

# 2016 Economic Impact of Tourism in Wabash County

Methodology, Metrics and Evaluation



## Indiana Office of Tourism Development

- 2016 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)

## Wabash County Tourism Economic Impact

Value-Added (GDP)

Wages &  
Income

Jobs

Taxes

## Study Overview

A research cooperative was formed in 2016 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 2016 Economic Impact Study of Tourism in Wabash County was conducted by Rockport Analytics, an independent market & economic research firm.

## Methodology

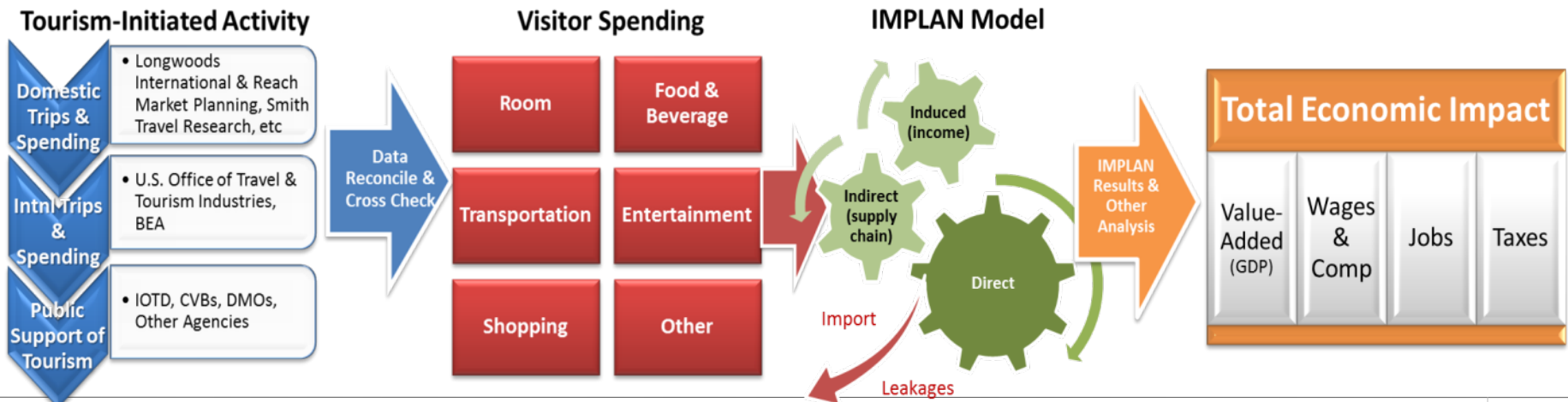
The total economic impact of travelers is separated into three distinct effects: direct, indirect, and induced. The direct impacts represent the value-added of those sectors that interact directly with, or touch, the visitor. The indirect impact represents the benefit to local suppliers to those direct sectors. This would include, for example, Wabash 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 2016 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. >>

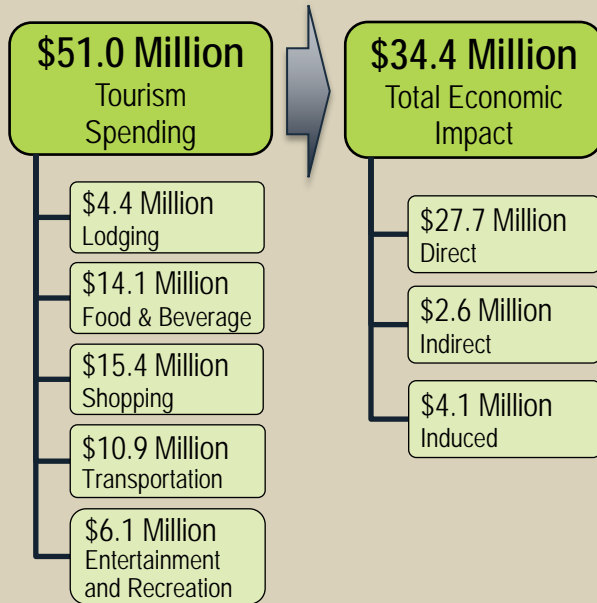
## Methodology Cont.

