

# 2016 Economic Impact of Tourism in Hendricks 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)

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

## Methodology

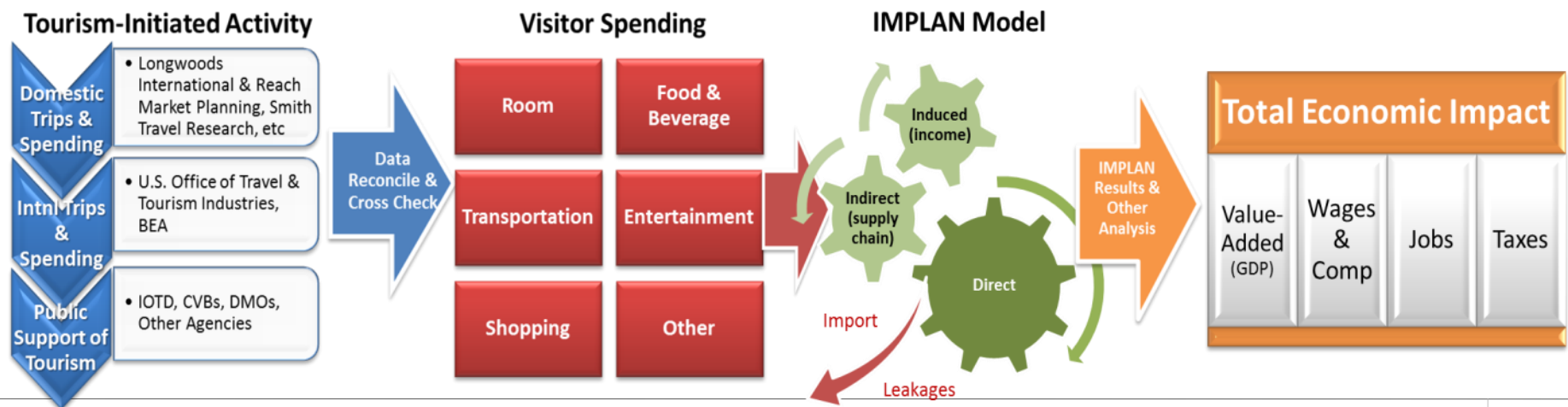
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct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

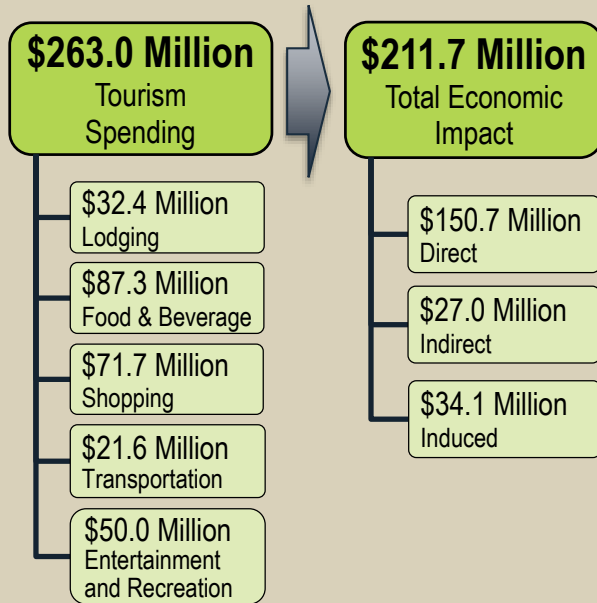
## Methodology Cont.

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 Hendricks 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.

