

2024

# Economic Impact of Visitors to Palm Desert, CA



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## Introduction

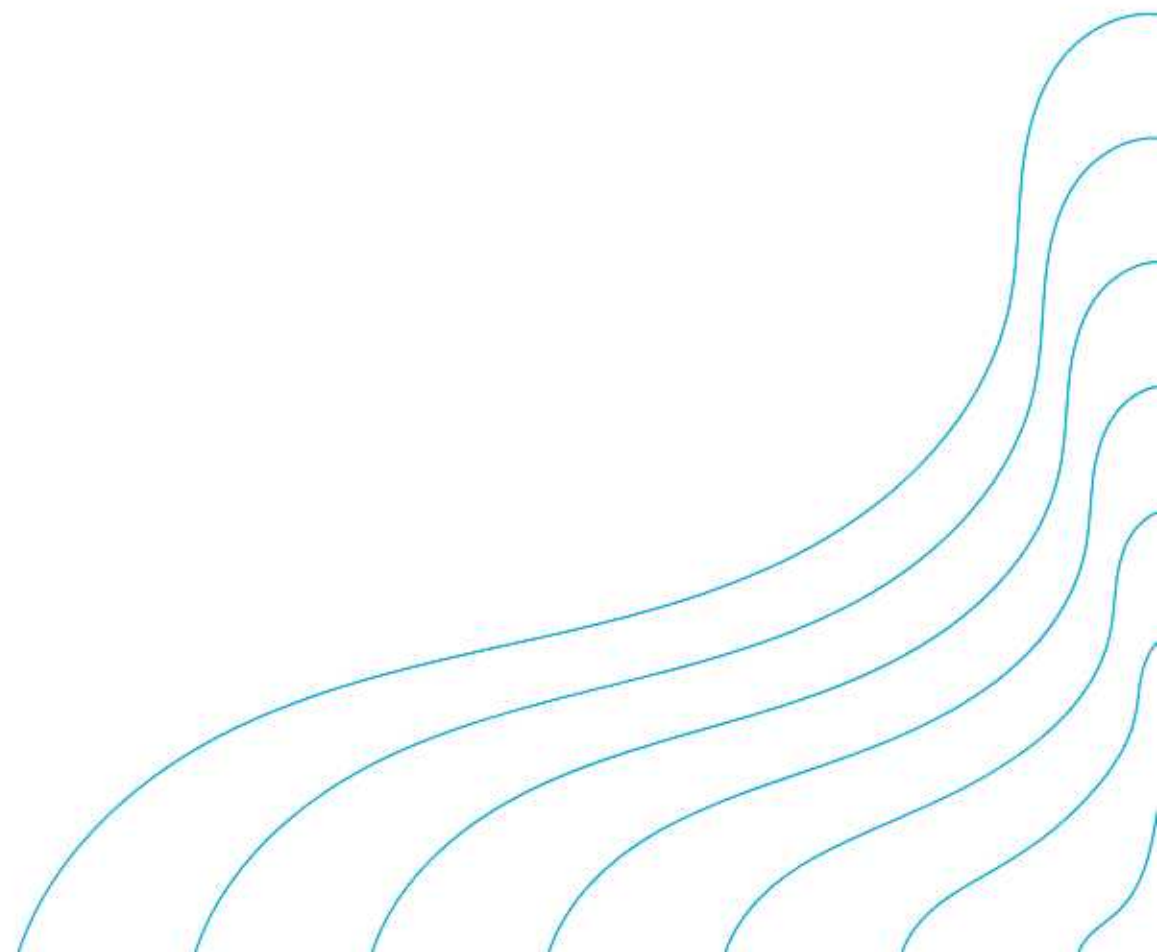
**Visitors are integral to the Palm Desert economy**, generating significant financial benefits for residents and local businesses. Visitor activity also produces substantial tax revenue which supports government services.

Credible measurements of the visitor economy are designed to inform policy decisions that foster the sector's development.

