

2019 Economic Contribution of Tourism in Brown County

Methodology, Metrics and Evaluation



ROCKPORT
ANALYTICS

Indiana Office of Tourism Development

- 2018 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, weighted to U.S. household demographics
- <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

Brown County Tourism Economic Impact

Value-Added (GDP)

Wages &
Income

Jobs

Taxes

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 2018 Economic Impact Study of Tourism in Brown County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

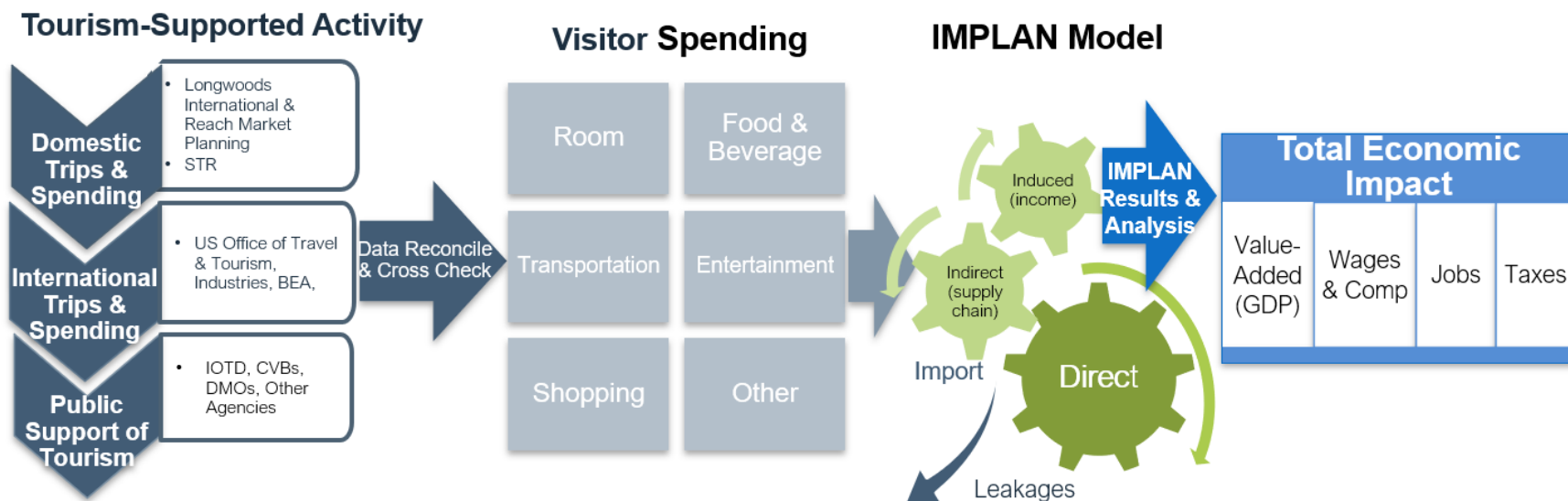
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct 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 2018 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.

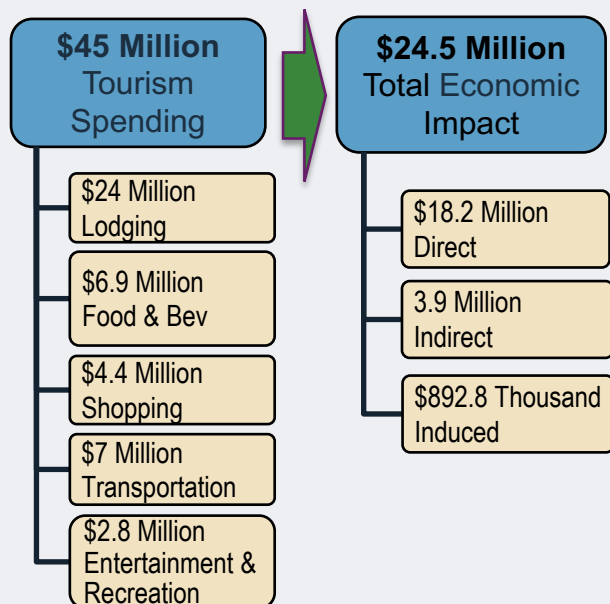
An economic model of Indiana is also critical to estimating how traveler spending resounds through the state and county-level economies. Rockport Analytics has chosen the IMPLAN model for Brown County (www.implan.com), a non-proprietary economic model that is the defacto standard for most economic impact 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.



