



TOURISM, ARTS & HERITAGE CABINET ECONOMIC IMPACT OF KENTUCKY'S TRAVEL AND TOURISM INDUSTRY – 2013 AND 2014

KentuckyTourism.com/Industry • 502-564-4270

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EXECUTIVE SUMMARY

A detailed examination of the expenditure, employment, and tax impacts generated by the Kentucky tourism and travel industry, as well as the industry structure, has been conducted for the Kentucky Tourism, Arts & Heritage Cabinet. The major findings of the 2014 study follow:

- The tourism and travel industry contributed over \$13 billion to Kentucky's economy in 2014. Direct expenditures by tourists accounted for over \$8.3 billion of this total – an increase of 4.4 percent since 2013.
- The 2014 tourism industry generated nearly \$1.37 billion in tax revenues to government - \$1.19 billion to the state and nearly \$176.1 million locally. This is an increase from \$1.31 billion in tax revenues in 2013.
- All nine tourism regions showed gains in revenues between 2013 and 2014. The largest increase occurred in the Caves, Lakes & Corvettes Region. It increased by 6.7 percent between the two years.
- A total of 179,963 jobs in Kentucky resulted from the industry in 2014—up 4,217 jobs from 2013. Direct expenditures created 125,938 of these jobs.
- The tourism-generated jobs provided over \$2.9 billion in wages to Kentucky workers—an increase of \$123 million from 2013 wages.

**KENTUCKY'S TOURISM AND TRAVEL INDUSTRY
EXPENDITURES, 2013 AND 2014**

| | <u>2013</u> | <u>2014</u> |
|---|------------------|------------------|
| Total Expenditures in Kentucky | \$12,526,213,350 | \$13,075,154,260 |
| Direct Expenditures | \$7,968,329,103 | \$8,317,528,155 |
| Indirect Expenditures ¹ | \$4,557,884,247 | \$4,757,626,105 |
| Annual Change between 2013 and 2014 (direct expenditures only) | | 4.4% |

¹The indirect and induced expenditures resulting from the initial infusion of money into the Kentucky economy were calculated using the RIMS II input-output (I-O) model developed by the U.S. Department of Commerce, Bureau of Economic Analysis. The output from the Certec Model© served as data input for the I-O model. The latter model provided indirect expenditures resulting from the tourism industry.

**TAX REVENUES AND WAGES GENERATED BY
KENTUCKY'S TOURISM AND TRAVEL INDUSTRY, 2013 AND 2014**

| | <u>2013</u> | <u>2014</u> |
|--|-----------------|-----------------|
| Total State and Local Taxes ¹ | \$1,311,411,806 | \$1,368,882,094 |
| State Taxes | 1,142,713,584 | 1,192,791,147 |
| Local Taxes | 168,698,222 | 176,090,947 |
| Wages ¹ | \$2,809,445,584 | \$2,932,564,896 |

¹Based on analysis using using the RIMS II input-output (I-O) model developed by the U.S. Department of Commerce, Bureau of Economic Analysis.

DIRECT TRAVEL EXPENDITURES IN KENTUCKY BY REGION, 2013 AND 2014

| <u>Location</u> | Direct Expenditures <u>2013</u> | Direct Expenditures <u>2014</u> | Change <u>2013-2014</u> |
|---------------------------------------|---------------------------------------|---------------------------------------|----------------------------|
| STATE | \$7,968,329,103 | \$8,317,528,155 | 4.4% |
| WESTERN WATERLANDS | 506,803,849 | 523,928,398 | 3.4 |
| BLUEGRASS, BLUES & BARBECUE | 317,568,953 | 331,367,324 | 4.3 |
| CAVES, LAKES & CORVETTES | 370,292,046 | 395,099,286 | 6.7 |
| BOURBON, HORSES & HISTORY | 2,434,193,628 | 2,556,025,612 | 5.0 |
| KY'S SOUTHERN SHORELINE | 189,318,691 | 193,867,294 | 2.4 |
| NORTHERN KENTUCKY RIVER | 1,700,399,638 | 1,782,114,545 | 4.8 |
| BLUEGRASS, HORSES, BOURBON & BOONE | 1,761,999,157 | 1,831,197,313 | 3.9 |
| KENTUCKY APPALACHIANS | 381,539,911 | 391,196,071 | 2.5 |
| DANIEL BOONE COUNTRY | 306,213,230 | 312,732,312 | 2.1 |

