

# 2018 Economic Impact 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
- <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](http://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 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

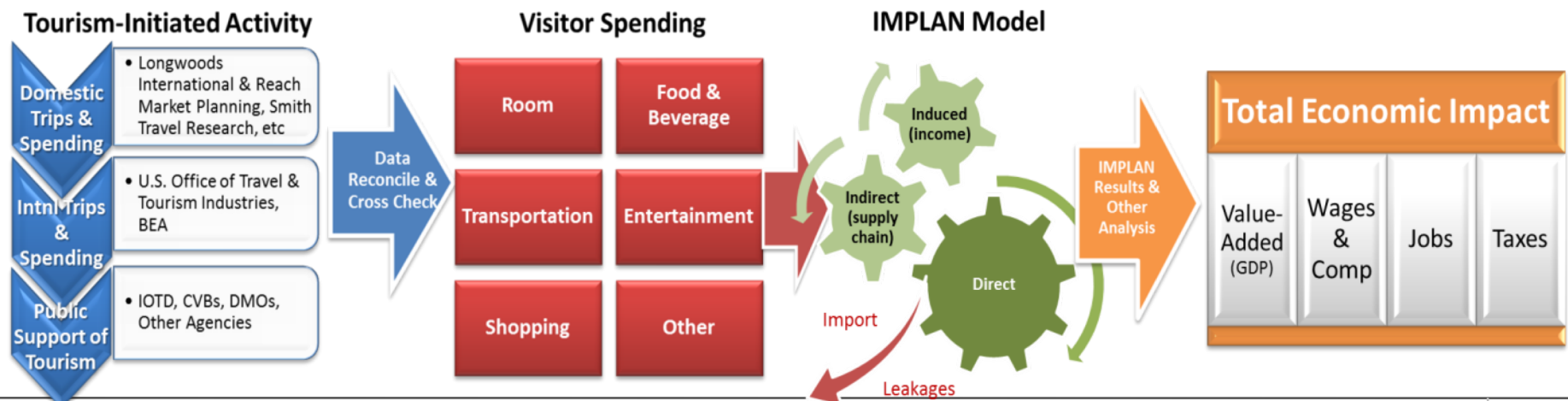
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct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

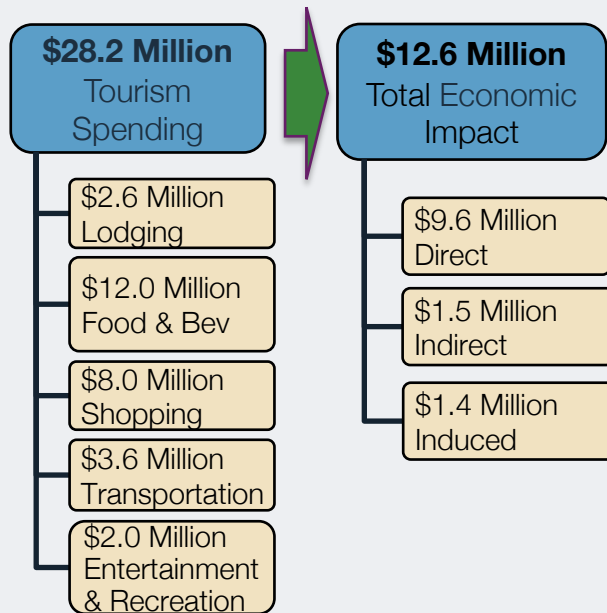
An economic model of Indiana is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Morgan County ([www.implan.com](http://www.implan.com)), a non-proprietary economic model that is the defacto standard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



