



The Economic Impact of Tourism in Lorain County, Ohio



June 2014



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

Message from TourismOhio

Dear Ohio Tourism Industry Partner,

Thank you for your participation in the 2013 county level research program. We are pleased to deliver the following tourism economic impact report for your county, region and the State of Ohio.

This year marks a change in how we at TourismOhio are sharing state tourism research. In the past, we have reported the sum of direct, indirect, and induced impacts for sales, employment, and income. **Beginning with this 2013 data, we are reporting only direct and indirect impacts.**

Your report includes all three levels of impact, and you may continue to report the findings in aggregate, for direct only, or for the sum of direct and indirect. If you choose to change what county level data you share, please note that it is easy to go back and recalculate numbers from past years to get year-over-year percentage of increase or decrease comparisons.

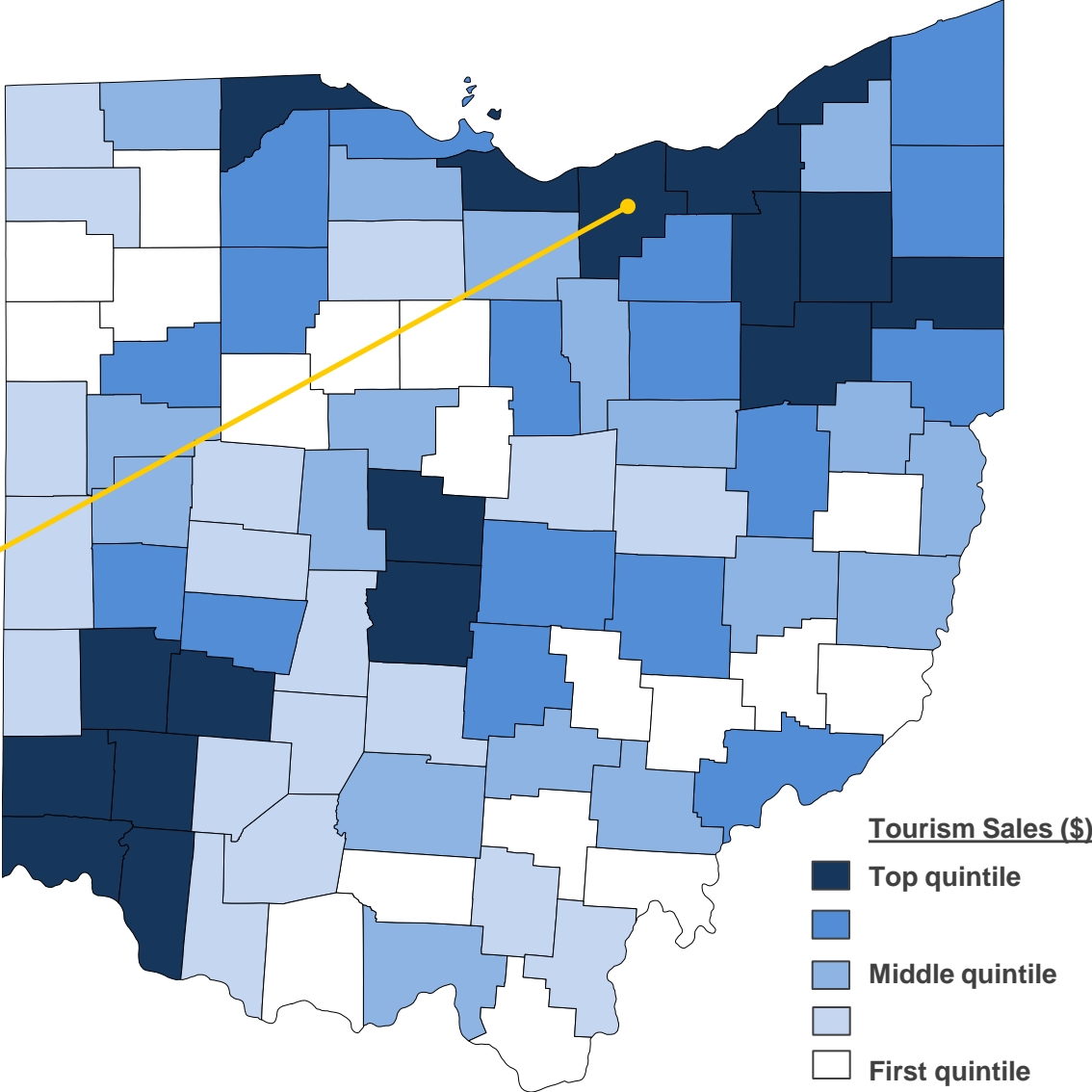
Another new feature in this year's reports is a good industry example that can be utilized to explain direct, indirect and induced impacts to your board, stakeholders, media, etc.

We would ask that you share only your county level data with media or those outside of your immediate organizations. This will allow everyone to manage the messaging around their research. Please direct any inquiries about State of Ohio research to Tamara Brown, TourismOhio, at tamara.brown@development.ohio.gov or 614.466.8591.

Lorain County Tourism Summary

Total Tourism Impact	
Lorain County, Ohio	
Total Sales	\$499.4 million
Wages	\$154.1 million
Taxes	\$66.1 million
Employment	8,104

Lorain County



Overview

- Tourism is an integral and driving component of the Lorain County economy, sustaining 7.4% of salaried employment.
- Visitors to Lorain County generated business sales of \$499 million, directly and indirectly, in 2013.
- 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 impacts, Ohio tourism spending in 2013 generated \$38 billion in sales.
- A total of 404,780 jobs, with income of \$9.4 billion, were sustained by visitors to Ohio last year, including direct and indirect impacts.
- Tourism employment grew 2.5% in 2013, more than two times faster than overall Ohio employment growth of 1.2%.
- Including indirect and induced impacts, tourism in Ohio generated nearly \$3.0 billion in state and local taxes and \$2.8 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 \$650 to fill the gap.

Key themes for 2013

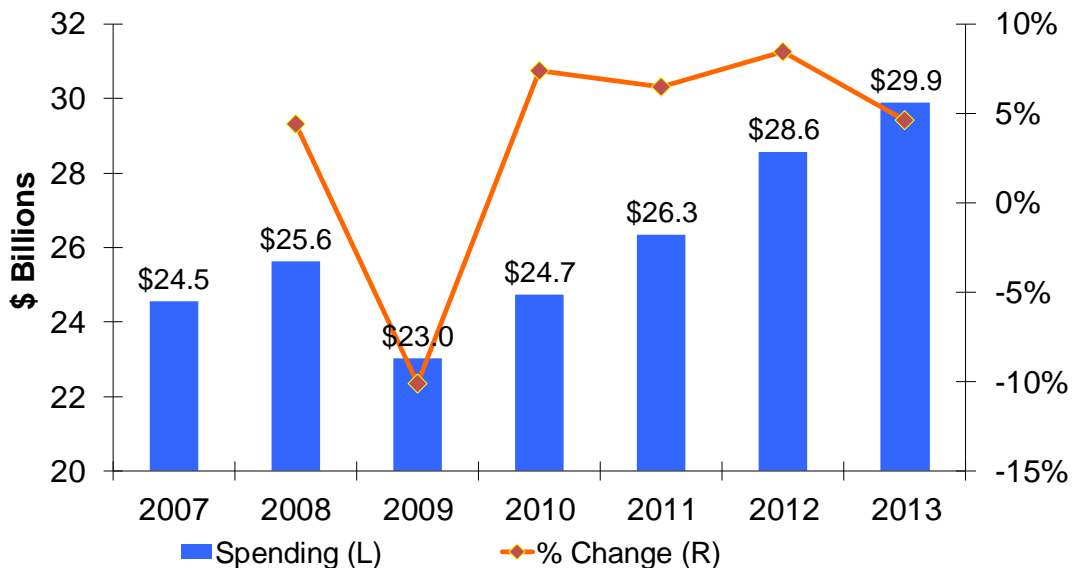
- Visits to Ohio destinations grew 2.5% in 2013 (source: Longwoods International)
- Hotel room demand grew 1.4% (source: STR)
- Average hotel rates grew 5.0% in 2013, fueling a 6.4% expansion in room revenue (source: STR)
- State sales tax revenue from the lodging industry grew 10% in 2013 (source: State Revenue Office)
- Employment growth in key tourism industries grew faster than total employment; recreational employment grew 5.1% and lodging employment grew 3.9% compared to total employment growth of just 1.2%.