2019 Brown County Tourism Highlights

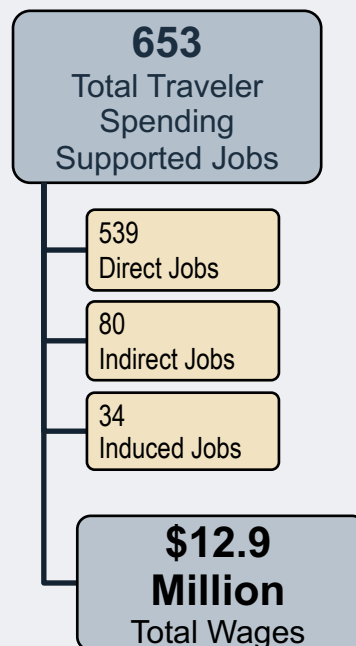
Tourism and Impact



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”.

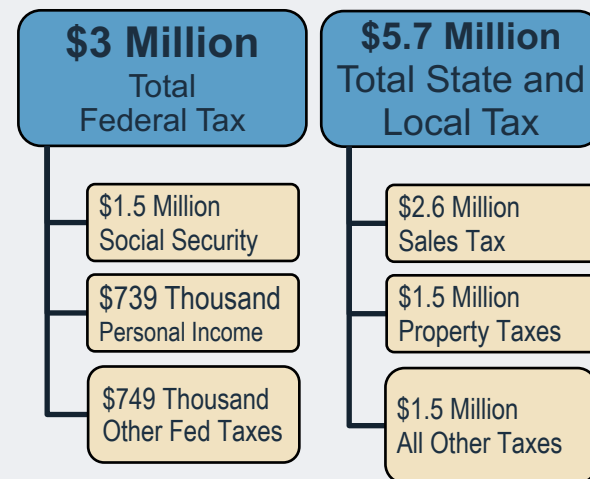
For every dollar spent by Brown County visitors in 2019, **54 cents** ‘stayed’ local and contributed directly to the gross county product of Brown County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **46 cents** of every dollar is ‘leaked’ to the supply chain outside of Brown County.

Jobs and Wages



Every **\$68,922** spent by people visiting Brown County in 2019 supported a job, resulting in an average of **\$19,752** 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 2019, **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 At a Glance

Brown County 2019 Tourism Report Card

Tourism Sales Per Capita	\$2,982.9
Tourism Spend Per Capita Ranking	#8 of 92
2019 Spending by Visitors (Millions)	\$45.0
County Ranking of Tourism Spend	#44 of 92
2019 Tourism Spending Growth	2.4%
2019 Tourism Growth Ranking	#47 of 92

