

2020 Economic Contribution of Tourism in Brown County

Methodology, Metrics and Evaluation



INDIANA
Est. 1816

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 2020 Economic Impact Study of Tourism in Brown County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

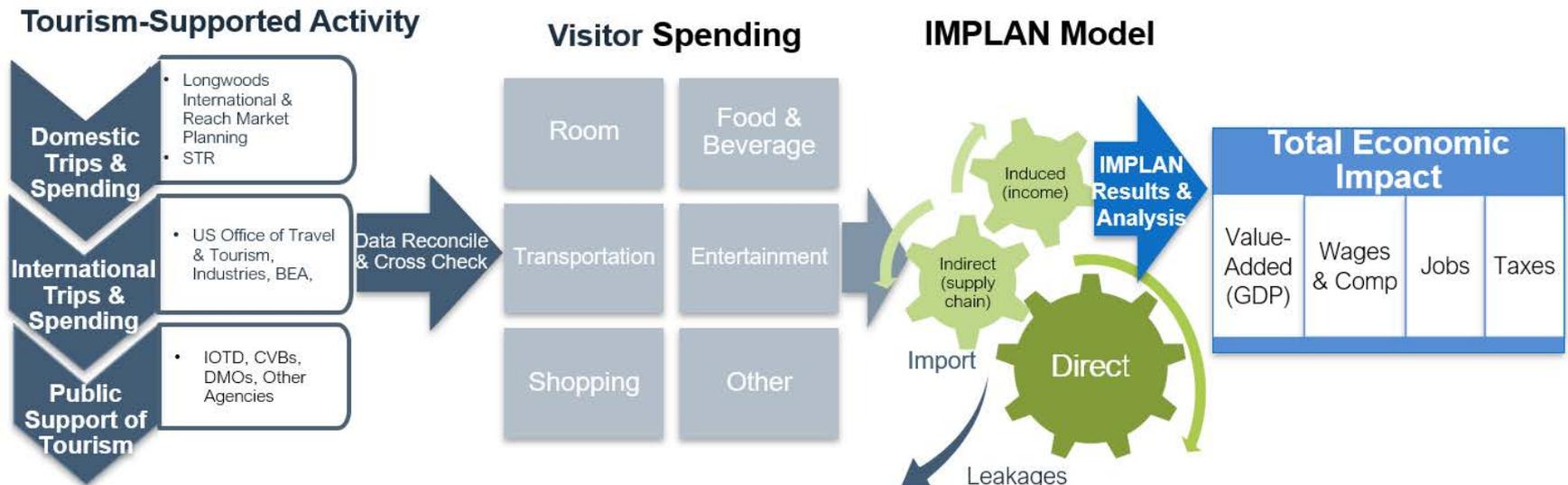
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct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

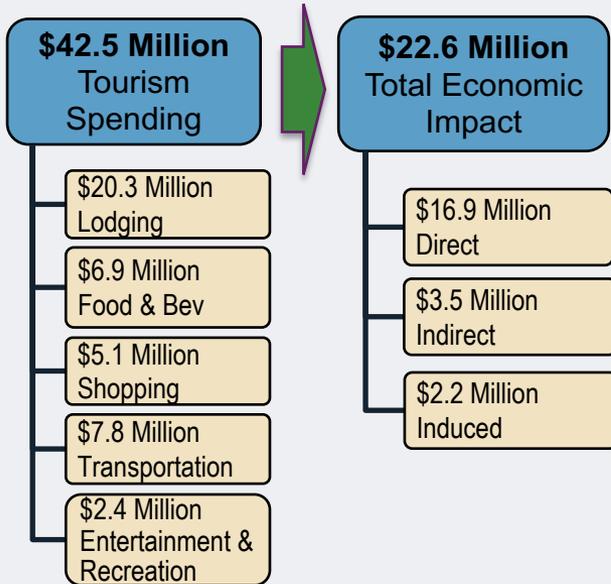
Methodology

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.



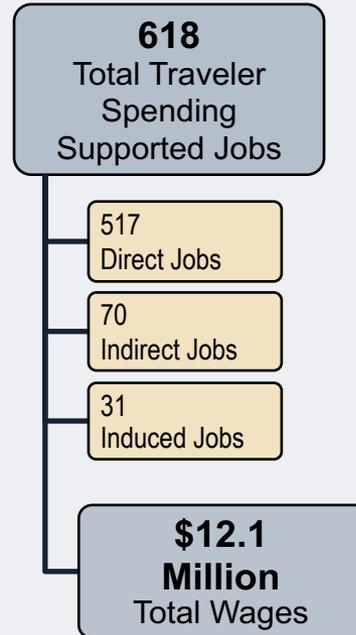
Tourism and Impact



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”.

