





The Economic Impact of Tourism in the Appalachian Region of Ohio

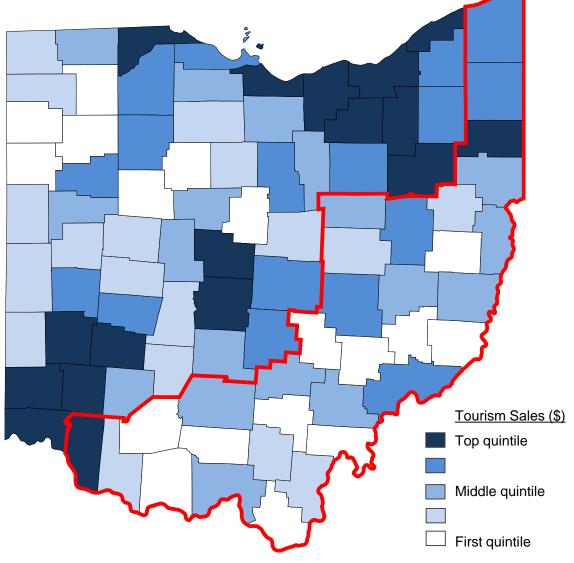
June 2018



Appalachian Region tourism summary

Total Tourism Impact				
Appalachian R	Region, Ohio			
Sales	\$5.5 billion			
Wages	\$1.3 billion			
Taxes	\$0.7 billion			
Employment	61,164			

Appalachian Region in Red



Overview

- 1 Tourism drives jobs in the Appalachian Region
- Tourism is an integral and driving component of the Appalachian Region economy, sustaining 7.9% of private employment.
- 2 Visitor spending brings in dollars to the local economy
- Visitors to the Appalachian Region generated business sales of \$5.5 billion, directly and indirectly, in 2017.
- 3 Tourism benefits are diverse
- The benefits of tourism span across various industries, including transportation, recreation, retail, lodging, and food & beverage.

State Summary

Key findings

- As visitor spending growth continues, Ohio tourism's performance both in 2017 and over the life of the current expansion impresses.
- Visitor spending grew 3.5% in 2017 and has increased nearly 18% over 2013 results.
- Visitor spending increased by \$1.2 billion in 2017 to reach \$35.2 billion; spending is up by \$5.2 billion since 2013.
- Ohio visitor volumes grew by 7 million to reach 219 million and have grown by more than 24 million since 2013.
- Visitor spending growth was led by spending on recreational activities with strong growth in food & beverages as lower gas prices, growing wages, and strong consumer confidence supported travel growth.

- Visitor spending of \$35.2 billion generated \$53.3 billion in total business sales in 2017 as traveler dollars flowed through the Ohio economy.
- Visitor activity sustained 493,625 jobs in 2017, both directly and indirectly.
- 1-in-11 jobs in the state is sustained by tourism activity – 8.9% of private non-farm employment in Ohio.
- Including indirect and induced impacts, tourism in Ohio generated \$3.35 billion in state and local taxes and \$3.3 billion in Federal taxes in 2017.
- In the absence of the state and local taxes generated by tourism, each Ohio household would need to pay an additional \$725 to maintain the current level of government services.

Growth continues in 2017 as economic conditions help spur travel to Ohio

Key facts about Ohio's tourism sector

Visitation reached 219 million in 2017

Visitor spending rose 3.5% in 2017 to \$35.2 billion

Tourism spending supports 8.9% of all jobs in Ohio

Tourism in Ohio generated \$3.35 billion in state and local taxes in 2017

Key indicators in Ohio 2017

Dollar figures in millions

Tourism spending	\$35,162
Total business sales	\$53,296
Employment sustained by tourism	493,625
Income sustained by tourism	\$13,547
Taxes sustained by tourism	\$6,666
Federal	\$3,315
State	\$1,986
Local	\$1,366

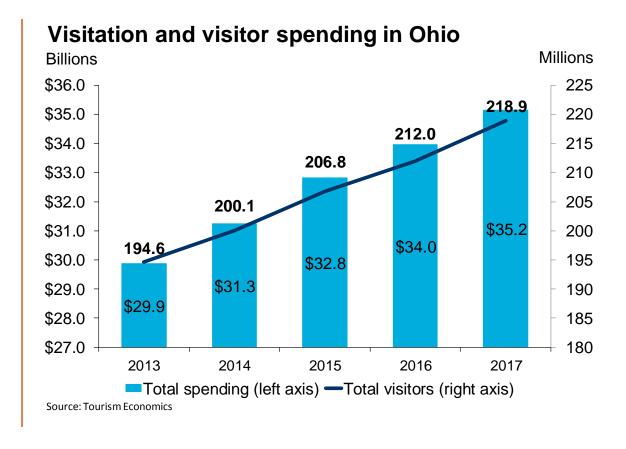
Source: Tourism Economics

2017 results

219 million visitors traveled to Ohio in 2017, spending \$35.2 billion in the state.

