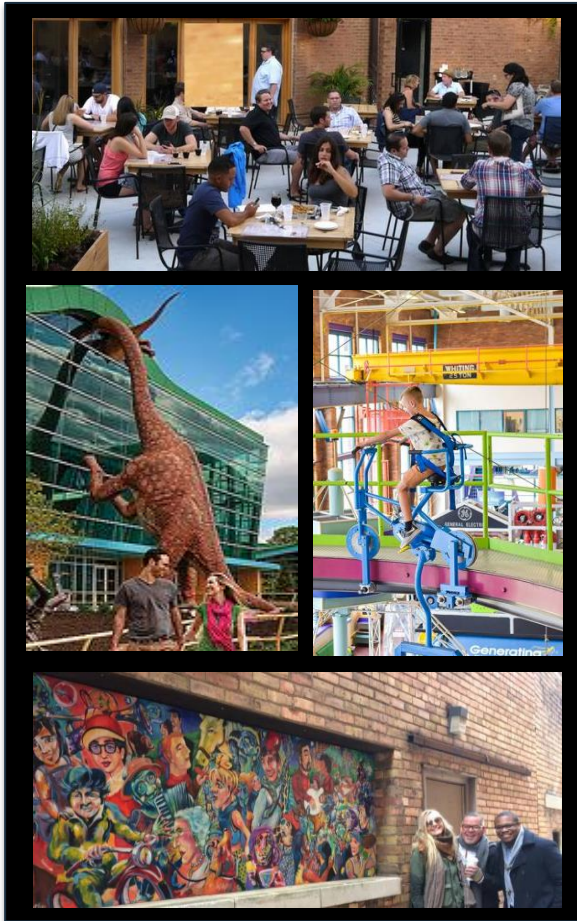


# Hoosier Statewide Tourism Performance Gains Momentum in 2019

The 2019 Contribution of Travel & Tourism to the Indiana Economy



# Table of Contents



Study Overview & Methodology	3
State-Level Tourism Performance	5
Indiana Tourism Performance by County	14
Tourism's Contribution to the Indiana Economy	19
Tourism's Impact in Perspective & Glossary	29

## Study Overview

The economic impact of tourism in the state of Indiana was commissioned by the Indiana Destination Development Corporation. Covering the 2019 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

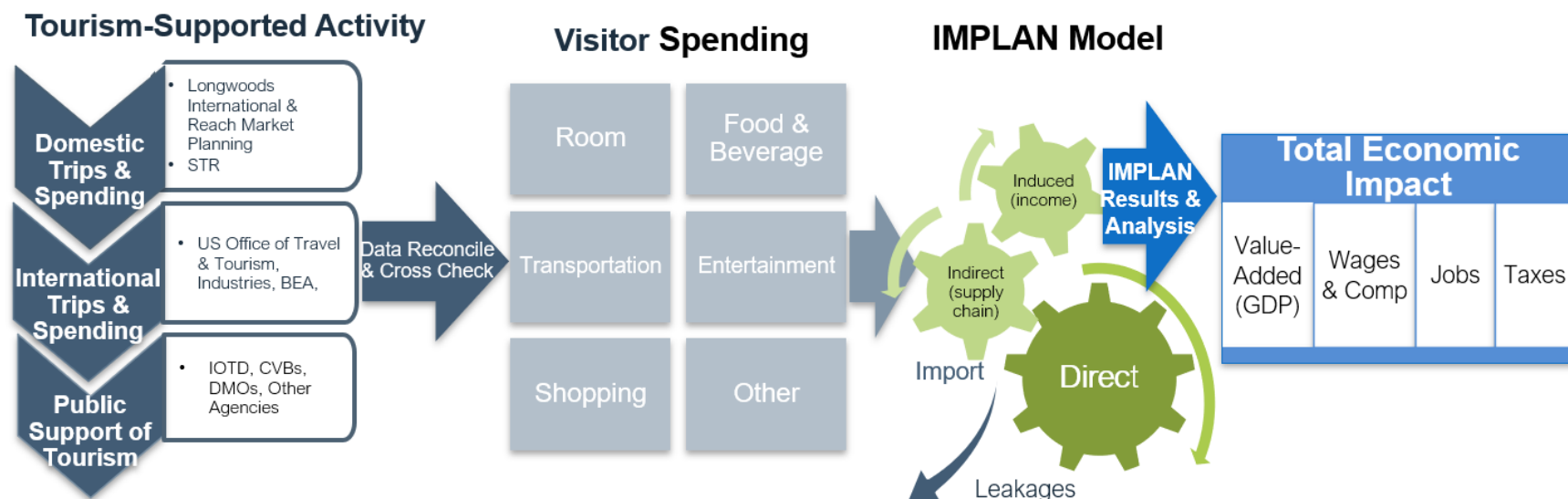
The total economic impact of travelers is separated into three distinct effects: direct, indirect and induced. The direct impacts represent the value added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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](http://www.longwoods-intl.com)), Reach Market Planning ([www.reachmp.com](http://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](http://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”<sup>2</sup> 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.



