



2020 Economic Contribution of Tourism in Morgan County

Methodology, Metrics and Evaluation



ROCKPORT
ANALYTICS

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 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 2020 Economic Impact Study of Tourism in Morgan was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

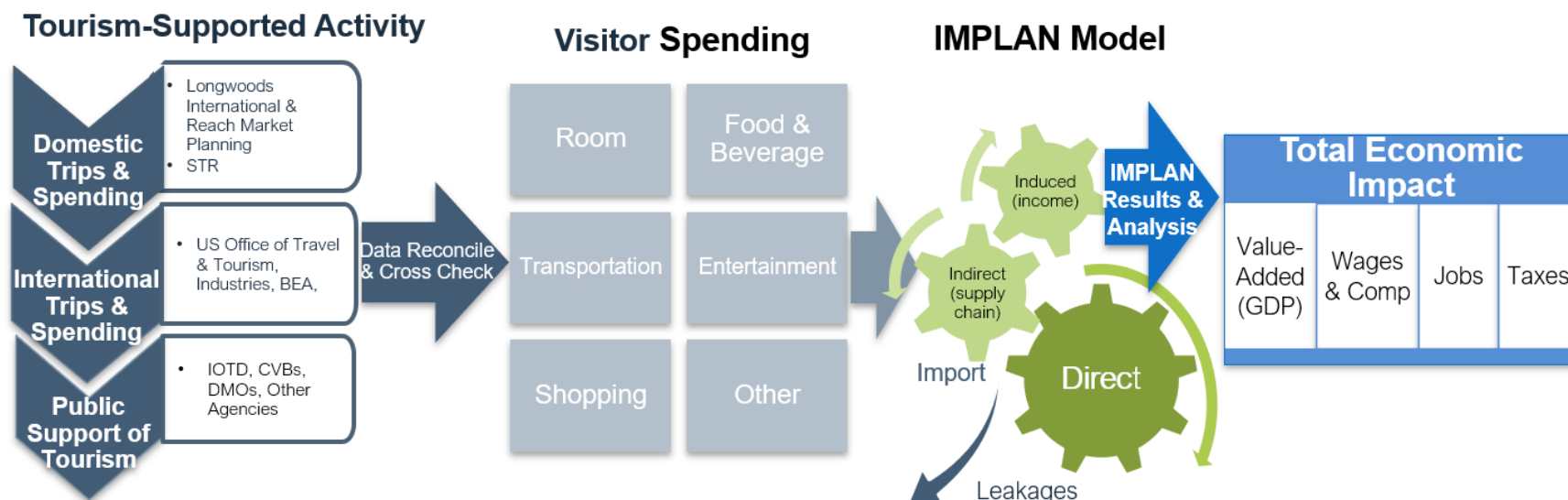
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Morgan-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 2020 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

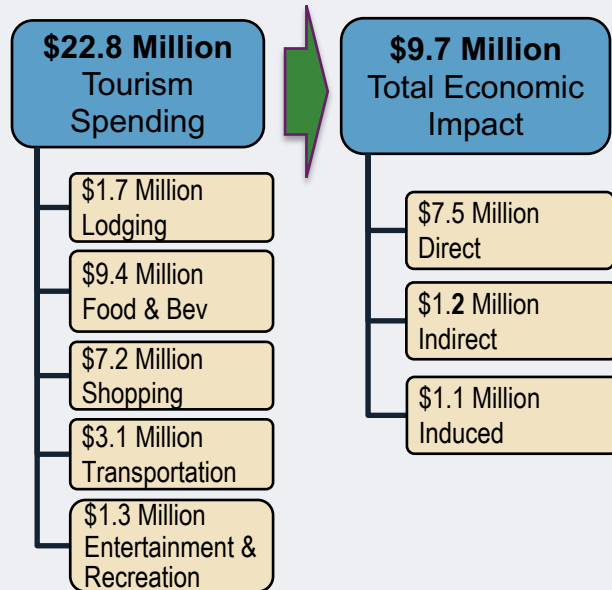
An economic model of Indiana is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Morgan (www.implan.com), a non-proprietary economic model that is the defacto standard for most economic impact assessments 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.



