

Economic Impact of Tourism in Michigan - 2022

September 2023

Prepared for: Michigan Office of Tourism



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INTRODUCTION

PROJECT BACKGROUND

The travel sector is an integral part of the Michigan economy. Visitors generate significant economic benefits to households, business, and government. This economic activity represents a critical driver of the state's economy. In 2022, visitor activity supported 5.6% of all jobs in the state and the increase in visitor activity in 2022 created \$250 million more in state and local governmental revenues.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development.

This is particularly important for Michigan as its visitor economy rebounds. By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the significance of the visitor economy in Michigan, 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 Michigan. 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 overnight 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. This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in ES202 data.

The analysis draws on the following data sources:

- Longwoods International: survey data, including spending and visitor totals for domestic visitors to Michigan
- STR lodging performance data, including room demand, room rates, occupancy, and room revenue, for hotels
- Tax collections: Bed tax and sales tax receipts for select industries. Data for both state and county geographies
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to Michigan based on aviation, survey, and credit card information

ECONOMIC IMPACTS

KEY FINDINGS

VISITS AND VISITOR SPENDING

Visitor activity reached and surpassed pre-pandemic levels in 2022. Visits grew to 125 million, nearly equaling the 125.6 million visits in 2019 and visitor spending reached \$27.3 billion, surpassing 2019's levels by \$800 million.



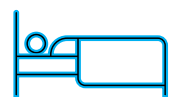
125.0 MILLION

Total Visitors to Michigan in 2022



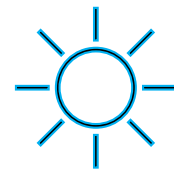
7.6 MILLION

Increase in Visitors to Michigan in 2022



\$21.5B

Spending by Overnight Visitors



\$5.8B

Spending by Day Visitors



\$27.3B

Direct Visitor Spending

TOTAL ECONOMIC IMPACT

The direct visitor spending of \$27.3 billion generated a total economic impact of \$48.5 billion in Michigan in 2022 including indirect and induced impacts. This total economic impact sustained more than 324,200 jobs and generated \$3.2 billion in state and local tax revenues in 2022.



\$48.5 BILLION

Total Economic Impact of Tourism in Michigan in 2022

SUMMARY ECONOMIC IMPACTS Michigan Tourism (2022)



\$27.3B

Visitor Spending



\$48.5B

Total Economic Impact



324,200

Total Jobs Supported



\$3.2B

State & Local Taxes Generated



VISITS & VISITOR SPENDING

Michigan visitor activity reached and exceeded pre-pandemic levels in 2022. With domestic visits surpassing pre-pandemic levels and international visitation recovering, visits essentially equaled pre-pandemic levels. With visitation growth, growth in overnight travel, and price increases in several categories of spending, visitor spending surpassed pre-pandemic levels.

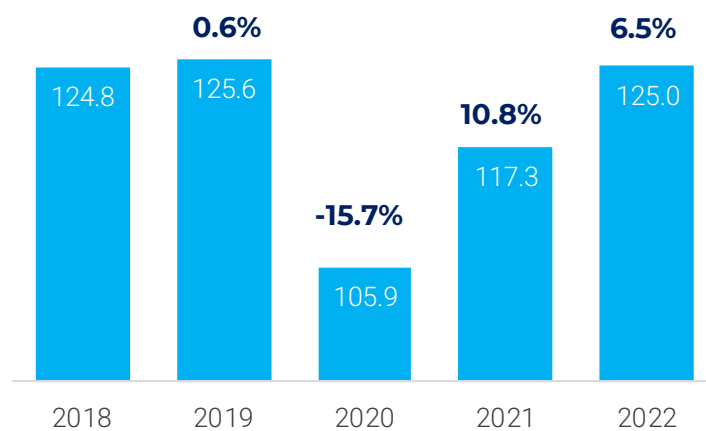
VISITOR VOLUME

Reaching pre-pandemic levels

With leisure travel continuing to grow and recovery in business and international travel in 2022, visitation grew by 6.5% to reach 125 million. The number of visits increased by 7.6 million and the increases have surpassed 19 million since 2020. Overnight visit growth outpaced day visit growth as commercial lodging growth was strong and higher gas prices impacted some traveler decisions.

Michigan visitor volume

Amounts in millions



Sources: Longwoods International, Tourism Economics

VISITOR SPENDING

Visitor spending in 2022 surpassed 2019 levels.

Visitors to Michigan spent \$27.3 billion in the state in 2022, an increase of \$3.2 billion as spending surpassed pre-pandemic levels by 3%.

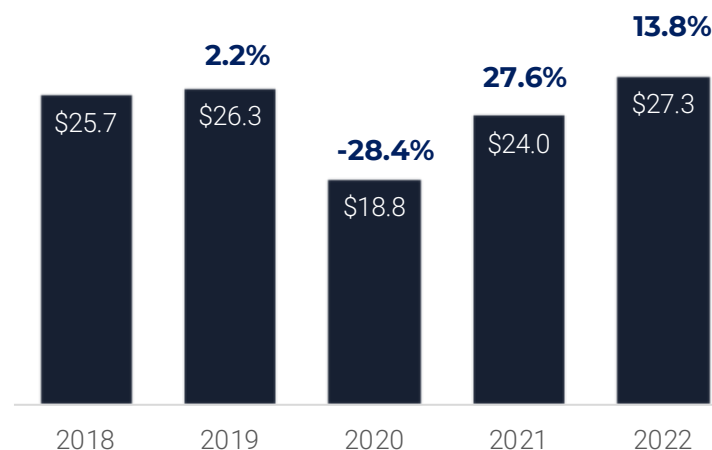
Transportation spending, including the value of the airport to the state's economy, remains the largest spending category in 2022 with 26% of each visitor dollar dedicated to transportation costs.

Visitors' \$6.3 billion spent on food & beverages in 2022 – at businesses from restaurants to grocery stores – was 23% of total visitor spending.

Twenty-two percent of visitor spending in Michigan went to lodging, with recreation and retail spending capturing the remaining 29% of visitor dollars spent in Michigan in 2022.

