

February 2023



2021 ECONOMIC CONTRIBUTION OF TOURISM IN MORGAN COUNTY

Key Metrics and Economic Impact Assessment



Key Inputs & Data Tools



Indiana Destination Development Corporation

2018 Tourism Economic Impact Study
Tourism Support/Promo Spending
<https://www.in.gov/iddc/>



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

STR (Formerly Smith Travel Research)



IMPLAN Model

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

Study Overview & Methodology

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 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 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 (<https://www.trade.gov/national-travel-and-tourism-office>). 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.

Study Overview & Methodology

Methodology (continued)

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.

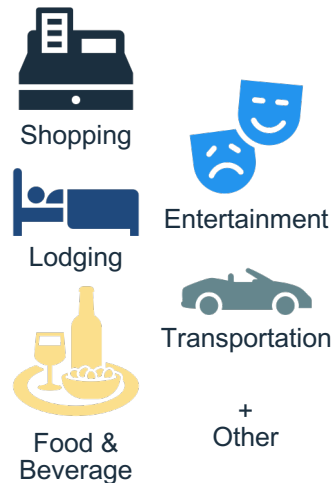
IMPLAN also to measure how much of each tourism dollar remains in the local economy. Total traveler spending generally exceeds the direct impact of tourism. This is because not all goods and services purchased by travelers are supplied by firms located in the local area. The IMPLAN model accounts for 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-Supported Activity

