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U.S. Tourism: Economic Impacts and Pandemic Recovery

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U.S. Tourism: Economic Impacts and Pandemic Recovery

Tourism and the U.S. tourism industry are issues of longstanding interest to Congress. As a source of millions of jobs and billions of dollars of spending in the United States, tourism—both international and domestic—contributes to the national economy. Following the onset of and recovery from the coronavirus disease 2019 (COVID-19) pandemic—which caused a sudden, dramatic decrease in tourism worldwide, including in the United States—Congress has taken steps to support the U.S. tourism industry and mandate that the federal government develop plans for the long-term stabilization and growth of tourism in the United States.

Congress has indicated interest in trying to address the pandemic’s impact on tourism. For example, the Senate Committee on Commerce, Science, and Transportation’s Subcommittee on Tourism, Trade, and Export Promotion has held several hearings concerning tourism and the pandemic since 2021. The 117th Congress enacted several pieces of legislation containing tourism provisions either directly or indirectly. Those include:

- the American Rescue Plan Act of 2021 (P.L. 117-2), which, among other things, appropriated \$8 billion to the Federal Aviation Administration (FAA) to provide grants to airports for operations costs and debt service, and appropriated \$3 billion to the U.S. Economic Development Administration to help state and local governments respond to economic injury as a result of the pandemic, including \$750 million reserved for states and local communities specifically affected by job losses in the travel, tourism, or outdoor recreation industries;
- the Infrastructure Investment and Jobs Act (P.L. 117-58), which, among other things, appropriated \$15 billion to FAA in grants for airport infrastructure projects that increase safety and expand capacity, mandated that the Secretary of Transportation update the Department of Transportation’s (DOT’s) national travel and tourism infrastructure strategic plan, and authorized the creation of a Chief Travel and Tourism Officer within DOT;
- the Restoring Brand USA Act (Division FF of the Consolidated Appropriations Act, 2022 [P.L. 117-103]), which provided access to \$250 million in one-time funding to the Corporation for Travel Promotion, a public-private entity doing business as Brand USA; and
- the Visit America Act (Subtitle A, Title VI, Division BB of the Consolidated Appropriations Act, 2023 [P.L. 117-328]), which, among other things, authorized the creation of a new Assistant Secretary of Commerce for Travel and Tourism within the Department of Commerce.

Several policy considerations concerning tourism may be of interest to Congress. Those include:

- **The efficacy of efforts to help tourism recover from the pandemic.** As noted, Congress authorized new tourism-related funding, initiatives, and positions to help address the pandemic’s effect on tourism.
- **Brand USA’s promotion efforts and funding.** Brand USA’s federal funding comes from a grant capped at \$100 million annually. The June 2022 interagency National Travel and Tourism Strategy, meanwhile, calls for increasing annual foreign visitors to the United States to 90 million by 2027 (up from 51 million in 2022).
- **Visitor visa wait times.** The United States requires citizens of many foreign countries to obtain a visa prior to entering the country temporarily for business or tourism, a process which can take weeks or months.

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Introduction

Tourism to and within the United States—from both domestic and international travelers—contributes to the national economy. In 2019, the last year before the coronavirus disease 2019 (COVID-19) pandemic, tourism directly accounted for 6.4 million American jobs.¹ Although that figure declined to 3.5 million jobs in 2020, indicators suggest that tourism may be recovering from pandemic interruptions. For example, the number of direct jobs in tourism grew to 4.8 million in 2021. Further, while gross domestic product (GDP) for the United States as a whole grew at a 5.9% rate in 2021, travel and tourism GDP grew by 64.4% that year.²

Congress has taken an interest in tourism generally for decades, and has specifically been interested in the industry’s recovery following the pandemic. This report details Congress’s recent activities related to tourism, particularly in regard to the pandemic, provides data on recent tourism trends, outlines the federal government’s role in tourism and tourism promotion, and presents issues for congressional consideration.

Defining Tourism

There is no standard definition of “tourism.” Although similar, there are multiple definitions of “tourism” and related terms among federal departments and other bodies tracking tourism. They include:

- The U.S. Bureau of Economic Analysis (BEA), which has definitions for:
 - “domestic tourism” (“travel-related expenditures by U.S. residents traveling within the United States”);
 - “inbound tourism” (“travel-related expenditures by nonresidents traveling within the United States and expenditures by nonresidents on international transportation purchased from U.S. providers”); and
 - “visitor” (“a person who travels outside of his or her usual environment [more than 50–100 miles from the area of normal, everyday activities] for less than a year or who stays overnight in a hotel or motel”).³
- The U.S. Department of Transportation (DOT), which defines “long-distance travel and tourism trips” as “any overnight leisure or business trip greater than 50 miles using any mode, or combination of modes, of transportation.”⁴
- The U.S. Department of Commerce (DOC), which defines “tourism” as “the economic output of goods and services sold to visitors who travel 50 miles or more or who stay overnight in a paid accommodation.”⁵
- The United Nations World Tourism Organization, which defines a “visitor” as “a traveler taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited.... A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise.”⁶

¹ International Trade Administration, *Travel and Tourism Satellite Account (TTSA) Program*, Table 7, Employment by Industry, <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>.

² Bureau of Economic Analysis (BEA), *Travel and Tourism*, Table 4, Output and Value Added by Industry, <https://www.bea.gov/data/special-topics/travel-and-tourism>; and BEA, *The 2022 Annual Update of the National Economic Accounts*, November 17, 2022, <https://apps.bea.gov/scb/issues/2022/11-november/1122-nea-annual-update.htm>.

³ BEA, *U.S. Travel and Tourism Satellite Account for 2017-2021*, February 9, 2023, <https://apps.bea.gov/scb/issues/2023/02-february/0223-travel-tourism-satellite-account.htm>.

⁴ U.S. Government Accountability Office, *Travel and Tourism: DOT Should Improve Strategic Planning and Data Collection*, GAO-23-105967, May 24, 2023, p. 4, <https://www.gao.gov/products/gao-23-105967>.

⁵ Ibid.

⁶ U.N. World Tourism Organization, *Glossary of Travel Terms*, <https://www.unwto.org/glossary-tourism-terms>.

Impact of and Reaction to COVID-19 Pandemic

The pandemic significantly affected tourism throughout the world, including in the United States.⁷ To cite one example, the tourism industry fell from accounting for nearly 3% of U.S. GDP in 2019 to accounting for about 1.5% of U.S. GDP in 2020 (see **Table 2**, and see “Tourism Data and Recent Trends” for a more detailed discussion of tourism data).

Like other countries, the United States took steps to reduce the number of incoming international visitors in an attempt to stop the spread of the COVID-19 virus (each of which has since been canceled). For example:

- in January 2020, a presidential proclamation suspended entry into the United States for most visa holders traveling from China;⁸
- in March 2020, a presidential proclamation suspended entry into the United States of all foreign nationals traveling from certain European countries;⁹
- in May 2020, a presidential proclamation suspended entry into the United States of non-U.S. citizens from Brazil;¹⁰
- in December 2020, the Centers for Disease Control and Prevention (CDC) announced the requirement of a negative COVID-19 test or documentation of recovery from COVID-19 for all air passengers to the United State from the United Kingdom;¹¹
- in January 2021, the CDC expanded the requirement of a negative COVID-19 test or documentation of recovery from COVID-19 to all air passengers to the United States from any foreign country;¹² and
- in May 2021, a presidential proclamation suspended entry into the United States of non-U.S. citizens from India.¹³

Legislation and Plans Related to the Pandemic and Tourism

Congress acted to support certain segments of the tourism industry and related sectors. In the 116th Congress, the Coronavirus Economic Stabilization Act of 2020 (Title IV, Division A of the

⁷ For example, see Adam Behsudi, *Wish You Were Here*, International Monetary Fund, December 2020, <https://www.imf.org/en/Publications/fandd/issues/2020/12/impact-of-the-pandemic-on-tourism-behsudi>; and Organisation for Economic Co-operation and Development (OECD), *Rebuilding Tourism for the Future: COVID-19 Policy Responses and Recovery*, December 14, 2020, <https://www.oecd.org/coronavirus/policy-responses/rebuilding-tourism-for-the-future-covid-19-policy-responses-and-recovery-bced9859/>.

⁸ Executive Office of the President, “Suspension of Entry as Immigrants and Nonimmigrants of Persons Who Pose a Risk of Transmitting 2019 Novel Coronavirus and Other Appropriate Measures to Address This Risk,” 85 *Federal Register* 6709-6712, February 5, 2020.

⁹ Executive Office of the President, “Suspension of Entry as Immigrants and Nonimmigrants of Certain Additional Persons Who Pose a Risk of Transmitting 2019 Novel Coronavirus,” 85 *Federal Register* 15045-15048, March 16, 2020.

¹⁰ Executive Office of the President, “Suspension of Entry as Immigrants and Nonimmigrants of Certain Additional Persons Who Pose a Risk of Transmitting 2019 Novel Coronavirus,” 85 *Federal Register* 31933-31936, May 28, 2020.

