



THE RETURN ON INVESTMENT OF BRAND USA MARKETING

Fiscal Year 2022

April 2023

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1 Executive Summary

Executive Summary

Overview

Oxford Economics, in coordination with its Tourism Economics subsidiary company, conducted a detailed analysis of the return on investment of Brand USA's marketing in its 2022 fiscal year. Due to Covid-19, the benefits of marketing activities were constrained, especially from markets that were closed to travel for portions, or all, of the year. An econometric model, based on ad tracking surveys, market share analysis, and Brand USA measurements of market engagement informed the analysis of incremental visits and spending generated by Brand USA. Results were further validated and refined based on mobile device tracking of visitors who were exposed to Brand USA marketing based on analysis from the research firm Arrivalist. Impacts are measured for Brand USA marketing investments during FY2022 (Oct 2021-Sept 2022).

Brand USA ROI

Brand USA marketing generated 327,977 visits to the US in FY2022. This was 0.6% of all visitors to the US in 2022.

Across all markets, each dollar of Brand USA marketing generated \$11.18 of visitor spending. Including all operating overhead, Brand USA achieved an ROI of \$10.20 per dollar invested and generated \$905 million in visitor spending.

Over the last ten years, Brand USA has generated \$26.4 billion in international visitor spending with an implicit ROI of \$21.33 in visitor spending and \$3.23 in Federal tax receipts per budget dollar invested.

Brand USA economic impact

Brand USA generated \$905 million in incremental visitor spending to the US in FY2022. Including indirect and induced impacts, a total of \$1.9 billion in economic activity was generated by Brand USA. This economic activity generated by Brand USA sustained 12,132 jobs earning \$563 million in personal income. Brand USA generated incremental federal, state, and local taxes in FY2022 of \$261 million.

US international inbound market performance

The early part of FY2022 was heavily affected by travel restrictions and the Omicron variant of COVID-19. Nevertheless, international travel steadily rebounded throughout 2022, receiving 50.9 million visitors for the year. This was 36% below 2019 levels but a vast improvement over the 72% shortfall in 2021.

- Western Europe progressively recovered, registering visits 29% below 2019 for the year but averaging a 20% shortfall over the final three months of 2022.
- South America posted a 26% decline relative to 2019, with a 20% shortfall over the final three months of 2022.
- Asian travel suffered the most with a 66% shortfall for the year and modest signs of recovery in the final quarter of 2022.
- Canada and Mexico recovered to within 31% and 32% of 2019 volumes, respectively.

The vital role of destination promotion

Destination marketing plays an integral and indispensable role in the competitiveness of the local and national visitor economy, and acts as a catalyst for economic development. Brand USA serves a valuable function by promoting the US collectively with the scale necessary to gain share of voice in an increasingly competitive global marketplace.

2 Key Findings

BRAND USA RETURNS BY MARKET

Summary of Brand USA Marketing Returns on Investment

FY2022

Market	Investment	Incremental Visitors	Incremental Spend	ROI Multiple	Share of US Visits
Australia	\$ 2,035,597	9,625	\$ 58,641,914	28.8	1.5%
Brazil	\$ 2,059,604	22,480	\$ 106,030,638	51.5	1.8%
Canada	\$ 8,820,939	87,558	\$ 116,146,579	13.2	0.6%
China	\$ -	-	\$ -	-	0.0%
Germany	\$ 6,809,937	19,729	\$ 72,265,277	10.6	1.3%
France	\$ 1,167,126	19,147	\$ 58,736,436	50.3	1.5%
India	\$ 942,101	17,922	\$ 68,035,249	72.2	1.4%
Japan	\$ 143,456	2,998	\$ 9,568,956	66.7	0.5%
South Korea	\$ 701,854	12,622	\$ 41,145,514	58.6	1.4%
Mexico	\$ 6,713,348	76,765	\$ 180,012,107	26.8	0.6%
UK	\$ 22,034,871	41,350	\$ 129,086,445	5.9	1.2%
Other / Global	\$ 29,530,502	17,781	\$ 65,113,482	2.2	0.1%
Total (marketing investments)	\$ 80,959,337	327,977	\$ 904,782,594	\$ 11.18	0.6%
Brand USA overhead	\$ 7,703,175				
Total Brand USA budget	\$ 88,662,512			\$ 10.20	

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BRAND USA RETURNS BY REGION

Summary of Brand USA Marketing Returns on Investment

FY2022

Market	Investment	Incremental Visitors	Incremental Spend	ROI Multiple
N America	\$ 15,534,287	164,323	\$ 296,158,686	19.1
Europe	\$ 30,011,934	80,226	\$ 260,088,157	8.7
APAC	\$ 3,823,008	43,167	\$ 177,391,632	46.4
LATAM	\$ 2,059,604	22,480	\$ 106,030,638	51.5
Other / Global Infrastructure	\$ 29,530,502	17,781	\$ 65,113,482	2.2
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Canada and Mexico together generated the largest share of impact with \$296 million in incremental spending impacts and an ROI of 19.1-to-1.

Visitors from Europe generated \$260 million in incremental spending and an ROI of 8.7-to-1.

While a modest \$3.8 million was invested in Asia during FY2022, this yielded \$177 million in visitor spending with an ROI of 46-to-1.

Including all overhead, Brand USA yielded a return of \$10.20 in visitor spending for every dollar invested.

ECONOMIC IMPACT SUMMARY

Brand USA Economic Impacts

FY2022

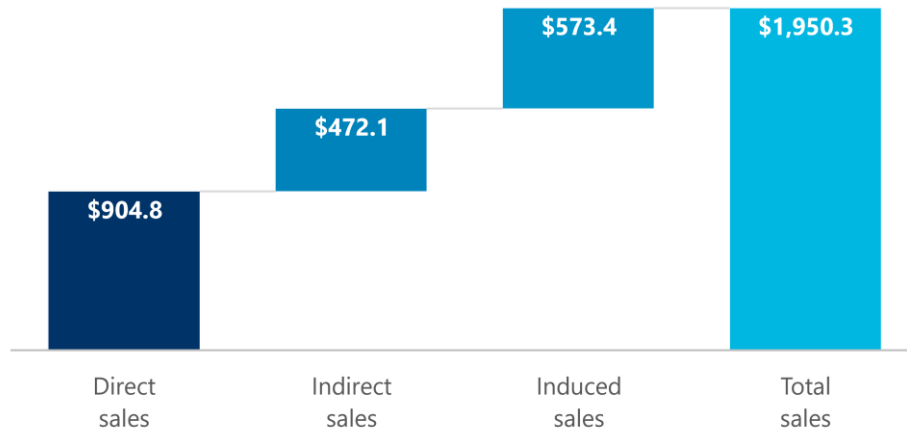
Impact Measure	Direct	Indirect	Induced	Total
Total sales (\$ million)	\$ 905	\$ 472	\$ 573	\$ 1,950
Value added (\$ million)	\$ 425	\$ 254	\$ 321	\$ 1,000
Income (\$ million)	\$ 233	\$ 149	\$ 180	\$ 563
Jobs	6,302	2,354	3,476	12,132

Including direct, indirect, and induced impacts, Brand USA generated \$1.9 billion in US economic output.

Economic activity generated by Brand USA sustained 12,132 jobs earning \$563 million in personal income.

Brand USA generated value added (GDP) in the US economy of \$1.0 billion.

Total Sales Impacts



HISTORIC AND CUMULATIVE IMPACTS

Brand USA ROI

FY2013-FY2022

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Average	Total
Spending ROI (per \$ spent)	\$ 34.36	\$ 17.75	\$ 19.25	\$ 27.70	\$ 26.13	\$ 28.47	\$ 20.93	\$ 6.42	\$ 1.05	\$ 10.20	\$ 21.33	
Federal Tax ROI (per \$ spent)	\$ 5.17	\$ 2.67	\$ 2.90	\$ 4.17	\$ 3.94	\$ 4.29	\$ 3.24	\$ 1.00	\$ 0.16	\$ 1.58	\$ 3.23	
Brand USA budget (mn)	\$ 99	\$ 173	\$ 158	\$ 147	\$ 156	\$ 144	\$ 151	\$ 87	\$ 35	\$ 89	\$ 124	\$ 1,239
Spending impact (mn)	\$ 3,402	\$ 3,070	\$ 3,036	\$ 4,084	\$ 4,064	\$ 4,100	\$ 3,171	\$ 560	\$ 37	\$ 905	\$ 2,643	\$ 26,429
Federal tax impact (mn)	\$ 512	\$ 462	\$ 457	\$ 615	\$ 612	\$ 618	\$ 491	\$ 87	\$ 6	\$ 140	\$ 400	\$ 4,001
Visits impact	1,143,186	903,440	1,025,183	1,193,893	1,158,645	1,127,976	900,784	215,840	15,055	327,977	801,198	8,011,980
Marketing Budget (mn)	\$ 73	\$ 161	\$ 143	\$ 133	\$ 141	\$ 129	\$ 135	\$ 73	\$ 21	\$ 81	\$ 109	\$ 1,088
Spend ROI (per \$ marketing)	\$ 46.77	\$ 19.11	\$ 21.20	\$ 30.71	\$ 28.90	\$ 31.76	\$ 23.56	\$ 7.72	\$ 1.78	\$ 11.18	\$ 24.29	
State & local taxes (mn)	\$ 460	\$ 415	\$ 411	\$ 552	\$ 550	\$ 555	\$ 422	\$ 75	\$ 5	\$ 120	\$ 357	\$ 3,565
Total tax impact (mn)	\$ 973	\$ 878	\$ 868	\$ 1,168	\$ 1,162	\$ 1,172	\$ 913	\$ 161	\$ 11	\$ 261	\$ 757	\$ 7,566
Total economic impact (mn)	\$ 7,395	\$ 7,064	\$ 6,600	\$ 8,878	\$ 8,834	\$ 8,914	\$ 6,836	\$ 1,208	\$ 79	\$ 1,950	\$ 5,776	\$ 57,758
Total jobs supported	53,181	46,510	44,533	59,463	54,212	52,305	42,524	7,514	491	12,132	37,287	

Over the last ten years, Brand USA has generated \$26.4 billion in international visitor spending with an implicit ROI of \$21.33 in visitor spending and \$3.23 in Federal tax receipts per budget dollar invested.

