Securing Tourism’s Place at the Local Economic Development Table

Steve Morse, Ph.D.
Director & Economist
Tourism Institute
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First, Welcome to:

- Tourism professionals from Tennessee
- Faculty from the University of Tennessee
  Dr. Carol Costello; Dr. Rachel Chen
  Dr. John Antun; Dean Aaser
- 60 students from the University of Tennessee’s Hotel, Restaurant & Tourism program
Selling Tourism Outside & Inside Your County or Area

• Most tourism resources are used to market to potential visitors outside your area… and TN does a great job!

• Not many resources are available to market tourism’s economic benefits to stakeholders inside your county or area
Top 5 Strategies for Your Tourism Organization to Secure a Seat at the Local Economic Development Table

1) **Speak the Language:** of economic developers, Chambers of Commerce, city & county commissions

2) **Collect Data:** use creditable & verifiable economic data to tell your success story

3) **Build Industry Support:** share data with local hotel, restaurant, travel, tourism & local attractions industry
Top 5 Strategies for Your Tourism Industry to Secure a Seat at the Local Economic Development Table

4) **Tell your story:** brag on tourism’s economic value to your county or area

5) **Use State Data Resources:** tourism economic reports from TN Dept. of Tourist Development & UT Tourism Institute
1) Speak the language of economic development

Football Language
- Three touchdowns
- Two extra points
- Four field goals
- 187 yards rushing
- 206 yards passing
- One interception
- Five first downs

Football Scoreboard Language

32 points
1) Speak the language of economic development

**Tourism Language**
- Number of visitors
- Number of events
- Number of days in event or festival
- Number & size of groups
- Number in visitor party

**Tourism Econ Dev. Scoreboard Language**
- Jobs created
- Taxes generated
- Worker income generated
- Visitor spending at hotels, restaurants, travel, entertainment
2) **Collect Data:** use credible & verifiable economic data to tell your success story

- You must have credible & verifiable data sources to speak the econ development language – Don’t use data you can’t verify
- Always show the source or methods of collecting your data
- Gold Standard: data source must be able to be reproduced, found, & verified by others
3) **Build Industry Support:** share data with local hotel, restaurant, travel, tourism & attractions industry

- Private sector businesses can be your champion & help secure a seat at the economic development table
- City & county officials listen to the private sector
4) Tell your story: brag on tourism’s economic value to your county or area

- Present economic data to your local:
  - Chamber of Commerce
  - City & County commission meetings
  - Industry associations, legislative officials
  - Business & community leaders
  - Econ development & civic groups

- Write your own story for the local press at least four times per year
5) Use State Tourism Data Resources

- TN Dept. of Tourist Development
  - Economic Impact of Travel on TN Counties, 2006 (all 95 TN Counties)

- Tourism Institute, University of Tennessee
  1) TN County Reports: Hotel, Restaurant, & Travel Industries Economic Profile & Business Trends, 2006 (top 41 TN tourism counties)
  2) 2006 Tourism Economic Fact Sheet (all 95 TN counties)
Introducing 2 New TN County Tourism Reports from UT Tourism Institute

1) Hotel, Restaurant, & Travel Industries: Economic Profile & Business Trends, 2006 (9-18 page county report)

2) 2006 TN County Tourism Economic Fact Sheet (1 page fact sheet)
Hotel, Restaurant, & Travel Industries: Economic Profile & Business Trends, 2006

- Ranking of hospitality & tourism employment against other industries in your county
- First ever ranking of hospitality & tourism against other industries in your county
<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry</th>
<th>Percent Employment</th>
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<tbody>
<tr>
<td>1.</td>
<td>Trade, Transportation, Utilities</td>
<td>24.8%</td>
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<td>2.</td>
<td>Manufacturing</td>
<td>22.4%</td>
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<td>3.</td>
<td><strong>Hotel, Restaurant, &amp; Travel</strong></td>
<td><strong>11.7%</strong></td>
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<td>4.</td>
<td>Education &amp; Health Services</td>
<td>10.1%</td>
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<td>5.</td>
<td>Construction</td>
<td>9.9%</td>
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<td>6.</td>
<td>Professional &amp; Bus. Services</td>
<td>9.3%</td>
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<td>7.</td>
<td>Financial Activities</td>
<td>7.3%</td>
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<tr>
<td>8.</td>
<td>Other Services</td>
<td>2.9%</td>
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Blount Co. Hospitality & Tourism Generates 4,132 Jobs Including…