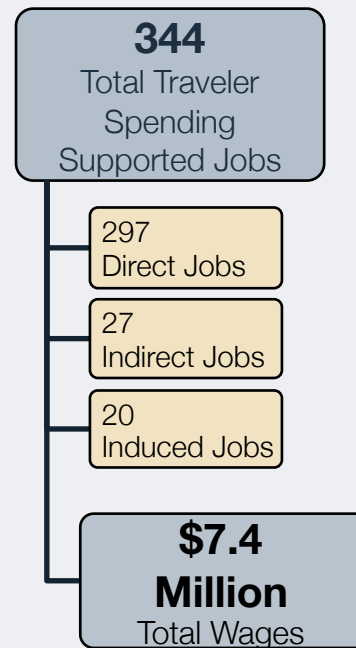


## Tourism and Impact



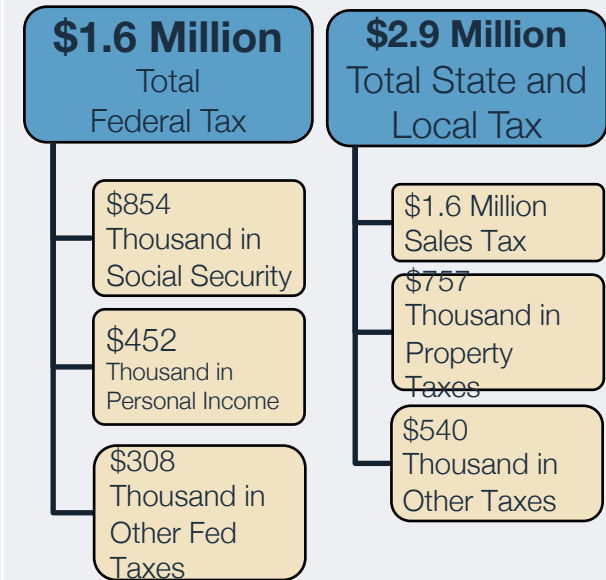
For every tourism dollar spent in Morgan County in 2018, **45 cents** 'stayed' local and contributed directly to the gross county product of Morgan County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **55 cents** of every dollar is 'leaked' to the supply chain outside of Morgan County.

## Jobs and Wages



Every **\$82,055** spent on tourism in Morgan County in 2018 supported a job, resulting in an average of **\$21,640** 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



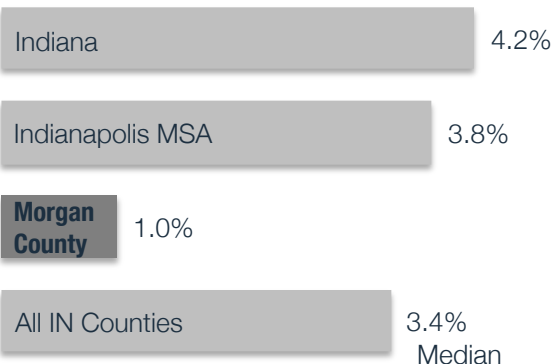
For every **\$1.00** spent on tourism in Morgan County in 2018, **6 cents** goes to federal taxes and **11 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

## Morgan County 2018 Tourism Report Card

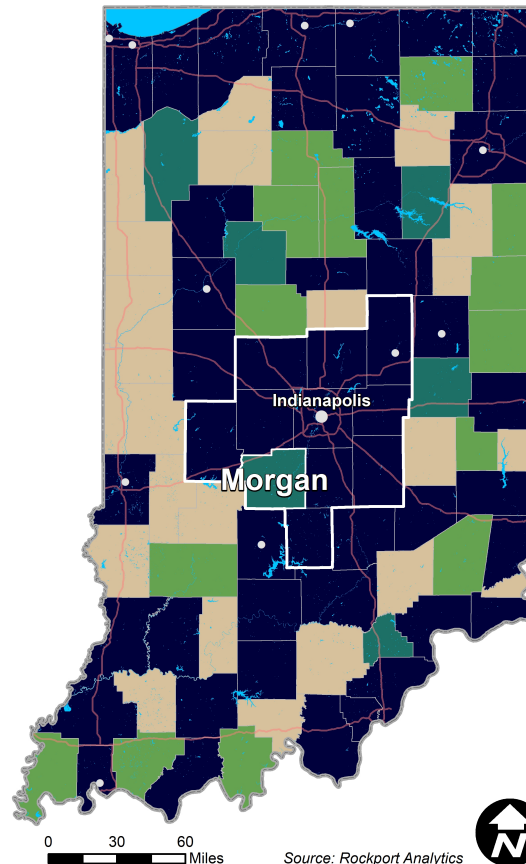
Tourism Sales Per Capita	\$402.6
Tourism Spend Per Capita Ranking	#68 of 92
2018 Spending by Visitors (Millions)	\$28.2
County Ranking of Tourism Spend	#51 of 92
2018 Tourism Spending Growth	1.0%
2018 Tourism Growth Ranking	#65 of 92

