

2025

Economic Impact of Visitors in Sioux Falls, SD



CONTENTS

Introduction

Key Findings

Results In Context

Visitor Volume and Spending

Economic Impact Methodology

Economic Impact

Appendix



Introduction

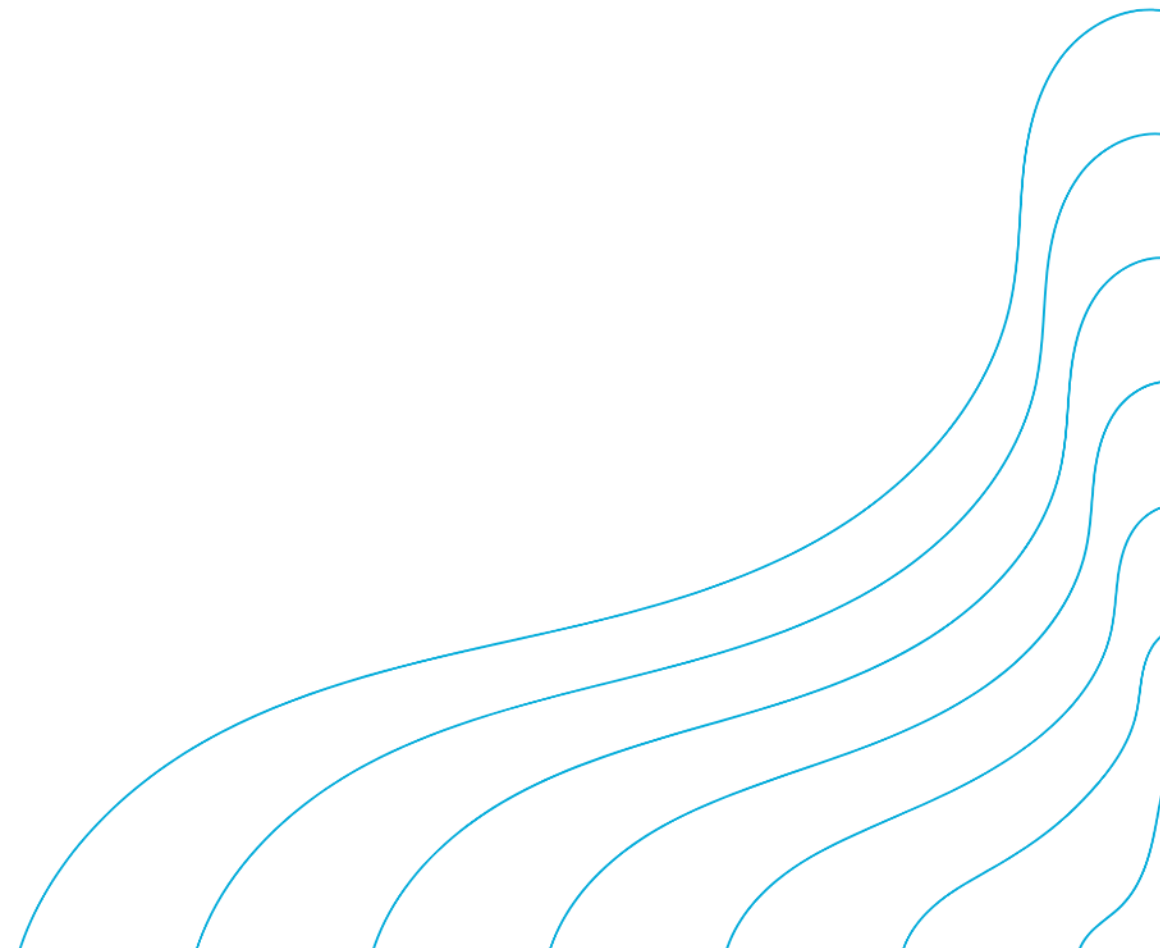
Visitors are integral to Sioux Falls' economy, generating significant financial benefits for residents and local businesses. Visitor activity also produces substantial tax revenue which supports government services.

Credible measurements of the visitor economy are designed to inform policy decisions that foster the sector's development.

To quantify the significance of Sioux Falls' visitor economy, Tourism Economics developed a comprehensive analysis of visitor spending and its total economic impact on businesses, employment, personal income, and taxes. At a high level, our approach includes the following stages:

- Compilation of visitor statistics
- Compilation of industry data
- Compilation of government data
- Analysis of visitor spending by category
- Economic impact modeling

KEY FINDINGS



Key Findings

Visitors Generate Significant Economic Impacts

In 2025, 3.4 million visitors spent \$1.2 billion in the Sioux Falls economy, resulting in a total economic impact of \$1.8 billion.



3.4M VISITORS TO SIOUX FALLS



\$1.2B VISITOR SPENDING



\$1.8B TOTAL ECONOMIC IMPACT



\$495M TOTAL PERSONAL INCOME



10,276 TOTAL JOBS SUPPORTED



\$126M STATE AND LOCAL TAXES



Results in Context

The visitor economy is an economic pillar in Sioux Falls. In 2025, visitor spending supported one-in-20 jobs in Sioux Falls and offset resident taxes by \$1,462 per household. In addition:



\$1.2B VISITOR SPENDING

Visitors spent \$3.3 million per day in Sioux Falls, on average.



\$495M PERSONAL INCOME

This is equivalent of \$5,759 per household in Sioux Falls, regardless of any connection to the visitor economy.



10,276 JOBS

The visitor economy sustains 5.2% of all jobs in Sioux Falls. These employees could fill Danny Sanford PREMIER Center to capacity.