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

# 2019 Economic Impact of Tourism in Indiana

## State-Level Tourism Performance

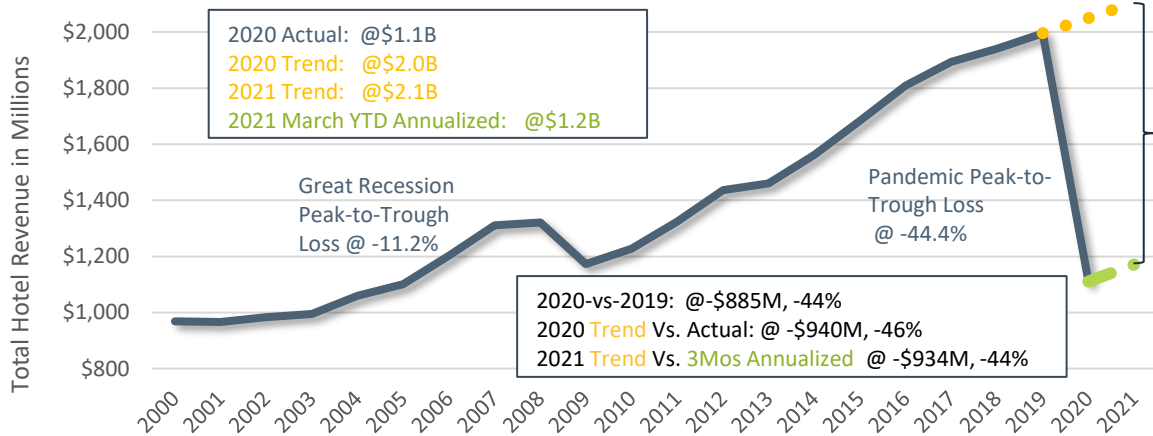


# 2019 Indiana Tourism Highlights

- **Visitors and the Spending They Brought to Indiana Reached New Heights in 2019.** Visitor volume to Indiana increased by 2.1% in 2019 to reach 82.7 million person-trips. 2019 marked the ninth consecutive year of visitor volume growth for the state. Since bottoming in 2010, visitor volume has increased by more than 21%.
- **Visitor Spent More Than \$13.7 billion Across Indiana During 2019.** That is roughly \$166 per Indiana trip. Spending advances were led by higher per trip expenditures on entertainment (+6.0%), shopping (5.7%) and food and beverage (+4.1%).
- **Tourism Continues its Outsized Contribution to the Indiana Economy.** In 2019, visitor spending resulted in more than \$9.6 billion in value added, or GDP, for Indiana's economy, an increase of 3.5% vs 2018. This comprised more than 2% of the State's economy. Indiana businesses that directly served visitors accrued \$5.8 billion of that value added, up 3.8% compared to last year.
- **Tourism Put More Hoosiers to Work in 2019.** Visitors and their spending put more than 208,000 Hoosiers to work last year, roughly 5% of the state's non-farm employment. In fact, 1 in every 17 Indiana workers owes their job to tourism. In 2019, total tourism employment grew by 2.3% and maintained its ranking as Indiana's 12<sup>th</sup> largest industry. The average wage of a tourism-supported job (part time + full-time) was \$28,500.
- **Visitors Support Key State & Local Government Services.** Indiana tourism generated more than \$2.7 billion in tax receipts during 2019, a gain of 3.9% versus 2018. State and local levies totaled over \$1.5 billion, with \$575 million (21%) accruing to local taxing authorities and \$930 million (34%) to the state. About 11 cents of each visitor dollar goes to support state and local services. Transaction taxes such as hotel, admission, rental car, and food & beverage taxes all grew by more than 3.7% to total about \$150 million in 2019. These visitor-driven taxes represent more than a quarter of total local tourism-initiated revenues generated throughout Indiana.

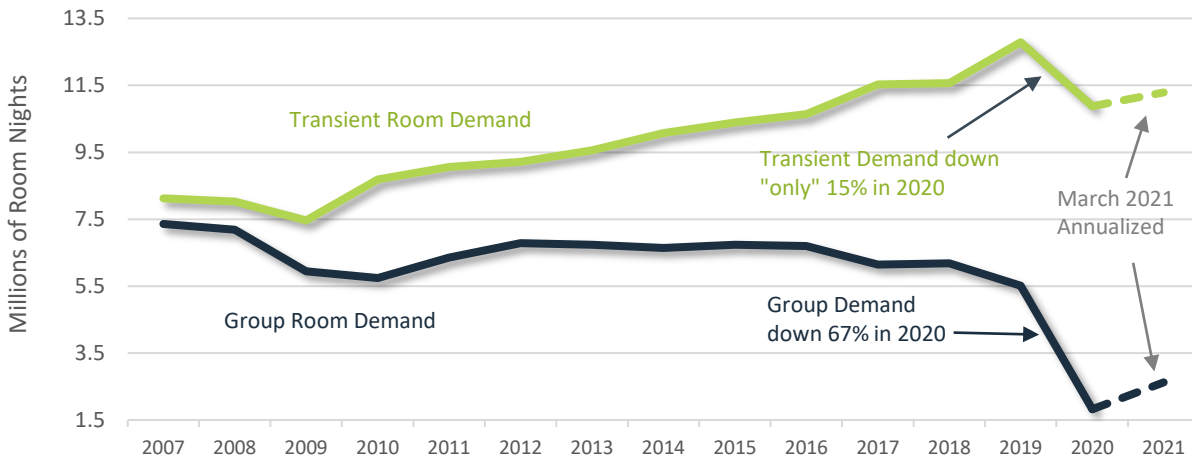
# Early 2020 Tourism Proxies Portend Pandemic Devastation

## Covid Ushers in Unprecedented Decline in Indiana *Hotel Revenue* Annual Growth



Source: Smith Travel, Rockport Analytics

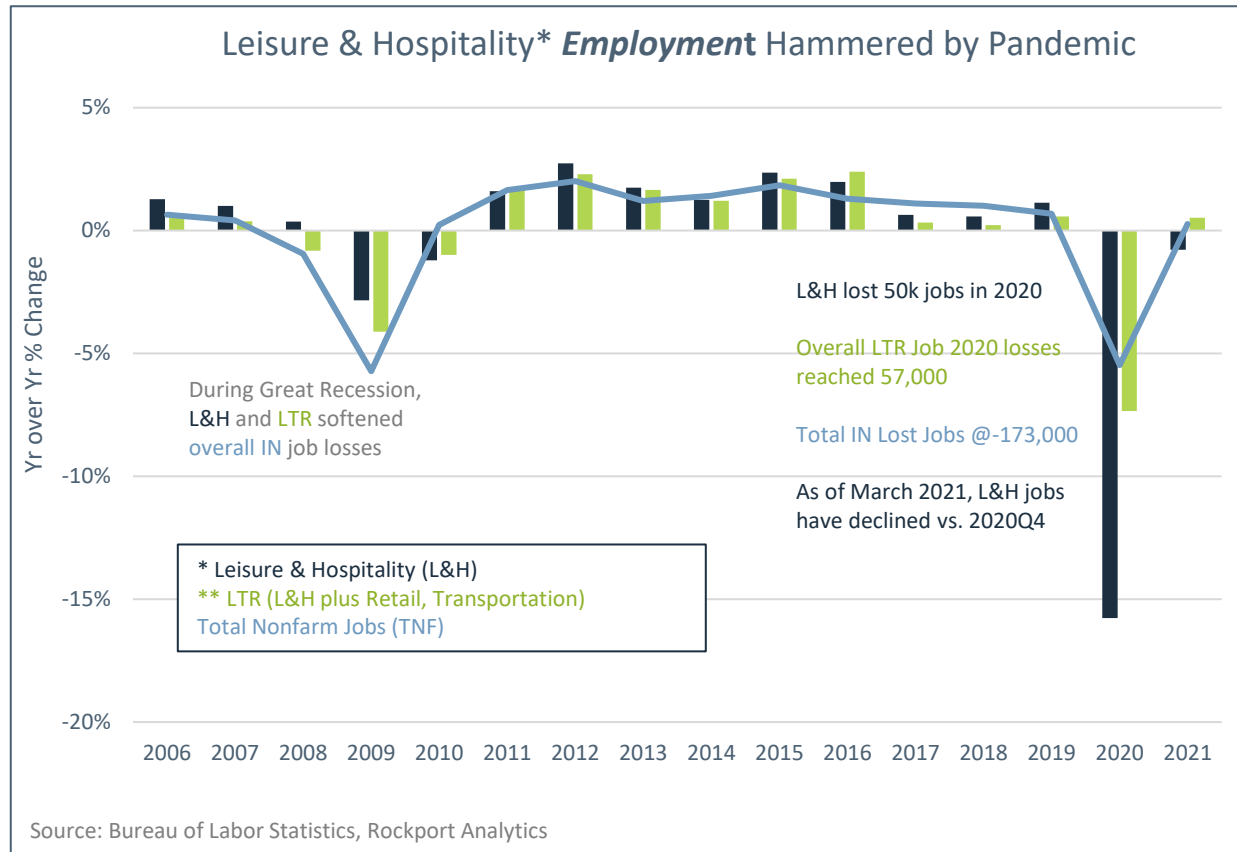
## Group Room Demand Hit Particularly Hard



Source: Smith Travel, Rockport Analytics

- Indiana hotel revenue fell to only \$1.1 billion in 2020, down more than 44% from record 2019 levels.
- Arguably, a truer picture of the loss would be to compare 2020 actual to the pre-pandemic trend. Trend projections suggest IN hotel revenue would have reached about \$2.1 billion last year. This is \$940 million higher (+54%) than actual 2020 levels.
- Hotel revenue is a good proxy for overnight visitor volume/spending. Clearly overnight visitation and spending were hit harder by the pandemic than daytrips. Moreover, Indiana has an abundance of quality outdoor attractions, something travel sentiment surveys have suggested should have performed relatively better.
- Group room demand fell by 3.7 million room nights in 2020 or 67%. Transient fared better but still lost 1.9 million room nights down 15% versus 2019 levels.
- Group was clearly hurt by the near-shutdown of meetings in downtown Indianapolis and other urban areas in the state.