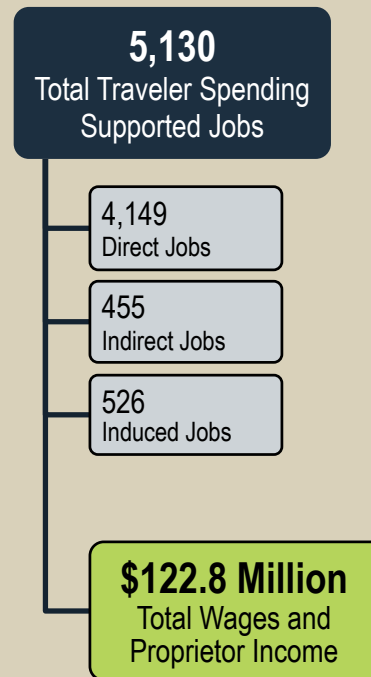


## Tourism and Impact



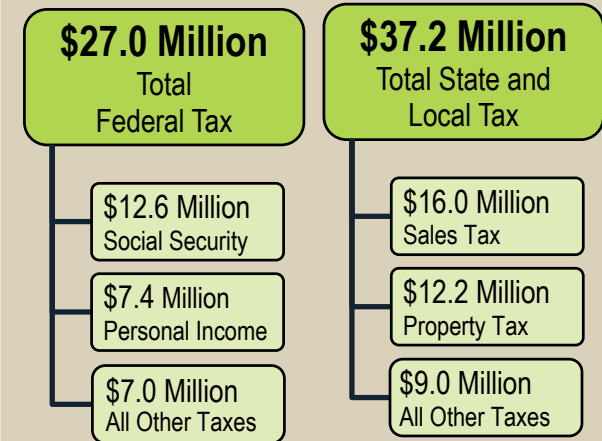
For every tourism dollar spent in Hendricks County in 2016, **\$0.80 cents** 'stayed' local and contributed directly to the gross county product of Hendricks County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **20 cents** of every dollar is 'leaked' to the supply chain outside of Hendricks County.

## Jobs and Wages



For every **\$51,269** spent on tourism in Hendricks County in 2016 supported a job, resulting in an average of **\$23,942** 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 transportation**.

## Tax Revenue Generated



For every **\$1.00** spent on tourism in Hendricks County in 2016, **10 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

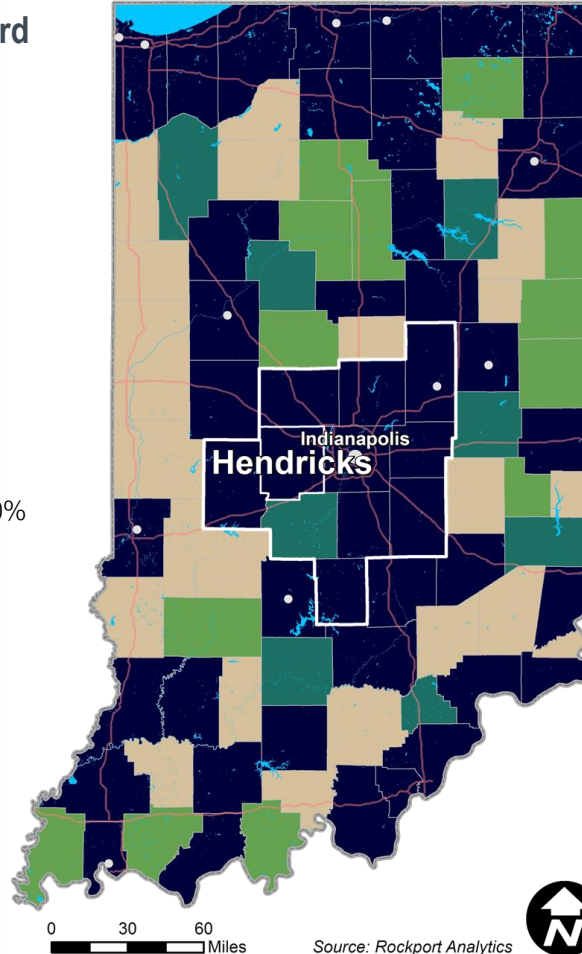
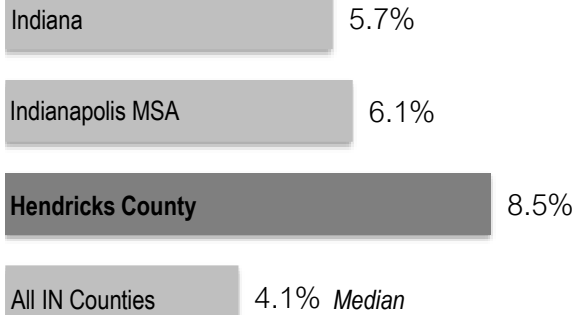


