

ECONOMIC IMPACT OF VISITORS IN ILLINOIS 2023

July 2024

Prepared for: Illinois Office of Tourism



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INTRODUCTION

PROJECT BACKGROUND

The travel sector is an integral part of the Illinois economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of Illinois' future. In 2023, visitors supported \$82.6 billion in total business sales, including indirect and induced impacts, at businesses in Illinois.

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

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for Illinois. 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.

The value of seasonal and second homes was estimated based on census data for seasonal units and estimated gross rents.

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.

To quantify the economic significance of the visitor economy in the state of Illinois, 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, and fiscal (tax) impacts in the broader economy.

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 the ES202 data.

The analysis draws on the following data sources:

- DK Shifflet / MMGY: survey data, including visitor profile characteristics for visitors to Illinois
- 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
- U.S. Energy Information Administration: gasoline price data
- US Census: business sales by industry and seasonal second homes inventory
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to Illinois based on aviation, survey, and credit card information.

ECONOMIC IMPACTS

KEY FINDINGS

VISITOR SPENDING

Visitors to Illinois spent \$47.2 billion in 2023, an increase of 7% over the prior year. Visitor spending surpassed 2019 levels for the first time, reaching 4% above its pre-pandemic benchmark. Visitor volumes reached 112.4 millions, a 1% increase over the prior year and reached 92% of 2019 levels.

TOTAL ECONOMIC IMPACT

Visitor spending of \$47.2 billion generated a total economic impact of \$82.6 billion in Illinois in 2023 including indirect and induced impacts. This total economic impact sustained almost 448,300 jobs and generated \$6.6 billion in state and local tax revenues in 2023.^w