- **2,938** jobs in restaurants
- **565** jobs in hotels & lodging
- **356** jobs in arts, entertainment & recreation
- **273** jobs in transportation & travel
Hotel & Lodging Industry County Employment, Tax & Sales Data

- In-depth report of your county’s hotel industry

  - Gross sales of hotels by month
  - Employment by quarter
  - Number of hotels by quarter
  - Tax revenues from hotels by year
Restaurant Industry County Employment, Tax & Sales Data

- In-depth report of your county restaurant industry
  - Gross sales of restaurants by month
  - Employment by quarter
  - Number of restaurants by quarter
  - Tax revenues from restaurants by year
Restaurant Gross Sales, Hamilton Co. (Chattanooga), 2005 - 2006

Source: TN Dept. of Revenue, and Tourism Institute, University of Tennessee
Restaurant Industry County Employment & No. Firms

- Full-service restaurants
- Limited-service restaurants
- Caterers & special food service
- Drinking places (alcohol beverages)
Arts, Entertainment & Recreation Industry County Employment, Tax & Sales Data

- In-depth report of your county arts, entertainment & recreation industry
  - Gross sales of firms by month
  - Employment by quarter
  - Number of firms by quarter
  - Tax revenues from firms by year
Blount Co. Hospitality & Tourism
Generated $5.94 million in Local Blount Co. taxes from…

- **Restaurant sales taxes**  $3.01 million (2.25%)
- **Hotel Occupancy Taxes**  $1.75 million (4.0%)
- **Hotel sales taxes**  $0.987 million (2.25%)
- **Arts, Entertainment & Rec sales taxes**  $0.202 million (2.25%)
Hotel Performance Statistics

- Occupancy Rates by month
- Avg. Daily Rate (ADR) by month
- Revenue per Available Room (RevPAR) by month

Thanks to Smith Travel Research, Hendersonville, TN

Source: Smith Travel Research
Average Daily Rates (ADR) for Blount Co. Hotels, 2005 - 2006

Source: Smith Travel Research
Hotel, Restaurant, and Travel Industries: Economic Profile and Business Trends, 2006

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July 2007
County Profiles Available Today at University of Tennessee Booth in EXPO area

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<tr>
<th>Anderson Co.</th>
<th>Houston Co.</th>
<th>Roane Co.</th>
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<td>Blount Co.</td>
<td>Humphreys Co.</td>
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Introducing Our New 2006 County Tourism Economic Fact Sheet

- One-page tourism economic fact sheet for all 95 counties in Tennessee
On an Average Day in Blount Co., tourists spend $628,849 in these type businesses…

- Spend $201,231 daily in restaurants
- Spend $181,108 daily on transportation
- Spend $107,533 daily on hotels & lodging
- Spend $71,059 daily in retail stores
- Spend $67,918 daily on arts, entertainment & recreation
Also, On an Average Day in Blount Co., tourist spending...

• Generates daily employee paychecks worth $181,041
• Generates daily TN State taxes worth $35,042
• Generates daily local Blount County taxes worth $21,506
2006 Tourism Tax Impacts on Blount Co. Households

- As a result of taxes generated by tourists activity in Blount Co.
- Each household in Blount Co.,…

- Pays $447 less in local & state taxes
- Pays $277 less in state taxes
- Pays $170 less in local county taxes
Tourism & Children: Secret Economic Development Weapon

Q: How much of your local county school system’s education budget is generated by Tourism Taxes?

A: We did this research, for each county in Tennessee

(in your county’s Tourism Economic Fact Sheet)
Tourism Taxes & Children:
Education Funding in Blount Co.

• Tourism activity in Blount Co. generated $8.63 million in local Blount Co. taxes…

• Which is enough tax revenue to contribute **18.1% of the local portion** of the Blount Co. school system’s education budget
All our reports use & cite credible & verifiable data sources

1) TN Dept. of Revenue
2) TN Dept. of Labor & Workforce Dev.
3) U.S. Dept. of Labor; Bureau Labor Statistics
4) TN Dept. of Education
5) TN Dept. of Tourist Development
6) Tourism Institute, University of Tennessee
7) Smith Travel Research
You have the tools to secure your tourism organization’s place at the local economic development table

1) Speak the language of econ dev.
2) Collect creditable & verifiable data
3) Build industry support for tourism
4) Tell your success story
5) Use tourism reports from TN Dept. of Tourist Dev. & UT Tourism Institute
How do you get your County Reports from the Tourism Institute at UT?

- Download & print in PDF format from the Tourism Institute web site at:

  www.utk.edu/tourism

  (available October 10)
Thank You, and...

• Be proud of your tourism industry and take steps to securing your place at your local economic development table