

2016 Economic Impact of Tourism in Morgan County

Methodology, Metrics and Evaluation



Indiana Office of Tourism Development

- 2016 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 2016 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 2016 Economic Impact Study of Tourism in Morgan County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

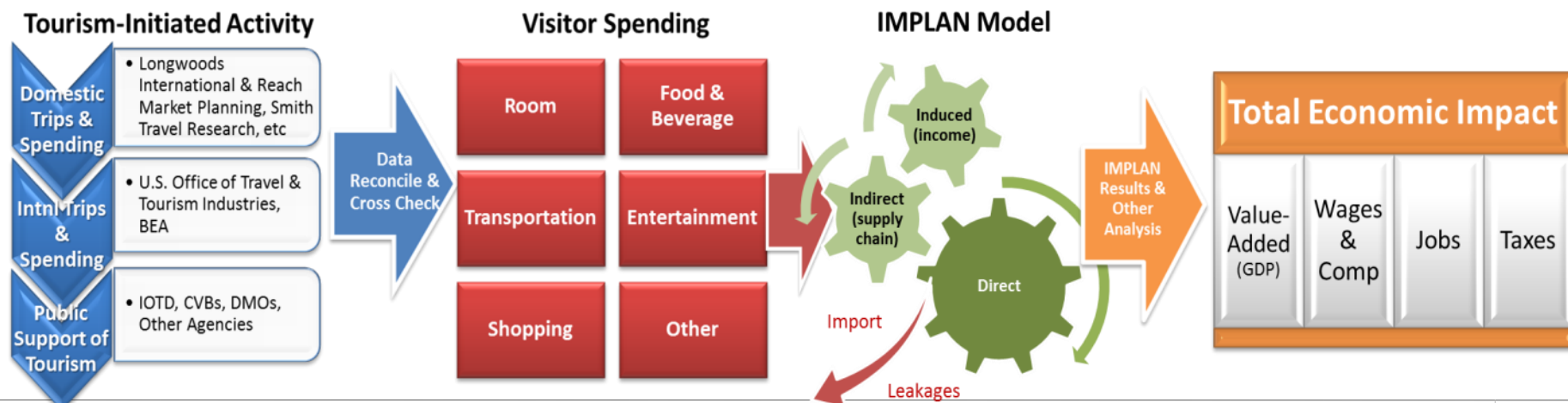
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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 2016 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. >>

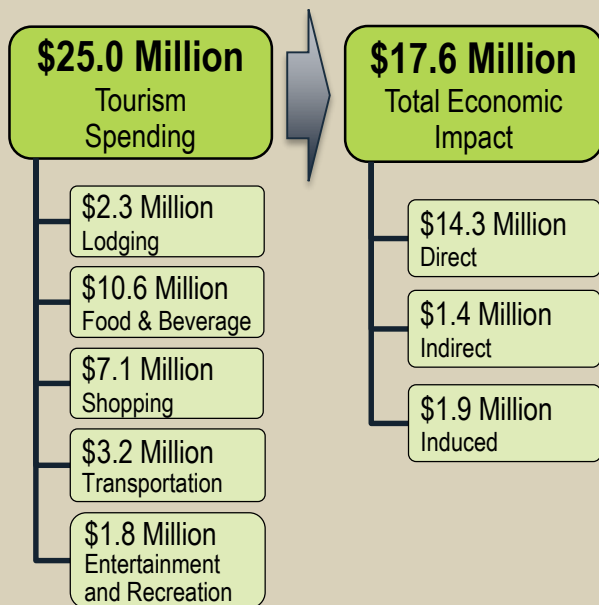
Methodology Cont.

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.

