



The Economic Impact of Tourism in The Appalachian Region of Ohio

June 2016



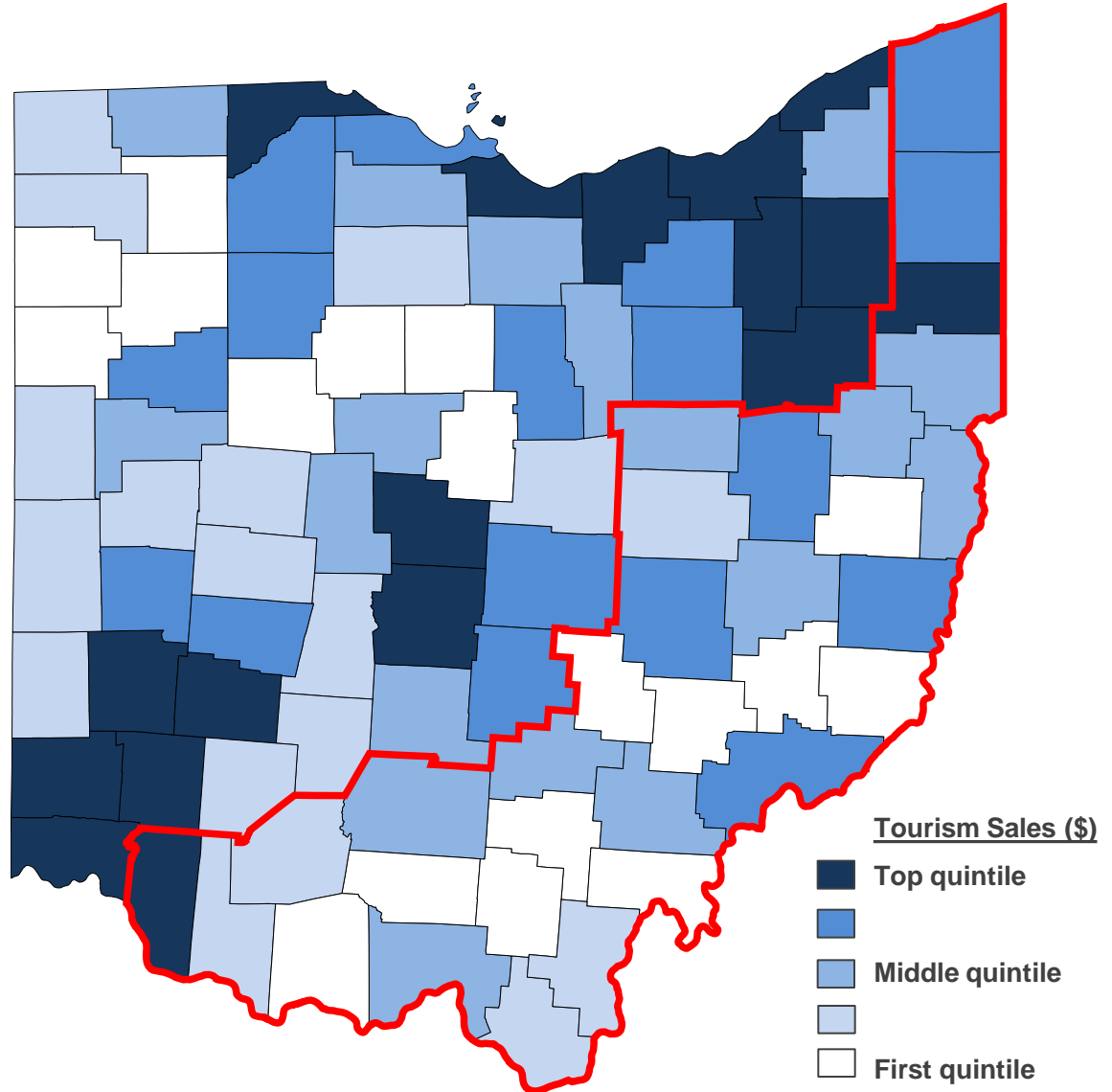
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Appalachian Region tourism summary

Total Tourism Impact	
Appalachian Region, Ohio	
Sales	\$5.3 billion
Wages	\$1.3 billion
Taxes	\$0.7 billion
Employment	61,994

Appalachian
Region in Red



Overview

- Tourism is an integral and driving component of the Appalachian Region economy, sustaining 7.8% of salaried employment.
- Visitors to the Appalachian Region generated business sales of \$5.3 billion, directly and indirectly, in 2015.
- Tourism is a diverse composite of economic activities, including transportation, recreation, retail, lodging, and food & beverage sectors.

State Summary



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Key results

- Including indirect and induced impacts, Ohio tourism spending in 2015 generated \$49.7 billion in sales.
- A total of 484,263 jobs, with income of \$12.6 billion, were sustained by visitors to Ohio last year.
- Tourism employment grew 2.2% in 2015, faster than overall Ohio employment growth of 1.4%.
- Including indirect and induced impacts, tourism in Ohio generated nearly \$3.2 billion in state and local taxes and \$3.1 billion in Federal taxes last year.
- In the absence of the state and local taxes generated by tourism, each Ohio household would need to pay \$690 to fill the gap.

Key themes for 2015

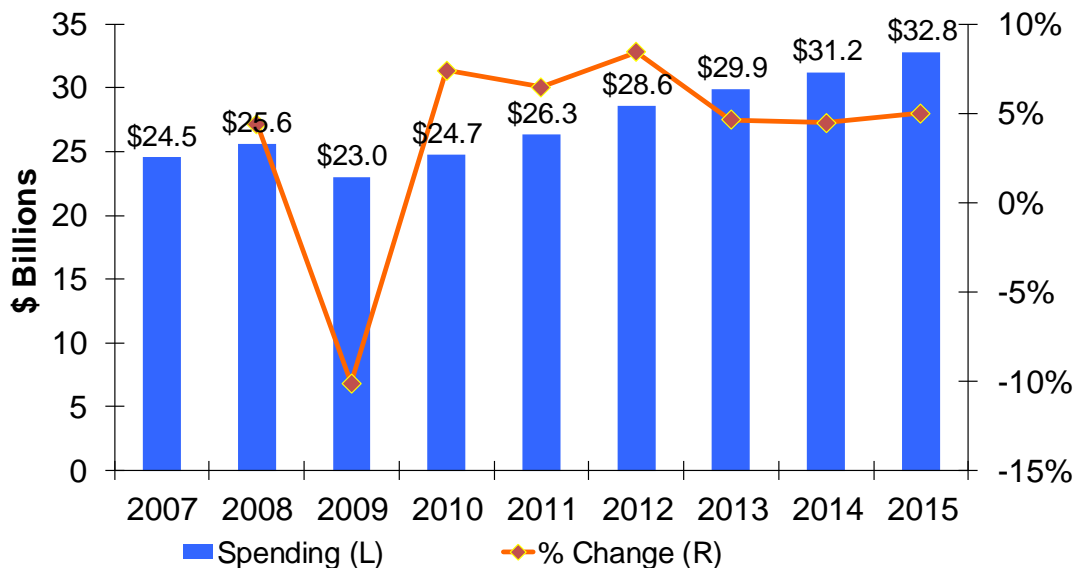
- Visits to Ohio destinations grew 3.5% in 2015 (source: Longwoods International)
- Hotel room demand grew 3.1% (source: STR)
- Average hotel rates grew 3.6% in 2015, fueling a 6.8% expansion in room revenue (source: STR)
- Employment growth in key tourism industries grew faster than total employment; lodging employment grew 3.1% and restaurant employment grew 2.8% compared to total employment growth of just 1.4%.

