

STATEMENT TO THE METRO ETHICS COALITION PROJECT

J. Terrence Brunner, Executive Director

Better Government Association

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Are Illinois riverboat gamblers tourists? Are any gamblers tourists? What are tourists?

The purpose of Illinois gambling legislation was tourism and economic development. Mayor Daley's casino proposal was driven by jobs and projected economic development produced by increased tourism; outsiders bringing new money into our city, that was the concept. It's at the heart of the Deloit Touche study done for the Mayor's committee. They predicted 36,000 new jobs from increased tourism produced by gambling.

Back in 1994, the BGA began to investigate this question. We went door to door in all ten riverboat towns looking for signs of economic development. We didn't find it.

The BGA then engaged two remarkably expert academics, both gambling authorities from the University of Nevada, Las Vegas, Bill Thompson and Ricardo Gazel. Thompson is a nationally-renowned gambling expert, Dr. Gazel is assistant professor of Economics and associate director of the Center of Business and Economic Research at UNLV. We used their surveys to interview 785 Illinois riverboat gamblers.

We found that it was all overwhelmingly local.

* 84% were from Illinois

* 85% were from within 50 miles of the casino

* Only 1% stayed overnight in a motel

* Almost none spent any money on anything but gambling. Maybe a beer on the boat but nothing in town.

Focused, tunnel vision, strange behavior, unique, special animals: Gamblers.

But there were supposed to be tourists. Otherwise, why would we introduce gambling? Anyone with any intelligence realized that gambling was nothing but a very regressive tax on the poorest people in our society--a dirty little legislative secret.

But where are the real tourists? What draws them? Why do they come? How can we attract more so that we can produce those elusive jobs and spur that promised economic development?

Obviously, there are a lot of tourists in the Loop and on North Michigan Avenue...

So on behalf of the Chicago Metro Ethics Coalition we engaged, once again, Professors Thompson and Gazel to design surveys. We used essentially the same ones we had used at the riverboats to identify and interview these tourists.

A total of 1194 people were surveyed at three high-profile Chicago tourist attractions: The Art Institute, Navy Pier, and the North Michigan Avenue shopping district.

We found these high-end demographics of our so-called "cultural tourists":

- * Half lived greater than 35 miles away. 223 or 56.9% of the Art Institute visitors were non-local who came from places all over the U.S.--40 or 18.9% of those were from other countries.

- * They stayed overnight. The average stay of those 223 visitors was 2.4 days--only one stayed in Chicago less than one day (ergo, not overnight.)

- * They arrived by plane. 116 or 52.3% of those same visitors arrived by air.

- * They spent lots of money on a variety of things. Each of those 223 visitors spent on average \$225.11 on a combination of food, lodging, shopping, transportation, sightseeing, etc. If you take into account that they also came in groups of 2-3 people, they spent nearly \$500. Based on these findings, visitors of the Art Institute alone are responsible for an addition of nearly \$160 million to Chicago's economy each year.

Clearly, they were bringing new outside money into Chicago's local economic system--and producing the economic development so obvious all around. Just compare Michigan Avenue with the boarded-up stores in Aurora and downtown Joliet.

But why were they here? And how could we attract more of them?

We asked them to rank, as high or very high, their motivations for coming to Chicago in the future:

*85.2% ranked free music and arts events high or very high in their primary motivations to come to Chicago

*83.4% ranked new museums high or very high

*21.5% ranked amusement parks

*only 11.1% ranked casinos as a high or very high motivation to come to Chicago. Of the 223, only six said they'd be more interested in coming to Chicago if we had casinos, and six others said they'd be less interested. Casinos would have no effect on these folks.

Who should we try to attract? Obviously, the Cubs, Berghoffs, and blues bars are real tourists attractions too. We don't want to forget them.

But if we have limited resources and limited funds to spend on advertising, limited money to support various institutions, it would appear that we get the biggest bang for our buck from these high-end "cultural shoppers."

The lesson here is that supporting more museums, art, and musical entertainment has a much bigger payoff (and isn't that what we always talk about in Chicago?) than either amusement parks or casinos.

We also put at risk all of the quality of life issues we've built up by introducing casinos. We've worked hard to change our international image from Al Capone, speak-easy's and political corruption, to Michael Jordan, the symphony, the Monet exhibit, significant architecture and great restaurants.

