

# ECONOMIC IMPACT OF CRUISE SHIP PASSENGERS IN PORTLAND, MAINE\*

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## Summary:

This report examines the demographic characteristics and economic impact of cruise ship passengers in Portland, Maine, and its surrounding region. In 2008, the city hosted an estimated 47,841 passengers from 32 ships. Information collected from surveys distributed during the fall of 2008 suggests that cruise ship passengers spend an average of \$80.51 on goods and services in the Portland region. This amount increases to \$109.68 with the inclusion of passenger expenditures on cruise-line sponsored tours. The total economic impact of cruise ship passenger spending, including multiplier effects, is between \$5.8 million and \$8.0 million in sales revenue throughout the Portland region. Economic activity associated with this spending supported between 69 and 96 full- and part-time jobs, and provided between \$2.0 million and \$3.2 million in wages and salaries.

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## ECONOMIC IMPACT OF CRUISE SHIP PASSENGERS IN PORTLAND, MAINE

### 1. Introduction

The North American cruise industry has experienced substantial growth in recent years. Within the United States, direct spending by cruise lines and passengers increased from \$14.70 billion to \$18.68 billion (27 percent) between 2004 and 2007 (Business Research & Economic Advisors 2008). Including multiplier effects, the North American cruise industry supported 354,690 U.S. jobs and provided \$15.44 billion in wages and salaries in 2007.

Spending by cruise ship passengers and crew provide a stimulus to the economies of U.S. ports of embarkation (i.e., where cruises originate) and ports-of-call (i.e., where ships visit). Cruise ship passengers spent an average of \$135.36 while at the port of embarkation (Business Research & Economic Advisors 2008). Those who stayed one or more nights before or after the voyage spent an average of \$284.88, while passengers in town only for the day of embarkation spent an average of \$30.83. Cruise ship passengers spent an average of \$122.73 per port-of-call visit, while crew members spent an average of \$44.68 (Business Research & Economic Advisors 2008).

In recent years, the cruise industry has seen remarkable growth in Portland, Maine. The city hosted an estimated 47,841 cruise ship passengers in 2008, a 45 percent increase above the 33,000 passengers who visited in 2003.<sup>1</sup> This report examines the demographic characteristics and economic impact of cruise ship passengers in the

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<sup>1</sup> Cruise ship passenger figures for 2008 are from the Port of Portland website. Passenger estimates for 2003 are from Cruise Maine statistics.

Portland region.<sup>2</sup> The analysis is based on 1,287 completed passenger surveys distributed in September and October of 2008. The surveys asked questions concerning the amount of money passengers spent in the Portland region, the activities they pursued while in port, time constraints they may have faced, plans for return travel to Portland, and several personal characteristics.

The economic impact analysis presented in this report focuses primarily on the expenditures that cruise ship passengers made while in port. Although crew members may also spend substantial amounts of money in the region and cruise lines pay anchorage fees to the city of Portland, these expenditures are beyond the scope of this study. Further, it should be noted upfront that the economic impact figures are based on a total of 47,841 passengers, which is the capacity of the 32 cruise ships that were scheduled to visit Portland in 2008. Since some of the ships may have arrived at less than full capacity, the impact figures presented in the report can be interpreted as an upper-bound estimate of the passenger impact. Spending by ship personnel, however, may offset the diminished realized impact caused by ship vacancies and/or passengers that chose not to disembark in Portland.<sup>3</sup>

When interpreting the study findings, it is also important to note that there are costs and benefits associated with Portland's cruise ship industry unrelated to its economic impact as presented in this report. Beyond the industry's impact on sales revenue, income and employment, cruise ships may generate additional costs and

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<sup>2</sup> The Portland region includes the city of Portland and other towns that passengers may visit while in port. For example, some passengers visit Kennebunkport or Freeport as part of a cruise-line sponsored tour.

