2024

Economic Impact of Motorcoach Group Travel in Michigan

Conducted by:

TOURISM ECONOMICS
AN OXFORD ECONOMICS COMPANY

Prepared for:

ABA
AMERICAN BUS ASSOCIATION

Key Findings

Direct Spending Impacts

On behalf of the American Bus Association, Tourism Economics conducted a detailed economic impact analysis that quantifies the important role of motorcoach group travel. Motorcoach group travel represents people traveling aboard motorcoaches as organized groups, including charter, group tour and sightseeing activities, and the associated spending. It excludes scheduled service and commuter travel.

Motorcoach group travel in the State of Michigan recorded an estimated 324 million passenger miles in 2024, supporting significant economic impacts nationally. Direct spending by motorcoach group travelers amounted to $854 million in 2024, including spending on motorcoach transportation as well as a range of goods and services, such as accommodations and food and beverages.

$604M Day Traveler Spending **+** **$249M** Overnight Traveler Spending **=** **$854M** Direct Spending Impact

Total Economic Impact

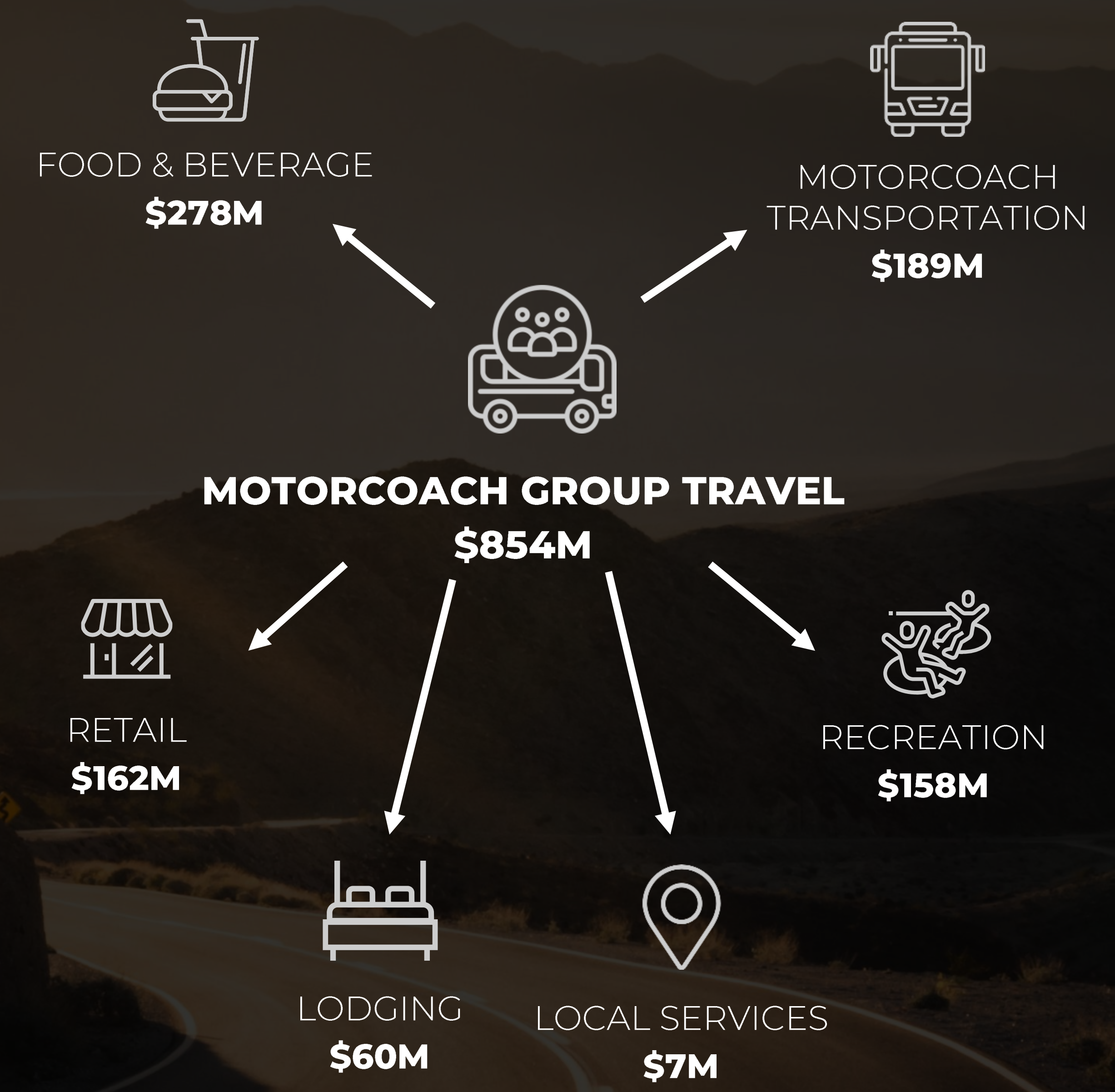
The sector's direct spending impact of $854 million generated a total economic impact of $2.0 billion in the Michigan economy, which supported 12,433 part-time and full-time jobs and generated $340 million in taxes.