3 Methodology

METHODOLOGY OVERVIEW

Step 1: Measure incremental visits based on surveys, econometric analysis of KPIs, and mobile device digital attribution data.

Step 2: Calculate incremental spending based on BEA averages by market.

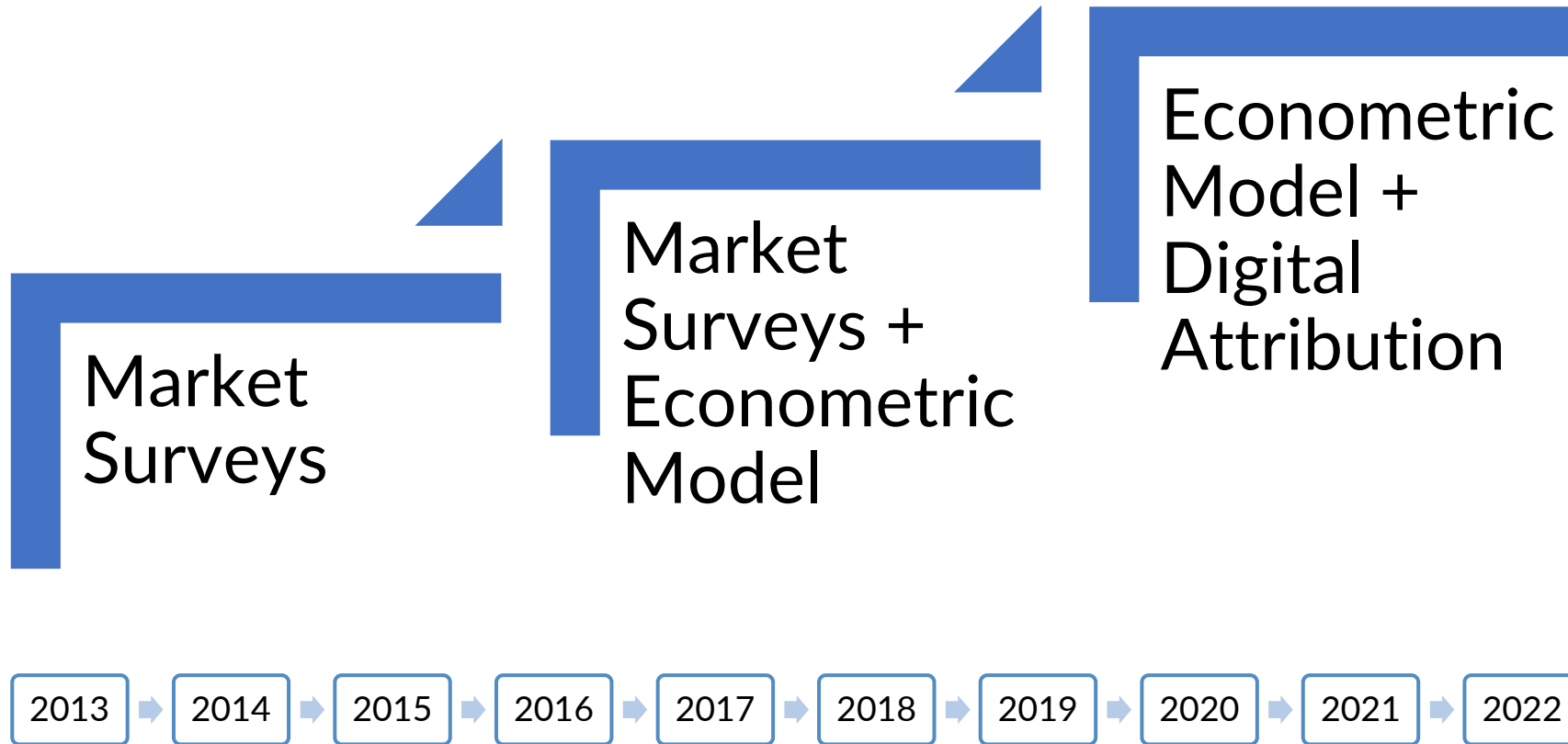
Step 3: Allocate spending to specific industries based on BEA Travel & Tourism Satellite Account.

Step 4: Run IMPLAN economic impact model to quantify impact of spending on GDP, jobs, income, taxes.

Economic Impact Model



EVOLUTION OF BRAND USA ROI ANALYSIS



MARKET SURVEYS (FY2013-FY2016)

In-market surveys were initially used to provide key metrics on the exposure and effect of Brand USA marketing activities.

Methodology: survey a statistically valid sample in each market to measure intent to visit among respondents who recalled seeing the ad and could identify the US as the ad focus.

The intent to visit in the next 12 months is compared to the control group of those who did not fit the criteria.

Ipsos, a global market research firm, conducted ad tracking surveys in key markets to determine the awareness of Brand USA advertising and its influence on traveler behavior.

The respondents must be a head of household and must have taken at least one overnight international leisure trip in the past 2 years. Sample sizes range from 1,000-1,500 in each market.

Oxford Economics calculated an “influence share” based on the results of these surveys. This is calculated as the share of respondents who:

- Had seen the ad AND were able to identify the USA as the destination (without the aid of branding)
- Altered their intention to visit the USA in the next 12 months

For example, the 2015 Brazil survey indicates 33% of respondents had seen the ad, 50% of these could correctly identify the USA as the destination, and respondents who recalled the ad experienced a 12 percentage point increase in their intention to travel to the USA in the following 12 months. The “influence share” is calculated as (33% x 50% x 12% = 2.0%).

Advertising effectiveness metrics

Market surveys 2014-2016

	Seen ad	Identified USA	Intent to visit US in next 12 months			Influence share
			Recalled	Did not recall	Difference	
2014 Surveys						
Brazil	28%	40%	71%	62%	9%	1.0%
Australia	11%	40%	43%	28%	15%	0.7%
Germany	6%	20%	46%	17%	29%	0.3%
Japan	24%	30%	44%	29%	15%	1.1%
Korea	37%	30%	32%	22%	10%	1.1%
2015 Surveys						
Brazil	33%	33%	79%	67%	12%	2.0%
Mexico	33%	33%	79%	70%	9%	1.5%
Germany	33%	33%	27%	18%	9%	0.5%
2016 Surveys						
Mexico	21%	21%	96%	89%	7%	1.3%
China	21%	21%	61%	46%	15%	7.2%

ECONOMETRIC MODEL

The model is designed to calculate the relationships between surveys and a more comprehensive set of market indicators.

Methodology: Where survey-based ROI calculations are available, a pooled cross-sectional model estimates coefficients for each explanatory (right-hand side) variable. The model accurately predicts the incremental visits generated by Brand USA marketing based on media impressions, online engagement, and market share changes for each travel market.

Dependent (left-hand side) variable is:

Incremental visits / long-haul travel demand

Explanatory (right-hand side) variables are:

Media impressions / long-haul travel demand

Online engagement* / long-haul travel demand

Market share % change in the fiscal year

The estimated model equation is

$$\text{LN}(\text{IVIS}(i)/\text{LH}(i)) = K + b1*\text{LN}(\text{MED}(i)/\text{LH}(i)) + b2*\text{LN}(\text{ONL}(i)/\text{LH}(i)) + b3*\text{MSH}(i)$$

Where:

IVIS(i) = Incremental visits from market i

LH(i) = Long-haul travel from market i

MED(i) = Media impressions in market i

ONL(i) = Online engagement in market i

MSH(i) = Log difference in US share of travel from market i

* Online engagement is the sum of social media engagements and website page views.

TESTING THE MODEL

Across all research studies, the econometric approach produces ROI measurements that are generally consistent with survey-based analysis.

This allows the model to be used for markets where survey results are unavailable.

A cross-sectional analysis across 8 campaigns and survey waves shows the econometric model to yield an average ROI of \$31 per dollar of marketing spend.

This is somewhat lower than what survey respondents indicated—an average of \$35—over three years of research.

These averages remove three outlier surveys for Brazil, Mexico, and China, which produced very large ROIs and are noted in the following sections.

