

Stable Growth Continues as Indiana Tourism Completes its Eighth Year of Expansion

The 2018 Contribution of Travel & Tourism to the Indiana Economy

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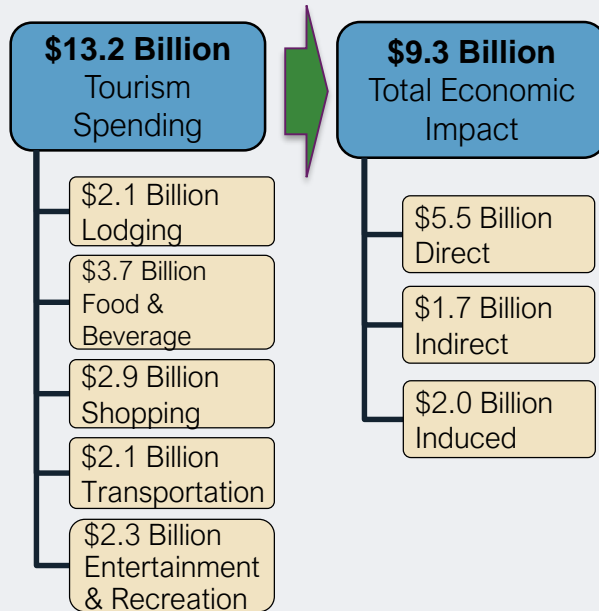
How Does Tourism Benefit Indiana?

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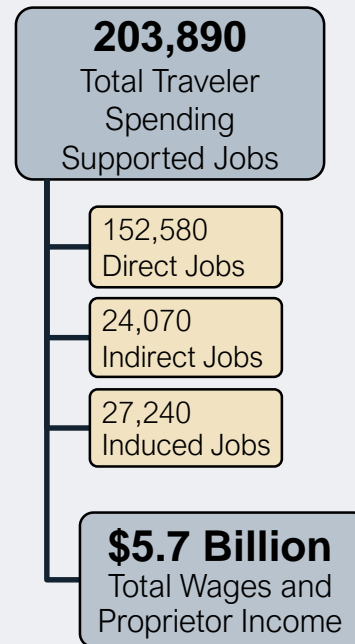
- Indiana welcomed more than 80 million visitors¹ in 2018, another record-breaking year for Hoosier tourism. Visitor growth remained steady, growing by 1.3% with gains in both the day and overnight segments. Visitor spending also reached an all-time high of nearly \$13.2 billion in 2018, growing by 4.2% compared to last year. A strong consumer economy, fueled by tax cuts, rising employment levels, stable housing markets and rising confidence helped to spur gains in all visitor spending categories. Across the state, visitors spending reached an average of \$163 per trip, up 2.8% vs. 2017.
- Tourism's 2018 contribution to Indiana's Gross State Product (GSP) was \$9.3 billion up 3.6% from 2017. Benefits to businesses that directly served visitors (e.g. hotels, restaurants, entertainment venues) reached \$5.5 billion and the remaining \$3.8 billion accrued to the tourism supply chain and other downstream businesses. For every dollar spent by a visitor, the Indiana economy retained 71 cents; 44 cents of spending went towards paying salaries and 11 cents went to pay state and local governments as taxes.
- Visitors and their spending supported nearly 203,900 jobs for Indiana citizens across the state, about 5.2% of all nonfarm jobs. Tourism once again helped to pace 2018 job growth in the state, expanding by 2% and outperforming total Indiana employment across all industries which grew 1.5% in 2018. Despite the gains in employment, Tourism slipped one spot and it is now the 12th largest private sector employer in the state.
- The South Bend region led the state with a 10.2% increase in tourism spending in 2018. Other strong performers included Fort Wayne (+6.3%), Elkhart-Goshen (+6.1%), and Gary (+5.0%). Meanwhile, Muncie and Terre Haute saw slight declines in tourism spending for 2018, -2.2% and -0.3%, respectively. Indianapolis remains the largest tourism region in the state (42% of total) but tourism spending growth (+3.8%) slightly lagged the state as a whole (+4.2%).
- Indiana tourism generated about \$2.6 billion in tax receipts in 2018, including federal taxes. Meanwhile, Indiana state & local tourism-initiated taxes reached \$1.44 billion for that same period, a gain of 4.1% versus year-earlier levels. State taxes comprised \$891 million of that total while local levies were \$554 million. Visitors paid about 9% of IN sales taxes and 6% all state & local levies in 2018.

¹ UNTWTO definition of a visitor includes anyone, regardless of origin, who stayed overnight or traveled more than 50 miles one way on a day trip.

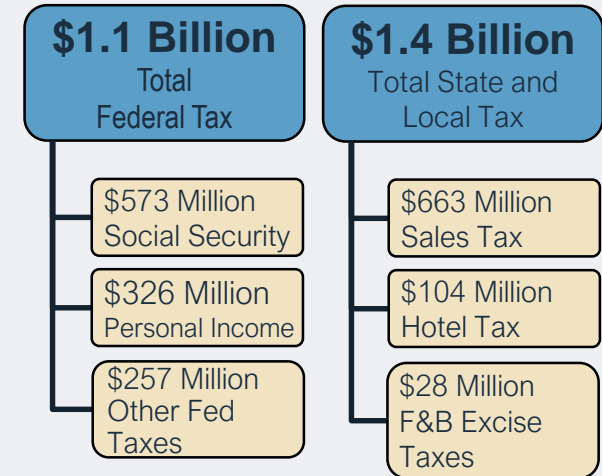
Tourism and Impact



Jobs and Wages



Tax Revenue Generated



2018 Economic Impact of Tourism in Indiana

Background & Methodology



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Study Overview

The economic impact of tourism in the state of Indiana was commissioned by the Indiana Office of Tourism Development. Covering the 2018 calendar year, the analysis seeks to translate the contribution made by visitors to Indiana GDP, jobs, wages, and tax receipts. The research was conducted by Rockport Analytics and Reach Market Planning, both independent market research & consulting companies, using a time-tested approach that has been applied to many state and city destinations across the United States. The goal of the study was to measure and analyze the full economic contribution that visitors make to the Indiana economy.

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, Indiana-based food suppliers to restaurants. The induced impact adds the effect of tourism-generated wages as they are spent throughout Indiana's economy.