The number of person-trips reached 219 million in 2017.

The steady climb of visitor spending continued in 2017 as increased visitation supported more spending in a very low inflationary period.

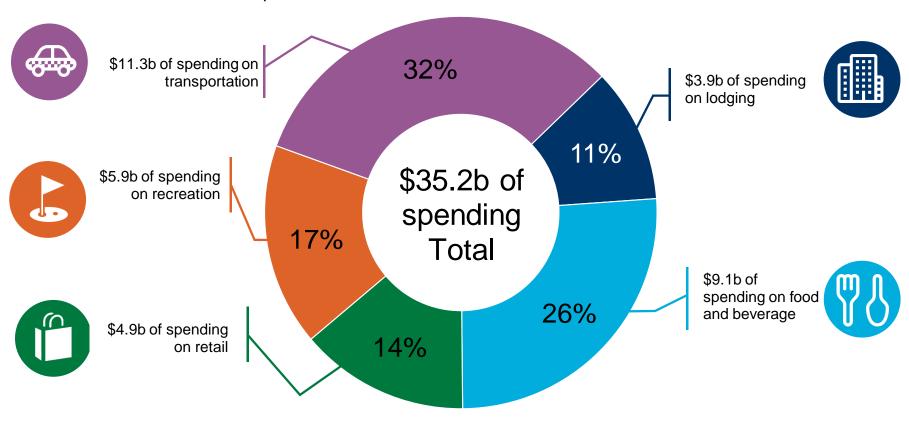


Visitor spending in Ohio

Food & beverages spending captures a quarter of all visitor spending.

Visitor spending in Ohio, 2017

Dollars, millions and percent of total



Source: Tourism Economics

How tourism generates impact

Tourism spending flows through the economy and generates economic benefit through multiple channels.

Our analysis of tourism's impact on Ohio starts with actual spending by tourists, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in Ohio, we input tourism spending into a model of the Ohio's economy created in IMPLAN. This model calculates three distinct types of impact: direct, indirect, and induced.

- Travelers create direct economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.
- Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by tourism, spend those wages in the local economy.

The impacts on business sales, jobs, wages, and taxes are calculated for all three levels of impact.

How tourism spending flows through the economy and generates economic benefits

•			
	Sector	Impact	Effect
Tra	ansportation		Production
	ntertainment		
	Recreation	Direct	Jobs
Visitor Spending	Retail	Indirect Induced	Wages
Food	& Beverage		
Accor	nmodations		Taxes

Tourism's impact on business sales (1 of 2)

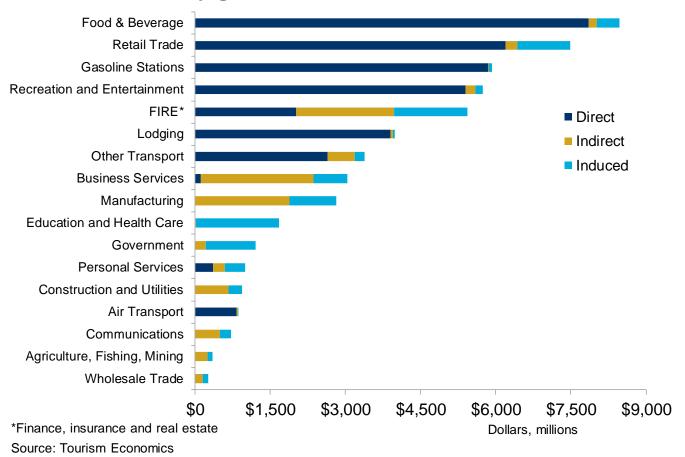
Visitors spent \$35.2 billion in Ohio in 2017. This supported a total of \$53.3 billion in business sales when indirect and induced impacts are considered.

