

February 2023



2021 ECONOMIC CONTRIBUTION OF TOURISM IN HAMILTON COUNTY

Key Metrics and Economic Impact Assessment



Key Inputs & Data Tools



Indiana Destination Development Corporation

2018 Tourism Economic Impact Study
Tourism Support/Promo Spending
<https://www.in.gov/iddc/>



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

Study Overview & Methodology

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 Hamilton 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, Hamilton 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 (<https://www.trade.gov/national-travel-and-tourism-office>). 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.

Study Overview & Methodology

Methodology (continued)

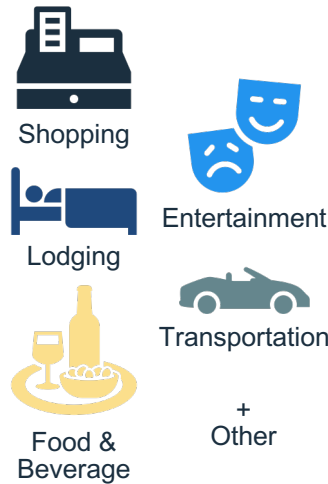
An economic model of Indiana is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Hamilton County (www.implan.com), a non-proprietary economic model that is the defacto standard for most economic 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.

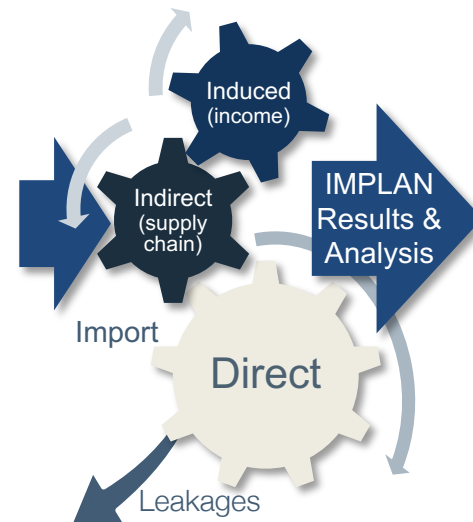
Tourism-Supported Activity



Visitor Spending



IMPLAN Model

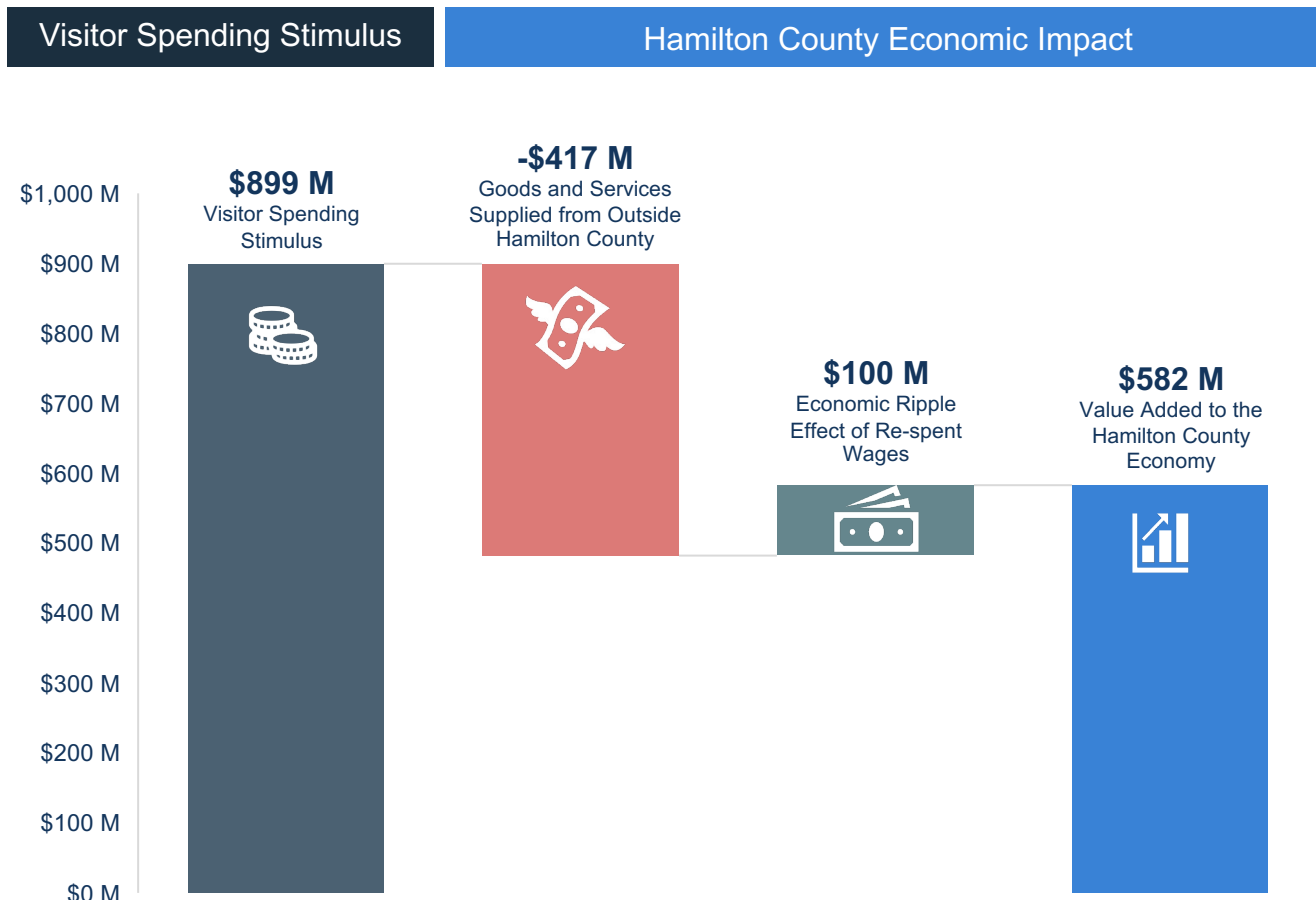


Total Economic Impact

Value-Added (GDP)	Wages & Comp
