

# The Wisconsin Visitor Industry

June 2022

Prepared for: Wisconsin Department of Tourism





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## INTRODUCTION

# PROJECT BACKGROUND

The travel sector is an integral part of the Wisconsin economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the state's future. How critical? In 2021, tourism supported jobs accounted for more than 4.7% of all jobs in the state.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for Wisconsin as it builds upon its tourism economy.

By establishing a baseline of economic impacts, the industry can track its progress over time.

To quantify the significance of the visitor economy in Wisconsin, Tourism Economics developed a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the visitor economy in terms of direct visitor spending, along with total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

## METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for the state of Wisconsin. The model traces the flow of visitor-related expenditures through the state's economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

Visitors included those who stayed in overnight accommodations or those who came from a distance greater than 50 miles and deviated from their normal routine.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis.

The analysis draws on the following data sources:

- Longwoods International: survey data, including spending and visitor profile characteristics for visitors to Wisconsin
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR lodging performance data, including room demand, room rates, occupancy, and room revenue, for hotels and short-term rentals.
- Tax collections: Lodging and sales tax receipts
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to Wisconsin based on aviation, survey, and credit card information



# ECONOMIC IMPACTS

## KEY FINDINGS

### DIRECT VISITOR SPENDING IMPACT

The Wisconsin visitor economy spans multiple industries. Day and overnight visitors support business in accommodations, food and beverage, recreation, retail shopping, local transportation and air travel. In 2021, total direct visitor spending tallied \$12.9 billion.



Note: Numbers may not add up due to rounding

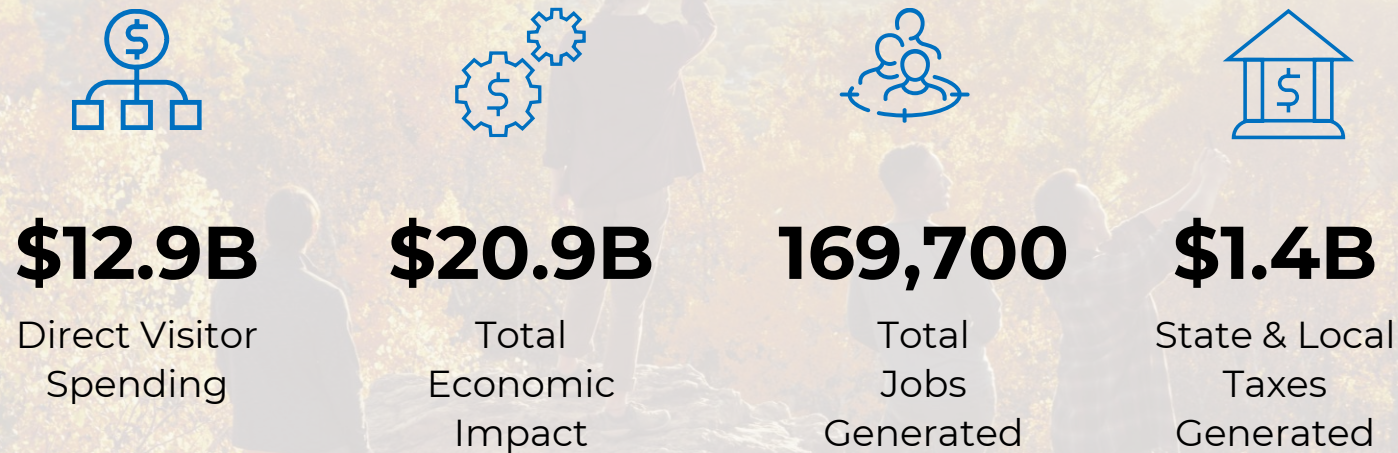
 **102.3 MILLION**  
Total Visitor-trips to Wisconsin in 2021

### TOTAL ECONOMIC IMPACT

The direct visitor spending impact of \$12.9 billion generated a total economic impact (total business sales) of \$20.9 billion in Wisconsin in 2021 including indirect and induced impacts. This economic activity sustained 169,700 jobs and generated \$1.4 billion in state and local tax revenues in 2021.

 **\$20.9 BILLION**  
Total Economic Impact of Tourism in Wisconsin in 2021

### SUMMARY ECONOMIC IMPACTS Wisconsin Tourism (2021)



# VISITOR INDICATOR TRENDS

The recovery in the visitor sector is readily seen in several indicators used in the analysis. And while the growth rates in 2021 of these indicators are higher than the pandemic losses of 2020, the levels of the indicators also show that the recovery is not complete as many key indicators remain below 2019 levels.

As reported by STR, lodging revenues increased by 73% in 2021. Revenues had fallen by 46% in 2020. Lodging demand, shown as room demand, increased 43% after falling by 36% in 2020. The increases in demand helped push prices, measured by average daily rate (ADR) up 22%.

The recovery in 2021 brought room demand to 91% of 2019 levels with revenue reaching 93% of 2019 levels. The increases in travel in 2021 have helped the industry climb back close to 2019 levels but, despite their size, were not enough to fully recovery from the pandemic losses of 2020.

Sales tax collections in key visitor-centric industries tell a similar story. Pandemic-related losses were significant, and while the rebound experienced in 2021 was strong, the gains were not enough for the state to fully recover.

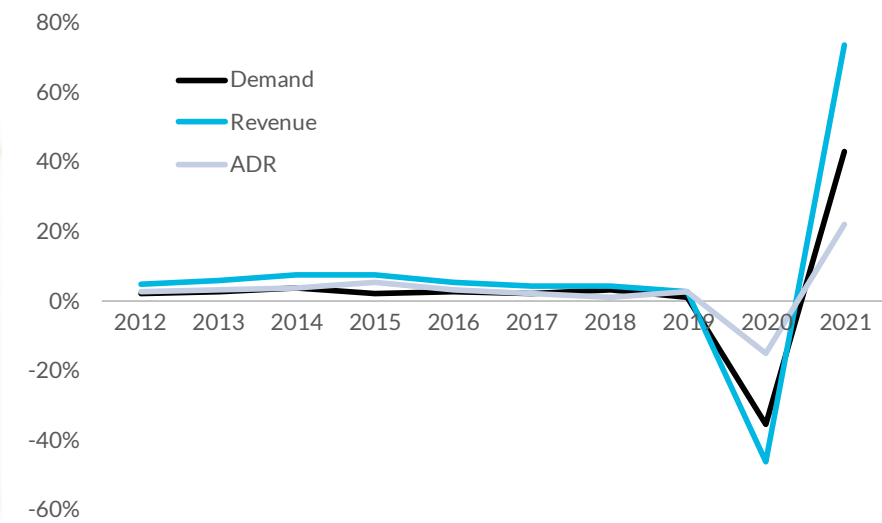
Lodging industry sales tax collections grew 64% in 2021 after being cut nearly in half in 2020. Collections in the industry have recovered to 84% of 2019 levels. Restaurant sales have nearly fully recovered with sales tax collections up 29% in 2021 and at 98% of pre-pandemic levels.

Recreational businesses, another area hard hit in the pandemic, bounced back in 2021, increasing by 62% and surpassing pre-pandemic levels.

While overall retail sales are above 2019 levels, retail sales in sectors more visitor centric, for example, souvenir stores, clothing and sporting goods stores, are at 97% of pre-pandemic levels.

## Lodging performance indicators

Annual percent change



Source: STR, Tourism Economics

\* Lodging includes second home spending

\*\* Transportation includes both ground and air transportation

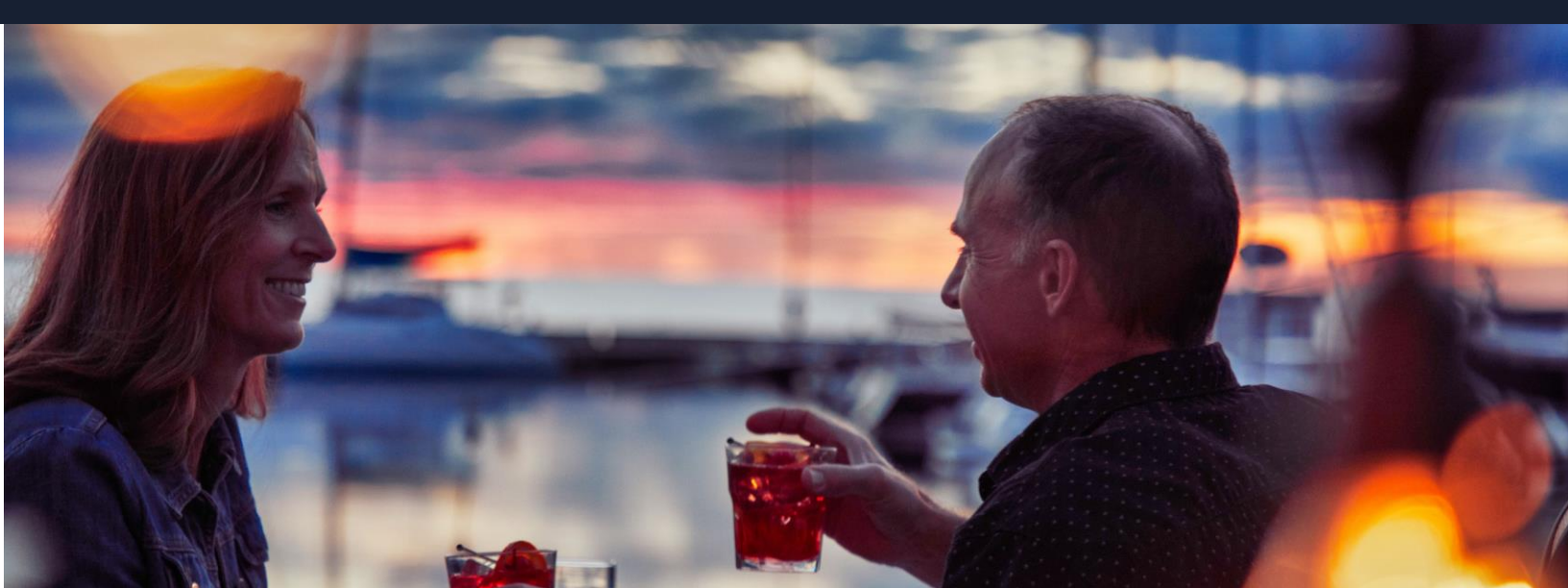
## Taxable sales in tourism-related industries

