

# The Future of Tourism Funding: DMO Data & Perspectives

Findings from the 2020 Survey of Tourism/Destination Marketing Organizations

# The Funding Futures Study

*This important project is made possible by the generosity of these organizations:*



*in association with*



*and*

Wendy Kheel, Kheel Consulting

# Overview

This research is a component of a larger “Funding Futures” study on tourism funding options being conducted by a collaboration of Miles Partnership, Civitas, Tourism Economics, and Destination Analysts with support from the US Travel Association Destinations Council, Destinations International, and the Destination Marketing Association of Canada. The Funding Future study assesses the likely impact of the COVID-19 crisis on tourism funding with the goal of providing revised and future funding options for those organizations responsible for destination marketing.

To gather information and opinions related to current and future tourism funding, a survey was sent to leaders of U.S. and Canadian Destination Marketing Organizations and U.S State Tourism Offices. Between July 20<sup>th</sup> and August 3<sup>rd</sup>, 2020, surveys were completed from representatives of 43 State Tourism Offices, 58 U.S. DMOs and 14 Canadian DMOs\*.

Following is an Executive Summary of the key learnings from this survey, as well as Infographic Summaries, and the complete survey results broken out by organization type and budget size.

*\*Note: U.S. DMOs surveyed for this project were selected based on their participation in a previous survey conducted by Civitas. Budget data for State Tourism Offices was collected by US Travel Association*

# EXECUTIVE SUMMARY

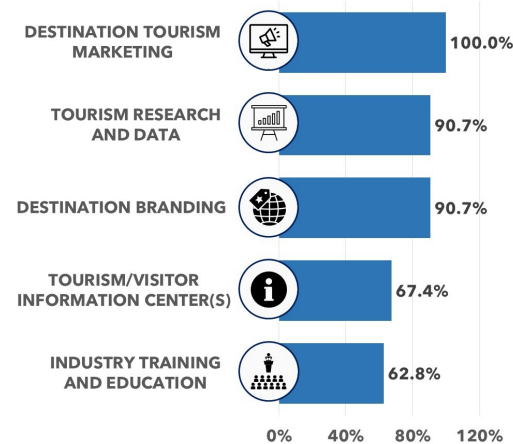
## Current Organizational Responsibilities

- A critical first step in assessing the best paths forward for tourism funding is inventorying what functions and responsibilities these tourism/destination marketing organizations are currently tasked with. In addition to tourism marketing, destination branding/brand management and supplying tourism research and data are all critical functions of many of these organizations.

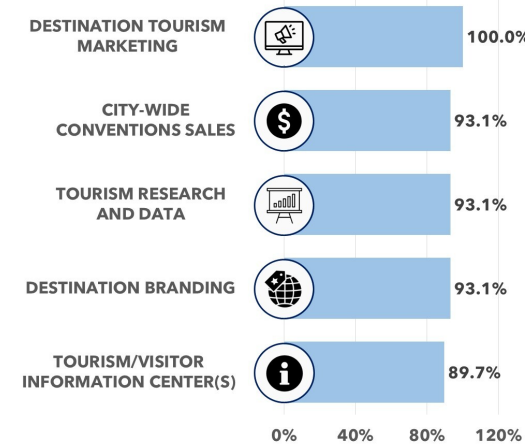
- American state tourism offices and DMOs are likely to have managing one or more Visitor Information Centers as part of their organizational responsibilities. The majority of these organizations report being charged with tourism industry education and training, as well. Canadian DMOs are more likely to be responsible for destination management functions compared to U.S. based organizations.

### TOP 5 ORGANIZATIONAL FUNCTIONS

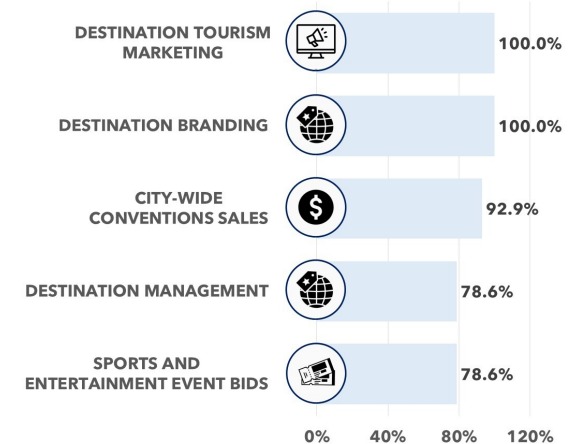
#### STATE TOURISM OFFICES



#### U.S. DMO



#### CANADIAN DMO



**QUESTION: WHICH OF THE FOLLOWING FUNCTIONS IS YOUR ORGANIZATION RESPONSIBLE FOR? (CHECK ALL THAT APPLY)**

# EXECUTIVE SUMMARY

## Current Organizational Responsibilities (continued)

- City/regional level destination marketing organizations in Canada and the U.S. commonly serve as their community's sales team for city-wide and self-contained conventions and meetings, as well as sports, entertainment and other events. Over 60 percent have programs of work to support a membership. In addition, American DMOs are often charged with public/cultural development events and support. These functions are currently less likely undertaken by state tourism offices.
- The tourism/destination marketing organizations with the largest budgets (over \$30 million) are likely to own sales functions for bringing convention and group meetings to their destinations. Relative to those with smaller budgets, these organizations are more likely to maintain responsibilities for air service development, sustainability initiatives and membership support. Those with smaller budgets (under \$5 million) are relatively more likely to be responsible for economic development and bids to bring in sports, cultural and other public events.
- With the undertaking of group meeting and event sales, American DMOs are, on average, responsible for 10.1 of the 16 functions tested, and Canadian DMOs 8.2. State Tourism Offices are typically responsible for 5.9 of these functions. The organizations with both the largest and smallest budgets report the highest average number of functions that fall under them (9.0 and 8.4 out of 16 tested, respectively).

## STATE TOURISM OFFICES

Average # of functions  
they are responsible for

5.9

## CANADIAN DMOs

Average # of functions  
they are responsible for

8.2

## AMERICAN DMOs

Average # of functions  
they are responsible for

10.1

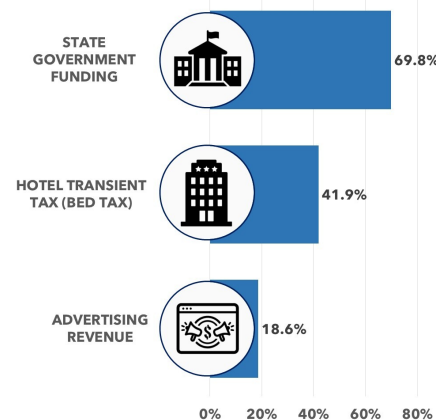
# EXECUTIVE SUMMARY

## Pre-COVID-19 Crisis Budgets, Funding Sources and Staffing Levels

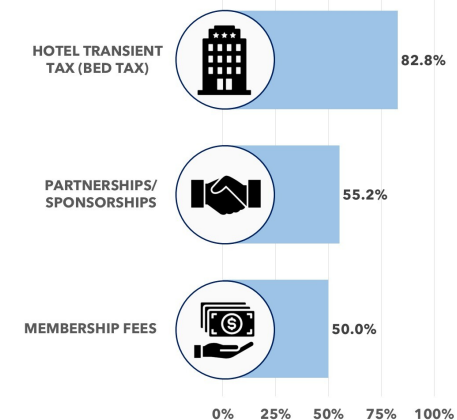
- State Tourism Offices are most likely to be currently funded through their state's government budget (69.8%). Hotel transient tax is the next most common funding source at 41.9%, distantly followed by advertising revenue (18.6%) and partnerships/sponsorships (11.6%). Few receive money from other revenue streams.
- U.S. and Canadian DMOs have more diversity in their funding sources, as do the largest budget tourism/destination marketing organizations. American DMOs surveyed are largely currently funded by hotel transient tax (82.8%), followed by partnerships/sponsorships (55.2%), membership fees (50.0%), and advertising revenue (44.8%). Just under one-third (31.0%) receive government funds; a similar proportion are funded by a Tourism Improvement District. 27.6 percent of U.S. DMOs surveyed are currently receiving funding through taxes levied on Airbnb type rentals.

### TOP 3 CURRENT FUNDING SOURCES

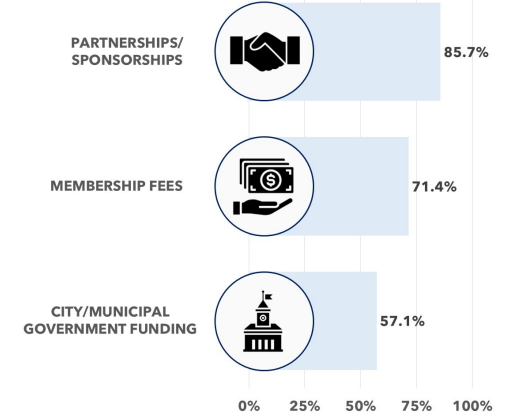
#### STATE TOURISM OFFICES



#### U.S. DMO



#### CANADIAN DMO



**QUESTION: WHAT ARE YOUR ORGANIZATION'S FUNDING SOURCES?**  
(CHECK ALL THAT APPLY)



# EXECUTIVE SUMMARY

## Pre-COVID-19 Crisis Budgets, Funding Sources and Staffing Levels (continued)

- Canadian DMOs are most commonly funded by partnerships/sponsorships (85.7%), membership fees (71.4%), city/municipal (57.1%) or provincial (35.7%) government funding, and Municipal Accommodations Tax (42.9%).
- Prior to the COVID-19 crisis, American DMOs reported an expected 2020 annual budget of \$21.9 million and 50.7 employees on average. Canadian organizations reported an expected 2020 annual budget of \$7.7 million CAD and 26.6 employees on average. State Tourism Offices reported an average 2019 annual budget of \$21.1 million and 43.6 employees. Those tourism organizations with a budget above \$30 million had an average staff size of 99.2.

# 99.2

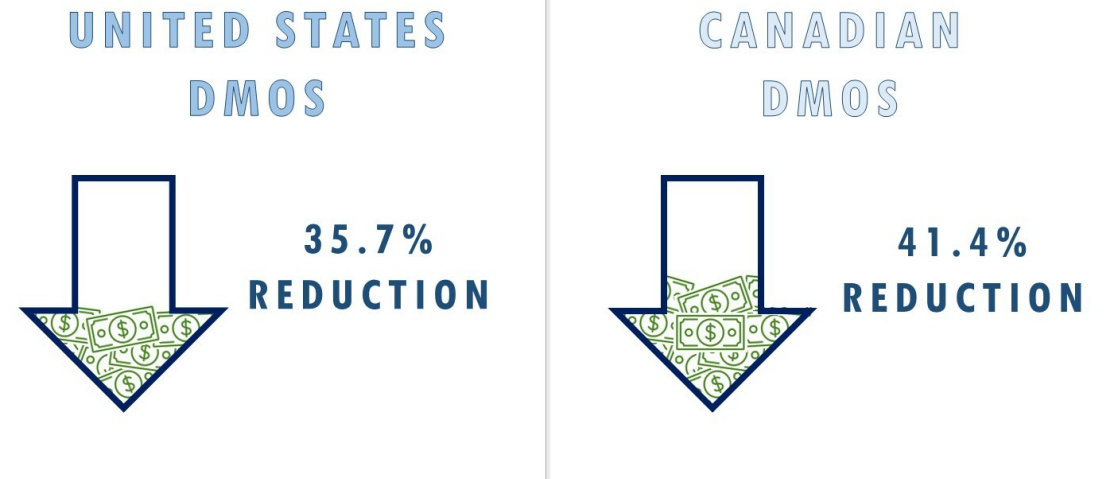
*Average number of employees at  
Tourism/Destination Marketing Organizations  
With budgets greater than \$30 million*

# Executive Summary of Key Findings

## The Impact of the COVID-19 Crisis

- Nearly 90 percent of U.S. DMOs and 85.7 percent of Canadian DMOs surveyed reported that their current year budget has/will decrease. This reduction will be by 45.1 percent on average for U.S. DMOs and by 59.4 percent on average for Canadian organizations.
- About half of U.S. and Canadian DMOs expect their 2021 annual budget to decrease, as well—by an average of 35.7 percent and 41.4 percent respectively. Approximately one-third are unsure of the impact on their budget right now.
- When asked which of their current funding sources would be reduced as a result of the COVID-19 crisis, the majority anticipate an impact to each of their top funding sources

### AVERAGE 2021 BUDGET IMPACT OF COVID-19



QUESTION: WHAT DO YOU ANTICIPATE WILL BE THE IMPACT ON YOUR ANNUAL OPERATING BUDGET NEXT YEAR (CY2021 OR FY2021/2022) COMPARED TO YOUR ANTICIPATED POST-COVID-19 CRISIS CURRENT YEAR BUDGET?



# Executive Summary of Key Findings

## The Impact of the COVID-19 Crisis (continued)

- While nearly two-thirds of state tourism offices reported having no impact to their staff due to the pandemic, almost 70 percent of U.S. DMOs and 86 percent of Canadian DMOs have laid off employees. Half of U.S.DMOs have also furloughed employees and reduced employee salaries. Over one third of Canadian DMOs have furloughed employees and/or reduced working hours.
- Among State Tourism Offices whose staff size was impacted by the crisis, these organizations let 7.2 employees go and furloughed 5.5 employees on average. Among U.S. DMOs whose staff size was impacted by the crisis, these organizations laid off 19.3 employees and furloughed 25.8 on average. Among Canadian DMOs whose staff size was impacted by the crisis, these organizations laid off 10.3 employees and furloughed 11.6 on average. Note: The chart at right shows the average number of lay offs across all of these organizations, including those who did not have staff impacts

## STATE TOURISM OFFICES

Average # of layoffs  
due to COVID-19

0.9

## AMERICAN DMOs

Average # of layoffs  
due to COVID-19

13.2

## CANADIAN DMOs

Average # of layoffs  
due to COVID-19

8.9

# Executive Summary of Key Findings

## Looking Ahead

- Due to the COVID-19 crisis, destination marketing organizations in the U.S. and Canada are likely to be currently reviewing changes in their primary roles and responsibilities. State Tourism Offices are not as commonly doing so. Over 90 percent of Canadian DMOs who are reviewing their primary functions are examining having an increased role in destination management in the future. More than seven-in-ten U.S. DMOs who are reviewing their functions are doing the same. About two-thirds of State Tourism Offices who are reviewing their primary functions anticipate an increased role in both destination management and economic development. Over half of destination marketing organizations in Canada and the U.S. are looking at an increased role in economic development in the future.
- In looking out at other resulting impacts of the pandemic, State tourism offices most commonly agree that their organizations will “seek alignment with key partners, economic development, state/city government, etc” and “strive to return to pre-COVID crisis relative to responsibilities, funding, staffing, etc.” They are much less likely to agree that their organizations will be “smaller, more focused and more efficient.” American DMOs are generally likely to agree with all the potential impact statements tested. Canadian DMOs are, as well, with the exception of their organizations striving to return to a pre-COVID crisis normal. The smallest budget DMOs are likeliest to feel that the crisis will create a “new normal” for their operations.



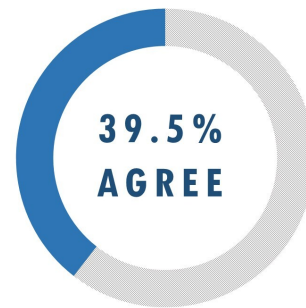
# Executive Summary of Key Findings

## Looking Ahead

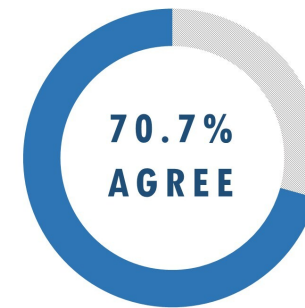
- As it relates to seeking and developing new and more sustainable sources of funding, US DMOs were the likeliest to agree that this would happen (70.7%). Just under two-thirds of Canadian DMOs anticipate seeking new sources of funding. Just 40 percent of state tourism offices agree. Those seeking new funding models are more likely to be city level DMOs, whose organizations have a greater number of responsibilities, a more diverse set of existing funding resources and who anticipate having an increased role in economic development in the future.

**“MY ORGANIZATION WILL SEEK AND DEVELOP NEW AND MORE SUSTAINABLE SOURCES OF FUNDING”**

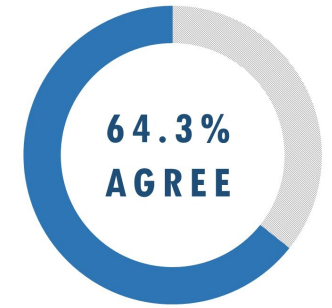
**STATE TOURISM OFFICES**



**UNITED STATES DMOS**



**CANADIAN DMOS**



**QUESTION: THINKING OF THE FUTURE AND THE IMPACT OF THE COVID-19 CRISIS, HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?**



# Findings on Tourism Funding's Future

*Data & Perspectives by Organization Type*

Infographic Summaries + Complete Survey Results



# STATE TOURISM OFFICES *Summary of Their Organizations*

## Top 5 Organization Functions

In Addition to  
Destination Tourism Marketing



*Destination Branding*  
(90.7%)



*Tourism Research & Data*  
(90.7%)



*Visitor Information Center*  
(67.4%)



*Industry Training/Education*  
(62.8%)

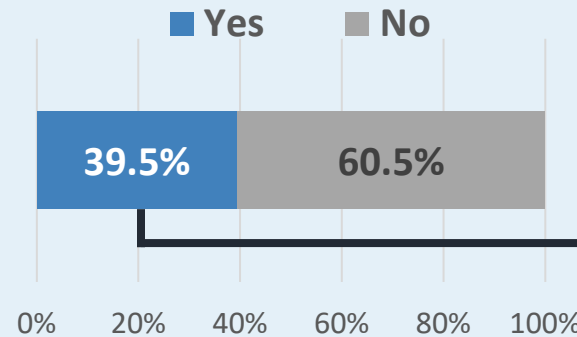


*Economic Development*  
(51.2%)

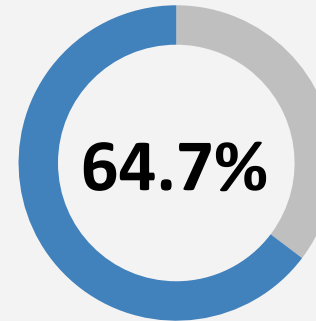
Average # of functions  
they are responsible for

**5.9**

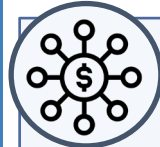
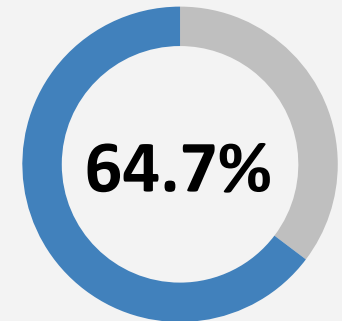
## Reviewing Changes to Primary Roles/Responsibilities



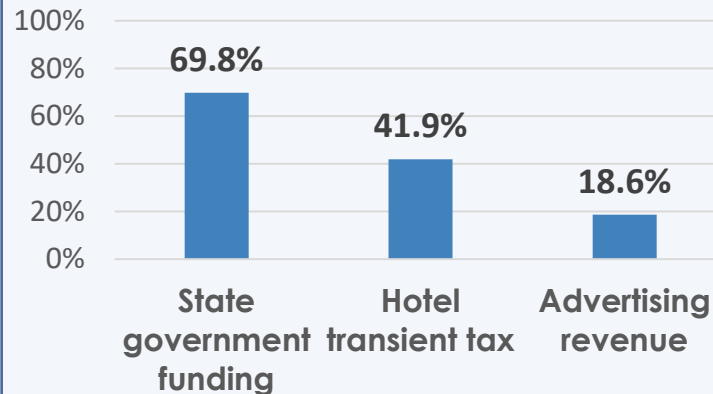
## Reviewing an Increased Role in Destination Management



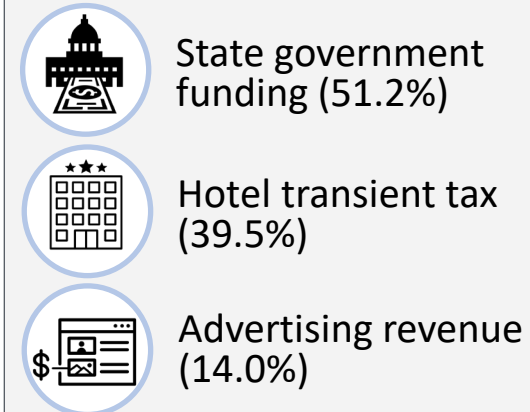
## Reviewing an Increased Role in Economic Development



## Top 3 Current Funding Sources



## Top 3 Funding Sources Being Reduced



## Average 2019 Annual Budget

**\$21.2 M**

## Avg 2020 Budget Impact of COVID-19 Crisis

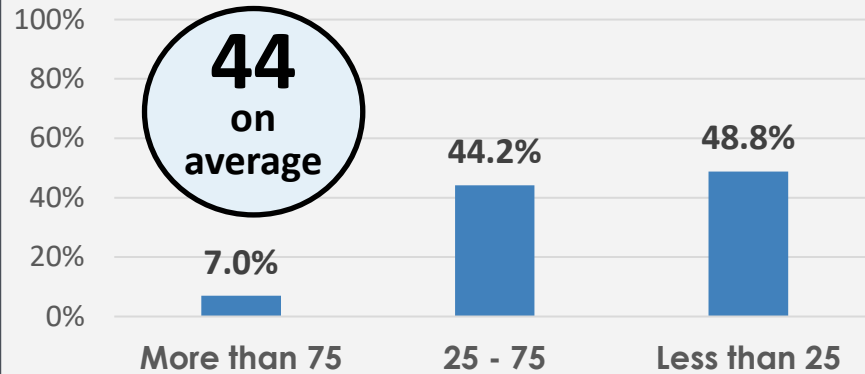
*Not Available*

# STATE TOURISM OFFICES *Summary of Their Organizations*

Average 2021 Budget Impact of COVID-19

*Not Available*

Average # of Full-Time Staff Prior to COVID-19 Crisis



Average Staffing Impact of COVID-19 Crisis

*(among those organizations impacted)*

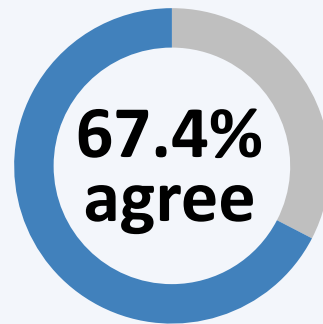


Number of lay offs

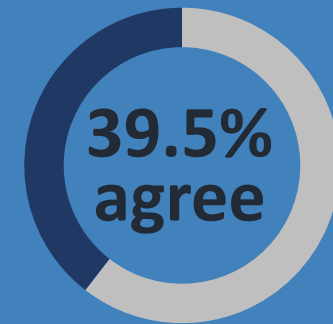


Number of employees furloughed

The COVID-19 crisis will result in a “new normal” relative to my organization’s responsibilities, funding, staffing, etc.



