

2014 Economic Impact of Tourism in Dekalb County

Methodology, Metrics and Evaluation



Indiana Office of Tourism Development

- 2014 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

Dekalb County Tourism Economic Impact

Value-Added (GDP)

Wages &
Income

Jobs

Taxes

Study Overview

A research cooperative was formed in 2014 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 2014 Economic Impact Study of Tourism in Dekalb County was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

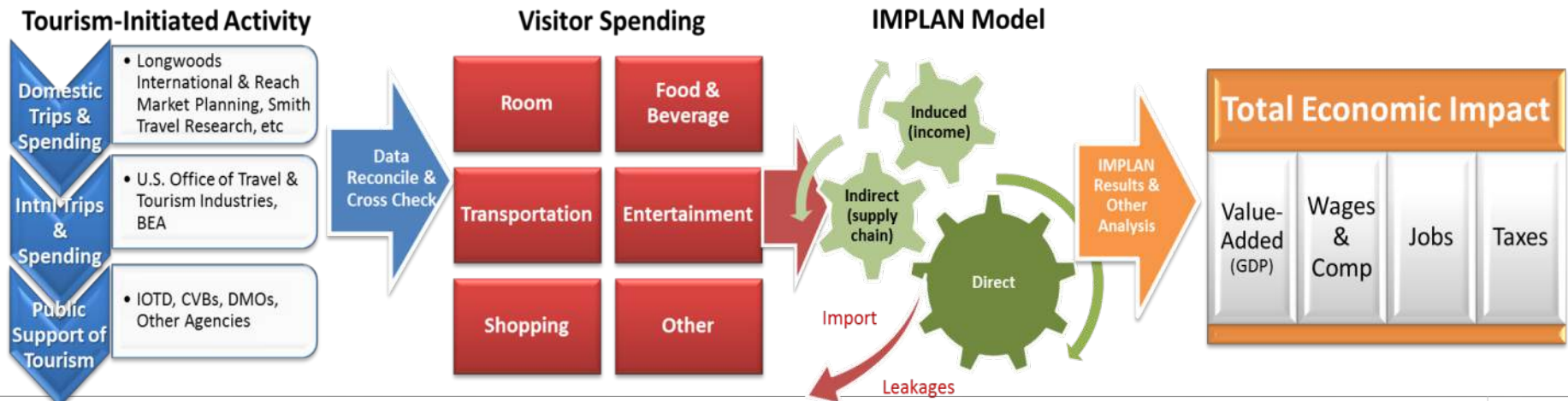
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Dekalb 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 2014 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 Dekalb 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.



Spending by Visitors to DeKalb County totaled \$38.1 million in 2014, up 2.8% over 2013

- ✓ Visitors spent \$6.1 million on lodging, \$12.3 million on food & beverages, \$8.5 million on shopping, \$3.5 million on entertainment and recreation, and \$7.6 million on transportation.
- ✓ The economic impact of these expenditures (after import leakages) totaled \$28.9 million. This includes \$22.1 million in direct economic impact, \$2.6 million in indirect economic impact (supplier effect), and \$4.1 million in induced economic impact (income effect).
- ✓ Of every tourism dollar spent in DeKalb County in 2014, 76 cents 'stayed' local and led directly to the gross county product of DeKalb County.

Visitor Spending in DeKalb County supported 733 Jobs and \$17.6 million in labor income

- ✓ Traveler spending supported 733 jobs in DeKalb County in 2014. Of these, 615 were directly employed by tourism sectors. Tourism generated an additional 50 indirect jobs and 68 induced jobs.
- ✓ \$17.6 million in total wages and proprietor income were generated for these employees.