Jobs	Taxes

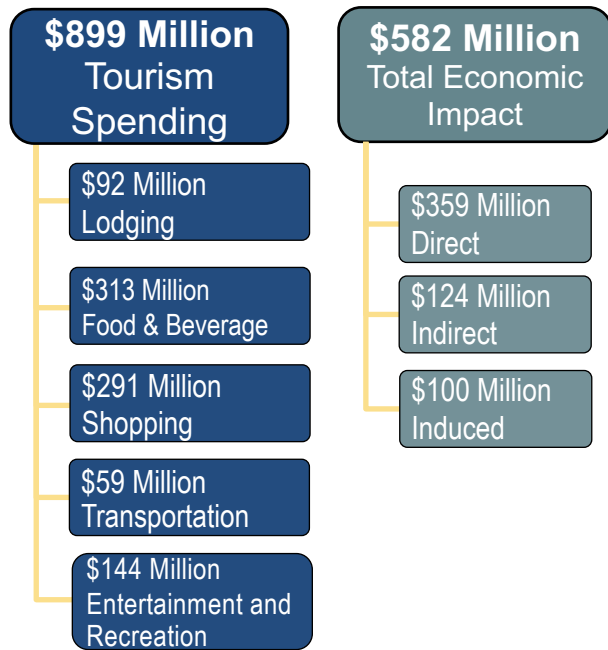
Hamilton County Tourism Generated \$582 Million in GDP in 2021

Visitors to Hamilton County spent \$899 million on various goods and services in the state. This spending stimulus generated \$582 million in net new value added to the Hamilton County economy.



2021 Hamilton County Tourism Highlights

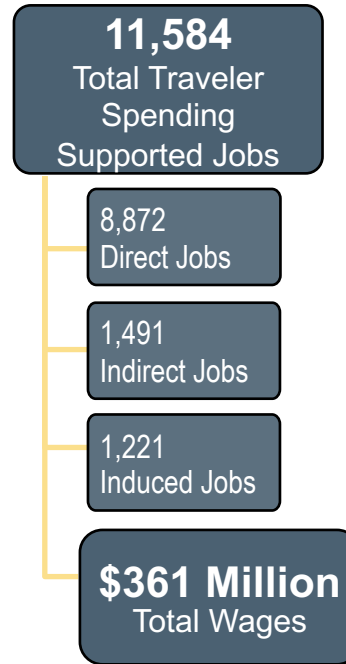
Tourism and Impact



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".

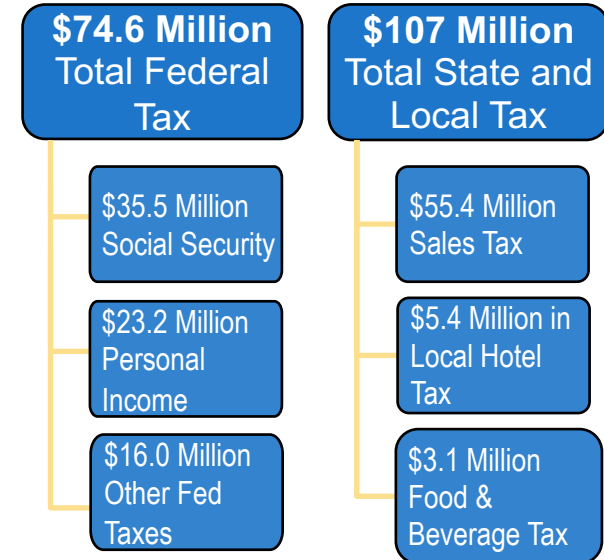
For every dollar spent by Hamilton County visitors in 2021, **65 cents** 'stayed' local and contributed directly to the gross county product of Hamilton County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **35 cents** of every dollar is 'leaked' to the supply chain outside of Hamilton County.

Jobs and Wages



Every **\$77,640** spent by people visiting Hamilton County in 2021 supported a job, resulting in an average of **\$31,186** 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



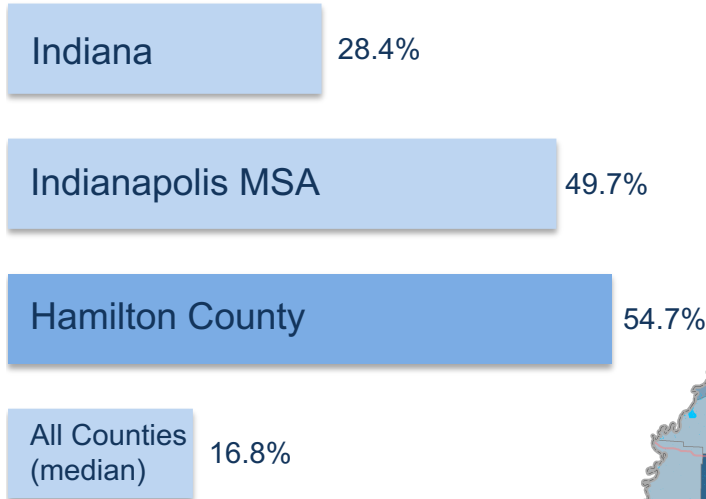
For every **\$1.00** spent by Hamilton County visitors in 2021, **8 cents** goes to federal taxes and **12 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