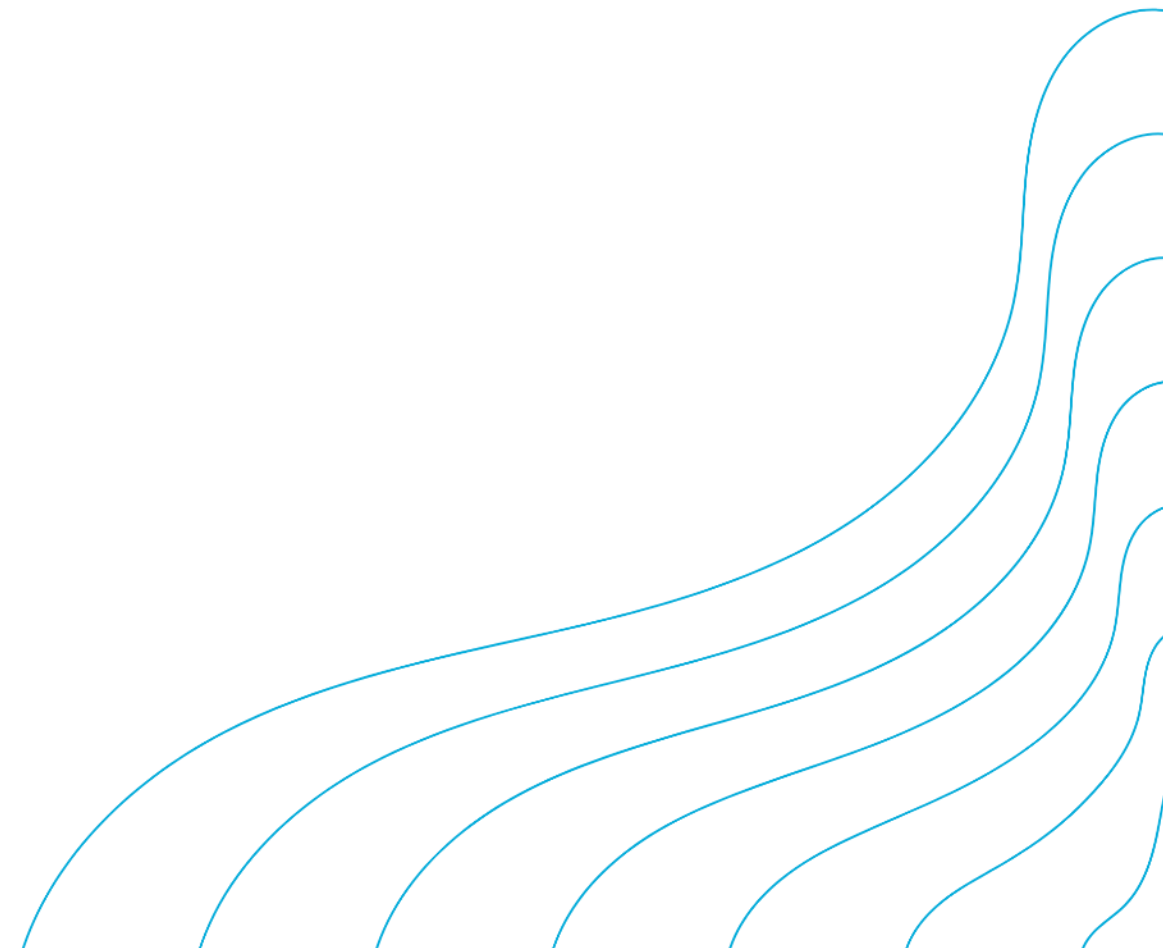


\$126M STATE & LOCAL TAXES

Each household in Sioux Falls would need to be taxed an additional \$1,462 to replace the visitor-generated taxes received by state and local governments in 2025.



VISITOR VOLUME & SPENDING



Sioux Falls welcomed **3.4 million** visitors who spent **\$1.2 billion** in 2025.

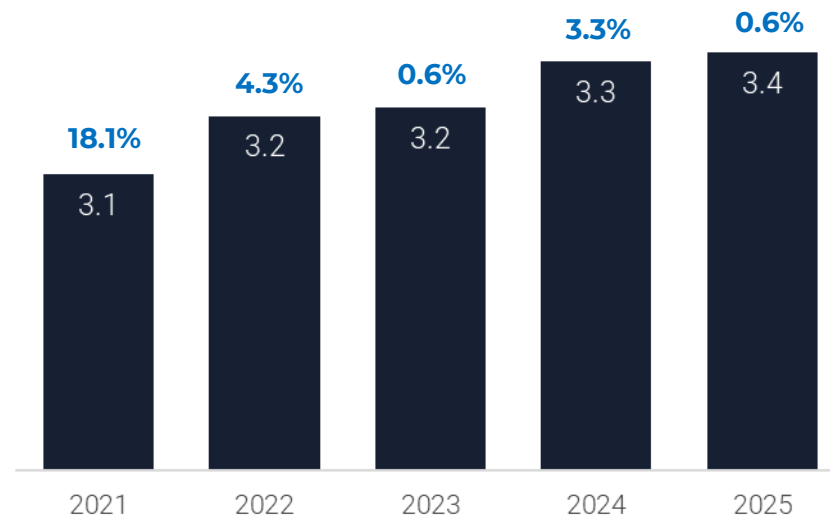


Visitor Volume

Sioux Falls Visitor Volume

millions

In 2025, visitor volume in Sioux Falls expanded slightly year-over-year to reach 3.4 million, as growth in day visitation offset a contraction in the overnight segment.



Source: Tourism Economics

Visitor Spending

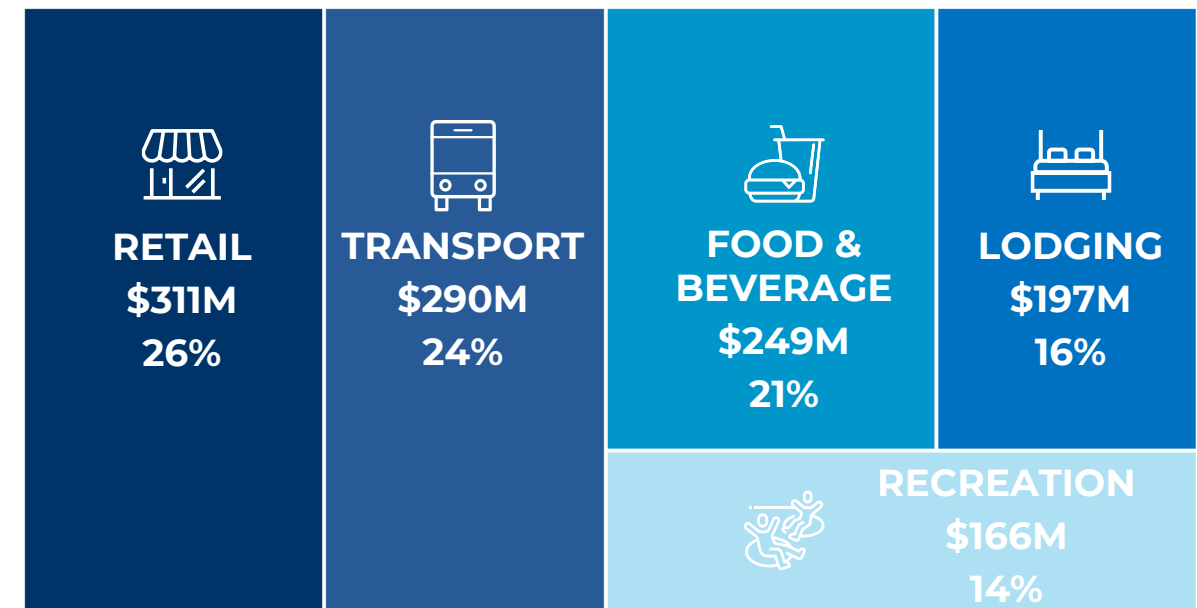
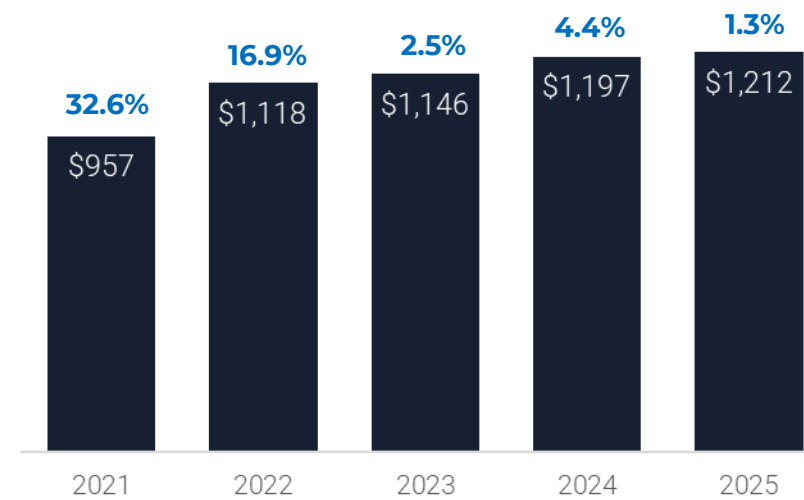
Visitors to Sioux Falls spent \$1.2 billion across various sectors in 2025.

