

2016 Economic Impact of Tourism in Hamilton 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

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

Methodology

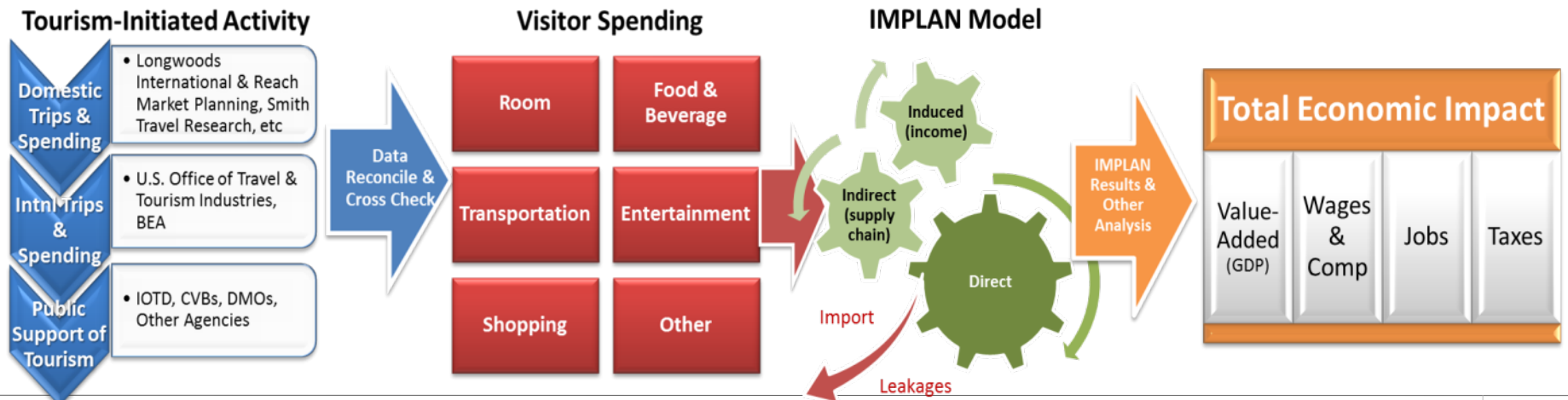
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct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

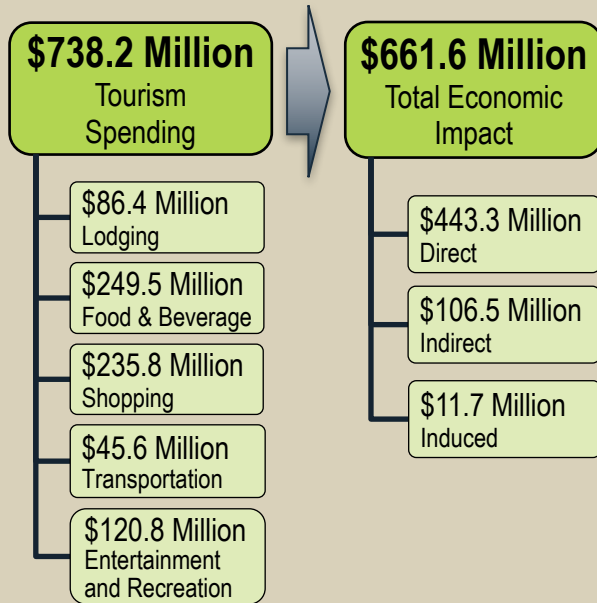
Methodology Cont.

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 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.