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 Wabash 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.

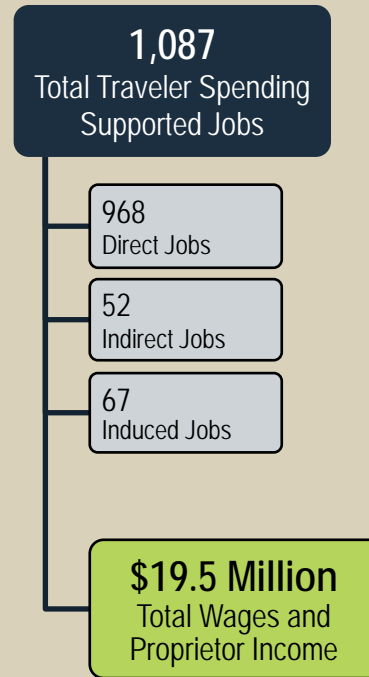


## Tourism and Impact



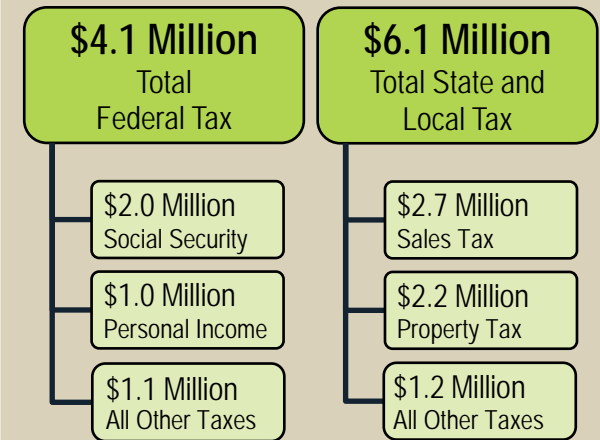
For every tourism dollar spent in Wabash County in 2016, **67 cents** 'stayed' local and contributed directly to the gross county product of Wabash County. This includes impact on the **direct** (tourism-oriented), **indirect** (supply chain) and **induced** (income) industries. The remaining **33 cents** of every dollar is 'leaked' to the supply chain outside of Wabash County.

## Jobs and Wages



For every **\$48,895** spent on tourism in Wabash County in 2016 supported a job, resulting in an average of **\$17,897** in gross wages. This includes jobs in the industries directly supporting the visitor such as **retail trade** but also in supply chain sectors like **transportation**. The income of direct and indirect workers also goes to support industries like **retail trade, arts, and transportation**.

## Tax Revenue Generated

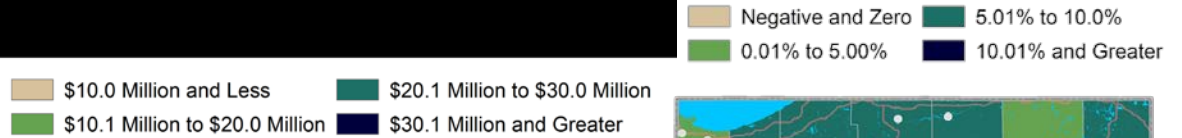


For every **\$1.00** spent on tourism in Wabash County in 2016, **8 cents** goes to federal taxes and **12 cents** goes to state and local taxes. **Federal tax collections** include corporate & personal income taxes, excise taxes and social security collections. **State and local tourism-derived taxes** include sales taxes, property taxes and lodging taxes.