Annual percent change



Source: Wisconsin DOR, Tourism Economics





## VISITS & VISITOR SPENDING

Recovery was the big theme for the Wisconsin visitor results in 2021. With pandemic effects waning and barriers to travel lowering, people's desire and interest in travel pushed visitation and visitor spending growth to impressive levels. The recovery remained uneven in 2021 as COVID variants affected business and event-related travel. However, the results indicate that Wisconsin's attractions are still a key draw for leisure travelers.

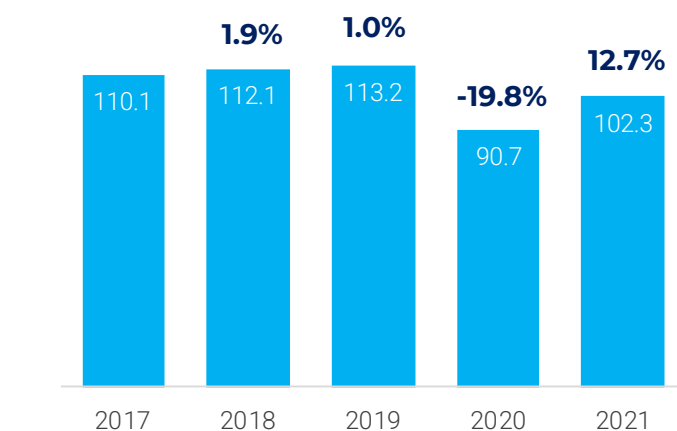
### VISITOR VOLUME

#### Recovery in 2021

In 2021, travel confidence rebounded with easing restrictions and vaccines. As a result, visitor volume growth was strong, registering a gain of 13% in 2021, with levels recovering to 90% of pre-pandemic levels.

#### Wisconsin visitor volume

Amounts in millions



Sources: Longwoods Int'l, Tourism Economics

### VISITOR SPENDING

Visitors to Wisconsin spent **\$12.9 billion** across a range of sectors in 2021.

With trips and prices both increasing, visitor spending jumped 31% in 2021. This growth has brought spending levels to 94% of 2019 levels.

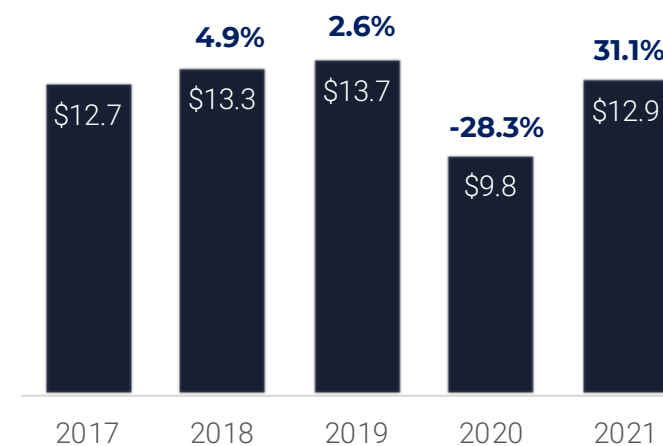
Lodging recaptured the largest spending category in 2021 with the 45% growth in the sector increasing visitor spending on lodging to \$3.5 billion in 2021.

Visitors spent 26.5% of the average visitor dollar on food & beverages – in businesses from restaurants to grocery stores to cheese shops.

Retail's \$2.6 billion in spending from visitors was 20.6% of the visitor dollar with transportation and recreation both seeing about 13% of each visitor dollar spent in Wisconsin in 2021.

#### Wisconsin visitor spending

Amounts in \$ billions



Sources: Longwoods Int'l, Tourism Economics

 **\$12.9 BILLION**  
Total Visitor Spending in 2021

-  **\$3.5B LODGING**  
Hotels, motels, private home rentals, second homes
-  **\$3.4B FOOD & BEVERAGE**  
Full-service restaurants, fast food, convenience stores, bars, grocery stores
-  **\$2.6B RETAIL**  
Souvenirs, general merchandise, malls, shopping centers
-  **\$1.7B TRANSPORTATION**  
Taxis, buses, parking, public transportation, car rentals, gasoline
-  **\$1.6B REC/ENTMT**  
Theaters, amusements, entertainment venues, recreation, personal services

Source: Tourism Economics

Note: Lodging spending is calculated as an industry. Spending also includes dollars spent on second homes. Transportation includes both air and local transportation.

## VISITOR SPENDING TRENDS

Visitor spending increased by 31% in 2021, a bounce back after significant declines in 2020. Spending grew across all sectors, driven by strong visitation growth and increases in prices of key commodities, especially in transportation, lodging, and food and beverage. Average room rates at hotels in the state increased 22%, and gas prices surged 40%. Visitor spending reached 94% of 2019 levels in 2021.

The strongest growth was seen in the categories that had been hardest hit during the pandemic – lodging and recreation/entertainment. Lodging spending increased by 45% after a fall of 35% in 2020. With the strong increase in 2021, lodging spending is only about 6% below 2019 levels.

Spending on recreational and entertainment activities grew nearly 35% in 2021, bringing this spending sector back to 84% of pre-pandemic levels. Recreational/entertainment spending remains about \$300 million below 2019 levels, the largest gap among the spending categories.

## VISITOR SEGMENTS

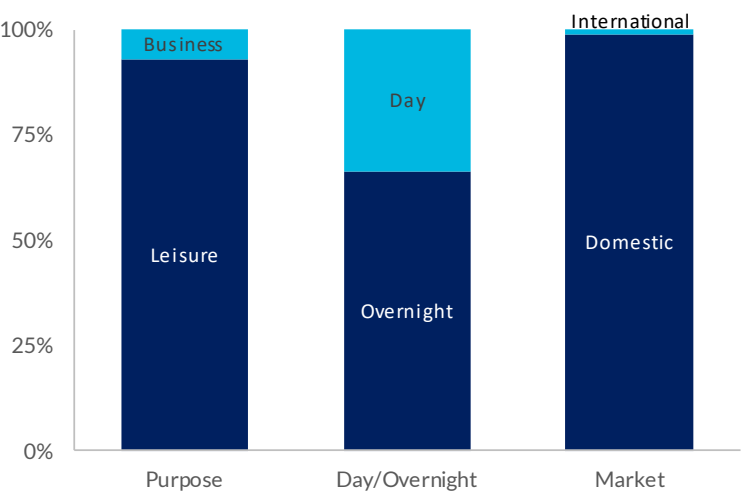
Spending by overnight visitors reached \$8.5 billion in 2021. With 40 million overnight person-trips in Wisconsin, spending by an overnight visitor grew to \$213 per-person trip.

Day spending grew to \$4.3 billion in 2021.

With higher-spending overnight travel increasing along with rising prices factoring in, per visitor spending grew to \$126 in 2021, up from \$108 in 2020.