<sup>3</sup> Anecdotal evidence, based on our observation of people returning to the ship, suggests that crew members spend substantial amounts of money in the Portland region. Many crew members take a shuttle bus to the Maine Mall where they purchase electronic goods and other products.

benefits. Thus, findings presented in this report should be interpreted as a part, but not the whole, of the evidence in evaluating the effects of Portland's cruise ship industry.

## 2. Data Collection

During September and October of 2008, surveys were distributed on seven different days to 2,484 passengers as they returned to the ship after spending the day in the Portland region.<sup>4</sup> Passengers were surveyed from the *Grandeur of the Seas* and *Jewel of the Seas*, part of the *Royal Caribbean International* cruise line fleet, and the *Constellation*, operated by *Celebrity Cruises*. We received 1,287 returned surveys, which translates into an overall response rate of about 52 percent. In Table 1, we show the number of questionnaires distributed and the return rates for each day that we distributed surveys.

Table 2 outlines the 2008 cruise season in Portland, which began in July and continued until early November. The general trend, in all years including 2008, is that Portland welcomes more ships in the fall months of September and October than during the summer. The ships included in this study carried, on average, a larger number of passengers (an average capacity of 2,186 people) than the average cruise ship that docked in Portland during 2008 (1,495 passengers). The observed differences in passenger expenditures across the ships included in the study suggest that differences may also exist between the survey respondents and passengers on ships that were not included in our study. Thus, the information obtained from survey respondents in our study may not be representative of all cruise ship passengers who visited Portland in 2008.

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<sup>4</sup> Surveys were returned to the University of Maine by mail in a pre-addressed, stamped envelope.

As shown in table 3, the cruise ships included in the study typically arrived in Portland during the early morning (between 6:30am and 8:00am) and left port in the early evening (i.e., at 7:00pm). On September 25, the *Constellation* departed at 4:30pm, which was two and one-half hours earlier than the other ships included in the study. As shown later in the report, the average passenger expenditures on September 25 are substantially lower than the other days that we distributed surveys.

### 3. Passenger Demographics and Place of Origin

Tables 4 and 5 show the gender and age distribution of Portland's cruise ship passengers. We received surveys from a high percentage of female passengers (69 percent female compared to 31 percent male) and those who are older than the general population. The average survey respondent is 62 years old and 46 percent of the passengers are between the ages of 60 and 69. In addition, more than 20 percent of the passengers are over the age of 70, compared to only two and one-half percent of the survey respondents who are under the age of 40. The age distribution of Portland cruise ship passengers may be explained, in part, by the time of year when surveys were conducted. Surveys were distributed in late September and early October, when fewer "young families" tend to travel due to the K-12 school schedule.

Tables 6 and 7 summarize the education and income distribution of Portland cruise ship passengers. These two variables typically exhibit high levels of correlation in economic studies, given the substantial earnings premium associated with a college degree (and higher levels of formal education). Over 60 percent of the survey respondents have at least a 4-year college degree, which suggests that Portland's cruise

ship passengers are quite the educated crowd. It should, then, come as no surprise that survey respondents reported high levels of household income. Indeed, over 55 percent of the Portland cruise ship passengers included in the study have annual household incomes of \$75,000 or more.

In tables 8 and 9, we report information related to the survey respondents' past experience with cruising, as well as the number of past visits to the Portland area. Most of the survey respondents are "veteran" cruisers; over 40 percent have taken at least five other cruises. The voyage that visited Portland represented the respondent's first such vacation for only 10 percent of the passengers that completed the survey. Although the survey respondents had considerable past experience with cruising, very few had spent substantial time in Portland prior to the cruise ship visit. For over 75 percent of the respondents, the one-day visit in Portland represented the passenger's first time to the area. Less than two and one-half percent of the survey respondents had made five or more trips to Portland previous to the cruise ship visit.

