

# Indiana's Tourism Industry Absorbs the Blow From the COVID-19 Pandemic

The 2020 Contribution of Travel & Tourism to the Indiana Economy



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## Study Overview

The economic impact of tourism in the state of Indiana was commissioned by the Indiana Destination Development Corporation. Covering the 2020 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.

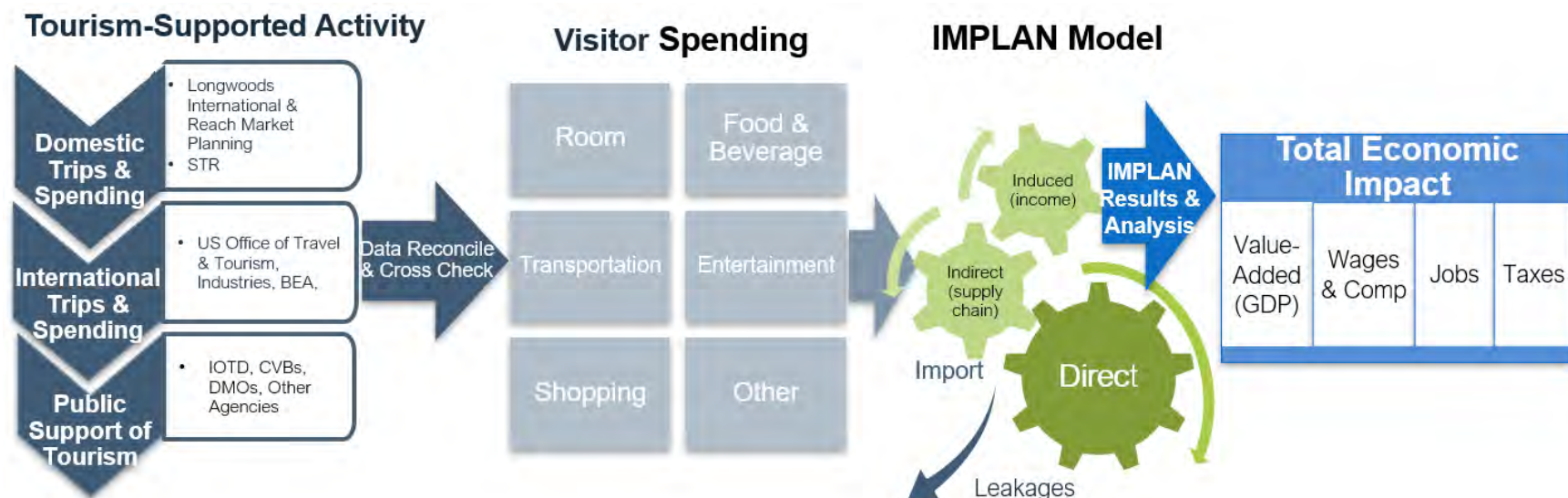
The economic impacts reported in this study are based on Indiana visitor spending as reported by Longwoods International ([www.longwoods-intl.com](http://www.longwoods-intl.com)), Reach Market Planning ([www.reachmp.com](http://www.reachmp.com)) and the National Travel & Tourism Office of the Bureau 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.

# 2020 Economic Impact of Tourism in Indiana

## State-Level Tourism Performance





- **Indiana Visitor Volume Fell 19% in 2020.** The pandemic-induced shutdown affected visitor volume to Indiana which dropped from 82.7 million person-trips in 2019 to 66.7 million in 2020. The declines were experienced across all segments with international and business showing the largest percent drops. This visitor volume decline marks the first year in a decade that the state didn't experience visitor volume growth
- **Visitor Spending Declined 3.5 billion.** This marks a 25.7% decrease from 2019. Spending was down across all categories with air transportation (-66.1%) and lodging (-44.8%) experiencing the greatest percent declines. A rising share of day trip and regional travel activity helped to prop up spending on ground transportation, F&B and entertainment and recreation.
- **Tourism Contributed \$6.9 billion to the Indiana Economy.** This amount is down 28% from 2019's tourism value added of \$9.6 billion and tourism fell to a 1.8% share of Gross State Product (GSP). Indiana businesses that directly served visitors accrued \$4.2 billion of that value add, while supply chain and downstream businesses amounted to \$2.7 billion.
- **Visitors Continue to Benefit the State.** For every dollar spent by visitors in 2020, 68 cents was retained in the Indiana economy, and 42 cents of that went to paying the salaries of Indiana workers, while 10 cents went toward Indiana state and local taxes.
- **Tourism Employment Declined 28%.** Visitor spending in Indiana resulted in employing more than 148,000 Hoosiers in 2020 which is 3% of the state's non-farm employment, down from 5% in 2019. Total tourism employment fell two spots in the state rankings in 2020 from Indiana's 12<sup>th</sup> largest industry to its 14<sup>th</sup> largest industry. The average wage of a tourism-supported job rose slightly over the period.
- **Tax Revenues Declined 28%.** Total annual tax revenues derived from Tourism fell from \$2.7 billion in 2019 to \$1.9 billion in 2020. State and local tax collections declined from \$1.5 billion in 2019 to less than \$1.1 billion in 2020. Hotel taxes took the largest percentage hit, down 45% statewide, followed by rental car taxes which fell 29%. State visitor-generated sales taxes fell 27% and state visitor-generated income tax revenue declined 28%.

# 2020 Indiana Tourism Economic Contribution by the Numbers



66.7M

**Visitors**

Volume Growth -19.4%

Domestic: 99%+ International: <1%  
Day: 69% Overnight: 31%  
Business: 12% Leisure: 88%



\$10.2B

**Visitor Spending**

Spending Decline -25.7%

Average Spend/Trip: \$153  
Domestic Spend/Trip: \$152  
International Spend/Trip: \$1,079



\$1.9B

**Total Initiated Taxes**

Tax Revenue Decline -28.4%

Federal: \$860M  
State: \$678M  
Local: \$392M



149K

**Total Hoosier Jobs  
Supported**

(Full & Part-Time)

