

# Economic Impact of Motorcoach in Wisconsin

October 2024

Prepared for: Wisconsin Department of Tourism



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# INTRODUCTION

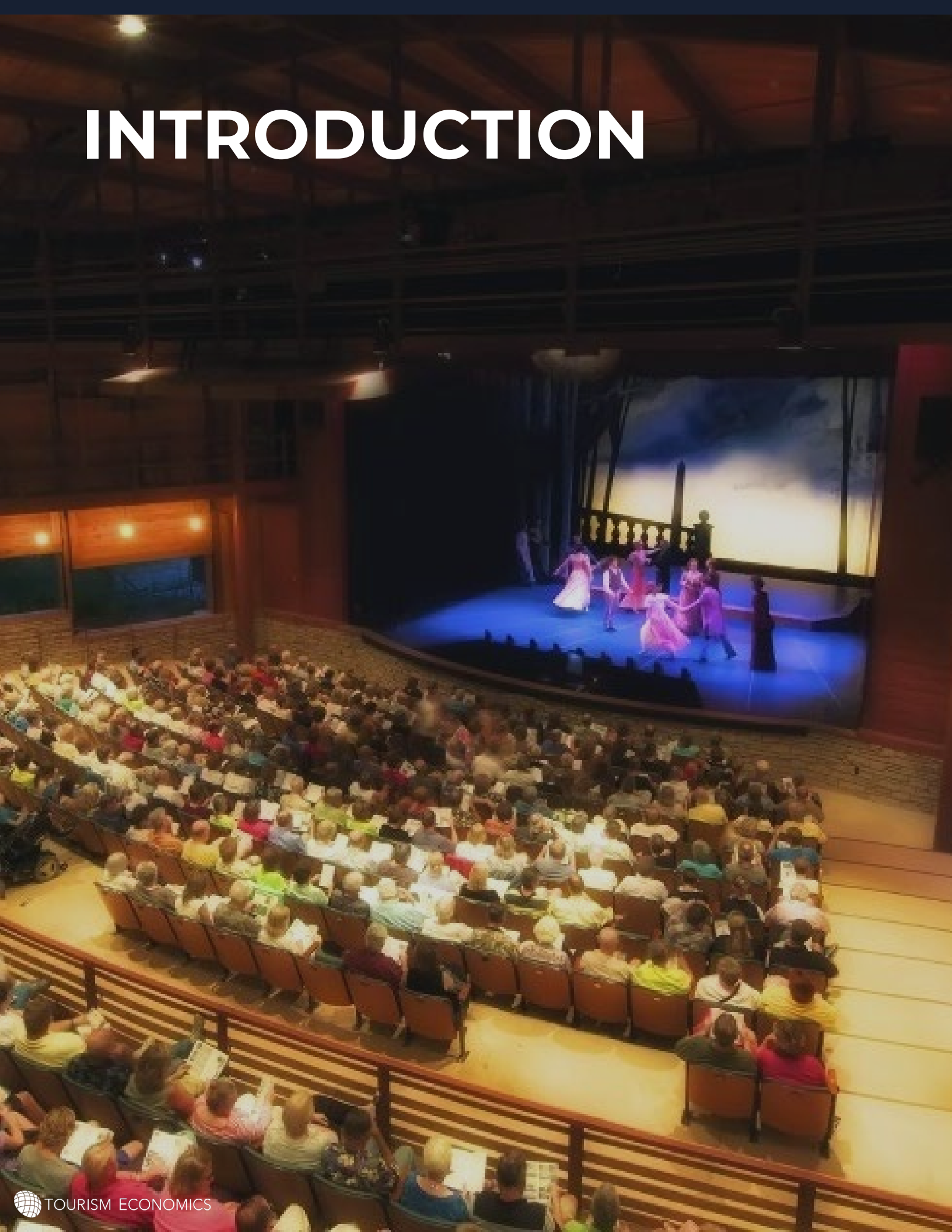
## Research Overview

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.

Travel Wisconsin commissioned Tourism Economics to measure the economic value of motorcoach for the State of Wisconsin in 2019 and 2023:

To quantify the economic significance of this market segment in Wisconsin, Tourism Economics prepared a comprehensive model for using multiple primary and secondary data sources.

Impact modeling was based on an IMPLAN Input-Output (I-O) model for the State of Wisconsin economy. The results of this study show the scope of the segment's impact in terms of direct visitor spending and operations, as well as total economic impacts, including employment, household income, and fiscal (tax) impacts.



