

THE **BIG NEWS** ABOUT **MEETINGS**

Larger than the auto industry, the U.S. meetings business supported 1.7 million jobs and generated \$263 billion in spending in 2009. Here's our inside look at the big numbers from the new Convention Industry Council economic significance study—plus seven ways for associations to promote their meetings internally and externally.

BY DAVE KOVALESKI
CHARTS/GRAPHS BY ERIC WENTWORTH

Seated at long tables, ready to share hard evidence for why meetings matter to the U.S. economy, meeting industry association CEOs faced a sea of questions from members via nationwide conference call and from journalists on site at the National Press Club in Washington, D.C., February 17.

“Two years ago, it became crystal clear that the economic significance of this industry was misunderstood,” said Roger Dow, president and CEO, U.S. Travel Association, Washington, D.C. After the financial meltdown of 2008, meetings and incentive programs were labeled boondoggles and canceled in huge numbers. Industry leaders were eager to defend face-to-face events, but had few facts with which to convince business and government leaders of their real value. That won't happen again, said Dow, thanks to a major new report on the topic.

The study, *The Economic Significance of Meetings to the U.S. Economy*, estimates that 205 million people attended nearly 1.8 million meetings in the United States in 2009. Those meetings generated \$263 billion in direct spending, supported 1.7 million jobs, and contributed \$106 billion to the country's gross domestic product. The study was conducted by PricewaterhouseCoopers for the Convention Industry Council and was funded by the CIC and 14 of CIC's constituent associations (see box, page 21). The project took more than a year to complete, and it represents the first definitive, quantitative, and research-based analysis of the economic contribution of face-to-face meetings to the U.S. economy.

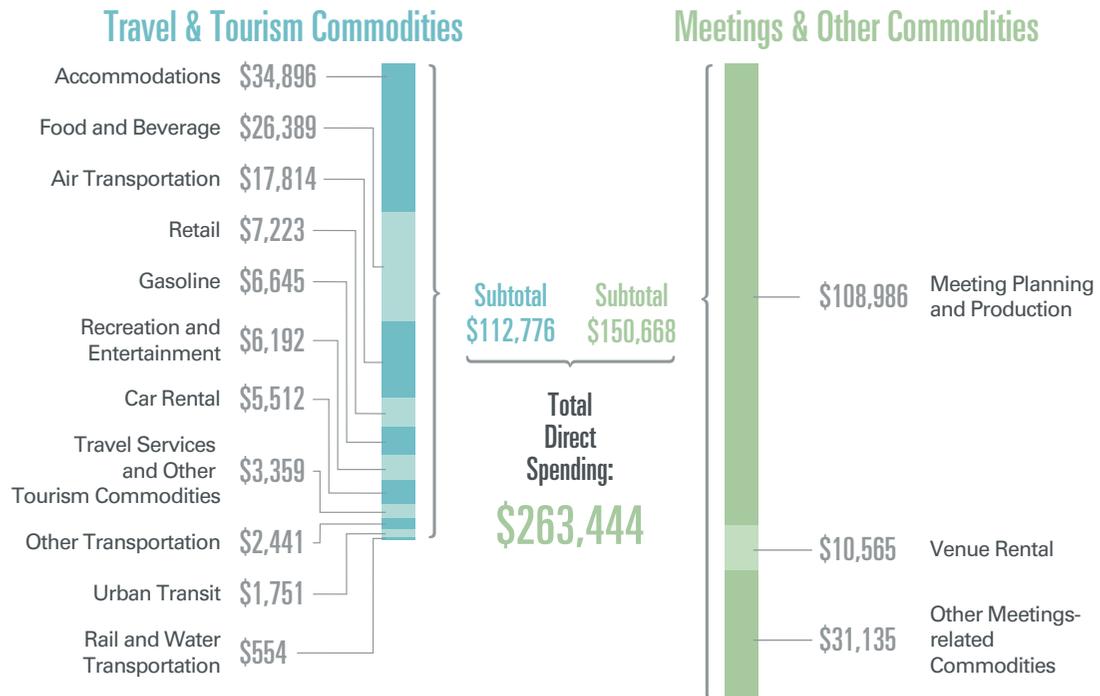
THE MEETINGS INDUSTRY BY MEETING TYPE

MEETING TYPE	MEETINGS	PARTICIPANTS	ROOM NIGHTS
Corporate/Business Meetings	1,266,200	107,187,000	137,500,000
Conventions/Conferences/Congresses	269,800	51,104,000	67,500,000
Incentive Meetings	66,000	8,154,000	12,500,000
Trade Shows	10,700	24,800,000	22,500,000
Other	178,100	13,479,000	10,000,000
TOTAL	1,790,800	204,724,000	250,000,000