Employment Decline -28.0%



\$4.3B

**Total Wages & Salaries  
Paid**

Wage Decline -27.5%



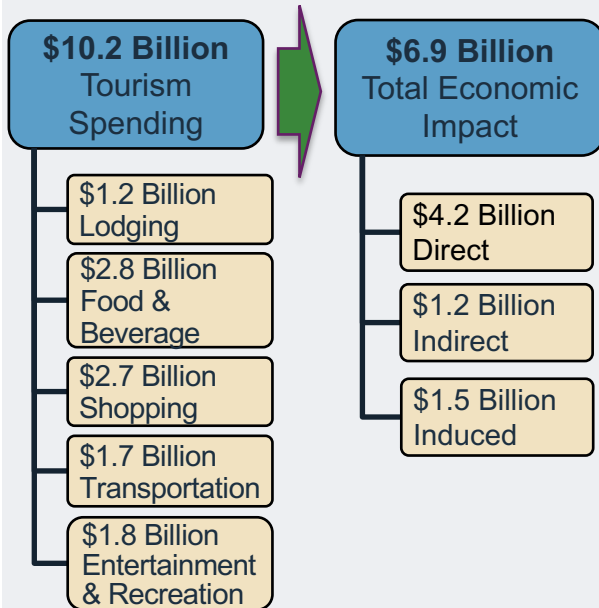
\$6.9B

**Total Economic  
Contribution**

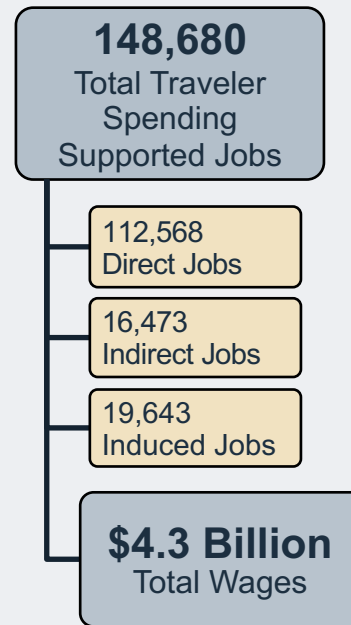
(Value Added)

Impact Decline -28.0%

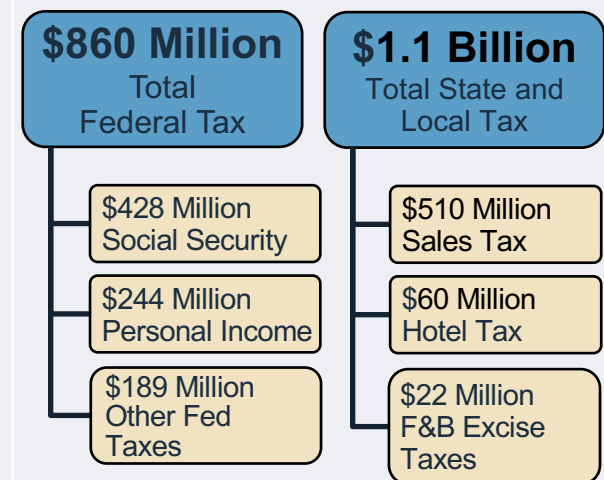
## Tourism's Economic Contribution



## Jobs and Wages

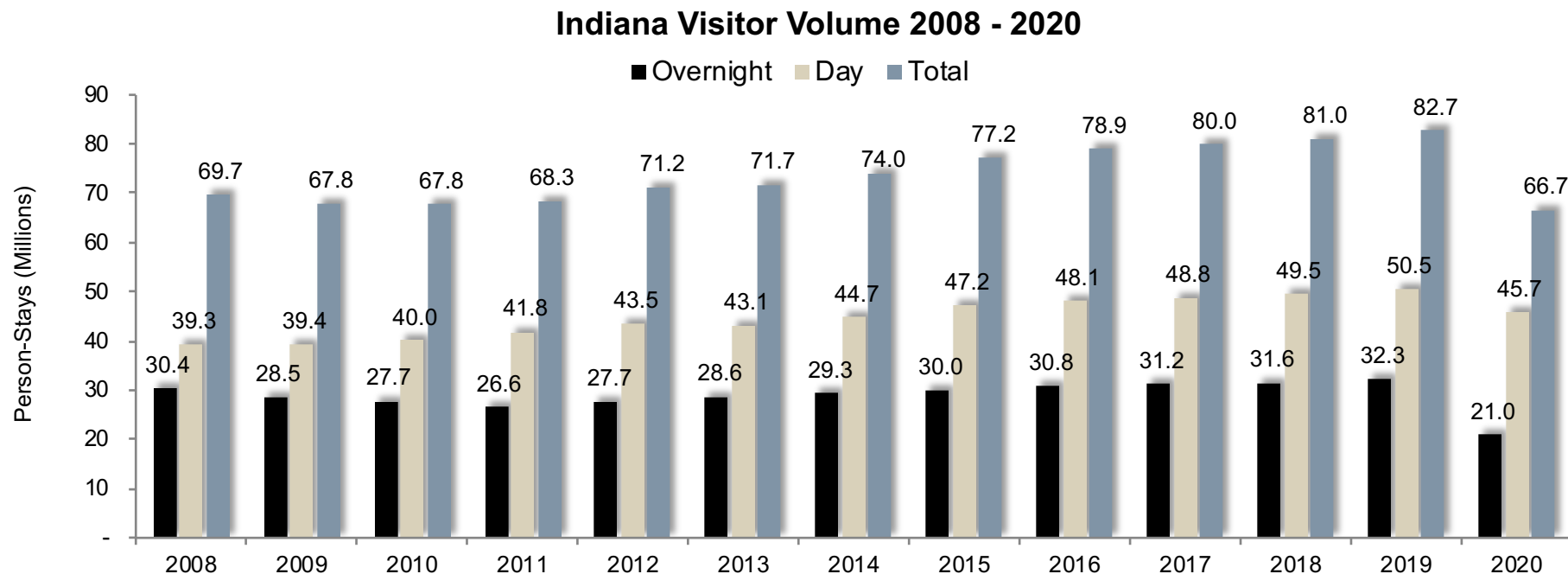


## Tax Revenue Generated





# Indiana Visitor Volume Falls 19% in 2020



Note: All international visitation was classified as overnight

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

- Visitor volume to Indiana fell 19.4% in 2020. Overnight volume declined nearly 33% compared to day volume which experienced a 28% decline as regional and drive visitation gained share over visitors traveling from outside of the region.
- Both day and overnight volume fell in 2020, but the decline in overnight volume was 3 times that of day volume (-32.9% vs. -10.5%).
- Both business and leisure volume fell in 2020, but the decline in business volume was double that of leisure volume (-34.9% vs. -16.2%).
- International volume fell by the greatest amount at -85.7% due to US travel restrictions on international visitors and lower demand for international travel during the pandemic.

# The International and Business Segments Lead Visitor Declines in 2020

## Business<sup>1</sup>



**12%** Share of Total  
**8M** Person-Stays  
**-35%** Y/Y Change

The pandemic drove business travel down 35% in 2020 as both group and transient business travel came to a halt.

