



# 2012 Economic Impact of Tourism in Morgan County, Indiana

*Methodology, Metrics, and Evaluation*

**December 2013**

## Study Overview

A research cooperative was formed in 2013 by the Indiana Office of Tourism Development and Tourism Tomorrow to make this county-level economic impact study possible. The research cooperative engages leading and nationally recognized tourism research and economics experts. It was established to align the state of Indiana, its counties and largest cities around common research methodologies and industry best practices. This **2012 Economic Impact Study of Tourism in Morgan County** was conducted by Rockport Analytics, an independent market & economic research firm.

## Methodology

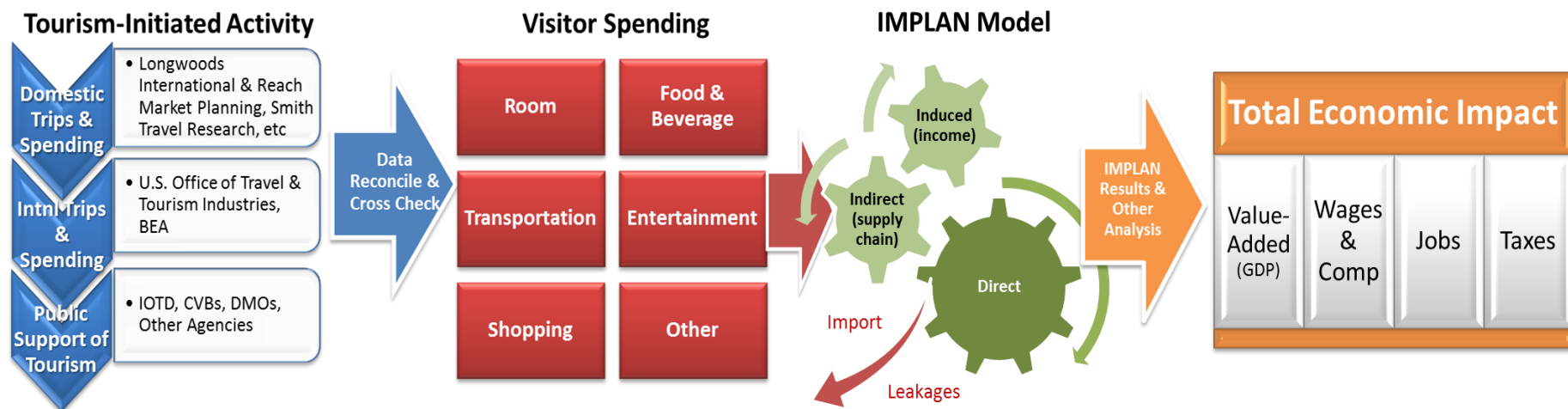
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The *direct* impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The *indirect* impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Morgan County-based food suppliers to restaurants. The *induced* impact adds the impact of tourism-generated wages as they are spent throughout the local economy on an array of goods & services.

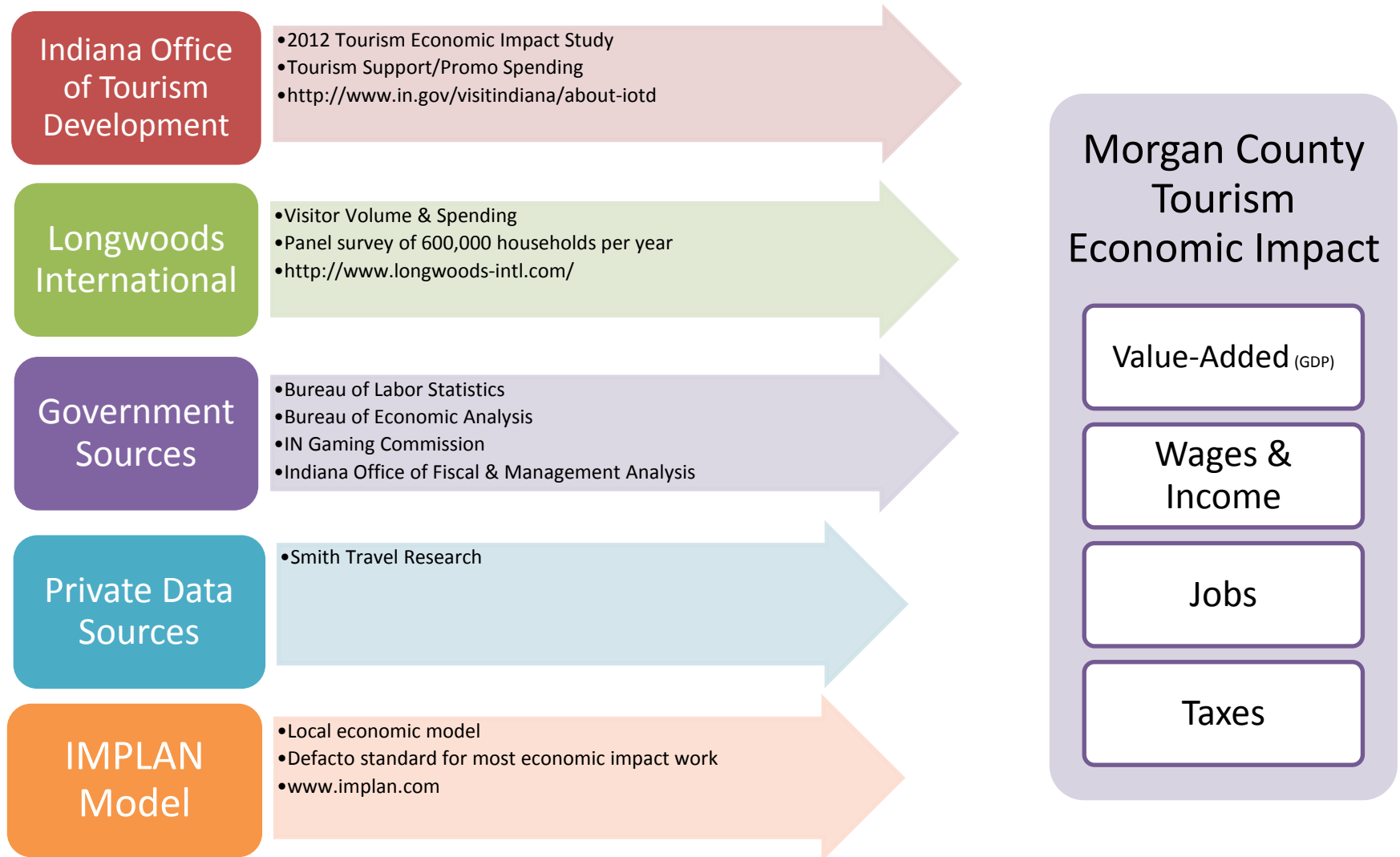
The economic impacts reported in this study are based on traveler spending as reported in the **2012 Economic Impact of Tourism in Indiana Study**, augmented by other data from Longwoods International (<http://www.Longwoods-Intl.com/>), Reach Market Planning, and Office of Travel & Tourism Industries data on international visitation and spending (<http://tinet.ita.doc.gov>). These traveler data are reconciled with Bureau of Labor Statistics (BLS) reported employment data, Bureau of Economic Analysis (BEA) reported earnings data, and reported county tax collections to derive spending levels that are representative at the county level. >>

