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
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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

Source: U.S. Travel Association’s National Travel & Tourism Week Talking Points, 2015)
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
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:

- **Family Budget**: $4.17 billion in economic activity
- **City/Borough Budgets**: $83 million
- **State Budget**: $105 million
Budget comparisons

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<th>State</th>
<th>2013 Budget in Millions</th>
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Colleen Stephens, Chair (Southcentral)
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48 states have larger budgets than us!
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)
Traffic Statistics
May-August 2016

- Cruise up 3%
- Highway up 14%
- Air up 3%
Ferry down 9%

International Air up 4%

Traffic Statistics
May-August 2016
In 1993, Colorado repealed tourism funding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
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
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

Sources:
World Travel & Tourism Council’s (WTTC) 2016 global economic impact report
U.S. Travel Association’s National Travel & Tourism Week Talking Points, 2015)
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
$4.17 billion in economic activity for Alaska

- 2 + million visitors to Alaska
- $1.94 billion in visitor spending
- $1.94 million in visitor fees to city/borough budgets
- $83 million in visitor fees to state budget
- New tourism products & business growth
- Business owners hiring more Alaskans
- Reinvestment of $$ for marketing Alaska
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