# Economic Impacts Methodology

Tourism Economics estimated the economic impacts for the visitor market segment; direct spending using regional Input-Output (I-O) model based on a customized IMPLAN (www.implan.com) model for the State of Wisconsin economy. IMPLAN is recognized as an industry standard in local-level I-O models.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers to track the flow of industry revenue to wages, profits, capital, taxes and suppliers. The supply chain is traced as dollars flow through the economy, representing indirect impacts. The model also calculates the induced impacts of spending. Induced impacts represent benefits to the economy as incomes earned as a result of direct spending are spent in the local economy, generating additional sales, jobs, taxes, and income.

The modeling process begins with aligning the direct expenditure measurements with the related sectors in the model (e.g. hotels, restaurants, retail, and recreation). The model is then run to trace the flow of these expenditures through the economy. In this process, the inter-relationships between consumers and industries generate each level of impact. IMPLAN calculates three levels of impact – direct, indirect, and induced – for a broad set of indicators.

These include the following:

- Business sales (also called gross output)
- Household income (including wages and benefits)
- Employment
- Federal taxes
- State and local taxes

## ECONOMIC IMPACTS FRAMEWORK

**DIRECT IMPACTS**  
Wisconsin four visitor market segments measured by visitor spending and operations



RETAIL



ENTERTAINMENT/REC



FOOD & BEVERAGE



TRANSPORTATION



LODGING



OPERATIONS

**INDIRECT IMPACTS**  
Purchases of inputs from suppliers



SUPPLY CHAIN EFFECTS



B2B GOODS & SERVICES PURCHASED

**INDUCED IMPACTS**  
New consumption generated by household income impacts



INCOME EFFECT



HOUSEHOLD CONSUMPTION



**TOTAL IMPACTS**  
Direct, indirect, and induced impacts



SALES



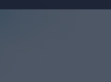
GDP



JOBS



INCOME



TAXES

# KEY FINDINGS



# Economic Impact of the Motorcoach Sector in Wisconsin: Key Findings (2023)

## Direct Spending Impacts (2023)

The motorcoach sector generated significant economic impacts in the State of Wisconsin in 2023. It is estimated that Wisconsin served a total of 3.4 million motorcoach travelers on day trips, and an additional 2.1 million on overnight stays, for a total of 5.5 million motorcoach visitors.

Total direct spending associated with the motorcoach sector amounted to \$1.1 billion in 2023.



## Total Economic Impact (2023)

The meetings sector’s direct spending impact of \$1.1 billion generated a total economic impact of \$1.8 billion in Wisconsin’s economy, which supported 12,941 part-time and full-time jobs and generated \$148.8 million in state and local taxes.



## SUMMARY ECONOMIC IMPACTS (\$ millions and number of employees)

	2019	2023
Total business sales	\$1,215.9	\$1,843.2
Direct business sales	\$721.6	\$1,123.7
Total personal income	\$370.4	\$543.9
Direct personal income	\$209.0	\$314.6
Total employment	10,995	12,941
Direct employment	7,751	9,033
Total taxes	\$182.3	\$277.1
Total state & local taxes	\$103.3	\$148.8
Total federal taxes	\$79.1	\$128.3
Direct taxes	\$113.2	\$173.5
Direct state & local taxes	\$68.5	\$100.0
Direct federal taxes	\$44.7	\$73.5

Source: Tourism Economics

Note: totals may not sum due to rounding.

# ECONOMIC IMPACTS: MOTORCOACH



# DIRECT IMPACTS

## The motorcoach sector generated \$1.1 billion in direct spending impacts in the State of Wisconsin in 2023.

This section outlines the motorcoach sector's direct impacts, for 2019 and 2023, which ultimately serve as inputs for the economic impact model. The motorcoach sector's direct impacts are separated into two spending categories:

1. Spending by day visitors
2. Spending by overnight visitors

For purposes of this research, and in line with the definition adopted by the American Bus Association, the Motorcoach Industry is defined as:

Private-sector organizations that lease/own and operate motorcoaches and offer motorcoach transportation services to the public, including to private and public sector organizations on a contract basis.

