



TOURISM, ARTS & HERITAGE CABINET
**ECONOMIC IMPACT OF KENTUCKY'S TRAVEL
AND TOURISM INDUSTRY – 2011 AND 2012**

KentuckyTourism.com/Industry • 502-564-4270

PREPARED BY CERTEC, INC. FOR KENTUCKY TOURISM, ARTS AND HERITAGE CABINET
© CERTEC, MAY 2012

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 2012 study follow:

- The tourism and travel industry contributed over \$12.2 billion to Kentucky's economy in 2012. Direct expenditures by tourists accounted for nearly \$7.8 billion of this total – an increase of 4.4 percent since 2011.
- The 2012 tourism industry generated over \$1.227 billion in tax revenues to government - \$1.113 billion to the state and \$164.4 million locally. This is an increase from \$1.223 billion in tax revenues in 2011.
- All nine tourism regions showed gains in revenues between 2011 and 2012. The largest increase occurred in the Bourbon, Horses, & History Region. It increased by 6.3 percent between the two years.
- A total of 174,006 jobs in Kentucky resulted from the industry in 2012—up 4,078 jobs from 2011. Direct expenditures created 121,768 of these jobs.
- The tourism-generated jobs provided over \$2.7 billion in wages to Kentucky workers – an increase of nearly \$117 million from 2011 wages.

**KENTUCKY'S TOURISM AND TRAVEL INDUSTRY
EXPENDITURES, 2011 AND 2012**

	<u>2011</u>	<u>2012</u>
Total Expenditures in Kentucky	\$11,694,946,472	\$12,206,766,180
Direct Expenditures	\$7,439,533,379	\$7,765,118,435
Indirect Expenditures ¹	\$4,255,413,093	\$4,441,647,745
Annual Change between 2011 and 2012 (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.

NOTE: Numbers and percentages throughout this document may not add up to totals due to rounding.

**TAX REVENUES AND WAGES GENERATED BY
KENTUCKY'S TOURISM AND TRAVEL INDUSTRY, 2011 AND 2012**

	<u>2011</u>	<u>2012</u>
Total State and Local Taxes ¹	\$1,223,560,764	\$1,227,967,797
State Taxes	1,066,163,580	1,113,571,767
Local Taxes	157,397,184	164,396,030
Wages ¹	\$2,621,241,756	\$2,737,798,278

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, 2011 AND 2012

<u>Location</u>	Direct Expenditures <u>2011</u>	Direct Expenditures <u>2012</u>	Change <u>2011-2012</u>
STATE	\$7,439,533,379	\$7,765,118,435	4.4%
WESTERN WATERLANDS	472,071,013	497,897,700	5.5
BLUEGRASS, BLUES & BARBECUE	295,687,881	309,880,899	4.4
CAVES, LAKES & CORVETTES	339,415,689	358,083,552	5.5
BOURBON, HORSES & HISTORY	2,205,119,016	2,344,041,514	6.3
KY'S SOUTHERN SHORELINE	185,317,782	191,247,951	3.2
NORTHERN KENTUCKY RIVER	1,620,488,942	1,669,788,779	2.9
BLUEGRASS, HORSES, BOURBON & BOONE	1,657,417,434	1,704,584,148	2.8
KENTUCKY APPALACHIANS	365,664,274	384,678,816	5.2
DANIEL BOONE COUNTRY	298,351,346	304,915,076	2.2