# Early 2020 Tourism Proxies Portend Pandemic Devastation



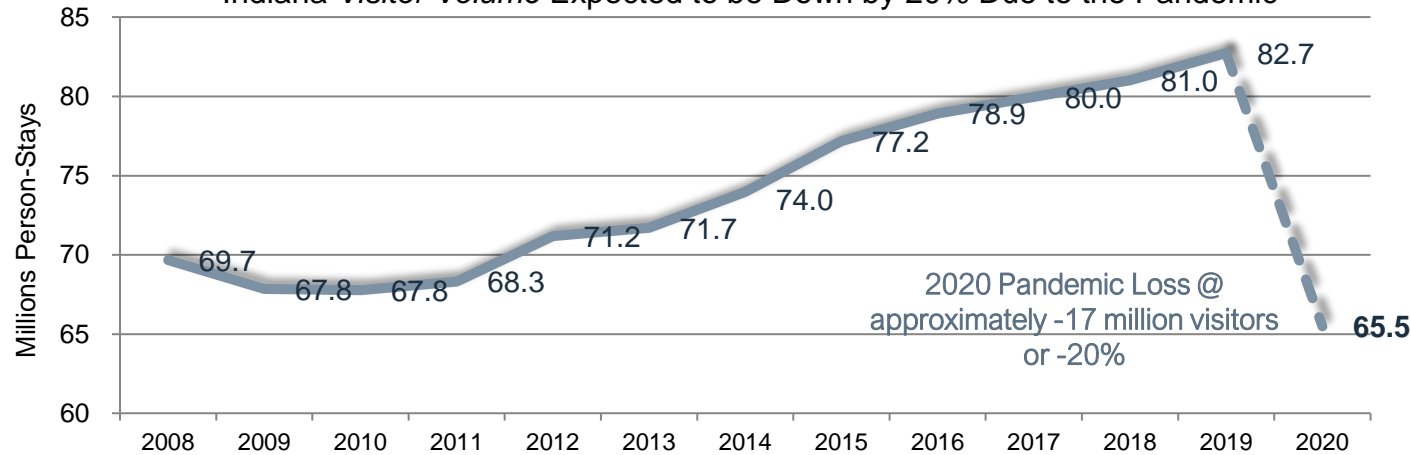
\* Includes Arts & Entertainment, Accommodations & Food

\*\* Includes Leisure & Hospitality plus Retail and Transportation

- Leisure and Travel-Related (LTR)\*\* industry job losses is another early proxy of 2020 IN tourism performance. Last year, the Leisure & Hospitality sector lost about 50,000 jobs or -16%. Add in the losses associated with Retail and Transportation and total LTR employment fell by 57,000 or -7.5% vs. 2019.
- Meanwhile, Total Nonfarm jobs losses reached 173,000 across the state. Tourism-oriented industries were responsible for 1/3 all those job losses.
- Covid19-initiated job losses in Leisure & Hospitality were more than 4 times larger than during the Great Recession.
- The recovery in jobs has been slow. Nearly one year after the trough in L&H jobs (April 2020), Leisure & Hospitality has recovered only about 72% of the pandemic losses (March 2021).

# Pandemic Crushes 2020 Indiana Tourism After a Record 2019

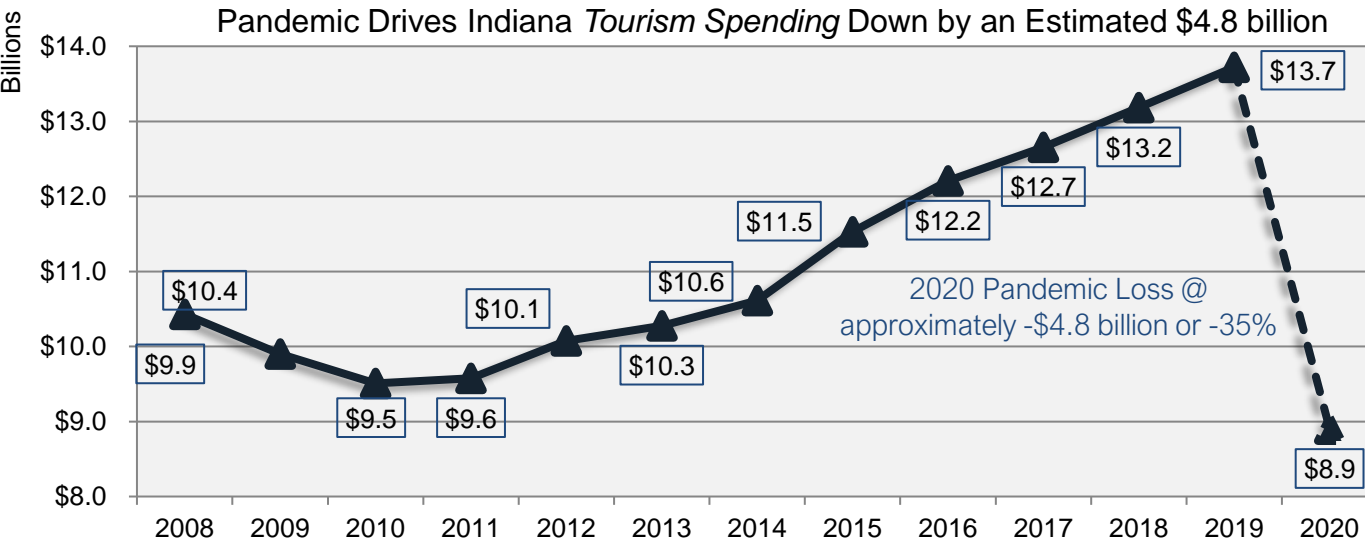
Indiana Visitor Volume Expected to be Down by 20% Due to the Pandemic



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

- Indiana Visitor Volume and Spending data for 2020 will be published in Late May-Early June of 2021.
- To help provide perspective, Rockport built estimates for 2020 based upon proxy data that has already been published.
- Rockport estimates a visitor volume loss of about 17 million in 2020 (to 65.5 million) or about -20% vs. a record 83 million visitors in 2019.
- The pandemic battered visitation and reduced spend-per-trip resulting in an estimated loss of \$4.8 billion, or -35% in Indiana Visitor Spending.