Continued growth in visitor spending

- Visitation growth and improving consumer confidence supported spending growth of 5.0% in 2015.
- Visitor spending reached \$32.8 billion in 2015.
- Visitor spending has averaged 5.6% per annum over the past five years.

Ohio Visitor Spending

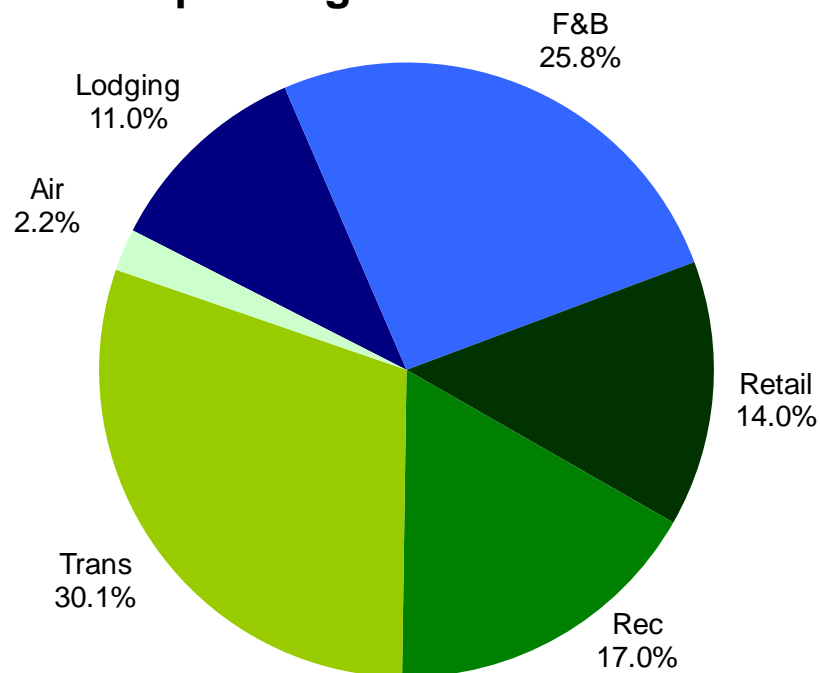
US\$ Billions



Sources: Longwoods International, NTTO, Stats Can, Tourism Economics

Visitor spending by sector

Ohio Visitor Spending



Sources: Longwoods International, NTTO, Stats Can, Tourism Economics

- With recovery in both occupancy and room rates, the share of the visitor dollar spend on lodging has grown to 11.0% in 2015.
- The share of visitor spending on recreation increased 0.5 points in the last two years to 17.0%.
- F&B spending represents more than a quarter of all visitor spending.

Total tourism sales

Tourism Sales				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	271.4	100.8	372.2
Construction and Utilities	-	528.2	211.2	739.4
Manufacturing	-	2,038.9	919.7	2,958.5
Wholesale Trade	-	82.6	58.1	140.6
Air Transport	726.4	11.2	10.1	747.6
Other Transport	3,226.0	474.4	198.4	3,898.8
Retail Trade	4,583.5	250.4	1,006.6	5,840.5
Gasoline Stations	5,465.7	16.8	62.0	5,544.5
Communications	-	506.5	217.8	724.2
Finance, Insurance and Real Estate	1,163.7	1,714.3	1,136.9	4,014.9
Business Services	-	2,152.5	637.7	2,790.2
Education and Health Care	-	7.2	1,553.7	1,560.9
Recreation and Entertainment	5,560.7	155.8	132.1	5,848.6
Lodging	3,612.7	53.4	44.5	3,710.5
Food & Beverage	8,453.7	139.5	393.2	8,986.4
Personal Services	-	218.7	371.6	590.3
Government	-	182.5	1,031.1	1,213.6
TOTAL	32,792.4	8,804.1	8,085.4	49,681.9
Growth Rate	5.0%	4.4%	4.3%	4.8%