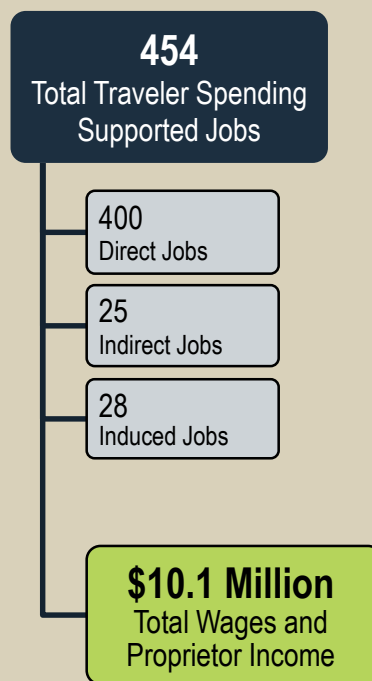


Tourism and Impact



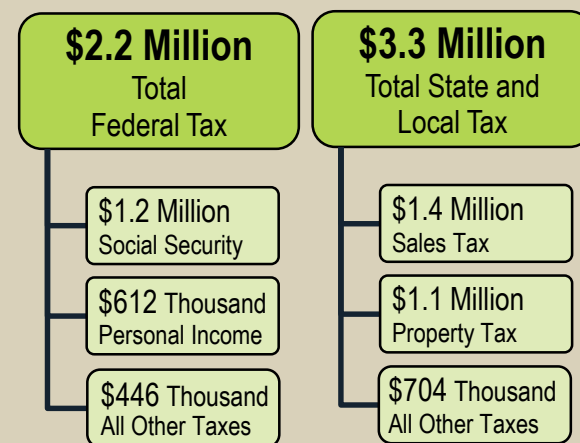
For every tourism dollar spent in Morgan County in 2016, **\$0.70 cents** 'stayed' local and contributed directly to the gross county product of Morgan County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **30 cents** of every dollar is 'leaked' to the supply chain outside of Morgan County.

Jobs and Wages



For every **\$55,204** spent on tourism in Morgan County in 2016 supported a job, resulting in an average of **\$22,235** in gross wages. This includes jobs in the industries directly supporting the visitor such as **retail trade** and the **arts**. The income of direct and indirect workers also goes to support industries like **retail trade**, and the **arts**.

Tax Revenue Generated



For every **\$1.00** spent on tourism in Morgan County in 2016, **9 cents** goes to federal taxes and **13 cents** goes to state and local taxes. **Federal tax collections** include corporate & personal income taxes, excise taxes and social security collections. **State and local tourism-derived taxes** include sales taxes, property taxes and lodging taxes.