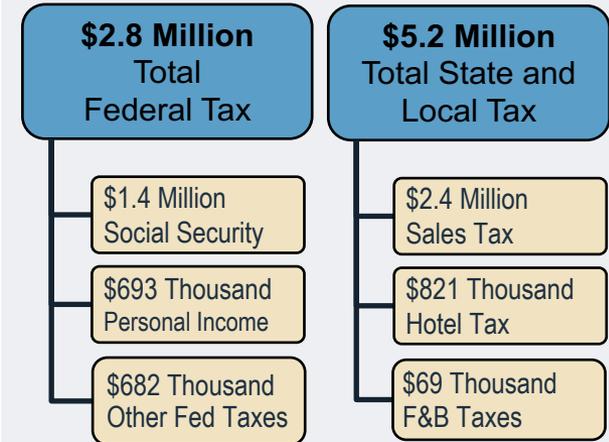
For every dollar spent by Brown County visitors in 2020, **53 cents** 'stayed' local and contributed directly to the gross county product of Brown County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **47 cents** of every dollar is 'leaked' to the supply chain outside of Brown County.

Jobs and Wages



Every **\$68,645** spent by people visiting Brown County in 2020 supported a job, resulting in an average of **\$19,534** 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.

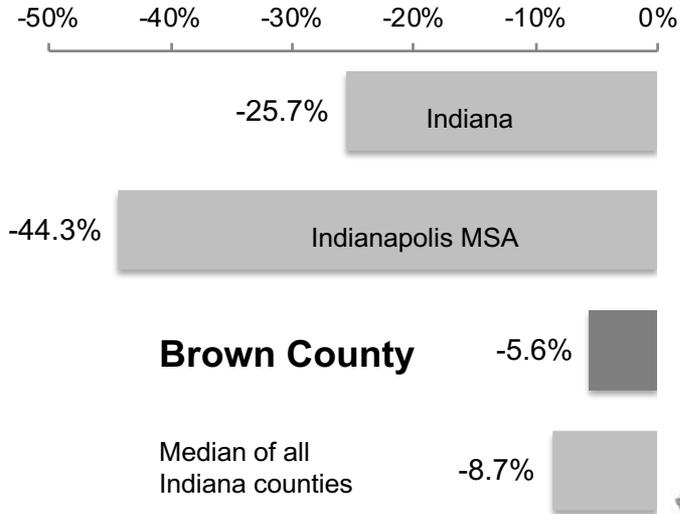
Tax Revenue Generated



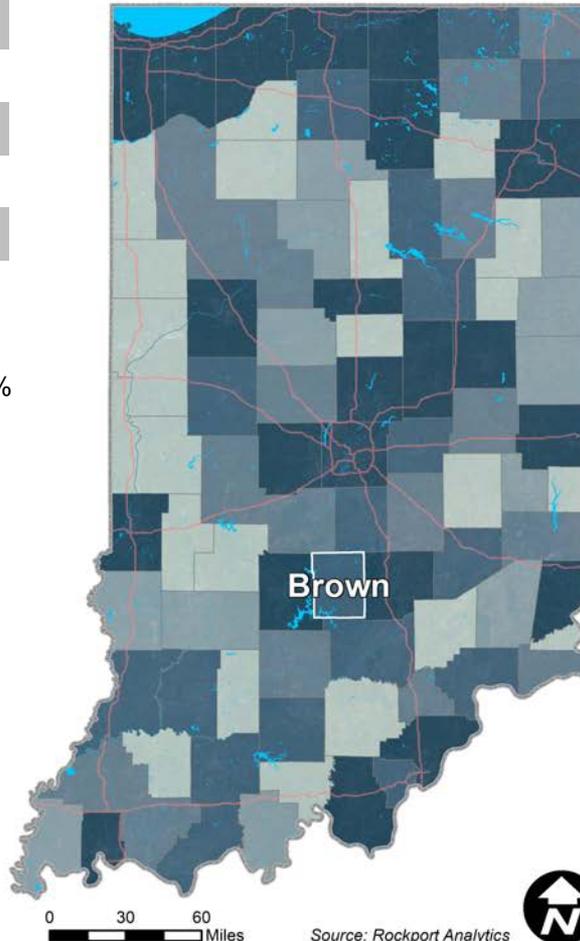
For every **\$1.00** spent by Brown County visitors in 2020, **7 cents** goes to federal taxes and **12 cents** goes to state and local taxes. Federal tax collections include corporate & personal income taxes, excise taxes and social security collections. State and local tourism-derived taxes include sales taxes, property taxes and lodging taxes.

