

February 2023



2021 ECONOMIC CONTRIBUTION OF TOURISM IN BROWN COUNTY

Key Metrics and Economic Impact Assessment



Key Inputs & Data Tools



Indiana Destination Development Corporation

2018 Tourism Economic Impact Study
Tourism Support/Promo Spending
<https://www.in.gov/iddc/>



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

STR (Formerly Smith Travel Research)



IMPLAN Model

Local economic model
Defacto standard for most economic impact work
www.implan.com

Study Overview & Methodology

Study Overview

A research cooperative was formed in 2018 by the Indiana Office of Tourism Development (now part of the Indiana Destination Development Corporation) 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 2020 Economic Impact Study of Tourism in Brown 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, Brown 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 2020 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 (<https://www.trade.gov/national-travel-and-tourism-office>). 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.

Study Overview & Methodology

Methodology (continued)

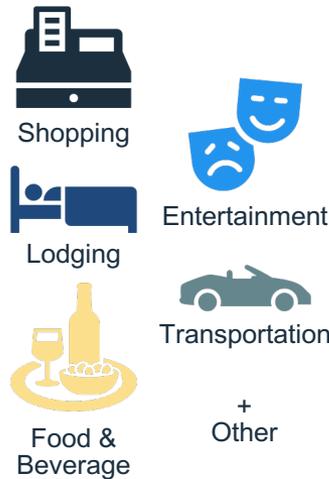
An economic model of Indiana is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Brown County (www.implan.com), a non-proprietary economic model that is the defacto standard for most economic impact 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 the local area. The IMPLAN model accounts for these import “leakages” to suppliers located outside of the county. Many economic impact studies do not account for these leakages and, therefore, overestimate the actual impact of an industry. Generally, the more diversified a county’s economy, the lower are import leakages and the higher the retention and multiplier of visitor spending.

