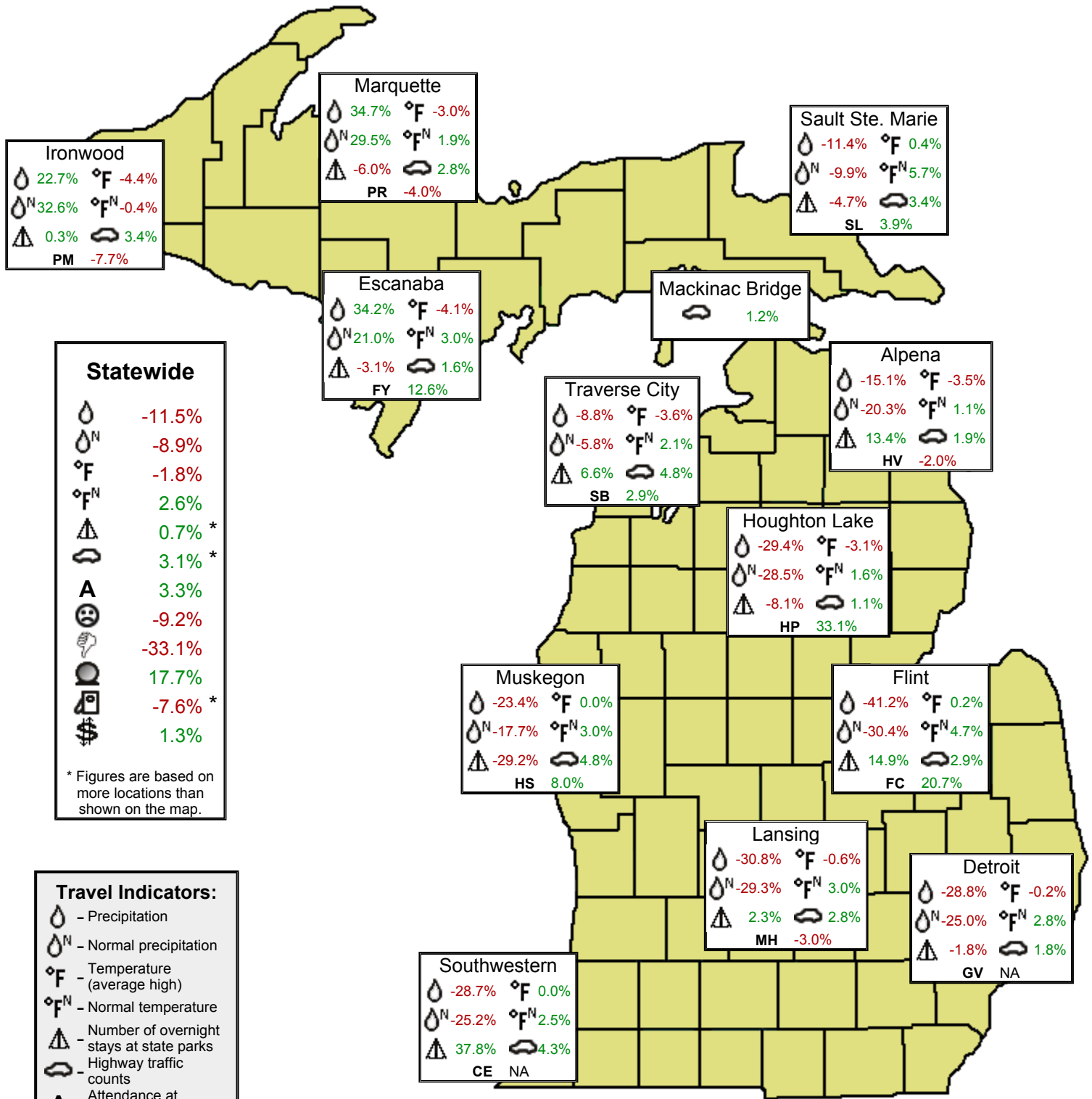




# MICHIGAN TRAVEL INDICATORS

## Annual Summary 2002 vs. 2001 - Report #006



**Statewide**

Precipitation	-11.5%
Normal precipitation	-8.9%
Temperature (average high)	-1.8%
Normal temperature	2.6%
Number of overnight stays at state parks	0.7% *
Highway traffic counts	3.1% *
Attendance at attractions	3.3%
Consumer Confidence	-9.2%
Present Situation	-33.1%
Expectations	17.7%
Gasoline prices	-7.6% *
Exchange rate (US\$/CAN\$)	1.3%

\* Figures are based on more locations than shown on the map.

