

2018 Economic Impact of Tourism in Monroe County

Methodology, Metrics and Evaluation



Indiana Office of Tourism Development

- 2018 Tourism Economic Impact Study
- Tourism Support/Promo Spending
- <http://www.in.gov/visitindiana/about-iotd/>

Longwoods International

- Visitor Volume & Spending
- Panel survey of 600,000 households per year
- <http://www.longwoods-intl.com/>

Government Sources

- Bureau of Labor Statistics
- Bureau of Economic Analysis
- IN Gaming Commission
- Indiana Office of Fiscal & Management Analysis

Private Data Sources

- STR (Formerly Smith Travel Research)

IMPLAN Model

- Local economic model
- Defacto standard for most economic impact work
- www.implan.com

Monroe County Tourism Economic Impact

Value-Added (GDP)

Wages &
Income

Jobs

Taxes

Study Overview

A research cooperative was formed in 2018 by the Indiana Office of Tourism Development and Tourism Tomorrow to make this county-level economic impact study possible. The research cooperative engages leading and nationally recognized tourism research and economics experts. It was established to align the state of Indiana, its counties and largest cities around common research methodologies and industry best practices. This 2018 Economic Impact Study of Tourism in Monroe County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

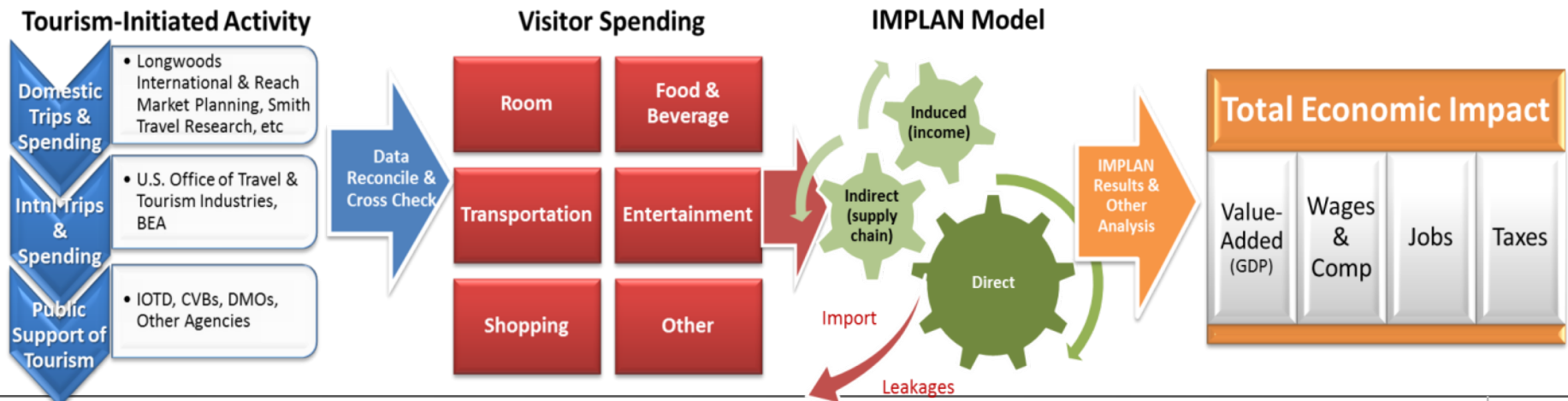
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Monroe County-based food suppliers to restaurants. The induced impact adds the impact of tourism-generated wages as they are spent throughout the local economy on an array of goods & services.

The economic impacts reported in this study are based on traveler spending as reported in the 2018 Economic Impact of Tourism in Indiana Study, augmented by other data from Longwoods International (<http://www.Longwoods-Intl.com/>), Reach Market Planning, and Office of Travel & Tourism Industries data on international visitation and spending (<http://tinet.ita.doc.gov>). These traveler data are reconciled with Bureau of Labor Statistics (BLS) reported employment data, Bureau of Economic Analysis (BEA) reported earnings data, and reported county tax collections to derive spending levels that are representative at the county level. >>