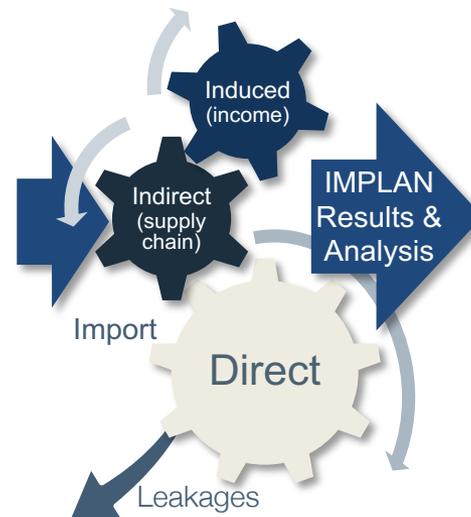
Tourism-Supported Activity



Visitor Spending



IMPLAN Model

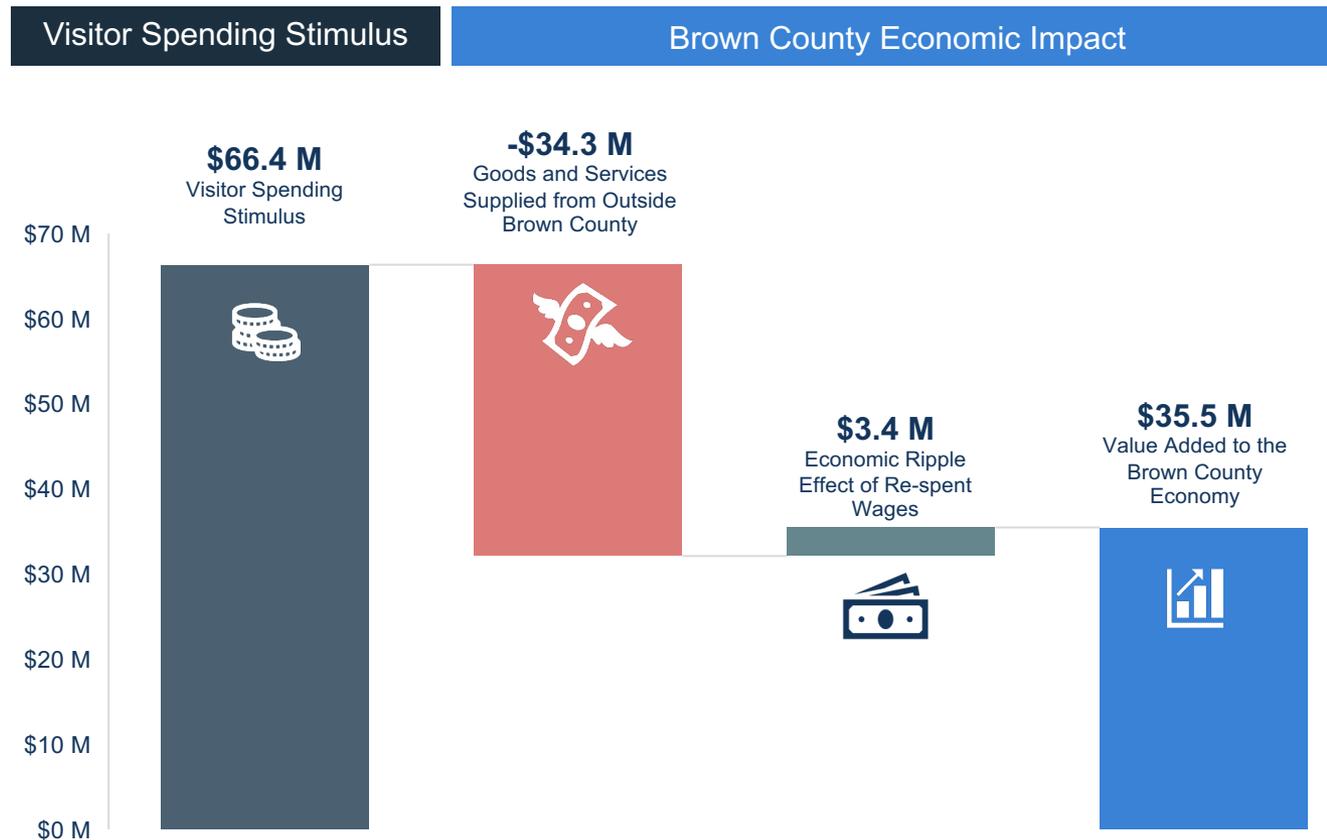


Total Economic Impact

Value-Added (GDP)	Wages & Comp
Jobs	Taxes

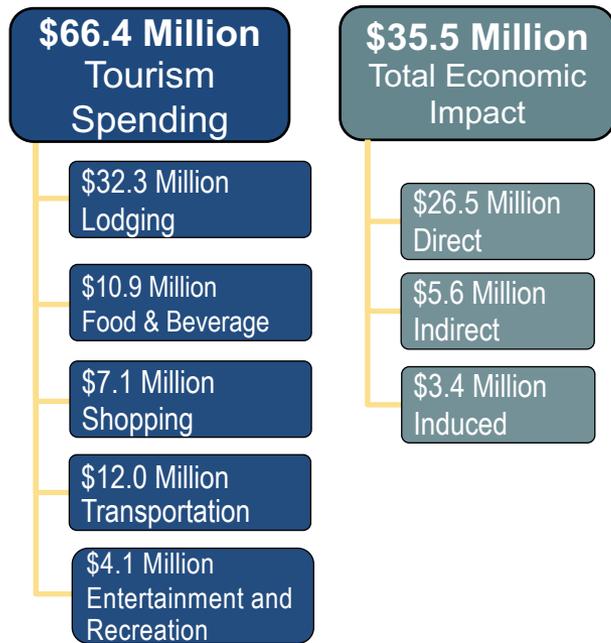
Brown County Tourism Generated \$35.5 Million in GDP in 2021

Visitors to Brown County spent \$66.4 million on various goods and services in the state. This spending stimulus generated \$35.5 million in net new value added to the Brown County economy.



2021 Brown County Tourism Highlights

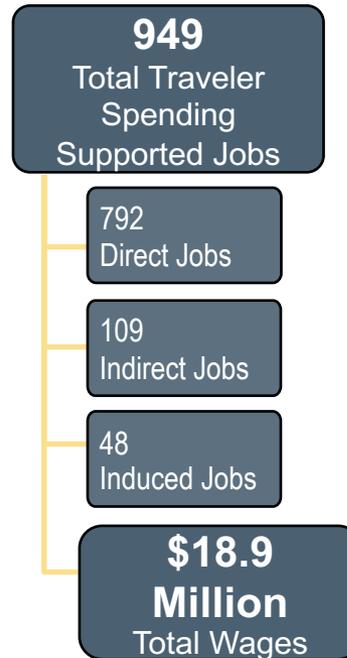
Tourism and Impact



Tourism spending is considered an export from the local area since visitors bring monies from outside and spend locally. Unlike other local industries, Tourism cannot be "offshored".

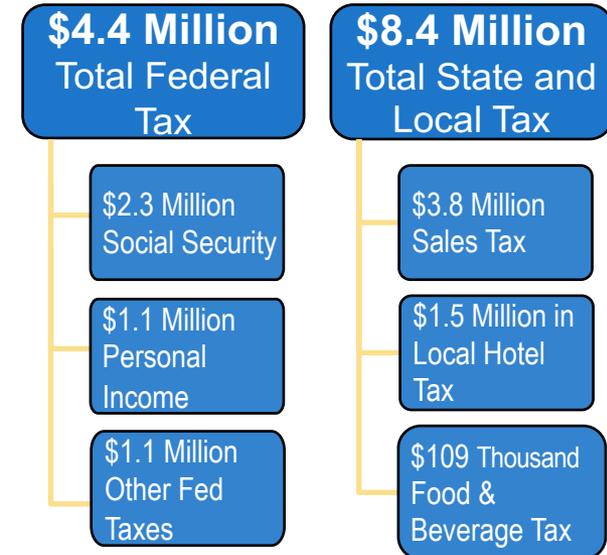
For every dollar spent by Brown County visitors in 2021, **53 cents** 'stayed' local and contributed directly to the gross county product of Brown County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **47 cents** of every dollar is 'leaked' to the supply chain outside of Brown County.

