



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

# The Russell County, Kansas Visitor Industry, 2021

February 2023





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## INTRODUCTION

# PROJECT BACKGROUND

The travel sector is an integral part of the Russell County economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the county's economy. Two examples: in 2021, tourism-supported jobs accounted for 1-of-8 jobs in the county and \$1.9 million in revenues to state and local governments.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs.

## METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for Russell County, Kansas. The model traces the flow of visitor-related expenditures through the county's economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

Visitors included those who stayed in overnight accommodations or those who came from a distance greater than 50 miles and deviated from their normal routine.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis.

This is particularly true for Russell County as its tourism economy rebounds. By establishing a timeline of economic impacts, the industry can track its recovery and progress.

To quantify the significance of the visitor economy in Russell County, Kansas, Tourism Economics developed a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the visitor economy in terms of direct visitor spending, along with total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- D.K. Shifflet: state-level visitation and visitor spending estimates
- Kansas Department of Revenue: tax collections: bed and sales tax receipts
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR lodging performance data, including room demand, room rates, occupancy, and room revenue



# ECONOMIC IMPACTS

## KEY FINDINGS

### DIRECT VISITOR SPENDING IMPACT

With a strong tourism recovery in 2021, visitor spending in Russell County surpassed pre-pandemic levels in 2021. Visitor spending reached \$18.0 million in 2021, \$1.5 million higher than 2019 levels.

This economic activity supported 215 jobs in Russell County which earned those job-holders a total of \$4.9 million in income. State and local governmental revenues increased by \$400K to reach \$1.9 million in tax and assessment revenues in 2021.

### SUMMARY ECONOMIC IMPACTS

#### Russell County, Kansas Tourism (2021)



**\$18.0M**

Direct Visitor  
Spending



**215**

Total  
Jobs  
Generated



**\$1.9M**

State & Local  
Taxes  
Generated



# VISITOR INDICATOR TRENDS

## SALES TAX COLLECTIONS

Understanding the performance of local industries in the areas that are impacted by travel along with their comparison to the state and other industries helps support the analysis.

These indicators support evidence of visitor activity growth in the latter part of the 2010s along with a stronger rebound coming out of the pandemic in Russell County.

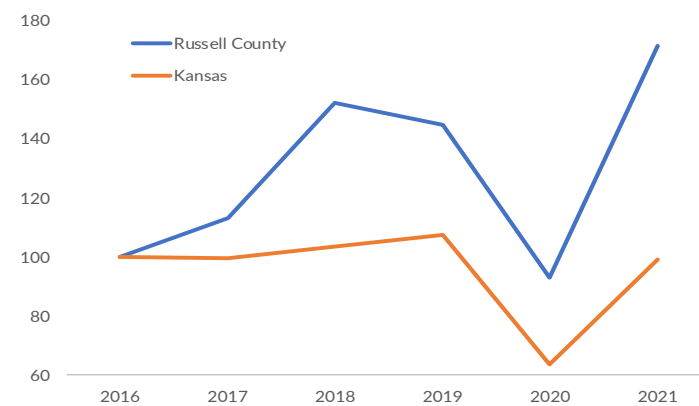
Sales tax collections from lodging businesses in Russell County outpaced the state during the 2016-2018 period. While the pandemic losses were similar, lodging growth in Russell County outperformed the state in 2021.

The performance of the restaurant industry supports tourism's quick rebound in Russell County. Restaurant sales barely fell in 2020, a much milder decline than that of the state, before seeing a stronger rebound in 2021 to levels above pre-pandemic.

This data provides evidence of a strong recovery in tourism in 2021. However, with lodging recovery at pre-pandemic levels, some of the strength in restaurant sales is likely from residential demand.