Annual Growth in 2019 Tourism Spending

0.0% 1.0% 2.0% 3.0% 4.0% 5.0%

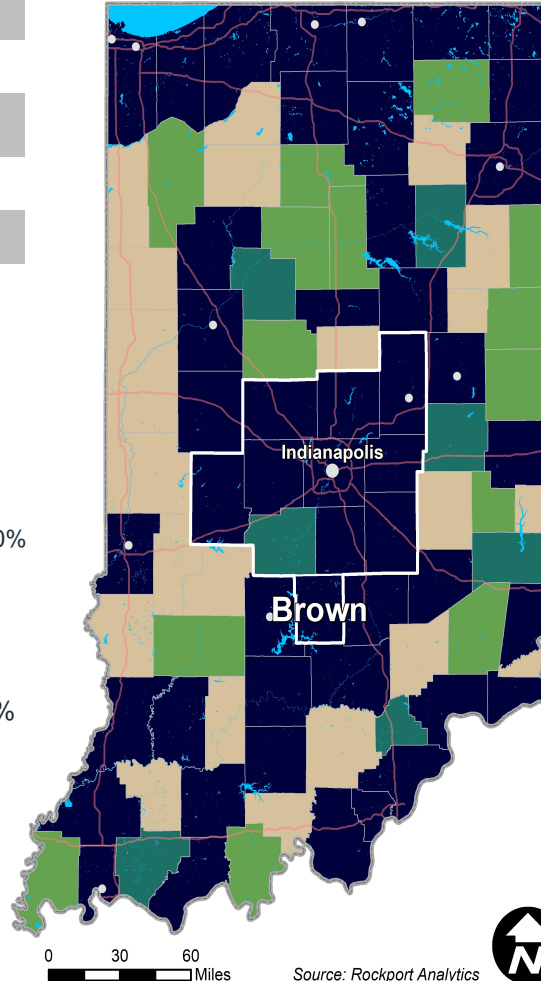
Indiana 4.1%

Indianapolis MSA 4.5%

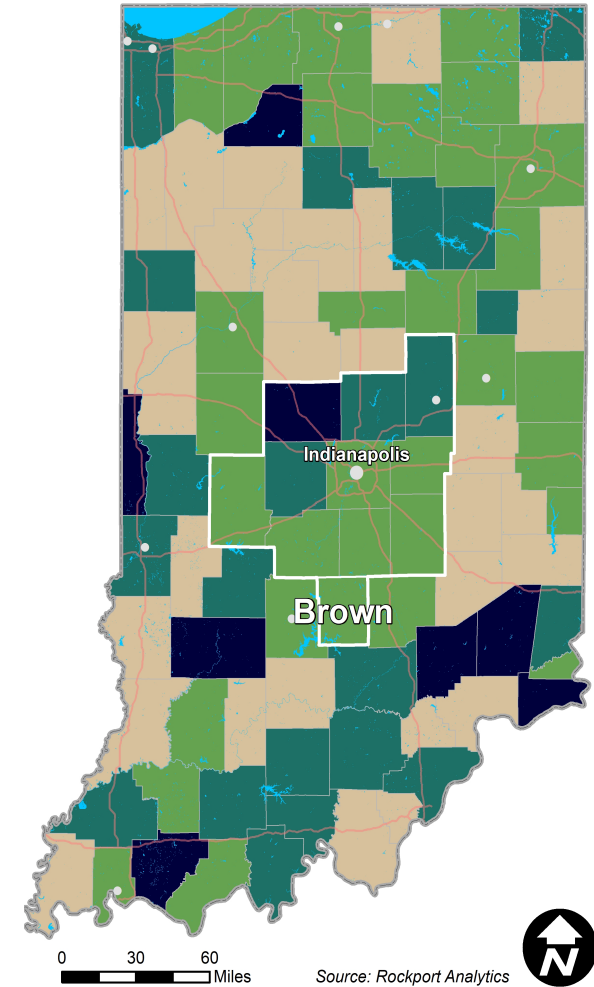
Brown County 2.4%

All IN Counties 2.4% Median

Total Spending by County, 2019



Spending Growth by County, 2019



Tourism's Economic Progression in Brown County

Brown County Visitor Expenditures



2019
\$45 million



Expenditures include:

- Visitor spending on hotel, F&B, rental homes, shopping, recreation, etc.
- From visitors from Indiana, other U.S., & international
- On leisure & business trips
- Overnight or day trips

Tourism Contribution to Brown County's Economy



Retained in Indiana Economy
\$24.5 million

Minus Import Leakages
-\$20.6 million

Leakages refer to goods & services that are imported into Indiana from outside 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
\$18.2 million

Indirect & Induced Tourism Industry GDP
\$6.2 million

Total Local Workers Supported by Tourism*
653

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

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

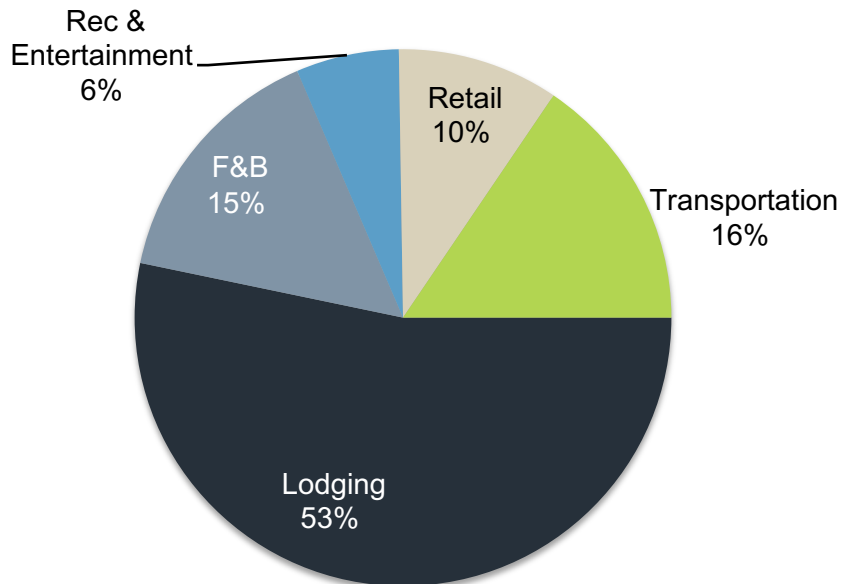


*Full & part time jobs

Visitor Spending By Category

Lodging accounts for the largest share of tourism spend in Brown County, totaling **53% of visitor expenditures**.

