

2017 Economic Impact of Tourism in Hamilton County

Methodology, Metrics and Evaluation



ROCKPORT
ANALYTICS

Indiana Office of Tourism Development

- 2017 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 2017 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 2017 Economic Impact Study of Tourism in Hamilton County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

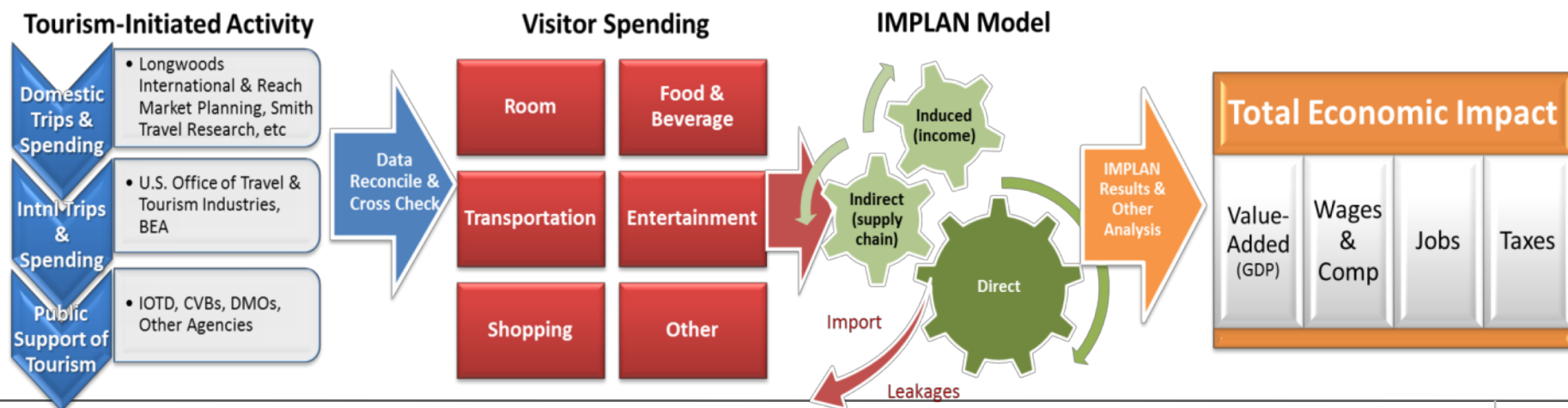
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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 2017 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. >>

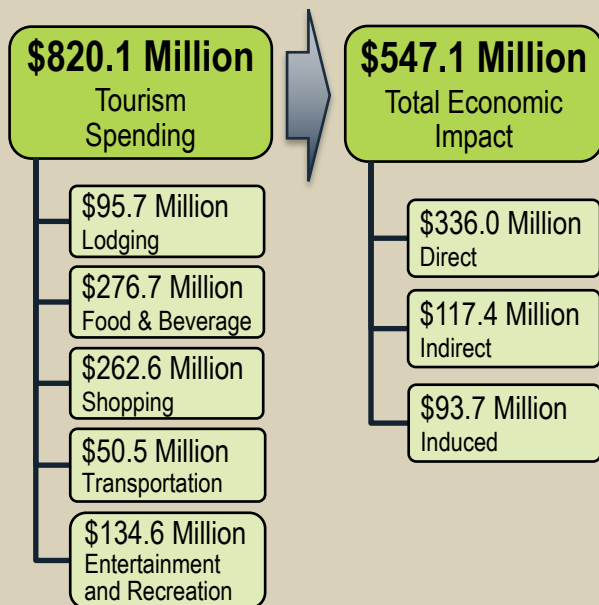
Methodology Cont.

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.

