



# 2020 Economic Contribution of Tourism in Tippecanoe 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](http://www.implan.com)

## Tippecanoe 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 (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 Tippecanoe County was conducted by Rockport Analytics, an independent market & economic research firm.

## Methodology

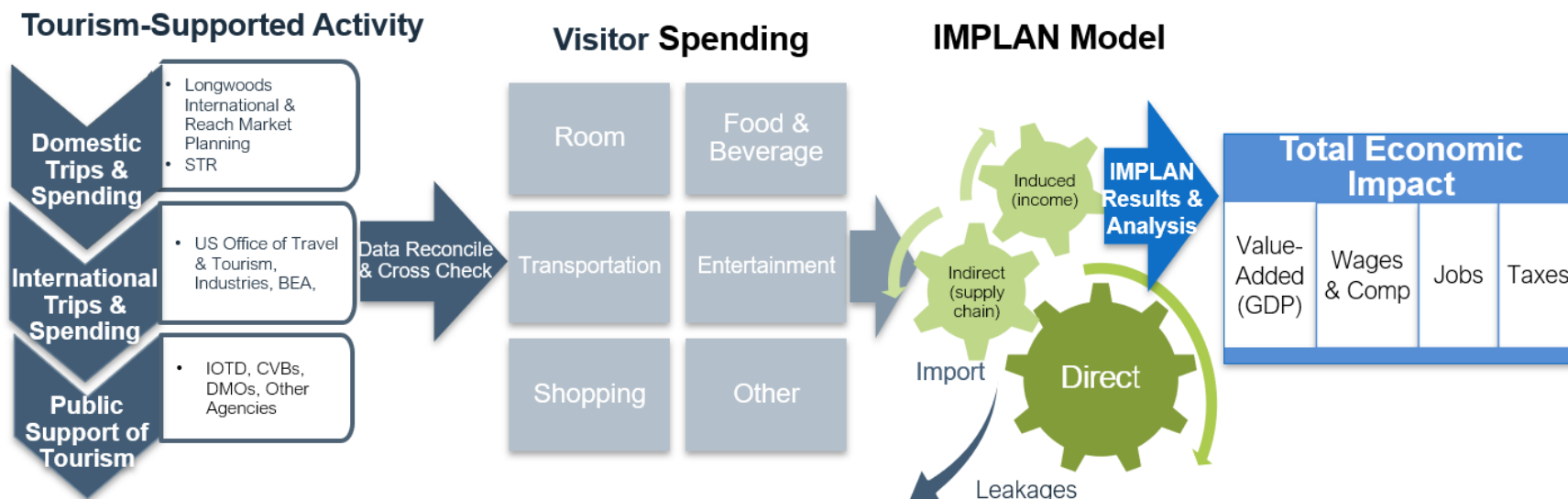
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct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

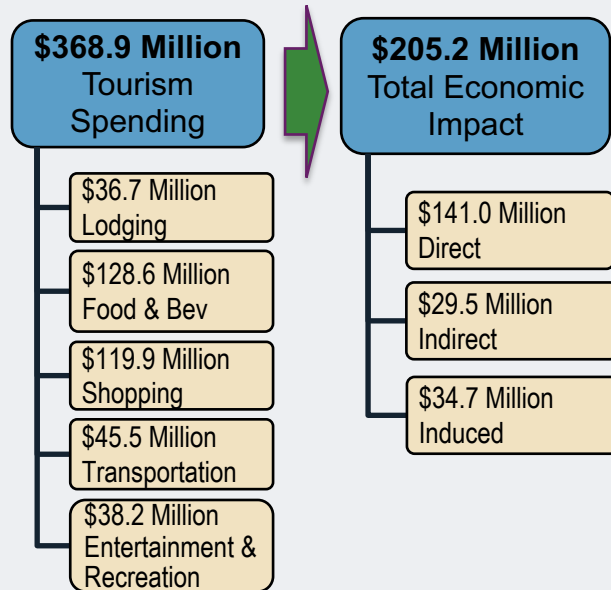
An economic model of Indiana is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Tippecanoe County ([www.implan.com](http://www.implan.com)), a non-proprietary economic model that is the defacto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

