



AS OKLAHOMA'S 3RD-LARGEST INDUSTRY

# TOURISM IS A REVENUE GENERATOR

2016 Major Research Findings

**7:1**



**ROI**

State and local tax dollars

from OTRD's marketing

**\$8.6**



**BILLION**

in travel-spending revenue

**\$634**



**MILLION**

in state and local tax revenue

## FUNDING FOR TOURISM MARKETING YIELDS TAX REVENUE

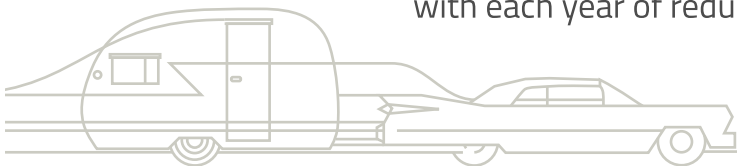
Due to the cap placed on the revenue source for travel promotion in 2015, OTRD has relied on **reserve funds** to maintain the level of marketing needed.

Those funds **will be depleted in FY18.**

**Without additional funds,** marketing efforts will be limited to the \$5.75 million cap — **\$2.5 million less than FY15.**

**This equates to a loss in combined state and local tax revenue of \$17.5 million each year at a 7:1 ROI.**

Oklahoma stands to **forfeit market share and the economic benefits of the travel industry to other destinations** with each year of reduced funds for marketing.



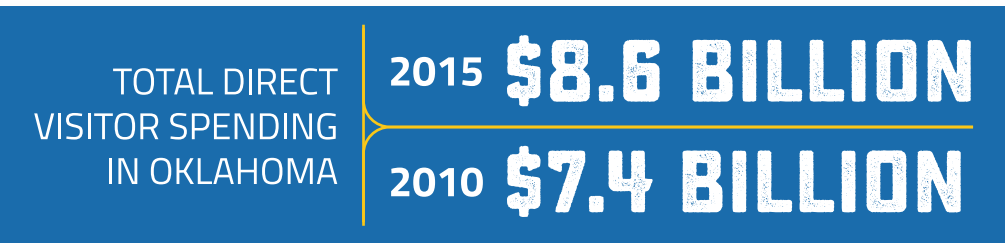
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# TOURISM GENERATES REVENUE THROUGH

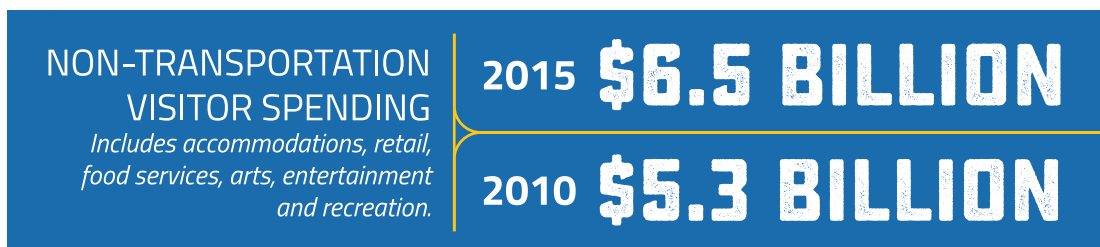
# VISITOR SPENDING



In 2015, 21.8 MILLION people visited Oklahoma. That's a **17.8% INCREASE** since 2010. Each travel party spent an average of \$381 in our state.



A **17% INCREASE**, despite declines in fuel prices.



**INCREASED** every year for the past 6 years.

# TOURISM GENERATES TAX REVENUE



LOCAL AND STATE TAXES GENERATED BY VISITOR SPENDING



A **16% INCREASE** in travel-related state tax revenues.

# TOURISM CREATES JOBS



JOBS CREATED OR SUSTAINED BY TRAVEL SPENDING




A **14% INCREASE** in total jobs, and a **24% INCREASE** in payroll.


# OTRD USES ITS MARKETING DOLLARS EFFECTIVELY


**7:1 ROI**  
FOR 2 YEARS RUNNING

IN THE FIRST HALF OF 2016, \$2.26M INVESTED  
IN ADVERTISING GENERATED:

**ROI**

 **7:1 TOTAL**

 **4:1 STATE**

 **3:1 LOCAL**

*Based on Longwoods International's methodology*

- 1.42 MILLION** new visitors who would not otherwise have come
- \$210 MILLION** in additional visitor spending\*
- \$9.7 MILLION** in incremental state taxes\*\*
- \$6.9 MILLION** in incremental local taxes\*\*

\*Based on Avg. Spending estimates from 2015 TNS Travels America  
\*\*Based on State (4.6%) + Local (3.3%) tax rates from Oklahoma (7.9% total)

## THE HALO EFFECT

Tourism marketing impacts the state's national image, enhancing Oklahoma's ability to attract business investment. Travel promotion generates awareness and creates visitor demand. It drives broad economic growth.



## TOURISM MARKETING AND ECONOMIC DEVELOPMENT

Tourism advertising dramatically improves 6 economic development image ratings. Compared with out-of-state residents who were unaware of Tourism advertising, those who were aware of Tourism advertising were more likely to see Oklahoma as a good place to:

-  **START A CAREER +130%**
-  **PURCHASE A VACATION HOME +173%**
-  **START A BUSINESS +117%**
-  **RETIRE +127%**
-  **ATTEND COLLEGE +51%**
-  **LIVE +81%**

# THE CHALLENGES AHEAD

Since 2009, OTRD state appropriations have **DECREASED** by 46%.

## OTRD STATE APPROPRIATIONS

FY 2009

**\$28.04** MILLION

FY 2017

**\$15.04** MILLION (NET)

Tourism promotion funding has **DECREASED** by 30%.

## TOURISM PROMOTION FUNDING

FY 2015

**\$8.25** MILLION

FY 2017

**\$5.75** MILLION (CAPPED)

At a 7:1 ROI for State and Local Tax Revenue,  
**THE STATE STANDS TO LOSE \$10 MILLION**  
each year as a direct result of these cuts alone.  
**LOCAL COMMUNITIES WILL LOSE \$7.5 MILLION**  
each year, too.

## KEY TAKEAWAY

# TOURISM IS A REVENUE GENERATOR

Investment in travel promotion creates awareness and attracts new visitors. Travelers visiting a destination spend money at local attractions, hotels and restaurants, and on retail and transportation.

Travel spending supports local jobs and generates additional tax revenue for state and local governments to invest in public services.

Research conducted by three best-in-class research firms: TNS Global Market Research | Dean Runyan Associates | Longwoods International