



# The Economic Impact of Tourism in Auglaize and Mercer Counties, Ohio

---

June 2016



TOURISM  
ECONOMICS

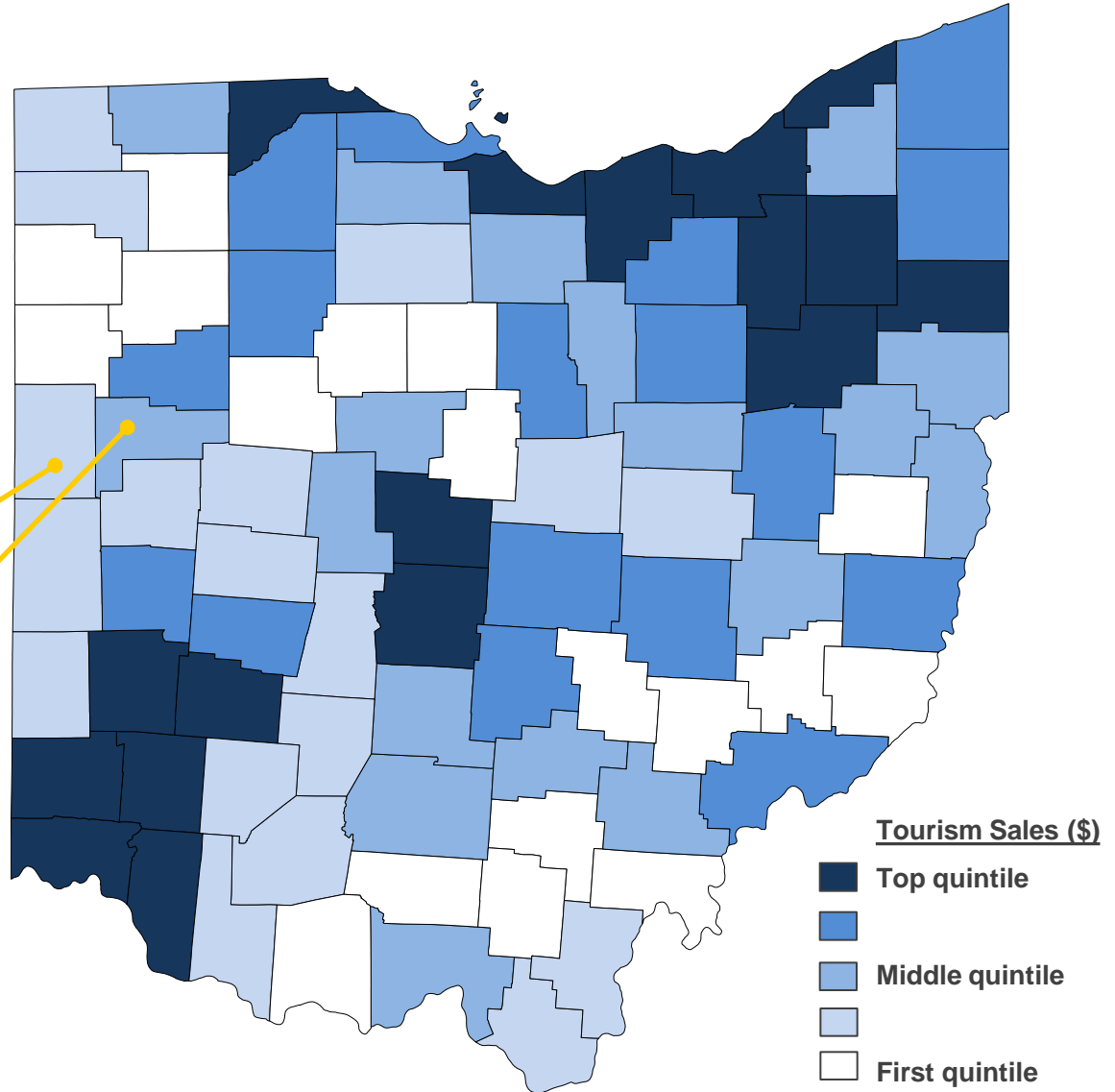
AN OXFORD ECONOMICS COMPANY

# Auglaize and Mercer Counties tourism summary

Total Tourism Impact	
Two-County Region	
Total Sales	\$166.2 million
Wages	\$50.8 million
Taxes	\$22.2 million
Employment	2,657

Mercer County

Auglaize County



# Overview

---

- Tourism is an integral and driving component of the Auglaize and Mercer Counties regional economy, sustaining 5.8% of salaried employment.
- Visitors to Auglaize and Mercer Counties generated business sales of \$166 million, directly and indirectly, in 2015.
- Tourism is a diverse composite of economic activities, including transportation, recreation, retail, lodging, and food & beverage sectors.

# State Summary



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

# 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

---

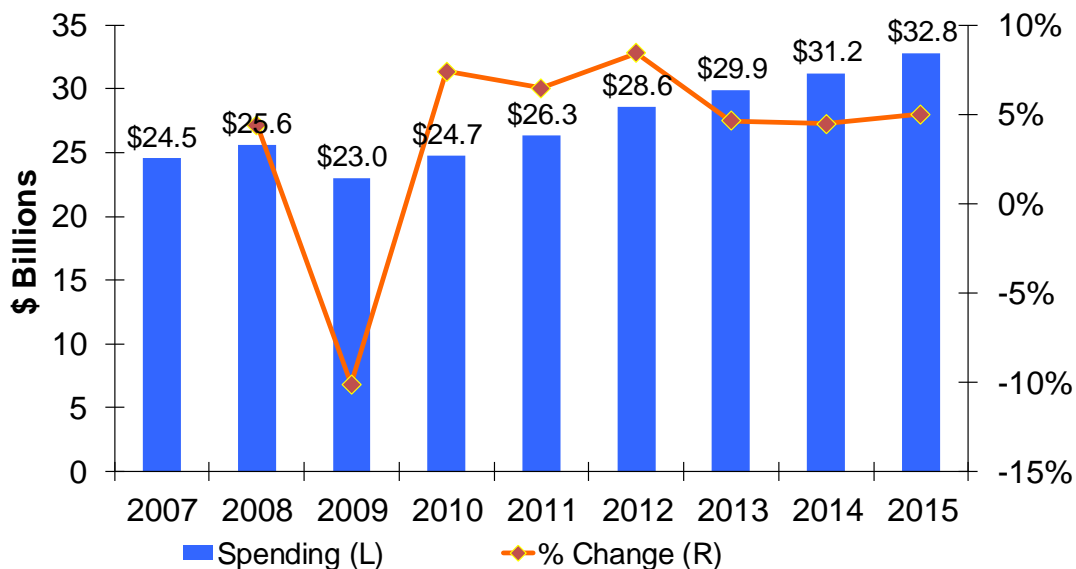
- Visits to Ohio destinations grew 3.5% in 2015 (source: Longwoods International)
- Hotel room demand grew 3.1% (source: STR)
- Average hotel rates grew 3.6% in 2015, fueling a 6.8% expansion in room revenue (source: STR)
- Employment growth in key tourism industries grew faster than total employment;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