Mayor Daley should be applauded for his sensible efforts to beautify the city. Both Michigan Avenue and State Street with our new library look great. We think it's really working.

Everyone, including the Mayor, saw the Monet exhibit as a watershed event in Chicago history. But such events are difficult to replicate.

Existing cultural attractions, like the Civic Opera House, the Shedd and the symphony, have already set a successful precedent. These places are drawing these high-end visitors every day, all year long.

It is time to stop and smell the roses - admit the obvious. We should support our core attractions and nourish the new ones from the beginning rather than casting about for pie in the sky solutions like casinos.

The Tourism Industry in Chicago: It's the Arts, Stupid.

Ricardo C. Gazel and William Thompson

in cooperation with The Better Government Association

June 20, 1997

Introduction

Chicago has always attracted the attention of American and foreign tourists over the years. They come to Chicago, among many other reasons, to visit art, science and historical museums, to walk on Navy Pier, attend sporting events, attend popular and classical music concerts and festivals, to go to the top of the Sears Tower, shop near Water Tower, and to learn how the commodity exchanges work.

A few statistics help to understand the magnitude of the tourism industry in Chicago. Chicago provided visitors with close to seventy thousand hotel rooms in 1996. A well-developed infrastructure of the tourism industry attracted over 4.2 million attendees to conventions, trade shows, and corporate meetings in 1996, a close to 10 percent increase compared to 1994. Nearly 70 million passengers went through O'Hare airport in 1996, an increase of over 7 percent compared to 1992. Among the airport passengers, over 7 million were foreigners, representing an increase of over 38 percent compared to 1992. The substantial increase in the number of foreign passengers resulted in a higher foreign passengers' share of the total number of passengers, from 8.1 percent in 1992 to 10.4 percent in 1996.

The tourism industry generates billions of dollars annually for the Chicago economy. The Chicago Convention and Tourism Bureau estimates that attendees of conventions, trade shows, and corporate meetings spent over \$4.7 billion in Chicago in 1996. In addition to these business-oriented visitors, millions of people (Americans and foreigners) visit Chicago while on vacations. Chicago is also a regional retail center with its shopping malls and its very successful North Michigan Avenue stores. All these attractions result in millions of visitors to the area, and their expenditures represent billions of dollars in new income and tens of thousands of jobs in the Chicago economy.

In this paper we estimate the partial economic impact of two major attractions--the Art Institute and the Navy Pier--in the Chicago economy. A comprehensive economic impact would measure both the impact of the centers themselves (their expenditures and their employees' expenditures in the local economy) and the impact of the tourists' expenditures who visit Chicago for the main reason of attending events in these centers. The partial economic impact we carry here measures only the impact of the tourist

expenditures. We do not estimate the impact of the expenditures of the two centers in the local economy which can be quite substantial. We also look at the question of tourism in general for the Chicago area and future prospects for new tourist attractions.

The report is organized as follows. In Section 1 we describe the theoretical methodology used in this study; whereas, in Sections 2 and 3, respectively, we report the results from a survey of visitors and their impacts due to the presence of the Art Institute and Navy Pier in Chicago. Section 4 shows some statistics for those interviewed in the North Michigan Avenue shopping district.

1. Methodology

The estimation procedure of the economic impact of an institution or any other event or firm in a regional economy (region defined as a space clearly delimited) is, in general, divided into positive and negative sides. On the positive side one must account for the new income and jobs generated by the institution. For example, in the case of the Art Institute, some of its operational expenditures represent an impact in the local economy. Employees of the Art Institute, most likely, live within the metropolitan area and spend most of their incomes in the same area. Additionally, the Institute buys goods and services from local suppliers as well. The Institute attracts tourists (non-residents of the region) whose expenditures in hotels, restaurants, on entertainment, local transportation, etc. generate new income to the area.

It is important to note that only part of the expenditures of an institution such as the Art Institute should be accounted in a economic impact analysis. First, only "local expenditures" should be accounted for; i.e., the expendituresí share which is used to pay local employees and buy goods and services from local vendors. If the institution buys most of its intermediate goods and services from outside suppliers, part of its revenues leave the local economy.