TRAVEL EXPENDITURES IN KENTUCKY, 2013 AND 2014

| <u>Western Waterlands</u> | <u>2013 Direct Expenditures</u> | <u>2013 Total Expenditures*</u> | <u>2014 Direct Expenditures</u> | <u>2014 Total Expenditures</u> |
|----------------------------------|--|--|--|---------------------------------------|
| Ballard | 3,402,793 | 5,349,191 | 3,491,266 | 5,488,270 |
| Caldwell | 4,608,213 | 7,244,111 | 4,663,512 | 7,331,041 |
| Calloway | 45,889,922 | 72,138,957 | 46,532,381 | 73,148,903 |
| Carlisle | 587,654 | 923,792 | 579,427 | 910,859 |
| Christian | 83,091,352 | 130,619,605 | 87,245,920 | 137,150,586 |
| Crittenden | 3,642,018 | 5,725,252 | 3,645,660 | 5,730,978 |
| Fulton | 4,847,874 | 7,620,858 | 4,862,418 | 7,643,721 |
| Graves | 20,177,615 | 31,719,211 | 20,298,681 | 31,909,527 |
| Hickman | 397,536 | 624,927 | 393,561 | 618,678 |
| Livingston | 15,907,290 | 25,006,260 | 15,748,217 | 24,756,197 |
| Lyon | 27,233,083 | 42,810,406 | 27,314,782 | 42,938,837 |
| Marshall | 74,292,507 | 116,787,821 | 78,601,472 | 123,561,514 |
| McCracken | 203,904,695 | 320,538,181 | 211,653,072 | 332,718,629 |
| Todd | 2,178,088 | 3,423,954 | 2,404,609 | 3,780,045 |
| Trigg | 16,643,209 | 26,163,125 | 16,493,420 | 25,927,656 |
| Regional Total | 506,803,849 | 796,695,651 | 523,928,398 | 823,615,442 |

| <u>Bluegrass, Blues & Barbecue</u> | <u>2013 Direct Expenditures</u> | <u>2013 Total Expenditures</u> | <u>2014 Direct Expenditures</u> | <u>2014 Total Expenditures</u> |
|---|--|---------------------------------------|--|---------------------------------------|
| Daviess | 174,655,173 | 274,557,932 | 179,370,863 | 281,970,997 |
| Hancock | 1,214,718 | 1,909,537 | 1,329,620 | 2,090,163 |
| Henderson | 53,041,440 | 83,381,144 | 56,571,761 | 88,930,808 |
| Hopkins | 49,039,976 | 77,090,842 | 51,757,735 | 81,363,159 |
| McLean | 1,379,788 | 2,169,027 | 1,396,284 | 2,194,958 |
| Muhlenberg | 22,500,499 | 35,370,784 | 24,438,436 | 38,417,221 |
| Ohio | 6,516,562 | 10,244,035 | 7,195,768 | 11,311,747 |
| Union | 6,185,776 | 9,724,040 | 6,277,906 | 9,868,868 |
| Webster | 3,035,021 | 4,771,053 | 3,028,951 | 4,761,511 |
| Regional Total | 317,568,953 | 499,218,394 | 331,367,324 | 520,909,433 |

*The indirect economic impact figures were determined by applying the statewide multiplier to each county's direct economic impact figure. This was done so that a comparison can be made between 2014 figures and previous year figures.

TRAVEL EXPENDITURES IN KENTUCKY, 2013 AND 2014

| <u>Caves, Lakes & Corvettes</u> | <u>2013 Direct Expenditures</u> | <u>2013 Total Expenditures</u> | <u>2014 Direct Expenditures</u> | <u>2014 Total Expenditures</u> |
|--|--|---------------------------------------|--|---------------------------------------|
| Allen | 7,753,561 | 12,188,598 | 8,420,367 | 13,236,817 |
| Barren | 70,105,512 | 110,205,865 | 75,223,215 | 118,250,894 |
| Butler | 3,150,907 | 4,953,226 | 3,434,489 | 5,399,017 |
| Edmonson | 3,500,054 | 5,502,085 | 3,650,556 | 5,738,674 |
| Hart | 13,154,785 | 20,679,322 | 14,167,703 | 22,271,629 |
| Logan | 14,680,126 | 23,077,158 | 15,472,853 | 24,323,325 |
| Metcalfe | 2,902,455 | 4,562,659 | 3,172,383 | 4,986,986 |
| Monroe | 3,506,448 | 5,512,136 | 3,695,796 | 5,809,791 |
| Simpson | 19,167,312 | 30,131,014 | 21,084,043 | 33,144,116 |
| <u>Warren</u> | <u>232,370,886</u> | <u>365,287,033</u> | <u>246,777,881</u> | <u>387,934,829</u> |
| Regional Total | 370,292,046 | 582,099,096 | 395,099,286 | 621,096,078 |

