

2015 Economic Impact of Tourism in Morgan 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

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

Methodology

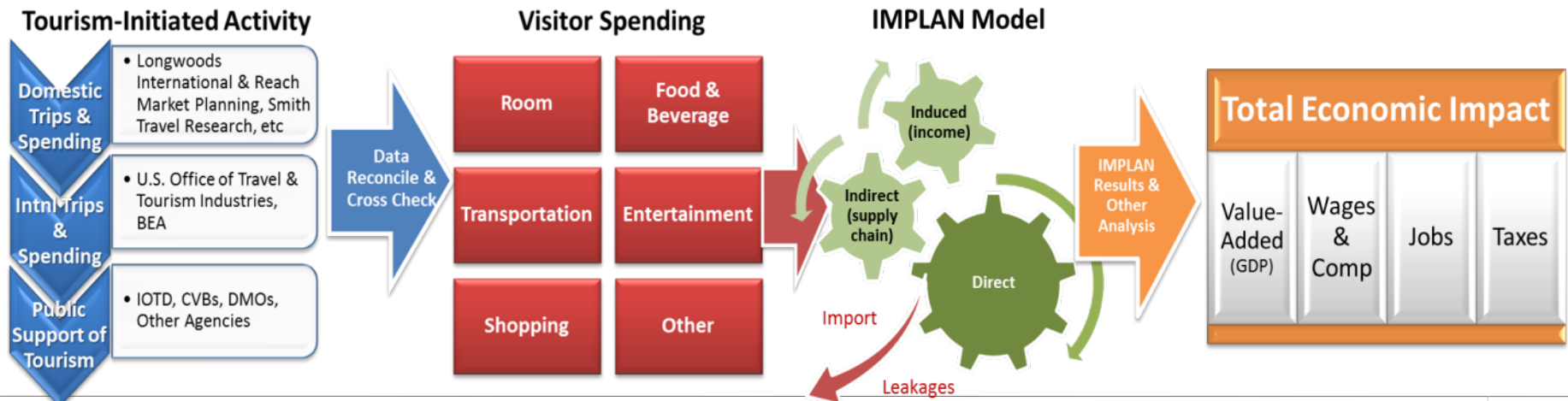
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct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

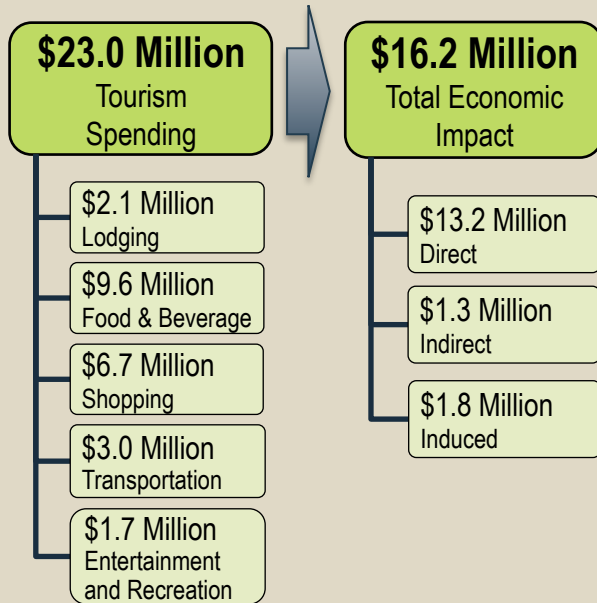
Methodology Cont.

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 Morgan 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.

