

Alaska Senate Labor & Commerce Committee

January 24, 2017

Sarah Leonard
ATIA President & CEO

ATIA

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



ATIA membership

21-50 employees = 14%

3-5 employees = 17%

6-20 employees = 26%

0-2 employees = 30%

47% = less than 5 employees



ATIA's Board of Directors

Board Chair: Dennis McDonnell, Alaska Coach Tours (**Southeast**)

Vice Chair: Julie Saupe, Visit Anchorage (**Southcentral**)

Past Chair: Colleen Stephens, Stan Stephens Cruises & Tours (**At-Large**)

Deb Hansen, Pike's Landing (**Interior**)

Bill Pedlar, Knightly Tours (**Outside**)

Charlie Ball, Holland America Group (**Outside**)

Elizabeth Hall, John Hall's Alaska Cruises & Tours (**At-large**)

Deb Hickok, Explore Fairbanks (**Interior**)

Patti Mackey, Ketchikan Visitors Bureau (**Southeast**)





Alaska Travel Trends

Global travel trends

- Job growth to 136 million
- International travelers = 2 billion
- 25% of world's population will travel



Slide 6

National economic impact

- Travel generated **\$2.1 trillion** for the U.S. economy
- Travel supports more than **15 million jobs** in the U.S.
- Direct travel spending in the U.S. totaled **\$928 billion** by domestic and international travelers

One in every 9 American jobs depends on travel

Slide 7



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

In Alaska

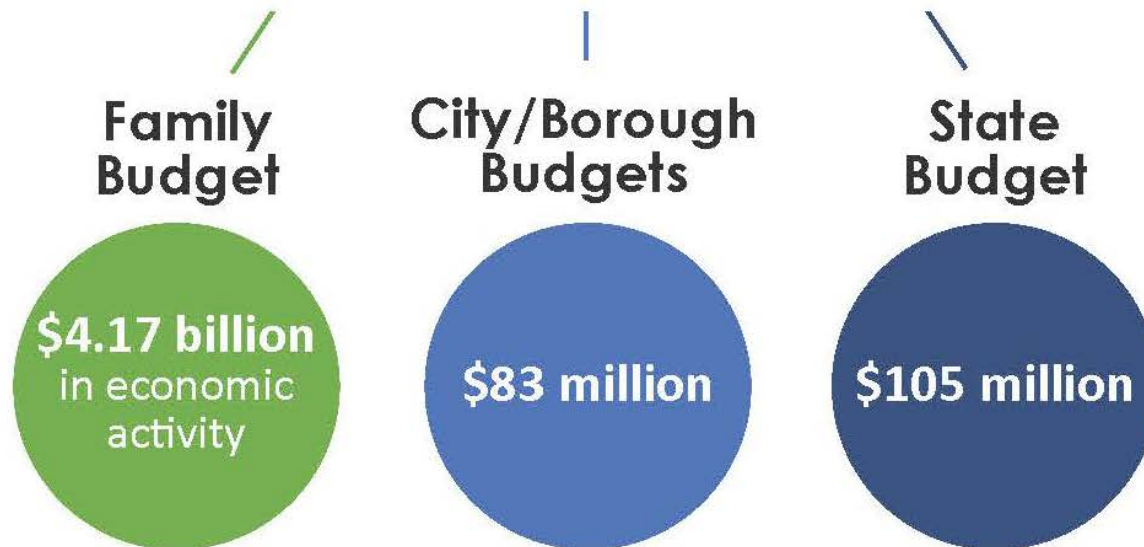


- 39,700 jobs, peak employment = 47,000 jobs
- \$4.17 billion in economic activity
- \$1.39 billion in labor income