Pandemic Drives Indiana Tourism Spending Down by an Estimated \$4.8 billion



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

# 2019 Indiana Tourism Economic Contribution by the Numbers



82.7M

**Visitors**

Volume Growth +2.1%

Domestic: 99% International: 1%  
Day: 61% Overnight: 39%  
Business: 15% Leisure: 85%



\$13.7B

**Visitor Spending**

Spending Growth +4.1%

Average Spend/Trip: \$166  
Domestic Spend/Trip: \$160  
International Spend/Trip: \$1,121



\$2.7B

**Total Initiated Taxes**

Tax Revenue Growth +3.9%

Federal: \$1.2B  
State: \$930M  
Local: \$575M



208K

**Total Hoosier Jobs  
Supported**

(Full & Part-Time)

Employment Growth +2.3%



\$6.0B

**Total Wages & Salaries  
Paid**

Wage Growth +3.4%



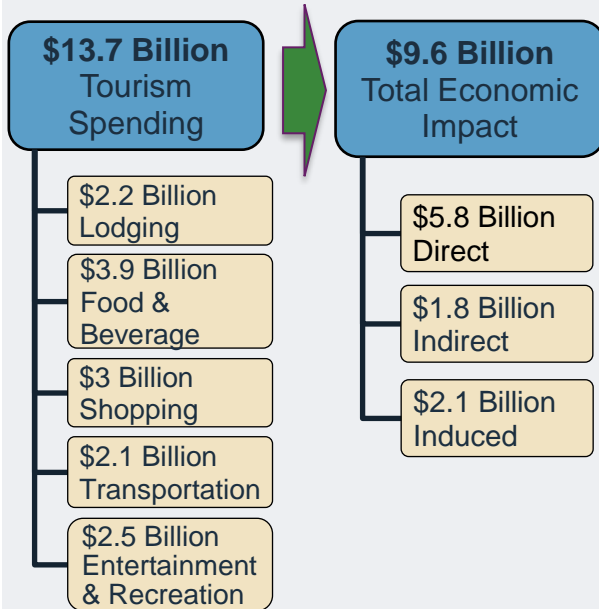
\$9.6B

**Total Economic  
Contribution**

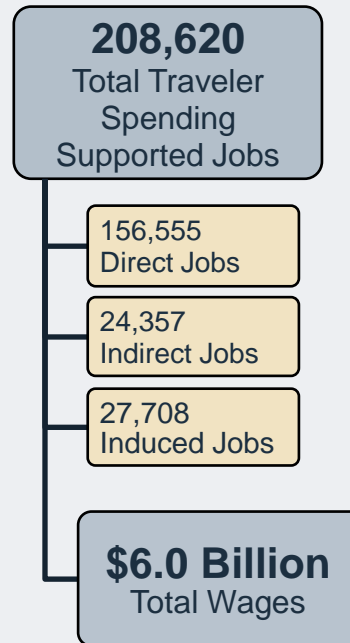
(Value Added)

Impact Growth +3.5%

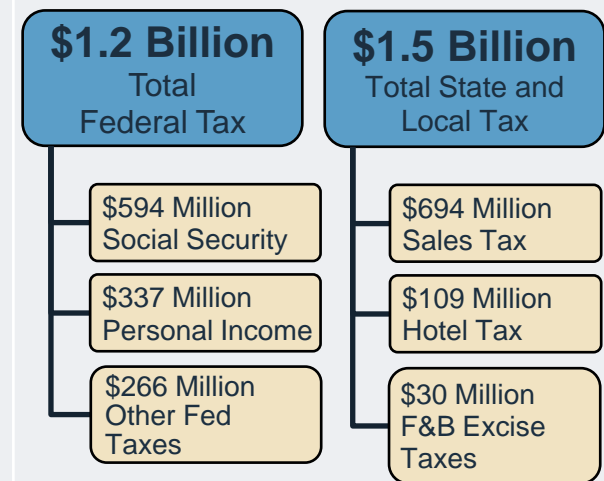
## Tourism's Economic Contribution



## Jobs and Wages

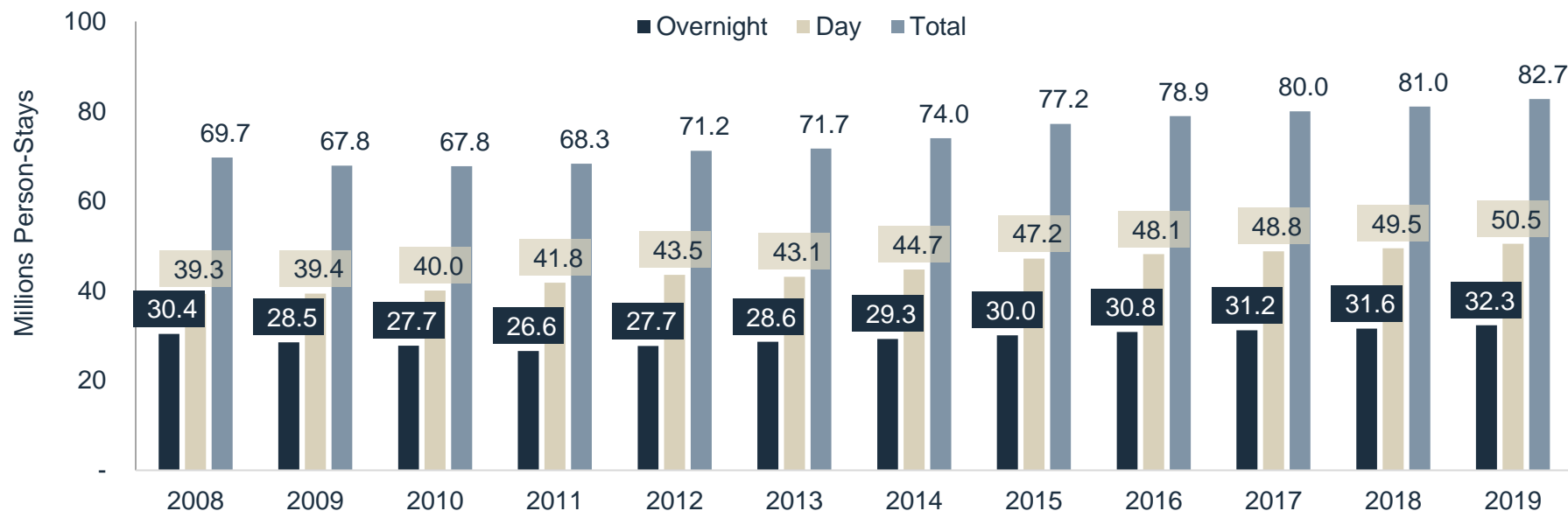


## Tax Revenue Generated



# Indiana Welcomed Nearly 83 Million Visitors in 2019

## Indiana Visitor Volume 2008-2019



Note: All international visitation was classified as overnight

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

- Visitor volume to Indiana increased by 2.1% in 2019 to reach 82.7 million person-stays. Visitor volume performance accelerated in 2019 after two consecutive years of 1.3% growth. This year marks the ninth consecutive year of growth for the state. Since 2010 visitation has increased by more than 21%.
- Both day and overnight volume rose by more than 2% with overnight volume growing by 2.3% and day volume by 2.0%. Day visitor volume has increased for six consecutive years and overnight volume has increased for the past nine years.
- Business travel to Indiana saw only slight gains (+1.3) and was unable to repeat last year's double-digit growth of nearly 11%. Leisure on the other hand, rebounded in 2019 and rose to 2.3%, an increase of 2.5 points compared to last year's -0.2% decline.

