

2017 Economic Impact of Tourism in Monroe 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

Monroe 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 Monroe County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

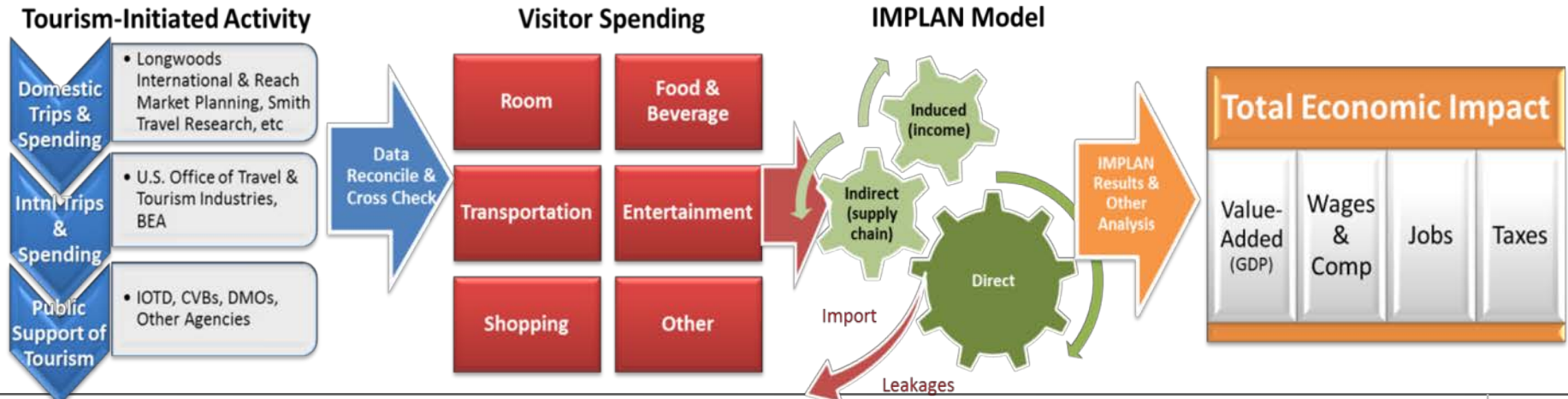
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct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

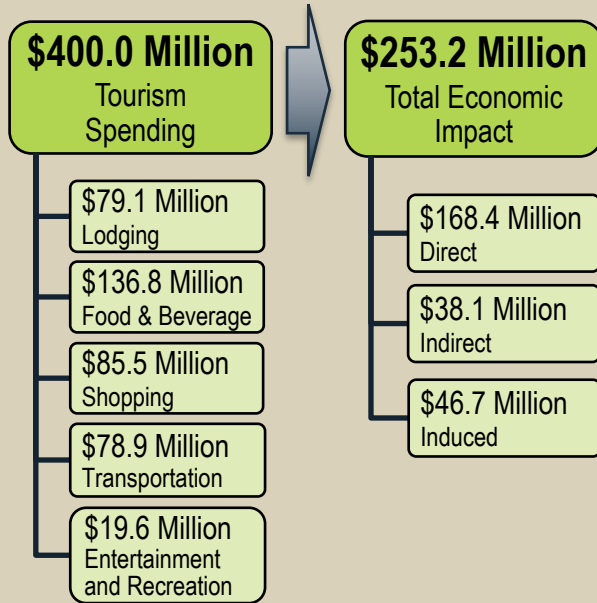
An economic model of Indiana is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Monroe County (www.implan.com), a non-proprietary economic model that is the defacto standard for most economic impact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