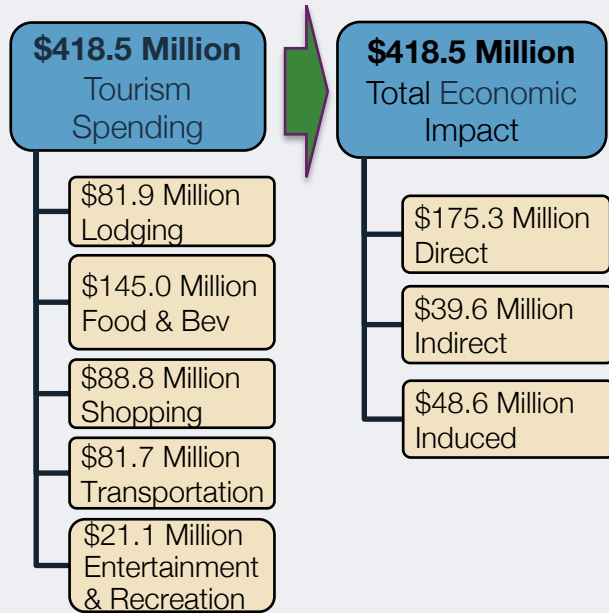
Methodology Cont.

An economic model of Indiana is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Monroe County (www.implan.com), a non-proprietary economic model that is the defacto standard for most economic impact assessments in the United States. This model is critical to measuring the direct, indirect, and induced impacts of visitation to the state.

IMPLAN also to measure how much of each tourism dollar remains in the local economy. Total traveler spending generally exceeds the direct impact of tourism. This is because not all goods and services purchased by travelers are supplied by firms located in Indiana. The IMPLAN model accounts for these import “leakages” to suppliers located outside of the county. Generally, the more diversified a county’s economy, the lower are import leakages and the higher the retention and multiplier of visitor spending.

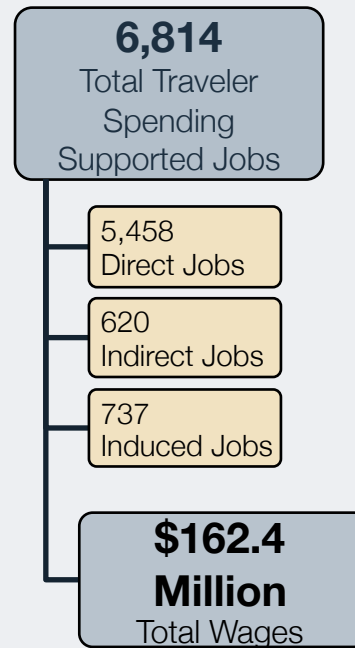


Tourism and Impact



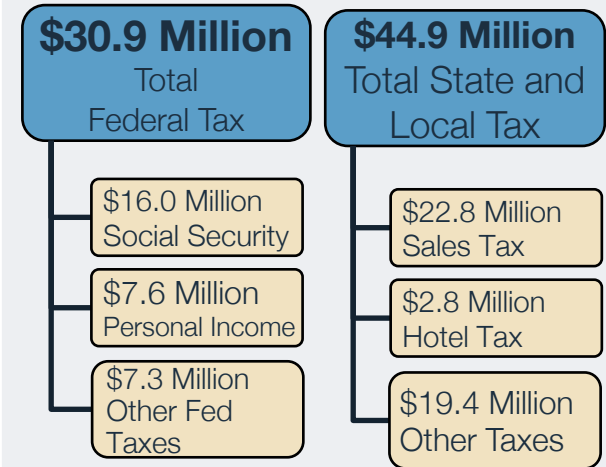
For every tourism dollar spent in Monroe County in 2018, **63 cents** 'stayed' local and contributed directly to the gross county product of Monroe County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **37 cents** of every dollar is 'leaked' to the supply chain outside of Monroe County.

Jobs and Wages



Every **\$61,417 spent** on tourism in Monroe County in 2018 supported a job, resulting in an average of **\$23,835** in gross wages. This includes jobs in the industries directly supporting the visitor such as the arts and retail trade but also in supply chain sectors like transportation. The income of direct and indirect workers also goes to support industries like arts, retail trade, and transportation.