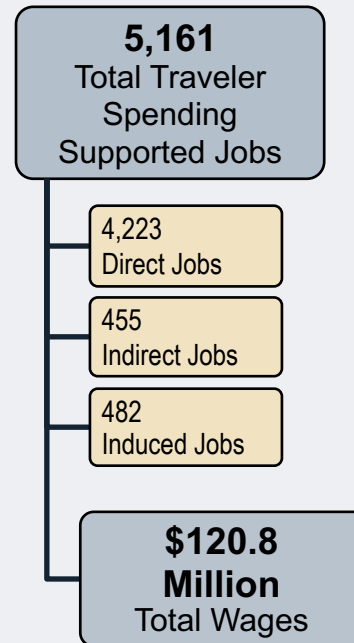
## Tourism and Impact



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”.

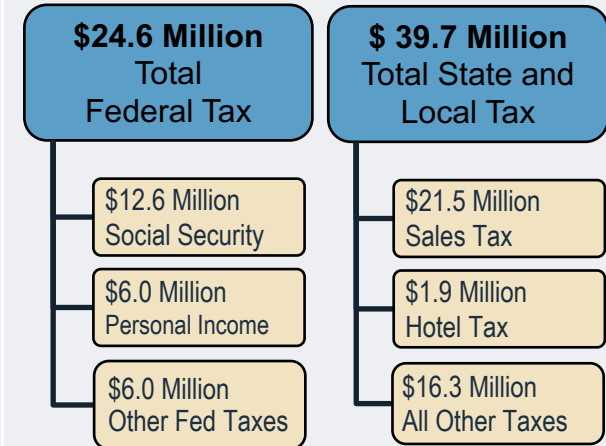
For every dollar spent by Tippecanoe County visitors in 2020, **56 cents** ‘stayed’ local and contributed directly to the gross county product of Tippecanoe County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **44 cents** of every dollar is ‘leaked’ to the supply chain outside of Tippecanoe County.

## Jobs and Wages



Every **\$71,477** spent by people visiting Tippecanoe County in 2020 supported a job, resulting in an average of **\$23,412** 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

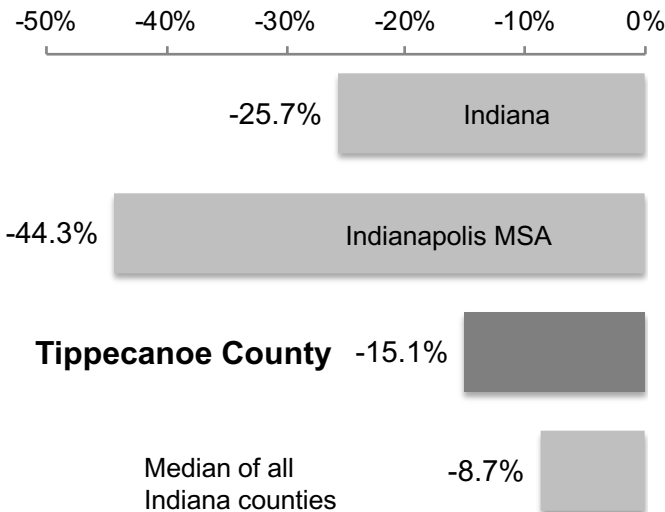


For every **\$1.00** spent by Tippecanoe County visitors in 2020, **7 cents** goes to federal taxes and **11 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

