

# 2015 New Orleans Ernest N. Morial Convention Center

## Economic Impact Analysis

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*Prepared for*



*By*



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## Acknowledgments

This report was prepared by **Maria J. Ortiz**, Project Manager in the Division of Business and Economic Research (DBER) at The University of New Orleans (UNO). Thanks and recognition is given to **Karen Brakel**, Project and Budget Coordinator, for her valuable support in preparing this analysis. Further thanks are also given to **John A. Williams, Ph.D.**, Dean of the College of Business Administration, and Director of the Hospitality Research Center, for his valuable contribution to this project.

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## Executive Summary

- In 2015, the New Orleans Ernest N. Morial Convention Center (NOMCC) made a valuable contribution to the New Orleans metro area economy. In that year, the NOMCC held 128 conventions and trade shows, attracted 574,869 out-of-town visitors, and generated a total economic impact of \$1.9 billion. This impact comprises \$1.0 billion in direct expenditures and \$836.9 million in secondary expenditures.
- During the same year, total direct employment represented 515 individuals who worked in various positions at the NOMCC. Direct spending from visitors and organizations also resulted in the creation or support of 18,829 full-and part-time secondary jobs. These jobs created a total of \$573.2 million in additional earnings for residents of the New Orleans area.
- The NOMCC also generated a total of \$143.0 million in tax revenue for state and local governments. Of that total, roughly \$81.6 million went to the State of Louisiana, and \$61.5 million was claimed by local governments in the New Orleans area.
- In its 30 years of service, the NOMCC has attracted a total of 2,707 conventions and trade shows. During that period, a total of 15.9 million registered delegates, spouses and guests, and exhibitors and officials have participated in different activities at the NOMCC.
- Delegates, guests, exhibitors, and organizations associated with the NOMCC have spent a total of \$23.5 billion in direct spending. Based on their primary spending, visitors and organizations have generated another \$30.2 billion in secondary spending. Therefore, the total economic impact produced by the NOMCC over the 30-year period is \$53.7 billion.
- Spending at the NOMCC has also resulted in the creation or support of full-and part-time jobs over its 30-year history. These jobs have created a total of \$12.6 billion in earnings or income for residents of the New Orleans area.
- Since its opening, the NOMCC has generated a total of \$3.4 billion in tax revenue for state and local governments. Of that total, roughly \$2.0 billion has gone to the State of Louisiana, and \$1.5 billion has been claimed by local governments in the New Orleans area.

## Introduction

The New Orleans Ernest N. Morial Convention Center (NOMCC) contracted with the Division of Business and Economic Research (DBER) at The University of New Orleans (UNO) for the purpose of providing them with information about the economic activity at the NOMCC. The purpose of this report is to provide a thorough economic impact analysis of the financial benefits generated by the NOMCC in 2015.

## Methodology

This analysis measures the NOMCC economic impact on the 8-parish New Orleans Metropolitan Statistical Area (NOMSA) during the calendar year 2015. The economic impact comprises total spending, total income, total employment, and total state and local tax revenues.

The economic impact analysis includes direct and secondary spending generated by all out-of-town attendees and organizations that would have otherwise not spent these funds in the New Orleans metro economy. Spending of residents and local organizations is not factored into the assessment of the economic impact attributable to the NOMCC, since these funds may have been spent within the local economy in the absence of the NOMCC.

The analysis provides tables and graphs presenting the results from each factor influencing the economic impact. When available, comparisons are offered with results from the same period in previous years. In some tables, totals may not add up due to rounding.

All data presented in this study was collected through secondary sources to the center. Therefore, the information contained in this report is based primarily on data provided by the NOMCC, along with other external factors available to the Center. In an effort to produce valid results, DBER applied its best judgment at every step of the economic impact analysis based on the data provided. In some cases, due to constraints in data availability, DBER used assumptions contained in prior studies or external reports. Furthermore, this economic impact analysis was estimated using a different methodology from that of prior studies. Even though additional analysis was performed to ensure that most figures remained comparable over the years, caution should be used when performing such comparisons.

## Section I: Economic Impact

The economic impact analysis presented in this section details the relationships between current indicators and historical trends available for the NOMCC. The following data comprises a list of factors influencing the economic impact analysis:

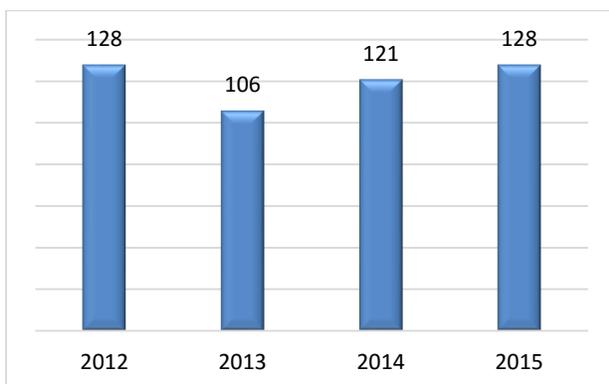
- Annual attendance
- Individual expenditures
- Number of exhibiting companies and associations
- Companies and associations expenditures
- NOMCC operational and capital spending
- Current economic and tourism indicators, including inflation and multipliers

### Attendance

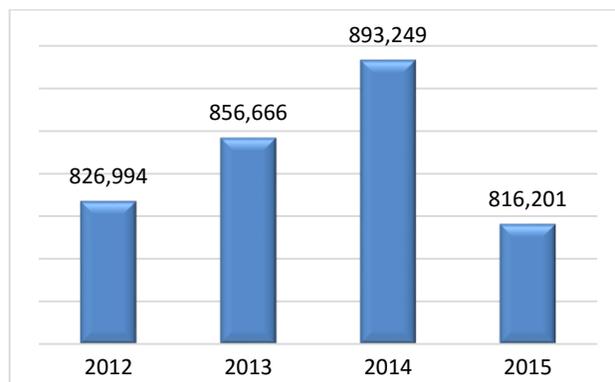
The NOMCC provided estimates of the total number of conventions and attendance figures for the calendar year 2015. In that year, a total of 128 conventions and trade shows took place at the NOMCC. This figure represents a 6% increase over the 121 conventions recorded during the same period in 2014 (Figure 1).