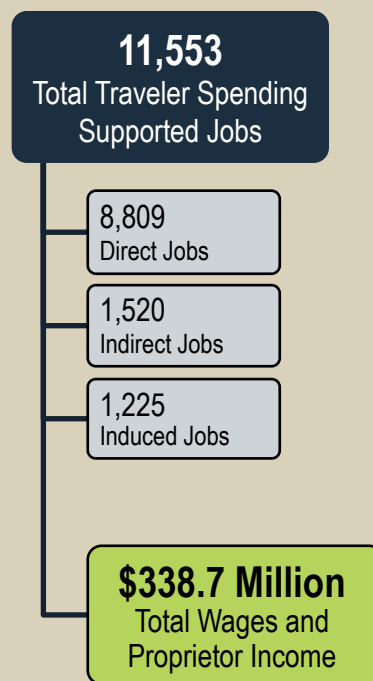


Tourism and Impact



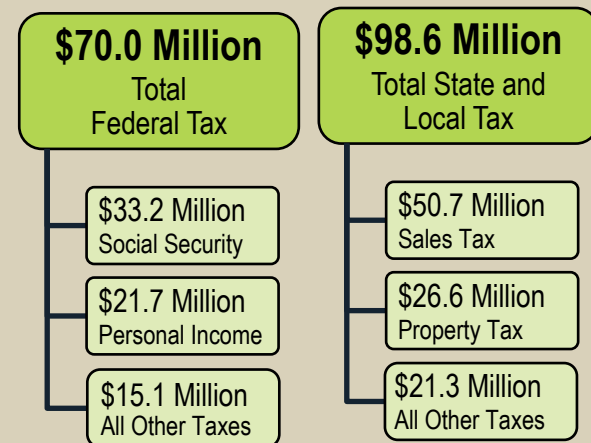
For every tourism dollar spent in Hamilton County in 2017, **\$0.67 cents** 'stayed' local and contributed directly to the gross county product of Hamilton County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **33 cents** of every dollar is 'leaked' to the supply chain outside of Hamilton County.

Jobs and Wages



For every **\$70,986** spent on tourism in Hamilton County in 2017 supported a job, resulting in an average of **\$29,317** in gross wages. This includes jobs in the industries directly supporting the visitor such as the **arts and retail trade** but also in supply chain sectors like **transportation**. The income of direct and indirect workers also goes to support industries like **arts, retail trade, and transportation**.

Tax Revenue Generated



For every **\$1.00** spent on tourism in Hamilton County in 2017, **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.

Hamilton County 2017 Tourism Report Card

Tourism Sales Per Capita	\$2,533.20
Tourism Spend Per Capita Ranking	#10 of 92
2017 Spending by Visitors (Millions)	\$820.1
County Ranking of Tourism Spend	#3 of 92
2017 Tourism Spending Growth	11.1%
2017 Tourism Growth Ranking	#10 of 92