\$82.6 BILLION

Total Economic Impact of Tourism in Illinois in 2023



\$47.2B

Visitor Spending



\$82.6B

Total Economic Impact



448,300

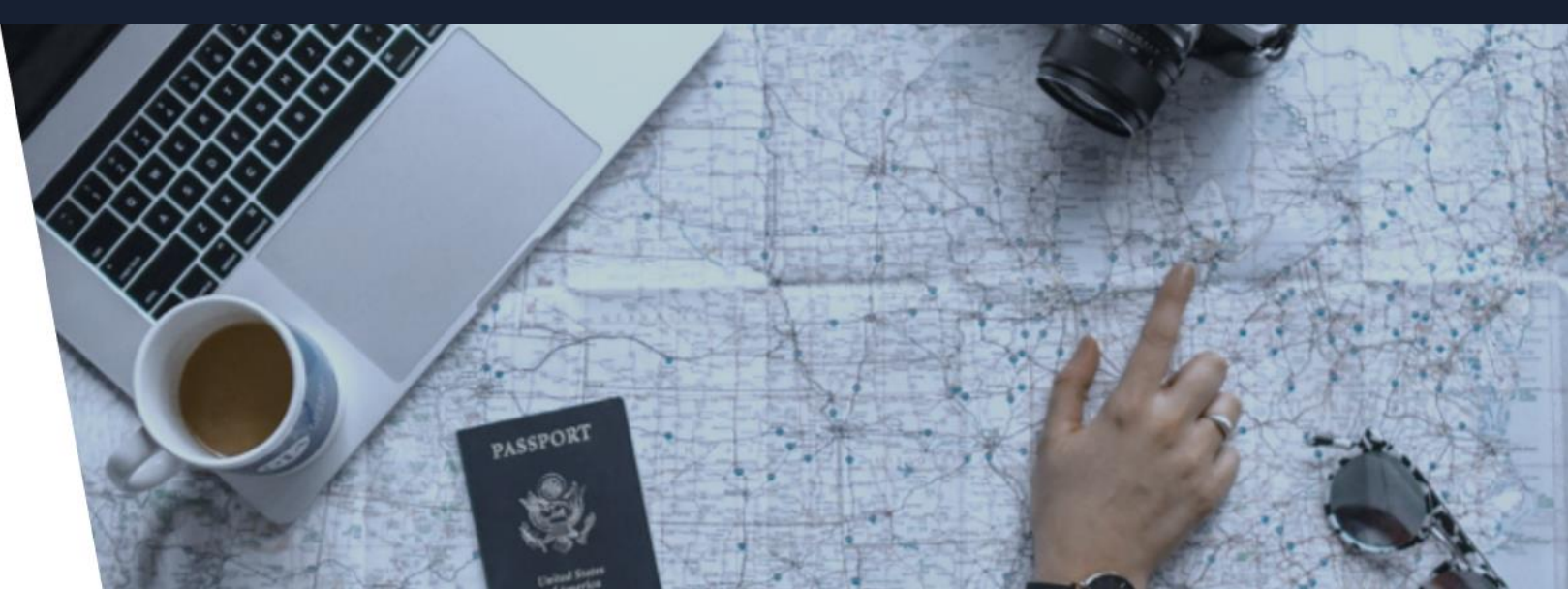
Total Jobs Generated



\$6.6B

State & Local Taxes Generated





VISITS & VISITOR SPENDING

Every year, Illinois draws tens of millions of visitors from Illinois residents, other U.S. states, and from abroad. In 2023, Illinois experienced ongoing growth as spending levels surpass pre-pandemic levels. Visitor spending amounted to \$47.2 billion with visitor volume totaling 112.4 million.

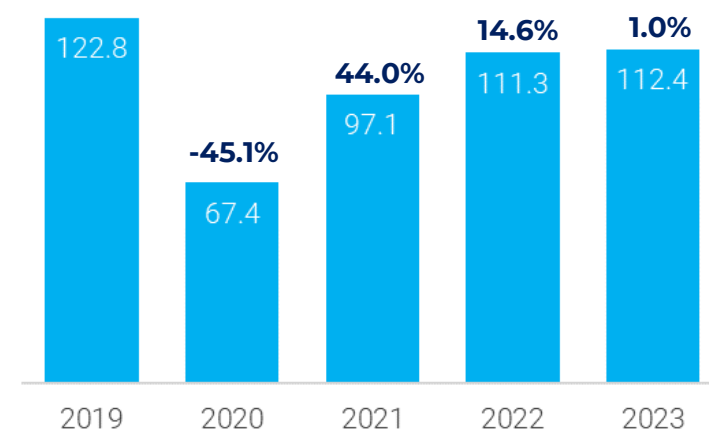
VISITOR VOLUME

Growth in 2023

Illinois visitor volumes continued to climb in 2023, albeit at a slower rate than prior years. Indeed, volumes increased 1.0% over the prior year.

Illinois visitor volume

Amounts in millions



Sources: D.K. Shifflet / MMGY, Tourism Economics

VISITOR SPENDING

Visitors to Illinois spent \$47.2 billion across a range of sectors in 2023.

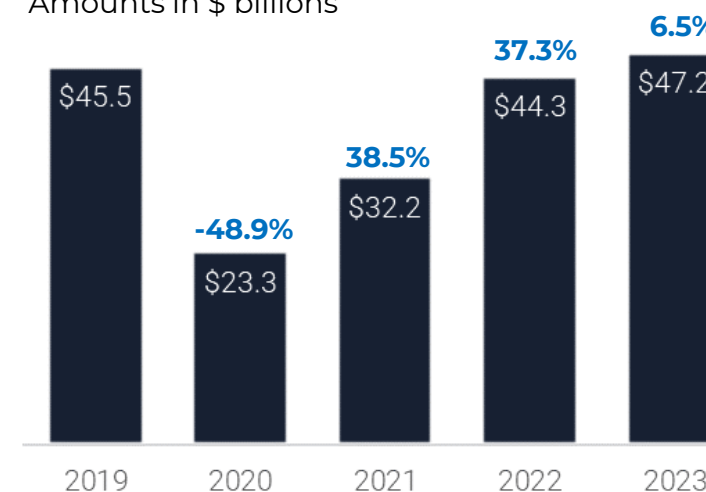
Visitor spending expanded 7% in 2023, recovering to 4% higher than 2019 levels.

Of the \$47.2 billion spent in Illinois in 2023 by visitors, transportation, including both air and transportation within the destination, accounted for 44% of total visitor spending. Spending on food and beverages contributed \$9.9 billion in sales—about 21% of total visitor spending.

Visitors spent 19% of their total budget on lodging, including the value of second homes, 9% on recreation, and 8% on retail purchases.

Illinois visitor spending

Amounts in \$ billions



Sources: Tourism Economics

\$47.2 BILLION

Visitor Spending in 2023



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.

