



Governor Beebe, Economist Weigh In On Tourism Impact

University of Arkansas economist Kathy Deck received Tuesday (Mar. 6) a clear order from Gov. Mike Beebe.

In his remarks during the final day of the 38th Annual Arkansas Governor's Conference on Tourism, Beebe talked several minutes about the relative economic health of Arkansas compared to other states. He also said state officials have noticed a "huge uptick" in spending on entertainment.

Beebe did warn that the state could in a few short years see a serious shortfall in its Medicaid budget, but noted that for now the state is just one of four in the U.S. not facing a fiscal crisis.

Deck, director of the Center for Business and Economic Research at the University of Arkansas, was set to follow Beebe with her assessment of the economy.

"Don't be a gloom-and-doom prophet" that causes people to quit spending, Beebe said, joking with Deck before he ended his remarks.

"Well, there's no pressure at all," Deck said when taking the stage.

And she immediately focused on the good news.

"The good news is, it's a lot more fun to give this (economic) talk this year than it was last year," Deck said.

She explained that future economic trends will likely reflect "slow, muted growth." Causes cited by Deck of the weak economic growth include:

- Continued trouble in the housing sector;
- Consumer and small business credit constraints;
- Slow consumer spending;
- The uncertainty of government regulatory policies; and,
- Ongoing financial problems with European governments.

Of the factors, housing is the most critical.

"Until the housing market is fixed, it will be very difficult for the overall economy to power forward," Deck said.

And if the price of gas rises to \$5 a gallon, "all bets are off" on predictions of continued economic growth in the U.S. and Arkansas.

However, Deck said Arkansas' tourism economy during 2011 consistently performed better than the overall state economy. A bright spot in the state's tourism economy was

BY [ROBY BROCK](#)

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Art in its first 100 days of operation.

The 201,000-square-foot museum is on a 120-acre forested campus and was designed by world-renowned architect Moshe Safdie. The museum is dedicated to American art and provides a perspective spanning five centuries from the colonial to the contemporary.

The more than \$50 million art museum building opened Nov. 11, 2011, and is funded primarily by Alice Walton, daughter of Wal-Mart Stores founders Helen and Sam Walton. Including the artwork owned by the museum, the total tab for Crystal Bridges topped \$1.2 billion. The Walton Family Foundation also donated \$800 million to endow museum operations. It is estimated that 250,000 people a year will visit the museum.

"There is no doubt it will have a measurable impact," Deck said when asked about the museum. "In fact, it already has had a measurable impact."

She said the museum could cause a Northwest Arkansas now dominated by the business traveler to shift to a region with "a sizeable" vacationing traveler.

2011 TOURISM IMPACT

Earlier in the conference, state tourism officials released details on the 2011 economic impact of Arkansas' tourism industry. Following are specifics from the Arkansas Tourism Impact report, based on information from the Arkansas Department of Parks and Tourism.

Total travel expenditures

2011: \$5.687 billion
 2010: \$5.453 billion
 2009: \$5.377 billion
 2008: \$5.572 billion
 2007: \$5.368 billion

Total travel-generated payroll

2011: \$1.073 billion
 2010: \$1.029 billion
 2009: \$1.015 billion
 2008: \$1.052 billion
 2007: \$1.013 billion

Total travel generated employment

2011: 58,657
 2010: 58,336
 2009: 58,424
 2008: 59,677
 2007: 59,797

Number of visitors (person trips)

2011: 23.021 million
 2010: 22.770 million
 2009: 22.839 million
 2008: 23.815 million
 2007: 23.911 million

Average expenditure per person

2011: \$247.06
 2010: \$239.49
 2009: \$235.47
 2008: \$234.01
 2007: \$224.54

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