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TOURISM'S REBOUND HELPS TO FUEL A STRONGER INDIANA ECONOMY IN 2021

The 2021 Contribution of Travel & Tourism to the Indiana Economy



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Study Overview & Methodology

Study Overview

The economic impact of tourism in the state of Indiana was commissioned by the Indiana Destination Development Corporation. Covering the 2021 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.

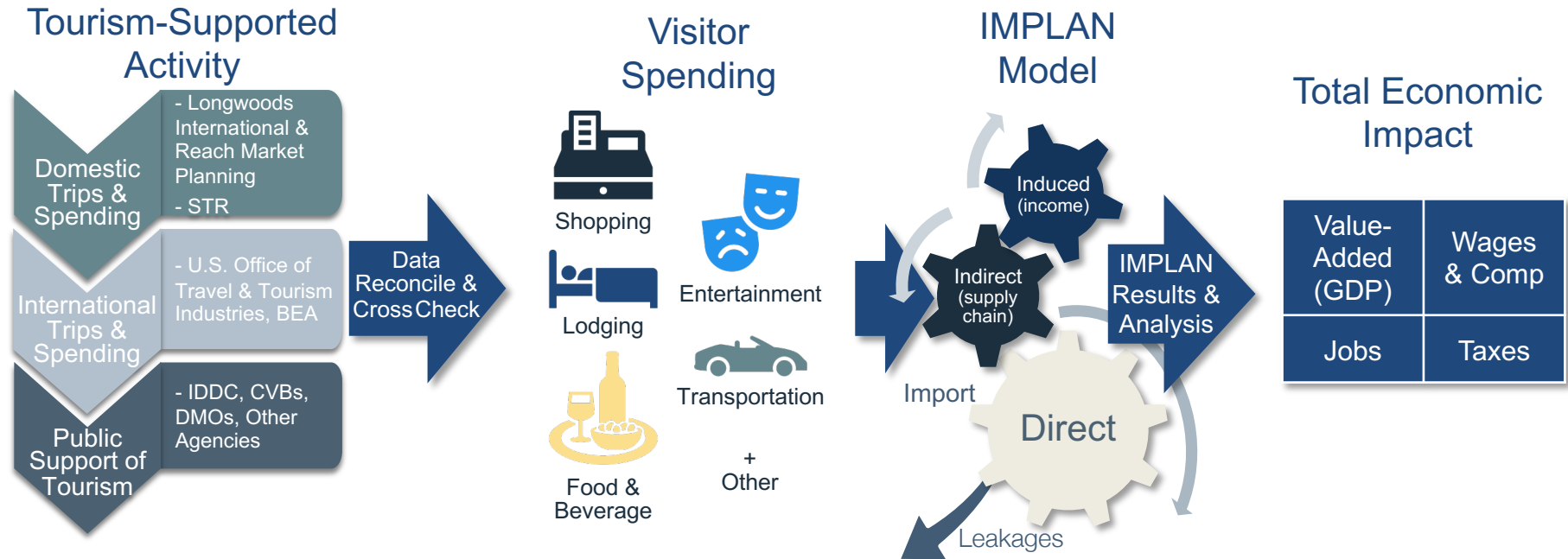
The economic impacts reported in this study are based on Indiana visitor spending as reported by Longwoods International (www.longwoods-intl.com), Reach Market Planning (www.reachmp.com) and the National Travel & Tourism Office of the Bureau of Commerce (<http://tinet.ita.doc.gov>). This traveler data 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.

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.

Study Overview & Methodology

Methodology (Continued)

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.





2021 ECONOMIC IMPACT OF TOURISM IN INDIANA STATE-LEVEL TOURISM PERFORMANCE



Indiana Tourism 2021 Key Facts

Total Indiana visitor volume grew 16% in 2021 to 77.3 million person-trips. The recovery was led by overnight leisure travel, which grew by 36% over 2020. Leisure volume accounted for 89% of all Indiana Person-Trips in 2021. Business travel to the state also began to recover in 2021, but business volume remains well below its pre-pandemic peak of 12.4 million trips. As pandemic travel-related restrictions were lifted late in 2021, international visitation began its rebound but also remains well below (-70%) 2019 levels.

Increases in visitor volume, the resurgence of overnight leisure travel, and longer average lengths of stay led to a 28.4% increase in visitor spending. Spending reached \$13.0 billion in 2021, up from \$10.2 billion in 2020. By the end of 2021, domestic visitor spending had recovered 98% of pre-pandemic spending levels. Spending increased across all categories with the largest increase occurring in air transportation (71%) as international and long-haul travelers began to travel again after a relative standstill in 2020. Sparked by the rise in overnight visitation, lodging spending rose 57%. Entertainment also witnessed a strong rebound posting 35% growth.

Tourism generated \$8.5 billion in GSP for Indiana's economy. Of the \$8.5 billion total, \$5.1 billion went to Indiana businesses that directly served visitors and \$3.4 billion accrued to supply chain and businesses impacted through the spent wages of tourism workers and workers along the tourism supply chain.

Most visitor spending stayed in the state. For every dollar spent by visitors in 2021, 65 cents was retained in the Indiana economy and 40 cents went toward paying \$5.2 billion in salaries to Indiana workers. Without tourism, Indiana's 2.6 million households would each have to pay \$526 more in state and local taxes to maintain current levels of tax receipts.

Tourism employment rebounded nearly 30% in 2021. Indiana's tourism economy supported the employment of nearly 180,000 workers with more than 134,000 working directly in the tourism industry. Total tourism employment moved up in the rankings of industry employers in the state to #13, just behind the pre-pandemic ranking of #12.

Tax revenues increased 30.7% to a total of \$2.4 billion. State and local taxes increased 30.8% to \$1.4 billion, climbing nearly 92% of the way back toward pre-pandemic tax collections. This includes a 28.2% gain in state tax collections and a 30.7% gain in local collections. Hotel taxes recovered particularly strongly in 2021, gaining 59.3% over 2020 tax receipts.

2021 Indiana Tourism: Economic Contribution by the Numbers



77.3M

Visitors

Volume Growth 16%

Domestic: 99%+ International: <1%
Day: 63% Overnight: 37%
Business: 11% Leisure: 89%



\$13.0B

Visitor Spending

Spending Growth 28.4%

Average Spend/Trip: \$170
Domestic Spend/Trip: \$168
International Spend/Trip: \$1,254



\$2.4B

Total Initiated Taxes

Tax Revenue Growth 30.7%

Federal: \$1.1B
State: \$859M
Local: \$520M



179K

**Total Hoosier Jobs
Supported**

(Full & Part-Time)