Of the \$1.2 billion spent, retail accounted for \$311 million—26% of all visitor spending.

Visitor spending on transportation, including both air and transportation within the destination, totaled \$290 million, accounting for 24% of total visitor spending.

Sioux Falls Visitor Spending

\$ millions



Source: Tourism Economics

Note: Lodging includes all accommodation types, and transportation includes both ground and air transportation.

Spending Trends & Visitor Volume

Visitor spending grew 1.3% in 2025, with performance varying across spending categories.

Recreation led spending growth, expanding 5.6% over the prior year. Food and beverage and retail realized smaller gains, increasing 2.8% and 0.6%, respectively. Transportation spending declined 0.4%, driven by lower gas prices. A reflection of a contraction in the overnight market, lodging spending declined 0.4% in 2025, though the decline was partially offset by higher room rates.

Sioux Falls Visitor Spending

\$ millions

	2021	2022	2023	2024	2025	2025 Growth
Total visitor spending	\$957	\$1,118	\$1,146	\$1,197	\$1,212	1.3%
Retail	\$265	\$290	\$299	\$309	\$311	0.6%
Transportation	\$233	\$294	\$284	\$291	\$290	-0.4%
Food & beverage	\$189	\$215	\$228	\$242	\$249	2.8%
Lodging	\$148	\$177	\$186	\$197	\$197	-0.4%
Recreation	\$122	\$142	\$148	\$157	\$166	5.6%

Source: Tourism Economics

Note: Lodging includes all accommodation types., and transportation includes both ground and air transportation.

Sioux Falls Visitor Volume, by Segment

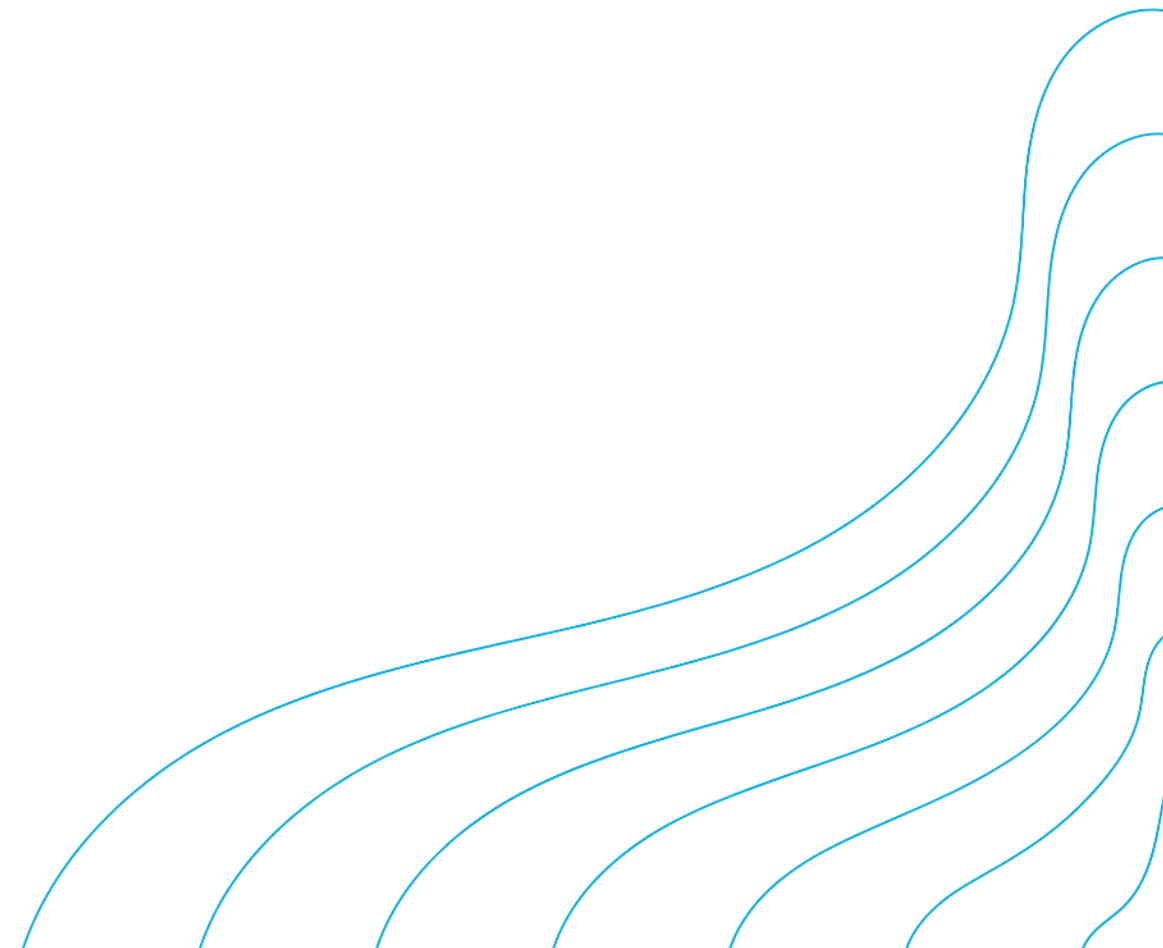
millions

	2021	2022	2023	2024	2025	2025 Growth
Total visitors	3.1	3.2	3.2	3.3	3.4	0.6%
Day	2.0	2.1	2.1	2.2	2.2	2.1%
Overnight	1.1	1.2	1.1	1.2	1.2	-2.0%

