

2019 Economic Contribution of Tourism in Morgan County

Methodology, Metrics and Evaluation



Indiana Office of Tourism Development

- 2018 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, weighted to U.S. household demographics
- <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

- STR (Formerly 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 2018 by the Indiana Office of Tourism Development (now part of the Indiana Destination Development Corporation) 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 2018 Economic Impact Study of Tourism in Morgan County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

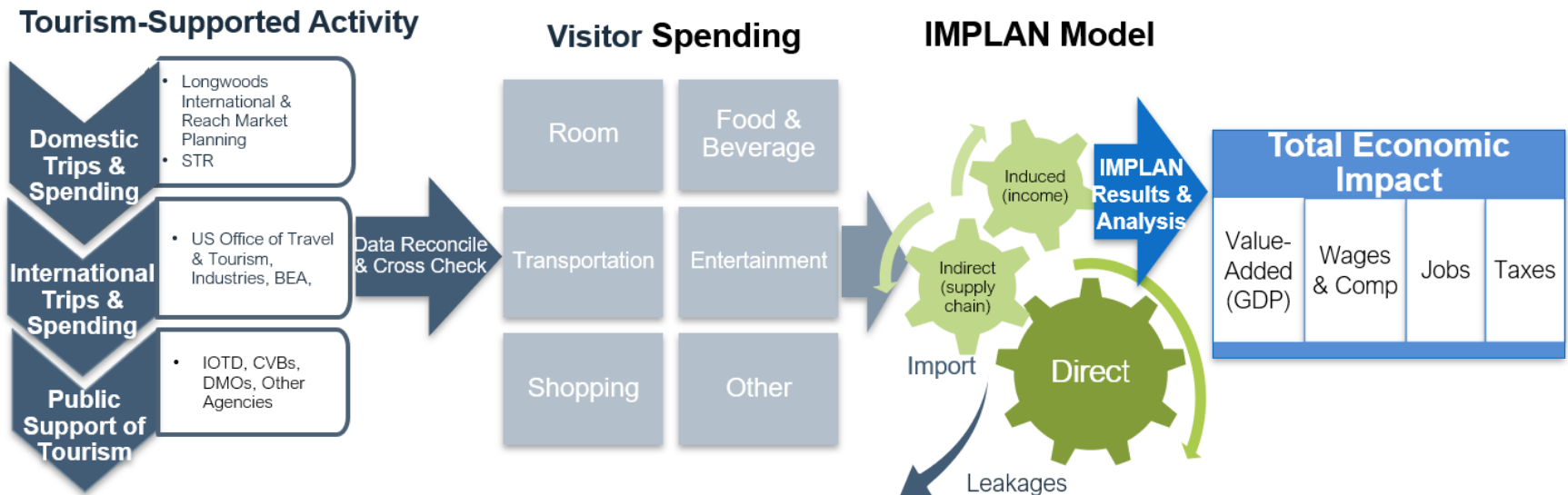
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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 2018 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. >>

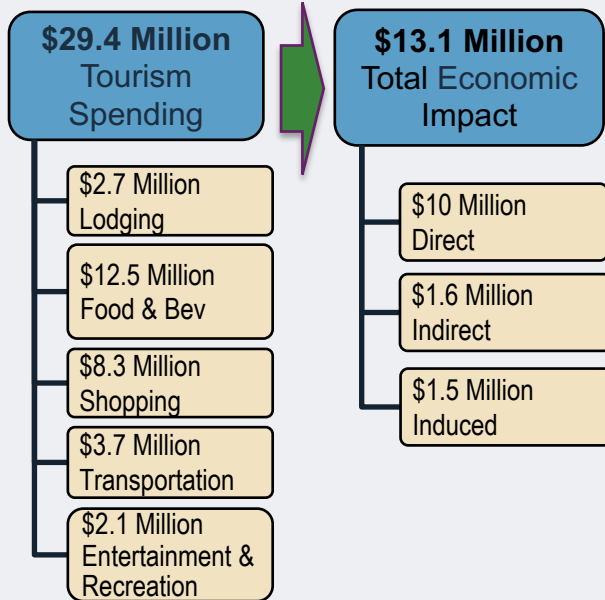
Methodology Cont.