# Wabash County At a Glance

### Total Spending by County, 2016

### Spending Growth by County, 2016

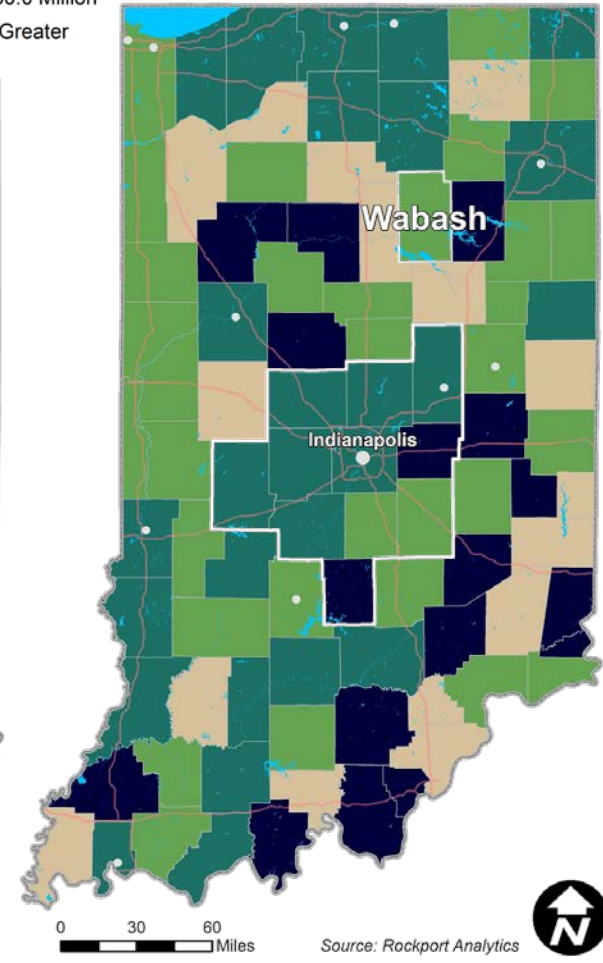
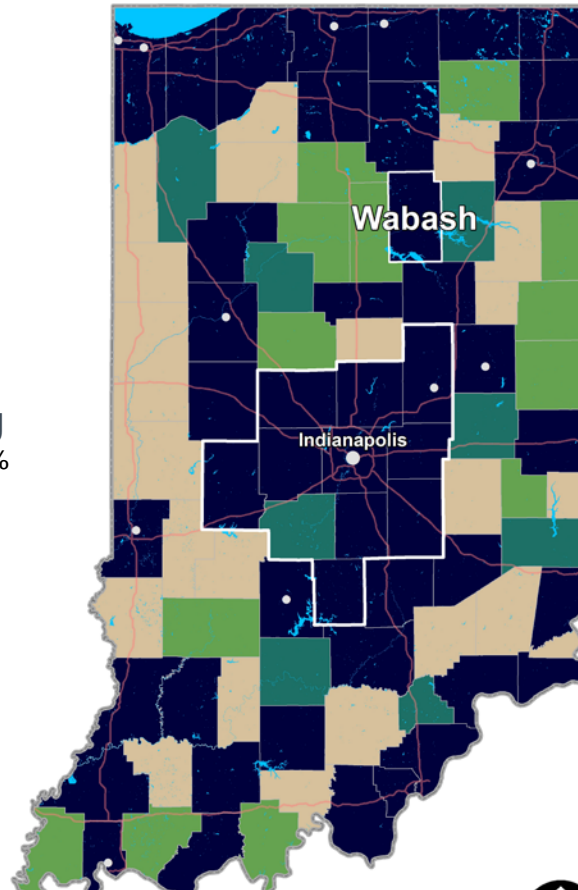
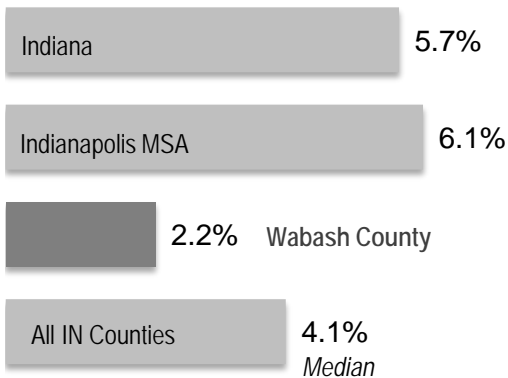


