

**Tourism's Contribution to the Economy over Time:
The Impact of Hawaii's tourism across the Tourism Area Life Cycle**

Abstract

Many economies over the last fifty years have been in transition, moving from an agricultural base to service dominant economies. Tourism is often been a large part of this transition. Yet, it is often unclear whether how the output and income impacts of tourism changes as the value and volume of tourism evolves. Linkage analysis shows how one sector in the economy is linked to other sectors in the economy. In this research, the relative inter-industry linkages and economic impacts of tourism-oriented sectors are examined and tracked as the visitor economy moves through the different stages of the tourism area life cycle (TALC). The tourism-oriented sectors, such as accommodation and the eating & drinking sectors, have predominantly strong backward linkages. The strength of these linkages increase as the volume and value of tourism increase. The transportation sector shows strong forward linkages in the early stages of tourism growth. This sector's forward and backward linkages closely correlate with overall tourism growth while the decline of the value and volume of the agricultural sector is highlighted by its decreasing impact throughout the economy.