

# 2014 Economic Impact of Tourism in Morgan County

Methodology, Metrics and Evaluation



ROCKPORT  
ANALYTICS

## Indiana Office of Tourism Development

- 2014 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](http://www.implan.com)

## Morgan County Tourism Economic Impact

Value-Added (GDP)

Wages &  
Income

Jobs

Taxes

## Study Overview

A research cooperative was formed in 2014 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 2014 Economic Impact Study of Tourism in Morgan County was conducted by Rockport Analytics, an independent market & economic research firm.

## Methodology

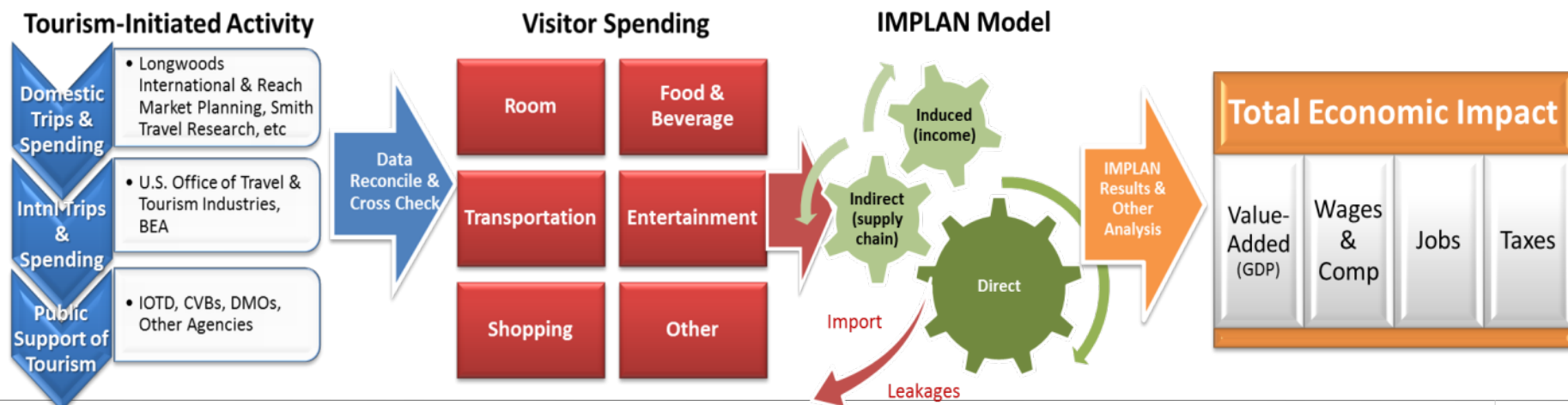
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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 2014 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.



## **Spending by Visitors to Morgan County totaled \$23 million in 2014, up 5% over 2013**

- ✓ Visitors spent \$2 million on lodging, \$9.6 million on food & beverages, \$6.5 million on shopping, \$1.6 million on entertainment and recreation, and \$3.2 million on transportation.
- ✓ The economic impact of these expenditures (after import leakages) totaled \$16.3 million. This includes \$13.2 million in direct economic impact, \$1.3 million in indirect economic impact (supplier effect), and \$1.8 million in induced economic impact (income effect).
- ✓ Of every tourism dollar spent in Morgan County in 2014, 71 cents 'stayed' local and led directly to the gross county product of Morgan County.

## **Visitor Spending in Morgan County supported 434 Jobs and \$9.3 million in labor income**

- ✓ Traveler spending supported 434 jobs in Morgan County in 2014. Of these, 383 were directly employed by tourism sectors. Tourism generated an additional 24 indirect jobs and 27 induced jobs.
- ✓ \$9.3 million in total wages and proprietor income were generated for these employees.