Tourism economy generated business sales, millions					
	Direct	Indirect	Induced	Total	
Agriculture, Fishing, Mining	-	250.6	100.5	351.1	
Construction and Utilities	-	669.2	268.9	938.0	
Manufacturing	-	1,888.8	923.1	2,811.9	
Wholesale Trade	-	155.5	102.8	258.2	
Air Transport	831.7	19.1	16.0	866.7	
Other Transport	2,644.9	537.1	204.4	3,386.4	
Retail Trade	6,194.9	241.5	1,051.7	7,488.1	
Gasoline Stations	5,848.9	16.3	63.2	5,928.5	
Communications	-	489.8	231.1	720.9	
Finance, Insurance and Real Estate	2,015.2	1,953.6	1,467.1	5,435.9	
Business Services	117.7	2,245.1	672.9	3,035.6	
Education and Health Care	-	10.0	1,668.4	1,678.4	
Recreation and Entertainment	5,399.0	193.4	146.3	5,738.7	
Lodging	3,898.6	47.4	43.8	3,989.8	
Food & Beverage	7,858.3	153.4	456.9	8,468.5	
Personal Services	353.2	240.1	403.0	996.3	
Government	-	213.5	989.3	1,202.8	
TOTAL	35,162.3	9,324.4	8,809.2	53,295.9	
Growth Rate	3.5%	2.1%	5.2%	3.5%	

Tourism's impact on business sales (2 of 2)

While the majority of sales are in industries directly serving visitors, over \$2.2 billion in business sales occurs in business services as a result of their selling to tourism businesses.

Tourism economy generated business sales, 2017



Tourism's impact on local employment

Tourism supported a total of 493,625 jobs when indirect and induced impacts are considered.

Tourism economy generated employment					
	Direct	Indirect	Induced	Total	
Agriculture, Fishing, Mining	-	2,685	1,024	3,709	
Construction and Utilities	-	1,992	461	2,452	
Manufacturing	-	3,886	1,726	5,612	
Wholesale Trade	-	651	430	1,082	
Air Transport	3,364	58	57	3,479	
Other Transport	32,850	5,070	1,860	39,779	
Retail Trade	44,297	2,964	12,744	60,005	
Gasoline Stations	12,348	189	703	13,239	
Communications	-	1,833	694	2,527	
Finance, Insurance and Real Estate	7,346	9,865	5,803	23,013	
Business Services	137	19,473	5,908	25,518	
Education and Health Care	-	196	17,137	17,333	
Recreation and Entertainment	67,996	3,918	2,176	74,090	
Lodging	42,606	596	518	43,720	
Food & Beverage	155,410	2,805	7,809	166,024	
Personal Services	2,230	2,454	5,791	10,476	
Government	-	1,023	545	1,568	
TOTAL	368,585	59,658	65,383	493,625	
Percent Change	0.5%	1.8%	1.6%	0.8%	

Source: Tourism Economics

Tourism's impact on local income

Tourism generated nearly \$8.5 billion in direct income and \$13.5 billion when indirect and induced impacts are added.

Tourism economy generated income, millions					
	Direct	Indirect	Induced	Total	
Agriculture, Fishing, Mining	-	62.7	28.1	90.8	
Construction and Utilities	-	180.5	63.9	244.4	
Manufacturing	-	240.5	112.3	352.8	
Wholesale Trade	-	43.4	32.6	76.0	
Air Transport	290.0	6.2	5.7	301.8	
Other Transport	919.5	259.8	93.5	1,272.7	
Retail Trade	958.0	88.9	363.6	1,410.5	
Gasoline Stations	309.5	5.0	18.4	332.9	
Communications	-	114.7	44.9	159.7	
Finance, Insurance and Real Estate	193.8	363.8	260.3	817.9	
Business Services	7.5	952.0	286.6	1,246.1	
Education and Health Care	-	4.5	760.4	764.9	
Recreation and Entertainment	1,736.8	70.9	53.5	1,861.2	
Lodging	1,226.5	17.2	14.1	1,257.8	
Food & Beverage	2,787.7	49.9	138.4	2,975.9	
Personal Services	48.3	86.2	153.9	288.3	
Government	-	64.2	29.6	93.8	
TOTAL	8,477.5	2,610.2	2,459.8	13,547.5	
Percent Change	3.5%	4.2%	3.7%	3.7%	

Source: Tourism Economics

Tourism's impact on taxes

Visitor spending, visitor supported jobs, and business sales generated \$6.7 billion in governmental revenues.

