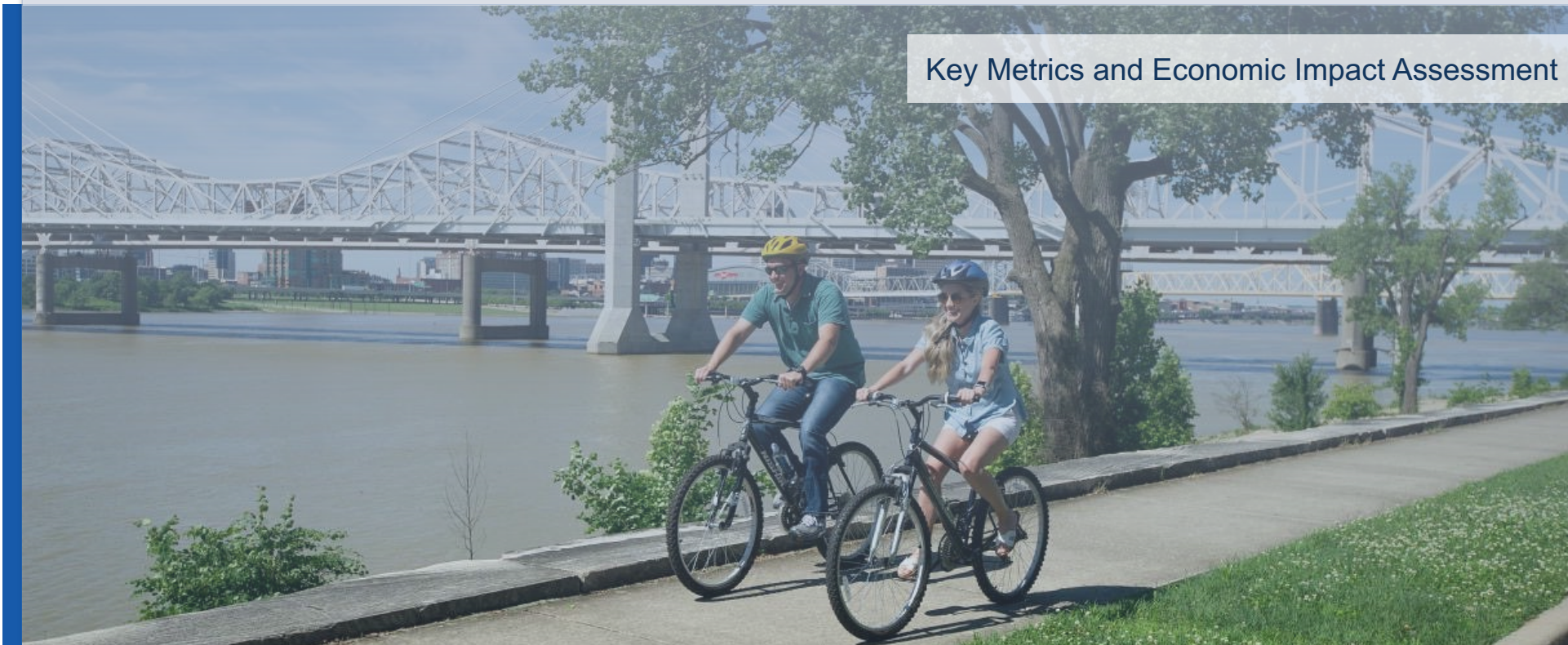
February 2023

ROCKPORT ANALYTICS

2021 ECONOMIC CONTRIBUTION OF TOURISM IN CLARK-FLOYD REGION



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

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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 the Clark-Floyd Region 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, Clark-Floyd Region-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.

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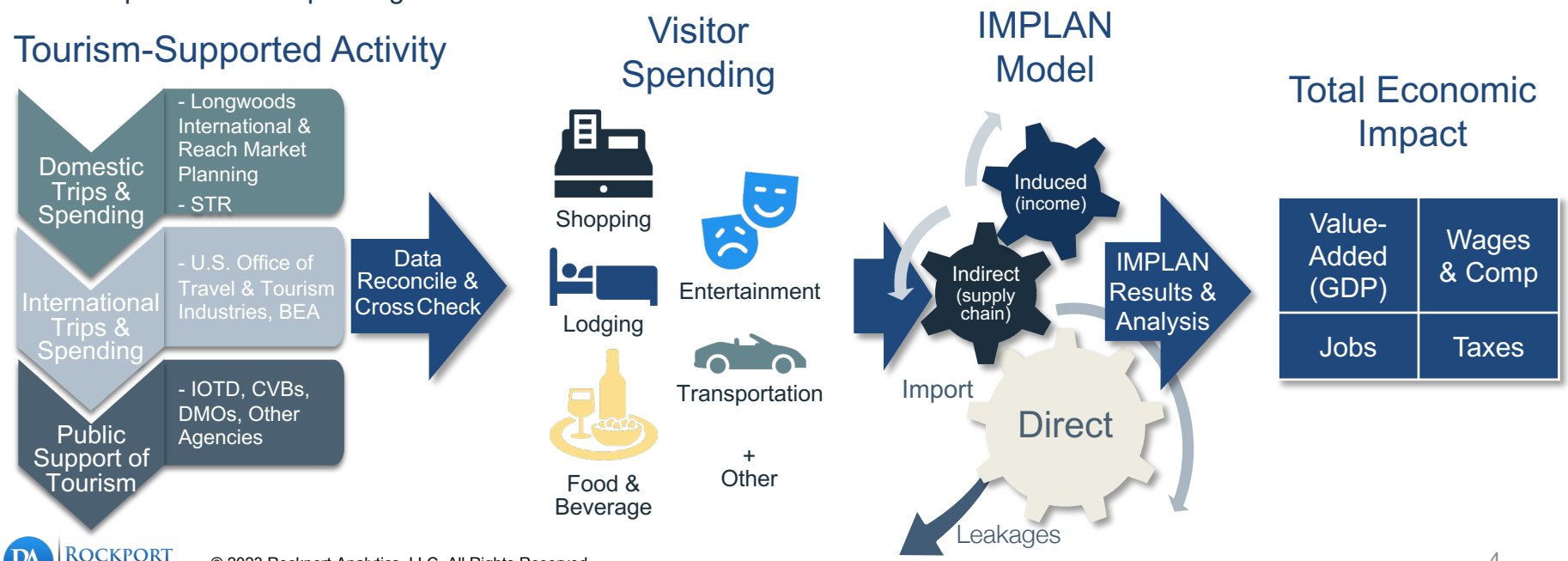
Study Overview & Methodology