Second, one must separate the sources of revenues used to pay those "local expenditures." Revenues can be raised from local and nonlocal sources. Nonlocal sources are, for example, admission fees and donations from nonlocal residents, and grants from governments and foundations located outside

the area. Only part of revenues generated by admission fees and donations from local residents and grants from local government and foundations can be accounted as an economic injection in the local economy. Admission fees from local residents who would travel to patronize a similar institution in the absence of such an institution locally is part of the economic impact since, in the absence of the institution in the area, these revenues would be lost for the local economy. The same applies for donations and grants. However, if local residents, government, and foundations would have spent their monies in the local economy in the absence of the institution, their contribution to the institution's revenues cannot be part of the economic impact of the institution's expenditures in the local area. That income would have stayed in the local economy with or without the institution.

On the negative side, if most of the revenues are generated by local sources and would have been spent locally in the absence of the institution and, if the institution spends most of its monies outside the local area, the net impact of such an institution would be negative for the region. Additionally, it is very likely that any firm, institution, or event located or taking place in one specific area would result in some type of negative externalities to that area and its population. For example, a convenience store brings congestion and noise, an event requires more police work, cleaning after the event, and replacement of capital assets if anything is destroyed during the event. The important point is to establish what level of negative externalities a firm or event brings to the local area and then subtract that estimated value from the positive impact the firm or event has in the local area.

In this study we estimate only the economic impact of tourist expenditures in Chicago due to the presence of the Art Institute and Navy Pier in the city. Thus, it is only a partial impact assessment. In order to be very conservative, we have not attempted to measure the positive impact of the local residents who would have otherwise travelled to patronize art museums and entertainment venues similar to Navy Pier in other areas in the absence of them in Chicago. Additionally, we only account for tourists who reported the Art institute and the Navy Pier as their main reason for visiting Chicago. For many others,

these two centers represented additional incentives for their visit to the area, but they are not included in the impact estimated here.

After the direct impact of tourists' expenditures in the local economy is calculated, we apply economic (output) multipliers to estimate the total impact of the two centers in the Chicago economy. Output multipliers account for all secondary rounds of spending which take place in the local economy after the first (direct) expenditures are made. For example, the monies tourists spend in restaurants are accounted in the direct impact. The indirect impact is the sum of all subsequent rounds of expenditures after the direct impact takes place. The restaurants pay wages and salaries, buy goods and services from local suppliers, and pay taxes to the local government. Their employees buy goods and services locally as well, and their suppliers spend monies in other businesses, etc. All those rounds add to the indirect impact.

2. The Art Institute Visitors

During the months of June, July and August 1996, over a six week period, we interviewed 392 people in front the Chicago Art Institute, 402 people at Navy Pier, and 400 people in the North Michigan Avenue shopping district. Interviews were conducted in the morning and afternoon as well as evenings on Navy Pier. Table 1 shows numbers and percentages of respondents by site and distance of residence from the interview sites.

Table 1: Number of Interviews and Origin of Respondents

Site of Interview	Number	Percentage	Percentage by Site
Total	1,194	100.0%	
Art Institute	392		100.0%
North Michigan Avenue	400		100.0%
Navy Pier	402		100.0%
Live Within 35 Miles From Interview Site	590	49.4%	
Art Institute	169		43.1%
North Michigan Avenue	214		53.5%
Navy Pier	207		51.5%
Live Outside 35 Miles From Interview Site	604	50.6%	

Art Institute	223	56.9%
North Michigan Avenue	186	46.5%
Navy Pier	195	48.5%

The interview times and locations were designed to include interviewees of different backgrounds for the purpose of having as representative a group of subjects as might be possible with in person on-the-street type interviews. Interviews were conducted during all days of the week and all times during which facilities were open for tourists and visits by others.

The Navy Pier and Art Institute were selected as venues for interviews, because they experienced respectively the first and third highest attendance figures among ten Chicago attractions in 1995 (City of Chicago, Department of Cultural Affairs). The surveys sought to identify the spending behavior of visitors to the city and also to assess the prospects of future projected attractions as tourism magnets. Special attention was given to attitudes toward having a new casino complex in Chicago and its potential tourism impacts compared with other potential projects. Findings from these surveys were projected to full populations of visitors as identified in statistics provided by the City of Chicago, Department of Cultural Affairs.

2.1. The Art Institute Visitors: Who are they?

The critical question regarding visitors and their spending activity is the place of residence of the visitors. Of the 392 Art Institute visitors interviewed 169 (43.1%) lived within 35 miles of the art museum, while 223 (56.9%) lived further than 35 miles away. We considered that these 223 lived outside the Chicago Metropolitan area for purposes of our analysis, and only their spending could produce direct positive economic impacts for the area. The remainder of our descriptive analysis will focus on these 223 individuals.

