

The Economic Impact of Tourism in Ohio

April 2012



Key themes for 2011

- The Ohio visitor economy continued to expand in 2011. Visitor spending within Ohio rose 6.5% after a 7.4% increase in 2010.
 - Visitor volumes rose for a second straight year, 181.5 million people travelled in Ohio in 2011 – a new high.
 - Growth in overnight visitation remains strong. Domestic overnight visitation grew 4.7% buoyed by strong hotel room demand growth of 6.4% in 2011.
 - Per trip spending rose as gas prices rose and hotels and other tourism providers start to recoup recessionary price cuts.
- Visitor spending of \$26.3 billion generated \$40 billion in total business sales in 2011 as tourism dollars flowed through the Ohio economy.
- Tourism taxes grew faster than overall state tax receipts.

Key results

- More than 443,000 jobs, with associated income of \$10.5 billion, were sustained by visitors to Ohio last year.
- These jobs represent 8.7% of total employment in Ohio – 1 in every 11.5 jobs in Ohio is sustained by the tourism economy.
- Including indirect and induced impacts, tourism in Ohio generated \$2.7 billion in state and local taxes and \$2.6 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 \$600 to maintain the current level of government services.

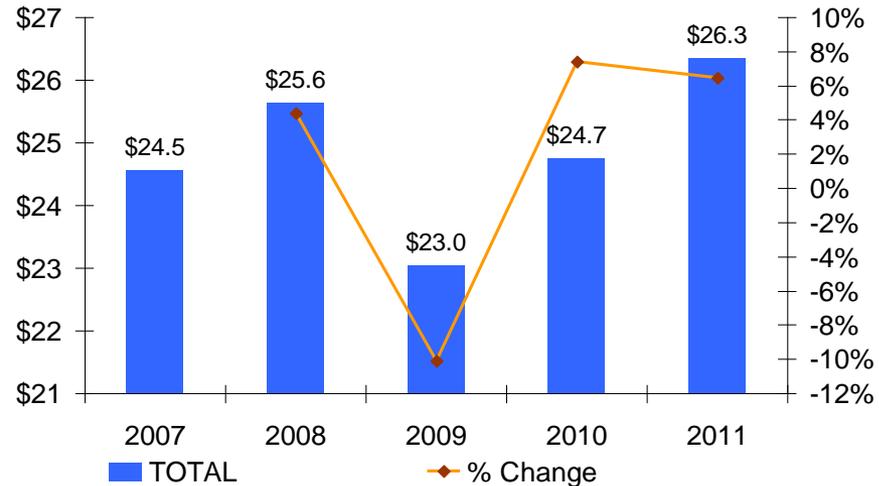
Continued growth in visitor spending

- After increasing 7.4% in 2010, Ohio visitor spending expanded another 6.5% in 2011, reaching \$26.3 billion.
- More overnight stays along with higher prices pushed accommodations spending up 9.4% in 2011.

Visitor spending (US\$ Million)						
Sector	2007	2008	2009	2010	2011	% Change
Lodging	\$2,500	\$2,667	\$2,375	\$2,524	\$2,762	9.4%
F&B	\$6,400	\$6,507	\$6,182	\$6,478	\$6,728	3.9%
Retail	\$3,768	\$3,748	\$3,522	\$3,677	\$3,846	4.6%
Rec	\$3,600	\$3,834	\$3,729	\$3,958	\$4,074	2.9%
Trans	\$7,609	\$8,138	\$6,640	\$7,490	\$8,301	10.8%
Air	\$669	\$734	\$583	\$608	\$624	2.6%
TOTAL	\$24,547	\$25,627	\$23,031	\$24,736	\$26,336	6.5%