My organization will seek and develop new and more sustainable sources of funding.





### Top 5 Organization Functions

In Addition to  
Destination Tourism Marketing



*Destination Branding*  
(93.1%)



*Tourism Research & Data*  
(93.1%)



*City-wide Convention Sales*  
(93.1%)



*Visitor Information Center*  
(89.7%)

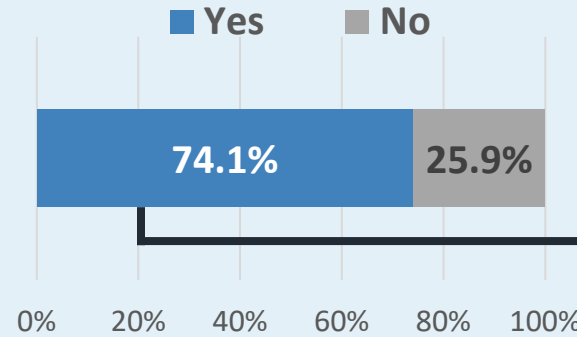


*Sports/Entertainment  
Event Bids* (84.5%)

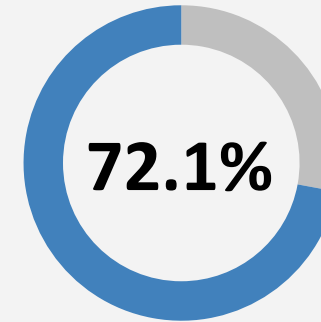
Average # of functions  
they are responsible for

**10.1**

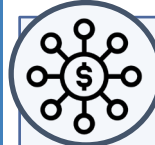
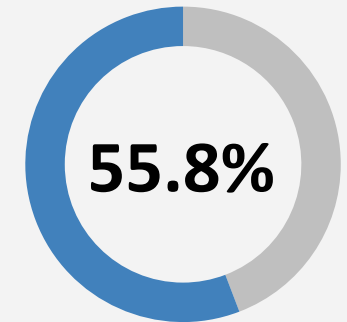
### Reviewing Changes to Primary Roles/Responsibilities



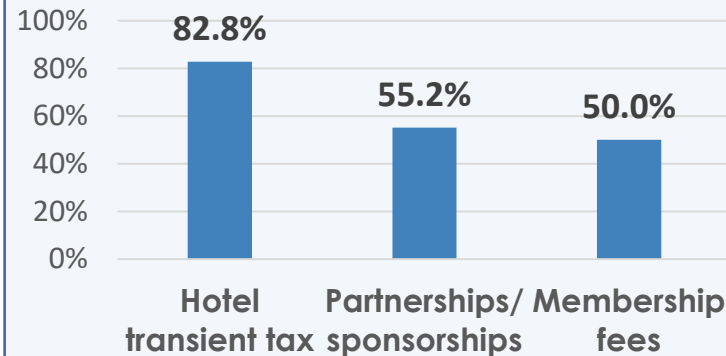
### Reviewing an Increased Role in Destination Management



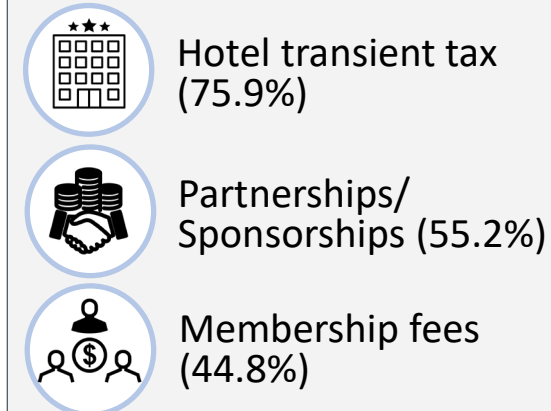
### Reviewing an Increased Role in Economic Development



### Top 3 Current Funding Sources



### Top 3 Funding Sources Being Reduced




### Average 2020 Annual Budget

**\$17.0 M**

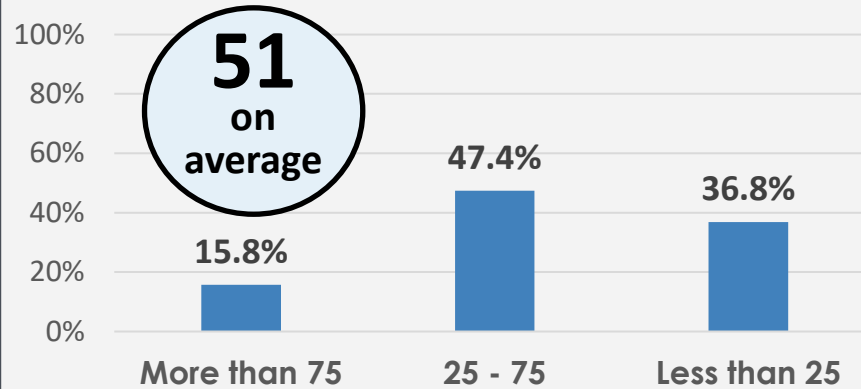
### Avg 2020 Budget Impact of COVID-19 Crisis

**45.1%  
Reduction**

Average 2021 Budget  
Impact of COVID-19

 **35.7%  
Reduction**

Average # of Full-Time Staff Prior to  
COVID-19 Crisis



Average Staffing Impact of COVID-19 Crisis  
*(among those organizations impacted)*

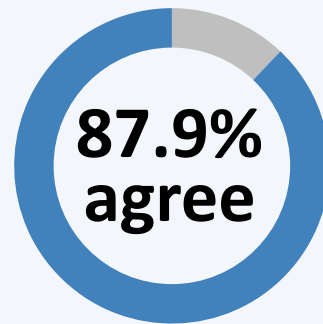
**19.3**

Number of  
lay offs

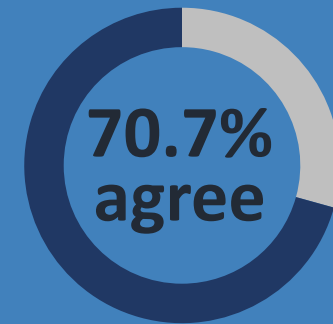
**25.8**

Number of  
employees  
furloughed

The COVID-19 crisis will  
result in a “new  
normal” relative to my  
organization’s  
responsibilities,  
funding, staffing, etc.



My organization will  
seek and develop  
new and more  
sustainable sources of  
funding.



### Top 5 Organization Functions

In Addition to  
Destination Tourism Marketing



*Destination Branding*  
(100%)



*City-wide Convention Sales*  
(92.9%)



*Destination Management*  
(78.6%)



*Sports/Entertainment  
Event Bids* (78.6%)

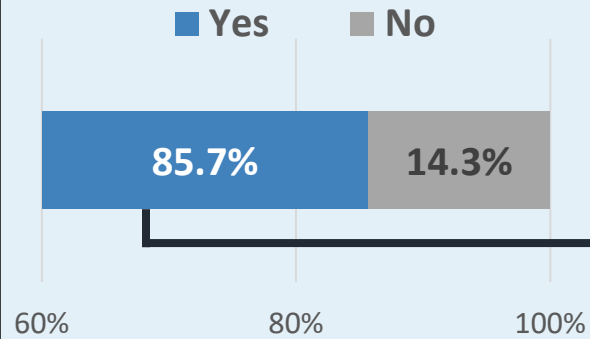


*Tourism Research & Data*  
(71.4%)

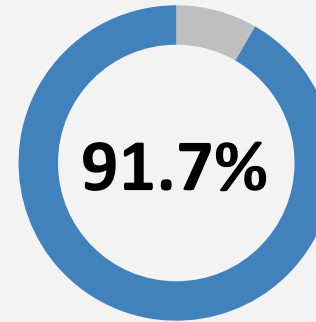
Average # of functions  
they are responsible for

**8.2**

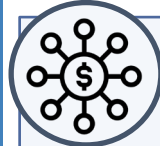
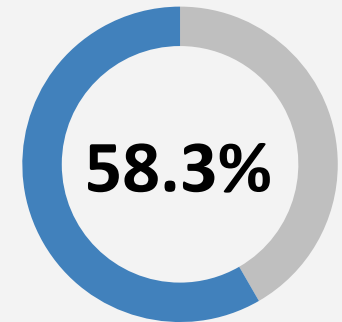
### Reviewing Changes to Primary Roles/Responsibilities



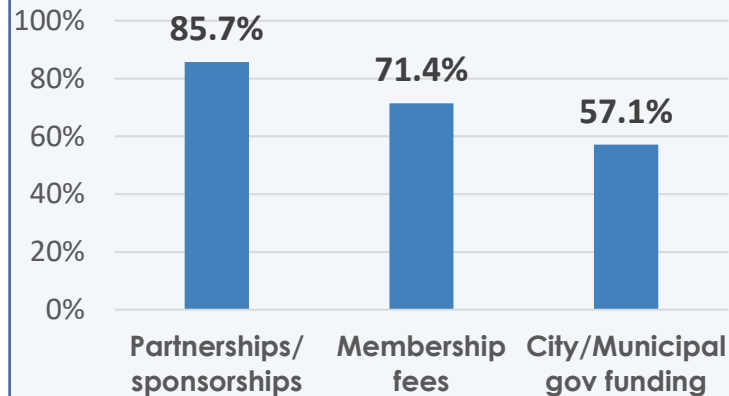
### Reviewing an Increased Role in Destination Management



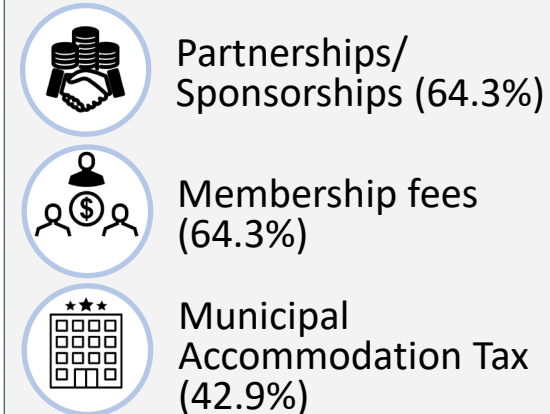
### Reviewing an Increased Role in Economic Development



### Top 3 Current Funding Sources




### Top 3 Funding Sources Being Reduced



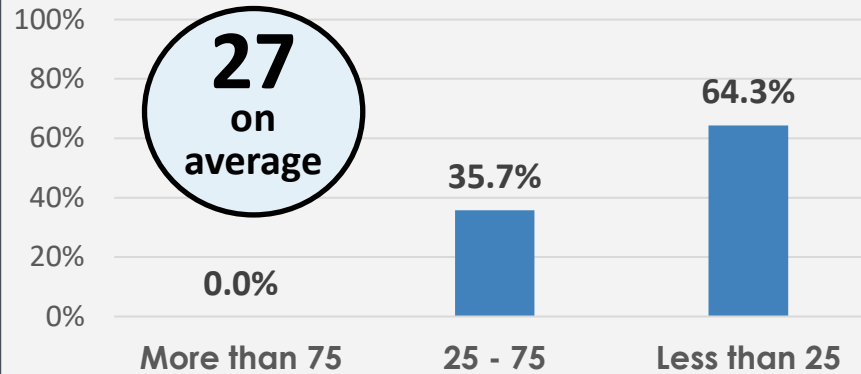
Average 2020  
Annual Budget  
(CAD)  
**\$9.2 M**

Avg 2020 Budget  
Impact of  
COVID-19 Crisis  
**59.4%  
Reduction**

Average 2021 Budget  
Impact of COVID-19

 **41.4%**  
**Reduction**

Average # of Full-Time Staff Prior to  
COVID-19 Crisis



Average Staffing Impact of COVID-19 Crisis

(among those organizations impacted)

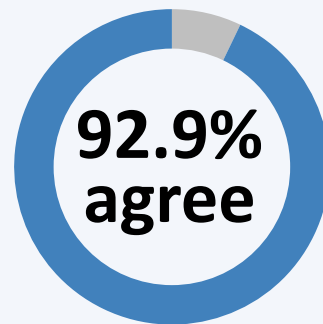


Number of  
lay offs

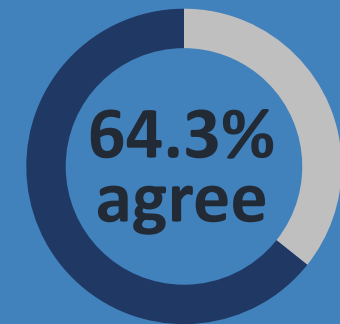


Number of  
employees  
furloughed

The COVID-19 crisis will  
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My organization will  
seek and develop  
new and more  
sustainable sources of  
funding.



# Organizational Functions & Responsibilities *(chart follows on next page)*

In addition to tourism marketing, destination branding/brand management and supplying tourism research and data are all critical functions of many of these organizations.

American state tourism offices and DMOs are likely to have managing one or more Visitor Information Centers as part of their organizational responsibilities. The majority of these organizations report being charged with tourism industry education and training, as well.

Canadian DMOs are more likely to be responsible for destination management functions compared to U.S. based organizations.

City/regional level destination marketing organizations in Canada and the U.S. commonly serve as their community's sales team for city-wide and self-contained conventions and meetings, as well as sports, entertainment and other events. Over 60 percent have programs of work to support a membership. In addition, American DMOs are often charged with public/cultural development events and support. These functions are currently less likely undertaken by state tourism offices.

With the undertaking of group meeting and event sales, American DMOs are, on average, responsible for 10.1 of the 16 functions tested, and Canadian DMOs 8.2. State Tourism Offices are typically responsible for 5.9 of these functions.

## STATE TOURISM OFFICES

*Average # of functions they are responsible for*

**5.9**

## CANADIAN DMOs

*Average # of functions they are responsible for*

**8.2**

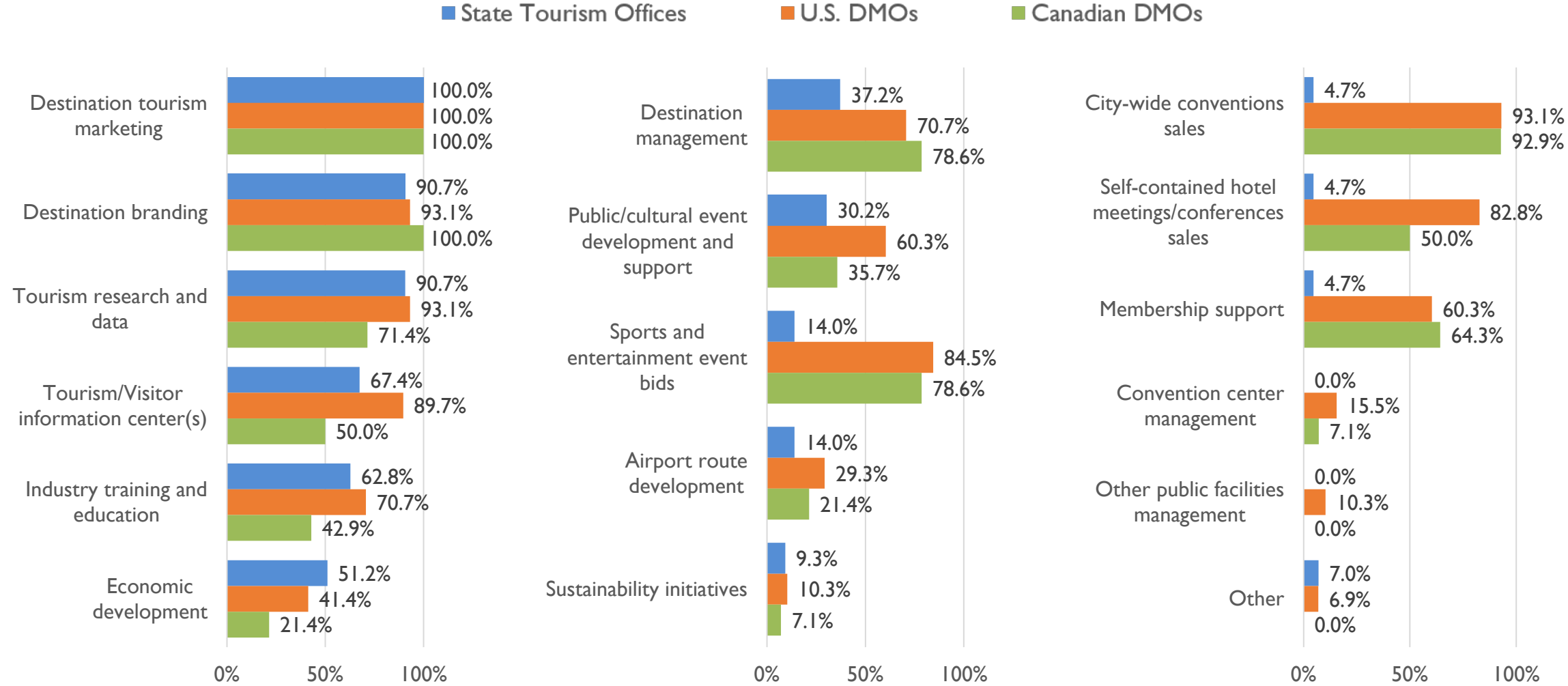
## AMERICAN DMOs

*Average # of functions they are responsible for*

**10.1**

Question: Which of the following functions is your organization responsible for? (check all that apply)

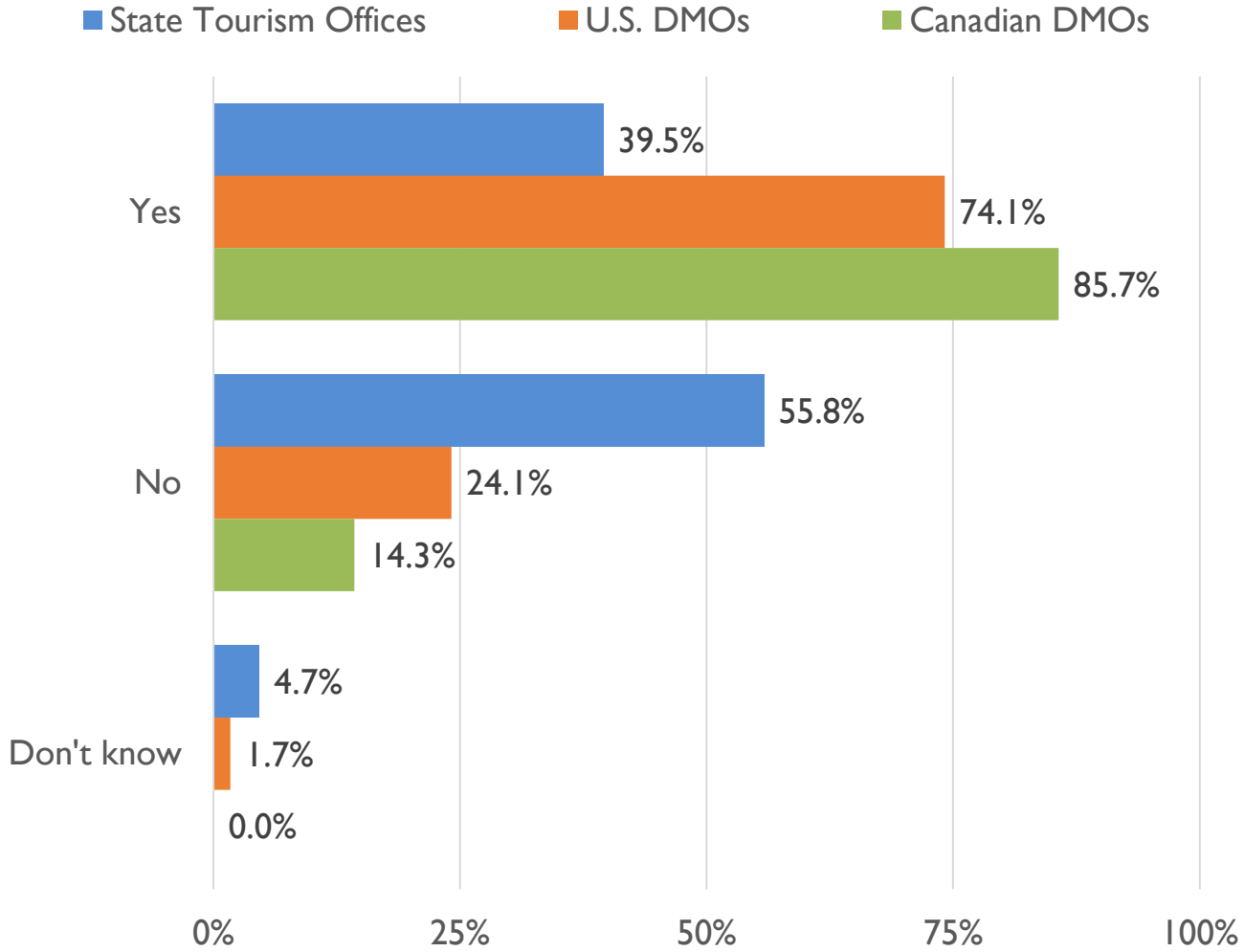
# Organizational Functions & Responsibilities