During 2015, the total number of conventioners was estimated at 816,201. Even though the number of conventions increased in 2015, the number of conventioners decreased by nearly 9% when compared to 2014 estimates. More conventions and less conventioners indicates that the NOMCC attracted a larger number of small conventions during 2015 (Figure 2).

**Figure 1: Number of Conventions and Trade Shows**

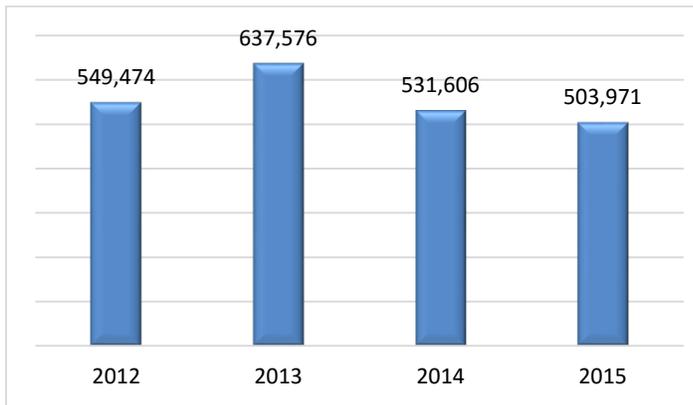


**Figure 2: Number of Conventioners**



According to representatives at the NOMCC, the total number of out-of-town attendees to conventions and trade shows was 503,971 during 2015. Similar to total attendance, the number of out-of-town conventioners decreased by nearly 5% from the value recorded during 2014 (Figure 3). The proportion of out-of-town attendees represented 62% of the total attendance, an increase over the 60% registered during 2014. The highest percentage of non-resident attendees was recorded during 2013, when 74% of the conventioners came from outside the New Orleans area (Table 1).

**Figure 3: Number of Out-of-Town Conventioners**

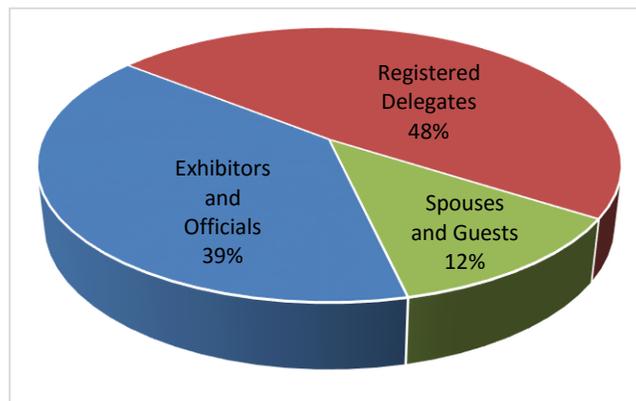


**Table 1: Proportion of Out-of-Town Conventioners**

Year	Percentage
2012	66%
2013	74%
2014	60%
2015	62%

The total economic impact is based on the total out-of-town attendance. As mentioned earlier in the report, local attendees are not included in this analysis. To estimate the total number of visitors in 2015, the DBER used past relationships in the proportion of visitors to the NOMCC. Total visitation is comprised by three types of visitors: registered delegates, spouses and guests of delegates, and exhibitors and officials. The proportion of each visitor type is based on past reports, including the 2014 report, along with a convention study prepared by DBER in 2000. The proportion among visitors it is assumed to be a valid representation of visitors to the Convention Center on any regular year (Figure 4).

**Figure 4: Proportion of Out-of-Town Visitors**



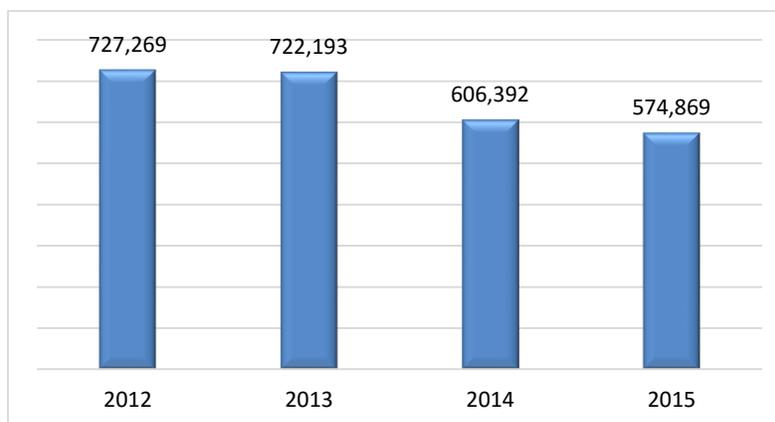
The total out-of-town attendance of 503,971 is assumed to consist of two of the three visitor types, including registered delegates and exhibitors and officials. Therefore, total visitation can be estimated based on the proportion of each visitor type, along with the out-of-town attendance. The total number of out-of-town visitors in 2015 was estimated at 574,869 individuals. Total visitation comprises 278,031 registered delegates (48%), 70,898 spouses and guests (12%), and 225,940 exhibitors and officials (39%). Table 2 contains the distribution among types of visitors since 2012. As expected, the proportion of visitor types has remained unchanged over the years.

