

The Economic Impact of Tourism in Reno County, Kansas

Tourism Satellite Account
Calendar Year 2016



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

Headline results

- Visitor spending in Reno County spiked in 2013 and the county has been able to build upon that visitor spending foundation in recent years.
- Visitor spent \$116 million at businesses in the county in 2016.
- Visitor spending in Reno County ranks 10th among all counties in the state.
- This spending directly supports 1,203 jobs, with overall visitor-supported economic activity supporting 1,610 jobs – one out of every 16.5 jobs in the county.
- Tourism in Reno County generated \$18.3 million in tax revenues in 2016, with \$11.3 million accruing to state and local governments.

Trends and Analysis



TOURISM
ECONOMICS

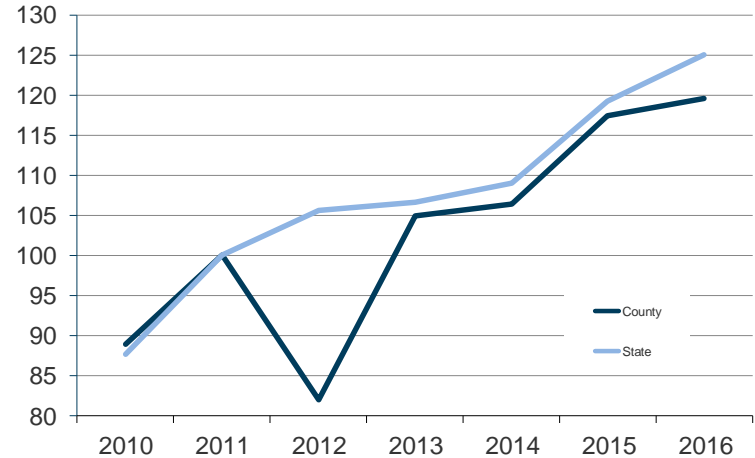
AN OXFORD ECONOMICS COMPANY

Key trends

- Examining the performance of key travel sectors in the county in comparison to the state and other industries supports the visitor spending and impact analysis.
- Sales in the Leisure & Hospitality Industry jumped in 2013 and have essentially matched state performance since then.
- Sales in the clothing industry in Reno have fallen, an indicator that visitor spending has been concentrated in the lodging, food and beverage, and recreational industries.

Sales in Leisure & Hospitality Industries

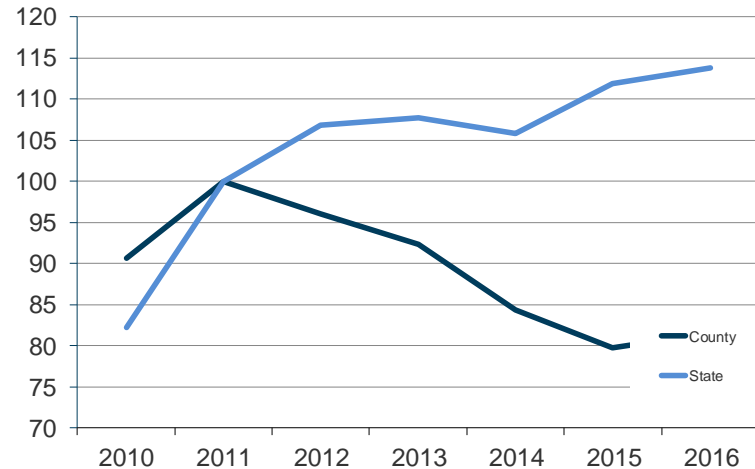
Taxable sales, indexed 2011=100



Sources: Kansas Dept. of Revenue, Tourism Economics

Sales in Clothing Industry

Taxable sales, indexed 2011=100



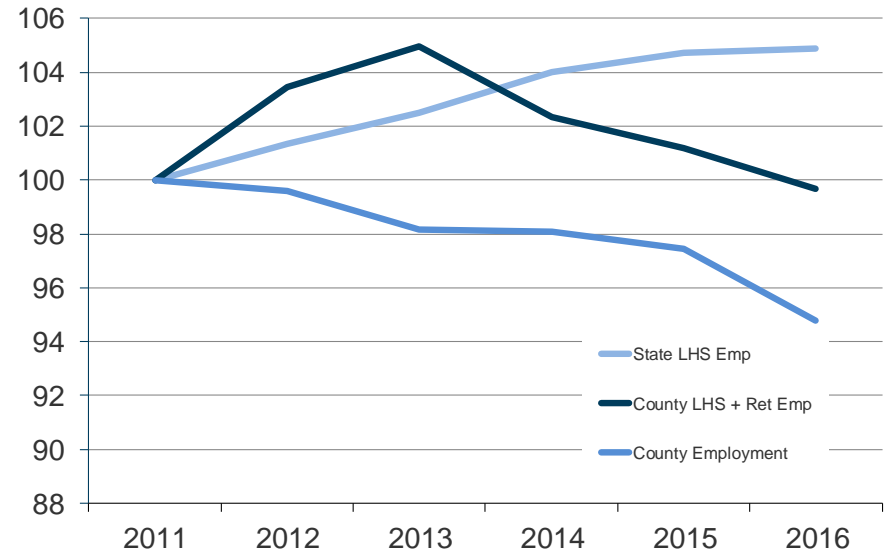
Sources: Kansas Dept. of Revenue, Tourism Economics