2020 Morgan Tourism Highlights

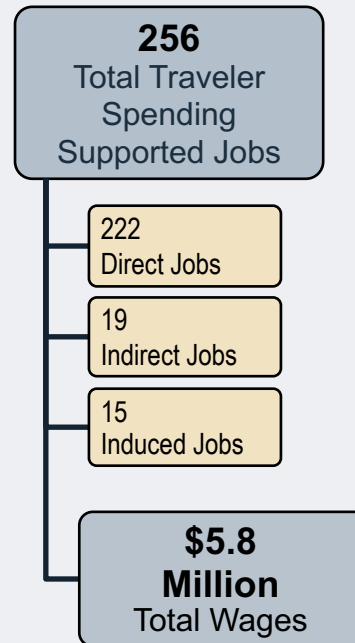
Tourism and Impact



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”.

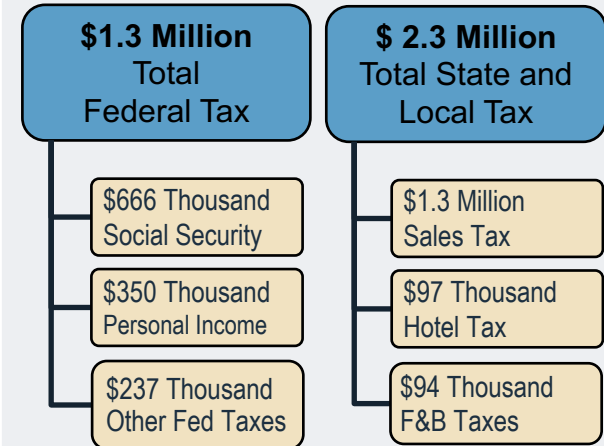
For every dollar spent by Morgan visitors in 2020, **43 cents** 'stayed' local and contributed directly to the gross county product of Morgan. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **57 cents** of every dollar is 'leaked' to the supply chain outside of Morgan.

Jobs and Wages



Every **\$88,802** spent by people visiting Morgan in 2020 supported a job, resulting in an average of **\$22,533** 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.

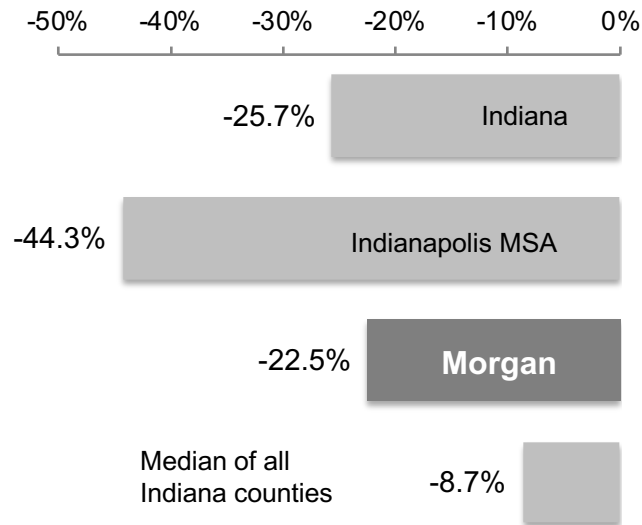
Tax Revenue Generated



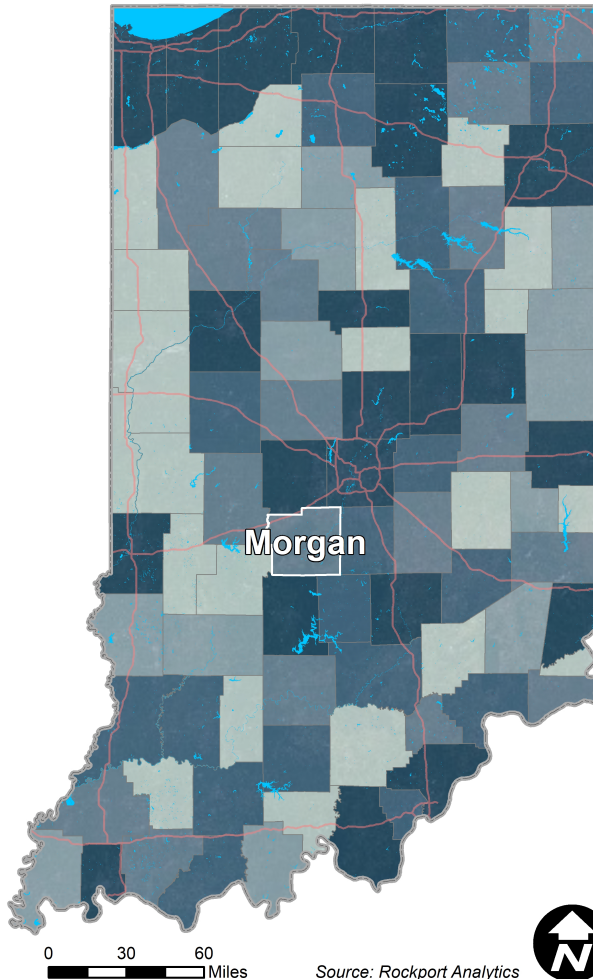
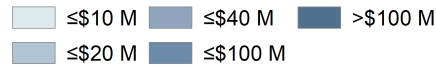
For every **\$1.00** spent by Morgan visitors in 2020, **6 cents** goes to federal taxes and **10 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

