

# 2013 Economic Impact of Tourism in Hendricks County

Methodology, Metrics and Evaluation



## Indiana Office of Tourism Development

- 2013 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](http://www.implan.com)

## Hendricks County Tourism Economic Impact

Value-Added (GDP)

Wages &  
Income

Jobs

Taxes

## Study Overview

A research cooperative was formed in 2013 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 2013 Economic Impact Study of Tourism in Hendricks County was conducted by Rockport Analytics, an independent market & economic research firm.

## Methodology

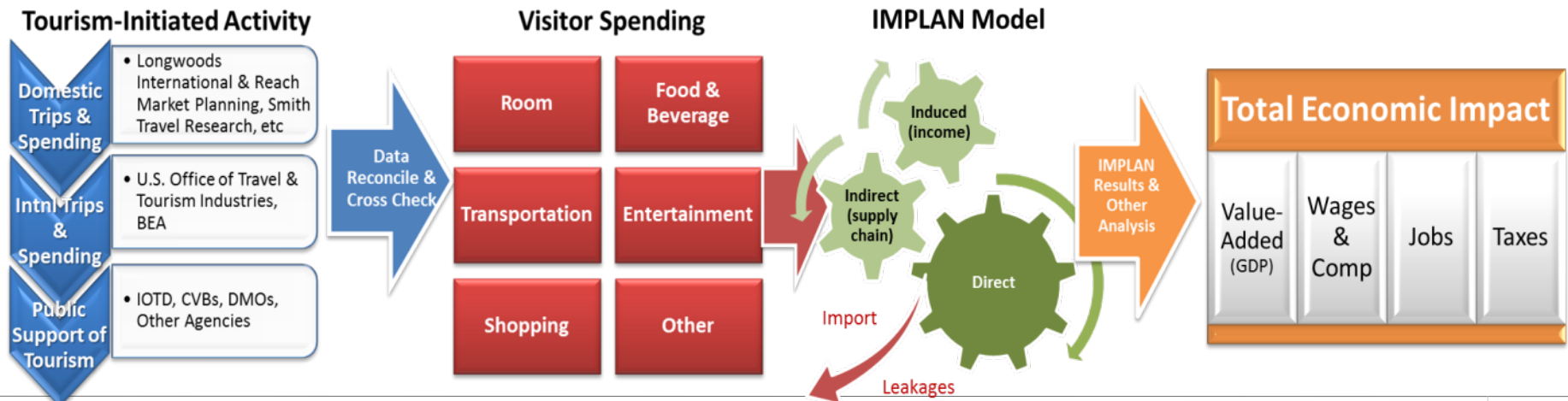
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Hendricks 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 2013 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 Hendricks County ([www.implan.com](http://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.



## **Spending by Visitors to Hendricks County totaled \$228.9 million in 2013, up 1.4% over 2012**

- ✓ Visitors spent \$26.2 million on lodging, \$75.5 million on food & beverages, \$62 million on shopping, \$44.2 million on entertainment and recreation, and \$21.1 million on transportation.
- ✓ The economic impact of these expenditures (after import leakages) totaled \$187.3 million. This includes \$133.4 million in direct economic impact, \$23.8 million in indirect economic impact (supplier effect), and \$30.1 million in induced economic impact (income effect).
- ✓ Of every tourism dollar spent in Hendricks County in 2013, 82 cents 'stayed' local and led directly to the gross county product of Hendricks County.

## **Visitor Spending in Hendricks County supported 4,782 Jobs and \$109 million in labor income**

- ✓ Traveler spending supported 4,782 jobs in Hendricks County in 2013. Of these, 3,869 were directly employed by tourism sectors. Tourism generated an additional 424 indirect jobs and 490 induced jobs.
- ✓ \$108.7 million in total wages and proprietor income were generated for these employees.