To quantify the significance of the Palm Desert visitor economy, Tourism Economics developed a comprehensive analysis of visitor spending and its total economic impact on businesses, employment, personal income, and taxes. At a high level, our approach includes the following stages:

- Compilation of visitor statistics
- Compilation of industry data
- Compilation of government data
- Analysis of visitor spending by category
- Economic impact modeling
- Estimates generated for the Greater Palm Springs region
- Estimates generated for each city in the region

# KEY FINDINGS



# Key Findings

## Visitors Generate Significant Economic Impact

In 2024, visitors spent **\$1.7 billion** in Palm Desert, 0.9% more than in 2023. Visitor activity generated a total economic impact of **\$2.1 billion**.



**\$1.7B** VISITOR SPENDING



**\$2.1B** TOTAL ECONOMIC IMPACT



**\$390M** TOTAL PERSONAL INCOME



**11,000** TOTAL JOBS SUPPORTED



**\$188M** STATE AND LOCAL TAXES



## Results in Context



**\$1.7B**

**Visitor Spending  
(Direct Sales)**

Visitors spent \$4.5 million per day, on average, in Palm Desert.



**\$278M**

**Direct Personal  
Income**

This is the equivalent of more than \$11,500 per household in the city, on average.



**8.7K**

**Direct Jobs**

Direct visitor spending sustained nearly 8,700 jobs in the city.



**\$188M**

**Total State & Local  
Taxes**

Total state and local taxes generated by visitor spending reduced the tax burden by more than \$7,800 per household in Palm Desert, on average.



# VISITOR SPENDING



Palm Desert welcomed visitors who spent **\$1.7 billion** in 2024.



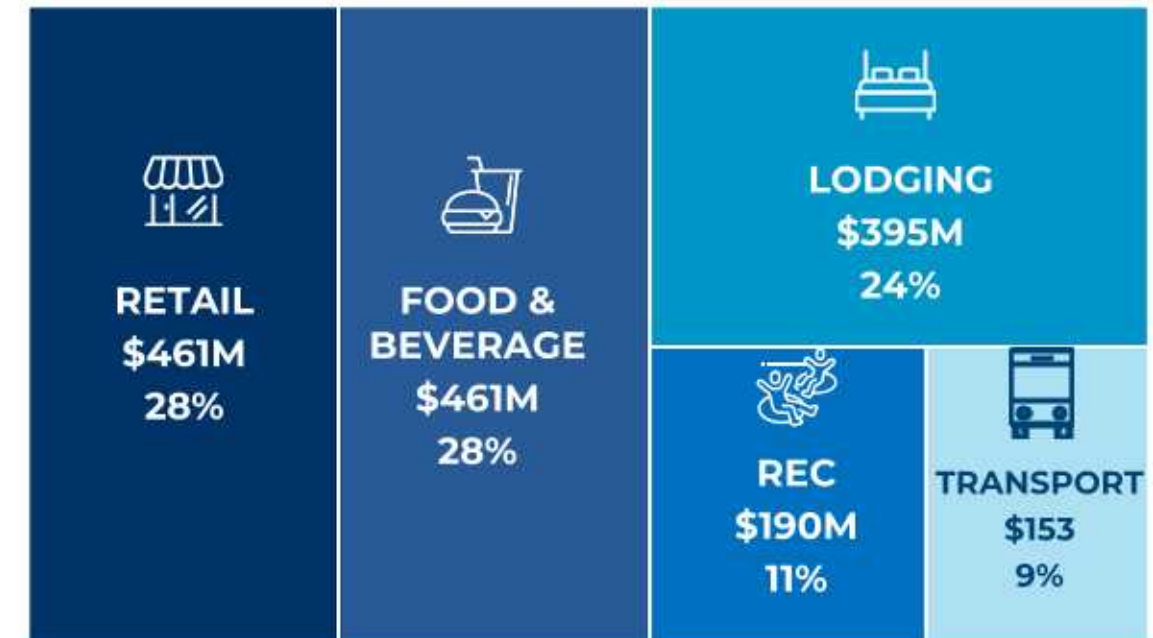
## Visitor Spending By Category

Most visitor spending in Palm Desert came in retail and food and beverage, at \$461 million in each sector. Visitor spending on lodging, including hotels, short-term rentals, and the value of second homes, accounted for \$395 million, or 24% of all visitor spending.