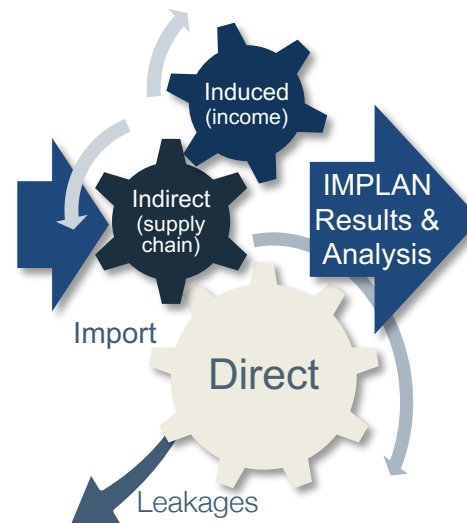


Data Reconcile & Cross Check

Visitor Spending



IMPLAN Model

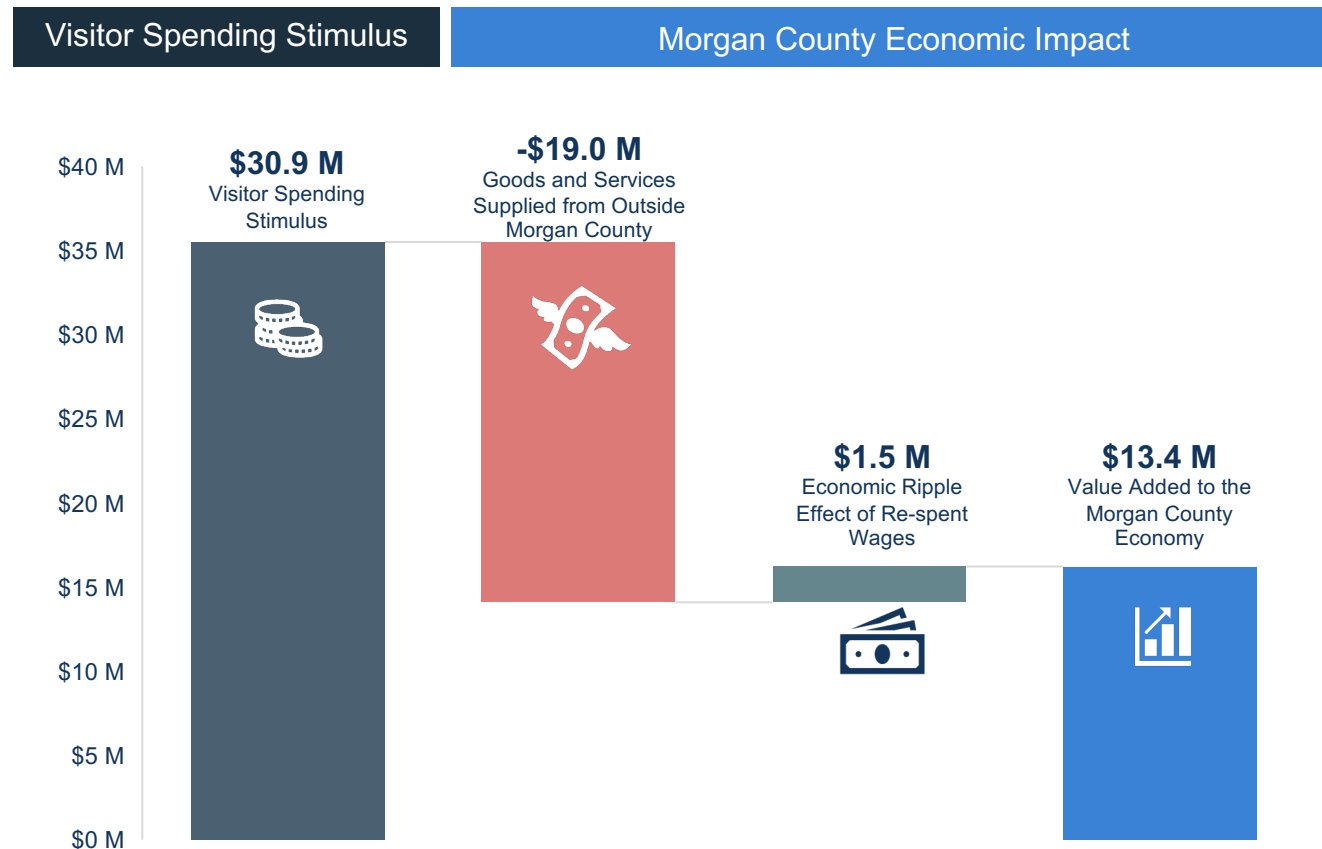


Total Economic Impact

Value-Added (GDP)	Wages & Comp
Jobs	Taxes

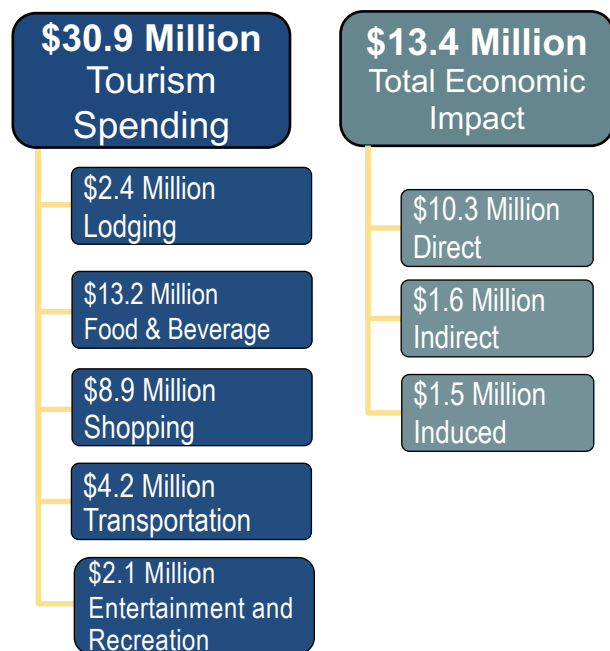
Morgan County Tourism Generated \$13.4 Million in GDP in 2021

Visitors to Morgan County spent \$30.9 million on various goods and services in the state. This spending stimulus generated \$13.4 million in net new value added to the Morgan County economy.



2021 Morgan County Tourism Highlights

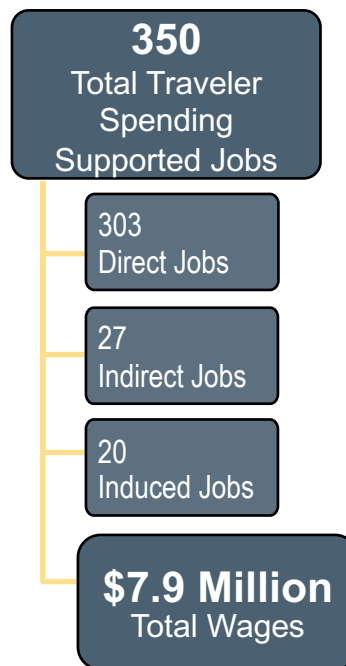
Tourism and Impact



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".

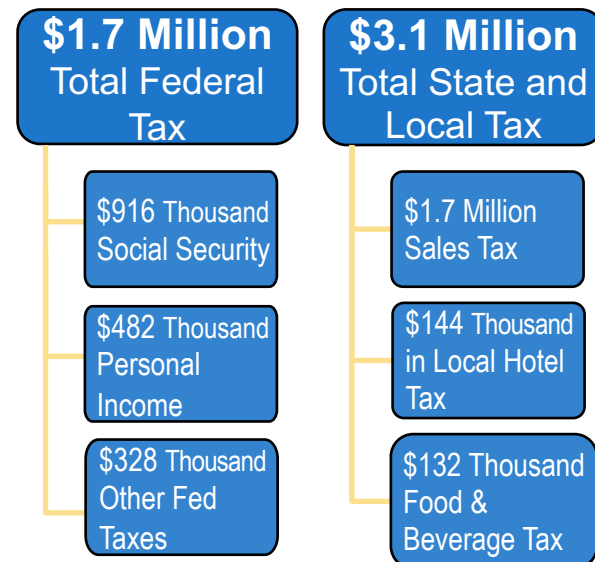
For every dollar spent by Morgan County visitors in 2021, **43 cents** 'stayed' local and contributed directly to the gross county product of Morgan County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **57 cents** of every dollar is 'leaked' to the supply chain outside of Morgan County.

Jobs and Wages



Every **\$88,401** spent by people visiting Morgan County in 2021 supported a job, resulting in an average of **\$22,728** 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



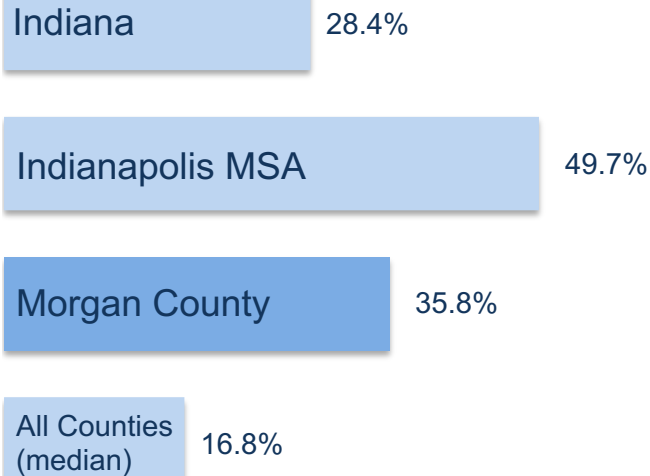
For every **\$1.00** spent by Morgan County visitors in 2021, **6 cents** goes to federal taxes and **10 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

