

December 2023



## INDIANA'S TOURISM ECONOMY RETURNS TO PRE-PANDEMIC VIBRANCY

The 2022 Contribution of Travel & Tourism to the Indiana Economy



# 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 2022 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.

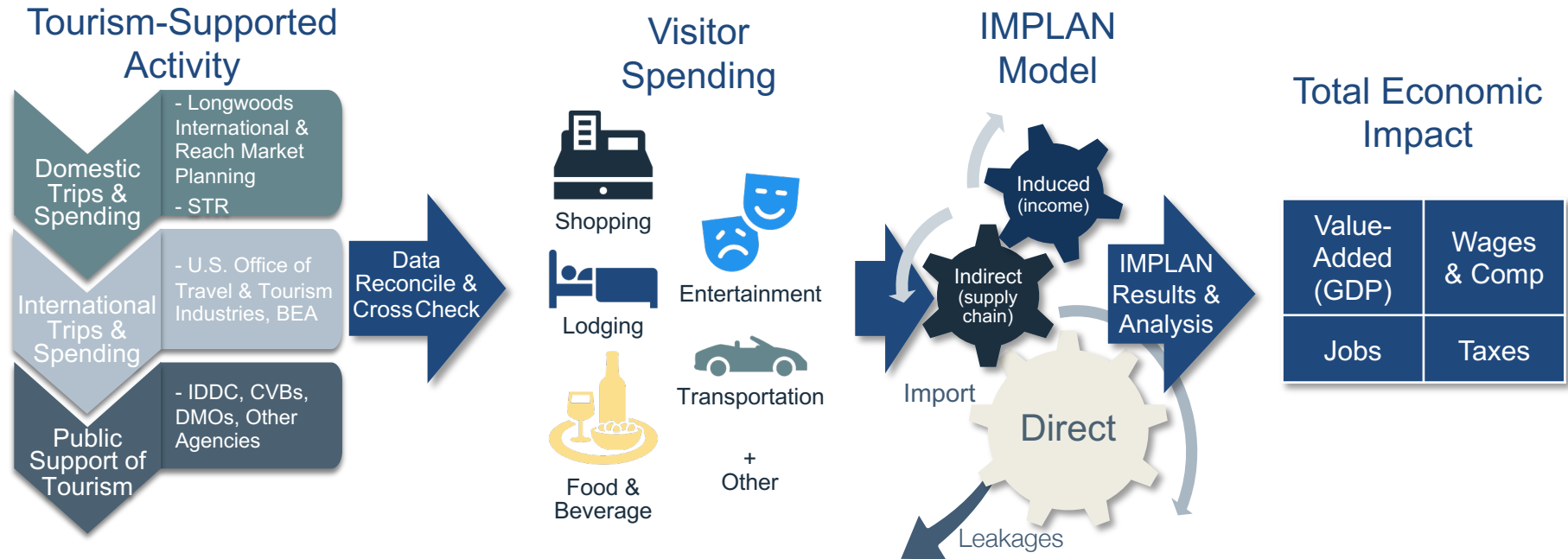
The economic impacts reported in this study are based on Indiana visitor spending as reported by Longwoods International ([www.longwoods-intl.com](http://www.longwoods-intl.com)), Reach Market Planning ([www.reachmp.com](http://www.reachmp.com)) and the National Travel & Tourism Office of the Bureau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

# 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”<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.





## 2022 ECONOMIC IMPACT OF TOURISM IN INDIANA STATE-LEVEL TOURISM PERFORMANCE





# Indiana Tourism's Bottom Line

## 2022 Economic Impact Summary

2022 Metric	Direct	Indirect	Induced	Total	% vs. 2021	Difference from 2021
Total Visitor Volume				80.8M	4.5%	3.5M
Total Tourism Spending				\$15.1B	16.0%	\$2.1B
Economic Impact (GSP)	\$5.9B	\$1.9B	\$2.1B	\$9.9B	15.7%	\$1.3B
Wages	\$3.7B	\$1,133M	\$1.2B	\$6.0B	15.8%	\$0.8B
Jobs	149,610	24,087	26,711	200,409	12.0%	21,518
Tax Receipts				\$2.8B	15.8%	\$385M
Federal				\$1.2B	15.7%	\$166M
State				\$989M	15.1%	\$130M
Local				\$610M	17.2%	\$90M

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



# Indiana Tourism Highlights

- **Indiana visitor volume grew 4.5% in 2022 to 80.8 million person-stays.** The recovery was led by both business and international travel, two segments that lagged the broader travel recovery in 2021. Business volume grew by 26% compared to 1.6% growth in leisure. International, while representing a very small share of travel to Indiana, soared 148%, compared to 4.2% growth in the number of domestic person-stays.
- **Travel spending soared 16% in 2022 to \$15.1 billion. Despite declining average lengths of stay, the average amount spent per visitor rose by 11% in 2022.** This rise can be attributed to inflation as well as the return of the higher yielding businesses and international segments. By the end of 2022, domestic visitor spending had fully recovered to 112% of pre-pandemic spending levels. Spending increased across all categories with the largest increase occurring in transportation, lodging and F&B. International visitor spend remains 13% below pre-pandemic levels but witnessed a robust recovery in 2022.
- **GDP generated by the Travel & Tourism sector accounted for 2.3% of Indiana's Gross State Product in 2022.** Tourism contributed \$9.9 billion to Indiana's economy in 2022. Value added to businesses that directly served visitors (e.g. hotels, restaurants, entertainment venues) totaled \$5.9 billion, and the remaining \$4 billion was generated along the tourism supply chain and other downstream businesses. For every dollar spent by visitors, the Indiana economy retained 65 cents, including 40 cents of each dollar paying the salaries of Indiana workers and another 11 cents of each dollar collected as state and local taxes.
- **Tourism-supported employment eclipsed 200,000 jobs in 2022 when accounting for direct, indirect, and other downstream employment.** This represents growth of 12% over 2021 levels and is just shy of its 2019 peak of 208,000 jobs. Travel & Tourism was the 13th largest industry employer in state and represented approximately 4% of all nonfarm IN jobs in 2022.
- **Tourism-generated tax revenues increased 15.8% to a total of \$2.8 billion in 2022.** State and local taxes increased 16% to \$1.6 billion. This includes a 15.1% gain in state tax collections and a 17.2% gain in local collections. Tourism excises on hotel, car rentals and admissions taxes led the growth in local tax receipts. In the absence of tourism, each of Indiana's 2.7 million households would need to contribute an additional \$603 in state & local taxes to maintain the current level of collections.

# 2022 Indiana Tourism's Economic Impact



**80.8 M**

**Visitors**

Volume Growth 4.5%

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



**\$15.1 B**

**Visitor Spending**

Spending Growth 16.0%

Average Spend/Trip \$188  
Domestic Spend/Trip \$183  
International Spend/Trip \$1,307



**\$2.8 B**

**Total Initiated Taxes**

Total Initiated Tax Growth 15.8%

Federal: \$1.2 B  
State \$989M  
Local: \$610 M



**200 K**

**Total Indiana Jobs  
Supported**

(Full & Part-Time)