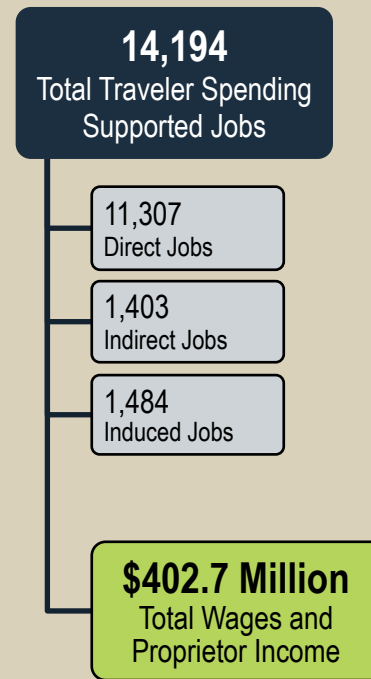


Tourism and Impact



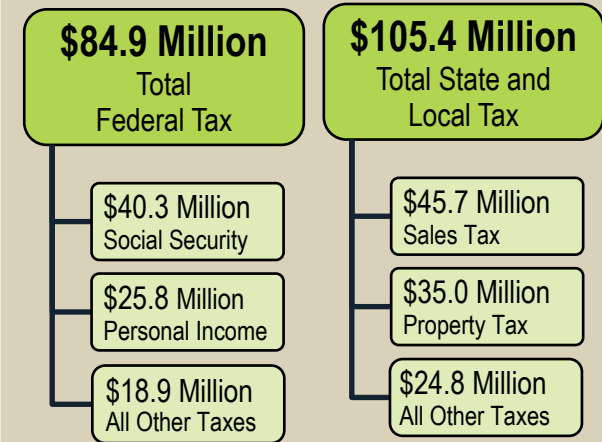
For every tourism dollar spent in Hamilton County in 2016, **\$0.90 cents** 'stayed' local and contributed directly to the gross county product of Hamilton County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **10 cents** of every dollar is 'leaked' to the supply chain outside of Hamilton County.

Jobs and Wages



For every **\$52,004** spent on tourism in Hamilton County in 2016 supported a job, resulting in an average of **\$28,369** in gross wages. This includes jobs in the industries directly supporting the visitor such as **retail trade and the arts** but also in supply chain sectors like **transportation**. The income of direct and indirect workers also goes to support industries like **retail trade, arts, and real estate**.

Tax Revenue Generated

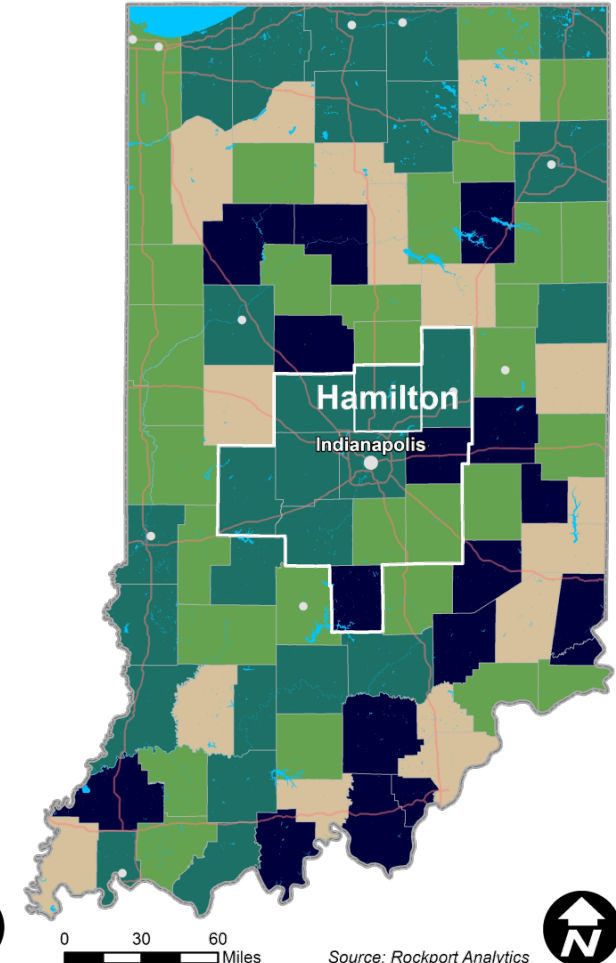
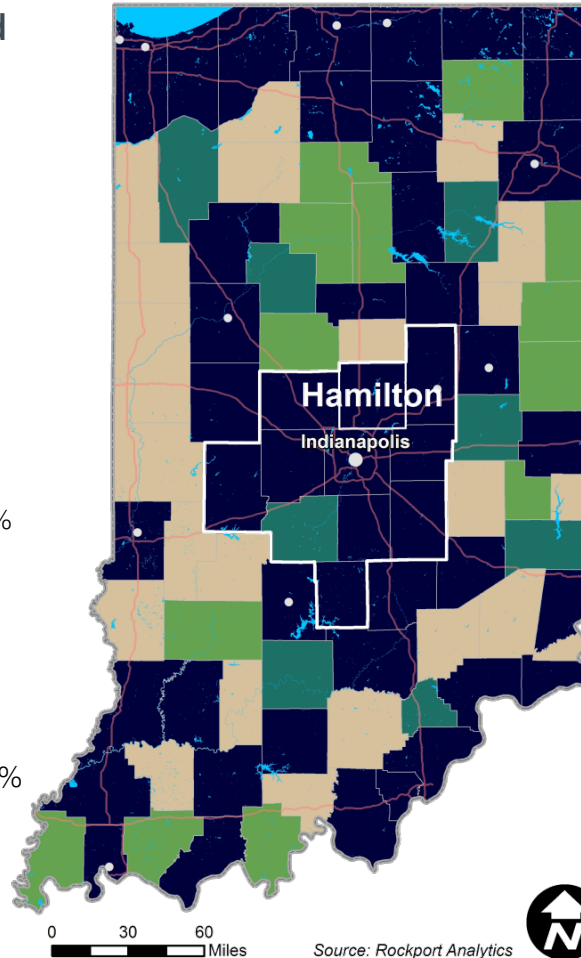