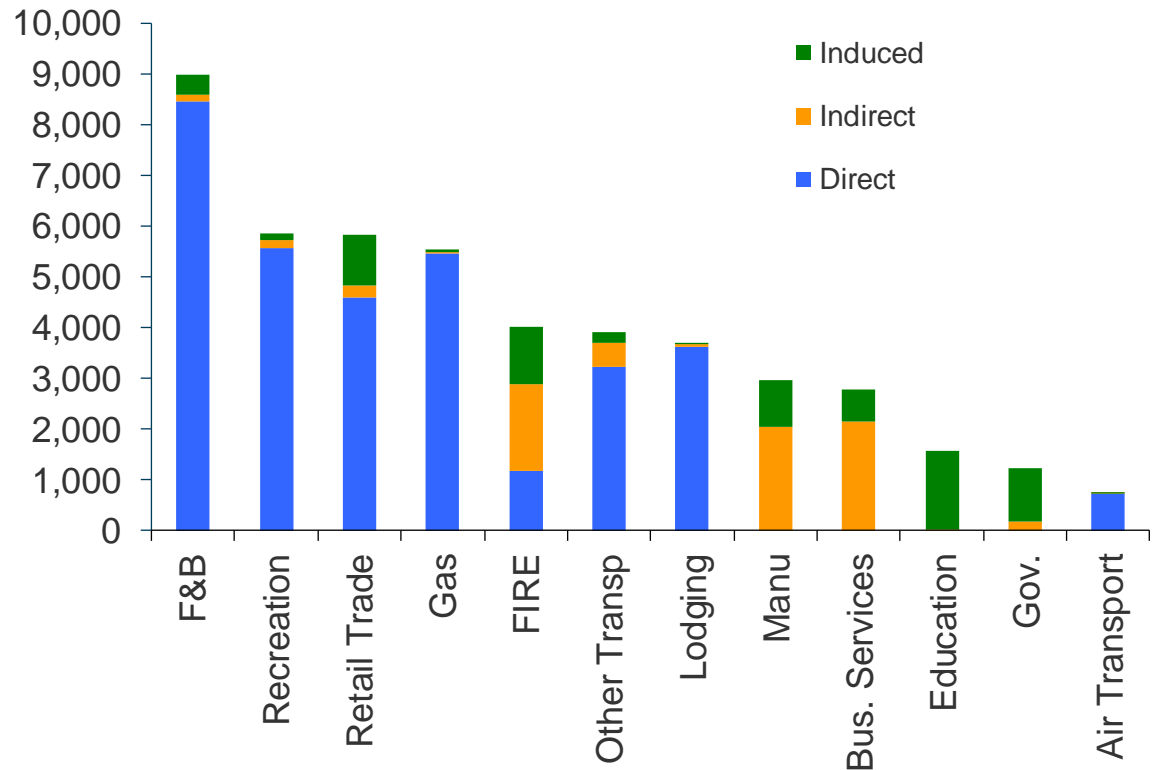
Visitor spending of \$32.8 billion generated a total economic impact of \$49.7 billion in 2015 as tourism dollars flowed through the Ohio economy.

Total tourism sales

- All business sectors of the Ohio economy benefit from tourism activity directly and/or indirectly.
- Sectors that serve the tourism industry, like business services, gain as suppliers to a dynamic industry.

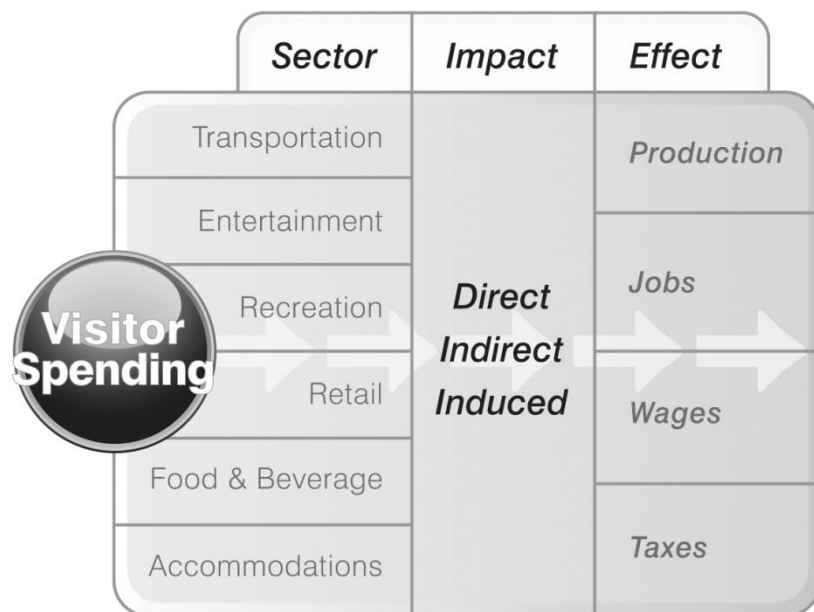
Tourism Sales by Industry

\$ million



How visitor spending generates impact

- 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 incomes are generated either directly or indirectly by tourism, spend those incomes in the Ohio economy.

How visitor spending generates impact

- An example helps to understand how direct visitor spending has other benefits in the regional economy:
 - Consider a local restaurant. When visitors buy food and beverages at the restaurant, this is direct spending and benefits the restaurant.
 - However, the benefits to the economy do not stop there. In order to make those direct sales, the restaurant must get inputs from its suppliers in other industries, such as food, energy, and any other materials or services that it needs in order to do business. This impact on upstream industries is the indirect effect.
 - Finally, employees who work at the restaurant earn wages and spend those wages in the local economy on food, consumer goods, and other personal services. This is the induced effect.

Total tourism employment

Tourism Economy Employment				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	3,631	1,256	4,887
Construction and Utilities	-	1,884	386	2,270
Manufacturing	-	4,339	1,794	6,133
Wholesale Trade	-	331	238	568
Air Transport	3,395	50	46	3,491
Other Transport	33,168	4,745	1,775	39,687
Retail Trade	44,770	3,235	12,961	60,966
Gasoline Stations	12,192	190	694	13,077
Communications	-	1,892	652	2,544
Finance, Insurance and Real Estate	7,240	9,192	5,509	21,941
Business Services	-	18,708	5,783	24,491
Education and Health Care	-	99	16,441	16,540
Recreation and Entertainment	68,454	3,500	2,139	74,093
Lodging	40,705	691	538	41,934
Food & Beverage	152,108	2,651	7,426	162,184
Personal Services	-	2,369	5,654	8,023
Government	-	926	509	1,435
TOTAL	362,032	58,434	63,798	484,263

- The tourism sector directly and indirectly supported 484,263 jobs, growing 2.2% in 2015. Total employment in Ohio grew just 1.4% in 2015.

Tourism personal income

Tourism Labor Income (Compensation)				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	61.4	26.7	88.1
Construction and Utilities	-	154.8	52.8	207.6
Manufacturing	-	250.1	112.5	362.5
Wholesale Trade	-	23.6	16.9	40.5
Air Transport	237.5	3.9	3.5	244.9
Other Transport	867.0	213.3	77.6	1,157.9
Retail Trade	915.6	92.3	365.7	1,373.6
Gasoline Stations	296.1	4.9	17.7	318.6
Communications	-	120.2	43.4	163.6
Finance, Insurance and Real Estate	170.3	330.8	233.1	734.3
Business Services	-	895.1	279.2	1,174.3
Education and Health Care	-	3.2	712.9	716.0
Recreation and Entertainment	1,679.7	63.8	50.1	1,793.6
Lodging	1,151.9	18.5	14.4	1,184.9
Food & Beverage	2,580.7	43.5	122.0	2,746.2
Personal Services	-	73.2	133.8	207.0
Government	-	47.9	26.5	74.4
TOTAL	7,898.7	2,400.6	2,288.8	12,588.1

Tourism tax generation

Tourism-Generated Taxes

(US\$ Million)

