

The Economic Impact of Tourism in Douglas County, Kansas

Tourism Satellite Account
Calendar Year 2017



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Headline results

- Douglas County visitor spending and impacts jumped in 2017.
- Visitors spent \$265 million in Douglas County in 2017 as spending increased by more than \$15 million, a jump of 6.2%.
- Visitor spending in Douglas County ranks 5th among all counties in the state.
- This spending directly supports 2,853 jobs, with overall visitor-supported economic activity supporting 3,847 jobs – one out of every 13 jobs in the county.
- Tourism in Douglas County generated \$42.9 million in tax revenues in 2017, with \$25.3 million accruing to state and local governments.

Trends and Analysis



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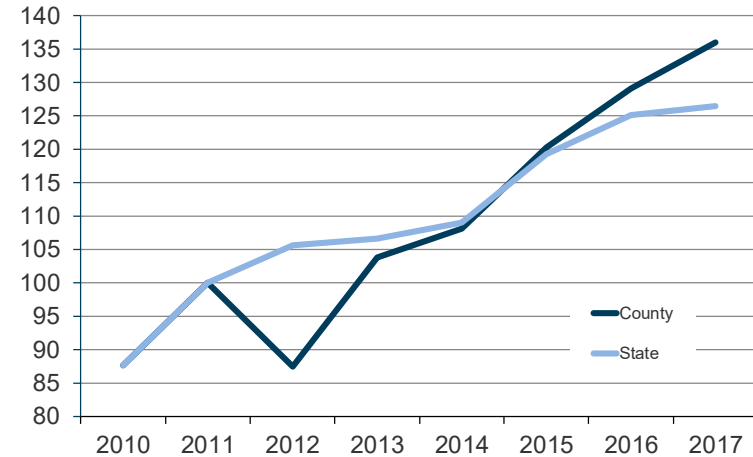
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Key trends

- Examining the performance of key travel sectors in the county in comparison to the state and other industries supports the analysis.
- Leisure and hospitality sales tax growth in Douglas County was on par with the state in 2015 and has surpassed state levels in 2016 and 2017.
- Sales in the clothing industry in Douglas have performed in-sync with the state with moderate growth showing the overall shift to online retail by consumers and visitors.

Sales in Leisure & Hospitality Industries

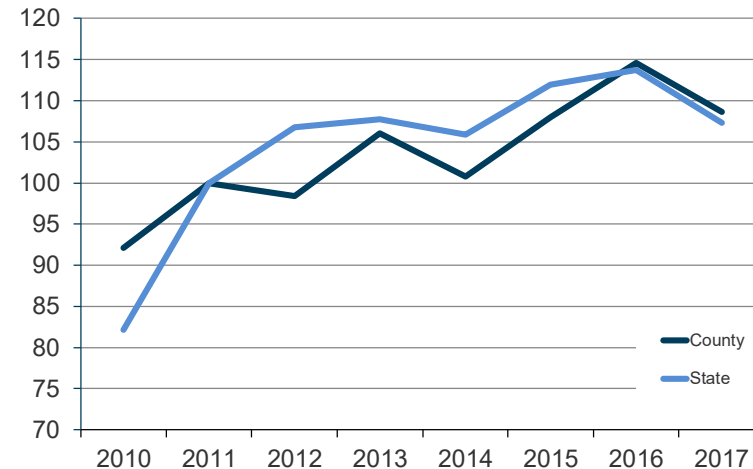
Taxable sales, indexed 2011=100



Sources: Kansas Dept. of Revenue, Tourism Economics

Sales in Clothing Industry

Taxable sales, indexed 2011=100



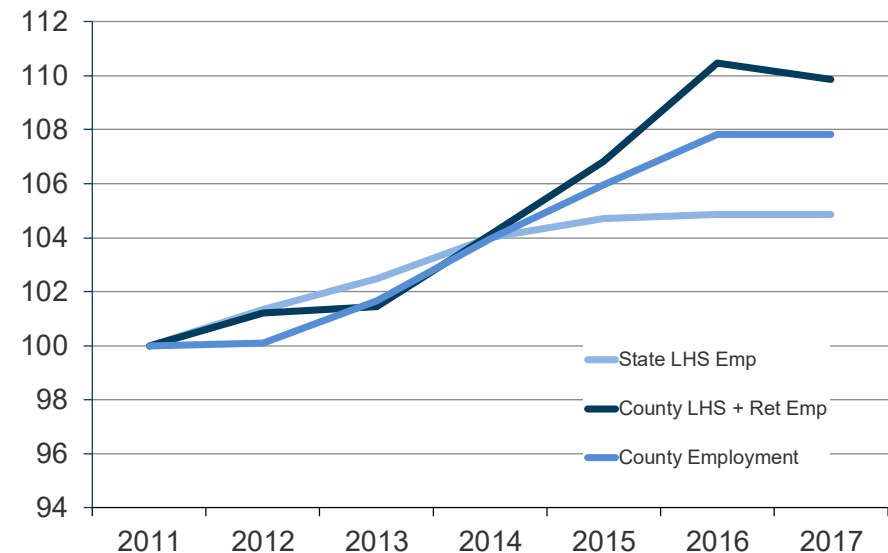
Sources: Kansas Dept. of Revenue, Tourism Economics

