

**The Economic Impact of Motorcoach Tourism in Greater Cleveland Ohio**



**Prepared by  
GuerrillaEconomics, LLC**

**Prepared for  
The American Bus Association Foundation  
The Greater Cleveland Convention and Visitors Bureau**

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## Executive Summary

- ❖ About 100 companies sent as many as 4,625 motorcoaches to the Greater Cleveland area in 2005. These buses carried approximately 34,275 overnight guests and 198,800 day-trippers.
- ❖ In sum, about \$24.6 million was spent on or by guests coming to Cleveland by motorcoach in 2005. Of this, \$8.9 million was spent on food and beverages, \$7.15 million on retail purchases, \$5.2 million on admissions fees to attractions and almost \$1.3 million on arts.
- ❖ In addition to this spending on the tourism sector, motorcoach operators spend as much as \$4.3 million in Cleveland on operational expenses like fuel, parking or repairs.
- ❖ The direct spending supported as many as 630 jobs in the local economy (see table below). The total economic impact of motorcoach tourism was over \$16.7 million.

### Summary of Total Economic Impact<sup>1</sup> by Industry Motorcoach Tourism in Greater Cleveland Ohio<sup>2</sup>

Industry	Employment	Value Added	Compensation
<b>Totals</b>	<b>630.7</b>	<b>\$ 16,719,619</b>	<b>\$ 10,953,544</b>
Restaurants and Bars	266.1	\$ 4,258,758	\$ 2,938,798
Amusement and Recreation	174.7	\$ 3,422,449	\$ 2,287,691
Retail Trade	63.5	\$ 2,773,918	\$ 1,662,816
Lodging	21.9	\$ 711,575	\$ 433,226
Motor Transportation Related Services	44.5	\$ 2,326,326	\$ 1,388,465
All Other	60.0	\$ 3,226,593	\$ 2,242,548

- ❖ It is estimated that \$2.369 million in state and local tax revenues were generated from motorcoach based tourism in the Greater Cleveland area. Of this \$879,840 came from sales and use taxes, nearly \$747,900 from property taxes and about \$415,000 from income taxes.

### Summary of Total Economic Impact by Tour Type

Trip Type	Average Number of Passengers	Average Package Price	Additional Spending Per Passenger	Local Percentage	Total Impact
Day Trip	48.91	\$ 67.08	\$ 51.36	77%	\$ 4,458.95
One Night Trip	48.44	\$ 145.91	\$ 39.57	76%	\$ 6,867.58
Two Night Trip	48.44	\$ 291.82	\$ 79.13	76%	\$ 13,735.16
Three Night Trip	48.44	\$ 437.73	\$ 237.40	76%	\$ 24,997.86
Four Night Trip	48.44	\$ 583.64	\$ 949.61	76%	\$ 56,771.11

- ❖ The average day trip to Cleveland brings about \$4,400 to the local economy, while the average overnight bus trip generates and impact of just under \$7,000.
- ❖ Even though the economic impact of motorcoach tourism is concentrated, 98 different industries are significantly impacted by either motorcoach based tourists or bus operations.
- ❖ The jobs supported by motorcoach tourism tend to be those held by many of Cleveland's lower income residents. In fact, over 42 percent of the jobs are in the restaurant and bar sector, an area that tends to employ many people who are just entering the labor force.

<sup>1</sup> Value added is not always equal to spending. For example, if a motorcoach tourist purchases a t-shirt from a Cleveland retailer for \$10, it is likely that most of the actual value of the item was generated in another location. For example, if the shirt was manufactured in North Carolina, designed in New York City and warehoused in Cincinnati, only the part of the \$10 added by the retailer (likely about \$2.50) is included in this \$29 million figure. Employee compensation is included in value added. Compensation is equal to wages and benefits to employees in the defined industry.

<sup>2</sup> Defined as Cuyahoga County, Ohio.

## Introduction

With nearly 1.4 million residents, Cuyahoga County, Ohio, is the nation's 20<sup>th</sup> largest county in terms of population. Comprised of the City of Cleveland and the surrounding suburbs, Cuyahoga County and Greater Cleveland is home to some of the nation's premier tourism destinations including the Rock and Roll Hall of Fame and Museum, The Great Lakes Science Center, the Cleveland Museums of Art and Natural History, and the world-renowned Cleveland Orchestra. In addition Cleveland is home to 3 major professional sports teams, over 16 colleges and universities and the headquarters of a 14 Fortune 500 corporations including Progressive Insurance, Parker-Hannifin, American Greetings and Sherwin-Williams.