For every **\$1.00** spent on tourism in Hamilton County in 2016, **12 cents** goes to federal taxes and **14 cents** goes to state and local taxes. **Federal tax collections** include corporate & personal income taxes, excise taxes and social security collections. **State and local tourism-derived taxes** include sales taxes, property taxes and lodging taxes.

Total Spending by County, 2016



Spending Growth by County, 2016

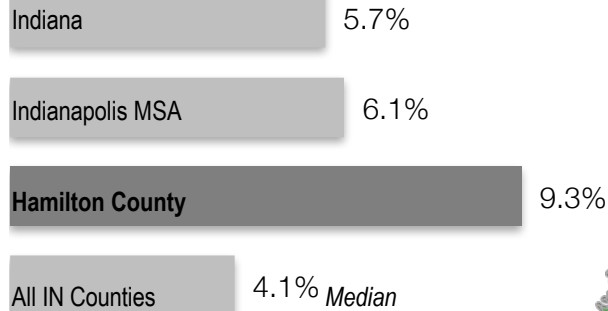


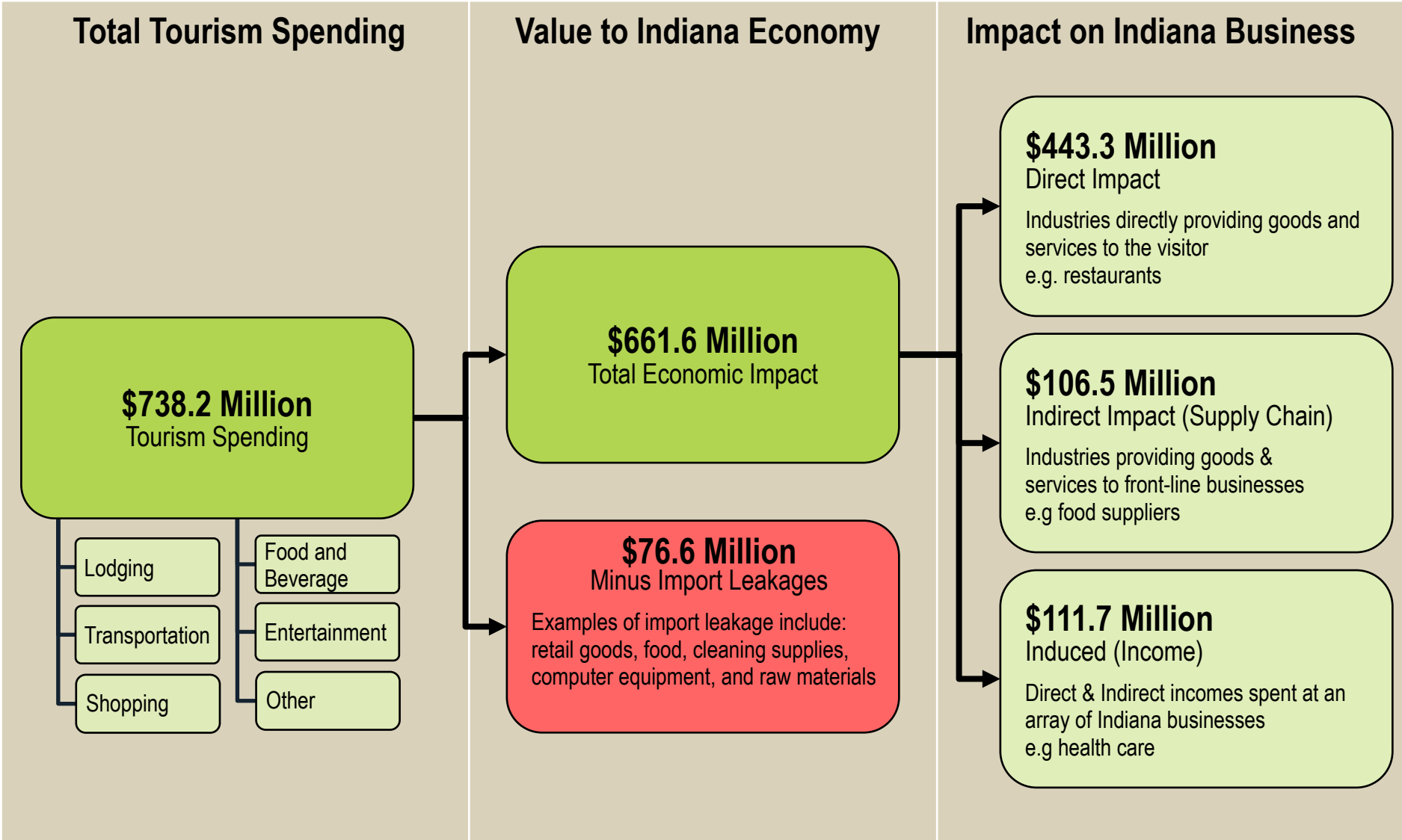
