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Session XIII: Tourism's Contribution to Wisconsin's Economy and Quality of Life

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Tourism's Contribution to Wisconsin's Economy and Quality of Life

In the wake of last September's terrorist attacks on the United States, the importance of the travel and tourism contributions to the nation's economy became readily apparent. National leaders beginning with President George Bush recognized tourism's significance to our nation's economy and the quality of life.

As Wisconsin government and business leaders look to improve the state's economy, they should follow the nation's recognition and appreciation of tourism and utilize Wisconsin's tourism product as an essential ingredient in the state's economic health.

Comprised of artistic, cultural, historic and natural resources, Wisconsin's tourism attributes draw visitors who contribute billions of dollars to Wisconsin's economy each year. These expenditures support the infrastructure that improves the quality of life for state residents and visitors.

The success of economic development initiatives is dependent upon attracting and retaining employees and firms. Quality of life becomes a vital component in the competition for a quality workforce.

Professor Richard Florida of Carnegie-Mellon University in his recent book, *The Rise of the Creative Class*, demonstrates that the higher a worker's education level, the more he or she values cultural offerings and diversity in a community.

“Cities and regions that attract creative talent are also those with greater diversity and higher levels of quality of place. That's because location choices of the creative class are based to a large degree on their lifestyle interests, and these go well beyond the standard amenities that most experts think are important.”

He argues that most experts and scholars have not even begun to think in terms of a creative community. Instead, they try to emulate the Silicon Valley model, which misunderstands the role that creativity plays in generating innovation and economic growth. He says this model creates “uninteresting places with acre upon acre of identical office complexes, row after row of asphalt parking lots, freeways clogged with cars, cookie-cutter housing developments, and strip-malls sprawling in every direction. Many of these places have fallen victim to the very kinds of problems they were supposed to avoid. The comfort and security of places like Silicon Valley have gradually given way to sprawl, pollution, and paralyzing traffic jams.”

Wisconsin can heed Florida's suggestion by investing and capitalizing on Wisconsin's tourism attributes. State residents and out-of-state travelers have already discovered Wisconsin's many diverse, year-round opportunities to enjoy culture, recreation and natural resources. In fact, travelers spent \$11.4 billion enjoying these activities in 2001.

The total impact of the travel expenditures created the equivalent of 380,000 full-time jobs supported by \$6.32 billion in wages, salaries and profits earned by businesses. The

tourism industry provides jobs that range from unskilled manual labor to positions for highly trained and educated professionals. The \$11.4 billion that travelers spent also generated a total impact of over \$1.7 billion in state and local taxes and fees. In effect, Wisconsin residents would need to spend an additional \$932 per taxpaying household to maintain the current level of government services.

Tourism is a rapidly growing industry in Wisconsin and is vital to the long-term economic health of the state. Wisconsin is an increasingly popular vacation destination for residents and out-of-state visitors. Since 1993, traveler expenditures have increased by 115%. Currently, about 50% of Wisconsin travelers are residents. Without the wide-range of quality activities and attractions Wisconsin offers, there would be little reason to visit or remain in state and spend recreational dollars.

In contrast to many other industries, tourism is relatively recession-proof, as its economic success does not depend on a single industry sector; rather, it is a horizontally integrated industry that is comprised of numerous other service sector segments. While long-haul travel, particularly business travel, decreases during slow economic times, people still engage in leisure travel; in safer locations and closer to home. Research has shown that there is a growing trend among the population, regardless of age, income or life-stage, to find quality time to relax, refresh and reacquaint with friends and family.

Wisconsin's successful ability to capitalize on these travel trends have helped create an enhanced selection and quality of goods and services that provide an enriched lifestyle for residents. This quality of life would not be sustainable without the traveler dollar.

Research shows Wisconsin's travelers have a clear perception of the state's brand image, citing natural beauty and relaxation as the two most important attributes influencing their decision to visit. These features, a cost of living that is perceived as a value, coupled with the wealth of cultural offerings and warm and friendly residents, provide the diversity from which the fabric of Wisconsin's society is woven.

Research also shows that these are among the identical attributes that encourage visitors to return to Wisconsin year after year – even generation after generation. A study of Wisconsin leisure travelers showed that 95% are likely to take a return trip. Nearly all (97-99%) said they would recommend Wisconsin to others. It is also these same characteristics that help attract college students to the state and then retain the graduates who live and work here. If properly recognized and promoted, these are the qualities that provide incentives for industry and enthusiasm among their employees to locate and make Wisconsin their home.