Continued growth in visitor spending

- Visitation remained strong – especially day trips – supporting spending growth of 4.6% in 2013.
- Direct visitor spending neared \$30 billion in 2013.
- Visitor spending has averaged 6.7% growth per annum over the past four years.

Ohio Visitor Spending

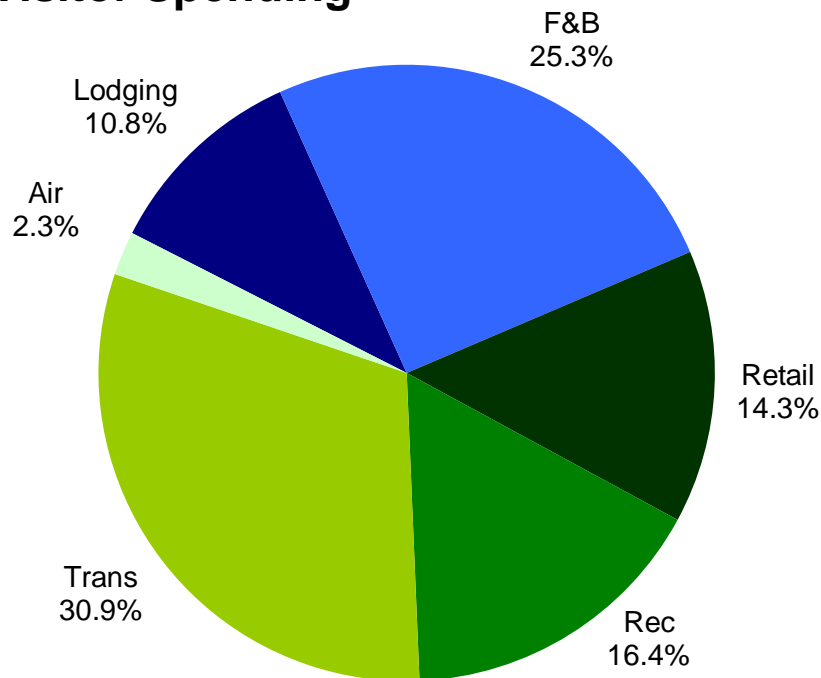
US\$ Billions



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

Visitor spending by sector

Ohio Visitor Spending



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

- With recovery in both occupancy and room rates, the share of the visitor dollar spend on lodging has grown to 10.8% in 2013.
- The share of visitor spending on recreation increased 0.3 points in 2013 to 16.4%.
- F&B spending represents a quarter of all visitor spending.

Total tourism sales

Tourism Sales				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	252.8	93.9	346.7
Construction and Utilities	-	472.0	190.4	662.4
Manufacturing	-	1,876.6	850.9	2,727.5
Wholesale Trade	-	74.8	53.0	127.9
Air Transport	686.5	10.5	9.5	706.6
Other Transport	2,959.0	420.9	176.0	3,555.9
Retail Trade	4,284.5	225.9	908.4	5,418.8
Gasoline Stations	5,149.4	15.2	56.4	5,221.1
Communications	-	473.0	204.7	677.7
Finance, Insurance and Real Estate	1,116.7	1,551.7	1,060.7	3,729.1
Business Services	-	1,959.7	565.0	2,524.7
Education and Health Care	-	6.5	1,399.3	1,405.8
Recreation and Entertainment	4,909.7	134.3	113.9	5,157.9
Lodging	3,216.2	47.5	39.6	3,303.4
Food & Beverage	7,565.9	120.5	343.0	8,029.5
Personal Services	-	193.1	328.1	521.2
Government	-	179.5	1,014.3	1,193.8
TOTAL	29,887.9	8,014.7	7,407.1	45,309.6
Growth Rate	4.6%	5.1%	3.8%	4.6%

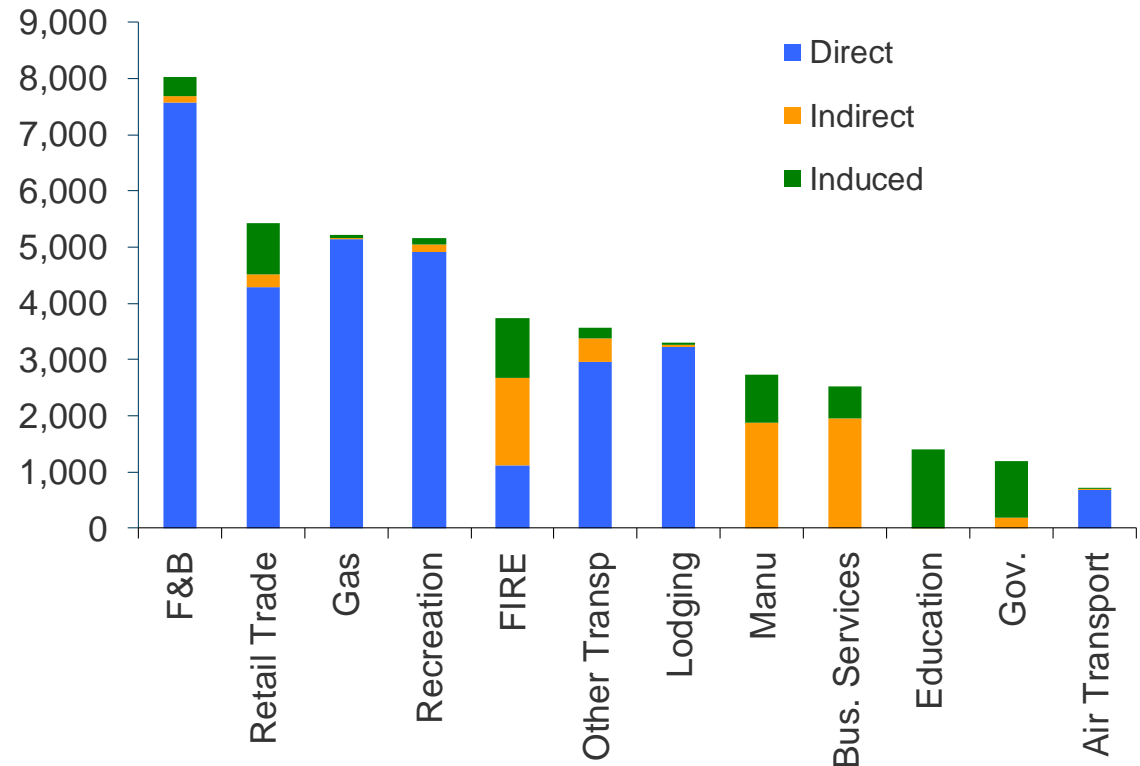
- Including indirect impacts, tourism spending in 2013 generated \$38 billion in sales. (Only direct and indirect impacts have been considered as part of the official state impact figures.)