There were just over 280,000 combined conventions/conferences/congresses and trade shows in 2009, with almost 76,000 million participants and 90 million room nights booked.

MEETING SPENDING BEYOND TRAVEL (IN MILLIONS)

Spending on meetings extends beyond the almost \$113 billion spent on travel to include an additional \$151 billion spent on other meeting-related expenses, such as hiring meeting contractors and renting venues.



Roughly 6,000 respondents were surveyed, and just under half of them were meeting organizers, said Robert Canton, director of the U.S. conventions and tourism practice at PwC, at the press conference announcing the study's findings. Other respondents were meeting venue managers, destination marketing organizations, meeting delegates, and exhibitors. The study also used research and analysis from industry, government, and proprietary sources.

"Now we have that benchmark data and we can

demonstrate once and for all the significant impact that meetings have on the economy," said Bruce MacMillan, president and CEO of Meeting Professionals International, Dallas. "Now we can tell our story in Washington and in communities across the country."

The categories "conventions/conferences/congresses" and "trade shows," which are primarily run by associations, accounted for 37 percent of the total meeting volume. Corporate meetings accounted for 52 percent of the total. The total spending for conventions and trade

U.S. INDUSTRIES AND THE GDP*

HOW THE MEETINGS INDUSTRY COMPARES

INDUSTRY	ESTIMATED VALUE ADDED TO GDP* (IN MILLIONS)	FULL & PART-TIME EMPLOYMENT (IN THOUSANDS)
Health Care and Social Assistance	1,058,000	16,237
Broadcasting and Telecommunications	356,000	1,276
Food Service and Drinking Places	277,000	9,464
Legal Services	219,000	1,150
Computer Systems Design/Related Services	170,000	1,426
Oil and Gas Extraction	142,000	161
Manufacturing Petroleum and Coal Products	120,000	114
Truck Transportation	113,000	1,313
Accommodations	109,000	1,755
Meetings	106,096	1,650
Manufacturing Motor Vehicles/Bodies and Trailers/Parts	78,000	675
Information and Data Processing Services	76,000	309
Performing Arts, Spectator Sports, Museums	71,000	545
Air Transportation	62,000	464
Motion Picture and Sound Recording Industries	60,000	365
Amusement, Gambling, Recreation Industries	56,000	1,416
Rail Transportation	31,000	187

* Gross domestic product

WHAT IS A MEETING?

Historically, the term "meeting" has been broad-based and often used to refer to a wide range of events of varying sizes and types, during which a number of people come together in one place to confer or carry out a particular activity.

The key purposes of meetings are to motivate participants, conduct business, share ideas, and learn. Frequency can be on an ad hoc basis or according to a set pattern (e.g., annual general meetings, committee meetings, etc.).

Based on further refinement by the UN World Tourism Organization, the term "meeting" refers to a gathering of 10 or more participants for a minimum of four hours in a contracted venue. Meeting types include conventions, conferences, congresses, trade shows and exhibitions, incentive events, corporate/business meetings, and other meetings that meet the aforementioned criteria.

shows is closer to 41 percent of meeting spending overall, however.

Here are some of the study's highlights—and what experts and meeting professionals think about the landmark project.

COUNTING STARS

"If you had asked anyone how many meetings are held in the U.S., it would be like wondering how many stars are out at night," said Michael Gehrisch, president and CEO of Destination Marketing Association International, Washington, D.C. "Now we have a definitive answer."

Calculating the number of meetings required agreeing on the definition of a "meeting." PwC used the definition from a United Nations World Tourism Organization study in 2006 that also measured the economic activity of meetings: a gathering with 10 or more participants for a minimum of four hours in a contracted venue to motivate participants, conduct business, share ideas, and learn.