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 the local area. The IMPLAN model accounts for these import “leakages” to suppliers located outside of the county. Many economic impact studies do not account for these leakages and, therefore, overestimate the actual impact of an industry. Generally, the more diversified a county’s economy, the lower are import leakages and the higher the retention and multiplier of visitor spending.



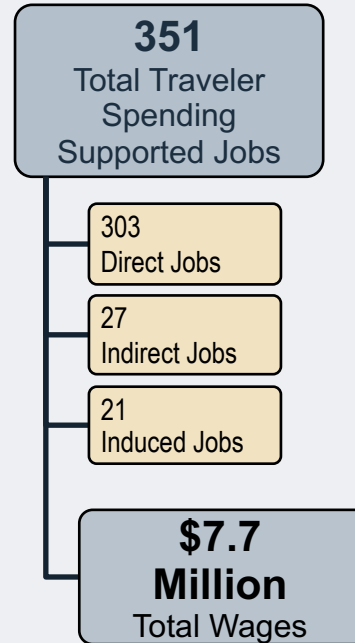
Tourism and Impact



Tourism spending is considered an export from the local area since visitors bring monies from outside and spend locally. Unlike other local industries, Tourism cannot be “offshored”.

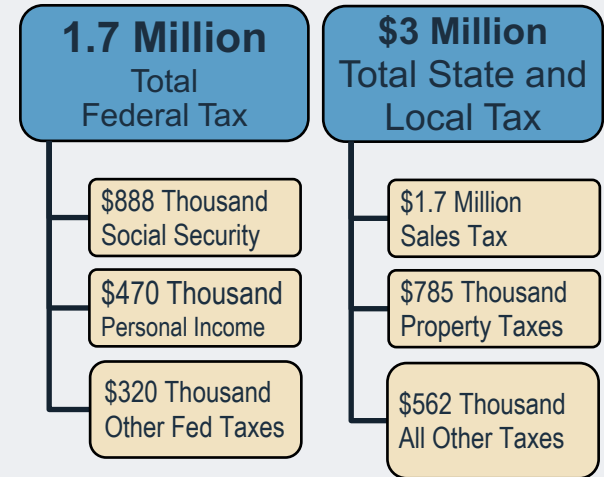
For every dollar spent by Morgan County visitors in 2019, **45 cents** 'stayed' local and contributed directly to the gross county product of Morgan County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **55 cents** of every dollar is 'leaked' to the supply chain outside of Morgan County.

Jobs and Wages



Every **\$83,581** spent by people visiting Morgan County in 2019 supported a job, resulting in an average of **\$22,004** in gross wages. This includes jobs in the industries directly supporting the visitor such as the arts and retail trade but also in supply chain sectors like transportation. The income of direct and indirect workers also goes to support industries like arts, retail trade, and transportation.

Tax Revenue Generated



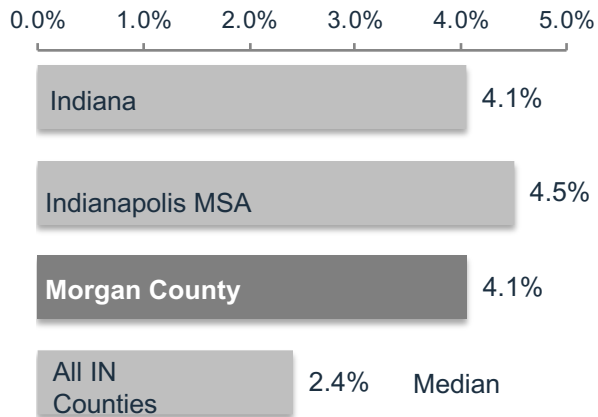
For every **\$1.00** spent by Morgan County visitors in 2019, **6 cents** goes to federal taxes and **10 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