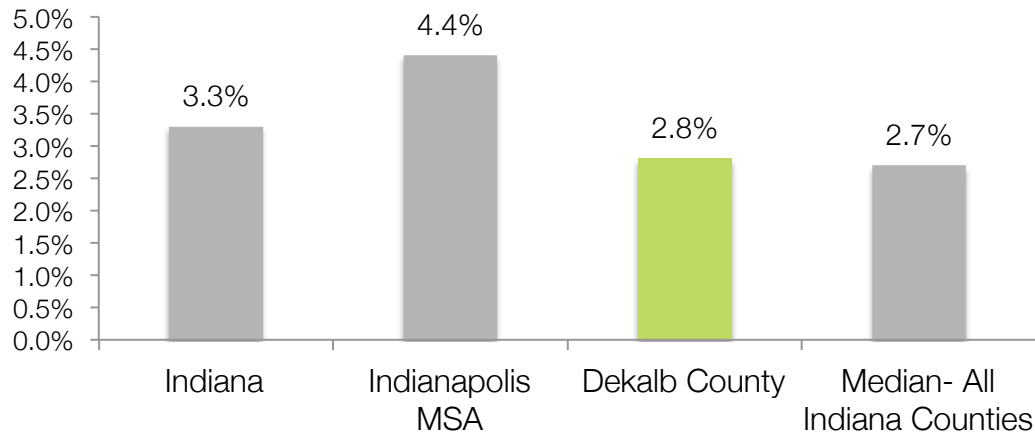
Visitors Generated Federal, State, and Local Tax Revenue totaling \$7.5 million in 2014

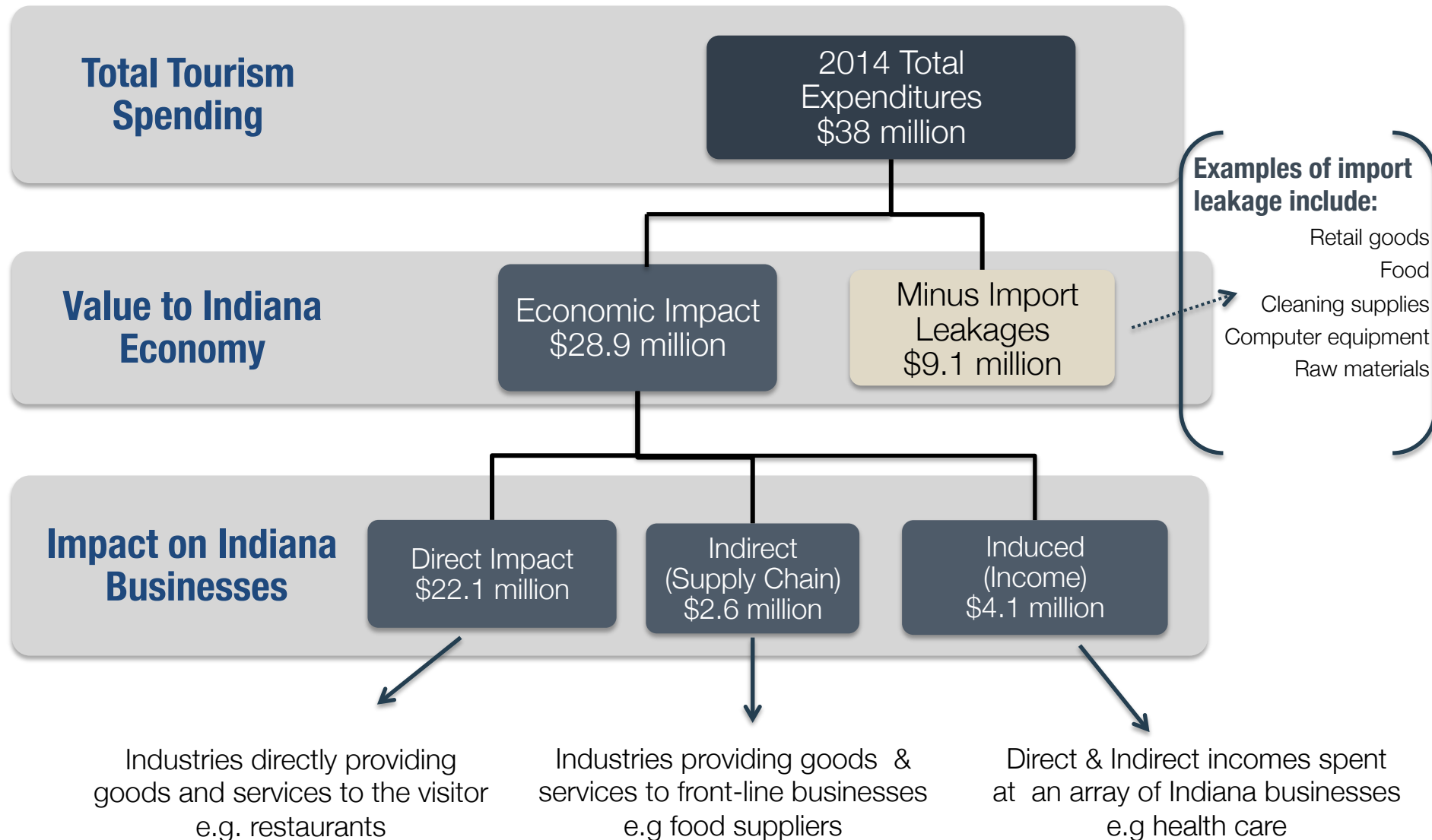
- ✓ Federal tax collections resulting from tourism in DeKalb County totaled \$2.9 million including corporate & personal income taxes, excise taxes and social security collections.
- ✓ State and local tourism-derived taxes totaled \$4.5 million, including \$2 million in sales taxes contributing to state tax collections and \$1.5 million in property taxes to support the local tax base.

