

2015 Economic Impact of Tourism in Hamilton County

Methodology, Metrics and Evaluation



Indiana Office of Tourism Development

- 2015 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

Hamilton County Tourism Economic Impact

Value-Added_(GDP)

Wages &
Income

Jobs

Taxes

Study Overview

A research cooperative was formed in 2015 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 2015 Economic Impact Study of Tourism in Hamilton County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

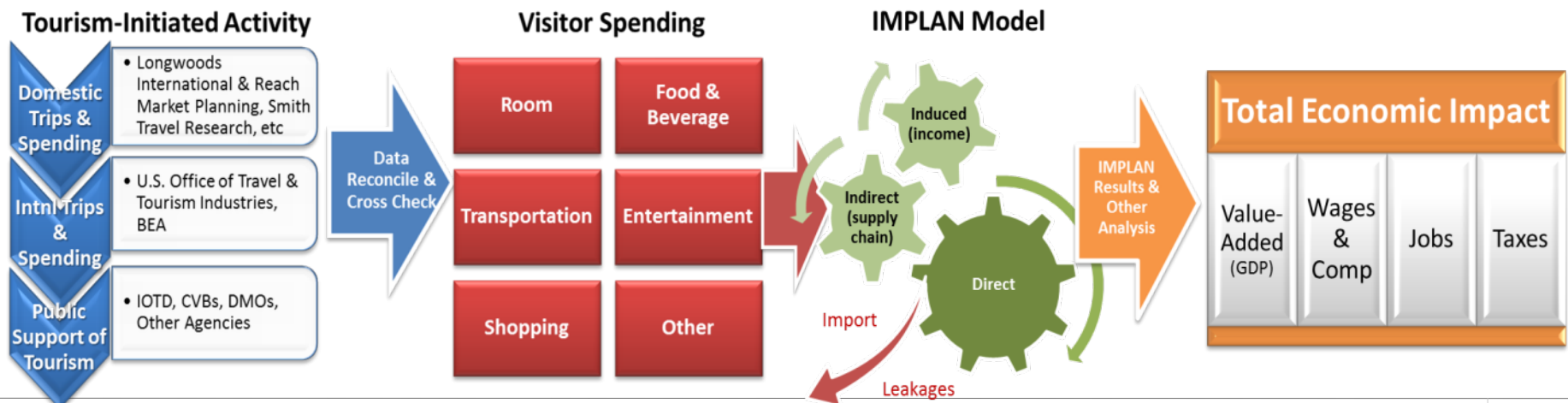
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Hamilton 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 2015 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. >>

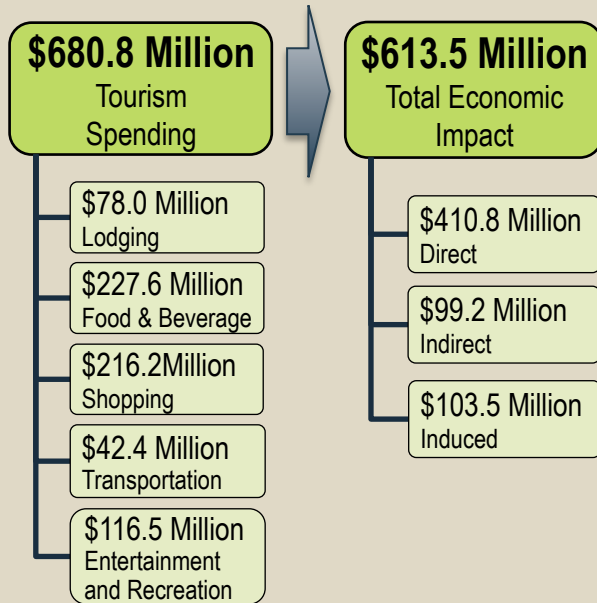
Methodology Cont.

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 Hamilton 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.