## Leisure<sup>2</sup>



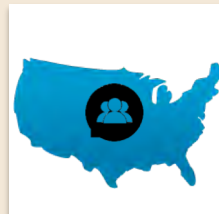
**88%** Share of Total  
**59M** Person-Stays  
**-16%** Y/Y Change

Leisure travel shares increased 3% over 2019 due to the decrease in business travel during the pandemic. Leisure travel visitation fell 16%.

<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  
**67M** Person-Stays  
**-19%** Y/Y Change

Domestic travel makes up the bulk of Indiana's visitor volume. Indiana's 66 million visitors from within the U.S. spent an average of \$152 per trip.

## International<sup>4</sup>



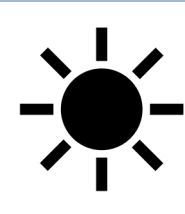
**0.1%** Share of Total  
**68K** Person-Stays  
**-86%** Y/Y Change

COVID travel restrictions shut down international travel for part of 2020, extremely limiting the number of visitors in this category.

<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>



**69%** Share of Total  
**46M** Person-Stays  
**-11%** Y/Y Change

Day trip shares increased by 7% over 2019 as visitors traveled locally and returned home the same day during the pandemic.

## Overnight<sup>6</sup>



**31%** Share of Total  
**21M** Person-Stays  
**-33%** Y/Y Change

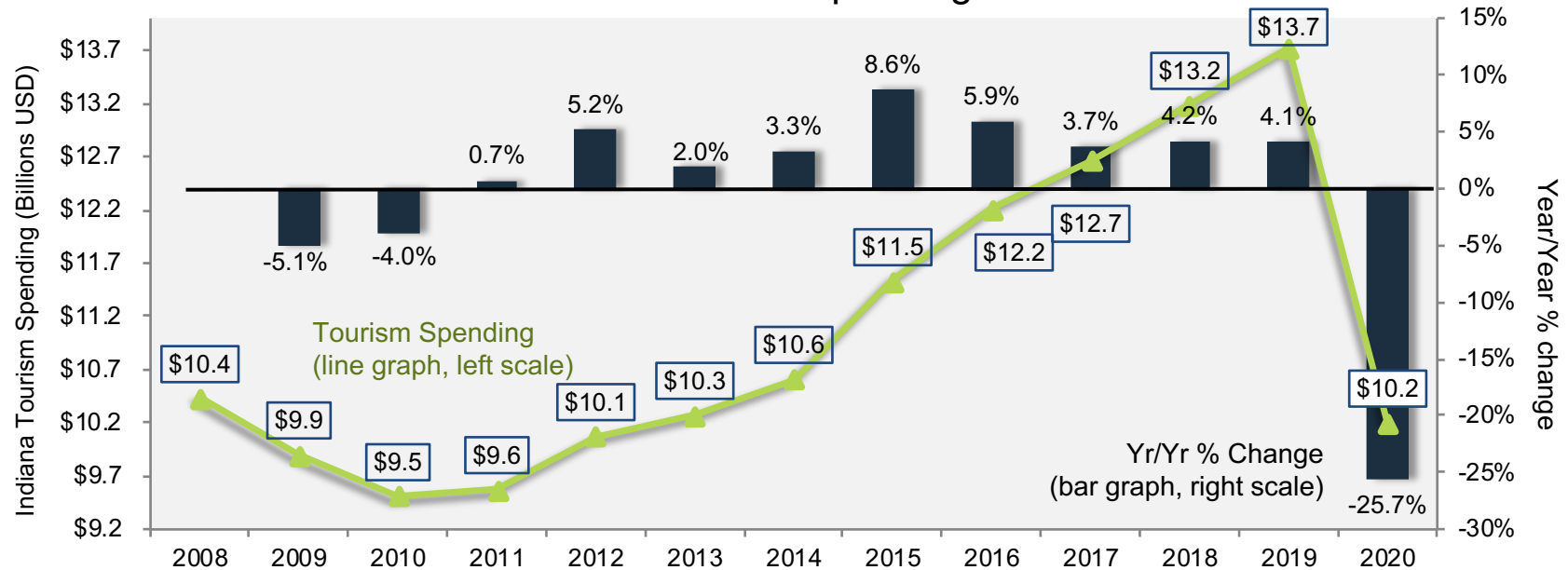
Pandemic effects resulted in overnight trips declining 33% in 2020 as visitors traveled locally and returned home for the night.

<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

# Pandemic Drives Annual Tourism Spending Down \$3.5 Billion in 2020

## Indiana Tourism Spending 2008-2020



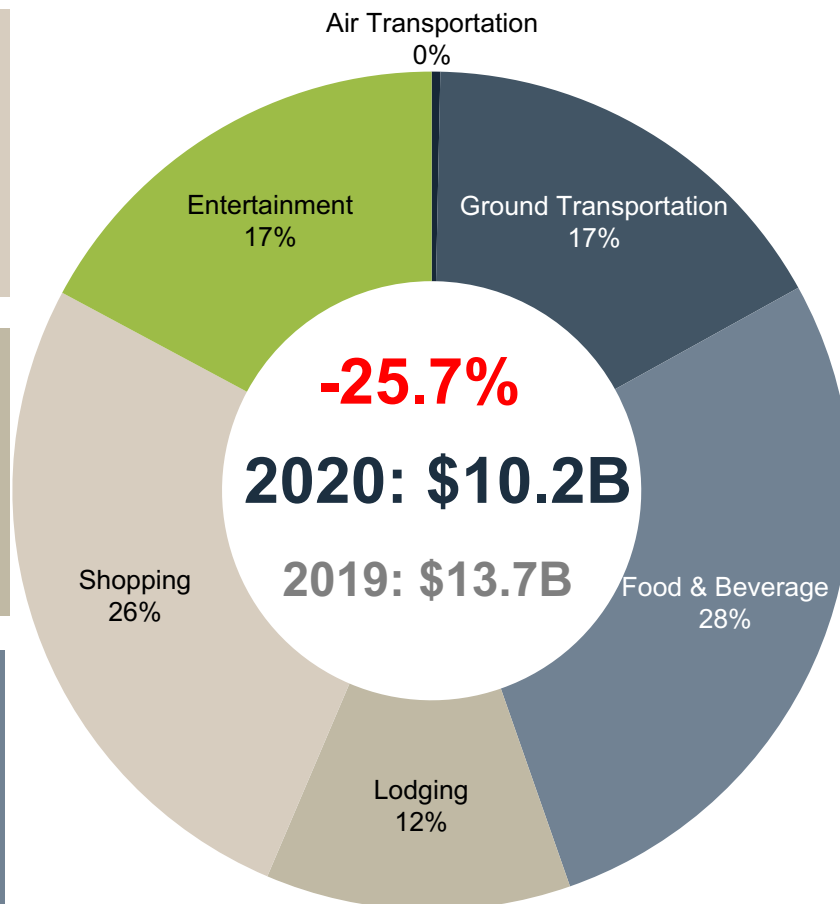
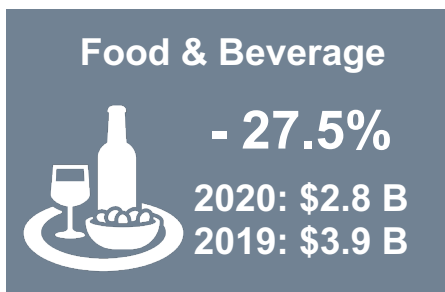
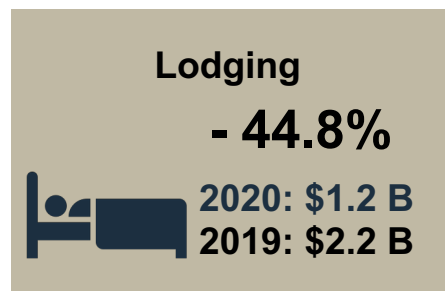
Source: Longwoods International, Reach Market Planning, BEA, STR, Rockport Analytics

