



The Economic Impact of Tourism in the Appalachian Region of Ohio

June 2018



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

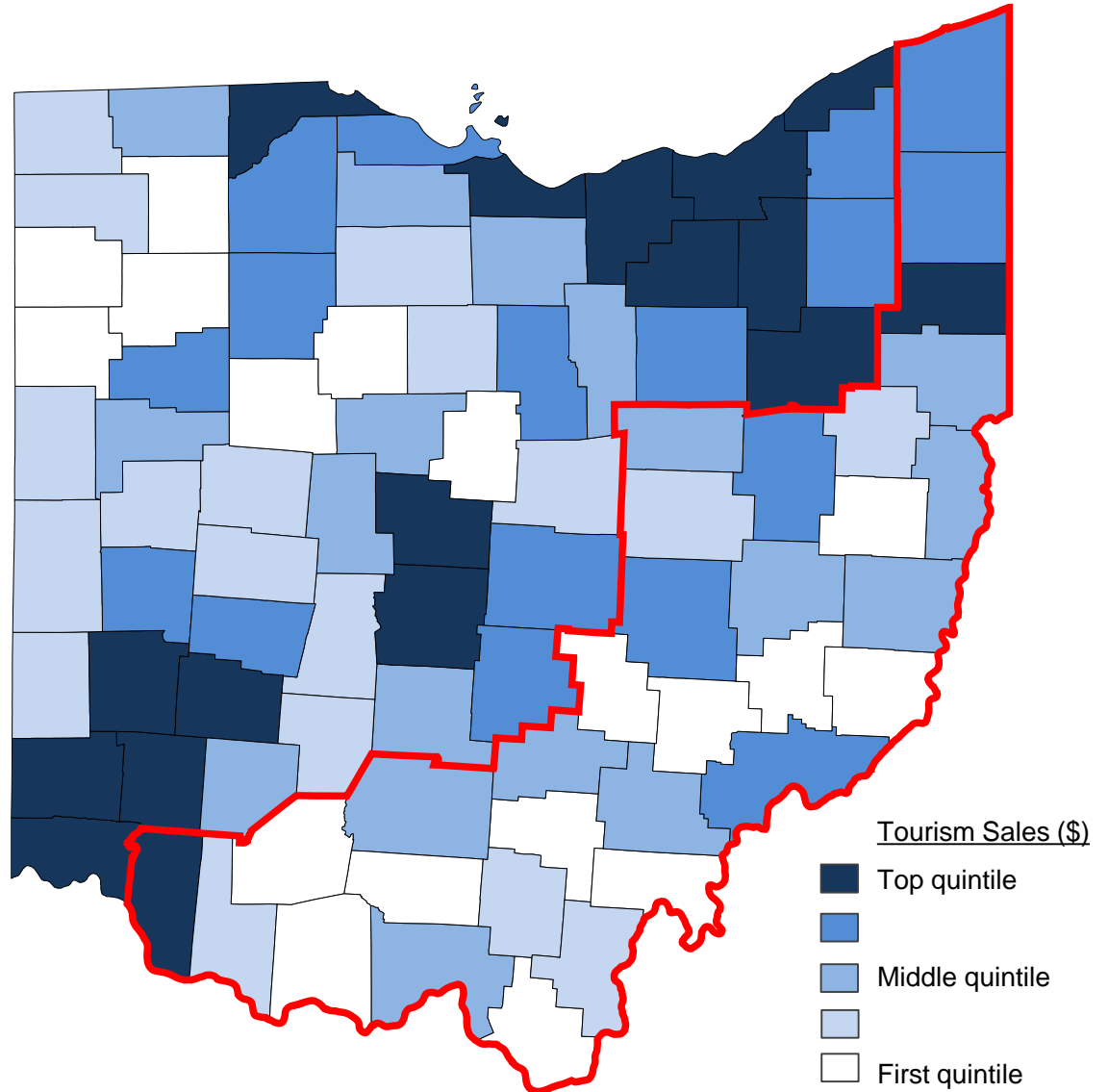
Appalachian Region tourism summary

Total Tourism Impact

Appalachian 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

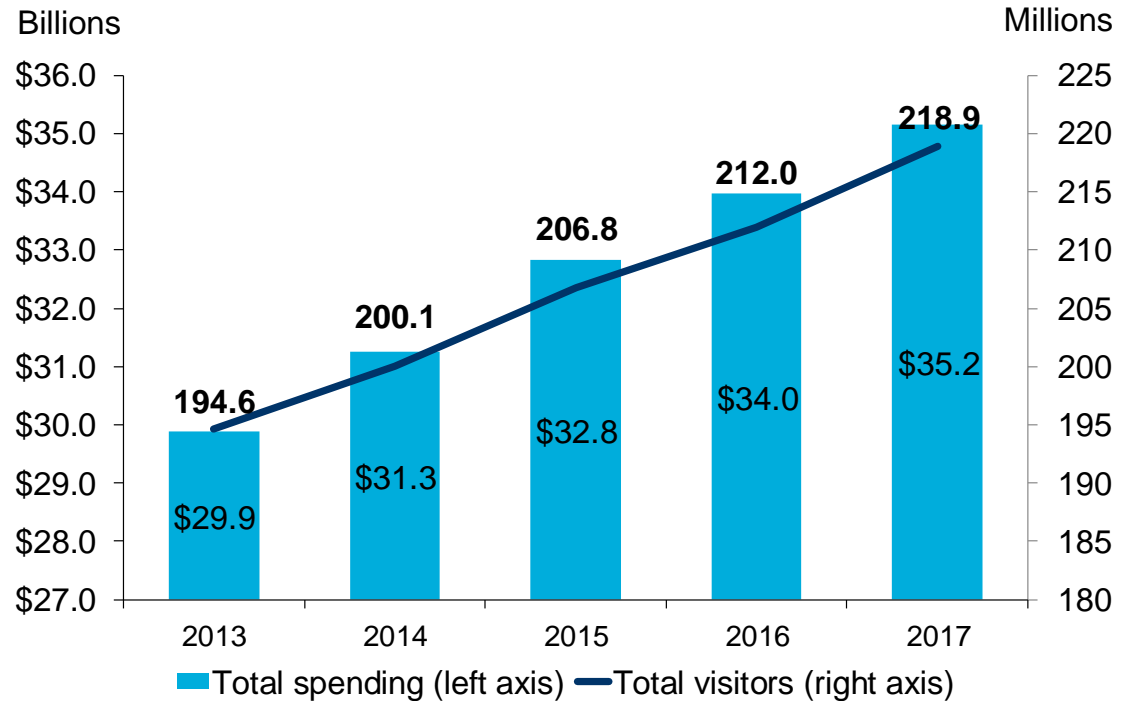
2017 results

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.