Source: Tourism Economics



ECONOMIC IMPACT METHODOLOGY



Economic Impact Methodology

The development of visitor economy impact modeling begins with a comprehensive demand side analysis. Visitor survey data provides estimates on the volume of visitors by type and their spending in specific industries (e.g., lodging, restaurants, retail, recreation and entertainment, transportation). These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type, as well as employment and personal income by industry, are used to supplement and confirm demand-side visitor spending calculations.

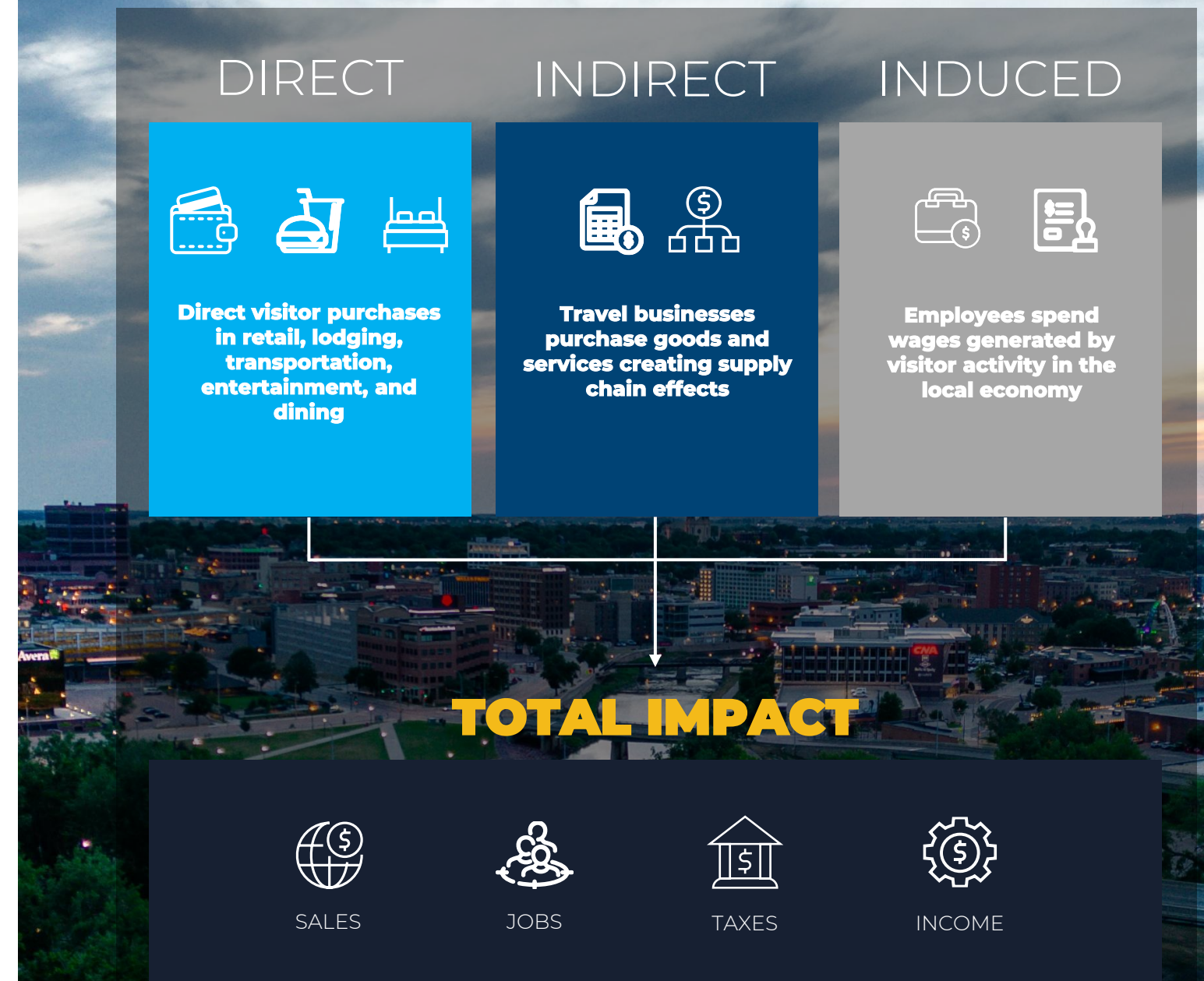
This provides a detailed profile of visitor spending by industry, which is then connected to a local input-output (I-O) economic impact model constructed within the IMPLAN platform. This uses government (Bureau of Economic Analysis and Census) data to trace the flow of visitor spending through the local economy and its effects on businesses, households, and government. The model quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a defined set of sectors. This supports a proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Businesses providing direct services to visitors purchase goods and services, generating additional impacts called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Additional business activity is generated as employees spend incomes locally that are earned due to visitor activity. This is called the induced impact or income effect.