Brown County 2020 Tourism Report Card

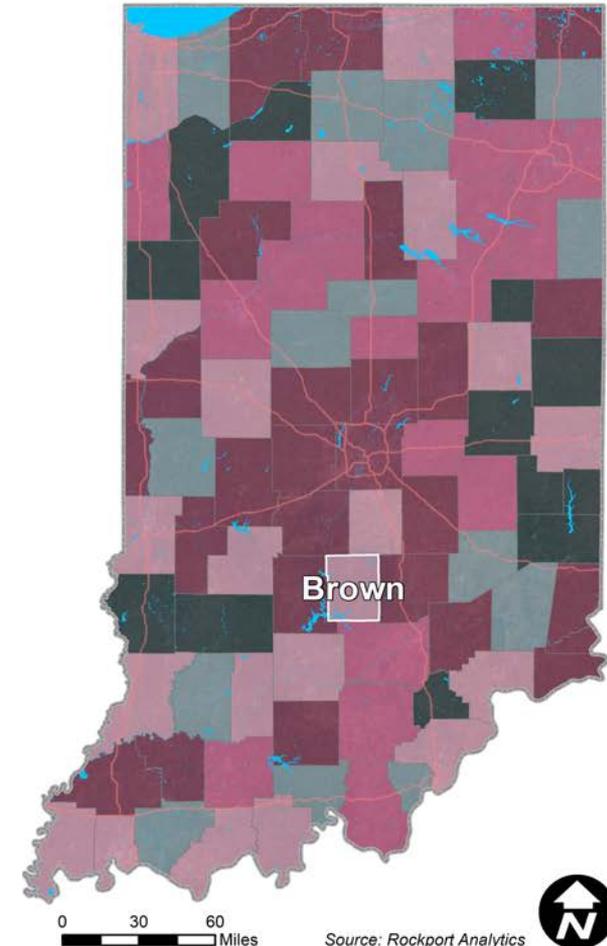
Tourism Sales Per Capita	\$2,809.5
Tourism Spend Per Capita Ranking	#4 of 92
2020 Spending by Visitors (Millions)	\$42.5
County Ranking of Tourism Spend	#38 of 92
2020 Tourism Spending Growth	-5.6%
2020 Tourism Growth Ranking	#39 of 92