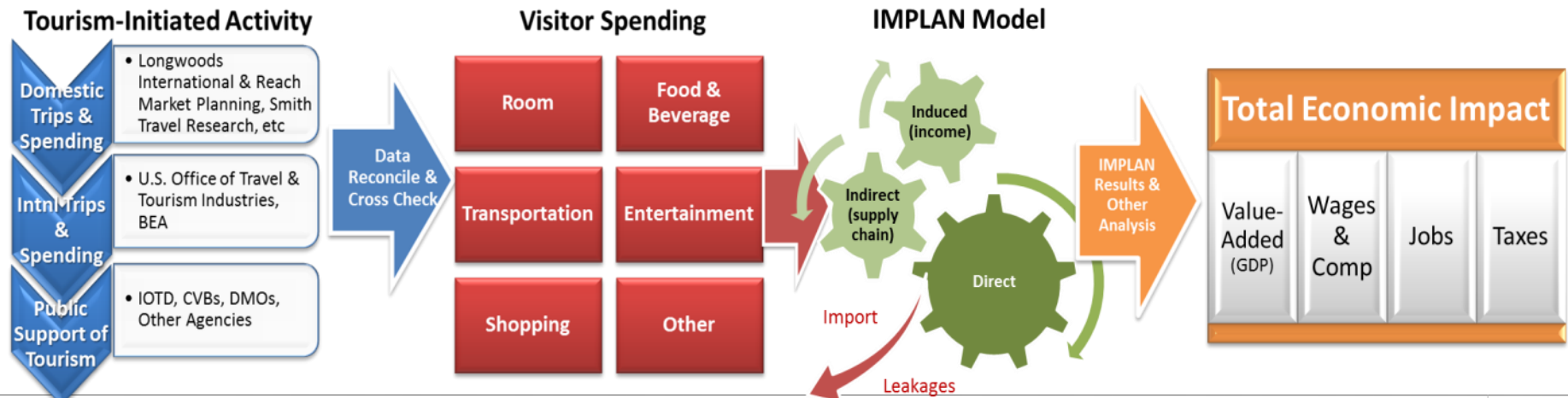
The economic impacts reported in this study are based on Indiana visitor spending as reported by Longwoods International (www.longwoods-intl.com), Reach Market Planning (www.reachmp.com) and the National Travel & Tourism Office of the Bureau of Commerce (<http://tinet.ita.doc.gov>). This traveler data is then reconciled with Bureau of Labor Statistics (BLS) reported employment data, reported tax receipts from the Indiana Department of Revenue, and other secondary sources such as Smith Travel Research, Dun & Bradstreet, and McGraw-Hill Construction. >>

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 Indiana (www.implan.com), a non-proprietary economic model that has become the 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 measures how much of each tourism dollar remains in the state 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”² to suppliers located outside of the state. Generally, the more diversified a state economy, the lower are import leakages and the higher the retention and multiplier of visitor spending.

² Leakages refer to goods and services that must be imported into the state due to insufficient in-state capacity.



2018 Economic Impact of Tourism in Indiana

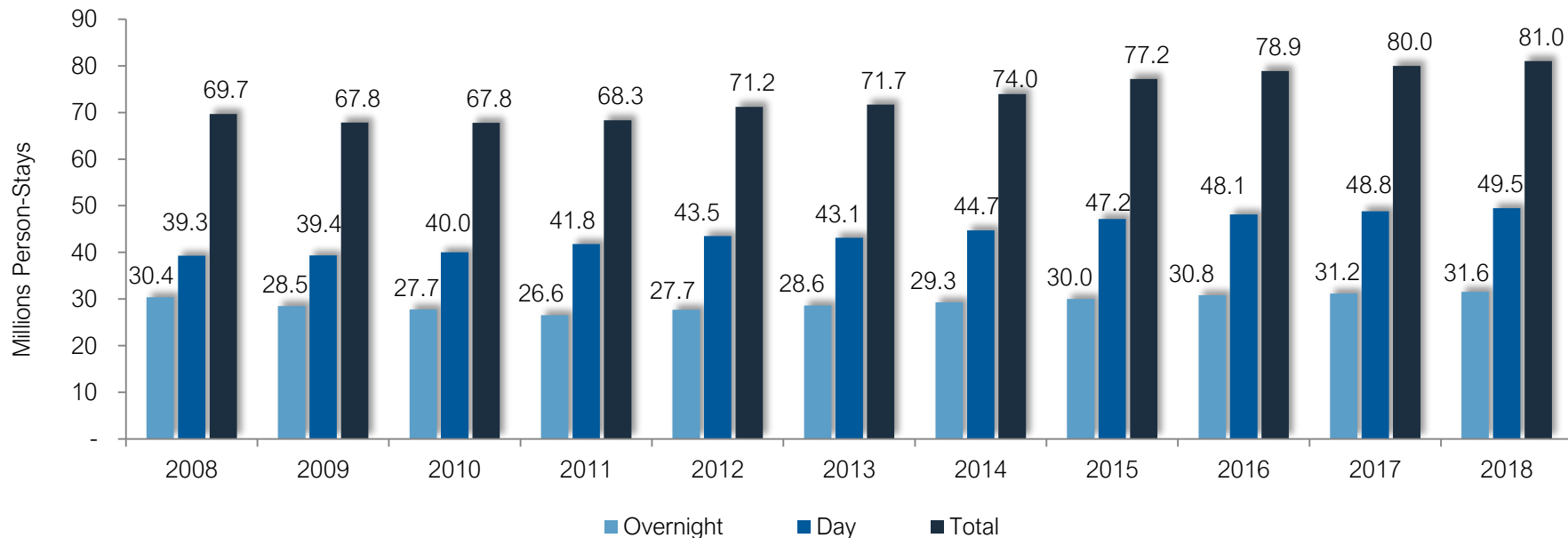
Indiana Tourism Performance



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Indiana Hosts 81 Million Visitors in 2018

Indiana Visitor Volume: 2008 - 2018



Note: All international visitation was summed in the Overnight category

Source: Longwoods International, Reach Market Planning, OTTI, Rockport Analytics

- ✓ Indiana welcomed almost 81 million visitors to the state in 2018- a new volume record. Visitation advanced by more than 1 million, a 1.3% gain vs. the previous year. This visitor volume is comprised of 49.5 million day trips and 31.6 million overnight trips. International trips added another 457 thousand mostly overnights stays. International visitor volume grew by 4.4% vs 2017.
- ✓ Daytrips remain a critical component of Indiana visitors. In 2018, Hoosier daytrips comprised 61% of total and they grew by 1.4% vs. 2017. Daytrips are measured as anyone who has traveled more than 50 miles one way to visit an Indiana destination but has not stayed overnight and they include both out-of-state and in-state visitors.
- ✓ Business trips led the growth in visitor volume advancing nearly 11% vs. 2017. Business visitation eclipsed the 12 million mark and now comprises 15% of all Hoosier visitors.

