



The Douglas County, Kansas Visitor Industry, 2021

January 2023



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INTRODUCTION PROJECT BACKGROUND

The travel sector is an integral part of the Douglas County, Kansas economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the state's economy. In 2021, tourism-supported jobs accounted for 9.4% of all jobs in the county and \$26 million in revenues to state and local governments.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs.

This is particularly true for Douglas County, Kansas as its visitor economy rebounds. By establishing a baseline of economic impacts, the industry can track its progress.

To quantify the significance of the visitor economy in Douglas County, Kansas, Tourism Economics developed a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the visitor economy in terms of direct visitor spending, along with total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for the state of Douglas County, Kansas. The model traces the flow of visitor-related expenditures through the state's economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

Visitors included those who stayed in overnight accommodations or Traveled more than 50 miles to the destination.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis.

This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- D.K. Shifflet: state-level visitation and visitor spending estimates
- Kansas Department of Revenue: tax collections: bed and sales tax receipts
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR lodging performance data, including room demand, room rates, occupancy, and room revenue

ECONOMIC IMPACTS

KEY FINDINGS

DIRECT VISITOR SPENDING IMPACT

With pandemic effects waning and travel confidence increasing, visitor activity in Douglas County jumped in 2021. Visitor spending increased 30%, rebounding to 90% of 2019 levels. Increasing \$57 million over the prior year, visitor spending registered \$245 in 2021 as attractions and events reopened and restarted.

This economic activity supported 3,260 jobs which earned those job-holders a total of \$100 million in income. State and local governmental revenues increased by nearly \$5 million to reach \$26 million flowing to governments from visitor activity in Douglas County in 2021.

SUMMARY ECONOMIC IMPACTS

Douglas County, Kansas Tourism (2021)



\$245M

Direct Visitor
Spending



3,260

Total
Jobs
Generated



\$26M

State & Local
Taxes
Generated



VISITOR INDICATOR TRENDS

SALES TAX COLLECTIONS

Understanding the performance of local industries in the areas that are impacted by travel along with their comparison to the state and other industries helps support the analysis.

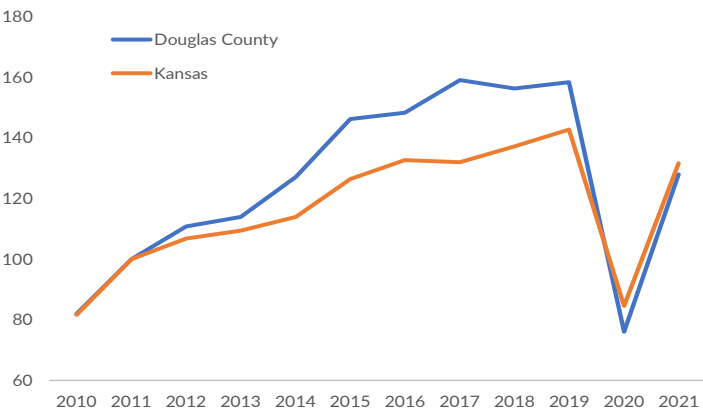
Sales tax collections from lodging businesses in Douglas County rebounded in 2021. But while the rebound was strong, it did not get lodging revenues back to pre-pandemic levels.

Similar behavior was seen in recreational businesses. Sales tax collections fell sharply in 2020, more severe than state losses. The rebound in 2021 was strong but not quite at the same pace as the state.

This data provides evidence of a strong recovery in 2021 but with recovery to pre-pandemic levels a bit more extended than that of the state.

Taxable lodging sales

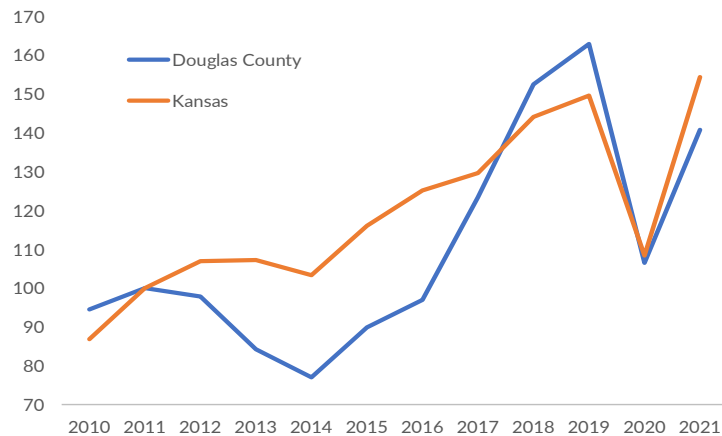
Indexed 2011=100



Source: Kansas Department of Revenue

Taxable recreation and amusement sales

Indexed 2011=100



Source: Kansas Department of Revenue

EMPLOYMENT MEASURES

Along with sales tax data, employment growth in key visitor-supported industries points to the impact of the pandemic.