	2011	2012	2013	2014	2015
Federal Taxes	2,587.8	2,741.0	2,802.2	2,965.2	3,092.7
Corporate	465.2	499.3	483.4	536.2	554.8
Indirect Business	236.3	253.6	265.6	278.1	291.4
Personal Income	791.6	834.3	861.6	902.6	942.7
Social Security	1,094.7	1,153.8	1,191.6	1,248.3	1,303.7
State Taxes	1,604.8	1,714.3	1,749.8	1,811.6	1,889.9
Corporate	396.2	425.2	411.6	456.6	472.4
Personal Income	320.3	337.6	348.6	314.2	328.1
Sales	758.9	814.5	852.8	893.1	935.8
State Social Security	57.9	61.0	63.0	66.0	68.9
Excise and Fees	71.6	76.1	73.7	81.8	84.6
Local Taxes	1,118.2	1,151.9	1,175.0	1,221.8	1,272.0
Personal Income	32.0	33.8	34.9	36.5	38.1
Sales	138.0	148.1	155.1	162.4	170.1
Property	726.3	730.6	730.6	730.6	757.5
Admissions	23.6	23.8	25.3	27.1	28.7
Lodging	131.8	144.3	160.1	188.7	198.3
Other Taxes and Fees	66.5	71.3	69.1	76.6	79.2
TOTAL	5,310.8	5,607.2	5,727.0	5,998.6	6,254.6

- Taxes of \$6.25 billion were directly or indirectly generated by tourism in 2015.
- State and local taxes alone tallied \$3.2 billion, growing more than \$125 million in 2015.
- Local governments received \$1.3 billion in revenue from tourism related activity.
- Each household in Ohio would need to be taxed an additional \$690 per year to replace the tourism taxes received by state and local governments.

Regional Summary

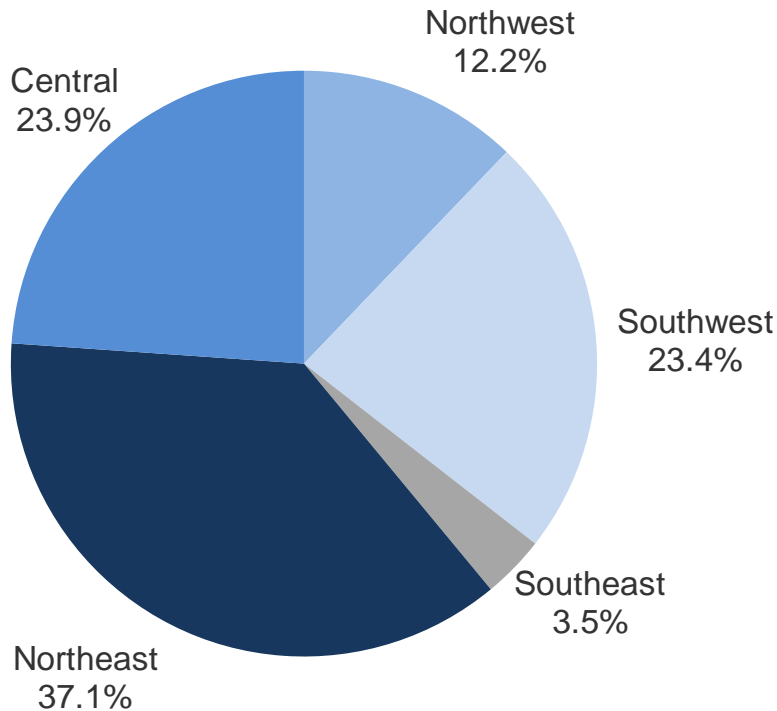


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Tourism sales

Tourism Sales by Region

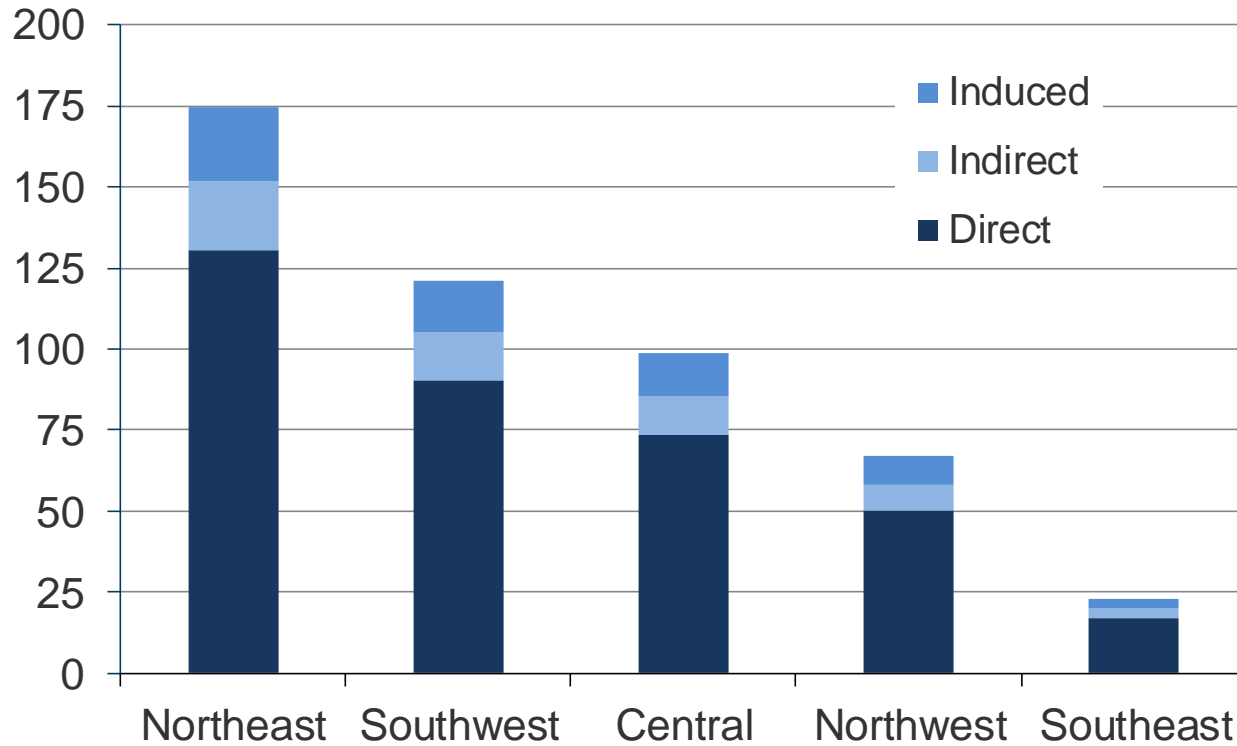


- Cleveland (Northeast), Cincinnati (Southwest) and Columbus (Central) are anchors which influence the distribution of the tourism economy across Ohio.
- Relative to the size of their economies, tourism is still of significant importance to the Northwest and Southeast regions.