Indiana Visitation -Key Travel Segments

Business = 15% of Visitors



Business travel saw a second consecutive year of strong growth, gaining nearly 11%. Business trips breached the 12 million mark and increased their market share of total visitation to 15% from 14% in 2017. Business trips include both convention/meetings travel and transient trips.

Leisure = 85% of Visitors



Leisure travel in Indiana reached 68.3 million in 2018, a slight decline of -0.2% from 2017. The leisure segment makes up 85% of all Indiana trips.

Domestic = 99% of Visitors



Indiana's 80.5 million domestic visitors spent an average of \$150 per visit, down 1.3% versus 2017. Add in international visitors and spending per trip rose by 2.9% to \$163. The total domestic visitor volume include both day and overnight trips.

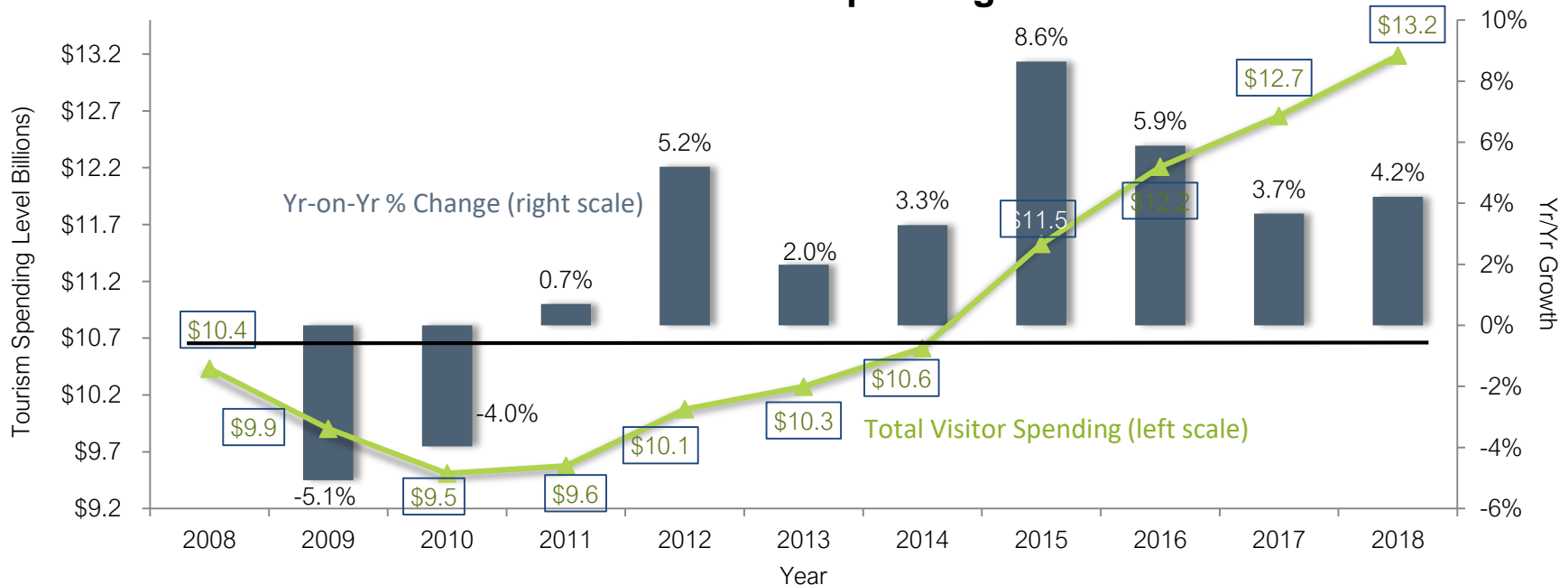
International= 1% of Visitors



The Hoosier state hosted an estimated 457,307 international trips in 2018. International visitation to Indiana has increased steadily over the years, growing by roughly 23.6% since 2011.

Indiana Tourism Expands by 4.2% to \$13.2 Billion in 2018 Reaching Another Record

Indiana Tourism Spending



Source: Longwoods International, Reach Market Planning, BEA, STR, Rockport Analytics

- ✓ In 2018, visitor spending reached an all time high of more than \$13 billion, increasing by more than 4.2% and growing faster than the 2017 growth rate of 3.7%. Growth in visitor spending was stronger than growth in overall visitation.
- ✓ In 2018, Indiana saw its 8th consecutive year of positive tourism spending growth. Visitor spending has increased by nearly 26% since 2008.
- ✓ Spend-Per-Visitor (domestic and international) rose to \$163 in 2018, up 2.9% from the per-visitor-spend of \$158 in 2017.
- ✓ At 4.2%, Indiana tourism spending growth outperformed spending growth in Michigan (+3.9%), Kentucky (+3.7%), and Missouri (-0.6%) in 2018. The state's performance was roughly on par with Ohio (+4.5%) and came in slightly below Wisconsin (+4.9%) Illinois (+5.1%) and Tennessee (+6.0%).

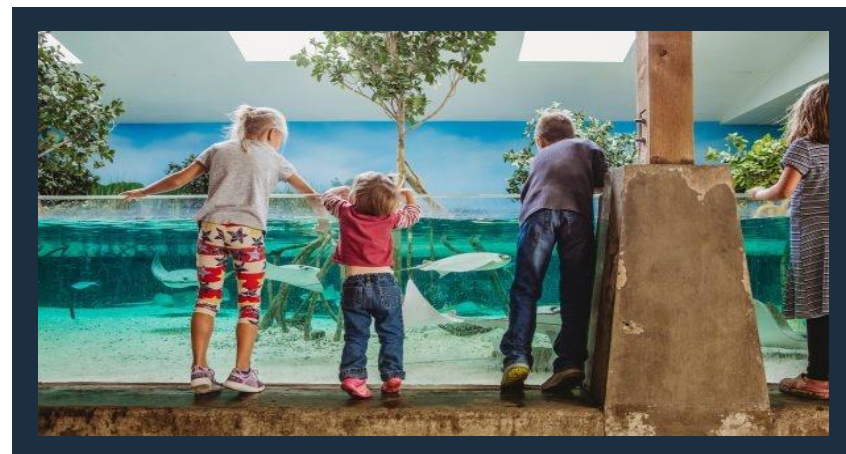
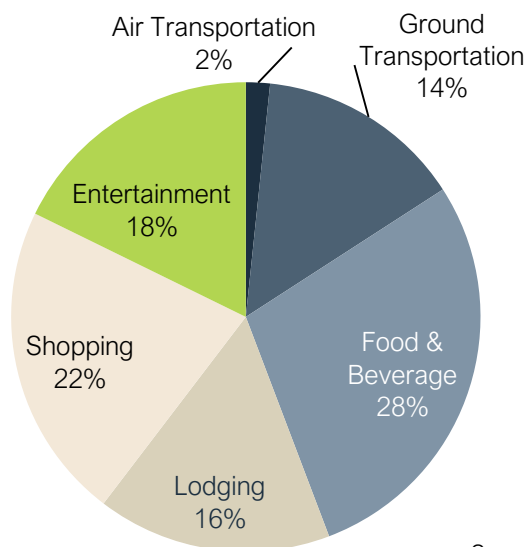
F&B & Transportation Lead Categorical Spending Growth