Dekalb County's 2014 Tourism Report Card

Tourism Sales Per Capita	\$901.55
Tourism Spend Per Capita Ranking	#42 of 92
2014 Spending by Visitors (Millions)	\$38.1
County Ranking of Tourism Spend	#40 of 92
2014 Tourism Spending Growth	2.8%
2014 Tourism Growth Ranking	#45 of 92

Annual Growth in 2014 Tourism Spending

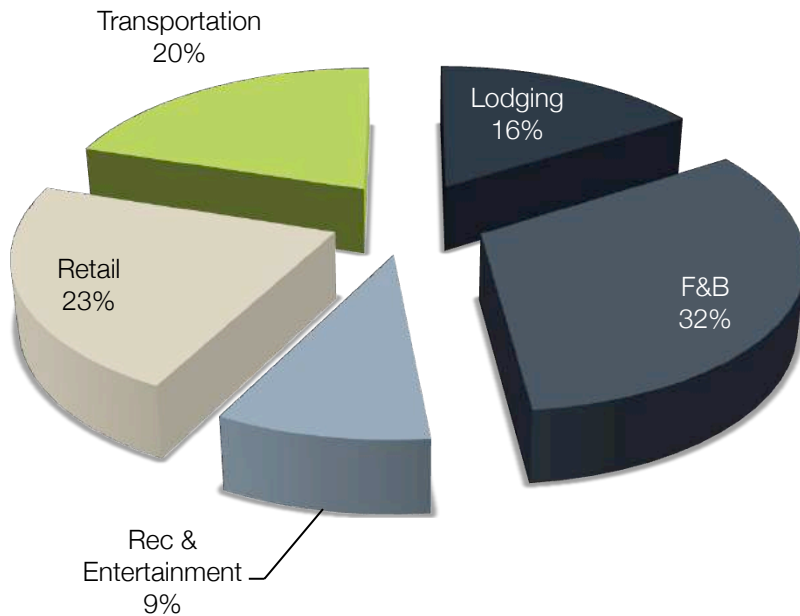




F&B accounts for the largest share of tourism spend in Dekalb County, totaling **32% of visitor expenditures**.

