

# Louisiana Tax Free Shopping

## Visitor Survey Results and Economic Impact Analysis

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*Prepared for*



*By*



THE UNIVERSITY *of*  
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HOSPITALITY  
RESEARCH CENTER

*Defining Tourism Opportunities*

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## Executive Summary

### Visitor Profile

#### Section I: Place of Residency

- The largest proportion of international visitors participating in the Louisiana Tax Free Shopping (LTFS) program were from China (13.4%) and Philippines (9.4%). Other international respondents were most frequently from Brazil (5.9%), Canada (5.8%), the United Kingdom (4.8%), and Mexico (4.3%).
- International visitors entered the U.S. most often through New Orleans (18.6%), Miami (12.4%), Houston (12.1%), Los Angeles, (12.1%), and Atlanta (10.9%).

#### Section II: Travel Characteristics

- About 40% of the overnight international visitors spent a week or less in the U.S. Just over a quarter (28.0%) of the visitors spent between one and two weeks. In 2015, the average number of days in the U.S. was 15.1 days, a decrease from 17.6 recorded during 2011.
- Two-thirds (66.8%) of the overnight visitors stayed for a week or less in Louisiana. Another 15.2% of visitors stayed between one and two weeks. The average time spent in Louisiana during 2015 was 10.8 days, a decline from the figure recorded in 2011 (12.8).
- Similar to 2011, the majority (69.0%) of the overnight respondents stayed in a hotel during their visit to Louisiana. Another 18.0% stayed with friends or relatives.
- Nearly two-thirds (61.8%) of the visitors paid between \$101 and \$200 per night for a hotel room. The average room rate increased from \$150 in 2011 to \$170 in 2015.
- The majority (81.1%) of hotel visitor parties stayed in a single hotel room. The average number of hotel rooms booked remained at 1.4.
- About two-thirds (60.6%) of the respondents reported that this was their first visit to Louisiana. The proportion of first time visitors increased substantially over the 44.7% reported during 2011.
- The vast majority (97.7%) of respondents visited New Orleans during their trip to Louisiana. Another 12.0% of respondents visited Baton Rouge.
- In 2015, the average travel party size was 2.4 people, a slight decrease from 2.8 reported in 2011. The majority (75.7%) of visitors traveled in parties made up of one or two people.
- Less than half (41.9%) of the visitors were in Louisiana for vacation or pleasure purposes. Visitors whose primary purpose was to shop in Louisiana increased to 12.7% in 2015 from 11.3% in 2011.

- International visitor trip expenditures totaled \$1,786 during 2015. The largest proportion of spending was for shopping (\$698), followed by lodging (\$491)
- Fewer visitors shopped in places outside the New Orleans area during their visit to Louisiana. In 2015, this figure was 21.6%, while in 2011, it was reported at 29.0%.
- More than half (51.9%) of the visitors who shopped in places outside New Orleans, but within Louisiana, reported shopping in Gonzales. Another 24.1% shopped in Baton Rouge, while 14.0% shopped in Alexandria.
- In 2015, nearly 10% of the visitors changed their plans and extended their stay to shop in the state of Louisiana. Visitors who extended their stay in 2011 were reported at 13.0%.
- Nearly two-thirds (62.4%) of the visitors who extended their visit stayed between one and two extra days in Louisiana. The average number of extra days was 2.8 days.

### Section III: Program Characteristics

- The majority (71.8%) of visitors learned about the LTFS program while visiting Louisiana. Another 22.7% learned about the program while in their home country.
- Almost half (48.1%) of the respondents heard about LTFS in Louisiana shops. This proportion increased significantly from the figure reported in 2011 (24.0%). Another 22.3% learned about LTFS through friends or relatives, while 13.1% learned about it via the internet.
- Overall, visitors had a positive opinion about the program. All attributes presented an increase over the performance reported in 2011. Attributes on which the LTFS program ranked the highest include “I am satisfied with the LTFS program” (4.6) and “I will recommend LTFS to friends wanting to visit Louisiana” (4.6).
- The majority (82.8%) of visitors who spent more money due to the LTFS program reported spending up to \$500 additional dollars during their visit to Louisiana. The average additional expenditure was \$369.
- Even though the study was designed to obtain the same proportion of surveys among LTFS centers in New Orleans, half (50.4%) of the respondents got a refund at the Riverwalk center.
- Similar to 2011, close to half (46.3%) of the respondents reported that their primary reason for visiting the mall or store was to get the LTFS refund.
- The majority (87.9%) of visitors spent money at the mall/store eating or shopping during their visit to obtain the LTFS refund.
- About a third (32.0%) of the respondents who spent money at the mall/store during their visit to obtain the LTFS refund spent \$100 or less. In 2015, the average expenditure was \$454, while in 2011, it was recorded at \$535.

### Section IV: Demographics

- A larger proportion of respondents were cruise ship employees (14.1%).
- Similar to 2011, there was a balanced distribution of female (47.4%) and male (52.6%) respondents during 2015.
- The highest proportion of respondents were between the ages of 25 and 49 years (70.1%).

### **Economic Impact**

The activity at the LTFS program during 2015 made a valuable contribution to the Louisiana economy. The program processed approximately 52,000 transactions and generated a total economic impact of \$116.5 million. This impact comprises \$64.7 million in direct expenditures and \$51.8 million in secondary spending. In addition, spending due to the program results in the creation or support of nearly 1,300 full-and part-time jobs. These jobs are projected to create a total of \$36.8 million in earnings for Louisiana residents.

The program is also expected to generate a total of \$4.6 million in tax revenue for state tax and local governments. Of that total, roughly \$2.9 million will go to the State of Louisiana, and \$1.7 million will be claimed by local governments. The loss of sales tax attributable to qualifying LTFS purchases in 2015 (\$3.4 million) is well compensated by additional taxes created at nearly \$1.35 in revenue for every sales tax dollar refunded.

