

State of the Utah Tourism Industry

State of Utah FY 08 ***Investment*** In Tourism Marketing: \$11 Million

State of Utah's ***Return*** On Investment:

- \$6.042 Billion in visitor spending
- \$617 Million in state and local taxes
- \$836 Million in taxable room rents
- 113,173 jobs
- 20.2 million visitors
- Tourism is an important economic engine in all of Utah's 29 counties

UTAH

TOURISM INDUSTRY
COALITION

advocate • educate • unite

The state of Utah has a direct stake in the health of this industry because of the significant benefits that accrue to businesses, residents as well as state and local governments. In 2005 the "Funding for Tourism" legislation provided a much needed boost to advertise and market Utah tourism. Funding provided by the performance-based formula has enabled us to compete much more effectively for tourists. The impact of the first "Life Elevated" campaign is now being experienced with more business in Utah accommodations, restaurants, attractions, resorts and events.

Profile of the Utah Tourism Industry	2003	2004r	2005r	2006r	2007e
Total Spending by Travelers and Tourists (millions)		\$5,648	\$5,779	\$5,908	\$6,042
Total Number of Foreign and Domestic Visits (millions)	16.9	17.5	19.1	19.3	20.2
Number of U.S. Visits	16.3	16.9	18.4	18.6	19.5
Number of Foreign Visits	0.59	0.62	0.66	0.69	0.73
Total Travel and Recreation-Related Employment		111,379	112,051	112,572	113,173
Direct Travel and Recreation-Related Employment		60,637	61,036	61,347	61,705
Indirect Travel and Recreation-Related Employment		50,742	51,015	51,225	51,468
Percent of All Utah Nonagricultural Jobs		10.1%	9.8%	9.4%	9.0%
Total Direct State & Local Taxes Generated by Travel Spending (millions)		\$547	\$570	\$593	\$617
State Government Portion		\$339	\$353	\$368	\$383
Local Government Portion		\$208	\$217	\$225	\$234
Total Airline Passengers at Salt Lake International Airport (millions)	18.5	18.4	22.2	21.6	22.2
Total Traffic Count at Interstate Borders (millions)	22.0	22.2	22.7	23.1	23.9
Total National Park Recreation Visits (millions)	5.0	5.3	5.3	5.2	5.5
Total Skier Visits (millions)	3.1	3.4	3.9	4.1	4.1
Total State Park Visits (millions)	4.6	4.4	4.4	4.5	4.7
Taxable Room Rents (millions)	\$599	\$661	\$754	\$740	\$836
Hotel/Motel Occupancy Rates	58.8%	60.8%	65.0%	68.3%	69.1%
r = revised e = estimate					

Sources: Estimates are based on information gathered from a variety of sources including National Park Service; Utah State Tax Commission; Utah Department of Transportation; Department of Workforce Services; Department of Natural Resources; Salt Lake International Airport; U.S. Department of Commerce; Ski Utah; Rocky Mountain Lodging Report; Department of Community & Economic Development; Governor's Office of Planning and Budget; and Governor's Office of Economic Development - Office of Tourism

Utah's tourism industry is united in its support for the continued investment of state dollars to advertise and market Utah as a tourism destination via the performance-based approach. As required by the legislation, and measured by the Utah State Tax Commission, sales tax receipts and gross revenue from select NAICS codes indicate that we have been successful in increasing the economic impact of tourism in Utah and have met our goals.

Testimonials

"...we are very grateful for the efforts being made with the new Utah Life Elevated campaign. We have seen direct business from these efforts with both groups and individuals.....our Salt Lake Connect pass participation at the Lion House Pantry Restaurant has doubled in 2007 vs 2006, due I am sure to a greater awareness of what is available here in Utah."

Neil Wilkinson
Temple Square Hospitality

"As a direct result of increased marketing on the state level and the UOT's ability to offer cooperative campaigns, our requests for information have risen YTD 110% over 2006! The effect of this astounding increase has already shown immediate and great results in visitors."

Charlie DeLorme
San Juan County Economic Development

"State marketing has given destinations like Park City a leg up on our chief competitors from other states. Our message as a world-class community is so much stronger now that the state is a participant in the advertising world."

Bill Malone
Park City Chamber/Bureau

"Where once an occasional bus would stop for lunch, we are now seeing 2-3 buses a week.....our lodging facilities are reporting that tour operators are finally finding them and scheduling overnight layovers locally."

Ralph Okerlund
Sevier County Commissioner

"Despite a very low snowfall year, Utah's resorts enjoyed excellent, record-breaking visitation from our out-of-state guests. The state's campaign is having a very positive impact!"

Bob Bonar
Snowbird Ski & Summer Resort

"UOT's new funds have expanded our customer base with first-time visitors and have increased occupancy in our winter (shoulder) season."

Dean Cook
Best Western Zion Park Inn

Additional Highlights:

- Tourism generated \$708 of Tax Relief per Utah household in 2007, up from \$550 in 2006 and \$494 in 2005
- 2007 Travel-related employment is 113,173
- Tourism accounts for approximately 9% of non-farm jobs in Utah
- Tourism generates an estimated \$6.042 billion in traveler spending

Performance Indicators:

- Calendar year 2006 County TRT = \$24,391,446, an increase of 16.9%
- Calendar year 2006 Municipality TRT = \$1,391,199, an increase of 20.4%
- Calendar year 2006 Resort Communities Tax = \$10,803,378, an increase of 10.0%
- FY 2005-06 TRCC = \$45,401,207, an increase of 25.2%
- 2006-2007 Skier Visits = 4,082,094; an increase of 0.5%, representing the 4th consecutive record year
- In 2007, increases ranging from 21.9% to 472% have been experienced in travel guide requests, 800-number telephone calls for Utah information, Utah.com and Utah.travel website visits

Outlook - FY 2008-2009:

We have made great strides with an increased advertising & marketing presence for Utah tourism and the return-on-investment is impressive. However, the competition for visitors among the western states is fierce, as evidenced by ever-increasing state tourism budgets. In order to be competitive, Utah needs to continue this investment in tourism advertising and marketing. Included in the performance-based initiative are funds dedicated to the Cooperative Marketing Program (20%) and the Utah Sports Commission (10%), enabling new partnerships to be developed. These new partnerships and special opportunities have been forged and converted into measurable results, with more tourists visiting Utah and spending money.

The Request:

\$15 million via the performance-based funding formula for FY 2008-2009. This funding is vital to continue increasing tourism economic development in Utah.

Information sources: Utah Office of Tourism, Utah State Tax Commission, Strategic Marketing & Research, Inc., Dean Runyan Associates