- The pandemic, with its corresponding shutdowns and lower travel volumes, resulted in a 25.7% decline in visitor spending. In 2020 visitors to Indiana spent \$10.1 billion on travel-related expenses. This was the first time in a decade that Indiana total visitor spending declined on a year-over-year basis.
- The average visitor spend per trip dropped 8% from \$166 to \$153, with average domestic spend per trip falling 6% to \$151 and average international spend per trip falling 4% to \$1,079. Both international and domestic averages were boosted in part due to longer average lengths of stay.
- The categories hardest hit in 2020 were Air Transportation (-66%) and Lodging (-45%), followed by Entertainment (-29%) and Food & Beverage (-28%). Ground transportation declined only -12.6% supported by the replacement of air visitation with “drive-to” travel.



# Air Transportation Declines 66%

## Indiana Visitor Spending by Category



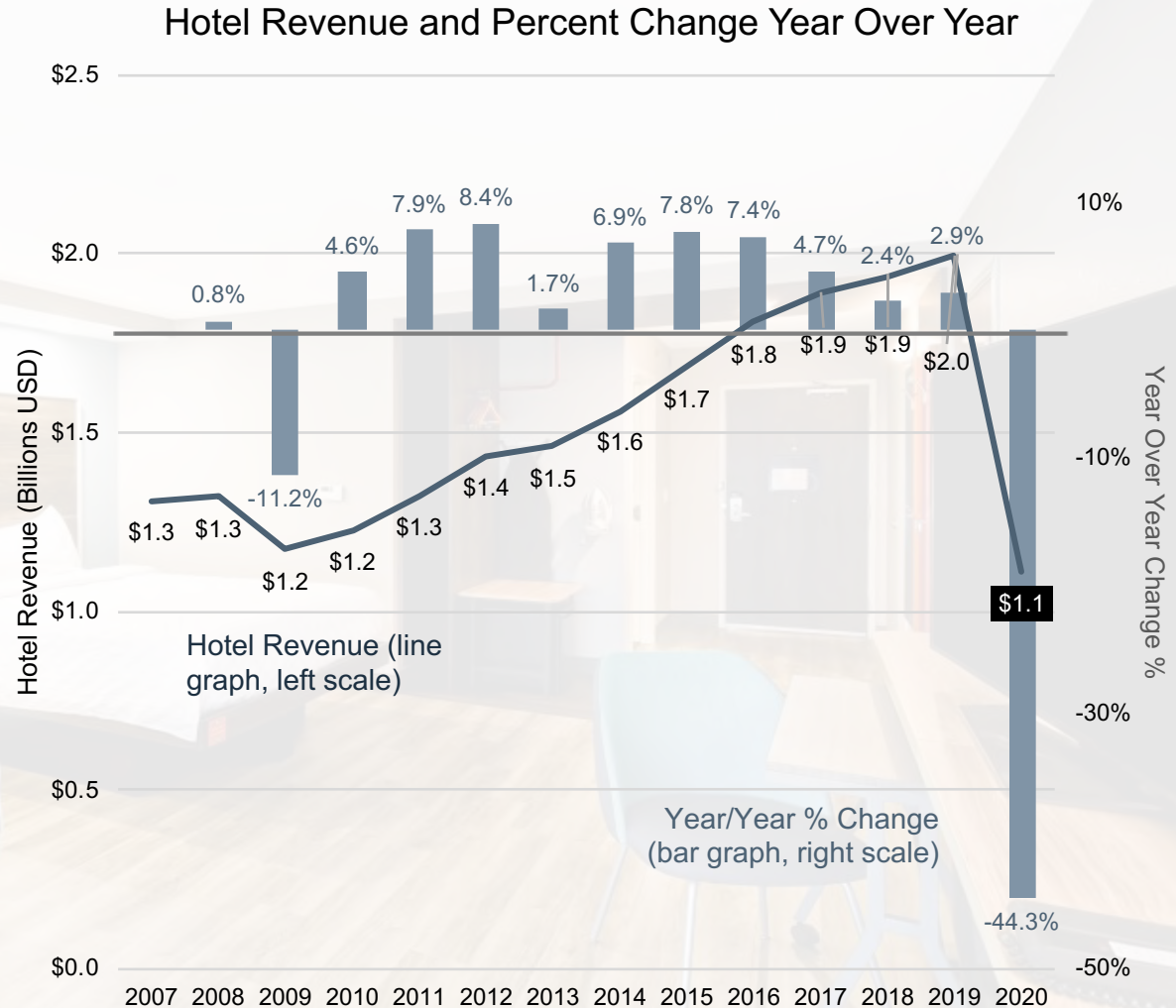
Source: Longwoods International, NTT, Reach Market Planning, STR, BTS, AirDNA, Rockport Analytics

# Indiana Hotel Revenue Drops to Historical Low in 2020

## Hotel Revenue and RevPAR plummeted due to the pandemic

After years of hotel revenue growth in Indiana, hotel revenue plummeted in 2020 to \$1.1 billion due to pandemic shutdowns, falling below the 2009 financial crisis level of \$1.2 billion.