Jobs and Wages



Every **\$69,940** spent by people visiting Brown County in 2021 supported a job, resulting in an average of **\$19,925** 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

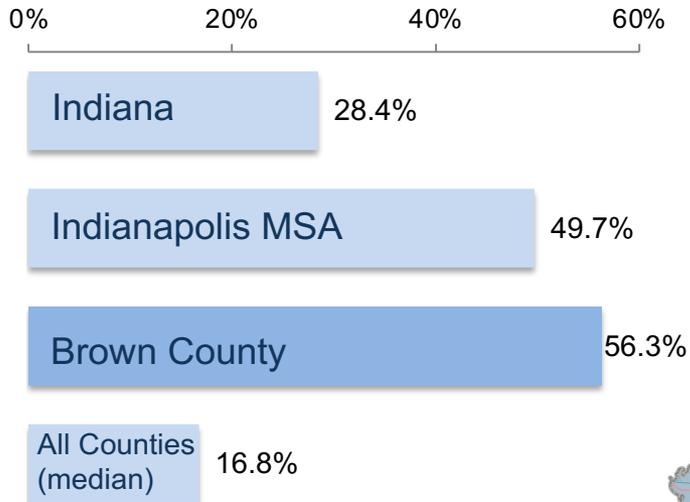


For every **\$1.00** spent by Brown County visitors in 2021, **7 cents** goes to federal taxes and **13 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

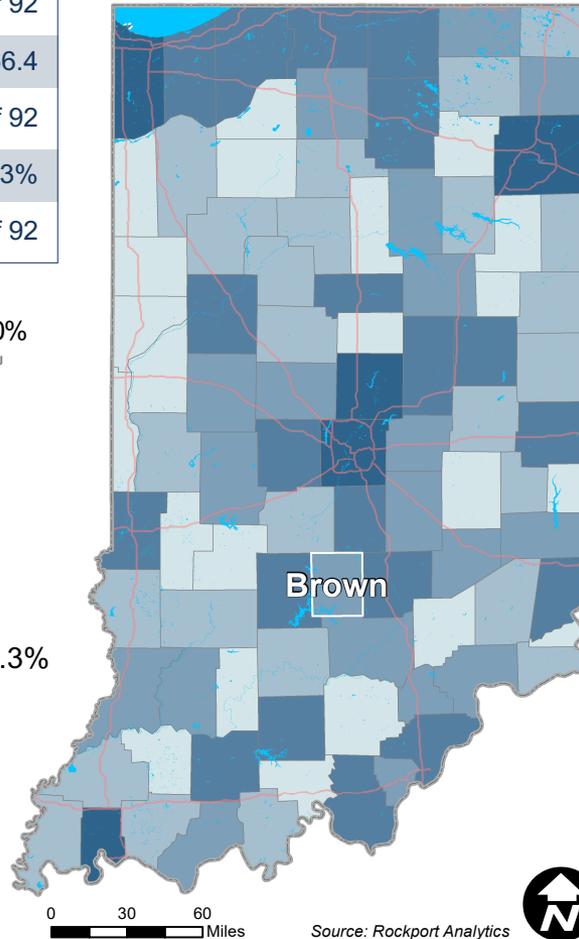
Brown County Tourism: In Comparison

Brown County 2021 Tourism Report Card

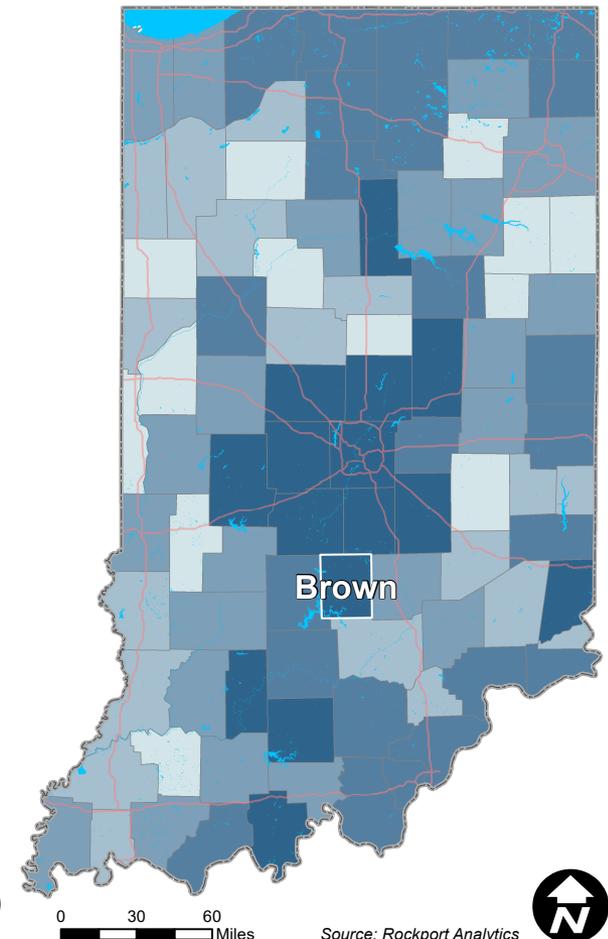
Tourism Sales per Capita	\$4,296.3
Tourism Spend per Capita Ranking	#3 of 92
2021 Spending by Visitors (Millions)	\$66.4
County Ranking of Tourism Spend	#35 of 92
2021 Tourism Spending Growth	56.3%
2021 Tourism Growth Ranking	#1 of 92



