

Alaska State Legislature

House Arctic Policy, Economic
Development and Tourism Committee

March 24, 2022

Sarah Leonard, President & CEO

Alaska Travel Industry Association





Alaska Travel Industry Association - ATIA

600+ member businesses

24-member Board of Directors

Statewide Destination Marketing

Advocacy



TRAVEL ALASKA BRAND IS AN ASSET FOR ALASKA



2019 Contributions from the Tourism Industry

- **\$109.6 MILLION MUNICIPAL REVENUE:**
 - *Sales Tax: \$41 Million*
 - *Bed Taxes: \$39.3 Million*
 - *Dockage Fees: \$22.3 Million*
- **\$143.3 MILLION STATE REVENUE:**
 - *State agencies, tickets, fees, and permits*
- **\$252.9 MILLION TOTAL STATE AND MUNICIPAL REVENUE**
- **1 in 10 ALASKA JOBS EMPLOYED IN TOURISM SECTOR**
 - *Over 40,000 (peak-season 52,000 jobs) direct and indirect jobs*



Alaska Travel Dashboard:

How are we doing now?



Workforce

- Businesses 70-80% staffed in March
- Housing remains a roadblock for workforce



Air Travel

- Winter enplanements about 85% of 2019-2020
- Aurora viewing has drawn travelers this winter, helping recovery

Alaska Travel Dashboard:

How are we doing now?



Cruising

- Cruise adding ships to inventory
- CDC lowers risk threshold for cruise ship travel
- Canada opened ports



Lodging

- Lodging is rebounding to pre-pandemic levels
- Fairbanks is full for March
- Rebounding bed tax income will help restore local budgets

Alaska Travel Trends:

Where are we headed?



Air Travel

- Nationally, air travel is expected to be around 77% of pre-pandemic numbers
- Carriers adding planes and routes to AK this summer



AMHS

- Schedule is available through September 2022
- Crew staffing shortages may impact sailings for this summer

Alaska Travel Trends:

Where are we headed?



Consumer Spending

- Restrained spending will give way to big trips in 2022
- Vacations to adventurous destinations are top of mind



Traveler Sentiment

- 93% of travelers plan to travel in 2022
- Natural landscapes and parks are a big draw, positioning Alaska as a top destination

Arctic Tourism

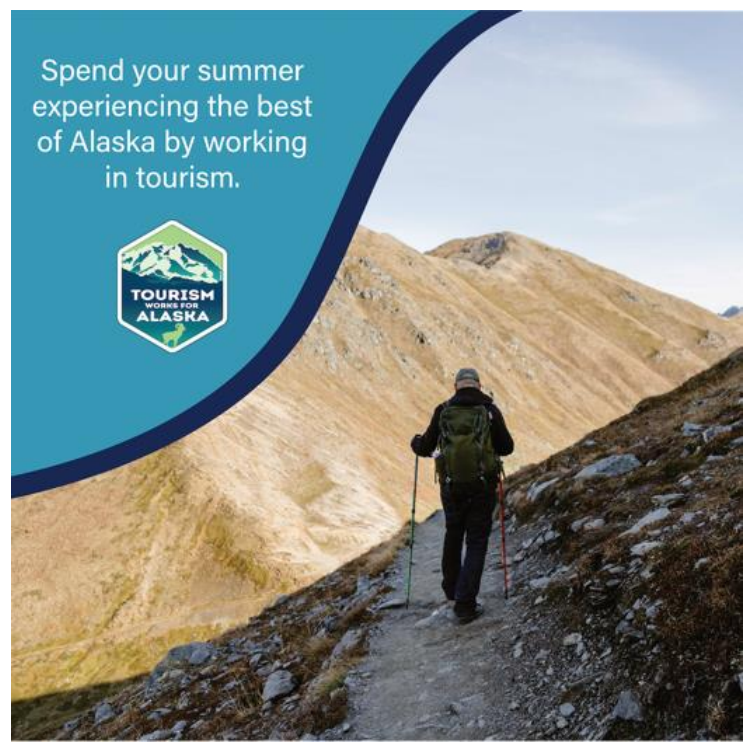
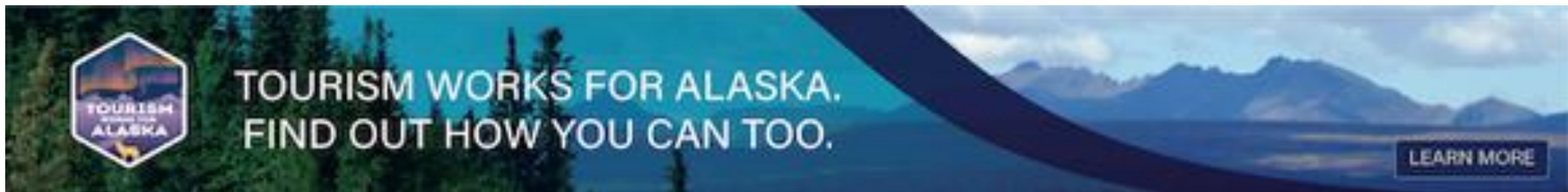