Employment Growth 29.7%



\$5.2B

**Total Wages & Salaries
Paid**

Wage Growth 30.6%



\$8.5B

**Total Economic
Contribution**

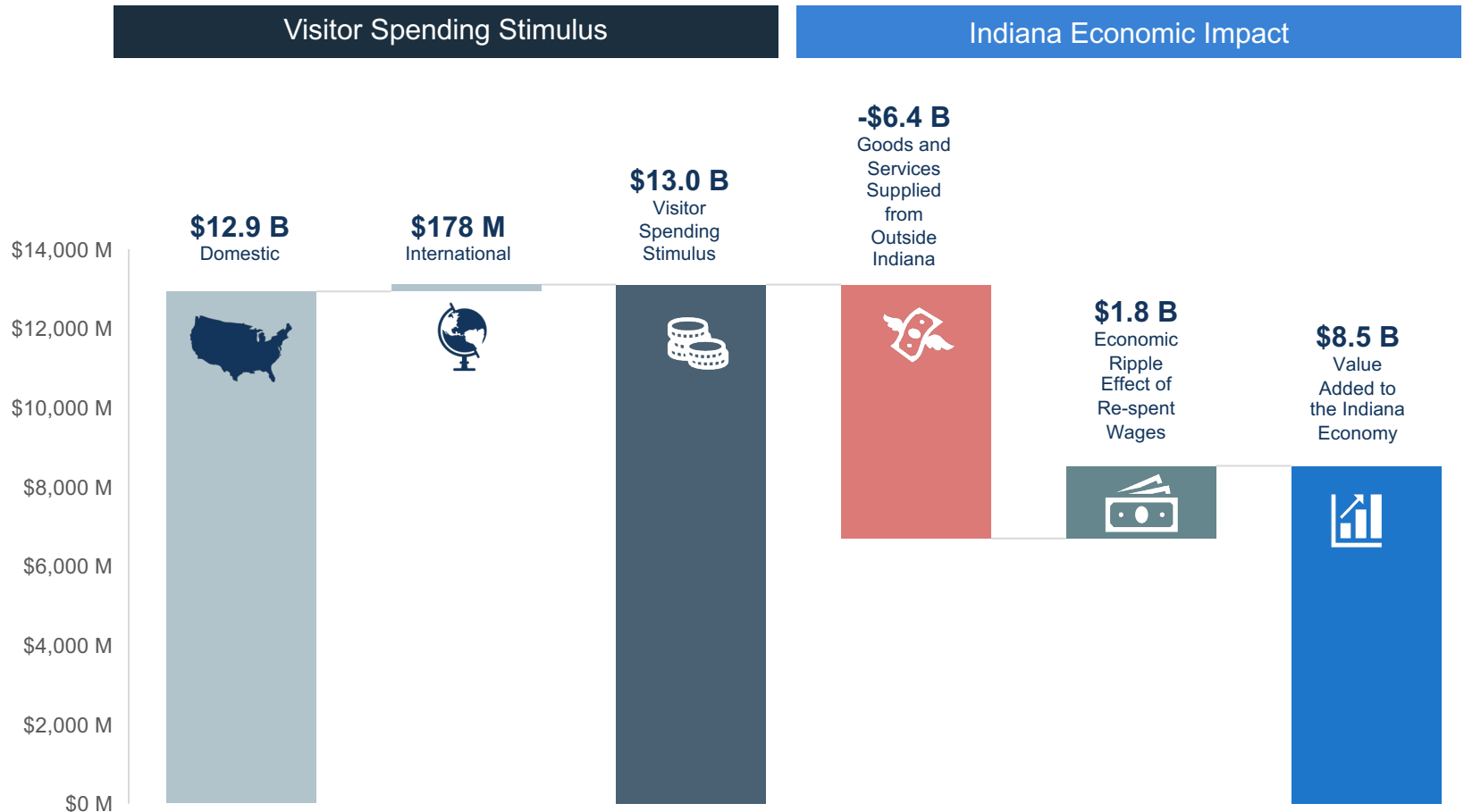
(Value Added)

Impact Growth 30.8%



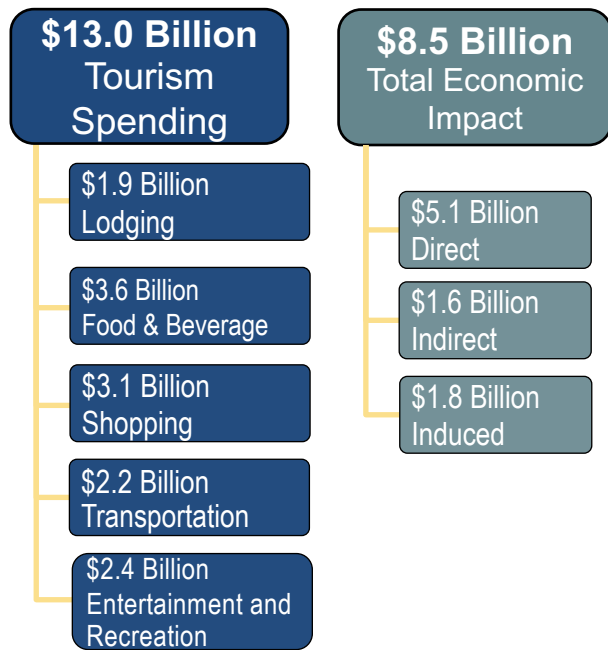
Indiana Tourism Generated \$8.5 Billion in Gross State Product (GSP) in 2021

Visitors to Indiana spent \$13.0 billion on various goods and services in the state. This includes \$12.9 billion in domestic spending and \$178 million in international spending. This spending generated \$8.5 billion in net new value added to Indiana's economy.

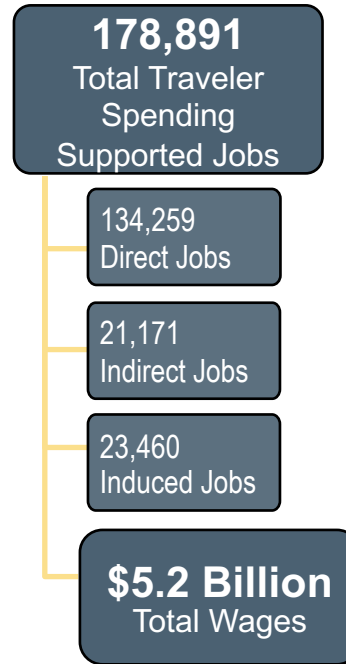


2021 Indiana Tourism Highlights

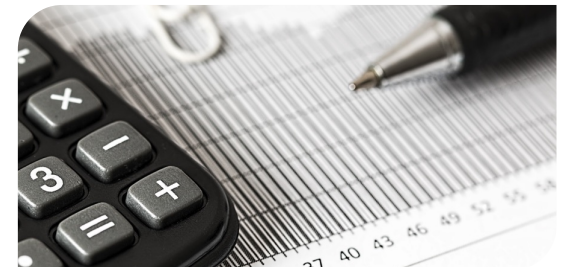
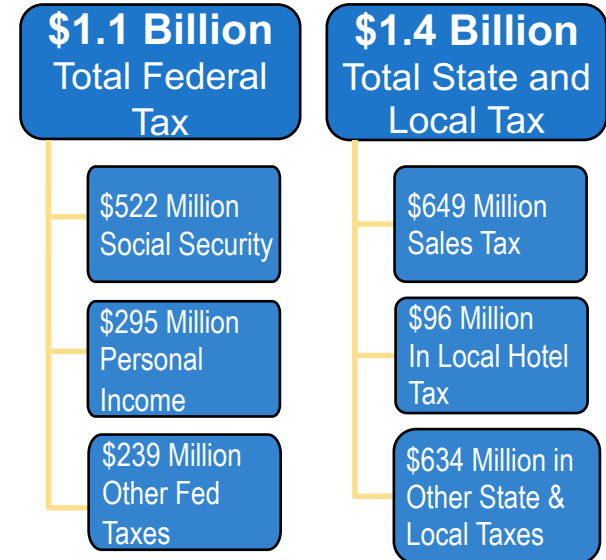
Tourism and Impact