Many of the out-of-area visitors came from other places in the Midwest. One-eighth (28, or 12.7%) were from other parts of Illinois, ten (4.5%) were from Ohio, eight (3.6%) were from Michigan, and eight from Wisconsin. Twenty-five (11.4%) were from California, and eight each from New York and Texas. Forty (18.2%) were from other countries, with England leading the way with 9 (4.0%) visitors; Germany provided 5 (2.2%) of the visitors, and Canada 4 (1.8%).

A slight preponderance of visitors were male, 112 (54.4%), while 94 (45.5%) were female. Most (163 or 79.1%) were white, while 14 (6.8%) were Asian, 11 (5.3%) African-American, and 10 (4.9%) Hispanic. Nearly equal numbers were married and single: 43.1% were married; 45.6% had always been single; while 8.3% were separated or divorced, and 2.9% were widowed.

The visitors had substantial educational backgrounds. Well over one half had college degrees; 29.7% actually had graduate school or professional degrees; 41.1% had bachelor degrees only, while 17.7% had some college education. Those with only high school diplomas amounted to 9.4% of the total, while only 2.1% had not graduated from high school.

Over two-thirds (66.7%) were employed full time, 9.1% part time, while 15.1% were either retired or worked only in their home. The visitors earning power was substantial as 29.3% had household incomes over \$70,000, and another 18.7% had income in the \$50,000-\$70,000 range. Those with household incomes under \$20,000 constituted 21.4% of the number.

There can be little doubt that the audience of the Art Institute is an "elite" audience. The spending behavior of this group reflects spending by persons who have resources to enjoy cultural activities without having to deprive themselves of essential items for themselves or members of their families.

2.1.1. Activities of Art Institute Visitors

The affluence of the group of interviewees was reflected in the fact that 116 (52.3%) came to Chicago by air, while 61 (27.5%) came by car, and 33 (14.9%) came by train. The Art Institute visitors

stayed an average of 2.4 days in Chicago. Only one of the 223 stayed in Chicago less than one day (ergo, not overnight).

Of the 223 Art Institute visitors who lived over 35 miles away, 72 (32.9%) came to Chicago especially to visit the Art Institute. We will assume for our analysis that the totality of these individuals' spending in the Chicago Metropolitan area during their visit is a result of the existence of the Art Institute.

Other visitors came with other motivations in mind. Fifty-five (25.1%) were on general vacations; 27 (12.3%) came to visit friends and relatives, while 38 (17.4%) came to Chicago to work or to attend a business convention. Twenty-seven (12.3%) came for shopping or "other reasons." We purposely do not include the spending of these groups of individuals in our economic impact analysis as we assume that their spending in Chicago was not a direct result of the presence of the Art Institute. We are being purposely conservative by ignoring potential Art Institute impacts as there can be little doubt that the presence of the Art Institute will have some influence on a person's (or group's) choice to come to Chicago for vacations, visits with friends or business meetings. We are also being purposely conservative in our impact analysis by not including spending of locals that is tied to Art Institute visits. While such spending would not cause an inflow of money into the Chicago economy, it can be strongly suggested that in the absence of a Chicago art museum, some of these people (probably many of them) would go to other cities to enjoy the cultural activity of art collections. Also for that reason, the financial data analyzed below, which focuses only upon the 72 who came specifically to visit the Art Institute, must be viewed as being very conservative.

These 72 respondents, visited Chicago for an average stay of 2.4 days. On average, they came in groups of 2.21 people. The mean expenditures of each group was \$497.50 or \$225.11 per person per trip, representing \$93.80 per person per day. This figure comes very close to the \$89 average daily expenditures per person in 1995, reported by the Chicago Office of Tourism. The average group and individual expenditures are included on Table 2.

Table 2: Expenditures by Type for Group and Per Person - Art Institute

Type of Expenditures	Per Party	Per Person
Food	\$80.14	\$36.26
Lodging	\$175.08	\$79.22
Shopping	\$191.11	\$86.47
Entertainment	\$13.56	\$6.14
Local Transportation	\$18.49	\$8.37
Sightseeing	\$19.11	\$8.65
Total	\$497.50	\$225.11

2.2. Economic Impact of the Art Institute Tourists in Chicago

The City of Chicago, Department of Cultural Affairs reported that the Art Institute attracted annual numbers of visitors equalling 1,648,476 in 1996. This base number is used for our calculations.

