

2013 Economic Impact of Tourism in Morgan County

Methodology, Metrics and Evaluation



ROCKPORT
ANALYTICS

Indiana Office of Tourism Development

- 2013 Tourism Economic Impact Study
- Tourism Support/Promo Spending
- <http://www.in.gov/visitindiana/about-iotd/>

Longwoods International

- Visitor Volume & Spending
- Panel survey of 600,000 households per year
- <http://www.longwoods-intl.com/>

Government Sources

- Bureau of Labor Statistics
- Bureau of Economic Analysis
- IN Gaming Commission
- Indiana Office of Fiscal & Management Analysis

Private Data Sources

- Smith Travel Research

IMPLAN Model

- Local economic model
- Defacto standard for most economic impact work
- www.implan.com

Morgan County Tourism Economic Impact

Value-Added (GDP)

Wages &
Income

Jobs

Taxes

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 2013 Economic Impact Study of Tourism in Morgan County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

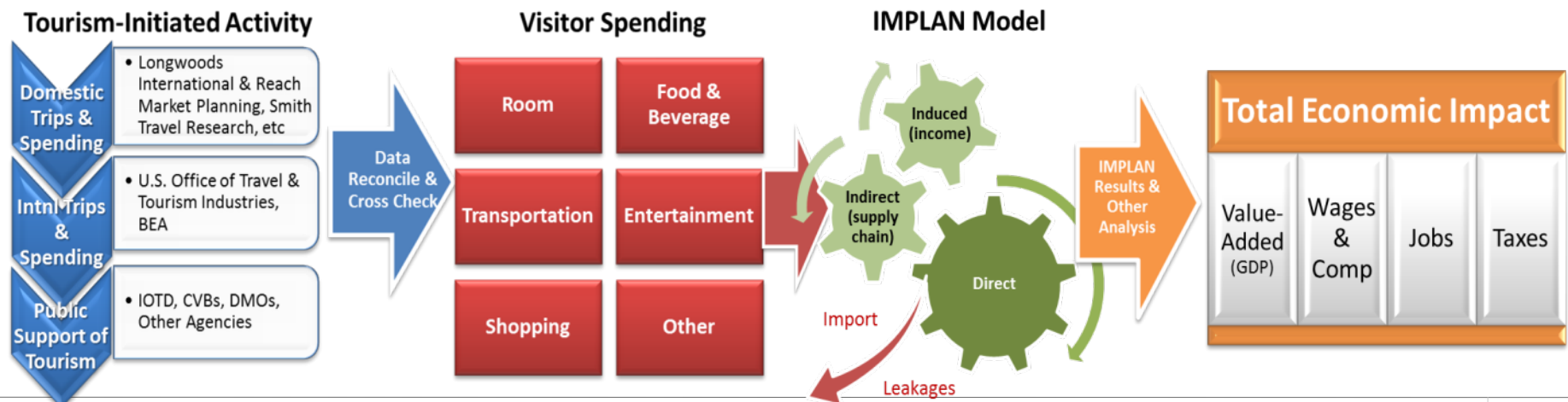
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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 2013 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 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 Morgan County (www.implan.com), a non-proprietary economic model that is the defacto standard for most economic impact assessments in the United States. This model is critical to measuring the direct, indirect, and induced impacts of visitation to the state.

IMPLAN also 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 firms located in Indiana. The IMPLAN model accounts for these import “leakages” to suppliers located outside of the county. Generally, the more diversified a county’s economy, the lower are import leakages and the higher the retention and multiplier of visitor spending.



Spending by Visitors to Morgan County totaled \$21.9 million in 2013, up 2% over 2012

- ✓ Visitors spent \$1.8 million on lodging, \$9.1 million on food & beverages, \$6.3 million on shopping, \$1.6 million on entertainment and recreation, and \$3.1 million on transportation.
- ✓ The economic impact of these expenditures (after import leakages) totaled \$15.6 million. This includes \$12.7 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 2013, 71 cents 'stayed' local and led directly to the gross county product of Morgan County.

Visitor Spending in Morgan County supported 442 Jobs and \$8.9 million in labor income

- ✓ Traveler spending supported 442 jobs in Morgan County in 2013. Of these, 373 were directly employed by tourism sectors. Tourism generated an additional 23 indirect jobs and 26 induced jobs.
- ✓ \$8.9 million in total wages and proprietor income were generated for these employees.