Annual Growth in 2017 Tourism Spending

0.0% 2.0% 4.0% 6.0% 8.0% 10.0% 12.0%

Indiana 3.7%

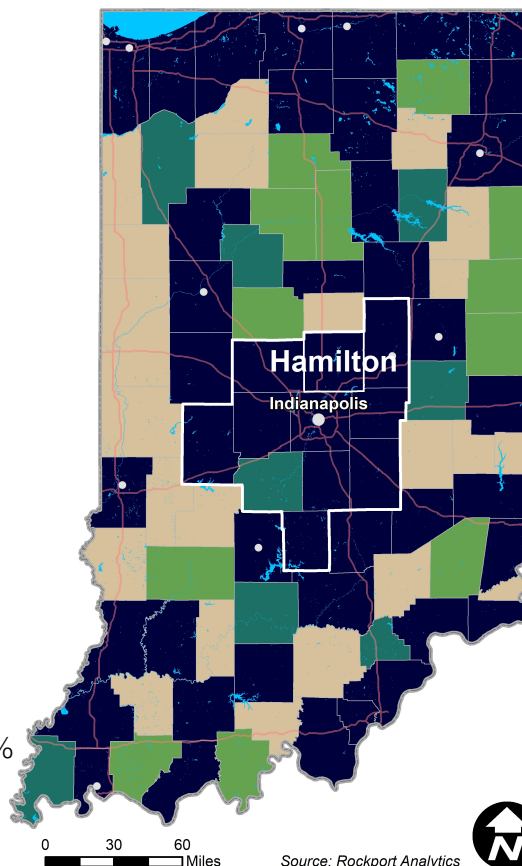
Indianapolis MSA 3.8%

Hamilton County 11.1%

All IN Counties 3.2%
Median

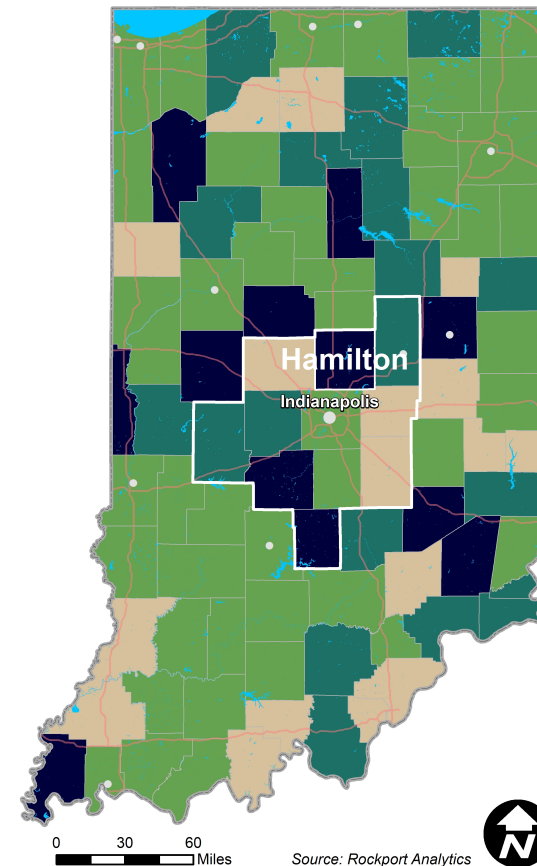
Total Spending by County, 2017

■ \$10.0 Million and Less ■ \$20.1 Million to \$30.0 Million
■ \$10.1 Million to \$20.0 Million ■ \$30.1 Million and Greater

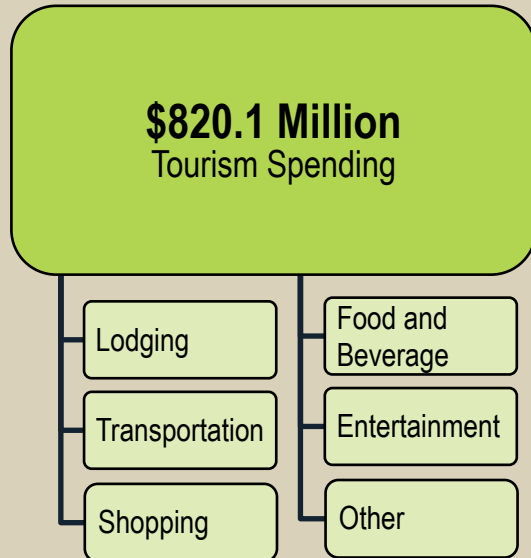


Spending Growth by County, 2017

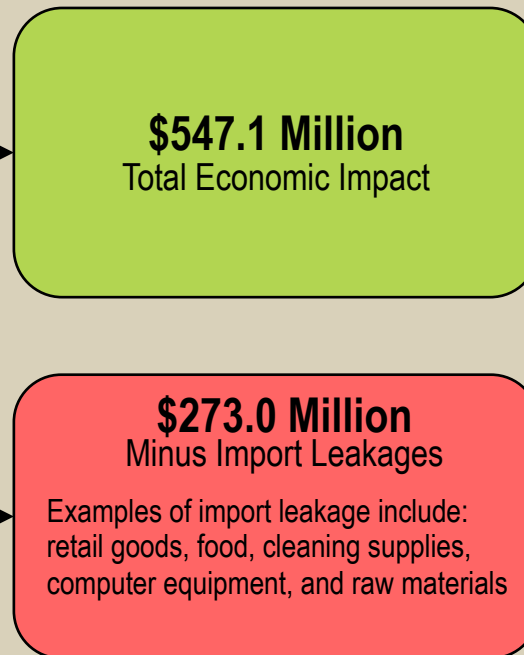
■ Negative to Zero ■ 5.01% to 10.00%
■ 0.01% to 5.00% ■ 10.01% and Greater