Key trends

- Further indication of tourism industry performance in Reno County is the growth of employment in key tourism sectors.
- Leisure and hospitality employment has performed better than overall county employment.
- Leisure and hospitality jobs are mitigating the employment losses elsewhere in the economy.

Employment Growth Comparison

Employment, indexed 2011=100



Sources: BLS, Tourism Economics

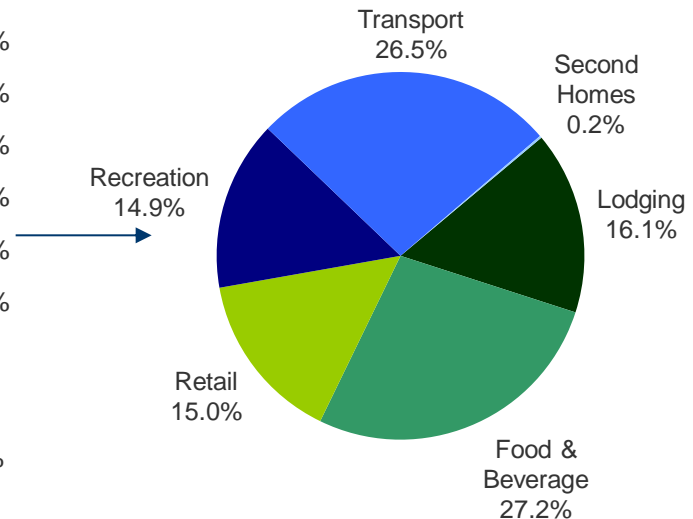
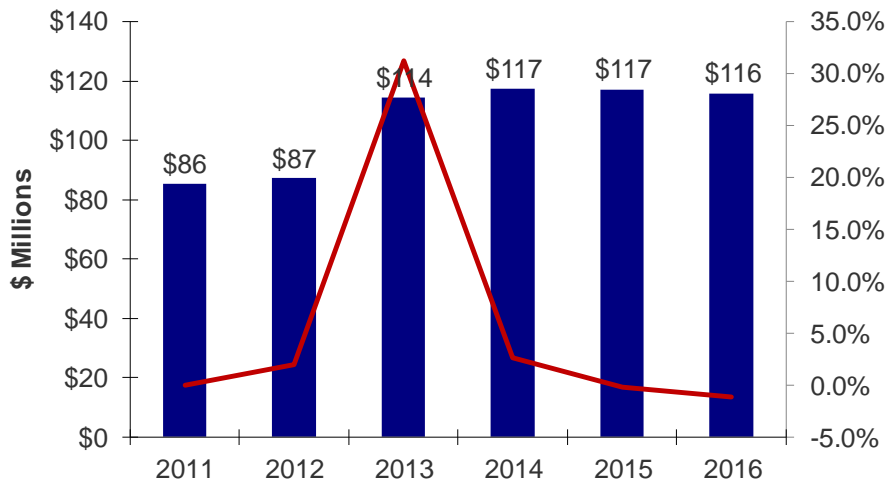
LHS = Leisure & hospitality

Ret = Retail

Reno County, Tourism Sales

- \$116 million was spent by visitors to Reno County in 2016.
- Visitor spending has increased by a third since 2011, an increase of \$30 million in sales to businesses in the county.
- Spending of \$116 million means that visitors spend an average of \$13,200 in Reno County each hour of the year.