¹¹ CDC, “CDC to Require Negative COVID-19 Test for Air Travelers from the United Kingdom to the U.S.,” press release, December 24, 2020, <https://www.cdc.gov/media/releases/2020/s1224-CDC-to-require-negative-test.html>.

¹² CDC, “CDC Expands Negative COVID-19 Test Requirement to All Air Passengers Entering the United States,” press release, January 12, 2021, <https://www.cdc.gov/media/releases/2021/s0112-negative-covid-19-air-passengers.html>.

¹³ Executive Office of the President, “Suspension of Entry as Nonimmigrants of Certain Additional Persons Who Pose a Risk of Transmitting Coronavirus Disease 2019,” 86 *Federal Register* 24297-24300, May 6, 2021.

Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136) authorized the Secretary of the Treasury to make loans, loan guarantees, and other investments to air carriers. That financial assistance was capped at \$25 billion for loans and loan guarantees to passenger air carriers, ticket agents, and aircraft repair businesses, and \$4 billion for loans and loan guarantees to cargo air carriers.¹⁴ The law also suspended aviation excise taxes on air transport of passengers, cargo, and aviation fuel through 2020.¹⁵

In the 117th Congress, the American Rescue Plan Act of 2021 (ARPA, P.L. 117-2) also included support for the tourism industry. The law appropriated \$8 billion to the Federal Aviation Administration (FAA) to provide grants to airports to help with operations costs and debt service.¹⁶ ARPA also appropriated \$3 billion to the U.S. Economic Development Administration to help state and local governments respond to economic injury as a result of the pandemic.¹⁷ Of that amount, \$750 million was reserved for states and local communities that were specifically affected by job and GDP losses in the travel, tourism, or outdoor recreation industries.¹⁸

The Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58) also appropriated funding for airport improvement projects. This included \$15 billion to FAA for grants for airport infrastructure projects that increase safety and expand capacity.¹⁹ IIJA also appropriated \$5 billion to FAA for competitive grants for airport terminals, including replacing aging terminals and airport-owned control towers.²⁰

National Travel and Tourism Plans

Congress authorized the creation of national-level plans to address issues regarding the transportation and business aspects of tourism to guide the tourism industry's recovery following the pandemic. Those included plans from DOT and DOC.

Department of Transportation (DOT)—National Travel and Tourism Infrastructure Strategic Plan

Prior to the pandemic, in the 114th Congress, the Fixing America's Surface Transportation (FAST) Act (P.L. 114-94) required the Secretary of Transportation to develop and publish a national travel and tourism infrastructure strategic plan within three years of the law's enactment.²¹ Among other things, the plan was to include an assessment of the condition and performance of the national transportation network; an assessment of the issues on the national transportation network that create congestion and barriers to long-haul passenger travel and tourism; and forecasts of long-haul passenger travel and tourism over 20 years.

The plan's release exceeded the initial timeline set forth in P.L. 114-94 and it was ultimately published in January 2021.²² Although the plan took some of the pandemic's effects into account,

¹⁴ 134 Stat. 470.

¹⁵ 134 Stat. 477.

¹⁶ 135 Stat. 96.

¹⁷ 135 Stat. 93. Also see CRS Insight IN11712, *The Economic Development Administration's American Rescue Plan (ARP) Act Grant Programs*, by Julie M. Lawhorn.

¹⁸ *Ibid.*

¹⁹ 134 Stat. 1416.

²⁰ 135 Stat. 1418.

²¹ 125 Stat. 1428.

²² DOT, *National Travel and Tourism Infrastructure Strategic Plan for FY 2020-2024*, January 2021, <https://www.transportation.gov/policy-initiatives/NTTISP>.

much of its substance was developed before the pandemic. Congress amended the FAST Act in IJA to require the Secretary of Transportation to update the plan within 180 days of IJA's enactment.²³ The updated plan was required to include immediate- and long-term strategies across all modes of transportation for DOT and other agencies to use infrastructure investments to revive the tourism industry following the pandemic.²⁴ IJA also authorized the creation of a Chief Travel and Tourism Officer within the Office of the Secretary of Transportation.²⁵ The new position has responsibility for carrying out the updated plan (along with DOT's Assistant Secretary for Aviation and International Affairs) and for other travel and tourism-related issues related to DOT. The position was filled in 2023.²⁶ Lastly, IJA required DOT to create a strategy to use IJA's infrastructure investments to support the U.S. tourism industry during and after the pandemic.

Department of Commerce (DOC)—National Travel and Tourism Strategy

The Visit America Act (Subtitle A, Title VI, Division BB of the Consolidated Appropriations Act, 2023, P.L. 117-328) required the Secretary of Commerce, at least every 10 years and in consultation with the U.S. Travel and Tourism Advisory Board and the interagency Tourism Policy Council (TPC, both described in more detail in “Department of Commerce (DOC)”), to develop and submit to Congress a 10-year travel and tourism strategy. The Visit America Act requires the strategy to establish goals for the number of annual international visitors to the United States and the annual amount of travel and tourism commerce in the United States.²⁷

Separate from the requirements of the Visit America Act, the Secretary of Commerce—on behalf of the TPC—published the National Travel and Tourism Strategy (hereinafter “Strategy”) in June 2022.²⁸ The Strategy set a goal of attracting 90 million international visitors annually to the United States by 2027—up from the 51 million international visitors who came to the United States in 2022—estimating that those visitors would spend \$279 billion each year.²⁹ The Strategy is comprised of four “pillars” to help achieve those goals. The pillars are:

- Promoting the United States as a travel destination by leveraging existing programs and assets to promote U.S. tourism to international visitors and broaden marketing efforts towards underserved communities.
- Facilitating travel to and within the United States by reducing barriers to trade in travel services to make it easier for visitors to enter and travel around the United States.
- Ensuring diverse, inclusive, and accessible tourism experiences by supporting the development of diverse tourism products, with a focus on underserved communities and populations.

²³ 135 Stat. 874-875.

²⁴ As of the date of this report, the updated plan has not been published.

²⁵ 135 Stat. 875.

²⁶ DOT, *Oversight and Implementation of Travel and Tourism Legislation*, June 13, 2023, <https://www.transportation.gov/oversight-and-implementation-travel-and-tourism-legislation>.

²⁷ 136 Stat. 5569.

²⁸ DOC, *National Travel and Tourism Strategy 2022*, June 6, 2022, <https://www.commerce.gov/sites/default/files/2022-06/National-Travel-Tourism-Strategy.pdf>.

²⁹ *Ibid.*, p. 3.

- Fostering resilient and sustainable travel and tourism by reducing tourism’s contributions to climate change and building the tourism industry’s resilience to natural disasters and public health threats.³⁰

Tourism Data and Recent Trends

The pandemic led to a sudden, dramatic decline in international and domestic tourism throughout the United States. Certain measures indicate that the U.S. tourism industry has begun to recover from the pandemic. However, the most recently available data suggest the industry has yet to fully return to pre-pandemic levels.

Domestic and International Visitor Levels

The U.S. tourism industry includes domestic and international tourists. Although the pandemic affected both domestic tourism within the United States and international tourism to the United States, it appears that international tourism declined more steeply. Both domestic and international tourism have begun to rebound from the pandemic, although domestic tourism seems to be recovering more quickly.

What Factors Affect Tourism?

The pandemic had a clear effect on international and domestic tourism. As noted elsewhere, the federal government generally seeks to boost international tourism to the United States through marketing and information campaigns (see “Tourism-Related Departments and Programs”) while states also run tourism advertising campaigns. However, researchers note that tourism is influenced by a confluence of factors beyond pandemics and travel promotion. For example, some point to inflation—including services inflation, which, as of September 2023, was higher than overall inflation in the United States and includes things like shelter and transportation³¹—as impacting current travel decisions.³² Other factors that may affect tourism include:

- economic conditions such as exchange rates and household savings;
- labor availability and supply chain dynamics;
- weather and natural disasters;
- international relations and safety concerns; and
- travel infrastructure.

These variables can be fluid. For example, research suggests that currency exchange rates, particularly relative to U.S. dollars, can be important drivers of tourism.³³ Some exchange rates, including the U.S. dollar/euro rate, tend to fluctuate over time, including during the course of the pandemic.³⁴ Monitoring these factors may help policymakers better understand tourism’s dynamics.

According to the U.S. Travel Association (U.S. Travel), a travel industry advocacy group, there are more domestic tourists within the United States than international tourists to the United States. For example, U.S. Travel estimated there were 1.9 billion domestic “person-trips” in 2019,

³⁰ Ibid., pp. 5-6.

³¹ Bureau of Labor Statistics, “Consumer Price Index Summary,” press release, October 12, 2023, <https://www.bls.gov/news.release/cpi.nr0.htm>.