Model inputs:

IVIS(i) = Incremental visits from market i

LH(i) = Long-haul travel from market i

MED(i) = Media impressions in market i

ONL(i) = Online engagement in market i

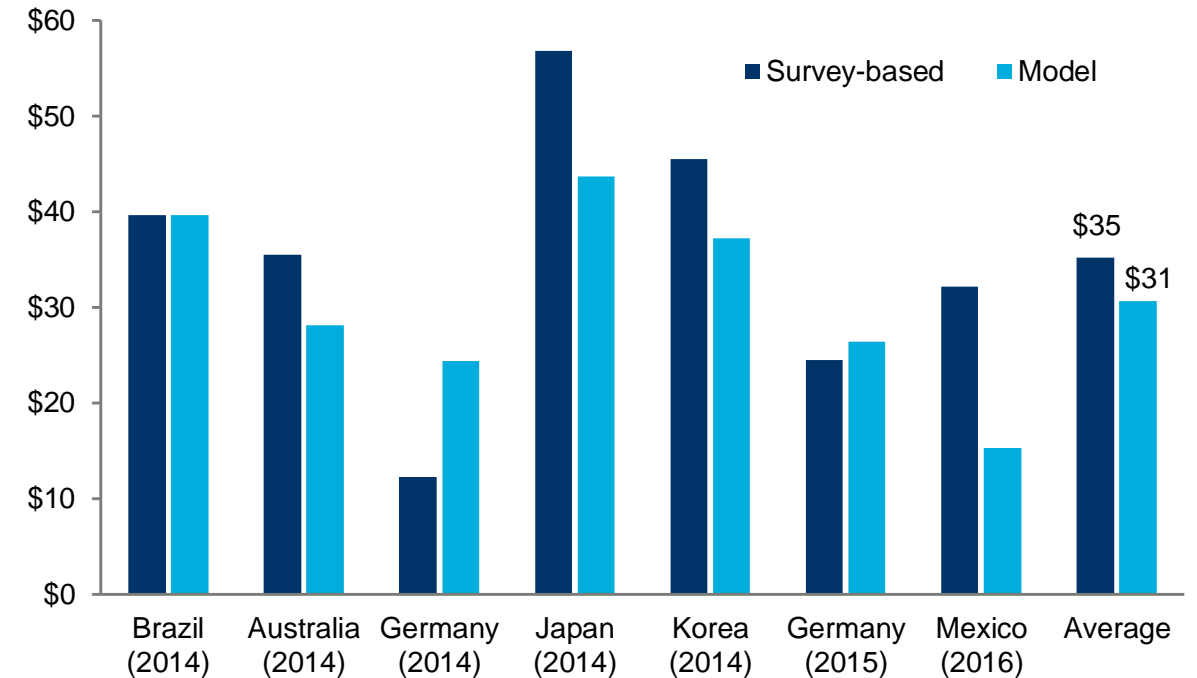
MSH(i) = Log difference in US share of travel from market i

Equation form:

$$\ln(\text{IVIS}(i)/\text{LH}(i)) = K + b_1 \cdot \ln(\text{MED}(i)/\text{LH}(i)) + b_2 \cdot \ln(\text{ONL}(i)/\text{LH}(i)) + b_3 \cdot \text{MSH}(i)$$

Comparing Estimates of Brand USA ROI

Visitor spending per \$ marketing investment

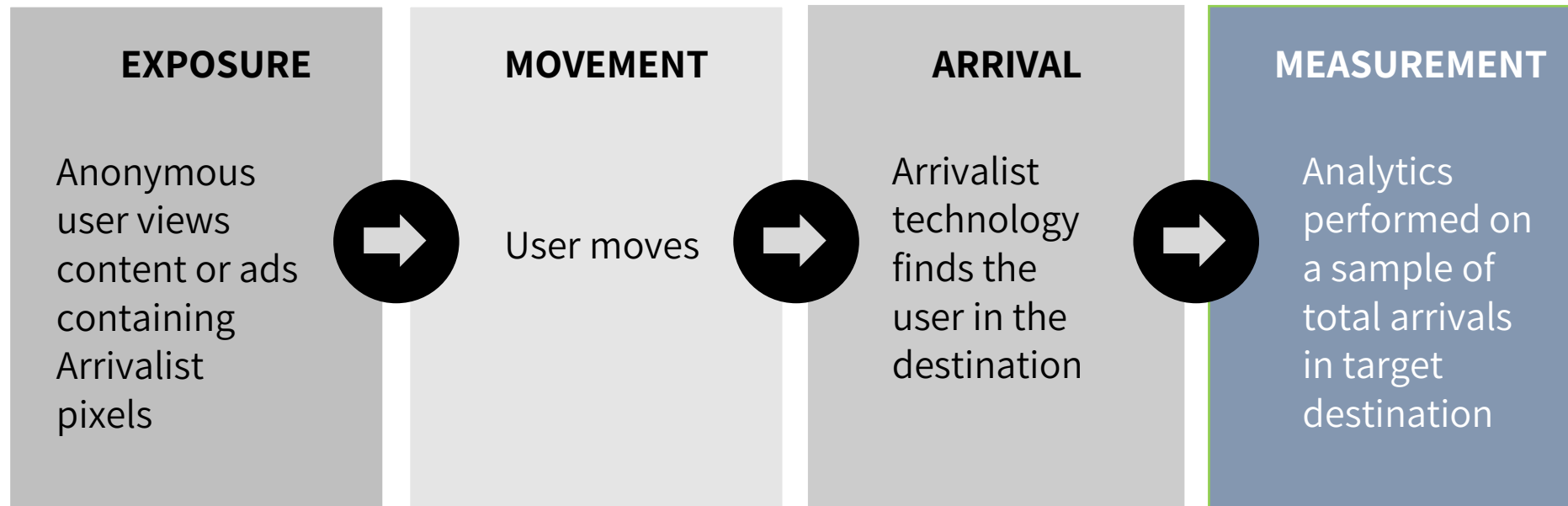


INCORPORATING MOBILE DEVICE DATA

Data from Arrivalist, a location services company tracking mobile devices, was analyzed to confirm the results of FY2018 modeling and again for FY2022.

Arrivalist compiled mobile device data to observe a control group that are exposed to non-Brand USA ads and compare the efficiency of users who are arriving from the control group to an exposed user base & compute the incremental lift in advertising.

- ❑ Tourism Economics scaled results to the size of the visitor market in each country and then projected the results based on unique impressions by market.
- ❑ This analysis produced estimates of “incremental devices” that visited the US as a result of Brand USA paid marketing. This estimate of device counts was then scaled to visitor counts based on average leisure travel party size.
- ❑ Markets not covered in the Arrivalist research were then estimated based on the average lift across markets tracked on a per unique Brand USA impressions basis.



MOBILE DEVICE SAMPLE

Exposed Group

- ❑ For each media publisher, Arrivalist provides an impression pixel specific to the campaign.
- ❑ Media publishers deploy their media with targeting parameters and add Arrivalist pixels to the creative.
- ❑ When the user views a Brand USA ad, an impression pixel fires along with the impression.
- ❑ When the user arrives in US, Arrivalist records their arrival and determines the media sequence the device was exposed to prior to the arrival.

Control Group

- ❑ Arrivalist creates a control group to determine the influence Brand USA media has on visitors.
- ❑ In order to create a control group, Arrivalist gathers targeting parameters from Brand USA's agency so that they can target similar audience with a random PSA ad.
- ❑ The control group creates a baseline of arrival rate (i.e. the number of arrivals to the US per 100,000 unique devices) by origin country and compared against the exposed group arrival rate to determine incremental lift.
- ❑ For 2022, currently the control group was run for Miles Media campaigns in 4 markets.

MOBILE DEVICE FINDINGS (FY2018)

Comparisons of Target Arrivals (exposed to Brand USA advertising) and Control Arrivals (unexposed) show the Target rate of arrivals to be higher across all markets in FY2018.

Tourism Economics scaled results to the size of the visitor market in each country and then projected the results based on unique impressions by market.

This analysis produced estimates of “incremental devices” that visited the US as a result of Brand USA paid marketing. This estimate of device counts was then scaled to visitor counts based on average leisure travel party size.

Markets not covered in the Arrivalist research were then estimated based on the average lift across markets tracked on a per unique Brand USA impressions basis. Visits-per-impression from this analysis, which focuses on paid media, were then applied to social media impressions to estimate the impacts of these additional channels. Finally, Arrivalist measures of Brand USA website lift were added to the paid and social media results.

Arrivalist tracking of mobile devices

	Target arrivals	Control arrivals	Target arrivals rate	Control arrivals rate	Lift
Total	195,206	132,205	0.190	0.128	48%
Australia	8,564	7,226	0.273	0.230	19%
Brazil	12,819	8,114	0.070	0.044	58%
Canada	31,455	20,124	1.035	0.662	56%
France	11,185	7,248	0.118	0.077	54%
Germany	5,252	3,643	0.120	0.083	44%
India	43,279	30,601	0.138	0.097	41%
Japan	14,200	6,471	0.174	0.079	119%
Mexico	47,666	31,018	0.296	0.192	54%
South Korea	10,469	8,941	0.196	0.167	17%
United Kingdom	10,317	9,426	0.298	0.273	9%

The “lift” measures the rate of arrivals difference between those who had seen a Brand USA advertisement and those who were exposed to the public service announcement advertisement.

This measure of effectiveness ranges from 9% for the United Kingdom to 119% for Japan.

Actual levels for target arrivals and control arrivals are not indicative as these are primarily functions of sample sizes.

