

# 2016 Economic Impact of Tourism in Monroe County

Methodology, Metrics and Evaluation



## Indiana Office of Tourism Development

- 2016 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)

## Monroe County Tourism Economic Impact

Value-Added (GDP)

Wages &  
Income

Jobs

Taxes

## Study Overview

A research cooperative was formed in 2016 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 2016 Economic Impact Study of Tourism in Monroe County was conducted by Rockport Analytics, an independent market & economic research firm.

## Methodology

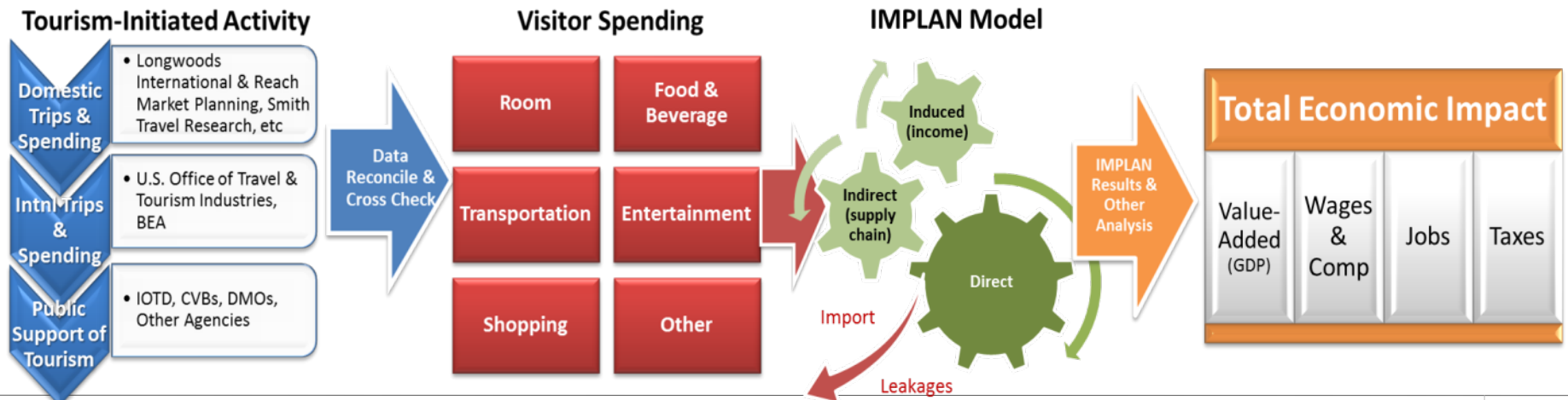
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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 2016 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. >>

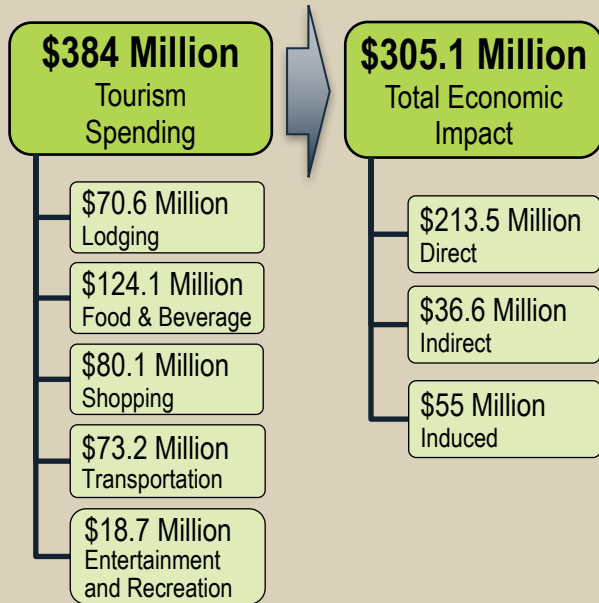
## Methodology Cont.

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](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.