³² OECD, *OECD Tourism Trends and Policies 2022*, August 12, 2022, p. 27, <https://www.oecd.org/cfe/oecd-tourism-trends-and-policies-20767773.htm>.

³³ For example, see Ding Ding and Yannick Timmer, *Exchange Rate Elasticities of International Tourism and the Role of Dominant Currency Pricing*, International Monetary Fund, Working Paper No. 2022/024, February 4, 2022, p. 2, <https://www.imf.org/-/media/Files/Publications/WP/2022/English/wp2022024-print-pdf.ashx>.

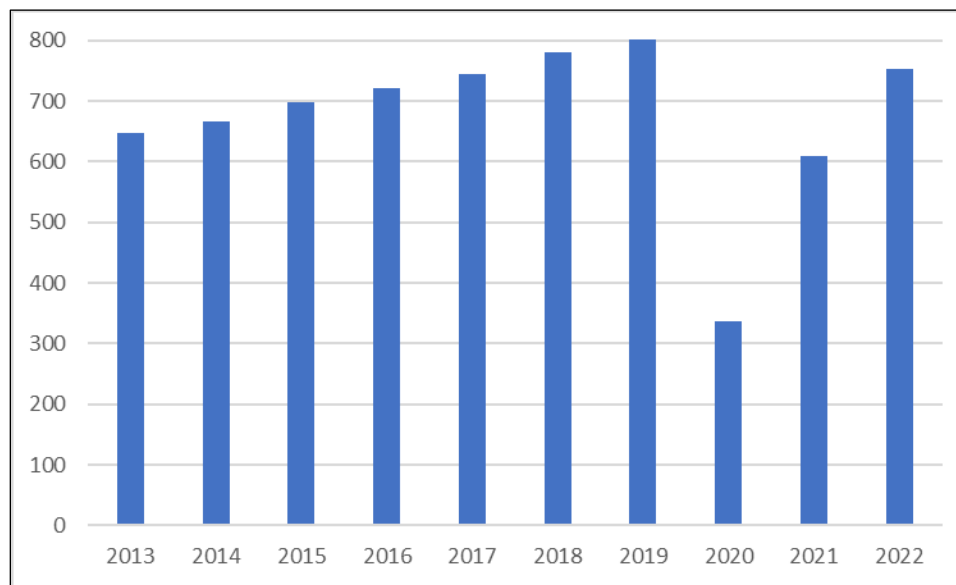
³⁴ Board of Governors of the Federal Reserve Bank System, *U.S. Dollars to Euro Spot Exchange Rate*, November 3, 2023, <https://fred.stlouisfed.org/series/DEXUSEU>.

compared with 79 million international arrivals.³⁵ Other research found that, in 2022, U.S. residents took 753 million plane trips (including both business and leisure travel). This was up from the pandemic nadir of 337 million plane trips in 2020.³⁶

Figure 1 presents U.S. domestic plane trips by U.S. residents.

Figure 1. Domestic Plane Trips by U.S. Residents

2013-2022, in millions



Source: IBISWorld, *Domestic Trips by US Residents*, <https://www.ibisworld.com/us/bed/domestic-trips-by-us-residents/3672/>.

Notes: Includes both business and leisure plane trips.

International tourism to the United States likewise declined during the pandemic, and international arrivals have recovered more slowly than U.S. domestic plane trips. Total international arrivals dropped from a pre-pandemic high of 79.7 million in 2018 to 19.2 million in 2020.³⁷ (Taking a longer view, international arrivals to the United States have grown significantly since the beginning of the 21st century; in 2003, for example, there were 34.5 million international arrivals.)³⁸

In 2022, the United States had 50.9 million international arrivals, the third highest of any country after France and Spain.³⁹ However, while this represented a significant increase from 2020 and

³⁵ U.S. Travel defines person-trips as “one person on a trip away from home overnight in paid accommodations, or on a day or overnight trip to places 50 miles or more, one-way, away from home.” See U.S. Travel, *U.S. Travel and Tourism Overview (2019)*, March 2020, p. 1, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-and-Tourism-Overview.pdf.

³⁶ IBISWorld, *Domestic Trips by US Residents*, August 8, 2023, <https://www.ibisworld.com/us/bed/domestic-trips-by-us-residents/3672/>.

³⁷ ITA, *ADIS/I-94 Visitor Arrivals Program*, <https://www.trade.gov/i-94-arrivals-program>.

³⁸ Ibid.

³⁹ United Nations World Tourism Organization, *Global and Regional Tourism Performance, Inbound Tourism*, <https://www.unwto.org/tourism-data/global-and-regional-tourism-performance>.

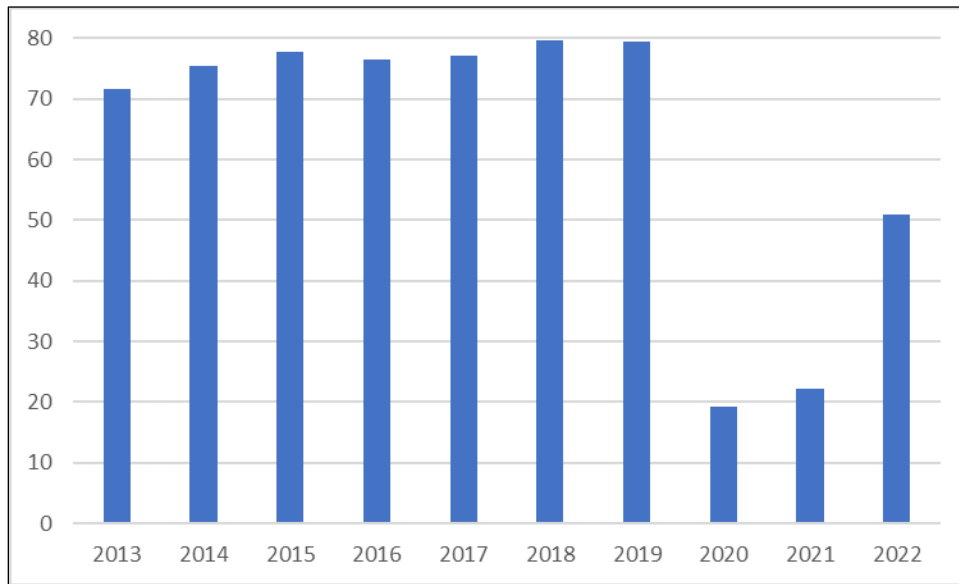
2021, non-U.S. residents’ share of total U.S. travel demand was 4.6% in 2021, the lowest share since the travel and tourism satellite accounts were introduced in 1998.⁴⁰

Visitors from Canada (14.4 million visitors) and Mexico (12.5 million visitors) easily accounted for the highest number of international arrivals to the United States in 2022. Brazil, France, Germany, India, and the United Kingdom each accounted for over 1 million arrivals in 2022.⁴¹ According to U.S. Travel, pre-pandemic international tourists to the United States spent approximately \$4,200 during their trips, and on average stayed for 18 nights.⁴²

Figure 2 shows international arrivals to the United States.

Figure 2. International Arrivals to the United States.

2013-2022, in millions



Source: ITA, *ADIS/I-94 Visitor Arrivals Program*, <https://www.trade.gov/i-94-arrivals-program>.

Exports and Visitor Spending

Economists also monitor travel and tourism exports. Travel and tourism exports are the amount of money that foreign visitors spend in the United States on passenger fares and travel-related goods and services such as food, lodging, recreation, gifts, entertainment, and local transportation, including travel to and from the United States on a U.S. airline. To improve the comparability of U.S. travel statistics with those of other countries, BEA in 2014 refined its travel statistics by

⁴⁰ International Trade Administration (ITA), *Travel and Tourism Satellite Account (TTSA) Program*, table 3, demand for commodities by type of visitor, 2021, <https://www.trade.gov/travel-and-tourism-satellite-account-ttssa-program>; and ITA, *National Travel and Tourism Office: Economic Impact of Travel and Tourism*, <https://www.trade.gov/sites/default/files/2023-05/TTSA-Fact-Sheet.pdf>. Travel demand measures the consumption of certain goods and services related to tourism such as traveler accommodations and air transportation services.

⁴¹ ITA, *ADIS/I-94 Visitor Arrivals Program*, <https://www.trade.gov/i-94-arrivals-program>.