### Taxable lodging sales

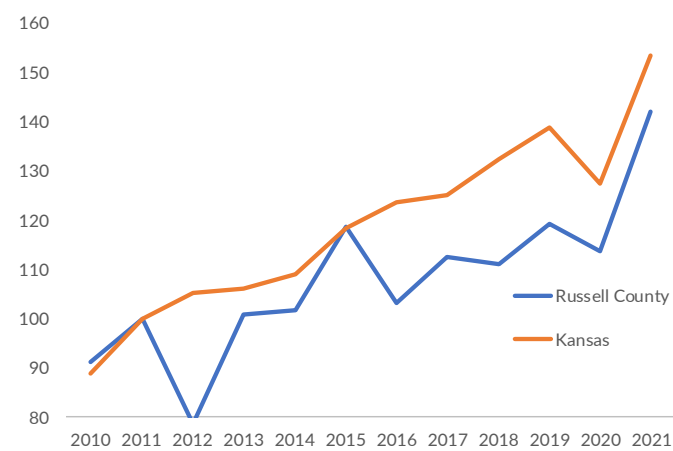
Indexed 2011=100



Source: Kansas Department of Revenue

### Taxable restaurant sales

Indexed 2011=100



Source: Kansas Department of Revenue

## EMPLOYMENT MEASURES

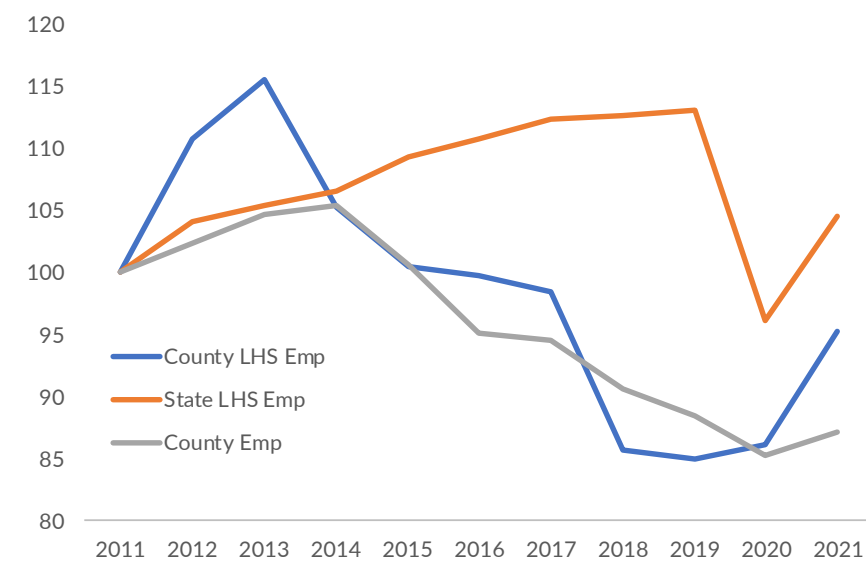
Along with sales tax data, employment growth in key visitor-supported industries points to the level of the recovery in Russell County.

Leisure and hospitality employment increased 10.6% in 2021, stronger than the state's 8.9% increase. This increase has pushed leisure employment in the county above pre-pandemic levels.

The spending recovery in these industry sectors was stronger than the employment recovery. The differences between spending and employment highlighted two issues--the challenges the leisure and hospitality industry has had re-hiring workers, and price increases driving much of the spending gains.

### Employment growth

Indexed 2011=100



Source: BLS



## VISITOR SPENDING

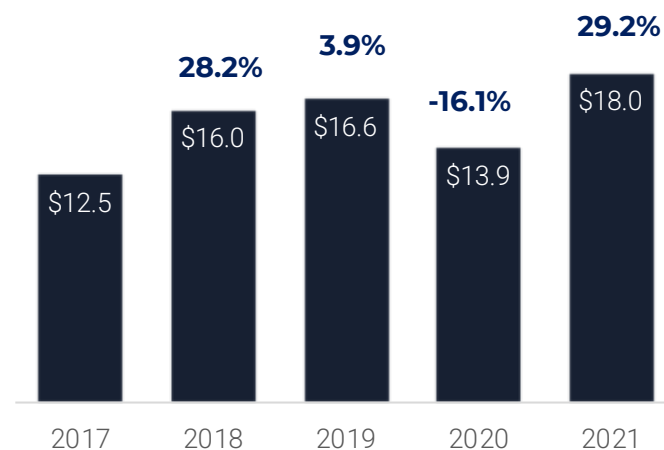
Tourism rebounded in Russell County in 2021. Pandemic effects softened and consumer confidence in travel grew, supporting both people's desire to and interest in travel. This pushed visitor spending to impressive growth rates. Strength in leisure travel helped drive overall results, countered by the uneven recovery in business and event-related travel.

### VISITOR SPENDING

#### Recovery in 2021

In 2021, travel confidence rebounded with easing restrictions and available vaccines. As a result, visitor spending growth was strong, registering a gain of nearly 30% in 2021, with levels surpassing pre-pandemic levels by 8%.

**Russell County visitor spending**  
Amounts in \$ millions



Source: Tourism Economics

## VISITOR SPENDING

Visitors to Russell County, Kansas spent \$18.0 million across a range of sectors in 2021.

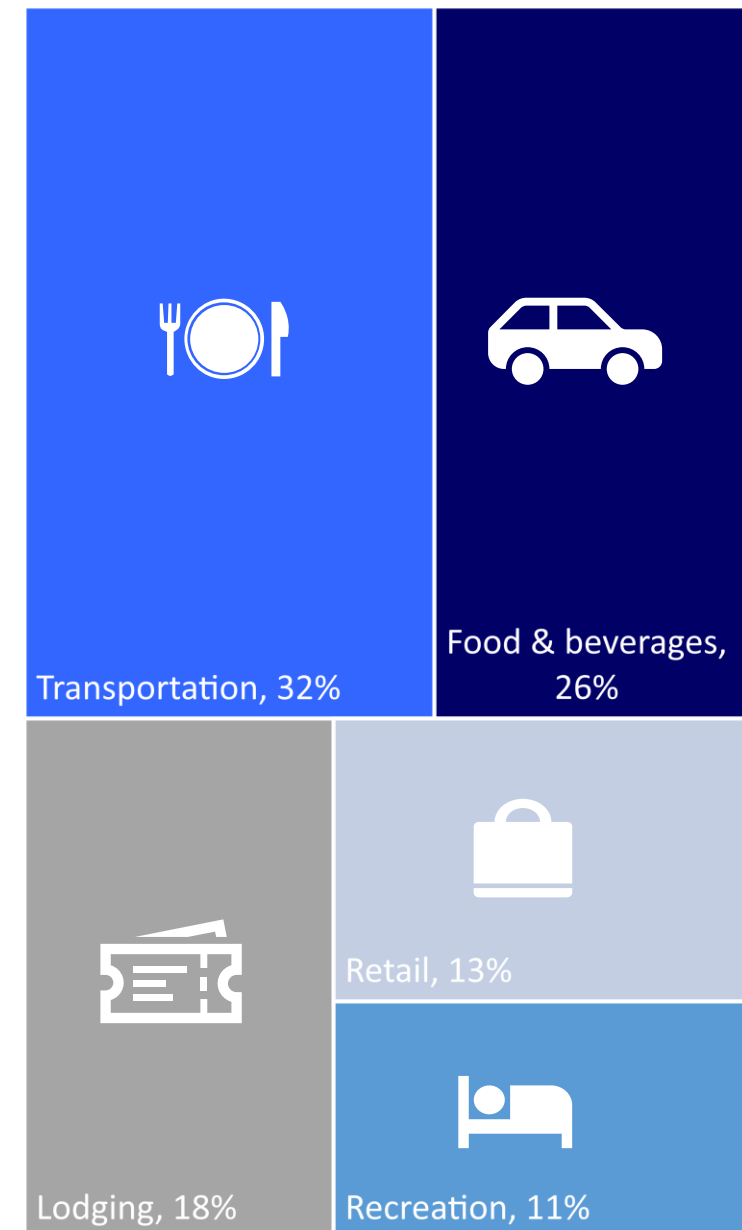
The largest category of spending for visitors in Russell County was on transportation costs. Lying on a key east-west route in Kansas (I-70) centers transportation infrastructure in Russell County, supporting Kansas visitors.