Hamilton County Tourism: In Comparison

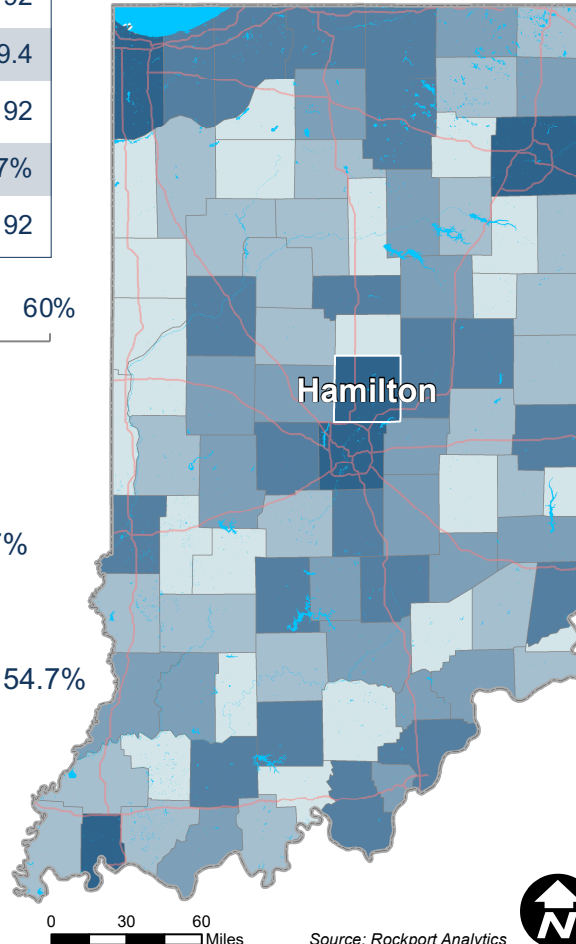
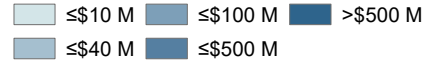
Hamilton County 2021 Tourism Report Card

Tourism Sales per Capita	\$2,632.8
Tourism Spend per Capita Ranking	#12 of 92
2021 Spending by Visitors (Millions)	\$899.4
County Ranking of Tourism Spend	#3 of 92
2021 Tourism Spending Growth	54.7%
2021 Tourism Growth Ranking	#3 of 92

