

# THE ALASKA TOURISM STORY



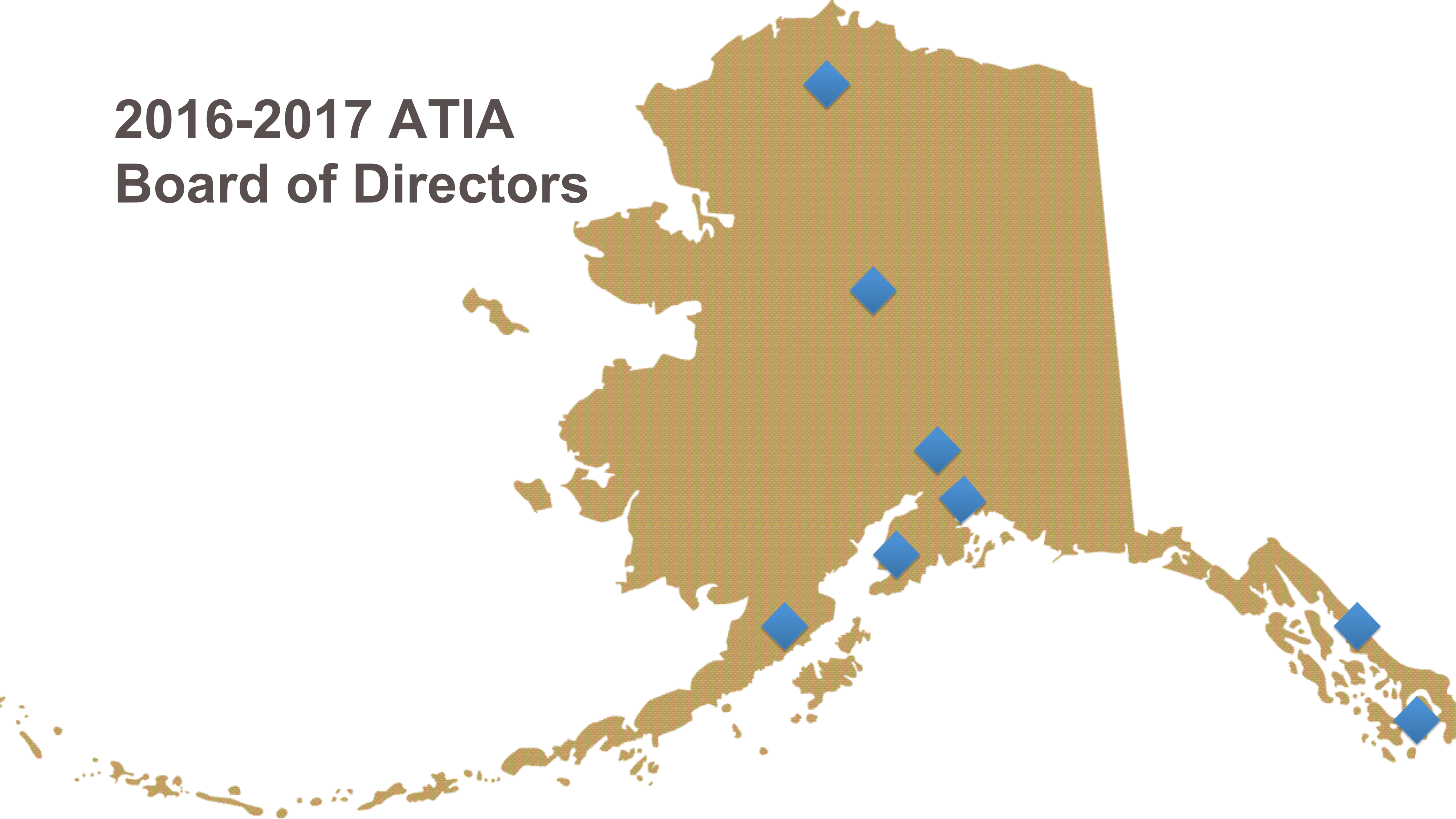




## Alaska's leading statewide membership trade association

- Promote Alaska as a top visitor destination
- Communicate value of tourism as an economic force
- Voice of the industry for growth, while balancing care for the environment and recognition of Alaska's unique cultures and quality of life
- Lead private sector efforts to assure a robust and broad-based statewide tourism marketing plan

# 2016-2017 ATIA Board of Directors





## **2016-2017 ATIA Board of Directors**

**Dennis McDonnell  
Colleen Stephens  
Julie Saupe  
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- ▶ Government Relations
- ▶ Tourism Policy & Planning



- ▶ Education and Training
- ▶ Workforce Development





A rising tide floats all boats...  
from cruise ships to kayaks!