Tourism employment

Tourism Employment by Region

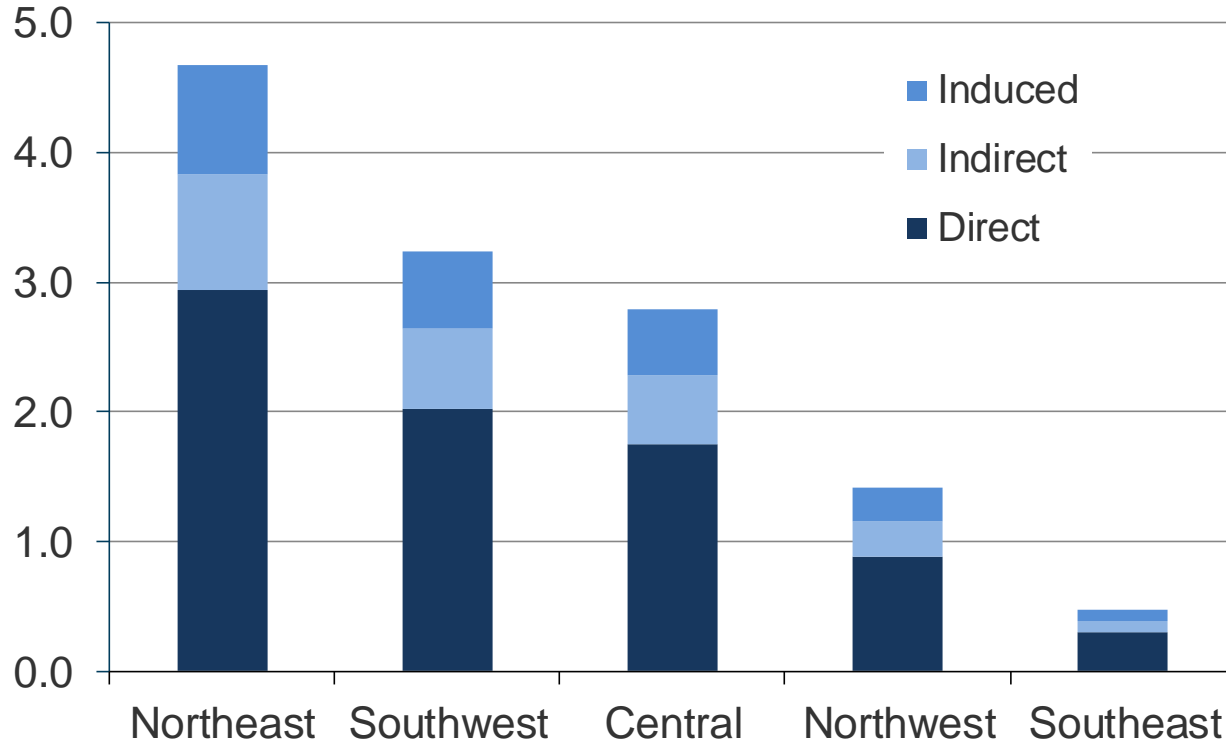
Thousands



Tourism wages

Tourism Wages by Region

\$ Billions



Appalachian Region Detail



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Tourism sales trend

Recent Trends in Tourism Sales (Output)			
	2013	2014	2015
Appalachian Region Direct Sales Trends:			
Sales volume (\$mils)	3,229.2	3,346.7	3,469.7
Sales growth, % change	4.8%	3.6%	3.7%
Sales trends for the state:			
Ohio sales growth, % change	4.6%	4.6%	4.9%

Appalachian Region tourism impact

Total Tourism Impact				
County	Sales (\$mils)	Employment	Wages (\$mils)	Tax Revenues (\$mils)
Adams	34.2	601	13.2	4.7
Ashtabula	434.6	3,390	69.8	50.9
Athens	154.3	2,140	45.4	20.2
Belmont	213.3	2,504	54.4	27.7
Brown	56.1	862	16.4	7.3
Carroll	97.0	919	20.4	11.7
Clermont	565.5	5,897	127.5	70.1
Columbiana	187.4	2,366	41.5	23.4
Coshocton	52.3	759	14.1	6.8
Gallia	64.4	922	20.2	8.6
Guernsey	162.5	1,763	46.6	21.2
Harrison	13.0	206	2.6	1.6
Highland	47.1	1,124	14.8	6.3
Hocking	134.3	1,109	27.4	16.5
Holmes	164.0	1,703	36.7	20.2
Jackson	47.1	1,082	16.2	6.4
Jefferson	158.5	2,002	41.0	20.1

