

determining if your town,

DOWNTOWN, OR MAIN STREET TOURIST INDUSTRY NEEDS A PROGRAM TO BECOME MORE SUSTAINABLE

By N. David Milder

TOURISM: BOON OR BANE?

back in 2018, I posted an article with that title to my Downtown Curmudgeon blog.¹ The article explained that while tourism can certainly be very helpful, it is not always a desirable strategic path for economic growth and community well-being. Recently, events such as the public disorder caused by spring break tourists have also signaled that not all types of tourism might mesh with a host community's needs and wants. Many towns, large and small, or the downtowns and Main Streets within them, probably need to be more concerned about the sustainability of their tourist industries.

Its very name says a lot about what is sustainable tourism – tourism that will last and not kill the goose laying the golden tourism eggs. It means fostering a type of tourism that brings economic benefits, but harms neither the environment, nor the quality of life of local residents or businesses. Sustainable tourism also means regulation and a redistribution of winners and losers. It can be a political hot potato. Helping local leaders determine if they need to engage in such a potentially arduous effort is the primary objective of this article.

Problems of Too Much Success. A town or downtown may simply be attracting too many tourists, and they can threaten to kill the goose that lays the golden eggs. Sometimes it's their sheer numbers, other times it is also their behaviors. For example, these days local officials in Europe:

Its very name says a lot about what is sustainable tourism – tourism that will last and not kill the goose laying the golden tourism eggs. It means fostering a type of tourism that brings economic benefits, but harms neither the environment, nor the quality of life of local residents or businesses. Sustainable tourism also means regulation and a redistribution of winners and losers.

It can be a political hot potato.

“...want to redirect the streams of tourists, as officials in Rome are trying to do, or even to limit them, as Dubrovnik is doing. Barcelona is no longer approving new hotels, Paris has strictly regulated Airbnb and other apartment rental platforms...”

N. David Milder is president of DANTh, Inc, downtown revitalization specialists. (info@danth.com)

In the US, Charleston, SC, has had a tourism management program with an administrative department tasked to implement it for over a decade. In Key West 60% of its residents recently voted to limit the number and size of the cruise ships. Of the 287 cruise ships that want to visit in 2022, only 18 would comply with the new standards. However, opponents are strongly mobilizing at the state level to overturn the will of Key West's voters.² Trying to take sustainable measures can quickly get political and complicated.

Managing to Assure and Sustain Success. In response to the stresses and damages tourism can cause, the concept of sustainable tourism emerged around 1990. Initially it focused on ecological issues at scenic places, but in recent years it has been

SOME DIAGNOSTIC QUESTIONS

Many downtown and Main Street leaders in the US see tourism as a major engine for economic growth. However, around the world, especially in Europe, and cities such as Charleston, SC, Miami Beach and Key West in Florida, and Palm Springs, CA, serious concerns have emerged about heavy tourist flows harming the environment and eroding the charm, attractiveness, social cohesion and well-being of local communities. The response to these concerns has been the implementation of sustainable tourism plans. A key and complicated question now for many of our communities is: do we need a sustainable tourism plan? This article is aimed at helping local leaders make that determination by answering seven diagnostic questions.

expanded to also look at a location's socio-cultural characteristics.³ For example, for one business consultant in Asheville, NC, sustainable tourism means "...making a low impact on the environment and the local culture while generating future employment for local people and ensuring a positive experience for locals and tourists alike."⁴

Back in 2004, a plan for sustainable tourism prepared for the Downeast region of Maine noted that: "We know that the vibrancy of such an industry (tourism) depends on the quality of the natural and cultural experiences offered. We also know that Downeast Maine has an abundance of such experiences and resources. However, tourism can be a destructive force when not properly planned or managed."⁵

Conscious management of a town's or a downtown's tourist industry, as Barcelona, Spain; Palm Springs, CA; and Charleston, SC have been attempting, can also help avoid the problems of disorder that the focus on some types of tourism invite, and help make it more successful now, and sustainable over time.

Implicit in this notion of sustainability is the postulate that tourism needs, in some way, to be properly managed, because it will not become sustainable organically. That carries along with it the potential for some people to gain benefits while others lose them. That can translate into political opposition and conflict.

The Boon or Bane article also noted that "...too many downtown and Main Street leaders leap at a tourist growth strategy without properly thinking through its possible drawbacks as well as its advantages." Another objective of this article is to stimulate and facilitate such thinking. Considering how tourism can be properly managed to make it sustainable should be an essential part of that thinking. Here in the US some smaller communities and scenic regions have adopted sustainable tourism plans, while leaders in our larger cities and downtowns and Main Street districts have not yet picked up on the need for sustainable tourism. Perhaps it is time they did.

The target audience for this article are those downtown, Main Street, and municipal leaders whose tourist industries have not yet adopted a sustainable strategy. Its objective is not to focus on the tactical measures such a strategy might include. (There is a valuable book that goes into such details: Overtourism: Lessons for a Better Future, edited by Martha Honey and Kelsey Frankiel, and published by Island Press.) Instead, the objective here is to help those leaders address the

Here in the US some smaller communities and scenic regions have adopted sustainable tourism plans, while leaders in our larger cities and downtowns and Main Street districts have not yet picked up on the need for sustainable tourism. Perhaps it is time they did.

question of whether or not their tourist industry needs to become sustainable. Answering that question requires looking objectively at the often very political issues of what kind of community local residents and business stakeholders want, and who is benefiting or being harmed by the industry's current operations.

