

Tourism Revitalization

Secretary Jen Schroer
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Budget

- The Tourism Department has an FY22 budget of \$21.1 million, including \$16.6 million is from the general fund, \$1.3 million from tourism development revenue, and approximately \$3.2 million in revenue from the New Mexico Magazine.
- The Legislature appropriated a total of \$17.5 million in one-time appropriations for the Tourism Department, primarily for tourism revitalization and recovery after the Covid-19 shut-down, including \$10 million in federal contingency funds to the agency for cooperative marketing, which the governor vetoed.

Recovery

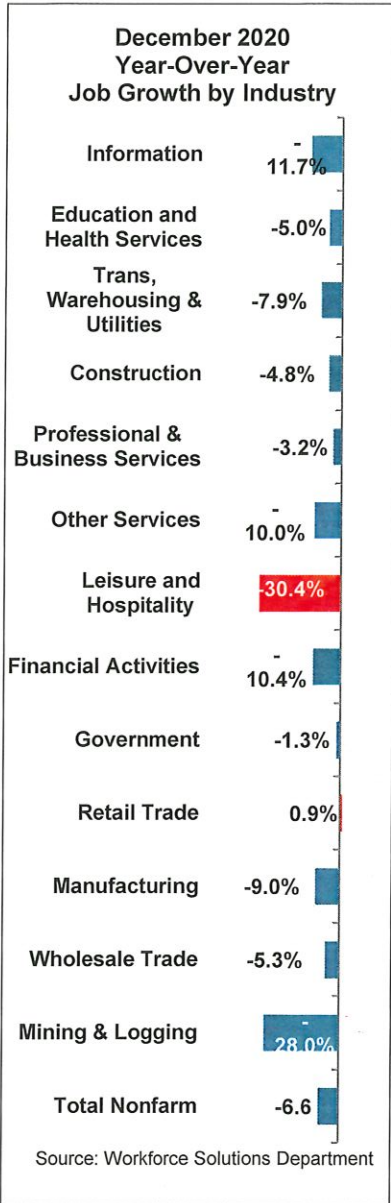
- Due to the Covid-19 public health emergency, the New Mexico tourism industry experienced a per-month loss of visitor spending of \$403 million, according to analytics and research company Tourism Economics, a total of approximately \$2.2 billion in lost revenue.
- With Covid-19 cases declining and vaccination rates rising, the department has rapidly resumed efforts to encourage tourism.
 - The agency has encumbered the entirety of the \$7 million in special appropriations for tourism revitalization, primarily in advertising targeted towards New Mexico or near-by-state residents looking for drivable vacation destinations.
 - The Tourism Department submitted a series of Budgeted Adjustment Requests (BARs) in May for marketing, including a category transfer of \$107 thousand from the personal services and employee benefits category to the other costs category for advertising and a budget increase of \$160 thousand from the Department of Game and Fish for a collaborative marketing campaign.

Key Performance Issues

The third quarter report for the Tourism Department showed a continued increase in digital engagement for the department, suggesting the agency leveraged the shut-downs to expand and improve its digital footprint. However, the agency reported a 24 percent decrease in employment in the leisure and hospitality sector. Rebuilding and retaining a hospitality workforce will be crucial to a successful reopening.

ACTION PLAN

Tourism Department



Covid-19 has had a substantial negative impact on the tourism industry in New Mexico. Jobs in the leisure and hospitality sector continued to show year-over-year declines in the third quarter of FY21, with an overall average decline of 24 percent. This is an improvement over previous quarters and a slight improvement over the first and second quarter of FY21, but still represents substantial losses.

Marketing and Promotion

According to the Tourism Department, jobs in the leisure and hospitality sector continued to show year-over-year declines in the third quarter of FY21, with an overall average decline of 24.3 percent. While this is an improvement over the previous quarters of FY20 and a slight improvement over Q1, the decrease still represents substantial losses.

Digital engagement grew year-over-year during the third quarter of FY21, increasing by 25 percent. This growth is primarily due to Twitter engagement, which more than doubled, and Instagram engagement, which saw a 44 percent increase. As the Covid-19 pandemic has changed marketing priorities, the Tourism Department has worked to increase digital engagement through virtual experiences and motivational posting to encourage delayed visitation. The department focused on earned media in the first quarter of FY21, with the addition of a dedicated public relations firm to assist with developing and implementing an earned media strategy. This strategy continued to show positive results in the third quarter, resulting in over \$938.3 thousand in earned media value generated, which, if maintained, will result in the department exceeding the annual target of \$1 million.

Budget: \$14,795.1 **FTE:** 16

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Change in New Mexico leisure and hospitality employment	5%	-27.5%	3%	-26%	-24%	-24	R
Change in total digital engagement	New	New	3%	24.7%	34%	25	G
Amount of earned media value generated in millions	New	New	\$1	\$0.657	\$0.835	\$0.340	G

Program Rating

Y

New Mexico Magazine

New Mexico Magazine exceeded its target for advertising revenue per issue, reaching an average of \$132 thousand in the third quarter. Due to the Covid-19 pandemic, the department re-evaluated its sales strategy, which, combined with a fully staffed sales team, accounted for the increase in advertising revenue. *New Mexico Magazine* has a



PERFORMANCE REPORT CARD

Tourism Department
Third Quarter, Fiscal Year 2021

circulation of approximately 68 thousand customers. The magazine’s digital engagement reaches more than 200 thousand visitors per month across various platforms.

Budget: \$3,231.9 **FTE:** 10

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Advertising revenue per issue, in thousands	\$67.8	\$75	\$80	\$123.5	\$131.5	132.0	G
Program Rating							G

Tourism Development Program

The Tourism Development Program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants. The tourism development division made collaboration with Native American partners a priority in recent years, hiring a full-time cultural heritage coordinator in late FY20. The New Mexico True Certified program continued to grow in the third quarter, and the agency anticipates further increases in participants though the remainder of FY21 as businesses realize the potential of branding for growing small businesses, especially during the pandemic.

Budget: \$2,305.8 **FTE:** 18

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Number of meetings or events conducted with Native American entities	NEW	NEW	16	31	44	52	G
Number of participants in New Mexico True Certified Program	NEW	NEW	250	400	415	425	G
Program Rating							G