



2012 Economic Impact of Tourism in Hendricks County, Indiana

Methodology, Metrics, and Evaluation

December 2013

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 **2012 Economic Impact Study of Tourism in Hendricks County** was conducted by Rockport Analytics, an independent market & economic research firm.

Methodology

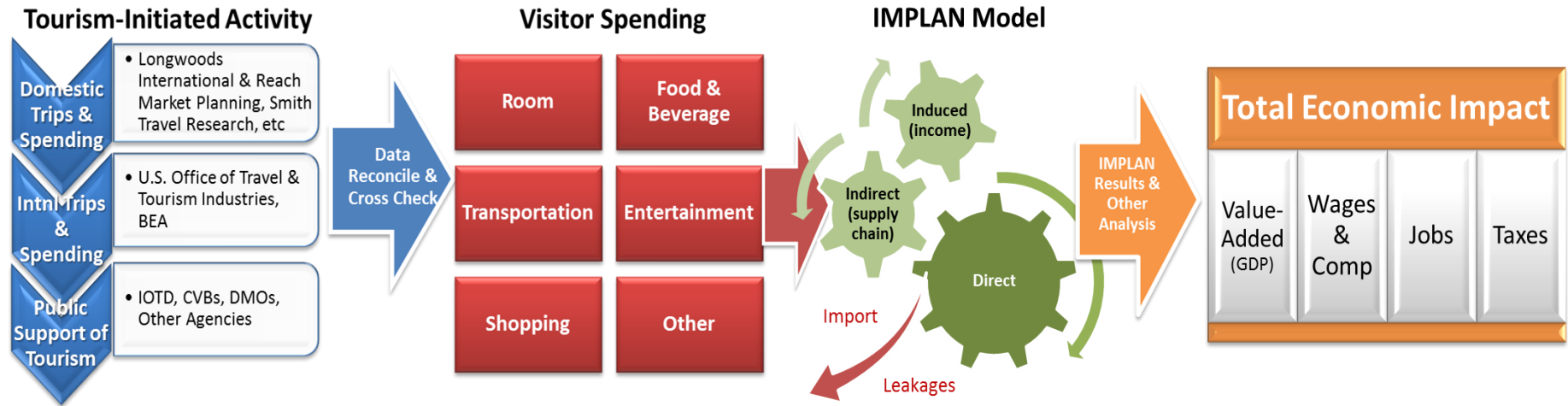
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The *direct* impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The *indirect* impact represents the benefit to local suppliers to those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

