

Tourists spending big bucks in California



Tourists gather around the fire pit this winter at the Ritz-Carlton, Lake Tahoe. Photo Copyright 2016 Carolyn E. Wright

By Kathryn Reed

California's tourism industry is coming off its sixth consecutive record year, and South Lake Tahoe is part of that trend.

"We are looking at an industry that is about 2.5 percent of the state's economy," Caroline Beteta, Visit California president and CEO, said during a conference call this week. "This tremendous growth indicates that growth in the industry will continue through 2016 and beyond."

She was lauding the stats from the annual tourism report that came out this week with numbers from 2015.

Total direct travel spending in California was \$122.5 billion in 2015, which is a 3.4 percent increase over 2014.

“That could cover the state’s general fund for a year,” Beteta said.

The document includes South Lake Tahoe’s uptick in hotel taxes. In 2006, \$11.932 million was collected; with 2015 being the first year since then to top that figure. 2015 transient occupancy tax collections were \$12.708 million. In 2009, it dropped to an 11-year low of \$8.271 million.

More money was spent on domestic air travel – \$34.3 million, reflecting a 3.4 increase from 2014.

However, the international market remains a mainstay for California, especially Chinese travelers.

“That’s the fastest growing market I’ve seen in my career,” Beteta said. “When we entered that market we saw 899 percent growth in 10 years, and between 2014 and 2018 we’re looking at 65 to 70 percent growth. There’s about \$2.6 billion in overall spending coming out of that country.”

Sixty percent of the tourism dollars spent in the Golden State comes from other states or countries.

One thing state officials are worried about is currency fluctuations.

The report states, “The recent decline in the value of other currencies in relation to the dollar has reduced the growth of spending by international visitors.”

The tourism sector accounts for more than 1 million jobs. This is a spike of 3.7 percent compared to the prior year.

“That’s \$41.3 million directly into the pockets of employees,” she said.

When asked whether these jobs are primarily low-end entry level, Beteta said that's not the case across the board.

"This is becoming more and more a career choice. That's reflected in that more and more higher education institutions are offering programs and certificates in travel and hospitality," she said.

Beteta also touched on how tourism jobs attract all ages, ethnicities and genders.