Question: Which of the following functions is your organization responsible for? (check all that apply)



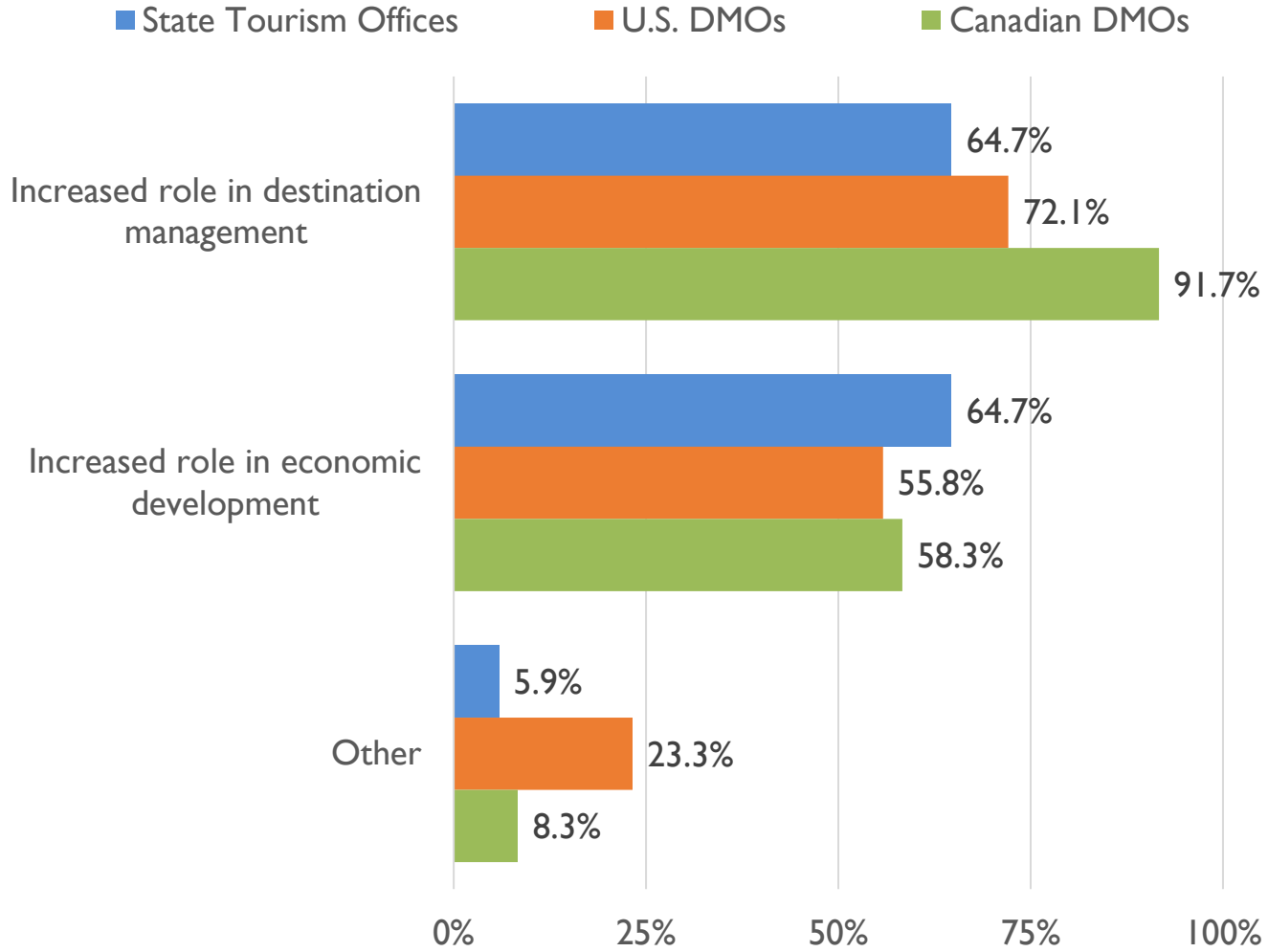
# Reviewing Changes to Primary Roles & Responsibilities



City and regional destination marketing organizations in the U.S. and Canada are likely to be currently reviewing changes in their primary roles and responsibilities. State Tourism Offices are not as commonly doing so.

Question: Is your organization reviewing changes in its primary roles and responsibilities?

# Changes Being Reviewed



Over 90 percent of Canadian DMOs surveyed who are reviewing organizational changes are examining having an increased role in destination management in the future. More than seven-in-ten U.S. DMOs who are reviewing organizational changes are doing the same.

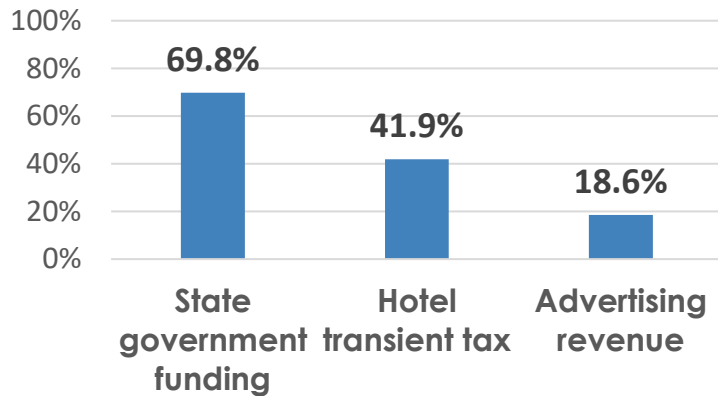
About two-thirds of State Tourism Offices who are reviewing organizational changes anticipate an increased role in both destination management and economic development.

Over half of city/regional level destination marketing organizations in Canada and the U.S. are looking at an increased role in economic development.

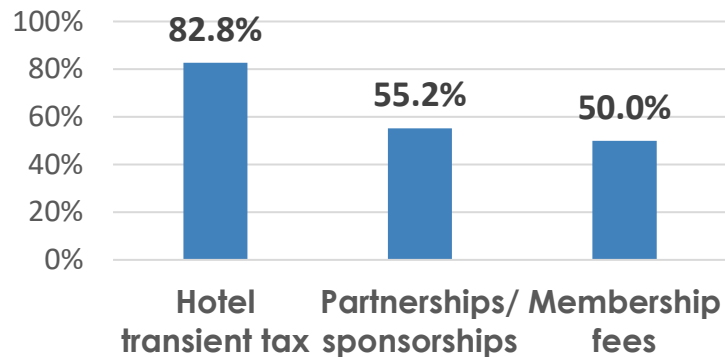
Question: What changes to your organization are being reviewed? (check all that apply)

# Current Funding Sources (chart follows on next page)

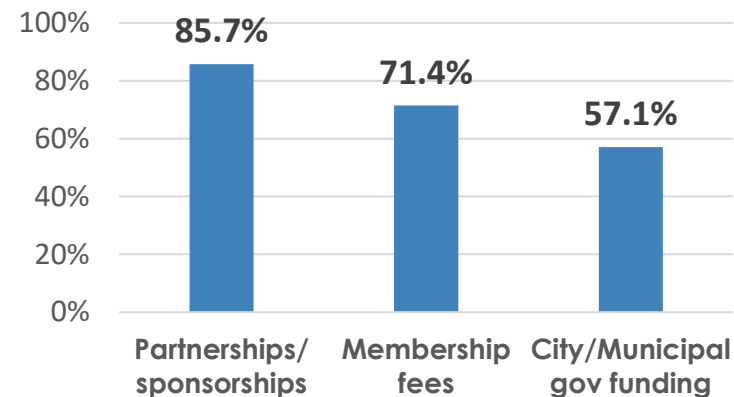
## STATE TOURISM OFFICES: TOP 3 FUNDING SOURCES



## U.S. DMOs: TOP 3 FUNDING SOURCES



## CANADIAN DMOs: TOP 3 FUNDING SOURCES



State Tourism Offices are most likely to be currently funded through their state's government budget (69.8%). Hotel transient tax is the next most common funding source at 41.9%, distantly followed by advertising revenue (18.6%) and partnerships/sponsorships (11.6%). Few receive money from other revenue streams.

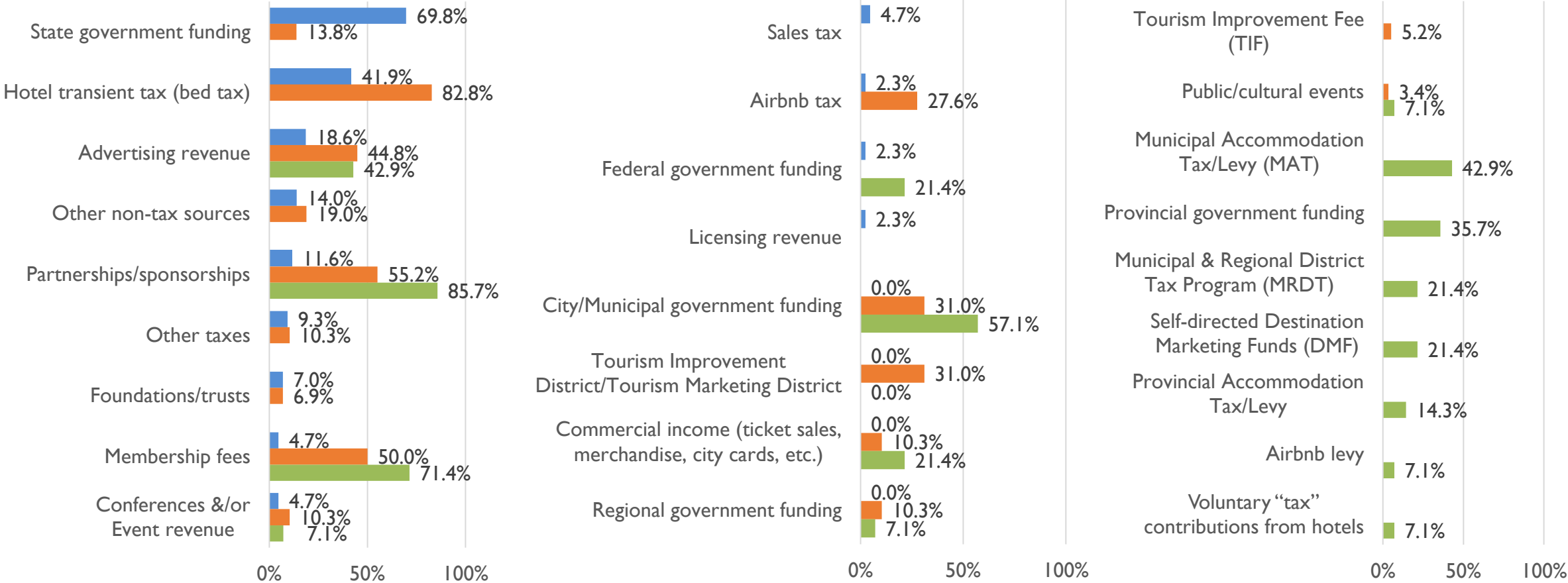
U.S. and Canadian DMOs have more diversity in their funding sources. American DMOs surveyed are largely currently funded by hotel transient tax (82.8%), followed by partnerships/sponsorships (55.2%), membership fees (50.0%), and advertising revenue (44.8%). Just under one-third (31.0%) receive government funds; a similar proportion are funded by a Tourism Improvement District. 27.6 percent of U.S. DMOs surveyed are currently receiving funding through taxes levied on AirBnB type rentals.

Canadian DMOs are most commonly funded by partnerships/sponsorships (85.7%), membership fees (71.4%), City/Municipal (57.1%) or provincial (35.7%) government funding, and Municipal Accommodations Tax (42.9%).

Question: What are your organization's funding sources? (check all that apply)

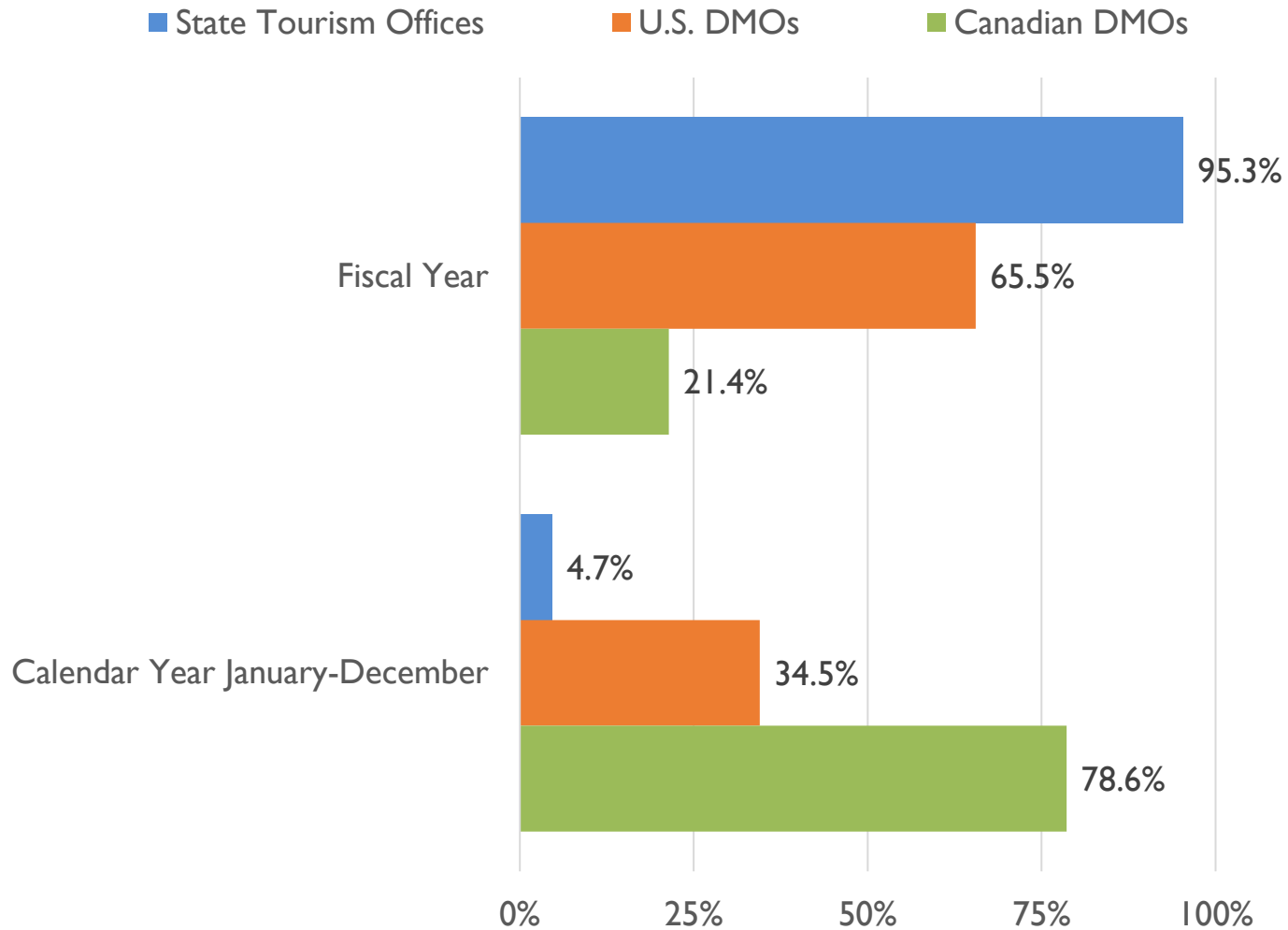
# Current Funding Sources

■ State Tourism Offices    ■ U.S. DMOs    ■ Canadian DMOs



Question: What are your organization's funding sources? (check all that apply)

# Annual Budget: Fiscal vs Calendar Year

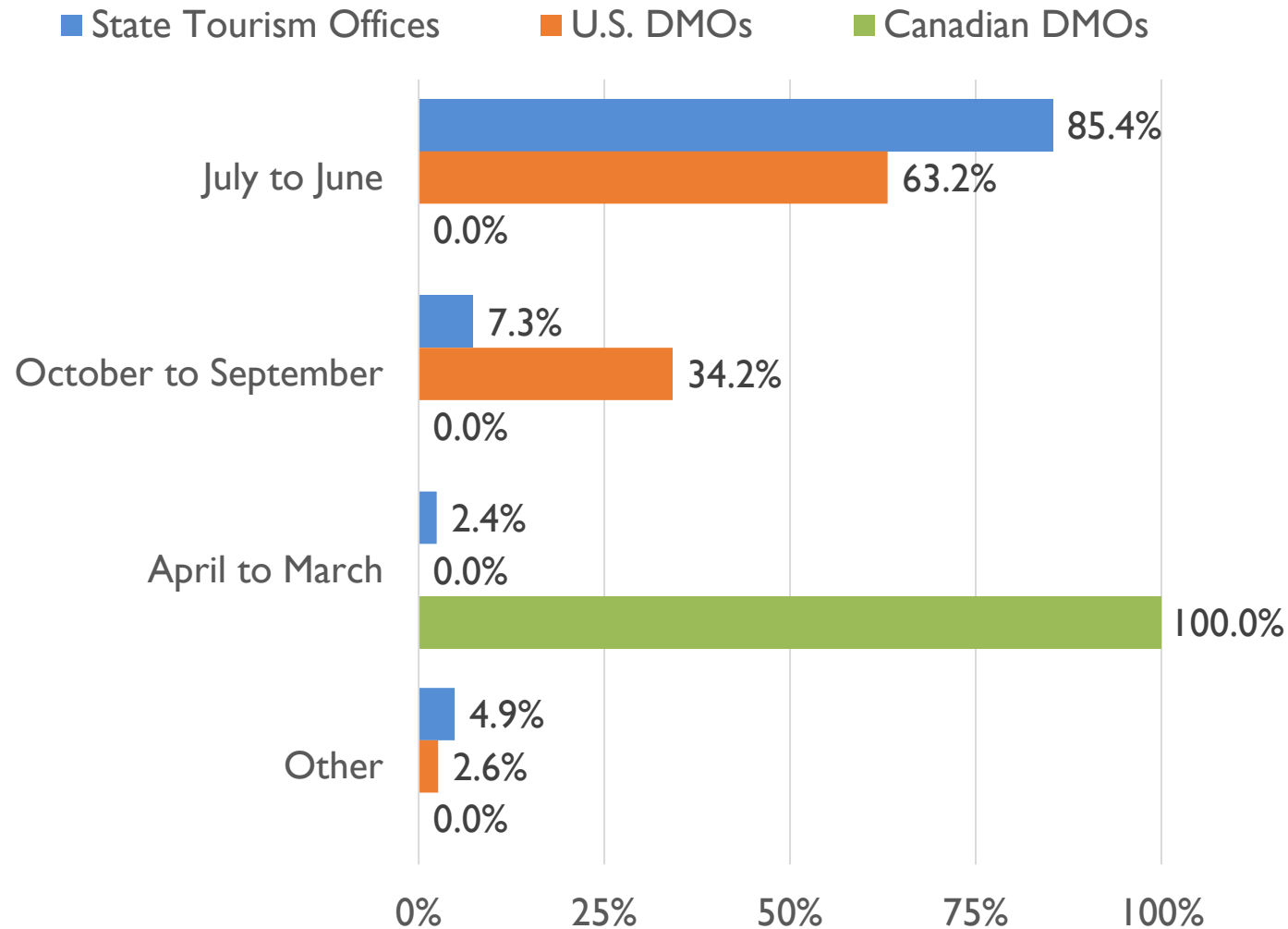


State Tourism Offices largely operate on Fiscal Year budget. Two-thirds of American DMOs report the same.

Conversely, nearly 80 percent of Canadian DMOs operate on a Calendar Year budget.

Question: Is your annual operating budget based on the calendar year or a fiscal year?

# Fiscal Year Definition & Budgets



All Canadian organizations who reported being on a Fiscal Year budget said this was defined as April to March.