### Wisconsin visitation share by segment

Percent % of total visitation by market



### Wisconsin visitor spending and annual growth

Amounts in \$millions, 2021 % change, and % recovered relative to 2019

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Total visitor spending	\$12,694	\$13,319	\$13,668	\$9,804	\$12,856	31.1%	94.1%
Lodging*	\$3,441	\$3,583	\$3,683	\$2,407	\$3,491	45.1%	94.8%
Food & beverage	\$3,310	\$3,427	\$3,549	\$2,622	\$3,407	29.9%	96.0%
Retail	\$2,511	\$2,634	\$2,690	\$2,222	\$2,647	19.1%	98.4%
Rec/Entertainment	\$1,718	\$1,862	\$1,948	\$1,221	\$1,642	34.5%	84.3%
Transportation**	\$1,714	\$1,812	\$1,798	\$1,331	\$1,669	25.4%	92.8%

Source: Tourism Economics

\* Lodging includes second home spending

\*\* Transportation includes both ground and air transportation

### Visitor volume and spending

Amounts in mils of persons, \$mil, and \$ per person

	2017	2018	2019	2020	2021
Total visitors	110.1	112.1	113.2	90.7	102.3
Day	68.6	69.7	70.4	58.5	62.3
Overnight	41.4	42.4	42.8	32.3	39.9
Total visitor spending	\$12,694	\$13,319	\$13,668	\$9,804	\$12,856
Day	\$4,406	\$4,778	\$4,839	\$4,070	\$4,335
Overnight	\$8,288	\$8,541	\$8,829	\$5,733	\$8,522
Per visitor spending	\$115	\$119	\$121	\$108	\$126
Day	\$64	\$69	\$69	\$70	\$70
Overnight	\$200	\$201	\$206	\$178	\$213

Source: Tourism Economics

## VISITOR SPENDING DISTRIBUTION - LEVELS

Visitor spending in 2021 increased in all the major spending categories, led by lodging and food & beverage spending. Lodging spending by visitors increased by more than \$1 billion in 2021, reaching \$3.5 billion. Lodging spending is now at 95% of pre-pandemic (2019) levels.

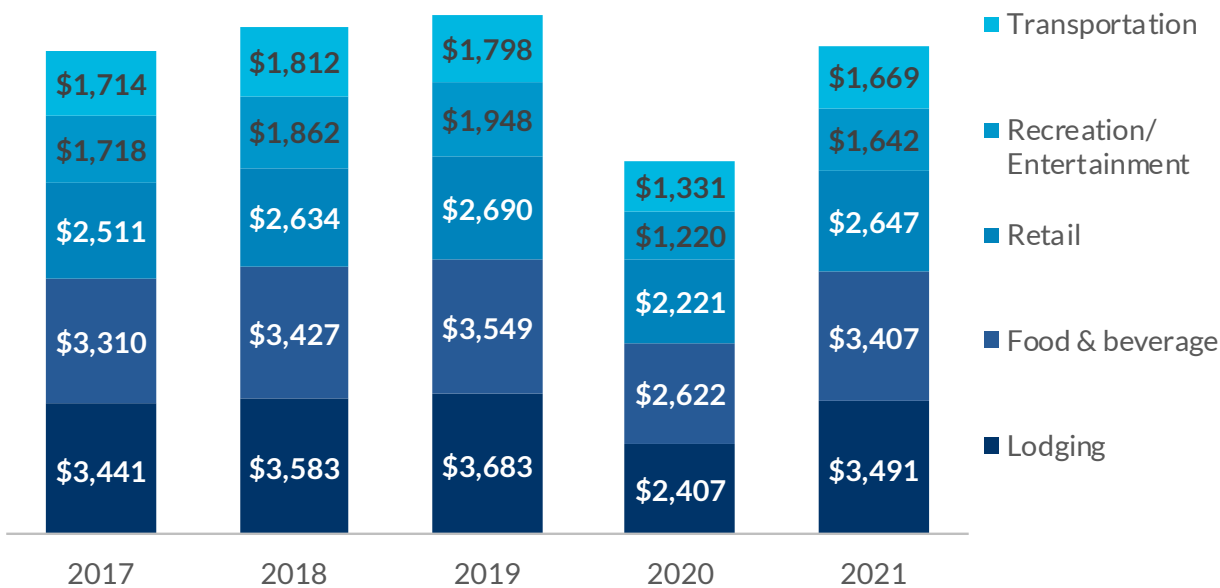
Spending by visitors at restaurants, bars and grocery stores grew by nearly \$800 million in 2021. After a pandemic-low of \$2.6 billion in food & beverage sales in 2020, visitors spent \$3.4 billion at those businesses in 2021.

Spending on recreational and entertainment activities had been hardest hit during the pandemic as closures and limitations on events affected attendance and revenues. Recreational spending increased by over \$400 million in 2021 to reach \$1.6 billion, 84% of 2019 levels after falling to 62% of 2019 levels in 2020.

Retail spending by visitors, having had the smallest impact from the pandemic, is nearly at pre-pandemic levels, only \$40 million shy of 2019 levels.

### Visitor Spending in Wisconsin, 2017-2021

By category, amounts in millions of \$



Source: Tourism Economics

\* Lodging includes second home spending

\*\* Transportation includes both ground and air transportation

## VISITOR SPENDING DISTRIBUTION - SHARES

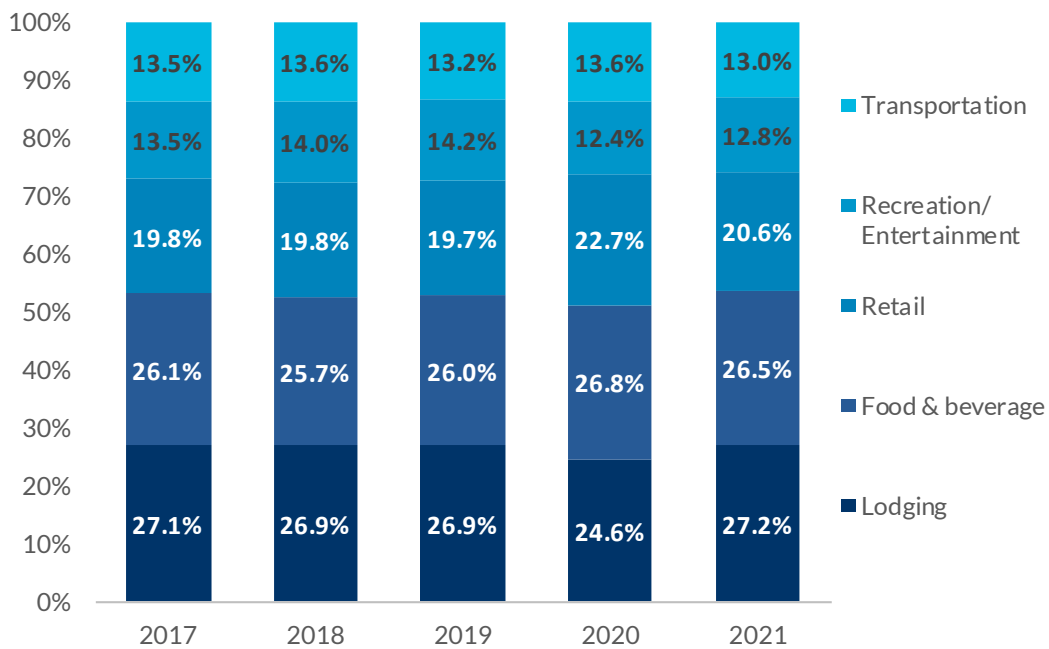
Spending shares moved back towards pre-pandemic levels as travel started to return to more normal conditions. After falling to less than a quarter of each visitor dollar, lodging spending rose to 27.2% of each visitor dollar in 2021, in line with pre-pandemic levels.

Retail shopping by visitors dropped back to 20.6% of the average visitor dollar in 2021 after reaching nearly 23 cents in 2020. Pre-pandemic retail spending was less than 20 cents of each visitor dollar as retail continues to be a more important sector of visitor spending in recent years.

The share of the visitor dollar dedicated to recreational and entertainment endeavors remains subdued compared to pre-pandemic levels. Recreational activities attracted 12.8% of each visitor dollar in 2021, a 0.4 percentage point increase over 2020's share but still almost 1.5 percentage points lower than pre-pandemic levels.