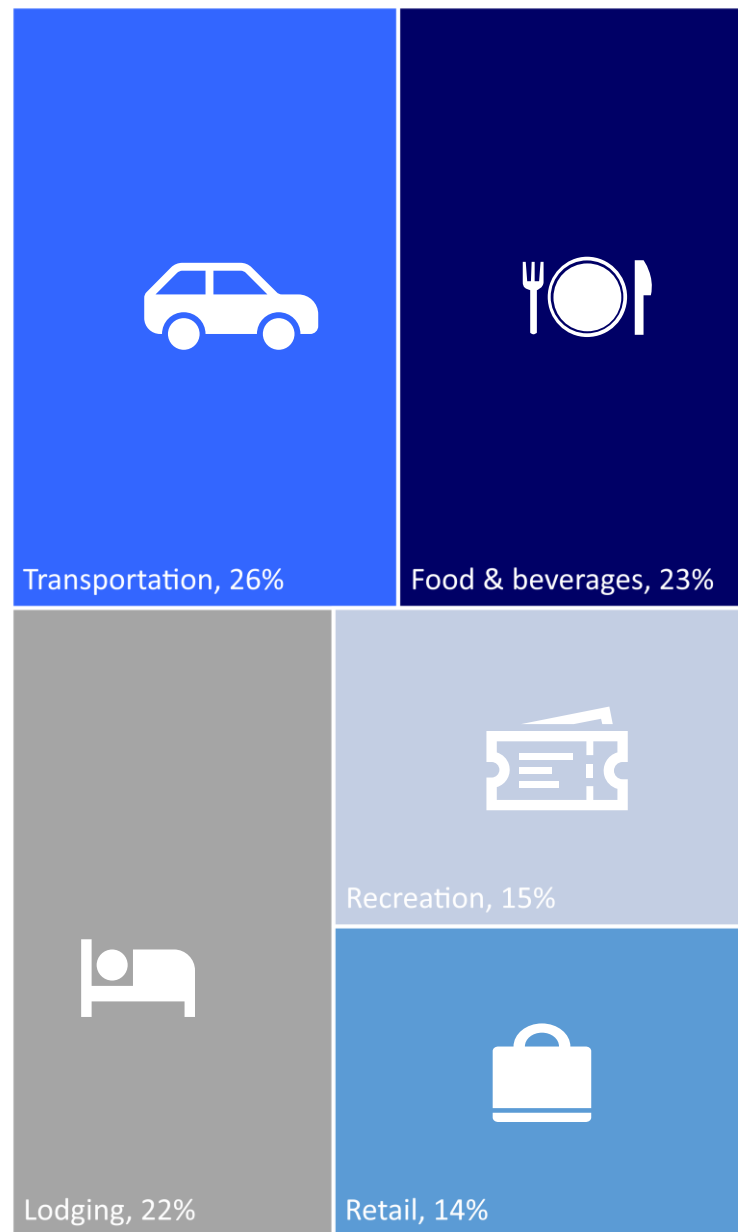
Michigan visitor spending

Amounts in \$ billions



Sources: Longwoods International, Tourism Economics

 **\$27.3 BILLION**
Total Visitor Spending in 2022



Source: Tourism Economics

Note: Lodging spending includes dollars spent on second homes. Transport includes both air and local transportation.

VISITOR SPENDING CATEGORY TRENDS

Spending grew across all spending categories with the strongest growth seen in transportation and recreational spending categories.

Transportation spending by visitors, which includes the value of the airports in Michigan, jumped more than \$1.0 billion to \$7.0 billion. The continued recovery in air passenger counts, increased visitation, and growth in gas prices all contributed to this increase.

With key venues re-opening and attractions increasing capacity, recreational spending jumped 17% in 2022 to nearly \$4.0 billion.

Lodging spending increased 12.3% in 2022, growing by nearly \$600 million. Lodging spending growth was held back by small declines in casino gaming activity, as many of the casinos in Michigan are casino-hotels and their spending is considered to be in the lodging category.

Spending by visitors in 2022 at clothing, sporting goods, and other shops surpassed pre-pandemic levels by nearly 8% in 2022, at \$3.9 billion.

VISITOR SEGMENTS

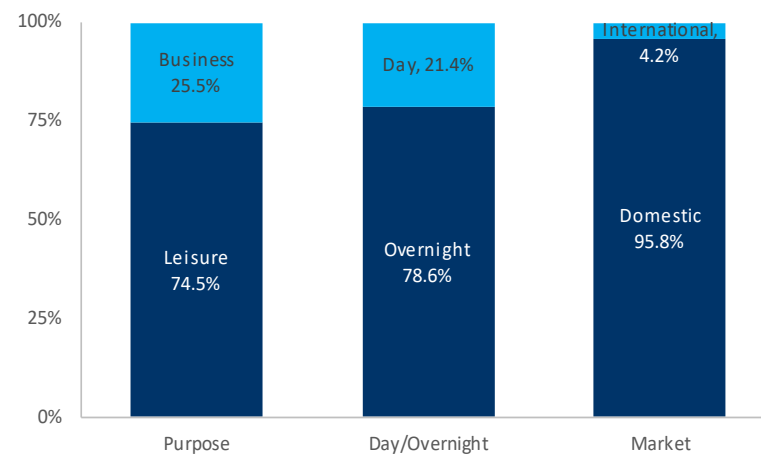
Overnight visitor spending growth continued to lead the recovery. Spending by overnight visitors increased to \$21.5 billion, 79% of the overall spending gain in 2022. With 53 million person-trips in Michigan spending a total of \$21.5 billion, spending by an overnight visitor was \$409 per-person, a \$24 increase.

Day spending grew to \$5.8 billion in 2022.

Helped by the increases in overnight visitors and their spending, per-visitor spending increased by \$15.

Michigan spending share by segment

Percent % of visitor spending by market



Source: Tourism Economics

Michigan visitor spending and annual growth

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

	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Total visitor spending	\$25,706	\$26,284	\$18,829	\$24,019	\$27,336	13.8%	104.0%
Lodging*	\$6,059	\$6,103	\$3,976	\$5,463	\$6,133	12.3%	100.5%
Food & beverage	\$5,666	\$5,917	\$4,430	\$5,564	\$6,323	13.6%	106.9%
Retail	\$3,470	\$3,608	\$3,031	\$3,574	\$3,887	8.8%	107.7%
Recreation	\$3,756	\$3,785	\$2,666	\$3,401	\$3,970	16.7%	104.9%
Transportation**	\$6,755	\$6,871	\$4,726	\$6,017	\$7,023	16.7%	102.2%

Source: Tourism Economics

* Lodging includes short-term rentals/2nd 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	124.8	125.6	105.9	117.3	125.0
Day	71.6	72.0	62.7	68.5	72.5
Overnight	53.3	53.6	43.3	48.9	52.5
Total visitor spending	\$25,706	\$26,284	\$18,829	\$24,019	\$27,336
Day	\$5,194	\$5,322	\$4,223	\$5,212	\$5,837
Overnight	\$20,512	\$20,962	\$14,606	\$18,807	\$21,499
Per visitor spending	\$206	\$209	\$178	\$205	\$219
Day	\$73	\$74	\$67	\$76	\$81
Overnight	\$385	\$391	\$338	\$385	\$409

Source: Tourism Economics

VISITOR SPENDING DISTRIBUTION - LEVELS

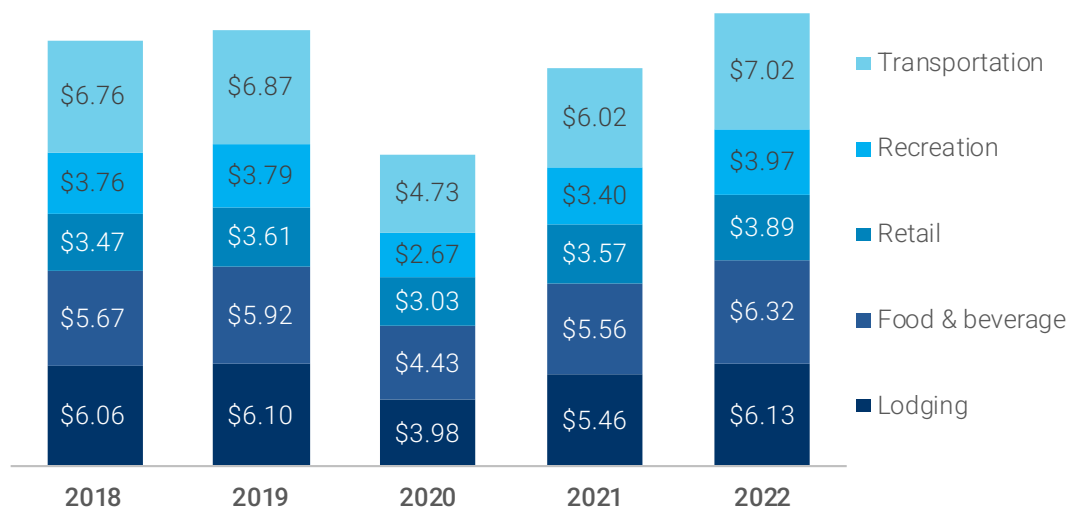
Visitor spending in 2022 increased in all the major spending categories, led by the \$1.0 billion increase in transportation spending. Driven by increases in visitor volumes, gas prices, and the recovery in air travel, transportation spending's spending increase provided 31% of the \$3.2 billion growth in visitor spending in 2022.