Morgan County At a Glance

Total Spending by County, 2016



Spending Growth by County, 2016

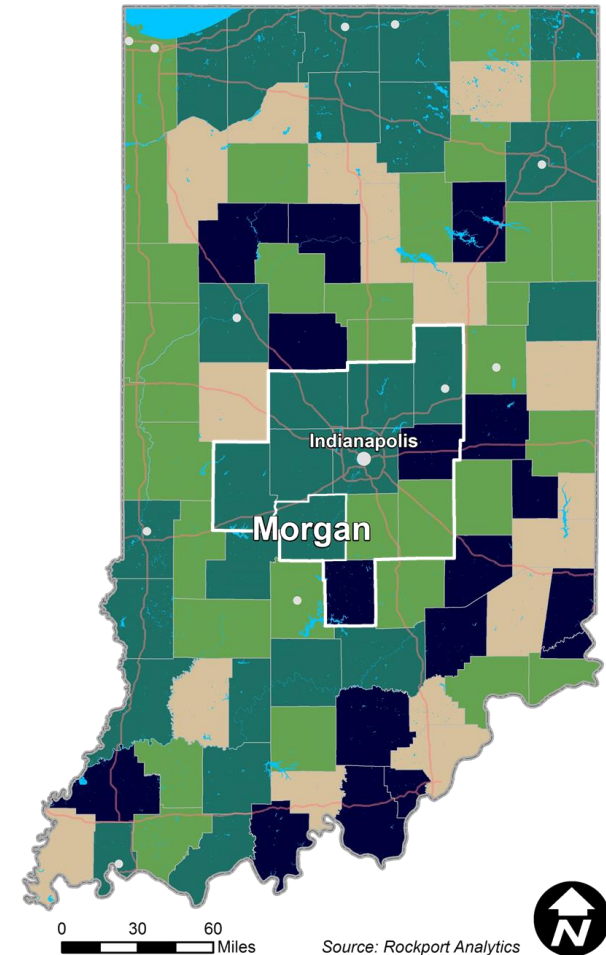
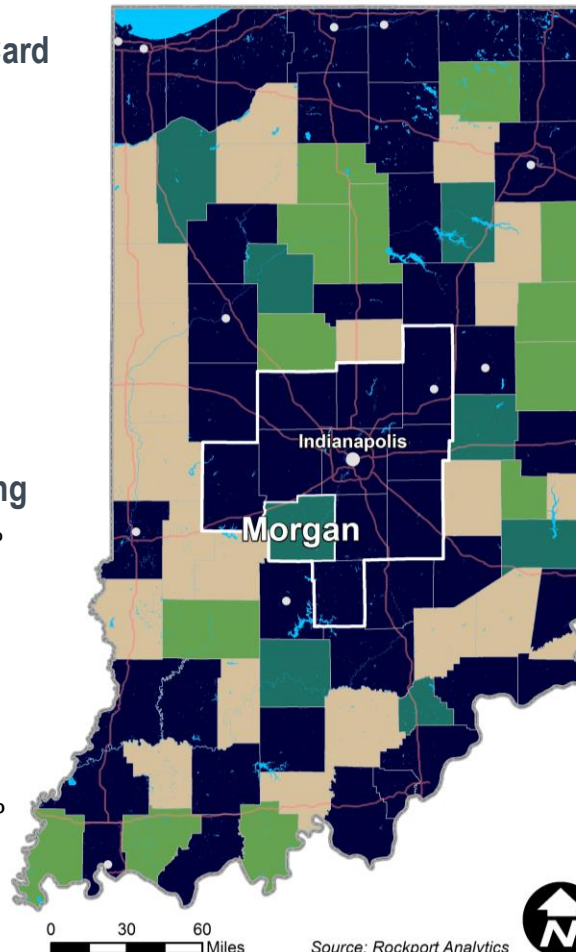
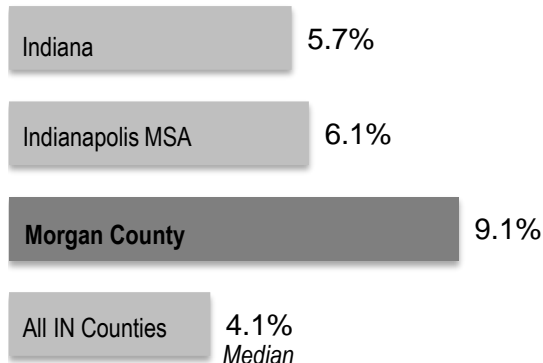


Morgan County 2016 Tourism Report Card

Tourism Sales Per Capita	\$359.25
Tourism Spend Per Capita Ranking	#70 of 92
2016 Spending by Visitors (Millions)	\$25.0
County Ranking of Tourism Spend	#52 of 92
2016 Tourism Spending Growth	9.1%
2016 Tourism Growth Ranking	#21 of 92