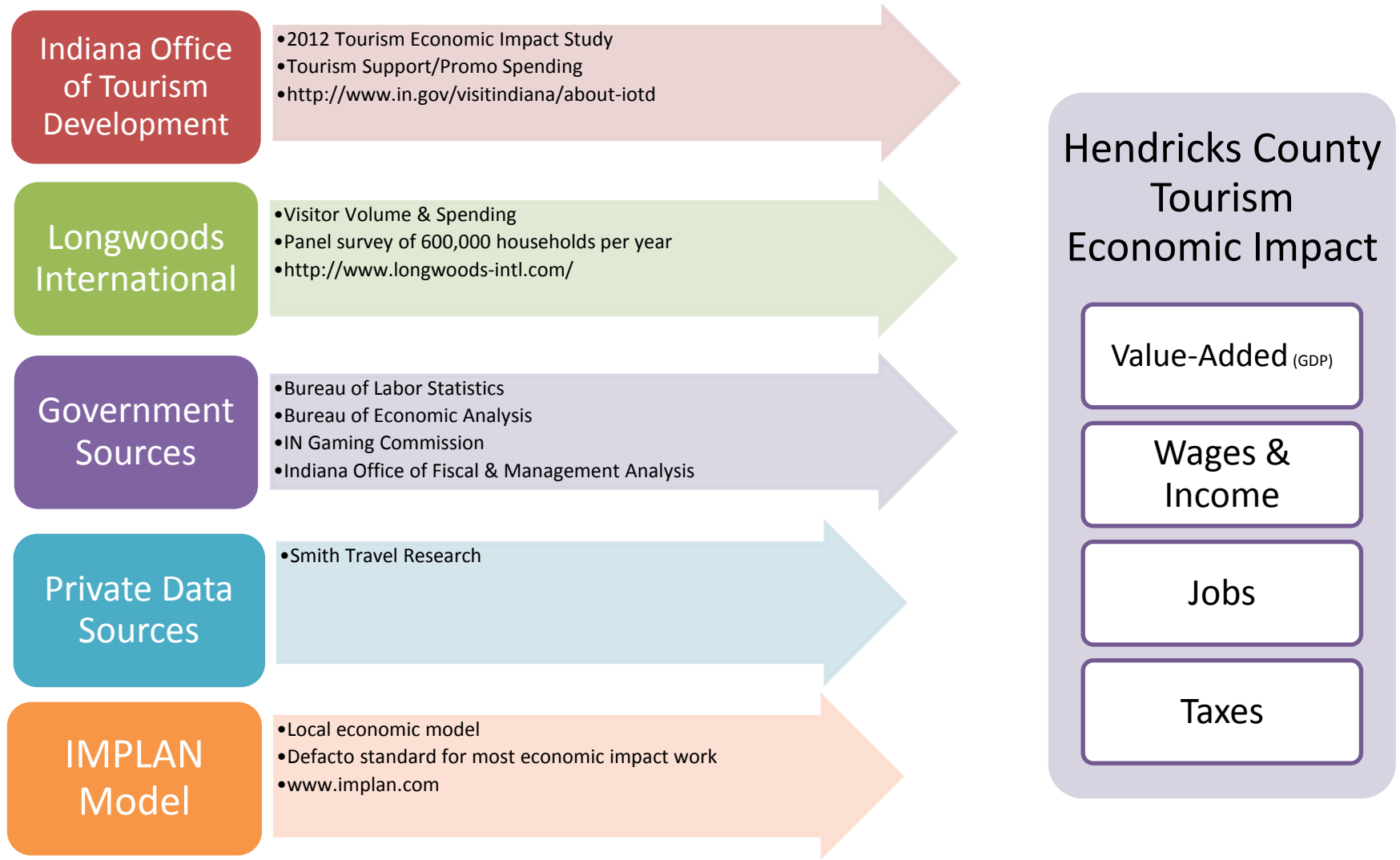
The economic impacts reported in this study are based on traveler spending as reported in the **2012 Economic Impact of Tourism in Indiana Study**, augmented by other data from Longwoods International (<http://www.Longwoods-Intl.com/>), Reach Market Planning, and Office of Travel & Tourism Industries 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 Hendricks County is also critical to estimating how traveler spending resounds through the local economy. Rockport Analytics uses the IMPLAN model to translate the impacts of visitor commerce into Hendricks County jobs, wages, taxes, and value-added/GDP (www.implan.com). IMPLAN is a non-proprietary economic model that is the defacto standard for most economic impact assessments in the US. This model is critical to measuring the direct, indirect, and induced impacts of Hendricks County tourism.

IMPLAN also helps 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 local firms. The IMPLAN model accounts for these import “leakages” to suppliers located outside of the locale. Generally, the more diversified a local economy, the lower the import leakages and the higher the retention of visitor spending.





Spending by Visitors to the Hendricks County totaled \$225.8 million in 2012, up 8.8% over 2011

- ✓ Visitors spent \$25.9 million on lodging, \$75.8 million on food & beverages, \$61.8 million on shopping, \$41.0 million on entertainment and recreation, and \$21.2 million on transportation.
- ✓ The economic impact of these expenditures (after import leakages) totaled \$185.8 million. This includes \$132.3 million in direct economic impact, \$23.5 million in indirect economic impact (supplier effect), and \$30.0 million in induced economic impact (income effect).
- ✓ Of every tourism dollar spent in Hendricks County in 2012, 82 cents 'stayed' local and led directly to the Gross County Product of Hendricks County.

Visitor Spending in Hendricks County supported 4,828 Jobs and \$108.0 million in labor income

- ✓ Traveler spending supported 4,828 jobs in Hendricks County in 2012. Of these, over 3,909 were directly employed by tourism sectors. Tourism generated an additional 424 indirect jobs and 495 induced jobs.
- ✓ \$108.0 million in total wages and proprietor income were generated for these employees.