Employment Growth 12.0%



**\$6.0 B**

**Total Wages &  
Salaries Paid**

Wage Growth 15.8%



**\$9.9 B**

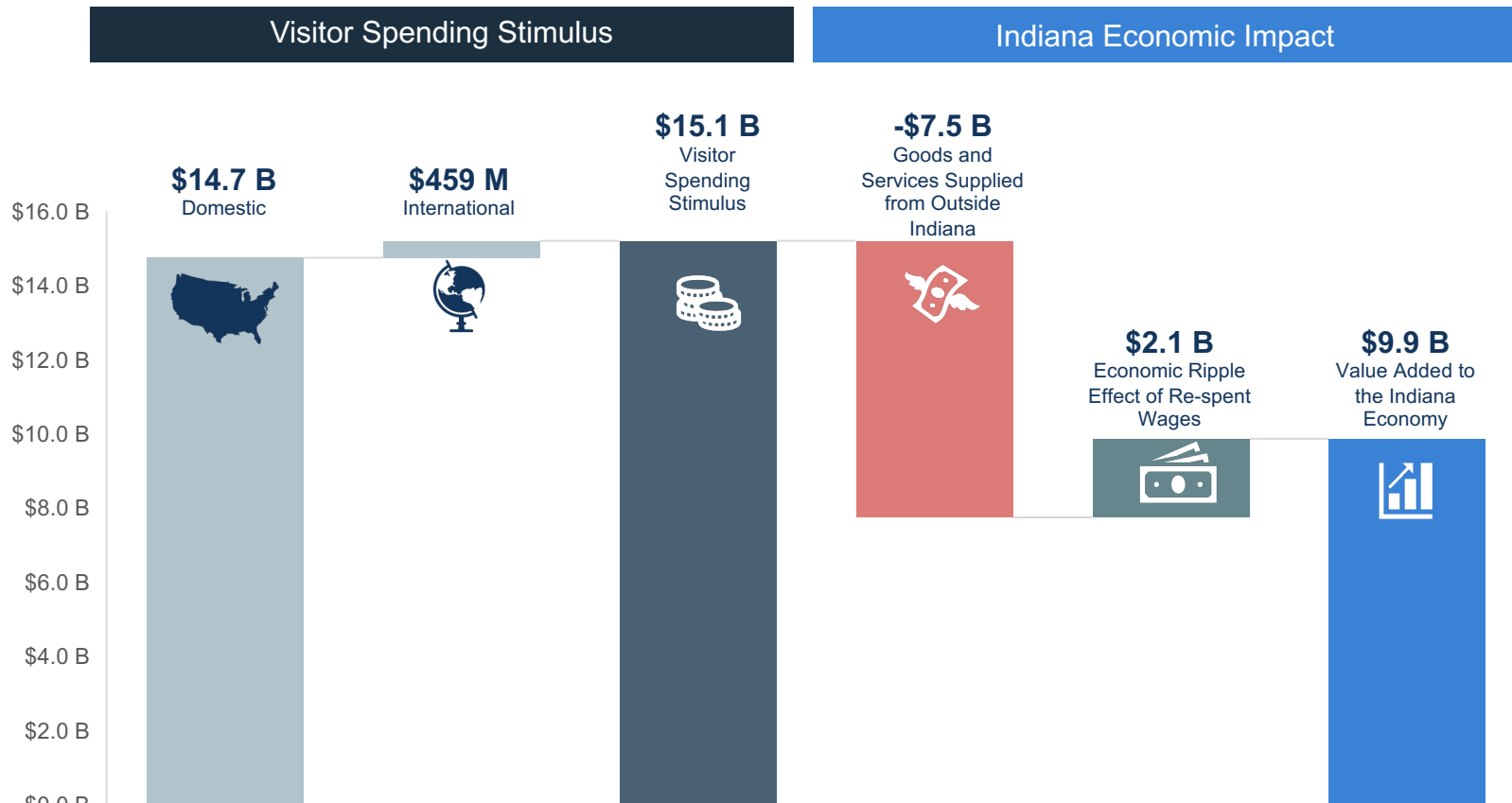
**Total Economic  
Contribution**

(Value Added)

Impact Growth 15.7%

# Visitors to Indiana Inject \$15.1 Billion in Spending, Generating \$9.9 Billion in GSP

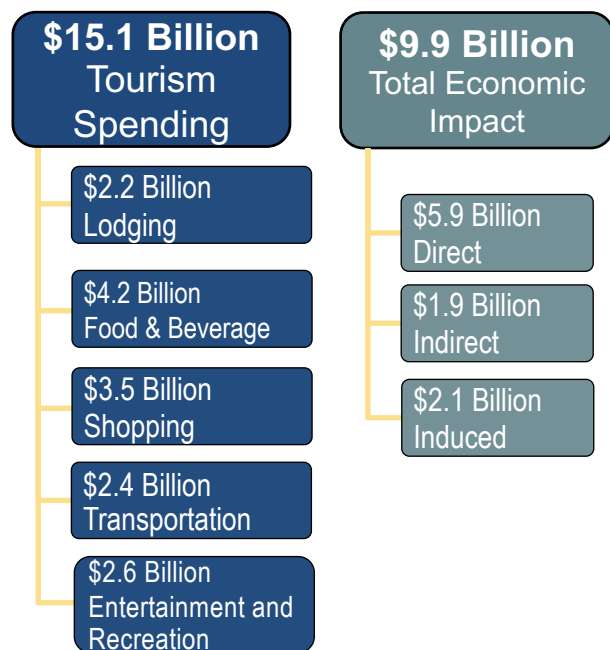
Domestic visitors to Indiana spent \$14.7 billion in 2022 and international visitors spent \$459 million, providing a \$15.1 billion spending stimulus to Indiana's economy. Some of these dollars ultimately left Indiana for any goods and services sourced among out-of-state businesses along the supply chain (\$7.5B). Another \$2.1 billion of employees' earned wages were re-spent within the state, multiplying the impact of Indiana's tourism economy. In net terms, Indiana realized \$9.9 billion in new Gross State Product because of tourism in 2022.



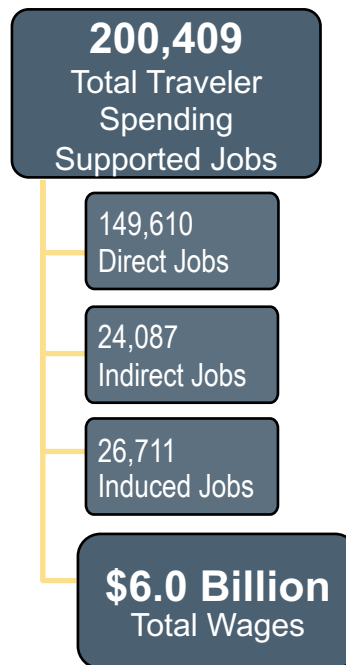


# 2022 Indiana Tourism Highlights

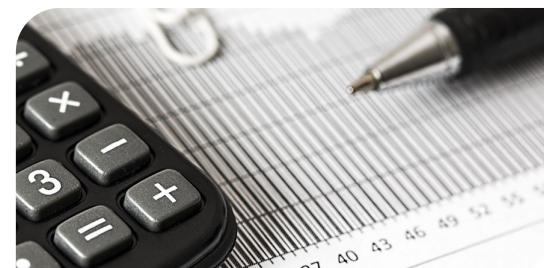
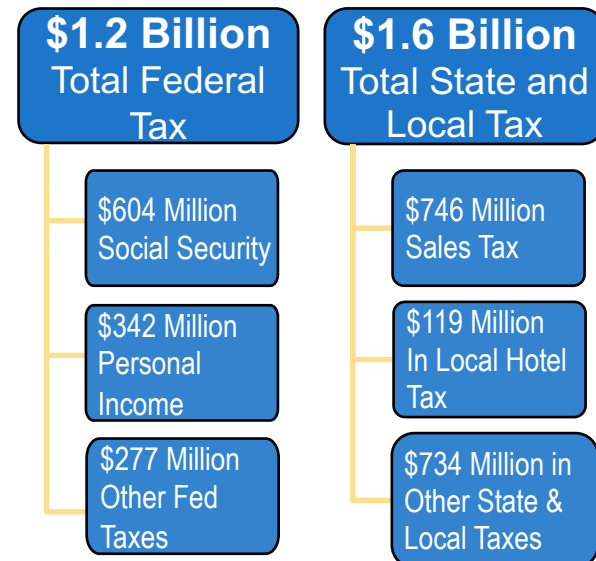
## Tourism and Impact