### Visitor Spending Shares in Wisconsin, 2017-2021

By category, %



Source: Tourism Economics



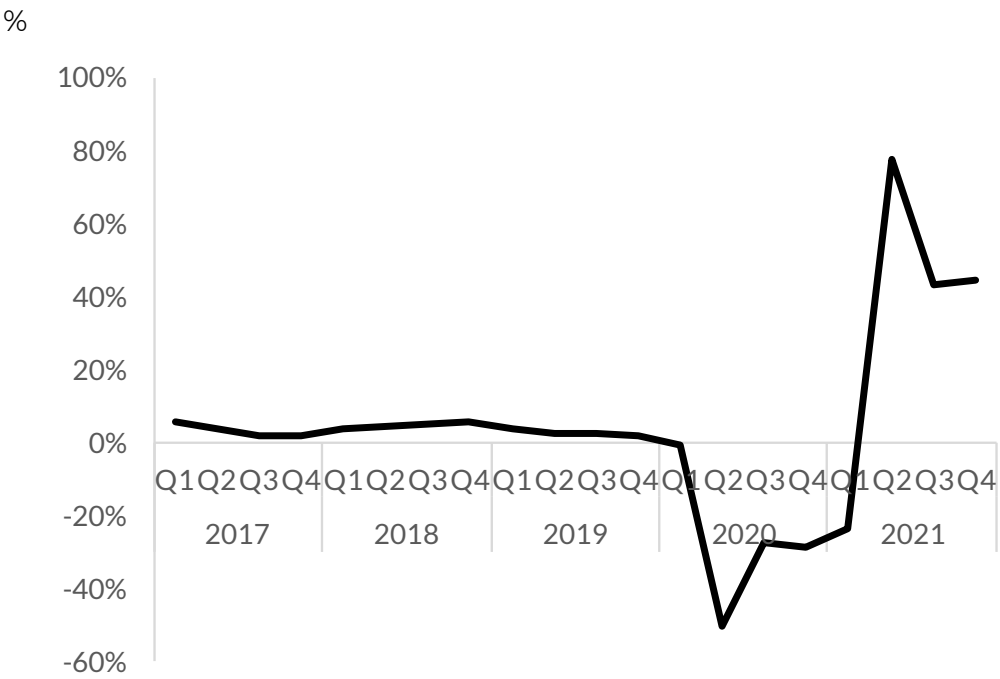
VISITOR SPENDING SEASONALITY

Annual results show the spending recovery in Wisconsin in 2021 was strong. Breaking up the year into quarters shows that the recovery was not even throughout the year. With the pandemic having its major impacts starting in March of 2020 in the United States, Q1 in 2021 was compared with a mostly pre-pandemic quarter in 2020. Spending fell 23% in Q1 of 2021, the fourth quarter of declines.

Much of the country was shut down in Q2 of 2020, helping visitor spending in Q2 of 2021 to grow 78%. The \$3.1 billion spent in Q2 of 2021 is still significantly below pre-pandemic visitor spending.

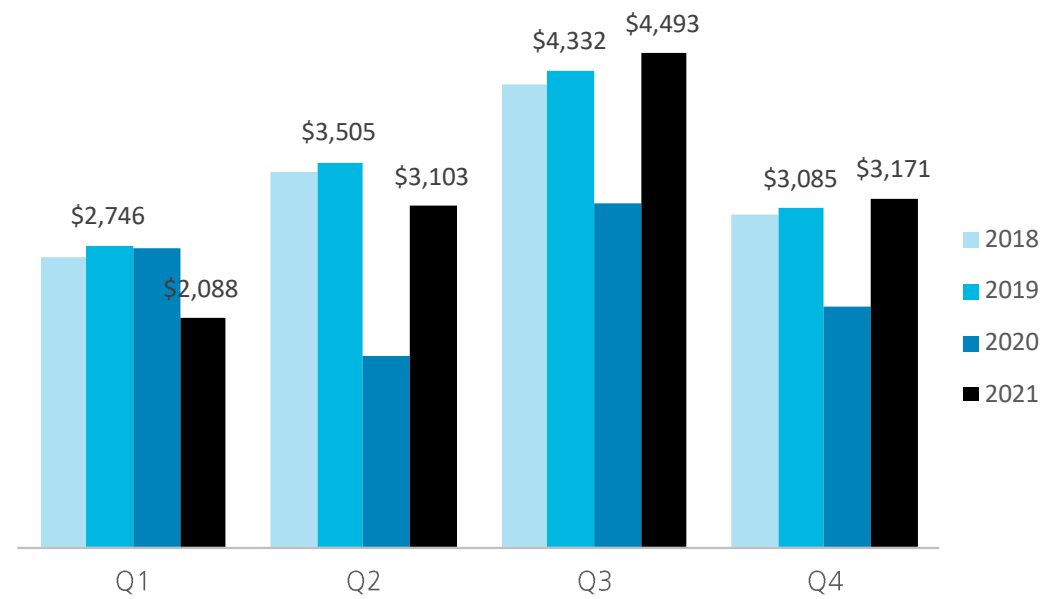
Visitor spending in Wisconsin outpaced pre-pandemic spending in the latter half of 2021 with both Q3 and Q4 visitor spending levels above 2019 results in similar quarters. Both quarters grew over 40% over 2020 results.

Wisconsin year-over-year growth rates



Wisconsin quarterly visitor spending, 2018-2021

Amounts in millions of \$, 2019 & 2021 values



Source: Tourism Economics

Visitor Spending by quarter

Amounts in millions of \$

	Q1	Q2	Q3	Q4
2017	\$2,545	\$3,256	\$4,028	\$2,865
2018	\$2,649	\$3,411	\$4,223	\$3,036
2019	\$2,746	\$3,505	\$4,332	\$3,085
2020	\$2,726	\$1,743	\$3,141	\$2,194
2021	\$2,088	\$3,103	\$4,493	\$3,171
% Change	-23.4%	78.1%	43.1%	44.5%

Source: Tourism Economics





# ECONOMIC IMPACT METHODOLOGY

Our analysis of the Wisconsin visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Wisconsin economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

## ECONOMIC IMPACT FRAMEWORK

### DIRECT IMPACTS

Wisconsin tourism's contribution measured visitor spending



RETAIL



REC/ENTERTAINMENT



FOOD & BEVERAGE



TRANSPORTATION



LODGING

### INDIRECT IMPACTS

Purchases of inputs from suppliers  
Suppliers' own supply chains



SUPPLY  
CHAIN  
EFFECTS



B2B GOODS &  
SERVICES  
PURCHASED

### INDUCED IMPACTS

Consumer spending out of  
employees' wages:



INCOME  
EFFECT



HOUSEHOLD  
CONSUMPTION

### TOTAL IMPACTS

Direct, indirect, and  
induced impacts



SALES



GDP



JOBS



INCOME



TAXES





# ECONOMIC IMPACT FINDINGS

## BUSINESS SALES IMPACTS

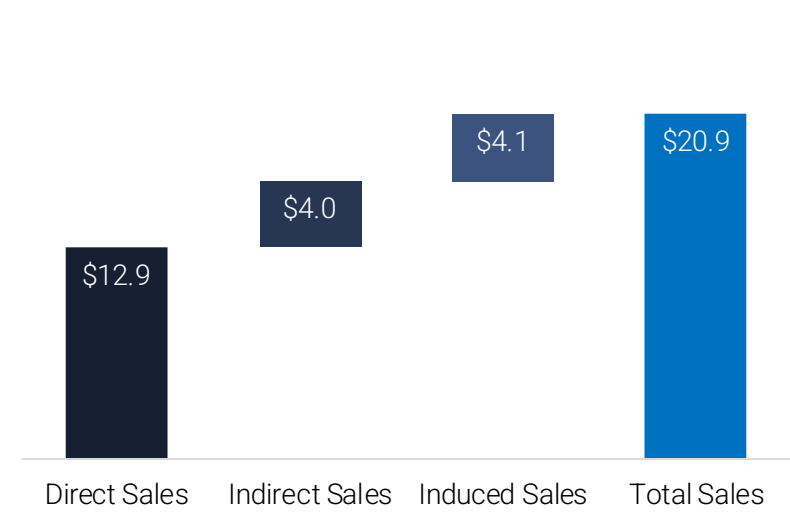
Spending on hotel rooms, restaurant meals, recreational activities and for shopping and transportation services by visitors reached \$12.9 billion in 2021. This direct impact of \$12.9 billion generated \$4.0 billion business sales in indirect impacts and another \$4.1 billion in induced impacts, resulting in a total economic impact of \$20.9 billion in the Wisconsin economy, 21% more than a year earlier.

The indirect and induced effects add a total of \$8.1 billion in sales for businesses located in Wisconsin.

Significant benefits accrue in sectors like finance, insurance, and real estate, and business services, education & health care.

Summary Economic impacts (2021)

