

The Wisconsin Visitor Industry

May 2023

Prepared for: Wisconsin Department of Tourism

WISCONSIN
— DEPARTMENT OF TOURISM —



CONTENTS

Introduction Methodology & data sources	03
Key Findings Summary economic & fiscal impacts	04
Visitor Volume and Visitor Spending Trends in visitor levels and visitor spending	06
Economic Impact Methodology Impact model framework	10
Economic Impact Findings Business sales, jobs, and labor income impacts	11
Fiscal Impacts Federal and state & local tax revenues	17
Economic Impacts in Context Adding context to the economic impact results	19
Appendix	20



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. In fact, in 2022, tourism activity generated \$1.5 billion in state and local tax revenues across 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 visitor economy.

By establishing a timeline of economic impacts, the industry can track its progress.

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 people who stayed overnight on a trip or traveled more than 50 miles to the destination.

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
- 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

SUMMARY ECONOMIC IMPACTS Wisconsin Tourism (2022)

TOTAL ECONOMIC IMPACT



\$23.7B

Total
Economic
Impact



174,600

Total
Jobs
Generated



\$1.5B

State & Local
Taxes
Generated

Wisconsin visitor activity generated a total economic impact (measured by total business sales) of \$23.7 billion in 2022. Tourism's economic impact in 2022 surpassed pre-pandemic (2019) levels by \$1.5 billion.

These business sales supported 174,600 jobs and generated \$1.5 billion in state and local tax revenues in 2022.

VISITS AND VISITOR SPENDING



111.1 MILLION

Visits to Wisconsin in 2022



\$14.9B

Direct Visitor Spending

Wisconsin received 111.1 million visits in 2022, a 9 million increase. Visits are now within 2 million of pre-pandemic (2019) levels. Visitor spending grew 16% in 2022, an increase of \$2 billion. The increase brought visitor spending 8% higher than pre-pandemic levels.



VISITOR INDICATOR TRENDS

Key indicators show that Wisconsin's visitor activity continued its strong post-pandemic growth in 2022.

As reported by STR, lodging revenues increased 25% in 2022, growing to levels 17% above 2019. Lodging demand, shown as room demand, increased another 13% after registering 43% growth in 2021. The increases in demand helped push prices, measured by average daily rate (ADR), up another 10%.

The recovery in 2022 brought room demand to 4% above 2019 levels with revenue reported at 17% above 2019 levels.

Sales tax collections in key visitor-centric industries tell a similar story. While growth moderated from 2021 levels, increases were still strong as some areas were still recovering and others continued to show increased travel demand.

Lodging industry sales tax collections grew another 20% in 2022 after being cut nearly in half in 2020. Collections in the industry have recovered to 101% of 2019 levels.

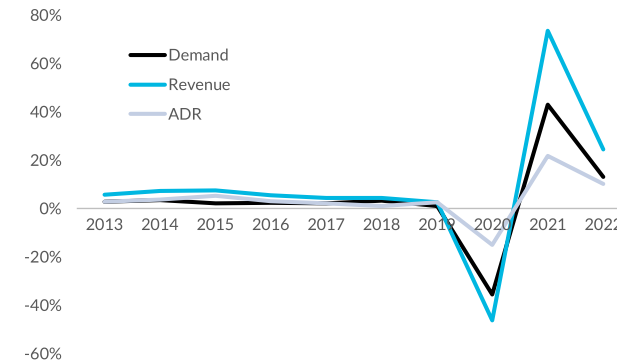
Restaurant sales have surged past pre-pandemic levels with sales tax collections up 9% in 2022 and at 108% of pre-pandemic levels.

With leisure demand remaining strong and both the number of events and attendance increasing, recreational tax collections matched the growth in lodging tax collections.

Retail sales increases in more visitor-focused areas saw growth moderate in 2022, registering 3% growth as higher prices in lodging and transportation likely caused travelers to cut back on retail activities.

Lodging performance indicators

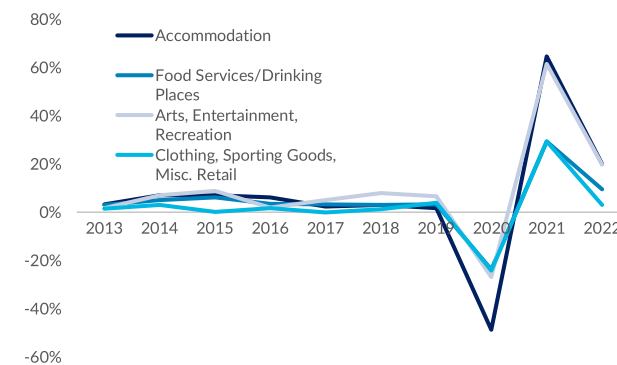
Annual percent change



Source: STR

Taxable sales in tourism-related industries

Annual percent change



Source: Wisconsin DOR



VISITS & VISITOR SPENDING

Wisconsin saw growth in all key metrics in 2022, driven by continued recovery along with increased demand and rising prices. Spending numbers all passed pre-pandemic levels with visitation nearly at pre-pandemic levels as gas prices and economic pressures capped visitation growth.

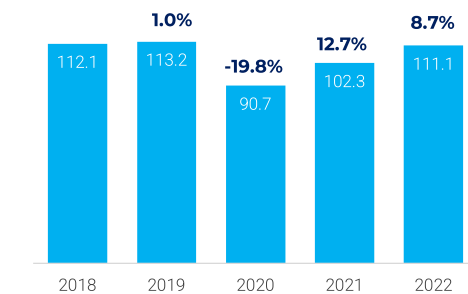
VISITOR VOLUME

Recovery in 2022

Visits to Wisconsin destinations increased by nearly nine million in 2022, bringing visitor levels to within 2% of pre-pandemic levels. Overnight visits led growth as city and event travel grew in 2022.