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.

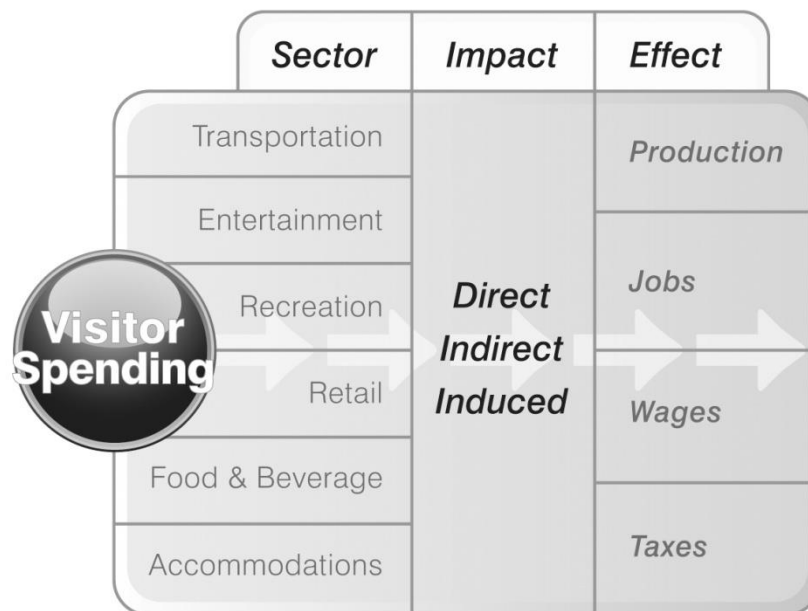
Tourism Sales by Industry

\$ 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 state 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	-	3,065	1,060	4,125
Construction and Utilities	-	1,758	361	2,119
Manufacturing	-	4,190	1,736	5,926
Wholesale Trade	-	318	229	547
Air Transport	3,155	47	42	3,244
Other Transport	30,826	4,431	1,649	36,906
Retail Trade	44,292	3,203	12,822	60,317
Gasoline Stations	12,062	188	687	12,937
Communications	-	1,977	683	2,659
Finance, Insurance and Real Estate	7,076	8,914	5,314	21,303
Business Services	-	18,092	5,581	23,673
Education and Health Care	-	95	15,941	16,036
Recreation and Entertainment	66,902	3,420	2,091	72,413
Lodging	39,600	662	516	40,778
Food & Beverage	144,702	2,522	7,064	154,288
Personal Services	-	2,362	5,633	7,995
Government	-	921	507	1,428
TOTAL	348,615	56,165	61,916	466,696

- The tourism sector directly and indirectly supported 404,780 jobs in 2013. (Although shown in the above table, induced impacts have not been considered as part of the official state impact figures.)

Tourism personal income

Tourism Labor Income (Compensation)				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	48.6	21.1	69.7
Construction and Utilities	-	137.6	47.4	185.0
Manufacturing	-	233.6	105.7	339.2
Wholesale Trade	-	21.5	15.5	37.1
Air Transport	216.0	3.5	3.2	222.7
Other Transport	833.6	207.2	75.4	1,116.2
Retail Trade	887.2	88.5	351.5	1,327.3
Gasoline Stations	284.6	4.7	17.0	306.3
Communications	-	116.2	42.3	158.6
Finance, Insurance and Real Estate	163.5	313.8	221.7	699.0
Business Services	-	824.9	251.1	1,076.0
Education and Health Care	-	3.0	662.6	665.6
Recreation and Entertainment	1,467.0	55.7	43.8	1,566.5
Lodging	1,016.4	16.4	12.7	1,045.4
Food & Beverage	2,277.0	38.4	107.6	2,423.0
Personal Services	-	68.7	125.6	194.3
Government	-	47.1	26.1	73.2
TOTAL	7,145.2	2,229.5	2,130.3	11,505.0

- The tourism sector directly and indirectly generated \$9.4 billion of labor income in 2013. (Although shown in the above table, induced impacts have not been considered as part of the official state impact figures.)

Tourism tax generation

Tourism-Generated Taxes			
(US\$ Million)			
	2011	2012	2013
Federal Taxes	2,587.8	2,741.0	2,835.4
Corporate	465.2	499.3	517.0
Indirect Business	236.3	253.6	265.2
Personal Income	791.6	834.3	861.6
Social Security	1,094.7	1,153.8	1,191.6
State Taxes	1,604.8	1,714.3	1,782.4
Corporate	396.2	425.2	440.3
Personal Income	320.3	337.6	348.6
Sales	758.9	814.5	851.7
State Social Security	57.9	61.0	63.0
Excise and Fees	71.6	76.1	78.8
Local Taxes	1,118.2	1,151.9	1,179.5
Personal Income	32.0	33.8	34.9
Sales	138.0	148.1	154.8
Property	726.3	730.6	730.6
Admissions	23.6	23.8	25.3
Lodging	131.8	144.3	160.1
Other Taxes and Fees	66.5	71.3	73.9
TOTAL	5,310.8	5,607.2	5,797.3

- Taxes of \$5.8 billion were directly and indirectly generated by tourism in 2013.
- State and local taxes alone tallied nearly \$3.0 billion, growing more than \$95 million in 2013.
- Local governments received \$1.2 billion in revenue from tourism related activity.
- Each household in Ohio would need to be taxed an additional \$650 per year to replace the tourism taxes received by state and local governments.