Total Spending by County, 2021



Spending Growth by County, 2021



The Progression of Tourism Spending in Brown County's Economy



Brown County Visitor Expenditures

2021 @ \$66.4 Million



Expenditures include:

- Hotel, food and beverage (F&B), rental homes, shopping, recreation, etc.
- From visitors from Indiana, U.S. & international
- On leisure & business trips
- Overnight or day trips

Tourism Contribution to Brown County Economy

Retained in Brown County \$35.5 Million

Minus Import Leakages -\$30.9 Million

Leakages refer to goods & services that are imported into Brown County due to insufficient local supply. Examples include retail goods, food, cleaning supplies, computer equipment, and raw materials.

Value to Brown County Businesses

Direct Tourism Industry GDP \$26.5 Million

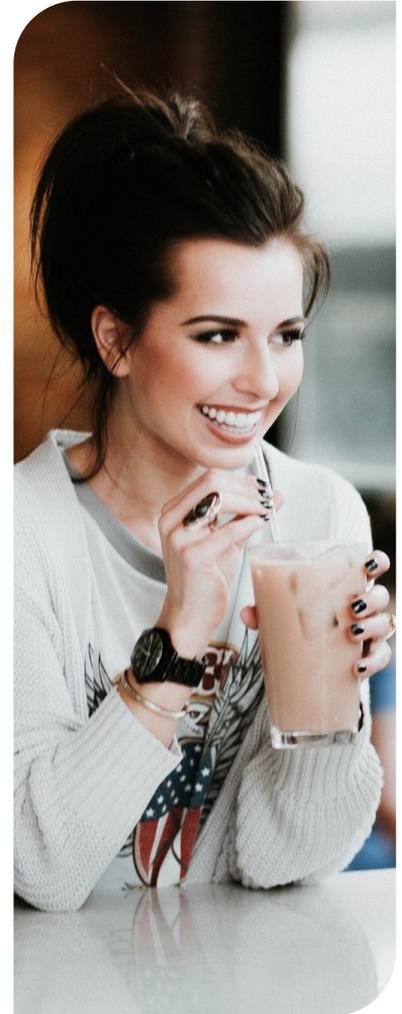
Indirect & Induced Tourism Industry GDP \$9.0 Million

Total Local Workers Supported by Tourism* 949

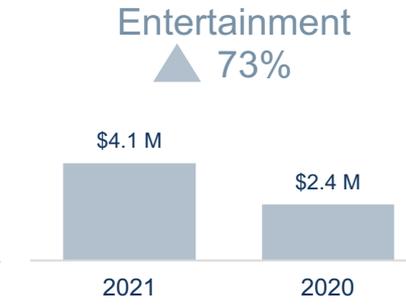
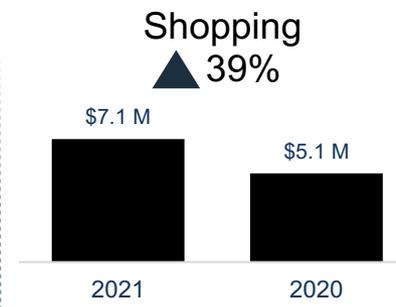
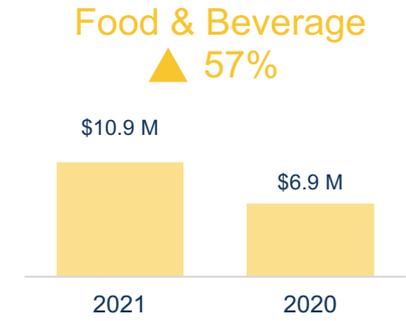
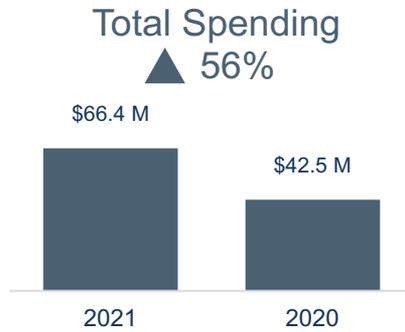
Direct Tourism refers to businesses that serve Brown County visitors (e.g., hotels, restaurants, retail, entertainment)

Indirect & Induced tourism includes construction, business services, wholesale trade, personal services, etc.