Hotel Metric	2020	19/20 Growth
Demand	13.6 M	-30.7%
Supply	32.6 M	0.3%
Occupancy	41.6%	-31.0%
ADR	\$80	-20.8%
RevPAR	\$34.1	-44.5%
Revenue	\$1.1 B	-44.3%

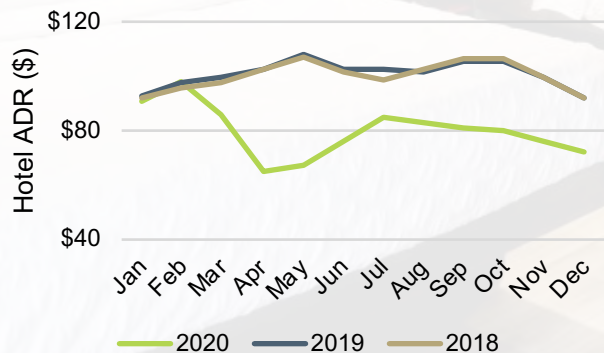


# Indiana Hotel Revenue Falls 44%

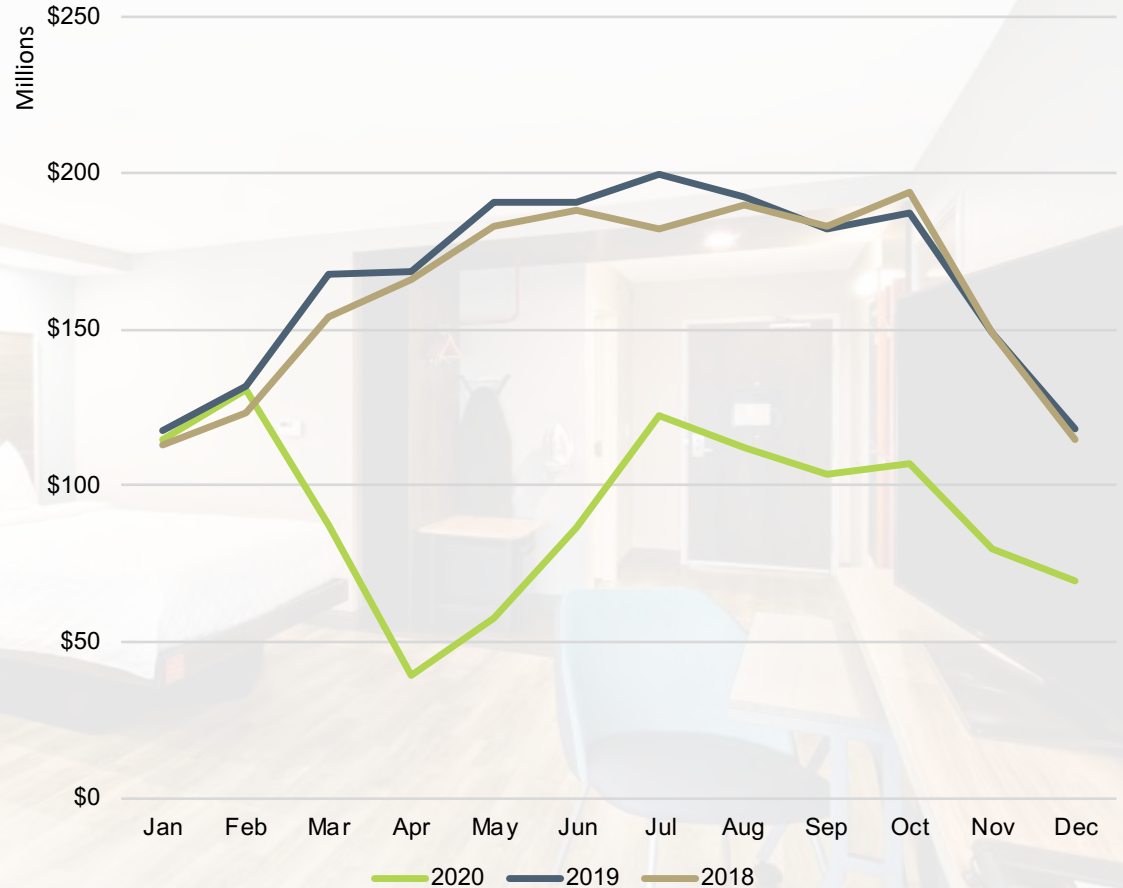
## Hotel Revenue suffered significantly due to the pandemic

The pandemic affected hotel revenue with the sharpest decline being experienced right after nationwide shutdowns in March. Revenue recovered through the summer months but was challenged to recover in the fall and winter months as outdoor activities became less desirable and the typical seasonal drop-off in demand impacted the recovery. Average Daily Rates remained depressed throughout the year, coinciding with the decrease in demand.

Hotel Average Daily Rate by Month 2018-2020



Indiana Hotel Revenue by Month 2018-2020





# 2020 Economic Impact of Tourism in Indiana

## Tourism's Contribution to the Indiana Economy



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## 2020 Economic Impact Summary

2020 Metric	Direct	Indirect	Induced	Total	% vs. 2019	Difference from 2019
Total Visitor Volume				66.7M	-19.4%	-16M
Total Tourism Spending				\$10.2B	-25.7%	-\$3.5B
Economic Impact (GDP)	\$4.2B	\$1.2B	\$1.5B	\$6.9B	-28.0%	-\$2.7B
Wages	\$2.7B	\$754M	\$836M	\$4.3B	-27.5%	-\$1.6B
Jobs	112,568	16,473	19,643	148,684	-28.1%	-58,077
Tax Receipts				\$1.9B	-28.4%	-\$765M
Federal				\$860M	-27.9%	-\$332M
State				\$678M	-27.0%	-\$251M
Local				\$392M	-31.6%	-\$181M

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

### Highlights:

- Visitation to Indiana fell 19% in 2020 to \$66.7 million while visitor spending fell more than 25% to \$10.2 billion. The pandemic caused the decline, making this the first year in more than a decade that Indiana didn't experience growth.
- Average trip spending fell 8% to \$153 per trip, fueled by declines in air transportation(-66%) and lodging (-45%).
- Tourism contributed \$6.9 billion to the Indiana economy in 2020, a decrease of 28% from 2019.
- Visitor commerce supported work for more than 148,000 Indiana residents in 2020 – roughly 5% of the state's non-farm employment. Wages paid to employees supported by tourism fell from \$6.0 billion to \$4.3 billion, a 27.5% decline.