Food & beverages spending increased \$750 million in 2022, reaching \$6.3 billion. This is also \$400 million more than the pre-pandemic high of \$5.9 billion.

Recreational spending had been hard hit during the pandemic as closures and limitations on events affected attendance and revenues. Recreational spending increased \$570 million in 2022 to reach \$4.0 billion, 5% above 2019 levels after falling to 70% of 2019 levels in 2020.

Visitor spending in Michigan, 2018-2022

By category, \$ billions



Source: Tourism Economics

VISITOR SPENDING DISTRIBUTION - SHARES

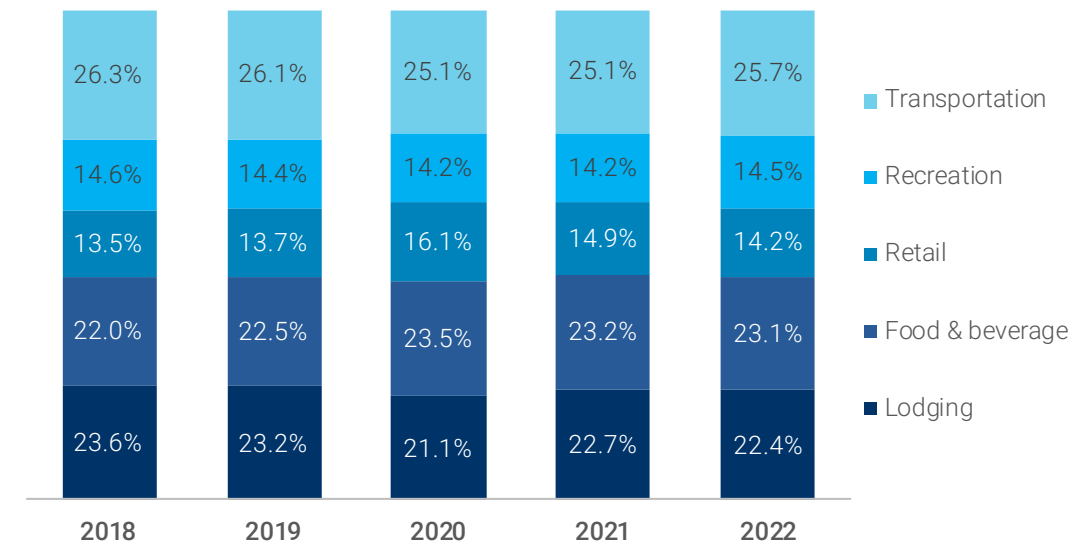
Visitor spending shares were influenced by several factors in 2022. The continued recovery in spending, growth in hotel stays, and uneven price increases across the categories all impacted changes in spending shares.

The continued recovery in recreational spending helped increase the share of visitor spending on entertainment to 14.5%, up from 14.2% in 2021. Recovery in air travel and gas price increases pushed the transportation share to 25.7% in 2022, up 0.6 percentage points.

The share of the visitor dollar spent at lodging facilities was heavily influenced by gaming. While room rentals increased about 20%, slight declines in gaming revenues meant that the lodging share declined slightly in 2022.

Visitor spending shares in Michigan, 2018-2022

By category, %



Source: Tourism Economics

VISITOR ECONOMY TRENDS

The visitor economy looks at a broader range of tourism-related expenditures. These include government support for tourism as well as capital investment (both new structures and machinery and equipment spending).

Overall, traveler demand neared \$30 billion in 2022, led by domestic traveler spending at \$26.2 billion. Capital investment in support of tourism grew to \$1.8 billion in 2022, an increase of 22%.

Tourism Capital Investment

Amounts in \$ millions

	2018	2019	2020	2021	2022
Total Tourism CAPEX	\$1,505	\$1,621	\$1,190	\$1,506	\$1,843
Machinery & equip.	\$1,023	\$1,095	\$771	\$976	\$1,124
Construction	\$482	\$526	\$419	\$530	\$719

Sources: Tourism Economics

VISITOR ECONOMY DISTRIBUTION

In Michigan, domestic visitor markets increased their relative importance to 88.2% of tourism demand in 2022.

Capital investment in tourism-related construction and machinery & equipment represented 6.2% of all tourism-related demand.

International visitor markets provided 3.8% of demand in 2022 as international travel rebounded. This is a sharp increase from 1.7% in 2021 but still down from 2019 when international spending was nearly 6.4% of all visitor demand.

The governmental support share was 0.4% of all Michigan tourism demand in 2022.

Michigan tourism demand

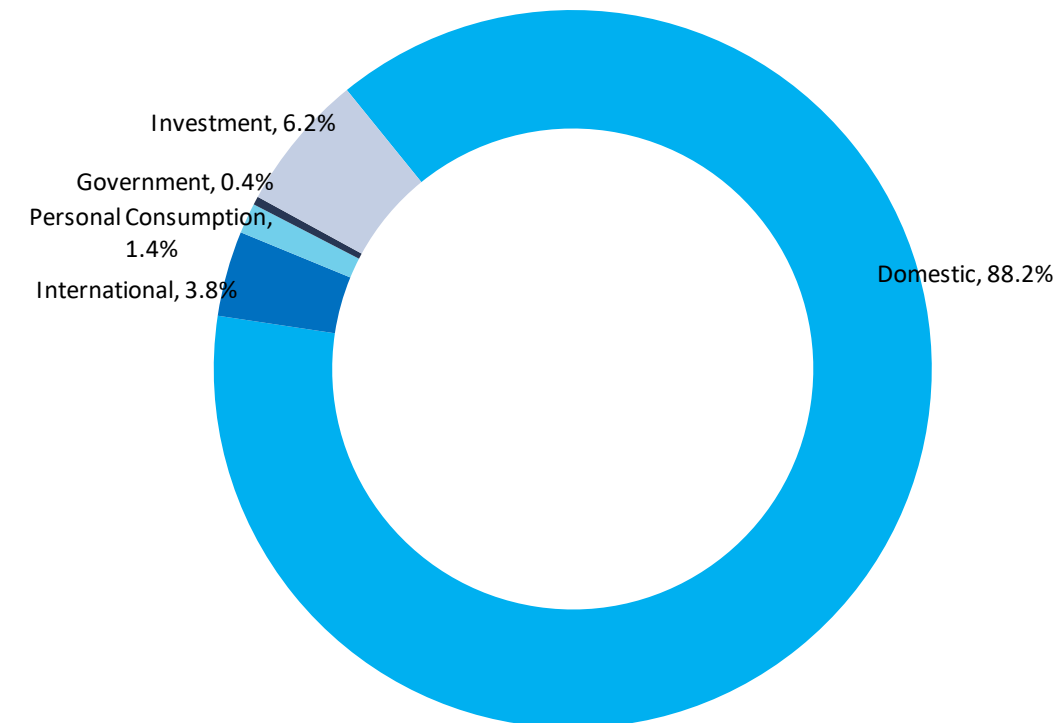
Amounts in \$ millions, 2022 % change, and % relative to 2019

