

# Michigan Travel Economic Impact and Travel Volumes

Presented by:

Corporate Research

Michigan Economic Development Corporation

May 2010



# Michigan Travel Spending

## Michigan Travel Spending



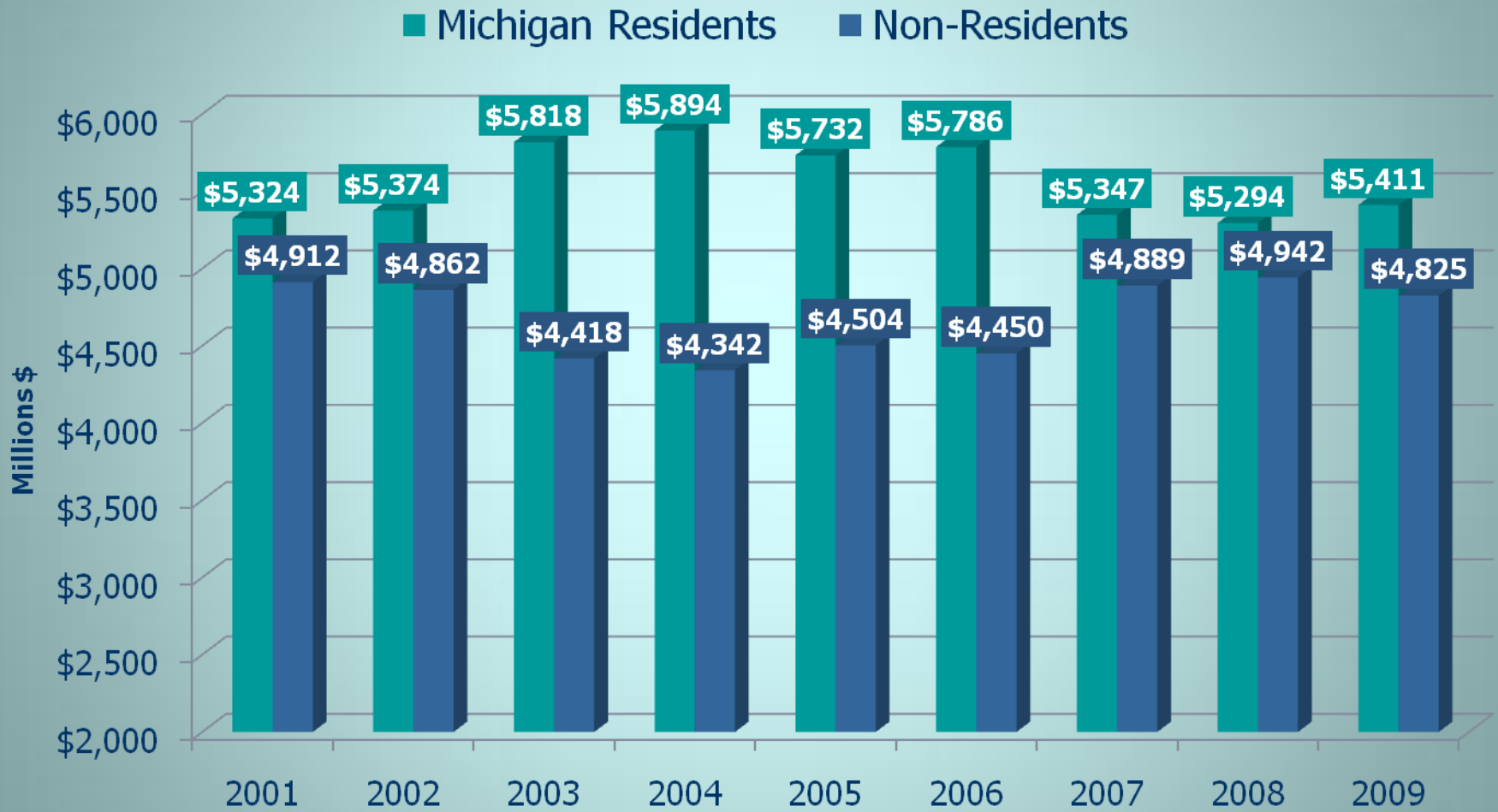
A 7.4% decline between 2008 and 2009.