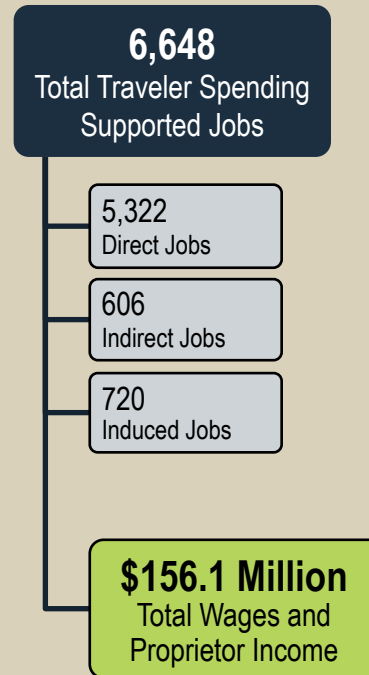
2017 Monroe County Tourism Highlights

Tourism and Impact



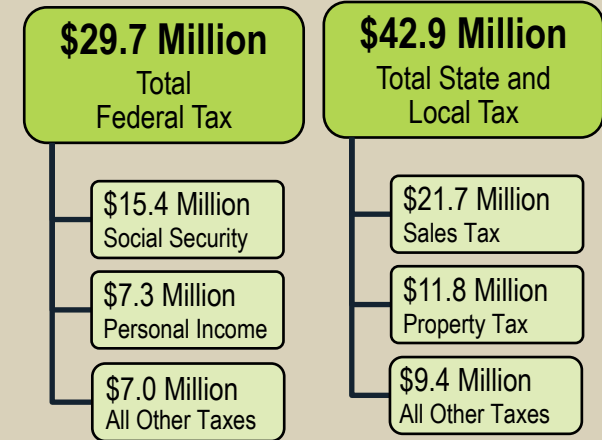
For every tourism dollar spent in Monroe County in 2017, **\$0.63 cents** 'stayed' local and contributed directly to the gross county product of Monroe County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **37 cents** of every dollar is 'leaked' to the supply chain outside of Monroe County.

Jobs and Wages



For every **\$60,165** spent on tourism in Monroe County in 2017 supported a job, resulting in an average of **\$23,479** 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



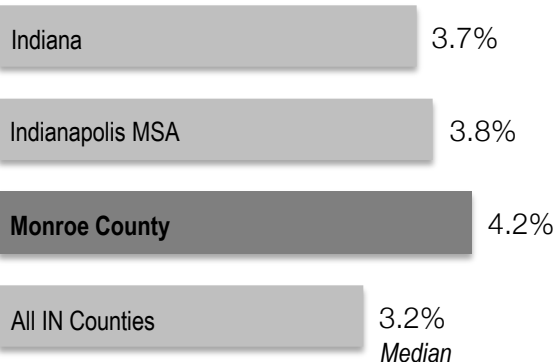
For every **\$1.00** spent on tourism in Monroe County in 2017, **7 cents** goes to federal taxes and **11 cents** goes to state and local taxes. **Federal tax collections** include corporate & personal income taxes, excise taxes and social security collections. **State and local tourism-derived taxes**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

Monroe County 2017 Tourism Report Card

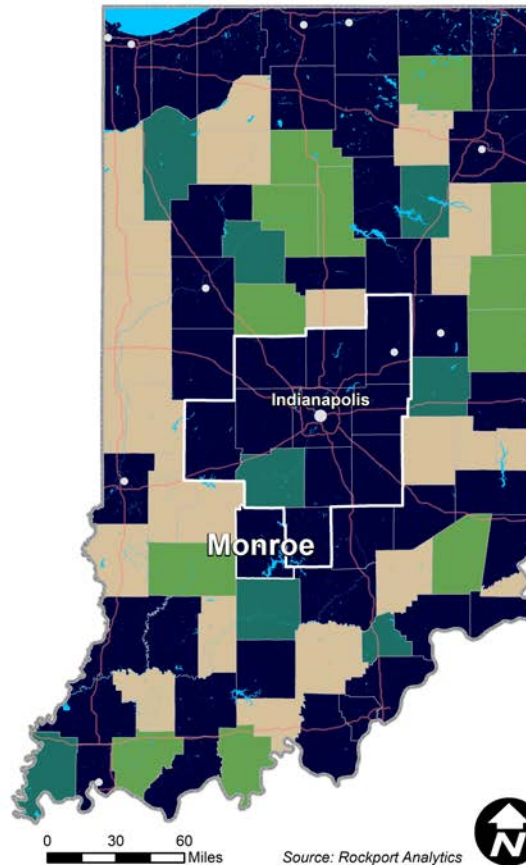
Tourism Sales Per Capita	\$2,720.99
Tourism Spend Per Capita Ranking	#9 of 92
2017 Spending by Visitors (Millions)	\$399.9
County Ranking of Tourism Spend	#7 of 92
2017 Tourism Spending Growth	4.2%
2017 Tourism Growth Ranking	#40 of 92