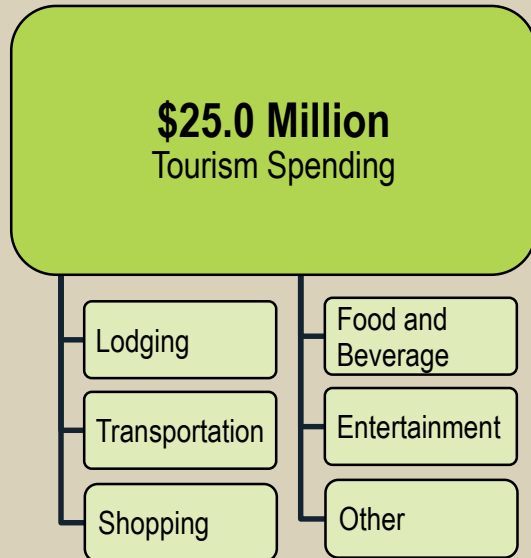
Annual Growth in 2016 Tourism Spending

0.0% 2.0% 4.0% 6.0% 8.0% 10.0%

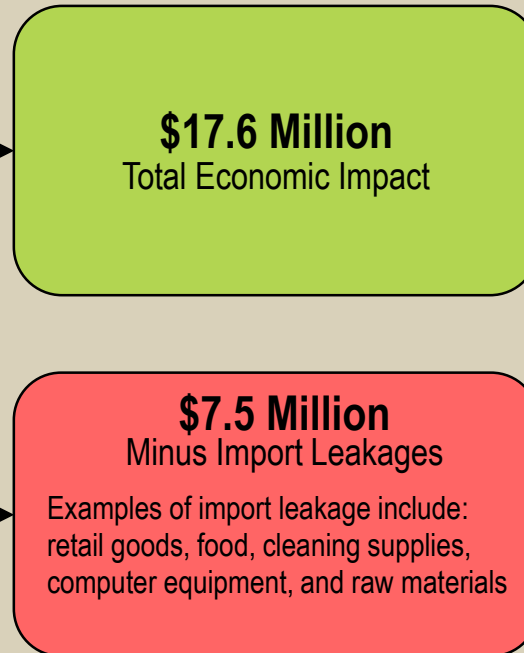


Morgan County Tourism Impact Flows

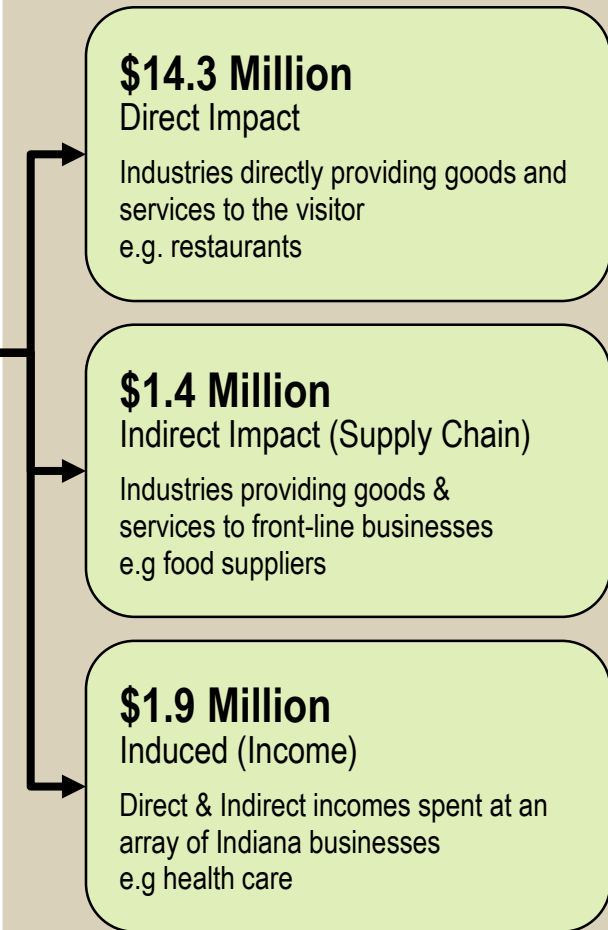
Total Tourism Spending



Value to Indiana Economy



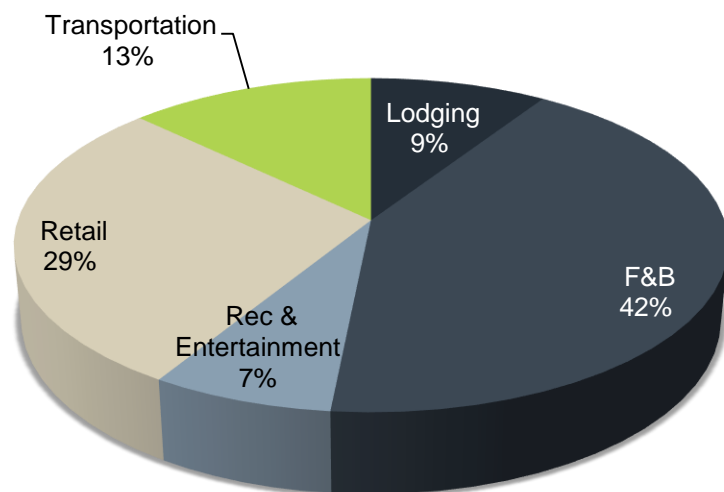
Impact on Indiana Business



Visitor Spending By Category

F&B accounts for the largest share of tourism spend in Morgan County, totaling 42% of visitor expenditures.

