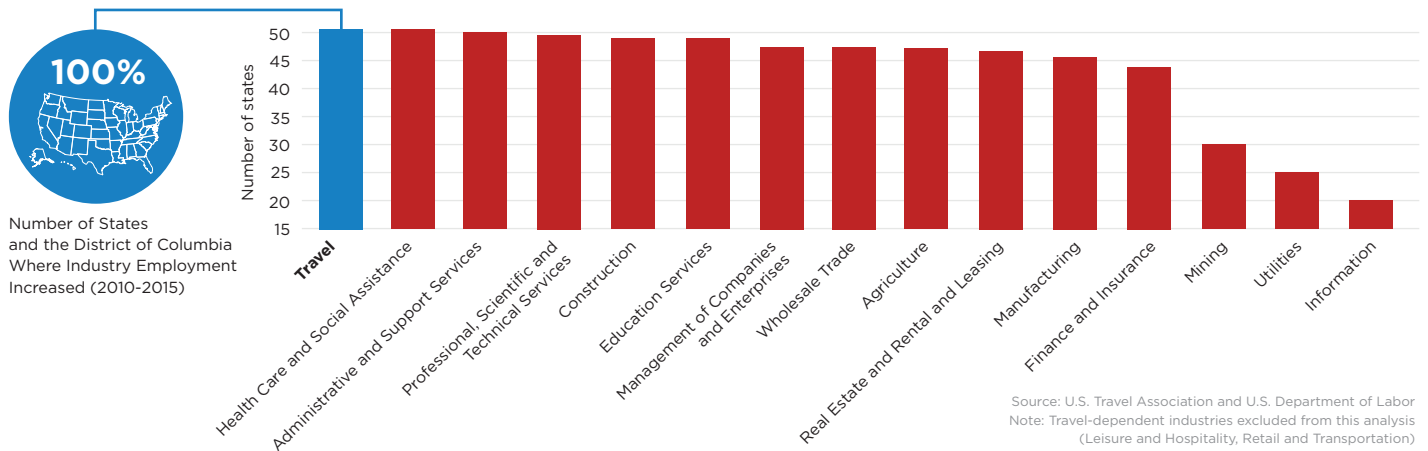


Figure 1.17 - State Analysis: Growth in Travel Employment vs. Rest of Economy 2010-2015



1C. Travel Jobs Equal Promising Careers

Travel not only creates jobs, but also builds the middle class, and charts a successful career path for millions of Americans.

Most workers in the travel industry earn middle class wages or higher.

The travel industry employs a diverse mix of occupations that demand a wide array of skill sets, ranging from management, to business and finance, to architecture and engineering, to transportation, to arts, design, entertainment and media, to maintenance, to sales, to food preparation and service, and more.

Of the 22 major occupations employed by the travel industry, 19 of these occupations—representing **the majority (52%) of travel employment—earn middle class wages¹⁵ or higher (see Table 1.4)**, including:

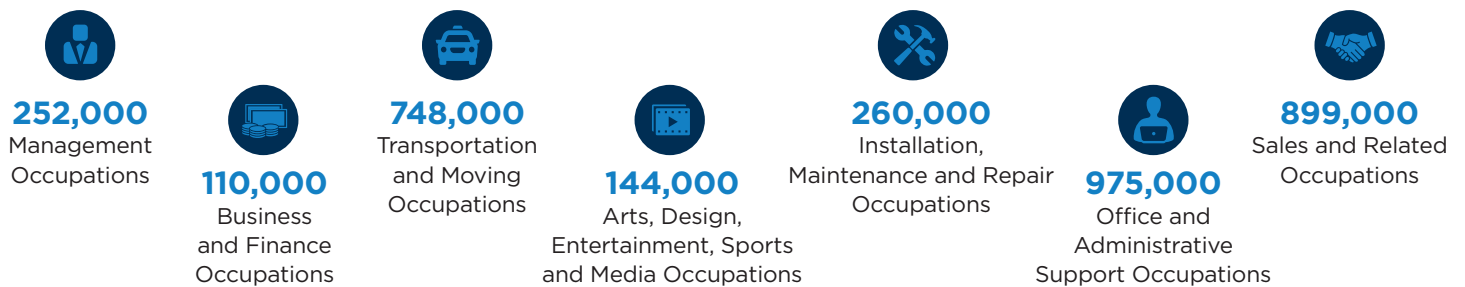


Table 1.4 - The Majority of Travel Industry Employment Earn Middle Class Wages or Better, 2015

	Occupation Name	Travel Industry Employment by Occupation	Average Wage, \$	
1	Legal Occupations	986	139,348	<p>Share of Total Travel Employment</p> <p>4,265,232 - 52% Middle Class Wages or Higher</p>
2	Management Occupations	251,692	83,876	
3	Architecture and Engineering Occupations	5,767	78,536	
4	Computer and Mathematical Occupations	24,003	76,521	
5	Health Care Practitioners and Technical Occupations	37,557	61,821	
6	Business and Financial Operations Occupations	110,330	61,471	
7	Transportation and Material Moving Occupations	747,749	57,585	
8	Life, Physical and Social Science Occupations	1,833	56,833	
9	Arts, Design, Entertainment, Sports and Media Occupations	144,025	54,061	
10	Construction and Extraction Occupations	13,470	52,075	
11	Community and Social Service Occupations	929	48,516	
12	Installation, Maintenance, and Repair Occupations	259,668	46,985	
13	Education, Training and Library Occupations	29,535	43,445	
14	Health Care Support Occupations	11,903	37,785	
15	Office and Administrative Support Occupations	975,362	32,269	
16	Production Occupations	97,048	29,578	
17	Personal Care and Service Occupations	532,742	28,592	
18	Sales and Related Occupations	899,065	28,437	
19	Protective Service Occupations	121,565	28,011	
20	Farming, Fishing and Forestry Occupations	3,483	26,025	<p>3,889,763 - 48% Less Than Middle Class Wages</p>
21	Building and Grounds Cleaning and Maintenance Occupations	575,434	24,674	
22	Food Preparation and Serving Related Occupations	3,310,847	23,072	

Source: U.S. Travel Association Estimates based on U.S. Department of Labor data

Travel provides young Americans with needed skills and educational opportunities.