## Methodology Cont.

An economic model of Morgan County is also critical to estimating how traveler spending resounds through the local economy. Rockport Analytics uses the IMPLAN model to translate the impacts of visitor commerce into Morgan County jobs, wages, taxes, and value-added/GDP ([www.implan.com](http://www.implan.com)). IMPLAN is a non-proprietary economic model that is the defacto standard for most economic impact assessments in the US. This model is critical to measuring the direct, indirect, and induced impacts of Morgan County tourism.

IMPLAN also helps to measure how much of each tourism dollar remains in the local 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 local firms. The IMPLAN model accounts for these import “leakages” to suppliers located outside of the locale. Generally, the more diversified a local economy, the lower the import leakages and the higher the retention of visitor spending.





## ***Spending by Visitors to Morgan County totaled \$21.4 million in 2012, up 17.1% over 2011***

- ✓ Visitors spent \$1.8 million on lodging, \$8.9 million on food & beverages, \$6.1 million on shopping, \$1.5 million on entertainment and recreation, and \$3.1 million on transportation.
- ✓ The economic impact of these expenditures (after import leakages) totaled \$15.3 million. This includes \$12.4 million in direct economic impact, \$1.2 million in indirect economic impact (supplier effect), and \$1.7 million in induced economic impact (income effect).
- ✓ Of every tourism dollar spent in Morgan County in 2012, 71 cents 'stayed' local and led directly to the gross county product of Morgan County.