Visitor spending

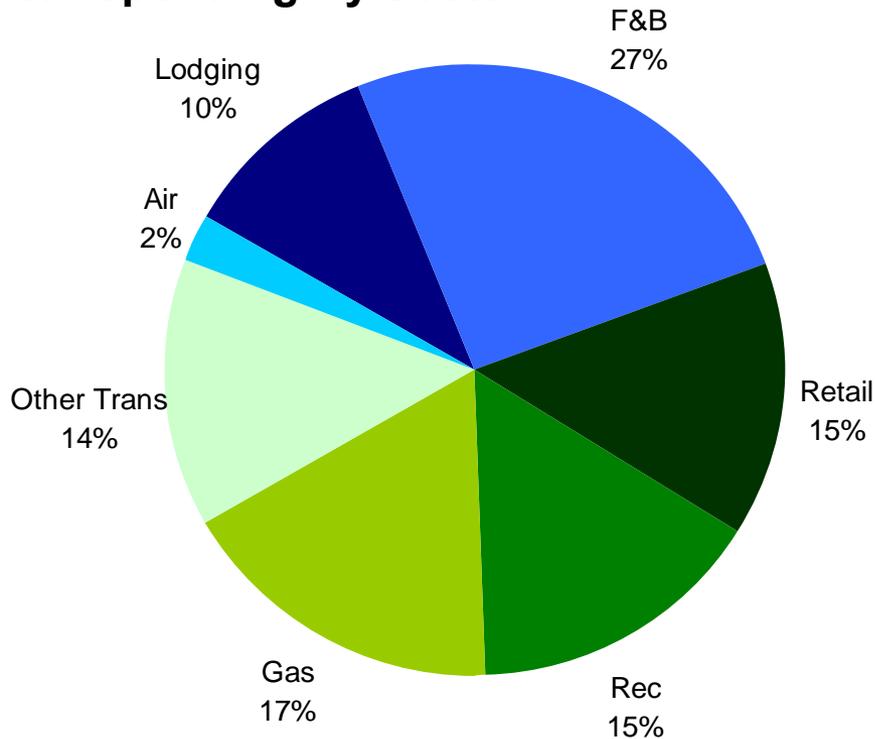
US\$ Billions



Source : Tourism Economics

Visitor spending by sector

Visitor Spending By Sector



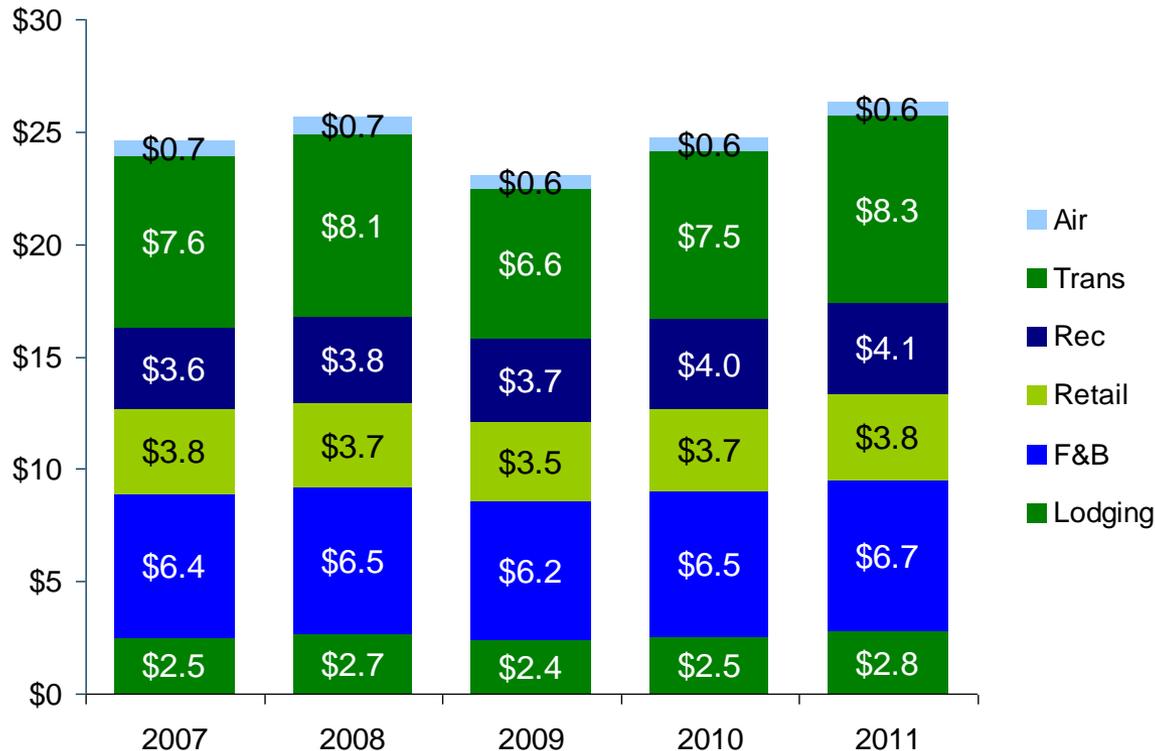
Source : Tourism Economics

- Higher gas prices in 2011 increased the transportation share of tourism spending to 31%, just short of the 2008 high.
- Food & beverage spending ranks second, capturing 26% of visitor spending.