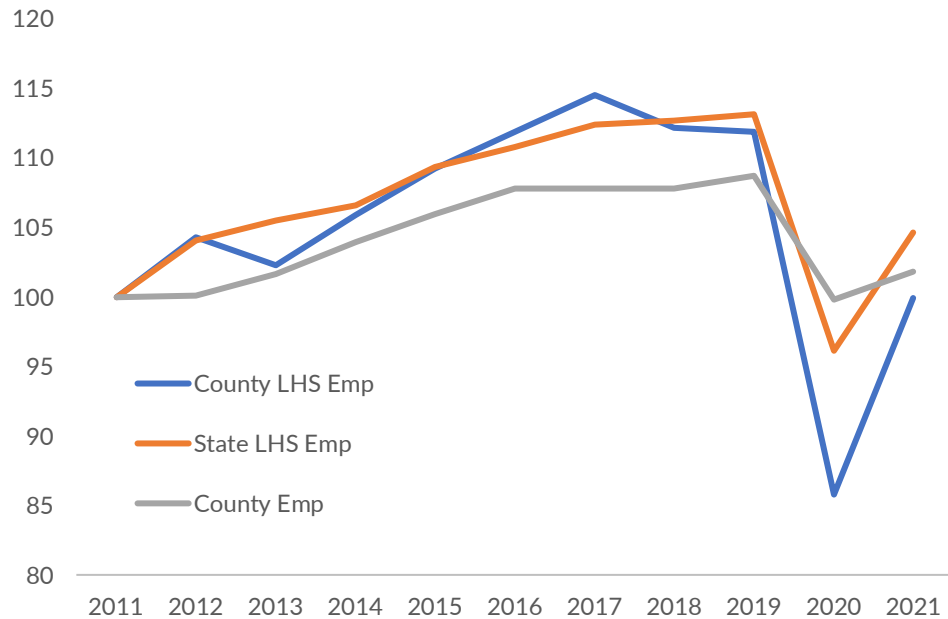
Leisure and hospitality employment increased 16.5% in 2021, the strongest increase in employment seen since at least 2010. This increase recovered about 50% of the leisure employment lost during the pandemic.

The sharp decline in leisure and hospitality employment in 2020 dropped the county's employment index below the state. The strong recovery in this sector in the county in 2021 narrowed the gap and reinforced the extended nature of the recovery in Douglas County.

The data shows that industry sales recovery in 2021 was stronger than the employment recovery. The differences between spending and employment highlighted two issues-- the challenges the leisure and hospitality industry has had re-hiring workers, and price increases driving much of the spending gains.

Employment growth

Indexed 2011=100



Source: BLS



VISITOR SPENDING

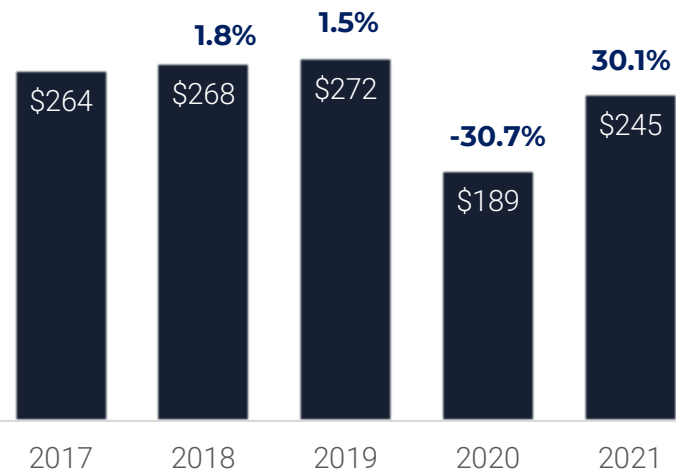
Travel rebounded in Douglas County in 2021. Pandemic effects softened and consumer confidence in travel grew, supporting both people’s desire to and interest in travel. This pushed visitor spending to impressive growth rates. Strength in leisure travel helped drive overall results, countered by the uneven recovery in business and event-related travel.