## ***Visitor Spending in Morgan County supported 421 Jobs and \$8.7 million in labor income***

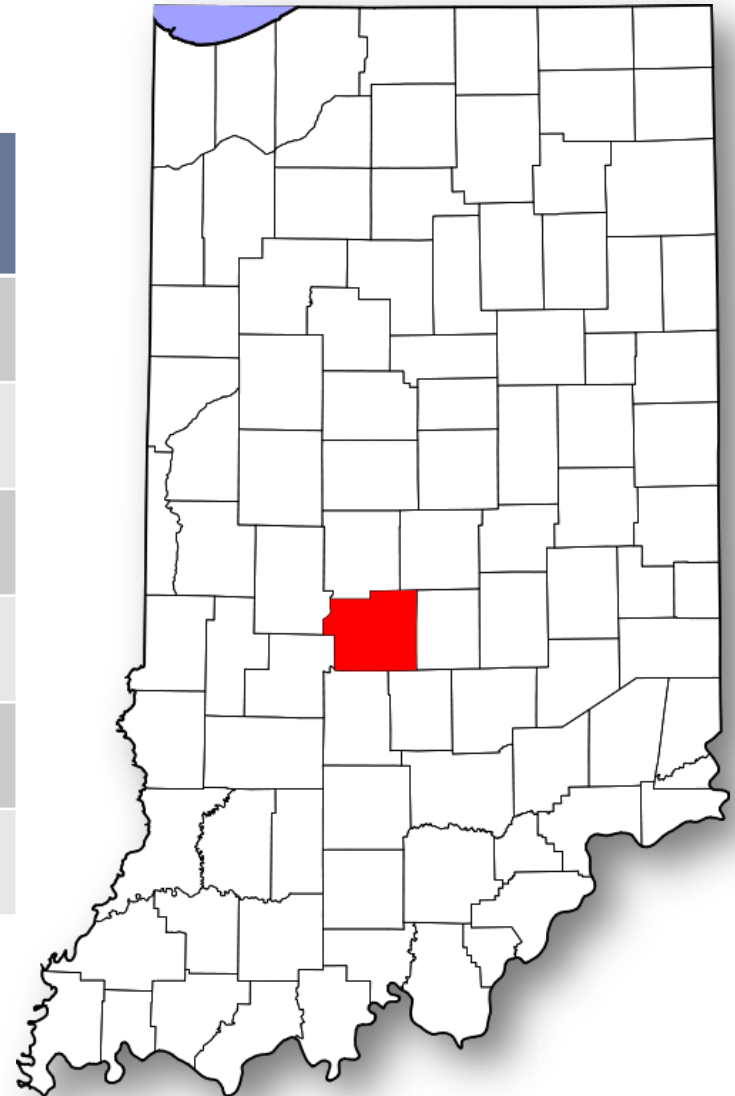
- ✓ Traveler spending supported 421 jobs in Morgan County in 2012. Of these, over 372 were directly employed by tourism sectors. Tourism generated an additional 23 indirect jobs and 26 induced jobs.
- ✓ \$8.7 million in total wages and proprietor income were generated for these employees.

## ***Visitors Generated Federal, State, and Local Tax Revenue totaling \$4.7 million in 2012***

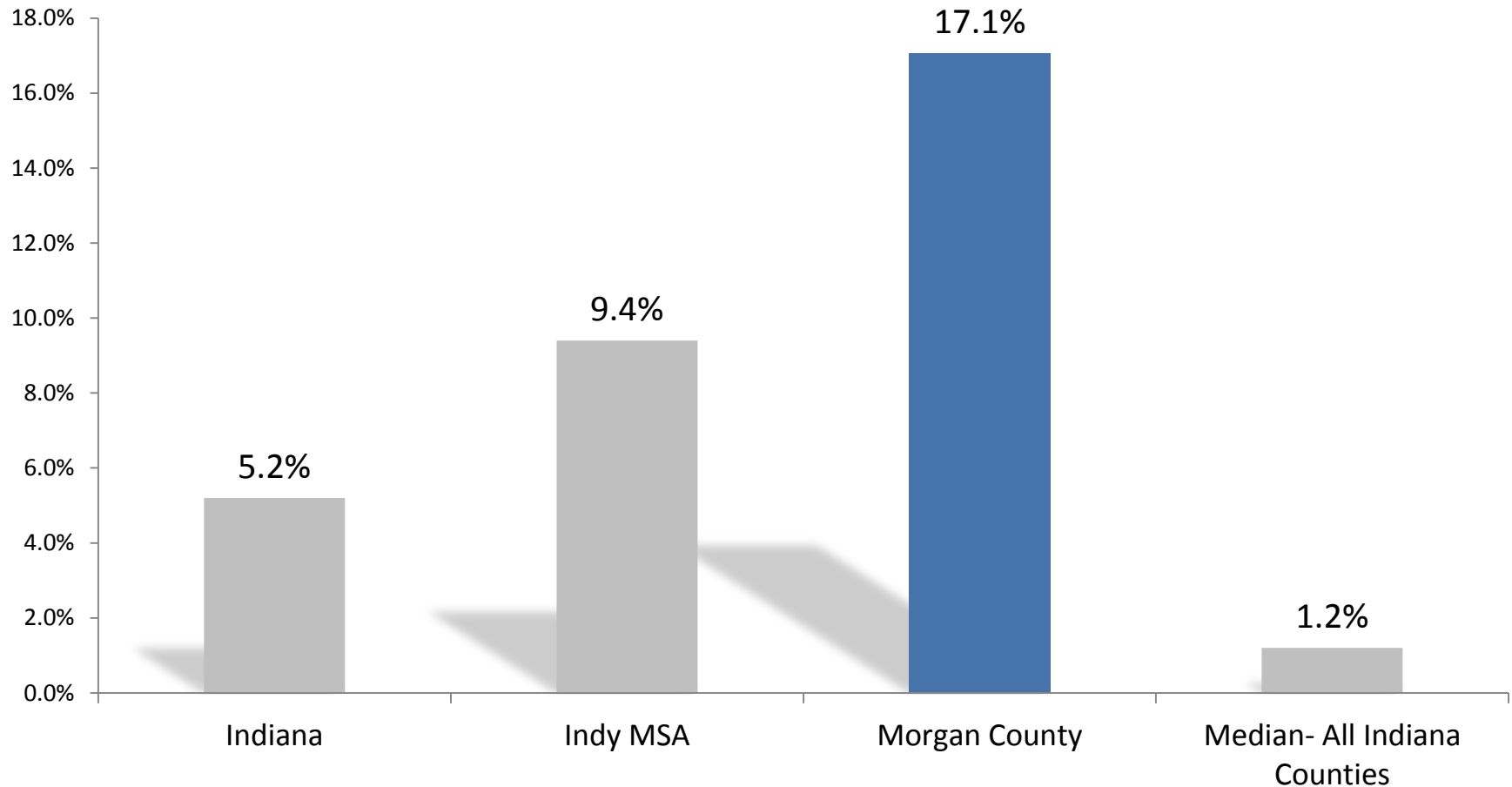
- ✓ Federal tax collections resulting from tourism in Morgan County totaled \$1.9 million including corporate & personal income taxes, excise taxes and social security collections.
- ✓ State and local tourism-derived taxes totaled \$2.8 million, including \$1.2 million in sales taxes contributing to state collections and \$992 thousand in property taxes to support the local tax base.

