

# The Overland Park Visitor Economy

STUDY OF 2022 IMPACT

Prepared for: Visit Overland Park

MUSEUM at PRAIRIE FIRE





## INTRODUCTION PROJECT BACKGROUND

The travel sector is an integral part of the Overland Park economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the city's future. In 2022, visitor-supported employment reached nearly 10,400 jobs in the city, including indirect and induced impacts. By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for Overland Park as it builds upon its visitor economy.

By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the economic significance of the tourism sector in Overland Park, Tourism Economics has prepared a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

## METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for Overland Park. The model traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges. Adjustments to model outputs were made to ensure results captured only benefits in the city of Overland Park.

Visitors included those who stayed overnight or traveled more than 50 miles to the destination.

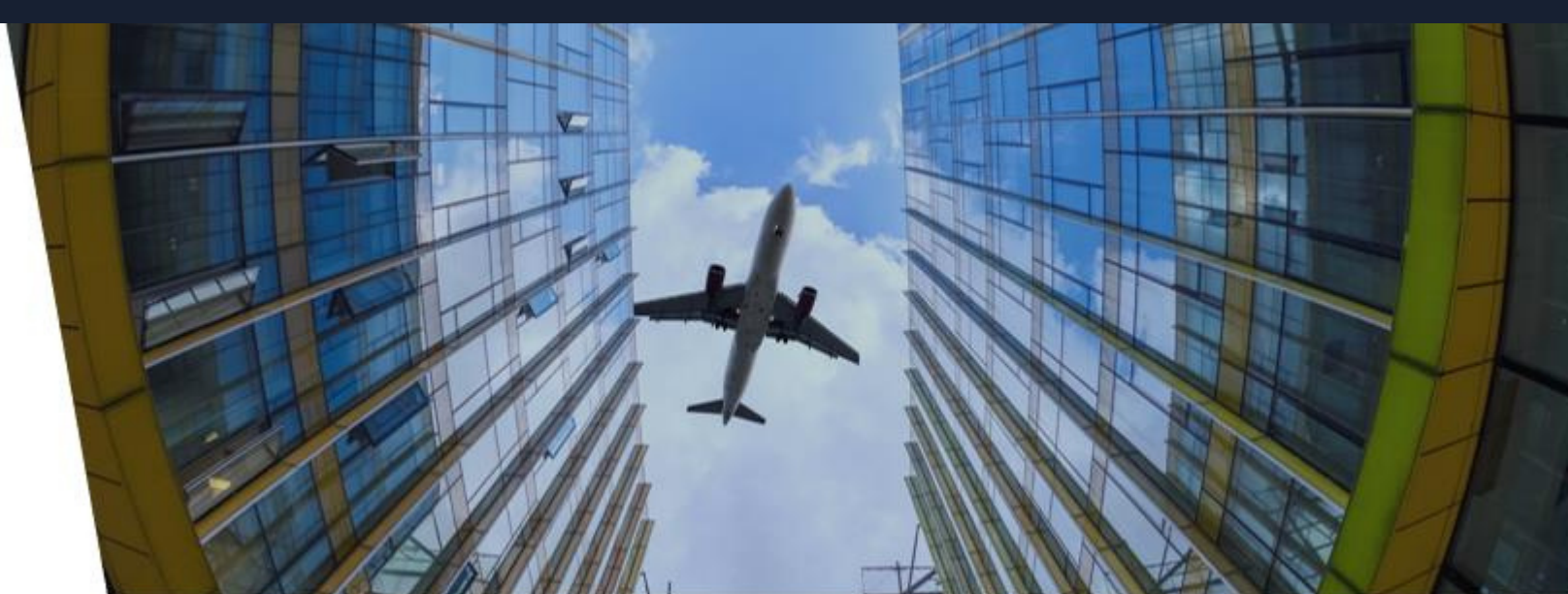
The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis.