## Hendricks County 2016 Tourism Report Card

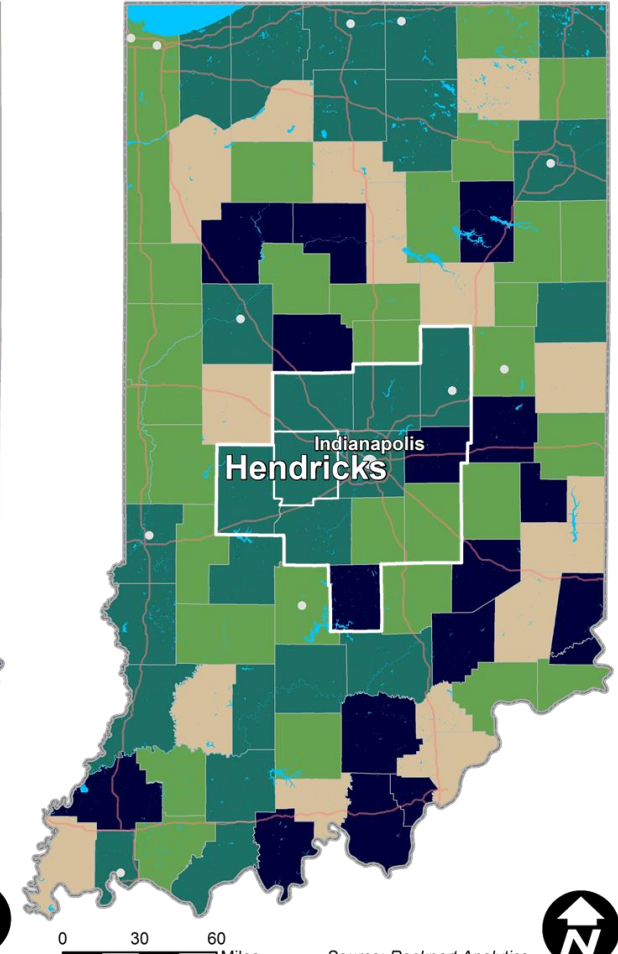
Tourism Sales Per Capita	\$1,637.60
Tourism Spend Per Capita Ranking	#24 of 92
2016 Spending by Visitors (Millions)	\$263.0
County Ranking of Tourism Spend	#9 of 92
2016 Tourism Spending Growth	8.5%
2016 Tourism Growth Ranking	#24 of 92