Morgan County At a Glance

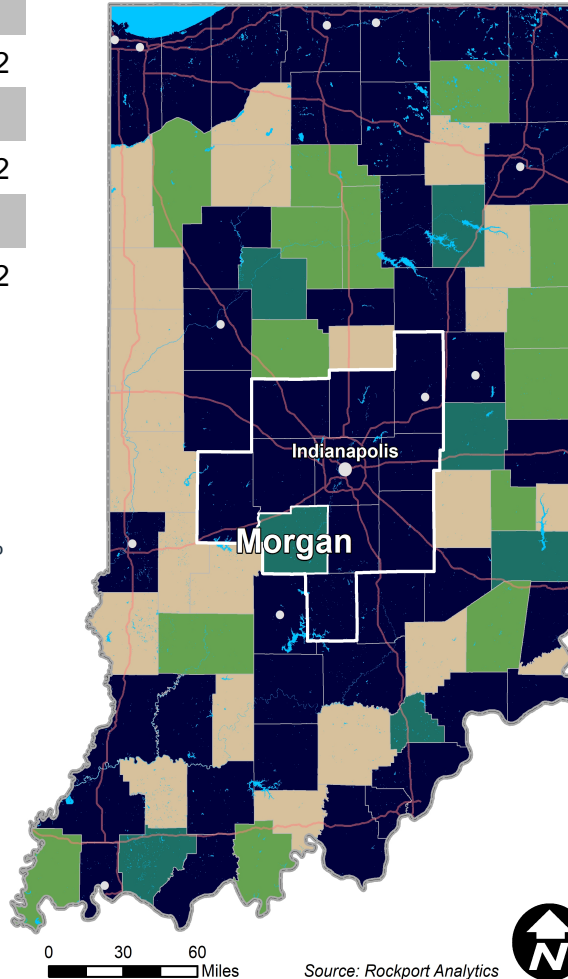
Morgan County 2019 Tourism Report Card

Tourism Sales Per Capita	\$416.7
Tourism Spend Per Capita Ranking	#69 of 92
2018 Spending by Visitors (Millions)	\$29.4
County Ranking of Tourism Spend	#49 of 92
2018 Tourism Spending Growth	4.1%
2018 Tourism Growth Ranking	#36 of 92

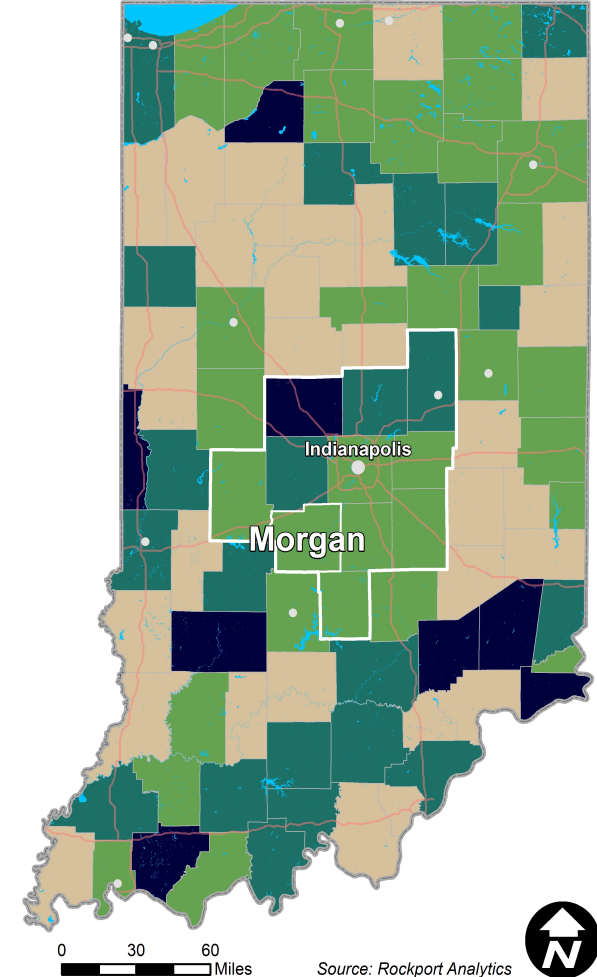
Annual Growth in 2019 Tourism Spending



Total Spending by County, 2019



Spending Growth by County, 2019



Tourism's Economic Progression in Morgan County

Morgan County Visitor Expenditures



2019
\$29.4 million



Expenditures include:

- Visitor spending on hotel, F&B, rental homes, shopping, recreation, etc.
- From visitors from Indiana, other U.S., & international
- On leisure & business trips
- Overnight or day trips

Tourism Contribution to Morgan County's Economy



Retained in Indiana Economy
\$13.1 million

Minus Import Leakages
-\$16.3 million

Leakages refer to goods & services that are imported into Indiana from outside due to insufficient local supply. Examples include: retail goods, food, cleaning supplies, computer equipment, and raw materials

Value to Morgan County Businesses

Direct Tourism Industry GDP
\$10 million

Indirect & Induced Tourism Industry GDP
\$3.1 million

Total Local Workers Supported by Tourism*
351

Direct Tourism refers to businesses that serve Indiana visitors (e.g. hotels, restaurants, retail, entertainment)

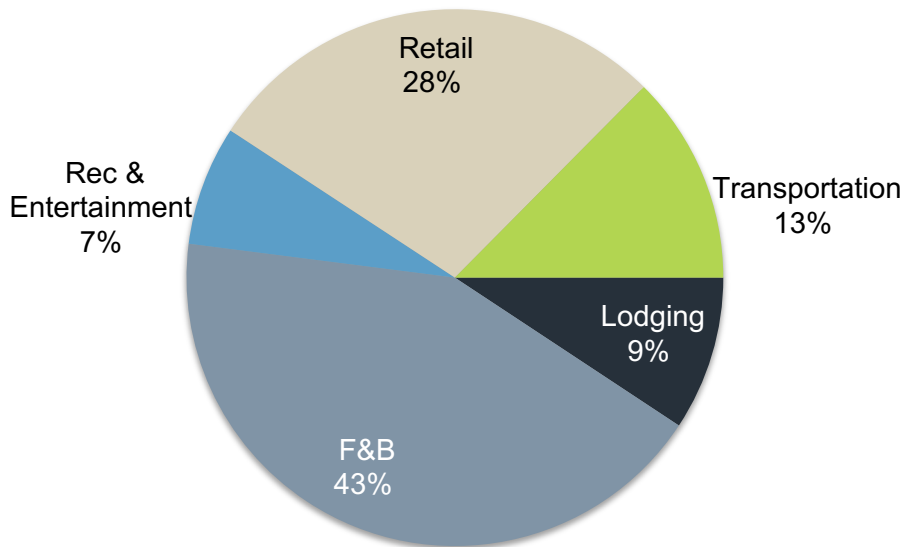
Indirect & Induced Tourism includes construction, business services, wholesale trade, personal services, etc.



*Full & part time jobs

Food & Beverage accounts for the largest share of tourism spend in Morgan County, totaling **43% of visitor expenditures**.

Distribution of Tourism Spending
\$29.4 Million USD



Expenditure Category	2019	2018-19 Growth
Lodging	\$ 2,727,822	4.3%
Food & Beverage	\$ 12,549,779	5.0%
Rec & Entertainment	\$ 2,121,324	3.7%
Retail	\$ 8,280,608	3.6%
Transportation	\$ 3,691,753	2.0%
Total	\$ 29,371,286	4.1%

Categorical Spending Shares: State Comparisons

	Morgan County	Indiana
Lodging	9%	16%
F&B	43%	28%
Rec & Entertainment	7%	18%
Retail	28%	22%
Transportation	13%	15%
Total	100%	100%

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

Note: Spending estimation methodology was changed slightly in 2018 to account for the addition of Madison County to the Indianapolis MSA.