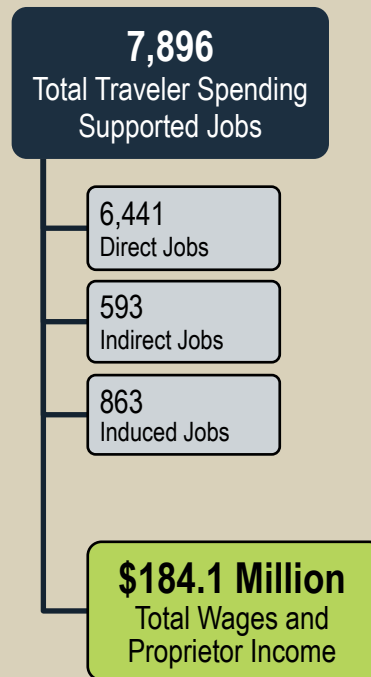


## Tourism and Impact



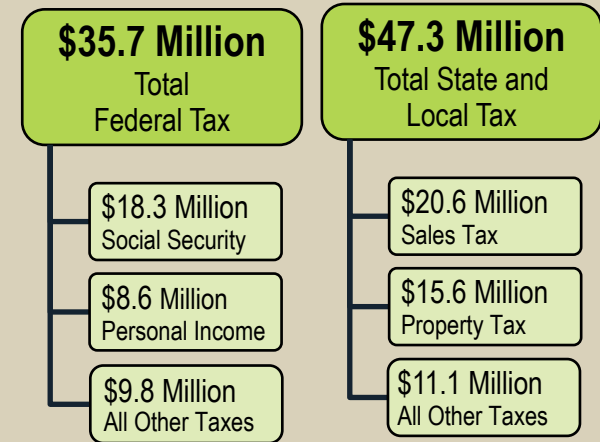
For every tourism dollar spent in Monroe County in 2016, **\$0.79 cents** 'stayed' local and contributed directly to the gross county product of Monroe County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **21 cents** of every dollar is 'leaked' to the supply chain outside of Monroe County.

## Jobs and Wages



For every **\$48,628** spent on tourism in Monroe County in 2016 supported a job, resulting in an average of **\$23,315** in gross wages. This includes jobs in the industries directly supporting the visitor such as **retail trade** but also in supply chain sectors like **transportation**. The income of direct and indirect workers also goes to support industries like **retail trade, transportation, and real estate**.

## Tax Revenue Generated



For every **\$1.00** spent on tourism in Monroe County in 2016, **9 cents** goes to federal taxes and **12 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, 2016



