

# ECONOMIC IMPACT OF TOURISM IN DOOR COUNTY 2019

Prepared for:  
Destination Door County



[WWW.TOURISMECONOMICS.COM](http://WWW.TOURISMECONOMICS.COM)

# INTRODUCTION

The travel sector is an integral part of the Door County economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of Door County' future. Putting it in numbers, visitors drive \$480 in business sales and support 3,250 jobs in the county.

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 Door County as it builds upon its tourism economy. By establishing a baseline of economic impacts, the industry can track its progress over time.

To quantify the economic significance of the tourism sector in Door County, Tourism Economics has prepared a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, personal income, and fiscal (tax) impacts in the broader economy.

The analysis draws on the following data sources:

- Longwoods International: survey data, including spending and visitor profile characteristics for visitors to Wisconsin
- Wisconsin Office of Revenue and Economic Analysis – sales tax data by industry and other data points.
- Door County Tourism Zone data– lodging performance data, including room demand, rates, occupancy and revenue
- 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
- US Census: business sales by industry and seasonal second homes inventory

# KEY FINDINGS

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The visitor economy is an engine for economic growth



## Visitor spending

In 2019, visitor spending in Door County surpassed \$374 million. Since 2015, visitor spending has increased by more than 12%.



## Employment generator

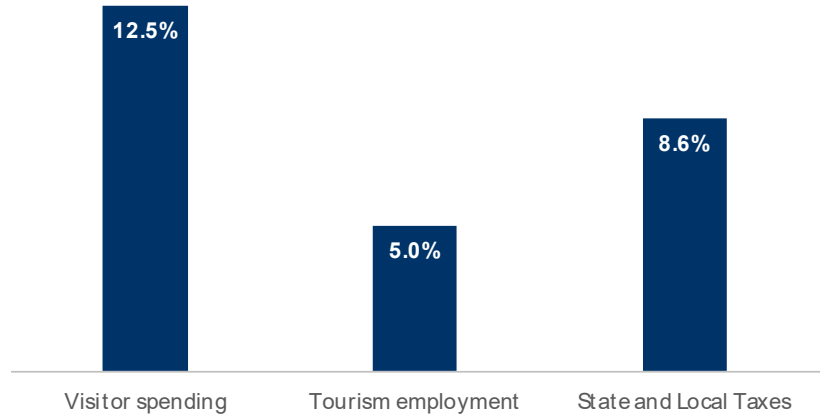
Employment supported by visitor spending surpassed 3,250 in 2019 and has grown by 144 jobs since 2015.



## Fiscal contributions

Visitors generated \$39 million in state and local taxes in 2019.

Five-year growth in key metrics in Door County



Source: Tourism Economics

# VISITATION AND SPENDING

# VISITOR SPENDING TRENDS

Continued growth in 2019

Door County tourism continued to grow in 2019. Sustained growth was led by gains in food/beverage and recreation spending pushing overall tourism spending in Door County.



## Visitor spending growth continued in 2019

Visitor spending increased 2.1% in 2019 to reach \$374 million.



## Accumulation of spending growth matters

Visitor spending is \$42 million higher than 2015 numbers, an increase of more than 12%.



## Increases in recreational spending support overall growth

Visitor spending on recreation and entertainment activities increased by 3.5% in 2019, leading all categories.

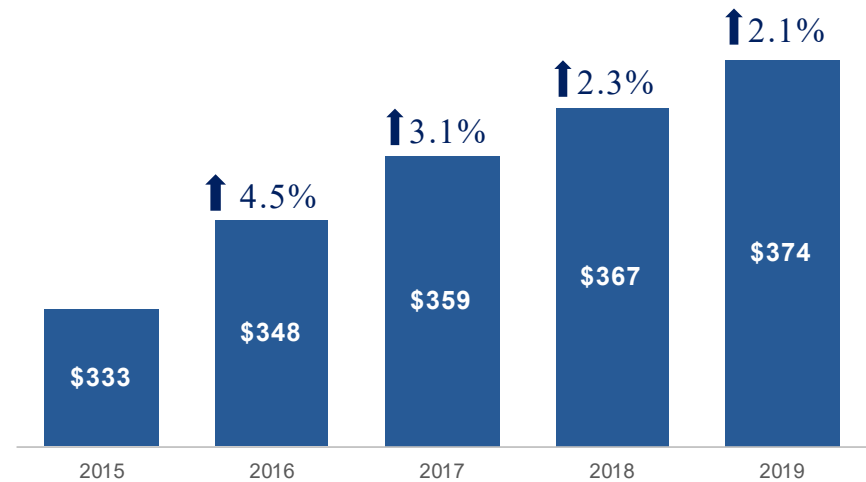
# SPENDING

## Total visitor spending

Visitor spending in Door County grew 2.1% in 2019 to reach \$374 million.