VISITOR VOLUME & SPENDING TRENDS

Visitor spending increased 7% in 2023, reaching 4% higher than 2019 levels. Spending expanded across all sectors, driven by both prices and demand increases. Spending on entertainment and recreation lead the charge with 9% spending growth followed by lodging spending with an 8% increase. Growth in food and beverage and transportation spending also saw strength with 7% and 6% growth, respectively. Retail expanded 3% and remained the least recovered sector as consumer preferences shifted towards other spending categories.

Total visitor volume expanded 1.0% in 2023 and remained largely dominated by domestic visitors with a 98.1% market share. Despite double-digit growth, international arrivals continued to lag the domestic visitor market in terms of recovery.

Overnight volume growth outpaced day travel, increasing its share of the domestic market to 41.1% in 2023 from 40.9% in 2022.

Illinois visitor spending

Amounts in \$ millions, 2023 percent change and percent recovered relative to 2019

	2019	2020	2021	2022	2023	2023 Growth	% relative to 2019
Total visitor spending	\$45,518	\$23,273	\$32,242	\$44,283	\$47,173	6.5%	103.6%
Transportation**	\$18,792	\$10,100	\$13,732	\$19,499	\$20,691	6.1%	110.1%
F&B	\$10,062	\$5,627	\$7,466	\$9,268	\$9,879	6.6%	98.2%
Lodging*	\$8,356	\$3,463	\$5,318	\$8,143	\$8,777	7.8%	105.0%
Ent/Rec	\$4,445	\$1,937	\$2,792	\$3,910	\$4,265	9.1%	96.0%
Retail	\$3,863	\$2,147	\$2,934	\$3,462	\$3,561	2.9%	92.2%

Source: Tourism Economics

* Lodging includes second home spending

** Transportation includes both ground and air transportation

Illinois visitor volume and spending, by market

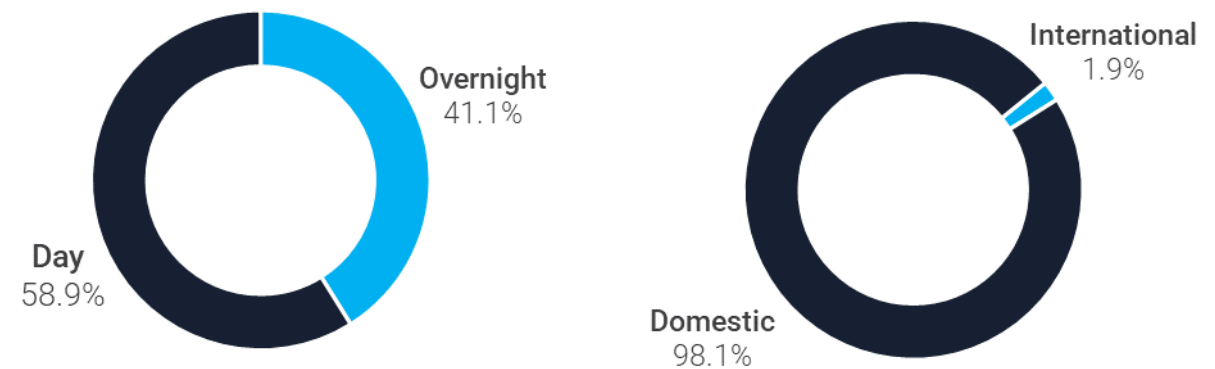
Amounts in millions of visitors and \$ millions

	2019	2020	2021	2022	2023	2023 Growth	% relative to 2019
Total visitors	122.8	67.4	97.1	111.3	112.4	1.0%	91.5%
Domestic	120.4	66.9	96.5	109.7	110.2	0.5%	91.5%
International	2.4	0.5	0.5	1.6	2.2	36.8%	90.4%
Total visitor spending	\$45,518	\$23,273	\$32,242	\$44,283	\$47,173	6.5%	103.6%
Domestic	\$42,425	\$22,599	\$31,451	\$42,270	\$44,299	4.8%	104.4%
International	\$3,093	\$675	\$791	\$2,013	\$2,874	42.8%	92.9%