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 the Clark-Floyd Region (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.



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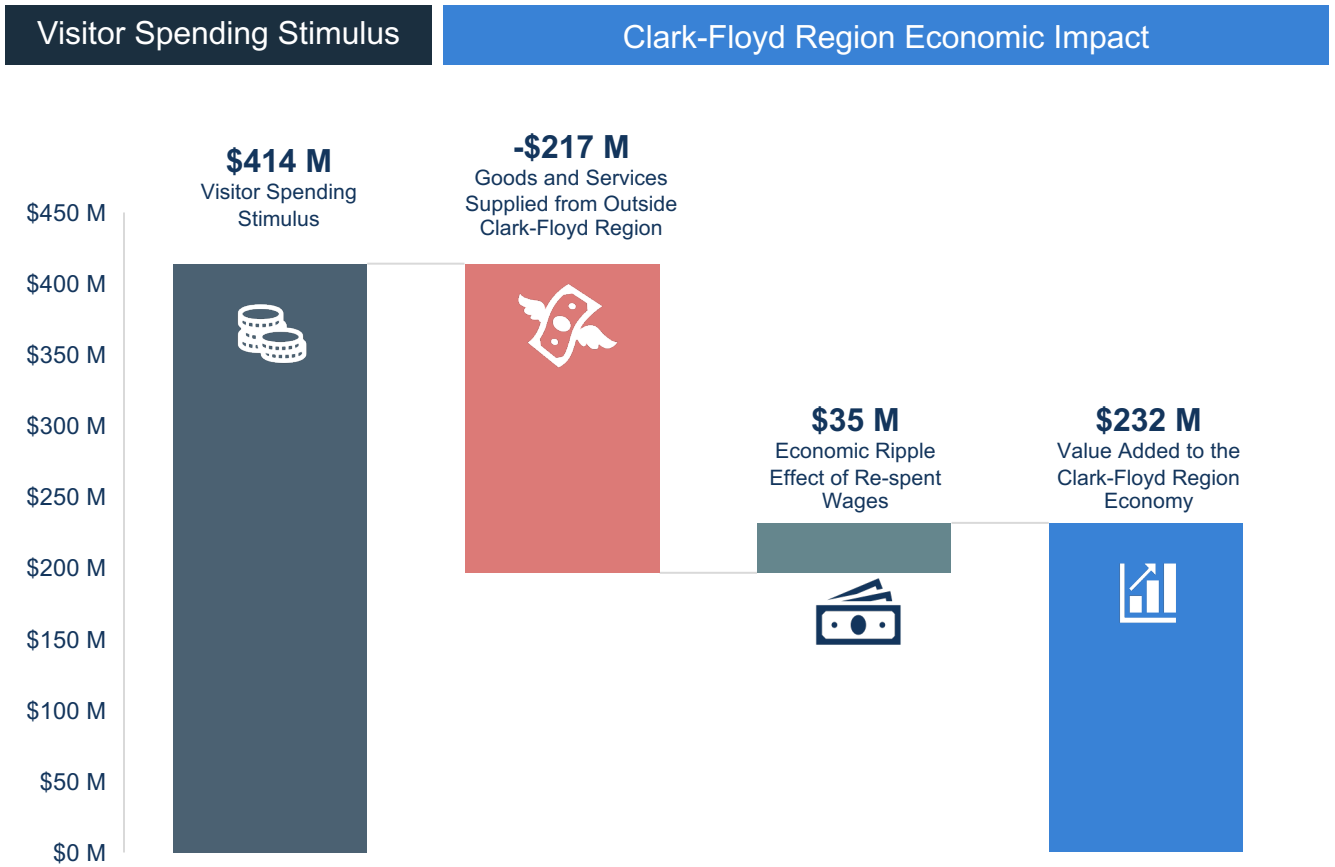
Clark-Floyd Region Tourism Generated $232 Million in GDP in 2021

Visitors to Clark-Floyd Region spent $414 million on various goods and services in the state. This spending stimulus generated $232 million in net new value added to the Clark-Floyd Region economy.