Morgan 2020 Tourism Report Card

Tourism Sales Per Capita	\$321.8
Tourism Spend Per Capita Ranking	#76 of 92
2020 Spending by Visitors (Millions)	\$22.8
County Ranking of Tourism Spend	#57 of 92
2020 Tourism Spending Growth	-22.5%
2020 Tourism Growth Ranking	#70 of 92

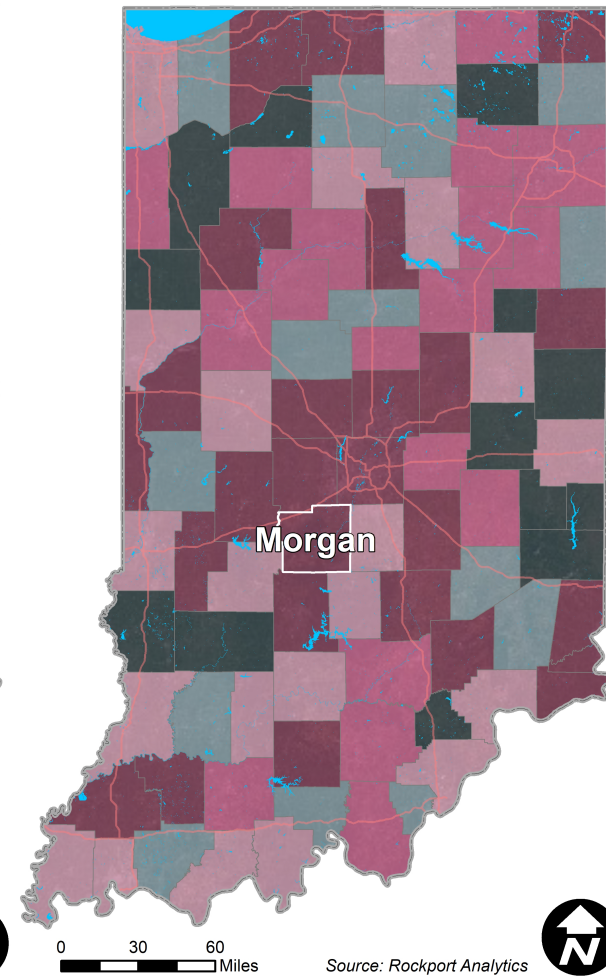
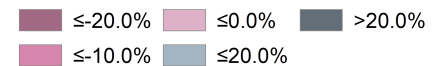


Total Spending by County, 2020



Source: Rockport Analytics

Spending Growth by County, 2020



Source: Rockport Analytics

Tourism's Economic Progression in Morgan

Morgan Visitor Expenditures



2020
**\$22.8
million**



Tourism Contribution to Morgan's Economy



Retained in Morgan
County
\$9.7 million

Minus Import
Leakages
-\$13.0 million

Value to Morgan Businesses

Direct Tourism Industry
GDP
\$7.5 million

Indirect & Induced
Tourism Industry GDP
\$2.3 million

Total Local Workers
Supported by Tourism*
256

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

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

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.