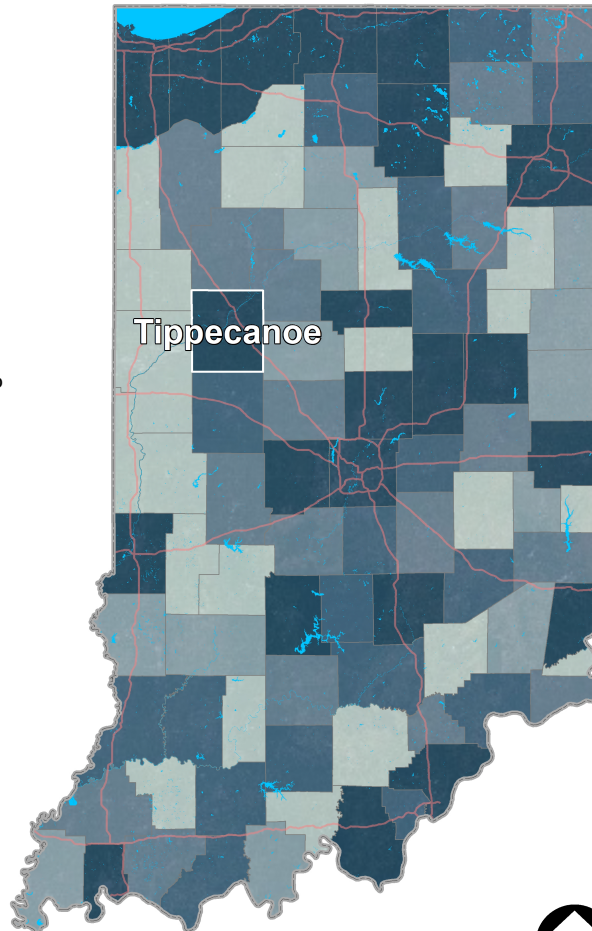
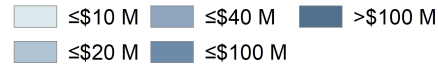
# Tippecanoe County at a Glance

## Tippecanoe County 2020 Tourism Report Card

Tourism Sales Per Capita	\$1,880.9
Tourism Spend Per Capita Ranking	#17 of 92
2020 Spending by Visitors (Millions)	\$368.9
County Ranking of Tourism Spend	#7 of 92
2020 Tourism Spending Growth	-15.1%
2020 Tourism Growth Ranking	#62 of 92



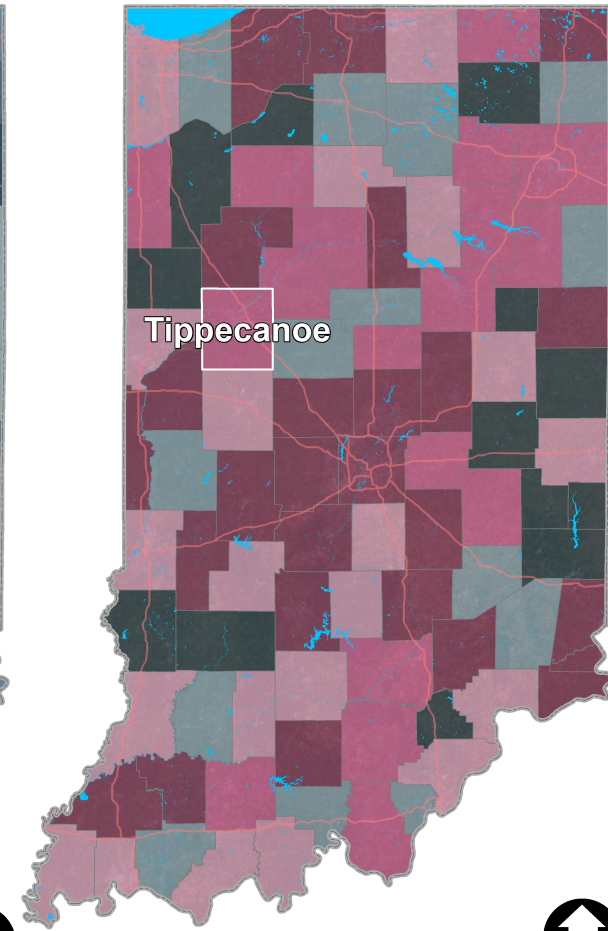
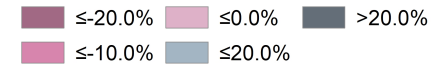
## Total Spending by County, 2020