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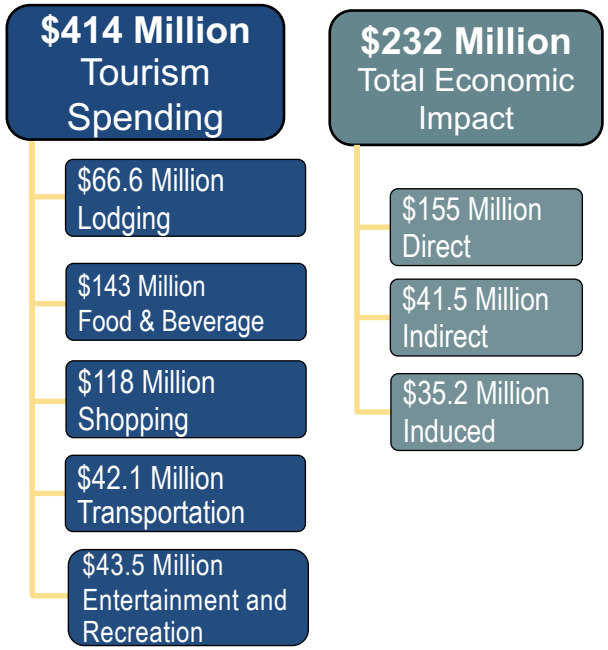
Source: Rockport Analytics, IMPLAN

2021 Clark-Floyd Region Tourism Highlights

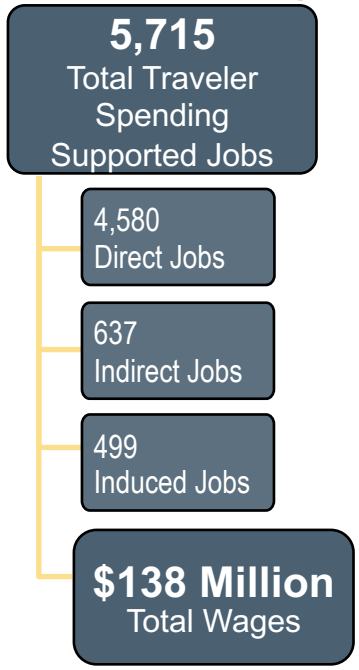
Tourism and Impact



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".

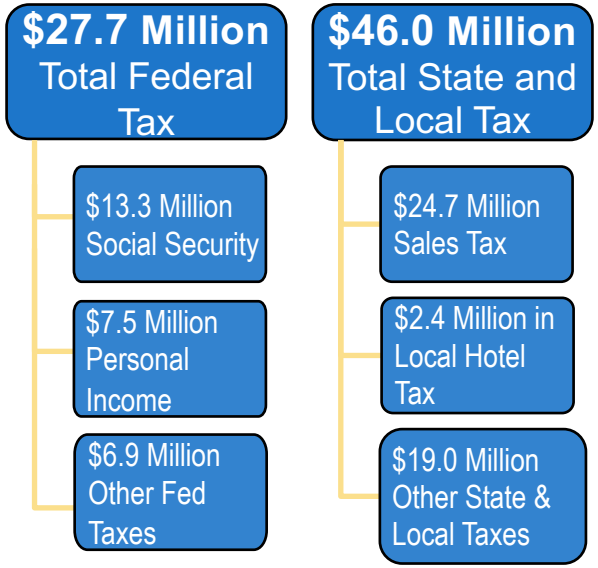
For every dollar spent by Clark-Floyd Region visitors in 2021, **56 cents** 'stayed' local and contributed directly to the gross county product of the Clark-Floyd Region. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **34 cents** of every dollar is 'leaked' to the supply chain outside of the Clark-Floyd Region.

Jobs and Wages



Every **$72,407** spent by people visiting the Clark-Floyd Region in 2021 supported a job, resulting in an average of **$24,170** 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 Clark-Floyd Region visitors in 2021, **7 cents** goes to federal taxes and **11 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.