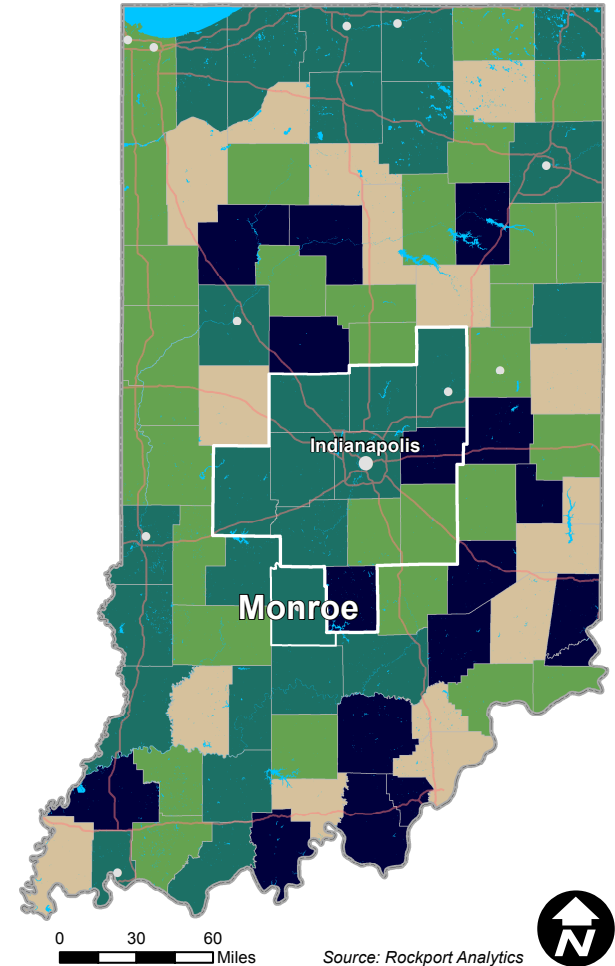
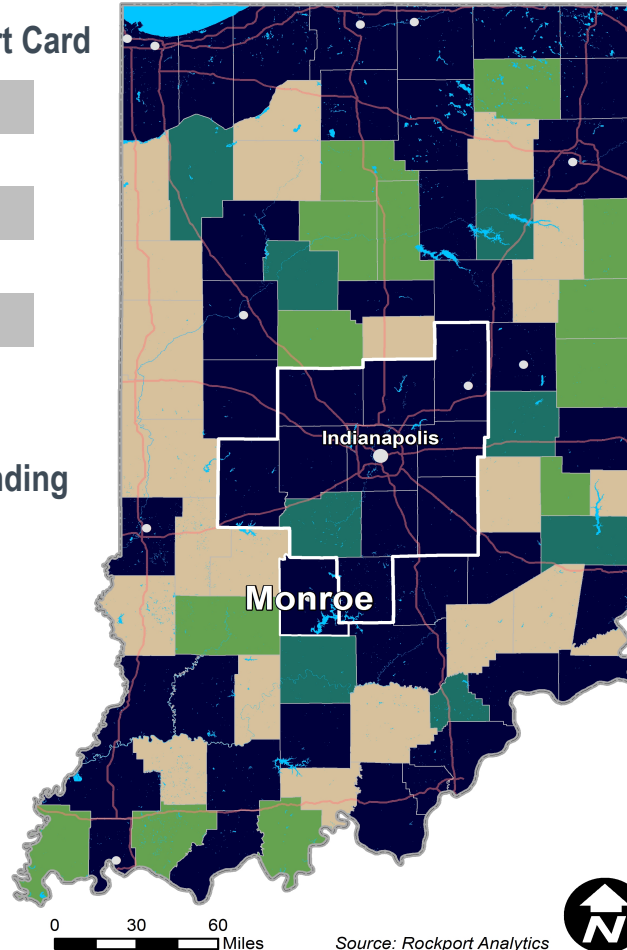
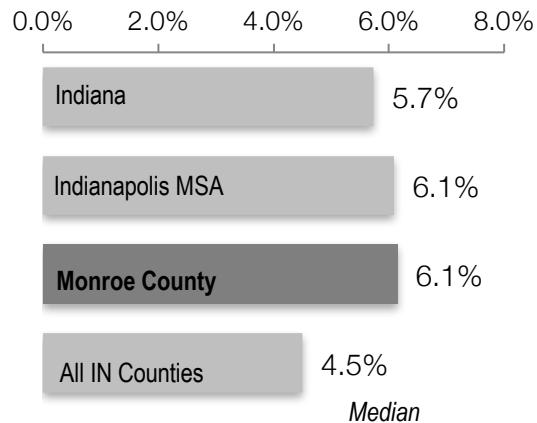
## Spending Growth by County, 2016