Tables 10 and 11 show the country and state of origin, respectively, of Portland's cruise ship passengers. Although we received surveys from individuals representing nine different countries, 95 percent of the respondents are from the United States. Looking at table 11, we see that over 30 percent of the passengers are from the states of Maryland (15.6 percent), Virginia (7.6 percent) and Pennsylvania (7.1 percent). This is explained, in part, by the fact that several of the ships included in the study departed from the port of Baltimore, Maryland. It is also interesting to note that over 20 percent of the survey respondents hail from the states of California (9.5 percent), Texas (6.8 percent), Missouri (3.0 percent) and Arizona (2.5 percent), which are located west of the Mississippi River.

Maine's tourism market is heavily dominated by places located within a one-day's drive; over 50 percent of overnight trips made by out-of-state visitors come from Massachusetts (31 percent), New Hampshire (10 percent), New York (8 percent) and Connecticut (7 percent) (Longwoods International 2007). This means that the cruise industry helps extend Maine's tourism market beyond its usual borders.

#### 4. Passenger Expenditure Profile

The survey asked passengers about their expenditures in nine categories: food and beverages, drug and beauty items, apparel items, household items, fine art and jewelry, transportation, tours (not sponsored by the cruise line), rentals, and other expenditures. Table 12 presents expenditure information based on all survey respondents, including individuals that did not spend any money in one or more of the categories. Cruise ship passengers that we surveyed spent a total of \$80.51 while in port, with a large amount of this money spent on food and beverages (\$28.10) and apparel items (\$21.18).<sup>5</sup> On the other hand, the average respondent spent very little on drug and beauty items (\$2.00) and rentals (\$0.95).

The right-hand side column of Table 12 displays the percentage of survey respondents that reported expenditures greater than zero in the given category. As shown at the bottom of the table, 93.7 percent of the survey respondents reported an expenditure figure greater than zero for at least one of the spending categories. By a wide margin, the category of "food and beverages" has the largest percentage (77.8 percent) of respondents that reported expenditures greater than zero. On the other hand, less than ten percent of

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<sup>5</sup> The average spending figure of \$80.51 is slightly lower than the average expenditure of \$85.26 reported by Bar Harbor (Maine) cruise ship passengers in 2002 (Gabe et al. 2003).

respondents indicated that, while in the Portland region, they spent money on fine art and jewelry, or rentals.

Table 13 shows average expenditures for each of the days that we distributed surveys. These averages range from a high of \$97.25 on September 21 (*Jewel of the Seas*) to a low of \$62.77 on September 25 (*Constellation*). As noted earlier in the report, the *Constellation* left port at 4:30pm on September 25<sup>th</sup>, which was two and one-half hours earlier than the other days that we distributed surveys. Passengers from the *Constellation* spent an average of \$81.21, close to the average across all ships, on October 7 when it left port at 7:00pm.

#### *Adjusting the Expenditure Figures to Include Cruise-line Sponsored Tours*

Along with the expenditures that passengers make while in port (see Tables 12 and 13), they also provide an economic impact to the Portland region through their purchases of cruise-line sponsored tours. A portion of the money that passengers pay to the cruise lines for organized tours is used to cover the costs of transportation (e.g., expenses related to operating the tour bus) and other services provided as part of the package.

Table 14 summarizes the amount of money that survey respondents paid for cruise-line sponsored tours. About 57 percent of the survey respondents indicated that they took a cruise-line sponsored tour while in Portland. Some of the more popular excursions indicated by tour-goers include visiting the sites of Portland, traveling to Kennebunkport, and shopping in Freeport. Of the survey respondents that indicated they took a cruise-line sponsored tour, the average amount paid to the cruise line was \$51.28.

Applying this amount to all passengers, including those that did not take a cruise-line sponsored tour, we arrive at an average spending figure of \$29.17 on cruise-line sponsored tours.

As noted above, one of the tour packages offered by the cruise lines is a “shopping trip” to Freeport, Maine. Freeport is the home of *L.L. Bean*, as well as a wide array of outlet stores associated with nationally-known retailers such as the *Gap* and *Banana Republic*. Given its strong emphasis on shopping, it is likely that passengers who took the Freeport tour spent more money than passengers who took tour-sponsored visits to other sites or did not take an organized tour at all.