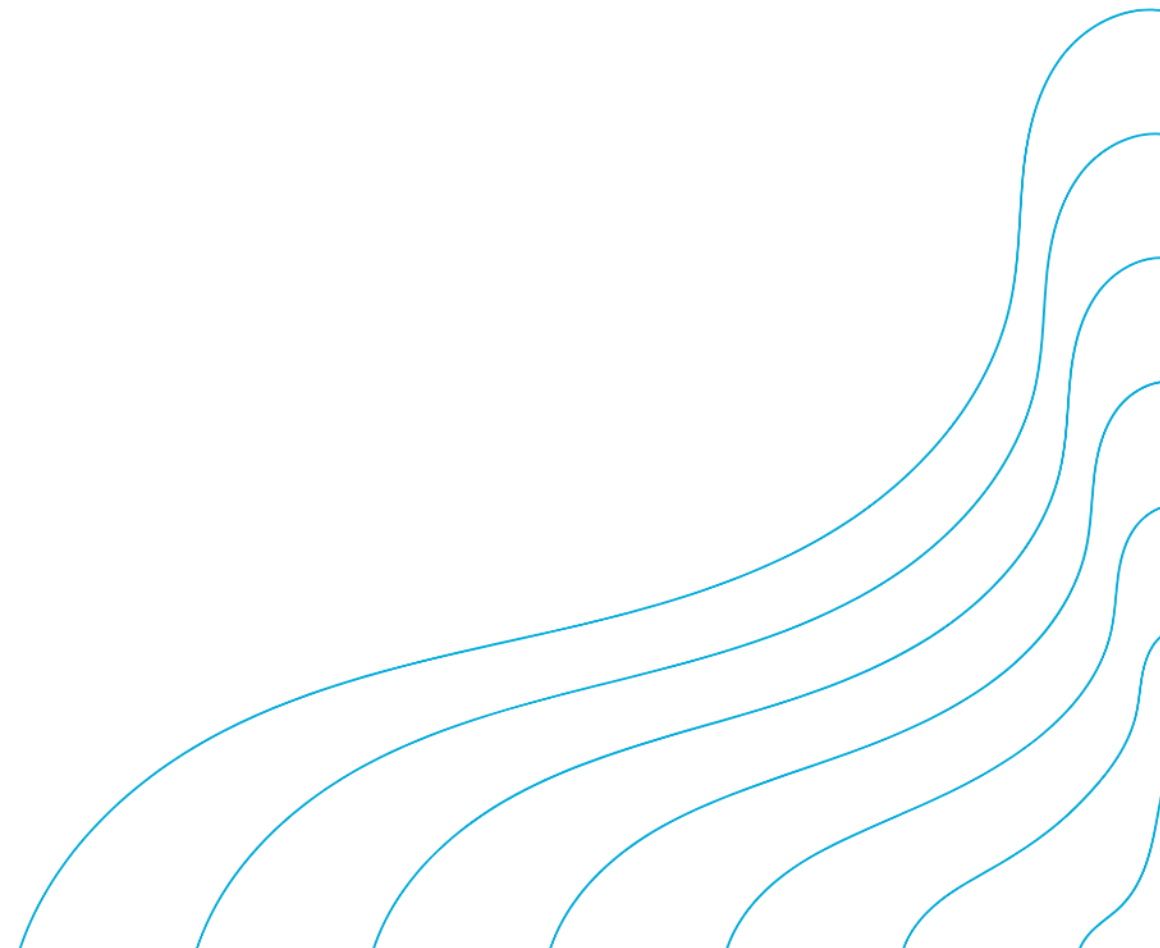
The model calculates these three levels of impact—direct, indirect, and induced—for the following metrics:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

Economic Impact Model



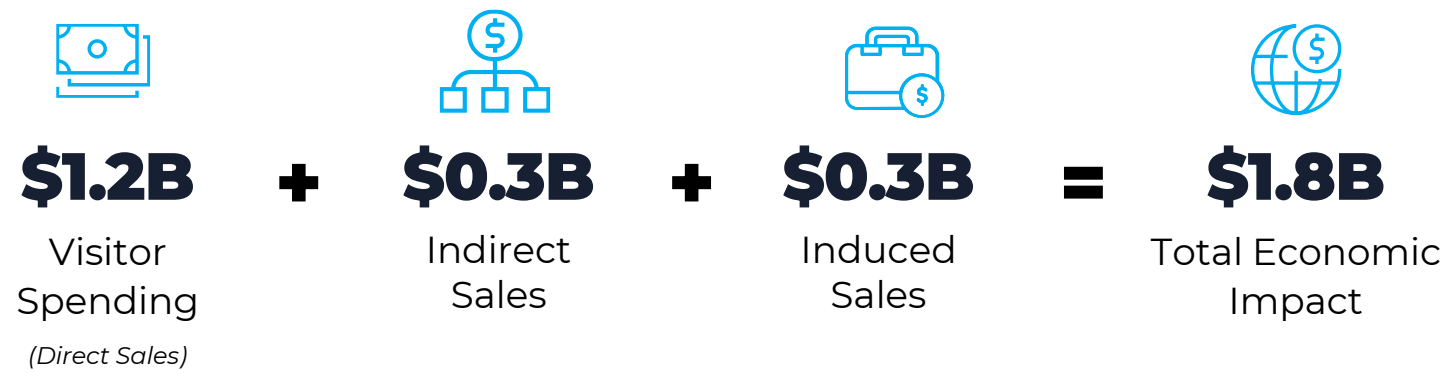
ECONOMIC IMPACT



Business Sales Impacts

Direct business sales totaled \$1.2 billion in Sioux Falls in 2025. These direct impacts generated an additional \$0.6 billion through supply chain (indirect) and income (induced) effects.

As a result, the total economic impact of visitors reached \$1.8 billion in 2025.



Source: Tourism Economics

Business Sales by Industry (2025)

\$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$1,212	\$327	\$286	\$1,825
Retail Trade	\$311	\$3	\$20	\$334
Food & Beverage	\$249	\$15	\$22	\$286
Finance, Insurance, Real Estate	\$9	\$115	\$87	\$211
Lodging	\$195	\$0	\$0	\$196
Gasoline Stations	\$176	\$0	\$2	\$178
Recreation and Entertainment	\$154	\$15	\$7	\$176
Business Services		\$78	\$21	\$99
Air Transport	\$83	\$0	\$0	\$84
Education and Health Care	\$0	\$2	\$70	\$73
Other Transport	\$24	\$19	\$6	\$49
Personal Services	\$12	\$10	\$16	\$37
Wholesale Trade		\$19	\$15	\$33
Construction and Utilities		\$22	\$7	\$29
Communications		\$19	\$9	\$28
Manufacturing		\$6	\$2	\$8
Government		\$4	\$1	\$5
Agriculture, Fishing, Mining		\$1	\$0	\$1

Source: Tourism Economics

Visitor spending generated a total economic impact of **\$1.8 billion** across the economy.