⁴² U.S. Travel, *U.S. Travel Answer Sheet*, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf.

expanding the definition of travel and tourism exports to cover all kinds of travel, including travel for health and educational purposes.⁴³

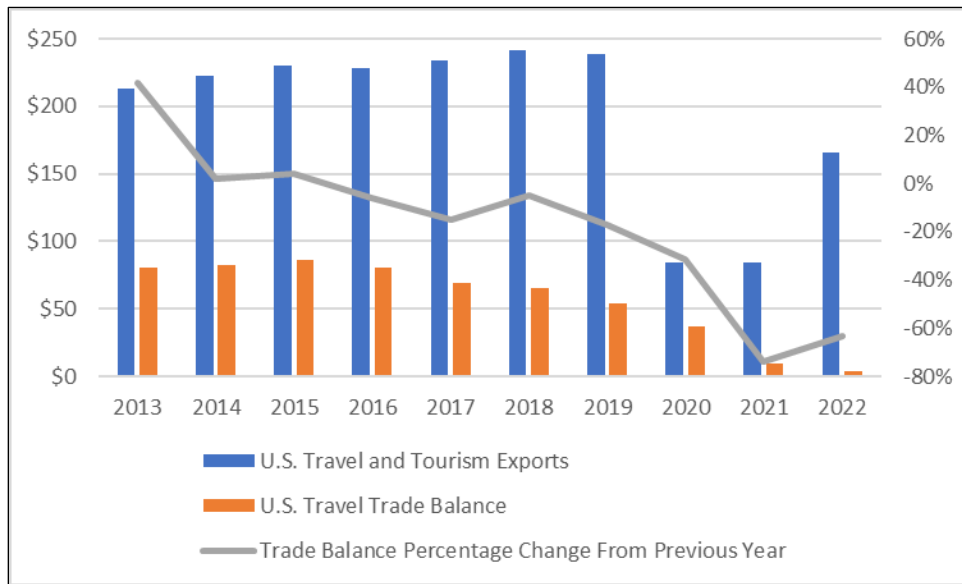
Goods and services purchased by international visitors to the United States constitute export income for the U.S. economy. Likewise, purchases by U.S. residents while outside the country constitute export income for that other country, and import income for the United States.⁴⁴ The difference between U.S. travel and tourism exports and imports is the trade balance for travel.

Travel and tourism has traditionally been a strong export for the United States. In 2019, U.S. travel and tourism exports were \$239.1 billion, making travel and tourism the third largest U.S. export by dollar value.⁴⁵ In 2020, amid the pandemic, U.S. travel and tourism exports declined to \$84.3 billion, and declined slightly further in 2021 to \$84.2 billion, making travel and tourism the ninth largest U.S. export by dollar value that year.⁴⁶ U.S. travel and tourism exports increased to approximately \$165.5 billion in 2022.⁴⁷ The U.S. travel trade balance fell from its pre-pandemic high of \$85.9 billion in 2015 to \$3.5 billion in 2022.

Figure 3 presents U.S. travel and tourism exports and the U.S. travel trade balance.

Figure 3. U.S. Travel and Tourism Exports and Trade Balance

2013-2022, dollars in billions



Source: ITA, *International Travel Receipts and Payments Program, Monthly Travel Trade Monitor, Annual Visitor Spending 1960-2022*, <https://www.trade.gov/international-travel-receipts-and-payments-program>.

⁴³ Maria Borga and Kristy L. Howell, *The Comprehensive Restructuring of the International Economic Accounts: Changes in Definitions, Classifications, and Presentations*, BEA, March 2014, https://apps.bea.gov/scb/pdf/2014/03%20March/0314_restructuring_the_international_economic_accounts.pdf.

⁴⁴ ITA, *National Travel and Tourism Office: Travel Exports*, p. 1, <https://www.trade.gov/sites/default/files/2023-05/Travel-and-Tourism-Exports.pdf>.

⁴⁵ Ibid.

⁴⁶ ITA, *International Travel Receipts and Payments Program, Monthly Travel Trade Monitor, Annual Visitor Spending 1960-2022*, <https://www.trade.gov/international-travel-receipts-and-payments-program>.

⁴⁷ Ibid.

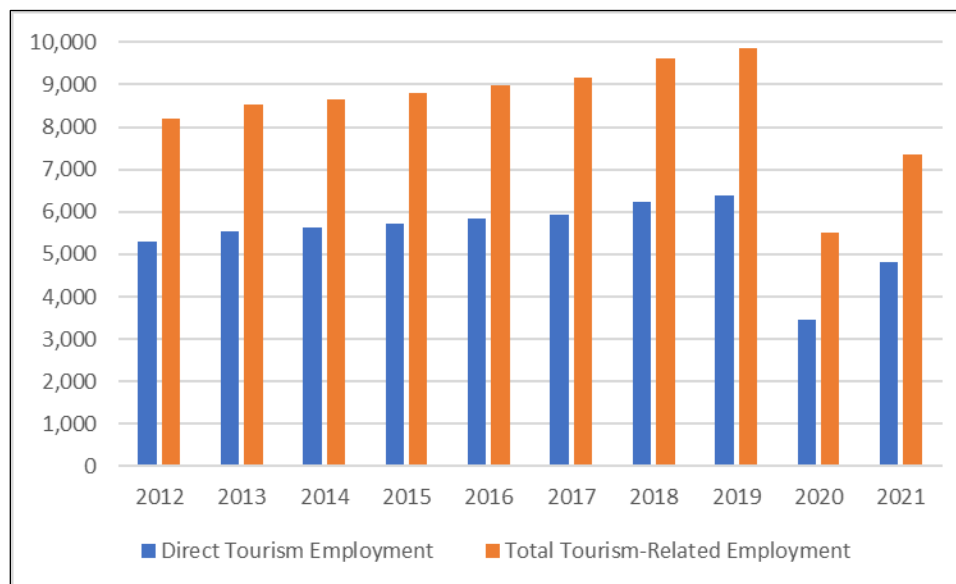
Travel and Tourism Employment Trends

The pandemic affected jobs in the tourism industry. In 2019 there were 6.4 million people directly employed in tourism and 9.6 million indirectly employed in tourism.⁴⁸ In 2020 those numbers fell to 3.5 million and 5.5 million, respectively; in 2021 they rose to 4.8 million and 7.4 million.⁴⁹

Figure 4 presents direct and indirect tourism employment.

Figure 4. Direct and Total Tourism Employment

2012-2021, numbers in thousands



Source: ITA, *Travel and Tourism Satellite Account (TTSA) Program*, Table 7, “Employment by Industry,” <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>.

Many tourism-related jobs are in relatively low-wage sectors.⁵⁰ For example, in 2021, food services and drinking places was the sector with both the largest number of employees directly and indirectly employed in tourism; average annual compensation per tourism employee for that sector was \$31,788.⁵¹ Traveler accommodations, the sector with the second largest number of direct tourism employees, had an average annual compensation per tourism employee of \$52,089 in 2021.⁵²

Table 1 presents the five tourism-related industry sectors with the largest number of direct tourism employees in 2021 and the average annual compensation for employees in those sectors.

⁴⁸ ITA, *Travel and Tourism Satellite Account (TTSA) Program*, Table 7, “Employment by Industry, 2021,” <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>. Direct tourism employees are engaged in the production of direct tourism output (for example, hotel workers and airline staff), while indirect tourism employees are engaged in the production of indirect tourism output (for example, workers producing hotel toiletries).

⁴⁹ Ibid.

⁵⁰ For example, see Tarik Dogru, Sean McGinley, Nathan Line, et al., “Employee Earnings Growth in the Leisure and Hospitality Industry,” *Tourism Management*, vol. 74 (October 2019).

⁵¹ ITA, *Travel and Tourism Satellite Account (TTSA) Program*, Table 6, “Employment and Compensation of Employees by Industry, 2021,” <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>.

⁵² Ibid.

Table 1. Employment and Compensation in Tourism-Related Industry Sectors, 2021

Industry Sector	Direct Tourism Employment	Indirect Tourism Employment	Annual Average Compensation Per Employee
Food services and drinking places	1,607,000	1,899,000	\$31,788
Traveler accommodations	1,083,000	1,541,000	\$52,089
Air transportation services	474,000	1,204,000	\$104,474
Retail trade services (excluding gasoline service stations)	333,000	397,000	\$49,202
Participant sports	229,000	437,000	\$24,041

Sources: ITA, *Travel and Tourism Satellite Account (TTSA) Program*, Table 6, “Employment and Compensation of Employees by Industry, 2021,” <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>; and ITA, *Travel and Tourism Satellite Account (TTSA) Program*, Table 7, “Employment by Industry, 2021,” <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>.

Tourism-Related Economic Activity

BEA and DOC’s International Trade Administration (ITA) maintain the travel and tourism satellite accounts, a dataset containing a range of statistics related to U.S. tourism.⁵³ Among the metrics collected is travel and tourism value added. Value added measures the size of various industries, including employee compensation and taxes as well as profit. An industry’s value added can be considered to be the industry’s GDP.⁵⁴

Travel and tourism value added accounted for 2.2% of total U.S. GDP in 2021, the most recent year for which data are available.⁵⁵ Although this represented a significant rise from 2020, when travel and tourism value added accounted for 1.5% of total U.S. GDP, it was still below the pre-pandemic figure of 3.0% in 2019.

Table 2 presents travel and tourism value added as a share of U.S. GDP.