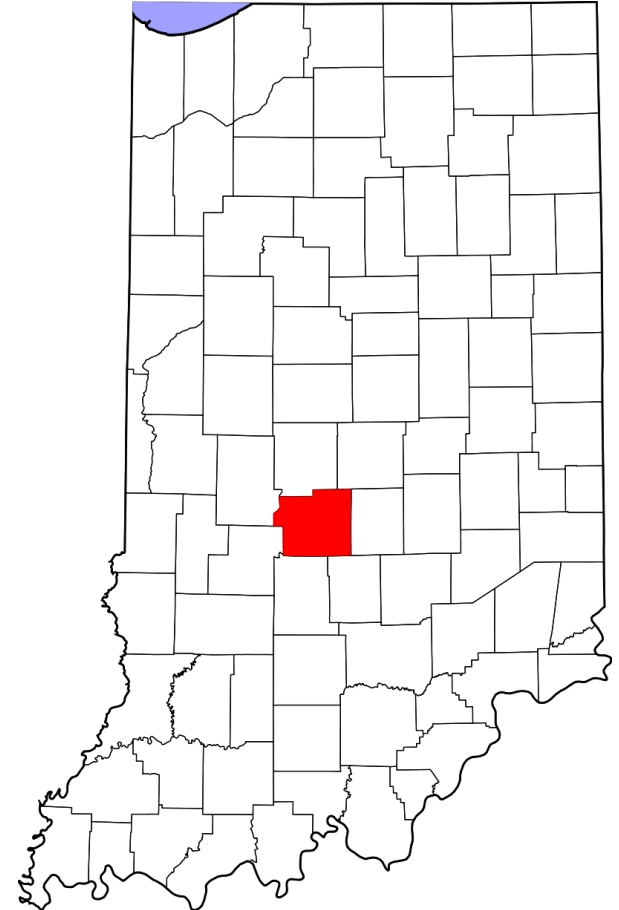
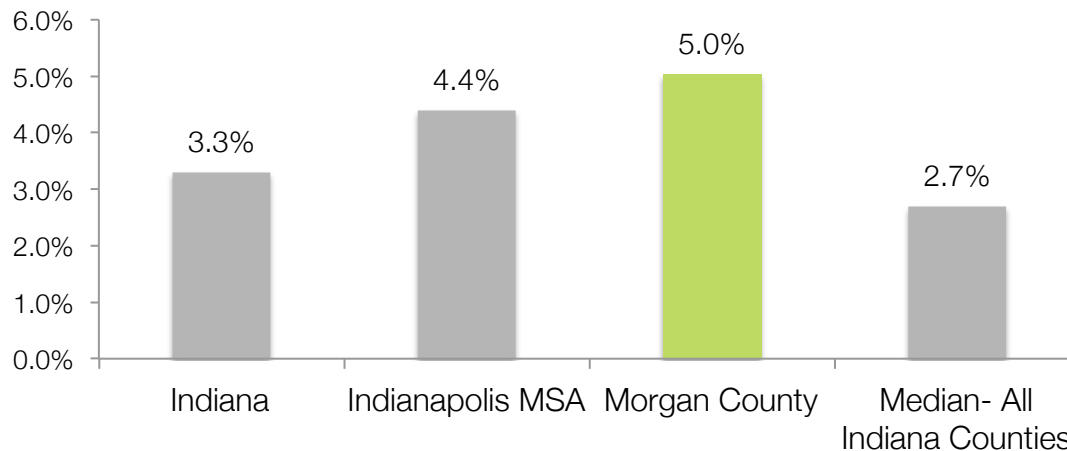
## **Visitors Generated Federal, State, and Local Tax Revenue totaling \$5 million in 2014**

- ✓ Federal tax collections resulting from tourism in Morgan County totaled \$2.1 million including corporate & personal income taxes, excise taxes and social security collections.
- ✓ State and local tourism-derived taxes totaled \$2.9 million, including \$1.3 million in sales taxes contributing to state tax collections and \$1.1 million in property taxes to support the local tax base.