Initially we assume that 56.9% of these visitors, or 937,781, live further than 35 miles from the Art Institute. For our calculations we assume that these people are outside of the Chicago Metropolitan area.

Of these 937,781, 32.9%, or 302,781, come to Chicago especially to visit the Art Institute. Each of these visitors spends an average of \$225.11 while in Chicago. This cumulative spending results in an injection of \$68,160,045 into the Chicago Metropolitan economy.

Appropriate multipliers are attached to this injection of funds as the money will circulate and recirculate several times. Table 3 indicates multipliers for the state of Illinois estimated by the Bureau of Economic Analysis of the U.S. Department of Commerce (See Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System - RIMS II - U.S. Department of Commerce, 1992) which are utilized in our analysis. The multipliers suggest indirect additions of \$91,281,259 to the Chicago economy. The visitors of the Art Institute are therefore responsible for an addition of \$159,441,304 to the Chicago economy each year.

Table 3: Economic Impact of the Art Institute Visitors in the Chicago Economy - 1996

Type of Expenditure	Direct Expenditures	Multipliers	Indirect	Total
Restaurants and Bars	\$10,979,933	2.4450	\$15,866,003	\$26,845,936
Lodging	\$23,986,930	2.2143	\$29,127,330	\$53,114,260
Retail	\$26,182,917	2.4184	\$37,137,849	\$63,320,766
Entertainment	\$1,858,142	2.2143	\$2,256,342	\$4,114,485
Transportation	\$2,533,831	2.4659	\$3,714,342	\$6,248,173
Sightseeing	\$2,618,292	2.2143	\$3,179,392	\$5,797,683
Total	\$68,160,045		\$91,281,259	\$159,441,304

2.3. Attitude Toward Casino and Other Attractions

To assess the value of a new casino for Chicago we asked the Art Institute visitors for their attitudes toward a casino in Chicago. We consider that it is appropriate to report the responses of the 223 visitors who lived more than 35 miles away. Of the 223, only 53 reported that they had visited a casino anywhere in the last 12 months. The 53 had made 147 casino visits.

Of all the 223, only six (2.7%) said they would visit Chicago more frequently if there was a casino in the city. On the other hand, only six said they would visit Chicago less often. The overwhelming majority saw casinos not affecting their Chicago plans at all. Similarly only two saw a Chicago casino as influencing their desires to go to other Illinois casinos. One said he/she would go more frequently, one less.

We asked the Art Institute visitors to rank various attractions as motivators for coming to Chicago. New Museums ranked as a high or very high motivator for 83.4%; amusement parks were high or very high for 21.5%; casinos ranked high or very high for 11.1%; while free music and arts entertainment was rated high or very high for 85.2%. Table 4 provides the details of the ranking by type of attraction.

Table 4: Ranks of New Attractions in Percentage of Respondents - Art Institute Visitors

Type of Attraction	Very High	High	Fair	Low	Very Low	Total
New Museums	51.3	32.1	13.5	3.1	0.0	100.0
Amusement Parks	11.0	10.5	52.9	22.7	2.9	100.0
Casinos	5.6	5.6	5.0	68.8	15.0	100.0
Free Music and Art Events	42.9	42.3	10.7	4.1	0.0	100.0

3. The Navy Pier Visitors: Who are They?

Of the 402 people interviewed at Navy Pier, 195 (or 48.5%) lived more than 35 miles from the location. Of these non-locals, just over one-fourth (49, or 25.3%) were from Illinois. Seventeen (8.8%) were from Indiana, 12 from California (6.2%), 11 Missouri (5.7%), 9 Minnesota (4.6%), 8 Iowa (4.1%), and 7 each from Michigan and Wisconsin (3.6% each). Fourteen (7.2%) were from outside the United States, with two each from Canada and England.

Over one-half, 105 (55.6%) were males, while 84 (44.4%) were female. Most, 158 (84.5%) were white, while 12 (6.4%) were African-American, seven (3.7%) were Hispanic, and four (2.1%) were Asian. Most, 115 (60.8%) were married, while 61 (32.1%) had always been single, five (2.6%) were separated or divorced, and six (3.2%) were widowed.

The group of non-local interviewees was well educated as 17.8% had graduate degrees, and 44.3% had bachelors degrees from college. Another 17.3% had attended college, while 15.7% were high school graduates only.