Annual Growth in 2017 Tourism Spending

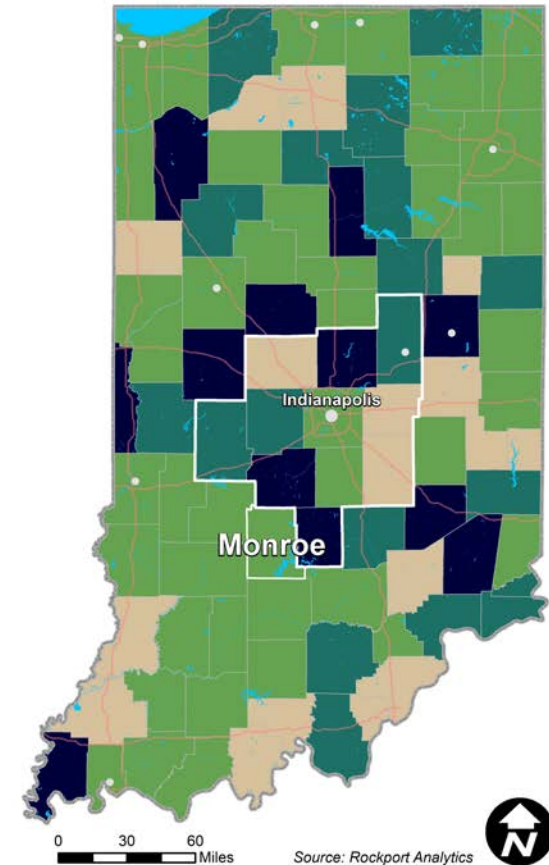
0.0% 1.0% 2.0% 3.0% 4.0% 5.0%



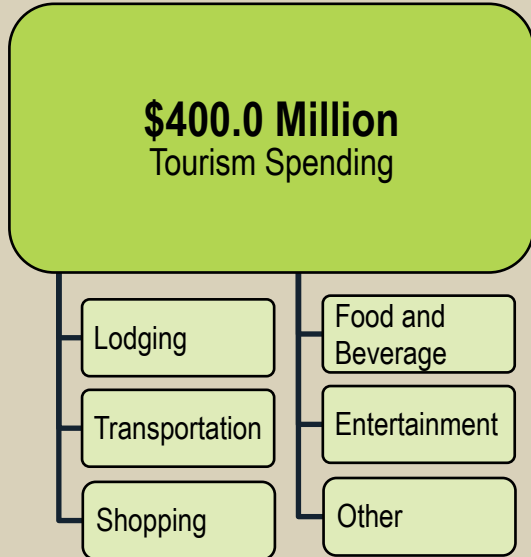
Total Spending by County, 2017



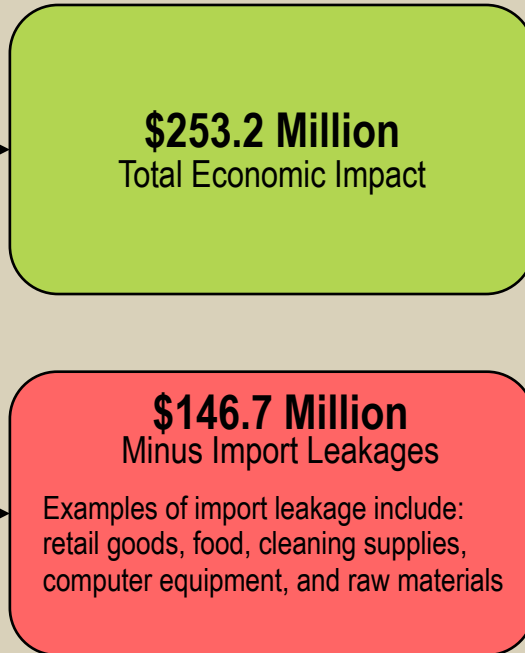
Spending Growth by County, 2017