VISITOR SPENDING

Recovery in 2021

In 2021, travel confidence rebounded with easing restrictions and available vaccines. As a result, visitor spending growth was strong, registering a gain of 30% in 2021, with levels recovering to 90% of pre-pandemic levels.

Douglas County visitor spending
Amounts in \$ millions



Source: Tourism Economics

VISITOR SPENDING

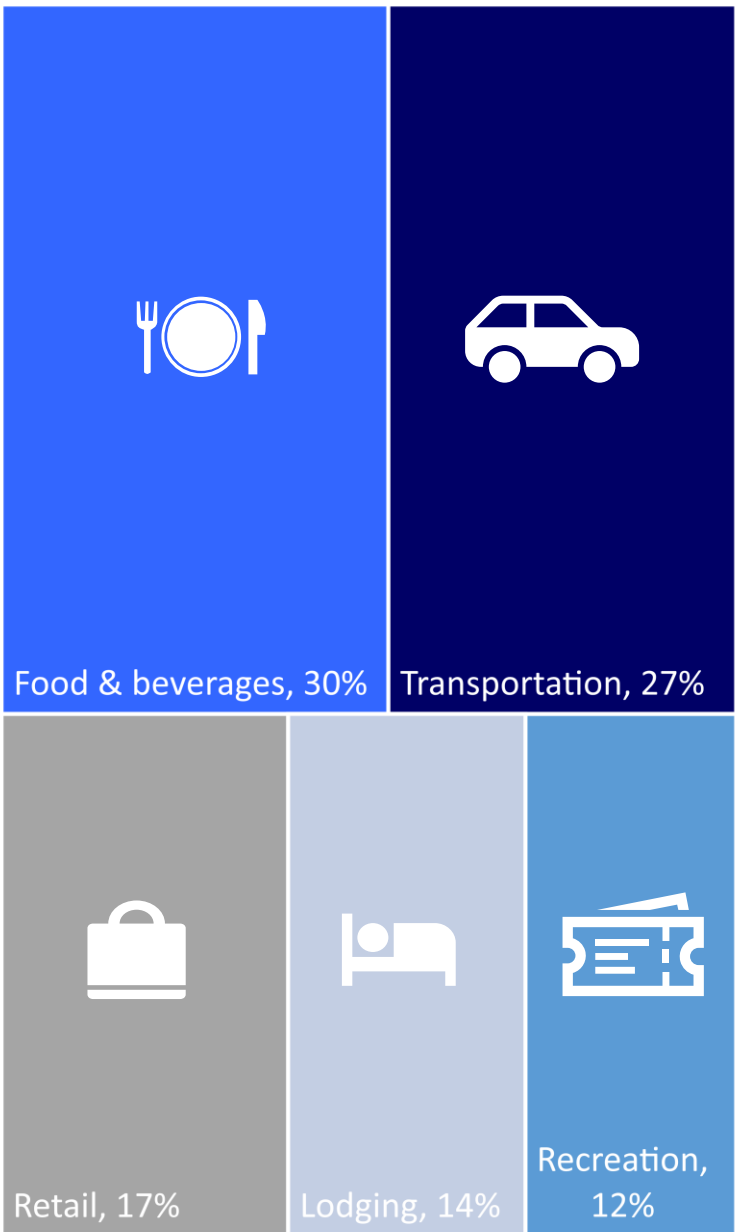
Visitors to Douglas County, Kansas spent \$245 million across a range of sectors in 2021.

Visitors spent 30% of their total budget on food and beverages, including purchases at restaurants, bars, grocery stores, and other food establishments. Coupled with transportation (27% of visitor spending), these two categories accounted for nearly three-fifths of all visitor spending. Transportation spending includes spending on gasoline as well as taxi/Uber/other car rental services.

Shopping for retail goods in Douglas County, Kansas was 17% of the visitor budget in 2021.

Another 14% of visitor spending was spent on lodging with recreational spending by visitors 12% of the visitor dollar spent in Douglas County in 2021.