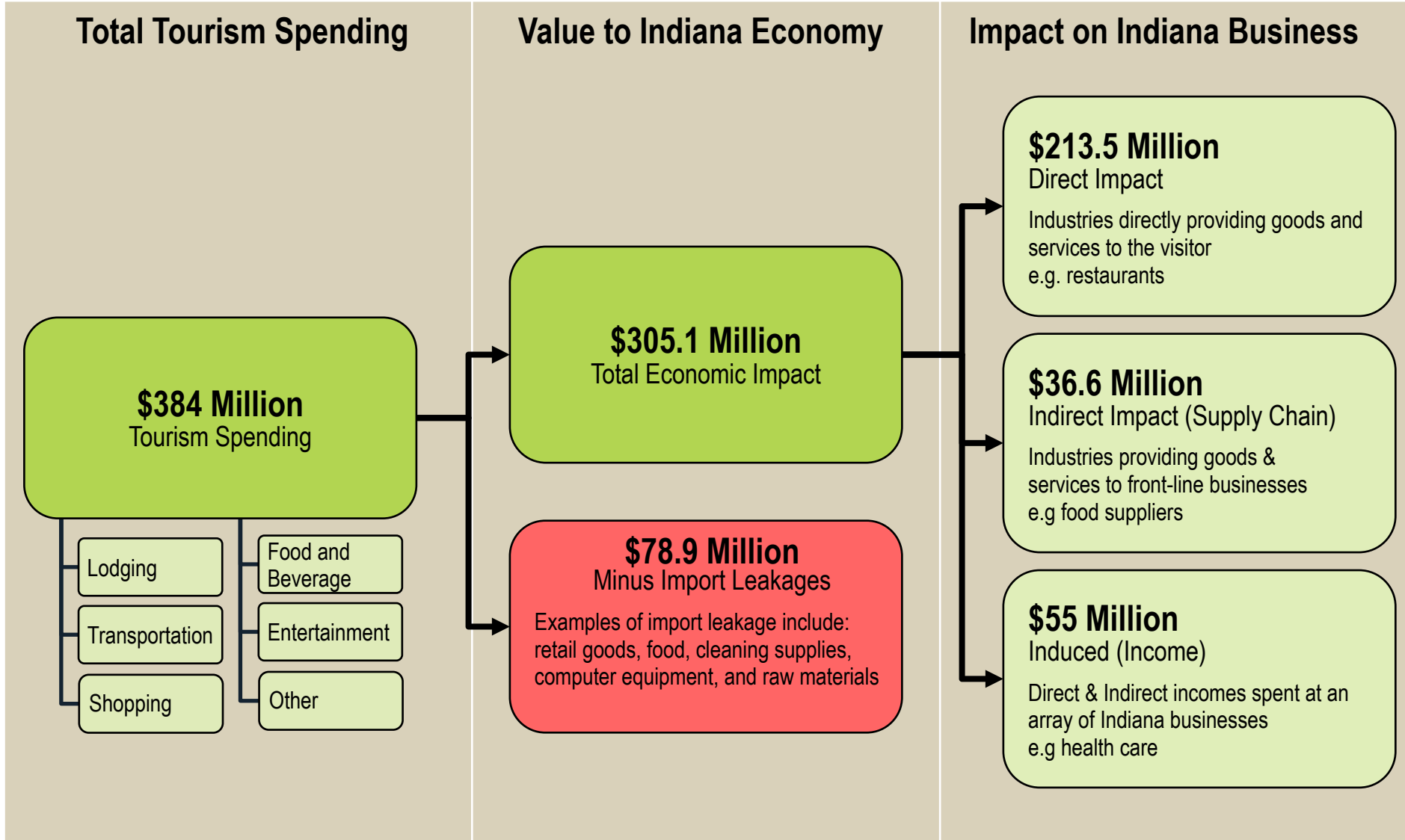


## Monroe County 2016 Tourism Report Card

Tourism Sales Per Capita	\$2,639.13
Tourism Spend Per Capita Ranking	#7 of 92
2016 Spending by Visitors (Millions)	\$384.0
County Ranking of Tourism Spend	#7 of 92
2016 Tourism Spending Growth	6.1%
2016 Tourism Growth Ranking	#35 of 92

## Annual Growth in 2016 Tourism Spending

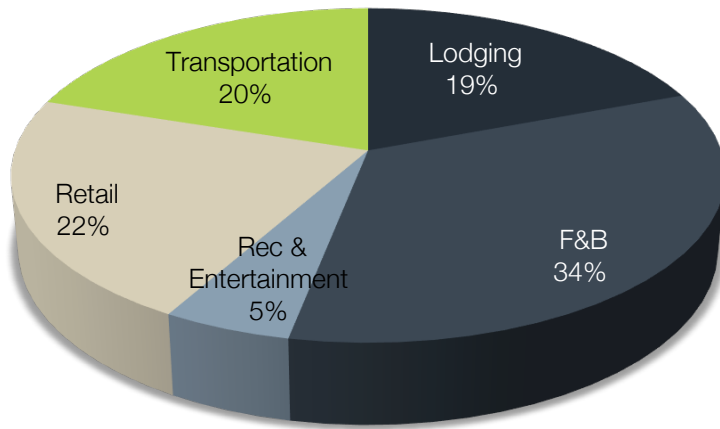




**F&B** accounts for the largest share of tourism spend in Monroe County, totaling **34% of visitor expenditures**.

## Distribution of Tourism Spending

*\$384 Million USD*



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

Note: Spending estimation methodology was changed slightly in 2016. This methodology was backcast to 2015 spending levels as well, so all growth rates remain valid.