## Annual Growth in 2018 Tourism Spending

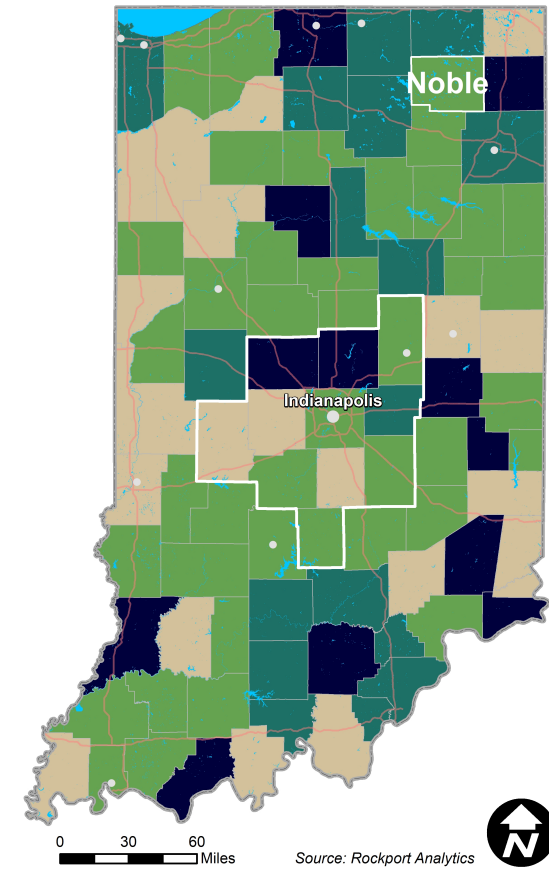
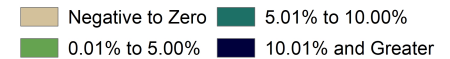
0.0% 1.0% 2.0% 3.0% 4.0% 5.0%



## Total Spending by County, 2018



## Spending Growth by County, 2018



# Tourism's Economic Progression in Morgan County

## Morgan County Visitor Expenditures



2018 @  
**\$28.2 million**



## Tourism Contribution to Morgan County's Economy



Retained in Indiana Economy  
**\$12.6 million**

Minus Import Leakages  
**-\$15.6 million**

## Value to Morgan County Businesses

Direct Tourism Industry GDP  
**\$9.6 million**

Indirect & Induced Tourism Industry GDP  
**\$2.9**

Total Tourism-Supported Jobs\*  
**344**

### 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 Indiana from outside 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.



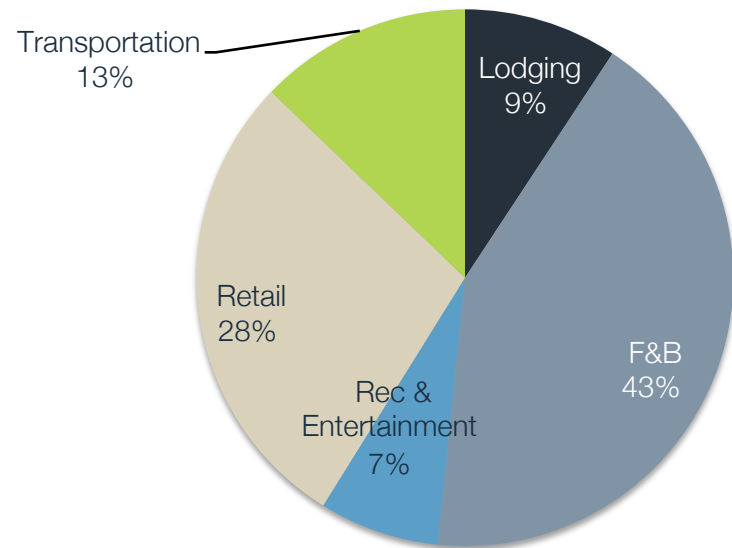
\*Full & part time jobs

# Visitor Spending By Category

**Food & Beverage** accounts for the largest share of tourism spend in Morgan County, totaling **42% of visitor expenditures**.