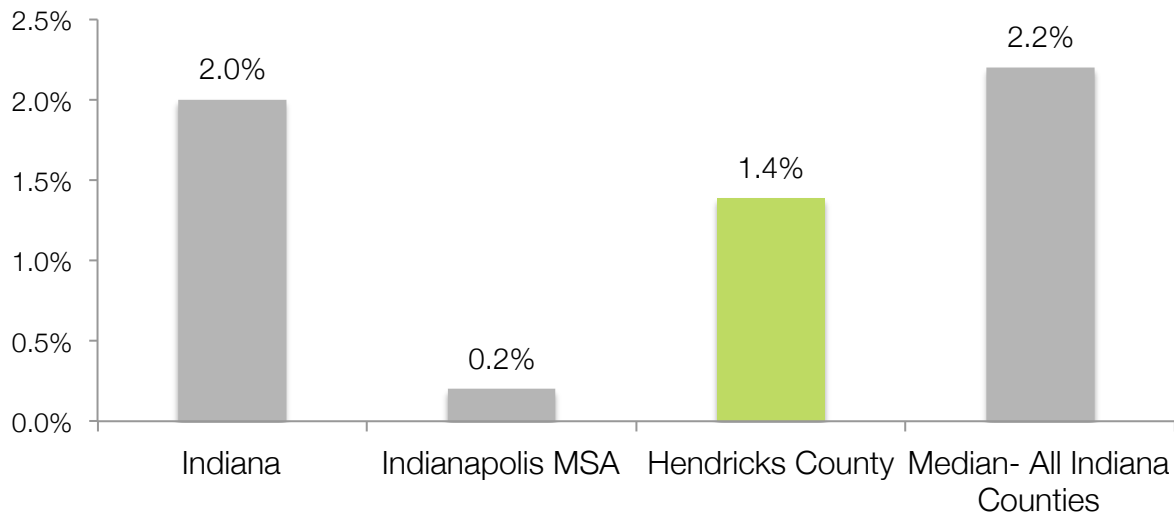
## **Visitors Generated Federal, State, and Local Tax Revenue totaling \$56 million in 2013**

- ✓ Federal tax collections resulting from tourism in Hendricks County totaled \$23.9 million including corporate & personal income taxes, excise taxes and social security collections.
- ✓ State and local tourism-derived taxes totaled \$32.1 million, including \$13.8 million in sales taxes contributing to state tax collections and \$10.8 million in property taxes to support the local tax base.

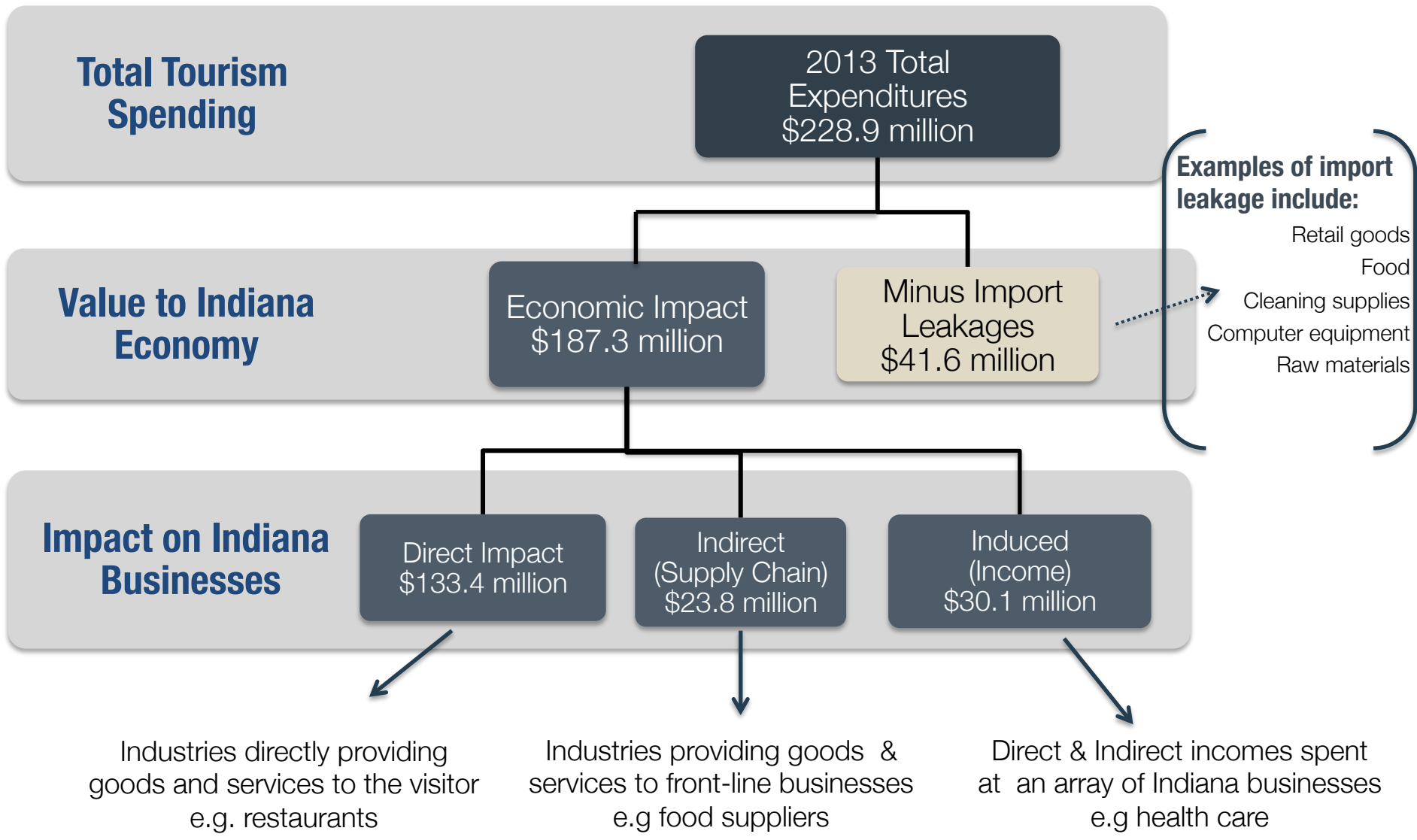
## Hendricks County's 2013 Tourism Report Card