 **\$245 MILLION**
Total Visitor Spending in 2021



Source: Tourism Economics
Lodging spending also includes second homes. Transport includes both air and local transportation.

VISITOR SPENDING TRENDS

Spending grew across all sectors with the strongest growth seen in the categories that had been hardest hit during the pandemic – lodging and recreation. Lodging spending increased 53% after a fall of over half in 2020. With that historic increase, lodging spending reached 73% of pre-pandemic levels in 2021.

Recreational spending grew 38% in 2021, bringing it to 89% of pre-pandemic levels.

Retail spending came closest to reaching pre-pandemic levels, registering \$40.6 million-- just \$1 million less than in 2019. The support of regional visitors traveling for a day trip to take advantage of retail and restaurant variety in Douglas County supported the recovery of these categories in 2021.

VISITOR CATEGORY TIMELINE

As visitor activity returned closer to normal in 2021, spending category shares shifted away from pandemic-influenced levels. The share of the visitor dollar spent on lodging increased 2.1 percentage points to 13.7%. Lodging’s share was 17% prior to the pandemic – the 2021 recovery regained about a third of the lodging spending share pandemic losses.

The share of the visitor dollar spent on recreational activities in the county increased to 12.2% of each visitor dollar, in-line with pre-pandemic visitor spending patterns.

Douglas County’s retail offerings has been a draw for visitors during this economic upheaval as 16.5 cents of each visitor dollar was spent retail shopping in 2021. This is about a point higher than pre-pandemic levels.

Douglas County, Kansas visitor spending and annual growth

Amounts in \$ millions, 2021 % change, and % recovered relative to 2019

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Visitor spending	\$263.6	\$268.4	\$272.5	\$188.7	\$245.5	30.1%	90.1%
Lodging	\$46.7	\$46.1	\$46.3	\$21.9	\$33.6	53.0%	72.5%
Food & beverage	\$73.7	\$76.7	\$79.1	\$61.4	\$74.5	21.4%	94.2%
Retail	\$41.6	\$42.4	\$41.8	\$30.3	\$40.6	33.8%	97.2%
Recreation	\$30.8	\$31.8	\$33.5	\$21.7	\$29.8	37.7%	89.0%
Transportation	\$70.8	\$71.4	\$71.8	\$53.4	\$67.0	25.4%	93.3%