Visitors Generated Federal, State, and Local Tax Revenue totaling \$55.6 million in 2012

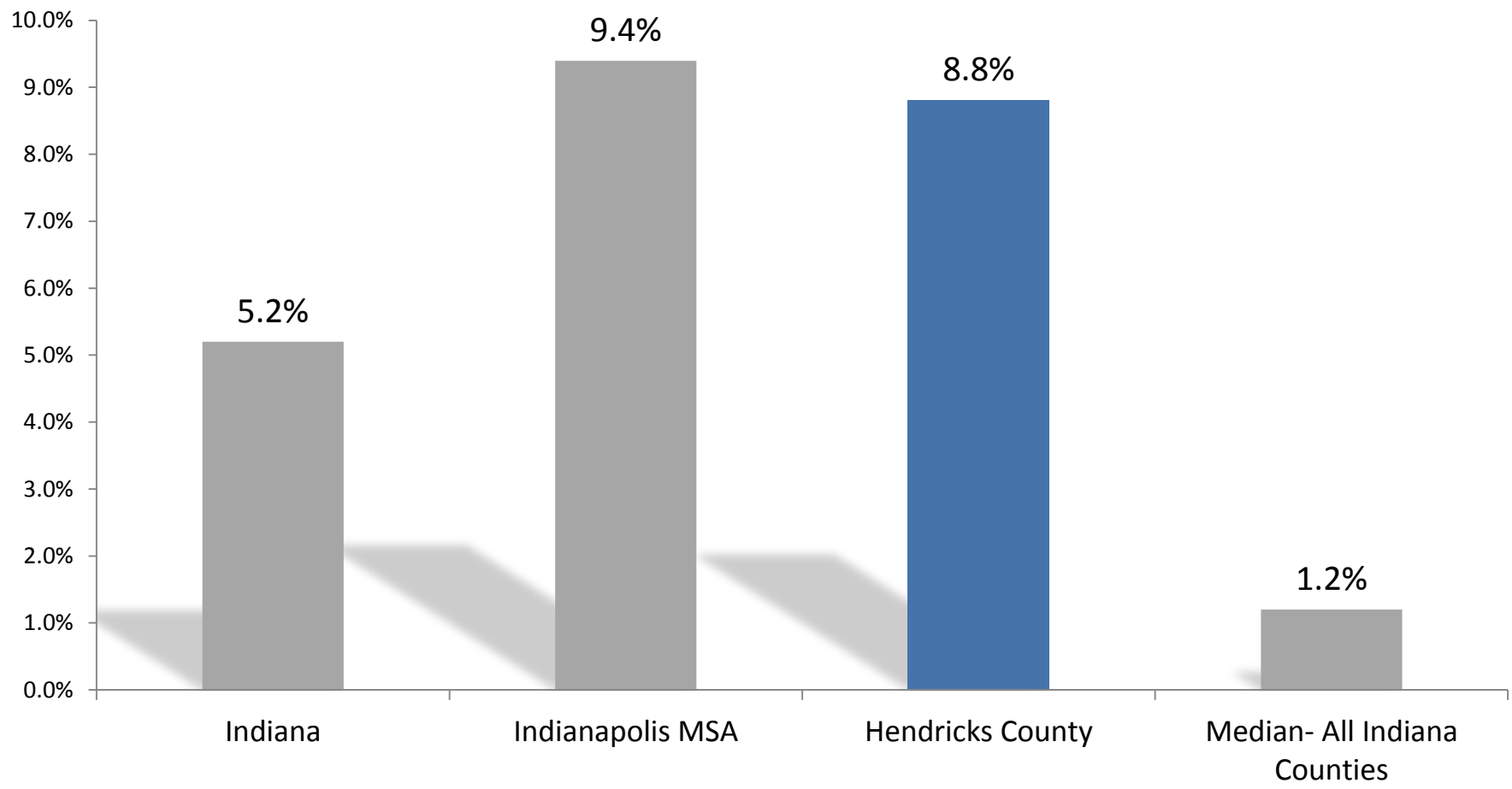
- ✓ Federal tax collections resulting from tourism in Hendricks County totaled \$23.7 million including corporate & personal income taxes, excise taxes and social security collections.
- ✓ State and local tourism-derived taxes totaled \$32.0 million, including \$13.5 million in sales taxes sent to Indianapolis and \$10.6 million in property taxes to support the local tax base.

