



2020 Economic Contribution of Tourism in Monroe County

Methodology, Metrics and Evaluation



ROCKPORT
ANALYTICS

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, weighted to U.S. household demographics
- <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 (now part of the Indiana Destination Development Corporation) 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 2020 Economic Impact Study of Tourism in Monroe County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

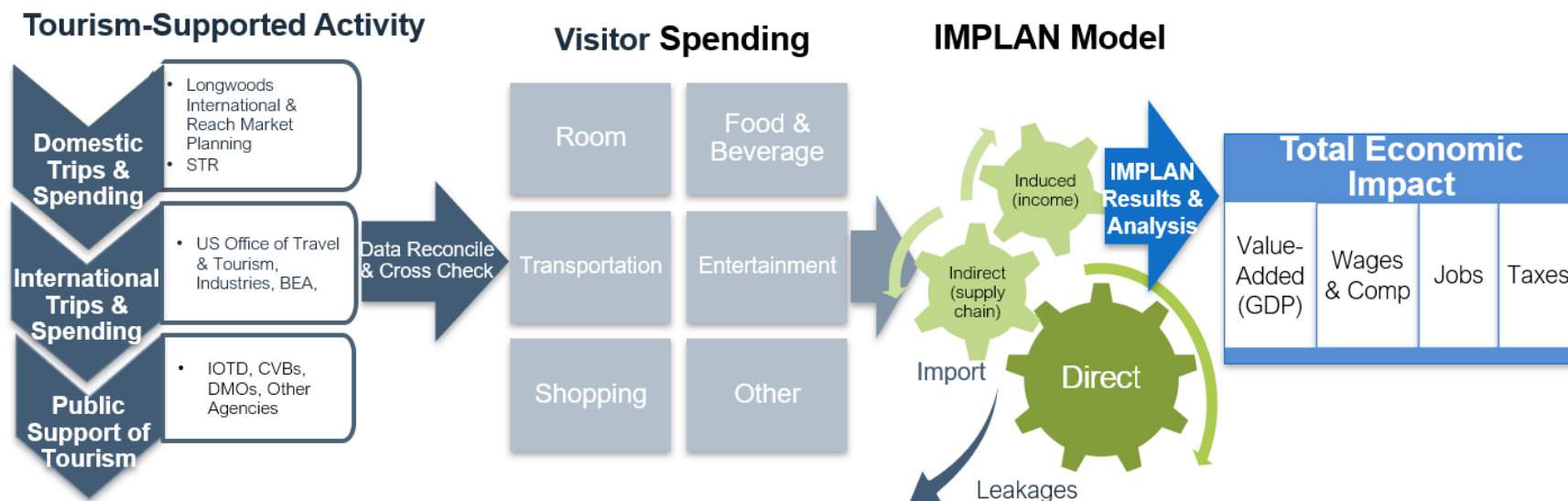
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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 2020 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. >>

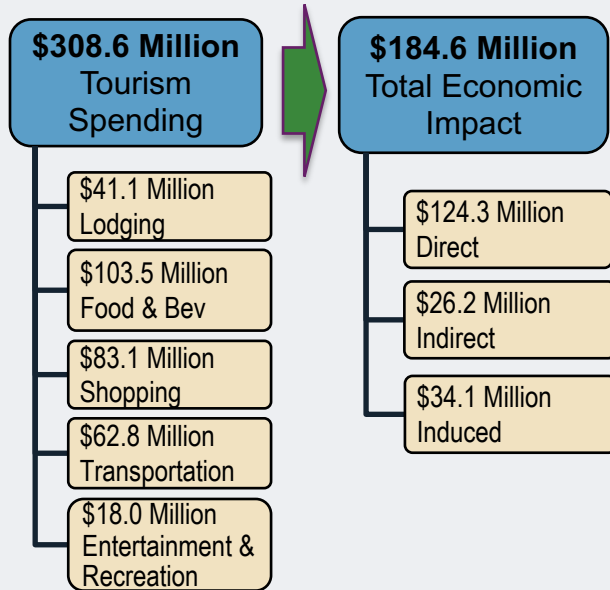
Methodology

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 the local area. The IMPLAN model accounts for these import “leakages” to suppliers located outside of the county. Many economic impact studies do not account for these leakages and, therefore, overestimate the actual impact of an industry. Generally, the more diversified a county’s economy, the lower are import leakages and the higher the retention and multiplier of visitor spending.