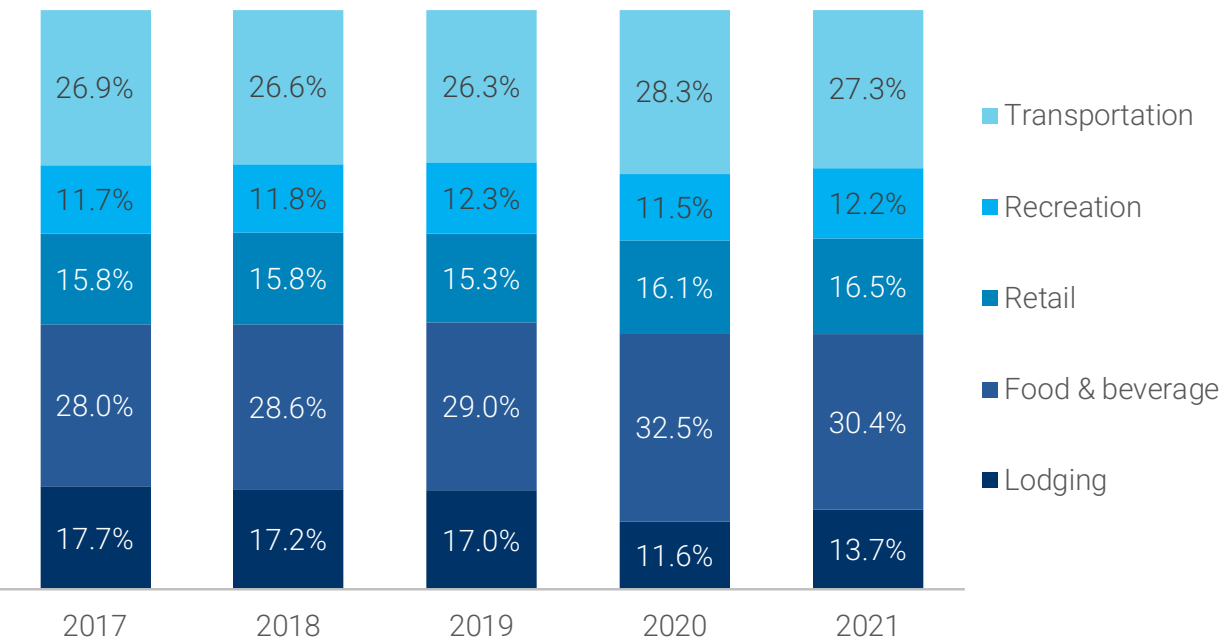
Source: Tourism Economics

Lodging includes second home spending

Transportation includes both ground and air transportation

Visitor Spending Shares in Douglas County, 2017-2021

By category, %



Source: Tourism Economics



ECONOMIC IMPACT METHODOLOGY

Our analysis of the Douglas County, Kansas visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Douglas County, Kansas economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

ECONOMIC IMPACT FRAMEWORK

DIRECT IMPACTS

Visitor spending



RETAIL



ENTERTAINMENT/REC



FOOD & BEVERAGE



TRANSPORTATION



LODGING

INDIRECT IMPACTS

Purchases of inputs by tourism businesses from suppliers:



SUPPLY CHAIN EFFECTS



B2B GOODS & SERVICES PURCHASED

INDUCED IMPACTS

Consumer spending out of employees' wages:



INCOME EFFECT



HOUSEHOLD CONSUMPTION

TOTAL IMPACTS

Direct, indirect, and induced impacts



SALES



GDP



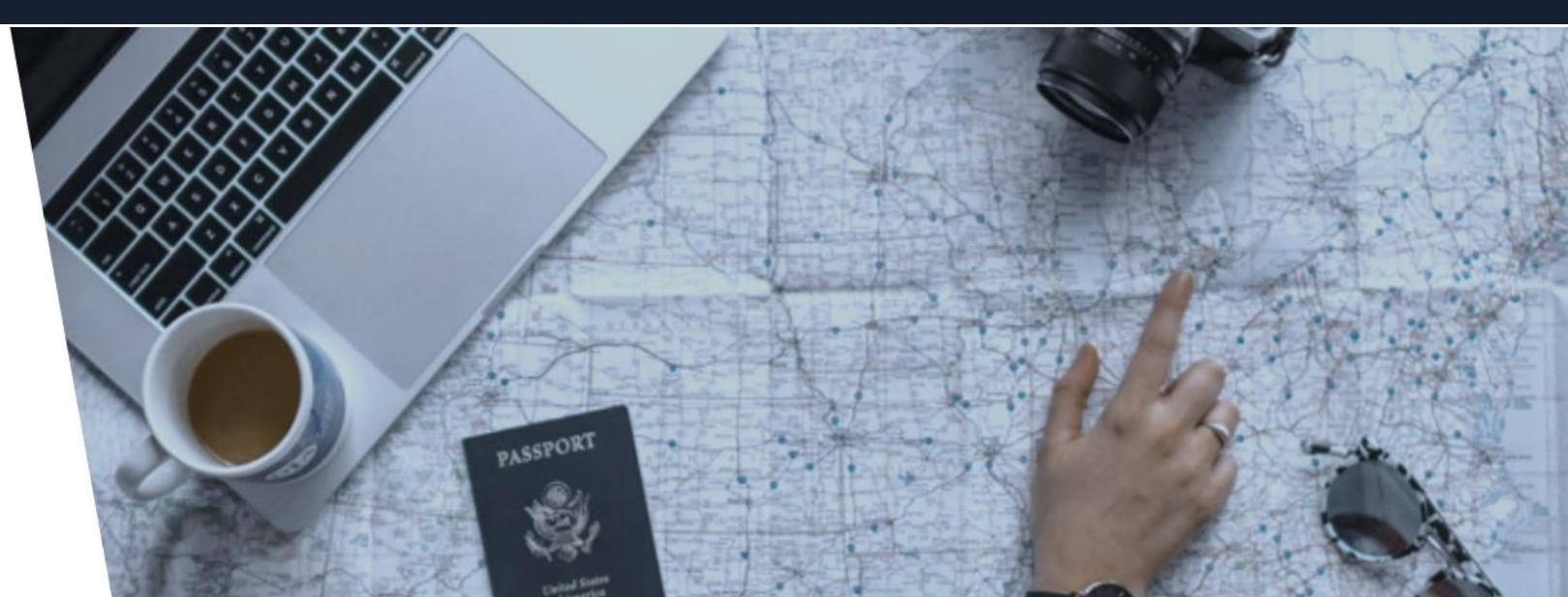
JOBS



INCOME



TAXES



ECONOMIC IMPACT FINDINGS

DIRECT IMPACTS

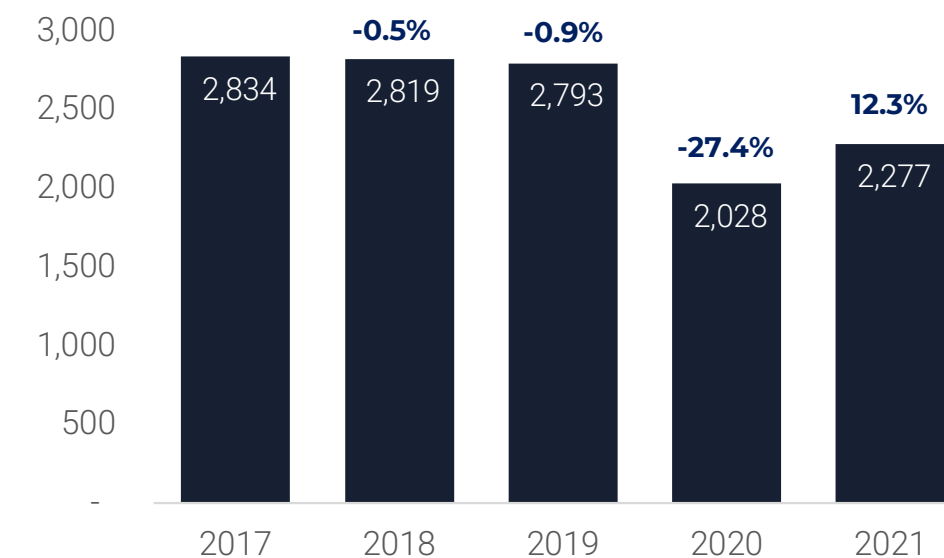
Employment supported by visitor activity rose 12.3% in 2021, rebounding to 2,277 jobs. The number of jobs jumped by 250 in 2021. Despite the increase, the number of jobs directly supported by visitors remains 515 jobs below pre-pandemic levels.

The rebound of visitor-supported jobs has lagged spending, with visitor-supported employment levels at 82% of pre-pandemic levels compared to 90% of spending in 2021.

The evaluation of the direct impact of visitor activity allows for comparisons and rankings against other industries. Comparing employment levels, were direct visitor-associated employment to be ranked against other industries, tourism would rank 6th in the county.