# Michigan Travel Spending



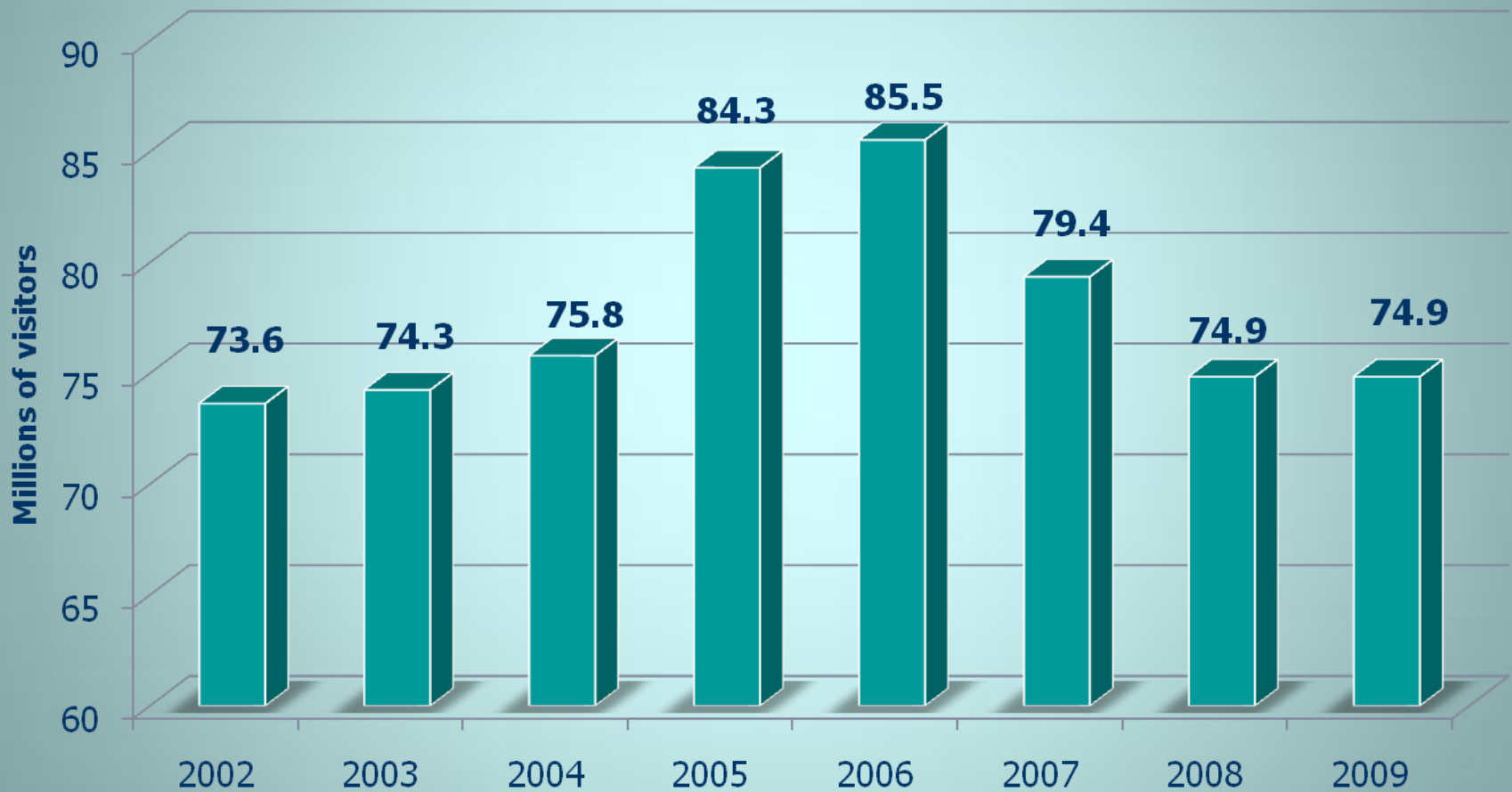
Between '08 and '09 leisure \$ declined 6.6%, business \$ declined 9.5%

