



The Contribution of the North American Cruise Industry to the U.S. Economy in 2011



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Executive Summary

After a strong rebound in 2010 from the recessionary impacts of 2009, the North American cruise industry continued to expand in 2011 at a pace that matched the growth for key operating metrics in 2010. The continuing expansion allowed the industry to reach new highs for capacity and passenger carryings. While the industry's capacity growth remained concentrated in Europe where deployed lower berths increased by 18 percent, within North America the deployed capacity increased by 5.4 percent led by Bermuda (36 percent), Hawaii (32 percent) and Alaska (19 percent).

The North American cruise industry was able to maintain its strong expansion of 2011 even as economic growth was slowing in the U.S., the primary source market of the North American cruise industry. The growth in real GDP in the U.S. slowed from 3.0 percent in 2010 to 1.7 percent in 2011. Throughout the first half of 2011, growth averaged less than 1 percent before increasing to approximately 2.5 percent during the second half of the year. Real consumer expenditures grew at the same pace as real GDP but the growth was slightly more uniform throughout year. The growth in spending for leisure services, such as transportation, recreation, food and accommodations was only slightly stronger during 2011, increasing by 2.9 percent. Thus, the cruise industry and the entire travel and tourism sector were operating in an economic environment in which overall growth was slowing and one in which consumer spending was faring only slightly better..

While the growth in the cruise industry's capacity slowed during 2011, global passenger carryings continued to match the nearly 10 percent growth experienced during 2010. The moderation in capacity growth during 2011 was primarily the result of the introduction of both fewer and smaller cruise ships. There were no 5,400-passenger ships introduced during 2011 as in the two previous years, or even, a 4,000-passenger ship. In fact the largest ship introduced during 2011 was the 3,650-passenger *Carnival Magic*. Thus, the average size of a new ship dropped from 3,050 in 2010 to 2,285 in 2011. On a net basis, the North American fleet added four ships, five fewer than in 2010, with a combined capacity of just over 12,597 lower berths. As a result, the ocean-going fleet of the North American cruise industry grew to 180 vessels and the lower berth capacity of the industry increased by 4.1 percent to 320,304 lower berths. This is about half the rate of growth experienced during 2010. The additions

included the *Carnival Magic* (3,650 pax); Celebrity's *Silhouette* (2,850); the *Costa Favolosa* (3,012); the *Disney Dream* (2,500); Oceania's *Marina* (1,250); and Seabourn's *Quest* (450) while the removals included Celebrity's *Mercury* (1,650) and Princess' *Royal Princess* (710).

As indicated in **Table ES-1**, the net increase in ships and lower berths resulted in an 8.5 percent increase in the number of available bed days in 2011. The stronger growth in bed days relative to lower berths was due to the continuing increase in the average size of a cruise ship which rose from 1,474 lower berths in 2010 to 1,780 in 2011.

Table ES-1 – Global Summary Statistics for the North American Cruise Industry, 2008 - 2011

	2008	2009	2010	2011	Average Annual Growth			
					2008	2009	2010	2011
Capacity Measures								
Number of Ships [ⓐ]	161	167	176	180	1.3%	3.7%	5.4%	2.3%
Lower Berths [ⓐ]	270,664	284,754	307,707	320,304	4.1%	5.2%	8.1%	4.1%
Available Bed Days (Millions) [ⓐ]	89.96	93.41	104.36	113.27	6.1%	3.8%	11.7%	8.5%
Global Passengers								
Global Passengers (Millions)	12.83	13.44	14.82	16.32	2.1%	4.8%	10.3%	10.1%
Global Passenger Bed Days (Millions) [ⓐ]	93.75	97.67	107.64	115.89	4.8%	4.2%	10.2%	7.7%
Capacity Utilization (Bed Days)	104.2%	104.6%	103.1%	102.3%				

ⓐ Number of ships and lower berths are for CLIA ocean-going vessels only.

ⓑ Bed day figures are for CLIA member lines only.

Source: Business Research & Economic Advisors and Cruise Lines International Association.

Even with the moderating growth in consumer spending and cruise industry capacity, the industry was able to increase passenger carryings by 10.1 percent to 16.3 million. This increase is the net result of the decline in the average length of a cruise to 7.1 days from 7.26 days in 2010 and the decline in capacity utilization from 103.1 percent in 2010 to 102.3 percent in 2011. With the average length of a cruise and capacity utilization falling, purchased global passenger bed days¹ increased at a slower rate than passenger carryings, 7.7 percent versus 10.1 percent.

While continuing to increase, the rate of growth in cruise passenger embarkations at U.S. ports slowed during 2011. U.S. embarkations increased by 1.4 percent in 2011 and rose to 9.8 million, a new high for U.S. ports. The growth in embarkations at U.S. ports lagged behind global passenger growth for two primary reasons. First, the cruise industry continued its expansion in Europe, including the Mediterranean, with deployed capacity in Europe

¹ Passenger bed days are the number of days that all berths were occupied during the calendar year. For example, a single passenger on a 7-day cruise represents one passenger carrying and seven passenger bed days.

increasing by 11 percent. Second, deployed capacity contracted by 24 percent in the Mexico West and by 9 percent in the Transcanal markets having a significant negative impact on California ports. As a result, the United States embarkations continued to experience a decline in its share of global cruise passengers from 65 percent in 2010 to 60 percent in 2011 (see **Table ES-2**).

U.S.-resident cruise passengers increased by 3.5 percent in 2011 and reached 10.4 million. The growth of U.S. resident cruise passengers had been steadily declining for 5 years and finally turned negative during 2008. Since 2008, the number of U.S.-resident cruise passengers has increased at an average annual rate of 4.8 percent.

Table ES-2 – Operating Statistics of the North American Cruise Industry in the United States, 2008 – 2011

					Annual Percent Change			
	2008	2009	2010	2011	2008	2009	2010	2011
Carryings (Millions)								
Global Passengers	13.05	13.44	14.82	16.32	3.9%	3.0%	10.3%	10.1%
Passengers Residing in the U.S.	9.29	9.43	10.02	10.37	-1.7%	1.5%	6.3%	3.5%
U.S. Embarkations	8.96	8.90	9.69	9.83	-2.4%	-0.7%	8.9%	1.4%
Industry Spending in U.S. (\$ Billions)	\$ 17.80	\$ 15.98	\$ 16.82	\$ 17.59	2.5%	-10.2%	5.2%	4.6%
Cruise Lines	\$ 14.40	\$ 12.67	\$ 13.40	\$ 14.07	4.8%	-12.0%	5.8%	5.0%
Goods and Services	\$ 12.37	\$ 11.06	\$ 11.54	\$ 12.15	4.5%	-10.6%	4.4%	5.3%
Capital Expenditures (incl. net interest)	\$ 2.03	\$ 1.61	\$ 1.86	\$ 1.92	6.6%	-20.6%	15.4%	3.4%
Passengers and Crew	\$ 3.40	\$ 3.31	\$ 3.41	\$ 3.52	-6.3%	-2.7%	3.1%	3.2%
Wages & Taxes Paid by Cruise Lines	\$ 1.27	\$ 1.17	\$ 1.20	\$ 1.29	-4.5%	-8.2%	2.6%	7.9%
Total U.S.-based Spending	\$ 19.07	\$ 17.15	\$ 18.01	\$ 18.88	2.1%	-10.1%	5.0%	4.8%

Source: Business Research & Economic Advisors and Cruise Lines International Association

Similarly, the growth in spending by the industry and its passengers in the United States also increased, rising by 4.8 percent to \$18.9 billion in 2011. Even with two successive years of gains in cruise industry spending in the U.S., total spending is still one percent below the 2008 peak of \$19.1 billion. The \$15.4 billion in expenditures by the cruise lines for wages, taxes and goods and services accounted for 81 percent of the direct spending and was a 5.2 percent increase from 2010. Cruise lines' direct expenditures for goods and services (including capital equipment) increased by 5.0 percent while payments for wages and taxes made by the cruise lines in the United States increased by 7.9 percent.

The \$3.5 billion in passenger and crew spending for transportation, accommodations, food and other retail goods accounted for the remaining 19 percent and increased by 3.2 percent from 2010. This was the second consecutive year in which spending by passengers and crew at U.S. ports increased following two consecutive years in which it declined. Spending by embarking passengers rose by nearly 5.8 percent, expenditures made by intransit passengers

increased by 7.2 percent and crew spending increased by 1.7 percent. The strong growth in spending by intransit passengers is the result of the rebound in cruise calls in Hawaii and Alaska.

The major characteristics of the cruise industry's activity during 2011 are as follows:

- By year-end 2011, the cruise industry's ocean-going fleet showed a net increase of four vessels to 180 ships with a combined capacity of 320,304 lower berths (see Table ES-1).
- During 2011, the industry carried an estimated 16.3 million passengers on cruises around the globe. This represented a 10.1 percent increase from the previous year.
- Data published by Cruise Lines International Association (CLIA) shows that an estimated 10.4 million U.S. residents took cruise vacations throughout the world and accounted for 64 percent of the industry's global passengers.
- An estimated 9.8 million cruise passengers embarked on their cruises at U.S. ports during 2011, accounting for 60 percent of the CLIA member cruise lines' global embarkations and represented a 1.4 percent increase from 2010. Florida, whose ports handled approximately 5.9 million embarkations, accounted for 60 percent of all U.S. cruise embarkations, the same share as in 2010.
- The cruise lines and their passengers and crew directly spent \$18.9 billion on goods and services in the United States, a 4.8 percent increase from 2010. The cruise lines spent \$15.4 billion while passengers and crew spent \$3.5 billion.

The Contribution of the North American Cruise Industry to the U.S. Economy

As discussed above, 2011 was a year in which the North American cruise industry continued its expansion after a significant downturn in 2009. As indicated in **Table ES-3**, passenger embarkations at U.S. ports increased by 1.4 percent in 2011 to 9.8 million. This is a new high for passenger embarkations at U.S. ports. The rate of growth in U.S. embarkations had been steadily declining since 2004 and this was the second year in a row that U.S. embarkations increased after two successive years of decline. The decline in the growth of embarkations in the U.S. had also resulted in a reduction in the rate of growth in passenger and cruise line spending. After increasing by 9.0 percent in 2006, the growth in direct cruise industry expenditures in the U.S. slowed to 6.0 percent in 2007 and 2.1 percent in 2008 and then declined by 10.1 percent in 2009. The 4.8 percent growth in direct cruise industry expenditures in the United States during 2011 almost matched the 5.0 percent increase in 2010.

Table ES-3 – Economic Contribution of the North American Cruise Industry, 2008 - 2011

	2008	2009	2010	2011	Average Annual Growth			
					2008	2009	2010	2011
U.S. Passenger Embarkations (Millions)	8.96	8.90	9.69	9.83	-2.4%	-0.7%	8.9%	1.4%
Direct Economic Impacts								
Direct Cruise Industry Expenditures (\$ Billions)*	\$ 19.07	\$ 17.15	\$ 18.01	\$ 18.88	2.1%	-10.1%	5.0%	4.8%
Employment	155,020	134,494	140,359	145,835	-2.1%	-13.2%	4.4%	3.9%
Wages and Salaries (\$ Billions)	\$ 6.14	\$ 5.48	\$ 5.84	\$ 6.22	2.2%	-10.8%	6.5%	6.6%
Total Economic Impacts								
Total Output (\$ Billions)	\$ 40.24	\$ 35.11	\$ 37.85	\$ 40.42	5.9%	-12.8%	7.8%	6.8%
Employment	357,710	313,998	329,943	347,787	0.9%	-12.2%	5.1%	5.4%
Wages and Salaries (\$ Billions)	\$ 16.18	\$ 14.23	\$ 15.24	\$ 16.50	4.8%	-12.0%	7.0%	8.3%

* Includes wages and salaries paid to U.S. employees of the cruise lines

Source: Business Research & Economic Advisors and Cruise Lines International Association

The expenditures by the cruise lines and their passengers and crew generated employment, income and other economic benefits throughout the U.S. economy. These economic benefits of the North American cruise industry arise from five principal sources:

- spending by cruise passengers and crew for goods and services associated with their cruise, including travel between their places of residence and the ports of embarkation and pre- and post-cruise vacation spending;
- the shoreside staffing by the cruise lines for their headquarters, marketing and tour operations;

- expenditures by the cruise lines for goods and services necessary for cruise operations, including food and beverages, fuel, hotel supplies and equipment, navigation and communication equipment and so forth;
- spending by the cruise lines for port services at U.S. ports-of-embarkation and ports-of-call; and
- expenditures by cruise lines for the maintenance and repair of vessels at U.S. shipyards, as well as capital expenditures for port terminals, office facilities and other capital equipment.

The total contribution of the cruise industry to the U.S. economy is the sum of the direct, indirect and induced economic impacts. The direct impacts consist of the expenditures made by the cruise lines and their crew and passengers during the course of providing or taking cruises. These include cruise line expenditures for headquarters operations, food and beverages provided onboard cruise ships and business services such as advertising and marketing. Additionally, cruise passengers and crew purchase a variety of goods and services including clothing, shore excursions and lodging as part of their cruise vacation or as part of a pre- or post-cruise stay. These types of expenditures are included in the direct cruise industry expenditures.

The expenditures of cruise line vendors and those businesses that provide the goods and services to passengers and crew generate the indirect impacts. For example, food processors must purchase raw foodstuffs for processing; utility services, such as electricity and water, to run equipment and process raw materials; transportation services to deliver finished products to the cruise lines or wholesalers; and insurance for property and employees. Thus, the indirect impacts primarily affect providers of business goods and services.

Finally, the employees of the directly and indirectly impacted businesses purchase a variety of consumer goods such as housing, personal services, insurance, food and transportation to name just a few. This spending generates the induced economic impacts which occur primarily among providers of consumer goods and services.

The major economic impacts of the cruise industry in the United States during 2011 as shown in **Tables ES-3** and **ES-4** were as follows:

- Cruise passenger embarkations at U.S. ports increased by 1.4 percent during 2011 and totaled 9.8 million.

Table ES-4 – Direct Economic Contribution of the North American Cruise Industry in 2011

Sector	Direct Spending \$ Millions	Employment	Wage Income \$ Millions
Core Cruise Travel Sector	\$ 9,450	103,485	\$ 3,983
Passenger & Crew Spending	\$ 1,652	21,145	\$ 496
Port Services & Cruise Lines	\$ 3,188	46,897	\$ 1,955
Transportation Services	\$ 2,670	24,470	\$ 1,024
Air Transportation	\$ 1,940	10,975	\$ 508
Cruise Industry Suppliers	\$ 9,426	42,349	\$ 2,239
Agriculture, Mining, Utilities & Construction	\$ 52	230	\$ 7
Manufacturing	\$ 4,828	12,117	\$ 745
Food & Beverages	\$ 941	2,019	\$ 89
Apparel & Textiles	\$ 143	908	\$ 37
Chemicals & Plastics	\$ 271	365	\$ 30
Petroleum Refining	\$ 1,475	156	\$ 19
Fabricated Metal Products	\$ 205	862	\$ 51
Industrial Machinery	\$ 397	1,245	\$ 73
Ship Maintenance & Repair	\$ 714	2,184	\$ 154
Computers & Electronic Equipment	\$ 270	833	\$ 78
Other Manufacturing	\$ 413	3,545	\$ 213
Wholesale Trade	\$ 587	3,046	\$ 182
Other Transportation Services	\$ 21	38	\$ 4
Information Services	\$ 259	537	\$ 40
Finance, Insurance, Real Estate & Leasing	\$ 1,018	2,992	\$ 229
Services & Government (ex. Lodging & Travel Services)	\$ 2,661	23,388	\$ 1,031
Professional, Scientific & Technical Services	\$ 1,458	13,596	\$ 507
Administrative & Waste Management Services	\$ 45	210	\$ 11
Arts, Entertainment & Recreation	\$ 206	1,752	\$ 82
Other Services & Government	\$ 952	7,831	\$ 431
Total - 2011	\$ 18,876	145,835	\$ 6,222
Total - 2010	\$ 18,009	140,359	\$ 5,836
Percentage Change from 2010	4.8%	3.9%	6.6%

Source: Business Research & Economic Advisors.

- The \$18.9 billion in direct spending by the cruise lines and their passengers and crew was a 4.8 percent increase from 2010 and generated 145,835 direct jobs paying \$6.2 billion in wages and salaries.
- The industry spent \$9.45 billion in the core cruise travel sector, primarily transportation services and passenger and crew spending. This was a 3.7 percent increase over 2010. These expenditures generated 103,485 jobs and wage income of \$4.0 billion.
- The cruise lines directly employed an estimated 26,400 U.S. residents as shore-side staff and crew members, and paid them wage income of \$1.1 billion.
- Cruise passengers and crew spent \$1.65 billion in non-transportation expenditures creating an estimated 21,145 jobs in the retail trade, restaurant and lodging industries. These jobs generated nearly \$500 million in wage income.

- Cruise lines spent another \$9.4 billion for goods and services from suppliers in the United States in support of their global cruise operations. This spending created an estimated 42,349 jobs in virtually all industries and generated \$2.2 billion in wage income.
- Including the indirect and induced economic impacts, the spending of the cruise lines and their crew and passengers was responsible for the generation of \$40.4 billion in gross output in the United States, a 6.8 percent increase from 2010. This, in turn, generated 347,787 jobs throughout the country paying a total of \$16.5 billion in wages and salaries (see **Table ES-5**).

These total economic impacts affected virtually every industry in the United States. Over 60 percent of the \$40.4 billion in total gross output and 40 percent of the 347,787 jobs generated by the direct and indirect impacts of the cruise industry affected seven industry groups as follows:

➤ Nondurable Goods Manufacturing	\$5.2 Billion in Output	11,796 Jobs
➤ Professional & Technical Services ²	\$4.8 Billion in Output	40,390 Jobs
➤ Durable Goods Manufacturing	\$4.1 Billion in Output	18,816 Jobs
➤ Travel Services ³	\$3.9 Billion in Output	41,716 Jobs
➤ Financial Services ⁴	\$2.6 Billion in Output	11,518 Jobs
➤ Airline Transportation	\$2.0 Billion in Output	11,367 Jobs
➤ Wholesale Trade	\$2.0 Billion in Output	12,944 Jobs

Table ES-5 –Total Economic Contribution of the North American Cruise Industry in 2011

² Includes such services as legal services, advertising, management consulting, engineering and architectural services and computer consulting services.

³ Includes travel agents, ground transportation services and US-based shore excursions.

⁴ Includes banking, investment and insurance services.

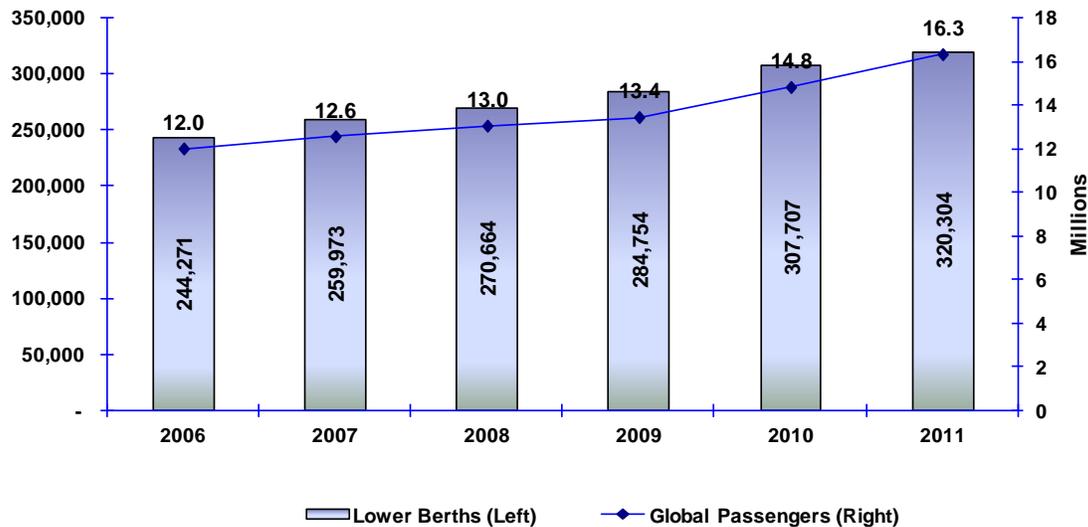
Sector	Industry Output \$ Millions	Employment	Wage Income \$ Millions
Agriculture, Mining, Utilities & Construction	\$ 3,720	6,868	\$ 529
Manufacturing	\$ 9,227	30,612	\$ 1,997
Food & Beverages	\$ 726	2,865	\$ 184
Apparel	\$ 1,019	1,625	\$ 110
Paper and Printing	\$ 296	1,494	\$ 107
Chemicals & Plastics	\$ 426	3,588	\$ 187
Petroleum Refining	\$ 1,022	700	\$ 80
Fabricated Metal Products	\$ 56	3,386	\$ 243
Industrial Machinery	\$ 199	1,418	\$ 209
Transportation Equipment	\$ 1,038	2,226	\$ 236
Computers & Electronic Equipment	\$ 2,374	2,407	\$ 424
Other Manufacturing	\$ 2,071	10,903	\$ 218
Wholesale & Retail Trade	\$ 2,776	34,218	\$ 1,541
Transportation	\$ 6,605	74,588	\$ 3,246
Information Services	\$ 1,063	3,453	\$ 268
Finance, Insurance, Real Estate & Leasing	\$ 3,831	15,778	\$ 1,170
Services & Government	\$ 13,194	182,271	\$ 7,750
Professional, Scientific & Technical Services	\$ 4,420	32,601	\$ 2,132
Administrative & Waste Management Services	\$ 4,267	45,309	\$ 1,435
Accommodations & Food Services	\$ 1,234	36,739	\$ 774
Performing Arts & Amusements	\$ 304	20,740	\$ 451
Other Services & Government	\$ 2,969	46,881	\$ 2,957
Total - 2011	\$ 40,416	347,787	\$ 16,501
Total - 2010	\$ 37,853	329,943	\$ 15,237
Percentage Change from 2010	6.8%	5.4%	8.3%

Source: Business Research & Economic Advisors.

2006 – 2011: Recession and a Cyclical Rebound

In 2006 the fleet of the North American cruise industry stood at 151 vessels with a capacity of 244,271 lower berths. By the end of 2011, the fleet had increased by nearly 20 percent to 180 vessels. Over the same period the capacity increased by 31 percent to 320,304 lower berths (see **Figure ES-1**). The higher growth in capacity reflects the continual increase in the size of new cruise ships. As a result, the average size of a cruise ship increased from 1,617 lower berths in 2006 to 1,782 in 2011. With the increase in capacity passenger carryings also expanded, increasing by 36 percent from 12.0 million in 2006 to 16.3 million in 2011.

Figure ES-1 – Lower Berth Capacity and Passenger Carryings of the N.A. Cruise Industry, 2006 - 2011



Source: CLIA

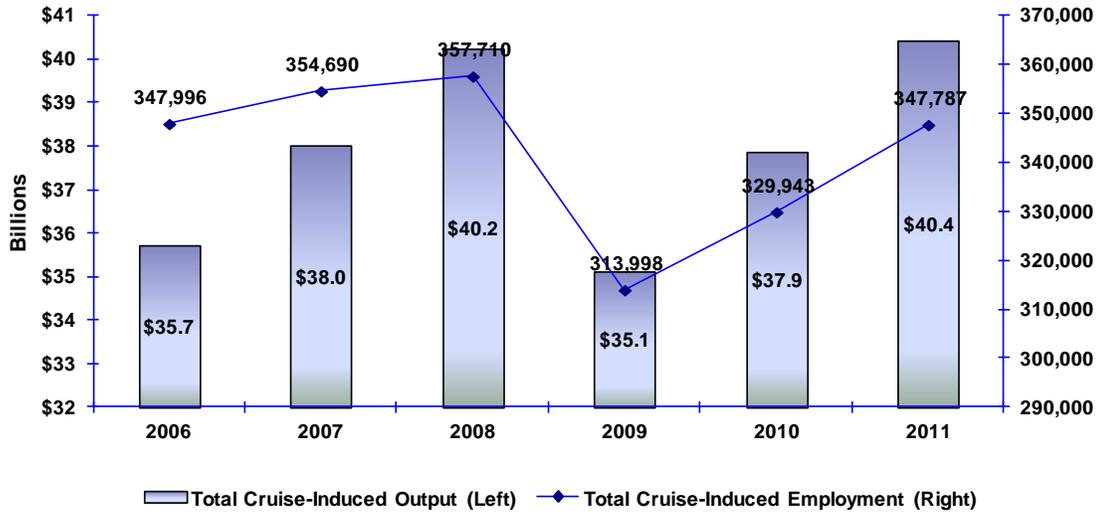
To support its cruises, the industry buys goods and services, such as food and beverages, hotel supplies and equipment to name a few, from businesses throughout the globe. Since the vast majority of the industry's cruises are in North America, purchases from U.S. businesses account for most of these expenditures. In 2006, U.S. businesses received an estimated \$17.6 billion. These expenditures increased by 7.4 percent to \$18.9 billion by 2011.

As the direct expenditures of the North America cruise industry with U.S. businesses has grown over the past five years so has the industry's economic impact on the U.S. economy. As discussed previously, the total economic impacts are the sum of the direct, indirect and induced impacts that result from the direct expenditures. As shown in **Figure ES-2**, the total impact on cruise-induced output in the United States peaked in 2008 at \$40.2 billion. The impact declined by 12.7 percent in 2009 due to the global recession and then partially recovered in 2010. The recovery continued in 2011 and the total output impact increased to \$40.4 billion, just slightly above the 2008 peak. Nonetheless, over the past five years the total output that has resulted from cruise-related spending in the U.S. has increased at an average annual rate of 2.5 percent.⁵ The total employment impact of the cruise industry has also followed the cyclical pattern, increasing from 347,996 jobs in 2006 to 357,710 jobs in 2008 and

⁵ These figures are not adjusted for inflation. Using the implicit deflator for personal consumption of services the average annual growth in inflation-adjusted direct cruise expenditures is 0.5 percent.

then falling to 313,998 jobs in 2009 and then increasing to 347,787 jobs in 2011. Thus, over the five-year period the employment impact has remained virtually unchanged.

Figure ES-2 – Total Economic Impact of the North American Cruise Industry, 2006 - 2011

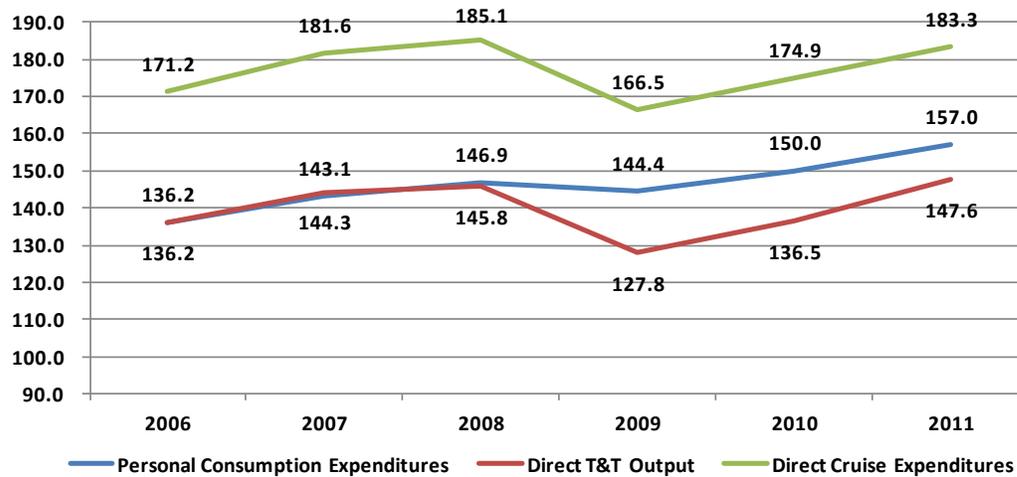


Source: Business Research & Economic Advisors

To put these figures in perspective we have compared the growth in the cruise industry impacts to growth in the overall economy and the travel and tourism (T&T) sector in the United States. As indicated in **Figure ES-3**, from 2000 through 2006, the growth in the cruise industry's direct expenditures exceeded the growth in national personal consumption expenditures and direct output of the T&T sector. From 2000 through 2006, annual direct expenditures of the cruise industry had increased by 71 percent, approximately double the 36 percent increase in annual personal consumption expenditures and the annual direct output of the T&T sector. Over the subsequent five years, the annual direct expenditures of the cruise industry increased by 7 percent versus a 15% increase in personal consumption expenditures and an 8 percent increase in direct T&T expenditures. The slower growth in direct cruise industry expenditures relative to consumer spending over the five-year period is a result of the sharper decline in cruise spending during 2009. In that year cruise industry spending fell by 10 percent while consumer spending only declined by 1.7 percent. While T&T spending fell by 12 percent in 2009, its growth in the last two years has exceeded the growth in direct cruise spending. Following the 2009 recession, cruise spending has in-

creased by 10 percent, almost returning to its 2008 peak. Personal consumption has increased by 9 percent while T&T spending has grown by 15 percent.

