**PROTECT AND SUSTAIN OUR STATEWIDE TOURISM FUNDING**

*Colorado ranks among the top six aspirational state destinations for U.S. visitors in 2018, just after California, Florida, New York, Hawaii, and Arizona. (TravelZoo) To continue building our state’s competitive advantage and target high-value travelers who generate strong economic returns, Colorado requires resources to address media costs that rise 3% to 5% annually and support the promotion of visitor experiences in all four corners of our state.*

**State Tourism Promotion Is a Revenue and Job Generator.**

•       Travelers to Colorado in 2017 generated more than $20.9 billion in direct spending.  (Dean Runyan & Associates)

•       Visitors generated a record-setting $1.28 billion in state and local taxes in 2017.  (Runyan) To replace this revenue would have required an additional $228 in tax payments from each of Colorado’s 5.61 million residents.  Oftentimes, residents don’t realize that visitor spending creates actual dollars that come into their communities.  One community that “gets it” is La Junta, where 86 percent of voters last fall approved a 1 percent sales tax increase to retain skilled nursing services in the community.  Voters understood that not just their own purchases, but visitor spending would be helping them keep their loved ones close.

•       The hospitality industry was Colorado’s second-largest job generator in 2017 (EMSI), with travel spending generating more than 171,000 jobs and earnings of $6.3 billion, up 3.4 percent from 2016.  (Runyan)

•       With just 1.7 percent of the U.S. population, Colorado has 7.7 percent of the nation’s tourism jobs.  (U.S. Travel Association)

**Responsible Tourism Shares the Wealth.**

* Colorado tourism professionals are gaining recognition as national leaders for promoting responsible tourism practices. The Colorado Tourism Office (CTO) recently entered into a groundbreaking partnership with the Leave No Trace Center for Outdoor Ethics to encourage the state’s visitors to travel like locals and be active stewards of Colorado’s natural resources.

       A new study of Colorado resident sentiment toward tourism shows that Colorado residents feel more positive about tourism when destinations educate travelers to reduce their impacts on resources and when destinations encourage travelers to explore less-visited destinations. Both practices are core to the Colorado Tourism Office’s ground-breaking initiative to promote responsible tourism.

* As part of a new focus on stewardship in the Colorado tourism industry’s new strategic plan, called the Colorado Tourism Roadmap, the CTO is encouraging travelers to explore less-visited destinations and travel in less-visited seasons. A dual goal of this initiative is to spread the economic impact of tourism more widely across the state and especially into rural areas.
* The CTO is integrating sustainability concepts into its marketing priorities by working with partners like Volunteers for Outdoor Colorado to promote volunteer opportunities for Colorado travelers. A new online resource called the Colorado Field Guide provides complete multi-day itineraries for less-visited destinations along with information on how to take part in volunteer opportunities and how to be a good steward when visiting.

       While many of Colorado’s top tourism destinations and attractions have promotional budgets allowing them to advertise to potential visitors, many of Colorado's rural communities cannot afford to advertise in national and international markets. They rely on the CTO to promote Colorado as a dream state tourism destination in key markets and then tie into marketing programs offered by the CTO. These include free business listings on Colorado.com, inclusion in stories placed by the CTO’s public relations team, distribution of brochures at Colorado Welcome Centers, inclusion in inbound national and international familiarization trips for tour operators and media and the ability to advertise through the CTO’s website, social media and inspirational publications at reasonable prices.

**The Colorado Tourism Office’s National Campaigns Work for Colorado.**

•       The Colorado Tourism Office is the only entity that promotes the entire state of Colorado as a superlative destination for both U.S. and international travelers. By promoting Colorado as a whole, CTO’s award-winning “Come to Life” campaign generates traveler interest for every destination across the state, from Denver to the ski resorts to Paonia, Burlington and Alamosa.

•       A new analysis of our state tourism website shows that on average 1 of every 6 visitors to local destination websites originates on Colorado.com, which generated more than 10 million visits in FY18. Colorado.com frequently ranks as Quantcast’s top-performing state tourism website.

•       Colorado’s “Come To Life” marketing campaign has significantly increased statewide tourism visitation. In 2017, Colorado marked eight consecutive years of record-setting growth. Since the depths of the recession in 2009, the state has posted a 41 percent increase in visitation, more than double the 20 percent growth in travel nationally.  (Source: Longwoods)

**Colorado Tourism Office Programs Lift the Entire State, especially Small Business and Rural Colorado.**

•       The CTO funded $650,000 in statewide Marketing Matching Grants during FY18. While grants were shared with 30 recipients in 35 counties, another 22 grant applicants were denied support due to limited funding. The matching grant program provides a dollar-for-dollar match up to a maximum grant of $25,000.

