

2017 Economic Impact of Tourism in Hendricks County

Methodology, Metrics and Evaluation



Indiana Office of Tourism Development

- 2017 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

- Smith Travel Research

IMPLAN Model

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

Hendricks County Tourism Economic Impact

Value-Added (GDP)

Wages &
Income

Jobs

Taxes

Study Overview

A research cooperative was formed in 2017 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 2017 Economic Impact Study of Tourism in Hendricks County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

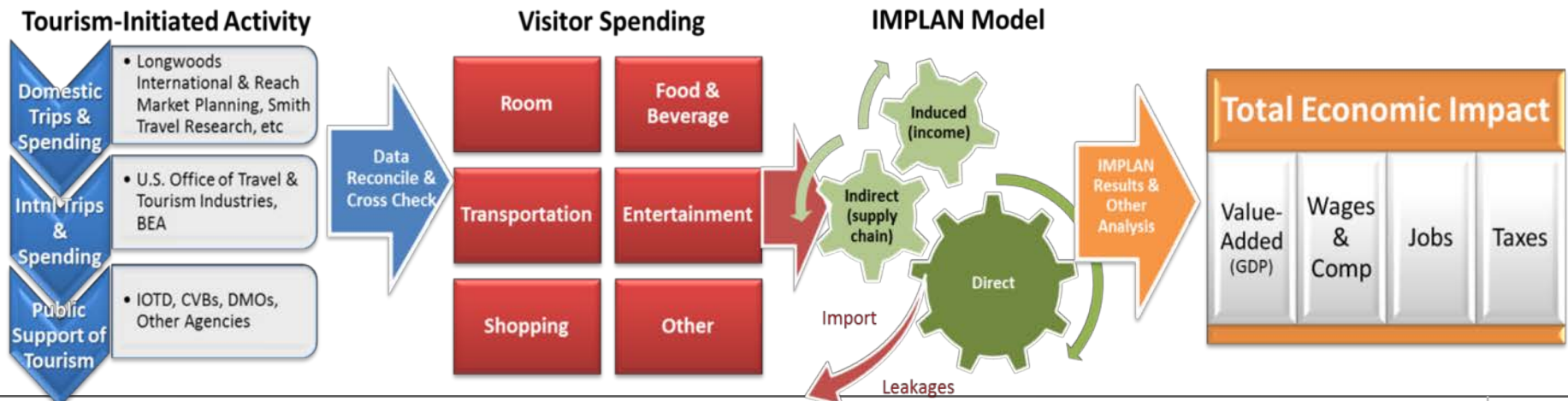
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Hendricks 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 2017 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. >>

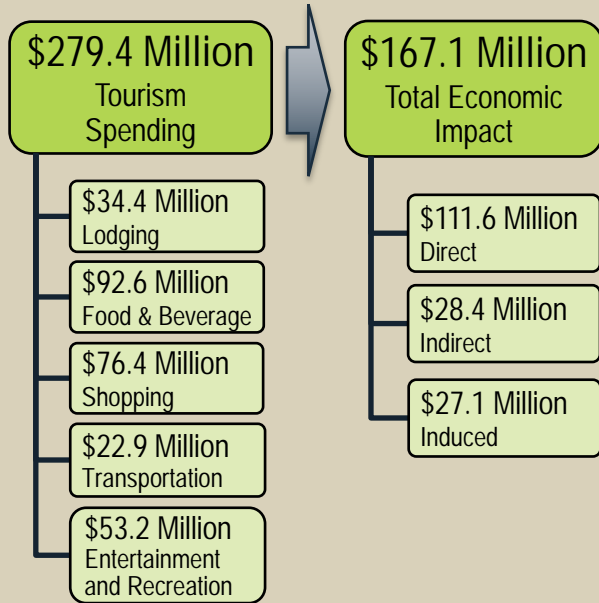
Methodology Cont.

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 Hendricks 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.