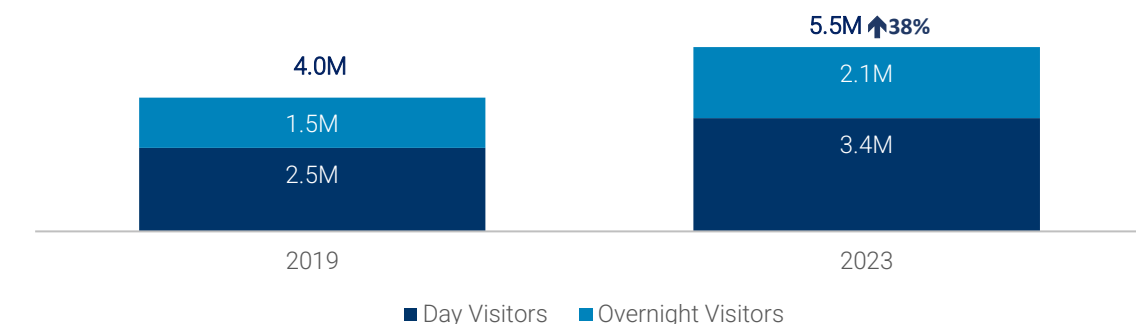
- Includes motorcoach transportation companies that are hired on a contract basis by state or city transit authorities to transport commuters.
- Excludes governments, transit agencies, or other public-sector organizations that lease/own and operate motorcoaches and offer transportation services to the public.
- Excludes private- and public-sector organizations that lease/own and operate motorcoaches for their own use, such as businesses that operate motorcoaches to shuttle their employees.

## Direct Impacts: Motorcoach Motorcoach Travel Volume and Spending

### Motorcoach Travel Volume

In 2023, 5.5 million travelers travelled by motorcoach to the State of Wisconsin. Approximately four in 10 (39%) of the 5.5 million motorcoach travelers stayed overnight in the host community and 61% visited for the day. These travelers spent money as part of organized tours as well as at off-site establishments in the local economy, including local restaurants, hotels, retailers, and recreation/entertainment venues.

Motorcoach traveler levels and four-year growth  
(millions of travelers and 2019 – 2023 percentage change)



Sources: American Bus Association, Longwoods International, U.S. Travel Association, STR

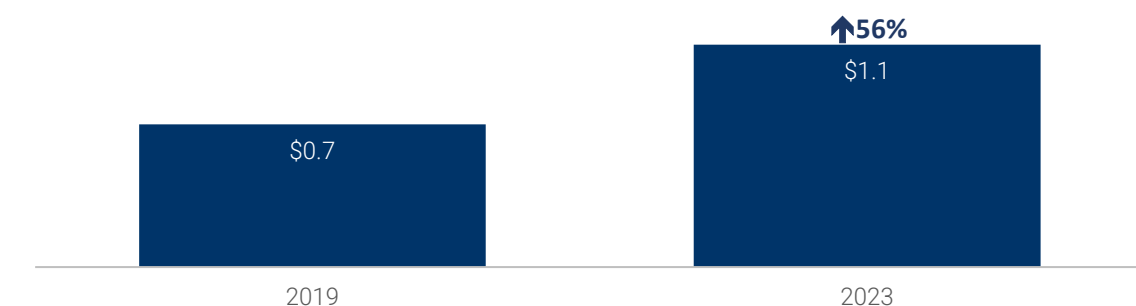
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### Motorcoach-Related Travel Spending

In 2023, the 5.5 million motorcoach travelers spent \$1.1 billion in the State of Wisconsin.

Spending by motorcoach travelers increased at a faster pace than the volume of motorcoach travelers between 2019 and 2023, increasing 56% over the four-year period from \$0.7 billion to \$1.1 billion.

Motorcoach-related travel spending and four-year growth  
(\$ billions and 2019 – 2023 percentage change)



Sources: American Bus Association, Longwoods International, U.S. Travel Association, STR

# Direct Impacts: Motorcoach Motorcoach-Related Travel Spending (2023)

## Motorcoach-Related Travel Spending (2023)

Motorcoach travelers spent \$309.0 million on food and beverage, \$291.2 million on lodging, and \$224.7 million on retail in 2023. Recreation and transportation rounded out spending, registering \$162.5 million and \$136.4 million, respectively.