Distribution of Tourism Spending
\$45.0 Million USD



Expenditure Category	2019	2018-19 Growth
Lodging	\$ 23,980,262	2.7%
Food & Beverage	\$ 6,879,028	3.3%
Rec & Entertainment	\$ 2,793,183	2.1%
Retail	\$ 4,378,720	2.6%
Transportation	\$ 6,987,114	0.4%
Total	\$ 45,018,308	2.4%

Categorical Spending Shares: State Comparisons

	Brown County	Indiana
Lodging	53%	16%
F&B	15%	28%
Rec & Entertainment	6%	18%
Retail	10%	22%
Transportation	16%	15%
Total	100%	100%

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

Note: Spending estimation methodology was changed slightly in 2018 to account for the addition of Madison County to the Indianapolis MSA.

2019 Economic Contribution Summary (Compared to 2018)

2019 Metric	Direct	Indirect	Induced	Total
Total Spending				\$45,018,308
2019 Y/Y Growth				2.4%
Economic Impact (GDP)	\$18,218,383	\$3,932,362	\$2,313,555	\$24,464,300
2019 Y/Y Growth	1.3%	1.3%	1.3%	1.3%
Wages	\$9,609,680	\$2,398,827	\$892,847	\$12,901,354
2019 Y/Y Growth	1.4%	1.3%	1.3%	1.3%
Jobs	539	80	34	653
2019 Y/Y Growth	-0.4%	-0.4%	-0.4%	-0.4%
Tax Receipts				\$8,731,030
2019 Y/Y Growth				1.9%

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 Sales in a Multitude of Local Industries

Brown County Tourism: 2019 Economic Contribution (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Accommodations	\$9,771	\$15	\$6	\$9,792
Food services & drinking places	\$3,143	\$345	\$178	\$3,666
Transportation & Warehousing	\$3,123	\$42	\$17	\$3,182
Arts- entertainment & recreation	\$1,226	\$19	\$66	\$1,311
Real estate & rental	\$-	\$423	\$852	\$1,276
Retail trade	\$956	\$31	\$264	\$1,251
Professional services	\$-	\$725	\$113	\$839
Administrative & waste services	\$-	\$575	\$43	\$619
Government & non NAICS	\$-	\$467	\$60	\$528
Other services	\$-	\$296	\$142	\$438
Finance & insurance	\$-	\$241	\$141	\$382
Construction	\$-	\$240	\$29	\$269
Manufacturing	\$-	\$168	\$24	\$192
Information	\$-	\$154	\$35	\$189
Wholesale Trade	\$-	\$77	\$108	\$185
Health & social services	\$-	\$-	\$178	\$178
Utilities	\$-	\$63	\$19	\$82
Management of companies	\$-	\$35	\$1	\$36
Educational services	\$-	\$2	\$21	\$23
Ag, Forestry, Fish & Hunting	\$-	\$13	\$8	\$21
Mining	\$-	\$-	\$-	\$-
Total - 2019	\$18,218	\$3,932	\$2,314	\$24,464
Total - 2018	\$17,978	\$3,881	\$2,283	\$24,142
% change	1.3%	1.3%	1.3%	1.3%

Source: Rockport Analytics, IMPLAN

Brown County Citizens Work in a Wide Array of Jobs Supported by Area Visitors

Brown County Tourism: 2019 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Accommodations	203	-	-	203
Transportation & Warehousing	175	2	1	177
Food services & drinking places	116	13	7	136
Retail trade	26	1	7	34
Arts- entertainment & recreation	20	1	1	23
Professional services	-	16	2	18
Administrative & waste services	-	15	1	16
Other services	-	8	4	12
Construction	-	7	1	8
Government & non NAICS	-	5	1	5
Real estate & rental	-	3	1	4
Health & social services	-	0	4	4
Finance & insurance	-	2	1	4
Manufacturing	-	2	-	2
Ag, Forestry, Fish & Hunting	-	2	1	2
Wholesale Trade	-	1	1	2
Information	-	2	-	2
Management of companies	-	1	-	2
Educational services	-	-	1	1
Utilities	-	-	-	1
Mining	-	-	-	-
Total - 2019	539	80	34	653
Total - 2018	542	80	34	656
% change	-0.4%	-0.4%	-0.4%	-0.4%