Hendricks County's 2012 Tourism Report Card

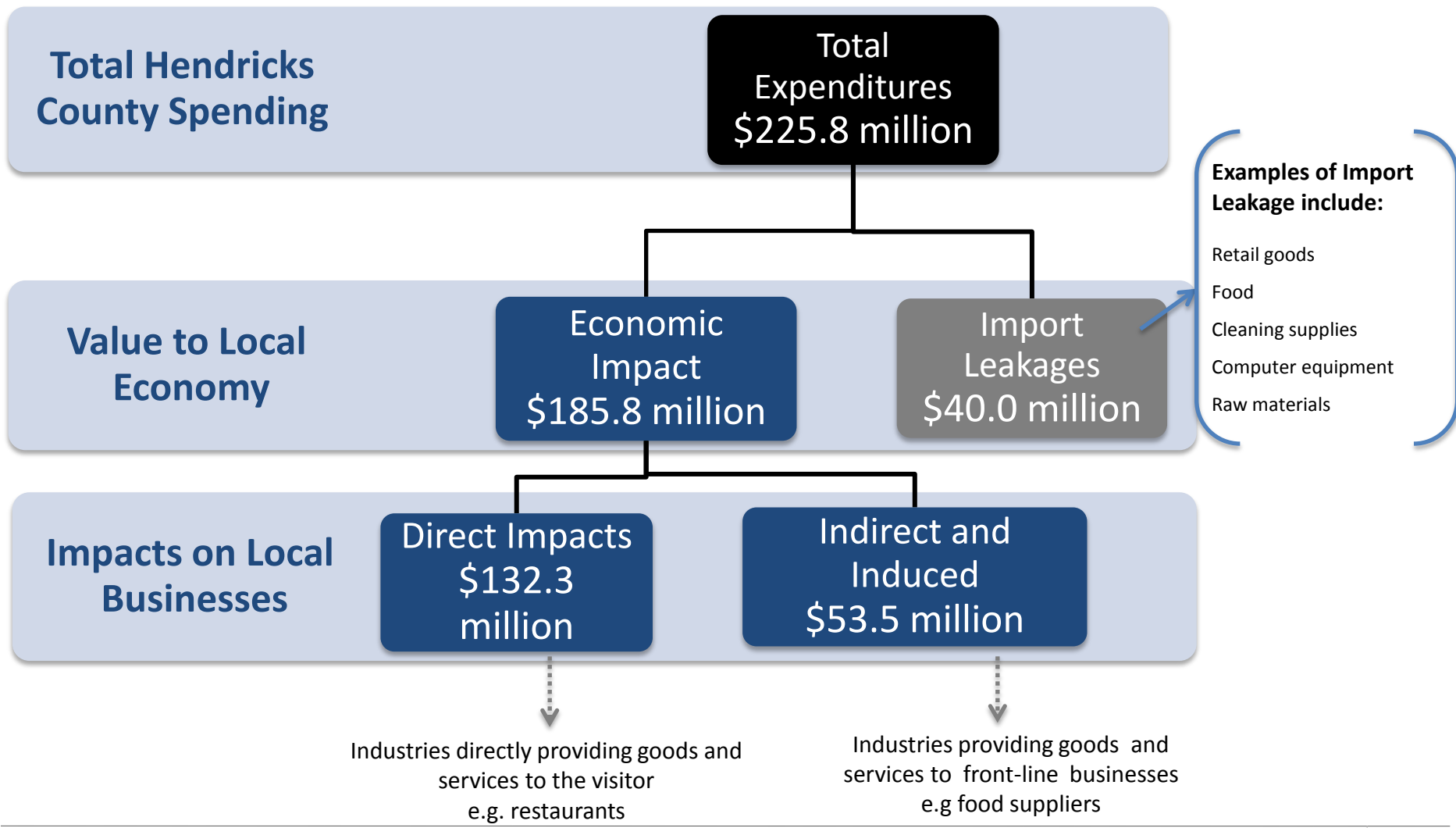
Tourism Sales Per Capita	\$1,500.74
Tourism Spend Per Capita Ranking	#17 of 92
2012 Spending by Travelers (Millions)	\$225.8
County Ranking of Tourism Spend	#9 of 92
2012 Tourism Spending Growth	8.8%
2012 Tourism Growth Ranking	#7 of 92