Visitor spending increased by close to \$8 million in 2019 and has grown by nearly \$42 million since 2015, cumulative growth of 12%.

Door County visitor spending (\$ millions)



Source: Tourism Economics

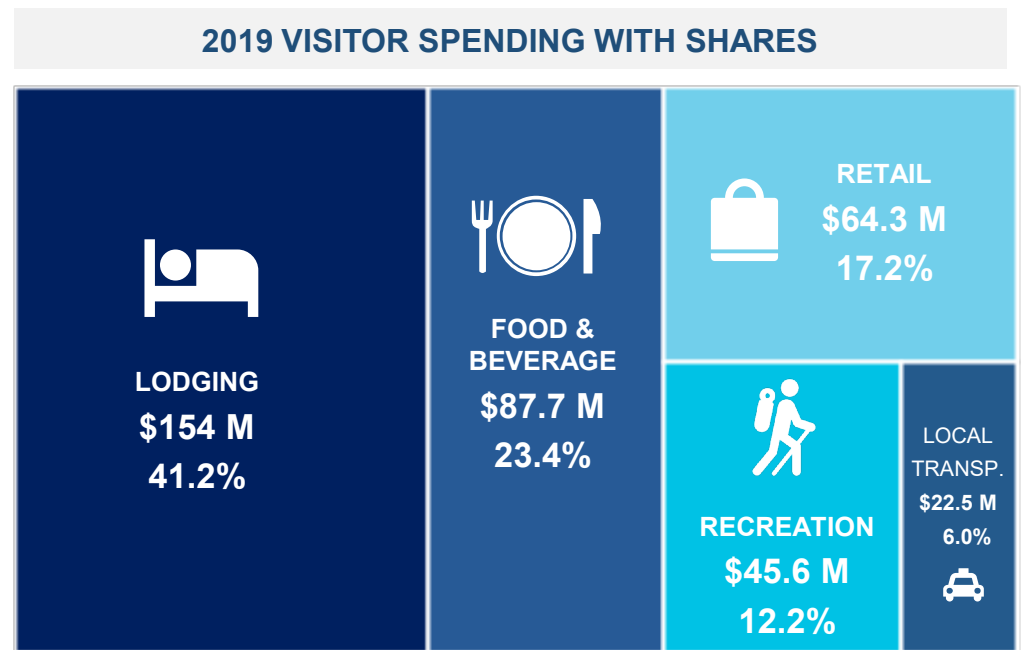
# SPENDING

Spending by category, 2019

## Visitors to Door County spent \$374 million across a wide range of sectors in 2019

Lodging captures 41% of each visitor dollar in the county. The next largest category, food & beverages netted more than 23% of all visitor spending in the county in 2019. More than 17% of each visitor dollar went to retail shopping.

Recreational activities' share of the visitor dollar was 12.2% in 2019.



Source: Tourism Economics



# SPENDING

## Visitor spending timeline

### Visitor spending increased by \$8 million in 2019.

Visitor spending growth on food and recreational activities helped support overall spending growth. Drops in gas prices limited growth, controlling local transportation costs.

Visitor spending on lodging has grown by \$21 million since 2015, the largest increase by any category.

The growth in both food and recreational spending categories has supported overall visitor spending growth both in 2019 and over the past five years.

### Visitor Spending in Door County, 2015-2019

Amounts in millions of dollars

	2015	2016	2017	2018	2019	2019 Growth	2015-2019 CAGR
<b>Total visitor spending</b>	<b>\$332.8</b>	<b>\$347.8</b>	<b>\$358.5</b>	<b>\$366.6</b>	<b>\$374.4</b>	<b>2.1%</b>	<b>3.0%</b>
 Lodging*	\$133.3	\$142.6	\$149.2	\$151.6	\$154.2	1.7%	3.7%
 Food & beverages	\$75.7	\$79.8	\$82.4	\$85.0	\$87.7	3.3%	3.8%
 Retail	\$60.9	\$62.5	\$61.8	\$63.3	\$64.3	1.7%	1.4%
 Recreation	\$39.5	\$40.8	\$42.8	\$44.1	\$45.6	3.5%	3.7%
 Transportation**	\$23.4	\$22.1	\$22.2	\$22.7	\$22.5	-0.9%	-1.0%

