

2017 Economic Impact of Tourism in Tippecanoe County

Methodology, Metrics and Evaluation



Indiana Office of Tourism Development

- 2017 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

- Smith Travel Research

IMPLAN Model

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

Tippecanoe County Tourism Economic Impact

Value-Added_(GDP)

Wages &
Income

Jobs

Taxes

Study Overview

A research cooperative was formed in 2017 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 2017 Economic Impact Study of Tourism in Tippecanoe County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

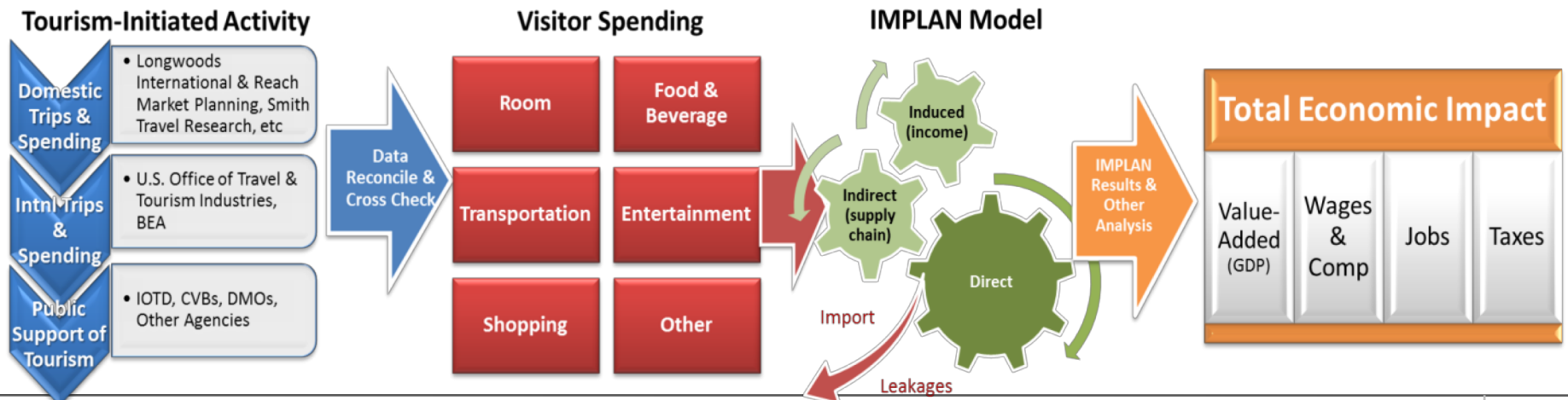
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Tippecanoe 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 2017 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. >>

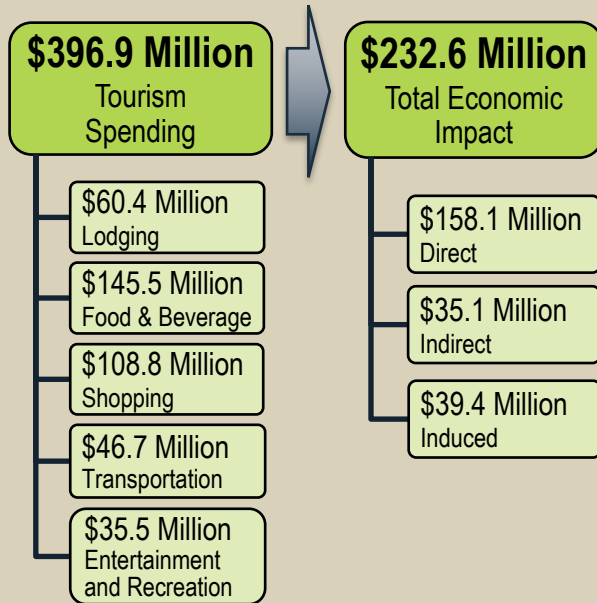
Methodology Cont.

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 Tippecanoe 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 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.