2019 Economic Contribution Summary (Compared to 2018)

2019 Metric	Direct	Indirect	Induced	Total
Total Spending				\$29,371,286
<i>2019 Y/Y Growth</i>				4.1%
Economic Impact (GDP)	\$10,020,041	\$1,604,755	\$1,462,935	\$13,087,732
<i>2019 Y/Y Growth</i>	3.8%	3.7%	3.9%	3.8%
Wages	\$6,185,595	\$887,969	\$659,041	\$7,732,604
<i>2019 Y/Y Growth</i>	3.9%	3.7%	3.9%	3.9%
Jobs	303	27	21	351
<i>2019 Y/Y Growth</i>	2.2%	1.9%	2.1%	2.2%
Tax Receipts				\$4,704,774
<i>2019 Y/Y Growth</i>				4.0%

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.

Tourism Supports Sales in a Multitude of Local Industries

Morgan County Tourism: 2019 Economic Contribution (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	\$5,876	\$85	\$89	\$6,050
Retail trade	\$2,103	\$37	\$230	\$2,369
Accommodations	\$1,120	-	-	\$1,121
Arts- entertainment & recreation	\$921	\$6	\$9	\$936
Real estate & rental	-	\$231	\$474	\$705
Utilities	-	\$263	\$65	\$328
Finance & insurance	-	\$126	\$121	\$247
Administrative & waste services	-	\$212	\$34	\$246
Health & social services	-	-	\$210	\$210
Government & non NAICS	-	\$166	\$24	\$191
Professional services	-	\$154	\$27	\$181
Other services	-	\$76	\$75	\$152
Wholesale Trade	-	\$57	\$48	\$105
Construction	-	\$84	\$20	\$104
Information	-	\$50	\$13	\$63
Transportation & Warehousing	-	\$24	\$8	\$32
Manufacturing	-	\$24	\$2	\$26
Educational services	-	\$2	\$12	\$15
Ag, Forestry, Fish & Hunting	-	\$4	\$2	\$6
Management of companies	-	\$2	-	\$2
Mining	-	\$1	-	\$1
Total - 2019	\$10,020	\$1,605	\$1,463	\$13,088
Total - 2018	\$9,654	\$1,547	\$1,408	\$12,609
% change	3.8%	3.7%	3.9%	3.8%

Source: Rockport Analytics, IMPLAN

Morgan County Citizens Work in a Wide Array of Jobs Supported by Area Visitors

Morgan County Tourism: 2019 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	207	3	3	213
Retail trade	45	1	5	51
Arts- entertainment & recreation	29	2	-	31
Accommodations	23	-	-	23
Administrative & waste services	-	6	1	7
Other services	-	2	2	5
Health & social services	-	-	4	4
Real estate & rental	-	3	1	4
Professional services	-	3	-	3
Government & non NAICs	-	2	-	2
Construction	-	2	-	2
Finance & insurance	-	1	1	2
Information	-	1	-	1
Wholesale Trade	-	-	-	1
Transportation & Warehousing	-	1	-	1
Utilities	-	1	-	1
Educational services	-	-	-	-
Manufacturing	-	-	-	-
Ag, Forestry, Fish & Hunting	-	-	-	-
Management of companies	-	-	-	-
Mining	-	-	-	-
Total - 2019	303	27	21	351
Total - 2018	297	27	20	344
% change	2.2%	1.9%	2.1%	2.2%

Source: Rockport Analytics, IMPLAN

Tourism is the 12th Largest Industry in Morgan County

2019 Tourism in Morgan County: Ranking of Major Industries By Total Employment

Rank	Industry	2019 Reported	2019 Tourism Extracted	% of Total Employment	18-19 Growth Rate
1	Government	2,911	2,911	16.7%	0.4%
2	Manufacturing	2,796	2,796	16.0%	1.8%
3	Health & Social Services	2,040	2,040	11.7%	1.5%
4	Retail trade	2,043	1,998	11.4%	-2.6%
5	Construction	1,966	1,966	11.3%	4.8%
6	Accomodation & Food Services	1,787	1,557	8.9%	0.7%
7	Other Services	894	894	5.1%	0.2%
8	Administrative & Waste Services	581	581	3.3%	-1.4%
9	Wholesale Trade	502	502	2.9%	1.9%
10	Professional Services	439	439	2.5%	1.9%
11	Finance & Insurance	438	438	2.5%	0.6%
12	Tourism	N/A	303	1.7%	2.2%
13	Transportation & Warehousing	233	233	1.3%	3.4%
14	Utilities	230	230	1.3%	1.2%
15	Real Estate	151	151	0.9%	2.2%
16	Management of Companies	139	139	0.8%	-5.0%
17	Educational Services	101	101	0.6%	2.1%
18	Arts, Entertainment & Recreation	114	85	0.5%	5.7%
19	Information	74	74	0.4%	-1.4%
20	Mining	28	28	0.2%	-1.0%
	Total County Employment	17,466	17,466	100%	0.9%