**Table 2: Total Number of Out-of-Town Visitors**

Visitor Types	2012	2013	2014	2015
Registered Delegates	351,738	349,284	293,277	<b>278,031</b>
Spouses and Guests	89,693	89,067	74,786	<b>70,898</b>
Exhibitors and Officials	285,838	283,842	238,329	<b>225,940</b>
<b>Total Number of Visitors</b>	<b>727,269</b>	<b>722,193</b>	<b>606,392</b>	<b>574,869</b>

The total number of out-of-town visitors decreased nearly 5% between 2014 and 2015. The largest visitation was recorded in 2012 with 727,269 individuals. The total attendance and total out-of-town visitation have presented opposite trends over the last three years (Figure 5).

**Figure 5: Total Number of Out-of-Town Visitors**



## **Direct and Secondary Spending**

The total economic impact is comprised by an analysis of the direct and secondary spending generated by the NOMCC. In order to assess the total spending, only those expenditures that stimulate the local economic activity were considered. Expenditures include out-of-town registered delegates, spouses and guests, and exhibitors and officials spending while in the city, for items such as food or lodging. Other applicable spending includes the money that exhibiting companies and sponsoring associations spent in the city to prepare for a convention or trade show. Furthermore, the spending includes expenses generated by the daily operations at the NOMCC. The analysis of the total spending was categorized into two mutually exclusive groups:

- Delegates, guests, and exhibitors spending
- Organizational spending

The two groups were analyzed individually to reflect differences in spending characteristics among them. The analysis of each group is presented in the following sections.

### ***Delegates, Guests, and Exhibitors***

Total direct spending for this group was estimated based on average individual expenditures and the total number of out-of-town visitors. Individual spending corresponds to the average trip expenditures per person for each type of visitor. In previous studies, these expenditures were measured separately for different types of meetings, including low, mid, and high-end spending. Due to constraints in data availability, the individual spending in this analysis was based on average expenditures rather than measurements of low, mid, and high-end spending. It is important to note that gambling expenditures presented in this study were not available in previous reports. Table 3 contains the individual trip expenditures by type of visitor.

**Table 3: Individual Trip Expenditures of NOMCC Visitors**

<b>Spending</b>	<b>Registered Delegates</b>	<b>Spouses and Guests</b>	<b>Exhibitors and Officials</b>
Restaurants/Meals	\$248	\$203	\$323
Bars/Nightclubs	\$63	\$78	\$82
Entertainment/Recreation	\$83	\$96	\$108
Shopping	\$146	\$128	\$190
Local Transportation	\$44	\$36	\$58
Gambling	\$25	\$22	\$33
Lodging	\$472	-	\$614
<b>Total</b>	<b>\$1,082</b>	<b>\$564</b>	<b>\$1,406</b>

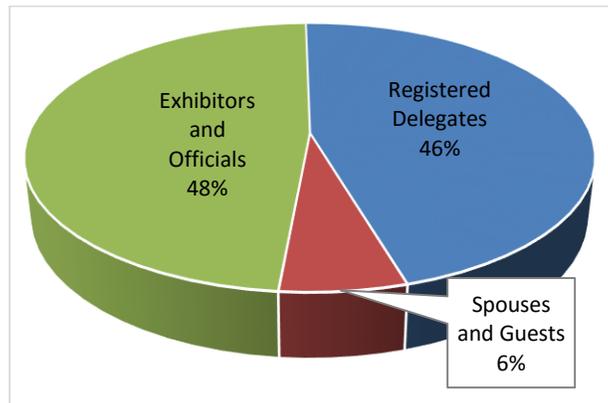
Due to constraints in data availability, individual trip expenditures by type of visitor were estimated using similar assumptions from prior studies, along with other information available to the Center.

- Registered delegate spending was derived from average expenditures of traditional conventioners to the New Orleans area during 2015. Traditional conventioner spending includes expenditures of all conventioners to New Orleans, regardless of their participation in activities at the NOMCC. Furthermore, it is assumed that virtually all of the delegates stayed overnight in New Orleans, and chose to stay in hotels.
- Spending of non-delegates, referred as spouses and guests, was based on average expenditures of traditional leisure visitors to the New Orleans area during 2015. Total spending for these visitors excludes lodging, since spouses and guests are assumed to have lodged with registered delegates.
- Exhibitors expenditures were derived as a proportion of registered delegates spending. The proportion was based on previous years' studies, along with current inflation indicators and other economic factors.

Based on these individual trip expenditures, estimates can be made of the total direct spending attributable to out-of-town visitors who participated in activities at the NOMCC during 2015. Total direct spending by type of visitor is determined for each expense category as the product of the visitors' average trip expenditure and the total number of out-of-town visitors. Total direct visitor spending is presented in Table 4.