Visitation and visitor spending in Ohio



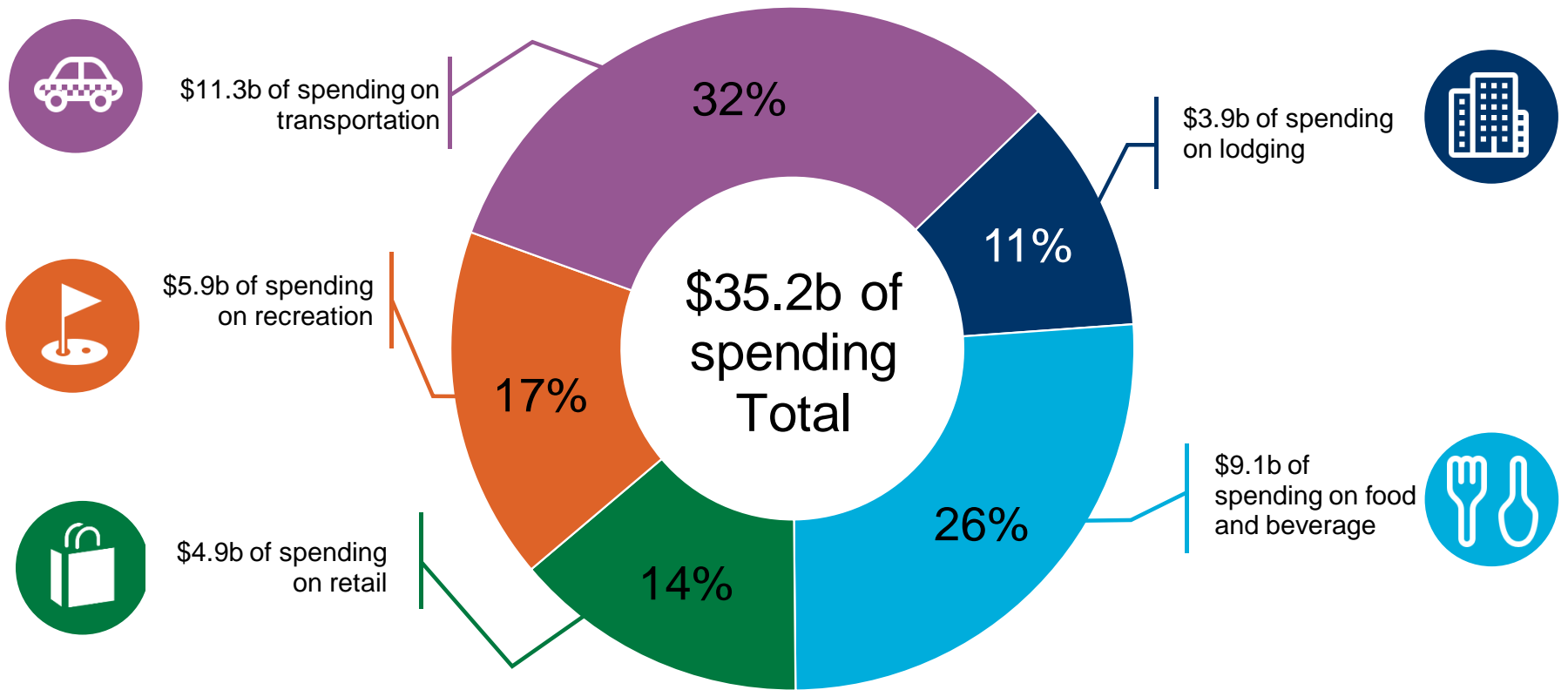
Source: Tourism Economics

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

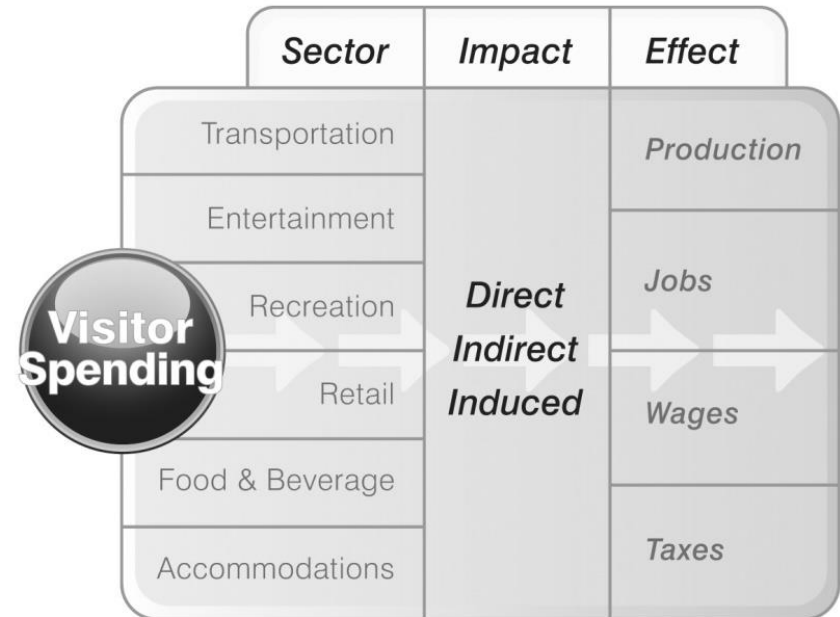
Our analysis of tourism's impact on Ohio starts with actual spending by tourists, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in Ohio, we input tourism spending into a model of the Ohio's economy created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