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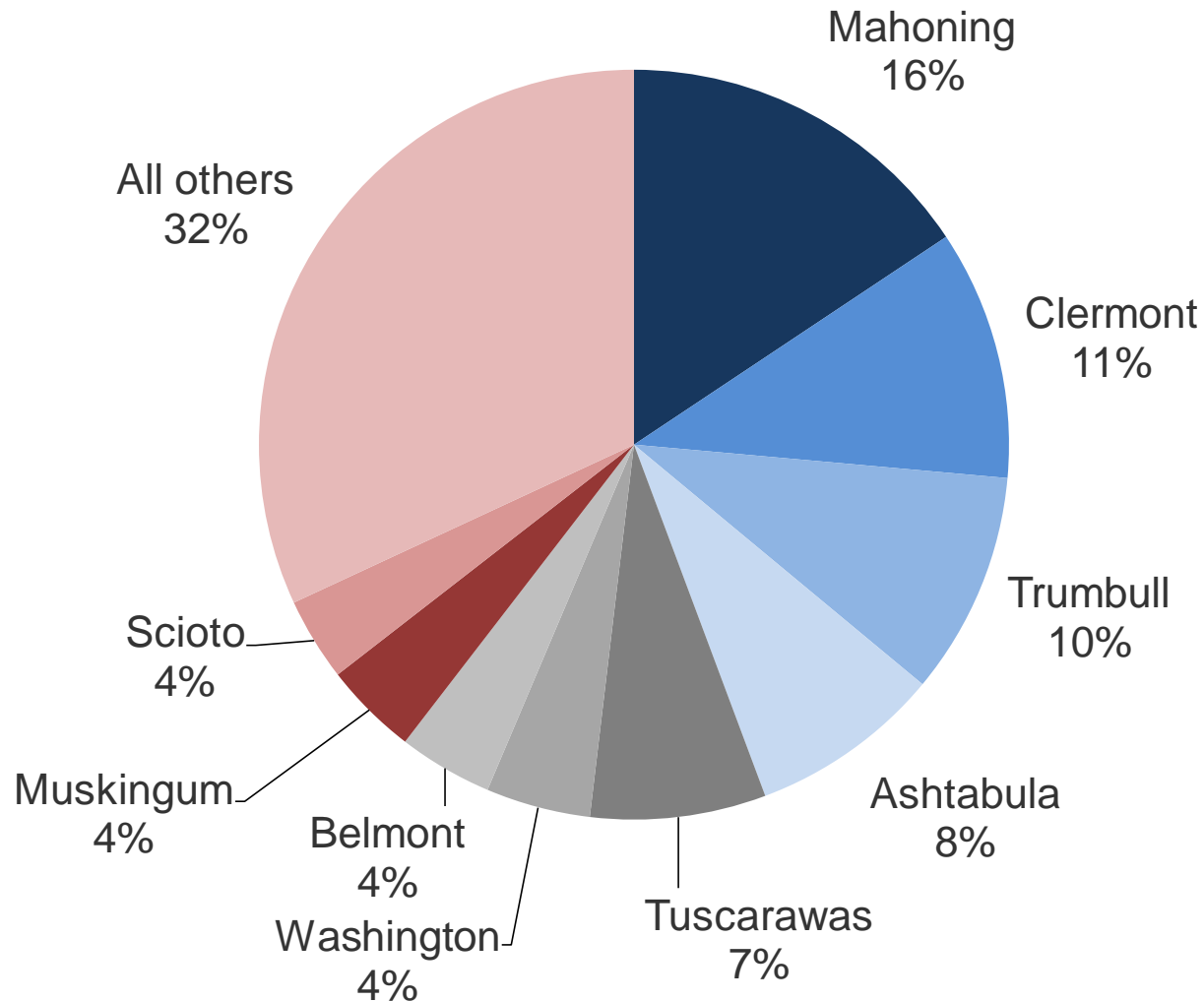
Appalachian Region tourism impact

Total Tourism Impact (continued)				
County	Sales (\$mils)	Employment	Wages (\$mils)	Tax Revenues (\$mils)
Lawrence	51.0	1,139	24.8	7.5
Mahoning	821.7	9,553	191.1	102.8
Meigs	12.8	342	5.8	1.9
Monroe	7.4	150	2.1	1.0
Morgan	17.4	186	2.2	2.2
Muskingum	212.5	3,139	64.0	28.6
Noble	5.9	219	2.7	0.9
Perry	11.5	366	5.9	1.8
Pike	29.2	690	11.4	4.1
Ross	152.4	2,473	50.6	20.9
Scioto	188.2	2,168	45.2	23.6
Trumbull	504.6	6,288	123.4	63.3
Tuscarawas	397.6	3,592	69.3	47.3
Vinton	22.3	225	3.6	2.6
Washington	236.6	2,116	46.0	28.9
Region Total	5,256.7	61,994	1,256.1	660.8

Appalachian Region tourism sales

Tourism Sales by County: \$5.3 billion

- Total tourism sales tallied \$5.3 billion in the Appalachian Region in 2015, up 3.5% from 2014.



Tourism sales

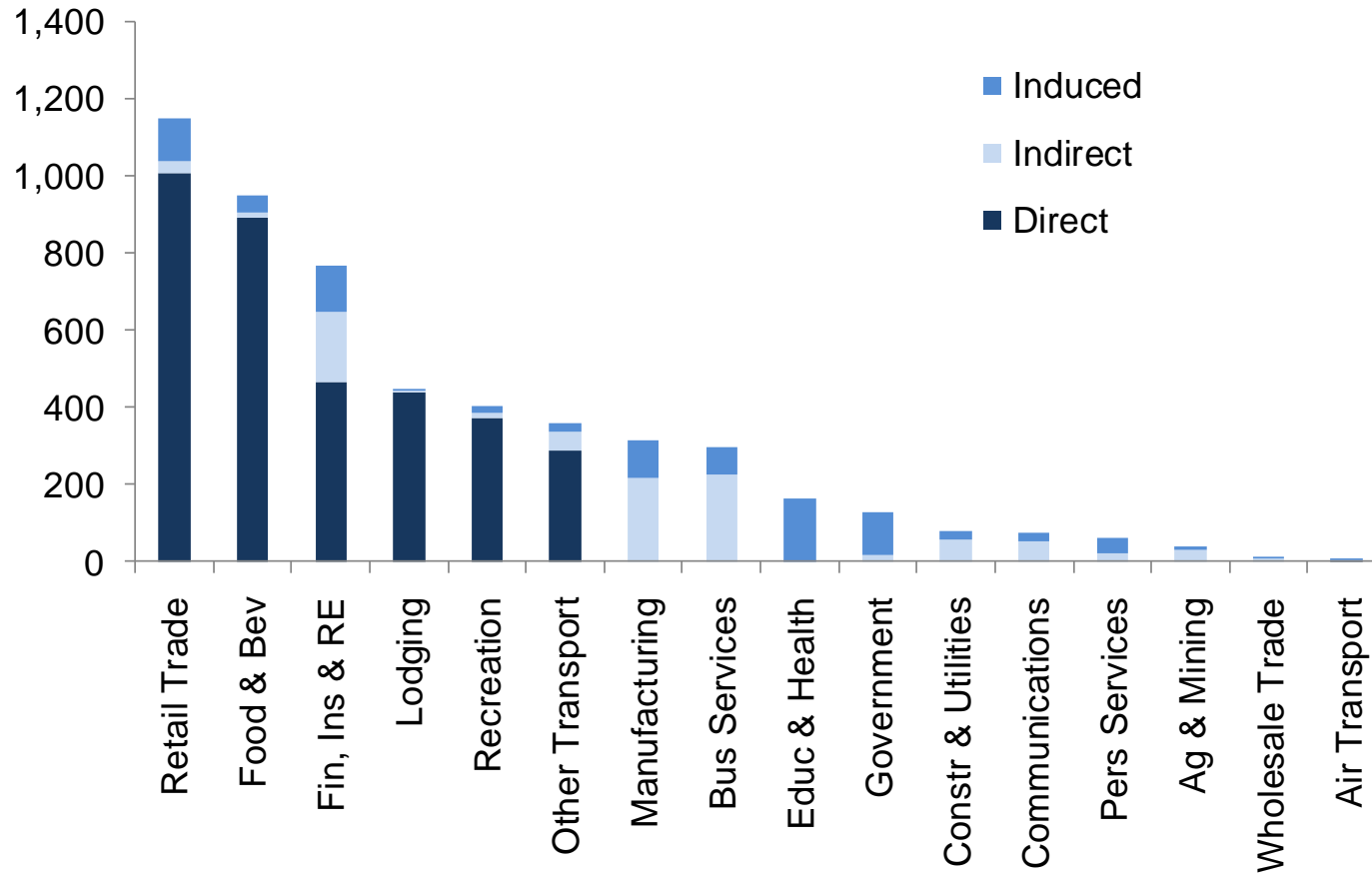
Tourism Sales (Output)				
(US\$, Millions)				
	Direct*	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	28.7	10.7	39.4
Construction and Utilities	-	55.9	22.3	78.2
Manufacturing	-	215.7	97.3	313.0
Wholesale Trade	-	8.7	6.1	14.9
Air Transport	3.9	1.2	1.1	6.1
Other Transport	286.9	50.2	21.0	358.1
Retail Trade	1,009.1	28.3	113.1	1,150.4
Communications	-	53.6	23.0	76.6
Finance, Insurance and Real Estate	467.9	181.4	120.3	769.6
Business Services	-	227.7	67.5	295.2
Education and Health Care	-	0.8	164.4	165.2
Recreation and Entertainment	371.8	16.5	14.0	402.3
Lodging	438.0	5.7	4.7	448.3
Food & Beverage	892.1	14.8	41.6	948.4
Personal Services	-	23.1	39.3	62.5
Government	-	19.3	109.1	128.4
TOTAL	3,469.7	931.5	855.5	5,256.7