This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- Kansas Department of Revenue: sales tax data by industry for Overland Park
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: lodging performance data, including room demand, room rates, occupancy, and room revenue, for hotels
- AirDNA: short-term rental performance data, including demand and revenue





# ECONOMIC IMPACT METHODOLOGY

The analysis of the Overland Park visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Overland Park economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

1. Direct impacts: Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
2. Indirect impacts: Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
3. Induced impacts: Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact -direct, indirect and induced -for a broad set of indicators, including:

- Spending
- Federal Taxes
- Wages
- State Taxes
- Employment
- Local Taxes

## ECONOMIC IMPACT FRAMEWORK





# ECONOMIC IMPACTS KEY FINDINGS

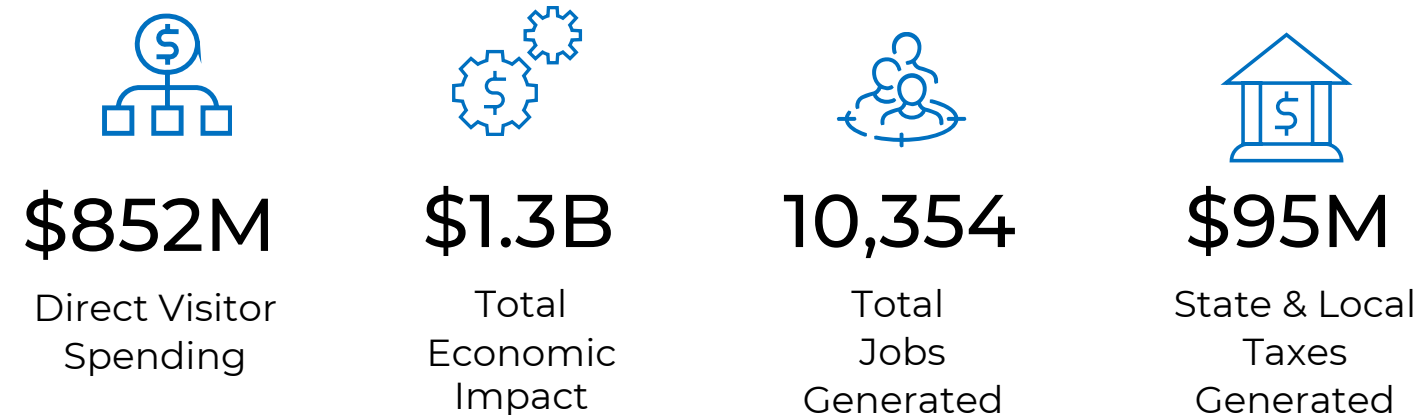
## DIRECT VISITOR SPENDING

Visitor activity increased significantly in 2022. Compared to 2021, spending by visitors grew by more than \$100 million to reach \$852 million.

## TOTAL ECONOMIC IMPACT

Direct visitor spending of \$852 million generated a total of \$1.3 billion in total business sales. This total economic impact included 10,354 jobs, and \$95 million in state and local tax revenues in 2022.

 **\$1.3 BILLION**  
Total Economic Impact of Tourism in Overland Park in 2022



DIRECT VISITOR SPENDING

Visitors to Overland Park spent \$852 million across a wide range of sectors in 2022.

Of the \$852 million spent in Overland Park in 2022 by visitors, spending on food and beverage accounted for \$225 million, 26% of each visitor’s budget.

Transportation within the destination, including purchases of gasoline and dollars spent on parking, registered \$207 million, 25% of visitor spending.