- The growth in overnight stays along with increasing room rates increased the share of spending on accommodations to 10%.

Visitor spending by sector

Ohio's Visitor Spending

by Year



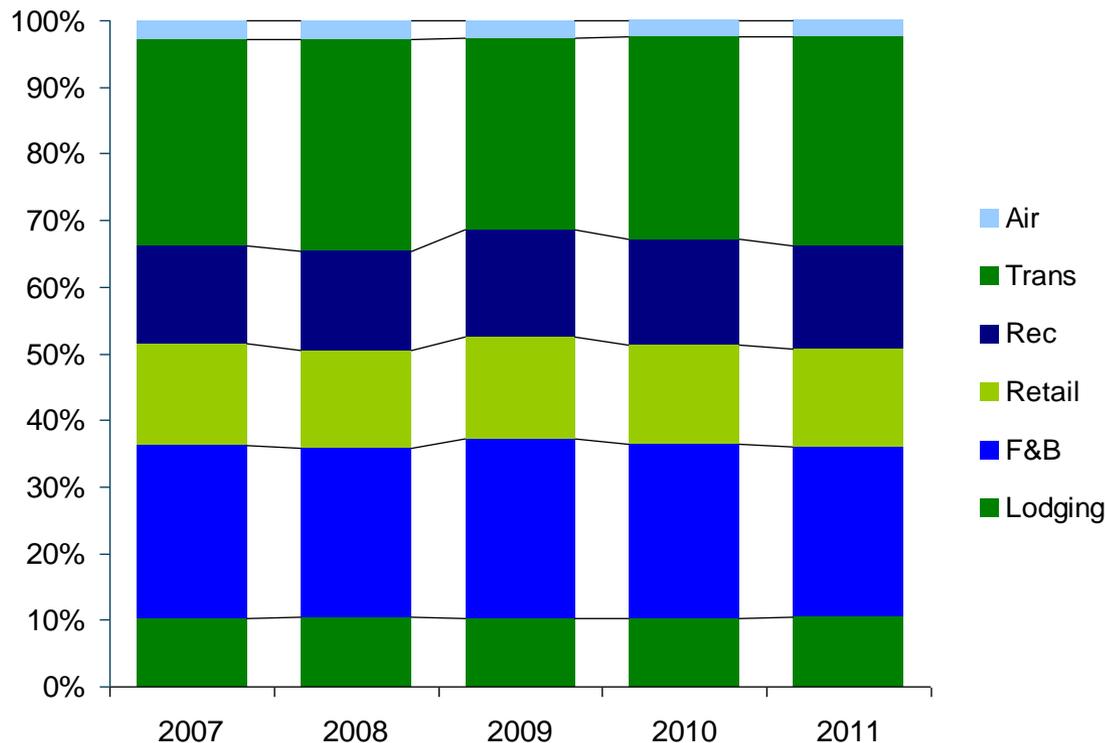
Source: Longwoods International, Tourism Economics, OTTI

- The large number of day visits in Ohio drives proportionately high spending in transportation and food & beverage services.
- Lodging sales have increased 16% from the low seen in 2009.