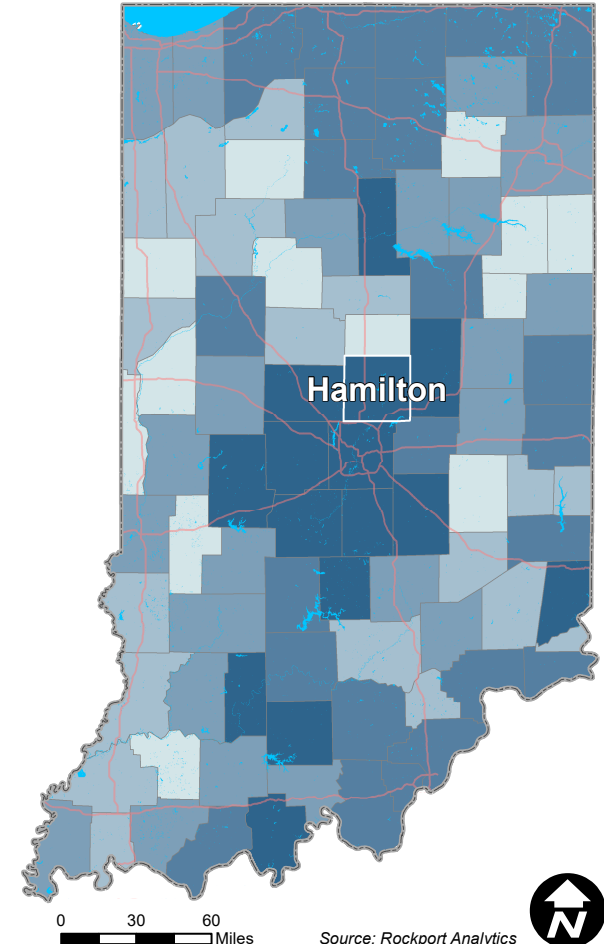
0% 10% 20% 30% 40% 50% 60%



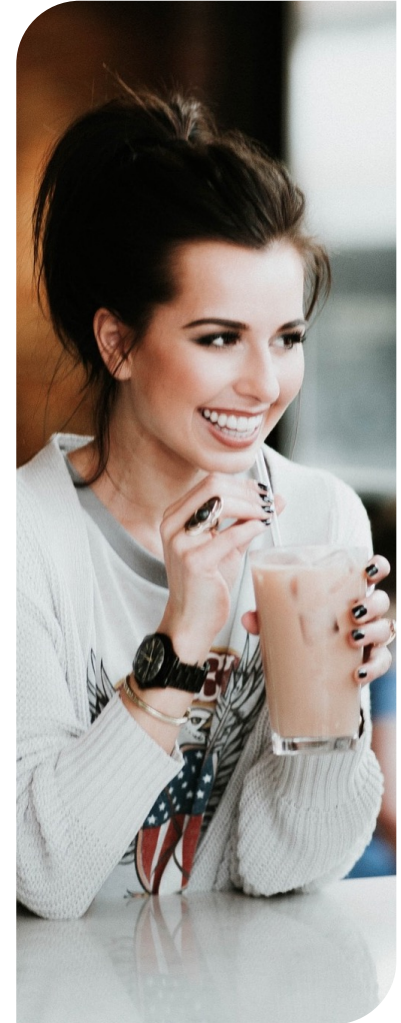
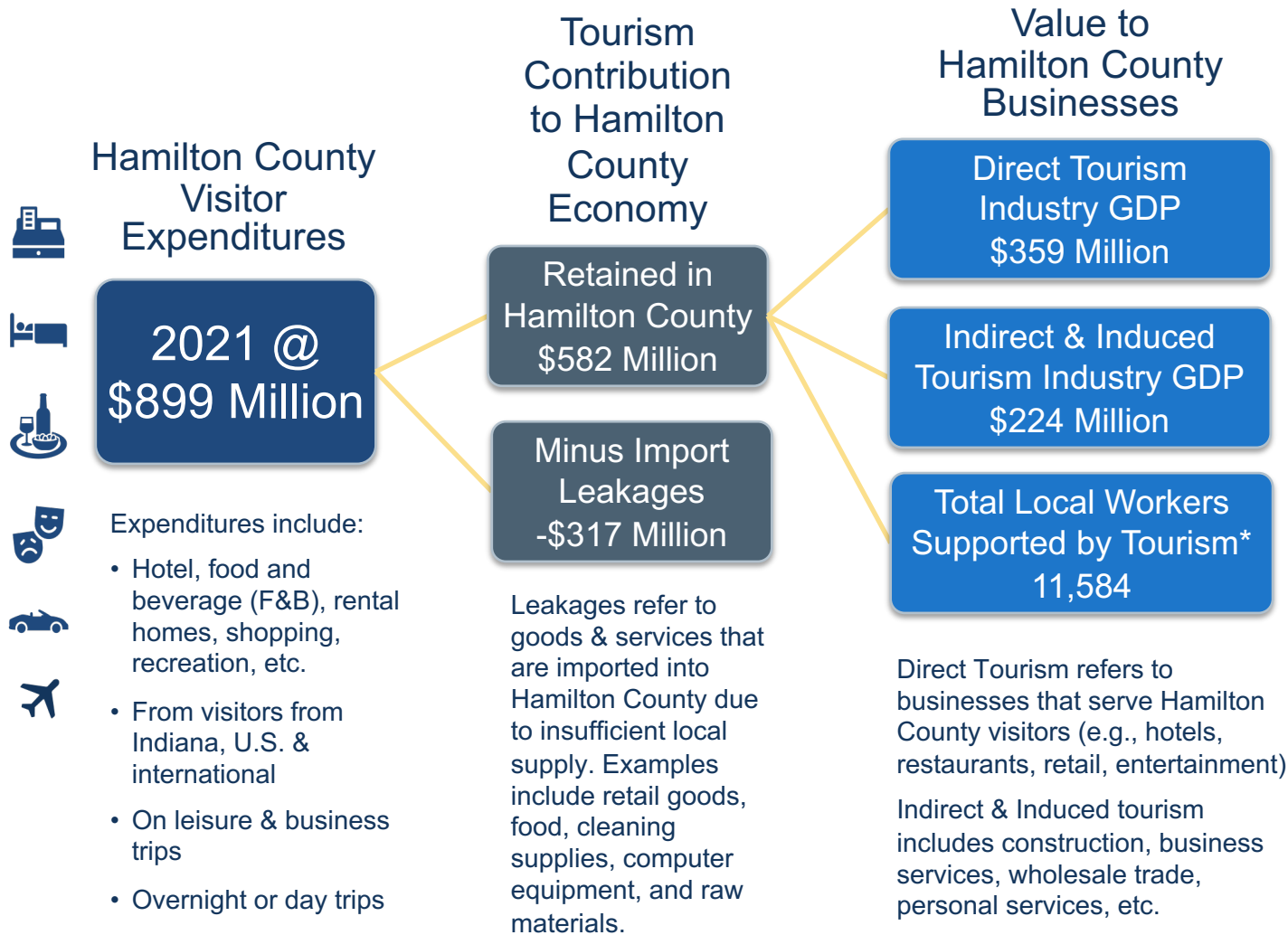
Total Spending by County, 2021



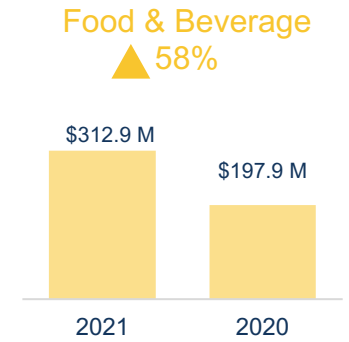
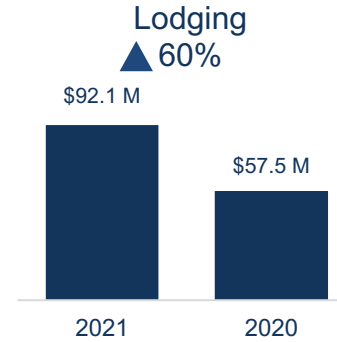
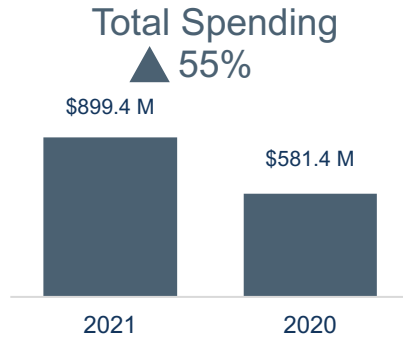
Spending Growth by County, 2021