Jobs and Wages



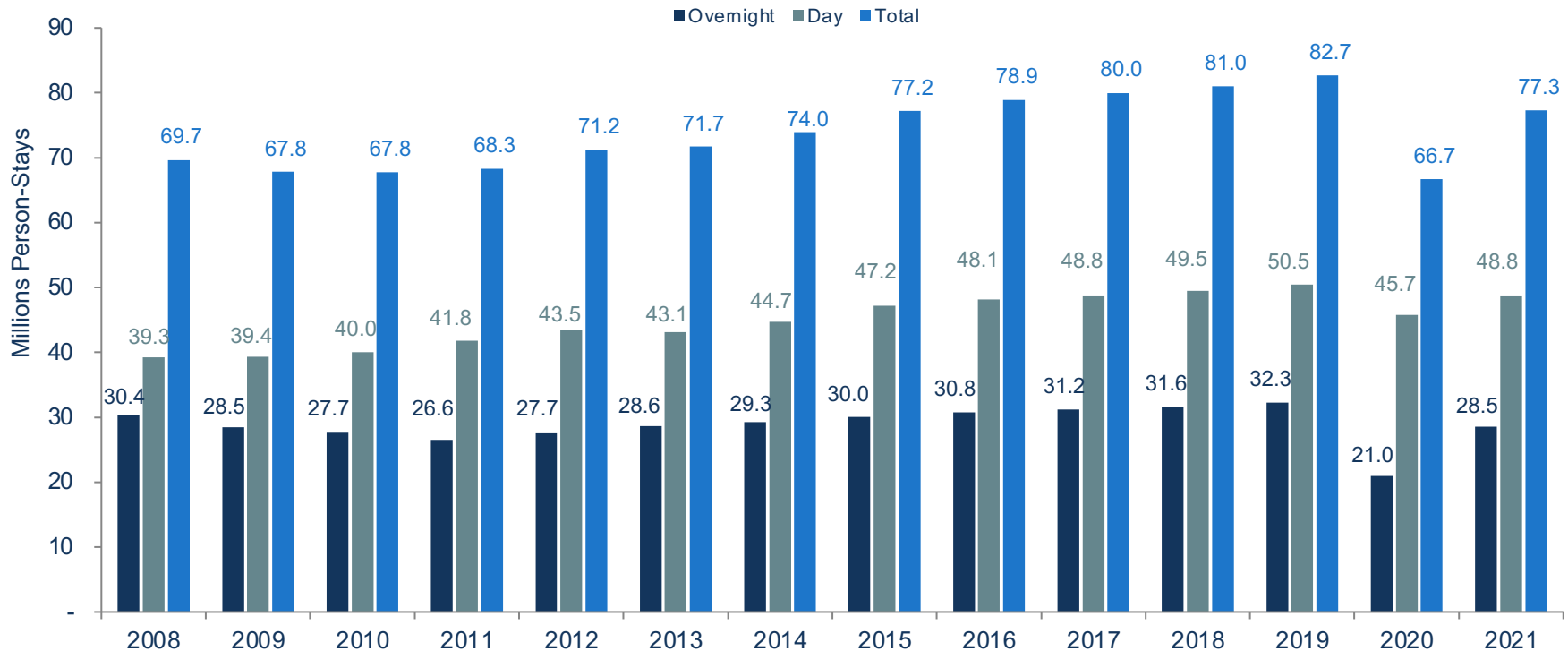
Tax Revenue Generated



Indiana Visitor Volume Increases 15.9% in 2021

Indiana's visitor volume grew 15.9% in 2021 from 66.7 million person-trips to 77.3 million person-trips. Overnight visitor volume, after being decimated in 2020, grew five times faster than day volume in 2021. Business volume declined at twice rate as leisure volume in 2020 and still has a long road to recovering from that shock. Business volume grew 1.5% in 2021 and remains well below its pre-pandemic peak of 473,000 trips.

Indiana Visitor Volume 2008 - 2021



The Recovery in Overnight Leisure Travel is the Primary Driver of Growth in 2021

Business¹

Business travel continued to lag the recovery in leisure travel in 2021 with only 1.5% growth. Business travel made up 11% of all travel, down from 12% in 2020.

8M Person-Stays

1.5% Y/Y Growth

11% Share of Total



Leisure²

Leisure travel accounted for 89% of travel in 2021, up from 88% in 2020. Leisure travel remains strong and grew 17.8% in 2021 reaching 69 million person-stays.

69M Person-Stays

17.8% Y/Y Growth

89% Share of Total



¹Business trips include convention/meetings travel & transient trips.

²The 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

Domestic³

Most travelers to Indiana are domestic. In 2021, more than 77 million visitors traveled in the Hoosier State, a 15.8% growth over 2020.

77M Person-Stays

15.8% Y/Y Growth

99.9% Share of Total



International⁴

The growth of international travel reached 109% in 2021. These triple-digit gains come off of an abysmal 2020 as pandemic travel restrictions severely limited international travel.

142K Person-Stays

109% Y/Y Growth

0.1% Share of Total



³Domestic volume includes both day and overnight and business and leisure trips.

⁴International visitor volume includes persons from overseas as well as Canada and Mexico.

Day⁵

Day trips accounted for 63% of all travel in 2021. This decreased from 69% in 2020 due to the increase in overnight stays post-pandemic. Day trips grew 6.6% in 2021.

49M Person-Stays

6.6% Y/Y Growth

63% Share of Total



Overnight⁶

The pandemic affected overnight travel for part of 2020, but 2021 shows a 36% rebound. Overnight travel makes up 37% of all travel, and this share increased from 31% of all trips in 2020.

28M Person-Stays

36.0% Y/Y Growth

37% Share of Total



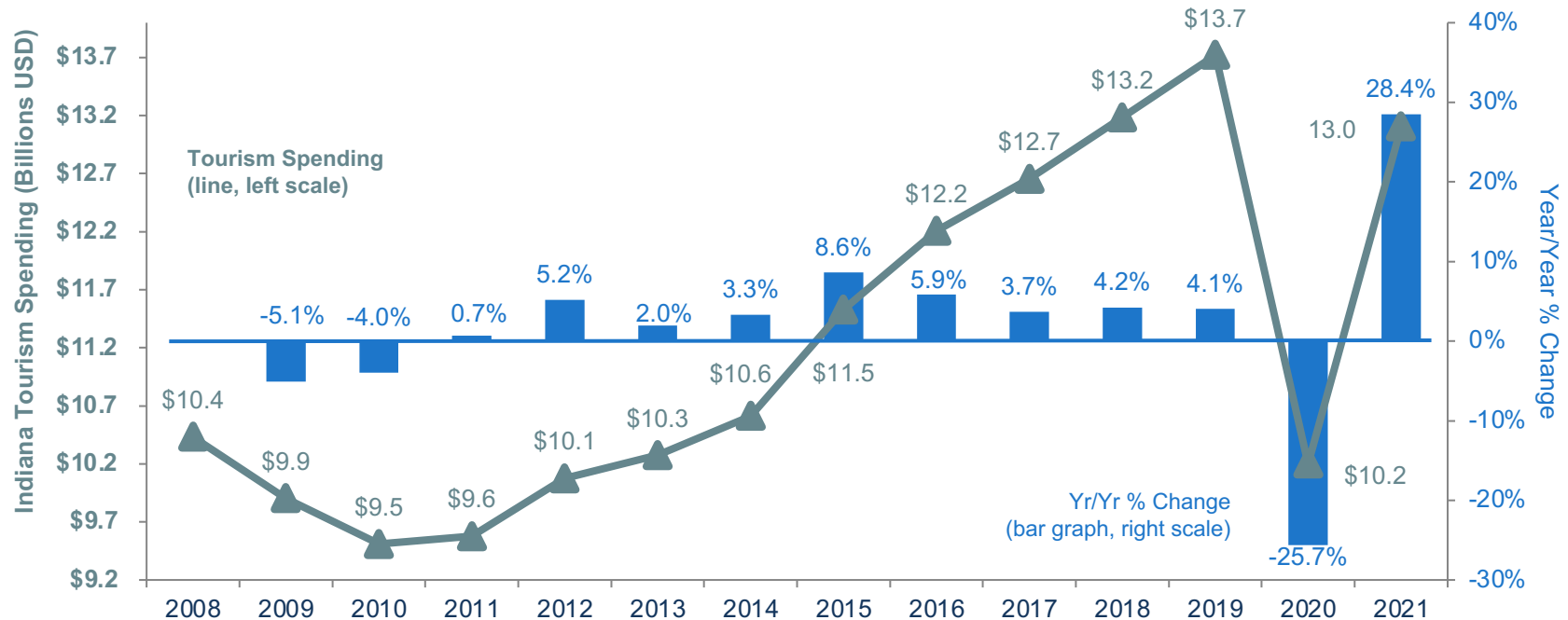
⁵Daytrips are measured as anyone who has traveled more than 50 miles one way to visit an Indiana but did not stay overnight, they include both out-of-state and in-state visitors

⁶Includes both domestic and international visitor volume

2021 Indiana Visitor Spending Increases By 28.4% to \$13.0 Billion

Visitor spending soared 28.4% in 2021 to \$13.0 billion. Average spend per trip increased 10.8% from \$153 per trip in 2020 to \$170 per trip in 2021, as overnight visitors returned to Indiana and the average length of stay among those visitors increased. Air Transportation snapped back from the large hit it experienced in 2020 and clocked a gain of 71.1%, climbing from \$78 million to \$134 million. Lodging and Entertainment also declined significantly in 2020 but bounce back in 2021 growing by 56.6% and 35.3%, respectively.