	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Tourism Demand	\$27,862	\$28,348	\$20,488	\$26,063	\$29,697	13.9%	104.8%
Domestic Visitor	\$23,925	\$24,475	\$18,450	\$23,588	\$26,194	11.1%	107.0%
International Visitor	\$1,781	\$1,809	\$379	\$431	\$1,142	164.9%	63.1%
Non-visitor PCE	\$441	\$429	\$355	\$394	\$406	3.0%	94.6%
Governmental Support	\$127	\$130	\$114	\$144	\$112	-22.2%	86.7%
Capital Investment	\$1,588	\$1,505	\$1,190	\$1,506	\$1,843	22.4%	122.4%

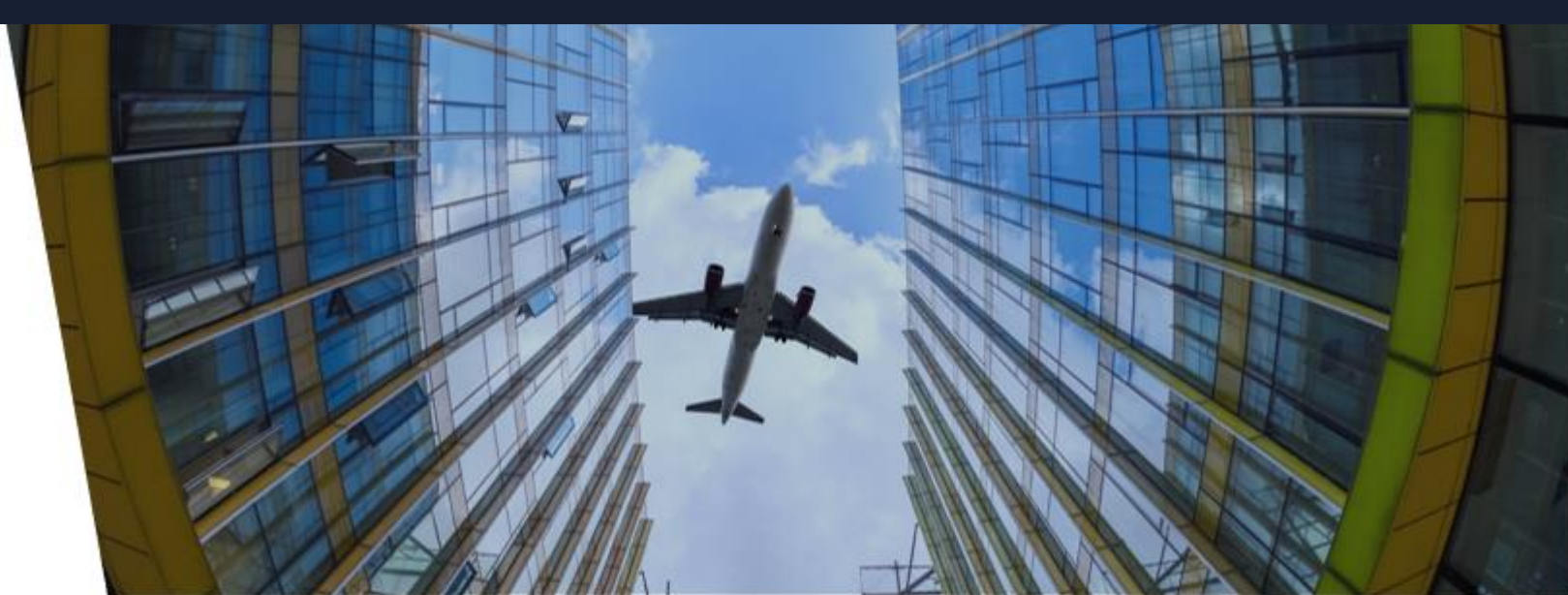
Sources: Longwoods International, Tourism Economics

Michigan tourism demand

Percent distribution



Sources: Longwoods International, Tourism Economics



ECONOMIC IMPACT METHODOLOGY

The analysis of the Michigan visitor economy begins with direct visitor spending and then 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 Michigan 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

Tourism demand



RETAIL



ENTERTAINMENT/REC



FOOD & BEVERAGE



TRANSPORTATION



LODGING

INDIRECT IMPACTS

Purchases of inputs from suppliers



SUPPLY
CHAIN
EFFECTS



B2B GOODS &
SERVICES
PURCHASED

INDUCED IMPACTS

Consumption generated by household income impacts:



INCOME
EFFECT



HOUSEHOLD
CONSUMPTION

TOTAL IMPACTS

Direct, indirect, and induced impacts



SALES



GDP



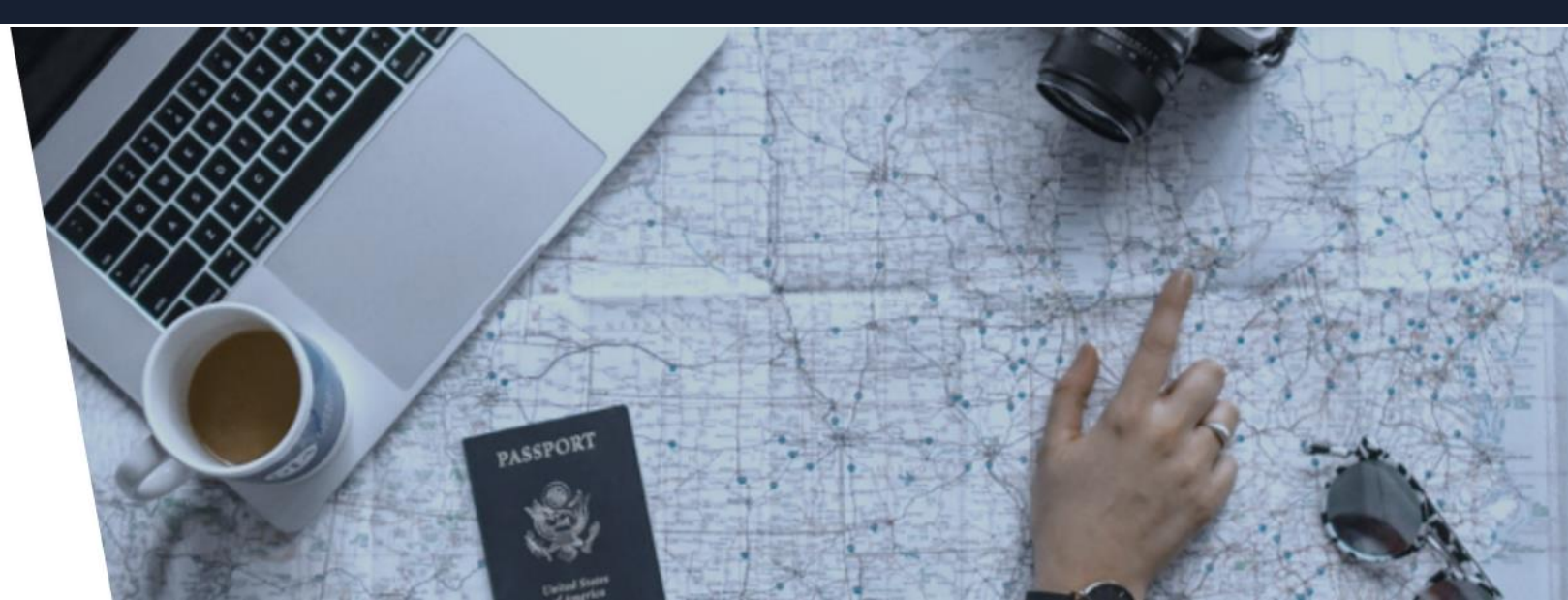
JOBS



INCOME



TAXES



ECONOMIC IMPACT FINDINGS

DIRECT IMPACTS

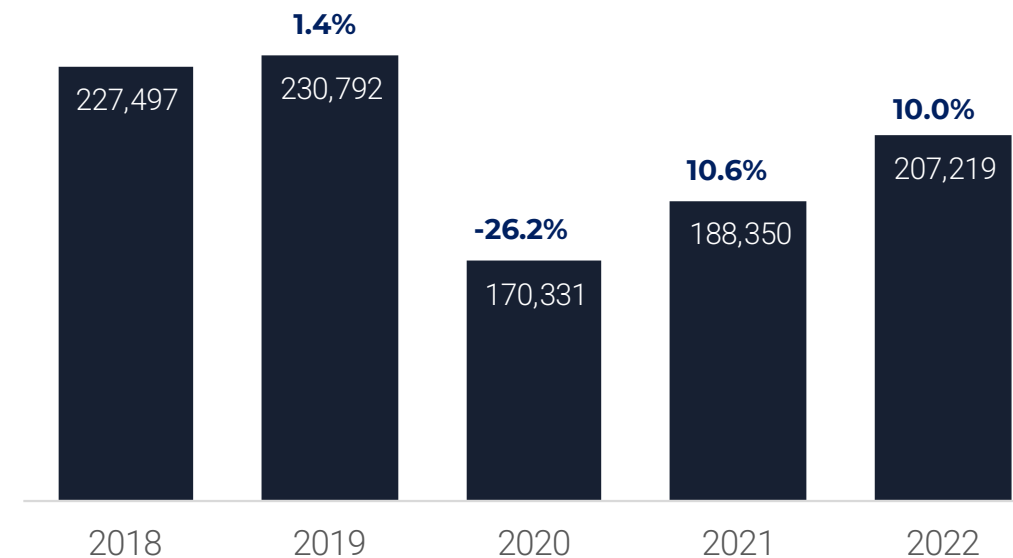
Employment supported by visitor activity rose 10% in 2022, rebounding to 207,219 jobs. The number of jobs jumped by nearly 19,000 in 2022. With the increase, the number of jobs directly supported by visitors rebounded to 90% of pre-pandemic levels.

If direct visitor-supported employment was treated as a single industry, it would rank 12th in comparison to all other sectors, just behind the education sector.

Tourism employment ranked 11th in 2019 and had fallen to 13th in 2020.

Visitor supported employment in Michigan

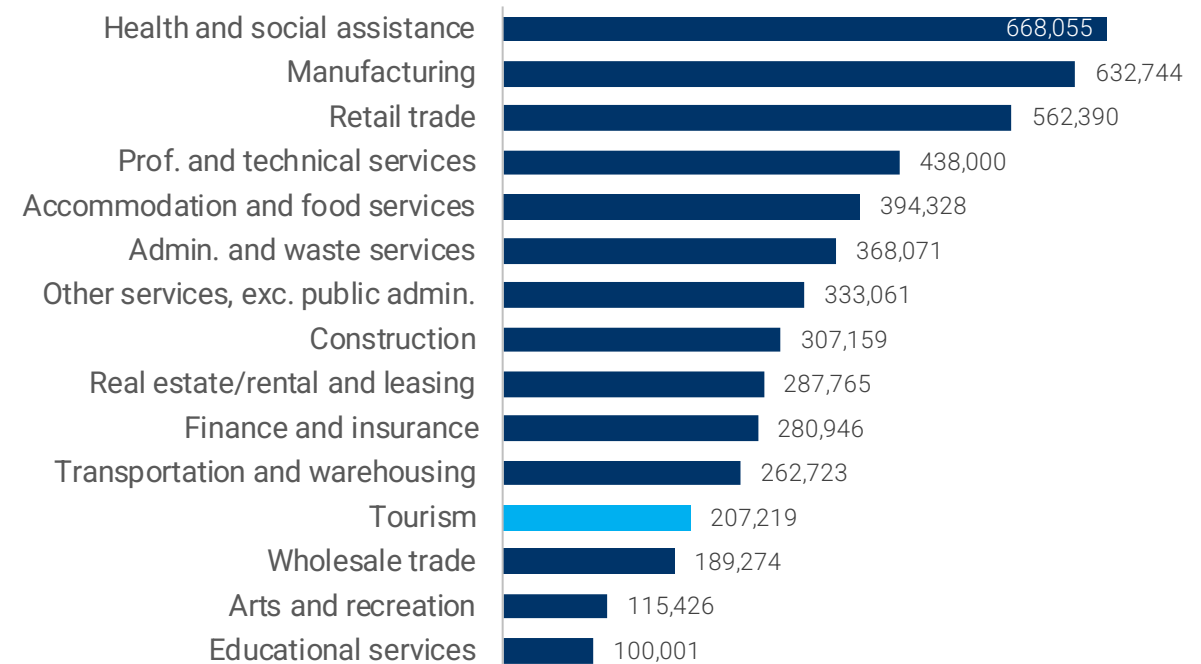
Amounts in number of jobs



Source: Tourism Economics

Employment in Michigan, by major industry

Amounts in number of jobs



Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

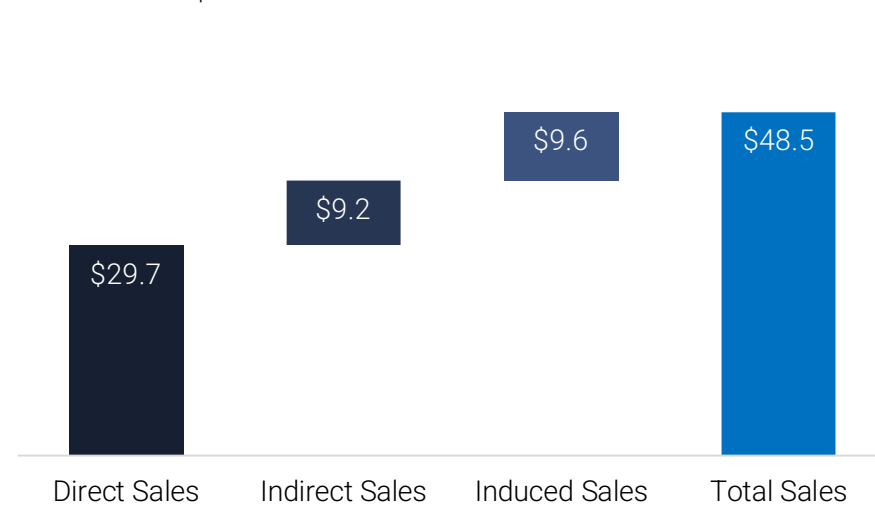
BUSINESS SALES IMPACTS

Visitor activity supported a total of \$48.5 billion in business sales in 2022. Visitor spending and support for visitor activity – including construction in hotels and other tourism venues, governmental spending, and personal consumption spending – grew to \$29.7 billion. Indirect and induced impacts added another \$18.8 billion as tourism businesses and workers spent in the state’s economy.

Note only do industries like restaurants see significant benefits from visitor activity – a total of \$5.9 billion – but visitor activity also supported a total of \$3.6 billion in sales in business services industry. This is spending by tourism businesses and workers on accountants, interior designers, advertising, veterinarians and more.