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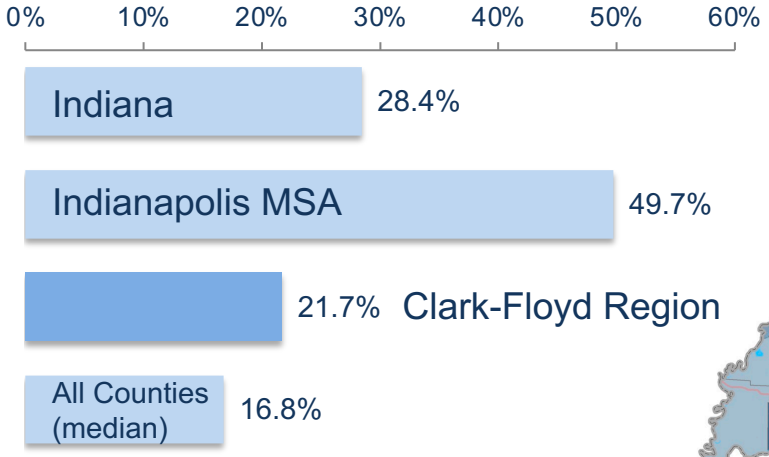
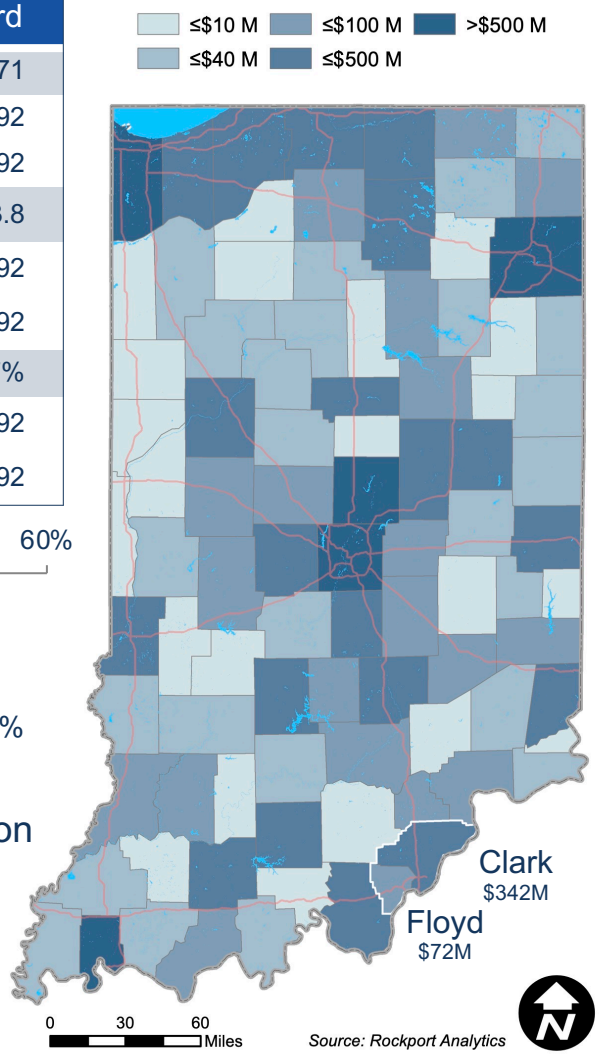
Source: Rockport Analytics, IMPLAN

Clark-Floyd Region Tourism: In Comparison

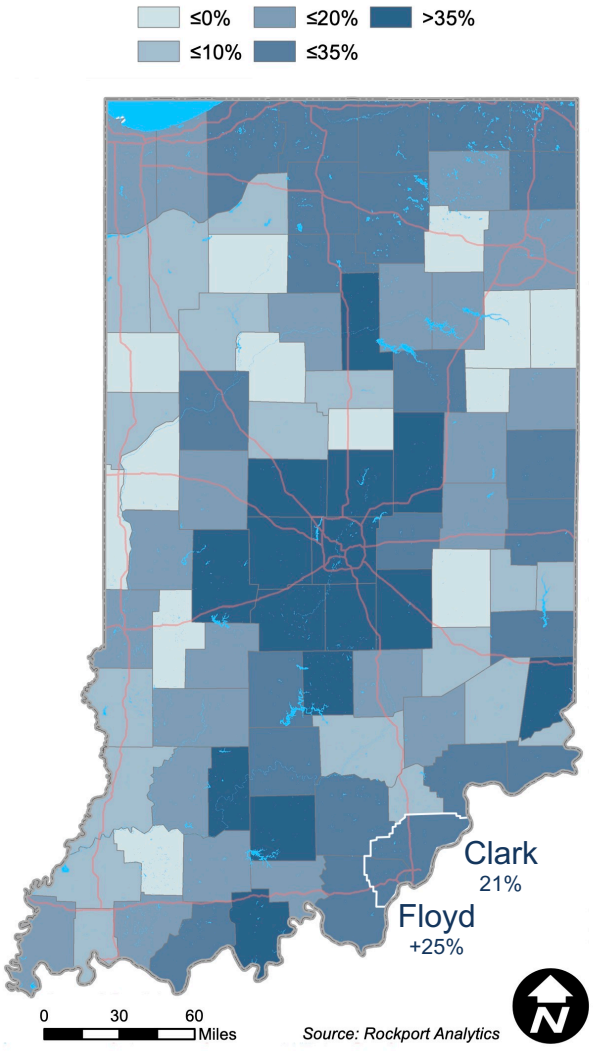
Clark-Floyd Region 2021 Tourism Report Card	
Tourism Sales per Capita	$2,071
Spend Per Capita Ranking (Clark)	#9 of 92
Spend Per Capita Ranking (Floyd)	#47 of 92
2021 Spending by Visitors (Millions)	$413.8
Ranking of Tourism Spend (Clark)	#9 of 92
Ranking of Tourism Spend (Floyd)	#28 of 92
2021 Tourism Spending Growth	21.7%
Tourism Growth Ranking (Clark)	#36 of 92
Tourism Growth Ranking (Floyd)	#25 of 92



Total Spending by County, 2021



Spending Growth by County, 2021



Sources: IMPLAN, Rockport Analytics

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The Progression of Tourism Spending in the Clark-Floyd Region Economy

Clark-Floyd Region Visitor Expenditures

2021 @ $414 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 the Clark-Floyd Region Economy

