Witan *Intelligence*
Marketing Research & Strategy

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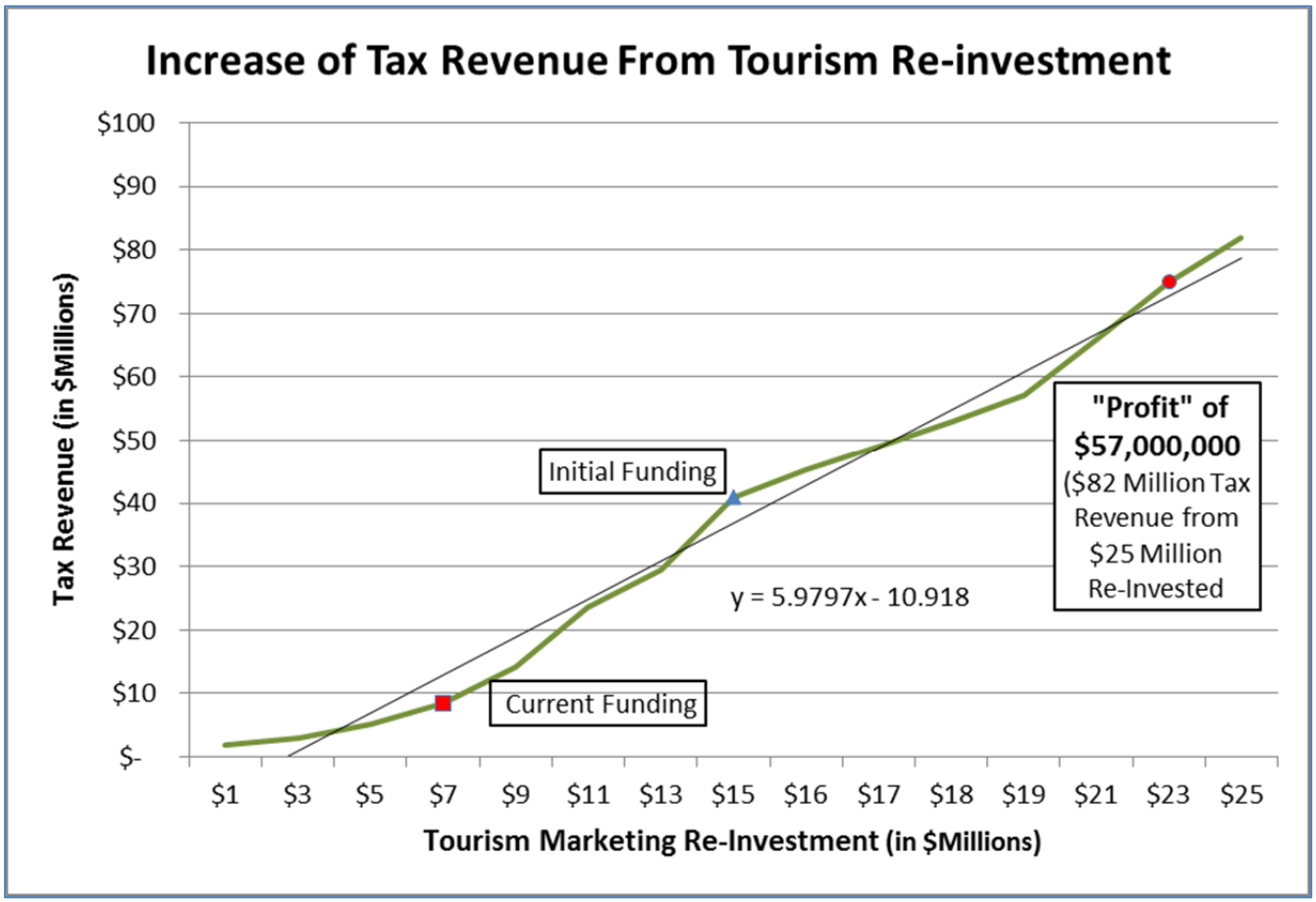
$57,0000,000 Left On The Table

An extra $57 Million could easily be available for the State of Connecticut to meet its responsibilities; if only it were to re-invest just $25 Million of the $82 Million in tax revenues it would collect on its visitors' spending.



Investing in tourism marketing attracts visitors who spend while they're here. Taxes collected on what they spend add up quickly, to far more than what it cost to attract them. While many experts have estimated the *rate* of return, all of them calculate returns of at least 3:1. And that's just counting tax returns, not including the significantly larger multiples that experts say is the full economic impact of visitors' spending.

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In 2012, Dr. Bill Siegel of Longwoods International published a white paper about Connecticut's tourism ROI. The paper focused on Connecticut's then $15 Million budget, providing projections of the advantages of larger budgets in terms of even higher rates-of-return, and warning of the lost revenue consequences of reducing it. The low end of his analysis was $11 Million, never imagining it would be cut beyond that.

The graph on the prior page is a conservative extrapolation of Dr. Siegel's already conservative projections. The graph shows that at the State's current level of funding, only a bit of profit will be realized, while increasing the budget to $25 Million would add $82 Million in tax revenue, a full $57 Million more than what was spent. Note that our State's primary audience is folks living in the New York Metro area and Connecticut, targets of New York's aggressive campaign that is double even the $25 Million above.

Given that marketing to attract visitors is among only a handful of investments available to the State that actually return more to the coffers than it costs, it seems negligent to turn our back and let New York so easily steal from us, money so desperately needed by so many of our citizens.

Following is the table displayed in the graph. Rows highlighted are Dr. Siegel's projections on which the extrapolations are based.

Budget (x $Million)	Visitors (x Million)	TotalSpend (x $Million)	TaxRev (x $Million)	Profit (x $Million)	ROI
$ 1	0.22	$ 26	$ 2	$ 1	$ 1.82
$ 3	0.36	$ 43	$ 3	$ 1	$ 1.01
$ 5	0.60	$ 72	$ 5	$ 1	$ 1.01
$ 7	1.00	$ 121	$ 8	$ 1	$ 1.35
$ 9	1.66	$ 201	$ 14	$ 5	$ 1.71
$ 11	2.77	$ 336	$ 24	$ 13	$ 2.29
$ 13	3.47	$ 421	$ 30	$ 17	$ 2.41
$ 15	4.83	$ 585	$ 41	$ 26	$ 2.88
$ 16	5.35	$ 649	$ 45	$ 29	$ 3.03
$ 17	5.80	$ 702	$ 49	$ 32	$ 3.07
$ 18	6.25	$ 757	$ 53	$ 35	$ 3.12
$ 19	6.75	$ 816	$ 57	$ 38	$ 3.17
$ 21	7.77	$ 941	$ 66	$ 45	$ 3.29
$ 23	8.86	$ 1,072	$ 75	$ 52	$ 3.41
$ 25	9.66	$ 1,169	$ 82	$ 57	$ 3.41