Tax Revenue Generated

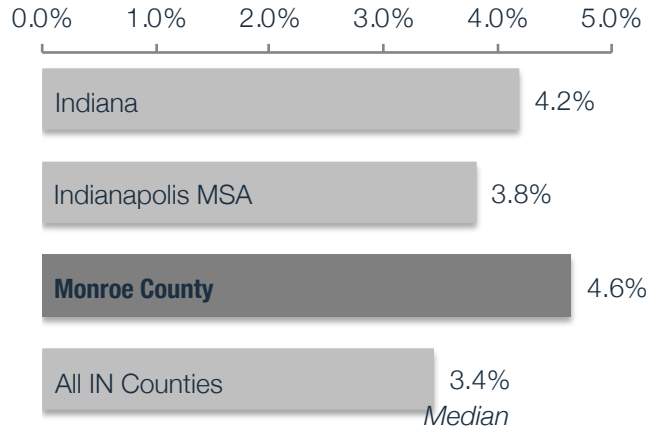


For every **\$1.00 spent** on tourism in Monroe County in 2018, **7 cents** goes to federal taxes and **11 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

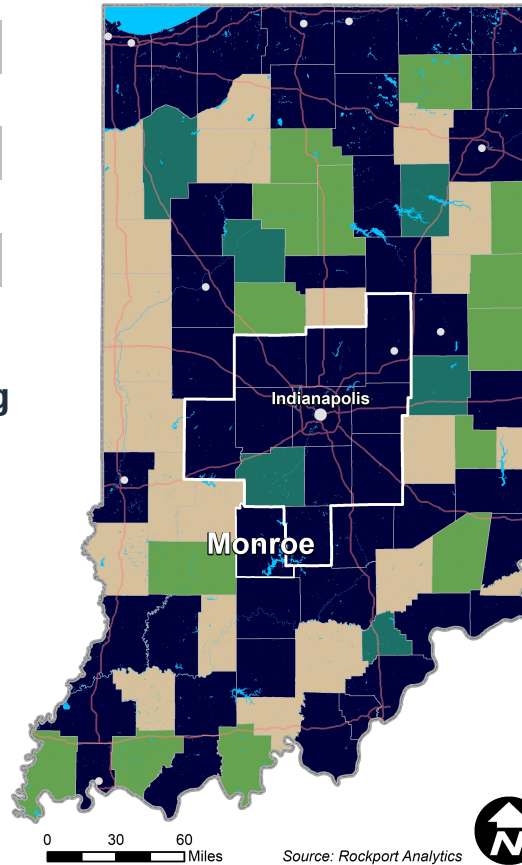
Monroe County 2018 Tourism Report Card

Tourism Sales Per Capita	\$2,848.7
Tourism Spend Per Capita Ranking	#9 of 92
2018 Spending by Visitors (Millions)	\$418.5
County Ranking of Tourism Spend	#7 of 92
2018 Tourism Spending Growth	4.6%
2018 Tourism Growth Ranking	#30 of 92