Indiana Tourism Spending 2008-2021

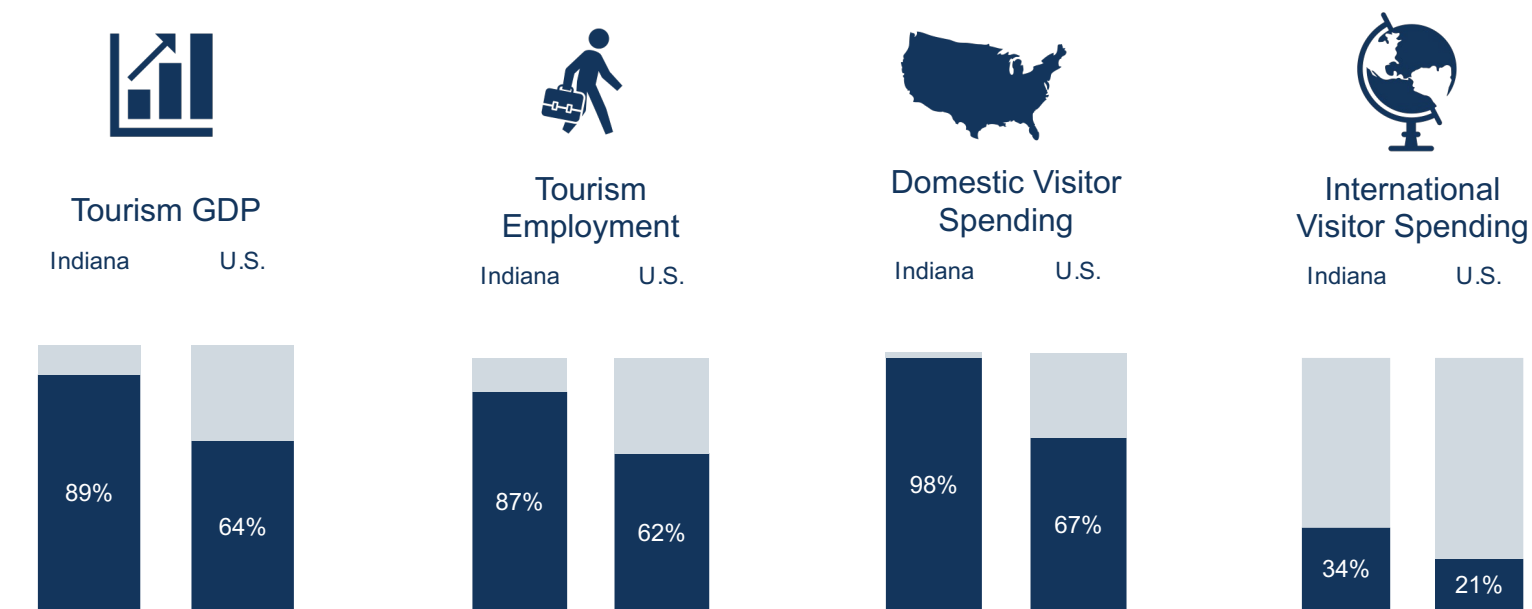


Source: Longwoods International, Reach Market Planning, BEA, STR, Rockport Analytics

The Recovery of Indiana's Tourism Economy Outpaces the Tourism Recovery in the U.S.

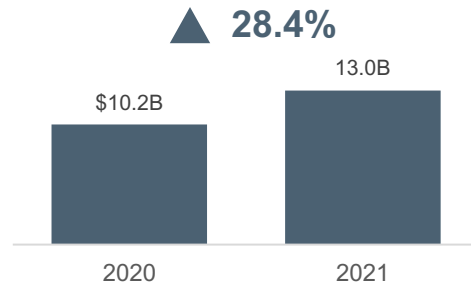
The Hoosier state has made significant gains in the recovery of visitor spending, tourism-related GDP, and tourism-related employment, and is out-pacing the broader US tourism recovery. In fact, as of end-of-year 2021, Indiana has recovered 98% of pre-pandemic visitor spending (compared to the US only recovering 67%). International visitor spending has lagged the domestic recovery due to entry restriction headwinds, but Indiana leads the broader US recovery there as well with around one-third of pre-pandemic spending recovered, compared to one-fifth of total US international visitor spending recovered.

2021 Recovery Toward Pre-Pandemic (2019) Levels

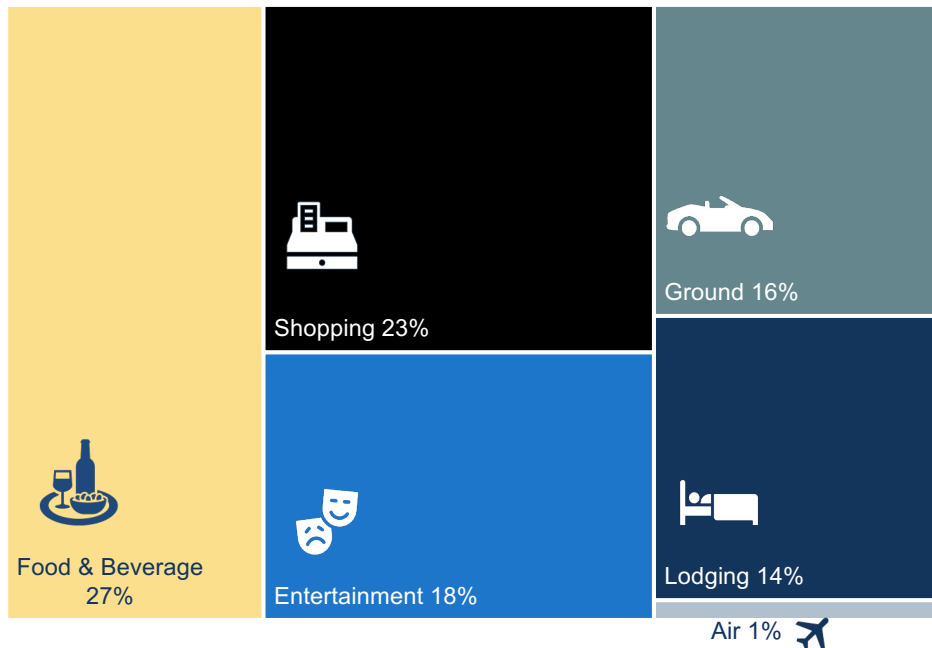


Indiana Visitor Spending by Category

Indiana Total Spending

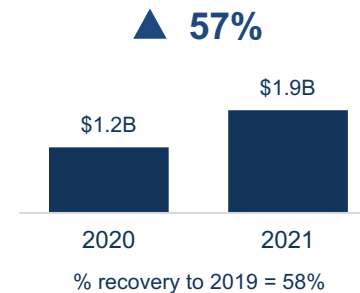


Share of 2021 Indiana Visitor Spending By Category

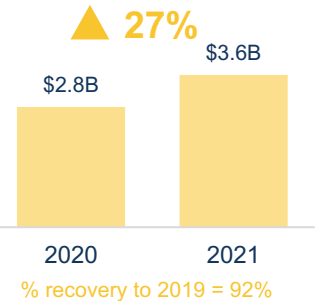


Source: Longwoods International, NTTO, Reach Market Planning, STR, BTS, AirDNA, Rockport Analytics