## Morgan County's 2012 Tourism Report Card

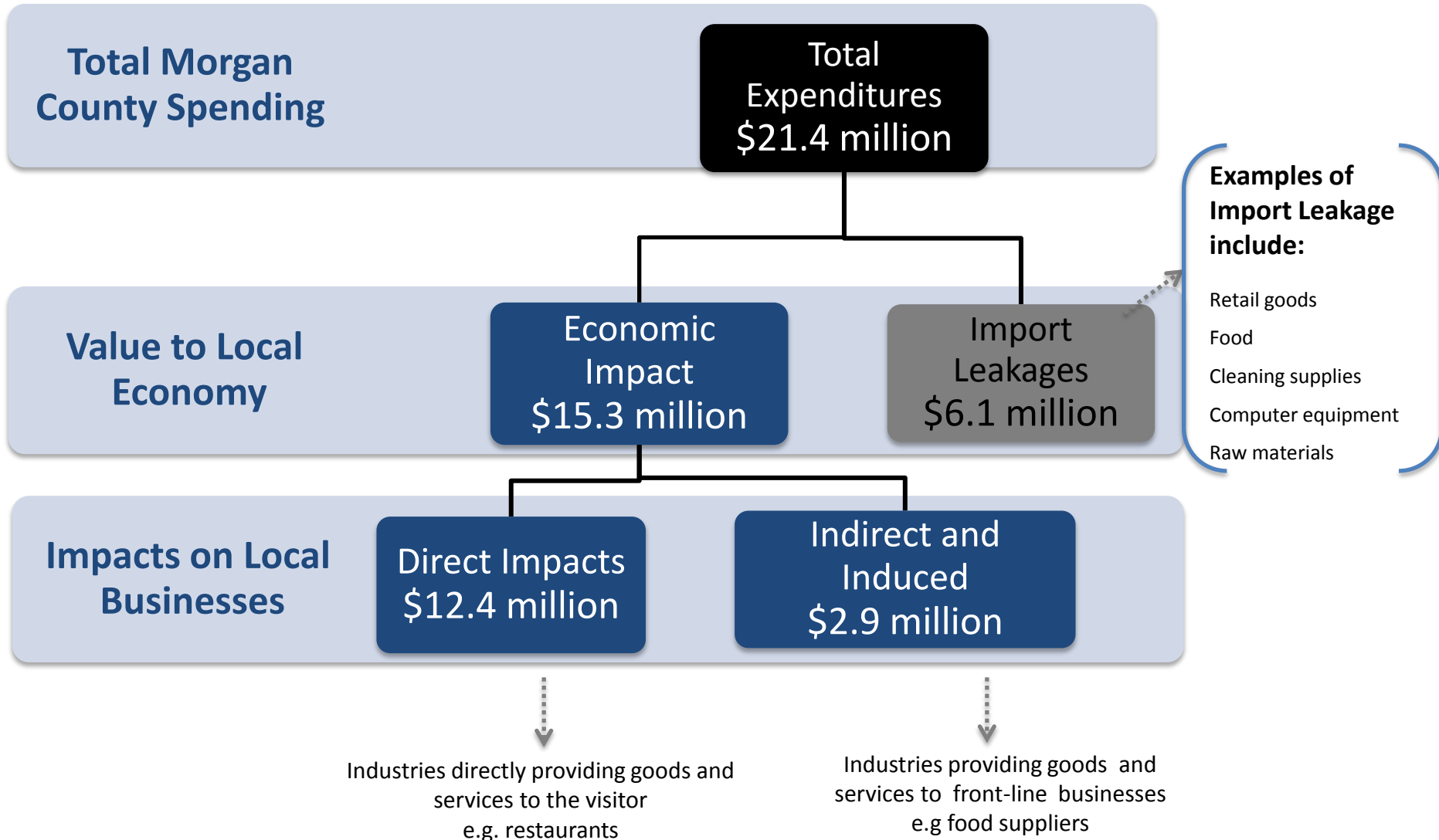
Tourism Sales Per Capita	\$308.49
Tourism Spend Per Capita Ranking	#68 of 92
2012 Spending by Travelers (Millions)	\$21.4
County Ranking of Tourism Spend	#53 of 92
2012 Tourism Spending Growth	17.1%
2012 Tourism Growth Ranking	#2 of 92