Food & beverage spending is the second largest category. Of all visitor spending, 26% is spent on food & beverages - this is spending at businesses like restaurants, bars, grocery stores, and other food establishments.

Spending on lodging was 18 cents of the average visitor dollar in 2021. With lodging spending increasing faster than overall visitor spending, this share grew by nearly three percentage points in 2021.

Retail spending was the fourth largest category of spending in Russell County at 13% of total visitor spending, with the final 11% spent on recreational activities.

 **\$18.0 MILLION**  
Total Visitor Spending in 2021



Source: Tourism Economics

Lodging spending also includes second homes. Transport includes both air and local transportation.



## VISITOR SPENDING TRENDS

Spending grew across all sectors with the strongest growth seen in the categories that had been hardest hit during the pandemic – lodging and recreation. Lodging spending increased 57% after a fall of over a third in 2020. With that historic increase, lodging spending reached 98% of pre-pandemic levels in 2021.

Recreational spending grew 40% in 2021, bringing it above pre-pandemic levels by 16%.

Visitor spending on retail shopping had the strongest recovery, surpassing pre-pandemic levels by more than half a million, 18% above 2019 levels.

## VISITOR CATEGORY TIMELINE

As visitor activity returned closer to normal in 2021, spending category shares shifted away from pandemic-influenced levels. The share of the visitor dollar spent on lodging increased three percentage points to 17.7% of the visitor dollar. Lodging's share was around 20% prior to the pandemic – the 2021 recovery regained a bit more than half of the lodging spending share lost during the pandemic.

The share of the visitor dollar spent on retail shopping rose in 2021, reaching 13.3%. An increase in interest in retail shopping during the pandemic was noteworthy. Whether this trends continues in future years will be one to watch – are travelers changing their behaviors around retail shopping – which had been declining in importance prior to the pandemic.

The pend-up demand by visitors can be seen in the growth in the recreational share of the visitor dollar, growing to 11% in 2021. After being unable to visit museums or go to shows during the pandemic, these areas have benefitted from the increased interest as tourism recovers.

## Russell County, Kansas visitor spending and annual growth

Amounts in \$ millions, 2021 % change, and % recovered relative to 2019

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
<b>Visitor spending</b>	<b>\$12.5</b>	<b>\$16.0</b>	<b>\$16.6</b>	<b>\$13.9</b>	<b>\$18.0</b>	<b>29.2%</b>	<b>108.4%</b>
Lodging	\$2.5	\$3.4	\$3.3	\$2.0	\$3.2	56.6%	98.1%
Food & beverage	\$3.3	\$3.7	\$4.0	\$3.6	\$4.6	25.9%	113.5%
Retail	\$1.5	\$1.9	\$2.0	\$1.8	\$2.4	32.8%	118.0%
Recreation	\$1.3	\$1.7	\$1.7	\$1.4	\$2.0	39.2%	116.2%
Transportation	\$3.8	\$5.2	\$5.5	\$5.0	\$5.8	16.3%	104.8%