$2.0 BILLION

Total Economic Impact of Motorcoach

MOTORCOACH GROUP TRAVEL

DIRECT ECONOMIC FOOTPRINT ON MICHIGAN



Source: Tourism Economics

Note: totals may not sum due to rounding.

Summary Impacts

Direct Impacts

Motorcoach group travel generated $854 million in business sales, $299 million in wages and salaries, and supported more than 7,000 jobs, contributing to $200 million in taxes.

Total Impacts

When considering the total impact, including indirect and induced effects, business sales surged to $2.0 billion, wages and salaries tallied $648 million, and job creation neared 12,400 jobs. Total tax revenue amounted to $340 million, demonstrating a significantly broader economic footprint.

Summary Impacts (2024)

$ millions, jobs

	Direct Impacts	Total Impacts
Business Sales	$854	$1,964
Wages and Salaries	$299	$648
Jobs	7,284	12,433
Total Taxes	$200	$340
State and Local	$130	$189
Federal	$70	$152

Source: Tourism Economics

Business Sales Impacts

Motorcoach group travel contributed a direct impact of $854 million in 2024. This direct impact generated more than $1.1 billion in indirect and induced impacts, resulting in a total economic impact of $2.0 billion in the Michigan economy.

$0.9B Direct Sales (refers to spending by motorcoach passengers) **+** **$0.5B** Indirect Sales **+** **$0.6B** Induced Sales **=** **$2.0B** Total Sales

Business Sales Impacts by Industry (2024)
$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total	**$854**	**$512**	**$598**	**$1,964**
Finance, Insurance, and Real Estate		$169	$180	$349
Food and Beverage	$278	$11	$37	$325
Transportation	$196	$21	$21	$238
Retail Trade	$162	$5	$54	$221
Recreation and Entertainment	$158	$26	$9	$193
Business Services		$134	$59	$193
Education and Health Care		$3	$105	$108
Personal Services		$35	$31	$66
Lodging	$60	$0	$1	$61
Communications		$32	$26	$57
Wholesale Trade		$27	$31	$57
Construction and Utilities		$25	$19	$44
Manufacturing		$19	$18	$37
Government		$4	$5	$9
Agriculture, Fishing, Mining		$3	$4	$6

Source: Tourism Economics

The total economic impact of **$2.0 billion** accrued to industries across the economy.

Employment Impacts

Motorcoach group travel sustained 7,284 direct jobs in 2024, with an additional 5,149 jobs supported from the indirect and induced impacts of group travel activity. The total employment impact reached 12,433 jobs, equivalent to 0.21% of employment in Michigan. Motorcoach group travel spending supported the largest number of jobs in the food and beverage industry (3,155).

7,284 Direct Jobs **+** **2,170** Indirect Jobs **+** **2,980** Induced Jobs **=** **12,433** Total Jobs

Employment Impacts by Industry (2024)
Jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total	**7,284**	**2,170**	**2,980**	**12,433**
Food and Beverage	2,690	113	353	3,155
Retail Trade	1,769	39	431	2,238
Recreation and Entertainment	1,301	222	82	1,605
Transportation	1,137	172	143	1,451
Business Services		692	323	1,016
Finance, Insurance, and Real Estate		480	356	837
Education and Health Care		30	734	764
Personal Services		197	334	531
Lodging	387	1	4	391
Wholesale Trade		64	68	132
Communications		54	51	106
Construction and Utilities		36	37	72
Manufacturing		38	29	67
Agriculture, Fishing, Mining		19	21	40
Government		14	14	27

Source: Tourism Economics

The motorcoach group travel economy supports **1 in 479 of all jobs** in the State of Michigan, including **3,155 jobs** in the food and beverage industry.

Wages and Salaries Impacts

Motorcoach group travel generated $299 million in direct wages and salaries and a total of $648 million, including indirect and induced impacts.

$299M Direct Wages and Salaries + **$162M** Indirect Wages and Salaries + **$187M** Induced Wages and Salaries = **$648M** Total Wages and Salaries

Wage and Salary Impacts by Industry (2024)

$ millions

	Direct Wages & Salaries	Indirect Wages & Salaries	Induced Wages & Salaries	Total Wages & Salaries
Total	**$299**	**$162**	**$187**	**$648**
Transportation	$89	$8	$8	$105
Food and Beverage	$82	$4	$11	$97
Business Services		$66	$28	$93
Retail Trade	$60	$2	$20	$82
Recreation and Entertainment	$48	$9	$3	$61
Finance, Insurance, and Real Estate		$34	$23	$58
Education and Health Care		$1	$55	$56
Personal Services		$14	$17	$31
Lodging	$19	$0	$0	$19
Wholesale Trade		$7	$8	$15
Communications		$6	$5	$12
Construction and Utilities		$5	$4	$9
Manufacturing		$3	$3	$6
Government		$1	$1	$2
Agriculture, Fishing, Mining		$1	$1	$2

Source: Tourism Economics

Motorcoach group travel spending drives income across industries, including **seven industries with more than $50 million** in total wages and salaries.