## Introduction

The Louisiana Tax Free Shopping (LTFS) contracted with the Hospitality Research Center (HRC) at The University of New Orleans (UNO) to provide them with information about participants of the LTFS program. The purpose of this report is to provide a thorough visitor profile and economic impact analysis of international visitors who participated in the Louisiana Tax Free Shopping program during the calendar year 2015. The visitor profile is presented in the following section, while the description of the economic impact analysis is presented in a separate section.

## Methodology

Representatives from LTFS designed the questionnaire and had it translated into seven additional languages: Chinese (Mandarin), French, German, Japanese, Italian, Portuguese, and Spanish. LTFS staff administered the surveys randomly to a sample of people from a variety of countries who applied for a return of sales taxes paid. Copies of the survey were available at each of the three LTFS locations in New Orleans: Macy's, Riverwalk, and Louis Armstrong International Airport. Each location was instructed to collect approximately 25 surveys per month throughout the calendar year 2015. Each month, the completed surveys were retrieved and entered into a questionnaire software by LTFS representatives. A total of 643 completed surveys were obtained.

The completed questionnaires were forwarded to HRC for data editing. In an effort to correct for any biases contained in the data set, the responses were weighted to the proper mix of countries. The weight was obtained from the total number of transactions by country (top 20) during the calendar year 2015. The HRC analyzed the data using statistical software and tabulated the results. In order to get more representative results, extreme spending outliers were omitted from the analysis. Responses to open-ended questions were categorized by hand and then organized based upon the most frequent themes that emerged from visitors' comments. It is important to note that approximately 20% of the total sample was obtained from the seven additional languages; therefore, caution should be used when interpreting the results due to the variations among languages.

The visitor profile section provides tables and graphs presenting the results from each question included in the survey. When available, comparisons are offered with results from the same period in previous years. In some tables, totals may not add up due to rounding. The economic impact section contains an analysis of the direct and secondary spending of all international visitors that would have otherwise not spent these funds in the Louisiana economy. LTFS representatives provided the number of transactions in 2015, which was used to determine the total economic impact.

## Visitor Profile

### Section I: Place of Residency

*What is your home country?*

**Table 1: Country of Residence**

Response	Percentage 2011	Percentage 2015
China	5.0	<b>13.4</b>
Philippines	6.8	<b>9.4</b>
Brazil	11.9	<b>5.9</b>
Canada	6.4	<b>5.8</b>
United Kingdom	3.4	<b>4.8</b>
Mexico	5.3	<b>4.3</b>
Germany	2.9	<b>3.6</b>
France	2.8	<b>3.4</b>
Australia	3.7	<b>3.4</b>
India	2.9	<b>3.4</b>
Honduras	4.5	<b>2.6</b>
Thailand	0.2	<b>1.9</b>
Argentina	1.4	<b>1.8</b>
Colombia	0.8	<b>1.6</b>
Spain	1.6	<b>1.6</b>
Italy	2.7	<b>1.5</b>
Turkey	-	<b>1.2</b>
Indonesia	0.4	<b>1.2</b>
South Korea	0.8	<b>1.1</b>
Egypt	0.4	<b>1.1</b>
Other*	36.1	<b>27.1</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>483</b>	<b>643</b>

*\*See a complete list of countries in Appendix.*

- The largest proportion of international visitors participating in the Louisiana Tax Free Shopping (LTFS) program were from China (13.4%) and Philippines (9.4%). Other international respondents were most frequently from Brazil (5.9%), Canada (5.8%), the United Kingdom (4.8%), and Mexico (4.3%).
- It is important to note that, by design, the proportions among the top 20 countries of residence correspond to the proportions of LTFS number of transactions during the calendar year 2015.

*By what city did you enter the USA?*

**Table 2: U.S. City of Entrance**

<b>Response</b>	<b>Percentage 2011</b>	<b>Percentage 2015</b>
New Orleans, LA	14.0	<b>18.6</b>
Miami, FL	19.8	<b>12.4</b>
Houston, TX	13.6	<b>12.1</b>
Los Angeles, CA	7.8	<b>12.1</b>
Atlanta, GA	10.1	<b>10.9</b>
New York, NY	5.7	<b>8.4</b>
Chicago, IL	6.3	<b>5.8</b>
Dallas, TX	5.7	<b>4.1</b>
Washington DC	3.3	<b>1.8</b>
Seattle, WA	0.4	<b>1.5</b>
Charlotte, NC	0.4	<b>1.1</b>
Detroit, MI	1.7	<b>1.1</b>
San Francisco, CA	3.1	<b>1.0</b>
Other*	8.1	<b>9.0</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>Valid Cases</b>	<b>444</b>	<b>594</b>

*\*See a complete list of cities in Appendix.*

- International visitors entered the U.S. most often through New Orleans (18.6%), Miami (12.4%), Houston (12.1%), Los Angeles, (12.1%), and Atlanta (10.9%).

**Section II: Travel Characteristics**

*How many days will you be in the USA on this trip?*

**Table 3: Number of Days in the U.S.**

Response	Percentage 2011	Percentage 2015
1 to 7 days	37.9	<b>40.3</b>
8 to 14 days	30.5	<b>28.0</b>
15 to 21 days	14.6	<b>13.9</b>
22 to 28 days	2.3	<b>3.8</b>
29 days or more	14.7	<b>14.0</b>
Total	100.0	<b>100.0</b>
Average no. of days	17.6	<b>15.1</b>
<b>Valid Cases</b>	<b>432</b>	<b>605</b>

- About 40% of the overnight international visitors spent a week or less in the U.S. Just over a quarter (28.0%) of the visitors spent between one and two weeks. In 2015, the average number of days in the U.S. was 15.1 days, a decrease from 17.6 recorded during 2011.