Several Wisconsin communities have made tremendous investments in their tourism infrastructure resulting in stronger and more vibrant economies.

Madison, surrounded by lakes and abundant green-space, is often held up nationally as a paradigm of a vibrant city that offers a high quality of life; a safe setting to raise a family, a great place to live and work, and an excellent city for women.

In the midst of a major downtown renovation and expansion, a Madison resident, businessman and benefactor donated \$100 million to develop the Overture Foundation, a project to create a world-class arts district for the visual and performing arts.

The Frank Lloyd Wright-designed Monona Terrace nestled on one of the five area lakes is attracting national and international meetings and conventions, including Prof. Florida naming it the #1 “creative city” of its size in the country.

Kohler, a small community in East-Central Wisconsin and home of the Kohler Company has recognized the value of bringing together many of the critical components of tourism for the benefit of community residents and the company’s employees. Top-rated golf courses replete with a 5-Star resort, shopping district and art galleries have not only attracted the attention of travelers and business executives alike but also the coveted 2004 PGA Championship.

As part of a recent \$2.4 billion investment in its tourism product, Milwaukee opened a new convention center, Miller Park baseball stadium, and the breathtaking Calatrava addition to the Milwaukee Art Museum. These enhancements among others have brought national and international attention to Milwaukee as a premier destination enabling this city more opportunities to highlight its first-class city offerings of visual and performing arts, its wonderful festivals and events, gourmet restaurants, a revitalized riverwalk, and many other attractions.

What these and many other Wisconsin communities have in common is a commitment to providing and promoting vital components that enhance the quality of life for both the traveler and its residents. These investments pay off in attracting visitors, new residents and businesses. All are essential for generating the awareness, interest and motivation for new companies and their employees to select Wisconsin as a home, expanding and attracting a talented workforce and retaining Wisconsin’s existing companies and their employees. The persuasive power of the Wisconsin experience as shared by travelers and residents should not be underestimated.

Austin, Texas realized the importance of promoting and investing in the city’s quality of life attributes as an economic development tool. *The Creative Economy*, authored by Doug Henton and Kim Walesh, illustrates Austin’s approach, “In Austin in the 1990s, Mayor Kirk Watson realized that for the city to be successful, it had to promote convergence between technology, Austin’s music scene and its unique, laid-back lifestyle. Business, civic and cultural leaders are focused on developing a ‘livable, digital downtown’ as a distinctive centerpiece of their region.”

The mayor of Seattle took a similar approach to economic development, aiming to turn the city center into a “platform for the creative experience.” “You have telecommunications, biotech, software and the Web all coming together with great music, architecture and art,” Mayor Paul Schnell said. “It’s at the intersections of the disciplines where sparks fly. That’s where the ideas come from.” A number of projects collectively

embody this vision, including the Experience Music Project by Microsoft co-founder Paul Allen and a new Seattle Public Library designed by Rem Koolhaas.”

Austin and Seattle leveraged the cultural and natural resources that have long made those cities attractive tourism destinations for economic development, job creation and job retention. Wisconsin can do the same.

The Build Wisconsin Initiative outlined four objectives to achieve *economic growth*.

- 1) Provide the opportunity for all Wisconsin citizens to earn more money and thereby enhance the high quality of life in every region of the state.
- 2) Create a state economic development strategy and strategies for each distinct regional economic area.
- 3) Make government more responsive and efficient and provide a competitive tax structure.
- 4) Grow Wisconsin’s traditional and existing business and industries, and pursue the start-up, expansion and attraction of businesses that provide high-paying jobs that lead to sustainable economic growth.

In order to achieve these goals, the tourism industry strongly recommends that Wisconsin’s economic development strategies consider and include the many amenities that make our state so livable:

- Business and government leaders need to leverage the tourism industry’s contribution and support of the state’s brand image and its participation in sustained economic development. The investment that has been made over the past decade has had a powerful return on investment.
- Business and government leaders need to further invest in tourism infrastructure and promotion to enthruse, attract and retain a talented workforce.
- The interconnectivity of Wisconsin’s positive attributes should be highlighted as a single image to further the successes already gained.

Wisconsin's tourism product is an essential ingredient in the state's economic health. The state’s economic development community as a whole should leverage this product as it strives to grow Wisconsin.