## Jobs and Wages



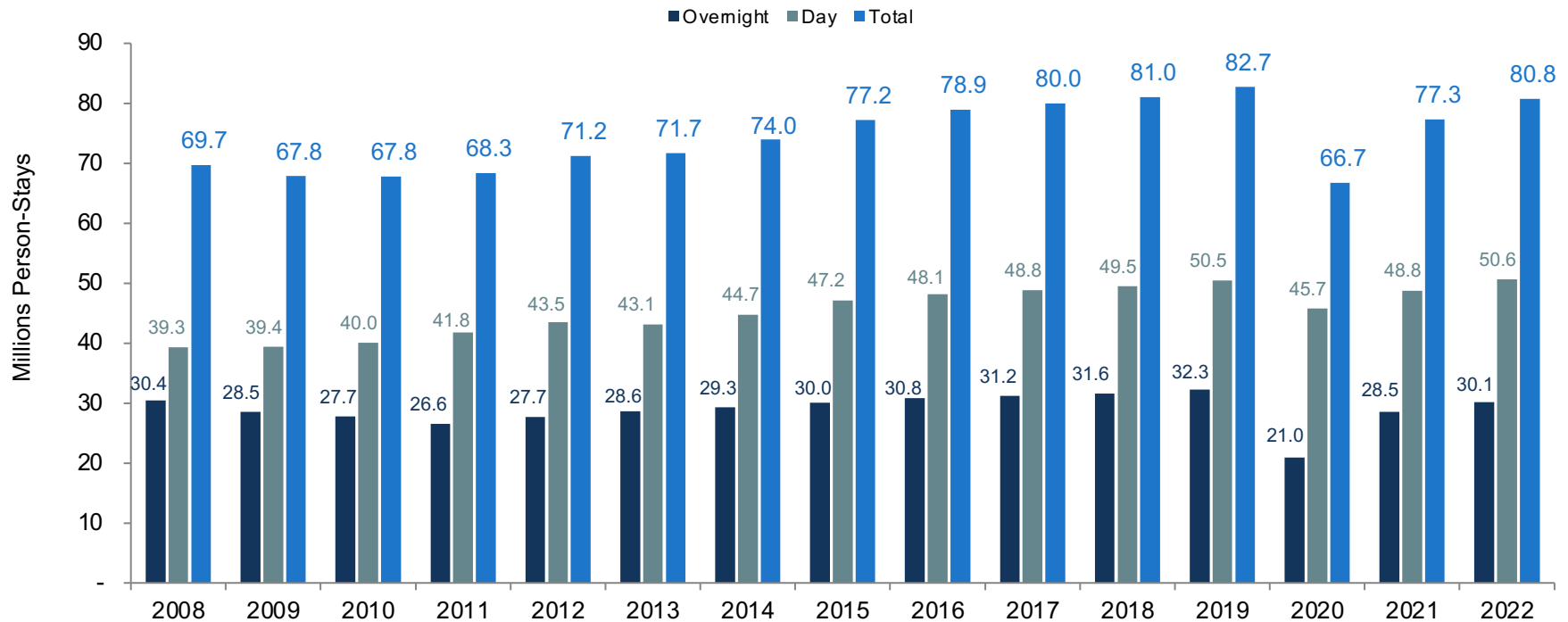
## Tax Revenue Generated



# Indiana Business Volume Increased 25.9% in 2022 But Remains Below 2019

Visitor volume in Indiana increased from 77.3 million in 2021 to 80.8 million in 2022, a growth rate of 4.5%. Overnight visitor volume grew at a slightly higher pace than day visitor volume, 4.9% vs. 3.9%, respectively. Business volume grew at a significantly higher rate (25.9%) than leisure volume (1.6%) as business trips and conferences returned in full force in 2022 after the pandemic shock. Business volume reached 10.3 million in 2022 but is still below the 2019 volume of 12.4 million.

Indiana Visitor Volume 2008 - 2022



Note: All international visitation was added into the Overnight category  
Source: Longwoods International, Reach Market Planning, NTT, Rockport Analytics

## Business<sup>1</sup>

Business volume grew 26% in 2022 and gained 2% share, moving from 11% to 13% of total volume. Business volume reached 10.3 million but remains below 2019's 12.4 million.

**10M** Person-Stays

**26%** Y/Y Growth

**13%** Share of Total



## Leisure<sup>2</sup>

Leisure travel grew 1.6% in 2022 after recovering much of the pandemic shock with last year's 17.8% growth. Leisure travel has surpassed the 2019 level of 69.8 million.

**70M** Person-Stays

**1.6%** Y/Y Growth

**87%** Share of Total



<sup>1</sup>Business trips include 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>

Domestic travel accounts for 99.8% of all visitation to Indiana. With 81 million person-stays in 2022, volume grew 4.2% over 2021.

**81M** Person-Stays

**4.2%** Y/Y Growth

**99.8%** Share of Total



## International<sup>4</sup>

Following 109% growth of international travel in 2021, this metric grew another 148% in 2022 as borders continued opening and international travelers changed their risk-averse behavior.

**352K** Person-Stays

**148%** Y/Y Growth

**0.2%** Share of Total



<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>

The share of day trips remained the same between 2021 and 2022 at 63% of all travel. Day trips grew 3.9% in 2022 to 51 million. Day trips have reached 99% of 2019 levels.

**51M** Person-Stays

**3.9%** Y/Y Growth

**63%** Share of Total



## Overnight<sup>6</sup>

Overnight travel reached 29.7 million, growing 4.9% over 2021. Overnight volume has reached 96% of 2019 levels, which were 31.1 million.

**30M** Person-Stays

**4.9%** Y/Y Growth

**37%** Share of Total

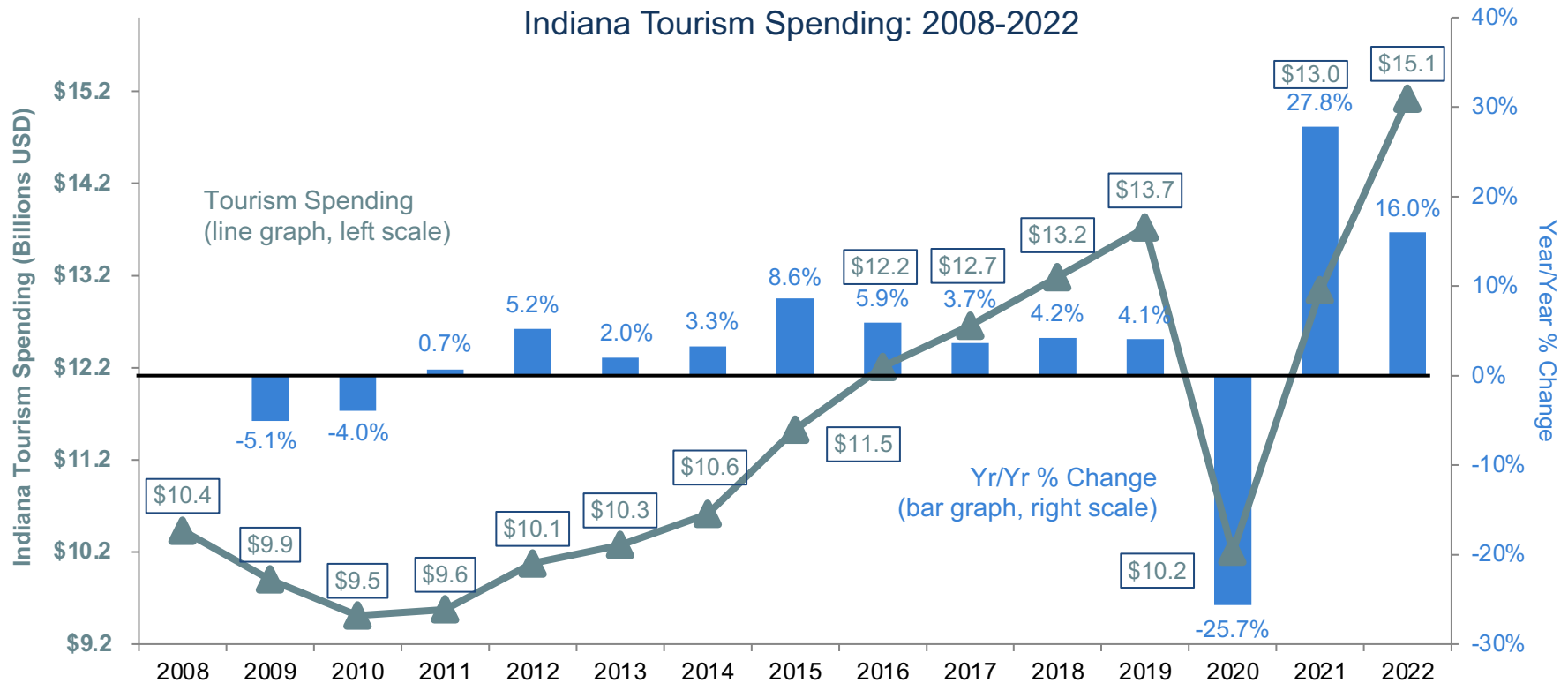


<sup>5</sup>Daytrips are measured as anyone who has traveled more than 50 miles one way to visit an Indiana but did not stay overnight, they include both out-of-state and in-state visitors