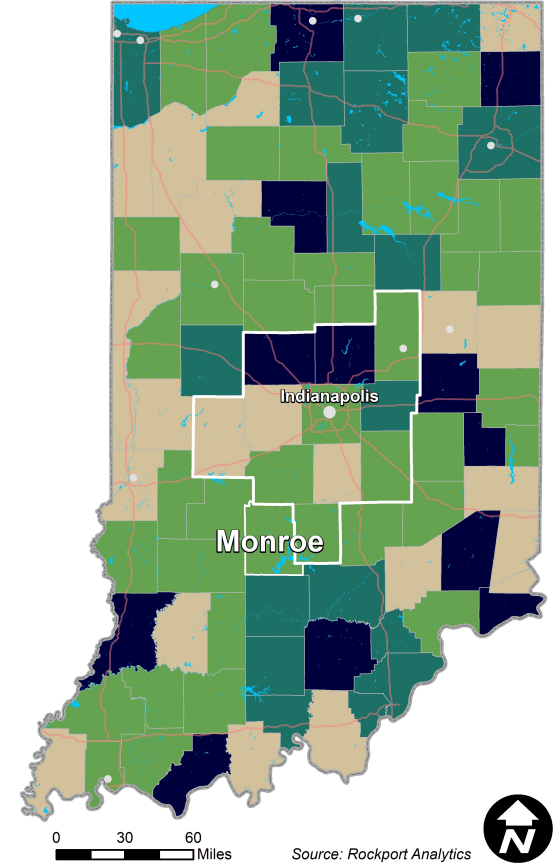
Annual Growth in 2018 Tourism Spending



Total Spending by County, 2018



Spending Growth by County, 2018



Tourism's Economic Progression in Monroe County

Monroe County Visitor Expenditures



2018 @
**\$418.5
million**



Tourism Contribution to Monroe County's Economy



Retained in
Indiana Economy
\$263.5 million

Minus Import
Leakages
-\$155 million

Value to Monroe County Businesses

Direct Tourism
Industry GDP
\$175.3 million

Indirect & Induced
Tourism Industry GDP
\$88.2 million

Total Tourism-
Supported Jobs*
6,814

Expenditures include:

- Visitor spending on hotel, F&B, rental homes, shopping, recreation, etc.
- From visitors from Indiana, other U.S., & international
- On leisure & business trips
- Overnight or day trips

Leakages refer to goods & services that are imported into Indiana from outside due to insufficient local supply. Examples include: retail goods, food, cleaning supplies, computer equipment, and raw materials

Direct Tourism refers to businesses that serve Indiana visitors (e.g. hotels, restaurants, retail, entertainment)

Indirect & Induced Tourism includes construction, business services, wholesale trade, personal services, etc.

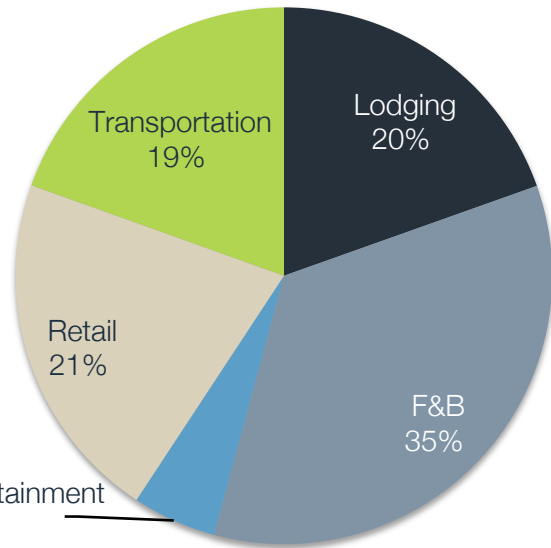


*Full & part time jobs

Food & Beverage accounts for the largest share of tourism spend in Monroe County, totaling **35% of visitor expenditures**.

Distribution of Tourism Spending

\$418.5 Million USD



Source: Longwoods International, OTTI, Reach Market Planning, Smith Travel Research, Rockport Analytics

Note: Spending estimation methodology was changed slightly in 2018 to account for the addition of Madison County to the Indianapolis MSA. To reflect these changes, 2017 totals were also revised so that all reported growth rates are valid.

Expenditure Category	2018	2017-18 Growth
Lodging	\$ 81,886,136	3.5%
F&B	\$ 144,971,248	6.0%
Rec & Entertainment	\$ 21,171,736	7.8%
Retail	\$ 88,778,217	3.8%
Transportation	\$ 81,717,513	3.6%
Total	\$ 418,524,850	4.6%

Categorical Spending Shares: State Comparisons

	Monroe County	Indiana
Lodging	20%	16%
F&B	35%	28%
Rec & Entertainment	5%	18%
Retail	21%	22%
Transportation	20%	16%
Total	100%	100%

2018 Economic Impact Summary (Compared to 2017)

2018 Metric	Direct	Indirect	Induced	Total
Total Spending				\$418,524,850
<i>2018 Y/Y Growth</i>				4.6%
Economic Impact (GDP)	\$175,311,369	\$39,626,302	\$48,582,372	\$263,520,042
<i>2018 Y/Y Growth</i>	4.1%	4.0%	4.1%	4.1%
Wages	\$113,412,827	\$23,257,036	\$25,751,175	\$162,421,038
<i>2018 Y/Y Growth</i>	4.1%	3.9%	4.1%	4.1%
Jobs	5,458	620	737	6,814
<i>2018 Y/Y Growth</i>	2.6%	2.2%	2.3%	2.5%
Tax Receipts				\$75,852,644
<i>2018 Y/Y Growth</i>				4.4%

Impact Glossary

Direct: These impacts represent the value added of those sectors that interact directly, or “touch”, the visitor.