Visitors spent 11% of their budget on recreation in Palm Desert.

### Palm Desert Visitor Spending

\$ millions



Source: Tourism Economics

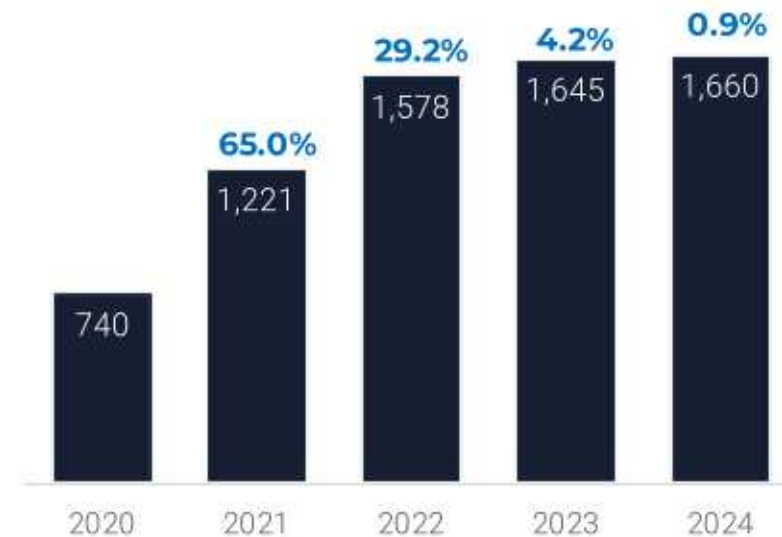
Note: Lodging includes all accommodation types

## Visitor Spending Trends

In 2024, visitors to Palm Desert spent nearly \$1.7 billion, an increase of 0.9% from 2023. Visitor spending in the city has expanded four years in a row, since the 2020 trough of the COVID-19 pandemic.

### Palm Desert Visitor Spending

\$ millions



Source: Tourism Economics

## Visitor Spending Details

Visitor spending increased 0.9% in 2024, a result of lower demand and modest prices increases in some spending categories.

Prices in the food and beverage sector increased rapidly, rising more than 6% from the prior year and driving visitor spending growth of 5.1%. Other categories were mixed versus 2023: retail spending was 0.9% lower, lodging expanded 0.4%, and recreation spending increased 0.2%.

### Palm Desert Visitor Spending

\$ millions

	2020	2021	2022	2023	2024	2024 Growth
<b>Total visitor spending</b>	<b>\$740.2</b>	<b>\$1,221.2</b>	<b>\$1,578.0</b>	<b>\$1,644.6</b>	<b>\$1,660.1</b>	<b>0.9%</b>
Retail	\$213.9	\$355.9	\$455.8	\$465.1	\$460.8	-0.9%
Food & beverage	\$199.0	\$325.4	\$412.9	\$438.3	\$460.7	5.1%
Lodging	\$172.8	\$284.6	\$375.1	\$393.4	\$395.0	0.4%
Recreation	\$85.7	\$137.7	\$181.3	\$189.8	\$190.3	0.2%
Transportation	\$68.8	\$117.7	\$152.8	\$158.0	\$153.5	-2.9%

Source: Tourism Economics

Note: Lodging includes all accommodation types



# ECONOMIC IMPACT METHODOLOGY



## Economic Impact Methodology

The development of visitor economy impact modeling begins with a comprehensive demand side analysis. Visitor survey data provides estimates on the volume of visitors by type and their spending in specific industries (e.g., lodging, restaurants, retail, recreation and entertainment, transportation). These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type, as well as employment and personal income by industry, are used to supplement and confirm demand-side visitor spending calculations.

This provides a detailed profile of visitor spending by industry, which is then connected to a local input-output (I-O) economic impact model constructed within the IMPLAN platform. This uses government (Bureau of Economic Analysis and Census) data to trace the flow of visitor spending through the local economy and its effects on businesses, households, and government. The model quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a defined set of sectors. This supports a proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Businesses providing direct services to visitors purchase goods and services, generating additional impacts called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Additional business activity is generated as employees spend incomes locally that are earned due to visitor activity. This is called the induced impact or income effect.