Expenditure Category	2016	2015-16 Growth
Lodging	\$73,892,105	6.3%
F&B	\$129,889,003	5.7%
Rec & Entertainment	\$19,592,922	2.6%
Retail	\$83,918,242	11.7%
Transportation	\$76,690,929	2.2%
Total	\$383,983,202	6.1%

## Categorical Spending Shares: State Comparisons

	Monroe County	Indiana
Lodging	19%	16%
F&B	34%	28%
Rec & Entertainment	5%	18%
Retail	22%	22%
Transportation	20%	16%
Total	100%	100%



## 2016 Economic Impact Summary (Compared to 2015)

2016 Metric	Direct	Indirect	Induced	Total
Total Spending				\$383,983,202
<i>2016 Y/Y Growth</i>				6.1%
Economic Impact (GDP)	\$213,464,150	\$36,579,922	\$55,021,074	\$305,065,146
<i>2016 Y/Y Growth</i>	6.0%	4.6%	5.6%	5.7%
Wages	\$133,453,052	\$21,486,428	\$29,166,019	\$184,105,499
<i>2016 Y/Y Growth</i>	5.8%	4.6%	5.6%	5.6%
Jobs	6,441	593	863	7,896
<i>2016 Y/Y Growth</i>	3.8%	2.7%	3.8%	3.7%
Tax Receipts				\$82,937,113
<i>2016 Y/Y Growth</i>				6.1%

### 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.

## Monroe Tourism: 2016 Economic Impact (Value Added/GDP)

*Thousands of \$s*

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$69,605	\$638	\$7,655	\$77,898
Food services & drinking places	\$61,308	\$2,107	\$3,385	\$66,801
Transportation & Warehousing	\$37,899	\$1,025	\$573	\$39,496
Accommodations	\$32,453	\$32	\$26	\$32,511
Real estate & rental	\$2,063	\$4,552	\$13,398	\$20,013
Health & social services	\$0	\$8	\$11,478	\$11,486
Arts- entertainment & recreation	\$10,137	\$380	\$627	\$11,144
Professional- scientific & tech services	\$0	\$4,779	\$1,998	\$6,777
Administrative & waste services	\$0	\$4,714	\$1,462	\$6,176
Utilities	\$0	\$4,227	\$1,849	\$6,076
Information	\$0	\$3,408	\$2,168	\$5,576
Finance & insurance	\$0	\$2,185	\$2,881	\$5,066
Other services	\$0	\$1,121	\$2,823	\$3,944
Wholesale Trade	\$0	\$1,275	\$2,248	\$3,523
Government & non NAICS	\$0	\$2,556	\$725	\$3,281
Construction	\$0	\$1,727	\$575	\$2,302
Management of companies	\$0	\$1,169	\$143	\$1,312
Manufacturing	\$0	\$544	\$336	\$881
Educational services	\$0	\$36	\$612	\$648
Mining	\$0	\$77	\$30	\$107
Ag, Forestry, Fish & Hunting	\$0	\$21	\$27	\$48
<b>Total</b>	<b>\$213,464</b>	<b>\$36,580</b>	<b>\$55,021</b>	<b>\$305,065</b>
Total - 2015	\$201,421	\$34,955	\$52,114	\$288,490
<b>% change</b>	<b>6.0%</b>	<b>4.6%</b>	<b>5.6%</b>	<b>5.7%</b>

Source: Rockport Analytics, IMPLAN

## Monroe Tourism: 2016 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	2,322	80	128	2,530
Retail trade	1,668	16	190	1,875
Transportation & Warehousing	1,463	14	10	1,488
Accommodations	665	1	1	666
Arts- entertainment & recreation	305	45	26	375
Health & social services	0	0	201	201
Administrative & waste services	0	133	42	176
Professional- scientific & tech services	0	80	34	115
Other services	0	32	77	109
Real estate & rental	18	32	27	76
Finance & insurance	0	23	28	51
Information	0	31	15	46
Construction	0	34	9	43
Government & non NAICs	0	30	9	39
Educational services	0	2	36	37
Wholesale Trade	0	12	20	32
Utilities	0	9	4	13
Manufacturing	0	8	3	11
Management of companies	0	8	1	9
Ag, Forestry, Fish & Hunting	0	1	1	2
Mining	0	1	0	2
<b>Total</b>	<b>6,441</b>	<b>593</b>	<b>863</b>	<b>7,896</b>
Total - 2013	6,207	577	831	7,615
<b>% change</b>	<b>3.8%</b>	<b>2.7%</b>	<b>3.8%</b>	<b>3.7%</b>