TYPES OF TOURISM

A good starting point for the type of analysis described here is to understand tourism's complexity:

- There are many different types of tourism.
- Towns and downtowns can have combinations of them.
- Some may have inherent conflicts with others.
- They each may vary in the way they reward or harm local business and residents.

The following examples of the different types of tourism will be offered here to demonstrate their existence and wide variety. Different types of tourism can have varying impacts in terms of whether they are positive or negative as well as the causal paths they follow.

Some may need to be made sustainable while others may not. Some may warrant further growth. Consequently, it is important for local leaders and their analysts to identify the types of tourism they have.

Tourism Defined by Type of Stay. Vacation homeowners (e.g., Palm Beach, the Berkshires, the Hamptons), multi-night visitors (e.g., Las Vegas, Santa Fe, New Orleans, NYC, Paris), and day trippers (e.g., Coney Island, and Belmont's "Little Italy" in The Bronx; cruise ship passengers in Venice, Santorini, Key West) can create distinct types of tourism that reflect their differing incomes and spending patterns, knowledge and concern about the community, and incentives for orderly behaviors. Their impacts on local retailers and service providers are also likely to vary.

All will need restaurants, but to varying degrees. Homeowners and day trippers will not need hotels. Some vacation homeowners will spend considerable parts of a year in these homes and come closer to having a range of retail and personal service needs similar to those of local residents than the overnighters or day trippers, but others may have many vacation homes, so they spend relatively little time in each one of them. Those that do spend time in one location are also far more likely to be concerned about protecting the social and physical aspects of their vacation community, and to know about and be susceptible to local social and legal pressures to maintain local norms and values than the overnighters or day trippers. That said, Disneyland has shown how a well-managed area can prevent the behaviors of large numbers of day trippers from becoming disruptive.

TYPES OF TOURISM

1. Defined by Type of Stay
2. Defined by Type of Arrival/Departure
3. Defined by Type of Activity Sought
4. Defined by Expected Permitted Behaviors

As a recent report from Key West demonstrates, lots of day trippers – in this instance from cruise ships – can have adverse impacts on a downtown: “On streets where art galleries, fine restaurants and specialty shops once flourished, vendors hawk bawdy T-shirts and stores advertise ‘Everything inside \$5.’” Key West also shows that in a relatively small community, with a population around 25,000, the infusion of one type of tourism can arouse the opposition of many residents and threaten the loss of those visitors who account for the vast majority of the town’s tourist revenues.

Cruise ships account for about half of the island’s 1.2 million annual visitors, but only about 8% of its annual tourist revenues. Non-cruise tourists spend about \$550 on each visit, while the cruise tourists spend only about \$32! The cruise ships have on board buffets and shopping, so their passengers tend to only purchase souvenirs and “little trinkets” on the island. Importantly, within the Key West community there is also substantial concern that cruise ships cause “dwindling natural resources and overcrowding” that will make the island less attractive to its “high value tourists,” its overnight visitors.⁶

On a smaller scale, in Woodstock, NY, town officials shut the popular Big Deep and Little Deep swimming holes because of the “littering and messes left behind by outside visitors.”⁷ The littering and messes might seem to be mere nuisances, but they are important signs of public disorder that signal people should stay away. The cleanup also creates an unneeded and unwanted cost burden.

Tourism Defined by Type of Arrival/Departure. This is a subset of day tripper tourism. Some day trippers will travel to a location alone or in small groups, and they usually are easily absorbed into the places they are visiting. However, others arrive in a bus, or a group of buses, or a cruise ship, or a group of cruise ships. The infusion of the larger groups can mean the sudden entry of thousands of tourists into a relatively small area. In such areas, like downtown Key West, downtown Hamilton in Bermuda, or Piazza San Marco in Venice they can flood the place with people in a way that changes how these places normally operate and robs them of much of the charm that made them attractive and famous.

Tourism Defined by Type of Activity Sought. Most local flows of tourists are based on the opportunities offered in a location to engage in various types of activities, and the experiences they offer:

- To visit scenic sites like the Grand Canyon or Niagara Falls
- To engage heavily in some type of athletic or cultural activity such as to go skiing in Aspen or Killington, or play golf at Pinehurst, NC, or St. Andrews in Scotland, or see Broadway shows or visit museums in NYC, or to enjoy the beaches along Florida’s long coastline
- To visit amusement parks such as Disneyland and Legoland or special events associated with particular towns such as the Sauerkraut Festival in Waynesville, OH

Some day trippers will travel to a location alone or in small groups, and they usually are easily absorbed into the places they are visiting. However, others arrive in a bus, or a group of buses, or a cruise ship, or a group of cruise ships. The infusion of the larger groups can mean the sudden entry of thousands of tourists into a relatively small area.

- To do business – in many large CBDs, for example, this can be the largest source of tourists, but they are also an important market segment for tourist venues in small downtowns. Businessmen are travelers who stay in hotels, eat in restaurants, and in their leisure hours often visit arts, cultural, and entertainment venues.
- To gamble, e.g., in Las Vegas or Monaco
- To have sex: e.g., in “red light districts” such as: De Wallen in Amsterdam; Soi Cowboy in Bangkok; Frankfurt, Germany; Montmartre – Paris; Hamburg, Germany; Villa Tinto – Antwerp; Broadway - San Francisco⁸
- To legally buy and use drugs. Coffeehouses in Amsterdam can sell pot that can be consumed on the premises. It should be noted that the legalization of various vices, e.g., drugs, and prostitution, is often motivated by the need to get them under control. Gambling is more often motivated to raise government revenues. It will be interesting to see how the legalization of marijuana sales across the US impacts downtown visits and behaviors.
- To party with groups of people. This might occur in a wide variety of indoor places such as hotel rooms, restaurants, night clubs and bars but also in many public areas such as sidewalks, streets, parks, and beaches. Since partying often means consuming large amounts of alcoholic beverages and/or drugs, when it occurs in public places there is a strong built-in probability that some level of public disorderly conduct will occur.