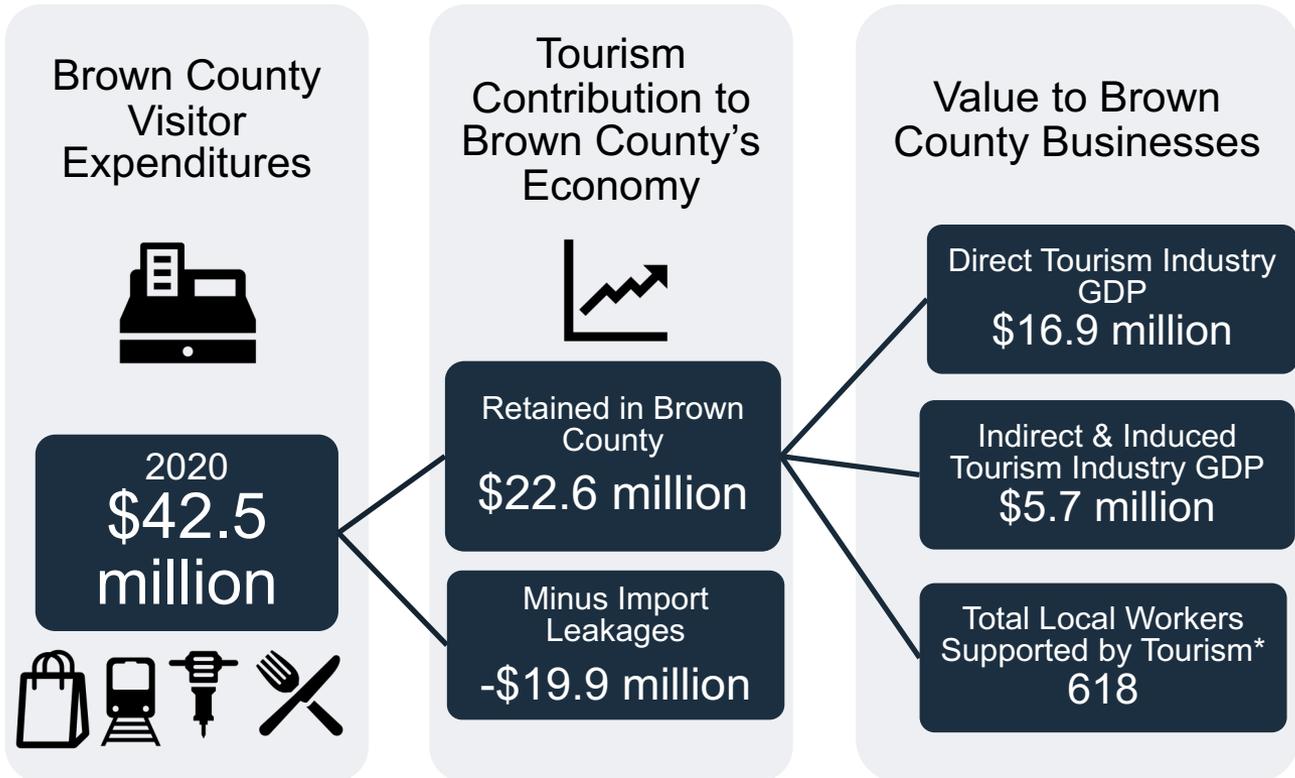
Total Spending by County, 2020



Spending Growth by County, 2020



Tourism's Economic Progression in Brown County



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

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

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

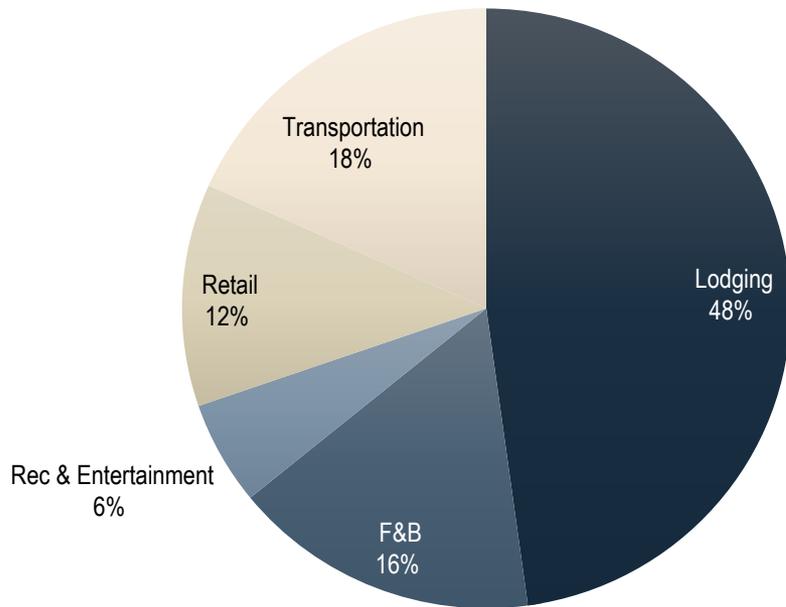
Indirect & Induced Tourism includes construction, business services, wholesale trade, personal services, etc.

*Full & part time jobs

Visitor Spending By Category

Lodging accounts for the largest share of tourism spend in Brown County, totaling **48% of visitor expenditures**.

Distribution of Spending
\$42.5 Million



Expenditure Category	2020	2019-20 Change
Lodging	\$ 20,300,427	-15.3%
Food & Beverage	\$ 6,926,093	0.7%
Rec & Entertainment	\$ 2,377,498	-14.8%
Retail	\$ 5,089,782	16.3%
Transportation	\$ 7,763,232	11.2%
Total	\$ 42,457,032	-5.6%

Categorical Spending Shares: State Comparisons

Category	Brown County	Indiana
Lodging	48%	12%
Food & Beverage	16%	28%
Rec & Entertainment	6%	17%
Retail	12%	26%
Transportation	18%	17%
Total	100%	100%

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

2020 Economic Contribution Summary (Compared to 2019)

2020 Metric	Direct	Indirect	Induced	Total
Total Spending				\$42,457,032
<i>2020 Y/Y Growth</i>				-5.6%
Economic Impact (GDP)	\$16,901,946	\$3,537,352	\$2,166,744	\$22,606,041
<i>2020 Y/Y Growth</i>	-7.2%	-10.0%	-6.3%	-7.6%
Wages	\$9,093,399	\$2,152,082	\$836,168	\$12,081,649
<i>2020 Y/Y Growth</i>	-5.4%	-10.3%	-6.3%	-6.4%
Jobs	517	70	31	618
<i>2020 Y/Y Growth</i>	-4.1%	-12.2%	-7.9%	-5.3%
Tax Receipts				\$8,010,476
<i>2020 Y/Y Growth</i>				-8.2%