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

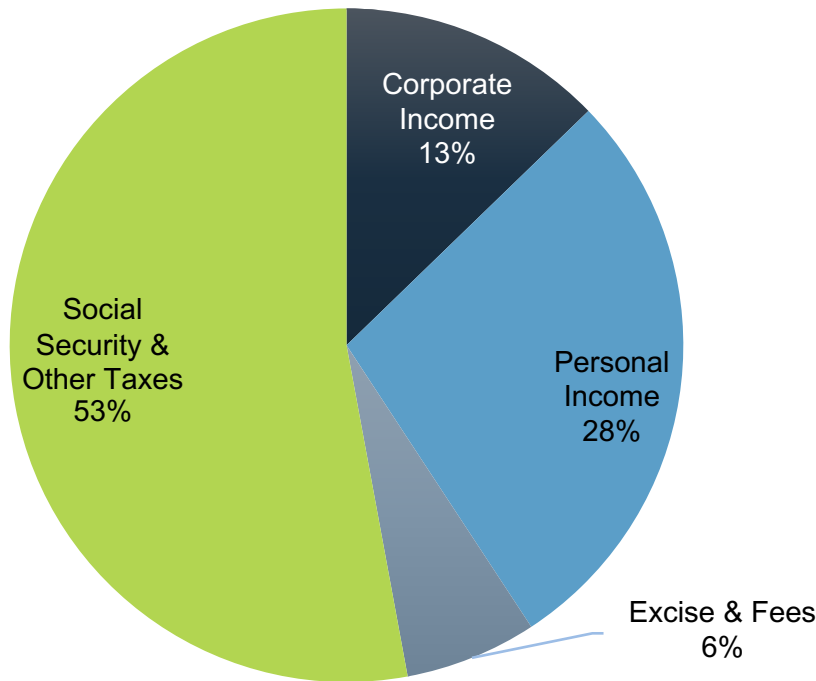
Reported: As released by the Bureau of Labor Statistics and the Indiana Department of Labor

