



Local and Regional Economic Benefits of the Cruise Industry

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Board of Harbor Commissioners

Presenting results of a study conducted by
Dr. John Martin of Martin Associates
941 Wheatland Ave., Suite 203
Lancaster PA 17603



The Cruise Industry at the Port of Los Angeles 2006

- 226 vessel calls by home-ported lines at the Port in 2006; 1.2 million passengers
- Cruise lines spent \$65.1 million in the Harbor Area, \$144.9 million in the Los Angeles region
 - *Food and beverages, fuel, flowers, ship maintenance and repairs*
- Passengers spent \$15.9 million in the Harbor Area, \$44.7 million in the Los Angeles region
 - *Hotel stays, restaurants, clothing for cruises*
- Crew members spent \$9.5 million in the Harbor Area, \$23.6 million in the Los Angeles region
 - *Clothing, shoes, electronics, sundries*



Economic Benefits of the Cruise Industry in the Harbor Area 2006

- 1,277 jobs created
- \$52.5 million dollars in income
 - Average annual wage of \$41,100
- \$108.1 million dollars in output
 - Goods and services provided to cruise industry, passengers and crew
- \$5.7 million dollars in state and local tax revenues



Economic Benefits of the Cruise Industry in the 5-County Region 2006

- 2,478 jobs created
- \$89.1 million dollars in income
- \$253.7 million dollars in output
- \$9.7 million dollars in state and local taxes



Study Methodology

- Economic benefits calculated by Martin Associates, economic consultants with over 20 years experience whose seaport impact models are used at more than 90 ports
- Study based on surveys
 - Interviewed three cruise lines
 - Surveyed 900 passengers
 - Surveyed 600 crew members
- Benefits based on number of passengers and vessel calls
- Port staff interviewed businesses
 - Hotels, restaurants, stores, ship service suppliers



Study Methodology

- Types of economic benefits
 - Jobs
 - Income
 - Output (Sales Revenue)
 - State and Local Taxes
- Categories of benefits
 - Direct – from firms supplying the goods or service (*ship services, hotels, restaurants, stores*)
 - Indirect – from firms supplying the direct suppliers (*office supplies, raw materials for goods provided*)
 - Induced – from spending by the employees of the direct and indirect suppliers (*for example, when employees go shopping for groceries*)



Jobs Created by the Cruise Industry

	Harbor Area	Rest of Los Angeles	Total
Direct Jobs	634	567	1,201
Indirect Jobs	269	356	625
Induced Jobs	373	279	652
Total Jobs	1,277	1,202	2,478



Wages Generated by Jobs Created by Cruise Industry

	Harbor Area	Rest of Los Angeles	Total
Wages for Direct Jobs	\$27.7 M	\$16.1 M	\$43.8 M
Wages for Indirect Jobs	\$9.4 M	\$12.5M	\$21.9 M
Wages for Induced Jobs	\$15.3 M	\$8.1 M	\$23.4 M
Total Wages	\$52.5 M	\$36.6 M	\$89.1 M