

◆◆◆ the ◆◆◆  
**ECONOMIC  
IMPACT** ◆◆◆  
OF SAN ANTONIO'S  
**HOSPITALITY  
INDUSTRY**



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**SAN ANTONIO AREA  
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**San Antonio  
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# ECONOMIC IMPACT HIGHLIGHTS

 **\$13.4 Billion**  
Economic Impact

**31 Million Visitors**   
Annually to San Antonio

**\$183 Million**  
 Contributed in taxes and fees to City of San Antonio

**\$348 Million**   
Contributed to all local governments combined

**\$2.49 Billion**  
Annual Payroll

 Provides more than  
**122,500 local jobs**

Employs more than  
**1 out of every 8 workers**  
in the San Antonio Metropolitan area

From 2003 to 2013 Economic Impact has grown by **66%**

This study was prepared by  
**RICHARD V. BUTLER, PH. D.**  
**MARY E. STEFL, PH. D.**  
professors at Trinity University.

# INTRODUCTION

San Antonio has long been a premier meeting destination and is known as a favorite vacation destination among visitors from around the world. These visitors, and the Hospitality Industry, produce a number of economic benefits for the city.

The industry provides a large number of both part-time and full-time jobs in dozens of career opportunities including culinary, customer service, administration, finance, maintenance, marketing and human resources.

Visitor spending impacts virtually every corner of the local economy – sports, food service, transportation, cultural events, healthcare and much more.

The presence of so many visitors helps promote a vibrant and diverse cultural and social atmosphere that benefits San Antonio residents and visitors alike. Many of the amenities and attractions that San Antonians enjoy on a daily basis are available to them only because these attractions are also supported by millions of visitors.

Because visitors bring new dollars to San Antonio, their spending has a multiplier effect. Each dollar of visitor spending generates approximately one additional dollar of income for San Antonio as the effects of this spending work their way through the local economy.



## ◆◆ FACES of ◆◆ THE INDUSTRY

Adlih started as a breakfast server at the Historic Crockett Hotel. Since then she has transferred to housekeeping and has taken on a supervisory role.

Before working at the Crockett, Adlih was a home provider at the military base, and also worked at a restaurant.

She likes meeting new people, helping others and the ability to learn something new every day.



**ADLIH MARTINEZ**  
Housekeeper Supervisor  
The Historic Crockett Hotel

## ◆◆ FACES of ◆◆ THE INDUSTRY

Alex has been in Tourism and Travel for 13 years. His first job was an actor inside the Ripley's Haunted Adventure attraction.

Alex's current role is Marketing & Operations at Phillips Entertainment. Aside from coordinating advertising and oversight of day-to-day operations Alex also is the Production Manager for the Ripley's Haunted Adventure and special Terror on the Plaza seasonal attraction.

The travel industry has provided Alex with the opportunity to learn and grow professionally while doing something that he truly loves.



**ALEX AMARO**  
Marketing Director &  
Assistant Operations Manager  
Phillips Entertainment



The Alamo is one of the top 10 sites in Texas.

For the purposes of this report, the Hospitality Industry has been defined to include only those businesses that derive a significant portion of their sales from out-of-town visitors. Whether they come to San Antonio on a vacation, to attend a convention, or for business, these visitors patronize local companies that provide transportation and travel arrangements, lodging, recreational activities, and food and beverage services. Of course, the full economic impact of these businesses also includes their sales to local customers. A complete description of the industries included in this study can be found on page 23.

The economic impact analyses are based on data obtained from the Texas Workforce Commission (TWC). Following the same methodology used in The Chamber's previous Economic Impact Studies, the current work is based on TWC's quarterly wage and employment data aggregated along the lines of business defined by the North American Industrial Classification System (NAICS).

## ◆◆ **FACES of** ◆◆ **THE INDUSTRY**



**ANTHONY VOGT**  
Valet Parking - Hyatt Regency

Anthony started in the Tourism and Hospitality business 20 years ago. Today he greets guests and assists with luggage at the Hyatt Regency but most importantly he likes to establish a connection with the guests so that they know he is there to assist and provide excellent guest service.

First and foremost, Anthony loves the city and believes San Antonio is a beautiful place to visit as well as reside. He personally enjoys the history and sharing that with the guests.