Table 2. Travel and Tourism Value Added

2017-2021, in millions of dollars

Year	Travel and Tourism Value Added	Travel and Tourism Value Added as Share of U.S. GDP
2017	\$564,508	2.9%
2018	\$616,430	2.9%
2019	\$640,236	3.0%
2020	\$308,038	1.5%

⁵³ See BEA, *Travel and Tourism*, <https://www.bea.gov/data/special-topics/travel-and-tourism>; and ITA, *Travel and Tourism Satellite Account (TTSA) Program*, <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>.

⁵⁴ BEA, “What Is Gross Output by Industry and How Does It Differ from Gross Domestic Product (or Value Added) by Industry?” <https://www.bea.gov/help/faq/1197>.

⁵⁵ Sarah Osborne, *U.S. Travel and Tourism Satellite Account for 2017–2021*, BEA, February 9, 2023, <https://apps.bea.gov/scb/issues/2023/02-february/0223-travel-tourism-satellite-account.htm>.

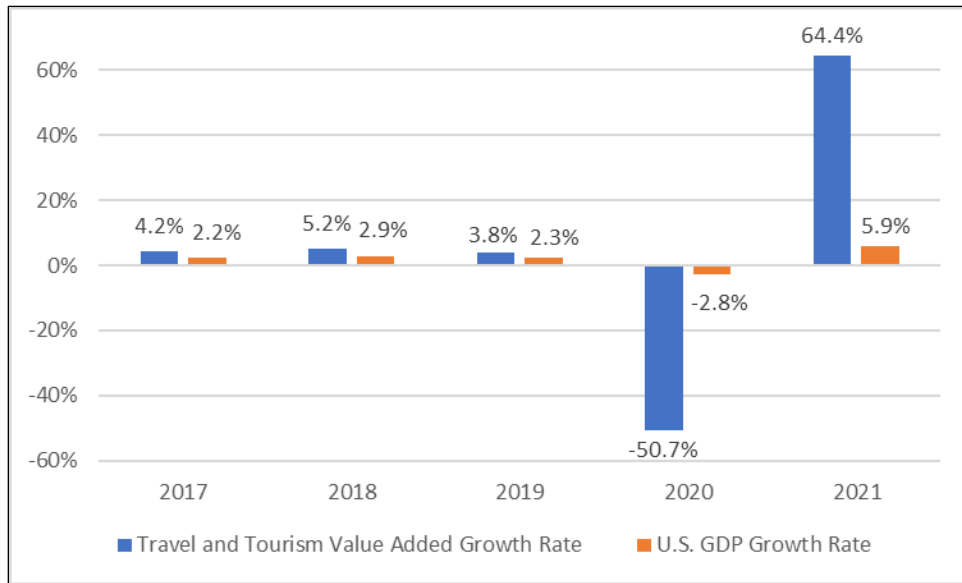
Year	Travel and Tourism Value Added	Travel and Tourism Value Added as Share of U.S. GDP
2021	\$502,168	2.2%

Sources: BEA, *Travel and Tourism*, Table 4, Output and Value Added by Industry, <https://www.bea.gov/data/special-topics/travel-and-tourism>; and ITA, *Travel and Tourism Satellite Account (TTSA) Program*, <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>.

Tourism and related business and industries were among those hit hardest by the pandemic.⁵⁶ However, since 2020, the upward trend in travel and tourism value added (**Table 2**) suggests that the industry has started to recover. Additionally, while travel and tourism value added shrunk considerably more than U.S. GDP as a whole in 2020, in 2021 travel and tourism value added grew at a significantly faster rate (64.4%) than U.S. GDP (5.9%). This growth may have resulted from pent-up demand for travel as the United States and countries worldwide eased pandemic restrictions on travel and as COVID-19 vaccines became widely available.⁵⁷

Figure 5 presents the travel and tourism value added growth rate and U.S. GDP growth rate.

Figure 5. U.S. Travel and Tourism Value Added Growth Rate and U.S. GDP Growth Rate
2017-2021



Sources: BEA, *Travel and Tourism*, Table 4, “Output and Value Added by Industry,” <https://www.bea.gov/data/special-topics/travel-and-tourism>; and BEA, *The 2022 Annual Update of the National Economic Accounts*, November 17, 2022, <https://apps.bea.gov/scb/issues/2022/11-november/1122-nea-annual-update.htm>.

Output is another key metric for the tourism industry. Output represents total sales related to travel and tourism. As with value added, output had been increasing for the tourism industry in

⁵⁶ For example, United Nations World Tourism Organization, *2020: Worst Year in Tourism History with 1 Billion Fewer International Arrivals*, January 28, 2021, <https://www.unwto.org/news/2020-worst-year-in-tourism-history-with-1-billion-fewer-international-arrivals>.

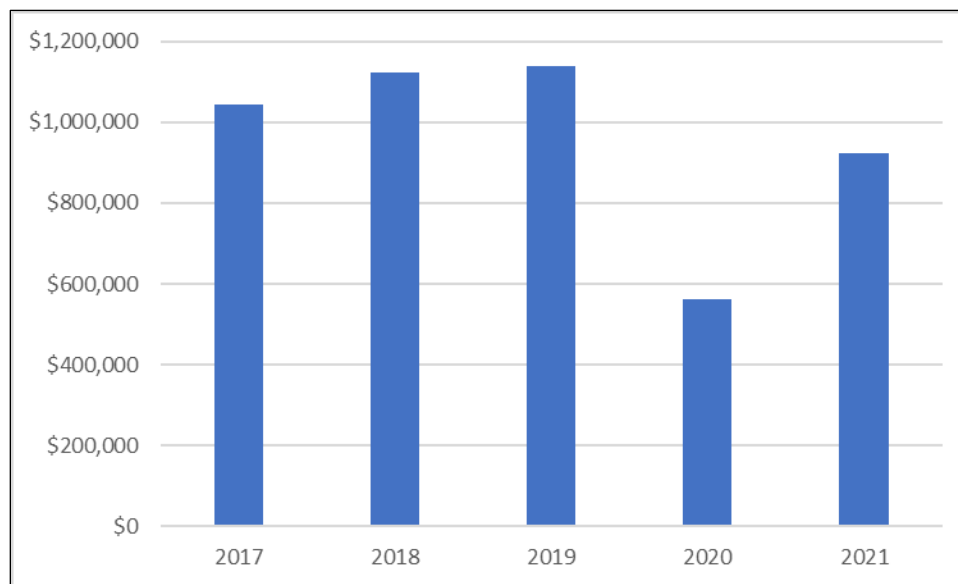
⁵⁷ For example, see OECD, *OECD Tourism Trends and Policies 2022*, August 12, 2022, p. 20, <https://www.oecd.org/cfe/oecd-tourism-trends-and-policies-20767773.htm>.

the years leading up to the pandemic, but declined dramatically in 2020 before starting to recover in 2021.

Figure 6 shows travel and tourism output.

Figure 6. U.S. Travel and Tourism Output

2017-2021, dollars in millions



Sources: BEA, *Travel and Tourism*, <https://www.bea.gov/data/special-topics/travel-and-tourism>; and ITA, *Travel and Tourism Satellite Account (TTSA) Program*, Table 8, “Real Tourism Output,” <https://www.trade.gov/travel-and-tourism-satellite-account-ttsa-program>.

Notes: Dollars are adjusted for inflation. Output represents total sales related to travel and tourism.

Tourism-Related Departments and Programs

Much of the federal government’s involvement in tourism is done through DOC. Legislation in recent Congresses has realigned aspects of the federal approach to tourism.

Some federal programs may have goals that could benefit, but are not explicitly geared towards, tourism. For example, the National Park Service administers the National Park System, which includes 425 units valued for their natural, cultural, and recreational importance. Such programs are not covered in this report.

Department of Commerce (DOC)

The National Travel and Tourism Office (NTTO), within DOC’s ITA, has traditionally played a significant role in tourism promotion and tracking core measures of U.S. tourism activity. NTTO (along with BEA) manages the travel and tourism satellite accounts, serving as the official federal source for tourism statistics. In addition, NTTO works to enhance the competitiveness of international travel to the United States and increase the U.S. tourism industry’s exports, including through marketing and coordination with other federal agencies through the interagency Tourism Policy Council (TPC).

The TPC (codified at 22 U.S.C. §2124) is an interagency federal committee whose goal is to “ensure that the national interest in travel and tourism is fully considered in federal decision-making.”⁵⁸ The Secretary of Commerce acts as the TPC chair.