*How long were you in Louisiana on this trip?*

**Table 4: Number of Days in Louisiana**

Response	Percentage 2011	Percentage 2015
1 to 7 days	57.1	<b>66.8</b>
8 to 14 days	19.2	<b>15.2</b>
15 to 21 days	10.6	<b>5.6</b>
22 to 28 days	3.7	<b>1.6</b>
29 days or more	9.5	<b>10.7</b>
Total	100.0	<b>100.0</b>
Average no. of days	12.8	<b>10.8</b>
<b>Valid Cases</b>	<b>452</b>	<b>605</b>

- Two-thirds (66.8%) of the overnight visitors stayed for a week or less in Louisiana. Another 15.2% of visitors stayed between one and two weeks. The average time spent in Louisiana during 2015 was 10.8 days, a decline from the figure recorded in 2011 (12.8).

*Where did you stay?*

**Table 5: Visitor Accommodations**

Response	Percentage 2011	Percentage 2015
Hotel	66.5	<b>69.0</b>
Friends or relatives	26.5	<b>18.0</b>
RV	0.2	<b>6.8</b>
Bed and Breakfast	0.8	<b>2.3</b>
Timeshare/Condo	1.0	<b>1.2</b>
Campground	0.8	<b>0.1</b>
Other	4.1	<b>2.6</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>463</b>	<b>604</b>

- Similar to 2011, the majority (69.0%) of the overnight respondents stayed in a hotel during their visit to Louisiana. Another 18.0% stayed with friends or relatives.

*If you stayed in a hotel, what was your nightly room rate?*

**Table 6: Nightly Room Rate - Hotel**

Response	Percentage 2011	Percentage 2015
\$100 or less	38.3	<b>18.5</b>
\$101 - \$150	23.5	<b>27.4</b>
\$151 - \$200	21.8	<b>34.4</b>
\$201 - \$250	7.4	<b>10.1</b>
\$251 and above	9.0	<b>9.6</b>
Total	100.0	<b>100.0</b>
Average rate	\$150	<b>\$170</b>
<b>Valid Cases</b>	<b>191</b>	<b>273</b>

- Nearly two-thirds (61.8%) of the visitors paid between \$101 and \$200 per night for a hotel room. The average room rate increased from \$150 in 2011 to \$170 in 2015.

*If you stayed in a hotel, how many rooms did your party occupy?*

**Table 7: Number of Hotel Rooms**

Response	Percentage 2011	Percentage 2015
One room	80.0	<b>81.1</b>
Two rooms	13.3	<b>12.1</b>
Three rooms	2.4	<b>3.2</b>
Four rooms or more	4.3	<b>3.5</b>
Total	100.0	<b>100.0</b>
Average no. of rooms	1.4	<b>1.4</b>
<b>Valid Cases</b>	<b>197</b>	<b>309</b>

- The majority (81.1%) of hotel visitor parties stayed in a single hotel room. The average number of hotel rooms booked remained at 1.4.

*Is this your first trip to Louisiana?*

**Table 8: First Visit to Louisiana**

Response	Percentage 2011	Percentage 2015
Yes	44.7	<b>60.6</b>
No	55.3	<b>39.4</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>451</b>	<b>612</b>

- About two-thirds (60.6%) of the respondents reported that this was their first visit to Louisiana. The proportion of first time visitors increased substantially over the 44.7% reported during 2011.

**Where did you travel in Louisiana?**

**Table 9: Louisiana Locations Visited**

Response	Percent of Cases 2011	Percent of Cases 2015
New Orleans	95.6	<b>97.7</b>
Baton Rouge	17.5	<b>12.0</b>
Lafayette	2.3	<b>5.6</b>
Lake Charles	1.0	<b>2.6</b>
Alexandria	0.9	<b>0.9</b>
Shreveport	0.2	<b>0.6</b>
Other	2.5	<b>6.4</b>
Total*	119.9	<b>125.9</b>
<b>Number of Responses</b>	<b>566</b>	<b>795</b>

*\*Total equals more than 100% due to multiple responses.*

- The vast majority (97.7%) of respondents visited New Orleans during their trip to Louisiana. Another 12.0% of respondents visited Baton Rouge.
- It is important to note that the surveys were collected only at centers within New Orleans.

**Including yourself, how many people are traveling with you?**

**Table 10: Number of People per Party**

Response	Percentage 2011	Percentage 2015
One person	43.2	<b>47.0</b>
Two people	26.4	<b>28.7</b>
Three people	10.3	<b>8.6</b>
Four people	9.0	<b>5.1</b>
Five people	3.2	<b>3.5</b>
Six people or more	7.9	<b>7.0</b>
Total	100.0	<b>100.0</b>
Average party size	2.8	<b>2.4</b>
<b>Valid Cases</b>	<b>482</b>	<b>585</b>

- In 2015, the average travel party size was 2.4 people, a slight decrease from 2.8 reported in 2011. The majority (75.7%) of visitors traveled in parties made up of one or two people.

**What was the primary purpose of your trip?**

**Table 11: Primary Purpose of Visit**

Response	Percentage 2011	Percentage 2015
Vacation/Pleasure	47.6	<b>41.9</b>
Convention/Trade Show/Corporate Meeting	18.5	<b>18.3</b>
Business Travel	12.1	<b>14.8</b>
Shopping	11.3	<b>12.7</b>
Other	10.5	<b>12.2</b>
<b>Total</b>	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>469</b>	<b>636</b>

- Less than half (41.9%) of the visitors were in Louisiana for vacation or pleasure purposes. Visitors whose primary purpose was to shop in Louisiana increased to 12.7% in 2015 from 11.3% in 2011.
- Over half of the responses within the category “Other” include cruise ship workers.