0 30 60 Miles

Source: Rockport Analytics

## Spending Growth by County, 2020



0 30 60 Miles

Source: Rockport Analytics

# Tourism's Economic Progression in Tippecanoe County

## Tippecanoe County Visitor Expenditures



2020  
**\$368.9 million**



## Tourism Contribution to Tippecanoe County's Economy



Retained in Tippecanoe County  
**\$205.2 million**

Minus Import Leakages  
**- \$163.7 million**

## Value to Tippecanoe County Businesses

Direct Tourism Industry GDP  
**\$141.0 million**

Indirect & Induced Tourism Industry GDP  
**\$64.2 million**

Total Local Workers Supported by Tourism\*  
**5,161**

### 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 Tippecanoe 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.

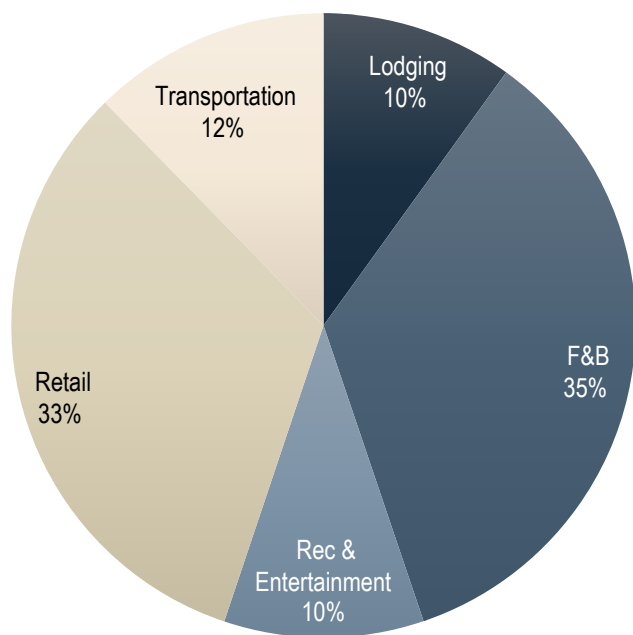
\*Full & part time jobs



# Visitor Spending By Category

**Food & Beverage** accounts for the largest share of tourism spend in Tippecanoe County, totaling **35% of visitor expenditures**.

**Distribution of Spending**  
*\$368.9 Million*



Expenditure Category	2020	2019-20 Change
Lodging	\$ 36,713,370	-41.4%
Food & Beverage	\$ 128,565,146	-19.7%
Rec & Entertainment	\$ 38,163,853	-7.1%
Retail	\$ 119,914,719	0.4%
Transportation	\$ 45,522,769	-11.0%
Total	\$ 368,879,857	-15.1%

**Categorical Spending Shares: State Comparisons**

Category	Tippecanoe County	Indiana
Lodging	10%	12%
Food & Beverage	35%	28%
Rec & Entertainment	10%	17%
Retail	33%	26%
Transportation	12%	17%
Total	100%	100%

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

# Tourism's Bottom Line in Tippecanoe County

## 2020 Economic Contribution Summary (Compared to 2019)

2020 Metric	Direct	Indirect	Induced	Total
Total Spending				\$368,879,857
2020 Y/Y Growth				-15.1%
Economic Impact (GDP)	\$140,974,024	\$29,522,554	\$34,709,677	\$205,206,255
2020 Y/Y Growth	-17.6%	-21.6%	-18.4%	-18.4%
Wages	\$87,170,284	\$15,726,821	\$17,929,568	\$120,826,673
2020 Y/Y Growth	-17.6%	-22.6%	-18.4%	-18.4%
Jobs	4,223	455	482	5,161
2020 Y/Y Growth	-18.8%	-23.7%	-19.8%	-19.3%
Tax Receipts				\$64,295,876
2020 Y/Y Growth				-17.7%