## Growth in 2012 Tourism Spend



Source: Rockport Analytics, Longwoods International, STR, BLS, BEA, Indiana Office of Fiscal & Management Analysis



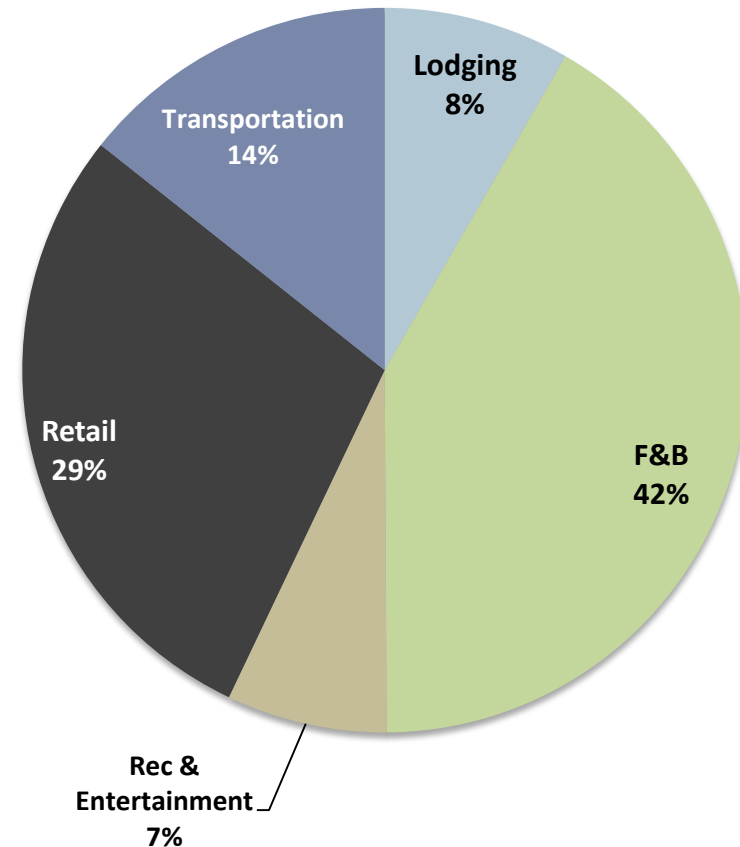


# Morgan County Visitor Spending By Category

## Total Visitor Spending By Category

Spending Category	2012 Expenditures	2011-2012 Growth
Lodging	\$1,780,058	26.8%
F&B	\$8,899,086	10.9%
Rec & Entertainment	\$1,531,646	13.9%
Retail	\$6,119,549	21.4%
Transportation	\$3,064,992	24.5%
<b>Total</b>	<b>\$21,395,332</b>	<b>17.1%</b>

## Distribution of Tourism Spending



Source: Rockport Analytics, Longwoods International, Smith Travel Research, BLS, BEA, Indiana Office of Fiscal & Management Analysis

## Tourism Spend in Indiana Counties (Third Quintile): Ranked on 2012 Spending Growth within Quintile

*in millions of \$*

	County	Lodging	F&B	Rec & Entertainment	Retail	Transportation	Total	Annual Tourism Spending Growth
1	Decatur	\$3.2	\$11.5	\$4.8	\$12.7	\$8.0	\$40.3	24.6%
2	Morgan	\$1.8	\$8.9	\$1.5	\$6.1	\$3.1	\$21.4	17.1%
3	Marshall	\$5.6	\$8.5	\$5.7	\$8.3	\$13.8	\$41.7	11.2%
4	Brown	\$16.9	\$5.2	\$2.1	\$3.5	\$5.9	\$33.5	6.5%
5	Spencer	\$7.5	\$2.9	\$15.8	\$3.0	\$5.2	\$34.4	4.7%
6	Franklin	\$2.8	\$8.1	\$0.8	\$6.1	\$7.3	\$25.0	3.1%
7	Floyd	\$6.3	\$12.5	\$9.7	\$7.7	\$2.9	\$39.2	2.6%
8	Lawrence	\$5.6	\$7.5	\$1.5	\$7.4	\$2.2	\$24.2	2.5%
9	Boone	\$5.2	\$8.3	\$9.4	\$13.9	\$4.7	\$41.6	2.0%
10	Putnam	\$5.6	\$11.6	\$1.2	\$9.9	\$3.9	\$32.3	1.4%
11	Jefferson	\$6.9	\$11.3	\$1.3	\$9.2	\$3.2	\$31.9	1.4%
12	Henry	\$1.8	\$5.0	\$1.3	\$4.0	\$4.6	\$16.8	1.4%
13	Carroll	\$5.6	\$5.3	\$2.1	\$4.8	\$1.3	\$19.1	0.6%
14	DeKalb	\$5.6	\$11.8	\$3.2	\$8.2	\$6.5	\$35.3	0.3%
15	Switzerland	\$8.0	\$5.9	\$9.2	\$1.1	\$6.5	\$30.8	-0.6%
16	Scott	\$4.9	\$6.8	\$0.4	\$4.8	\$1.8	\$18.7	-0.9%
17	Gibson	\$5.3	\$10.7	\$0.7	\$8.5	\$6.1	\$31.2	-3.4%

<sup>1</sup> Indiana's 92 counties were ranked on total tourism spending and broken into 5 groups (quintiles). Your county is ranked within its quintile above based upon 2012 vs 2011 tourism spending growth.