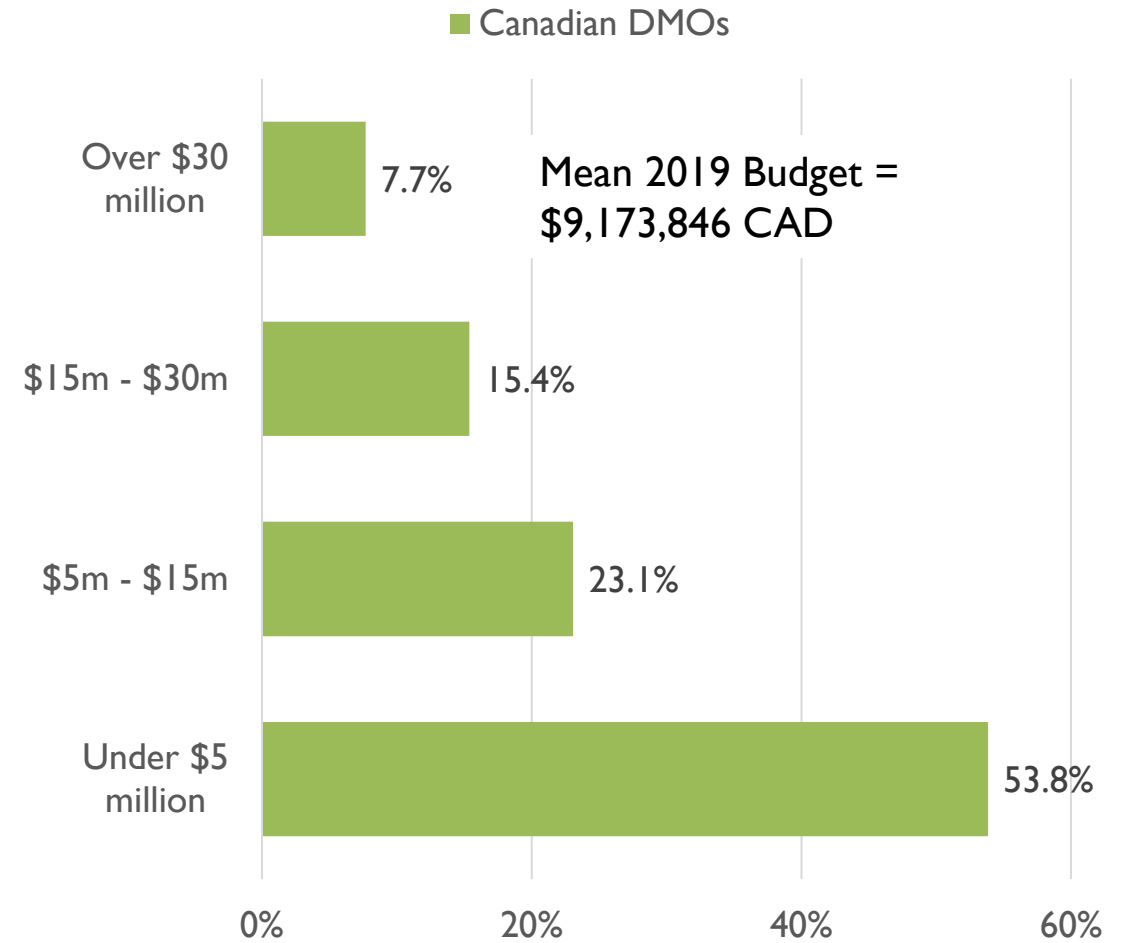
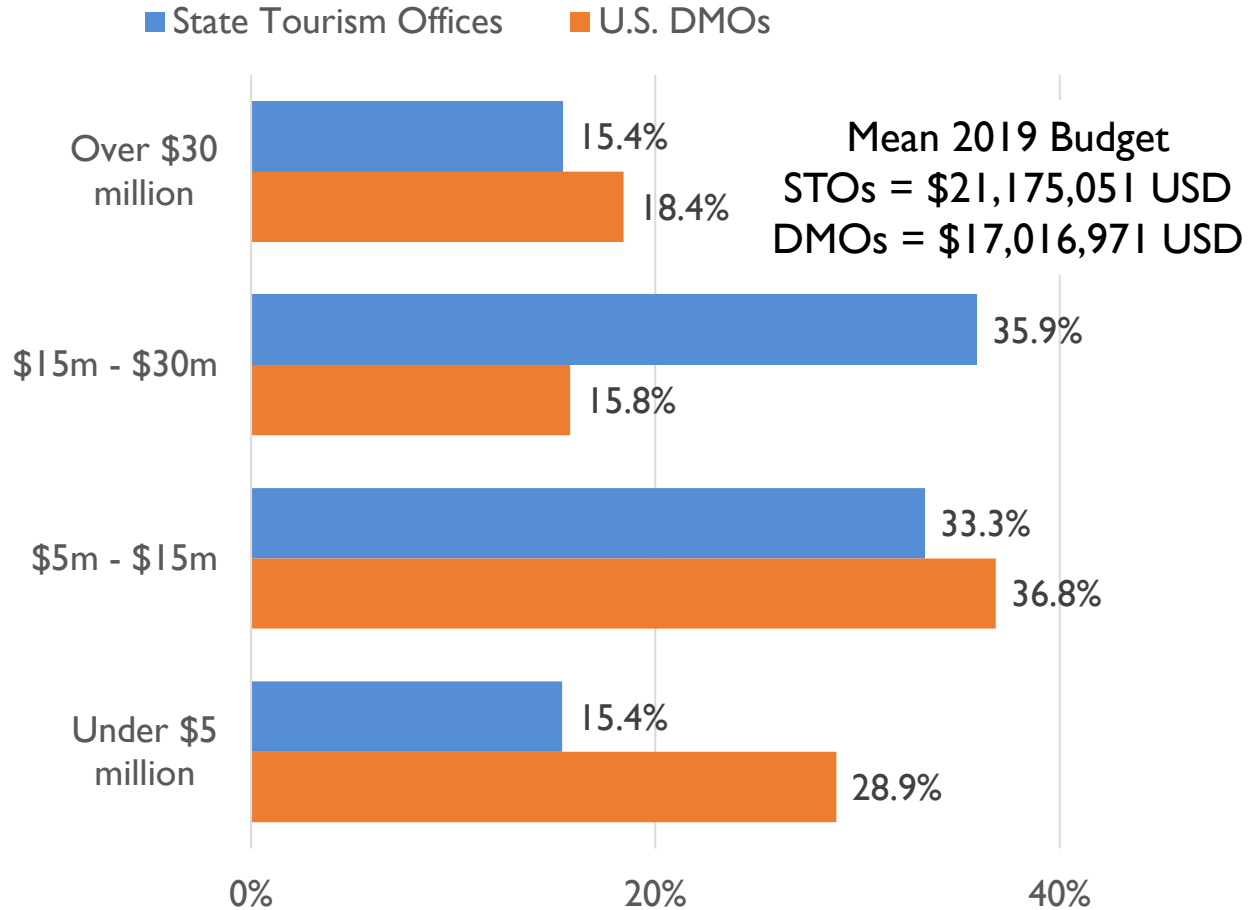
Over 85 percent of State Tourism Offices on a Fiscal Year budget are July to June. This definition is most common for U.S. DMOs, as well, although about one-third are on October to September.

As shown on the subsequent page, American DMOs surveyed reported an average 2019 annual budget of \$17 million. State Tourism Offices reported an average 2019 annual budget of \$21.1 million. Canadian organizations surveyed reported an average 2019 annual budget of \$9.1 million CAD on average.

Question: What is your fiscal year?

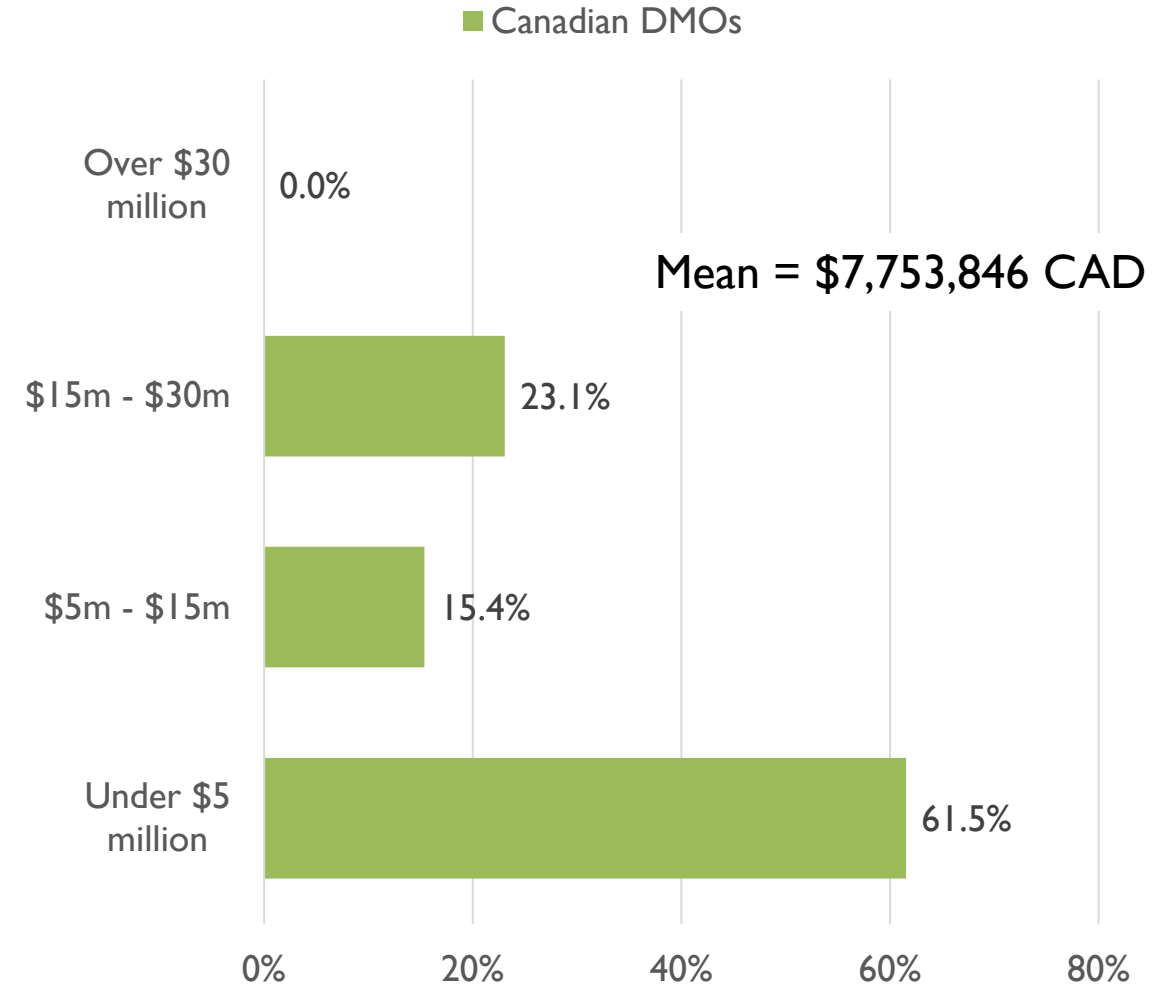
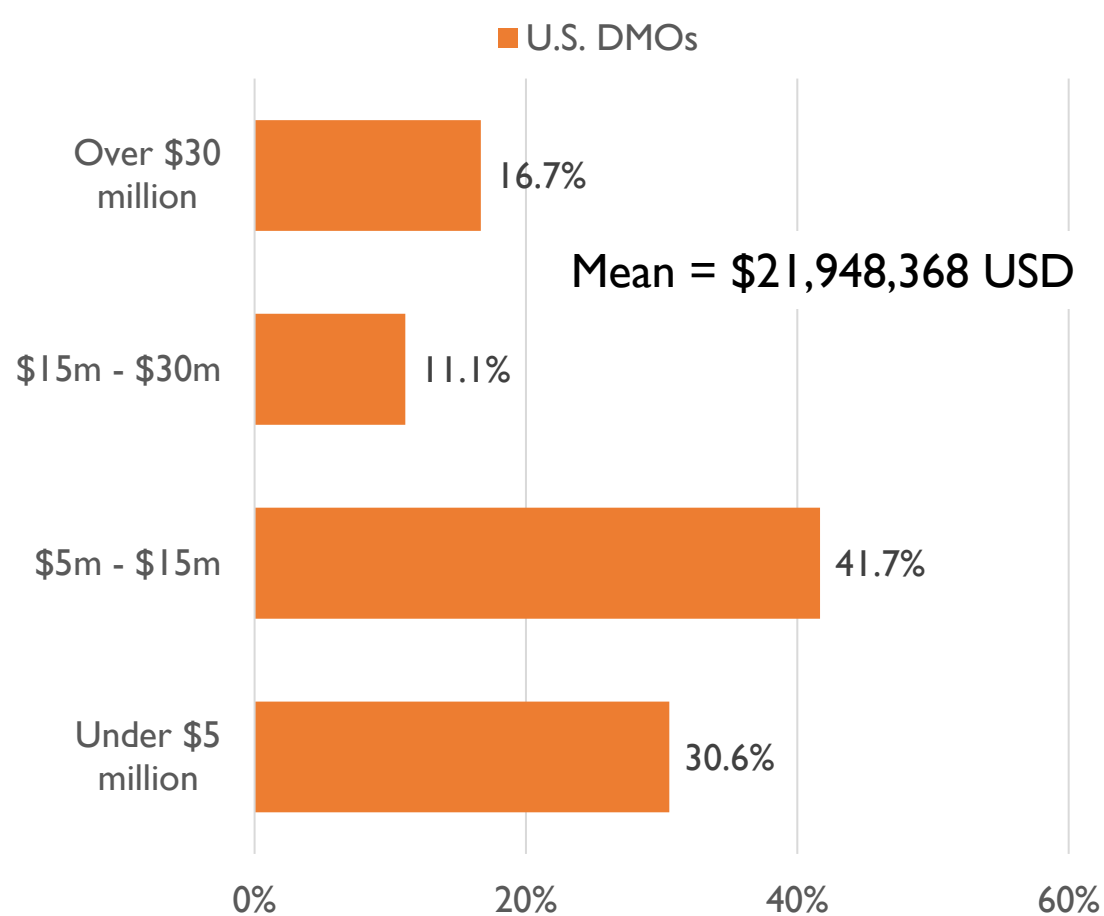


# 2019 Annual Budget



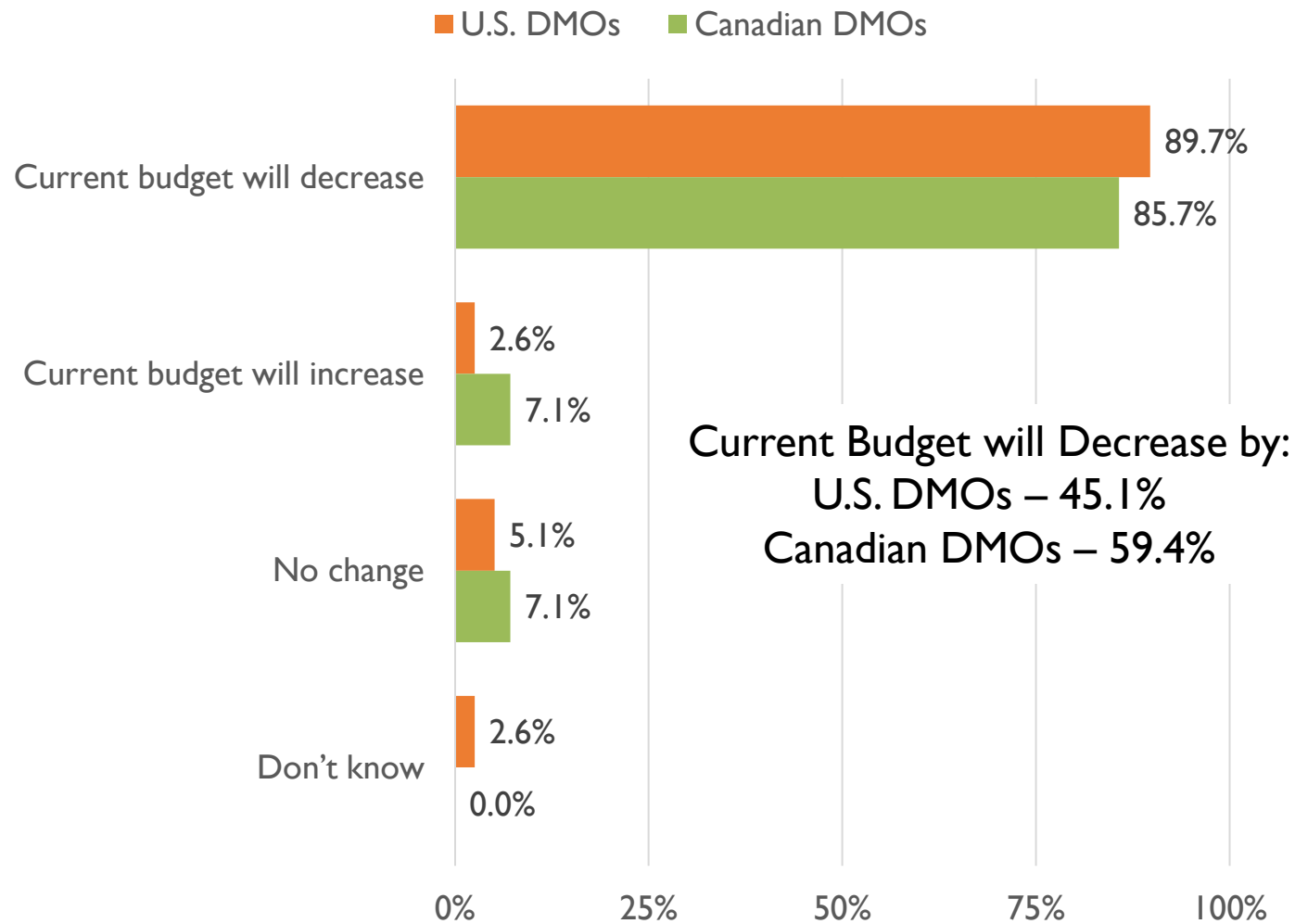
Question: What was your total annual operating budget for last year (CY 2019 or FY 2019/2020)? In US Dollars

# 2020 Annual Budget Pre-COVID-19 Crisis – US & Canadian DMOs



Question: Prior to the COVID-19 crisis, what was your total annual operating budget for this current year (CY2020 or FY2020/2021)?  
In US Dollars

# 2020 Budget Impact of COVID-19 – US & Canadian DMOs



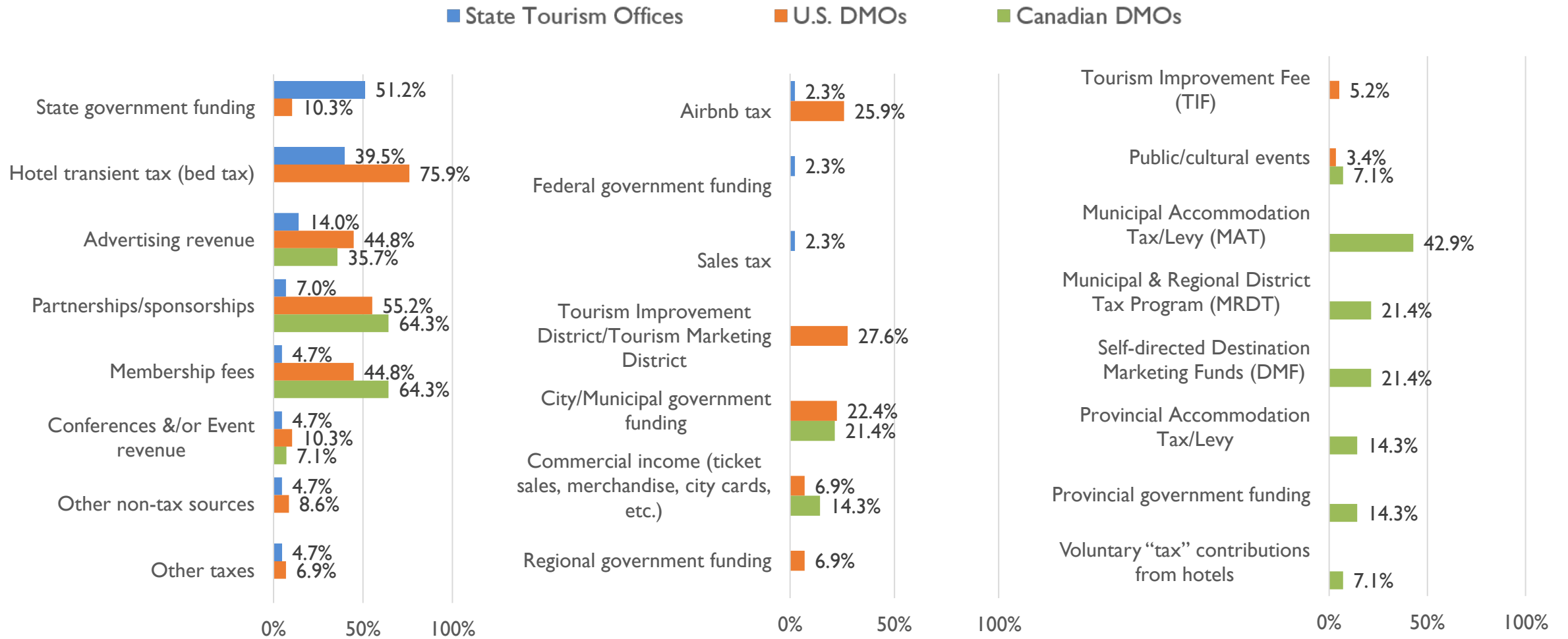
Prior to the COVID-19 crisis, American DMOs reported an expected 2020 annual budget of \$21.9 million on average. Canadian organizations reported an expected 2020 annual budget of \$7.7 million CAD on average.

Nearly 90 percent of U.S. DMOs and 85.7 percent of Canadian DMOs surveyed reported that their current year budget has/will decrease. This reduction will be by 45.1 percent on average for U.S. DMOs and by 59.4 percent on average for Canadian organizations.

When asked which of their current funding sources would be reduced as a result of the COVID-19 crisis the majority anticipate an impact to each of their top funding sources (shown on next page).