Morgan County Tourism: In Comparison

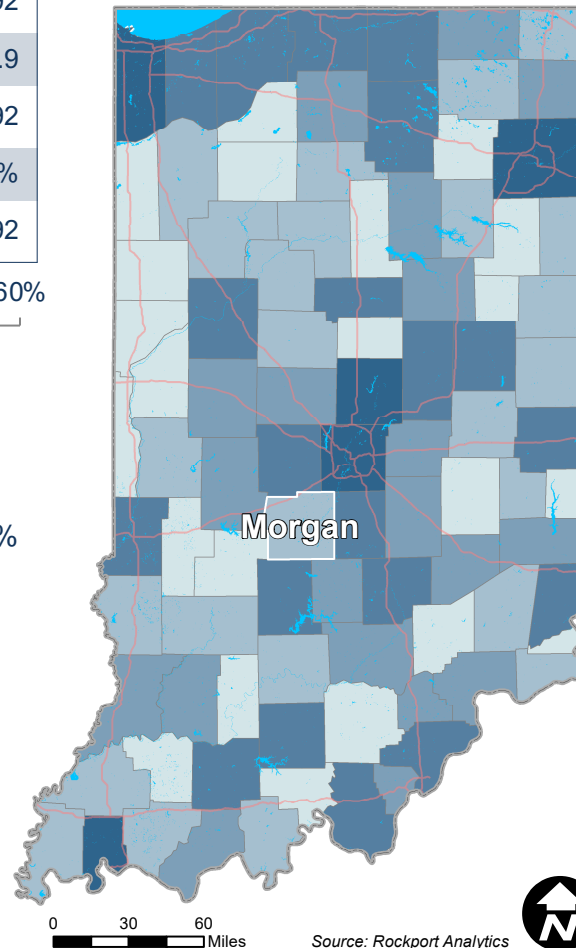
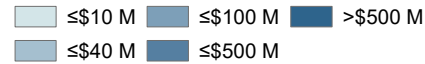
Morgan County 2021 Tourism Report Card

Tourism Sales per Capita	\$432.9
Tourism Spend per Capita Ranking	#72 of 92
2021 Spending by Visitors (Millions)	\$30.9
County Ranking of Tourism Spend	#51 of 92
2021 Tourism Spending Growth	35.8%
2021 Tourism Growth Ranking	#15 of 92

0% 10% 20% 30% 40% 50% 60%

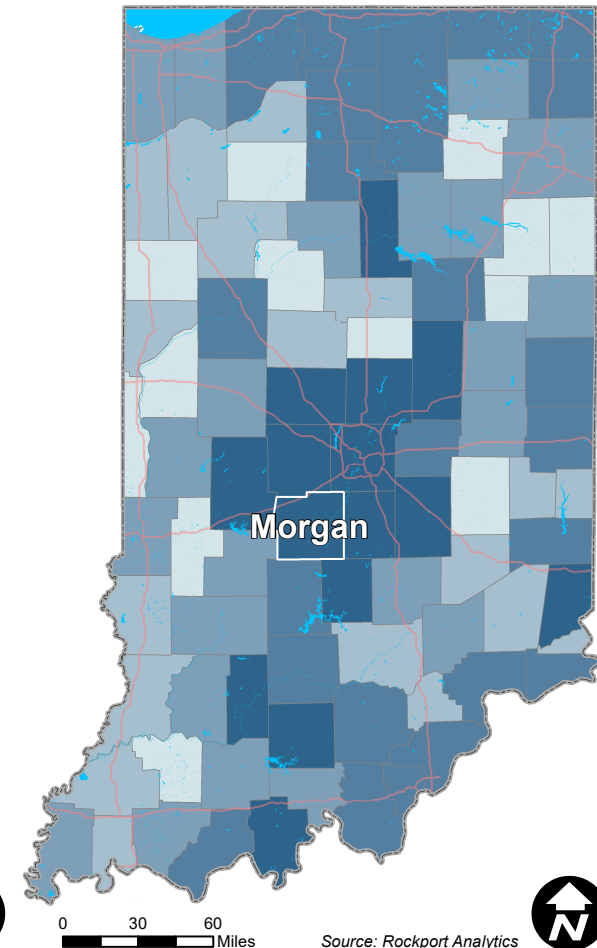
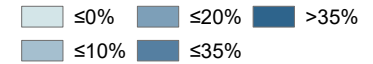