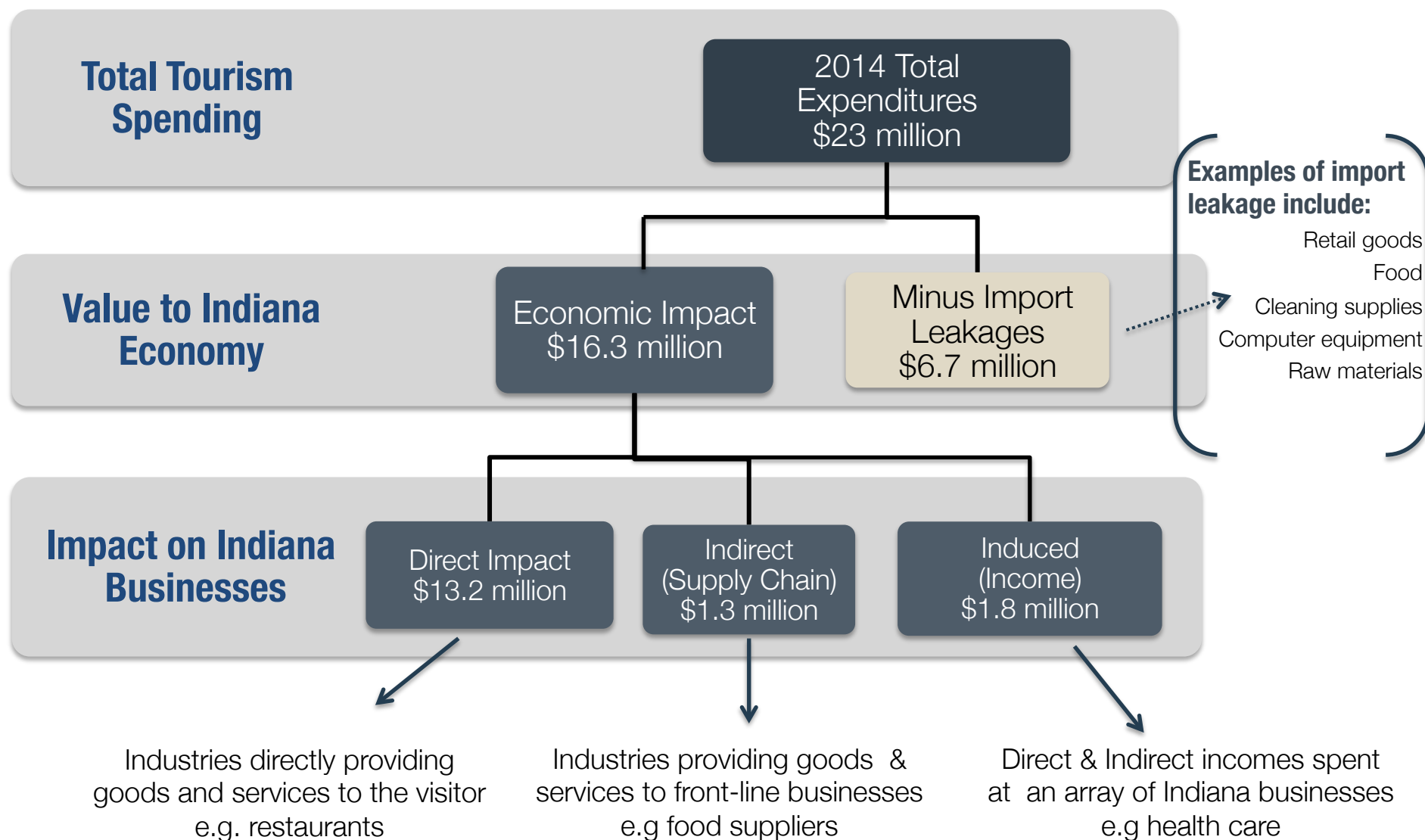
## Morgan County's 2014 Tourism Report Card

Tourism Sales Per Capita	\$332.38
Tourism Spend Per Capita Ranking	#67 of 92
2014 Spending by Visitors (Millions)	\$23.0
County Ranking of Tourism Spend	#50 of 92
2014 Tourism Spending Growth	5.0%
2014 Tourism Growth Ranking	#6 of 92