The travel industry also provides many young Americans with their first job. From hotels and restaurants to transportation or retail, the travel industry provides a gateway to the working world for those without prior work experience or who have yet to earn a specialized degree. These jobs offer the kind of on-the-job training that supplement what is learned in the classroom.

Many workers in the travel industry who have not yet made it into the middle class are part-time workers in food preparation and serving-related occupations. These jobs provide opportunities for younger workers just entering the labor force. **This is a strength of the travel industry, not a weakness.**

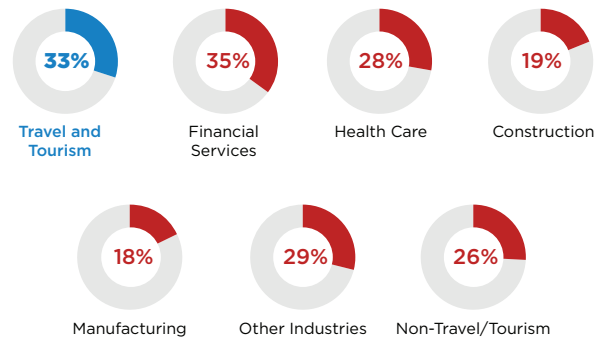
Teamwork, employee-management relations, performance-based pay and customer service are just a few of the critical workplace skills that are learned in these jobs that are the first step in a successful career ladder. To many Americans, this should come as no surprise, given the fact that **nearly one-quarter (22%) of all Americans' first jobs were in travel and tourism-related industries.**¹⁶

In addition to teaching life-long skills, travel jobs also provide Americans with the flexibility of part-time employment that offers them an opportunity to enhance their skills and further their education. In 2016, 25.1 million Americans worked part time. The No. 1 reason why people worked part-time was to further their education, surpassing typical "economic reasons" such as slack working conditions or the unavailability of full time work, or other reasons such as child care or health/medical issues.

In 2016, six million Americans worked part time to attend school or training, accounting for one-quarter (24%) of all part-time employment. Of those six million Americans working part time to go to school or get additional training, more than two million (34%) worked in the travel-dependent leisure and hospitality sector, followed by retail (1.4 million, 23%) and education (799,000, 4%) (see Figure 1.18).

By offering Americans the flexibility to gain business experience, acquire skills and pursue higher education, the travel industry provides workers with transferable skills needed in America's ever-changing economy, which has helped drive long-term economic growth for the country. Over the past three decades, the travel industry has achieved an impressive record of helping workers attain their educational goals. **Among workers who began their careers in the travel industry, one-third earned at least a bachelor's degree**, compared to just 28 percent who began in health care, 19 percent in construction and 18 percent in manufacturing (see Figure 1.19).

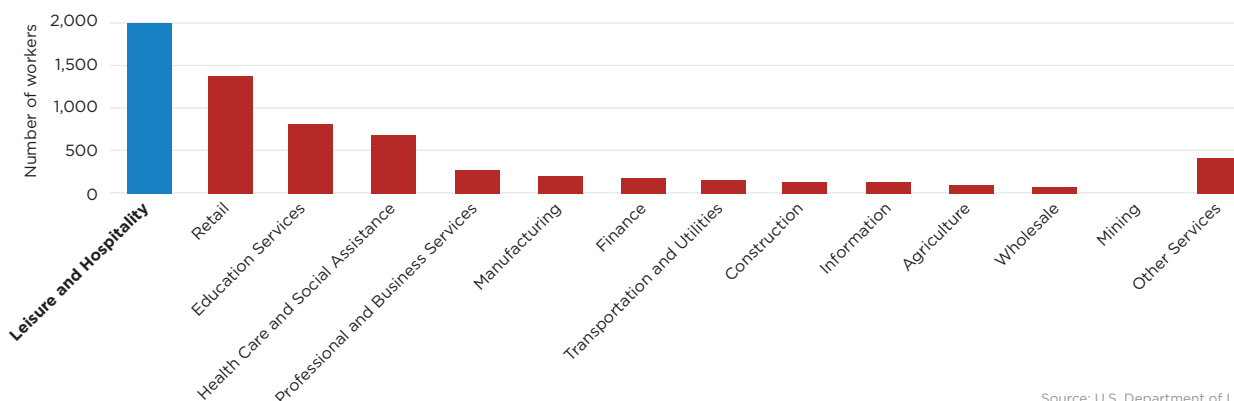
Figure 1.19 - **Travel Allows Flexibility for Workers to Attain Higher Education**
Percentage of Workers With at Least Bachelor's Degree



Source: Oxford Economics based on BLS data

Figure 1.18 - **Leisure and Hospitality Provide Part-Time Work For Workers to Attend School More Than Any Other Industry, 2016**

Number of Part-Time Workers Who Attend School/College By Industry (thousands)



Source: U.S. Department of Labor

Travel jobs are the ticket to a promising career.

