



## **Importance of Local Tourism Marketing Key Messages & Talking Points January 2017**

### **KEY MESSAGES**

- Florida's tourism industry is a critical economic driver and job creator for the state.
- The billions of dollars in state revenue generated by tourism is reinvested into programs that benefit all Floridians.
- Tourism marketing efforts in Florida have a direct impact on the industry's ability to sustain and grow tourism numbers.
- Reductions in tourism marketing funding will have a negative and immediate impact on local communities in Florida. States and cities that have slashed tourism marketing have experienced immediate economic harm.

### **GENERAL TALKING POINTS**

#### ***Generating Revenue and Creating Jobs***

- In the last fiscal year, Florida's tourism industry produced \$183.5 billion in total economic impact to the state.<sup>1</sup>
- Tourism-related spending generated \$11.3 billion in tax revenue for state and local governments.<sup>2</sup>
- Every 85 visitors to the State of Florida equates to one tourism job.<sup>3</sup>
- Today, there are 1.4 million Floridians employed thanks to the tourism industry.<sup>4</sup>
- And, these are not just low-wage jobs.
- Many of these are high-wage, high-skill jobs that span a variety of industry sectors, including real estate, retail, business services and finance.
- In fact, two out of every five workers who start their careers in the travel industry go on to make more than \$100,000 a year.<sup>5</sup>
- They're also not just big corporations, but small businesses – mom and pop shops and family-owned businesses that have been part of the fabric of our communities.
- These are Floridians, Florida families and Florida-based businesses that are pumping their wages and their company profits back into our state and local economies.

<sup>1 2 3 4</sup> Source: VISIT FLORIDA

<sup>5</sup> Source: US Travel Association

### ***Tourism Marketing Works***

- Over the past five years, we have seen incredible growth in Florida's tourism industry.
- Since 2010, visitor spending has increased by \$30 billion and a record-breaking number of tourists have visited the state bringing more government revenue, more jobs and more opportunities for small businesses and local communities.<sup>6</sup>
- This kind of growth doesn't happen overnight and it doesn't happen by accident.
- It is the direct result of investment in tourism marketing efforts.
- The travel industry has become increasingly competitive and consumers have a tremendous number of travel choices.
- Other destinations, such as California and Texas, are aggressively marketing themselves catching the attention of travelers from all over the country and world.
- Only through local and state tourism promotion programs has Florida been able to maintain its status as a top destination.
- And, that has had a positive impact on all of the state's tourism destinations and attractions – not just the well-known tourist meccas that defined the state's tourism image decades ago.
- Hidden gems, places off the beaten path, historical sites and pieces of Old Florida – many of which are located in Florida's smaller counties and more rural areas – have all benefitted from tourism promotion efforts.
- Tourism marketing has also helped keep Florida tourism vibrant during times when disaster has struck our state, such as the Deepwater Horizon oil spill and hurricanes.

### ***Negative Impacts of Reductions***

- Recent calls for reduced or no spending on tourism marketing programs will lead to a decline of tourism and tourism spending in Florida.
- A reduction of 5 percent fewer tourists would have a significant impact on Florida's workforce and the revenue state and local governments have come to count on.
- If just 5 percent fewer tourists visit Florida next year, the state will lose \$5 billion in visitor spending and more than \$324 million in sales tax revenue that goes to local and state governments.<sup>7</sup>
- A reduction of 5 percent fewer tourists will also bring job loss. More than 70,000 Floridians will lose their jobs costing them \$2.5 billion in lost wages.<sup>8</sup>
- With a 5 percent tourism downturn, every household in Florida would have to be taxed an additional \$1,535 a year to replace the lost state and local taxes generated from visitor activity.<sup>9</sup>

- As a state with no personal income tax that is heavily reliant on sales tax revenue, any loss in visitor spending is particularly significant.
- The State of Florida is already facing a budget shortfall this year and we could be setting ourselves up for an even larger budget shortfall next fiscal year.
- The impact on local communities will be severe and it will be immediate.
- Even a slight reduction in the number of visitors to an area could mean the difference between profit and loss for a small tourism-related business.

