Government meetings and conferences are a significant contributor to the U.S. economy – both directly and indirectly. Government meetings and conferences travel provides an efficient way to support the effectiveness of the public sector, the productivity of the private sector and the well-being of U.S. citizens.
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INTRODUCTION

RESEARCH CHALLENGE

Government budgets for meetings and conference travel have been under intense scrutiny over the last few years and many policymakers continue to put pressure on government meetings and conferences expenditures, citing their cost to taxpayers.

While the cost of government meetings and conferences is constantly questioned, a full analysis of their benefit is rarely considered. With this report, our goal is to present a comprehensive and objective review of government meeting activity, to better understand not only the cost of government meetings and conferences to taxpayers, but also the value that government meetings deliver to the effectiveness of the public sector, the productivity of the private sector and the well-being of United States citizens.

The key challenge in this analysis centers on compiling the diverse output (i.e., the value) of these meetings and conferences. Much of the value is dispersed across a large set of beneficiaries. These benefits are realized over a long period of time and many of the benefits remain tacit and very difficult to measure.

We use three different perspectives to fully understand the cost and benefit of government meetings to a wide set of constituents:

Phase I – Measuring Government Meetings Expenditures and their Economic Contribution: Phase I of the research aggregates total government meetings and conference expenditures and those expenditures’ subsequent downstream economic impact on GDP, employment, wages and tax revenue.

Phase II – Quantifying the Value of Government Meetings and Conference Travel: Phase II utilizes survey research to measure the different value attributes of government participation in meetings and conferences to both the public and private sectors.

Phase III – Public and Private Sector Case Studies: Phase III of the research fully evaluates two specific conferences, one private and one public, which were impacted by the recent reduction in government meetings budgets.

In order to understand the comprehensive impact of government meetings and conference travel, our definition for “government meetings and conferences” includes not only those conferences sponsored by government agencies, but also the travel by government employees for private sector meetings and conferences. Additionally, the travel for meetings and conferences must meet the UN World Tourism Organization’s definition for group meetings and conference travel:

A gathering of 10 or more participants for a minimum of four hours in a contracted venue, more than 50 miles away from home. Meeting types include conventions, conferences, congresses, trade shows and exhibitions, incentive events, corporate/business meetings, and any other meetings where attendees conduct business, share ideas, or learn.¹

¹ UNWTO, Convention Industry Council.
ABOUT ROCKPORT ANALYTICS

Rockport Analytics, LLC is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. Headquartered in West Chester, PA, Rockport’s focus is on creative and actionable research in the travel & tourism market. We provide fast, nimble service in a transparent environment.

Rockport Analytics capabilities include:

- Market Analysis and Forecasting
- Economic Impact Assessment, Tourism Satellite Accounting, and Economic Development
- Market Modeling and Decision Support Tools
- Project Feasibility Assessment
- Primary Research and Secondary Research Synthesis
- Stakeholder Surveys – Internal and External

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EXECUTIVE SUMMARY

New, comprehensive research makes clear that government travel for meetings and attendance at conferences is vital to making government more efficient in carrying out its mission, more responsive to citizens and more effective in partnering with the private sector.

In the context of tight government budgets and constrained public sector spending, public agencies at all levels of government have made deep cuts to travel and meetings budgets. But this new report clearly shows the short-term savings that across-the-board meetings and conference cancellations deliver come at a much greater long-term cost.

KEY FINDINGS

Government meetings are more efficient than private sector meetings.

• Employees attending government meetings and conferences spent an average of $185 per day in 2011, significantly less than the $224 per day spent by private sector meeting attendees.

• Likewise, spending on government meetings and conference operations was significantly lower than that of the private sector – $173 per delegate, per day on average compared to $339 for the private sector.

Government travel for meetings and conferences makes the private sector more productive.

• Among the private sector executives surveyed, a majority (62%) report that spending on meetings and conferences where government employees were present had a positive return, while very few (12%) felt the return on investment was negative.

• Nearly three-quarters of private sector executives (74%) agree that meetings and conferences where government employees are present adds value to their firm through knowledge transfer.

• More than four-in-ten executives (43%) report that meetings and conferences where government employees are present allowed them to access knowledge not available anywhere else.

• A solid 40 percent of private sector executives report that meetings and conferences where government employees are present allow them to gain greater awareness of government programs.

Government travel for meetings and conferences benefits citizens and makes government more effective.

• A strong majority of government supervisors (89%) believe that government meetings and conferences benefit citizens. Among the gains cited by senior government decision-makers:
  » 67 percent report benefits from the communication of government services or programs;
  » 66 percent report benefits through general knowledge transfer; and
  » 53 percent report benefits from the communication of regulatory and legal standards.

• Overall, government respondents agree that meetings and conferences add value to:
  » Employee development and training (85%);
  » Knowledge transfer and bridging information gaps (71%); and
  » Strategic planning (51%).

Scrutiny and accountability of government meetings travel has increased significantly in recent years.

• In our survey of senior government decision makers, 46 percent of respondents claim that oversight on travel has tightened over the last 12 months, compared with only 3 percent who claim that oversight has loosened.

• The scrutiny is greater among federal workers compared to state government workers. Fully 60 percent of federal government respondents claim that oversight has tightened.
Cancelling government attendance at meetings and conferences delivers short-term savings but costs taxpayers much more in the long run and undermines the performance of both the public and private sectors.

- The Military Health Systems Conference, a government-sponsored event that provides training for continuing medical education credits and educational benefits training not available elsewhere, was canceled in 2013 as a result of budget cuts.
  - What was lost: the cost savings and efficiencies of bringing all branches of the military under one roof where they can work together to streamline processes, eliminate redundancies and reduce health care costs.
  - According to our analysis, rather than saving taxpayers money, cancelling the conference actually cost the government an estimated $813,000.

- NASA and the Air Force pulled out of this year’s National Space Symposium (NSS), the premier event for international space exploration and policy.
  - Not having representatives from NASA, the Air Force and other federal agencies undermines the United States’ position in international space diplomacy, education to solve critical challenges and the development of America’s future space leaders.
  - Non-participation in the NSS also voids the cost efficiency of bringing all international space leaders together at one event – many of the cancelled face-to-face meetings will be rescheduled as more expensive transient government travel.
  - The long-term impact of non-participation is significantly greater than the federal government’s short-term savings of approximately $550,000.

Government travel for meetings and conferences delivers a broad economic impact and supports thousands of jobs.

- Government travel for meetings and conferences had a total economic impact of $24.4 billion in 2011. Additionally, each government-meeting delegate generated roughly $174 in tax receipts, $78 of which went to state and local authorities.
- In 2011, government travel for meetings and conferences supported 343,800 U.S. jobs, $14.5 billion in U.S. wages and contributed $5.5 billion in tax revenue.
- Government meeting and conference spending is critical to a number of job sectors. In 2011, government travel directly supported:
  - 58,700 food services and restaurant jobs in the U.S.;
  - 48,400 hotel jobs;
  - 31,500 meeting management support jobs; and
  - 1,100 jobs in software, audio, and video media
TOTAL GOVERNMENT MEETINGS SPENDING

Several studies have been published in recent years that focus on the size and economic contribution of the U.S. meetings and conference industry.