Visitor spending by sector

Ohio's Visitor Spending

by Year, Share of Total



Source: Longwoods International, Tourism Economics, OTTI

- The share of the visitor dollar spent in each category has remained stable over the past 5 years,
- The high variability in transportation costs, led by gas prices, is evident in the share of the visitor dollar going to transportation over time.

Overnight and day markets

- Overnight visitation rose 4.7% in 2011. Overnight visitors also spent more per trip in 2011 leading to total overnight spending growth of 10.8%.
- Despite a decline in day visitation, an increase in the per trip spending pushed overall day spending higher.

Visits and Spend				
	2009	2010	2011	%
Total Visitors (millions)	172.45	180.06	181.48	0.8%
Overnight	34.27	35.71	37.39	4.7%
Day	138.18	144.35	144.09	-0.2%
Total Spending (million \$)	23,031	24,736	26,336	6.5%
Overnight	9,468	10,298	11,407	10.8%
Day	13,563	14,438	14,928	3.4%
Per Visitor Spending	\$ 134	\$ 137	\$ 145	5.6%
Overnight	\$ 276	\$ 288	\$ 305	5.8%
Day	\$ 98	\$ 100	\$ 104	3.6%

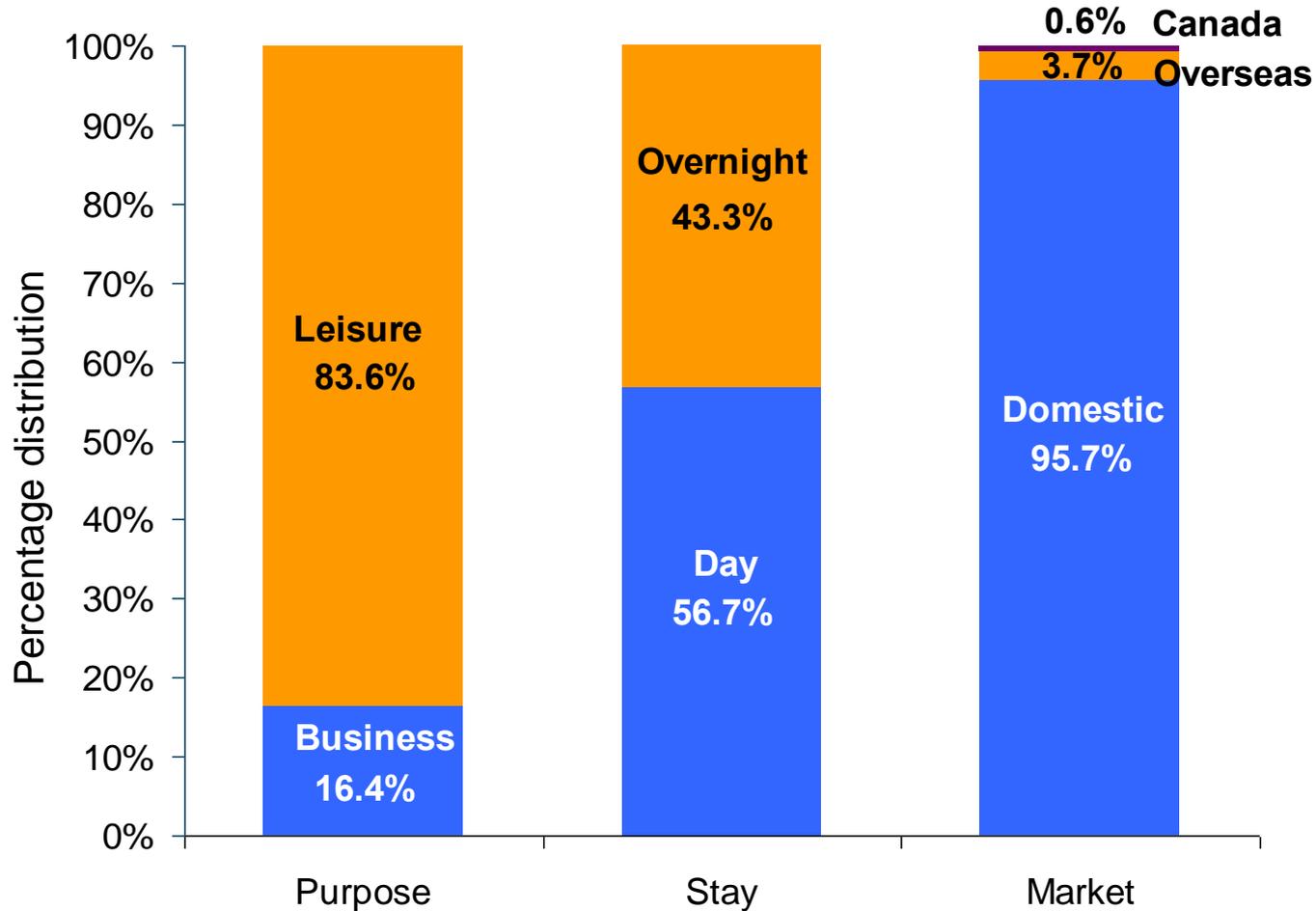
Source: Tourism Economics, Longwoods International