Wisconsin visitor volume

Amounts in millions



Sources: Longwoods Int'l, Tourism Economics

VISITOR SPENDING

Visitor spending grows to nearly \$15 billion in 2022.

With trips and prices both increasing, visitor spending jumped 16% in 2022. This growth has brought spending levels to 108% of 2019 levels.

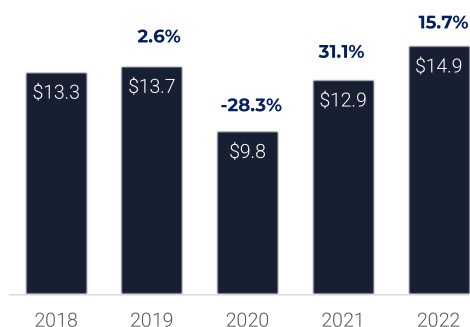
Lodging, including short-term rentals and second homes, accounts for the largest share of visitor spending in Wisconsin at 27%.

Visitors spent 26% of their trip budget on food & beverages – in businesses from restaurants to grocery stores to cheese shops.

Retail's \$2.9 billion in spending from visitors was 19.5% of the visitor dollar with transportation and recreation representing 13-14% of total visitor spending in Wisconsin in 2022.

Wisconsin visitor spending

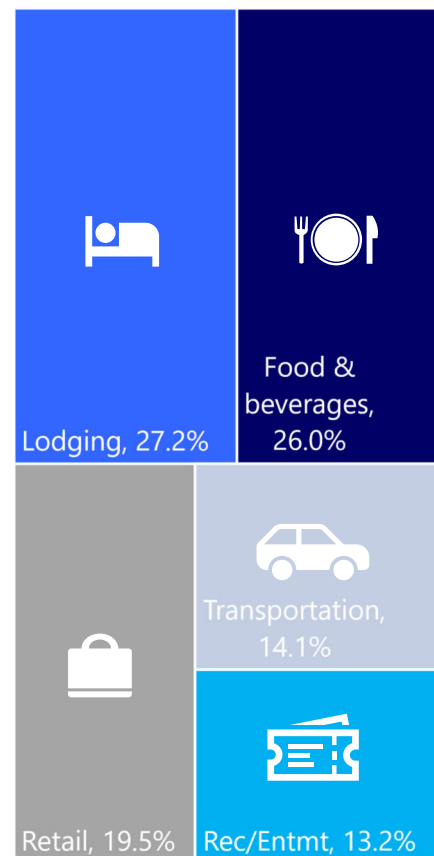
Amounts in \$ billions



Sources: Longwoods Int'l, Tourism Economics

\$14.9 BILLION

Total Visitor Spending in 2022



Source: Tourism Economics

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

Note: Numbers may not add up due to rounding

VISITOR SPENDING TRENDS

Visitor spending surpassed pre-pandemic levels in 2022 supported by a combination of continued recovery and rising prices as both the number of visits and per-visitor spending jumped. Spending grew more than \$2 billion in 2022 and is now \$1.2 billion higher than pre-pandemic (2019) levels. Increases were highest in transportation, recreation/entertainment, and lodging. Price increases supported spending growth in transportation and lodging while interest and growth in events supported recreational increases.

Lodging spending, including short-term rentals and 2nd home usage, surpassed \$4 billion in 2022, now 10% higher than pre-pandemic levels. Recreational spending neared \$2 billion in 2022.

VISITOR SEGMENTS

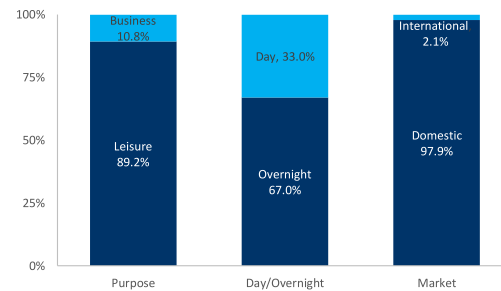
Spending by overnight visitors reached \$10 billion in 2022. With 45 million overnight person-trips in Wisconsin, spending by an overnight visitor grew to \$219 per-person trip.

Day spending grew to \$4.9 billion in 2022.

With higher-spending overnight travel increasing along with rising prices factoring in, per visitor spending grew to \$134 in 2022, up from \$126 in 2021.

Wisconsin spending share by segment

Percent % of total visitor spending by market



Source: Tourism Economics

Wisconsin visitor spending and annual growth

Amounts in \$ millions, 2022 % change, and % recovered relative to 2019

	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Total visitor spending	\$13,319	\$13,668	\$9,804	\$12,856	\$14,880	15.7%	108.9%
Lodging*	\$3,583	\$3,683	\$2,407	\$3,491	\$4,054	16.1%	110.1%
Food & beverage	\$3,427	\$3,549	\$2,622	\$3,407	\$3,871	13.6%	109.1%
Retail	\$2,634	\$2,690	\$2,222	\$2,647	\$2,894	9.3%	107.6%
Rec/Entertainment	\$1,862	\$1,948	\$1,221	\$1,642	\$1,969	19.9%	101.1%
Transportation**	\$1,812	\$1,798	\$1,331	\$1,669	\$2,091	25.3%	116.3%