**\$1.1 BILLION**  
Total Motorcoach Sector Direct Spending (2023)



Source: Tourism Economics

## MOTORCOACH-RELATED TRAVEL SPENDING (\$ millions)

	2019	2023
Total spending	\$721.6	\$1,123.7
Lodging	\$202.0	\$291.2
Food & beverage	\$205.8	\$309.0
Retail	\$132.1	\$224.7
Recreation	\$107.9	\$162.5
Transportation	\$73.8	\$136.4

Source: Tourism Economics

Note: totals may not sum due to rounding.

# Economic Impacts: Motorcoach (2023)

## Business Sales by Industry

The motorcoach tourism sector generated a total economic impact of \$1.8 billion in the State of Wisconsin in 2023.

The \$1.1 billion in motorcoach traveler spending generated \$356.4 million in indirect expenditures (purchases of inputs from suppliers) and \$363.2 million in induced expenditures (new consumption generated by household income impacts), resulting in a total economic impact of \$1.8 billion.

### Business Sales Impacts: Motorcoach (2023)



**\$1.1B**

Direct  
Impact

+



**\$0.4B**

Indirect  
Business  
Sales

+



**\$0.4B**

Induced  
Business  
Sales

=



**\$1.8B**

Total  
Economic  
Impact

Note: totals may not sum due to rounding.

### ECONOMIC IMPACTS: MOTORCOACH BUSINESS SALES BY INDUSTRY (\$ MILLIONS), 2023

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$1,123.7	\$356.4	\$363.2	\$1,843.2
By industry				
Finance, Insurance and Real Estate	\$12.2	\$74.8	\$103.5	\$190.5
Business Services		\$103.7	\$32.3	\$136.0
Food & Beverage	\$309.0	\$19.0	\$27.7	\$355.7
Lodging	\$291.2	\$0.1	\$0.8	\$292.0
Retail Trade	\$224.7	\$5.8	\$31.0	\$261.5
Communications		\$28.1	\$16.5	\$44.6
Education and Health Care		\$1.6	\$68.0	\$69.5
Construction and Utilities		\$25.7	\$9.9	\$35.6
Other Transport	\$30.9	\$17.7	\$9.7	\$58.2
Personal Services		\$10.6	\$19.0	\$29.5
Recreation and Entertainment	\$162.5	\$16.3	\$4.7	\$183.5
Wholesale Trade		\$18.0	\$18.4	\$36.5
Gasoline Stations	\$93.2	\$0.3	\$2.7	\$96.2
Government		\$9.4	\$5.5	\$14.8
Manufacturing		\$22.5	\$10.8	\$33.4
Air Transport		\$0.5	\$0.8	\$1.3
Agriculture, Fishing, Mining		\$2.3	\$1.9	\$4.3

Source: Tourism Economics

Note: totals may not sum due to rounding.

# Economic Impacts: Motorcoach (2023)

## Employment Impacts by Industry

The motorcoach sector supported 12,941 part-time and full-time jobs in the State of Wisconsin in 2023.

The motorcoach traveler spending directly supported 9,033 full-time and part-time jobs in 2023—indirect and induced impacts generated 1,883 indirect jobs and 2,026 induced jobs.

Economic Impacts: Motorcoach  
Employment Impacts by Industry, 2023 (number of jobs)

	Direct Employment	Indirect Employment	Induced Employment	Total Employment
Total, all industries	9,033	1,883	2,026	12,941
By industry				
Business Services		598	196	794
Finance, Insurance and Real Estate	54	306	236	596
Food & Beverage	3,023	244	308	3,575
Lodging	2,869	1	9	2,879
Retail Trade	745	47	263	1,055
Education and Health Care		17	532	549
Other Transport	242	152	73	467
Recreation and Entertainment	2,034	164	60	2,258
Personal Services		96	178	275
Gasoline Stations	66	2	16	84
Construction and Utilities		35	19	54
Communications		46	30	77
Government		48	19	67
Wholesale Trade		51	47	98
Manufacturing		60	25	85
Agriculture, Fishing, Mining		13	13	27
Air Transport		1	2	2

Source: Tourism Economics

Note: totals may not sum due to rounding.

# Economic Impacts: Motorcoach (2023)

## Labor Income Impacts by Industry

The motorcoach sector generated \$543.9 million in total labor income in the State of Wisconsin in 2023.

The motorcoach traveler spending generated \$314.6 million in direct personal income, \$113.6 million in indirect labor income, and \$115.7 million in induced personal income, resulting in \$543.9 million in total labor income in 2023.