Distribution of Tourism Spending \$25.0 Million USD



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

Note: Spending estimation methodology was changed slightly in 2016. This methodology was backcast to 2015 spending levels as well, so all growth rates remain valid.

Expenditure Category	2016	2015-16 Growth
Lodging	\$ 2,309,150	11.8%
F&B	\$ 10,601,099	10.6%
Rec & Entertainment	\$ 1,807,435	9.9%
Retail	\$ 7,099,955	6.3%
Transportation	\$ 3,221,425	8.4%
Total	\$ 25,039,064	9.1%

Categorical Spending Shares: State Comparisons

	Morgan County	Indiana
Lodging	9%	16%
F&B	42%	28%
Rec & Entertainment	7%	18%
Retail	28%	22%
Transportation	13%	16%
Total	100%	100%

2016 Economic Impact Summary (Compared to 2015)

2016 Metric	Direct	Indirect	Induced	Total
Total Spending				\$25,039,064
<i>2016 Y/Y Growth</i>				<i>9.1%</i>
Economic Impact (GDP)	\$14,257,500	\$1,391,587	\$1,906,703	\$17,555,789
<i>2016 Y/Y Growth</i>	<i>8.3%</i>	<i>9.5%</i>	<i>8.5%</i>	<i>8.4%</i>
Wages	\$8,455,671	\$770,661	\$859,026	\$10,085,358
<i>2016 Y/Y Growth</i>	<i>8.4%</i>	<i>9.5%</i>	<i>8.5%</i>	<i>8.5%</i>
Jobs	400	25	28	454
<i>2016 Y/Y Growth</i>	<i>6.8%</i>	<i>7.7%</i>	<i>6.7%</i>	<i>6.8%</i>
Tax Receipts				\$5,493,328
<i>2016 Y/Y Growth</i>				<i>9.0%</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

Tourism Supports Sales in a Multitude of Industries

Morgan Tourism: 2016 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$7,395	\$32	\$299	\$7,726
Food services & drinking places	\$5,059	\$74	\$116	\$5,249
Accommodations	\$989	\$0	\$0	\$990
Arts- entertainment & recreation	\$814	\$5	\$12	\$832
Real estate & rental	\$0	\$200	\$617	\$817
Utilities	\$0	\$228	\$84	\$313
Health & social services	\$0	\$0	\$274	\$274
Finance & insurance	\$0	\$109	\$158	\$268
Administrative & waste services	\$0	\$185	\$44	\$229
Government & non NAICS	\$0	\$144	\$32	\$176
Professional- scientific & tech services	\$0	\$133	\$35	\$169
Other services	\$0	\$66	\$98	\$164
Wholesale Trade	\$0	\$49	\$62	\$111
Construction	\$0	\$73	\$26	\$99
Information	\$0	\$43	\$17	\$60
Transportation & Warehousing	\$0	\$21	\$10	\$31
Manufacturing	\$0	\$21	\$3	\$23
Educational services	\$0	\$2	\$16	\$18
Ag, Forestry, Fish & Hunting	\$0	\$4	\$2	\$6
Management of companies	\$0	\$1	\$0	\$2
Mining	\$0	\$1	\$0	\$1
Total	\$14,257	\$1,392	\$1,907	\$17,556
Total - 2015	\$13,162	\$1,271	\$1,758	\$16,190
% change	8.3%	9.5%	8.5%	8.4%