Key trends

- Leisure and hospitality employment growth in Douglas County has significantly outperformed the state as a whole since 2011, growing by 10% compared to 4% statewide.
- Minimal growth in employment in 2017 shows across the county and state as low unemployment rates mean fewer available workers for open jobs.
- Over this period, tourism employment has become a larger share of overall county employment.

Employment Growth Comparison

Employment, indexed 2011=100



Sources: BLS, Tourism Economics

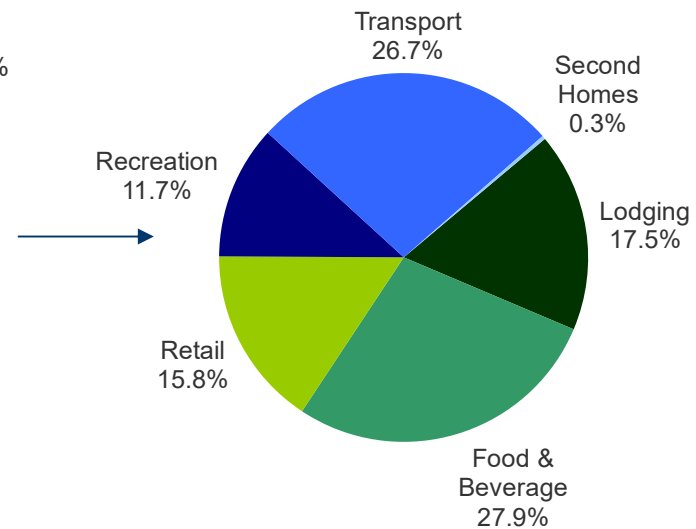
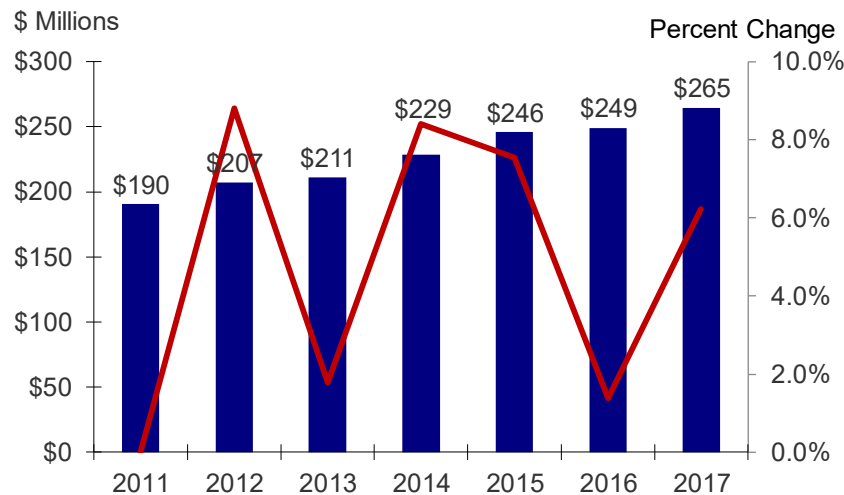
LHS = Leisure & hospitality

Ret = Retail

Douglas County, visitor spending

- Visitor spending in Douglas County jumped in 2017 to \$265 million.
- Visitor spending increased by \$15.5 million between 2016 and 2017 – an extra \$1.3 million per month in visitor spending.
- Visitor spending has grown by 40% since 2011 – nearly \$75 million.