\* Lodging includes 2nd home spending

\*\* Transportation includes all types of ground transportation

Source: Tourism Economics

# SPENDING

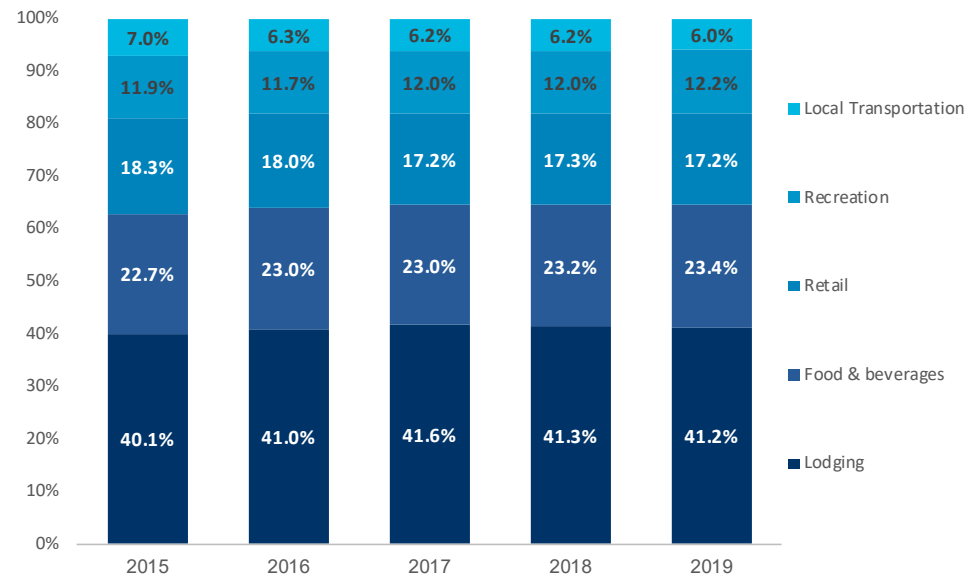
## Visitor spending shares

With the strong increases in spending on recreational activities over the last few years, the share of the visitor dollar spent at amusement and entertainment businesses has risen from 11.7% in 2016 to 12.2% in 2019.

The share of the visitor dollar spent on food – restaurants and grocery stores - jumped to 23.4% in 2019.

Over 41 cents of every dollar spent in the Door County region by visitors is at lodging businesses.

### Door County visitor spending (shares)



Source: Tourism Economics

# ECONOMIC IMPACTS



## ECONOMIC IMPACTS

How visitor spending generates employment and income

Our analysis of tourism's impact on Door County begins with actual spending by visitors, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in Door County, we input visitor spending into a model of the economy created in IMPLAN. This model calculates three distinct types of impact: direct, indirect, and induced.

The impacts on business sales, jobs, wages, and taxes are calculated for all three levels of impact.

- 1. Direct Impacts:** Visitors create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP 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.
- 3. Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitors, spend those wages in the local economy.