Summary economic impacts (2022)

Amounts in \$ billions



Source: Tourism Economics

Business sales impacts by industry (2022)

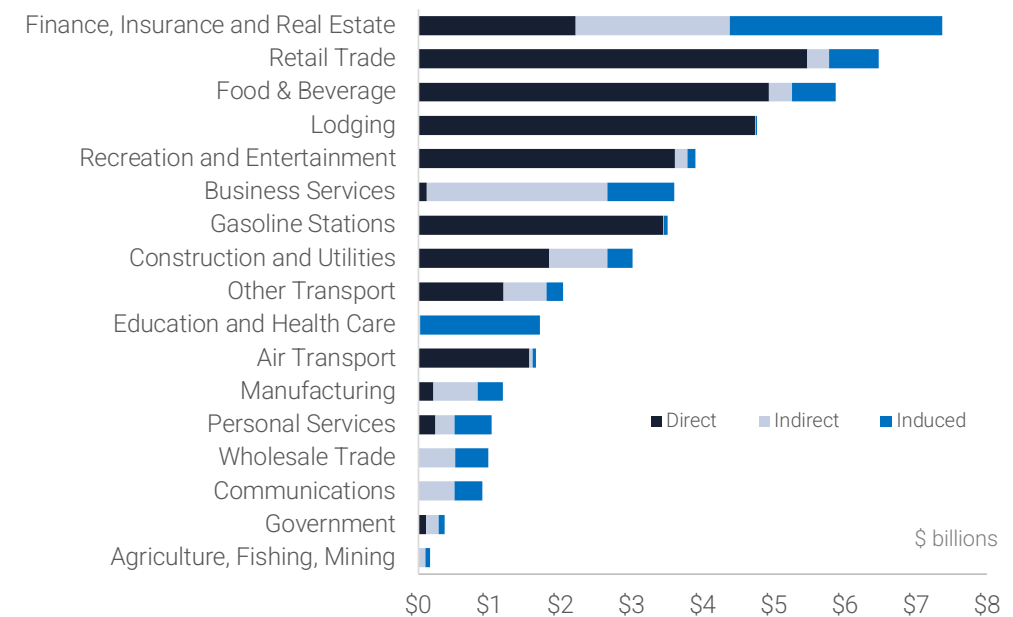
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$29,697	\$9,191	\$9,647	\$48,535
Finance, Insurance and Real Estate	\$ 2,216	\$2,162	\$2,989	\$7,367
Retail Trade	\$ 5,475	\$301	\$702	\$6,478
Food & Beverage	\$ 4,932	\$324	\$614	\$5,869
Lodging	\$ 4,735	\$8	\$17	\$4,760
Recreation and Entertainment	\$ 3,613	\$175	\$113	\$3,900
Business Services	\$ 119	\$2,542	\$943	\$3,604
Gasoline Stations	\$ 3,440	\$11	\$56	\$3,507
Construction and Utilities	\$ 1,843	\$815	\$360	\$3,018
Other Transport	\$ 1,201	\$600	\$234	\$2,035
Education and Health Care	-	\$24	\$1,682	\$1,706
Air Transport	\$ 1,563	\$41	\$51	\$1,655
Manufacturing	\$ 209	\$623	\$359	\$1,191
Personal Services	\$ 238	\$267	\$521	\$1,027
Wholesale Trade	-	\$518	\$468	\$986
Communications	-	\$509	\$390	\$899
Government	\$ 112	\$170	\$88	\$371
Agriculture, Fishing, Mining	-	\$101	\$60	\$161

Source: Tourism Economics

Visitor economy business sales impacts by industry (2022)

Amounts in \$ billions



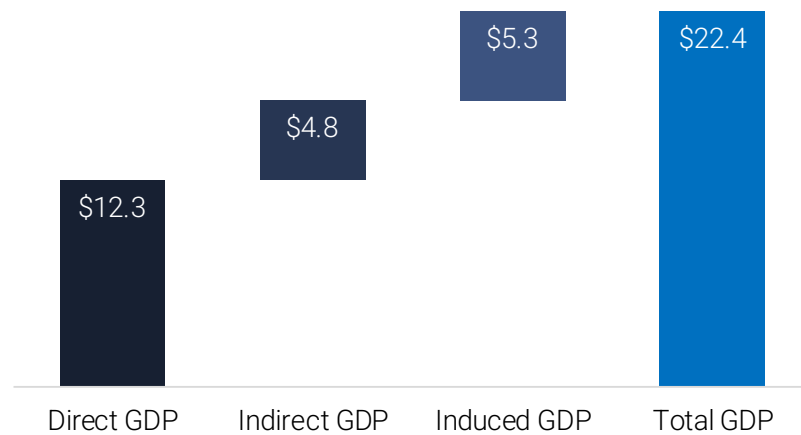
Source: Tourism Economics

VALUE ADDED IMPACTS

The value of all visitor-supported goods & services produced in Michigan in 2022 for Michigan visitors was \$22.4 billion, 4.3% of the Michigan economy.

Summary value-added impacts (2022)

Amounts in \$ billions



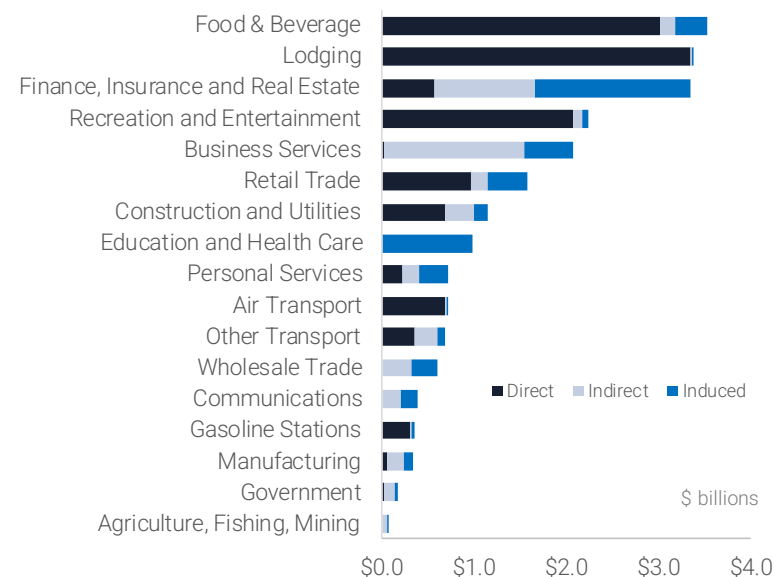
Source: Tourism Economics

The locally produced portion of visitor-supported sales in the finance & real estate industry added \$3.4 billion to state GDP in 2022.

Spending by travel demand-supported workers supported \$968 million in GDP contribution in the education and health care industries, showing how tourism activity supports businesses across the industrial spectrum.