Source: Longwoods Int'l; Tourism Economics

* Lodging includes second home spending

** Transportation includes both ground and air transportation

Visitor volume and spending

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

	2018	2019	2020	2021	2022
Total visitors	112.1	113.2	90.7	102.3	111.1
Day	69.7	70.4	58.5	62.3	65.7
Overnight	42.4	42.8	32.3	39.9	45.4
Total visitor spending	\$13,319	\$13,668	\$9,804	\$12,856	\$14,880
Day	\$4,778	\$4,839	\$4,070	\$4,335	\$4,906
Overnight	\$8,541	\$8,829	\$5,733	\$8,522	\$9,974
Per visitor spending	\$119	\$121	\$108	\$126	\$134
Day	\$69	\$69	\$70	\$70	\$75
Overnight	\$201	\$206	\$178	\$213	\$219

Source: Tourism Economics

VISITOR SPENDING DISTRIBUTION - LEVELS

Visitor spending in 2022 increased in all the major spending categories, led by lodging and food & beverage spending. Lodging spending by visitors increased \$560 million in 2022, surpassing \$4 billion and is now 10% above pre-pandemic levels.

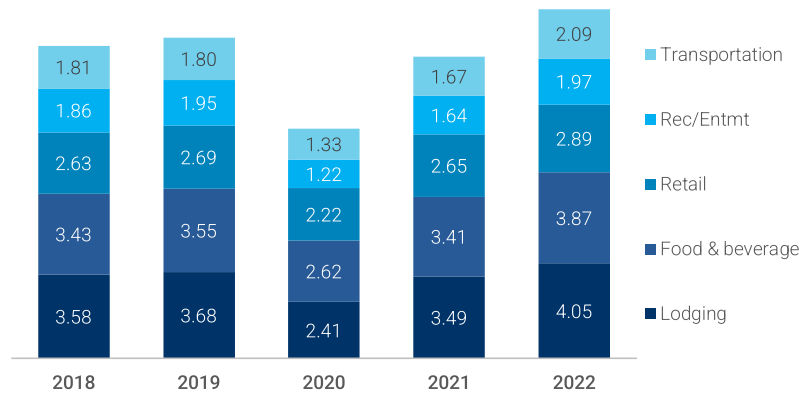
Spending by visitors at restaurants, bars, and grocery stores grew \$464 million in 2022. After a pandemic-low of \$2.6 billion in food & beverage sales in 2020, visitors spent \$3.9 billion at those businesses in 2022.

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 \$330 million in 2022 to reach nearly \$2 billion, 1% above 2019 levels after falling to 62% of 2019 levels in 2020.

Transportation spending, propelled by increases in gasoline prices, reached \$2.1 billion in 2022.

Visitor Spending in Wisconsin, 2018-2022

By category, amounts in \$ billions



Source: Tourism Economics

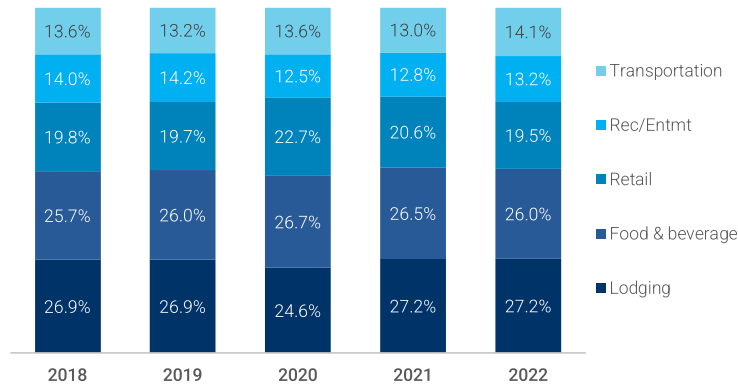
VISITOR SPENDING DISTRIBUTION - SHARES

Spending shares continued to move back towards pre-pandemic levels as travel returned to more normal conditions. Lodging's share remained level at 27.2% of total visitor spending in 2022.

Propelled by continued strength in leisure travel, the recreational share increased 0.4 percentage points to 13.2% in 2022. Retail shopping by visitors dropped back to 19.5% of visitor spending in 2022 after reaching nearly 23 cents in 2020.

Visitor Spending Shares in Wisconsin, 2018-2022

By category, %



Source: Tourism Economics

VISITOR SPENDING SEASONALITY

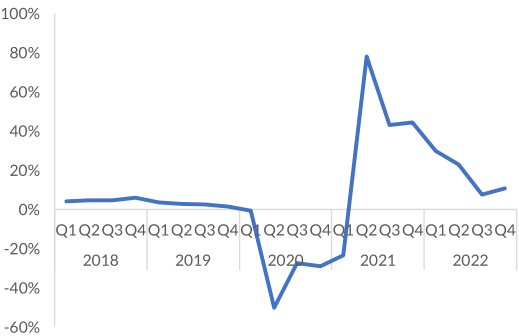
In viewing quarterly results, it is important to remember that the pandemics effects were felt starting in March of 2020 and lasted a full year until recovery started. As the results show, significant declines lasted from Q2 of 2020 through Q1 of 2021. This also means that the first half of 2022 was still recovering from pandemic effects, referenced by the 30% growth rate in Q1 of 2022. As Wisconsin moved on from recovery in the second half of the year, growth rates moderated.