The U.S. Travel and Tourism Advisory Board (TTAB) is a Federal Advisory Committee Act body that provides recommendations related to tourism to the Secretary of Commerce.⁵⁹ The Visit America Act gave the TTAB statutory authorization and stipulated that the new Assistant Secretary would serve as the TTAB’s executive director.⁶⁰ The TTAB is made up of no more than 32 members selected by the Secretary of Commerce and includes private sector members who relate the industry’s views on government policies affecting tourism.⁶¹

The 117th Congress passed the Visit America Act (Subtitle A, Title VI, Division BB of the Consolidated Appropriations Act, 2023 [P.L. 117-328]), which authorized the creation of a new Assistant Secretary of Commerce for Travel and Tourism (Assistant Secretary) within DOC.⁶² In creating the new Assistant Secretary position, the House report for the standalone House version of the Visit America Act (H.R. 6965) noted that, “Currently, the United States is the only G-20 nation not to have a federal agency or cabinet-level official in charge of tourism policy.”⁶³

The Assistant Secretary’s responsibilities include:

- establishing an annual goal for international visitors to the United States and developing recommendations to meet that goal;
- consulting with the Secretary of Labor and BEA on improving travel and tourism workforce and industry data;
- increasing and facilitating international business travel to the United States, in coordination with other relevant federal agencies;
- developing and implementing a pandemic tourism recovery strategy and a strategy to address potential future disruptions to tourism such as natural disasters;
- producing an annual forecast on the tourism industry.⁶⁴

To support the new Assistant Secretary position, the Biden Administration’s FY2024 budget request proposed that all NTTO functions and staffing be folded into a new Travel and Tourism business unit within ITA.⁶⁵ (To date, NTTO has been part of ITA’s Industry and Analysis business unit.) The new business unit would provide expertise, analytical capability, and data on the tourism industry. In addition, the Travel and Tourism business unit would manage the TPC and

⁵⁸ Tourism Policy Council, <https://www.trade.gov/tourism-policy-council>.

⁵⁹ For more information on the Federal Advisory Committee Act, see CRS In Focus IF12102, *Federal Advisory Committee Act (FACA): Committee Establishment and Termination*, by Meghan M. Stuessy.

⁶⁰ 136 Stat. 5569-5570.

⁶¹ For a current list of TTAB members, see U.S. Travel and Tourism Advisory Board, <https://www.trade.gov/travel-and-tourism-advisory-board-members>.

⁶² 136 Stat. 5566-5567.

⁶³ U.S. Congress, House Committee on Energy and Commerce, *Visit America Act*, Report together with minority views to accompany H.R. 6965, 117th Cong., 2nd sess., September 28, 2022, H.Rept. 117-508, p. 5.

⁶⁴ 136 Stat. 5567-5569.

⁶⁵ ITA, *International Trade Administration, Budget Estimates, Fiscal Year 2024*, p. ITA-105, <https://www.commerce.gov/sites/default/files/2023-03/ITA-FY2024-Congressional-Budget-Submission.pdf>.

TTAB and represent DOC and ITA in interagency and international forums related to international travel to and within the United States.⁶⁶

For FY2024, the Biden Administration's budget request included \$12.0 million in base budget authority for regular NTTO functions and \$3.5 million in budget authority to stand up the Travel and Tourism business unit.⁶⁷

Brand USA

Congress first created an entity to promote tourism to the United States in the International Travel Act of 1961 (P.L. 87-63), which authorized the U.S. Travel Service (USTS). Congress increased appropriations to USTS until 1977 but eliminated federal funding for tourism advertising in 1996, when it dissolved the U.S. Travel and Tourism Administration, USTS's successor.⁶⁸ However, during and after the Great Recession, Congress revived its interest in an entity that would promote tourism to the United States. The 111th Congress authorized the Corporation for Travel Promotion, a nonprofit, public-private entity, in the Travel Promotion Act of 2009 (TPA).⁶⁹

The Corporation for Travel Promotion, which does business as Brand USA, markets international tourism to the United States by distributing information on U.S. entry policies and promoting leisure, business, and scholarly travel to and within the United States. Brand USA has an 11-member board of directors, who are selected by the Secretary of Commerce in consultation with the Secretary of Homeland Security and the Secretary of State.⁷⁰ Brand USA must also establish annual objectives each fiscal year, which are subject to the Secretary of Commerce's approval, and must submit an annual report to the Secretary of Commerce (who forwards the report to Congress).⁷¹ Brand USA's FY2023 objectives, for example, included expanding its digital campaigns to new countries and strengthening international connections for U.S. businesses by coordinating events in certain foreign markets.⁷²

Funding

Brand USA has two funding streams. First, it is funded by nonfederal sources, including state tourism offices and private travel brands. These nonfederal contributions provide half of Brand USA's funding through annual cash contributions of at least 30% of the organization's budget as well as in-kind contributions such as advertising, tickets, and donated products.⁷³

Second, the federal government matches those cash and in-kind contributions with an annual grant capped at no more than \$100 million. This money comes from the Travel Promotion Fund, an account within the Department of the Treasury that was established in TPA.⁷⁴ The money is

⁶⁶ Ibid., p. ITA-106.

⁶⁷ Ibid., p. ITA-15.

⁶⁸ U.S. Congress, Senate Committee on Commerce, Science, and Transportation, *Travel Promotion Act of 2009*, Report of the Committee on Commerce, Science, and Transportation on S. 1023, 111th Cong., 1st sess., June 5, 2009, S.Rept. 111-25 (Washington: GPO, 2009), p. 3.

⁶⁹ Sec. 9 of the United States Capitol Police Administrative Technical Corrections Act of 2009, P.L. 111-145.

⁷⁰ 124 Stat. 56.

⁷¹ 124 Stat. 62.

⁷² Brand USA, *FY2023 Objectives and Business Plan*, pp. 34-37, https://www.thebrandusa.com/system/files/FY2023%20Business%20Plan%20FINAL%20%281%29_0.pdf.

⁷³ Brand USA, *Restoring Brand USA Act Funding Plan*, May 2022, p. 6, https://www.thebrandusa.com/system/files/Restoring_BrandUSA_Act_Funding_Plan_May_2022_0.pdf.

⁷⁴ 124 Stat. 61.

generated from a fee charged for use of the Electronic System for Travel Authorization (ESTA), which is required of international travelers who visit the United States for short business or leisure stays from countries participating in the Visa Waiver Program (VWP). Each traveler from a VWP country who uses ESTA is charged a \$21 fee. Of that, \$17 is available to fund travel promotion through Brand USA. (TPA authorized \$10 of each ESTA fee to be available to Brand USA, but the Brand USA Extension Act increased the amount to \$17.)⁷⁵

Legislation and Debates

TPA authorized the collection of fees for Brand USA through ESTA through FY2014.⁷⁶ The Travel Promotion, Enhancement, and Modernization Act of 2014 (Division B, Title VI of the Consolidated and Further Continuing Appropriations Act, 2015 [P.L. 113-235]) reauthorized TPA through FY2020.⁷⁷

The Trump Administration's FY2018 budget proposed eliminating the federal government's annual grant to Brand USA and instead allocating the funding toward homeland security.⁷⁸ Congress ultimately did not take up the proposal, and instead reauthorized TPA and Brand USA again, this time through FY2027, in the Brand USA Extension Act.

As the pandemic reduced international tourism to the United States (see **Figure 2**), certain segments of the tourism industry advocated for increased federal support of Brand USA to help boost depressed travel figures.⁷⁹ The 117th Congress passed the Restoring Brand USA Act as part of the FY2022 consolidated appropriations law.⁸⁰ The law provided access to \$250 million in one-time funding to Brand USA using funds from ESTA fees between 2010 and 2020 that exceeded the maximum \$100 million available to Brand USA annually.⁸¹

Despite multiple reauthorizations, Brand USA has not been without critics. Shortly before Congress passed TPA in March 2010, then-Senator Jim DeMint wrote an opinion piece describing Brand USA as unnecessarily subsidizing advertising for a private industry.⁸² Some outside groups have also made similar points.⁸³ In 2012, six Senators signed a letter to then-Secretary of Commerce John Bryson questioning certain Brand USA's spending practices.⁸⁴ Conversely, some Members of Congress have argued that Brand USA has been effective at increasing international tourism to the United States.⁸⁵

⁷⁵ 133 Stat. 3029. The Brand USA Extension Act is Division I, Title VIII of the Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

⁷⁶ 124 Stat. 65.

⁷⁷ 128 Stat. 2219.

⁷⁸ Executive Office of the President, *Budget of the U.S. Government, Fiscal Year 2018*, May 23, 2017, p. 35, <https://www.govinfo.gov/content/pkg/BUDGET-2018-BUD/pdf/BUDGET-2018-BUD.pdf>.

⁷⁹ For example, see U.S. Travel, "U.S. Travel Applauds Brand USA Bill Committee Passage," press release, November 17, 2021, <https://www.ustravel.org/press/us-travel-applauds-brand-usa-bill-committee-passage>.

⁸⁰ The Restoring Brand USA Act is Division FF of the Consolidated Appropriations Act, 2022 (P.L. 117-103).

⁸¹ 136 Stat. 1111-1112.

⁸² Jim DeMint, "Travel Promotion Bill Is Not What U.S. Needs," *Washington Post*, September 7, 2009.

⁸³ Luke Gelber, *Brand USA: A Gravy Train Keeps Rolling*, Citizens Against Government Waste, July 15, 2013, <https://www.cagw.org/thewastewatcher/brand-usa-gravy-train-keeps-rolling>.