# Tourism Employment Slides in the Rankings as Pandemic Leads to Significant Industry Layoffs

## 2020 Tourism in Indiana: Ranking of Major Industries By Total Employment

Rank	Industry	2020 Direct Tourism- Initiated Jobs	2020 Reported*	2020 Tourism- Extracted**	% of Total Employment	20-v-19 Growth Rate
1	Manufacturing	–	518,385	518,385	13.9%	-6.7%
2	Health & Social Services	–	446,752	446,752	12.0%	-2.6%
3	Government	186	441,715	441,529	11.9%	-2.3%
4	Retail trade	13,225	369,505	356,280	9.6%	-3.1%
5	Administrative & Waste Services	–	220,439	220,439	5.9%	-9.3%
6	Other Services	–	214,589	214,589	5.8%	-6.8%
7	Construction	–	211,404	211,404	5.7%	-1.1%
8	Accommodation & Food Services	54,451	245,079	190,628	5.1%	-14.6%
9	Professional Services	161	188,334	188,173	5.1%	0.6%
10	Transportation & Warehousing	22,156	199,970	177,814	4.8%	1.2%
11	Finance & Insurance	–	155,537	155,537	4.2%	1.0%
12	Real Estate & Rental	583	140,386	139,803	3.8%	-1.7%
13	Wholesale Trade	–	127,539	127,539	3.4%	-3.4%
14	<b>Tourism</b>	–	<b>N/A</b>	<b>112,568</b>	<b>3.0%</b>	<b>-27.3%</b>
15	Educational Services	–	83,080	83,080	2.2%	-7.8%
16	Arts, Entertainment & Recreation	21,806	60,871	39,065	1.1%	-19.7%
17	Management of Companies	–	38,165	38,165	1.0%	-2.1%
18	Information	–	33,771	33,771	0.9%	-7.6%
19	Utilities	–	14,332	14,332	0.4%	0.0%
20	Mining	–	8,514	8,514	0.2%	-7.3%
<b>Total Indiana Employment</b>			<b>3,718,367</b>	<b>3,718,367</b>	<b>100%</b>	<b>-4.6%</b>

Source: Rockport Analytics, BEA, IMPLAN

\* 2020 Reported: As released by the Bureau of Economic Analysis. Includes both Full & Part-Time Jobs.

\*\* 2020 Tourism Extracted: Tourism's contribution to jobs in each industry is removed and placed in "Indiana's Core Tourism Industry"



# Total Tourism Wages Decline More Than 27% in 2020

## Indiana Tourism: 2020 Employee Compensation

Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>In thousands of dollars</i>			
Food services & drinking places	\$919,674	\$28,706	\$50,397	\$998,778
Transportation & Warehousing	\$574,339	\$42,419	\$22,107	\$638,864
Arts- entertainment & recreation	\$513,127	\$31,122	\$14,369	\$558,617
Retail trade	\$357,572	\$11,210	\$126,692	\$495,474
Accommodations	\$287,112	\$495	\$337	\$287,945
Health & social services	\$0	\$161	\$256,991	\$257,152
Professional services	\$7,656	\$128,599	\$42,703	\$178,958
Administrative & waste services	\$0	\$110,963	\$33,363	\$144,326
Other services	\$0	\$52,438	\$60,889	\$113,328
Finance & insurance	\$0	\$50,990	\$58,953	\$109,943
Real estate & rental	\$41,811	\$26,715	\$17,795	\$86,321
Government & non NAICs	\$7,286	\$52,814	\$15,231	\$75,331
Wholesale Trade	\$0	\$27,514	\$46,206	\$73,721
Manufacturing	\$0	\$43,705	\$20,000	\$63,705
Construction	\$0	\$42,845	\$11,969	\$54,815
Information	\$0	\$39,261	\$15,368	\$54,629
Management of companies	\$0	\$35,479	\$5,757	\$41,236
Utilities	\$0	\$21,565	\$9,912	\$31,477
Educational services	\$0	\$2,503	\$23,745	\$26,248
Ag, Forestry, Fish & Hunting	\$0	\$3,095	\$2,287	\$5,382
Mining	\$0	\$1,221	\$518	\$1,739
<b>Total - 2020</b>	<b>\$2,708,577</b>	<b>\$753,835</b>	<b>\$835,642</b>	<b>\$4,298,054</b>
Total - 2019	\$3,680,191	\$1,093,788	\$1,154,315	\$5,928,294
<b>% change</b>	<b>-26.4%</b>	<b>-31.1%</b>	<b>-27.6%</b>	<b>-27.5%</b>

- The wages that employees received who are directly supported by tourism totaled \$2.7 billion in 2020, a 26.4% decline from 2019. The average wage of a job (part + full-time) directly supported by tourism spending increased slightly (1.2%) from 2019 to \$24,000.
- An additional \$1.6 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 \$28,900.
- In 2020, 63% 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, but that dropped from 70% before the pandemic.

Source: Rockport Analytics, IMPLAN

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

# Overall Tax Revenues Supported by IN Tourism Decline More than 28% in 2020

	2019	2020	% Change
<b>Federal:</b>	<i>in thousands of dollars</i>		
Corporate Income	\$163,918	\$117,013	-28.6%
Personal Income	\$335,970	\$243,635	-27.5%
Excise & Fees	\$100,924	\$71,603	-29.1%
Social Security & Other Taxes	\$591,006	\$427,634	-27.6%
<b>Federal Total</b>	<b>\$1,191,819</b>	<b>\$859,885</b>	<b>-27.9%</b>
<b>State:</b>			
Corporate Income	\$23,172	\$16,541	-28.6%
Personal Income	\$112,509	\$81,588	-27.5%
Social Insurance Taxes	\$6,010	\$4,343	-27.7%
Other Business Taxes	\$37,909	\$26,994	-28.8%
Excise & Fees	\$49,616	\$34,475	-30.5%
Rental Car Excise	\$5,830	\$4,912	-15.7%
Sales Taxes	\$694,682	\$509,501	-26.7%
<b>Indiana Total</b>	<b>\$929,727</b>	<b>\$678,354</b>	<b>-27.0%</b>
<b>Local:</b>			
Personal Income	\$16,073	\$11,655	-27.5%
Hotel Tax	\$109,129	\$60,488	-44.6%
Admission Taxes	\$1,595	\$1,350	-15.3%
Property Taxes	\$407,889	\$289,427	-29.0%
Rental Car	\$3,357	\$2,376	-29.2%
Food & Beverage	\$29,515	\$22,495	-23.8%
Other Licenses, Fines & Fees	\$5,876	\$4,213	-28.3%
<b>Local Total</b>	<b>\$573,433</b>	<b>\$392,004</b>	<b>-31.6%</b>
<b>Total Indiana Tourism-Initiated Taxes</b>	<b>\$2,694,979</b>	<b>\$1,930,244</b>	<b>-28.4%</b>