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

Morgan County Visitors Pay and Otherwise Support Many Types of Taxes

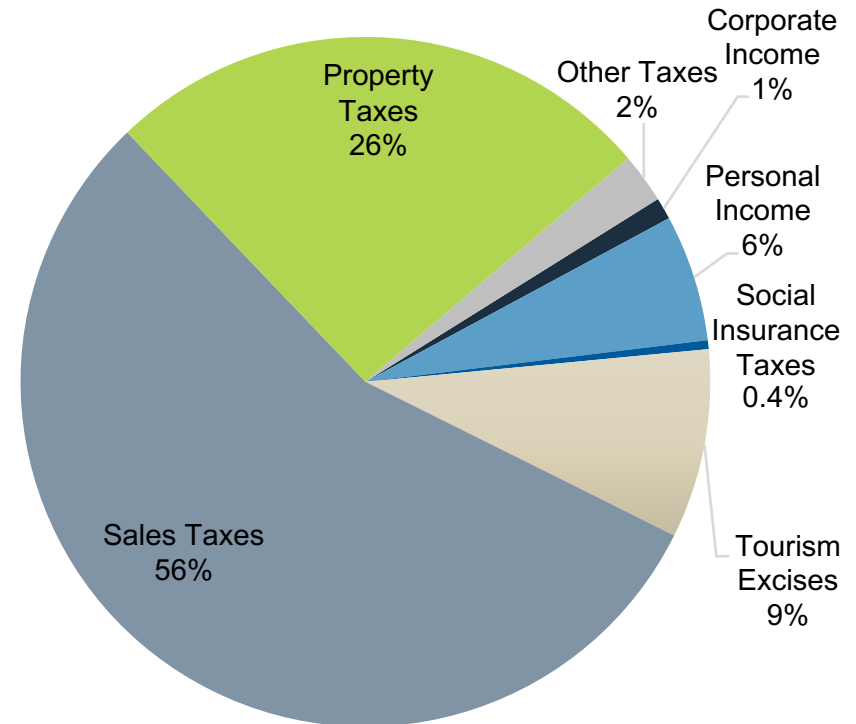
Federal Taxes

2019 Tax Total: **\$1.7 Million**



State & Local Taxes

2019 Tax Total: **\$3 Million**



2019 Total County Tourism-Initiated Taxes: **\$4.7 Million**

2018–2019 Tourism Tax Revenue Collections

	2018	2019	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$206.3	\$214.0	3.7%
Personal Income	\$452.2	\$469.7	3.9%
Excise & Fees	\$102.6	\$106.3	3.6%
Social Security & Other Taxes	\$854.0	\$887.5	3.9%
Federal Total	\$1,615.1	\$1,677.5	3.9%
State & Local			
Corporate Income	\$29.9	\$31.0	3.7%
Personal Income	\$173.1	\$179.8	3.9%
Social Insurance Taxes	\$12.1	\$12.6	3.9%
Tourism Excises			
Hotel Tax	\$135.8	\$142.9	5.2%
Food & Beverage	\$119.5	\$125.5	5.0%
Rental Car Excise	-	-	-
Sales Taxes	\$1,610.3	\$1,680.4	4.4%
Property Taxes	\$757.2	\$784.7	3.6%
Other Taxes	\$69.5	\$70.5	1.4%
State & Local Tax Total	\$2,907.3	\$3,027.3	4.1%
Total County Tourism-Initiated Taxes	\$4,522.5	\$4,704.8	4.0%

- Morgan County visitors supported more than \$4.7 million in total taxes in 2019, growing by 4% compared to 2018.
- Federal tax collections resulting from tourism in Morgan County include income taxes and social security which reached more than \$1.7 million in 2019.
- State & local tax collections exceeded \$3 million, including \$1.7 million in sales taxes contributing to state collections and nearly \$785 thousand in local property taxes.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Morgan County?

Promoting a Healthy Job Market*



- Approximately 1.7% of all people working in Morgan County are supported by visitors.
- Morgan County families with an individual working in Tourism averaged \$22,004 in wages during 2019. This included both full and part-time workers.
- Tourism is the 12th largest industry (11th not including Government) in Morgan County (by jobs).

Contributing to Public Education & Other Government Services



- State & local (S&L) tax revenue collected from tourism in Morgan County is sufficient to fund 302 Indiana public school students.**
- S&L tax collections were enough to fund roughly 59 Indiana public school teachers.**

* Moody's Analytics, IMPLAN, Rockport Analytics

** Estimate based on the average cost per student of \$10,030 and the average salary of a teacher of \$51,119 in Indiana. Education figures reported by NEA's 2019 State Rankings.

*** Household estimate generated by the US Census
Indiana Department of Revenue

Helping to Relieve the Tax Burden of County Households



- About 10 cents of each visitor dollar went towards the payment of state and local taxes (S&L).
- If tourism did not exist, each of the 28,650 families in Morgan County would have to pay an additional \$106 per year in taxes to maintain current levels of state & local government services.

Benefiting County Businesses



- Visitors generated top-line sales totaling almost \$29.4 million benefiting a broad array of local businesses.
- Businesses that directly served visitors saw value-added of roughly \$10 million in 2019, an increase of 3.8% compared to 2018.
- In 2019, tourism supply chain businesses received value-added of more than \$1.6 million.

Capturing & Retaining Dollars Spent by Visitors



- Of every dollar spent by visitors to Morgan County, 45¢ in economic impact is returned to the local area.
- Of every dollar spent by visitors to Morgan County, 26¢ went towards paying the salaries of 351 area citizens.



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