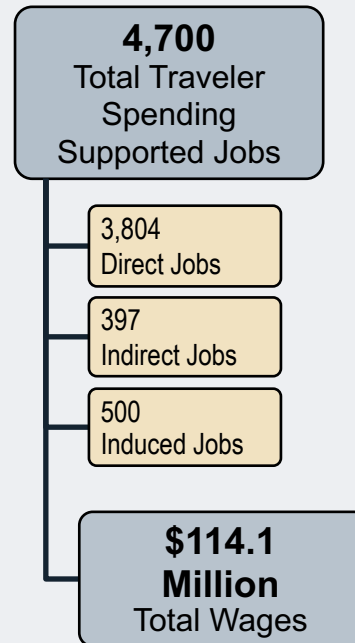
Tourism and Impact



Tourism spending is considered an export from the local area since visitors bring monies from outside and spend locally. Unlike other local industries, Tourism cannot be “offshored”.

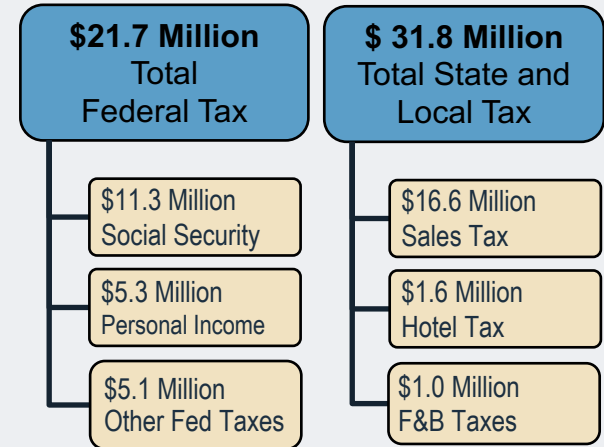
For every dollar spent by Monroe County visitors in 2020, **60 cents** ‘stayed’ local and contributed directly to the gross county product of Monroe County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **40 cents** of every dollar is ‘leaked’ to the supply chain outside of Monroe County.

Jobs and Wages



Every **\$65,646** spent by people visiting Monroe County in 2020 supported a job, resulting in an average of **\$24,265** 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

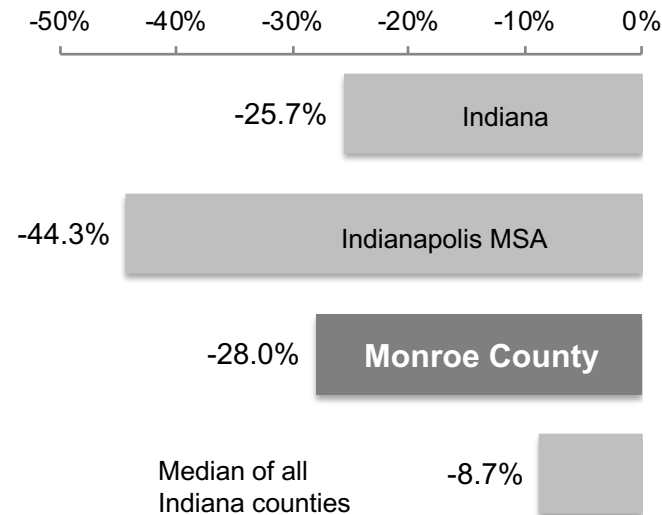


For every **\$1.00** spent by Monroe County visitors in 2020, **7 cents** goes to federal taxes and **10 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