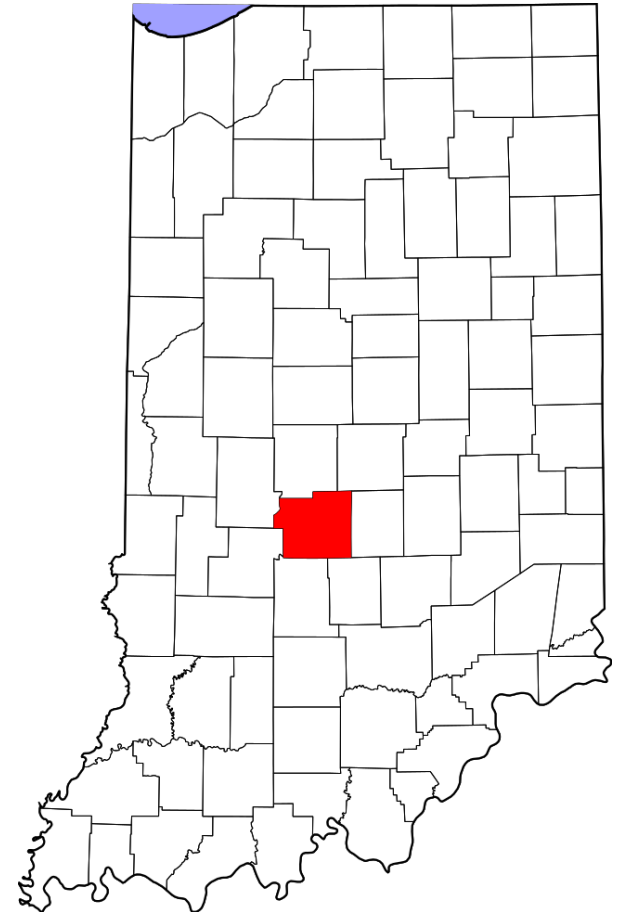
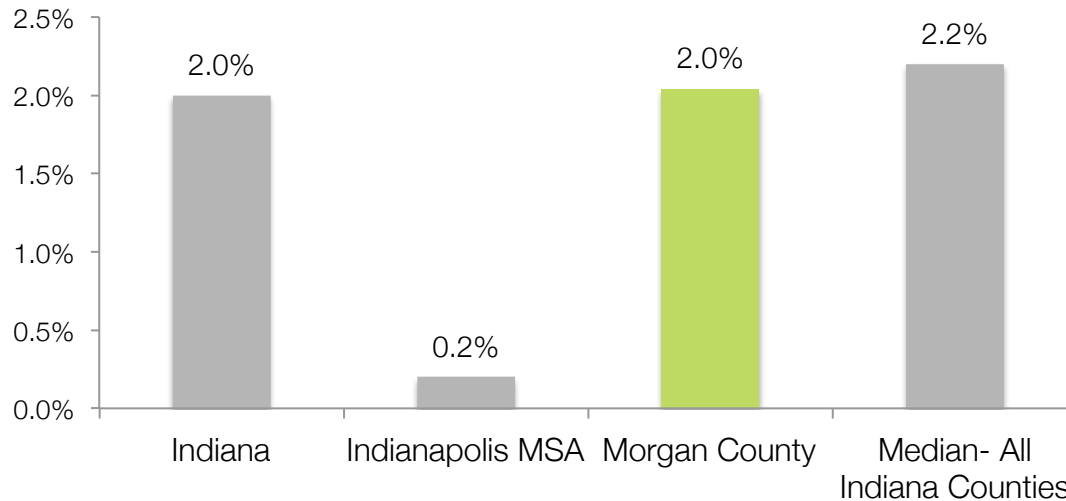
Visitors Generated Federal, State, and Local Tax Revenue totaling \$4.8 million in 2013

- ✓ Federal tax collections resulting from tourism in Morgan County totaled \$2 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 tax collections and \$1 million in property taxes to support the local tax base.