The U.S. economy and its labor force are dynamic. According to the Bureau of Labor Statistics National Longitudinal Surveys, the average American born in the latter years of the baby boom (1957-1964) held 11.7 jobs from age 18 to age 48.

Regardless of the eventual educational level achieved, or the eventual career path chosen, Americans who start off working in the travel industry end up earning higher wages than those who begin their careers in nearly all other industries.

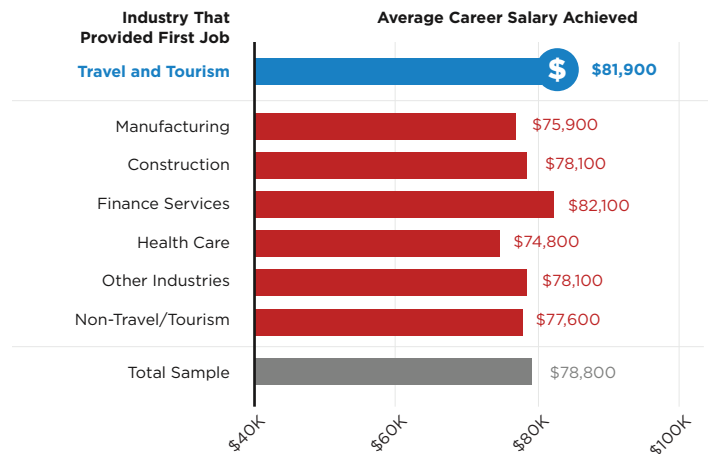
Overall, Americans whose first job was in travel-related industries obtained an average career salary of \$81,900—significantly higher than workers whose first jobs were in manufacturing, construction and health care, and most other industries (see Figure 1.20). Moreover, nearly 40 percent of workers who began their careers in travel reached an annual salary in excess of \$100,000.¹⁷

The travel industry also offered better opportunities than other industries for women and minorities and those less educated:

- Workers with a high school degree or less whose first jobs were in travel-related industries reached an average pay level of \$69,500, which is 5 percent greater than the \$66,100 eventually attained by workers who started off in other industries (see Figure 1.21).
- Minorities and women who started their career in travel-related industries also achieved higher salaries (see Figure 1.22):
 - Women: \$78,000 (first job in travel), 6 percent higher than \$73,900 (first job in other industries)
 - Hispanics: \$80,100 (first job in travel), 8 percent higher than \$74,500 (first job in other industries)
 - African-Americans: \$71,900 (first job in travel), 6 percent higher than \$68,100 (first job in other industries)

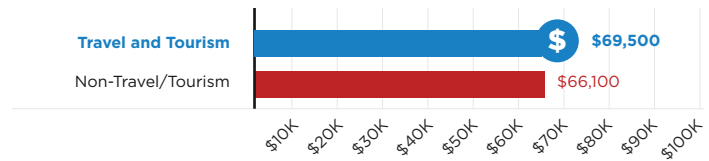
The travel industry provides American workers with a full range of opportunities and professional skills that prepare them to succeed in any profession, whether within the travel industry or in other sectors of the economy.

Figure 1.20 - A Better Start: Workers Who Begin in Travel Ultimately Achieve Higher Wages in Their Careers



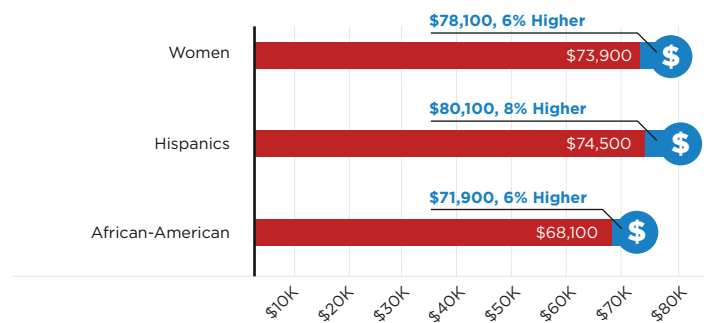
Source: Oxford Economics based on BLS data

Figure 1.21 - Average Career Salary Achieved for Workers With a High School Degree or Less



Source: Oxford Economics based on BLS data

Figure 1.22 - Travel Leads to Higher Pay for Women and Minorities



Source: Oxford Economics based on BLS data

Section II – International Travel: A U.S. Export and Key Job Creator

International inbound travel has always been a “powerhouse” of travel in the United States, and can be credited for directly supporting more than one million American jobs.¹⁸ In 2016, international visitation totaled 75.6 million—though this only accounted for a small fraction (about 3%) of all travel in the U.S. due to the huge domestic travel market. Nevertheless, since average spending by international visitors is significantly higher than domestic travelers, international inbound travel can be credited for one-seventh of all direct travel jobs—an impressive and disproportionate contribution to the U.S. labor force. As an added bonus, spending by international visitors greatly reduces our country’s otherwise large international trade deficit.

