

# **Post Labor Day School Start Dates in Tennessee:**

## **An Analysis of the Economic and Tax Revenue Impacts on the Tennessee Travel and Tourism Industry**

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## **Executive Summary**

### *Post Labor Day School Start Dates in Tennessee: An Analysis of Economic and Tax Revenue Impacts on the Tennessee Travel and Tourism Industry*

- The purpose of this study was two-fold: 1) to determine if post Labor Day school starts for Tennessee public schools would influence Tennessee residents' travel plans for summer Tennessee vacations, and 2) to estimate the potential economic, state tax, local tax, and payroll impacts of post Labor Day Tennessee school starts on the statewide Tennessee economy, and each of Tennessee's 95 counties.
- To determine if post Labor Day school start dates for Tennessee public schools would influence summer travel plans by Tennessee residents in Tennessee, a survey of 1,234 Tennessee residents was conducted by the University of Tennessee Tourism Institute and the Social Science Research Institute.
- The survey found that 462,712 Tennessee residents would take one additional Tennessee summer vacation, and 222,787 Tennessee residents would extend a Tennessee summer vacation if Tennessee schools started after Labor Day.
- The statewide economic, state tax, local tax, payroll, and employment impacts on the Tennessee economy from the new tourist spending is estimated to:
  - Generate \$189.89 million in new statewide Tennessee tourist spending by Tennessee residents taking new or extended Tennessee summer vacations,
  - Generate \$9.72 million in new statewide Tennessee state tax revenues,

- Generate \$5.50 million in new total local county tax revenues (sum of all 95 county local taxes generated),
- Generate \$72.92 million in new statewide worker incomes (payroll), and
- Generate 2,619 new jobs statewide in the Tennessee travel and tourism sectors of the economy.
- For each of Tennessee's 95 counties, Table 1 of the study shows the specific new tourists expenditures, new state tax revenues generated, new local county taxes generated, and new worker income (payroll) generated if Tennessee schools started after Labor Day.

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## **Organization of the Study**

### *Executive Summary*

1. Introduction and Background of the Study
2. Purpose of the Study
3. Methodology and Results of the Study
4. Summary of Statewide Economic and Tax Revenue Impacts
5. Table 1: Estimates of County Specific Economic, State Tax, Local Tax, and Payroll Impacts of New Spending on Tourism by Tennessee Residents if Tennessee Public Schools Started After Labor Day
6. References Used in the Study

# **Post Labor Day School Start Dates in Tennessee: An Analysis of Economic and Tax Revenue Impacts on the Tennessee Travel and Tourism Industry**

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## **1. Introduction and Background of the Study**

Issues concerning Tennessee K-12 public school start dates are currently under public discussion. Over the last ten years, many public schools in Tennessee have chosen to begin their school year earlier and earlier in August, moving away from the traditional post Labor Day school start dates. There are many issues in this discussion including shorter summer family vacation time, school cooling costs, student health and safety issues related to heat conditions, student learning issues, and local control of school calendars.

This focus of this study is on post Labor Day school start dates, and the potential impact on the Tennessee travel and tourism sectors of the State's economy.

## **2. Purpose of the Study**

In general, the primary purpose of this study is to examine the potential impact of post Labor Day Tennessee public school start dates on Tennessee resident tourist spending and summer family vacation time on the Tennessee travel and tourism industry.

In particular, the study has the following objectives:

- 1) To determine if post Labor Day school start dates in Tennessee would influence the number of Tennessee residents taking summer vacations in Tennessee; and

- 2) For all 95 Tennessee counties, to estimate the impact of early school start dates on the county travel and tourism industry in terms of:
  - a. Impact on Tennessee resident tourist expenditures,
  - b. Impact on State tax revenues generated,
  - c. Impact on local county tax revenues generated, and
  - d. Impact on local county payroll generated, and
  
- 3) For the statewide Tennessee economy, to estimate the impact of early school start dates on the statewide Tennessee travel and tourism industry in terms of:
  - a. Impact on statewide total Tennessee resident tourist expenditures,
  - b. Impact on total State tax revenues generated,
  - c. Impact on total local county tax revenues generated,
  - d. Impact on total local county payroll generated, and
  - e. Impact on total statewide jobs generated.