Total Spending by County, 2021



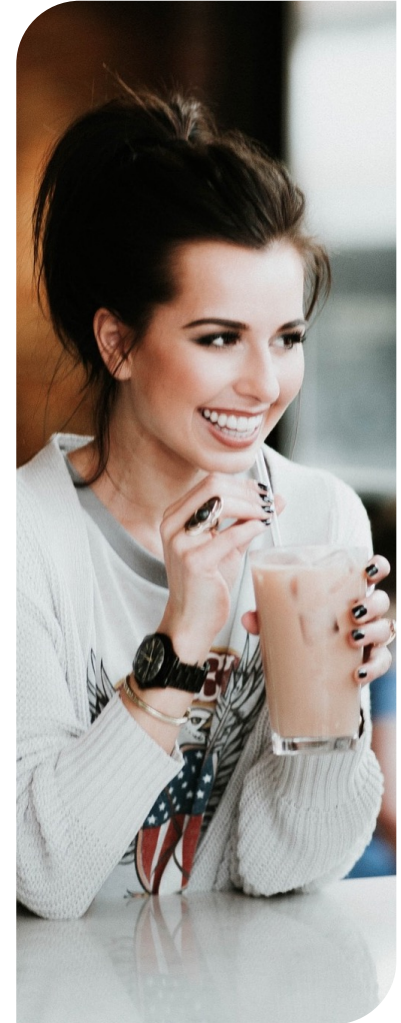
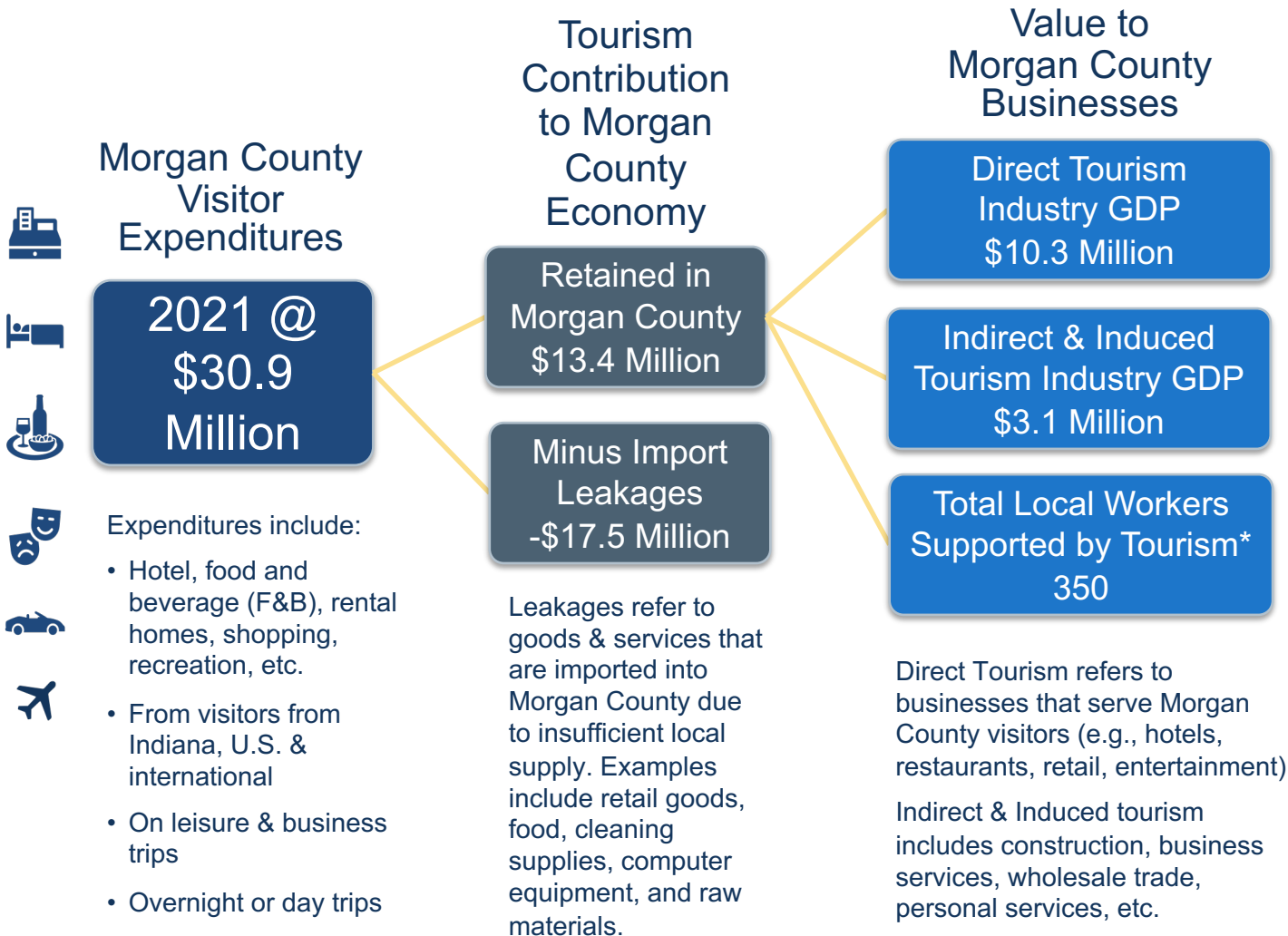
Source: Rockport Analytics