In the second half of the year, visitor spending reached levels that were nearly \$500 million above pre-pandemic levels in both quarters. These two quarters supported much of the increase over 2019 levels.

Visitor spending peaked in Q3 of 2022, reaching \$4.8 billion.

Wisconsin visitor spending growth rates

Compared with same quarter a year ago, %



Source: Tourism Economics

Visitor Spending by quarter

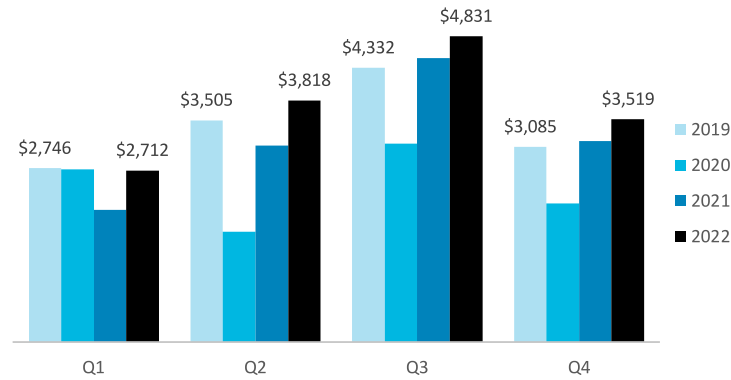
Amounts in \$ millions

	Q1	Q2	Q3	Q4
2018	\$2,649	\$2,649	\$2,649	\$2,649
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
2022	\$2,712	\$3,818	\$4,831	\$3,519
% Change	29.9%	23.0%	7.5%	11.0%

Source: Tourism Economics

Wisconsin quarterly visitor spending, 2019-2022

Amounts in \$ millions, 2019 & 2022 values



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.

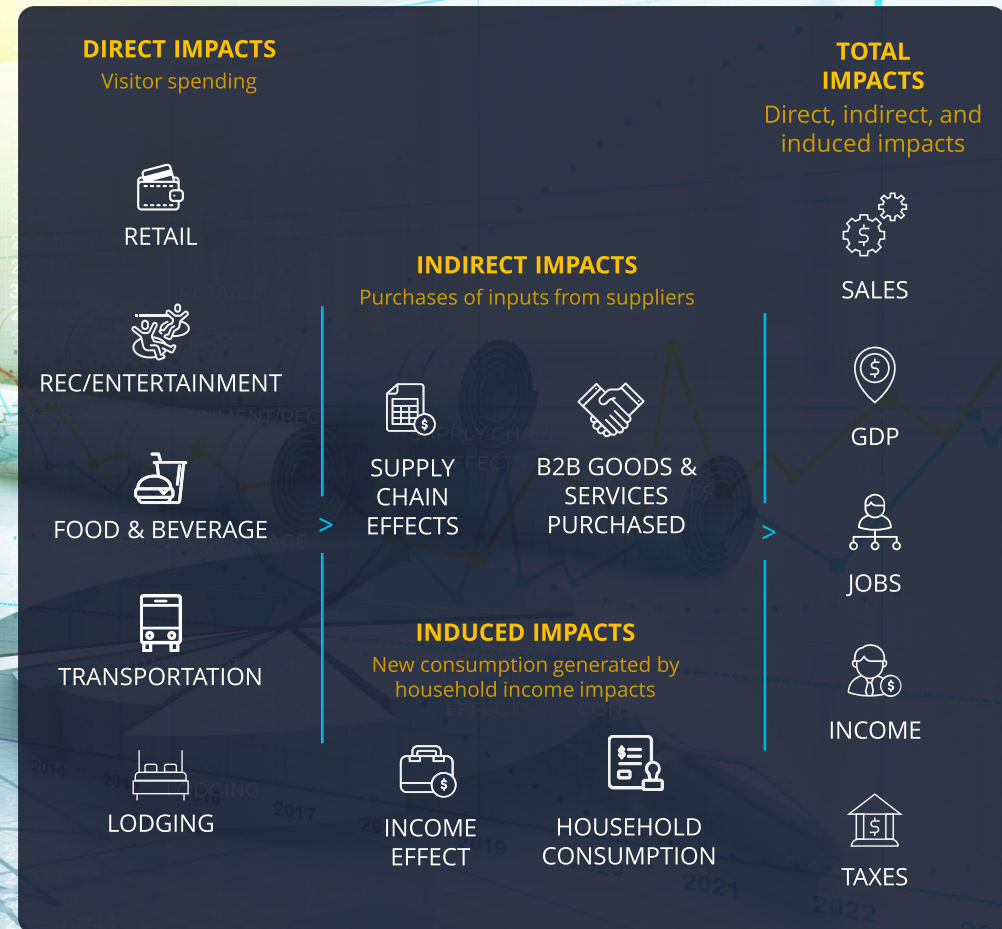
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 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





ECONOMIC IMPACT FINDINGS

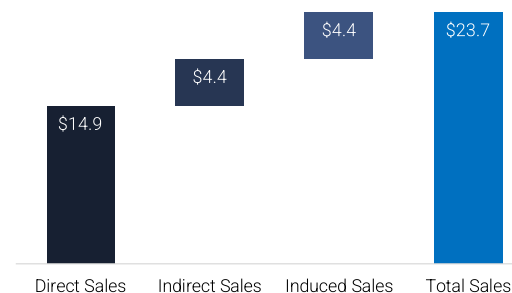
BUSINESS SALES IMPACTS

The total economic impact of visitor activity in Wisconsin grew to \$23.7 billion, \$1.5 billion more than pre-pandemic levels. This \$23.7 billion is made up of \$14.9 billion in direct impacts – the visitor spending - along with \$4.4 billion business sales in indirect impacts and another \$4.4 billion in induced impacts. The total economic impact of \$23.7 billion in the Wisconsin economy grew 13% more than a year earlier.