Amounts in billions of nominal dollars



Source: Tourism Economics

Note: Numbers may not add up due to rounding

## Business sales impacts by industry (2021)

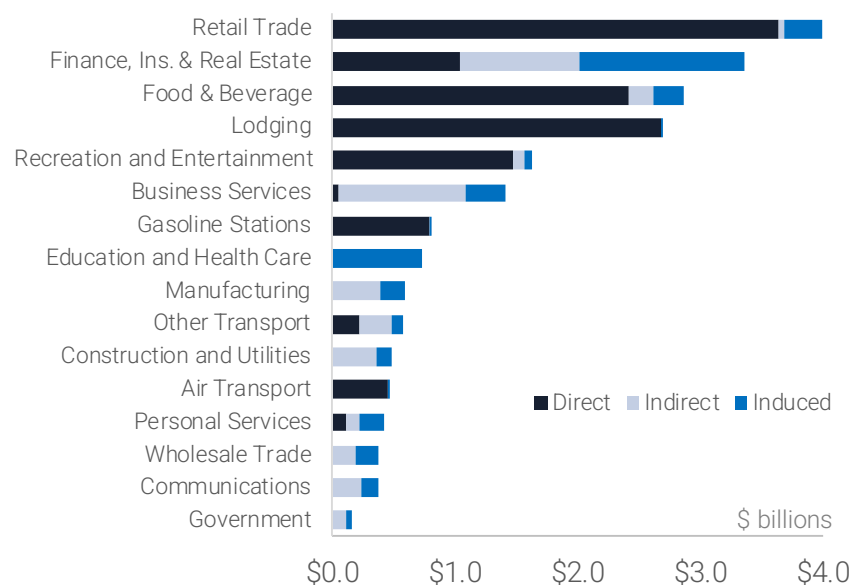
Amounts in millions of nominal dollars

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$12,856.3	\$4,017.3	\$4,055.2	\$20,928.7
Retail Trade	\$3,635.4	\$58.8	\$300.6	\$3,994.8
Finance, Ins. & Real Estate	\$1,020.2	\$966.8	\$1,349.8	\$3,336.8
Food & Beverage	\$2,418.8	\$197.3	\$253.9	\$2,870.0
Lodging	\$2,678.0	\$1.1	\$1.4	\$2,680.6
Recreation and Entertainment	\$1,477.9	\$84.2	\$60.6	\$1,622.8
Business Services	\$49.3	\$1,030.7	\$324.1	\$1,404.1
Gasoline Stations	\$791.2	\$1.9	\$16.1	\$809.2
Education and Health Care		\$9.0	\$718.9	\$727.8
Manufacturing		\$394.2	\$196.4	\$590.6
Other Transport	\$219.1	\$256.8	\$97.3	\$573.2
Construction and Utilities		\$361.1	\$123.1	\$484.2
Air Transport	\$451.4	\$5.4	\$8.3	\$465.1
Personal Services	\$114.9	\$109.3	\$201.1	\$425.3
Wholesale Trade		\$182.4	\$191.3	\$373.7
Communications		\$232.8	\$139.7	\$372.5
Government		\$102.1	\$54.9	\$157.1
Agriculture, Fishing, Mining		\$23.3	\$17.6	\$40.9

Source: Tourism Economics

## Visitor economy business sales impacts by industry (2021)

Amounts in billions of nominal dollars



Source: Tourism Economics

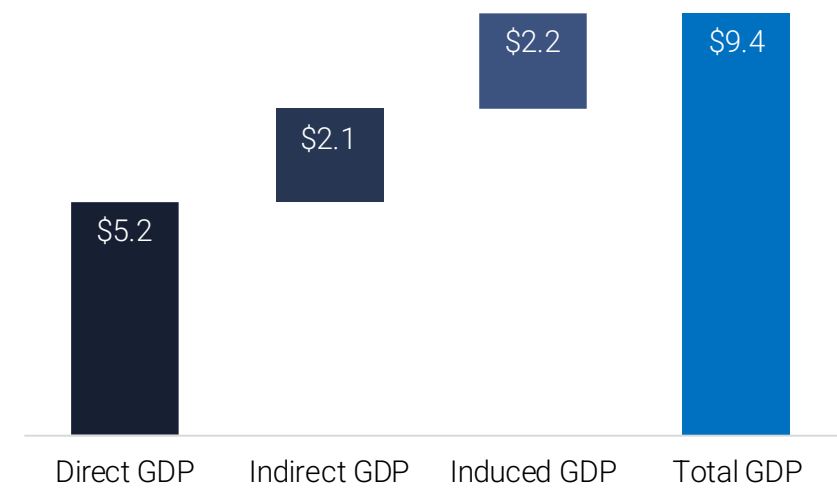


# VALUE ADDED IMPACTS

The value of all visitor-supported goods & services produced in Wisconsin in 2021 for Wisconsin visitors grew to \$9.4 billion, increasing by 15% in 2021.

## Summary value-added impacts (2021)

Amounts in billions of nominal dollars



Source: Tourism Economics

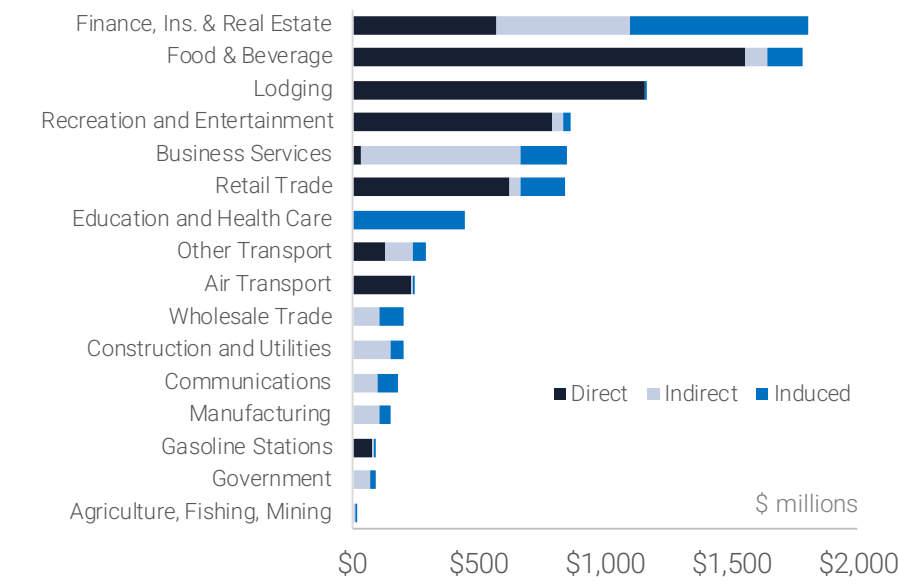
Note: Numbers may not add up due to rounding

The locally produced portion of visitor-supported sales in the finance & real estate industries and the restaurant industry each added nearly \$1.8 billion to state GDP in 2021.

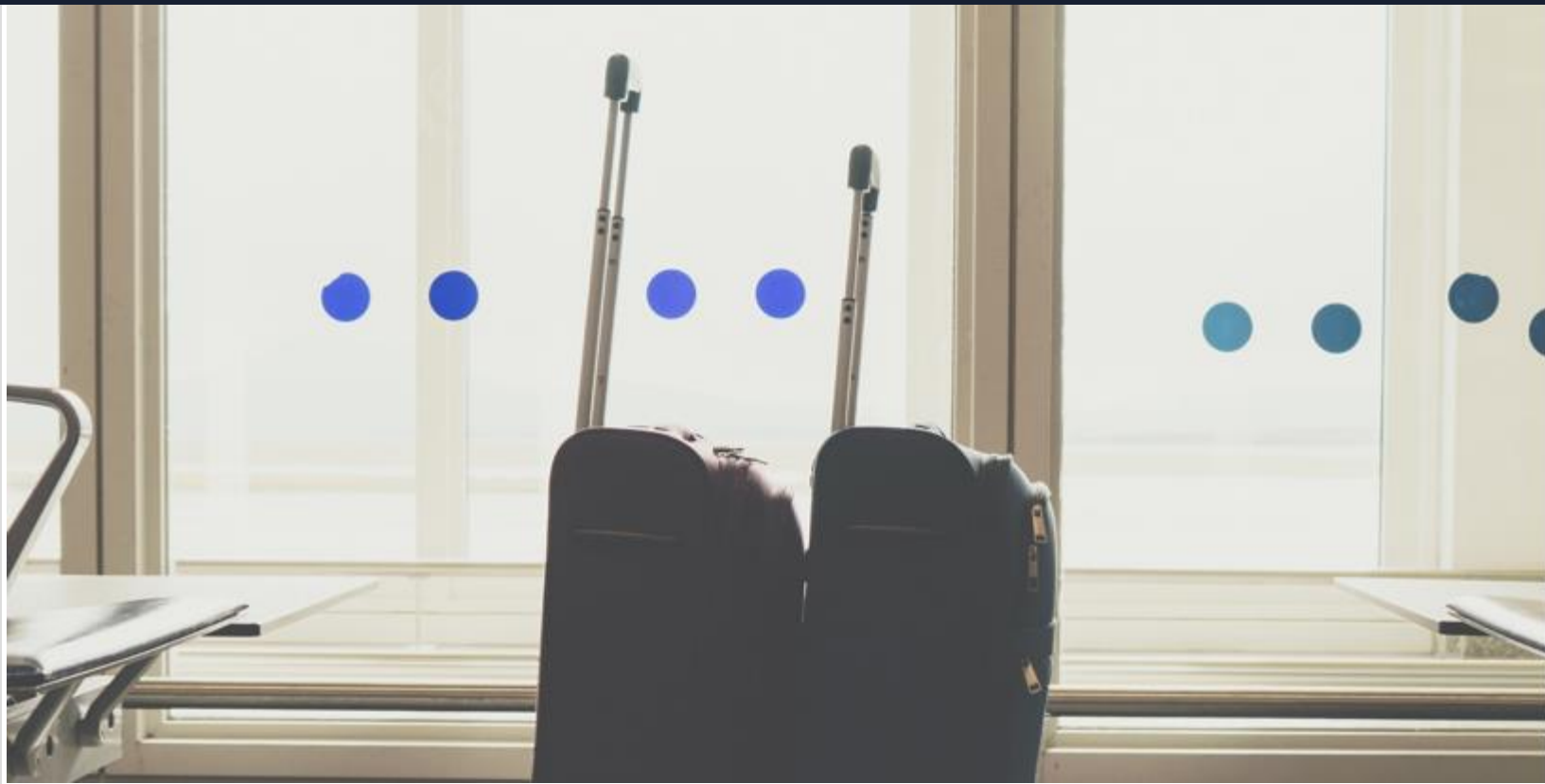
Spending by visitor-supported workers supported \$440 in GDP contribution in the education and health care industries, showing how visitor activity supports businesses across the industrial spectrum.