Transportation and Restaurant Spending Led Categorical Gains in 2018

During 2018, rising consumer confidence and growing wages helped to boost spending on food and beverage (F&B), shopping & retail, and entertainment & recreation. In fact, all visitor spending categories outperformed the growth in 2017 except for lodging which only grew by 3.1% compared to 5.3%. F&B spending grew by 5.7% to \$3.7 billion and entertainment & recreation spending grew 4.7% to \$2.3 billion. The air transportation category also made significant gains expanding 5.5% vs 2.6% in 2017.

2018 Tourism Spending by Category

\$13.2 billion



Expenditure Category	2017	2018	Growth
	<i>In Millions USD</i>		<i>%</i>
Air Transportation	\$207	\$218	5.5%
Ground Transportation	\$1,814	\$1,874	3.3%
Food & Beverage	\$3,538	\$3,740	5.7%
Hotel	\$2,065	\$2,129	3.1%
Shopping	\$2,797	\$2,886	3.2%
Entertainment	\$2,235	\$2,340	4.7%
Total	\$12,655	\$13,188	4.2%

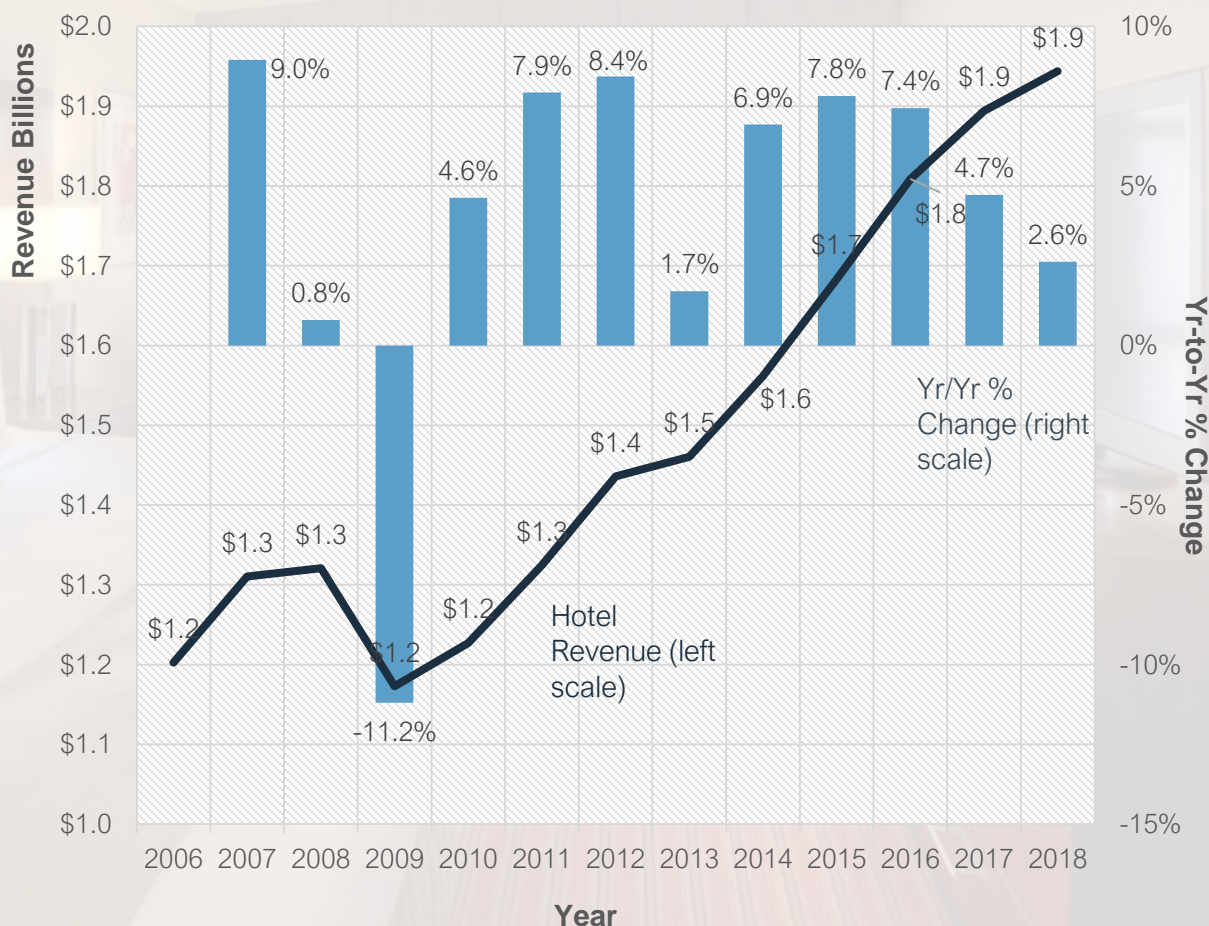
Source: Longwoods International, NTTO, Reach Market Planning, Smith Travel Research, Rockport Analytics

Hotel Revenue Growth Cools Along with Room Demand

Hotel revenue grew 2.6% in 2018 on 0.9% growth in demand and a 1.7% growth in average rates. Supply growth across the state remained strong @ 2.6%, which led to declines of -1.6% in occupancy rates (average of 60.8% state-wide).

