

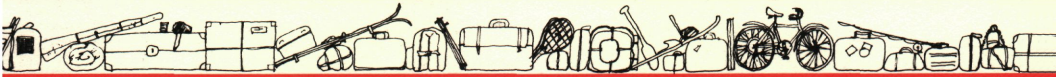
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Tourism and its Significance in Local Development
Michigan State University
Cooperative Extension Service
Tourism Information Series No. 1
Phil Alexander
September 1986
8 pages

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Tourism information series no. 1

Cooperative Extension Service
Michigan State University
Extension Bulletin E-1937
September 1986
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Tourism and its Significance in Local Development





TOURISM AND ITS SIGNIFICANCE IN LOCAL DEVELOPMENT

By Phil Alexander



“The last thing our town needs is a bunch of tourists invading our nice, quiet community. Those outsiders will overcrowd our beaches, cause traffic congestion, litter our parks and roadsides, destroy all wildlife, and keep us up all hours of the night with their snowmobiles, motorcycles, and speed boats!”

Could this happen to your community, or can you prevent the above scenario and at the same time take advantage of the benefits that tourism can bring? To answer these questions, perhaps you should explore the significance of tourism to the development of your community.

Tourists are everywhere. All year long, people travel to new places and engage in new activities, or return to favorite areas for fun and relaxation. People are also acquiring more income and leisure time, resulting in wider interests and an increased desire to travel. They journey to every part of our state, constantly looking for new places to visit, new sights to see, and new things to do.

Every community can attract tourists, but some have more potential than others due to famous attractions or proximity to a well known event. As you explore your community's tourism potential, compare it with the other natural resource based industries that may attract tourists, such as agriculture, forestry, mining, and oil exploration.

Many factors need to be evaluated when community leaders design their master plan for local development. These factors include land use, transportation, education, utilities, fire and police protection, government regulations, labor, housing, and commercial and industrial activity. Communities are continuously searching for ways to raise their standard of living, and tourism development is one way to help achieve that goal. Three main components to consider when developing tourism opportunities include the economic, social, and environmental impact. All three interact with each other at the same time and should be viewed as one big picture.

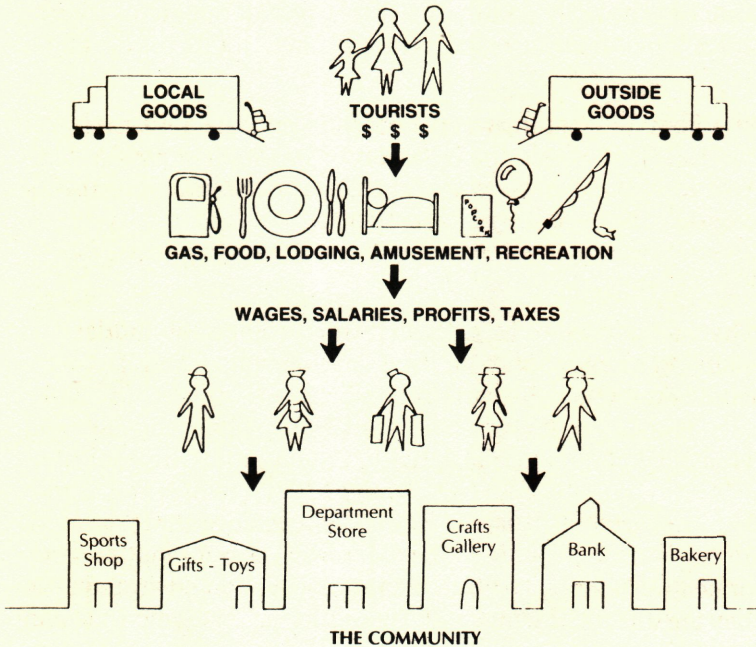


TOURISM AND YOUR COMMUNITY

BENEFITS TO THE COMMUNITY

Like any business or industry, tourism needs the moral and financial support of the entire community. Although certain businesses, such as motels, resorts, gift shops, retail stores, attractions, service stations, and places of entertainment receive the direct bulk of the tourist dollars, other businesses benefit too.

The following chart illustrates the distribution of the tourist dollar, called the multiplier effect. The money filters through the local economy and much of it remains in the community. This income can be thought of as fresh or new money because it was brought in from outside sources. Even if you are not in direct contact with tourists, your customers who earn their living from the tourist trade are filtering their money to you.