Indirect: These impacts represents the benefit to local suppliers to those direct sectors. This would include, for example, local based food suppliers to restaurants.

Induced: These impacts are derived from tourism-generated wages as they are spent throughout the local economy.

Source: Rockport Analytics, Longwoods International, STR, BLS, BEA, Indiana Office of Fiscal & Management Analysis, IMPLAN

Monroe Tourism: 2018 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	\$67,563	\$2,283	\$2,988	\$72,834
Transportation & Warehousing	\$40,224	\$1,108	\$506	\$41,837
Accommodations	\$34,960	\$35	\$23	\$35,018
Retail trade	\$19,694	\$694	\$6,761	\$27,149
Real estate & rental	\$2,177	\$4,960	\$11,834	\$18,970
Arts- entertainment & recreation	\$10,694	\$409	\$554	\$11,657
Health & social services	\$0	\$8	\$10,134	\$10,142
Professional- scientific & tech services	\$0	\$5,169	\$1,764	\$6,933
Administrative & waste services	\$0	\$5,081	\$1,291	\$6,372
Utilities	\$0	\$4,587	\$1,631	\$6,218
Information	\$0	\$3,689	\$1,913	\$5,602
Finance & insurance	\$0	\$2,347	\$2,544	\$4,890
Other services	\$0	\$1,212	\$2,493	\$3,704
Government & non NAICs	\$0	\$2,776	\$640	\$3,416
Wholesale Trade	\$0	\$1,393	\$1,984	\$3,377
Construction	\$0	\$1,869	\$508	\$2,377
Management of companies	\$0	\$1,268	\$127	\$1,395
Manufacturing	\$0	\$595	\$297	\$891
Educational services	\$0	\$38	\$541	\$579
Mining	\$0	\$83	\$27	\$110
Ag, Forestry, Fish & Hunting	\$0	\$23	\$24	\$46
Total	\$175,311	\$39,626	\$48,582	\$263,520
Total - 2017	\$168,424	\$38,112	\$46,686	\$253,222
% change	4.1%	4.0%	4.1%	4.1%

Source: Rockport Analytics, IMPLAN

Monroe Tourism: 2018 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	2,474	84	109	2,667
Transportation & Warehousing	1,502	15	9	1,525
Accommodations	692	1	0	694
Retail trade	460	17	163	639
Arts- entertainment & recreation	312	47	22	380
Administrative & waste services	0	139	36	175
Health & social services	0	0	171	171
Professional- scientific & tech services	0	84	29	113
Other services	0	33	66	99
Real estate & rental	18	33	23	75
Finance & insurance	0	24	24	48
Information	0	33	13	45
Construction	0	36	8	43
Government & non NAICs	0	31	8	39
Educational services	0	2	30	32
Wholesale Trade	0	12	17	30
Utilities	0	9	4	13
Manufacturing	0	9	2	11
Management of companies	0	9	1	10
Ag, Forestry, Fish & Hunting	0	1	1	2
Mining	0	1	0	1
Total	5,458	620	737	6,814
Total - 2017	5,322	606	720	6,648
% change	2.6%	2.2%	2.3%	2.5%