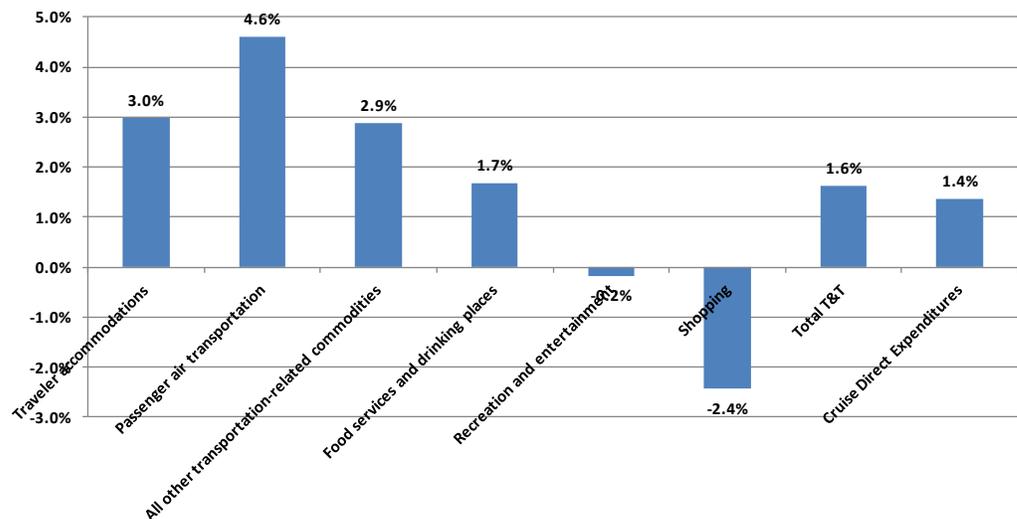
Figure ES-3 – Direct Cruise Industry Expenditures Compared to Other Economic Indicators, 2006-2011, Index 2000 = 100



Source: Business Research & Economic Advisors and the Bureau of Economic Analysis.

Focusing on just the cruise industry and the T&T sector over the past five years, the growth in direct cruise industry expenditures has lagged slightly behind the growth in direct T&T output. As shown in Figure ES-4, the 1.4 percent increase in direct cruise industry expenditures over the five-year period was slightly below the 1.6 percent increase in direct T&T direct tourism output.

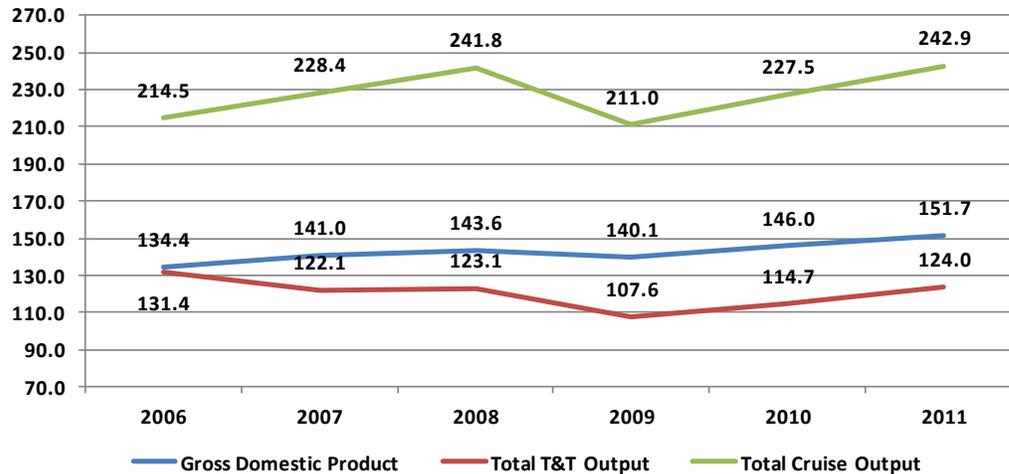
Figure ES-4 – Annual Percentage Change in Components of Travel & Tourism and Direct Cruise Expenditures, 2006 - 2011



Source: Business Research & Economic Advisors and the Bureau of Economic Analysis.

The higher growth in direct T&T output was driven by strong growth in transportation expenditures, especially passenger air transportation, and accommodations. The strong growth in these sectors was partially offset by declines in spending for recreation and entertainment and shopping.

Figure ES-5 – Total Output Impact of the Cruise Industry Compared to Other Economic Indicators, Index 2000 = 100



Source: Business Research & Economic Advisors and the Bureau of Economic Analysis.

As shown in **Figure ES-5**, between 2000 and 2006, total output generated by direct cruise industry expenditures had more than doubled while GDP had only increased by 34 percent and T&T total output by 31 percent. However, since then the growth in total output generated by the cruise industry has increased by 13.2 percent just slightly more than the 12.9 percent increase in GDP but significantly above the 5.6 percent decline in total T&T output. Even though the 12.8 percent decline in the total output impact of the cruise industry in 2009 was higher than the 2.4 percent decline in GDP and the 12.5 percent decline in T&T total output, the cumulative 15.1 percent growth of the cruise industry's total output impact from 2009 through 2011 was still more than 80 percent higher than the two-year growth of GDP and the same as the growth of the T&T sector.

The Contribution of the North American Cruise Industry to Individual State Economies

The economic impact of the North American cruise industry spread into every state economy. Cruise passengers came from every state and the cruise lines made purchases in

support of their operations in just about every state. The principal location factors that influenced the economic impacts by state were:

- cruise lines headquarters and other facilities,
- ports-of-embarkation and ports-of-call,
- place of residence of cruise passengers, and
- place of business of cruise industry vendors.

As discussed above, 9.8 million cruise passengers embarked on their cruises from U.S. ports in 2011. The top fifteen U.S. cruise ports accounted for 91 percent of 2011 embarkations, virtually unchanged from 2010 but 1.6 percentage points lower than 2009 (see **Table ES-6** and **Figure ES-6**).

Florida remains the center of cruising in the United States, accounting for 60 percent of all U.S. embarkations. Passenger embarkations in Florida increased by 2.4 percent in 2011 to 5.9 million. Port Canaveral led the Florida ports with a 15 percent increase, adding 194,000 embarkations in 2011. Tampa experienced a similar rate of growth of 13 percent adding 52,000 embarkations. After two years of strong growth spurred by the addition of the *Allure* and *Oasis of the Seas* in 2009 and 2010, growth at Port Everglades continued but at a slower pace, 2.1 percent. These gains were partially offset by a 7.5 percent drop in embarkations in Miami.

Table ES-6 – U.S. Embarkations by Port, 2008 - 2011

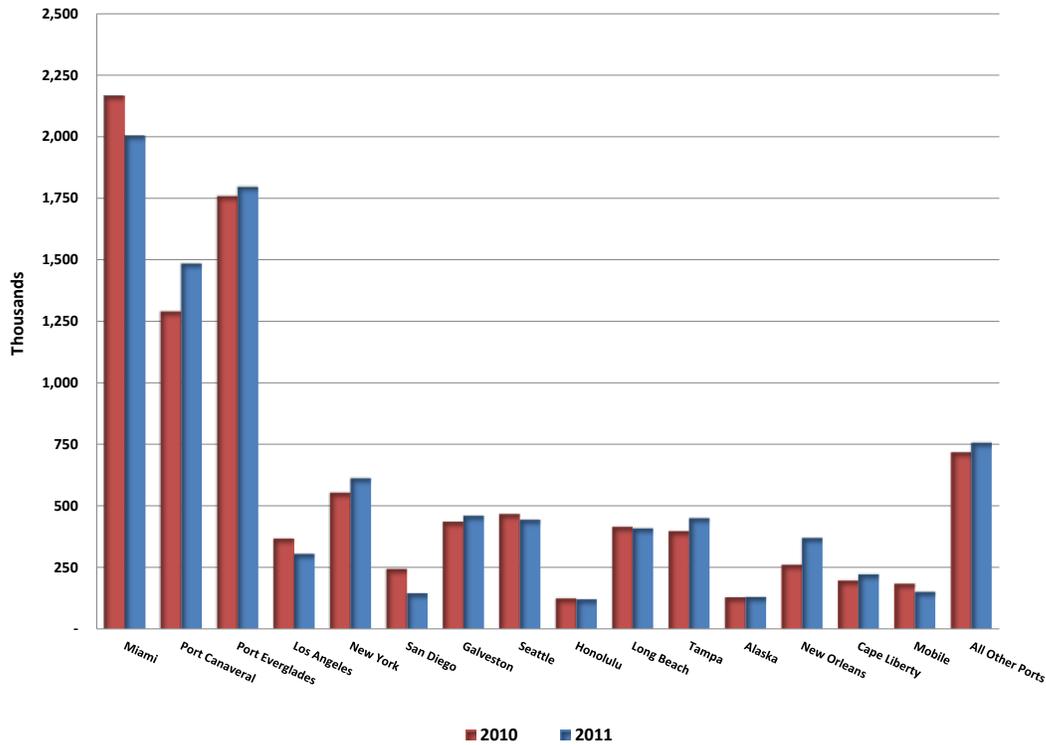
Port	2008	2009	2010	2011	Growth			
					2008	2009	2010	2011
Miami	2,109,000	2,055,000	2,166,000	2,003,000	11.4%	-2.6%	5.4%	-7.5%
Port Canaveral	1,226,000	1,195,000	1,289,000	1,483,000	-5.5%	-2.5%	7.9%	15.1%
Port Everglades	1,293,000	1,422,000	1,758,000	1,795,000	0.3%	10.0%	23.6%	2.1%
Los Angeles	599,000	400,000	366,000	304,000	3.1%	-33.2%	-8.5%	-16.9%
New York	524,000	420,000	553,000	611,000	-2.4%	-19.8%	31.7%	10.5%
San Diego	397,000	401,000	243,000	144,000	16.4%	1.0%	-39.4%	-40.7%
Galveston	377,000	395,000	435,000	459,000	-27.9%	4.8%	10.1%	5.5%
Seattle	443,000	437,000	466,000	443,000	14.8%	-1.4%	6.6%	-4.9%
Honolulu	157,000	121,000	123,000	119,000	-58.9%	-22.9%	1.7%	-3.3%
Long Beach	365,000	412,000	414,000	408,000	-1.4%	12.9%	0.5%	-1.4%
Tampa	382,000	397,000	397,000	449,000	4.1%	3.9%	0.0%	13.1%
Alaska	185,000	181,000	128,000	129,000	-2.1%	-2.2%	-29.3%	0.8%
New Orleans	179,000	235,000	260,000	369,000	-30.6%	31.3%	10.6%	41.9%
Cape Liberty	160,000	156,000	196,000	221,000	15.1%	-2.5%	25.6%	12.8%
Mobile	146,000	132,000	183,000	150,000	12.3%	-9.6%	38.6%	-18.0%
All Other Ports	416,000	545,000	717,000	756,000	-17.0%	31.0%	31.6%	5.4%
United States	8,958,000	8,904,000	9,694,000	9,843,000	-2.5%	-0.6%	8.9%	1.5%
Top 15 Ports	8,396,000	8,227,000	8,794,000	8,937,000	-1.8%	-2.0%	6.9%	1.6%
Share of the U.S.	93.7%	92.4%	90.7%	90.8%				
Florida Ports	5,110,000	5,257,000	5,784,000	5,920,000	2.7%	2.9%	10.0%	2.4%
Share of the U.S.	57.0%	59.0%	59.7%	60.1%				

Source: U.S. Cruise Ports and MARAD, U.S. Department of Transportation

California's ports (Los Angeles, Long Beach, San Diego, and San Francisco) experienced a 15 percent decline in passenger boardings in 2011, the third consecutive year of losses. Boardings fell below one million for the first time since 2003 and totaled 902,000 for the year. This is primarily the result of a continued reduction in the capacity deployed for the Mexico West cruise market which has primarily impacted the ports in San Diego and Los Angeles. However, Long Beach embarkations remained virtually flat, growing by less than one percent, while San Francisco experienced a 12 percent increase after two years of decline as the Alaska market rebounded.

While cruise activity in the remaining states is not as large, there were significant developments among these smaller ports which include the following. New York embarkations at its two cruise terminals in Manhattan and Brooklyn increased by 10.5 percent to 611,000. Total cruise calls at the New York cruise terminals rose by 9 percent to 242. The principal destination markets for New York cruises are Bermuda, Canada/New England, the Caribbean and Transatlantic cruises. In Texas, the Port of Galveston experienced a 5.5 percent increase in passenger embarkations to 459,000. Galveston benefited from the expansion of deployment in the western Caribbean. The Port of Seattle in Washington experienced a 4.9 percent decline in passenger embarkations. The loss was primarily the result of the shift in homeport deployments to Vancouver, BC. Finally, the Port of New Orleans experienced a 42 percent increase in passenger embarkations in 2011 to 369,000. This was the third successive year of increases for the port and set a new record for passenger embarkations at the port, accounting for nearly 4 percent of all U.S. embarkations.

Figure ES-6 – U.S. Embarkations by Port, 2010 and 2011



Source: U.S. Cruise Ports and MARAD, U.S. Department of Transportation

The major economic impacts of the cruise industry by state during 2011 as shown in **Table ES-7** were as follows:

- The economic impacts were concentrated in 10 states. These states accounted for 77 percent of the cruise industry’s direct purchases in the United States, 79 percent of the total employment impact and 80 percent of the income impact.

Table ES-7 – Total Economic Impact of the North American Cruise Industry by State, 2011

State	2011	2010	Direct Purchases (\$ Millions)	Share of the U.S.	Total Employment	Share of the U.S.	Total Income (\$ Millions)	Share of the U.S.	Average Annual Wage (\$1,000)
Florida	1	1	\$ 6,658	35.3%	130,950	37.7%	\$ 5,760	34.9%	\$ 44.0
California	2	2	\$ 1,860	9.9%	42,253	12.1%	\$ 2,295	13.9%	\$ 54.3
New York	3	3	\$ 1,252	6.6%	16,608	4.8%	\$ 944	5.7%	\$ 56.8
Texas	4	4	\$ 1,127	6.0%	17,316	5.0%	\$ 917	5.6%	\$ 53.0
Alaska	5	5	\$ 1,025	5.4%	22,493	6.5%	\$ 962	5.8%	\$ 42.8
Washington	6	6	\$ 707	3.7%	17,900	5.1%	\$ 861	5.2%	\$ 48.1
Georgia	7	7	\$ 608	3.2%	10,510	3.0%	\$ 507	3.1%	\$ 48.3
Illinois	8	9	\$ 488	2.6%	7,143	2.1%	\$ 387	2.3%	\$ 54.2
Massachusetts	9	8	\$ 452	2.4%	7,451	2.1%	\$ 438	2.7%	\$ 58.8
Colorado	10	10	\$ 413	2.2%	2,467	0.7%	\$ 131	0.8%	\$ 53.3
New Jersey	11	12	\$ 390	2.1%	7,317	2.1%	\$ 416	2.5%	\$ 56.9
Hawaii	12	11	\$ 356	1.9%	6,184	1.8%	\$ 201	1.2%	\$ 32.6
Pennsylvania	13	13	\$ 346	1.8%	6,009	1.7%	\$ 294	1.8%	\$ 49.0
Indiana	14	14	\$ 311	1.6%	5,154	1.5%	\$ 257	1.6%	\$ 49.8
Louisiana	15	16	\$ 280	1.5%	5,512	1.6%	\$ 211	1.3%	\$ 38.2
North Carolina	16	15	\$ 222	1.2%	3,425	1.0%	\$ 146	0.9%	\$ 42.6
Arizona	17	17	\$ 218	1.2%	4,090	1.2%	\$ 183	1.1%	\$ 44.7
Michigan	18	18	\$ 209	1.1%	2,825	0.8%	\$ 142	0.9%	\$ 50.4
Maryland	19	19	\$ 177	0.9%	2,665	0.8%	\$ 133	0.8%	\$ 49.9
Ohio	20	20	\$ 164	0.9%	2,806	0.8%	\$ 128	0.8%	\$ 45.5
Connecticut	21	21	\$ 158	0.8%	1,640	0.5%	\$ 109	0.7%	\$ 66.5
Virginia	22	24	\$ 144	0.8%	2,410	0.7%	\$ 124	0.8%	\$ 51.4
Alabama	23	23	\$ 143	0.8%	2,232	0.6%	\$ 85	0.5%	\$ 38.2
Missouri	24	22	\$ 132	0.7%	2,498	0.7%	\$ 117	0.7%	\$ 46.8
Oregon	25	27	\$ 121	0.6%	2,306	0.7%	\$ 96	0.6%	\$ 41.5
South Carolina	26	28	\$ 113	0.6%	2,174	0.6%	\$ 81	0.5%	\$ 37.3
Minnesota	27	25	\$ 101	0.5%	1,659	0.5%	\$ 88	0.5%	\$ 53.2
Nevada	28	26	\$ 97	0.5%	1,240	0.4%	\$ 58	0.3%	\$ 46.5
Tennessee	29	29	\$ 58	0.3%	991	0.3%	\$ 43	0.3%	\$ 43.1
Kentucky	30	30	\$ 53	0.3%	1,141	0.3%	\$ 42	0.3%	\$ 37.0
Kansas	31	31	\$ 46	0.2%	2,040	0.6%	\$ 80	0.5%	\$ 39.2
Wisconsin	32	33	\$ 46	0.2%	736	0.2%	\$ 31	0.2%	\$ 42.5
Maine	33	35	\$ 45	0.2%	795	0.2%	\$ 25	0.2%	\$ 31.7
New Hampshire	34	34	\$ 42	0.2%	445	0.1%	\$ 22	0.1%	\$ 49.8
Dist. of Columbia	35	37	\$ 36	0.2%	220	0.1%	\$ 23	0.1%	\$ 106.0
Utah	36	32	\$ 35	0.2%	731	0.2%	\$ 29	0.2%	\$ 39.6
Iowa	37	38	\$ 33	0.2%	280	0.1%	\$ 11	0.1%	\$ 40.3
Mississippi	38	36	\$ 32	0.2%	390	0.1%	\$ 14	0.1%	\$ 36.8
Oklahoma	39	39	\$ 29	0.2%	503	0.1%	\$ 20	0.1%	\$ 40.5
Delaware	40	40	\$ 27	0.1%	206	0.1%	\$ 10	0.1%	\$ 50.2
Arkansas	41	42	\$ 22	0.1%	349	0.1%	\$ 13	0.1%	\$ 36.2
Nebraska	42	43	\$ 22	0.1%	481	0.1%	\$ 19	0.1%	\$ 40.2
Rhode Island	43	41	\$ 20	0.1%	268	0.1%	\$ 11	0.1%	\$ 40.6
New Mexico	44	44	\$ 16	0.1%	264	0.1%	\$ 10	0.1%	\$ 38.9
Idaho	45	45	\$ 10	0.1%	198	0.1%	\$ 7	0.0%	\$ 34.8
West Virginia	46	46	\$ 9	0.0%	158	0.0%	\$ 5	0.0%	\$ 34.0
Vermont	47	50	\$ 8	0.0%	69	0.0%	\$ 3	0.0%	\$ 39.1
North Dakota	48	47	\$ 6	0.0%	90	0.0%	\$ 3	0.0%	\$ 33.0
South Dakota	49	48	\$ 5	0.0%	68	0.0%	\$ 2	0.0%	\$ 34.0
Montana	50	49	\$ 5	0.0%	86	0.0%	\$ 3	0.0%	\$ 31.7
Wyoming	51	51	\$ 2	0.0%	38	0.0%	\$ 1	0.0%	\$ 35.8
U. S. Total			\$ 18,876		347,787		\$ 16,501		\$ 47.4

- Total cruise passenger and crew visits to Florida totaled 8.9 million in 2011, accounting for more than 40 percent of all passenger and crew visits in the U.S. and a 2.6 percent increase from 2010. Combined, passengers, crew and cruise lines directly spent \$6.7 billion in the state, accounting for 35 percent of the industry's direct expenditures and a 5.6 percent increase over 2010. This spending generated 130,950 jobs paying \$5.8 billion in income. In addition, the state of Florida, the home of corporate or administrative offices for most of the cruise lines, accounted for more than half of the cruise lines' U.S.-based employment during 2011.
- California, like Florida, hosts both cruise line headquarters and ports-of-embarkation. During 2011, cruise passenger and crew visits totaled 979,000,

an 15 percent decline from 2010. With the declining deployment of cruise ships in Mexico, especially the Mexico West market, passenger and crew visits have declined for three consecutive years and are now 45 percent below the 2008 peak. With 10 percent of the industry's direct expenditures, California businesses received \$1.9 billion in direct industry spending which in turn generated 42,253 jobs paying \$2.3 billion in wage income.

- New York's contribution to the North American cruise industry has increased since 2007 when it accounted for 4 percent of the industry's direct expenditures. In 2011, an estimated 896,000 passengers and crew visited New York, 4.2 percent of total passenger and crew visits in the U.S. and an 8.6 percent increase from 2010. New York accounted for 6.6 percent of the industry's direct expenditures with \$1.25 billion. This spending generated an estimated 16,608 jobs paying \$944 million in income. As a result of the strong growth in passenger and crew visits and direct expenditures, New York's ranking remained 3rd among all states. In 2006 the state ranked 5th.
- An estimated 655,000 passengers and crew visited Texas during 2011, 3 percent of all passenger and crew visits at U.S. ports and a 3 percent increase from 2010. With \$1.1 billion in direct spending and 17,316 jobs paying \$917 million in income, Texas accounted for 6.0 percent of the industry's direct expenditures, 5.0 percent of the industry's total employment impact and 5.6 percent of the income impact. Texas' share of the industry's economic impact in the U.S. has remained fairly constant in the 5 to 6 percent range.
- Alaska benefits from the cruise industry primarily as a destination market. During 2011, the cruise industry produced 4.8 million passenger and crew visits to Alaska destinations, a 1.4 percent increase from 2010. Passenger and crew visits had declined in 2009 and 2010 by a combined 18 percent over the two years. Thus passenger and crew visits are still 17 percent below their 2008 peak. The state primarily benefits from cruise passenger spending for shore excursions, pre- and post-cruise stays, food and beverages and general retail. Because of this spending, Alaska accounted for 5.4 percent of the industry's direct spending with just over \$1 billion in expenditures generating 22,493 full- and part-time jobs paying \$962 million in wage income. As a result of the increase in passenger and crew visits during 2011, direct expenditures grew by 10 percent.
- The state of Washington is the location of cruise industry administrative facilities and a port-of-embarkation in Seattle. During 2011 an estimated 655,000 passengers and crew visited Seattle, a 3.1 percent decrease from 2010. This decline in visits was the direct result of the 4.9 percent decline in passenger embarkations in Seattle. With \$707 million in direct spending and 17,900 jobs paying \$861 million in income, Washington accounted for about five percent of the industry's national economic impact.
- While Georgia has no direct cruise operations, it is a major source market for cruise passengers, making it a net exporter of cruise passengers, and also supports the industry with a wide range of goods and services. As a result of the activity of the cruise industry, Georgia businesses received \$608 million,

or 3.2 percent of the direct expenditures generated by the cruise industry in the United States. These direct expenditures generated total economic impacts of 10,510 jobs and \$507 million in income throughout the Georgia economy during 2011.

- Like Georgia, Illinois has no direct cruise operations. The state is a net exporter of cruise passengers. It also supports the industry with a wide range of goods and services. Resident cruise passengers in Illinois totaled 205,000 during 2011, a decline of 8.5 percent from 2010 and accounting for 2.0 percent of U.S. resident passengers. As a result of the activity of the cruise industry, Illinois businesses received \$488 million, or 2.6 percent of the direct expenditures generated by the cruise industry in the United States. These direct expenditures generated total economic impacts of 7,143 jobs and \$387 million in income throughout the Illinois economy during 2011.
- The Boston cruise port in Massachusetts is both a port-of-embarkation and a port-of-call for cruises to Canada and Bermuda. An estimated 312,000 passengers and crew visited Massachusetts during 2011, a 6 percent decline from 2010. Massachusetts accounted for 2.4 percent of the industry's direct expenditures with \$452 million in direct spending. These expenditures generated an estimated 7,451 jobs paying \$438 million in income.
- Like Illinois and Georgia, Colorado has no direct cruise operations but it is a source market for cruise passengers, making it a net exporter of cruise passengers. It also supports the industry with a wide range of goods and services. Resident cruise passengers in Colorado totaled 56,000 during 2011, unchanged from 2010 and accounting for 0.5 percent of U.S. resident passengers. As a result of the activity of the cruise industry, Colorado businesses received \$413 million, or 2.2 percent of the direct expenditures generated by the cruise industry in the United States. These direct expenditures generated total economic impacts of 2,467 jobs and \$131 million in income throughout the Colorado economy during 2011.
- The impacts in the remaining states were primarily generated by cruise passenger spending for air travel and cruise line purchases from vendors located in each of the states.

Section I: Impact of the North American Cruise Industry on the U.S. Economy in 2011

Over the past several years, we have noted the decline in the growth of passenger embarkations at U.S. ports. As shown in **Table 1**, this decline was reversed in 2010. Passenger embarkations at all North American ports increased by 6.6 percent in 2010 and increased to 10.5 million. During 2011, North American embarkations increased by nearly two percent to 10.7 million. The growth in North American embarkations was the result of a 1.4 percent increase among U.S. ports (including San Juan) and a 19% increase among Canadian ports.

Table 1 – Global Embarkations of the North American Cruise Industry, 2008 - 2011

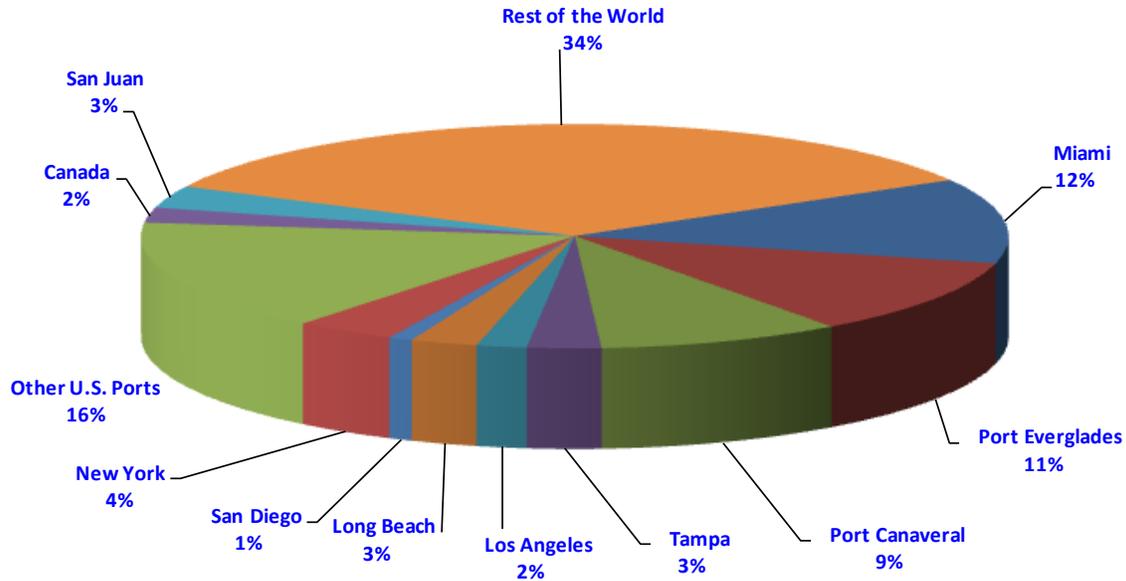
Port	2008	2009	2010	2011	Growth			
					2008	2009	2010	2011
Florida	5,110,000	5,257,000	5,784,000	5,920,000	2.7%	2.9%	10.0%	2.4%
Miami	2,109,000	2,055,000	2,166,000	2,003,000	11.4%	-2.6%	5.4%	-7.5%
Port Everglades	1,293,000	1,422,000	1,758,000	1,795,000	0.3%	10.0%	23.6%	2.1%
Port Canaveral	1,226,000	1,195,000	1,289,000	1,483,000	-5.5%	-2.5%	7.9%	15.1%
Tampa	382,000	397,000	397,000	449,000	4.1%	3.9%	0.0%	13.1%
Jacksonville	100,000	188,000	174,000	190,000	-23.1%	88.0%	-7.4%	9.2%
California	1,436,000	1,266,000	1,064,000	902,000	7.6%	-11.8%	-16.0%	-15.2%
Los Angeles	599,000	400,000	366,000	304,000	3.1%	-33.2%	-8.5%	-16.9%
Long Beach	365,000	412,000	414,000	408,000	-1.4%	12.9%	0.5%	-1.4%
San Diego	397,000	401,000	243,000	144,000	16.4%	1.0%	-39.4%	-40.7%
San Francisco	75,000	53,000	41,000	46,000	78.6%	-29.3%	-22.6%	12.2%
New York	524,000	420,000	553,000	611,000	-2.4%	-19.8%	31.7%	10.5%
Other U.S. Ports	1,888,000	1,961,000	2,293,000	2,410,000	-19.2%	3.9%	16.9%	5.1%
Galveston	377,000	395,000	435,000	459,000	-27.9%	4.8%	10.1%	5.5%
New Orleans	179,000	235,000	260,000	369,000	-30.6%	31.3%	10.6%	41.9%
Alaska	185,000	181,000	128,000	129,000	-2.1%	-2.2%	-29.3%	0.8%
Seattle	443,000	437,000	466,000	443,000	14.8%	-1.4%	6.6%	-4.9%
Boston	70,000	81,000	84,000	85,000	22.8%	15.7%	3.7%	1.2%
Baltimore	50,000	167,000	208,000	252,000	-18.0%	234.0%	24.6%	21.2%
Honolulu	157,000	121,000	123,000	119,000	-58.9%	-22.9%	1.7%	-3.3%
Cape Liberty	160,000	156,000	196,000	221,000	15.1%	-2.5%	25.6%	12.8%
Mobile	146,000	132,000	183,000	150,000	12.3%	-9.6%	38.6%	-18.0%
Charleston	54,000	39,000	113,000	165,000	N.A.	-27.8%	189.7%	46.0%
Remaining U.S. Ports	67,000	17,000	97,000	18,000	-56.5%	-74.6%	470.6%	-81.4%
United States	8,958,000	8,904,000	9,694,000	9,843,000	-2.5%	-0.6%	8.9%	1.5%
Canada	427,000	450,000	298,900	356,000	-10.5%	5.4%	-33.6%	19.1%
Vancouver	406,000	424,000	272,400	323,000	-12.1%	4.4%	-35.8%	18.6%
Other Canada Ports	21,000	26,000	26,500	33,000	40.0%	23.8%	1.9%	24.5%
San Juan	521,000	507,000	521,700	522,000	-2.4%	-2.7%	2.9%	0.1%
North America	9,906,000	9,861,000	10,514,600	10,721,000	-2.8%	-0.5%	6.6%	2.0%
Rest of the World	3,100,000	3,581,000	4,260,400	5,603,000	31.0%	15.5%	19.0%	31.5%
Total	13,006,000	13,442,000	14,775,000	16,324,000	3.5%	3.4%	9.9%	10.5%

Source: Port Authorities, MARAD and Business Research and Economic Advisors

Within the United States there were some fairly significant shifts in passenger embarkations. Passenger embarkations in Florida increased by 136,000 to 5.9 million in 2011, an increase of 2.4 percent from 2010. Port Canaveral led the Florida ports with a 15 percent increase, adding 194,000 passengers in 2011. Tampa experienced a similar rate of growth of 14 percent

adding 52,000 embarkations. After two years of strong growth spurred by the addition of the *Allure* and *Oasis of the Seas* in 2009 and 2010, growth at Port Everglades continued but at a slower pace, 2.1 percent. These gains were partially offset by a 7.5 percent drop in embarkations in Miami.