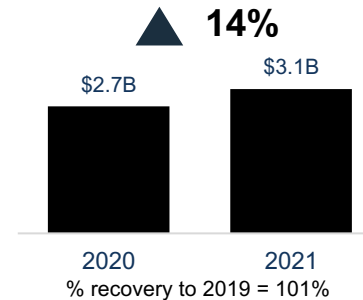
Lodging



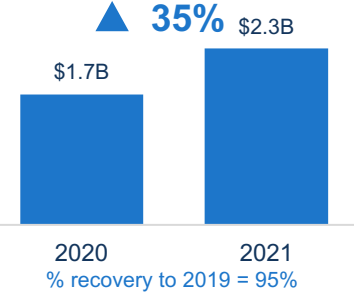
Food & Beverage



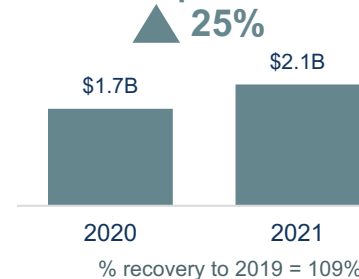
Shopping



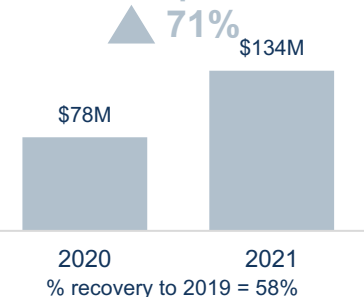
Entertainment



Ground Transportation



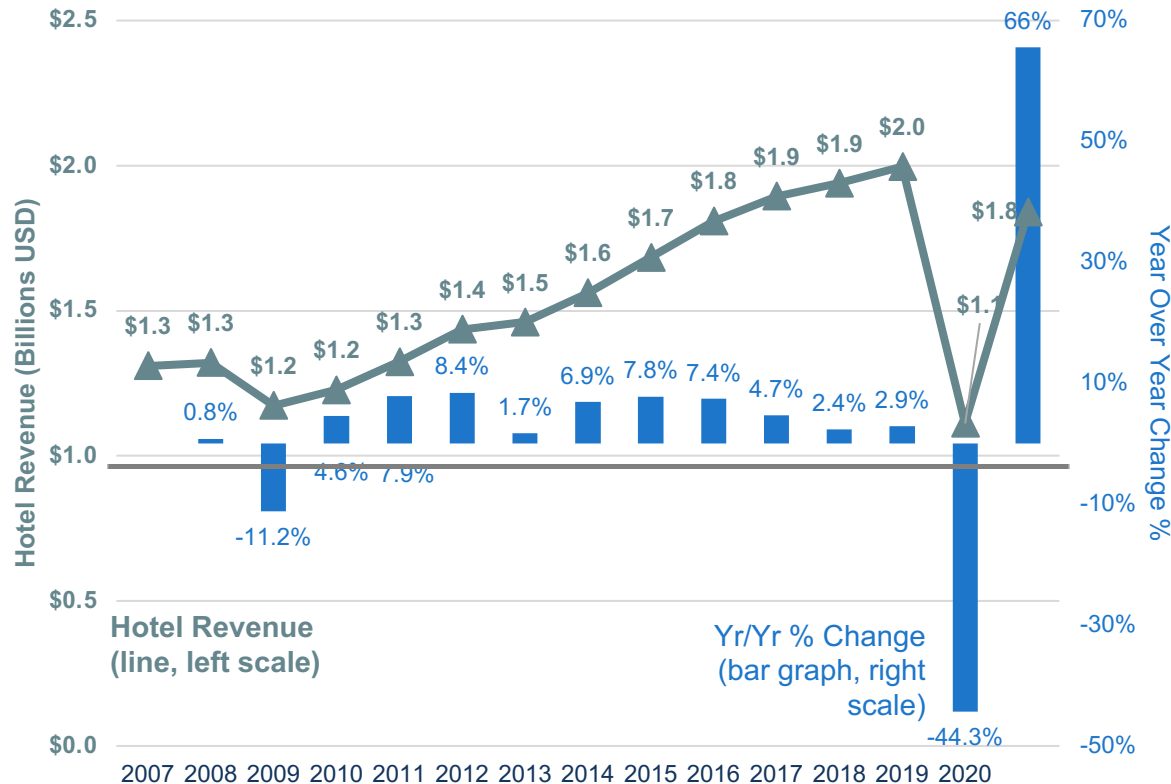
Air Transportation



Indiana Hotel Revenue Rebounds 66% in 2021

Room demand witnessed a significant recovery in 2021, growing nearly 40% over 2020 levels. Hotel revenue had been steadily growing from 2009 until the sharp declines in 2020. Both room demand and revenue rebounded significantly in 2021 with a 66% growth over 2020. RevPAR grew slightly less as room supply continued to come online in 2021, growing 3.8%. Hotel revenue still lags 2019 levels by around \$200 million.

Hotel Revenue and Percent Change Year Over Year

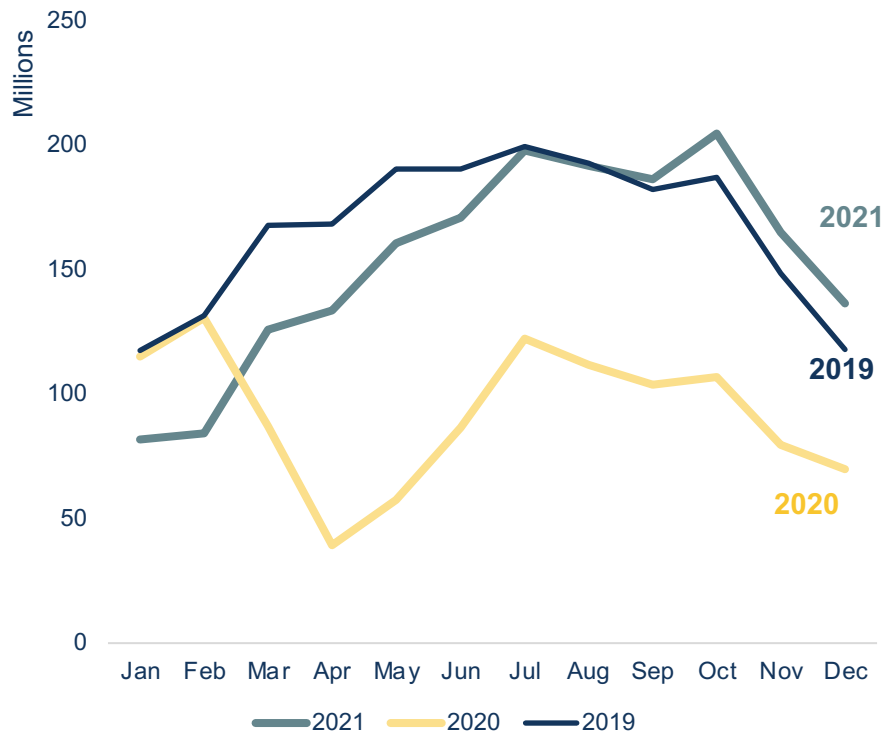


Hotel Metric	2021	21/20 Growth
Demand	19.0 M	39.8%
Supply	33.8 M	3.8%
Occupancy	56%	34.7%
ADR	\$95	18.9%
RevPAR	\$53.2	60.1%
Revenue	\$1.8 B	65.6%

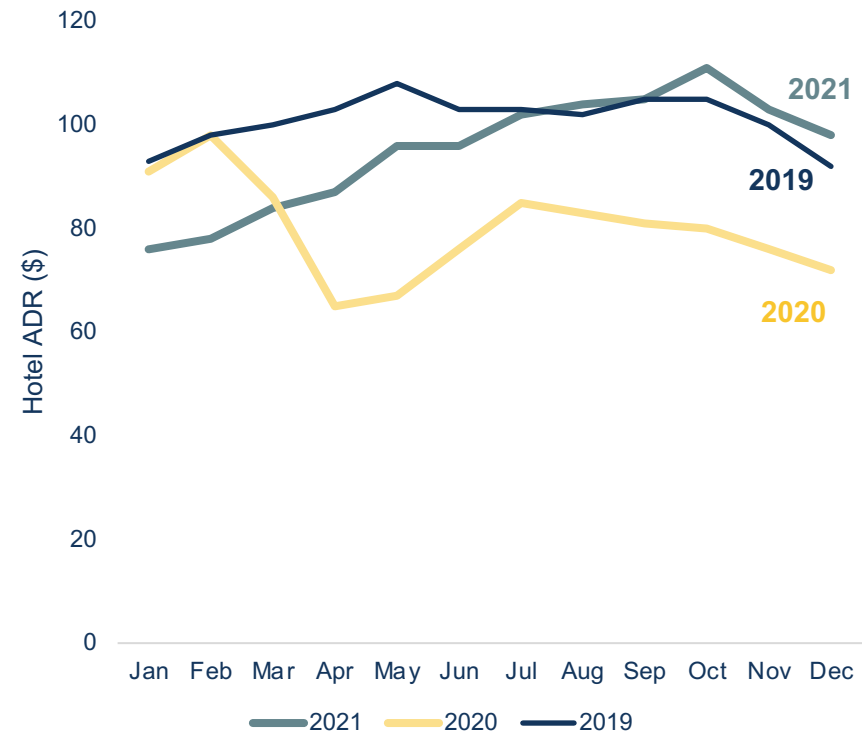
Indiana Hotel Revenue Exceeds 2019 Levels in the Last Third of the Year

Over the last four quarters of 2021, hotel revenue exceeded 2019 levels for the first time since the start of the pandemic. This recover has been driven by demand but also a recovery in average daily rates as exhibited in the chart below on the right.

Indiana Hotel Revenue by Month 2019-2021



Hotel Average Daily Rate by Month 2019-2021





2021 ECONOMIC IMPACT OF TOURISM IN INDIANA TOURISM'S CONTRIBUTION TO THE INDIANA ECONOMY



A Rebound in Indiana's Tourism Sector Helps to Fuel A Stronger Indiana Economy in 2021

Significant growth in visitor volume and spending drove a huge rebound in Indiana's tourism economy in 2021. In total, tourism generated \$8.5 billion in net new GSP for the Hoosier state, a 30.8% increase over 2020. Visitor activity supported nearly 180,000 Indiana jobs, paying \$5.2 billion in wages. Taxes generated by visitors to Indiana in 2021 totaled \$2.4.. The state of Indiana accrued \$859 million in tax receipts, and local taxing authorities took in \$520 million.