### 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

## Tippecanoe County Tourism: 2020 Economic Contribution (Value Added/GDP)

*Thousands of \$s*

Industry (NAICS)	Direct	Indirect	Induced	Total
Food Services & Drinking Places	\$59,550	\$1,506	\$2,065	\$63,121
Retail Trade	\$26,154	\$575	\$4,770	\$31,499
Real Estate & Rental	\$2,237	\$8,255	\$10,524	\$21,015
Transportation & Warehousing	\$18,831	\$1,104	\$362	\$20,298
Arts, Entertainment & Rec	\$19,659	\$153	\$324	\$20,136
Accommodations	\$14,542	\$23	\$12	\$14,578
Health & Social Services	\$0	\$6	\$7,406	\$7,412
Finance & Insurance	\$0	\$2,723	\$2,603	\$5,326
Professional Services	\$0	\$4,062	\$1,030	\$5,092
Administrative & Waste Services	\$0	\$3,386	\$817	\$4,203
Other Services	\$0	\$1,012	\$1,808	\$2,821
Government	\$0	\$2,168	\$460	\$2,628
Information	\$0	\$1,689	\$652	\$2,341
Wholesale Trade	\$0	\$761	\$914	\$1,675
Construction	\$0	\$951	\$274	\$1,225
Utilities	\$0	\$592	\$209	\$801
Educational Services	\$0	\$41	\$372	\$414
Management of Companies	\$0	\$316	\$26	\$342
Manufacturing	\$0	\$192	\$67	\$259
Ag, Forestry, Fish & Hunting	\$0	\$7	\$12	\$19
Mining	\$0	\$1	\$1	\$2
<b>Total - 2020</b>	<b>\$140,974</b>	<b>\$29,523</b>	<b>\$34,710</b>	<b>\$205,206</b>
Total - 2019	\$171,140	\$37,674	\$42,538	\$251,353
% change	-17.6%	-21.6%	-18.4%	-18.4%