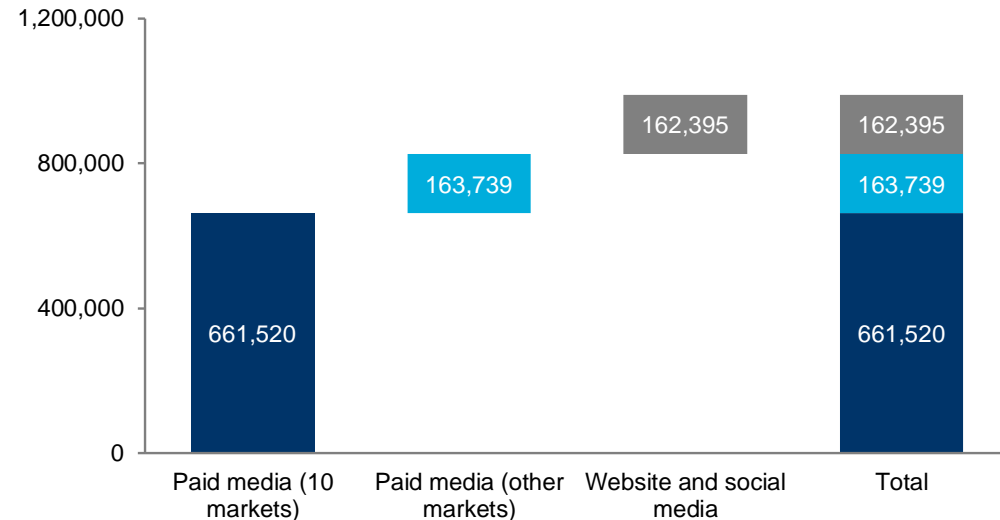
COMPARING RESULTS (FY2018)

Tourism Economics analysis of Arrivalist data indicates that 987,654 incremental visits to the US were influenced by Brand USA marketing in FY2018.

- ❑ The econometric model indicates 1,057,911 incremental visits influenced by Brand USA marketing, which is 7.1% higher than the mobile device-based model.
- ❑ The mobile device model yields an ROI of \$27.80 per marketing dollar. This compares to \$29.75 from the econometric model in FY2018.

Brand USA Marketing-Influenced Visits

Incremental visits to the US



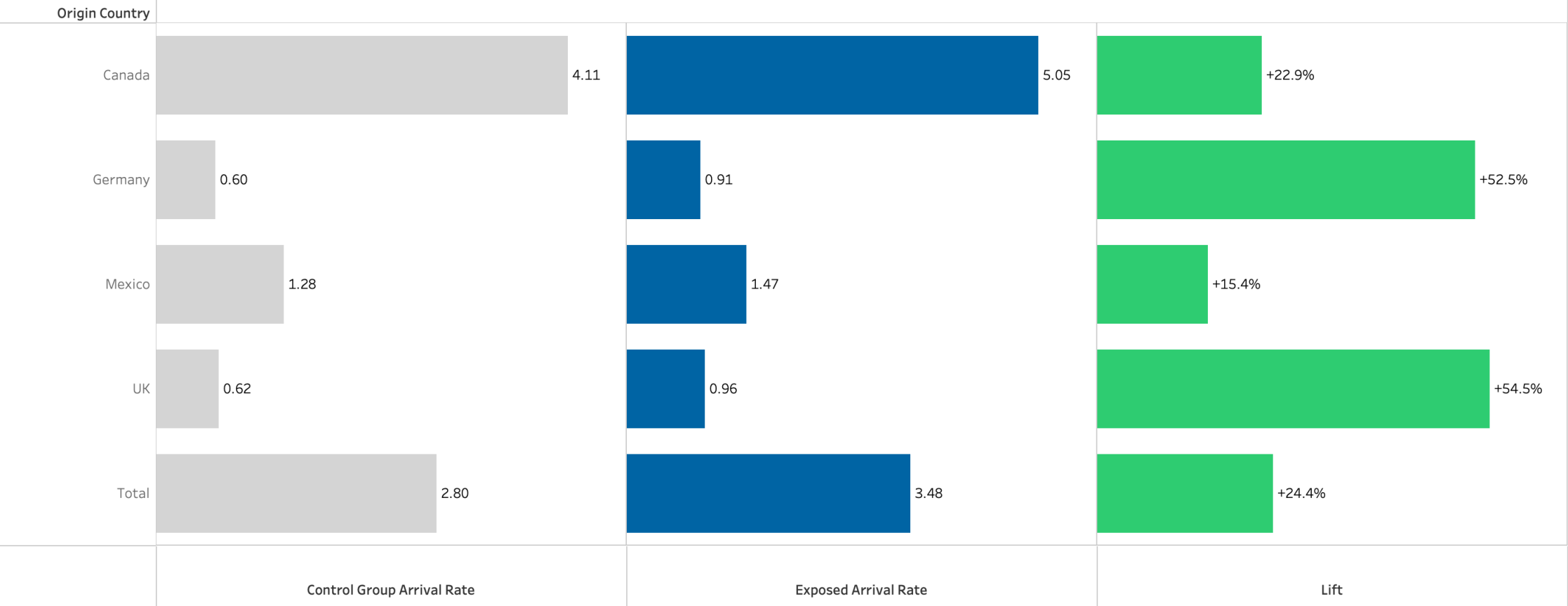
Arrivalist-based ROI Estimates

Paid media - 10 Arrivalist markets	661,520
Paid media - other markets	163,739
Social Media	150,179
Website	12,216
Total	987,654
Econometric model results	1,057,911
Difference	7.1%

MOBILE DEVICE FINDINGS (FY2022)

FY22 Brand USA campaigns generate 25% more arrivals than observed in the control group

FY22 Lift By Country

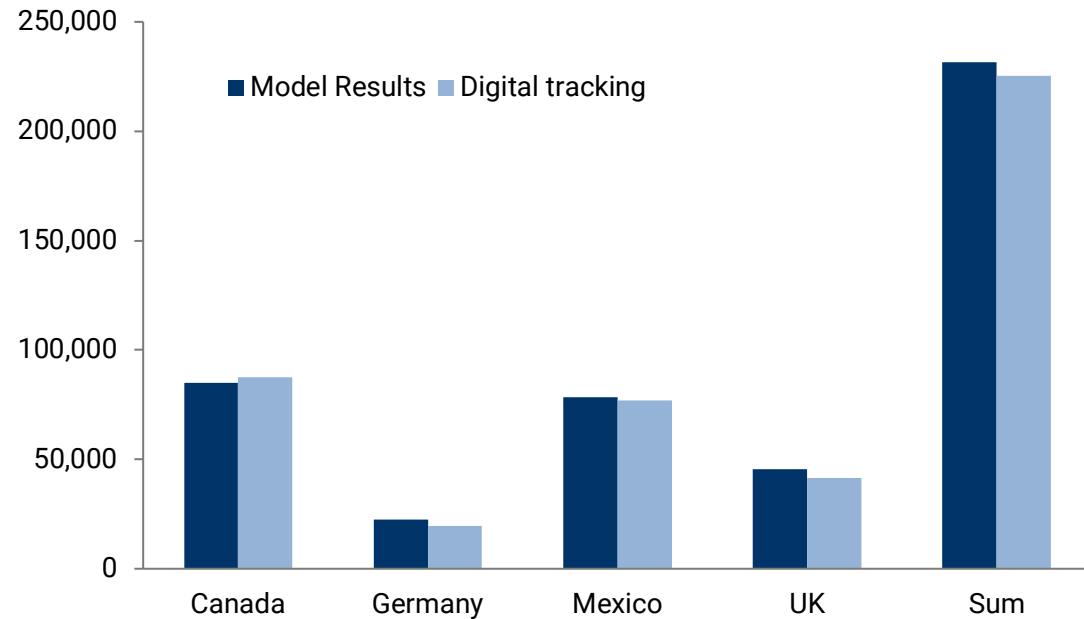


COMPARING RESULTS (FY2022)

Tourism Economics analysis of Arrivalist data indicates that 225,402 incremental visits to the US were influenced by Brand USA marketing in FY2022 from the four markets tracked (Canada, Germany, Mexico, UK). This was 2.6% less than the results of the econometric model.

For each of these four markets, the results of the digital tracking analysis replaced the econometric model results.

Estimated Brand USA-generated visits in FY2022



Market	Model Results	Digital tracking	% diff
Canada	85,166	87,558	2.8%
Germany	22,349	19,729	-11.7%
Mexico	78,244	76,765	-1.9%
UK	45,644	41,350	-9.4%
Sum	231,403	225,402	-2.6%

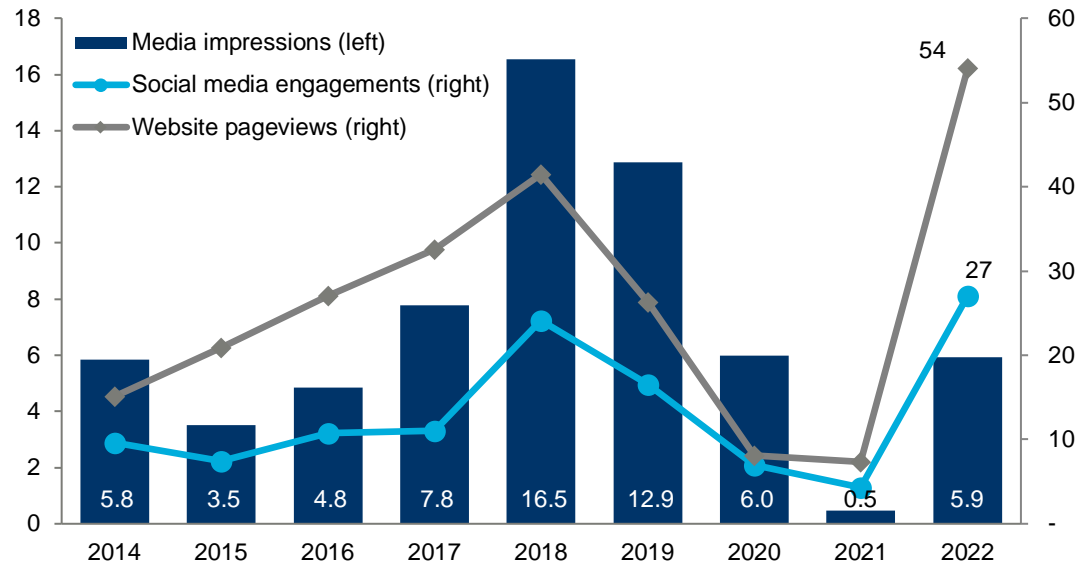
4 Economic Impacts

BRAND USA KEY PERFORMANCE INDICATORS

Brand USA key performance indicators (KPIs)

FY2022

billion impressions



KPI inputs to the model: The econometric model measures ROI by calculating the historic relationships between survey research, marketing KPIs, and market share performance

Brand USA campaign media impressions rebounded to nearly 6 billion in FY2022 but remained 54% below 2019 levels.