# 2013 HOSPITALITY INDUSTRY

## 31 Million Visitors

The Hospitality Industry is a vital and expanding part of the San Antonio economy.

Each year, millions of leisure visitors come to San Antonio to shop, play and enjoy the city's unique history and culture. In 2013, the city hosted 24.9 million leisure visitors. More than half of these visitors (15.2 million) were overnight visitors.

San Antonio is one of the top convention cities in the country. In 2013, some 6.2 million business visitors came to the area for conventions and other business purposes. The convention center transformation now underway promises to make San Antonio an even more attractive meeting place.

## Overall Economic Impact \$13.4 Billion

The Hospitality Industry's economic impact in 2013 was \$13.4 billion. For reasons described in the Technical Notes for this report, this estimate is conservative. The true economic impact is no doubt considerably greater.



**BILLIE WILSON**  
Event Coordinator, Tour Guide

### ◆◆◆ **FACES of** ◆◆◆ **THE INDUSTRY**

Billie's first job was with Rex Stone, a DMC Company. She went to work with him to help with party décor, event management, and meeting visitors at the Airport. She expected it to be a temporary job. To her surprise Billie is still in the hospitality industry 28 years later. After working with Rex, Billie went to work with Local Arrangements conducting tours for visiting groups.

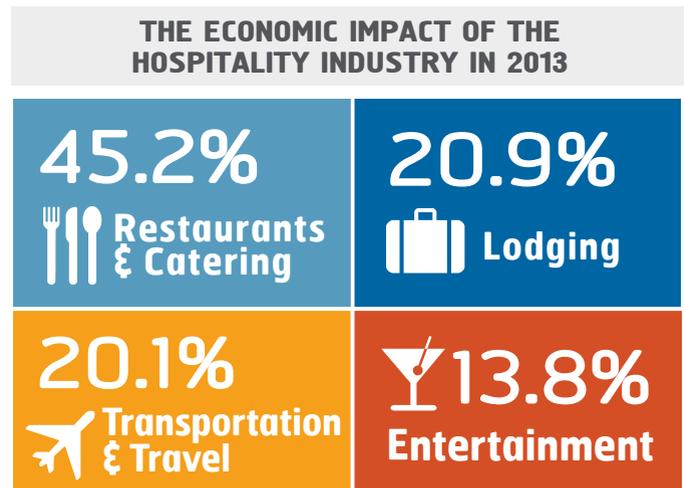
Today she works independently with a number of area destination management companies, still helping with party décor, event management and meeting visitors at the Airport, or getting them back to the Airport after a meeting.

No two days, events or groups of people are the same so it has been a long, varied, interesting and happy career.



Henry B. González Convention Center 2016

The businesses that make up the Hospitality Industry fall into four sectors: Transportation and Travel Arrangements, Lodging and other Traveler Accommodations, Restaurants and other eating and drinking establishments, and entertainment and recreation activities, ranging from golfing establishments to cultural events to amusement parks and spectator sports.



The Restaurants and Catering sector made the largest contribution to the local economy, accounting for 45.2% of the total economic impact, or \$6.1 billion. The vast majority of this large impact was due to full-service or limited-service restaurants and eating places (\$5.3 billion), with the remainder coming from catering services and drinking establishments.

The Transportation and Lodging sectors contributed 20.1% and 20.9%, respectively to the overall economic impact. Entertainment of various types comprised the remaining 13.8% of the industry's \$13.4 billion economic impact in 2013.



## Annual Payroll \$2.49 Billion

The Hospitality Industry's annual payroll was \$2.49 billion in 2013. It should be noted that these figures reflect only direct wage payments. Total compensation, including benefits and gratuities, would be significantly higher.

## Total Employment 122,513

During 2013, the Hospitality Industry provided provided 122,513 jobs. Overall these jobs represent more than 1 out of every 8 workers in the San Antonio metropolitan area. Many of these jobs provide for life long career opportunities and help to develop skills that translate into many areas of business.

### NUMBER OF EMPLOYEES BY SECTOR HOSPITALITY INDUSTRY 2013



## ◆◆◆ **FACES of** ◆◆◆ **THE INDUSTRY**



**CHUCK CUREAU**  
Assistant Curator of Animal Care  
SeaWorld® San Antonio

Chuck has been in Tourism and Travel for 26 years. His first job was a dishwasher at a Greek food restaurant in a mall in San Antonio.