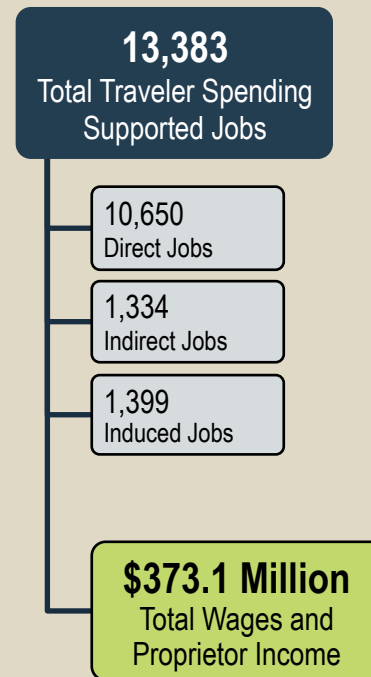


Tourism and Impact



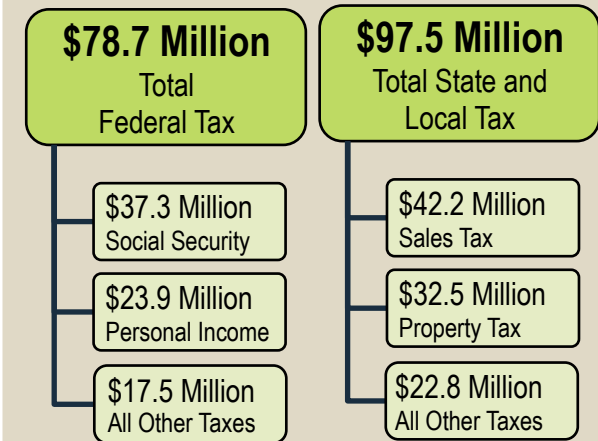
For every tourism dollar spent in Hamilton County in 2015, **90 cents** 'stayed' local and contributed directly to the gross county product of Hamilton County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **13 cents** of every dollar is 'leaked' to the supply chain outside of Hamilton County.

Jobs and Wages



For every **\$50,867** spent on tourism in Hamilton County in 2015 supported a job, resulting in an average of **\$27,878** in gross wages. This includes jobs in the industries directly supporting the visitor such as **hotel accommodations** but also in supply chain sectors like **transportation**. The income of direct and indirect workers also goes to support industries like **accounting, healthcare and real estate**.

Tax Revenue Generated



For every **\$1.00** spent on tourism in Hamilton County in 2015, **12 cents** goes to federal taxes and **14 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, 2015



Spending Growth by County, 2015

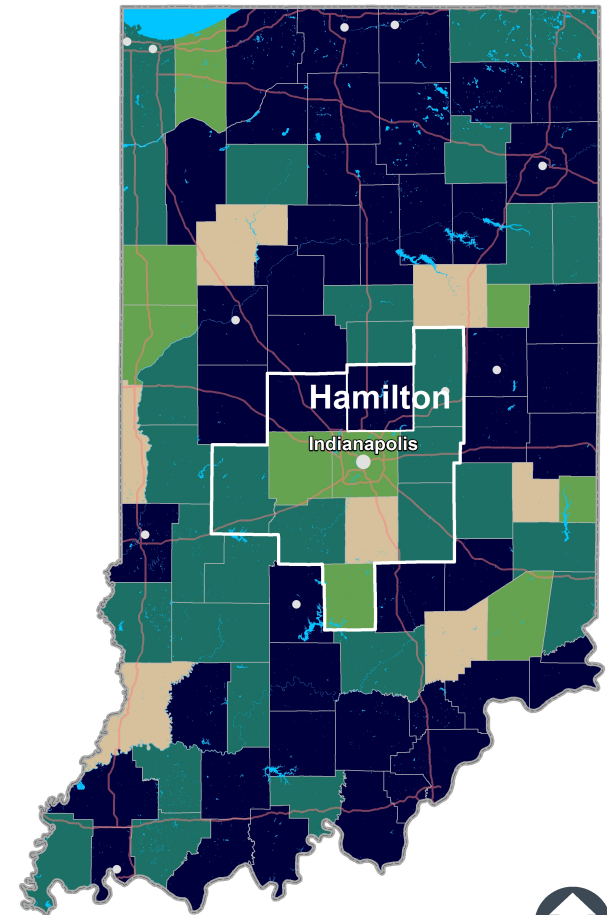
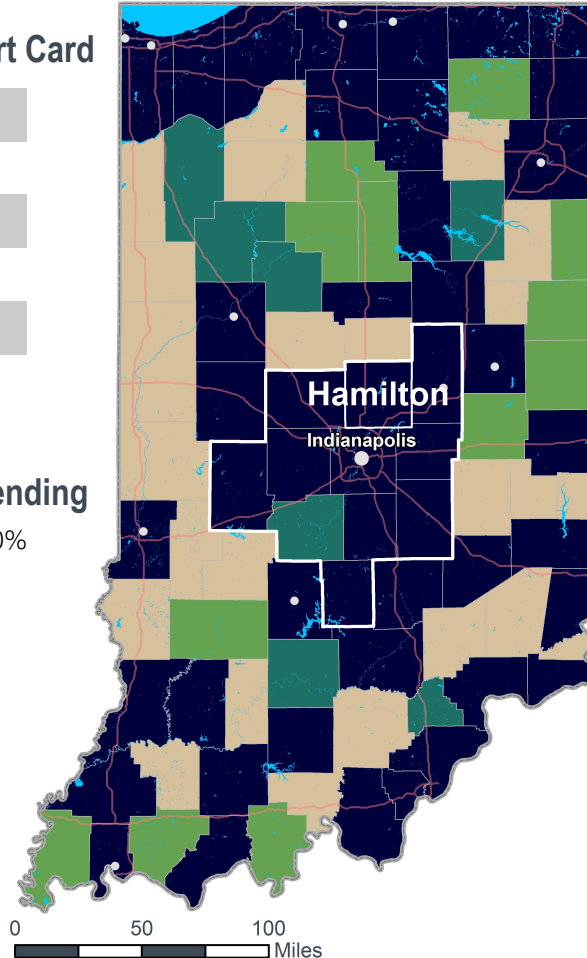
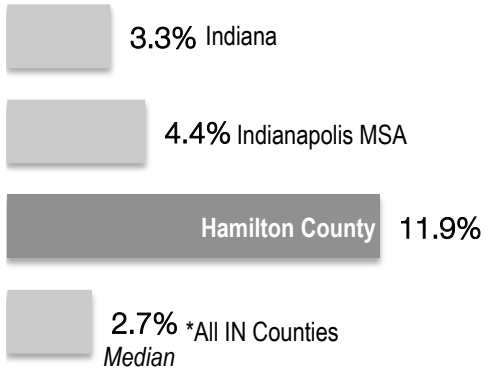


