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The Tourist Industry in S.D.

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The Tourist Industry in S.D.

Tourists are just traveling people away from home. They require the same services as everyone else, with one addition; they need temporary housing. Tourists spend money as well as time in a community. They require grocery stores, restaurants, service stations, garages, clothing stores, drug stores, laundries, doctors, and dentists. They buy souvenirs, postage stamps, articles they don't need and replacements for what they forgot to bring along. They are also purchasers of entertainment, sightseeing, amusements and recreation activities. Many of these items are purchased wherever visitors happen to be and have become an important part of the economy for many communities in South Dakota.

In 1973, South Dakota ranked nineteenth among the fifty states as to the impact of tourism on the state's economy. It was estimated by the Institute for Study of Outdoor Recreation and Tourism, Utah State University, that 6.41 percent of South Dakota's gross state product came from traveler expenditures in 1973.

In 1975, according to a University of South Dakota Business Research Bureau report, an estimated 1,797,618 travel parties visited South Dakota. There was an average of 3.5 people per travel party or a total of 6,291,663 people. However in 1976 there was an estimated increase of 15 percent more people than in 1975.

Total expenditures by out-of-state tourists in the summer of 1975 was estimated at $142,820,750 and in 1976 at $152,000,000. A breakdown of the 1976 expenditures are shown in Chart I.

As shown in the chart, many businesses such as service stations, grocery stores, and service businesses also receive substantial parts of the tourist dollar.

The tourists who visit South Dakota also contribute to the state coffers four cents tax on the dollar for all retail sales made to them and eight cents per gallon on all motor fuel purchased in the state. The four percent sales tax doesn't include local city sales tax, which is an additional economic benefit to the community.
Estimated state sales tax receipts from out-of-state travelers in 1975 totaled $4,518,849, while gasoline tax receipts totaled $4,117,178.

It was estimated that each traveling party that visited the state of South Dakota during the summer of 1975 provided the state with an average of $4.80 in tax revenue.

South Dakota's economy has become increasingly dependent on tourism dollars during the last ten to fifteen years in both the private and public sector. With this type of economic dependency on a service industry, it is very important that business employers and employees who deal with the traveling public recognize the economic value of tourism on our state's economy. They need to also understand that their attitude and ability to serve the traveling public can have a direct influence on the length of stay or frequency of visits by the traveling public. This in turn will affect the total dollars spent at places of business and sales tax and gasoline tax collected by the state.

South Dakota is not unique. Every state has some tourist business and all states are striving to increase it. The competition is keen and if we are to maintain or increase our share we must all work at it. It is not just the responsibility of the State Department of Recreation & Tourism.

Every business must please its customers or it won't remain in business long. The same is true in the tourist-oriented businesses. Satisfied customers will return and they will tell their friends and thereby influence others to vacation in South Dakota.

All of us want to feel welcome when we travel and if we are not made welcome in one place we will move on until we believe we are. The attitude of gas station attendants, waitresses, motel clerks and all who daily encounter the traveling public help mold their image of South Dakota along with our lakes, prairies and mountains. A smile and a friendly greeting are more than just good manners; they are good business as well.

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