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

# Indiana Visitor Spend Increased 16% in 2022 to \$15.1 Billion

Visitors spent \$15.1 billion on goods and services in the Indiana economy in 2022. This is a 16% gain over 2021 levels and represents a full recovery back above pre-pandemic levels of visitor spend. Despite decline average lengths of stay, the average spend per trip increased 10.4% in 2022 to \$187 per trip. This increase was driven by the return of higher yielding visitor segments – specifically, group meeting travel and international trips – as well as rising prices among key travel commodities.



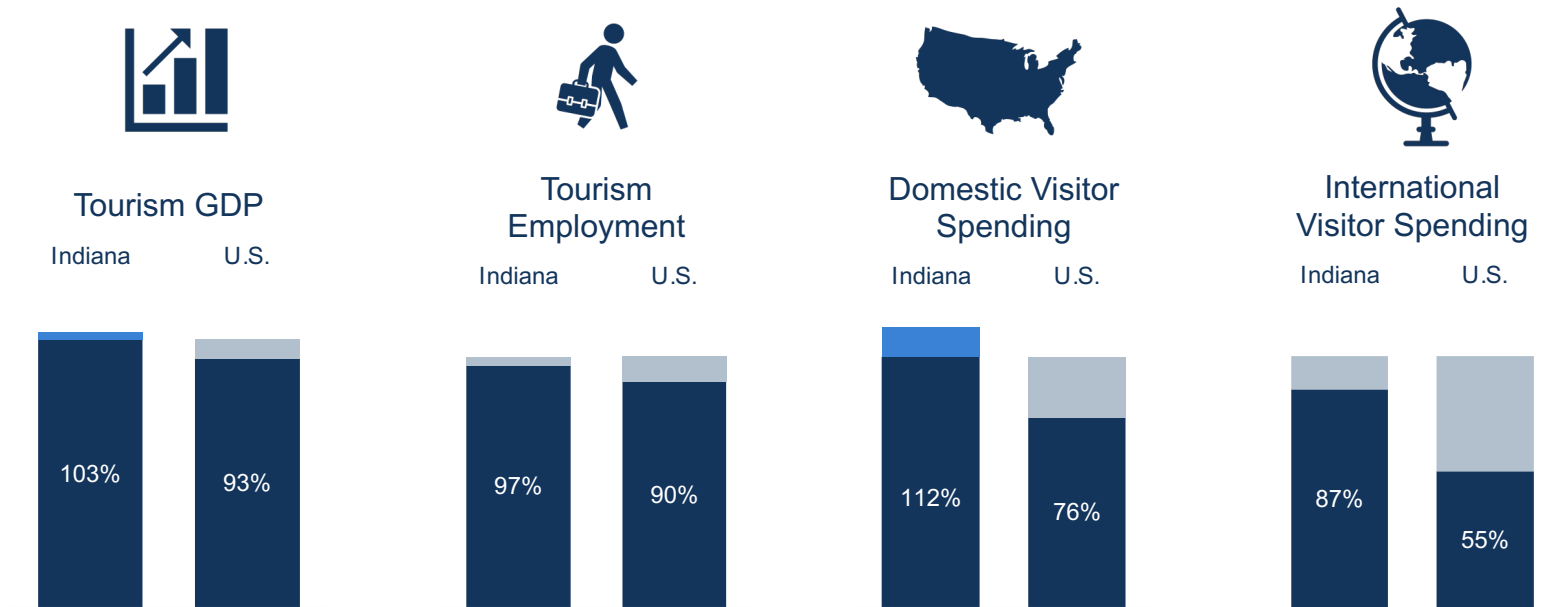
Source: Longwoods International, Reach Market Planning, BEA, STR, Rockport Analytics

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# Indiana vs U.S. Progress in Tourism Sector Recovery Toward Pre-Pandemic Levels

Indiana's tourism sector continues to outpace the broader U.S. in recovery since the 2020 Covid downturn. For the metrics of GDP (103%) and domestic visitor spending (112%), Indiana has surpassed 2019 levels, and employment has nearly recovered (97%). International visitor spending continues below 2019 levels for both Indiana and the U.S. as a whole.

## 2022 Recovery Toward Pre-Pandemic (2019) Levels

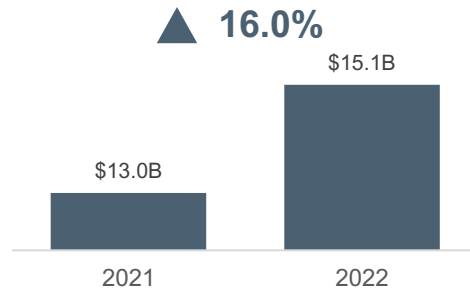


Source: Rockport Analytics, World Travel and Tourism Council (WTTC)

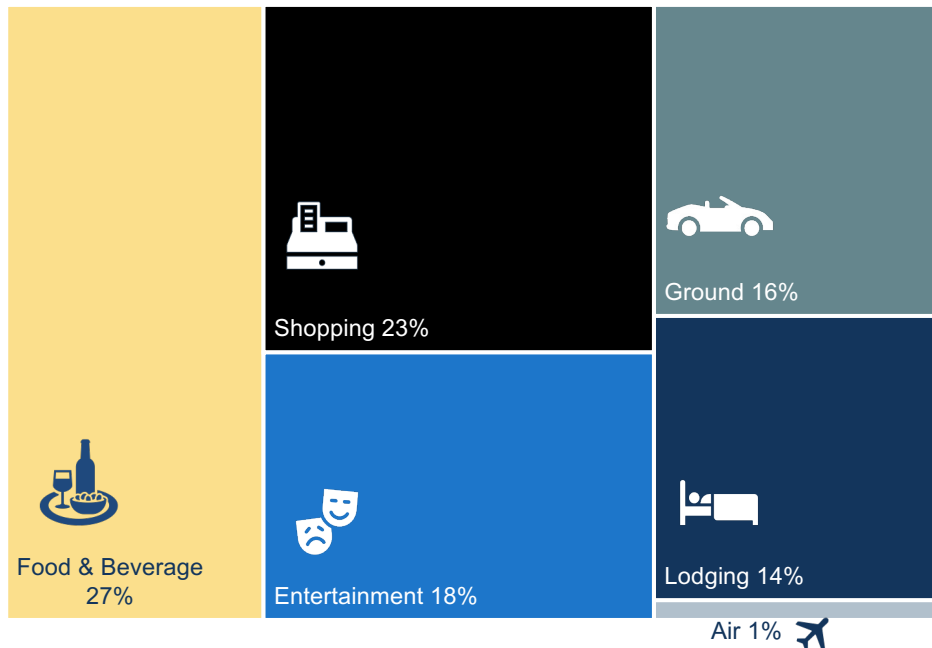


# Indiana Visitor Spending by Category

## Indiana Total Spending

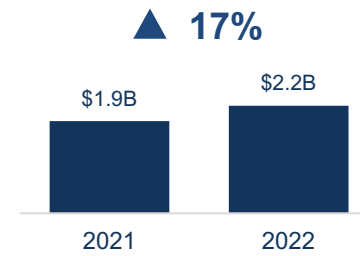


## Share of 2022 Indiana Visitor Spending By Category

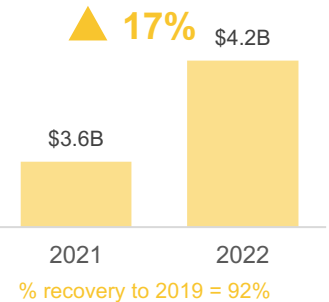


Source: Longwoods International, NTTO, Reach Market Planning, STR, BTS, AirDNA, Rockport Analytics