## Visitor value-added impacts by Industry (2021)

Amounts in millions of nominal dollars



Source: Tourism Economics

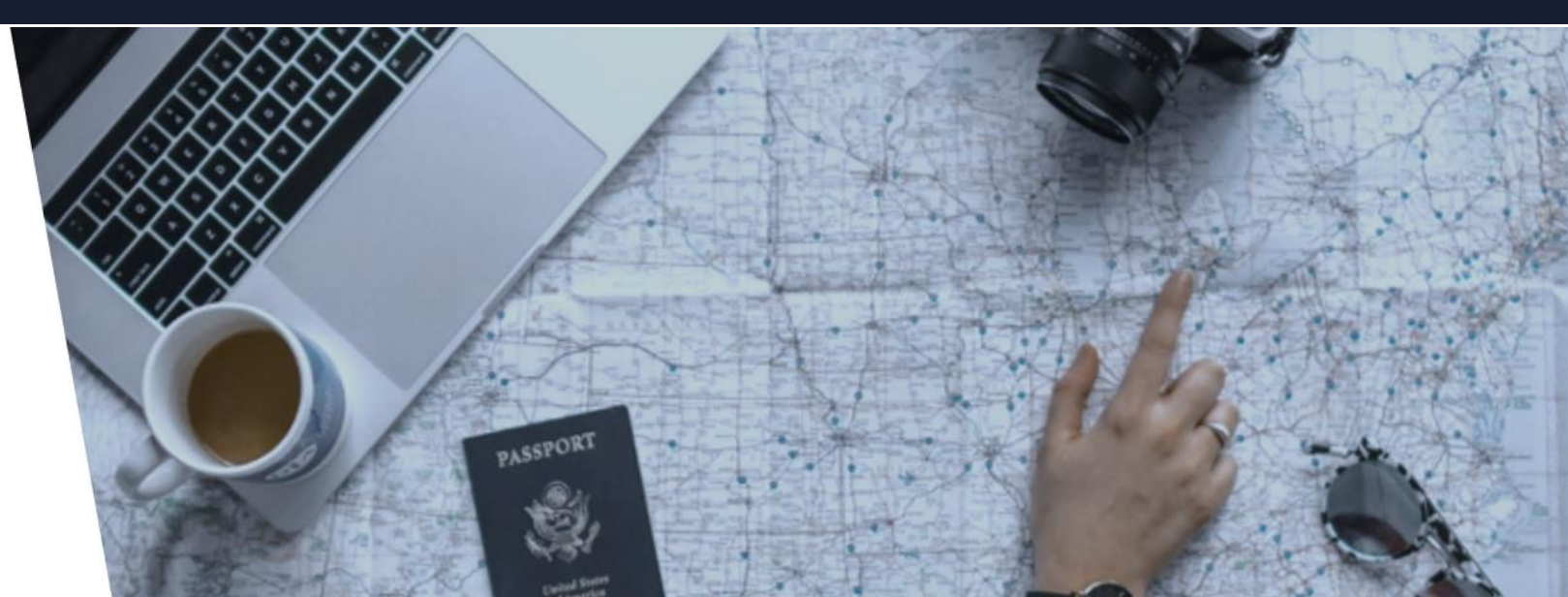


## Summary value-added impacts by industry (2021)

Amounts in millions of nominal dollars

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$ 5,228.9	\$ 2,066.5	\$ 2,150.6	\$ 9,445.9
Finance, Ins. & Real Estate	\$ 568.9	\$ 531.2	\$ 698.5	\$ 1,798.6
Food & Beverage	\$ 1,555.1	\$ 88.3	\$ 137.9	\$ 1,781.2
Lodging	\$ 1,152.7	\$ 0.6	\$ 0.6	\$ 1,154.0
Recreation and Entertainment	\$ 787.0	\$ 47.9	\$ 29.8	\$ 864.7
Business Services	\$ 32.5	\$ 628.6	\$ 187.2	\$ 848.3
Retail Trade	\$ 619.2	\$ 43.0	\$ 180.9	\$ 843.0
Education and Health Care	-	\$ 4.6	\$ 437.4	\$ 442.1
Other Transport	\$ 131.1	\$ 109.7	\$ 48.2	\$ 288.9
Personal Services	\$ 72.2	\$ 72.1	\$ 113.6	\$ 257.9
Air Transport	\$ 231.9	\$ 2.8	\$ 3.7	\$ 238.4
Wholesale Trade	-	\$ 104.6	\$ 96.8	\$ 201.4
Construction and Utilities	-	\$ 150.2	\$ 50.4	\$ 200.6
Communications	-	\$ 100.0	\$ 79.3	\$ 179.3
Manufacturing	-	\$ 105.1	\$ 42.2	\$ 147.3
Gasoline Stations	\$ 78.5	\$ 2.7	\$ 11.2	\$ 92.4
Government	-	\$ 65.2	\$ 25.4	\$ 90.6
Agriculture, Fishing, Mining	-	\$ 9.9	\$ 7.4	\$ 17.3

Source: Tourism Economics



## ECONOMIC IMPACT FINDINGS

### EMPLOYMENT - DIRECT IMPACTS

The evaluation of the direct impact of visitor activity allows for comparisons and rankings against other industries.

Employment directly supported by visitor activity rose 10.3% in 2021, rebounding to nearly 118,500 jobs. The number of jobs jumped by more than 11,000 in 2021. Despite the increase, the number of jobs directly supported by visitors remains 26,200 jobs below pre-pandemic levels.

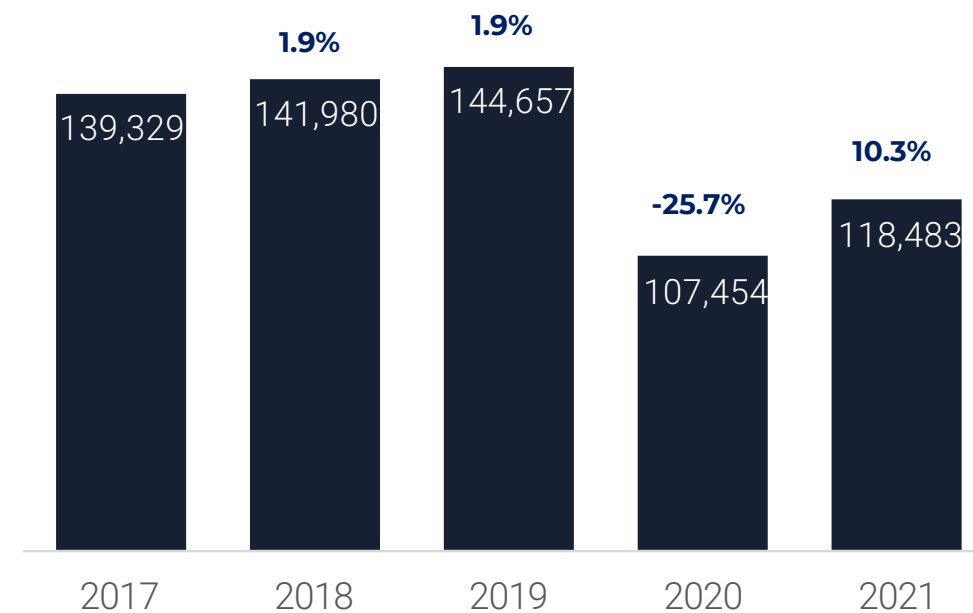
Job growth in key industries in 2021 was strong, reaching 12% in lodging, 9% in the restaurant industry and 18% in recreational businesses. Employment growth in retail and transportation industries were positive but only in the 3-5% ranges, limiting visitor-supported employment growth.

Recovery in visitor-supported jobs has been slower than spending, with visitor-supported employment levels at 82% of pre-pandemic levels compared to 94% of spending.

Comparing employment levels, were direct visitor-supported employment to be ranked against other industries, tourism would rank 13<sup>th</sup> in the state.