Hamilton County 2016 Tourism Report Card

Tourism Sales Per Capita	\$2,333.18
Tourism Spend Per Capita Ranking	#10 of 92
2016 Spending by Visitors (Millions)	\$738.2
County Ranking of Tourism Spend	#3 of 92
2016 Tourism Spending Growth	9.3%
2016 Tourism Growth Ranking	#18 of 92

Annual Growth in 2016 Tourism Spending

0.0% 2.0% 4.0% 6.0% 8.0% 10.0%

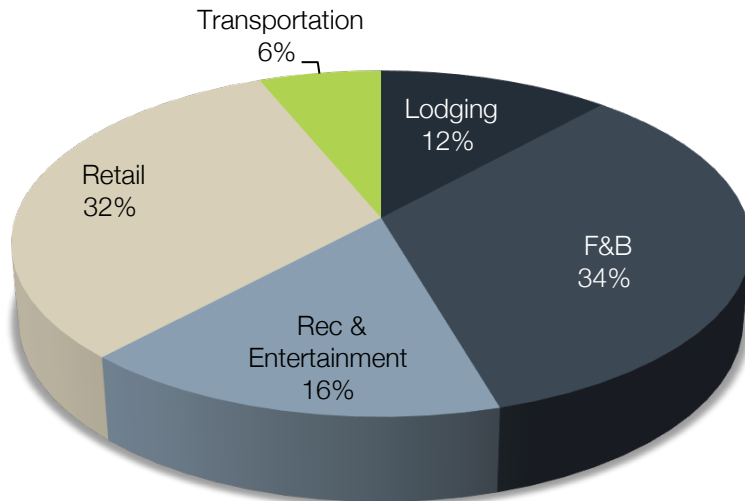




F&B accounts for the largest share of tourism spend in Hamilton County, totaling **34% of visitor expenditures.**