Tax Impacts

Motorcoach group traveler spending, visitor-supported jobs, and business sales generated nearly $340 million in total government revenues. State and local taxes alone tallied almost $189 million in 2024.

Each household in the State of Michigan would need to be taxed an additional $83 to replace the motorcoach group travel-generated taxes received by state and local governments in 2024.

Tax Impacts (2024)
$ millions

	2024
Total Tax Revenue	**$340**
Federal	**$152**
Personal income	$56
Corporate	$17
Indirect business	$5
Social insurance	$74
State and Local	**$189**
Sales	$111
Bed tax	$7
Personal income	$12
Corporate	$4
Social insurance	$0
Excise and fees	$7
Property	$47

Source: Tourism Economics

Geographical Distribution of Motorcoach Operations

Motorcoach Operations in the State of Michigan

To provide a comprehensive understanding of the motorcoach industry's footprint within the State of Michigan, this section identifies where direct group travel spending primarily takes place, highlighting key operational hubs and areas with higher concentrations of service providers. Specifically, the top three congressional districts with the highest concentration of operations are:

- Michigan's Thirteenth Congressional District
- Michigan's Twelfth Congressional District
- Michigan's Eleventh Congressional District

Understanding these locations offers valuable insights into the industry's infrastructure, facilitating strategic planning for both operators and stakeholders interested in the state's motorcoach sector.

Fuel Usage

The analysis reveals that the motorcoach industry, supporting group travel across Michigan, collectively consumed an estimated 7 million gallons of fuel in 2024. This figure accounts for the operational demands of the 513 motorcoaches in service in Michigan, reflecting the miles traveled to facilitate charter, packaged tours, and sightseeing excursions.

APPENDIX

Economic Impact Methodology

Our analysis of the motorcoach group travel impact begins with direct passenger spending and operator spending/expenditures 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 state 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. The state results are part of broader national research.

The study defines motorcoach group travel as the activity of transporting motorcoach charter, sightseeing and packaged tour passengers, and the additional spending by these passengers during their trip, such as on accommodations, food and beverages, and entertainment. This study measures the motorcoach and other jobs in the economy supported by passenger spending, as well as wages and salaries, taxes, and total business sales.

I-O models represent a profile of an economy by measuring the relationships among industries and consumers, quantifying three levels of impact:

1. **Direct impacts:** Motorcoach group traveler 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 and Salaries
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

Economic Impact Framework

Glossary of Terms

Glossary – Spending Definitions

Term	Description
Motorcoach group transportation	*Includes people traveling aboard motorcoaches as organized groups, including charter, group tour and sightseeing activities, and the associated spending. It excludes scheduled service and commuter travel*
Lodging	*All accommodation businesses, including hotels, B&Bs, campgrounds, and short-term rentals. This includes food, entertainment, and other services provided by these establishments.*
Food and beverage	*Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.*
Recreation	*Includes visitors spending within the arts, entertainment and recreation sector.*
Retail	*Includes visitor spending in all retail sub-sectors within the local economy, excluding grocery stores.*
Local transport	*Ride share, taxis, limos, trains, rental cars, buses, and gasoline purchases.*

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	*Impacts (business sales, jobs, income, and taxes) related to businesses where motorcoach group travelers spend dollars (e.g., recreation, transportation, lodging).*
Indirect Impact	*Impacts created from the purchase of goods and services as inputs (e.g., food wholesalers, utilities, business services) into production by the directly affected sectors (i.e., business-to-business purchases).*
Induced Impact	*Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by motorcoach group traveler activity.*
Total Impact	*The sum of the Direct Impact, Indirect Impact, and Induced Impact. It represents the comprehensive effect on business sales, jobs, income, and taxes within an economy resulting from motorcoach group traveler activity.*
Employment	*Employment is measured by the Bureau of Economic Analysis (BEA) definition, and captures full-time and part-time jobs, which includes salary and wage employees and proprietors.*
Wages and Salaries	*Labor income (wages, salaries, proprietor income and benefits) supported by visitor spending.*
Local Taxes	*City and county taxes generated by visitor spending. Includes any local sales, income, bed, usage fees, licenses and other revenue streams to local governmental authorities.*
State Taxes	*State tax revenues generated by visitor spending. Includes sales, income, corporate, usage fees and other assessments of state governments.*

About the Research Team

This extensive research, undertaken to provide a thorough understanding of the motorcoach industry's economic footprint, was commissioned by the American Bus Association Foundation and carried out by Tourism Economics, a division of Oxford Economics.

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.

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