# Michigan Leisure Spending:



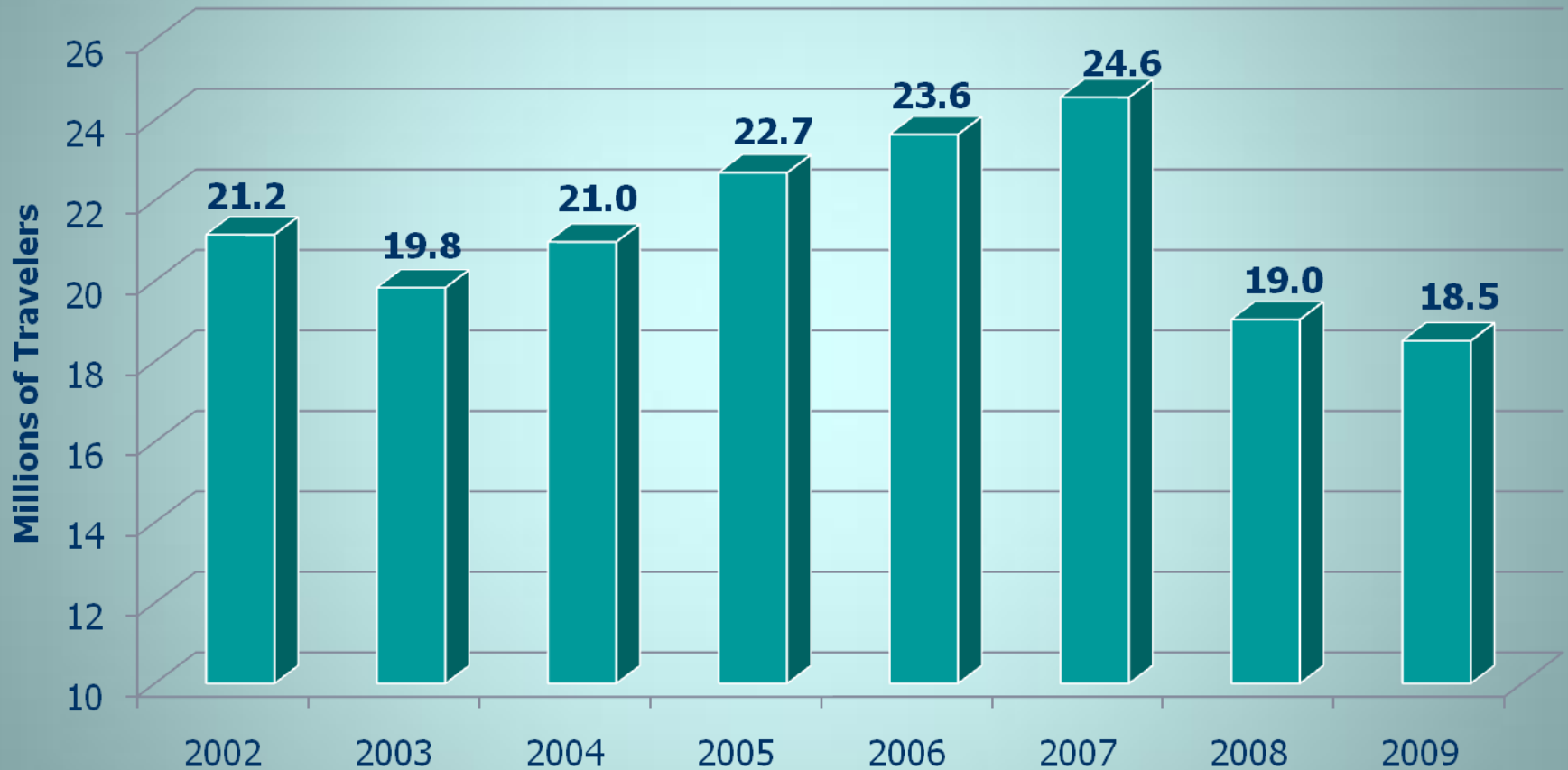
Between '08 and '09 Resident leisure spending grew 2.2%. Non-resident fell 2.7%