Hotel Metric	2018	18/17 Growth
Demand	19.2 M	0.9%
Supply	31.5 M	2.6%
Occupancy	60.8%	-1.6%
ADR	\$100.2	1.7%
RevPAR	\$61.7	0.0%
Revenue	\$1.9 B	2.6%

Hotel Revenue Crosses \$1.9 billion Threshold in 2018



Source: STR

2018 Economic Impact of Tourism in Indiana

Tourism's Contribution to the Indiana Economy



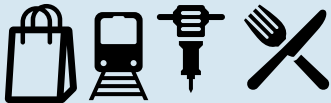
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Tourism's Economic Progression in Indiana

Indiana Visitor Expenditures



2018 @
\$13.2 billion



Tourism Contribution to Indiana Economy



Retained in
Indiana Economy
\$9.3 billion

Minus Import
Leakages
-\$3.9 billion

Value to Indiana Businesses

Direct Tourism
Industry GDP
\$5.5 billion

Indirect & Induced
Tourism Industry GDP
\$3.8 billion

Total Tourism-
Supported Jobs*
203,900

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

Indiana retains about 71¢ of every tourism dollar spent in the state

Leakages refer to goods & services that are imported into Indiana from outside due to insufficient local supply

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

2018 Economic Impact Summary

2018 Metric	Direct	Indirect	Induced	Total	% Vs. 2017	Difference from 2017
Total Visitor Volume				81.0M	1.3%	1.1M
Total Tourism Spending				\$13.2B	4.2%	\$529M
Economic Impact (GDP)	\$5.5B	\$1.7B	\$2.0B	\$9.3B	3.6%	\$323M
Wages	\$3.6B	\$1.1B	\$1.1B	\$5.8B	3.6%	\$201M
Jobs	152,580	24,070	27,240	203,890	2.0%	4,060
Tax Receipts				\$2.6B	3.9%	+\$96
Federal				\$1.2B	3.6%	+\$40
State				\$891M	4.2%	+\$36
Local				\$554M	3.8%	+\$20

Highlights:

- Indiana visitor volume surpassed the 81 million mark in 2018, growing by 1.3% and adding nearly 1.1 million visitors. This sets another record and represents the 8th consecutive year of visitor growth for the state.
- Meanwhile, tourism spending crossed the \$13 billion threshold, a 4.2% gain over 2017. Categorical spending growth was led by Food & Beverage (5.7%) and entertainment & recreation (4.7%).
- Tourism contributed \$9.3 billion to Indiana's economy in 2018, an increase of 3.6% over the previous year. Visitor commerce supported nearly 203,900 Hoosier jobs, a gain of more than 4,000 (+2.0%) vs. 2017. Based on employment, Tourism now ranks as Indiana's 12th largest non-farm employer.
- Tourism contributed more than \$1.4 billion in state & local tax receipts in 2018, a 4.1% gain vs. 2017.

\$9.3 Billion: Tourism's Record-Breaking Contribution to IN Gross State Product

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

Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in millions of dollars</i>			
72 Accommodation & food services	\$2,699.0	\$67.4	\$98.7	\$2,865.2
71 Arts- entertainment & recreation	\$1,225.9	\$45.1	\$33.5	\$1,304.4
48-49 Transportation & Warehousing	\$845.8	\$78.6	\$41.2	\$965.6
44-45 Retail trade	\$659.0	\$22.9	\$264.6	\$946.5
53 Real estate & rental	\$92.2	\$240.6	\$440.5	\$773.3
54 Professional- scientific & tech svcs	\$13.4	\$242.5	\$77.5	\$333.4
92 Government & non NAICS	\$12.5	\$84.3	\$25.2	\$122.0
11 Ag, Forestry, Fish & Hunting	\$0.0	\$9.6	\$6.4	\$16.0
21 Mining	\$0.0	\$4.2	\$1.7	\$5.9
22 Utilities	\$0.0	\$121.8	\$49.3	\$171.1
23 Construction	\$0.0	\$67.8	\$22.1	\$90.0
31-33 Manufacturing	\$0.0	\$109.4	\$55.6	\$164.9
42 Wholesale Trade	\$0.0	\$64.3	\$107.4	\$171.7
51 Information	\$0.0	\$100.4	\$53.9	\$154.3
52 Finance & insurance	\$0.0	\$146.5	\$174.3	\$320.7
55 Management of companies	\$0.0	\$58.5	\$8.9	\$67.4
56 Administrative & waste services	\$0.0	\$195.1	\$55.6	\$250.7
61 Educational svcs	\$0.0	\$4.5	\$35.6	\$40.0
62 Health & social services	\$0.0	\$0.3	\$382.1	\$382.4
81 Other services	\$0.0	\$78.4	\$88.0	\$166.4
Total 2018	\$5,547.9	\$1,742.1	\$2,022.0	\$9,312.0
Total 2017	\$5,354.9	\$1,682.6	\$1,951.4	\$8,989.0
% Change	3.6%	3.5%	3.6%	3.6%

- ✓ In 2018, visitor spending resulted in more than \$9.3 billion in value added for Indiana businesses, growing by 3.6% vs. 2017.
- ✓ Most of the \$5.5 billion in direct visitor economic impact was generated in the following industries: accommodation & food services (49%), arts, entertainment & recreation (22%), transportation & warehousing (15%), and retail trade (12%).
- ✓ The tourism supply chain and other downstream businesses benefited from an additional \$3.6 billion. These impacts flowed to a variety of sectors not usually associated with tourism such as professional, scientific & tech services, administrative & waste services, finance & insurance.

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

Tourism Supports Jobs in Various Industries Across Indiana

Indiana Tourism: 2018 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
72 Accommodation & food services	80,263	2,337	3,434	86,034
71 Arts- entertainment & recreation	30,681	1,706	750	33,138
48-49 Transportation & Warehousing	25,947	1,213	596	27,756
44-45 Retail trade	14,642	498	5,677	20,817
53 Real estate & rental	671	2,331	1,428	4,431
92 Government & non NAICS	203	958	311	1,472
54 Professional- scientific & tech svcs	177	2,924	951	4,052
11 Ag, Forestry, Fish & Hunting	0	170	95	266
21 Mining	0	44	17	61
22 Utilities	0	245	109	353
23 Construction	0	1,035	273	1,309
31-33 Manufacturing	0	966	371	1,336
42 Wholesale Trade	0	506	845	1,350
51 Information	0	984	355	1,339
52 Finance & insurance	0	1,193	1,478	2,672
55 Management of companies	0	494	75	569
56 Administrative & waste services	0	4,769	1,341	6,111
61 Educational svcs	0	124	1,012	1,136
62 Health & social services	0	3	5,916	5,919
81 Other services	0	1,567	2,206	3,773
Total 2018	152,584	24,068	27,242	203,894
Total 2017	149,441	23,654	26,738	199,832
% Change	2.1%	1.8%	1.9%	2.0%

