Opponents of funding state tourism marketing in Florida present two primary arguments in their quest to eliminate VISIT FLORIDA.

1. State tourism marketing doesn't work.
2. Funding state tourism marketing equates to corporate welfare, defined as "government picking winners and losers."

The first criticism facing proponents of state tourism marketing calls into question the fundamental assumption that it works at all. Two separate analyses arguing against tourism marketing effectiveness have made their way into the discussion so far.

One is a set of oversimplified calculations, attributed to Florida's House of Representatives, that concludes tourism marketing doesn't work because changes in tourism funding (expressed as a percentage of the previous years funding) failed to reap corresponding changes in visitors also expressed as percentage increases. To get a sense of how this math doesn't work, imagine a friend who decides to close his 401K account because his 50% increases in contributions during 2008 failed to deliver 50% increases in his rate of return that year.

Another set of calculations, far more complex by comparison, garnered press coverage twice in less than three weeks. Mr. Michael LaFaive and Dr. Michael Hicks, both publishing under the auspices of the Mackinac Center in Michigan, were cited in a Tallahassee Democrat article (https://goo.gl/Mhpd5S) and appeared again as a guest column in the Tampa Bay Times (https://goo.gl/P95l3h). Here's an excerpt of their damning conclusion:

> "Our 2016 study, 'An Analysis of State Tourism Promotion Funding,' examined the economic impact of state promotional efforts in 48 states, including Florida. We examined economic activity and incomes of employees in the three sectors of the economy most likely to benefit from state marketing efforts. These were the accommodations industry (hotels and motels); amusement and recreation; and arts and entertainment."
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> They continued: "We found that when a state spent $1 million in taxpayer funds to promote itself, its accommodations industry saw its economic activity go up by $20,000. That's no typo. It's not $200,000 or $2 million, nor does it refer to the total taxes that flow to state treasuries as a result of the promotional efforts…."

This econometric analysis invites scrutiny. Limiting the evaluation of the economic activity resulting from tourism marketing to only three industries is the equivalent of a farmer assessing the value of purchasing hay for his farm in winter to a calculation of the economic activity of the farm's cattle operation while ignoring the economic activity produced by the sheep, horses, mules, llamas, and goats who also benefited from the investment in hay.

Even more suspicious is the shift in both perspective and methodology the Mackinac study represents for Dr. Hicks by comparison to his 2009 econometric analysis of Indiana's tourism industry (https://goo.gl/rhJKZF) where he includes 40 industries—or all of the farmer's animals—in his model and concluded: "Using a model that specifically accounts for the reverse causation problem of tourism taxes and tourism expenditures we found that a dollar spent on tourism promotion generates roughly 15 dollars in additional tax revenues for state and local governments." It is noteworthy that this Indiana assessment was produced under the auspices of Ball State University's Center for Business and Economic Research, not the Mackinac Center.

Further, in a May 2009 column for the Indianapolis Business Journal (https://goo.gl/ZKgYWW), Professor Hicks wrote:

> "The case for government advertising of a region has a long pedigree. It is found in the argument most economists make for any appropriate government spending: Regional advertising is a public good. A public good is something only the government will produce because of what we call the 'free-rider' problem. Even if a business were to voluntarily pony up money for a marketing campaign, those that did not will benefit from the increased tourism traffic. There is no financially compelling reason to contribute. So, if Indiana is to be marketed as a region, government will be the one to do it."

He continued:

> "I have read lots and lots of tourism studies by academics. I have also done several of my own. The consensus seems to be that every dollar spent marketing tourism returns $9 to $21 in tax revenue back to state and local governments. The differences are based on the type of location and the quality of marketing."

It appears given the shifting of conclusions, that tourism marketing worked before it didn't. Or, more accurately, it works when you take into account its impact throughout the economy, rather than selectively choosing what to measure.

Finally, let me address the flawed conflation of state tourism marketing (VISIT FLORIDA) with business incentives (Enterprise Florida). They're not the same; and marketing a state tourism brand certainly fails to meet the "picking winners and losers" test.

By justifying the elimination of budget support for VISIT FLORIDA, the House bill supporters are on record stipulating that the industry will thrive on its own. In other words, the tourism industry is already a winner.

The bet being placed is whether Florida can continue to win when the Legislature withdraws the state's tourism brand from a competitive marketplace. My testimony to the Senate Appropriations Committee on January 26 provided empirical evidence that Florida lost tourism market share from 2005-2012, coincidentally under conditions in which competitor sun states increased their marketing as we decreased ours. So, it's not a blind wager, it's almost a sure thing that history will repeat itself—and Florida will lose $4.3 billion in tourist spending for every 1% of market share lost.

So who is losing now? Strengthening Florida's global and national competitiveness via investing in marketing does not negatively impact other Florida industries. To the contrary, tourism supports multiple other industries riding along on the consumption that it triggers (see Professor Hick's Indiana analysis referenced above). Therefore, funding state tourism marketing does not determine losers either. In fact, as we've heard repeatedly, the tourism industry's distributed success is responsible for nearly 20% of the states tax revenues.

With the stipulation that VISIT FLORIDA has some realigning to do to regain the trust of the Legislature and tax payers, the much needed dialogue can begin in earnest when we discard disingenuous analysis and stop equating tourism marketing with the practice of awarding cash and tax incentives to individual companies.