Spending Growth by County, 2021

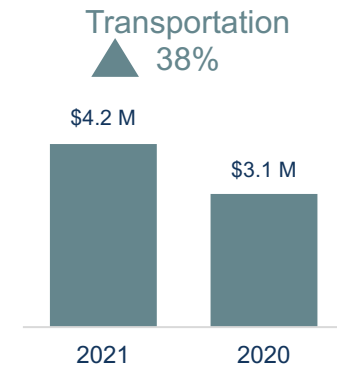
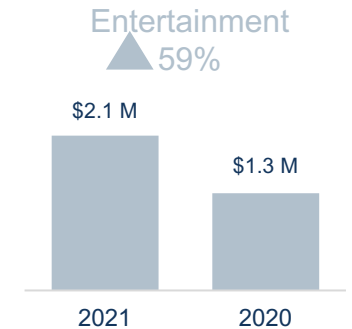
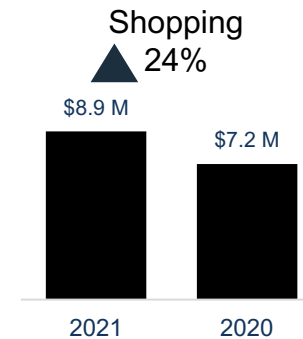
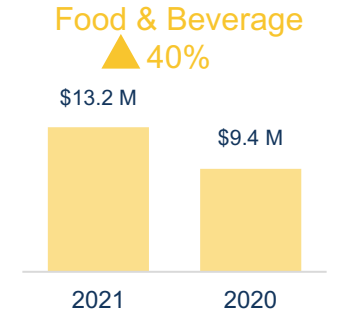
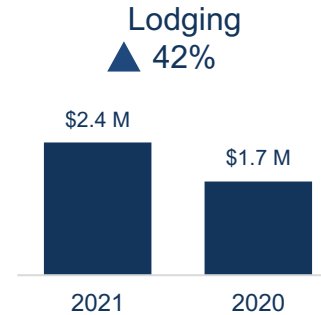
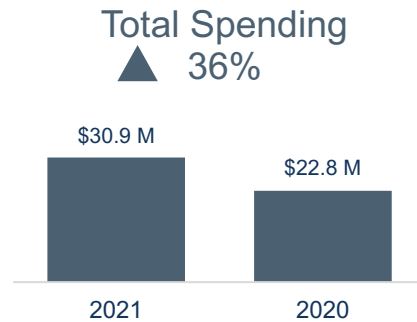


Source: Rockport Analytics

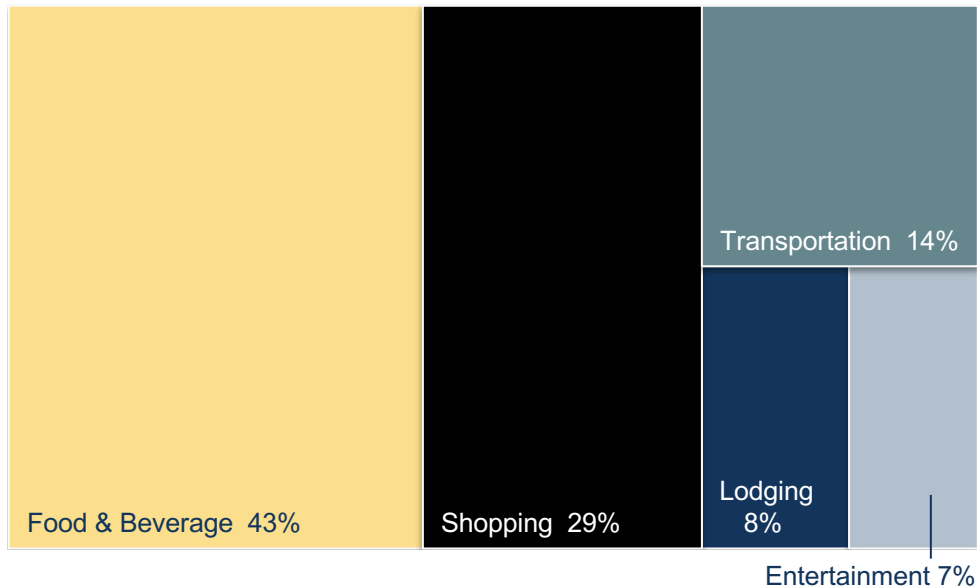
The Progression of Tourism Spending in Morgan County's Economy



Visitor Spending by Category



Distribution of Spending



Source: Longwoods International, NTT0, Reach Market Planning, STR, BTS, AirDNA, Rockport Analytics

Tourism's Bottom Line in Morgan County

2021 Economic Contribution Summary (Compared to 2020)

2021 Metric	Direct	Indirect	Induced	Total
Total Spending				\$30,907,745
2021 Y/Y Growth				35.8%
Economic Impact (GDP)	\$10,299,782	\$1,621,624	\$1,503,171	\$13,424,577
2021 Y/Y Growth	37.7%	39.7%	37.6%	37.9%
Wages	\$6,375,966	\$893,163	\$677,195	\$7,946,323
2021 Y/Y Growth	37.3%	40.1%	37.6%	37.6%
Jobs	303	27	20	350
2021 Y/Y Growth	36.4%	38.4%	35.3%	36.4%
Tax Receipts				\$4,846,689
2021 Y/Y Growth				37.4%

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

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 Many Local Industries

Morgan County Tourism: 2021 Economic Impact (Value Added/GDP)