Source: Rockport Analytics, IMPLAN

Tourism is the 5th Largest Industry in Monroe County

2018 Tourism in Monroe County: Ranking of Major Industries By Total Employment

Rank	Industry	2018 Reported	2018 Tourism Extracted	% of Total Employment	17-18 Growth Rate
1	Government	24,181	24,181	33.4%	0.9%
2	Health & Social Services	9,099	9,099	12.6%	0.7%
3	Manufacturing	7,055	7,055	9.7%	1.9%
4	Retail trade	6,738	6,278	8.7%	-2.1%
5	Tourism	N/A	5,458	7.5%	2.6%
6	Accommodation & Food Services	7,916	4,750	6.6%	-2.1%
7	Construction	2,355	2,355	3.3%	1.3%
8	Professional Services	2,319	2,319	3.2%	7.0%
9	Administrative & Waste Services	2,274	2,274	3.1%	4.2%
10	Other Services	2,209	2,209	3.1%	0.5%
11	Wholesale Trade	1,602	1,602	2.2%	4.4%
12	Finance & Insurance	1,549	1,549	2.1%	6.8%
13	Real Estate	1,292	1,274	1.8%	7.3%
14	Information	963	963	1.3%	-4.0%
15	Educational Services	560	560	0.8%	0.1%
16	Management of Companies	457	457	0.6%	3.2%
17	Utilities	400	400	0.6%	3.9%
18	Mining	210	210	0.3%	2.1%
19	Arts, Entertainment & Recreation	515	203	0.3%	-0.9%
20	Transportation & Warehousing	729	0	0.0%	3.6%
	Total County Employment	72,423	72,423	100%	0.9%

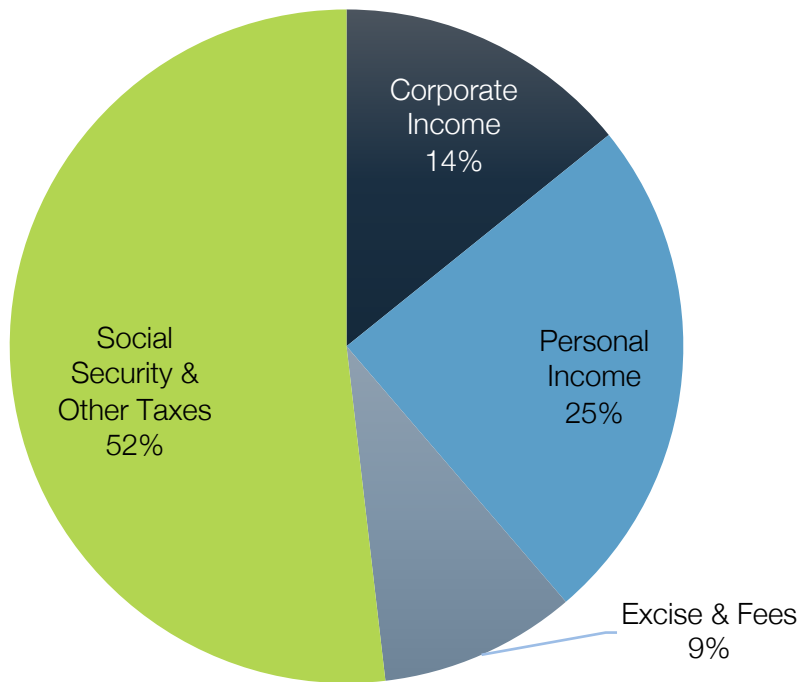
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

Reported: As released by the Bureau of Labor Statistics and the Indiana Department of Labor

Tourism Extracted: Tourism's contribution to jobs in each industry is removed and placed in Monroe's Tourism Industry"