Source: Rockport Analytics, IMPLAN

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

Morgan Tourism: 2016 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	188	3	4	195
Retail trade	165	1	7	173
Arts- entertainment & recreation	26	2	1	29
Accommodations	21	0	0	21
Administrative & waste services	0	5	1	7
Health & social services	0	0	5	5
Other services	0	2	3	5
Real estate & rental	0	2	1	4
Professional- scientific & tech services	0	2	1	3
Finance & insurance	0	1	2	3
Government & non NAICS	0	2	1	2
Construction	0	2	0	2
Information	0	1	0	1
Wholesale Trade	0	0	1	1
Transportation & Warehousing	0	1	0	1
Utilities	0	0	0	1
Educational services	0	0	1	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	400	25	28	454
Total - 2015	375	23	26	425
% change	6.8%	7.7%	6.7%	6.8%

Source: Rockport Analytics, IMPLAN

Tourism is the 12th Largest Industry in Morgan County

2016 Tourism in Morgan County: Ranking of Major Industries By Total Employment

Rank	Industry	2016 Reported	2016 Tourism Extracted	% of Total Employment	15-16 Growth Rate
1	Government	2,788	2,788	17.1%	0.5%
2	Manufacturing	2,491	2,491	15.3%	0.6%
3	Retail trade	2,356	2,191	13.5%	2.6%
4	Health & Social Services	2,006	2,006	12.3%	2.6%
5	Accommodation & Food Services	1,730	1,521	9.4%	1.2%
6	Construction	1,204	1,204	7.4%	6.5%
7	Other Services	797	797	4.9%	1.2%
8	Administrative & Waste Services	576	576	3.5%	-0.3%
9	Wholesale Trade	483	483	3.0%	1.4%
10	Professional Services	425	425	2.6%	4.1%
11	Finance & Insurance	421	421	2.6%	2.2%
12	Tourism	N/A	400	2.5%	6.8%
13	Utilities	214	214	1.3%	-1.8%
14	Transportation & Warehousing	165	165	1.0%	8.9%
15	Management of Companies	164	164	1.0%	0.8%
16	Real Estate	158	158	1.0%	2.6%
17	Information	89	89	0.5%	-4.2%
18	Arts, Entertainment & Recreation	115	88	0.5%	5.8%
19	Educational Services	58	58	0.4%	0.0%
20	Mining	27	27	0.2%	7.3%
	Total County Employment	16,266	16,266	100%	1.8%

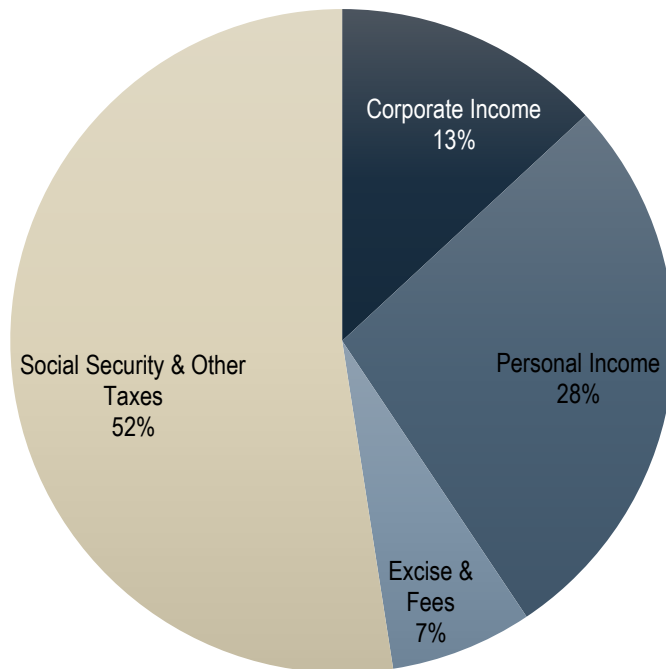
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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 Allen's Tourism Industry"