Industry (NAICS)*	Direct	Indirect	Induced	Total
<i>in thousands of dollars</i>				
Food Services & Drinking Places	\$6,125	\$83	\$91	\$6,300
Retail Trade	\$2,275	\$38	\$236	\$2,549
Accommodations	\$987	\$0	\$0	\$987
Arts, Entertainment & Rec	\$913	\$6	\$10	\$929
Real Estate & Rental	\$0	\$239	\$487	\$726
Utilities	\$0	\$264	\$66	\$330
Finance & Insurance	\$0	\$129	\$125	\$254
Administrative & Waste Services	\$0	\$211	\$35	\$246
Health & Social Services	\$0	\$0	\$216	\$216
Government	\$0	\$168	\$25	\$193
Professional Services	\$0	\$154	\$28	\$182
Other Services	\$0	\$77	\$77	\$155
Wholesale Trade	\$0	\$59	\$49	\$108
Construction	\$0	\$83	\$20	\$103
Information	\$0	\$50	\$14	\$64
Transportation & Warehousing	\$0	\$25	\$8	\$33
Manufacturing	\$0	\$24	\$2	\$27
Educational Services	\$0	\$2	\$13	\$15
Ag, Forestry, Fish & Hunting	\$0	\$5	\$2	\$6
Management of Companies	\$0	\$2	\$0	\$2
Mining	\$0	\$1	\$0	\$1
Total - 2021	\$10,300	\$1,622	\$1,503	\$13,425
Total - 2020	\$7,480	\$1,161	\$1,092	\$9,733
% change	37.7%	39.7%	37.6%	37.9%

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

Tourism Supports Morgan County Jobs

Morgan County Tourism: 2021 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Food Services & Drinking Places	209	3	3	215
Retail Trade	47	1	5	53
Arts, Entertainment & Rec	27	2	0	30
Accommodations	19	0	0	19
Administrative & Waste Services	0	6	1	7
Other Services	0	2	2	4
Health & Social Services	0	0	4	4
Real Estate & Rental	0	3	1	4
Professional Services	0	2	0	3
Government	0	2	0	2
Construction	0	2	0	2
Finance & Insurance	0	1	1	2
Information	0	1	0	1
Wholesale Trade	0	0	0	1
Transportation & Warehousing	0	1	0	1
Utilities	0	1	0	1
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 - 2021	303	27	20	350
Total - 2020	222	19	15	256
% change	36.4%	38.4%	35.3%	36.4%

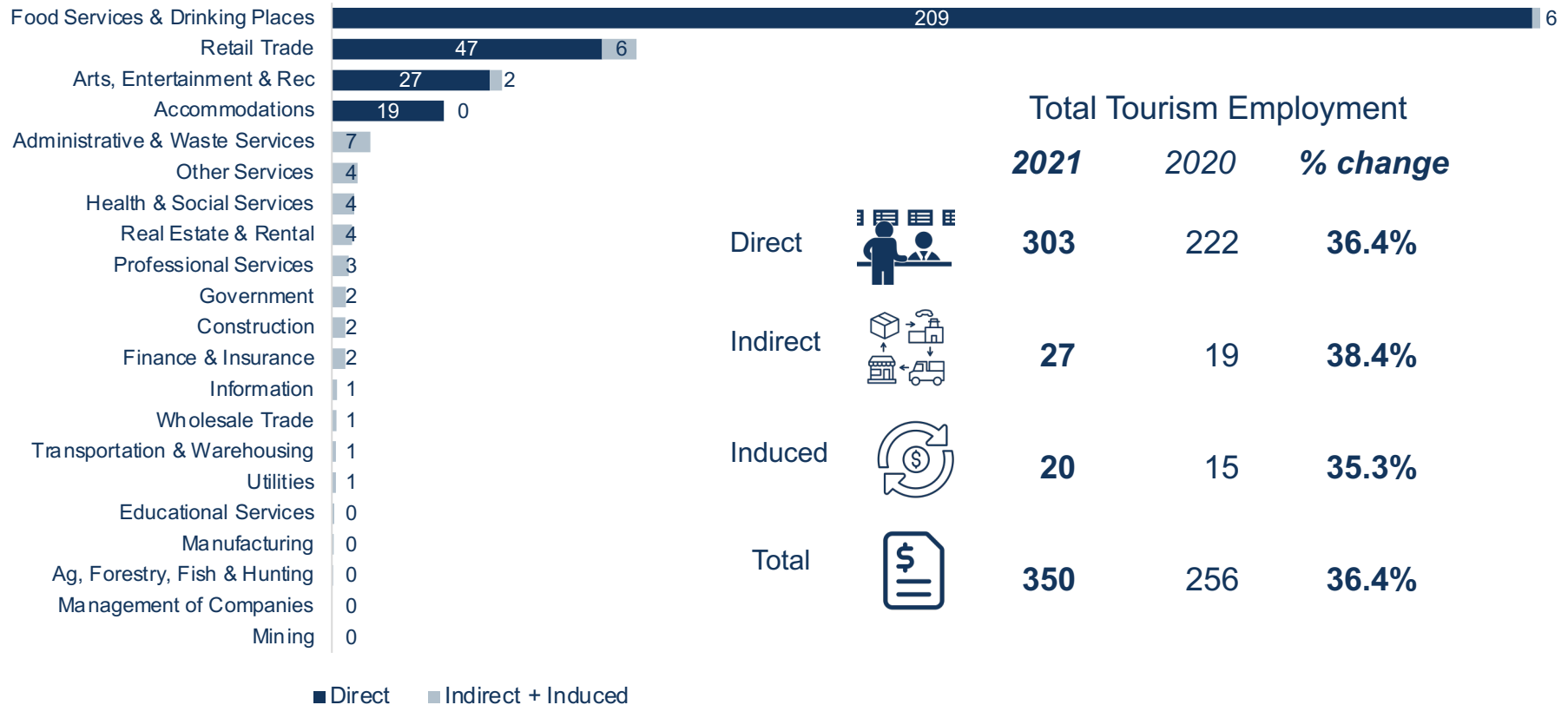
* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Sources: Rockport Analytics, IMPLAN

Tourism Supported Employment – Direct, Indirect, and Induced

Direct employment refers to full- and part-time workers who are employed in the tourism industry by companies that directly serve visitors. Indirect employees work for companies that supply goods and services to direct companies. Induced employment refers to workers supported by the re-spent wages of direct and supply chain employees. In industries that are largely driven by tourism (food services, entertainment, accommodations, etc.), most employees are direct employees.