## Wabash County 2016 Tourism Report Card

Tourism Sales Per Capita	\$1,605.60
Tourism Spend Per Capita Ranking	#25 of 92
2016 Spending by Visitors (Millions)	\$51.0
County Ranking of Tourism Spend	#33 of 92
2016 Tourism Spending Growth	2.2%
2016 Tourism Growth Ranking	#64 of 92

## Annual Growth in 2016 Tourism Spending

0.0%    2.0%    4.0%    6.0%    8.0%



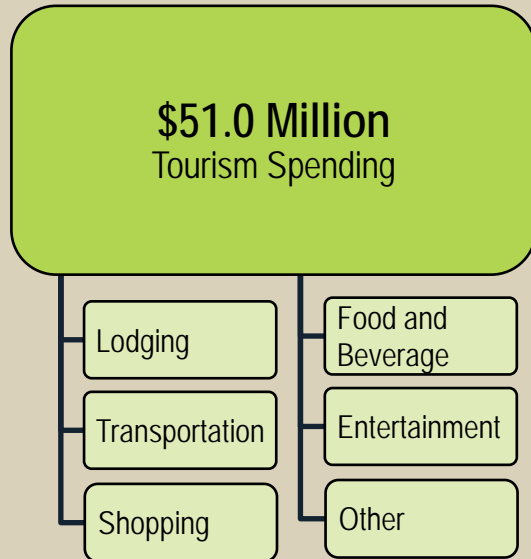
0 30 60 Miles

Source: Rockport Analytics

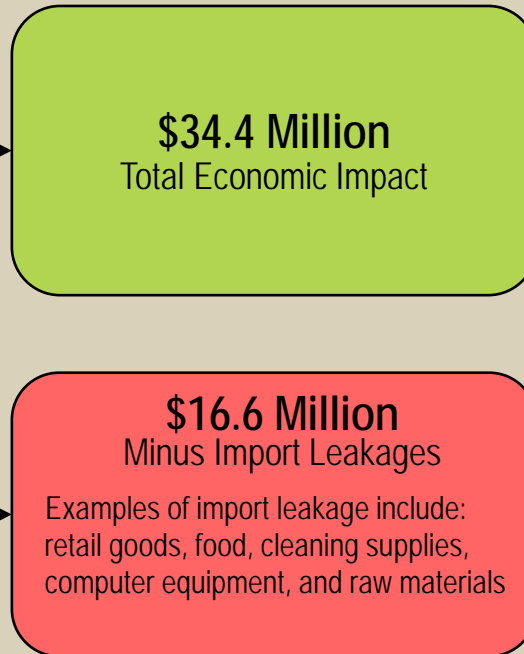


# Wabash County Tourism Impact Flows

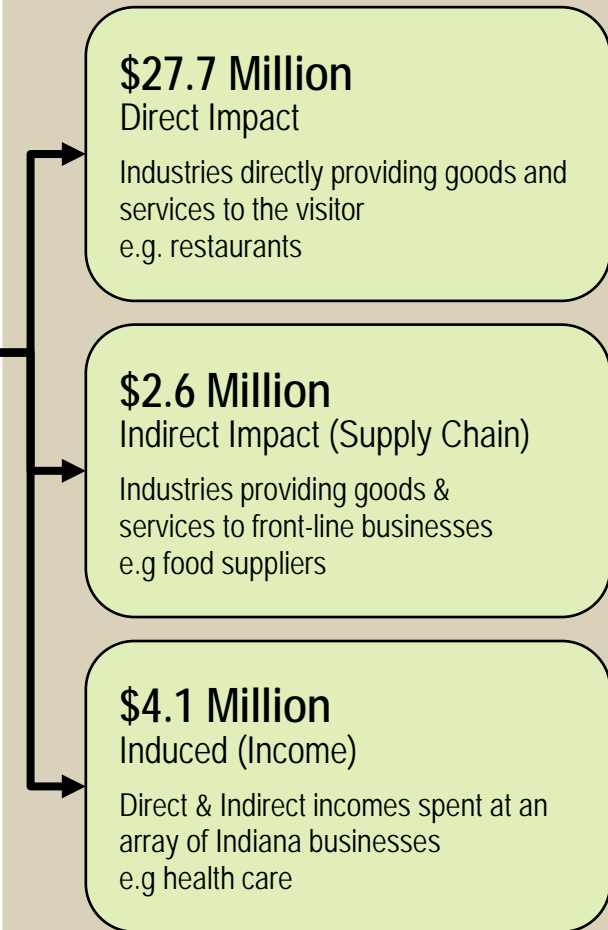
## Total Tourism Spending



## Value to Indiana Economy

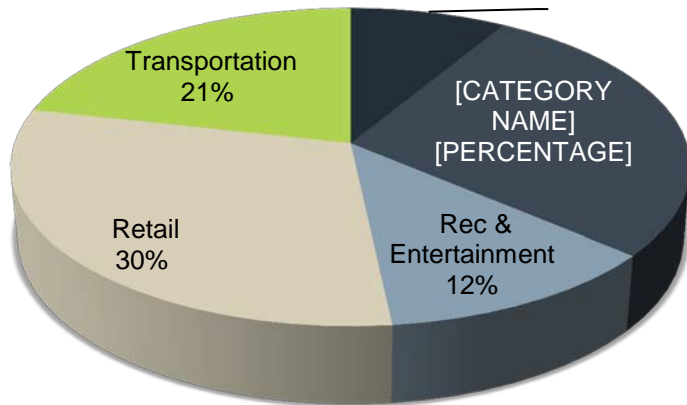


## Impact on Indiana Business



Retail accounts for the largest share of tourism spend in Wabash County, totaling 30% of visitor expenditures.

## Distribution of Tourism Spending \$51.0 Million USD



Expenditure Category	2016	2015-16 Growth
Lodging	\$ 4,376,012	2.2%
F&B	\$ 14,146,965	1.7%
Rec & Entertainment	\$ 6,115,015	-1.6%
Retail	\$ 15,416,994	7.4%
Transportation	\$ 10,942,064	-1.7%
Total	\$ 50,997,050	2.2%