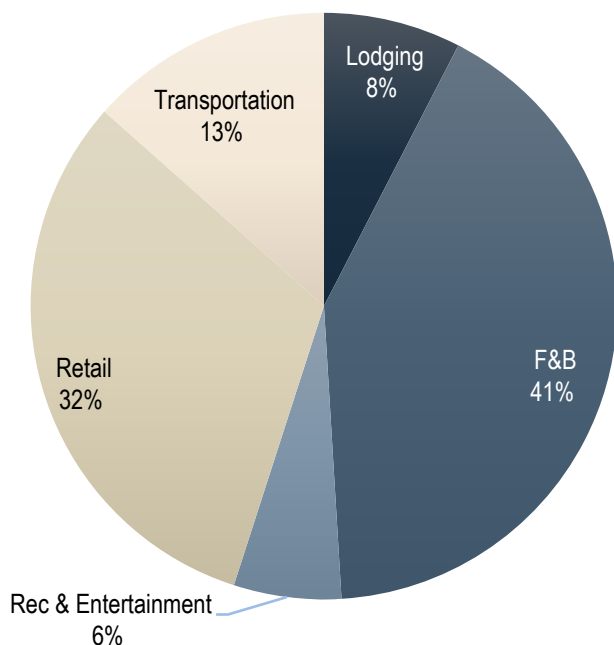
*Full & part time jobs



Visitor Spending By Category

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

Distribution of Spending
\$22.8 Million



Expenditure Category	2020	2019-20 Change
Lodging	\$ 1,724,367	-36.8%
Food & Beverage	\$ 9,435,386	-24.8%
Rec & Entertainment	\$ 1,348,311	-36.4%
Retail	\$ 7,183,951	-13.2%
Transportation	\$ 3,062,949	-17.0%
Total	\$ 22,754,963	-22.5%

Categorical Spending Shares: State Comparisons

Category	Morgan	Indiana
Lodging	8%	12%
Food & Beverage	41%	28%
Rec & Entertainment	6%	17%
Retail	32%	26%
Transportation	13%	17%
Total	100%	100%

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

2020 Economic Contribution Summary (Compared to 2019)

2020 Metric	Direct	Indirect	Induced	Total
Total Spending				\$22,754,963
2020 Y/Y Growth				-22.5%
Economic Impact (GDP)	\$7,479,696	\$1,161,140	\$1,092,164	\$9,733,000
2020 Y/Y Growth	-25.3%	-27.6%	-25.3%	-25.6%
Wages	\$4,644,418	\$637,466	\$492,042	\$5,773,926
2020 Y/Y Growth	-24.9%	-28.2%	-25.3%	-25.3%
Jobs	222	19	15	256
2020 Y/Y Growth	-26.9%	-29.8%	-26.6%	-27.1%
Tax Receipts				\$3,527,662
2020 Y/Y Growth				-25.0%

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.

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

Tourism Supports Sales in a Multitude of Local Industries

Morgan Tourism: 2020 Economic Contribution (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Food Services & Drinking Places	\$4,390	\$59	\$66	\$4,516
Retail Trade	\$1,814	\$28	\$171	\$2,013
Accommodations	\$698	\$0	\$0	\$698
Arts, Entertainment & Rec	\$578	\$4	\$7	\$589
Real Estate & Rental	\$0	\$173	\$354	\$526
Utilities	\$0	\$189	\$48	\$237
Finance & Insurance	\$0	\$93	\$91	\$183
Administrative & Waste Services	\$0	\$151	\$25	\$176
Health & Social Services	\$0	\$0	\$157	\$157
Government	\$0	\$120	\$18	\$138
Professional Services	\$0	\$110	\$20	\$130
Other Services	\$0	\$55	\$56	\$111
Wholesale Trade	\$0	\$42	\$36	\$78
Construction	\$0	\$59	\$15	\$74
Information	\$0	\$36	\$10	\$46
Transportation & Warehousing	\$0	\$18	\$6	\$24
Manufacturing	\$0	\$17	\$2	\$19
Educational Services	\$0	\$2	\$9	\$11
Ag, Forestry, Fish & Hunting	\$0	\$3	\$1	\$4
Management of Companies	\$0	\$1	\$0	\$1
Mining	\$0	\$0	\$0	\$1
Total - 2020	\$7,480	\$1,161	\$1,092	\$9,733
Total - 2019	\$10,019	\$1,605	\$1,463	\$13,086
% change	-25.3%	-27.6%	-25.3%	-25.6%