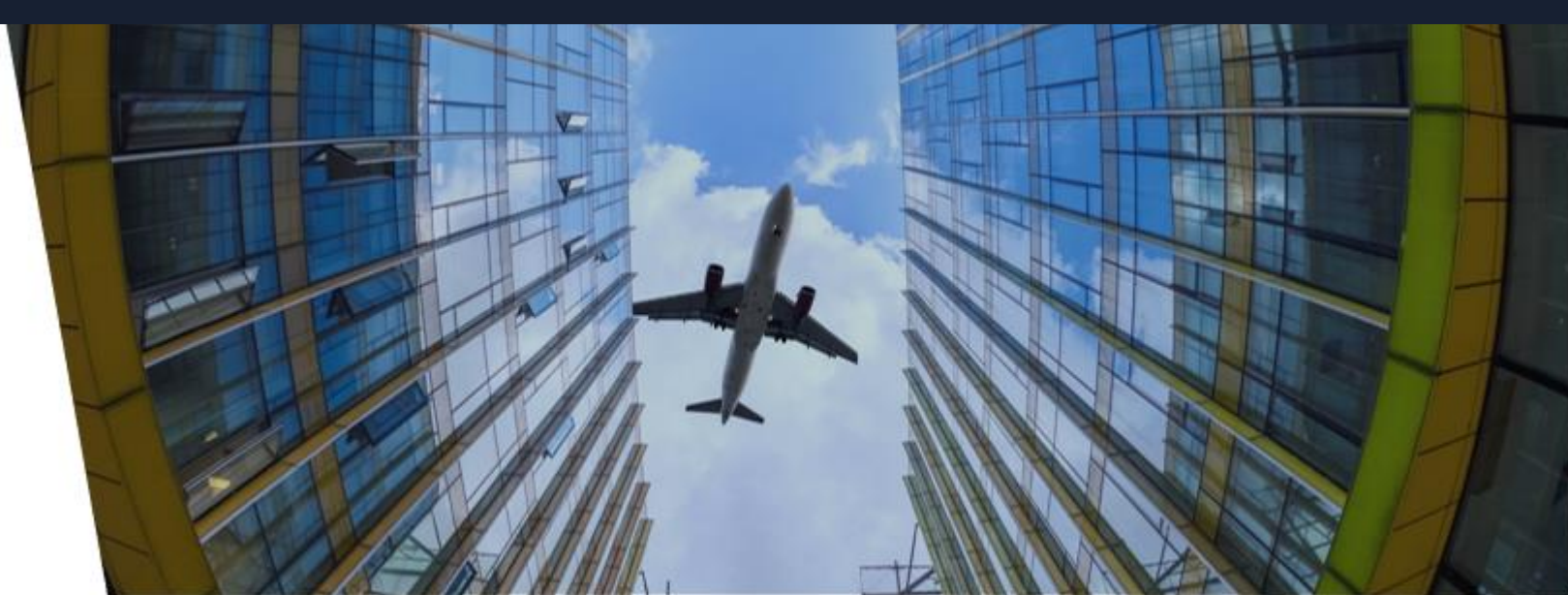
Source: D.K. Shifflet / MMGY, Tourism Economics

Illinois visitation share by segment

Expressed as percentage of total visitation by market



Source: D.K. Shifflet / MMGY, Tourism Economics



ECONOMIC IMPACT METHODOLOGY

Our analysis of the Illinois 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 Illinois 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.