## 2012 Tourism Activity in Morgan County: Summary of Economic Impact

	Direct	Indirect	Induced	Total
<b>Total Spending</b>				<b>\$21,395,332</b>
<i>%ch compared to 2011</i>				<i>17.1%</i>
<b>Economic Impact (GDP)</b>	<b>\$12,415,809</b>	<b>\$1,192,168</b>	<b>\$1,652,677</b>	<b>\$15,260,654</b>
<i>%ch compared to 2011</i>	<i>17.4%</i>	<i>14.4%</i>	<i>16.7%</i>	<i>17.1%</i>
<b>Wages</b>	<b>\$7,337,872</b>	<b>\$659,496</b>	<b>\$744,582</b>	<b>\$8,741,950</b>
<i>%ch compared to 2011</i>	<i>16.9%</i>	<i>14.6%</i>	<i>16.7%</i>	<i>16.7%</i>
<b>Jobs</b>	<b>372</b>	<b>23</b>	<b>26</b>	<b>421</b>
<i>%ch compared to 2011</i>	<i>13.9%</i>	<i>12.8%</i>	<i>14.7%</i>	<i>13.9%</i>
<b>Tax Receipts</b>				<b>\$4,709,261</b>
<i>%ch compared to 2011</i>				<i>17.0%</i>

### Impact Glossary

**Direct:** These impacts represent the value added of those sectors that interact directly, or “touch”, the visitor.

**Indirect:** These impacts represents the benefit to local suppliers to those direct sectors. This would include, for example, local based food suppliers to restaurants.

**Induced:** These impacts are derived from tourism-generated wages as they are spent throughout the local economy.

Source: Rockport Analytics, Longwoods International, STR, BLS, BEA, Indiana Office of Fiscal & Management Analysis, IMPLAN

## 2012 Tourism in Morgan County: Impact on Local VA (in thousands \$) by Sector

Morgan County Industry	Direct	Indirect	Induced	Total
Retail trade	\$6,527	\$27	\$259	\$6,814
Food services & drinking places	\$4,356	\$63	\$100	\$4,519
Accommodations	\$807	\$0	\$0	\$807
Arts- entertainment & recreation	\$725	\$4	\$11	\$740
Real estate & rental	\$0	\$172	\$535	\$707
Utilities	\$0	\$195	\$73	\$268
Health & social services	\$0	\$0	\$237	\$237
Finance & insurance	\$0	\$94	\$137	\$232
Administrative & waste services	\$0	\$158	\$38	\$196
Government	\$0	\$123	\$28	\$151
Professional- scientific & tech services	\$0	\$114	\$30	\$145
Other services	\$0	\$57	\$85	\$142
Wholesale Trade	\$0	\$42	\$54	\$96
Construction	\$0	\$62	\$23	\$84
Information	\$0	\$37	\$15	\$52
Transportation & Warehousing	\$0	\$18	\$8	\$27
Manufacturing	\$0	\$18	\$2	\$20
Educational services	\$0	\$2	\$14	\$16
Ag, Forestry, Fish & Hunting	\$0	\$3	\$2	\$5
Management of companies	\$0	\$1	\$0	\$1
Mining	\$0	\$0	\$0	\$1
<b>Total</b>	<b>\$12,416</b>	<b>\$1,192</b>	<b>\$1,653</b>	<b>\$15,261</b>
Total - 2011	\$10,575	\$1,042	\$1,416	\$13,034
<b>% change</b>	<b>17.4%</b>	<b>14.4%</b>	<b>16.7%</b>	<b>17.1%</b>

\*Value added is the economic contribution to the county (i.e., the economic contribution minus any import leakages)

## 2012 Tourism in Morgan County: Impact on Local Jobs by Sector

Morgan County Industry	Direct	Indirect	Induced	Total
Food services & drinking places	173	2	4	179
Retail trade	156	1	7	163
Arts- entertainment & recreation	25	2	0	27
Accommodations	19	0	0	19
Administrative & waste services	0	5	1	6
Health & social services	0	0	5	5
Other services	0	2	3	5
Real estate & rental	0	2	1	3
Professional- scientific & tech services	0	2	1	3
Finance & insurance	0	1	1	3
Government	0	2	0	2
Construction	0	2	0	2
Wholesale Trade	0	0	0	1
Information	0	1	0	1
Transportation & Warehousing	0	0	0	1
Utilities	0	0	0	1
Educational services	0	0	0	1
Manufacturing	0	0	0	0
Ag, Forestry, Fish & Hunting	0	0	0	0
Management of companies	0	0	0	0
Mining	0	0	0	0
<b>Total</b>	<b>372</b>	<b>23</b>	<b>26</b>	<b>421</b>
Total - 2011	327	20	23	370
<b>% change</b>	<b>13.9%</b>	<b>12.8%</b>	<b>14.7%</b>	<b>13.9%</b>