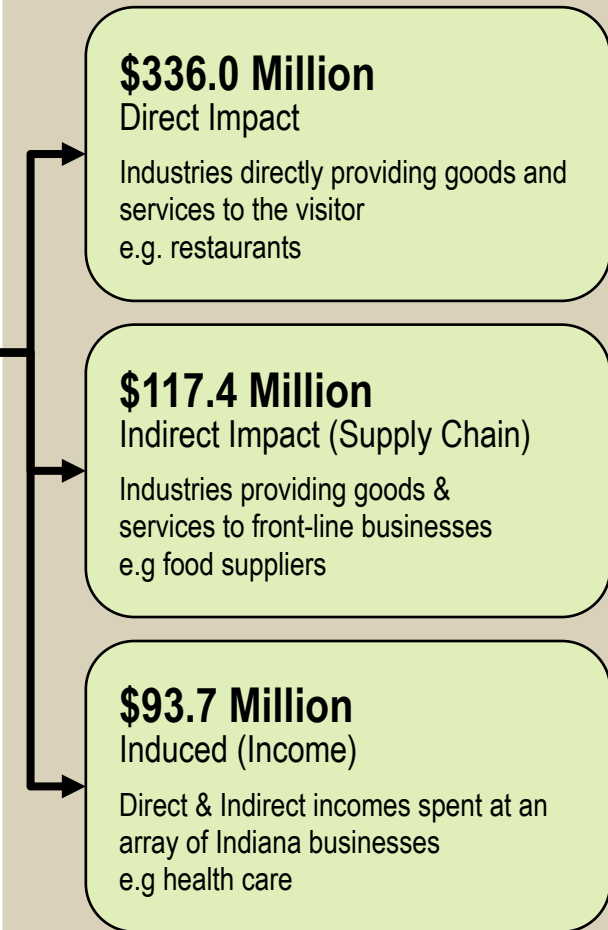
Total Tourism Spending



Value to Indiana Economy



Impact on Indiana Business

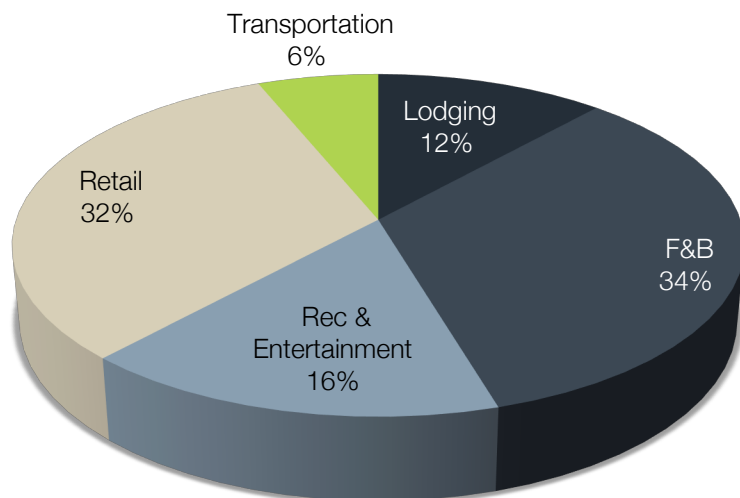


Visitor Spending By Category

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

Distribution of Tourism Spending

\$820.1 Million USD



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

Note: Spending estimation methodology was changed slightly in 2017 to account for the addition of Madison County to the Indianapolis MSA. To reflect these changes, 2016 totals were also revised so that all reported growth rates are valid.