The 1.8 million figure for total meetings is very conservative, said PwC's Canton, as the study was conducted in an uncommonly bad year for the industry, with meetings being canceled due to the economy and misperceptions that they are frivolous—something the study results are expected to remedy.

Deborah Sexton, president and CEO of the Chicago-based Professional Convention Management Association, is fine with taking data from a down year. "It sends a very important and positive message," she said. "2009 was one of our worst years and we have these incredible results. I'm excited about where we go from here."

Canton added that the UNWTO definition of meetings is conservative, because it does not count meetings under four hours—which in fact excludes the very meeting where the survey data was being presented. →

7 THINGS YOU CAN DO TO SAVE MEETINGS



"We finally have a boulder to move," said Roger Rickard, partner, Revent, LLC, a meetings industry advocacy consultant, recommended by the Convention Industry Council as advocate to state and local governments for CIC's economic significance report. "Now we all have to get behind the boulder and start moving it inch by inch to help the industry." Here are Rickard's seven ways you can make a difference:

1 GET THE NUMBERS TO YOUR EXECUTIVE TEAM. Show them how vital meetings are to your organization, the economy, and job creation. Many association executives already know this, but as the meeting planner you must be the messenger because it validates your role within the association.

2 TELL YOUR MEMBERS. Reveal to them the power of meetings, and you could drive attendance. In addition to the education, networking, and business advantages of face-to-face meetings, members may see the importance of your meetings to the economy and the association as an added benefit. Ask members to spread the word throughout their companies and organizations by posting a link to MeetingMeanBusiness.com on your conference or association Web site.

3 GET INVOLVED. Join a meetings industry association and participate in its activities. More involvement means a stronger meetings industry with a louder voice. "Our industry has been silent too long and that's been the problem," said Rickard. "Politicians only bite the dog that doesn't bite them back."

4 SPREAD THE WORD LOCALLY. "It's great to get our message out to Washington, and we have to do that, but meetings have the most impact on local communities," said Rickard. Every meeting that takes place generates tax dollars and jobs. Share this information with your local politicians and write letters to local newspapers. Invite city

officials to meetings so they see firsthand how meetings mean business. After all, the local politicians of today may be the national politicians of tomorrow.

5 SEND PRESS RELEASES. At MeetingsMeanBusiness.com, you can download a tool kit with study data, a presentation with top-level statistics, and a sample press release. Customize the release by inserting comments from your association leaders about the study. Send the releases to your internal and external network of publications or to newspapers in a meeting destination to promote the impact of your meeting on the local economy.

6 TALK UP THE VALUE OF YOUR MEETINGS WITH CVBS. Provide information on the size and scope of your association meeting to the CVB, so it can calculate the meeting's economic value at the local level. CVB officials can use these benchmarks to support their value to local stakeholders, such as elected officials, the business community, and the community at large.

7 TELL ALL YOUR PARTNERS AND SUPPLIERS. About 85 percent of all meetings are held in hotels and \$151 billion is spent annually on meetings-related commodities. Let hoteliers and suppliers know that they are a vital part of the industry. Encourage them to get involved and urge them to be meetings industry advocates. "This isn't just a feel-good thing," said Rickard. "We have the tools with this survey to be able to go out and justify all the things that this industry has known for a long time but hasn't been able to articulate."

MEETINGS AND THE GDP*

TOTAL CONTRIBUTION TO GDP AND EMPLOYMENT

CATEGORY		SPEND (MILLIONS)	NUMBER OF JOBS CREATED
MEETINGS	Meetings Industry Contribution:	\$14,102	95,200
Meeting Venues		\$7,791	64,200
Meeting Organizers		\$6,311	31,000
TOURISM INDUSTRIES	Tourism Industry Contribution:	\$54,844	1,128,700
Accommodations		\$20,910	334,000
Food and Beverage		\$13,765	478,000
Transportation			
<i>Air</i>		\$6,719	59,700
<i>Car Rental</i>		\$2,855	27,700
<i>Gasoline</i>		\$1,227	18,100
<i>Urban Transit</i>		\$1,178	35,400
<i>Other Transportation</i>		\$1,691	19,800
Recreation and Entertainment		\$3,472	94,600
Retail		\$1,860	49,100
Travel Services		\$297	3,400
Other Tourism Industries		\$872	8,900
OTHER INDUSTRIES:	Other Industry Contribution:	\$37,150	\$425,800
Total:		\$106,096	1,650,000