Source: Rockport Analytics, IMPLAN

Tourism is the 2nd Largest Industry in Brown County

2019 Tourism in Brown County: Ranking of Major Industries By Total Employment

Rank	Industry	2019 Reported	2019 Tourism Extracted	% of Total Employment	18-19 Growth Rate
1	Government	871	871	26.4%	-0.8%
2	Tourism	N/A	539	16.3%	-0.4%
3	Accommodation & Food Services	607	288	8.7%	-0.7%
4	Retail trade	306	280	8.5%	-3.7%
5	Health & Social Services	254	254	7.7%	0.1%
6	Manufacturing	228	228	6.9%	0.6%
7	Educational Services	183	183	5.6%	0.7%
8	Construction	145	145	4.4%	3.7%
9	Other Services	115	115	3.5%	-0.9%
10	Professional Services	112	112	3.4%	0.2%
11	Administrative & Waste Services	101	101	3.1%	-3.0%
12	Wholesale Trade	69	69	2.1%	0.7%
13	Arts, Entertainment & Recreation	77	56	1.7%	4.3%
14	Finance & Insurance	50	50	1.5%	-0.6%
15	Real Estate	25	25	0.8%	0.9%
16	Utilities	22	22	0.7%	-0.6%
17	Management of Companies	17	17	0.5%	-6.6%
18	Mining	11	11	0.3%	-2.1%
19	Information	8	8	0.2%	-2.5%
20	Transportation & Warehousing	98	0	0.0%	1.5%
	Total County Employment	3,300	3,300	100%	-0.5%

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

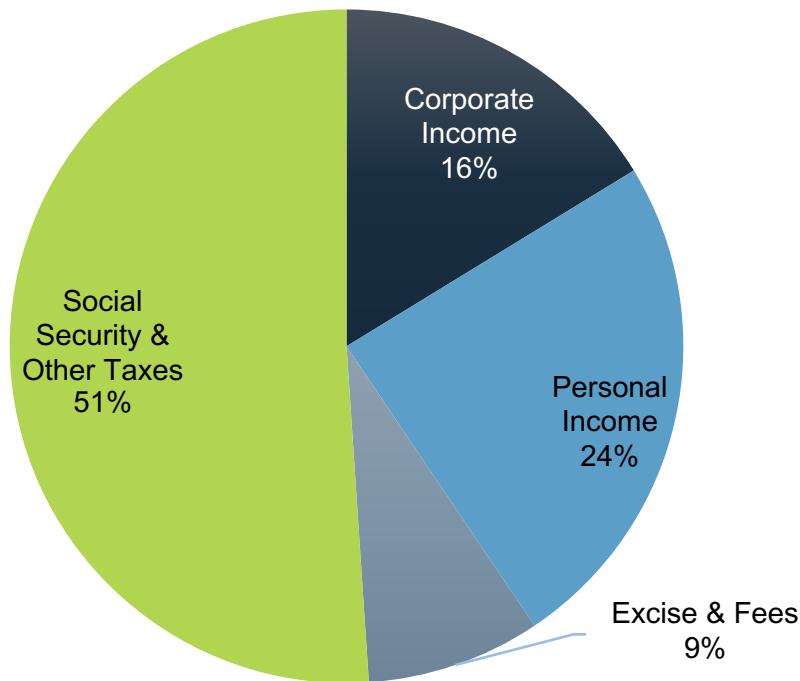
Reported: As released by the Bureau of Labor Statistics and the Indiana Department of Labor

Tourism Extracted: Tourism's contribution to jobs in each industry is removed and placed in Brown County's Tourism Industry"