Expenditure Category	2017	2016-17 Growth
Lodging	\$ 95,745,913	10.8%
F&B	\$ 276,697,957	10.9%
Rec & Entertainment	\$ 134,594,218	11.4%
Retail	\$ 262,577,673	11.3%
Transportation	\$ 50,499,628	10.8%
Total	\$ 820,115,389	11.1%

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%

2017 Economic Impact Summary (Compared to 2016)

2017 Metric	Direct	Indirect	Induced	Total
Total Spending				\$820,115,389
<i>2017 Y/Y Growth</i>				11.1%
Economic Impact (GDP)	\$335,989,469	\$117,353,250	\$93,746,699	\$547,089,418
<i>2017 Y/Y Growth</i>	10.3%	10.1%	10.2%	10.2%
Wages	\$215,779,795	\$70,568,108	\$52,354,904	\$338,702,806
<i>2017 Y/Y Growth</i>	10.3%	10.1%	10.2%	10.2%
Jobs	8,809	1,520	1,225	11,553
<i>2017 Y/Y Growth</i>	8.5%	8.3%	8.4%	8.5%
Tax Receipts				\$168,677,781
<i>2017 Y/Y Growth</i>				10.5%

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.

Source: Rockport Analytics, Longwoods International, STR, BLS, BEA, Indiana Office of Fiscal & Management Analysis, IMPLAN

Hamilton Tourism: 2017 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	\$140,899	\$4,064	\$4,604	\$149,567
Arts- entertainment & recreation	\$74,038	\$2,960	\$1,410	\$78,408
Retail trade	\$57,502	\$1,448	\$12,339	\$71,289
Real estate & rental	\$7,057	\$22,315	\$22,459	\$51,831
Accommodations	\$44,656	\$23	\$11	\$44,690
Professional- scientific & tech services	\$0	\$21,796	\$4,937	\$26,734
Finance & insurance	\$0	\$10,115	\$9,462	\$19,577
Health & social services	\$0	\$46	\$14,623	\$14,670
Transportation & Warehousing	\$11,838	\$1,810	\$645	\$14,294
Administrative & waste services	\$0	\$11,143	\$2,707	\$13,851
Wholesale Trade	\$0	\$5,401	\$6,341	\$11,742
Utilities	\$0	\$8,357	\$2,681	\$11,039
Information	\$0	\$6,379	\$3,291	\$9,670
Other services	\$0	\$4,733	\$4,154	\$8,887
Management of companies	\$0	\$7,852	\$680	\$8,531
Construction	\$0	\$3,730	\$1,056	\$4,786
Government & non NAICs	\$0	\$3,223	\$905	\$4,128
Manufacturing	\$0	\$1,485	\$227	\$1,712
Educational services	\$0	\$219	\$1,093	\$1,312
Mining	\$0	\$138	\$49	\$186
Ag, Forestry, Fish & Hunting	\$0	\$114	\$71	\$185
Total	\$335,989	\$117,353	\$93,747	\$547,089
Total - 2017	\$304,692	\$106,547	\$85,040	\$496,279
% change	10.3%	10.1%	10.2%	10.2%

Source: Rockport Analytics, IMPLAN

Jobs in a Wide Array of Sectors Also Impacted by County Tourism

Hamilton Tourism: 2017 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	4,439	128	145	4,713
Arts- entertainment & recreation	1,822	203	49	2,074
Retail trade	1,319	31	262	1,612
Accommodations	778	0	0	778
Transportation & Warehousing	424	28	10	462
Real estate & rental	27	208	102	336
Professional- scientific & tech services	0	239	56	294
Administrative & waste services	0	235	56	291
Health & social services	0	0	217	218
Other services	0	91	100	191
Finance & insurance	0	90	90	180
Wholesale Trade	0	38	44	82
Management of companies	0	63	5	68
Construction	0	49	11	61
Information	0	40	17	56
Government & non NAICS	0	39	13	51
Educational services	0	7	38	46
Utilities	0	15	5	20
Manufacturing	0	13	3	15
Ag, Forestry, Fish & Hunting	0	3	1	4
Mining	0	1	0	1
Total	8,809	1,520	1,225	11,553
Total - 2017	8,119	1,403	1,130	10,652
% change	8.5%	8.3%	8.4%	8.5%

