

# TOURISM WORKS FOR IOWA FAST FACTS

2017 LEGISLATIVE PRIORITIES

On average, each domestic travel dollar produced 5.8 cents in tax revenue for Iowa's state government.

State tax revenue  
**\$466.7 million**

Up 25% from 2014

Visitor spending  
**\$8.1 billion**

Up 0.1 % from 2014

On the average, every \$119,626 spent by domestic travelers in Iowa directly supported one job in 2015.

Research shows that nearly one-third of new residents first visited their communities as tourists.

Visitor spending directly supported  
**67,400 jobs**

4.3% of total state non-farm employment

Local tax revenue  
**\$116.9 million**

Each domestic travel dollar produced 1.4 cents for local tax coffers.



**TOURISM WORKS FOR**

**IOWA**



Visitor spending  
**\$8.1 billion**

Up 0.1 % from 2014

Tourism supports economic vitality in communities across the state and has a positive impact in each of Iowa's 99 counties. The face of tourism is diverse — from small family businesses to major corporations.

**Tourism in Iowa:**

- Generates jobs in communities across the state.
- Brings new spending and associated tax revenues to Iowa.
- Supports community “quality of life” assets enjoyed by both residents and visitors.
- Helps portray Iowa as a good place to live, work and do business.

For measurement purposes, U.S. Travel Association's Travel Economic Impact Model tracks business activity in major travel-related industry groups. Iowa commissions an annual study that assesses the economic impact of travel in each of the state's ninety-nine counties. Download the full report, “The Economic Impact of Travel on Iowa Counties 2015” at [traveliowa.com/industry](http://traveliowa.com/industry).



## How the Tourism Industry can Help Grow Iowa

Tourism is the economic driver that encourages visitation to the state and provides amenities for an existing and future workforce.

Tourism continues to generate needed tax revenue for Iowa that provides funding for multiple occupations needed to sustain our great state.

Because it drives broader economic growth and offers benefits to local communities and residents, states are competing not only for tourism dollars but recruitment of human capital.

**\$466.7 million state taxes**  
Up 24.6% from 2014

**\$116.9 million local taxes**

Visitor spending directly supported  
**67,400 jobs**

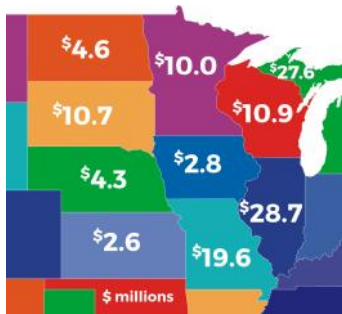
4.3 percent of total state non-farm employment

**\$1.3 billion payroll**

YEAR	2013	2014	2015
Visitor Spending (billions)	\$7.75	\$8.06	\$8.10
Payroll (billions)	\$1.18	\$1.22	\$1.27
State Tax Revenue (millions)	\$353.9	\$373.7	\$466.7
Local Tax Revenue (millions)	\$107.8	\$111.3	\$116.9
Tourism Jobs	65,400	66,500	67,400

## Why it is Beneficial to Invest Additional Funds in Tourism Marketing

- The Tourism Industry can help promote Iowa as a place to live, work and play – encouraging people to come to Iowa to **boost our workforce**.
- **Iowa ranks 42 in the nation\*** for tourism promotion funding, giving us a decided disadvantage in recruiting not only visitors but residents to our state. *\*47 out of 50 states reported to US Travel Association for this analysis.*
- Iowa's tourism industry is comparable in size to Minnesota, Wisconsin and Missouri based on standard benchmarks but **ranks far below** them, and the regional average of \$9 million, in actual promotional spending.



*Iowa competes with states that not only offer similar recreational and seasonal opportunities but that invest significantly more in advertising.*

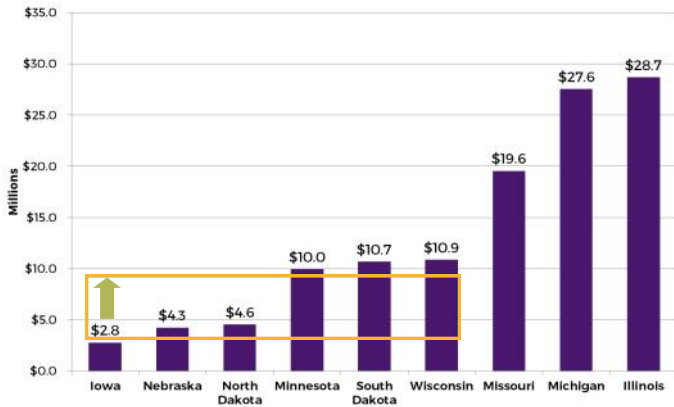
State Tourism Office  
Actual Promotional  
Spending FY 2014-2015