⁸⁴ Chuck Grassley, "Grassley, Colleagues Seek Answers On Spending, Other Practices Of Government-Sponsored Travel Promotion Agency," press release, June 15, 2012, <https://www.grassley.senate.gov/news/news-releases/grassley-colleagues-seek-answers-spending-other-practices-government-sponsored>.

⁸⁵ Amy Klobuchar, "Klobuchar, Blunt Legislation to Revive Brand USA Passes Committee," press release, September (continued...)

Issues for Congress

Congress has demonstrated a continued interest in tourism, particularly in light of the pandemic. While a number of federal policies deal with the tourism industry's recovery from the pandemic, others predate that period.

Efficacy of Pandemic Recovery Efforts

As noted throughout this report, the pandemic severely affected tourism both to and within the United States. Congress made a number of efforts to address the U.S. tourism industry's decline during and after the pandemic, both by providing new and expanded funding and authorizing new programs and positions. Congress may want to monitor how effectively these funds and programs boost U.S. tourism.

Congress's new or expanded funding related to tourism include:

- \$15 billion appropriated to FAA in grants for airport infrastructure projects that increase safety and expand capacity and \$5 billion appropriated to FAA for competitive grants for airport terminals, including replacing aging terminals and airport-owned control towers, both included in IIJA;
- \$8 billion appropriated to FAA to provide grants to airports to help with operations costs and debt service, included in ARPA;
- \$3 billion appropriated to the U.S. Economic Development Administration to help state and local governments respond to economic injury as a result of the pandemic, \$750 million of which was reserved for states and local communities that were specifically affected by job and GDP losses in the travel, tourism, or outdoor recreation industries, included in ARPA; and
- one-time access to \$250 million for Brand USA, included in the Restoring Brand USA Act.

Congress may have an oversight interest in ensuring these funds accomplish their intended purposes, including bolstering U.S. tourism.

Congress also took additional steps to address the pandemic's impact on tourism, including:

- requiring the Secretary of Transportation to update DOT's January 2021 national travel and tourism infrastructure strategic plan within 180 days of IIJA's November 2021 enactment;
- mandating, in the Visit America Act, that the Secretary of Commerce develop a 10-year travel and tourism strategy; and
- establishing, in the Visit America Act, a new Assistant Secretary of Commerce for Travel and Tourism (Assistant Secretary).

At the time of this report, DOT had not updated its national travel and tourism infrastructure strategic plan. Further, according to the Government Accountability Office (GAO), as of May 2023 DOT had not developed goals related to travel and tourism—which could be incorporated into the updated strategic plan—or created a plan to identify and obtain the necessary data on

21, 2021, <https://www.klobuchar.senate.gov/public/index.cfm/2021/9/klobuchar-blunt-legislation-to-revive-brand-usa-passes-committee>.

travel and tourism that could inform the updated strategic plan.⁸⁶ According to GAO, DOT plans to complete the updated strategic plan by the end of 2023.⁸⁷ Congress may want to monitor both that DOT completes the updated strategic plan and develops the inputs necessary to make the strategic plan useful.

As noted, the National Travel and Tourism Strategy (Strategy), published in June 2022, included a goal of attracting 90 million international visitors annually to the United States by 2027 and estimated that those visitors would spend \$279 billion each year (see “Department of Commerce (DOC)—National Travel and Tourism Strategy”). Given that international arrivals to the United States peaked at 79.7 million in 2018 and numbered 50.9 million in 2022 (**Figure 2**), Congress may have an interest in continuing to evaluate progress towards the Strategy’s goal.

Finally, Congress may take an interest in the role of the new Assistant Secretary and the reorganization of NTTO into a new Travel and Tourism business unit with expanded responsibilities (see “Department of Commerce”). A persistent critique of U.S. tourism policy is that it has been the only large nation without a federal agency or cabinet-level official responsible for tourism.⁸⁸ While not cabinet-level, the Assistant Secretary position represents the most senior U.S. government official whose job revolves around tourism. The Assistant Secretary must also be nominated by the President and confirmed by the Senate.⁸⁹ Lastly, as noted previously, the Biden Administration’s FY2024 budget request proposed additional funding to stand up the Travel and Tourism business unit supporting the Assistant Secretary. As a result, Congress may be likely to maintain an interest in questions related to implementation, funding, and oversight of the Assistant Secretary and the Travel and Tourism business unit.

Brand USA Funding and Return on Investment

Since its initial authorization, Brand USA’s funding and operating status have been the subject of occasional restructuring efforts and debate. As noted, in FY2018 the Trump Administration unsuccessfully attempted to redirect the federal government’s annual grant to Brand USA toward homeland security. Two years later, the 116th Congress increased Brand USA’s share of each ESTA fee from \$10 to \$17 in the Brand USA Extension Act. The 117th Congress provided Brand USA access to \$250 million in one-time funding through the Restoring Brand USA Act.

Given the interest of some Members of Congress in using Brand USA to help try to restore the number of international visitors to the United States and the newly-set goal of attracting 90 million foreign tourists by 2027, Congress may consider whether to increase the \$100 million cap on Brand USA’s annual grant from the federal government. This could allow Brand USA to expand its operations. Conversely, given that some Members of Congress have expressed skepticism towards Brand USA’s mission in the past, Congress may elect to take no action.

Congress may also consider how effective Brand USA—or any tourism promotion strategy—is at attracting international visitors. Brand USA commissions a private firm to produce an annual report on Brand USA’s return on investment (ROI) per total dollar spent. Brand USA’s annual ROI per dollar is show in **Figure 7**.

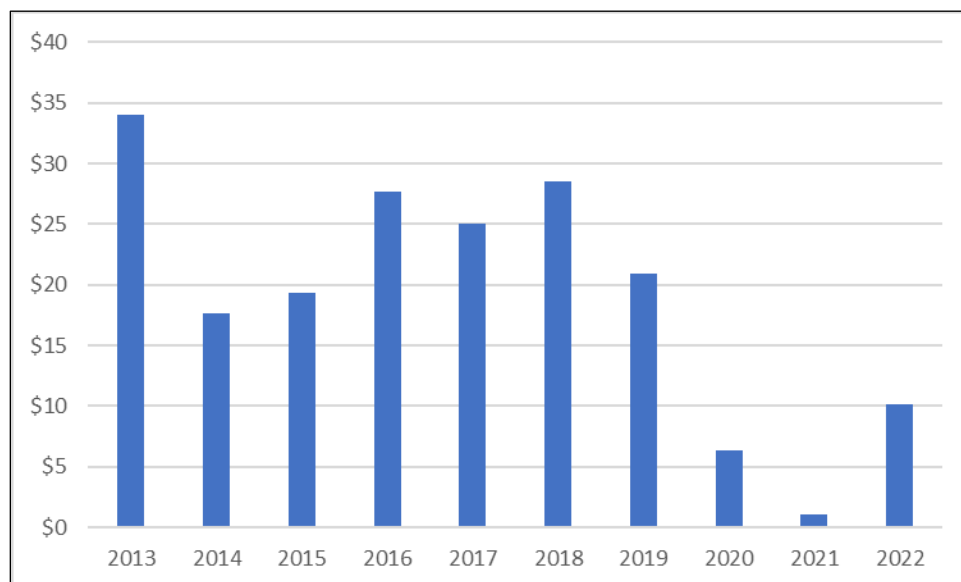
⁸⁶ U.S. Government Accountability Office, *Travel and Tourism: DOT Should Improve Strategic Planning and Data Collection*, GAO-23-105967, May 24, 2023, p. 20, <https://www.gao.gov/products/gao-23-105967>.

⁸⁷ *Ibid.*, p. 23.

⁸⁸ For example, see U.S. Congress, House Committee on Energy and Commerce, *Visit America Act*, Report together with minority views to accompany H.R. 6965, 117th Cong., 2nd sess., September 28, 2022, H.Rept. 117-508, p. 5.

⁸⁹ ITA, *International Trade Administration, Budget Estimates, Fiscal Year 2024*, pp. ITA-109, <https://www.commerce.gov/sites/default/files/2023-03/ITA-FY2024-Congressional-Budget-Submission.pdf>.

Figure 7. Brand USA Return on Investment (ROI) Per Dollar Spent
FY2013-FY2022



Source: Brand USA, ROI study and archive, <https://www.thebrandusa.com/resources/roi-study>.

As shown, Brand USA's ROI has varied over time. However, the more salient point may be that Brand USA's ROI study was completed by a firm commissioned by Brand USA. In prior years, some—including supporters of Brand USA—have questioned the accuracy of the ROI figures.⁹⁰ It can also be difficult to isolate the effects of tourism promotion on international travel, as tourism can be influenced by many factors, including the global economy, current events, and currency exchange rates. Further, other studies have found that Brand USA's marketing efforts have little impact on international visitors to the United States.⁹¹ Considering these factors, Congress may be interested in authorizing a neutral, third-party evaluation of Brand USA.

