



TOURISM ADVOCACY

SPEAKING POINTS

THE TOURISM INDUSTRY IS ESSENTIAL TO SAN DIEGO'S ECONOMIC HEALTH

- The visitor industry is the second largest industry in San Diego, contributing approximately **\$19 BILLION** in annual economic value for the region.
- In 2018, **35.8 MILLION VISITORS** spent more than **\$11.5 BILLION** at local businesses throughout the region.
- San Diego's tourism economy employs approximately **194,000 SAN DIEGANS** or **1 IN 8 JOBS**, through lodging, food service, attraction, arts and recreation companies – that's 13 percent of jobs throughout the county with more than half of employees earning a middle class salary or higher.

ALL SAN DIEGANS BENEFIT FROM A STRONG TOURISM ECONOMY

- Tourism directly impacts our regional infrastructure, with taxes (sales, property and transient occupancy taxes) generated by visitors to San Diego County totaling more than **\$940 MILLION** annually.
 - The tourism industry generates tax revenues that directly fund essential city services, from police and fire departments to parks and recreation services.
 - Transient occupancy taxes (TOT) are the third largest revenue source for the City of San Diego behind property and sales tax.
 - The City of San Diego budgeted \$245 million in TOT tax revenue in Fiscal Year 2019.
- In 2018, the San Diego Convention Center hosted **68 OUT-OF-TOWN PRIMARY CONVENTIONS** representing approximately **\$733 MILLION** in direct spending by convention attendees.
 - The San Diego Convention Center represents an area where we can grow revenue and community benefit. San Diego's convention center is one of the most in-demand spaces in the country, and its limited size means we often have to turn away business, resulting in lost revenue for the city.
- Tourism positively effects our way of life.
 - Nine in ten San Diegans agree that San Diegans themselves benefit from tourism infrastructure, including attractions like SeaWorld, the Zoo & Safari Park, LEGOLAND, USS Midway, museums and cultural institutions.
 - The U.S. Travel Association estimates that without travel-generated tax revenues, each U.S. household would pay an average of \$1,340 more in taxes every year to maintain the same level of community services.
- Tourism benefits our collective businesses. San Diego continues to be a top travel destination in the U.S., and while visitors stay here, research shows **70 PERCENT** of direct spending is at businesses other than lodging.

TOURISM PROMOTION IS ESSENTIAL IN A COMPETITIVE LANDSCAPE

- In a competitive global tourism marketplace, there will always be a need for destinations to market themselves. Just like we compete for companies to locate their business in San Diego, we also compete for millions of travelers to choose San Diego as a destination in order to grow jobs and maintain a strong economy.
- The competition for attracting travelers from emerging markets is fierce, and destinations must promote themselves to earn a share of these new markets (i.e., Chinese travelers).
- Destination marketing is important, as evident in 2013 when the SDTA's funding was frozen by the City of San Diego, and area hotels and attractions all felt the impact of San Diego not actively marketing around the world.
 - Occupancy throughout San Diego grew just 1 percent in 2013, compared to the previous three years when growth had been between the 2-4 percent range.
 - TOT growth slowed from 8 percent to just 3.8 percent in 2013, causing the City of San Diego to miss out on \$7 million in potential revenue had TOT continued to grow at the expected 8 percent rate.