TOURISM KEY TO U.S. METRO ECONOMIES

Mayors, Industry Leaders Propose Plan to Help Boost Travel

Atlanta – Travel and tourism is a key contributor to the economies of the nation’s 100 largest metropolitan areas, according to new data released today by the U.S. Conference of Mayors, the Travel Business Roundtable, and the International Association of Convention and Visitor Bureaus. The research finds international travel to the U.S. significantly suppressed because of the weak economy and 9/11 and predicts it will remain threatened, barring a concerted effort by the public and private sectors. A summit of mayors, CEOs of convention and visitor bureaus, and travel industry experts meeting here today endorsed a detailed plan to stimulate travel and thereby boost metro economies.

“We are here today because we realize the importance of being proactive in the effort to stabilize this important industry,” said Atlanta Mayor Shirley Franklin, who chairs the U.S. Conference of Mayors Travel and Tourism Task Force. “As tourism goes, so goes the economic well-being of our communities. We cannot and will not leave it to chance. This task force will be very aggressive in pursuing the implementation of our ten-point action plan to boost travel and tourism.”

The report, developed by DRI-WEFA, an economic research firm, is accessible at www.usmayors.org. Key findings include –

- In 2000, travel and tourism was a $263.4 billion industry in the nation’s top 100 metro areas, including $17.6 billion in New York, $14 billion in Chicago, $13.6 billion in Los Angeles-Long Beach, $11.2 billion in Atlanta, $3.5 billion in Pittsburgh, and more than $1 billion in Colorado Springs. Travel and tourism is the largest share of the gross metropolitan economy in Las Vegas (14.4%), Honolulu (13.9%), and Orlando (12.3%).

- In 2000, tourism supported 3.9 million jobs in the nation’s 100 largest metro areas, including Chicago (207,436 jobs), New York (198,998), Los Angeles-Long Beach (177,264), Atlanta (172,954), Washington (152,891), Dallas (140,661), Detroit (76,775), and Salt Lake City (45,175).
A significant travel slowdown, the result of the weak economy and 9/11, has hit metro economies disproportionately hard, cutting more than 536,000 tourism-related jobs in the top 100 metro areas through 2002. Tourism job losses have been particularly severe in Phoenix (-27.2%), Orlando (-24.5%), San Diego (-23.8%), Lancaster (-22.9%), and Houston (-22.7%).

A reduction in international visitors will cost metro areas more than $22.6 billion in lost economic activity in 2001 and 2002, of which more than $12.5 billion is attributed to 9/11. Losses were largest in New York ($5.9 billion of which $3.3 billion is attributed to 9/11), San Francisco ($2.1 billion of which $1.2 billion is attributed to 9/11), Los Angeles ($1.75 billion of which $970 million is attributed to 9/11), and Miami ($1.6 billion of which $861 million is attributed to 9/11).

International visits to the United States are not expected to recover soon without aggressive efforts by the public and private sectors. The report projects that the nation could achieve an additional $100 billion in international tourism spending from 2003 to 2007 if key strategic and policy decisions were made to foster the recovery and growth of key tourism export markets.

“The United States is losing tourism market share, and with it jobs and tax revenue, to our foreign competitors who are spending vast sums of money to promote their countries,” said Jonathan Tisch, Chairman of the Travel Business Roundtable and Chairman & CEO of Loews Hotels. “We are the only developed nation in the world that does not make a strategic federal investment to promote our country as an international destination. In fact, the U.S. is now the third most visited country, behind France and Spain. The public and private sectors must work together to reverse this trend.”

Summit participants endorsed a ten-point action plan that recommends –

- Establishing a Presidential Advisory Council on Travel and Tourism;
- Creating a destination marketing pilot program, which would provide funding to specific cities and states to undertake individual destination marketing initiatives;
- Increasing funding for the Market Development Cooperator Program, a $2 million Commerce Department matching grants program that would help cities and convention and visitors bureaus promote their destinations overseas;
- Enacting the American Travel Promotion Act, pending legislation to provide $100 million in matching grants to stimulate the tourism industry; and
- Seeking restoration of tax incentives to spur business travel and urge Congress to make permanent the Work Opportunity Tax Credit and Welfare-to-Work Tax Credit, powerful tools to help unskilled and disadvantaged workers receive job training for employment in the travel and tourism industries.
“Tourism is the economic engine that drives communities across our country both large and small,” said Michael Gehrisch, President & CEO of the International Association of Convention and Visitor Bureaus. “Armed with this new data, we can work together as an industry like never before to give that engine a powerful jumpstart.”

Summit participants included Philadelphia Mayor John Street, San Antonio Mayor Ed Garza, Detroit Mayor Kwame Kilpatrick, Las Vegas Mayor Oscar Goodman, Virginia Beach Mayor Meyera Oberndorf, Jackson (Miss.) Mayor Harvey Johnson, Reno Mayor Jeff Griffin, Savannah Mayor Floyd Adams, Roswell (GA) Mayor Jere Wood, North Little Rock Mayor Patrick Henry Hays, North Miami Mayor Josaphat Celestin, and Natchez Mayor Frank L. Smith, who all agreed they would seek to engage Congress and the White House on travel and tourism policy.

“As we meet in the fourth largest travel and tourism city in this country, we are focusing on this significant aspect of our economy,” said J. Thomas Cochran, Executive Director of the Conference. “At this important summit, we will adopt a mayoral action plan to take back to Washington. We are pleased to partner with Jonathan Tisch of the Travel Business Roundtable and Michael Gehrisch of the International Association of Convention and Visitor Bureaus. This partnership compliments our chair, Mayor Shirley Franklin, in touting the importance of travel and tourism in our economy.”

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The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,139 such cities in the country today. Each city is represented in the Conference by its chief elected official, the mayor. The primary roles of the Conference of Mayors are to promote the development of effective national urban/suburban policy; strengthen federal-city relationships; ensure that federal policy meets urban needs; provide mayors with leadership and management tools; and create a forum in which mayors can share ideas and information. More information about the Conference is available at www.usmayors.org.

The Travel Business Roundtable (TBR) is a CEO-based organization representing all sectors of the travel and tourism industry, including major airlines, hotels and lodging, restaurants, retail outlets, travel management companies, car rental companies, financial services institutions and others. In an August survey, TBR found that price-cutting by the travel industry and enhanced security measures at airports have stimulated demand and largely restored the confidence of U.S. travelers, but that an industry rebound remains uncertain, with leisure and business travelers both citing the economy and the “hassle factor” of traveling and delays as the prime reason they are traveling less. The poll is available at www.tbr.org.
Founded in 1914, IACVB is an international trade association representing more than 1,200 professional members from over 530 convention and visitors bureaus in 30 countries. The association's mission is to enhance the professionalism, effectiveness, and image of destination management organizations worldwide. Visit IACVB on the web at www.iacvb.org.

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