Table 15 summarizes the amount that survey respondents spent in Freeport, Maine. About five percent of all survey respondents – not just those that took an organized tour – indicated that they visited Freeport on a cruise-line sponsored tour. Of those passengers that took a shopping tour, the average respondent spent \$146.60 in Freeport. In some cases, the amount spent in Freeport represented the entire amount the passenger spent while in port. In other cases, it did not.

We are able to estimate spending in Freeport using a survey question that asks, “How much of the total amount (spent in port) was spent at local businesses while on tour?” Information from this question, as well as a different survey question about the sites visited while on tour, allows us to isolate passenger spending in Freeport. Applying the average figure of \$146.60 spent in Freeport to all passengers (including those that did not visit Freeport on a cruise-line sponsored tour), we find that the average survey respondent spent \$6.80 in Freeport.

Table 16 presents a spending profile of the average cruise ship passenger in Portland, Maine. The table highlights four average spending figures ranging from a low of \$73.71 to a high of \$109.68. The expenditure estimate of \$109.68 can be interpreted as the average amount spent in the Portland region (including Freeport), assuming that the cruise lines impose a zero percent mark-up on cruise-line sponsored tours. The expenditure estimate of \$73.71 can be interpreted as the average amount spent in the Portland region (excluding Freeport), assuming that the cruise lines do not pass any of the tour-related passenger expenditures to tour operators. Both of these cases, related to our assumptions about the mark-up on cruise-line sponsored tours, are extremely unlikely. The amount of money that tour operators receive from the cruise lines falls somewhere between zero and the full amount paid to the cruise line by the passenger.

##### 5. Economic Impact of Cruise Ship Passengers

Cruise ship passengers impact the Portland regional economy both through their direct expenditures made while in port and the “multiplier effect” that this spending has on local businesses and workers. Estimates of the total amount of money spent directly by cruise ship passengers are based on the average expenditures made by the survey respondents and the number of passengers that visited Portland. As discussed in the introduction, the analysis uses a total passenger count of 47,841 people, which is the full capacity of the 32 cruise ships that were scheduled to visit Portland in 2008.

The associated multiplier effects are estimated using an input-output model for the Portland regional economy. The Portland IMPLAN (input-output) model traces the circular flows of expenditures and income through the economy with a complex system

of accounts that are uniquely tailored to the area. Underlying these accounts is detailed information regarding transactions occurring between businesses located in the region, the purchasing patterns of local households, and transactions occurring between the Portland region and the rest of the world. Some of the data sources used to build the IMPLAN model include County Business Patterns from the U.S. Census Bureau, Regional Economic Information System (REIS) data and the input-output accounts from the U.S. Bureau of Economic Analysis, and the ES-202 statistics from the U.S. Bureau of Labor Statistics.

Table 17 summarizes the economic impact, including multiplier effects, of cruise ship passengers in Portland. The top panel of the table is the estimated economic impact based on a per-passenger expenditure figure of \$109.68, which includes spending in Freeport and the full cost of the cruise-line sponsored tours. The bottom panel of the table is the economic impact based on a per-passenger expenditure of \$80.51, which includes spending in Freeport but not money paid for cruise-line sponsored tours. Based on the higher spending figure, we estimate a total economic impact (including multiplier effects) of \$8.0 million in sales revenue, of which an estimated \$3.2 million is paid in wages and salaries to support 96 full- and part-time jobs. Based on the lower passenger spending figure, we estimate a total economic impact of \$5.8 million in sales revenue, \$2.0 million in wages and salaries, and 69 full- and part-time jobs.

Looking at the top panel of Table 17, we find that the ratio of total-to-direct spending generates a sales multiplier of 1.52. This means that each \$1.00 of passenger spending in the Portland region contributes a total of \$1.52 in overall sales revenue. The \$0.52 in multiplier effects per \$1.00 spent by cruise ship passengers represents additional

spending by businesses (i.e., indirect effect) and workers (i.e., induced effect) that are impacted by the Portland cruise ship industry. The income and employment multipliers are 1.38 and 1.35, respectively.