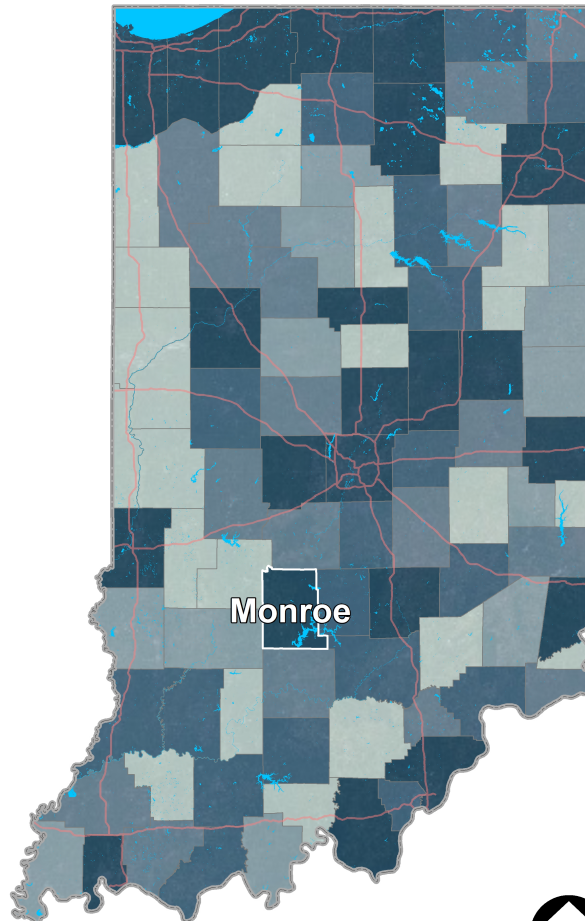
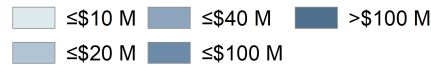
Monroe County at a Glance

Monroe County 2020 Tourism Report Card

| | |
|--------------------------------------|-----------|
| Tourism Sales Per Capita | \$2,081.8 |
| Tourism Spend Per Capita Ranking | #10 of 92 |
| 2020 Spending by Visitors (Millions) | \$308.6 |
| County Ranking of Tourism Spend | #8 of 92 |
| 2020 Tourism Spending Growth | -28.0% |
| 2020 Tourism Growth Ranking | #77 of 92 |



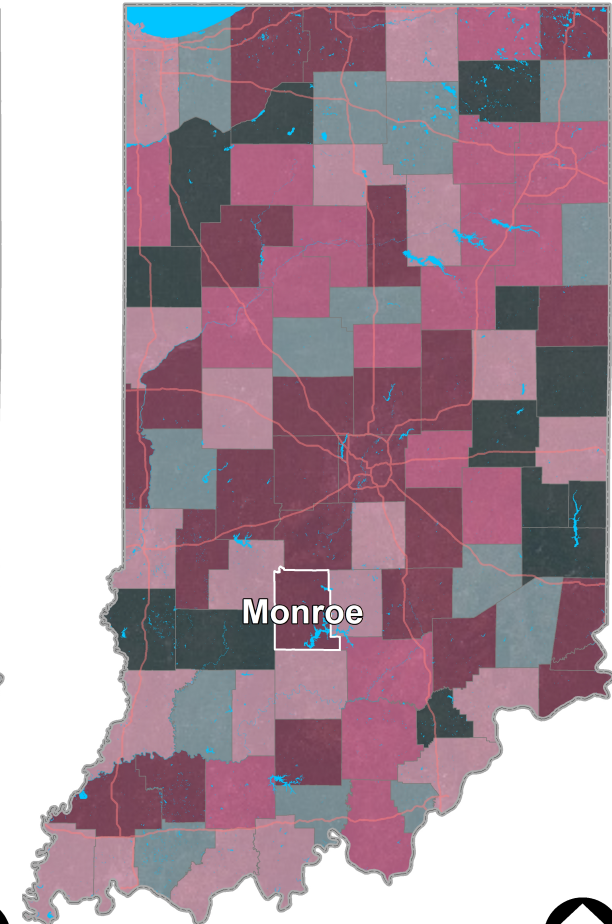
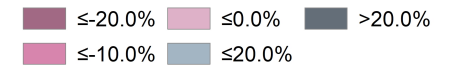
Total Spending by County, 2020



0 30 60 Miles

Source: Rockport Analytics

Spending Growth by County, 2020



0 30 60 Miles

Source: Rockport Analytics

Tourism's Economic Progression in Monroe County

Monroe County Visitor Expenditures



2020
\$308.6 million



Tourism Contribution to Monroe County's Economy



Retained in Monroe County
\$184.6 million

Minus Import Leakages
- \$123.9 million

Value to Monroe County Businesses

Direct Tourism Industry GDP
\$124.3 million

Indirect & Induced Tourism Industry GDP
\$60.3 million

Total Local Workers Supported by Tourism*
4,700

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 the Monroe County 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.

