

you traveling with, how long have you stayed in Mexico, and what was your reason for traveling to Mexico; but then the questions start to tax your memory and your estimation skills. She asks you how much you spent on transportation within the country; how much on accommodations; how much on food and beverages; how much on souvenirs; how much on activities and attractions. Those are tough questions. At best, you offer decent “ballpark” numbers for your expenditures. But perhaps you are uncomfortable or embarrassed to admit how much you spent on the trip to this stranger and provide her with an estimate that is significantly different than your actual spending.

Asking tourists about their spending is most effective at the very end of their trip. Increased security restrictions for accessing departure lounges at airports are making it harder for researchers to capture tourists at this time. Many researchers are intercepting tourists at other stages during their trip when they are less likely to be able to provide an accurate estimate of their spending. Imagine if you were waiting in line for a tourist attraction on the second day of a five day vacation when you were approached by this same researcher. The amounts you provide about your spending would have to be speculation.

From these scenarios, you can see that statistics you read about average tourism expenditures should not be assumed to be totally accurate. The estimates are only as good as the tourists’ ability to give accurate answers and the researchers’ estimation of total tourism spending based on the answers of sampled tourists. As the saying goes, “garbage in, garbage out,” so the quality of the research depends on the skills of the researcher and the accuracy of tourists’ memories and ability to estimate.

Once total tourism expenditures have been estimated, researchers then try to determine how these monies are re-spent within the regional economy. EIA expert John Crompton lists six ways a tourism dollar spent in a local establishment could be re-spent:

1. Paid to other local businesses for some goods or services (e.g., a local produce farmer)
2. Paid to local-resident employee or owner
3. Paid to local government in form of tax
4. Paid to other business outside of local area (e.g., distant wholesale food distributor)
5. Paid to nonlocal employee or owner
6. Paid to nonlocal government in form of tax (state/province or federal)

The first three ways are called *linkage*, and the latter three are termed *leakage*. The higher the linkages and the lower the leakages within an area economy, the higher will be the total economic impact of tourism to the area. The size of these linkages and leakages are assumptions (a type of “judgment call”) made by the researchers. “As a general rule, a smaller community tends not to have the sectoral interdependencies that facilitate retention of monies spent during the first round of expenditures. Hence, much of the expenditure would be re-spent outside the local region leading to a relatively low local economic multiplier” (p. 22).⁶

FYI DOES TOURISM BENEFIT EVERYONE IN THE COMMUNITY?

As Shanghai celebrated the successful hosting of the most attended (73 million visitors over a 6-month period) World Expo in 2010, Shanghai residents reflected on the impact of the event. Most residents do not feel any economic impact personally, although

they think the event created more jobs and increased the income for those employed in the hospitality and tourism industry. However, those who work in the construction industry are adversely affected because the government halted all construction activities during

the 6-month period to reduce noise and air pollution. The exact overall return on investment on this type of mega event is difficult to estimate due to the scope of impact and potential time lag between return and investment.