| <u>Bourbon, Horses & History</u> | <u>2013 Direct Expenditures</u> | <u>2013 Total Expenditures</u> | <u>2014 Direct Expenditures</u> | <u>2014 Total Expenditures</u> |
|---|--|---------------------------------------|--|---------------------------------------|
| Breckinridge | 3,979,859 | 6,256,338 | 4,150,993 | 6,525,361 |
| Bullitt | 81,534,299 | 128,171,918 | 86,469,534 | 135,930,107 |
| Grayson | 15,375,858 | 24,170,849 | 17,682,806 | 27,797,371 |
| Hardin | 188,428,637 | 296,209,817 | 200,096,354 | 314,551,468 |
| Henry | 4,583,713 | 7,205,597 | 4,625,527 | 7,271,328 |
| Jefferson | 1,930,671,014 | 3,035,014,834 | 2,011,412,552 | 3,161,940,532 |
| Larue | 5,255,153 | 8,261,101 | 5,954,697 | 9,360,784 |
| Marion | 14,435,431 | 22,692,498 | 15,940,671 | 25,058,735 |
| Meade | 18,813,622 | 29,575,014 | 21,334,647 | 33,538,065 |
| Nelson | 52,052,374 | 81,826,332 | 56,967,307 | 89,552,607 |
| Oldham | 57,808,730 | 90,875,324 | 64,069,324 | 100,716,977 |
| Shelby | 53,938,140 | 84,790,756 | 58,925,274 | 92,630,531 |
| Spencer | 3,551,717 | 5,583,299 | 3,943,510 | 6,199,198 |
| Trimble | 539,378 | 847,902 | 584,686 | 919,126 |
| <u>Washington</u> | <u>3,225,703</u> | <u>5,070,805</u> | <u>3,867,730</u> | <u>6,080,072</u> |
| Regional Total | 2,434,193,628 | 3,826,552,383 | 2,556,025,612 | 4,018,072,262 |

TRAVEL EXPENDITURES IN KENTUCKY, 2013 AND 2014

| <u>Kentucky's Southern Shorelines</u> | <u>2013 Direct Expenditures</u> | <u>2013 Total Expenditures</u> | <u>2014 Direct Expenditures</u> | <u>2014 Total Expenditures</u> |
|--|--|---------------------------------------|--|---------------------------------------|
| Adair | 6,949,938 | 10,925,303 | 7,088,937 | 11,143,809 |
| Casey | 4,579,180 | 7,198,471 | 4,643,289 | 7,299,250 |
| Clinton | 6,444,163 | 10,130,224 | 6,540,825 | 10,282,177 |
| Cumberland | 5,178,443 | 8,140,512 | 5,271,655 | 8,287,042 |
| Green | 2,364,954 | 3,717,708 | 2,436,762 | 3,830,590 |
| McCreary | 4,639,368 | 7,293,086 | 4,685,760 | 7,366,015 |
| Pulaski | 74,526,629 | 117,155,861 | 77,433,168 | 121,724,940 |
| Russell | 29,369,156 | 46,168,313 | 29,692,217 | 46,676,165 |
| Taylor | 34,607,144 | 54,402,430 | 35,022,430 | 55,055,260 |
| Wayne | 20,659,716 | 32,477,074 | 21,052,251 | 33,094,139 |
| Regional Total | 189,318,691 | 297,608,982 | 193,867,294 | 304,759,386 |