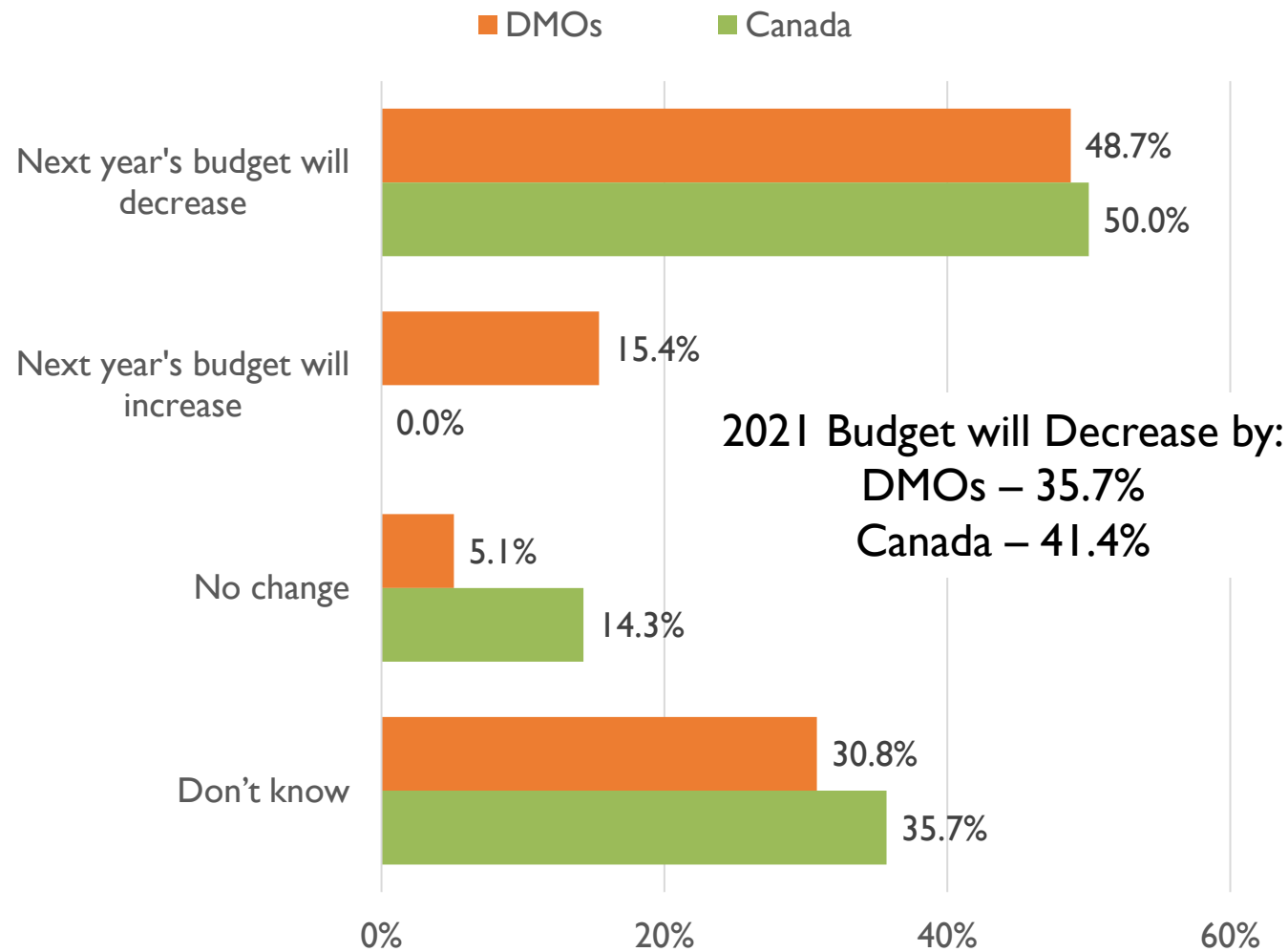
Question: What is or will be the impact of the COVID-19 crisis on your current year (CY2020 or FY2020/2021) budget?

# Reduced Funding Sources Due to COVID-19



Question: Which of the following funding sources will be reduced as a result of the COVID-19 crisis?

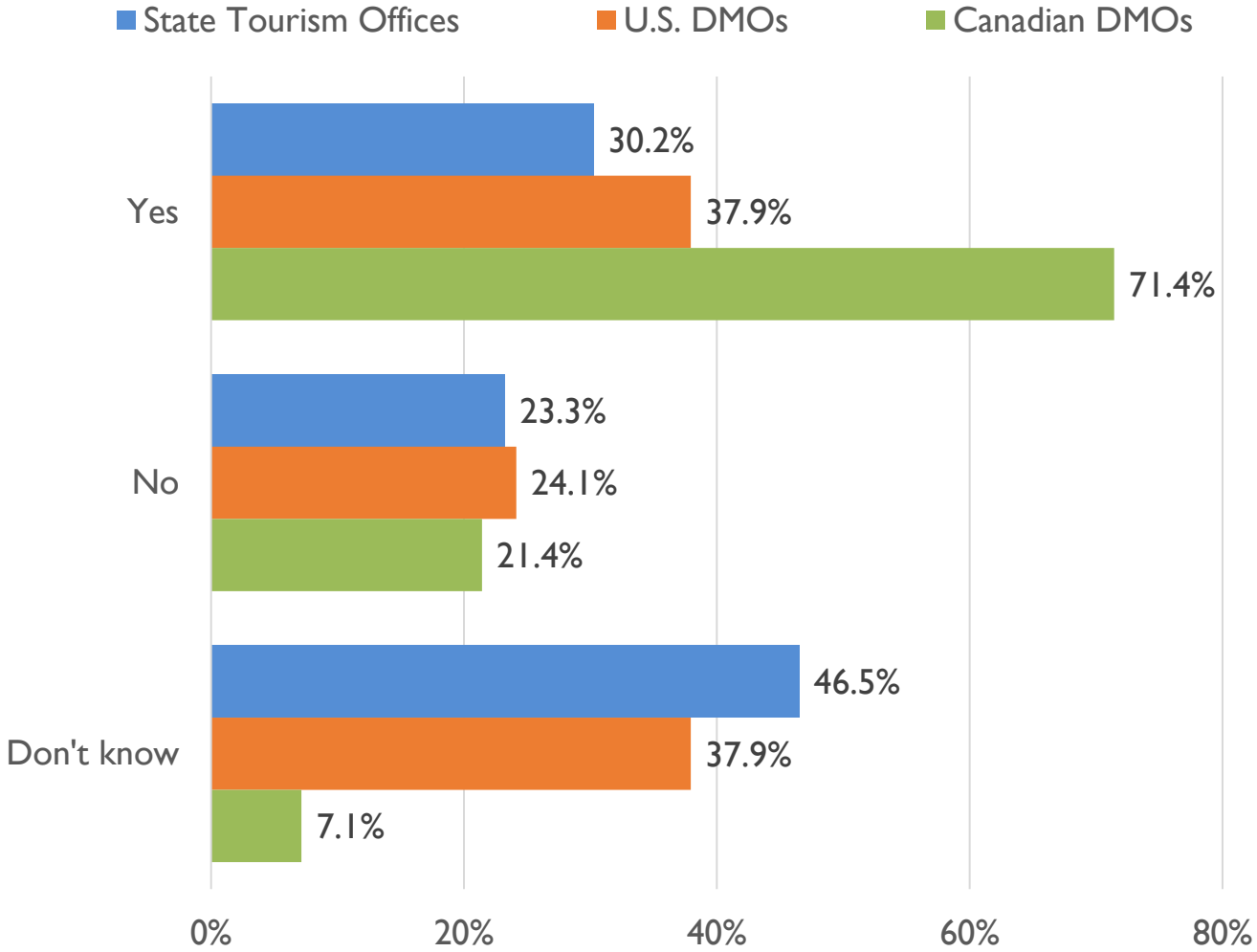
# 2021 Budget Impact of COVID-19 – US & Canadian DMOs



About half of U.S. and Canadian DMOs expect their 2021 annual budget to decrease—by an average of 35.7 percent and 41.4 percent respectively. Approximately one-third are unsure of the impact on their budget right now.

Question: What do you anticipate will be the impact on your annual operating budget next year (CY2021 or FY2021/2022) compared to your anticipated post-COVID-19 crisis current year budget?

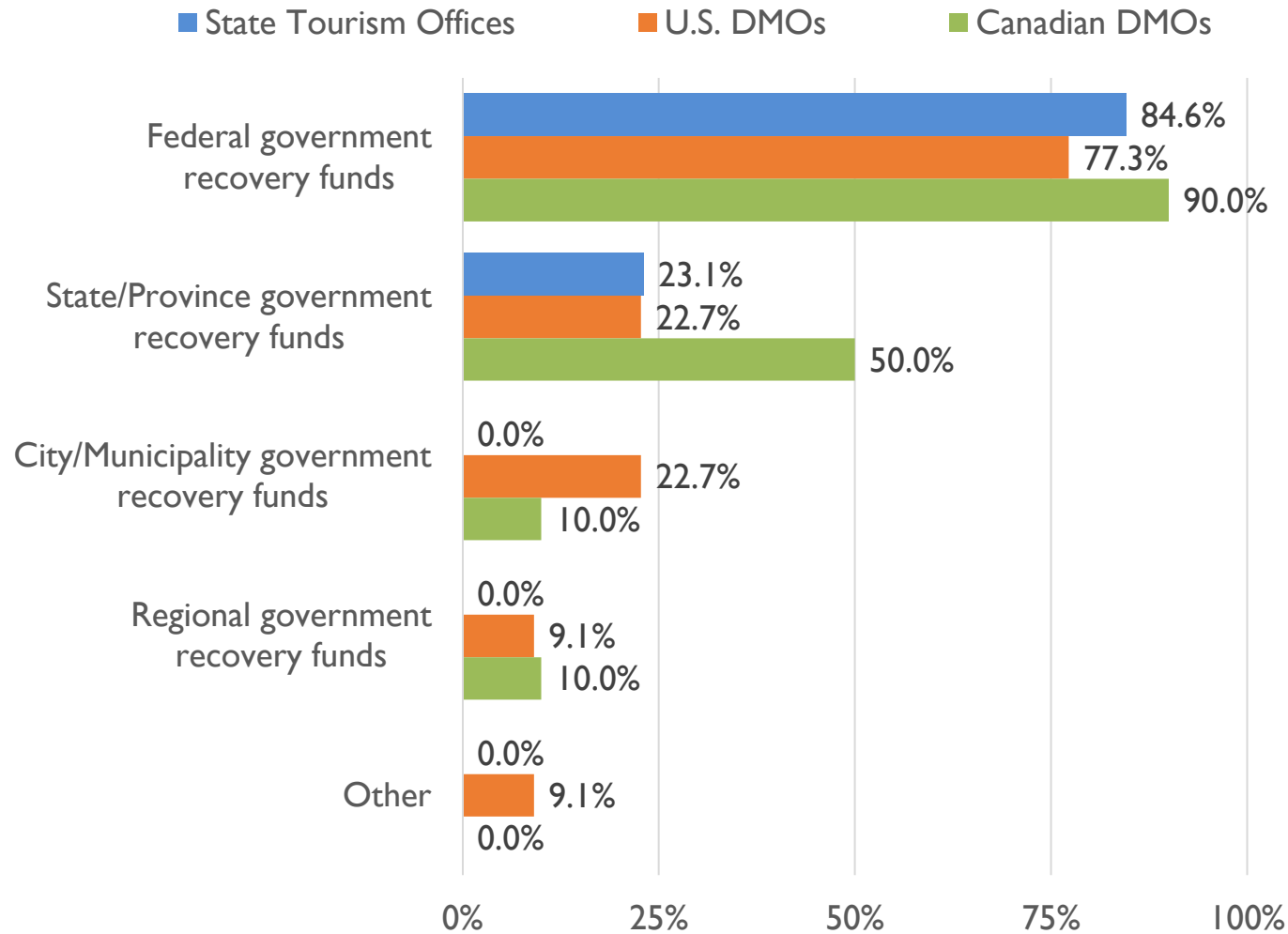
# Recovery Funds Expected



Canadian tourism organizations were most likely to report expecting to receive COVID-19 recovery funding. Only about a third of US tourism organizations reported having this expectation.

Question: Does your organization expect to receive any COVID-19 recovery funds?

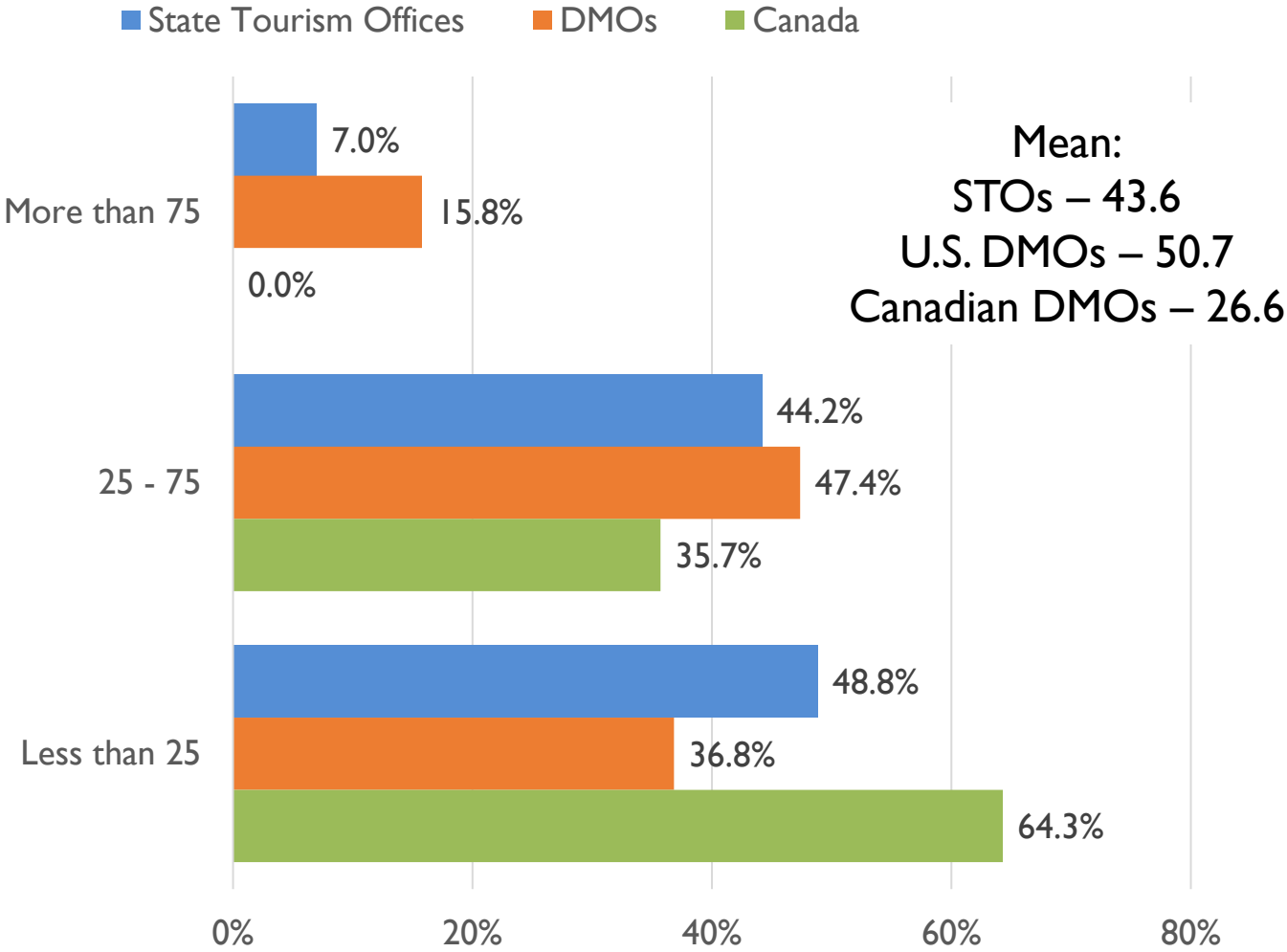
# Source(s) of Recovery Funds



The Federal government is the most anticipated source of recovery funds. Half of Canadian DMOs expect funds from their provincial government—about twice the number of U.S. DMOs expecting the same. Just over one-in five U.S. DMOs anticipate recovery funds from their city/municipality.

Question: Which of the following recovery funds does your organization expect to receive? (check all that apply)

# Number of Full-Time Staff Prior to COVID-19 Crisis



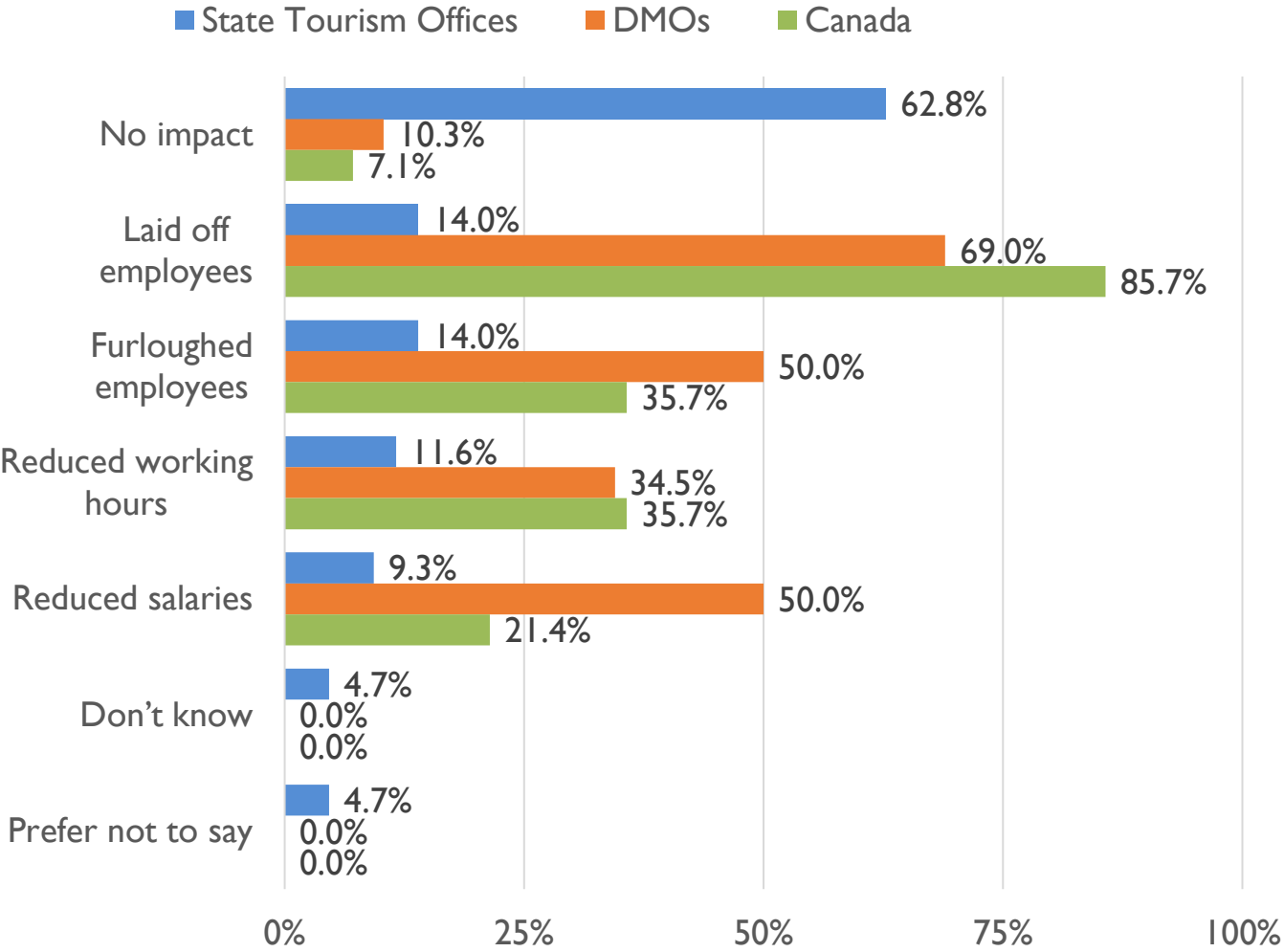
Prior to the COVID-19 crisis, State Tourism Offices had 43.6 employees on average, U.S. DMOs 50.7 employees and Canadian organizations 26.6.

Note: Those organizations who had staff levels impacted by the COVID-19 crisis (shown on next page) had average staff sizes of: State Tourism Offices—35.0 employees; U.S. DMOs—56.0 employees; Canadian DMOs—27.1 employees.

Question: What was your total number of full-time equivalent employees prior to the COVID-19 crisis?



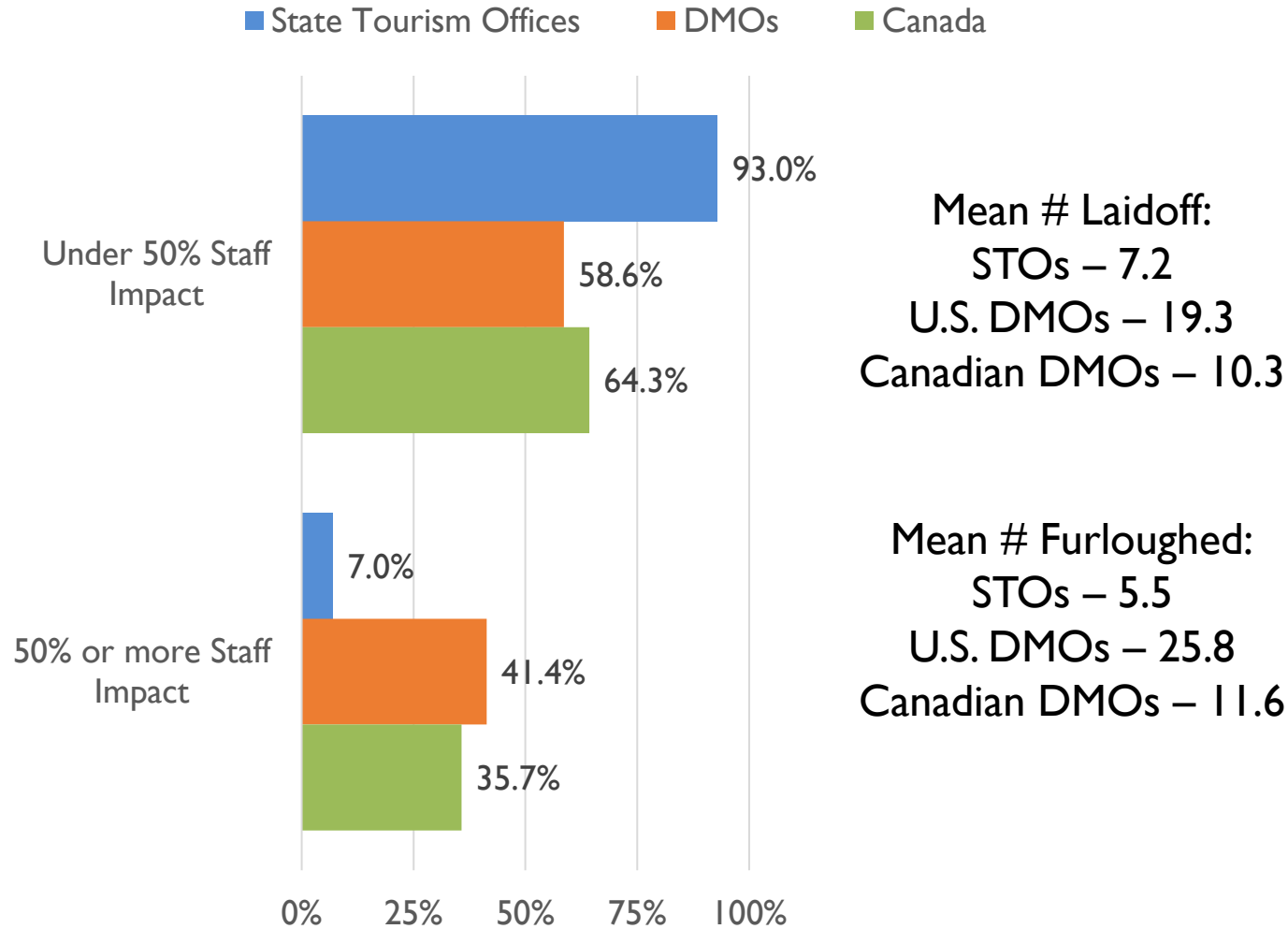
# Impact of the COVID-19 Crisis on Staffing



Nearly two-thirds of state tourism offices reported having no impact to their staff due to the COVID-19 crisis while almost 70 percent of U.S. DMOs and 86 percent of Canadian DMOs have laid off employees. Half of U.S. DMOs have also furloughed employees and reduced employee salaries. Over one third of Canadian DMOs have furloughed employees and/or reduced working hours.