Visitor supported employment in Douglas County

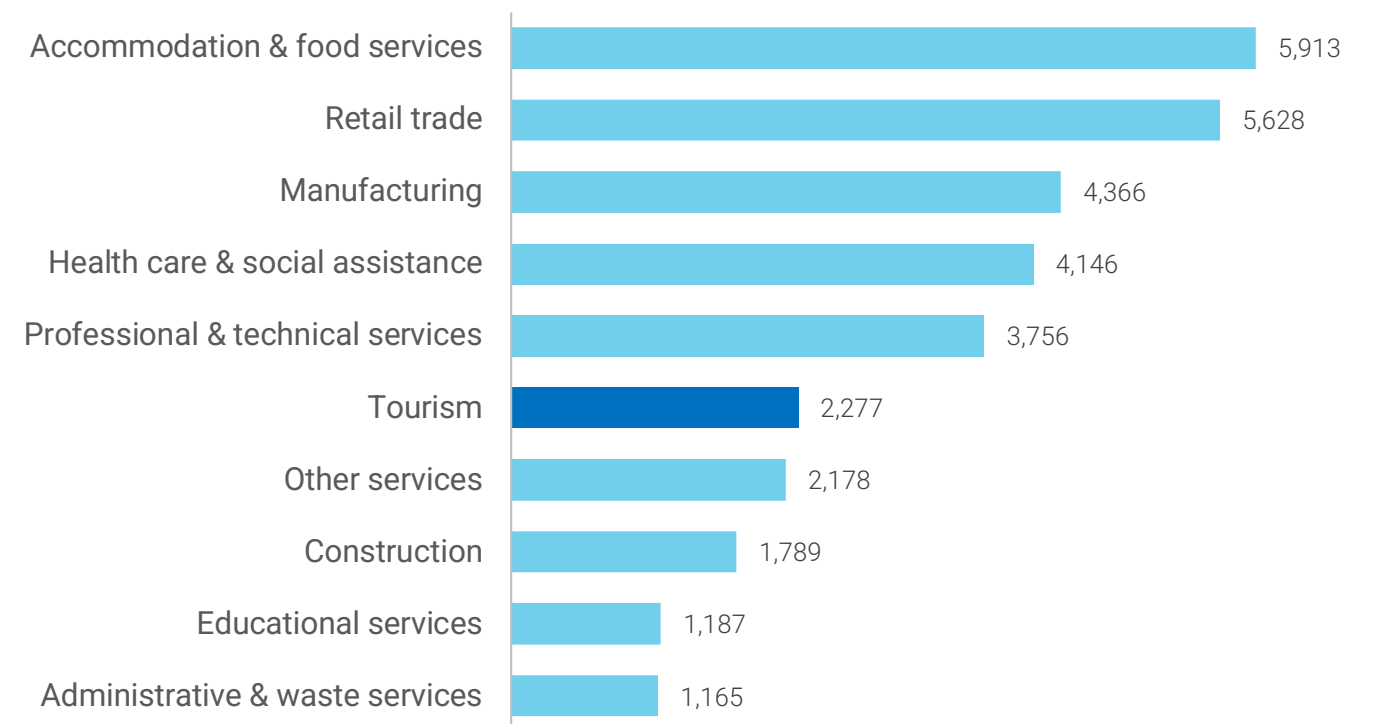
Amounts in number of jobs



Source: Tourism Economics

Employment in Douglas County, by major industry

Amounts in number of jobs



Source: BEA, BLS, Tourism Economics



ECONOMIC IMPACT FINDINGS

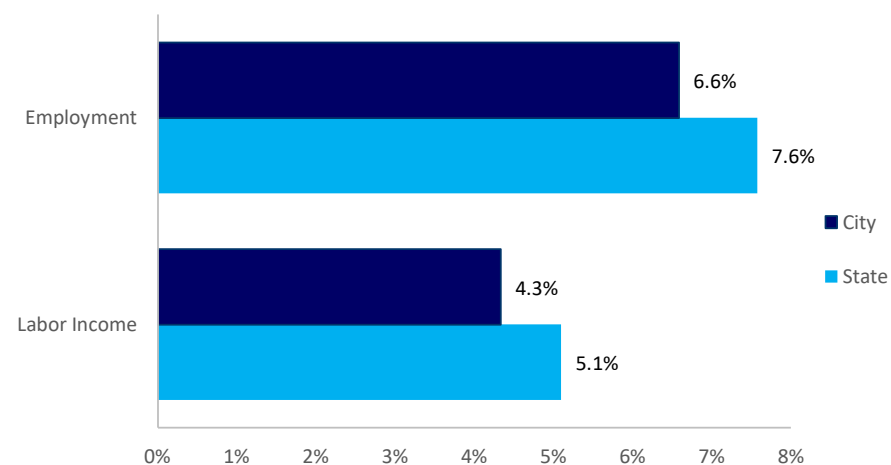
IMPACTS

Visitor activity in Douglas County supported a total of 3,260 jobs in the county, 9.4% of all jobs in Douglas County. These jobs include employment at businesses that interact with tourism businesses. The spending at supplier businesses in Douglas County by tourism businesses supported 471 jobs which earned \$20 million in wages and benefits. Examples of this indirect effect include building services and business services like advertisers, printers, and bankers.

The share of direct jobs supported by Douglas County visitor activity in the county is lower than the statewide share. Douglas County is less reliant on tourism jobs than the state.