Visitor spending by market segment

- Leisure tourism represents 84% of visitor spending in Ohio.
- Overnight visitors spent \$11.4 billion in Ohio in 2011, 43% of the total.
- International visitors to Ohio spent \$1.2 billion in 2011, 4% of all visitor spending.

Visitor Spending in 2011					
(US\$ Billion)					
Purpose		Stay		Market	
Business	\$4.3	Day	\$14.9	Domestic	\$25.2
Leisure	\$22.0	Overnight	\$11.4	Overseas	\$1.0
				Canada	\$0.2
Total	\$26.3	Total	\$26.3	Total	\$26.3
Share					
Purpose		Stay		Market	
Business	16.4%	Day	56.7%	Domestic	95.7%
Leisure	83.6%	Overnight	43.3%	Overseas	3.7%
				Canada	0.6%

Visitor spending by market segment



Source : Tourism Economics

State Tourism Impacts

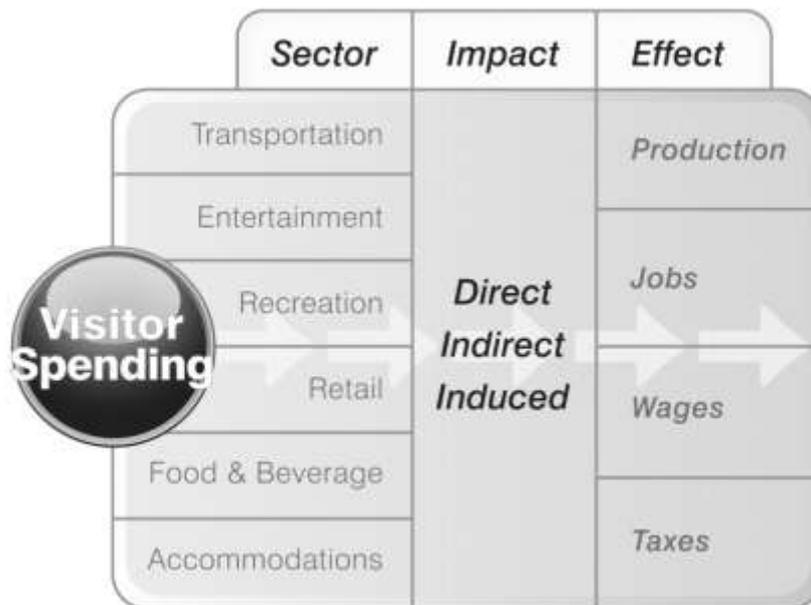


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How visitor spending generates impact

- 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.