- Travelers create **direct** economic value within a discrete 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.

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

How tourism spending flows through the economy and generates economic benefits



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

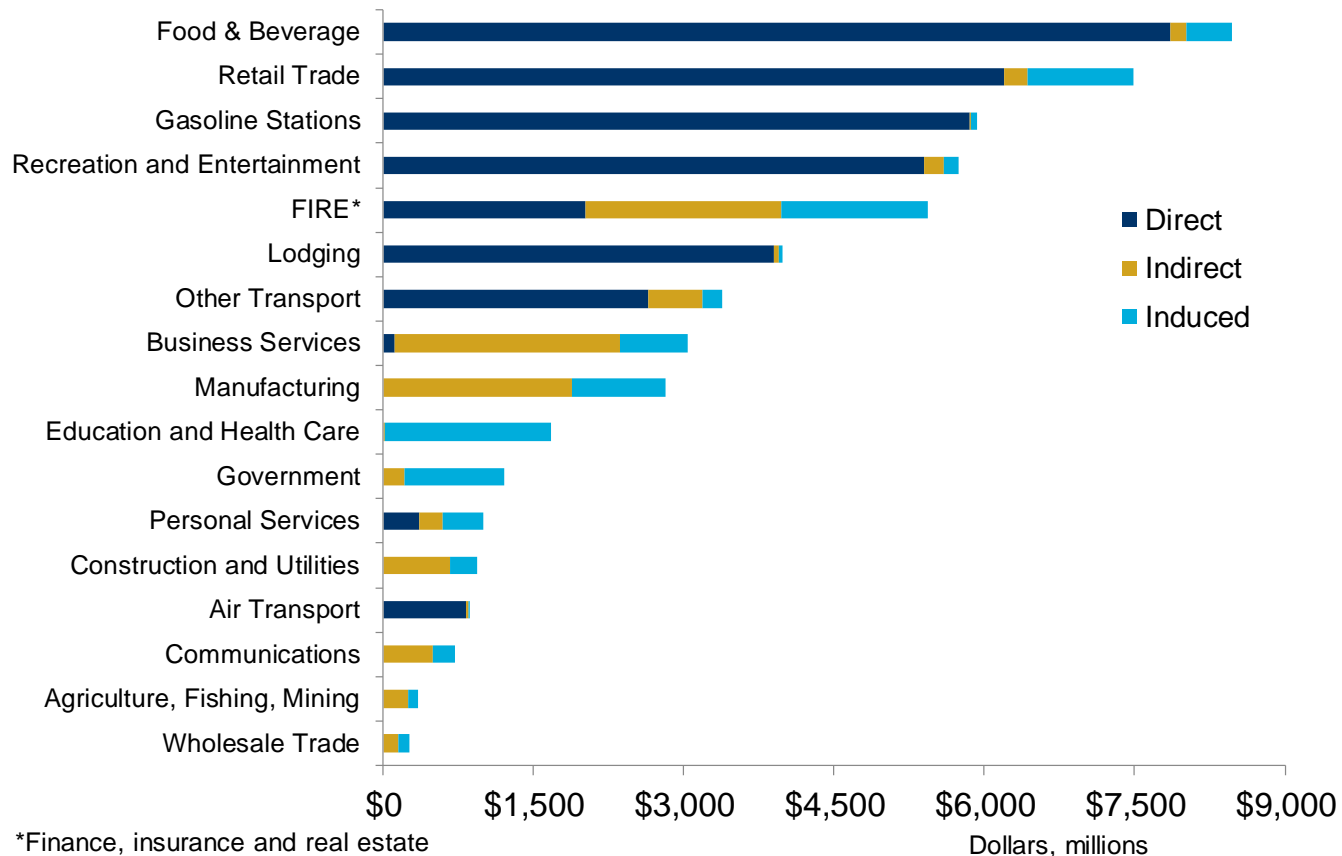
Visitors spent \$35.2 billion in Ohio in 2017. This supported a total of \$53.3 billion in business sales when indirect and induced impacts are considered.

