



TOURISM, HOSPITALITY AND CULTURAL ECONOMY FACT SHEET Five -Year Anniversary of Hurricane Katrina * August, 2010

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Recovery Overview

Tourism generates \$5 billion for New Orleans' economy and employs 70,000 people and more tax revenues for the city than any other business sector. The resurgence of the tourism industry is one of the many success stories of post-Katrina New Orleans. The New Orleans Convention and Visitors Bureau (CVB) is the driving catalyst for New Orleans' largest industry – tourism - strategically leading national and international marketing, public relations and visitor services efforts that attract millions of visitors, events, conventions and festivals.

For decades, New Orleans had earned a reputation as one of the most popular convention and leisure destinations in the country, drawing 8.5 – 9 million visitors per year. When Hurricane Katrina struck on August 29, 2005, the New Orleans CVB was forced to cancel \$2 billion in business, relocate all meetings through May 2006 and begin to overcome unprecedented brand impairment.

Despite post-Katrina infrastructure and reputation damage, a national recession, restrictions in corporate business travel, and the BP oil spill, New Orleans is once again welcoming millions of visitors per year, hosting prominent corporate and association meetings, and earning awards as one of the hottest leisure destinations in America.

The visitor experience today is better than it was prior to Katrina with 300 more restaurants than 2005, new cultural attractions, \$400 million of improvements into local hotels, \$250 million of improvements into the Louisiana Superdome and \$92.7 million of improvements into the Morial Convention Center.

Cultural festivals are drawing record-breaking attendance and the city continues to host and confirm future conventions, meetings, special events, festivals and high-profile sporting events such as Superbowl 2013.

The destination has won numerous award such as America's Favorite City for dining and live music (*Travel & Leisure* America's Favorite Cities Survey 2007 and 2008) and TripAdvisor® Travelers' Choice Award for Best Destination in the U.S. and World for nightlife in 2010.

Thanks to the leadership of the CVB and the work of the hospitality industry, the number of annual visitors increased from 3.7 million in 2006 to 7.5 million in 2009. From January – May 2010, New Orleans was the number one destination in the country for REVPAR growth, a hotel industry measure of success.

Annual Visitation (Leisure and Business Travel)	Annual Number of Visitors to New Orleans	Annual Visitor Spending
2003	8.5 million	\$4.5 billion
2004	10.1 million	\$4.9 billion
2005 (Jan.- June)	5.3 million	\$2.6 billion
2006	3.7 million	\$2.8 billion
2007	7.1 million	\$4.8 billion
2008	7.6 million	\$5.1 billion
2009	7.5 million	\$4.2 billion

CVB-booked meetings and conventions	Number of meetings	Number of attendees
2004 pre-Katrina	1,299	1,253,848
2006	360	428,922
2007	607	641,026
2008	704	787,533
2009	661	838,625
2010 (as of 8/4/10)	666	829,238

Tourism Industry Facts	Pre-Katrina August 2005	Today August 2010
Jobs	85,000	70,000
Annual Taxes	\$184 - \$221 million	\$250-300 million
Airlift	162 daily flights, 20,676 seats serving 42 cities	120 daily flights, 14,780 seats serving 35 cities
Hotel Rooms	37,000	35,550
Restaurants	800	1,105

Economic Impact of Tourism:

- Tourism generates \$200 - 225 million in direct tax revenues for New Orleans. No other business sector generates more tax revenues.
- The New Orleans tourism industry is the largest employer in the area. 70,000 people from every neighborhood in the city depend on the hospitality industry for their paycheck.