## Categorical Spending Shares: State Comparisons

	Wabash County	Indiana
Lodging	9%	16%
F&B	28%	28%
Rec & Entertainment	12%	18%
Retail	30%	22%
Transportation	21%	16%
Total	100%	100%

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

Note: Spending estimation methodology was changed slightly in 2016. This methodology was backcast to 2015 spending levels as well, so all growth rates remain valid.



## 2016 Economic Impact Summary (Compared to 2015)

2016 Metric	Direct	Indirect	Induced	Total
<b>Total Spending</b>				<b>\$50,997,050</b>
<i>2016 Y/Y Growth</i>				<i>2.2%</i>
<b>Economic Impact (GDP)</b>	<b>\$27,660,071</b>	<b>\$2,640,859</b>	<b>\$4,093,683</b>	<b>\$34,394,613</b>
<i>2016 Y/Y Growth</i>	<i>2.6%</i>	<i>0.4%</i>	<i>2.5%</i>	<i>2.4%</i>
<b>Wages</b>	<b>\$16,184,222</b>	<b>\$1,472,755</b>	<b>\$1,805,379</b>	<b>\$19,462,356</b>
<i>2016 Y/Y Growth</i>	<i>2.7%</i>	<i>0.3%</i>	<i>2.5%</i>	<i>2.5%</i>
<b>Jobs</b>	<b>968</b>	<b>52</b>	<b>67</b>	<b>1,087</b>
<i>2016 Y/Y Growth</i>	<i>-0.2%</i>	<i>-1.5%</i>	<i>0.8%</i>	<i>-0.2%</i>
<b>Tax Receipts</b>				<b>\$10,155,414</b>
<i>2016 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.