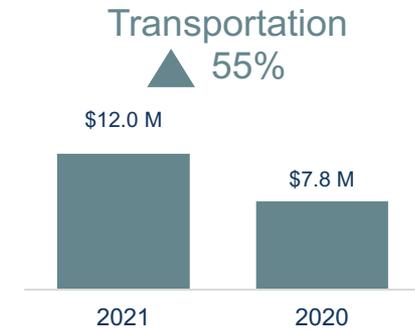
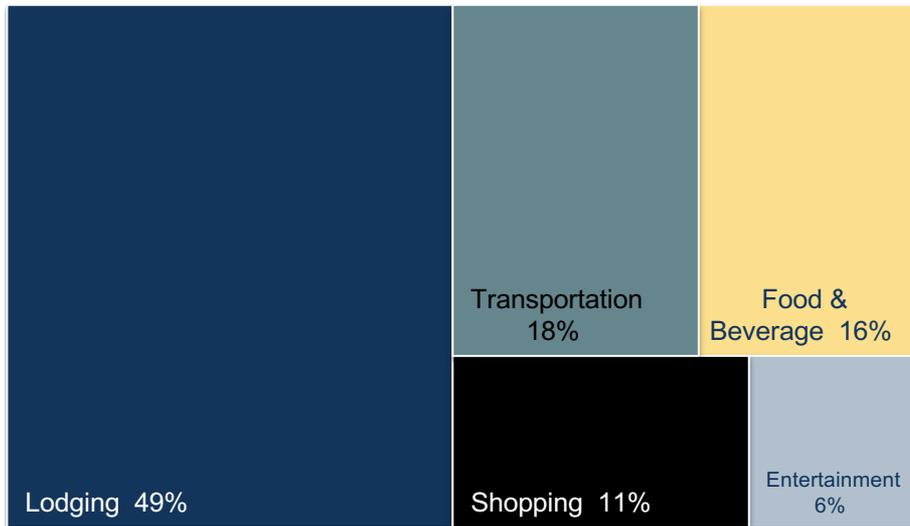
*Full & part time jobs



Visitor Spending by Category



Distribution of Spending



Source: Longwoods International, NTTO, Reach Market Planning, STR, BTS, AirDNA, Rockport Analytics

Tourism's Bottom Line in Brown County

2021 Economic Contribution Summary (Compared to 2020)

2021 Metric	Direct	Indirect	Induced	Total
Total Spending				\$66,352,168
<i>2021 Y/Y Growth</i>				56.3%
Economic Impact (GDP)	\$26,504,394	\$5,568,991	\$3,390,190	\$35,463,574
<i>2021 Y/Y Growth</i>	56.8%	57.4%	56.5%	56.9%
Wages	\$14,205,269	\$3,389,850	\$1,308,311	\$18,903,430
<i>2021 Y/Y Growth</i>	56.2%	57.5%	56.5%	56.5%
Jobs	792	109	48	949
<i>2021 Y/Y Growth</i>	53.1%	55.0%	53.8%	53.4%
Tax Receipts				\$12,769,947
<i>2021 Y/Y Growth</i>				58.8%

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

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.

Tourism Supports Many Local Industries

Brown County Tourism: 2021 Economic Impact (Value Added/GDP)

Industry (NAICS)*	Direct	Indirect	Induced	Total
<i>in thousands of dollars</i>				
Accommodations	\$12,927	\$22	\$9	\$12,958
Food Services & Drinking Places	\$4,919	\$467	\$261	\$5,646
Transportation & Warehousing	\$5,334	\$62	\$25	\$5,421
Retail Trade	\$1,545	\$47	\$387	\$1,979
Arts, Entertainment & Rec	\$1,779	\$28	\$97	\$1,904
Real Estate & Rental	\$0	\$606	\$1,249	\$1,855
Professional Services	\$0	\$1,035	\$166	\$1,201
Administrative & Waste Services	\$0	\$793	\$64	\$856
Government	\$0	\$646	\$89	\$735
Other Services	\$0	\$426	\$208	\$634
Finance & Insurance	\$0	\$361	\$207	\$567
Construction	\$0	\$326	\$42	\$369
Manufacturing	\$0	\$261	\$35	\$296
Wholesale Trade	\$0	\$116	\$158	\$274
Information	\$0	\$214	\$52	\$265
Health & Social Services	\$0	\$0	\$261	\$261
Utilities	\$0	\$89	\$28	\$117
Management of Companies	\$0	\$49	\$2	\$50
Educational Services	\$0	\$4	\$31	\$34
Ag, Forestry, Fish & Hunting	\$0	\$19	\$12	\$30
Mining	\$0	\$0	\$0	\$1
Total - 2021	\$26,504	\$5,569	\$3,390	\$35,464
Total - 2020	\$16,902	\$3,537	\$2,167	\$22,606
% change	56.8%	57.4%	56.5%	56.9%

* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Tourism Supports Brown County Jobs