Today Chuck serves in SeaWorld® San Antonio's Zoological department as an Assistant Curator of Animal Care. His responsibilities include helping to manage a group of people and marine and terrestrial animals that act as wildlife ambassadors by being on exhibit and used for community outreach.

By creating and hosting fun experiences, he can touch others and contribute to their well-being. Doing that brings Chuck much joy and personal satisfaction and it is fun!

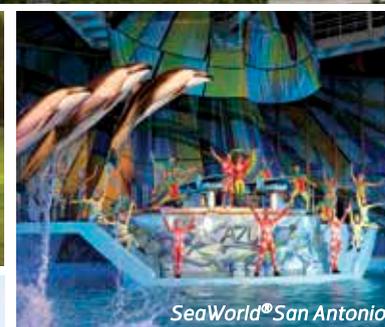




Museum Reach: F.I.S.H.



San Antonio Missions,  
a UNESCO World  
Heritage Site Nominee



SeaWorld® San Antonio



Six Flags® Fiesta Texas



Texas Hill County Vineyards



Mission Reach Bike Trails

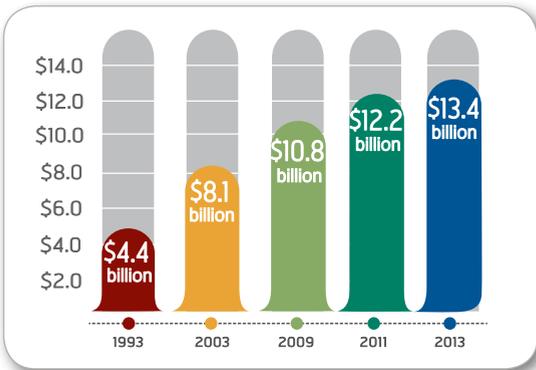


# THE HOSPITALITY INDUSTRY OVER TIME

## HOSPITALITY INDUSTRY ECONOMIC IMPACT

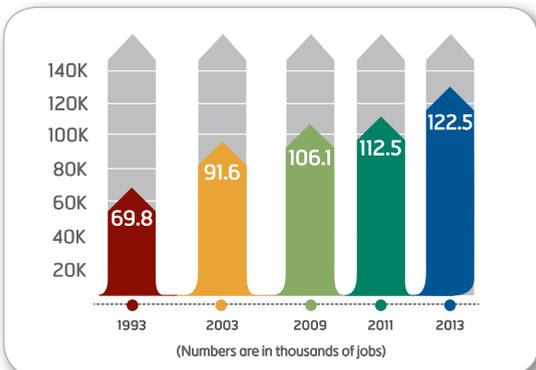
In the past ten years, the Hospitality Industry's economic impact has grown substantially, from \$8.1 billion in 2003 to \$13.4 billion in 2013. The growth over a two-decade horizon is even more impressive: a 205% gain from the \$4.4 billion impact the industry had in the early 1990's. What is especially striking is that the industry grew steadily from 2009 to 2013 despite challenging national economic conditions. It is a great advantage for San Antonio to have as one of its major industries one that is so resilient over the business cycle.

- » 66% Growth from 2003 to 2013
- » 205% Growth from 1993 to 2013



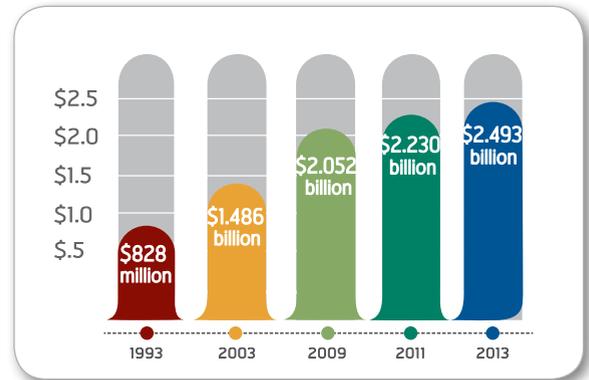
## HOSPITALITY INDUSTRY EMPLOYMENT

The number of employees in the industry has also grown, as the graph indicates. Employment increased by one-third over the decade, and 76% since 1993.