Significant benefits accrue in sectors like finance, insurance, and real estate, and business services, education & health care. Tourism business spending for banking services, insurance needs and with real estate agents supported \$1 billion in sales in these industries.

Summary Economic impacts (2022)

Amounts in \$ billions



Source: Tourism Economics

Note: Numbers may not add up due to rounding

Business sales impacts by industry (2022)

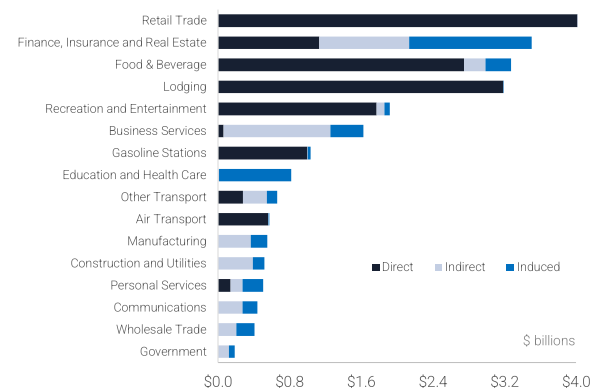
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$14,880.1	\$4,396.6	\$4,377.9	\$23,654.6
Retail Trade	\$4,016.8	\$71.9	\$338.5	\$4,427.2
Finance, Insurance and Real Estate	\$1,129.7	\$1,003.3	\$1,369.2	\$3,502.2
Food & Beverage	\$2,748.5	\$237.4	\$285.7	\$3,271.6
Lodging	\$3,185.5	\$1.0	\$1.4	\$3,187.9
Recreation and Entertainment	\$1,772.5	\$87.5	\$57.9	\$1,917.9
Business Services	\$59.1	\$1,193.8	\$369.1	\$1,621.9
Gasoline Stations	\$997.6	\$3.6	\$29.9	\$1,031.1
Education and Health Care	-	\$10.5	\$807.9	\$818.5
Other Transport	\$276.2	\$269.8	\$111.9	\$657.9
Air Transport	\$556.4	\$7.0	\$9.0	\$572.4
Manufacturing	-	\$366.4	\$180.9	\$547.3
Construction and Utilities	-	\$386.2	\$129.4	\$515.6
Personal Services	\$137.9	\$133.2	\$232.0	\$503.1
Communications	-	\$274.0	\$165.2	\$439.2
Wholesale Trade	-	\$202.6	\$205.2	\$407.9
Government	-	\$123.1	\$64.0	\$187.0
Agriculture, Fishing, Mining	-	\$25.3	\$20.6	\$45.9

Source: Tourism Economics

Visitor economy business sales impacts by industry (2022)

Amounts in \$ billions



Source: Tourism Economics

VALUE ADDED IMPACTS

The value of all visitor-supported goods & services produced in Wisconsin in 2022 for Wisconsin visitors grew to \$10.9 billion, increasing by 15% in 2022.

Summary value-added impacts (2022)

Amounts in \$ billions



Source: Tourism Economics

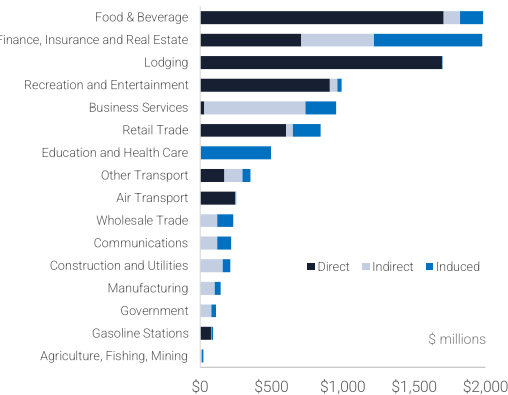
Note: Numbers may not add up due to rounding

The locally produced portion of visitor-supported sales in the finance & real estate industries and the restaurant industry each added nearly \$2 billion to state GDP in 2022.

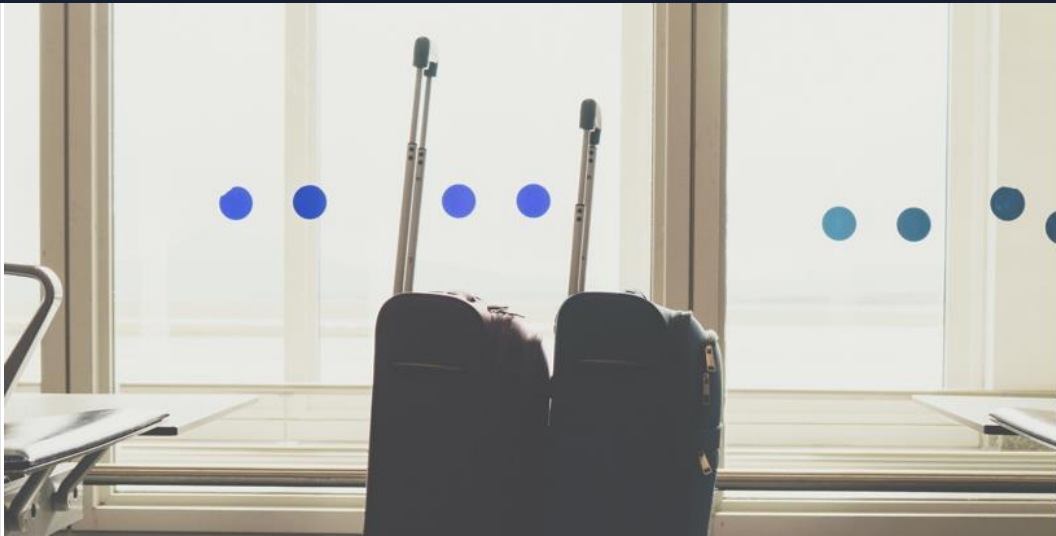
Spending by visitor-supported workers supported nearly \$500 in GDP contribution in the education and health care industries, showing how visitor activity supports businesses across the industrial spectrum.