Tourism Sales Per Capita	\$1,539.88
Tourism Spend Per Capita Ranking	#18 of 92
2013 Spending by Visitors (Millions)	\$228.9
County Ranking of Tourism Spend	#9 of 92
2013 Tourism Spending Growth	1.4%
2013 Tourism Growth Ranking	#63 of 92

## Annual Growth in 2013 Tourism Spending



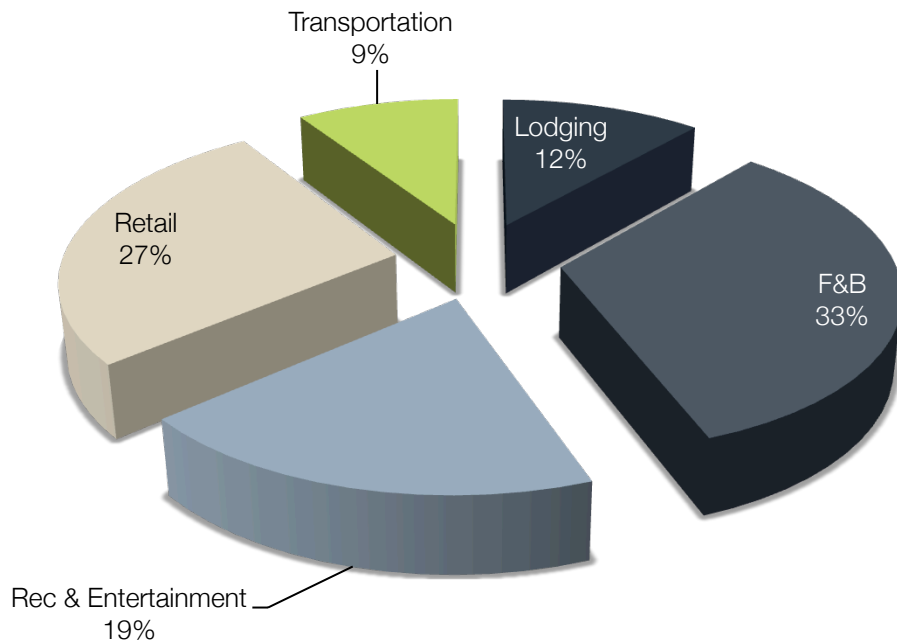
# Hendricks County Tourism Impact Flows



**Food & Beverage** accounts for the largest share of tourism spend in Hendricks County, totaling **33% of visitor expenditures**.