Source: Rockport Analytics, IMPLAN

Tourism is the 8th Largest Industry in Hamilton County

2017 Tourism in Hamilton County: Ranking of Major Industries By Total Employment

Rank	Industry	2017 Reported	2017 Tourism Extracted	% of Total Employment	16-17 Growth Rate
1	Health & Social Services	16,155	16,155	11.1%	5.4%
2	Retail trade	16,943	15,624	10.8%	2.1%
3	Finance & Insurance	15,526	15,526	10.7%	3.0%
4	Government	14,180	14,180	9.8%	2.3%
5	Administrative & Waste Services	12,118	12,118	8.4%	2.0%
6	Professional Services	11,470	11,470	7.9%	3.2%
7	Accommodation & Food Services	14,358	9,141	6.3%	1.4%
8	Tourism	N/A	8,809	6.1%	8.5%
9	Construction	8,280	8,280	5.7%	5.0%
10	Wholesale Trade	7,368	7,368	5.1%	2.4%
11	Manufacturing	6,207	6,207	4.3%	3.3%
12	Other Services	5,869	5,869	4.1%	1.8%
13	Real Estate	3,888	3,861	2.7%	3.8%
14	Management of Companies	3,389	3,389	2.3%	-2.9%
15	Information	2,806	2,806	1.9%	-3.1%
16	Educational Services	1,849	1,849	1.3%	1.7%
17	Arts, Entertainment & Recreation	2,596	774	0.5%	4.6%
18	Transportation & Warehousing	1,071	647	0.4%	2.8%
19	Utilities	606	606	0.4%	-1.0%
20	Mining	224	224	0.2%	2.2%
	Total County Employment	144,902	144,902	100%	2.7%

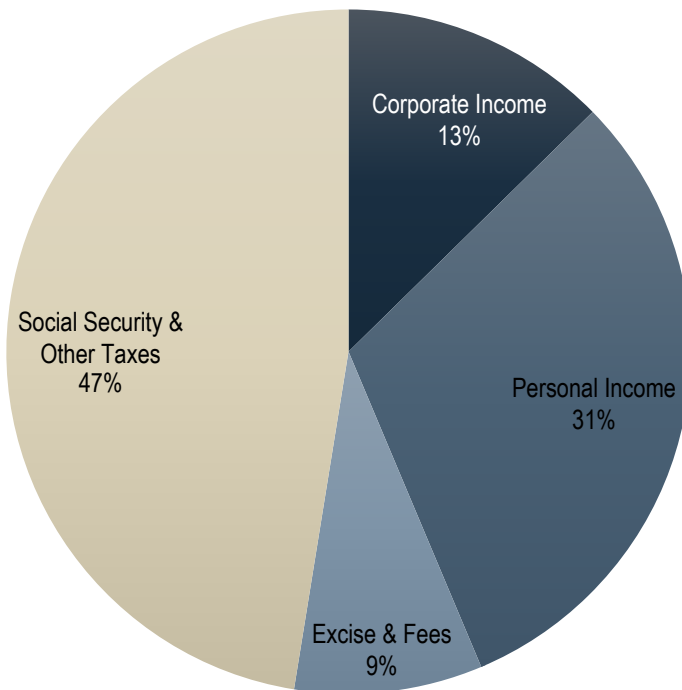
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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"