Regional Summary

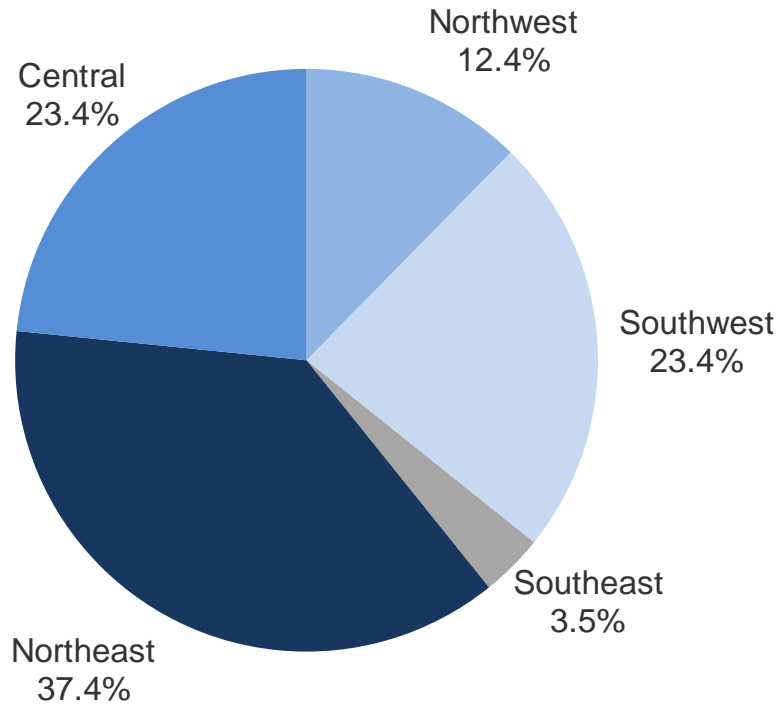


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Tourism Sales

Tourism Sales by Region

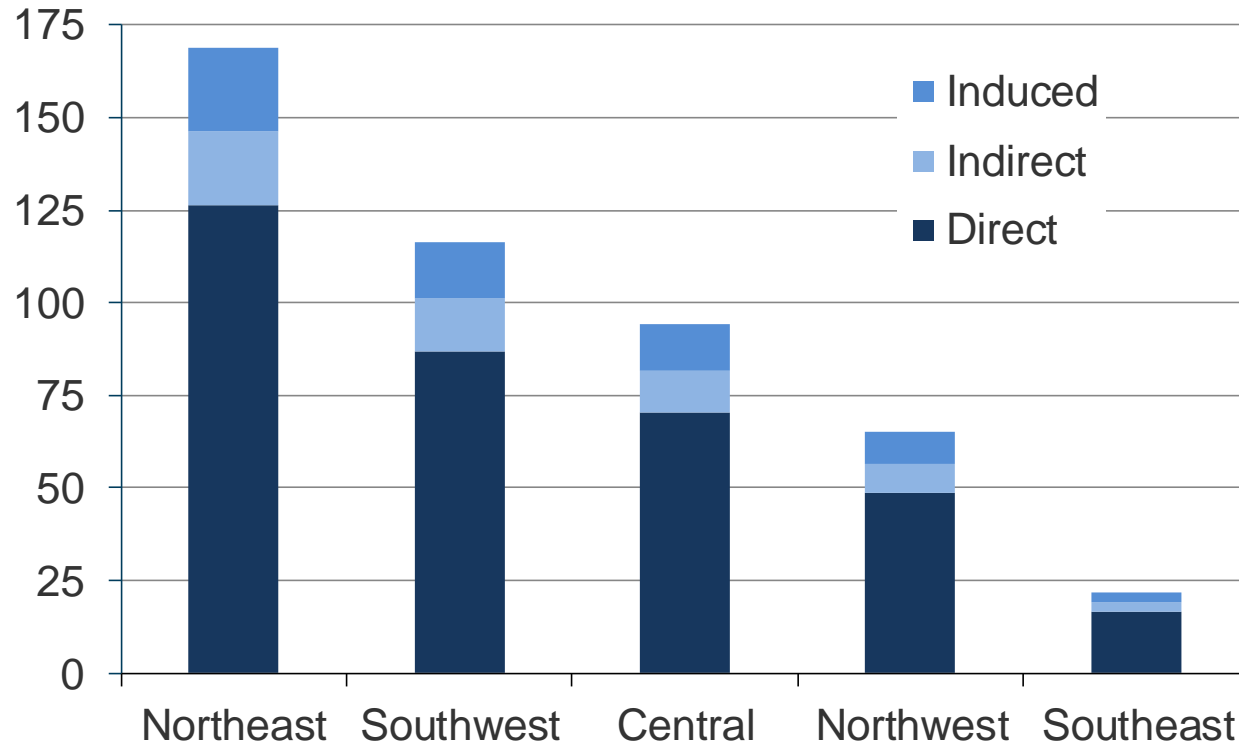


- Cleveland (Northeast), Cincinnati (Southwest) and Columbus (Central) are anchors which influence the distribution of the tourism economy across Ohio.
- Relative to the size of their economies, tourism is still of significant importance to the Northwest and Southeast regions.