Slide 8

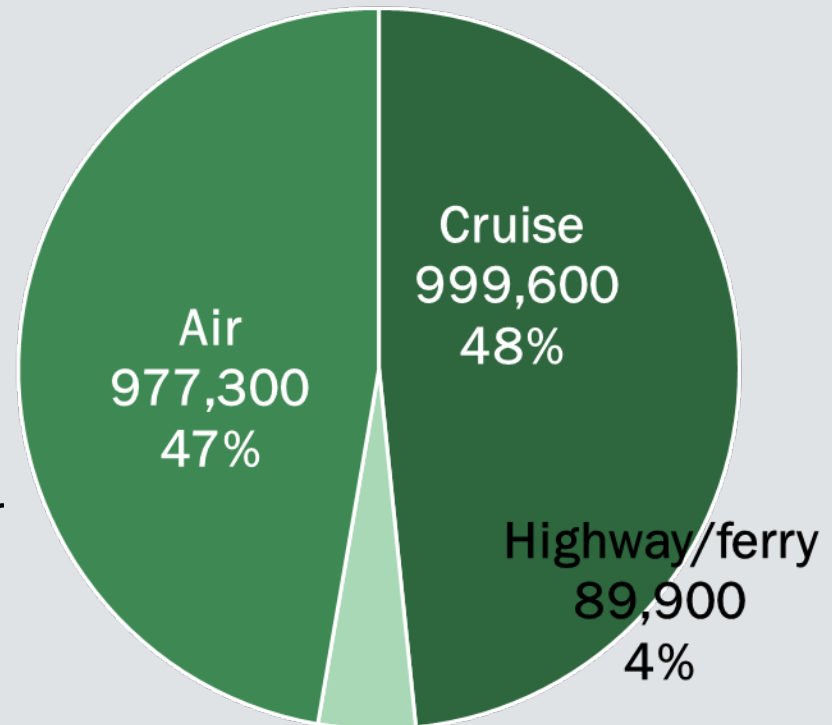
Alaska's Tourism Industry = Renewable Natural Resource

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:

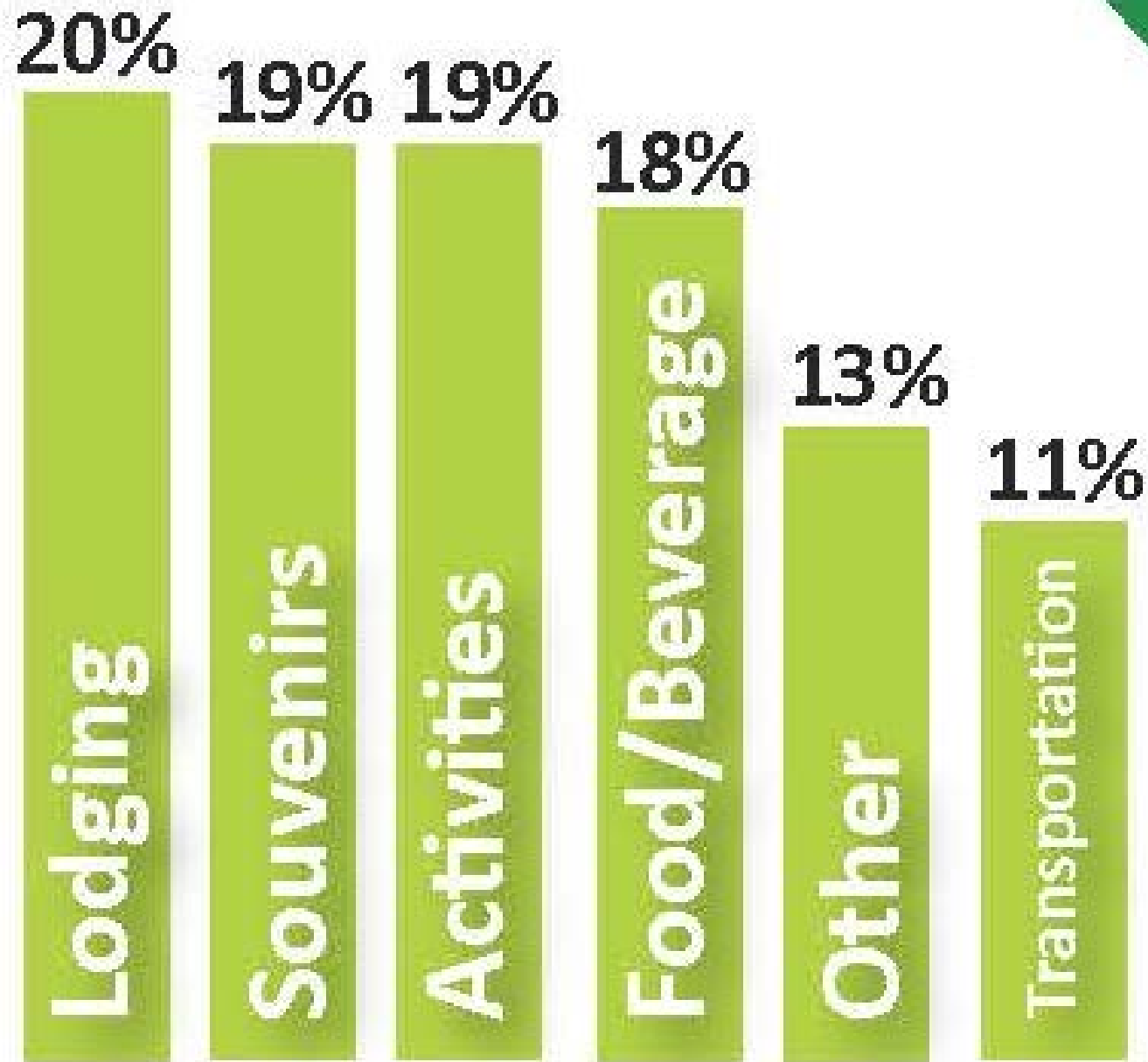


Visitor Volume

- 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%



The McDowell Group, 2015





Cruise up 3%



Highway up 14%



Air up 3%