Distribution of Tourism Spending

\$38.1 Million USD



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

Expenditure Category	2014	2013-14 Growth
Lodging	\$6,109,695	5.6%
F&B	\$12,300,767	3.8%
Rec & Entertainment	\$3,505,854	0.4%
Retail	\$8,529,016	2.1%
Transportation	\$7,647,872	0.9%
Total	\$38,093,204	2.8%

Categorical Spending Shares: State Comparisons

	Dekalb County	Indiana
Lodging	16%	16%
F&B	32%	27%
Rec & Entertainment	9%	18%
Retail	22%	21%
Transportation	20%	18%
Total	100%	100%

2014 Economic Impact Summary (Compared to 2013)

2014 Metric	Direct	Indirect	Induced	Total
Total Spending				\$38,093,204
<i>2014 Y/Y Growth</i>				<i>2.8%</i>
Economic Impact (GDP)	\$22,140,122	\$2,602,501	\$4,139,836	\$28,882,460
<i>2014 Y/Y Growth</i>	<i>2.1%</i>	<i>2.7%</i>	<i>2.1%</i>	<i>2.2%</i>
Wages	\$14,039,900	\$1,580,571	\$1,989,671	\$17,610,142
<i>2014 Y/Y Growth</i>	<i>2.1%</i>	<i>2.7%</i>	<i>2.1%</i>	<i>2.1%</i>
Jobs	615	50	68	733
<i>2014 Y/Y Growth</i>	<i>0.5%</i>	<i>0.9%</i>	<i>0.4%</i>	<i>0.5%</i>
Tax Receipts				\$7,469,673
<i>2014 Y/Y Growth</i>				<i>2.7%</i>

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.

Dekalb Tourism: 2014 Economic Impact (Value Added/GDP)

Thousands of \$s

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$8,370	\$51	\$650	\$9,072
Food services & drinking places	\$5,710	\$132	\$212	\$6,054
Transportation & Warehousing	\$3,493	\$121	\$60	\$3,674
Accommodations	\$2,751	\$2	\$1	\$2,754
Arts- entertainment & recreation	\$1,816	\$20	\$52	\$1,887
Real estate & rental	\$0	\$291	\$1,184	\$1,475
Health & social services	\$0	\$1	\$745	\$746
Professional services	\$0	\$446	\$135	\$581
Wholesale Trade	\$0	\$179	\$304	\$483
Administrative & waste services	\$0	\$319	\$88	\$407
Finance & insurance	\$0	\$173	\$231	\$404
Other services	\$0	\$145	\$221	\$365
Government & non NAICS	\$0	\$219	\$64	\$283
Management of companies	\$0	\$243	\$24	\$266
Manufacturing	\$0	\$103	\$22	\$126
Information	\$0	\$69	\$54	\$123
Construction	\$0	\$77	\$41	\$118
Educational services	\$0	\$3	\$43	\$46
Utilities	\$0	\$6	\$4	\$9
Ag, Forestry, Fish & Hunting	\$0	\$3	\$5	\$8
Mining	\$0	\$0	\$0	\$0
Total	\$22,140	\$2,603	\$4,140	\$28,882
Total - 2013	\$21,686	\$2,534	\$4,054	\$28,274
% change	2.1%	2.7%	2.1%	2.2%

Source: Rockport Analytics, IMPLAN

Dekalb Tourism: 2014 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Food services & drinking places	237	5	9	251
Retail trade	187	1	16	204
Transportation & Warehousing	81	2	1	85
Accommodations	59	0	0	59
Arts- entertainment & recreation	52	2	2	56
Health & social services	0	0	15	15
Other services	0	5	8	12
Professional services	0	9	3	12
Administrative & waste services	0	8	2	11
Real estate & rental	0	3	3	6
Wholesale Trade	0	2	3	4
Finance & insurance	0	2	2	4
Government & non NAICS	0	3	1	4
Construction	0	2	1	3
Management of companies	0	2	0	3
Educational services	0	0	2	2
Manufacturing	0	1	0	1
Information	0	1	1	1
Ag, Forestry, Fish & Hunting	0	0	0	0
Utilities	0	0	0	0
Mining	0	0	0	0
Total	615	50	68	733
Total - 2013	612	50	68	729
% change	0.5%	0.9%	0.4%	0.5%