Tourism Employment

Tourism Employment by Region

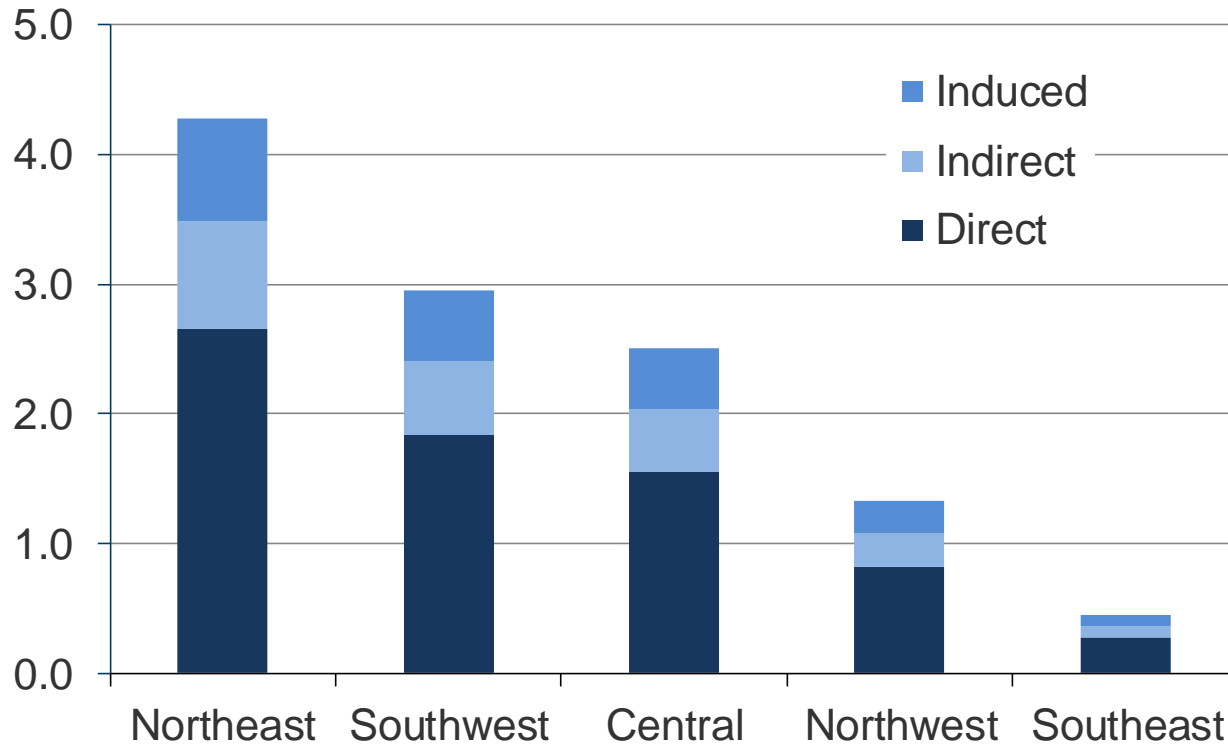
Thousands



Tourism Wages

Tourism Wages by Region

\$ Billions



Northeast Ohio Detail



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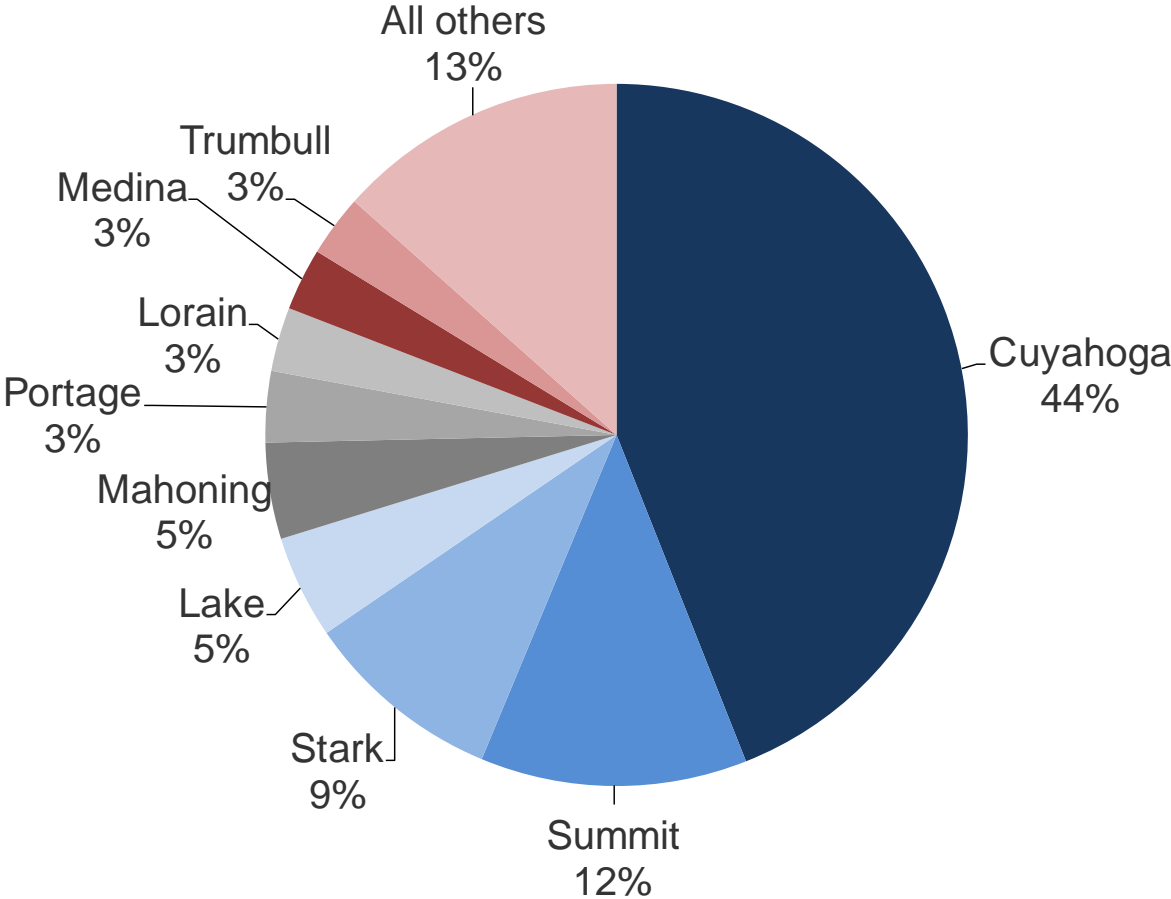
Northeast Ohio Tourism Impact

Total Tourism Impact				
County	Sales (\$mils)	Employment	Wages (\$mils)	Tax Revenues (\$mils)
Ashland	138.9	1,487	30.0	17.4
Ashtabula	417.7	3,292	66.2	49.9
Carroll	87.6	891	19.0	10.8
Columbiana	193.6	2,391	42.6	24.5
Coshocton	50.4	747	13.6	6.6
Cuyahoga	7,449.0	63,394	2,144.3	966.7
Geauga	188.5	2,754	52.4	24.7
Harrison	12.5	201	2.5	1.6
Holmes	145.8	1,634	33.4	18.4
Jefferson	143.0	1,939	38.0	18.5
Lake	804.8	8,938	189.8	102.0
Lorain	499.4	8,104	154.1	66.1
Mahoning	750.8	9,284	177.9	95.4
Medina	486.2	5,842	123.6	62.3
Portage	554.9	5,207	106.7	68.2
Richland	290.4	4,349	83.0	38.7
Stark	1,556.6	13,823	280.5	187.4
Summit	2,079.4	21,902	478.2	258.2
Trumbull	480.5	6,178	118.6	61.6
Tuscarawas	378.6	3,568	67.6	46.2
Wayne	224.5	2,940	57.8	28.7
Region total	16,932.9	168,865	4,279.8	2,154.0

Northeast Ohio Tourism Sales

Tourism Sales by County: Total \$16.9 billion

- Total tourism sales tallied \$16.9 billion in Northwest Ohio in 2013, up 5.7% from 2012.

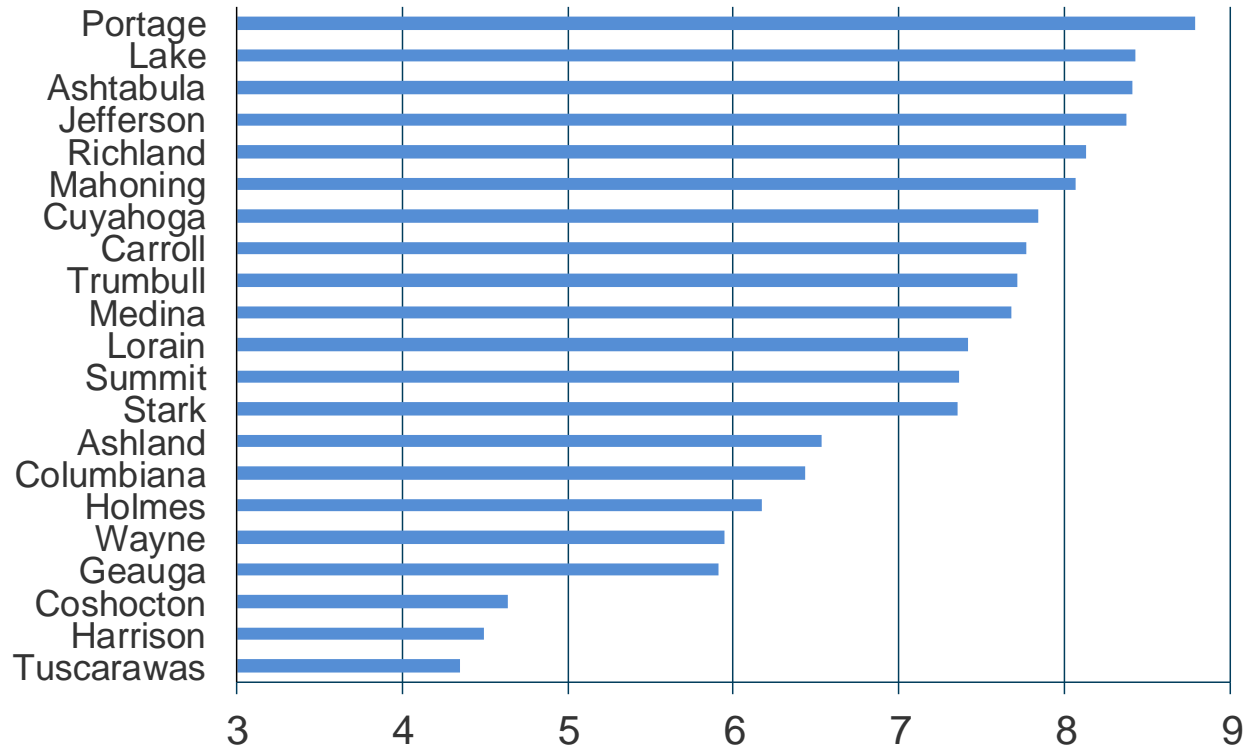


Northeast Ohio Tourism Employment

- Tourism is an integral part of the Northeast Ohio economy, at more than 6% of employment in nearly all counties in the region.