Source: Rockport Analytics, IMPLAN

# Tourism is the 4th Largest Industry in Monroe County

## 2016 Tourism in Monroe County: Ranking of Major Industries By Total Employment

Rank	Industry	2016 Reported	2016 Tourism Extracted	% of Total Employment	15-16 Growth Rate
1	Government	23,875	23,875	33.6%	1.8%
2	Health & Social Services	8,993	8,993	12.7%	2.2%
3	Manufacturing	6,813	6,813	9.6%	-0.4%
<b>4</b>	<b>Tourism</b>	<b>N/A</b>	<b>6,441</b>	<b>9.1%</b>	<b>3.8%</b>
5	Retail trade	7,022	5,354	7.5%	-1.4%
6	Accommodation & Food Services	7,701	4,714	6.6%	1.6%
<b>7</b>	<b>Other Services</b>	<b>2,288</b>	<b>2,288</b>	<b>3.2%</b>	<b>-13.0%</b>
8	Construction	2,245	2,245	3.2%	3.6%
9	Professional Services	2,107	2,107	3.0%	6.4%
10	Administrative & Waste Services	2,071	2,071	2.9%	5.3%
11	Wholesale Trade	1,580	1,580	2.2%	3.1%
12	Finance & Insurance	1,505	1,505	2.1%	2.5%
13	Real Estate	1,142	1,124	1.6%	1.2%
14	Information	1,008	1,008	1.4%	-4.9%
15	Educational Services	530	530	0.7%	3.3%
16	Management of Companies	384	384	0.5%	6.3%
17	Utilities	380	380	0.5%	2.3%
18	Mining	184	184	0.3%	1.3%
19	Arts, Entertainment & Recreation	454	149	0.2%	7.6%
20	Transportation & Warehousing	695	-769	-1.1%	-7.0%
	<b>Total County Employment</b>	<b>70,974</b>	<b>70,974</b>	<b>100%</b>	<b>0.9%</b>

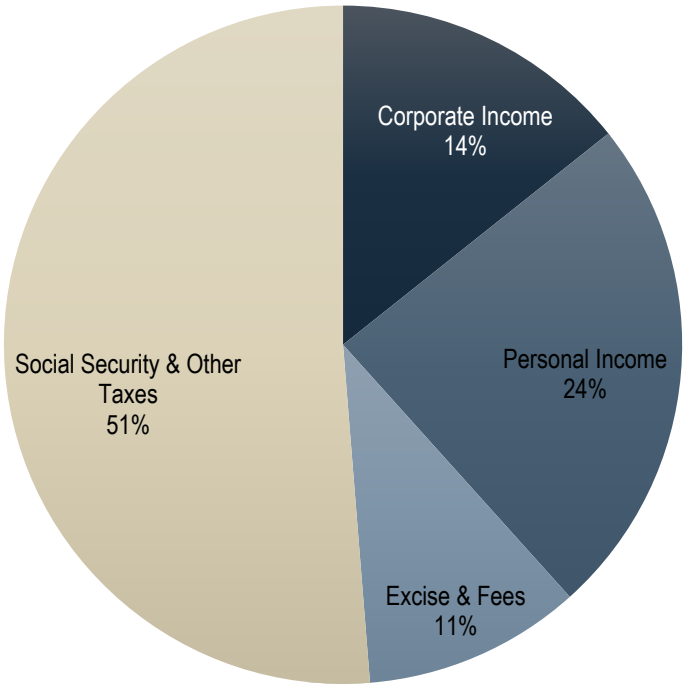
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