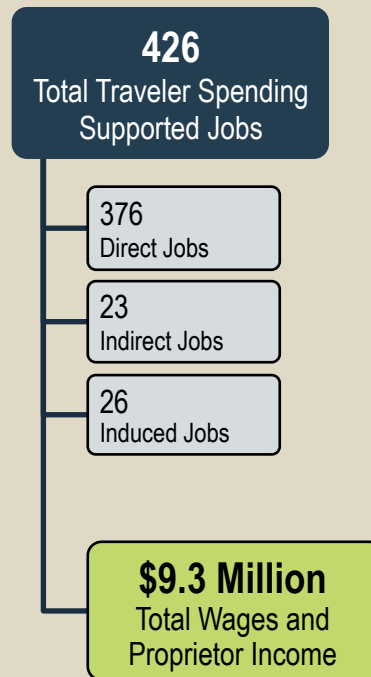


Tourism and Impact



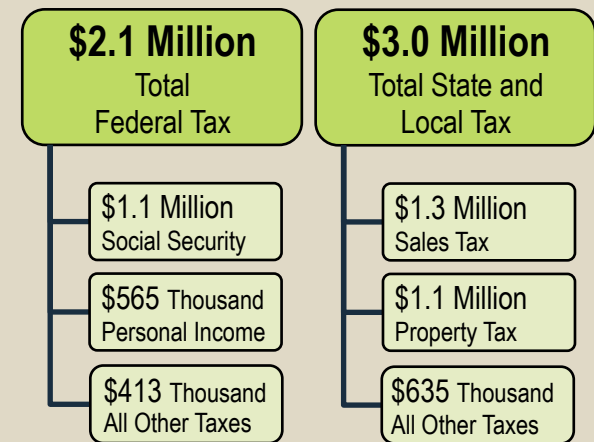
For every tourism dollar spent in Morgan County in 2015, **71 cents** 'stayed' local and contributed directly to the gross county product of Morgan County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **29 cents** of every dollar is 'leaked' to the supply chain outside of Morgan County.

Jobs and Wages



For every **\$54,051** spent on tourism in Morgan County in 2015 supported a job, resulting in an average of **\$21,870** 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 Morgan County in 2015, **9 cents** goes to federal taxes and **13 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

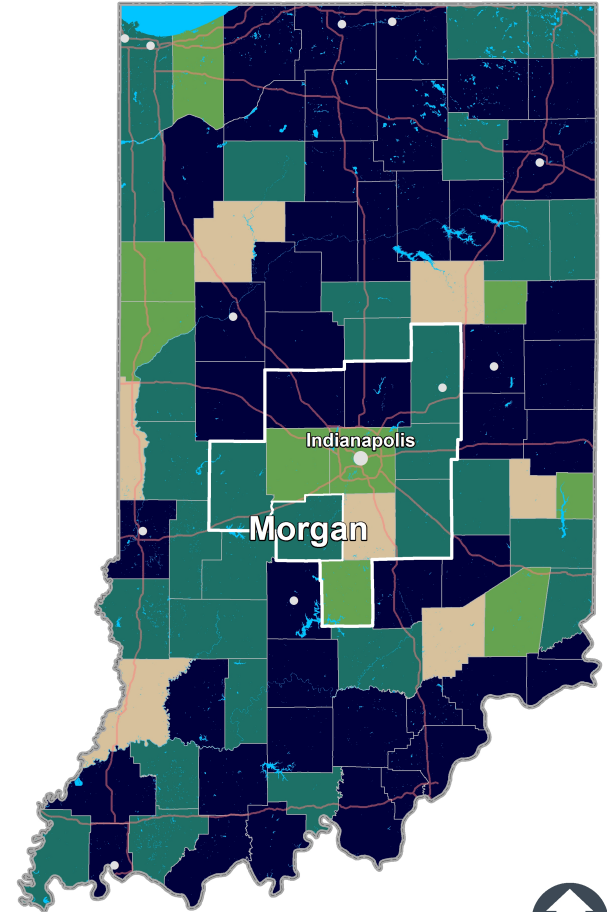
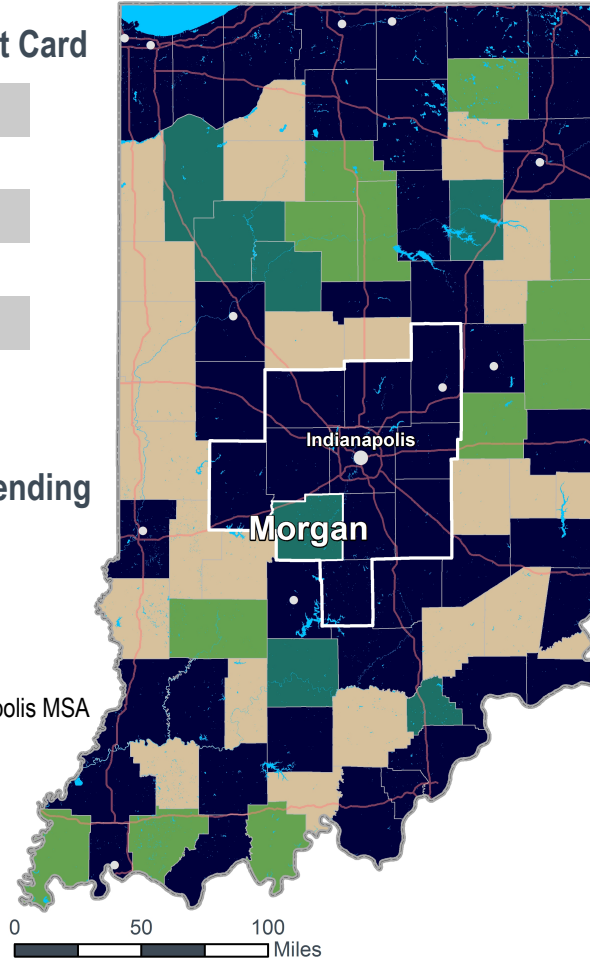
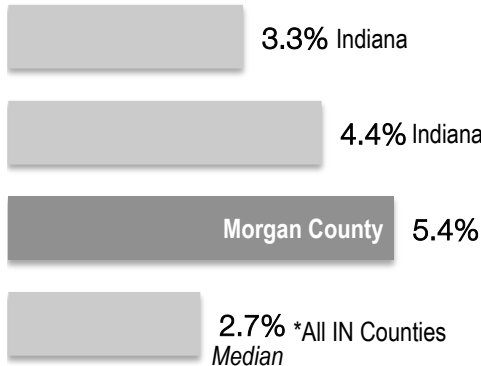