Social media engagements soared, reaching a new high of 27 million in FY2022. This was 63% ahead of FY2019.

Website page views also reached a new high of 54.2 million, more than doubling FY2019 activity.

BRAND USA KEY PERFORMANCE INDICATORS

Brand USA key performance indicators (KPIs)

FY2022

	Media impressions	Social media engagements	Website page views	LH Market Share (2019)	LH Market Share (2022)	LH Market Share (change)
Total	5,924,202,539	27,042,486	54,216,032	35%	41%	6%
Overseas Markets	3,383,422,895	16,105,176	17,476,730	19%	14%	-5%
By market						
Australia	72,737,350	324,775	384,549	15%	13%	-2%
Brazil	222,784,146	7,853,742	2,056,617	24%	16%	-9%
Canada	673,478,184	733,177	6,283,524	53%	59%	6%
China	9,648,479	25,814	124,903	13%	5%	-7%
Germany	436,244,591	564,480	1,757,946	15%	12%	-3%
France	109,964,173	151,098	1,535,255	11%	5%	-6%
India	618,504,545	4,337,029	1,710,558	11%	12%	1%
Japan	4,001,728	-	1,219,673	38%	25%	-13%
South Korea	36,381,191	25,135	510,270	28%	20%	-8%
Mexico	1,867,301,461	10,204,133	30,455,778	82%	85%	3%
UK	829,489,611	2,654,471	2,303,031	21%	18%	-3%
Other Markets	1,043,667,083	168,632	5,873,928	-	-	-
% change vs. 2019	-54%	63%	106%			

Key performance indicators (KPIs) of Brand USA marketing provide inputs into a pooled cross-sectional econometric model. The model calculates the incremental visitors to the US attributable to Brand USA marketing based on the relationships of these KPIs with historic survey tracking.

The econometric model was designed to identify the relationships between media impressions, online engagement, and market share with the ROI achieved in the market. The estimation was based on the existing results for the five markets where ad tracking surveys had been conducted. The results of the model could then be applied to these same indicators for all other markets to estimate their respective ROI.

Further validation of the model is based on *Arrivalist* digital media and mobile device analysis that tracks visits to the US by those who "saw" a Brand USA advertisement in comparison with a control group.

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Visitors from Europe generated \$260 million in incremental spending and an ROI of 8.7-to-1.

While a modest \$3.8 million was invested in Asia during FY2022, this yielded \$177 million in visitor spending with an ROI of 46-to-1.

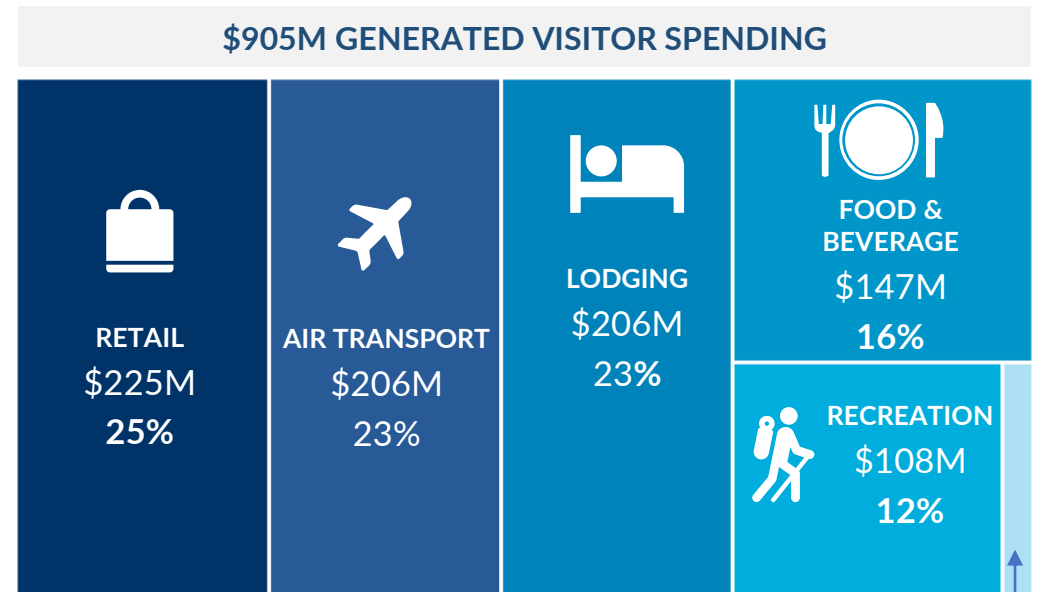
Including all overhead, Brand USA yielded a return of \$10.20 in visitor spending for every dollar invested.

SPENDING IMPACT BY SECTOR

Brand USA FY2022 investments generated \$905 million in visitor spending.

These dollars are counted as exports in the US national accounts based on the inflow of funds for US goods and services. More than \$200 million was spent on shopping (\$225 million), air transportation (\$206 million), and lodging (\$206 million). Another \$147 million was spent on food & beverages and \$108 million on recreation and entertainment.

The distribution of visitor spending by category is based on Bureau of Economic Analysis Travel & Tourism Satellite Account analysis for international visitors.



Source: Oxford Economics

GROUND
TRANSPORT
\$12M
1%

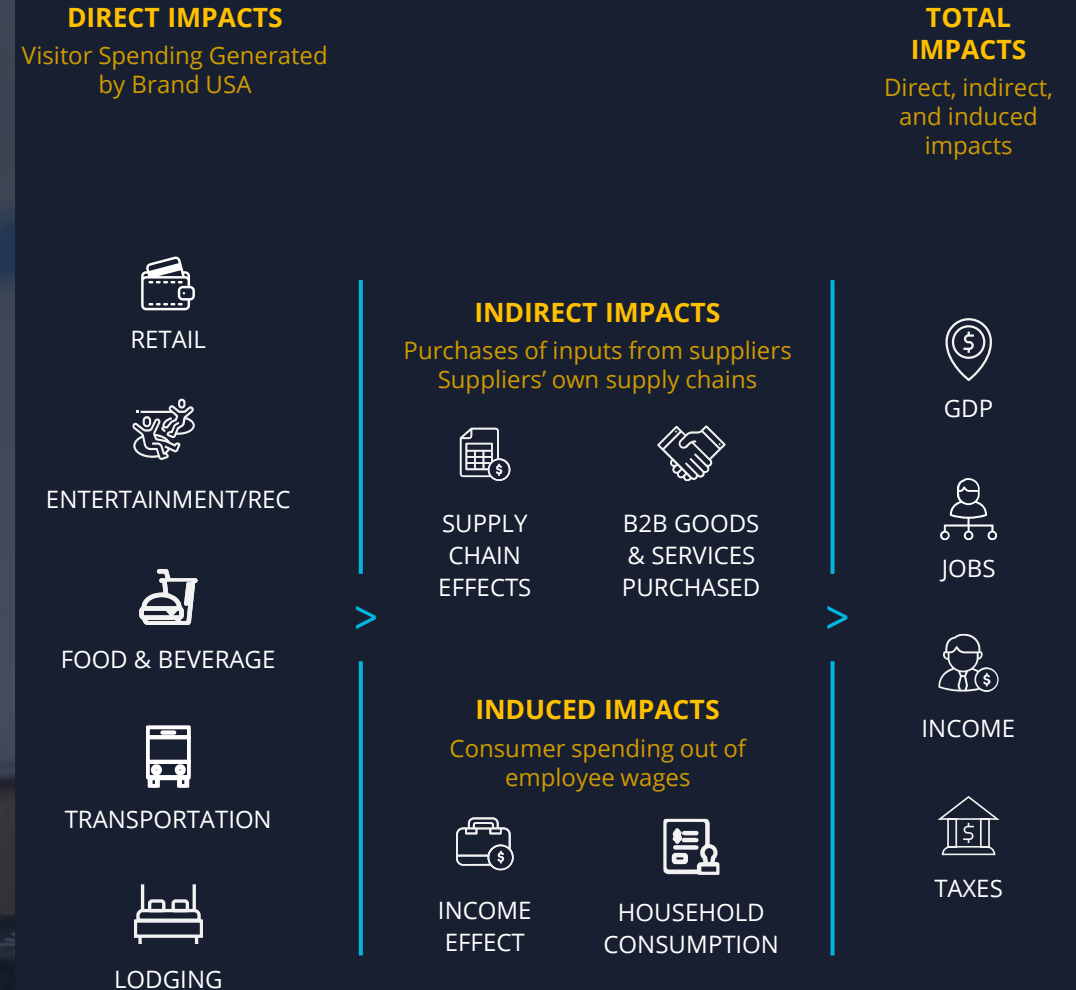
IMPACT ANALYSIS

To determine the total economic impact of Brand USA activities, the ripple effects of visitor spending are analyzed using an IMPLAN model of the US economy based on Bureau of Economic Analysis input-output tables. This process calculates three distinct types of impact: direct, indirect, and induced.