**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 Allen's Tourism Industry"

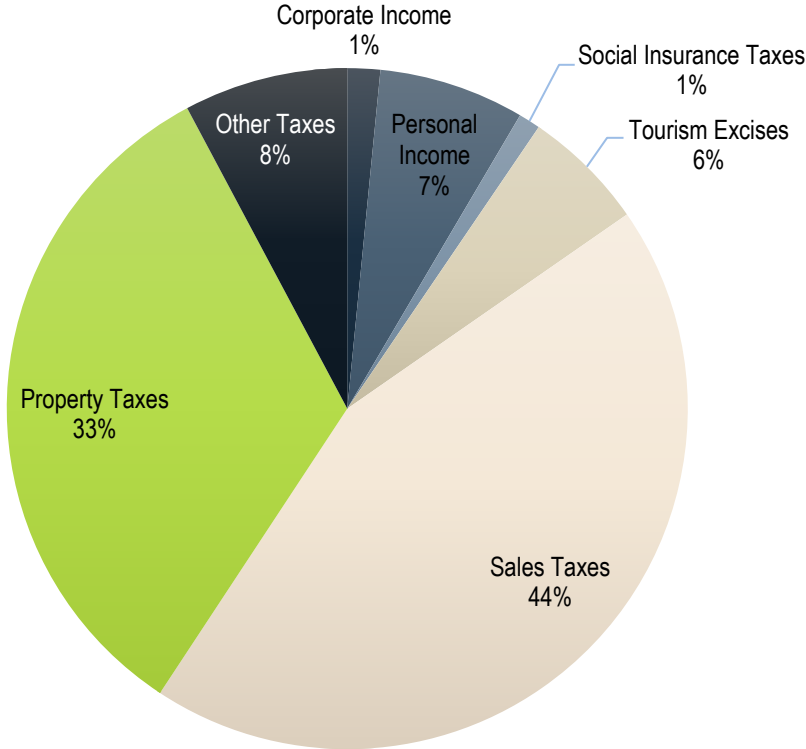
## Federal Taxes

2016 Tax Total: **\$35.7 Million**



## State & Local Taxes

2016 Tax Total: **\$47.3 Million**



2016 Total County Tourism-Initiated Taxes: **\$82.9 Million**

## 2015 – 2016 Tourism Tax Revenue Collections

	2015	2016	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$4,820.4	\$5,098.4	5.8%
Personal Income	\$8,119.3	\$8,571.9	5.6%
Excise & Fees	\$3,480.6	\$3,703.8	6.4%
Social Security & Other Taxes	\$17,297.8	\$18,278.5	5.7%
<b>Federal Total</b>	<b>\$33,718.1</b>	<b>\$35,652.6</b>	5.7%
State & Local			
Corporate Income	\$697.6	\$737.9	5.8%
Personal Income	\$3,107.4	\$3,280.6	5.6%
Social Insurance Taxes	\$463.0	\$489.6	5.7%
Tourism Excises			
Hotel Tax	\$2,387.1	\$2,498.8	4.7%
Food & Beverage	N/A	N/A	N/A
Rental Car Excise	\$147.2	\$143.6	-2.4%
Sales Taxes	\$19,461.0	\$20,808.4	6.9%
Property Taxes	\$14,682.7	\$15,623.5	6.4%
Other Taxes	\$3,471.6	\$3,702.2	6.6%
<b>State &amp; Local Tax Total</b>	<b>\$44,417.6</b>	<b>\$47,284.6</b>	<b>6.5%</b>
<b>Total County Tourism-Initiated Taxes</b>	<b>\$78,135.7</b>	<b>\$82,937.1</b>	<b>6.1%</b>

- Monroe County tourism generated nearly \$83 million in total taxes in 2016, up 6.1% over 2015.
- Federal tax collections resulting from tourism in Monroe County include income taxes and social security and totaled \$35.7 million in 2016.
- State & local tax collections totaled \$47.3 million, including \$20.8 million in sales taxes contributing to state collections and \$15.6 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 9.1% 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 retail trade, transportation, and the arts.

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

Revenue collected from tourism in Monroe County is sufficient to support 4,881 Indiana public school students.

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

Tourism is the 4<sup>h</sup> largest industry (3<sup>rd</sup> not including Government) in Monroe County (by jobs).

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

In addition to hotel occupancy levies (\$2.5 million in 2016), Monroe County tourism activity generated \$738 thousand in Indiana corporate taxes, \$3.3 million in Indiana personal income tax, and \$15.6 million in local property taxes during 2016.

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

If Monroe County tourism did not exist, each of the 60,796 households in the county would have to pay an additional \$778 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, 79¢ in economic impact is retained in the local area.





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