Brown County Visitors Pay and Otherwise Support Many Types of Taxes

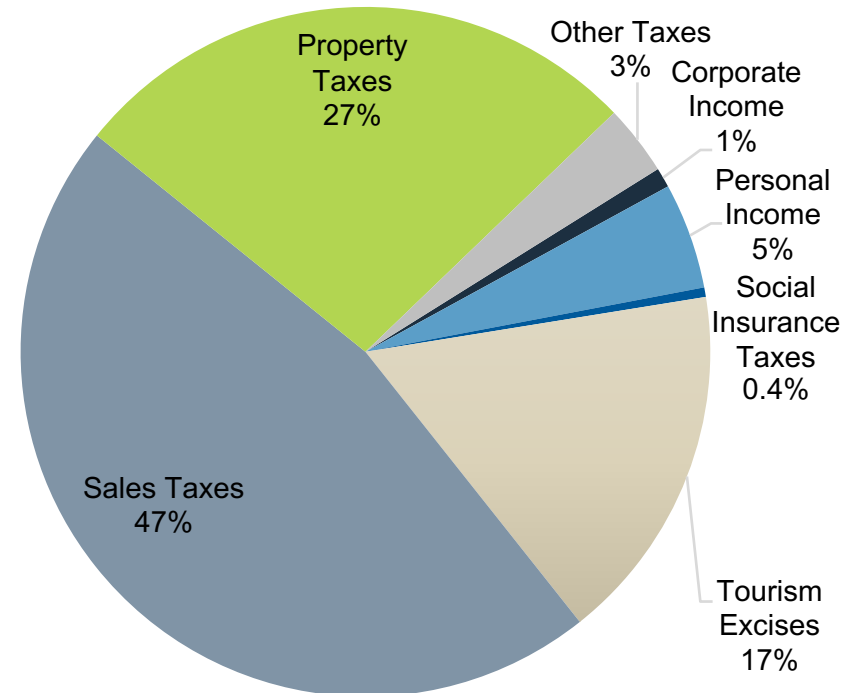
Federal Taxes

2019 Tax Total: **\$3.0 Million**



State & Local Taxes

2019 Tax Total: **\$5.7 Million**



2019 Total County Tourism-Initiated Taxes: **\$8.7 Million**

Tourism-Initiated Tax Revenue

2018–2019 Tourism Tax Revenue Collections

	2018	2019	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$488.2	\$494.4	1.3%
Personal Income	\$729.4	\$739.1	1.3%
Excise & Fees	\$250.9	\$254.4	1.4%
Social Security & Other Taxes	\$1,530.7	\$1,552.3	1.4%
Federal Total	\$2,999.2	\$3,040.2	1.4%
State & Local			
Corporate Income	\$52.1	\$52.7	1.3%
Personal Income	\$279.2	\$282.9	1.3%
Social Insurance Taxes	\$25.0	\$25.4	1.4%
Tourism Excises			
Hotel Tax	\$865.9	\$891.2	2.9%
Food & Beverage	\$66.6	\$68.8	3.3%
Rental Car Excise	-	-	-
Sales Taxes	\$2,575.3	\$2,644.5	2.7%
Property Taxes	\$1,516.7	\$1,537.8	1.4%
Other Taxes	\$186.3	\$187.5	0.7%
State & Local Tax Total	\$5,567.0	\$5,690.8	2.2%
Total County Tourism-Initiated Taxes	\$8,566.2	\$8,731.0	1.9%

- Brown County visitors supported more than \$8.7 million in total taxes in 2019, up almost 2% over 2018.
- Federal tax collections resulting from tourism in Brown County include income taxes and social security, which combined exceeded \$3 million in 2019.
- State & local tax collections reached nearly \$5.7 million, including \$2.6 million in sales taxes contributing to state collections and \$1.5 million in local property taxes.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Brown County?



Promoting a Healthy Job Market*

- Approximately 16.3% of all people working in Brown County are supported by visitors.
- Brown County families with an individual working in Tourism averaged \$19,752 in wages during 2019. This included both full and part-time workers.
- Tourism is the 2nd largest industry (1st not including Government) in Brown County (by jobs).



Contributing to Public Education & Other Government Services

- State & local (S&L) tax revenue collected from tourism in Brown County is sufficient to fund 567 Indiana public school students.**
- S&L tax collections were enough to fund roughly 111 Indiana public school teachers.**

* Moody's Analytics, IMPLAN, Rockport Analytics

** Estimate based on the average cost per student of \$10,030 and the average salary of a teacher of \$51,119 in Indiana. Education figures reported by NEA's 2019 State Rankings.

*** Household estimate generated by the US Census
Indiana Department of Revenue

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 8,817 families in Brown County would have to pay an additional \$645 per year in taxes to maintain current levels of state & local government services.

Benefiting County Businesses



- Visitors generated top-line sales totaling more than \$45 million benefiting a broad array of local businesses.
- Businesses that directly served visitors saw value-added of roughly \$18.2 million in 2019, up 1.3% over 2018.
- In 2019, tourism supply chain businesses received value-added of nearly \$4 million.

Capturing & Retaining Dollars Spent by Visitors



- Of every dollar spent by visitors to Brown County, 54¢ in economic impact is returned to the local area.
- Of every dollar spent by visitors to Brown County, 29¢ went towards paying the salaries of 653 area citizens.



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