

**Table 6.1 An Example of Calculating the Expenditure and Income Impacts of Visitor Spending**

Step	Procedure and Calculation	Source of Information																		
1	<p>Volume and Pattern of Tourist Spending</p> <table style="margin-left: 40px;"> <tr> <td>Total Expenditure</td> <td>\$200</td> <td>% of Total</td> </tr> <tr> <td>Food</td> <td>40</td> <td>20%</td> </tr> <tr> <td>Lodging</td> <td>40</td> <td>20%</td> </tr> <tr> <td>Transportation</td> <td>46</td> <td>23%</td> </tr> <tr> <td>Other</td> <td><u>74</u></td> <td><u>37%</u></td> </tr> <tr> <td></td> <td>\$200</td> <td>100%</td> </tr> </table>	Total Expenditure	\$200	% of Total	Food	40	20%	Lodging	40	20%	Transportation	46	23%	Other	<u>74</u>	<u>37%</u>		\$200	100%	Visitor Survey
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	\$200	100%																		
2	<p>% of Tourist Expenditure by sector which remains in area as income</p> <table style="margin-left: 40px;"> <tr> <td>Food</td> <td>40%</td> </tr> <tr> <td>Lodging</td> <td>60%</td> </tr> <tr> <td>Transportation</td> <td>40%</td> </tr> <tr> <td>Other</td> <td>57%</td> </tr> </table>	Food	40%	Lodging	60%	Transportation	40%	Other	57%	Survey/interviews with knowledgeable business persons										
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3	<p>% of total expenditure that directly increases local incomes. A weighted average of all sectors with the % of tourist expenditure in each sector as weights</p> <table style="margin-left: 40px;"> <tr> <td>Food</td> <td>20% X 40% = 8%</td> </tr> <tr> <td>Lodging</td> <td>20% X 60% = 12%</td> </tr> <tr> <td>Transportation</td> <td>23% X 40% = 9%</td> </tr> <tr> <td>Other</td> <td>37% X 57% = <u>21%</u></td> </tr> <tr> <td></td> <td>50%</td> </tr> </table> <p>(A in multiplier formula)</p>	Food	20% X 40% = 8%	Lodging	20% X 60% = 12%	Transportation	23% X 40% = 9%	Other	37% X 57% = <u>21%</u>		50%	From calculations performed in Steps 1 and 2								
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	50%																			
4	<p>% of local income spent in local community</p> <p>= 55%</p> <p>(B in multiplier formula)</p>	From local economic development agency or a survey of local residents																		
5	<p>% of local goods and services produced locally</p> <p>= 40%</p> <p>(C in multiplier formula)</p>	From local economic development agency or a survey of local residents																		
6	<p>Calculate Expenditure Multiplier</p> $M_E = \frac{1}{1 - (B \times C)} = \frac{1}{1 - (.40 \times .55)} = 1.28$	From estimates made in Steps 4 and 5																		
7	<p>Calculate Income Multiplier</p> $M_I = \frac{A}{1 - (B \times C)} = \frac{.50}{1 - (.40 \times .55)} = .64$	From estimate in Step 4 and 5																		
8	<p>Determine the total increase in local expenditures/income. Multiply total tourist expenditures by the expenditure/income multiplier</p> <p>\$200 X 1.28 = \$256</p> <p>\$200 X 0.64 = \$128</p>	From Steps 1, 6 and 7																		