Tourism Share of Employment

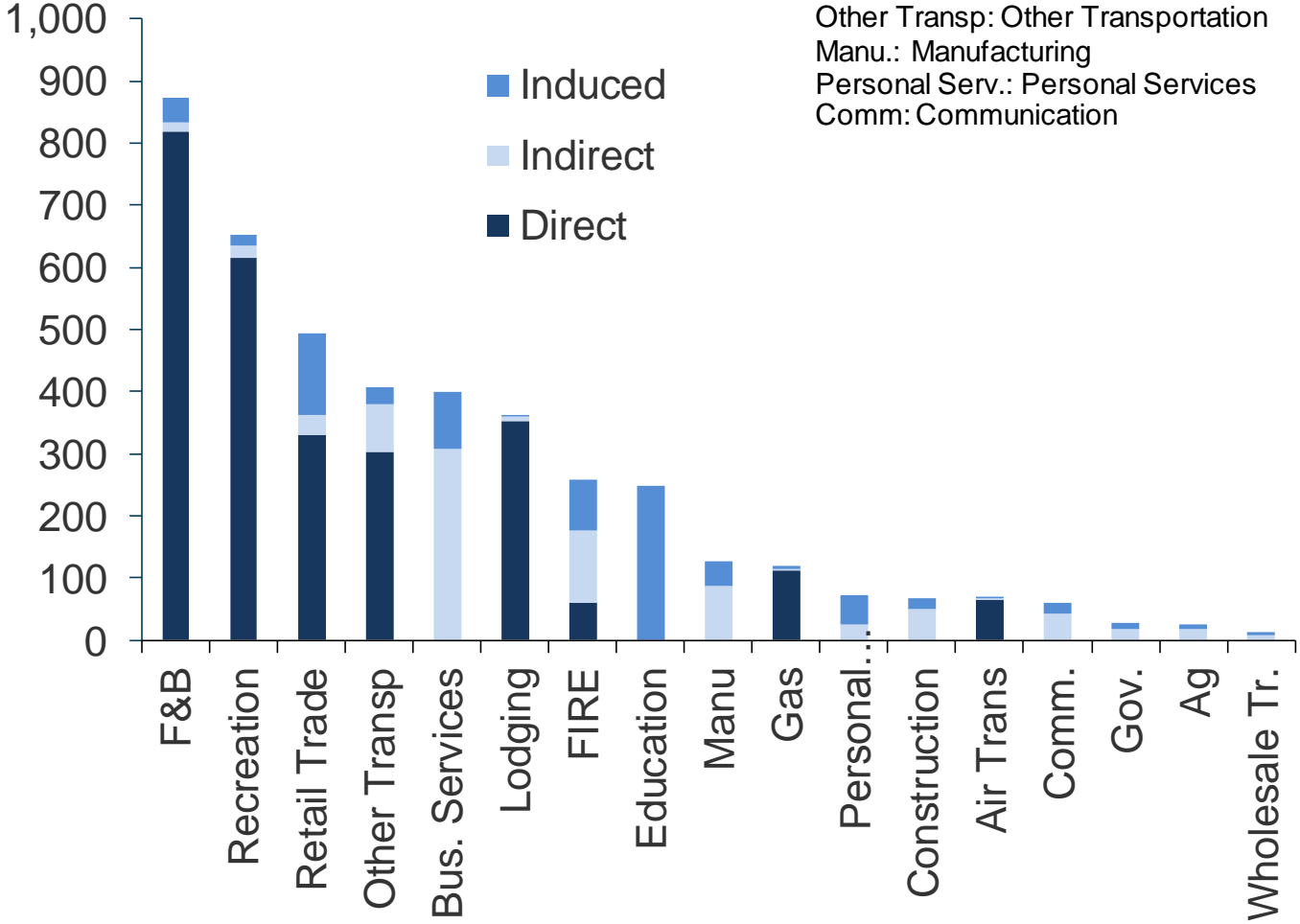
Share of total employment, %



Northeast Ohio Tourism Wages

Wages by Industry

\$ millions



F&B: Food and Beverage
 FIRE: Finance, Insurance, Real Estate
 Bus. Services: Business Services
 Gas: Gasoline Stations
 Other Transp: Other Transportation
 Manu.: Manufacturing
 Personal Serv.: Personal Services
 Comm: Communication

Lorain County Detail



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Tourism Sales Trend

Recent Trends in Direct Tourism Sales (Output)			
	2011	2012	2013
Lorain County Direct Sales Trends:			
Sales volume (\$mils)	307.1	318.5	329.4
Sales growth, % change	4.1%	3.7%	3.4%
Sales trends for the wider region and state:			
Northeast Ohio sales growth, % change	6.6%	10.6%	5.8%
Ohio sales growth, % change	6.5%	8.4%	4.6%