Source: Rockport Analytics, IMPLAN

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

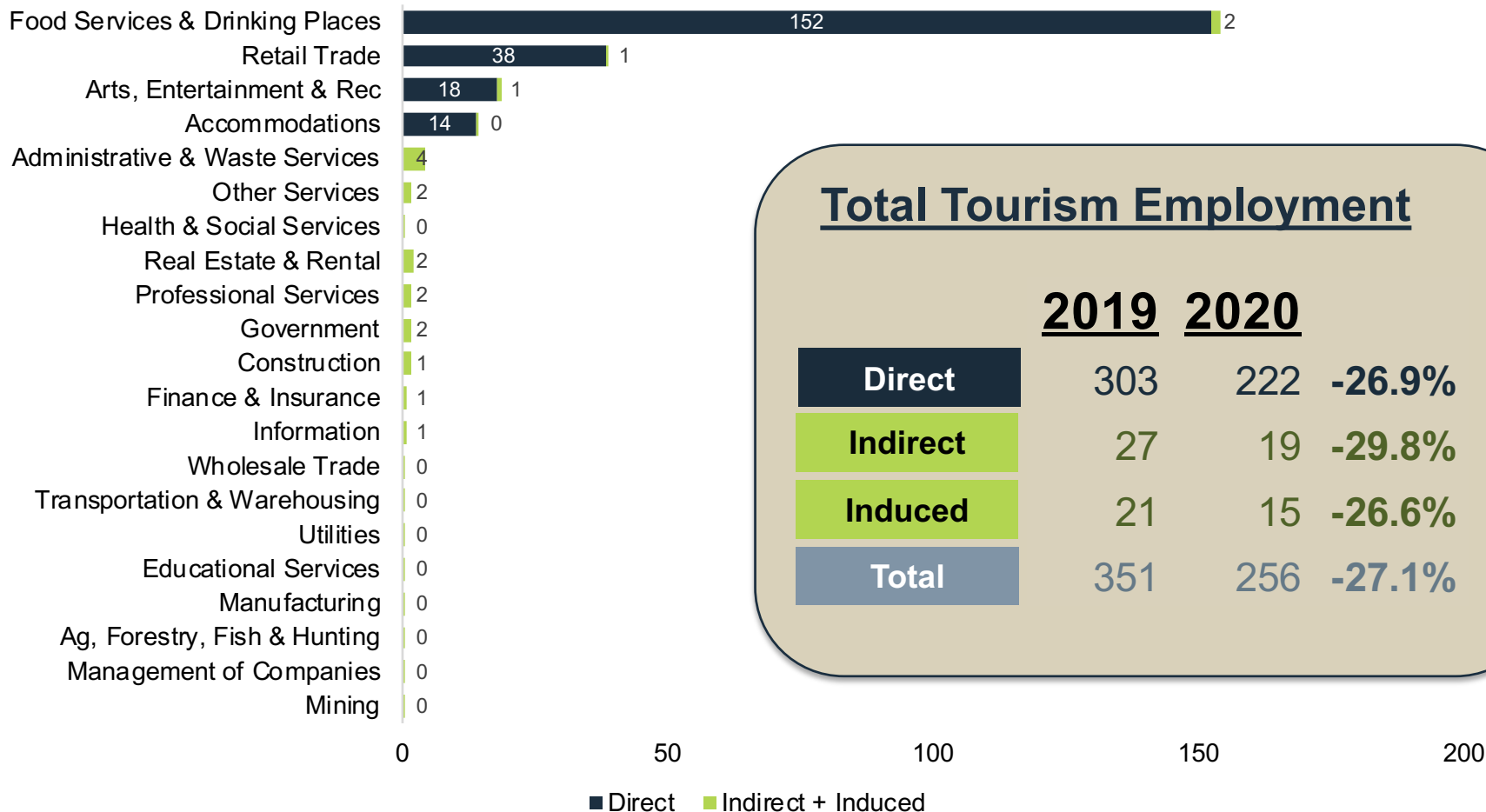
Morgan Tourism: 2020 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food Services & Drinking Places	152	2	2	156
Retail Trade	38	1	4	43
Arts, Entertainment & Rec	18	1	0	19
Accommodations	14	0	0	14
Administrative & Waste Services	0	4	1	5
Other Services	0	2	2	3
Health & Social Services	0	0	3	3
Real Estate & Rental	0	2	1	3
Professional Services	0	2	0	2
Government	0	2	0	2
Construction	0	1	0	2
Finance & Insurance	0	1	1	2
Information	0	1	0	1
Wholesale Trade	0	0	0	1
Transportation & Warehousing	0	0	0	1
Utilities	0	0	0	0
Educational Services	0	0	0	0
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 - 2020	222	19	15	256
Total - 2019	303	27	21	351
% change	-26.9%	-29.8%	-26.6%	-27.1%