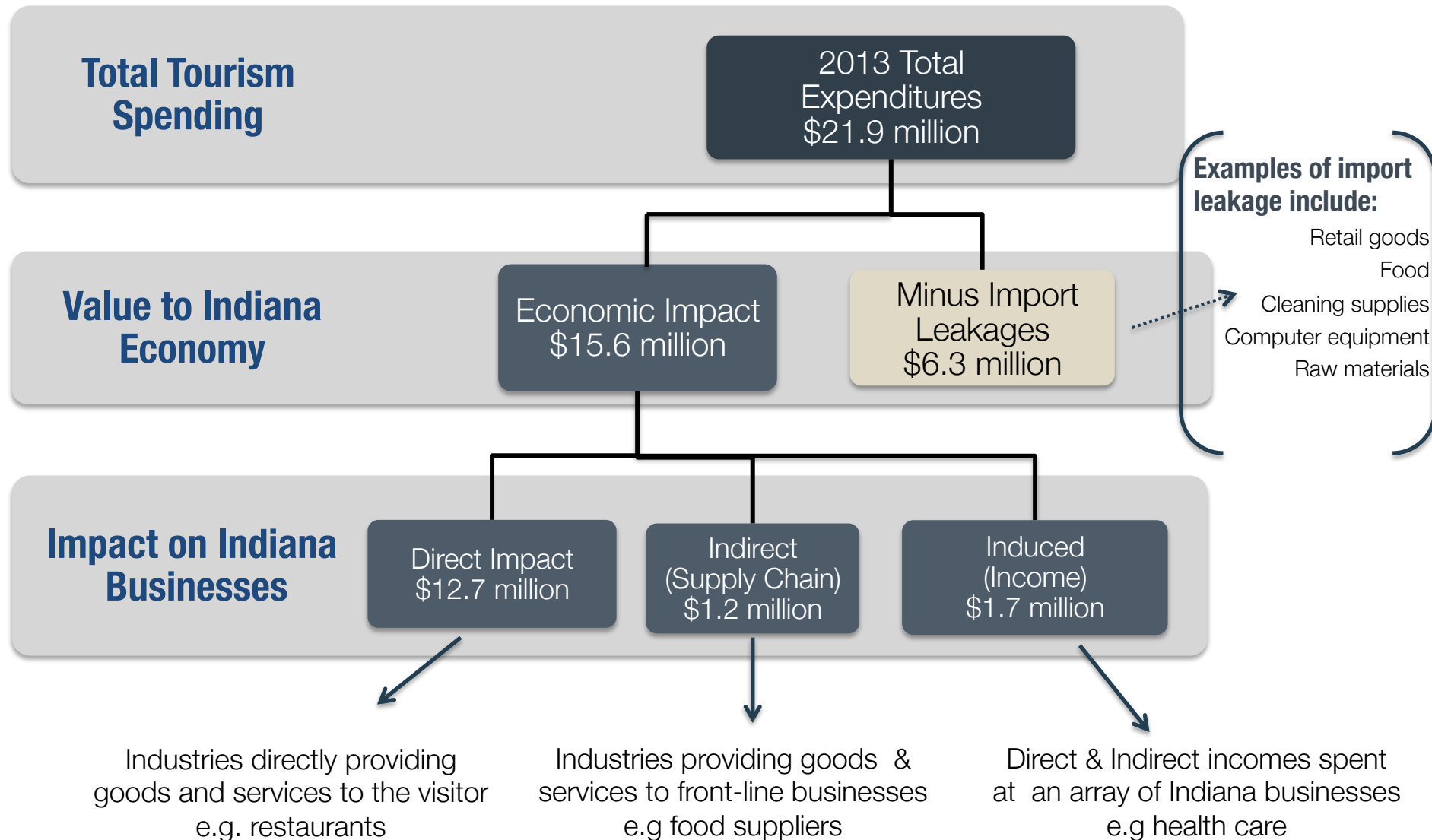
Morgan County's 2013 Tourism Report Card

Tourism Sales Per Capita	\$316.44
Tourism Spend Per Capita Ranking	#68 of 92
2013 Spending by Visitors (Millions)	\$21.9
County Ranking of Tourism Spend	#53 of 92
2013 Tourism Spending Growth	2.0%
2013 Tourism Growth Ranking	#52 of 92