- *ATIA commits to working with stakeholders to develop sustainable tourism opportunities amid effects of climate change*
- Nome, Kotzebue, Utqiagvik will see increased visitation with port investments and ship traffic
- Arctic Encounter and other events offer Alaska tourism a voice at the table in international dialogue

What to watch for: ?

- COVID19 variants
- Canadian border changes
- Denali Road construction impacts
- Staffing shortages
- Supply chain issues






www.alaskatia.org/member-tools/job-opportunities

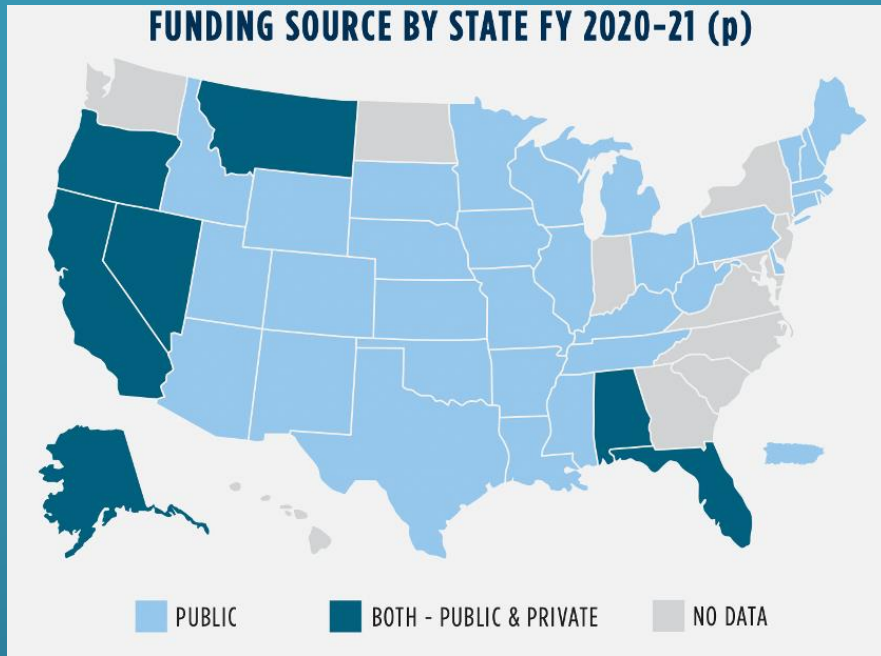


What does the State receive in revenue from Tourism?

- Tourism brings in more revenue to the state than legislature expends
- State government received an average of \$66M per year in revenue from tourism and expended approx. 1/3 of that amount to manage and promote the industry



What does the State spend?



ARE WE
INVESTING
ENOUGH??

ALASKA IS BEING OUT SPENT COMPARED TO NATIONAL AVERAGE

Over \$12 million on average being spent by states on tourism marketing

*Past five years, nationwide **state tourism funding increased 12%***

- *Connecticut: \$7.1 million in federal funds for tourism marketing*
- *Arizona: \$100 million in federal funds, \$60 million in tourism and outdoor grants, \$10 million for tourism marketing*
- *Illinois: \$18 million for tourism marketing*

FY23 Capital
Budget
allocation =
\$5M



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