# Michigan Leisure Visitors



Leisure travelers stayed the same between 2008 to 2009

# Michigan Business Travelers

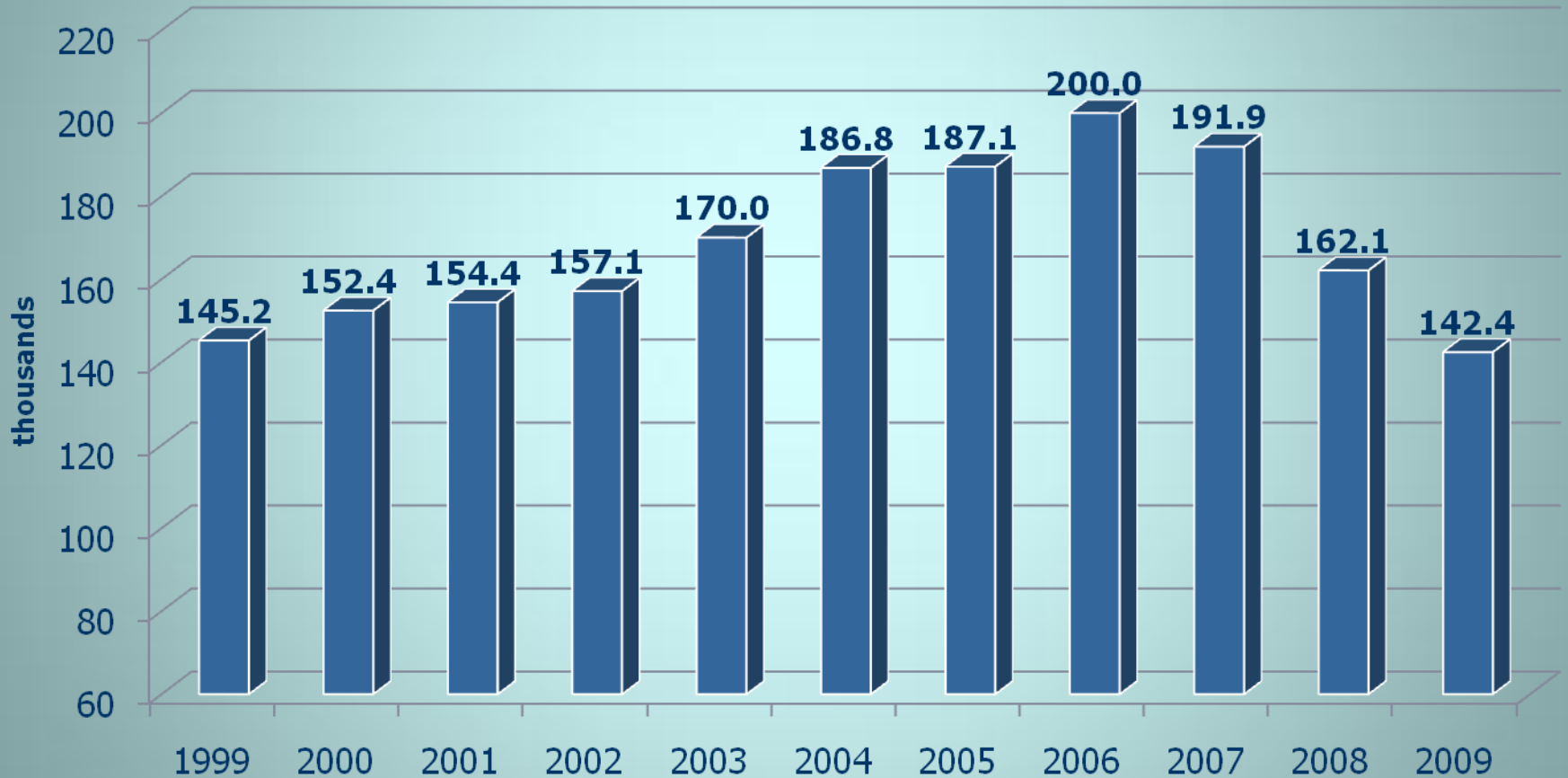


Business travel declined 2.9% from 2008 to 2009

# State Tax Revenue Generated by the Michigan Travel Industry



# Travel Industry Employment in Michigan



# Travel Industry Spending – US (-18.9%) vs. Michigan (-7.4%)



# *Economic Impact vs. ROI*

*But ... if the Pure Michigan  
campaign is so successful ...  
Why is the economic impact of  
travel still down?*

# *Impact of Travel Michigan's Advertising Campaigns*

## **Travel Advertising Impact Summary 2004-2009**

	<u>Advertising Investment</u>	<u>Trips Generated</u>	<u>New Visitor Spending</u>	<u>State Taxes Generated</u>	<u>ROI</u>
2004	\$ 3,521,839	990,000	\$ 163,800,000	\$ 11,524,490	\$ 3.27
2005	\$ 3,385,559	889,000	\$ 165,445,389	\$ 11,601,740	\$ 3.43
2006	\$ 6,215,273	697,500	\$ 187,963,288	\$ 13,105,926	\$ 2.11
2007	\$ 6,846,980	1,255,330	\$ 287,442,217	\$ 20,120,955	\$ 2.94
2008	\$ 6,373,128	1,137,410	\$ 270,271,786	\$ 18,919,025	\$ 2.97
2009 (Gr.Lakes only)	\$ 4,427,900	1,265,000	\$ 337,746,600	\$ 23,642,300	\$ 5.34
2009 (Balance of US)	\$ 7,822,000	681,200	\$ 249,630,000	\$ 17,474,100	\$ 2.23