## Distribution of Tourism Spending

*\$28.2 Million USD*



Source: Longwoods International, OTTI, 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. To reflect these changes, 2017 totals were also revised so that all reported growth rates are valid.

Expenditure Category	2018	2017-18 Growth
Lodging	\$ 2,615,381	1.7%
F&B	\$ 11,953,585	1.2%
Rec & Entertainment	\$ 2,045,091	1.1%
Retail	\$ 7,992,485	0.6%
Transportation	\$ 3,619,589	0.9%
Total	\$ 28,226,131	1.0%

## 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%

## 2018 Economic Impact Summary (Compared to 2017)

2018 Metric	Direct	Indirect	Induced	Total
Total Spending				\$28,226,131
2018 Y/Y Growth				1.0%
Economic Impact (GDP)	\$9,653,546	\$1,547,070	\$1,408,314	\$12,608,930
2018 Y/Y Growth	0.5%	0.5%	0.5%	0.5%
Wages	\$5,952,971	\$856,392	\$634,431	\$7,443,794
2018 Y/Y Growth	0.5%	0.4%	0.5%	0.5%
Jobs	297	27	20	344
2018 Y/Y Growth	-1.2%	-1.2%	-1.2%	-1.2%
Tax Receipts				\$4,522,454
2018 Y/Y Growth				0.3%

### 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

## Morgan Tourism: 2018 Economic Impact (Value Added/GDP)

*Thousands of \$s*

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	\$5,633	\$82	\$85	\$5,800
Retail trade	\$2,033	\$35	\$221	\$2,289
Accommodations	\$1,089	\$0	\$0	\$1,090
Arts- entertainment & recreation	\$899	\$6	\$9	\$914
Real estate & rental	\$0	\$222	\$456	\$678
Utilities	\$0	\$254	\$62	\$316
Finance & insurance	\$0	\$122	\$117	\$239
Administrative & waste services	\$0	\$205	\$33	\$238
Health & social services	\$0	\$0	\$202	\$202
Government & non NAICS	\$0	\$160	\$24	\$184
Professional- scientific & tech services	\$0	\$148	\$26	\$174
Other services	\$0	\$74	\$72	\$146
Wholesale Trade	\$0	\$55	\$46	\$101
Construction	\$0	\$81	\$19	\$100
Information	\$0	\$48	\$13	\$61
Transportation & Warehousing	\$0	\$24	\$7	\$31
Manufacturing	\$0	\$23	\$2	\$25
Educational services	\$0	\$2	\$12	\$14
Ag, Forestry, Fish & Hunting	\$0	\$4	\$1	\$6
Management of companies	\$0	\$2	\$0	\$2
Mining	\$0	\$1	\$0	\$1
<b>Total</b>	<b>\$9,654</b>	<b>\$1,547</b>	<b>\$1,408</b>	<b>\$12,609</b>
Total – 2017	\$9,607	\$1,540	\$1,401	\$12,548
% change	0.5%	0.5%	0.5%	0.5%

Source: Rockport Analytics, IMPLAN

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

## Morgan Tourism: 2018 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	202	3	3	208
Retail trade	44	1	5	50
Arts- entertainment & recreation	28	2	0	31
Accommodations	23	0	0	23
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	3
Professional- scientific & tech services	0	2	0	3
Government & non NAICs	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
<b>Total</b>	<b>297</b>	<b>27</b>	<b>20</b>	<b>344</b>
Total – 2017	301	27	20	348
% change	-1.2%	-1.2%	-1.2%	-1.2%