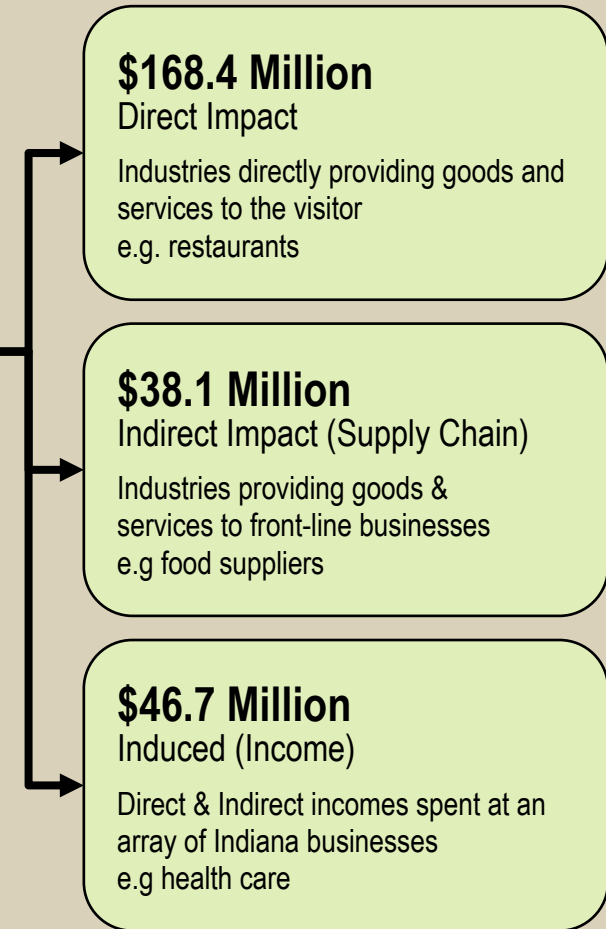
Total Tourism Spending



Value to Indiana Economy



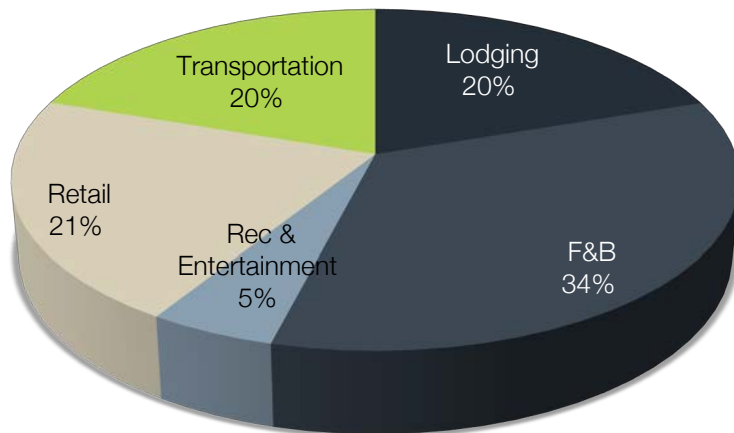
Impact on Indiana Business



Food & Beverage accounts for the largest share of tourism spend in Monroe County, totaling **34% of visitor expenditures**.