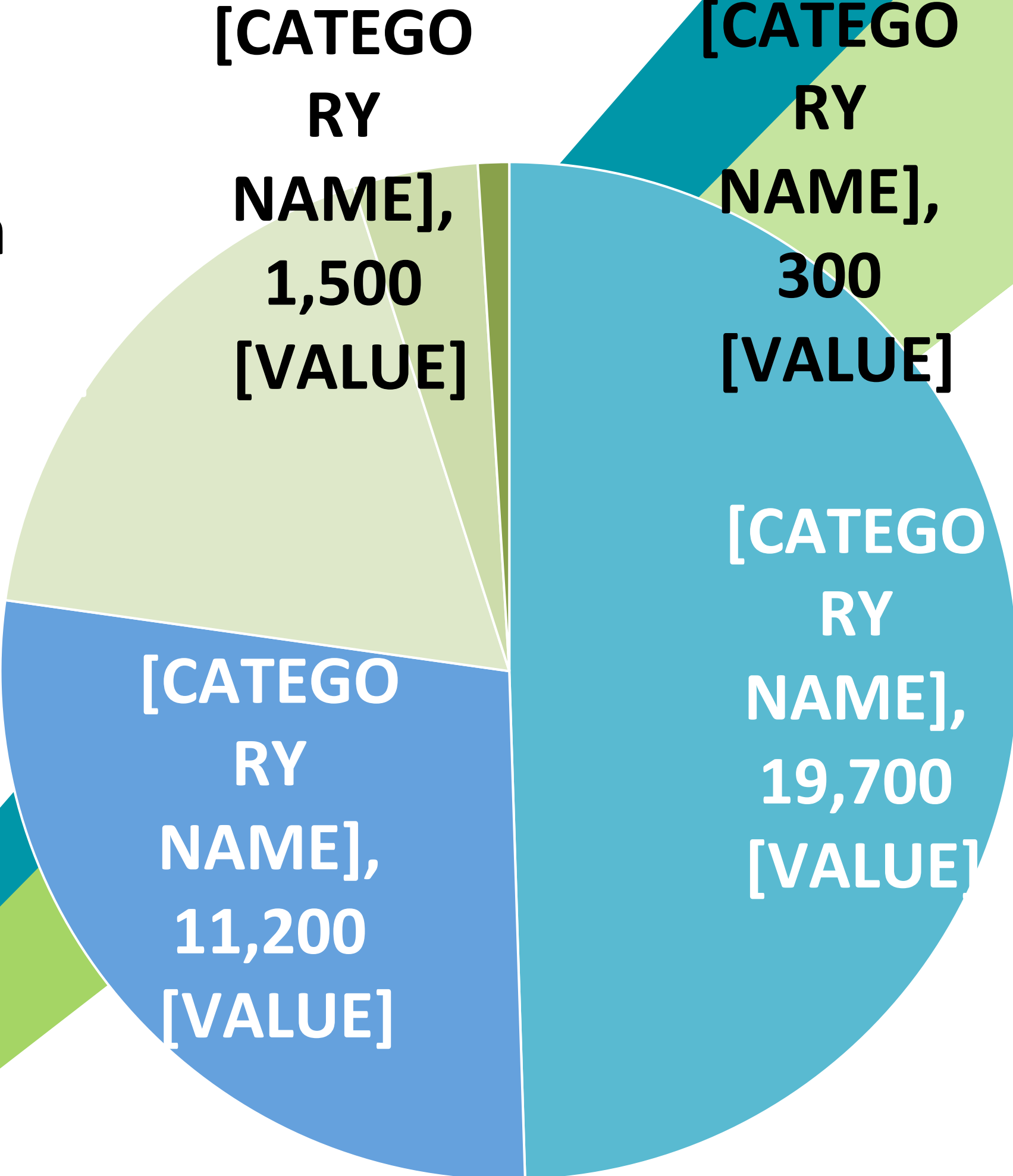


# National economic impact

- Travel generated **\$2.1 trillion** for the U.S. economy
- Travel supports more than **15 million jobs** in the U.S.
- One in every 9 American jobs depends on travel
- Direct travel spending in the U.S. totaled **\$928 billion** by domestic and international travelers