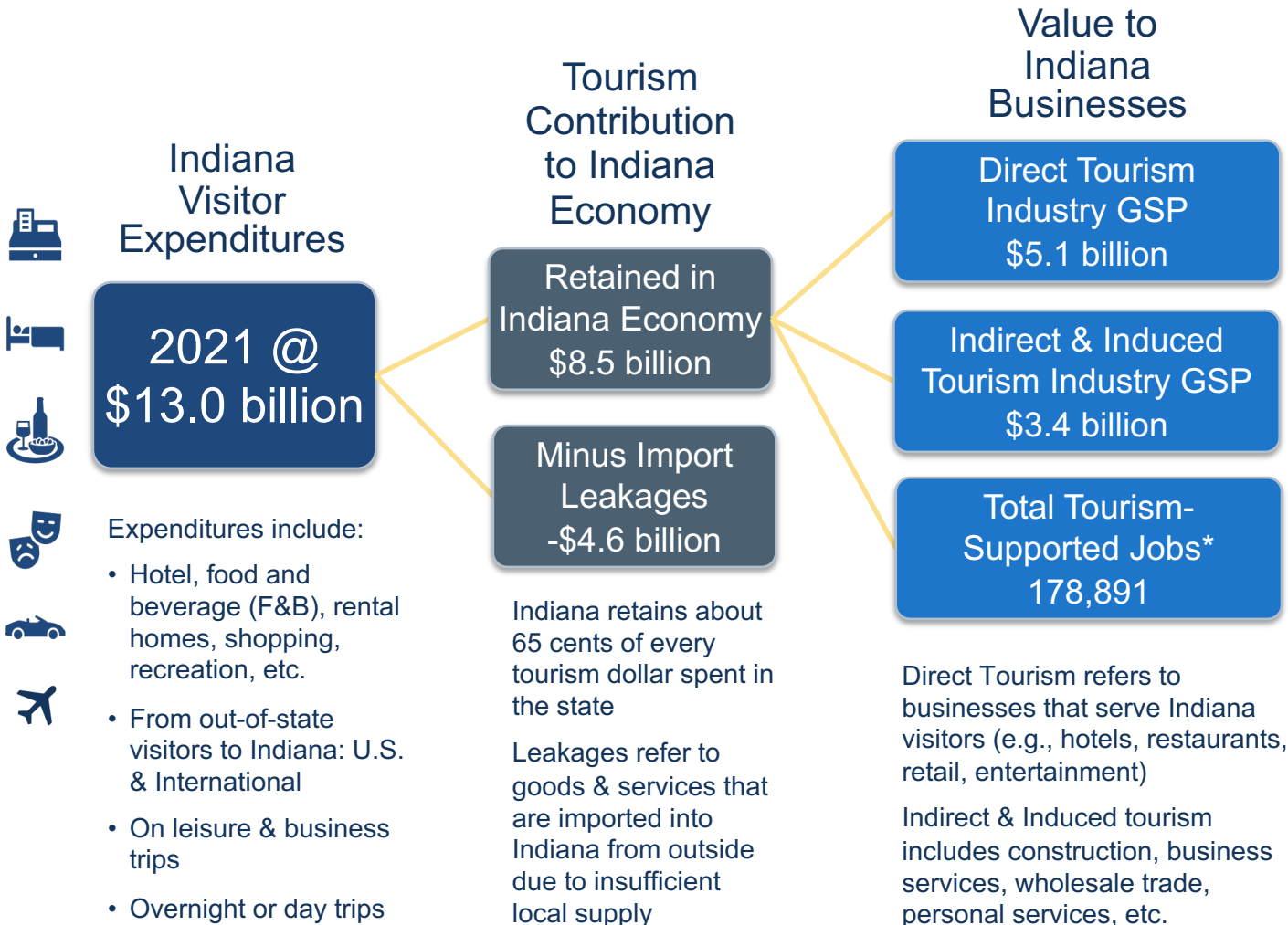
2021 Economic Impact Summary

2021 Metric	Direct	Indirect	Induced	Total	% vs. 2020	Difference from 2020
Total Visitor Volume				77.3M	15.9%	10.6M
Total Tourism Spending				\$13.0B	28.4%	\$2.9B
Economic Impact (GSP)	\$5.1B	\$1.6B	\$1.8B	\$8.5B	30.8%	\$2.0B
Wages	\$3.2B	\$979M	\$1.0B	\$5.2B	30.6%	\$1.2B
Jobs	134,260	21,171	23,460	178,891	29.7%	40,945
Tax Receipts				\$2.4B	30.7%	\$572M
Federal				\$1.1B	30.7%	\$248M
State				\$859M	28.2%	\$189M
Local				\$520M	35.0%	\$135M

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



The Progression of Tourism Spending in Indiana's Economy



Visitor Volume & Spending Drives a 30.8% Increase in Tourism Gross State Product (GSP)

The 28.4% growth in visitor spending led to a 30.8% increase in GSP in 2021. Direct tourism contributions increased to \$5.1 billion in value added, a gain of 30.1% over the year before. Businesses' intermediate purchases along Indiana's tourism's supply chain contributed another \$1.6 billion in value added, an increase of 33.3% and Indiana's tourism downstream businesses received \$1.8 billion in value added, up 30.6% from the year before.

Indiana Tourism: 2021 Economic Impact (Value Added/GSP)

Industry (NAICS)*	Direct	Indirect	Induced	Total
<i>in thousands of dollars</i>				
Food services & drinking places	\$1,683,304	\$59,154	\$88,648	\$1,831,105
Arts- entertainment & recreation	\$1,211,496	\$43,980	\$30,323	\$1,285,799
Retail trade	\$756,969	\$21,362	\$239,632	\$1,017,964
Accommodations	\$781,058	\$1,134	\$715	\$782,908
Real estate & rental	\$100,495	\$230,735	\$398,998	\$730,228
Transportation & Warehousing	\$526,046	\$74,337	\$37,360	\$637,743
Health & social services	\$0	\$319	\$346,116	\$346,435
Professional services	\$12,805	\$224,890	\$70,187	\$307,882
Finance & insurance	\$0	\$133,033	\$157,823	\$290,856
Administrative & waste services	\$0	\$177,667	\$50,363	\$228,030
Wholesale Trade	\$0	\$59,739	\$97,290	\$157,029
Utilities	\$0	\$112,150	\$44,660	\$156,811
Other services	\$0	\$70,425	\$79,755	\$150,180
Manufacturing	\$0	\$96,619	\$50,333	\$146,952
Information	\$0	\$92,823	\$48,825	\$141,648
Government & non NAICS	\$11,992	\$77,504	\$22,830	\$112,326
Construction	\$0	\$62,387	\$20,045	\$82,432
Management of companies	\$0	\$53,644	\$8,064	\$61,708
Educational services	\$0	\$4,513	\$32,250	\$36,763
Ag, Forestry, Fish & Hunting	\$0	\$9,028	\$5,813	\$14,841
Mining	\$0	\$3,839	\$1,522	\$5,361
Total - 2021	\$5,084,166	\$1,609,305	\$1,831,629	\$8,525,100
Total - 2020	\$3,907,618	\$1,207,234	\$1,402,038	\$6,516,890
% change	30.1%	33.3%	30.6%	30.8%

Employment Supported By Indiana Tourism Grew 29.7% in 2021

Total tourism employment grew 29.7% in 2021, comprising 3.2% of Indiana's non-farm jobs. The number of Indiana residents directly employed by businesses that served visitors grew nearly 30% in 2021 to more than 134,000. Jobs that were supported by Indiana's tourism supply chain (indirect) and by downstream businesses (induced) increased to more than 44,000.

