



MEETINGS, EVENTS AND INCENTIVE TRAVEL: CRITICAL TO AMERICAN JOBS, COMMUNITIES AND BUSINESSES

Sensational coverage and threats of federal regulation are creating a paralyzing environment where companies across the country are canceling meetings and events for legitimate business purposes.

Critics have mislabeled many meetings and events as unnecessary and frivolous – causing companies that have received federal government support and many more that have not – to cancel planned and future activities.

52% of respondents to a recent *Meetings & Conventions Magazine* survey said that the mass-media backlash against meetings has influenced their companies' decisions to hold events. With only 20% of the hotel market reporting, meeting and event cancellations exceeded \$220 million for the period January 1-February 28, 2009.

No region of the country is immune to the economic impact of canceled meetings, events and incentive programs. As meetings and events decline, local communities – nearly all of whom are dependent on visitor taxes – struggle to pay for essential services such as education, public safety and social services.

American workers and local communities pay the price as meetings, events and incentives decline.

Business travel creates 2.4 million American jobs, \$240 billion in spending and \$39 billion in tax revenue. Meetings and events account for nearly 15% of all domestic travel, drive \$101 billion in spending, generate 1 million jobs and create \$16 billion in tax revenue.

Without the 1 million jobs generated by meeting and event travel, the unemployment rate in the U.S. would jump from 7.6% to 8.2%.

According to U.S. Labor Department data, the U.S. Travel Association reported a loss of nearly 200,000 travel related jobs in 2008 and predicts a loss of an additional 247,000 travel-generated jobs in 2009.

Business travel and events are a smart and cost effective way to retain and develop employee talent, generate ideas and share knowledge that drives future business growth.

Meetings, events and incentives are essential tools for companies to strengthen business relationships; align and educate employees and customers; and reward business performance. Members of Congress share this opinion when convening their annual retreats at resorts outside Washington, DC.

A recent survey by the Kellogg School of Management found that 82% of top executives believe that travel is important to achieving their business objectives. Moreover, one-third of executives (31%) think that cuts to travel budgets will have a negative impact on the company's bottom line.

The recipients of incentive travel programs are typically hardworking middle class Americans who have earned trips for their exceptional performance. Non-cash incentives are two to three times more effective than cash at motivating employee performance, and companies spend less on incentive travel than on cash compensation to achieve exceptional productivity from employees.

According to a recent survey of Fortune 1,000 Chief Marketing Officers, meetings and events provide the highest return on investment of any marketing channel.

“White House Says it Encourages Business Travel”

The Obama Administration encourages responsible business travel. According to White House Press Secretary Robert Gibbs, “[President Obama] would encourage people to travel.”

Companies that have received emergency government lending have an obligation to operate in a transparent and accountable fashion.

The travel community has addressed an urgent public need by developing clear, workable guidelines designed to ensure responsible business travel practices within companies that have received emergency government lending. Companies that have received emergency government assistance should adopt these guidelines.