## Annual Growth in 2014 Tourism Spending



# Morgan County Tourism Impact Flows

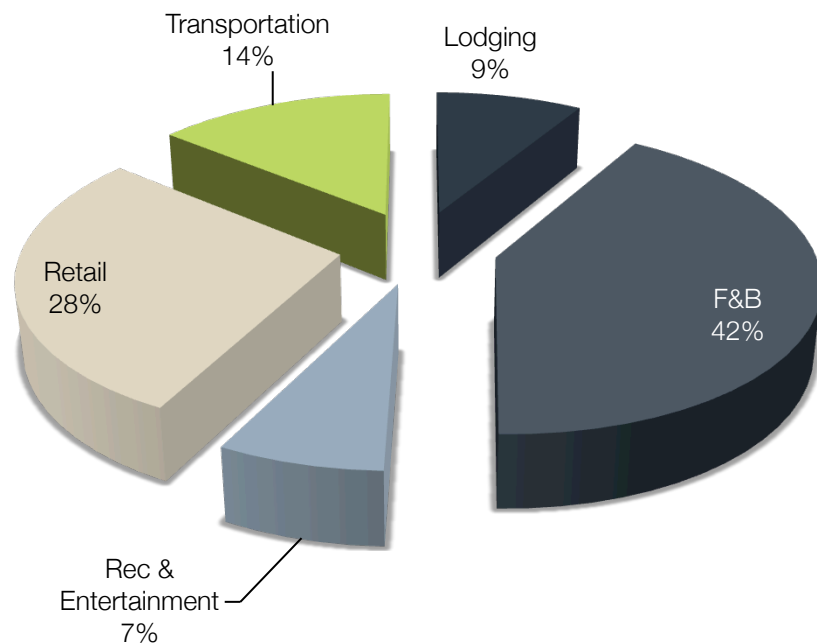


# Visitor Spending By Category

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

## Distribution of Tourism Spending

*\$23 Million USD*



Expenditure Category	2014	2013-14 Growth
Lodging	\$2,005,503	8.7%
F&B	\$9,598,237	5.8%
Rec & Entertainment	\$1,635,084	3.4%
Retail	\$6,520,176	3.6%
Transportation	\$3,247,581	4.2%
Total	\$23,006,581	5.0%

## Categorical Spending Shares: State Comparisons

	Morgan County	Indiana
Lodging	9%	16%
F&B	42%	27%
Rec & Entertainment	7%	18%
Retail	28%	21%
Transportation	14%	18%
Total	100%	100%

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



## 2014 Economic Impact Summary (Compared to 2013)

2014 Metric	Direct	Indirect	Induced	Total
Total Spending				\$23,006,581
<i>2014 Y/Y Growth</i>				5.0%
Economic Impact (GDP)	\$13,236,170	\$1,274,169	\$1,763,092	\$16,273,431
<i>2014 Y/Y Growth</i>	4.5%	5.1%	4.6%	4.5%
Wages	\$7,826,492	\$705,082	\$794,324	\$9,325,898
<i>2014 Y/Y Growth</i>	4.5%	5.1%	4.6%	4.6%
Jobs	383	24	27	434
<i>2014 Y/Y Growth</i>	2.8%	3.2%	2.8%	2.8%
Tax Receipts				\$5,031,331
<i>2014 Y/Y Growth</i>				4.7%

### 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.

## Morgan Tourism: 2014 Economic Impact (Value Added/GDP)

*Thousands of \$s*

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$6,958	\$29	\$277	\$7,264
Food services & drinking places	\$4,639	\$67	\$107	\$4,814
Accommodations	\$884	\$0	\$0	\$884
Arts- entertainment & recreation	\$755	\$5	\$11	\$771
Real estate & rental	\$0	\$183	\$571	\$754
Utilities	\$0	\$209	\$78	\$287
Health & social services	\$0	\$0	\$253	\$253
Finance & insurance	\$0	\$101	\$146	\$247
Administrative & waste services	\$0	\$169	\$41	\$210
Government & non NAICs	\$0	\$132	\$30	\$161
Professional services	\$0	\$122	\$33	\$155
Other services	\$0	\$61	\$91	\$151
Wholesale Trade	\$0	\$45	\$58	\$103
Construction	\$0	\$66	\$24	\$90
Information	\$0	\$40	\$16	\$55
Transportation & Warehousing	\$0	\$19	\$9	\$28
Manufacturing	\$0	\$19	\$3	\$21
Educational services	\$0	\$2	\$15	\$17
Ag, Forestry, Fish & Hunting	\$0	\$3	\$2	\$5
Management of companies	\$0	\$1	\$0	\$1
Mining	\$0	\$1	\$0	\$1
<b>Total</b>	<b>\$13,236</b>	<b>\$1,274</b>	<b>\$1,763</b>	<b>\$16,273</b>
Total - 2013	\$12,671	\$1,212	\$1,686	\$15,569
<b>% change</b>	<b>4.5%</b>	<b>5.1%</b>	<b>4.6%</b>	<b>4.5%</b>