In 2009, meetings directly contributed \$106 billion to the GDP and directly supported nearly 1.7 million full- and part-time jobs in the U.S., 68 percent of which were in the tourism industry. The meetings industry ranks higher than many other high-profile industries—including air transportation and automotive manufacturing—both in terms of its contribution to the GDP and in the number of workers employed.

* Gross domestic product

BIGGER THAN THE AUTO INDUSTRY

"The numbers are so big, they are almost meaningless to me," said Joyce Paschall, CAE, CMP, director, education and meeting services, American College of Occupational and Environmental Medicine, who was one of the 2,700 meeting organizers who participated in the survey. "I found the comparisons to be more useful, such as the meetings industry is larger than the auto industry. That I can relate to!" Indeed, with a direct contribution to the GDP of \$106 billion, the meetings industry is larger than auto manu-

facturing, performing arts/spectator sports/museums, air transportation, or the motion picture industry. Talk about box-office bang!

The significance of the meetings industry is even larger when you consider indirect and "induced" contributions to the economy—that is, money spent by industry suppliers on meetings and by stakeholders in the economy outside of the industry. Including direct, indirect, and induced contributions, meetings generated \$907 billion in spending in 2009. "We're awfully close to that number," said Canton. "Almost \$1 trillion

in economic output.” If the report had been done a few years ago or a few years from now, the output would be more than \$1 trillion, he surmised.

“The powerful information to me was the GDP breakdown and the incredible place our industry has in the overall commerce of the USA,” said Brad Weaber, executive vice president at association management company SmithBucklin, Washington, D.C.

A SPENDING SURPRISE

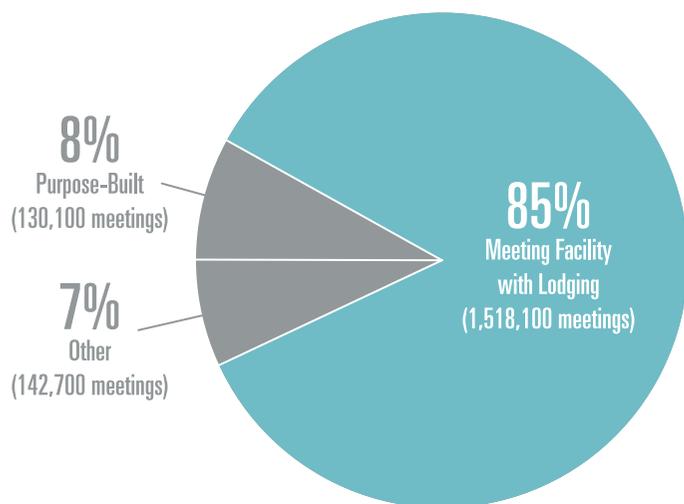
“One of the real surprises of the study was the magnitude of spending that took place outside the travel and tourism commodities,” said PwC’s Canton.

People naturally associate travel with meetings, but the bigger slice of the pie turned out to be spent on the meeting itself. Of the \$263 billion in direct spend-

ing that meetings generate, 57 percent went toward meeting-related commodities, such as food and beverage at the meeting venue, audiovisual, and venue rental fees—plus revenue from meeting participants, such as registration and exhibition fees. Meanwhile, 43 percent was spent on travel costs, such as hotels and airfare.

Breaking it down another way, researchers found that of the \$263 billion, 55 percent (\$145 billion) came from participants—delegates or exhibitors. Registration fees and other expenses (which includes floor space) was the largest single expenditure in this category at \$66 billion. Accommodations (\$25 billion), food and beverage (\$19 billion), and air transportation (\$13 billion) were the next largest.