2A. Travel is “Made in America”

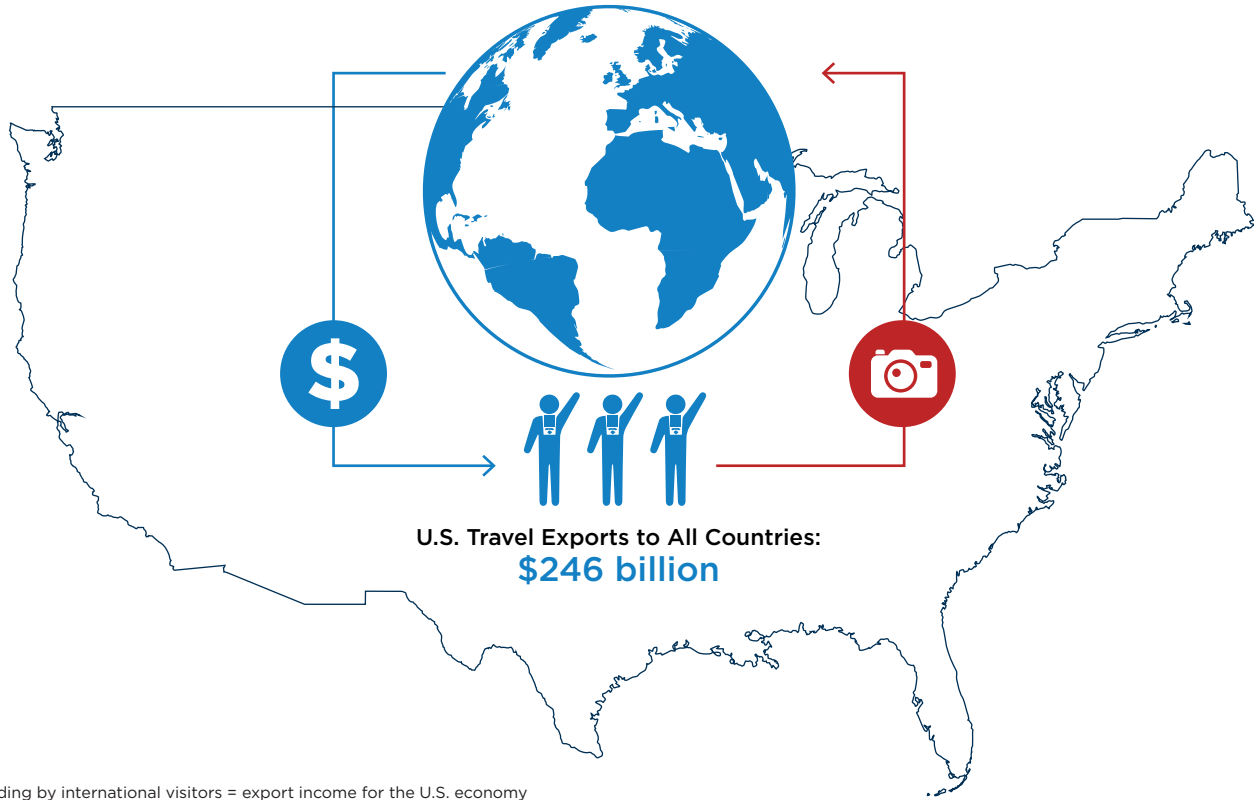
Spending by international visitors in the U.S. is an export for the U.S. economy and improves our trade balance.


An international visitor who spends money while travelling in the U.S. is purchasing an American good or service. From riding on trains, to eating in restaurants, staying in hotels, and purchasing products, **international visitors to this country are constantly “buying” goods and services, made in the United States. In other words, the U.S. is “exporting” these goods and services and improving our trade balance (see Figure 2.1).**


Foreign demand for U.S. goods and services—whether by foreigners abroad or foreigners who are visiting the U.S.—generates exports for the U.S. economy. By spending their money on American soil, international visitors positively contribute to the U.S. international trade balance, just like overseas buyers of products shipped from a U.S. manufacturer.

Figure 2.1 - International Visitors are Physically on U.S. Soil, but Economically Part of Their Countries of Origin

The goods and services they consume while in the U.S. are considered exports to their origin countries, and the money they spend here is export income for the U.S. economy.



 Spending by international visitors = export income for the U.S. economy

 Travel experiences (and other goods and services), which are “purchased” by international visitors = export of goods and services to their countries of origin

Source: U.S. Department of Commerce

Defining travel exports

Travel exports comprise five different categories, which all contribute to our travel trade surplus. Table 2.1 breaks up these categories, which are based on the latest methodology used by the U.S. Department of Commerce.

The U.S. Travel Association always uses the value of total travel exports (including international passenger fare receipts) when describing travel exports. When comparing international traveler spending in the U.S. with domestic traveler spending, however, we specifically focus on “travel spending” alone, which reflects actual trip spending by international visitors in the U.S. (and excludes spending for categories such as education and health). This allows for an “apples to apples” comparison with travel spending by domestic travelers.

Table 2.1 - U.S. Travel Trade Statistics, 2016

U.S. Travel Trade Statistics	\$ billion
U.S. Travel Exports	\$246.0
Travel spending	\$153.7
Education-related	\$41.4
Health-related	\$3.8
Passenger fare receipts	\$39.1
Border/seasonal/ short-term workers	\$8.0
Share of total U.S. exports (%)	11.1%
U.S. Travel Imports	\$158.9
U.S. Travel Trade Balance	\$87.1

The story of travel exports is an untold export success story.