- ✓ Just shy of 152,600 Indiana jobs were directly supported by tourism in 2018, an increase of 2% compared to 2017. An additional 24K jobs were supported by the state's tourism supply chain.
- ✓ In 2018, tourism slipped one spot to become Indiana's 12th largest employer. The 2% growth in tourism employment outperformed the state's total job growth of 1.5%.
- ✓ Tourism-supported employment was the 7th fastest growing industry in 2018. Of the top 5 fastest growing industries, two were directly supported by tourism spending; arts, entertainment & recreation and transportation & warehousing
- ✓ In 2018, Direct, Indirect, and Induced Tourism was responsible for 6% of all Indiana's private non-farm jobs. One in every 23 Indiana private workers owes his/her job to tourism activity.

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

Tourism slips one spot to No.12 in Employment Rankings

2018 Tourism in Indiana: Ranking of Major Industries By Total Employment

Rank	Industry	2018 Tourism-Initiated Jobs	2018 Reported*	2018 Tourism-Extracted**	% of Total Employment	18-v-17 Growth Rate
1	Manufacturing	0	558,603	558,603	14.3%	1.5%
2	Health & social services	0	450,661	450,661	11.5%	1.5%
3	Government & non NAICs	203	447,223	447,020	11.5%	0.4%
4	Retail trade	14,642	392,564	377,922	9.7%	-0.5%
5	Administrative & waste services	0	240,637	240,637	6.2%	1.3%
6	Other services	0	226,133	226,133	5.8%	1.2%
7	Construction	0	210,513	210,513	5.4%	2.4%
8	Accommodation & food services	80,263	284,095	203,832	5.2%	0.9%
9	Professional- scientific & tech services	177	184,446	184,269	4.7%	3.1%
10	Transportation & Warehousing	25,947	200,575	174,628	4.5%	6.2%
11	Finance & insurance	0	153,708	153,708	3.9%	1.3%
12	Tourism Industry			152,584	3.9%	2.0%
13	Real estate & rental	671	149,086	148,415	3.8%	3.4%
14	Wholesale Trade	0	126,838	126,838	3.2%	-1.0%
15	Educational services	0	88,477	88,477	2.3%	1.1%
16	Arts- entertainment & recreation	30,681	76,538	45,857	1.2%	2.8%
17	Information	0	38,704	38,704	1.0%	-3.9%
18	Management of companies	0	38,102	38,102	1.0%	0.8%
19	Utilities	0	14,373	14,373	0.4%	1.1%
20	Mining	0	11,372	11,372	0.3%	0.4%
21	Ag, Forestry, Fish & Hunting	0	10,841	10,841	0.3%	5.8%
Total Indiana Employment		152,584	3,903,489	3,903,489	100%	1.4%

Source: Rockport Analytics, BEA, IMPLAN

* **2018 Reported:** As released by the **Bureau of Economic Analysis** and the Indiana Department of Labor. Includes both Full & Part-Time Jobs.

** **2018 Tourism Extracted:** Tourism's contribution to jobs in each industry is removed and placed in "Indiana's **Tourism Industry**"

Wages Supported by Tourism Circulate Throughout the Indiana Economy

Indiana Tourism: 2018 Employee Compensation

Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in millions of dollars</i>			
72 Accommodation & food services	\$1,757.0	\$46.4	\$68.1	\$1,871.5
71 Arts- entertainment & recreation	\$699.1	\$42.6	\$19.3	\$761.0
48-49 Transportation & Warehousing	\$670.7	\$56.7	\$29.6	\$757.1
44-45 Retail trade	\$382.8	\$14.8	\$169.9	\$567.5
53 Real estate & rental	\$46.6	\$37.3	\$23.9	\$107.7
54 Professional- scientific & tech svcs	\$8.0	\$180.2	\$57.3	\$245.4
92 Government & non NAICs	\$7.6	\$76.4	\$20.4	\$104.4
11 Ag, Forestry, Fish & Hunting	\$0.0	\$4.2	\$3.1	\$7.3
21 Mining	\$0.0	\$1.7	\$0.7	\$2.4
22 Utilities	\$0.0	\$31.4	\$13.3	\$44.7
23 Construction	\$0.0	\$62.8	\$16.1	\$78.9
31-33 Manufacturing	\$0.0	\$60.8	\$26.8	\$87.6
42 Wholesale Trade	\$0.0	\$37.1	\$62.0	\$99.1
51 Information	\$0.0	\$56.8	\$20.6	\$77.4
52 Finance & insurance	\$0.0	\$68.7	\$79.0	\$147.7
55 Management of companies	\$0.0	\$50.7	\$7.7	\$58.5
56 Administrative & waste services	\$0.0	\$158.0	\$44.7	\$202.7
61 Educational svcs	\$0.0	\$3.3	\$31.8	\$35.2
62 Health & social services	\$0.0	\$0.2	\$344.6	\$344.8
81 Other services	\$0.0	\$72.4	\$81.6	\$154.0
Total 2018	\$3,571.8	\$1,062.8	\$1,120.5	\$5,755.1
Total 2017	\$3,445.7	\$1,027.1	\$1,081.4	\$5,554.2
Y/Y Growth	3.7%	3.5%	3.6%	3.6%

- ✓ Wages paid to employees directly supported by tourism activity reached \$3.6 billion in 2018. An additional \$2.2 billion in wages were paid to employees of Indiana's tourism supply chain (Indirect) and downstream beneficiaries (Induced).
- ✓ In 2018, the average wage of a job (part + full time) directly supported by tourism spending was \$23,408. When including indirect and induced wages, the average was \$28,226.
- ✓ Categories such as Accommodations & Food, Entertainment, and Transportation dominated the direct wage payments during 2018. Meanwhile, tourism supply chain beneficiaries included Professional & Business Services, Administrative Services, and Other/Personal Services.