Distribution of Tourism Spending

\$400.0 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 Monroe 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	\$ 79,134,332	7.1%
F&B	\$ 136,778,156	5.3%
Rec & Entertainment	\$ 19,646,167	0.3%
Retail	\$ 85,501,397	1.9%
Transportation	\$ 78,887,758	2.9%
Total	\$ 399,947,810	4.2%

Categorical Spending Shares: State Comparisons

	Monroe County	Indiana
Lodging	20%	16%
F&B	34%	28%
Rec & Entertainment	5%	18%
Retail	21%	22%
Transportation	20%	16%
Total	100%	100%

2017 Economic Impact Summary (Compared to 2016)

2017 Metric	Direct	Indirect	Induced	Total
Total Spending				\$399,947,810
<i>2017 Y/Y Growth</i>				4.2%
Economic Impact (GDP)	\$168,423,615	\$38,111,690	\$46,686,400	\$253,221,705
<i>2017 Y/Y Growth</i>	3.7%	4.2%	3.8%	3.8%
Wages	\$108,950,979	\$22,379,937	\$24,746,133	\$156,077,049
<i>2017 Y/Y Growth</i>	3.7%	4.2%	3.8%	3.8%
Jobs	5,322	606	720	6,648
<i>2017 Y/Y Growth</i>	1.9%	2.3%	2.1%	2.0%
Tax Receipts				\$72,583,121
<i>2017 Y/Y Growth</i>				3.9%

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.

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

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	\$64,151	\$2,209	\$2,871	\$69,231
Transportation & Warehousing	\$38,902	\$1,063	\$486	\$40,451
Accommodations	\$34,267	\$33	\$22	\$34,322
Retail trade	\$18,950	\$664	\$6,497	\$26,111
Real estate & rental	\$2,111	\$4,743	\$11,372	\$18,226
Arts- entertainment & recreation	\$10,043	\$387	\$532	\$10,963
Health & social services	\$0	\$8	\$9,738	\$9,746
Professional- scientific & tech services	\$0	\$4,969	\$1,695	\$6,664
Administrative & waste services	\$0	\$4,904	\$1,241	\$6,145
Utilities	\$0	\$4,420	\$1,567	\$5,987
Information	\$0	\$3,553	\$1,838	\$5,391
Finance & insurance	\$0	\$2,258	\$2,444	\$4,703
Other services	\$0	\$1,166	\$2,395	\$3,561
Government & non NAICs	\$0	\$2,672	\$615	\$3,287
Wholesale Trade	\$0	\$1,329	\$1,907	\$3,236
Construction	\$0	\$1,807	\$488	\$2,295
Management of companies	\$0	\$1,219	\$122	\$1,341
Manufacturing	\$0	\$569	\$285	\$854
Educational services	\$0	\$36	\$520	\$556
Mining	\$0	\$80	\$26	\$106
Ag, Forestry, Fish & Hunting	\$0	\$21	\$23	\$44
Total	\$168,424	\$38,112	\$46,686	\$253,222
Total - 2017	\$162,416	\$36,579	\$44,970	\$243,966
% change	3.7%	4.2%	3.8%	3.8%

Source: Rockport Analytics, IMPLAN



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

Monroe Tourism: 2017 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	2,389	82	107	2,578
Transportation & Warehousing	1,477	15	8	1,500
Accommodations	690	1	0	691
Retail trade	450	16	159	625
Arts- entertainment & recreation	297	45	21	364
Administrative & waste services	0	136	35	172
Health & social services	0	0	168	168
Professional- scientific & tech services	0	82	29	111
Other services	0	33	64	97
Real estate & rental	18	32	23	73
Finance & insurance	0	24	23	47
Information	0	32	13	45
Construction	0	35	8	43
Government & non NAICs	0	31	8	38
Educational services	0	2	30	31
Wholesale Trade	0	12	17	29
Utilities	0	9	4	13
Manufacturing	0	9	2	11
Management of companies	0	9	1	9
Ag, Forestry, Fish & Hunting	0	1	1	2
Mining	0	1	0	1
Total	5,322	606	720	6,648
Total - 2017	5,221	593	705	6,518
% change	1.9%	2.3%	2.1%	2.0%