Hamilton County 2015 Tourism Report Card

Tourism Sales Per Capita	\$2,198.20
Tourism Spend Per Capita Ranking	#12 of 92
2015 Spending by Visitors (Millions)	\$680.8
County Ranking of Tourism Spend	#3 of 92
2015 Tourism Spending Growth	11.9%
2015 Tourism Growth Ranking	#31 of 92

Annual Growth in 2015 Tourism Spending

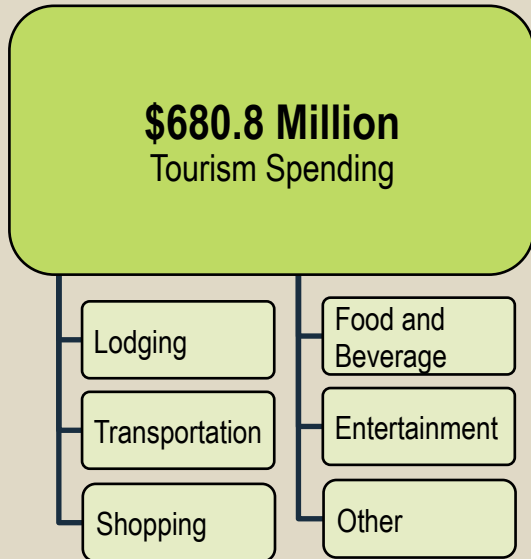
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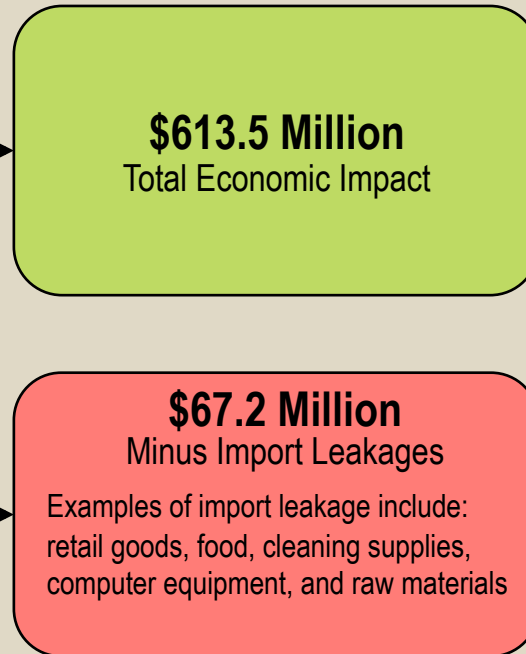
Source: Rockport Analytics