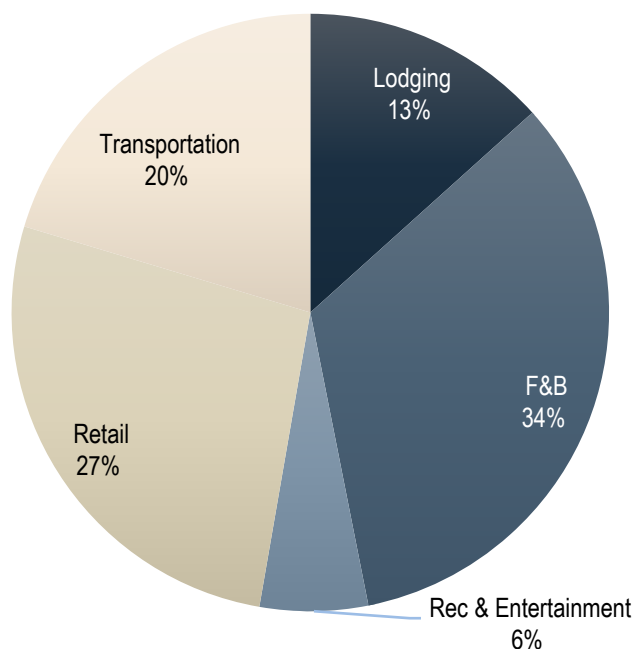
*Full & part time jobs



Visitor Spending By Category

Food & Beverage accounts for the largest share of tourism spend in Monroe County, totaling **34% of visitor expenditures**.

Distribution of Spending
\$308.6 Million



| Expenditure Category | 2020 | 2019-20 Change |
|----------------------|----------------|----------------|
| Lodging | \$ 41,147,354 | -49.2% |
| Food & Beverage | \$ 103,512,823 | -30.3% |
| Rec & Entertainment | \$ 18,046,962 | -19.4% |
| Retail | \$ 83,063,608 | -12.9% |
| Transportation | \$ 62,788,239 | -22.8% |
| Total | \$ 308,558,986 | -28.0% |

Categorical Spending Shares: State Comparisons

| Category | Monroe County | Indiana |
|---------------------|---------------|---------|
| Lodging | 13% | 12% |
| Food & Beverage | 34% | 28% |
| Rec & Entertainment | 6% | 17% |
| Retail | 27% | 26% |
| Transportation | 20% | 17% |
| Total | 100% | 100% |

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

2020 Economic Contribution Summary (Compared to 2019)

| 2020 Metric | Direct | Indirect | Induced | Total |
|-----------------------|---------------|--------------|--------------|---------------|
| Total Spending | | | | \$308,558,986 |
| 2020 Y/Y Growth | | | | -28.0% |
| Economic Impact (GDP) | \$124,335,612 | \$26,187,009 | \$34,098,262 | \$184,620,882 |
| 2020 Y/Y Growth | -30.0% | -34.4% | -30.5% | -30.7% |
| Wages | \$80,674,180 | \$15,303,041 | \$18,074,594 | \$114,051,815 |
| 2020 Y/Y Growth | -29.7% | -34.6% | -30.5% | -30.5% |
| Jobs | 3,804 | 397 | 500 | 4,700 |
| 2020 Y/Y Growth | -30.1% | -35.3% | -31.7% | -30.7% |
| Tax Receipts | | | | \$53,525,046 |
| 2020 Y/Y Growth | | | | -30.7% |

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.

Tourism Supports Sales in a Multitude of Local Industries

Monroe County Tourism: 2020 Economic Contribution (Value Added/GDP)