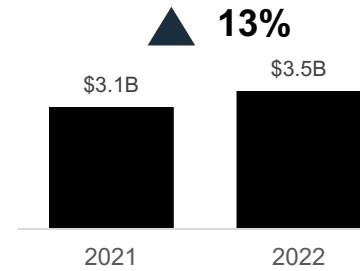
## Lodging



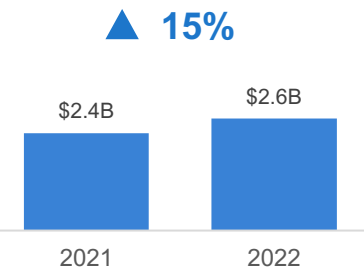
## Food & Beverage



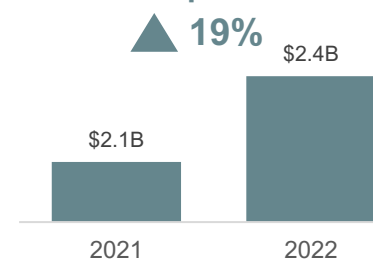
## Shopping



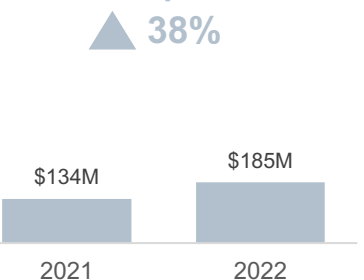
## Entertainment



## Ground Transportation



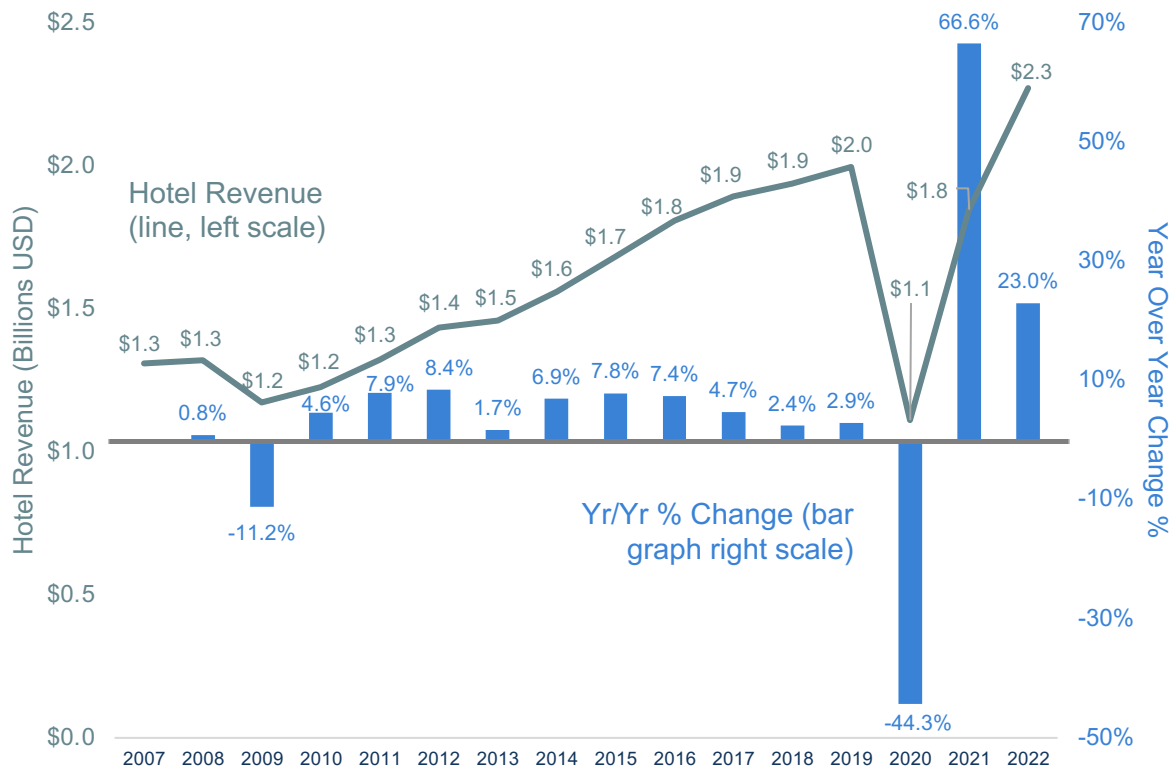
## Air Transportation



# Surging Demand & Rates Fuel Indiana Hotel Revenue as Supply Growth Remains Subdued

Indiana hotel room revenue grew 23.0% in 2022 to \$2.3 billion, and RevPAR grew 23.1%. The average daily rate grew 17.5% in 2022 to \$112. Occupancy was up 4.8% over 2021, and demand grew 5.7% in 2022. Demand recovered from the pandemic and was 2.4% higher than 2019 levels.

Hotel Revenue and Percent Change Year Over Year



Hotel Metric	2022	22/21 Growth
Demand	20.0 M	5.7%
Supply	34.0 M	1.0%
Occupancy	58%	4.8%
ADR	\$112	17.5%
RevPAR	\$65.2	23.1%
Revenue	\$2.3 B	23.0%