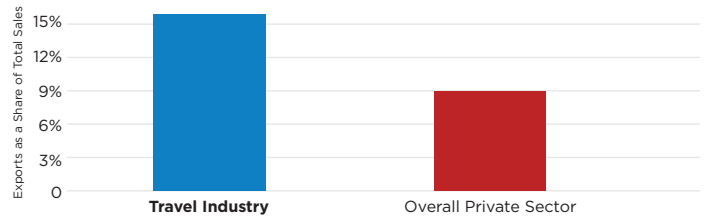
- Second-largest industry export:** Valued at \$246 billion in 2016, travel is the United States' second-largest industry export (after transportation equipment) and accounts for 11 percent of all U.S. exports of goods and services (see Table 2.2).¹⁹
- High rates of growth:** Travel exports have grown faster than other U.S. exports. During the past 10 years (2006-2016), travel exports nearly doubled (increased 94%). By comparison, other U.S. exports of goods and services increased by 48 percent during these years. As a result, travel exports now account for the highest share of total U.S. exports since 2000 (11.1%).²⁰
- Export-intensive:** The percent of all U.S. travel receipts that can be attributed to international spending is impressively high. [Note: This comparison focuses on "travel spending" alone, see Table 2.1]. Spending by international visitors accounted for about 16 percent of total U.S. travel expenditures in 2016.²¹ In other words, 16 percent of U.S. travel industry output is "exported" or purchased by international visitors to the United States. To put this into perspective, overall exports of goods and services accounted for less than 9 percent of overall private-sector output of the United States (see Figure 2.2).
- Largest trade surplus:** While international travelers to the U.S. spent \$246 billion in the U.S. in 2016 (a U.S. export), U.S. travelers abroad spent \$159 billion (a U.S. import). As a result, travel generated a trade surplus of \$87 billion, larger than any other industry (see Figure 2.3 and Table 2.3).

Table 2.2 - U.S. Exports by Industry, 2016

Industry	\$ billion
Total Exports of Goods and Services	\$2,212
1. Transportation Equipment	\$276
2. Travel	\$246
3. Computer and Electronics	\$202
4. Chemicals	\$185
5. Machinery (except electrical)	\$125

Source: U.S. Department of Commerce

Figure 2.2 - Travel is an export-intensive industry, 2016

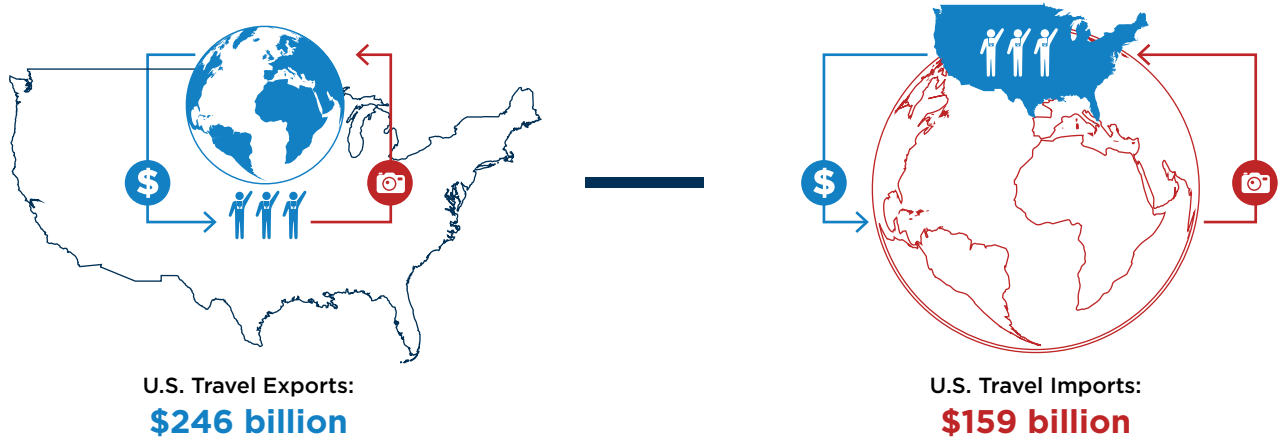


Source: U.S. Travel Association and U.S. Department of Commerce



Figure 2.3 - Spending by International Visitors Constitutes a U.S. Travel Export While Spending by U.S. Residents Abroad Constitutes a U.S. Travel Import

Since travel exports are greater than travel imports, the U.S. enjoys a strong travel surplus, which helps curb our overall trade deficit.



\$87 Billion Surplus in Travel Trade Balance

- Spending by international visitors = export income for the U.S. economy
- Travel experiences (and other goods and services), which are "purchased" by international visitors = export of goods and services to their countries of origin

- Spending by U.S. residents abroad = import for the U.S. economy
- Travel experiences (and other goods and services), which are "purchased" by U.S. residents abroad = import of goods and services to the U.S.

Table 2.3 - U.S. Trade Balance by Industry, 2016

Industry	\$ Billion
1. Travel	87
2. Charges for intellectual property	79
3. Financial services	72
4. Other business services	40
5. Maintenance and repair services	18
6. Telecommunications, computer, and information services	0
7. Foods, feeds and beverages	-1
8. Transportation	-14
9. Other general merchandise	-30
10. Insurance services	-31
11. Industrial supplies and materials	-54
12. Capital goods except automotive	-74
13. Automotive vehicles, parts, and engines	-201
14. Consumer goods except food and automotive	-392

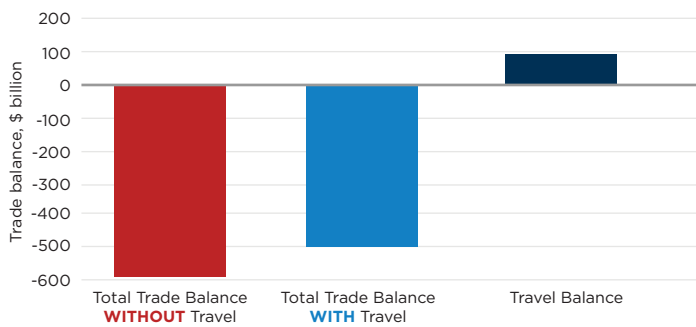
Source: U.S. Department of Commerce

Without the trade surplus in travel, the U.S. trade deficit would have been 17 percent larger in 2016.