# Visitor Industry Impacts in Alaska 2014-15

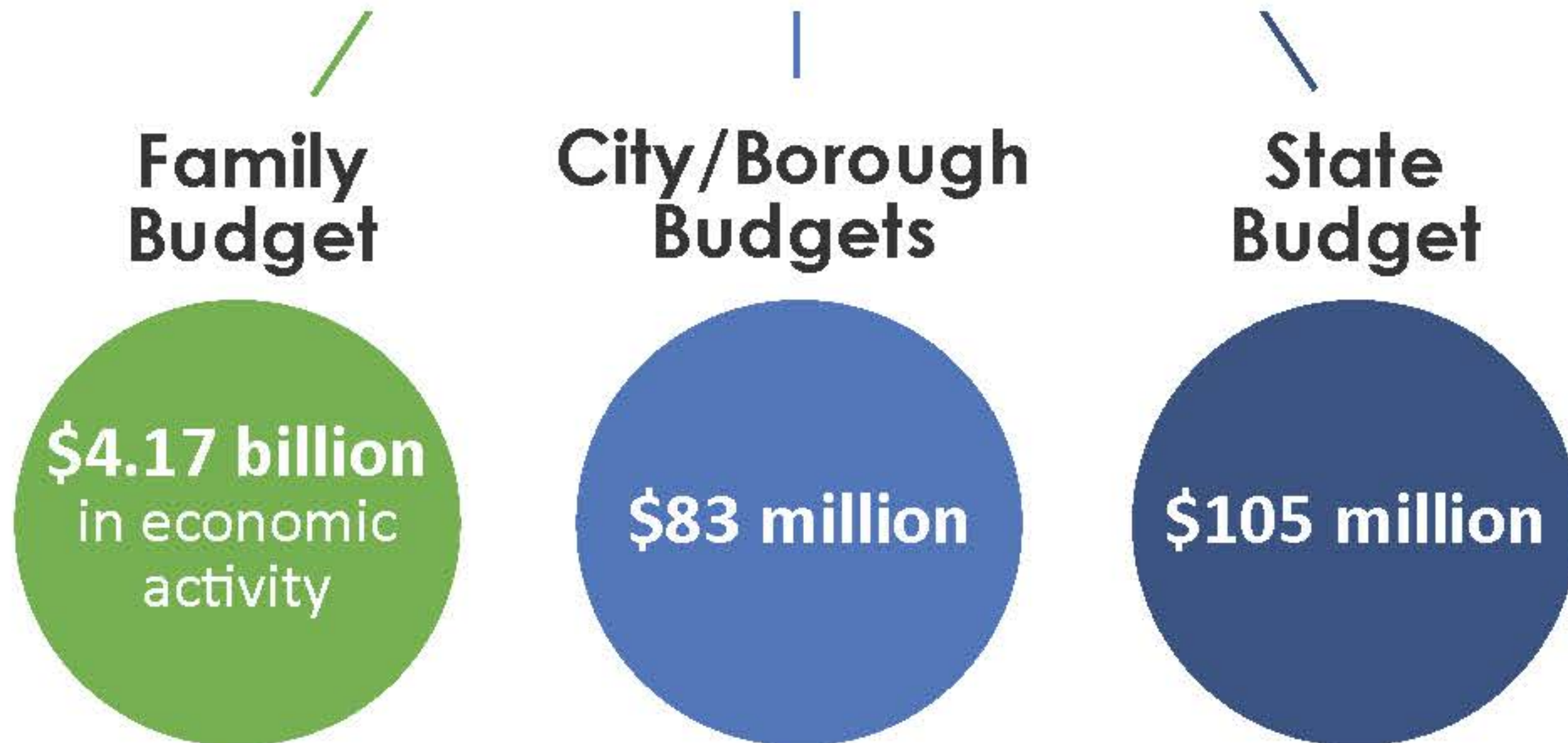
- Total number of jobs resulting from Alaska’s visitor industry in 2014-15: 39,700
- Peak employment: 47,000
- \$1.39 billion in labor income
- \$4.17 billion in total spending
  - Both up 6% from 2013-14