Annual Growth in 2012 Tourism Spending



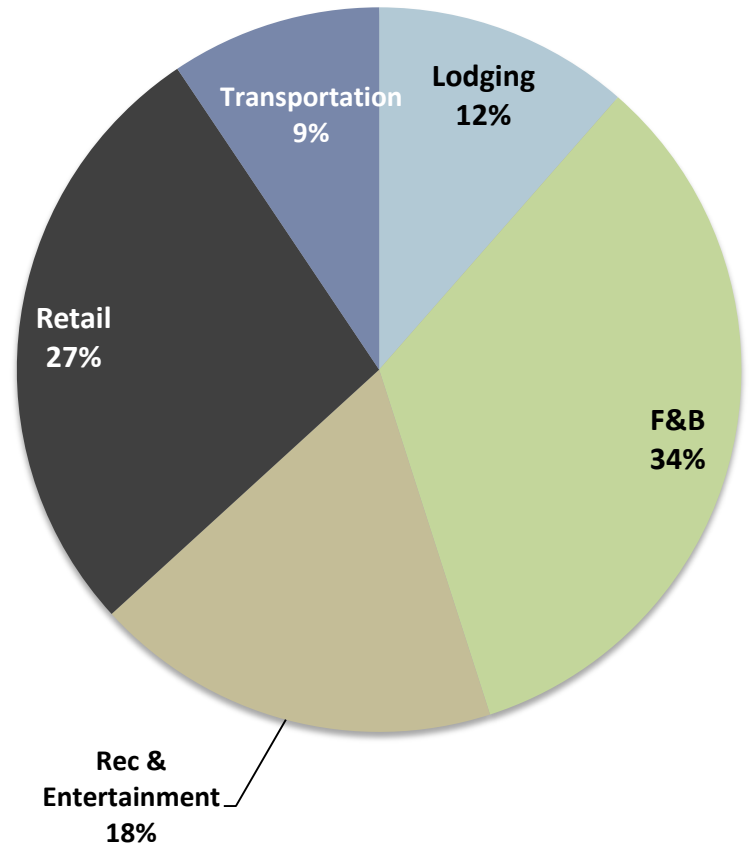
Source: Rockport Analytics, Longwoods International, STR, BLS, BEA, Indiana Office of Fiscal & Management Analysis



Total Visitor Spending By Category

Spending Category	2012 Expenditures	2011-2012 Growth
Lodging	\$25,867,757	14.8%
F&B	\$75,832,393	6.4%
Rec & Entertainment	\$41,030,061	12.5%
Retail	\$61,802,333	6.7%
Transportation	\$21,230,016	10.0%
Total	\$225,762,560	8.8%

Distribution of Tourism Spending



Source: Rockport Analytics, Longwoods International, Smith Travel Research, BLS, BEA, Indiana Office of Fiscal & Management Analysis

Tourism Spend in Indiana Counties (First Quintile): Ranked on 2012 Spending Growth within Quintile *in millions of \$*

	County	Lodging	F&B	Rec & Entertainment	Retail	Transportation	Total	Annual Tourism Spending Growth
1	Bartholomew	\$28.7	\$51.0	\$4.6	\$46.6	\$32.3	\$163.2	11.0%
2	Hamilton	\$65.8	\$206.9	\$101.1	\$194.0	\$43.1	\$611.0	9.9%
3	Marion	\$560.7	\$784.9	\$723.1	\$619.3	\$572.4	\$3,260.4	9.7%
4	Hendricks	\$25.9	\$75.8	\$41.0	\$61.8	\$21.2	\$225.8	8.8%
5	Elkhart	\$26.4	\$42.0	\$10.9	\$37.8	\$35.4	\$152.4	4.0%
6	Vigo	\$25.5	\$59.5	\$9.0	\$35.1	\$19.1	\$148.2	3.8%
7	Madison	\$11.8	\$28.4	\$45.7	\$17.1	\$32.3	\$135.3	3.8%
8	Tippecanoe	\$43.6	\$110.8	\$26.4	\$82.8	\$33.8	\$297.5	2.9%
9	Allen	\$70.9	\$176.0	\$58.6	\$116.8	\$74.4	\$496.7	2.3%
10	Lake	\$69.4	\$121.3	\$248.6	\$113.0	\$162.2	\$714.4	2.2%
11	Dearborn	\$9.7	\$23.5	\$47.9	\$12.6	\$33.1	\$126.8	2.1%
12	Monroe	\$52.9	\$96.4	\$13.2	\$60.2	\$54.9	\$277.5	1.6%
13	LaPorte	\$21.7	\$41.0	\$62.2	\$28.5	\$9.2	\$162.6	1.2%
14	Clark	\$29.7	\$76.0	\$16.0	\$63.8	\$21.7	\$207.2	1.0%
15	St. Joseph	\$57.6	\$117.9	\$29.0	\$79.8	\$52.9	\$337.2	0.2%
16	Vanderburgh	\$58.8	\$145.3	\$98.7	\$119.5	\$47.5	\$469.7	-0.3%

¹ Indiana's 92 counties were ranked on total tourism spending and broken into 5 groups (quintiles). Your county is ranked within its quintile above based upon 2012 vs 2011 tourism spending growth.