Tourism Defined by Expected Permitted Behaviors. How a town promotes tourism by signaling the types of behaviors it permits and/or values can have a big impact on the type of tourists it attracts and how they will behave. It is no surprise that the tag line used to market Las Vegas, “what happens in Vegas, stays in Vegas,” was so successful. Nor is it surprising that the bon mots for promoting New Orleans are “let the good times roll.” Both overtly suggest that at least a little bit of naughtiness mixed with uninhibited festivity can be found by visitors in their cities. This theme then can become a key element of not only the image the tourism promoters are projecting but also a crucial component in their city’s or downtown’s functional local culture.

However, the theme of naughtiness and uninhibited festivity can also meaningfully be projected by the types of behaviors visibly tolerated within a district such as:

- littering and public urination;
- public drinking and drug use;
- public drunken or drugged disorderly conduct; and
- sidewalks, streets, and public spaces taken over by disorderly people.

While projecting such a covert image may indeed attract tourists for whom partying is a high priority activity, it conversely can make many local residents and workers, and potential tourists see the area as too disorderly to visit.

Having looked at the variety of forms that tourism can take, the next important step is to have an analytical framework that can help identify those that are present in a downtown, Main Street district, or community that are in need of being made more sustainable. The following discussion presents such a framework in the form of seven diagnostic questions. Its objective is not to suggest a sustainable tourism plan, but to help local leaders determine if such a plan and regimen is needed and viable.

SEVEN DIAGNOSTIC QUESTIONS

Question One: Are the positive benefits of tourism widely shared by town residents and businesses, while negative impacts are small, and adversely impacting few residents or businesses?

Way back in 1936, the political scientist Harold Lasswell argued that to properly understand politics it's extremely helpful to ask the basic question: who gets what, when and how? Its application to tourism-based economic development strategies and programs can also be very revealing. The answers to this question will vary depending on the type or types of tourism being considered or is/are already implemented and the socio-economic-cultural conditions in each specific town or downtown. Answering the what, when, and how question should provide evidenced-based insights into which parts of the local tourist industry need management to become sustainable not only in terms of their impacts on the environment, but also by how they relate to the local community's goals, needs, and wants.

The What. If tied to the understanding that the "what" includes other things than the variables generally used in input-output model impact assessments – e.g., increased

Answering the what, when, and how question should provide evidenced-based insights into which parts of the local tourist industry need management to become sustainable not only in terms of their impacts on the environment, but also by how they relate to the local community's goals, needs, and wants.

DIAGNOSTIC QUESTIONS

1. Are the positive benefits of tourism widely shared by town residents and businesses, while negative impacts are small, and adversely impacting few residents or businesses?
2. Is the town primarily concerned about how tourism can improve its quality of life or in maximizing the wealth of its residents and businesses?
3. Are there places in the town where there are too many tourists, and their presence is undesirably changing their appearance, character and how they work?
4. Do tourists primarily want to party or to appreciate the town's non-party assets?
5. Does the town's tourist marketing feature its scenic, social and cultural assets or how easy it is to party in the town?
6. Are the town's laws and enforcement tolerant of public drinking, drug use and sale, and other forms of disorderly conduct?
7. Can sufficient support be mobilized to create a viable sustainable tourism program?

number of jobs and revenues of local households and businesses – then answering Lasswell's questions can greatly facilitate a proper assessment of the impacts of an existing or proposed tourism program or strategy and its true value to the community.

The Use of I-O Models. Most of the established types of impacts that tourism can have on a community are beyond the variables and explanatory vocabulary that input-output models are confined to. For example, tourism can:

- *Increase jobs*, but they can be low-paying or decent paying, sustainable or unsustainable.
- *Produce more business opportunities*, but also lead local businesses to favor tourist patrons over those who are local residents.
- *Create more interesting shops and entertainment* but also higher retail and restaurant prices, and often the new shops are neither interesting or, as Key West demonstrates, what the community needs or wants.
- *Heighten demand for local housing and commercial properties*, but also produce significantly higher prices for both. Affordable rental housing, even for those with relatively substantial incomes, has become a serious issue in our downtowns, especially in our largest cities. A study in 2014 found that: "On average, more than half (52 percent) of all rental households spend more than 30 percent of income on housing in the top 25 cities."⁹ And to repeat: Barcelona is no longer approving new hotels, and Paris has strictly regulated Airbnb and other apartment rental platforms.

Downtown leaders need to realize that some of their tourism attractions may have much more favorable impacts on some dimensions at the county or regional level than on their smaller localities.

- *Increase local tax revenues* but also increase the need for municipal services such as sanitation, police and fire – and the costs of providing them.
- *Create a loss of the community’s character.* For example, during the pandemic, concern about this has emerged in the core of Amsterdam among local residents. Its red-light district and coffeehouses selling pot, and its streets jammed with foreign tourists have made local residents wonder whose city it is, and what is still left for them to enjoy. Similar concerns have also arisen in many other European cities such as Barcelona and Venice.