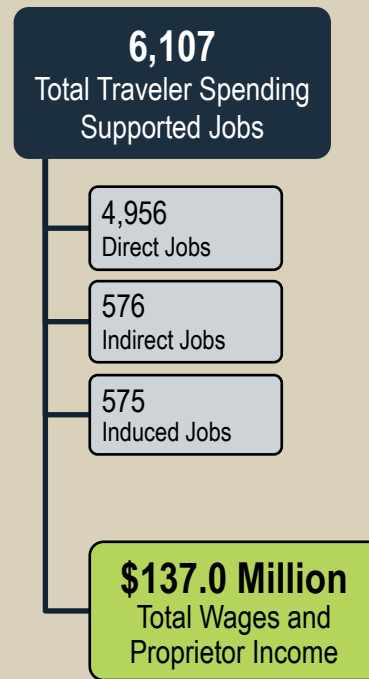


Tourism and Impact



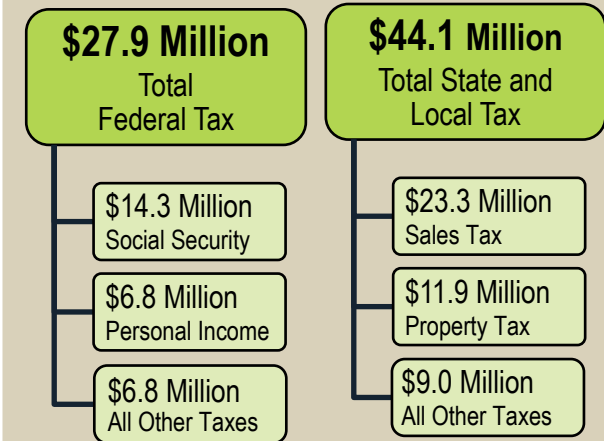
For every tourism dollar spent in Tippecanoe County in 2017, **\$0.59 cents** 'stayed' local and contributed directly to the gross county product of Tippecanoe County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **41 cents** of every dollar is 'leaked' to the supply chain outside of Tippecanoe County.

Jobs and Wages



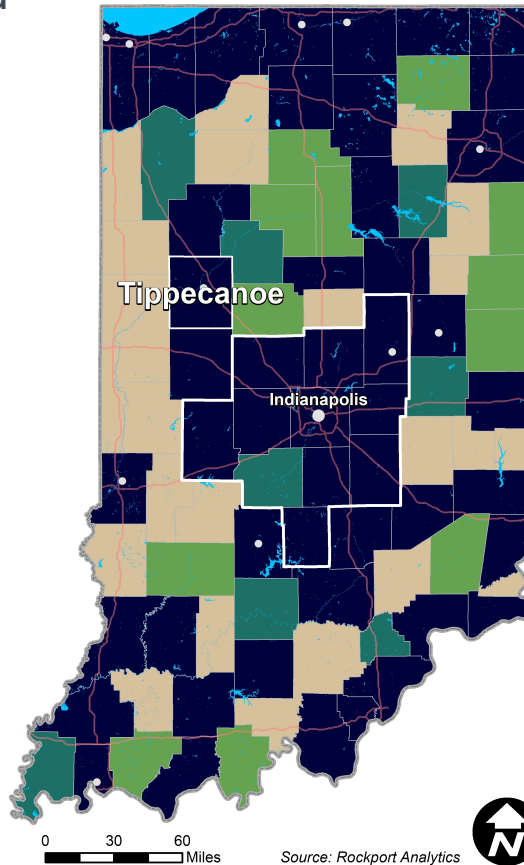
For every **\$64,999** spent on tourism in Tippecanoe County in 2017 supported a job, resulting in an average of **\$22,434** in gross wages. This includes jobs in the industries directly supporting the visitor such as the **arts and retail trade** but also in supply chain sectors like **transportation**. The income of direct and indirect workers also goes to support industries like **arts, retail trade, and transportation**.