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

## Wabash Tourism: 2016 Economic Impact (Value Added/GDP)

*Thousands of \$s*

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	\$13,828	\$79	\$791	\$14,698
Food services & drinking places	\$6,459	\$126	\$229	\$6,814
Arts- entertainment & recreation	\$2,890	\$33	\$63	\$2,987
Transportation & Warehousing	\$2,740	\$75	\$37	\$2,852
Accommodations	\$1,742	\$3	\$2	\$1,747
Real estate & rental	\$0	\$237	\$1,222	\$1,459
Finance & insurance	\$0	\$389	\$369	\$758
Professional- scientific & tech services	\$0	\$504	\$138	\$642
Health & social services	\$0	\$0	\$524	\$524
Other services	\$0	\$143	\$202	\$345
Government & non NAICs	\$0	\$268	\$69	\$337
Wholesale Trade	\$0	\$111	\$165	\$276
Administrative & waste services	\$0	\$209	\$46	\$255
Utilities	\$0	\$147	\$56	\$203
Information	\$0	\$131	\$46	\$177
Construction	\$0	\$95	\$51	\$146
Educational services	\$0	\$2	\$66	\$68
Manufacturing	\$0	\$52	\$7	\$59
Management of companies	\$0	\$35	\$2	\$37
Ag, Forestry, Fish & Hunting	\$0	\$3	\$8	\$12
Mining	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$27,660</b>	<b>\$2,641</b>	<b>\$4,094</b>	<b>\$34,395</b>
Total - 2015	\$26,953	\$2,632	\$3,996	\$33,581
<b>% change</b>	<b>2.6%</b>	<b>0.4%</b>	<b>2.5%</b>	<b>2.4%</b>

Source: Rockport Analytics, INPLAN

# Jobs in a Wide Array of Sectors Also Impacted by County Tourism

## Wabash Tourism: 2016 Economic Impact (Employment)

Industry (NAICS)	Direct	Indirect	Induced	Total
Retail trade	323	2	21	345
Transportation & Warehousing	283	2	1	287
Food services & drinking places	261	5	9	275
Arts- entertainment & recreation	58	2	2	63
Accommodations	43	0	0	43
Professional- scientific & tech services	0	11	3	13
Other services	0	5	7	12
Health & social services	0	0	12	12
Administrative & waste services	0	7	1	8
Finance & insurance	0	4	3	7
Government & non NAICs	0	4	1	5
Construction	0	3	1	3
Real estate & rental	0	2	1	3
Information	0	3	1	3
Wholesale Trade	0	1	1	2
Educational services	0	0	2	2
Manufacturing	0	1	0	1
Utilities	0	0	0	0
Management of companies	0	0	0	0
Ag, Forestry, Fish & Hunting	0	0	0	0
Mining	0	0	0	0
<b>Total</b>	<b>968</b>	<b>52</b>	<b>67</b>	<b>1,087</b>
Total - 2015	970	53	67	1,090
<i>% change</i>	<i>-0.2%</i>	<i>-1.5%</i>	<i>0.8%</i>	<i>-0.2%</i>