Visitor Spending



Reno County, Tourism Sales

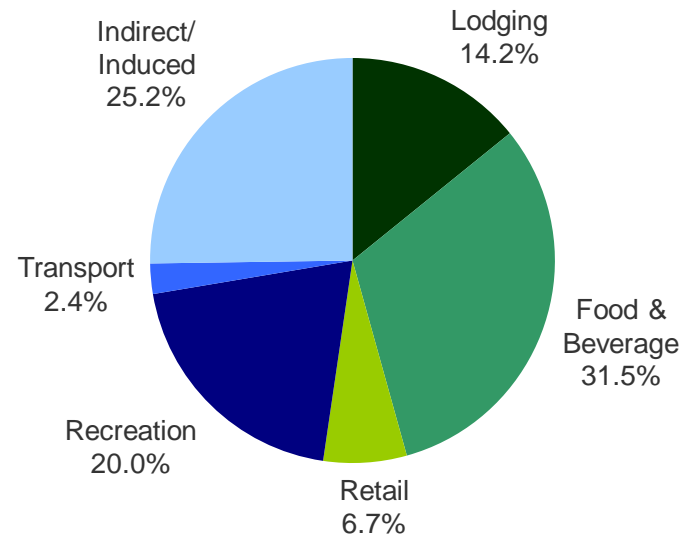
Reno County								
	Visitor Spending, (millions)							
Year	Lodging	Food & Beverage	Retail	Recreation	Transport	Second Homes	Total	Growth Rate
2016	\$18.6	\$31.5	\$17.4	\$17.3	\$30.7	\$0.2	\$115.9	-1.1%
2015	\$19.3	\$31.0	\$17.9	\$17.0	\$31.7	\$0.2	\$117.2	-0.2%
2014	\$19.4	\$30.1	\$18.1	\$16.8	\$32.8	\$0.2	\$117.4	2.6%
2013	\$18.5	\$29.3	\$18.0	\$16.3	\$32.0	\$0.3	\$114.4	31.2%
2012	\$11.9	\$22.9	\$14.0	\$11.8	\$26.3	\$0.3	\$87.2	2.0%
2011	\$11.6	\$22.5	\$13.8	\$12.7	\$24.6	\$0.2	\$85.5	

- Lodging sales have increased by \$7 million since 2011, reaching \$18.6 million in 2016. Lodging spending represents 16.1 cents of every visitor dollar spent in Reno County.
- Visitors spent \$31.5 million at restaurants, bars, and grocery stores in 2016.
- While lodging spending fell slightly in 2016, visitors spent more on food & beverages and recreation in 2016 than they had in 2015 in the county.

Reno County, Tourism Impact

- 1,203 jobs were supported by visitor spending in Reno County in 2016. Tourism supports a total of 1,610 jobs – 6.1% of all jobs in the county.
- 31% of all tourism supported jobs are in the food & beverages industries, with another 25% a result of indirect and induced impacts.

Reno County			
Tourism Employment			
Year	Direct	Total (Dir, Ind, Induced)	County Tourism Dependence
2016	1,203	1,610	6.1%
2015	1,224	1,633	6.0%
2014	1,239	1,652	6.0%
2013	1,240	1,647	6.0%
2012	1,187	1,596	5.8%

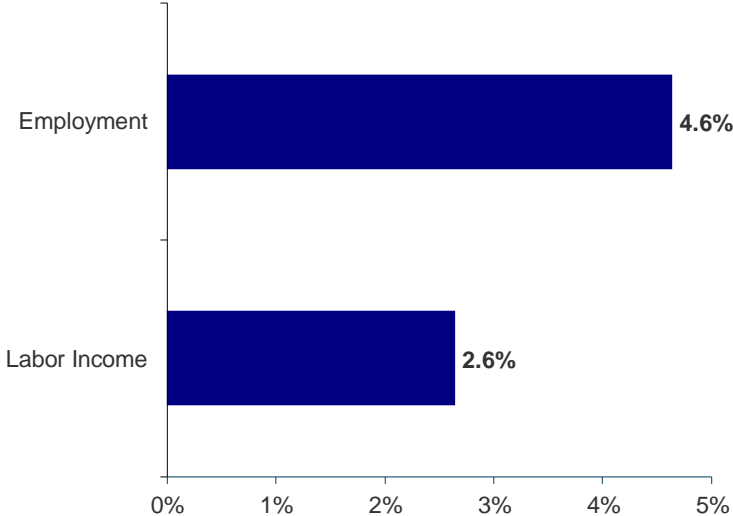


Reno County, Tourism Impact

- Local jobs holders directly supported by tourism earned \$24.7 million with the total impact of visitors supporting \$39.2 million in wages and benefits in Reno County.

