



\$45 million one-time appropriation to put hundreds of thousands of Californians back to work and get hospitality businesses opened safely

COVID'S IMPACT ON WORKERS

The coronavirus pandemic has impacted travel and hospitality more than any other industry, confirmed by the Governor's Task Force on Business and Jobs Recovery. More than half of California's 1.2 million travel and hospitality industry workers lost their jobs because of the pandemic.

For every hospitality job lost, a ripple effect occurs. Every three travel and hospitality jobs support another two California jobs. (Source: Dean Runyan Associates).

COVID'S IMPACT ON COMMUNITIES

Thousands of businesses are reeling, and one of the state's most vital tax sources has dried up. California lost \$86 billion in visitor spending in 2020 — a 59% decline. State and local governments lost \$6.6 billion in tax revenues that fund vital local services like police, fire and public health and safety. (Source: Dean Runyan Associates) The transient occupancy tax (TOT) paid by hotel and vacation rental guests directly powers local communities across California — 46 cities rely on TOT revenue to cover at least 30% of their overall general fund expenditures (Source: California State Controller). Cities anticipate an immediate impact to their core revenue sources due to COVID-19, with an 89% decline in TOT in 2020 (Source: League of California Cities).

COVID'S IMPACT ON VISIT CALIFORNIA

Visit California is a nonprofit 501(c)6 organization that is an economic development engine for California. Visit California is funded by private businesses through a self-imposed assessment, which means the closure of the state's tourism industry dramatically reduced Visit California's revenue. These shortfalls forced Visit California to cancel its marketing program.

JUMP-START THE RECOVERY

A \$45 million, one-time appropriation to fund an in-state and western drive market campaign would deliver \$10.3 billion in revenue to California businesses and \$865 million in additional state and local tax revenue. (Source: SMARI Marketing Insights.)



Los Angeles County would benefit from \$2.8 billion in additional revenue to its businesses and \$211 million in incremental tax revenue.

This campaign, launched when the California Department of Public Health declares it is appropriate to resume travel, would emphasize that it is safe to travel and how to travel safely.

Domestic leisure travel offers the best immediate opportunity; business and international travel will lag years behind. However, as COVID-19 begins to be controlled, it will be an extremely crowded marketplace. California needs to actively market itself in order to get 600,000 hospitality workers back into the jobs that they love, reinvest in our struggling local economies and prevent decay in awareness, preference and travel intent. California is already behind as other states allocate funds to their tourism sectors in anticipation of marketing to visitors. By working together, and through this strategic one time economic investment, we can invest in a California comeback!

For more information:

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