## Annual Growth in 2016 Tourism Spending

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



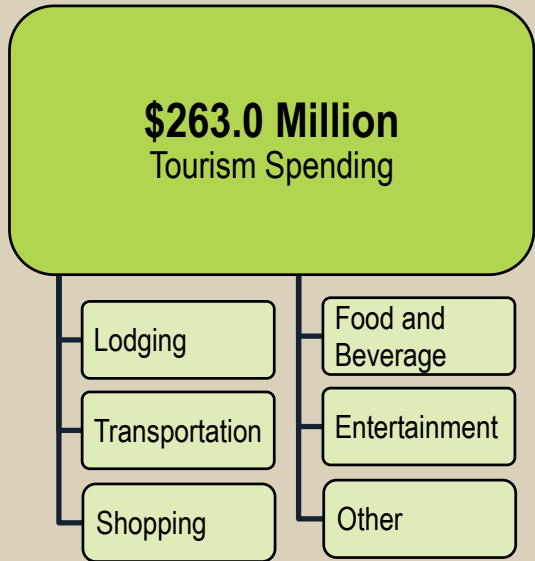
Source: Rockport Analytics



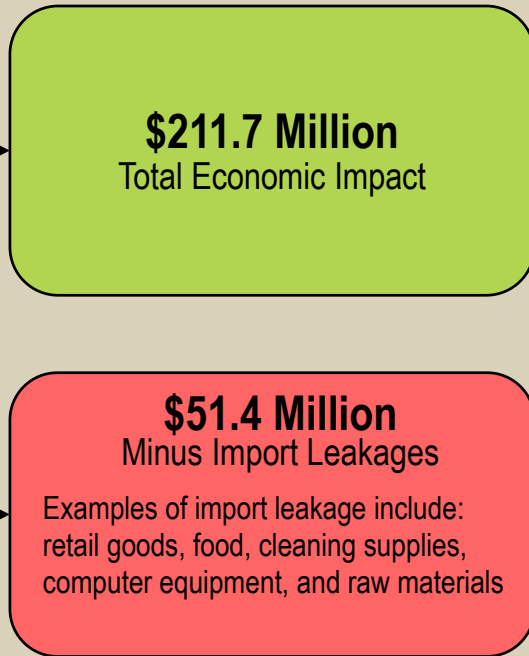
Source: Rockport Analytics



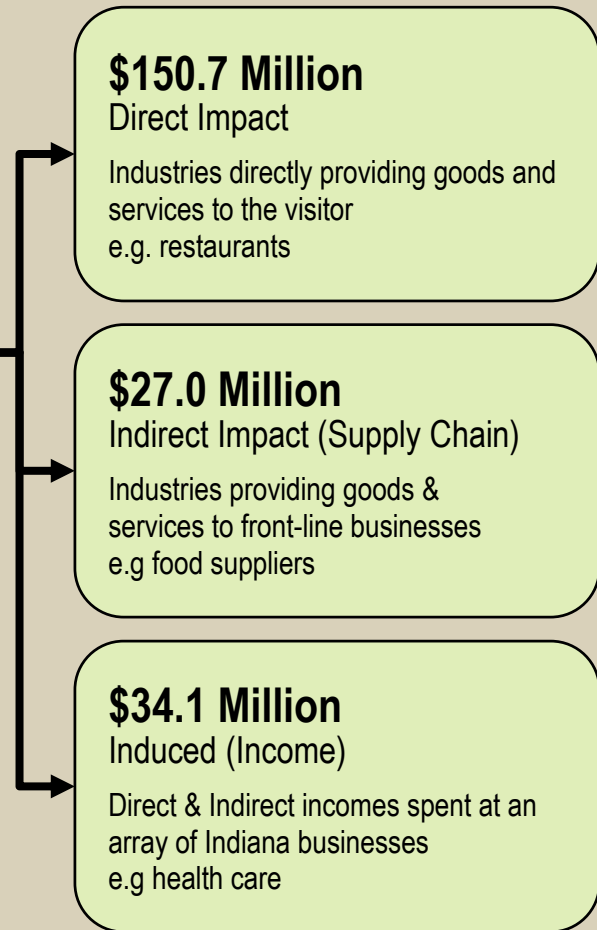
## Total Tourism Spending



## Value to Indiana Economy

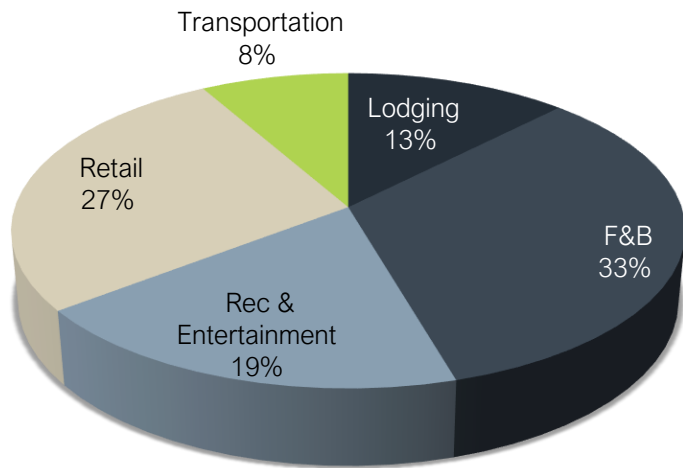


## Impact on Indiana Business



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

## Distribution of Tourism Spending \$263.0 Million USD



Expenditure Category	2016	2015-16 Growth
Lodging	\$ 32,434,493	10.0%
F&B	\$ 87,315,377	8.8%
Rec & Entertainment	\$ 49,961,012	8.1%
Retail	\$ 71,736,880	8.3%
Transportation	\$ 21,567,480	6.7%
Total	\$ 263,015,243	8.5%

## Categorical Spending Shares: State Comparisons

	Hendricks County	Indiana
Lodging	13%	16%
F&B	33%	28%
Rec & Entertainment	19%	18%
Retail	27%	22%
Transportation	8%	16%
Total	100%	100%

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.



