

Daily Chronicle

Tourism an economic engine: Think outside the deficit

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The DeKalb County Convention and Visitor's Bureau is a nonprofit 501(c)(6). Its mission is to promote DeKalb County as a leisure and business destination for events and meetings to generate revenue for the area. The revenue that has been generated from visitor spending has increased each of the last five years, as recently reported in the Daily Chronicle.

We also are on track to nearly double the hotel/motel sales tax revenue that is generated over the last fiscal year. This money gets reinvested in the communities to keep businesses thriving and to enhance the quality of life for residents.

Visitor spending means jobs at both the local and state level. The tourism industry is an economic engine that generates revenue and is crucial to economic development.

However, the tourism industry in Illinois has been told to expect anywhere from 22 to 30 percent cuts in grant funding for the FY16 fiscal year. We are not alone as you all know. This is a tough time for our legislators.

There are many deep budget cuts being proposed for the FY16 budget, which will affect our residents and many sectors, such as governments, education and social services, to name a few.

All certified visitor bureaus are required to raise local matching funds from the communities they serve and represent to be eligible for a dollar-for-dollar state grant. By matching those funds, local residents acknowledge that tourism marketing is a sound investment that provides a return that is vital to a healthy economy for our state as well as our communities. If we fail to raise these local matching funds, we will be ineligible to receive the dollar-for-dollar grants, in accordance with state law.

In the 1980s, the state made the commitment to reinvest state hotel tax revenues back into tourism. It has led to an increase in both visitors and tourism-related employment.

- Illinois funding for tourism is 100 percent funded by the state's hotel tax revenues.
- Total hotel tax revenue is estimated to be \$250 million in FY15, a 25 percent increase from FY12.
- Hotel taxes alone will generate \$50 million for the General Revenue Fund, with another \$2.3 billion generated in other forms of state and local tax revenue by visitor spending.
- State investment in tourism has resulted in a 9 percent average growth in hotel tax revenues

over the past three years, making it the fastest growing state tax revenue source.

- Illinois ranks fifth in the United States in visitor expenditures, ahead of Nevada and coastal states.
- Illinois has more travel-related jobs (301,000) than our bordering states Wisconsin and Missouri combined.

Consequences of reducing tourism investment

Surrounding states are increasing their expenditures in tourism and heavily targeting Illinois in their advertising campaigns. If we reduce our funding levels, Illinois will lose its competitive advantage.

A reduction in reinvestment will cause a drop in Illinois' market share and stymie economic growth in hotel, sales, income, job creation and other tax revenue related to visitor expenditures.

The state's continued investment in tourism is necessary to the health and vitality of Illinois jobs and economic growth.

On a positive note, we are getting ready to welcome 2,300 bike riders who are raising money to battle multiple sclerosis this weekend. The MS: Tour de Farms normally books more than 400 hotel rooms. You can volunteer to ride to raise money or to help with road crews for the bikers at www.nationalmssociety.org. This group normally generates more than \$400,000 for our local economy based on the numbers provided by their organization.

The event route goes throughout DeKalb County with start and finish at Northern Illinois University. Their brightly colored tents will be brimming with riders and volunteers that have come together to raise money for the cause. We salute them for their ongoing efforts to provide funding and resources for those afflicted with the disease. They are changing the quality of life for millions of people.

Safe travels.

- Debbie Armstrong is executive director of DeKalb County Convention and Visitors Bureau.

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