The impacts on business sales (economic output), GDP, jobs, personal income, and taxes are calculated for all three levels of impact.

1. **Direct Impacts:** Visitors create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
2. **Indirect Impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.
3. **Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated wither directly or indirectly by visitors, spend those wages in the local economy.

Economic Impact Model



ECONOMIC IMPACT SUMMARY

Brand USA Economic Impacts

FY2022

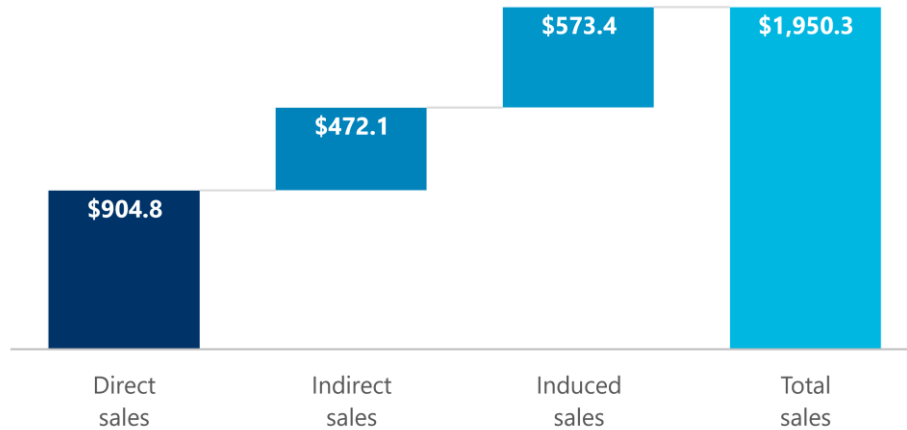
Impact Measure	Direct	Indirect	Induced	Total
Total sales (\$ million)	\$ 905	\$ 472	\$ 573	\$ 1,950
Value added (\$ million)	\$ 425	\$ 254	\$ 321	\$ 1,000
Income (\$ million)	\$ 233	\$ 149	\$ 180	\$ 563
Jobs	6,302	2,354	3,476	12,132

Including direct, indirect, and induced impacts, Brand USA generated \$1.9 billion in US economic output.

Economic activity generated by Brand USA sustained 12,132 jobs earning \$563 million in personal income.

Brand USA generated value added (GDP) in the US economy of \$1.0 billion.

Total Sales Impacts



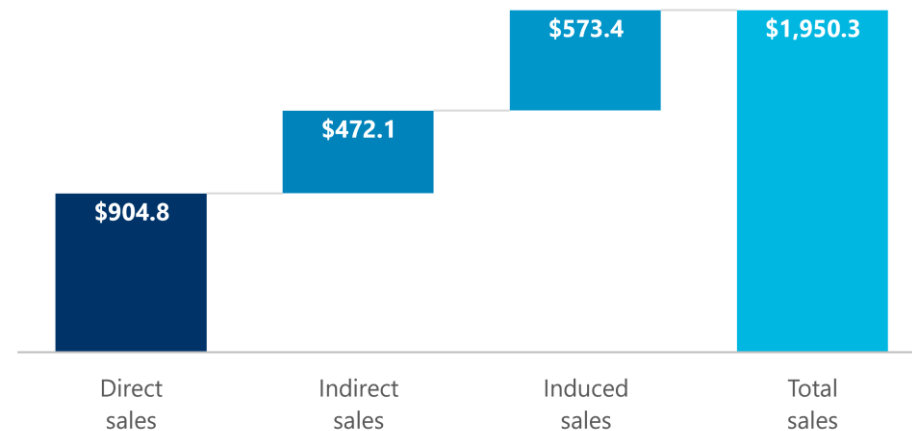
BUSINESS SALES IMPACTS

Including direct, indirect, and induced impacts, Brand USA generated \$1.9 billion in US economic output.

The finance, insurance, and real estate sector (FIRE) is a beneficiary of international visitor spending as a supplier to tourism industries and to employees who earn income through visitor spending with an economic impact of \$240 million.

Similarly, the manufacturing sector realized a benefit of \$186 million in economic output as a result of Brand USA marketing.

Brand USA Business Sales Impacts FY2022



Brand USA Business Sales Impacts by Industry FY2022

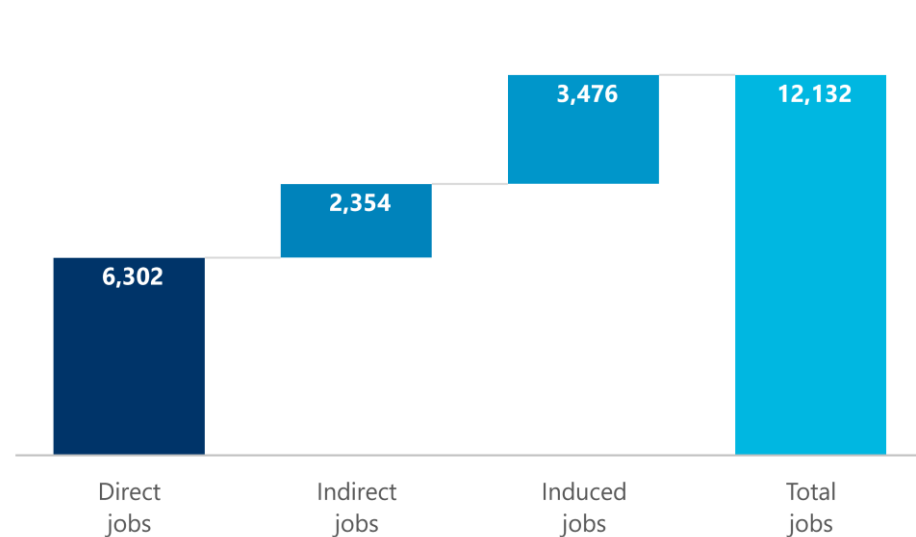
Amounts in millions of current dollars	Direct sales	Indirect sales	Induced sales	Total sales
Total, all industries	\$905	\$472	\$573	\$1,950
By industry				
Retail trade	\$225	\$4	\$33	\$262
Finance, insurance and real estate	\$1	\$93	\$147	\$240
Air transport	\$206	\$2	\$4	\$212
Lodging	\$206	\$2	\$5	\$212
Manufacturing		\$96	\$89	\$186
Food & beverage	\$147	\$9	\$29	\$185
Business services	\$3	\$94	\$52	\$149
Recreation and entertainment	\$105	\$7	\$9	\$121
Education and health care		\$0	\$70	\$70
Other transport	\$8	\$42	\$15	\$65
Communications		\$32	\$32	\$64
Construction and utilities		\$28	\$20	\$48
Wholesale trade		\$19	\$25	\$44
Agriculture, fishing, mining		\$22	\$12	\$35
Personal services		\$7	\$20	\$27
Government		\$13	\$10	\$23
Gasoline stations	\$3	\$0	\$2	\$5

EMPLOYMENT IMPACTS

Including direct, indirect, and induced impacts, Brand USA FY2022 activities sustained 12,132 jobs. This includes a combination of new jobs and existing jobs with 6,302 directly in the travel industry and another 5,830 in supporting industries.

In addition to travel-related sectors, significant employment impacts accrue in the business services (1,184 jobs) and finance, insurance, and real estate (787 jobs) as international visitor spending ripples through the US economy.

Brand USA Employment Impacts
FY2022



Brand USA Employment Impacts by Industry
FY2022

Amounts in number of jobs	Direct jobs	Indirect jobs	Induced jobs	Total jobs
Total, all industries	6,302	2,354	3,476	12,132
By industry				
Food & beverage	1,881	171	447	2,499
Lodging	1,742	13	41	1,796
Retail trade	1,216	51	362	1,629
Business services	16	729	439	1,184
Recreation and entertainment	904	99	105	1,108
Finance, insurance and real estate	5	375	406	787
Education and health care		10	715	724
Air transport	482	5	9	496
Other transport	51	270	108	428
Personal services		69	321	390
Manufacturing		163	166	329
Agriculture, fishing, mining		110	81	191
Wholesale trade		79	101	180
Communications		71	59	129
Construction and utilities		68	51	119
Government		66	41	107
Gasoline stations	7	4	24	35

TAX IMPACTS

Incremental visitor spending generated by Brand USA activities yielded \$261 million in government revenues in FY2022 including federal taxes of \$140 million and state and local taxes of \$120.4 million.

Federal tax impacts exceeded Brand USA's FY2022 budget by 58%.