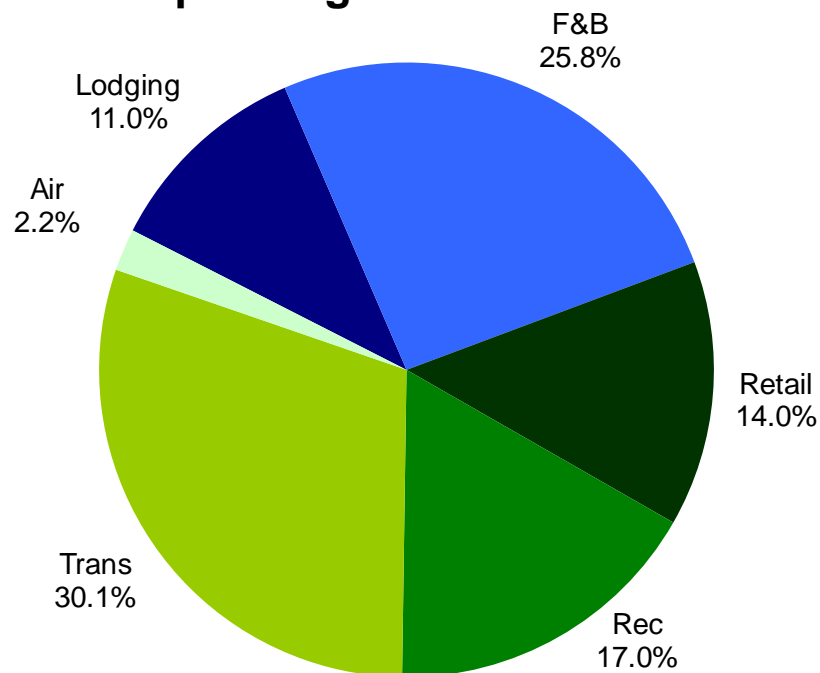
US\$ Billions



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

# Visitor spending by sector

## Ohio Visitor Spending



Sources: Longwoods International, NTTD, 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.



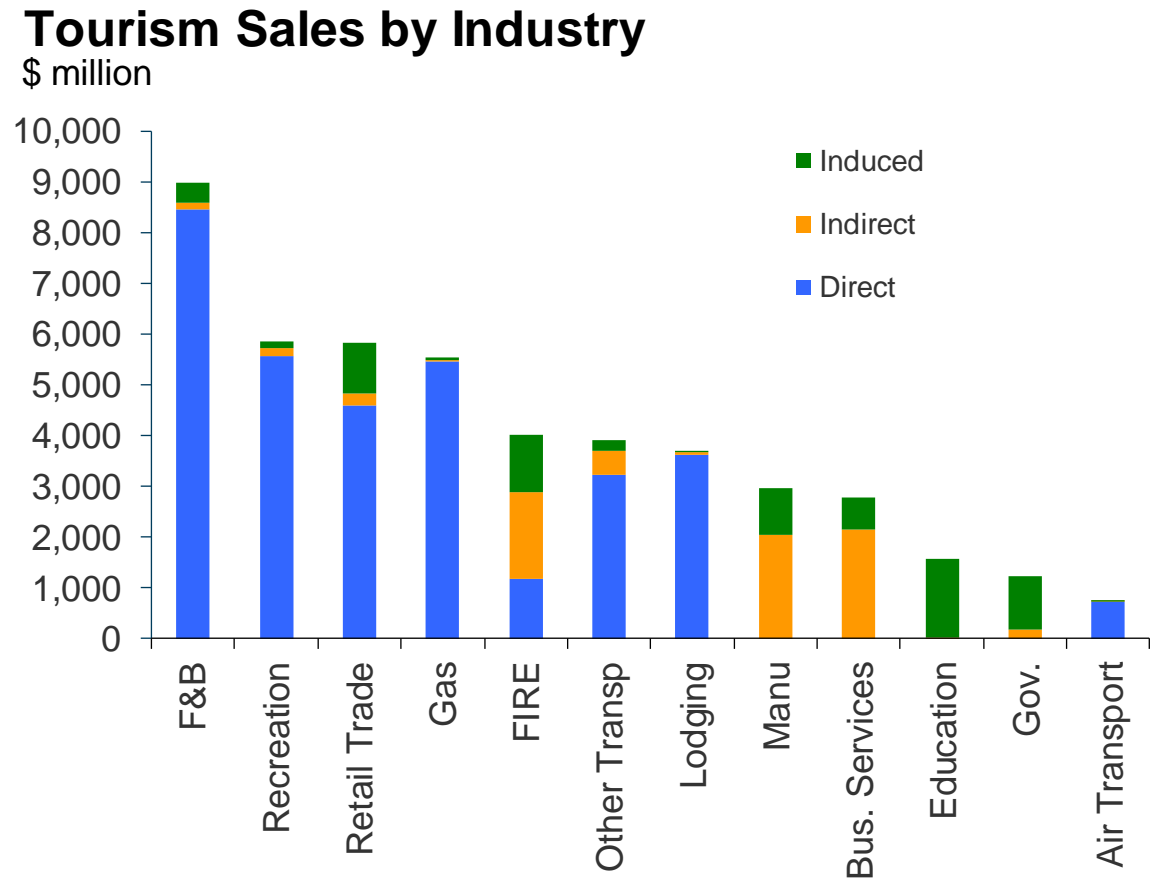
# Total tourism sales

<b>Tourism Sales</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
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
<b>TOTAL</b>	<b>32,792.4</b>	<b>8,804.1</b>	<b>8,085.4</b>	<b>49,681.9</b>
<b>Growth Rate</b>	<b>5.0%</b>	<b>4.4%</b>	<b>4.3%</b>	<b>4.8%</b>

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.