## Distribution of Tourism Spending

*\$228.9 Million USD*



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

Expenditure Category	2013	2012-13 Growth
Lodging	\$26,169,074	1.2%
F&B	\$75,453,119	-0.5%
Rec & Entertainment	\$44,154,820	7.6%
Retail	\$62,017,875	0.3%
Transportation	\$21,066,942	-0.6%
Total	\$228,861,830	1.4%

## Categorical Spending Shares: State Comparisons

	Hendricks County	Indiana
Lodging	11%	15%
F&B	33%	27%
Rec & Entertainment	19%	18%
Retail	27%	22%
Transportation	9%	18%
Total	100%	100%





## 2013 Economic Impact Summary (Compared to 2012)

2013 Metric	Direct	Indirect	Induced	Total
Total Spending				\$228,861,830
<i>2013 Y/Y Growth</i>				1.4%
Economic Impact (GDP)	\$133,398,093	\$23,778,065	\$30,134,286	\$187,310,444
<i>2013 Y/Y Growth</i>	0.8%	1.0%	0.6%	0.8%
Wages	\$80,223,006	\$13,634,499	\$14,829,185	\$108,686,690
<i>2013 Y/Y Growth</i>	0.5%	1.3%	0.6%	0.6%
Jobs	3,869	424	490	4,782
<i>2013 Y/Y Growth</i>	-1.0%	-0.2%	-1.0%	-0.9%
Tax Receipts				\$55,999,879
<i>2013 Y/Y Growth</i>				1.1%

### 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

## Hendricks Tourism: 2013 Economic Impact (Value Added/GDP)

*Thousands of \$s*

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$53,321	\$407	\$5,018	\$58,746
Food services & drinking places	\$36,881	\$1,107	\$1,808	\$39,797
Arts- entertainment & recreation	\$24,077	\$798	\$452	\$25,327
Real estate & rental	\$0	\$4,325	\$8,519	\$12,844
Accommodations	\$12,211	\$14	\$10	\$12,235
Transportation & Warehousing	\$6,908	\$1,002	\$501	\$8,411
Professional Services	\$0	\$4,766	\$1,379	\$6,145
Health & social services	\$0	\$6	\$4,129	\$4,135
Utilities	\$0	\$2,431	\$1,050	\$3,481
Administrative & waste services	\$0	\$2,299	\$714	\$3,012
Wholesale Trade	\$0	\$1,109	\$1,895	\$3,004
Other services	\$0	\$1,156	\$1,753	\$2,910
Finance & insurance	\$0	\$1,199	\$1,523	\$2,722
Construction	\$0	\$882	\$397	\$1,279
Government & non NAICs	\$0	\$875	\$350	\$1,224
Information	\$0	\$798	\$327	\$1,125
Management of companies	\$0	\$507	\$53	\$560
Educational services	\$0	\$35	\$232	\$267
Manufacturing	\$0	\$59	\$17	\$76
Ag, Forestry, Fish & Hunting	\$0	\$3	\$7	\$10
Mining	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$133,398</b>	<b>\$23,778</b>	<b>\$30,134</b>	<b>\$187,310</b>
Total - 2012	\$132,314	\$23,533	\$29,940	\$185,787
<b>% change</b>	<b>0.8%</b>	<b>1.0%</b>	<b>0.6%</b>	<b>0.8%</b>

Source: Rockport Analytics, IMPLAN

## Hendricks Tourism: 2013 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	1,424	43	70	1,537
Retail trade	1,263	9	115	1,387
Arts- entertainment & recreation	667	47	14	728
Transportation & Warehousing	260	16	8	284
Accommodations	254	0	0	255
Professional Services	0	71	22	92
Real estate & rental	0	52	37	89
Administrative & waste services	0	68	21	88
Health & social services	0	0	81	81
Other services	0	29	48	77
Finance & insurance	0	20	26	46
Wholesale Trade	0	10	17	27
Construction	0	19	6	25
Government & non NAICs	0	13	6	19
Information	0	13	4	18
Educational services	0	2	12	14
Utilities	0	5	2	7
Management of companies	0	5	1	6
Manufacturing	0	1	0	2
Ag, Forestry, Fish & Hunting	0	0	0	0
Mining	0	0	0	0
<b>Total</b>	<b>3,869</b>	<b>424</b>	<b>490</b>	<b>4,782</b>
Total - 2012	3,909	424	495	4,828
<b>% change</b>	<b>-1.0%</b>	<b>-0.2%</b>	<b>-1.0%</b>	<b>-0.9%</b>