Source: Rockport Analytics, IMPLAN

# Tourism is the 5<sup>th</sup> Largest Industry in Wabash County

## 2016 Tourism in Wabash County: Ranking of Major Industries By Total Employment

Rank	Industry	2016 Reported	2016 Tourism Extracted	% of Total Employment	15-16 Growth Rate
1	Manufacturing	3,009	3,009	23.4%	-0.2%
2	Health & Social Services	2,090	2,090	16.2%	2.1%
3	Government	1,652	1,652	12.8%	-0.8%
4	Retail trade	1,305	982	7.6%	1.4%
<b>5</b>	<b>Tourism</b>	<b>N/A</b>	<b>968</b>	<b>7.5%</b>	<b>-0.2%</b>
6	Accommodation & Food Services	1,094	791	6.1%	0.9%
7	Educational Services	754	754	5.9%	0.1%
8	Construction	530	530	4.1%	1.4%
9	Other Services	423	423	3.3%	-0.8%
10	Wholesale Trade	394	394	3.1%	-1.5%
11	Finance & Insurance	332	332	2.6%	0.7%
12	Professional Services	266	266	2.1%	1.4%
13	Administrative & Waste Services	250	250	1.9%	-1.6%
14	Arts, Entertainment & Recreation	253	194	1.5%	0.7%
15	Mining	150	150	1.2%	-8.9%
16	Real Estate	96	96	0.7%	1.8%
17	Information	67	67	0.5%	-4.4%
18	Management of Companies	56	56	0.4%	-1.3%
19	Utilities	48	48	0.4%	-1.1%
20	Transportation & Warehousing	116	0	0.0%	0.0%
	<b>Total County Employment</b>	<b>12,886</b>	<b>12,886</b>	<b>100%</b>	<b>0.3%</b>

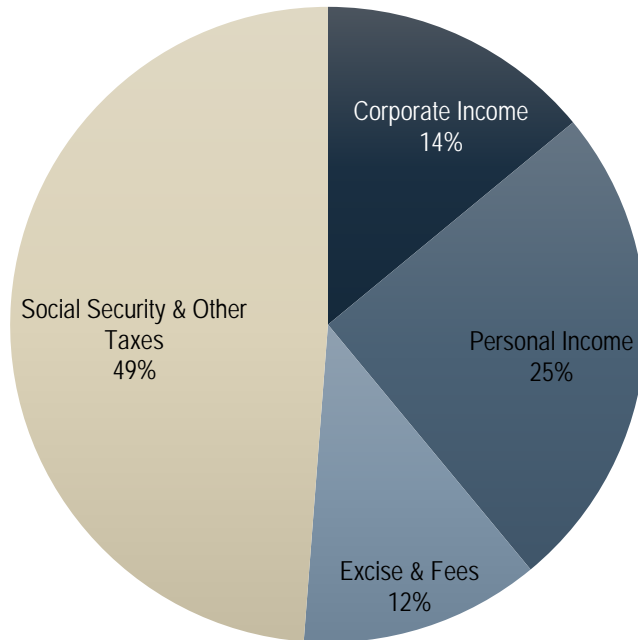
Source: Rockport Analytics, BLS, Moody's Analytics, IMPLAN