The U.S. ran a \$500 billion international trade deficit in 2016. Travel, on the other hand, generated a trade surplus of \$87 billion, higher than any other industry. In other words, without the travel surplus, our trade deficit in 2016 would have been \$587 billion, or 17 percent larger (see Figure 2.4).

Travel's substantial effect on our overall trade balance is not only evident at the aggregate level. In fact, travel exports contribute positively and significantly to bilateral trade balances with each of our major trading partners (see Table 2.4).

Figure 2.4 - Without the Trade Surplus Generated by the Travel Industry, the Overall U.S. Trade Deficit Would Have Been 17% Larger in 2016.



Source: U.S. Travel Association and U.S. Department of Commerce

Travel that is “Made in America” is not easily replaceable and will always be a key component in strengthening the U.S. balance of trade.

Travel will always be a unique export that cannot be reproduced by other countries. Consumers today are constantly buying imported goods and services from countries all over the world. In most cases, they do not even notice, let alone care, where a certain product is made as long as it meets its expected level of quality and price. They similarly do not notice from where most services are actually being provided.

Travel is different. When international visitors spend money during a trip in the U.S., they are keenly aware, and interested, in the specific origin of the travel services and related goods they are purchasing. They have made a conscious decision to specifically visit the United States. **While there will always be competition for international inbound travel, no country can fully replicate the specific unique offerings of the United States as an international travel destination.** As a result, travel can better weather threats to trade competitiveness than many other industries.

Case in point: Since 2015, the strong U.S. dollar has made U.S. exports more expensive around the world. All export sectors suffered, and travel was no exception. Nevertheless, the extent of the effect on travel was significantly less than the cumulative effect on all other exports. While travel exports remained relatively flat in 2015 and 2016, other exports declined by six percent in 2015 and two percent in 2016.

Table 2.4 - Travel Offers a Positive Contribution to Our Trade Balance With All Major Markets. Top 10 Travel Export Markets, 2016 (\$ billions)

	Travel Exports	–	Travel Imports	=	Travel Trade Balance	Overall Trade Balance	Overall Balance without travel	Without travel:
China	35.4		5.4		30.0	-309.8	-339.8	Deficit would be 10% larger
Mexico	19.9		17.4		2.4	-61.7	-64.2	Deficit would be 4% larger
Canada	19.3		8.1		11.2	8.1	-3.1	Trade surplus of \$8 billion would turn into a \$3 billion deficit
Japan	16.5		4.3		12.2	-56.3	-68.5	Deficit would be 22% larger
United Kingdom	16.1		13.6		2.5	14.6	12.1	Surplus would be 17% smaller
India	13.4		3.5		9.9	-30.9	-40.8	Deficit would be 32% larger
Brazil	11.0		1.0		10.0	23.6	13.6	Surplus would be 42% smaller
South Korea	8.9		3.4		5.6	-17.5	-23.1	Deficit would be 32% larger
Australia	8.9		2.5		6.4	27.2	20.9	Surplus would be 23% smaller
Germany	8.1		6.7		1.4	-67.8	-69.1	Deficit would be 2% larger
Overseas	206.8		133.4		73.4	-446.7	-520.1	Deficit would be 16% larger
World	246.0		158.9		87.1	-500.4	-587.4	Deficit would be 17% larger

Source: U.S. Travel Association calculations based on U.S. Department of Commerce data

2B. International Inbound Travel = American jobs

Travel exports support more than one million direct travel jobs in America.

Spending by international travelers in the U.S. constitutes a U.S. export. **These travel exports do not only provide a boost to an overall negative trade balance, but also directly support more than one million American travel jobs.**²² In calculating the number of jobs, we include only those spurred by general travel spending, and exclude jobs created by other travel exports, such as international passenger fares and education/health-related spending. International travel spending, alone, supported 1.2 million direct American jobs in 2016 (see Figure 2.5).

International inbound travel supports one-seventh of all travel jobs in the U.S.

Despite the relatively small share (3.3%) of international inbound travelers on the overwhelmingly domestic-based U.S. travel market, international travel spending supports one out of every seven (14%) direct travel jobs. This is nearly three-times greater than the 4.8 percent of jobs in the overall private sector that are directly supported by U.S. exports of goods and services (see Figure 2.6).