Tax revenue of \$6.7 billion was directly and indirectly generated by tourism in 2017.

State and local taxes alone tallied \$3.35 billion in 2017.

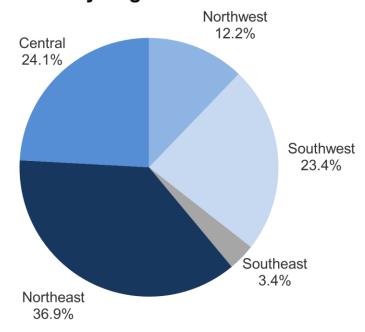
Each household in Ohio would need to be taxed an additional \$725 per year to replace the traveler taxes received by state and local governments.

Tourism-Generated Taxes									
(US\$ Million)									
2012 2013 2014 2015 2016 2017									
Federal Taxes	2,741.0	2,802.2	2,949.2	3,085.2	3,200.8	3,314.8			
Corporate	499.3	483.4	536.0	553.9	567.7	578.0			
Indirect Business	253.6	265.6	278.2	291.7	301.7	307.6			
Personal Income	834.3	861.6	896.0	939.8	978.3	1,016.3			
Social Security	1,153.8	1,191.6	1,239.1	1,299.7	1,353.0	1,412.9			
State Taxes	1,714.3	1,749.8	1,808.4	1,888.5	1,950.6	1,985.6			
Corporate	425.2	411.6	456.4	471.6	483.4	470.2			
Personal Income	337.6	348.6	311.5	326.7	340.1	351.4			
Sales	814.5	852.8	893.3	936.9	969.0	1,003.2			
State Social Security	61.0	63.0	65.5	68.7	71.5	72.4			
Excise and Fees	76.1	73.7	81.7	84.5	86.6	88.4			
Local Taxes	1,151.9	1,175.0	1,221.6	1,272.0	1,321.8	1,365.5			
Personal Income	33.8	34.9	36.3	38.0	39.6	40.6			
Sales	148.1	155.1	162.4	170.3	176.2	182.4			
Property	730.6	730.6	730.6	757.5	785.4	814.3			
Admissions	23.8	25.3	27.1	28.7	29.1	30.1			
Lodging	144.3	160.1	188.7	198.3	210.5	215.1			
Other Taxes and Fees	71.3	69.1	76.6	79.1	81.1	82.9			
TOTAL	5,607.2	5,727.0	5,979.2	6,245.6	6,473.2	6,665.8			

Regional Summary

Tourism sales

Tourism Sales by Region



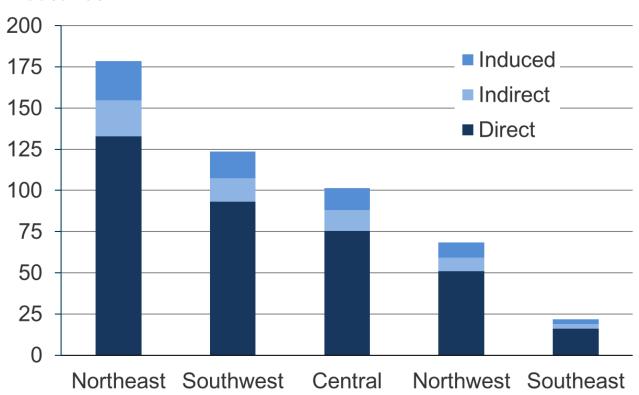
Cleveland (Northeast), Columbus (Central), and Cincinnati (Southwest), are key destinations and influence the distribution of the tourism economy across Ohio.

Relative to the size of their economies, tourism is still of significant importance to the Northwest and Southeast regions.