**How much money did you personally spend in total in Louisiana on this visit?**

**Table 12: Average Individual Visitor Trip Expenditures**

Response	2015
Restaurants/Meals	<b>\$347</b>
Bars/Nightclubs	<b>\$55</b>
Recreation/Entertainment	<b>\$76</b>
Shopping*	<b>\$698</b>
Local Transportation**	<b>\$112</b>
Gambling	<b>\$7</b>
Lodging	<b>\$491</b>
<b>Total</b>	<b>\$1,786</b>

*\*This figure represents the spending per person per trip. Until 2011, it represented the spending per party.*

*\*\*Local transportation includes car rental.*

- International visitor trip expenditures totaled \$1,786 during 2015. The largest proportion of spending was for shopping (\$698), followed by lodging (\$491)

**Did you shop any place in Louisiana other than New Orleans?**

**Table 13: Shopping Outside New Orleans**

Response	Percentage 2011	Percentage 2015
Yes	29.0	<b>21.6</b>
No	71.0	<b>78.4</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>446</b>	<b>605</b>

- Fewer visitors shopped in places outside the New Orleans area during their visit to Louisiana. In 2015, this figure was 21.6%, while in 2011, it was reported at 29.0%.

**If you shopped in Louisiana outside of New Orleans, where did you shop?**

**Table 14: Shopping Locations Outside New Orleans**

Response	Percentage 2011	Percentage 2015
Gonzales (including Tanger Outlet Mall)	43.3	<b>51.9</b>
Baton Rouge	43.7	<b>24.1</b>
Alexandria	-	<b>14.0</b>
Houma	-	<b>5.8</b>
Lafayette	7.0	<b>4.2</b>
Other	6.0	-
Total	100.0	<b>100.0</b>
<b>Valid Cases*</b>	<b>46</b>	<b>42</b>

*\*Caution should be used when interpreting the results due to a small sample size.*

- More than half (51.9%) of the visitors who shopped in places outside New Orleans, but within Louisiana, reported shopping in Gonzales. Another 24.1% shopped in Baton Rouge, while 14.0% shopped in Alexandria.

*If the purpose of your trip was not shopping, did you change plans and stay extra days in Louisiana to shop?*

**Table 15: Extend Trip to Shop**

Response	Percentage 2011	Percentage 2015
Yes	13.0	9.6
No	87.0	90.4
Total	100.0	100.0
<b>Valid Cases</b>	<b>410</b>	<b>544</b>

- In 2015, nearly 10% of the visitors changed their plans and extended their stay to shop in the state of Louisiana. Visitors who extended their stay in 2011 were reported at 13.0%.

*If you extended your stay to shop, how many extra days did you stay?*

**Table 16: Number of Additional Days in Louisiana**

Response	Percentage 2011	Percentage 2015
One day	26.5	30.8
Two days	37.7	31.6
Three days	18.9	18.7
Four days	-	4.6
Five days or more	17.0	14.3
Total	100.0	100.0
Average no. of days	2.7	2.8
<b>Valid Cases*</b>	<b>33</b>	<b>33</b>

*\*Caution should be used when interpreting the results due to a small sample size.*

- Nearly two-thirds (62.4%) of the visitors who extended their visit stayed between one and two extra days in Louisiana. The average number of extra days was 2.8 days.

**Section III: Program Characteristics**

***Where did you learn about the Louisiana Tax Free Shopping (LTFS) program?***

**Table 17: Heard About LTFS**

Response	Percentage 2011	Percentage 2015
In Louisiana	69.9	<b>71.8</b>
In own country	23.8	<b>22.7</b>
In the USA, but not in LA	6.3	<b>5.5</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>462</b>	<b>616</b>

- The majority (71.8%) of visitors learned about the LTFS program while visiting Louisiana. Another 22.7% learned about the program while in their home country.