Source: Rockport Analytics, IMPLAN

Tourism Supported Employment Declines 27% in 2020

Morgan Tourism: 2020 Economic Impact (Employment)



Sources: IMPLAN, Rockport Analytics

* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Tourism Falls One Spot to the 13th Largest Industry in Morgan in 2020

2020 Tourism in Morgan: Ranking of Major Industries By Total Employment

Rank	Industry	2020 Reported	2020 Tourism Extracted	% of Total Employment	19-20 Growth Rate
1	Government	2,735	2,735	17.1%	-3.7%
2	Manufacturing	2,458	2,458	15.4%	-6.6%
3	Retail trade	2,032	1,994	12.5%	-6.9%
4	Health & Social Services	1,848	1,848	11.6%	4.7%
5	Construction	1,347	1,347	8.4%	3.2%
6	Accommodation & Food Services	1,500	1,334	8.4%	-15.9%
7	Other Services	795	795	5.0%	-3.1%
8	Administrative & Waste Services	759	759	4.8%	13.4%
9	Finance & Insurance	533	533	3.3%	-0.5%
10	Professional Services	448	448	2.8%	0.1%
11	Wholesale Trade	434	434	2.7%	-2.0%
12	Transportation & Warehousing	249	249	1.6%	-3.1%
13	Tourism	N/A	222	1.4%	-26.9%
14	Utilities	200	200	1.3%	12.0%
15	Management of Companies	182	182	1.1%	7.7%
16	Real Estate	145	145	0.9%	-6.3%
17	Educational Services	99	99	0.6%	-2.5%
18	Arts, Entertainment & Recreation	92	74	0.5%	4.2%
19	Information	68	68	0.4%	-24.8%
20	Mining	28	28	0.2%	3.0%
	Total County Employment	15,951	15,951	100%	-3.3%

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

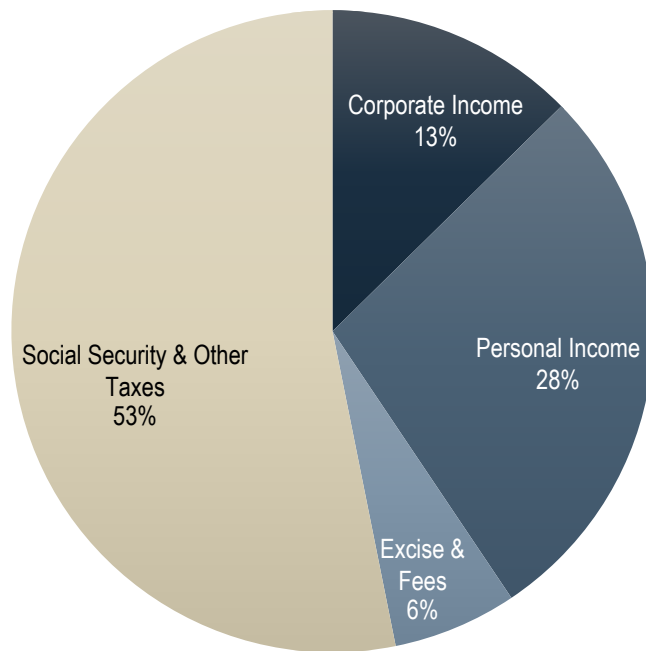
Reported: As released by the Bureau of Labor Statistics and the Indiana Department of Labor