- In 2012, the Convention Industry Council (CIC) published a report that detailed the size of spending on meetings operations, as well as the travel expenditures incurred by attending delegates, exhibitors and sponsors.
- The Center for Exhibition Industry Research (CEIR) released a report in the same year that counted, among other things, the number of attendees, exhibitors, revenues and utilized square footage by meeting segment.
- TNS routinely reports trips taken and associated travel expenses by trip purpose, one of which is business travel for conventions and meetings.

Rockport Analytics collected and vetted all of the numbers from these and other studies to arrive at a best estimate of total U.S. Government meetings expenditures. This spending included three important components:

1. The hosting operations spending by all levels of government for sponsored meetings;
2. The associated travel expenditures incurred by government employees attending those meetings; and
3. Travel expenditures incurred by government employees attending privately sponsored meetings. In the case of attendee travel expenses, this study includes only that spending that was paid for or reimbursed by the government.

Total spending on government initiated meetings reached $17.9 billion in 2011. By comparison, the private sector spent a total of $228.8 billion – nearly 13 times more. Of that $17.9 billion, $10.9 billion (61%) was travel related and $7 billion (39%) covered meeting hosting expenses.

### 2011 U.S. TOTAL MEETINGS SPENDING

<table>
<thead>
<tr>
<th></th>
<th>Private Sector</th>
<th>Government</th>
<th>Private Sector vs. Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings Spending (in billions $)</td>
<td>$228.8</td>
<td>$17.9</td>
<td>12.8x</td>
</tr>
<tr>
<td>Meetings Spend per Employee</td>
<td>$1,531</td>
<td>$737</td>
<td>2.1x</td>
</tr>
<tr>
<td>Meetings Spend per $ Wages</td>
<td>$0.03</td>
<td>$0.01</td>
<td>3.2x</td>
</tr>
</tbody>
</table>

*Source: Rockport Analytics: The Value of Government Meetings*

Spending on meeting-initiated travel comprised about 36 percent of all government travel expenditures in 2011 ($30.3 billion). For the private sector, meetings-oriented travel was about 48 percent of the total in that same year.
While total meetings attendance and spending has been rising moderately since the end of the Great Recession, the government has been reducing its travel spending for both meeting and transient trips. This is true for all levels of government, but is most pronounced for federal spending.

**GOVERNMENT SPENDING LESS THAN HALF PRIVATE SECTOR**

Adjusting for differences in the size of the private and government sectors, the government spent about half as much on a per employee basis than the private sector – $737 per employee versus $1,531 for private industries. Moreover, using wages as the comparative standard, government meetings spending was about one-third of the private sector.

Rockport also compared per diem delegate expenditures for travel and operations between the government and private sectors. In 2011, private sector per day meeting-initiated travel spending reached $224 per delegate. Government meetings attendees spent only $185 per day on travel, nearly 20 percent less.

Operations spending at government-hosted meetings was also lower than in the private sector. Government hosting costs (e.g. space rental, food & beverage, audio-visual, etc.) were about $173 per meeting delegate while the private sector spent $339 per delegate, nearly double that amount. These differences can be explained by a number of factors:

- Government travel policy and mandated per diems dictate limits on average daily room rates, food & beverage spending, airfare and other categories. Private sector business travelers tend to have more latitude on travel purchases and travel policies with higher upper limits;
- Government meetings are often held at destinations, venues, and with schedules that have lower cost profiles; and
- Many privately sponsored meetings attended by government employees offer significant registration discounts and subsidized participating hotel room rates. In essence, government delegate attendance is important enough to meeting sponsors that a full or partial subsidy is offered.

![Average Meeting Operation Costs](chart1)

![Average Traveler Expenditures](chart2)
The table below itemizes government meeting expenditures by major category. Both meeting initiated travel expenditures and government sponsored meeting hosting costs are presented in detail. An addendum entry for all government travel expenditures is also included for perspective. At $10.9 billion, meeting initiated travel includes only those categories that are paid by the government in advance of an employee trip or reimbursed in full immediately afterwards. Government employees, like their private counterparts, also engage in non-reimbursed trip spending on items such as retail, shopping or entertainment. While this spending would be part of the overall economic contribution of government meetings, Rockport has purposely chosen to concentrate on only those items that are directly linked to government outlays.

### Government Meetings Expenditures by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>2011 $ in millions</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting Travel Expenses</td>
<td>$10,879.9</td>
<td>61 %</td>
</tr>
<tr>
<td>Transportation</td>
<td>$3,446.3</td>
<td>19 %</td>
</tr>
<tr>
<td>Lodging</td>
<td>$5,356.6</td>
<td>30 %</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$2,077.0</td>
<td>12 %</td>
</tr>
<tr>
<td><strong>Addendum: All Government Travel Spending</strong></td>
<td><strong>$30,314.6</strong></td>
<td><strong>n/a %</strong></td>
</tr>
<tr>
<td>Meeting Operations</td>
<td>$6,996.9</td>
<td>39 %</td>
</tr>
<tr>
<td>Meeting Venue Rental &amp; Labor</td>
<td>$640.2</td>
<td>4 %</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$1,279.4</td>
<td>7 %</td>
</tr>
<tr>
<td>Audio-Visual, Equipment &amp; Technology Services</td>
<td>$1,079.8</td>
<td>6 %</td>
</tr>
<tr>
<td>Advertising &amp; Promotions</td>
<td>$79.7</td>
<td>0 %</td>
</tr>
<tr>
<td>Meeting Management &amp; Administration</td>
<td>$1,890.7</td>
<td>11 %</td>
</tr>
<tr>
<td>Speakers/Trainers &amp; Other Sponsored Attendees</td>
<td>$579.4</td>
<td>3 %</td>
</tr>
<tr>
<td>Group Transportation &amp; Other Operating Expenses</td>
<td>$1,647.7</td>
<td>8 %</td>
</tr>
<tr>
<td><strong>Total Government Meetings Spending</strong></td>
<td><strong>$17,876.8</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>

*Source: U.S. Travel Association, TNS, CIC, BEA, Rockport Analytics*
MEETINGS EXPENSES = 0.2% OF TOTAL GOVERNMENT SPENDING

Government meeting-initiated travel expenses totaled $10.9 billion in 2011, about 36 percent of all government travel spending with the remainder dedicated to transient trips. Government meeting travel spending was about 10 percent of total business (non-leisure) travel in the United States during that same year. Government meeting hosting and operations expenditures reached nearly $7 billion in 2011 and touched a number of critical U.S. industries including meeting venues (i.e. hotels, convention hotels, convention centers, etc.), advertising and promotion, audio-visual services and meeting planning services. Hosting costs were estimated at 39 percent of total government meeting expenditures. Finally, total government meetings spending made up only 0.2 percent of all government outlays in 2011.