Source: Rockport Analytics, IMPLAN



Tourism is the 5th Largest Industry in Monroe County

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

Rank	Industry	2017 Reported	2017 Tourism Extracted	% of Total Employment	16-17 Growth Rate
1	Government	23,359	23,359	33.2%	-0.9%
2	Health & Social Services	8,972	8,972	12.7%	1.7%
3	Manufacturing	6,814	6,814	9.7%	3.6%
4	Retail trade	7,014	6,564	9.3%	-1.9%
5	Tourism	N/A	5,322	7.6%	1.9%
6	Accommodation & Food Services	7,769	4,690	6.7%	2.4%
7	Construction	2,211	2,211	3.1%	4.6%
8	Other Services	2,205	2,205	3.1%	0.8%
9	Professional Services	2,088	2,088	3.0%	3.4%
10	Administrative & Waste Services	2,065	2,065	2.9%	6.1%
11	Wholesale Trade	1,588	1,588	2.3%	-2.9%
12	Finance & Insurance	1,445	1,445	2.1%	0.6%
13	Real Estate	1,186	1,168	1.7%	3.8%
14	Information	1,002	1,002	1.4%	0.1%
15	Educational Services	528	528	0.7%	5.9%
16	Management of Companies	419	419	0.6%	5.8%
17	Utilities	381	381	0.5%	3.2%
18	Mining	222	222	0.3%	-8.0%
19	Arts, Entertainment & Recreation	482	185	0.3%	6.9%
20	Transportation & Warehousing	692	0	0.0%	0.0%
	Total County Employment	70,443	70,443	100%	0.9%

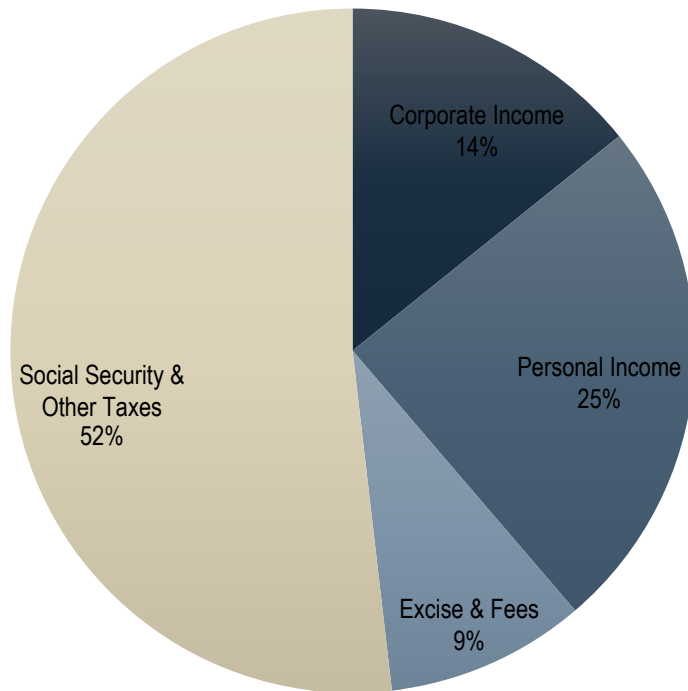
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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 Monroe's Tourism Industry"