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

Tourism Supports Sales in a Multitude of Local Industries

Brown County Tourism: 2020 Economic Contribution (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Accommodations	\$8,155	\$14	\$6	\$8,175
Food Services & Drinking Places	\$3,144	\$295	\$167	\$3,606
Transportation & Warehousing	\$3,463	\$40	\$16	\$3,519
Retail Trade	\$1,108	\$30	\$247	\$1,385
Real Estate & Rental	\$0	\$386	\$798	\$1,185
Arts, Entertainment & Rec	\$1,031	\$18	\$62	\$1,110
Professional Services	\$0	\$656	\$106	\$762
Administrative & Waste Services	\$0	\$502	\$41	\$542
Government	\$0	\$410	\$57	\$466
Other Services	\$0	\$271	\$133	\$404
Finance & Insurance	\$0	\$231	\$132	\$363
Construction	\$0	\$206	\$27	\$234
Manufacturing	\$0	\$168	\$22	\$190
Wholesale Trade	\$0	\$74	\$101	\$175
Information	\$0	\$136	\$33	\$169
Health & Social Services	\$0	\$0	\$167	\$167
Utilities	\$0	\$56	\$18	\$74
Management of Companies	\$0	\$31	\$1	\$32
Educational Services	\$0	\$2	\$20	\$22
Ag, Forestry, Fish & Hunting	\$0	\$12	\$7	\$19
Mining	\$0	\$0	\$0	\$0
Total - 2020	\$16,902	\$3,537	\$2,167	\$22,606
Total - 2019	\$18,218	\$3,932	\$2,314	\$24,464
% change	-7.2%	-10.0%	-6.3%	-7.6%

Source: Rockport Analytics, IMPLAN

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

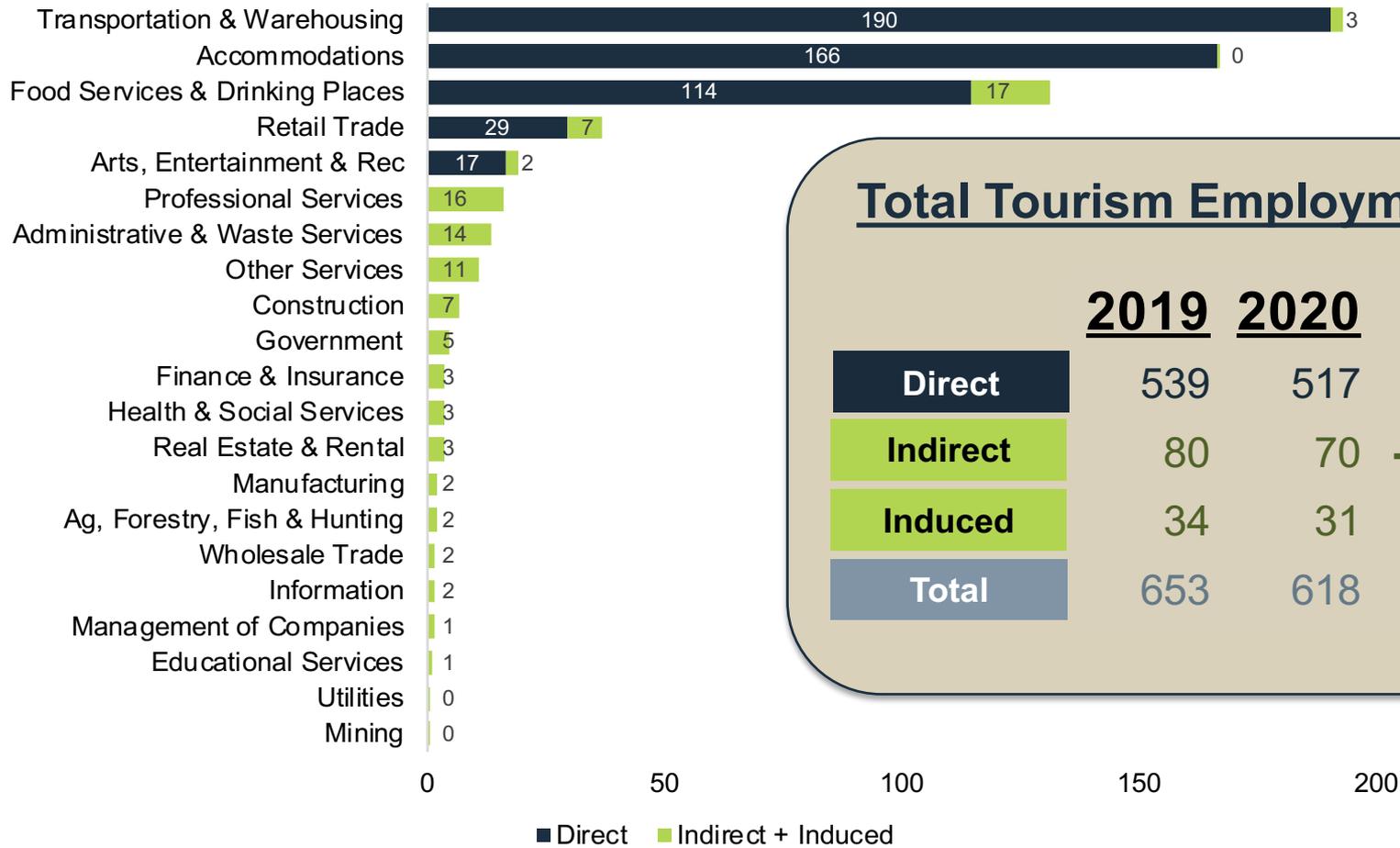
Brown County Tourism: 2020 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Transportation & Warehousing	190	2	1	193
Accommodations	166	0	0	167
Food Services & Drinking Places	114	11	6	131
Retail Trade	29	1	7	37
Arts, Entertainment & Rec	17	1	1	19
Professional Services	0	14	2	16
Administrative & Waste Services	0	13	1	14
Other Services	0	7	3	11
Construction	0	6	1	7
Government	0	4	1	5
Finance & Insurance	0	2	1	3
Health & Social Services	0	0	3	3
Real Estate & Rental	0	2	1	3
Manufacturing	0	2	0	2
Ag, Forestry, Fish & Hunting	0	1	0	2
Wholesale Trade	0	1	1	2
Information	0	1	0	2
Management of Companies	0	1	0	1
Educational Services	0	0	1	1
Utilities	0	0	0	0
Mining	0	0	0	0
Total - 2020	517	70	31	618
Total - 2019	539	80	34	653
% change	-4.1%	-12.2%	-7.9%	-5.3%