Morgan County Tourism: 2021 Economic Impact (Employment)



Tourism Industry Ranking in Morgan County

2021 Tourism in Morgan County: Ranking of Major Industries By Total Employment

Rank	Industry	2021 Reported*	2021 Tourism-Extracted**	% of Total Employment	2021 % Growth
employment reported in number of jobs					
1	Government	2,715	2,715	16.5%	0.1%
2	Manufacturing	2,511	2,511	15.3%	2.1%
3	Retail trade	2,109	2,062	12.5%	3.2%
4	Health & Social Services	1,888	1,888	11.5%	2.1%
5	Construction	1,385	1,385	8.4%	3.6%
6	Accommodation & Food Services	1,592	1,363	8.3%	6.4%
7	Other Services	843	843	5.1%	4.2%
8	Administrative & Waste Services	824	824	5.0%	8.0%
9	Finance & Insurance	553	553	3.4%	2.4%
10	Professional Services	477	477	2.9%	5.9%
11	Wholesale Trade	443	443	2.7%	1.5%
12	Tourism	N/A	303	1.8%	36.4%
13	Transportation & Warehousing	275	275	1.7%	9.8%
14	Utilities	203	203	1.2%	1.2%
15	Management of Companies	183	183	1.1%	1.0%
16	Real Estate	146	146	0.9%	0.8%
17	Educational Services	105	105	0.6%	6.9%
18	Arts, Entertainment & Recreation	99	72	0.4%	12.1%
19	Information	70	70	0.4%	0.3%
20	Mining	29	29	0.2%	4.9%
Total County Employment		16,450	16,450	100%	3.1%

*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

Tourism Increases Local Wages

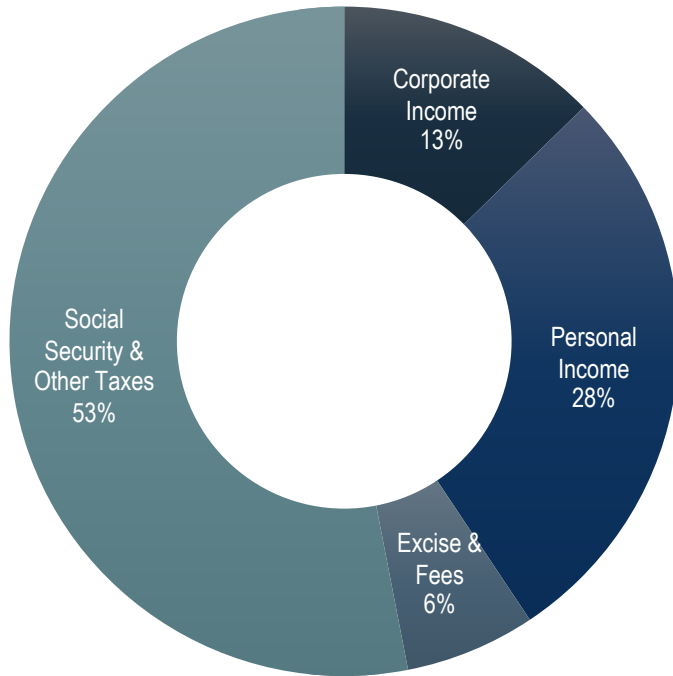
Morgan County Tourism: 2021 Labor Income

Industry (NAICS)*	Direct	Indirect	Induced	Total
<i>in thousands of dollars</i>				
Food services & drinking places	\$4,180	\$57	\$62	\$4,299
Retail trade	\$1,307	\$24	\$149	\$1,480
Accommodations	\$542	\$0	\$0	\$542
Arts- entertainment & recreation	\$347	\$11	\$5	\$363
Administrative & waste services	\$0	\$170	\$28	\$198
Health & social services	\$0	\$0	\$191	\$191
Government & non NAICS	\$0	\$162	\$21	\$183
Other services	\$0	\$71	\$76	\$147
Professional- scientific & tech services	\$0	\$92	\$18	\$110
Construction	\$0	\$73	\$12	\$85
Utilities	\$0	\$64	\$17	\$82
Finance & insurance	\$0	\$40	\$36	\$76
Wholesale Trade	\$0	\$33	\$28	\$61
Information	\$0	\$33	\$5	\$38
Real estate & rental	\$0	\$23	\$12	\$34
Transportation & Warehousing	\$0	\$16	\$5	\$21
Manufacturing	\$0	\$18	\$2	\$20
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 - 2021	\$6,376	\$893	\$677	\$7,946
Total - 2020	\$4,644	\$637	\$492	\$5,774
% change	37.3%	40.1%	37.6%	37.6%