## HOSPITALITY INDUSTRY ANNUAL PAYROLL

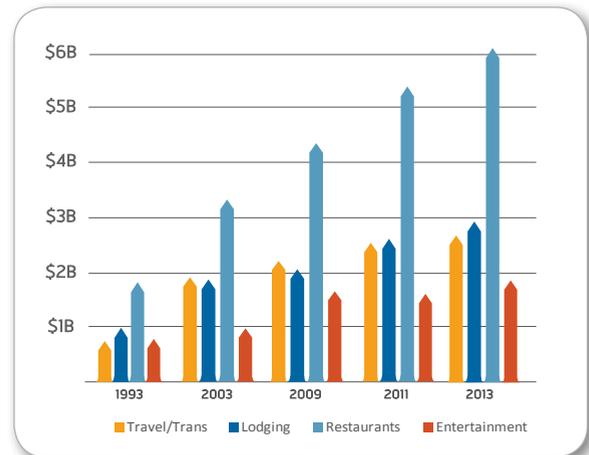
Total wages in the industry have increased by 68% in the ten-year period between 2003 and 2013 and by 201% since 1993.



## ECONOMIC IMPACT OF THE INDUSTRY'S SECTORS OVER TIME

Over the past ten years, all of the industry's major sectors experienced growth. For the last ten years (from 2003 to 2013) all of the Industry's major sectors have experienced growth.

- » Restaurant Sector increased by 84%
- » Entertainment Sector increased by 86%
- » Lodging Sector increased by 50%
- » Transportation Sector increased by 39%



# FINANCIAL CONTRIBUTIONS TO CITY



## ◆◆◆ FACES of THE INDUSTRY ◆◆◆

Dan has been in the Tourism and Travel for 31 years. His first job was at McDonald's in Los Angeles.

Today Dan is the President of SeaWorld® San Antonio and Aquatica. He provides support, guidance and coaching to 3,000 team members in an effort to make their jobs as fun and rewarding as possible in expectation that they will in turn provide the best possible service to our guests.

Dan believes the pride and passion for the industry provides instant gratification and reward.

**DAN DECKER**  
President  
SeaWorld® San Antonio

## ◆◆◆ FACES of THE INDUSTRY ◆◆◆

Diana has been in Tourism and Travel for approximately 42 years. Her first job was a waitress at her mom's first restaurant, La Cazadora.

Diana went on to open Los Barrios in 1979 and works for the family's other two restaurants, La Hacienda de Los Barrios and Viola's Ventanas where she helps with menu development, recipe development, training, management and does public relations for their company.

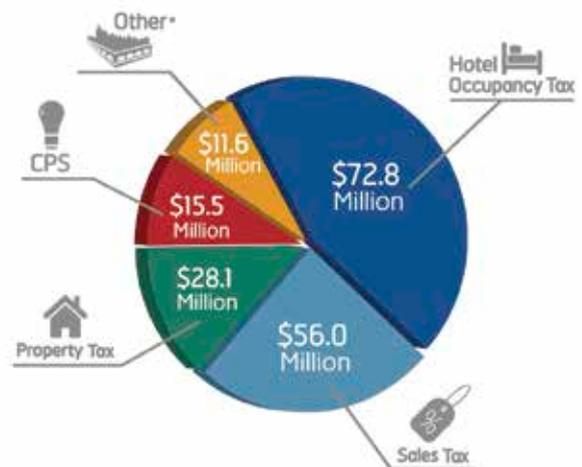
The most important aspect of the tourism and hospitality industry that has kept Diana in this field is PASSION! She has a passion for doing what she does, and the family loves sharing this passion with their guests.

**DIANA BARRIOS TREVINO**  
Los Barrios, La Hacienda de Los Barrios and Viola's Ventanas

The Hospitality Industry is a major contributor of tax and other revenues to local governments. A complete accounting of these contributions is beyond the scope of this study, but an examination of the major revenue streams for the City of San Antonio shows the extent to which local government depends upon the Hospitality Industry for financial support.

The contribution to the bottom line for the City is impressive, as the Hospitality Industry provided revenues of \$183.5 million in 2013. This is equivalent to 18.7% of the City's adopted General Fund expenditure budget of \$979.6 million for the 2012-13 fiscal year.

