



## California Tourism Month 2020

### TRAVEL'S ECONOMIC IMPACT

The coronavirus pandemic has devastated California's tourism industry, erasing 10 consecutive years of growth.

- In 2019, California saw another record-breaking year, surpassing \$ 144.9 billion in travel-related spending, supporting 1.2 million jobs and driving \$ 12.2 billion in state and local tax revenue.
- In 2019, the industry created 13,000 new jobs.
- Job growth averaged 3.2 percent a year during a decade of growth.
- Travel-generated tax revenue also grew for the 10th straight year, driving \$12.2 billion to state and local governments, a 3.4 percent increase over 2018.
- Travel-related spending increased 3.2 percent over 2018, according to Visit California's 2019 Travel Impacts Report, prepared by Dean Runyan Associates.

### 2020 Forecast

- California is now expected to lose \$ 72.1 billion in travel spending in 2020, about 50 percent of the 2019 impact.
- More than half of the tourism workforce –613,000 workers are expected to lose their jobs by the end of May.

### Concord / Contra Costa County Data

- In 2019, ConcordCA saw another great year, \$ 184 million in travel-related spending, supporting 2000+ jobs and driving \$ 13.1 million in state and local tax revenue.
- Contra Costa County saw \$ 2.004 billion in travel spending in 2019 amongst 14 cities and county land, driving \$ 177.9 million in state and local tax revenue.
- A marked percentage of the tourism workforce in Contra Costa County— 18,270 workers -- are expected to lose their jobs by the end of May.

### KEY MESSAGES

Tourism creates jobs at a rate higher than many other sectors

- Tourism is one of the most labor-intensive sectors and creates jobs faster than other sectors of the economy.
- From 2010 to 2016, travel employment grew by 17 percent, versus 13 percent in the rest of the private sector. As a result, the travel industry generated 9 percent of all new jobs in the United States during this period.
- During the Great Recession, overall California employment fell 8.6 percent between 2008 and 2010, while tourism jobs dipped only 5.6 percent.

Tourism is one of the most resilient economic sectors

- It took two years less time for the travel industry to recover from the Great Recession compared to the rest of the economy.
- International tourism demand always bounced back stronger with growth rates much above the average. If tourism is important in the good times, during a crisis it is vital.

California's communities rely on tourism to fund their way of life

- Transient Occupancy Taxes pay for local services across the state, and in many cases comprise a significant percentage of general government and public safety spending:
  - Nearly every California city – 482 to be exact – levied TOT in FY18/19 that raised nearly \$2.6 billion for municipal services. That's money for police and fire and most of the general government functions cities take on.
  - On average, hotel taxes account for 12.4 percent of city spending.
  - Across California, 68 cities count on TOT revenue to cover at least 20 percent expenditures.
  - TOT collections in 23 cities covered half of general government and public safety spending. Those include mostly small- to mid-sized cities, such as Bishop, Monterey, Palm Springs, Goleta and South Lake Tahoe.
  - TOT covered more than 100 percent of general government and public safety spending in three cities, meaning the funds covered other services, too, like road maintenance, libraries and local parks.

Californians can support our own economic recovery -- we've done it before.

- Shopping local and supporting community businesses will be an important first step to economic recovery as stay-at-home orders are lifted.

## **SPIRIT OF TRAVEL #spiritoftravel**

Aligning with U.S. Travel's National Travel and Tourism Week, Visit California and its in-state tourism partners leverage California Tourism Month to honor the Spirit of Travel in recognition of the industry's strength, selflessness and resiliency.

- When times are uncertain, the only certainty is the spirit of travel will not be shattered.
- The spirit of travel is what brings joy and memorable experiences to millions.
- Communities benefit from the spirit of travel, which permeates through small businesses, unique landmarks and all those who welcome residents and visitors alike with a smile and hospitality. It's hard to imagine California without its iconic attractions - big and small - and the dreamers and innovators that call the state home.
- The spirit of travel isn't only found in far-off places. When residents embrace the spirit of travel by supporting local businesses and helping their neighbors, they are also playing a key role in rebuilding their community, their state - and America.
- People from all backgrounds and walks of life connect through #spiritoftravel.