Brand USA Employment Tax Impacts

FY2022

Amounts in millions of nominal dollars	Direct	Indirect/ Induced	Total
Total	\$131.3	\$129.2	\$260.6
Federal	\$60.6	\$79.6	\$140.2
Personal income	\$18.9	\$26.8	\$45.7
Corporate	\$8.0	\$13.3	\$21.4
Indirect business	\$7.8	\$4.7	\$12.5
Social insurance	\$25.9	\$34.7	\$60.6
State and local	\$70.8	\$49.6	\$120.4
Sales	\$30.5	\$18.5	\$49.0
Personal income	\$4.7	\$6.7	\$11.4
Corporate	\$1.3	\$2.1	\$3.3
Social insurance	\$0.4	\$0.6	\$1.0
Excise and fees	\$6.6	\$5.2	\$11.8
Property	\$27.3	\$16.6	\$44.0

HISTORIC AND CUMULATIVE IMPACTS

Brand USA ROI

FY2013-FY2022

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Average	Total
Spending ROI (per \$ spent)	\$ 34.36	\$ 17.75	\$ 19.25	\$ 27.70	\$ 26.13	\$ 28.47	\$ 20.93	\$ 6.42	\$ 1.05	\$ 10.20	\$ 21.33	
Federal Tax ROI (per \$ spent)	\$ 5.17	\$ 2.67	\$ 2.90	\$ 4.17	\$ 3.94	\$ 4.29	\$ 3.24	\$ 1.00	\$ 0.16	\$ 1.58	\$ 3.23	
Brand USA budget (mn)	\$ 99	\$ 173	\$ 158	\$ 147	\$ 156	\$ 144	\$ 151	\$ 87	\$ 35	\$ 89	\$ 124	\$ 1,239
Spending impact (mn)	\$ 3,402	\$ 3,070	\$ 3,036	\$ 4,084	\$ 4,064	\$ 4,100	\$ 3,171	\$ 560	\$ 37	\$ 905	\$ 2,643	\$ 26,429
Federal tax impact (mn)	\$ 512	\$ 462	\$ 457	\$ 615	\$ 612	\$ 618	\$ 491	\$ 87	\$ 6	\$ 140	\$ 400	\$ 4,001
Visits impact	1,143,186	903,440	1,025,183	1,193,893	1,158,645	1,127,976	900,784	215,840	15,055	327,977	801,198	8,011,980
Marketing Budget (mn)	\$ 73	\$ 161	\$ 143	\$ 133	\$ 141	\$ 129	\$ 135	\$ 73	\$ 21	\$ 81	\$ 109	\$ 1,088
Spend ROI (per \$ marketing)	\$ 46.77	\$ 19.11	\$ 21.20	\$ 30.71	\$ 28.90	\$ 31.76	\$ 23.56	\$ 7.72	\$ 1.78	\$ 11.18	\$ 24.29	
State & local taxes (mn)	\$ 460	\$ 415	\$ 411	\$ 552	\$ 550	\$ 555	\$ 422	\$ 75	\$ 5	\$ 120	\$ 357	\$ 3,565
Total tax impact (mn)	\$ 973	\$ 878	\$ 868	\$ 1,168	\$ 1,162	\$ 1,172	\$ 913	\$ 161	\$ 11	\$ 261	\$ 757	\$ 7,566
Total economic impact (mn)	\$ 7,395	\$ 7,064	\$ 6,600	\$ 8,878	\$ 8,834	\$ 8,914	\$ 6,836	\$ 1,208	\$ 79	\$ 1,950	\$ 5,776	\$ 57,758
Total jobs supported	53,181	46,510	44,533	59,463	54,212	52,305	42,524	7,514	491	12,132	37,287	

Source: Tourism Economics

Over the last ten years, Brand USA has generated \$26.4 billion in international visitor spending with an implicit ROI of \$21.33 in visitor spending and \$3.23 in Federal tax receipts per budget dollar invested.

4 Market Performance

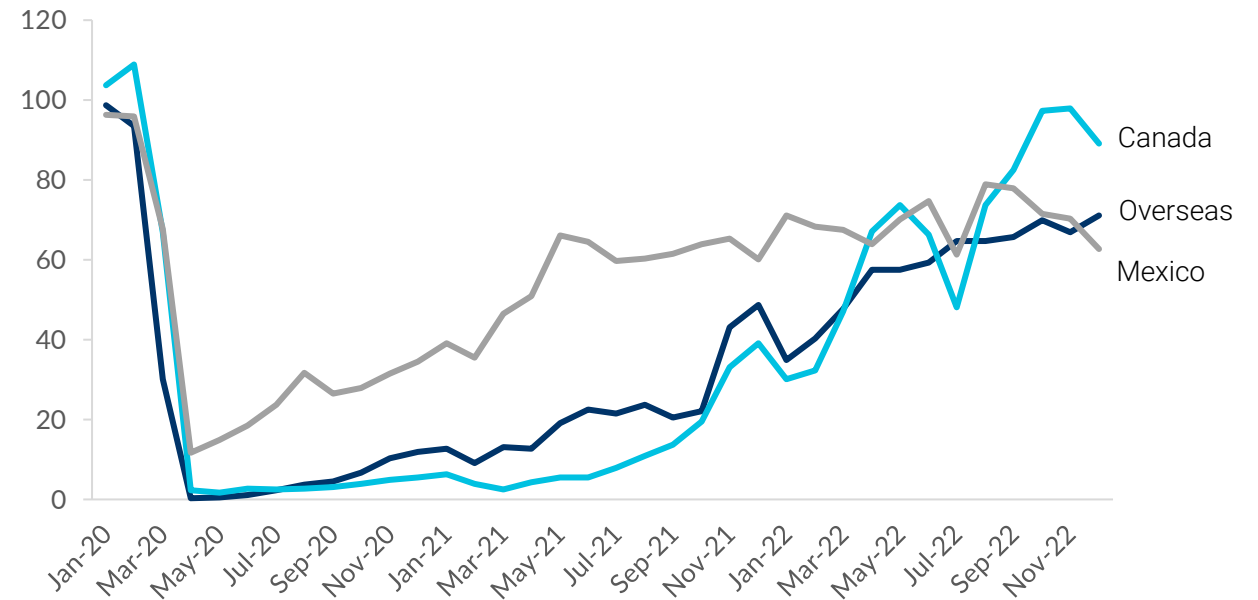
US INBOUND TRAVEL TRENDS

The international travel recovery gathered force over the course of 2022. While the beginning of the year was severely hampered by the pandemic, visits from Canada and overseas markets gained traction as the year went on.

Mexico, which experienced an earlier start to the recovery, plateaued over the course of the year and finished 32% below 2019 visitor volumes for the year 2022.

International arrivals to US

Index, same month 2019=100



Source: National Travel & Tourism Office

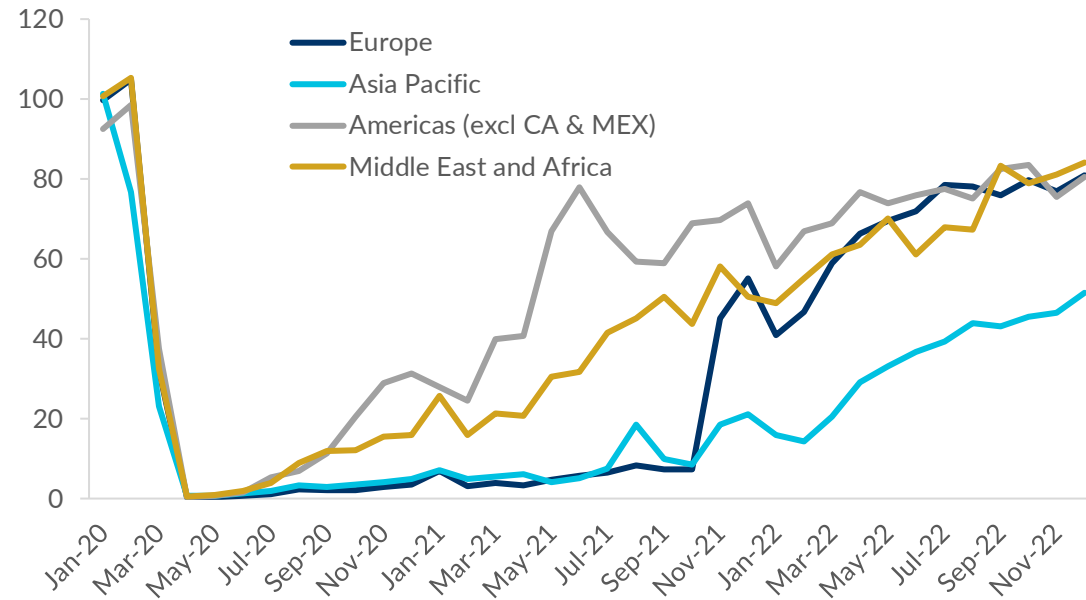
US INBOUND TRAVEL TRENDS

Among overseas markets, Latin America showed early signs of strength in 2022. Europe and the Middle East and Africa accelerated through the year, finishing near 80% of 2019 levels in December.

Asia Pacific, weighed down by China, Japan, and South Korea, struggled to reach 50% of 2019 levels by the end of the year.