Tourism Labor Income (millions)		
Year	Direct	Total (Dir, Ind, Induced)
2016	\$24.71	\$39.22
2015	\$24.28	\$38.36
2014	\$24.25	\$37.82
2013	\$23.96	\$37.04
2012	\$19.27	\$30.55

Direct Tourism Share of County Economy

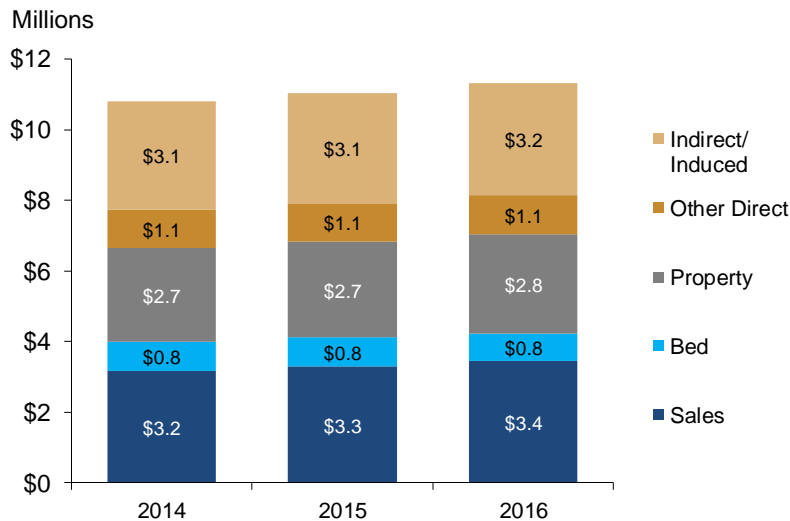


Reno County, Tourism Impact

Reno County			
Total Tourism Tax Receipts (millions)			
Year	Federal	State & Local	Total
2016	\$6.9	\$11.3	\$18.3
2015	\$6.9	\$11.0	\$17.9
2014	\$6.8	\$10.8	\$17.6
2013	\$6.5	\$10.9	\$17.4

- Visitor activity supported \$18.3 million in governmental revenues, of which \$11.3 million accrued to state and local governmental authorities.

State and local tax revenues



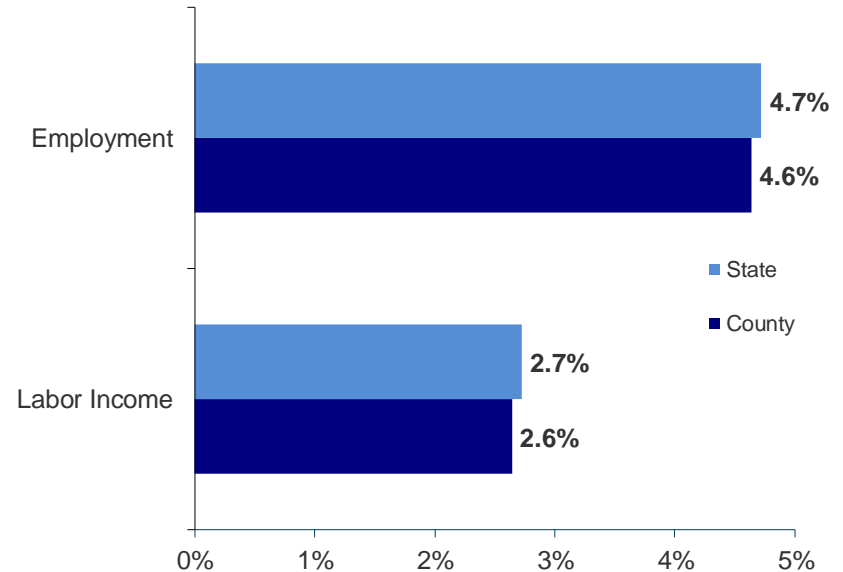
Source: Tourism Economics

- Of the \$11.3 million in state and local tax revenues, \$3.4 million was from sales tax collections, with another \$3.2 million from levies on the visitor associated indirect and induced economic activity in the county.

Reno County – state comparisons

Reno County			
County Sales Highlights			
Year	Sales (millions)	Share of State	RANK
2016	\$115.9	1.75%	10
2015	\$117.2	1.81%	10
2014	\$117.4	1.88%	9
2013	\$114.4	1.92%	10

Direct Tourism Share of Area Economy



- Reno County ranks 10th in visitor sales among all counties within Kansas, accounting for 1.7% of total visitor sales in the state in 2016.
- 4.6% of all employment in the county is directly dependent on visitor activity, compared to 4.7% for the state. The economy in Reno County is as dependent on tourism as the state as a whole.

Methodology and Background



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

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.



TOURISM ECONOMICS

AN OXFORD ECONOMICS COMPANY

For more information:

Adam Sacks, Managing Director

adam@tourismeconomics.com

Christopher Pike, Director

cpike@tourismeconomics.com