

# ADVISORY COMMISSION ON TRAVEL AND TOURISM

## ANNUAL REPORT 2024

### EXECUTIVE SUMMARY

#### CURRENT TOURISM LANDSCAPE:

Massachusetts tourism continues to be a vital economic driver for the Commonwealth, demonstrating strong recovery and adaptation in the post-pandemic landscape. The industry has reached 94% pre-pandemic visitation levels, with approximately 26.2 million domestic and 2.1 million international visitors in 2024. This tourism activity generated \$24.8 billion in direct spending, supported 153,000 jobs, and contributed \$1.7 billion in state and local tax revenue.

#### Key Performance Indicators:

- 28.3 million total visitors (94% of pre-pandemic levels)
- \$24.8 billion in direct tourism spending
- 153,000 jobs supported statewide
- \$1.7 billion in state and local tax revenue generated
- 72% average hotel occupancy with 5.2% year-over-year RevPAR increase

Massachusetts tourism is driven by several distinct visitor segments, with cultural/heritage tourism remaining a strong attraction, particularly in Boston, Plymouth, Salem, and the Berkshires. Educational tourism has shown strong recovery, leveraging the region's prestigious institutions but is currently at risk due to political headwinds. Business travel has rebounded to 85% of pre-pandemic levels, while outdoor recreation continues to grow, especially in Cape Cod, the Islands, and Western Massachusetts. Culinary tourism is also emerging as a significant draw for all regions of the Commonwealth.

#### COMMISSION ACTIVITIES IN 2024

The Commission met three times in 2024, focusing on several key initiatives:

##### **April 5, 2024 Meeting:**

- Celebrated successful Governor's Conference with 450 attendees
- Received updates on Special Commission for the 250th Anniversary
- Discussed the 250th marketing campaign with MOTT engaging Proverb
- Reviewed economic impact reports showing stable or slightly increased tourism

##### **August 6, 2024 Meeting:**

- Reviewed FY25 budget and RTC grant allocation timeline
- Noted increased frequency of 250th Commission meetings
- Highlighted domestic marketing initiatives including Made Possible Campaign and TripAdvisor partnerships
- Launched Massachusetts Ice Cream Trail
- Expanded international marketing in Canada, UK, Germany, Ireland, and France
- Reported significant MA Film Office activity with 20 motion pictures and 6 television series in 2023

## **November 14, 2024 Meeting:**

- Presented economic impact study showing \$23.6 billion in tourism spending supporting 154,000 jobs
- Announced \$1.5 million in Massachusetts 250 grants and launch of Museums250 Program
- Discussed upcoming ISU World Figure Skating Championships
- Noted success of "The Perfect Couple" filmed in Massachusetts
- Announced preparations for Governor's Conference in March 2025

## **STRATEGIC CHALLENGES AND OPPORTUNITIES**

Massachusetts tourism faces several strategic challenges that require attention for sustained growth:

### **Core Strengths:**

- Unmatched concentration of American historical sites and narratives
- World-renowned educational institutions driving year-round visitation
- Outstanding cultural assets including museums and performing arts venues
- Geographical diversity offering urban, coastal, and rural experiences
- Four distinct seasons providing year-round tourism opportunities
- Strong culinary traditions and farm-to-table movement
- Accessible transportation infrastructure including international airport

### **Key Challenges:**

- Significant tourism concentration in late spring, summer and fall foliage seasons
- High-cost perception for accommodations and attractions
- Ongoing staffing shortages in hospitality, particularly in seasonal areas
- Transportation congestion during peak periods
- Strong competition from neighboring states targeting similar audiences
- Housing pressure from short-term rental market
- Climate impacts including coastal erosion and extreme weather events

### **Growth Opportunities:**

- Expanded programming and marketing for early spring and winter periods
- International market diversification beyond traditional European and Canadian visitors
- Development of sustainable tourism initiatives and eco-friendly certifications
- Enhanced digital visitor services, including AR/VR experiences at historical sites
- Broader, more inclusive historical narratives
- Strengthened regional partnerships with neighboring states
- Innovative workforce development programs
- Leveraging sports tourism through professional teams and amateur events

## **KEY RECOMMENDATIONS**

### **1. Visitor Information Center Funding**

The Commission strongly recommends reinstating funding for Massachusetts' Visitor Information Centers, which welcome 1.7 million travelers annually but have operated without state funding since FY2019.

#### **Specific Recommendations:**

- Reinstating annual funding of \$500,000 to support VIC operations
- Establish this funding as a regular budget line item
- Develop a capital improvement plan for state-owned centers
- Conduct a regional competitive analysis
- Address closed or limited-service facilities, including Chelmsford

### **2. Sustainable Funding for the MA Office of Tourism and Regional Tourism Councils**

The current funding model for the 16 Regional Tourism Councils (RTCs) is precarious and insufficient, creating significant operational challenges and competitive disadvantages.

#### **Key Issues:**

- Unpredictable annual appropriations, and uncertain timing of disbursements, prevent long-term planning
- Funding have stagnated remaining at \$10 million for the past 10 years.
- Competing states have more stable funding models including:
  - Fixed percentage of lodging tax revenue
  - Statewide Tourism Marketing District models
  - Generous state allocations to state and regional tourism promotion efforts

#### **Recommended Funding Model:**

In order for Massachusetts to remain competitive the Commission is advocating for dedicated and predictable funding based on allocation of a percentage of hotel tax receipts to the MA Office of tourism and the Regional Tourism Councils. This model would allow for the development of tourism promotion and marketing, aimed at garnering long-term, and significant growth for the sector and consequently increased tax revenue and job creation. Additionally, the commission recommends that funds be appropriated to the Regional Tourism Councils on a predictable and scheduled basis to allow for enhanced planning and program execution.

### **3. Preparation and Support for 2026 Landmark Events**

The year 2026 represents an unprecedented convergence of three major events that will place Massachusetts in the global spotlight:

#### **The Triple Crown of 2026:**

1. **FIFA World Cup:** Boston/Foxborough as one of 16 host sites in North America
  - Hundreds of thousands of international visitors
  - Global media reaching billions of viewers
  - Projected economic impact exceeding \$500 million

2. **America250:** Semiquincentennial celebration
  - Year-long programming highlighting Massachusetts' pivotal role
  - Special events at historic sites throughout the Commonwealth
  - Expected 30% increase in visitation to historic sites
  - Projected \$200 million economic impact
  
3. **Sail Boston 2026:** International tall ships event
  - Multi-day maritime festival with Parade of Sail
  - Projected 3 million visitors
  - Estimated \$175 million economic impact

#### **Immediate Action Items for FY2025:**

- Secure funds in FY2026 state budget for all aforementioned events
- Develop comprehensive events calendar to share across all RTCs
- Develop a comprehensive communications plan to educate stakeholders and the community about these important events
- Develop a statewide hospitality training program to insure visitors have an unsurpassed experience in the Commonwealth
- Establish international coordination channels

#### **CONCLUSION**

Massachusetts tourism stands at a critical juncture, with tremendous opportunities for growth balanced against significant challenges. The convergence of the FIFA World Cup, America's 250th anniversary, and Sail Boston in 2026 presents a once-in-a-generation opportunity to showcase the Commonwealth globally and create lasting tourism infrastructure.

Success will require strategic investments in visitor services, sustainable funding mechanisms for regional tourism promotion, and coordinated planning for landmark events. With appropriate resources and collaborative action across public and private sectors, Massachusetts can capitalize on its extraordinary tourism assets to drive economic development, create jobs, and enhance community vitality throughout the Commonwealth.

Respectfully Submitted,

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