## Contribution to City Revenue \$183.5 Million in 2013



14% of \$111 million in CPS revenue from Hospitality Partners  
\*Other: Barge Concession / Alcohol Taxes



# FINANCIAL CONTRIBUTION TO LOCAL GOVERNMENT

The City of San Antonio is not the only local government entity that depends on revenues from the Hospitality Industry.

The industry pays sales, property, rental car, and hotel occupancy taxes to other municipalities. In addition, Bexar County collects property and hotel occupancy taxes, while school districts, the Alamo Community College District, the University Health System and the San Antonio River Authority all levy property taxes paid by Hospitality Industry businesses. These businesses also collect sales taxes to support VIA Metropolitan Transit and the Advanced Transportation District.

## \$348 Million in Revenue and Fees to Local Government

- » \$183.5 Million to City of San Antonio
- » \$40.2 Million to Bexar County
  - \$15.7 Million in Hotel Occupancy Tax
  - \$8.3 Million in Rental Car Tax
  - \$16.2 Million in Property Tax
- » \$68.2 Million in Property Tax to School Districts
- » \$34.2 Million in VIA and ATD Sales Tax
- » \$22.0 Million to other taxing entities

The government revenues itemized above add up to approximately \$348 million. Since this estimate excludes some property, sales and hotel taxes paid by hospitality-related businesses outside the San Antonio city limits, the full contribution of the industry to local government is in fact significantly greater than this estimate.

These revenues help reduce the taxes paid by those who live in the San Antonio metropolitan area. Without the tax payments from the hospitality industry, the city, county and state would either have to reduce services or find additional resources to balance their respective budgets.

### ◆◆◆ FACES of THE INDUSTRY ◆◆◆

Dustin has been in Tourism and Travel for 12 years. His first job was as a cart staff/guest service attendant at The Quarry Golf Club; he quickly knew he wanted to learn more about the golf business and pursued his PGA certification, moving up from cart staff to First Assistant, then Head Pro and 8 years ago, General Manager.

As General Manager of the Quarry Golf Club, Dustin manages a multitude of daily operations, from HR and accounting, future corporate tournaments/events and overall facility.



**DUSTIN BURELL**  
General Manager, Quarry Golf Club



### ◆◆◆ FACES of THE INDUSTRY ◆◆◆

Julie has been in Tourism and Travel for 31 years. Her first job was Corporate Travel Agent with Rennert World Travel.

Julie remembers when she was about 6 or 7 years old, asking her parents to take her to the airport and to the gate so she could see planes land and the people getting off. Following her heart in getting in to the tourism industry turned out to be a great decision, as getting to know people from all over the world and showing them San Antonio is a rewarding experience for her.



**JULIE TREVINO, DMCP**  
The CE Group and Destination:  
San Antonio



## ◆◆ FACES of ◆◆ THE INDUSTRY



### **KAREN BIPPERT, CTA**

**Director Sales & Marketing**

**The Buckhorn Saloon & Museum and Texas Ranger Museum**

Karen has been in Tourism and Travel for 18 years. Her first job was as a Park Operations Hostess at the White Whale & Dolphin Stadium at SeaWorld® San Antonio.

Karen is now the Sales & Marketing Director at the historic Buckhorn Saloon & Museum and Texas Ranger Museum. She sells FUN to groups, families and individuals from all over the world! She also handles all of the marketing and advertising for the museums and represents the company at national conventions.

Karen learned very early on, when she decided where to start her career, that having a fun job was important. The travel and hospitality industry has provided that for her.

## ◆◆ FACES of ◆◆ THE INDUSTRY

Karen has been in the Tourism and Travel industry for 14 years. Today she manages day-to-day operations of City Sightseeing, including greeting and welcoming visitors to San Antonio.

Karen says what San Antonio has to offer as a whole is what drew her to the industry. So much to see and do and passing that on to everyone that visits our beautiful city is a daily pleasure. Meeting new people from all over the world makes for something new and different on a daily basis.