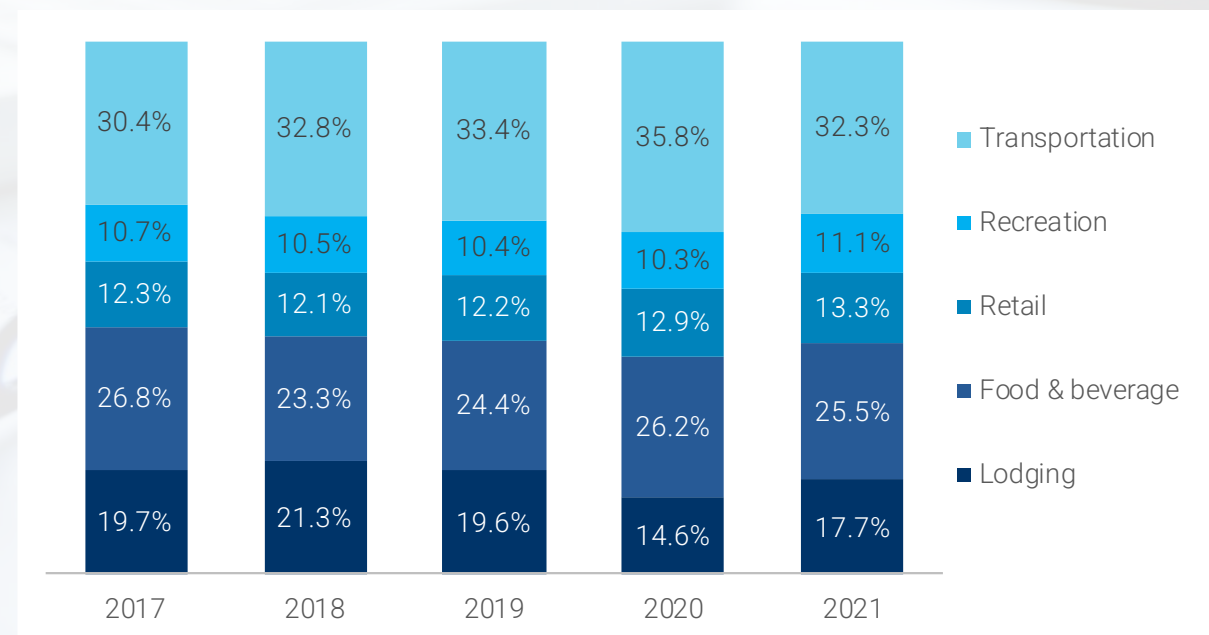
Source: Tourism Economics

Lodging includes second home spending

Transportation includes both ground and air transportation

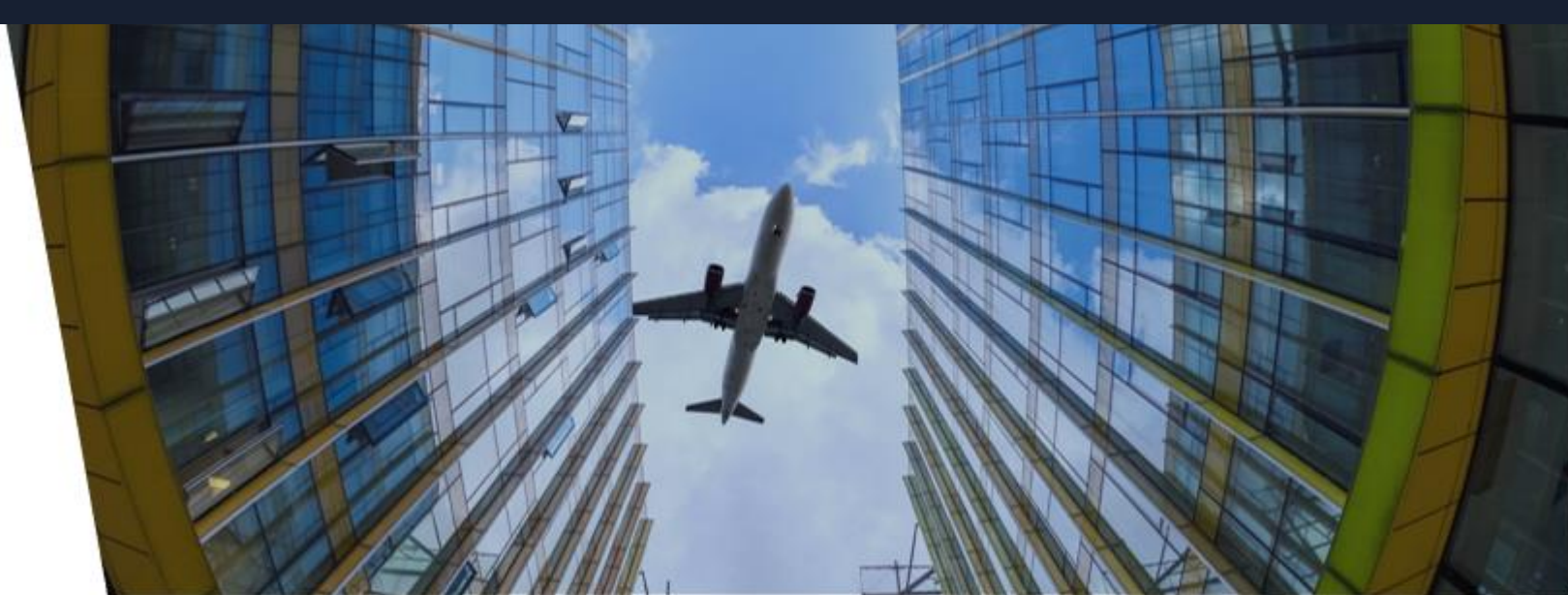
## Visitor Spending Shares in Russell County, 2017-2021

By category, %



Source: Tourism Economics





## ECONOMIC IMPACT METHODOLOGY

Our analysis of the Russell County, Kansas visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Russell County, Kansas economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