## 6. Conclusions

This report provides a summary of the demographic characteristics and economic impact of cruise ship passengers in Portland, Maine. Our analysis is based on a large sample of cruise ship passenger surveys conducted in the fall of 2008. Portland's cruise ship passengers tend to be older, more educated, and earn higher annual incomes than the general population. They tend to be "veteran" cruisers, having taken several cruises prior to their trip to Portland; however, very few had spent substantial time in the region prior to the cruise ship visit. Although passengers surveyed in our study come from nine countries, 95 percent of the respondents are from the United States. Within the United States, Portland's cruise ship passengers come from all regions of the country.

Cruise ship passenger survey results show that the average respondent spends a combined total of \$109.68 on cruise-line sponsored tours, and goods and services while in port. Excluding the money paid to cruise lines for organized tours, we find that the typical passenger spends \$80.51 in the Portland region. The results from an economic impact model show that cruise ship passengers generate an estimated impact, including multiplier effects, of between \$5.8 million and \$8.0 million in sales revenue, and support between 69 and 96 full- and part-time jobs.

References:

Business Research & Economic Advisors, "The Contribution of the North America Cruise Industry to the U.S. Economy in 2007." Report prepared for the Cruise Lines International Association, 2008.

Gabe, Todd, Colleen Lynch, James McConnon and Thomas Allen, "Economic Impact of Cruise Ship Passengers in Bar Harbor, Maine." Department of Resource Economics and Policy, University of Maine, Staff Paper 518, March 2003.

Longwoods International, "Travel and Tourism in Maine: The 2006 Visitor Study." Report prepared for the Maine Office of Tourism, June 2007.

Table 1  
Survey Distribution and Response Rates

Ship Name	Survey Date	Ship Capacity (Passengers)	Surveys Distributed	Surveys Returned	Response Rate
<i>Grandeur of the Seas</i>	9/20/2008	1,950	437	213	48.7%
<i>Jewel of the Seas</i>	9/21/2008	2,500	363	180	49.6%
<i>Constellation</i>	9/25/2008	1,950	400	200	50.0%
<i>Grandeur of the Seas</i>	10/4/2008	1,950	400	210	52.5%
<i>Jewel of the Seas</i>	10/5/2008	2,500	400	176	44.0%
<i>Constellation</i>	10/7/2008	1,950	265	155	58.5%
<i>Jewel of the Seas</i>	10/12/2008	2,500	219	105	47.9%
N/A*				48	N/A
Total			2,484	1,287	51.8%

\* 48 survey respondents did not indicate the name of the ship.

Table 2  
Cruise Ships Visiting Portland, Maine in 2008

Month	Number of Ships*	Passengers*	Crew**	Total Passengers and Crew***
July	6	5,413	999	6,412
August	6	6,571	2,184	8,755
September	10	21,025	9,018	30,043
October	9	14,122	8,451	22,573
November	1	710	373	1,083
Total	32	47,841	21,025	68,866

\* Cruise ship schedule and passenger capacity figures are from Port of Portland website.

\*\* Crew figures are from the CruiseMaine website. Information on the number of crew was not available for all ships.

Table 3  
Scheduled Arrival and Departure Times for Ships Included in the Study

Ship Name	Survey Date	Scheduled Arrival Time*	Scheduled Departure Time*	Total Time in Port
<i>Grandeur of the Seas</i>	9/20/2008	8:00am	7:00pm	11 hours
<i>Jewel of the Seas</i>	9/21/2008	7:00am	7:00pm	12 hours
<i>Constellation</i>	9/25/2008	6:30am	4:30pm	10 hours
<i>Grandeur of the Seas</i>	10/4/2008	8:00am	7:00pm	11 hours
<i>Jewel of the Seas</i>	10/5/2008	7:00am	7:00pm	12 hours
<i>Constellation</i>	10/7/2008	7:00am	7:00pm	12 hours
<i>Jewel of the Seas</i>	10/12/2008	7:00am	7:00pm	12 hours

\* Scheduled arrival and departure times are from Port of Portland website.