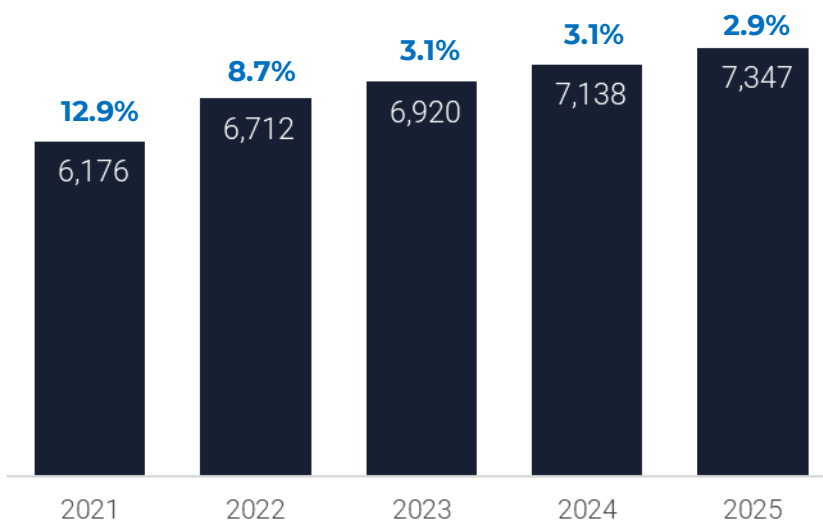
Direct Employment

Employment directly supported by visitor activity increased 2.9% in 2025, exceeding 7,300 jobs.

Overall, direct tourism jobs accounted for 3.7% of all jobs in Sioux Falls including a significant portion of employment in several key industries - nearly all of lodging, 29.0% of recreation employment, and 19.6% of food services employment.

Visitor Supported Employment in Sioux Falls

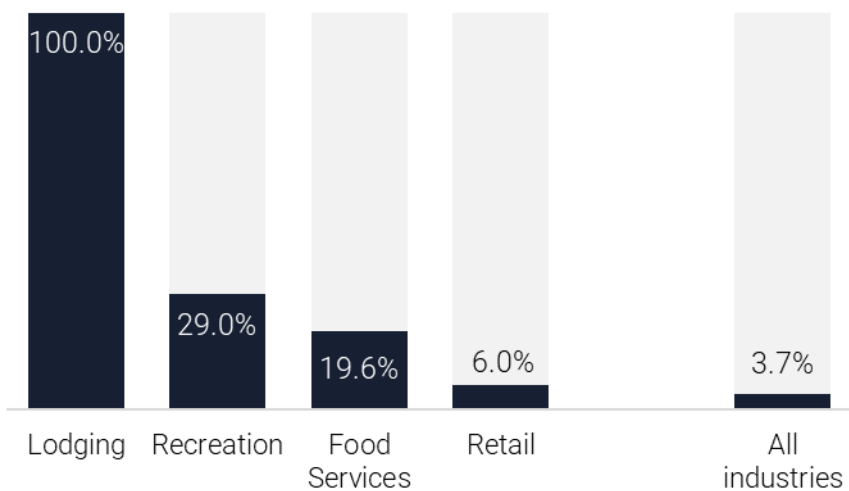
Jobs, direct only



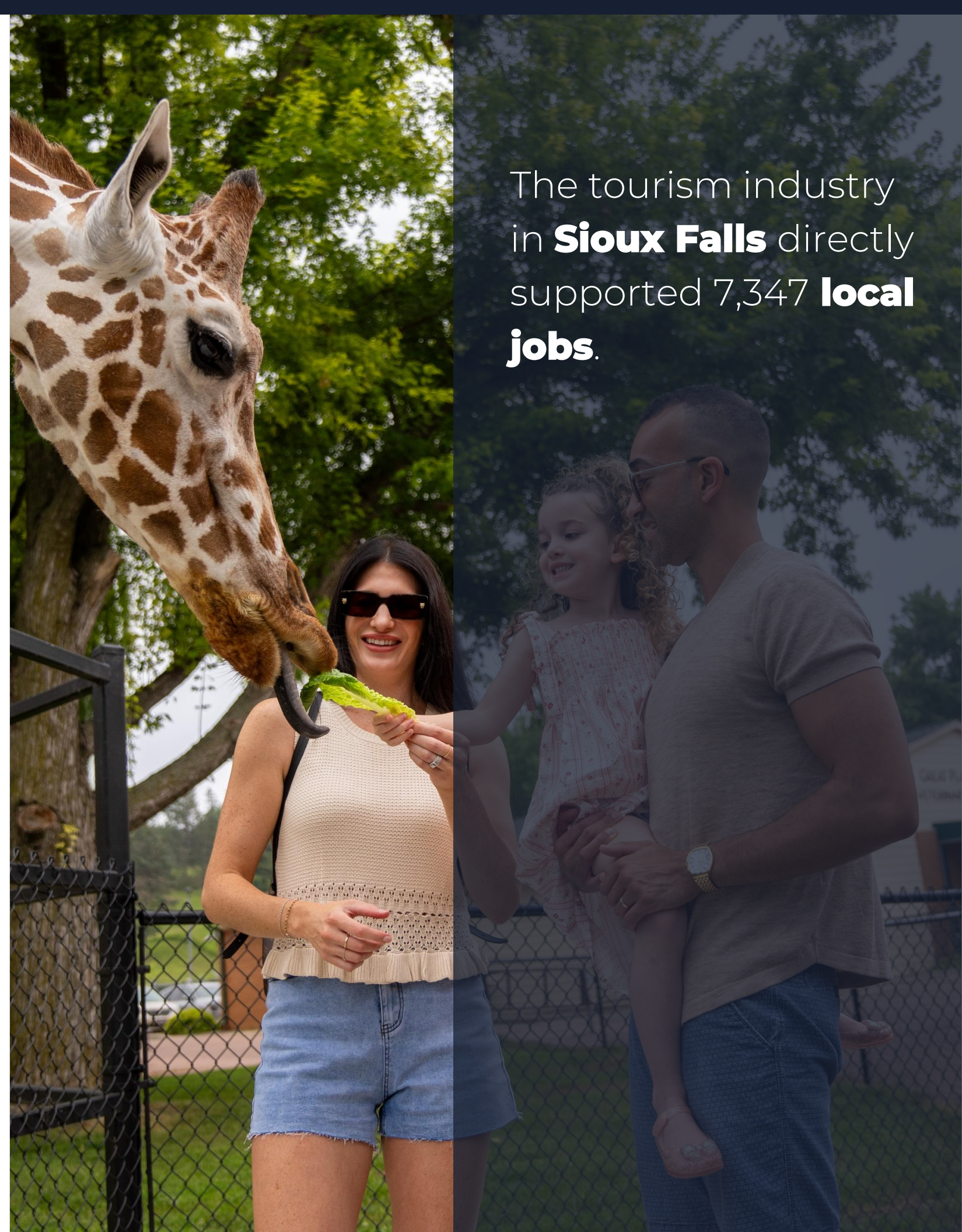
Source: Tourism Economics

Direct Visitor Employment Intensity (2025)