Tax Revenue Generated

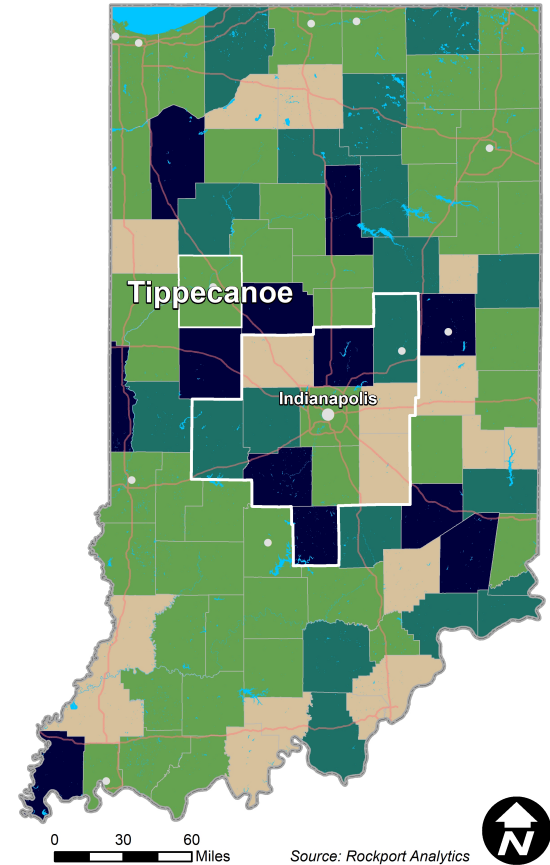


For every **\$1.00** spent on tourism in Tippecanoe County in 2017, **7 cents** goes to federal taxes and **11 cents** goes to state and local taxes. **Federal tax collections** include corporate & personal income taxes, excise taxes and social security collections. **State and local tourism-derived taxes** include sales taxes, property taxes and lodging taxes.