Visitor value-added impacts by Industry (2022)

Amounts in \$ billions



Source: Tourism Economics



Summary value-added impacts by industry (2022)

Amounts in \$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$ 12,330	\$ 4,780	\$ 5,283	\$ 22,394
Food & Beverage	\$ 3,015	\$ 171	\$ 340	\$ 3,526
Lodging	\$ 3,352	\$ 12	\$ 24	\$ 3,388
Finance, Insurance and Real Estate	\$ 570	\$ 1,095	\$ 1,687	\$ 3,353
Recreation and Entertainment	\$ 2,073	\$ 103	\$ 64	\$ 2,240
Business Services	\$ 31	\$ 1,523	\$ 529	\$ 2,083
Retail Trade	\$ 960	\$ 192	\$ 432	\$ 1,584
Construction and Utilities	\$ 678	\$ 329	\$ 148	\$ 1,155
Education and Health Care	-	\$ 13	\$ 968	\$ 981
Personal Services	\$ 219	\$ 186	\$ 320	\$ 725
Air Transport	\$ 688	\$ 16	\$ 18	\$ 722
Other Transport	\$ 352	\$ 255	\$ 86	\$ 693
Wholesale Trade	-	\$ 324	\$ 288	\$ 611
Communications	-	\$ 212	\$ 183	\$ 395
Gasoline Stations	\$ 306	\$ 16	\$ 28	\$ 350
Manufacturing	\$ 55	\$ 180	\$ 99	\$ 334
Government	\$ 31	\$ 103	\$ 38	\$ 171
Agriculture, Fishing, Mining	-	\$ 53	\$ 29	\$ 82

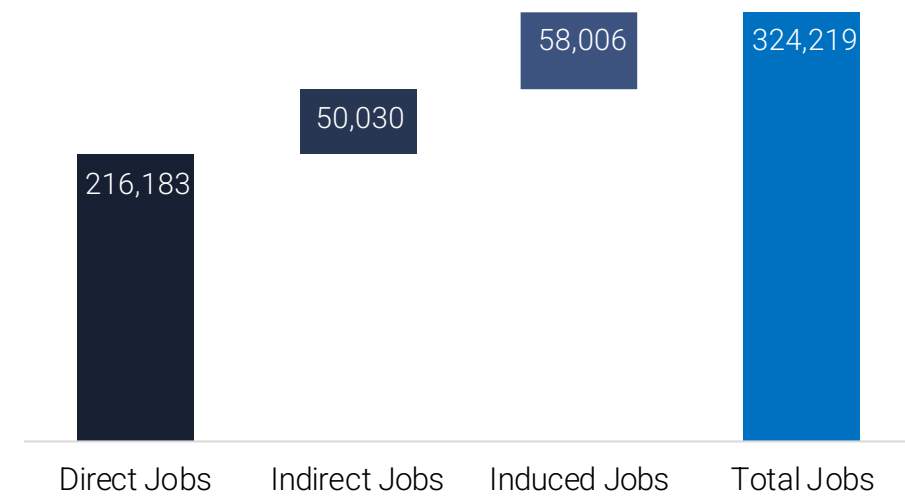
Source: Tourism Economics

EMPLOYMENT IMPACTS

Visitor activity supported a total of 324,200 jobs in 2022, including 216,200 direct jobs and 108,000 jobs supported through indirect and induced impacts. This equates to 1-in-18 jobs in Michigan.

Summary employment impacts (2022)

Amounts in number of jobs



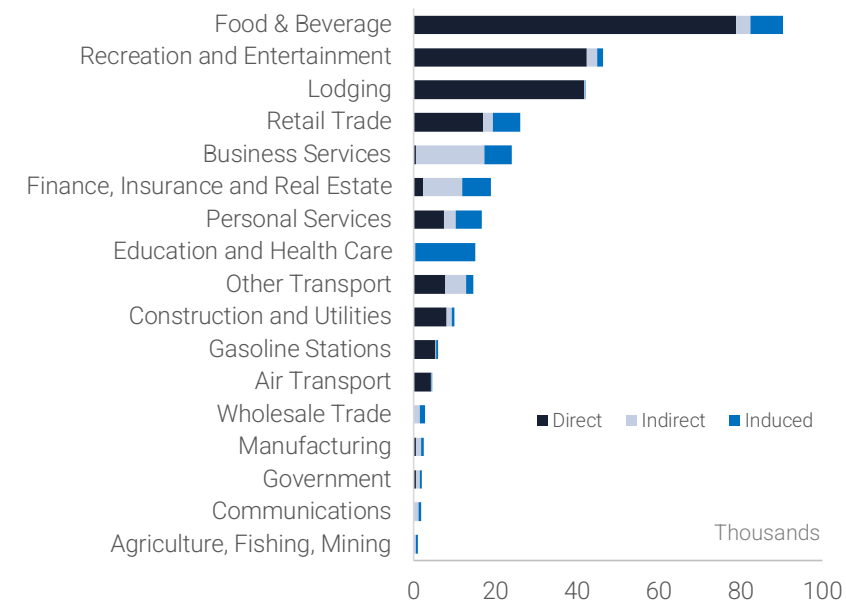
Source: Tourism Economics

With tourism a labor-intensive industry, more of the employment impact is directly from visitor activity, pushing those industries rankings up. Ranking 1st, visitor spending supports the largest number of jobs in the food & beverage industry, more than 90,000.

Spending by tourism-supported workers supports 6,394 jobs in personal services businesses – from automotive repair to beauty salons and civic organizations.

Visitor job Impacts by industry (2022)

Amounts in thousands 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	216,183	50,030	58,006	324,219
Food & Beverage	78,795	3,633	7,979	90,407
Recreation and Entertainment	42,327	2,538	1,513	46,378
Lodging	41,693	119	236	42,048
Retail Trade	16,889	2,454	6,677	26,021
Business Services	503	16,741	6,727	23,971
Finance, Insurance and Real Estate	2,322	9,439	7,162	18,923
Personal Services	7,429	2,734	6,394	16,557
Education and Health Care	-	326	14,684	15,010
Other Transport	7,688	5,105	1,837	14,630
Construction and Utilities	7,985	1,341	664	9,990
Gasoline Stations	5,344	127	400	5,871
Air Transport	4,227	108	138	4,473
Wholesale Trade	-	1,467	1,301	2,768
Manufacturing	476	1,339	650	2,465
Government	503	1,000	418	1,921
Communications	-	1,070	787	1,857
Agriculture, Fishing, Mining	-	489	440	929

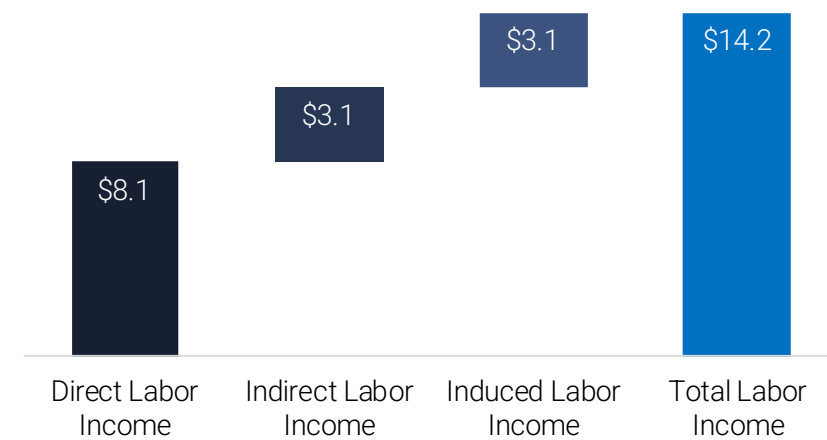
Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated a total of \$14.2 billion in labor income to Michigan job holders, increasing 14%, a gain of \$1.7 billion in income to Michigan households. Visitor activity directly supported more than \$8 billion in income with indirect and induced jobs supported by tourism added another \$6.2 billion.