| <u>Northern Kentucky River Region</u> | <u>2013 Direct Expenditures</u> | <u>2013 Total Expenditures</u> | <u>2014 Direct Expenditures</u> | <u>2014 Total Expenditures</u> |
|--|--|---------------------------------------|--|---------------------------------------|
| Boone | 873,465,876 | 1,373,088,357 | 920,110,846 | 1,446,414,250 |
| Bracken | 610,146 | 959,150 | 626,010 | 984,088 |
| Campbell | 77,662,377 | 122,085,257 | 79,137,962 | 124,404,876 |
| Carroll | 26,431,716 | 41,550,658 | 27,806,165 | 43,711,291 |
| Fleming | 16,606,165 | 26,104,891 | 16,772,227 | 26,365,941 |
| Gallatin | 5,165,543 | 8,120,234 | 5,428,986 | 8,534,366 |
| Grant | 15,967,427 | 25,100,795 | 16,861,603 | 26,506,440 |
| Kenton | 637,095,388 | 1,001,513,950 | 665,764,680 | 1,046,582,077 |
| Lewis | 2,518,312 | 3,958,786 | 2,684,418 | 4,219,905 |
| Mason | 36,401,856 | 57,223,718 | 38,361,690 | 60,304,577 |
| Owen | 2,548,736 | 4,006,613 | 2,678,722 | 4,210,951 |
| Pentleton | 3,363,846 | 5,287,966 | 3,283,114 | 5,161,055 |
| Robertson | 2,562,250 | 4,027,857 | 2,598,122 | 4,084,248 |
| Regional Total | 1,700,399,638 | 2,673,028,231 | 1,782,114,545 | 2,801,484,065 |

TRAVEL EXPENDITURES IN KENTUCKY, 2013 AND 2014

| <u>Bluegrass, Horses, Bourbon & Boone</u> | <u>2013 Direct Expenditures</u> | <u>2013 Total Expenditures</u> | <u>2014 Direct Expenditures</u> | <u>2014 Total Expenditures</u> |
|---|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
| Anderson | 7,725,185 | 12,143,991 | 8,157,795 | 12,824,054 |
| Bourbon | 20,865,719 | 32,800,910 | 20,615,330 | 32,407,299 |
| Boyle | 51,746,712 | 81,345,831 | 50,804,791 | 79,865,131 |
| Clark | 50,725,819 | 79,740,987 | 52,704,126 | 82,850,886 |
| Fayette | 1,181,746,013 | 1,857,704,732 | 1,227,834,108 | 1,930,155,218 |
| Franklin | 100,437,462 | 157,887,690 | 104,350,148 | 164,038,433 |
| Garrard | 3,027,863 | 4,759,801 | 3,455,390 | 5,431,873 |
| Harrison | 10,162,817 | 15,975,948 | 10,053,202 | 15,803,634 |
| Jessamine | 66,273,265 | 104,181,573 | 65,279,166 | 102,618,849 |
| Lincoln | 7,180,975 | 11,288,493 | 7,346,137 | 11,548,127 |
| Madison | 102,722,306 | 161,479,465 | 112,659,147 | 177,100,179 |
| Mercer | 26,534,972 | 41,712,976 | 27,671,811 | 43,500,087 |
| Nicholas | 1,828,084 | 2,873,748 | 2,144,646 | 3,371,384 |
| Scott | 85,928,772 | 135,080,030 | 93,253,789 | 146,594,956 |
| Woodford | 45,093,193 | 70,886,499 | 44,867,727 | 70,532,067 |
| Regional Total | 1,761,999,157 | 2,769,862,675 | 1,831,197,313 | 2,878,642,176 |