## Tourism-Initiated State & Local Taxes Amounted to \$1.1 Billion in Indiana

- Total tourism-initiated taxes declined 28.4% from \$2.7 billion in 2019 to \$1.9 billion in 2020. Of this total, 45% was paid to the federal government and 55% remained in the state.
- Excise taxes and fees led the decline in state tax collections (-30.5%) while hotel taxes led the decline in local tax collections (-44.6%).
- Visitor spending in categories such as food & beverage, entertainment and lodging continue to contribute to the state of Indiana. Hotel taxes, admissions taxes, food & beverage taxes, rental car taxes and other licenses, fines & fees brought in \$88.5 million to local tax collections. These visitor-driven taxes represent almost 23% of the total local revenues supported by tourism to Indiana.
- Without tourism, Indiana taxing authorities would need to generate an average of \$410 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 \$678M in Tourism-Initiated Taxes During 2020

## State Tax Collections Fell 27% in Indiana

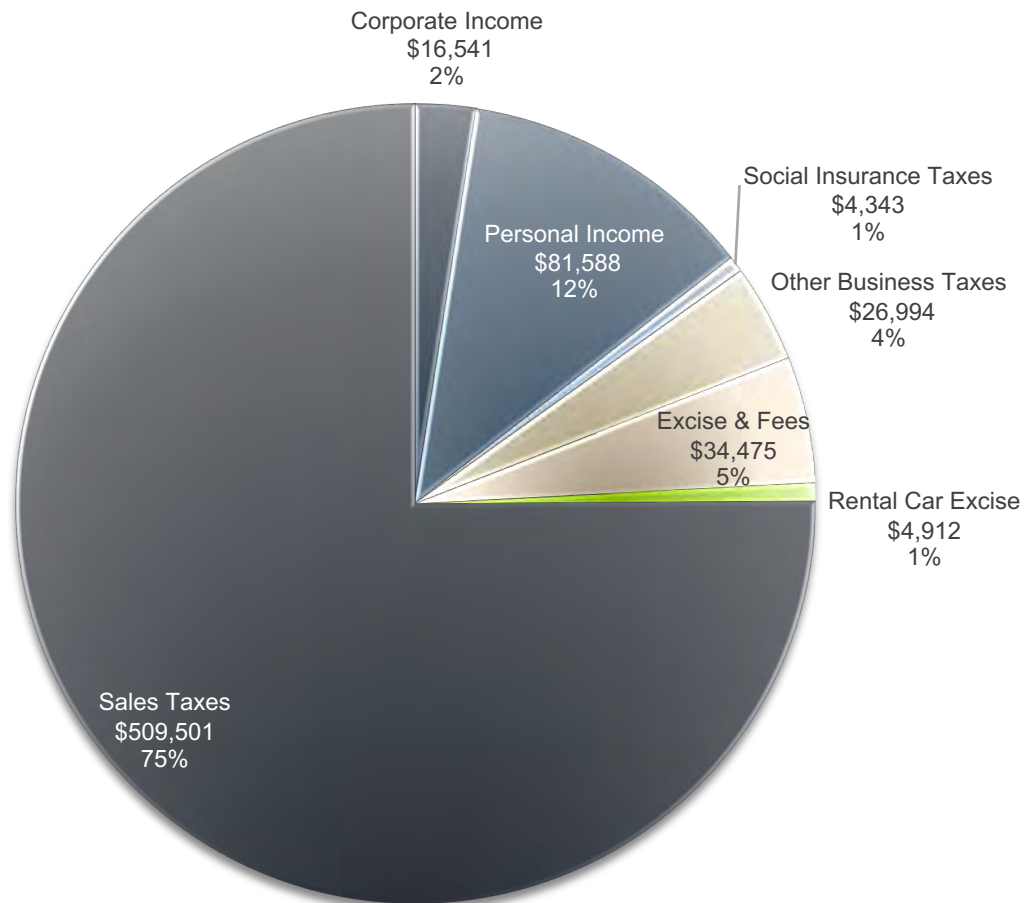
Tourism-initiated sales tax collections amounted to \$509 million in 2020, a decrease of more than 26%. Sales taxes make up three quarters (75%) of tourism-initiated state taxes. Most visitor spending is subject to the 7% Indiana sales tax.

The personal income and social insurance taxes collected by the state was \$86 million in 2020 or almost 13% percent of tourism-initiated state tax collections. Corporate income taxes and other business taxes paid by tourism businesses exceeded \$43 million.

Excise taxes (including rental car excises) rounded out the remaining 6% of tourism-initiated state taxes in 2020.

## 2020 State Tax Sources

*Total = \$678 million*



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue



# Local Authorities Collected \$392M in Tourism-Initiated Taxes During 2020

## Innkeepers taxes fell more than 44%

The pandemic-induced decline in international and business travel led the drop in room demand, daily rates, and hotel revenue. Whereas last year Innkeepers taxes made up nearly 19% of local tourism-initiated taxes, in 2020 they only comprised 15%.

## Food & Beverage excise taxes fell nearly 24%

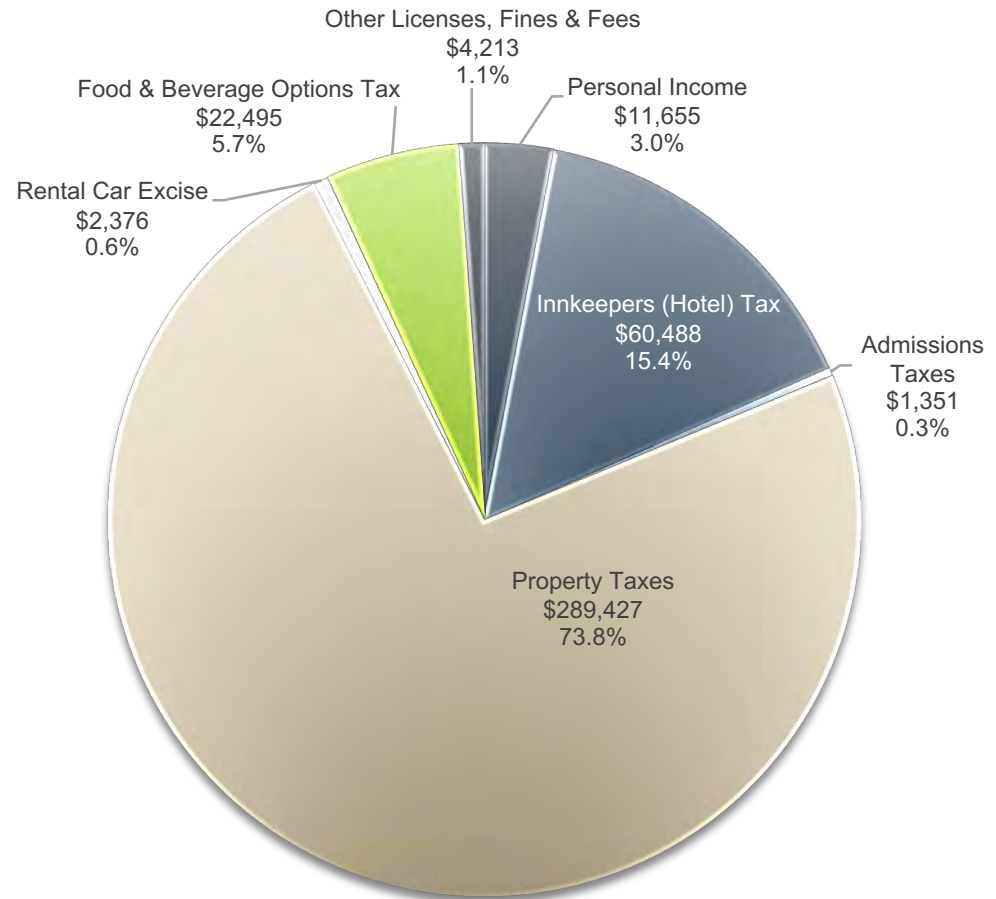
Also pandemic-induced, F&B tax collections dropped from \$29.5 million in 2019 to \$22.5 million in 2020. F&B excise taxes contributed nearly 6% of all local tourism-initiated taxes in 2020.