Source: Rockport Analytics, IMPLAN

# Tourism is the 8<sup>th</sup> Largest Industry in Hendricks County

## 2013 Tourism in Hendricks County: Ranking of Major Industries By Total Employment

Rank	Industry	2013 Reported	2013 Tourism Extracted	% of Total Employment	12-13 Growth Rate
1	Government	8,505	8,505	14.5%	-1.4%
2	Retail trade	9,304	8,041	13.7%	-0.2%
3	Transportation & Warehousing	6,522	6,262	10.7%	6.9%
4	Administrative & Waste Services	5,379	5,379	9.2%	11.8%
5	Accommodation & Food Services	6,660	4,982	8.5%	0.0%
6	Health & Social Services	4,864	4,864	8.3%	2.9%
7	Wholesale Trade	3,887	3,887	6.6%	0.8%
<b>8</b>	<b>Tourism</b>	<b>N/A</b>	<b>3,869</b>	<b>6.6%</b>	<b>-1.0%</b>
9	Manufacturing	3,723	3,723	6.4%	1.7%
10	Other Services	2,825	2,825	4.8%	0.6%
11	Construction	2,262	2,262	3.9%	4.8%
12	Professional Services	1,126	1,126	1.9%	5.9%
13	Finance & Insurance	925	925	1.6%	2.4%
14	Utilities	725	725	1.2%	-8.9%
15	Real Estate	417	417	0.7%	-1.9%
16	Management of Companies	213	213	0.4%	-6.6%
17	Educational Services	188	188	0.3%	6.2%
18	Information	187	187	0.3%	10.0%
19	Arts, Entertainment & Recreation	760	93	0.2%	-1.9%
20	Mining	25	25	0.0%	-3.8%
	<b>Total County Employment</b>	<b>58,497</b>	<b>58,497</b>	<b>100%</b>	<b>2.1%</b>

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

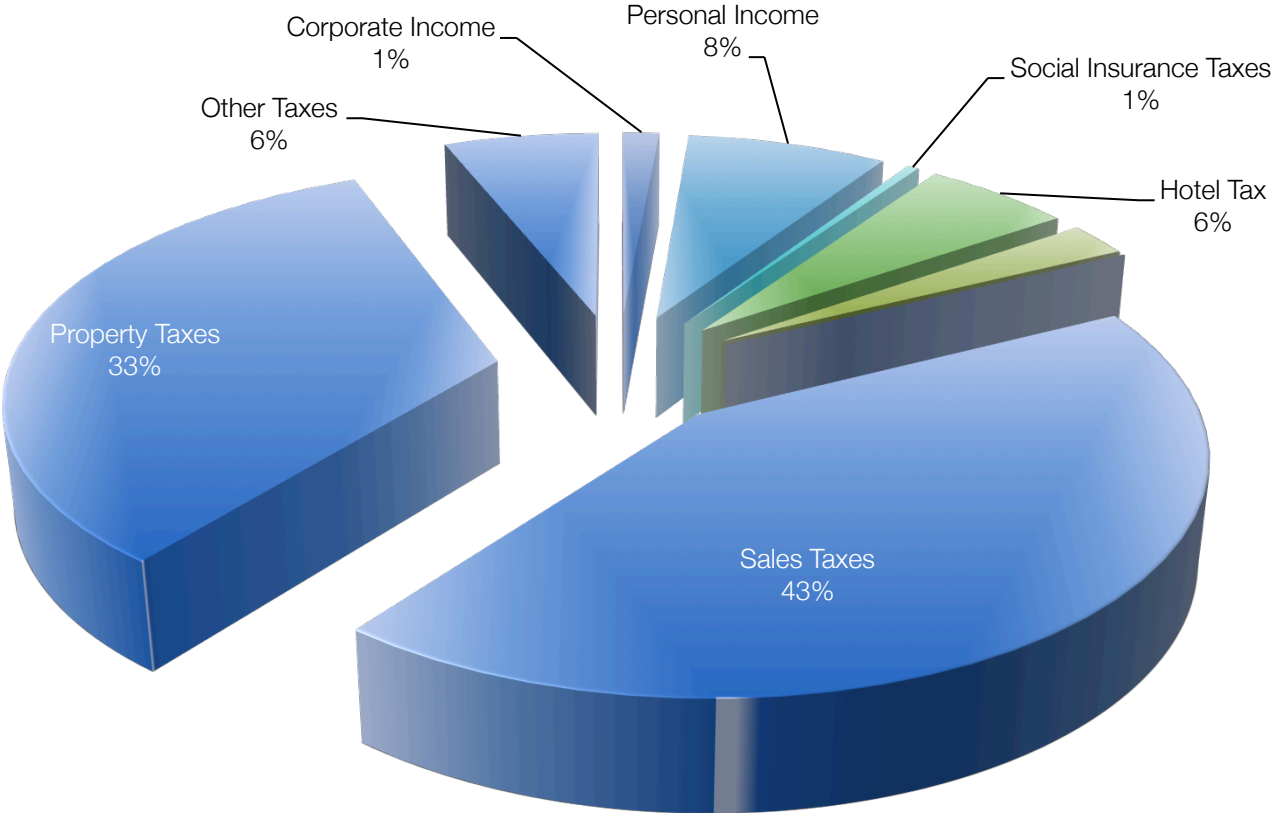
Note: Both industry and employee definitional discrepancies may exist between data sources. Data has not been reported for industries where these discrepancies are large.

