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**NEW STUDY REVEALS DEVASTATING EFFECTS OF TOURISM DECLINES**  
*Warns Legislature that Further Cuts Will Deepen Economic Woes*

**PHOENIX, AZ** - (March, 2010) – Just in time for “Budget Week” at the Arizona Legislature, a new study conducted by Nichols Tourism Group and vetted by Elliott D. Pollack & Co. links cuts to tourism marketing with declines in visitation and millions of dollars in lost tax revenues.

The study, commissioned by the Arizona Tourism Alliance, looks at the results of tourism declines over the last 24 months due to the economic recession, backlash of corporate meetings, very aggressive steps taken by competitors and cuts to marketing budgets, including the Arizona Office of Tourism.

According to the study, since 2007, Arizona’s Tourism Industry experienced:

- 17,000 lost direct tourism jobs (30,000 total direct and indirect jobs).
- \$2 billion lost in annual direct visitor spending.
- \$167 million in annual direct lost state and local tax revenues.

The study warns that any additional redirection of State marketing resources will translate into lost jobs and lost State tax collections.

The study also compares the current recommended budget cuts to the Arizona Office of Tourism to the state of Colorado’s cuts in 1992 that led to devastating drops in visitation, jobs and tax revenues until the state reversed its commitment to tourism in 2000. This suggests that Arizona could be positioning itself as the next national case study as a state that did not appreciate the role of tourism and allowed the benefits of a key export industry to be captured by other competitive states.

Elliott D. Pollack & Co., the state’s most respected economic consulting firm, recently reviewed existing research and verified the negative impacts of further cuts to the Arizona Office of Tourism:

*The proposed redirection of tourism funds will very simply result in a loss of General Fund tax collections in excess of the redirected monies. Alternatively, the full restoration of funding will similarly result in a net gain in tax revenue.*

“We approached the study with skepticism but the return on investment is undeniable and we can say with confidence that any sweeping of funds to tourism marketing will be completely offset by lost tax collections, and then some,” said Jim Rounds, Senior Vice President, Elliott D. Pollack & Co. “The vitality of resorts and hotels have no bearing on us personally, but we are stressing the importance of

funding the Arizona Office of Tourism to the Legislature because the proposed redirection of monies will result in negative economic consequences both in terms of maintaining jobs and State tax revenues.”

Pollack & Co. is currently meeting with Legislative members to share these new results and to provide informational support for budget decisions that are expected to emerge from “Budget Week”. Currently the Governor’s budget provides \$0 of the voter-approved formula funding for the Arizona Office of Tourism and the Joint Legislative Budget Committee’s budget also suggests millions of dollars in cuts to the agency’s marketing budget.

The Arizona Tourism Alliance is also voicing the importance of tourism as the state’s largest employer and is conducting letter-writing campaigns for tourism associates to share their concerns with the elected officials in their respective districts.

For details on the study or the advocacy initiatives visit: [www.AZTourismAlliance.org](http://www.AZTourismAlliance.org).

The [Arizona Tourism Alliance](http://www.AZTourismAlliance.org) (ATA) is an independent, non-profit organization based on unifying Arizona's many travel-related businesses. Its mission is to ensure the future growth and success of tourism through our collective efforts. [ATA](http://www.AZTourismAlliance.org) and its partners work throughout the year to advocate, educate and unite the tourism industry.

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