Total Spending by County, 2017



Spending Growth by County, 2017

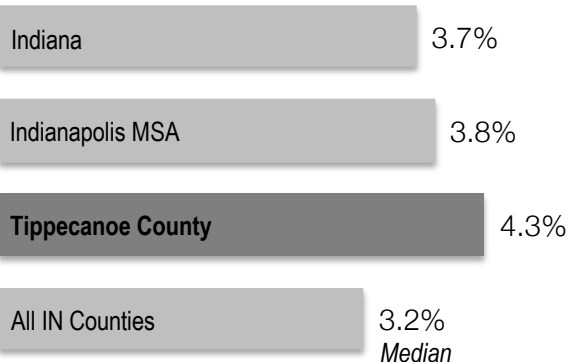


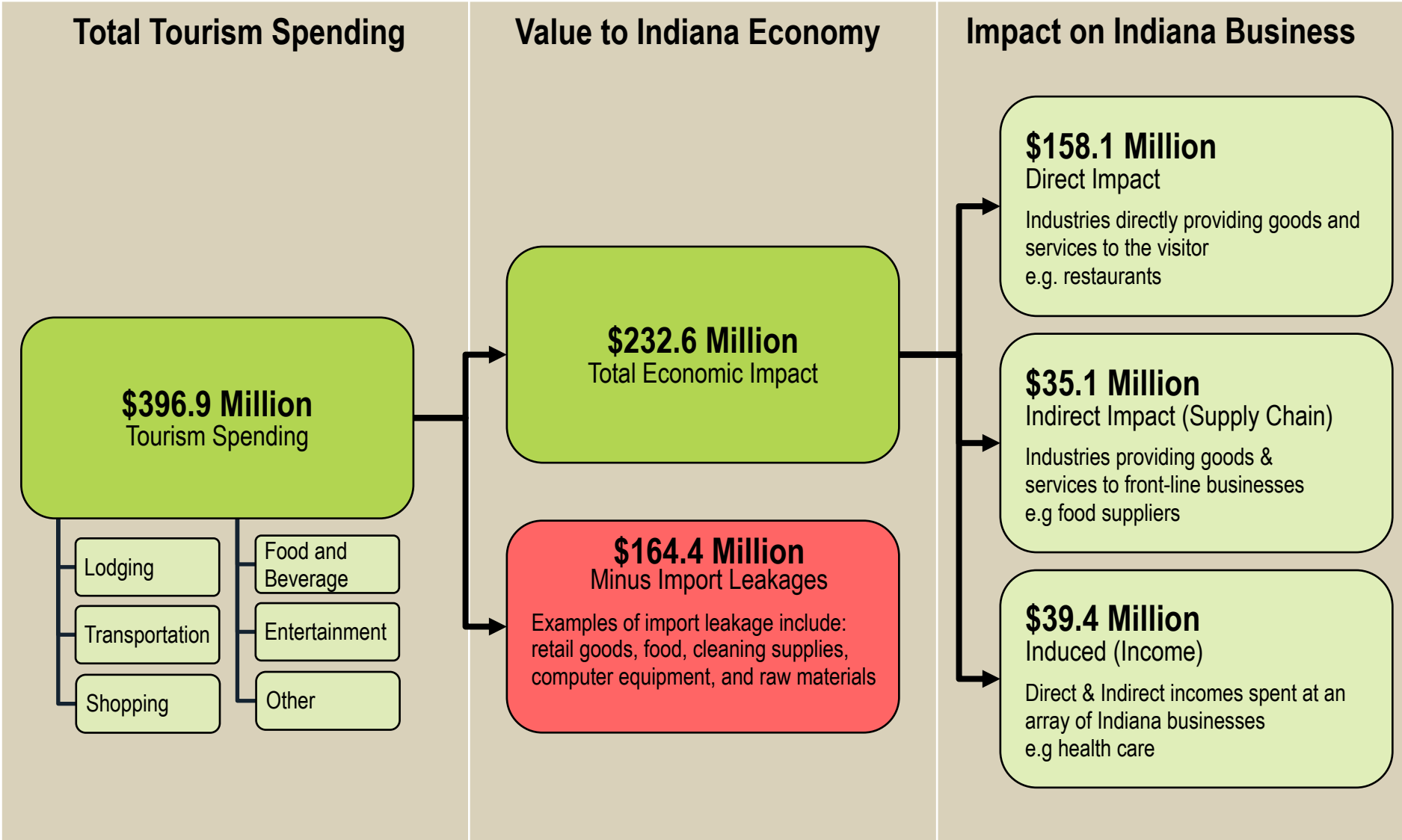
Tippecanoe County 2017 Tourism Report Card

Tourism Sales Per Capita	\$2,082.75
Tourism Spend Per Capita Ranking	#16 of 92
2017 Spending by Visitors (Millions)	\$396.9
County Ranking of Tourism Spend	#8 of 92
2017 Tourism Spending Growth	4.3%
2017 Tourism Growth Ranking	#38 of 92

Annual Growth in 2017 Tourism Spending

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

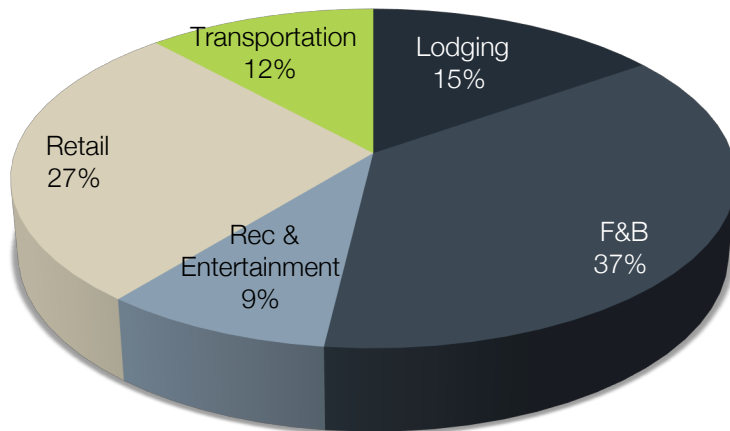




Food & Beverage accounts for the largest share of tourism spend in Tippecanoe County, totaling **37% of visitor expenditures**.

Distribution of Tourism Spending

\$396.9 Million USD



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

Note: Spending estimation methodology was changed slightly in 2017 to account for the addition of Tippecanoe County to the Indianapolis MSA. To reflect these changes, 2016 totals were also revised so that all reported growth rates are valid.