2012 Tourism Activity in Hendricks County: Summary of Economic Impact

	Direct	Indirect	Induced	Total
Total Spending				\$225,762,560
<i>%ch compared to 2011</i>				8.8%
Economic Impact (GDP)	\$132,314,197	\$23,532,891	\$29,940,197	\$185,787,285
<i>%ch compared to 2011</i>	8.1%	8.8%	8.1%	8.2%
Wages	\$79,800,556	\$13,453,244	\$14,733,672	\$107,987,472
<i>%ch compared to 2011</i>	7.9%	9.1%	8.1%	8.1%
Jobs	3,909	424	495	4,828
<i>%ch compared to 2011</i>	6.0%	7.3%	6.3%	6.2%
Tax Receipts				\$55,640,652
<i>%ch compared to 2011</i>				8.6%

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.

2012 Tourism in Hendricks County: Impact on Local VA (in thousands \$) by Sector

Hendricks County Industry	Direct	Indirect	Induced	Total
Retail trade	\$53,156	\$408	\$4,985	\$58,550
Food services & drinking places	\$37,303	\$1,100	\$1,797	\$40,200
Arts- entertainment & recreation	\$22,638	\$758	\$449	\$23,846
Real estate & rental	\$0	\$4,307	\$8,464	\$12,772
Accommodations	\$12,242	\$14	\$10	\$12,266
Transportation & Warehousing	\$6,974	\$994	\$497	\$8,466
Professional- scientific & tech services	\$0	\$4,688	\$1,370	\$6,059
Health & social services	\$0	\$6	\$4,102	\$4,108
Utilities	\$0	\$2,418	\$1,043	\$3,461
Wholesale Trade	\$0	\$1,112	\$1,882	\$2,995
Administrative & waste services	\$0	\$2,269	\$709	\$2,978
Other services	\$0	\$1,142	\$1,742	\$2,884
Finance & insurance	\$0	\$1,180	\$1,513	\$2,694
Construction	\$0	\$878	\$394	\$1,272
Government	\$0	\$872	\$347	\$1,220
Information	\$0	\$788	\$325	\$1,113
Management of companies	\$0	\$502	\$53	\$555
Educational services	\$0	\$33	\$231	\$264
Manufacturing	\$0	\$59	\$16	\$75
Ag, Forestry, Fish & Hunting	\$0	\$3	\$7	\$10
Mining	\$0	\$0	\$0	\$0
Total	\$132,314	\$23,533	\$29,940	\$185,787
Total - 2011	\$122,388	\$21,636	\$27,695	\$171,719
% change	8.1%	8.8%	8.1%	8.2%

*Value added is the economic contribution to the county (i.e., the economic contribution minus any import leakages)

2012 Tourism in Hendricks County: Impact on Local Jobs by Sector

Hendricks County Industry	Direct	Indirect	Induced	Total
Food services & drinking places	1,465	43	71	1,579
Retail trade	1,280	10	116	1,406
Arts- entertainment & recreation	637	46	14	697
Transportation & Warehousing	267	16	8	292
Accommodations	259	0	0	260
Professional- scientific & tech services	0	71	22	93
Real estate & rental	0	53	37	90
Administrative & waste services	0	68	21	89
Health & social services	0	0	82	82
Other services	0	29	49	77
Finance & insurance	0	20	26	46
Wholesale Trade	0	10	17	28
Construction	0	19	6	25
Government	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
Total	3,909	424	495	4,828
Total - 2011	3,687	396	466	4,548
% change	6.0%	7.3%	6.3%	6.2%