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

Morgan Visitors Pay and Otherwise Support Many Types of Taxes

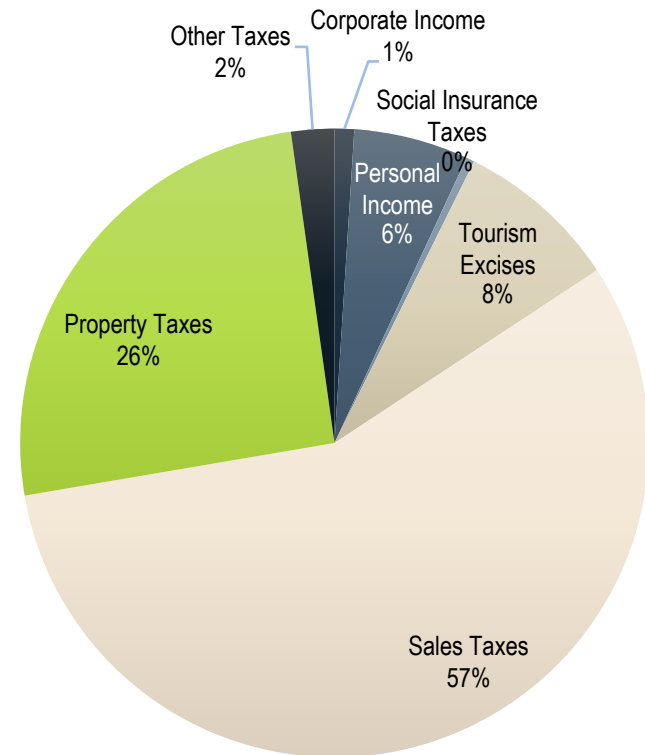
Federal Taxes

2020 Tax Total: **\$1.3 Million**



State & Local Taxes

2020 Tax Total: **\$2.3 Million**



2020 Total County Tourism-Initiated Taxes: **\$3.5 Million**

Tourism-Initiated Tax Revenue

2019–2020 Tourism Tax Revenue Collections

	2019	2020	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$213,940	\$158,389	-26.0%
Personal Income	\$469,664	\$350,476	-25.4%
Excise & Fees	\$106,269	\$78,405	-26.2%
Social Security & Other Taxes	\$887,424	\$666,413	-24.9%
Federal Total	\$1,677,297	\$1,253,683	-25.3%
State & Local			
Corporate Income	\$30,962	\$22,922	-26.0%
Personal Income	\$179,749	\$134,133	-25.4%
Social Insurance Taxes	\$12,593	\$9,485	-24.7%
Tourism Excises			
Hotel Tax	\$142,852	\$96,979	-32.1%
Food & Beverage	\$125,486	\$94,354	-24.8%
Rental Car Excise	-	-	-
Sales Taxes	\$1,680,245	\$1,286,688	-23.4%
Property Taxes	\$784,586	\$578,902	-26.2%
Other Taxes	\$70,472	\$50,516	-28.3%
State & Local Tax Total	\$3,026,945	\$2,273,979	-24.9%
Total County Tourism-Initiated Taxes	\$4,704,242	\$3,527,662	-25.0%

- Morgan visitors supported \$3.5 million in total taxes in 2020, down 25% from 2019.
- Federal tax collections resulting from tourism in Morgan include income taxes and social security and totaled more than \$1.2 million in 2020.
- State & local tax collections totaled more than \$2.2 million, including nearly \$1.3 million in sales taxes and more than \$578,000 in local property taxes.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Morgan?



Promoting a Healthy Job Market

- Approximately 1.4% of all people working in Morgan are supported by visitors to the county.
- Morgan families with an individual working in Tourism averaged \$20,929 in wages during 2020. This included both full and part-time workers.
- Tourism is the 13th largest industry (12th not including Government) in Morgan (by jobs).



Contributing to Public Education & Other Government Services

- State & local (S&L) tax revenue collected from tourism in Morgan is sufficient to fund 215 Indiana public school students.*
- S&L tax collections were enough to fund roughly 45 Indiana public school teachers.*

Sources: Moody's Analytics, IMPLAN, Indiana Department of Revenue, U.S. Census, Rockport Analytics,

* Estimate based on the average cost per student of \$10,520 and the average salary of a teacher of \$51,970 in Indiana. Education figures reported by NEA's 2021 State Rankings.



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 28,800 families in Morgan would have to pay an additional \$80 per year in taxes to maintain current levels of state & local government services.



Benefiting County Businesses

- Visitors generated top-line sales totaling \$9.7 million benefiting a broad array of local businesses.
- Businesses that directly served visitors saw value-added of roughly \$7.5 million in 2020, down more than 27% from 2019.
- In 2020, tourism supply chain businesses received value-added of \$1.2 million.



Capturing & Retaining Dollars Spent by Visitors

- Of every dollar spent by visitors to Morgan, 43¢ in economic impact is returned to the local area.
- Of every dollar spent by visitors to Morgan, 25¢ went toward paying the salaries of more than 256 area citizens.



Rockport Analytics

West Chester, PA
Annapolis, MD

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



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