

Exhibit "A"

ECONOMIC IMPACT OF THE 2012 PYROTECHNICS GUILD INTERNATIONAL CONVENTION

Prepared for:

**LaPorte County Convention
& Visitors Bureau**

Prepared by

**Certec Inc.
Versailles, Kentucky**

September 2012

Certec Inc.©

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	ii
INTRODUCTION	1
ECONOMIC IMPACT	1
Expenditures	1
Wages	5
Tax Revenues	5
APPENDIX A	6
Data and Methods	
Bottom-up vs. Top-down measurement	6
Expenditure Data	7
Visitor Data	7
Direct Effects	8
Multiplier Effects	8
APPENDIX B	9
Definition of Terms	
APPENDIX C	10
Findings From Visitor Survey	
APPENDIX D	13
Visitor Questionnaire	

EXECUTIVE SUMMARY

A detailed examination of the expenditure and tax impacts generated by visitors to the 2012 Pyrotechnics Guild International Convention has been conducted for the LaPorte County Convention & Visitors Bureau. This event was held August 12-17, 2012 at the LaPorte County Fairgrounds. The major findings of the research follow:

- Non-local visitors to the event contributed \$3.5 million to LaPorte County's economy in 2012. Direct expenditures by travelers to the event accounted for \$2.3 million of this total.
- These visitors generated over \$921,100 in tax revenues to government - \$338,600 to the state government, \$182,400 to the local government, and \$400,100 to the federal government.
- The event-generated jobs provided nearly \$805,000 in wages to LaPorte County workers.
- Expenditures by category showed that shopping, food and beverage, and lodging accounted for over eight out of every ten dollars spent.
- Over half of the attendees to the convention are from Wisconsin, Illinois, Michigan, and Minnesota.
- The typical visitor is most likely a college graduate. Another one in four have attended college but not graduated.
- Over two in four are professionals. Another one in five is retired.
- Over three-fifths (61.5 percent) of the attendees to PGI are on a vacation. Eight in ten are on their first visit to the county. Seven in ten attended the last PGI Convention.

INTRODUCTION

Tourism is a key component of the LaPorte County economy. A recent study for the LaPorte County Convention and Visitors Bureau determined that tourism generated \$572.3 million in economic impact for the county in 2010. Direct expenditures by tourists accounted for \$454.8 million of this total. The county's conventions and meetings are an important part of the local tourism industry. The purpose of this study is to quantify the economic impact of the 2012 Pyrotechnics Guild International Convention by examining visitation to the event and then determining the expenditures and tax revenues that accrued to the local economy from these travelers in the current year. This convention was held August 12-17, 2012 at the LaPorte County Fairgrounds.

ECONOMIC IMPACT

Expenditures

The PGI Convention has an important impact on the economy of the area. The non-local visitors to the event generated an infusion of \$3.5 million to the local economy (Table 1). The initial round of expenditures, i.e. the direct expenditures, accounted for two-thirds of this spending (\$2.3 million). The multiplier effect on the economy of these initial purchases generated the indirect spending -- \$1.2 million.

This spending directly benefits key elements of the tourism industry infrastructure. These include the convention itself, restaurants, shopping centers and other retail outlets, and automobile service stations. The distribution of the direct expenditures in LaPorte County among these businesses is reflected in Chart 1. Retail shopping accounts for over 49 percent of the expenditures made in the county. Food and beverage businesses receive nearly 21 percent of these dollars. Lodging establishments also benefit substantially from this spending—14 percent of the total. Automobile service stations and attractions, including but not limited to the convention, each take in seven percent of the direct

expenditures. Souvenir vendors receive two percent of these expenditures. However, a number of other businesses throughout the local and regional economies also experience increased revenues as a result of the event, particularly through the multiplier effect of the initial round of spending.

The PGI convention visitor spending stimulates non-tourist businesses, such as agriculture, fishing, meatpacking, food processing, brewing and distilling, bottling, floriculture, construction and appliance, furniture and linen manufacture. For example, demand for hotel rooms can create demand for the service of contractors, which generates secondary demand for steel, bricks, lumber, tile, marble, glass, plumbing and air conditioning systems, elevator cars, carpets, and a variety of other goods. Similarly, tourist demand for restaurant meals creates business not only for restaurants, but for producers and packagers of fresh and frozen foods, butchers, dairies, and ultimately, for manufacturers of farm implements and fertilizers. This business activity also creates demand for professional services such as insurance, legal, and accounting.

The nature of tourism expenditures is such that they are not confined to a limited geographic area. Tourists make purchases as they travel to and from their destination. While at an event, such as the PGI, they make additional purchases when they visit other attractions, retail outlets, and points of interest in the surrounding area. It is this tourist behavior that will result in substantial additional spending in LaPorte County outside of this convention.