Thousands of \$s

| Industry (NAICS) | Direct | Indirect | Induced | Total |
|---------------------------------|------------------|-----------------|-----------------|------------------|
| Food Services & Drinking Places | \$47,632 | \$1,356 | \$2,098 | \$51,086 |
| Transportation & Warehousing | \$30,794 | \$792 | \$355 | \$31,940 |
| Retail Trade | \$18,276 | \$491 | \$4,745 | \$23,511 |
| Accommodations | \$17,077 | \$24 | \$16 | \$17,118 |
| Real Estate & Rental | \$1,657 | \$3,437 | \$8,304 | \$13,398 |
| Arts, Entertainment & Rec | \$8,900 | \$305 | \$389 | \$9,594 |
| Health & Social Services | \$0 | \$7 | \$7,113 | \$7,120 |
| Professional Services | \$0 | \$3,448 | \$1,238 | \$4,687 |
| Administrative & Waste Services | \$0 | \$3,308 | \$906 | \$4,214 |
| Utilities | \$0 | \$2,894 | \$1,145 | \$4,039 |
| Information | \$0 | \$2,404 | \$1,343 | \$3,748 |
| Finance & Insurance | \$0 | \$1,674 | \$1,785 | \$3,460 |
| Other Services | \$0 | \$813 | \$1,749 | \$2,562 |
| Wholesale Trade | \$0 | \$981 | \$1,393 | \$2,374 |
| Government | \$0 | \$1,780 | \$449 | \$2,229 |
| Construction | \$0 | \$1,143 | \$357 | \$1,500 |
| Management of Companies | \$0 | \$826 | \$89 | \$915 |
| Manufacturing | \$0 | \$400 | \$208 | \$609 |
| Educational Services | \$0 | \$32 | \$379 | \$411 |
| Mining | \$0 | \$54 | \$19 | \$73 |
| Ag, Forestry, Fish & Hunting | \$0 | \$16 | \$17 | \$33 |
| Total - 2020 | \$124,336 | \$26,187 | \$34,098 | \$184,621 |
| Total - 2019 | \$177,508 | \$39,912 | \$49,090 | \$266,510 |
| % change | -30.0% | -34.4% | -30.5% | -30.7% |

Source: Rockport Analytics, IMPLAN

Monroe County Citizens Work in a Wide Array of Jobs Supported by Area Visitors

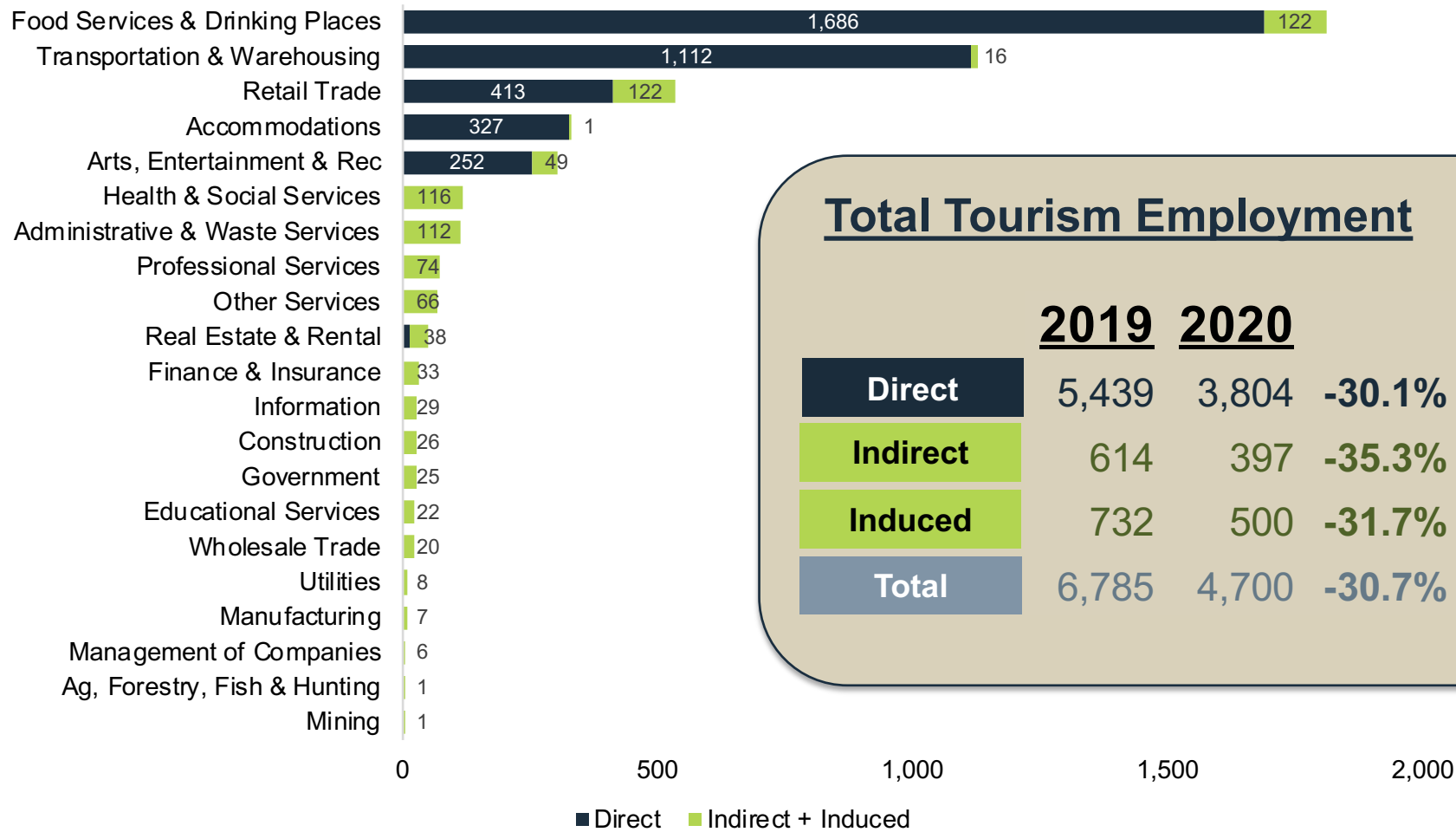
Monroe County Tourism: 2020 Economic Impact (Employment)