GOVERNMENT MEETINGS A SIGNIFICANT CONTRIBUTOR TO U.S. ECONOMY

The economic contribution of an industry, event, facility or policy is estimated by measuring its impact on GDP, employment, payrolls and tax receipts. These universal measures describe how the activity contributes to living standards.

Adding $24 billion of GDP

For government meetings, initiated travel and operations spending resulted in a total economic contribution of over $24.4 billion to the U.S. economy. This included a direct impact of $10.4 billion, benefiting the businesses that directly “touch” meeting delegates, exhibitors and sponsors. The supply chains of these direct businesses also benefited from government meetings by some $6 billion through indirect impact. Finally, the wages paid to both direct and supply chain workers produced an induced impact of about $8 billion.

Supporting 344,000 Jobs

Government meetings activity supported a total of 344,000 jobs across the U.S. economy (about 0.2% of all U.S. nonfarm employment) in a variety of industries. Workers who served the delegates and sponsors directly totaled nearly 180,000. They were employed by businesses in the hotel, convention, food & beverage, meeting services, transportation, and related sectors. Each of these businesses must purchase downstream materials and services to support their activities. These supply chain firms employed an additional 67,000 on behalf of government meetings. Finally, induced spending supported about 97,000 more jobs.

<table>
<thead>
<tr>
<th>2011 GOVERNMENT MEETINGS ECONOMIC IMPACT SUMMARY</th>
<th>Direct</th>
<th>Indirect (Supply Chain)</th>
<th>Induced (Income)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Spending (billions $)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$17.9</td>
</tr>
<tr>
<td>Value-Added (GDP) (billions $)</td>
<td>$10.4</td>
<td>$6.0</td>
<td>$8.0</td>
<td>$24.4</td>
</tr>
<tr>
<td>Wages (billions $)</td>
<td>$6.4</td>
<td>$3.6</td>
<td>$4.5</td>
<td>$14.5</td>
</tr>
<tr>
<td>Jobs (# Full Time Equivalents)</td>
<td>179,800</td>
<td>67,000</td>
<td>97,000</td>
<td>343,800</td>
</tr>
<tr>
<td>Tax Receipts (in billions $)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$5.5</td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$3.0</td>
</tr>
<tr>
<td>State &amp; Local Taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$2.5</td>
</tr>
</tbody>
</table>

Source: Rockport Analytics, IMPLAN
Paying $14.5 Billion in Wages

Wages generated by government meetings were also substantial. A total of $14.5 billion in wages and proprietors income was generated in 2011, comprised of $6.4 billion in direct, another $3.6 billion in indirect, and $4.5 billion in induced wages. Dividing wages into employment yields an average annual income of about $42,400, slightly below the all-economy average of $54,500. This is due, in large part, to higher concentrations of part-time workers in the sectors that serve the meetings industry.

Generating $5.5 Billion in Taxes

Government meetings activity also produces tax receipts at all levels of government. A total of $5.5 billion in income, sales, excise, property and social insurance taxes were generated by government meetings activity in 2011. The federal government collected $3 billion in personal, corporate and social insurance taxes. State and local governments, mostly in hosting destinations, generated just under $2.5 billion in income, sales, excise and property taxes from 2011 government meetings. Sales taxes alone totaled $900 million (36%). Hotel occupancy, rental car, food & beverage, airport, and other excises and fees brought in another $264 million to state and local governments across the country.

Aside from the specific benefits to taxpayers in hosting destinations, these tax receipts are essentially an offset to the original $17.9 billion in meeting costs incurred by government. At the state and local levels, the tax receipts generated by meetings ($2.5 billion) are effectively allocated from the originating government to the destination governments. At the federal level, there is clearly interdepartmental budget reallocation, but the net fiscal effect is an offset of $3 billion. This offset also intensifies the favorable cost comparison between government meeting costs and private sector expenses.
Supporting a Broad Range of Industries

Government meetings and conferences spending is critical to a number of meeting support sectors in the United States. For example, government meeting activity was responsible for supporting about 31,500 jobs in the Meeting Planning & Management Support Services sector in 2011, about 8 percent of all jobs in that industry. Other beneficiaries include the Software, Audio & Video Media sector (1,100 jobs, 6.1% of total industry), Restaurants & Catering (58,700, 0.5%), Hotels (48,500, 4%), and Ground Transportation & Rental Cars (20,400, 2.3%).

The table below summarizes the top 12 industry beneficiaries of government meetings. These sectors generate about $17.8 billion in top-line revenue from government meetings – slightly more than 1 percent of their total jobs and revenue. This may sound insignificant, but in the absence of government meetings, these businesses would have to scramble to find $18 billion in sales elsewhere in order to retain nearly 180,000 U.S. workers.

An Important Contributor to State Economies

Rockport Analytics also estimated the economic contribution of government meetings to individual states. These estimates were derived by triangulating data covering total government travel expenditures by state with specific trip volume and spending information submitted by government travelers to TNS. Additional information from TAP2 reports and key US Travel hotel members helped to further refine our state level estimates. Finally, Rockport used specific IMPLAN state models to perform the translation of government meetings spending into state-by-state economic impact.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting &amp; Management Support Services</td>
<td>31,500</td>
<td>399,700</td>
<td>7.9%</td>
<td>$3,471.6</td>
</tr>
<tr>
<td>Software, Audio &amp; Video Media</td>
<td>1,100</td>
<td>17,900</td>
<td>6.1%</td>
<td>$416.7</td>
</tr>
<tr>
<td>Hotels</td>
<td>48,400</td>
<td>1,212,200</td>
<td>4.0%</td>
<td>$5,470.5</td>
</tr>
<tr>
<td>Ground Passenger Transportation</td>
<td>17,800</td>
<td>663,300</td>
<td>2.7%</td>
<td>$988.3</td>
</tr>
<tr>
<td>Airlines</td>
<td>5,800</td>
<td>478,100</td>
<td>1.2%</td>
<td>$1,854.1</td>
</tr>
<tr>
<td>Automotive &amp; Equipment Rental &amp; Leasing</td>
<td>2,600</td>
<td>225,800</td>
<td>1.2%</td>
<td>$594.2</td>
</tr>
<tr>
<td>Commercial Machinery &amp; Equipment Rental &amp; Leasing</td>
<td>1,600</td>
<td>195,900</td>
<td>0.8%</td>
<td>$431.3</td>
</tr>
<tr>
<td>Office &amp; Administrative Services</td>
<td>4,200</td>
<td>579,200</td>
<td>0.7%</td>
<td>$404.6</td>
</tr>
<tr>
<td>Food Services &amp; Restaurants</td>
<td>58,700</td>
<td>10,974,600</td>
<td>0.5%</td>
<td>$3,336.3</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>1,600</td>
<td>456,000</td>
<td>0.4%</td>
<td>$178.3</td>
</tr>
<tr>
<td>Other Professional, Scientific, Technical Services</td>
<td>1,000</td>
<td>347,100</td>
<td>0.3%</td>
<td>$231.8</td>
</tr>
<tr>
<td>Business Support Services</td>
<td>2,100</td>
<td>1,134,900</td>
<td>0.2%</td>
<td>$129.5</td>
</tr>
<tr>
<td><strong>Total Meeting Support Sectors</strong></td>
<td><strong>179,800</strong></td>
<td><strong>16,684,700</strong></td>
<td><strong>1.1%</strong></td>
<td><strong>$17,822.5</strong></td>
</tr>
</tbody>
</table>

*Source: Rockport Analytics, IMPLAN*
The top 15 states ranked on government meetings spending are detailed in the table below. The government meetings expenditure totals again include meetings-initiated travel spending within the state and hosting operations costs. Rockport has also summarized the top-line economic impact metrics in each state. The direct and total impacts are shown in terms of jobs supported, GDP created and taxes generated for each of the top 15 states. We have also included the combination of Virginia, Maryland and the District of Columbia to illustrate the outsized influence of the Capitol Region.