Expenditure Category	2017	2016-17 Growth
Lodging	\$ 60,352,407	7.5%
F&B	\$ 145,535,285	5.7%
Rec & Entertainment	\$ 35,511,846	0.7%
Retail	\$ 108,822,991	2.3%
Transportation	\$ 46,722,301	3.3%
Total	\$ 396,944,830	4.3%

Categorical Spending Shares: State Comparisons

	Tippecanoe County	Indiana
Lodging	15%	16%
F&B	37%	28%
Rec & Entertainment	9%	18%
Retail	27%	22%
Transportation	12%	16%
Total	100%	100%

2017 Economic Impact Summary (Compared to 2016)

2017 Metric	Direct	Indirect	Induced	Total
Total Spending				\$396,944,830
<i>2017 Y/Y Growth</i>				4.3%
Economic Impact (GDP)	\$158,126,627	\$35,096,705	\$39,363,277	\$232,586,609
<i>2017 Y/Y Growth</i>	3.8%	4.3%	4.0%	3.9%
Wages	\$97,690,577	\$18,975,927	\$20,333,579	\$137,000,083
<i>2017 Y/Y Growth</i>	4.0%	4.3%	4.0%	4.0%
Jobs	4,956	576	575	6,107
<i>2017 Y/Y Growth</i>	2.2%	2.5%	2.3%	2.3%
Tax Receipts				\$72,028,597
<i>2017 Y/Y Growth</i>				4.1%

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.

Tippecanoe Tourism: 2017 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	\$68,708	\$2,011	\$2,342	\$73,062
Retail trade	\$23,765	\$649	\$5,410	\$29,825
Accommodations	\$24,943	\$27	\$14	\$24,983
Real estate & rental	\$2,328	\$9,449	\$11,935	\$23,712
Transportation & Warehousing	\$19,434	\$1,221	\$411	\$21,066
Arts- entertainment & recreation	\$18,949	\$167	\$368	\$19,483
Health & social services	\$0	\$6	\$8,398	\$8,404
Finance & insurance	\$0	\$3,115	\$2,952	\$6,067
Professional- scientific & tech services	\$0	\$4,854	\$1,168	\$6,022
Administrative & waste services	\$0	\$4,131	\$926	\$5,058
Other services	\$0	\$1,196	\$2,051	\$3,247
Government & non NAICs	\$0	\$2,691	\$522	\$3,213
Information	\$0	\$2,074	\$739	\$2,813
Wholesale Trade	\$0	\$872	\$1,037	\$1,908
Construction	\$0	\$1,230	\$311	\$1,540
Utilities	\$0	\$743	\$237	\$980
Educational services	\$0	\$40	\$423	\$462
Management of companies	\$0	\$386	\$30	\$415
Manufacturing	\$0	\$226	\$76	\$302
Ag, Forestry, Fish & Hunting	\$0	\$8	\$14	\$22
Mining	\$0	\$1	\$1	\$2
Total	\$158,127	\$35,097	\$39,363	\$232,587
Total - 2017	\$152,298	\$33,656	\$37,836	\$223,790
% change	3.8%	4.3%	4.0%	3.9%

Source: Rockport Analytics, IMPLAN

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

Tippecanoe Tourism: 2017 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	2,526	74	86	2,686
Transportation & Warehousing	803	17	6	826
Retail trade	555	15	125	695
Accommodations	548	1	0	549
Arts- entertainment & recreation	505	15	10	530
Real estate & rental	19	102	54	174
Administrative & waste services	0	118	27	144
Health & social services	0	0	129	129
Professional- scientific & tech services	0	82	20	102
Other services	0	28	49	76
Finance & insurance	0	24	23	47
Information	0	35	8	44
Government & non NAICs	0	28	6	34
Construction	0	20	4	24
Educational services	0	2	18	20
Wholesale Trade	0	7	9	16
Management of companies	0	4	0	4
Manufacturing	0	3	1	3
Utilities	0	2	1	2
Ag, Forestry, Fish & Hunting	0	0	0	0
Mining	0	0	0	0
Total	4,956	576	575	6,107
Total - 2017	4,848	562	563	5,972
% change	2.2%	2.5%	2.3%	2.3%