Source: Rockport Analytics, IMPLAN

# Tippecanoe County Citizens Work in a Wide Array of Jobs Supported by Area Visitors

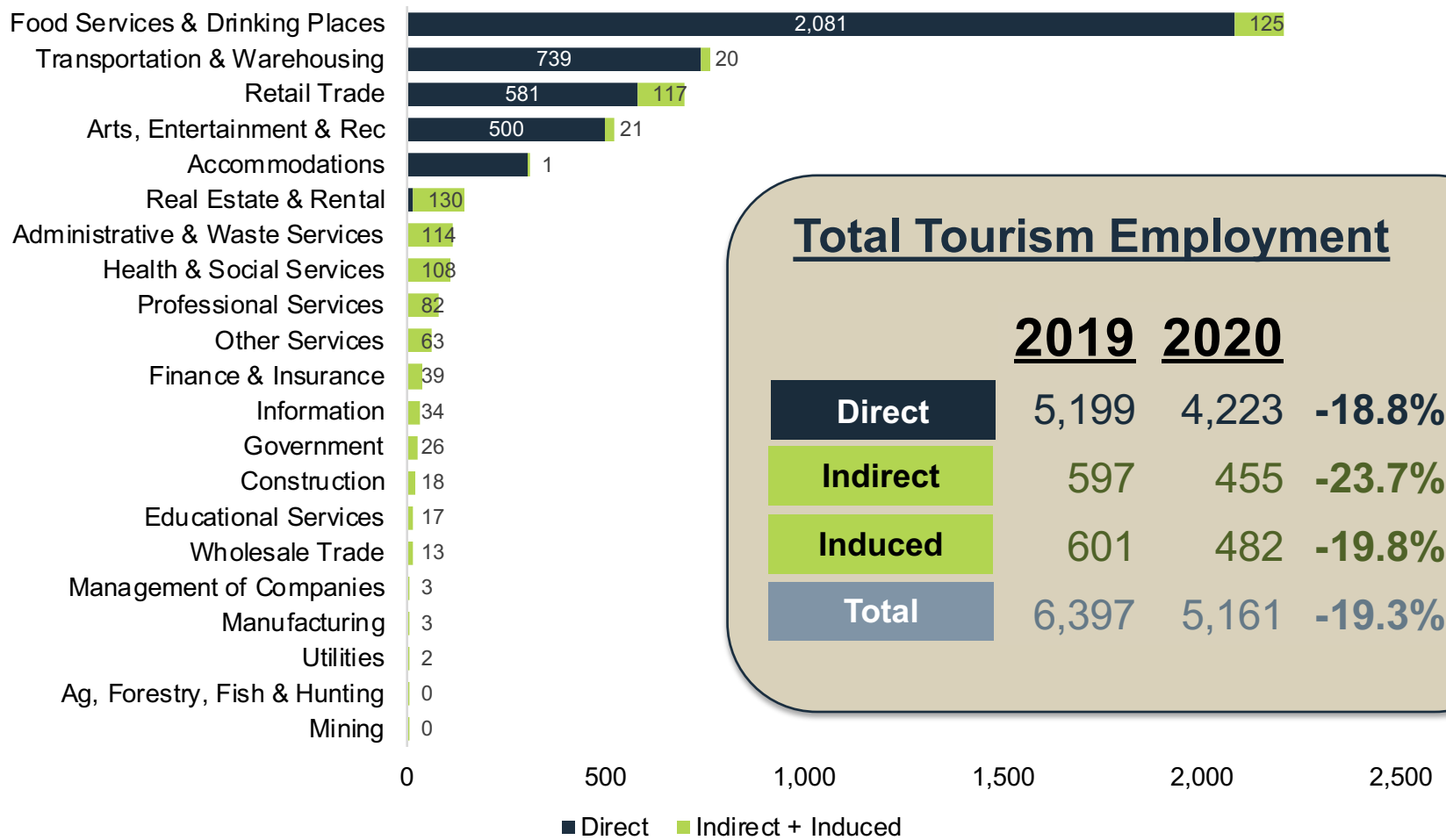
## Tippecanoe County Tourism: 2020 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food Services & Drinking Places	2,081	53	72	2,206
Transportation & Warehousing	739	15	5	759
Retail Trade	581	13	105	699
Arts, Entertainment & Rec	500	13	9	521
Accommodations	304	0	0	304
Real Estate & Rental	17	85	45	147
Administrative & Waste Services	0	92	22	114
Health & Social Services	0	0	108	108
Professional Services	0	65	17	82
Other Services	0	22	41	63
Finance & Insurance	0	20	19	39
Information	0	27	7	34
Government	0	22	5	26
Construction	0	15	3	18
Educational Services	0	2	15	17
Wholesale Trade	0	6	7	13
Management of Companies	0	3	0	3
Manufacturing	0	2	0	3
Utilities	0	1	0	2
Ag, Forestry, Fish & Hunting	0	0	0	0
Mining	0	0	0	0
<b>Total - 2020</b>	<b>4,223</b>	<b>455</b>	<b>482</b>	<b>5,161</b>
Total - 2019	5,199	597	601	6,397
% change	-18.8%	-23.7%	-19.8%	-19.3%