Figure 1 - Distribution of Global Embarkations - 2011



Source: Port Authorities, CLIA, MARAD and Business Research and Economic Advisors

California’s ports, Los Angeles, Long Beach, San Diego, and San Francisco, experienced a 15 percent decline in passenger boardings in 2011, the third consecutive year of losses. Embarkations fell below one million for the first time since 2003 and totaled 902,000 for the year. This is primarily the result of a continued reduction in the capacity deployed for the Mexico West cruise market which has primarily impacted the ports in San Diego and Los Angeles. However, Long Beach embarkations remained virtually flat, growing by less than one percent, while San Francisco experienced a 12 percent increase after two years of decline as the Alaska market rebounded during 2011.

After declining by nearly 20 percent in 2009, passenger embarkations at New York’s two cruise terminals increased by nearly 32 percent to a new high of 553,000 passengers in 2010. New York embarkations experienced another double-digit gain in 2011 increasing by 10.5

percent to 611,000. As a result, New York's share of U.S. embarkations increased from 5.7 percent in 2010 to 6.2 percent in 2011. The growth in cruise passengers in New York is the result of increased capacity deployment for the Canada/New England (0.6%), Transatlantic (15%) and the Bermuda (28%) markets.

The remaining U.S. ports, accounted for a combined 24.4 percent of U.S. embarkations in 2011 up from 23.6 percent in 2010. Passenger embarkations at these ports totaled 2.4 million which represented a 4.7 percent increase from 2010. However, there were considerable differences in growth among these ports. New Orleans (42%), Baltimore (21%) and Cape Liberty, NJ (13%) experienced significant growth while passenger embarkations fell by 18 percent in Mobile, 4.9 percent in Seattle and 3.3 percent in Honolulu.

The remaining ports in North America, primarily Vancouver and San Juan, handled 878,600 cruise passengers in 2011, an increase of 7 percent from 2010. Vancouver experienced a 19 percent increase in passenger embarkations after a 36 percent decline in 2010 while San Juan experienced a 0.1 percent increase in passenger embarkations. This was the second consecutive year of an increase in passenger embarkations in San Juan after four consecutive years of declines.

Embarkations in the rest of the world, primarily Europe and the Mediterranean, totaled 5.6 million during 2011, a 32 percent increase from 2010, and accounted for 34 percent of global embarkations, up from 29 percent in 2010 and 27 percent in 2009. As noted earlier, the North American cruise industry is rapidly expanding its deployment in Europe and the Mediterranean, especially during the Caribbean low (summer) season.

As indicated in **Table 2**, the global capacity deployed in the Caribbean and the Bahamas declined by 0.6 percent in 2011 resulting in a drop in the region's share of global capacity from 41.3 percent in 2010 to 39.7 percent in 2011. This partially offset the increase in 2010 which was the first increase in deployed capacity in these two markets since 2006. The Mexico West market also experienced its third consecutive year in which capacity declined. The 29 percent decline in 2011 reduced capacity to 3.5 million bed days, or 3.3 percent of the North American cruise industry's global capacity. This was the lowest level for this market since 2003.

Table 2 – Destination Bed Day Capacity of the North American Cruise Industry, 2006 – 2011
Millions of Bed Days

Destination	2006	2007	2008	2009	2010	2011
Caribbean	31.96	32.16	30.79	30.94	36.27	36.29
Percent Change	1.6%	0.6%	-4.3%	0.5%	17.2%	0.1%
Share of Total	39.2%	35.8%	33.5%	32.1%	34.8%	33.7%
Bahamas	6.07	4.63	3.48	4.70	6.80	6.51
Percent Change	38.0%	-23.7%	-24.8%	35.1%	44.7%	-4.3%
Share of Total	7.5%	5.2%	3.8%	4.9%	6.5%	6.0%
Alaska	6.36	6.93	6.97	6.86	5.96	6.65
Percent Change	-0.9%	9.0%	0.6%	-1.6%	-13.1%	11.6%
Share of Total	7.8%	7.7%	7.6%	7.1%	5.7%	6.2%
Hawaii	2.89	3.83	3.03	1.86	1.77	2.19
Percent Change	-0.7%	32.5%	-20.9%	-38.6%	-4.8%	23.7%
Share of Total	3.5%	4.3%	3.3%	1.9%	1.7%	2.0%
Mexico West	5.21	5.95	6.45	5.53	4.95	3.51
Percent Change	-9.5%	14.2%	8.4%	-14.3%	-10.5%	-29.1%
Share of Total	6.4%	6.6%	7.0%	5.7%	4.8%	3.3%
Europe	17.30	21.55	23.86	26.28	27.57	30.47
Percent Change	13.4%	24.6%	10.7%	10.1%	4.9%	10.5%
Share of Total	21.2%	24.0%	25.9%	27.3%	26.5%	28.3%
All Others	11.66	14.66	17.41	20.10	20.79	22.01
Percent Change	5.7%	25.7%	18.8%	15.5%	3.4%	5.9%
Share of Total	14.3%	16.3%	18.9%	20.9%	20.0%	20.4%
Total	81.45	89.71	91.99	96.27	104.11	107.63
Percent Change	5.5%	10.1%	2.5%	4.7%	8.1%	3.4%

Source: CLIA

Elsewhere, the combined capacity in the in the Hawaii and Alaska markets increased from 7.4 percent in 2010 to 8.2 percent in 2011. This was the first year in which the combined capacity in these two markets rose after three consecutive years of decline. During 2011, Alaska experienced an 11.6 percent increase in capacity while Hawaii experienced a 24 percent increase.

At the same time, the capacity in Europe and All Other markets rose by 10.5 percent and 5.9 percent, respectively. Europe's market share has steadily increased from 19.8 percent in 2005 to 28.3 percent in 2011. With slightly slower growth in 2010, Europe's share of global capacity fell to 26.5 percent but this was more than offset by the 10.5 percent growth in 2011.

As shown in **Table 3**, just under 10.4 million, or 63.5 percent of the 2011 global cruise passengers, resided in the United States. This represented a 3.5 percent increase from 2010. The number of sourced passengers increased in each of the nine regions. Of the nine

regions, three, South Atlantic, Pacific and West North Central, experienced an annual increase of 4 percent or higher. Two regions, New England and West South Central, experienced annual growth between 2 and 3 percent. The four remaining regions, Middle Atlantic, East North Central, East South Central and Mountain, experienced annual growth under 2 percent.

As shown in **Figure 2**, the South Atlantic region is the single largest source market for cruise passengers, accounting for 37 percent of all U.S.-resident passengers. Cruise passengers sourced from this market increased by 5.8 percent to 3.9 million. This was the largest percentage increase among the nine regions. The increase of 197,000 sourced passengers from this region accounted for 56 percent of the increase in U.S. resident cruise passengers.

Table 3 – U.S. Cruise Passengers by Place of Residence, 2008 – 2011⁶

Regions	Passengers				Share of the U.S.			
	2008	2009	2010	2011	2008	2009	2010	2011
New England	670,000	759,900	795,700	817,900	7.2%	8.1%	7.9%	7.9%
Middle Atlantic	1,054,000	803,700	849,000	858,600	11.3%	8.5%	8.5%	8.3%
South Atlantic	3,200,000	3,250,700	3,693,200	3,890,000	34.4%	34.5%	36.9%	37.5%
East North Central	737,000	610,600	608,900	611,400	7.9%	6.5%	6.1%	5.9%
East South Central	256,000	245,300	262,800	267,400	2.8%	2.6%	2.6%	2.6%
West North Central	289,000	266,500	260,300	270,600	3.1%	2.8%	2.6%	2.6%
West South Central	981,000	1,244,100	1,308,000	1,337,900	10.6%	13.2%	13.1%	12.9%
Mountain	620,000	853,900	904,400	916,100	6.7%	9.1%	9.0%	8.8%
Pacific	1,487,000	1,394,400	1,333,500	1,399,900	16.0%	14.8%	13.3%	13.5%
United States	9,294,000	9,429,100	10,015,800	10,369,800	71.5%	70.1%	67.6%	63.5%
Puerto Rico	89,000	70,700	74,500	78,300	0.7%	0.5%	0.5%	0.5%
Canada	711,000	698,100	691,100	763,300	5.5%	5.2%	4.7%	4.7%
North America	10,094,000	10,197,900	10,781,400	11,211,400	77.6%	75.9%	72.8%	68.7%
Rest of the World	2,912,000	3,243,900	4,037,500	5,112,400	22.4%	24.1%	27.2%	31.3%
Total World	13,006,000	13,441,800	14,818,900	16,323,800	100.0%	100.0%	100.0%	100.0%

Source: Cruise Lines International Association

⁶ The definitions of the nine census divisions are as follows:

New England: Connecticut, Maine, Massachusetts, New Hampshire, Vermont and Rhode Island

Middle Atlantic: New Jersey, New York and Pennsylvania

South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia and West Virginia

East North Central: Illinois, Indiana, Michigan, Ohio and Wisconsin

East South Central: Alabama, Kentucky, Mississippi and Tennessee

West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota

West South Central: Arkansas, Louisiana, Oklahoma and Texas

Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming

Pacific: Alaska, California, Hawaii, Oregon and Washington.

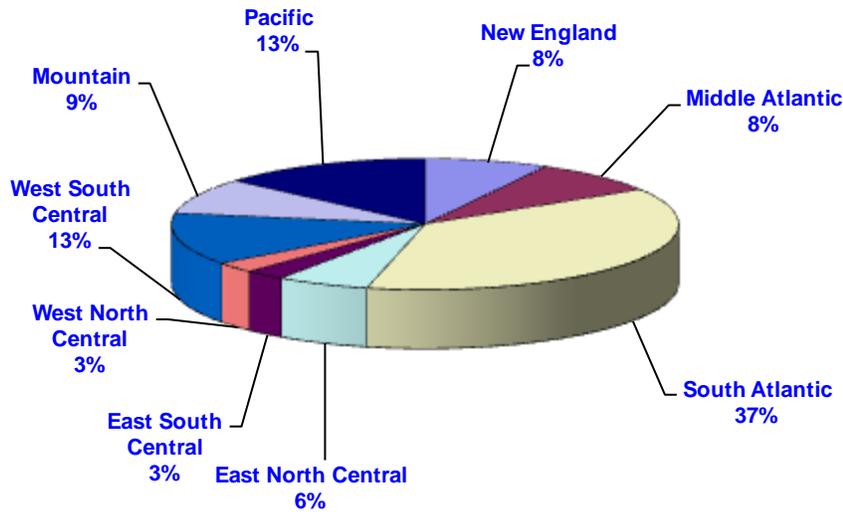
Even though passenger embarkations among California and Washington ports declined during 2011, the number of passengers sourced from the Pacific region increased by 5.0 percent to 1.4 million. This increase of 66,400 passengers accounted for nearly 20 percent of the increase in U.S. resident cruise passengers.

The West South Central region is the only other region with more than one million sourced passengers. In 2011, passengers sourced from this region increased by 2.3 percent and totaled 1.34 million. This represents an increase of nearly 30,000 passengers, or 8.4 percent of the total increase in U.S. resident cruise passengers.

The West North Central region experienced a 4.0 percent increase in sourced passengers and totaled 270,800 in 2011. This was the first increase since 2006 and the largest number of sourced passengers since 2008.

Among the five remaining regions of the country, New England, Middle Atlantic, East North Central, East South Central and the Mountain, there was a combined growth of 1.5 percent in passengers sourced from these markets which represented an absolute gain of 50,800 passengers in 2011. This was 14 percent of the increase in U.S. resident cruise passengers. Just over 60 percent of the increase came from the New England and Middle Atlantic regions.

Figure 2 – Distribution of U.S. Cruise Passengers by Place of Residence - 2011



Source: Cruise Lines International Association

Even though the U.S.'s share of global passengers is declining on a year-over-year basis, it is still the dominant source of cruise passengers for the North American fleet, accounting for nearly 64 percent of all passengers. Also, this was the first year since 2004 that sourced passengers increased in each of the nine regions.

U.S. passengers come from all regions of the country with passenger growth reflecting both the changing deployment strategy of the cruise industry and the underlying population growth in each region. The number of cruise passengers that reside in the United States is greater than the number of cruise passenger embarkations from U.S. ports. Consequently, U.S.-resident cruise passengers also provide an economic stimulus to embarkation ports outside the United States. Finally, with nearly 10.4 million cruise embarkations from U.S. ports in 2011, the North American cruise industry is a source of significant economic activity in the U.S. economy. In fact, the U.S. economy is the recipient of the majority of the industry's global economic impact. Our analysis of the industry's operating and administrative expenses shows that nearly 70 percent of the industry's non-wage expenditures are made with U.S.-based businesses.

Spending in the U.S. Economy Generated by the Cruise Industry

Business Research and Economic Advisors (BREA) conducted a survey of the member cruise lines of the Cruise Lines International Association (CLIA) that provides the basis for our estimates of the industry's 2011 expenditures for the operating and administrative expense categories outlined in **Table 4**. These data were collected for global payments and payments made to U.S. businesses. Surveys were returned by 12 cruise lines. These cruise lines were: Carnival Cruise Lines, Celebrity Cruises, Crystal Cruises, Disney Cruise Line, Paul Gauguin Cruises, Holland America Line, Norwegian Cruise Line, Prestige Cruise Holdings (Oceania and Regent Seven Seas), Princess Cruises, and Royal Caribbean International and Seabourn Cruise Line.

Combined, these cruise lines accounted for approximately 90 percent of the industry's gross revenues and 95 percent of its passengers.

Table 4 – Operating and Administrative Expense Categories

Operating Expenses	Administrative Expenses
Travel Agent Commissions	Marketing, Advertising & Promotion
Cost of Travel Insurance for Passengers	Other Cost of Sales
Cost of Port Charges Charged to Passengers	Accounting & Legal Services
Customs/Immigration/Int'l Arrivals Fees Charged to Passengers	Computer/Internet Consulting Services
Air Fares Collected from Passengers	Financial Services
Costs of Pre- or Post-Cruise Packages Collected from Passengers	Other Professional Services
Food & Beverages	Telephone
Fuel	Travel & Entertainment
Port Charges & Fees	Rent
Restaurant/Hotel/Casino Supplies	Utilities
Vessel Maintenance, Repair & Drydock Fees	Land-Side Employees Wages & Salaries
Vessel Insurance	
Uniforms	
Security Services	
Cost of Shore Tours	
Maintenance Equipment & Supplies	
Crew Wages & Salaries	
Equipment Purchases	

Source: [Business Research and Economic Advisors](#)

In addition to the aggregate revenue and expense data, more detailed data on vendor purchases in 2011 were obtained from a smaller group of cruise lines. Vendor-specific data were obtained from the following cruise lines: Carnival Cruise Lines, Royal Caribbean International, Celebrity Cruises, Holland America Line, Princess Cruises and Seabourn Cruise Line. These six cruise lines accounted for approximately 85 percent of the industry's

non-wage U.S. operating and administrative expenses. These data were then aggregated by industry group and state and used to estimate total cruise industry expenditures by industry. These detailed expenditures totaled \$6.4 billion and accounted for about 60 percent of the estimated \$10.8 billion that the North American cruise lines spent with U.S. businesses (excludes travel agent commissions). The vendor purchases were aggregated into 95 industry sectors consistent with the 2010 U.S. input/output accounts.

The economic benefits that accrue to the U.S. economy arise from five principal sources:

- spending by cruise passengers and crew for goods and services associated with cruise ship arrivals at U.S. ports, including travel to the port of embarkation, pre- and post-cruise vacation spending, onshore tour excursions, food and beverages and other retail;
- expenditures by the cruise lines for goods and services necessary for cruise operations, including food and beverages, fuel, vessel maintenance and repair, ship's supplies and so forth;
- spending by the cruise lines for port services at U.S. ports-of-embarkation and ports-of-call;
- the shore-side staffing by the cruise lines for their headquarters and marketing operations; and
- capital expenditures for facilities constructed in the U.S., including port terminals, office facilities, and other capital equipment.

As shown in **Table 5**, the cruise industry spent an estimated \$12.15 billion for goods and services with U.S. businesses during 2011. This represents a 5.3 percent increase from similar expenditures in 2010. This followed a 10.6 percent decline in 2009 and a 4.4 percent increase in 2010 so this spending was still 2.4 percent lower than the 2008 peak of \$12.4 billion. Excluding wages and salaries of its employees, the North American cruise industry spent approximately 75 percent of its global operating and administrative expenses with U.S. businesses.

Table 5 – U.S. Expenditures (\$ Billions) of the North American Cruise Industry, 2008 – 2011

					Annual Percent Change			
	2008	2009	2010	2011	2008	2009	2010	2011
U.S. Purchases of the Cruise Lines	\$ 14.40	\$ 12.67	\$ 13.40	\$ 14.07	4.8%	-12.0%	5.8%	5.0%
Goods and Services	\$ 12.37	\$ 11.06	\$ 11.54	\$ 12.15	4.5%	-10.6%	4.4%	5.3%
Capital Equipment (incl. net interest)	\$ 2.03	\$ 1.61	\$ 1.86	\$ 1.92	6.6%	-20.6%	15.4%	3.4%
Passengers and Crew Expenditures	\$ 3.40	\$ 3.31	\$ 3.41	\$ 3.52	-6.3%	-2.7%	3.1%	3.2%
Wages & Taxes Paid by Cruise Lines	\$ 1.27	\$ 1.17	\$ 1.20	\$ 1.29	-4.5%	-8.2%	2.6%	7.9%
Total U.S.-based Spending	\$ 19.07	\$ 17.15	\$ 18.01	\$ 18.88	2.1%	-10.1%	5.0%	4.8%

Source: Business Research and Economic Advisors

Cruise passengers and crew added \$3.5 billion in spending with U.S. businesses. Approximately 30 percent of these expenditures represented airfares that were directly purchased by passengers. Of the remaining passenger and crew expenditures, 30 percent were spent on food and beverages and lodging. Entertainment, local transit, retail purchases and sightseeing accounted for the remaining expenditures. Passenger expenditures, excluding airfares, were made at the U.S. ports-of-embarkation and ports-of-call.

Estimated passenger and crew spending for 2011 was 3.2 percent higher than the 2010 estimate and matched the growth experienced in 2010 after two consecutive years of decline. Thus, passenger and crew expenditures were still 3.0 percent below the 2007 peak of \$3.6 billion. The increase in passenger and crew spending was driven primarily by the increase in intransit passenger visits at U.S. ports, especially in Hawaii and Alaska ports which showed strong growth in passenger arrivals and have above average expenditure levels. Spending by intransit passengers rose by 7.2 percent, expenditures made by embarking passengers increased by 5.8 percent and crew spending increased by 1.7 percent.

The North American cruise lines spent an estimated \$1.9 billion for capital expenditures, including net interest, during 2011, a 3.4 percent increase from 2010. Vessel maintenance and drydock fees at U.S. shipyards accounted for nearly two-thirds of the cruise industry's capital expenditures in the United States. The remaining one-third of the capital expenditures was made for machinery and equipment, including computer and telecommunications equipment, and structures.

Thus, the North American cruise industry and its passengers and crew spent a total of \$17.6 billion for goods and services provided by U.S. businesses, a 4.6 percent increase from similar expenditures in 2010.

In addition to the direct purchase of goods and services from U.S. businesses, the cruise industry made combined payments of \$1.3 billion in wages and benefits to its employees and taxes to federal, state and local governments in the United States. Wage and benefit payments accounted for about 85 percent of the total. The tax payments consisted primarily of employer contributions to Social Security and sales and property taxes paid to state and local governments. This represented a 7.9 percent increase from 2010.

Including wages and taxes, the North American cruise industry and its passengers made total payments of \$18.9 billion to U.S. businesses, U.S.-resident cruise line employees and U.S. taxing jurisdictions. This was a 4.8 percent increase from total industry spending in 2010.

Direct Economic Impacts in the United States During 2011

The direct economic impacts of the cruise industry in the United States are derived from a broad range of activities including:

- port services and cruise industry employment;
- transportation of cruise passengers from their place of residence to the ports of embarkation;
- travel agent commissions;
- spending for tours and pre- and post-cruise stays in U.S. port cities;
- passenger and crew spending for retail goods in U.S. port cities; and
- purchases of supplies by the cruise lines from U.S. businesses.

As shown in **Table 6**, the North American cruise industry and its passengers and crew spent \$18.9 billion in the United States during 2011, a 4.8 percent increase from 2010. Spending in the core cruise travel sector totaled \$9.45 billion while the cruise industry purchased an additional \$9.42 billion in goods and services from its suppliers.

Table 6 – Direct Economic Impacts of the Cruise Industry in the United States – 2011

Sector	Direct Spending \$ Millions	Employment	Wage Income \$ Millions
Core Cruise Travel Sector	\$ 9,450	103,485	\$ 3,983
Passenger & Crew Spending	\$ 1,652	21,145	\$ 496
Port Services & Cruise Lines	\$ 3,188	46,897	\$ 1,955
Transportation Services	\$ 2,670	24,470	\$ 1,024
Air Transportation	\$ 1,940	10,975	\$ 508
Cruise Industry Suppliers	\$ 9,426	42,349	\$ 2,239
Agriculture, Mining, Utilities & Construction	\$ 52	230	\$ 7
Manufacturing	\$ 4,828	12,117	\$ 745
Food & Beverages	\$ 941	2,019	\$ 89
Apparel & Textiles	\$ 143	908	\$ 37
Chemicals & Plastics	\$ 271	365	\$ 30
Petroleum Refining	\$ 1,475	156	\$ 19
Fabricated Metal Products	\$ 205	862	\$ 51
Industrial Machinery	\$ 397	1,245	\$ 73
Ship Maintenance & Repair	\$ 714	2,184	\$ 154
Computers & Electronic Equipment	\$ 270	833	\$ 78
Other Manufacturing	\$ 413	3,545	\$ 213
Wholesale Trade	\$ 587	3,046	\$ 182
Other Transportation Services	\$ 21	38	\$ 4
Information Services	\$ 259	537	\$ 40
Finance, Insurance, Real Estate & Leasing	\$ 1,018	2,992	\$ 229
Services & Government (ex. Lodging & Travel Services)	\$ 2,661	23,388	\$ 1,031
Professional, Scientific & Technical Services	\$ 1,458	13,596	\$ 507
Administrative & Waste Management Services	\$ 45	210	\$ 11
Arts, Entertainment & Recreation	\$ 206	1,752	\$ 82
Other Services & Government	\$ 952	7,831	\$ 431
Total - 2011	\$ 18,876	145,835	\$ 6,222
Total - 2010	\$ 18,009	140,359	\$ 5,836
Percentage Change from 2010	4.8%	3.9%	6.6%

Source: Business Research and Economic Advisors

As a result of this spending, an estimated 145,835 full and part-time jobs⁷ were generated, paying wages of \$6.22 billion during 2011.⁸ Thus, the 4.8 percent annual growth in direct industry expenditures resulted in a 3.9 percent increase in direct employment and a 6.6 percent increase in direct wage income. The slower growth in employment is primarily the result of the overall increase in labor productivity in all sectors which reduced the number of employees per dollar of final demand. This increase in labor productivity resulted in a higher increase in direct wage income relative to the direct employment gains.

Figure 3 shows the direct cruise industry expenditures and direct employment impacts from 1997⁹ through 2011. Despite the decline in the direct employment impact in both 2008 and

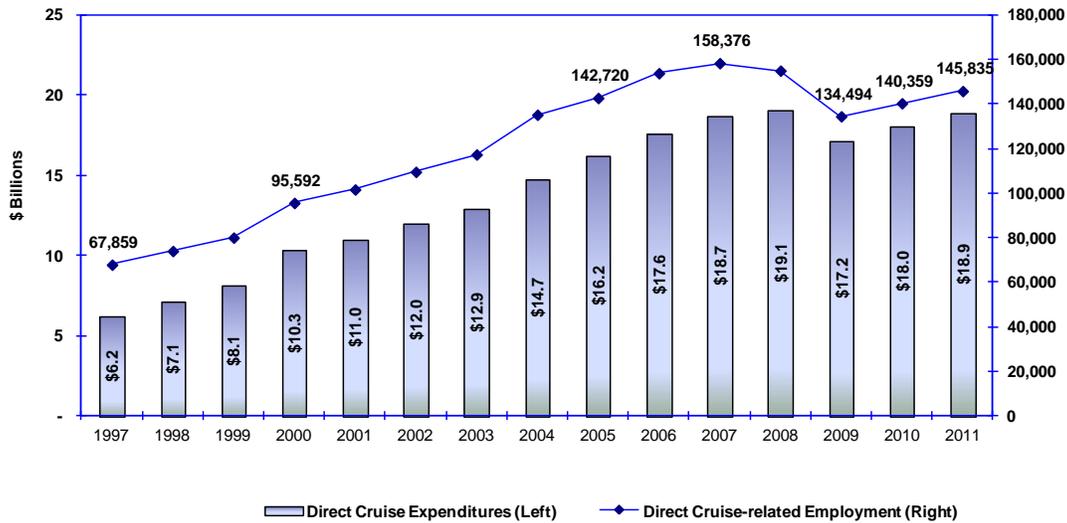
⁷ Throughout this report all employment impacts are the sum of full- and part-time jobs.

⁸ These figures include the U.S. employees of the cruise lines and the industry's trade associations and their wage income.

⁹ BREAA conducted its first economic impact study for the North American cruise industry for 1997.

2009, the North American cruise industry's direct contribution to the U.S. economy has grown significantly since 1997. Direct cruise industry expenditures have more than tripled from \$6.2 billion in 1997 to \$18.9 billion by 2011.

Figure 3– Direct Cruise Industry Expenditures and Employment, 1997 - 2011



Source: Business Research and Economic Advisors

Throughout this 15-year period, direct expenditures have declined in only one year, 2009, and, in fact, peaked in 2008 at \$19.1 billion. Similarly, the annual direct employment contribution has more than doubled since 1997, rising from 67,859 to 145,835. The employment impact peaked in 2007 at 158,376 before declining in both 2008 and 2009 and bottoming at 134,494 jobs. Since then the direct employment impact has increased by 8.4 percent over the two-year period.

The Core Cruise Travel Sector in the United States

The core cruise travel sector in the United States, which includes the cruise lines, airlines, travel agents, port service providers and local businesses, such as hotels and restaurants that are directly impacted by passenger and crew spending, received an estimated \$9.45 billion in direct spending by the cruise lines and their passengers and crew in 2011. This was an increase of 3.7 percent from 2010. This, in turn, supported the employment of an estimated 103,485 workers, an increase of 3.1 percent from 2010, and nearly 4 billion in wage income,

an increase of 4.5 percent. The core cruise travel sector accounted for half of the direct spending by the cruise industry, 71 percent of the direct employment, and 64 percent of the direct wage income. Until 2008, industry expenditures in the core cruise sector and their economic impacts had steadily increased since 2000. The increases in 2010 and 2011 have only partially offset the declines in 2008 and 2009. The \$9.45 billion in core cruise travel spending in 2011 was 93 percent higher than in 2000, while the direct employment and wage impacts were 58 percent and 109 percent higher, respectively. Relative to the peak impacts in 2007, core cruise travel sector expenditures were 7.4 percent lower while the direct employment and wage impacts were 11.6 percent and 4.2 percent lower, respectively.