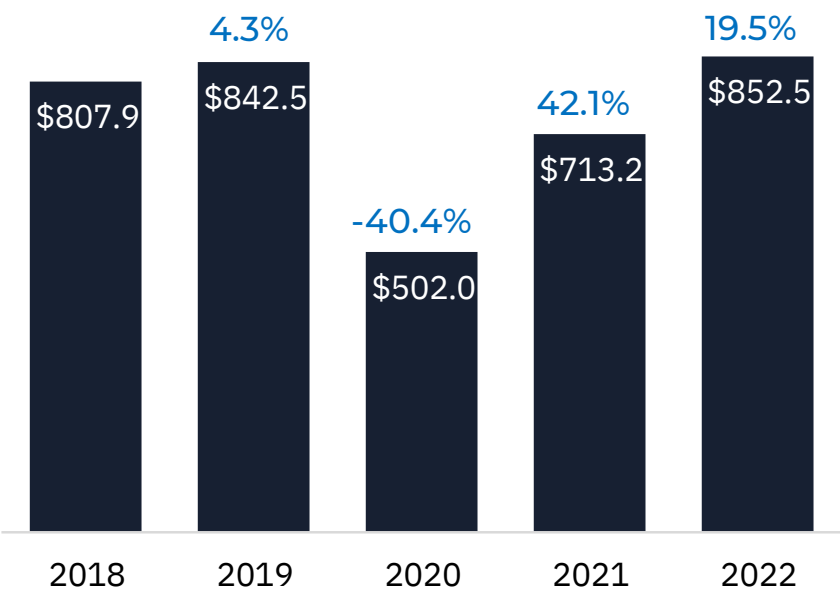
Lodging, including the value of second homes, resulted in \$195 million, 24% of visitor spending.

Retail and recreation each captured 13% of visitor spending.

Spending by day and overnight visitors increased 10.1% and 24.7%, respectively. In 2020 and 2021, day travel outpaced overnight in terms of visitor spending.

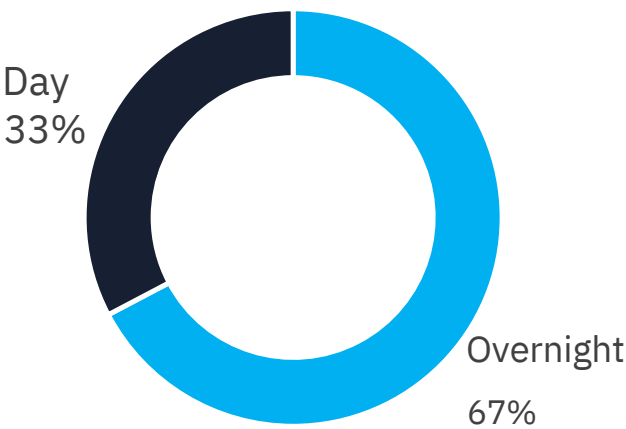
In 2022, however, overnight spending recovered more of its pre-pandemic share of visitor spending.

Overland Park visitor spending  
Amounts in \$ millions



Source: Tourism Economics

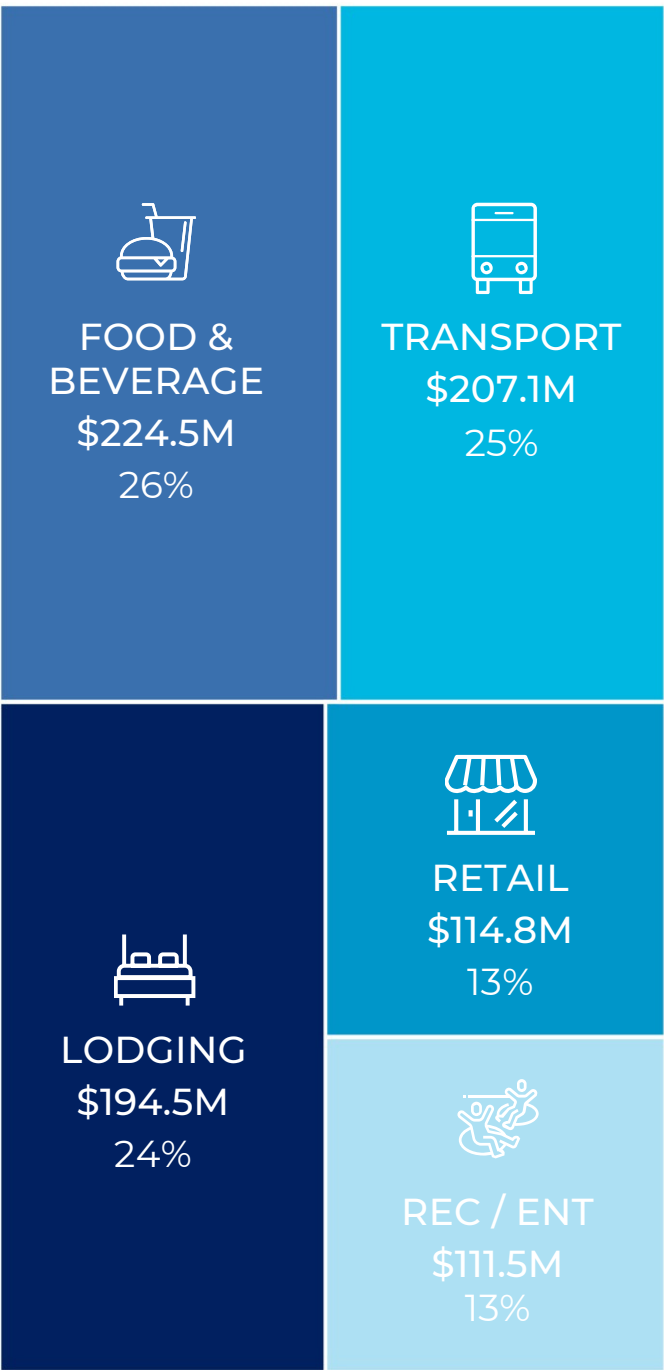
Overland Park spending share by segment  
Percent % of visitor spending by segment