TRAVEL EXPENDITURES IN KENTUCKY, 2011 AND 2012

<u>Western Lakes & Rivers Region</u>	<u>2011 Direct Expenditures</u>	<u>2011 Total Expenditures</u>	<u>2012 Direct Expenditures</u>	<u>2012 Total Expenditures</u>
Ballard	3,313,172	5,208,306	3,396,001	5,338,514
Caldwell	4,636,659	7,288,828	4,678,389	7,354,428
Calloway	42,930,363	67,486,531	45,798,325	71,994,967
Carlisle	433,813	681,954	601,488	945,539
Christian	75,427,880	118,572,627	81,462,110	128,058,437
Crittenden	3,429,199	5,390,701	3,638,380	5,719,533
Fulton	4,638,918	7,292,379	4,843,031	7,613,245
Graves	19,510,568	30,670,613	20,037,354	31,498,720
Hickman	282,817	444,588	407,729	640,950
Livingston	14,968,045	23,529,767	16,315,169	25,647,446
Lyon	25,770,163	40,510,696	26,594,808	41,807,038
Marshall	69,264,045	108,883,079	72,480,495	113,939,338
McCracken	190,497,489	299,462,053	198,350,871	311,807,569
Todd	2,164,400	3,402,437	2,275,954	3,577,800
Trigg	14,803,482	23,271,074	17,017,596	26,751,661
Regional Total	472,071,013	742,095,632	497,897,700	782,695,184

<u>Bluegrass Blues and Barbecue</u>	<u>2011 Direct Expenditures</u>	<u>2011 Total Expenditures</u>	<u>2012 Direct Expenditures</u>	<u>2012 Total Expenditures</u>
Daviess	164,480,725	258,563,700	170,895,473	268,647,684
Hancock	1,140,041	1,792,144	1,203,883	1,892,504
Henderson	49,325,044	77,538,969	51,546,589	81,031,238
Hopkins	43,213,637	67,931,837	47,244,678	74,268,634
McLean	1,312,859	2,063,814	1,348,766	2,120,260
Muhlenberg	21,338,099	33,543,492	22,255,637	34,985,861
Ohio	6,227,691	9,789,930	6,445,660	10,132,578
Union	5,871,531	9,230,047	6,106,393	9,599,250
Webster	2,778,255	4,367,417	2,833,820	4,454,765
Regional Total	295,687,881	464,821,349	309,880,899	487,132,773

*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 2012 figures and previous year figures.

TRAVEL EXPENDITURES IN KENTUCKY, 2011 AND 2012

<u>Caves, Lakes & Corvettes Region</u>	<u>2011 Direct Expenditures</u>	<u>2011 Total Expenditures</u>	<u>2012 Direct Expenditures</u>	<u>2012 Total Expenditures</u>
Allen	6,729,466	10,578,721	7,172,582	11,275,299
Barren	64,576,474	101,514,217	68,063,604	106,995,985
Butler	2,718,989	4,274,251	2,928,352	4,603,369
Edmonson	3,272,186	5,143,876	3,461,972	5,442,220
Hart	12,093,018	19,010,224	12,697,669	19,960,736
Logan	13,141,835	20,658,965	14,074,905	22,125,751
Metcalfe	2,625,606	4,127,453	2,798,896	4,399,865
Monroe	2,954,018	4,643,716	3,219,879	5,061,650
Simpson	17,475,565	27,471,588	18,718,078	29,424,819
Warren	<u>213,828,531</u>	<u>336,138,451</u>	<u>224,947,615</u>	<u>353,617,651</u>
Regional Total	339,415,689	533,561,463	358,083,552	562,907,344

<u>Bourbon, Horses & History Region</u>	<u>2011 Direct Expenditures</u>	<u>2011 Total Expenditures</u>	<u>2012 Direct Expenditures</u>	<u>2012 Total Expenditures</u>
Breckinridge	3,555,667	5,589,509	3,733,451	5,868,985
Bullitt	73,393,521	115,374,615	78,473,820	123,360,845
Grayson	13,860,166	21,788,181	14,289,831	22,463,614
Hardin	166,871,361	262,321,779	182,056,654	286,193,060
Henry	4,131,343	6,494,471	4,340,637	6,823,481
Jefferson	1,757,527,978	2,762,833,981	1,861,222,129	2,925,841,187
Larue	5,078,885	7,984,007	5,292,198	8,319,335
Marion	12,448,973	19,569,786	13,644,075	21,448,486
Meade	15,673,891	24,639,357	16,708,368	26,265,554
Nelson	48,734,527	76,610,676	50,683,908	79,675,103
Oldham	52,670,894	82,798,645	57,463,946	90,333,323
Shelby	45,273,970	71,170,681	49,439,175	77,718,383
Spencer	2,799,224	4,400,380	3,258,456	5,122,293
Trimble	463,779	729,061	494,389	777,180
Washington	<u>2,634,836</u>	<u>4,141,962</u>	<u>2,940,477</u>	<u>4,622,430</u>
Regional Total	2,205,119,016	3,466,447,093	2,344,041,514	3,684,833,260

