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Southeastern Tourism Continues Trekking to Health

Members of the Federal Reserve Bank of Atlanta's [Travel and Tourism Advisory Council](#) reported continued strength in this important sector at their October 9 meeting. They also expressed optimism regarding future prospects for regional tourism activity.

Members noted that most areas in the Southeast registered increases in hotel occupancy, daily rates, and state park visits. International travel continued to boost the region's overall tourism numbers. Council members continue to report an increase in international tourist activity in 2014 over 2013, primarily from Latin America and Europe, and they added that foreign visitors help drive retail sales in tourist destinations.

Once again, the council discussed capital expenditure projects across the region. Some areas continue to report construction activity in new hotels, sports venues, and other attractions, in addition to renovations of restaurants, hotels, and convention centers. Locations with recently completed construction projects are reporting additional visitors who wish to experience the newly opened venues.

Council members also discussed how expansion in the tourism sector has resulted in job growth. As in other sectors, application of technology has reduced the need for some labor resources. However, council members said that the need to create “experiences” for travelers requires a human touch, resulting in an additional need for workers as the sector expands and new venues open.

Some members expressed concerns about the challenges of finding skilled labor for specialized positions in technology, mathematics, engineering, and management, with some accompanying wage pressure in these specific positions. The part-time to full-time employee has remained stable for some time, with contract workers being used for specific projects.

Council members discussed concerns regarding economic disparity among potential travelers. This disparity is causing high-income individuals to travel more and spend more, and some middle-class people are unable to afford leisure travel. Ideally, members said, traveling and visiting family entertainment venues would be increasingly affordable to middle-class consumers.

Some council members stated that new businesses are emerging, citing rising levels of restaurant franchising. However, even though consumers are dining out, they said that the restaurant dining has not yet hit prerecession levels. In general, travel and tourism looks promising in the near term. With continued new developments in the sector, hopefully even more people will head south for their getaways.

By Marycela Diaz-Unzalu, a senior Regional Economic Information Network analyst at the Atlanta Fed's Miami Branch

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