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



Source: Tourism Economics

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

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.

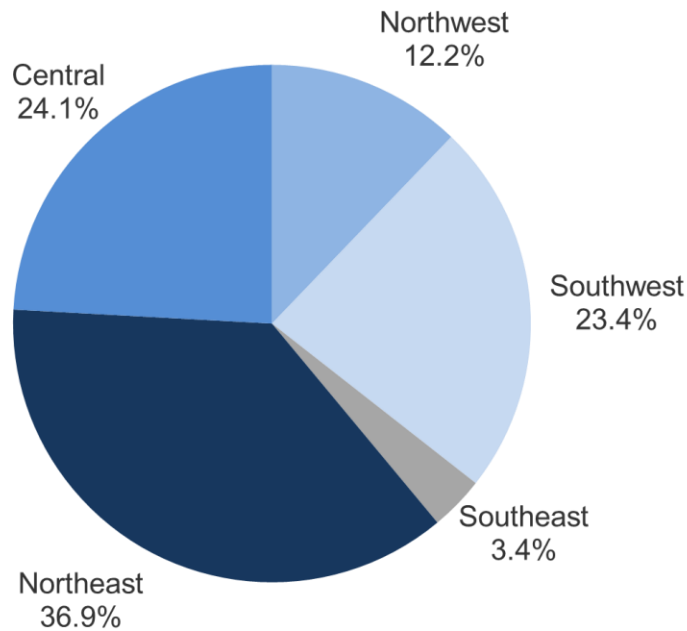
Visitor spending, visitor supported jobs, and business sales generated \$6.7 billion in governmental revenues.

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



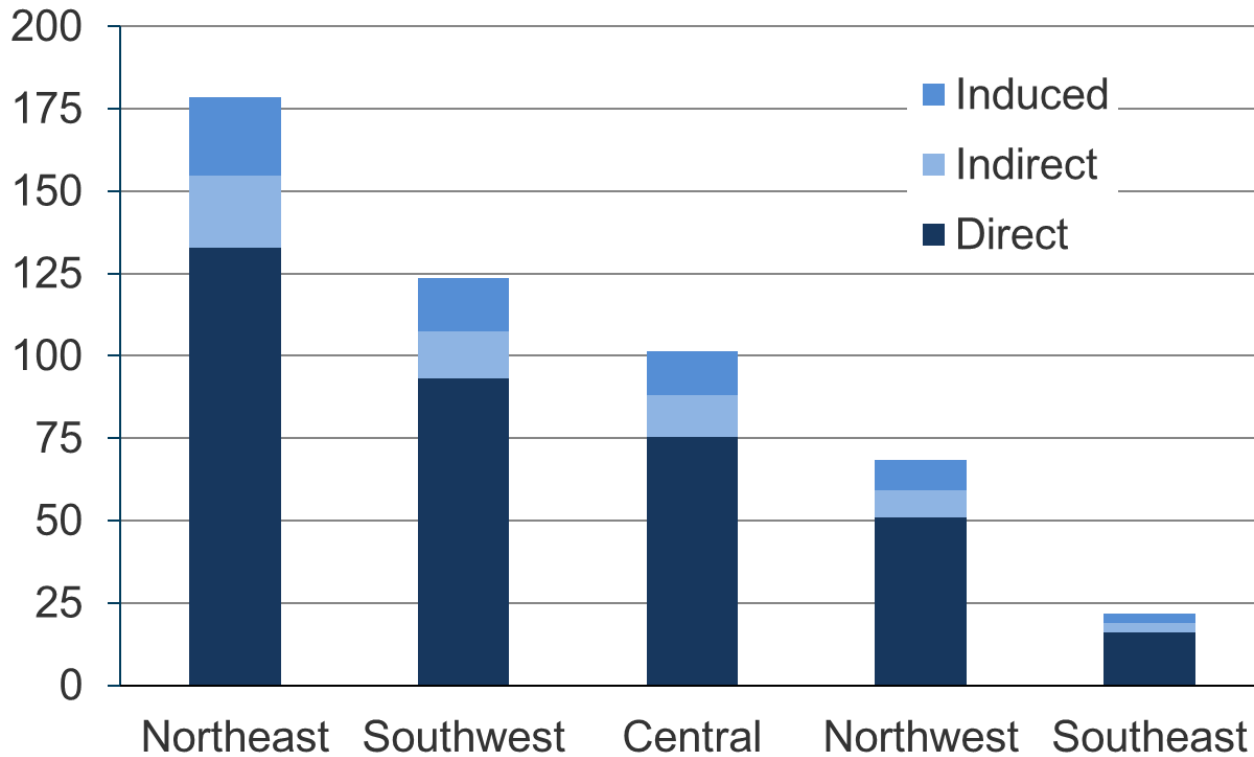
Cleveland (Northeast), Columbus (Central), and Cincinnati (Southwest), are key destinations and influence the distribution of the tourism economy across Ohio.