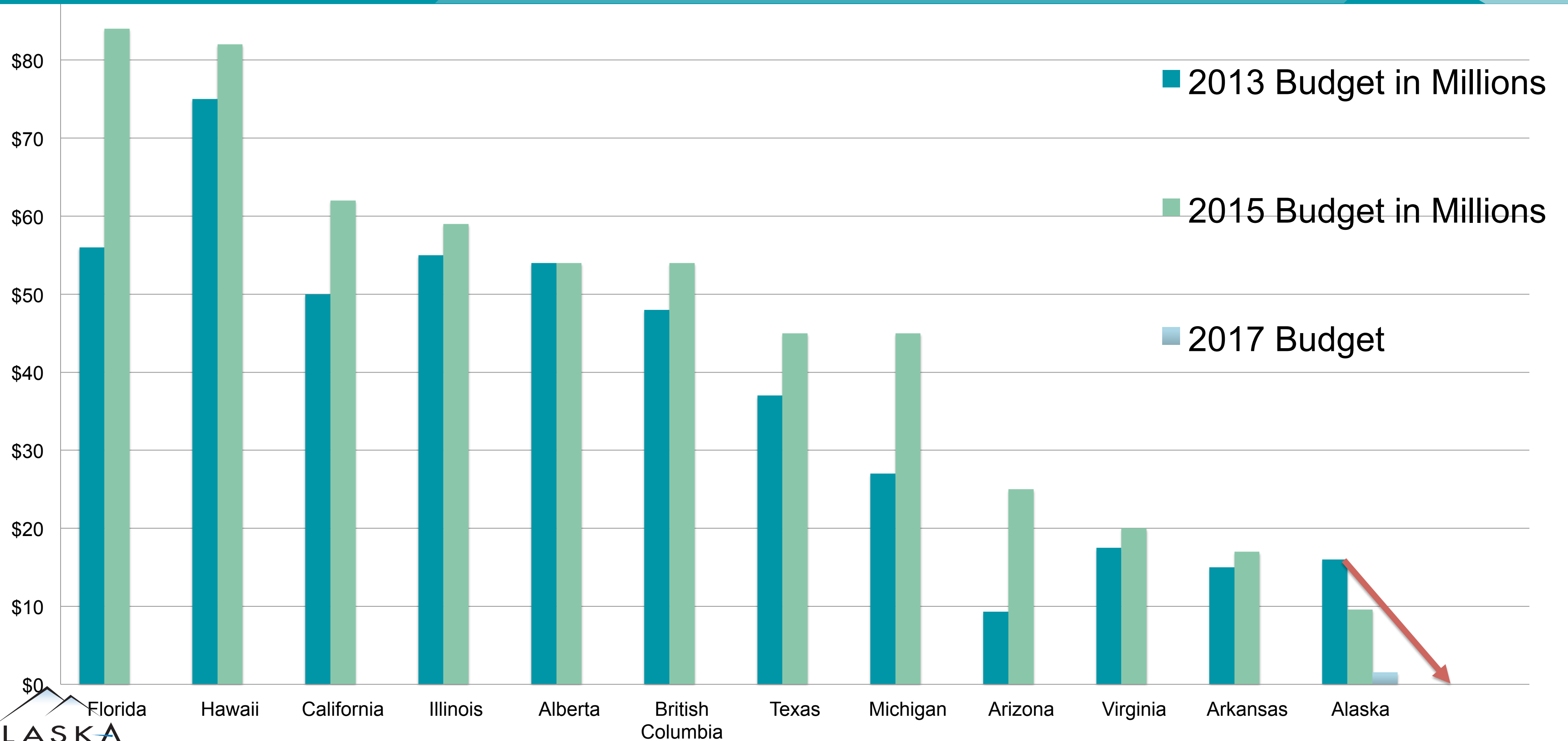
Source:  
The McDowell Group

# Alaska's Tourism Industry = Renewable Natural Resource

Now is not the time to cut back on an industry that contributes to Alaska's economy. The travel industry is already a major contributor to all three of Alaska's budgets:



# Budget comparisons



# Alaska Tourism Marketing Board

Colleen Stephens, *Chair* (Southcentral)  
James Minton, *Vice Chair* (Southcentral)  
Chuck Baird (Ketchikan)  
Ryan Binkley  
Britteny Cioni-Haywood  
Shanon Davis  
Kori Goertz (Southcentral)  
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Kathy Hedges (Interior)  
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Patti Mackey (Southeast)  
Thom McAleer (Southcentral)  
Dennis McDonnell (Southcentral)  
Bonnie Quill (Southcentral)  
Ruth Rosewarne Kimerer (Southcentral)  
Linda Springmann (Statewide)  
Mark Weakland (Southcentral)

*Senator Mia Costello*  
*Senator-Elect Shelley Hughes*  
*Britteny Cioni-Haywood, DCCED*