Source: Rockport Analytics, IMPLAN



# Tourism is the 12th Largest Industry in Morgan County

## 2018 Tourism in Morgan County: Ranking of Major Industries By Total Employment

Rank	Industry	2018 Reported	2018 Tourism Extracted	% of Total Employment	17-18 Growth Rate
1	Government	2,905	2,905	16.8%	-0.1%
2	Manufacturing	2,741	2,741	15.9%	1.5%
3	Retail trade	2,104	2,060	11.9%	-1.0%
4	Health & Social Services	2,013	2,013	11.6%	1.0%
5	Construction	1,869	1,869	10.8%	1.9%
6	Accommodation & Food Services	1,769	1,544	8.9%	-0.2%
7	Other Services	894	894	5.2%	0.3%
8	Administrative & Waste Services	590	590	3.4%	0.6%
9	Wholesale Trade	492	492	2.8%	1.0%
10	Finance & Insurance	436	436	2.5%	1.2%
11	Professional Services	432	432	2.5%	3.2%
<b>12</b>	<b>Tourism</b>	<b>N/A</b>	<b>297</b>	<b>1.7%</b>	<b>-1.2%</b>
13	Utilities	227	227	1.3%	0.7%
14	Transportation & Warehousing	220	220	1.3%	0.5%
15	Management of Companies	147	147	0.9%	-0.4%
16	Real Estate	145	145	0.8%	1.7%
17	Educational Services	98	98	0.6%	0.4%
18	Arts, Entertainment & Recreation	107	78	0.5%	1.0%
19	Information	75	75	0.4%	-7.5%
20	Mining	29	29	0.2%	2.7%
	<b>Total County Employment</b>	<b>17,291</b>	<b>17,291</b>	<b>100%</b>	<b>0.8%</b>

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

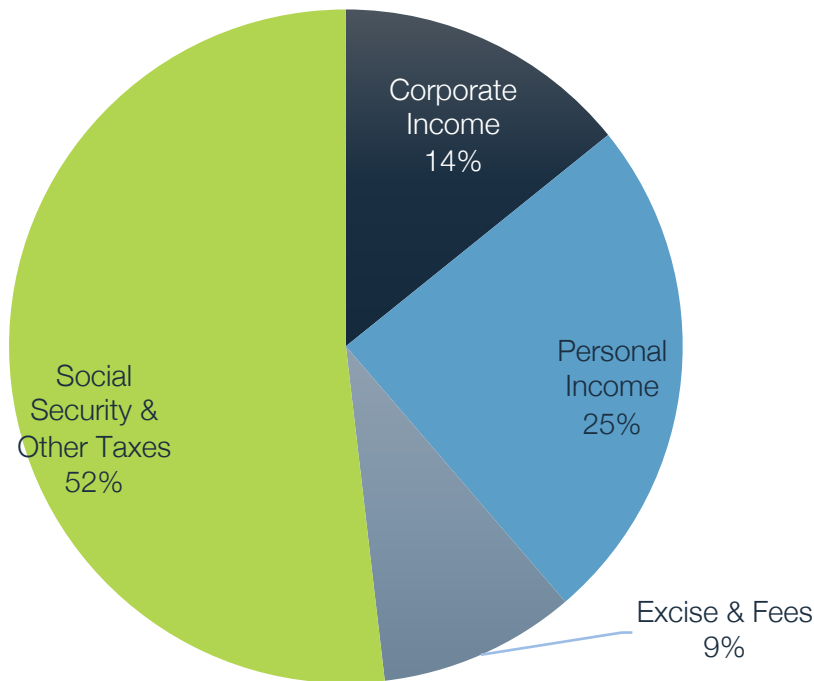
**Reported:** As released by the Bureau of Labor Statistics and the Indiana Department of Labor