## Other visitor-supported transaction taxes contributed nearly \$8 million to local collections

Admissions taxes, rental car taxes, and other licenses fines & fees collectively made up 2% of local tourism-driven tax collections in 2020. Rental car taxes declined 29.2%, the largest percent decline in this category, due to the decrease in airport-arrival car rentals.

## 2020 Local Tax Sources

*Total = \$392 million*



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

# 2020 Economic Impact of Tourism in Indiana

## Indiana Tourism's Impact in Perspective



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# How Do Visitors Benefit Indiana? Putting Tourism in Perspective

## Tourism Effects on the Job Market



- In 2020, tourism was responsible for 3% of all Indiana non-farm jobs. Due to the pandemic's disproportionate effect on tourism, tourism dropped from the state's 12<sup>th</sup> largest employer in 2019 to the 14<sup>th</sup> largest in 2020.
- Overall wages declined 27.5% in 2020, but the average wage of both full- and part-time workers supported by tourism activity increased 1.2% to \$24,000 in 2020.

## Benefiting Indiana Businesses



- Visitors spent \$10.2 billion in travel-related expenses, benefiting a broad array of IN businesses.
- Indiana businesses that directly served visitors saw value-added of \$4.2 billion in 2020, down 27% from 2019.
- Indiana's tourism supply chain businesses racked up value-added of nearly \$1.2 billion in 2020, down 31%.

## Contributing to Public Education & Other Government Services



- Tourism-supported state & local taxes were enough to educate more than 101,000 Indiana public school students, nearly 10% of total enrollment.\*
- Tax collections were enough to support nearly 20,600 public school teachers\*

## Capturing and Retaining Dollars Spent by Visitors



- For every \$1 spent by visitors in Indiana, the state's economy retained 68 cents.
- About 42¢ went to pay Indiana workers nearly \$4 billion in wages and salaries.
- About 10¢ 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 \$410 more in state and local taxes to maintain current levels of receipts.
- The total economic impact generated by visitors to Indiana (\$6.9 billion) represents 1.8% of Indiana's GDP.

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



- Indiana tourism contributed \$1 billion in tax revenue to state and local collections in 2020. These taxes could pay for more than 22,000 probationary troopers.
- Transaction taxes paid by visitors like hotel taxes, food & beverage, admissions, and rental car taxes raised almost \$88.5 million in local taxes, making up 23% of tourism-supported local tax collections.

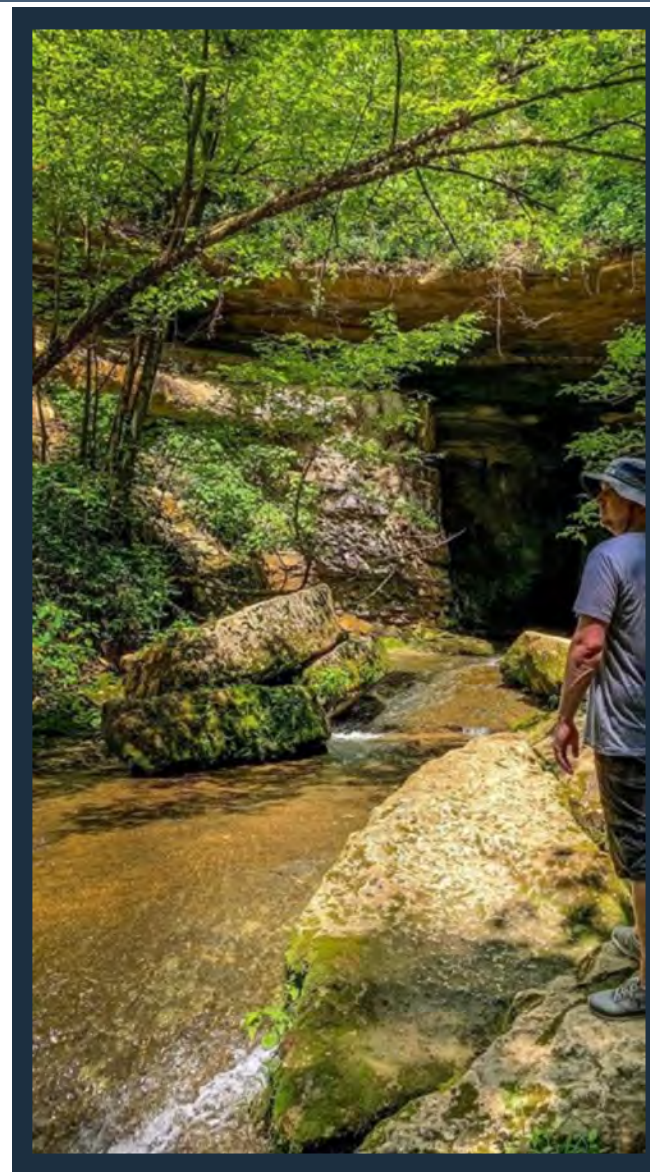
\*Estimate based on the average cost per student of \$10,520, the average salary of a teacher of \$51,970, and Fall enrollment in Indiana public schools of 1,032,011. Education figures reported by NEA's 2021 State Rankings.

\*\*Household estimate generated by the US Census, Federal Reserve Economic Data Indiana 2020 GDP \$375.3 billion

\*\*\*US Bureau of Labor Statistics, US Bureau of the Census, IN.gov probationary trooper salary of \$48,000



- **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 state 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.





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