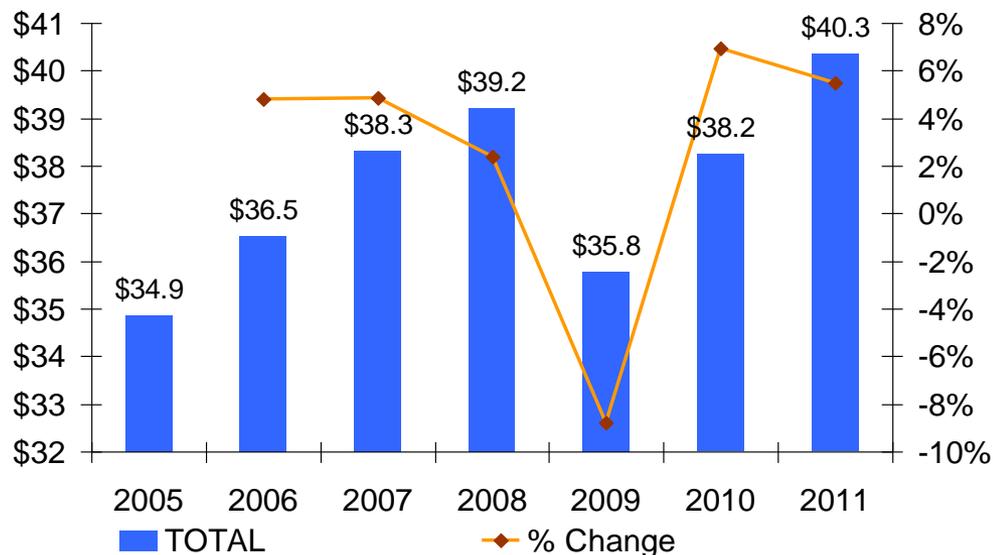


- Lastly, the induced impact is generated when employees whose incomes are generated either directly or indirectly by tourism, spend those incomes in the state economy.

Growth in tourism sales

Total Tourism Sales

US\$ Billions



Source : Tourism Economics

- The tourism industry surpassed pre-recession highs.
- Visitor spending increasing 6.5% and total sales (including indirect and induced impacts) increasing 5.5%.
- Ohio registered over \$40 billion in total tourism sales in 2011.