**Travel Indicators:**

- Precipitation
- Normal precipitation
- Temperature (average high)
- Normal temperature
- Number of overnight stays at state parks
- Highway traffic counts
- Attendance at attractions
- Consumer Confidence
- Present Situation
- Expectations
- Gasoline prices
- Exchange rate (US\$/CAN\$)

**Selected Attractions:**

CE - Cook Energy Information Center	MH - Michigan Historical Museum
FC - Flint Cultural Center	PM - Porcupine Mountains Wilderness State Park
GV - Greenfield Village & Henry Ford Museum	PR - Pictured Rocks National Lakeshore
HP - Hartwick Pines State Park	SB - Sleeping Bear Dunes National Lakeshore
HS - P.J. Hoffmaster State Park	SL - Soo Locks
FY - Fayette State Park	HV - Harrisville State Park

## **Travel Activity Indicators, 2002 vs. 2001:** by [Charles Shih](#), [Lori A. Martin](#), and [Donald F. Holecek](#)

During 2002, statewide highway traffic volume increased 3.1% as compared to 2001. This is within the range of the 3 – 4% increase we predicted at the beginning of 2002. All twelve of the areas we monitor experienced increased levels of traffic this year. The number of vehicles crossing the Mackinac Bridge also increased by 1.2% this year.

Statewide combined hotel and motel (SIC code 701) sales and use tax collections, as reported by the Michigan Department of Treasury, decreased by 7.8% in 2002, following a similar 5.5% decline in 2001. Unfortunately, in 2002 Michigan's lodging properties continued to struggle with the weakened economy, a decline in business and convention travel, and the effects of 9/11.

Total statewide precipitation in 2002 was 11.5% lower than in 2001 and also 8.9% lower than normal—a situation, which did not bode well for the water levels in the Great Lakes. The average high temperature statewide this year was 1.8% lower than last year but 2.6% higher than normal.

State park overnight campground stays in Michigan increased by 0.7% in 2002, while aggregate attendance at ten selected attractions also increased by 3.3% in 2002. Henry Ford Museum & Greenfield Village and the Cook Energy Information Center were not included in this calculation, due to closure for renovation and for security reasons, respectively. Decreases occurred at only four of the attractions we monitor. The largest increases in visitors occurred at Hartwick Pines State Park (33.1%), the Flint Cultural Center (20.7%), and Fayette State Park (12.6%).

## **Economic Indicators, 2002 vs. 2001:**

According to the U.S. Bureau of Economic Analysis and Labor Statistics, the U.S. experienced a 3.6% increase in nominal Gross Domestic Product (GDP) in 2002, compared to the surprising 3.3% increase reported in 2001—a year marked by an officially declared economic recession. After accounting for inflation, real GDP increased by 2.4% from last year. The unemployment rate increased nationally (5.8% vs. 4.7%), in the Great Lakes region (5.8% vs. 4.7%), and in Michigan (6.2% vs. 5.3%).

Fortunately, inflation remained low in 2002. The overall Consumer Price Index for All Urban Consumers (U.S. city average) increased by only 1.6% in 2002. Hotel/motel lodging prices (U.S. city average) decreased by 1.0%, and restaurant prices (Detroit-Ann Arbor-Flint area) increased by 2.2%. According to AAA Michigan's weekly "Fuel Gauge" surveys of Michigan's gas stations, regular unleaded gasoline prices in 2002 averaged 7.6% lower than in 2001, following a similar decline of 4.1% reported last year. Real (i.e., adjusted for inflation) gasoline prices nationally declined 7.1%, following a similar decline of 3.2% reported last year.

The Conference Board's Consumer Confidence Index declined by 9.2%, while its two components—the Present Situation Index declined by 33.1% and the Expectations Index climbed by 17.7%. The U.S. dollar remained strong in the foreign exchange market; it was 1.3% stronger in 2002 than it was in 2001 compared to the Canadian dollar, bringing \$1.57 Canadian per U.S. dollar in exchange.