Brown County Tourism: 2021 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Transportation & Warehousing	288	3	1	292
Accommodations	259	0	0	260
Food Services & Drinking Places	176	17	9	202
Retail Trade	40	1	10	51
Arts, Entertainment & Rec	28	2	2	32
Professional Services	0	22	3	25
Administrative & Waste Services	0	20	1	21
Other Services	0	11	5	16
Construction	0	9	1	10
Government	0	6	1	7
Finance & Insurance	0	3	2	5
Health & Social Services	0	0	5	5
Real Estate & Rental	0	4	2	5
Manufacturing	0	3	1	3
Ag, Forestry, Fish & Hunting	0	2	1	3
Wholesale Trade	0	1	2	3
Information	0	2	0	2
Management of Companies	0	2	0	2
Educational Services	0	0	2	2
Utilities	0	1	0	1
Mining	0	0	0	0
Total - 2021	792	109	48	949
Total - 2020	517	70	31	618
% change	53.1%	55.0%	53.8%	53.4%

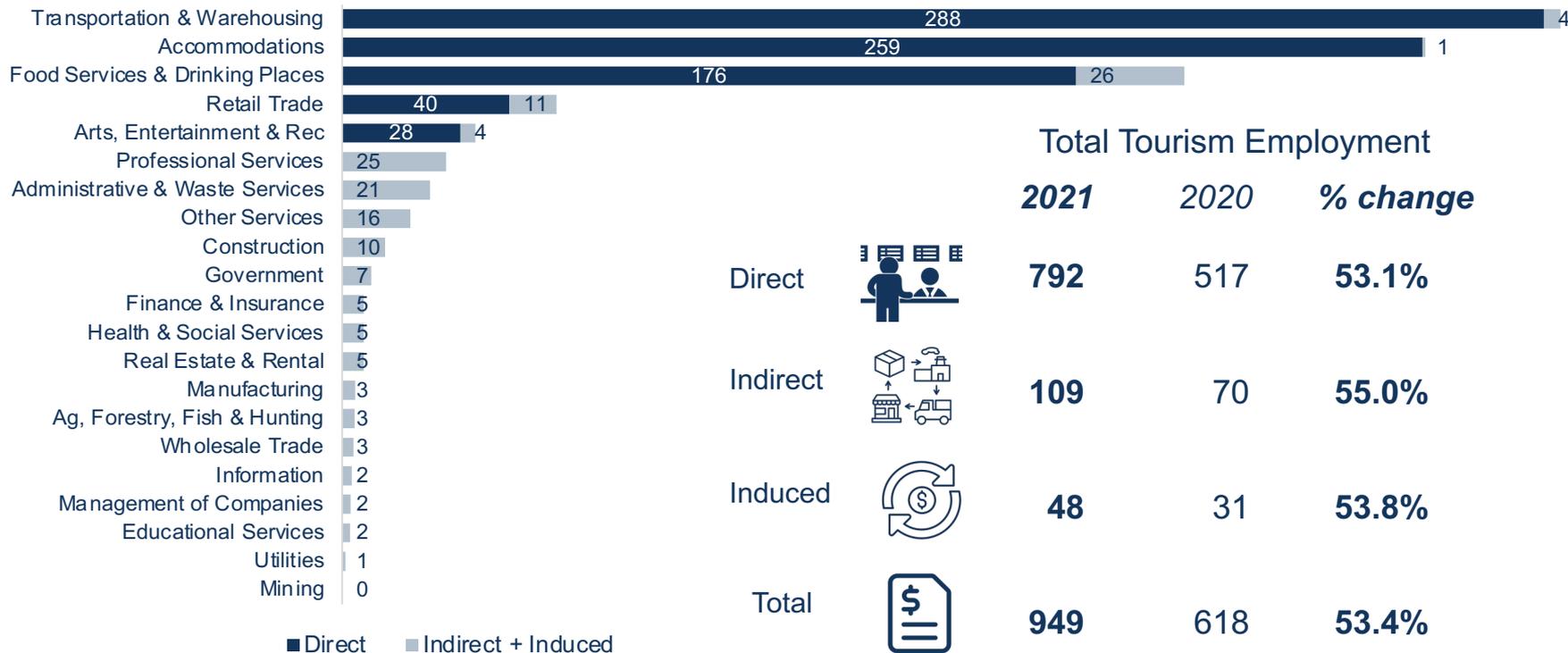
* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

Sources: Rockport Analytics, IMPLAN

Tourism Supported Employment – Direct, Indirect, and Induced

Direct employment refers to full- and part-time workers who are employed in the tourism industry by companies that directly serve visitors. Indirect employees work for companies that supply goods and services to direct companies. Induced employment refers to workers supported by the re-spent wages of direct and supply chain employees. In industries that are largely driven by tourism (food services, entertainment, accommodations, etc.), most employees are direct employees.