TRAVEL EXPENDITURES IN KENTUCKY, 2011 AND 2012

<u>Kentucky's Southern Shoreline Region</u>	<u>2011 Direct Expenditures</u>	<u>2011 Total Expenditures</u>	<u>2012 Direct Expenditures</u>	<u>2012 Total Expenditures</u>
Adair	6,721,578	10,566,321	7,084,544	11,136,903
Casey	4,293,229	6,748,956	4,529,357	7,120,149
Clinton	6,400,791	10,062,043	6,797,640	10,685,890
Cumberland	5,117,377	8,044,517	5,388,598	8,470,876
Green	2,346,176	3,688,189	2,357,880	3,706,587
McCreary	4,391,968	6,904,174	4,686,230	7,366,754
Pulaski	73,384,641	115,360,656	75,584,816	118,819,331
Russell	28,893,227	45,420,153	28,430,935	44,693,430
Taylor	33,260,429	52,285,394	34,956,711	54,951,950
Wayne	20,508,364	32,239,148	21,431,240	33,689,909
Regional Total	185,317,782	291,319,553	191,247,951	300,641,779

<u>Northern Kentucky River Region</u>	<u>2011 Direct Expenditures</u>	<u>2011 Total Expenditures</u>	<u>2012 Direct Expenditures</u>	<u>2012 Total Expenditures</u>
Boone	830,351,574	1,305,312,674	853,346,709	1,341,461,027
Bracken	507,191	797,304	607,110	954,377
Campbell	74,216,576	116,668,457	76,665,723	120,518,517
Carroll	25,692,042	40,387,890	27,362,025	43,013,103
Fleming	15,732,746	24,731,877	16,409,254	25,795,347
Gallatin	4,812,041	7,564,528	4,845,725	7,617,480
Grant	14,895,155	23,415,184	15,178,163	23,860,072
Kenton	607,929,403	955,665,022	627,062,390	985,742,077
Lewis	2,153,199	3,384,829	2,538,621	3,990,712
Mason	36,090,255	56,733,881	37,106,887	58,332,026
Owen	2,347,528	3,690,314	2,603,408	4,092,557
Pentleton	3,261,969	5,127,815	3,418,543	5,373,950
Robertson	2,499,264	3,928,843	2,644,221	4,156,715
Regional Total	1,620,488,942	2,547,408,617	1,669,788,779	2,624,907,961

TRAVEL EXPENDITURES IN KENTUCKY, 2011 AND 2012

Bluegrass, Horses, Bourbon & Boone Region	2011 Direct Expenditures	2011 Total Expenditures	2012 Direct Expenditures	2012 Total Expenditures
Anderson	7,157,123	11,250,997	7,686,751	12,083,573
Bourbon	18,175,080	28,571,226	19,629,087	30,856,925
Boyle	45,626,227	71,724,429	48,181,296	75,740,997
Clark	48,051,012	75,536,191	49,828,899	78,331,029
Fayette	1,126,488,970	1,770,840,661	1,147,300,879	1,803,556,982
Franklin	95,233,161	149,706,529	96,947,357	152,401,245
Garrard	2,676,840	4,207,992	2,890,987	4,544,632
Harrison	8,181,840	12,861,852	9,489,498	14,917,491
Jessamine	53,203,163	83,635,372	61,822,076	97,184,303
Lincoln	6,148,979	9,666,195	6,813,069	10,710,144
Madison	98,155,616	154,300,628	100,609,506	158,158,143
Mercer	25,633,345	40,295,618	25,787,145	40,537,392
Nicholas	1,490,738	2,343,440	1,706,895	2,683,239
Scott	81,317,809	127,831,596	82,862,847	130,260,395
Woodford	39,877,531	62,687,479	43,027,856	67,639,790
Regional Total	1,657,417,434	2,605,460,206	1,704,584,148	2,679,606,281