- Visitors generated \$5.3 billion in business activity in the Appalachian Region in 2015.

Tourism sales

Tourism Sales By Industry

\$ Millions



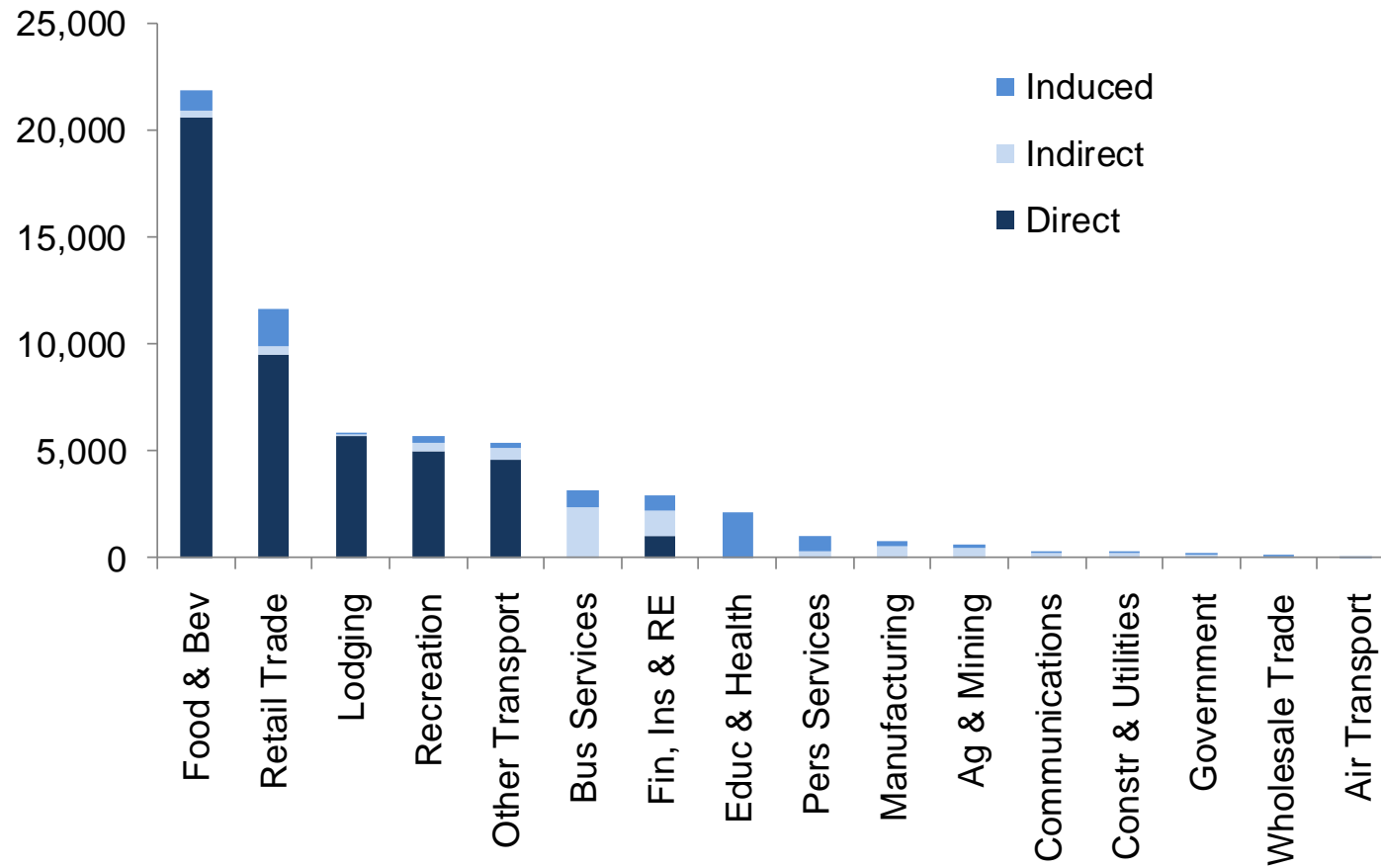
Tourism employment

Tourism Employment				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	465	161	626
Construction and Utilities	-	241	49	291
Manufacturing	-	555	230	785
Wholesale Trade	-	42	30	73
Air Transport	-	6	6	12
Other Transport	4,574	607	227	5,409
Retail Trade	9,501	439	1,748	11,688
Communications	-	242	83	326
Finance, Insurance and Real Estate	1,026	1,177	705	2,908
Business Services	-	2,395	740	3,135
Education and Health Care	-	13	2,105	2,117
Recreation and Entertainment	4,964	448	274	5,686
Lodging	5,666	88	69	5,823
Food & Beverage	20,614	339	951	21,904
Personal Services	-	303	724	1,027
Government	-	119	65	184
TOTAL	46,346	7,480	8,167	61,994