## **A Look Back at Michigan Tourism in 2002:**

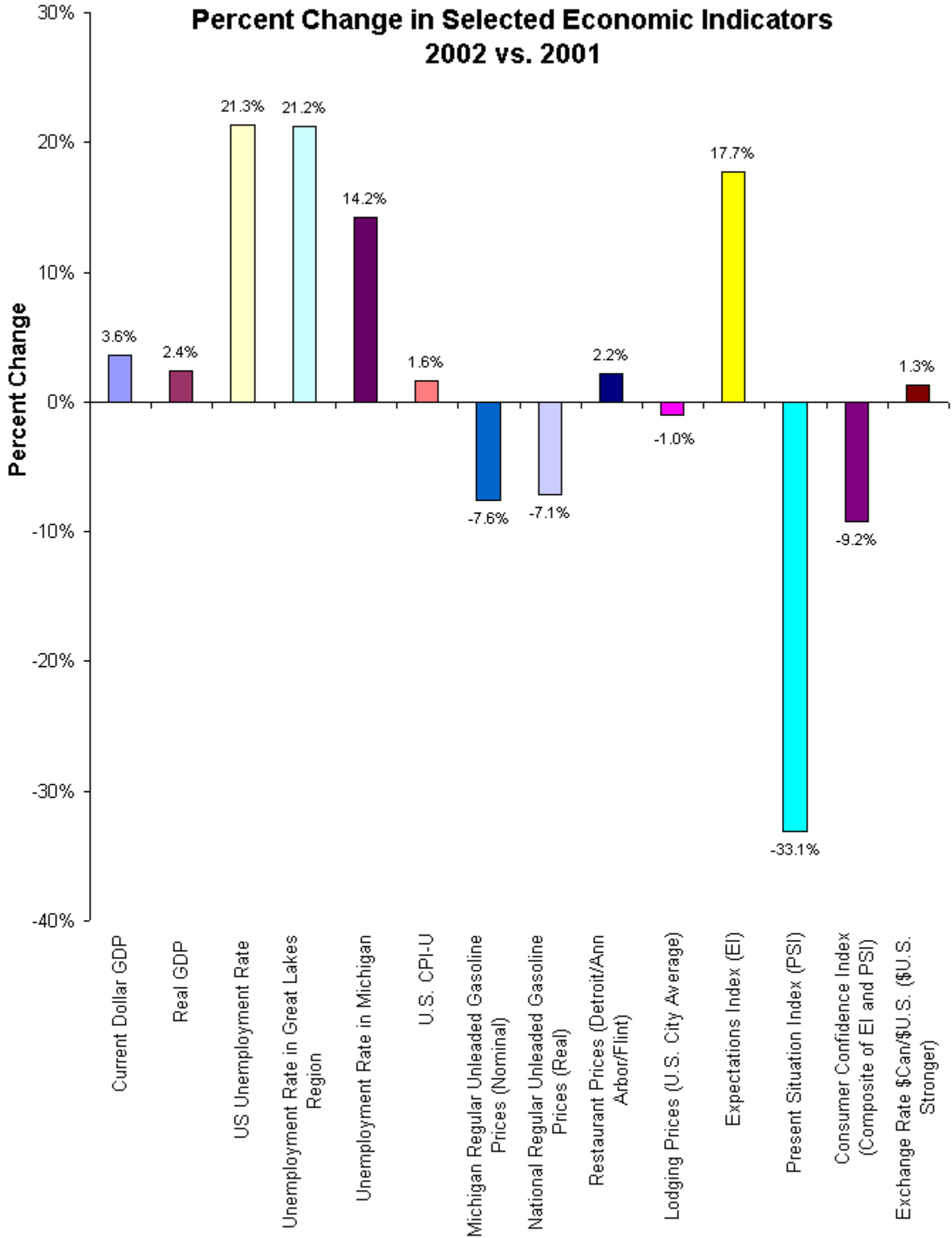
Our survey of Michigan convention and visitor bureaus' room assessment collections indicated that room assessments in 2002 (across 36 responding districts, not including Detroit), remained about the same (+0.3%) as in 2001 (which also did not include Detroit). However, room assessments in the Upper Peninsula and the northern Lower Peninsula decreased by 7.4% and 2.0%, respectively, while room assessments in the southern Lower Peninsula increased 3.0% in 2002.

Last year was another challenging year for Michigan's tourism industry. While traffic volume was up by about 3%, only slightly below its 3.9% long-term growth trend, hotel and motel sales and use tax collections were down nearly 8%, a full 13% below their long-term average 5% annual increase. The dominant reason for the industry's lackluster performance last year was an economy which failed to inspire consumer or business confidence. Leisure travel volume increased modestly, but leisure travelers proved to be "tight-fisted" spenders. Business travel was down significantly for the second year in a row. However, feedback from our annual surveys of CVB's indicated that there was the usual variation in tourism activities across the state. Business tended to be up in regions dominated by the leisure travel market and down in regions dependent upon business and convention travelers.