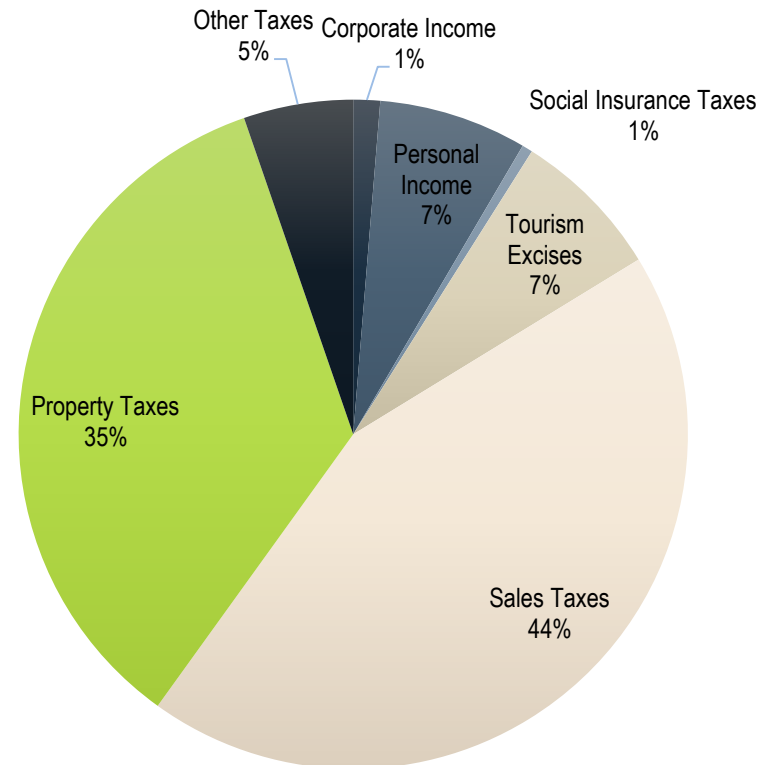
Federal Taxes

2016 Tax Total: **\$2.2 Million**



State & Local Taxes

2016 Tax Total: **\$3.3 Million**



2016 Total County Tourism-Initiated Taxes: **\$5.5 Million**

Tourism-Initiated Tax Revenue

2015 – 2016 Tourism Tax Revenue Collections

	2015	2016	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$268.8	\$291.5	8.4%
Personal Income	\$564.1	\$612.0	8.5%
Excise & Fees	\$142.3	\$154.0	8.3%
Social Security & Other Taxes	\$1,076.0	\$1,166.9	8.4%
Federal Total	\$2,051.2	\$2,224.4	8.4%
State & Local			
Corporate Income	\$38.9	\$42.2	8.4%
Personal Income	\$215.9	\$234.2	8.5%
Social Insurance Taxes	\$15.3	\$16.6	8.4%
Tourism Excises			
Hotel Tax	\$105.0	\$132.3	26.0%
Food & Beverage	\$95.9	\$106.0	10.6%
Rental Car Excise	\$0.0	\$0.0	\$0.0
Sales Taxes	\$1,306.9	\$1,427.7	9.2%
Property Taxes	\$1,049.9	\$1,136.8	8.3%
Other Taxes	\$161.7	\$173.0	6.9%
State & Local Tax Total	\$2,989.6	\$3,268.9	9.3%
Total County Tourism-Initiated Taxes	\$5,040.8	\$5,493.3	9.0%

- Morgan County tourism generated over \$5.5 million in total taxes in 2016, up 9.0% over 2015.
- Federal tax collections resulting from tourism in Morgan County include income taxes and social security and totaled \$2.2 million in 2016.
- State & local tax collections totaled \$3.3 million, including \$1.4 million in sales taxes contributing to state collections and \$1.1 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Morgan County?

By Promoting a Healthy Job Market

Approximately 2.5% 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 retail trade, transportation and the arts.

By Contributing to the Health of the Public Education System

Revenue collected from tourism in Morgan County is sufficient to support 337 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 (\$132.3 thousand in 2016), Morgan County tourism activity generated over \$42.2 thousand in Indiana corporate taxes, \$234.2 thousand in Indiana personal income tax, and \$1.1 million in local property taxes during 2016.

By Helping to Relieve the Tax Burden of Morgan County Households

If Morgan County tourism did not exist, each of the 28,081 households in the county would have to pay an additional \$116 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, 70¢ in economic impact is retained in the local area.



Rockport Analytics

West Chester, PA
Annapolis, MD

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



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