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

Tourism employment

Tourism Employment By Industry



Tourism income

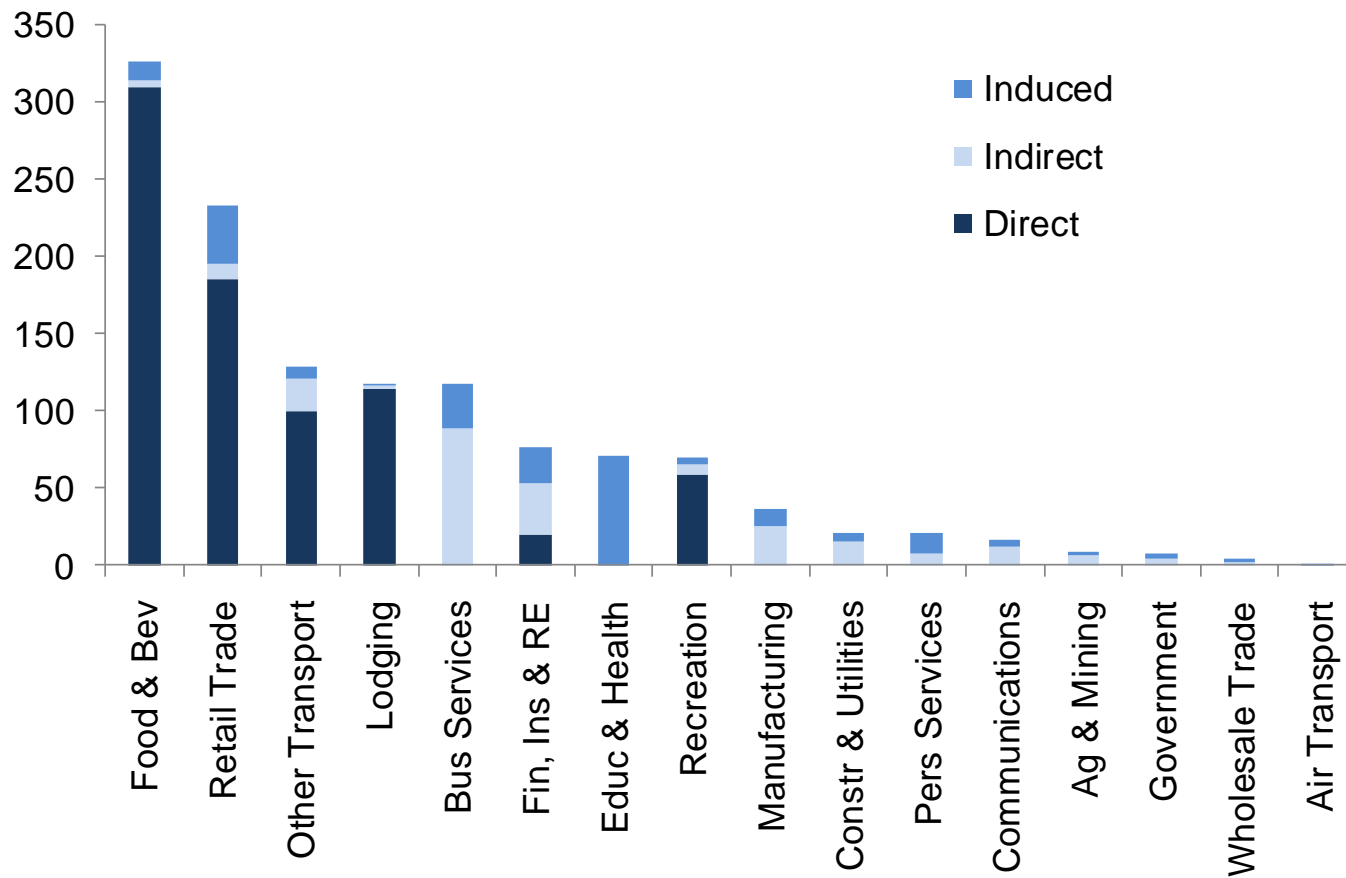
Tourism Income (Compensation)				
(US\$, Millions)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	6.1	2.7	8.8
Construction and Utilities	-	15.4	5.3	20.7
Manufacturing	-	25.0	11.2	36.2
Wholesale Trade	-	2.4	1.7	4.0
Air Transport	-	0.4	0.3	0.7
Other Transport	99.9	21.3	7.7	128.9
Retail Trade	185.3	9.7	38.3	233.2
Communications	-	12.0	4.3	16.3
Finance, Insurance and Real Estate	20.3	33.0	23.3	76.6
Business Services	-	89.3	27.9	117.2
Education and Health Care	-	0.3	71.1	71.4
Recreation and Entertainment	58.9	6.4	5.0	70.2
Lodging	114.4	1.9	1.4	117.7
Food & Beverage	309.5	4.3	12.2	326.0
Personal Services	-	7.3	13.3	20.7
Government	-	4.8	2.6	7.4
TOTAL	788.1	239.5	228.4	1,256.1

- Tourism generated personal income of \$1.3 billion in 2015.

Tourism income

Tourism Earnings By Industry

\$ Millions



Tourism tax generation

- The tourism industry generated \$660.8 million in taxes in 2015.
- Tourism generated \$336.4 million in state and local taxes.
 - \$198.3 million in state taxes
 - \$138.2 million in local taxes

Tourism-Generated Taxes	
(US\$, Millions)	
Total	
Federal Taxes	324.4
State Taxes	198.3
Local Taxes	138.2
TOTAL	660.8

Methodology notes

- Visitor spending data are derived from several sources including:
 - Longwoods International survey of travelers
 - 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 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, headquartered in Philadelphia, is an Oxford Economics company dedicated to providing high value, robust, and relevant analyses of the tourism sector that reflects the dynamics of local and global economies. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, project feasibility analysis, tourism forecasting models, tourism policy analysis, and economic impact studies.
- Our staff have worked with over 100 destinations to quantify the economic value of tourism, forecast demand, guide strategy, or evaluate tourism policies.
- 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 is founded on a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of more than 100 highly-experienced professional economists; a dedicated data analysis team; global modeling tools; close links with Oxford University, and a range of partner institutions in Europe, the US and in the United Nations Project Link.
- For more information: www.oxfordeconomics.com or info@tourismeconomics.com.