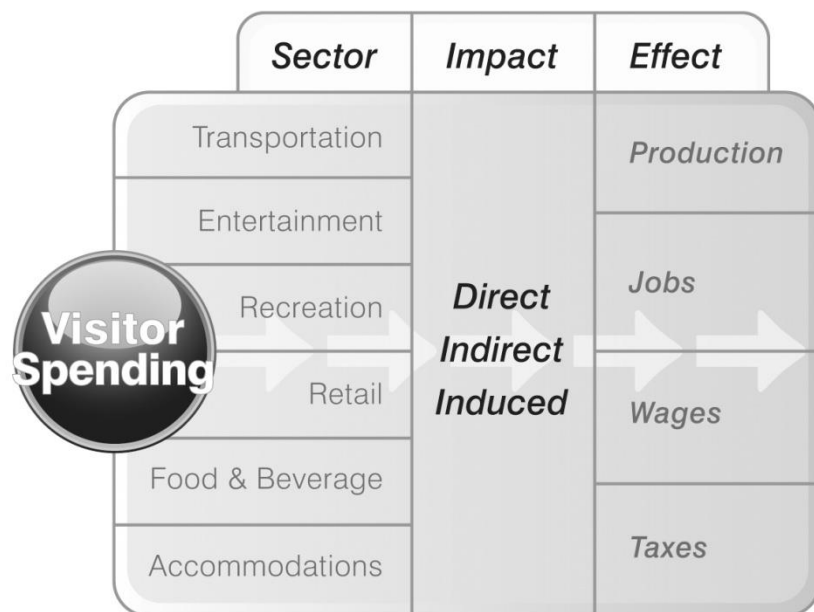
# Total tourism sales

- 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.



# 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

<b>Tourism Economy Employment</b>				
	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
<b>TOTAL</b>	<b>362,032</b>	<b>58,434</b>	<b>63,798</b>	<b>484,263</b>

- 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

<b>Tourism Labor Income (Compensation)</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
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
<b>TOTAL</b>	<b>7,898.7</b>	<b>2,400.6</b>	<b>2,288.8</b>	<b>12,588.1</b>

# Tourism tax generation

## Tourism-Generated Taxes

(US\$ Million)

	2011	2012	2013	2014	2015
<b>Federal Taxes</b>	<b>2,587.8</b>	<b>2,741.0</b>	<b>2,802.2</b>	<b>2,965.2</b>	<b>3,092.7</b>
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
<b>State Taxes</b>	<b>1,604.8</b>	<b>1,714.3</b>	<b>1,749.8</b>	<b>1,811.6</b>	<b>1,889.9</b>
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
<b>Local Taxes</b>	<b>1,118.2</b>	<b>1,151.9</b>	<b>1,175.0</b>	<b>1,221.8</b>	<b>1,272.0</b>
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
<b>TOTAL</b>	<b>5,310.8</b>	<b>5,607.2</b>	<b>5,727.0</b>	<b>5,998.6</b>	<b>6,254.6</b>