Source: Rockport Analytics, IMPLAN

2012 Tourism in Hendricks County: Impact on Local Wages (in thousands \$) by Sector

Hendricks County Industry	Direct	Indirect	Induced	Total
Retail trade	\$30,982	\$264	\$3,201	\$34,448
Food services & drinking places	\$25,572	\$754	\$1,232	\$27,557
Arts- entertainment & recreation	\$10,592	\$890	\$238	\$11,721
Accommodations	\$7,150	\$8	\$6	\$7,164
Transportation & Warehousing	\$5,505	\$767	\$387	\$6,659
Professional- scientific & tech services	\$0	\$3,268	\$949	\$4,216
Health & social services	\$0	\$4	\$3,706	\$3,710
Other services	\$0	\$1,043	\$1,586	\$2,629
Administrative & waste services	\$0	\$1,728	\$535	\$2,263
Wholesale Trade	\$0	\$611	\$1,033	\$1,644
Government	\$0	\$809	\$285	\$1,094
Construction	\$0	\$792	\$271	\$1,063
Information	\$0	\$752	\$126	\$878
Finance & insurance	\$0	\$399	\$476	\$875
Utilities	\$0	\$568	\$250	\$818
Real estate & rental	\$0	\$301	\$257	\$558
Management of companies	\$0	\$429	\$45	\$474
Educational services	\$0	\$18	\$134	\$152
Manufacturing	\$0	\$46	\$13	\$59
Ag, Forestry, Fish & Hunting	\$0	\$1	\$4	\$5
Mining	\$0	\$0	\$0	\$0
Total	\$79,801	\$13,453	\$14,734	\$107,987
Total - 2011	\$73,933	\$12,329	\$13,629	\$99,890
% change	7.9%	9.1%	8.1%	8.1%

Source: Rockport Analytics, IMPLAN

2012 Tourism in Hendricks County: Ranking of Major Industries By Total Employment

Rank	Industry	2012 Reported ¹	2012 Tourism Extracted ²	% of Total
1	Retail Trade	9,043	7,763	14.33%
2	Transportation, Warehousing & Utilities	7,397	7,130	13.16%
3	Accommodation & Food Services	6,505	4,781	8.82%
4	Health Care & Social Assistance	4,471	4,471	8.25%
5	HENDRICKS COUNTY TOURISM INDUSTRY	N/A	3,909	7.21%
6	Manufacturing	3,601	3,601	6.65%
7	Wholesale Trade	3,300	3,300	6.09%
8	Construction	2,018	2,018	3.72%
9	Personal & Other Services	1,926	1,926	3.55%
10	Government	1,470	1,470	2.71%
11	Professional & Business Services	961	961	1.77%
12	Finance and Insurance	804	804	1.48%
13	Real Estate and Rental & Leasing	432	432	0.80%
14	Information	309	309	0.57%
15	Private Educational Services	136	136	0.25%
16	Natural Resources & Mining	120	120	0.22%
17	Arts, Entertainment & Recreation	733	96	0.18%
	Total Hendricks County Employment	54,191	54,191	100%

¹ **Reported:** As released by the Bureau of Labor Statistics and the Indiana Department of Labor

² **Tourism Extracted:** Tourism's contribution to jobs in each industry is removed and placed in "HENDRICKS COUNTY TOURISM INDUSTRY"

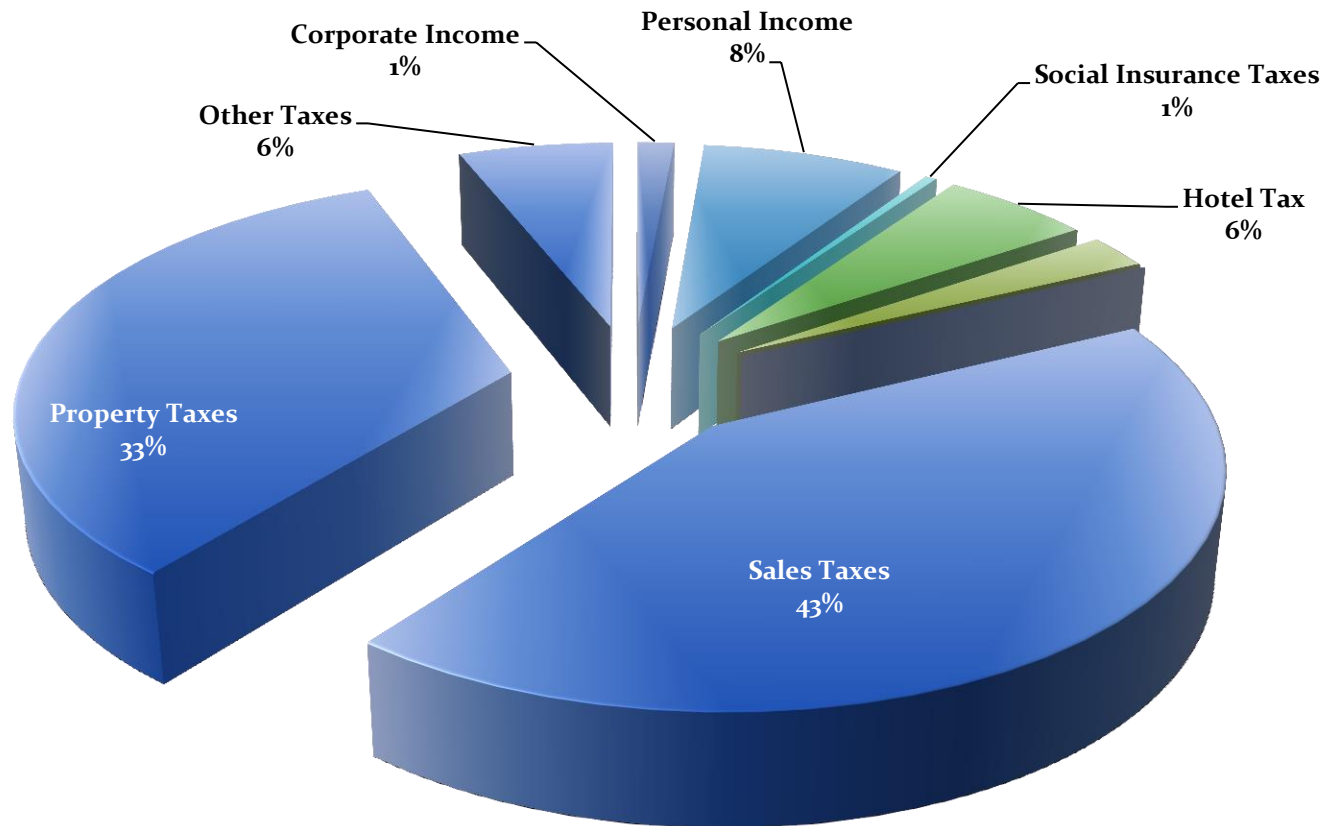
Note: Definitional differences in the way employment is counted by the BLS and by IMPLAN may lead to discrepancies. Also, employment data for some industries may not be reported by the BLS due to federal disclosure laws.