## 2016 Economic Impact Summary (Compared to 2015)

2016 Metric	Direct	Indirect	Induced	Total
Total Spending				\$263,015,243
<i>2016 Y/Y Growth</i>				8.5%
Economic Impact (GDP)	\$150,671,247	\$26,937,484	\$34,055,811	\$211,664,543
<i>2016 Y/Y Growth</i>	7.9%	7.9%	7.9%	7.9%
Wages	\$90,639,007	\$15,428,820	\$16,758,975	\$122,826,802
<i>2016 Y/Y Growth</i>	7.9%	7.8%	7.9%	7.9%
Jobs	4,149	455	526	5,130
<i>2016 Y/Y Growth</i>	6.1%	6.0%	6.1%	6.1%
Tax Receipts				\$64,131,770
<i>2016 Y/Y Growth</i>				8.5%

### 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.

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

*Thousands of \$s*

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$60,963	\$461	\$5,670	\$67,094
Food services & drinking places	\$41,873	\$1,271	\$2,044	\$45,188
Arts- entertainment & recreation	\$26,296	\$887	\$511	\$27,694
Real estate & rental	\$0	\$4,906	\$9,627	\$14,534
Accommodations	\$14,505	\$16	\$11	\$14,532
Transportation & Warehousing	\$7,034	\$1,133	\$566	\$8,733
Professional- scientific & tech services	\$0	\$5,379	\$1,559	\$6,938
Health & social services	\$0	\$7	\$4,666	\$4,673
Utilities	\$0	\$2,773	\$1,187	\$3,960
Administrative & waste services	\$0	\$2,602	\$806	\$3,409
Wholesale Trade	\$0	\$1,255	\$2,141	\$3,396
Other services	\$0	\$1,305	\$1,982	\$3,286
Finance & insurance	\$0	\$1,342	\$1,722	\$3,064
Construction	\$0	\$1,011	\$449	\$1,460
Government & non NAICS	\$0	\$998	\$395	\$1,393
Information	\$0	\$908	\$370	\$1,278
Management of companies	\$0	\$575	\$60	\$635
Educational services	\$0	\$39	\$263	\$302
Manufacturing	\$0	\$67	\$19	\$86
Ag, Forestry, Fish & Hunting	\$0	\$3	\$8	\$12
Mining	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$150,671</b>	<b>\$26,937</b>	<b>\$34,056</b>	<b>\$211,665</b>
Total - 2015	\$139,639	\$24,973	\$31,555	\$196,167
<b>% change</b>	<b>7.9%</b>	<b>7.9%</b>	<b>7.9%</b>	<b>7.9%</b>

Source: Rockport Analytics, IMPLAN

## Hendricks Tourism: 2016 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	1,537	47	75	1,659
Retail trade	1,377	10	123	1,510
Arts- entertainment & recreation	696	50	15	760
Accommodations	287	0	0	288
Transportation & Warehousing	252	17	9	278
Professional- scientific & tech services	0	76	23	99
Real estate & rental	0	56	39	96
Administrative & waste services	0	73	22	95
Health & social services	0	0	87	87
Other services	0	31	52	82
Finance & insurance	0	21	28	49
Wholesale Trade	0	11	19	29
Construction	0	20	6	27
Government & non NAICs	0	14	6	20
Information	0	14	5	19
Educational services	0	2	13	15
Utilities	0	6	2	8
Management of companies	0	5	1	6
Manufacturing	0	1	0	2
Ag, Forestry, Fish & Hunting	0	0	0	0
Mining	0	0	0	0
<b>Total</b>	<b>4,149</b>	<b>455</b>	<b>526</b>	<b>5,130</b>
Total - 2015	3,910	430	496	4,835
<i>% change</i>	<b>6.1%</b>	<b>6.0%</b>	<b>6.1%</b>	<b>6.1%</b>