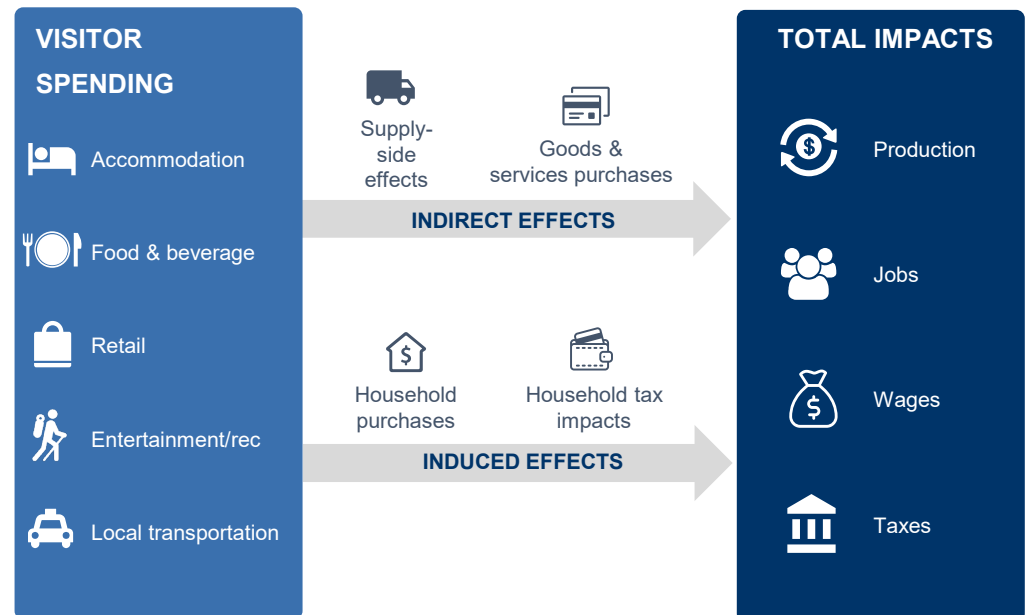
# ECONOMIC IMPACTS

How visitor spending generates employment and income

## Economic impact flowchart

IMPLAN is particularly effective because it calculates these three levels of impact – direct, indirect, and induced – for a broad set of indicators. These include the following:

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



# DIRECT TOURISM INDUSTRY

## Tourism employment growth

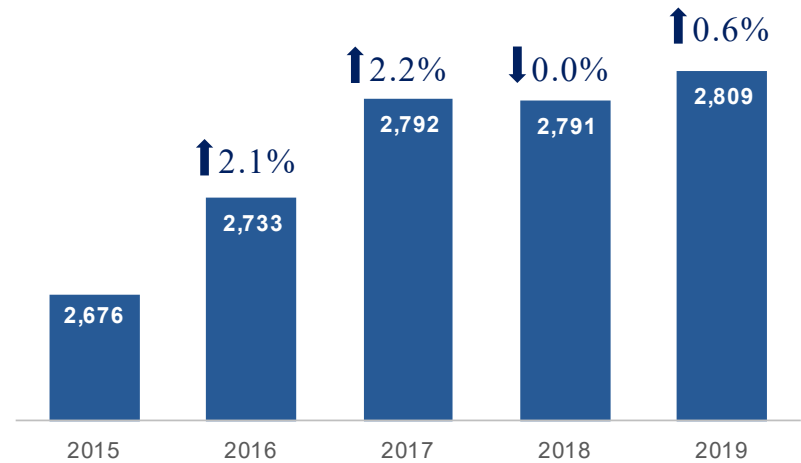
### Visitor spending directly supported 2,809 jobs

The number of jobs directly supported by tourism increased by 18 jobs, growth of 0.6%.

Direct tourism employment has grown by 133 jobs since 2015.

### Tourism supported employment in Door County

Amounts in number of jobs and year-on-year percentage growth



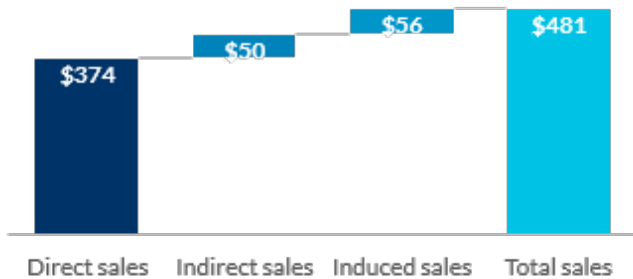
Source: Tourism Economics

# ECONOMIC IMPACTS

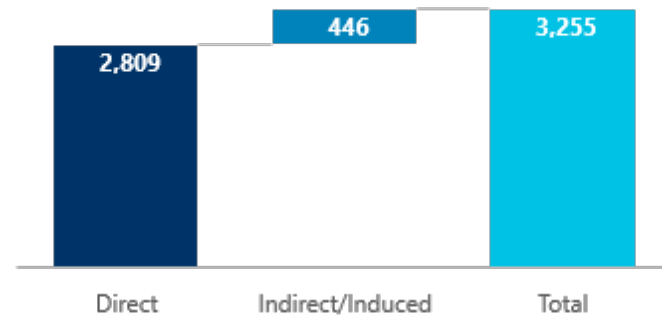
Visitor spending reached \$374 million in Door County in 2019. This supported a total of \$481 million in business sales when indirect and induced impacts are considered.

In total, visitor activity supported 3,255 jobs which earned local job holders \$85 million in labor income.