Tax <i>(in thousands \$)</i>	2011	2012	% Change
Federal: US			
Corporate Income	\$2,903.7	\$3,144.1	8.3%
Personal Income	\$6,003.8	\$6,491.7	8.1%
Excise & Fees	\$2,739.2	\$2,968.4	8.4%
Social Security & Other Taxes	\$10,255.2	\$11,068.5	7.9%
Federal Total	\$21,901.9	\$23,672.8	8.1%
State & Local			
Corporate Income	\$420.2	\$455.0	8.3%
Personal Income	\$2,297.8	\$2,484.5	8.1%
Social Insurance Taxes	\$131.3	\$141.6	7.8%
Tourism Excises			
Hotel Tax	\$1,576.9	\$1,831.0	16.1%
Food & Beverage	\$712.5	\$758.3	0.0%
Rental Car Excise	\$0.0	\$0.0	0.0%
Sales Taxes	\$12,455.1	\$13,546.6	8.8%
Property Taxes	\$9,791.6	\$10,610.6	8.4%
Other Taxes	\$1,743.3	\$1,901.9	9.1%
State & Local Tax Total	\$29,128.6	\$31,729.5	8.9%
Total County Tourism-Initiated Taxes	\$51,030.6	\$55,402.3	8.6%

- Hendricks County tourism generated over \$55.6 million in total taxes in 2012, up 8.6% over 2011.
- Federal tax collections resulting from tourism in Hendricks County include income taxes and social security and totaled \$23.7 million in 2012.
- State & local tax collections totaled \$32.0 million, including \$13.5 million in sales taxes contributing to state collections and \$10.6 million in property taxes supporting the local tax base.

2012 Hendricks County State & Local Tourism Tax Sources

Total = \$32 million



Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

Employment: Approximately 7.2% of all jobs in Hendricks County are supported by tourism to the region. In addition to the hotel and restaurant industry, tourism directly supports jobs in professional and business services, health and social services, real estate, finance and insurance.

Education: Revenue collected from tourism in Hendricks County is sufficient to support 2,730 Indiana public school students.

Household Savings: If Hendricks County tourism did not exist, each of the 51,624 households in the county would have to pay an additional \$619 per year in taxes to maintain current state & local tax levels.

Tax Revenue: In addition to hotel occupancy levies (\$1.8 million in 2012), Hendricks County tourism activity generated over \$455,000 in Indiana corporate taxes, \$2.5 million in Indiana personal income tax, and \$10.6 million in local property taxes during 2012.

Economic Impact: Of every dollar spent by visitors in Hendricks County, 82¢ in economic impact is returned to the local area.

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