It has also happened in many small charming towns in the US where so many tourists flock to visit that their numbers and behaviors threaten the very characteristics of the place that made it an attractive tourist destination. The importance of a town’s identity is demonstrated by a study of Peterborough, NH, where the population has a very strong town identity. An assessment of its tourism found that for residents “a main priority was maintaining a town for the comfort of the local population and not for tourists.” Peterborough’s charming and preserved “New England atmosphere;” its history and old buildings; and its well-known artists’ colony, the Lowell Colony, are major attractions for tourists.¹⁰ These are quality of life (QoL) type concerns, not about increasing the wealth of the locality, or how that increase is distributed.

- *Increase traffic and poor air quality;* these are also QoL type concerns.
- *Generate significantly more crimes associated with public disorder,* such as public prankstering, littering, public urination, public drinking and drug use, vandalism, and rioting. This, too, is a QoL concern. One thing we know from the history of our downtowns is that public disorder and heightened public fears can have severe negative impacts on local businesses, property values, and a district’s image.
- *Too many tourists can severely diminish a downtown’s walkability,* making pedestrian activity far less enjoyable and seriously wounding the district’s image as a desirable place to be. See this very insightful article by Nicole Gelinas, “Planet Travel. Globalization has created a tourist boom in world cities – but masses of tourists create new challenges.”¹¹

The I-O analytical tool is also very often inappropriate for assessing tourism’s impacts on a town or downtown because their geographies are far too small for an I-O

model to be properly utilized. At least several contiguous zip codes or one county are needed for an I-O model to properly function.

Downtown leaders need to realize that some of their tourism attractions may have much more favorable impacts on some dimensions at the county or regional level than on their smaller localities. The expenditures of a local theater or performing arts center, for example, can account for about half of its economic impacts on employment, and business and household revenues, but most of those jobs and revenues may well go to people and businesses located outside of the theater’s town or downtown. However, their impacts on real estate may be very local.¹² The known potential impacts listed above suggest that the “whats” that people and businesses in a locality can get from tourism can be positive or negative, and in many instances they can be conflicting.

Tourism as an engine for retail growth. Tourism is very often seen as a likely key driver of downtown retail growth. This point consequently deserves some special attention. In all too many instances, especially where the strategic focus is on gambling-based tourism, it even has been seen as the growth engine for the whole regional economy. Atlantic City and the new casinos in the Catskills in NY are good examples of this. This is especially true for those leaders in smaller and medium sized communities that are most likely to be hindered by trade areas with low spending potentials. However, in many states retail only accounts for around 10% to 15% of all tourist expenditures – see the 9.9% for NY, 11.3% for NE, 13.5% for WY shown in Table 1 – and when the percentage is higher, as 26.5% for MS, the absolute dollar expenditure amounts are still often relatively low, or the expenditures for recreation and entertainment are low, as in MS, 1.5% and NC, 7.9%, so the retail percentage becomes de facto higher.

While tourism often seems attractive as a retail growth strategy, a strong argument can be made that downtowns that already have a robust retail presence are much better positioned to attract tourist shoppers. This hypothesis is supported by the high levels of tourist retail sales that

TABLE 1. TOURIST EXPENDITURES FOR RETAIL, RECREATION-ENTERTAINMENT AND FOOD & BEVERAGES IN NY, NE, WY, NC AND MS

Jurisdiction	Recreation- Entertainment		Food & Beverage		Others	Total
	Retail	Entertainment	Food & Beverage	Others		
NY -2016	6,440	6,454	15,375	36,518	64,787	
	9.9%	10.0%	23.7%	56.4%	100.0%	
NE -2016	316	284	786	1,404	2790	
	11.3%	10.2%	28.2%	50.3%	100.0%	
WY - 2017	476	502	778	2,126	3,531	
	13.5%	14.2%	22.0%	60.2%	100.0%	
NC - 2016	5,889	2,345	5,263	16,020	29,517	
	20.0%	7.9%	17.8%	54.3%	100.0%	
MS - 2017	1,683	95	1,234	3,330	6,342	
	26.5%	1.5%	19.5%	52.5%	100.0%	

The best way out of this situation is to first build an attractive array of retailers that are focused on local customers and products – then, there may be a potential for attracting new tourist retail customers. Also, tourism is then best strategically positioned as an additional source of some retail revenues but not as the primary source.

can be reached in our larger downtowns with famed retail districts such as Madison Ave and Fifth Ave in NYC, Rodeo Drive in Los Angeles, North Michigan Avenue in Chicago, and Newberry Street in Boston. For example, a 2018 report on the impact of tourism in NYC found that:

“Tourists account for 18 percent of all Visa transactions at retail stores in the city. They account for an even higher share of sales at the department stores (48 percent), electronic stores (35 percent), and sporting goods stores (23 percent).”¹³

Those high levels of tourist sales are also strongly influenced by the incredibly high number of tourists that visited the city pre-pandemic. According to NYC & Co’s annual report: “In 2019, NYC tourism hit a record high – 66.6 million individual trips, with about \$47.4 billion generated in direct spending for the city ...”¹⁴

NYC and several other major downtowns also attract large numbers of foreign tourists who tend to spend significantly more in retail shops than domestic tourists.

As the recent pandemic has shown, downtown retail that is heavily dependent on tourist dollars is more susceptible to the negative impacts of substantially decreased tourist flows – particularly from abroad – resulting from severe economic recessions, natural disasters, and diseases.