Source:
Tourism USA, United States Department of Commerce, Vol. I, *Appraising Tourism Potential* The University of Missouri, 1978.



All levels of government benefit from tourist tax dollars. Examples of taxes a tourist pays include sales, use, gasoline, cigarette, liquor, and entertainment. As a consumer, the tourist helps pay real estate, business, and income taxes because these are paid by business firms from customer revenues. This makes the tourist a major tax contributor and, most often, not a major tax consumer.

Some people refer to parts of Michigan as elephant burial grounds because the young leave and the old return to die. Tourism related enterprises can help remedy this problem with entry-level jobs for youth and part time or seasonal jobs for a second family income.

Tourism helps a community become more attractive and prosperous. It is more attractive because a community must be appealing to draw and satisfy visitors, and it is more prosperous because these visitors spend money. Visitors who enjoy and appreciate a community are likely to spend money, recommend it to friends, and come back again. That's the formula for success: Get them TO STOP, TO STAY (as long as possible), TO SPREAD THE WORD, and TO RETURN.

Visitors are also potential investors in a community. A visitor who likes a community may choose to relocate a business in it, purchase property in the community, or even take up permanent residence. New blood and new investments stimulate the economic growth of a community.

Tourism often makes services available to residents that the community could not otherwise support. Activities that local citizens can enjoy which are heavily subsidized by tourist spending include sports facilities, theater, fine dining, and increased shopping selections.

COSTS AND LIABILITIES OF TOURISM

In considering the costs of tourism to the community you should identify all of the facilities provided and services performed by public agencies for the community and consider how they are affected by tourism. These may be divided into several categories:

- transportation access to the community
- local public works, such as roads and streets



- parking
- informational signs
- water supply
- sewage and trash disposal
- public restrooms
- public safety, such as police and fire protection
- public education
- public health and welfare.

Operational costs occur once the tourism program of a community grows to the size and stature that requires formal administration. These costs include promotional costs, commissions and association costs, survey costs for feasibility and impact studies, fund raising costs, and office costs for office space, supplies, and personnel.

The development and maintenance of a tourism industry puts demands on public services and imposes costs on local residents. These demands and costs are not without benefit to local residents, but careful assessment of the costs and benefits should occur before making development decisions.

CONCLUSION

We tend to think of tourists as special kinds of people, often categorized or stereotyped. However, tourists are ordinary people away from home. Remember that anytime you are out of your community, YOU too are a tourist. *We need to think of tourists as guests and visitors.*

As a tourist center becomes more popular, word spreads quickly that it is an attractive, hospitable, and satisfying place to visit. Communities which best prepare for tourists will benefit most. Good advance planning will maximize benefits while minimizing costs associated with a community's tourism industry.

Tourism offers a wide range of opportunities for Michigan communities. Through good planning, you can explore the advantages and disadvantages, implement the things that are right for your situation, and evaluate the impacts. Tourism development may not solve all your problems, but it can provide jobs, diversify the local economy, and improve the quality of life.

Tourism development, when based on local culture, environment, and heritage, will complement other local attributes.



Each community can accept changes to a certain limit without excessively altering the quality of life in the community. These limits, which vary from community to community, are determined by attitudes of local residents and must not exceed the limits which adversely affect the quality of community life.

The attitude of the community's residents is an important feature of tourism development. A hostile or indifferent community does not attract visitors. Tourists want to be treated well during their stay. Members of a community may try to resist any local developments, or may only see the negative, rather than the positive side of tourism. You must make certain that community residents are well informed as to the economic, social, and environmental enrichment benefits of tourism before you begin development. Residents should have the opportunity to make rational decisions to support such community development.

Further discussion on tourism planning, development, and assistance is covered in other bulletins in this tourism series.

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Produced in Cooperation with the
Michigan Travel, Tourism and
Recreation Resource Center,
Michigan State University

Tourism Information Series

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2. E-2004, Tourism Planning
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Issued in furtherance of Cooperative Extension work in agriculture and home economics, acts of May 8, and June 30, 1914, in cooperation with the U.S. Department of Agriculture. W.J. Moline, Director, Cooperative Extension Service, Michigan State University, E. Lansing, MI 48824.

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