Source: Rockport Analytics, IMPLAN

Indiana Tourism-Initiated Tax Revenue

2018 vs. 2017 Tourism Tax Revenue Collections

	2017	2018	% Change
Federal:	<i>in thousands of dollars</i>		
Corporate Income	\$153,462	\$158,912	3.6%
Personal Income	\$314,799	\$326,174	3.6%
Excise & Fees	\$94,396	\$97,768	3.6%
Social Security & Other Taxes	\$553,265	\$573,402	3.6%
Federal Total	\$1,115,922	\$1,156,256	3.6%
State:			
Corporate Income	\$21,694	\$22,464	3.6%
Personal Income	\$105,419	\$109,228	3.6%
Social Insurance Taxes	\$5,623	\$5,828	3.7%
Other Business Taxes	\$35,467	\$36,737	3.6%
Excise & Fees	\$46,299	\$47,941	3.5%
Rental Car Excise	\$5,566	\$5,778	3.8%
Sales Taxes	\$652,867	\$662,863	4.4%
Indiana Total	\$872,935	\$890,839	4.2%
Local:			
Personal Income	\$15,060	\$15,604	3.6%
Hotel Tax	\$101,273	\$104,241	2.9%
Admission Taxes	\$1,420	\$1,541	8.5%
Property Taxes	\$381,510	\$395,138	3.6%
Rental Car	\$2,884	\$3,169	9.9%
Food & Beverage	\$25,580	\$28,149	10.0%
Other Licenses, Fines & Fees	\$5,501	\$5,698	3.6%
Local Total	\$537,261	\$553,540	3.8%
Total Indiana Tourism-Initiated Taxes	\$2,526,118	\$2,600,636	3.9%

Indiana Tourism-Initiated State & Local Taxes Expand by 4.1% to Reach \$2.6 Billion in 2018

- ✓ Total Tourism-initiated taxes reached \$2.6 billion in 2018, a gain of 3.9% from a revised 2017. Sales (+4.4%), food & beverage excises (+10%), admissions (+8.5%), and rental car taxes (State @ +3.8%, Local @ +9.9%) led overall gains.
- ✓ Visitors contributed nearly \$663 million in state sales tax receipts, up 4.4% versus 2017. In 2018, visitors made up about 9% of all sales tax revenue collected across the state.
- ✓ Visitor-paid Food & Beverage excise tax receipts rose by 10% in 2018 due to strong increases in F&B purchases (+5.7%) and the addition of Vigo and Monroe counties to the list of areas charging the tax.
- ✓ If tourism did not exist in Indiana, taxing authorities around the state would need to generate an average of \$566 in additional state & local taxes from each of Indiana's 2.6 million households to maintain current levels of receipts.
- ✓ Total Indiana state and local tax receipts from all levies and payees reached \$26.4 billion in 2018. At \$1.4 billion, Tourism contributed about 6% of that total. By contrast, the industry in total comprises 2% of state GDP and 4% of its jobs.

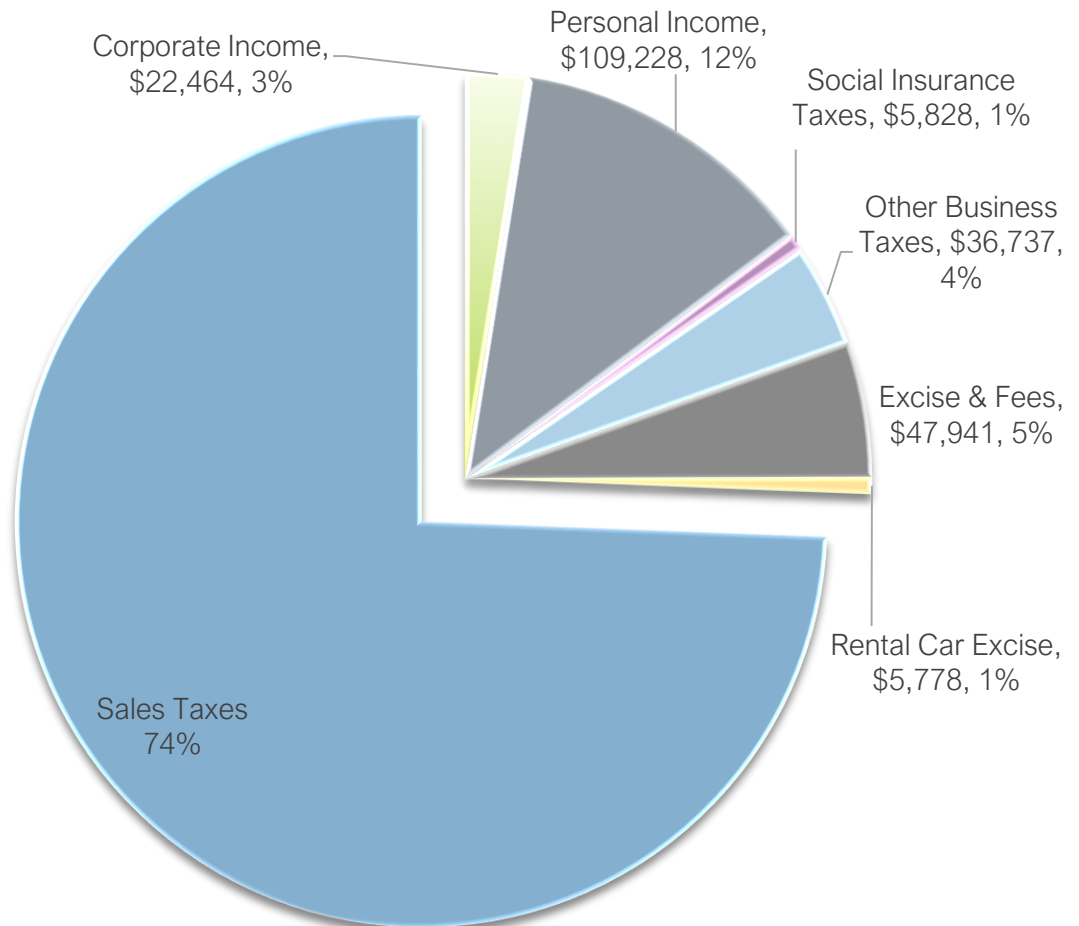
Visitors Pay Nearly 9% of All Sales Tax Receipts in the State

Nearly every dollar of visitor spending is subject to the 7% Indiana sales tax. Tourism-initiated sales tax collections totaled \$663 million in 2018, up more than 4% vs. 2017. Sales taxes comprise three quarters of all tourism-initiated state taxes.

State income taxes paid by tourism workers and companies totaled nearly \$138 million in 2018. Income and excise taxes, plus other business taxes and license fees rounded out the remaining 26% of tourism-initiated state taxes.