Figure 2.5 - Spending by International Visitors Directly Supports 1.2 Million American Jobs



Figure 2.6 - Travel Exports Support 14% of All Travel Jobs, Significantly Higher Than the Overall Private Sector

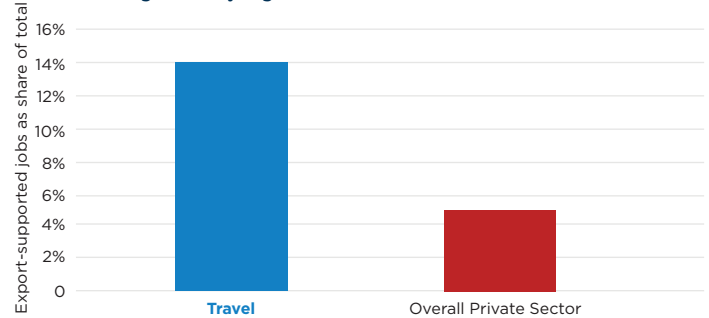
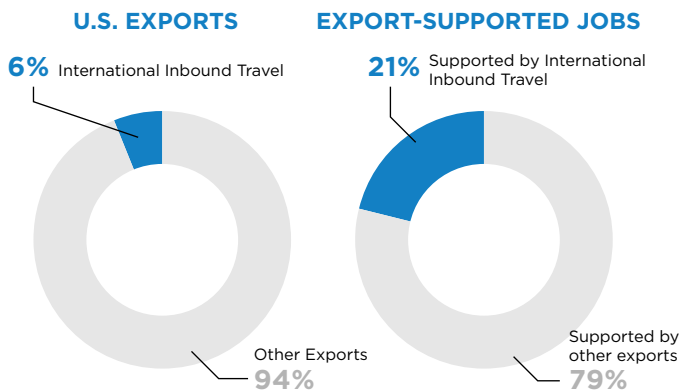


Figure 2.7 - Travel Supports One-Fifth of All Export-Related Jobs... Far Greater Than Its Share in Export Income



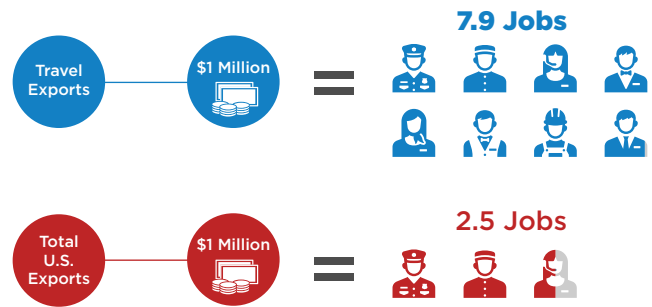
International inbound travel supports one-fifth of all jobs fueled by U.S. exports

Although every dollar generated by an export from any industry is beneficial to the U.S. economy and helps lower our trade deficit, how this translates into jobs differs significantly across industries. While some export sectors rely heavily on technological advancements and employ a smaller workforce, the numerous services that make up the travel industry rely heavily on American workers.

General travel spending by international visitors, as discussed above, directly supports 1.2 American jobs. This equates to 21 percent of the 5.8 million jobs directly supported by all U.S. exports of goods and services. In comparison, the share of general travel spending by international visitors in terms of value is just six percent of all U.S. exports. This highlights the fact that travel is more effective at job creation through exports than other industries (see Figures 2.7).

Looking at it from a slightly different angle, **every \$1 million in international travel spending supports 7.9 direct American jobs**—far more than the 2.5 direct jobs supported by \$1 million in overall U.S. exports of goods and services (see Figure 2.8). The result: a dollar earned as part of travel exports is amongst the most valuable of all U.S. export dollars in terms of creating American jobs.

Figure 2.8 - Every Million Dollars in Travel Exports Supports Almost Eight American Jobs...Far More Than Other Exports



Source: U.S. Travel Association calculations based on U.S. Department of Commerce data

Section III – Policies to Support Travel and Create Jobs

Considering travel's strong impact on job creation across the country, U.S. government leaders should prioritize policies that are pro-growth, pro-competition and pro-traveler, such as:

Continue Funding Brand USA.

Brand USA is the destination marketing organization for the United States. Its mission is to increase international visitation to the United States, enhance our image abroad and grow our country's market share of international travel worldwide by inviting the world to explore the exceptional, diverse array of travel experiences available here.

In addition to promoting the U.S. as a premier destination, Brand USA is tasked with communicating changing U.S. security and entry policies abroad. It was established by the Travel Promotion Act in 2010 and was reauthorized by bipartisan congressional vote in 2014 through 2020.

According to Oxford Economics, **Brand USA's marketing initiatives have helped attract 4.3 million additional international visitors to the United States over the past four years.** These visitors benefited the U.S. economy with nearly \$30 billion in total economic impact, and supported, on average, 50,900 additional jobs annually. Its global promotional work particularly benefits smaller destinations otherwise unable to compete effectively in the international marketplace.

As a public-private partnership, Brand USA is funded by a combination of ESTA fees collected from foreign visitors that travel to the U.S. under the Visa Waiver Program – and matching contributions from 700 partner organizations, including destinations, travel brands and private-sector companies. The agency does not use federal taxpayer money.

Brand USA has been an unqualified success, helping to restore America's brand and share in the world travel marketplace. Congress should remain committed to its success by supporting its continued funding and working to support its reauthorization in a few years.

Preserve and Continue to Expand the Visa Waiver Program.

The Visa Waiver Program (VWP) allows pre-screened, pre-approved travelers from participating countries to travel to the United States without obtaining a visa for business or leisure stays of up to 90 days. These 38 partner countries are required to maintain high security standards and share information with the U.S. in order to remain eligible for VWP membership.

In 2015, more than 23 million visitors to the U.S., or 60 percent of all overseas visitors, arrived under the VWP. These visitors generated \$190 billion in total economic output, which supported a total of nearly one million jobs.