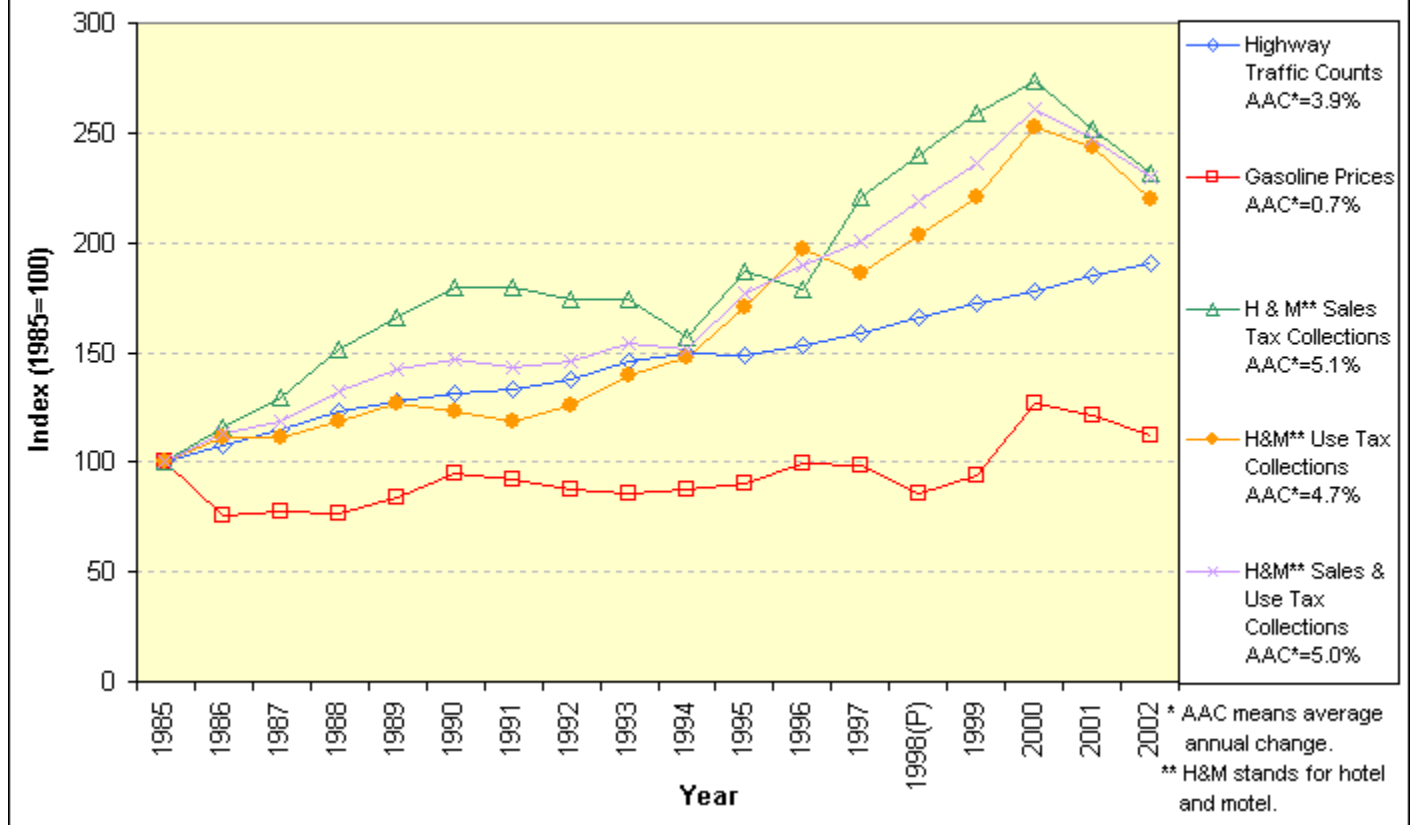
## **Forecast of Michigan Travel Activity for 2003:**

We project that in 2003, travel volume will increase 2%, travel spending will decrease 2%, and travel prices will increase 2-3%, primarily due to a sluggish economy, a threat of potential war, and weakening consumer confidence. Respondents to our CVB survey, on the average, anticipate a nearly 2% increase in room assessment collections in 2003 compared to 2002.

## Percent Change in Selected Economic Indicators 2002 vs. 2001



## Statewide Trends in Selected Industry Indicators, 1985-2002



### Methodology:

The **Michigan Travel Intentions Index™** is derived from the data generated by a monthly phone survey of 400 households, selected at random, from Michigan, Illinois, Indiana, Ohio, Ontario and Wisconsin. The index is a measure of the difference between respondents who expect to take "more" versus "fewer" pleasure trips to Michigan in the next twelve months. Comparisons are made to the last month and the last twelve months. Contact [Charles Shih](#) or [Lori A. Martin](#) with questions regarding the methodology employed in producing this report.

### Acknowledgments:

We would like to acknowledge the assistance of Chang Huh and Joe Deming in preparing this report. We would also like to acknowledge the financial support of the [Michigan Agricultural Experiment Station](#) and [Michigan State University Extension](#).

### Data Sources:

Michigan Departments of Transportation and Natural Resources (Parks and Recreation Bureau); managers of selected tourist attractions in Michigan; Conference Board; Federal Reserve Bank of New York; Mackinac Bridge Authority; Michigan AAA; Midwestern Regional Climate Center.

### Note:

Data periods are in calendar year.