Port Services and Cruise Lines in the United States

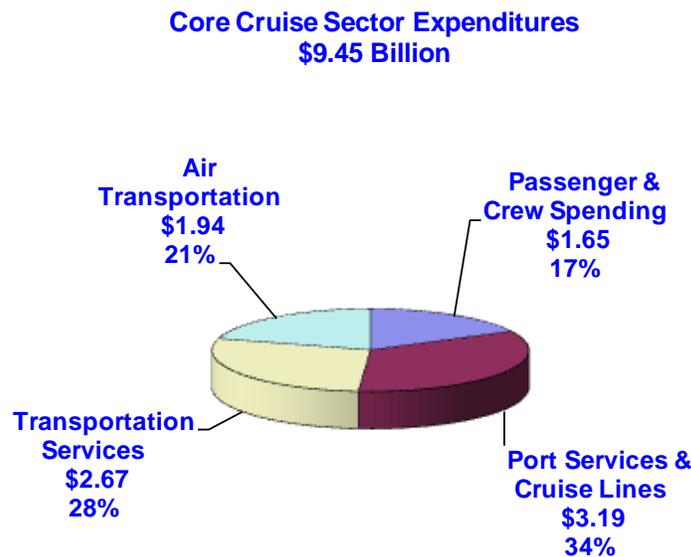
Cruise lines and port service providers were the leading component of the core cruise sector, accounting for 34 percent of cruise industry spending in the core cruise travel sector (see **Figure 4**). This segment of the core cruise sector includes three primary components: i) expenditures with port service providers, ii) the direct U.S.-based employment and wages of the cruise industry and iii) the cruise industry trade association employment and income.

Port service providers at each of the embarkation ports and ports-of-call in the United States provide a broad range of services including tugboat and piloting services, port agents, stevedores, passenger reception services, warehousing and other material handling services. Secondly, all of the major North American cruise lines maintain administrative and marketing offices throughout the United States. While Florida hosts the majority of cruise headquarters, cruise line offices are also located in California and Washington. Additionally, the lines also maintain marketing and telephone centers in several other states, including Arizona, Colorado and Kansas, and also have tour operations and support staff in Alaska and Hawaii. These employees and their wages are included in this sector. Third, industry trade associations maintain staff in Alaska, Florida, Washington and Virginia. As with the cruise lines, the employees of these associations and their wages are also included in the core cruise travel sector.

During 2011, the cruise industry spent nearly \$3.2 billion on such services. This represents a 5.0 percent increase from 2010. The growth in these expenditures is the result of a 1.6

percent increase in cruise industry employee wages and salaries and a 6.9 percent increase in the costs associated with warehousing and material handling services and passenger based-fees at U.S. turnaround ports. As a result of these expenditures, port service providers, the cruise lines and their trade associations provided 46,897 full- and part-time jobs, an increase of 4.4 percent from 2010, paying an annual income of nearly \$2.0 billion, an increase of 2.3 percent from 2010.

Figure 4 – Distribution of Core Cruise Travel Sector Direct Spending - 2011



Source: Business Research and Economic Advisors

On an industry basis, all of these jobs are found in the transportation sector, including water transportation, trucking, warehousing and other transport services. The cruise lines directly account for approximately 56 percent of the employment and wage impacts in this industry. The remaining 44 percent of the impacts occur principally with port authorities with additional impacts affecting ship agents, stevedoring and warehousing firms and other water transportation services, such as pilots and tugboats.

Transportation Services in United States

The second largest component of the core cruise travel sector is transportation services which accounted for 28 percent of cruise industry spending in the core cruise travel sector. Transportation services primarily include travel agents and tour operators. Payments to trav-

el agents throughout the U.S. accounted for about 57 percent of the total, or \$1.5 billion. While tour operators, principally in U.S. destinations in Hawaii and Alaska, but also in other port cities, accounted for 26 percent of the total. The remaining 17 percent was paid to businesses providing ground and other miscellaneous transport services.

U.S. businesses in this sector received \$2.67 billion in spending by the cruise lines and their passengers. This is a 3.0 percent increase from 2010. During 2011, total passenger visits (embarkations plus intransit calls) increased by 2.5 percent and totaled 15 million visits. Passenger embarkations at U.S. ports rose by 1.4 percent while intransit visits to U.S. ports rose by 4.4 percent. Total payments to travel agents declined by 0.5 percent from 2010 while payments to tour operators rose by 2.6 percent. Our cruise line survey indicated that the industry paid an average commission rate of approximately 13 percent of net cruise fares.¹⁰ Overall, BREA estimated that the cruise industry spending for transportation services was responsible for the generation of 24,470 jobs in this sector, an increase of 4.9 percent from 2010, paying slightly more than \$1 billion in wage income, an increase of 7.9 percent.

Travel agents accounted for nearly 65 percent of the direct employment and wage impacts in the transportation services sector while tour operators and other providers of transportation services each accounted for about 17.5 percent of the direct effects. The high proportion of impacts on travel agents reflects the fact that the United States is primarily a source market for cruises rather than a destination market.

Air Transportation Services in United States

The third largest component of the core cruise travel sector is air transportation which accounts for another 21 percent of cruise industry spending in the core cruise travel sector. The percentage of passengers arriving by air at the ports-of-embarkation fell slightly in 2010 to approximately 52 percent. At the same time the average airfare increased by about 1.3 percent to approximately \$380 per passenger. As a result, cruise passengers who flew to their port city spent an estimated \$1.94 billion on air transportation, a 3.0 percent increase from

¹⁰ Net cruise fares exclude all onboard revenues and revenues received from passengers for air travel, travel insurance, pre- and post-cruise vacations and all port charges, taxes and fees assessed to passengers.

2010. These expenditures produced 10,975 jobs in the United States, a 2.9 percent increase from 2010, with total wage income of \$508 million, a 4.4 percent increase from 2010.

Passenger and Crew Spending in United States

The final component of the core cruise travel sector is the spending of cruise passengers and crew for a variety of retail, dining, local transit and lodging services.¹¹ First, as previously discussed, more than 9.8 million passengers embarked on cruises at U.S. ports. Second, the industry generated approximately 5.2 million visits at U.S. ports-of call, most of which were in Alaska, Hawaii and Key West. Finally, crew onboard cruise ships visit both ports-of-embarkation and ports-of-call. The combined spending of passengers and crew totaled an estimated \$1.65 billion in the United States during 2011, a 3.7 percent increase from 2010. These expenditures accounted for 17 percent of cruise industry spending within the core cruise travel sector. This spending was responsible for the generation of 21,145 jobs in United States, an increase of 3.1 percent from 2010, paying annual wages of \$496 million, a 4.5 percent decrease from 2010.

On an industry basis, the employment and wage impacts were concentrated in the accommodation, food and beverage service and retail industries. The accommodation and food and beverage service industries each accounted for about 42 percent of the employment and wage impacts while the retail trade industry accounted for the remaining 16 percent of the direct impacts.

Adding in the cost of shore tours and local transportation, which was included in Transportation Services, passengers and crew spent \$2.1 billion in port cities throughout the United States. This represents an increase of 3.8 percent from 2010. As shown in **Table 7** and **Figure 5**, embarkation passengers accounted for 56 percent of the total spending with \$1.16 billion in 2011. Based upon the passenger survey data referenced previously, about 38 percent of embarking passengers stayed one or more nights at a port city and spent a total of \$960 million during their visits. On average, these overnight cruise visitors spent \$256 per visit. The average length of stay of these passengers was approximately 1.1 nights. The average length of stay remained virtually unchanged, while the average spend per passenger

¹¹ Passenger and crew expenditures for sightseeing and shore excursions are included in the Transportation Services category of the core cruise travel sector.

rose by one percent. Combining this with the one percent increase in passengers with an overnight stay, the total expenditures made by these passengers, \$960 million, increased by two percent from 2010.

Table 7 – Passenger and Crew Expenditures in the United States – 2011

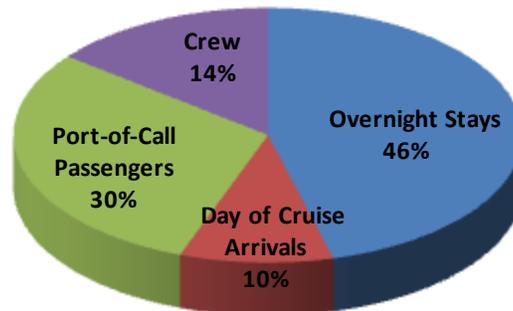
	Visits	Spending	Spending per Visit
Embarkation Passengers	9,834,393	\$ 1,164,580,770	\$118.42
Overnight Stays	3,745,845	\$ 960,512,906	\$256.42
Day of Cruise Arrivals	6,088,548	\$ 204,067,864	\$33.52
Port-of-Call Passengers	5,166,311	\$ 627,991,471	\$121.56
Crew	6,484,320	\$ 301,585,723	\$46.51
Total	21,485,024	\$ 2,094,157,965	\$97.47

Source: Business Research and Economic Advisors

Embarking passengers who arrived at the port city on the day of their cruise spent an average of \$33.52. Most of these expenditures were for local transit, parking and limited food and retail purchases. In total, we estimated that these passengers spent \$204 million during 2011, an increase of 5.8 percent from 2010. This increase is the result of a 4.0 percent increase in the average spend per passenger and a 1.7 percent increase in the number of passengers arriving on the day of their cruise. Relative to 2010, the average per visit expenditure by embarking passengers rose from \$117.09 in 2010 to \$118.42 in 2011, an increase of 1.1 percent.

Figure 5 – Distribution of Passenger and Crew Spending in the United States - 2011

**Total Passenger and Crew Spending
\$2.1 Billion**



Source: Business Research and Economic Advisors

BREA also estimated that the cruise industry generated approximately 5.2 million port-of-call visits.¹² Nearly 62 percent of these visits were made to ports in Alaska. This is a drop from 64 percent in 2010 and 70 percent in 2009. Cruise ships also make calls at other ports throughout the United States including Hawaii, Key West and many of the East and West Coast ports. Survey data for port-of-call passengers indicated that the typical port-of-call passenger spent an average of nearly \$122 per visit. Consequently, we have estimated that these passengers spent \$628 million in the United States during 2011, or 30 percent of the total passenger and crew spending. The average passenger expenditure per port-of-call visit rose by 2.7 percent from 2010.

Finally, crew onboard the cruise ships will disembark at both ports-of-embarkation and ports-of-call. We estimated that nearly 6.5 million crew visits were made at U.S. port cities with an average per crew expenditures of \$46.51 per visit, a decrease of nearly one percent from 2010. Consequently, crew spent an estimated \$302 million in the United States during 2011, or 14 percent of the total expenditures of passengers and crew.

¹² Since individual passengers will make several port-of-call visits on any itinerary, passenger visits are approximately three times greater than the number of passengers taking cruises to U.S. ports-of-call.

Another way to view passenger and crew spending is in terms of the onshore spending generated by a typical or average cruise ship call. As shown in **Table 8**, we have estimated that a 2,500-passenger ship generated an average of approximately \$335,000 in passenger and crew onshore spending per call in the homeport city during 2011, an increase of 1.5 percent from 2010. A similar ship making port-of-call visits generated an average of approximately \$317,000 in passenger and crew onshore spending per U.S. port call, an increase of 2.5 percent from 2010.

Table 8 – Estimated Onshore Spending Generated by a 2,500-Passenger Cruise Ship – 2011

	Onshore Visits	Spending	Spending per Visit
Homeport Cruise Visit		\$ 334,602	\$ 336.45
Passengers with Overnight Stays	1,000	\$ 256,421	\$ 256.42
Passengers Arriving on Day of Cruise	1,500	\$ 50,275	\$ 33.52
Crew	600	\$ 27,906	\$46.51
Port-of-Call Cruise Visit		\$ 316,599	\$ 168.07
Passengers	2,375	\$ 288,693	\$ 121.56
Crew	600	\$ 27,906	\$46.51

Source: Business Research and Economic Advisors

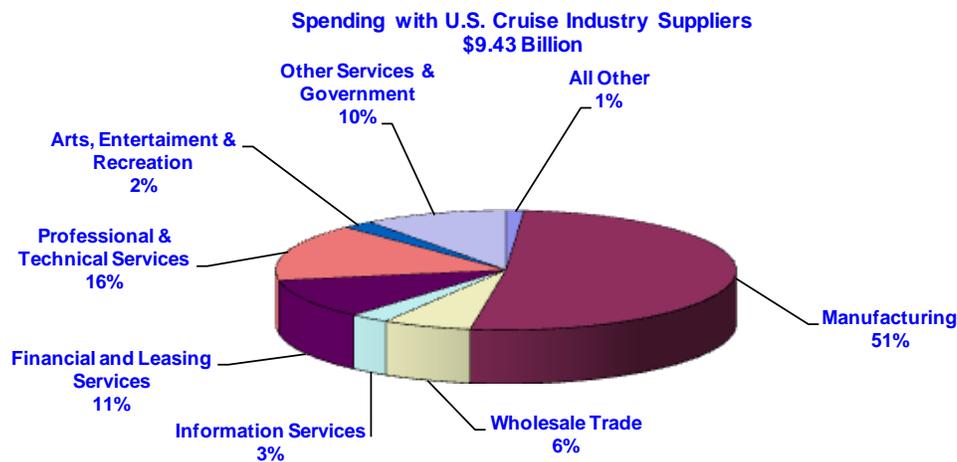
Other Direct Impacts in the United States – Cruise Line Expenditures

During 2011, U.S. businesses outside the core cruise travel sector received \$9.43 billion in direct spending by the cruise lines. These expenditures generated an estimated 42,349 jobs in the nation paying wage income of \$2.24 billion. Expenditures with suppliers increased by 6.0 percent from 2010. As a result of a shift in industry mix and productivity gains, the employment impact among cruise industry suppliers increased by 5.8 percent while the income impact rose by 10.6 percent. Table 6 shows the direct impacts of these expenditures by the cruise lines on major business sectors of the U.S. economy. These economic impacts by sector are as follows:

- Professional, Scientific and Technical Services (\$1.46 billion in direct expenditures, 13,596 jobs, and \$507 million in wage income): comprised of a very broad range of business services, including legal, accounting and consulting services; advertising, promotional and marketing agencies; computer hardware and software consulting; and security and manpower services. The cruise industry expenditures with these service providers remained virtually flat, increas-

ing by 0.3 from 2010. The subsequent employment impact rose by 1.7 percent while the income impact increased by 4.7 percent.

Figure 6 – Distribution of Direct Expenditures to Cruise Industry Suppliers - 2011



Source: Business Research and Economic Advisors

- Petroleum Refining (\$1.48 billion in direct expenditures, 156 jobs and \$19 million in wage income): the refining of petroleum products used to power the cruise ships and lubricate engines and equipment. Due to the expansion of the North American fleet and an increase in oil prices during 2011, expenditures for petroleum products rose by 34 percent. The employment and wage impacts in this capital intensive industry rose by 6.6 and 8.4 percent, respectively.
- Finance, Insurance, Real Estate and Leasing (\$1.0 billion in direct expenditures, 2,992 jobs, \$229 million in wage income): banking and brokerage services; vessel, passenger travel and employee health insurance; real estate services and the leasing of property and equipment. Spending with financial service providers rose by 2.6 percent from 2010 expenditures. The employment impact increased by 1.4 percent from 2010 while the income impact increased by 4.9 percent.
- Food and Beverages (\$941 million in direct expenditures, 2,019 jobs, and \$89 million in wage income): cruise line purchases of alcoholic and nonalcoholic beverages and food consumed on the cruise ships by passengers and crew. The cruise industry increased its expenditures on food and beverages by 2.1 percent in 2011. The direct employment impact increased by 1.6 percent while the wage impact increased by 6.3 percent.
- Ship Maintenance and Repair (\$714 million in direct expenditures, 2,184 jobs and \$154 million in wage income): includes cruise ship maintenance and repair by all of the cruise lines at U.S. shipyards and the construction of support vessels, such as lifeboats and passenger tenders. Cruise industry expenditures for ship repair and maintenance in the U.S. remained virtually flat in 2011, increasing by 0.2

percent from 2010. The direct employment and wage impacts increased by 1.0 percent and 4.6 percent respectively.

- Wholesale Trade (\$587 million in direct expenditures, 3,046 jobs, and \$182 million in wage income): primarily includes the wholesale distribution and warehousing costs associated with the purchase and delivery of manufactured products consumed and/or used aboard the cruise ships. Expenditures among wholesalers also remained virtually flat, declining by 0.3 percent from 2010 while the employment impact declined by 1.1 percent and the wage impact increased by 2.2 percent.
- Industrial Machinery (\$397 million in direct expenditures, 1,245 jobs, and \$73 million in wage income): includes heavy equipment used to power the cruise ships such as boilers and turbines, elevators and parts, printing equipment, kitchen and restaurant equipment and plumbing and water treatment equipment. Direct expenditures in this industry rose by 5.4 percent while the direct employment increased by 6.8 percent and the wage income impact rose by 13.7 percent.
- Computers and Electronic Equipment (\$270 million in direct expenditures, 833 jobs and \$78 million in wage income): includes the manufacture of computers, lighting equipment, audio-visual products and communication and navigation equipment. The cruise industry's expenditures for computers and electronic equipment remained virtually unchanged from 2010, declining by 0.8 percent. As a result, the direct employment impact in this industry increased by 0.1 percent and the wage income impact increased by 3.5 percent.
- Fabricated Metal Products (\$205 million in direct expenditures, 862 jobs, and \$51 million in wage income): includes a variety of hard goods, such as doors and fixtures in cabins and crew quarters, security equipment, fabricated products used in equipment and storage facilities on the cruise ships, etc., and tools used aboard cruise ships during repair and maintenance of the vessels. Direct expenditures in this industry increased by 5.5 percent from 2010 while the direct employment impact rose by 6.2 percent and the wage impact increased by 11.4 percent.
- Arts, Entertainment and Recreation (\$206 million in direct expenditures, 1,752 jobs and \$74 million in wage income): includes the purchase of art work for cruise ships, the hiring of designers, entertainers and crew for shows aboard cruise ships and other recreational activities on and off the cruise ships. Cruise industry expenditures for entertainment services rose by 3.3 percent from 2010. The direct employment impact increased by 3.0 percent while the wage income impact rose by 10.2 percent.

Indirect and Induced Economic Impacts in the United States During 2011

The indirect economic benefits derived from the cruise industry result in part from the additional spending by the suppliers to the cruise industry. For example, food processors must purchase raw foodstuffs for processing; utility services, such as electricity and water, to run equipment and process raw materials; transportation services to deliver finished products to the cruise lines or wholesalers; and insurance for property and employees. The U.S. input/output table and multipliers were used to estimate the indirect impacts.¹³ The input/output table reflects the inter-industry links among industries in the U.S. economy. Use of the U.S. input/output table permits the estimation of the additional economic impacts that the direct spending by the cruise industry, its passengers and its suppliers has on all other industries in the U.S. economy.

In addition to the indirect impacts generated by the purchase of business goods and services by cruise industry suppliers, the employees of the cruise lines and their suppliers generate additional economic benefits through their purchases of consumer goods and services including such goods as autos, food, clothing, furniture, health care and so forth.

The input/output analysis implied that the direct spending of the North American cruise industry generated another 201,358 jobs in the United States through the indirect spending by businesses and employees, an increase of 6.2 percent from 2010. In addition, these jobs generated \$10.3 billion in wage income for these workers, an increase of 9.4 percent from 2010. As shown in **Table 9**, the indirect economic impacts touch virtually every industry in the nation.

Table 9 – Indirect and Induced Economic Impacts of the Cruise Industry in the United States – 2011

¹³ Bureau of Economic Analysis, Annual Input/Output Accounts for the U.S. Economy, 2009.

Sector	Cruise Industry Direct Spending \$ Millions	Employment	Wage Income \$ Millions
Agriculture, Mining, Utilities & Construction	\$ 52	6,638	\$ 521
Manufacturing	\$ 4,828	18,495	\$ 1,253
Food & Beverages	\$ 941	1,924	\$ 95
Apparel & Textiles	\$ 143	1,482	\$ 72
Paper & Printing	\$ 111	1,223	\$ 77
Chemicals & Plastics	\$ 271	2,113	\$ 167
Petroleum Refining	\$ 1,475	495	\$ 30
Fabricated Metal Products	\$ 205	2,989	\$ 170
Industrial Machinery	\$ 397	704	\$ 54
Transportation Equipment	\$ 715	1,956	\$ 157
Computers & Electronic Equipment	\$ 270	1,994	\$ 211
Other Manufacturing	\$ 300	3,614	\$ 218
Wholesale & Retail Trade	\$ 899	27,777	\$ 1,268
Transportation	\$ 5,275	15,096	\$ 733
Information Services	\$ 259	2,787	\$ 228
Finance, Insurance, Real Estate & Leasing	\$ 1,018	12,086	\$ 941
Services & Government	\$ 6,542	118,480	\$ 5,339
Professional, Scientific & Technical Services	\$ 1,458	19,005	\$ 1,625
Administrative & Waste Management Services	\$ 2,588	22,210	\$ 724
Accommodations & Food Services	\$ 1,339	18,989	\$ 370
Performing Arts & Amusements	\$ 206	4,233	\$ 146
Other Services & Government	\$ 952	54,042	\$ 2,474
Total - 2011	\$ 18,876	201,358	\$ 10,284
Total - 2010	\$ 18,010	189,584	\$ 9,401
Percentage Change from 2010	4.8%	6.2%	9.4%

Source: Business Research and Economic Advisors

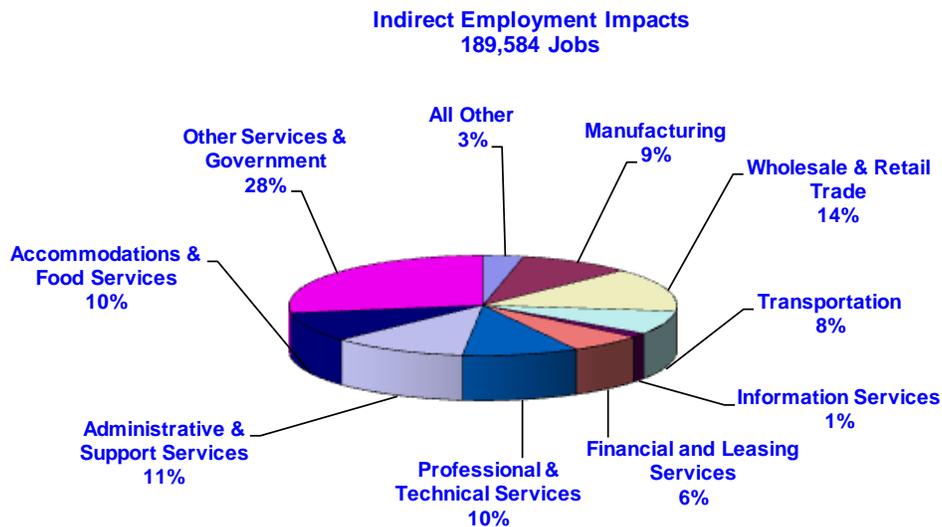
The Services & Government sector was the most significantly impacted sector within the nation. This sector accounted for more than half of the indirect employment and wage impacts. The indirect impacts of cruise industry spending generated 118,480 jobs in the Services and Government sector paying \$5.3 billion in wage income. The indirect employment impacts in this sector rose by 7.5 percent while the income increased by 10.2 percent from 2010. Within the Services & Government segment, approximately 98 percent of the employment and income impacts were in the services industry, while federal, state and local government agencies accounting for the remaining two percent.

Within the Professional, Scientific and Technical Services subsector, the indirect impacts added 19,005 jobs, an increase of 14.5 percent from 2010, and \$1.6 billion in wage income, a growth of 10.3 percent from 2010. These impacts resulted from business demand for a variety of services, including legal and accounting services, consulting services, especially computer consulting, advertising and other business services.

Another 22,210 jobs and \$724 million in income were generated in the Administrative and Waste Management Services subsector. The respective percentage changes from 2010 for the employment and wage income impacts were 16.0 and 18.4 percent. This sector is comprised of establishments that provide routine support activities for the day-to-day operations of other businesses. These include such activities as temporary help services, document preparation services, telephone call and answering services, security services, travel agents and tour operators and sanitary services to name a few.

The Accommodations and Food Services subsector, which includes hotels and restaurants, benefited from the creation of an estimated 18,989 jobs and \$370 million in wage income. These impacts are primarily due to the travel and dining requirements of day-to-day business operations, as well as consumer vacation travel. The indirect employment impact rose by 7.8 percent from 2010 and the income impact increased by 9.7 percent.

Figure 7 – Distribution of Indirect Employment Impacts - 2011



Source: Business Research and Economic Advisors

The indirect impacts measured in the Other Services subsector are primarily personal, health, amusement and entertainment, and educational and social services that are generated by the spending of households whose income is directly and indirectly generated by the cruise industry. With respective indirect employment and income impacts of 54,042 jobs and \$2.5

billion, the indirect employment impacts increased by 1.9 percent from 2010 while the income impact rose by 7.8 percent.

An estimated 27,777 indirect jobs, 14 percent of the total indirect employment impacts, with an annual income of \$1.27 billion were generated in the Wholesale & Retail Trade sector because of cruise industry spending in 2011. Relative to 2010, the indirect employment impacts in this sector rose by 4.0 percent while the wage income impacts increased by 4.9 percent. The wholesale trade subsector accounted for approximately 40 percent of the indirect employment impacts and 60 percent of the wage income impacts in the two subsectors. The higher income share reflects the higher average wage in the wholesale trade industry.

The Transportation sector remained an important sector within the nation with 15,096 indirect jobs, eight percent of the total indirect employment impacts, paying \$733 million in wages. This reflects the strong inter-industry linkages within the transportation sector, as well as, the heavy usage of a variety of transportation services to supply businesses with their inputs and to deliver consumer goods to retail outlets. The indirect employment impacts in this sector rose by 5.5 percent from 2010 while the income impacts increased by 9.7 percent.

Finally, the indirect impacts of cruise industry spending generated 18,495 jobs within the manufacturing sector during 2011, nine percent of the total indirect employment impacts and an increase of 3.2 percent from 2010. These jobs paid \$1.25 billion in annual income, an increase of 5.5 percent from 2010. The majority of the employment impacts were spread among nine industries with the employment impacts ranging from 495 jobs in the petroleum refining industry to 2,989 jobs in the fabricated metals industry. Combined, the nine industries shown in Table 9 accounted for 80 percent of the indirect impacts in the manufacturing sector.

Total Economic Impacts in the United States During 2011

Even though the North American cruise industry provides a service that is considered an import to the U.S. economy, it is responsible for considerable domestic economic activity. As noted previously the industry directly spent \$18.9 billion in the United States in 2011. As shown in **Table 10**, this spending generated \$40.4 billion in total industry output among U.S.

businesses during 2011, an increase of 6.8 percent from 2010. The \$40.4 billion in total gross product resulted in the employment of 347,787 workers, an increase of 5.4 percent from 2010, and \$16.5 billion in wages and salaries, a growth of 8.3 percent from 2010.

Table 10 – Total Economic Impacts of the Cruise Industry in the United States – 2011

Sector	Industry Output \$ Millions	Employment	Wage Income \$ Millions
Agriculture, Mining, Utilities & Construction	\$ 3,720	6,868	\$ 529
Manufacturing	\$ 9,227	30,612	\$ 1,997
Food & Beverages	\$ 726	2,865	\$ 184
Apparel	\$ 1,019	1,625	\$ 110
Paper and Printing	\$ 296	1,494	\$ 107
Chemicals & Plastics	\$ 426	3,588	\$ 187
Petroleum Refining	\$ 1,022	700	\$ 80
Fabricated Metal Products	\$ 56	3,386	\$ 243
Industrial Machinery	\$ 199	1,418	\$ 209
Transportation Equipment	\$ 1,038	2,226	\$ 236
Computers & Electronic Equipment	\$ 2,374	2,407	\$ 424
Other Manufacturing	\$ 2,071	10,903	\$ 218
Wholesale & Retail Trade	\$ 2,776	34,218	\$ 1,541
Transportation	\$ 6,605	74,588	\$ 3,246
Information Services	\$ 1,063	3,453	\$ 268
Finance, Insurance, Real Estate & Leasing	\$ 3,831	15,778	\$ 1,170
Services & Government	\$ 13,194	182,271	\$ 7,750
Professional, Scientific & Technical Services	\$ 4,420	32,601	\$ 2,132
Administrative & Waste Management Services	\$ 4,267	45,309	\$ 1,435
Accommodations & Food Services	\$ 1,234	36,739	\$ 774
Performing Arts & Amusements	\$ 304	20,740	\$ 451
Other Services & Government	\$ 2,969	46,881	\$ 2,957
Total - 2011	\$ 40,416	347,787	\$ 16,501
Total - 2010	\$ 37,853	329,943	\$ 15,237
Percentage Change from 2010	6.8%	5.4%	8.3%

Source: Business Research and Economic Advisors

Since 2000, the total economic impact of the North American cruise industry has increased significantly. Total annual output supported by the cruise industry has more than doubled over the eleven-year period. As a result of the increased output, the cruise industry's total annual employment and wage impacts have increased by 35 percent and 90 percent respectively.