On average, meetings generated \$1,290 in spending per participant, with incentive meetings generating the highest spending per attendee—\$1,620. →



VENUES OF CHOICE

The vast majority of meetings in 2009 were held at meeting facilities with lodging (such as hotels and resorts with sleeping rooms), vs. only 8 percent at purpose-built conference or convention centers without sleeping rooms and 7 percent at “other venues” (university classrooms, theaters, stadiums, arenas, museums, etc.).

WHERE DO ATTENDEES COME FROM?

Most meetings are made up of domestic participants, or those from farther than 50 miles away who stay overnight—nearly 117 million, or 57 percent of all attendees.

MEETING TYPE	ORIGIN TYPE			TOTAL
	LOCAL	DOMESTIC	INTERNATIONAL	
Corporate/Business Meetings	48,106,000	56,401,000	2,680,000	107,187,000
Conventions/Conferences/Congresses	16,156,000	33,670,000	1,278,000	51,104,000
Trade Shows	9,428,000	14,753,000	620,000	24,801,000
Incentive Meetings	1,504,000	6,447,000	204,000	8,155,000
Other Meetings	7,838,000	5,305,000	337,000	13,480,000
TOTAL	83,032,000	116,576,000	5,119,000	204,724,000
PERCENTAGE	41%	57%	2%	100%

HOW MUCH DO MEETING PARTICIPANTS SPEND?*

Registration Fees & Other Expenses	\$66,494	Gasoline	\$4,498
Accommodations	\$25,152	Entertainment and Recreation	\$4,303
Food and Beverage	\$18,917	Car Rental	\$3,871
Air Transportation	\$12,832	Urban Transit	\$1,213
Retail	\$5,064		

* (Millions spent in 2009)

TOP 3 MEETING PRODUCTION EXPENSES*

NUMBER ONE

\$34,733

Food and Beverage

NUMBER TWO

\$12,489

Audiovisual/
Staging Services

NUMBER THREE

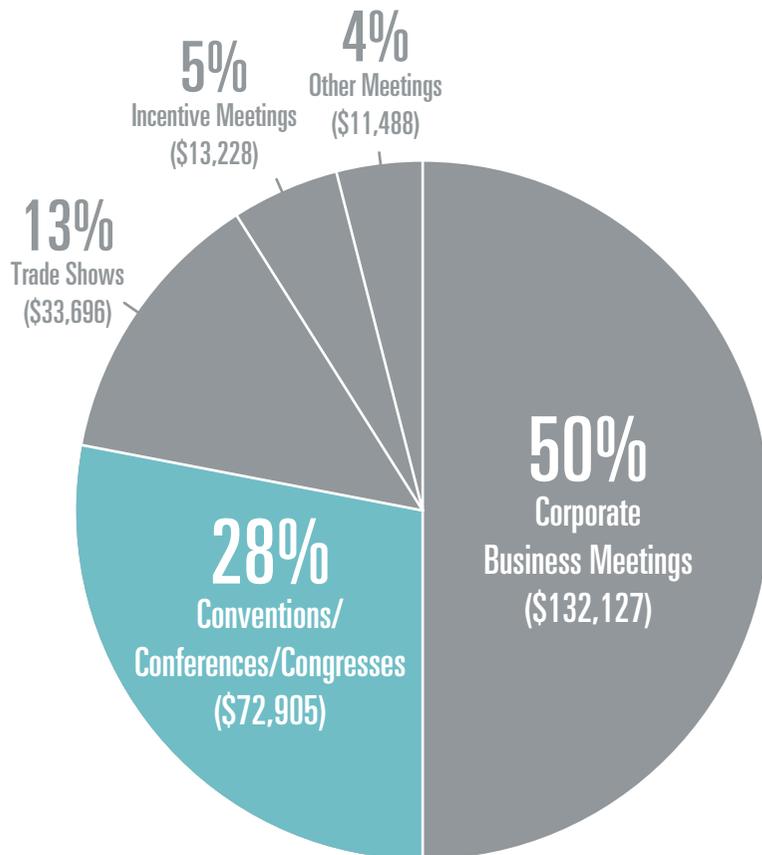
\$10,222

Meeting Venue Rental

* (Millions spent in 2009)

SPENDING BY MEETING TYPE

Of a total of \$263 billion spent on meetings, 28 percent is spent on conventions/conferences/congresses and 13 percent on trade shows.