# The Overnight and Leisure Segments Led Visitor Growth in 2019

## Business<sup>1</sup>



**15%** Share of Total  
**12M** Person-Stays  
**+1.3%** Y/Y Growth

Business travel to Indiana grew by only 1.3% in 2019, reversing two previous consecutive years of strong growth.

## Leisure<sup>2</sup>



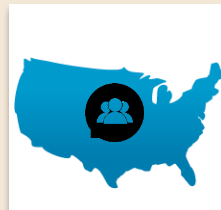
**85%** Share of Total  
**70M** Person-Stays  
**+2.3%** Y/Y Growth

Leisure travel surpassed the 70 million mark in 2019. The leisure travel segment grew faster than the domestic and day trip segments.

<sup>1</sup>Business trips include both convention/ meetings travel & transient trips.

<sup>2</sup>The business/leisure split is self-reported by survey respondents and includes both overnight & day travelers. We expect some group convention visitors to report their trips as leisure, even though they may be attending a convention

## Domestic<sup>3</sup>



**99%** Share of Total  
**82M** Person-Stays  
**+2.1%** Y/Y Growth

Domestic travel makes up the bulk of Indiana's visitor volume. Indiana's 82 million visitors from within the U.S. spent an average of \$160 per trip.

## International<sup>4</sup>



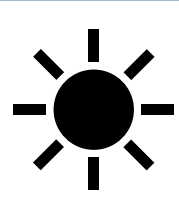
**1%** Share of Total  
**473K** Person-Stays  
**+3.4%** Y/Y Growth

International visitation has increased steadily, growing by 28% since 2011. In 2019, this segment grew faster than domestic travel. International visitors spent an average of \$1,121 per trip.

<sup>3</sup>Domestic volume includes both day and overnight and business and leisure trips.

<sup>4</sup>International visitor volume includes persons from overseas as well as Canada and Mexico.

## Day<sup>5</sup>



**61%** Share of Total  
**51M** Person-Stays  
**+2.0%** Y/Y Growth

Since 2010, the overall share of day trippers has increased or remained flat. This year's day trip growth of 2.3% exceeded last year's 1.4% growth.

## Overnight<sup>6</sup>



**39%** Share of Total  
**32M** Person-Stays  
**+2.3%** Y/Y Growth

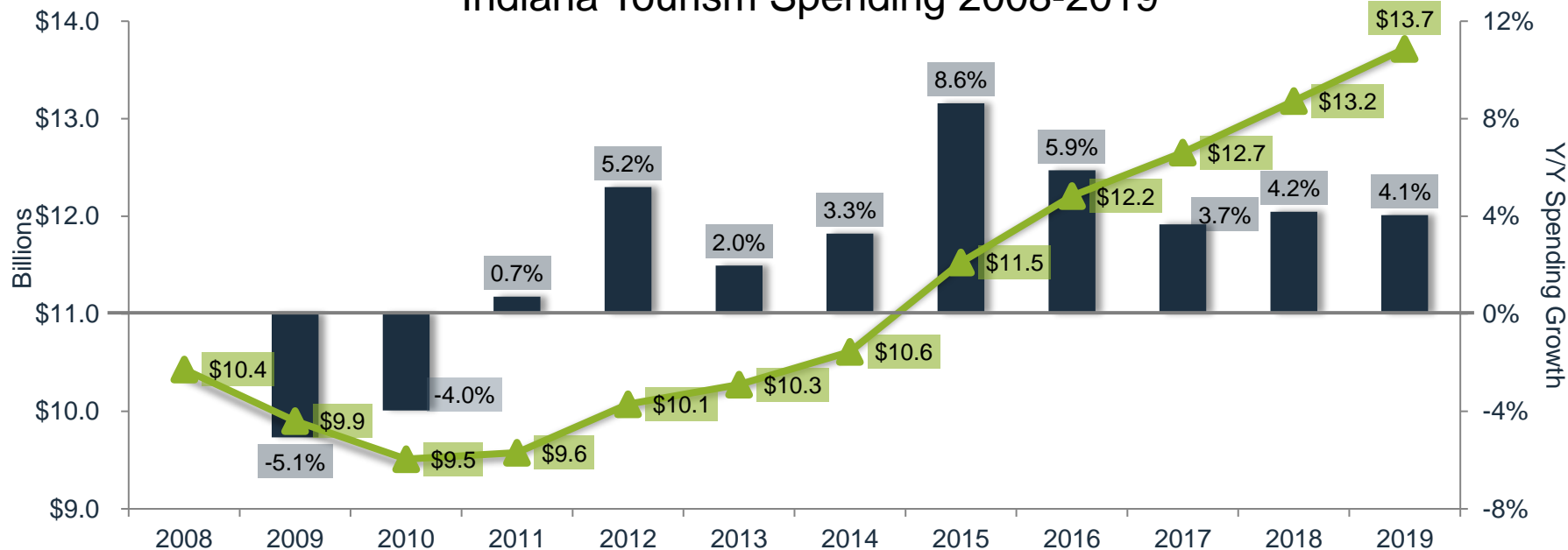
Overnight trip shares resumed the downward trend they have had since 2009. The growth in overnight volume in 2019 was however stronger than the growth in day trips.

<sup>5</sup>Daytrips are measured as anyone who has traveled more than 50 miles one way to visit an Indiana but did not stay overnight, they include both out-of-state and in-state visitors

<sup>6</sup>Includes both domestic and international visitor volume

# More Visitors are Spending More Money: IN Tourism Spending Expands 4.2% to \$13.7 Billion in 2019

## Indiana Tourism Spending 2008-2019



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

- In 2019 visitors to Indiana spent more than \$13.7 billion on travel-related expenses. Total visitor spending in the state has been on an upward trajectory since 2011.
- The average spend per trip in 2019 rose by 1.9% to reach \$166 with domestic spending growing by 1.8% to \$169 and international spending by 2.7% to \$1,121.
- The best performing spending categories in 2019 were entertainment (+6.0%), shopping (5.7%) and food & beverage (F&B) (+4.1%).
- Restrained growth in overnight stays resulted in a modest 2.1% growth in lodging spending and ground transportation spending remained relatively flat as gas prices across the nation remained fairly low.