Contrary to many situations where tourism may seem tempting as a potential retail growth engine, it is unlikely to be a viable, productive strategy in downtowns where the existing retail is weak, and the current tourist traffic is negligible. Such districts have no product to sell and no market to sell to. The best way out of this situation is to first build an attractive array of retailers that are focused on local customers and products – then, there may be a potential for attracting new tourist retail customers. Also, tourism is then best strategically positioned as an additional source of some retail revenues but not as the primary source.

Tourism as an engine for job growth. Job growth is an important metric in the economic development field, especially when it comes to justifying investments in new programs and projects aimed at stimulating or implementing growth. Tourism’s ability to produce jobs, however, is complicated and worthy of a closer look.

A strong argument for tourism being a powerful engine not only for job growth, but also for fairly good jobs came in a report by the Center for an Urban Future, that claimed NYC in 2018 had:

“...nearly as many accommodations jobs, which pay \$62,000 per year on average, as jobs in manufacturing, which pay an average of \$58,000. To be sure, many of the jobs in the sector offer relatively low wages, at least to start. But tens of thousands of tourism positions provide critical entry points into the labor force for a highly diverse range of New Yorkers. Indeed, no other sector offers as many accessible jobs, with 91 percent of tourism jobs open to workers with less than a bachelor’s degree.” The report also claimed that tourism was driving NYC’s economic future.¹⁵

The claim that “tourism is now driving NYC’s economic future” was startling. That the average pay in the industry now was better than that in NYC’s manufacturing industries and at \$62,000/yr was very impressive. The claim that no other industry offers as many accessible jobs to those without a college degree was also credible and noteworthy.

One could question the use of average incomes since in an industry such as tourism, the difference between its median and average salaries could be significant, and the median could tell us more about how many of those workers had relatively low salaries. Still, the median household income in NYC in 2018 was \$63,799, the average was \$67,844.¹⁶ The average salaries in NYC’s tourism industry were only about 9% lower than the city average household income, suggesting they may be providing close to a survivable income.

But Covid19 drastically changed things in 2020, especially in NYC.¹⁷ It hit very hard the jobs in the food and lodging industries, with 250,000 of them disappearing, over half of those that existed at the start of 2020. Similar losses occurred all across the nation, wherever the pandemic wreaked economic decline. And this points to some of the following built-in vulnerabilities of a tourism job growth engine:

- Tourist employment is very susceptible to economic downturns caused by depressions and recessions, natural disasters, and disease.
- According to the Bureau of Labor Statistics: The industry with the highest percentage of workers earning hourly wages at or below the federal minimum wage was leisure and hospitality (11 %). About three-fifths of all workers paid at or below the federal minimum wage were employed in this industry, almost entirely in restaurants and other food services. For many of these workers, tips may supplement the

Job growth is an important metric in the economic development field, especially when it comes to justifying investments in new programs and projects aimed at stimulating or implementing growth. Tourism’s ability to produce jobs, however, is complicated and worthy of a closer look.

TABLE 2. A SAMPLING OF AVERAGE HOTEL WORKER ANNUAL SALARIES AND STATE LIVING WAGES IN 2021

City	State	Avg Salary	State Annual Living Wage
NYC	NY	\$48,793	\$89,353
La Crosse	WI	\$37,039	\$61,767
Utica	NY	\$38,840	\$89,353
Asheville	NC	\$37,284	\$60,291
Las Vegas	NV	\$41,432	\$70,731
Rutland	VT	\$40,298	\$77,063
Mansfield	OH	\$38,970	\$56,891
Cedar Rapids	IA	\$38,483	\$57,572

Source: Salary data from www.salary.com and living wages from <https://www.gobankingrates.com/money/jobs/living-wage-every-state/>

Livable wage defined by the 50/30/20 budgeting rule — that allocates 50% of your income to necessities, 30% to discretionary expenses and 20% to savings

hourly wages received. A large portion of the jobs associated with tourism just do not pay that well.¹⁸

- A closer look at the occupations associated with tourism, such as hotel employees, shows they do not have high salaries, e.g., in the sample of eight cities listed in Table 2 the median is only \$38,970, with a low of \$37,039 and a high of \$48,793. Importantly, none come close to providing a livable wage.
- While in our major cities with robust tourist industries such as NYC, Washington DC, LA, and NYC there are peaks and ebbs in the flow of visitors, a significant flow is usually maintained year-round, so employment has some stability. In smaller towns and cities, especially if the tourists are attracted to activity opportunities that are weather dependent, such as skiing and water sports, the tourist flows are seasonal and so is the employment.

Provincetown, MA, is a good example of such seasonality. It has a population under 3,000 year-round but can have 65,000 people visiting its galleries, restaurants, and beaches. “But come late fall, the beaches and bars mostly empty out. And it is not just tourists who decamp. Most second-home owners pack up, too. And, increasingly, so do people who once made Provincetown their home year-round. These days, just 2,800 hardy souls endure here through the winter. As a result – with housing and year-round jobs increasingly scarce – Provincetown is hollowing out. The winter population dropped 14 percent between 2000 and 2010. Families have left or have avoided settling here in the first place. The high school closed a few years ago.”¹⁹

Similar seasonality is found in Greenport, NY. It is located on the North Fork at the eastern end of Long Island and has a significant waterfront with docking facilities for pleasure boats, a small fishing fleet and a ferry to Shelter Island, and a waterfront park that attracts over 300,000 visitors a year. It also has the terminus for an important line of the Long Island Railroad. Within easy drives of the village are over 40 wineries that attract heavy tourist traffic to their tasting rooms. There are three historical sites

abutting or near the park including a working blacksmith shop and a maritime museum.