2018 State Tax Sources

Total = \$891 million



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

Innkeepers taxes grew nearly 3% in 2018 to reach more than \$104 million

Room demand and daily rate both increased in 2018 to push hotel tax collections up. Innkeepers taxes made up nearly 19% of local tourism-initiated taxes.

Food & Beverage excise taxes paid by visitors totaled \$28 million across the state

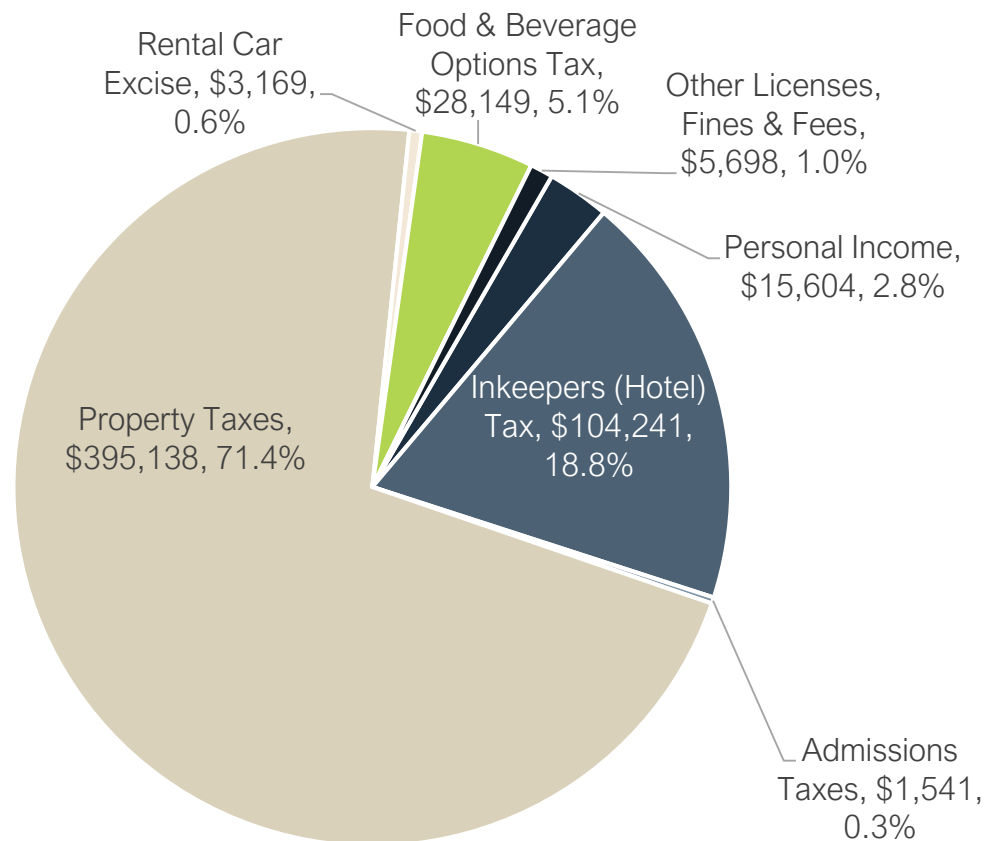
F&B taxes expanded significantly in 2018 given strong growth in F&B expenditures. In addition, Vigo and Monroe also began their collections last year. F&B excises comprise 5% of all local tourism taxes.

Other visitor-supported transaction taxes contributed \$10.4 million.

Admissions tax, rental car taxes, and other licenses fines and fees collectively made up 2% of local tax collections in 2018. Growth in rental car taxes and admissions taxes reached 10% and 9% respectively both surging as a result of increases in transportation spending and recreation spending.

2018 Local Tax Sources

Total = \$554 million



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue, CIB

How Does Tourism Benefit Indiana? Putting Tourism in Perspective

Promoting a Healthy Job Market



- ✓ Direct Tourism was responsible for 5% of all Indiana jobs in 2018, slipping one spot to become Indiana's 12th largest employer. Employment grew at 2%, outperforming the state's 1.4% growth.
- ✓ The average wage of both full and part-time workers supported by tourism was \$28,226 in 2018.
- ✓ 1 in every 17 Indiana private, non-farm workers owes his/her job to tourism activity.

Benefiting Indiana Businesses



- ✓ Visitors generated top-line sales totaling nearly \$9.3 billion benefiting a broad array of Indiana businesses.
- ✓ Indiana businesses that directly served visitors saw value-added of \$5.5 billion in 2018, up 3.6% over 2017.
- ✓ Indiana tourism supply chain businesses received value-added of \$3.8 billion, a 3.6% gain vs. 2017.

Contributing to Public Education & Other Government Services



- ✓ Tourism-supported state & local taxes were enough to educate more than 170,000 Indiana public school students or more than 16% of total enrollment. It takes 474 visitors to pay for 1 student.*
- ✓ It takes 1,170 visitors to generate the state & local taxes to pay for a schoolteacher. Tax collections were enough to support more than 28,530 public school teachers*

Capturing and Retaining Dollars Spent by Visitors



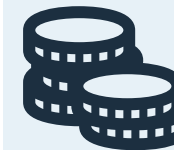
- ✓ For every \$1 spent by visitors, in Indiana, the state economy retained about 71 cents.
- ✓ About 44 cents of each \$1 generated by tourism spending went towards paying Indiana workers a total of \$5.8 billion in wages and salaries.
- ✓ About 11 cents of each visitor dollar went towards the payment of state and local taxes.

Helping to Relieve the Tax Burden of Indiana Households



- ✓ Without tourism Indiana's 2.6 million households would each have to pay \$566 more in state and local taxes to maintain current levels of receipts.**
- ✓ Tourism was responsible for nearly 9% of Indiana's total sales tax collections.
- ✓ Tourism was responsible for 2% of Indiana's Gross State Product, but it contributed 6% of all state & local taxes.

Providing Tax Revenue to Support Local State & Local Government



- ✓ Indiana tourism contributed over \$1.4 billion in tax revenue to state and local coffers in 2018. These taxes could pay for 35% of all police and fire expenses across the state.***
- ✓ Transaction taxes paid by visitors like hotel taxes, food & beverage, admissions, and rental car taxes raised \$115 million in local taxes, making up 21% of tourism-supported local taxes.

*Estimate based on the average cost per student of 8,496, the average salary of a teacher of 50,614, and Fall enrollment in Indiana public schools of 1,052,267. Education figures reported by NEA's 2018 State Rankings.

**Household estimate generated by the US Census

***US Bureau of Labor Statistics, US Bureau of the Census, Ziprecruiter.com



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