The Executive Summary of the 2015 study "Competitive Analysis of Pennsylvania’s Tourism Budget" by Tourism Economics, a leading provider of tourism economic analysis. This report was sponsored by a coalition of over 25 Pennsylvania tourism industry stakeholders, including major associations, businesses and destination marketing organizations.

In six years, Pennsylvania lost $324 million net in state taxes by defunding tourism.

In 2009, Pennsylvania spent $30 million annually on tourism marketing. By 2015, that annual amount dropped below $7.5 million of which only $2 million is spent on a statewide level. This saved the Commonwealth $22.5 million a year... or did it?

For every dollar cut in the Pennsylvania tourism budget, Pennsylvania lost $3.60 in state taxes. During this period, the state lost $449 million in state taxes while saving only $125 million—representing a net loss of $324 million in taxes.

Tourists are a walking economic stimulus. By restoring Pennsylvania’s tourism budget, the state will gain an estimated $275 million in tax revenue over the next four years and recapture market share lost to competitor states.

Tourism is an economic driver.

As incomes rise, consumer spending on travel has grown at an even faster rate. Tourism and hospitality outperforms all other industry clusters on employment. Destination marketing is a proven catalyst for economic development.

Since tax revenue generated by tourism flows into the General Fund, increased tourism investment generates increased funding for priority programs, including:

- Transportation
- Education
- Public Safety

Restoring Pennsylvania's tourism budget to $35 million would yield $275 million net in state taxes over four years.

With this investment from 2017-2020, Pennsylvania’s tourism industry would become competitive again, capturing an estimated 31.9 million more marketable trips and generating:

- $6.7 billion in visitor spending
- $390 million in state taxes
- $140 million in local taxes
- 15,300 new jobs
- $2.8 billion in wages

Every $1 invested = $3.43 in tax revenue

Tourism is not an expense. It’s an investment in Pennsylvania.

For more information and to access the full report, go to: www.prla.org/patourismstudy
TOURISM INVESTMENT YIELDS JOBS & TAX REVENUE.

TOURISM IS ONE OF THE LARGEST INDUSTRIES IN PENNSYLVANIA, GENERATING $39.2 BILLION A YEAR IN VISITOR SPENDING.

RESULTING IN

- 479,000 leisure and hospitality sector jobs, providing family-sustaining employment
- $18.8 BILLION in labor income
- $4.3 BILLION in state and local taxes

Additional revenue in the general fund support priority programs. Replacing these taxes would raise personal taxes $835 per household.

SINCE THE FY2010 TOURISM FUNDING CUTS, PENNSYLVANIA HAS LOST $7.7 BILLION IN VISITOR SPENDING.

LOST
(2009-2014)

- 37.3 MILLION Marketable Trip Visitors
- $7.7 BILLION Visitor Spending
- $450 MILLION State Taxes
- 13,400 Jobs
- $3.2 BILLION Wages
- $165 MILLION Local Taxes

THESE NUMBERS ARE AN UNDERSTATEMENT.

The estimated losses would be even greater if the short-term infusion of hotel revenue generated by the Marcellus Shale industry had been taken out. Also excluded is the impact of lost business for convention, group and business travel which directly benefit from tourism marketing.

PENNSYLVANIA IS OUTSPENT BY NEIGHBORING STATES.

PENNSYLVANIA IS OUTSPENT 5:1 BY NEW YORK, 3:1 BY VIRGINIA AND 2.5:1 BY WASHINGTON, DC.

Before the tourism budget cuts, Pennsylvania’s funding was among the top-10 in the U.S., competitive with Florida and Michigan, and highest among regional competitors. PENNSYLVANIA NOW RANKS 36TH FOR TOURISM FUNDING, THE THIRD-LOWEST OF THE NINE-STATE COMPETITIVE REGION AND LAST RELATIVE TO INDUSTRY SIZE.

PENNSYLVANIA IS LOSING MARKET SHARE TO NEIGHBORING STATES.

PENNSYLVANIA NOW RANKS 36TH FOR TOURISM FUNDING, THE THIRD-LOWEST OF THE NINE-STATE COMPETITIVE REGION AND LAST RELATIVE TO INDUSTRY SIZE.

PENNSYLVANIA IS NOW LAST IN THE COUNTRY FOR STATE TOURISM FUNDING RELATIVE TO INDUSTRY SIZE.

NOW VISITORS ARE GOING ELSEWHERE IN THE NINE-STATE REGION.*

DOMESTIC

INTERNATIONAL

- 24% DECLINE in PA market share of overseas visitors to the U.S. (2009-2014)
- $340 MILLION LOST in overseas visitor spending

OVERSEAS VISITATION GROWTH
(2009-2014)

U.S. +45%
PA +10%

*Region of direct competitors: New York, New Jersey, Delaware, Maryland, Virginia, Ohio, West Virginia, District of Columbia and Pennsylvania.