It is a significant tourist destination and transit point. For example, an annual three-day Maritime Festival reportedly draws about 40,000 visitors and the less frequent, multi-day Tall Ships events can attract over 60,000. However, it only has a year-round residential population of 2,200, and many of the shops, sometimes even including the local supermarket, close for the winter. Of course, their jobs go dormant, too.²⁰

Question Two: Is the town primarily concerned about how tourism can improve its quality of life or in maximizing the wealth of its residents and businesses?

This question is meant to flesh out a community’s growth values that too often really have not been clarified or adequately discussed in public. However, if tourism is to be beneficially managed, clarity about these values must be achieved.

QoL and wealth are closely related topics, and some might argue that at the community level, wealth should be grown so that it can support a better QoL. However, when tourism’s objective is only seen as growing the community’s wealth, then it is far more likely to take on characteristics that make it more unsustainable and more likely to conflict with the type of QoL that local residents have or are striving for.

At the real estate project level, tourist projects will regularly need to undergo an environmental review. However, those reviews are often unlikely to cover some important issues that might be disturbing to current and potential local residents, such as the attraction of tourists who have a high probability of behaving in a disorderly manner, or the loss of community identity.

When a town’s primary objective for tourism is growing wealth, the project permission and approval process is more likely to adhere to the “bigger is better” adage, as well as “the more expensive a project is, the better it is” rule. This has an impact on building permit fees and real estate tax revenue. When wealth maximization is the ruling norm, then the town is more unlikely to have or to create a local tourist industry that is sustainable.

Question Three: Are there places in the town where there are too many tourists, and their presence is undesirably changing their appearance, character and how they work?

This is the question that is being asked by municipal leaders all over Europe, who are concerned about the negative impacts that simply having too many people in a relatively small public space can have. Even the Vatican is concerned about the severe overcrowding by the six million visitors annually to its museums. Seeing the Mona Lisa at the Louvre in Paris can be like being in Times Square on New Year’s Eve – see photo.



In the US, concerns about over-tourism among downtown leaders has not so far emerged. This is due to the belief that downtowns are successful, full of vibrancy and shoppers when there are high levels of pedestrian traffic. For instance, the managers of Times Square proudly publicize that: “Nearly 360,000 pedestrians enter the heart of Times Square each day. On the busiest days, Times Square has pedestrian counts as high as 450,000.”²¹ Those pedestrian flows are equal to the entire populations of the 44th and 55th largest cities in the US! In one day!

Downtown leaders here in the US do not seem to have found any pedestrian or visitor count that is too much because of their negative effects. Might 360,000 to 450,000 people passing through a relatively small urban area be too many? Are 15,000 passing by one corner in an hour? Such strong pedestrian flows are antithetical to the strolling shopper model of retail success that so many downtown leaders are still attached to.

The same thing can be said about many of our major tourist attractions, and particularly in NYC, where being “world class” is a mantle many seek and proudly proclaim. Prior to the pandemic, for example, The Metropolitan Museum of Art had over 6.5 million visitors annually, and MoMA had over 2.2 million. And at both museums, tourists accounted for 75% of their visitors.²² The net result at these museums is overly crowded galleries where it is hard to see the art. Nevertheless, the managers of these museums yearn for even larger attendance that they can brag about. Similarly, about 66% of the eight million tickets sold annually pre-pandemic for Broadway shows went to tourists, and mainly to those who could afford relatively high prices.

While these museums and Broadway shows are world class, their overwhelmingly dominant use by tourists leaves many NYC residents feeling that these parts of the city are no longer theirs but taken over by those “from away.” Some question whether these residents have a right to this sense of psychological possession and identification, while others, such as Jane Jacobs, (the well-known urbanist and author of *The Death and Life of Great American Cities*) might argue that such a sense makes for strong communities.

Question Four: Do tourists primarily want to party or to appreciate the town’s non-party assets?

During the 1970s and 1980s, public disorder and the fear of becoming a crime victim were very strong factors in the steep declines of our downtowns. The problem of disorder now is resurging across the nation and in an even more powerful form, since it is much more multifaceted.²³ Consequently, the types of tourism that are likely to cause problems of public disorder need to be looked at very closely.

Where large numbers of tourists are intent on partying in public, problems of disorderly conduct are very likely. That can be offensive to local residents as well as to other tourists who are not as intent on partying. Lots of partying tourists also means higher municipal spending for public safety services than would otherwise be needed.

What downtown experts have learned and taught for decades is that how people act and look when walking on a district’s sidewalks, or in its public spaces, or going in and out of its buildings has an enormous influence on the image the public at large holds of that downtown. It not only sets up expectations in the minds of observers about how people in these places will behave – as do the related signs of disorder discussed by George Kelling and James Wilson, and Wesley Skogan who did leading edge research on fear in public places – but also signals how the observers themselves would be allowed to behave in that locality.

What downtown experts have learned and taught for decades is that how people act and look when walking on a district’s sidewalks, or in its public spaces, or going in and out of its buildings has an enormous influence on the image the public at large holds of that downtown.

In some instances, seemingly harmless behaviors can be disorderly but then creep into more serious criminal behaviors. In 1986, for example, Palm Springs had its most serious spring break student riot, after which town leaders decided on an anti-spring break policy.²⁴ But the riot started off with the simple, prankster-like use of squirt guns, that then quickly escalated to dumping water balloons into expensive convertibles and tearing off the tops

of bikinis worn by women in cars. Cruising rioters also blocked major roadways.