Visitor value-added impacts by Industry (2022)

Amounts in \$ millions



Source: Tourism Economics



Summary value-added impacts by industry (2022)

Amounts in \$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$ 6,235.6	\$ 2,256.5	\$ 2,400.9	\$ 10,893.0
Food & Beverage	\$ 1,705.8	\$ 117.2	\$ 162.0	\$ 1,985.1
Finance, Insurance and Real Estate	\$ 709.1	\$ 509.8	\$ 757.7	\$ 1,976.5
Lodging	\$ 1,695.5	\$ 0.6	\$ 0.7	\$ 1,696.8
Recreation and Entertainment	\$ 908.9	\$ 52.6	\$ 29.9	\$ 991.4
Business Services	\$ 30.0	\$ 710.2	\$ 213.7	\$ 953.8
Retail Trade	\$ 602.4	\$ 46.6	\$ 194.6	\$ 843.6
Education and Health Care	-	\$ 5.6	\$ 492.2	\$ 497.8
Other Transport	\$ 169.4	\$ 127.6	\$ 55.9	\$ 352.9
Personal Services	\$ 91.5	\$ 86.8	\$ 130.9	\$ 309.1
Air Transport	\$ 246.3	\$ 2.7	\$ 3.2	\$ 252.2
Wholesale Trade	-	\$ 119.7	\$ 113.6	\$ 233.3
Communications	-	\$ 120.7	\$ 95.5	\$ 216.3
Construction and Utilities	-	\$ 159.2	\$ 52.9	\$ 212.1
Manufacturing	-	\$ 101.5	\$ 42.2	\$ 143.7
Government	-	\$ 80.8	\$ 32.4	\$ 113.2
Gasoline Stations	\$ 76.8	\$ 2.3	\$ 13.0	\$ 92.0
Agriculture, Fishing, Mining	-	\$ 12.6	\$ 10.5	\$ 23.1

Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

EMPLOYMENT - DIRECT IMPACTS

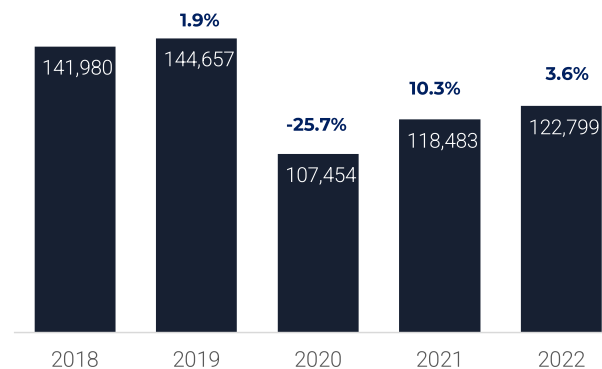
Employment directly supported by visitor activity rose 3.6% in 2022, rebounding to 122,799 jobs. The number of jobs jumped by more than 4,300 in 2022. Despite the increase, the number of jobs directly supported by visitors remains around 22,000 jobs below pre-pandemic levels.

Job growth in key industries in 2022 was strong, reaching 12% in lodging, 5% in the restaurant industry and 12% in recreational businesses. Employment growth in retail and transportation industries were positive but only in the 1-5% ranges, limiting visitor-supported employment growth.

Recovery in visitor-supported jobs has been slower than spending, with visitor-supported employment levels at 85% of pre-pandemic levels compared to 108% of spending.

Employment directly supported by visitor spending in Wisconsin

Amounts in number of jobs



Source: Tourism Economics

EMPLOYMENT - RANKING

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

Comparing employment levels, were direct visitor-supported employment to be ranked against other industries, tourism would rank 11th in the state, up two places from 13th in 2021.

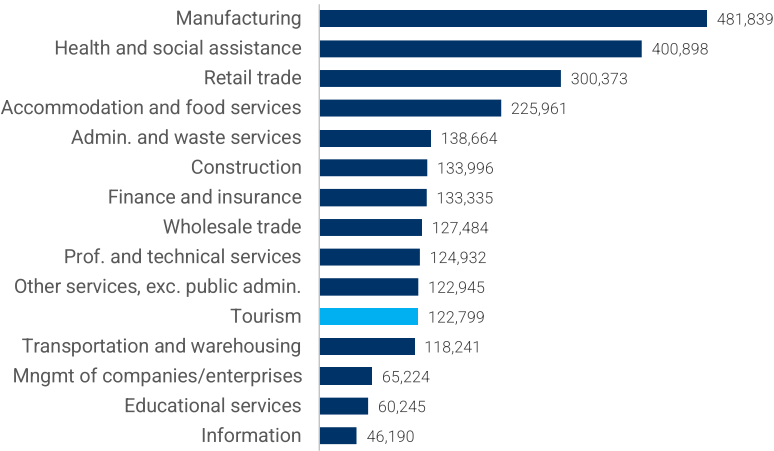
EMPLOYMENT – SHARE OF KEY INDUSTRIES

Visitor activity supports a significant share of employment in several industries with 93% of lodging employment visitor-related. Visitor activity employs 39% of jobs in recreational industries and 21% of all restaurant employment.