Morgan County 2015 Tourism Report Card

Tourism Sales Per Capita	\$330.60
Tourism Spend Per Capita Ranking	#69 of 92
2015 Spending by Visitors (Millions)	\$23.0
County Ranking of Tourism Spend	#52 of 92
2015 Tourism Spending Growth	5.4%
2015 Tourism Growth Ranking	#75 of 92

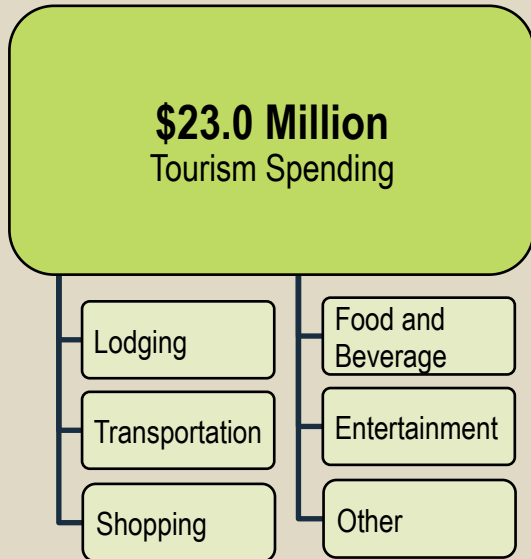
Annual Growth in 2015 Tourism Spending

0.0% 2.0% 4.0% 6.0%



Source: Rockport Analytics

Total Tourism Spending



Value to Indiana Economy



Impact on Indiana Business

\$13.2 Million

Direct Impact

Industries directly providing goods and services to the visitor
e.g. restaurants

\$1.3 Million

Indirect Impact (Supply Chain)

Industries providing goods & services to front-line businesses
e.g. food suppliers

\$1.8 Million

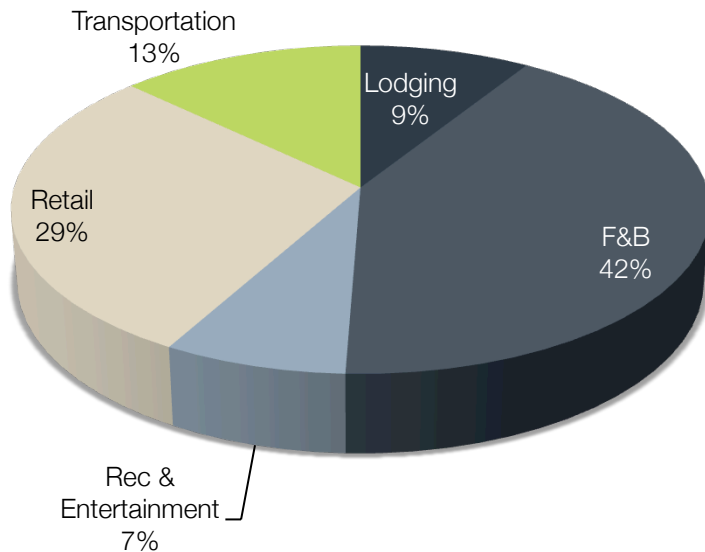
Induced (Income)

Direct & Indirect incomes spent at an array of Indiana businesses
e.g. health care

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
\$23.0 Million USD



Expenditure Category	2015	2014-15 Growth
Lodging	\$ 2,065,729	6.3%
F&B	\$ 9,585,407	4.3%
Rec & Entertainment	\$ 1,727,196	17.0%
Retail	\$ 6,677,065	5.9%
Transportation	\$ 2,970,496	1.3%
Total	\$ 23,025,893	5.4%