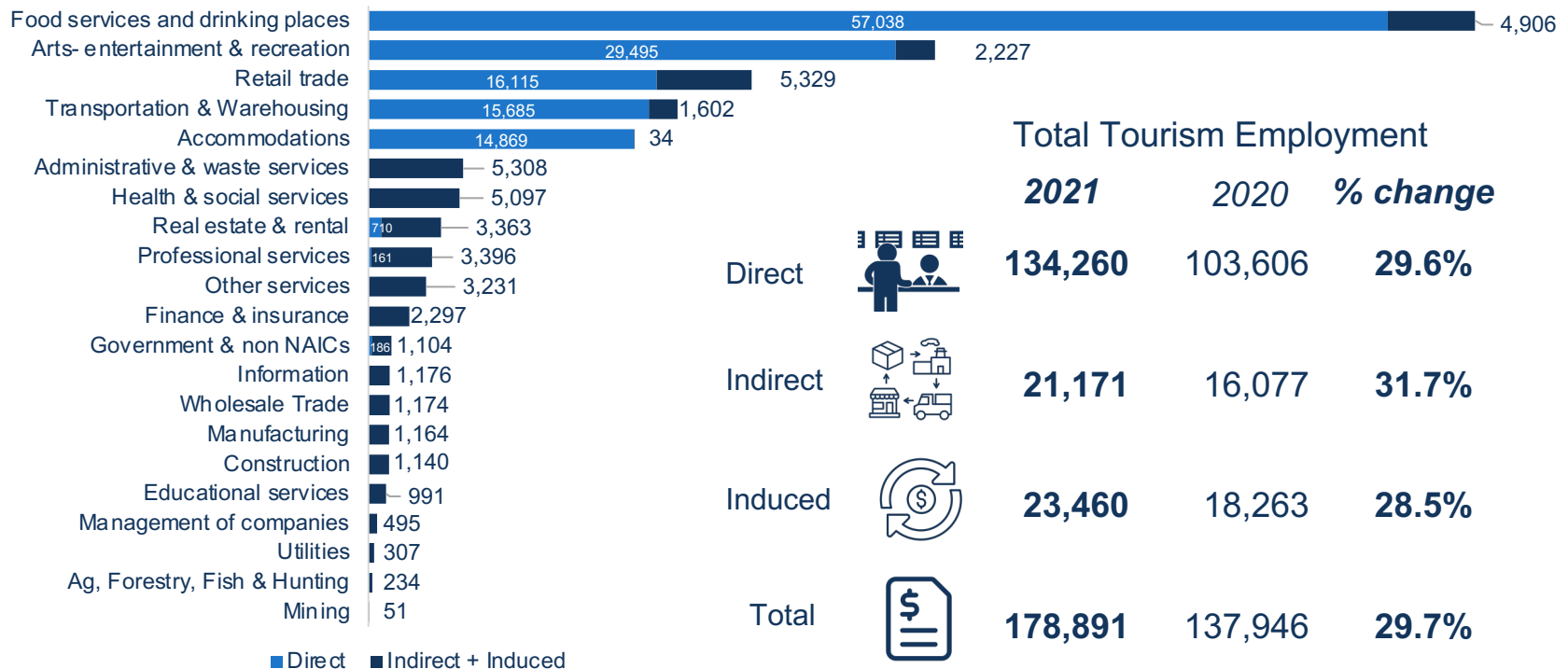
Indiana Tourism: 2021 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Food services and drinking places	57,038	1,964	2,943	61,945
Arts- entertainment & recreation	29,495	1,581	646	31,722
Retail trade	16,115	441	4,888	21,444
Transportation & Warehousing	15,685	1,089	513	17,287
Accommodations	14,869	21	13	14,904
Administrative & waste services	0	4,153	1,155	5,308
Health & social services	0	3	5,094	5,097
Real estate & rental	710	2,132	1,231	4,073
Professional services	161	2,577	819	3,556
Other services	0	1,331	1,900	3,231
Finance & insurance	0	1,025	1,273	2,297
Government & non NAICs	186	836	268	1,290
Information	0	871	306	1,176
Wholesale Trade	0	447	728	1,174
Manufacturing	0	845	319	1,164
Construction	0	905	235	1,140
Educational services	0	119	872	991
Management of companies	0	430	65	495
Utilities	0	213	94	307
Ag, Forestry, Fish & Hunting	0	152	82	234
Mining	0	36	15	51
Total - 2021	134,260	21,171	23,460	178,891
Total - 2020	103,606	16,077	18,263	137,946
% change	29.6%	31.7%	28.5%	29.7%

Tourism Supported Employment – Direct, Indirect, and Induced

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

Indiana Tourism: 2021 Economic Impact (Employment)



Tourism Gains One Place Becoming Indiana's 13th Largest Industry Employer

2021 Tourism in Indiana: Ranking of Major Industries By Total Employment

Rank	Industry	2021 Direct Tourism-Initiated Jobs	2021 Reported*	2021 Tourism-Extracted**	% of Total Employment	2021 % Growth
1	Manufacturing		539,654	539,654	13.9%	3.9%
2	Health & Social Services		451,393	451,393	11.6%	0.7%
3	Government	186	433,544	433,358	11.2%	-0.8%
4	Retail trade	16,115	385,446	369,331	9.5%	2.8%
5	Administrative & Waste Services		235,192	235,192	6.1%	6.4%
6	Construction		226,187	226,187	5.8%	4.1%
7	Other Services		219,224	219,224	5.7%	0.4%
8	Transportation & Warehousing	15,685	226,560	210,875	5.4%	6.5%
9	Professional Services	161	195,844	195,683	5.0%	3.7%
10	Accommodation & Food Services	71,908	266,325	194,417	5.0%	7.1%
11	Finance & Insurance		166,609	166,609	4.3%	2.3%
12	Real Estate & Rental	710	158,125	157,415	4.1%	2.5%
13	Tourism		N/A	134,260	3.5%	29.6%
14	Wholesale Trade		130,695	130,695	3.4%	2.3%
15	Educational Services		82,565	82,565	2.1%	2.7%
16	Management of Companies		38,780	38,780	1.0%	1.1%
17	Arts, Entertainment & Recreation	29,495	67,736	38,241	1.0%	5.9%
18	Information		34,348	34,348	0.9%	-0.1%
19	Utilities		14,137	14,137	0.4%	-1.5%
20	Mining		4,783	4,783	0.1%	-5.7%
	Total Indiana Employment		3,877,147	3,877,147	100%	-4.6%

Source: Rockport Analytics, BEA, IMPLAN

* 2021 Reported: As released by the Bureau of Economic Analysis. Includes both Full & Part-Time Jobs.

** 2021 Tourism Extracted: Tourism's contribution to jobs in each industry is removed and placed in "Indiana's Core Tourism Industry"



\$5.2 Billion Paid in Tourism-Related Wages

Wages paid to those working in sectors directly associated with tourism totaled \$3.2 billion, an increase of 29.6% compared to 2020. The three sectors most recognized as being tourism-related (food services, entertainment & recreation, and accommodations), generated 71% of direct tourism wages. An additional \$2.0 billion in wages were paid to employees of Indiana's tourism supply chain (indirect) and downstream businesses (induced).

Indiana Tourism: 2021 Labor Income

Industry (NAICS)*	Direct	Indirect	Induced	Total
<i>in thousands of dollars</i>				
Food services & drinking places	\$1,162,538	\$40,853	\$61,223	\$1,264,614
Arts- entertainment & recreation	\$691,505	\$41,637	\$17,453	\$750,595
Retail trade	\$436,763	\$13,800	\$153,831	\$604,394
Transportation & Warehousing	\$417,398	\$53,635	\$26,852	\$497,885
Accommodations	\$447,920	\$650	\$410	\$448,981
Health & social services	\$0	\$217	\$312,163	\$312,380
Professional services	\$7,628	\$166,846	\$51,873	\$226,347
Administrative & waste services	\$0	\$144,222	\$40,526	\$184,748
Other services	\$0	\$64,760	\$73,960	\$138,720
Finance & insurance	\$0	\$61,961	\$71,581	\$133,542
Real estate & rental	\$50,741	\$35,151	\$21,632	\$107,525
Government & non NAICS	\$7,259	\$70,375	\$18,507	\$96,141
Wholesale Trade	\$0	\$34,466	\$56,131	\$90,596
Manufacturing	\$0	\$55,332	\$24,302	\$79,633
Construction	\$0	\$57,757	\$14,541	\$72,298
Information	\$0	\$52,811	\$18,673	\$71,484
Management of companies	\$0	\$46,526	\$6,994	\$53,519
Utilities	\$0	\$28,885	\$12,050	\$40,935
Educational services	\$0	\$3,346	\$28,878	\$32,224
Ag, Forestry, Fish & Hunting	\$0	\$3,968	\$2,779	\$6,747
Mining	\$0	\$1,593	\$630	\$2,222
Total - 2020	\$3,221,753	\$978,811	\$1,015,050	\$5,215,613
Total - 2019	\$2,485,012	\$731,575	\$776,982	\$3,993,569
% change	29.6%	33.8%	30.6%	30.6%