In other instances, as in Miami Beach these days, toys such as slingshots, jet skis and e-scooters can become nuisances that require regulation.

Question Five: Does the town’s tourist marketing feature its scenic, social, and cultural assets or how easy it is to party in the town?

The objective of this question is to clarify and make public the impacts the town’s tourist marketing is having on its QoL problems. This might lead to a change in the marketing, or it might spark more effective mitigation programs, such as more police who are well trained to deal with public disorder issues, or new ordinances that regulate the behaviors allowed in public places. For example, one might argue towns that market themselves as great places “to party” and then have parties riot, in a real sense, have been asking for these problems.

Question Six: Are the town’s laws and their enforcement tolerant of public drinking, drug use and sale, and other forms of disorderly conduct?

These practices can have a big impact. It is important that town and/or downtown leaders be cognizant of them so they can be changed and improved. They were used effectively in Palm Springs: “In the years after the riot, city leaders and police would intentionally sabotage

Disparate groups within the community have to be brought together. Local businesses that do not benefit from tourism, but are negatively affected by it may well support efforts to better publicly manage the industry. Some tourist-oriented businesses that do not require large numbers of customers also may support sustainable tourism.

spring break with irksome laws intended to chase away college-age tourists.” They banned thong bikinis, throwing water balloons, and shooting squirt guns. Poolside drinking was limited, and “a special \$15 fee that was added to all police citations, but only during the 10 days of spring break.”²⁵ At spring break time, over 200 concrete barricades intentionally created a downtown traffic jam designed to frustrate spring break cruisers.

Sometimes, the solutions are less punitive in character. For example, people walking in the street beds and causing traffic congestion is a sign of disorder. But if the sidewalks are narrow and or being used by outdoor dining or retailing, then enlarging the sidewalks can be a very viable solution. Another solution could be providing public spaces where pedestrians can engage in enjoyable and socially productive behaviors, such as those available in NYC’s Bryant Park: chess games, a carousel, a reading room, ping pong tables, yoga lessons, movies, restaurants, skating rink, and shops.

Question Seven: Can sufficient support be mobilized to create a viable sustainable tourism program?

Sustainable tourism does not appear organically, though the unsustainable version seems to be able to do so. It requires intention, leadership, resources, knowledge, political support, and strong coalition building. It will likely have many well placed and influential opponents, most likely including those who own or otherwise are benefiting from the unsustainable tourism assets.

The campaign for sustainable tourism will likely languish if it poses its benefits largely in terms of public goods like clean air and water, and general quality of life that everyone can enjoy, and for which the needs are not that immediate. People will likely take a free ride and let others try to make it happen.²⁶ To build a winning coalition within the community, it will have to offer meaningful benefits for those related needs that are being felt with some strength and immediacy. The answers to the who gets what, when, and how question can be very relevant in this context.

Disparate groups within the community have to be brought together. Local businesses that do not benefit from tourism, but are negatively affected by it may well support efforts to better publicly manage the industry. Some tourist-oriented businesses that do not require large numbers of customers also may support sustainable tourism. Those operators focus on:

- Customers who are wealthier
- Not primarily tourists, except when the tourists are mostly wealthy and numerous
- Otherwise, vacation homeowners among the tourists
- Nonparty-oriented tourists
- Customers who are likely to be concerned about public order

Residents who are adversely impacted by the local tourism are likely to want to do something about it and be major supporters. They have passed the activation threshold and specific, sustainable tourism remediation steps might give them needed direction, while the general sustainability framework can help specify political goals. These adverse impacts can be related to noise and traffic issues as well as disorderly public behaviors and the overcrowding of public places. Parents with preschool children and seniors, important segments of many smaller downtown populations, are prone to being adversely affected by tourists behaving in a disorderly manner. Major owners of residential properties are also likely to support sustainable tourism efforts.

How many office workers reacted to the overcrowded tourist scene in Times Square may be indicative of how they will react to similar scenes in the public spaces of our large CBDs. Many of these office workers did not like the overcrowding caused by the tourists because it interfered with their ability to get to and from work, and to get food and do chores at lunchtime. Nor were they delighted by the costumes and behaviors of many Times Square habitués. That suggests they, too, may be strong supporters of sustainable tourism programs, especially when it comes to the issue of public disorderly behavior.

Under sustainable tourism many of the issues that need resolution will be political in nature, with important groups in the community often taking conflicting positions. These disputes will probably be best dealt with if they are informed by local “technocrats,” like planning, public safety, and economic development departments, as well as by the interested parties, but the actual decision-making power should rest in the hands of local elected officials who can be held accountable by voters.

CONCLUSION

Crises are Janus-like events, creating opportunities as well as problems. Tourism across the nation has been in steep decline. Many managers and owners in the industry are being forced to think about their future, whether they wanted to or not. In communities where tourism has been an important economic engine, many political leaders are also thinking about the industry’s future in their towns. This creates a real opportunity to make tourism in their communities more sustainable.

However, the window for this opportunity will not stay open for long. The pent-up demand to travel is strong – planes and hotels are already beginning to fill up, and reservations for the remainder of 2021 are getting harder and harder to get.