Table 4  
Gender Profile of Survey Respondents

Gender	Number of Respondents	Percentage of Respondents
Female	818	68.6%
Male	375	31.4%
Total	1,193	100.0%

Table 5  
Age Profile of Survey Respondents

Age	Number of Respondents	Percentage of Respondents
Less than 30	10	0.8%
30 to 39	21	1.8%
40 to 49	79	6.7%
50 to 59	274	23.1%
60 to 69	539	45.5%
70 to 79	222	18.7%
80 to 89	39	3.3%
90 or older	1	0.1%
Total	1,185	100.0%
Average Age	62 years old	

Table 6  
Education Profile of Survey Respondents

Highest Level of Formal Education	Number of Respondents	Percentage of Respondents
Less than High School Degree	4	0.3%
High School Degree (or Equivalent)	293	23.8%
2-Year College Degree	189	15.4%
4-Year College Degree	380	30.9%
MA/MS Degree	250	20.3%
Ph.D./Professional Degree	113	9.2%
Total	1,229	100.0%

Table 7  
Income Profile of Survey Respondents

Annual Household Income	Number of Respondents	Percentage of Respondents
Less than \$25,000	24	2.1%
\$25,000 to \$49,999	173	15.5%
\$50,000 to \$74,999	278	24.9%
\$75,000 to \$99,999	201	18.0%
\$100,000 to \$149,999	254	22.7%
\$150,000 or more	188	16.8%
Total	1,118	100.0%

Table 8  
Past Experience with Cruising

Cruise Experience	Number of Respondents	Percentage of Respondents
First Cruise	126	10.0%
1 to 4 Other Cruises	599	47.6%
5 to 9 Other Cruises	323	25.7%
10 to 20 Other Cruises	143	11.4%
Over 20 Other Cruises	67	5.3%
Total	1,258	100.0%

Table 9  
Past Visits to Portland

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Past Visits to Portland	Number of Respondents	Percentage of Respondents
First Visit	858	75.5%
1 to 4 Past Visits	255	22.4%
5 to 9 Past Visits	14	1.2%
10 to 20 Past Visits	6	0.5%
Over 20 Past Visits	4	0.4%
Total	1,137	100.0%

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Table 10  
Country of Origin

Country	Number of Respondents	Percentage of Respondents
United States	1,186	95.0%
United Kingdom	36	2.9%
Canada	16	1.3%
Germany	4	0.3%
Australia	2	0.2%
Mexico	2	0.2%
Argentina	1	0.1%
France	1	0.1%
Japan	1	0.1%
	1,249	100.0%

Table 11  
U.S. Place of Origin

State	Number of Respondents	Percentage of Respondents
Maryland	184	15.6%
California	112	9.5%
Virginia	90	7.6%
Pennsylvania	84	7.1%
Texas	80	6.8%
Florida	63	5.4%
New York	51	4.3%
Illinois	48	4.1%
Ohio	37	3.1%
Missouri	35	3.0%
Tennessee	35	3.0%
New Jersey	31	2.6%
Arizona	29	2.5%
Georgia	24	2.0%
Massachusetts	24	2.0%
Michigan	23	2.0%
North Carolina	20	1.7%
Louisiana	19	1.6%
Connecticut	17	1.4%
Kansas	17	1.4%
Colorado	15	1.3%
South Carolina	14	1.2%
Indiana	11	0.9%
Minnesota	10	0.8%
Nevada	10	0.8%
Arkansas	9	0.8%
Wisconsin	9	0.8%
Alabama	8	0.7%
Oklahoma	8	0.7%
Kentucky	7	0.6%
West Virginia	7	0.6%
Iowa	6	0.5%
Oregon	6	0.5%
Delaware	5	0.4%
New Hampshire	5	0.4%
New Mexico	5	0.4%

Table is continued on the following page.