<table>
<thead>
<tr>
<th>Top 15 States</th>
<th>Government Meetings Expenditures (millions $)</th>
<th>Direct Jobs [in FTEs*]</th>
<th>Total Jobs [in FTEs*]</th>
<th>Direct Value-Added (millions $)</th>
<th>Total Value-Added (millions $)</th>
<th>Federal Taxes (millions $)</th>
<th>State &amp; Local Taxes (millions $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. California</td>
<td>$2,674.0</td>
<td>23,860</td>
<td>45,617</td>
<td>$1,376.3</td>
<td>$3,224.3</td>
<td>$404.2</td>
<td>$331.4</td>
</tr>
<tr>
<td>2. Florida</td>
<td>$1,269.6</td>
<td>13,567</td>
<td>25,939</td>
<td>$782.6</td>
<td>$1,833.4</td>
<td>$229.9</td>
<td>$188.4</td>
</tr>
<tr>
<td>3. Texas</td>
<td>$1,187.5</td>
<td>12,338</td>
<td>23,588</td>
<td>$711.7</td>
<td>$1,667.2</td>
<td>$209.0</td>
<td>$171.3</td>
</tr>
<tr>
<td>4. New York</td>
<td>$788.4</td>
<td>6,489</td>
<td>12,406</td>
<td>$374.3</td>
<td>$876.9</td>
<td>$109.9</td>
<td>$90.1</td>
</tr>
<tr>
<td>5. Illinois</td>
<td>$756.7</td>
<td>7,138</td>
<td>13,667</td>
<td>$411.7</td>
<td>$964.6</td>
<td>$120.9</td>
<td>$99.1</td>
</tr>
<tr>
<td>6. Georgia</td>
<td>$615.9</td>
<td>6,355</td>
<td>12,150</td>
<td>$366.6</td>
<td>$858.8</td>
<td>$107.7</td>
<td>$88.3</td>
</tr>
<tr>
<td>7. Virginia</td>
<td>$598.6</td>
<td>6,424</td>
<td>12,282</td>
<td>$370.6</td>
<td>$868.1</td>
<td>$108.8</td>
<td>$89.2</td>
</tr>
<tr>
<td>8. North Carolina</td>
<td>$563.1</td>
<td>6,221</td>
<td>11,894</td>
<td>$358.8</td>
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<td>11,026</td>
<td>$332.7</td>
<td>$779.4</td>
<td>$97.7</td>
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<td>11. Missouri</td>
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<td>5,230</td>
<td>10,000</td>
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<td>$706.8</td>
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<td>13. Colorado</td>
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<td>14. Minnesota</td>
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<td>8,078</td>
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<td>15. Nevada</td>
<td>$364.8</td>
<td>3,722</td>
<td>7,117</td>
<td>$214.7</td>
<td>$503.0</td>
<td>$63.1</td>
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<td>Other States</td>
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<td>64,070</td>
<td>120,146</td>
<td>$3,700.8</td>
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<td>U.S. Total</td>
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<td>179,834</td>
<td>343,819</td>
<td>$10,373.3</td>
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<td>Addendum: MD+VA+DC</td>
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<td>13,591</td>
<td>25,984</td>
<td>$784.0</td>
<td>$1,836.6</td>
<td>$230.3</td>
<td>$188.7</td>
</tr>
</tbody>
</table>

Note: number may vary due to rounding

Source: IMPPLAN, US Travel Association, TNS, Rockport Analytics

Not surprisingly, California is the largest state for government meetings activity. This is largely due the size of its state and local government sectors and their in-state meeting activity, as well as the fact that California offers three major internationally recognized convention destinations (San Diego, Los Angeles-Long Beach, and San Francisco). Florida, Texas, New York and Illinois round out the top five. Here again, government size and the existence of large convention destinations push these states to the top of the list.

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2 Trends, Analysis, Projections, LLC, Overland Park, KS, 2011
Phase II of the study included two separate surveys that were fielded from December 18, 2012 through January 4, 2013. The primary goal of this research was to gain an understanding of the value of government participation in both private sector and public sector meetings and conferences. Surveying both private sector executives and government supervisors enabled us to better understand the impact these meetings and conferences have on both government and private sector business and operations.

The surveys were administered online and hosted by Rockport Analytics. The survey sample was drawn from Research Now’s eRewards panel based on the following criteria:

Survey #1 – Government Decision Makers:
341 high level government employees who attended a meeting or conference with 10 or more participants, more than 50 miles from home, over the last 12 months – 120 Federal; 114 State; 101 Local; 6 Other

Survey #2 – Private Sector Executives and Business Owners:
258 private sector business owners or employees with title of VP and above who attended a meeting or conference with 10 or more participants, more than 50 miles from home over the past 12 months. The respondent or the respondent’s employees must have participated in a meeting or conference with government employees over the past 12 months.

GOVERNMENT DECISION MAKERS: GREATER SCRUTINY TIGHTENS TRAVEL BUDGETS AND REDUCES MEETING BENEFITS

Surveying high-level government decision makers about the various ways in which government departments or agencies benefit from meetings and conferences was crucial to our research effort. We were further able to segment this population by level of government, which gave us a perspective on the differences in those meetings’ impact by federal, state and local government levels.

- Heightened Scrutiny and Intense Oversight: As noted earlier in the report, government meetings and conferences have come under intense scrutiny over the last few years and that scrutiny has become increasingly worse. Clearly, this affects all levels of government but the largest burden has been placed on the federal government where 60 percent reported that oversight on travel has tightened over the last 12 months, 32 percent reported that oversight has stayed the same and only 3 percent reported that oversight has loosened.

Tighter Meetings Budgets: Not surprisingly, this oversight impacts travel budgets and the overall level of government meetings and conference activity. Over the last 12 months, 52 percent of federal government supervisors spent less on meetings and conferences compared to the previous 12 months and 34 percent held the line on meetings and events spending. The impacts among state and local government supervisors were less severe but were still negative – half of state supervisors held the line on spending while 28 percent spent less; among local supervisors half held the line on spending while 27 percent spent less.