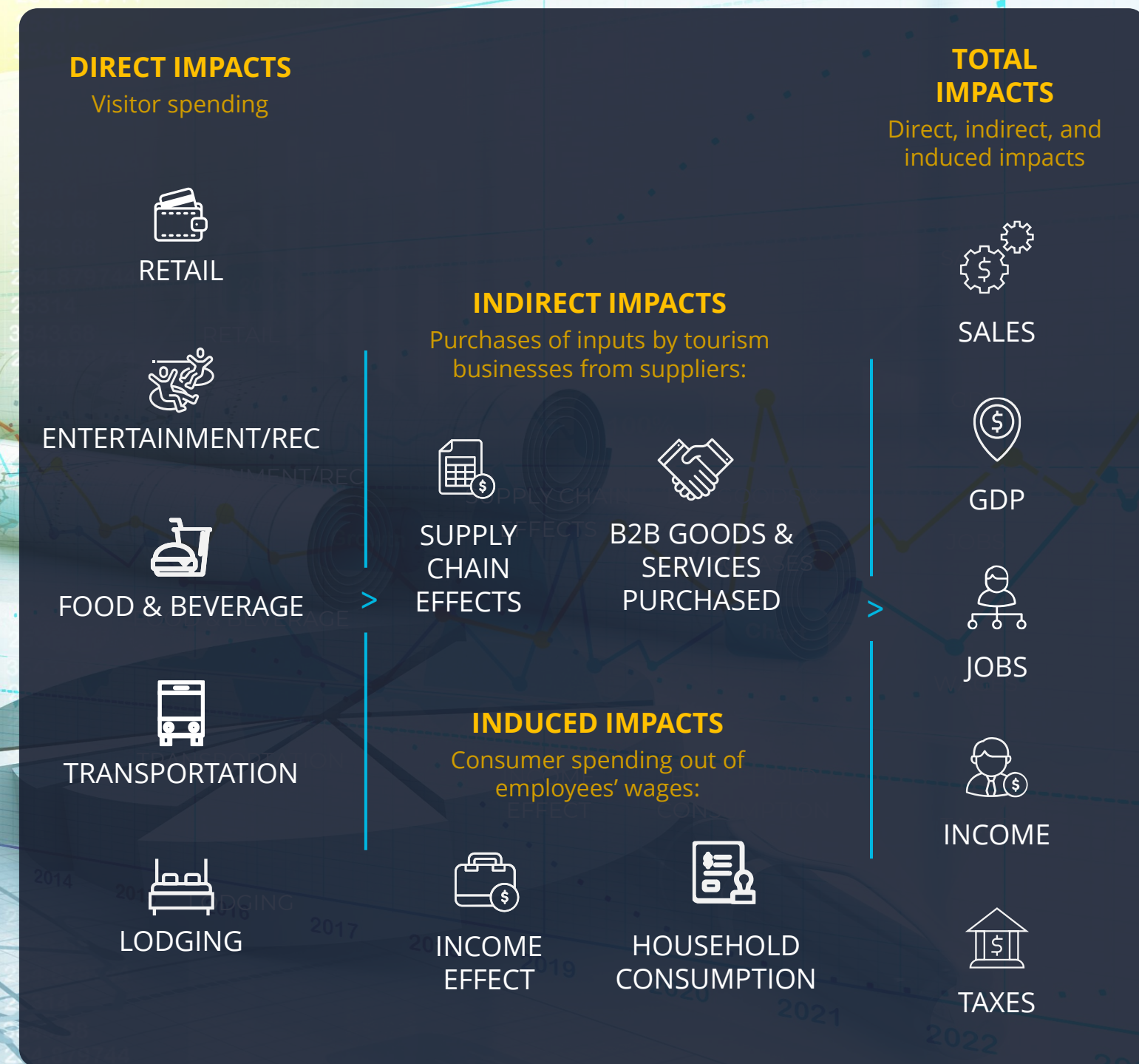
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