Distribution of Tourism Spending

\$738.2 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	\$ 86,425,517	10.8%
F&B	\$ 249,496,149	9.6%
Rec & Entertainment	\$ 120,814,194	8.9%
Retail	\$ 235,844,444	9.1%
Transportation	\$ 45,573,488	7.5%
Total	\$ 738,153,793	9.3%

Categorical Spending Shares: State Comparisons

	Hamilton County	Indiana
Lodging	12%	16%
F&B	34%	28%
Rec & Entertainment	16%	18%
Retail	32%	22%
Transportation	6%	16%
Total	100%	100%

2016 Economic Impact Summary (Compared to 2015)

2016 Metric	Direct	Indirect	Induced	Total
Total Spending				\$738,153,793
<i>2016 Y/Y Growth</i>				9.3%
Economic Impact (GDP)	\$443,309,062	\$106,549,468	\$111,717,634	\$661,576,164
<i>2016 Y/Y Growth</i>	8.7%	8.7%	8.7%	8.7%
Wages	\$276,200,371	\$64,084,951	\$62,384,936	\$402,670,258
<i>2016 Y/Y Growth</i>	8.8%	8.6%	8.7%	8.7%
Jobs	11,307	1,403	1,484	14,194
<i>2016 Y/Y Growth</i>	7.0%	6.8%	6.9%	6.9%
Tax Receipts				\$190,350,754
<i>2016 Y/Y Growth</i>				9.0%

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: 2016 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$190,205	\$1,313	\$14,692	\$206,211
Food services & drinking places	\$127,857	\$3,699	\$5,490	\$137,046
Arts- entertainment & recreation	\$67,248	\$2,682	\$1,681	\$71,611
Real estate & rental	\$6,404	\$20,237	\$26,776	\$53,416
Accommodations	\$40,883	\$21	\$14	\$40,918
Professional- scientific & tech services	\$0	\$19,794	\$5,884	\$25,678
Finance & insurance	\$0	\$9,180	\$11,259	\$20,440
Health & social services	\$0	\$42	\$17,426	\$17,468
Administrative & waste services	\$0	\$10,121	\$3,226	\$13,347
Transportation & Warehousing	\$10,712	\$1,639	\$769	\$13,120
Wholesale Trade	\$0	\$4,900	\$7,554	\$12,453
Utilities	\$0	\$7,597	\$3,204	\$10,801
Information	\$0	\$5,793	\$3,928	\$9,721
Other services	\$0	\$4,300	\$4,953	\$9,253
Management of companies	\$0	\$7,135	\$810	\$7,945
Construction	\$0	\$3,392	\$1,259	\$4,651
Government & non NAICs	\$0	\$2,929	\$1,080	\$4,010
Manufacturing	\$0	\$1,348	\$270	\$1,619
Educational services	\$0	\$198	\$1,300	\$1,498
Ag, Forestry, Fish & Hunting	\$0	\$104	\$85	\$188
Mining	\$0	\$125	\$58	\$183
Total	\$443,309	\$106,549	\$111,718	\$661,576
Total - 2015	\$407,685	\$98,061	\$102,736	\$608,483
% change	8.7%	8.7%	8.7%	8.7%

Source: Rockport Analytics, IMPLAN

Hamilton Tourism: 2016 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	4,390	29	317	4,737
Food services & drinking places	4,097	119	176	4,391
Arts- entertainment & recreation	1,681	187	59	1,927
Accommodations	724	0	0	725
Transportation & Warehousing	390	26	12	428
Real estate & rental	25	191	124	340
Professional- scientific & tech services	0	220	67	288
Administrative & waste services	0	217	68	285
Health & social services	0	0	263	264
Other services	0	84	121	205
Finance & insurance	0	83	109	192
Wholesale Trade	0	35	53	88
Management of companies	0	58	7	64
Construction	0	46	14	59
Information	0	37	20	57
Educational services	0	7	47	53
Government & non NAICS	0	36	15	51
Utilities	0	14	6	20
Manufacturing	0	12	3	15
Ag, Forestry, Fish & Hunting	0	3	1	4
Mining	0	1	0	1
Total	11,307	1,403	1,484	14,194
Total - 2015	10,571	1,314	1,388	13,274
% change	7.0%	6.8%	6.9%	6.9%

