



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

The Economic Impact of Ohio Tourism in 2009

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Key themes for 2009

- The recession affected the Ohio tourism economy in a range of ways in 2009:
 - Visitor volumes fell across all segments, especially overnight visitors
 - However, overnight leisure (non-VFR) travel volume grew 6%
 - Per trip spending declined on account of shorter length of stay and general consumer caution
 - Spending contracted at an even greater rate due to discounting and generally lower prices for tourism-related goods and services. For example, rooms rates were 4% lower than in the prior year, airfares were 8% lower, and fuel prices were down 27%.
 - This is seen in average visitor spending which was down 9.5%
- As a result, although visitor volumes contracted modestly, visitor-generated sales fell at a rate of 8.8%.
- Tourism employment was more resilient with a decline of 3.3%.

Overview

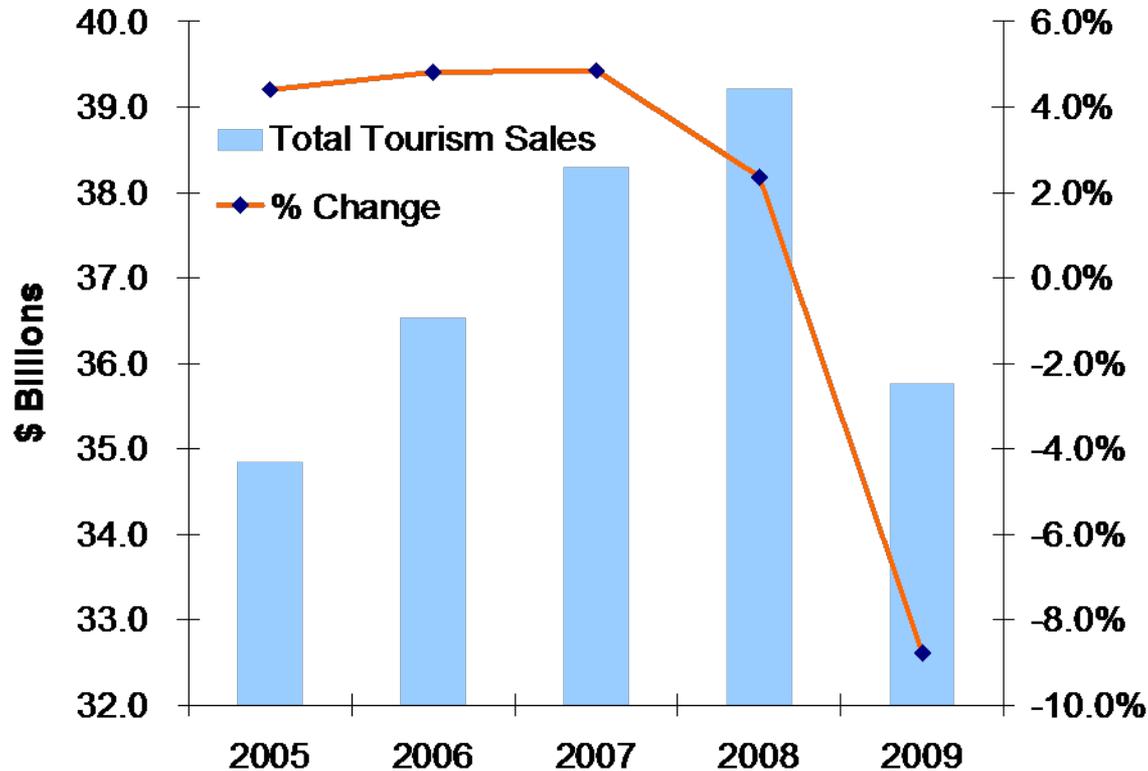
- The visitor economy remains a large contributor to business sales, employment, and taxes in Ohio.
- In 2009, visitor spending of \$23 billion generated \$36 billion in sales for Ohio businesses.
- Nearly 437,000 jobs were sustained by visitors to Ohio last year with total income of \$10 billion.
- 8.6% (1 in 12 jobs) of total wage and salary employment in Ohio is sustained by tourism.
- Tourism in Ohio generated \$2.5 billion in state and local taxes in 2009.

Overview

- Direct visitor spending declined 10.1% last year. The majority of this decline was on account of declines in average spending.
- The average spend per day visitor fell 8.4% while overnight average spending dropped 10%.