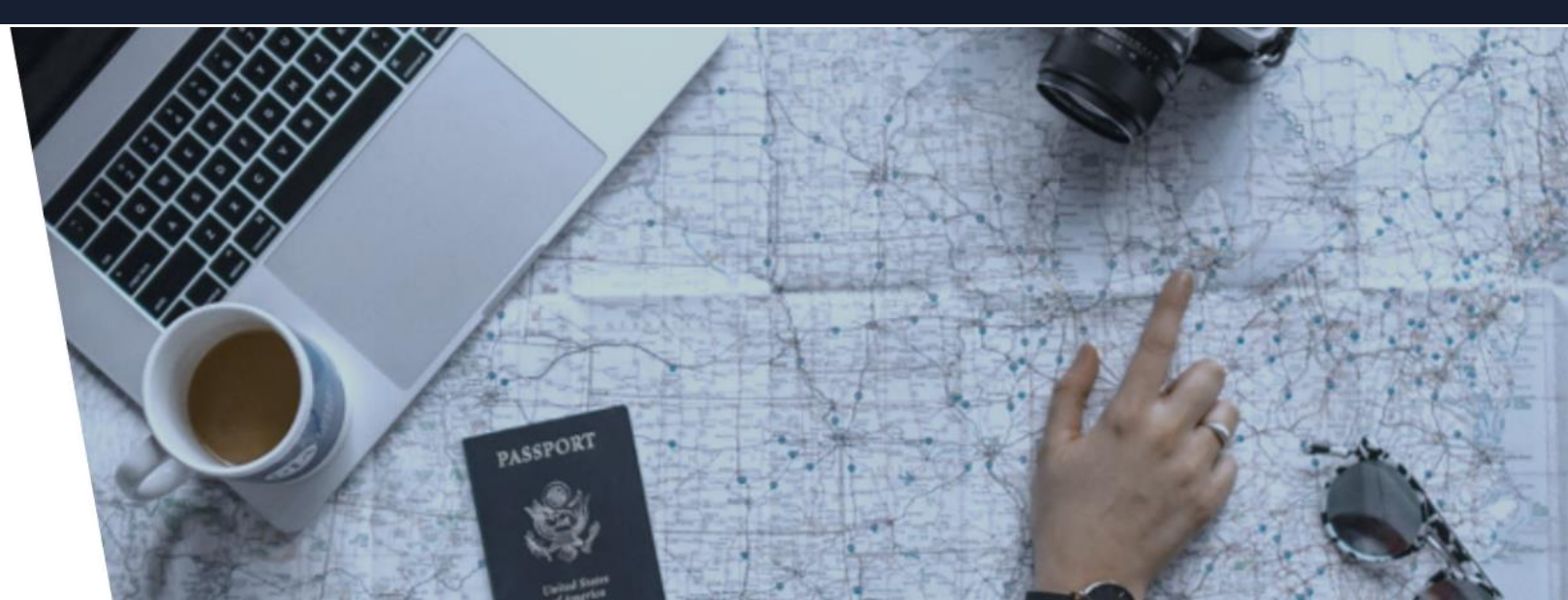
The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

## ECONOMIC IMPACT FRAMEWORK







## ECONOMIC IMPACT FINDINGS

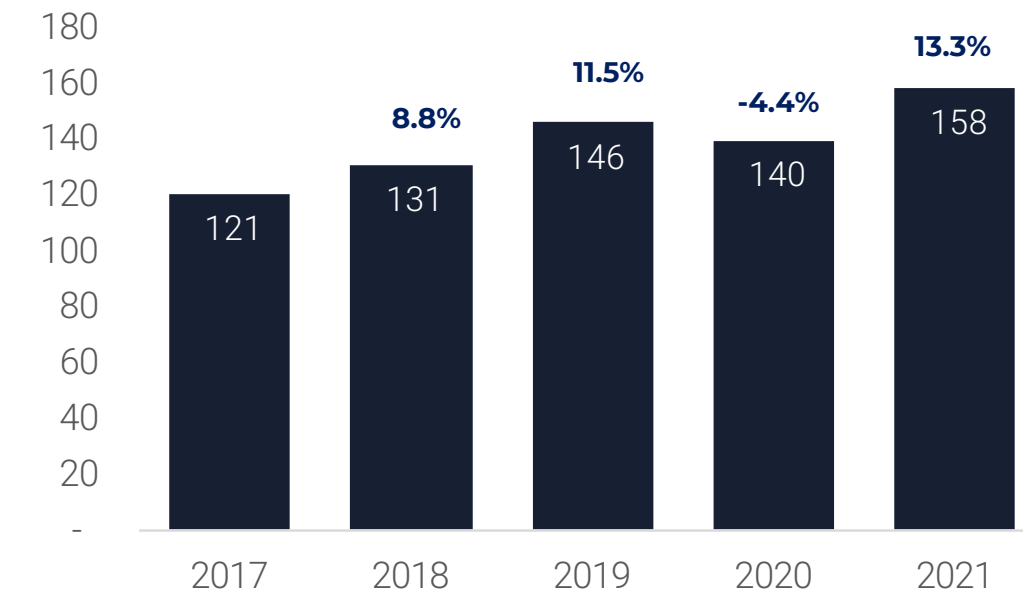
### DIRECT IMPACTS

Employment supported by visitor activity rose 13% in 2021, rebounding to 158 jobs. The number of jobs jumped by 19 in 2021. With the increase, the number of jobs directly supported by visitors is 12 jobs above pre-pandemic levels.

The evaluation of the direct impact of visitor activity allows for comparisons and rankings against other industries. Comparing employment levels, were direct visitor-associated employment to be ranked against other industries, tourism would rank 3<sup>rd</sup> in the county.