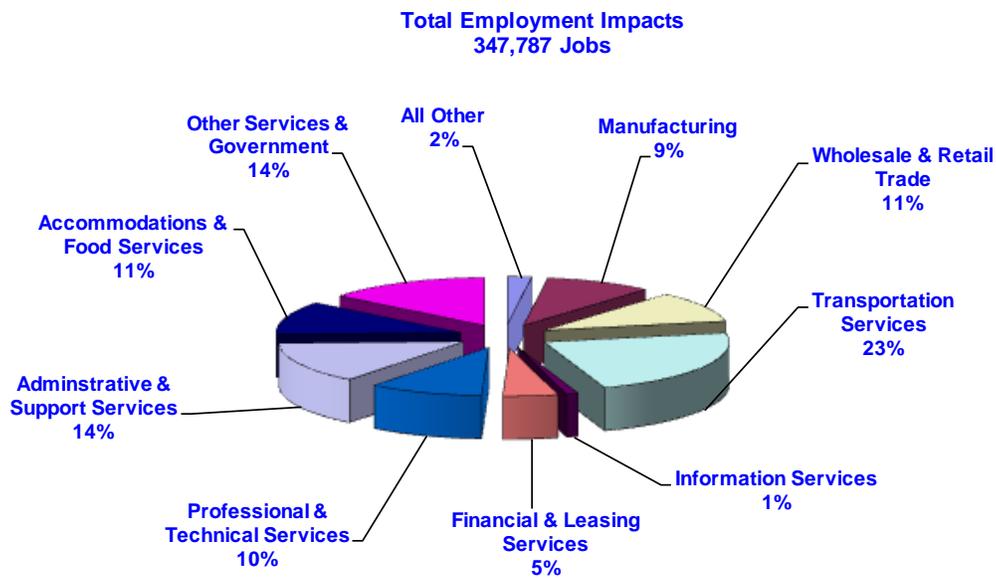
Virtually all sectors of the economy were affected by the North American passenger cruise industry. The industries that were most significantly affected included:

- Air Transportation
- Travel Agents
- Advertising

- Food Processing
- Ship Maintenance and Repair
- Petroleum Refining
- Business Services
- Wholesale Trade

However, many other industries were affected in some form, including lodging, insurance, telecommunications, retail trade and many others.

Figure 8 – Distribution of Total Employment Impacts - 2011



Source: Business Research and Economic Advisors

As shown in **Table 10** and **Figure 8**, the Transportation Services sector accounted for the most total jobs generated by the North American cruise industry. Just over 74,500 jobs were generated in this sector, accounting for 21 percent of the total employment impact. These jobs, in turn, generated \$3.2 billion in wages.

The Professional, Scientific & Technical Services and the Other Services & Government subsectors accounted for 9.3 and 13.4 percent, respectively, of all (direct and indirect) jobs generated in the United States by the spending of the cruise industry and its passengers and crew. Combined, these two subsectors generated nearly 79,500 jobs and \$5.1 billion in wages during the year as a result of the spending by the North American cruise industry.

Just over \$9.2 billion in output was generated in the Manufacturing sector. The Manufacturing sector accounted for nine percent of the total jobs, over 30,600, and just over 12 percent of the income, \$2.0 billion, generated by cruise industry spending. The impacts were split evenly between nondurable and durable goods industries.

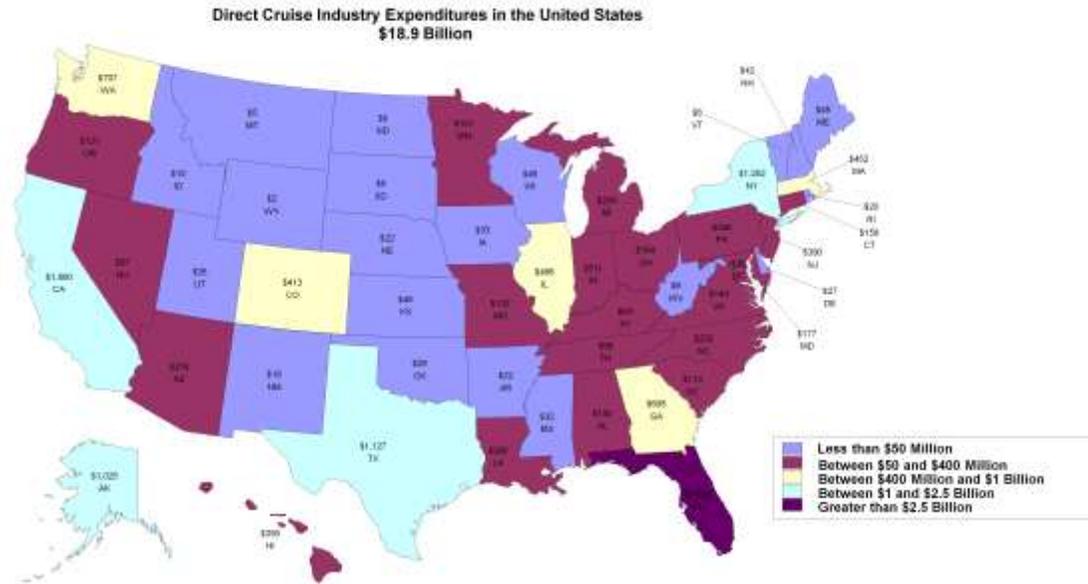
Finally, the Wholesale & Retail Trade sector accounted for 10 percent of the total employment impact of the cruise industry having generated just over 34,200 jobs and \$1.54 billion in income as a result of the expenditures of the North American cruise industry.

Section II: The Contribution of the North American Cruise Industry to the U.S. Economy by State in 2011

The national economic contributions discussed in the previous section also had an effect on individual state economies. The direct economic contribution of the cruise industry and its passengers and crew was allocated to each state based on several criteria. First, vendor purchases by industry were allocated to each state based upon a sample of state- and industry-specific vendor purchases obtained from the cruise lines. Second, wages and salaries of shoreside employees of the cruise lines were allocated to each state based upon the location of administrative facilities as provided by the cruise lines. Third, national travel agent commissions were allocated to each state based upon the place of residence of cruise passengers. Fourth, air transportation spending was assigned to each state based upon a combination of the residence of passengers and the ports of embarkation of passengers. Fifth, cruise passenger and crew expenditures were allocated to states based upon embarkation and arrival data.

The total economic contribution in each state was estimated by using state- and industry-specific multipliers obtained from the Bureau of Economic Analysis. These multipliers reflect the industry and wage structure in each state. As a consequence, the direct and indirect economic contributions estimated for each state reflect the nature of vendor purchases by the cruise industry, the place of residence of cruise passengers, the regional distribution of cruise embarkations and port-of-call visits and the economic structure of each state.

As shown in **Figure 9**, our analysis shows that the North American passenger cruise industry affects every state economy. The contributions result, in part, from the direct spending of the cruise lines for goods and services used to support their cruise operations. These range from the purchase of food and beverages, to ship maintenance and refurbishment to engineering, insurance and management consulting services. Economic contributions are also generated by other components of what we have called the core cruise travel sector. These include the commissions received by travel agents from the cruise lines, airfares received by airlines from cruise passengers and fees received by port authorities and port service providers.

Figure 9 – Direct Expenditures of the North American Cruise Industry by State - 2011

Source: Business Research and Economic Advisors

Economic Impacts in the Top Ten States

As shown in **Figure 10**, all states had some direct expenditures generated by the North American cruise industry in 2011. This ranged from \$2 million in Wyoming to \$6.7 billion in Florida.

The top 10 states accounted for 77 percent of the direct expenditures of the cruise industry (See **Table 11**). Of the top 10 states, seven, Florida, California, Texas, Alaska, New York, Washington and Massachusetts, had significant cruise ports. Of these, Alaska was primarily a destination rather than a homeport state. The other three states, Georgia, Illinois and Colorado, had no cruise ports but were significant source markets for cruise passengers and provided vendor support for cruise and cruise tour operations. Hawaii, which had been among the top ten states in previous studies, fell to 11th in 2009 and then to 12th in 2011.

Of the remaining states, twenty-two, including the District of Columbia, received less than \$50 million in direct cruise industry expenditures. With the exception of Maine, these were largely source market states with small population. Another 19 states received between \$50

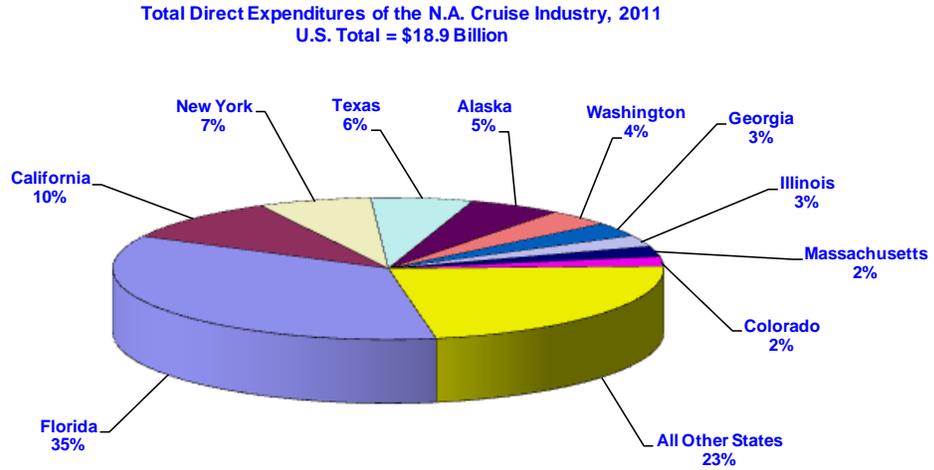
and \$400 million in direct expenditures. These were larger states but, again most were source markets with the exception of New Jersey, Maryland and Hawaii.

Table 11 – Direct Expenditures of the North American Cruise Industry by State – 2011

State	2011	2010	Direct Purchases (\$ Millions)	Share of the U.S.	State	Rank 2008	Rank 2007	Direct Purchases (\$ Millions)	Share of the U.S.
Florida	1	1	\$ 6,658	35.3%	Minnesota	27	25	\$ 101	0.6%
California	2	2	\$ 1,860	9.9%	Nevada	28	26	\$ 97	0.5%
New York	3	3	\$ 1,252	5.4%	Tennessee	29	29	\$ 58	0.3%
Texas	4	4	\$ 1,127	6.6%	Kentucky	30	30	\$ 53	0.3%
Alaska	5	5	\$ 1,025	6.0%	Kansas	31	31	\$ 46	0.2%
Washington	6	6	\$ 707	3.7%	Wisconsin	32	33	\$ 46	0.2%
Georgia	7	7	\$ 608	3.2%	Maine	33	35	\$ 45	0.2%
Illinois	8	9	\$ 488	1.9%	New Hampshire	34	34	\$ 42	0.2%
Massachusetts	9	8	\$ 452	2.6%	Dist. of Columbia	35	37	\$ 36	0.2%
Colorado	10	10	\$ 413	2.2%	Utah	36	32	\$ 35	0.2%
New Jersey	11	12	\$ 390	2.4%	Iowa	37	38	\$ 33	0.2%
Hawaii	12	11	\$ 356	2.1%	Mississippi	38	36	\$ 32	0.2%
Pennsylvania	13	13	\$ 346	1.8%	Oklahoma	39	39	\$ 29	0.2%
Indiana	14	14	\$ 311	1.6%	Delaware	40	40	\$ 27	0.1%
Louisiana	15	16	\$ 280	1.2%	Arkansas	41	42	\$ 22	0.1%
North Carolina	16	15	\$ 222	1.1%	Nebraska	42	43	\$ 22	0.1%
Arizona	17	17	\$ 218	0.7%	Rhode Island	43	41	\$ 20	0.1%
Michigan	18	18	\$ 209	0.9%	New Mexico	44	44	\$ 16	0.1%
Maryland	19	19	\$ 177	1.2%	Idaho	45	45	\$ 10	0.1%
Ohio	20	20	\$ 164	1.5%	West Virginia	46	46	\$ 9	0.0%
Connecticut	21	21	\$ 158	0.9%	Vermont	47	50	\$ 8	0.0%
Virginia	22	24	\$ 144	0.8%	North Dakota	48	47	\$ 6	0.0%
Alabama	23	23	\$ 143	0.8%	South Dakota	49	48	\$ 5	0.0%
Missouri	24	22	\$ 132	0.8%	Montana	50	49	\$ 5	0.0%
Oregon	25	27	\$ 121	0.5%	Wyoming	51	51	\$ 2	0.0%
South Carolina	26	28	\$ 113	0.6%					
U. S. Total								\$ 18,876	

Source: Business Research and Economic Advisors

Figure 10 – Distribution of Direct Expenditures of the North American Cruise Industry by State - 2011



Source: Business Research and Economic Advisors

The following sections provide a summary of the characteristics of cruise-related activity in each of the top ten states.

Florida

As has been discussed previously in this report, Florida is the center for cruising from the United States. As shown in **Table 12**, just over 5.9 million passengers boarded their cruises from one of Florida's five cruise ports, Port of Miami, Port Everglades, Port Canaveral, Port of Tampa and Port of Jacksonville¹⁴, accounting for 60 percent of embarkations at all U.S. ports. While these ports primarily offer cruises to the Bahamas, the Caribbean and Central America, cruises that originate in Florida also travel to ports around the world.

Table 12 – Summary of 2011 Cruise Industry Impacts – Florida

	Florida	Share of the U.S.
Passenger Embarkations	5,920,000	60.2%
Resident Cruise Passengers	3,048,000	29.4%
Total Passenger & Crew Visits	8,943,000	41.6%
Direct Expenditures (\$ Millions)	\$ 6,658	35.3%
Total Employment Impact	130,950	37.7%
Total Wage Impact (\$ Millions)	\$ 5,760	34.9%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Given the proximity of cruise homeports in Florida and the Gulf Coast to Florida residents, the state also led the nation in resident cruise passengers with over 3 million passengers, 29 percent of all U.S. resident cruise passengers. With nearly twice as many embarkations as resident passengers, the cruise industry in Florida is a net generator of cruise tourism activity in the state.

Relative to 2010, Florida experienced an increase in both passenger embarkations and resident cruise passengers. Passenger embarkations rose by 2.4 percent while resident cruise passengers increased by 5.7 percent. As a result, Florida's share of passenger embarkations rose from 59.7 percent in 2010 to 60.2 percent in 2011 while its share of resident cruise passengers increased by a similar amount from 28.8 percent in 2010 to 29.4 percent in 2011.

¹⁴ Key West is a port-of-call for Caribbean cruises and thus does not generate passenger embarkations. However, passenger and crew intransit visits and spending are included in the state visit and spending estimates.

Including homeport and intransit calls, cruising at Florida ports generated an estimated 8.9 million passenger and crew visits, accounting for 41.6 percent of all passenger and crew visits in the United States. These visits produced an estimated \$923 million in passenger and crew onshore spending, or slightly more than \$103 per visit. Total passenger and crew spending in Florida increased by nearly 4 percent from 2010 as a result of the net impact of the 2.6 percent increase in visits and the 1.5 percent increase in the average spend per visit.

Florida is not only the center for cruise originations; it is the center of just about all aspects of the cruise industry. Carnival Corporation & plc. and Royal Caribbean Cruises, Ltd., which combined control three-fourths of the North American cruise industry's capacity, have their headquarters in Miami. Norwegian Cruise Line also has its headquarters in Florida as do other cruise lines. Overall, these operations employed more than 14,000 workers, approximately 54 percent of the total employment of the cruise lines throughout the United States.

As a result of the activity of the cruise industry, Florida businesses received \$6.7 billion, or 35 percent of the direct expenditures generated by the cruise industry in the United States. This represents a 5.6 percent increase from 2010. Tourism-related businesses in addition to the cruise lines, such as travel agencies, airlines, hotels, restaurants and providers of ground transportation were certainly the main beneficiaries of the cruise industry. These tourism-related industries received approximately \$2.7 billion, or 41 percent of the industry's direct expenditures in Florida. Another \$673 million, or 10 percent of the total, was spent with businesses in five additional business segments, food processors and chemical manufacturers, including, paints, pharmaceuticals and cleaning supplies, within the manufacturing sector; and advertising agencies, management and technical consulting companies and manpower agencies in the nonmanufacturing sector. Due to the absolute scale of the industry, direct expenditures in Florida impacted just about all segments of the economy, including recreation and amusement establishments, wholesalers of products purchased by cruise lines, manufacturers of communications and navigation equipment, producers of machinery and equipment such as engine parts, boilers, laundry equipment and computers, manufacturers of fabricated metal products such as locks and security equipment and business service providers such as interior designers and computer services consultants.

Finally, these direct expenditures generated total economic impacts of 130,950 jobs and \$5.76 billion in income throughout the Florida during 2011. Florida's total employment impact increased by 6.2 percent as a result of the 5.6 percent increase in direct spending. The total wage impact rose by 7.6 percent. These impacts accounted for nearly 38 percent of the national employment impact and 35 percent of the national wage impact.

California

With respect to the cruise industry, California is very similar to Florida only on a smaller scale. The state has four major cruise ports in Los Angeles, Long Beach, San Diego and San Francisco that combined generated just under 1.0 million passenger embarkations during 2011, 9.2 percent of total U.S. embarkations. Cruise itineraries primarily include ports along the Pacific coast of Mexico, but also include cruises through the Panama Canal, to Hawaii and Alaska.

Table 13 – Summary of 2011 Cruise Industry Impacts – California

	California	Share of the U.S.
Passenger Embarkations	902,000	9.2%
Resident Cruise Passengers	1,134,000	10.9%
Total Passenger & Crew Visits	979,000	4.6%
Direct Expenditures (\$ Millions)	\$ 1,860	9.9%
Total Employment Impact	42,253	12.1%
Total Wage Impact (\$ Millions)	\$ 2,295	13.9%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Embarkations declined for the third consecutive year and fell by 15 percent in 2011. As a result, embarkations fell below one million for the first time since 2003. This was primarily the result of the reduced deployment of cruise capacity in the Mexico West market. San Diego with a 41 percent decline lost nearly 100,000 passenger embarkations. Another 62,000 passenger embarkations were lost in Los Angeles, a 17 percent decline. In Long Beach, passenger embarkations declined by about one percent with a loss of 6,000 passenger boardings. San Francisco was the lone bright spot in the state with an increase of 12.2 percent, or 5,000 passengers as the Alaska market rebounded during 2011. As a result, California's share of passenger embarkations fell by 1.8 percentage points.

Even as embarkations were declining, more residents of California were taking cruises. Resident cruise passengers in California accounted for 10.9 percent of U.S. resident passengers and totaled just over 1.1 million during 2011, a 6.4 percent increase from 2010. Thus, California was a net exporter of cruise passengers.

Including homeport and intransit calls, cruising at California ports generated an estimated 979,000 passenger and crew visits, accounting for 4.6 percent of all passenger and crew visits in the United States. These visits produced an estimated \$108 million in passenger and crew onshore spending, or just over \$110 per visit. Total estimated spending by passengers and crew declined by 17 percent from 2010 as the 18 percent decline in passenger and crew visits was only partially offset by the one percent increase in average spending per visit.

Again, like Florida, California is the home of headquarters and support facilities for several cruise lines including Princess and Cunard Cruises and Crystal Cruises in addition to the River Cruise operators, AMA waterways and Uniworld. Overall, the industry had approximately 1,200 employees, or about five percent of total employment of the cruise lines throughout the United States.

Despite the contraction in passenger and crew visits, total direct cruise industry expenditures in California increased by 3.9 percent in 2011 to \$1.86 billion, or nearly 10 percent of the direct expenditures generated by the cruise industry in the United States. This increase is the result of increased spending with businesses that support the industry beyond just cruises originating in California. These include entertainment, food processing and legal and professional services to name a few. Tourism-related businesses, such as travel agencies, airlines, hotels, etc., received \$596 million, or 32 percent of the industry's direct expenditures in California and a 4.1 percent decline from 2010. Another \$702 million, or 38 percent of the total, was spent with businesses in five additional business segments, food processors, ship repair companies and petroleum refiners within the manufacturing sector; and advertising agencies and insurance companies in the nonmanufacturing sector. Direct expenditures in California also impacted many other industries throughout the state including business service providers such as computer services, software consulting and marketing, legal services, apparel manufacturing and the entertainment and amusement industry, including artwork and producers of musical and theatrical shows.

Finally, these direct expenditures generated total economic impacts of 42,253 jobs and \$2.3 billion in income throughout the California economy during 2011. As a result of the increase in direct expenditures, California's total employment and wage impacts increased by 1.3 and

5.3 percent, respectively. These impacts accounted for 12.1 percent of national employment impact and 13.9 percent of the national wage impact.

New York

New York is primarily a place of embarkation for cruises to Canada, Bermuda, the Bahamas and the Caribbean. While the cruises to Canada and Bermuda are seasonal (Spring through Fall months), cruises to the Bahamas and the Caribbean are offered on a year-round basis. The City of New York saw 611,000 passenger embarkations during 2011, 6.2 percent of total U.S. embarkations. The Manhattan Cruise Terminal handled approximately 83 percent of the passengers while the Brooklyn Cruise Terminal, processed the remaining 17 percent.

Table 14 – Summary of 2011 Cruise Industry Impacts – New York

	New York	Share of the U.S.
Passenger Embarkations	611,000	6.2%
Resident Cruise Passengers	382,000	3.7%
Total Passenger & Crew Visits	896,000	4.2%
Direct Expenditures (\$ Millions)	\$ 1,252	6.6%
Total Employment Impact	16,608	4.8%
Total Wage Impact (\$ Millions)	\$ 944	5.7%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Resident cruise passengers in the state accounted for 3.7 percent of U.S. resident passengers and totaled 382,000 during 2011. In addition to the state of New York, the New York source market also includes Connecticut, New Jersey and parts of Pennsylvania. As a result, New York was a net importer of cruise passengers.

Relative to 2010, New York experienced a 10.5 percent increase in passenger embarkations and a 1.5 percent decrease in the number of resident cruise passengers. As a result, New York's share of passenger embarkations increased by a half of a percentage point while its share of resident cruise passenger declined by two-tenths of a percentage point.

Including homeport and intransit calls, cruising at New York ports generated an estimated 896,000 passenger and crew visits, accounting for 4.2 percent of all passenger and crew visits in the United States. This was an 8.6 percent increase from 2010. These visits produced an estimated \$159 million in passenger and crew onshore spending, or just over \$177 per visit. Passenger and crew spending rose by 10 percent from 2010.

New York ranked third in cruise industry direct expenditures with \$1.25 billion, or 6.6 percent of the direct expenditures generated by the cruise industry in the United States. Direct cruise industry expenditures in the state increased by 4.4 percent from 2010.

Tourism-related businesses, such as travel agencies, airlines, hotels, etc., received approximately \$405 million, 32 percent of the industry's direct expenditures in New York. Another \$331 million, 26 percent of the direct expenditures, was spent with businesses in five additional business segments, food processors, textile and apparel manufacturers, and pharmaceutical companies within the manufacturing sector; and advertising agencies and financial services companies in the nonmanufacturing sector. The remaining 42 percent of direct expenditures in New York also impacted many other industries throughout the state including law firms, insurance companies, business service companies such as computer services, software consulting and marketing, manufacturers of fabricated metal products such as locks and security equipment, petroleum refiners and performing arts and amusement establishments.

Finally, these direct expenditures generated total economic impacts of 16,608 jobs and \$944 million in income throughout the New York economy during 2011. These impacts accounted for 4.8 percent of national employment impact and 5.7 percent of the national wage impact. Both of these shares increased by a three-tenths of a percentage point from 2010.

Texas

The primary cruise port in Texas is Galveston. During 2011, Galveston had 459,000 embarkations, 4.7 percent of total U.S. cruise embarkations. Passenger embarkations increased by 2.9 percent during 2011. Resident cruise passengers in Texas accounted for 11 percent of U.S. resident passengers and totaled 1.14 million during 2011, an increase of 2.9 percent from 2010. Thus, Texas was a net exporter of cruise passengers. As a result of the growth in cruise activity, Texas' share of passenger embarkations increased slightly, 0.1 of a percentage point, while its share of resident cruise passengers remained unchanged.

Table 15 – Summary of 2011 Cruise Industry Impacts – Texas

	Texas	Share of the U.S.
Passenger Embarkations	459,000	4.7%
Resident Cruise Passengers	1,138,000	11.0%
Total Passenger & Crew Visits	655,000	3.0%
Direct Expenditures (\$ Millions)	\$ 1,127	6.0%
Total Employment Impact	17,316	5.0%
Total Wage Impact (\$ Millions)	\$ 917	5.6%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Combining passenger and crew visits during cruise ship calls, cruises calling at Galveston generated an estimated 655,000 passenger and crew visits, accounting for three percent of all passenger and crew visits in the United States. This represented a 3.1 percent increase over 2010. These visits produced an estimated \$45.2 million in passenger and crew onshore spending, or nearly \$69 per visit.

Texas ranked fourth in cruise industry direct expenditures with \$1.13 billion, or 6.0 percent of the direct expenditures generated by the cruise industry in the United States. This was virtually unchanged from 2010. Tourism-related businesses, such as travel agencies, airlines, hotels, etc., received approximately \$450 million, 40 percent of the industry's direct expenditures in Texas. Another \$356 million, 32 percent of direct expenditures in the state, was spent with businesses in five additional business segments, food processors and petroleum refiners in the manufacturing sector; and advertising agencies, insurance carriers, and management and technical consulting companies in the nonmanufacturing sector. The

remaining 28 percent of direct expenditures in Texas also impacted many other industries throughout the state including food processors, wholesalers of products purchased by cruise lines, apparel manufacturers, software publishers and companies that manufacture and distribute communication and navigation equipment.

Finally, these direct expenditures generated total economic impacts of 17,316 jobs and \$917 million in income throughout the Texas economy during 2011. These impacts accounted for 5.0 percent of national employment impact and 5.6 percent of the national wage impact.

Alaska

Alaska is the premier cruise destination market in the United States. During 2011, Alaska ports received about 3.4 million cruise passenger visits, approximately 65 percent of all port-of-call cruise passenger visits at U.S. ports.¹⁵ The state does have homeporting operations as well, and generated 129,000 embarkations on turnaround cruises between Alaska and Vancouver, Canada. The cruise lines also maintain significant tour operations in the state and employed an annual average of approximately 3,600 full- and part-time employees during the year. During the peak season, the cruise lines employed more than 5,000 employees.

Table 16 – Summary of 2011 Cruise Industry Impacts – Alaska

	Alaska	Share of the U.S.
Passenger Embarkations	129,000	1.3%
Resident Cruise Passengers	7,000	0.1%
Total Passenger & Crew Visits	4,804,000	22.4%
Direct Expenditures (\$ Millions)	\$ 1,025	5.4%
Total Employment Impact	22,493	6.5%
Total Wage Impact (\$ Millions)	\$ 962	5.8%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Alaska is one of the least populous states in the nation and thus resident cruise passengers in the state totaled only 7,000 and accounted for 0.1 percent of U.S. resident passengers during 2011. Thus, Alaska was a net importer of cruise passengers.

Relative to 2010, Alaska experienced a one percent increase in passenger embarkations and a 1.4 percent increase in cruise passenger and crew visits. Including homeport and intransit calls, cruising at Alaska ports generated an estimated 4.8 million passenger and crew visits, accounting for 22.6 percent of all passenger and crew visits in the United States. As a result, Alaska's share of passenger and crew visits increased by about two-tenths of a percentage point. These visits produced an estimated \$502 million in passenger and crew onshore spending, or just over \$104 per visit.

¹⁵ Since individual passengers will make several port-of-call visits on any itinerary, passenger visits are approximately three times greater than the number of passengers taking cruises to Alaska.

Alaska ranked fifth in cruise industry direct expenditures with just over \$1 billion, or 5.4 percent of the direct expenditures generated by the cruise industry in the United States. This represented a 10 percent increase from 2010. Tourism-related businesses, such as tour operators, airlines, hotels, etc., received approximately \$649 million, approximately 63 percent of the industry's direct expenditures in Alaska.¹⁶ Another \$49 million was spent with businesses in five additional business segments, food processors within the manufacturing sector; and construction firms, employment agencies, trucking companies and utilities in the nonmanufacturing sector.

Finally, these direct expenditures generated total economic impacts of 22,493 jobs and \$962 million in income throughout the Alaska economy during 2011. Alaska's total employment impact increased by 5.6 percent while the wage impact rose by 13.2 percent as a result of the rebound in direct cruise activity in the state. These impacts accounted for 6.5 percent of national employment impact and 5.8 percent of the national wage impact.

¹⁶ Excludes the wages and salaries paid to cruise line employees in the state.

Washington

Washington has only one major cruise port, Port of Seattle, which had 443,000 passenger embarkations during 2011. The Seattle cruises were destined for the Alaska cruise market and also included at least one visit to a Canadian port. After increasing by 6.6 percent in 2010, passenger embarkations decreased by 4.9 percent in 2011. Thus, Washington's share of embarkations at U.S. ports fell to 4.5 percent in 2011 from 4.8 percent in 2010.