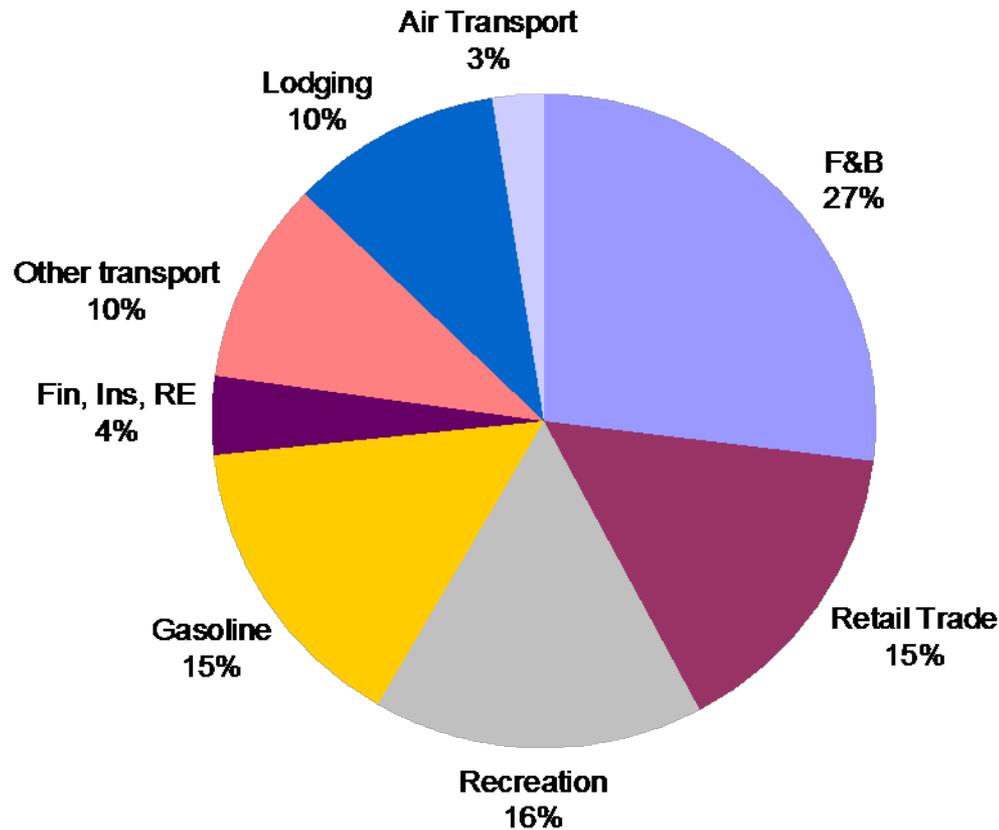
Visits and Spend			
	2008	2009	% Change
Total Visitors	172.29	171.16	-0.7%
Overnight	34.64	33.41	-3.6%
Day	137.64	137.75	0.1%
Total Spending (million \$)	25,627	23,031	-10.1%
Overnight	9,568	8,308	-13.2%
Day	16,059	14,723	-8.3%
Per Visitor Spending	\$ 149	\$ 135	-9.5%
Overnight	\$ 276	\$ 249	-10.0%
Day	\$ 117	\$ 107	-8.4%

Growth in tourism sales



- The tourism industry contracted in 2008 with a decline of 8.8% in visitor spending.
- This follows consistent growth in each of the prior four years.

Visitor spending by sector



- Food & beverage, shopping, service stations, and recreation comprise nearly three quarters of tourism demand.
- Transportation and lodging sectors comprise the majority of the remainder.