## **2022 ECONOMIC IMPACT OF TOURISM IN INDIANA**

### **TOURISM'S CONTRIBUTION TO THE INDIANA ECONOMY**



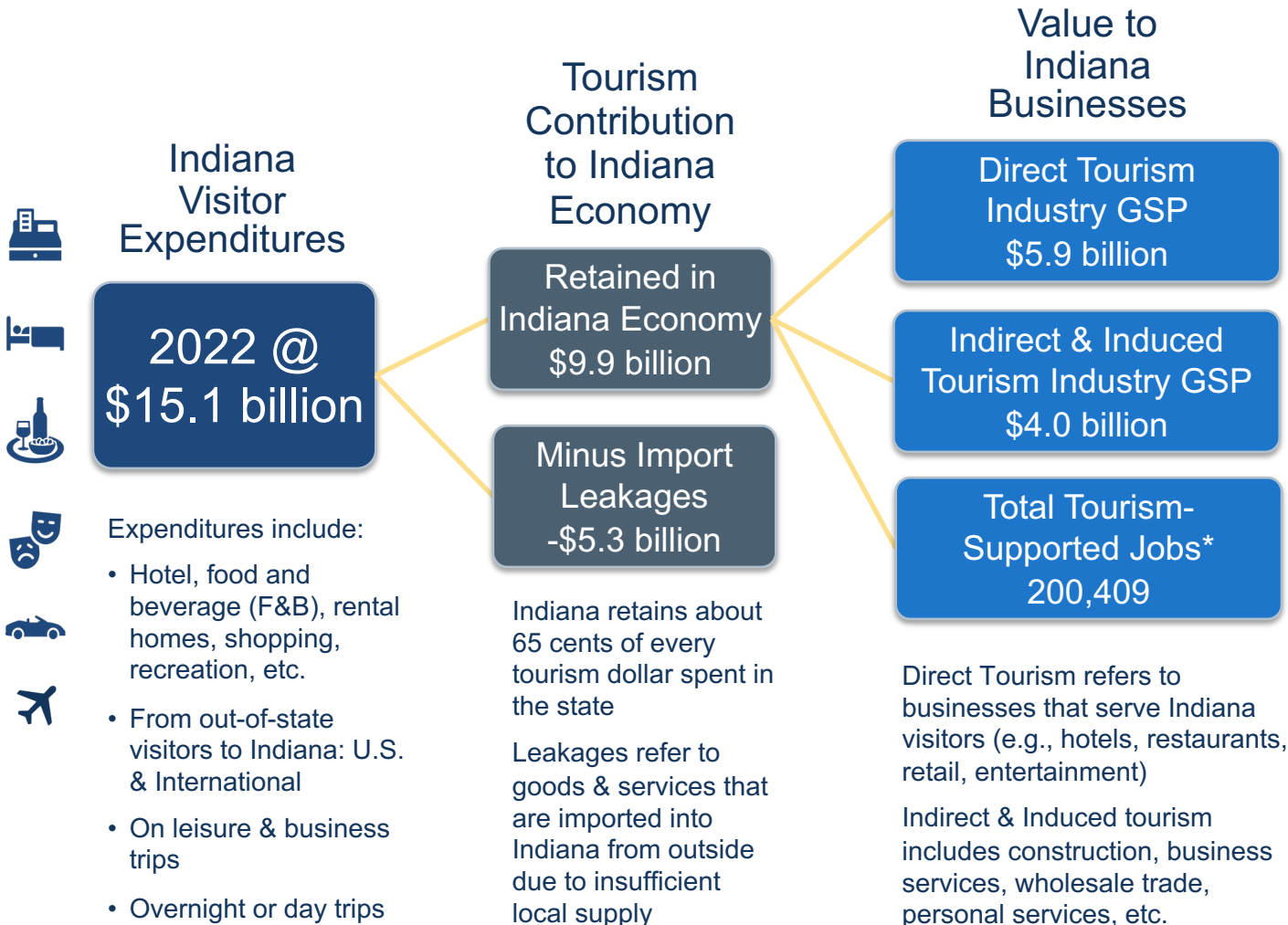
# Indiana Tourism's Bottom Line

## 2022 Economic Impact Summary

2022 Metric	Direct	Indirect	Induced	Total	% vs. 2021	Difference from 2021
Total Visitor Volume				80.8M	4.5%	3.5M
Total Tourism Spending				\$15.1B	16.0%	\$2.1B
Economic Impact (GSP)	\$5.9B	\$1.9B	\$2.1B	\$9.9B	15.7%	\$1.3B
Wages	\$3.7B	\$1,133M	\$1.2B	\$6.0B	15.8%	\$0.8B
Jobs	149,610	24,087	26,711	200,409	12.0%	21,518
Tax Receipts				\$2.8B	15.8%	\$385M
Federal				\$1.2B	15.7%	\$166M
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Sources: Longwoods International, NTTD, Reach Market Planning, STR, BTS, AirDNA, Rockport Analytics, IMPLAN

# The Progression of Tourism Spending in Indiana's Economy





# Indiana Tourism Contributed \$9.9 Billion to Indiana's Economy in 2022

Indiana Tourism: 2022 Economic Impact (Value Added/GSP)

Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in thousands of dollars</i>			
Food services & drinking places	\$1,955,548	\$69,067	\$102,647	\$2,127,262
Arts- entertainment & recreation	\$1,383,601	\$50,408	\$35,112	\$1,469,121
Retail trade	\$857,556	\$24,741	\$277,479	\$1,159,776
Accommodations	\$911,229	\$1,309	\$828	\$913,366
Real estate & rental	\$118,666	\$266,448	\$462,014	\$847,128
Transportation & Warehousing	\$629,243	\$85,893	\$43,260	\$758,397
Health & social services	\$0	\$365	\$400,781	\$401,146
Professional services	\$12,758	\$259,713	\$81,271	\$353,742
Finance & insurance	\$0	\$154,101	\$182,751	\$336,852
Administrative & waste services	\$0	\$205,665	\$58,316	\$263,981
Wholesale Trade	\$0	\$69,366	\$112,654	\$182,021
Utilities	\$0	\$129,898	\$51,712	\$181,610
Other services	\$0	\$81,723	\$92,351	\$174,074
Manufacturing	\$0	\$112,685	\$58,282	\$170,967
Information	\$0	\$107,486	\$56,535	\$164,021
Government & non NAICs	\$11,948	\$89,872	\$26,435	\$128,255
Construction	\$0	\$72,018	\$23,211	\$95,229
Management of companies	\$0	\$62,275	\$9,337	\$71,612
Educational services	\$0	\$5,157	\$37,340	\$42,497
Ag, Forestry, Fish & Hunting	\$0	\$10,478	\$6,731	\$17,208
Mining	\$0	\$4,436	\$1,762	\$6,198
<b>Total - 2021</b>	<b>\$5,880,550</b>	<b>\$1,863,134</b>	<b>\$2,120,897</b>	<b>\$9,864,581</b>
Total - 2020	\$5,084,166	\$1,609,305	\$1,831,629	\$8,525,100
% change	15.7%	15.8%	15.8%	15.7%

In 2022, the total economic impact resulting from Indiana tourism was \$9.9 billion, an increase of 15.7% over 2021.

Companies that directly serve visitors contributed \$5.9 billion to the economy while upstream and downstream businesses combined to contribute \$4.0 billion.

The food services and drinking places sector benefited the most with GSP of \$2.1 billion. The arts, entertainment, and recreation sector realized \$1.5 billion.

# Indiana Tourism Was Responsible for more than 200,000 Indiana Jobs

Indiana Tourism: 2022 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Food services and drinking places	63,830	2,254	3,350	69,435
Arts- entertainment & recreation	32,448	1,782	736	34,966
Retail trade	17,566	502	5,565	23,634
Transportation & Warehousing	17,915	1,239	584	19,739
Accommodations	16,710	24	15	16,750
Administrative & waste services	0	4,723	1,315	6,038
Health & social services	0	3	5,800	5,804
Real estate & rental	807	2,419	1,401	4,628
Professional services	154	2,926	933	4,012
Other services	0	1,519	2,163	3,682
Finance & insurance	0	1,167	1,449	2,616
Government & non NAICs	179	954	305	1,438
Wholesale Trade	0	510	828	1,338
Information	0	990	348	1,338
Manufacturing	0	963	363	1,327
Construction	0	1,027	268	1,295
Educational services	0	133	993	1,127
Management of companies	0	491	74	565
Utilities	0	243	106	350
Ag, Forestry, Fish & Hunting	0	174	93	267
Mining	0	41	17	58
<b>Total - 2022</b>	<b>149,610</b>	<b>24,087</b>	<b>26,711</b>	<b>200,409</b>
Total - 2021	134,260	21,171	23,460	178,891
<b>% change</b>	<b>11.4%</b>	<b>13.8%</b>	<b>13.9%</b>	<b>12.0%</b>

Total Indiana tourism employment grew 12.0% over 2021 to 200,409 jobs.