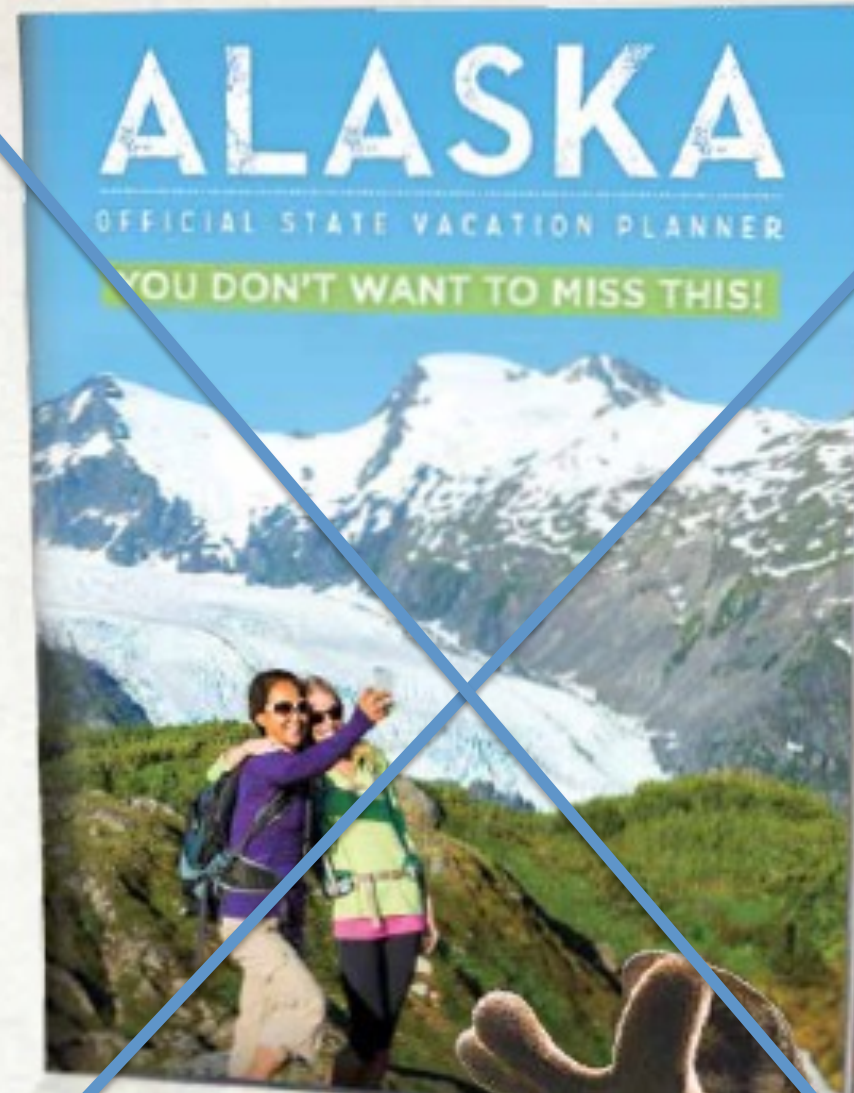
# International Marketing

No longer have:  
Representation offices  
Trade training  
Public relations  
Trade shows  
Sales missions  
Airline development  
Foreign language planners



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# ALASKA

OFFICIAL STATE VACATION PLANNER

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# 48 states have larger budgets than us!