Question: What has been the impact on your staffing so far due to the COVID-19 crisis? (Select all that apply)

# Tourism/Destination Marketing Organizations with Staff Impacts Due to COVID-19: Proportion of Staff Impacted

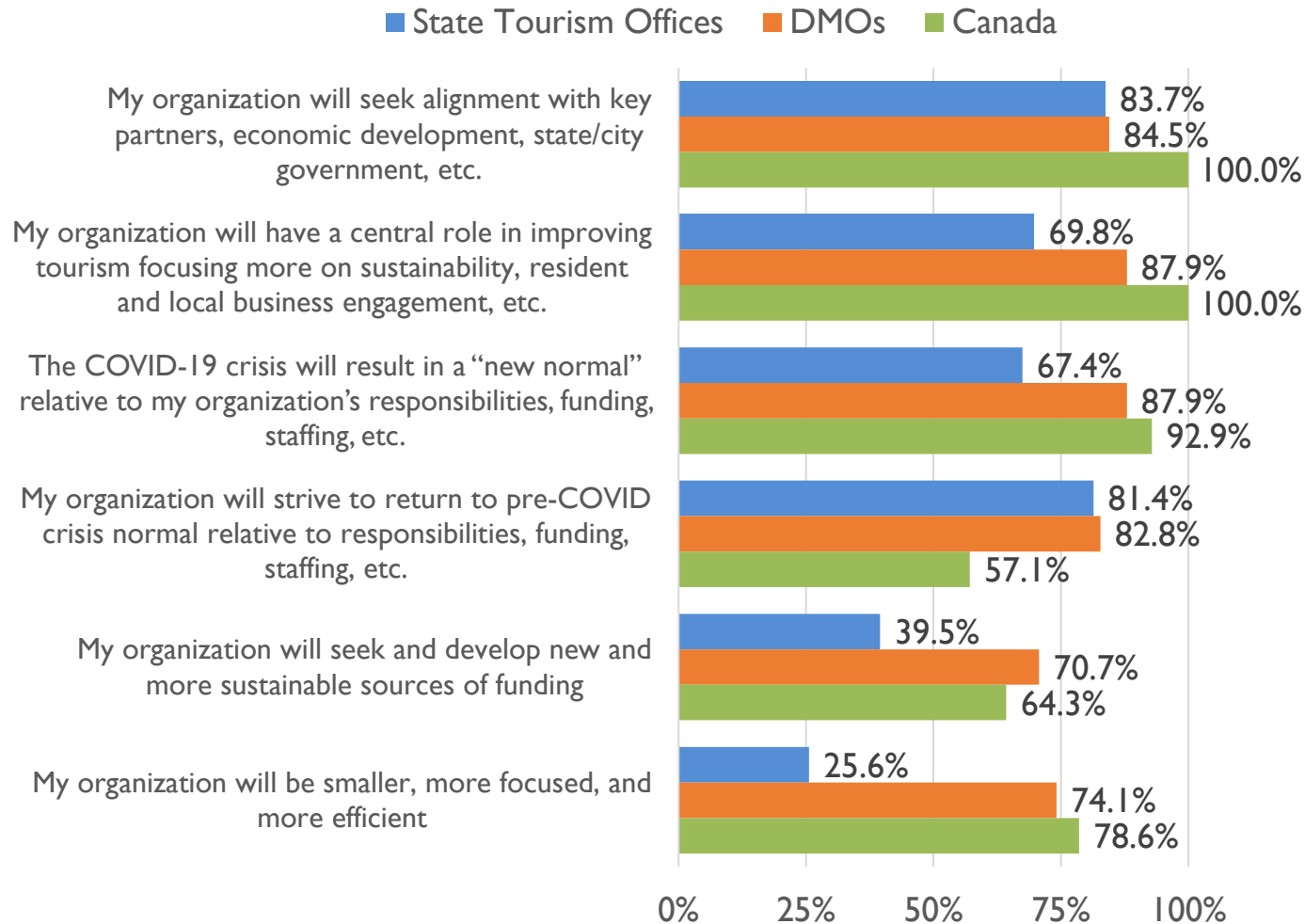


Only 7.0 percent of State Tourism Offices reported either laying off or furloughing more than half of their staff because of the pandemic; meanwhile 41.4 percent of U.S. DMOs and 35.7 percent of Canadian DMOs had more than half of their employees impacted.

Among State Tourism Offices whose staff size was impacted by the crisis, these organizations let 7.2 employees go and furloughed 5.5 employees on average. Among U.S. DMOs whose staff size was impacted by the crisis, these organizations laid off 19.3 employees and furloughed 25.8 on average. Among Canadian DMOs whose staff size was impacted by the crisis, these organizations laid off 10.3 employees and furloughed 11.6 on average.

Question: Please enter the number of employees that have been laid off to date; How many employees have been furloughed so far?

# Other Anticipated Impacts of the COVID-19 Crisis



In looking out at other resulting impacts of the pandemic, State tourism offices most commonly agree that their organizations will “seek alignment with key partners, economic development, state/city government, etc” and “strive to return to pre-COVID crisis relative to responsibilities, funding, staffing, etc.” They are much less likely to agree that their organizations will be “smaller, more focused and more efficient.”

American DMOs are generally likely to agree with all the potential impact statements tested. Canadian DMOs are, as well, with the exception of their organizations striving to return to a pre-COVID crisis normal.

As it relates to seeking and developing new and more sustainable sources of funding, US DMOs were the likeliest to agree that this would happen (70.7%). Just under two-thirds of Canadian DMOs anticipate seeking new sources of funding. Just 40 percent of state tourism offices agree.

Question: Thinking of the future and the impact of the COVID-19 crisis, how much do you agree or disagree with the following statements:

A hand is holding a smartphone horizontally. Overlaid on the phone and background are two hand-drawn sketches: a glowing lightbulb with radiating lines on the left, and a stack of money on the right. The background is a blurred image of a person's hand holding the phone.

# Findings on Tourism Funding's Future

*Destination/Tourism Marketing Organizations by Budget Size*

Infographic Summaries + Complete Survey Results

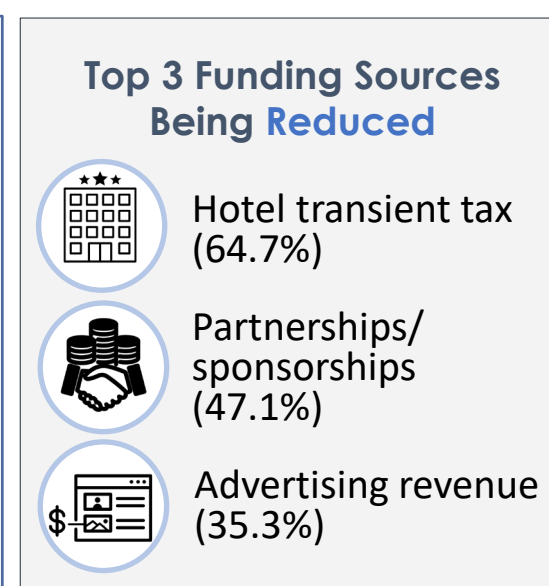
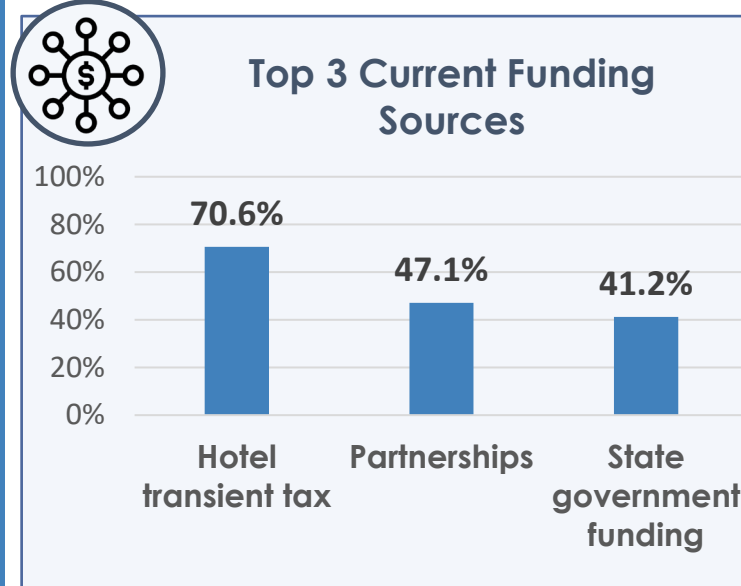
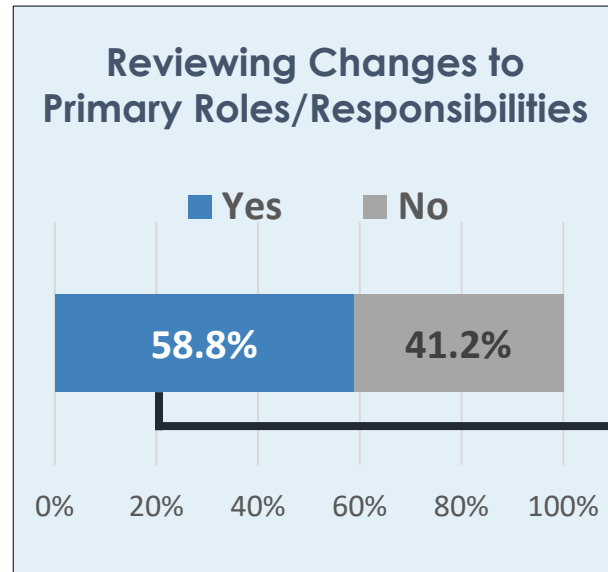
# BUDGET UNDER \$5M *Summary of Their Organizations*

### Top 5 Organization Functions

*In Addition to Destination Tourism Marketing*

-  **Tourism Research**  
(88.2%)
-  **Destination Branding**  
(82.4%)
-  **Visitor Information Center**  
(82.4%)
-  **Industry Training/Education**  
(70.6%)
-  **Sports/Ext. Event Bids**  
(64.7%)

Average # of functions they are responsible for **8.4**



### Average Annual Budget


**\$3.1 M**

### Avg 2020 Budget Impact of COVID-19 Crisis

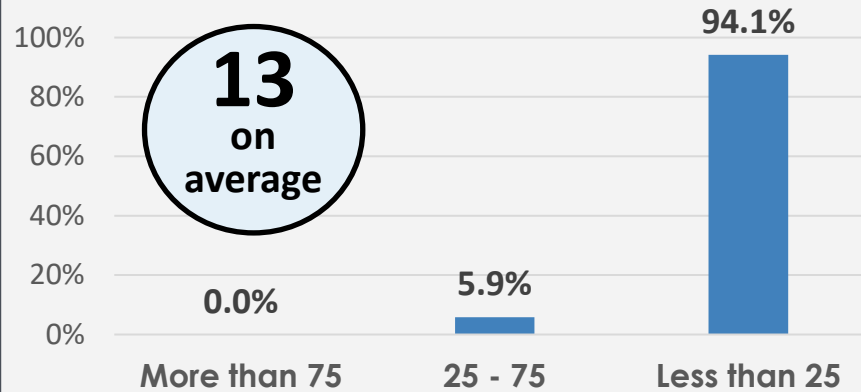
**43.7% reduction**

# BUDGET UNDER \$5M *Summary of Their Organizations*

Average 2021 Budget  
Impact of COVID-19

 **46.7%**  
**Reduction**

Average # of Full-Time Staff Prior to  
COVID-19 Crisis



Average Staffing Impact of COVID-19 Crisis  
*(among those organizations impacted)*

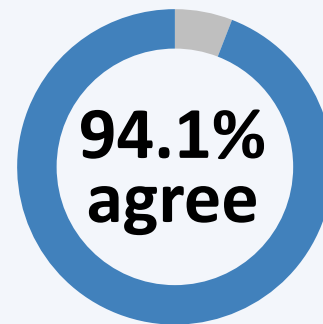
**7.3**

Number of  
lay offs

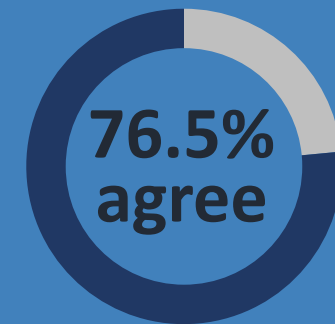
**7.7**

Number of  
employees  
furloughed

The COVID-19 crisis will  
result in a “new  
normal” relative to my  
organization’s  
responsibilities,  
funding, staffing, etc.



My organization will  
seek and develop  
new and more  
sustainable sources of  
funding.





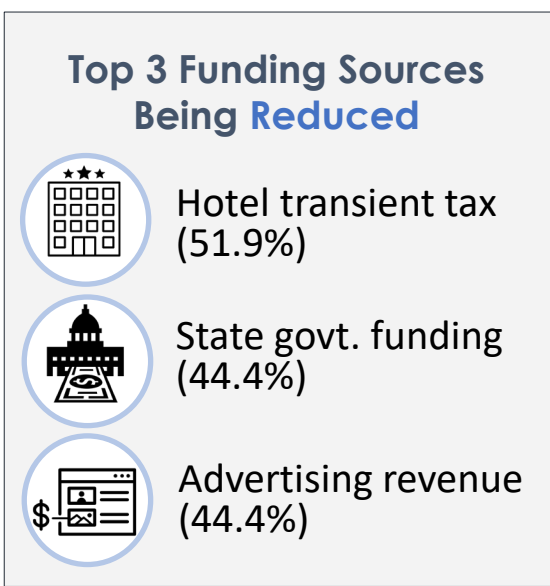
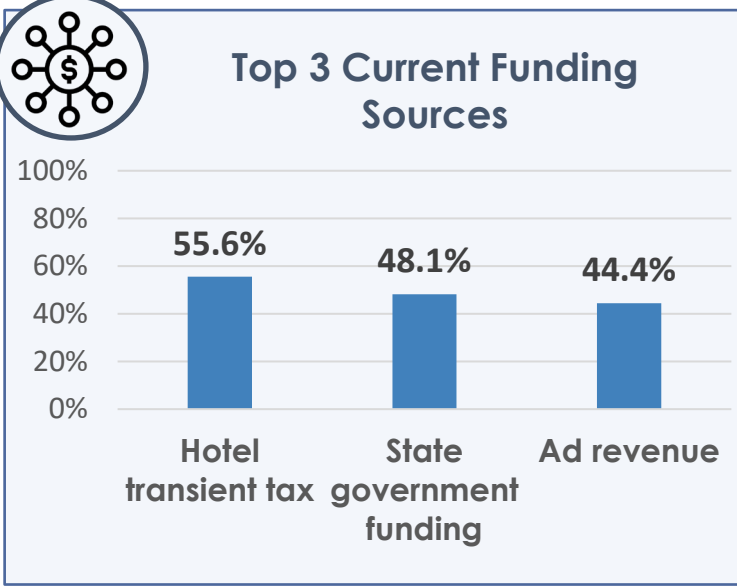
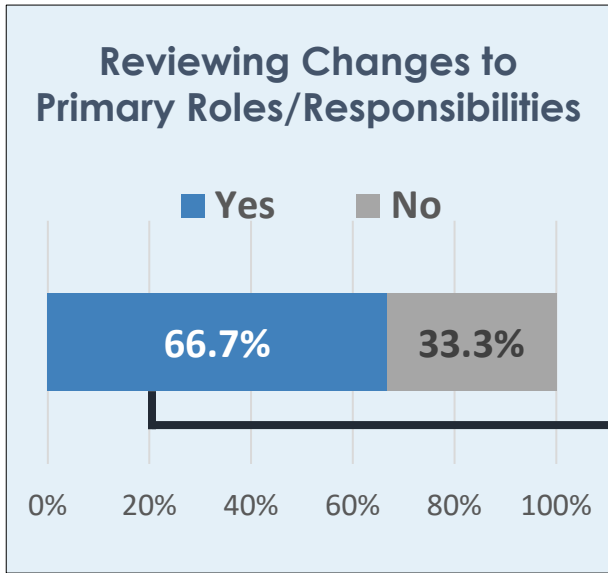
# BUDGET OF \$5-15M *Summary of Their Organizations*

### Top 5 Organization Functions

In Addition to Destination Tourism Marketing

-  *Destination Branding* (96.3%)
-  *Tourism Research* (96.3%)
-  *Visitor Information Center* (92.6%)
-  *Industry Training/Education* (59.3%)
-  *Destination Management* (48.1%)

Average # of functions they are responsible for **7.8**



### Average Annual Budget

**\$9.5 M**


### Avg 2020 Budget Impact of COVID-19 Crisis

**40.0% reduction**

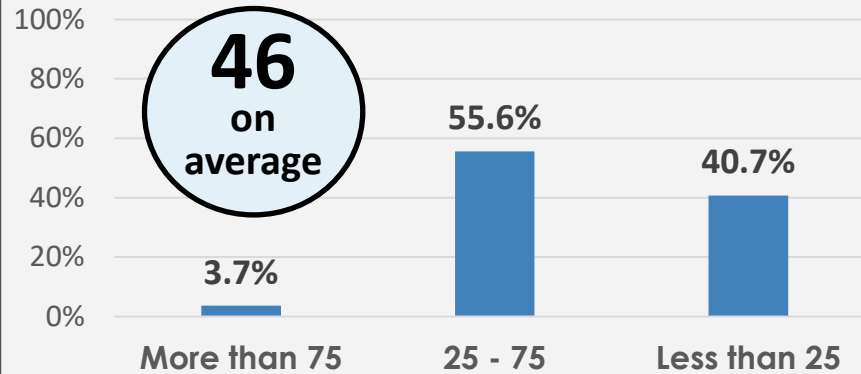


# BUDGET OF \$5-15M *Summary of Their Organizations*

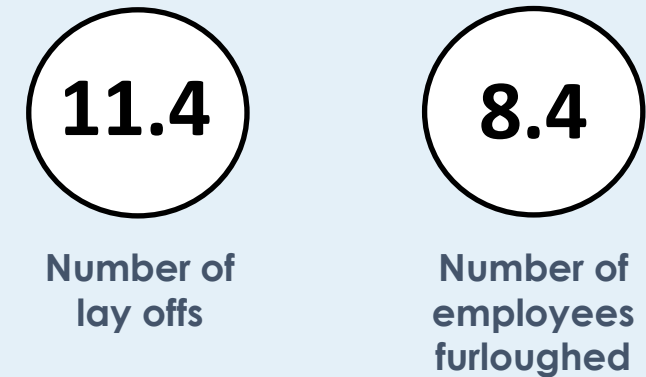
Average 2021 Budget  
Impact of COVID-19

 **26.9%**  
**Reduction**

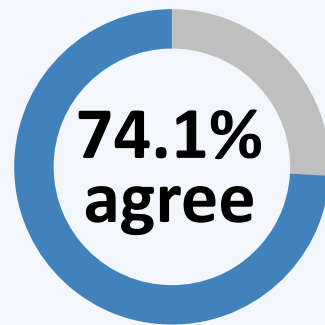
Average # of Full-Time Staff Prior to  
COVID-19 Crisis



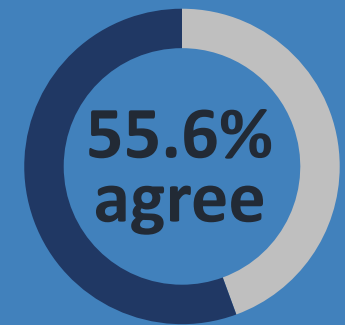
Average Staffing Impact of COVID-19 Crisis  
*(among those organizations impacted)*



The COVID-19 crisis will result in a “new normal” relative to my organization’s responsibilities, funding, staffing, etc.



My organization will seek and develop new and more sustainable sources of funding.



