

**THE ECONOMIC, EMPLOYMENT, AND FISCAL IMPACTS OF ADDED SUMMER VACATION DAYS  
ATTRIBUTABLE TO POST-LABOR DAY OPENING OF MARYLAND'S PUBLIC SCHOOLS**



Photo by Chris Parypa

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Please note: The full study will be released in October

## **THE ECONOMIC, EMPLOYMENT, AND FISCAL IMPACTS OF ADDED SUMMER VACATION DAYS ATTRIBUTABLE TO POST-LABOR DAY OPENING OF MARYLAND'S PUBLIC K-12 SCHOOLS**

### **FINDINGS:**

The extension of the traditional summer vacation beyond the Labor Day holiday for all public county school systems in Maryland has a clear positive impact on both state and local government economies.

These additional summer vacation days are estimated to have a total net economic impact of close to \$58 million for six additional days and close to \$115 million for 12 additional days. The breakdown of these economic impacts is as follows:

Direct:	\$27 million to \$54 million
Indirect:	\$13.5 million to \$27 million
Induced:	\$17 million to \$34 million

This level of added economic activity translates into \$2.875 million to over \$5.75 million in additional wages supporting close to 200 jobs and over \$8 million to \$16 million in additional state and local government revenues.

These impacts, while concentrated more at key destinations, will benefit businesses, relevant industry employees, and governments in each jurisdiction of Maryland.

### **STUDY BACKGROUND**

A team of researchers at the Business, Economic, and Community Outreach Network (BEACON) of the Franklin P. Perdue School of Business at Salisbury University has conducted a Scenario Analysis to compare various public county school start dates in Maryland six to 12 days before Labor Day.

According to the Maryland Office of Tourism, and Tourism Economics, an Oxford Economics Company, the hospitality and leisure sectors in Maryland support over 200,000 jobs and have a collective economic impact of over \$15 billion, which is over four percent of the state's economy. Tourism is the 10<sup>th</sup> largest employer in Maryland. When the tourism related activities of affiliated support industries such as food and beverage wholesalers, mechanical contracting, paint contracting, construction, HVAC, and printing, etc. are added, the economic and employment impacts nearly double. This activity is reflected in a significant impact on state and local fiscal revenues to the tune of over \$2.5 billion.

Of particular importance to this study is the percentage of tourism spending at Maryland destinations that is attributable to residents of Maryland. Based on the above and other reports from local tourism offices, members of the BEACON team estimate that, more than 70 percent of all tourism related expenditures in Maryland can be attributed to Maryland residents.

Given these economic facts, it is not surprising that extending the summer vacation would have a positive impact on this important sector of Maryland's economy. This additional value has two major components:

1. Added economic impact due to added spending by a significant percentage of the over half a million Maryland families with school age children at Maryland destinations; and,
2. Added employment for Maryland students at Maryland destinations before returning to school in the fall.

There is also a small negative impact to the state from Maryland residents spending the extra days elsewhere. However, since the majority of visits and expenditures are in-state, this negative impact is lower than the positive impact of the in-state spending for each extra day of summer vacation, in spite of the fact that per day per family spending outside the state is slightly higher.

Finally, the majority of end-of-summer travel by Marylanders by tradition is in-state, to destinations such as Ocean City, Deep Creek Lake, Baltimore, and other destinations proximate to the Chesapeake Bay and its tributaries. The second end-of-summer destination of choice is Washington, D.C. Prior studies show that a portion of the spending by Marylanders in this contiguous region comes back to the state as the economic impact leaks out to Maryland based vendors and employees of the tourism industry in the National Capital Region.