Source: Tourism Economics

\$852 MILLION

Total Visitor Spending in 2022



Source: Tourism Economics

Note: Lodging spending is calculated as an industry. Spending also includes spending on second homes





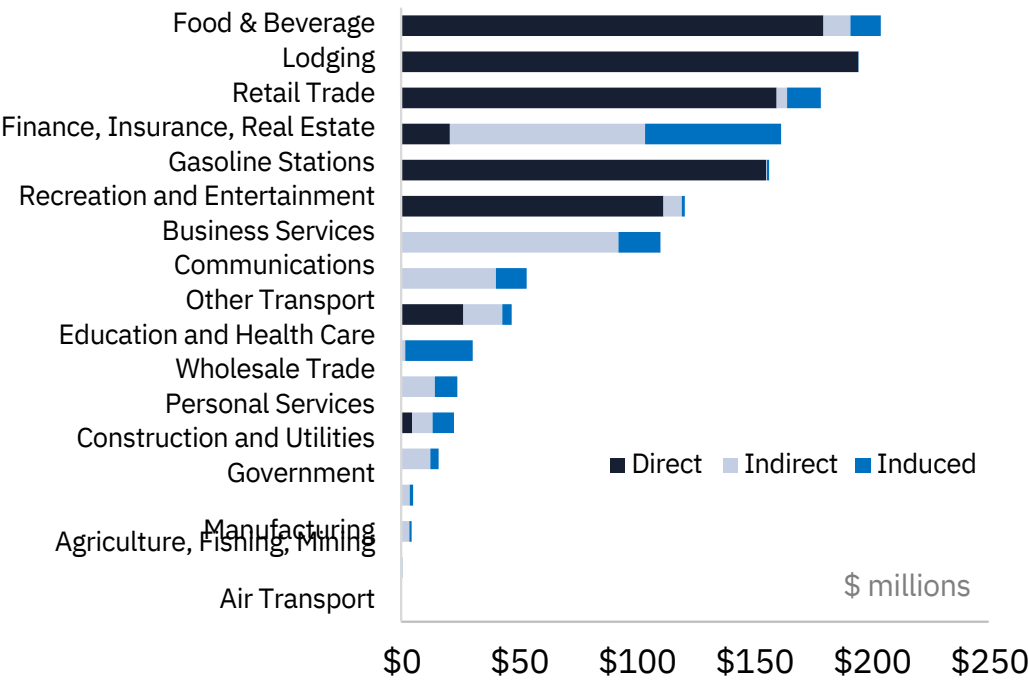
# ECONOMIC IMPACT FINDINGS

## BUSINESS SALES IMPACTS

Visitors contributed a direct impact of \$852 million in 2022. This direct impact led to \$477 million in indirect and induced impacts. In total, visitors to Overland Park generated over \$1.3 billion in business sales.