### Employment directly supported by visitor spending in Wisconsin

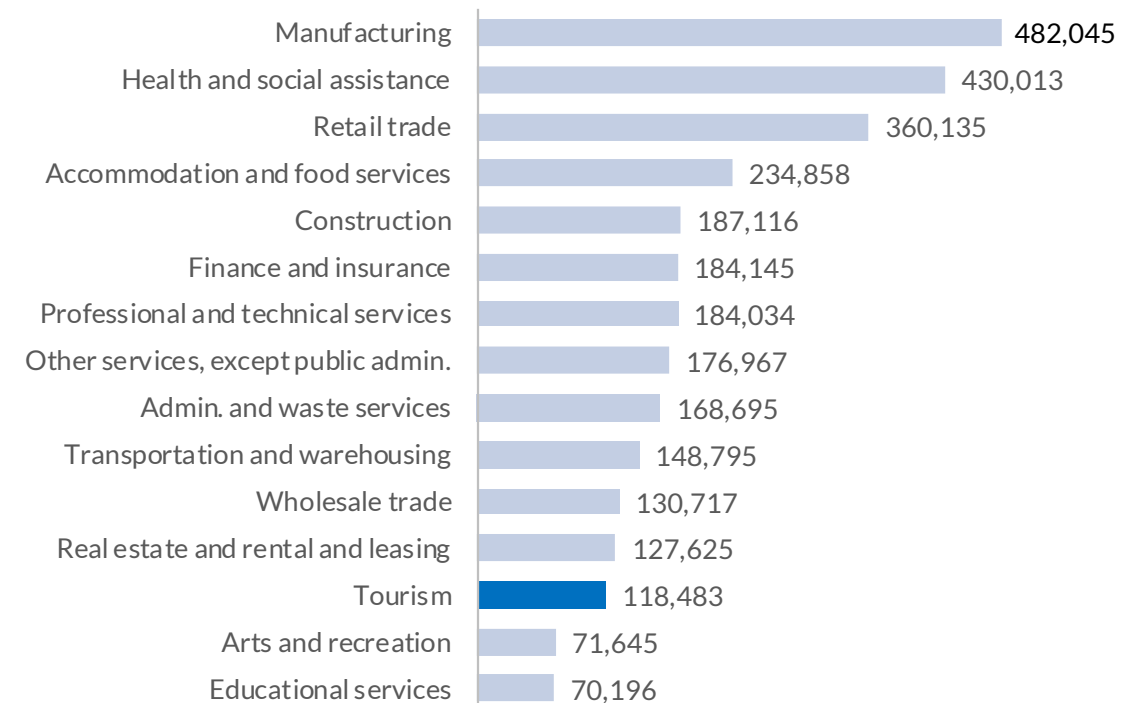
Amounts in number of jobs



Source: Tourism Economics

### Employment in Wisconsin, by major industry

Amounts in number of jobs, direct jobs for Tourism



Source: Tourism Economics

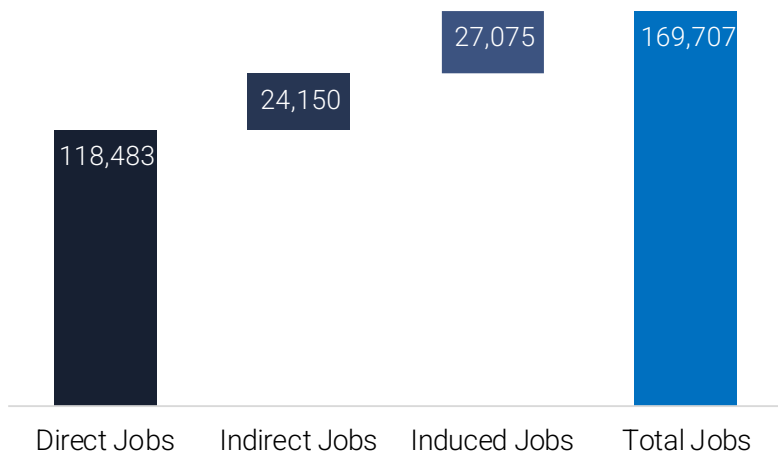


EMPLOYMENT – TOTAL IMPACTS

Visitor activity sustained 118,500 direct jobs in 2021, with an additional 51,200 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to more than 169,700 in 2021, one of every twenty-one jobs in the state

Summary employment impacts (2021)

Amounts in number of jobs



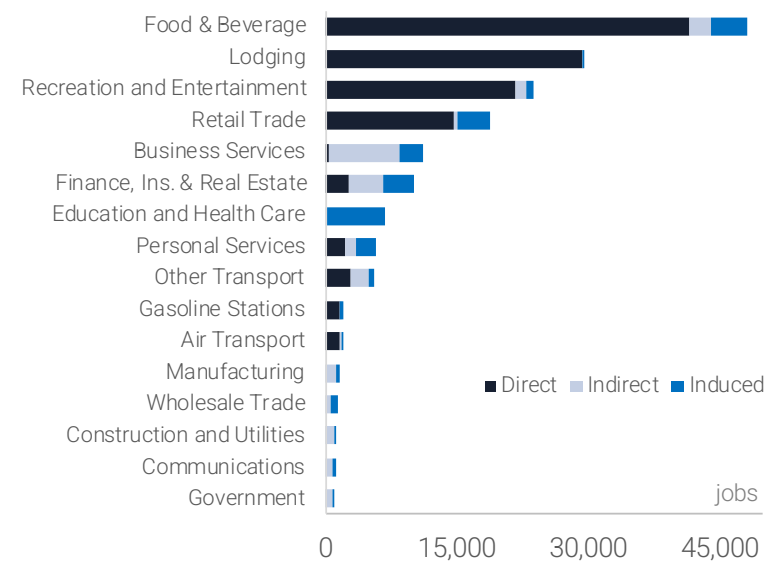
Source: Tourism Economics

Visitor spending supports the largest number of jobs in the food & beverage industry (48,058).

Spending by businesses directly impacted by visitor spending supports more than 8,100 jobs in the business services industry – in areas like accounting, advertising and building services.

Visitor job Impacts by industry (2021)

Amounts in number of jobs



Source: Tourism Economics



Summary employment Impacts by industry (2021)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	118,483	24,150	27,075	169,707
Food & Beverage	41,530	2,477	4,051	48,058
Lodging	29,303	29	25	29,358
Recreation and Entertainment	21,640	1,290	826	23,757
Retail Trade	14,577	431	3,670	18,678
Business Services	399	8,104	2,519	11,022
Finance, Ins. & Real Estate	2,581	4,041	3,481	10,103
Education and Health Care	-	104	6,723	6,827
Personal Services	2,222	1,208	2,286	5,716
Other Transport	2,923	1,900	777	5,600
Gasoline Stations	1,608	32	270	1,909
Air Transport	1,700	15	24	1,739
Manufacturing	-	1,101	459	1,560
Wholesale Trade	-	627	781	1,407
Construction and Utilities	-	959	312	1,270
Communications	-	799	374	1,174
Government	-	750	289	1,038
Agriculture, Fishing, Mining	-	283	207	490

Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$3.2 billion in direct labor income and a total of \$5.8 billion when including indirect and induced impacts. Total tourism-generated income in Wisconsin in 2021 rebounded 13% above 2020, \$650 million more in income to Wisconsin households.

Summary labor income impacts (2021)

Amounts in millions of nominal dollars

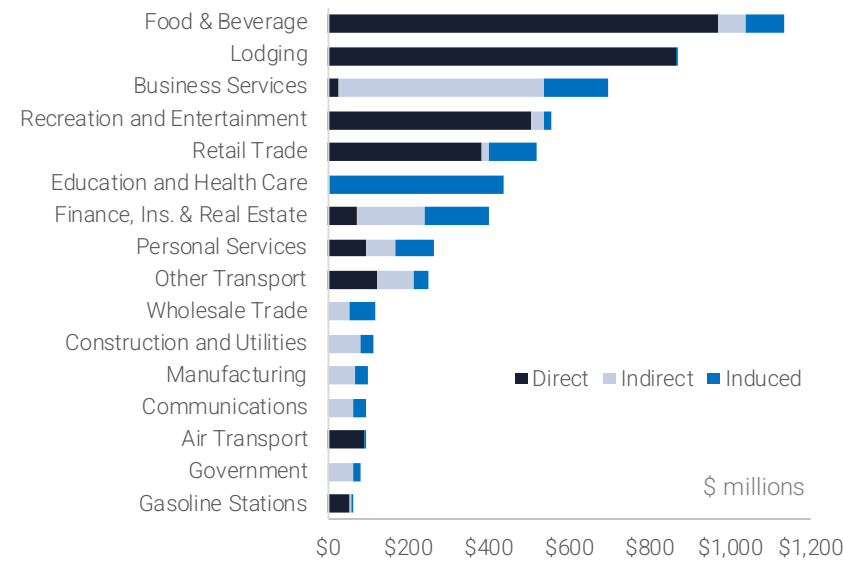


Source: Tourism Economics

There are nine industries in which visitor activity supports more than \$250 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and education & healthcare.