Tourism sales

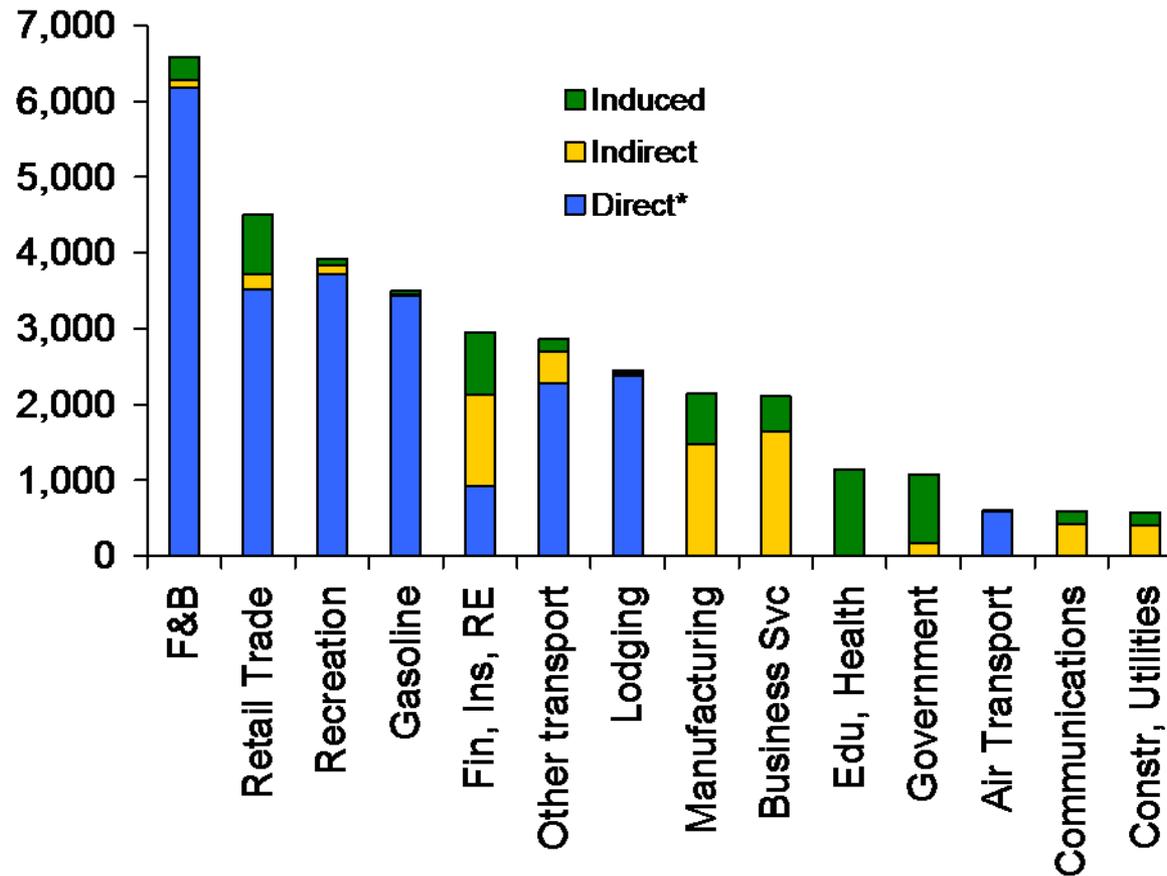
Tourism Sales (Output)					
(US\$ Million)					
	Direct*	Indirect	Induced	Total	2009 direct sales growth
Agriculture, Fishing, Mining	-	173.4	62.8	236.2	
Construction and Utilities	-	407.0	164.3	571.4	
Manufacturing	-	1,472.5	672.7	2,145.2	
Wholesale Trade	-	49.0	35.7	84.7	
Air Transport	582.9	10.0	9.0	601.8	-20.6%
Other Transport	2,282.2	412.1	173.5	2,867.8	-8.9%
Retail Trade	3,522.2	196.4	785.6	4,504.3	-6.0%
Gasoline Stations	3,433.2	13.5	49.3	3,495.9	-27.0%
Communications	-	417.6	178.5	596.2	
Finance, Insurance and Real Estate	924.6	1,209.0	818.1	2,951.6	-0.6%
Business Services	-	1,640.7	464.8	2,105.4	
Education and Health Care	-	5.4	1,135.0	1,140.3	
Recreation and Entertainment	3,728.5	103.4	88.7	3,920.6	-2.7%
Lodging	2,375.2	39.0	31.6	2,445.7	-10.9%
Food & Beverage	6,182.0	106.0	299.3	6,587.4	-5.0%
Personal Services	-	159.9	270.9	430.8	
Government	-	163.9	913.7	1,077.7	
TOTAL	23,030.8	6,578.8	6,153.6	35,763.2	-8.8%
% change	-10.1%	-6.4%	-6.1%	-8.8%	