Kentucky Appalachians Region	2011 Direct Expenditures	2011 Total Expenditures	2012 Direct Expenditures	2012 Total Expenditures
Bath	2,549,118	4,007,213	2,546,569	4,003,206
Boyd	109,363,469	171,919,373	107,504,290	168,996,744
Carter	19,321,061	30,372,708	21,021,315	33,045,507
Elliott	930,692	1,463,048	999,563	1,571,313
Floyd	41,628,214	65,439,552	44,667,074	70,216,640
Greenup	11,578,066	18,200,720	12,492,733	19,638,576
Johnson	27,089,879	42,585,290	27,848,395	43,777,677
Lawrence	11,901,302	18,708,847	13,643,552	21,447,664
Magoffin	3,641,228	5,724,010	3,932,526	6,181,931
Martin	3,909,102	6,145,108	4,178,830	6,569,121
Menifee	347,082	545,613	381,443	599,628
Montgomery	36,217,591	56,934,053	39,585,827	62,228,920
Morgan	2,812,394	4,421,083	3,031,760	4,765,927
Pike	59,084,383	92,880,650	64,283,809	101,054,148
Rowan	35,290,694	55,476,971	38,561,130	60,618,096
Regional Total	365,664,274	574,824,239	384,678,816	604,715,099

TRAVEL EXPENDITURES IN KENTUCKY, 2011 AND 2012

Daniel Boone Country Region	2011 Direct Expenditures	2011 Total Expenditures	2012 Direct Expenditures	2012 Total Expenditures
Bell	27,067,696	42,550,418	26,905,290	42,295,116
Breathitt	6,717,575	10,560,028	6,811,621	10,707,868
Clay	5,449,316	8,566,325	5,443,867	8,557,759
Estill	3,873,668	6,089,406	3,974,384	6,247,732
Harlan	20,785,044	32,674,089	21,678,801	34,079,075
Jackson	2,374,706	3,733,038	2,469,695	3,882,361
Knott	3,094,435	4,864,452	3,255,346	5,117,404
Knox	13,445,580	21,136,452	14,037,186	22,066,456
Laurel	92,224,878	144,977,508	96,928,347	152,371,361
Lee	2,012,255	3,163,265	2,100,795	3,302,450
Leslie	2,171,062	3,412,909	2,218,825	3,487,993
Letcher	8,136,923	12,791,243	8,430,525	13,252,785
Owsley	160,741	252,685	174,404	274,163
Perry	30,544,028	48,015,212	30,421,851	47,823,150
Powell	6,420,081	10,092,367	6,580,583	10,344,676
Rockcastle	11,498,556	18,075,730	11,418,066	17,949,200
Whitley	61,472,872	96,635,355	61,104,035	96,055,543
Wolfe	901,928	1,417,831	961,455	1,511,407
Regional Total	298,351,346	469,008,316	304,915,076	479,326,499

KENTUCKY'S TOURISM AND TRAVEL INDUSTRY

EMPLOYMENT, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
Total Employment Statewide	169,928	174,006
Employment from Direct Expenditures	118,914	121,768
Employment from Indirect Expenditures	51,014	52,238

Employment from Direct Expenditures by Region	<u>2011</u>	<u>2012</u>
WESTERN WATERLANDS	10,150	10,514
BLUEGRASS, BLUES & BARBECUE	4,566	4,629
CAVES, LAKES & CORVETTES	8,968	9,164
BOURBON, HORSES & HISTORY	33,414	34,731
KY'S SOUTHERN SHORELINE	8,508	8,513
NORTHERN KENTUCKY RIVER	15,235	15,574
BLUEGRASS, HORSES, BOURBON & BOONE	24,458	24,956
KENTUCKY APPALACHIANS	6,005	6,073
DANIEL BOONE COUNTRY	7,610	7,614