Cutting Back on Essential Meeting Benefits: The slashing of meetings and conference budgets will no doubt help with some short term budget issues, but the savings come at a cost. Many of these meetings support essential government functions. Of the government supervisors we surveyed, 34 percent identified employee development and training as the most essential benefit of government meetings and conferences. This was followed by 23 percent who identified knowledge transfer and bridging information gaps and 15 percent who responded that delivering services to taxpayers were the most essential benefit of meetings and conferences.

Impact on Citizens: Government meetings and conferences also benefit citizens, according to 89 percent of the government supervisors we surveyed. Among those respondents, 67 percent claimed that government meetings and conferences benefited citizens
through the communication of government services and programs, 66 percent believe citizens benefited from knowledge transfer, 53 percent believe that citizens benefit from the communication of regulatory and legal standards and 40 percent believe that citizens benefit from job training, job search skills and job fairs.

PRIVATE SECTOR EXECUTIVES AND BUSINESS OWNERS

Since many private sector workers interact with government employees in a multitude of different meetings and conferences, it was important to understand the additional value provided to these private firms and their employees.

- Interacting with All Levels of Government: Of the executives that we surveyed, three quarters had participated in meetings and conferences with federal government employees, 63 percent interacted with state level government employees and 36 percent interacted with local government employees. The most prevalent type of meeting or conference attended was an informative or educational meeting (71%), followed by trade shows (52%), training meetings (34%) and meetings supporting operations (28%).

- Private/Government Meetings Generate Positive ROI: The meetings attended by both private sector employees and government employees over the last 12 months are believed to have generated a positive ROI for 62 percent of executives, an equal return for 20 percent of executives and a negative return for only 12 percent of executives. The return becomes even greater among executives at large firms where 66 percent experienced a positive ROI on those meetings and events, 18 percent generated a neutral return and 11 percent did not get a return greater than their investment.

- New Partnerships and New Ideas: The areas where these meetings and conferences tend to have the most impact on the private sector are in building partnerships within their industry, generating new ideas and insights related to their industry and in employees’ professional development. It is interesting to note that these areas are much more valuable to executives than developing qualified leads and sales opportunities or increasing the conversion rate of prospective customers. In other words, most of the meetings’ impact from the executives’ perspective is in professional development and expanding the intellectual assets of their firms, not selling additional products and services to government.
• Benefits to the Private Sector:
The areas that private sector executives feel their company or department most benefit from their interaction with government personnel in meetings and conferences include knowledge transfer, for which 74 percent feel their company or department benefits; gaining information not available anywhere else; for which 43 percent believe their company or department benefits; gaining information about government programs, for which 40 percent believe their company or department benefit; and the establishment of best practices, for which 34 percent feel their company or department benefits.

<table>
<thead>
<tr>
<th></th>
<th>5 (High Impact)</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1 (Low Impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing Qualified Leads &amp; Sales Opportunities</td>
<td>10%</td>
<td>18%</td>
<td>24%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Conversion Rate for Prospective Customers</td>
<td>4%</td>
<td>14%</td>
<td>28%</td>
<td>14%</td>
<td>4%</td>
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<tr>
<td>Customer Retention Rate Among Existing Customers</td>
<td>12%</td>
<td>25%</td>
<td>24%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Company or Departmental Cost Savings</td>
<td>7%</td>
<td>18%</td>
<td>26%</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>Employees’ Job Performance/Productivity</td>
<td>9%</td>
<td>26%</td>
<td>26%</td>
<td>13%</td>
<td>9%</td>
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<tr>
<td>Employees’ Morale</td>
<td>9%</td>
<td>31%</td>
<td>26%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Retention of Key Staff Members</td>
<td>8%</td>
<td>25%</td>
<td>23%</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>Employees’ Professional Development</td>
<td>21%</td>
<td>34%</td>
<td>26%</td>
<td>7%</td>
<td>21%</td>
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<tr>
<td>Generating New Insights/Ideas Related to Your Industry</td>
<td>24%</td>
<td>33%</td>
<td>27%</td>
<td>6%</td>
<td>24%</td>
</tr>
<tr>
<td>Building Partnerships Within Your Industry</td>
<td>23%</td>
<td>35%</td>
<td>25%</td>
<td>4%</td>
<td>23%</td>
</tr>
</tbody>
</table>
IN WHAT WAYS DOES YOUR COMPANY/DEPARTMENT BENEFIT FROM MEETINGS WHERE GOVERNMENT PERSONNEL IS PRESENT?

- Knowledge Transfer: 74%
- Gain Information Not Available Anywhere Else: 43%
- Gain Awareness of Government Programs: 40%
- Establishment of Best Practices: 34%
- Market Development: 33%
- Employee Development: 29%
- Product Development: 21%
INTRODUCTION

In the first two phases of this research effort, Rockport Analytics sought to measure the size and contribution of government meetings. In the final phase, we present real examples of government meetings that provide perspective to the numbers and value statements detailed in the earlier phases. One case is a privately sponsored meeting where government employee delegates have a longstanding and critical role. The other is a government-sponsored meeting which serves a critical mission.

THE NATIONAL SPACE SYMPOSIUM (NSS) CASE STUDY

What is the NSS?
The National Space Symposium (NSS), held annually in Colorado Springs, Colorado, is widely known as the premier annual gathering of the global space community. The meeting draws a diverse group of attendees and, in a typical year, is well represented by both the private and public sectors, including delegates from NASA, the U.S. Air Force, and our country’s national security and intelligence communities.

But in 2013, NASA, the Air Force and other government agencies decided not to participate due to budget cuts triggered by sequestration. The total number of paid registrants from the U.S. government fell by 78 percent from 2012 to 2013.

The Value of the NSS
The NSS provides a tremendous amount of value to its 9,000 annual attendees. The value can be broken down into five key areas:

- International space diplomacy;
- Education and training to solve critical space challenges;
- Employee development, particularly that of America’s future space leaders;
- Information exchange that allows private enterprise to make needed investments in space technology;
- The efficiency of bringing together all leaders from the global space community in one conference.

The NSS provides a forum where government subject matter experts can efficiently answer questions about future acquisitions, creatively consider new technology applications to efficiently solve technical challenges, can be a catalyst for future brainstorming meetings with right-sized teams, efficiently inspire and encourage small business innovators to help, personally testify to the merits of government employment to job seekers and future job seekers (such as students).

Linda Stanfel, Sterling Research Corporation
Diplomatic Value: Because of the global stature of the Symposium, it is a major destination for friends and allies of the U.S. who are engaged in the space enterprise. Nearly 30 nations participated this year, including official delegations from Germany, Japan, the Netherlands and the European Space Agency. By deciding not to participate, NASA not only harmed the effectiveness of the conference but undermined America's international ties and global leadership on space industry issues.

Educational Value: Professionals from all over the world come to exchange information at the NSS and hear from industry and government leaders. There are formal speeches, debates, panel discussions and an immense amount of networking between government, industry, policy, nonprofit, research and other sectors.