### Visitor supported employment in Russell County

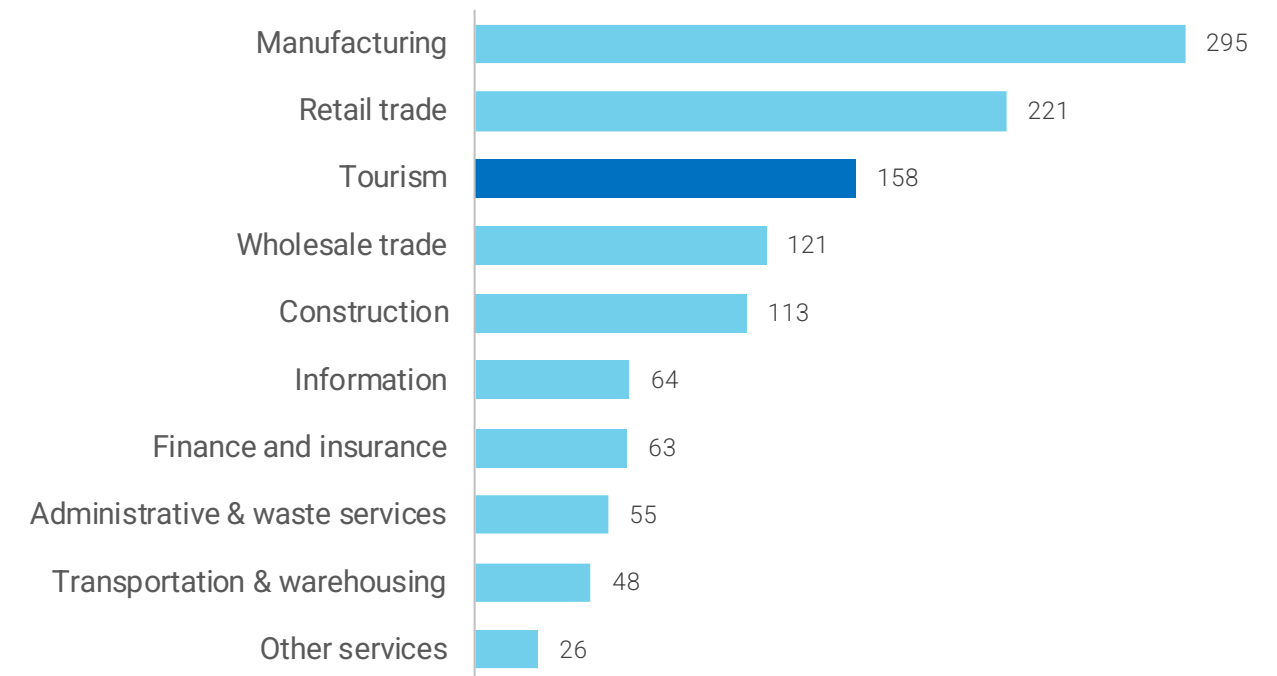
Amounts in number of jobs



Source: Tourism Economics

### Employment in Russell County, by major industry

Amounts in number of jobs



Source: BEA, BLS, Tourism Economics



# ECONOMIC IMPACT FINDINGS

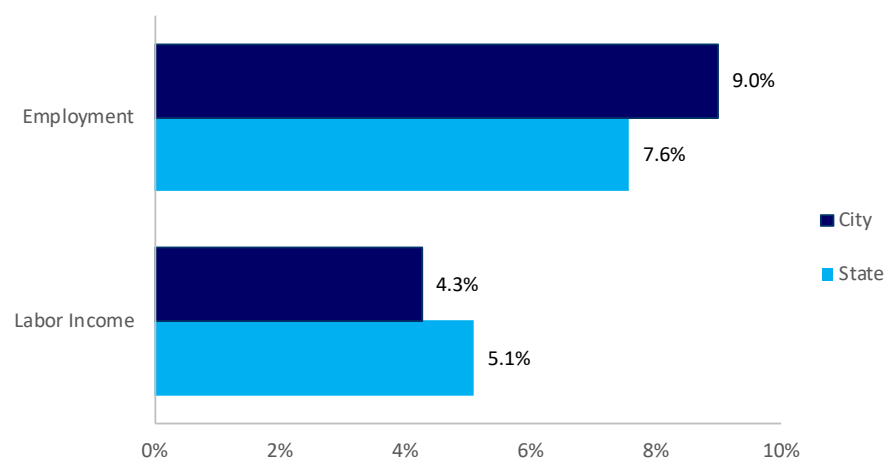
## BUSINESS SALES IMPACTS

Visitor activity in Russell County supported a total of 215 jobs in the county, 12.2% of all jobs in Russell County. These jobs include employment at businesses that interact with tourism businesses. The spending at supplier businesses in Russell County by tourism businesses supported 27 jobs which earned \$1.0 million in wages and benefits. Examples of this indirect effect include building services and business services like advertisers, printers, and bankers.

The share of direct jobs supported by Russell County visitor activity in the county is higher than the statewide share. Russell County is more reliant on tourism jobs than the state.

### Share of county

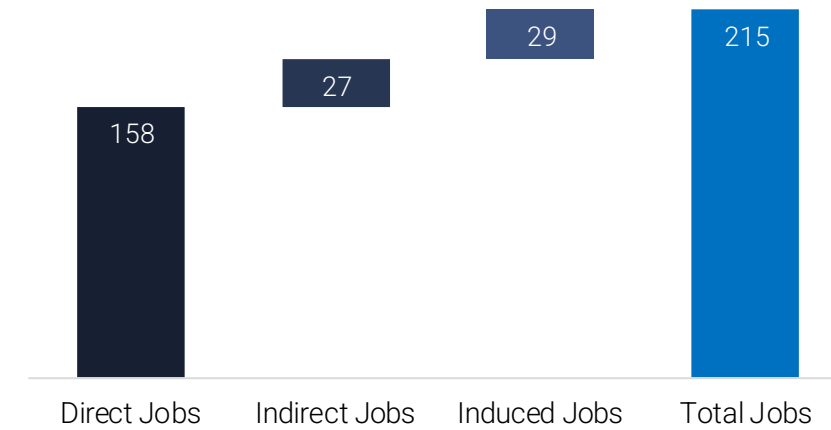
Direct tourism share of county employment and wages