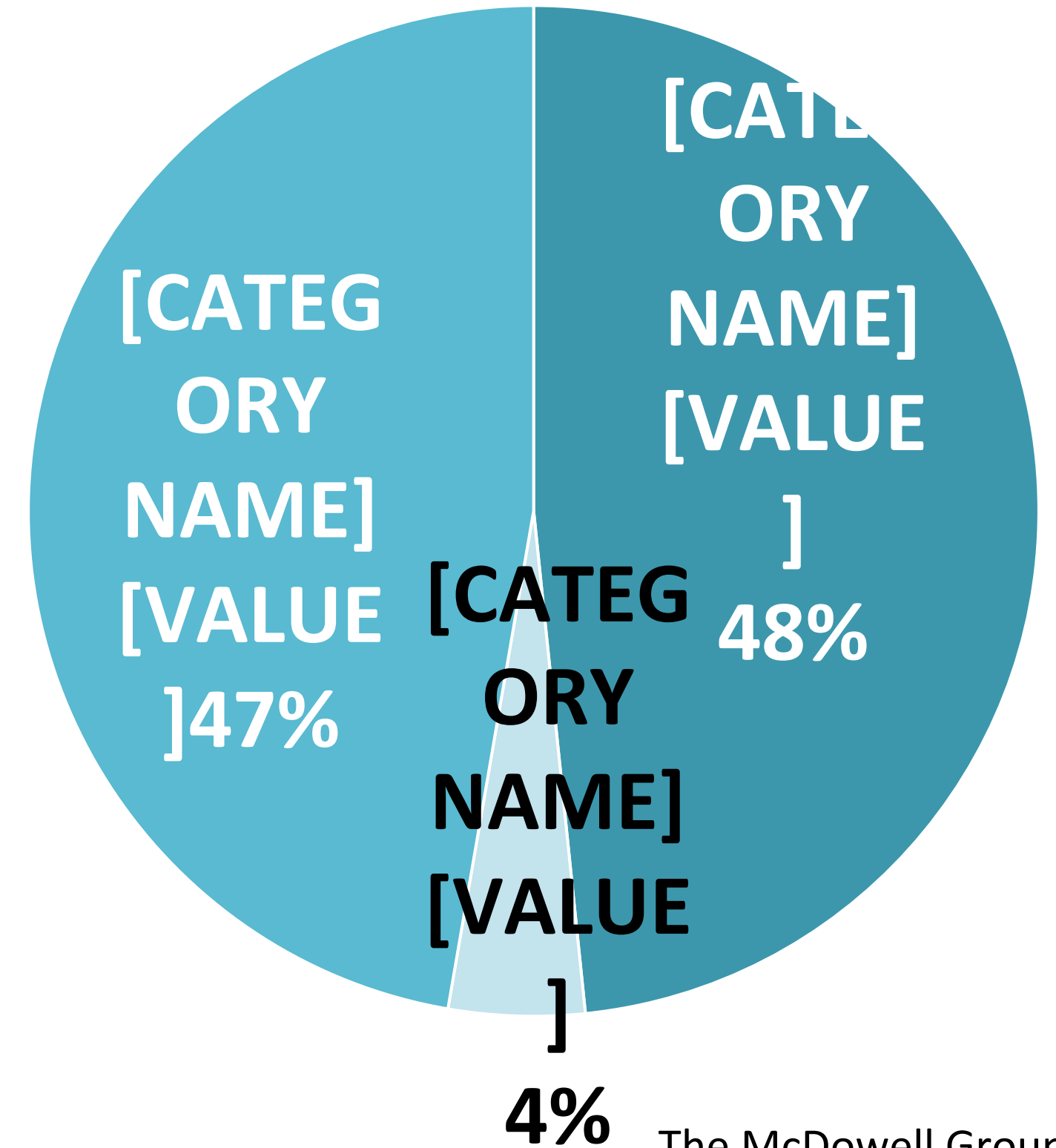
**Brand Awareness**

**Lead Generation**

# Alaska Visitors Statistics Program VII

# Visitor Volume

- Total visitor volume 2014-15 (October-September): 2,066,800
- 86% of visitors attributable to summer (May-September)
- Summer '15 up 7% from summer '14
  - Cruise up 3%
  - Air up 13%
  - Highway/ferry 14%



Source:  
The McDowell Group, 2015)



Cruise up 3%



Highway up 14%



Air up 3%

# Traffic Statistics May-August 2016



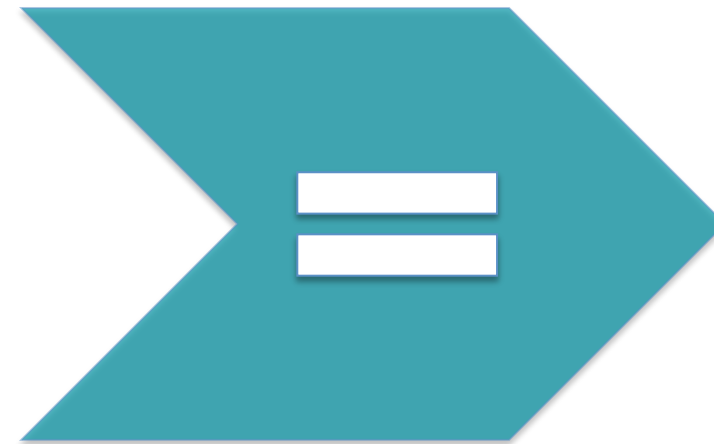
Ferry down 9%



International Air  
up 4%

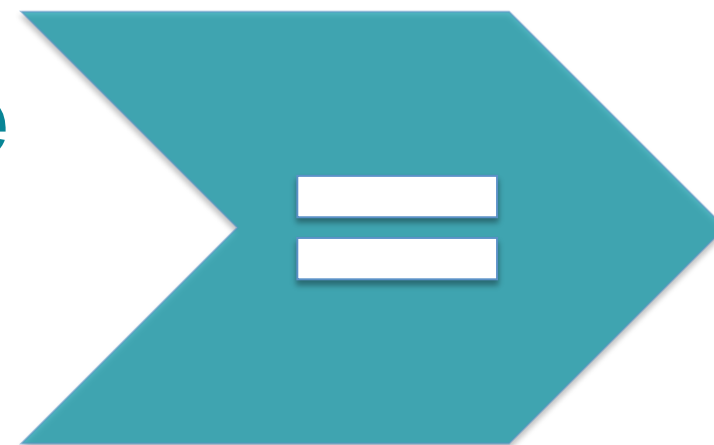
# WHAT IF?