Employee Development: The NSS is especially important in the development of the next generation of leaders for in the space industry. Companies, space agencies and governments from around the world send their best and brightest to meet with senior leaders and to participate in mentorship sessions and professional development programs.

The Space Foundation provides a forum for promising young space professionals, ages 35 and under, through New Generation Initiatives. These opportunities enable the government to ensure that its own young professionals gain experience from the broader space community. They also provide a recruiting ground for acquiring top talent to sustain programs aimed at advancing the national interest.

This event is global and international, so many of our allies around the world attend with the specific intent of meeting with their U.S. counterparts. Some 30 nations are represented, and most of them want to meet with their U.S. government counterparts. Important international partnerships are jeopardized, important international programs are placed at risk, and U.S. government places serious strain on relationships with countries around the world when it does not attend.

Elliot Pulham CEO, Space Foundation

Information Exchange: Many companies send representatives to the NSS specifically because they can meet with senior executives and government officials whom they would never be able to get an appointment with under everyday circumstances. Government subject matter experts can answer questions about future acquisitions, creatively consider new technology applications to efficiently solve technical challenges and inspire and encourage small business innovators to help.

Creating Efficiencies & Cost Savings: Some contractors have already begun notifying their government customers that because government leaders are not attending the NSS, much more travel will be necessary for one-on-one meetings, leading to increased travel costs for government and industry alike.

Enhancing the Productivity of the Private Sector: The interaction between government and industry is crucial. Not having government at this conference results in disparate, uncoordinated, wasteful efforts and a loss of opportunity to share safety and technical information. Industry participants take their cues from the government officials they hear and meet. This enables industry to invest in the capabilities that will best meet the government's needs rather than expending R&D resources in unproductive areas. Without this essential communication, the health of the industrial base and the nation's overall space capabilities are at risk.
Interaction with Military/Government Customers at the NSS has a high ROI: More than two thirds (68%) of attendees rate the return on investment of their interactions with government and military personnel at the NSS as “High or Very High.” Nearly three quarters (74%) view networking events the same way.

Quantifying the Government Cost Savings

The short-term savings realized by the federal government’s reduced role at the conference total $556,860, based on:

- Event registration savings of $222,940,
- Savings on exhibits totaling $121,800, and
- Savings on traveler expenditures worth $213,120.

What is Lost with the Government’s NSS Cancelations?

Quantifying all of the impacts of the lessened government attendance of the NSS is an impossible task. These benefits are extremely diverse and realized over a long period of time. We can, however, broadly look at the benefits associated with attending the NSS and assess whether the cost savings are worth the foregone value to the public sector, the private sector and taxpayers at large.

We are handing over global leadership in space exploration. Twelve major countries participate in the NSS. Many of our largest international partners expressed surprise and disappointment by the U.S. government pull-out: Germany expressed “disbelief,” Japan was “shocked” and said they understood our shame and embarrassment. One of the few US government attendees, a 4-star general, publically apologized to attendees for the abrupt absence of U.S. leadership.

CEO of a U.S. Private Space Industry Company and 25-Year Veteran of the NSS

Summary of the Cost-Benefit Analysis

We believe this case study presents a clear argument that the value of attending the NSS far exceeds the savings generated by government cuts to its participation.

Additionally, the offsetting travel that will occur to support mission critical work within government agencies, that does not get done at the NSS, will take place at a potentially higher cost to taxpayers. In the long run, the U.S. position in the international space community is jeopardized, the education of our young space leaders is eroded and the productivity of the private sector and commercial space enterprises is undermined.

Source: TNS, The Space Foundation, Rockport Analytics
MILITARY HEALTH SYSTEM CONFERENCE (MHS) CASE STUDY

Providing Better Medical Treatment and Healthcare to America’s Military

Each year, 3,000-4,000 leaders from the nation’s armed services and partner agencies have gathered at the Military Health System (MHS) Conference in order to learn how to provide the best possible medical and healthcare treatment to the men and women who serve our nation in the military.

The core purpose of the conference is to help the 130,000 military health care professionals deliver better performance when it comes to the MHS’s key strategic goals, known as the Quadruple Aim:

- Improving readiness in treating soldiers;
- Promoting better health among the military;
- Providing better treatment and care; and
- Responsibly managing overall costs.

During the four-day event, delegates participate in intense education and professional development delivered by leading medical experts. Conference attendees receive specific training aimed at achieving breakthrough performance in healthcare management and delivery that can be immediately applied at military health facilities all over the world.

But on January 18, 2013 the U.S. Department of Defense cancelled the 2013 MHS Conference in anticipation of sequestration. The official announcement cited budget difficulties and provided a sense of the opportunity lost: “This conference is an important element in bringing together the uniformed medical leadership at all levels of the Military Health System, along with our other federal partners and contractors....We are disappointed that we needed to take this step.”

The Opportunity Lost From A Cancelled MHS Conference

The MHS Conference attendees are primarily military or civilian government employees of partner agencies, including the U.S. Department of Veterans Affairs, the U.S. Department of Health and Human Services, and the U.S. Department of Defense. The conference gathers all the critical players in our nation’s military healthcare system including military health system staff and personnel, external stakeholders like line leaders, MHS beneficiaries and investors.

From the broadest perspective, the MHS Conference is vital to ensuring that leaders within our military healthcare service understand and can articulate their role in contributing to the successful implementation of the Quadruple Aim. Attendees leave with practical insight into how to align their actions with the MHS strategic goals. Among the specific benefits offered to conference attendees, the most important include:

Training and Education Delivered Cost-Effectively: Participants in the MHS Conference have access to an unrivaled set of training sessions and hands-on workshops across an array of topics critical to serving the medical needs of our armed services. There are specialized tracks designed for military physicians, nurses, pharmacists, medical clinicians and administrators – each with a practical set of takeaways in line with the MHS Quadruple Aim.

The adjacent table exemplifies the spectrum of educational offerings. Sessions are usually 90 minutes long and are led by senior level military health experts, practitioners and heads of various commands. Workshops typically last a full or half-day and include labs.
Most of the workshops are approved Continuing Education Certified, part of the continuing education requirement for most medical professionals. These educational opportunities are quite simply unavailable elsewhere at such cost-effective rates.

Meeting Critical Continuing Education Needs: To stay current on the most innovative practices and technologies in their fields, physicians, nurses, pharmacists, dentists and many other medical professionals must fulfill a continuing education requirement to retain their license to practice. These courses are generally paid for by the military or civilian government partner organization.

Until the 2013 conference was cancelled, the MHS Conference offered the most efficient and cost effective way for members of the military health services to satisfy their continuing education requirements.

The 2012 MHS Conference, for example, offered a total of 21 credits through various workshops per the Accreditation Council for Continuing Medical Education (ACCME), including:

- Physician Continuing Medical Education;
- Pharmacist Continuing Education;
- Nursing Continuing Education;
- Psychologist Continuing Education;
- Dentist Continuing Education;
- Medical Administrators Continuing Education;
- Social Worker Continuing Education; and
- Healthcare Executive Continuing Education.