**Table 4: NOMCC Visitor Direct Spending**

Spending	Total Delegates	Total Guests	Total Exhibitors and Officials	Direct Spending
Restaurants/Meals	\$69,053,437	\$14,409,421	\$72,950,569	<b>\$156,413,426</b>
Bars/Nightclubs	\$17,447,169	\$5,557,589	\$18,431,826	<b>\$41,436,584</b>
Entertainment/Recreation	\$23,128,359	\$6,808,627	\$24,433,642	<b>\$54,370,628</b>
Shopping	\$40,592,508	\$9,065,589	\$42,883,406	<b>\$92,541,504</b>
Local Transportation	\$12,317,685	\$2,539,727	\$13,012,852	<b>\$27,870,264</b>
Gambling	\$7,032,100	\$1,586,019	\$7,428,967	<b>\$16,047,086</b>
Lodging	\$131,227,567	-	\$138,633,587	<b>\$269,861,154</b>
<b>Total</b>	<b>\$300,798,825</b>	<b>\$39,966,972</b>	<b>\$317,774,849</b>	<b>\$658,540,646</b>

**Figure 6: Proportion of Visitor Direct Spending**

Spending of exhibitors and officials accounted for 48% of the total direct spending, while spending by registered delegates accounted for 46%. As expected, a small fraction (6%) was generated by spouses and guests (Figure 6).

Secondary spending, or the ripple effect, was based on the indirect and induced spending generated by direct spending. For every new dollar of direct spending, additional dollars of secondary spending are generated in the economy. Secondary spending was calculated as a proportion of direct spending using multipliers provided by the United States Department of Commerce, Bureau of Economic Analysis (BEA). The 2013 BEA Regional Input-Output Modeling System (RIMS II) values for the New Orleans metro area were used in this analysis. These multipliers are specific to each industry in a given area, and those used in this report are the corresponding multipliers to the industries in the New Orleans metro area represented by each expenditure category.

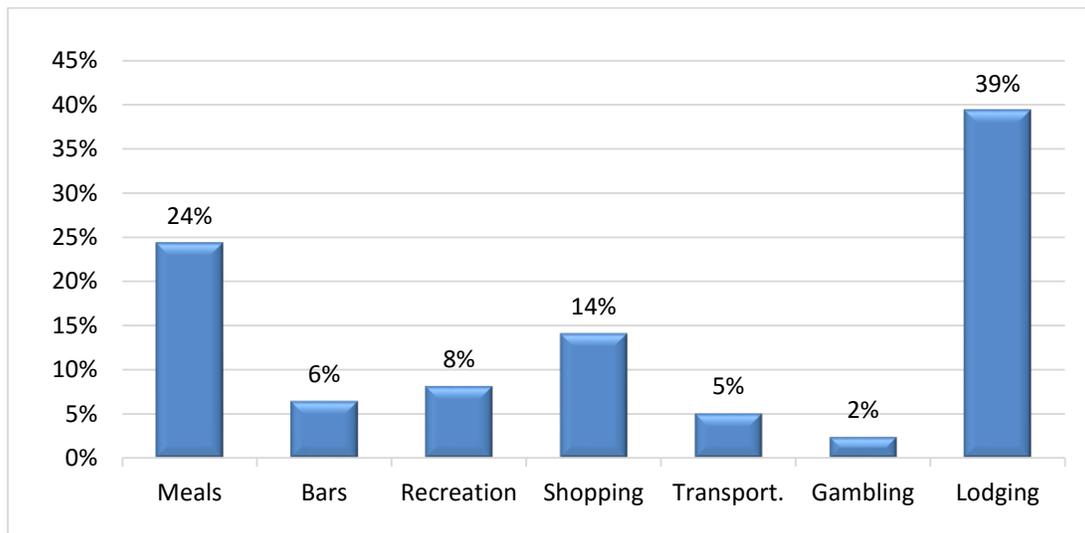
It is important to note that last year, St. James Parish was added into the official definition of the New Orleans Metropolitan Statistical area by the Federal Government. This new definition of the metropolitan area is accounted for in the 2013 Multipliers.

Table 5: NOMCC Total Visitor Spending

Spending	Direct Spending	Secondary Spending	Total Spending
Restaurants/Meals	\$156,413,426	\$130,480,080	<b>\$286,893,507</b>
Bars/Nightclubs	\$41,436,584	\$34,566,399	<b>\$76,002,983</b>
Entertainment/Recreation	\$54,370,628	\$41,403,233	<b>\$95,773,862</b>
Shopping	\$92,541,504	\$73,838,866	<b>\$166,380,370</b>
Local Transportation	\$27,870,264	\$31,822,268	<b>\$59,692,532</b>
Gambling	\$16,047,086	\$12,219,856	<b>\$28,266,942</b>
Lodging	\$269,861,154	\$193,058,669	<b>\$462,919,823</b>
<b>Total</b>	<b>\$658,540,646</b>	<b>\$517,389,371</b>	<b>\$1,175,930,017</b>

The total visitor impact attributed to out-of-town attendees to the NOMCC in 2015 was determined as the sum of direct and secondary spending. Visitors who came to the New Orleans area spent a total of \$658.5 million for direct or primary spending. Based on their primary spending, out-of-town visitors generated another \$517.4 million in secondary spending. Therefore, the total impact produced by visitors to the NOMCC in 2015 was approximately \$1.2 billion (Table 5). The largest spending category was lodging (39%), followed by meals (24%) and shopping (14%). As expected, the lowest spending categories were gambling and local transportation at 2% and 5%, respectively (Figure 7).

Figure 7: Proportion of Total Visitor Spending



## ***Organizations***

Spending at the organizational level includes expenditures by exhibiting companies, sponsoring associations, and NOMCC operating and capital expenses.