- 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



TOURISM  
ECONOMICS

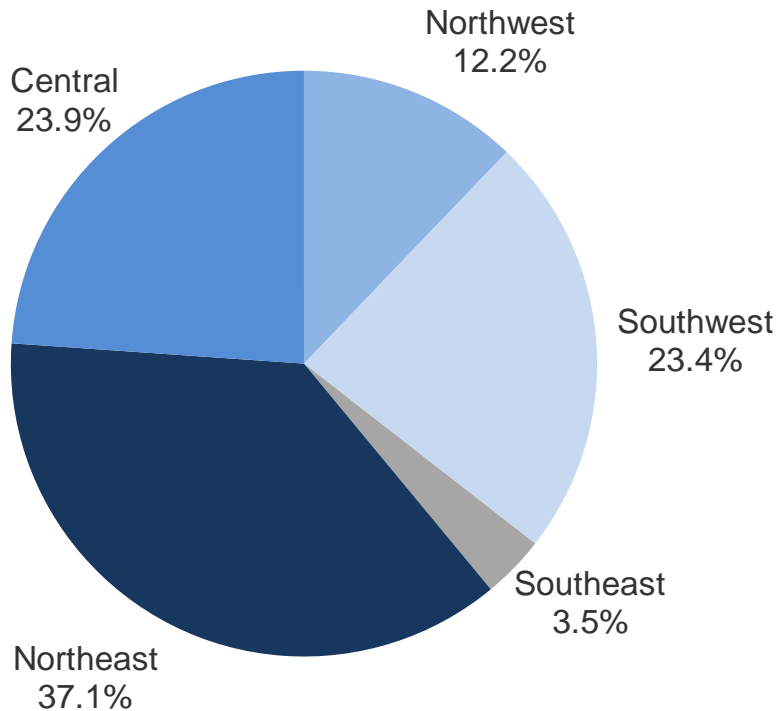
AN OXFORD ECONOMICS COMPANY



# Tourism sales

---

## Tourism Sales by Region

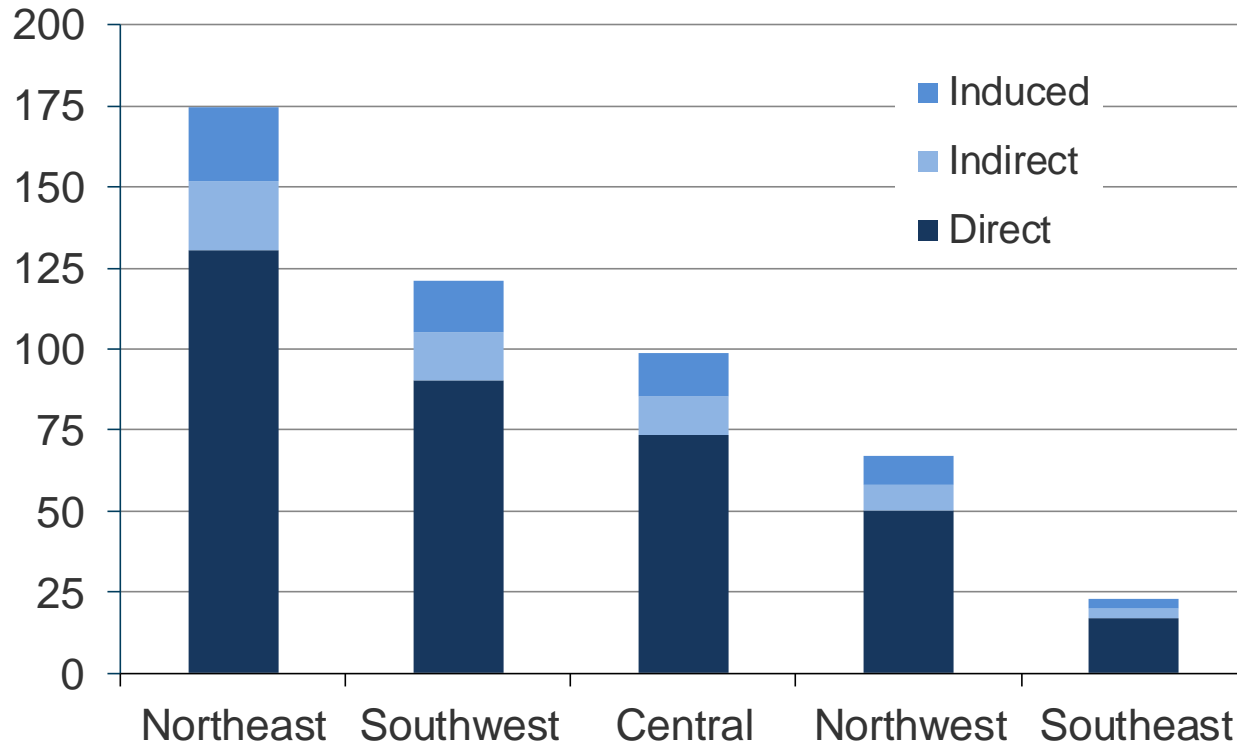


- Cleveland (Northeast), Cincinnati (Southwest) and Columbus (Central) are anchors which influence the distribution of the tourism economy across Ohio.
- Relative to the size of their economies, tourism is still of significant importance to the Northwest and Southeast regions.

