

The Tourism And Travel Industry in Central Wisconsin

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The tourism and travel industry is an important component of the economy of Central Wisconsin. This report provides information on facilities and employment in recent years for our region. The performance of the Central Wisconsin counties is traced over time, and comparisons with trends in state tourism activity are made. Taxation and promotion efforts at the state and local levels are discussed, and future prospects for this industry are analyzed.

Much of the basic data for this research comes from government sources such as: Recreation Resources Center of University of Wisconsin-Extension, Wisconsin Department of Development, U.S. Travel Data Center, and Bureau of Labor Statistics of the U.S. Department of Labor. Especially helpful in providing and analyzing data were:

Jill Schabel Central Wisconsin Economic Research Bureau

Jack Gray Marketing Specialist, Recreation Resources Center, UW-Extension

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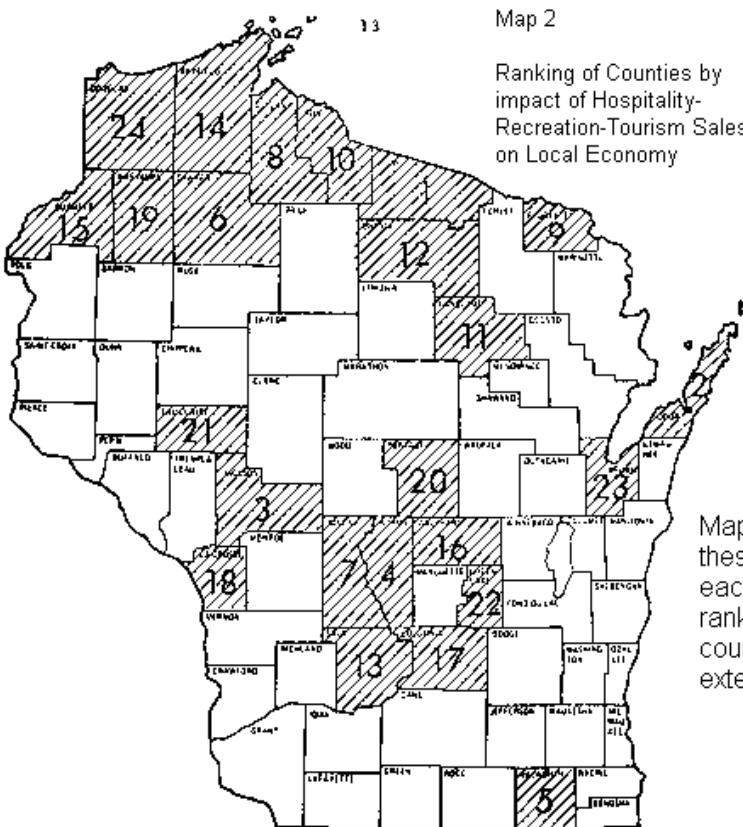
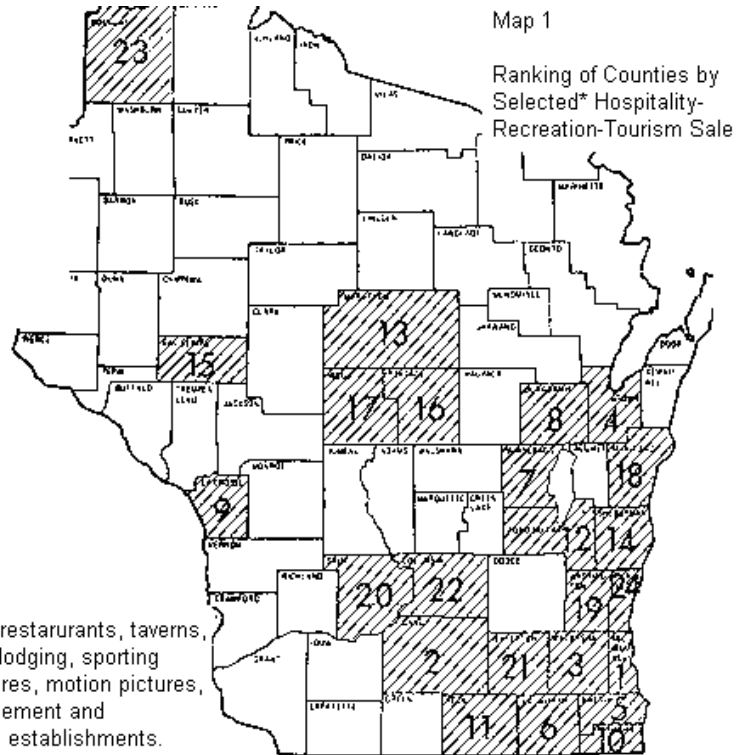
National and State Background