### **Exhibiting Companies**

Other applicable spending that contributes to the total impact includes the money that exhibitors spent in the city to prepare for a convention or trade show. Examples of these expenditures include equipment rental, advertising, hospitality suites, or items bought locally for events.

The spending from exhibiting companies was estimated based on the number of companies and their individual spending. The number of exhibiting companies was estimated as a proportion of total out-of-town visitation. This proportion was derived from past reports, including the 2014 report, along with a convention study prepared by DBER in 2000. While the exact number of exhibiting companies is not available, the total out-of-town attendance is assumed to be a valid indicator of the number of companies that will be attracted to conventions or trade shows. In total, it was estimated that approximately 3.6% of the total visitation will translate into exhibiting companies. During 2015, this figure was estimated at 20,802 exhibiting companies. This total also results on an average of 163 exhibiting companies per convention or trade show (Table 6).

The average spending per exhibiting company was derived solely from last year's report, along with inflation measured by the travel price index as defined by the Consumer Price Index (CPI) from the U.S. Bureau of Labor Statistics (BLS). It was estimated that each exhibiting company spent an average of \$10,857. Individual spending, along with the total number of exhibiting companies determined total direct expenditures for this group (Table 8).

**Table 6: Exhibiting Companies**

<b>Exhibiting Companies</b>	<b>2015</b>
Total no.	<b>20,802</b>
Avg. no. per convention	<b>163</b>
Average spending	<b>\$10,857</b>
Total no. of conventions	<b>128</b>

Sponsoring Associations

Similar to exhibiting companies, sponsoring associations spent money in the local economy for a convention or trade show. The nature of these expenditures is very similar to that of exhibiting companies. Due to data availability limitations, direct spending in this group was analyzed as a whole rather than individually. That is, spending represents the total expenditures among all sponsoring associations per convention or trade show. Similar to exhibiting companies, spending for all associations was derived from previous years' reports, along with inflation measured by the travel price index. In 2015, it was estimated that all sponsoring associations spent \$702,759 per convention or trade show (Table 7). Total direct spending attributed to sponsoring associations is determined as the product of the total spending among all associations per convention, along with the total number of conventions. Total direct spending is presented in Table 8.

**Table 7: Sponsoring Associations**

<b>Sponsoring Associations</b>	<b>2015</b>
Average spending	<b>\$702,759</b>
Total no. of conventions	<b>128</b>

NOMCC Operating and Capital Expenses

Furthermore, total spending includes all the economic activity generated directly by the NOMCC operations. Expenditure figures presented in this section were provided by representatives at the NOMCC. This spending was categorized into two mutually exclusive categories, including operating and capital expenses. Operating expenditures include spending on administrative, marketing, building operations, event services, food services, and other activities that are vital to the NOMCC's daily operations. Depreciation and similar expenses were not included in the analysis since they are not considered money generators from an economic perspective. Capital expenses is composed of spending generated by capital assets, including depreciated and non-depreciated assets. Total direct spending from both categories is presented in Table 8 .

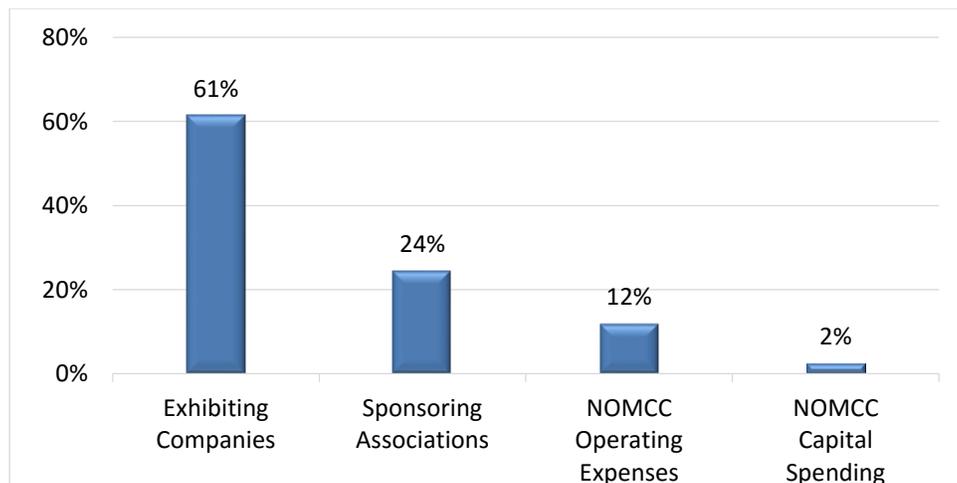
Similar to visitor spending, organizational secondary spending was based on the indirect and induced spending generated from direct spending. For every new dollar of direct spending, additional dollars of secondary spending are generated in the economy. Secondary spending was calculated as a proportion of direct spending using the 2013 BEA Regional Input-Output Modeling System (RIMS II) values for the New Orleans metro area.

The total organizational impact attributed to the NOMCC in 2015 was determined as the sum of direct and secondary spending. Organizations spent a total of \$368.8 million for direct or primary spending. Based on their primary spending, organizations generated another \$319.5 million in secondary spending. Therefore, the total impact produced by organizations associated with the NOMCC in 2015 was approximately \$688.3 million (Table 8). Exhibiting companies spent more than any other types of organizations, followed by sponsoring associations. Capital expenditures represented the lowest amount of spending (Figure 8).

