

## **The Impact of Student Motorcoach Tourism in 2012**

### **A Report on the Size and Activity of the Student Motorcoach Tourism Industry in the United States in 2012**



Prepared for the American Bus Association Foundation  
by John Dunham & Associates  
February 13, 2013

# The Impact of Student Motorcoach Tourism

## Executive Summary

The Impact of Student Motorcoach Tourism, produced by John Dunham & Associates (JDA) on behalf of the American Bus Association Foundation, estimates the size and scope of the student motorcoach tourism industry in 2012. Student tourism in the United States represents 30.1 percent of motorcoach tourism encompassing 89.4 million passenger trips.<sup>1</sup> The economic impact analysis shows that in the United States, student motorcoach tourism supports 302,300 jobs paying \$11.9 billion in wages, and produces an economic output of \$31.3 billion.

## Student Motorcoach Tourism – An Overview

In the United States motorcoaches provide an estimated 89.4 million student tourism passenger trips annually, and in Canada motorcoaches provide an additional 10.1 million student trips annually.<sup>2</sup> This includes charter, sightseeing, and packaged tour trips; and excludes commuter and scheduled service passenger trips.

ABA Foundation survey data shows that student tourism by motorcoach is one of the most cost effective ways to visit important historical and cultural sites that may have otherwise been out of reach for individual or family travelers. According to data from almost 500 motorcoach and tour operating companies, student tours purchased as part of a group travel experience were discounted an average of 25.3% when compared to retail tour prices.<sup>3</sup>

## The Economic Impact of Student Motorcoach Tourism in the United States

**Table 1: Economic Contribution of the Student Motorcoach Tourism<sup>4</sup>**

	<b>Jobs</b>	<b>Wages</b>	<b>Economic Impact</b>
<b>Direct Impacts</b>			
Motorcoaches	36,570	\$2,148,149,700	\$3,814,324,400
Hotel/Lodging	26,510	\$846,605,900	\$2,933,989,200
Eating and Drinking Places	33,980	\$686,338,700	\$1,948,452,200
Entertainment/Amusement	70,500	\$1,743,718,000	\$3,593,707,700
Retail	6,490	\$178,309,300	\$354,324,900
<b>Total Direct Impact</b>	<b>174,050</b>	<b>\$5,603,121,600</b>	<b>\$12,644,798,400</b>
<b>Indirect Impacts</b>	<b>44,490</b>	<b>\$2,331,088,600</b>	<b>\$6,528,619,300</b>
<b>Induced Impacts</b>	<b>83,760</b>	<b>\$3,940,251,400</b>	<b>\$12,130,046,400</b>
<b>Total Impacts</b>	<b>302,300</b>	<b>\$11,874,461,600</b>	<b>\$31,303,464,100</b>

<sup>1</sup> Passenger trip tourism estimations include charter, tour, and sightseeing operations and exclude scheduled service and commuter operations

<sup>2</sup> Based on prior 2010 survey data and an estimation of passenger trips provided in the ABA Foundation's "Motorcoach Census 2011: A Benchmarking Study of the Size and Activity of the Motorcoach Industry in the United States and Canada in 2010," 18 June 2012. Online at [http://www.buses.org/files/Foundation/Final\\_Motorcoach\\_Census\\_2011\\_7-3-2012.pdf](http://www.buses.org/files/Foundation/Final_Motorcoach_Census_2011_7-3-2012.pdf), and adjusted based on data from the 2012 ABA Economic Impact Study

<sup>3</sup> Based on survey data from the ABA Foundation's "Motorcoach Census 2011" and economic impact survey data from the 2012 ABA Economic Impact Study

<sup>4</sup> Economic impact of student motorcoach tourism in the United States for 2012

## **Defining Student Motorcoach Tourism**

For the purposes of this report, the ABA Foundation defined student motorcoach tourism as those firms primarily engaged in transportation of students 18 years old and under by motorcoach for the purposes of tourism, and those firms which provide accommodations, food, entertainment and retail opportunities to the students carried on the motorcoaches. Economic impact was measured by estimating the number of jobs in this industry, the wages paid to employees, and assessing total economic output. In addition, the ABA Foundation research team estimated the total number of passenger trips taken by student motorcoach tourists, and the pricing discount student tourists received relative to all other motorcoach tourists. This report excludes students taking motorcoach trips for purposes other than tourism (e.g. a student taking a motorcoach to visit his grandparents).

ABA Foundation Survey Definition - Student tour is a planned or prearranged trip offered for sale by a bus, tour, or receptive operator at a fixed price to a school for field trips, tours and team transportation of children 18 and under.

## **Methodology**

John Dunham & Associates analyzed survey data from two data collections including the ABA Foundation's 2011 Motorcoach Census, and the ABA Foundation's 2012 Economic Impact of the Motorcoach Industry to assess student motorcoach tourism in the United States and Canada.

To determine annual passenger trips taken by student motorcoach tourists, JDA analyzed survey data detailing the number of passenger trips in the United States and Canada dedicated to motorcoach tourism, which is defined to include charter, sightseeing, and packaged tour travel; and excludes commuter travel, airport shuttle, special operations, and scheduled service transportation (e.g. Greyhound or Megabus). JDA also analyzed corresponding survey data on pricing to determine the average discounted rate received by student motorcoach tourists.