### **3. Methodology and Results of the Study**

The following methodologies were used to collect and analyze data, and generate results of the study.

*How would post Labor Day school start dates influence the number of Tennessee residents taking summer vacations?*

A two-stage statewide survey of Tennessee residents was conducted by the University of Tennessee's Social Science Research Institute during October and November 2004.

The purpose of the survey was to two-fold: 1) to investigate summer vacation patterns of Tennessee residents, and 2) to determine if summer vacations patterns would change if school start dates were after Labor Day.

A total of 1,234 randomly selected Tennessee residents over 18 years old were surveyed using a computer-assisted telephone survey and a follow-up mail survey presenting a 95% confidence level and margin of error of +/- 3%.

Results of the survey indicated:

- a. 37% of Tennessee residents 18 years and older (1,713,751) took summer vacations in Tennessee,
- b. 27% of Tennessee residents taking Tennessee summer vacations (462,712) indicated they would take one additional vacation in Tennessee if schools started after Labor Day, and
- c. 13% of Tennessee residents taking summer vacations (222,787) indicated they would have extended a summer Tennessee vacation by an average of 1.5 days if Tennessee schools started after Labor Day.
- d. Summary: 462,712 Tennessee residents would take and additional vacation in Tennessee, and 222,787 would extend a Tennessee vacation if Tennessee schools started after Labor Day.

Note: Tennessee residents are based on 2006 state population estimate of 6,038,803 by the U.S. Census Bureau. The U.S. Census Bureau estimates that 23.% of residents in Tennessee are under 18 years old, and 76.7% of residents (4,631,761) are 18 years and older. (Source: U.S. Census Bureau, Available at <http://quickfacts.census.gov>.)

*How much additional tourist expenditures would be generated by Tennessee residents taking new trips and extending trips if Tennessee schools started after Labor Day?*

- a. Tourists spending generated in Tennessee from Tennessee residents taking new trips if Tennessee schools started after Labor Day is estimated to be \$121,323,288 (or \$121.32 million).
- b. Tourist spending generated in Tennessee from Tennessee residents taking extended trips in Tennessee if schools started after Labor Day is estimated to be \$68,574,032 (or \$68.57 million).
- c. Summary: Total new tourist spending by Tennessee residents taking new and extended vacations in Tennessee if schools started after Labor Day is \$189,897,320 (or \$189.89 million) (\$121,323,288 + \$68,574,032).

Note: Source for average per trip spending (\$307.80), average party size (1.9 people), and average nights stayed of TN residents traveling (1.5 nights) used in finding(a), (b), and (c) above is *The Tennessee Travel Barometer, 2006*. Published by the Travel Industry Association of America, and the Tennessee Department of Tourist Development.

*How is the new \$189.89 million in tourist spending distributed in each Tennessee county?*

- a. Table 1 shows how the new tourist spending would be distributed in each Tennessee county. This distribution is calculated using 2006 per county share ratio of state tourist expenditures as reported in *The Economic Impact of Travel on Tennessee Counties – September 2006*, by the Travel Industry Association of America, and the Tennessee Department of Tourist Development.

*How much additional state taxes, local taxes, and worker payroll would be generated by the additional Tennessee resident tourist spending?*

- a. Table 1 shows the additional state and local taxes generated by the new tourist expenditures in each Tennessee county. This distribution is calculated using the per county state and local tax ratio and payroll generated from *The Economic Impact of Travel on Tennessee Counties - September 2006* by the Travel Industry Association of America, and the Tennessee Department of Tourist Development.

*How should Table 1 be used to find the estimated economic and tax revenue impacts from Tennessee resident tourist expenditures of post Labor Day Tennessee school starts on a specific Tennessee County?*

Example: Davidson County: What is the estimated economic and tax revenue impacts of post Labor Day school starts on the Davidson County on the Davidson County travel and tourism economy?