### ***History as a Guide***

- When Colorado eliminated its tourism marketing budget in the early 1990s, its domestic market share plunged 30 percent, and they lost \$1.4 billion annually – a number which eventually rose to \$2 billion annually. Once Colorado reinstated its tourism marketing, it took more than 20 years to regain its market share.<sup>10</sup>
- Pennsylvania cut its tourism marketing budget from \$30 million to \$7 million in 2009. Every dollar cut from their tourism marketing budget cost them \$3.60 in tax revenue. From 2009 to 2014, Pennsylvania lost more than \$600 million in tax revenue.<sup>11</sup>
- Washington zeroed out its tourism marketing budget in 2011 and competing Montana has grown its tourism numbers by 70 percent more than Washington.<sup>12</sup>
- In the early 1980s, the City of Sausalito, California, eliminated tourism promotion because locals complained about too many visitors enjoying Sausalito’s high-end art galleries and fine dining. The result was the same number of visitors as before, but the wrong visitor who did not frequent the high-end shops and fueled a growth in low budget souvenir and t-shirt shops.<sup>13</sup>
- Due to a legislative budget impasse in Illinois in 2015-2016, the state’s tourism promotion “virtually stopped.” The negative impact has been immediate. By January 2016, the state hotel tax receipts were down \$2 million or 15 percent over 2015. Smith Travel Research estimated a 6.3 percent decline in hotel revenue in Chicago. Consumer inquiries about Illinois for January-March 2016 were down 84 percent compared to same period in 2015.<sup>14</sup>

### ***Impacts on Rural Florida***

- Any reduction in tourism and tourist spending will have a large impact on Florida’s rural counties.
- Many of these counties have had to turn to tourism to help replace jobs and revenue when an industry leaves the area or has been negatively affected – such as the loss of the paper mill in Gulf County or the rapid disappearance of oysters in Northwest Florida’s waters.
- When rural counties have to retrain their workforces, most people are retrained in some sort of tourism-related job.
- Hardworking Floridians who have started second careers in tourism-related fields are now relying on the industry for their livelihoods.

<sup>10</sup> Source: Dr. Bill Siegel, Longwoods International

<sup>11</sup> <sup>12</sup> Source: US Travel Association

<sup>13</sup> Source: John Poiriroo, the former California Director of Tourism

<sup>14</sup> Source: Rockford Register Star article, <http://www.rstar.com/news/20160427/visits-to-illinois-down-as-tourism-marketing-evaporates>

### ***Impacts to Florida's Sports Industry***

- The sports industry is the second largest industry in the state – second only to tourism.
- During the 2015-2016 fiscal year, the sports industry was responsible for bringing 16 million visitors to Florida, creating \$57.4 billion in economic impact that year and supporting 580,000 jobs.<sup>15</sup>
- Like tourism, the sports industry is incredibly competitive. Without aggressive tourism marketing and sports tourism marketing, Florida would lose hundreds of millions of dollars in new revenue.
- The sports industry has historically weathered recessions and financial downturns well making sports tourism marketing a wise investment at the state and local level.

### ***Impacts to Florida's Culture and Arts Industry***

- Florida's not-for-profit arts and cultural organizations and artists have a documented \$3.1 billion impact on the state's economy every year.<sup>16</sup>
- More than \$446.5 million annually is also returned to local and state government treasuries — a \$5 return to government treasuries for every \$1 invested.<sup>17</sup>
- The culture and arts industry supports more than 88,326 full-time jobs in Florida.<sup>18</sup>
- This industry is also a tourism driver with Florida cultural visitors spending an average of 137 percent more than resident attendees.<sup>19</sup>
- Many of the state's culture and arts entities are supported through grants that come from local Tourist Development Taxes. Without powerful tourism marketing, there will be less funding available for these entities and fewer cultural visitors bringing critical revenue and jobs to the state.

<sup>15</sup> Source: Florida Sports Foundation

<sup>16 17 18 19</sup> Source: Florida Cultural Alliance