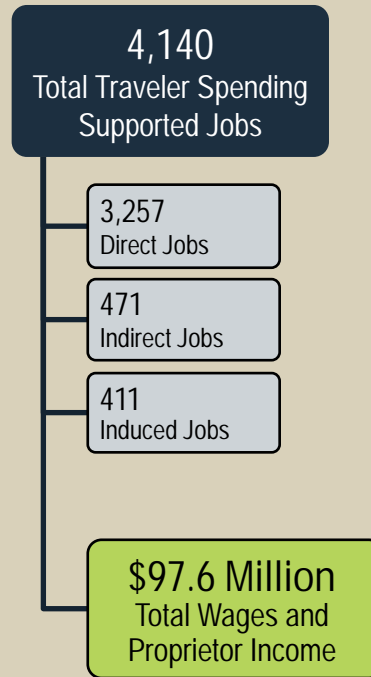


Tourism and Impact



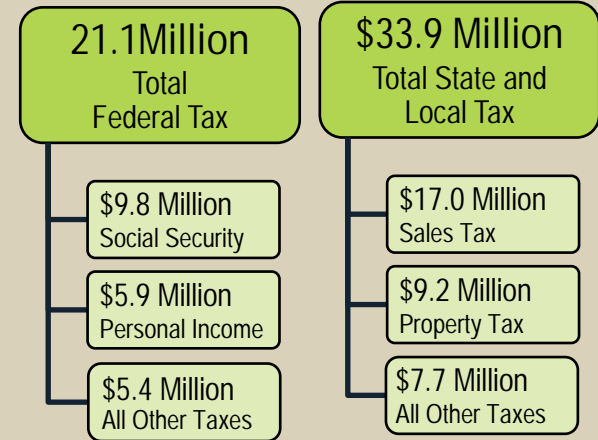
For every tourism dollar spent in Hendricks County in 2017, \$0.60 cents 'stayed' local and contributed directly to the gross county product of Hendricks County. This includes impact on the direct (tourism-oriented), indirect (supply chain) and induced (income) industries. The remaining 40 cents of every dollar is 'leaked' to the supply chain outside of Hendricks County.

Jobs and Wages



For every \$67,484 spent on tourism in Hendricks County in 2017 supported a job, resulting in an average of \$23,580 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

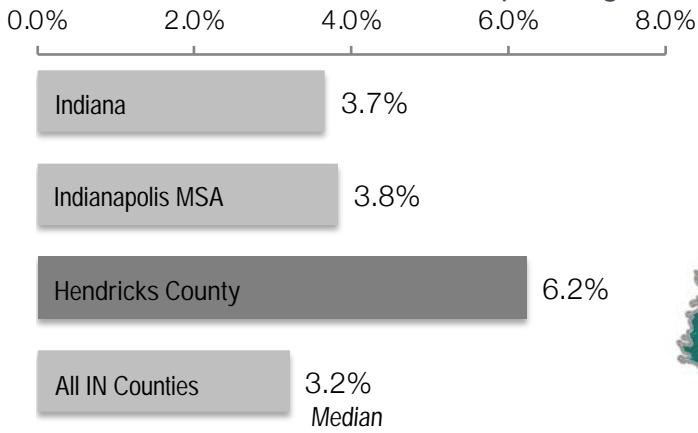


For every \$1.00 spent on tourism in Hendricks County in 2017, 8 cents goes to federal taxes and 12 cents goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

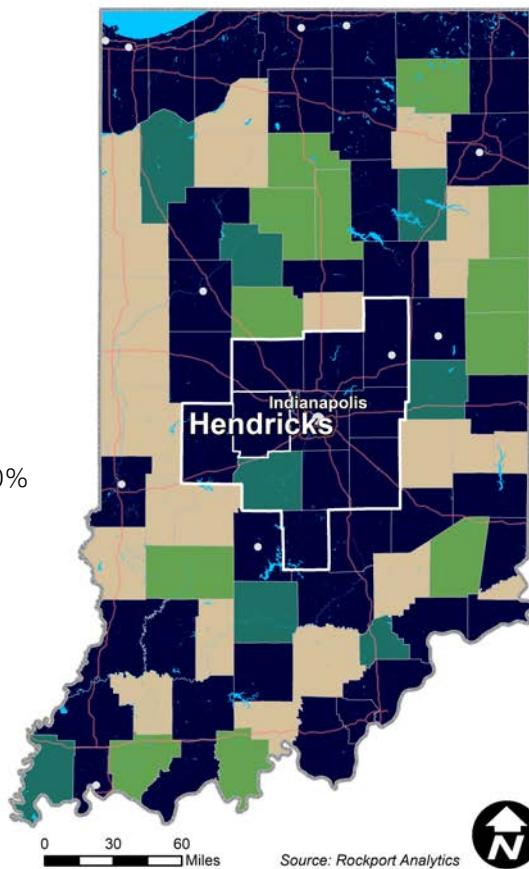
Hendricks County 2017 Tourism Report Card