Summary labor income impacts (2022)

Amounts in \$ billions

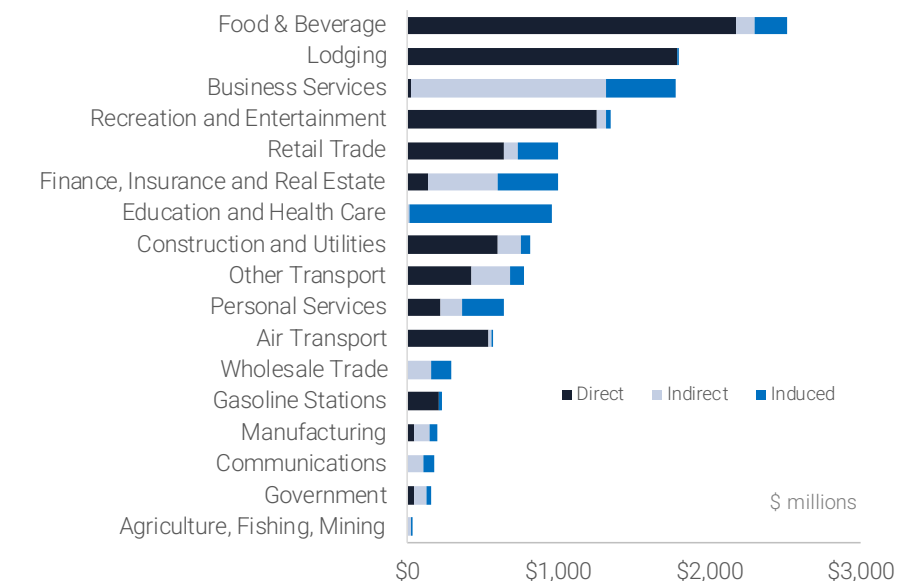


Source: Tourism Economics

There are seven industries in which visitor activity supports more than \$900 million in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and finance.

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	\$ 8,058	\$ 3,083	\$ 3,091	\$ 14,232
Food & Beverage	\$ 2,176	\$ 122	\$ 221	\$ 2,519
Lodging	\$ 1,781	\$ 2	\$ 3	\$ 1,786
Business Services	\$ 25	\$ 1,286	\$ 468	\$ 1,779
Recreation and Entertainment	\$ 1,252	\$ 60	\$ 36	\$ 1,347
Retail Trade	\$ 638	\$ 92	\$ 265	\$ 995
Finance, Insurance and Real Estate	\$ 133	\$ 462	\$ 399	\$ 995
Education and Health Care	-	\$ 13	\$ 939	\$ 952
Construction and Utilities	\$ 598	\$ 150	\$ 64	\$ 812
Other Transport	\$ 420	\$ 262	\$ 86	\$ 768
Personal Services	\$ 214	\$ 150	\$ 272	\$ 636
Air Transport	\$ 537	\$ 14	\$ 17	\$ 567
Wholesale Trade	-	\$ 151	\$ 135	\$ 286
Gasoline Stations	\$ 202	\$ 7	\$ 15	\$ 223
Manufacturing	\$ 40	\$ 108	\$ 51	\$ 199
Communications	-	\$ 102	\$ 76	\$ 178
Government	\$ 41	\$ 87	\$ 33	\$ 160
Agriculture, Fishing, Mining	-	\$ 18	\$ 13	\$ 31

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, supporting jobs, income, and business sales, generated \$6.5 billion in government revenues.

State and local taxes alone tallied \$3.2 billion in 2022, increasing by \$250 million.

Each household in Michigan would need to be taxed an additional \$790 to replace the visitor-generated taxes generated by visitor activity in Michigan and received by state and local governments in 2022.

Fiscal (tax) impacts

Amounts in \$ millions

	2018	2019	2020	2021	2022	2022 Growth
Total Tax Revenues	\$5,720.7	\$5,973.3	\$5,067.0	\$5,856.6	\$6,452.1	10.2%
Federal Taxes	\$2,927.2	\$3,051.1	\$2,514.1	\$2,903.9	\$3,249.9	11.9%
Personal Income	\$911.1	\$1,000.0	\$848.2	\$992.3	\$1,180.9	19.0%
Corporate	\$346.9	\$315.1	\$215.0	\$232.7	\$257.0	10.5%
Indirect Business	\$289.2	\$277.7	\$218.6	\$260.1	\$284.1	9.2%
Social Insurance	\$1,380.0	\$1,458.2	\$1,232.2	\$1,418.9	\$1,527.9	7.7%
State and Local Taxes	\$2,793.5	\$2,922.2	\$2,553.0	\$2,952.7	\$3,202.2	8.5%
Sales	\$1,188.2	\$1,225.8	\$982.4	\$1,170.1	\$1,294.7	10.6%
Bed Tax	\$26.2	\$27.6	\$17.1	\$26.2	\$33.4	27.6%
Personal Income	\$218.9	\$235.1	\$200.6	\$233.6	\$278.0	19.0%
Corporate	\$32.5	\$35.3	\$31.3	\$34.3	\$41.3	20.4%
Social Insurance	\$9.8	\$9.3	\$6.0	\$6.5	\$7.1	8.9%
Excise and Fees	\$208.8	\$211.0	\$187.5	\$205.5	\$215.8	5.0%
Property	\$1,109.1	\$1,178.0	\$1,128.1	\$1,276.5	\$1,332.0	4.3%

Source: Tourism Economics

Tourism-supported revenues to state government rose to \$1.9 billion in 2022. The majority of state revenues are from sales taxes with income, corporate, and excise and fees from visitor activity together adding \$660 million to state coffers. State revenues grew by \$183 million with sales tax growth driving the increase.

Local tax revenues from visitor activity rose to \$1.3 billion with property taxes, bed taxes, fees, and income taxes supporting local governmental revenues. Local revenues grew by \$66 million.

Fiscal (tax) impacts

Amounts in \$ millions

	2021	2022	2022 Growth
State Taxes	\$1,751.4	\$1,934.8	10.5%
Sales	\$1,146.7	\$1,270.1	10.8%
Bed Tax	\$0.0	\$0.0	
Personal Income	\$222.6	\$261.9	17.7%
Corporate	\$34.3	\$41.3	20.4%
Social Insurance	\$6.5	\$7.1	8.9%
Excise and Fees	\$147.2	\$156.0	6.0%
Property	\$194.2	\$198.5	2.2%
Local Taxes	\$1,201.2	\$1,267.4	5.5%
Sales	\$23.4	\$24.7	5.4%
Bed Tax	\$26.2	\$33.4	27.6%
Personal Income	\$11.1	\$16.1	44.9%
Corporate	\$0.0	\$0.0	
Social Insurance	\$0.0	\$0.0	
Excise and Fees	\$58.3	\$59.9	2.7%
Property	\$1,082.3	\$1,133.5	4.7%

Source: Tourism Economics

ECONOMIC IMPACTS IN CONTEXT



\$27.3B VISITOR SPENDING

Michigan's \$27.3 billion in visitor spending is similar in size to the revenues of the NFL AND NBA (~\$18 billion and \$10 billion respectively).



\$3.3B VISITOR SPENDING INCREASE

Visitor spending growth in Michigan of \$3.3 billion is equal in size to Michigan State University's fiscal 2023-4 budget.



324,219 TOTAL JOBS

The total job impact of visitor activity in Michigan would fill the five largest stadiums in the state: Michigan Stadium, Spartan Stadium, Ford Field, Comerica Park, and Kelly/Shorts Stadium.



\$3.2B STATE & LOCAL TAXES

State and local tax revenues from tourism would be enough to fund all current University of Michigan construction projects (\$2 billion) AND Detroit school district's facility plan (\$700 million)...with \$500 million left over.

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	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.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

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. recreation, transportation, 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.
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, state, and city 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.

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