Source: Rockport Analytics, IMPLAN

Tourism Supported Employment Declines 5% in 2020

Brown County Tourism: 2020 Economic Impact (Employment)



Total Tourism Employment

	<u>2019</u>	<u>2020</u>	
Direct	539	517	-4.1%
Indirect	80	70	-12.2%
Induced	34	31	-7.9%
Total	653	618	-5.3%

Sources: IMPLAN, Rockport Analytics

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

Tourism Remains the 2nd Largest Industry in Brown County in 2020

2020 Tourism in Brown County: Ranking of Major Industries By Total Employment

Rank	Industry	2020 Reported	2020 Tourism Extracted	% of Total Employment	19-20 Growth Rate
1	Government	688	688	24.8%	-8.0%
2	Tourism	N/A	517	18.7%	-4.1%
3	Manufacturing	299	299	10.8%	-1.2%
4	Retail trade	302	273	9.8%	-12.1%
5	Health & Social Services	164	164	5.9%	-15.0%
6	Construction	149	149	5.4%	13.8%
7	Accommodation & Food Services	408	127	4.6%	-25.4%
8	Professional Services	127	127	4.6%	2.1%
9	Educational Services	117	117	4.2%	-16.6%
10	Other Services	104	104	3.7%	-11.4%
11	Administrative & Waste Services	82	82	3.0%	-11.3%
12	Wholesale Trade	57	57	2.0%	-11.2%
13	Arts, Entertainment & Recreation	66	49	1.8%	-16.9%
14	Finance & Insurance	41	41	1.5%	-8.2%
15	Real Estate	25	25	0.9%	-14.0%
16	Utilities	23	23	0.8%	-0.3%
17	Management of Companies	19	19	0.7%	-3.8%
18	Mining	9	9	0.3%	-14.0%
19	Information	9	9	0.3%	-11.3%
20	Transportation & Warehousing	82	0	0.0%	-6.4%
	Total County Employment	2,771	2,771	100%	-10.8%