The tourism and travel industry is of significant economic importance to the nation, and Wisconsin benefits substantially from this activity in terms of income generated and jobs provided to state residents. U.S. expenditures on all travel services are over \$250 billion per year, and employment, including part-time workers is close to 5 million. Wisconsin's "pure" tourism receipts are difficult to define and track, but two recent studies indicate that \$3 billion per year is a reasonable estimate. Based on that estimate, 130,000 full and part-time jobs are involved in this industry, and state sales, gas, and income tax revenues derived from these operations exceed \$200 million.

Central Wisconsin Focus

Map 1 shows the importance of our Central Wisconsin region to the state's travel industry. The counties of Marathon, Wood and Portage, as a group, are in the top quarter of Wisconsin's 72 counties with respect to Hospitality-Recreation-Tourism sales.

*Sales in restaurants, taverns, overnight lodging, sporting goods stores, motion pictures, and amusement and recreation establishments.



Map 2 indicates the significance of these sales receipts to the economy of each county. Only Portage County ranks in the top third of Wisconsin's counties by this comparison. The more extensive industrial base of Marathon

Table 1
Economic Significance of Tourism and Travel, 1984

	Marathon	Portage	Wood	Central Wisconsin	Wisconsin
H/R/T as % of Total Employment	7.4%	10.6%	6.7%	7.9%	8.7%
Seasonal Variation	12.7%	19.9%	13.3%	15.3%	16.8%
Lodging Employment	307	406	277	990	19,748
% Change in Lodging Employment 1980-1984	-10.5%	20.1%	-2.8%	2.3%	6.5%
Lodging as % of Total Employment	0.8%	1.9%	0.9%	1.1%	1.0%
Total Employment	39,600	21,345	31,690	92,635	1,891,404

Table 1 shows the percentage of total employment in our region involved in the Hospitality Recreation-Tourism industry as of 1984.

Seasonal variability is sometimes considered a drawback of the tourism industry. An index of employment variation has been calculated in Table 1 for each of our counties. The formula used quarterly deviations expressed as a percent of average annual H/R/T employment to measure this problem. Central Wisconsin has slightly less seasonality than the state for this type of employment. However, this index shows that the seasonal variation of H/R/T employment is more than twice that of total employment in Wisconsin. An unusual feature in Portage County is that H/R/T activity is highest in the April-June period while the peak for the other areas is the July-September period.

Table 2 indicates the exact number of jobs and the rate of growth of this type of employment in recent years. Central Wisconsin's employment in this sector has grown at double the state's rate with Portage County exhibiting a dramatic increase.

Table 2
Central Wisconsin Tourism and Travel Industry
Employment closely associated with the H/R/T Industry

	Marathon	Portage	Wood	Central Wisconsin	Wisconsin
1980	2,729	1,813	2,027	6,569	157,917
1981	2,729	1,879	2,011	6,619	160,031
1982	2,814	2,021	2,062	6,897	160,970
1983	2,944	2,258	2,137	7,339	165,378
1984	3,083	2,342	2,331	7,756	171,730
Average Annual Increase 1980-1984	3.2%	7.3%	3.7%	4.5%	2.2%

Overnight lodging facilities employment is an important aspect of this industry. In 1984 Central

Wisconsin had almost 1000 workers involved in this type of activity. This type of employment increased at only 2.3% over the 1980-84 period which was less than the rate of increase for the state as a whole. However, Table 3 shows that rooms in overnight lodging facilities, excluding campgrounds, increased 503 or 23% in Central Wisconsin during the 1978-84 period. All three counties participated in this expansion.