***How did you learn about LTFS?***

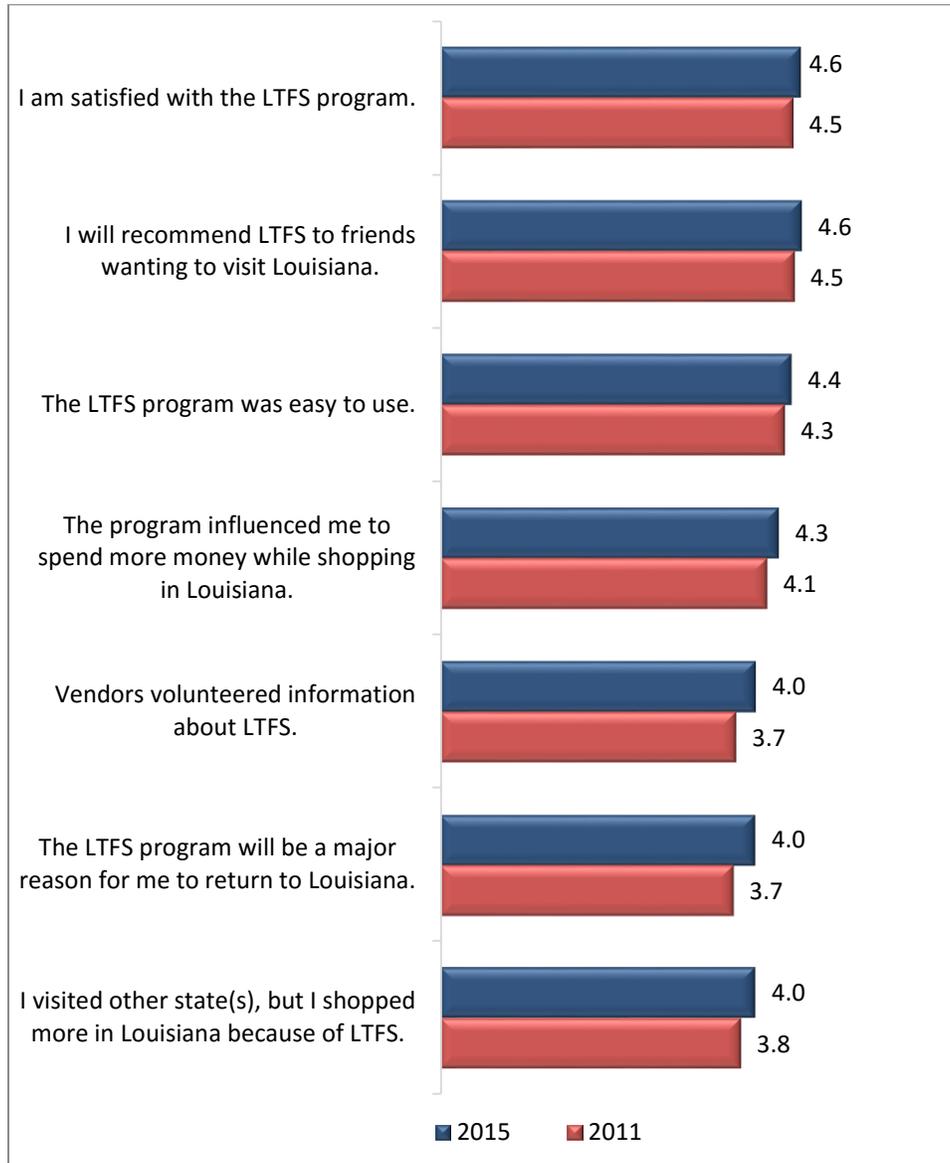
**Table 18: Sources of Information**

Response	Percentage 2011	Percentage 2015
In Louisiana shops	24.0	<b>48.1</b>
Friends/Relatives	20.1	<b>22.3</b>
Internet	23.7	<b>13.1</b>
Advertising in brochure	8.9	<b>9.7</b>
Travel agent	14.1	<b>3.6</b>
Other	9.2	<b>3.2</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>460</b>	<b>611</b>

- Almost half (48.1%) of the respondents heard about LTFS in Louisiana shops. This proportion increased significantly from the figure reported in 2011 (24.0%). Another 22.3% learned about LTFS through friends or relatives, while 13.1% learned about it via the internet.

Please tell us whether you agree or disagree with the following statements:

Figure 1: Opinion of the LTFS Program



- Figure 1 contains a graphical representation of the opinions visitors had regarding the LTFS program. Visitors were asked to rate their level of agreement for different statements on a five-point scale, where 1 means “strongly disagree” and 5 means “strongly agree”. Averages were computed and compared to the last study.
- Overall, visitors had a positive opinion about the program. All attributes presented an increase over the performance reported in 2011. Attributes on which the LTFS program ranked the highest include “I am satisfied with the LTFS program” (4.6) and “I will recommend LTFS to friends wanting to visit Louisiana” (4.6).

*If LTFS caused you to buy more, how much more money do you estimate you spent?*

**Table 19: Additional Money Spent Because of LTFS**

Response*	Percentage 2015
\$200 or less	47.1
\$201 - \$500	35.7
\$501 - \$1,000	13.2
\$1,001 - \$1,500	3.7
\$1,501 and above	0.4
Total	100.0
Average expenditure	\$369
<b>Valid Cases</b>	<b>270</b>

*\*The results represent the additional spending per person per trip. Until 2011, this figure represented the spending per party per trip.*

- The majority (82.8%) of visitors who spent more money due to the LTFS program reported spending up to \$500 additional dollars during their visit to Louisiana. The average additional expenditure was \$369.

*Which refund center did you use?*

**Table 20: Refund Center**

Response	Percentage 2011	Percentage 2015
Riverwalk	29.3	50.4
Macy's	37.7	29.0
Airport	33.1	20.6
Total	100.0	100.0
<b>Valid Cases</b>	<b>427</b>	<b>635</b>

- Even though the study was designed to obtain the same proportion of surveys among LTFS centers in New Orleans, half (50.4%) of the respondents got a refund at the Riverwalk center.

*Was the primary reason for going to the mall/store to get the Louisiana Tax Free Shopping refund?*

**Table 21: Primary Reason for Mall/Store Visit**

Response	Percentage 2011	Percentage 2015
Yes	43.5	<b>46.3</b>
No	56.5	<b>53.7</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>410</b>	<b>575</b>

- Similar to 2011, close to half (46.3%) of the respondents reported that their primary reason for visiting the mall or store was to get the LTFS refund.

*Did you spend money at the mall/store eating or shopping?*

**Table 22: Spending at the Mall**

Response	Percentage 2011	Percentage 2015
Yes	80.0	<b>87.9</b>
No	20.0	<b>12.1</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>400</b>	<b>429</b>

- The majority (87.9%) of visitors spent money at the mall/store eating or shopping during their visit to obtain the LTFS refund.

*If you spent money at the mall, how much did you spend?*

**Table 23: Amount Spent at the Mall/Store**

<b>Response</b>	<b>Percentage 2011</b>	<b>Percentage 2015</b>
\$100 or less	40.3	<b>32.0</b>
\$101 - \$250	16.8	<b>22.2</b>
\$251 - \$500	18.1	<b>23.9</b>
\$501 - \$1,000	9.7	<b>13.7</b>
\$1,001 and above	15.1	<b>8.2</b>
Total	100.0	<b>100.0</b>
Average expenditure	\$535	<b>\$454</b>
<b>Valid Cases</b>	<b>226</b>	<b>305</b>

- About a third (32.0%) of the respondents who spent money at the mall/store during their visit to obtain the LTFS refund spent \$100 or less. In 2015, the average expenditure was \$454, while in 2011, it was recorded at \$535.