Tourism business sales impacts by industry (2022)

Amounts in \$ millions



Source: Tourism Economics

## JOB IMPACTS

Visitor activity sustained 7,843 direct jobs in 2022, with an additional 2,510 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to 10,354 in 2022, approximately one of every 46 jobs in Johnson County (2.2%).

**\$406M**  
DIRECT AND INDUCED  
LABOR INCOME\*

\*Labor income illustrates wages taken home by visitor-supported workers and put back into the local economy.





ECONOMIC IMPACT FINDINGS  
FISCAL (TAX) IMPACTS

Visitor spending generated \$181.8 million in government revenues in 2022.  
State and local taxes alone tallied \$94.7 million in 2022.  
Each household in Overland Park would need to be taxed an additional \$1,171 to replace the visitor-generated taxes received by state and local governments in 2022.

**\$95M**  
STATE AND LOCAL  
TAXES

**\$1,171**  
IN TAX SAVINGS TO  
OVERLAND PARK  
HOUSEHOLDS



Visitor-supported revenues to state government increased to \$50.9 million in 2022. The majority of state revenues are from sales taxes, with property taxes, corporate taxes, and excise and fees adding an additional \$25 million to state revenues.  
Local tax revenues from visitor activity rose to \$43.8 million with property taxes, room taxes, and fees supporting local government revenues from visitor spending.

Fiscal (tax) impacts

Amounts in \$ millions

	State	Local
Total Tax Revenues	\$50.9	\$43.8
Sales	\$25.5	\$16.3
Lodging		\$10.4
Personal Income	\$10.3	
Corporate	\$2.2	
Excise and Fees	\$2.0	\$1.4
Property	\$10.8	\$15.7

Source: Tourism Economics

# **\$44M** IN LOCAL TAX REVENUE

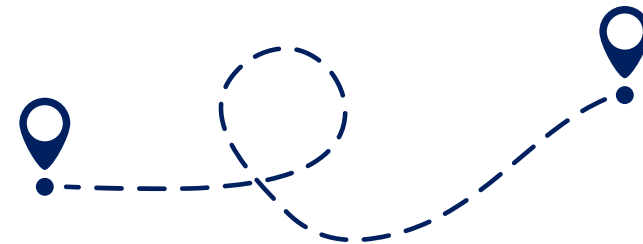
**WHICH IS ENOUGH TO...**



**PAY THE ANNUAL  
SALARIES OF  
~798 OVERLAND  
PARK TEACHERS**



**PAY FOR 877 ADDITIONAL  
POLICE CARS  
(OR 722 OFFICER ANNUAL  
SALARIES)**



**OVERLAY 240 LANE  
MILES IN ROAD REPAIR**



**SAVE EACH  
HOUSEHOLD IN OP  
\$1,171 IN PROPERTY  
TAXES ANNUALLY**



# APPENDIX A: ADDITIONAL CALCULATIONS

## SPENDING PER VISITOR

Visitors to Overland Park spent approximately \$183 per visitor in 2022. This translates to approximately 4.7 million visitors, a 12% increase in visitor volume and a 7% increase in per-person spending.

## VISITOR SPENDING VS. LOCAL DEMAND: FOOD AND BEVERAGE

Visitors to Overland Park spent \$224.5 million on food and beverage in 2022. Discounting spending in grocery stores, visitors spent \$179.6 million; this accounts for approximately 34% of all restaurant spending in Overland Park.

With strong growth in food and beverage spending and a large share of total spending, Overland Park’s visitor economy is a driver for Overland Park’s food and beverage industry.

## Overland Park restaurant spending share by segment

Percent % of visitor spending by segment



Source: Tourism Economics



# ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly- specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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