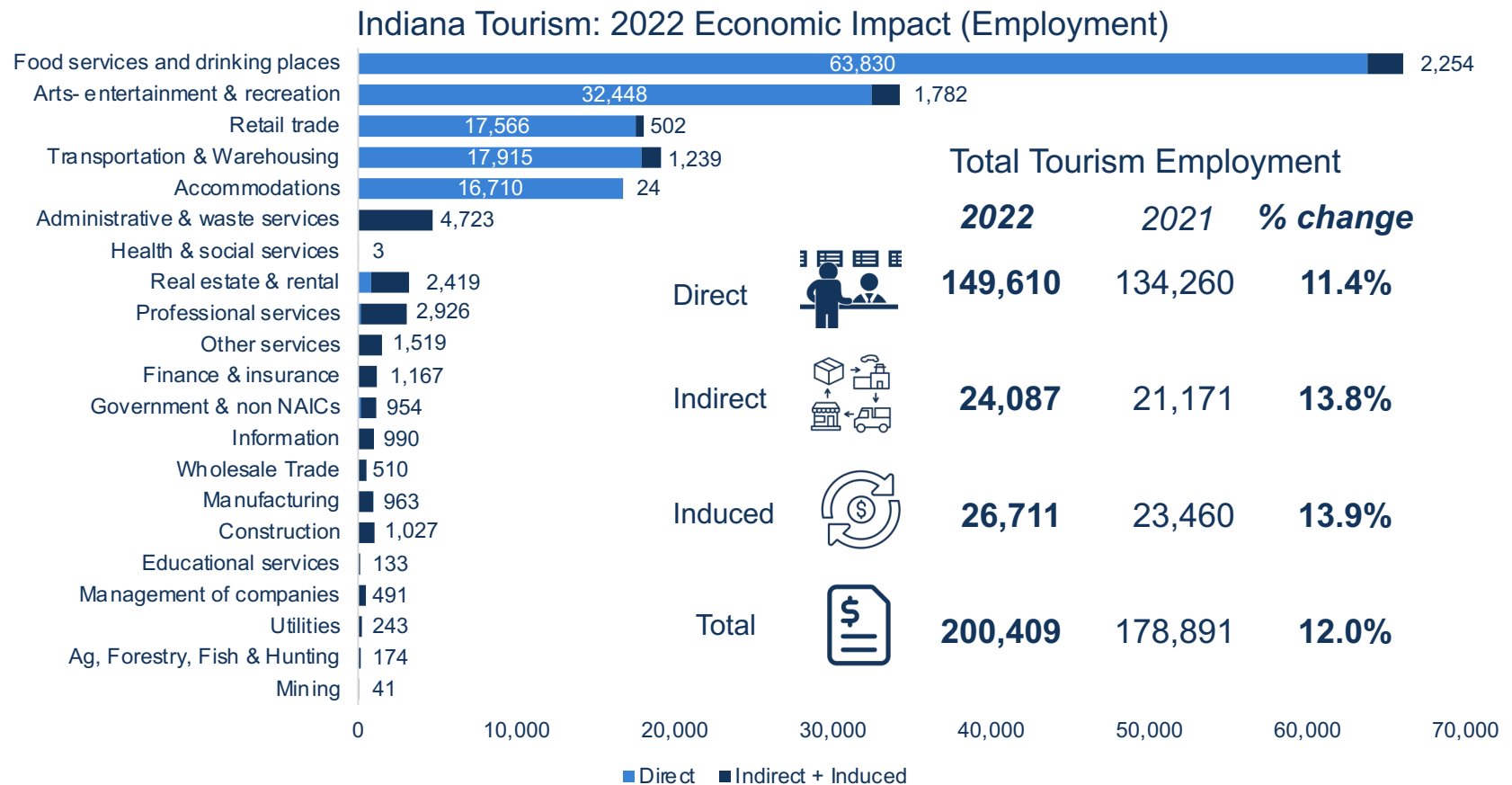
Direct employment grew 11.4%, reaching 149,610 jobs. An additional 50,798 jobs were made possible by upstream and downstream businesses.

Tourism supported 69,435 jobs in the food services and drinking places sector, 34,966 jobs in the arts, entertainment and recreation sector, and 23,634 in retail trade.

Indiana tourism was responsible for 3.7% of all Indiana non-farm jobs in 2022.

# 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.



# Tourism Remains Indiana's 13<sup>th</sup> Largest Industry Employer

2022 Tourism in Indiana: Ranking of Major Industries By Total Employment

Rank	Industry	2022 Direct Tourism-Initiated Jobs	2022 Reported*	2022 Tourism-Extracted**	% of Total Employment	2022 % Growth
1	Manufacturing		557,860	557,860	13.8%	3.5%
2	Health & Social Services		459,819	459,819	11.4%	1.4%
3	Government	179	430,717	430,538	10.7%	-0.1%
4	Retail trade	17,566	383,048	365,482	9.1%	-2.5%
5	Administrative & Waste Services		246,351	246,351	6.1%	4.1%
6	Transportation & Warehousing	17,915	254,558	236,643	5.9%	8.3%
7	Other Services		232,668	232,668	5.8%	3.3%
8	Construction		230,173	230,173	5.7%	4.4%
9	Professional -scientific & tech svcs	154	213,438	213,284	5.3%	6.8%
10	Accommodation & Food Services	80,540	266,287	185,747	4.6%	-6.6%
11	Finance & Insurance		182,354	182,354	4.5%	7.1%
12	Real Estate & Rental	807	182,215	181,408	4.5%	9.6%
<b>13</b>	<b>Tourism</b>		<b>N/A</b>	<b>149,610</b>	<b>3.7%</b>	<b>11.4%</b>
14	Wholesale Trade		141,404	141,404	3.5%	7.0%
15	Educational Services		88,246	88,246	2.2%	6.3%
16	Management of Companies		41,114	41,114	1.0%	5.5%
17	Information		39,871	39,871	1.0%	8.5%
18	Arts, Entertainment & Recreation	32,448	70,508	38,060	0.9%	2.7%
19	Utilities		13,595	13,595	0.3%	-3.2%
20	Mining		9,602	9,602	0.2%	14.5%
	Total Indiana Employment	149,610	4,043,828	4,043,828	100%	2.7%

Source: Rockport Analytics, BEA, IMPLAN

\* 2022 Reported: As released by the Bureau of Economic Analysis. Includes both Full & Part-Time Jobs.

\*\* 2022 Tourism Extracted: Tourism's contribution to jobs in each industry is removed and placed in "Indiana's Core Tourism Industry"



# Indiana's Tourism Economy Generated Over \$6 Billion in Paid Wages in 2022

Wages paid to direct tourism workers totaled \$3.7 billion, an increase of 15.8% compared to 2021. An additional \$1.1 billion in wages were paid to employees of Indiana's tourism supply chain (indirect impact) and another \$1.2 billion in wages derived by re-spent direct and indirect tourism wages (induced impact).

Indiana Tourism: 2022 Labor Income

Industry (NAICS)*	Direct	Indirect	Induced	Total
<i>in thousands of dollars</i>				
Food services & drinking places	\$1,350,558	\$47,700	\$70,891	\$1,469,148
Arts- entertainment & recreation	\$789,740	\$47,718	\$20,209	\$857,667
Retail trade	\$494,505	\$15,986	\$178,126	\$688,617
Transportation & Warehousing	\$497,694	\$61,998	\$31,092	\$590,784
Accommodations	\$522,571	\$751	\$475	\$523,796
Health & social services	\$0	\$248	\$361,466	\$361,714
Professional services	\$7,600	\$192,651	\$60,066	\$260,316
Administrative & waste services	\$0	\$166,878	\$46,926	\$213,804
Other services	\$0	\$75,158	\$85,641	\$160,799
Finance & insurance	\$0	\$71,784	\$82,888	\$154,671
Real estate & rental	\$59,916	\$40,720	\$25,048	\$125,684
Government & non NAICS	\$7,233	\$81,604	\$21,429	\$110,266
Wholesale Trade	\$0	\$40,020	\$64,995	\$105,015
Manufacturing	\$0	\$64,225	\$28,140	\$92,365
Construction	\$0	\$66,682	\$16,837	\$83,519
Information	\$0	\$61,109	\$21,622	\$82,731
Management of companies	\$0	\$54,011	\$8,098	\$62,110
Utilities	\$0	\$33,457	\$13,952	\$47,410
Educational services	\$0	\$3,822	\$33,436	\$37,258
Ag, Forestry, Fish & Hunting	\$0	\$4,603	\$3,218	\$7,821
Mining	\$0	\$1,838	\$729	\$2,567
<b>Total - 2022</b>	<b>\$3,729,814</b>	<b>\$1,132,988</b>	<b>\$1,175,354</b>	<b>\$6,038,157</b>
Total - 2021	\$3,221,753	\$978,811	\$1,015,050	\$5,215,613
<b>% change</b>	<b>15.8%</b>	<b>15.8%</b>	<b>15.8%</b>	<b>15.8%</b>

Sources: IMPLAN, Rockport Analytics

\* 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 Grow By Nearly 16% in 2022

Total tax revenue generated by Indiana tourism increased from \$2.4 billion in 2021 to \$2.8 billion in 2022, eclipsing pre-pandemic levels of tourism-derived tax revenues. Federal taxes grew 15.7% in 2022 to \$1.2 billion, state taxes increased 15.1% to just shy of \$1 billion, and local taxes grew by 17.2% to \$610 million.