SPENDING PER PERSON



JOBS, JOBS, AND JOBS

"For every one meeting, three jobs are supported," said Bruce MacMillan of MPI.

The meetings industry employs 1.7 million people, more than the broadcasting/telecommunications, legal services, or computer systems design industries. About 95,000, or 6 percent, of the jobs are specific to the meetings industry (meeting planners, venues). An additional 68 percent are in the tourism industries (food and beverage, accommodations, air transportation, and others). The remaining 26 percent of the jobs are in other industries. The 1.7 million jobs created \$60 billion in labor income.

"If we had this data two years ago, we could have said, 'Cancel this meeting and you lose three jobs,'" said John Graham, president and CEO of ASAE in Washington, D.C. "We didn't have that sound bite; now we do."

MEETINGS MEAN REVENUE

"When you combine the meetings-related taxes, it comes out to \$110 billion annually," said Roger Rickard, partner, Revent LLC, a meetings industry advocacy consultant. "That's \$301 million a day that we're contributing in tax revenues."

Meetings directly generated \$14 billion in federal tax revenue and \$11 billion in state and local tax income in 2009. Indirect and induced tax revenues raise the total to \$110 billion. "This is powerful data for every CVB executive to be able to use in their local markets," said Tom Noonan, president and CEO of Visit Baltimore, whether it's to fight budget cuts or support a plan to build a new hotel or convention center.

Joe McNerney, president and CEO of the American Hotel and Lodging Association in Washington, D.C., noted that 85 percent of all meetings take place in hotels, and represent one-third of the average hotel's business.

DON'T LET IT SIT ON THE SHELF

"Few people know that face-to-face meetings are the leading provider of adult education in the U.S.," said ASAE's Graham.

In fact, the study contains many facts about meetings that those outside the industry don't know—and that's where the real work comes in, according to Graham. Anyone involved in meetings must now spread the word.

The CIC has created a Web site, www.meetingsmeanbusiness.com, which serves as a portal for information about the study and includes a downloadable toolkit that contains sample press releases, stats, charts, talking points, and other study-related information.

WHO FUNDED THE STUDY?

The report was funded by the Convention Industry Council and 14 of its member organizations. Managing partners include the American Hotel & Lodging Association, American Society of Association Executives, Destination Marketing Association International, Destination and Travel Foundation, Meeting Professionals International Foundation, Professional Convention Management Association, U.S. Travel Association, and CIC.

Contributing partners include the Association of Destination Management Executives, Exhibition Industry Foundation, Financial & Insurance Conference Planners, International Association of Conference Centers, International Special Events Society, National Speakers Association, and Site.

A 40-page Executive Summary is available at meetingsmeanbusiness.com. The full report is available for purchase.

Sending the message at the grassroots level about the value of face-to-face meetings is critical, industry leaders said, so that the research doesn't sit on the shelf. Part of that will come through organizations such as AH&LA and ASAE, which will lobby federal lawmakers. It's equally important to reach state houses, Graham said, since meetings directly impact municipalities.

"The study only further emphasizes to me the absolute importance for our industry to have a voice and an advocate on Capitol Hill," said Weaber. "Many other countries have greater voices promoting tourism and the business of meetings that do not come close to having the impact that our industry holds in the U.S. We cannot back down from demanding a place and a voice in our government," he said.

It also means spreading the word through meetings industry associations, corporations, suppliers, and other stakeholders and their constituents. "Whether we are employed in an organization, work as an independent, or own a meetings business, we can ensure that the value of meetings is known because we now have substantive talking points that are based in empirical data," said MaryAnne Bobrow, CAE, CMP, CMM, principal, Bobrow & Associates, an association management company. "We owe it to ourselves, our companies, and our profession to do our part and spread the word that meetings do in fact mean business—and a lot of it."

The organizations that came together to produce this landmark report will continue to meet to update the report and come up with new ways to ways to promote the value of meetings. This is just the beginning, said Dow of U.S. Travel, "one building block in a long-term campaign." ■