Tourism Sales Per Capita	\$1,706.86
Tourism Spend Per Capita Ranking	#23 of 92
2017 Spending by Visitors (Millions)	\$279.4
County Ranking of Tourism Spend	#9 of 92
2017 Tourism Spending Growth	6.2%
2017 Tourism Growth Ranking	#25 of 92

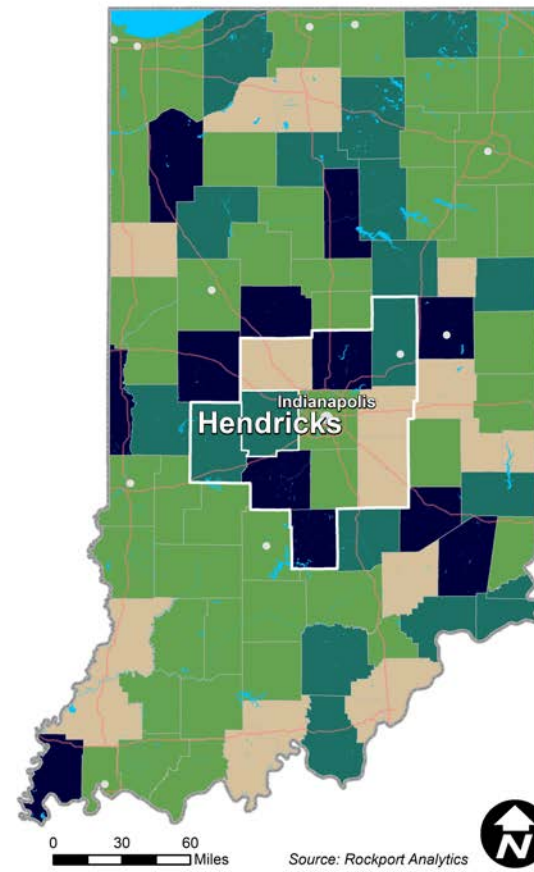
Annual Growth in 2017 Tourism Spending

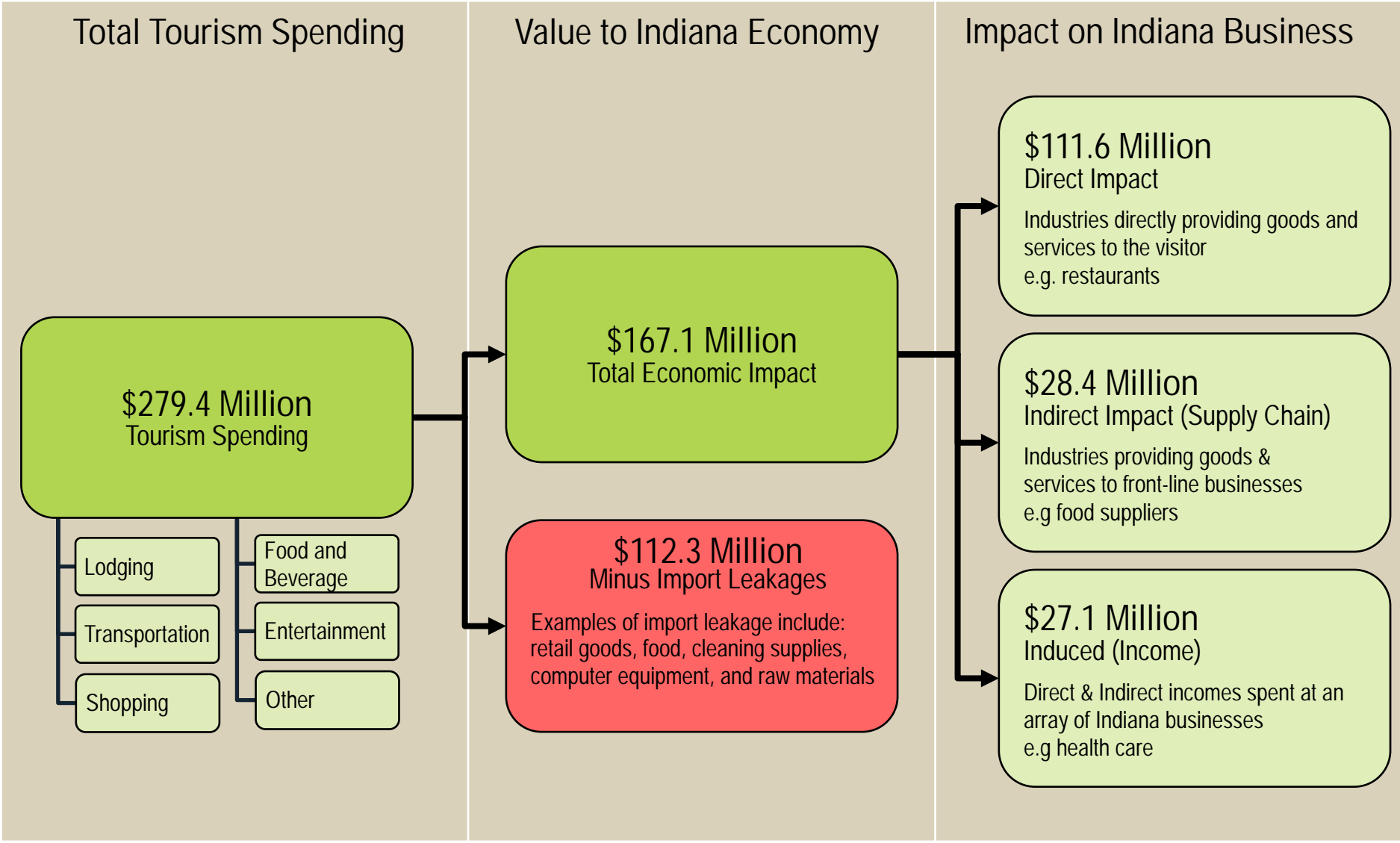


Total Spending by County, 2017



Spending Growth by County, 2017

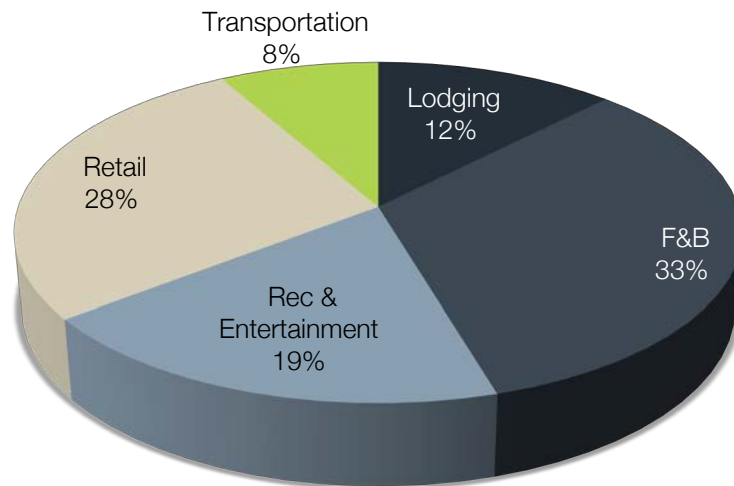




Food & Beverage accounts for the largest share of tourism spend in Hendricks County, totaling **33% of visitor expenditures**.

Distribution of Tourism Spending

\$279.4 Million USD



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

Note: Spending estimation methodology was changed slightly in 2017 to account for the addition of Madison County to the Indianapolis MSA. To reflect these changes, 2016 totals were also revised so that all reported growth rates are valid.