# Tourism employment

## Tourism Employment by Region

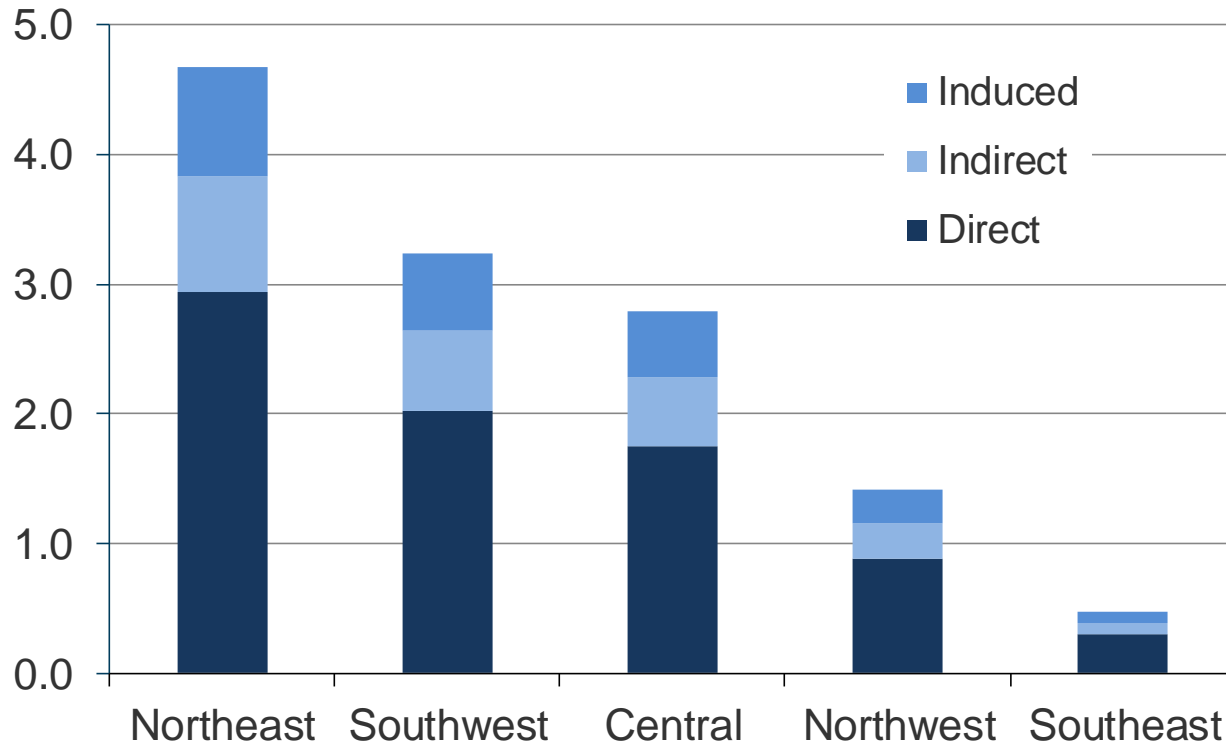
Thousands



# Tourism wages

## Tourism Wages by Region

\$ Billions



# Northwest Ohio Detail



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

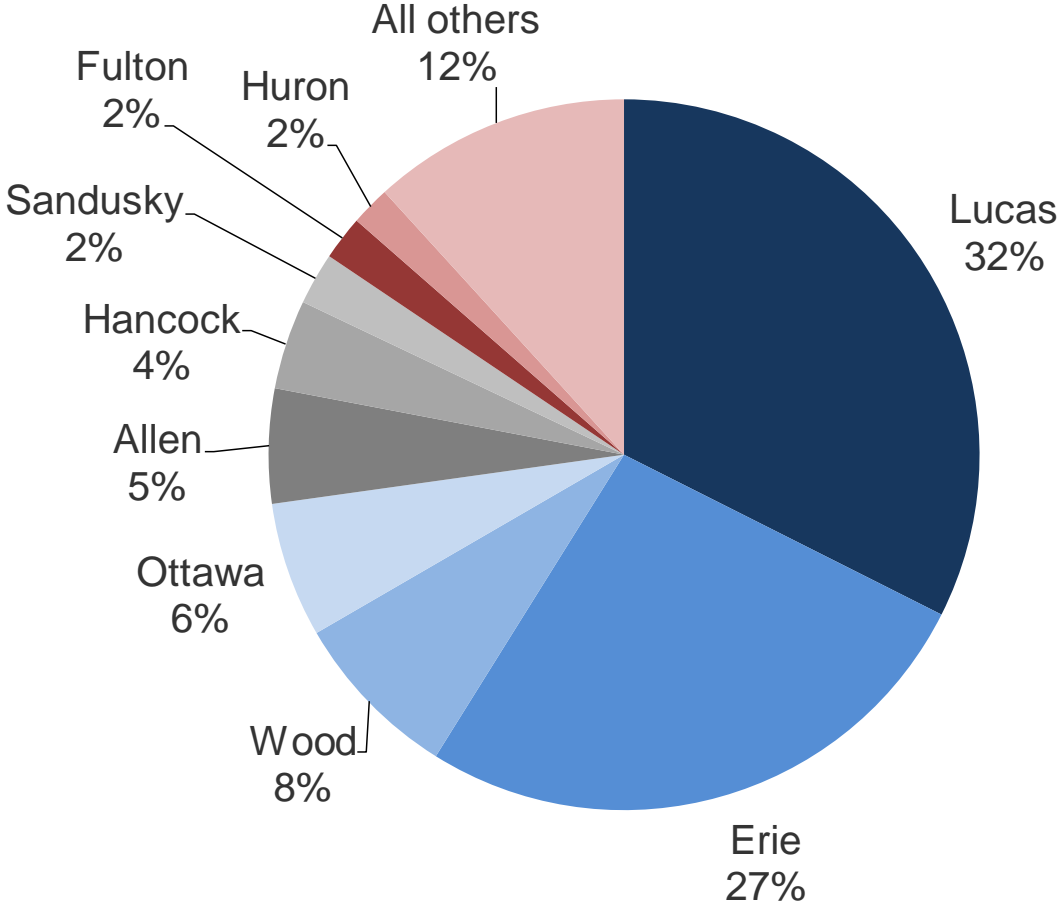
# Northwest Ohio tourism impact

<b>Total Tourism Impact</b>				
<b>County</b>	<b>Sales (\$mils)</b>	<b>Employment</b>	<b>Wages (\$mils)</b>	<b>Tax Revenues (\$mils)</b>
Allen	314.7	4,597	91.2	40.7
Auglaize	105.3	1,488	27.8	13.6
Crawford	41.6	1,046	16.9	5.9
Defiance	78.9	1,366	26.9	10.6
Erie	1,597.7	10,938	270.5	191.1
Fulton	121.5	1,646	30.7	15.2
Hancock	245.7	3,432	77.0	32.4
Hardin	28.2	413	4.8	3.5
Henry	23.2	623	8.5	3.3
Huron	108.2	1,612	30.0	14.0
Lucas	1,958.3	20,967	457.0	246.7
Mercer	60.8	1,168	23.0	8.6
Ottawa	371.5	2,893	71.0	45.2
Paulding	8.0	181	3.0	1.1
Putnam	44.1	1,006	15.6	6.0
Sandusky	143.0	1,999	35.6	18.5
Seneca	84.4	1,570	27.3	11.3
Shelby	93.4	1,375	27.1	12.4
Van Wert	39.0	733	6.7	4.9
Williams	72.3	1,011	20.6	9.6
Wood	468.5	6,563	133.8	60.3
Wyandot	31.1	554	5.4	3.9
<b>Region total</b>	<b>6,039.5</b>	<b>67,183</b>	<b>1,410.4</b>	<b>758.8</b>

# Northwest Ohio tourism sales

- Total tourism sales tallied \$6.0 billion in Northwest Ohio in 2015, up 3.9% from 2014.

**Tourism Sales by County: Total \$6.0 billion**

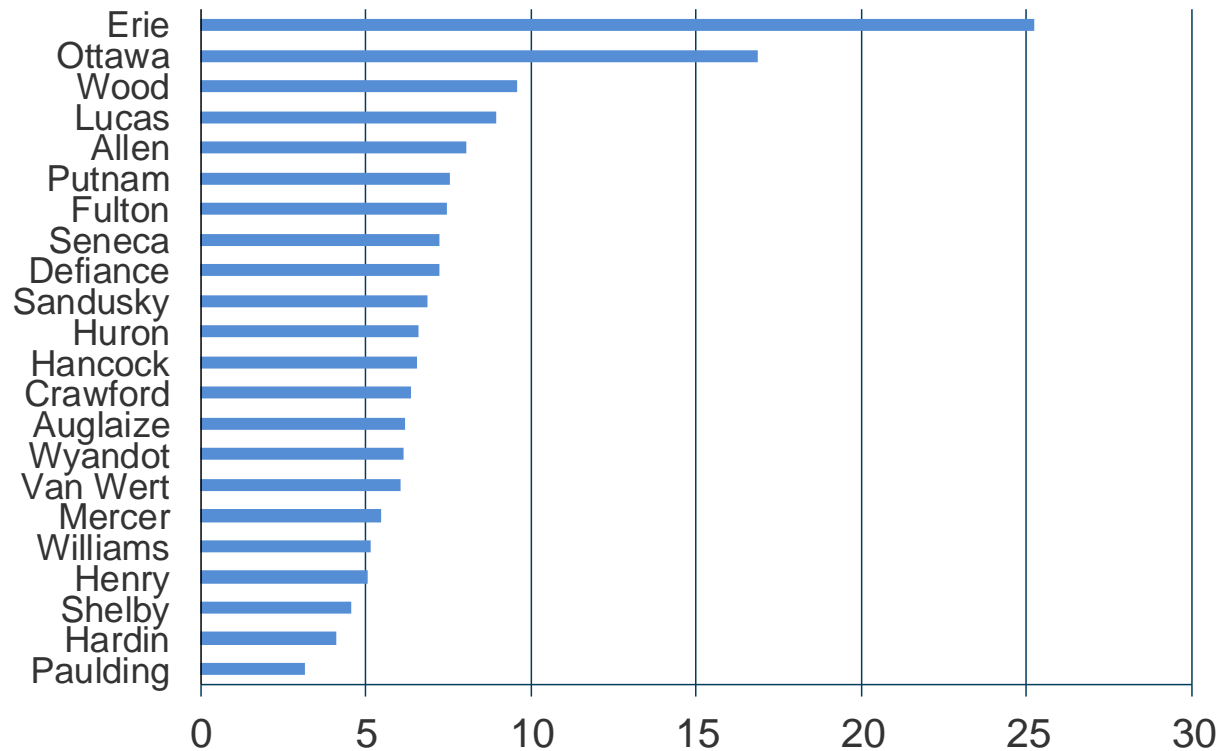


# Northwest Ohio tourism employment

- Tourism is an integral part of the Northwest Ohio economy, at more than 5% of employment in nearly all counties in the region.

