

Kentucky's Tourism Industry Works for Kentuckians

INTERIM JOINT COMMITTEE ON TOURISM, SMALL
BUSINESS & INFORMATION TECHNOLOGY

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The Kentucky Tourism
Industry
Ultimate Beneficiaries
Kentuckians

An Industry that Works for Kentuckians: 71.6 million visitors to KY

- Economic impact of \$11.2 billion
- Over 94,500 Kentucky jobs
- \$787 million in local and state taxes

Other Tourism Industry Attributes

- Statewide Industry
- Job Quality
- Small Business and Entrepreneurial Friendly
- Powers Kentucky Products
- Quality of Life
- Kentucky's Promoter
- Is Economic Development; and
- Supports Traditional Economic Development
- Visitors Pay the Tab
- ROI

The Industry's Products

- Beauty of Kentucky
- Authenticity and hospitality of our people
- Bourbon, horses, outdoor adventure and recreation
- Uniquely Kentucky history, culture, food, folk art and music
- Attractions, historic sites, museums and restaurants
- Vibrancy and excitement of our urban areas, and authentic small town and rural settings

How the Industry Works

- Service Providers
- Experience Providers
- Destination Marketing Organizations (DMO's):
 - Kentucky Department of Tourism
 - Tourism Commissions/Convention & Visitors Bureaus (CVBs)

Funding

- **Kentucky Department of Tourism (KDT)**
 - General Fund
 - 1% Statewide Transient Room Tax
- **Tourism Commissions**
 - Local Transient Room Tax
 - Restaurant Tax in Small Cities
 - Limited Matching Funds from KDT
1% funds

Challenges include...

- Workforce
- State Parks
- Internet Access
- Asian Carp

But...

Core Challenge: Twin Battle of Competition

Battle #1: External – Intense Tourism Competition Among States

- Lower half in funding among the contiguous states
- Lower half in funding among the SEC states

Unrealized economic activity, jobs and tax revenue for Kentuckians due to insufficient traveler awareness of Kentucky tourism products.

Core Challenge: Twin Battle of Competition

Battle #2: Internal – Competition for Industry Legitimacy and Buy-In

- Harm to small cities' tourism promotion through possible restaurant tax reduction
- Local pressures to direct lodging and restaurant tax funds to non-tourism purposes

**Reduction or redirection of existing funds
will jeopardize existing benefits.**

Opportunities

Tourism Trends Align with What Kentucky Offers

- Experiential Travel
- Authenticity
- Destination Accessibility

Winning *Kentucky Communities*