**In 1993, Colorado repealed tourism funding**



Within 2 years, lost 30% of its U.S. visitor marketing share

**During a *recession*, Michigan doubled state tourism marketing funding**

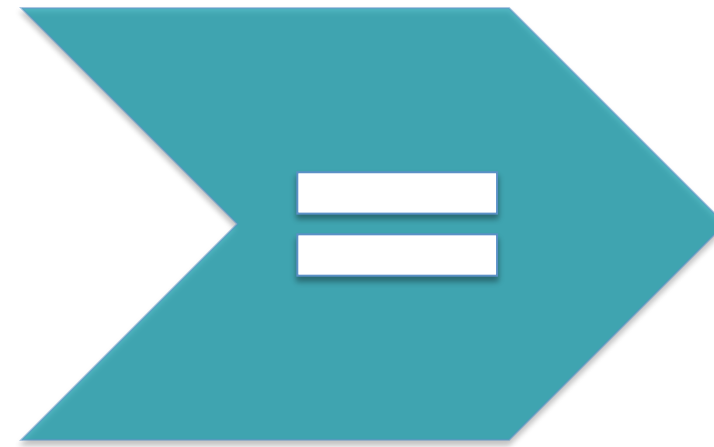


From 2006-2014, “Pure Michigan” generated \$6.6 billion in visitor spending



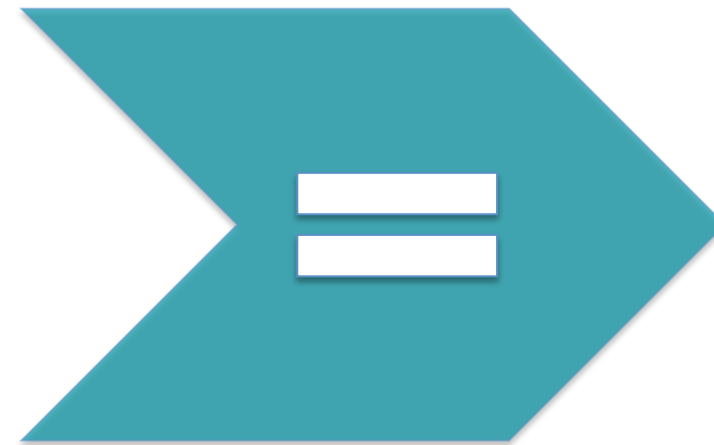
# WHAT IF?

**In 2010, Connecticut eliminated entire tourism marketing budget**



Travel-related **tax revenue growth slowed** to half the pace during slow economic times of 2009-2010

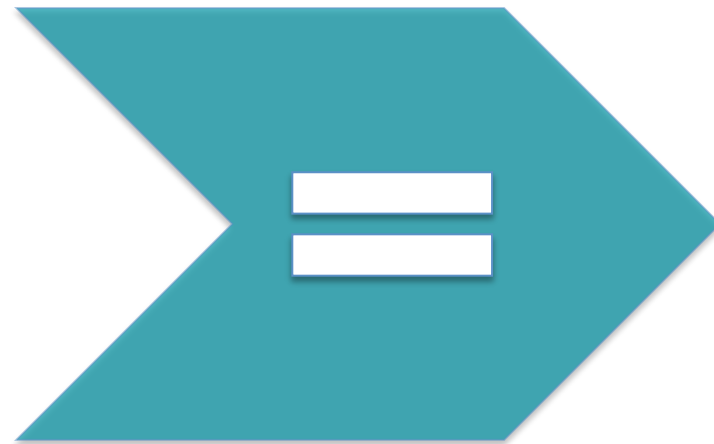
**In 2011, Washington shut down tourism office**



**Saw competing states increase tourism promotion budget and capture increased visitor spending**

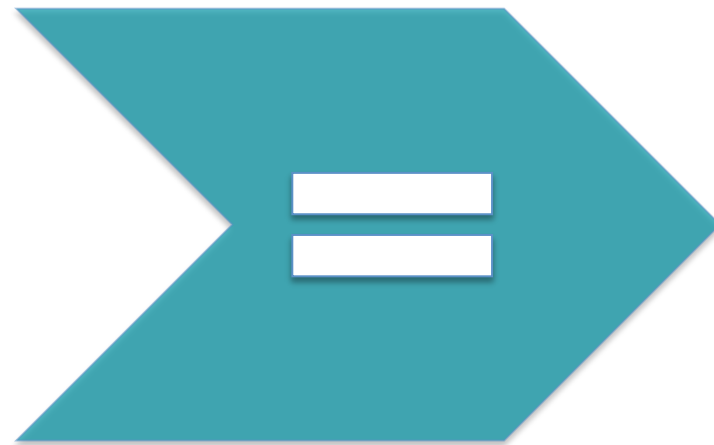
# WHAT IF?