Total Tourism Spending



Value to Indiana Economy



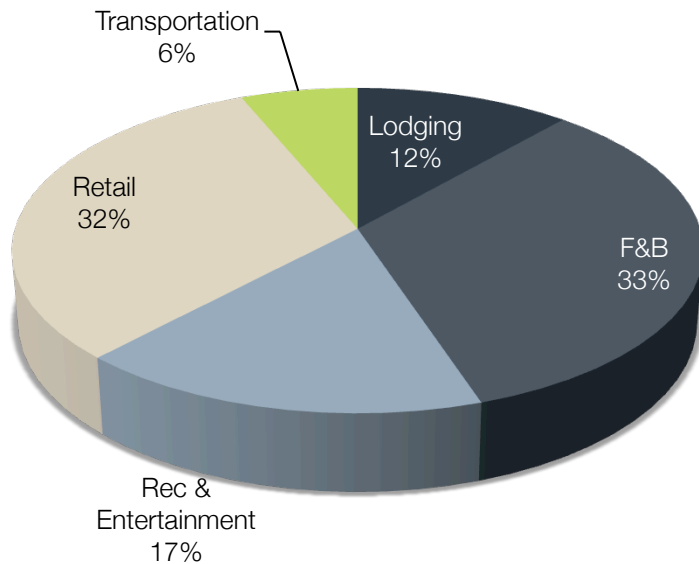
Impact on Indiana Business



F&B accounts for the largest share of tourism spend in Hamilton County, totaling **33% of visitor expenditures.**

Distribution of Tourism Spending

\$680.8 Million USD



Expenditure Category	2015	2014-15 Growth
Lodging	\$ 78,014,743	11.3%
F&B	\$ 227,633,900	9.3%
Rec & Entertainment	\$ 116,495,771	22.6%
Retail	\$ 216,229,073	11.0%
Transportation	\$ 42,403,983	6.1%
Total	\$ 680,777,470	11.9%

Categorical Spending Shares: State Comparisons

	Hamilton County	Indiana
Lodging	11%	16%
F&B	33%	27%
Rec & Entertainment	17%	18%
Retail	32%	21%
Transportation	6%	18%
Total	100%	100%

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

2015 Economic Impact Summary (Compared to 2014)

2015 Metric	Direct	Indirect	Induced	Total
Total Spending				\$680,777,470
<i>2015 Y/Y Growth</i>				11.9%
Economic Impact (GDP)	\$410,801,105	\$99,238,713	\$103,505,773	\$613,545,591
<i>2015 Y/Y Growth</i>	11.3%	11.8%	11.1%	11.4%
Wages	\$255,528,364	\$59,779,545	\$57,799,503	\$373,107,412
<i>2015 Y/Y Growth</i>	10.9%	12.1%	11.1%	11.1%
Jobs	10,650	1,334	1,399	13,383
<i>2015 Y/Y Growth</i>	9.4%	10.8%	9.3%	9.5%
Tax Receipts				\$176,221,760
<i>2015 Y/Y Growth</i>				11.7%

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.

Hamilton Tourism: 2015 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$174,387	\$1,212	\$13,613	\$189,211
Food services & drinking places	\$117,397	\$3,429	\$5,086	\$125,913
Arts- entertainment & recreation	\$65,615	\$2,574	\$1,558	\$69,746
Real estate & rental	\$5,987	\$18,784	\$24,807	\$49,578
Accommodations	\$37,431	\$19	\$13	\$37,463
Professional- scientific & tech services	\$0	\$18,520	\$5,451	\$23,971
Finance & insurance	\$0	\$8,572	\$10,432	\$19,005
Health & social services	\$0	\$41	\$16,145	\$16,186
Administrative & waste services	\$0	\$9,455	\$2,989	\$12,444
Transportation & Warehousing	\$9,985	\$1,521	\$713	\$12,219
Wholesale Trade	\$0	\$4,523	\$6,999	\$11,522
Utilities	\$0	\$7,046	\$2,968	\$10,014
Information	\$0	\$5,390	\$3,639	\$9,028
Other services	\$0	\$4,010	\$4,589	\$8,599
Management of companies	\$0	\$6,639	\$751	\$7,389
Construction	\$0	\$3,144	\$1,166	\$4,310
Government & non NAICs	\$0	\$2,712	\$1,001	\$3,713
Manufacturing	\$0	\$1,244	\$250	\$1,495
Educational services	\$0	\$190	\$1,205	\$1,395
Ag, Forestry, Fish & Hunting	\$0	\$96	\$79	\$175
Mining	\$0	\$116	\$54	\$170
Total	\$410,801	\$99,239	\$103,506	\$613,546
Total - 2014	\$369,035	\$88,727	\$93,145	\$550,907
% change	11.3%	11.8%	11.1%	11.4%