Jobs, direct only



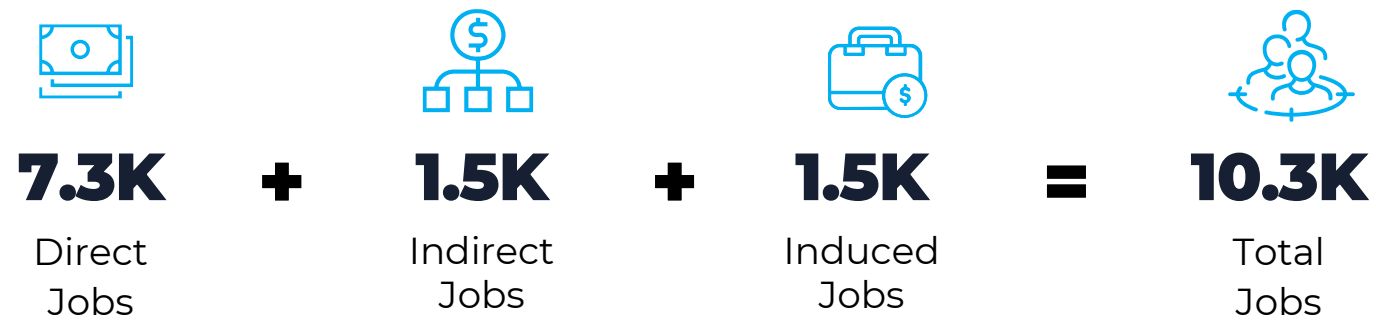
Source: Tourism Economics



The tourism industry in **Sioux Falls** directly supported 7,347 **local jobs**.

Employment Impacts

Visitor activity sustained 7,347 direct jobs in 2025, with an additional 2,929 jobs supported from the indirect and induced impacts of visitor activity. Total employment impacts tallied 10,276 in 2025, translating to about one-in-20 jobs (5.2%) in the city.



Employment by Industry (2025)

Jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	7,347	1,460	1,469	10,276
Food & Beverage	2,364	175	223	2,762
Recreation and Entertainment	1,562	124	66	1,752
Lodging	1,486	0	1	1,487
Retail Trade	1,275	26	162	1,462
Finance, Insurance, Real Estate	22	382	197	600
Business Services		429	119	548
Education and Health Care		22	431	453
Personal Services	175	60	158	393
Gasoline Stations	264	2	12	279
Other Transport	140	63	17	220
Wholesale Trade		50	35	86
Air Transport	60	1	1	62
Communications		43	18	61
Construction and Utilities		39	15	54
Government		23	5	29
Manufacturing		18	5	23
Agriculture, Fishing, Mining		2	3	5

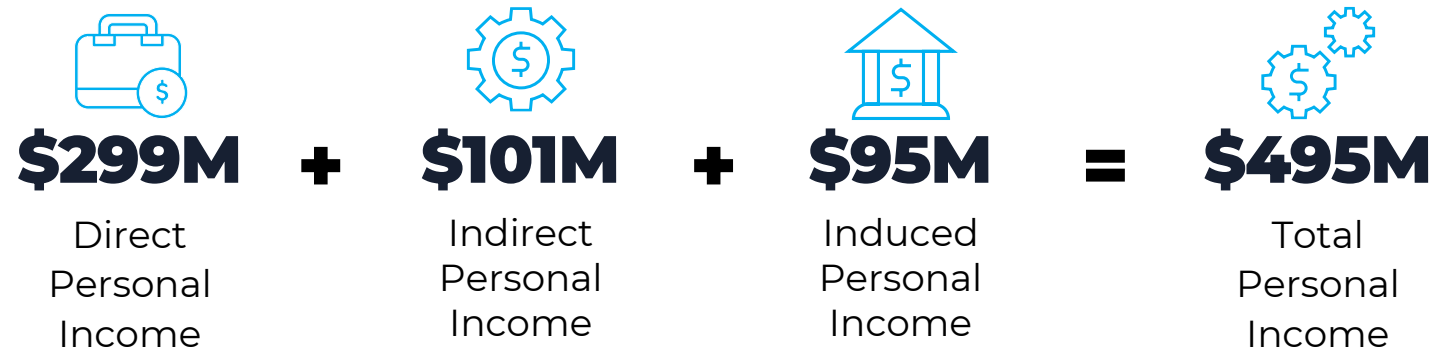
Source: Tourism Economics

Visitor spending supports **one-in-20 jobs** in Sioux Falls, including nearly **2,800 jobs** in the food and beverage industry.



Personal Income Impacts

Visitor activity generated \$299 million in direct personal income in 2025. Including indirect and induced impacts, employees received \$495 million in personal income.



Personal Income by Industry (2025)

\$ millions

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$299	\$101	\$95	\$495
Food & Beverage	\$71	\$5	\$7	\$83
Lodging	\$82	\$0	\$0	\$82
Retail Trade	\$57	\$1	\$9	\$67
Recreation and Entertainment	\$49	\$4	\$2	\$55
Business Services		\$38	\$10	\$48
Finance, Insurance, Real Estate	\$3	\$25	\$12	\$40
Education and Health Care		\$1	\$37	\$38
Personal Services	\$7	\$4	\$8	\$20
Air Transport	\$14	\$0	\$0	\$15
Gasoline Stations	\$12	\$0	\$1	\$12
Wholesale Trade		\$5	\$4	\$9
Other Transport	\$5	\$3	\$1	\$9
Construction and Utilities		\$5	\$2	\$7
Communications		\$4	\$2	\$6
Government		\$3	\$1	\$3
Manufacturing		\$1	\$0	\$2
Agriculture, Fishing, Mining		\$0	\$0	\$0

Source: Tourism Economics



Tax Impacts

Visitor activity generated \$237 million in government revenues in 2025. State and local taxes alone tallied \$126 million.

Each household in Sioux Falls would need to be taxed an additional \$1,462 to replace the visitor-generated taxes received by state and local government in 2025.

Tax Impacts (2025)

\$ millions

	Direct	Indirect & Induced	Total
Total Tax Revenues	\$158.9	\$77.8	\$236.7
Federal Taxes	\$65.1	\$45.9	\$111.0
Personal Income	\$21.0	\$14.7	\$35.7
Corporate	\$8.0	\$5.9	\$13.9
Indirect Business	\$7.1	\$2.2	\$9.3
Social Insurance	\$29.0	\$23.1	\$52.1
State and Local Taxes	\$93.8	\$31.9	\$125.7
Sales	\$65.0	\$23.9	\$88.9
Corporate	\$0.6		\$0.6
Lodging	\$1.4		\$1.4
Excise and Fees	\$7.3	\$2.0	\$9.2
Property	\$19.5	\$6.1	\$25.6

Source: Tourism Economics



In 2025, the state government received 68.6 million in visitor-supported tax revenue. The majority of state revenues were from sales taxes. Corporate taxes, and excise and fees added an additional \$6.3 million to state revenues.