Source: Rockport Analytics, IMPLAN

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

## Morgan Tourism: 2014 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	178	3	4	185
Retail trade	161	1	7	168
Arts- entertainment & recreation	25	2	1	27
Accommodations	20	0	0	20
Administrative & waste services	0	5	1	6
Health & social services	0	0	5	5
Other services	0	2	3	5
Real estate & rental	0	2	1	4
Professional services	0	2	1	3
Finance & insurance	0	1	2	3
Government & non NAICS	0	2	0	2
Construction	0	2	0	2
Information	0	1	0	1
Wholesale Trade	0	0	1	1
Transportation & Warehousing	0	0	0	1
Utilities	0	0	0	1
Educational services	0	0	0	1
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>383</b>	<b>24</b>	<b>27</b>	<b>434</b>
Total - 2013	373	23	26	422
<b>% change</b>	<b>2.8%</b>	<b>3.2%</b>	<b>2.8%</b>	<b>2.8%</b>

Source: Rockport Analytics, IMPLAN

# Tourism is the 11<sup>th</sup> Largest Industry in Morgan County

## 2014 Tourism in Morgan County: Ranking of Major Industries By Total Employment

Rank	Industry	2014 Reported	2014 Tourism Extracted	% of Total Employment	13-14 Growth Rate
1	Government	2,706	2,706	17.4%	0.5%
2	Manufacturing	2,398	2,398	15.4%	4.9%
3	Retail trade	2,352	2,191	14.1%	5.3%
4	Health & Social Services	1,950	1,950	12.5%	-6.9%
5	Accommodation & Food Services	1,674	1,476	9.5%	2.0%
6	Construction	971	971	6.3%	-1.1%
7	Other Services	766	766	4.9%	7.2%
8	Administrative & Waste Services	560	560	3.6%	-0.6%
9	Wholesale Trade	429	429	2.8%	-6.5%
10	Finance & Insurance	411	411	2.6%	-3.9%
<b>11</b>	<b>Tourism</b>	<b>N/A</b>	<b>383</b>	<b>2.5%</b>	<b>2.8%</b>
12	Professional Services	382	382	2.5%	-1.0%
13	Utilities	210	210	1.3%	-2.3%
14	Transportation & Warehousing	151	151	1.0%	8.7%
15	Real Estate	146	146	0.9%	7.0%
16	Management of Companies	142	142	0.9%	1.5%
17	Information	97	97	0.6%	4.3%
18	Arts, Entertainment & Recreation	108	83	0.5%	13.7%
19	Educational Services	59	59	0.4%	-8.4%
20	Mining	25	25	0.2%	-8.8%
	<b>Total County Employment</b>	<b>15,537</b>	<b>15,537</b>	<b>100%</b>	<b>1.0%</b>

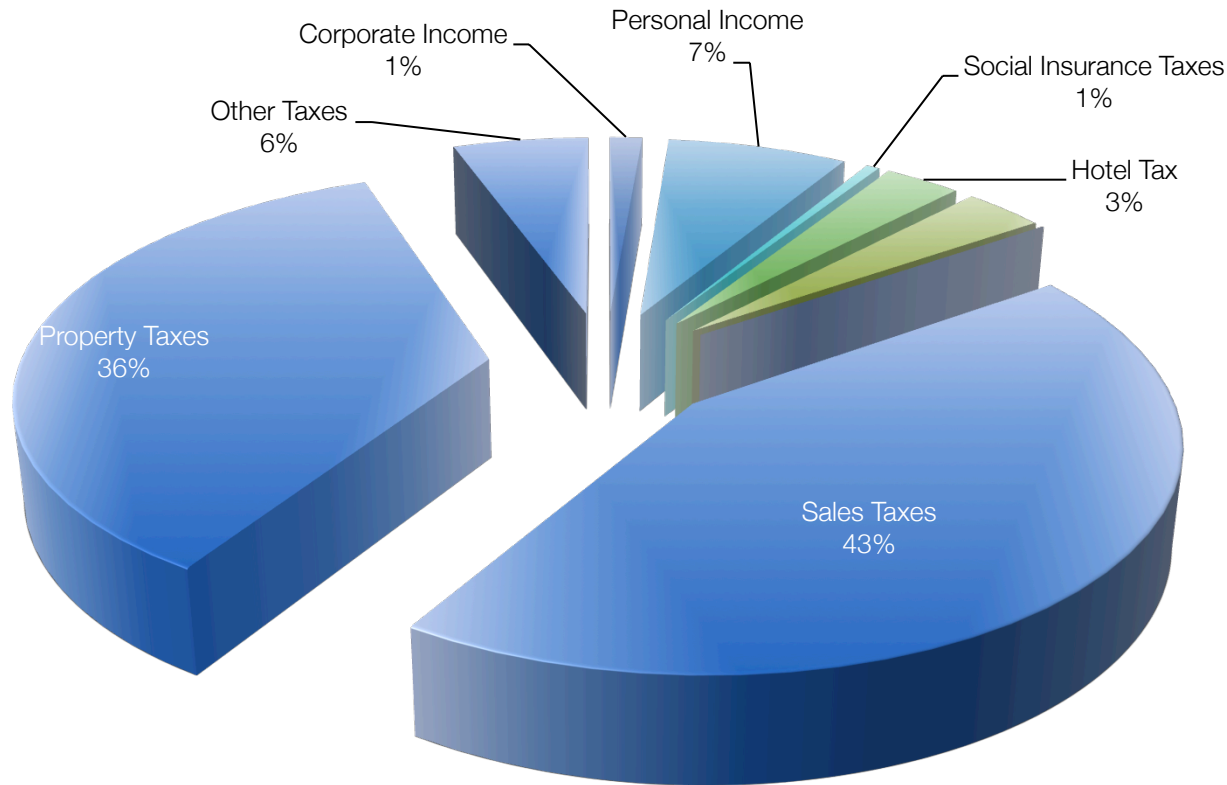
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