Source: Rockport Analytics, IMPLAN

## 2012 Tourism in Morgan County: Impact on Local Wages (in thousands \$) by Sector

Morgan County Industry	Direct	Indirect	Induced	Total
Retail trade	\$3,648	\$17	\$163	\$3,828
Food services & drinking places	\$2,973	\$43	\$68	\$3,085
Accommodations	\$443	\$0	\$0	\$443
Arts- entertainment & recreation	\$274	\$8	\$6	\$288
Health & social services	\$0	\$0	\$210	\$210
Administrative & waste services	\$0	\$127	\$31	\$158
Government	\$0	\$119	\$23	\$142
Other services	\$0	\$52	\$84	\$136
Professional- scientific & tech services	\$0	\$68	\$20	\$88
Finance & insurance	\$0	\$29	\$40	\$69
Construction	\$0	\$54	\$14	\$68
Utilities	\$0	\$48	\$19	\$66
Wholesale Trade	\$0	\$24	\$30	\$54
Information	\$0	\$25	\$5	\$30
Real estate & rental	\$0	\$16	\$13	\$29
Transportation & Warehousing	\$0	\$12	\$6	\$17
Manufacturing	\$0	\$13	\$2	\$15
Educational services	\$0	\$1	\$10	\$11
Ag, Forestry, Fish & Hunting	\$0	\$2	\$1	\$3
Management of companies	\$0	\$1	\$0	\$1
Mining	\$0	\$0	\$0	\$1
<b>Total</b>	<b>\$7,338</b>	<b>\$659</b>	<b>\$745</b>	<b>\$8,742</b>
Total - 2011	\$6,279	\$576	\$638	\$7,493
<b>% change</b>	<b>16.9%</b>	<b>14.6%</b>	<b>16.7%</b>	<b>16.7%</b>

Source: Rockport Analytics, IMPLAN

# Tourism is Morgan County's 9<sup>th</sup> Largest Industry

## 2012 Tourism in Morgan County: Ranking of Major Industries By Total Employment

Rank	Industry	2012 Reported <sup>1</sup>	2012 Tourism Extracted <sup>2</sup>	% of Total
1	Manufacturing	2,144	2,144	14.66%
2	Retail Trade	2,159	1,996	13.65%
3	Health Care & Social Assistance	1,989	1,984	13.57%
4	Private Educational Services	1,474	1,473	10.07%
5	Accommodation & Food Services	1,583	1,385	9.47%
6	Government	860	858	5.87%
7	Construction	858	856	5.85%
8	Personal & Other Services	488	483	3.30%
9	<b>MORGAN COUNTY TOURISM INDUSTRY</b>	<b>N/A</b>	<b>421</b>	<b>2.88%</b>
10	Finance and Insurance	413	410	2.80%
11	Wholesale Trade	400	399	2.73%
12	Transportation, Warehousing & Utilities	393	392	2.68%
13	Professional & Business Services	364	361	2.47%
14	Natural Resources & Mining	129	129	0.88%
15	Real Estate and Rental & Leasing	130	127	0.87%
16	Information	76	75	0.51%
17	Arts, Entertainment & Recreation	97	70	0.48%
	<b>Total Morgan County Employment</b>	<b>14,623</b>	<b>14,623</b>	<b>100%</b>

<sup>1</sup> **Reported:** As released by the Bureau of Labor Statistics and the Indiana Department of Labor

<sup>2</sup> **Tourism Extracted:** Tourism's contribution to jobs in each industry is removed and placed in "MORGAN COUNTY TOURISM INDUSTRY"

**Note:** Definitional differences in the way employment is counted by the BLS and by IMPLAN may lead to discrepancies. Also, employment data for some industries may not be reported by the BLS due to federal disclosure laws.