## Tourism Share of Employment

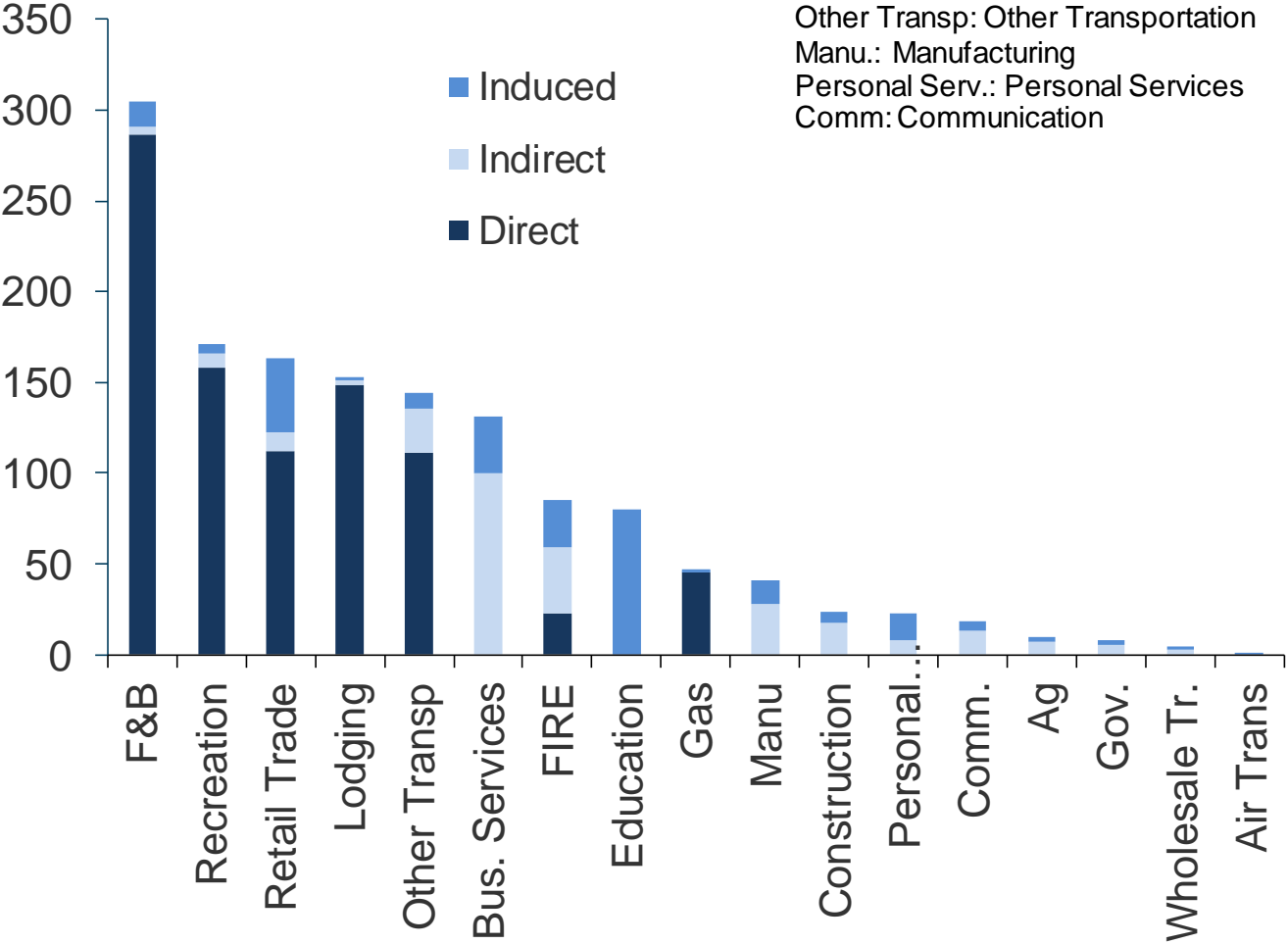
Share of total employment, %



# Northwest 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



# Auglaize and Mercer Counties Detail



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

# Tourism sales trend

---

<b>Recent Trends in Tourism Sales (Output)</b>			
	2013	2014	2015
<b>Two-County Region Direct Sales Trends:</b>			
Sales volume (\$mils)	99.6	104.1	109.7
Sales growth, % change	6.4%	4.4%	5.4%
<b>Sales trends for the wider region and state:</b>			
Northwest Ohio sales growth, % change	2.5%	3.6%	4.1%
Ohio sales growth, % change	4.6%	4.6%	4.9%

# Tourism sales

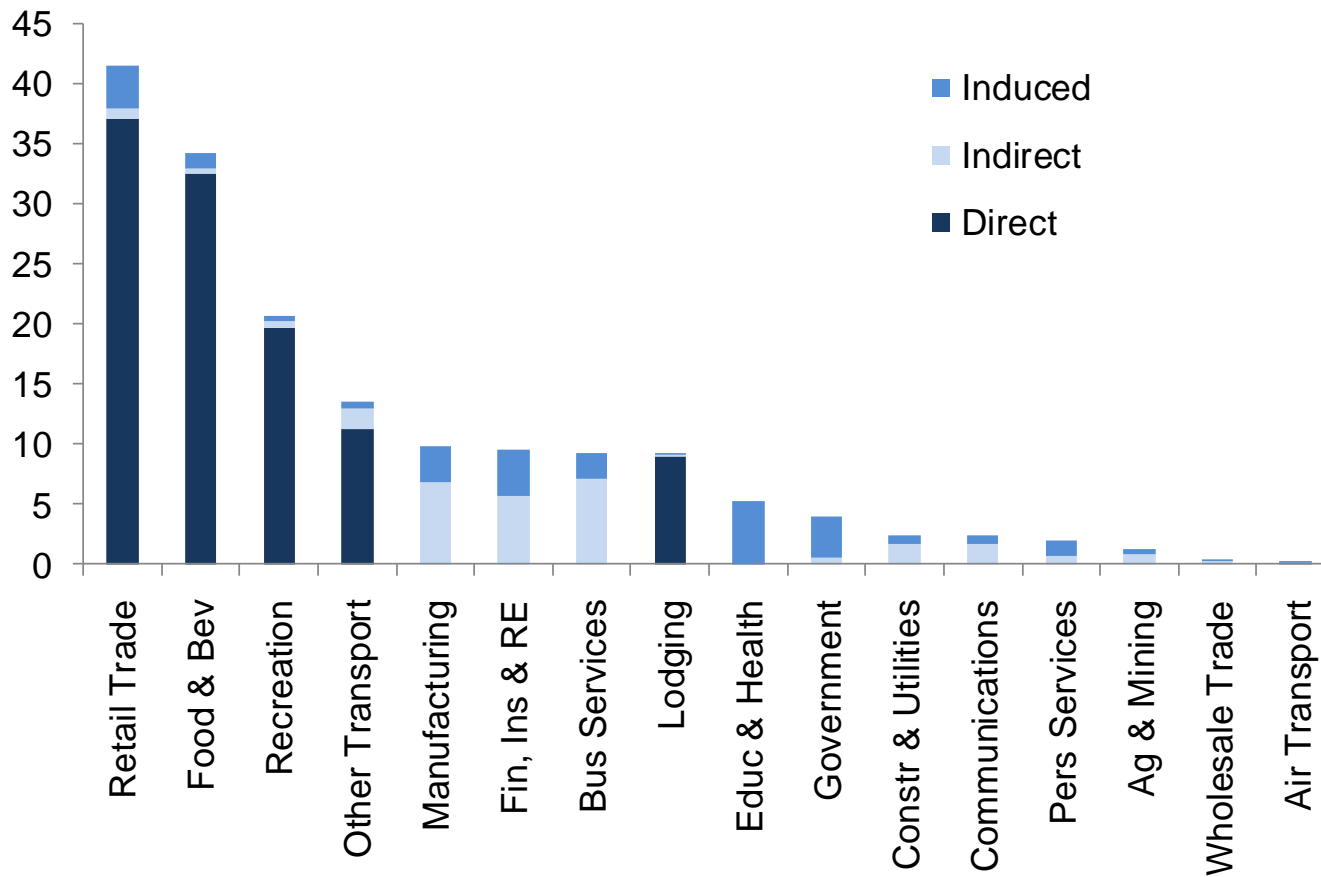
<b>Tourism Sales (Output)</b>				
<b>(US\$)</b>				
	<b>Direct*</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Agriculture, Fishing, Mining	-	907,644	337,115	1,244,759
Construction and Utilities	-	1,766,505	706,412	2,472,917
Manufacturing	-	6,818,654	3,075,616	9,894,270
Wholesale Trade	-	276,120	194,258	470,378
Air Transport	33,753	37,317	33,614	104,684
Other Transport	11,339,762	1,586,568	663,447	13,589,777
Retail Trade	37,063,950	893,301	3,573,997	41,531,247
Communications	-	1,693,862	728,267	2,422,129
Finance, Insurance and Real Estate	-	5,733,167	3,802,061	9,535,227
Business Services	-	7,198,675	2,132,681	9,331,355
Education and Health Care	-	24,040	5,196,070	5,220,110
Recreation and Entertainment	19,697,678	521,049	441,764	20,660,490
Lodging	9,002,697	178,602	148,656	9,329,956
Food & Beverage	32,530,827	466,475	1,314,991	34,312,293
Personal Services	-	731,545	1,242,770	1,974,316
Government	-	610,344	3,448,377	4,058,722
<b>TOTAL</b>	<b>109,668,667</b>	<b>29,443,868</b>	<b>27,040,095</b>	<b>166,152,631</b>