California	\$106.9
Florida	\$63.0
Hawaii	\$62.1
Texas	\$49.4
Illinois	\$28.7
Michigan	\$27.6
Missouri	\$19.6
Alaska	\$17.2
New York	\$17.0
Utah	\$14.7
Arkansas	\$14.2
Arizona	\$12.5
Virginia	\$11.7
Oklahoma	\$11.4
Wisconsin	\$10.9
S Dakota	\$10.7
Montana	\$10.2
Tennessee	\$10.1
Minnesota	\$10.0
Nevada	\$9.9
Connecticut	\$9.5
Oregon	\$9.4
S Carolina	\$9.2
Wyoming	\$9.1
N Carolina	\$8.8
Kentucky	\$8.8
New Mexico	\$8.6
Louisiana	\$8.4
Massachusetts	\$7.0
Alabama	\$6.1
Maryland	\$5.4
Ohio	\$5.2
Georgia	\$4.6
N Dakota	\$4.6
N Hampshire	\$4.5
Nebraska	\$4.3
Idaho	\$3.6
Mississippi	\$3.4
<b>Iowa</b>	<b>\$2.8</b>
Kansas	\$2.6
West Virginia	\$2.5
Vermont	\$2.1
Indiana	\$1.7
Pennsylvania	\$1.3
Delaware	\$1.3
Colorado	\$0.0
New Jersey	\$0.0

*Source: FY 2014-15 actual promotional spending as reported in the annual Survey of State Tourism Office Budgets conducted by the US Travel Association. (47 out of 50 states reported to US Travel Association for this analysis.)\**

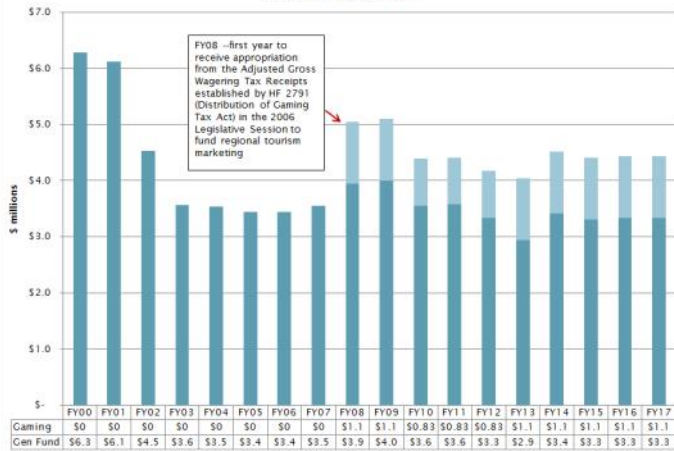
\$ millions

**Comparative Analysis of State Tourism Office  
Marketing & Promotion-related Budgets Actual Spending 2014-2015**  
Source: US Travel Association



**Iowa Tourism Office Budget History 2000-2017**

Sources: Iowa Department of Economic Development 2000-2009, Iowa Economic Development Authority, Iowa Tourism Office 2010-2017

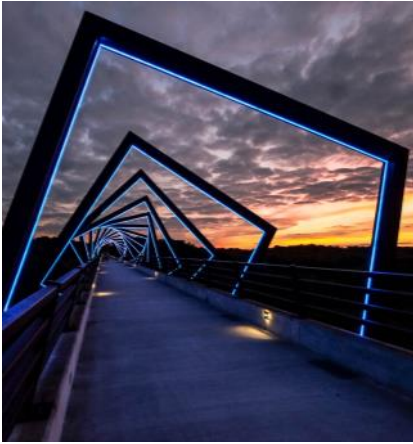


In 2000, Iowa's tourism budget was \$6.3 million (FY 00). Adjusted for inflation, that would be over \$8.8 million today and would be an appropriate budget for a tourism industry of this size.

The Iowa Economic Development Authority has, at the Governor's request, maintained its budget at status quo.

As legislators however, you are empowered to authorize an increase in the IEDA budget so that additional funding could be directed toward the investment in tourism advertising in order to help raise Iowa's brand awareness and improve its competitive position as a travel destination.

## LEGISLATIVE PRIORITY



To support increased funding for the Iowa Tourism Office so that its promotional investment is on par with its regional competitors in order to attract more visitors and encourage longer stays by casting wider nets to reach more people and to provide communities with more support for local tourism.