**Table 8: NOMCC Total Organizational Spending**

Spending	Direct Spending	Secondary Spending	Total Spending
Exhibiting Companies	\$225,859,915	\$196,874,289	<b>\$422,734,204</b>
Sponsoring Associations	\$89,953,135	\$77,841,428	<b>\$167,794,564</b>
NOMCC Operating Expenses	\$44,042,390	\$37,306,683	<b>\$81,349,073</b>
NOMCC Capital Spending	\$8,994,208	\$7,470,589	<b>\$16,464,797</b>
<b>Total</b>	<b>\$368,849,649</b>	<b>\$319,492,989</b>	<b>\$688,342,638</b>

**Figure 8: Proportion of Total Organizational Spending**



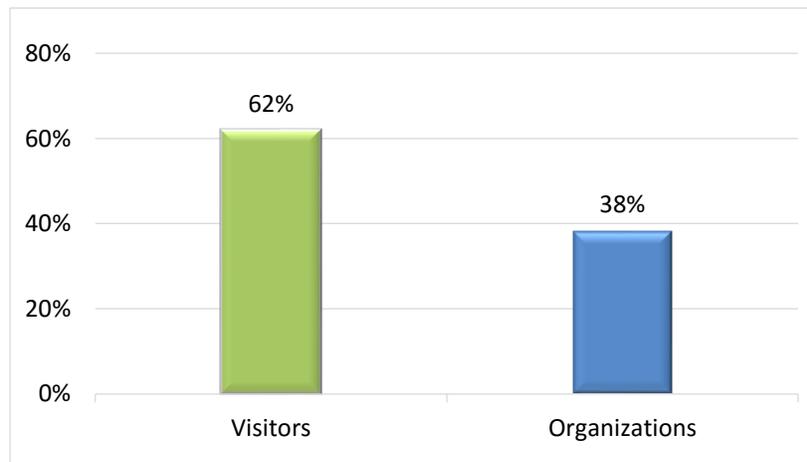
## Total Economic Impact

Table 9 contains the total direct and secondary impact from both visitors and organizations associated with the NOMCC. Total direct spending accounted for \$1.0 billion, resulting in \$836.9 million in secondary spending. Therefore, the total economic impact attributed to the NOMCC during 2015 was \$1.9 billion. In total, visitors made up for over half (62%) of the economic activity generated by the center (Figure 9).

**Table 9: NOMCC Total Visitor and Organizational Spending**

Spending	Direct Spending	Secondary Spending	Total Spending
Visitors	\$658,540,646	\$517,389,371	<b>\$1,175,930,017</b>
Organizations	\$368,849,649	\$319,492,989	<b>\$688,342,638</b>
<b>Total</b>	<b>\$1,027,390,295</b>	<b>\$836,882,360</b>	<b>\$1,864,272,655</b>

**Figure 9: Proportion of Total Spending**



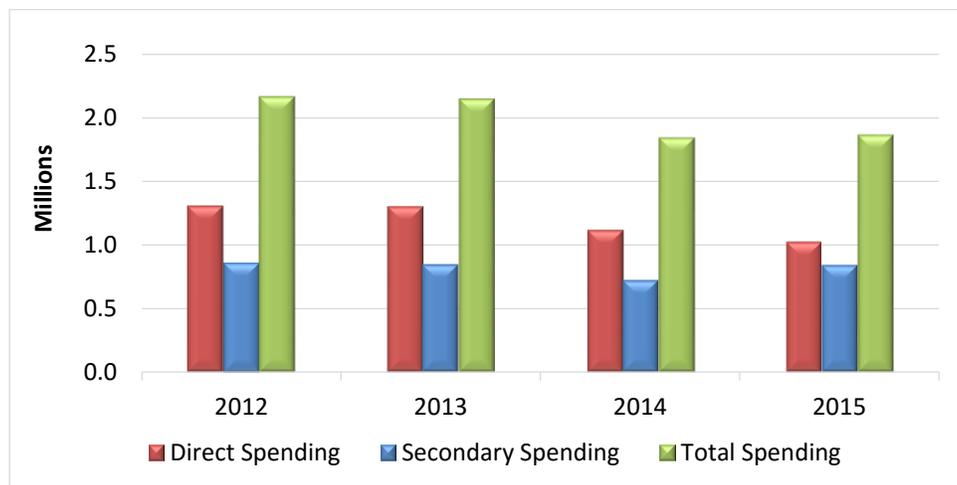
### Comparison of Economic Impacts

Table 10 provides a comparison of the total spending associated with the NOMCC over the last four years. In 2015, the total economic impact increased 1% over 2014 estimates. Although attendance decreased nearly 9% from 2014 estimates, changes in factors such as the proportion of visitors and average trip spending, had a net positive contribution on the calculation of the total direct spending. Furthermore, due to changes in economic indicators, the multiplier effect for secondary impact and jobs based on the 2013 BEA multipliers reflect the rather strong economy compared to figures provided by IMPLAN, which were used in prior studies. Even though some methodological procedures were modified from prior studies, additional analysis was performed to ensure that most figures remained comparable over the years. Thus, after factoring in such positive contributions, the total economic impact of the NOMCC in 2015 was higher than in 2014, but remained lower than 2013 and 2012 estimates (Figure 10).

**Table 10: Historical Total Spending (Millions)**

Spending	2012	2013	2014	2015
Direct Spending	\$1,309.4	\$1,306.0	\$1,121.2	<b>\$1,027.4</b>
Secondary Spending	\$855.7	\$842.2	\$720.3	<b>\$836.9</b>
<b>Total Spending</b>	<b>\$2,165.1</b>	<b>\$2,148.3</b>	<b>\$1,841.5</b>	<b>\$1,864.3</b>

**Figure 10: Historical Total Spending**



## Section II: Earnings and Employment

The economic impact measured by earnings and employment was also estimated using total direct spending generated by the NOMCC. Earnings and employment measure the additional income and number of jobs that will be created or supported as result of direct spending associated to the NOMCC. Secondary employment and earnings were also estimated using the regional economic input-output multipliers provided by the U.S. Department of Commerce Bureau of Economic Analysis.