Overall, direct tourism jobs accounted for 4.1% of all jobs in Wisconsin in 2022. As the travel recovery continues to gather force, the share of employment supported by visitors is expected to rise.

Employment in Wisconsin, by major industry

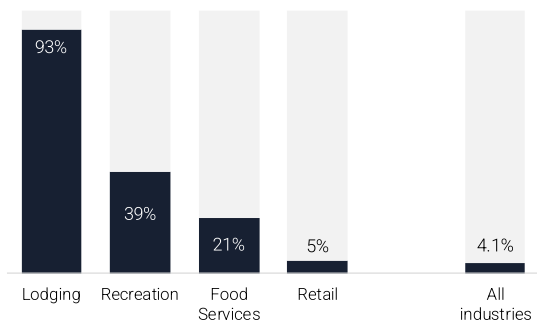
Amounts in number of jobs, direct jobs for Tourism



Source: Tourism Economics

Visitor employment intensity

Direct jobs, visitor-supported share of industry employment



Source: BEA, BLS, Tourism Economics

EMPLOYMENT – TOTAL IMPACTS

Visitor activity directly sustained 122,800 jobs in 2022, with an additional 51,800 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to more than 174,600 in 2022, one of every twenty-one jobs in the state

Summary employment impacts (2022)

Amounts in number of jobs



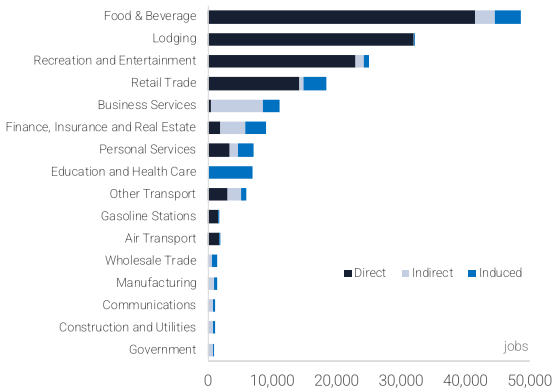
Source: Tourism Economics

Visitor spending supports the largest number of jobs in the food & beverage industry (48,721).

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 (2022)

Amounts in number of jobs



Source: Tourism Economics



Summary employment Impacts by industry (2022)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	122,799	24,651	27,173	174,623
Food & Beverage	41,557	3,065	4,099	48,721
Lodging	32,019	19	21	32,059
Recreation and Entertainment	22,944	1,250	823	25,018
Retail Trade	14,275	564	3,585	18,424
Business Services	488	8,108	2,576	11,172
Finance, Insurance and Real Estate	1,851	3,958	3,242	9,051
Personal Services	3,334	1,356	2,476	7,165
Education and Health Care	-	124	6,867	6,991
Other Transport	3,100	2,059	840	5,999
Gasoline Stations	1,546	30	258	1,834
Air Transport	1,685	16	23	1,724
Wholesale Trade	-	669	766	1,435
Manufacturing	-	952	435	1,387
Communications	-	718	390	1,108
Construction and Utilities	-	808	295	1,103
Government	-	704	272	976
Agriculture, Fishing, Mining	-	250	205	455

Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$3.7 billion in direct labor income and a total of \$6.5 billion when including indirect and induced impacts. Total tourism-generated income in Wisconsin in 2022 rebounded 12% above 2021, \$730 million more in income to Wisconsin households.

Summary labor income impacts (2022)

Amounts in \$ billions

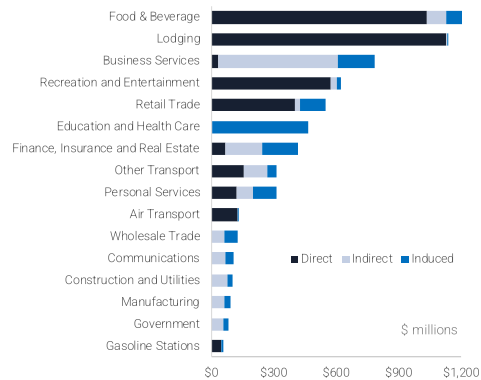


Source: Tourism Economics

There are nine industries in which visitor activity supports more than \$300 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 (2022)

Amounts in \$ millions



Source: Tourism Economics



Summary labor income impacts (2022)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$3,700.8	\$1,435.9	\$1,415.3	\$6,552.0
Food & Beverage	\$ 1,038.4	\$93.6	\$107.8	\$1,239.8
Lodging	\$ 1,132.7	\$0.4	\$0.5	\$1,133.6
Business Services	\$ 33.4	\$573.9	\$176.9	\$784.3
Recreation and Entertainment	\$ 574.6	\$31.5	\$19.7	\$625.8
Retail Trade	\$ 401.8	\$22.9	\$123.8	\$548.4
Education and Health Care	-	\$5.2	\$460.8	\$466.0
Finance, Insurance and Real Estate	\$ 65.9	\$180.8	\$168.1	\$414.8
Other Transport	\$ 158.6	\$113.1	\$44.5	\$316.2
Personal Services	\$ 122.0	\$78.1	\$114.6	\$314.7
Air Transport	\$ 124.8	\$1.4	\$1.6	\$127.7
Wholesale Trade	-	\$61.0	\$64.6	\$125.6
Communications	-	\$66.4	\$41.3	\$107.7
Construction and Utilities	-	\$75.9	\$27.1	\$102.9
Manufacturing	-	\$63.8	\$27.1	\$90.9
Government	-	\$60.4	\$22.1	\$82.5
Gasoline Stations	\$ 48.7	\$1.1	\$8.2	\$57.9
Agriculture, Fishing, Mining	-	\$6.6	\$6.5	\$13.1

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$2.8 billion in government revenues.