Brown County Tourism: 2021 Economic Impact (Employment)



Tourism Industry Ranking in Brown County

2021 Tourism in Brown County: Ranking of Major Industries By Total Employment

Rank	Industry	2021 Reported*	2021 Tourism-Extracted**	% of Total Employment	2021 % Growth
employment reported in number of jobs					
1	Government	1,363	1,363	23.9%	-0.2%
2	Tourism	N/A	792	13.9%	53.1%
3	Manufacturing	610	610	10.7%	1.8%
4	Retail trade	626	586	10.3%	2.8%
5	Accommodation & Food Services	861	426	7.5%	5.6%
6	Health & Social Services	329	329	5.8%	0.1%
7	Construction	305	305	5.3%	3.2%
8	Professional Services	270	270	4.7%	5.7%
9	Educational Services	246	246	4.3%	4.8%
10	Other Services	220	220	3.9%	3.9%
11	Administrative & Waste Services	178	178	3.1%	7.8%
12	Wholesale Trade	116	116	2.0%	1.1%
13	Arts, Entertainment & Recreation	143	115	2.0%	11.2%
14	Finance & Insurance	86	86	1.5%	2.3%
15	Real Estate	50	50	0.9%	0.7%
16	Utilities	47	47	0.8%	-0.9%
17	Management of Companies	39	39	0.7%	0.8%
18	Mining	19	19	0.3%	6.3%
19	Information	18	18	0.3%	0.0%
20	Transportation & Warehousing	178	0	0.0%	7.5%
Total County Employment		5,703	5,703	100%	2.9%

*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 Brown County's Tourism Industry

Tourism Increases Local Wages

Brown County Tourism: 2021 Labor Income

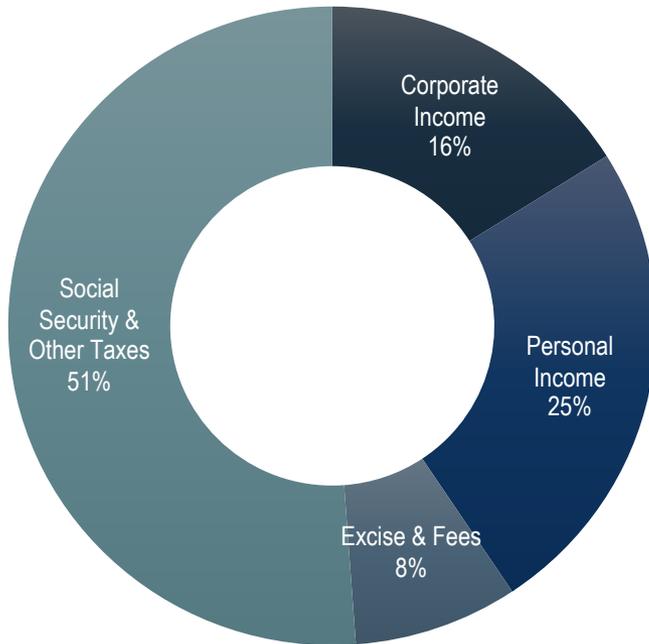
Industry (NAICS)*	Direct	Indirect	Induced	Total
	<i>in thousands of dollars</i>			
Accommodations	\$6,144	\$10	\$5	\$6,159
Food services & drinking places	\$3,284	\$311	\$174	\$3,769
Transportation & Warehousing	\$3,621	\$48	\$19	\$3,688
Retail trade	\$700	\$25	\$203	\$929
Professional- scientific & tech services	\$0	\$744	\$107	\$851
Other services	\$0	\$378	\$158	\$536
Government & non NAICs	\$0	\$470	\$64	\$534
Administrative & waste services	\$0	\$486	\$37	\$523
Arts- entertainment & recreation	\$456	\$13	\$28	\$496
Construction	\$0	\$308	\$37	\$345
Health & social services	\$0	\$0	\$240	\$240
Manufacturing	\$0	\$212	\$26	\$238
Wholesale Trade	\$0	\$54	\$74	\$128
Real estate & rental	\$0	\$79	\$37	\$115
Information	\$0	\$92	\$11	\$103
Finance & insurance	\$0	\$69	\$33	\$102
Utilities	\$0	\$46	\$15	\$61
Ag, Forestry, Fish & Hunting	\$0	\$23	\$20	\$43
Management of companies	\$0	\$18	\$1	\$19
Educational services	\$0	\$2	\$15	\$17
Mining	\$0	\$0	\$0	\$0
Total - 2021	\$14,205	\$3,390	\$1,308	\$18,903
Total - 2020	\$9,093	\$2,152	\$836	\$12,082
% change	56.2%	57.5%	56.5%	56.5%

* North American Industrial Classification System (NAICS). For specific industry definitions, see www.census.gov