Retained in the Clark-Floyd Region $232 Million

Minus Import Leakages -$182 Million

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

Value to Clark-Floyd Region Businesses

Direct Tourism Industry GDP $155 Million

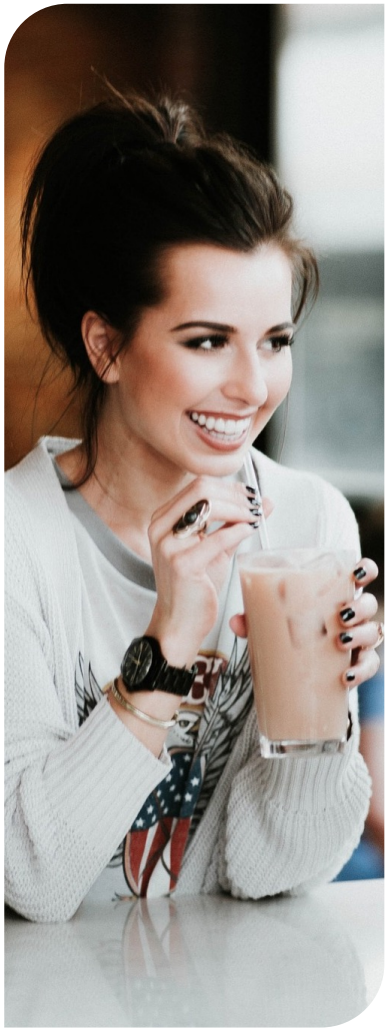
Indirect & Induced Tourism Industry GDP $76.7 Million

Total Local Workers Supported by Tourism* 5,715

Direct Tourism refers to businesses that serve Clark-Floyd Region visitors (e.g., hotels, restaurants, retail, entertainment)

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

*Full & part time jobs



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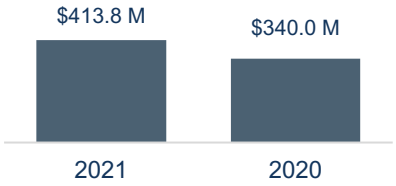
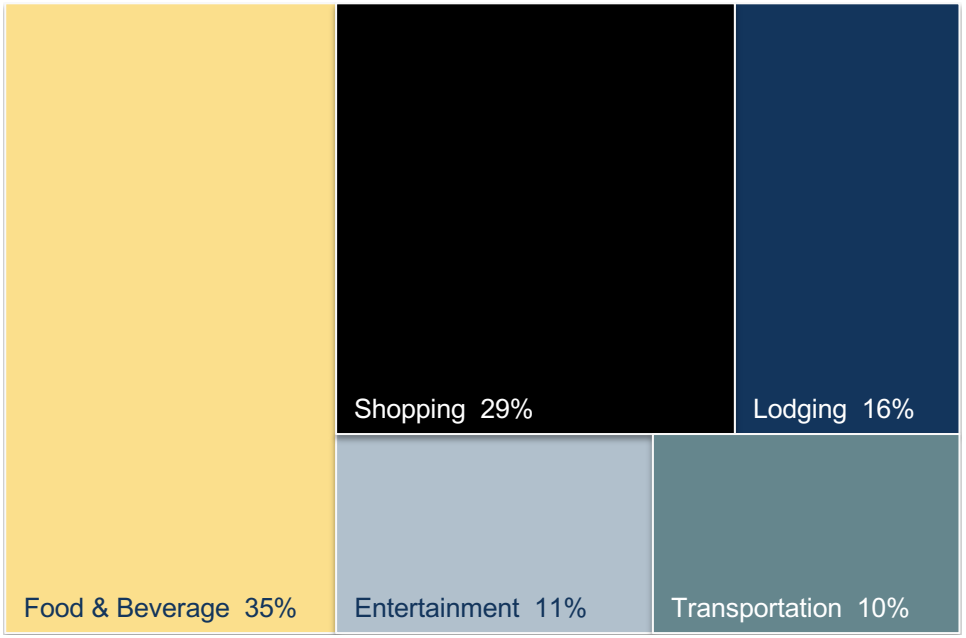
Visitor Spending by Category

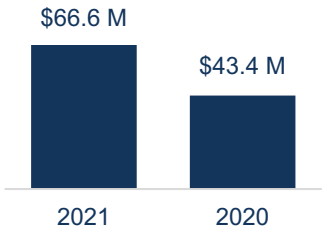
Total Spending
▲ 22%



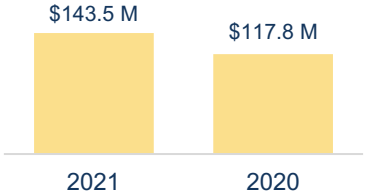
Distribution of Spending



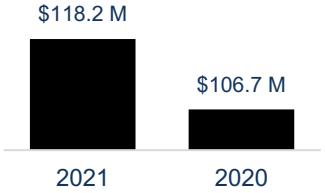
Lodging
▲ 54%



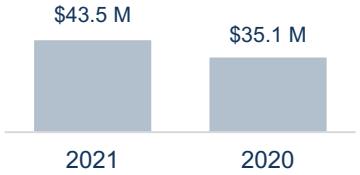
Food & Beverage
▲ 22%



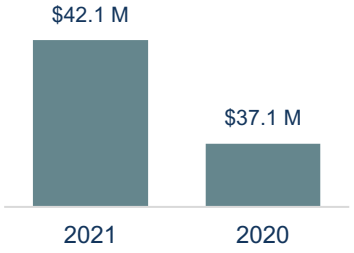
Shopping
▲ 11%



Entertainment
▲ 24%



Transportation
▲ 14%



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

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Tourism's Bottom Line in the Clark-Floyd Region

2021 Economic Contribution Summary (Compared to 2020)

2021 Metric	Direct	Indirect	Induced	Total
Total Spending				$413,835,368
2021 Y/Y Growth				*21.7%*
Economic Impact (GDP)	$155,036,467	$41,501,352	$35,186,964	$231,724,782
2021 Y/Y Growth	*23.6%*	*27.0%*	*24.0%*	*24.2%*
Wages	$95,849,652	$24,165,440	$18,124,496	$138,139,589
2021 Y/Y Growth	*23.2%*	*27.7%*	*24.0%*	*24.0%*
Jobs	4,580	637	499	5,715
2021 Y/Y Growth	*19.5%*	*25.3%*	*22.0%*	*20.3%*
Tax Receipts				$73,731,490
2021 Y/Y Growth				*24.3%*

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.