The model calculates these three levels of impact—direct, indirect and induced—for the following metrics:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

## Economic Impact Model



# ECONOMIC IMPACT



# Business Sales Impacts

Visitors spent nearly \$1.7 billion in Palm Desert in 2024. These direct impacts generated an additional \$463 million through supply chain (indirect) and income (induced) effects.

As a result, the total economic impact of visitors reached \$2.1 billion in 2024.



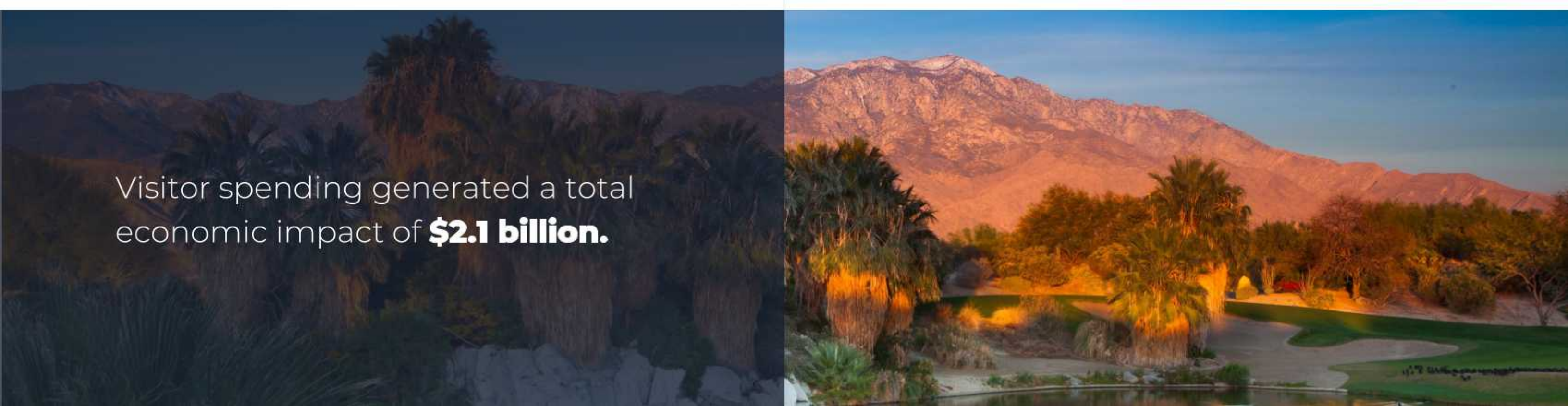
## Business Sales by Industry (2024)

\$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
<b>Total, all industries</b>	<b>\$1,660.1</b>	<b>\$234.3</b>	<b>\$228.8</b>	<b>\$2,123.2</b>
Retail Trade	\$566.7	\$1.8	\$24.7	\$593.2
Food & Beverage	\$354.7	\$11.1	\$19.9	\$385.7
Lodging	\$298.5	\$2.0	\$2.3	\$302.9
Finance, Ins and RE	\$131.7	\$68.1	\$70.9	\$270.7
Recreation and Ent.	\$161.7	\$6.9	\$4.8	\$173.3
Other Transport	\$72.1	\$6.2	\$2.0	\$80.3
Business Services		\$59.7	\$13.4	\$73.1
Personal Services	\$28.5	\$10.0	\$13.6	\$52.2
Gasoline	\$46.0	\$0.2	\$1.7	\$48.0
Education and Health Care		\$0.2	\$46.2	\$46.5
Construction and Utilities		\$28.8	\$8.3	\$37.0
Communications		\$15.7	\$4.3	\$20.0
Government		\$12.9	\$6.1	\$19.0
Wholesale Trade		\$4.8	\$6.0	\$10.8
Manufacturing		\$4.1	\$2.3	\$6.3
Agriculture, Fishing, Mining		\$1.3	\$1.0	\$2.3
Air Transport		\$0.8	\$1.2	\$2.0