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

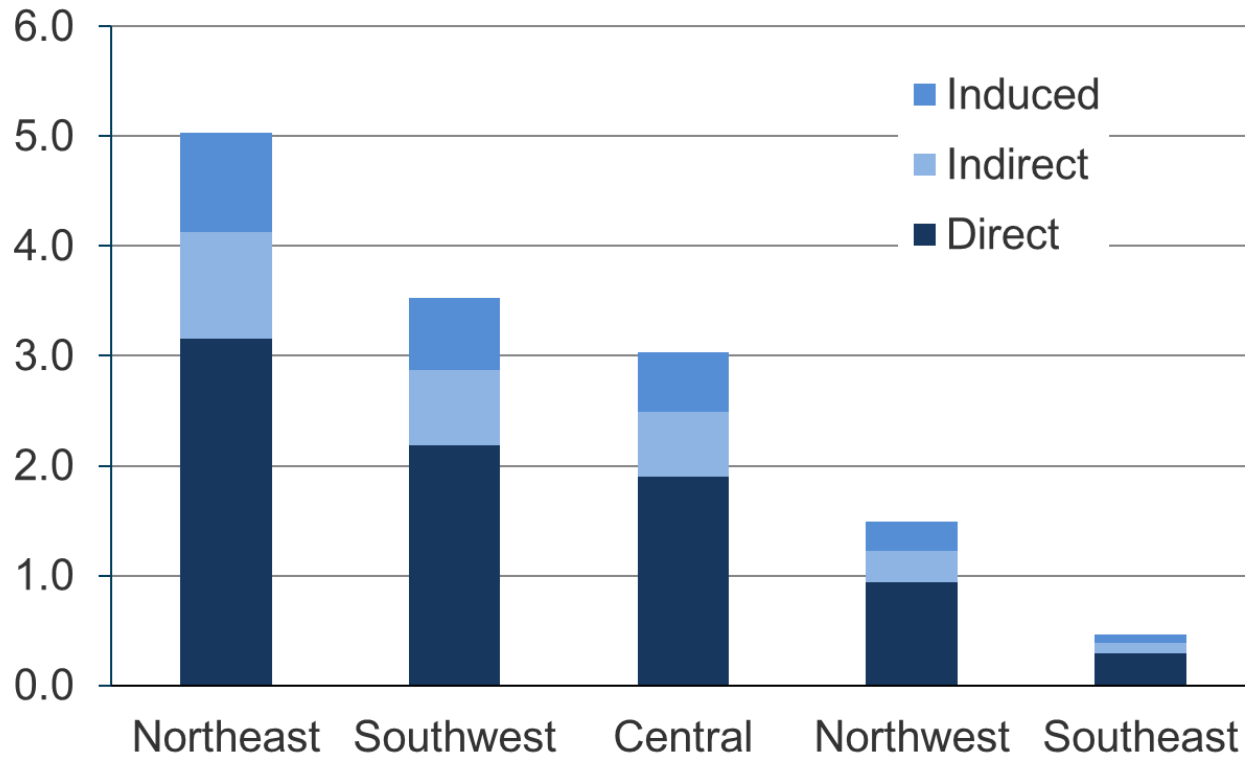
Thousands



Tourism wages

Tourism Wages by Region

\$ Billions



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

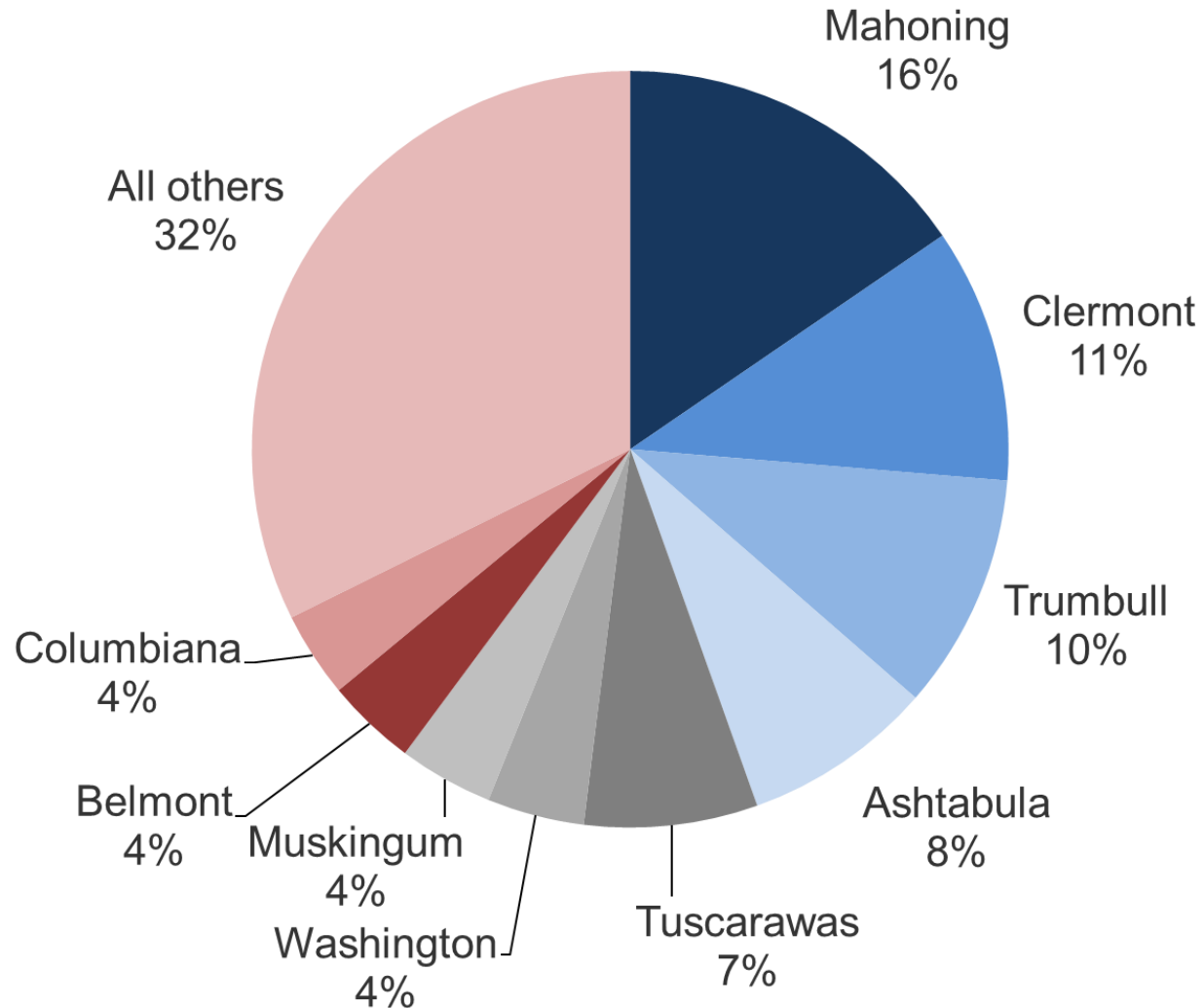
Total Tourism Impact				
County	Sales (\$mils)	Employment	Wages (\$mils)	Tax Revenues (\$mils)
Adams	42.1	640	14.7	5.1
Ashtabula	451.1	3,406	72.3	52.9
Athens	166.0	2,133	47.2	21.1
Belmont	213.2	2,318	52.2	26.9
Brown	64.4	935	18.3	8.5
Carroll	88.1	757	16.9	10.4
Clermont	602.1	6,016	142.3	73.5
Columbiana	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

Continued on next page...