* Direct sales includes cost of goods for retail sectors

Tourism sales

Tourism Sales by Industry

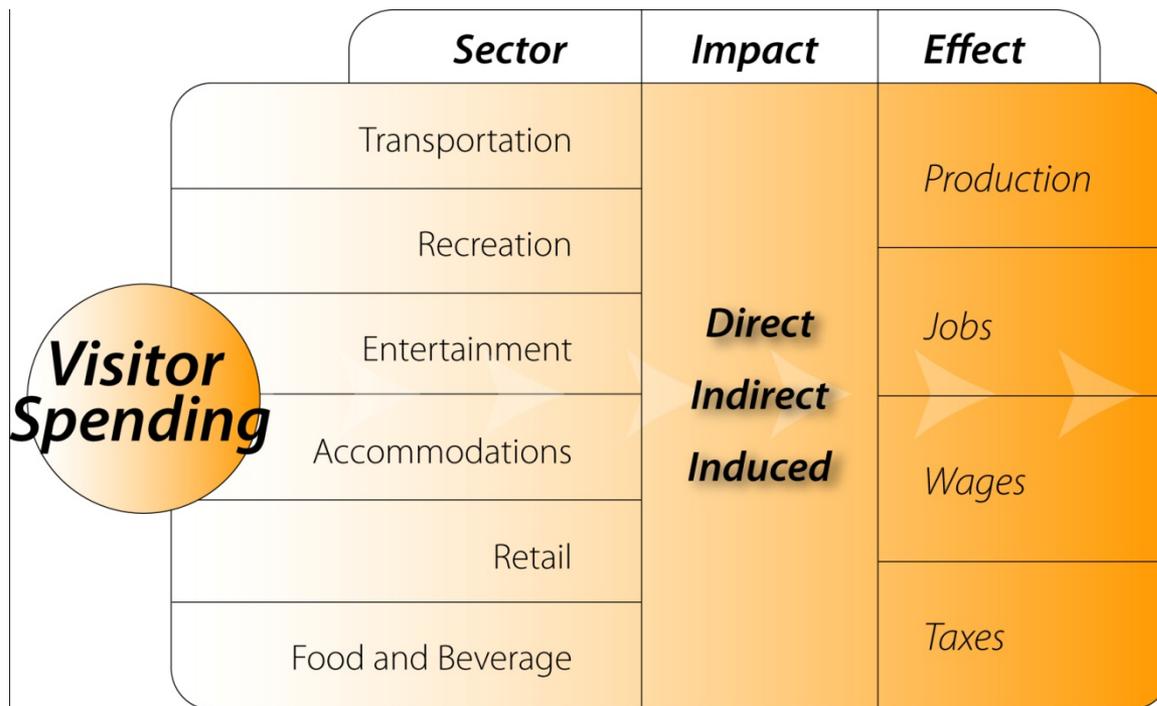
\$ million



* Direct includes cost of retail goods

How visitor spending generates impact

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

Tourism employment

Tourism Employment					
	Direct	Indirect	Induced	Total	2009 direct growth
Agriculture, Fishing, Mining	-	2,407	839	3,246	
Construction and Utilities	-	1,679	347	2,026	
Manufacturing	-	3,914	1,630	5,544	
Wholesale Trade	-	299	217	516	
Air Transport	2,944	43	39	3,026	-9.6%
Other Transport	29,047	4,149	1,542	34,738	-4.4%
Retail Trade	43,567	3,146	12,597	59,310	-4.1%
Gasoline Stations	11,878	185	675	12,738	-3.5%
Communications	-	2,041	704	2,745	
Finance, Insurance and Real Estate	6,981	8,540	5,081	20,602	-0.6%
Business Services	-	16,754	5,142	21,896	
Education and Health Care	-	91	15,078	15,169	
Recreation and Entertainment	59,652	3,021	1,848	64,520	-1.7%
Lodging	36,876	605	473	37,954	-8.3%
Food & Beverage	134,754	2,326	6,544	143,624	-2.6%
Personal Services	-	2,318	5,523	7,841	
Government	-	917	516	1,433	
TOTAL	325,697	52,434	58,796	436,927	-3.3%
% change	-3.6%	-2.6%	-2.4%	-3.3%	

- Nearly 437,000 Ohio jobs were sustained by tourism in 2009.
- 8.6% (1 in 12 jobs) of total wage and salary employment in Ohio is sustained by tourism.