Visitor Visa Wait Times

Generally, foreign nationals are required to obtain a visa to travel to the United States. These are either nonimmigrant visas for visitors entering the United States temporarily for business (B-1 visas) or for tourism (B-2 visas).⁹² The United States grants visa exceptions for citizens of countries participating in the Visa Waiver Program (VWP), which allows nationals from 41 countries, mostly in Europe, to enter the United States temporarily for business or tourism without first obtaining a visa.⁹³

A significant number of foreign nationals entering the United States are citizens of countries participating in VWP. In 2019—the last year before the pandemic impacted travel—56.1% of

⁹⁰ Dennis Schaal, *Brand USA's 47-to-1 Return on Investment Claim Attracts Doubts Even Among Supporters*, Skift, April 1, 2014, <https://skift.com/2014/04/01/brand-usas-47-to-1-return-on-investment-claim-attracts-doubts-even-among-supporters/>.

⁹¹ Staci M. Zavattaro and Daniel L. Fay, "Brand USA: A Natural Quasi-Experiment Evaluating the Success of a National Marketing Campaign," *Tourism Management*, vol. 70 (February 2019), pp. 42-48.

⁹² U.S. Department of State, Bureau of Consular Affairs, *Visitor Visas*, <https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visitor.html>.

⁹³ For more information on VWP, see CRS Report RL32221, *Visa Waiver Program*, by Abigail F. Kolker. Israel was added to the VWP since the publication of that report.

international arrivals to the United States were from countries participating in VWP or were from Canada.⁹⁴ (Canadian citizens generally do not need a visa to visit the United States.)⁹⁵ However, that meant that 43.9% of international arrivals to the United States—34.9 million visitors—were required to obtain a visa prior to their visits. (In 2022, 56.0% of international arrivals to the United States were from countries participating in VWP or Canada.)⁹⁶ Among the countries whose citizens must obtain visas before entering the United States are Mexico (responsible for the second-largest number of international tourists to the United States in 2019), China (fifth-largest), and Brazil (seventh-largest).

The timelines for obtaining international visitor visas to the United States can be lengthy. According to data from the U.S. Department of State (DOS), as of October 2023, the average wait time for interviews for B-1 and B-2 visas was 178 days.⁹⁷

These wait times have attracted the attention of some Members of Congress and others within the federal government. In the 117th Congress, the House report for H.R. 6965, an early version of the Visit America Act, noted that that version of the bill would have required the new Assistant Secretary to develop, in consultation with the Secretary of State and Secretary of Homeland Security, strategies for improving visa processing generally and decreasing the maximum time for visa processing specifically, and to explore pilot programs for increasing the use of technology such as videoconferencing in the visa application process.⁹⁸ (The provisions were all removed from the enacted version of the Visit America Act.)

The TTAB's 2022 recommendations on increasing international business travel to the United States following the pandemic echoed some of those points. The recommendations included fully restoring U.S. visa processing operations; increasing staffing to process visas; developing a program for using videoconferencing technology in visa interviews; and expanding VWP to additional qualified countries.⁹⁹ The recommendations noted that the average visa interview wait time for the 10 visa-required countries with the largest number of international arrivals to the United States had risen during the pandemic.¹⁰⁰ Similarly, the National Travel and Tourism Strategy suggested increasing or developing the use of certain technologies, such as digital visa processing, to better facilitate travel to the United States.¹⁰¹

Congress could address these concerns. For example, Congress could consider mandating DOS increase its use of technology in processing visas (or evaluate options for doing so) or provide additional funding for visa processing. Some Members of Congress have introduced legislation to try to address visa wait times. For example, the Visitor Visa Wait Time Reduction Act, introduced in both the 118th Congress (H.R. 5127) and the 117th Congress (H.R. 9141) would require the Secretary of State to temporarily reassign personnel to consular posts where the average wait time for B-1 and B-2 visa interviews is over 300 days.

⁹⁴ ITA, *ADIS/I-94 Visitor Arrivals Program*, <https://www.trade.gov/i-94-arrivals-program>.

⁹⁵ U.S. Embassy and Consulates in Canada, *Entering the U.S.*, <https://ca.usembassy.gov/visas/>.

⁹⁶ ITA, *ADIS/I-94 Visitor Arrivals Program*, <https://www.trade.gov/i-94-arrivals-program>.

⁹⁷ DOS, Bureau of Consular Affairs, *Global Visa Wait Times*, <https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/global-visa-wait-times.html>, accessed October 16, 2023.

⁹⁸ U.S. Congress, House Committee on Energy and Commerce, *Visit America Act*, Report together with minority views to accompany H.R. 6965, 117th Cong., 2nd sess., September 28, 2022, H.Rept. 117-508, p. 2.

⁹⁹ TTAB, *Recommendations to Support Business Travel*, September 7, 2022, pp. 1-2, <https://www.trade.gov/sites/default/files/2022-10/TTAB%20Business%20Travel%2C9-7-2022.pdf>.

¹⁰⁰ *Ibid.*, p. 1.

¹⁰¹ ITA, *National Travel and Tourism Strategy, Facilitating Travel To and Within the United States*, <https://www.trade.gov/report/national-travel-and-tourism-strategy?anchor=content-ii-facilitation-3>.

Congress could also consider adding countries to VWP. In past years some have expressed national security concerns about taking such steps. Others have argued that adding countries to VWP increases national security, as it sets standards for travel documents and information sharing.¹⁰²

Distributing Tourism Across the United States

To some extent, U.S. tourism is concentrated in a few locations. For example, the five metropolitan statistical areas (MSAs) with the most international visits in 2022 accounted for 51% of total international visits by MSA.¹⁰³ The trend was even starker at the state level: the five states with the most international visits in 2022 accounted for 65% of total international visits by state.¹⁰⁴ By spending, the five states with the most travel spending (both domestic and international) in 2022 accounted for 42% of total spending.¹⁰⁵

This speaks to a potential dilemma for the federal government’s role in tourism development: how to develop national-level tourism promotion strategies—as Brand USA mostly does—while also fairly supporting all tourism markets throughout the United States. One of the four “pillars” of the National Travel and Tourism Strategy (Strategy) is “ensuring diverse, inclusive, and accessible tourism experiences.” As the Strategy notes, part of that goal is to:

Extend the benefits of travel and tourism by supporting the development of diverse tourism products, focusing on underserved communities and populations.... Federal agencies should serve as a critical resource and partner to local communities in their efforts to boost their travel and tourism economies. Some local communities already have well-developed tourism economies but need assistance balancing tourism opportunities with the need for affordable housing, living-wage jobs, and resource preservation. Other communities have experienced economic decline and seek help exploring tourism and outdoor recreation as tools to diversify and expand their economies.¹⁰⁶

Congress may have an interest in trying to ensure that the economic benefits of tourism are experienced broadly among states and cities, or that those places have the resources to develop assets and infrastructure to attract visitors. To facilitate this, Congress could, for example, direct the federal agencies working on tourism promotion (and/or Brand USA) to coordinate their efforts with state tourism agencies. Conversely, Congress could determine that the federal government’s role is to promote general tourism to and within the United States, and not become involved with more specific plans or with state entities.

¹⁰² For details on these debates, see CRS Report R46300, *Adding Countries to the Visa Waiver Program: Effects on National Security and Tourism*, by Abigail F. Kolker and Michaela D. Platzer.

¹⁰³ ITA, *U.S. States and Cities Visited by Overseas Travelers, Overseas Visitors to U.S. Cities—MSAs*, September 27, 2023, <https://www.trade.gov/data-visualization/us-states-cities-visited-overseas-travelers>. In descending order, the five MSAs with the most international visitors in 2022 were New York-White Plains-Wayne (New York/New Jersey); Miami-Miami Beach-Kendall (Florida); Orlando-Kissimmee-Sanford (Florida); Los Angeles-Long Beach-Glendale (California); and San Francisco-San Mateo-Redwood City (California).

¹⁰⁴ *Ibid.* In descending order, the five states with the most international visitors in 2022 were Florida, New York, California, Nevada, and Texas.

¹⁰⁵ U.S. Travel, *Economic Impact Map*, April 12, 2023, <https://www.ustravel.org/economic-impact>. In descending order, the five states with the most travel spending in 2022 were California, Florida, New York, Texas, and Nevada.

¹⁰⁶ ITA, *National Travel and Tourism Strategy 2022*, June 2022, pp. 18-19, <https://www.commerce.gov/sites/default/files/2022-06/National-Travel-Tourism-Strategy.pdf>.

Concluding Observations

Congress has indicated an interest in tourism to and within the United States for decades. In light of the COVID-19 pandemic, which suddenly and dramatically upended the tourism industry, Congress acted to restructure and boost the U.S. tourism industry.

Assessing the outcomes of these actions may take years. Partly that is by design. The National Travel and Tourism Strategy, for example—published in June 2022—sets new goals for international visitors to the United States through 2027. As a result, the ups and downs of the U.S. tourism industry may be an area of congressional interest for the foreseeable future.

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