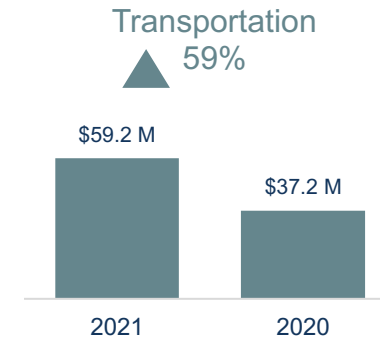
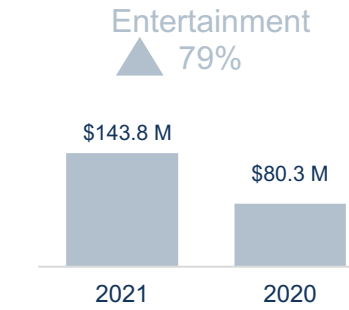
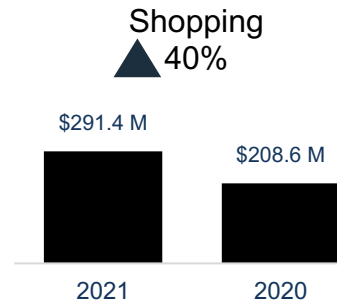
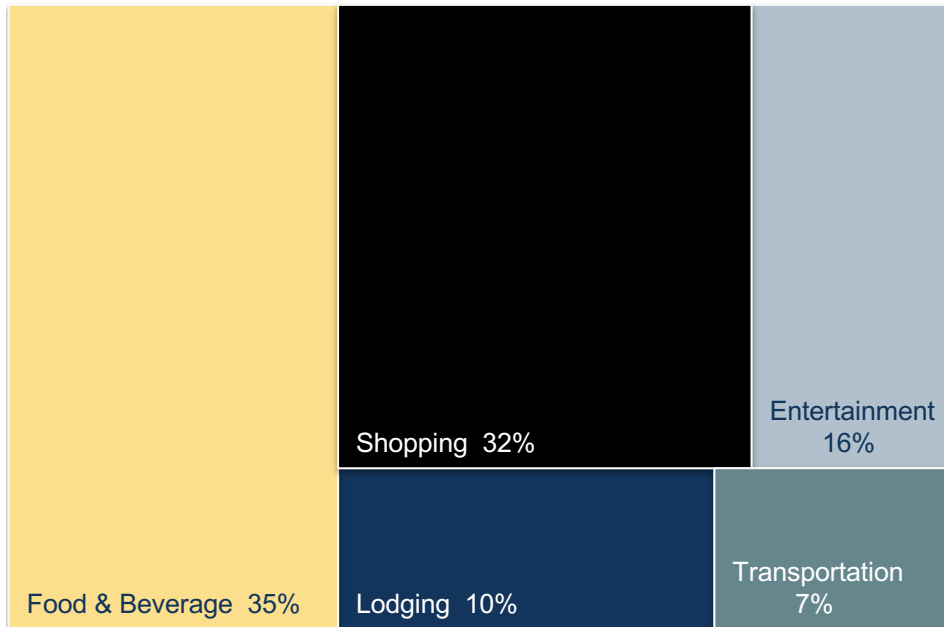
The Progression of Tourism Spending in Hamilton County's Economy



Visitor Spending by Category



Distribution of Spending



Source: Longwoods International, NTTO, Reach Market Planning, STR, BTS, AirDNA, Rockport Analytics

Tourism's Bottom Line in Hamilton County

2021 Economic Contribution Summary (Compared to 2020)

2021 Metric	Direct	Indirect	Induced	Total
Total Spending				\$899,412,421
<i>2021 Y/Y Growth</i>				54.7%
Economic Impact (GDP)	\$358,634,016	\$123,643,896	\$99,993,047	\$582,270,959
<i>2021 Y/Y Growth</i>	58.2%	60.3%	58.5%	58.7%
Wages	\$231,403,778	\$74,027,003	\$55,843,196	\$361,273,978
<i>2021 Y/Y Growth</i>	57.8%	61.1%	58.5%	58.5%
Jobs	8,872	1,491	1,221	11,584
<i>2021 Y/Y Growth</i>	55.7%	59.1%	55.8%	56.1%
Tax Receipts				\$181,492,361
<i>2021 Y/Y Growth</i>				58.0%

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

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 Many Local Industries

Hamilton County Tourism: 2021 Economic Impact (Value Added/GDP)

Industry (NAICS)*	Direct	Indirect	Induced	Total
<i>in thousands of dollars</i>				
Food Services & Drinking Places	\$155,743	\$4,145	\$4,910	\$164,798
Arts, Entertainment & Rec	\$76,067	\$3,097	\$1,504	\$80,668
Retail Trade	\$63,911	\$1,575	\$13,161	\$78,648
Real Estate & Rental	\$8,126	\$23,951	\$23,955	\$56,033
Accommodations	\$41,037	\$25	\$12	\$41,073
Professional Services	\$0	\$22,798	\$5,266	\$28,064
Finance & Insurance	\$0	\$10,684	\$10,092	\$20,776
Transportation & Warehousing	\$13,750	\$1,949	\$689	\$16,387
Health & Social Services	\$0	\$48	\$15,598	\$15,646
Administrative & Waste Services	\$0	\$11,553	\$2,888	\$14,440
Wholesale Trade	\$0	\$5,887	\$6,764	\$12,651
Utilities	\$0	\$8,702	\$2,860	\$11,563
Information	\$0	\$6,689	\$3,511	\$10,199
Other Services	\$0	\$4,974	\$4,431	\$9,404
Management of Companies	\$0	\$8,244	\$725	\$8,969
Construction	\$0	\$3,843	\$1,126	\$4,969
Government	\$0	\$3,371	\$966	\$4,336
Manufacturing	\$0	\$1,610	\$242	\$1,852
Educational Services	\$0	\$230	\$1,166	\$1,396
Ag, Forestry, Fish & Hunting	\$0	\$125	\$76	\$200
Mining	\$0	\$145	\$52	\$197
Total - 2021	\$358,634	\$123,644	\$99,993	\$582,271
Total - 2020	\$226,667	\$77,123	\$63,094	\$366,884
% change	58.2%	60.3%	58.5%	58.7%

