

## RACVB VOICE COLUMN – September 2017

### Visitor Spending at All-time High

By John Groh

Years ago, the Rockford Area Convention & Visitors Bureau had the slogan, “We Make Smiles.”

Well, we are certainly smiling now. **That’s because** during 2016, visitor spending in Rockford and Winnebago County reached an all-time high of \$353 million, directly creating/sustaining 2,888 jobs with \$85.51 million in payroll.

The increase in spending comes not just from our reputation as a sports tournament destination, but also from an increase in leisure visitors who are enjoying our gardens, the region’s culinary scene and cultural attractions. Many people come to spend time with their kids at our family-friendly attractions, outdoor adventure parks, cultural events and more.

That sentiment is echoed by RACVB Chairman David Anderson, who also heads up the operations each day at Anderson Japanese Gardens. Anderson recently said, “The economic impact of tourism on our local economy cannot be overstated. I see the momentum every day at the gardens as I meet visitors from across the country. Visitors are helping to grow our community, and it is great to see the results in the numbers released by the State of Illinois.”

With the success in 2016, it is important to look deeper into the numbers to see how this trend continues. An analysis of visitor spending since the Great Recession shows that tourism in Winnebago County is growing faster than in other major counties in Illinois. Spending in Winnebago County grew 39% since 2009, faster than 11 of the 12 other large counties examined and much faster than the set average of 29%. This growth was second only to growth in Chicago/Cook County.

In 2016, local tax receipts generated by visitors – funds that help local governments pay for services residents rely on – were \$6.23 million and state tax receipts were \$19.02 million. Compared to 2015, visitor spending was up 1 percent, employment grew by 2.4 percent and wages grew by 5.6 percent. Importantly, local tax receipts grew by 5.5 percent and state tax receipts grew by 3.2 percent according to numbers released by the Illinois Department of Commerce’s Office of Tourism and US Travel Association.

In addition to overall visitor spending statistics, hotel sector-specific data demonstrate growth with all major hotel sector KPIs (key performance indicators) on the rise.

- **ADR** (average daily rate) reached \$81.27 in 2016, up from \$64.70 in 2009.
- **RevPAR** (revenue per available room) reached \$49.70 in 2016, up from \$32.64 in 2009.
- The **occupancy** rate reached 61.2% in 2016, up from 47.0% in 2009.
- Annual hotel rooms booked in Rockford (**demand**) grew to 651,000 in 2016 from 507,000 in 2009, a compound annual growth rate of 3.6%.

Hotel stays are a leading indicator of visitor volume and growth. By way of example, we had three region-wide sellout weekends this June alone, driving occupancy up to 81 percent countywide.

The health of the travel industry throughout Illinois is vital to Rockford's success, as well. Statewide, domestic and international travel expenditures reached \$37.9 billion in 2016 – a \$571 million increase from 2015. This follows the state's record-breaking domestic Illinois tourism figures released in May, which highlighted an increase of one million travelers to the state in 2016.

Here are a few additional facts about Illinois Tourism in 2016:

- Every \$1 invested in Illinois tourism generates \$9 in economic impact
- Illinois welcomed 110 million domestic visitors (an additional one million visitors over 2015)
  - Of Illinois' 110 million domestic visitors, 17% were for business and 83% for leisure
  - In the past 10 years, domestic travel to Illinois has increased by 19 million visitors
- Domestic travelers spent nearly \$35.1 billion in Illinois during 2016, a 1.8% increase over 2015
  - In 2016, domestic travelers to Illinois generated \$2.6 billion in state and local tax revenue, an increase of \$122 million over 2015
- Length of stay per visitor increased by 3%, surpassing the US average of 2.4%

In conclusion, perhaps Winnebago County Board Chairman Frank Haney said it best, "In more ways than one, Winnebago County is at the top in Illinois. As we work to grow investment and job creation in Winnebago County, let's not forget that tourism is a quick, clean and efficient form of economic development. Seeing tourism grow faster here than in all other similar Illinois counties is fantastic and something we should build on."