**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"

## 2014 State & Local Tourism Tax Sources

*Total = \$2.9M*



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

## 2013 – 2014 Tourism Tax Revenue Collections

	2013	2014	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$259.3	\$271.0	4.5%
Personal Income	\$541.1	\$565.9	4.6%
Excise & Fees	\$137.4	\$143.3	4.3%
Social Security & Other Taxes	\$1,032.0	\$1,079.0	4.6%
<b>Federal Total</b>	<b>\$1,969.8</b>	<b>\$2,059.2</b>	<b>4.5%</b>
State & Local			
Corporate Income	\$37.5	\$39.2	4.5%
Personal Income	\$207.1	\$216.6	4.6%
Social Insurance Taxes	\$14.7	\$15.4	4.5%
Tourism Excises			
Hotel Tax	\$85.1	\$91.2	7.2%
Food & Beverage	\$90.7	\$96.0	5.8%
Rental Car Excise	N/A	N/A	N/A
Sales Taxes	\$1,228.9	\$1,292.6	5.2%
Property Taxes	\$1,013.8	\$1,057.8	4.3%
Other Taxes	\$157.7	\$163.3	3.6%
<b>State &amp; Local Tax Total</b>	<b>\$2,835.5</b>	<b>\$2,972.1</b>	<b>4.8%</b>
<b>Total County Tourism-Initiated Taxes</b>	<b>\$4,805.3</b>	<b>\$5,031.3</b>	<b>4.7%</b>

- Morgan County tourism generated over \$5 million in total taxes in 2014, up 4.7% over 2013.
- Federal tax collections resulting from tourism in Morgan County include income taxes and social security and totaled \$2.1 million in 2014.
- State & local tax collections totaled nearly \$3 million, including \$1.3 million in sales taxes contributing to state collections and \$1.1 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

## *How Does Tourism Benefit Morgan County?*

### **By Promoting a Healthy Job Market**

Approximately 2% of all jobs in Morgan County are supported by tourism to the region. In addition to the hotel and restaurant industry, tourism directly supports jobs in professional & business services, health & social services, and finance & insurance.

### **By Contributing to the Health of the Public Education System**

Revenue collected from tourism in Morgan County is sufficient to support 311 Indiana public school students.

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

Tourism is the 11<sup>th</sup> largest industry (10<sup>th</sup> not including Government) in Morgan County (by jobs).

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

In addition to hotel occupancy levies (\$91,200 in 2014), Morgan County tourism activity generated over \$39,200 in Indiana corporate taxes, \$216,600 in Indiana personal income tax, and over \$1 million in local property taxes during 2014.

### **By Helping to Relieve the Tax Burden of Morgan County Households**

If Morgan County tourism did not exist, each of the 25,765 households in the county would have to pay an additional \$115 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 Morgan County, 71¢ in economic impact is returned to the local area.





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