Table 11  
U.S. Place of Origin, continued

State	Number of Respondents	Percentage of Respondents
Washington	5	0.4%
Utah	4	0.3%
Montana	3	0.3%
Puerto Rico	2	0.2%
Alaska	1	0.1%
Hawaii	1	0.1%
Idaho	1	0.1%
Mississippi	1	0.1%
Rhode Island	1	0.1%
Total	1,177	100.0%

Table 12  
Average Expenditures of Survey Respondents, by Spending Category,  
Excluding Cruise-Line Sponsored Tours

Expenditure Category	Average Expenditure	Percentage of Respondents that Reported Expenditures
Food and beverages	\$28.10	77.8%
Drug and beauty items	\$2.00	14.2%
Apparel items	\$21.18	33.1%
Household items	\$4.97	12.9%
Fine art and jewelry	\$6.15	9.4%
Transportation	\$4.72	16.4%
Tours (not sponsored by cruise line)	\$6.02	18.6%
Rentals	\$0.95	1.0%
Other	\$6.42	27.4%
<b>Total</b>	<b>\$80.51</b>	<b>93.7%</b>

Table 13  
Average Expenditures of Survey Respondents,  
Excluding Cruise-Line Sponsored Tours

Ship Name	Survey Date	Number of Survey Respondents*	Average Expenditures
<i>Grandeur of the Seas</i>	9/20/2008	201	\$74.09
<i>Jewel of the Seas</i>	9/21/2008	173	\$97.25
<i>Constellation</i>	9/25/2008	190	\$62.77
<i>Grandeur of the Seas</i>	10/4/2008	204	\$82.68
<i>Jewel of the Seas</i>	10/5/2008	168	\$91.51
<i>Constellation</i>	10/7/2008	153	\$81.21
<i>Jewel of the Seas</i>	10/12/2008	100	\$80.52
N/A		40	\$64.53
Total		1,229	\$80.51

\* The number of survey respondents differs from Table 1 because some survey respondents did not provide information about expenditures in port.

Table 14  
Participation Rates and Average Costs of Cruise-Line Sponsored Tours

	Yes	No
Cruise-Line Sponsored Tour	715 56.9%	542 43.1%
Average Cost of Tour (Paid to Cruise Line)	Tour-Goers \$51.28	All Passengers \$29.17

Table 15  
 Portland Cruise Ship Passenger Spending in Freeport, Maine

	Yes	No
Visited Freeport on Tour	57 4.6%	1,172 95.4%
Spending in Freeport	Freeport Visitors \$146.60	All Passengers \$6.80

Table 16  
Portland Cruise Ship Passenger Spending Profile

Expenditure Category	Average Expenditure
Food and beverages	\$28.10
Drug and beauty items	\$2.00
Apparel items	\$21.18
Household items	\$4.97
Fine art and jewelry	\$6.15
Transportation	\$4.72
Tours (not sponsored by cruise line)	\$6.02
Rental equipment	\$0.95
Other	\$6.42
Subtotal	\$80.51
Tours (cruise-line sponsored)	\$29.17
Total Spending	\$109.68
Spending in Freeport	\$6.80
Total Spending (less money spent in Freeport)	\$102.88
Total Spending (less money spent in Freeport and spending on cruise-line sponsored tours)	\$73.71

Table 17  
Economic Impact of Cruise Ship Passengers on the Portland Regional Economy

<u>Including Cruise-Line Sponsored Tours</u>			
	Direct Impact	Multiplier Effects	Total Impact
Sales	5,247,201	2,719,231	7,966,432
Income	2,348,079	890,973	3,239,052
Employment	71	25	96
<u>Excluding Cruise-Line Sponsored Tours</u>			
	Direct Impact	Multiplier Effects	Total Impact
Sales	3,851,679	1,921,787	5,773,465
Income	1,366,912	620,259	1,987,171
Employment	51	18	69