| Industry (NAICS) | Direct | Indirect | Induced | Total |
|---------------------------------|--------------|------------|------------|--------------|
| Food Services & Drinking Places | 1,686 | 48 | 74 | 1,809 |
| Transportation & Warehousing | 1,112 | 10 | 6 | 1,128 |
| Retail Trade | 413 | 11 | 110 | 535 |
| Accommodations | 327 | 0 | 0 | 328 |
| Arts, Entertainment & Rec | 252 | 34 | 15 | 301 |
| Health & Social Services | 0 | 0 | 116 | 116 |
| Administrative & Waste Services | 0 | 88 | 25 | 112 |
| Professional Services | 0 | 54 | 20 | 74 |
| Other Services | 0 | 22 | 45 | 66 |
| Real Estate & Rental | 13 | 22 | 16 | 51 |
| Finance & Insurance | 0 | 17 | 16 | 33 |
| Information | 0 | 20 | 9 | 29 |
| Construction | 0 | 21 | 5 | 26 |
| Government | 0 | 19 | 5 | 25 |
| Educational Services | 0 | 1 | 21 | 22 |
| Wholesale Trade | 0 | 8 | 12 | 20 |
| Utilities | 0 | 6 | 2 | 8 |
| Manufacturing | 0 | 6 | 2 | 7 |
| Management of Companies | 0 | 5 | 1 | 6 |
| Ag, Forestry, Fish & Hunting | 0 | 1 | 1 | 1 |
| Mining | 0 | 1 | 0 | 1 |
| Total - 2020 | 3,804 | 397 | 500 | 4,700 |
| Total - 2019 | 5,439 | 614 | 732 | 6,785 |
| % change | -30.1% | -35.3% | -31.7% | -30.7% |

Source: Rockport Analytics, IMPLAN

Tourism Supported Employment Declines 31% in 2020

Monroe County Tourism: 2020 Economic Impact



Total Tourism Employment

2019 2020

Direct

5,439 3,804 -30.1%

Indirect

614 397 -35.3%

Induced

732 500 -31.7%

Total

6,785 4,700 -30.7%

Sources: IMPLAN, Rockport Analytics

* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Tourism Falls One Spot to the 6th Largest Industry in Monroe County in 2020