•       The CTO is beefing up its grant program in FY19, with $700,000 for Marketing Matching Grants and lowering the match to 25% for communities with marketing budgets of less than $100,000. The CTO also has created a new $105,000 Technical Assistance Grants Program, which will share maximum $15,000 grants for marketing research and other tourism promotion activities not funded by other grant programs.

•       Colorado is the only state with a dedicated fund supporting the promotion and development of agritourism, which is used to develop tourism offerings and generate traveler spending in rural Colorado.

•       The CTO operates a $2.6 million international tourism initiative aimed at attracting travelers who spend far more than the average domestic traveler. In partnership with Brand USA and through relationships with in-country representatives in target markets, the CTO markets destinations across the state to international travelers and creates ways for Colorado attractions and destinations to take part in international sales missions and trade shows and participate in national promotions.

**What Happens When You Don’t Invest in Statewide Tourism Marketing?**

•        In 1993, Colorado became the first state to eliminate its tourism marketing, when voters cut its $12 million promotion budget to zero. As a result, Colorado’s domestic market share plunged 30% within two years, representing a loss of more than $1.4 billion in tourism revenue annually.

•        Over time, the revenue loss increased to well over $2 billion yearly. In the important summer resort segment, Colorado dropped from first place among states to 17th.

•       In 2015, Colorado finally reached and exceeded the national share of discretionary travelers it held before the complete loss of state tourism spending in 1994.  In other words, it took the Colorado tourism industry 21 years to recover from the devastating elimination of the state’s tourism promotion budget.

•       All but 8.5 percent of the Colorado Tourism Office’s $20.1 million budget is spent on tourism promotion and programs, well below the national average of 10.8 percent.

•       Given annual increases in media and other costs, flat funding for the Colorado Tourism Office translates to an actual decrease in hard dollars spent on national campaigns and rural programs.

**Public vs. Private Investment in Colorado Tourism.**

•       Each player in Colorado’s widespread tourism industry has its own marketing job to do, whether it’s a ski resort like Aspen, Vail, Breckenridge, or Steamboat Springs; a city like Denver or Colorado Springs; an attraction, airline, hotel, rental car firm, guest ranch or craft brewery.

•       But tourists can stay at a Sheraton or rent a car from Hertz virtually anywhere. For them, the hook is ***Colorado***.

•       Private funding models for national Colorado tourism campaigns have failed in the past, i.e. the Colorado Travel & Tourism Authority attempted in the early ‘90s.  Despite representing a state with one of the strongest private tourism sectors in the U.S., the new Colorado Travel & Tourism Authority was unable to raise sustainable funding or to coordinate its private sector partners under a marketing umbrella.

•       Without the glue of competitive public funds for tourism promotion, the industry cannot coordinate and deliver a clear Colorado message to the traveling public.

**Feast or Famine.**

•       Because of hard work by both the Colorado Tourism Office and tourism partners across the state, Colorado restored its tourism promotional standing over the past several years.  However, in recent history, Colorado has also experienced tourism challenges due to uncontrollable factors such as low snow, fires and floods, recession and increased competition.

•       Research has shown that it can take years to build a viable tourism product, but just months to lose a tourism season based on the factors above.  Many of the tourism destinations recently devastated by hurricanes are relying on a rebound in tourism as a major economic contributor because tourism is one of the quickest ways to inject spending into an economy.  This summer in Colorado there has been devastating fires, including the areas of Durango and Huerfano County.  The shutdown of the Durango & Silverton Narrow Gauge Railroad in June cost the local economy an estimated $31million.  And, according to a recent article in *The Denver Post,*“Huerfano Country, long plagued by some of the highest unemployment and poverty rates in Colorado, doesn’t offer many options to those looking to make a living, so losing tourism is a big deal…a quarter of the gross sales tax revenues for La Veta are collected in July alone, and those look to be done 75%.”

•       A consistent, well planned and motivational Colorado marketing campaign is essential to take advantage of good economic periods and minimize damage during challenging conditions, including the recession.

**Tourism Creates Economic Development.**

•       Recent research conducted by Longwoods International illustrates a strong connection between a dynamic tourism campaign and a “Halo Effect,” significantly improving our state’s image for several economic development objectives.

•       In a spring 2017 study, Longwoods found that Colorado’s tourism advertising, especially when combined with a subsequent visit, significantly raised the overall image of Colorado in the following categories: A Good Place to Start a Business, A Good Place to Start a Career, and A Good Place to Retire.

•       According to Andy Levine with Forbes, “… while tourism marketing has been shown to generate significant economic impact by driving visitation, these research results demonstrate the potential long-term benefits for broader economic development.”

Tourism is one of Colorado’s biggest businesses, and businesses require investment in order to succeed. The ROI on tourism spending has been proven many times over — we just need the capital and support from our elected officials in Colorado. An investment in state tourism promotion is an investment in Colorado and pays big dividends for the state, communities and our residents.

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