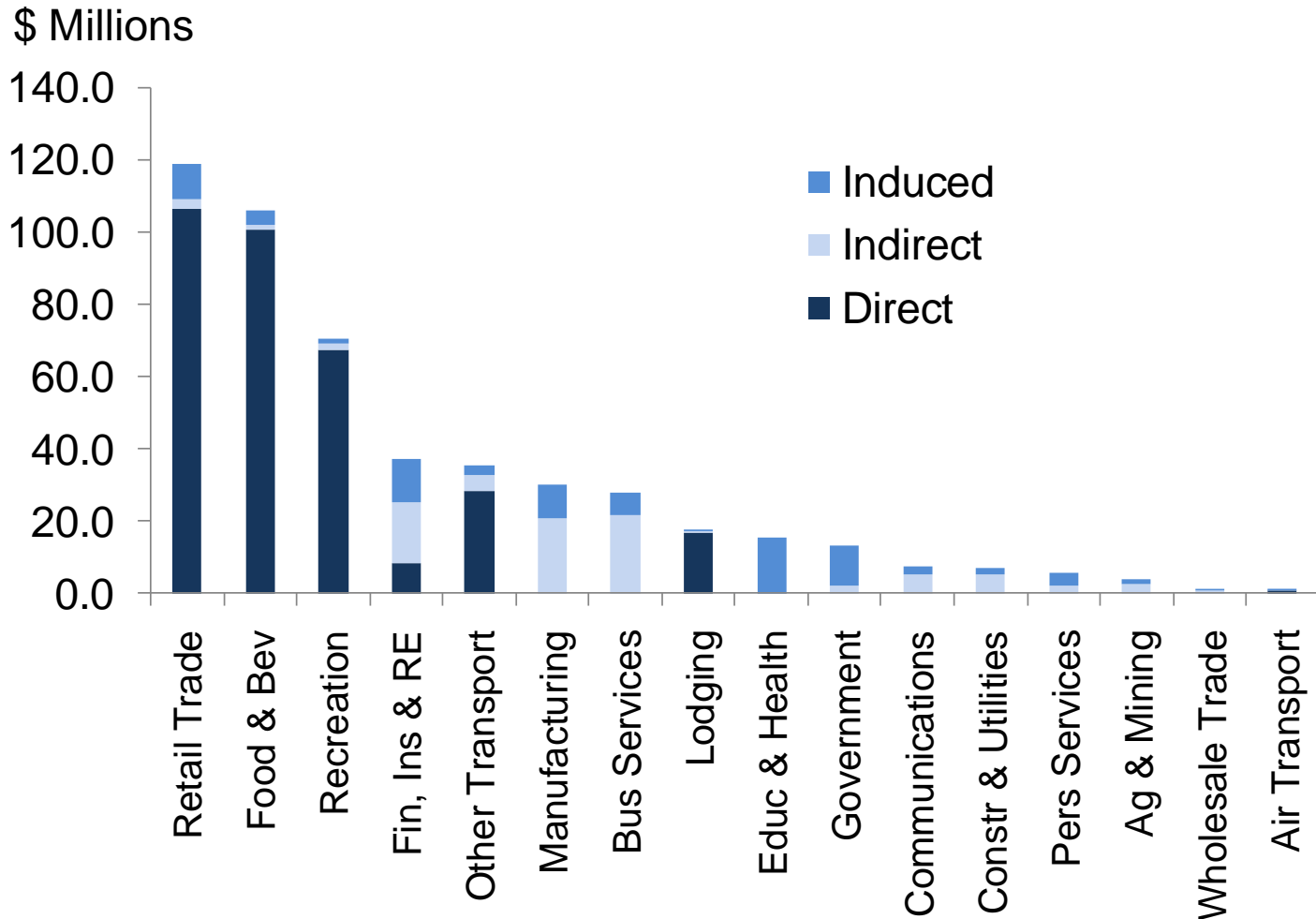
Tourism Sales

Tourism Sales (Output)				
(US\$)				
	Direct*	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	2,786,202	1,034,844	3,821,046
Construction and Utilities	-	5,202,616	2,098,088	7,300,705
Manufacturing	-	20,683,966	9,378,378	30,062,344
Wholesale Trade	-	824,877	584,594	1,409,471
Air Transport	956,105	116,241	104,706	1,177,052
Other Transport	28,215,363	4,806,879	2,561,691	35,583,933
Retail Trade	106,599,891	2,490,148	10,012,456	119,102,496
Communications	-	5,212,999	2,256,270	7,469,269
Finance, Insurance and Real Estate	8,366,250	17,102,558	11,691,317	37,160,125
Business Services	-	21,599,707	6,227,575	27,827,282
Education and Health Care	-	71,604	15,422,950	15,494,554
Recreation and Entertainment	67,640,770	1,480,489	1,255,212	70,376,472
Lodging	16,830,694	524,038	436,173	17,790,904
Food & Beverage	100,817,400	1,328,280	3,781,082	105,926,762
Personal Services	-	2,128,724	3,616,338	5,745,063
Government	-	1,978,708	11,179,480	13,158,188
TOTAL	329,426,472	88,338,036	81,641,155	499,405,663

- Visitors generated \$499.4 million in business activity in Lorain County in 2013.

Tourism Sales

Tourism Sales By Industry



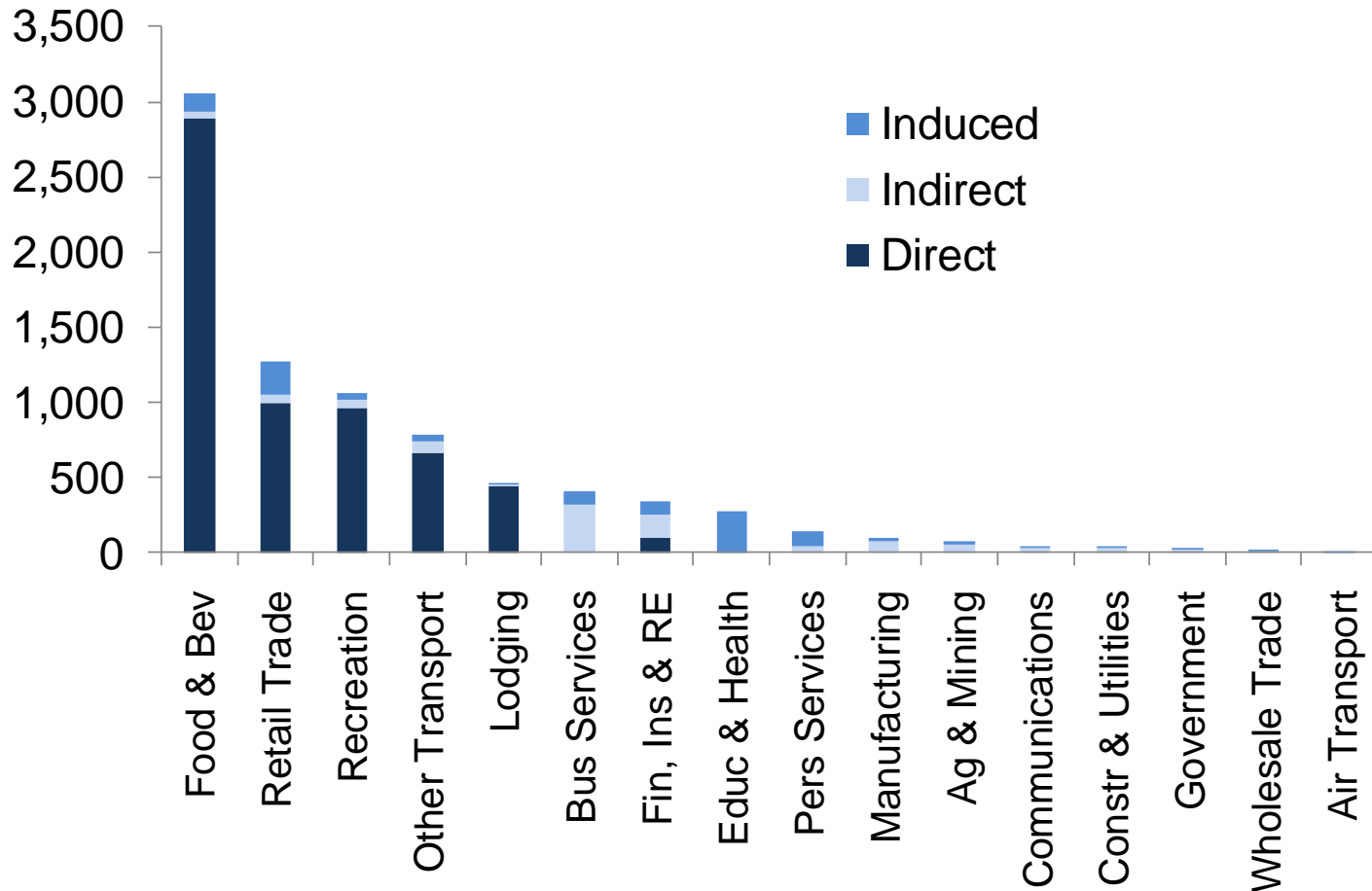
Tourism Employment

Tourism Employment				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	53	18	72
Construction and Utilities	-	31	6	37
Manufacturing	-	73	30	103
Wholesale Trade	-	6	4	9
Air Transport	-	1	1	2
Other Transport	659	80	41	780
Retail Trade	999	56	223	1,277
Communications	-	34	12	46
Finance, Insurance and Real Estate	97	155	92	344
Business Services	-	314	97	411
Education and Health Care	-	2	277	278
Recreation and Entertainment	961	59	36	1,057
Lodging	445	11	9	466
Food & Beverage	2,892	44	123	3,058
Personal Services	-	41	98	139
Government	-	16	9	25
TOTAL	6,054	975	1,075	8,104

- Tourism supports 1 in every 13 jobs in Lorain County.