Rockport contacted a number of private and academic institutions that offer similar ACCME accredited courses and found the average cost per credit to be about $760. By contrast, the MHS Conference did not charge for its continuing education workshops. Under conservative assumptions that only 50% of the attendees registered for one or more workshops and that the military would reimburse personnel who obtain the credits elsewhere, Rockport estimates more than $1.1 million was saved by MHS Conference attendance in previous years.
For the healthcare professionals that serve our military, being chosen by senior command officers to attend the MHS Conference is both an honor and a sign of confidence in their potential. Those invited are exposed to senior officers from all branches of the military, experience the latest medical technologies and procedures, and are kept abreast of MHS strategy and evolving policy.

\textit{I think the biggest thing for me (from the conference) is the empowerment of “From Healthcare to Health” and taking that back to the providers I have...to really embolden that initiative into our day-to-day practice and share that with our primary care providers and all the specialists we have at our facility.}\textit{  \\

Air Force Lt. Col. Brian Young, Offutt AFB, Neb  \\

Conference attendees receive specific training, learn best practices and network with experts so that they can take what they have learned and apply it to the workplace. \textit{It was refreshing to hear information today that I can go back and share with my troops; I plan to increase the amount of sessions focused on group PT and focus even more closely on my troop's health.} \textit{  \\

Air Force Lt. Col. Zina Crump, 82nd Medical Group, Shepherd Air Force Base  \\

The adjacent exhibit was excerpted from the 2012 MHS Conference program. It demonstrates the high-quality nature of sessions dedicated to professional development, as well as the seriousness of the commitment to invest in MHS personnel at all levels across all medical disciplines. \textit{So many of us work at the tactical level providing healthcare, and this is an opportunity once a year to see senior leadership of the military health system and what their intent, what their purpose, what their strategic goals and objectives are for us.} \textit{  \\

Army Col. William Novakoski, deputy commander of clinical services, Carl R. Darnell Army Medical Center, Ft. Hood, Texas}}

Networking & Partnerships, Leading to Better Collaboration

The MHS Conference is a rare opportunity for all branches of the military to meet and share best practices. The face-to-face meetings and informal conversations that take place at the conferences form the foundation for lasting professional relationships that yield ongoing benefits for the military. The result is better organizational consistency and coordination, more informed and motivated employees, and better application of practices in providing and managing health care services in the military. \textit{The conference offers a great chance for people to make connections. Lt. Gen. Horoho's presentation was particularly memorable. She's a visionary. She said what everyone needed to hear.} \textit{  \\

Army Col. Michael Bayles, Joint Task Force Cap Med  \\

Networking is invaluable for the military medical community and can yield benefits that might not otherwise be available to MHS Conference attendees. By engaging approximately 4,000 MHS leaders, and providing them with the tools to tap into an additional 130,000 MHS health care professionals, the MHS can better execute its initiatives and improve performance across the board.}

Creating Efficiencies & Cost Savings

A tangible benefit of the MHS Conference's educational sessions, workshops and informal interpersonal exchanges is cost savings. Sharing best practices for medical procedures, technology, administration and program implementation helps make the system more efficient, prevent mistakes and reduce costs.
Admittedly difficult to estimate, the cost savings benefits are significant, widespread and very real.

At a basic level, the MHS Conference allows government officials from various branches of the military to meet in one place to discuss critical issues. Instead of scheduling multiple meetings in multiple locations, this event saves attendees both time and money. If the 3,500+ attendees were able to eliminate just one additional meeting during the year, the travel cost savings, at typical government transient per trip rates\(^5\), would approach $2.5 million.

\[\text{I am also committed to working with my fellow Surgeons General in the spirit of jointness. The synergy of creating efficiencies, removing redundancies and allowing transparency will elevate care and reduce costs. Joint command-and-control cannot happen overnight and must grow from the deck plates with coordinated efforts from the Services and those best informed to provide input so that more light than heat is generated.} \]

Vice Adm. Matthew L. Nathan, Surgeon General of the Navy

2013 MHS Conference Cancellation – How Much was Really Saved?

The surprise decision to cancel the 2013 MHS Conference was made due to budget reductions in anticipation of the pending budget sequestration. But how much was actually saved? While Rockport was unable to collect specific line item expenses and actual savings, we were able to construct an estimate based upon discussions with meeting suppliers and on average costs associated with meetings of similar scale and location. The table below itemizes the estimated government cost savings associated with the 2013 MHS Conference cancellation. Our estimates used the conservative end of the cost spectrum in all cases.

<table>
<thead>
<tr>
<th>2013 MHS Conference Case Study Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockport Analytics believes that the MHS Conference case presents the classic penny-wise, pound-foolish tale: cancelling a government-sponsored conference to save taxpayers money actually ends up costing taxpayers hundreds of thousands of dollars while undermining our military’s health system. Consider the following:</td>
</tr>
</tbody>
</table>

- Accredited Continuing Education Credit fees of approximately $1.1 million. The 21 credits provided at the MHS Conference will be made up elsewhere, the costs of which will eventually be reimbursed by the federal government.

- Multiple individual trips by the same military health professionals to gain equivalent insight, receive the same training, and learn the same strategic lessons. If the MHS attendees were saved just one additional transient trip, the military and its federal government partners would save an estimated $2.5 million.

- The costs of lower quality health care provision, lesser technology/method utilization, and less efficient health system management are difficult to estimate yet very significant and very real.

- The foregone professional development, mentoring, networking and cost efficiencies are likewise difficult to monetize, but are all the more regrettable due to the fact that cancelling the conference resulted in no cost savings and actually incurred a net cost of $813,000.

Both the MHS Conference and the National Space Symposium case studies represent a microcosm of what happens when policymakers decide to make across-the-board spending cuts to meetings and conferences without consideration of the lost benefits. While prudent government budget cuts are necessary to improve our current fiscal situation, cuts should be made against an overarching strategy and based upon careful analysis of benefit and cost.