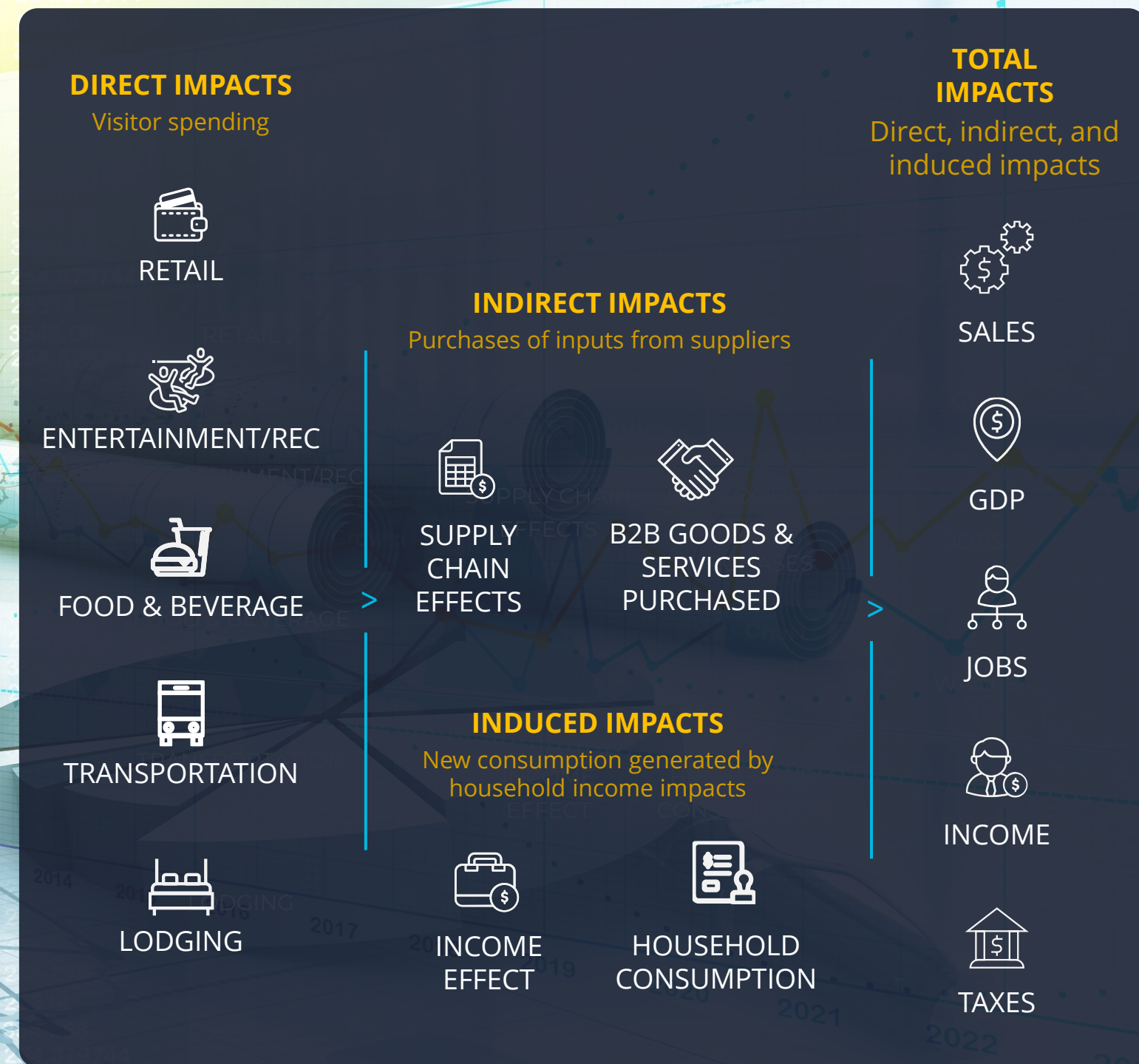
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 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

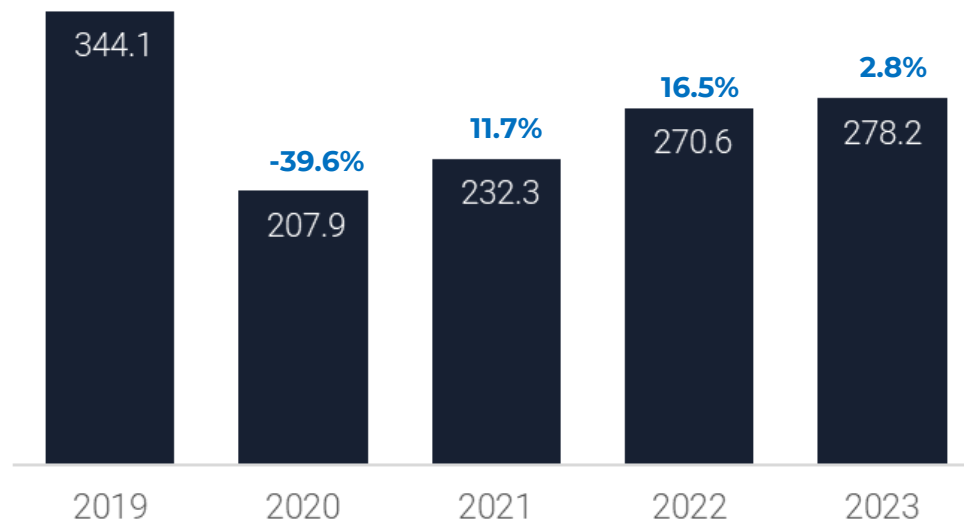
DIRECT EMPLOYMENT

Employment supported by visitor activity rose 2.8% in 2023, recovering to over 278,000 jobs. The number of jobs jumped by more than 7,600 in 2023. Despite the increase, the number of jobs directly supported by visitors remains over 65,000 jobs below pre-pandemic levels.