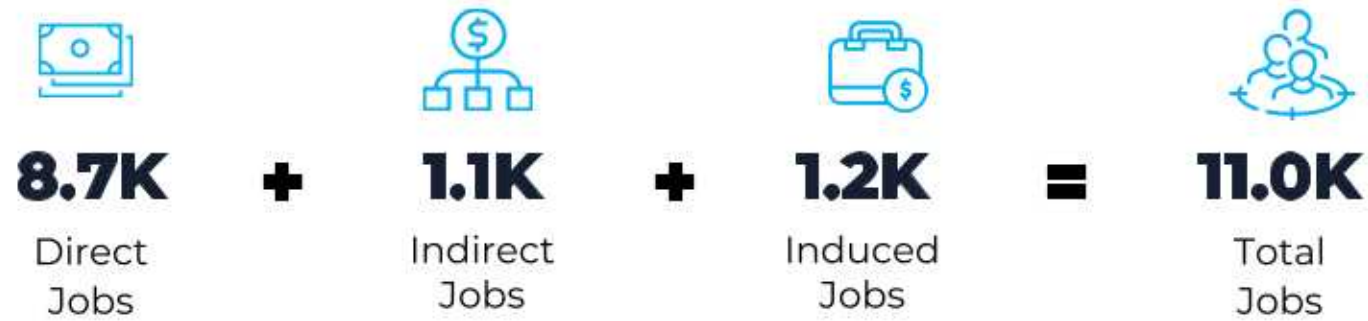
Source: Tourism Economics

Visitor spending generated a total economic impact of **\$2.1 billion.**



# Employment Impacts

Visitor activity sustained 8,687 direct jobs in 2024, with an additional 2,311 jobs supported from the indirect and induced impacts of visitor activity. Total employment impacts tallied 10,998 in 2024. This equates to 23.7% of all jobs in Palm Desert, or about 1-in-4 of all jobs in the city.



## Employment by Industry (2024)

jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
<b>Total, all industries</b>	<b>8,687</b>	<b>1,145</b>	<b>1,167</b>	<b>10,998</b>
Food & Beverage	4,039	105	172	4,316
Retail Trade	1,550	25	175	1,750
Recreation and Ent.	1,358	84	37	1,479
Lodging	921	0	1	922
Finance, Ins and RE	330	250	111	692
Personal Services	313	64	95	473
Business Services		348	104	452
Other Transport	89	135	62	286
Education and Health Care		3	267	271
Government		43	77	120
Gasoline	87	1	8	96
Wholesale Trade		33	26	59
Construction and Utilities		31	15	46
Communications		16	11	27
Manufacturing		6	2	8
Agriculture, Fishing, Mining		0	1	2
Air Transport		0	1	1

Source: Tourism Economics

The visitor economy supported **nearly 11,000 jobs** in Palm Desert, including more than 4,300 jobs in the food and beverage industry.



# Personal Income Impacts

Visitor activity generated \$278 million in direct personal income in 2024. Including indirect and induced impacts, employees received a total of \$390 million in personal income.



## Personal Income by Industry (2024)

\$ millions

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
<b>Total, all industries</b>	<b>\$277.7</b>	<b>\$56.5</b>	<b>\$56.2</b>	<b>\$390.4</b>
Food & Beverage	\$71.0	\$5.0	\$6.0	\$82.0
Retail Trade	\$67.0	\$1.8	\$10.9	\$79.7
Lodging	\$76.2	\$0.0	\$0.1	\$76.3
Recreation and Ent.	\$30.9	\$1.0	\$1.0	\$32.9
Other Transport	\$19.6	\$6.2	\$1.8	\$27.5
Business Services		\$19.4	\$4.7	\$24.1
Education and Health Care		\$0.2	\$17.0	\$17.2
Finance, Ins and RE	\$7.1	\$6.4	\$2.6	\$16.0
Government		\$5.6	\$5.1	\$10.7
Personal Services	\$4.9	\$2.9	\$2.3	\$10.1
Wholesale Trade		\$3.8	\$2.5	\$6.3
Construction and Utilities		\$2.4	\$1.0	\$3.4
Communications		\$1.3	\$0.8	\$2.1
Gasoline	\$1.1	\$0.0	\$0.3	\$1.4
Manufacturing		\$0.5	\$0.1	\$0.6
Air Transport		\$0.0	\$0.0	\$0.1
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.1

Source: Tourism Economics



# Tax Impacts

Visitor activity generated \$307 million in government revenues in 2024.