Source: Rockport Analytics, IMPLAN

# Tourism is the 7th Largest Industry in Hendricks County

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

Rank	Industry	Employment 2016 Reported	2016 Tourism Extracted	% of Total Employment	15-16 Growth Rate
1	Administrative & Waste Services	10,281	10,281	14.9%	2.4%
2	Retail trade	10,960	9,583	13.9%	4.1%
3	Government	8,489	8,489	12.3%	2.0%
4	Transportation & Warehousing	8,035	7,783	11.3%	5.1%
5	Accommodation & Food Services	7,296	5,472	7.9%	2.5%
6	Health & Social Services	5,089	5,089	7.4%	4.2%
<b>7</b>	<b>Tourism</b>	<b>N/A</b>	<b>4,149</b>	<b>6.0%</b>	<b>6.1%</b>
8	Manufacturing	4,105	4,105	5.9%	2.1%
9	Wholesale Trade	3,893	3,893	5.6%	2.9%
10	Other Services	2,931	2,931	4.2%	2.7%
11	Construction	2,745	2,745	4.0%	8.2%
12	Professional Services	1,341	1,341	1.9%	7.0%
13	Finance & Insurance	1,025	1,025	1.5%	3.7%
14	Utilities	731	731	1.1%	-5.2%
15	Real Estate	494	494	0.7%	4.2%
16	Management of Companies	416	416	0.6%	3.5%
17	Educational Services	251	251	0.4%	1.6%
18	Information	234	234	0.3%	-2.8%
19	Arts, Entertainment & Recreation	779	83	0.1%	7.2%
20	Mining	31	31	0.0%	3.8%
	<b>Total County Employment</b>	<b>69,129</b>	<b>69,129</b>	<b>100%</b>	<b>3.4%</b>

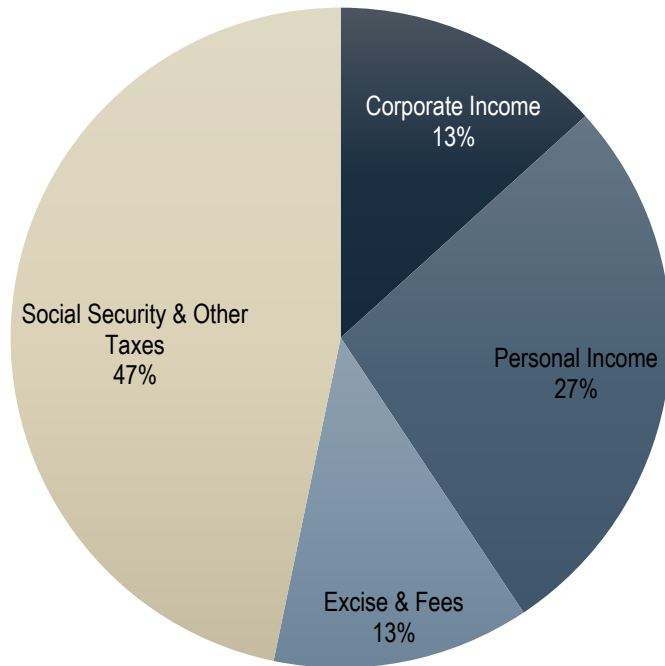
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

