

Why Gallup – Tourism’s Economic Impact Grows the Pie

Written by Jennifer Lazarz Tourism & Marketing Manager City of Gallup
Friday, 01 June 2018 07:40



Part 2 of 2

These guests who come here for the immersive experience offer the community one incredibly important asset- their economic dollars. The plight of small towns is that we recirculate our economy- we keep looking at the same consumers, the same vendors, and the same money- and try to stretch it further and further and expect different results. Tourism money is different- they come to our community and spend money but don't stick around in the long term to access the resources that the money creates. Tourism money is a one-way pipeline directly into our economy.

The Gallup tourism industry includes visitor spending in the following categories- accommodations, food and beverage, retail, recreation, entertainment, and transportation. The impact is three parts- direct, indirect, and induced. The direct impact includes direct income to businesses, which then creates a direct impact for employment. More money spent at hotels, restaurants, grocery stores, gas stations, car repair shops, and more equals more jobs, and increased business revenues, and more taxes added to the pot. The indirect impact is felt by the vendors and suppliers to those businesses who are doing direct business with tourists. The first tier vendors to all of the local businesses see an indirect boost in their revenues that also impact their employment, wages, taxes paid, etc. The induced impact is the spending done by the employees of all of those businesses that continue to support the local economy. Essentially, tourism has an impact on everyone in the Gallup community because when tourists spend money here, it has an extensive reach.

Tourism is internationally one of the fastest and highest grossing industries. In 2017 the United Nations World Tourism Organization reported that tourism travel around the world was up seven percent, at its highest level in seven years. The UNWTO estimates that the trend will continue

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into 2018 with growth of 4-5%. North America reportedly saw an increase of 2%¹. In September of 2017 the State of New Mexico released its 2016 tourism economic impact statistics (prepared by the firm Tourism Economics). New Mexico matches the national growth rate with an increase in tourism spending of 2.1% increase between 2015 and 2016. The estimate is that tourists spent over \$6.4 billion in New Mexico in 2016. They report that tourism spending supports 8.4% of all jobs in New Mexico

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What about Gallup? The New Mexico Hospitality Association reports that in McKinley County alone over 500 individuals are employed in the lodging industry. This is nearly 3% of the entire employment market share³. In the leisure and hospitality sector- entertainment, theatres, restaurants, etc. - there are over 2,000 employees in the Gallup area in this sector. In 2016 it was reportedly about 20% of the employment marketshare⁴. When those statistics are combined it means that 23% of the employment in McKinley County sees a direct impact from Tourism spending. In terms of Gallup numbers, we see an average hotel occupancy rate of 60%. There are 2,395 hotel rooms in Gallup- that means on average 1,437 of those rooms are occupied WEEKLY.

Overall, the impact of tourism on our community is that the tourism money influx has an enormous impact. Our tourism sector, and the part everyone plays in its success, is incredibly valuable. It is essential for us to reevaluate our community assets and begin to view our community, the customer service we offer, and what the tourists offer in the light of our tourism brand. We are real, true, and beautiful. We are willing to work hard together to grow our economy through the tourism industry.

<http://media.unwto.org/press-release/2018-01-15/2017-international-tourism-results-highest-seven-years>

https://res.cloudinary.com/simpleview/image/upload/v1/clients/newmexico/2016_Economic_Impact_of_Tourism_in_New_Mexico_d8f34214-39c7-4f9d-a901-fa81e1c5f39b.pdf

<https://infogram.com/accommodations-employment-1h984wp3vmxg2p3>

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<https://infogram.com/leisure-and-hospitality-1h1749nl1gny2zj>

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