Table 17 – Summary of 2011 Cruise Industry Impacts – Washington

	Washington	Share of the U.S.
Passenger Embarkations	443,000	4.5%
Resident Cruise Passengers	205,000	2.0%
Total Passenger & Crew Visits	655,000	3.0%
Direct Expenditures (\$ Millions)	\$ 707	3.7%
Total Employment Impact	17,900	5.1%
Total Wage Impact (\$ Millions)	\$ 861	5.2%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Resident cruise passengers in Washington totaled 205,000 during 2011, 2.0 percent of U.S. resident passengers and a two percent increase from 2010. Thus, Washington was a net importer of cruise passengers.

Also, Holland America Line has its corporate headquarters in Washington. The cruise line operations also include Westours, a tour operator that primarily offers tours in Alaska.

Combining passenger and crew visits during cruise ship calls, cruising from the Port of Seattle generated an estimated 655,000 passenger and crew visits, accounting for 3.0 percent of all passenger and crew visits in the United States. These visits produced an estimated \$38.1 million in passenger and crew onshore spending, or just over \$58 per visit.

As a result of the activity of the cruise industry direct cruise industry expenditures in Washington increased by 2.8 percent to \$707 million, or 3.7 percent of the direct expenditures generated by the cruise industry in the United States. Tourism-related businesses, such as travel agencies, airlines, hotels, etc., received more than \$205 million, or 29 percent of the industry's direct expenditures in the state. Another \$234 million was spent

with businesses in five additional business segments, food processors and ship repair companies within the manufacturing sector; and advertising agencies, engineering and design companies and management consulting firms in the nonmanufacturing sector. Direct expenditures in Washington also impacted many other industries throughout the state including law firms, insurance carriers, business service providers such as computer services, software consulting and marketing, and other financial service companies.

Finally, these direct expenditures generated total economic impacts of 17,900 jobs and \$861 million in income throughout the Washington economy during 2011. As a result of the increase in direct cruise expenditures in the state, Washington's total employment impact rose by 3.3 percent while the wage impact grew by 9.4 percent. Both the employment and wage impacts accounted for just over five percent of the corresponding national impacts.

Georgia

While Georgia has no direct cruise operations, it is a major source market for cruise passengers, making it a net exporter of cruise passengers. It also supports the industry with a wide range of goods and services. Resident cruise passengers in Georgia totaled 236,000 during 2011, 2.3 percent of U.S. resident passengers and an 8.3 percent increase from 2010.

Table 18 – Summary of 2011 Cruise Industry Impacts – Georgia

Georgia	Share of the U.S.	
Passenger Embarkations	N.A.	N.A.
Resident Cruise Passengers	236,000	2.3%
Direct Expenditures (\$ Millions)	\$ 608	3.2%
Total Employment Impact	10,510	3.0%
Total Wage Impact (\$ Millions)	\$ 507	3.1%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Cruise industry expenditures in Georgia grew by 0.5 percent in 2011 to \$608 million, or 3.2 percent of the direct expenditures generated by the cruise industry in the United States. Since Georgia is a source market for cruise passengers, tourism-related businesses, such as travel agencies, airlines, hotels, etc., accounted for 29 percent of the industry's direct expenditures in the state, or \$175 million. Another \$127 million was spent with businesses in the top five support industries, food processors and computer and electronic equipment manufacturers within the manufacturing sector; and advertising agencies, insurance companies and management and technical consultants in the nonmanufacturing sector. Direct expenditures in Georgia also impacted many other industries throughout the state including telecomm companies, other financial services, software publishers and textile and apparel manufacturers.

Finally, these direct expenditures generated total economic impacts of 10,510 jobs and \$507 million in income throughout the Georgia economy during 2011. Georgia's total employment impact increased by 10.6 percent as a result of the increase in direct spending while the total wage impact grew by 12.3 percent. These impacts accounted for approximately three percent of national employment and wage impacts.

Illinois

Like Georgia, Illinois has no direct cruise operations but it is a major source market for cruise passengers, making it a net exporter of cruise passengers. It also supports the industry with a wide range of goods and services. Resident cruise passengers in Illinois totaled 205,000 during 2011, a decline of 8.5 percent from 2010 and accounting for two percent of U.S. resident passengers.

Table 19 – Summary of 2011 Cruise Industry Impacts – Illinois

	Illinois	Share of the U.S.
Passenger Embarkations	N.A.	N.A.
Resident Cruise Passengers	205,000	2.0%
Direct Expenditures (\$ Millions)	\$ 488	2.6%
Total Employment Impact	7,143	2.1%
Total Wage Impact (\$ Millions)	\$ 387	2.3%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Cruise industry expenditures in Illinois increased by 0.3 percent in 2011 to \$488 million, or 2.6 percent of the direct expenditures generated by the cruise industry in the United States. Since Illinois is source market for cruise passengers, tourism-related businesses, such as travel agencies, airlines, hotels, etc., accounted for 17 percent of the industry's direct expenditures in the state, or \$83 million. Approximately \$142 million was spent with businesses in the top five support industries, food processors, paper manufacturers, and apparel and textile firms within the manufacturing sector; and advertising agencies and insurance companies in the nonmanufacturing sector. Direct expenditures in Illinois also impacted many other industries throughout the state including management and technical consultants, video and music production companies, paint and chemical manufacturers, business service providers such as computer services, software consulting and marketing.

Finally, these direct expenditures generated total economic impacts of 7,143 jobs and \$387 million in income throughout the Illinois economy during 2011. As a result of the increases in direct cruise expenditures in the state, Illinois' total employment and wage impacts increased by 4.1 and 7.3 percent respectively. These impacts accounted for 2.1 percent of national employment impact and 2.3 percent of the national wage impact.

Massachusetts

The Boston cruise port in Massachusetts is both a port-of-embarkation and a port-of-call for cruises to Canada and Bermuda. The cruises to Canada and Bermuda are seasonal (Spring through Fall months). Cruise ships sailing from Boston carried 85,000 passengers during 2011, just under one percent of total U.S. embarkations but an increase of 1.1 percent from 2010. Resident cruise passengers in the state accounted for 6.1 percent of U.S. resident passengers and totaled 628,000 during 2011.

Table 20 – Summary of 2011 Cruise Industry Impacts – Massachusetts

	Massachusetts	Share of the U.S.
Passenger Embarkations	85,000	0.9%
Resident Cruise Passengers	628,000	6.1%
Total Passenger & Crew Visits	312,000	1.5%
Direct Expenditures (\$ Millions)	\$ 452	2.4%
Total Employment Impact	7,451	2.1%
Total Wage Impact (\$ Millions)	\$ 438	2.7%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Due to a 10 percent decline in port-of-call visits, total passenger and crew visits to Massachusetts decreased by six percent in 2011 to 312,000, accounting for 1.5 percent of all passenger and crew visits in the United States. These visits produced an estimated \$24.8 million in passenger and crew onshore spending, or nearly \$80 per visit.

Cruise industry direct expenditures in Massachusetts declined by 8.2 percent in 2011 and totaled \$452 million, or 2.4 percent of the direct expenditures generated by the cruise industry in the United States. Tourism-related businesses, such as travel agencies, airlines, hotels, etc., received approximately \$238 million, or 53 percent of the industry's direct expenditures in Massachusetts. Another \$137 million, 30 percent of the direct expenditures, was spent with businesses in five additional business segments, food processors and petroleum companies within the manufacturing sector and advertising agencies, insurance agencies and management consulting firms in the nonmanufacturing sector. The remaining 17 percent of direct expenditures in Massachusetts also impacted many other industries throughout the state including law firms, business service companies such as computer

services, software consulting and marketing, manufacturers of textile and apparel products, and educational and training institutions.

Finally, these direct expenditures generated total economic impacts of 7,451 jobs and \$438 million in income throughout the Massachusetts' economy during 2011. The employment impact fell by one percent from 2010 while the wage impact increased by 2.1 percent. These impacts accounted for 2.1 percent of national employment impact and 2.7 percent of the national wage impact.

Colorado

Like Illinois and Georgia, Colorado has no direct cruise operations but it is a source market for cruise passengers, making it a net exporter of cruise passengers. It also supports the industry with a wide range of goods and services. Resident cruise passengers in Colorado totaled 56,000 during 2011, unchanged from 2010 and accounting for 0.5 percent of U.S. resident passengers.

Table 21 – Summary of 2011 Cruise Industry Impacts – Colorado

	Colorado	Share of the U.S.
Passenger Embarkations	N.A.	N.A.
Resident Cruise Passengers	56,000	0.5%
Direct Expenditures (\$ Millions)	\$ 413	2.2%
Total Employment Impact	2,467	0.7%
Total Wage Impact (\$ Millions)	\$ 131	0.8%

Source: Cruise Lines International Association and Business Research and Economic Advisors

Cruise industry expenditures in Colorado increased by just under one percent in 2011 to \$413 million, or 2.2 percent of the direct expenditures generated by the cruise industry in the United States. Since Colorado is a relatively small source market for cruise passengers, tourism-related businesses, such as travel agencies, airlines, hotels, etc., accounted for 4.3 percent of the industry's direct expenditures in the state, or \$17.6 million. Approximately \$87 million was spent with businesses in the top five support industries, rail transportation equipment manufacturing within the manufacturing sector; and wholesale trade, advertising agencies, accounting and insurance companies in the nonmanufacturing sector. Direct expenditures in Colorado also impacted many other industries throughout the state including management and technical consultants, telecommunications, banking, apparel manufacturers, and commercial printing.

Finally, these direct expenditures generated total economic impacts of 2,467 jobs and \$131 million in income throughout the Colorado economy during 2011. The total employment and wage impacts in Colorado declined slightly, less than 0.5 percent, from 2010. These impacts accounted for 0.7 percent of national employment impact and 0.8 percent of the national wage impact.

Hawaii

With the deployment of U.S.-flagged cruise ships in Hawaii by NCL, the state had been one of the fastest growing cruise destination markets in the United States. However, beginning in 2007, NCL America began the process of redeploying its ships to other markets. By 2009, NCL had only one ship sailing in the Hawaii market for the full year. As a result passenger embarkations in Hawaii declined by nearly 80 percent during 2008 and 2009, falling to 121,000 passengers. With the continued deployment of the *Pride of America* in Hawaii, the negative trend in passenger embarkations in Hawaii was reversed with a 1.7 percent increase to 123,000 in 2010. However, passenger embarkations decline once again in 2011 to 119,000.

Table 22 – Summary of 2011 Cruise Industry Impacts – Hawaii

	Hawaii	Share of the U.S.
Passenger Embarkations	119,000	1.2%
Resident Cruise Passengers	13,000	0.1%
Total Passenger & Crew Visits	519,000	2.4%
Direct Expenditures (\$ Millions)	\$ 356	1.9%
Total Employment Impact	6,184	1.8%
Total Wage Impact (\$ Millions)	\$ 201	1.2%

Source: Cruise Lines International Association and Business Research and Economic Advisors

The Hawaii-based cruises and those that originated in other locations generated an estimated 519,000 cruise passenger and crew visits at Hawaiian ports-of-call.¹⁷ Relative to 2010, Hawaii experienced an 8.3 percent increase in passenger and crew visits. This followed a one percent decline in 2010. These passenger and crew visits accounted for 2.4 percent of all cruise passenger and crew visits at U.S. ports, down from 8.4 percent in 2007. These passenger and crew visits generated an estimated \$170 million in onshore expenditures, or nearly \$330 per visit. Total expenditures by passengers and crew increased by an estimated 4.5 percent from 2010. This high expenditure rate is due to the fact that the cruises that originate in Honolulu visit other Hawaii ports-of-call and so when combined with pre- and

¹⁷ Since individual passengers will make several port-of-call visits on any itinerary, passenger visits are greater than the number of passengers taking cruises to Hawaii.

post-cruise stays, the average cruise passenger spends 9.6 days in Hawaii, 5.6 days for the cruise and 4.0 days for pre- and post-cruise stays.¹⁸

Hawaii is a small island state and thus resident cruise passengers in the state totaled only 13,000 and accounted for 0.1 percent of U.S. resident passengers during 2011. Thus, Hawaii was a net importer of cruise passengers.

Hawaii's expenditure ranking dropped from sixth in 2007 to eighth in 2008, to eleventh in 2009 and then to twelfth in 2011. During 2011, Hawaii benefited from \$356 million in direct cruise industry expenditures, or 1.9 percent of the direct expenditures generated by the cruise industry in the United States in 2011. Tourism-related businesses, such as tour operators, airlines, hotels, etc., received approximately \$260 million, about 73 percent of the industry's direct expenditures in Hawaii.¹⁹ Another \$28 million was spent with businesses in five additional business segments, petroleum refiners and food processors within the manufacturing sector; and insurance companies, advertising agencies and health service providers in the nonmanufacturing sector.

Finally, these direct expenditures generated total economic impacts of 6,184 jobs and \$201 million in income throughout the Hawaii economy during 2011. Hawaii's total employment impact decreased by 6.2 percent to 6,184 and the wage impact declined by 6.6 percent to \$201 million in 2011. These impacts accounted for 1.8 percent of national employment impact and 1.2 percent of the national wage impact.

¹⁸ Annual Visitor Research Report, 2010, Department of Business, Economic Development and Tourism, State of Hawaii.

¹⁹ Excludes the wages and salaries paid to cruise line employees in the state.

Economic Impacts in the Remaining States

The direct expenditures generated by the North American cruise industry and their total economic impacts in each of the states in 2011 are shown in **Table 23**. As discussed above, the magnitude of the economic impacts in each state is dependent upon the scope of cruise operations, if any, the number of resident cruise passengers and the value of vendor purchases. The 40 states and the District of Columbia outside the top ten states accounted for 23 percent of the cruise industry's direct expenditures. Most of the states outside of the top ten are source markets for cruise passengers and vendor goods and services. Some states, such as New Jersey and Louisiana, have cruise operations, as well. These two states ranked 11th and 15th respectively in terms of direct industry expenditures during 2011. Both states have been increasing their ranking over the past several years as a result of expanding cruise activities at their cruise ports, Cape Liberty in New Jersey and New Orleans in Louisiana. Since 2008 passenger embarkations in New Orleans have more than doubled while they have increased by 38 percent at Cape Liberty. Pennsylvania, which had no cruise operations during 2011, ranked 13th. Indiana and North Carolina, which ranked 14th and 16th respectively, were major source markets for both passengers and services supplied directly to the cruise industry.

Table 23 – Total Economic Impact of the North American Cruise Industry by State, 2011

State	2011	2010	Direct Purchases (\$ Millions)	Share of the U.S.	Total Employment	Share of the U.S.	Total Income (\$ Millions)	Share of the U.S.	Average Annual Wage (\$1,000)
Alabama	23	23	\$ 143	0.8%	2,232	0.6%	\$ 85	0.5%	\$ 38.2
Alaska	5	5	\$ 1,025	5.4%	22,493	6.5%	\$ 962	5.8%	\$ 42.8
Arizona	17	17	\$ 218	1.2%	4,090	1.2%	\$ 183	1.1%	\$ 44.7
Arkansas	41	42	\$ 22	0.1%	349	0.1%	\$ 13	0.1%	\$ 36.2
California	2	2	\$ 1,860	9.9%	42,253	12.1%	\$ 2,295	13.9%	\$ 54.3
Colorado	10	10	\$ 413	2.2%	2,467	0.7%	\$ 131	0.8%	\$ 53.3
Connecticut	21	21	\$ 158	0.8%	1,640	0.5%	\$ 109	0.7%	\$ 66.5
Delaware	40	40	\$ 27	0.1%	206	0.1%	\$ 10	0.1%	\$ 50.2
Dist. of Columbia	35	37	\$ 36	0.2%	220	0.1%	\$ 23	0.1%	\$ 106.0
Florida	1	1	\$ 6,658	35.3%	130,950	37.7%	\$ 5,760	34.9%	\$ 44.0
Georgia	7	7	\$ 608	3.2%	10,510	3.0%	\$ 507	3.1%	\$ 48.3
Hawaii	12	11	\$ 356	1.9%	6,184	1.8%	\$ 201	1.2%	\$ 32.6
Idaho	45	45	\$ 10	0.1%	198	0.1%	\$ 7	0.0%	\$ 34.8
Illinois	8	9	\$ 488	2.6%	7,143	2.1%	\$ 387	2.3%	\$ 54.2
Indiana	14	14	\$ 311	1.6%	5,154	1.5%	\$ 257	1.6%	\$ 49.8
Iowa	37	38	\$ 33	0.2%	280	0.1%	\$ 11	0.1%	\$ 40.3
Kansas	31	31	\$ 46	0.2%	2,040	0.6%	\$ 80	0.5%	\$ 39.2
Kentucky	30	30	\$ 53	0.3%	1,141	0.3%	\$ 42	0.3%	\$ 37.0
Louisiana	15	16	\$ 280	1.5%	5,512	1.6%	\$ 211	1.3%	\$ 38.2
Maine	33	35	\$ 45	0.2%	795	0.2%	\$ 25	0.2%	\$ 31.7
Maryland	19	19	\$ 177	0.9%	2,665	0.8%	\$ 133	0.8%	\$ 49.9
Massachusetts	9	8	\$ 452	2.4%	7,451	2.1%	\$ 438	2.7%	\$ 58.8
Michigan	18	18	\$ 209	1.1%	2,825	0.8%	\$ 142	0.9%	\$ 50.4
Minnesota	27	25	\$ 101	0.5%	1,659	0.5%	\$ 88	0.5%	\$ 53.2
Mississippi	38	36	\$ 32	0.2%	390	0.1%	\$ 14	0.1%	\$ 36.8
Missouri	24	22	\$ 132	0.7%	2,498	0.7%	\$ 117	0.7%	\$ 46.8
Montana	50	49	\$ 5	0.0%	86	0.0%	\$ 3	0.0%	\$ 31.7
Nebraska	42	43	\$ 22	0.1%	481	0.1%	\$ 19	0.1%	\$ 40.2
Nevada	28	26	\$ 97	0.5%	1,240	0.4%	\$ 58	0.3%	\$ 46.5
New Hampshire	34	34	\$ 42	0.2%	445	0.1%	\$ 22	0.1%	\$ 49.8
New Jersey	11	12	\$ 390	2.1%	7,317	2.1%	\$ 416	2.5%	\$ 56.9
New Mexico	44	44	\$ 16	0.1%	264	0.1%	\$ 10	0.1%	\$ 38.9
New York	3	3	\$ 1,252	6.6%	16,608	4.8%	\$ 944	5.7%	\$ 56.8
North Carolina	16	15	\$ 222	1.2%	3,425	1.0%	\$ 146	0.9%	\$ 42.6
North Dakota	48	47	\$ 6	0.0%	90	0.0%	\$ 3	0.0%	\$ 33.0
Ohio	20	20	\$ 164	0.9%	2,806	0.8%	\$ 128	0.8%	\$ 45.5
Oklahoma	39	39	\$ 29	0.2%	503	0.1%	\$ 20	0.1%	\$ 40.5
Oregon	25	27	\$ 121	0.6%	2,306	0.7%	\$ 96	0.6%	\$ 41.5
Pennsylvania	13	13	\$ 346	1.8%	6,009	1.7%	\$ 294	1.8%	\$ 49.0
Rhode Island	43	41	\$ 20	0.1%	268	0.1%	\$ 11	0.1%	\$ 40.6
South Carolina	26	28	\$ 113	0.6%	2,174	0.6%	\$ 81	0.5%	\$ 37.3
South Dakota	49	48	\$ 5	0.0%	68	0.0%	\$ 2	0.0%	\$ 34.0
Tennessee	29	29	\$ 58	0.3%	991	0.3%	\$ 43	0.3%	\$ 43.1
Texas	4	4	\$ 1,127	6.0%	17,316	5.0%	\$ 917	5.6%	\$ 53.0
Utah	36	32	\$ 35	0.2%	731	0.2%	\$ 29	0.2%	\$ 39.6
Vermont	47	50	\$ 8	0.0%	69	0.0%	\$ 3	0.0%	\$ 39.1
Virginia	22	24	\$ 144	0.8%	2,410	0.7%	\$ 124	0.8%	\$ 51.4
Washington	6	6	\$ 707	3.7%	17,900	5.1%	\$ 861	5.2%	\$ 48.1
West Virginia	46	46	\$ 9	0.0%	158	0.0%	\$ 5	0.0%	\$ 34.0
Wisconsin	32	33	\$ 46	0.2%	736	0.2%	\$ 31	0.2%	\$ 42.5
Wyoming	51	51	\$ 2	0.0%	38	0.0%	\$ 1	0.0%	\$ 35.8
U. S. Total			\$ 18,876		347,787		\$ 16,501		\$ 47.4

Source: Business Research and Economic Advisors

Appendix I – State Impact Methodology

As described in Section I of this report, member cruise lines of CLIA were asked to provide data on aggregate domestic and international expenditures for their operating and administrative expenses. Responses were obtained from 12 cruise lines²⁰ representing approximately 90 percent of the passengers carried by the North American cruise industry during 2011. These data were used to develop the estimates of the overall spending of the cruise industry in the United States. As indicated in Section I, we estimated that the industry spent \$18.9 billion on goods and services in the United States. Of this total, approximately \$9.4 billion represented direct payments by the cruise lines to U.S. suppliers for operating and administrative goods and services. The remaining \$9.5 billion represented expenditures by passengers for air travel and other goods and services, wage payments to the U.S. resident employees of the cruise lines and their associations, and port-related expenses and travel agent commissions paid by the cruise lines.

In addition to the aggregate revenue and expense data for 2011, more detailed data on vendor purchases in 2011 were obtained from a smaller group of cruise lines.²¹ These data were then aggregated by industry group and state and used to estimate total cruise industry expenditures by industry. These detailed expenditures totaled \$6.1 billion and accounted for 60 percent of the estimated \$10.5 billion that the North American cruise lines spent with U.S. businesses in 2011. These data listed the type of commodities and services that were purchased, as well as the location of the vendors. As a result, we were able to establish industry- and state-specific shares for the cruise industry purchases. Using these shares, the national direct vendor purchases for 2011 were allocated to the corresponding industries in each state.

²⁰ These cruise lines were: Carnival Cruise Lines, Celebrity Cruises, Crystal Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Oceana Cruise Line, Paul Gauguin Cruises, Princess Cruises, Regent Seven Seas Cruises, Royal Caribbean International and Seabourn Cruise Line.

²¹ Vendor-specific data were obtained for the following cruise lines: Carnival Cruise Lines, Royal Caribbean International, Celebrity Cruises, Holland America Line, Princess Cruises and Seabourn Cruise Line. These six cruise lines accounted for approximately 85 percent of the industry's non-wage U.S. operating and administrative expenses.

The \$9.45 billion in core cruise travel expenditures were allocated to each state using data on the place of residence of cruise passengers and passenger embarkations as described in Section I of this report. During 2011, the cruise industry spent \$3.2 billion for port services and wages of their U.S.-resident employees. The \$1.1 billion in wages of the employees of the cruise lines were allocated to each state based upon state-specific employment and wage data received from the cruise lines. The remaining \$2.1 billion in U.S. port service expenditures were allocated to each state based upon its share of U.S. passenger and crew visits. For example, Florida, which accounted for 41.6 percent of total passenger and crew visits to U.S. ports, was allocated \$870 million in port service spending.

The \$1.9 billion in air transportation expenditures was split in half, one half representing the origination of air travel and the other half representing the destination of air travel. The origination half of air travel expenditures were allocated to each state based upon its share of U.S.-resident cruise passengers. Thus, Massachusetts, which accounted for 6.0 percent of U.S. passengers by place-of-residence, was allocated \$57 million for the origination component of air travel spending. Massachusetts also accounted for about 0.9 percent of U.S. cruise embarkations and thus was allocated another \$8.2 million for the destination component of air travel spending. Thus, Massachusetts received a total allocation of approximately \$65 million in direct air transportation expenditures.

The \$2.7 billion in U.S. transportation services expenditures consists of \$700 million in expenditures for passenger shore excursions and \$2.0 billion for travel agent commissions and other miscellaneous ground transportation services, such as bus service between airports and cruise terminals. Since travel agent commissions accounted for more than 98 percent of the \$2.0 billion, the total was allocated to each state based upon its share of U.S. passengers on a place-of-residence basis. Thus Texas, which accounted for 11 percent of U.S.-resident cruise passengers, was allocated approximately \$219 million in transportation service expenditures. The allocation of the \$700 million in expenditures for shore excursions is discussed below.

Finally, the \$1.65 billion in passenger and crew spending and the \$700 million in shore excursion expenditures were allocated to each state based upon each state's embarkations, split between overnight stays and day of cruise arrivals, estimated port-of-call arrivals and

estimated crew visits. Total U.S. spending for the four categories was reported in Table 7 in Section I. When possible, survey data were used to estimate spending for each category for each state. Passenger and crew spending estimates were based on data collected from various research reports prepared by BREA and other researchers for the following ports: Port Everglades, Port of Miami, Port of New Orleans, Port of New York, Port of Tampa, Port of San Diego, Port of Los Angeles and Hawaii and Alaska ports-of-call. Per passenger spending estimates for the ports-of-embarkation were used to estimate total passenger spending at each of the ports. The average for the ports was then used to estimate total passenger spending for all other passenger embarkations.²²

For example, survey data representing the four embarkation cruise ports in Florida indicated that 38.9 percent of embarking cruise passengers stayed one or more nights in the port city and that these passengers spent an average of \$244 during their stay. Thus, 2.30 million (0.389 x 5.92 million) cruise passengers were estimated to have spent \$562 million on lodging, food, entertainment, etc. in Florida during 2011. The remaining 3.62 million Florida cruise passengers (day of cruise arrivals) spent an average of \$42.60 per passenger for a total of \$154 million. An estimated 1.16 million passengers visited Florida ports as port-of-call or intransit passengers. These passengers spent an average of \$69 per visit, resulting in total expenditures of \$80 million. Finally, crew who went ashore spent an average of \$95 on each call to a Florida port. An estimated 1.33 million crew disembarked cruise ships and visited Florida during 2011 and spent \$127 million. Thus, we have estimated that passengers and crew spent approximately \$923 million in Florida during 2011, 44 percent of total passenger and crew spending in the United States.

By comparison, passengers and crew were estimated to have spent \$159 million (7.6 percent of total U.S. spending by passengers and crew) in New York during 2011. Approximately 80 percent, \$118 million, was spent by embarking passengers who spent one or more nights in New York City. Passengers who stayed overnight in New York spent an average of nearly \$442 during their stay which averaged 2.0 nights.

²² Per passenger spending estimates were segmented by passengers who stayed overnight either prior to or after a cruise and those passengers who arrived on the day of the cruise.

Alaska received an estimated 3.4 million cruise passenger visits during 2011. This includes approximately 127,700 passengers who either embarked or disembarked on their cruise in Alaska. Cruise passengers spent an average of \$145 per visit. Thus, we have estimated that \$495 million was spent by cruise passengers visiting Alaska ports. An estimated 665,000 onshore crew visits generated another \$7.2 million, or \$10.80 per visit. Thus, cruise passengers and crew spent a total of \$502 million in Alaska, accounting for 24 percent of total passenger and crew spending in the United States.

Passenger and crew expenditures were allocated to the remaining states using average per visit spending estimates from all available surveys.

Thus, the \$18.9 billion in U.S. expenditures paid by the North American cruise industry and its passengers and crew were allocated among all states and the District of Columbia. The total value of the direct spending by state is shown in Table 11 in Section II. The direct spending data by industry in each state are shown in the individual state tables in Appendix II that follows.

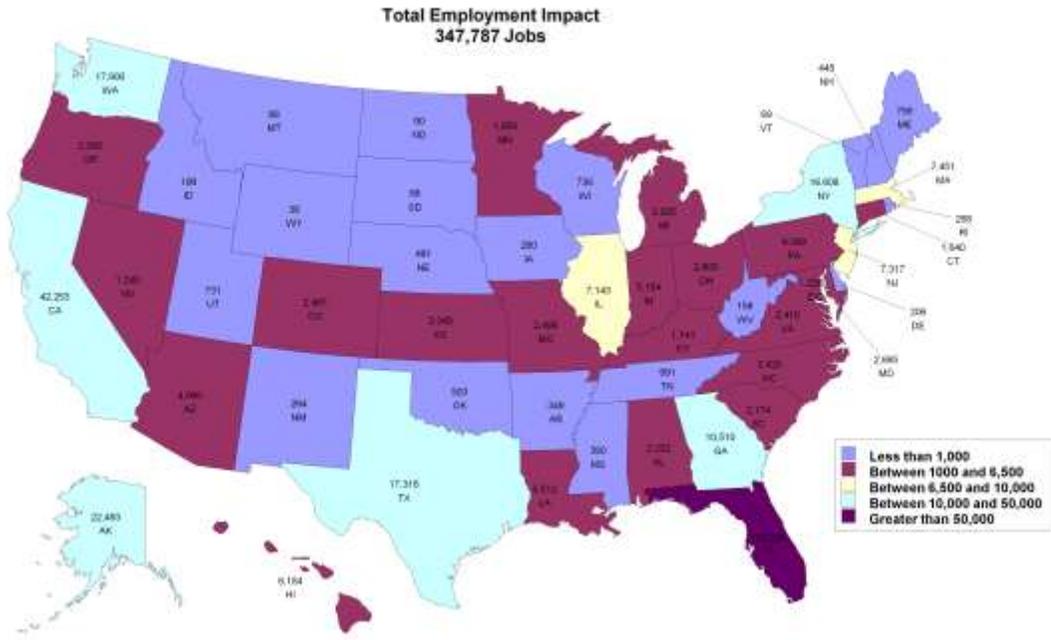
The industry direct expenditure data in each state was then converted to value-added using national ratios of value-added to output for each industry. While these ratios varied by industry, the \$18.9 billion in national direct expenditures was equivalent to \$8.5 billion in value-added. Using industry- and state-specific ratios of compensation-to-value-added, implied compensation in each industry and state was estimated for the direct expenditures. The direct employment impacts resulting from the direct industry spending were estimated by dividing the wage compensation estimates by industry- and state-specific annual compensation rates. All of these data were obtained from the Bureau of Economic Analysis (BEA).