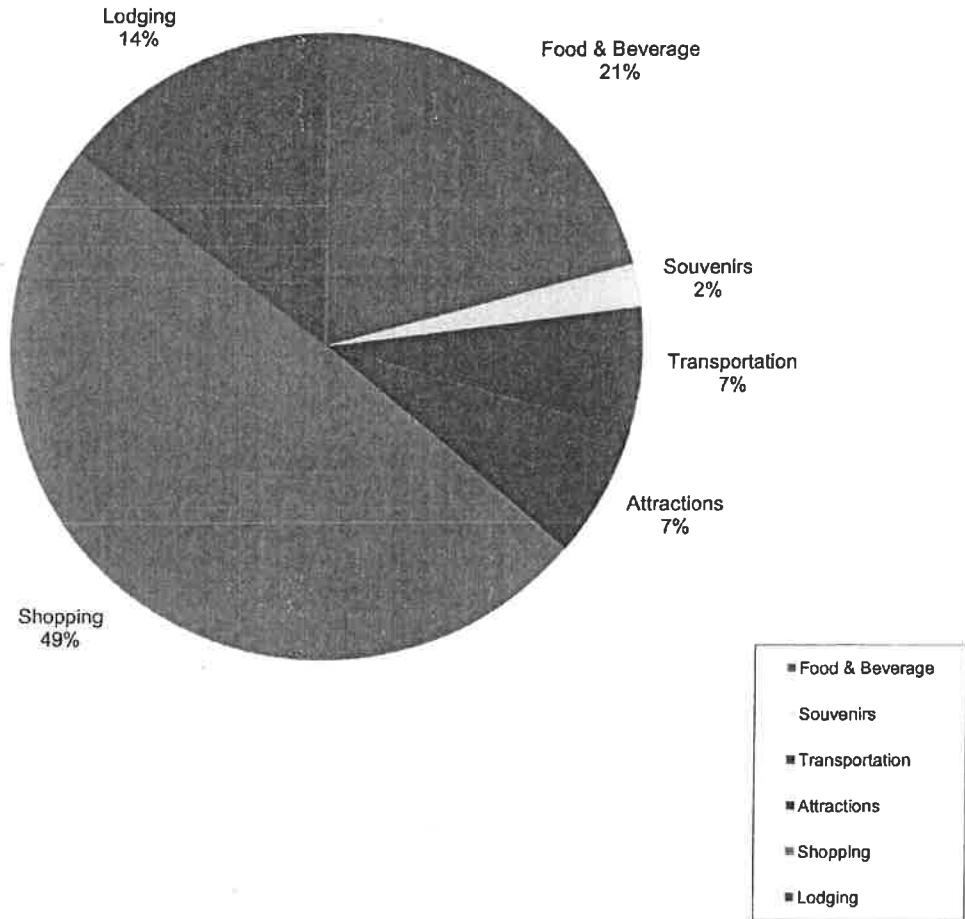
Table 1

**ECONOMIC IMPACT OF THE VISITATION TO
THE 2012 PYROTECHNICS GUILD INTERNATIONAL CONVENTION**

Total Expenditures	\$3,522,782
Direct Expenditures	\$2,355,588
Indirect Expenditures	\$1,167,194
Total Wages	\$ 804,855
Total Taxes	\$ 921,176
State Taxes	\$ 338,599
Local Taxes	\$ 182,459
Federal Taxes	\$ 400,118
Jobs	47

Chart 1

Travel Expenditures by Category



Total Expenditures = \$2,355,588

Certec Inc.
Versailles, KY

Wages

The expenditures of travelers are the business receipts of the establishments patronized. A portion of these revenues is used by the businesses to pay their employees. Every dollar spent by travelers to the PGI convention produced an average of 22.8 cents in wage and salary income. The total wage and salary income generated by visitors and paid by local businesses was nearly \$805,000 (Table 1). These wages supported 47 jobs.

Tax Revenues

Tourism and travel activity generates state, local, and federal taxes. A total of nearly \$338,600 in Indiana state taxes, over \$182,400 in local taxes, and over \$400,100 in federal taxes were collected as a result of the spending by the attendees and fireworks visitors to the event (Table 1). The \$921,100 in taxes are a part of the \$3.5 million in total spending.

Findings From Visitor Survey

The visitor survey results presented below should be interpreted with caution. They are based on a research sample that had a ± 10.0 percent sampling variability. Had the purpose of this survey been to document the event's market, instead of measuring visitor spending, a much larger sample of visitors would have been obtained.

The 2012 PGI Convention derived a majority of its attendees from four states:

- Wisconsin
- Illinois
- Michigan
- Minnesota.

These states accounted for over half of the attendees to the convention. The event also received participants from other states including Indiana, Missouri, Massachusetts, New Jersey, Ohio, Texas and Iowa. In all, thirty-two states were represented at the convention.

The strongest state markets for the event were, in rank order:

1)	Wisconsin	16.2%
2)	Illinois	14.4
3)	Michigan	14.4
4)	Minnesota	6.3

Demographics

The typical attendee to the PGI convention was most likely to be a college graduate (56.5 percent). Over one in four had attended college but not graduated (27.8 percent). The visitor was also most likely to be working in a professional/technical occupation (44.9 percent). Another one in five is retired (21.5 percent).

DEMOGRAPHICS OF VISITORS TO THE PYROTECHNICS GUILD INTERNATIONAL CONVENTION

EDUCATION

College Graduate	33.3%
Some College	27.8
Post-Graduate	23.2
High School Graduate	14.8
Some High School	0.9

OCCUPATION

Professional	44.9%
Retired	21.5
Craftsman	11.2
Manager	9.3
Personal Service	5.6
Sales	2.8
Laborer	1.9
Clerical	1.9
Construction	0.9

Trip Characteristics

The visitation the convention enjoys was derived primarily from attendees on a vacation (61.5%). Another 30.3 percent of the visitors stated they were on a business/convention trip. Eight in ten (83.3%) of the travelers to the PGI meeting were on their first visit to the county.

Certec Inc.
Versailles, KY

Seven in ten (69.7%) had attended the last PGI Convention. Overall, visitors have taken an average of 1.4 trips to the area in the past two years. The typical travel party had an average of 2.7 people. The average length of stay in the area was 7.2 days.

The most frequently mentioned activities that visitors participated in while in the area are dining (38.5%), shopping (16.4%), visit museums (2.7%), gaming (1.8%), visit the dunes/lake (1.8%), and beach/swimming (0.9%). Visitors participated in an average of 1.8 activities in addition to the convention.