Total tourism sales

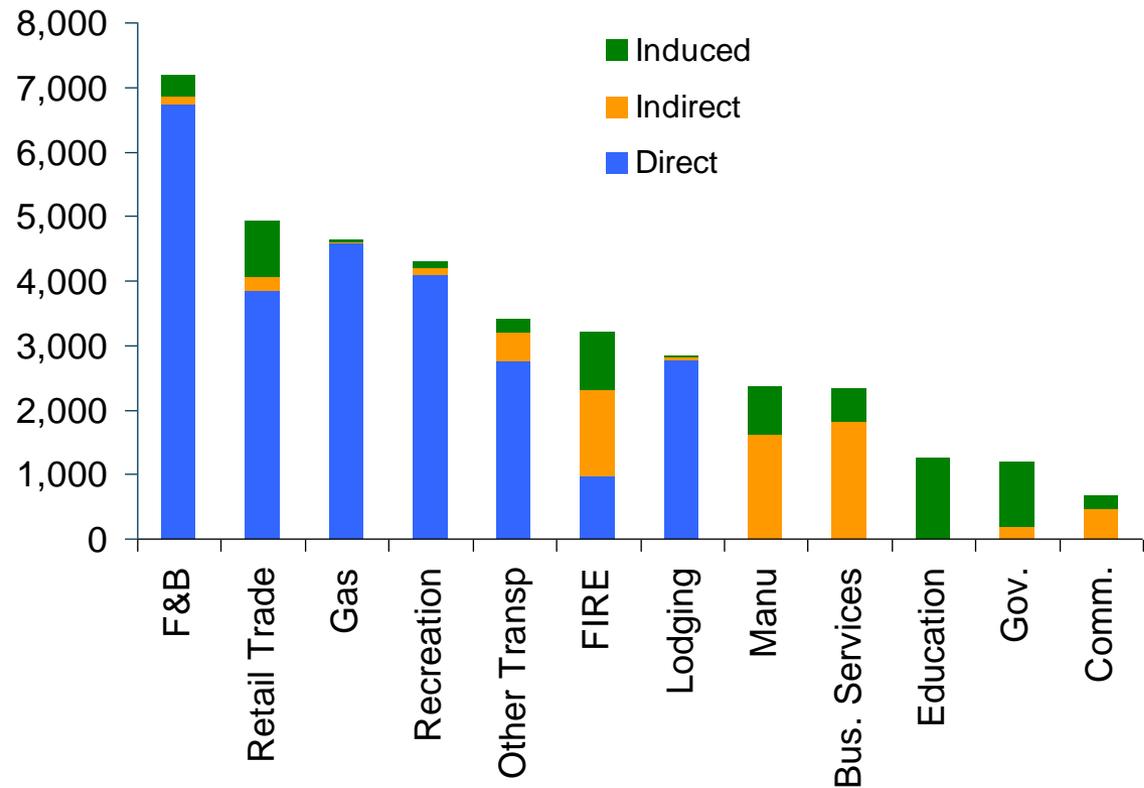
Tourism Sales					
(US\$ Million)					
	Direct	Indirect	Induced	Total	2011 direct sales growth
Agriculture, Fishing, Mining	-	189.9	69.7	259.6	-
Construction and Utilities	-	445.8	182.4	628.2	-
Manufacturing	-	1,612.7	746.7	2,359.4	-
Wholesale Trade	-	53.7	39.6	93.3	-
Air Transport	624.1	10.9	10.0	644.9	2.6%
Other Transport	2,758.8	451.3	192.6	3,402.8	6.8%
Retail Trade	3,846.1	215.1	872.0	4,933.3	4.6%
Gasoline Stations	4,569.9	14.7	54.7	4,639.3	14.6%
Communications	-	457.4	198.2	655.6	-
Finance, Insurance and Real Estate	972.4	1,324.1	908.1	3,204.5	5.7%
Business Services	-	1,796.9	515.9	2,312.7	-
Education and Health Care	-	5.9	1,259.8	1,265.7	-
Recreation and Entertainment	4,074.2	113.3	98.4	4,285.9	2.9%
Lodging	2,762.4	42.7	35.0	2,840.1	9.4%
Food & Beverage	6,727.6	116.1	332.2	7,176.0	3.9%
Personal Services	-	175.1	300.7	475.8	-
Government	-	179.5	1,014.2	1,193.7	-
TOTAL	26,335.5	7,205.1	6,830.2	40,370.9	6.5%
* Direct sales include cost of goods sold for retail sectors				5.6%	

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

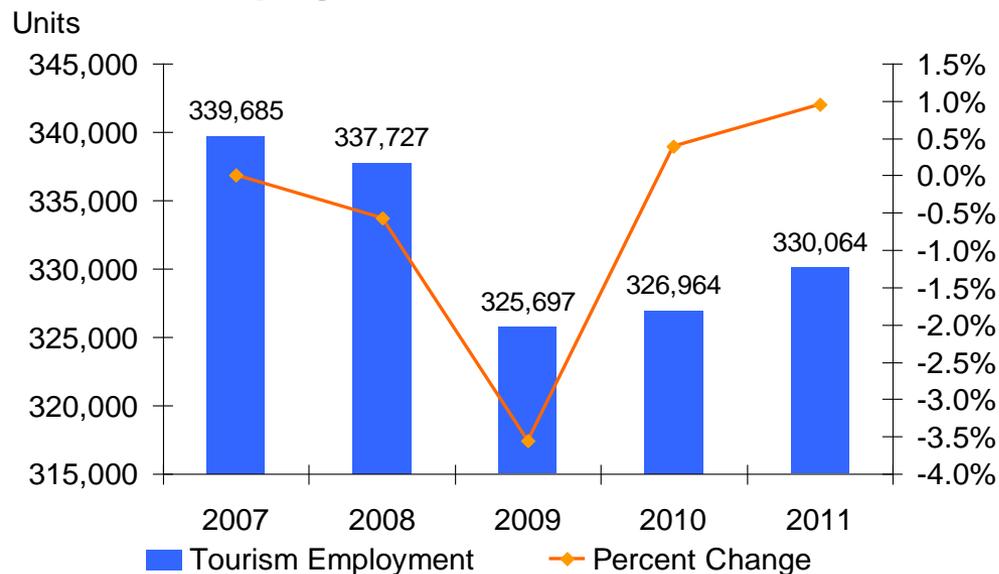


Tourism employment continues recovery

Tourism Employment					
	2007	2008	2009	2010	2011
Tourism Employment	339,685	337,727	325,697	326,964	330,064
Percent Change	0.0%	-0.6%	-3.6%	0.4%	0.9%

- Tourism employment has now posted two consecutive years of slow growth.
- In addition, the working hours of employees has risen to support the higher sales.