Categorical Spending Shares: State Comparisons

	Morgan County	Indiana
Lodging	9%	16%
F&B	42%	27%
Rec & Entertainment	8%	18%
Retail	29%	21%
Transportation	13%	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				\$23,025,893
<i>2015 Y/Y Growth</i>				5.4%
Economic Impact (GDP)	\$13,199,015	\$1,277,219	\$1,761,366	\$16,237,600
<i>2015 Y/Y Growth</i>	5.0%	5.2%	4.8%	5.0%
Wages	\$7,815,471	\$707,659	\$793,548	\$9,316,678
<i>2015 Y/Y Growth</i>	4.8%	5.3%	4.8%	4.8%
Jobs	376	23	26	426
<i>2015 Y/Y Growth</i>	3.2%	4.0%	3.1%	3.2%
Tax Receipts				\$5,058,116
<i>2015 Y/Y Growth</i>				5.3%

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: 2015 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$6,910	\$29	\$276	\$7,215
Food services & drinking places	\$4,604	\$68	\$107	\$4,778
Accommodations	\$898	\$0	\$0	\$898
Arts- entertainment & recreation	\$788	\$5	\$11	\$804
Real estate & rental	\$0	\$183	\$570	\$753
Utilities	\$0	\$209	\$78	\$287
Health & social services	\$0	\$0	\$253	\$253
Finance & insurance	\$0	\$101	\$146	\$247
Administrative & waste services	\$0	\$170	\$41	\$211
Government & non NAICs	\$0	\$132	\$29	\$161
Professional- scientific & tech services	\$0	\$123	\$33	\$155
Other services	\$0	\$61	\$91	\$152
Wholesale Trade	\$0	\$45	\$57	\$102
Construction	\$0	\$67	\$24	\$91
Information	\$0	\$40	\$16	\$56
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
Total	\$13,199	\$1,277	\$1,761	\$16,238
Total - 2014	\$12,575	\$1,215	\$1,680	\$15,470
% change	5.0%	5.2%	4.8%	5.0%

Source: Rockport Analytics, IMPLAN

Morgan Tourism: 2015 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	174	3	4	180
Retail trade	157	1	7	164
Arts- entertainment & recreation	26	2	1	28
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	3
Professional- scientific & tech 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	0	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
Total	376	23	26	426
Total - 2014	364	23	26	413
% change	3.2%	4.0%	3.1%	3.2%

Source: Rockport Analytics, IMPLAN

Tourism is the 12th Largest Industry in Morgan County

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

Rank	Industry	2015 Reported	2015 Tourism Extracted	% of Total Employment	14-15 Growth Rate
1	Government	2,768	2,768	17.3%	2.3%
2	Manufacturing	2,510	2,510	15.7%	4.8%
3	Retail trade	2,290	2,133	13.4%	-2.0%
4	Health & Social Services	1,951	1,951	12.2%	0.4%
5	Accomodation & Food Services	1,714	1,521	9.5%	2.0%
6	Construction	1,119	1,119	7.0%	15.3%
7	Other Services	795	795	5.0%	4.7%
8	Administrative & Waste Services	573	573	3.6%	0.8%
9	Wholesale Trade	473	473	3.0%	10.4%
10	Finance & Insurance	410	410	2.6%	-0.7%
11	Professional Services	407	407	2.5%	5.8%
12	Tourism	N/A	376	2.4%	3.2%
13	Utilities	223	223	1.4%	7.2%
14	Real Estate	151	151	0.9%	5.0%
15	Management of Companies	148	148	0.9%	3.6%
16	Transportation & Warehousing	144	144	0.9%	-2.0%
17	Information	92	92	0.6%	-4.3%
18	Arts, Entertainment & Recreation	111	84	0.5%	2.6%
19	Educational Services	59	59	0.4%	1.0%
20	Mining	25	25	0.2%	-3.2%
	Total County Employment	15,962	15,962	100%	2.9%

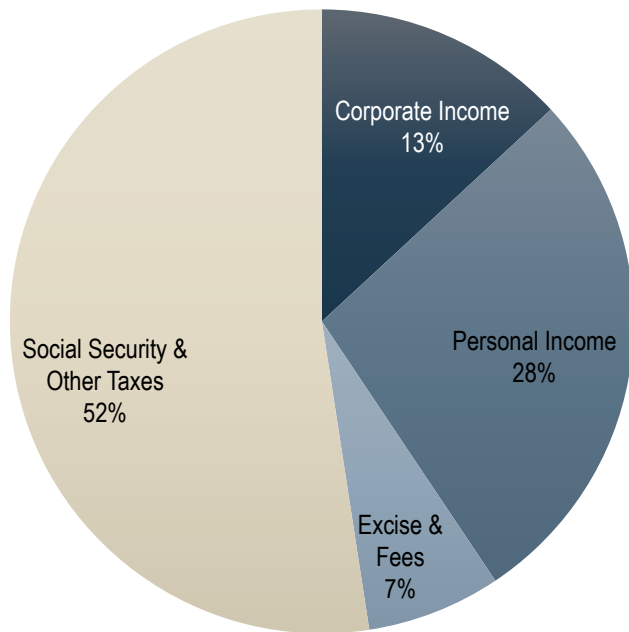
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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"