Visitor Spending



Douglas County, visitor spending

Douglas County								
Visitor Spending, (millions)								
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2017	\$46.3	\$73.9	\$41.8	\$31.0	\$70.8	\$0.9	\$264.7	6.2%
2016	\$42.5	\$69.4	\$41.3	\$27.2	\$68.1	\$0.7	\$249.2	1.4%
2015	\$42.5	\$67.1	\$40.7	\$26.6	\$68.1	\$0.7	\$245.8	7.5%
2014	\$38.5	\$61.6	\$37.5	\$24.8	\$65.3	\$0.8	\$228.5	8.4%
2013	\$34.1	\$57.0	\$35.2	\$23.8	\$60.0	\$0.7	\$210.8	1.8%

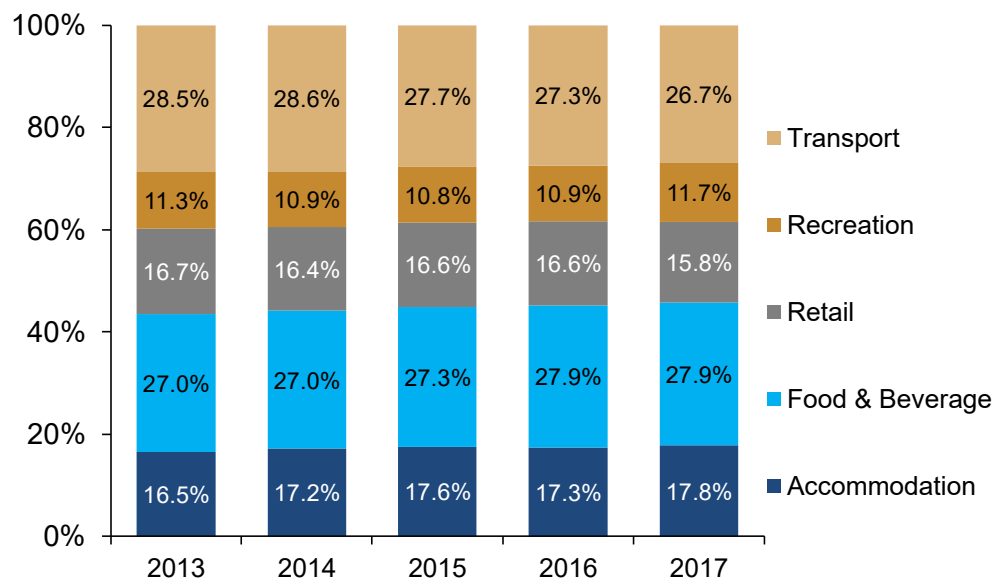
- Lodging sales increased by \$3.8 million in 2017, reaching \$46.3 million. Lodging spending represents 17.5 cents of every dollar spent in Douglas County.
- The largest category of spending is food & beverages, with \$74 million spent at restaurants, grocery stores, and other food providers.
- The share of the visitor dollar spent on lodging has increased 0.5 percentage points in 2017.

Visitor spending shares

- Over the longer run, visitor spending shares have been influenced by lower gasoline prices, higher lodging costs, and online shopping.
- As room demand has risen, supporting increases in ADR, the share of the visitor dollar spent on accommodations has risen 1.3 percentage points, reaching 17.8% in 2017.
- The decline in gasoline prices has shaved nearly two percentage points off the transportation share.

County visitor spending

Share of total



Accommodation includes both lodging and 2nd home spending

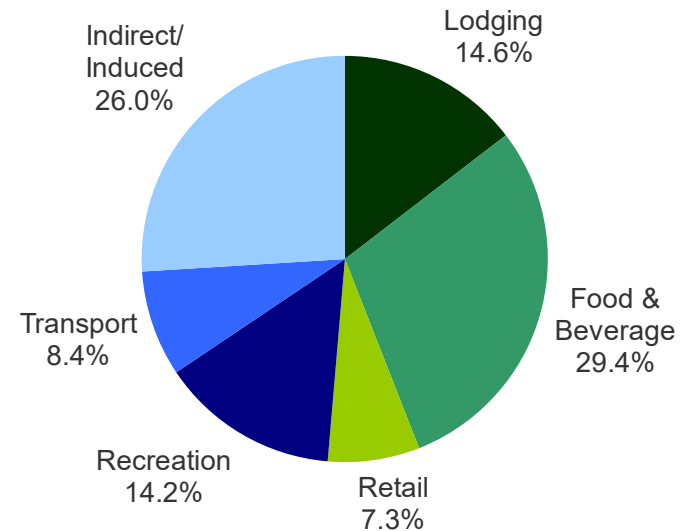
Source: Tourism Economics

Douglas County, tourism impact

- 2,853 jobs were supported by visitor spending in Douglas County in 2017, increasing by nearly 120 jobs. Tourism supports a total of 3,847 jobs – 7.8% of all jobs in the county and an increase of 0.3 percentage points in one year.
- The unemployment rate was 3.2% in 2017. Without tourism jobs, the unemployment rate would jump to 9.1.%.