Tourism employment

Tourism Employment by Region

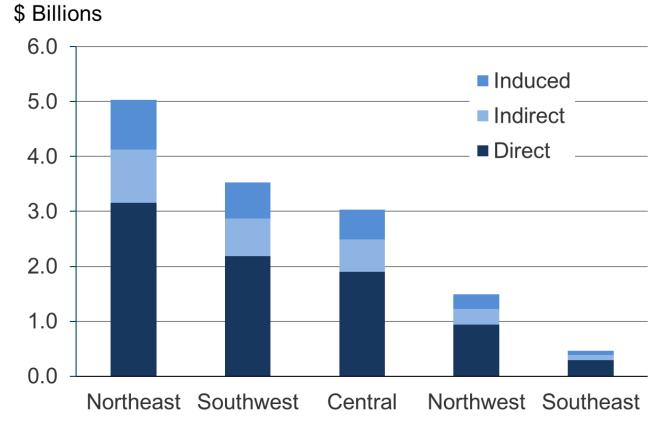
Thousands



Tourism wages

Tourism Wages by Region





Appalachian Region Detail

Tourism sales trends

Recent Trends in Tourism Sales (Output)					
	2015	2016	2017		
Appalachian Region Direct Sales Trends:					
Sales volume (\$mils)	3,433.8	3,473.9	3,611.3		
Sales growth, % change	3.7%	1.2%	4.0%		
Sales trends for the wider region and state:					
Ohio sales growth, % change	4.9%	3.6%	3.5%		

Appalachian Region tourism impact

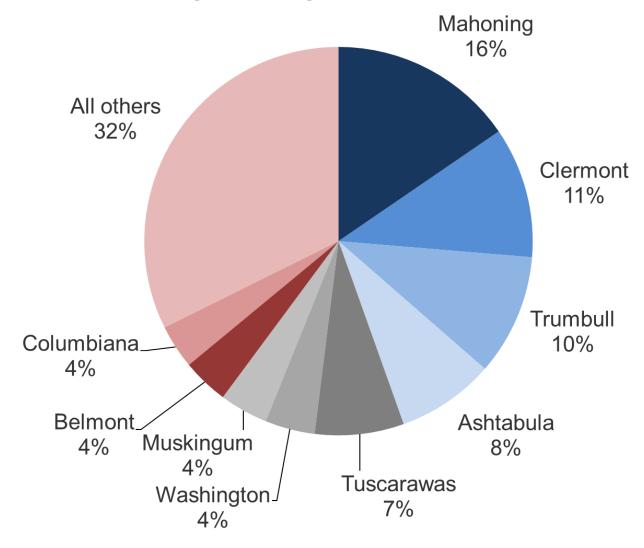
Total Tourism Impact							
County	Sales (\$mils)	Employment	Wages (\$mils)	Tax Revenues (\$mils)			
Adams	42.1	640	14.7	5.1			
Ashtabula	451.1	3,406	72.3	52.9			
Athens	166.0	2,133	47.2	21.1			
Belmont	213.2	2,318	52.2	26.9			
Brown	64.4	935	18.3	8.5			
Carroll	88.1	757	16.9	10.4			
Clermont	602.1	6,016	142.3	73.5			
Columbiana	202.5	2,354	42.8	23.8			
Coshocton	56.5	738	14.1	6.7			
Gallia	69.3	890	20.2	8.6			
Guernsey	160.9	1,597	43.3	21.2			
Harrison	15.7	201	2.3	1.5			
Highland	49.3	1,036	14.1	5.9			
Hocking	149.1	1,127	29.0	19.1			
Holmes	184.4	1,771	39.1	22.9			
Jackson	54.8	1,107	16.7	6.7			
Jefferson	161.1	1,879	39.5	19.6			
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Appalachian Region tourism impact

Total Tourism Impact (continued)							
County	Sales (\$mils)	Employment	Wages (\$mils)	Tax Revenues (\$mils)			
Lawrence	50.4	1,005	22.8	6.8			
Mahoning	855.5	9,531	199.4	105.3			
Meigs	15.6	311	4.5	1.6			
Monroe	9.9	145	2.0	0.9			
Morgan	20.5	178	2.1	2.1			
Muskingum	223.6	3,036	64.2	28.4			
Noble	8.7	215	2.5	1.0			
Perry	14.7	351	5.4	1.6			
Pike	28.8	581	9.5	3.5			
Ross	167.9	2,527	53.8	21.7			
Scioto	193.9	2,084	45.3	23.3			
Trumbull	558.4	6,600	135.5	68.6			
Tuscarawas	410.5	3,560	71.3	48.4			
Vinton	27.1	229	3.7	2.9			
Washington	229.9	1,906	42.5	26.9			
Region Total	5,546.2	61,164	1,289.4	677.2			