Visitor labor income Impacts by industry (2021)

Amounts in millions of nominal dollars



Source: Tourism Economics



Summary labor income impacts (2021)

Amounts in millions of nominal dollars

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$3,187.9	\$1,289.0	\$1,321.3	\$5,798.3
Food & Beverage	\$ 970.8	\$67.2	\$97.7	\$1,135.7
Lodging	\$ 864.2	\$0.5	\$0.5	\$865.2
Business Services	\$ 27.8	\$509.3	\$158.3	\$695.4
Recreation and Entertainment	\$ 507.3	\$29.4	\$18.9	\$555.5
Retail Trade	\$ 380.4	\$18.2	\$122.3	\$520.9
Education and Health Care	-	\$4.3	\$434.3	\$438.6
Finance, Ins. & Real Estate	\$ 72.8	\$165.4	\$161.1	\$399.4
Personal Services	\$ 96.7	\$68.9	\$98.6	\$264.1
Other Transport	\$ 122.5	\$92.6	\$35.8	\$251.0
Wholesale Trade	-	\$52.8	\$62.2	\$115.0
Construction and Utilities	-	\$82.4	\$30.3	\$112.7
Manufacturing	-	\$68.2	\$29.6	\$97.8
Communications	-	\$61.2	\$34.2	\$95.4
Air Transport	\$ 90.5	\$1.0	\$1.5	\$92.9
Government	-	\$60.6	\$22.1	\$82.8
Gasoline Stations	\$ 55.0	\$1.1	\$8.2	\$64.3
Agriculture, Fishing, Mining	-	\$6.0	\$5.7	\$11.7

Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

**FISCAL (TAX) IMPACTS**

Visitor spending, visitor supported jobs, and business sales generated \$2.6 billion in government revenues.

State and local taxes alone tallied \$1.4 billion in 2021.

Each household in Wisconsin would need to be taxed an additional \$580 to replace the visitor-generated taxes received by Wisconsin state and local governments in 2021.

**Fiscal (tax) impacts**

Amounts in millions of nominal dollars

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
<b>Total Tax Revenues</b>	<b>\$2,742.0</b>	<b>\$2,832.1</b>	<b>\$2,905.8</b>	<b>\$2,229.5</b>	<b>\$2,601.2</b>	<b>16.7%</b>	<b>89.5%</b>
<b>Federal Taxes</b>	<b>\$1,194.6</b>	<b>\$1,243.7</b>	<b>\$1,288.9</b>	<b>\$1,064.3</b>	<b>\$1,212.9</b>	<b>14.0%</b>	<b>94.1%</b>
Personal Income	\$271.9	\$283.8	\$295.2	\$271.1	\$330.1	21.7%	111.8%
Corporate	\$113.9	\$117.5	\$120.2	\$88.9	\$100.0	12.5%	83.2%
Indirect Business	\$145.9	\$150.5	\$154.0	\$108.4	\$115.5	6.6%	75.0%
Social Insurance	\$662.8	\$691.8	\$719.5	\$595.9	\$667.3	12.0%	92.8%
<b>State and Local Taxes</b>	<b>\$1,547.4</b>	<b>\$1,588.3</b>	<b>\$1,616.9</b>	<b>\$1,165.2</b>	<b>\$1,388.2</b>	<b>19.1%</b>	<b>85.9%</b>
Sales	\$568.4	\$584.9	\$594.6	\$420.6	\$475.9	13.1%	80.0%
Bed Tax	\$112.5	\$117.6	\$120.8	\$68.0	\$118.6	74.5%	98.2%
Personal Income	\$130.4	\$136.1	\$141.5	\$114.6	\$147.8	28.9%	104.4%
Corporate	\$157.6	\$163.9	\$168.9	\$79.9	\$82.0	2.6%	48.5%
Social Insurance	\$12.3	\$12.8	\$13.3	\$8.7	\$7.5	-14.7%	56.0%
Excise and Fees	\$136.4	\$141.1	\$144.5	\$56.3	\$63.2	12.2%	43.7%
Property	\$429.9	\$432.0	\$433.3	\$417.1	\$493.4	18.3%	113.9%

Source: Tourism Economics





ECONOMIC IMPACT FINDINGS

**FISCAL (TAX) IMPACTS**

Visitor spending, visitor supported jobs, and business sales generated \$1.4 billion for state and local governments in 2021.

Local governments received \$700 million in tax revenues from visitor activities with property taxes and bed taxes the largest revenue streams. Tax revenues grew by \$135 million.

The state received \$690 million from the economic activity related to visitors. Tax revenues grew by more than \$85 million with sales tax and income tax receipts making up the majority of state revenues.

**Fiscal (tax) impacts**

Amounts in millions of nominal dollars

	2017	2018	2019	2020	2021
<b>State &amp; Local Revenues</b>	<b>\$1,547.4</b>	<b>\$1,588.3</b>	<b>\$1,616.9</b>	<b>\$1,165.2</b>	<b>\$1,388.2</b>
<b>State Taxes</b>	<b>\$851.0</b>	<b>\$879.7</b>	<b>\$900.2</b>	<b>\$602.5</b>	<b>\$688.8</b>
Sales	\$525.4	\$540.6	\$549.6	\$388.8	\$439.9
Bed Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Personal Income	\$130.4	\$136.1	\$141.5	\$114.6	\$147.8
Corporate	\$157.6	\$163.9	\$168.9	\$79.9	\$82.0
Social Insurance	\$12.3	\$12.8	\$13.3	\$8.7	\$7.5
Excise and Fees	\$25.4	\$26.3	\$27.0	\$10.5	\$11.8
Property	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Local Taxes</b>	<b>\$696.4</b>	<b>\$708.6</b>	<b>\$716.7</b>	<b>\$562.7</b>	<b>\$699.4</b>
Sales	\$43.1	\$44.3	\$45.0	\$31.9	\$36.0
Bed Tax	\$112.5	\$117.6	\$120.8	\$68.0	\$118.6
Personal Income	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Corporate	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Social Insurance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Excise and Fees	\$110.9	\$114.8	\$117.6	\$45.8	\$51.4
Property	\$429.9	\$432.0	\$433.3	\$417.1	\$493.4

Source: Tourism Economics







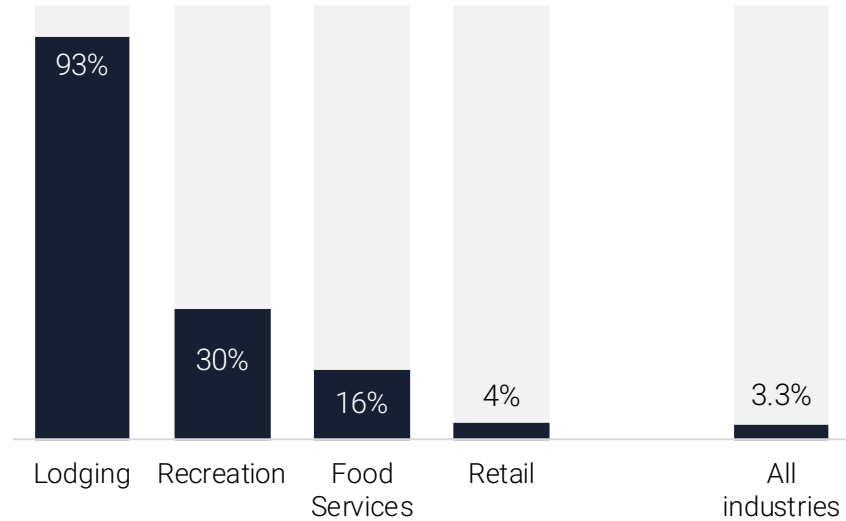
# ECONOMIC IMPACTS IN CONTEXT

Visitor activity supports a significant share of employment in several industries with 93% of lodging employment visitor-related. Visitor activity employs 30% of jobs in recreational industries and 16% of all restaurant employment.

Overall, direct tourism jobs accounted for 3.3% of all jobs in Wisconsin in 2021. As the travel recovery continues to gather force, the share of employment supported by visitors is expected to rise.

## Visitor employment intensity

Direct jobs, visitor-supported share of industry employment



Source: BEA, BLS, Tourism Economics

# ECONOMIC IMPACTS IN CONTEXT



## \$12.9B VISITOR SPENDING

The \$12.9 billion in visitor spending is TEN times the amount spent on the I-39/I-90 expansion project OR the estimated costs of the I-41 expansion project in Brown County.



## \$5.8B LABOR INCOME

The \$5.8 billion in total income generated is double the income paid out by the Real Estate industry in Wisconsin.



## 169,700 JOBS

The total number of jobs sustained by tourism, including indirect and induced benefits, accounts for 4.7% of all jobs in Wisconsin, enough to fill the UW Madison Kohl Center TEN times over.



## \$1.4B STATE & LOCAL TAXES

Each household in Wisconsin would need to be taxed an additional \$580 to replace the visitor taxes received by the state and local governments in 2021.



Glossary – Spending Definitions

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation/ Entertainment	Includes visitor spending within the arts, entertainment and recreation sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.
Visitor trip	Any journey staying overnight outside of normal routine or a day journey not part of normal routine and involving travel of more than 50 miles from home. The measure used for visitor counts is a 'person-trip' – one trip taken by one visitor.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. rec./entmt., trans., lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Total Impact	Direct + Indirect + Induced impacts. Total business sales impact commonly referred to as total economic impact.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.



# ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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