# Tourism Supported Indiana Workers in Many Sectors Beyond Hotels & Restaurants

## Indiana Tourism: 2019 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Accommodation & food services	83,192	2,348	3,493	89,033
Arts- entertainment & recreation	32,148	1,753	763	34,664
Transportation & Warehousing	25,250	1,232	606	27,088
Retail trade	14,959	505	5,774	21,238
Administrative & waste services	–	4,818	1,364	6,182
Health & social services	–	3	6,017	6,021
Real estate & rental	649	2,374	1,453	4,476
Professional- scientific & tech services	161	2,961	967	4,089
Other services	–	1,578	2,244	3,822
Finance & insurance	–	1,204	1,504	2,708
Government & Non-Naics	197	966	316	1,480
Wholesale Trade	–	513	859	1,372
Information	–	994	361	1,355
Manufacturing	–	977	377	1,354
Construction	–	1,041	278	1,320
Educational services	–	128	1,030	1,158
Management of companies	–	498	76	575
Utilities	–	247	110	357
Ag, Forestry, Fish & Hunting	–	173	97	270
Mining	–	44	18	62
<b>Total 2019</b>	<b>156,555</b>	<b>24,357</b>	<b>27,708</b>	<b>208,620</b>
Total 2018	152,584	24,068	27,242	203,894
<b>% Change</b>	<b>2.6%</b>	<b>1.2%</b>	<b>1.7%</b>	<b>2.3%</b>

Sources: IMPLAN, Rockport Analytics

\* North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

- More than 156,000 Indiana residents were directly employed by statewide businesses that served visitors, up 2.6% vs 2018.
- An additional 52,000 jobs were supported by IN's tourism supply chain and by dollars spent in the economy by employees directly working for tourism-related businesses.
- In 2019, overall tourism employment grew by 2.3%, outperforming the state's 1.2% increase in total employment.
- Tourism employment made up 5% of Indiana's non-farm jobs in 2019 with one in every 17 workers in the state owing his or her job to tourism activity.
- In 2019, tourism remained the state's 12<sup>th</sup> largest employer and was the 8<sup>th</sup> fastest growing sector in the state.

# Tourism Maintains the #12 Spot in the State's Employment Ranking By Sector

## 2019 Tourism in Indiana: Ranking of Major Industries By Total Employment

Rank	Industry	2019 Direct Tourism- Initiated Jobs	2019 Reported*	2019 Tourism- Extracted**	% of Total Employment	19-v-18 Growth Rate
1	Manufacturing	—	555,905	555,905	14.1%	-0.2%
2	Health & social services	—	457,824	457,824	11.6%	1.7%
3	Government	197	448,154	447,957	11.4%	-0.1%
4	Retail trade	14,959	386,683	371,724	9.4%	-0.9%
5	Administrative & waste services	—	240,726	240,726	6.1%	0.2%
6	Other services	—	233,853	233,853	5.9%	1.7%
7	Construction	—	216,465	216,465	5.5%	2.9%
8	Accommodation & food services	83,192	287,293	204,101	5.2%	1.4%
9	Professional- scientific & tech svcs	161	191,251	191,090	4.8%	3.1%
10	Transportation & Warehousing	25,250	196,632	171,382	4.3%	4.8%
11	Finance & insurance	—	162,466	162,466	4.1%	3.2%
<b>12</b>	<b>Core Tourism Industry</b>	<b>156,555</b>		<b>156,555</b>	<b>4.0%</b>	<b>2.6%</b>
13	Real estate & rental	649	153,811	153,162	3.9%	3.5%
14	Wholesale Trade	—	132,570	132,570	3.4%	2.1%
15	Educational services	—	90,473	90,473	2.3%	1.2%
16	Arts- entertainment & recreation	32,148	79,143	46,995	1.2%	3.2%
17	Management of companies	—	39,381	39,381	1.0%	1.4%
18	Information	—	37,462	37,462	0.9%	-1.3%
19	Utilities	—	14,137	14,137	0.4%	-1.7%
20	Ag, Forestry, Fish & Hunting	—	11,404	11,404	0.3%	6.8%
21	Mining	—	9,292	9,292	0.2%	-6.3%
<b>Total Indiana Employment</b>			<b>3,944,925</b>	<b>3,944,925</b>	<b>100%</b>	<b>1.2%</b>

Source: Rockport Analytics, BEA, IMPLAN

\* 2019 Reported: As released by the Bureau of Economic Analysis. Includes both Full & Part-Time Jobs.

\*\* 2019 Tourism Extracted: Tourism's contribution to jobs in each industry is removed and placed in "Indiana's Core Tourism Industry"

# Wages Supported by Tourism Benefit Employees Across All Sectors of the Economy

## Indiana Tourism: 2019 Employee Compensation

Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in millions of dollars</i>			
Accommodation & food services	\$1,818.4	\$47.5	\$70.4	\$1,936.3
Arts- entertainment & recreation	\$740.4	\$44.6	\$19.9	\$804.9
Transportation & Warehousing	\$676.2	\$58.5	\$30.7	\$765.3
Retail trade	\$404.4	\$15.3	\$175.7	\$595.4
Health & social services	\$-	\$0.2	\$356.5	\$356.7
Professional- scientific & tech svcs	\$7.7	\$185.5	\$59.2	\$252.4
Administrative & waste services	\$-	\$162.3	\$46.3	\$208.6
Other services	\$-	\$74.2	\$84.5	\$158.6
Finance & insurance	\$-	\$70.5	\$81.8	\$152.2
Real estate & rental	\$46.6	\$38.6	\$24.7	\$109.8
Government & non NAICs	\$7.5	\$78.4	\$21.1	\$107.0
Wholesale Trade	\$-	\$38.2	\$64.1	\$102.3
Manufacturing	\$-	\$62.5	\$27.7	\$90.2
Construction	\$-	\$64.3	\$16.6	\$80.9
Information	\$-	\$58.4	\$21.3	\$79.7
Management of companies	\$-	\$52.1	\$8.0	\$60.0
Utilities	\$-	\$32.2	\$13.8	\$46.0
Educational svcs	\$-	\$3.5	\$32.9	\$36.4
Ag, Forestry, Fish & Hunting	\$-	\$4.3	\$3.2	\$7.5
Mining	\$-	\$1.8	\$0.7	\$2.5
<b>Total 2019</b>	<b>\$3,701.0</b>	<b>\$1,092.8</b>	<b>\$1,159.1</b>	<b>\$5,952.9</b>
Total 2018	\$3,571.8	\$1,062.8	\$1,120.5	\$5,755.1
<b>Y/Y Growth</b>	<b>3.6%</b>	<b>2.8%</b>	<b>3.4%</b>	<b>3.4%</b>

- The wages paid to employees directly supported by tourism bested \$3.7 billion in 2019, growing by 3.6% over 2018. The average wage of a job (part + full-time) directly supported by tourism spending was \$23,640.
- An additional \$2.3 billion in wages were paid to employees of Indiana's tourism supply chain (Indirect) and downstream businesses (induced). When adding in these employees and wages, the average wage of a job supported by tourism was \$28,500.
- In 2019, nearly 70% of the wages generated by tourism activity were paid to employees in three main industries that directly serve visitors including accommodations, food services and arts, entertainment & recreation.