Local tax revenues from visitor activity reached \$57.2 million with sales, property, lodging, and excise and fees supporting local government revenues from visitor spending.

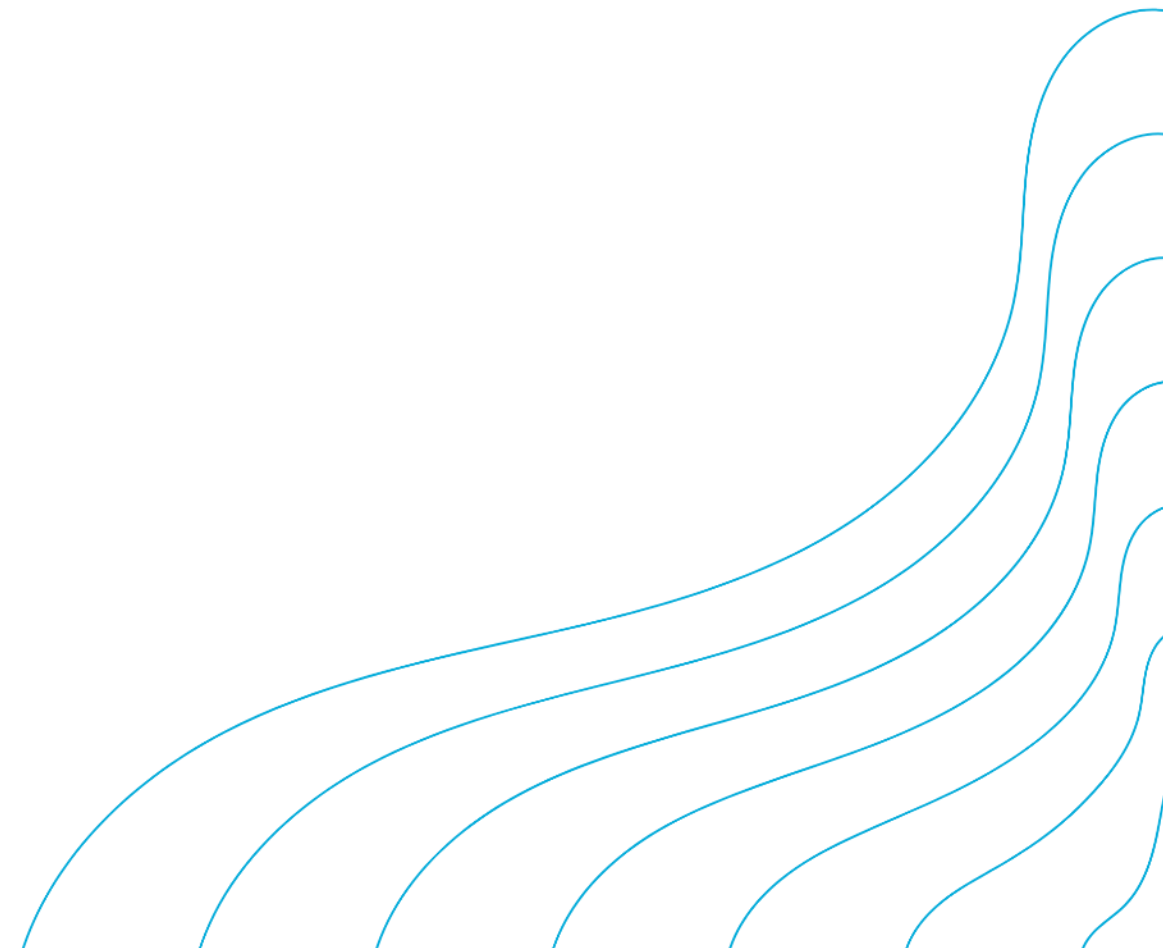
Tax Impacts (2025)

\$ millions

	State	Local
Total Tax Revenues	\$68.6	\$57.2
Sales	\$62.3	\$26.6
Corporate	\$0.6	
Lodging		\$1.4
Excise and Fees	\$5.7	\$3.5
Property		\$25.6

Source: Tourism Economics

APPENDIX



Appendix

Methodology Overview

Measuring the visitor economy begins with a comprehensive demand side analysis. A visitor is defined as someone who stayed overnight or traveled more than 50 miles to the destination.

The study area is defined as the City of Sioux Falls, South Dakota.

Visitor survey data provide estimates on the volume of visitors by type and their spending in specific categories (e.g. lodging, restaurants, retail, recreation and entertainment, transportation). These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type as well as employment and personal income by industry are used to supplement and confirm demand-side visitor spending calculations.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis (BEA). This is more comprehensive than Bureau of Labor Statistics (BLS QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the QCEW data.

The complete set of data inputs is provided below.

Data Sources

- **Bureau of Economic Analysis and Bureau of Labor Statistics:** Employment and wage data, by industry
- **STR:** Lodging performance data, including room demand and revenue, for hotels and short-term rentals
- **City of Sioux Falls:** BID Tax and Hotel Room Tax collection data for the city of Sioux Falls
- **South Dakota Department of Revenue:** Transient Guest Tax data, and sales tax data collections by category for Sioux Falls City, Minnehaha County, and Lincoln County
- **U.S. Census Bureau:** Economic Census data, as well as data on population, households, second homes, and real estate taxes paid
- **U.S. Energy Information Administration:** Gas Price data for the Midwest Region
- **U.S. Department of Transportation:** Air passenger data for Sioux Falls International Airport
- **Attraction Data:** Event data for events in Sioux Falls Convention Center
- **Azira & Datafy:** Geolocation data for visitors to Sioux Falls

Glossary

SPENDING DEFINITIONS	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 & 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.
	AIR TRANSPORT	Where applicable, the local share of air transportation spending.
ECONOMIC IMPACT DEFINITIONS	SECOND HOMES	Where applicable, spending associated with seasonal second homes for recreational use as defined by the Census Bureau.
	DIRECT IMPACT	Impacts (business sales, jobs, income, and taxes) related to businesses where visitors 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 visitor 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.
	PERSONAL INCOME	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 study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics 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.

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modeling 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.

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