Economic Impact of Tourism (continued):

- New Orleans' integrated tourism interests are essentially Louisiana's third Fortune 500 company and the leading economic development corporation in the city of New Orleans, generating or affecting some 60% annually of the \$5 billion of newly-imported capital each year from tourists and visitors.
- Tourism includes chefs, street performers, musicians, bellmen, artists, housekeepers, sales and marketing professionals, drivers, florists, shop owners, hotels, restaurants, retail, sporting arenas, music venues, museums, galleries, tour guides, theaters, destination management companies, riverboats, audio visual/technology providers, decorators, meeting and convention venues, casino gaming, tour operators and more.
- Hospitality, tourism, sports and special events are the business of New Orleans and have more national and international impact on the brand of New Orleans than any other industry or business sector. The New Orleans cultural economy is a driving catalyst for economic development in other sectors, as it lays the foundation for the attractiveness of the Greater New Orleans area to entrepreneurs, major corporations, and professionals in all fields.
- Events at the New Orleans Morial Convention Center accounted for more than 11 million out-of-state visitors, who along with associations and exhibitors, have injected more than \$15.3 billion in direct spending and \$23.9 billion in secondary spending during the last 23 years.
- One out of every 12 people in Louisiana is employed as a result of the tourism industry.
- If the New Orleans hospitality industry did not exist, every family in Louisiana would need to pay \$2,702 more in taxes annually to offset the deficit.
- Every dollar invested in tourism advertising returns \$17 in tax revenue.
- Tourism creates hotel and sales tax revenue for the city and state benefiting Increased city services to every citizen in New Orleans; New Orleans Public Schools; tens of millions of dollars of new cash flow to the state general fund; New Orleans Morial Convention Center, Louisiana Superdome and the New Orleans Arena; New Orleans Saints and New Orleans Hornets; New Orleans Regional Transit Authority: accelerated Katrina recovery; preservation of our authentic culture and an enhanced quality of life for every citizen of New Orleans.

Story Ideas:

- **Why New Orleans is Important to America** – New Orleans is home to one of the world's busiest ports. 40 percent of seafood consumed in America comes from waters off our coast. Louisiana is a primary source of the nation's crude oil, and is second in production of the nation's natural gas and in total energy production. New Orleans is the birthplace of jazz and the most culturally unique city in America.
- **The Business of Tourism** – How tourism drives the New Orleans economy and has led the recovery of the city since Katrina.

Story Ideas (continued):

- **Overcoming Crisis** – How the CVB convinced visitors that it was safe to visit post-Katrina and managed the destination's reputation during the oil spill in a perception and image-driven tourism business.
- **Hollywood South** – From *Treme* to *The Curious Case of Benjamin Button*, to *The Expendables*, the film industry in New Orleans is booming and brings \$100 million and 20 major projects to the city each year.
- **Voluntourism** – What started as students and church groups coming to help citizens clean and rebuild their neighborhoods in the months following Katrina has emerged into a travel trend. Today thousands of convention-goers and leisure visitors spend extra time in the city to participate in community service projects. Convention organizers seek New Orleans as a destination to support corporate social responsibility efforts through voluntourism.

Spokespersons:

- **Stephen Perry**, President and CEO of the New Orleans CVB since 2002, Chairman of the Board of Destination Marketing Association International, Executive Committee Member of the US Travel Association and Member of the United States Travel and Tourism Advisory Board which advises the US Secretary of Commerce
- **Chefs and musicians** – the real celebrities in New Orleans
- **Shop owners, carriage drivers, street performers and front-line tourism employees** – why they came back against all odds to do what they love and why they stayed despite new challenges

The Future:

The future of New Orleans has never been brighter thanks to the renaissance of the tourism industry, a dynamic new Mayor, an influx of young entrepreneurs coming to invest here, stronger criminal justice, education and healthcare systems, neighborhood redevelopment inspired by engaged citizens, and a new attitude of victory that has infused the community since the Saints Super Bowl championship.

In January 2010, New Orleans hospitality leaders announced a strategic unified master plan for the tourism industry. The goal of the plan is to attract 13.7 million annual visitors by the city's 300th anniversary in 2018. If New Orleans meets the master plan goals, the cumulative benefits through 2018 will be dramatic: \$11 billion in direct spending, 33,000 additional jobs with an average salary of \$33,000 a year and \$700 million in tax revenue.

It also will create added value for convention and travel planner clients; unprecedented synergies in destination branding; improved city infrastructure; increased jobs and an enhanced visitor experience.

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