Annual Growth in 2013 Tourism Spending



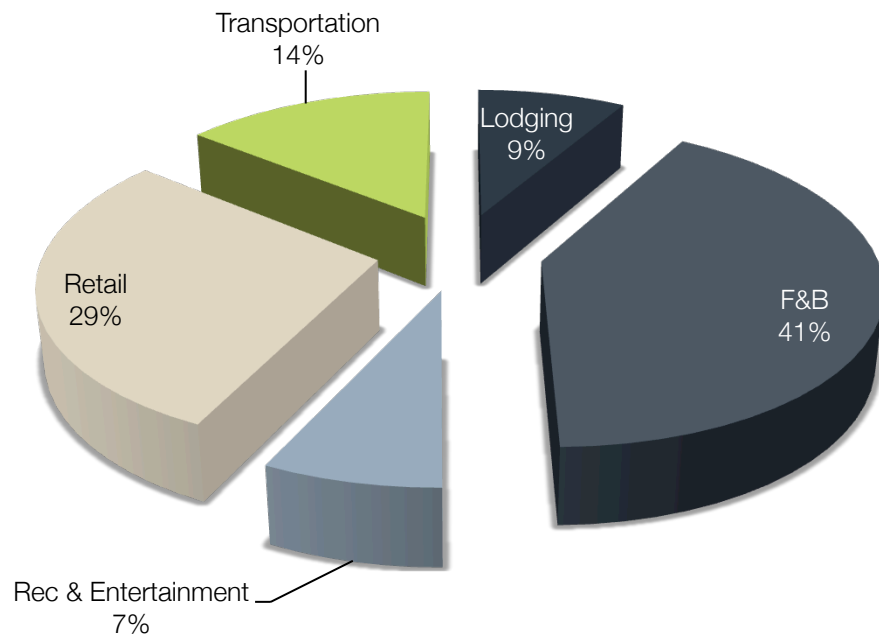
Morgan County Tourism Impact Flows



Food & Beverage accounts for the largest share of tourism spend in Morgan County, totaling **41% of visitor expenditures**.

Distribution of Tourism Spending

\$21.9 Million USD



Source: Longwoods International, OTTI, Reach Market Planning, Smith Travel Research, Rockport Analytics

Expenditure Category	2013	2012-13 Growth
Lodging	\$1,844,725	3.6%
F&B	\$9,070,595	1.9%
Rec & Entertainment	\$1,581,642	3.3%
Retail	\$6,290,705	2.8%
Transportation	\$3,115,649	-0.6%
Total	\$21,903,316	2.0%

Categorical Spending Shares: State Comparisons

	Morgan County	Indiana
Lodging	8%	15%
F&B	41%	27%
Rec & Entertainment	7%	18%
Retail	29%	22%
Transportation	14%	18%
Total	100%	100%

2013 Economic Impact Summary (Compared to 2012)

2013 Metric	Direct	Indirect	Induced	Total
Total Spending				\$21,903,316
2013 Y/Y Growth				2.0%
Economic Impact (GDP)	\$12,671,284	\$1,212,341	\$1,685,801	\$15,569,426
2013 Y/Y Growth	2.1%	1.7%	2.0%	2.0%
Wages	\$7,486,903	\$670,767	\$759,505	\$8,917,175
2013 Y/Y Growth	2.0%	1.7%	2.0%	2.0%
Jobs	373	23	26	422
2013 Y/Y Growth	0.2%	0.1%	0.3%	0.2%
Tax Receipts				\$4,811,375
2013 Y/Y Growth				2.3%

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

Indiana Tourism: 2013 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$6,695	\$28	\$265	\$6,987
Food services & drinking places	\$4,412	\$64	\$102	\$4,578
Accommodations	\$825	\$0	\$0	\$825
Arts- entertainment & recreation	\$740	\$5	\$11	\$755
Real estate & rental	\$0	\$175	\$546	\$720
Utilities	\$0	\$198	\$75	\$273
Health & social services	\$0	\$0	\$242	\$242
Finance & insurance	\$0	\$96	\$140	\$236
Administrative & waste services	\$0	\$161	\$39	\$200
Government & non NAICs	\$0	\$125	\$28	\$153
Professional Services	\$0	\$116	\$31	\$147
Other services	\$0	\$58	\$87	\$145
Wholesale Trade	\$0	\$43	\$55	\$98
Construction	\$0	\$63	\$23	\$86
Information	\$0	\$38	\$15	\$53
Transportation & Warehousing	\$0	\$19	\$9	\$27
Manufacturing	\$0	\$18	\$3	\$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
Total	\$12,671	\$1,212	\$1,686	\$15,569
Total - 2012	\$12,416	\$1,192	\$1,653	\$15,261
% change	2.1%	1.7%	2.0%	2.0%