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

Tourism Sales by County: \$5.5 billion

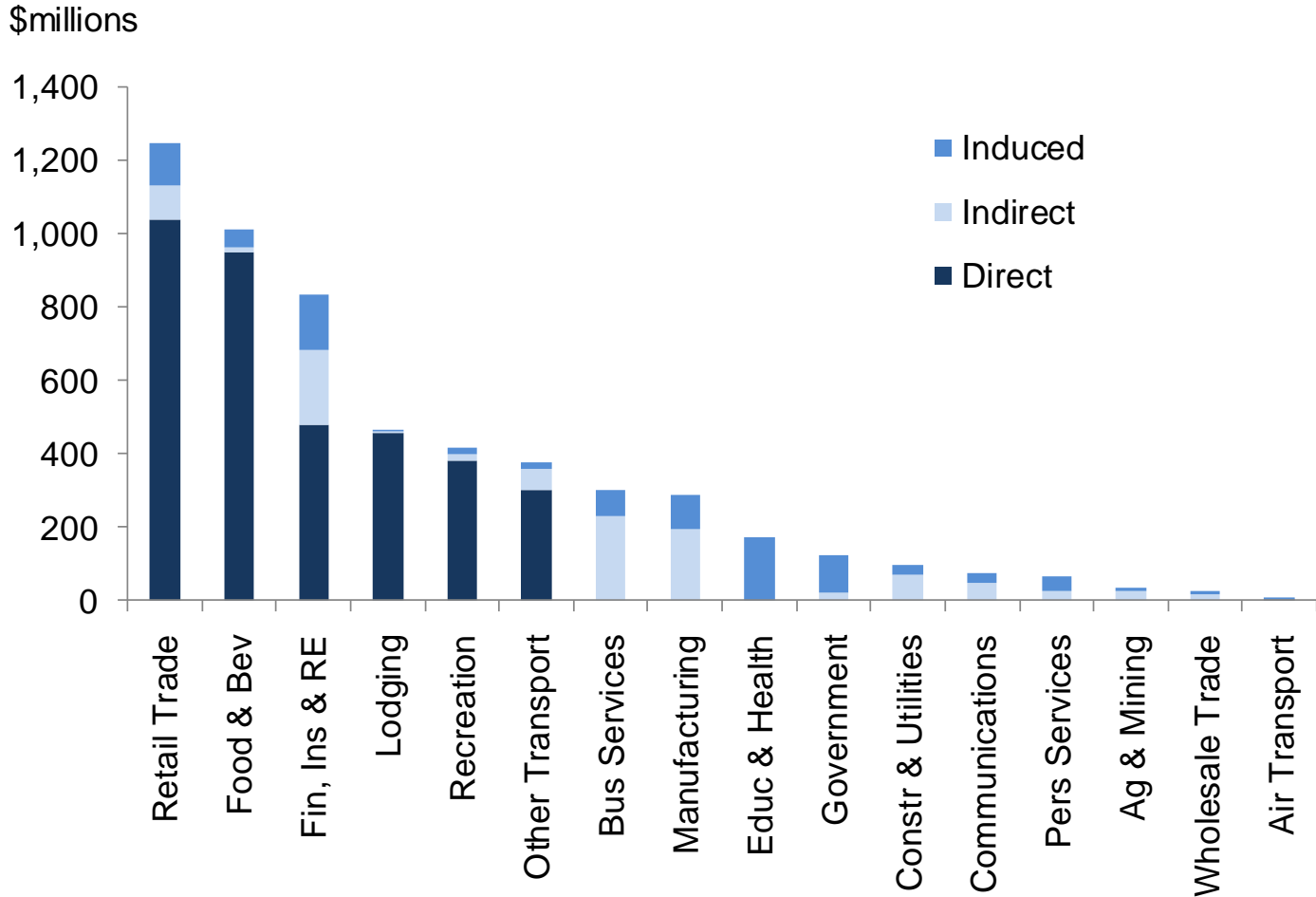


Tourism sales

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 By Industry

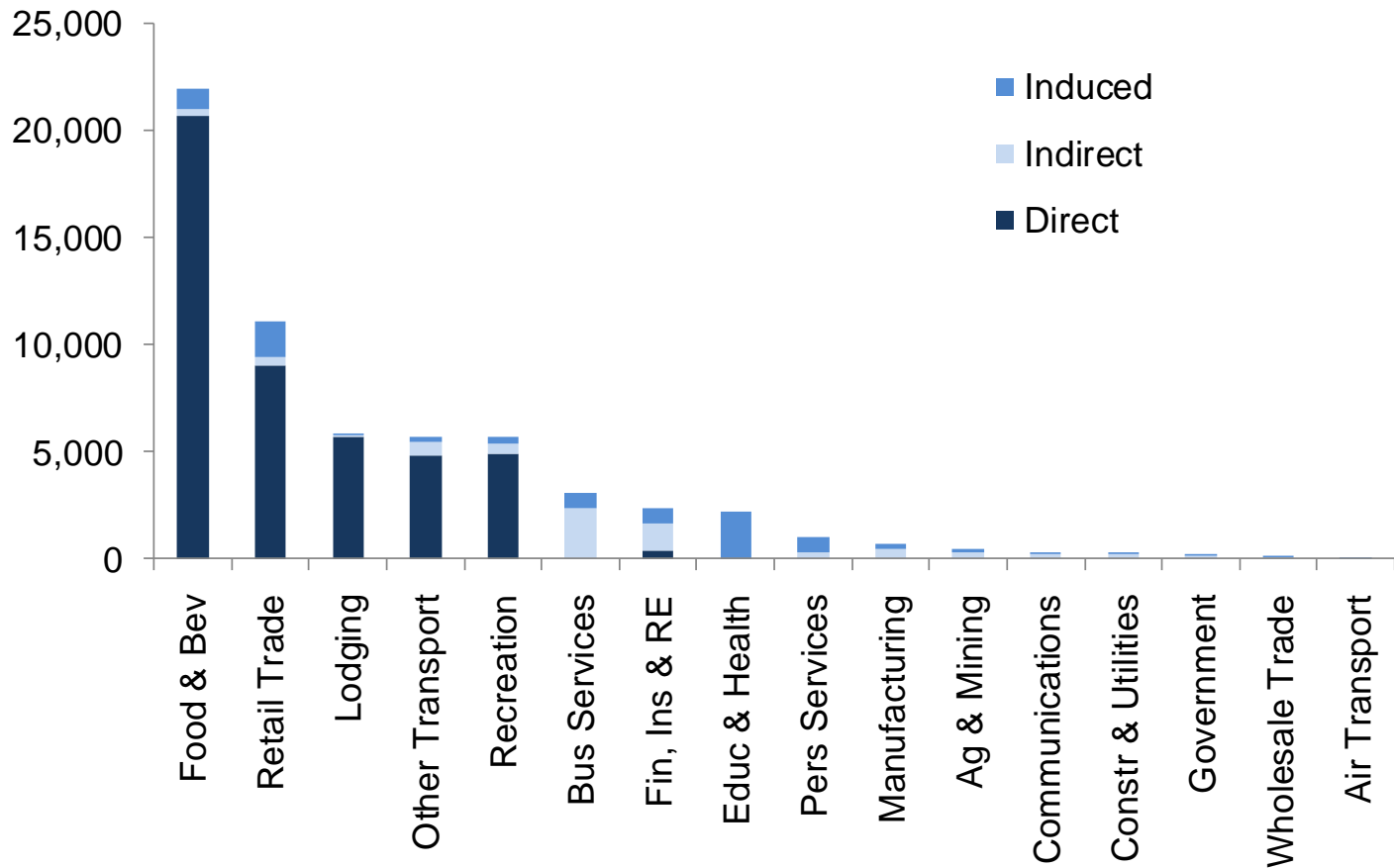


Tourism employment