Indiana Tourism Tax Revenue Grows 30.7% in 2021

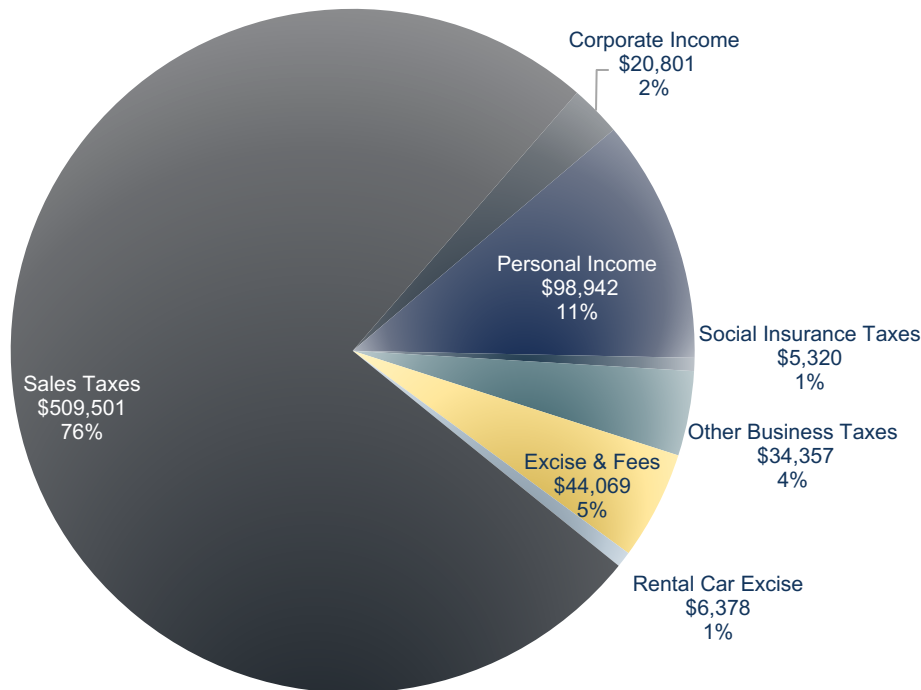
Total tax revenue generated by Indiana tourism increased from \$1.9 billion in 2020 to \$2.4 billion in 2021. Federal taxes grew 30.7% to 1.1 billion, state taxes increased 28.2% to \$859 million and local taxes jumped 35.0% to \$520 million, fueled by a significant increase in hotel taxes.

	2020	2021	% growth
Federal:	<i>in thousands of dollars</i>		
Corporate Income	\$112,077	\$147,143	31.3%
Personal Income	\$226,205	\$295,457	30.6%
Excise & Fees	\$70,317	\$92,010	30.8%
Social Security & Other Taxes	\$400,001	\$521,881	30.5%
Federal Total	\$808,600	\$1,056,491	30.7%
State:			
Corporate Income	\$15,844	\$20,801	31.3%
Personal Income	\$75,751	\$98,942	30.6%
Social Insurance Taxes	\$4,080	\$5,320	30.4%
Other Business Taxes	\$26,265	\$34,357	30.8%
Excise & Fees	\$33,645	\$44,069	31.0%
Rental Car Excise	\$4,912	\$6,378	29.8%
Sales Taxes	\$509,501	\$649,239	27.4%
Indiana Total	\$669,999	\$859,106	28.2%
Local:			
Personal Income	\$10,822	\$14,135	30.6%
Hotel Tax	\$60,488	\$96,359	59.3%
Admission Taxes	\$847	\$905	7.0%
Property Taxes	\$284,129	\$371,776	30.8%
Rental Car	\$2,376	\$2,613	10.0%
Food & Beverage	\$22,495	\$29,117	29.4%
Other Licenses, Fines & Fees	\$4,029	\$5,268	30.7%
Local Total	\$385,185	\$520,172	35.0%
Total Indiana Tourism-Initiated Taxes	\$1,863,784	\$2,435,769	30.7%

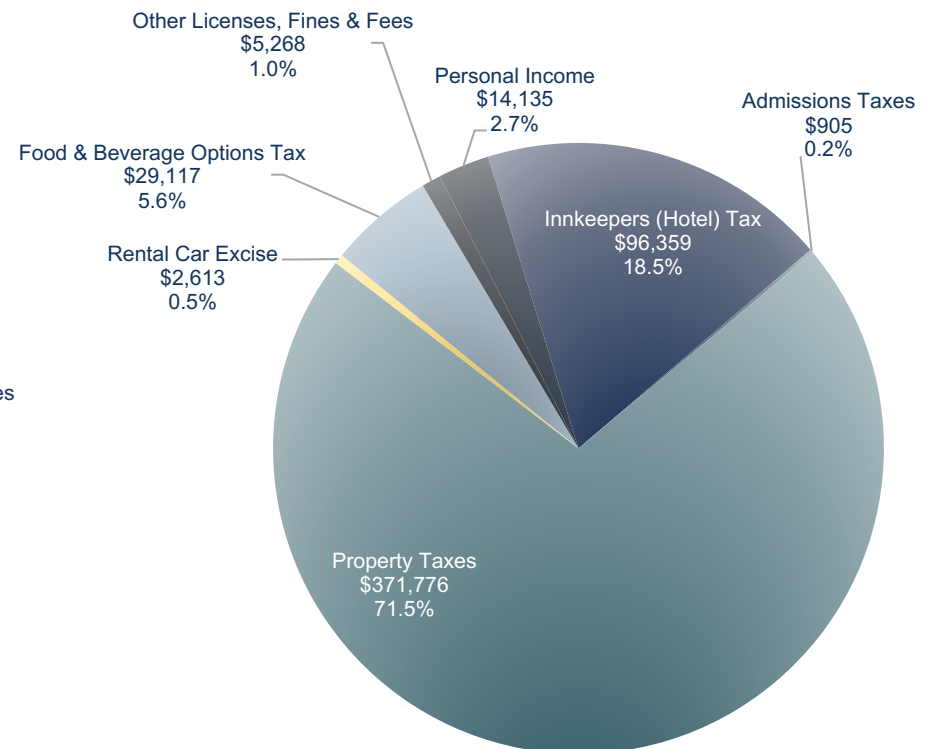
2021 State and Local Tax Collections from Indiana Tourism

Indiana tourism generated \$859 million in state taxes in 2021. Sales taxes comprised 76% of state collections. Personal income comprised the second-largest category of state collections at 11%. Local tax collections reached \$520 million in 2021, with the largest category, property taxes, accounting for 71.5% of the total. With the boost in overnight travel, hotel taxes grew 59.3%, reaching \$96 million, and comprised 18.5% of total local taxes.

2021 State Tax Sources
Total = \$859 Million



2021 Local Tax Sources
Total = \$520 Million





2021 ECONOMIC IMPACT OF TOURISM IN INDIANA INDIANA TOURISM'S IMPACT IN PERSPECTIVE



Putting the Benefits of Indiana Tourism in Perspective



Tourism Effects on the Job Market

Tourism was responsible for 3% of all Indiana non-farm jobs. In 2021, tourism gained one place to become the 13th largest employer in Indiana, still short of 2019's 12th largest position.

In 2021, wages grew 30.6%, and the average wage of both full- and part-time workers supported by tourism activity grew 0.7% to \$29,000.



Benefiting Indiana Businesses

Visitors spent \$13.0 billion in travel-related expenses, benefiting a broad array of IN businesses.

In 2021, Indiana businesses that directly served visitors saw value-added of \$5.1 billion, up 30.8% from 2020.

Indiana's tourism supply chain businesses accumulated value-added of nearly \$1.6 billion in 2021, an increase of 33%.



Contributing to Public Education & Other Government Services

Tourism-supported state & local taxes were enough to educate more than 108,000 Indiana public school students, which is more than 10% of total enrollment.

Tax collections were enough to support nearly 25,700 public school teachers.



Capturing and Retaining Dollars Spent by Visitors

For every \$1 spent by visitors in Indiana, the state's economy retained 65 cents.

About 40 cents went to pay Indiana workers nearly \$5.2 billion in wages and salaries.

About 11 cents 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 \$526 more in state and local taxes to maintain current levels of receipts.

The total economic impact generated by visitors to Indiana (\$8.5 billion) represents 2.1% of Indiana's GSP.



Providing Tax Revenue to Support Local State & Local Government

Indiana tourism contributed \$1.4 billion in tax revenue to state and local collections in 2021. These taxes could pay for more than 27,000 probationary troopers.

Transaction taxes paid by visitors like hotel taxes, food & beverage, admissions, and rental car taxes raised more than \$129 million in local taxes, making up nearly 25% of tourism-supported local tax collections.

Sources: NEA's 2022 State Rankings, US Census Bureau, Federal Reserve Economic Data, U.S. Bureau of Labor Statistics, IN.gov, Rockport Analytics

Glossary of Key Terms

- **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.



About Rockport Analytics

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

Capabilities include:

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



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