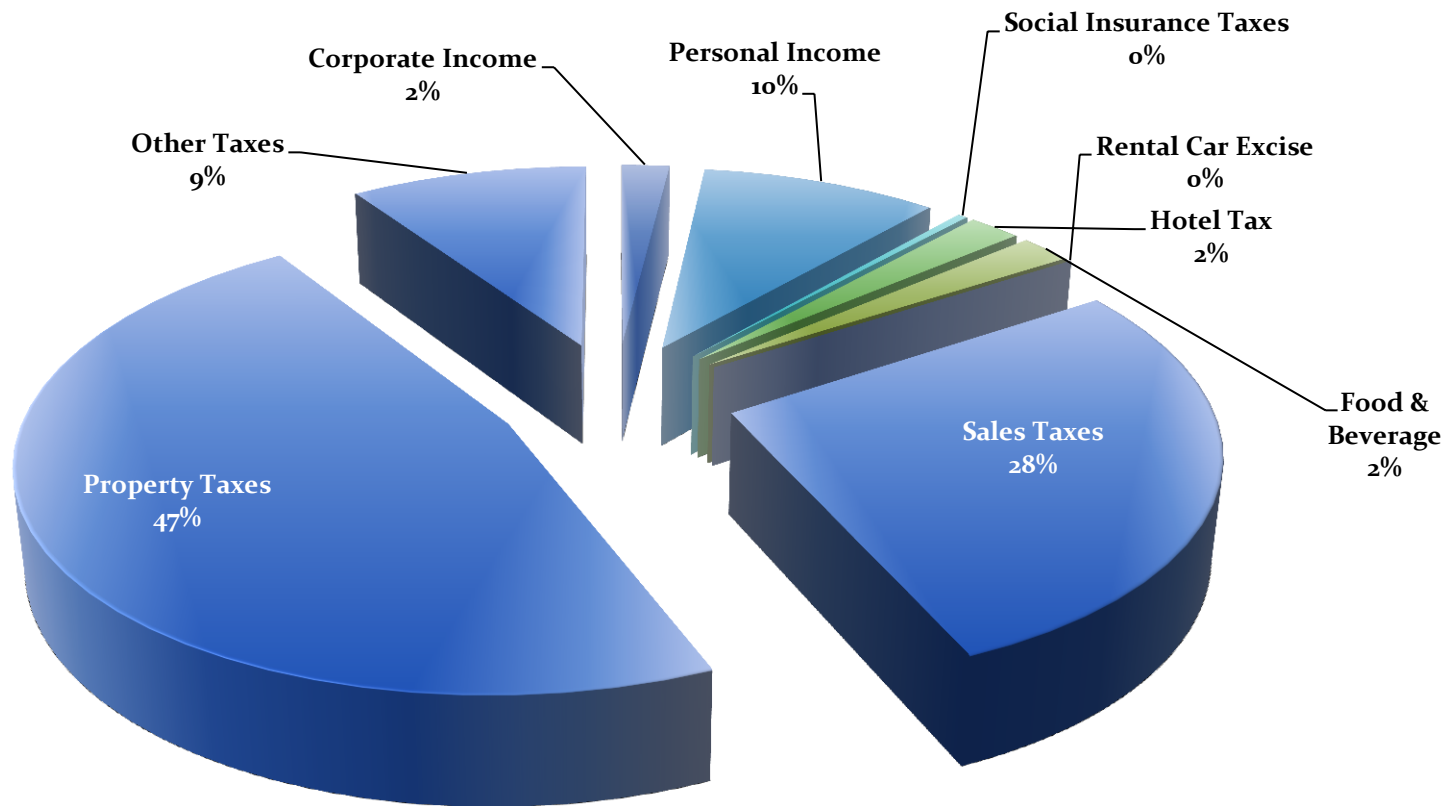
<b>Tax</b> <i>(in thousands \$)</i>	<b>2011</b>	<b>2012</b>	<b>% Change</b>
<b>Federal: US</b>			
Corporate Income	\$216.3	\$254.2	17.5%
Personal Income	\$454.6	\$530.4	16.7%
Excise & Fees	\$114.2	\$134.6	17.9%
Social Security & Other Taxes	\$868.2	\$1,011.7	16.5%
<b>Federal Total</b>	<b>\$1,653.2</b>	<b>\$1,930.9</b>	<b>16.8%</b>
<b>State &amp; Local</b>			
Corporate Income	\$31.3	\$36.8	17.5%
Personal Income	\$174.0	\$203.0	16.7%
Social Insurance Taxes	\$12.4	\$14.4	16.5%
Tourism Excises			
Hotel Tax	\$70.2	\$89.0	26.8%
Food & Beverage	\$80.3	\$89.0	0.0%
Rental Car Excise	\$0.0	\$0.0	0.0%
Sales Taxes	\$1,033.3	\$1,198.8	16.0%
Property Taxes	\$2,066.7	\$2,029.3	-1.8%
Other Taxes	\$425.1	\$407.1	-4.2%
<b>State &amp; Local Tax Total</b>	<b>\$2,370.6</b>	<b>\$2,778.3</b>	<b>17.2%</b>
<b>Total County Tourism-Initiated Taxes</b>	<b>\$4,023.8</b>	<b>\$4,709.3</b>	<b>17.0%</b>

- Morgan County tourism generated over \$4.7 million in total taxes in 2012, up 17% over 2011.
- Federal tax collections resulting from tourism in Morgan County include income taxes and social security and totaled \$1.9 million in 2012.
- State & local tax collections totaled \$2.8 million, including \$1.2 million in sales taxes contributing to state collections and \$992k in property taxes supporting the local tax base.



## 2012 Morgan State & Local Tourism Tax Sources

*Total = \$2.7 Million*



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

**Employment:** Approximately 2.9% of all jobs in Morgan County are supported by tourism to the region. In addition to the hotel and restaurant industry, tourism directly supports jobs in professional and business services, health and social services, real estate, finance and insurance.

**Education:** Revenue collected from tourism in Morgan County is sufficient to support 237 Indiana public school students.

**Household Savings:** If Morgan County tourism did not exist, each of the 25,000 households in the county would have to pay an additional \$111 per year in taxes to maintain current state & local tax levels.

**Tax Revenue:** In addition to hotel occupancy levies (\$89,000 in 2012), Morgan County tourism activity generated over \$36,000 in Indiana corporate taxes, \$203,000 in Indiana personal income tax, and \$992,000 in local property taxes during 2012.

**Economic Impact:** Of every dollar spent by visitors in Morgan County, 71¢ in economic impact is returned to the local area.

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