\* North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

Source: Rockport Analytics, IMPLAN

# Overall Tax Revenues Supported by IN Tourism Expand By Nearly 4% in 2019

	2018	2019	% Change
<b>Federal:</b>	<i>in thousands of dollars</i>		
Corporate Income	\$158,912	\$164,662	3.6%
Personal Income	\$326,174	\$337,361	3.4%
Excise & Fees	\$97,768	\$101,491	3.8%
Social Security & Other Taxes	\$573,402	\$593,536	3.5%
<b>Federal Total</b>	<b>\$1,156,256</b>	<b>\$1,197,049</b>	<b>3.5%</b>
<b>State:</b>			
Corporate Income	\$22,464	\$23,277	3.6%
Personal Income	\$109,228	\$112,975	3.4%
Social Insurance Taxes	\$5,828	\$6,036	3.6%
Other Business Taxes	\$36,737	\$38,112	3.7%
Excise & Fees	\$47,941	\$49,923	4.1%
Rental Car Excise	\$5,778	\$5,830	0.9%
Sales Taxes	\$662,863	\$694,289	4.7%
<b>Indiana Total</b>	<b>\$890,839</b>	<b>\$930,442</b>	<b>4.4%</b>
<b>Local:</b>			
Personal Income	\$15,604	\$16,139	3.4%
Hotel Tax	\$104,241	\$108,736	4.3%
Admission Taxes	\$1,541	\$1,632	5.9%
Property Taxes	\$395,138	\$410,175	3.8%
Rental Car	\$3,169	\$3,357	5.9%
Food & Beverage	\$28,474	\$29,515	3.7%
Other Licenses, Fines & Fees	\$5,698	\$5,905	3.6%
<b>Local Total</b>	<b>\$553,865</b>	<b>\$575,459</b>	<b>3.9%</b>
<b>Total Indiana Tourism-Initiated Taxes</b>	<b>\$2,600,961</b>	<b>\$2,702,950</b>	<b>3.9%</b>

## Indiana Tourism-Initiated State & Local Taxes Exceed \$1.5 Billion

- In 2019, total tourism-initiated taxes advanced by nearly \$2.7 billion, increasing by 3.9% over 2018. Of this total, roughly 44% was paid to the Federal government and 56% remained in the state. Of the visitor spending that remains in the economy, about 11 cents of every dollar was collected as state & local taxes.
- At 4.7%, sales taxes led the growth in state tax collections while admissions taxes & rental car taxes were the fastest growing sources of local collections, both increasing at rates of nearly 6%.
- Visitor spending gains in categories such as food & beverage, entertainment and lodging fueled increases in transaction taxes. Hotel taxes, admissions taxes, food & beverage taxes, rental car taxes and other licenses, fines & fees collected approached \$149 million. These visitor-driven taxes represent almost 26% of the total local revenues supported by tourism to Indiana.
- Without tourism, Indiana taxing authorities would need to generate an average of \$590 in additional state & local taxes from each of the state's 2.6 million households to maintain current levels of tax receipts.

# State Authorities Collected More Than \$930M in Tourism-Initiated Taxes During 2019

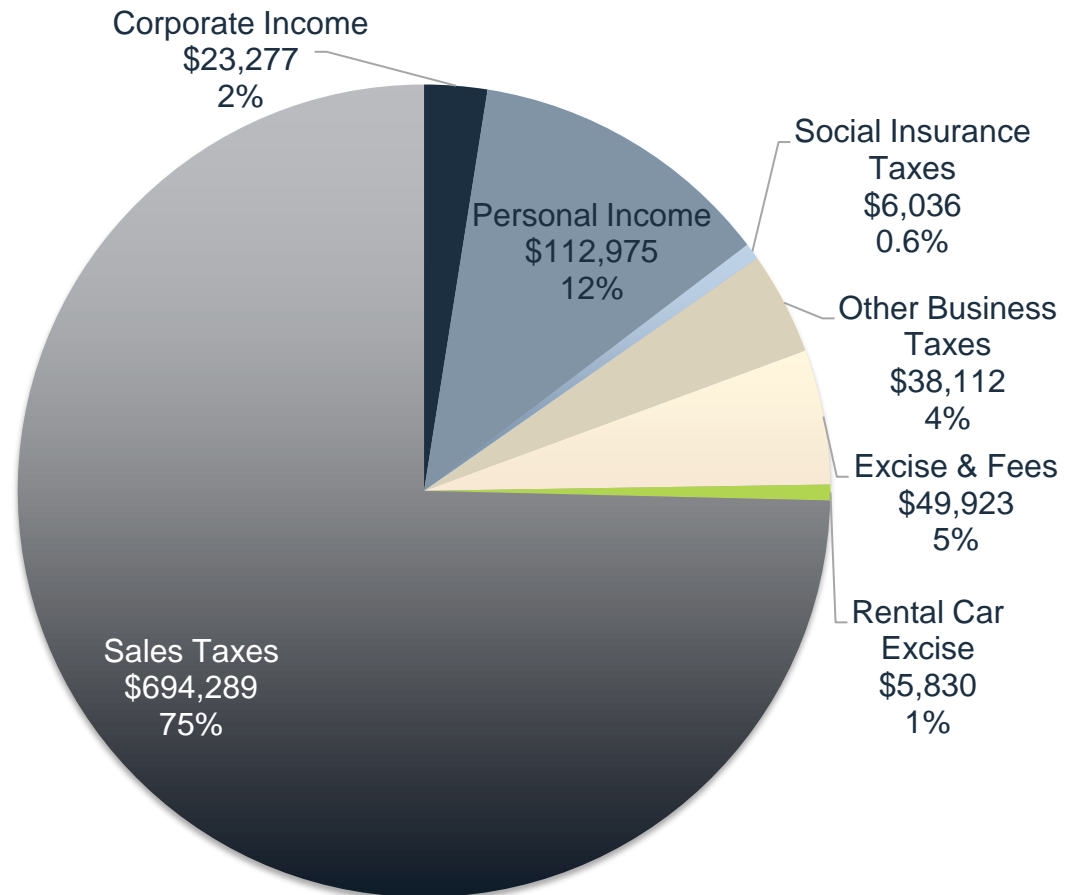
## Visitors are Responsible for Nearly 9% of All Sales Taxes in Indiana

In 2019, tourism-initiated sales tax collections exceeded \$694 million, an increase of 4.7%. Sales taxes make up almost three quarters (75%) of tourism-initiated state taxes. Nearly every dollar of visitor spending is subject to the 7% Indiana sales tax.

The personal income and social insurance taxes collected by the state was just shy of \$120 million or almost 13% percent of tourism-initiated state tax collections. Corporate income taxes and other business taxes paid by tourism businesses surpassed \$61 million.

Excise taxes (including rental car excises) rounded out the remaining 6% of tourism-initiated state taxes.

## 2019 State Tax Sources *Total = \$930 million*



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

# Meanwhile, Local Authorities Across Indiana Collected More Than \$575M in Tourism-Initiated Taxes

## Innkeepers taxes rose by more than 4%

Growth in overnight volume fueled increases in room demand and daily rates. Innkeepers taxes made up nearly 19% of local tourism-initiated taxes.