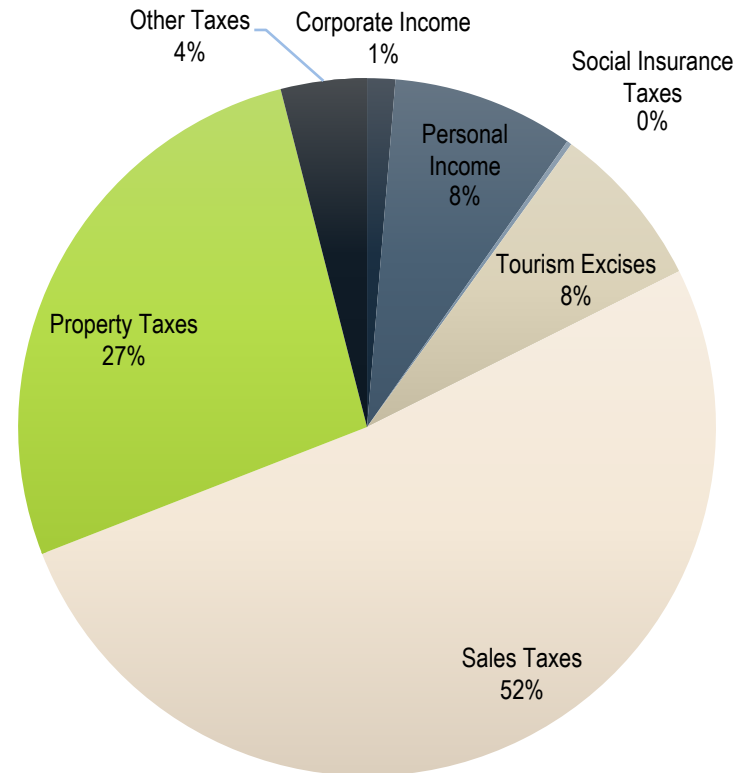
Federal Taxes

2017 Tax Total: **\$70.0 Million**



State & Local Taxes

2017 Tax Total: **\$98.6 Million**



2017 Total County Tourism-Initiated Taxes: **\$168.7 Million**

Tourism-Initiated Tax Revenue

2016 – 2017 Tourism Tax Revenue Collections

	2016	2017	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$8,038.2	\$8,860.0	10.2%
Personal Income	\$19,703.8	\$21,720.7	10.2%
Excise & Fees	\$5,647.8	\$6,228.0	10.3%
Social Security & Other Taxes	\$30,149.0	\$33,238.6	10.2%
Federal Total	\$63,538.8	\$70,047.2	10.2%
State & Local			
Corporate Income	\$1,163.3	\$1,282.2	10.2%
Personal Income	\$7,541.0	\$8,312.9	10.2%
Social Insurance Taxes	\$205.6	\$226.7	10.3%
Tourism Excises			
Hotel Tax	\$4,012.3	\$4,445.4	10.8%
Food & Beverage	\$2,495.0	\$2,767.0	10.9%
Rental Car Excise	\$329.4	\$354.1	7.5%
Sales Taxes	\$45,670.9	\$50,745.5	11.1%
Property Taxes	\$24,088.8	\$26,563.3	10.3%
Other Taxes	\$3,573.4	\$3,933.4	10.1%
State & Local Tax Total	\$89,079.6	\$98,630.5	10.7%
Total County Tourism-Initiated Taxes	\$152,618.5	\$168,677.8	10.5%

- Hamilton County tourism generated over \$168.7 million in total taxes in 2017, up 10.5% over 2016.
- Federal tax collections resulting from tourism in Hamilton County include income taxes and social security and totaled \$70.0 million in 2017.
- State & local tax collections totaled \$98.6 million, including \$50.7 million in sales taxes contributing to state collections and \$26.6 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 6.1% 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 arts, retail trade, and transportation.

By Contributing to the Health of the Public Education System

Revenue collected from tourism in Hamilton County is sufficient to support 10,182 Indiana public school students.

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

Tourism is the 8th largest industry (7th not including Government) in Hamilton County (by jobs).

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

In addition to hotel occupancy levies (\$4.4 million in 2017), Hamilton County tourism activity generated over \$1.3 million in Indiana corporate taxes, \$8.3 million in Indiana personal income tax, and \$26.6 million in local property taxes during 2017.

By Helping to Relieve the Tax Burden of Hamilton County Households

If Hamilton County tourism did not exist, each of the 126,594 households in the county would have to pay an additional \$779 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, 67¢ in economic impact is returned to the local area.



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