Expenditure Category	2017	2016-17 Growth
Lodging	\$ 34,357,472	5.9%
F&B	\$ 92,590,978	6.0%
Rec & Entertainment	\$ 53,220,077	6.5%
Retail	\$ 76,367,831	6.5%
Transportation	\$ 22,851,312	6.0%
Total	\$ 279,387,671	6.2%

Categorical Spending Shares: State Comparisons

	Hendricks County	Indiana
Lodging	12%	16%
F&B	33%	28%
Rec & Entertainment	19%	18%
Retail	27%	22%
Transportation	8%	16%
Total	100%	100%



2017 Economic Impact Summary (Compared to 2016)

2017 Metric	Direct	Indirect	Induced	Total
Total Spending				\$279,387,671
<i>2017 Y/Y Growth</i>				6.2%
Economic Impact (GDP)	\$111,622,729	\$28,361,374	\$27,073,218	\$167,057,321
<i>2017 Y/Y Growth</i>	5.4%	5.3%	5.4%	5.4%
Wages	\$68,057,957	\$16,241,838	\$13,322,926	\$97,622,721
<i>2017 Y/Y Growth</i>	5.5%	5.3%	5.4%	5.4%
Jobs	3,257	471	411	4,140
<i>2017 Y/Y Growth</i>	3.7%	3.5%	3.7%	3.7%
Tax Receipts				\$54,978,166
<i>2017 Y/Y Growth</i>				5.7%

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.

Hendricks Tourism: 2017 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	\$44,122	\$1,335	\$1,624	\$47,081
Arts- entertainment & recreation	\$27,683	\$936	\$406	\$29,025
Retail trade	\$17,237	\$486	\$4,512	\$22,234
Accommodations	\$15,149	\$17	\$9	\$15,175
Real estate & rental	\$0	\$5,172	\$7,654	\$12,826
Transportation & Warehousing	\$7,432	\$1,196	\$450	\$9,077
Professional- scientific & tech services	\$0	\$5,662	\$1,239	\$6,900
Utilities	\$0	\$2,916	\$941	\$3,857
Health & social services	\$0	\$7	\$3,710	\$3,717
Administrative & waste services	\$0	\$2,739	\$641	\$3,379
Wholesale Trade	\$0	\$1,323	\$1,702	\$3,024
Other services	\$0	\$1,373	\$1,575	\$2,948
Finance & insurance	\$0	\$1,415	\$1,368	\$2,783
Construction	\$0	\$1,062	\$357	\$1,419
Government & non NAICs	\$0	\$1,049	\$314	\$1,363
Information	\$0	\$955	\$294	\$1,249
Management of companies	\$0	\$604	\$48	\$652
Educational services	\$0	\$41	\$209	\$250
Manufacturing	\$0	\$71	\$15	\$86
Ag, Forestry, Fish & Hunting	\$0	\$3	\$7	\$10
Mining	\$0	\$0	\$0	\$0
Total	\$111,623	\$28,361	\$27,073	\$167,057
Total - 2017	\$105,881	\$26,937	\$25,682	\$158,499
% change	5.4%	5.3%	5.4%	5.4%

Source: Rockport Analytics, IMPLAN

Hendricks Tourism: 2017 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	1,593	48	59	1,699
Arts- entertainment & recreation	721	52	11	784
Retail trade	388	11	96	494
Accommodations	295	0	0	295
Transportation & Warehousing	261	18	7	286
Professional- scientific & tech services	0	78	18	97
Administrative & waste services	0	75	17	93
Real estate & rental	0	58	31	89
Other services	0	32	40	72
Health & social services	0	0	68	68
Finance & insurance	0	22	22	44
Construction	0	21	5	26
Wholesale Trade	0	11	15	26
Government & non NAICs	0	14	5	19
Information	0	15	4	19
Educational services	0	2	10	12
Utilities	0	6	2	8
Management of companies	0	6	0	6
Manufacturing	0	2	0	2
Ag, Forestry, Fish & Hunting	0	0	0	0
Mining	0	0	0	0
Total	3,257	471	411	4,140
Total - 2017	3,141	455	397	3,993
% change	3.7%	3.5%	3.7%	3.7%