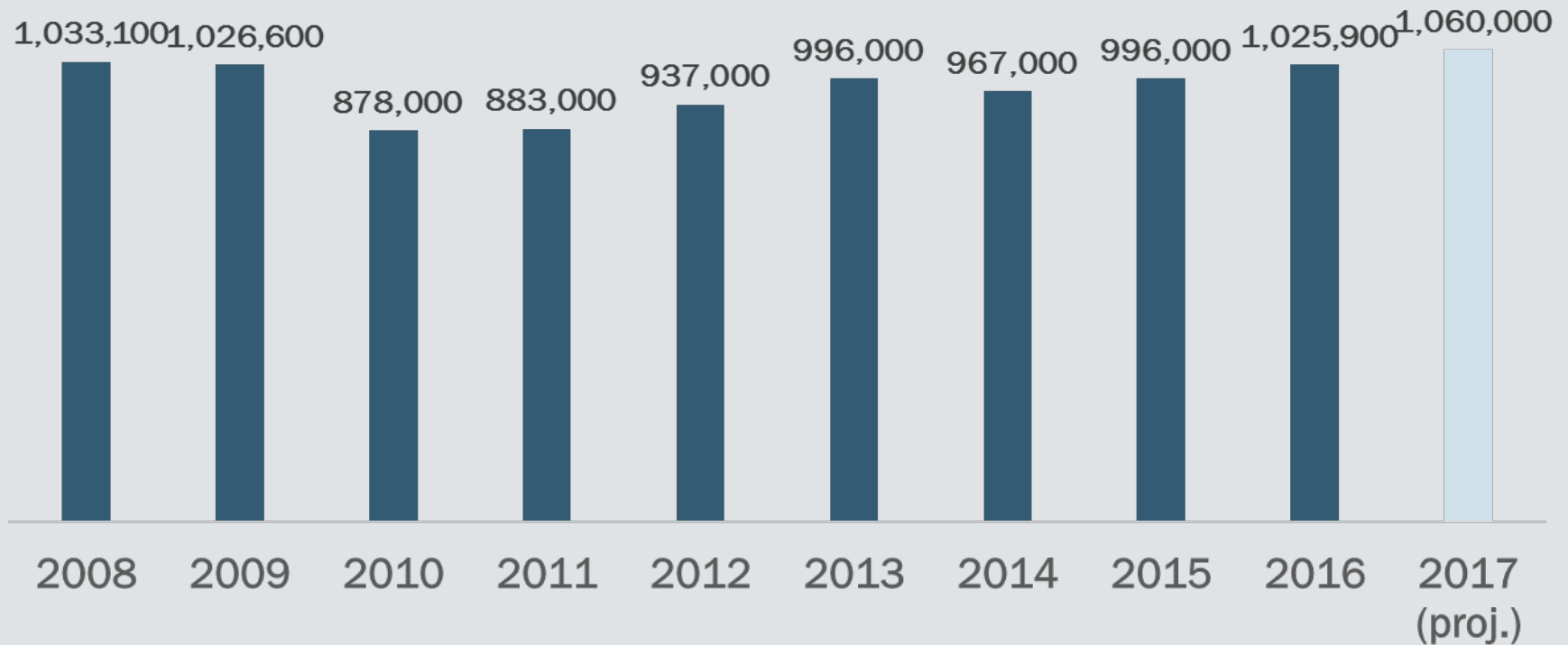


Ferry down 9%

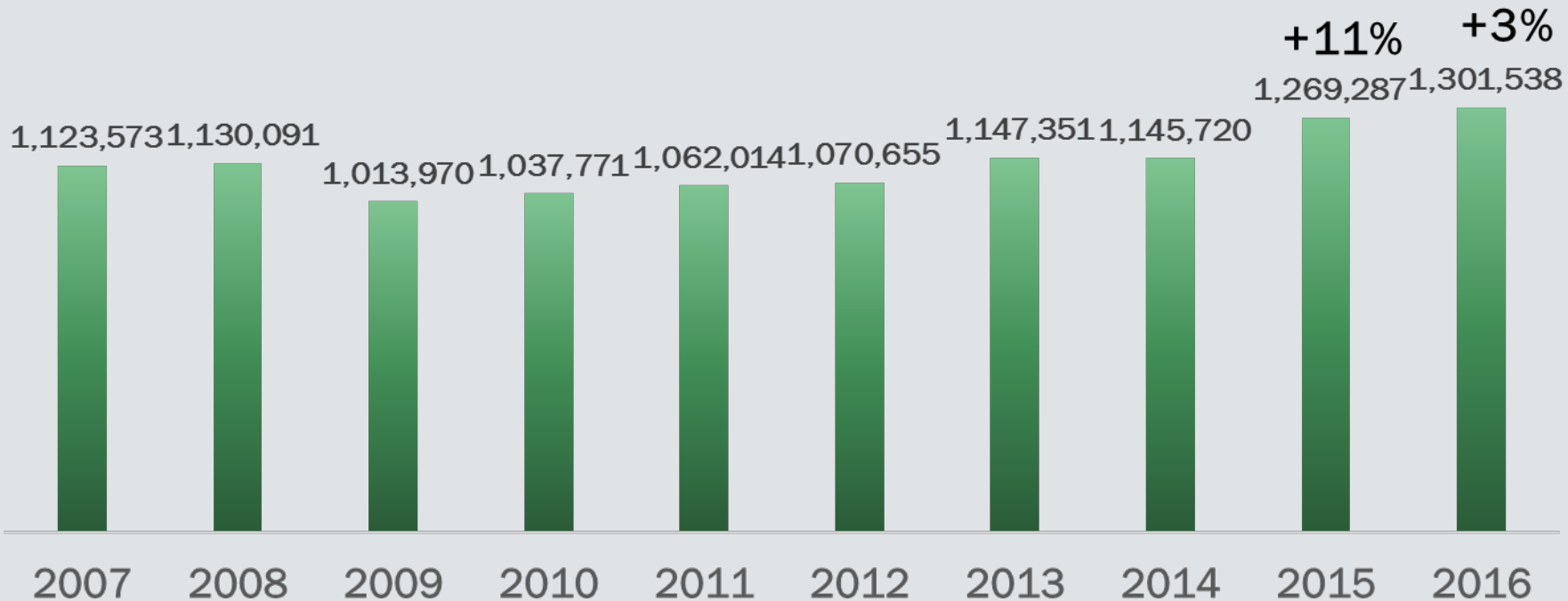


International Air up 4%

Alaska Cruise Traffic 2008-2017



Outbound Domestic Air Passengers (May-Sept)