Source: Rockport Analytics, IMPLAN

Tourism is the 10th Largest Industry in Dekalb County

2014 Tourism in Dekalb County: Ranking of Major Industries By Total Employment

Rank	Industry	2014 Reported	2014 Tourism Extracted	% of Total Employment	13-14 Growth Rate
1	Manufacturing	8,396	8,396	39.8%	3.9%
2	Government	2,082	2,082	9.9%	-0.8%
3	Health & Social Services	1,773	1,773	8.4%	-1.5%
4	Wholesale Trade	1,431	1,431	6.8%	5.8%
5	Retail trade	1,498	1,311	6.2%	2.2%
6	Administrative & Waste Services	1,050	1,050	5.0%	3.2%
7	Accommodation & Food Services	1,264	968	4.6%	-1.8%
8	Other Services	750	750	3.6%	-1.9%
9	Construction	656	656	3.1%	-4.4%
10	Tourism	N/A	615	2.9%	0.5%
11	Professional Services	526	526	2.5%	-1.8%
12	Management of Companies	385	385	1.8%	-2.9%
13	Finance & Insurance	361	361	1.7%	7.3%
14	Transportation & Warehousing	394	313	1.5%	2.1%
15	Real Estate	124	124	0.6%	4.6%
16	Arts, Entertainment & Recreation	173	122	0.6%	-7.5%
17	Information	86	86	0.4%	-2.8%
18	Educational Services	72	72	0.3%	-7.9%
19	Utilities	53	53	0.3%	2.1%
20	Mining	45	45	0.2%	65.4%
	Total County Employment	21,119	21,119	100%	1.7%

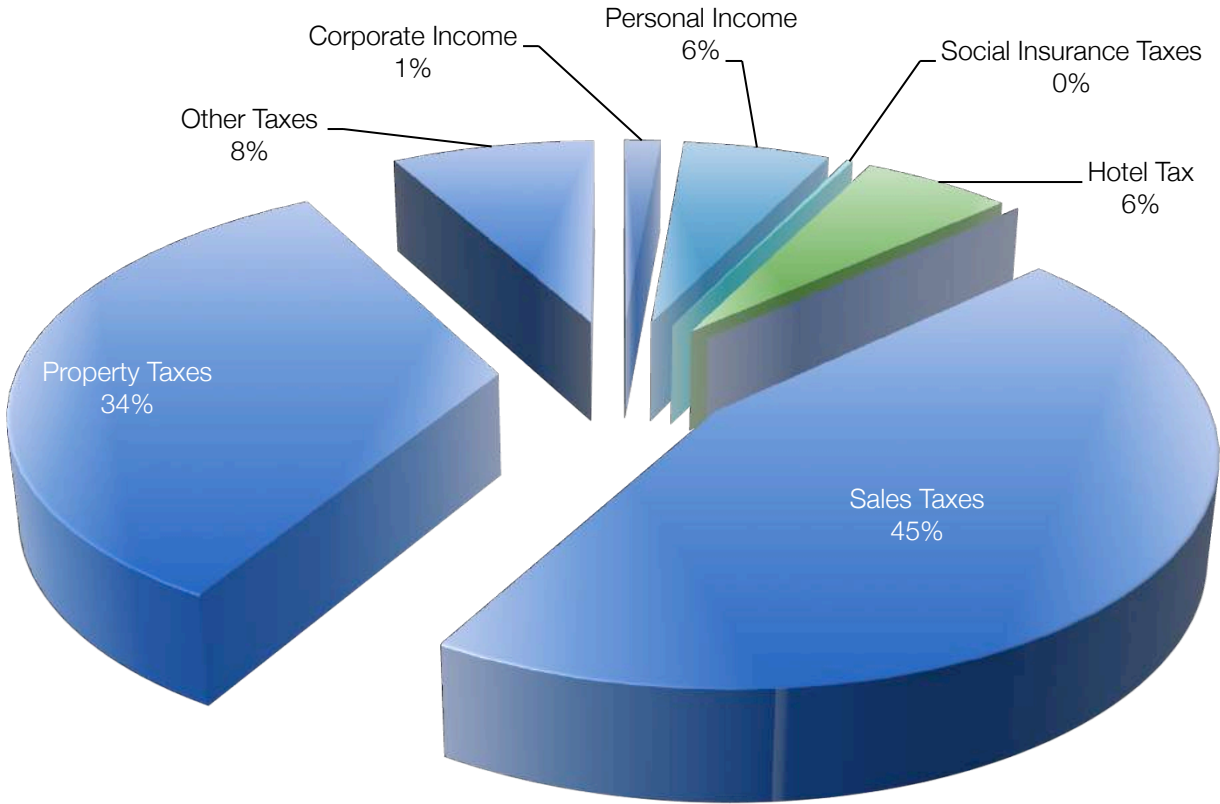
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