JDA derived the economic impact of student motorcoach tourism in the United States from a detailed analysis of survey data created for the ABA Foundation's 2012 Economic Impact of the Motorcoach Industry. Economic impact modeling begins with an accounting of the direct employment in the motorcoach travel and tourism sector, including motorcoach operators and tour companies, hotels and motels, eating and drinking places, retailers and providers of various forms of entertainment. Additional data was collected using a variety of government and private sources.

It is sometimes mistakenly thought that initial spending accounts for all of the impact of an economic activity or a product. For example, at first glance it may appear that consumer expenditures for a product are the sum total of the impact on the local economy. However, one economic activity always leads to a ripple effect whereby other sectors and industries benefit from this initial spending. This inter-industry effect of an economic activity can be assessed using multipliers from regional input-output modeling.

The economic activities of events are linked to other industries in the state and national economies. The activities required to carry a student tourist – from driving a motorcoach, to providing mechanical services to the bus, to organizing the tour, to acting in a regional theater – generate the direct effects on the economy. Regional (or indirect) impacts occur when these activities require purchases of goods and services such as fuel, foodstuffs, or guide services from local or regional suppliers. Additional induced impacts occur when workers involved in direct and indirect activities spend their wages. The ratio between induced economic and direct impact is termed the “multiplier.”

This method of analysis allows the impact of local production activities to be quantified in terms of final demand, earnings, and employment; in the states and the nation as a whole.

Once the direct impact of the industry has been calculated, input-output methodology is used to calculate the contribution of the supplier sector and of the re-spending in the economy by employees in the industry and its suppliers. This induced impact is the most controversial part of economic impact studies and is often quite inflated. In the case of the ABA Foundation's model that is used to derive the impact of student motorcoach tourism, only the most conservative estimate of the induced impact has been used. For a further discussion of input-output modeling using IMPLAN, please see "The American Bus Association Economic Impact Study: Methodology and Documentation."<sup>5</sup>

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<sup>5</sup> Available online at: <http://www.buses.org/files/Foundation/ABA%20Foundation%202012%20Methodology.pdf>

## Appendix

### The Economic Impact of Student Motorcoach Tourism, 2012

#### United States

<b>Direct Economic Impact</b>	<b>Jobs</b>	<b>Wages</b>	<b>Output</b>
Motorcoaches	36,570	\$2,148,149,700	\$3,814,324,400
Hotel/Lodging	26,510	\$846,605,900	\$2,933,989,200
Eating and Drinking Places	33,980	\$686,338,700	\$1,948,452,200
Entertainment and Amusement	70,500	\$1,743,718,000	\$3,593,707,700
Retail	6,490	\$178,309,300	\$354,324,900
<b>Total</b>	<b>174,050</b>	<b>\$5,603,121,600</b>	<b>\$12,644,798,400</b>
<b>Indirect Impact</b>	<b>Jobs</b>	<b>Wages</b>	<b>Output</b>
Agriculture	940	\$22,155,000	\$102,878,800
Mining	320	\$33,381,500	\$96,484,000
Construction	940	\$49,714,700	\$123,869,300
Manufacturing	2,880	\$197,271,500	\$1,188,866,300
Trans & Comm	5,940	\$367,817,600	\$1,185,010,800
Wholesale	780	\$61,296,800	\$130,066,600
Retail	310	\$10,264,000	\$21,227,600
FIRE	5,550	\$253,188,200	\$1,139,814,900
Bus. & Per. Svc.	7,260	\$213,693,200	\$503,805,900
T&E	17,430	\$935,134,100	\$1,742,915,800
Government	2,140	\$187,172,000	\$293,679,300
Other	-	\$-	\$-
<b>Total</b>	<b>44,490</b>	<b>\$2,331,088,600</b>	<b>\$6,528,619,300</b>
<b>Induced Economic Impact</b>	<b>Jobs</b>	<b>Wages</b>	<b>Output</b>
Agriculture	1,780	\$49,693,000	\$200,631,300
Mining	410	\$43,419,500	\$125,049,100
Construction	720	\$38,258,100	\$92,328,100
Manufacturing	3,880	\$285,004,300	\$2,040,694,300
Trans & Comm	3,620	\$271,973,200	\$1,022,631,200
Wholesale	2,590	\$203,536,700	\$431,887,800
Retail	13,220	\$412,343,500	\$869,957,500
FIRE	12,030	\$611,558,400	\$3,304,709,900
Bus. & Per. Svc.	11,040	\$244,239,300	\$693,570,100
T&E	31,150	\$1,661,034,100	\$3,046,680,500
Government	1,120	\$88,923,800	\$231,797,400
Other	2,200	\$30,267,500	\$70,109,200
<b>Total</b>	<b>83,760</b>	<b>\$3,940,251,400</b>	<b>\$12,130,046,400</b>
<b>Total Economic Impact</b>	<b>Jobs</b>	<b>Wages</b>	<b>Output</b>
	<b>302,300</b>	<b>\$11,874,461,600</b>	<b>\$31,303,464,100</b>