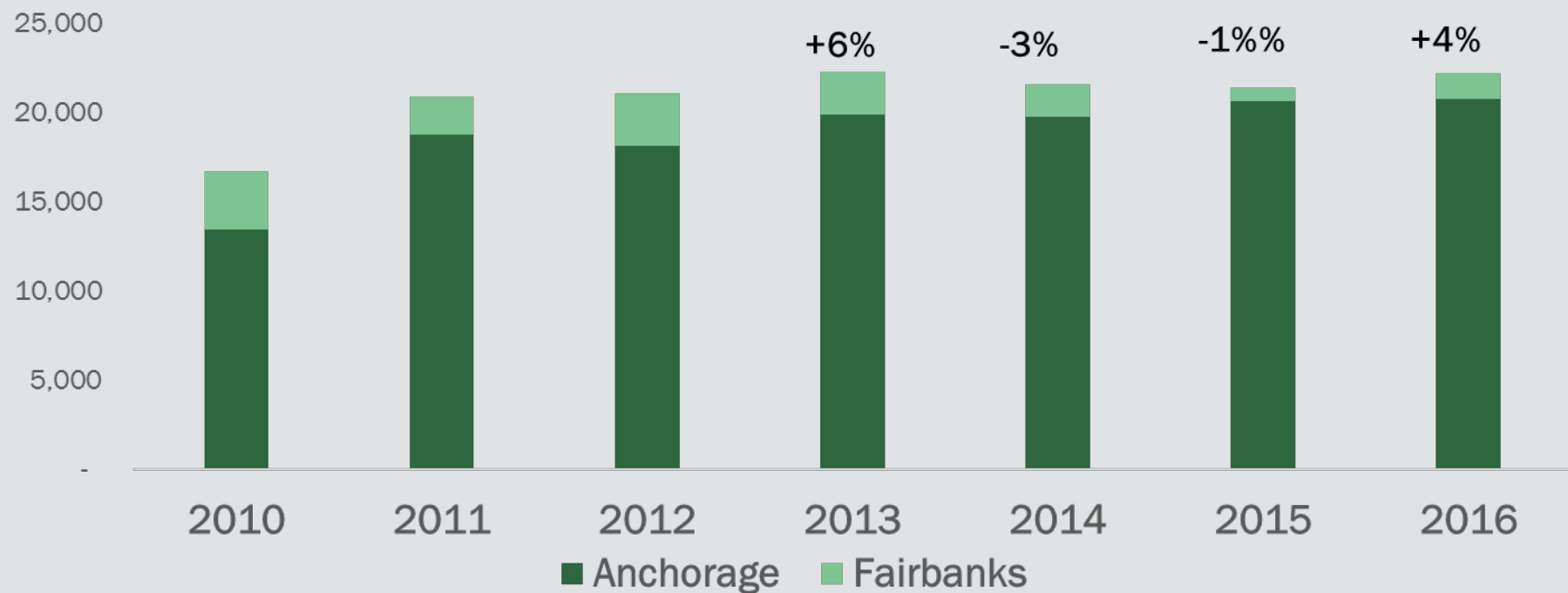
Slide 15



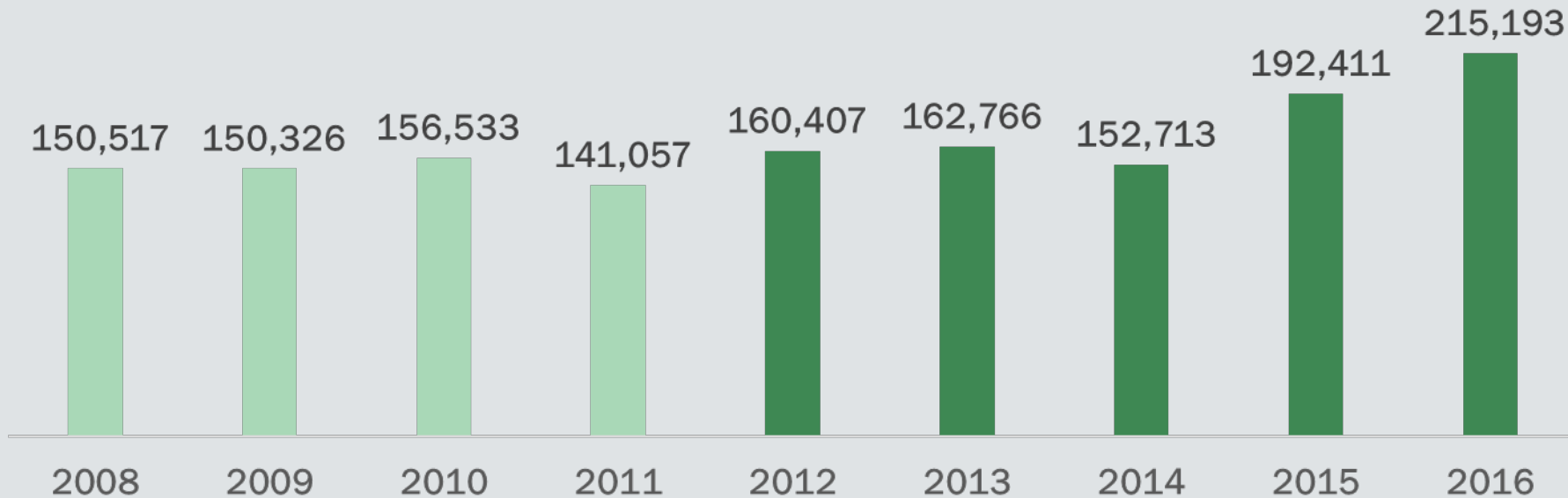
The McDowell Group

Sources: Alaska DOTPF, Juneau Airport, Ketchikan Airport, Alaska Airlines, Delta Air.