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

Tourism Supports Hamilton County Jobs

Hamilton County Tourism: 2021 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Food Services & Drinking Places	4,587	122	145	4,854
Arts, Entertainment & Rec	1,759	199	49	2,006
Retail Trade	1,369	32	261	1,663
Accommodations	668	0	0	669
Transportation & Warehousing	460	28	10	498
Real Estate & Rental	29	209	102	339
Professional Services	0	233	56	288
Administrative & Waste Services	0	228	56	284
Health & Social Services	0	0	217	217
Other Services	0	89	100	189
Finance & Insurance	0	89	90	178
Wholesale Trade	0	38	44	82
Management of Companies	0	61	5	67
Construction	0	47	11	59
Information	0	39	17	55
Government	0	38	13	50
Educational Services	0	7	38	45
Utilities	0	15	5	20
Manufacturing	0	13	3	15
Ag, Forestry, Fish & Hunting	0	3	1	5
Mining	0	1	0	1
Total - 2021	8,872	1,491	1,221	11,584
Total - 2020	5,699	937	784	7,420
% change	55.7%	59.1%	55.8%	56.1%

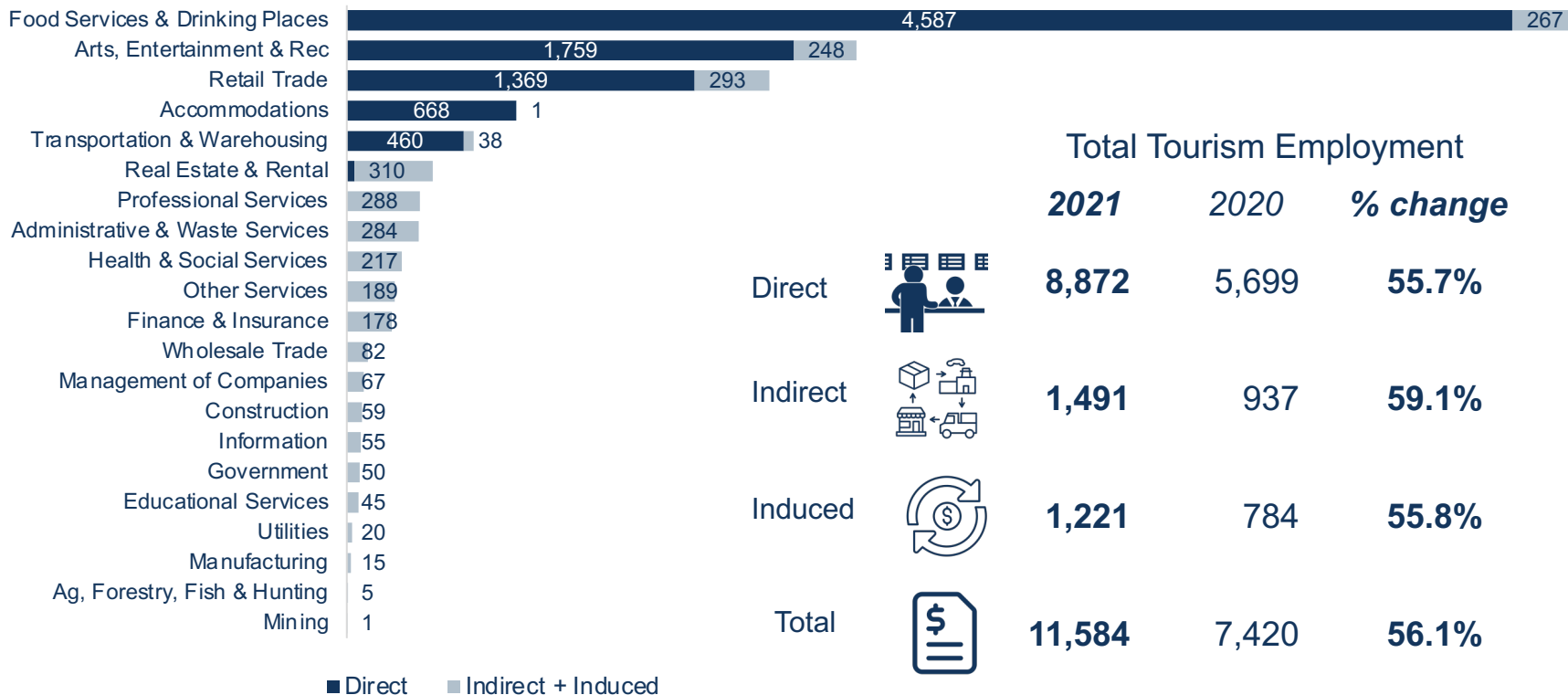
* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Sources: Rockport Analytics, IMPLAN

Tourism Supported Employment – Direct, Indirect, and Induced

Direct employment refers to full- and part-time workers who are employed in the tourism industry by companies that directly serve visitors. Indirect employees work for companies that supply goods and services to direct companies. Induced employment refers to workers supported by the re-spend wages of direct and supply chain employees. In industries that are largely driven by tourism (food services, entertainment, accommodations, etc.), most employees are direct employees.