### *Earnings*

Direct spending created by the NOMCC within the New Orleans area also generates new earnings or income in the economy. As visitor and organizational expenditures flow in the local economy, they generate jobs, thus creating additional income for residents of the New Orleans area. These earnings are created across different employment industries, including non-tourism related industries. The 2013 BEA RIMS II Multipliers were used to estimate the earnings created on each industry impacted by direct spending. During 2015, the activities at the NOMCC generated about \$573.2 million in earnings for New Orleans area residents.

### *Employment*

Employment figures include direct and secondary employment. In 2015, the NOMCC employed a total of 515 full and part-time people. These jobs were responsible for the daily operations at the NOMCC and are referred as direct employment.

Direct spending generated by visitors and organizations is also responsible for the creation or support of full-and part-time jobs in the economy. These jobs are referred as secondary employment. Similar to earnings, these jobs are part of different employment industries, including non-tourism related industries. The respective 2013 BEA RIMS II Multipliers for employment were used to estimate the spin-off jobs that will result from spending at the NOMCC. This analysis was done for each industry impacted by this direct spending. In total, the NOMCC was responsible for the creation or support of 18,829 full-and part-time jobs in the New Orleans metro area economy. It is important to note that some of these were not new jobs necessarily, but rather existing jobs which were supported by spending generated by the NOMCC. Total direct and secondary employment generated by the NOMCC accounted for 19,344 jobs in 2015.

## Section III: Taxes

Although the NOMCC does not pay local or state taxes, activities generated by the daily operations at the Convention Center create taxes in the economy. Tax revenues presented in this analysis include only those taxes created by activities directly associated with the NOMCC during 2015. Taxes paid directly by businesses (i.e. hotels, restaurants) are not included in this analysis.

As a result of spending and employment in the New Orleans area created by the NOMCC, tax revenues are generated for state and local governments. There are two types of tax revenues estimated in this report.

The first is direct revenue for state and local governments. Direct revenue is the tax revenue that visitors pay to state and local governments directly. Examples include hotel/motel taxes paid on hotel rooms, and state and local sales taxes paid on retail purchases, including food and drinks. The direct tax revenue in this analysis is measured by current hotel, sales, and gambling taxes, along with hotel and food and beverage occupancy taxes. Direct taxes include the statutory assessment implemented in mid-2015, but exclude the French Quarter security tax implemented in early 2016.

Indirect taxes are the taxes paid on the revenue generated by direct spending. That revenue results in salaries and wages of jobs supported by direct spending. On those salaries, the recipients pay state income taxes. In addition, the recipients buy goods and services and pay taxes that correspond to those transactions. The retail sales tax applies to the purchase of most of those goods and services. However, other items are not taxable under the retail sales tax, but are taxable under various other taxes. Examples of these are taxes on gasoline, insurance premiums, and alcohol. These are referred to as excise taxes. The assumption used to estimate the revenue from these indirect taxes is that the recipient of newly created income is no different from the average Louisiana consumer. Therefore, the proportion of secondary income that is paid as taxes is equivalent to the average values for the state as a whole. The indirect taxes for state and local governments in this analysis are measured by income, sales, excise, and business taxes.

Total tax revenues are classified by type of tax and government level (local or state) that collected the revenues. Taxes derived from primary spending are categorized by the entity receiving the funds, while taxes derived from secondary spending are presented as total revenues. It is important to note that the amount of revenues assigned to each entity represents an estimate and could differ from actual revenues collected.

In 2015, activities generated at the NOMCC contributed a total of \$112.1 million in direct state and local taxes. Out of that total, \$57.2 million was collected by the state, while \$54.9 million was claimed by local governments of the New Orleans area. Furthermore, indirect taxes for state and local governments accounted for \$24.3 million and \$6.6 million, respectively. Detailed figures are presented in Table 11 and Table 12.

**Table 11: State and Local Direct Tax Revenue**

Government and Tax	Sales Taxes	Hotel Taxes	Occupancy Taxes	Gambling Taxes	Total
<b>State Taxes</b>					
State General Fund*	\$25,980,551	\$6,954,490	-	\$3,450,123	\$36,385,165
NOMCC	-	\$9,263,785	-	-	\$9,263,785
Superdome	-	\$11,573,080	-	-	\$11,573,080
<b>Total State Taxes</b>	<b>\$25,980,551</b>	<b>\$27,791,355</b>	<b>-</b>	<b>\$3,450,123</b>	<b>\$57,222,029</b>
<b>Local Taxes</b>					
City of N.O.	\$16,237,845	\$4,631,892	-	-	\$20,869,737
School Board	\$9,742,707	\$4,631,892	-	-	\$14,374,599
Regional Transit	\$6,495,138	\$3,087,928	-	-	\$9,583,066
NOCVB/NOTMC/FQ**	-	\$5,403,875	-	-	\$5,403,875
NOMCC/NOTMC	-	-	\$4,688,668	-	\$4,688,668
<b>Total Local Taxes</b>	<b>\$32,475,689</b>	<b>\$17,755,588</b>	<b>\$4,688,668</b>	<b>-</b>	<b>\$54,919,945</b>
<b>Total Governmental Revenue</b>	<b>\$58,456,240</b>	<b>\$45,546,943</b>	<b>\$4,688,668</b>	<b>\$3,450,123</b>	<b>\$112,141,974</b>

\*Half of the hotel taxes collected by the state goes back to the NOCVB.