Recovery in visitor-supported jobs has been slower than spending, with visitor-supported employment levels at 81% of pre-pandemic levels compared to 104% of spending.

Visitor supported employment in Illinois

Amounts in thousands of jobs



Sources: Tourism Economics





ECONOMIC IMPACT FINDINGS

BUSINESS SALES IMPACTS

Visitors contributed a direct impact of \$47.2 billion in 2023. This direct impact of \$47.2 billion generated \$35.4 billion in indirect and induced impacts, resulting in a total economic impact of \$82.6 billion in the Illinois economy.

Outside of direct impacts, significant benefits accrued in sectors like finance, insurance, and real estate, and business services.

Summary economic impacts (2023)

Amounts in \$ billions



Source: Tourism Economics

Business sales impacts by industry (2023)

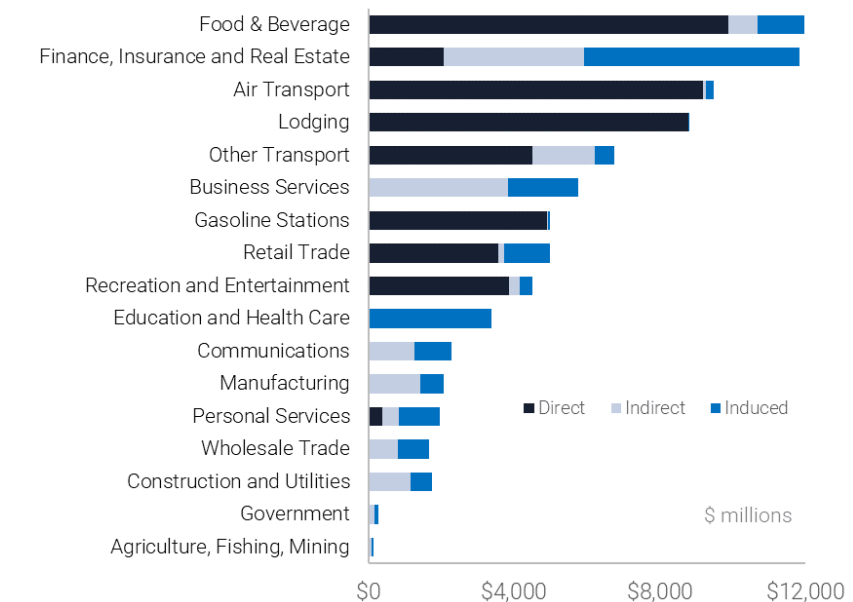
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$47,173	\$16,203	\$19,246	\$82,622
Food & Beverage	\$9,879	\$821	\$1,284	\$11,984
Finance, Insurance and Real Estate	\$2,071	\$3,856	\$5,911	\$11,838
Air Transport	\$9,201	\$83	\$195	\$9,478
Lodging	\$8,777	\$4	\$15	\$8,796
Other Transport	\$4,512	\$1,717	\$516	\$6,746
Business Services		\$3,830	\$1,936	\$5,766
Gasoline Stations	\$4,907	\$24	\$61	\$4,992
Retail Trade	\$3,561	\$169	\$1,254	\$4,985
Recreation and Entertainment	\$3,872	\$291	\$351	\$4,514
Education and Health Care		\$39	\$3,344	\$3,383
Communications		\$1,272	\$1,015	\$2,287
Manufacturing		\$1,413	\$651	\$2,064
Personal Services	\$393	\$437	\$1,136	\$1,966
Wholesale Trade		\$805	\$853	\$1,658
Construction and Utilities		\$1,170	\$580	\$1,750
Government		\$178	\$98	\$276
Agriculture, Fishing, Mining		\$93	\$44	\$137

Source: Tourism Economics

Business sales impacts by industry (2023)