Answer from Table 1: *If Tennessee public schools started after Labor Day, then in Davidson County, it is estimated that Tennessee residents would spend an additional \$55.47 million in tourist spending (Col. 1), generating \$2.66 million in new state tax revenues (Col. 2), generating \$1.39 million in new local Davidson County tax revenues (Col. 3), resulting in new worker incomes (payroll) of \$24.38 million (Col. 5).*



#### **4. Summary of Statewide Economic and Tax Revenue Impacts**

If Tennessee schools started after Labor Day, it is estimated that statewide in Tennessee:

- a. Tennessee residents would spend an additional \$189.89 million in tourists expenditures taking new and extended vacations in Tennessee,
- b. \$9.72 million in total new state tax revenues would be generated, (sum of all state taxes collected in 95 counties)
- c. \$5.50 million in total local – county taxes would be generated, (sum of all 95 local county taxes generated),
- d. \$72.92 million in total new worker income (payroll) would be generated, and
- e. 2,619 new jobs in the travel and tourism sector would be generated.

#### **5. Table 1: Estimates of County Specific Economic, State Tax, Local tax, and Payroll Impacts of New Spending on Tourism by Tennessee Residents if Tennessee Public Schools Start After Labor Day**

*See Table 1 Below*

Table 1: Estimates of County Specific Economic, State Tax, Local Tax, and Payroll Impacts of New Spending on Tourism by Tennessee Residents if Tennessee Public Schools Start After Labor Day

<b>(Col 1)</b> If Tennessee public schools started after Labor Day, then in this county....	<b>(Col 2)</b> This much in <b>new</b> in-state tourist expenditures would be generated per year:	<b>(Col 3)</b> This much in <b>new</b> state taxes would be generated per year:	<b>(Col 4)</b> This much in <b>new</b> local taxes would be generated per year:	<b>(Col 5)</b> This much in <b>new</b> payroll would be generated per year:
ANDERSON	\$ 1,340,475	\$ 81,351	\$ 28,459	\$ 239,476
BEDFORD	362,091	21,067	13,942	66,738
BENTON	286,256	17,453	30,193	48,967
BLED SOE	43,106	2,429	6,807	6,561
BLOUNT	3,711,092	205,146	126,001	1,011,037
BRADLEY	1,523,479	92,463	31,997	266,666
CAMPBELL	637,107	36,279	32,632	119,275
CANNON	47,379	2,947	3,253	4,937
CARROLL	219,575	13,043	8,256	32,172
CARTER	400,554	24,591	24,849	58,513
CHEATHAM	226,069	12,819	7,585	42,016
CHESTER	116,729	7,747	3,634	12,742
CLAIBORNE	198,339	11,315	14,705	35,616
CLAY	93,850	5,143	8,130	21,832
COCKE	516,433	29,659	22,688	103,745
COFFEE	880,603	51,681	22,919	165,123
CROCKETT	94,636	5,371	4,106	15,999
CUMBERLAND	1,351,403	76,327	55,954	307,579
DAVIDSON	55,474,709	2,662,456	1,399,810	24,382,554
DECATUR	149,566	8,884	26,209	21,160
DEKALB	467,527	26,240	60,733	97,401
DICKSON	659,168	38,851	15,962	121,889
DYER	489,106	29,773	11,352	87,374
FAYETTE	93,932	5,491	5,089	12,382
FENTRESS	157,436	9,134	10,515	26,162
FRANKLIN	237,215	14,525	10,983	37,774
GIBSON	433,469	27,957	12,783	54,745
GILES	280,989	17,276	12,008	43,296
GRAINGER	181,850	10,195	3,470	30,035
GREENE	996,258	60,042	26,272	172,144
GRUNDY	97,908	5,969	17,160	12,433
HAMBLEN	1,047,561	65,241	22,830	172,554
HAMILTON	10,047,514	570,813	218,854	2,371,781
HANCOCK	15,169	884	3,133	1,910
HARDEMAN	296,490	17,932	16,761	44,729
HARDIN	407,713	24,338	34,377	71,506
HAWKINS	397,988	22,692	21,718	64,656
HAYWOOD	175,425	10,840	7,650	26,531
HENDERSON	261,339	16,016	8,265	39,557
HENRY	645,116	37,004	81,534	114,813

Table 1: Tennessee County Specific Economic, Tax, and Payroll Impacts (Continued)