The direct employment estimates were then multiplied by the BEA employment multipliers to generate the estimates of the total employment contribution of the cruise industry by state and industry. Finally, the employment estimates were multiplied by average annual compensation rates to estimate the total effect on wage compensation in each state. The total employment and wage contribution of the North American cruise industry by state and industry are shown in Appendix II.

The estimated direct and total economic impacts at the state level were controlled to sum to the national economic impacts on an industry-by-industry basis. Thus, the estimated state economic impacts for direct purchases, employment and wage income sum to the national impacts.

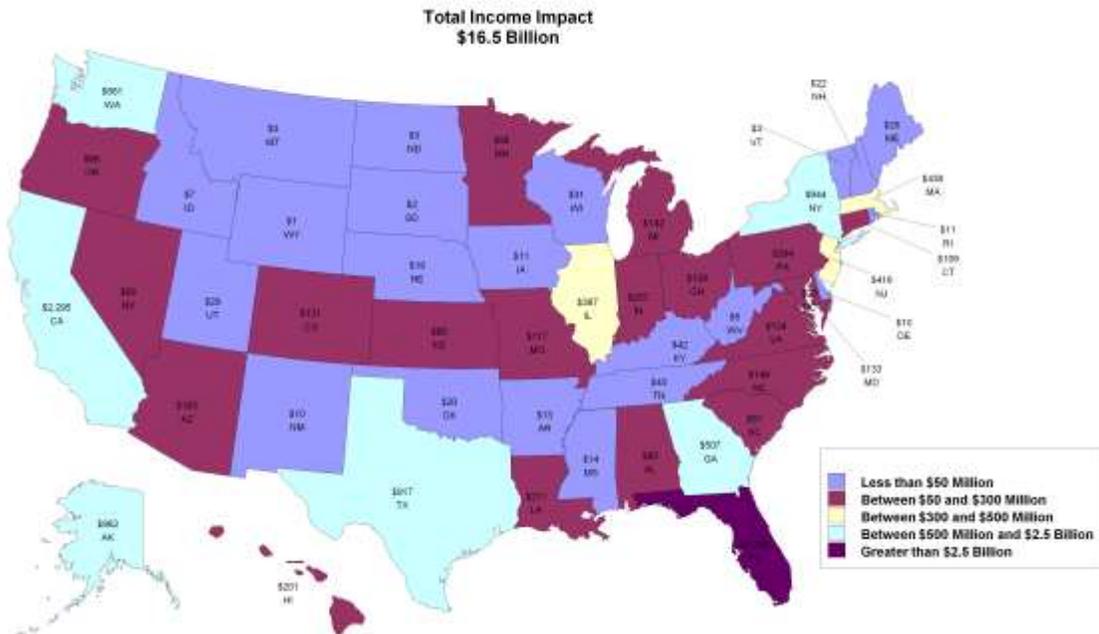
Appendix II – Individual State Tables

Figure 11 – Total Employment Impact of the North American Cruise Industry by State - 2011



Source: Business Research and Economic Advisors

Figure 12 – Total Income Impact of the North American Cruise Industry by State - 2011



Source: Business Research and Economic Advisors

Table 24 – Total Economic Impacts – Alabama - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	43	\$ 2,395
Manufacturing	\$ 48,692	388	\$ 20,595
Nondurable Goods	\$ 22,746	223	\$ 13,322
Durable Goods	\$ 25,946	165	\$ 7,273
Wholesale & Retail Trade	\$ 7,605	217	\$ 8,921
Transportation	\$ 47,137	459	\$ 14,618
Information Services	\$ 1	13	\$ 713
Finance, Insurance, Real Estate & Leasing	\$ 6,909	70	\$ 3,886
Services & Government	\$ 32,402	1,042	\$ 34,090
Professional, Scientific & Technical Services	\$ 7,130	217	\$ 10,887
Administrative & Waste Management Services	\$ 19,457	306	\$ 9,602
Health, Education & Social Services	\$ -	175	\$ 6,839
Other Services & Government	\$ 5,815	344	\$ 6,762
Total	\$ 142,746	\$ 2,232	\$ 85,218

Source: Business Research and Economic Advisors

Table 25 – Total Economic Impacts – Alaska - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 5,750	1,094	\$ 159,077
Manufacturing	\$ 54,116	503	\$ 23,980
Nondurable Goods	\$ 43,928	89	\$ 5,019
Durable Goods	\$ 10,188	414	\$ 18,961
Wholesale & Retail Trade	\$ 92,767	1,719	\$ 62,310
Transportation	\$ 499,891	9,175	\$ 392,777
Information Services	\$ 2,142	121	\$ 7,118
Finance, Insurance, Real Estate & Leasing	\$ 2,607	208	\$ 11,518
Services & Government	\$ 367,730	9,673	\$ 304,942
Professional, Scientific & Technical Services	\$ 7,653	877	\$ 52,901
Administrative & Waste Management Services	\$ 20,350	588	\$ 24,964
Health, Education & Social Services	\$ 3,586	1,460	\$ 57,023
Other Services & Government	\$ 336,141	6,748	\$ 170,054
Total	\$ 1,025,003	22,493	\$ 961,722

Source: Business Research and Economic Advisors

Table 26 – Total Economic Impacts – Arizona - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	41	\$ 2,607
Manufacturing	\$ 3,223	209	\$ 15,292
Nondurable Goods	\$ 530	169	\$ 13,317
Durable Goods	\$ 2,693	40	\$ 1,975
Wholesale & Retail Trade	\$ 602	298	\$ 15,447
Transportation	\$ 57,069	646	\$ 30,666
Information Services	\$ 15,898	72	\$ 4,373
Finance, Insurance, Real Estate & Leasing	\$ 10,453	171	\$ 9,335
Services & Government	\$ 131,037	2,653	\$ 105,234
Professional, Scientific & Technical Services	\$ 12,550	407	\$ 22,464
Administrative & Waste Management Services	\$ 116,468	1,322	\$ 53,436
Health, Education & Social Services	\$ 330	369	\$ 16,116
Other Services & Government	\$ 1,689	555	\$ 13,218
Total	\$ 218,282	4,090	\$ 182,954

Source: Business Research and Economic Advisors

Table 27 – Total Economic Impacts – Arkansas - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	6	\$ 249
Manufacturing	\$ 2,537	46	\$ 2,009
Nondurable Goods	\$ 2,488	17	\$ 902
Durable Goods	\$ 49	29	\$ 1,107
Wholesale & Retail Trade	\$ 9	18	\$ 737
Transportation	\$ 4,039	37	\$ 2,124
Information Services	\$ 2	1	\$ 72
Finance, Insurance, Real Estate & Leasing	\$ 2,705	18	\$ 820
Services & Government	\$ 12,817	223	\$ 6,643
Professional, Scientific & Technical Services	\$ 3,839	53	\$ 1,895
Administrative & Waste Management Services	\$ 8,921	115	\$ 3,310
Health, Education & Social Services	\$ 1	27	\$ 932
Other Services & Government	\$ 56	28	\$ 506
Total	\$ 22,109	349	\$ 12,654

Source: Business Research and Economic Advisors

Table 28 – Total Economic Impacts – California - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 596	878	\$ 62,849
Manufacturing	\$ 631,688	4,757	\$ 344,831
Nondurable Goods	\$ 442,598	2,782	\$ 230,653
Durable Goods	\$ 189,090	1,975	\$ 114,178
Wholesale & Retail Trade	\$ 98,086	4,144	\$ 228,676
Transportation	\$ 396,006	5,376	\$ 249,308
Information Services	\$ 26,749	636	\$ 65,160
Finance, Insurance, Real Estate & Leasing	\$ 80,179	2,000	\$ 165,473
Services & Government	\$ 626,830	24,462	\$ 1,179,032
Professional, Scientific & Technical Services	\$ 205,946	6,712	\$ 516,565
Administrative & Waste Management Services	\$ 260,280	5,070	\$ 207,003
Health, Education & Social Services	\$ 16,683	4,990	\$ 229,091
Other Services & Government	\$ 143,921	7,690	\$ 226,373
Total	\$ 1,860,134	42,253	\$ 2,295,329

Source: Business Research and Economic Advisors

Table 29 – Total Economic Impacts – Colorado - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 3	46	\$ 5,964
Manufacturing	\$ 306,045	185	\$ 16,328
Nondurable Goods	\$ 291,398	117	\$ 9,583
Durable Goods	\$ 14,647	68	\$ 6,745
Wholesale & Retail Trade	\$ 49,117	445	\$ 26,559
Transportation	\$ 14,503	348	\$ 14,602
Information Services	\$ 931	33	\$ 2,732
Finance, Insurance, Real Estate & Leasing	\$ 9,846	232	\$ 14,525
Services & Government	\$ 32,733	1,178	\$ 50,764
Professional, Scientific & Technical Services	\$ 19,525	399	\$ 24,764
Administrative & Waste Management Services	\$ 12,543	225	\$ 8,918
Health, Education & Social Services	\$ 10	209	\$ 8,637
Other Services & Government	\$ 655	345	\$ 8,445
Total	\$ 413,178	2,467	\$ 131,474

Source: Business Research and Economic Advisors

Table 30 – Total Economic Impacts – Connecticut - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	10	\$ 982
Manufacturing	\$ 73,596	395	\$ 32,567
Nondurable Goods	\$ 2,631	344	\$ 28,025
Durable Goods	\$ 70,965	51	\$ 4,542
Wholesale & Retail Trade	\$ 1,242	125	\$ 7,775
Transportation	\$ 6,442	65	\$ 3,954
Information Services	\$ 3,234	16	\$ 1,273
Finance, Insurance, Real Estate & Leasing	\$ 32,728	132	\$ 16,911
Services & Government	\$ 40,822	897	\$ 45,624
Professional, Scientific & Technical Services	\$ 25,596	324	\$ 22,775
Administrative & Waste Management Services	\$ 14,324	163	\$ 7,237
Health, Education & Social Services	\$ 356	234	\$ 10,829
Other Services & Government	\$ 546	176	\$ 4,783
Total	\$ 158,064	1,640	\$ 109,086

Source: Business Research and Economic Advisors

Table 31 – Total Economic Impacts – Delaware - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	1	\$ 81
Manufacturing	\$ 477	12	\$ 804
Nondurable Goods	\$ 239	5	\$ 379
Durable Goods	\$ 238	7	\$ 425
Wholesale & Retail Trade	\$ 42	12	\$ 594
Transportation	\$ 1,671	9	\$ 781
Information Services	\$ -	1	\$ 79
Finance, Insurance, Real Estate & Leasing	\$ 14,768	19	\$ 1,357
Services & Government	\$ 9,590	152	\$ 6,672
Professional, Scientific & Technical Services	\$ 3,222	50	\$ 2,966
Administrative & Waste Management Services	\$ 5,778	52	\$ 2,188
Health, Education & Social Services	\$ -	18	\$ 808
Other Services & Government	\$ 590	32	\$ 710
Total	\$ 26,548	206	\$ 10,368

Source: Business Research and Economic Advisors

Table 32 – Total Economic Impacts – District of Columbia - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	-	\$ 49
Manufacturing	\$ 14	1	\$ 78
Nondurable Goods	\$ 11	-	\$ 27
Durable Goods	\$ 3	1	\$ 51
Wholesale & Retail Trade	\$ 1	2	\$ 121
Transportation	\$ 691	5	\$ 380
Information Services	\$ 1	1	\$ 164
Finance, Insurance, Real Estate & Leasing	\$ 1,705	26	\$ 2,854
Services & Government	\$ 33,367	185	\$ 19,712
Professional, Scientific & Technical Services	\$ 10,236	101	\$ 6,948
Administrative & Waste Management Services	\$ 1,518	19	\$ 921
Health, Education & Social Services	\$ 63	22	\$ 1,034
Other Services & Government	\$ 21,550	43	\$ 10,809
Total	\$ 35,779	220	\$ 23,358

Source: Business Research and Economic Advisors

Table 33 – Total Economic Impacts – Florida – 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 19,202	1,339	\$ 62,719
Manufacturing	\$ 1,736,398	9,478	\$ 543,839
Nondurable Goods	\$ 1,055,590	6,261	\$ 376,879
Durable Goods	\$ 680,808	3,217	\$ 166,960
Wholesale & Retail Trade	\$ 368,121	12,398	\$ 574,054
Transportation	\$ 2,650,590	31,897	\$ 1,600,007
Information Services	\$ 95,745	1,149	\$ 74,750
Finance, Insurance, Real Estate & Leasing	\$ 49,260	4,894	\$ 299,627
Services & Government	\$ 1,738,494	69,795	\$ 2,604,590
Professional, Scientific & Technical Services	\$ 175,784	11,346	\$ 711,603
Administrative & Waste Management Services	\$ 778,085	19,739	\$ 712,476
Health, Education & Social Services	\$ 21,170	13,337	\$ 557,594
Other Services & Government	\$ 763,455	25,373	\$ 622,917
Total	\$ 6,657,810	130,950	\$ 5,759,586

Source: Business Research and Economic Advisors

Table 34 – Total Economic Impacts – Georgia - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 460	149	\$ 6,856
Manufacturing	\$ 153,496	1,156	\$ 67,954
Nondurable Goods	\$ 92,477	513	\$ 32,803
Durable Goods	\$ 61,019	643	\$ 35,151
Wholesale & Retail Trade	\$ 19,999	934	\$ 52,228
Transportation	\$ 120,651	1,678	\$ 61,383
Information Services	\$ 9,014	134	\$ 10,357
Finance, Insurance, Real Estate & Leasing	\$ 42,157	706	\$ 47,273
Services & Government	\$ 262,559	5,753	\$ 261,144
Professional, Scientific & Technical Services	\$ 42,838	1,359	\$ 84,187
Administrative & Waste Management Services	\$ 59,226	1,086	\$ 42,275
Health, Education & Social Services	\$ 4,254	1,027	\$ 42,061
Other Services & Government	\$ 156,241	2,281	\$ 92,621
Total	\$ 608,336	10,510	\$ 507,195

Source: Business Research and Economic Advisors

Table 35 – Total Economic Impacts – Hawaii - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 27	30	\$ 1,638
Manufacturing	\$ 31,532	101	\$ 4,834
Nondurable Goods	\$ 27,221	35	\$ 2,265
Durable Goods	\$ 4,311	66	\$ 2,569
Wholesale & Retail Trade	\$ 14,879	275	\$ 11,177
Transportation	\$ 203,936	3,565	\$ 109,958
Information Services	\$ 68	18	\$ 1,103
Finance, Insurance, Real Estate & Leasing	\$ 2,185	59	\$ 3,576
Services & Government	\$ 103,144	2,136	\$ 69,073
Professional, Scientific & Technical Services	\$ 2,387	186	\$ 12,342
Administrative & Waste Management Services	\$ 3,319	178	\$ 5,895
Health, Education & Social Services	\$ 32	279	\$ 11,203
Other Services & Government	\$ 97,406	1,493	\$ 39,633
Total	\$ 355,771	6,184	\$ 201,359

Source: Business Research and Economic Advisors

Table 36 – Total Economic Impacts – Idaho - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	6	\$ 200
Manufacturing	\$ 559	12	\$ 658
Nondurable Goods	\$ 483	6	\$ 395
Durable Goods	\$ 76	6	\$ 263
Wholesale & Retail Trade	\$ 30	14	\$ 525
Transportation	\$ 1,292	16	\$ 714
Information Services	\$ 95	1	\$ 50
Finance, Insurance, Real Estate & Leasing	\$ 1,567	11	\$ 497
Services & Government	\$ 6,732	138	\$ 4,232
Professional, Scientific & Technical Services	\$ 3,737	60	\$ 2,049
Administrative & Waste Management Services	\$ 2,827	39	\$ 1,225
Health, Education & Social Services	\$ -	16	\$ 523
Other Services & Government	\$ 168	23	\$ 435

Source: Business Research and Economic Advisors

Table 37 – Total Economic Impacts – Illinois - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 4	48	\$ 4,108
Manufacturing	\$ 194,130	1,233	\$ 85,993
Nondurable Goods	\$ 101,515	693	\$ 51,092
Durable Goods	\$ 92,615	540	\$ 34,901
Wholesale & Retail Trade	\$ 22,194	689	\$ 39,879
Transportation	\$ 34,767	554	\$ 28,929
Information Services	\$ 38,335	143	\$ 10,443
Finance, Insurance, Real Estate & Leasing	\$ 70,311	425	\$ 34,534
Services & Government	\$ 128,175	4,051	\$ 183,389
Professional, Scientific & Technical Services	\$ 68,259	1,340	\$ 88,462
Administrative & Waste Management Services	\$ 55,955	973	\$ 37,433
Health, Education & Social Services	\$ 1,667	863	\$ 36,209
Other Services & Government	\$ 2,294	875	\$ 21,285
Total	\$ 487,916	7,143	\$ 387,275

Source: Business Research and Economic Advisors

Table 38 – Total Economic Impacts – Indiana - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	38	\$ 2,600
Manufacturing	\$ 4,333	640	\$ 44,378
Nondurable Goods	\$ 2,683	458	\$ 32,763
Durable Goods	\$ 1,650	182	\$ 11,615
Wholesale & Retail Trade	\$ 332	369	\$ 16,149
Transportation	\$ 7,685	202	\$ 11,211
Information Services	\$ 401	24	\$ 1,327
Finance, Insurance, Real Estate & Leasing	\$ 14,327	145	\$ 8,612
Services & Government	\$ 283,689	3,736	\$ 172,275
Professional, Scientific & Technical Services	\$ 7,806	338	\$ 17,439
Administrative & Waste Management Services	\$ 16,918	370	\$ 11,506
Health, Education & Social Services	\$ 1,970	545	\$ 20,946
Other Services & Government	\$ 256,995	2,483	\$ 122,384
Total	\$ 310,767	5,154	\$ 256,552

Source: Business Research and Economic Advisors

Table 39 – Total Economic Impacts – Iowa - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	2	\$ 132
Manufacturing	\$ 2,448	27	\$ 1,517
Nondurable Goods	\$ 2,444	11	\$ 746
Durable Goods	\$ 4	16	\$ 771
Wholesale & Retail Trade	\$ 2	16	\$ 658
Transportation	\$ 2,524	21	\$ 905
Information Services	\$ 33	2	\$ 83
Finance, Insurance, Real Estate & Leasing	\$ 18,689	51	\$ 3,193
Services & Government	\$ 8,840	161	\$ 4,781
Professional, Scientific & Technical Services	\$ 3,038	47	\$ 1,358
Administrative & Waste Management Services	\$ 5,777	68	\$ 2,257
Health, Education & Social Services	\$ -	21	\$ 733
Other Services & Government	\$ 25	25	\$ 433
Total	\$ 32,536	280	\$ 11,269

Source: Business Research and Economic Advisors

Table 40 – Total Economic Impacts – Kansas - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 207	44	\$ 2,623
Manufacturing	\$ 2,900	221	\$ 12,903
Nondurable Goods	\$ 1,246	145	\$ 8,930
Durable Goods	\$ 1,654	76	\$ 3,973
Wholesale & Retail Trade	\$ 96	163	\$ 7,233
Transportation	\$ 19,895	632	\$ 21,422
Information Services	\$ 2	26	\$ 1,865
Finance, Insurance, Real Estate & Leasing	\$ 7,153	94	\$ 5,049
Services & Government	\$ 15,790	860	\$ 28,915
Professional, Scientific & Technical Services	\$ 5,468	205	\$ 9,378
Administrative & Waste Management Services	\$ 9,143	176	\$ 6,278
Health, Education & Social Services	\$ 939	224	\$ 8,214
Other Services & Government	\$ 240	255	\$ 5,045
Total	\$ 46,043	2,040	\$ 80,010

Source: Business Research and Economic Advisors

Table 41 – Total Economic Impacts – Kentucky - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	18	\$ 984
Manufacturing	\$ 8,606	110	\$ 6,251
Nondurable Goods	\$ 8,093	56	\$ 3,582
Durable Goods	\$ 513	54	\$ 2,669
Wholesale & Retail Trade	\$ 690	78	\$ 3,353
Transportation	\$ 3,965	71	\$ 4,429
Information Services	\$ 117	7	\$ 312
Finance, Insurance, Real Estate & Leasing	\$ 6,083	41	\$ 2,533
Services & Government	\$ 33,682	816	\$ 24,314
Professional, Scientific & Technical Services	\$ 18,929	356	\$ 12,019
Administrative & Waste Management Services	\$ 8,745	143	\$ 4,233
Health, Education & Social Services	\$ -	111	\$ 4,047
Other Services & Government	\$ 6,008	206	\$ 4,015
Total	\$ 53,143	1,141	\$ 42,176

Source: Business Research and Economic Advisors

Table 42 – Total Economic Impacts – Louisiana - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	260	\$ 21,616
Manufacturing	\$ 59,216	437	\$ 27,836
Nondurable Goods	\$ 28,853	265	\$ 15,485
Durable Goods	\$ 30,363	172	\$ 12,351
Wholesale & Retail Trade	\$ 13,223	500	\$ 18,616
Transportation	\$ 104,730	1,228	\$ 49,352
Information Services	\$ 24	26	\$ 1,298
Finance, Insurance, Real Estate & Leasing	\$ 5,768	123	\$ 6,233
Services & Government	\$ 96,735	2,938	\$ 85,625
Professional, Scientific & Technical Services	\$ 10,404	426	\$ 20,659
Administrative & Waste Management Services	\$ 23,988	424	\$ 14,066
Health, Education & Social Services	\$ 4,276	643	\$ 22,022
Other Services & Government	\$ 58,067	1,445	\$ 28,878
Total	\$ 279,696	5,512	\$ 210,576

Source: Business Research and Economic Advisors

Table 43 – Total Economic Impacts – Maine - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	13	\$ 434
Manufacturing	\$ 12,545	90	\$ 4,687
Nondurable Goods	\$ 860	63	\$ 3,289
Durable Goods	\$ 11,685	27	\$ 1,398
Wholesale & Retail Trade	\$ 7,794	123	\$ 4,046
Transportation	\$ 6,562	81	\$ 2,452
Information Services	\$ 120	4	\$ 215
Finance, Insurance, Real Estate & Leasing	\$ 2,886	23	\$ 1,431
Services & Government	\$ 15,166	461	\$ 11,966
Professional, Scientific & Technical Services	\$ 1,784	60	\$ 2,764
Administrative & Waste Management Services	\$ 3,113	43	\$ 1,561
Health, Education & Social Services	\$ -	81	\$ 3,010
Other Services & Government	\$ 10,269	277	\$ 4,631
Total	\$ 45,073	795	\$ 25,231

Source: Business Research and Economic Advisors

Table 44 – Total Economic Impacts – Maryland - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	13	\$ 1,009
Manufacturing	\$ 34,735	172	\$ 11,539
Nondurable Goods	\$ 25,206	83	\$ 6,537
Durable Goods	\$ 9,529	89	\$ 5,002
Wholesale & Retail Trade	\$ 9,850	246	\$ 12,197
Transportation	\$ 36,954	333	\$ 16,245
Information Services	\$ 7,830	34	\$ 2,800
Finance, Insurance, Real Estate & Leasing	\$ 12,293	163	\$ 11,883
Services & Government	\$ 75,478	1,704	\$ 77,383
Professional, Scientific & Technical Services	\$ 22,681	486	\$ 29,244
Administrative & Waste Management Services	\$ 34,407	407	\$ 17,672
Health, Education & Social Services	\$ 7,614	383	\$ 17,791
Other Services & Government	\$ 10,776	428	\$ 12,676
Total	\$ 177,140	2,665	\$ 133,056

Source: Business Research and Economic Advisors

Table 45 – Total Economic Impacts – Massachusetts - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	43	\$ 2,819
Manufacturing	\$ 54,641	514	\$ 42,926
Nondurable Goods	\$ 16,582	323	\$ 30,054
Durable Goods	\$ 38,059	191	\$ 12,872
Wholesale & Retail Trade	\$ 9,662	517	\$ 29,829
Transportation	\$ 90,152	839	\$ 43,874
Information Services	\$ 4,726	67	\$ 5,773
Finance, Insurance, Real Estate & Leasing	\$ 22,237	650	\$ 68,659
Services & Government	\$ 270,096	4,821	\$ 244,500
Professional, Scientific & Technical Services	\$ 110,764	1,618	\$ 110,332
Administrative & Waste Management Services	\$ 140,755	1,216	\$ 59,830
Health, Education & Social Services	\$ 5,103	1,123	\$ 51,323
Other Services & Government	\$ 13,474	864	\$ 23,015
Total	\$ 451,514	7,451	\$ 438,380

Source: Business Research and Economic Advisors

Table 46 – Total Economic Impacts – Michigan - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	23	\$ 1,483
Manufacturing	\$ 84,928	438	\$ 29,524
Nondurable Goods	\$ 68,915	235	\$ 18,233
Durable Goods	\$ 16,013	203	\$ 11,291
Wholesale & Retail Trade	\$ 13,441	269	\$ 14,373
Transportation	\$ 12,211	123	\$ 8,500
Information Services	\$ 1,032	17	\$ 1,092
Finance, Insurance, Real Estate & Leasing	\$ 20,675	144	\$ 9,050
Services & Government	\$ 76,990	1,811	\$ 78,373
Professional, Scientific & Technical Services	\$ 28,847	550	\$ 32,828
Administrative & Waste Management Services	\$ 25,968	355	\$ 15,265
Health, Education & Social Services	\$ 103	302	\$ 12,150
Other Services & Government	\$ 22,072	604	\$ 18,130
Total	\$ 209,277	2,825	\$ 142,395

Source: Business Research and Economic Advisors

Table 47 – Total Economic Impacts – Minnesota - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	15	\$ 997
Manufacturing	\$ 15,843	165	\$ 10,983
Nondurable Goods	\$ 12,326	94	\$ 6,832
Durable Goods	\$ 3,517	71	\$ 4,151
Wholesale & Retail Trade	\$ 1,247	134	\$ 7,271
Transportation	\$ 9,425	129	\$ 7,116
Information Services	\$ 3,162	22	\$ 1,411
Finance, Insurance, Real Estate & Leasing	\$ 19,358	203	\$ 14,899
Services & Government	\$ 52,215	991	\$ 45,609
Professional, Scientific & Technical Services	\$ 11,336	257	\$ 16,090
Administrative & Waste Management Services	\$ 16,236	203	\$ 7,994
Health, Education & Social Services	\$ 25	185	\$ 7,761
Other Services & Government	\$ 24,618	346	\$ 13,764
Total	\$ 101,250	1,659	\$ 88,286

Source: Business Research and Economic Advisors

Table 48 – Total Economic Impacts – Mississippi - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	9	\$ 379
Manufacturing	\$ 14,749	105	\$ 4,992
Nondurable Goods	\$ 1,012	86	\$ 4,224
Durable Goods	\$ 13,737	19	\$ 768
Wholesale & Retail Trade	\$ 173	23	\$ 847
Transportation	\$ 3,623	25	\$ 1,079
Information Services	\$ -	1	\$ 68
Finance, Insurance, Real Estate & Leasing	\$ 2,997	19	\$ 834
Services & Government	\$ 9,983	208	\$ 6,140
Professional, Scientific & Technical Services	\$ 1,856	41	\$ 1,360
Administrative & Waste Management Services	\$ 7,940	98	\$ 2,943
Health, Education & Social Services	\$ -	29	\$ 986
Other Services & Government	\$ 187	40	\$ 851
Total	\$ 31,525	390	\$ 14,339

Source: Business Research and Economic Advisors

Table 49 – Total Economic Impacts – Missouri - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	17	\$ 1,161
Manufacturing	\$ 16,499	232	\$ 13,466
Nondurable Goods	\$ 9,466	140	\$ 8,573
Durable Goods	\$ 7,033	92	\$ 4,893
Wholesale & Retail Trade	\$ 374	182	\$ 8,401
Transportation	\$ 12,186	144	\$ 7,983
Information Services	\$ 9,479	49	\$ 2,828
Finance, Insurance, Real Estate & Leasing	\$ 11,865	260	\$ 13,469
Services & Government	\$ 81,524	1,614	\$ 69,611
Professional, Scientific & Technical Services	\$ 10,889	327	\$ 19,037
Administrative & Waste Management Services	\$ 22,469	309	\$ 11,204
Health, Education & Social Services	\$ 1,002	299	\$ 11,649
Other Services & Government	\$ 47,164	679	\$ 27,721
Total	\$ 131,927	2,498	\$ 116,919