Source: Rockport Analytics, IMPLAN

Hamilton Tourism: 2015 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	4,092	27	299	4,419
Food services & drinking places	3,826	112	166	4,103
Arts- entertainment & recreation	1,665	183	56	1,903
Accommodations	674	0	0	675
Transportation & Warehousing	370	24	12	406
Real estate & rental	24	181	117	321
Professional- scientific & tech services	0	210	64	273
Administrative & waste services	0	206	64	270
Health & social services	0	0	248	249
Other services	0	80	114	194
Finance & insurance	0	79	102	181
Wholesale Trade	0	32	50	83
Management of companies	0	55	6	61
Construction	0	43	13	56
Information	0	35	19	54
Educational services	0	6	44	50
Government & non NAICs	0	34	14	48
Utilities	0	13	6	19
Manufacturing	0	11	3	14
Ag, Forestry, Fish & Hunting	0	3	1	4
Mining	0	1	0	1
Total	10,650	1,334	1,399	13,383
Total - 2014	9,738	1,204	1,280	12,222
% change	9.4%	10.8%	9.3%	9.5%

Source: Rockport Analytics, IMPLAN

Tourism is the 7th Largest Industry in Hamilton County

2015 Tourism in Hamilton County: Ranking of Major Industries By Total Employment

Rank	Industry	2015 Reported	2015 Tourism Extracted	% of Total Employment	14-15 Growth Rate
1	Health & Social Services	15,864	15,864	11.4%	8.0%
2	Finance & Insurance	15,004	15,004	10.8%	8.7%
3	Government	13,270	13,270	9.5%	0.8%
4	Retail trade	16,697	12,605	9.0%	7.9%
5	Administrative & Waste Services	11,599	11,599	8.3%	5.1%
6	Professional Services	11,050	11,050	7.9%	3.1%
7	Tourism	N/A	10,650	7.6%	9.4%
8	Accommodation & Food Services	13,736	9,236	6.6%	5.9%
9	Construction	7,528	7,528	5.4%	7.0%
10	Wholesale Trade	7,106	7,106	5.1%	2.2%
11	Manufacturing	6,136	6,136	4.4%	3.3%
12	Other Services	5,805	5,805	4.2%	3.0%
13	Real Estate	3,529	3,505	2.5%	5.4%
14	Management of Companies	3,074	3,074	2.2%	4.1%
15	Information	2,960	2,960	2.1%	-1.8%
16	Educational Services	1,759	1,759	1.3%	7.5%
17	Arts, Entertainment & Recreation	2,443	778	0.6%	4.2%
18	Utilities	691	691	0.5%	-10.8%
19	Transportation & Warehousing	903	534	0.4%	24.7%
20	Mining	194	194	0.1%	7.3%
	Total County Employment	139,349	139,349	100%	5.3%

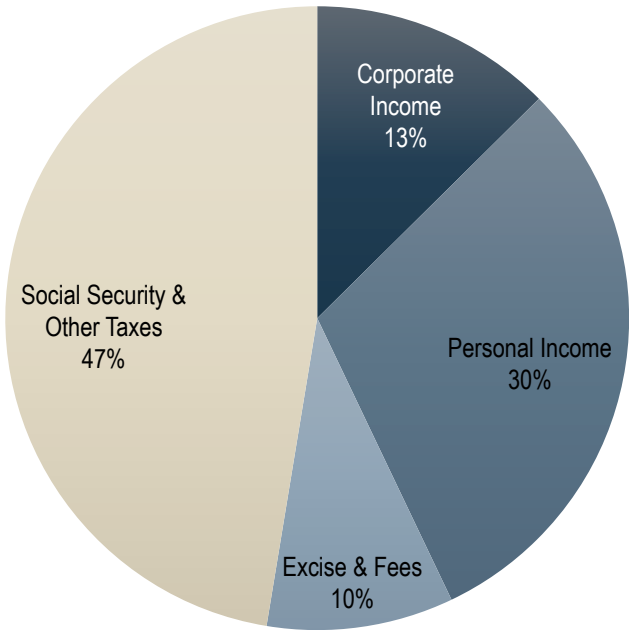
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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 Hamilton's Tourism Industry"