State and local taxes alone amounted to \$188 million in 2024.

Each household in Palm Desert would need to be taxed an additional \$7,800 to replace the visitor-generated taxes received by destination state and local governments in 2024.

## Tax Impacts (2024)

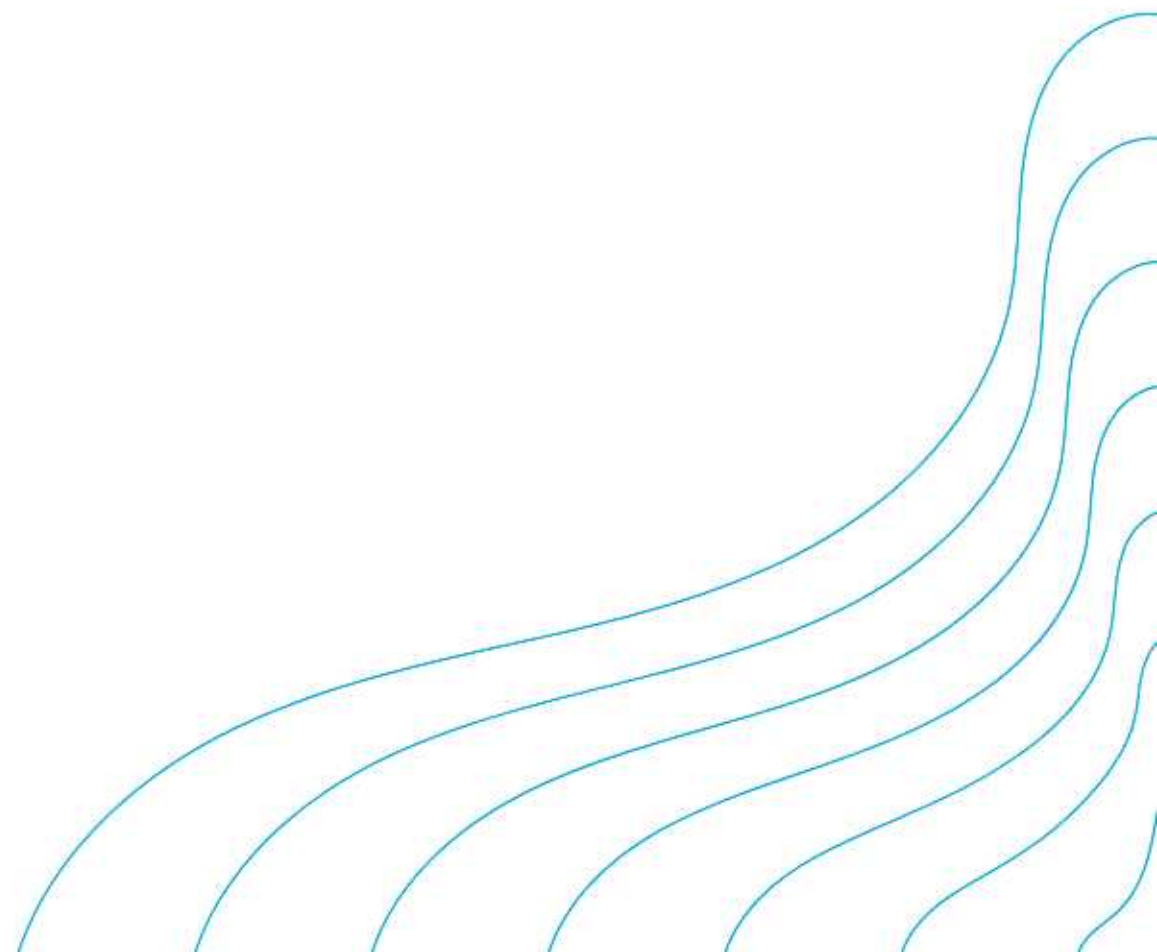
\$ millions

	2024
<b>Total Tax Revenues</b>	<b>\$307.3</b>
<b>Federal Taxes</b>	<b>\$118.9</b>
Personal Income	\$27.8
Corporate	\$21.1
Indirect Business	\$17.5
Social Insurance	\$52.5
<b>State and Local Taxes</b>	<b>\$188.4</b>
Sales	\$75.8
Bed Tax	\$22.8
Personal Income	\$12.5
Corporate	\$6.3
Social Insurance	\$3.9
Excise and Fees	\$19.3
Property	\$47.8