Appalachian Region tourism impact

Tourism Sales by County: \$5.5 billion



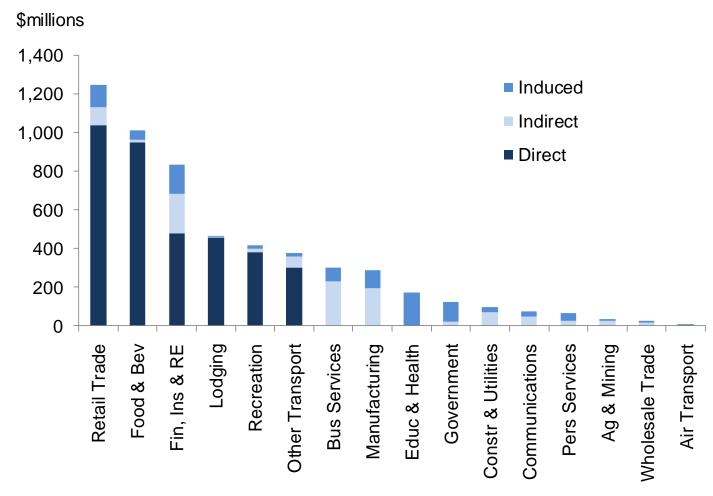
Tourism sales

Visitors generated \$5.5 billion in business activity in the Appalachian Region in 2017.

Tourism Sales (Output)							
(US\$)							
	Direct*	Indirect	Induced	Total			
Agriculture, Fishing, Mining	-	25.8	10.4	36.2			
Construction and Utilities	-	69.0	27.7	96.7			
Manufacturing	-	194.7	95.2	289.9			
Wholesale Trade	-	16.0	10.6	26.6			
Air Transport	4.1	2.0	1.6	7.8			
Other Transport	302.2	55.4	21.1	378.7			
Retail Trade	1,039.8	91.8	115.0	1,246.5			
Communications	-	50.5	23.8	74.3			
Finance, Insurance and Real Estate	480.9	201.4	151.3	833.6			
Business Services	-	231.4	69.4	300.8			
Education and Health Care	-	1.0	172.1	173.1			
Recreation and Entertainment	381.0	19.9	15.1	416.0			
Lodging	455.1	4.9	4.5	464.5			
Food & Beverage	948.2	15.8	47.1	1,011.1			
Personal Services	-	24.8	41.6	66.3			
Government	-	22.0	102.0	124.0			
TOTAL	3,611.3	1,026.3	908.6	5,546.2			

Tourism sales

Tourism Sales By Industry



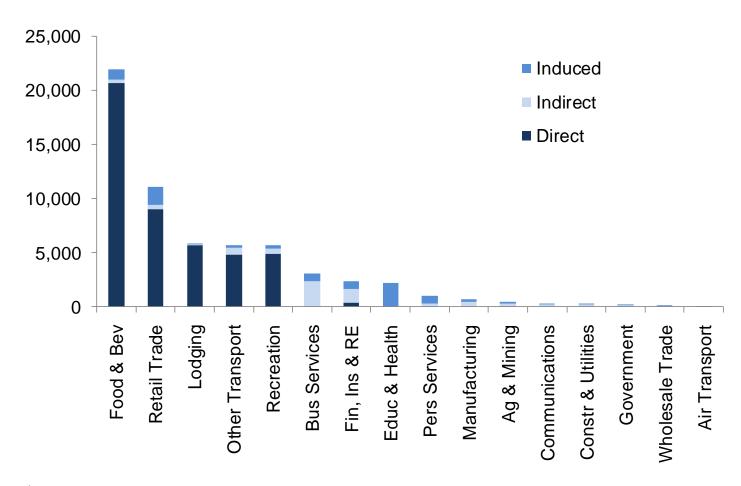
Tourism employment

Tourism supports 1 in every 13 jobs in the Appalachian Region.