- Visitors generated \$166.2 million in business activity in Auglaize and Mercer Counties in 2015.

# Tourism sales

## Tourism Sales By Industry

\$ Millions



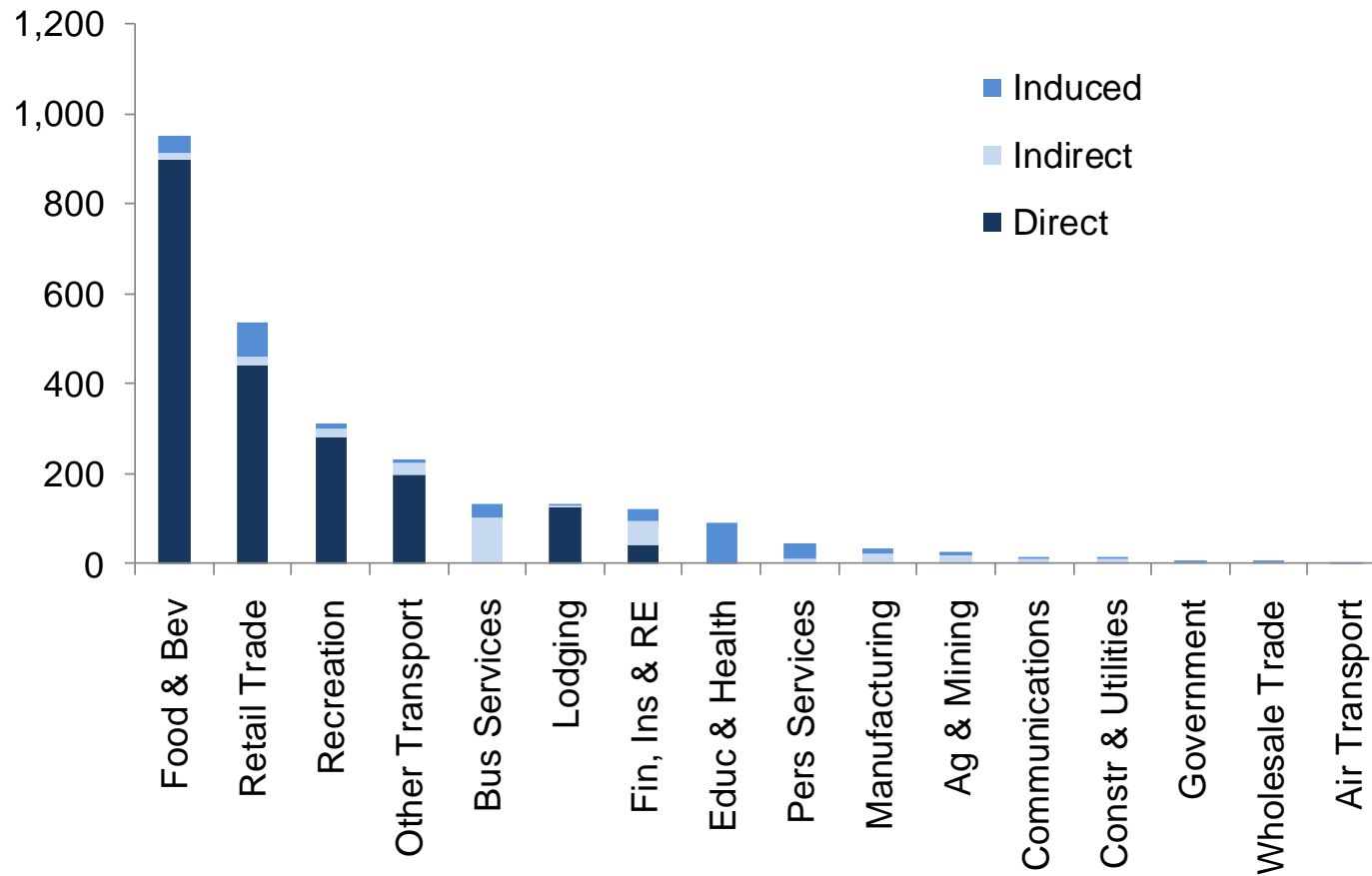
# Tourism employment

<b>Tourism Employment</b>				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	20	7	27
Construction and Utilities	-	10	2	12
Manufacturing	-	24	10	34
Wholesale Trade	-	2	1	3
Air Transport	-	0	0	1
Other Transport	197	26	10	233
Retail Trade	441	19	75	535
Communications	-	10	4	14
Finance, Insurance and Real Estate	43	50	30	123
Business Services	-	103	32	134
Education and Health Care	-	1	90	91
Recreation and Entertainment	280	19	12	311
Lodging	127	4	3	134
Food & Beverage	898	15	41	953
Personal Services	-	13	31	44
Government	-	5	3	8
<b>TOTAL</b>	<b>1,986</b>	<b>321</b>	<b>350</b>	<b>2,657</b>

- Tourism supports 1 in every 17 jobs in the two-County region.