To support other issues that are for the good of the Tourism Industry as a whole.

**TFI respectfully proposes the following:** That \$2 million of the Iowa Lottery profits that are deposited in the state general fund be allocated to help fund the Iowa Tourism marketing efforts in addition to the Adjusted Gross Wagering and IEDA appropriations.

Establishment of a Tourism Reserve Fund that would provide a funding mechanism to set aside a percentage of tourism-generated tax revenue to be reinvested each year in tourism marketing.

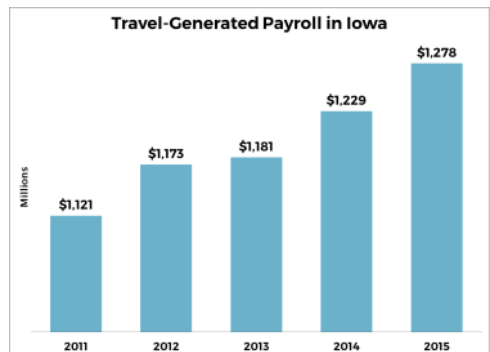
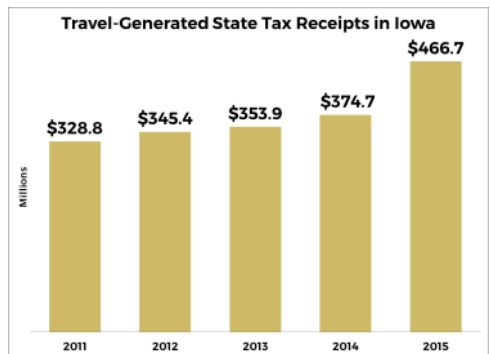
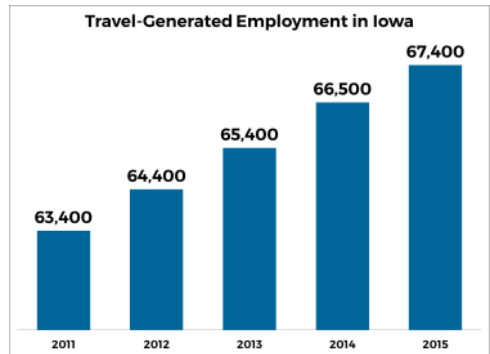
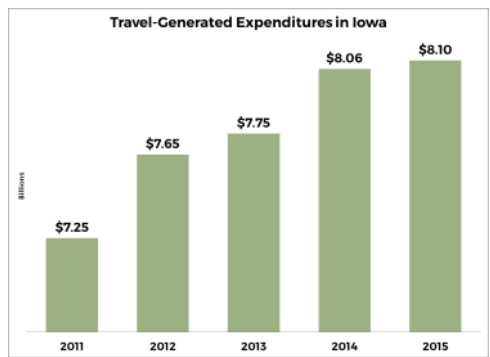
<b>Marketing Appropriation</b>		
Source of Funds	Current	Proposed
Adjusted Gross Wagering Tax Receipts Appropriation	\$1.1 m	\$1.1 m
IEDA Appropriation	\$2.95 m	\$2.95 m
Lottery Proceeds Appropriation from the General Fund	\$0	\$2.0 m
Creation of a Tourism Reserve Fund	\$0	\$3.0 m
<b>Total</b>	<b>\$4.0 m</b>	<b>\$9.0 m</b>

## Legislative Support Issues

**Enhance Iowa** - TFI supports efforts to invest in programs that enhance Iowans' quality of life such as trails funding, funding for sports tourism and the Community Attraction and Tourism program and the River Enhancement Community Attraction and Tourism program.

**DRAM Shop** - TFI supports the Iowa Restaurant Association's efforts to pass legislation to update Iowa's DRAM Shop laws in order to bring them more in line with surrounding states and decrease the burden on Iowa restaurateurs.

**Water Quality** - TFI supports water quality initiatives that include funding for tourism and quality of life components that showcase Iowa's beauty and improve Iowa's workforce efforts.



## Travel provides essential support to state and local government.

In 2015, the US travel industry generated **\$67 billion** in state and local tax revenue—enough to pay the salaries of:



All 935,000 state and local police and fire-fighters across the U.S., or



All 923,000 secondary school teachers, or



1.1 million (93%) elementary school teachers.

Without these travel-generated revenues, each household would pay \$1,200 more in taxes every year.

Source: U.S. Travel Association, 2016.

The Travel Federation of Iowa is a statewide, grassroots organization dedicated to growing Iowa's Tourism Industry through advocacy and education.

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