International Air Passenger Exits (May-Sept)



Canada – AK Border Traffic (private vehicle; May-Sept)



Slide17



The McDowell Group

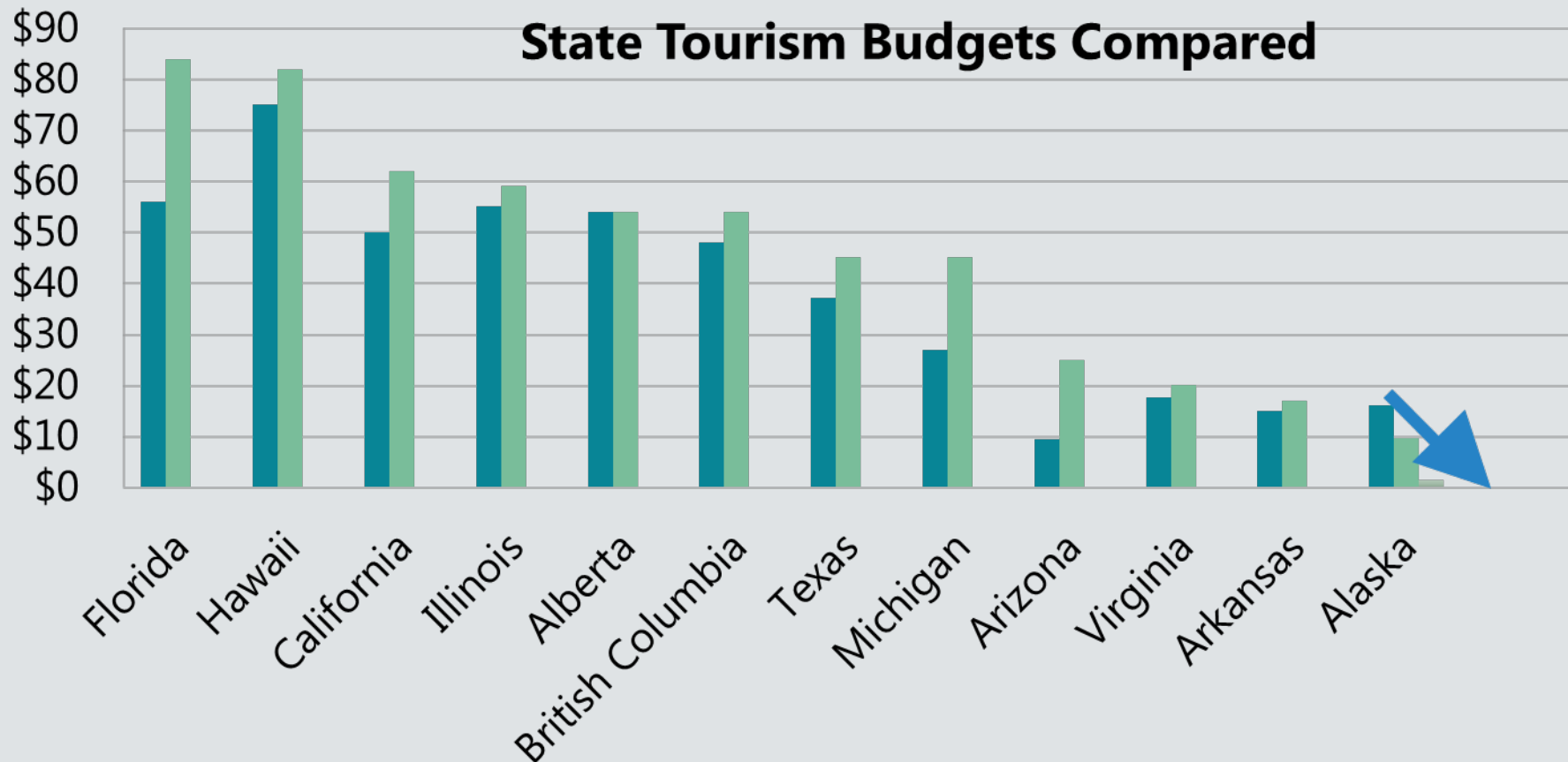
Sources: Yukon Dept. of Tourism and Culture; US Customs and Border Protection.