Douglas County			
Tourism Employment			
Year	Direct	Total (Dir, Ind, Induced)	County Tourism Dependence
2017	2,853	3,847	7.8%
2016	2,734	3,703	7.5%
2015	2,710	3,666	7.6%
2014	2,579	3,507	7.4%
2013	2,497	3,383	7.3%

Jobs by sector & impact

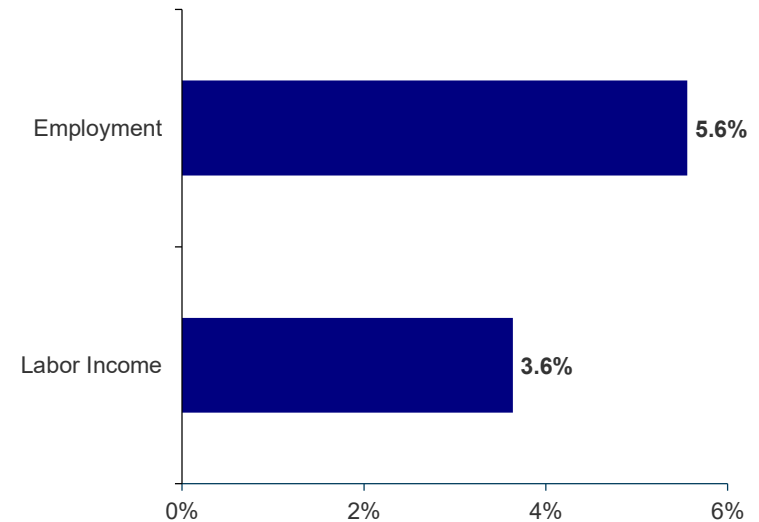


Douglas County, tourism impact

- Local jobs holders directly supported by tourism earned \$68 million, an increase of nearly \$5 million.
- Earnings by local employees supported by visitor spending surged passed \$100 million to nearly \$106 million in 2017.

Tourism Labor Income (millions)		
Year	Direct	Total (Dir, Ind, Induced)
2017	\$68.22	\$105.81
2016	\$63.36	\$99.43
2015	\$58.64	\$93.06
2014	\$54.41	\$86.46
2013	\$52.00	\$82.79

Direct Tourism Share of County Economy

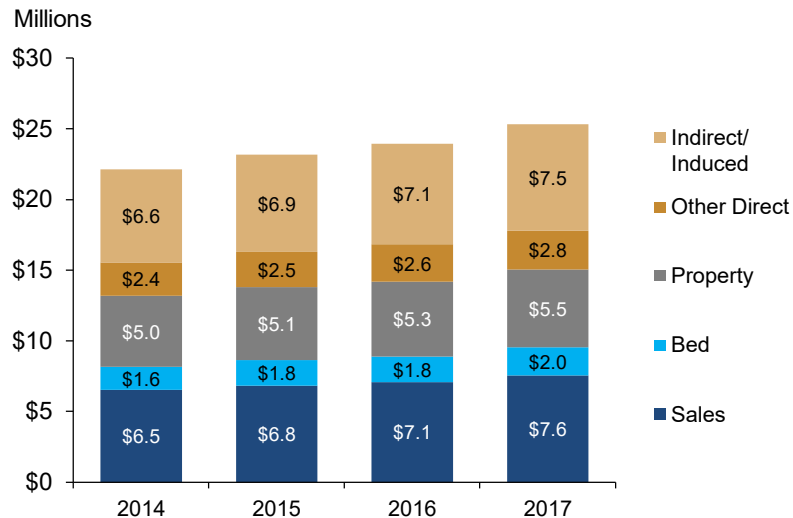


Douglas County, tourism impact

Douglas County			
Total Tourism Tax Receipts (millions)			
Year	Federal	State & Local	Total
2017	\$17.6	\$25.3	\$42.9
2016	\$16.7	\$24.0	\$40.7
2015	\$16.0	\$23.1	\$39.1
2014	\$14.8	\$22.1	\$37.0
2013	\$13.8	\$22.0	\$35.9

- Visitor activity supported \$42.9 million in governmental revenues, of which \$25.3 million accrued to state and local governmental authorities.