Source: Rockport Analytics, IMPLAN

Tourism is the 9th Largest Industry in Hendricks County

2017 Tourism in Hendricks County: Ranking of Major Industries By Total Employment

Rank	Industry	2017 Reported	2017 Tourism Extracted	% of Total Employment	16-17 Growth Rate
1	Retail trade	12,313	11,926	17.0%	2.1%
2	Administrative & Waste Services	9,522	9,522	13.6%	2.0%
3	Government	8,694	8,694	12.4%	2.3%
4	Transportation & Warehousing	8,264	8,002	11.4%	1.7%
5	Accomodation & Food Services	7,286	5,399	7.7%	1.6%
6	Health & Social Services	5,074	5,074	7.2%	5.3%
7	Wholesale Trade	4,058	4,058	5.8%	2.4%
8	Manufacturing	3,973	3,973	5.7%	3.3%
9	Tourism	N/A	3,257	4.6%	3.7%
10	Other Services	2,918	2,918	4.2%	1.8%
11	Construction	2,817	2,817	4.0%	5.0%
12	Professional Services	1,305	1,305	1.9%	3.1%
13	Finance & Insurance	999	999	1.4%	2.8%
14	Utilities	747	747	1.1%	-2.0%
15	Real Estate	504	504	0.7%	3.7%
16	Management of Companies	428	428	0.6%	-3.0%
17	Educational Services	319	319	0.5%	1.5%
18	Information	231	231	0.3%	-3.1%
19	Arts, Entertainment & Recreation	760	39	0.1%	4.8%
20	Mining	35	35	0.0%	3.5%
	Total County Employment	70,248	70,248	100%	2.4%

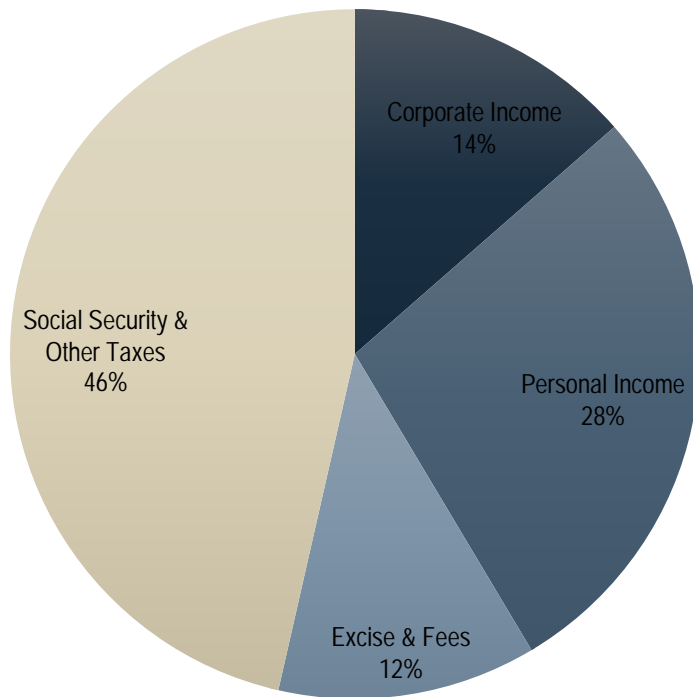
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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 Hendricks's Tourism Industry"