Source: Tourism Economics



# APPENDIX



# Appendix

## Methodology Overview

Measuring the visitor economy begins with a comprehensive demand side analysis. A visitor is defined as someone who stayed overnight or traveled more than 50 miles to the destination.

The study area is defined as the Greater Palm Springs Region, which consists of the following cities: Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage. Only city level results are included in this report.

Estimates of visitor volume and spending are based in prior visitor survey research which established prior levels. Visitor survey data provided estimates on the volume of visitors by type and their spending in specific categories (e.g., lodging, restaurants, retail, recreation and entertainment, transportation). Measures of growth are derived from industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type as well as employment and personal income by industry are used to supplement and confirm demand-side visitor spending calculations.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis (BEA). This is more comprehensive than Bureau of Labor Statistics (BLS QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the QCEW data. The complete set of data inputs is provided below.

## Data Sources

- **STR:** Lodging performance data, including room demand and revenue
- **TOT:** tax collections covering hotel and vacation rentals
- **BEA/BLS:** Employment and wage data by industry, consumer price indices
- **US Census:** Business sales and employment by industry, seasonal second homes inventory, real estate taxes, economic census 2022 data, population, households
- **Tourism Economics:** International arrivals data for visitors to key regional destinations Los Angeles and Riverside, used as a proxy for changes in international volumes to the Greater Palm Springs region.
- **California Department of Tax and Fee Administration:** Sales tax rates and collections, and taxable sales
- **OAG, BTS:** Air traffic data
- **Azira:** mobile geolocation data and volume segmentation for day and overnight visitors

## Glossary

### SPENDING DEFINITIONS

<b>LODGING</b>	All accommodation businesses, including hotels, B&Bs, campgrounds, and short-term rentals. This includes food, entertainment, and other services provided by these establishments.
<b>FOOD &amp; BEVERAGE</b>	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
<b>RECREATION</b>	Includes visitors spending within the arts, entertainment and recreation sector.
<b>RETAIL</b>	Includes visitor spending in all retail sub-sectors within the local economy, excluding grocery stores.
<b>LOCAL TRANSPORT</b>	Ride share, taxis, limos, trains, rental cars, buses, and gasoline purchases.
<b>AIR TRANSPORT</b>	Where applicable, the local share of air transportation spending.
<b>SECOND HOMES</b>	Where applicable, spending associated with seasonal second homes for recreational use as defined by the Census Bureau.

### ECONOMIC IMPACT DEFINITIONS

<b>DIRECT IMPACT</b>	Impacts (business sales, jobs, income, and taxes) related to businesses where visitors spend dollars (e.g. recreation, transportation, lodging).
<b>INDIRECT IMPACT</b>	Impacts created from the purchase of goods and services as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected sectors (i.e. business-to-business purchases).
<b>INDUCED IMPACT</b>	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor activity.
<b>EMPLOYMENT</b>	Employment is measured by the Bureau of Economic Analysis (BEA) definition, and captures full-time and part-time jobs, which includes salary and wage employees and proprietors.
<b>PERSONAL INCOME</b>	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
<b>LOCAL TAXES</b>	City and County taxes generated by visitor spending. Includes any local sales, income, bed, usage fees, licenses and other revenue streams to local governmental authorities.
<b>STATE TAXES</b>	State tax revenues generated by visitor spending. Includes sales, income, corporate, usage fees and other assessments of state governments.

## About the Research Team

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modeling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

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Oxford Economics employs more than 600 full-time staff, including 350+ professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.



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