### Top 5 Organization Functions

In Addition to  
Destination Tourism Marketing



*Destination Branding*  
(100.0%)



*Tourism Research*  
(100.0%)



*Visitor Information Center*  
(70.0%)



*Industry Training/Education*  
(70.0%)

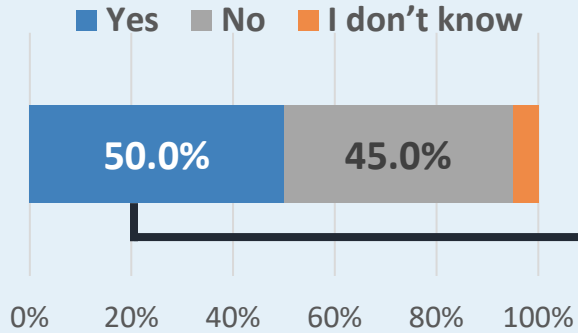


*Destination Management*  
(55.0%)

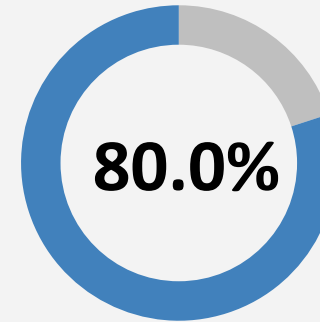
Average # of functions  
they are responsible for

**7.4**

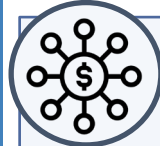
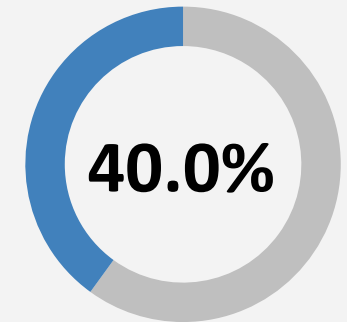
### Reviewing Changes to Primary Roles/Responsibilities



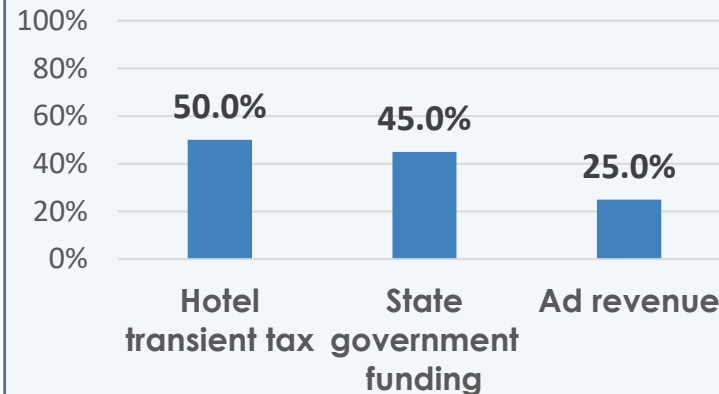
### Reviewing an Increased Role in Destination Management



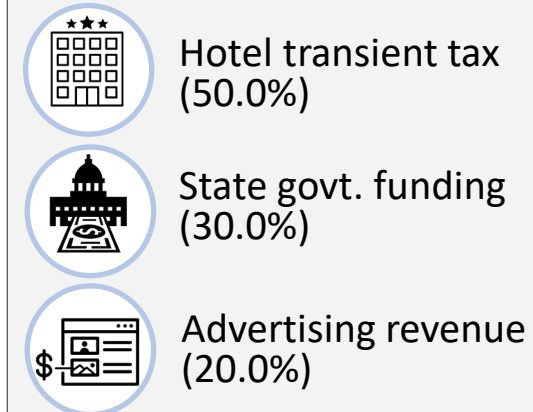
### Reviewing an Increased Role in Economic Development



### Top 3 Current Funding Sources



### Top 3 Funding Sources Being Reduced



### Average Annual Budget

**\$20.1 M**


### Avg 2020 Budget Impact of COVID-19 Crisis

**40.7% reduction**

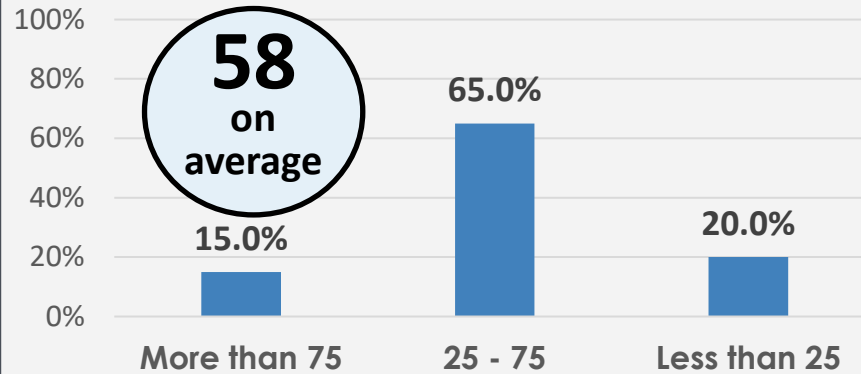
# BUDGET OF \$15-30M

## Summary of Their Organizations

Average 2021 Budget  
Impact of COVID-19

 **33.3%  
Reduction**

Average # of Full-Time Staff Prior to  
COVID-19 Crisis



Average Staffing Impact of COVID-19 Crisis  
*(among those organizations impacted)*

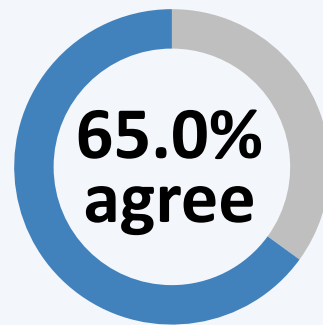
**26.6**

Number of  
lay offs

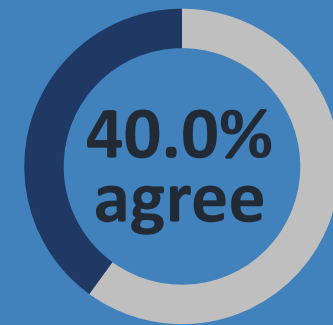
**35.3**

Number of  
employees  
furloughed

The COVID-19 crisis will  
result in a “new  
normal” relative to my  
organization’s  
responsibilities,  
funding, staffing, etc.



My organization will  
seek and develop  
new and more  
sustainable sources of  
funding.



# BUDGET OVER \$30M

## Summary of Their Organizations

### Top 5 Organization Functions

In Addition to  
Destination Tourism Marketing



*Destination Branding*  
(84.6%)



*Tourism Research & Data*  
(84.6%)



*Visitor Information Center*  
(76.9%)



*Industry Training/Education*  
(76.9%)



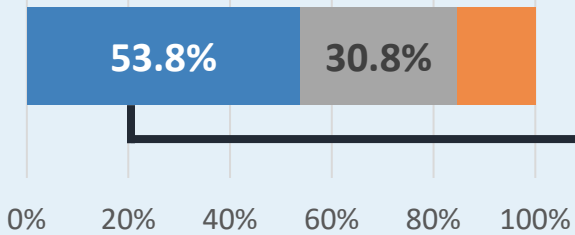
*Destination Management*  
(69.2%)

Average # of functions  
they are responsible for

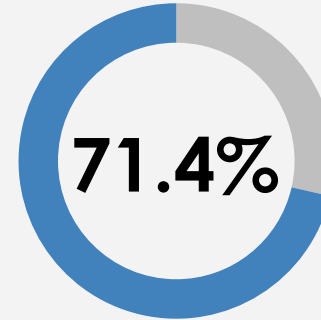
**9.0**

### Reviewing Changes to Primary Roles/Responsibilities

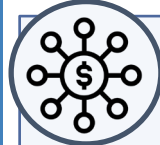
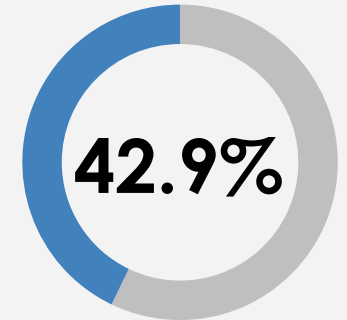
■ Yes ■ No ■ Don't know



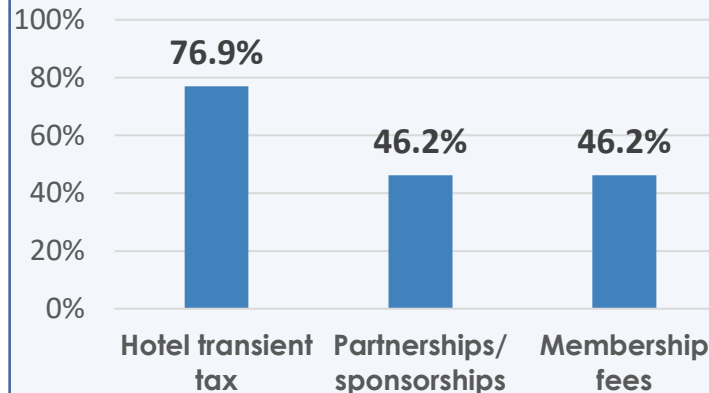
### Reviewing an Increased Role in Destination Management



### Reviewing an Increased Role in Economic Development



### Top 3 Current Funding Sources



### Top 3 Funding Sources Being Reduced



Hotel transient tax (76.9%)



Membership fees (46.2%)



Partnerships/  
Sponsorships (38.5%)

### Average Annual Budget

**\$58.6 M**


### Avg 2020 Budget Impact of COVID-19 Crisis

**42.3%  
Reduction**

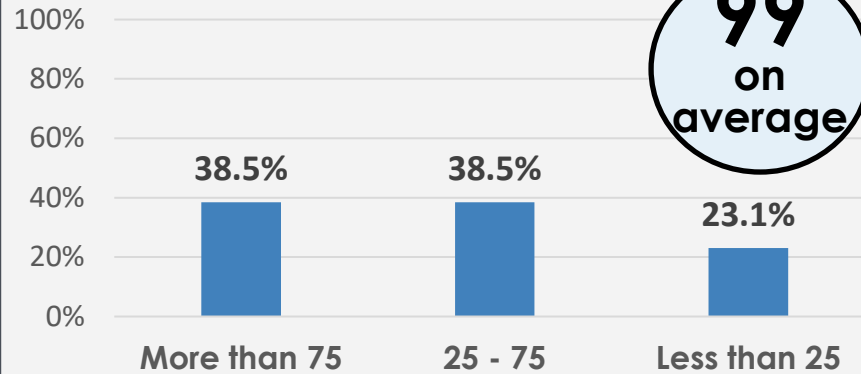
# BUDGET OVER \$30M

## Summary of Their Organizations

Average 2021 Budget  
Impact of COVID-19

 **36.7%**  
**Reduction**

Average # of Full-Time Staff Prior to  
COVID-19 Crisis



Average Staffing Impact of COVID-19 Crisis  
*(among those organizations impacted)*

**42.9**

Number of  
lay offs

**53.1**

Number of  
employees  
furloughed

The COVID-19 crisis will  
result in a “new  
normal” relative to my  
organization’s  
responsibilities,  
funding, staffing, etc.

**100%**  
agree

My organization will  
seek and develop  
new and more  
sustainable sources of  
funding.

**53.8%**  
agree

# Summary of Key Findings by Organization Budget Size

- The tourism/destination marketing organizations with the largest budgets (over \$30 million) are likely to own sales functions for bringing convention and group meetings to their destinations. Relative to those with smaller budgets, these organizations are more likely to maintain responsibilities for air service development, sustainability initiatives and membership support. Those with smaller budgets (under \$5 million) are relatively more likely to be responsible for economic development and bids to bring in sports, cultural and other public events. The organizations with both the largest and smallest budgets report the highest average number of functions that fall under them (9.0 and 8.4 out of 16 tested, respectively).
- The largest budget tourism/destination marketing organizations have the most diverse revenue sources and are currently most commonly funded by hotel tax, sponsorships and memberships. Nevertheless, more than 40 percent feel these top funding sources will be reduced due to the COVID-19 crisis. Those with the biggest budgets are likeliest to be on a fiscal year; those with the smallest a calendar year.
- Larger budgets correlated with a larger staff pre-COVID-19 crisis. Those with a budget above \$30 million had an average staff size of 99.2, while those with a budget below \$5 million had an average staff size of 13.6. However, the largest budget organizations were most impacted by staffing changes due to the crisis. Nearly 85 percent of these organizations had some impact, laying off 42.9 employees on average.



# Summary of Key Findings by Organization Budget Size (continued)

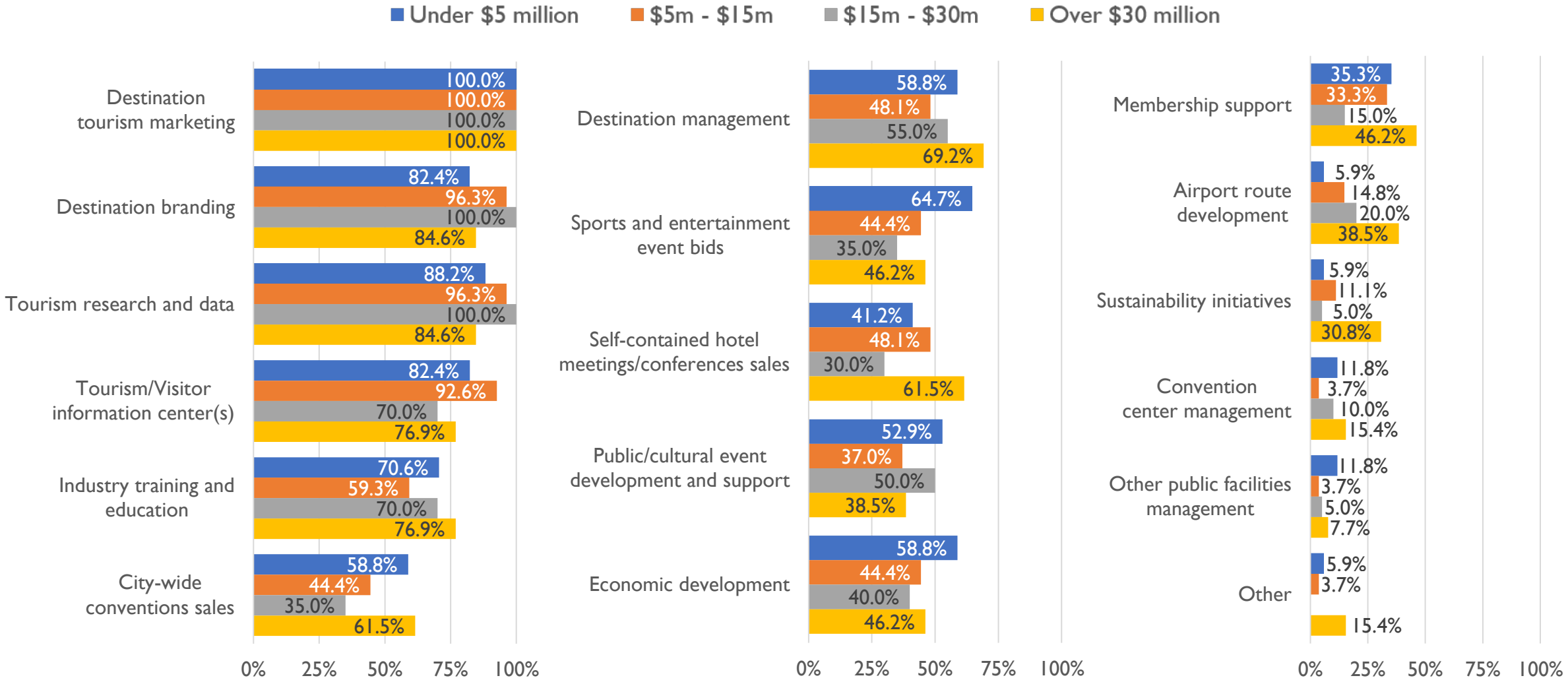
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- Those with budgets under \$15 million were likeliest to be reviewing changes in their organizations primary roles and responsibilities. These changes are likely to include increasing their role economic development, and 80.0 percent of those organizations with budgets under \$5 million anticipate and increased role in destination management.
- The smallest budget tourism/destination marketing organizations are the likeliest to say their organization will seek and develop new sources of funding. They are also very likely to feel that the COVID-19 crisis will create a new normal in terms of their functions and responsibilities. The organizations with the largest budgets, on the other hand, are the relatively least likely to say they will be pursuing new funding sources, instead agreeing they will strive to return to pre-crisis levels of responsibility and staffing and taking a central role in improving tourism through sustainability, local engagement and more.





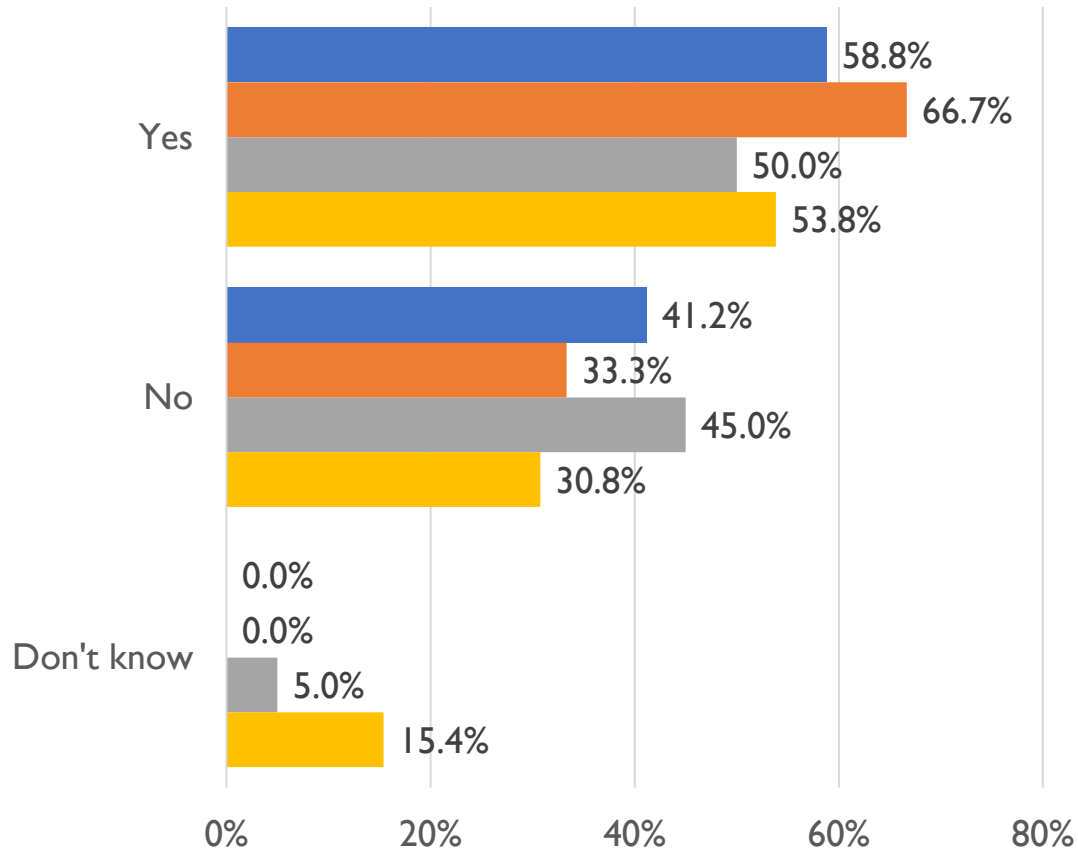
# Organizational Functions & Responsibilities



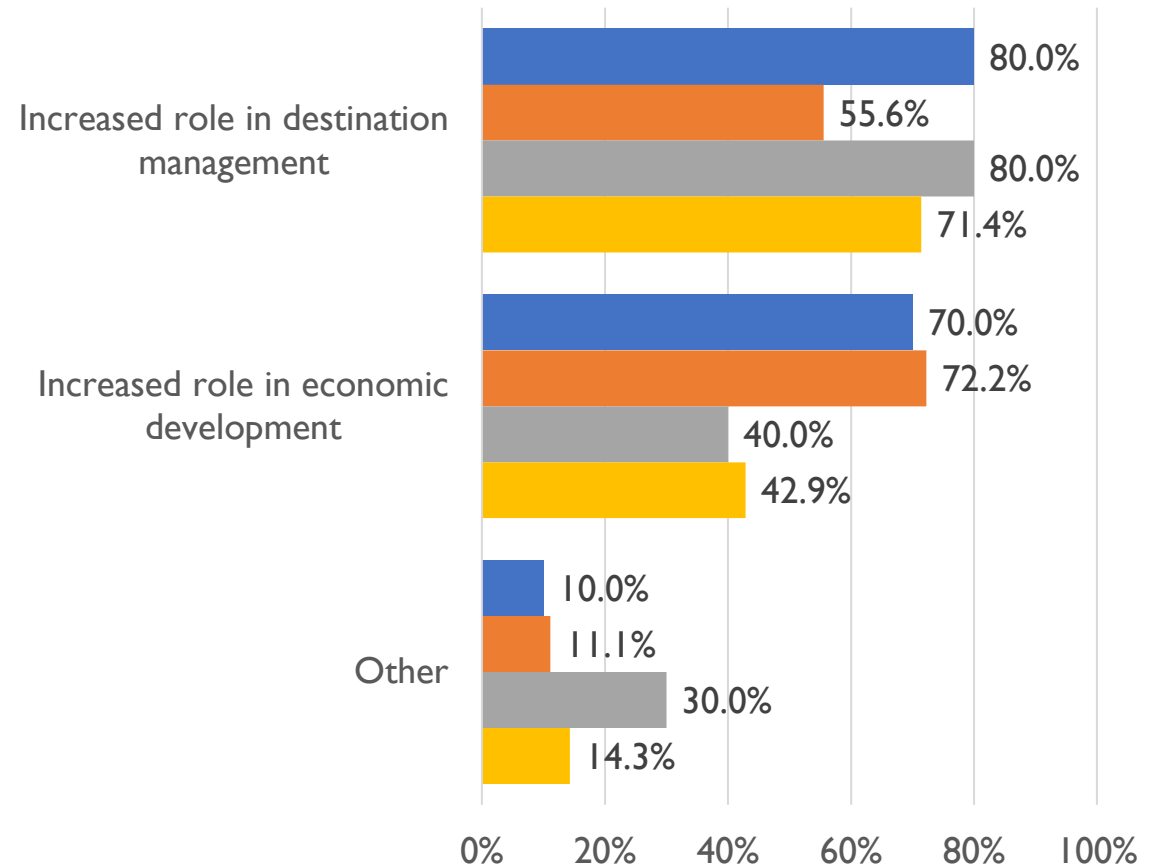
Question: Which of the following functions is your organization responsible for? (check all that apply)