Amounts in \$ millions



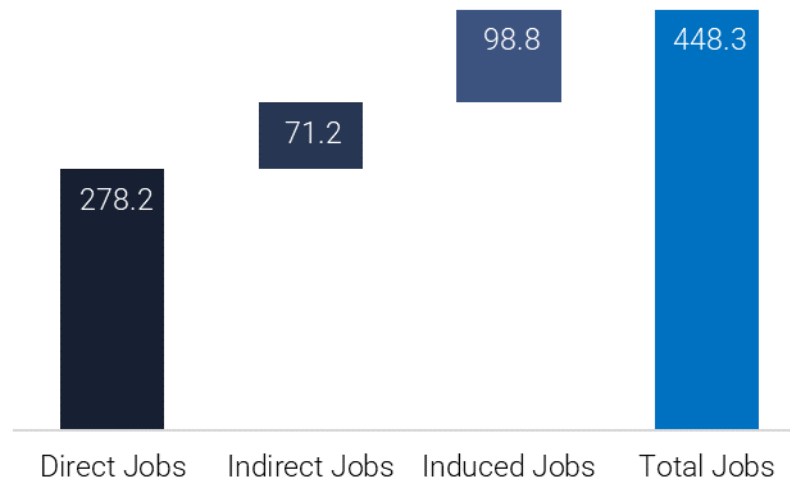
Source: Tourism Economics

EMPLOYMENT IMPACTS

Visitor activity sustained 278,247 direct jobs in 2023, with an additional 170,022 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to 448,270 in 2023, one of every 14 jobs in the state.

Summary employment impacts (2023)

Amounts in thousands of jobs



Source: Tourism Economics

Visitor spending supported the largest number of jobs in the food & beverage industry (143,698).

Spending by businesses directly impacted by visitor spending supports 21,016 jobs in the business services industry—in areas like accounting, advertising and building services.

Employment impacts by industry (2023)

Amounts in number of jobs



Source: Tourism Economics



Employment impacts by industry (2023)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	278,247	71,191	98,831	448,270
Food & Beverage	119,138	9,844	14,716	143,698
Other Transport	34,884	11,381	4,680	50,945
Lodging	39,571	34	106	39,711
Recreation and Entertainment	28,244	3,065	3,400	34,709
Business Services		21,016	11,350	32,366
Finance, Insurance and Real Estate	4,866	11,828	11,216	27,910
Education and Health Care		338	24,874	25,212
Personal Services	9,784	3,932	11,154	24,871
Retail Trade	11,968	1,290	10,019	23,276
Air Transport	21,931	153	345	22,429
Gasoline Stations	7,861	192	525	8,579
Wholesale Trade		1,842	2,046	3,888
Communications		1,801	1,640	3,440
Manufacturing		1,490	1,021	2,511
Construction and Utilities		1,400	855	2,255
Government		1,247	633	1,880
Agriculture, Fishing, Mining		338	252	590

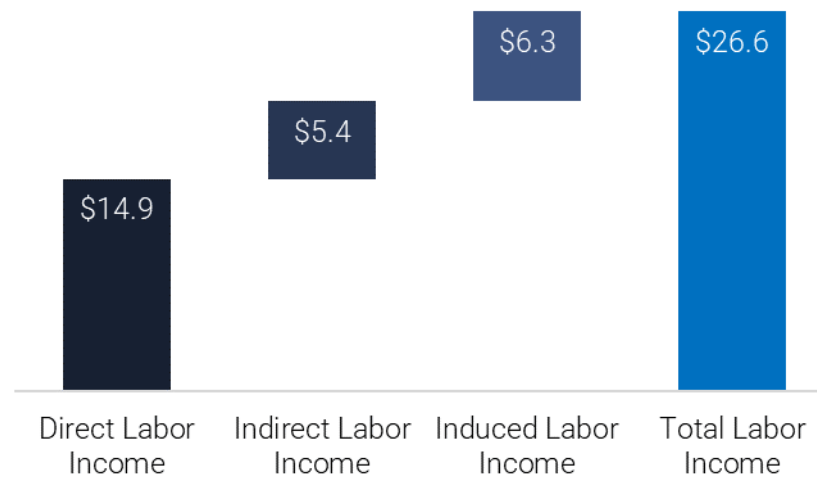
Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$14.9 billion in direct labor income and a total of \$26.6 billion when including indirect and induced impacts.