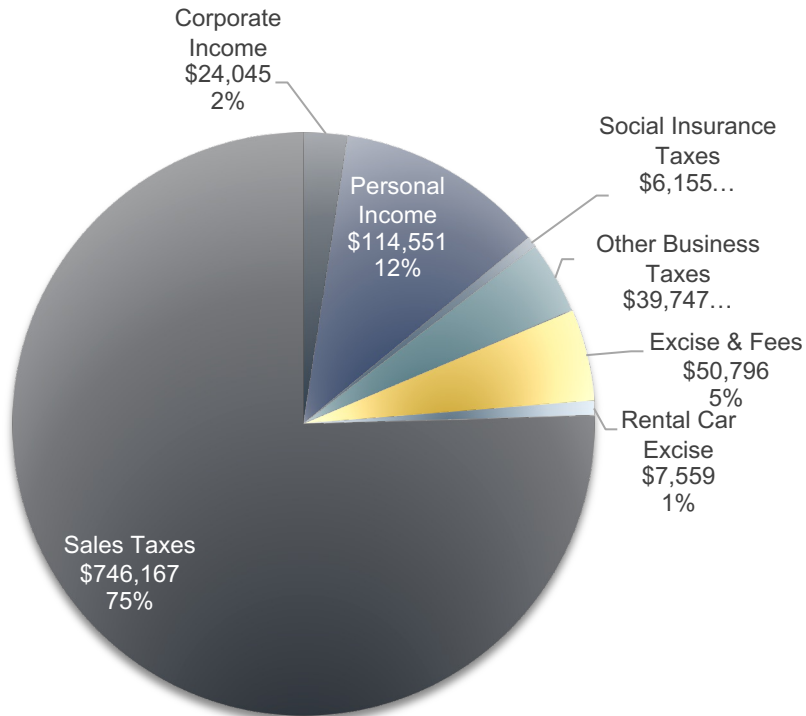
	2021	2022	% growth
<b>Federal:</b> <i>in thousands of dollars</i>			
Corporate Income	\$147,143	\$170,095	15.6%
Personal Income	\$295,457	\$342,069	15.8%
Excise & Fees	\$92,010	\$106,428	15.7%
Social Security & Other Taxes	\$521,881	\$603,949	15.7%
<b>Federal Total</b>	<b>\$1,056,491</b>	<b>\$1,222,541</b>	<b>15.7%</b>
<b>State:</b>			
Corporate Income	\$20,801	\$24,045	15.6%
Personal Income	\$98,942	\$114,551	15.8%
Social Insurance Taxes	\$5,320	\$6,155	15.7%
Other Business Taxes	\$34,357	\$39,747	15.7%
Excise & Fees	\$44,069	\$50,796	15.3%
Rental Car Excise	\$6,378	\$7,559	18.5%
Sales Taxes	\$649,239	\$746,167	14.9%
<b>Indiana Total</b>	<b>\$859,106</b>	<b>\$989,021</b>	<b>15.1%</b>
<b>Local:</b>			
Personal Income	\$14,135	\$16,364	15.8%
Hotel Tax	\$96,359	\$118,969	23.5%
Admission Taxes	\$905	\$1,457	61.0%
Property Taxes	\$371,776	\$430,039	15.7%
Rental Car	\$3,113	\$3,817	22.6%
Food & Beverage	\$29,117	\$33,435	14.8%
Other Licenses, Fines & Fees	\$5,268	\$6,096	15.7%
<b>Local Total</b>	<b>\$520,673</b>	<b>\$610,178</b>	<b>17.2%</b>
<b>Total Indiana Tourism-Initiated Taxes</b>	<b>\$2,436,270</b>	<b>\$2,821,740</b>	<b>15.8%</b>

# Tourism Drives Significant Revenue for Both State and Local Governments

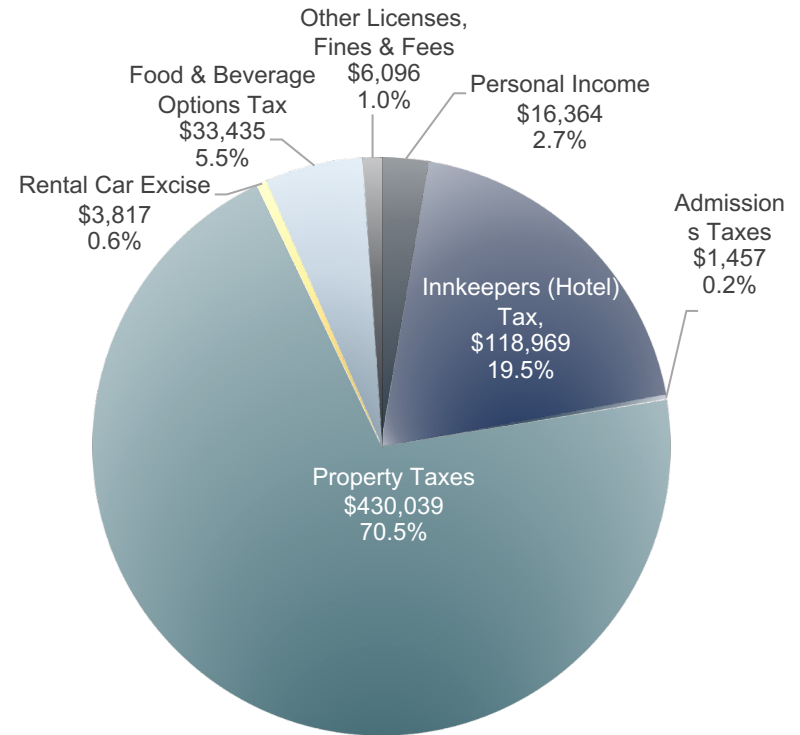
Tourism contributed nearly \$1 billion in state taxes in 2022. Sales taxes make up three-quarters of state tax collections, totaling nearly \$750 million.

Local taxes collected in 2022 eclipsed \$600 million. Property taxes comprised over two-thirds of local collections generated by visitors. A total of \$119 million in Innkeepers taxes were collected across all Indiana counties.

2022 State Tax Sources  
Total = \$989 Million



2022 Local Tax Sources  
Total = \$610 Million





## 2022 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

Indiana tourism was responsible for 3.7% of all Indiana non-farm jobs. In 2022, tourism remained as the 13th largest employer in Indiana, still short of 2019's 12<sup>th</sup> largest position.

Wages grew 15.8% in 2022, and the average wage of both full- and part-time workers supported by tourism activity grew 3.3% to \$30,100.



## Benefiting Indiana Businesses

Visitors spent \$15.1 billion in travel-related expenses, benefiting a broad array of IN businesses.

In 2022, Indiana businesses that directly served visitors saw value-added of \$5.9 billion, up 15.7% from 2021.

Indiana's tourism supply chain businesses accumulated value-added of \$1.9 billion in 2022, an increase of 15.8%.



## Contributing to Public Education & Other Government Services

Tourism-supported state & local taxes were enough to educate nearly 129,000 Indiana public school students, which is 12.5% of total enrollment.

Tax collections were enough to support more than 28,900 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.

Forty cents of each dollar went to pay Indiana workers nearly \$5.2 billion in wages and salaries.

Of each visitor dollar spent, 11 cents went towards paying Indiana state and local taxes.



## Helping to Relieve the Tax Burden of Indiana Households

Without tourism, Indiana's 2.65 million households would each have to pay \$603 more in state and local taxes to maintain current levels of receipts.

The total economic impact generated by visitors to Indiana (\$9.9 billion) represents 2.1% of Indiana's GSP.



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

Indiana tourism contributed \$1.6 billion in tax revenue to state and local collections in 2022. These taxes could pay for nearly 23,000 probationary troopers.

Transaction taxes paid by visitors like hotel taxes, food & beverage, admissions, and rental car taxes raised more than \$158 million in local taxes, making up 25.8% of tourism-supported local tax collections.

Sources: NEA's 2023 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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