Economic Impacts: Motorcoach  
Labor Income Impacts by Industry, 2023 (\$ millions)

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$314.6	\$113.6	\$115.7	\$543.9
By industry				
Business Services		\$47.4	\$14.6	\$62.0
Finance, Insurance and Real Estate	\$2.6	\$13.9	\$14.0	\$30.6
Food & Beverage	\$91.7	\$7.7	\$9.6	\$109.0
Lodging	\$120.5	\$0.1	\$0.5	\$121.0
Education and Health Care		\$0.7	\$38.4	\$39.1
Retail Trade	\$24.1	\$1.7	\$9.6	\$35.4
Other Transport	\$11.2	\$7.5	\$3.8	\$22.4
Personal Services		\$5.8	\$8.7	\$14.5
Construction and Utilities		\$3.7	\$1.7	\$5.4
Recreation and Entertainment	\$62.2	\$5.7	\$1.7	\$69.6
Government		\$4.5	\$1.7	\$6.2
Communications		\$4.7	\$3.7	\$8.5
Wholesale Trade		\$5.0	\$4.8	\$9.7
Gasoline Stations	\$2.4	\$0.1	\$0.6	\$3.1
Manufacturing		\$4.5	\$1.9	\$6.3
Air Transport		\$0.1	\$0.1	\$0.2
Agriculture, Fishing, Mining		\$0.4	\$0.4	\$0.8

Source: Tourism Economics

Note: totals may not sum due to rounding.

# Fiscal Impacts: Motorcoach (2023)

## Tax Generation

The motorcoach sector generated \$277.1 million in federal, state, and local governmental revenue.

The motorcoach traveler spending generated a total fiscal (tax) impact of \$277.1 million. The State of Wisconsin government collected \$72.5 million, and the local governments collected \$76.3 million as a result of the motorcoach sector in 2023.

Fiscal Impacts: Motorcoach  
State and Local Tax Revenue, 2023 (\$ millions)

	State	Local	Total
Total taxes	\$72.5	\$76.3	\$148.8
Sales	\$66.1	\$9.3	\$75.4
Bed Tax	\$0.0	\$10.3	\$10.3
Personal Income	\$2.2	\$10.2	\$12.3
Corporate	\$0.0	\$6.5	\$6.5
Social Insurance	\$0.0	\$0.0	\$0.0
Excise and Fees	\$4.1	\$1.2	\$5.4
Property	\$0.0	\$38.9	\$38.9

Source: Tourism Economics

Note: totals may not sum due to rounding.

### FISCAL IMPACTS: SPORTS TOURISM

#### TOTAL TAX REVENUES (\$ MILLIONS), 2023

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$173.5	\$103.5	\$277.1
Federal	\$73.5	\$54.8	\$128.3
Personal Income	\$29.7	\$21.6	\$51.3
Corporate	\$5.5	\$5.7	\$11.2
Indirect Business	\$2.2	\$1.1	\$3.3
Social Insurance	\$36.1	\$26.4	\$62.5
State and Local	\$100.0	\$48.7	\$148.8
Sales	\$50.1	\$25.3	\$75.4
Bed Tax	\$10.3	\$0.0	\$10.3
Personal Income	\$7.1	\$5.2	\$12.3
Corporate	\$3.2	\$3.3	\$6.5
Social Insurance	\$0.0	\$0.0	\$0.0
Excise and Fees	\$3.5	\$1.9	\$5.4
Property	\$25.8	\$13.0	\$38.9

Source: Tourism Economics

Note: totals may not sum due to rounding.

# Economic Impacts By Year

## 2019 and 2023

The motorcoach sector generated significant impact throughout the State of Wisconsin in 2019 and 2023.

In 2019, the motorcoach sector in the State of Wisconsin generated a total economic impact of \$1.2 billion, which included \$370.4 million in total labor income, supported 10,995 part-time and full-time jobs, and generated \$103.3 million in state and local tax revenues.

In 2023, the motorcoach sector in the State of Wisconsin generated a total economic impact of \$1.8 billion, which included \$543.9 million in total labor income, supported 12,941 part-time and full-time jobs, and generated \$148.8 million in state and local tax revenues.

### SUMMARY ECONOMIC IMPACTS

(\$ millions and number of employees)

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## About the Research Team



Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become 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.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 400 full-time staff, including 250 professional economists and analysts. 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.

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