Hamilton County Tourism: 2021 Economic Impact (Employment)



Total Tourism Employment

	2021	2020	% change
Direct	8,872	5,699	55.7%
Indirect	1,491	937	59.1%
Induced	1,221	784	55.8%
Total	11,584	7,420	56.1%

■ Direct ■ Indirect + Induced

Tourism Industry Ranking in Hamilton County

2021 Tourism in Hamilton County: Ranking of Major Industries By Total Employment

Rank	Industry	2021 Reported*	2021 Tourism-Extracted**	% of Total Employment	2021 % Growth
employment reported in number of jobs					
1	Health & Social Services	36,647	36,647	11.8%	3.1%
2	Finance & Insurance	36,518	36,518	11.7%	3.6%
3	Retail trade	33,555	32,186	10.3%	4.5%
4	Government	29,657	29,657	9.5%	1.4%
5	Professional Services	28,823	28,823	9.2%	7.3%
6	Administrative & Waste Services	26,188	26,188	8.4%	9.4%
7	Accommodation & Food Services	29,899	24,643	7.9%	7.2%
8	Construction	18,040	18,040	5.8%	4.9%
9	Wholesale Trade	15,362	15,362	4.9%	2.8%
10	Manufacturing	13,412	13,412	4.3%	3.4%
11	Other Services	10,912	10,912	3.5%	5.6%
12	Tourism	N/A	8,872	2.8%	55.7%
13	Real Estate	8,074	8,045	2.6%	2.0%
14	Management of Companies	4,990	4,990	1.6%	2.3%
15	Educational Services	4,919	4,919	1.6%	8.0%
16	Arts, Entertainment & Recreation	5,840	4,081	1.3%	12.9%
17	Information	4,032	4,032	1.3%	1.6%
18	Transportation & Warehousing	2,508	2,047	0.7%	11.3%
19	Utilities	1,909	1,909	0.6%	2.6%
20	Mining	491	491	0.2%	8.0%
Total County Employment		311,774	311,774	100%	4.9%

*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 Hamilton County's Tourism Industry

Tourism Increases Local Wages

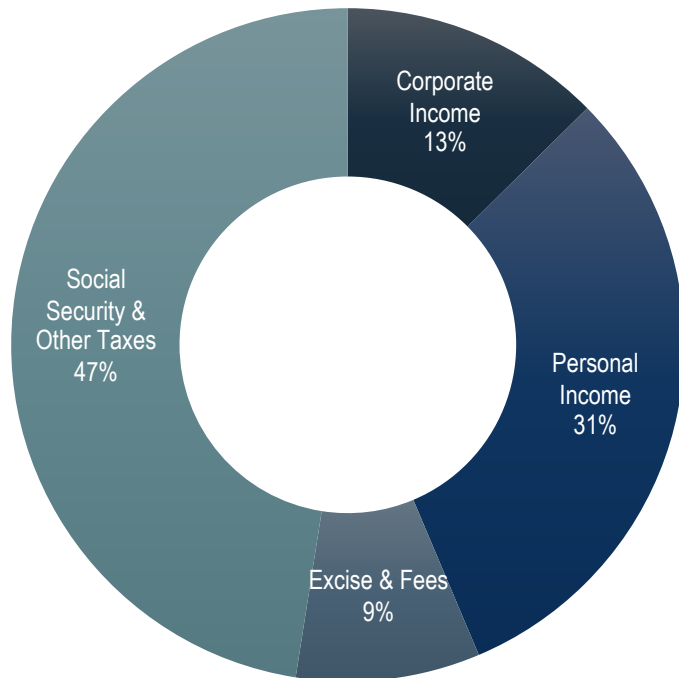
Hamilton County Tourism: 2021 Labor Income

Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in thousands of dollars</i>			
Food services & drinking places	\$112,991	\$3,007	\$3,562	\$119,560
Retail trade	\$37,086	\$1,022	\$8,470	\$46,579
Arts- entertainment & recreation	\$38,704	\$3,002	\$889	\$42,595
Accommodations	\$25,759	\$16	\$8	\$25,782
Professional- scientific & tech services	\$0	\$17,325	\$4,072	\$21,397
Health & social services	\$0	\$35	\$14,153	\$14,188
Transportation & Warehousing	\$10,803	\$1,555	\$554	\$12,912
Administrative & waste services	\$0	\$9,766	\$2,452	\$12,218
Finance & insurance	\$0	\$6,163	\$5,955	\$12,118
Real estate & rental	\$6,061	\$3,432	\$1,710	\$11,204
Other services	\$0	\$4,695	\$4,268	\$8,962
Wholesale Trade	\$0	\$3,724	\$4,279	\$8,003
Management of companies	\$0	\$7,228	\$636	\$7,864
Construction	\$0	\$3,587	\$866	\$4,454
Government & non NAICs	\$0	\$3,070	\$774	\$3,844
Information	\$0	\$2,725	\$1,118	\$3,843
Utilities	\$0	\$2,562	\$851	\$3,413
Educational services	\$0	\$160	\$981	\$1,141
Manufacturing	\$0	\$698	\$142	\$840
Ag, Forestry, Fish & Hunting	\$0	\$180	\$76	\$257
Mining	\$0	\$75	\$27	\$102
Total - 2021	\$231,404	\$74,027	\$55,843	\$361,274
Total - 2020	\$146,681	\$45,964	\$35,236	\$227,880
% change	57.8%	61.1%	58.5%	58.5%