Decline in tourism marketing funding from the State



Slide 18

Budget comparisons



Slide 19

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

Pennsylvania's
tourism funding
declined 77%
from 2008-2015



Projected loss of
\$600 million in state
and local tax
revenue, travelers
would have
generated

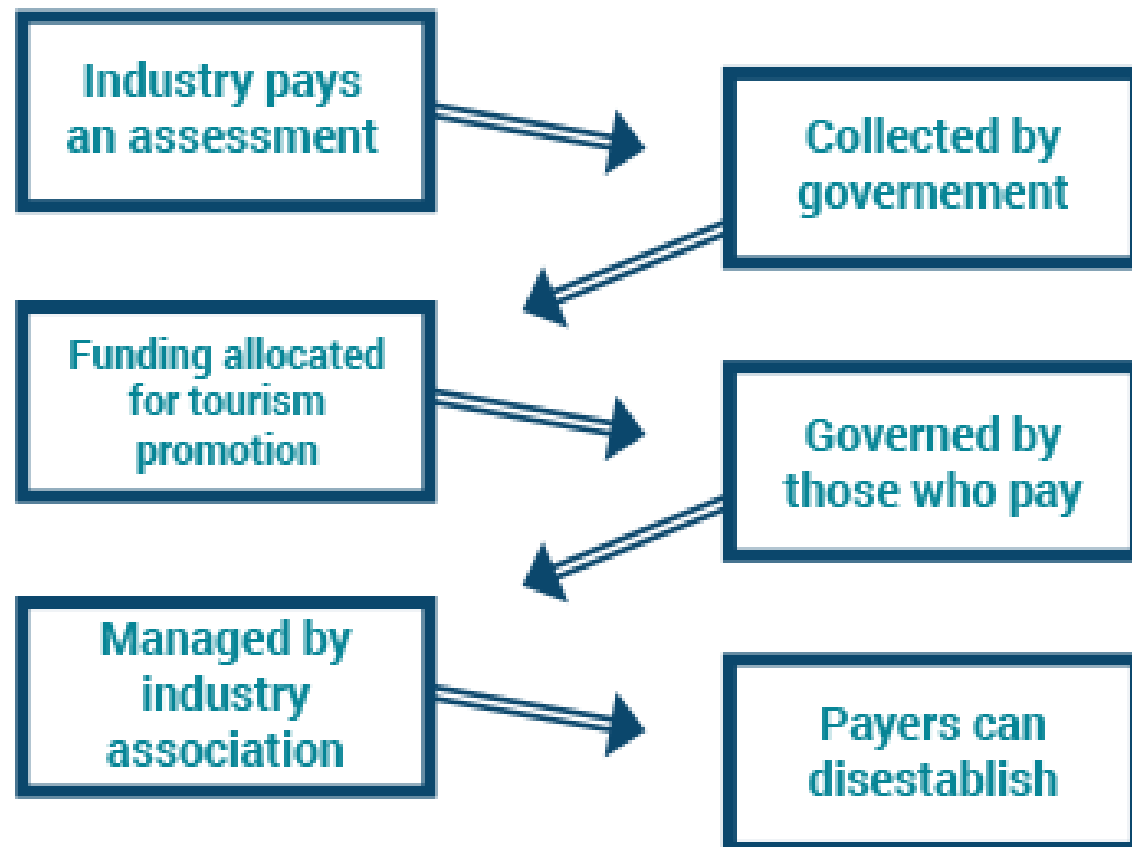
In 2013, San Diego
held off on allocating
tourism promotion
funding



\$560 million in lost
visitor spending
and \$24 million in
reduced tax
revenues

Tourism Improvement District (TID) Concept

WHAT IS A TID?



Overall trends in travel

- Adventure travel- Adventure Travel World Summit- Anchorage 2016
- Multi-generational travel
- Culinary and Tasting tours
- Hwy/Ferry travel
- Chinese visitors
- Arctic

Questions?

Thank you.