**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"

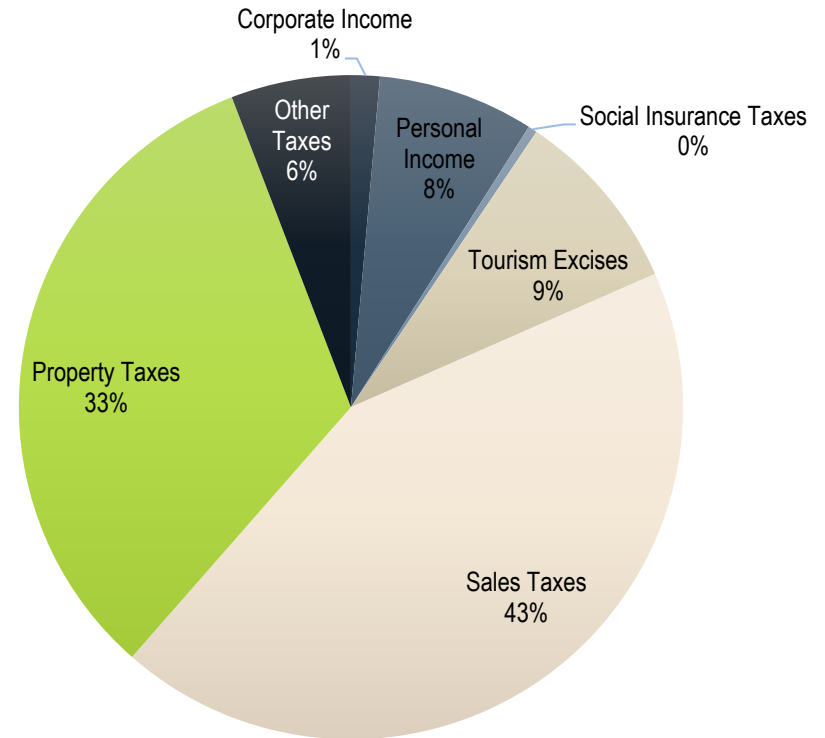
## Federal Taxes

2016 Tax Total: **\$27.0 Million**



## State & Local Taxes

2016 Tax Total: **\$37.2 Million**



2016 Total County Tourism-Initiated Taxes: **\$64.2 Million**

## 2015 – 2016 Tourism Tax Revenue Collections

	2015	2016	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$3,322.4	\$3,583.8	7.9%
Personal Income	\$6,840.6	\$7,382.5	7.9%
Excise & Fees	\$3,152.2	\$3,400.0	7.9%
Social Security & Other Taxes	\$11,678.4	\$12,607.5	8.0%
<b>Federal Total</b>	<b>\$24,993.6</b>	<b>\$26,973.7</b>	<b>7.9%</b>
State & Local			
Corporate Income	\$480.8	\$518.7	7.9%
Personal Income	\$2,618.0	\$2,825.4	7.9%
Social Insurance Taxes	\$149.5	\$161.4	8.0%
Tourism Excises			
Hotel Tax	\$2,072.3	\$2,467.5	19.1%
Food & Beverage	\$802.3	\$873.2	8.8%
Rental Car Excise	\$0.0	\$0.0	\$0.0
Sales Taxes	\$14,713.1	\$15,989.3	8.7%
Property Taxes	\$11,267.2	\$12,152.8	7.9%
Other Taxes	\$2,018.7	\$2,169.9	7.5%
<b>State &amp; Local Tax Total</b>	<b>\$34,122.0</b>	<b>\$37,158.0</b>	<b>8.9%</b>
<b>Total County Tourism-Initiated Taxes</b>	<b>\$59,115.5</b>	<b>\$64,131.8</b>	<b>8.5%</b>

- Hendricks County tourism generated over \$64.1 million in total taxes in 2016, up 8.5% over 2015.
- Federal tax collections resulting from tourism in Hendricks County include income taxes and social security and totaled \$27.0 million in 2016.
- State & local tax collections totaled \$37.2 million, including \$16.0 million in sales taxes contributing to state collections and \$12.2 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

## *How Does Tourism Benefit Hendricks County?*

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

Approximately 6.0% of all jobs in Hendricks 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 Hendricks County is sufficient to support 3,836 Indiana public school students.

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

Tourism is the 7<sup>h</sup> largest industry (6<sup>th</sup> not including Government) in Hendricks County (by jobs).

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

In addition to hotel occupancy levies (\$2.5 million in 2016), Hendricks County tourism activity generated over \$518.7 thousand in Indiana corporate taxes, \$2.8 million in Indiana personal income tax, and \$12.2 million in local property taxes during 2016.

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

If Hendricks County tourism did not exist, each of the 60,273 households in the county would have to pay an additional \$616 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 Hendricks County, 80¢ in economic impact is retained in the local area.



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