

Landmark Research Details the Economic Significance of the Meetings and Events Industry to the U.S. Economy

Highlights Include 1.7M Jobs, \$263B Spending, \$106B Contribution to GDP

Washington, D.C. (February 17, 2011) – The Convention Industry Council today released a new study: *The Economic Significance of Meetings to the U.S. Economy*, revealing that the U.S. meetings industry directly supports 1.7 million jobs, a \$106 billion contribution to GDP, \$263 billion in spending, \$60 billion in labor revenue, \$14.3 billion in federal tax revenue and \$11.3 billion in state and local tax revenue.

The study, conducted by PwC US, assisted by a team of industry researchers, spanned more than a year in research and analysis and is the first-ever study of the size and scope of its kind. The research quantifies the economic contributions made by the 1.8 million meetings, trade shows, conventions, congresses, incentive events and other meetings that take place across the country. Details on the study and the 14 leading membership organizations which formed the research alliance can be found at www.MeetingsMeanBusiness.com.

“As the nation grapples with effective ways to work its way out of a recession, the meetings industry plays a critical role in supporting jobs in communities across America, creating environments that foster innovation, consensus and business success,” said Karen Kotowski, Executive Director of the Convention Industry Council, the trade organization which unites the meetings sector and educates the public on its profound economic impact. “Two years ago, the value of meetings, one of America’s top economic and social engines, was misunderstood by governments and the public. This new research quantifies the economic significance of our sector for legislators, regulators and economists alike.”

Jobs, Spending, Tax Revenue and GDP

The 1.7 million jobs generated by the meetings industry is larger than many U.S. industries, including broadcasting and communications (1.3 million), truck and rail transportation industries (1.5 million) and computer and electronic product manufacturing (1.1 million). The industry’s 1.7 million jobs generate \$60 billion in labor income and support another 4.6 million U.S. workers, including industry suppliers and those who rely on meeting output for sales and revenue.

Spending on goods and services resulting from meetings and events in the U.S. totals \$263 billion. The majority of direct spending, \$151 billion, is related to meeting planning and production, venue rental and other non-travel and tourism related commodities; \$113 billion is spent each year on lodging, food service, transportation and other travel and tourism commodities. The meetings and events sector supports both jobs and spending in allied U.S.

industries, including professional meeting organizers and venues, food and beverage, accommodation, transportation, recreation/entertainment, retail, travel services and more.

The \$263 billion in spending generated \$14.3 billion in federal tax revenue and \$11.3 billion in state and local tax revenue. And meetings' \$106 billion contribution to the U.S. GDP is greater than, for example, auto manufacturing (\$78 billion), performing arts/spectator sports/museums (\$71 billion) and information and data processing services (\$76 billion).

"The results of our comprehensive research demonstrate the significance of the meetings industry as a major contributor to the U.S. economy," said Robert Canton, director, convention & tourism practice, PwC US. "New and proven research standards, as well as definitions provided by the United Nations World Tourism Organization allowed for the measurement of U.S. economic activity resulting from face-to-face meetings."

Classifications and Attendance

A total of 205 million people, representing domestic and international delegates, exhibitors and organizers attend the 1.8 million meetings. The meetings serve as vehicles for job training and education, generating sales revenue, linking domestic and foreign buyers and developing lasting relationships in personal environments that build trust and unity.

"Working side-by-side creates dynamic environments where handshakes convert to commerce, insight translates to innovation and knowledge sharing creates a better educated and more competitive workforce," added Kotowski.

Of the 1.8 million meetings, 1.3 million are classified as corporate or business meetings, 270,000 are conventions, conferences or congresses, 11,000 are trade shows and 66,000 are incentive meetings. The vast majority of meetings (85 percent) were conducted at venues with lodging. Meetings generate 250 million overnight stays by 117 million Americans and 5 million international attendees.

Total Economic Output

Including direct, indirect and induced contributions, meetings activity provides \$907 billion in total economic output to the U.S. economy. Total economic output also includes a \$458 billion value-added contribution to GDP, 6.3 million full-time and part-time jobs, \$271 billion in labor income including wages and salaries, benefits and proprietors' income, \$64 billion in federal tax revenue and \$46 billion in state and local tax revenue.

"Meetings are how business gets done in virtually every state, city and town in America," said Kotowski. They are the very definition of working together and are essential to help win our future."

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About the Study

The Economic Significance of Meetings to the U.S. Economy conducted by PwC US was spearheaded by an alliance of 14 organizations representing the collective meetings, travel, exhibitions and events industries in the U.S. brought together via the Convention Industry Council (www.conventionindustry.org). Primary funding organizations include American Hotel & Lodging Association, ASAE, Convention Industry Council, Destination Marketing Association International/Destination & Travel Foundation, Meeting Professionals International Foundation, Professional Convention Management Association/Education Foundation and U.S. Travel Association. Other allied industry partners include Association of Destination Management Executives, Exhibition Industry Foundation/Center for Exhibition Industry Research, Financial and Insurance Conference Planners, International Association of Conference Centers, International Special Events Society, National Speakers Association and Site.

The Economic Significance of Meetings to the U.S. Economy was based on the United Nations World Tourism Organization's (UNWTO) definition of meetings, which provides guidelines for methodology to quantify meetings activity. For the purposes of this study and according to UNWTO, meetings are defined as a gathering of 10 or more participants for a minimum of four hours in a contracted venue. Meetings include conventions, conferences, congresses, trade shows and exhibitions, incentive events, corporate/business meetings and others that meet the aforementioned criteria. Meetings exclude social and recreational activities, certain educational and political activities and gatherings for sales of good/services such as consumer shows. The research effort involved two key areas (1) the collection of primary data through surveys and (2) research and analyses of industry, government and other secondary data. Data collected in early- to mid-2010 was for the most recent complete year (2009).

The Economic Significance of Meetings to the U.S. Economy builds on past research that has demonstrated the return on investment and value of face-to-face meetings. In 2009, leading global research firm Oxford Economics established the first clear link between business travel and business growth, proving that for every dollar invested in business travel, businesses experience an average \$12.50 in increased revenue and \$3.80 in new profits (<http://www.ustravel.org/news/business-travel-roi>). Also in 2009, a national survey of corporate and association meeting planners, plus in-depth personal interviews with the industry's leading executives as well as focus groups consisting of corporate and association executives, business travelers and professional meeting planners demonstrated the irreplaceable benefits of human interaction that only can be realized through face-to-face meetings, among them are trust and relationship building, and more effective training and exchange of ideas (www.facetimetters.org).

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