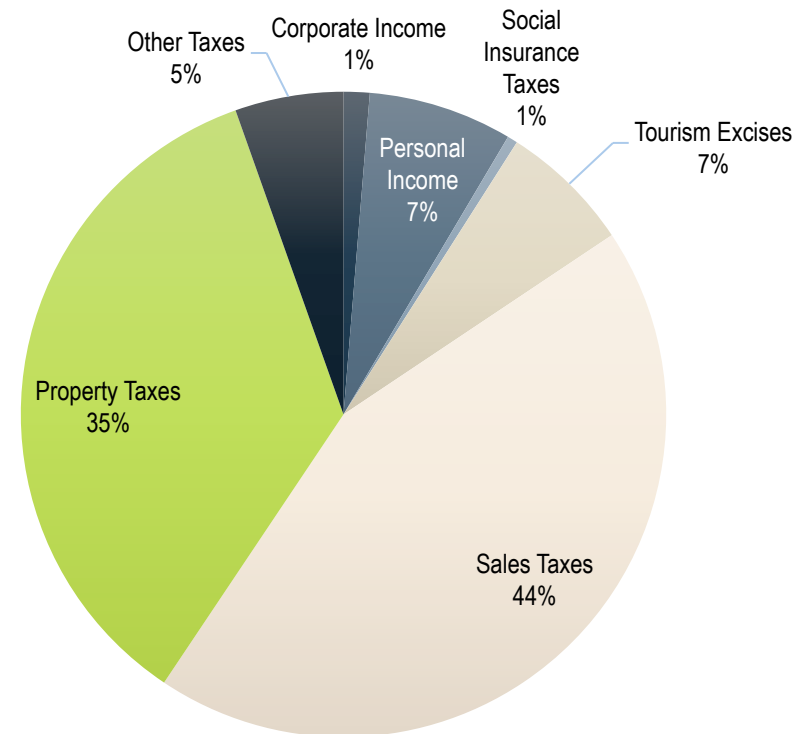
Federal Taxes

2015 Tax Total: **\$2.1 Million**



State & Local Taxes

2015 Tax Total: **\$3.0 Million**



2015 Total County Tourism-Initiated Taxes: **\$5.1 Million**

2014 – 2015 Tourism Tax Revenue Collections

	2014	2015	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$257.0	\$269.8	5.0%
Personal Income	\$539.2	\$565.3	4.8%
Excise & Fees	\$135.7	\$143.0	5.4%
Social Security & Other Taxes	\$1,028.6	\$1,078.1	4.8%
Federal Total	\$1,960.5	\$2,056.1	4.9%
State & Local			
Corporate Income	\$37.2	\$39.0	5.0%
Personal Income	\$206.4	\$216.4	4.8%
Social Insurance Taxes	\$14.7	\$15.4	4.8%
Tourism Excises			
Hotel Tax	\$102.0	\$105.0	3.0%
Food & Beverage	\$91.9	\$95.9	4.3%
Rental Car Excise	\$0.0	\$0.0	N/A
Sales Taxes	\$1,237.2	\$1,312.4	6.1%
Property Taxes	\$1,001.2	\$1,055.1	5.4%
Other Taxes	\$153.8	\$162.9	5.9%
State & Local Tax Total	\$2,844.3	\$3,002.0	5.5%
Total County Tourism-Initiated Taxes	\$4,804.7	\$5,058.1	5.3%

- Morgan County tourism generated over \$5.1 million in total taxes in 2015, up 5.3% over 2014.
- Federal tax collections resulting from tourism in Morgan County include income taxes and social security and totaled \$2.1 million in 2015.
- State & local tax collections totaled \$3.0 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 314 Indiana public school students.

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

Tourism is the 12th largest industry (11th not including Government) in Morgan County (by jobs).

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

In addition to hotel occupancy levies (\$105,000 in 2015), Morgan County tourism activity generated \$39,000 in Indiana corporate taxes, \$216,000 in Indiana personal income tax, and \$1.1 million in local property taxes during 2015.

By Helping to Relieve the Tax Burden of Morgan County Households

If Morgan County tourism did not exist, each of the 28,025 households in the county would have to pay an additional \$107 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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