

Economic Development Insight

Tourism and its Economic Impact

By Joan Bethell

As development of the Tourism industry has been identified as one of Greene County's top three priorities, its impact to the Indiana (and potential to Greene County's) economy would be worth looking at.

The Indiana Office of Tourism Development commissioned a study by D.K. Shifflet & Associates, that analyzed travel trends for 2006 compared to a similar 2004 study. Lt. Governor Becky Skillman, commented, "A strong travel and tourism industry creates economic development for Hoosier communities."

This study shows that the average party size is 2.57 persons. The largest segment of overnight leisure (ONL) travelers in Indiana is families with children. Couples rank second and Adults Traveling Alone ranks third but it should be noted that this latter group spends under half as much in 'trip-dollars,' (the total amount spent during the trip.)

Why Visit?

- By far, overnight leisure (ONL) visitors come to Indiana primarily to visit friends and relatives (42%) but this group typically spends about 23% less than the average Indiana trip-dollars.
- Getaway weekends account for the next highest share (21%) and are valuable to the local tourism economy as they represent the third highest share of Indiana trip-dollars.
- Attending special events (15%) ranks as the third most popular reason and these visitors are also valuable, as they rank second in trip-dollars spending.
- Compared to the typical U.S. destination, relatively few visitors come to Indiana for a general vacation.

How Long Do People Visit?

The typical length of stay in Indiana is 2.45 days. 42% only stay one night and spend 33% less than the State's average in per party per trip spending.

Although 31% of visitors stay for two nights, these visitors account for fully 41% of all of the trip-dollar spending in the State and they spend far more in trip-dollars at local destinations.

Only 27% of Indiana's 2006 visitors stayed three nights or longer but show a higher than State average party per trip spending level.

Where do Visitors Stay?

One third of Indiana's ONL visitors choose to stay in private homes, while one in ten stay in a paid accommodation other than a hotel. This breakdown is typical across the U.S.

At 46%, hotels are the first choice of accommodation type among ONL visitors. Hotels are important for destinations as they account for about 61% of the trip-dollar spending.

Indiana visitors' top five original destinations are Indianapolis at 15.9%, Chicago, Fort Wayne, South Bend and Cincinnati.

How Do Visitors Spend Their Time?

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Visitors cite dining as their most popular activity, followed by shopping, entertainment, and then sightseeing. What sets The Hoosier State apart, then, is the reported activities from visitors who go to National or State parks, or who visit to watch sporting events. Watching Sports occurs in Indiana at 80% above the typical U.S. average and these parties spend 37% more than average.

Based on national activity participation levels, however, Indiana is a destination, not only for watching sports but, for participating in outdoor activities (listed as biking, hiking, adventure sports, nature/eco-travel, camping, visiting State and National parks.) Hiking and Biking post the second highest participation level for Indiana ONL visitors, occurring at 75% above the average U.S. Leisure travel destination.

How Do Visitors Spend Their Money?

The average daily spending for Indiana ONL is \$82, which is 24% less than the typical U.S. Leisure destination. Most of this is allocated to transportation, accommodation and food.

How Do Visitors Get to Indiana?

We should note that one in three people in Indiana for ONL are residents. Nine in ten of Indiana's visitors arrive by auto. Of these, at 36%, visitors traveling 101-200 miles represent the greatest portion, while nearly 8 in 10 of all travel 300 miles or less.

When Do Visitors Come?

About one third arrive during the summer, with 12% of 2006 travel starting in June, 10% in July, and another 12% in August. Average party per trip spending is highest in Summer months, averaging \$723, thereby contributing more to the coffers of local destinations. Spring visitor spending averages \$621 trip-dollars.

Some conclusions we can draw from this information are that Greene County is well-positioned to capitalize on the Indianapolis visitor market, has a wealth of outdoor activities that appeal to the typical Indiana visitor, and has a large pool of potential visitors within 300 miles (This includes Detroit, St. Louis, Chicago, Nashville and Columbus.)

The question that remains is, 'As a community, are we going to invest our time, talents and treasures (money) in developing and marketing our tourism assets?' We'll cover this more in a future article.

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