### **KAREN LINDSEY**

**Operations Manager**

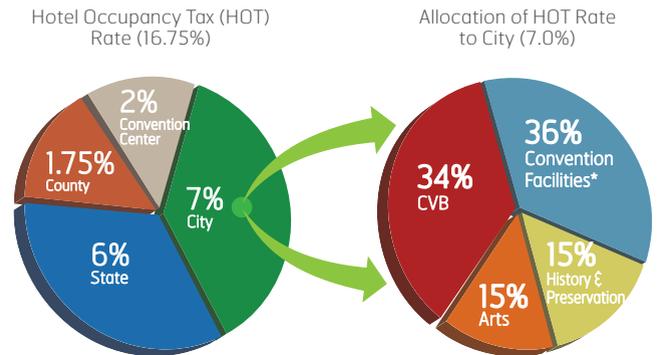
**City Sightseeing / Double Decker Tour**

# HOTEL OCCUPANCY TAX RATE & ALLOCATION

## VISITOR TAXES IMPROVE THE QUALITY OF LIFE FOR SAN ANTONIO RESIDENTS

The City of San Antonio's 7% Hotel Occupancy Tax (HOT) provided \$56.6 million in 2013 to support services that both visitors and San Antonio residents enjoy. Funds were dedicated to maintaining and improving convention, sports and entertainment facilities, to support the key efforts of the Convention & Visitors Bureau and for cultural and arts programs and historic preservation.

## HOTEL OCCUPANCY TAX RATE & ALLOCATION



FY 2013-14 Adopted Budget

\*Department supported by Alamodome and Convention Center

The Hospitality Industry supports the quality of life for Citizens of San Antonio and Bexar County. The City annually funds millions of dollars supporting Arts and History & Preservation efforts from City's Hotel Occupancy Tax. In addition, the Bexar County Hotel Occupancy Tax (aka Venue Tax) and Car Rental Tax supports the following:

- » \$125 Million San Antonio River Improvements
- » \$80 Million Amateur Sports Facilities
- » \$100 Million Community Arenas and Grounds
- » \$110 Million Cultural Arts / The Tobin Center



## ◆◆◆ **FACES of** ◆◆◆ **THE INDUSTRY**

**MINDY MILLER, CMP**  
Director of Destination Sales  
JW Marriott Hill Country  
Resort & Spa

Mindy has been in Tourism and Travel for over 20 years. Her first job was an internship with Continental Airlines at Bush Intercontinental Airport in Houston.

After earning a degree in Recreation, Park & Tourism Sciences from Texas A&M University. She immediately moved back to San Antonio to put her degree to work.

Today Mindy is the Director of Destination Sales for the JW Marriott San Antonio Hill Country Resort & Spa. Her job involves showcasing the beauty and uniqueness of the Texas Hill Country while conducting impactful site visits of the magnificent resort to secure group business.



## ◆◆◆ **FACES of** ◆◆◆ **THE INDUSTRY**

Patty has been in Tourism and Travel for 8 years. It was her grandmother, a housekeeper of over 30 years, who introduced her to the industry. Patty's first job was Front Desk Agent.

Today Patty is a Revenue Manager, responsible for maximizing revenues of the Historic Crockett Hotel. With the current dynamic hotel industry this role requires creativity and decision making for long-term and short-term strategies.

Patty believes that the industry nurtures and cultivates some of the hardest working people, dedicated to creating memorable experiences.



## Information Sources for the Economic Impact Estimates

As noted in the introduction, the primary information source for The Chamber's Economic Impact Studies is the Texas Workforce Commission's (TWC) Covered Employment and Wages database, which provides data on payroll and employment for the San Antonio Metropolitan Statistical Area aggregated into lines of business defined by the North American Industrial Classification System (NAICS) coding framework. This data is compiled from employers' unemployment insurance reports to the state. It represents essentially a 100% sample of all the businesses in each NAICS code.

The specific industry codes used in this study are listed at the end of the Technical Notes section. The process of deciding which NAICS codes to include required some judgment. To be consistent with The Chamber's other economic impact studies, the study includes only those industries that derive a significant portion of their sales from out-of-town visitors, whether they are tourists, conventioners or business visitors. These businesses, not surprisingly, are concentrated in the lodging, eating and drinking, transportation and entertainment sectors. Clearly, San Antonio's visitors patronize many other businesses, from department stores to gas stations. This spending would have to be included in an estimate of the overall impact of visitors on the San Antonio economy. But since this study is focused not on the impact of visitors but on the impact of the industry that serves visitors, the estimates presented here refer to the hospitality industry alone.

Since many of our visitors use air transportation to get here, it is entirely appropriate to include commercial air travel as part of the local Hospitality Industry. In fact, air travel provides some \$1.7 billion of the industry's \$12.2 billion economic impact. However, users of this study should be aware that passenger air service is also included in The Chamber's economic impact study of the Aerospace Industry. This overlap is unavoidable since the commercial air travel sector is legitimately a part of both industries.