**Section IV: Demographics**

*Do you work on a cruise ship?*

**Table 24: Cruise Ship Employee**

Response	Percentage 2011	Percentage 2015
Yes	6.7	<b>14.1</b>
No	93.3	<b>85.9</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>430</b>	<b>612</b>

- A larger proportion of respondents were cruise ship employees (14.1%).

*What is your gender?*

**Table 25: Gender of Respondents**

Response	Percentage 2011	Percentage 2015
Male	52.8	<b>52.6</b>
Female	47.2	<b>47.4</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>445</b>	<b>602</b>

- Similar to 2011, there was a balanced distribution of female (47.4%) and male (52.6%) respondents during 2015.

*Which category best describes your age?*

**Table 26: Age of Respondents**

<b>Response</b>	<b>Percentage 2011</b>	<b>Percentage 2015</b>
Under 25 years old	6.2	<b>6.8</b>
25 - 35 years old	29.3	<b>32.8</b>
36 - 49 years old	37.9	<b>37.3</b>
50 - 64 years old	21.0	<b>18.8</b>
65 years or older	5.6	<b>4.3</b>
Total	100.0	<b>100.0</b>
<b>Valid Cases</b>	<b>459</b>	<b>584</b>

- The highest proportion of respondents were between the ages of 25 and 49 years (70.1%).

## Economic Impact

### Introduction

International visitors spending generated valuable economic benefits in the state of Louisiana. The purpose of this section is to estimate the total economic impact of the LTFS program on the Louisiana economy during the calendar year 2015. This economic impact comprises total spending, total income, total employment, and total state and local tax revenues created by the LTFS program.

### Visitor Breakdown

The total economic impact of the LTFS program measures the activity of three mutually exclusive international visitor groups: those whose primary purpose was to shop in Louisiana, those who extended their stay to shop, and those who were influenced to spend more money on shopping because of the LTFS program. Both, the direct and secondary expenditures for these visitors were estimated to determine the overall economic impact of the program. In evaluating the true economic impact, the spending of other international visitors not included in the three groups was not factored into the assessment of the economic impact attributable to the LTFS, since these funds may have been spent within the local economy in the absence of the program.

The survey results were used to determine the percentage of visitors who came to the state to shop, visitors who extended their stay, and visitors who shopped more. In addition, survey results were used to determine the average number of days visitors spent in Louisiana, the average party size, and the average visitor trip expenditures.

According to counts obtained from LTFS representatives, the number of transactions during the calendar year was about 52,000. Because each transaction represents the spending of a visitor party, the number of transactions was converted to people using average party size estimates. Based on survey results, along with transaction estimates, a total of approximately **126,000** international visitors can be attributed to the LTFS program.

**Direct and Secondary Spending**

The number of people whose primary purpose was to shop was determined from the total number of transactions, the proportion of visitors in that group, and the party size. Total direct spending attributable to visitors who came for the primary purpose of shopping was determined for each expense category as the product of the total number of visitors and the visitors’ average trip expenditure (Table 27).

**Table 27: Individual Trip Expenditures of LTFS Visitors - Primary Purpose Shopping**

Response	2015
Restaurants/Meals	\$334
Bars/Nightclubs	\$42
Recreation/Entertainment	\$151
Shopping*	\$990
Local Transportation**	\$151
Gambling	\$13
Lodging	\$603
<b>Total</b>	<b>\$2,284</b>

*\*\*This figure represents the spending per person per trip. Until 2011, it represented the spending per party.*

*\*\*Local transportation includes car rental.*

The impact of those who extended their stay to shop and take advantage of LTFS, but did not come for the primary purpose of shopping is calculated in a similar way. However, the individual trip spending was estimated based on the fraction that corresponds to the additional days spent in Louisiana. The total direct spending attributable to those who extended their stay to shop was the result of the total number of people in this group and their individual spending (Table 28).

**Table 28: Individual Trip Expenditures of LTFS Visitors - Extended Stay**

Response	2015
Restaurants/Meals	\$125
Bars/Nightclubs	\$7
Recreation/Entertainment	\$27
Shopping*	\$204
Local Transportation**	\$44
Gambling	\$0
Lodging	\$101
<b>Total</b>	<b>\$508</b>

*\*\*This figure represents the spending per person per trip. Until 2011, it represented the spending per party.*

*\*\*Local transportation includes car rental.*

The final group did not come for the primary purpose of shopping and did not extend their stay to shop in Louisiana. They did, however, reported that LTFS influenced them to spend more money in shopping. The total direct spending attributable to those who spent extra is obtained from the total number of people in this group, derived from the previously described methodology, and the average additional expenditure (Table 29).

**Table 29: Individual Trip Expenditures of LTFS Visitors - Spent More**

<b>Response</b>	<b>2015</b>
Shopping*	<b>\$341</b>
<b>Total</b>	<b>\$341</b>

*\*This figure represents the spending per person per trip. Until 2011, it represented the spending per party.*

Secondary spending, or the ripple effect, is based on the indirect and induced spending generated from direct spending. For every new dollar of direct spending, additional dollars of secondary spending are generated in the economy. Secondary spending is calculated as a proportion of direct spending using multipliers provided by the United States Department of Commerce, Bureau of Economic Analysis (BEA). The 2013 BEA Regional Input-Output Modeling System (RIMS II) values for Louisiana were used in this analysis. These multipliers are specific to each industry in a given area, and those used in this report are the corresponding multipliers to the industries in the Louisiana represented by each expenditure category.