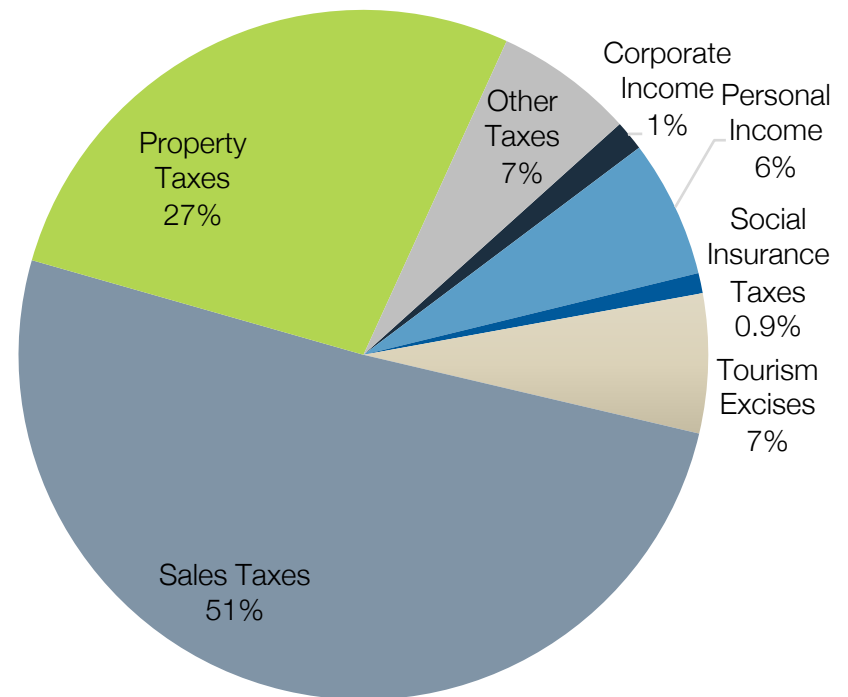
Federal Taxes

2018 Tax Total: **\$30.9 Million**



State & Local Taxes

2018 Tax Total: **\$44.9 Million**



2018 Total County Tourism-Initiated Taxes: **\$75.8 Million**

2017 – 2018 Tourism Tax Revenue Collections

	2017	2018	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$4,219.3	\$4,389.1	4.0%
Personal Income	\$7,274.7	\$7,570.1	4.1%
Excise & Fees	\$2,801.3	\$2,918.1	4.2%
Social Security & Other Taxes	\$15,385.8	\$16,016.1	4.1%
Federal Total	\$29,681.2	\$30,893.4	4.1%
State & Local			
Corporate Income	\$610.6	\$635.2	4.0%
Personal Income	\$2,784.2	\$2,897.2	4.1%
Social Insurance Taxes	\$410.1	\$427.0	4.1%
Tourism Excises			
Hotel Tax	\$2,581.1	\$2,775.7	7.5%
Food & Beverage	-	-	-
Rental Car Excise	\$154.7	\$160.2	3.6%
Sales Taxes	\$21,763.8	\$22,818.4	4.8%
Property Taxes	\$11,822.9	\$12,315.6	4.2%
Other Taxes	\$2,812.5	\$2,930.0	4.2%
State & Local Tax Total	\$42,939.9	\$44,959.3	4.7%
Total County Tourism-Initiated Taxes	\$72,621.0	\$75,852.6	4.4%

- Monroe County tourism generated over \$75.8 million in total taxes in 2018, up 4.4% over 2017.
- Federal tax collections resulting from tourism in Monroe County include income taxes and social security and totaled \$30.9 million in 2018.
- State & local tax collections totaled \$44.9 million, including \$22.8 million in sales taxes contributing to state collections and \$12.3 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Monroe County?

Promoting a Healthy Job Market*



- Approximately 7.5% of all jobs in Monroe County are supported by tourism to the region.
- The average wage of both full and part-time workers supported by tourism was \$23,835 in 2018.
- Tourism is the 5th largest industry (4th not including Government) in Monroe County (by jobs).

Contributing to Public Education & Other Government Services



- State & local (S&L) tax revenue collected from tourism in Monroe County is sufficient to support 5,292 Indiana public school students.**
- S&L tax collections were enough to support roughly 888 Indiana public school teachers.**

* Moody's Analytics, IMPLAN, Rockport Analytics

** Estimate based on the average cost per student of 8,496, the average salary of a teacher of 50,614. Education figures reported by NEA's 2018 State Rankings.

*** Household estimate generated by the US Census
Indiana Department of Revenue

Helping to Relieve the Tax Burden of County Households



- About 11 cents of each visitor dollar went towards the payment of state and local taxes (S&L).
- If tourism did not exist, each of the 62,058 households in Monroe County would have to pay an additional \$724 per year in taxes to maintain current state & local tax levels.

Benefiting County Businesses



- Visitors generated top-line sales totaling more than \$418 million benefiting a broad array of businesses.
- Businesses that directly served visitors saw value-added of over \$175 million in 2018, up 4% over 2017.
- In 2018, tourism supply chain businesses received value-added of more than \$88.2 million.

Capturing & Retaining Dollars Spent by Visitors



- Of every dollar spent by visitors to Monroe County, 63¢ in economic impact is returned to the local area.
- Of every dollar spent by visitors in Monroe County, 39¢ went towards paying the salaries of 6,814 employees.



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