Source: Business Research and Economic Advisors

Table 50 – Total Economic Impacts – Montana - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 8	3	\$ 136
Manufacturing	\$ 107	2	\$ 127
Nondurable Goods	\$ 99	1	\$ 62
Durable Goods	\$ 8	1	\$ 65
Wholesale & Retail Trade	\$ 6	6	\$ 201
Transportation	\$ 603	7	\$ 258
Information Services	\$ 83	1	\$ 33
Finance, Insurance, Real Estate & Leasing	\$ 1,137	8	\$ 349
Services & Government	\$ 2,692	59	\$ 1,633
Professional, Scientific & Technical Services	\$ 1,243	22	\$ 578
Administrative & Waste Management Services	\$ 1,444	19	\$ 571
Health, Education & Social Services	\$ 1	9	\$ 282
Other Services & Government	\$ 4	9	\$ 202
Total	\$ 4,636	86	\$ 2,737

Source: Business Research and Economic Advisors

Table 51 – Total Economic Impacts – Nebraska - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	5	\$ 280
Manufacturing	\$ 1,159	39	\$ 1,984
Nondurable Goods	\$ 991	18	\$ 1,001
Durable Goods	\$ 168	21	\$ 983
Wholesale & Retail Trade	\$ 30	40	\$ 1,621
Transportation	\$ 4,433	95	\$ 4,214
Information Services	\$ 345	6	\$ 368
Finance, Insurance, Real Estate & Leasing	\$ 9,185	50	\$ 2,708
Services & Government	\$ 6,417	246	\$ 8,161
Professional, Scientific & Technical Services	\$ 3,006	76	\$ 3,149
Administrative & Waste Management Services	\$ 3,351	55	\$ 1,885
Health, Education & Social Services	\$ 22	53	\$ 1,972
Other Services & Government	\$ 38	62	\$ 1,155
Total	\$ 21,569	481	\$ 19,336

Source: Business Research and Economic Advisors

Table 52 – Total Economic Impacts – Nevada - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	9	\$ 851
Manufacturing	\$ 16,248	141	\$ 10,204
Nondurable Goods	\$ 3,052	118	\$ 9,216
Durable Goods	\$ 13,196	23	\$ 988
Wholesale & Retail Trade	\$ 2,700	75	\$ 3,843
Transportation	\$ 14,643	92	\$ 5,173
Information Services	\$ 189	6	\$ 335
Finance, Insurance, Real Estate & Leasing	\$ 4,146	33	\$ 1,983
Services & Government	\$ 59,308	884	\$ 35,266
Professional, Scientific & Technical Services	\$ 9,917	154	\$ 7,989
Administrative & Waste Management Services	\$ 41,859	441	\$ 16,662
Health, Education & Social Services	\$ 18	59	\$ 2,764
Other Services & Government	\$ 7,514	230	\$ 7,851
Total	\$ 97,234	1,240	\$ 57,655

Source: Business Research and Economic Advisors

Table 53 – Total Economic Impacts – New Hampshire - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	3	\$ 195
Manufacturing	\$ 10,065	61	\$ 3,490
Nondurable Goods	\$ 10,035	22	\$ 1,680
Durable Goods	\$ 30	39	\$ 1,810
Wholesale & Retail Trade	\$ 997	38	\$ 2,121
Transportation	\$ 6,775	40	\$ 1,983
Information Services	\$ 35	2	\$ 151
Finance, Insurance, Real Estate & Leasing	\$ 4,119	22	\$ 1,719
Services & Government	\$ 19,720	279	\$ 12,502
Professional, Scientific & Technical Services	\$ 3,192	54	\$ 2,969
Administrative & Waste Management Services	\$ 15,773	118	\$ 5,775
Health, Education & Social Services	\$ 720	60	\$ 2,585
Other Services & Government	\$ 35	47	\$ 1,173
Total	\$ 41,711	445	\$ 22,161

Source: Business Research and Economic Advisors

Table 54 – Total Economic Impacts – New Jersey - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 142	34	\$ 2,913
Manufacturing	\$ 71,448	611	\$ 49,341
Nondurable Goods	\$ 51,460	257	\$ 19,299
Durable Goods	\$ 19,988	354	\$ 30,042
Wholesale & Retail Trade	\$ 12,685	724	\$ 45,688
Transportation	\$ 125,208	1,392	\$ 66,018
Information Services	\$ 11,177	88	\$ 8,388
Finance, Insurance, Real Estate & Leasing	\$ 27,637	386	\$ 35,811
Services & Government	\$ 141,647	4,082	\$ 208,162
Professional, Scientific & Technical Services	\$ 54,770	1,245	\$ 94,429
Administrative & Waste Management Services	\$ 61,776	896	\$ 41,186
Health, Education & Social Services	\$ 72	895	\$ 40,040
Other Services & Government	\$ 25,029	1,046	\$ 32,507
Total	\$ 389,944	7,317	\$ 416,321

Source: Business Research and Economic Advisors

Table 55 – Total Economic Impacts – New Mexico - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	9	\$ 678
Manufacturing	\$ 265	8	\$ 420
Nondurable Goods	\$ 214	5	\$ 293
Durable Goods	\$ 51	3	\$ 127
Wholesale & Retail Trade	\$ 7	15	\$ 598
Transportation	\$ 2,725	19	\$ 857
Information Services	\$ 2	2	\$ 77
Finance, Insurance, Real Estate & Leasing	\$ 1,817	13	\$ 620
Services & Government	\$ 10,929	198	\$ 7,040
Professional, Scientific & Technical Services	\$ 4,896	76	\$ 2,981
Administrative & Waste Management Services	\$ 6,029	67	\$ 2,599
Health, Education & Social Services	\$ -	23	\$ 797
Other Services & Government	\$ 4	32	\$ 663
Total	\$ 15,745	264	\$ 10,290

Source: Business Research and Economic Advisors

Table 56 – Total Economic Impacts – New York - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 1,275	80	\$ 7,179
Manufacturing	\$ 175,603	1,139	\$ 78,560
Nondurable Goods	\$ 116,255	618	\$ 45,203
Durable Goods	\$ 59,348	521	\$ 33,357
Wholesale & Retail Trade	\$ 35,016	1,246	\$ 69,672
Transportation	\$ 197,553	2,355	\$ 100,666
Information Services	\$ 3,841	165	\$ 15,690
Finance, Insurance, Real Estate & Leasing	\$ 281,903	1,290	\$ 167,339
Services & Government	\$ 556,898	10,333	\$ 504,403
Professional, Scientific & Technical Services	\$ 145,198	2,513	\$ 188,225
Administrative & Waste Management Services	\$ 95,299	1,463	\$ 71,208
Health, Education & Social Services	\$ 4,701	2,402	\$ 99,292
Other Services & Government	\$ 311,700	3,955	\$ 145,678
Total	\$ 1,252,089	16,608	\$ 943,509

Source: Business Research and Economic Advisors

Table 57 – Total Economic Impacts – North Carolina - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	35	\$ 1,597
Manufacturing	\$ 68,061	541	\$ 29,566
Nondurable Goods	\$ 59,262	231	\$ 13,626
Durable Goods	\$ 8,799	310	\$ 15,940
Wholesale & Retail Trade	\$ 6,156	262	\$ 12,525
Transportation	\$ 21,419	223	\$ 10,424
Information Services	\$ 2,076	26	\$ 1,749
Finance, Insurance, Real Estate & Leasing	\$ 18,706	145	\$ 9,573
Services & Government	\$ 105,226	2,193	\$ 80,433
Professional, Scientific & Technical Services	\$ 50,549	823	\$ 34,505
Administrative & Waste Management Services	\$ 45,707	659	\$ 23,360
Health, Education & Social Services	\$ 215	283	\$ 11,280
Other Services & Government	\$ 8,755	428	\$ 11,288
Total	\$ 221,644	3,425	\$ 145,867

Source: Business Research and Economic Advisors

Table 58 – Total Economic Impacts – North Dakota - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 37	2	\$ 137
Manufacturing	\$ 219	4	\$ 167
Nondurable Goods	\$ 195	2	\$ 95
Durable Goods	\$ 24	2	\$ 72
Wholesale & Retail Trade	\$ 4	6	\$ 250
Transportation	\$ 465	4	\$ 187
Information Services	\$ 238	2	\$ 66
Finance, Insurance, Real Estate & Leasing	\$ 1,354	9	\$ 379
Services & Government	\$ 3,195	63	\$ 1,793
Professional, Scientific & Technical Services	\$ 845	16	\$ 441
Administrative & Waste Management Services	\$ 2,326	29	\$ 870
Health, Education & Social Services	\$ -	9	\$ 305
Other Services & Government	\$ 24	9	\$ 177
Total	\$ 5,512	90	\$ 2,979

Source: Business Research and Economic Advisors

Table 59 – Total Economic Impacts – Ohio - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 1	22	\$ 1,688
Manufacturing	\$ 22,840	366	\$ 24,459
Nondurable Goods	\$ 6,301	253	\$ 18,011
Durable Goods	\$ 16,539	113	\$ 6,448
Wholesale & Retail Trade	\$ 1,353	209	\$ 10,027
Transportation	\$ 15,287	148	\$ 8,801
Information Services	\$ 75	15	\$ 920
Finance, Insurance, Real Estate & Leasing	\$ 32,031	178	\$ 10,489
Services & Government	\$ 92,137	1,867	\$ 71,226
Professional, Scientific & Technical Services	\$ 21,780	443	\$ 21,457
Administrative & Waste Management Services	\$ 34,293	470	\$ 16,419
Health, Education & Social Services	\$ 1,188	329	\$ 12,581
Other Services & Government	\$ 34,876	625	\$ 20,769
Total	\$ 163,724	2,806	\$ 127,610

Source: Business Research and Economic Advisors

Table 60 – Total Economic Impacts – Oklahoma - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 21	29	\$ 2,606
Manufacturing	\$ 4,420	38	\$ 1,897
Nondurable Goods	\$ 4,237	20	\$ 1,104
Durable Goods	\$ 183	18	\$ 793
Wholesale & Retail Trade	\$ 532	36	\$ 1,478
Transportation	\$ 4,374	43	\$ 2,571
Information Services	\$ 8	4	\$ 200
Finance, Insurance, Real Estate & Leasing	\$ 4,982	37	\$ 1,576
Services & Government	\$ 14,301	316	\$ 10,015
Professional, Scientific & Technical Services	\$ 4,558	88	\$ 2,997
Administrative & Waste Management Services	\$ 9,587	123	\$ 4,209
Health, Education & Social Services	\$ 110	49	\$ 1,691
Other Services & Government	\$ 46	56	\$ 1,118
Total	\$ 28,638	503	\$ 20,343

Source: Business Research and Economic Advisors

Table 61 – Total Economic Impacts – Oregon - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 2,876	94	\$ 3,398
Manufacturing	\$ 13,535	259	\$ 16,108
Nondurable Goods	\$ 5,764	161	\$ 11,096
Durable Goods	\$ 7,771	98	\$ 5,012
Wholesale & Retail Trade	\$ 1,011	203	\$ 10,577
Transportation	\$ 13,672	436	\$ 15,001
Information Services	\$ 470	19	\$ 1,235
Finance, Insurance, Real Estate & Leasing	\$ 7,856	96	\$ 5,485
Services & Government	\$ 81,173	1,199	\$ 43,842
Professional, Scientific & Technical Services	\$ 71,896	394	\$ 18,871
Administrative & Waste Management Services	\$ 8,841	211	\$ 6,788
Health, Education & Social Services	\$ 9	269	\$ 10,688
Other Services & Government	\$ 427	325	\$ 7,495
Total	\$ 120,593	2,306	\$ 95,646

Source: Business Research and Economic Advisors

Table 62 – Total Economic Impacts – Pennsylvania - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	59	\$ 4,448
Manufacturing	\$ 142,602	1,026	\$ 65,697
Nondurable Goods	\$ 42,252	699	\$ 46,456
Durable Goods	\$ 100,350	327	\$ 19,241
Wholesale & Retail Trade	\$ 19,137	532	\$ 27,127
Transportation	\$ 40,233	561	\$ 25,827
Information Services	\$ 2,265	49	\$ 3,294
Finance, Insurance, Real Estate & Leasing	\$ 33,506	388	\$ 27,508
Services & Government	\$ 108,519	3,394	\$ 140,304
Professional, Scientific & Technical Services	\$ 57,498	1,051	\$ 57,547
Administrative & Waste Management Services	\$ 47,677	741	\$ 28,738
Health, Education & Social Services	\$ 611	917	\$ 37,790
Other Services & Government	\$ 2,733	685	\$ 16,229
Total	\$ 346,262	6,009	\$ 294,205

Source: Business Research and Economic Advisors

Table 63 – Total Economic Impacts – Rhode Island - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	3	\$ 96
Manufacturing	\$ 426	22	\$ 1,234
Nondurable Goods	\$ 109	14	\$ 832
Durable Goods	\$ 317	8	\$ 402
Wholesale & Retail Trade	\$ 55	13	\$ 617
Transportation	\$ 4,293	29	\$ 1,050
Information Services	\$ -	1	\$ 107
Finance, Insurance, Real Estate & Leasing	\$ 4,281	17	\$ 1,051
Services & Government	\$ 10,731	183	\$ 6,724
Professional, Scientific & Technical Services	\$ 1,925	33	\$ 1,543
Administrative & Waste Management Services	\$ 7,609	81	\$ 2,987
Health, Education & Social Services	\$ 24	33	\$ 1,283
Other Services & Government	\$ 1,173	36	\$ 911
Total	\$ 19,786	268	\$ 10,879

Source: Business Research and Economic Advisors

Table 64 – Total Economic Impacts – South Carolina - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	28	\$ 1,306
Manufacturing	\$ 23,495	313	\$ 17,301
Nondurable Goods	\$ 11,961	149	\$ 8,699
Durable Goods	\$ 11,534	164	\$ 8,602
Wholesale & Retail Trade	\$ 5,057	193	\$ 7,313
Transportation	\$ 43,447	538	\$ 19,310
Information Services	\$ -	10	\$ 541
Finance, Insurance, Real Estate & Leasing	\$ 5,755	61	\$ 3,485
Services & Government	\$ 35,657	1,031	\$ 31,918
Professional, Scientific & Technical Services	\$ 5,840	168	\$ 7,814
Administrative & Waste Management Services	\$ 23,641	357	\$ 11,898
Health, Education & Social Services	\$ -	145	\$ 5,496
Other Services & Government	\$ 6,176	361	\$ 6,710
Total	\$ 113,411	2,174	\$ 81,174

Source: Business Research and Economic Advisors

Table 65 – Total Economic Impacts – South Dakota - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	1	\$ 40
Manufacturing	\$ 375	6	\$ 270
Nondurable Goods	\$ 230	4	\$ 183
Durable Goods	\$ 145	2	\$ 87
Wholesale & Retail Trade	\$ 34	5	\$ 184
Transportation	\$ 594	6	\$ 218
Information Services	\$ 1	-	\$ 15
Finance, Insurance, Real Estate & Leasing	\$ 2,115	9	\$ 374
Services & Government	\$ 2,040	41	\$ 1,217
Professional, Scientific & Technical Services	\$ 706	13	\$ 346
Administrative & Waste Management Services	\$ 1,290	14	\$ 471
Health, Education & Social Services	\$ -	8	\$ 263
Other Services & Government	\$ 44	6	\$ 137
Total	\$ 5,159	68	\$ 2,318

Source: Business Research and Economic Advisors

Table 66 – Total Economic Impacts – Tennessee - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	5	\$ 202
Manufacturing	\$ 4,124	108	\$ 6,173
Nondurable Goods	\$ 3,525	54	\$ 3,241
Durable Goods	\$ 599	54	\$ 2,932
Wholesale & Retail Trade	\$ 112	70	\$ 3,344
Transportation	\$ 8,999	93	\$ 5,258
Information Services	\$ 75	6	\$ 347
Finance, Insurance, Real Estate & Leasing	\$ 10,559	88	\$ 5,132
Services & Government	\$ 33,950	621	\$ 22,280
Professional, Scientific & Technical Services	\$ 12,007	192	\$ 7,288
Administrative & Waste Management Services	\$ 20,398	220	\$ 8,079
Health, Education & Social Services	\$ 288	97	\$ 4,081
Other Services & Government	\$ 1,257	112	\$ 2,832
Total	\$ 57,819	991	\$ 42,736

Source: Business Research and Economic Advisors

Table 67 – Total Economic Impacts – Texas - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 19,784	1,062	\$ 133,514
Manufacturing	\$ 427,435	1,770	\$ 128,344
Nondurable Goods	\$ 284,434	1,208	\$ 89,853
Durable Goods	\$ 143,001	562	\$ 38,491
Wholesale & Retail Trade	\$ 60,384	1,773	\$ 95,733
Transportation	\$ 217,371	2,258	\$ 111,144
Information Services	\$ 11,313	196	\$ 13,997
Finance, Insurance, Real Estate & Leasing	\$ 42,078	980	\$ 67,545
Services & Government	\$ 349,054	9,277	\$ 366,757
Professional, Scientific & Technical Services	\$ 65,067	1,861	\$ 117,260
Administrative & Waste Management Services	\$ 239,415	2,799	\$ 115,800
Health, Education & Social Services	\$ 1,918	1,812	\$ 70,414
Other Services & Government	\$ 42,654	2,805	\$ 63,283
Total	\$ 1,127,419	17,316	\$ 917,034

Source: Business Research and Economic Advisors

Table 68 – Total Economic Impacts – Utah - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	8	\$ 584
Manufacturing	\$ 1,144	52	\$ 2,806
Nondurable Goods	\$ 756	34	\$ 1,950
Durable Goods	\$ 388	18	\$ 856
Wholesale & Retail Trade	\$ 124	52	\$ 2,230
Transportation	\$ 7,315	69	\$ 3,930
Information Services	\$ 1,084	11	\$ 566
Finance, Insurance, Real Estate & Leasing	\$ 5,118	64	\$ 3,175
Services & Government	\$ 20,450	475	\$ 15,652
Professional, Scientific & Technical Services	\$ 5,469	113	\$ 4,999
Administrative & Waste Management Services	\$ 13,837	185	\$ 5,934
Health, Education & Social Services	\$ 153	72	\$ 2,405
Other Services & Government	\$ 991	105	\$ 2,314
Total	\$ 35,235	731	\$ 28,943

Source: Business Research and Economic Advisors

Table 69 – Total Economic Impacts – Vermont - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	1	\$ 42
Manufacturing	\$ 329	6	\$ 370
Nondurable Goods	\$ 232	4	\$ 263
Durable Goods	\$ 97	2	\$ 107
Wholesale & Retail Trade	\$ 14	4	\$ 178
Transportation	\$ 362	4	\$ 180
Information Services	\$ 118	1	\$ 41
Finance, Insurance, Real Estate & Leasing	\$ 1,400	6	\$ 347
Services & Government	\$ 6,062	47	\$ 1,561
Professional, Scientific & Technical Services	\$ 5,265	24	\$ 821
Administrative & Waste Management Services	\$ 791	8	\$ 266
Health, Education & Social Services	\$ -	10	\$ 308
Other Services & Government	\$ 6	5	\$ 166
Total	\$ 8,283	69	\$ 2,719

Source: Business Research and Economic Advisors

Table 70 – Total Economic Impacts – Virginia - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	17	\$ 984
Manufacturing	\$ 48,183	268	\$ 15,337
Nondurable Goods	\$ 7,594	199	\$ 11,850
Durable Goods	\$ 40,589	69	\$ 3,487
Wholesale & Retail Trade	\$ 1,484	142	\$ 6,829
Transportation	\$ 16,571	171	\$ 8,447
Information Services	\$ 825	22	\$ 1,988
Finance, Insurance, Real Estate & Leasing	\$ 10,640	390	\$ 25,283
Services & Government	\$ 66,063	1,400	\$ 65,000
Professional, Scientific & Technical Services	\$ 30,947	541	\$ 33,864
Administrative & Waste Management Services	\$ 33,425	416	\$ 16,821
Health, Education & Social Services	\$ 277	184	\$ 7,423
Other Services & Government	\$ 1,414	259	\$ 6,892
Total	\$ 143,766	2,410	\$ 123,868

Source: Business Research and Economic Advisors

Table 71 – Total Economic Impacts – Washington – 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ 1,967	480	\$ 18,871
Manufacturing	\$ 243,448	2,092	\$ 162,860
Nondurable Goods	\$ 67,982	1,461	\$ 124,153
Durable Goods	\$ 175,466	631	\$ 38,707
Wholesale & Retail Trade	\$ 20,306	1,600	\$ 84,359
Transportation	\$ 239,795	4,271	\$ 175,410
Information Services	\$ 5,797	197	\$ 20,438
Finance, Insurance, Real Estate & Leasing	\$ 16,422	520	\$ 34,695
Services & Government	\$ 179,299	8,740	\$ 364,333
Professional, Scientific & Technical Services	\$ 68,547	2,180	\$ 143,729
Administrative & Waste Management Services	\$ 50,380	1,153	\$ 49,914
Health, Education & Social Services	\$ 17,479	2,314	\$ 94,290
Other Services & Government	\$ 42,893	3,093	\$ 76,400
Total	\$ 707,034	17,900	\$ 860,966

Source: Business Research and Economic Advisors

Table 72 – Total Economic Impacts – West Virginia - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	5	\$ 341
Manufacturing	\$ 107	9	\$ 586
Nondurable Goods	\$ 107	5	\$ 346
Durable Goods	\$ -	4	\$ 240
Wholesale & Retail Trade	\$ -	8	\$ 309
Transportation	\$ 1,626	20	\$ 638
Information Services	\$ -	1	\$ 34
Finance, Insurance, Real Estate & Leasing	\$ 1,749	10	\$ 466
Services & Government	\$ 5,097	105	\$ 2,998
Professional, Scientific & Technical Services	\$ 1,591	30	\$ 795
Administrative & Waste Management Services	\$ 3,469	44	\$ 1,354
Health, Education & Social Services	\$ 37	17	\$ 550
Other Services & Government	\$ 0	14	\$ 299
Total	\$ 8,579	158	\$ 5,372

Source: Business Research and Economic Advisors

Table 73 – Total Economic Impacts – Wisconsin - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	6	\$ 353
Manufacturing	\$ 4,715	103	\$ 6,371
Nondurable Goods	\$ 2,549	64	\$ 4,248
Durable Goods	\$ 2,166	39	\$ 2,123
Wholesale & Retail Trade	\$ 385	51	\$ 2,246
Transportation	\$ 4,600	54	\$ 2,635
Information Services	\$ 30	4	\$ 220
Finance, Insurance, Real Estate & Leasing	\$ 17,492	90	\$ 5,174
Services & Government	\$ 18,694	428	\$ 14,294
Professional, Scientific & Technical Services	\$ 7,867	132	\$ 5,226
Administrative & Waste Management Services	\$ 10,389	139	\$ 4,377
Health, Education & Social Services	\$ 173	79	\$ 3,143
Other Services & Government	\$ 265	78	\$ 1,548
Total	\$ 45,916	736	\$ 31,293

Source: Business Research and Economic Advisors

Table 74 – Total Economic Impacts – Wyoming - 2011

Sector	Direct Purchases (\$1,000)	Total Employment	Total Wages (\$1,000)
Agriculture, Mining, Utilities & Construction	\$ -	3	\$ 266
Manufacturing	\$ 53	1	\$ 52
Nondurable Goods	\$ 53	-	\$ 18
Durable Goods	\$ -	1	\$ 34
Wholesale & Retail Trade	\$ 0	2	\$ 70
Transportation	\$ 343	5	\$ 194
Information Services	\$ -	-	\$ 6
Finance, Insurance, Real Estate & Leasing	\$ 503	4	\$ 137
Services & Government	\$ 1,422	23	\$ 644
Professional, Scientific & Technical Services	\$ 740	10	\$ 270
Administrative & Waste Management Services	\$ 682	7	\$ 225
Health, Education & Social Services	\$ -	2	\$ 62
Other Services & Government	\$ -	4	\$ 87
Total	\$ 2,321	38	\$ 1,369

Source: Business Research and Economic Advisors

Section III: Expansion of the North American Fleet Through 2013

As discussed previously, the North American cruise industry continued to increase its capacity in 2010, experiencing a net increase of nine cruise ships and 22,953 lower berths. As indicated in **Table 77**, by the end of 2012, the year in which this report is being written, another five ocean going cruise ships with 12,572 lower berths will be added to the North American fleet. The net additions of cruise ships will average three ships for the next two years with lower berths increasing by over 4,400 in 2013 and 7,600 in 2013. For 2014, another 15,300 lower berths and 4 cruise ships are planned for introduction to the North American fleet. While it is likely that additional newbuilds will be announced for 2015, at a minimum the North American fleet will increase by 14 ships, a 7.8 percent increase from 2011 and 37,662 lower berths, an 11.6 percent increase.

Table 75 – Planned Additions to Lower Berth Capacity, 2011 through 2015

Year	Net Additions	
	Vessels	Lower Berths
2011 Totals	180	320,304
Net Additions - 2012	5	12,572
2012 Totals	185	332,876
Net Additions - 2013	2	4,483
2013 Totals	187	337,359
Net Additions - 2014	4	15,369
2014 Totals	191	352,728
Net Additions - 2015	3	4,934
2015 Totals	194	357,662
Change from 2011	14	37,358
Average Annual Change	3.5	9,340

Source: Cruise Lines International Association and Business Research and Economic Advisors

The distribution of the new cruise ships by line and size is shown in **Table 78**. Over the four-year period from 2012 through 2015, 19 new ships with 45,800 lower berths will be introduced to the North American fleet. Thus, the average new ship will have 2,400 lower berths. The new cruise ships will range in size from the 90-berth *Moana* being built by Paul Gauguin Cruises to two Royal Caribbean Project Sunshine 4,100-passenger cruise ships scheduled for 2014 and 2015.

Table 76 – Planned Gross Additions to Lower Berth Capacity, 2012 through 2015

Cruise Line	Less than 1000	1,000 - 1,999	2,000 - 2,999	3,000 - 4,999	5,000 and Over	Total	Number of Ships	Average Capacity
Carnival				6,696		6,696	2	3,348
Celebrity			2,850			2,850	1	2,850
Costa				6,712		6,712	2	3,356
Disney			2,500			2,500	1	2,500
MSC				3,400		3,400	1	3,400
Norwegian				7,938		7,938	2	3,969
Oceania		1,934				1,934	2	967
Other	600	1,450				2,050	5	410
Princess				3,600		3,600	1	3,600
Royal Caribbean				8,200		8,200	2	4,100
Total	600	3,384	5,350	36,546	0	45,880	19	2,415
Withdrawals & Adjusts						8,522	5	1,704
Net Additions						37,358	14	2,668

Other: Pearl Seas Cruises, Seabourn, and Silversea

Source: Cruise Lines International Association and Business Research and Economic Advisors

Ships with 3,000 or more lower berths, will account for half of the number of new ships but 80 percent of the gross increase in lower berths. Royal Caribbean, NCL, Costa and Carnival will each add two ships over the next four years. The combined capacity of the eight ships will be 29,546 lower berths, accounting for nearly two-thirds of the total increase in capacity. MSC and Princess will each add a new cruise ship. The two ships will have a combined capacity of 7,000 lower berths.

New ships with between 2,000 and 2,999 lower berths will account for 12 percent of the planned increased capacity between 2012 and 2015. The two ships under construction By Celebrity and Disney will have respective capacity of 2,850 and 2,500 lower berths. Four cruise lines will be adding seven cruise ships with fewer than 2,000 lower berths. Combined the seven ships will add 3,982 lower berths, 9 percent of the total increase.

Finally, a total of five cruise ships will be removed for the ocean-going fleet with a combined capacity of 8,500 lower berths. These include the *Costa Allegra*, *Costa Concordia*, *Louis Majesty*, Oceania's *Insignia* and the *Carnival Destiny*.



BREA specializes in custom market analyses for clients throughout the private and public sectors. These unique market analyses integrate economic, financial, and demographic trends with primary market research, proprietary client data, and advanced statistical and modeling techniques. This approach results in comprehensive and actionable analysis, databases and models designed to support planning, sales and marketing and public relations within client organizations.

BREA's principals each have more than 25 years of experience in consulting and forecasting with a wide range of international product and service companies, including consumer products, leisure, retailing, gaming, business services, telecommunications, utility and financial services. Their consulting assignments provide critical analysis and insight into market dynamics, product demand, economic trends, consumer behavior and public policy.

BREA's approach to market analysis focuses on determining market or product characteristics that can be summarized by three attributes: size, share, and growth. Since studies are designed to meet the specific needs of each client, they can incorporate many dimensions of the market and include a variety of ancillary services. To carry out this market analysis, BREA provides the following services:

Market Research: design and implementation of primary market research instruments using telephone, mail and intercept surveys. Test instruments are designed to collect information on product demand, attributes of consumers and users, perceived product attributes and customer satisfaction.

Segmentation Analyses: segmenting demand attributes by product line, consumer demographics (age, income, region, etc.) and business characteristics using market research, government statistics and proprietary databases.

Statistical and Econometric Modeling: developing quantitative models relating market and product demand to key economic factors and demographic market/consumer attributes. Models can be used for forecasting, trend analysis and divergence/convergence analysis.

Market Studies and Trend Analyses: detailed descriptions of markets (defined as products, regions, industries, consumer segments, etc.) and comprehensive analyses of underlying market forces (such as economic and financial conditions, competitive environment, technology, etc.).

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