<b>(Col 1)</b> If Tennessee public schools started after labor day, then in this county....	<b>(Col 2)</b> This much in <b>new</b> in-state tourist expenditures would be generated per year:	<b>(Col 3)</b> This much in <b>new</b> state taxes would be generated per year:	<b>(Col 4)</b> This much in <b>new</b> local taxes would be generated per year:	<b>(Col 5)</b> This much in <b>new</b> payroll would be generated per year:
HICKMAN	85,893	4,940	8,169	13,382
HOUSTON	69,900	3,945	7,478	11,622
HUMPHREYS	398,291	20,972	25,927	79,094
JACKSON	28,795	1,759	3,501	4,240
JEFFERSON	584,458	34,673	42,238	109,915
JOHNSON	124,704	7,074	9,482	22,823
KNOX	10,792,166	568,239	255,840	3,767,347
LAKE	128,608	7,142	9,531	28,613
LAUDERDALE	196,082	11,422	15,499	27,417
LAWRENCE	480,377	29,864	12,990	75,547
LEWIS	71,494	4,086	3,407	12,036
LINCOLN	249,118	15,553	7,840	37,427
LOUDON	539,725	32,546	13,482	94,184
MCMINN	495,102	29,564	12,102	77,653
MCNAIRY	127,622	7,419	7,062	19,164
MACON	83,381	4,809	4,346	13,224
MADISON	2,108,326	123,254	44,829	423,441
MARION	396,857	23,275	14,261	69,770
MARSHALL	294,647	18,072	7,700	53,240
MAURY	1,226,278	73,939	25,315	185,168
MEIGS	89,992	5,025	11,624	16,654
MONROE	468,606	26,987	31,414	86,166
MONTGOMERY	1,996,942	123,881	37,704	355,722
MOORE	17,817	1,033	923	2,753
MORGAN	56,515	3,425	7,141	6,549
OBION	597,142	35,401	17,794	106,460
OVERTON	95,607	5,894	5,953	14,289
PERRY	79,278	4,124	20,542	11,849
PICKETT	94,497	5,237	13,649	21,487
POLK	300,990	16,640	27,450	75,496
PUTNAM	1,276,407	75,939	25,716	217,481
RHEA	384,236	22,283	25,388	71,583
ROANE	761,038	45,333	39,086	127,163
ROBERTSON	413,335	26,585	10,975	62,373
RUTHERFORD	3,150,575	190,054	66,706	549,876
SCOTT	142,086	7,804	8,306	22,991
SEQUATCHIE	81,332	4,788	5,916	12,711
SEVIER	20,538,431	1,104,372	591,558	5,159,704
SHELBY	41,665,589	1,794,862	1,153,946	27,352,116
SMITH	120,290	7,326	5,208	16,514

Table 1: Tennessee County Specific Economic, Tax, and Payroll Impacts (Continued)

<b>(Col 1)</b> If Tennessee public schools started after Labor Day, then in this county....	<b>(Col 2)</b> This much in <b>new</b> in-state tourist expenditures would be generated per year:	<b>(Col 3)</b> This much in <b>new</b> state taxes would be generated per year:	<b>(Col 4)</b> This much in <b>new</b> local taxes would be generated per year:	<b>(Col 5)</b> This much in <b>new</b> payroll would be generated per year:
STEWART	98,974	5,744	14,572	13,913
SULLIVAN	3,773,922	207,811	102,192	1,107,418
SUMNER	1,235,054	74,860	27,963	217,191
TIPTON	330,360	20,659	10,580	47,690
TROUSDALE	44,515	2,626	1,474	5,357
UNICOI	102,523	5,739	8,247	23,303
UNION	82,450	4,691	12,136	13,990
VAN BUREN	112,965	6,212	11,719	27,328
WARREN	332,999	19,767	13,196	54,997
WASHINGTON	2,579,270	151,696	59,331	481,834
WAYNE	131,871	7,600	8,300	24,165
WEAKLEY	219,227	13,150	7,322	33,162
WHITE	229,983	14,698	10,727	26,805
WILLIAMSON	3,415,836	201,046	69,243	608,885
WILSON	1,331,915	78,823	38,999	253,852
<b>TOTAL</b>	<b>\$ 189,897,018</b>	<b>\$ 9,724,045</b>	<b>\$ 5,507,579</b>	<b>\$ 72,921,513</b>

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