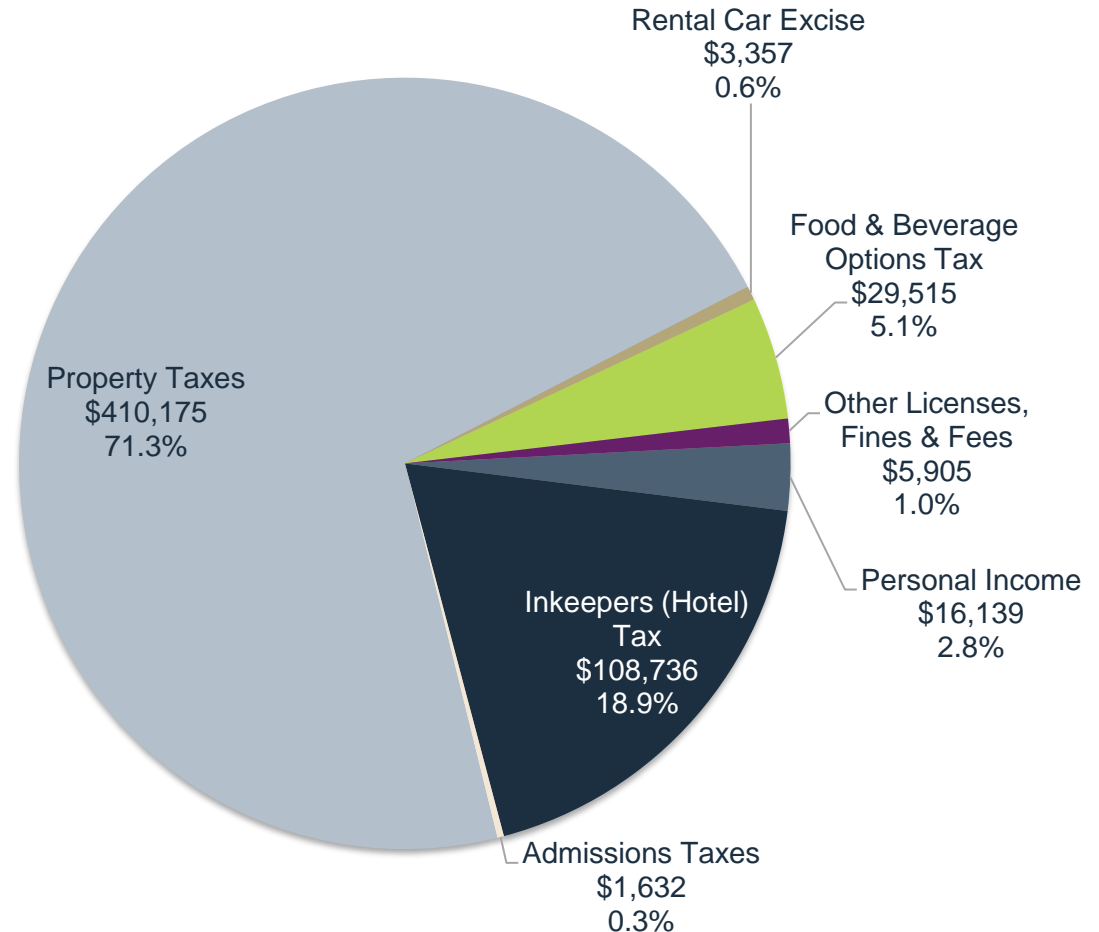
## Food & Beverage excise taxes exceeded \$29.5 million across the state

F&B taxes collections soared in 2019 given the robust growth in F&B spending by visitors. F&B excises comprised 5% of all local tourism-initiated taxes in 2019, growing by almost 4% vs the previous year.

## Other visitor-supported transaction taxes contributed almost \$11 million to local coffers

Admissions taxes, rental car taxes, and other licenses fines & fees collectively made up 2% of local tourism-driven tax collections in 2019. Admissions taxes expanded nearly 6%, fueled by increases in entertainment & recreation spending among visitors.

## 2019 Local Tax Sources Total = \$575 Million



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

# 2019 Economic Impact of Tourism in Indiana

## Indian Tourism's Impact in Perspective



ROCKPORT  
ANALYTICS

# How Do Visitors Benefit Indiana? Putting Tourism in Perspective

## Promoting a Healthy Job Market



- In 2019, tourism was responsible for 5% of all Indiana non-farm jobs in and it was the state's 12<sup>th</sup> largest employer. Tourism employment grew at 2.3%, outperforming the 1.2% growth in overall employment.
- The average wage of both full- and part-time workers supported by tourism activity was \$28,500 in 2019.
- 1 in every 17 Indiana private, non-farm workers owes his or her job to tourism activity.

## Benefiting Indiana Businesses



- Visitors spent more than \$13.7 billion in travel-related expenses, benefiting a broad array of IN businesses.
- Indiana businesses that directly served visitors saw value-added of \$5.8 billion in 2019, up 3.8% over 2018.
- Indiana's tourism supply chain businesses racked up value-added of nearly \$1.8 billion in 2019, a 3% gain vs 2018.

## Contributing to Public Education & Other Government Services



- Tourism-supported state & local taxes were enough to educate more than 150,140 Indiana public school students or more than 14% of total enrollment. It takes 547 visitors to pay for 1 student.\*
- It takes 1,157 visitors to generate the state & local taxes to pay for a school teacher. Tax collections were enough to support more than 29,459 public school teachers\*

## Capturing and Retaining Dollars Spent by Visitors



- For every \$1 spent by visitors in Indiana, the state's economy retained about 70 cents.
- About 44¢ went to pay Indiana workers nearly \$6 billion in wages and salaries.
- About 11¢ of each visitor dollar went towards paying Indiana 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 \$590 more in state and local taxes to maintain current levels of receipts.\*\*
- Tourism was responsible for nearly 9% of Indiana's total state sales tax collections.

## Providing Tax Revenue to Support Local State & Local Government



- Indiana tourism contributed over \$1.5 billion in tax revenue to state and local coffers in 2019. These taxes could pay for 38% 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 almost \$150 million in local taxes, making up 26% of tourism-supported local tax collections.

\*Estimate based on the average cost per student of \$10,030, the average salary of a teacher of \$51,119, and Fall enrollment in Indiana public schools of 1,053,703. Education figures reported by NEA's 2019 State Rankings.

\*\*Household estimate generated by the US Census

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

- **Visitor** – Someone who has either stayed overnight (regardless of origin) or traveled a distance of at least 50 miles one way during a day trip.
- **Value Added (or GDP)** – Refers to the total spending in an economy net of any leakages outside the state. The total spending reflects the difference between revenues and expenses on intermediate inputs.
- **Employment** – Total employment is an annual average that accounts for seasonality and it refers to full-time, part-time, seasonal and self-employed workers.
- **Wages** – Wages reflect the combined cost of total payroll paid to employees (e.g., wages, salaries, benefits, payroll taxes) and payments received by self-employed individuals and/or unincorporated business owners.
- **Direct Impact** – Benefit that accrues to those Indiana businesses that directly serve visitors to all parts of the states by providing good and services.
- **Indirect Impact** – Benefit to the many local upstream firms that make up the supply chain of direct businesses.
- **Induced Impact** – Both direct and supply chain businesses pay wages to their workers. Most of the wages paid to local employees will be spent in Indiana throughout the year at business that provide a broad range of consumer goods and services. This impact is sometimes referred to as the “ripple effect”.
- **Leakages** – The portion of gross spending that leaves the Indiana economy: (1) as profits to non-Indiana headquartered businesses, (2) because of unavailable or insufficient local supply, (3) non-local vendor choice, and/or (4) from reduced downstream spending caused by savings, debt reduction, or excess inventories.





# Rockport Analytics

West Chester, PA  
Annapolis, MD

web: [rockportanalytics.com](http://rockportanalytics.com)  
email: [info@rockportanalytics.com](mailto:info@rockportanalytics.com)  
phone: (866) 481-9877



ROCKPORT  
ANALYTICS