Source: Rockport Analytics, IMPLAN

Tourism is the 6th Largest Industry in Tippecanoe County

2017 Tourism in Tippecanoe County: Ranking of Major Industries By Total Employment

Rank	Industry	2017 Reported	2017 Tourism Extracted	% of Total Employment	16-17 Growth Rate
1	Government	26,252	26,252	28.0%	-0.6%
2	Manufacturing	15,219	15,219	16.3%	1.9%
3	Health & Social Services	11,486	11,486	12.3%	2.6%
4	Retail trade	9,481	8,926	9.5%	-2.1%
5	Accomodation & Food Services	8,631	5,557	5.9%	1.4%
6	Tourism	N/A	4,956	5.3%	2.2%
7	Administrative & Waste Services	4,452	4,452	4.8%	1.7%
8	Other Services	3,297	3,297	3.5%	4.1%
9	Construction	3,055	3,055	3.3%	1.8%
10	Professional Services	2,746	2,746	2.9%	5.4%
11	Finance & Insurance	2,021	2,021	2.2%	0.7%
12	Wholesale Trade	1,831	1,831	2.0%	4.6%
13	Real Estate	1,296	1,277	1.4%	3.9%
14	Transportation & Warehousing	1,968	1,165	1.2%	5.9%
15	Information	804	804	0.9%	-7.1%
16	Educational Services	192	192	0.2%	-1.6%
17	Management of Companies	182	182	0.2%	3.6%
18	Utilities	96	96	0.1%	-1.7%
19	Arts, Entertainment & Recreation	570	65	0.1%	17.0%
20	Mining	22	22	0.0%	1.9%
	Total County Employment	93,602	93,602	100%	1.2%

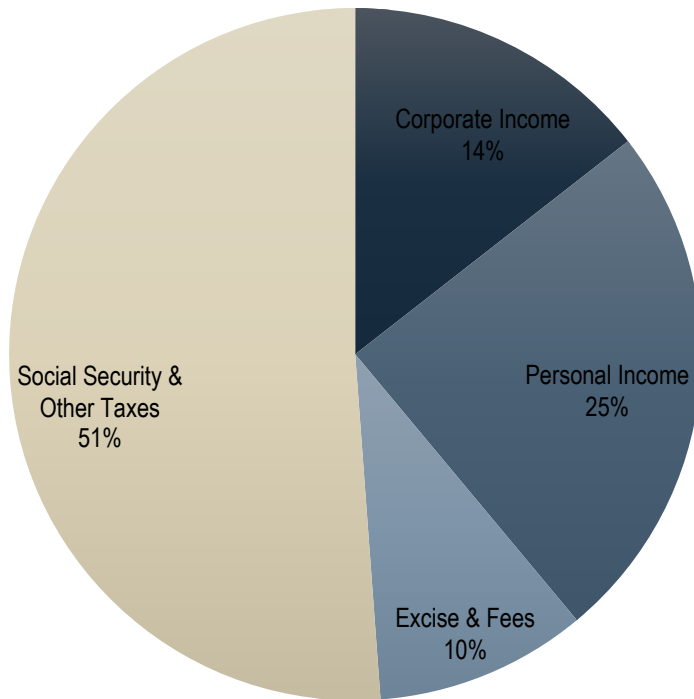
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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 Tippecanoe's Tourism Industry"