Tourism Employment						
	Direct	Indirect	Induced	Total		
Agriculture, Fishing, Mining	-	328	129	457		
Construction and Utilities	-	243	58	301		
Manufacturing	-	475	217	692		
Wholesale Trade	-	80	54	134		
Air Transport	-	7	7	14		
Other Transport	4,872	620	234	5,725		
Retail Trade	9,059	385	1,689	11,134		
Communications	-	224	87	311		
Finance, Insurance and Real Estate	418	1,206	729	2,353		
Business Services	-	2,380	742	3,122		
Education and Health Care	-	24	2,153	2,177		
Recreation and Entertainment	4,917	479	273	5,669		
Lodging	5,723	73	65	5,861		
Food & Beverage	20,670	343	981	21,994		
Personal Services	-	300	727	1,027		
Government	-	125	68	193		
TOTAL	45,660	7,291	8,213	61,164		

Tourism employment

Tourism Employment By Industry



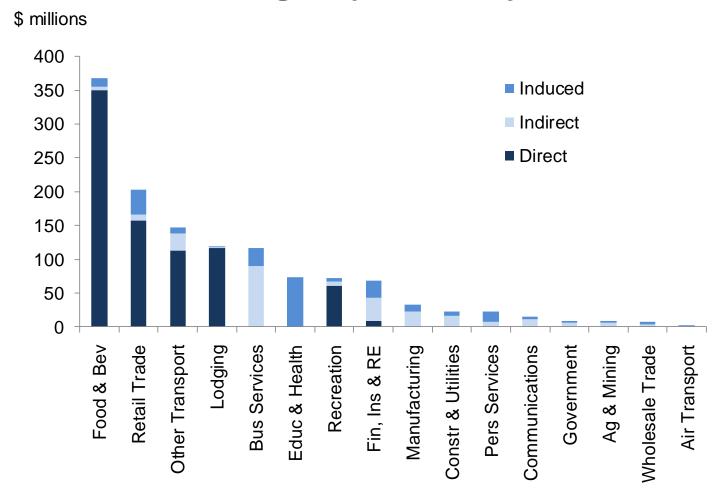
Tourism income

Tourism generated personal income of \$1.3 billion in 2017.

Tourism Income (Compensation)					
(US\$)					
	Direct	Indirect	Induced	Total	
Agriculture, Fishing, Mining	-	5.9	2.7	9	
Construction and Utilities	-	17.0	6.2	23	
Manufacturing	-	22.6	10.9	33	
Wholesale Trade	-	4.1	3.2	7	
Air Transport	-	0.6	0.5	1	
Other Transport	113.5	24.4	9.0	147	
Retail Trade	157.6	8.8	37.0	203	
Communications	-	10.8	4.3	15	
Finance, Insurance and Real Estate	8.5	34.2	25.2	68	
Business Services	-	89.5	27.7	117	
Education and Health Care	-	0.4	73.6	74	
Recreation and Entertainment	60.3	6.7	5.2	72	
Lodging	116.1	1.6	1.4	119	
Food & Beverage	349.9	4.7	13.4	368	
Personal Services	-	8.1	14.9	23	
Government	-	6.0	2.9	9	
TOTAL	806.0	245.3	238.0	1,289	

Tourism income

Tourism Earnings By Industry



Tourism tax generation

Tourism generated \$678.7 million in taxes in 2017, including \$340.7 million in state and local taxes.

Tourism-Generated Taxes				
(US\$ Millions)				
	Total			
Federal Taxes	338.0			
State Taxes	194.8			
Local Taxes	145.9			
TOTAL	678.7			

Methodology notes

County level economic impact estimates are derived from the State of Ohio tourism economic impact report, also produced by Tourism Economics. Visitor spending estimates are based on several sources including:

- Visitor profile and spending estimates from Longwoods International, an international consumer research firm.
- STR data on hotel metrics including room demand, revenues, and occupancy rates.
- Statistics Canada data on spending in Ohio.
- Office of Travel & Tourism Industries estimates of overseas visits to Ohio.
- Sales tax data on lodging, retail, recreation sectors available from the Ohio Department of Taxation
- Local lodging tax data collected directly from the counties.

Economic data are compiled by industry at the county level, from the Bureau of Economic Analysis and Bureau of Labor Statistics. These provide industry detail on employment, value added, and wages by industry.

The economic impact analysis uses an IMPLAN (www.implan.com) input-output model for the state of Ohio which tracks spending by visitors to industries and among industries and households. This estimates indirect (supply chain) impacts and induced (income effect) impacts as wages are spent in the state economy.



About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination's full potential.

Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of more than 200 professional economists; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford Economics has offices in London, Oxford, Dubai, Philadelphia, and Belfast.

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