| <u>Kentucky's Appalachians</u> | <u>2013 Direct Expenditures</u> | <u>2013 Total Expenditures</u> | <u>2014 Direct Expenditures</u> | <u>2014 Total Expenditures</u> |
|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
| Bath | 2,600,047 | 4,087,274 | 2,652,048 | 4,169,019 |
| Boyd | 104,171,657 | 163,757,845 | 110,734,470 | 174,074,587 |
| Carter | 20,832,123 | 32,748,097 | 20,686,298 | 32,518,860 |
| Elliott | 1,008,559 | 1,585,455 | 1,002,508 | 1,575,943 |
| Floyd | 44,533,073 | 70,005,991 | 44,978,404 | 70,706,051 |
| Greenup | 11,680,705 | 18,362,068 | 11,610,621 | 18,251,896 |
| Johnson | 28,043,334 | 44,084,121 | 28,211,594 | 44,348,626 |
| Lawrence | 14,127,503 | 22,208,435 | 14,508,946 | 22,808,063 |
| Magoffin | 3,983,649 | 6,262,296 | 4,003,567 | 6,293,607 |
| Martin | 4,258,228 | 6,693,934 | 4,275,261 | 6,720,710 |
| Menifee | 387,165 | 608,623 | 389,875 | 612,884 |
| Montgomery | 39,664,999 | 62,353,378 | 40,021,984 | 62,914,559 |
| Morgan | 3,049,950 | 4,794,521 | 3,077,400 | 4,837,673 |
| Pike | 64,600,228 | 101,551,558 | 65,633,831 | 103,176,382 |
| Rowan | 38,598,691 | 60,677,142 | 39,409,264 | 61,951,363 |
| Regional Total | 381,539,911 | 599,780,740 | 391,196,071 | 614,960,224 |

TRAVEL EXPENDITURES IN KENTUCKY, 2013 AND 2014

| Daniel Boone Country | 2013 Direct Expenditures | 2013 Total Expenditures | 2014 Direct Expenditures | 2014 Total Expenditures |
|-----------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|
| Bell | 27,766,259 | 43,648,559 | 29,043,507 | 45,656,393 |
| Breathitt | 6,872,926 | 10,804,240 | 6,852,307 | 10,771,827 |
| Clay | 5,525,525 | 8,686,125 | 5,514,474 | 8,668,753 |
| Estill | 4,014,128 | 6,310,209 | 4,014,243 | 6,310,390 |
| Harlan | 21,743,837 | 34,181,312 | 21,744,621 | 34,182,544 |
| Jackson | 2,464,756 | 3,874,596 | 2,587,994 | 4,068,327 |
| Knott | 3,274,878 | 5,148,108 | 3,240,610 | 5,094,239 |
| Knox | 14,051,223 | 22,088,523 | 14,023,121 | 22,044,346 |
| Laurel | 96,346,777 | 151,457,133 | 97,310,244 | 152,971,704 |
| Lee | 2,126,004 | 3,342,078 | 2,126,758 | 3,343,264 |
| Leslie | 2,336,423 | 3,672,857 | 2,345,769 | 3,687,549 |
| Letcher | 8,938,956 | 14,052,039 | 8,912,139 | 14,009,883 |
| Owsley | 173,532 | 272,792 | 172,838 | 271,701 |
| Perry | 30,634,804 | 48,157,912 | 30,726,708 | 48,302,385 |
| Powell | 6,534,519 | 10,272,264 | 6,495,312 | 10,210,630 |
| Rockcastle | 11,223,959 | 17,644,064 | 11,807,605 | 18,561,555 |
| Whitley | 60,936,729 | 95,792,538 | 64,574,803 | 101,511,590 |
| Wolfe | 1,247,995 | 1,961,848 | 1,239,259 | 1,948,115 |
| Regional Total | 306,213,230 | 481,367,198 | 312,732,312 | 491,615,194 |

KENTUCKY'S TOURISM AND TRAVEL INDUSTRY
EMPLOYMENT, 2013 AND 2014

| | <u>2013</u> | <u>2014</u> |
|--|-------------|-------------|
| Total Employment Statewide | 175,746 | 179,963 |
| Employment from Direct Expenditures | 122,986 | 125,938 |
| Employment from Indirect Expenditures | 52,760 | 54,025 |

| Employment from Direct Expenditures by Region | <u>2013</u> | <u>2014</u> |
|--|-------------|-------------|
| WESTERN WATERLANDS | 10,495 | 10,635 |
| BLUEGRASS, BLUES & BARBECUE | 4,665 | 4,802 |
| CAVES, LAKES & CORVETTES | 9,320 | 9,790 |
| BOURBON, HORSES & HISTORY | 35,592 | 36,603 |
| KY'S SOUTHERN SHORELINE | 8,283 | 8,377 |
| NORTHERN KENTUCKY RIVER | 15,644 | 16,058 |
| BLUEGRASS, HORSES, BOURBON & BOONE | 25,480 | 25,950 |
| KENTUCKY APPALACHIANS | 5,962 | 6,047 |
| DANIEL BOONE COUNTRY | 7,545 | 7,676 |