Summary labor income impacts (2023)

Amounts in \$ billions

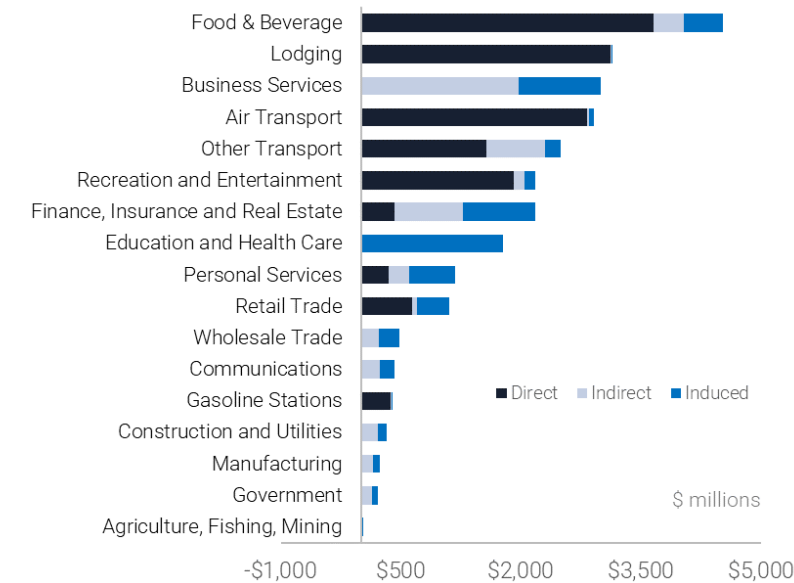


Source: Tourism Economics

There are ten industries in which visitor activity supported more than \$1 billion in personal income. These range from the obvious—food & beverage and lodging, to the less obvious—business services and education & healthcare.

Labor income impacts by industry (2023)

Amounts in \$ millions



Source: Tourism Economics



Labor income impacts by industry (2023)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$14,867	\$5,407	\$6,315	\$26,589
Food & Beverage	\$3,659	\$378	\$487	\$4,524
Lodging	\$3,123	\$2	\$7	\$3,132
Business Services	\$0	\$1,976	\$1,022	\$2,998
Air Transport	\$2,831	\$23	\$52	\$2,906
Other Transport	\$1,574	\$722	\$204	\$2,501
Recreation and Entertainment	\$1,905	\$133	\$146	\$2,184
Finance, Insurance and Real Estate	\$416	\$858	\$909	\$2,183
Education and Health Care	\$0	\$19	\$1,759	\$1,779
Personal Services	\$343	\$262	\$570	\$1,174
Retail Trade	\$643	\$53	\$407	\$1,103
Wholesale Trade	\$0	\$228	\$258	\$486
Communications	\$0	\$234	\$191	\$425
Gasoline Stations	\$374	\$7	\$20	\$401
Construction and Utilities	\$0	\$213	\$111	\$325
Manufacturing	\$0	\$147	\$92	\$238
Government	\$0	\$137	\$70	\$207
Agriculture, Fishing, Mining	\$0	\$14	\$10	\$24

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$11.4 billion in government revenues.

State and local taxes alone tallied \$6.6 billion in 2023.

Each household in Illinois would need to be taxed an additional \$1,300 to replace the visitor-generated taxes received by state and local governments in 2023.

Fiscal (tax) impacts

Amounts in \$ millions

	Direct	Total
Total Tax Revenues	\$8,475	\$11,471
Federal Taxes	\$3,894	\$4,895
Personal Income	\$1,445	\$1,817
Corporate	\$286	\$357
Indirect Business	\$268	\$339
Social Insurance	\$1,895	\$2,382
State Taxes	\$2,838	\$3,773
Sales	\$1,965	\$2,506
Personal Income	\$542	\$815
Corporate	\$129	\$203
Social Insurance	\$3	\$5
Excise and Fees	\$200	\$243
Local Taxes	\$1,743	\$2,802
Sales	\$316	\$568
Bed Tax	\$294	\$294
Property	\$1,121	\$1,899
Excise and Fees	\$12	\$42

Source: Tourism Economics



ECONOMIC IMPACTS IN CONTEXT



\$47.2B VISITOR SPENDING

The \$47.2 billion in visitor spending means that nearly \$129.2 million was spent EVERY DAY by visitors in Illinois.



\$26.6B LABOR INCOME

The \$26.6 billion in total income generated by tourism is the equivalent of \$5,258 for every household in Illinois.



448,300 TOTAL JOBS

The number of jobs sustained by tourism (448,300) supports 7.3% of all jobs in Illinois.



\$6.6B STATE & LOCAL TAXES

The \$6.6 billion in state and local tax revenue received in 2023 would be enough to pay the salaries of 94,000 police officers in Illinois.

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	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	Employment is measured by the Bureau of Economic Analysis (BEA) and Bureau of Labor Statistics (BLS) definitions, and captures full-time and part-time jobs, which includes salary and wage employees and proprietors.
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 600 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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