# Tourism employment

## Tourism Employment By Industry



# Tourism income

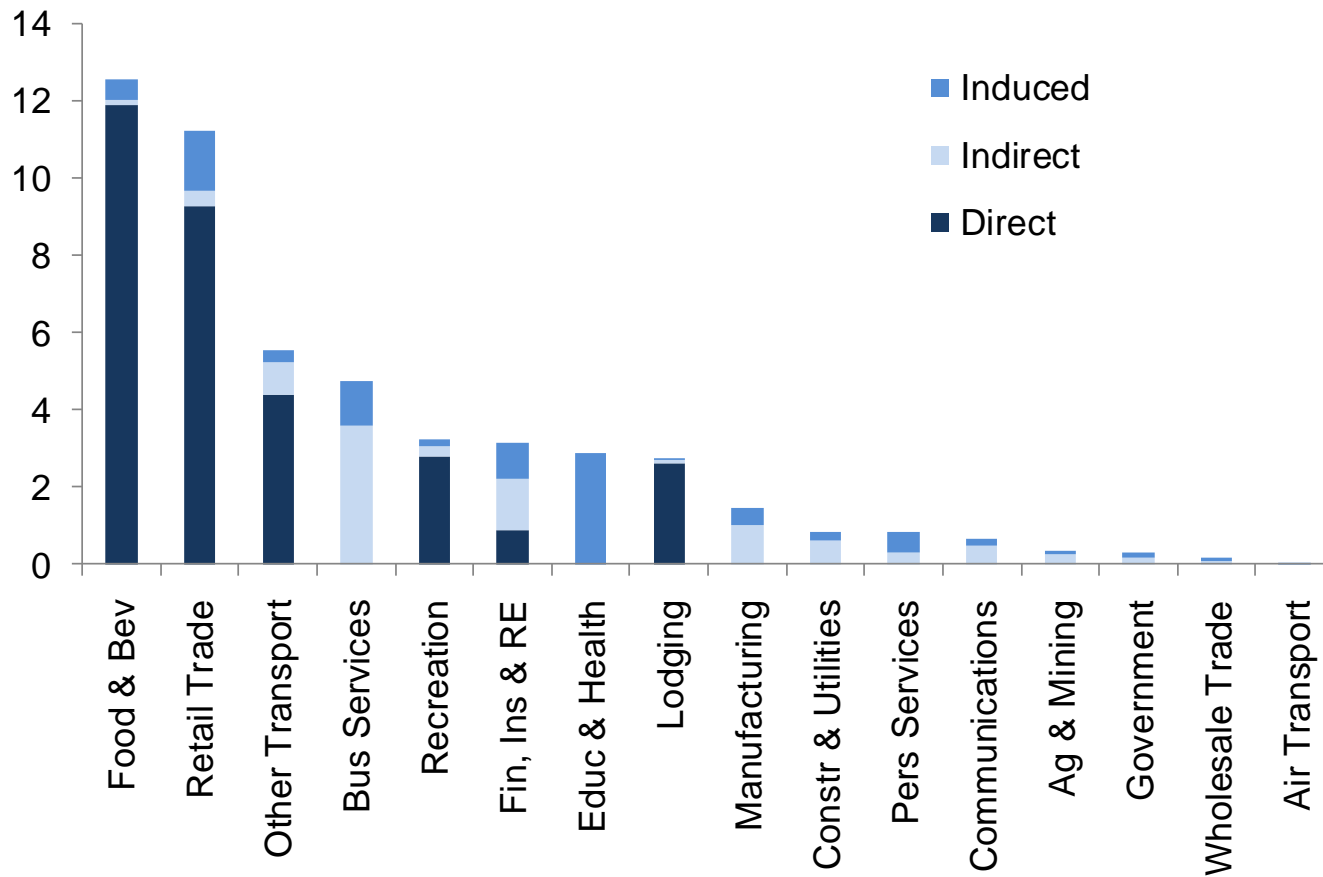
<b>Tourism Income (Compensation)</b>				
<b>(US\$)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Agriculture, Fishing, Mining	-	247,503	107,631	355,135
Construction and Utilities	-	624,317	212,882	837,199
Manufacturing	-	1,008,500	453,516	1,462,016
Wholesale Trade	-	95,334	68,152	163,485
Air Transport	-	15,705	14,139	29,844
Other Transport	4,394,389	860,213	313,113	5,567,715
Retail Trade	9,292,083	391,960	1,545,974	11,230,017
Communications	-	484,567	175,098	659,666
Finance, Insurance and Real Estate	867,619	1,334,097	940,168	3,141,884
Business Services	-	3,609,536	1,126,053	4,735,589
Education and Health Care	-	12,789	2,874,708	2,887,497
Recreation and Entertainment	2,794,053	257,244	202,157	3,253,454
Lodging	2,626,433	74,781	58,057	2,759,271
Food & Beverage	11,878,492	175,594	491,888	12,545,975
Personal Services	-	295,383	539,507	834,890
Government	-	193,196	106,991	300,187
<b>TOTAL</b>	<b>31,853,069</b>	<b>9,680,720</b>	<b>9,230,034</b>	<b>50,763,823</b>

- Tourism generated personal income of \$50.8 million in 2015.

# Tourism income

## Tourism Earnings By Industry

\$ Millions





# Tourism tax generation

---

- The tourism industry generated \$22.2 million in taxes in 2015.
- Tourism generated \$11.5 million in state and local taxes.
  - \$6.5 million in state taxes
  - \$5.0 million in local taxes

<b>Tourism-Generated Taxes</b>	
<b>(US\$)</b>	
	<b>Total</b>
<b>Federal Taxes</b>	<b>10,662,320</b>
<b>State Taxes</b>	<b>6,515,591</b>
<b>Local Taxes</b>	<b>4,983,892</b>
<b>TOTAL</b>	<b>22,161,804</b>

# 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](http://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](http://www.oxfordeconomics.com) or [info@tourismeconomics.com](mailto:info@tourismeconomics.com).