



Tourism is critical to the economic well-being of Pennsylvania. The 208 million guests who visit the Commonwealth annually generate \$4.6 billion in state and local tax revenues and support more than 515,000 jobs across Pennsylvania. However, budget cuts to state tourism marketing programs, aggressive marketing campaigns by other states, as well as the effects of the COVID-19 pandemic have negatively impacted tourism in our state. We propose the creation of a Public/Private Partnership (PPP) to enhance and strengthen PA's position as a major national and international tourism destination. A more robust tourism industry will have wide-spread benefits across the Commonwealth, driving economic growth, generating higher tax revenues and creating more jobs.

### **Background**

As the Commonwealth's second largest industry, tourism is critical to the economic well-being of Pennsylvania. It is a broad-based and far-reaching industry which includes hotels, meeting facilities, attractions, cultural institutions, recreation and much more. The tourism industry impacts a wide variety of industries from restaurants to transportation, retail, agriculture and manufacturing to name a few.

The economic impact of tourism in Pennsylvania is significant. In 2018:

- **Total visitor spending was \$44.8 billion.**
- **State and local tax revenue was \$4.6 billion.**
- **Tourism directly represented \$14.0 billion of state GDP.**
- **PA hosted 208 million visitors.**
- **More than 515,000 jobs were supported, with almost 330,000 jobs directly attributed to PA Tourism.**

Tourism marketing for the State of Pennsylvania has historically been led by the Pennsylvania Tourism Office, located within the Department of Community and Economic Development (DCED). Through DCED, Pennsylvania has had varying degrees of success attracting visitors over successive administrations. Since the Rendell administration, marketing dollars have been limited and competition from neighboring states extremely tough. Thankfully, the private sector and the DMOs (Destination Marketing Organizations) have worked to fill the overall marketing gap.

We think it is time to integrate the Commonwealth's tourism promotion efforts and resources from both the public and private sectors. In short, we propose forming a public/private partnership (PPP) which would assume DCED's current marketing duties.

### **Why now?**

- **Tourism is a competitive business. Pennsylvania is competing with every other state throughout the country as well as with international markets for meetings, conventions, sporting events and visitors.**
- **The current economy, in the midst of a pandemic, demands that we re-evaluate how we market and promote Pennsylvania.**
- **In an age of uncertain revenue streams and stretched budgets, Pennsylvania needs to think creatively to support its tourism industry. The private sector can provide the creativity and synergy needed to accomplish this goal.**
- **The proposed public/private partnership will take advantage of private sector expertise in selling and marketing PA's great tourism assets, while providing the private sector with a real voice in the future direction of the state's tourism marketing.**

### **What do we propose?**

We propose the creation of a PPP to strengthen Pennsylvania's tourism industry and increase its position as a major national and international tourism destination. This partnership will be charged with the consistent branding, promotion and marketing of Pennsylvania as a premier tourism destination.

The newly created partnership will enhance and strengthen tourism efforts across the Commonwealth by developing a long-term state tourism strategic marketing plan and by engaging the public and private sectors to create a sustainable funding source to support the priorities outlined in the plan. This strategic marketing plan will span administrations and not be subject to constant change; instead, it will focus on what is in the best interest of industry growth and preservation.

### **How will the PPP make things better?**

- **Greater alignment and a cohesive strategy across Pennsylvania's tourism industry will better position us to capitalize on economic opportunities relating to tourism.**

- The PPP will advocate on behalf of the tourism industry.
- The Commonwealth's tourism brand and marketing initiatives will be insulated from political change and thus provide for more continuity.
- The PPP will have the ability to act outside the state procurement system, thus providing it access to "private-sector" economies.
- Responsibility will be placed on the tourism industry to support its efforts in partnership with state government. This will increase opportunities for input and buy-in from the private sector.

In order to fulfill a mission of supporting and promoting tourism to PA and within PA, the PPP will:

- Hire a Project Director to work with a Steering Committee to further develop the PPP.
- Establish a Steering Committee comprised of business and industry professionals, as well as representatives from key government agencies and industry-related organizations from across the Commonwealth.
- Develop a strategic business plan for the organization outlining its efforts to support consistent and impactful tourism marketing.
- Generate financial support from the private sector to be used for marketing purposes in support of the priorities outlined in the strategic plan.

What role will the tourism Industry have?

- A seat at the table: The state-wide associations, representing all or segments of the industry, will have an opportunity to submit nominations for the Steering Committee.
- A chance to be heard: Tourism associations and their private sector members will have an unprecedented voice in the process of developing statewide marketing plans and strategies.
- Skin in the game: Industry stakeholders can provide and/or pledge financial support.
- Co-op and collaboration: Individual businesses within the industry will have the opportunity to participate in cooperative marketing programs.

## **Next Steps**

Representative Karen Boback is re-introducing legislation (formerly HB 2099 & 2098) which would create an independent Pennsylvania Tourism Commission to serve as the state's official tourism marketing agency. With tourist dollars becoming increasingly more important to local economies across the state, we believe it is time for Pennsylvania to transfer the responsibility of tourism marketing to a public-private partnership made up of tourism marketing professionals and industry stakeholders. It is important for state leaders and tourism industry professionals to come together to help grow the industry and maintain the hundreds of thousands of livelihoods that tourism supports across PA.

*Last Updated: 3/9/2021*