Tourism Employment



Source : Tourism Economics

Total tourism employment

Tourism Economy Employment				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	2,511	875	3,386
Construction and Utilities	-	1,688	349	2,037
Manufacturing	-	4,058	1,690	5,748
Wholesale Trade	-	304	221	525
Air Transport	3,034	45	41	3,120
Other Transport	29,645	4,255	1,580	35,481
Retail Trade	43,748	3,181	12,730	59,658
Gasoline Stations	11,914	187	681	12,781
Communications	-	2,027	698	2,725
Finance, Insurance and Real Estate	6,981	8,537	5,076	20,594
Business Services	-	17,351	5,322	22,674
Education and Health Care	-	92	15,329	15,421
Recreation and Entertainment	60,561	2,988	1,826	65,375
Lodging	37,216	616	481	38,313
Food & Beverage	136,965	2,366	6,650	145,980
Personal Services	-	2,335	5,560	7,894
Government	-	908	510	1,418
TOTAL	330,064	53,449	59,619	443,132

- The tourism sector directly and indirectly supported 443,000 jobs, or 8.7% of all employment in Ohio last year.

Tourism personal income

Tourism Labor Income (Compensation)				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	34	15	48.7
Construction and Utilities	-	119.9	41.8	161.7
Manufacturing	-	220.6	100.3	320.9
Wholesale Trade	-	19.6	14.3	33.9
Air Transport	195.5	3.2	2.9	201.6
Other Transport	815.3	204.8	75.1	1,095.2
Retail Trade	844.1	82.9	331.0	1,257.9
Gasoline Stations	268.0	4.4	16.0	288.4
Communications	-	110.3	40.4	150.7
Finance, Insurance and Real Estate	158.8	305.4	223.2	687.4
Business Services	-	761.7	227.3	989.0
Education and Health Care	-	2.8	618.7	621.5
Recreation and Entertainment	1,234.2	46.4	36.8	1,317.4
Lodging	903.7	14.5	11.3	929.5
Food & Beverage	2,074.5	34.8	98.1	2,207.4
Personal Services	-	65.0	119.1	184.0
Government	-	48.3	26.0	74.3
TOTAL	6,494.1	2,078.6	1,996.9	10,569.6

Methods and data sources

- Domestic visitor expenditure estimates are provided by Longwoods International's representative survey of US travelers. These are broken out by sectors (lodging, transport at destination, food & beverage, retail, and recreation), by purpose (business and leisure), and by length of stay (day and overnight).
- Tourism Economics then adjusts these levels of spending based on a range of known measures of tourism activity:
 - Industry data on employment, wages, GDP, and sales (source: BEA, BLS, Census)
 - Bed tax receipts
 - Sales tax receipts by industry
 - Spending on air travel which accrues to all airports and locally-based airlines
 - Gasoline purchases by visitors (source: TE calculation)
 - Smith Travel Research data on hotel revenues
 - Overseas visitor spending (source: OTTI, TE)
 - Canada visitor spending (source: Statistics Canada, TE)

Methods and data sources

- An IMPLAN model was compiled for the State of Ohio. This traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism.
- All results are benchmarked and cross-checked and adjusted based on the following:
 - US Bureau of Labor Statistics and Bureau of Economic Analysis (employment and wages by industry)
 - US Census (business sales by industry)
- The source of the employment and wage data is the Regional Economic Information System (REIS), Bureau of Economic Analysis, U.S. Department of Commerce. All employment rankings are based on Bureau of Labor Statistics (ES202/QCEW) data.



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