# Reviewing Changes to Primary Roles & Changes Being Reviewed

■ Under \$5 million ■ \$5m - \$15m ■ \$15m - \$30m ■ Over \$30 million



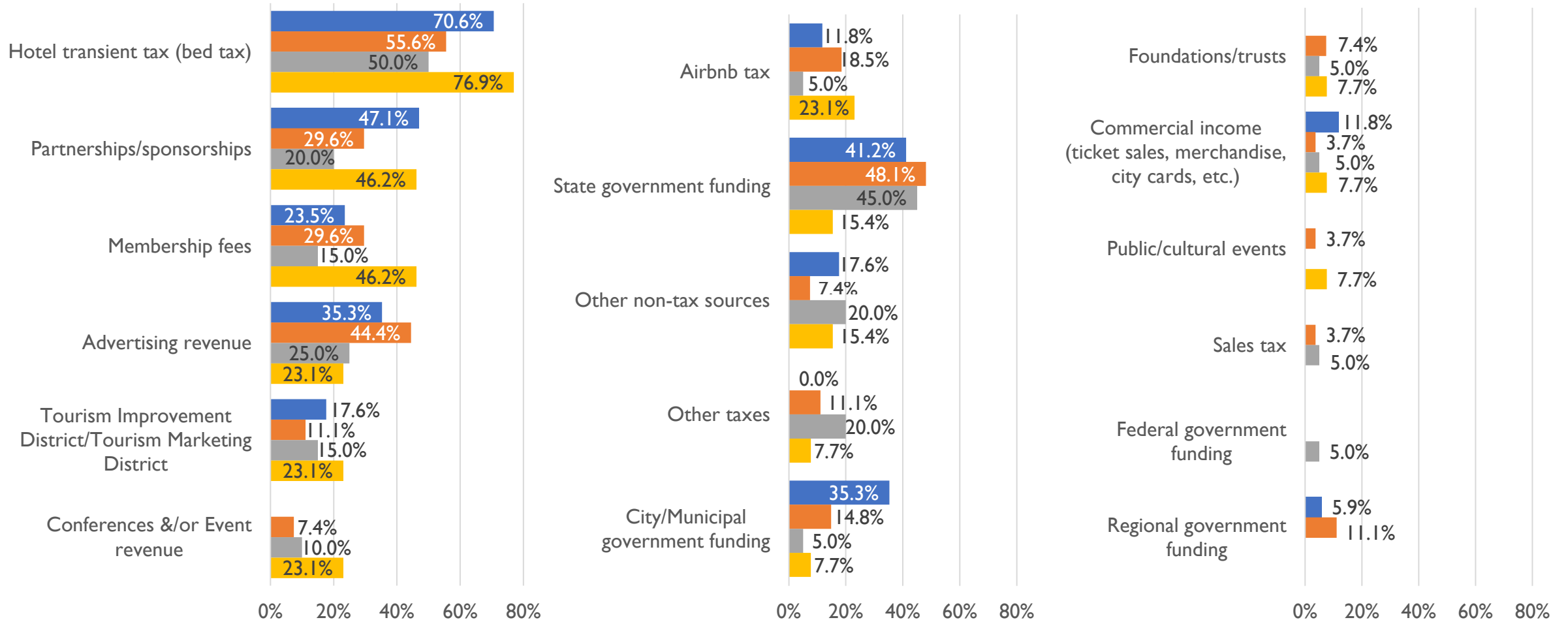
■ Under \$5 million ■ \$5m - \$15m ■ \$15m - \$30m ■ Over \$30 million



Question: Is your organization reviewing changes in its primary roles and responsibilities? And Question: What changes to your organization are being reviewed? (check all that apply)

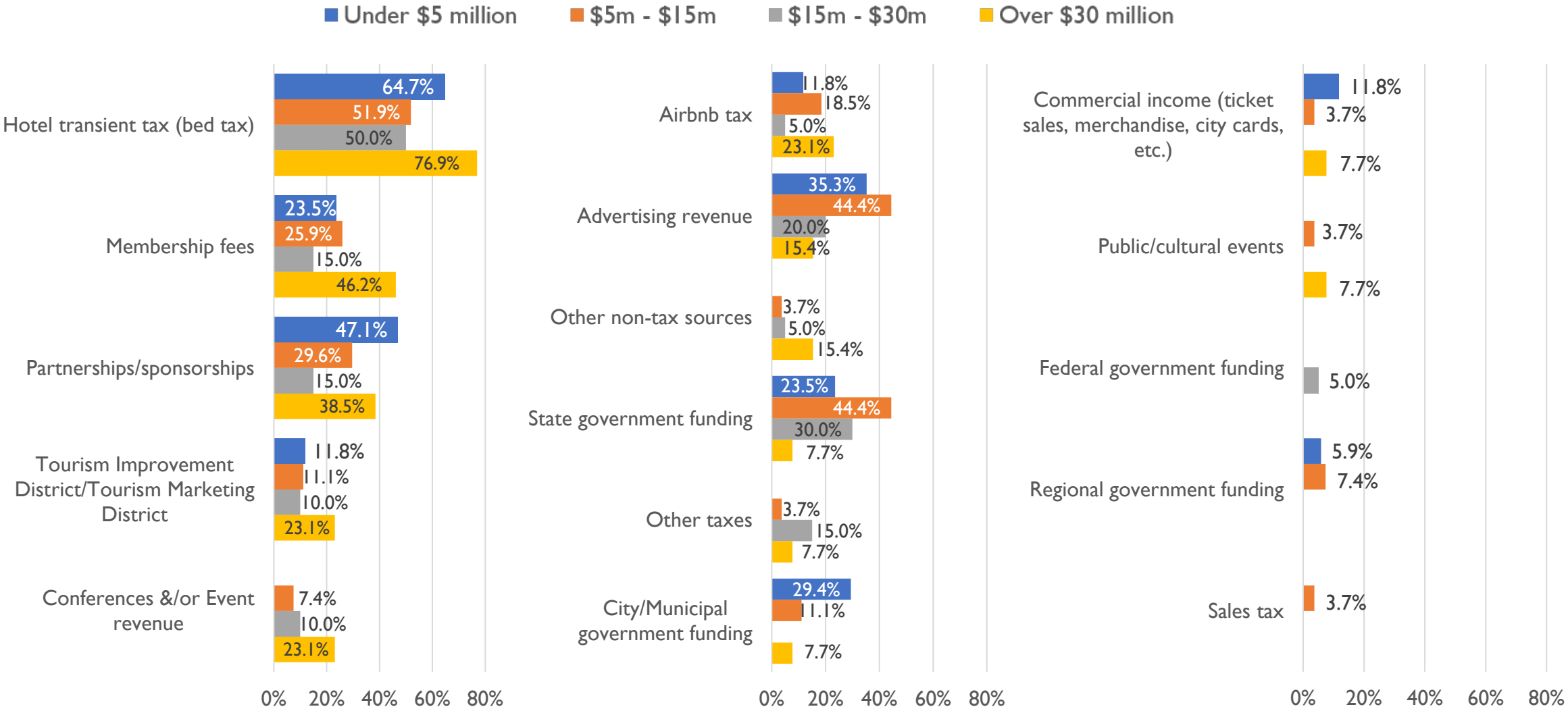
# Current Funding Sources

■ Under \$5 million   ■ \$5m - \$15m   ■ \$15m - \$30m   ■ Over \$30 million



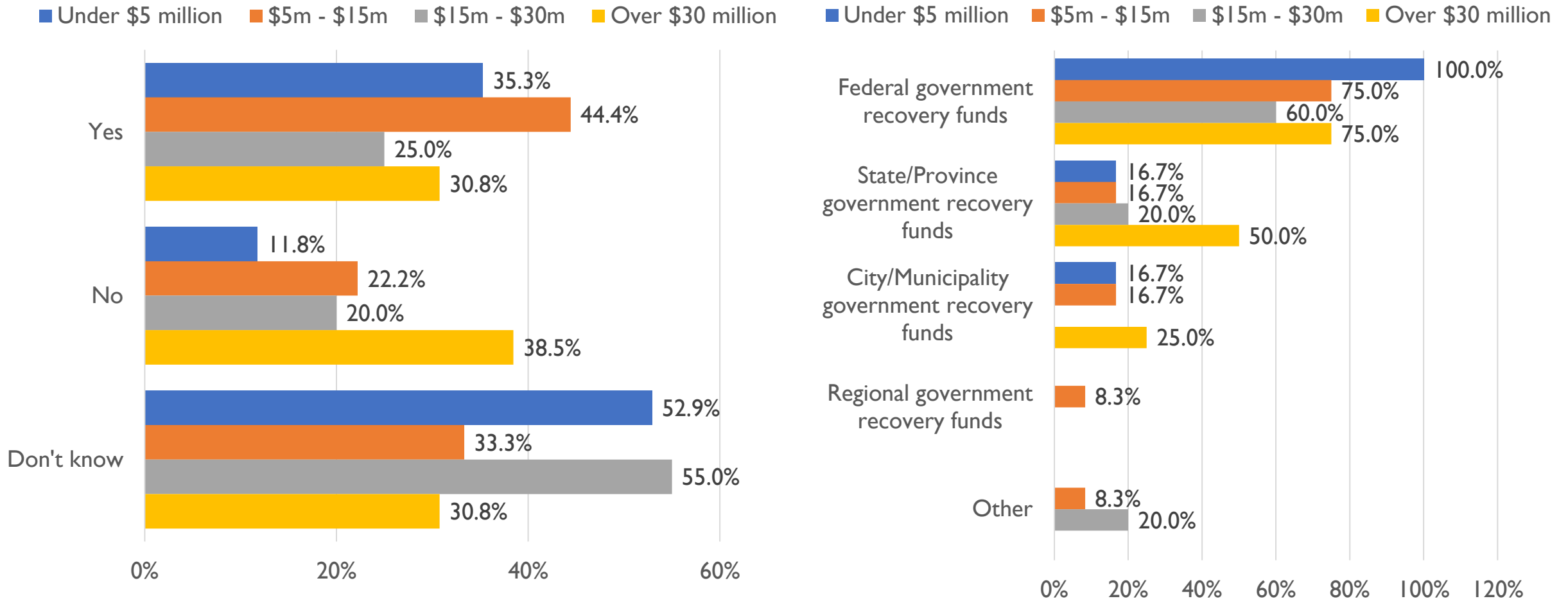
Question: What are your organization's funding sources? (check all that apply)

# Reduced Funding Sources Due to COVID-19



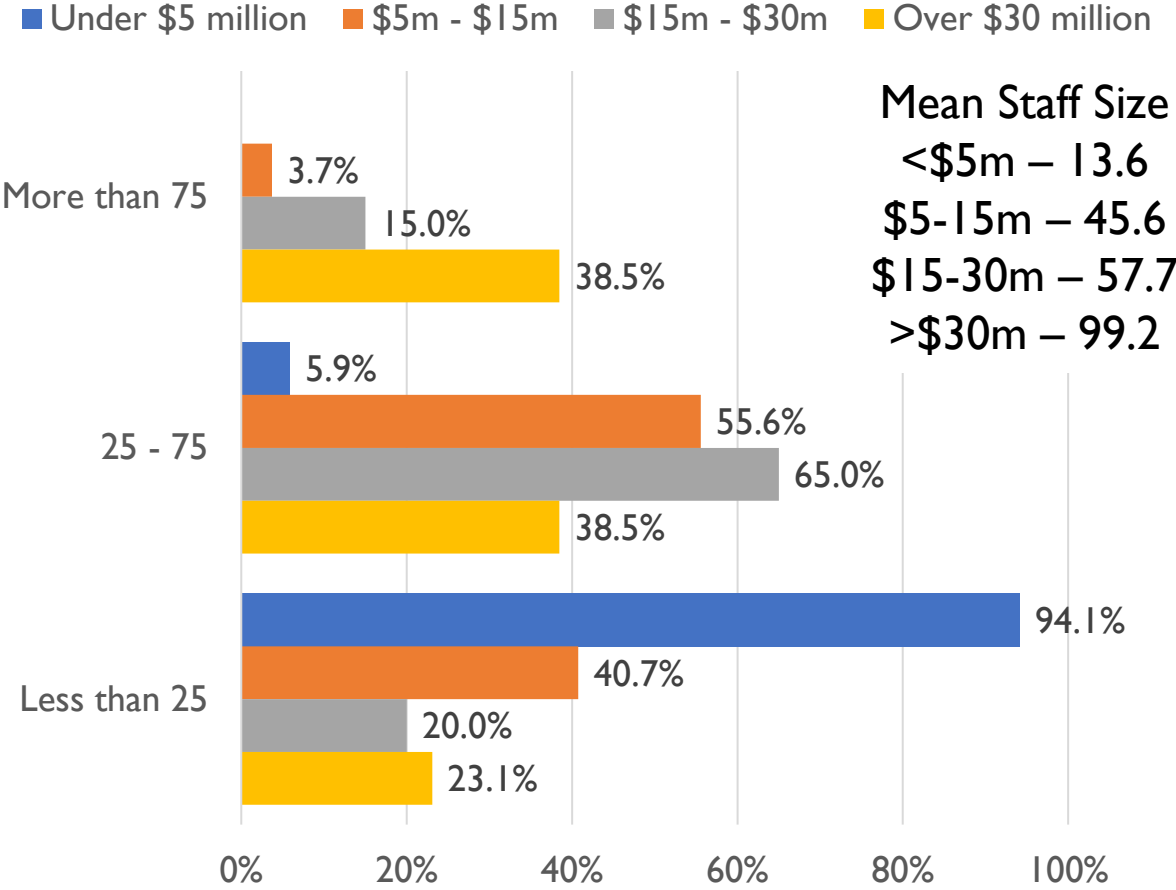
Question: Which of the following funding sources will be reduced as a result of the COVID-19 crisis?

# Expectation of Recovery Funds & Sources



Question: Does your organization expect to receive any COVID-19 recovery funds? And Which of the following recovering funds does your organization expect to receive? (Check all that apply)

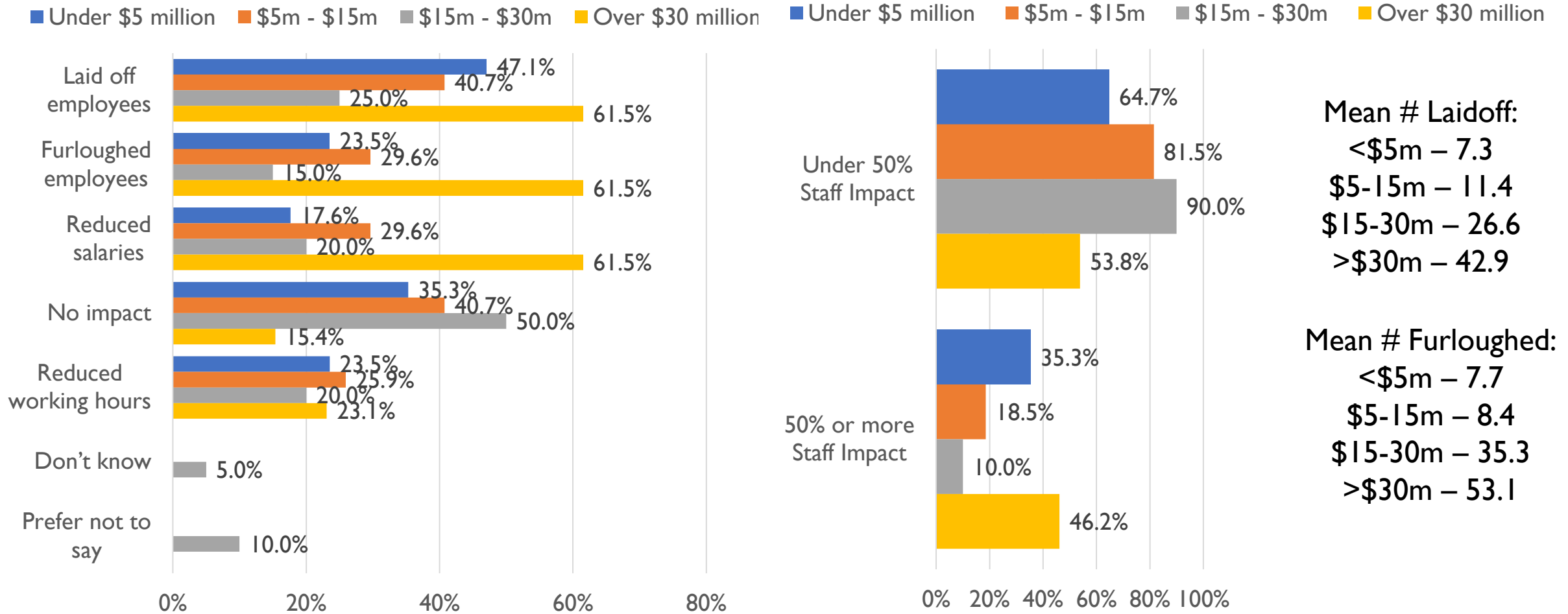
# Number of Full Time Staff Prior to COVID-19 Crisis



Question: What was your total number of full-time equivalent employees prior to the COVID-19 crisis?

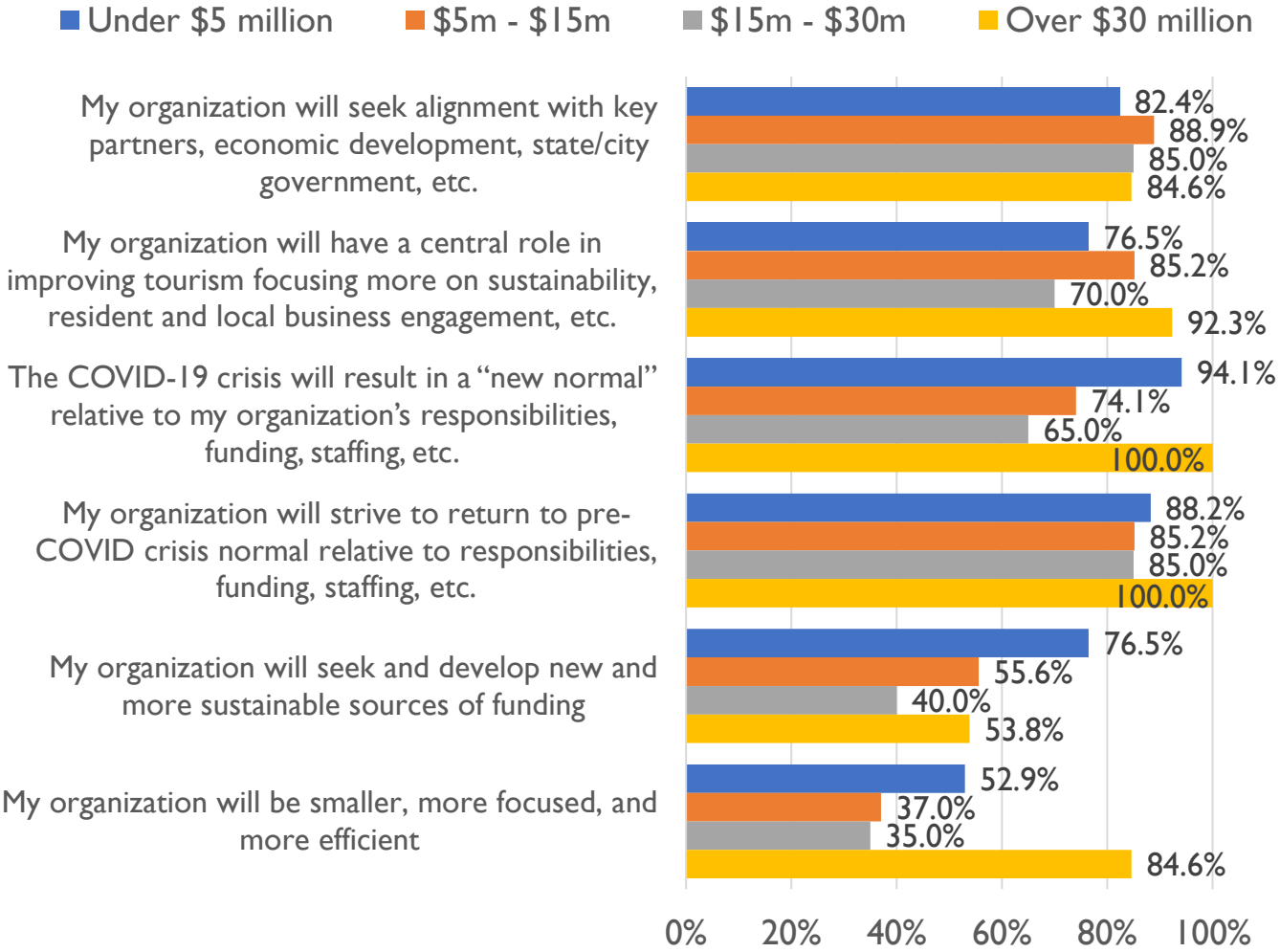
# Impact on Staffing of the COVID-19 Crisis + Proportion of Staff Impacted

## In Those Organizations



Question: What has been the impact on your staffing so far due to the COVID-19 crisis? (Select all that apply)

# Other Anticipated Impacts of the COVID-19 Crisis



Question: Thinking of the future and the impact of the COVID-19 crisis, how much do you agree or disagree with the following statements:





For questions or more information on these survey findings:  
[info@destinationanalysts.com](mailto:info@destinationanalysts.com)

**Thank you to all organizations who participated in this study**