

The Economic Impact of Tourism on Michigan City

PRESENTATION BY THE ECONOMIC DEVELOPMENT CORPORATION MICHIGAN CITY

Tourism from a National Perspective

- Tourism's direct contribution to national gross domestic product in 2016: **\$503.7B** or **2.7% of GDP**
 - Expected to rise to 3.2% of GDP by 2027
- Total contribution to national gross domestic product in 2016, including indirect and induced activities from tourism (e.g. investment, taxes collected, spending from increased employment): **\$1,509B** or **8.1% of GDP**
 - Expected to rise to 9.3% of GDP by 2027
- Tourism's direct contribution to national employment in 2016: **5,486,000 jobs**, or **3.6% of total employment**
 - Expected to rise to 4.3% of national employment by 2027
- Domestic investment arising from Travel & Tourism was **\$160.8B** in 2016 or **4.4% of total gross investment**, and is expected to rise to 4.8% of total investment by 2027.

Source: [Travel & Tourism: Economic Impact 2017 \(World Travel & Tourism Council\)](#)

Tourism as an Export Industry

Like any other export, money from outside the area flows in through the sale of goods and services. These flow into local businesses in the form of sales, households in the form of wages and salaries, and local coffers through generated taxes, all of which are then spent on local goods and services, indirectly supporting non-tourism sectors of the economy.

- Estimated contribution of tourism to local economy (LaPorte County) in 2016: **\$680.7 million**

Source: [LaPorte County Tourism Community Report 2017, Certec Inc.](#)

Tourism as a Driver of Local Employment and Incomes

Number of workers in Michigan City employed in tourism-oriented industries, and as share of civilian workforce:

• Retail Trade (NAICS 44-45):	1,670 (13.5%)
• Arts, Entertainment, and Recreation (NAICS 71), Accommodation and Food Service (NAICS 72):	<u>2,012 (16.2%)</u>
Total	<u>3,682 (29.7%)</u>

Source: 2012-2016 American Community Survey 5-Year Estimates, U.S. Census Bureau's American FactFinder

Estimated jobs resulting from tourism: 6,250
 Estimated wages resulting from tourism: \$118.8 million

Source: LaPorte County Tourism Community Report 2017, Certec Inc.

Tourism as a Source of Local Taxes

Tourism drives sales in many taxed activities, from retail sales and local dining to hospitality and accommodations. While benefiting local businesses and supporting local incomes through wages, tourism also puts money into public coffers to help support everything from local schools, fire departments and police to infrastructure spending and other public goods.

• Estimated local tax revenue contributed from tourism:	\$41.7 million
From Innkeeper's Tax	\$130,000
From Gaming Tax Revenue	\$350,000

Source: LaPorte County Tourism Community Report 2017, Certec Inc.

DOWN TOWN MICHIGAN CITY (1950s-1960s)



MICHIGAN CITY (1980s-1990s)

Twin developments knocked many cities with concentrated manufacturing bases off their previous growth path:

- increasing productivity reduced the demand for certain types of labor,
- increased competition from abroad with the opening of foreign trade (notably accelerating in the 1990s).

With the decline in Americans employed in the steel mills and manufacturing came a reversal of fortunes in many cities, Michigan City no exception. As incomes stagnated, emigration led to a prolonged population decline (from ~39,000 in 1970 to ~33,000 in 2000).

- Declining local demand for goods and services
- Urban blight begins to impact city's image, negatively impacting tourism to the city.

DOWN TOWN MICHIGAN CITY (1990s-2000s)



DOWN TOWN MICHIGAN CITY TODAY



Great Lakes Grand Prix, 2018



Uptown Arts District



Taste of Michigan City, 2018

2018 MICHIGAN CITY GRAND PRIX



Several of the Most Visited Attractions in the County are In or Adjacent to Michigan City

- Indiana Dunes & Beachfront (2.16 million annual attendance in 2017)
- Lighthouse Place Outlets (5 million annual attendance in 2017)
- Blue Chip Casino (2.253 million admission in 2017)
- Washington Park Zoo (100,122 annual attendance in 2017
72% of which from outside the MSA)

Additionally, common tourist destinations include our local breweries and wineries, historic sites like the Barker Mansion, and the many fine dining establishments in the area.

Popular Tourist Attractions are Development Assets



Popular Tourist Attractions are Development Assets



Artspace Uptown Artist Lofts



Zorn Brewery Makes a Comeback after 77 Years



Create. Play. Repeat. "Art Centric City"



The Challenges of Boosting Tourism

- Consumers increasingly expecting a personalized experience
 - No longer are tourists just looking for a weekend away, but a tailor-made and unique vacation that is consistent with their interests
 - Facilitated in large part by the internet which allows would-be tourists to research their intended destination well before every leaving home
 - Tourism boards and local EDCs will need to closely monitor and gauge consumer expectations and preference (effective data management is key)
- Women a growing tourist demographic
 - Many failing to adapt to women's growing voices and wallets, with many attractions still geared to men and children.
 - Increasing numbers of women choosing to travel alone