Source: Rockport Analytics, IMPLAN

Tourism is the 7th Largest Industry in Hamilton County

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

Rank	Industry	2016 Reported	2016 Tourism Extracted	% of Total Employment	15-16 Growth Rate
1	Health & Social Services	16,630	16,630	11.5%	5.1%
2	Finance & Insurance	15,716	15,716	10.8%	4.5%
3	Government	13,603	13,603	9.4%	2.7%
4	Retail trade	17,488	13,098	9.0%	4.8%
5	Administrative & Waste Services	11,850	11,850	8.2%	1.6%
6	Professional Services	11,724	11,724	8.1%	6.1%
7	Tourism	N/A	11,307	7.8%	7.0%
8	Accommodation & Food Services	14,076	9,255	6.4%	3.0%
9	Construction	8,237	8,237	5.7%	8.9%
10	Wholesale Trade	7,397	7,397	5.1%	3.6%
11	Manufacturing	6,196	6,196	4.3%	2.8%
12	Other Services	5,921	5,921	4.1%	3.4%
13	Real Estate	3,772	3,747	2.6%	4.9%
14	Management of Companies	3,446	3,446	2.4%	2.7%
15	Information	2,890	2,890	2.0%	-2.1%
16	Educational Services	1,787	1,787	1.2%	2.4%
17	Arts, Entertainment & Recreation	2,578	898	0.6%	7.7%
18	Utilities	656	656	0.5%	-1.4%
19	Transportation & Warehousing	1,021	631	0.4%	9.3%
20	Mining	220	220	0.2%	10.6%
	Total County Employment	145,207	145,207	100%	4.1%

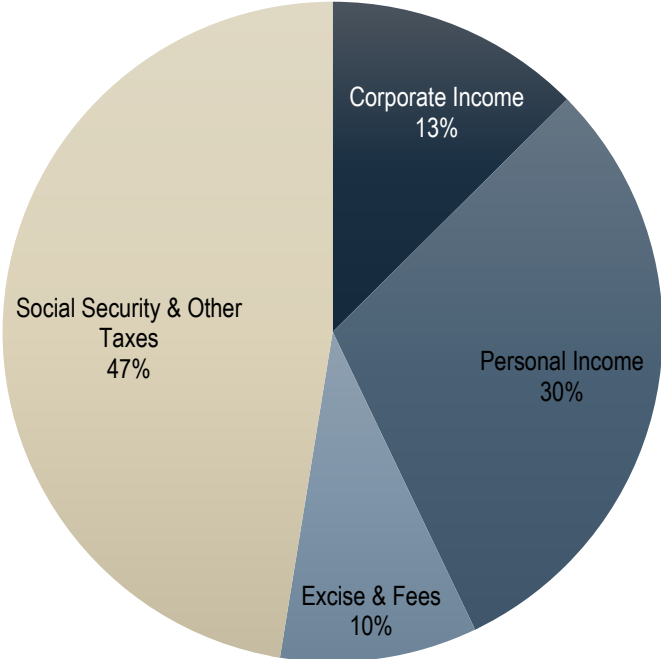
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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"