\(^5\) TNS Travel America: 2009-2011 average government transient per trip cost approximately $707.
## 2013 MHS Conference Cancellation
### Estimated Cost Savings

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost Savings/Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Conference Costs</td>
<td>Costs Saved</td>
</tr>
<tr>
<td>Estimated Meeting Operations Costs</td>
<td>$1,862,000</td>
</tr>
<tr>
<td>Government Traveler Expenditures</td>
<td>$2,059,000</td>
</tr>
<tr>
<td><strong>Total Costs Saved</strong></td>
<td><strong>$3,921,000</strong></td>
</tr>
<tr>
<td>Conference Revenues</td>
<td>Revenues Lost</td>
</tr>
<tr>
<td>Private Sector Exhibitor Revenues</td>
<td>($784,000)</td>
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<tr>
<td>Late Cancellation Penalties</td>
<td>($372,000)</td>
</tr>
<tr>
<td><strong>Total Revenues Lost</strong></td>
<td><strong>($1,156,000)</strong></td>
</tr>
<tr>
<td>Replacement Costs</td>
<td>Costs Incurred</td>
</tr>
<tr>
<td>Replacement Travel Costs</td>
<td>($2,478,000)</td>
</tr>
<tr>
<td>Replacement Education Costs</td>
<td>($1,100,000)</td>
</tr>
<tr>
<td><strong>Total Costs Incurred</strong></td>
<td><strong>($3,578,000)</strong></td>
</tr>
<tr>
<td><strong>Net Total</strong></td>
<td>($813,000)</td>
</tr>
</tbody>
</table>

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1. Average attendance of approximately 3,500 – similar to the past three years.
2. Military/Government attendance would be 95% of all meeting delegates, the remainder coming from the private sector.
3. Exhibitor fees would only apply to the 196 private sector booths at the conference. The remaining booth space was government sponsored for which there is no fee. The 2012 MHS Conference Web site offered 10x10 booths for $3,400, with larger or more location-favorable space commanding significant premium rates. Rockport utilized a conservative average booth fee of $4,000.
4. The January cancellation was only weeks from the scheduled dates for the 2103 conference. Cancellation clauses in meeting contracts called for a forfeit of an average of 20% of the meeting operations costs.
5. Accredited Continuing Education Credit fees of approximately $1.1 million. The 21 credits provided at the MHS Conference will be made up elsewhere, the costs of which will eventually be reimbursed by the federal government.
Government meeting expenditures were estimated for all 50 states and the District of Columbia. In order to remain consistent with other U.S. Travel Association reports, we controlled state totals for meeting and event travel to US Travel's totals for total government travel expenditures (2011 @ $30 billion).

Survey data collected from TNS Travels America study were used to estimate the national distribution of group/transient travel expenditures among government workers in 2011. In order to estimate state group spending totals among government workers, we combined multiple years of the TNS Travels America dataset. Each year’s data was adjusted for inflation and expressed in 2011 terms. Aggregating five years (2007–2011) of data provided us with more reliable sample sizes from which we could estimate categorical spending levels by state.

The primary input for estimating meetings operations spending was the CIC Economic Significance of Meetings Study. This dataset allowed us to compute average operational expenditures per delegate, by category, for government meetings at the national level. National operational expenditures were anchored to traveler expenditures in order to estimate these outputs at the state level.

The total economic impact of government travelers examined the economic contribution made by both government meeting travel reimbursements and government-sponsored meeting operations expenses. The economic impact was separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value added of those sectors that interact directly, or touch, the visitor/delegate. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, food suppliers to restaurants. The induced impact adds the impact of government travel-generated wages as they are spent throughout the economy.

An economic model of the study area is also critical to estimating how this traveler spending resounds through the national and state economies. Rockport Analytics chose the IMPLAN model (www.implan.com). IMPLAN is a non-proprietary economic model that has fast become the defacto standard for most economic impact assessment in the U.S. This model is critical to measuring the direct, indirect, and induced impacts of government travel for meetings and events.

6 http://www.tnsglobal.com/
7 http://www.conventionindustry.org/ResearchInfo/EconomicSignificanceStudy.aspx
8 Value added of an industry is equal to the sum of all income sources - wages, taxes, profits and capital depreciation.
A summary of key data inputs for Phase I is presented in the table below:

<table>
<thead>
<tr>
<th>Data Item</th>
<th>Source</th>
<th>Usage</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Meetings: # Events, # Room Nights 2012-18 momentum</td>
<td>Trend, Analysis, Projections LLC (TAP)</td>
<td>2011-2018 total government meeting demand – Top 50 convention cities</td>
<td>Destination-based estimates of government meeting activity for TAP-covered cities [50]</td>
</tr>
<tr>
<td>Meeting trips &amp; spending 2011 – Travel</td>
<td>TNS</td>
<td>Helped establish government meeting demand in total, by state</td>
<td>Established travel panel screened for meeting-oriented trips made by govt. employees</td>
</tr>
<tr>
<td>Meeting operations &amp; T+E spend per diems – Govt. &amp; All meetings</td>
<td>PwC-CIC Study</td>
<td>Government meetings share of all meeting spend operations, travel</td>
<td>CIC study published in 2011</td>
</tr>
<tr>
<td>Meetings square footage, attendees, exhibitors, revenue</td>
<td>CEIR</td>
<td>Helped determine size &amp; share of gov meetings market plus trends</td>
<td>Data used to “grow” CIC government meeting spend to 2011</td>
</tr>
<tr>
<td>Govt. travel and meeting expenditures by state</td>
<td>Federal &amp; State Budgets</td>
<td>Origin-based estimates of travel &amp; meeting ops spend by state</td>
<td>28 states and federal govt. were sourced remainder estimated</td>
</tr>
<tr>
<td>State by state travel spend</td>
<td>US Travel Association</td>
<td>Control totals for transient &amp; meetings spending</td>
<td>Included travel expenses only – no meeting operations expenses</td>
</tr>
</tbody>
</table>

PHASE II: THE VALUE OF GOVERNMENT MEETINGS - SURVEYS OF GOVERNMENT SUPERVISORS AND PRIVATE SECTOR BUSINESS EXECUTIVES

Phase II included two separate surveys that were fielded from December 18, 2012 through January 4, 2013. The surveys were administered online and hosted by Rockport Analytics. The survey sample was drawn from Research Now’s eRewards panel based on the following criteria:

Survey #1 – Government Decision Makers
- High level government employees
- The respondent or the respondent’s employees must have attended a meeting or conference with 10 or more participants, more than 50 miles from home, over the last 12 months.
- N = 341
- Sample was balanced by level of government
- Federal: N = 120
- State: N = 114

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11. Center for Exhibition Industry Research http://www.ceir.org/find-research/instant_research  
• Local: N = 101
• Other: N = 6

Survey #2 – Corporate Executives
• Private sector business owners or employees with title of VP and above
• The respondent or the respondent’s employees must have attended a meeting or conference with 10 or more participants, more than 50 miles from home over the past 12 months.
• The respondent or the respondent’s employees must have participated in a meeting or conference with government employees over the past 12 months.
• N = 258

PHASE III: CASE STUDIES OF PRIVATE AND PUBLIC SECTOR EVENTS

Phase III profiled two different events that have been impacted by the decline in government meeting and conference travel: The National Space Symposium (NSS) (privately funded meeting) and the Military Health Systems Conference (MHS) (publicly funded meeting). These case studies were completed through literature and web searches, interviewing event organizers and stakeholders, and interviewing event attendees. The purpose of the case studies was to provide real world examples of the findings from Phases I and II.

Despite trying many government-sponsored meeting possibilities, Rockport was unable to obtain a sufficient level of cooperation from inside the various agencies. This was not surprising in the post-sequestration environment of controversial across-the-board cost cutting. Rockport chose to research the Military Health System Conference case from outside the sponsoring agency (MHS). Conference Web infrastructure, input from the hosting conference hotel, reviews of past MHS Conferences, data from Phases I & II, and related conference information were all used to build the MHS case.