2020 Tourism in Monroe County: Ranking of Major Industries By Total Employment

| Rank | Industry | 2020 Reported | 2020 Tourism Extracted | % of Total Employment | 19-20 Growth Rate |
|------|----------------------------------|---------------|------------------------|-----------------------|-------------------|
| 1 | Government | 22,542 | 22,542 | 32.5% | -5.7% |
| 2 | Health & Social Services | 9,944 | 9,944 | 14.4% | 2.6% |
| 3 | Manufacturing | 7,198 | 7,198 | 10.4% | -0.8% |
| 4 | Retail trade | 6,080 | 5,667 | 8.2% | -6.4% |
| 5 | Accommodation & Food Services | 6,299 | 4,285 | 6.2% | -20.5% |
| 6 | Tourism | N/A | 3,804 | 5.5% | -30.1% |
| 7 | Construction | 2,600 | 2,600 | 3.8% | 5.9% |
| 8 | Professional Services | 2,470 | 2,470 | 3.6% | 4.6% |
| 9 | Administrative & Waste Services | 2,298 | 2,298 | 3.3% | -11.1% |
| 10 | Other Services | 1,879 | 1,879 | 2.7% | -19.4% |
| 11 | Wholesale Trade | 1,693 | 1,693 | 2.4% | 4.7% |
| 12 | Finance & Insurance | 1,636 | 1,636 | 2.4% | 8.7% |
| 13 | Real Estate | 1,232 | 1,219 | 1.8% | -6.5% |
| 14 | Information | 743 | 743 | 1.1% | -19.3% |
| 15 | Educational Services | 470 | 470 | 0.7% | -14.2% |
| 16 | Management of Companies | 450 | 450 | 0.6% | -5.6% |
| 17 | Mining | 310 | 310 | 0.4% | 21.5% |
| 18 | Utilities | 291 | 291 | 0.4% | 1.6% |
| 19 | Arts, Entertainment & Recreation | 431 | 179 | 0.3% | -17.5% |
| 20 | Transportation & Warehousing | 692 | 0 | 0.0% | -5.6% |
| | Total County Employment | 69,258 | 69,258 | 100% | -5.4% |

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

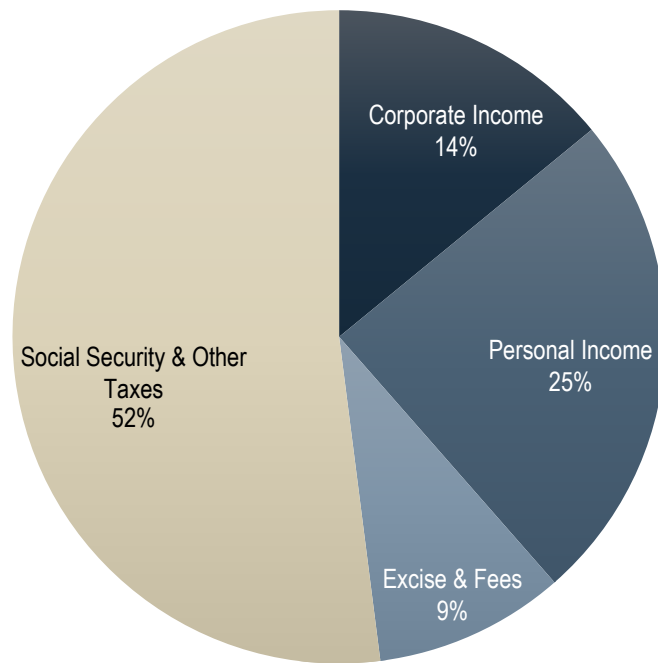
Reported: As released by the Bureau of Labor Statistics and the Indiana Department of Labor