**Total Visitor Spending**

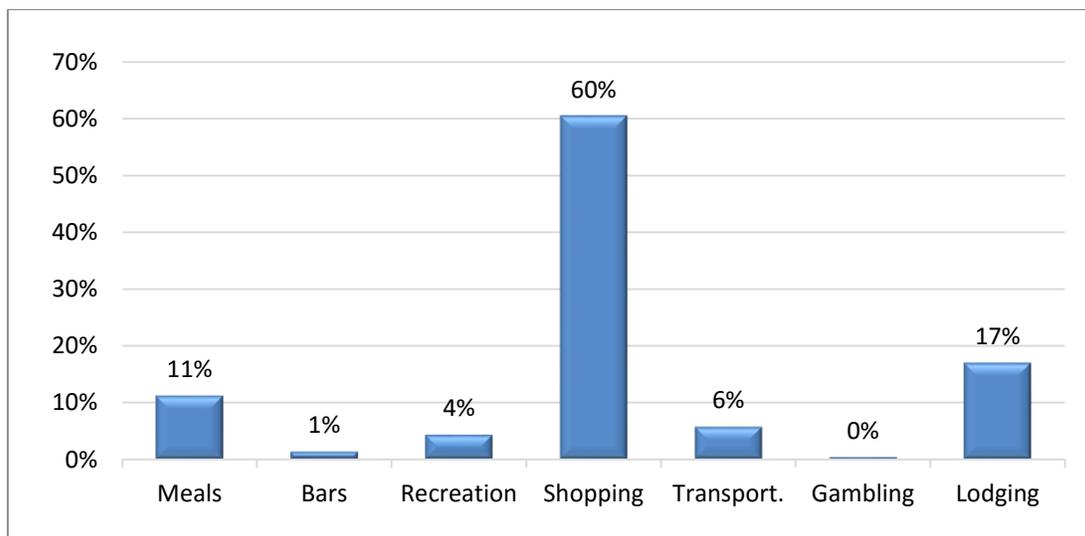
The total visitor impact attributed to international visitors who participated in the LTFS program during 2015 is determined as the sum of the direct and secondary spending. International visitors who came Louisiana and shopped spent a total of \$64.7 million for direct or primary spending (Table 30). The largest category was for shopping, followed by lodging (Figure 2). Based on their primary spending, visitors generated another \$51.8 million in secondary spending. Therefore, the total economic impact produced by international visitors who participated in the LTFS program in 2015 was \$116.5 million.

It is important to note that the methodology to estimate the economic impact was modified in 2015, including the definitions of several input factors such as the multipliers. Caution should be used when comparing spending figures to previous years.

**Table 30: LTFS Visitor Spending**

Response	Direct Spending	Secondary Spending	Total Spending
Restaurants/Meals	\$6,941,042	\$6,011,637	<b>\$12,952,679</b>
Bars/Nightclubs	\$797,306	\$690,547	<b>\$1,487,853</b>
Recreation/Entertainment	\$2,878,620	\$2,076,349	<b>\$4,954,968</b>
Shopping	\$39,445,061	\$30,956,484	<b>\$70,401,545</b>
Local Transportation	\$3,025,480	\$3,572,487	<b>\$6,597,967</b>
Gambling	\$233,964	\$168,758	<b>\$402,722</b>
Lodging	\$11,410,116	\$8,323,680	<b>\$19,733,796</b>
<b>Total</b>	<b>\$64,731,589</b>	<b>\$51,799,940</b>	<b>\$116,531,530</b>

**Figure 2: Proportion of Total Visitor Spending**



## **Earnings**

The direct spending created by international visitors to the LTFS program also generates earnings or income in the economy. These earnings are created across different employment industries, including non-tourism related industries. The 2013 BEA RIMS II Multipliers were used to estimate the earnings created on each industry impacted by direct spending. In total, the program will be responsible for generating nearly \$36.8 million on earnings in the Louisiana economy.

## **Employment**

Direct spending generated by international visitors is also responsible for the creation or support of full-and part-time jobs in the economy. Similar to earnings, these jobs are part of different employment industries, including non-tourism related industries. The respective 2013 BEA RIMS II Multipliers for employment were used to estimate the spin-off jobs that will result from spending created by the program. This analysis was done for each industry impacted by this direct spending. In total, the activity at LTFS program during 2015 will be responsible for the creation or support of nearly 1,300 full-and part-time jobs in the Louisiana economy. It is important to note that some of these are not new jobs necessarily, but rather existing jobs which are supported by the spending generated by the program.

## **Tax Revenues**

As a result of spending and employment in Louisiana created by the LTFS program during 2015, tax revenues will be generated for state and local governments. There are two types of tax revenues estimated in this report.

The first is direct revenue for state and local governments. Direct revenue is the tax revenue that visitors pay to state and local governments directly. Examples include hotel/motel taxes paid on hotel rooms, and state and local sales taxes paid on retail purchases, including food and drinks. The direct tax revenue in this analysis is measured by current hotel, sales, and gambling taxes. Evidently, this analysis excludes the proportion of taxes that were refunded by the LTFS program.

Indirect taxes are the taxes paid on the revenue generated by direct spending. That revenue results in salaries and wages of jobs supported by direct spending. On those salaries, the recipients pay state income taxes. In addition, the recipients buy goods and services and pay taxes that correspond to those transactions. The retail sales tax applies to the purchase of most of those goods and services. However, other items are not taxable under the retail sales tax, but are taxable under various other taxes. Examples of these are taxes on gasoline, insurance premiums, and alcohol. These are referred to as excise taxes. The assumption used to estimate

the revenue from these indirect taxes is that the recipient of newly created income is no different from the average Louisiana consumer. Therefore, the proportion of secondary income that is paid as taxes is equivalent to the average values for the state as a whole. The indirect taxes for state and local governments in this analysis are measured by current income, sales, and excise taxes.