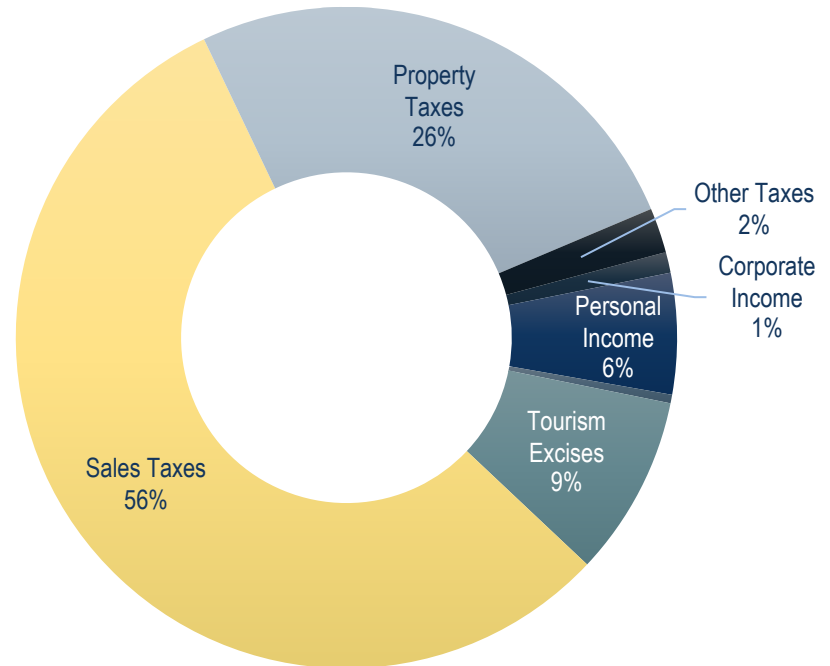
* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Morgan County Visitors Support Many Types of Taxes

Federal Taxes
2021 Tax Total: \$1.7 Million



State & Local Taxes
2021 Tax Total: \$3.1 Million



2021 Total Tourism-Initiated Taxes: \$4.8 Million

Tourism Generates \$4.8 Million in Taxes

Morgan County visitors supported \$4.8 million in total taxes in 2021, up 37.4% from 2020. Federal tax collections resulting from tourism in Morgan County include income taxes and social security and totaled \$1.7 million in 2021. State & local tax collections totaled \$3.1 million, including \$1.7 million in sales taxes and \$803 thousand in local property taxes.

	2020	2021	% Change
Federal	<i>in thousands of dollars</i>		
Corporate Income	\$158,389	\$218,850	38.2%
Personal Income	\$350,476	\$482,455	37.7%
Excise & Fees	\$78,405	\$108,754	38.7%
Social Security & Other Taxes	\$666,413	\$915,522	37.4%
Federal Tax Total	\$1,253,683	\$1,725,581	37.6%
State & Local			
Corporate Income	\$22,922	\$31,672	38.2%
Personal Income	\$134,133	\$184,644	37.7%
Social Insurance Taxes	\$9,485	\$13,018	37.2%
Tourism Excises			
Hotel Tax	\$96,979	\$143,957	48.4%
Food & Beverage	\$94,354	\$132,130	40.0%
Rental Car Excise	\$0	\$0	0.0%
Sales Taxes	\$1,286,688	\$1,744,193	35.6%
Property Taxes	\$578,902	\$802,950	38.7%
Other Taxes	\$50,516	\$68,544	35.7%
State & Local Tax Total	\$2,273,979	\$3,121,108	37.3%
Total County Tourism-Initiated Taxes	\$3,527,662	\$4,846,689	37.4%

Sources: IMPLAN, Rockport Analytics

Putting the Benefits of Morgan County Tourism in Perspective



Promoting a Healthy Job Market

Approximately 2% of all people working in Morgan County are supported by visitors to the county. Morgan County tourism supported 350 jobs. Of those, 303 were directly employed in a tourism-related job. Tourism is the 12th largest industry (11th not including Government) in Morgan County (by jobs).



Benefiting County Businesses

Visitors generated top-line sales totaling \$13.4 million benefiting a broad array of local businesses. Businesses that directly served visitors saw value-added of \$10.3 million in 2021, up 38% from 2020. In 2021, tourism supply chain businesses received value-added of more than \$1.6 million.



Contributing to Public Education & Other Government Services

State & local (S&L) tax revenue collected from tourism in Morgan County is sufficient to fund 245 Indiana public school students.

S&L tax collections were enough to fund roughly 58 Indiana public school teachers.



Capturing and Retaining Dollars Spent by Visitors

Of every dollar spent by visitors to Morgan County, 43¢ in economic impact is returned to the local area.

Of every dollar spent by visitors to Morgan County, 26¢ went toward paying the salaries of 350 area citizens.

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 26,926 households in Morgan County would have to pay an additional \$116 per year in taxes to maintain current levels of state & local government services.

Sources: NEA's 2022 State Rankings, Moody's Analytics, IMPLAN, Indiana Department of Revenue, U.S. Census, Rockport Analytics

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About Rockport Analytics

Rockport Analytics is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. We provide fast, nimble service in a completely transparent environment.

Capabilities include:

- Market Analysis and Forecasting
- Economic Impact Assessment, Tourism Satellite Accounting, and Economic Development
- Market Modeling and Decision Support Tools
- Project Feasibility Assessment
- Primary and Secondary Research Synthesis
- Stakeholder Surveys – internal & external



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