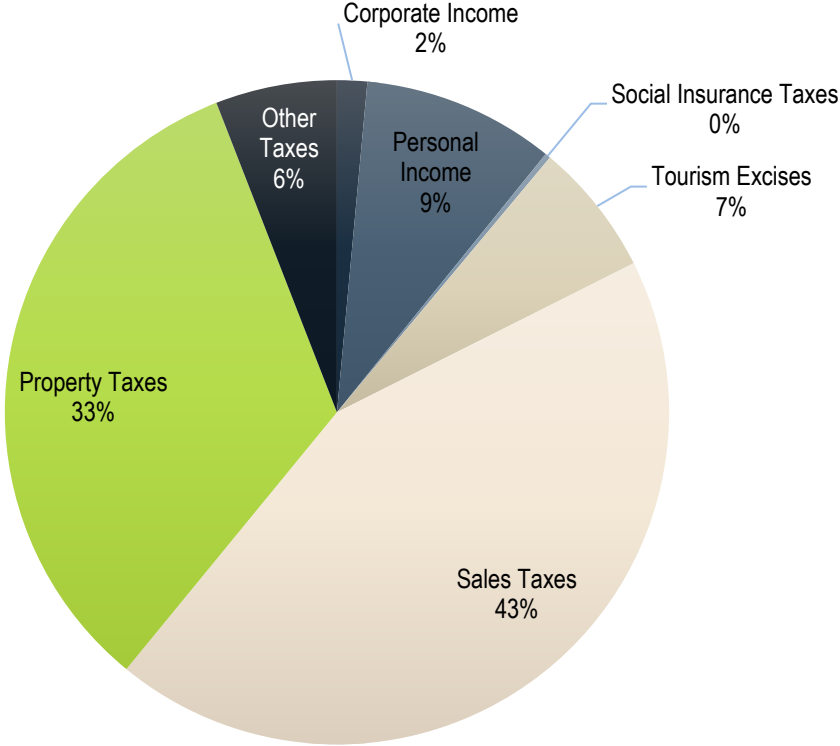
Federal Taxes

2016 Tax Total: **\$84.9 Million**



State & Local Taxes

2016 Tax Total: **\$105.4 Million**



2016 Total County Tourism-Initiated Taxes: **\$190.4 Million**

2015 – 2016 Tourism Tax Revenue Collections

	2015	2016	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$9,817.0	\$10,671.9	8.7%
Personal Income	\$23,696.9	\$25,766.6	8.7%
Excise & Fees	\$7,544.0	\$8,200.9	8.7%
Social Security & Other Taxes	\$37,049.0	\$40,297.8	8.8%
Federal Total	\$78,107.0	\$84,937.1	8.7%
State & Local			
Corporate Income	\$1,420.7	\$1,544.5	8.7%
Personal Income	\$9,069.2	\$9,861.3	8.7%
Social Insurance Taxes	\$256.0	\$278.5	8.8%
Tourism Excises			
Hotel Tax	\$3,562.5	\$4,012.3	12.6%
Food & Beverage	\$2,276.3	\$2,495.0	9.6%
Rental Car Excise	\$329.4	\$354.1	7.5%
Sales Taxes	\$41,739.4	\$45,680.9	9.4%
Property Taxes	\$32,156.4	\$34,956.2	8.7%
Other Taxes	\$5,746.6	\$6,231.1	8.4%
State & Local Tax Total	\$96,556.8	\$105,413.7	9.2%
Total County Tourism-Initiated Taxes	\$174,663.8	\$190,350.8	9.0%

- Hamilton County tourism generated over \$190.4 million in total taxes in 2016, up 9.0% over 2015.
- Federal tax collections resulting from tourism in Hamilton County include income taxes and social security and totaled \$84.9 million in 2016.
- State & local tax collections totaled \$105.4 million, including \$45.7 million in sales taxes contributing to state collections and \$35.0 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 7.8% 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 retail trade, arts and transportation.

By Contributing to the Health of the Public Education System

Revenue collected from tourism in Hamilton County is sufficient to support 10,882 Indiana public school students.

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

Tourism is the 7^h 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 (\$4.0 million in 2016), Hamilton County tourism activity generated over \$1.5 million in Indiana corporate taxes, \$9.9 million in Indiana personal income tax, and \$35.0 million in local property taxes during 2016.

By Helping to Relieve the Tax Burden of Hamilton County Households

If Hamilton County tourism did not exist, each of the 123,950 households in the county would have to pay an additional \$850 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 retained in the local area.



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