Tourism wages

Tourism Income (Compensation)					
(US\$ Million)					
	Direct	Indirect	Induced	Total	2009 direct growth
Agriculture, Fishing, Mining	-	28.8	12.5	41.4	
Construction and Utilities	-	118.9	41.4	160.4	
Manufacturing	-	210.1	95.6	305.7	
Wholesale Trade	-	18.8	13.7	32.5	
Air Transport	187.5	3.1	2.8	193.3	-15.1%
Other Transport	753.0	197.5	72.4	1,022.9	-6.7%
Retail Trade	795.0	80.0	319.6	1,194.6	-5.1%
Gasoline Stations	251.8	4.2	15.5	271.5	-15.3%
Communications	-	107.6	39.4	146.9	
Finance, Insurance and Real Estate	153.5	287.6	210.3	651.4	-0.6%
Business Services	-	719.7	214.9	934.6	
Education and Health Care	-	2.7	601.0	603.7	
Recreation and Entertainment	1,156.3	46.0	36.6	1,238.9	-4.0%
Lodging	838.0	13.9	10.8	862.8	-9.6%
Food & Beverage	1,940.5	33.5	94.3	2,068.3	-3.8%
Personal Services	-	63.1	115.7	178.7	
Government	-	48.2	25.9	74.1	
TOTAL	6,075.5	1,983.8	1,922.3	9,981.7	-5.2%
% change	-6.0%	-3.8%	-3.7%	-5.2%	

- Tourism generated personal income of \$10 billion in 2009, contracting 5.2% since 2008.

Tourism tax generation

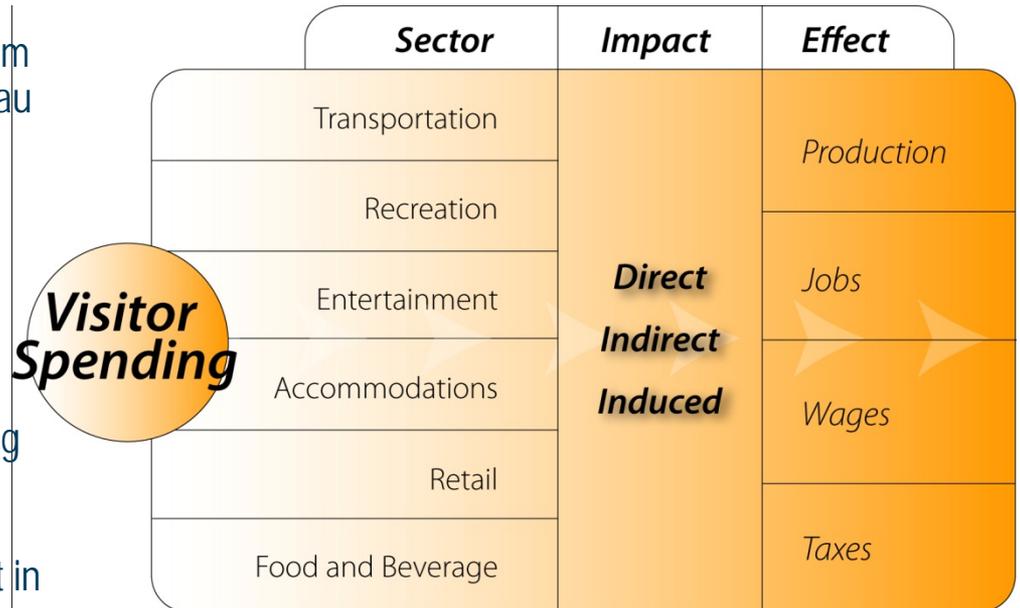
- The tourism industry generated \$4.9 billion in taxes and fees in 2009.
- Tourism generated \$2.5 billion in state and local taxes.
 - \$1.5 billion in state taxes
 - \$1.0 billion in local taxes

Tourism-Generated Taxes		
(US\$ Million)		
	Total	2009 growth
Federal Taxes	2,402.8	-7.9%
Corporate	412.1	
Indirect Business	209.3	
Personal Income	747.5	
Social Security	1,033.8	
State Taxes	1,456.4	-6.6%
Corporate	350.9	
Personal Income	302.5	
Sales	682.8	
State Social Security	54.7	
Excise and Fees	65.6	
Local Taxes	1,037.0	-8.5%
Personal Income	30.2	
Sales	124.1	
Property	689.2	
Admissions	21.9	
Lodging	111.6	
Other Taxes and Fees	59.8	
TOTAL	4,896.2	-7.6%

Methodological notes

- Visitor spending data are derived from several sources including:
 - Longwoods International survey of travelers
 - Statistics Canada data on spending in Ohio
 - Office of Travel & Tourism Industries estimates of overseas visits to Ohio

- 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 40 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.