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

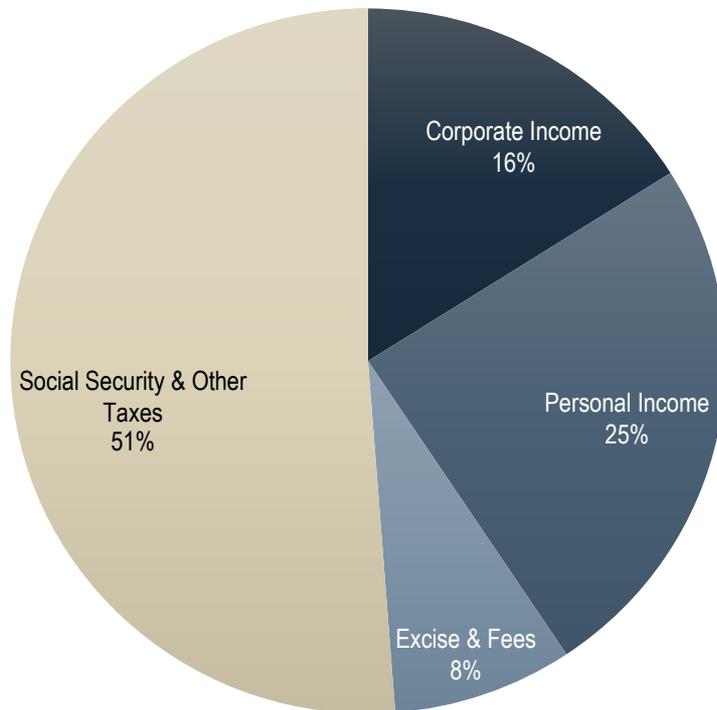
Reported: As released by the Bureau of Labor Statistics and the Indiana Department of Labor

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

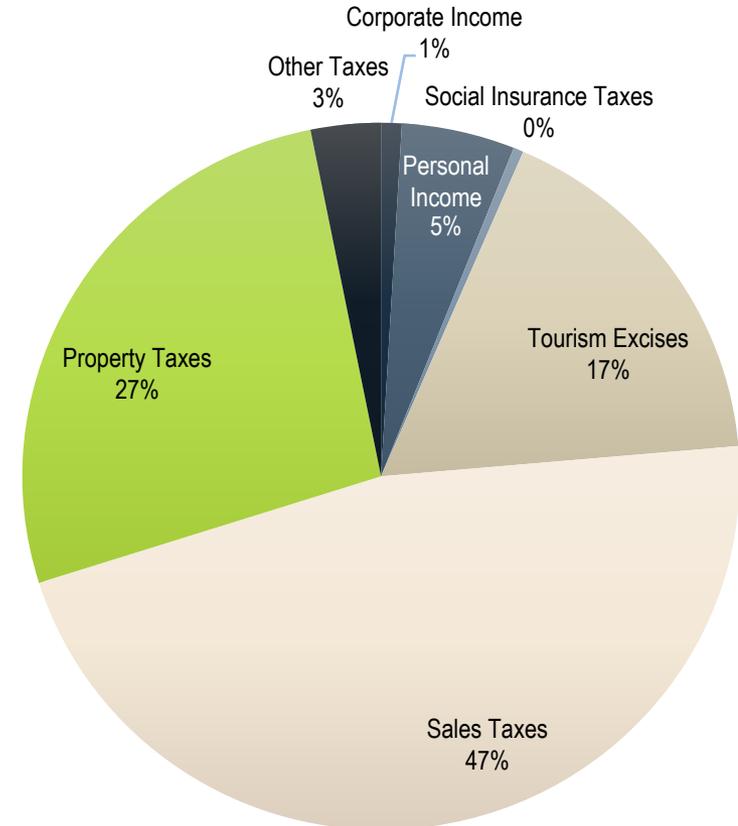
Federal Taxes

2020 Tax Total: **\$2.8 Million**



State & Local Taxes

2020 Tax Total: **\$5.2 Million**



2020 Total County Tourism-Initiated Taxes: **\$8.0 Million**

2019–2020 Tourism Tax Revenue Collections

	2019	2020	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$494,431	\$452,060	-8.6%
Personal Income	\$739,083	\$692,846	-6.3%
Excise & Fees	\$254,434	\$229,509	-9.8%
Social Security & Other Taxes	\$1,552,282	\$1,442,877	-7.0%
Federal Total	\$3,040,230	\$2,817,292	-7.3%
State & Local			
Corporate Income	\$52,738	\$48,218	-8.6%
Personal Income	\$282,860	\$265,164	-6.3%
Social Insurance Taxes	\$25,396	\$23,519	-7.4%
Tourism Excises			
Hotel Tax	\$891,180	\$821,439	-7.8%
Food & Beverage	\$68,750	\$69,261	0.7%
Rental Car Excise	-	-	-
Sales Taxes	\$2,643,032	\$2,414,389	-8.7%
Property Taxes	\$1,537,815	\$1,387,381	-9.8%
Other Taxes	\$187,576	\$163,814	-12.7%
State & Local Tax Total	\$5,689,346	\$5,193,184	-8.7%
Total County Tourism-Initiated Taxes	\$8,729,576	\$8,010,476	-8.2%