International arrivals to US

Index, same month 2019=100

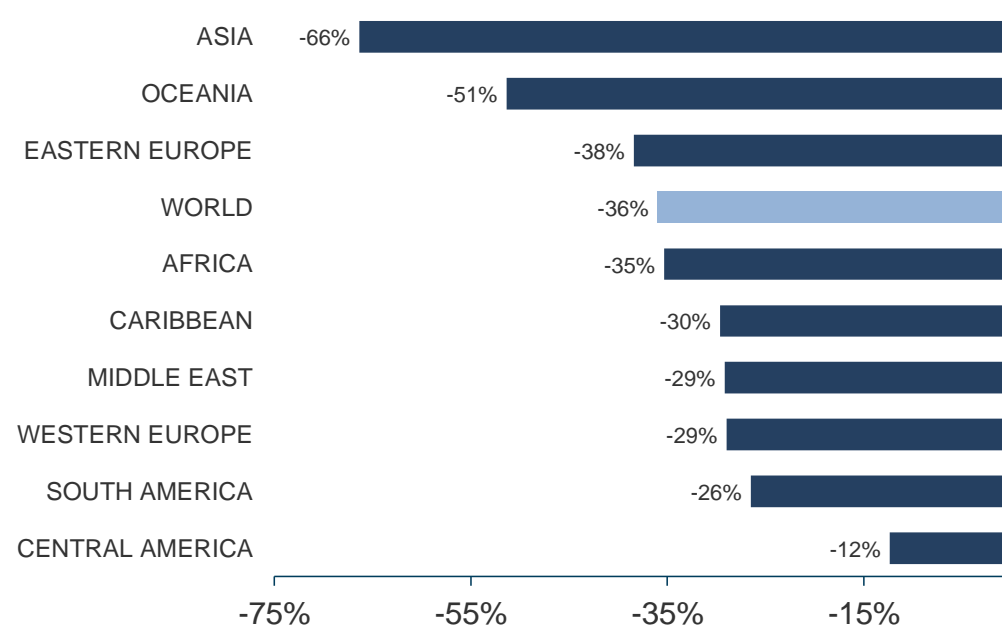


Source: National Travel & Tourism Office

US INBOUND TRAVEL RECOVERY IN 2022

International arrivals to US in 2022

% change vs 2019

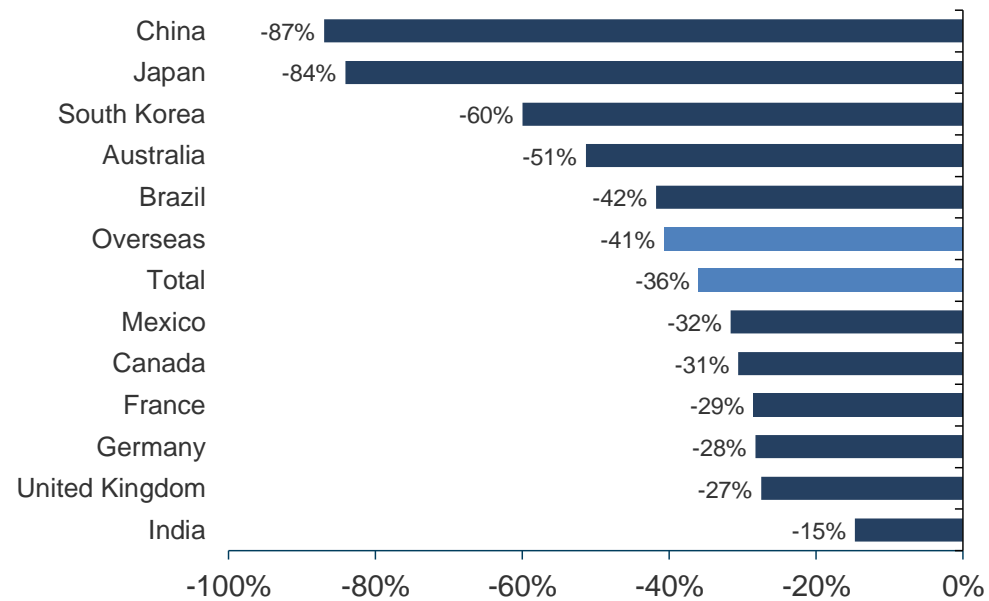


Source: National Travel & Tourism Office

US INBOUND TRAVEL RECOVERY IN 2022

International arrivals to US in 2022

% change vs 2019



Source: National Travel & Tourism Office

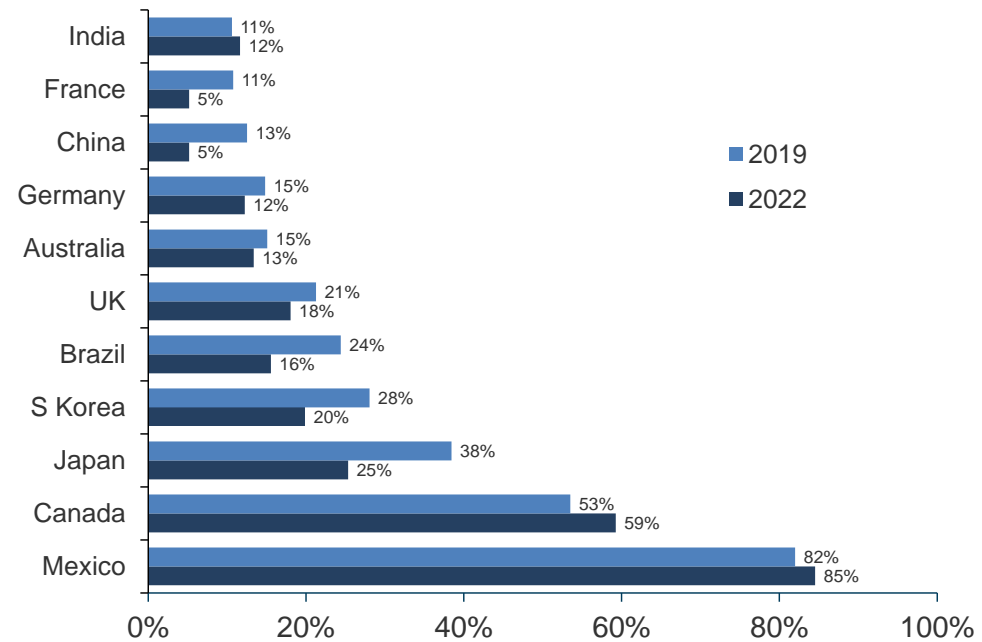
US MARKET SHARE

Between 2019 and 2022, the US experienced significant market share shifts as the pandemic skewed travel patterns around the world.

The US lost significant shares of outbound travel from most overseas markets while it gained share from the Canadian and Mexican markets as international travel became more regionalized at the expense of long-haul travel.

US market share of outbound travel*

2019 and 2022



Source: Tourism Economics

* Share calculation is based on long-haul travel for outside of home region except for Canada and Mexico, which include total outbound as the denominator.

US MARKET SHARE CHANGES

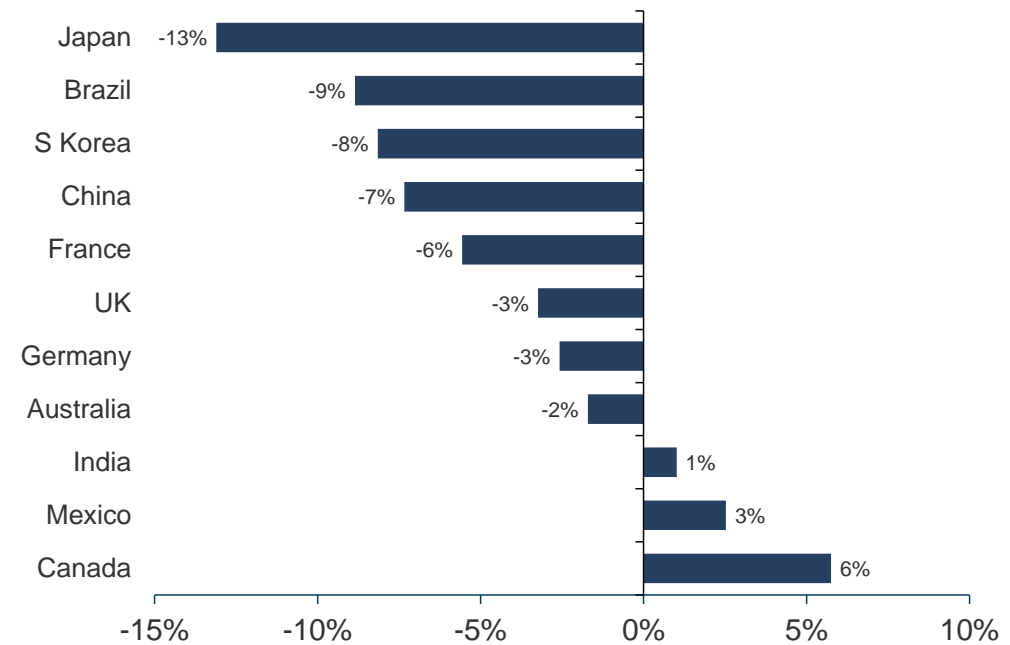
The US lost 13 percentage points of market share from Japan, by far the largest drop over the past three years.

Brazil, South Korea, and China all traveled to other long-haul destinations to a significant degree in 2022 compared to 2019.

Among overseas markets, the US only gained share from India.

US market share change*

Gain / Loss in percentage points between 2019 and 2022



Source: Tourism Economics

* Measured as the difference between 2022 and 2019 market share. Share calculation is based on long-haul travel for outside of home region except for Canada and Mexico, which include total outbound as the denominator.

About Tourism Economics and Oxford Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 600 full-time staff, including 400 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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