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



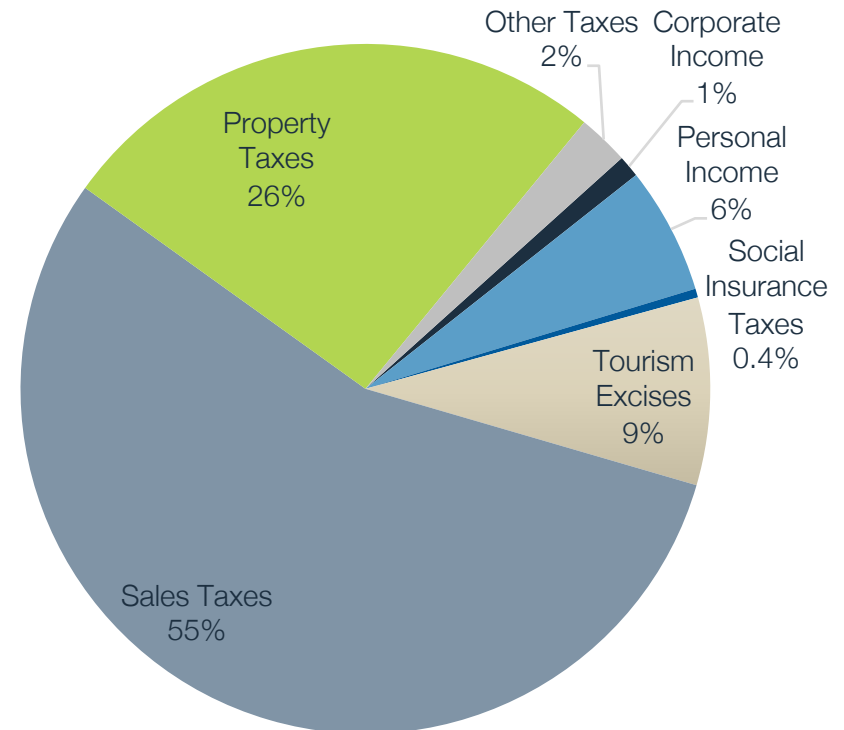
## Federal Taxes

2018 Tax Total: **\$1.6 Million**



## State & Local Taxes

2018 Tax Total: **\$2.9 Million**



2018 Total County Tourism-Initiated Taxes: **\$4.5 Million**

# Tourism-Initiated Tax Revenue

## 2017 – 2018 Tourism Tax Revenue Collections

	2017	2018	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$205.4	\$206.3	0.5%
Personal Income	\$449.9	\$452.2	0.5%
Excise & Fees	\$102.1	\$102.6	0.4%
Social Security & Other Taxes	\$849.7	\$854.0	0.5%
<b>Federal Total</b>	<b>\$1,607.1</b>	<b>\$1,615.1</b>	<b>0.5%</b>
State & Local			
Corporate Income	\$29.7	\$29.9	0.5%
Personal Income	\$172.2	\$173.1	0.5%
Social Insurance Taxes	\$12.1	\$12.1	0.5%
Tourism Excises			
Hotel Tax	\$152.3	\$135.8	-10.9%
Food & Beverage	\$118.2	\$119.5	1.2%
Rental Car Excise	-	-	-
Sales Taxes	\$1,593.7	\$1,610.3	1.0%
Property Taxes	\$753.8	\$757.2	0.4%
Other Taxes	\$70.0	\$69.5	-0.7%
<b>State &amp; Local Tax Total</b>	<b>\$2,901.9</b>	<b>\$2,907.3</b>	<b>0.2%</b>
<b>Total County Tourism-Initiated Taxes</b>	<b>\$4,509.0</b>	<b>\$4,522.5</b>	<b>0.3%</b>

- Morgan County tourism generated over \$4.5 million in total taxes in 2018, up 0.3% over 2017.
- Federal tax collections resulting from tourism in Morgan County include income taxes and social security and totaled \$1.6 million in 2018.
- State & local tax collections totaled \$2.9 million, including \$1.6 million in sales taxes contributing to state collections and \$757 thousand in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

## How Does Tourism Benefit Morgan County?



### Promoting a Healthy Job Market\*

- Approximately 1.7% of all jobs in Morgan County are supported by tourism to the region.
- The average wage of both full and part-time workers supported by tourism was \$21,640 in 2018.
- Tourism is the 12<sup>th</sup> largest industry (11<sup>th</sup> 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 support 342 Indiana public school students.\*\*
- S&L tax collections were enough to support roughly 57 Indiana public school teachers.\*\*

\* Moody's Analytics, IMPLAN, Rockport Analytics

\*\* Estimate based on the average cost per student of 8,496, the average salary of a teacher of 50,614. Education figures reported by NEA's 2018 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 28,470 households in Morgan County would have to pay an additional \$102 per year in taxes to maintain current state & local tax levels.

### Benefiting County Businesses



- Visitors generated top-line sales totaling more than \$28 million benefiting a broad array of businesses.
- Businesses that directly served visitors saw value-added of over \$9.6 million in 2018, up 0.5% over 2017.
- In 2018, tourism supply chain businesses received value-added of nearly \$3 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 in Morgan County, 26¢ went towards paying the salaries of 344 employees.



# Rockport Analytics

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