Most (118, or 64.5%) were employed full time, while 20 (10.9%) were employed part-time. Fifteen (8.2%) worked in the home, 12 (6.6%) were retired, and only five (2.7%) indicated they were unemployed.

3.1. Activities of Navy Pier Visitors

Many, 89 (45.9%) arrived in Chicago by automobile, followed by 62 (32.0%) who came by plane, 21 (10.8%) by train, and 16 (8.2%) by bus. The average stay of the interviewees in Chicago was 1.6 days. Less than one-third (41, or 31.3%) stayed in Chicago for less than a full day--that is, they did not stay overnight.

The visit to Navy Pier was the primary reason for coming to Chicago for 29 (14.88%) of the visitors. The economic impact assessment will consider the spending activity of these 29. Fifty-five (28.2%) came for work or business conventions, 64 (32.8%) came on general vacations, while 35 (17.9%) came to visit friends.

As with the Art Institute visitors, we can reason that many of these visitors were attracted to Chicago in part because of the Pier, and also that many locals who came to the Pier may have gone to other cities for entertainment had the Pier not existed. However, our analysis will assess impacts that are directly attributed to the presence of the Navy Pier facility, and hence the numbers will be very conservative ones.

The visitors came in parties that averaged 3.7 members each. The mean expenditures for each party was \$203.21, or \$54.92 for each person per trip, resulting on average expenditures of \$34.32 per person per day. Individual categories of expenditure are indicated on Table 5.

Table 5: Expenditures by Type for Group and Per Person - Navy Pier

Type of Expenditures	Per Party	Per Person
Food	\$40.52	\$10.95
Lodging	\$84.62	\$22.87
Shopping	\$38.19	\$10.32
Entertainment	\$17.51	\$4.73
Local Transportation	\$9.28	\$2.51
Sightseeing	\$13.08	\$3.54
Total	\$203.21	\$54.92

3.2. Economic Impact of the Navy Pier Tourists in Chicago

City of Chicago, Department of Cultural Affairs reports that annually five million persons visit Navy Pier. This means that if 48.51% were from over 35 miles, there were 2,425,000 non-local visitors in 1966. Of these, 14.87%, or 360,697, came specifically to visit the Pier.

This group averaged direct expenditures of \$54.92 each, for a total of \$19,810,038 in direct expenses. Using the appropriate multipliers we find an extra \$25,954,190 in indirect expenditures, meaning

that the Navy Pier facility results in an annual addition of \$45,764,227 to the Chicago economy due to their non-local visitors. See Table 5.

Table 6: Economic Impact of the Navy Pier Visitors in the Chicago Economy - 1996

Type of Expenditures	Direct Expenditures	Multipliers	Indirect	Total
Restaurants and Bars	\$3,949,665	2.4450	\$5,707,266	\$9,656,931
Lodging	\$8,249,040	2.2143	\$10,016,809	\$18,265,848
Retail	\$3,723,382	2.4184	\$5,281,245	\$9,004,627
Entertainment	\$1,707,407	2.2143	\$2,073,305	\$3,780,712
Transportation	\$905,132	2.4659	\$1,326,832	\$2,231,964
Sightseeing	\$1,275,413	2.2143	\$1,548,734	\$2,824,146
Total	\$19,810,038		\$25,954,190	\$45,764,227

3.3. Attitude Toward Casino and Other Attractions

Of the 195 visitors who lived more than 35 miles away, 111 reported that they had visited or will visit a casino in their life time. The 111 had made 454 casino visits. Of all the 195, 23 (11.8%) said they would visit Chicago more frequently if there was a casino in the city. On the other hand, only six (3%) said they would visit Chicago less often. As with the Art Institute visitors, the overwhelming majority saw casinos not affecting their Chicago plans at all.

Of the 23 visitors who reported they would visit Chicago more often in the presence of a casino downtown, 9 (39%) were from Illinois, 4 (17.4%) from Wisconsin, 2 (8.7%) from California, one each from Kansas, Missouri, Michigan, New York, Ohio, Oklahoma, and one from Indiana. Of these 23 visitors, close to half (45.5%) had visited a riverboat in the past 12 months, 20 has visited casinos outside Illinois, and 45% live within 35 miles of a casino.