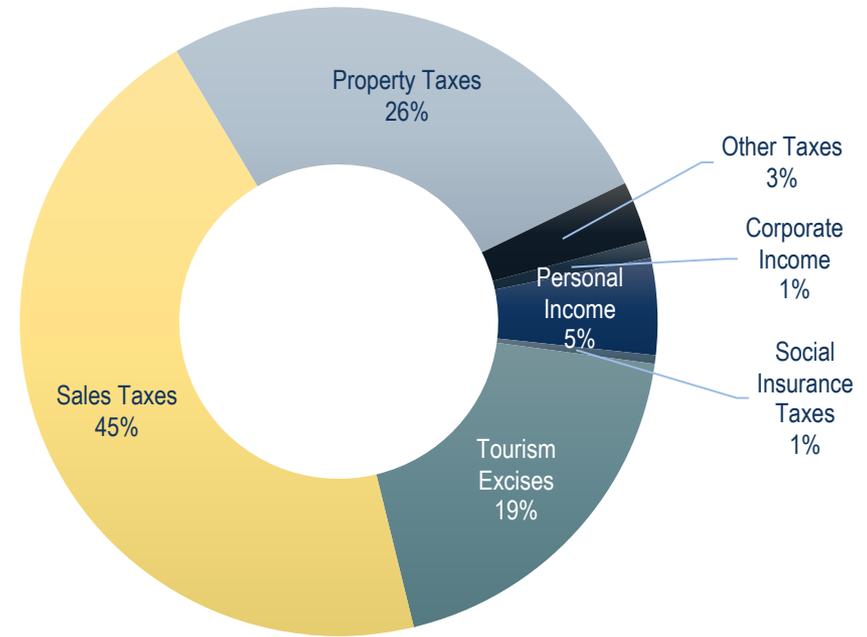
Sources: Rockport Analytics, IMPLAN

Brown County Visitors Support Many Types of Taxes

Federal Taxes
2021 Tax Total: \$4.4 Million



State & Local Taxes
2021 Tax Total: \$8.3 Million



2021 Total Tourism-Initiated Taxes: \$12.8 Million

Tourism Generates \$12.8 Million in Taxes

Brown County Brown County visitors supported \$12.8 million in total taxes in 2021, up 58.8% from 2020. Federal tax collections resulting from tourism in Brown County include income taxes and social security and totaled \$4.4 million in 2021. State & local tax collections totaled \$8.4 million, including \$3.8 million in sales taxes and \$2.2 million in local property taxes.

	2020	2021	% Change
Federal	<i>in thousands of dollars</i>		
Corporate Income	\$452,060	\$709,984	57.1%
Personal Income	\$692,846	\$1,083,959	56.5%
Excise & Fees	\$229,509	\$362,488	57.9%
Social Security & Other Taxes	\$1,442,877	\$2,259,008	56.6%
Federal Tax Total	\$2,817,292	\$4,415,439	56.7%
State & Local			
Corporate Income	\$48,218	\$75,730	57.1%
Personal Income	\$265,164	\$414,850	56.5%
Social Insurance Taxes	\$23,519	\$36,833	56.6%
Tourism Excises			
Hotel Tax	\$821,439	\$1,484,455	80.7%
Food & Beverage	\$69,261	\$108,753	57.0%
Rental Car Excise	\$0	\$0	
Sales Taxes	\$2,445,581	\$3,784,095	54.7%
Property Taxes	\$1,387,381	\$2,191,157	57.9%
Other Taxes	\$163,814	\$258,635	57.9%
State & Local Tax Total	\$5,224,376	\$8,354,508	59.9%
Total County Tourism-Initiated Taxes	\$8,041,668	\$12,769,947	58.8%

Sources: IMPLAN, Rockport Analytics

Putting the Benefits of Brown County Tourism in Perspective

Promoting a Healthy Job Market



Approximately 14% of all people working in Brown County are supported by visitors to the county. Brown County tourism supported 949 jobs. Of those, 792 were directly employed in a tourism-related job. Tourism is the 2nd largest industry (1st not including Government) in Brown County (by jobs).

Benefiting County Businesses



Visitors generated top-line sales totaling \$35.5 million benefiting a broad array of local businesses. Businesses that directly served visitors saw value-added of \$26.5 million in 2021, up 57% from 2020. In 2021, tourism supply chain businesses received value-added of more than \$5.6 million.

Contributing to Public Education & Other Government Services



State & local (S&L) tax revenue collected from tourism in Brown County is sufficient to fund 655 Indiana public school students. S&L tax collections were enough to fund roughly 156 Indiana public school teachers.

Capturing and Retaining Dollars Spent by Visitors



Of every dollar spent by visitors to Brown County, 53¢ in economic impact is returned to the local area. Of every dollar spent by visitors to Brown County, 28¢ went toward paying the salaries of 949 area citizens.

Helping to Relieve the Tax Burden of County Households



About 13 cents of each visitor dollar went towards the payment of state and local taxes (S&L). If tourism did not exist, each of the 6,304 households in Brown County would have to pay an additional \$1,325 per year in taxes to maintain current levels of state & local government services.

Sources: NEA's 2022 State Rankings, Moody's Analytics, IMPLAN, Indiana Department of Revenue, U.S. Census, Rockport Analytics

About Rockport Analytics

Rockport Analytics is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. We provide fast, nimble service in a completely transparent environment.

Capabilities include:

- Market Analysis and Forecasting
- Economic Impact Assessment, Tourism Satellite Accounting, and Economic Development
- Market Modeling and Decision Support Tools
- Project Feasibility Assessment
- Primary and Secondary Research Synthesis
- Stakeholder Surveys – internal & external



Rockport Analytics, LLC

Annapolis, MD
West Chester, PA

rockportanalytics.com
info@rockportanalytics.com
(866) 481-9877