Source: Rockport Analytics, IMPLAN

Jobs in a Wide Array of Sectors Also Impacted by County Tourism

Indiana Tourism: 2013 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	172	2	4	178
Retail trade	157	1	7	164
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 Services	0	2	1	3
Finance & insurance	0	1	1	3
Government & non NAICS	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
Total	373	23	26	422
Total - 2012	372	23	26	421
% change	0.2%	0.1%	0.3%	0.2%

Source: Rockport Analytics, IMPLAN

Tourism is the 12th Largest Industry in Morgan County

2013 Tourism in Indianapolis: Ranking of Major Industries By Total Employment

Rank	Industry	2013 Reported	2013 Tourism Extracted	% of Total Employment	12-13 Growth Rate
1	Government	2,704	2,704	17.6%	-1.0%
2	Manufacturing	2,287	2,287	14.9%	5.2%
3	Health & Social Services	2,103	2,103	13.7%	-1.2%
4	Retail trade	2,235	2,078	13.5%	1.2%
5	Accommodation & Food Services	1,645	1,454	9.4%	1.3%
6	Construction	977	977	6.3%	7.1%
7	Other Services	703	703	4.6%	4.3%
8	Administrative & Waste Services	557	557	3.6%	-33.3%
9	Wholesale Trade	461	461	3.0%	-1.1%
10	Finance & Insurance	431	431	2.8%	-5.5%
11	Professional Services	383	383	2.5%	13.0%
12	Tourism	N/A	373	2.4%	0.2%
13	Utilities	209	209	1.4%	-0.9%
14	Transportation & Warehousing	141	141	0.9%	11.0%
15	Management of Companies	140	140	0.9%	-26.7%
16	Real Estate	136	136	0.9%	8.8%
17	Information	93	93	0.6%	16.3%
18	Arts, Entertainment & Recreation	94	69	0.4%	-6.0%
19	Educational Services	67	67	0.4%	11.7%
20	Mining	30	30	0.2%	-3.2%
Total County Employment		15,396	15,396	100%	-0.5%

Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

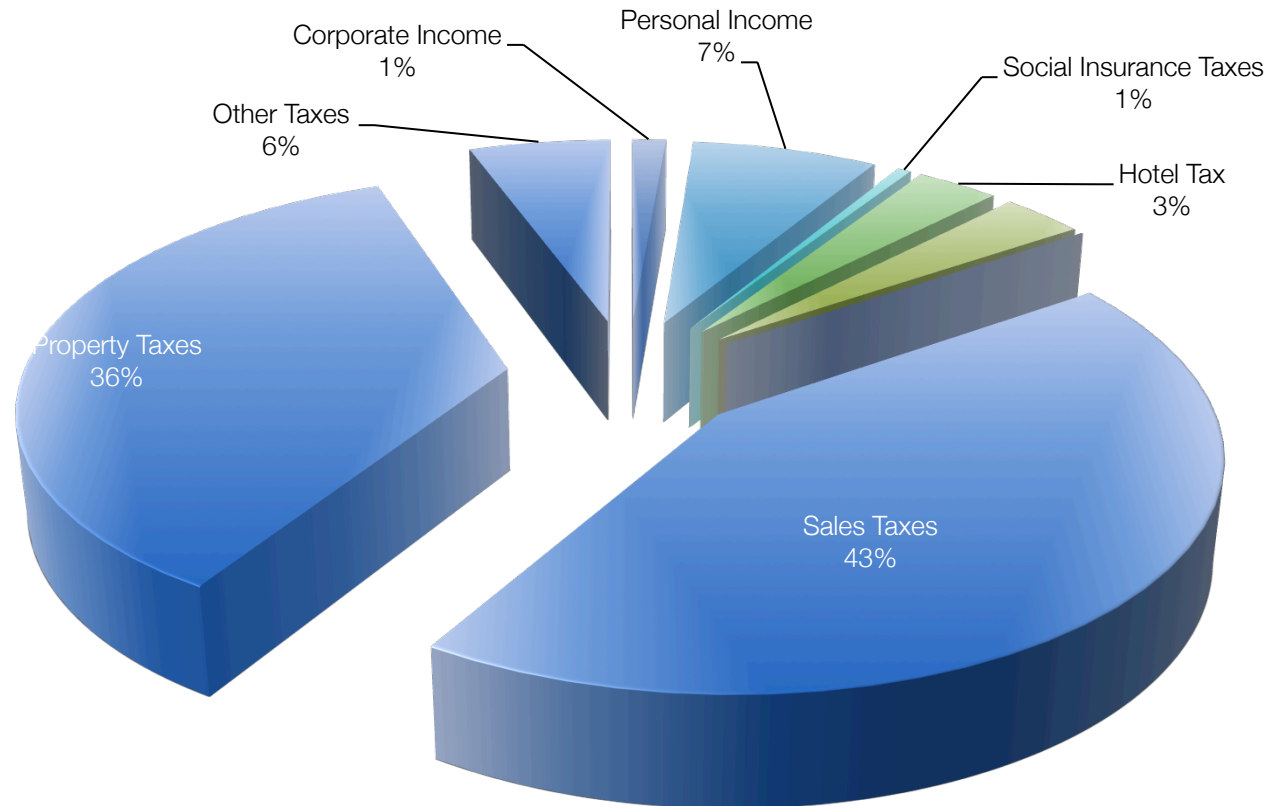
Note: Both industry and employee definitional discrepancies may exist between data sources. Data has not been reported for industries where these discrepancies are large.