**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 Allen's Tourism Industry"

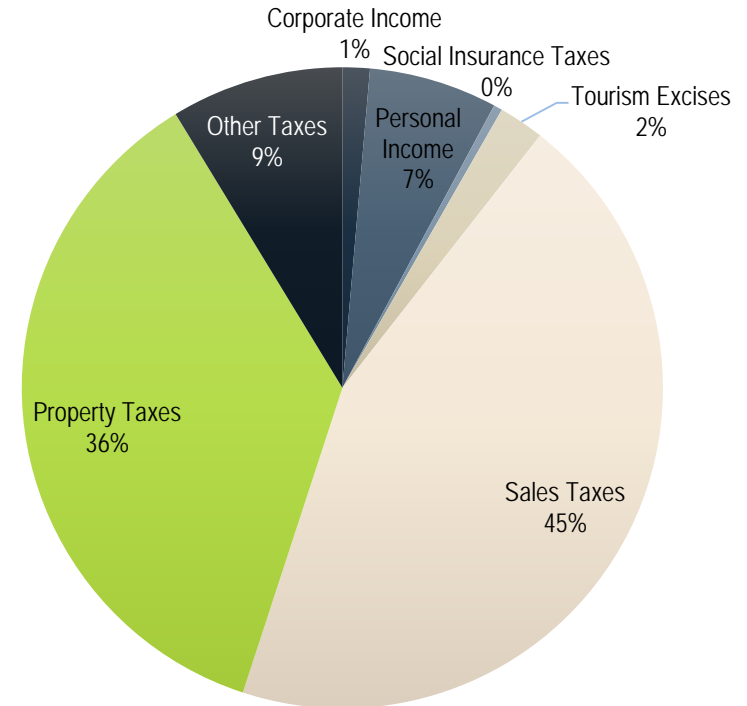
## Federal Taxes

2016 Tax Total: \$4.1 Million



## State & Local Taxes

2016 Tax Total: \$6.1 Million



2016 Total County Tourism-Initiated Taxes: \$10.2 Million

## 2015 – 2016 Tourism Tax Revenue Collections

	2015	2016	% Change
	<i>Thousands</i>		
Federal: US			
Corporate Income	\$562.2	\$575.0	2.3%
Personal Income	\$1,000.2	\$1,024.5	2.4%
Excise & Fees	\$489.0	\$501.2	2.5%
Social Security & Other Taxes	\$1,943.8	\$2,000.9	2.9%
Federal Total	\$3,995.3	\$4,101.6	2.7%
State & Local			
Corporate Income	\$81.4	\$83.2	2.3%
Personal Income	\$382.8	\$392.1	2.4%
Social Insurance Taxes	\$25.5	\$26.3	3.2%
Tourism Excises			
Hotel Tax	\$134.7	\$138.7	3.0%
Food & Beverage	\$0.0	\$0.0	\$0.0
Rental Car Excise	\$0.0	\$0.0	\$0.0
Sales Taxes	\$2,608.1	\$2,690.9	3.2%
Property Taxes	\$2,142.1	\$2,195.2	2.5%
Other Taxes	\$514.7	\$527.4	2.5%
State & Local Tax Total	\$5,889.1	\$6,053.8	2.8%
<b>Total County Tourism-Initiated Taxes</b>	<b>\$9,884.4</b>	<b>\$10,155.4</b>	<b>2.7%</b>

- Wabash County tourism generated over \$10.2 million in total taxes in 2016, up 2.7% over 2015.
- Federal tax collections resulting from tourism in Wabash County include income taxes and social security and totaled \$4.1 million in 2016.
- State & local tax collections totaled \$6.1 million, including \$2.7 million in sales taxes contributing to state collections and \$2.2 million in property taxes supporting the local tax base.

Source: Rockport Analytics, IMPLAN, Indiana Department of Revenue

## *How Does Tourism Benefit Wabash County?*

### By Promoting a Healthy Job Market

Approximately 7.5% of all jobs in Wabash County are supported by tourism to the region. In addition to the hotel and restaurant industry, tourism directly supports jobs in retail trade, transportation, and the arts.

### By Contributing to the Health of the Public Education System

Revenue collected from tourism in Wabash County is sufficient to support 625 Indiana public school students.

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

Tourism is the 5<sup>th</sup> largest industry (4<sup>th</sup> not including Government) in Wabash County (by jobs).

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

In addition to hotel occupancy levies (\$138.7 thousand in 2016), Wabash County tourism activity generated over \$83.2 thousand in Indiana corporate taxes, \$392.1 thousand in Indiana personal income tax, and \$2.2 million in local property taxes during 2016.

### By Helping to Relieve the Tax Burden of Wabash County Households

If Wabash County tourism did not exist, each of the 14,070 households in the county would have to pay an additional \$430 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 Wabash County, 67¢ in economic impact is retained in the local area.



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