Source: BLS, Tourism Economics

## Summary employment impacts (2021)

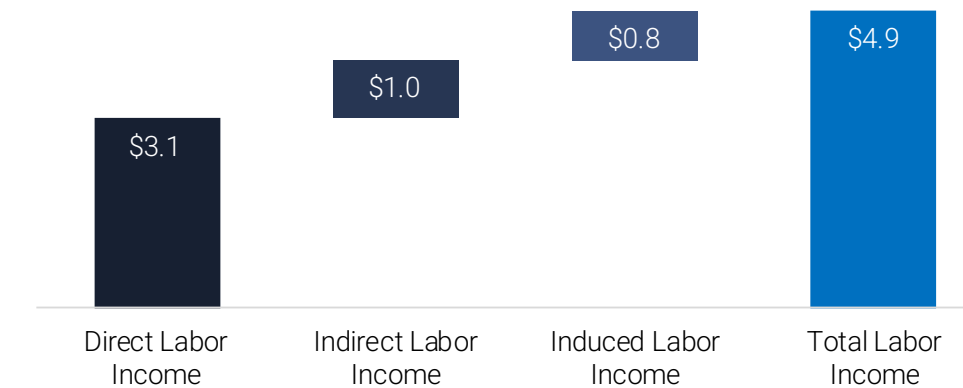
Amounts in number of jobs



Source: Tourism Economics

## Summary labor income impacts (2021)

Amounts in \$ millions



Source: Tourism Economics



## ECONOMIC IMPACT FINDINGS

### DIRECT IMPACTS

Russell County's \$18.0 million in visitor spending represents 0.3% of all visitor spending in Kansas. Russell County's share of visitor spending remains higher than pre-pandemic levels with Russell County's visitor spending surpassing pre-pandemic levels while the state remains 5% below.

Of all jobs directly supporting visitor activity in Kansas, 0.3% were in Russell County in 2021.

Local employees that directly support visitor activity earned \$3.1 million in wages and other income.

#### Direct impacts

Employment in jobs, spending and income in \$ millions

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
<b>Visitor Spending</b>							
Russell County	\$12.5	\$16.0	\$16.6	\$13.9	\$18.0	29.2%	108.4%
Kansas	\$6,793.6	\$7,106.7	\$7,326.7	\$5,445.7	\$6,960.3	27.8%	95.0%
Share	0.18%	0.22%	0.23%	0.26%	0.26%		
<b>Employment</b>							
Russell County	121	131	146	140	158	13.3%	108.4%
Kansas	64,701	65,352	66,007	53,084	57,051	7.5%	86.4%
Share	0.19%	0.20%	0.22%	0.26%	0.28%		
<b>Labor Income</b>							
Russell County	\$2.4	\$2.5	\$2.7	\$2.6	\$3.1	21.1%	114.5%
Kansas	\$1,545	\$1,746	\$1,801	\$1,517	\$1,721	13.5%	95.6%
Share	0.15%	0.14%	0.15%	0.17%	0.18%		

Source: Tourism Economics

## ECONOMIC IMPACT FINDINGS

### TOTAL IMPACTS

Tourism supported 215 jobs in Russell County – 1-in-8 jobs in Russell County.

Russell County jobholders that are supported by visitor activity earn \$4.9 million in wages and benefits from their jobs. This is money earned by Russell County job-holders that supports local households.

Visitor activity supported \$1.9 million in state and local governmental revenues in 2021.

#### Total impacts

Employment in jobs, income and taxes in \$ millions

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
<b>Employment</b>							
Russell County	162	175	193	190	215	12.9%	111.2%
Kansas	96,037	96,590	97,234	80,152	84,431	5.3%	86.8%
Share	0.17%	0.18%	0.20%	0.24%	0.25%		
<b>Labor Income</b>							
Russell County	\$3.7	\$3.9	\$4.3	\$4.2	\$4.9	17.7%	113.8%
Kansas	\$3,121.0	\$3,182.2	\$3,263.8	\$2,821.7	\$3,112.2	10.3%	95.4%
Share	0.12%	0.12%	0.13%	0.15%	0.16%		
<b>State &amp; Local Taxes</b>							
Russell County	\$1.3	\$1.5	\$1.6	\$1.6	\$1.9	23.4%	117.2%
Kansas	\$618.4	\$638.3	\$671.3	\$589.1	\$700.5	18.9%	104.3%
Share	0.21%	0.24%	0.25%	0.27%	0.28%		

Source: Tourism Economics

# APPENDIX

## Glossary – Spending Definitions

Term	Description
<b>Lodging</b>	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
<b>Food and beverage</b>	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
<b>Recreation</b>	Includes visitor spending within the arts, entertainment and recreation sub-sector.
<b>Shopping</b>	Includes visitor spending in all retail sub-sectors within the local economy.
<b>Local transport</b>	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
<b>Service stations</b>	Visitor spending on gasoline.
<b>Second homes</b>	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

## Glossary – Economic Impact Definitions

Term	Description
<b>Direct Impact</b>	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
<b>Indirect Impact</b>	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
<b>Induced Impact</b>	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
<b>Employment</b>	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
<b>Labor income</b>	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
<b>Value Added (GDP)</b>	The economic enhancement a company gives its products or services before offering them to customers.
<b>Local Taxes</b>	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
<b>State Taxes</b>	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.



# ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, state, and city coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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