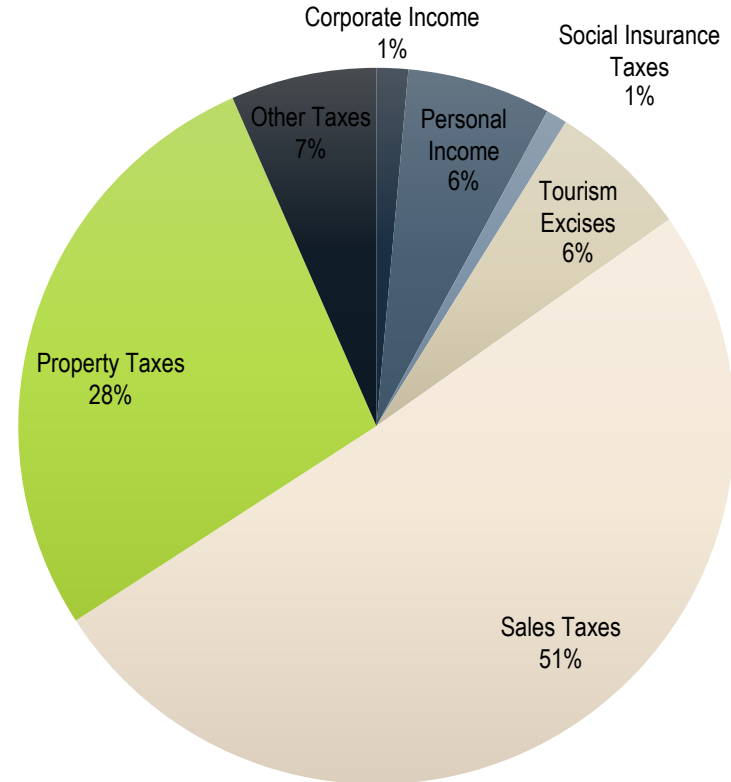
Federal Taxes

2017 Tax Total: **\$29.7 Million**



State & Local Taxes

2017 Tax Total: **\$42.9 Million**



2017 Total County Tourism-Initiated Taxes: **\$72.6 Million**

2016 – 2017 Tourism Tax Revenue Collections

	2016	2017	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$4,064.8	\$4,219.3	3.8%
Personal Income	\$7,007.3	\$7,274.7	3.8%
Excise & Fees	\$2,702.0	\$2,801.3	3.7%
Social Security & Other Taxes	\$14,820.7	\$15,385.8	3.8%
Federal Total	\$28,594.9	\$29,681.2	3.8%
State & Local			
Corporate Income	\$588.3	\$610.6	3.8%
Personal Income	\$2,681.8	\$2,784.2	3.8%
Social Insurance Taxes	\$395.0	\$410.1	3.8%
Tourism Excises			
Hotel Tax	\$2,498.8	\$2,581.1	3.3%
Food & Beverage	\$0.0	\$0.0	
Rental Car Excise	\$147.2	\$143.6	-2.4%
Sales Taxes	\$20,820.8	\$21,725.9	4.3%
Property Taxes	\$11,403.8	\$11,822.9	3.7%
Other Taxes	\$2,714.0	\$2,823.5	4.0%
State & Local Tax Total	\$41,249.7	\$42,901.9	4.0%
Total County Tourism-Initiated Taxes	\$69,844.6	\$72,583.1	3.9%

- Monroe County tourism generated over \$72.6 million in total taxes in 2017, up 3.9% over 2016.
- Federal tax collections resulting from tourism in Monroe County include income taxes and social security and totaled \$29.7 million in 2017.
- State & local tax collections totaled \$42.9 million, including \$21.7 million in sales taxes contributing to state collections and \$11.8 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Monroe County?

By Promoting a Healthy Job Market

Approximately 7.6% of all jobs in Monroe 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 Monroe County is sufficient to support 4,429 Indiana public school students.

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

Tourism is the 5th largest industry (4th not including Government) in Monroe County (by jobs).

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

In addition to hotel occupancy levies (\$2.6 million in 2017), Monroe County tourism activity generated over \$610,600 in Indiana corporate taxes, \$2.8 million in Indiana personal income tax, and \$11.8 million in local property taxes during 2017.

By Helping to Relieve the Tax Burden of Monroe County Households

If Monroe County tourism did not exist, each of the 61,550 households in the county would have to pay an additional \$697 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 Monroe County, 63¢ in economic impact is returned to the local area.



Rockport Analytics

West Chester, PA
Annapolis, MD

web: rockportanalytics.com
email: info@rockportanalytics.com
phone: (866) 481-9877



ROCKPORT
ANALYTICS