

Pure Michigan is pure secrecy

Tourism program fights all efforts to check its improbable claims

By Michael D. LaFaive | April 2023

As travel bureaucrats and industry members gather in Grand Rapids for another “Pure Michigan Governor’s Conference On Tourism,” they are keeping a big secret from you. The Michigan Economic Development Corporation, which administers the state’s taxpayer-funded tourism promotion program, works to keep key data involving state tourism away from those who might question Pure Michigan’s effectiveness.

Pure Michigan is a public program, and the Michigan Economic Development Corporation has continually purchased reports to help brag about its own effectiveness. Unfortunately, the development corporation outsources its Pure Michigan return-on-investment estimates to third parties and, as a result, made it impossible to obtain from them relevant data under the Michigan Freedom of Information Act.

The Mackinac Center for Public Policy filed a lawsuit last year to compel the state to provide information used by Tourism Economics for its contribution to Pure Michigan’s return on investment figures. Tourism Economics is one of several contractors that contribute to the overall analysis.

The judge ruled against the Center on the grounds that the state did not possess the information we asked for and that the contractor could not be compelled to furnish it. Unfortunately, this decision quietly encourages the Michigan Economic

Development Corporation and other government agencies to offload much of their work onto outside contractors to avoid transparency.

Lansing politicians and state economic development seem to believe that

Michigan’s tourism promotion campaign is effective. Perhaps they are encouraged by reports purchased by the MEDC that make credulity-straining claims of effectiveness. One such report stated that Pure Michigan returned \$9.28 to the state treasury for every \$1 invested in it. The development corporation enthusiastically trumpeted the claim.

The contractors who develop these figures refuse to demonstrate how they obtain such results. One past contractor claimed its methods were proprietary. Tourism Economics has simply ignored the Mackinac Center’s repeated requests for specific

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data. The MEDC tacitly endorses this secrecy. The public deserves more transparency.

To revisit the question of Pure Michigan's effectiveness the Center filed a Freedom of Information Act request in 2020 in search of the information needed to do more specific calculations. This included a worksheet of data Tourism Economics uses for its contribution to Pure Michigan return-on-investment estimates. These data are reportedly fed into software called IMPLAN, which is used to help measure economic impacts. These statistics are vital to understanding how Pure Michigan cheerleaders can claim such high returns.

Unfortunately, the Michigan Economic Development Corporation stymied our efforts to obtain data at every turn, failing even to acknowledge some of the Center's requests. Eventually, the corporation punted the Center's key request by suggesting we contact Tourism Economics for help.

We did so, only to receive a response that did not acknowledge our request for worksheets involving data fed into IMPLAN. Repeated follow-ups resulted in no further responses from the firm.

What are Tourism Economics and the Michigan Economic Development Corporation trying to hide? The type of information we seek can usually fit on a single page of paper. If state officials believe the multi-million-dollar program is effective, why are they blocking requests for information?

The Mackinac Center has investigated Pure Michigan's efficacy before and in 2016 reported that for every \$1 million increase in state

tourism promotion the state received a bump in economic activity of just \$20,000 in the hotel and motel industry. This is a massive, negative return-on-investment. Accommodations were the best-performing of all the sectors we examined.

The state's official return-on-investment claims for 2023 may be released at the start of the Pure Michigan Governor's Conference on Tourism April 10. One can hope that this year's findings are more transparent than they have been in the past.

The Michigan Economic Development Corporation has a long history of program hyperbole and puffery. When challenged, its bureaucrats thwart information requests, spin-doctor and foot-drag. They should not be allowed to do so. Secrecy remains, despite a promise from Gov. Gretchen Whitmer to shine more light on the agency.

Some Lansing politicians want to push greater transparency for state government. Let's hope it includes easier access to the most basic information the state uses to justify its expensive programs.

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