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Tourism Supports Many Local Industries

Clark-Floyd Region Tourism: 2021 Economic Impact (Value Added/GDP)

Industry (NAICS)*	Direct	Indirect	Induced	Total
		in thousands of dollars		
Food Services & Drinking Places	$66,950	$1,958	$2,102	$71,010
Retail Trade	$26,608	$692	$5,393	$32,693
Accommodations	$28,749	$33	$15	$28,797
Arts, Entertainment & Rec	$20,791	$917	$589	$22,297
Real Estate & Rental	$1,451	$6,696	$9,449	$17,596
Transportation & Warehousing	$10,487	$1,472	$607	$12,567
Professional Services	$0	$7,079	$1,388	$8,466
Finance & Insurance	$0	$3,233	$3,011	$6,244
Administrative & Waste Services	$0	$5,171	$993	$6,164
Health & Social Services	$0	$7	$5,725	$5,732
Utilities	$0	$2,800	$832	$3,632
Other Services	$0	$1,847	$1,693	$3,540
Government	$0	$2,283	$495	$2,778
Wholesale Trade	$0	$1,141	$1,263	$2,404
Manufacturing	$0	$2,050	$212	$2,263
Construction	$0	$1,736	$447	$2,183
Information	$0	$1,341	$543	$1,884
Management of Companies	$0	$979	$64	$1,043
Educational Services	$0	$38	$353	$391
Mining	$0	$20	$6	$26
Ag, Forestry, Fish & Hunting	$0	$9	$7	$16
Total - 2021	**$155,036**	**$41,501**	**$35,187**	**$231,725**
Total - 2020	$125,474	$32,666	$28,368	$186,509
% change	**23.6%**	**27.0%**	**24.0%**	**24.2%**

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

Sources: Rockport Analytics, IMPLAN

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Tourism Supports Clark-Floyd Region Jobs

Clark-Floyd Region Tourism: 2021 Economic Impact (Employment)

Industry (NAICS)*	Direct	Indirect	Induced	Total
Food Services & Drinking Places	2,252	66	71	2,389
Retail Trade	564	15	114	693
Arts, Entertainment & Rec	609	57	21	687
Transportation & Warehousing	647	20	7	674
Accommodations	498	1	0	498
Administrative & Waste Services	0	122	23	146
Professional Services	0	99	20	119
Real Estate & Rental	10	59	27	96
Health & Social Services	0	0	96	96
Other Services	0	44	43	87
Finance & Insurance	0	33	32	65
Construction	0	28	5	33
Government	0	24	6	29
Manufacturing	0	26	3	29
Wholesale Trade	0	9	10	20
Information	0	13	4	17
Educational Services	0	1	13	14
Management of Companies	0	12	1	13
Utilities	0	6	2	8
Ag, Forestry, Fish & Hunting	0	1	0	1
Mining	0	0	0	0
Total - 2021	**4,580**	**637**	**499**	**5,715**
Total - 2020	3,833	508	409	4,751
% change	**19.5%**	**25.3%**	**22.0%**	**20.3%**

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

Sources: Rockport Analytics, IMPLAN

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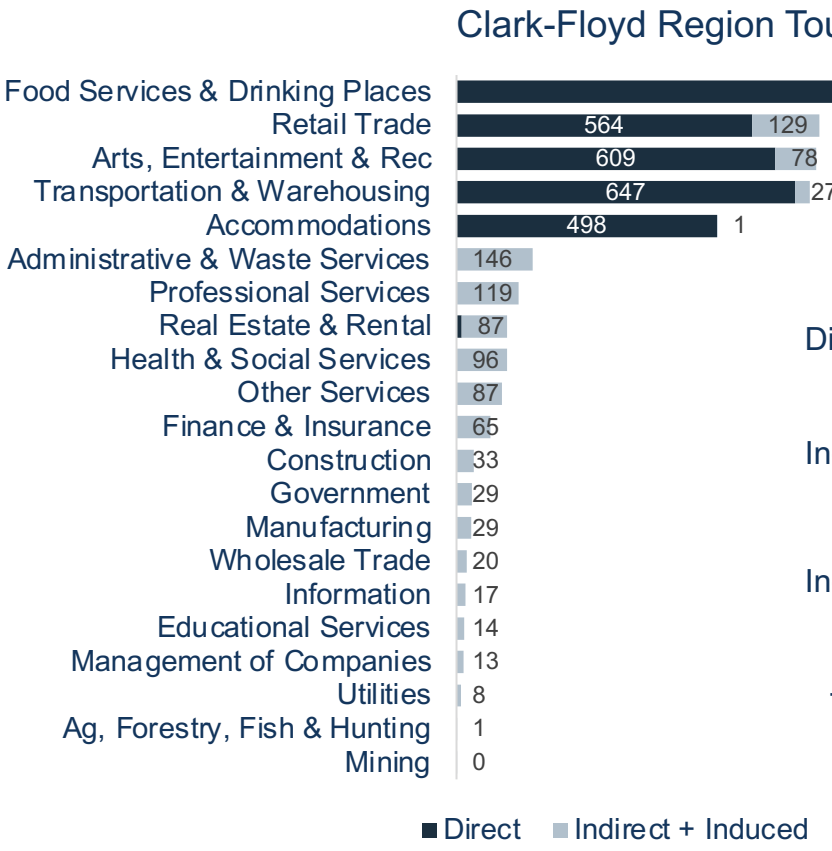
Tourism Supported Employment – Direct, Indirect, and Induced

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.



