

## Does More Tourism Really Mean More Economic Growth?

Chamber members work toward a stronger, more vibrant community. You “get it.” You know that economic growth will benefit everyone. The Chamber tagline is “Leading Business Growth.”

I hope that Chamber members know that the visitor industry plays an important role in our community’s economic health. In 2013, visitors added \$320 million to our local economy when they stayed at hotels, ate at Rockford-area restaurants and shopped at our retail businesses.

When the Rockford Area Convention & Visitors Bureau promotes the region, what should you expect, as Chamber members? Do investments in the visitor economy help the *broader* economy, beyond hotels, restaurants and retail businesses?

A new, major analysis of the visitor industry has been released that says “yes.” It’s based on 237 Metropolitan Statistical Areas (for example, Winnebago and Boone Counties are an MSA) for which data were analyzed for more than 20 years, 1990 to 2012. Oxford Economics, a global forecaster, conducted the study.

Here are some of the highlights of this research on how investments in the visitor economy drive broader economic growth:

Based on an in-depth study, Oxford Economics finds that destination promotion (what the RACVB does when it promotes the region to visitors) does drive development across the *entire* economic spectrum. In addition to generating jobs and tax revenues by attracting visitors, visitor groups like the RACVB drive *broader* economic growth by:

- raising the community’s profile (branding)
- attracting decision makers and strategic events,
- building transportation networks, and
- improving the quality of life for residents.

As key improvements are poised for Rockford with the downtown sports complex, downtown hotel projects, regional transportation center and more, we see that the Rockford Region fits the model found in the Oxford Economics study.

That is, by investing in “Reclaiming First” to re-establish the region as the premier, amateur-sports tourism center and attracting strategic events such as regional and national amateur sports tournaments, the Rockford Region reinforces its reputation as the premier amateur-sports center. Residents and visitors know us as the place where premier amateur sports tournaments are held.

And, when strategic events like regional soccer events and national softball competitions chose this region for its multi-day tournaments, parents and friends also come here. That audience can include executives and other decision makers who may lean favorably toward the Rockford area when they need to expand their businesses.

Here are two more conclusions from the study.

- An analysis of cities shows that regions that attract more leisure visitors grew on average 2 percent faster over a ten-year period in population and jobs. Cities with a higher concentration of visitor-related industries tend to grow faster than average. For example, Austin saw a 35 percent growth in total employment between 2004 and 2013, compared to Cleveland's 0 percent growth.
- Cities that attract more leisure visitors also attracted a greater share of college-educated residents. Talk to any millennial, and they will tell you that entertainment and recreation spots rank high on their must-have list.

Chamber Feedback Welcome

To download the study, go to [oxfordeconomics.com/engine](http://oxfordeconomics.com/engine). I welcome feedback from Chamber members on how the RACVB can do more to drive economic growth so that visitors add more than \$320 million to our economy.

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