Since the TWC is constantly revising its historical data in the interest of greater accuracy, the data for 2007 and earlier years used in this study reflect many small changes from the data upon which the previous Hospitality Industry Economic Impact Studies were based. The figures in this report are based upon the latest release of the TWC data, so they represent the most accurate measure now available of the industry and its subsectors in those earlier years.

The limitations of the TWC database make this estimate inherently conservative. For example, it is not possible to include the operations of the convention center even though these operations clearly are part of the services San Antonio provides to visitors. Since the convention center is operated by the City, its employees are not reported separately to the TWC; they are part of one figure that includes firefighters, sanitation.

## **INFORMATION SOURCES FOR THE ESTIMATES OF FINANCIAL CONTRIBUTIONS TO LOCAL GOVERNMENT**

### **Total revenues received in fiscal year 2013:**

Hotel occupancy taxes, river cruise fees, liquor taxes: Finance Department, City of San Antonio. City General Fund Budget: Fiscal Year 2011 Adopted Budget, City of San Antonio website.

### **Estimates of fiscal year 2013 revenues for the Hospitality Industry NAICS codes only:**

CPS revenues: CPS Energy.

Sales taxes: Texas State Comptroller's Office.  
Property taxes: Finance Department, City of San Antonio



# NAICS CODES FOR THE HOSPITALITY INDUSTRY

## Transportation and Travel Arrangements

|       |   |
|-------|---|
| 48111 | Scheduled air transportation            |
| 48521 | Interurban and rural bus transportation |
| 48551 | Charter buses                           |
| 48599 | Other ground passenger transportation   |
| 48711 | Scenic and sightseeing transportation   |
| 48811 | Airport operations                      |
| 53211 | Passenger car rental and leasing        |
| 56152 | Tour operators                          |
| 56159 | Other travel arrangement services       |
| 81293 | Parking lots and garages                |

## Lodging

|      |                                 |
|------|---------------------------------|
| 7211 | Hotels, motels, etc.            |
| 7212 | RV parks and recreational camps |

## Restaurants, etc.

|      |                               |
|------|-------------------------------|
| 7221 | Full service restaurants      |
| 7222 | Limited-service eating places |
| 7223 | Special food services         |
| 7224 | Drinking places               |

## Entertainment

|       |   |
|-------|---|
| 51213 | Motion picture exhibition                   |
| 7111  | Performing arts companies                   |
| 71121 | Spectator sports                            |
| 7113  | Promoters of performing arts                |
| 7115  | Independent artists, writers and performers |
| 7121  | Museums, historical sites, zoos, etc.       |
| 71311 | Amusement and theme parks                   |
| 71312 | Amusement arcades                           |
| 71391 | Golf courses and country clubs              |
| 71399 | Other amusement and recreation              |

Details of the methodology and data sources used for this study can be found on the websites listed on page 24.

Look for the upcoming

**2014 SAN ANTONIO CHARITABLE GIVING STUDY** that will share the story of the partnerships between the San Antonio Tourism and Hospitality Industry and many of our local charities.

Estimated Annual Contributions valued at **\$5.7 MILLION**:

- **over \$3 MILLION in CASH DONATIONS,**
- **62,865 VOLUNTEER HOURS with an estimated worth of \$1.2 MILLION,**
- **more than \$1.5 MILLION of IN-KIND DONATIONS.**

Report scheduled release date: November 2014

## ECONOMIC IMPACT STUDY FUNDED BY



## SPECIAL THANKS TO

Alamo Area Hospitality Association (AAHA)  
CE Group | Destination Management Companies (DMC)  
Concierge Associate of San Antonio  
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Pat Kennedy, Watermark Hotel Company  
Phillips Entertainment | The RK Group  
Rio San Antonio Cruises  
San Antonio Hotel & Lodging Association (SAHLA)  
San Antonio Tourism Council  
SeaWorld® San Antonio | Steve Atkins, The Atkins Group

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Partners.VisitSanAntonio.com  
SanAntonioTourism.com  
SaChamber.org

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110 Broadway, Suite 360 | San Antonio, TX 78205 | 210.886.9991

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