

Economic Impact of Tourism

Tourism = Jobs & Tax Revenue

Colorado Springs

Convention and Visitors Bureau



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Tourism defines our past, present and future

- **Past** - General William Jackson Palmer envisioned and built a world-class resort destination
- **Present** - Tourism is the region's 3rd largest industry
- **Future** - Visitor spending is a sustainable and high-yield source of tax revenue

Tourism provides direct benefits to constituents

- **Jobs** - More than 13,000 people are employed in the tourism/hospitality industry*
- **Taxes** - Visitor spending saves each family \$320 per year in local taxes
- **Quality of Life** - What makes Colorado Springs a great place to visit, makes it a great place to live

Tourism promotion is an investment, not an expense

- **Competition** - People have choices when they travel and we must invest to stay top-of-mind
- **ROI** - Tourism impact is measurable and has a high return on investment
- **Continuity** - Cutting tourism promotion is risky and lost market share can take years to recover

Regional and State Tourism by the Numbers (2009)*

	Colorado Springs / El Paso Co.	State of Colorado
Number of people employed	13,000	138,000
Total visitors per year	5.5 million	51.7 million
Total visitor spending	\$1.192 billion	\$13.4 billion
Tax savings per family	\$320	\$364
Annual Promotional Budget	\$3 million	\$15 million

*The Economic Impact of Travel on Colorado: 1996-2009p, Dean Runyan Associates. Produced for the Colorado Tourism Office. June 2010.



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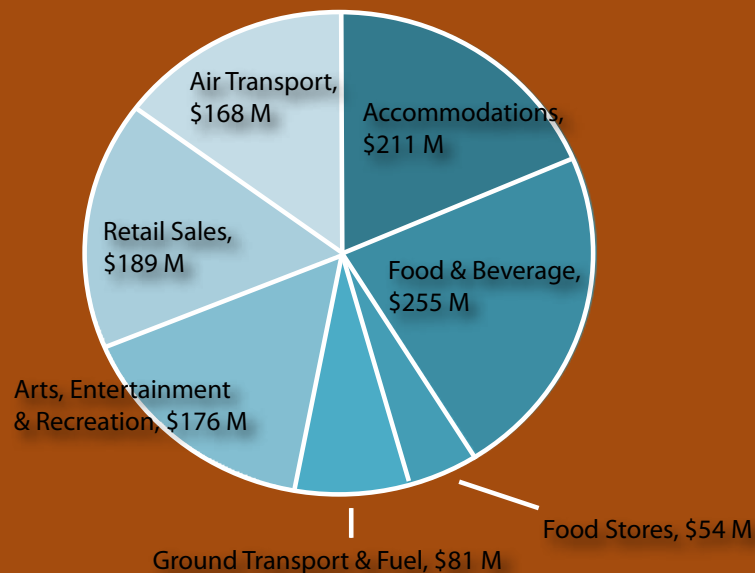
The Power of Tourism

Tourism is a powerful economic generator for Colorado Springs and the Pikes Peak region. Few other investments can provide a return on investment that is as strong or as measurable as tourism marketing.

When people make travel decisions, they have many choices. Competition is intense. Visitors are not guaranteed. When marketing is cut, the impact is profound and immediate. Recovering lost market share is expensive and can take years to accomplish.

A Phoenix travel-impact study noted that *"visitor-related taxes are extremely efficient in their yield as visitors do not utilize most of the local, public services that governments and schools provide...visitors contribute to the building of our jails, roads and schools...visitors keep a healthy percentage of us working, improve our quality of life and contribute to the betterment of our communities."*

Visitor Spending in Pikes Peak Region by Business Sector (2009)*



It All Starts with a Visit

Whether it's a company moving its headquarters from southern California, an executive and his family relocating from Virginia or a meeting planner booking a large convention, it all starts with a visit. People visit Colorado Springs and fall in love with it. They experience the quality of life. They see the possibilities.

General Palmer had a grand vision for Colorado Springs - to create a world-class resort destination, where visitors could experience awe-inspiring natural beauty without sacrificing the finer things in life. While other Colorado Springs industries also thrive, tourism continues to be a vital and driving force of our economy.

*The Economic Impact of Travel on Colorado: 1996-2009p, Dean Runyan Associates. Produced for the Colorado Tourism Office. June 2010.

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Cutting Tourism Promotional Spending Is Risky

- When tourism promotional spending is cut, there is a loss of direct spending as well as a loss of jobs, reduced wages and reduced tax collections
- The impact of cutting tourism spending can be seen by studying the Colorado experience of 1993-1997, when the tourism promotion budget was reduced to zero
- The critical question is “how many lost visitors does it take to negate the savings of a reduced or eliminated promotional budget?”
- According to this study, the answer is less than 1% - it takes only a 1% reduction in visitation to completely negate the savings of reduced promotional spending

CVB Economic Impact (2010)

- CVB Sales Team booked group business totaling over \$93 million in direct economic impact
- Further CVB marketing efforts resulted in an estimated direct leisure travel impact of over \$94 million
- Each dollar invested with the CVB results in \$3.05 dollars in tax revenue
- The annual estimated economic impact of the CVB is \$187,750,300

The CVB...

- Contracts with the City of Colorado Springs to market the region (El Paso, Teller and Fremont Counties) to groups and leisure travelers
- Is funded through the Lodgers & Automobile Rental Tax (LART) and private investment
- Is leading the community in a regional branding initiative to project a positive image to the world
- Is an accredited Destination Marketing Organization by Destination Marketing Association International
- Was established in 1980 as a non-profit 501(c)(6), membership-based organization
- Allocates 81% of its budget to marketing programs

Funding tourism promotion is a smart investment that positively impacts the residents of Colorado Springs.

For more information on tourism and the CVB: 719.685.7633 or Doug@VisitCOS.com