Now is the time to recognize if your town’s tourism industry needs to be made more sustainable, and then to take the steps needed to make that happen. 🌍

ENDNOTES

1. <https://www.ndavidmilder.com/2018/12/downtown-tourism-boon-or-bane>
2. Der Spiegel staff. "Paradise Lost: How Tourists Are Destroying the Places They Love." Spiegel Online. <https://www.spiegel.de/consent-a-targetUrl=https%3A%2F%2Fwww.spiegel.de%2Finternational%2Fparadise-lost-tourists-are-destroying-the-places-they-love-a-1223502.html>. Gwen Filosa. "Key West voters limited cruise ships; They may be ignored." *The Virgin Island Daily News*. March 4, 2021; Gilbert Ott. "Key West Shuns Cruise Ships In Bold New Tourism Move." November 10, 2020. *GodSaveThePoints*. <https://www.godsavethepoints.com/florida-key-west-bans-cruise-ships/>
3. <https://www.unwto.org/sustainable-development>
4. Max Hunt. "Making local tourism sustainable." *Mountain Xpress*, April 23, 2016. <https://mountainx.com/news/making-local-tourism-sustainable/>
5. Down East Sustainable Tourism Initiative Year 2010 <https://seagrant.umaine.edu/wp-content/uploads/sites/467/2019/03/2004-destiny-2010-strategic-plan.pdf>
6. https://www.washingtonpost.com/national/rough-waters-in-key-west-as-city-cruise-industry-and-state-lawmakers-tangle-over-its-future/2021/03/26/6fedba3e-8ca3-11eb-a6bd-0eb-91c03305a_story.html. See also: Gilbert Ott. "Key West Shuns Cruise Ships In Bold New Tourism Move." November 10, 2020. *GodSaveThePoints*. <https://www.godsavethepoints.com/florida-key-west-bans-cruise-ships/>
7. <https://www.nytimes.com/2020/07/29/nyregion/lake-solitude-closed-racism.html?action=click&module=News&pgtype=Homepage>
8. <https://www.bloomberg.com/news/articles/2012-06-19/a-peep-at-10-of-the-world-s-most-popular-red-light-districts>
9. Governing calculations of 2014 U.S. Census Bureau American Community Survey data (Table B25070) in "Family Housing Affordability in U.S. Cities," *Governing*, November 2015. <https://www.governing.com/archive/family-housing-affordability-in-cities-report.html>
10. Tomoko Tsundoda and Samuel Mendlinger, "Economic and Social Impact of Tourism on a Small Town: Peterborough New Hampshire." *J. Service Science & Management*, 2009, 2: 61-70. Published Online June 2009 in *SciRes*. <https://www.scirp.org/journal/jssm/>
11. *City Journal*. August 31, 2018. <https://www.city-journal.org/html/global-tourism-16143.html>
12. N. David Milder, "The Impacts of Arts Events Venues on Small Towns." *Economic Development Journal* 17 (4), 37. https://www.dropbox.com/s/t5j5nh73qxhtfr6/EDJ_18_Fall_Milder.pdf?dl=0
13. <https://nycfuture.org/research/the-pivotal-impact-of-new-york-city-tourism-economy>
14. shorturl.at/cuOSV
15. "DESTINATION NEW YORK: Spurred by 30 million more tourists over the past two decades, tourism is now driving NYC's economic future." May 2018, p.3. https://nycfuture.org/pdf/CUF_Destination_New_York.pdf
16. Data downloaded from <https://datausa.io/profile/geo/new-york-ny>
17. Greg David, "NYC Lost a Record 631,000 Jobs to the Pandemic in 2020. So What's Next?," *The Chief*, March 14, 2021. <https://www.thecitynyc/economy/2021/3/14/22326414/nyc-lost-record-jobs-to-pandemic-unemployment>
18. "Characteristics of minimum wage workers, 2018." BLS Reports. March 2019. <https://www.bls.gov/opub/reports/minimum-wage/2018/home.htm>
19. Katharine Q. Seelye, "Welcome to Provincetown. Winter Population: Dwindling." *NYTimes*. Dec. 20, 2015. <https://www.nytimes.com/2015/12/21/us/welcome-to-provincetown-winter-population-dwindling.html>
20. N. David Milder, "Three Informal Entertainment Venues in Smaller Communities: Bryant Park Series, Article 4." *Downtown Curmudgeon Blog*. December 14, 2014. <https://www.ndavidmilder.com/2014/12/draft-121414-three-informal-entertainment-venues-in-smaller-communities-bryant-park-4>
21. <https://www.timessquarenyc.org/do-business/market-research-data/pedestrian-counts>
22. N. David Milder, "Bryant Park Part 2: a comparison to other entertainment venues on attracting tourists, user frictions and costs to create or significantly renovate." *Downtown Curmudgeon Blog*. September 27, 2014. <https://www.ndavidmilder.com/2014/09/bryant-park-part-2-a-comparison-to-other-entertainment-venues-on-attracting-tourists-user-frictions-and-costs-to-create-or-significantly-renovate>.
23. N. David Milder, "The Accelerating Resurgence of the Threat of Public Disorder for Our Downtowns." *The ADRR*, February 15, 2021. <https://theadrr.com/wp-content/uploads/2021/02/Resurgence-of-public-disorder.pdf>
24. Brett Kelman, "In 1986, a spring break riot changed Palm Springs. Here is the video." *Palm Springs Desert Sun*. March 27, 2018. https://www.desertsun.com/story/news/crime_courts/2018/03/27/1986-spring-break-riot-changed-palm-springs-here-video/429097002/
25. *ibid*
26. Mancur Olson. "The Logic of Collective Action: Public Goods and the Theory of Groups." *Harvard University Press*, 1971

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL

SAVE THE DATE

2022 Leadership Summit
Jan. 30 - Feb. 1, 2022
Coachella Valley, CA

2022 Economic Future Forum
June 12 - 14, 2022
Richardson, TX