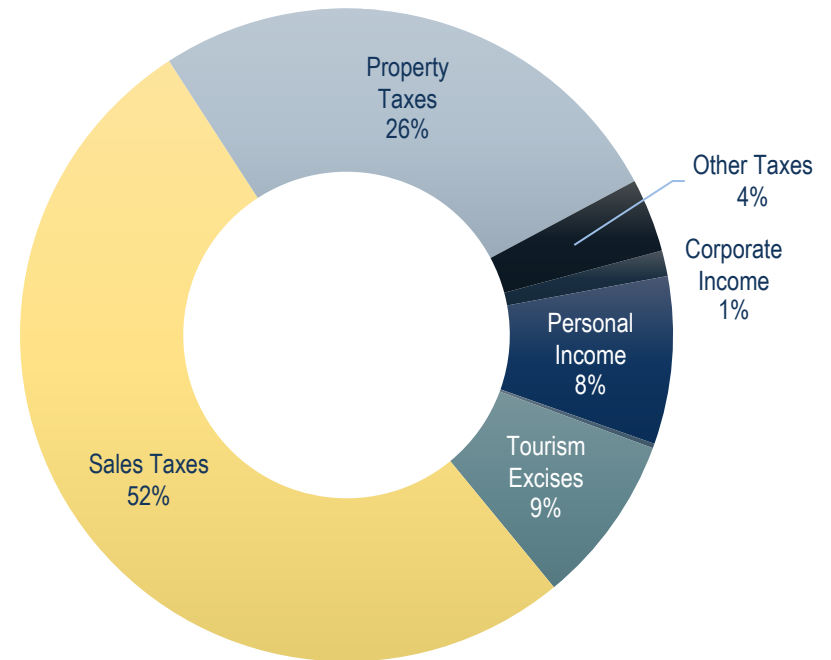
* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Hamilton County Visitors Support Many Types of Taxes

Federal Taxes
2021 Tax Total: \$75 Million



State & Local Taxes
2021 Tax Total: \$107 Million



2021 Total Tourism-Initiated Taxes: **\$181 Million**

Tourism Generates \$181 Million in Taxes

Hamilton County visitors supported \$181 million in total taxes in 2021, up 58.0% from 2020. Federal tax collections resulting from tourism in Hamilton County include income taxes and social security and totaled \$74.6 million in 2021. State & local tax collections totaled \$107 million, including \$55.4 million in sales taxes and \$28.1 million in local property taxes.

	2020	2021	% Change
Federal	<i>in thousands of dollars</i>		
Corporate Income	\$5,919,944	\$9,401,360	58.8%
Personal Income	\$14,609,109	\$23,167,150	58.6%
Excise & Fees	\$4,140,772	\$6,597,720	59.3%
Social Security & Other Taxes	\$22,427,148	\$35,467,526	58.1%
Federal Tax Total	\$47,096,973	\$74,633,756	58.5%
State & Local			
Corporate Income	\$856,749	\$1,360,589	58.8%
Personal Income	\$5,591,160	\$8,866,470	58.6%
Social Insurance Taxes	\$153,255	\$241,956	57.9%
Tourism Excises			
Hotel Tax	\$2,975,431	\$5,404,962	81.7%
Food & Beverage	\$1,978,634	\$3,128,919	58.1%
Rental Car Excise	\$288,389	\$459,490	0.0%
Sales Taxes	\$35,831,798	\$55,358,156	54.5%
Property Taxes	\$17,662,401	\$28,141,620	59.3%
Other Taxes	\$2,435,626	\$3,896,443	60.0%
State & Local Tax Total	\$67,773,444	\$106,858,605	57.7%
Total County Tourism-Initiated Taxes	\$114,870,417	\$181,492,361	58.0%

Sources: IMPLAN, Rockport Analytics

Putting the Benefits of Hamilton County Tourism in Perspective

Promoting a Healthy Job Market



Approximately 3% of all people working in Hamilton County are supported by visitors to the county. Hamilton County tourism supported 11,584 jobs. Of those, 8,872 were directly employed in a tourism-related job. Tourism is the 12th largest industry (11th not including Government) in Hamilton County (by jobs).

Benefiting County Businesses



Visitors generated top-line sales totaling \$582 million benefiting a broad array of local businesses. Businesses that directly served visitors saw value-added of \$359 million in 2021, up 58% from 2020. In 2021, tourism supply chain businesses received value-added of more than \$124 million.

Contributing to Public Education & Other Government Services



State & local (S&L) tax revenue collected from tourism in Hamilton County is sufficient to fund 8,383 Indiana public school students. S&L tax collections were enough to fund roughly 1,994 Indiana public school teachers.

Capturing and Retaining Dollars Spent by Visitors



Of every dollar spent by visitors to Hamilton County, 65¢ in economic impact is returned to the local area. Of every dollar spent by visitors to Hamilton County, 40¢ went toward paying the salaries of 11,584 area citizens.

Helping to Relieve the Tax Burden of County Households



About 12 cents of each visitor dollar went towards the payment of state and local taxes (S&L). If tourism did not exist, each of the 126,371 households in Hamilton County would have to pay an additional \$846 per year in taxes to maintain current levels of state & local government services.

Sources: NEA's 2022 State Rankings, Moody's Analytics, IMPLAN, Indiana Department of Revenue, U.S. Census, Rockport Analytics

About Rockport Analytics

Rockport Analytics is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. We provide fast, nimble service in a completely transparent environment.

Capabilities include:

- Market Analysis and Forecasting
- Economic Impact Assessment, Tourism Satellite Accounting, and Economic Development
- Market Modeling and Decision Support Tools
- Project Feasibility Assessment
- Primary and Secondary Research Synthesis
- Stakeholder Surveys – internal & external



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