\*\*Statutory tax assessment implemented in 2015.

**Table 12: State and Local Indirect Tax Revenue**

Government and Tax	State	Local
Income Taxes	\$8,076,866	-
Sales Taxes	\$8,574,487	\$6,573,137
Excise Taxes	\$6,430,273	-
Business Taxes	\$1,252,705	-
<b>Total Governmental Revenue</b>	<b>\$24,334,330</b>	<b>\$6,573,137</b>

In total, including direct and indirect taxes, the state of Louisiana received \$81.6 million in tax revenue from the economic activity associated with the NOMCC. In addition, local governments in the New Orleans area raised another \$61.5 million in tax revenue. Total tax revenue is the sum of state and local revenues. In summary, the activities at the NOMCC during 2015 generated a total of \$143.0 million in government tax revenue (Table 13).

**Table 13: State and Local Total Tax Revenue**

<b>Government and Tax</b>	<b>Total Revenue</b>
<b><u>State Taxes</u></b>	
Sales Taxes	\$34,555,038
Hotel Taxes	\$27,791,355
Excise Taxes	\$6,430,273
Gambling Taxes	\$3,450,123
Income Taxes	\$8,076,866
Business Taxes	\$1,252,705
<b>Total State Taxes</b>	<b>\$81,556,360</b>
<b><u>Local Taxes</u></b>	
Sales Taxes	\$39,048,826
Hotel Taxes	\$17,755,588
Occupancy Taxes	\$4,688,668
<b>Total Local Taxes</b>	<b>\$61,493,081</b>
<b>Total Governmental Revenue</b>	<b>\$143,049,441</b>

## **Comparison of Tax Revenues**

Total governmental revenue decreased nearly 15% from \$169.2 million in 2014 to \$143.0 million in 2015. It is important to note that direct and indirect taxes were estimated using a different methodology from previous years. The main differences are evident for occupancy and indirect taxes. Even though the analysis was modified to include the new hotel assessment tax implemented in 2015, the differences in rates and spending definitions had a negative contribution in the calculation of taxes collected by the NOMCC (Table 14).

**Table 14: Historical Total Taxes (Millions)**

<b>Government and Tax</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Total State Tax Revenue	\$112.2	\$113.4	\$97.1	<b>\$81.6</b>
Total Local Tax Revenue	\$84.7	\$84.1	\$72.1	<b>\$61.5</b>
<b>Total Governmental Revenue</b>	<b>\$196.9</b>	<b>\$197.5</b>	<b>\$169.2</b>	<b>\$143.0</b>

## Section IV: Historical Data

The purpose of this section is to present the total economic impact of the NOMCC since it first opened. Adding all comparable figures from 1985 through 2015 provides the 30-year economic activity generated in the New Orleans metro area. It is important to note that the sum of all economic activity through the 29-year period was obtained from the 2014 report. Furthermore, spending activities in this analysis are not adjusted for inflation (Table 15).

- In its 30 years of service, the NOMCC has attracted a total of 2,707 conventions and trade shows. During that period, a total of 15.9 million registered delegates, spouses and guests, and exhibitors and officials have participated in different activities at the NOMCC.
- Delegates, guests, exhibitors, and organizations associated with the NOMCC have spent a total of \$23.5 billion in direct spending. Based on their primary spending, visitors and organizations have generated another \$30.2 billion in secondary spending. Therefore, the total economic impact produced by the NOMCC over the 30-year period is \$53.7 billion.
- Spending at the NOMCC has also resulted in the creation or support of full-and part-time jobs over its 30-year history. These jobs have created a total of \$12.6 billion in earnings or income for residents of the New Orleans area.
- Since its opening, the NOMCC has generated a total of \$3.4 billion in tax revenue for state and local governments. Of that total, roughly \$2.0 billion has gone to the State of Louisiana, and \$1.5 billion has been claimed by local governments in the New Orleans area.

**Table 15: Historical Indicators**

Historical Indicators	30-Year Impact
Conventions and trade shows	2,707
Visitors	15,863,050
Direct Spending	\$23,527,390,295
Secondary Spending	\$30,206,882,360
Total Economic Impact	\$53,734,272,655
Earnings	\$12,623,207,830
State Taxes	\$1,969,556,360
Local Taxes	\$1,466,493,081
Total Taxes	\$3,436,049,441

## Conclusion

In 2015, the New Orleans Ernest N. Morial Convention Center (NOMCC) made a valuable contribution to the New Orleans metro area economy. In that year, the NOMCC held 128 conventions and trade shows, attracted 574,869 out-of-town visitors, and generated a total economic impact of \$1.9 billion. This impact comprises \$1.0 billion in direct expenditures and \$836.9 million in secondary expenditures.

During the same year, total direct employment represented 515 individuals who worked in various positions at the NOMCC. Direct spending from visitors and organizations also resulted in the creation or support of 18,829 full-and part-time secondary jobs. These jobs created a total of \$573.2 million in additional earnings for residents of the New Orleans area.

The NOMCC also generated a total of \$143.0 million in tax revenue for state and local governments. Of that total, roughly \$81.6 million went to the State of Louisiana, and \$61.5 million was claimed by local governments in the New Orleans area.