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

Monroe County Visitors Pay and Otherwise Support Many Types of Taxes

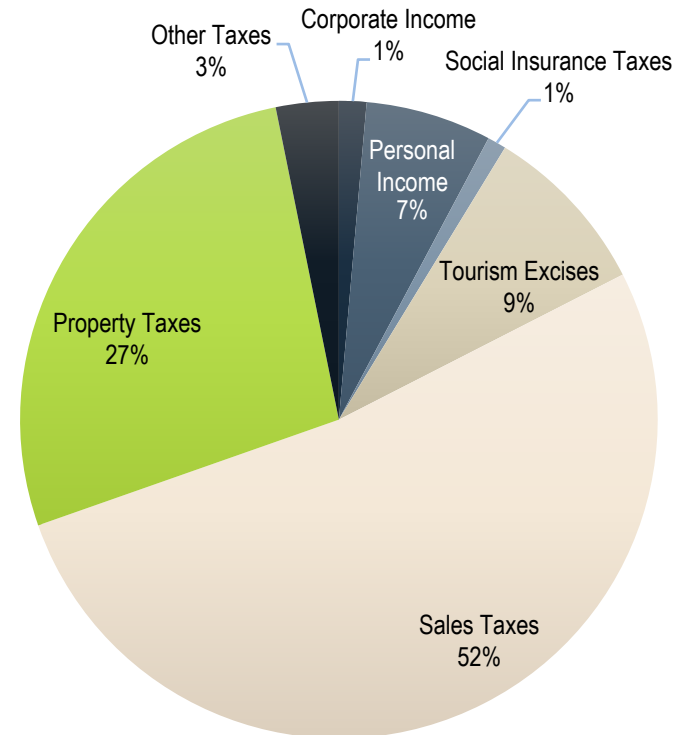
Federal Taxes

2020 Tax Total: **\$21.7 Million**



State & Local Taxes

2020 Tax Total: **\$31.8 Million**



2020 Total County Tourism-Initiated Taxes: **\$53.5 Million**

Tourism-Initiated Tax Revenue

2019–2020 Tourism Tax Revenue Collections

| | 2019 | 2020 | % Change |
|---|---------------------|---------------------|---------------|
| | <i>Thousands</i> | | |
| Federal: US | | | |
| Corporate Income | \$4,438,156 | \$3,054,062 | -31.2% |
| Personal Income | \$7,648,979 | \$5,312,429 | -30.5% |
| Excise & Fees | \$2,964,165 | \$2,050,234 | -30.8% |
| Social Security & Other Taxes | \$16,195,272 | \$11,292,322 | -30.3% |
| Federal Total | \$31,246,572 | \$21,709,047 | -30.5% |
| State & Local | | | |
| Corporate Income | \$642,301 | \$441,992 | -31.2% |
| Personal Income | \$2,927,397 | \$2,033,158 | -30.5% |
| Social Insurance Taxes | \$431,953 | \$301,881 | -30.1% |
| Tourism Excises | | | |
| Hotel Tax | \$2,842,936 | \$1,626,814 | -42.8% |
| Food & Beverage | \$1,486,145 | \$1,035,128 | -30.3% |
| Rental Car Excise | \$159,427 | \$123,113 | -22.8% |
| Sales Taxes | \$23,493,539 | \$16,588,612 | -29.4% |
| Property Taxes | \$12,509,755 | \$8,652,833 | -30.8% |
| Other Taxes | \$1,490,442 | \$1,012,468 | -32.1% |
| State & Local Tax Total | \$45,983,896 | \$31,815,999 | -30.8% |
| | | | |
| Total County Tourism-Initiated Taxes | \$77,230,468 | \$53,525,046 | -30.7% |

- Monroe County visitors supported more than \$53.5 million in total taxes in 2020, down 30.7% from 2019.
- Federal tax collections resulting from tourism in Monroe County include income taxes and social security and totaled \$21.7 million in 2020.
- State & local tax collections totaled \$31.8 million, including more than \$16.6 million in sales taxes and more than \$8.6 million in local property taxes.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Monroe County?



Promoting a Healthy Job Market

- Approximately 5.5% of all people working in Monroe County are supported by visitors to the county.
- Monroe County families with an individual working in Tourism averaged \$21,210 in wages during 2020. This included both full and part-time workers.
- Tourism is the 6th largest industry (5th 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 fund nearly 3,025 Indiana public school students.*
- S&L tax collections were enough to fund roughly 600 Indiana public school teachers.*

Sources: Moody's Analytics, IMPLAN, Indiana Department of Revenue, U.S. Census, Rockport Analytics,

* Estimate based on the average cost per student of \$10,520 and the average salary of a teacher of \$51,970 in Indiana. Education figures reported by NEA's 2021 State Rankings.



Helping to Relieve the Tax Burden of County Households

- About 10 cents of each visitor dollar went towards the payment of state and local taxes (S&L).
- If tourism did not exist, each of the 62,725 families in Monroe County would have to pay an additional \$500 per year in taxes to maintain current levels of state & local government services.



Benefiting County Businesses

- Visitors generated top-line sales totaling \$184.6 million benefiting a broad array of local businesses.
- Businesses that directly served visitors saw value-added of roughly \$124 million in 2020, down 34% from 2019.
- In 2020, tourism supply chain businesses received value-added of \$26 million.



Capturing & Retaining Dollars Spent by Visitors

- Of every dollar spent by visitors to Monroe County, 60¢ in economic impact is returned to the local area.
- Of every dollar spent by visitors to Monroe County, 37¢ went toward paying the salaries of more than 4,700 area citizens.



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