In addition, the Visa Waiver Program enhances U.S. security, because:

- All VWP travelers are pre-screened through the Department of Homeland Security's (DHS) Electronic System for Travel Authorization (ESTA) before ever boarding a flight to the U.S.
- VWP travelers to the U.S. are checked against multiple law enforcement and security databases before arrival.
- Participating countries are required to allow U.S. inspections of their security standards and protocols.

- VWP countries must promptly report data on all lost and stolen passports.
- Participating countries must issue biometric passports that conform to stringent international security standards.

The VWP safeguards national security while facilitating inbound travel helping to create thousands of good American jobs. Congress and the Administration should continue to preserve and expand the program.

Ensure Secure and Welcoming Visa Process

While responding to evolving security threats with new protocols in the visa application process, we continue to urge balance with fundamental principles of travel facilitation, so that the United States remains competitive in the international market for both business and leisure travelers. Security always comes first, but we can also strive for efficiency which does not compromise public safety—such as maintaining the successful policy of scheduling most visa applicant interviews within three weeks. And most of all, the United States should continue to convey the clear message that we remain a welcoming and hospitable nation and the world's top travel destination.

Improve Surface Transportation

America's global competitiveness and economic growth are seriously imperiled by America's collapsing transportation infrastructure.

More than 99 percent of all long-haul trips depend on our nation's system of highways, airports and passenger rail. Unfortunately, **the condition and performance of our nation's transportation infrastructure threatens the long-term growth and competitiveness of the travel industry.**

Congested highways discourage travel. Within 7 years, many major interstate corridors will experience average daily congestion equal to Labor Day levels of traffic. According to a 2013 survey, 38 percent of travelers would avoid at least 1-5 trips per year if congestion continues to grow at its current pace. To put that in perspective: if travelers avoided just one car trip per year, the U.S. economy would lose \$23 billion in spending and 208,000 jobs.

Greater investment in highways, transit and passenger rail will support faster economic growth by encouraging more domestic and international travel. Better highways, transit and passenger rail systems will improve efficient access to cities, as well as hotels, attractions and other travel businesses.

Modernize Air Travel

Air travel is forecasted to grow from 838 million passenger enplanements in 2017 to 1.23 billion by 2037, which could add hundreds of billions of dollars in annual travel spending and support hundreds of thousands of new American jobs. To seize this opportunity, U.S. policymakers must address the problems threatening this potential growth: aging airport infrastructure, declining airline competition and an outdated air traffic control system.

Lawmakers have several legislative opportunities to enhance airline competition and expand air service, reduce congestion, strengthen security and improve the passenger experience. In particular, Congress can and should give airport authorities the option to adjust the user fee known as the Passenger Facility Charge (PFC). These funds are locally controlled, and can only be used to pay for projects that increase airport capacity.

Preserve Open Skies

America would not enjoy its current share of the highly lucrative international travel market without Open Skies agreements. Since 2009, increased international travel to the U.S. has delivered \$50 billion to our economy. Three U.S. legacy carriers have alleged that competition from certain areas of the world, particularly from Qatar and the United Arab Emirates, are threatening American jobs and hurting the U.S. economy—but in fact, the reverse is true. **Airline competition has grown our economy and added American jobs.**

Economists note that fares have fallen 32 percent on routes under Open Skies agreements, compared to those that remained regulated. Open Skies agreements have saved travelers at least \$4 billion in lower airfares from 2005-2009, further confirming why these decades-old agreements must be preserved.

Emirates, Etihad and Qatar Airways (known as the Gulf carriers) have had a particularly significant impact on the U.S. economy:

- The Gulf carriers brought 1.7 million international visitors to U.S. markets in 2016.
- These visitors contributed \$7.8 billion in traveler spending, which supported a total of 114,000 American jobs.
- Nearly 30 percent of all passengers who arrived in the U.S. on a Gulf flight transferred to flights on domestic carriers to more than 250 destinations, spreading these economic benefits across the U.S.

Endnotes

1. A person-trip is defined as one person on a trip away from home overnight in paid accommodations, or on a day or overnight trip to places 50 miles or more, one-way, away from home.
2. U.S. Travel Association
3. Oxford Economics
4. U.S. Travel Association
5. U.S. Department of Labor, Bureau of Labor Statistics
6. U.S. Travel Association calculations based on U.S. Department of Labor statistics
7. U.S. Department of Labor, Bureau of Labor Statistics
8. U.S. Travel Association
9. Ibid
10. https://www.sba.gov/sites/default/files/advocacy/SB-FAQ-2016_WEB.pdf
11. Source: Small Business Administration
12. Long Haul: international trip outside a source country's continent
13. Trade Engaged (Exports+Imports/Output)
14. "The Quality of Tourism Jobs," Economic Policy Institute, March 2012
15. From 75% to 200% of the median annual wage in the United States
16. "Fast Forward", U.S. Travel and Oxford Economics, 2012
17. Ibid
18. U.S. Travel Association
19. This includes general travel spending by international visitors as well passenger fare receipts on U.S. airlines, health and education-related spending, and spending by seasonal/short-term workers.
20. U.S. Travel Association calculations based on U.S. Department of Commerce statistics
21. Spending by international visitors used in this calculation only includes general travel spending and excludes spending on other categories (such as education, health, and intentional passenger fares) to make it comparable to domestic travel receipts. Please see box on page 17.
22. The one million job spurred by international travel are calculated based on general travel spending, and does not include jobs created as a result of spending on other categories such as health, education and passenger fare receipts. If those categories were included, the number of jobs created would be significantly higher.