In total, the state of Louisiana is expected to receive \$2.9 million in tax revenue from the economic activity produced by the LTFS. In addition, local governments will raise another \$1.7 million in tax revenue. Total tax revenue is the sum of state and local revenues. In summary, the activity at the LTFS program during 2015 is expected to generate a total of \$4.6 million in government tax revenue (Table 31).

**Table 31: State and Local Tax Revenue**

<b>Government and Tax</b>	<b>Total Revenue</b>
<b>State Taxes</b>	
Sales Taxes	\$1,096,782
Hotel Taxes	\$798,708
Excise Taxes	\$413,275
Gambling Taxes	\$50,302
Income Taxes	\$519,102
<b>Total State Taxes</b>	<b>\$2,878,169</b>
<b>Local Taxes</b>	
Sales Taxes	\$1,036,367
Hotel Taxes	\$656,082
<b>Total Local Taxes</b>	<b>\$1,692,449</b>
<b>Total Governmental Revenue</b>	<b>\$4,570,617</b>

## Conclusion

The activity at the LTFS program during 2015 made a valuable contribution to the Louisiana economy. The program processed approximately 52,000 transactions and generated a total economic impact of \$116.5 million. This impact comprises \$64.7 million in direct expenditures and \$51.8 million in secondary spending. In addition, spending due to the program results in the creation or support of nearly 1,300 full-and part-time jobs. These jobs are projected to create a total of \$36.8 million in earnings for Louisiana residents.

The program is also expected to generate a total of \$4.6 million in tax revenue for state tax and local governments. Of that total, roughly \$2.9 million will go to the State of Louisiana, and \$1.7 million will be claimed by local governments. The loss of sales tax attributable to qualifying LTFS purchases in 2015 (\$3.4 million) is well compensated by additional taxes created at nearly \$1.35 in revenue for every sales tax dollar refunded.

# Appendix

## Country of Residence

Country	Percentage 2015
China	13.4
Philippines	9.4
Brazil	5.9
Canada	5.8
United Kingdom	4.8
Mexico	4.3
Germany	3.6
France	3.4
Australia	3.4
India	3.4
Honduras	2.6
Thailand	1.9
Argentina	1.8
Colombia	1.6
Spain	1.6
Italy	1.5
Turkey	1.2
Indonesia	1.2
South Korea	1.1
Egypt	1.1
Guatemala	1.1
Saudi Arabia	1.1
Venezuela	1.1
Netherlands	1.1
Ecuador	1.1
Costa Rica	1.1
Ireland	1.1
Singapore	1.1
Panama	1.1
Japan	0.9
Poland	0.9
Sweden	0.9
Peru	0.7
Switzerland	0.7
Belgium	0.6
Israel	0.6

Romania	0.6
South Africa	0.6
Chile	0.4
Jamaica	0.4
Jordan	0.4
New Zealand	0.4
Nicaragua	0.4
Portugal	0.4
Russia	0.4
Suriname	0.4
Taiwan	0.4
Trinidad and Tobago	0.4
Ukraine	0.4
Croatia	0.3
Curacao	0.3
Cyprus	0.3
Dominican Republic	0.3
El Salvador	0.3
Greece	0.3
Malaysia	0.3
Nigeria	0.3
Norway	0.3
United Arab Emirates	0.3
Uruguay	0.3
Austria	0.1
Azerbaijan	0.1
Bahamas	0.1
Bolivia	0.1
Bosnia	0.1
Denmark	0.1
Iceland	0.1
Latvia	0.1
Macedonia	0.1
Paraguay	0.1
Senegal	0.1
Serbia	0.1
Slovenia	0.1
Zimbabwe	0.1
Saint Lucia	0.1
Kuwait	0.1
Other	0.7
<b>Total</b>	<b>100.0</b>
<b>Valid Cases</b>	<b>643</b>

**U.S. City of Entrance**

<b>Response</b>	<b>Percentage 2015</b>
New Orleans, LA	<b>18.6</b>
Miami, FL	<b>12.4</b>
Houston, TX	<b>12.1</b>
Los Angeles, CA	<b>12.1</b>
Atlanta, GA	<b>10.9</b>
New York, NY	<b>8.4</b>
Chicago, IL	<b>5.8</b>
Dallas, TX	<b>4.1</b>
Washington DC	<b>1.8</b>
Seattle, WA	<b>1.5</b>
Charlotte, NC	<b>1.1</b>
Detroit, MI	<b>1.1</b>
San Francisco, CA	<b>1.0</b>
Boston, MA	<b>0.6</b>
Philadelphia, PA	<b>0.6</b>
Fort Lauderdale, FL	<b>0.5</b>
Honolulu, HI	<b>0.5</b>
Orlando, FL	<b>0.4</b>
Buffalo, NY	<b>0.3</b>
Biloxi, MS	<b>0.3</b>
Memphis, TN	<b>0.3</b>
Newark, NJ	<b>0.3</b>
Rouses Point, NY	<b>0.2</b>
McAllen, TX	<b>0.1</b>
Las Vegas, NV	<b>0.1</b>
Nashville, TN	<b>0.1</b>
Albany, NY	<b>0.1</b>
Denver, CO	<b>0.1</b>
El Paso, TX	<b>0.1</b>
Other	<b>4.3</b>
<b>Total</b>	<b>100.0</b>
<b>Valid Cases</b>	<b>594</b>