**Pennsylvania's tourism funding declined 77% from 2008-2015**



Projected loss of \$600 million in state and local tax revenue that travelers would have generated

**In 2013, San Diego held off on tourism promotion funding**



\$560 million in lost visitor spending and \$24 million in reduced tax revenues

# Tourism Improvement District Concept

# Global travel trends

- 1 in 11 people in tourism in the world's working population in 2015
- Supporting more than 284 million jobs
- Contributing **\$7.2 trillion** to the global GDP



# What happens next?

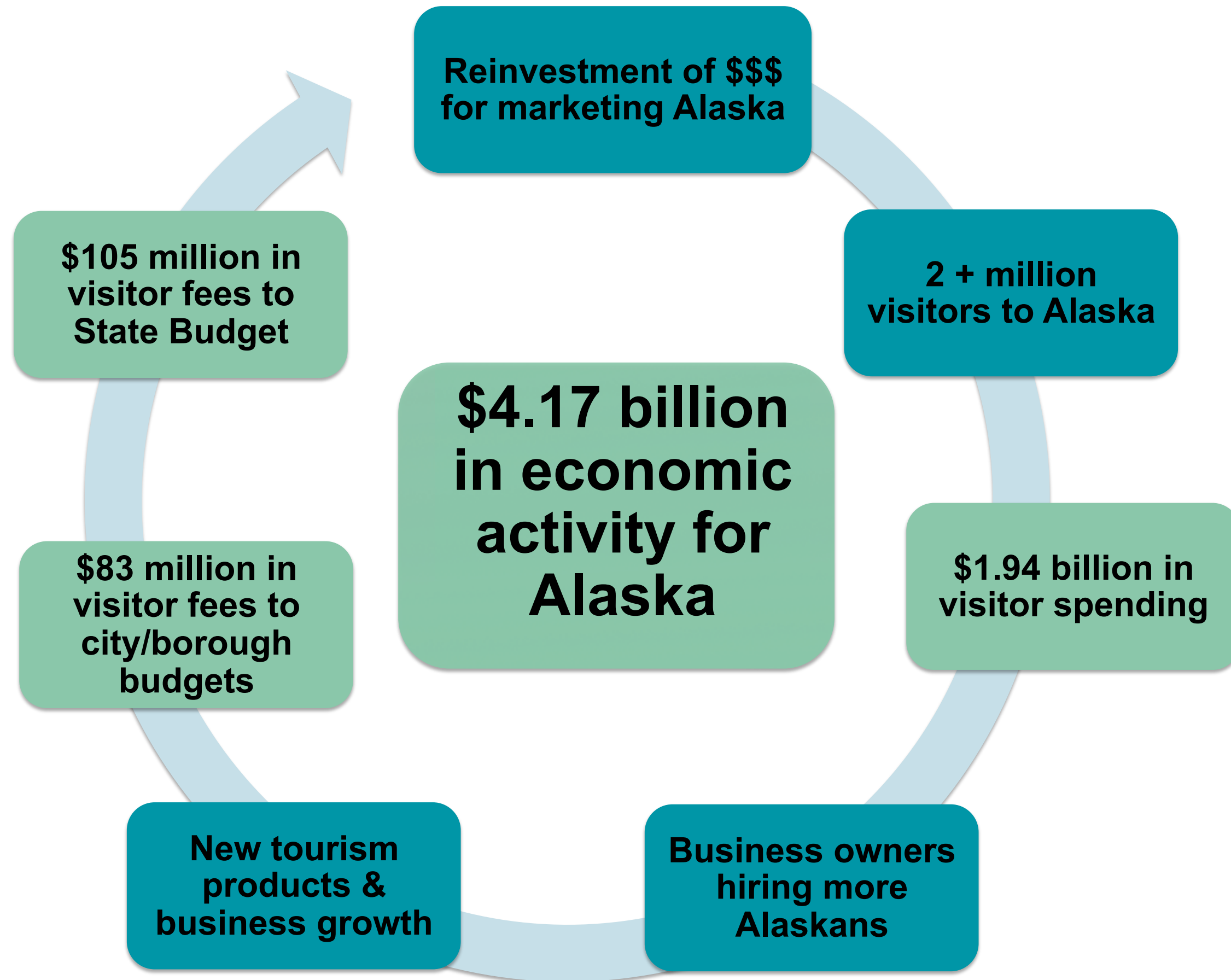
- ▶ Travel expenditures growth increases through 2020
- ▶ Growth in international and U.S. resident travel
- ▶ Modest increase in international and U.S. resident and visitor expenditures

# Alaska's visitor industry outlook

- ➔ Less impact in the marketplace: ? ? ?
- ➔ Growth in cruise ship visits



# ECONOMIC IMPACTS



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