<b>Totals</b>	<b>\$ 38,592,679</b>	<b>6,915,440</b>	<b>\$ 1,662,299,279</b>	<b>\$ 116,388,536</b>	<b>\$ 3.02</b>
<b>Six-Year Average</b>	<b>\$ 6,432,113</b>	<b>\$ 1,152,573</b>	<b>\$ 277,049,880</b>	<b>\$ 19,398,089</b>	<b>\$ 3.02</b>

Source: *Michigan Tourism Advertising Evaluation and Image Study*. Longwoods International.

# *Travel Spending without Pure Michigan?*

		Yr. Over Yr.	Visitor		Yr. Over Yr.
	Actual Travel	Chng w/	Spending	Travel Spending	Chng.
	Spending \$	Ads	from Pure	w/out Ads	w/out Ads
			Michigan		
2004	\$ 17,520.5	---	\$ 163.8	\$ 17,356.7	---
2005	\$ 17,593.7	0.4%	\$ 165.4	\$ 17,428.3	0.4%
2006	\$ 18,786.5	6.8%	\$ 188.0	\$ 18,598.5	6.7%
2007	\$ 18,109.8	-3.6%	\$ 287.4	\$ 17,822.4	-4.2%
2008	\$ 16,320.8	-9.9%	\$ 270.3	\$ 16,050.5	-9.9%
2009	\$ 15,115.9	-7.4%	\$ 587.4	\$ 14,528.5	-9.5%
<b>TOTALS</b>	<b>\$ 103,447.2</b>		<b>\$ 1,662.3</b>	<b>\$ 101,784.9</b>	

# *Economic Impact vs. ROI*

What would have happened without a positive ROI in these past 6 years?

- 6.9 million fewer visitors.
- \$1.7 billion less in travel spending.
- \$116 million in lost state tax revenue.
  
- Travel spending in '09 would have fallen 9.5% rather than 7.4%.