State and local tax revenues



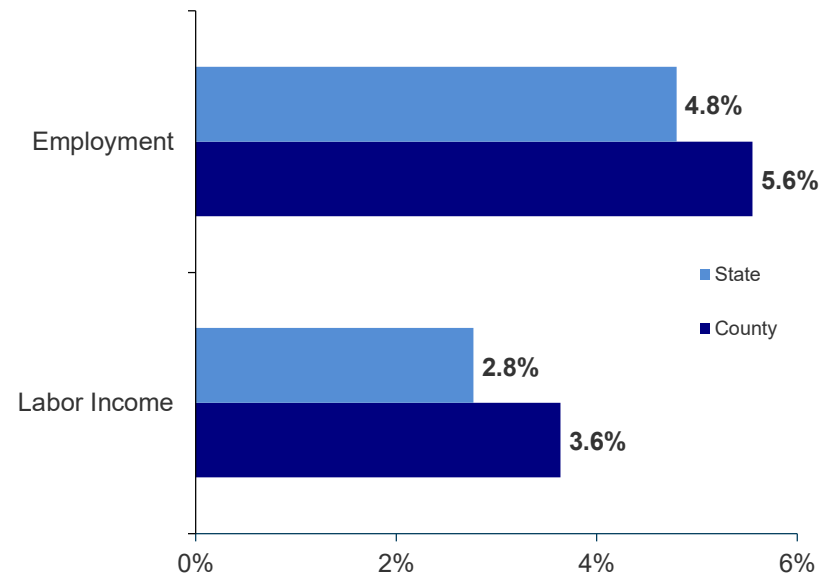
Source: Tourism Economics

- Of the \$25.3 million in state and local tax revenues, \$7.6 million was from sales tax collections with another \$7.5 million in collections from indirect and induced economic activity.

Douglas County – state comparisons

Douglas County			
County Sales Highlights			
Year	Sales (millions)	Share of State	RANK
2017	\$264.7	3.90%	5
2016	\$249.2	3.72%	5
2015	\$245.8	3.75%	5
2014	\$228.5	3.63%	5
2013	\$210.8	3.53%	5

Direct Tourism Share of Area Economy



- Douglas County ranks 5th in visitor sales among all counties within Kansas, accounting for 3.9% of total visitor sales in the state in 2017.
- 5.6% of all employment in the county is directly dependent on visitor activity, compared to 4.8% for the state. Douglas County’s tourism economy share of the county is higher than the state’s tourism economy.

Methodology and Background



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Why quantify the tourism economy?

- By monitoring tourism's economic impact, policy makers can make informed decisions regarding the funding and prioritization of tourism development.
- With this information, interested parties can also carefully monitor tourism's successes and future needs.
- In order to do this, tourism must be measured in the same categories as other economic sectors – i.e. tax generation, employment, wages, and gross domestic product.

Why is this a challenge?

- Most economic sectors such as financial services, insurance, or construction are easily defined within a country's national accounts statistics.
- Tourism is not so easily measured because it is not a single industry. It is a demand-side activity which affects multiple sectors to various degrees.
- Tourism spans nearly a dozen sectors including lodging, recreation, retail, real estate, air passenger transport, food and beverage, car rental, taxi services, travel agents, museums, and theme parks.

Methods and data sources

- Estimates of visitor expenditures were based on several sources including:
 - County tax data on sales tax receipts by industry.
 - County employment and wage data broken out by industry.
 - Recreational second home expenditures based on US Census data.
- Local impacts were calculated by using the state impact analysis as a control and local industry sales and employment data along with the estimates of visitor spending. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.
- Employment and wage data were obtained from the Bureau of Labor Statistics, and the US Census Bureau.

Definitions

- Direct spending/visitor spending: any spending directly from a traveler's pocket into the local economy.
- Direct impacts: all jobs and wages supported only by the direct spending of visitors.
- Total impacts: all jobs and wages supported by visitor economic activity. This includes the direct impacts, along with indirect (supply-chain effects), induced (wage effect), and any capital investment and governmental spending in support of tourism in the local economy.

Description of spending categories

Spend Category	Description
Lodging	Includes visitor spending in accommodation sector. This includes food and other services provided by hotels and similar establishments.
Food and beverage	Includes all visitor spending at restaurants, bars and grocery stores.
Retail	Includes visitor spending in all retail sectors within the economy.
Recreation	Includes visitors spending within the arts, entertainment and recreation supersector.
Transport	Includes all forms of transport services such as visitor spending on gasoline, taxis, limos, trains, rental cars, and buses.
Second homes	Spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Department.



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