Source: Rockport Analytics, IMPLAN

# Tourism Supported Employment Declines 19% in 2020

## Tippecanoe County Tourism: 2020 Economic Impact



Sources: IMPLAN, Rockport Analytics

\* North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

# Tourism Remains the 6<sup>th</sup> Largest Industry in Tippecanoe County in 2020

## 2020 Tourism in Tippecanoe County: Ranking of Major Industries By Total

Rank	Industry	Employment 2020 Reported	2020 Tourism Extracted	% of Total Employment	19-20 Growth Rate
1	Government	23,502	23,502	26.1%	-9.1%
2	Manufacturing	15,744	15,744	17.5%	-7.5%
3	Health & Social Services	12,604	12,604	14.0%	-0.7%
4	Retail trade	8,335	7,754	8.6%	-6.3%
5	Accommodation & Food Services	7,637	5,252	5.8%	-14.0%
6	<b>Tourism</b>	<b>N/A</b>	<b>4,223</b>	<b>4.7%</b>	<b>-18.8%</b>
7	Other Services	3,862	3,862	4.3%	-6.8%
8	Administrative & Waste Services	3,554	3,554	3.9%	-21.8%
9	Construction	3,319	3,319	3.7%	1.7%
10	Professional Services	3,027	3,027	3.4%	3.4%
11	Wholesale Trade	1,895	1,895	2.1%	-7.8%
12	Finance & Insurance	1,609	1,609	1.8%	-3.6%
13	Transportation & Warehousing	2,057	1,318	1.5%	-1.5%
14	Real Estate	1,293	1,276	1.4%	-3.3%
15	Information	606	606	0.7%	-16.8%
16	Arts, Entertainment & Recreation	674	173	0.2%	-2.1%
17	Educational Services	172	172	0.2%	-14.7%
18	Management of Companies	119	119	0.1%	-16.8%
19	Utilities	79	79	0.1%	-3.6%
20	Mining	17	17	0.0%	5.4%
	<b>Total County Employment</b>	<b>90,106</b>	<b>90,106</b>	<b>100%</b>	<b>-7.4%</b>

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

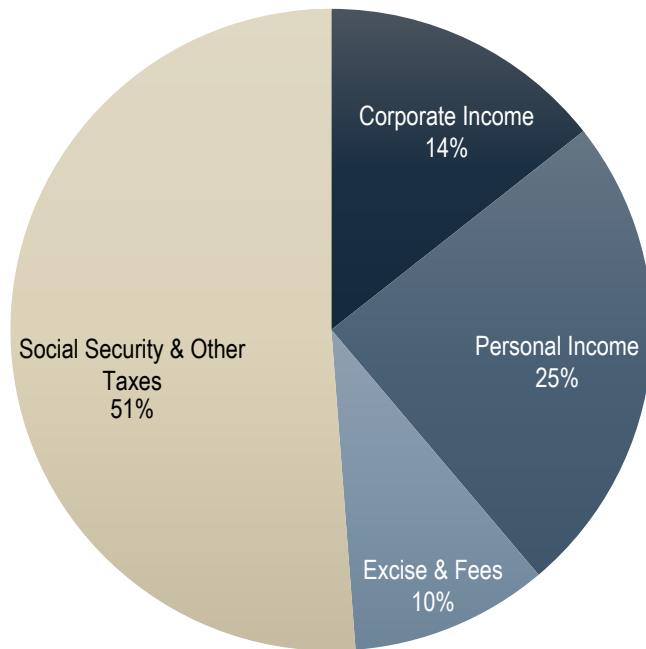
**Reported:** As released by the Bureau of Labor Statistics and the Indiana Department of Labor

