



## **Issue Brief: Vermont Tourism Funding**

### **The Program**

In order to promote Vermont's travel, recreation, and cultural attractions to our neighboring states and in the global marketplace, the state annually funds a travel and tourism budget. Recognizing that Vermont's travel and tourism industry is an economic driver for Vermont, this money is used with both public and private sector partners to enhance the efforts of the travel and tourism industry. The hospitality industry provides substantial employment opportunities to Vermonters while generating considerable tax revenue for the state's general fund.

### **The Benefits**

The benefits of a robust travel and tourism industry go far beyond the businesses directly associated with the industry. According to the most recent Benchmark Study of the Economic Impact of Visitor Expenditures on the Vermont Economy (*Economic and Policy Resources, 2007*):

- Visitors make an estimated 14.3 million person trips to Vermont, resulting in 24.5 million overnight stays and \$1.61 billion in direct spending.
- The hospitality industry comprises approximately 59,700 jobs supported by both visitor and resident spending. Visitor spending directly and indirectly supports 37,490 jobs (12% of all jobs).
- The key sectors of the Vermont tourism economy are as much as 2-3 times more dependent on visitor spending than the national average.
- Visitor spending contributes an estimated \$206.9 million in tax and fee revenues to the State of Vermont, largely through lodging, meals, gas, and property taxes.
- The Vermont tourism employee who is the primary household wage earner earns \$42,350 per year, 15 percent above the average income of \$36,949 for all employed individuals in Vermont.
- Vermont receives an estimated \$4.48 in additional state revenues for every \$1 spent by VDTM on marketing. VDTM's expenditures generate revenue returns quickly, within 3-6 months.

In addition to the significant economic benefit, the travel and tourism industry enhances the quality of life in Vermont. Small hospitality businesses, such as bed and breakfast establishments, country inns, attractions, restaurants, and gift shops, are the backbone of Vermont's economic structure, as well as a significant component of the "Vermont brand." These businesses also purchase services from other businesses that are indirectly supported by the tourism industry. Tourism marketing is one of the few ways in which the state spends money, that in turn generates a significant investment of out-of-state dollars. Much of that investment stays in the state. In order for Vermont to maintain and increase its market share, this highly competitive industry needs to maintain and increase its regional, national and international visibility.

### **Recommendation**

Enhanced investments in tourism marketing programs and promotional efforts increase the number of visitors to the state, thus resulting in increased revenues for Vermont. Therefore, the Vermont Chamber of Commerce Hospitality Council supports a 2011 legislative appropriation of \$6.8 million to the Vermont Department of Tourism & Marketing, which would restore funding to FY 2000 levels.

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