Table 3
Overnight Lodging Facilities
1978-84

	1978	1980	1982	1984
Marathon	982	1082	1082	1055
Portage	490	937	885	870
Wood	712	730	782	762
Central Wisconsin	2184	2749	2749	2687

*Overnight lodging facilities consist of motel, hotel, and tourist rooms; campground sites are excluded.

Table 4 shows the changing structure of lodging facilities in Central Wisconsin since 1978. The larger motels and hotels have expanded by 692 rooms, and this has been only partially offset by a decrease in rooms available in smaller establishments of 189. The net change has been an increase of 503. The number of campground sites in Central Wisconsin has varied a great deal over the last eight years with a slight decline for the 1978-84 period.

Table 4
Change in Types of Lodging Facilities 1978-1984

	Marathon	Portage	Wood	Central Wisconsin
Rooms in Large Motels	86	326	90	502
Rooms in Small Motels	-9	-34	-42	-85
Rooms in Large Hotels	36	123	31	190
Rooms in Small Hotels	-36	-36	-25	-96
Tourist Rooms	-4	0	-4	-8
Total Change	73	380	50	503

Table 5

	Number of Campground Sites 1984			Change 1978-84
	Private	Government	Total	
Marathon	0	31	31	-428
Portage	632	0	632	377
Wood	345	354	399	0
Central Wisconsin	977	385	1362	-51

Taxation and Promotion

Table 6 presents information on room taxes levied by local communities in Central Wisconsin, and the disposition of those revenues. Although the state enabling legislation places no restrictions on how room tax revenue may be spent, in Central Wisconsin most of the funds are used for promoting tourism or developing parks and recreational facilities in the community.

The tourism and travel industry is characterized by a great deal of competition among small and medium sized firms. These firms have insufficient resources to launch the type of advertising campaigns necessary to attract large numbers of out-of-state visitors. Cooperative efforts by firms, trade associations, and governmental units are useful in promoting local attractions. State government has a role to play through promoting a favorable image for Wisconsin. The revenue collected from out-of-state visitors in gasoline and sales taxes provides a return on this state investment. In the last fiscal year the state government spent \$2,500,000 on the Department of Tourism with \$1,400,000 being used for advertising and promotion. This was a modest amount compared to other states that compete in the same markets. In fact, in the 1984-85 fiscal year, Wisconsin ranked only 44th out of all states in per capita expenditures on state tourism budgets.

**Table 6
Taxation of Lodging Facilities 1986
Allocation**

	Tax Rate	Tourist Promotion	Parks & Recreation	General Revenue
Marshfield	4%	50%	50%	
Stevens Point	5%	20%	80%	
Wausau Area	5%	50%		50%
Wisconsin Rapids	0%			

Future Prospects

This industry has been growing over the last dozen years at rates exceeding the average for all businesses despite a slowdown in the early 1980s. The outlook at the national level is good, with tourism and travel projected to grow at a pace comparable to total consumption expenditures.

Economic and demographic developments indicate that Wisconsin should participate fully in the national expansion. The state's lodging and recreation establishments are projected to provide 11,000 additional jobs by 1995.

Wisconsin is a popular state for pleasure travelers because it has an abundance of historic and scenic sites, public parks, lakes and developed beaches. Our state's varied cultural and ethnic groups and wide diversity of attractions also serve to draw out-of-state visitors. Finally, Wisconsin's location near major urban areas and careful stewardship of natural resources have served as competitive advantages.