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

# Tippecanoe County Visitors Pay and Otherwise Support Many Types of Taxes

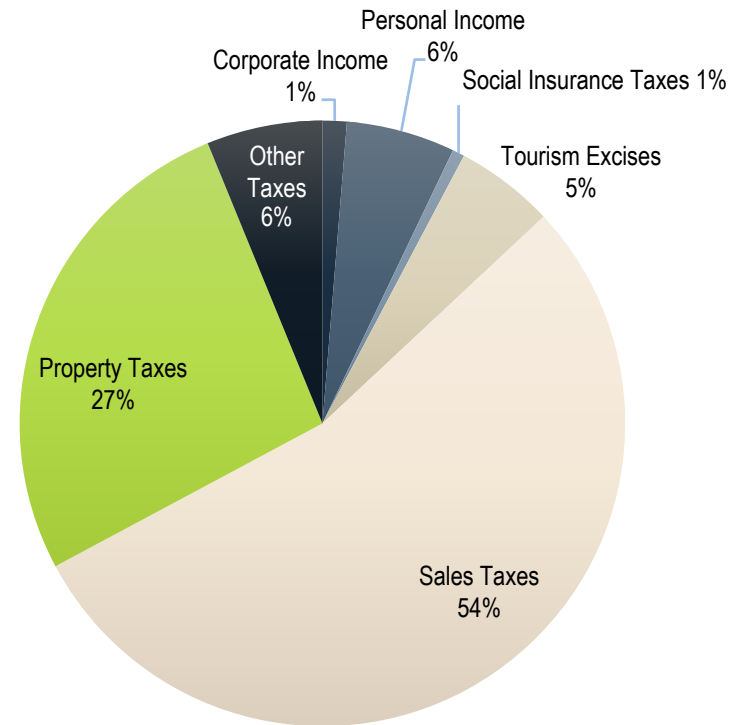
## Federal Taxes

2020 Tax Total: **\$24.6 Million**



## State & Local Taxes

2020 Tax Total: **\$39.7 Million**



2020 Total County Tourism-Initiated Taxes: **\$64.3 Million**

# Tourism-Initiated Tax Revenue

## 2019–2020 Tourism Tax Revenue Collections

	2019	2020	% Change
	<i>Thousands</i>		
<b>Federal: US</b>			
Corporate Income	\$4,349,863	\$3,540,964	-18.6%
Personal Income	\$7,379,429	\$6,020,376	-18.4%
Excise & Fees	\$2,984,546	\$2,455,025	-17.7%
Social Security & Other Taxes	\$15,420,556	\$12,609,212	-18.2%
<b>Federal Total</b>	<b>\$30,134,394</b>	<b>\$24,625,577</b>	<b>-18.3%</b>
<b>State &amp; Local</b>			
Corporate Income	\$629,523	\$512,457	-18.6%
Personal Income	\$2,824,236	\$2,304,102	-18.4%
Social Insurance Taxes	\$311,477	\$255,002	-18.1%
Tourism Excises			
Hotel Tax	\$2,678,890	\$1,938,951	-27.6%
Food & Beverage	-	-	-
Rental Car Excise	\$182,758	\$162,644	-11.0%
Sales Taxes	\$25,526,526	\$21,477,893	-15.9%
Property Taxes	\$12,844,339	\$10,565,100	-17.7%
Other Taxes	\$3,002,914	\$2,454,150	-18.3%
<b>State &amp; Local Tax Total</b>	<b>\$48,000,663</b>	<b>\$39,670,299</b>	<b>-17.4%</b>
<b>Total County Tourism-Initiated Taxes</b>	<b>\$78,135,057</b>	<b>\$64,295,876</b>	<b>-17.7%</b>

- Tippecanoe County visitors supported more than \$64.2 million in total taxes in 2020, down 17.7% from 2019.
- Federal tax collections resulting from tourism in Tippecanoe County include income taxes and social security and totaled \$24.6 million in 2020.
- State & local tax collections totaled \$39.7 million, including more than \$21.4 million in sales taxes and more than \$10.5 million in local property taxes.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

## How Does Tourism Benefit Tippecanoe County?



### Promoting a Healthy Job Market

- Approximately 4.7% of all people working in Tippecanoe County are supported by visitors to the county.
- Tippecanoe County families with an individual working in Tourism averaged \$20,641 in wages during 2020. This included both full and part-time workers.
- Tourism is the 6<sup>th</sup> largest industry (5<sup>th</sup> not including Government) in Tippecanoe County (by jobs).



### Contributing to Public Education & Other Government Services

- State & local (S&L) tax revenue collected from tourism in Tippecanoe County is sufficient to fund more than 3,770 Indiana public school students.\*
- S&L tax collections were enough to fund roughly 760 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 11 cents of each visitor dollar went towards the payment of state and local taxes (S&L).
- If tourism did not exist, each of the 79,960 families in Tippecanoe County would have to pay an additional \$500 per year in taxes to maintain current levels of state & local government services.



### Benefiting County Businesses

- Visitors generated top-line sales totaling \$205 million benefiting a broad array of local businesses.
- Businesses that directly served visitors saw value-added of roughly \$141 million in 2020, down 21.6% from 2019.
- In 2020, tourism supply chain businesses received value-added of \$29.5 million.



### Capturing & Retaining Dollars Spent by Visitors

- Of every dollar spent by visitors to Tippecanoe County, 56¢ in economic impact is returned to the local area.
- Of every dollar spent by visitors to Tippecanoe County, 33¢ went toward paying the salaries of more than 5,161 area citizens.



# Rockport Analytics

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