A downtown casino in Chicago is likely to cannibalize casino business elsewhere in Illinois. Of the 23 visitors discussed above, half (9 out of 18 who responded this question, 5 missing) reported that they would not keep visiting other Illinois casinos if a casino was available in downtown Chicago. However,

95% (18 with 3 missing) reported they would keep visiting casinos in other states even if Chicago built a casino downtown.

We also asked the Navy Pier visitors to rank various attractions as motivators for coming to Chicago. New Museums ranked as a high or very high motivator for 65.4%; amusement parks were high or very high for 30.1%; casinos ranked high or very high for 14.1%; while free music and arts entertainment was rated high or very high for 70.7%. Table 7 shows the ranks by type of attraction.

Table 7: Ranks of New Attractions in Percentage of Respondents - Navy Pier Visitors

Type of Attraction	Very High	High	Fair	Low	Very Low	Total
New Museums	43.1	22.3	17.0	13.3	4.3	100.0
Amusement Parks	10.8	19.4	19.8	36.0	14.0	100.0
Casinos	6.5	7.6	9.2	12.5	64.2	100.0
Free Music and Art Events	34.6	36.2	17.0	6.9	5.3	100.0

4. The North Michigan Avenue Visitors: Who are They?

In this section we provide some statistics on the North Michigan Avenue visitors, but we do not estimate its economic impact since we cannot know if shopping on North Michigan Avenue was the main reason for their visit to Chicago.

Of the 400 persons interviewed on North Michigan Avenue, 186 (or 46.5%) lived more than 35 miles from the location. Of these non-locals just 7% (13) were from Illinois; 17% were foreigners; 10% from Michigan; 6.5% each from California, Ohio, and Wisconsin

Over one-half, 58% were males, while 42% were female. Most, 85.9% were white, while 4.0% were African-American, 4.0% were Hispanic, and 5.6% were Asian. Most, 57.6% were married, while 37.9% had always been single, 3.4% were separated or divorced, and 1.1% were widowed.

Most (71%) were employed full time, 8.4% were employed part-time, 4.8% worked in the home, 6.0% were retired, and only 1.2% indicated they were unemployed.

4.1. Activities of North Michigan Avenue Visitors

Most North Michigan Avenue visitors arrived in Chicago by plane (50.3%), followed by 36.8% who came by car, 8.1% by train, and 3.8% by bus. The average stay of the interviewees in Chicago was 1.6 days. Twenty percent stayed in Chicago for less than a full day--that is, they did not stay overnight.

The reasons for coming to Chicago were as follows: vacation (31.2%); business, convention, and meetings (25.3%); shopping (15.1%); and visit friends and relatives (14.5%).

The visitors came in parties that averaged 2.4 members each. The mean expenditures for each party was \$683, or \$284.58 for each person per trip

4.2. Attitude Toward Casino and Other Attractions

Of the 186 North Michigan Avenue visitors who lived more than 35 miles away, 80 reported that they had visited or will visit a casino in their lifetime. Of all the 186, 12 (6.5%) said they would visit Chicago more frequently if there was a casino in the city. On the other hand, only 6 (3.2%) said they would visit Chicago less often. As with the other visitors, the overwhelming majority saw casinos not affecting their Chicago plans at all.

Of the 12 visitors who reported they would visit Chicago more often in the presence of a casino downtown, 2 were from Illinois, and one each from different states such as Iowa, Michigan, Ohio, and Wisconsin. No foreigners reported coming more often to Chicago if a casino was to be built downtown. All of these 12 visitors had visited a casino in their lifetime, and four of them had visited a riverboat in the past 12 months, and 2 live within 35 miles of a casino.

All visitors were asked to rank various attractions as motivators for coming to Chicago. New Museums ranked as a high or very high motivator for 64.0%; amusement parks were high or very high for 26.1%; casinos ranked high or very high for 12.3%; while free music and arts entertainment was rated high or very high for 61.7%. Table 8 shows the ranks by type of attraction.

Table 8: Ranks of New Attractions in Percentage of Respondents - North Michigan Avenue

Type of Attraction	Very High	High	Fair	Low	Very Low	Total
New Museums	38.4	25.6	20.3	8.7	7.0	100.0
Amusement Parks	10.3	15.8	14.5	44.8	14.5	100.0
Casinos	7.0	5.3	9.9	14.0	63.7	100.0
Free Music and Art Events	33.7	28.0	24.0	10.9	3.4	100.0