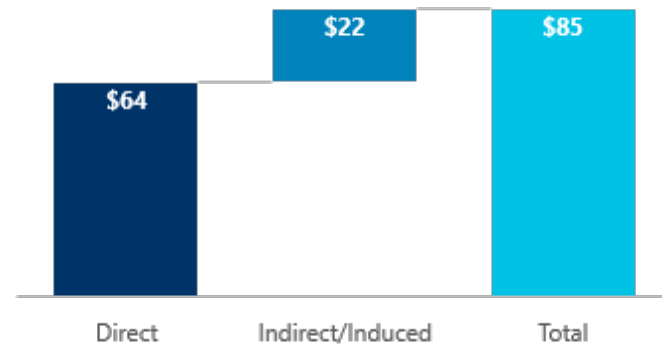
Summary economic impacts (\$ millions)



Summary employment impacts (number of jobs)



Summary personal income impacts (\$ millions)



Source: Tourism Economics

# ECONOMIC IMPACTS

## Direct impacts

### Direct impact comparisons

Door County' \$374 million in visitor spending represents 2.74% of all visitor spending in Wisconsin. Door County's remained mostly steady in 2019.

	2015	2016	2017	2018	2019	% Chg
<b>Visitor Spending</b> (millions)						
Door County	\$333	\$348	\$359	\$367	\$374	2.13%
Wisconsin	\$11,919	\$12,311	\$12,694	\$13,319	\$13,668	2.62%
Share	2.79%	2.83%	2.82%	2.75%	2.74%	

1.9% of all jobs directly supporting visitors in Wisconsin are in the Door County region.

<b>Employment</b>						
Door County	2,676	2,733	2,792	2,791	2,809	0.63%
Wisconsin	135,095	137,193	139,329	141,980	144,657	1.89%
Share	1.98%	1.99%	2.00%	1.97%	1.94%	

Local wages and other income directly from visitor activity grew 3.5% in 2019.

<b>Labor Income</b> (millions)						
Door County	\$52.3	\$55.7	\$59.4	\$61.5	\$63.7	3.54%
Wisconsin	\$2,736	\$2,846	\$2,967	\$3,099	\$3,231	4.27%
Share	1.91%	1.96%	2.00%	1.98%	1.97%	

Source: Tourism Economics



# ECONOMIC IMPACTS

## Total impacts

### Total impact comparisons

Total business sales grew 2.5% in Door County to reach \$481 million.

In 2019, there were 144 more jobs supported by visitor activity than in 2015.

Total income earned by jobs supported by visitor spending grew by 3.4% to reach \$85 million.

	2015	2016	2017	2018	2019	% Chg
<b>Business sales</b> (millions)						
Door County	\$424	\$443	\$457	\$469	\$481	2.47%
Wisconsin	\$19,292	\$19,968	\$20,607	\$21,572	\$22,223	3.02%
Share	2.20%	2.22%	2.22%	2.17%	2.16%	
<b>Employment</b>						
Door County	3,111	3,178	3,240	3,237	3,255	0.55%
Wisconsin	187,643	193,454	195,811	199,073	202,217	1.58%
Share	1.66%	1.64%	1.65%	1.63%	1.61%	
<b>Labor Income</b> (millions)						
Door County	\$70.7	\$75.3	\$79.3	\$82.4	\$85.2	3.44%
Wisconsin	\$5,066	\$5,274	\$5,395	\$5,675	\$5,902	4.00%
Share	1.40%	1.43%	1.47%	1.45%	1.44%	

Source: Tourism Economics

# ECONOMIC IMPACTS

## Fiscal (tax)

	2015	2016	2017	2018	2019	% Chg
Visitor spending, visitor supported jobs, and business sales generated \$39 million in state and local governmental revenues.						
<b>State and Local</b> (millions)						
Door County	\$36.1	\$37.5	\$38.7	\$38.8	\$39.2	1.16%
Wisconsin	\$1,469	\$1,506	\$1,541	\$1,582	\$1,610	1.79%
Share	2.46%	2.49%	2.51%	2.45%	2.44%	
<b>Federal</b> (millions)						
Door County	\$23.1	\$24.4	\$25.9	\$26.8	\$27.6	3.00%
Wisconsin	\$1,103	\$1,148	\$1,195	\$1,244	\$1,289	3.63%
Share	2.09%	2.13%	2.17%	2.15%	2.14%	

Source: Tourism Economics, IMPLAN, Door County Department of Revenue

# 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, Buenos Aires, Dubai, Frankfurt, and Ontario.

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 250 full-time staff, including 150 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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