**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 Hendricks' Tourism Industry

## 2013 State & Local Tourism Tax Sources

Total = \$32.1M



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

## 2012 – 2013 Tourism Tax Revenue Collections

	2012	2013	% Change
	<i>Thousands \$</i>		
Federal: US			
Corporate Income	\$3,144.1	\$3,172.7	0.9%
Personal Income	\$6,491.7	\$6,533.8	0.6%
Excise & Fees	\$2,968.4	\$3,007.5	1.3%
Social Security & Other Taxes	\$11,068.5	\$11,138.4	0.6%
<b>Federal Total</b>	<b>\$23,672.8</b>	<b>\$23,852.4</b>	<b>0.8%</b>
State & Local			
Corporate Income	\$455.0	\$459.2	0.9%
Personal Income	\$2,484.5	\$2,500.6	0.6%
Social Insurance Taxes	\$141.6	\$142.4	0.6%
Tourism Excises			
Hotel Tax	\$1,831.0	\$1,838.6	0.4%
Food & Beverage	\$758.3	\$754.5	-0.5%
Rental Car Excise	N/A	N/A	N/A
Sales Taxes	\$13,546.5	\$13,764.4	1.6%
Property Taxes	\$10,610.6	\$10,750.1	1.3%
Other Taxes	\$1,901.9	\$1,937.5	1.9%
<b>State &amp; Local Tax Total</b>	<b>\$31,729.3</b>	<b>\$32,147.5</b>	<b>1.3%</b>
<b>Total County Tourism-Initiated Taxes</b>	<b>\$55,402.1</b>	<b>\$55,999.9</b>	<b>1.1%</b>

- Hendricks County tourism generated nearly \$60 million in total taxes in 2013, up 1.1% from 2012.
- Federal tax collections resulting from tourism in Hendricks County include income taxes and social security and totaled \$23.9 million in 2013.
- State & local tax collections totaled \$32.1 million, including \$13.8 million in sales taxes contributing to state collections and \$10.8 million in property taxes supporting the local tax base.

## *How Does Tourism Benefit Hendricks County?*

### **By Promoting a Healthy Job Market**

Approximately 7% of all jobs in Hendricks County are supported by tourism to the region. In addition to the hotel & 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 Hendricks County is sufficient to support 3,431 Indiana public school students.

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

Tourism is the 8<sup>th</sup> largest industry (7<sup>th</sup> not including Government) in Hendricks County (by jobs).

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

In addition to hotel occupancy levies (\$1.8 million in 2013), Hendricks County tourism activity generated over \$459,000 in Indiana corporate taxes, \$2.5 million in Indiana personal income tax, and \$10.8 million in local property taxes during 2013.

### **By Helping to Relieve the Tax Burden of Hendricks County Households**

If Hendricks County tourism did not exist, each of the 52,368 households in the county would have to pay an additional \$614 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 Hendricks County, 82¢ in economic impact is returned to the local area.



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