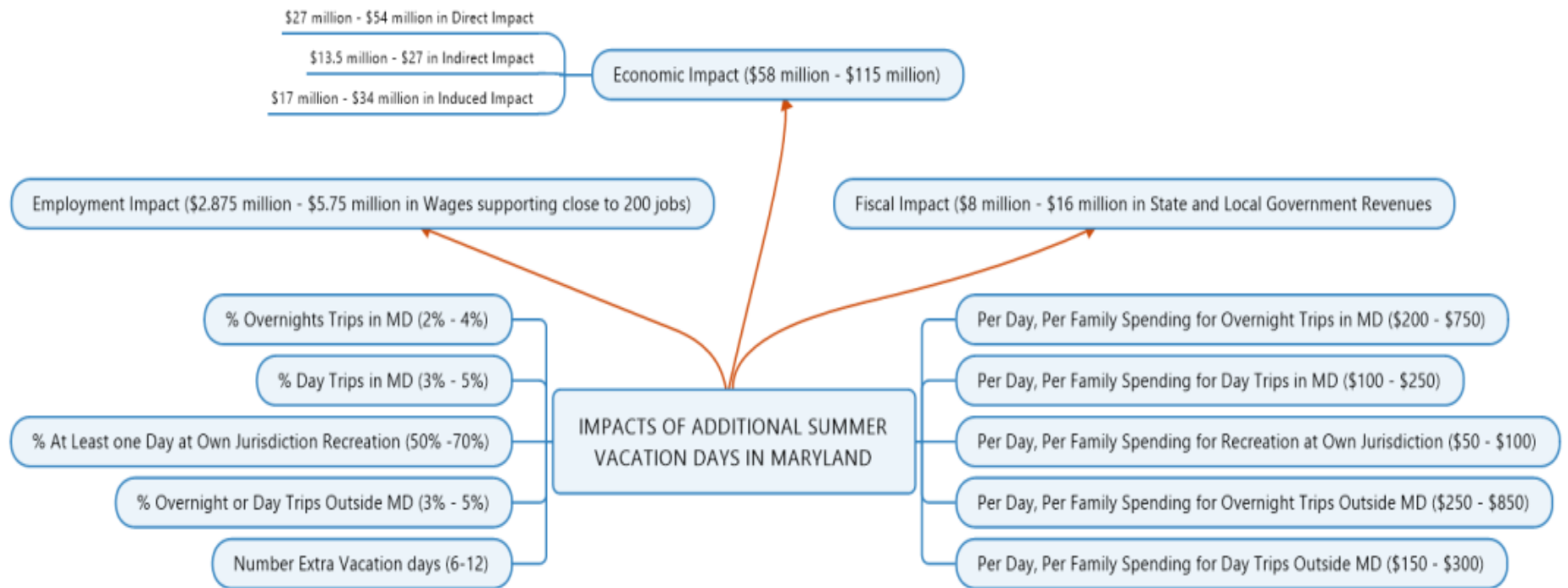
## **METHODOLOGY**

To examine the differential impact of extending the summer vacation on Maryland destinations, members of the BEACON team developed a Scenario Analysis mode (Please see Figure 1 on the next page).

The key variables used for the Scenario Model and their viable ranges of values are as follows:

1. Percentage of the 500,000 plus Maryland families with school age children that would make overnight trips to Maryland destinations away from home:

2% to 4%



**Figure 1: The Scenario Analysis Model**

2. Percentage of the 500,000 plus Maryland families with school age children that would make day trips to Maryland destinations away from home:

3% to 5%

3. Percentage of the 500,000 plus Maryland families with school age children that would devote at least one additional day to a family recreational activity within their own jurisdiction:

50% to 70%

4. Percentage of the 500,000 plus Maryland families with school age children that would make overnight trips to destinations outside Maryland:

3% to 5%

5. Number of extra days in the analysis:

Six to 12 days

6. Per day, per family spending for overnight trips in Maryland:

\$200 to \$750

7. Per day, per family spending for overnight trips outside Maryland:

\$250 to \$850

8. Per day, per family spending for day trips in Maryland:

\$100 to \$250

9. Per day, per family spending for day trips outside Maryland:

\$150 to \$300

10. Per day, per family spending for recreational activities in their own jurisdiction:

\$50 to \$100

### **ADDITIONAL METHODOLOGY NOTES:**

1. The number of families affected was calculated using U.S. Bureau of the Census data and student data from the National Center for Education Statistics.
2. The viable ranges in percentage of families affected for different tourism and recreation options were developed by the members of the BEACON team using varying income levels, geographical attributes, and visitor information from key Maryland destinations of Baltimore City, Deep Creek Lake, Ocean City and other Chesapeake Bay destinations.
3. The out-of-state factor was assumed to be directly related to income and preference. Income was weighed higher because, on average, travel expenses are greater when traveling out of state.
4. The day-trip profile ranges weighed both income and geography equally, while the overnight model weighed income more heavily.
5. Recreational spending viable ranges were developed based on data purchased from the ESRI Business Analyst Online service for Maryland counties.
6. The multiplier effects for estimating indirect and induced impacts were derived from 2017 IMPLAN data purchased from the Minnesota IMPLAN Group, Inc. and inflated to 2018 dollars.
7. The simulation model was run 250,000 times with each variable randomly assigned a value within the pre-determined range of viability.
8. The top and bottom 10% of the model run outcomes were discarded (these are statistically possible but realistically improbable outcomes).
9. The median number of the remaining cluster of outcomes are reported as the study findings
10. It is important to note that these are not forecasts. These are estimated differential impacts of the various scenarios using the aforementioned viable ranges of values for the key variables.

11. The model does not include the additional economic value of the extended employment by students; nor does it include the beneficial impact to tourism and recreation establishments in Maryland of having this pool of workers for the extra days.
12. Because the date on which Labor Day falls would alter the number of days in which summer vacations would be impacted, this model does not pertain to any specific year. It simply compares scenarios for hypothetical days added to the summer vacation.