Share of county

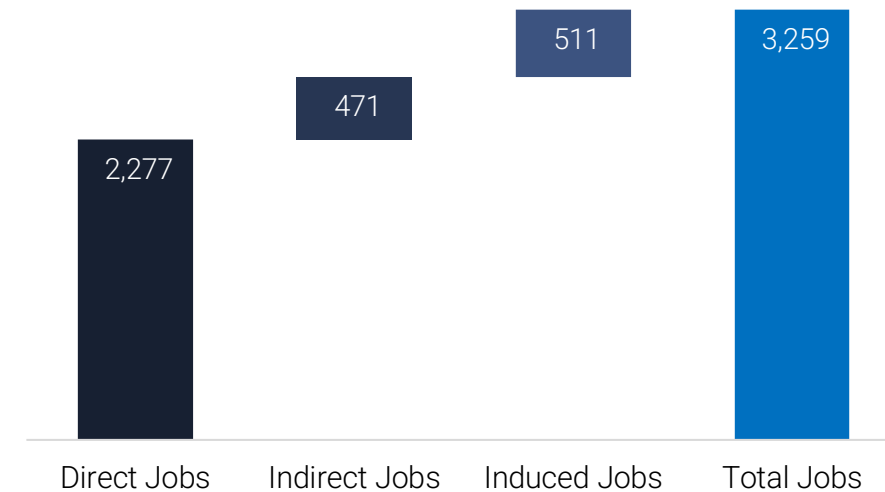
Direct tourism share of county employment and wages



Source: BLS, Tourism Economics

Summary employment impacts (2021)

Amounts in number of jobs



Source: Tourism Economics

Summary labor income impacts (2021)

Amounts in \$ millions



Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

DIRECT IMPACTS

Douglas County’s \$245 million in visitor spending represented 3.5% of all visitor spending in Kansas. Douglas County’s share of visitor spending rose slightly in 2021 as visitor spending growth in the county was stronger than that of the state.

Of all jobs directly supporting visitor activity in Kansas, 4.0% were located in Douglas County.

Local employees that directly support visitor activity earned \$63 million in wages and other income.

Direct impacts

Employment in jobs, spending and income in \$ millions

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Visitor Spending							
Douglas County	\$264	\$268	\$272	\$189	\$245	30.1%	90.1%
Kansas	\$6,794	\$7,107	\$7,327	\$5,446	\$6,960	27.8%	95.0%
Share	3.88%	3.78%	3.72%	3.47%	3.53%		
Employment							
Douglas County	2,834	2,819	2,793	2,028	2,277	12.3%	81.5%
Kansas	64,701	65,352	66,007	53,084	57,051	7.5%	86.4%
Share	4.38%	4.31%	4.23%	3.82%	3.99%		
Labor Income							
Douglas County	\$67.8	\$68.3	\$69.2	\$54.7	\$63.2	15.4%	91.3%
Kansas	\$1,545	\$1,746	\$1,801	\$1,517	\$1,721	13.5%	95.6%
Share	4.39%	3.91%	3.84%	3.61%	3.67%		

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

TOTAL IMPACTS

Tourism supported 3,259 jobs in Douglas County – 1-in-11 jobs in Douglas County.

Douglas County jobholders that are supported by visitor activity earned \$100 million in wages and benefits from their jobs.

Visitor activity supported \$26 million in state and local governmental revenues in 2021.

Total impacts

Employment in jobs, income and taxes in \$ millions

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Employment							
Douglas County	3,824	3,810	3,784	2,915	3,259	11.8%	86.1%
Kansas	96,037	96,590	97,234	80,152	84,431	5.3%	86.8%
Share	3.98%	3.94%	3.89%	3.64%	3.86%		
Labor Income							
Douglas County	\$105.3	\$106.2	\$107.8	\$88.3	\$100.4	13.7%	93.1%
Kansas	\$3,121.0	\$3,182.2	\$3,263.8	\$2,821.7	\$3,112.2	10.3%	95.4%
Share	3.37%	3.34%	3.30%	3.13%	3.23%		
State & Local Taxes							
Douglas County	\$25.2	\$24.7	\$26.6	\$21.5	\$26.1	21.9%	98.4%
Kansas	\$618.4	\$638.3	\$671.3	\$589.1	\$700.5	18.9%	104.3%
Share	4.07%	3.87%	3.96%	3.64%	3.73%		

Source: Tourism Economics

Glossary – Spending Definitions

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitor spending within the arts, entertainment and recreation sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, state, and city coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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