Total Tourism Employment

	2021	*2020*	*% change*
Direct	**3,833**	4,580	**19.5%**
Indirect	**508**	637	**25.3%**
Induced	**409**	499	**22.0%**
Total	**4,751**	5,715	**20.3%**

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Sources: Rockport Analytics, IMPLAN

Tourism Industry Ranking in the Clark-Floyd Region

2021 Tourism in the Clark-Floyd Region: 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	Manufacturing	13,735	13,735	15.5%	3.6%
2	Health & Social Services	12,861	12,861	14.5%	1.8%
3	Government	11,173	11,173	12.6%	0.7%
4	Retail trade	9,840	9,276	10.5%	2.9%
5	Transportation & Warehousing	8,680	8,033	9.1%	2.5%
6	Accomodation & Food Services	8,252	5,503	6.2%	5.5%
7	Administrative & Waste Services	4,913	4,913	5.5%	11.8%
8	Tourism	N/A	4,580	5.2%	19.5%
9	Construction	4,468	4,468	5.0%	5.4%
10	Finance & Insurance	3,130	3,130	3.5%	3.1%
11	Professional Services	2,869	2,869	3.2%	4.7%
12	Other Services	2,850	2,850	3.2%	3.6%
13	Wholesale Trade	2,701	2,701	3.0%	4.6%
14	Real Estate	811	801	0.9%	1.0%
15	Educational Services	560	560	0.6%	2.3%
16	Management of Companies	372	372	0.4%	-3.2%
17	Information	326	326	0.4%	0.8%
18	Utilities	283	283	0.3%	-2.8%
19	Arts, Entertainment & Recreation	691	82	0.1%	6.0%
20	Mining	62	62	0.1%	-6.3%
	Total County Employment	**88,576**	**88,576**	**100%**	**3.4%**

*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 the Clark-Floyd Region Tourism Industry

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

Tourism Increases Local Wages

Clark-Floyd Region Tourism: 2021 Labor Income

Industry (NAICS)*	Direct	Indirect	Induced	Total
		in thousands of dollars		
Food services & drinking places	$45,962	$1,344	$1,443	$48,750
Retail trade	$15,458	$451	$3,515	$19,424
Accommodations	$17,369	$20	$9	$17,397
Transportation & Warehousing	$9,421	$1,117	$433	$10,971
Arts- entertainment & recreation	$6,893	$865	$212	$7,970
Professional- scientific & tech services	$0	$4,443	$894	$5,337
Health & social services	$0	$5	$5,212	$5,217
Administrative & waste services	$0	$4,146	$789	$4,935
Other services	$0	$1,735	$1,613	$3,348
Finance & insurance	$0	$1,532	$1,372	$2,905
Government & non NAICs	$0	$2,001	$383	$2,384
Construction	$0	$1,595	$308	$1,903
Real estate & rental	$746	$678	$354	$1,778
Manufacturing	$0	$1,463	$145	$1,609
Wholesale Trade	$0	$613	$678	$1,291
Utilities	$0	$732	$236	$968
Management of companies	$0	$777	$51	$828
Information	$0	$610	$174	$784
Educational services	$0	$25	$296	$321
Ag, Forestry, Fish & Hunting	$0	$6	$5	$11
Mining	$0	$7	$2	$9
Total - 2021	**$95,850**	**$24,165**	**$18,124**	**$138,140**
Total - 2020	$77,831	$18,925	$14,613	$111,368
% change	**23.2%**	**27.7%**	**24.0%**	**24.0%**