- Brown County visitors supported \$8.0 million in total taxes in 2020, down 8.2% from 2019.
- Federal tax collections resulting from tourism in Brown County include income taxes and social security and totaled \$2.8 million in 2020.
- State & local tax collections totaled more than \$5.1 million, including \$2.4 million in sales taxes and \$1.4 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 18.7% of all people working in Brown County are supported by visitors to the county.
- Brown County families with an individual working in Tourism averaged \$17,584 in wages during 2020. 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 490 Indiana public school students.*
- S&L tax collections were enough to fund roughly 100 Indiana public school teachers.*

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

* Estimate based on the average cost per student of \$10,520 and the average salary of a teacher of \$51,970 in Indiana. Education figures reported by NEA's 2021 State Rankings.

Helping to Relieve the Tax Burden of County Households



- About 12 cents of each visitor dollar went towards the payment of state and local taxes (S&L).
- If tourism did not exist, each of the 8,890 families in Brown County would have to pay an additional \$584 per year in taxes to maintain current levels of state & local government services.

Benefiting County Businesses

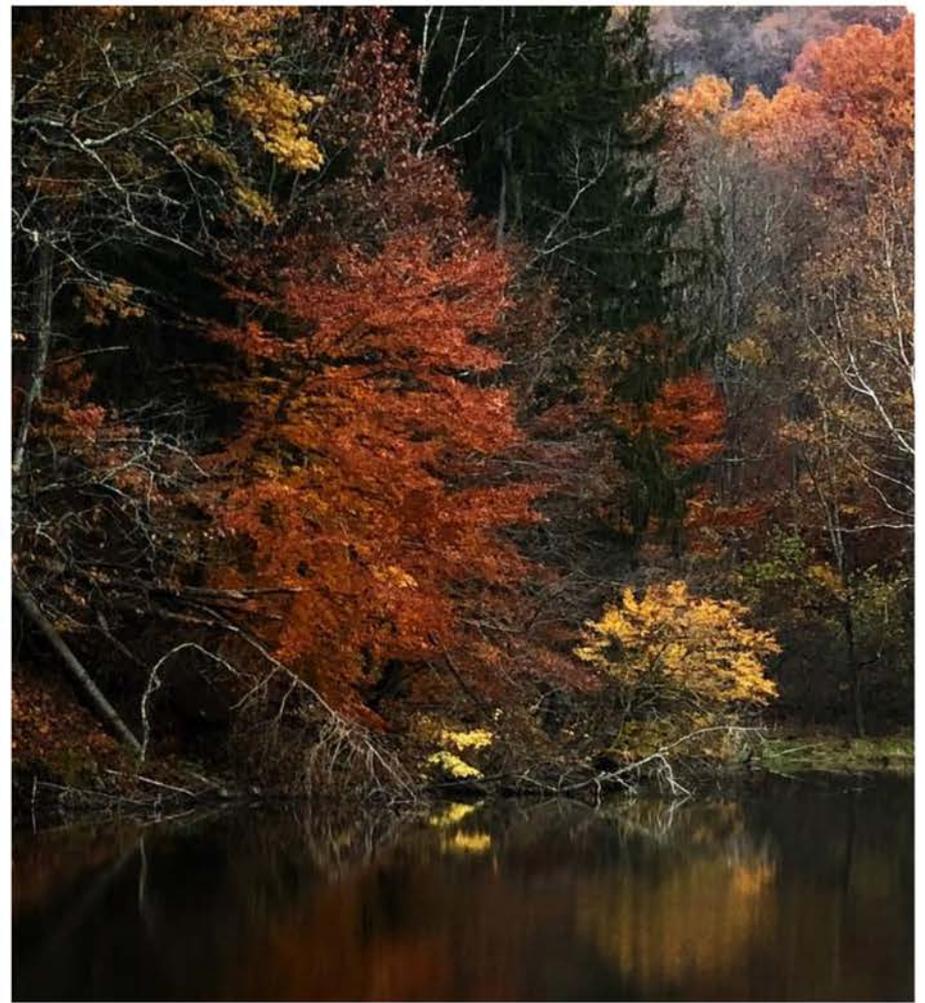


- Visitors generated top-line sales totaling \$22.6 million benefiting a broad array of local businesses.
- Businesses that directly served visitors saw value-added of roughly \$16.9 million in 2020, down 10% from 2019.
- In 2020, tourism supply chain businesses received value-added of more than \$3.5 million.

Capturing & 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 618 area citizens.



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