State and local taxes alone tallied \$1.5 billion in 2022.

Each household in Wisconsin would need to be taxed an additional \$620 to replace the visitor-generated taxes received by Wisconsin state and local governments in 2022.

Fiscal (tax) impacts

Amounts in \$ millions

	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Total Tax Revenues	\$2,830.0	\$2,905.8	\$2,268.5	\$2,601.2	\$2,851.6	9.6%	98.1%
Federal Taxes	\$1,243.7	\$1,288.9	\$1,064.3	\$1,212.9	\$1,335.5	10.1%	103.6%
Personal Income	\$283.8	\$295.2	\$271.1	\$330.1	\$382.3	15.8%	129.5%
Corporate	\$117.5	\$120.2	\$88.9	\$100.0	\$113.5	13.4%	94.4%
Indirect Business	\$150.5	\$154.0	\$108.4	\$115.5	\$124.7	8.0%	81.0%
Social Insurance	\$691.8	\$719.5	\$595.9	\$667.3	\$715.0	7.1%	99.4%
State and Local Taxes	\$1,586.3	\$1,616.9	\$1,204.2	\$1,388.2	\$1,516.1	9.2%	93.8%
Sales	\$584.9	\$594.6	\$420.6	\$475.9	\$526.7	10.7%	88.6%
Bed Tax	\$115.6	\$120.8	\$106.9	\$118.6	\$150.6	26.9%	124.6%
Personal Income	\$136.1	\$141.5	\$114.6	\$147.8	\$160.8	8.8%	113.6%
Corporate	\$163.9	\$168.9	\$79.9	\$82.0	\$88.5	8.0%	52.4%
Social Insurance	\$12.8	\$13.3	\$8.7	\$7.5	\$7.6	1.6%	56.9%
Excise and Fees	\$141.1	\$144.5	\$56.3	\$63.2	\$69.2	9.6%	47.9%
Property	\$432.0	\$433.3	\$417.1	\$493.4	\$512.6	3.9%	118.3%

Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$1.5 billion for state and local governments in 2022.

Local governments received \$759 million in tax revenues from visitor activities with property taxes and bed taxes the largest revenue streams. Tax revenues grew by \$60 million.

The state received \$757 million from the economic activity related to visitors. Tax revenues grew by \$68 million with sales tax and income tax receipts making up the majority of state revenues.

Fiscal (tax) impacts

Amounts in \$ millions

	2018	2019	2020	2021	2022
State & Local Revenues	\$1,586.3	\$1,616.9	\$1,204.2	\$1,388.2	\$1,516.1
State Taxes	\$879.7	\$900.2	\$602.5	\$688.8	\$756.7
Sales	\$540.6	\$549.6	\$388.8	\$439.9	\$486.8
Bed Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Personal Income	\$136.1	\$141.5	\$114.6	\$147.8	\$160.8
Corporate	\$163.9	\$168.9	\$79.9	\$82.0	\$88.5
Social Insurance	\$12.8	\$13.3	\$8.7	\$7.5	\$7.6
Excise and Fees	\$26.3	\$27.0	\$10.5	\$11.8	\$12.9
Property	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Taxes	\$706.6	\$716.7	\$601.7	\$699.4	\$759.4
Sales	\$44.3	\$45.0	\$31.9	\$36.0	\$39.9
Bed Tax	\$115.6	\$120.8	\$106.9	\$118.6	\$150.6
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	\$114.8	\$117.6	\$45.8	\$51.4	\$56.3
Property	\$432.0	\$433.3	\$417.1	\$493.4	\$512.6

Source: Tourism Economics



ECONOMIC IMPACTS IN CONTEXT



\$23.7B ECONOMIC IMPACT

The nearly \$24 billion in visitor spending is equal to the amount American's spend to celebrate Easter.



\$2B VISITOR SPENDING INCREASE

The \$2 billion increase in visitor spending would buy nearly 267 million Curderburgers, or 45 Curderburgers for each resident of Wisconsin.



174,600 TOTAL JOBS

The total number of jobs sustained by tourism would employ every resident of Kenosha and Appleton, the 4th and 6th largest cities in Wisconsin.



\$1.5B STATE & LOCAL TAXES

Each household in Wisconsin would need to be taxed an additional \$620 to replace the visitor taxes received by the state and local governments in 2022.

APPENDIX

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/Visits	Any journey staying overnight or a day journey 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.

Methodology note

We acknowledge the critical role Wisconsin's tribes play in enriching Wisconsin's tourism offering and bringing in travelers to Wisconsin. The survey data used in this analysis encompasses all visits to Wisconsin. However, because tribal tourism data is private, this analysis is unable to confirm the precise magnitude of these activities. As a result, the total economic impact of tribal tourism may not be wholly reflected in this report.

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.

For more information:

admin@tourismeconomics.com