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 Dekalb's Tourism Industry"

2014 State & Local Tourism Tax Sources

Total = \$4.5M



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

2013 – 2014 Tourism Tax Revenue Collections

	2013	2014	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$442.7	\$452.4	2.2%
Personal Income	\$669.0	\$685.6	2.5%
Excise & Fees	\$389.7	\$398.0	2.1%
Social Security & Other Taxes	\$1,362.4	\$1,396.1	2.5%
Federal Total	\$2,863.8	\$2,932.0	2.4%
State & Local			
Corporate Income	\$64.1	\$65.5	2.2%
Personal Income	\$256.0	\$262.4	2.5%
Social Insurance Taxes	\$10.0	\$10.2	2.5%
Tourism Excises			
Hotel Tax	\$247.3	\$265.8	7.5%
Food & Beverage	N/A	N/A	N/A
Rental Car Excise	N/A	N/A	N/A
Sales Taxes	\$1,984.4	\$2,049.4	3.3%
Property Taxes	\$1,489.2	\$1,520.8	2.1%
Other Taxes	\$355.9	\$363.6	2.2%
State & Local Tax Total	\$4,406.8	\$4,537.7	3.0%
Total County Tourism-Initiated Taxes	\$7,270.6	\$7,469.7	2.7%

- Dekalb County tourism generated nearly \$8 million in total taxes in 2014, up 2.7% over 2013.
- Federal tax collections resulting from tourism in Dekalb County include income taxes and social security and totaled \$2.9 million in 2014.
- State & local tax collections totaled \$4.5 million, including \$2 million in sales taxes contributing to state collections and \$1.5 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

How Does Tourism Benefit Dekalb County?

By Promoting a Healthy Job Market

Approximately 3% of all jobs in Dekalb County are supported by tourism to the region. In addition to the hotel and 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 Dekalb County is sufficient to support 474 Indiana public school students.

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

Tourism is the 10th largest industry (9th not including Government) in Dekalb County (by jobs).

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

In addition to hotel occupancy levies (\$266,000 in 2014), Dekalb County tourism activity generated over 65,000 in Indiana corporate taxes, \$262,000 in Indiana personal income tax, and \$1.5 million in local property taxes during 2014.

By Helping to Relieve the Tax Burden of Dekalb County Households

If Dekalb County tourism did not exist, each of the 15,951 households in the county would have to pay an additional \$284 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 Dekalb County, 76¢ in economic impact is returned to the local area.



Rockport Analytics

1610 Herron Lane
West Chester, PA 19380

web: rockportanalytics.com
email: info@rockportanalytics.com
phone: (866) 481-9877



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