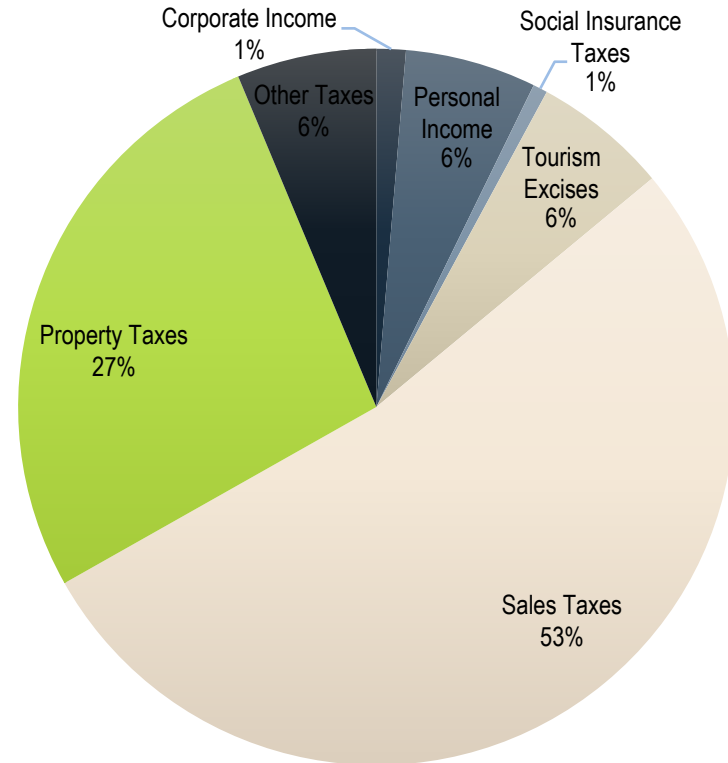
Federal Taxes

2017 Tax Total: \$27.9 Million



State & Local Taxes

2017 Tax Total: \$44.1 Million



2017 Total County Tourism-Initiated Taxes: \$72.0 Million

2016 – 2017 Tourism Tax Revenue Collections

	2016	2017	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$3,878.4	\$4,028.1	3.9%
Personal Income	\$6,564.0	\$6,828.7	4.0%
Excise & Fees	\$2,661.4	\$2,757.6	3.6%
Social Security & Other Taxes	\$13,708.1	\$14,265.3	4.1%
Federal Total	\$26,812.0	\$27,879.7	4.0%
State & Local			
Corporate Income	\$561.3	\$583.0	3.9%
Personal Income	\$2,512.2	\$2,613.5	4.0%
Social Insurance Taxes	\$276.8	\$288.1	4.1%
Tourism Excises			
Hotel Tax	\$2,428.3	\$2,528.5	4.1%
Food & Beverage	\$0.0	\$0.0	
Rental Car Excise	\$153.0	\$161.7	5.7%
Sales Taxes	\$22,332.6	\$23,324.0	4.4%
Property Taxes	\$11,453.6	\$11,867.7	3.6%
Other Taxes	\$2,686.6	\$2,782.5	3.6%
State & Local Tax Total	\$42,404.2	\$44,148.9	4.1%
Total County Tourism-Initiated Taxes	\$69,216.2	\$72,028.6	4.1%

- Tippecanoe County tourism generated over \$72.0 million in total taxes in 2017, up 4.1% over 2016.
- Federal tax collections resulting from tourism in Tippecanoe County include income taxes and social security and totaled \$27.9 million in 2017.
- State & local tax collections totaled \$44.1 million, including \$23.3 million in sales taxes contributing to state collections and \$11.9 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Tippecanoe County?

By Promoting a Healthy Job Market

Approximately 5.3% of all jobs in Tippecanoe County are supported by tourism to the region. In addition to the hotel and restaurant industry, tourism directly supports jobs in arts, retail trade, and transportation.

By Contributing to the Health of the Public Education System

Revenue collected from tourism in Tippecanoe County is sufficient to support 4,558 Indiana public school students.

By Playing a Significant Role in the County's Industrial Make up

Tourism is the 6th largest industry (5th not including Government) in Tippecanoe County (by jobs).

By Providing Tax Revenue to Support Federal, State & Local Government

In addition to hotel occupancy levies (\$2.5 million in 2017), Tippecanoe County tourism activity generated \$583,000 in Indiana corporate taxes, \$2.6 million in Indiana personal income tax, and \$11.9 million in local property taxes during 2017.

By Helping to Relieve the Tax Burden of Tippecanoe County Households

If Tippecanoe County tourism did not exist, each of the 75,912 households in the county would have to pay an additional \$582 per year in taxes to maintain current state & local tax levels.

By Capturing and Retaining the Expenditures Made By Visitors

Of every dollar spent by visitors in Tippecanoe County, 59¢ in economic impact is returned to the local area.



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