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

Sources: Rockport Analytics, IMPLAN

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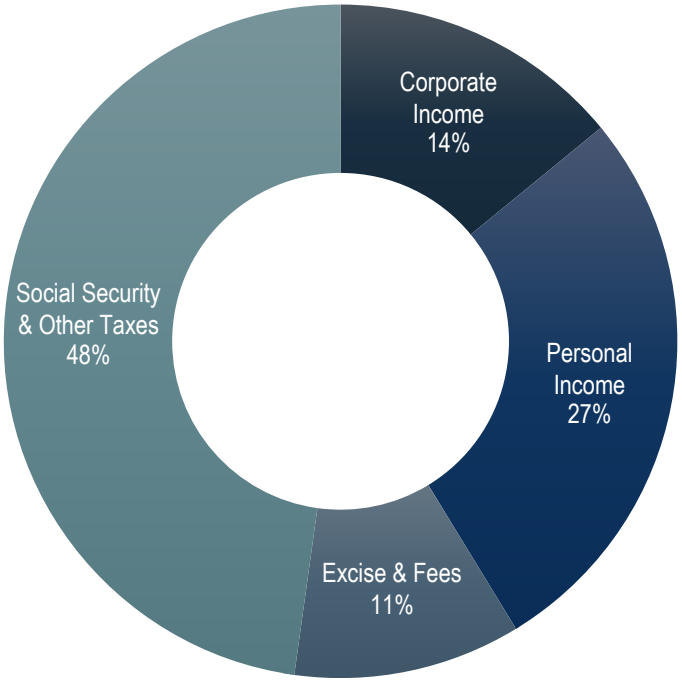
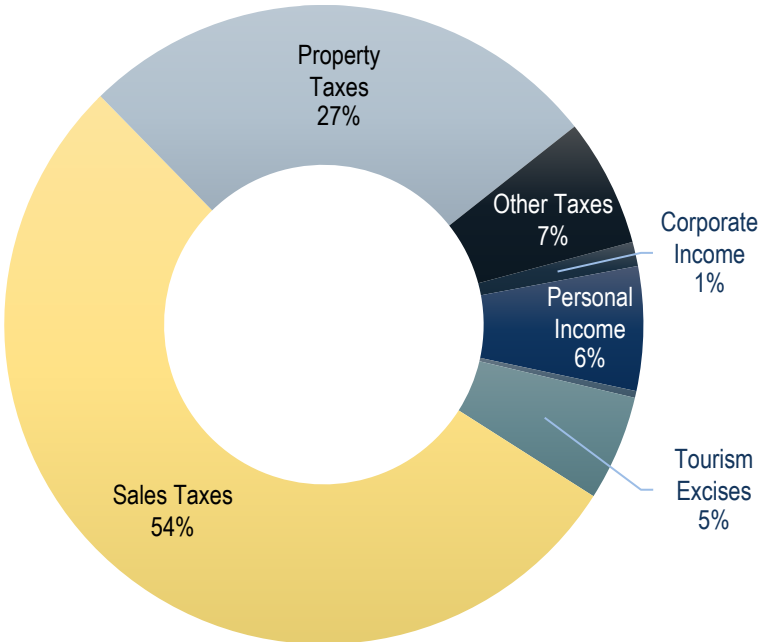
Clark-Floyd Region Visitors Support Many Types of Taxes

Federal Taxes
2021 Tax Total: $27.7 Million



State & Local Taxes
2021 Tax Total: $46.0 Million



2021 Total Tourism-Initiated Taxes: **$73.7 Million**

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Sources: Rockport Analytics, IMPLAN

Tourism Generates $73.7 Million in Taxes

Clark-Floyd Region visitors supported $73.7 million in total taxes in 2021, up 24.3% from 2020. Federal tax collections resulting from tourism in the Clark-Floyd Region include income taxes and social security and totaled $27.7 million in 2021. State & local tax collections totaled $46.0 million, including $24.7 million in sales taxes and $12.3 million in local property taxes.

	2020	2021	% Change
Federal	*in thousands of dollars*		
Corporate Income	$3,122,866	$3,900,299	24.9%
Personal Income	$6,081,355	$7,545,441	24.1%
Excise & Fees	$2,442,932	$3,026,896	23.9%
Social Security & Other Taxes	$10,715,372	$13,255,290	23.7%
Federal Tax Total	**$22,362,525**	**$27,727,926**	**24.0%**
State & Local			
Corporate Income	$451,949	$564,460	24.9%
Personal Income	$2,327,440	$2,887,771	24.1%
Social Insurance Taxes	$127,840	$157,840	23.5%
Tourism Excises			
Hotel Tax	$1,599,108	$2,355,043	47.3%
Food & Beverage	$0	$0	0%
Rental Car Excise	$87,701	$101,383	15.6%
Sales Taxes	$20,080,980	$24,684,302	22.9%
Property Taxes	$9,906,176	$12,274,250	23.9%
Other Taxes	$2,397,389	$2,978,515	24.2%
State & Local Tax Total	**$36,978,584**	**$46,003,564**	**24.4%**
Total County Tourism-Initiated Taxes	**$59,341,109**	**$73,731,490**	**24.3%**

Sources: IMPLAN, Rockport Analytics

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Putting the Benefits of Clark-Floyd Region Tourism in Perspective

Promoting a Healthy Job Market

Approximately 5% of all people working in the Clark-Floyd Region are supported by visitors to the county.

Clark-Floyd Region tourism supported 5,715 jobs. Of these, 4,580 were directly employed in a tourism-related job.

Tourism is the 8th largest industry (7th not including Government) in the Clark-Floyd Region (by jobs).

Benefiting County Businesses

Visitors generated top-line sales totaling $232 million benefiting a broad array of local businesses.

Businesses that directly served visitors saw value-added of $155 million in 2021, up 24% from 2020.

In 2021, tourism supply chain businesses received value-added of more than $41.5 million.

Contributing to Public Education & Other Government Services

State & local (S&L) tax revenue collected from tourism in the Clark-Floyd Region is sufficient to fund 3,609 Indiana public school students.

S&L tax collections were enough to fund roughly 858 Indiana public school teachers.

Capturing and Retaining Dollars Spent by Visitors

Of every dollar spent by visitors to the Clark-Floyd Region, 56¢ in economic impact is returned to the local area.

Of every dollar spent by visitors to the Clark-Floyd Region, 33¢ went toward paying the salaries of 5,715 area citizens.

Helping to Relieve the Tax Burden of County Households

About 11 cents of each visitor dollar went towards the payment of state and local taxes (S&L).

If tourism did not exist, each of the 76,554 households in the Clark-Floyd Region would have to pay an additional $601 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

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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

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