Reported: As released by the Bureau of Labor Statistics and the Indiana Department of Labor

Tourism Extracted: Tourism's contribution to jobs in each industry is removed and placed in "Indy's Tourism Industry"

2013 State & Local Tourism Tax Sources

Total = \$2.8M



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

2012 – 2013 Tourism Tax Revenue Collections

	2012	2013	% Change
	<i>Thousands \$</i>		
Federal: US			
Corporate Income	\$254.2	\$259.3	2.0%
Personal Income	\$530.4	\$541.1	2.0%
Excise & Fees	\$134.6	\$137.4	2.1%
Social Security & Other Taxes	\$1,011.7	\$1,032.0	2.0%
Federal Total	\$1,930.9	\$1,969.8	2.0%
State & Local			
Corporate Income	\$36.8	\$37.5	2.0%
Personal Income	\$203.0	\$207.1	2.0%
Social Insurance Taxes	\$14.4	\$14.7	2.0%
Tourism Excises			
Hotel Tax	\$85.1	\$91.2	7.2%
Food & Beverage	\$89.0	\$90.7	1.9%
Rental Car Excise	N/A	N/A	N/A
Sales Taxes	\$1,198.8	\$1,228.9	2.5%
Property Taxes	\$992.9	\$1,013.8	2.1%
Other Taxes	\$154.4	\$157.7	2.2%
State & Local Tax Total	\$2,774.4	\$2,841.6	2.4%
Total County Tourism-Initiated Taxes	\$4,705.4	\$4,811.4	2.3%

- Morgan County tourism generated nearly \$5 million in total taxes in 2013, up 2.3% from 2012.
- Federal tax collections resulting from tourism in Morgan County include income taxes and social security and totaled \$2 million in 2013.
- State & local tax collections totaled \$2.8 million, including \$1.2 million in sales taxes contributing to state collections and \$1 million in property taxes supporting the local tax base.

How Does Tourism Benefit Morgan County?

By Promoting a Healthy Job Market

Approximately 2% of all jobs in Morgan County are supported by tourism to the region. In addition to the hotel & restaurant industry, tourism directly supports jobs in professional & business services, health & social services, and finance & insurance.

By Contributing to the Health of the Public Education System

Revenue collected from tourism in Morgan County is sufficient to support 303 Indiana public school students.

By Playing a Significant Role in the County's Industrial Make up

Tourism is the 12th largest industry (11th not including Government) in Morgan County (by jobs).

By Providing Tax Revenue to Support Federal, State & Local Government

In addition to hotel occupancy levies (\$91,202 in 2013), Morgan County tourism activity generated over \$37,000 in Indiana corporate taxes, \$207,000 in Indiana personal income tax, and \$1 million in local property taxes during 2013.

By Helping to Relieve the Tax Burden of Morgan County Households

If Morgan County tourism did not exist, each of the 27,265 households in the county would have to pay an additional \$110 per year in taxes to maintain current state & local tax levels.

By Capturing and Retaining the Expenditures Made By Visitors

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



Rockport Analytics

1610 Herron Lane
West Chester, PA 19380

web: rockportanalytics.com
email: info@rockportanalytics.com
phone: (866) 481-9877



ROCKPORT
ANALYTICS