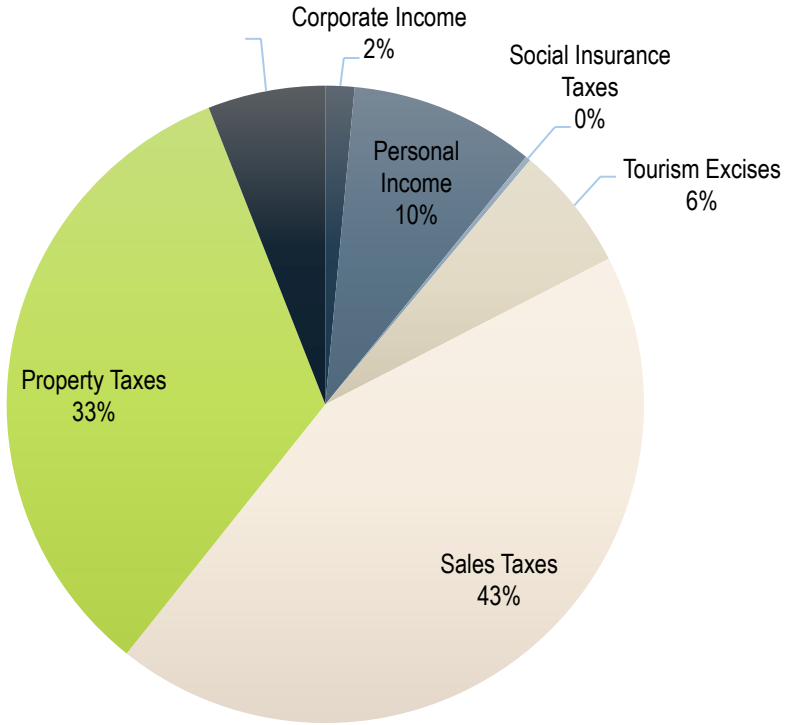
Federal Taxes

2015 Tax Total: **\$78.7 Million**



State & Local Taxes

2015 Tax Total: **\$97.5 Million**



2015 Total County Tourism-Initiated Taxes: **\$176.2 Million**

2014 – 2015 Tourism Tax Revenue Collections

	2014	2015	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$8,878.8	\$9,905.7	11.6%
Personal Income	\$21,486.4	\$23,876.7	11.1%
Excise & Fees	\$6,800.2	\$7,622.7	12.1%
Social Security & Other Taxes	\$33,582.0	\$37,313.6	11.1%
Federal Total	\$70,747.4	\$78,718.7	11.3%
State & Local			
Corporate Income	\$1,285.0	\$1,433.6	11.6%
Personal Income	\$8,223.2	\$9,138.0	11.1%
Social Insurance Taxes	\$232.0	\$257.8	11.1%
Tourism Excises			
Hotel Tax	\$3,184.6	\$3,562.5	11.9%
Food & Beverage	\$2,083.5	\$2,276.3	9.3%
Rental Car Excise	\$330.3	\$343.9	4.1%
Sales Taxes	\$37,562.0	\$42,185.4	12.3%
Property Taxes	\$28,987.0	\$32,491.2	12.1%
Other Taxes	\$5,124.4	\$5,814.3	13.5%
State & Local Tax Total	\$87,011.9	\$97,503.1	12.1%
Total County Tourism-Initiated Taxes	\$157,759.3	\$176,221.8	11.7%

- Hamilton County tourism generated over \$176.2 million in total taxes in 2015, up 11.7% over 2014.
- Federal tax collections resulting from tourism in Hamilton County include income taxes and social security and totaled \$78.7 million in 2015.
- State & local tax collections totaled \$97.5 million, including \$42.2 million in sales taxes contributing to state collections and \$32.5 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Hamilton County?

By Promoting a Healthy Job Market

Approximately 8% of all jobs in Hamilton 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 Hamilton County is sufficient to support 10,212 Indiana public school students.

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

Tourism is the 17th largest industry (6th not including Government) in Hamilton County (by jobs).

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

In addition to hotel occupancy levies (\$3.6 million in 2015), Hamilton County tourism activity generated over \$1.4 million in Indiana corporate taxes, \$9.1 million in Indiana personal income tax, and \$32.5 million in local property taxes during 2015.

By Helping to Relieve the Tax Burden of Hamilton County Households

If Hamilton County tourism did not exist, each of the 119,799 households in the county would have to pay an additional \$814 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 Hamilton County, 90¢ in economic impact is returned to the local area.



Rockport Analytics

1610 Herron Lane
West Chester, PA 19380

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



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