

Airbnb Economic Impact Housing Report

Michigan



Airbnb's economic benefits to Michigan

Airbnb got its start during the Great Recession as a way to help our founders pay their rent. More than 15 years since our founding, approximately 1 million people stay in Airbnb listings across the U.S. on any given night and 40% of hosts say hosting on Airbnb allows them to meet the rising cost of living.

Today, **the typical host shares one home on Airbnb**, helping to provide affordable accommodation options for guests, disperse travel to new destinations, and generate billions in local economic activity and tax revenue for communities. Airbnb helps support the kind of travel and tourism that is good for hosts, guests, and local communities:

- Airbnb hosts keep the vast majority of what they charge for their listing, and unlike many big hotels, **hosts help keep that money in their communities.**
- Airbnb listings are located in a wide range of neighborhoods, including neighborhoods that do not typically benefit from tourism.
- When guests arrive at their listing, they often receive recommendations from their host for local businesses to visit, many of which are in the neighborhood where they stay. This type of hosted travel helps guests live like locals and has significant positive local economic impacts as guests spend time and money in local restaurants and businesses.

This report outlines the estimated economic impact of the Airbnb community in Michigan. Our hope is that this information will help local stakeholders better understand the benefits home sharing provides to the local community.



Michigan hosts

Hosting on Airbnb is a vital source of supplemental income for tens of thousands of Michiganders. According to a survey of hosts in the Great Lakes State:

34%

said hosting has helped them stay in their home²

40%

60+

use the income from hosting to cover the rising cost of living⁴

60%

6%

As self reported, nearly a quarter of hosts are aged 60+

As self reported, approximately 60% are women

In total, Michigan hosts earned nearly \$460 million in 2024. For Michiganders, especially older residents who make up nearly a quarter of hosts, this supplemental income is necessary to meet the rising costs of living and remain in their homes.

 $^{^{\}scriptscriptstyle 4}$ Internal survey of 695 Michigan hosts surveyed between January 1, 2024 and December 31, 2024



80%

of hosts have only one listing

said income from hosting

has helped them avoid

eviction or foreclosure³

¹ Internal survey of Michigan hosts, unless otherwise reported

 $^{^{\}rm 2}$ Internal survey of 707 Michigan hosts surveyed between January 1, 2024 and December 31, 2024

 $^{^{\}scriptscriptstyle 3}$ Internal survey of 700 Michigan hosts surveyed between January 1, 2024 and December 31, 2024

Home sharing is an economic engine for Michigan

By welcoming guests into their home, hosts on Airbnb generate substantial economic benefits for local economies. In 2024, Airbnb hosts welcomed **nearly 2.1 million guests to Michigan who contributed an estimated \$1.3 billion annually to GDP**⁵, including:

17,500 total jobs supported⁶

\$355 million in tax revenue⁷

\$811 million in labor income[®]

Nearly \$1.3 billion in local guest spending³



⁵ Estimated economic impact data is based on an internal analysis using the <u>IMPLAN</u> economic impact model which assesses direct, indirect and induced economic activity.

⁶ Estimated number of full-time, part-time and seasonal jobs supported by the output generated by Airbnb activity. This metric includes direct, indirect, and induced effects.

⁷ Estimated total tax revenue associated with economic activity generated by Airbnb stays. This includes the total value of taxes associated with hosts' income and spending, and the economic activity stemming from guests visiting local businesses.

⁸ Labor income includes both Proprietor Income (e.g. for small business owners that benefit from guest spending), but also Employee Compensation (e.g. cleaners, employees of small businesses). More details <u>here</u>.

⁹ Estimated guest spending on goods and services other than their Airbnb accommodation



When You Live Like a Local, You Contribute Like a Local

When a guest books an Airbnb, they have the option to stay in neighborhoods outside of the traditional tourist hubs, allowing tourism dollars to support locally owned small businesses – like cafes, diners, farmers markets, and independent shops. This **supports local job creation and keeps money circulating within the community, strengthening local economic resilience** and giving vital tourism dollars to Michigan's smaller towns and rural areas¹⁰.

