

Testimony for the Pennsylvania Senate Majority Policy Committee

April 13, 2021

The impact of Covid-19 on tourism, lodging and attractions in Pennsylvania

Chairman Scavello and members of the Pennsylvania Senate Majority Policy Committee please accept the following comments for the hearing record. I am Jerad Bachar, President and CEO of VisitPITTSBURGH. Please accept our sincere appreciation to Chairman Scavello and the entire committee for the opportunity to present this information.

VisitPITTSBURGH, the official tourism development organization for Allegheny County, is dedicated to growing the tourism economy of our region by attracting business events, sports events and leisure tourism to the Pittsburgh region. VisitPITTSBURGH delivers on our mission together with our more than 650 business and organizational partners.

Over the past decade, travel and tourism in Allegheny County rode a strong upward trajectory. Data released by the PA Department of Community & Economic Development in February 2021 showed that travel and tourism grew to a **\$6.57 billion industry** in Allegheny County in 2019, with nearly **44,000 residents** making a living in tourism. Total visitor spending grew by 3.0%, while employment grew by 1.7% over the previous year.

This impressive growth predates the incredible havoc caused by the COVID-19 global pandemic.

As of March 30, 2021, VisitPITTSBURGH has experienced the **cancellation or postponement of 483 business and sports events**, representing approximately **\$336.9 million of direct visitor spend** in the local market. This economic loss is greatly compounded by the vast number of smaller meetings, various competitive sports events, leisure festivals and numerous cultural performances which also were cancelled or postponed, as well as by the loss of spectators in Pittsburgh's professional sports stadiums. Tourism Economics (a division of Oxford Economics) estimated the economic loss for Allegheny County's tourism economy was **\$3.6 billion** in 2020.

Industry employment also took a direct hit. According to the PA Department of Labor & Industry, the Pittsburgh metro area **lost 41,400 hospitality jobs in 2020**, a decrease of about 34.1%. VisitPITTSBURGH was not immune, as 54% of our staff was also affected by downsizing.

Hotel occupancy in Allegheny County drastically dipped throughout the last year as well. In fact, from March 15, 2020 – March 27, 2021, 2021 (54 weeks), the Pittsburgh region had about **2.491 million less hotel rooms occupied** compared to the same time in the previous year, which translates to an estimated **\$353 million less in hotel revenues and 6.21 million less visitors in hotels**.

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The good news is traveler sentiment is on the rise, with a March 1 *Destination Analysts Traveler Sentiment* study showing that COVID-19 anxiety is at a low. However, industry experts and practitioners continue to estimate the timeline for recovery of the travel industry will take 2-5 years. Investment in state and county tourism organizations can help shorten the timeline. An **Allegheny County Tourism Improvement District (TID)** would assist in the generation of much needed marketing funds. There are currently 185 TIDs across the United States, but only three active TIDs in Pennsylvania. This initiative has strong support from the Allegheny County hotel community and will help the region remain competitive.

Addressing the need for destination promotion is for the benefit and wellbeing of every person in a community. VisitPITTSBURGH looks forward to working with this Committee and the entire General Assembly to enhance this benefit, while continuing to market Pittsburgh and the Allegheny County community as a welcoming destination worthy of a visit.

Thank you.

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