Tourism Employment

Tourism Employment By Industry



Tourism Income

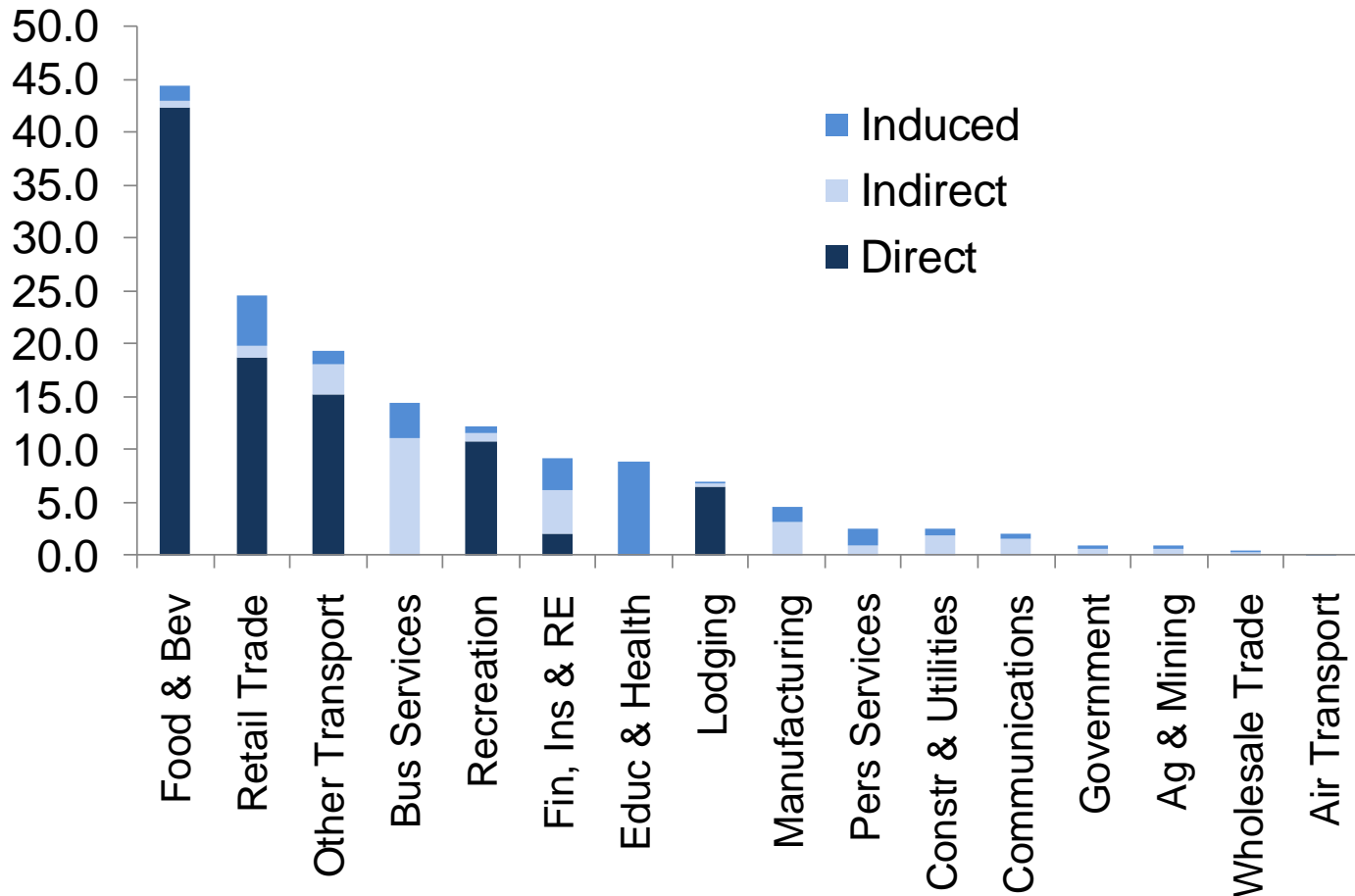
Tourism Income (Compensation)				
(US\$)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	650,667	282,955	933,622
Construction and Utilities	-	1,842,489	634,153	2,476,641
Manufacturing	-	3,127,568	1,414,661	4,542,229
Wholesale Trade	-	288,528	207,953	496,481
Air Transport	-	47,430	42,702	90,132
Other Transport	15,285,463	2,836,545	1,237,380	19,359,389
Retail Trade	18,695,257	1,185,490	4,706,702	24,587,449
Communications	-	1,556,341	566,668	2,123,009
Finance, Insurance and Real Estate	1,974,640	4,202,250	2,968,629	9,145,519
Business Services	-	11,045,076	3,362,804	14,407,881
Education and Health Care	-	39,625	8,872,119	8,911,744
Recreation and Entertainment	10,802,629	746,008	586,256	12,134,893
Lodging	6,531,034	219,075	170,082	6,920,191
Food & Beverage	42,385,516	514,414	1,441,015	44,340,945
Personal Services	-	920,443	1,681,157	2,601,600
Government	-	630,400	349,113	979,513
TOTAL	95,674,539	29,852,349	28,524,348	154,051,236

- Tourism generated personal income of \$154 million in 2013.

Tourism Income

Tourism Income By Industry

\$ Millions



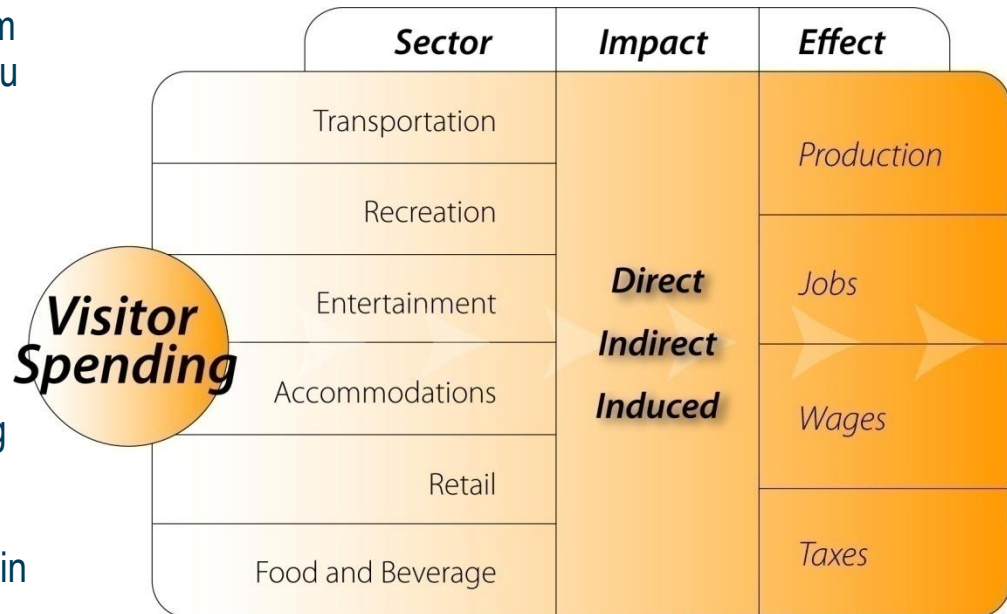
Tourism Tax Generation

- The tourism industry generated \$66.1 million in taxes in 2013.
- Tourism generated \$33.8 million in state and local taxes.
 - \$20.3 million in state taxes
 - \$13.6 million in local taxes

Tourism-Generated Taxes	
(US\$)	
	Total
Federal Taxes	32,259,211
State Taxes	20,278,466
Local Taxes	13,562,442
TOTAL	66,100,119

Methodological Notes

- Visitor spending data are derived from several sources including:
 - Longwoods International survey of travelers
 - Longwoods International survey of accommodations
 - 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.