48%

of guest spending stayed within the neighborhood of their Airbnb

\$622

spent on goods and services per guest

56%

of guests would not have stayed in a neighborhood if it were not for an Airbnb

\$205

spent on local restaurants per guest"

\$202

spent on entertainment and shopping per guest¹²

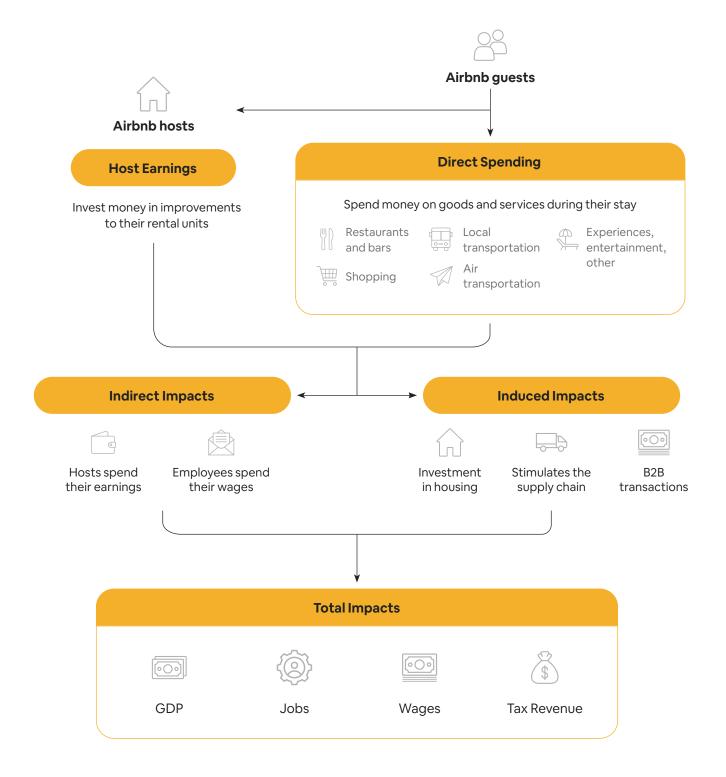
 $^{\rm 10}$ Estimated based on 656 guest survey responses that stayed in Michigan Airbnb's in 2024

¹¹ Subcategory of money spent on goods and services

¹² Subcategory of money spent on goods and services



Economic contribution from Airbnb guests & hosts in 2024





Our Commitment to Trust & Safety

As a platform, Airbnb prioritizes the safety of our guests, hosts and their communities. As a result we have developed a number of tools and policies applicable to all who leverage our platform, including resources to support law enforcement and neighbors. These include:

A <u>global ban</u> on disruptive and unauthorized parties and on nuisance "party houses"— and enforcing suspensions or bans for those who violate these policies. We have seen an over 50 percent decrease in the rate of party reports to us since implementation.

<u>Reservation screening</u> technology designed to reduce the risk of disruptive and unauthorized parties—and amplified <u>anti-party measures</u> in certain jurisdictions at certain times of year that may present a higher risk for parties.

<u>24/7 Neighborhood Support Line</u> so neighbors can communicate directly with Airbnb

Ground rules for hosts and guests that help make clear our expectation to treat each other and neighborhoods with respect—and consequences for violations.

Mandatory <u>identity verification</u> for booking guests and hosts getting booked on Airbnb.

Criminal <u>background checks</u> in the United States.

Partnerships with recognized outside experts via our <u>Trust and Safety</u> <u>Advisory Coalition</u> to advise on our policies, processes, training and community education

A <u>24 Hr Safety Line</u> that enables hosts and guests to reach our Safety team for help during an active stay.

Dedicated support for <u>law enforcement officials</u> and relevant investigations to try to help ensure accountability after incidents occur.





Conclusion

Airbnb's hosts live and operate in local communities across both of Michigan's peninsulas, contributing meaningful economic benefits to cities, small towns, and rural areas alike. Last year, nearly 2.1 million Airbnb guests visited the state, contributing to the creation of 17,500 jobs and over \$1.3 billion in estimated GDP activity. By expanding access to tourism beyond traditional tourist hubs, home sharing brings new, diversified revenue into local economies.

Airbnb is committed to working with Michigan policymakers to craft sensible, balanced, and smart policies to ensure that home sharing continues to serve as a tool for economic opportunity and community resilience across Michigan.