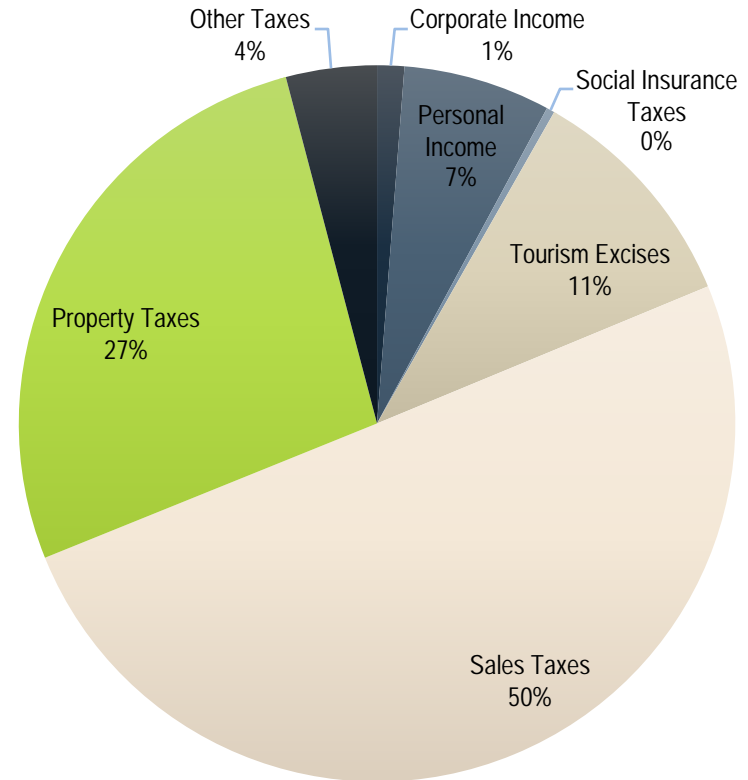
Federal Taxes

2017 Tax Total: \$21.1 Million



State & Local Taxes

2017 Tax Total: \$33.9 Million



2017 Total County Tourism-Initiated Taxes: \$55.0 Million

2016 – 2017 Tourism Tax Revenue Collections

	2016	2017	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$2,715.8	\$2,861.4	5.4%
Personal Income	\$5,580.5	\$5,882.7	5.4%
Excise & Fees	\$2,428.7	\$2,559.6	5.4%
Social Security & Other Taxes	\$9,294.0	\$9,800.0	5.4%
Federal Total	\$20,018.9	\$21,103.7	5.4%
State & Local			
Corporate Income	\$393.0	\$414.1	5.4%
Personal Income	\$2,135.7	\$2,251.4	5.4%
Social Insurance Taxes	\$117.2	\$123.6	5.5%
Tourism Excises			
Hotel Tax	\$2,467.5	\$2,636.2	6.8%
Food & Beverage	\$873.2	\$925.9	6.0%
Rental Car Excise	\$0.0	\$0.0	
Sales Taxes	\$15,983.4	\$16,982.5	6.3%
Property Taxes	\$8,683.4	\$9,151.7	5.4%
Other Taxes	\$1,323.2	\$1,389.0	5.0%
State & Local Tax Total	\$31,976.6	\$33,874.5	5.9%
Total County Tourism-Initiated Taxes	\$51,995.6	\$54,978.2	5.7%

- Hendricks County tourism generated over \$55.0 million in total taxes in 2017, up 5.7% over 2016.
- Federal tax collections resulting from tourism in Hendricks County include income taxes and social security and totaled \$21.1 million in 2017.
- State & local tax collections totaled \$33.9 million, including \$17.0 million in sales taxes contributing to state collections and \$9.2 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Hendricks County?

By Promoting a Healthy Job Market

Approximately 4.6% of all jobs in Hendricks County are supported by tourism to the region. In addition to the hotel and restaurant industry, tourism directly supports jobs in arts, retail trade, and transportation.

By Contributing to the Health of the Public Education System

Revenue collected from tourism in Hendricks County is sufficient to support 3,497 Indiana public school students.

By Playing a Significant Role in the County's Industrial Make up

Tourism is the 9th largest industry (8th not including Government) in Hendricks County (by jobs).

By Providing Tax Revenue to Support Federal, State & Local Government

In addition to hotel occupancy levies (\$2.6 million in 2017), Hendricks County tourism activity generated over \$414,100 in Indiana corporate taxes, \$2.3 million in Indiana personal income tax, and \$9.2 million in local property taxes during 2017.

By Helping to Relieve the Tax Burden of Hendricks County Households

If Hendricks County tourism did not exist, each of the 61,738 households in the county would have to pay an additional \$549 per year in taxes to maintain current state & local tax levels.

By Capturing and Retaining the Expenditures Made By Visitors

Of every dollar spent by visitors in Hendricks County, 60¢ in economic impact is returned to the local area.



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