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 By Industry



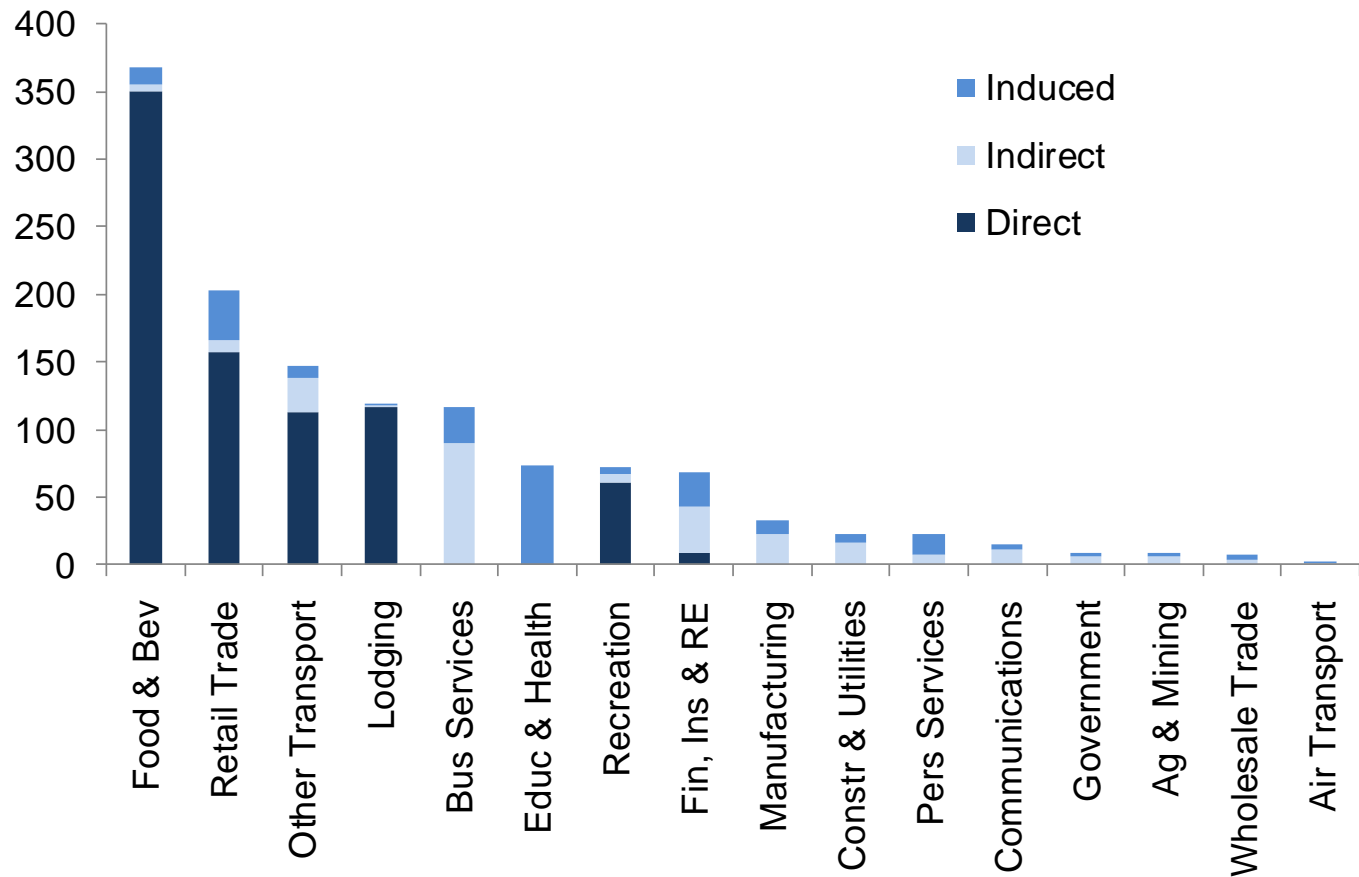
Tourism income

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 Earnings By Industry

\$ millions



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.

For more information:

info@tourismeconomics.com