It has been estimated that the Greater Cleveland area hosts over 9 million visitors per year.<sup>3</sup> According to a study conducted in 2001, these visitors generated a total of \$3.11 billion in economic activity in the region, and led to the creation of a total of 67,470 jobs.<sup>4</sup>

One of the ways that tourists visit the Greater Cleveland area is by motorcoach. In fact, based on the analysis presented in this paper, it is estimated that over 233,000 tourists visit Cleveland on a motorcoach based tour each year (either on a day-trip or as an overnight visitor). This does not count passengers on intra-city based tours (for example those traveling from the Rock and Roll Hall of Fame to University Circle on a local tour bus).

Tourists visiting attractions and events in the Greater Cleveland region can provide significant economic benefits to local businesses, generate sales and excise tax revenues for the cities and the county, and provide needed attendees for local cultural attractions also frequented by Cleveland residents. All of these activities serve to stimulate the local economy.

The purpose of this report is to quantify the linkages between motorcoach based tourism and the regional economy and to document their economic contributions to the people of Greater Cleveland. In order to examine this impact, telephone interviews were conducted with motorcoach carriers to collect data on the number and duration of tours, lodging information, and other spending. These data were combined with information collected from a self-administered survey of visitors, and analyzed using a regional input-output model developed by the Minnesota IMPLAN Group to calculate the full economic impact of the motorcoach tourism in the Greater Cleveland area.

The results suggest that these visitors make a significant contribution to the regional economy both in terms of outputs and jobs. They bring in a substantial number of visitors who stay in local hotels, make purchases including admissions tickets, food, gasoline, and general merchandise. This initial spending amounts to nearly \$29 million. The economic impact of this spending on Greater Cleveland is nearly \$16 million, generating as many as 630 regional jobs and almost \$5.5 million in tax revenues.<sup>5</sup>

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<sup>3</sup> Data for 2001. Source: *Greater Cleveland Facts on Tourism*, the Convention and Visitors Bureau of Greater Cleveland. On-line at: [http://www.travelcleveland.com/Media\\_Center/industry\\_stats.asp](http://www.travelcleveland.com/Media_Center/industry_stats.asp)

<sup>4</sup> *Travel and Tourism Economic Impact Study (1994-2001)*, Marketvision, on-line at: [www.travelcleveland.com/Media\\_Center/industry\\_stats.asp](http://www.travelcleveland.com/Media_Center/industry_stats.asp).

<sup>5</sup> Full-time equivalent positions.

## Background

This report focuses on the economic impact of motorcoach based tourism in Cuyahoga County, Ohio (hereafter referred to as Cleveland). GuerrillaEconomics, LLC was commissioned by the Convention and Visitors Bureau of Greater Cleveland and the American Bus Association Foundation to conduct this research in the fall of 2004. This analysis is based on data collected from a telephone survey of 56 bus operators, and two user initiated surveys of passengers on tours to Cleveland. Data were collected during the late fall and early winter of 2005 and early summer of 2006.

This is the third in a series of reports sponsored by the ABA Foundation examining the economic impact of motorcoach tourism on specific destination markets. The first, which was released in January 2002, examined the impact in Washington, D.C., Lancaster, Pennsylvania, and New York City. The second report, which was released in June 2005, examined data for Chicago Illinois. Both of these reports were conducted by students and professors from the George Washington University, and presented data on total spending by motorcoach tourists in each of the venues.

This analysis, examines similar data for the City of Cleveland and the Cuyahoga County region. It is based on extensive surveys of motorcoach operators and passengers in the market. The data are then imported into an input-output model of the Cleveland economy and estimates of total economic impact, employment, wages and tax revenues are calculated. The analysis uses a comprehensive input-output modeling framework first developed by the US Government and now maintained by the Minnesota IMPLAN Group. This is one of the standard methodologies used in economic impact modeling.

Data gathered from the surveys conducted by GuerrillaEconomics staff and TouchTone Media, along with additional information from the Greater Cleveland CVB, the American Bus Association Foundation, Dun & Bradstreet, and other sources was used in this analysis. Statistical tests were performed on data and models to insure consistency and accuracy. Summary results were compared to prior surveys of motorcoach tourism to Cleveland and to the Chicago area to insure that they were within normal parameters. The table below compares estimates of total sales from the projected number of motorcoach tourists from three different sources. The results from this study are slightly higher than estimates from a 2004 survey of operators by the Greater Cleveland CVB, and lower than those found in a George Washington University analysis of tourism in the Chicago market.<sup>6</sup>

### Comparative Sales Statistics

	Day Trip Sales	Overnight Sales	Total Sales
Chicago GWU Study	\$ 33,793,411	\$ 15,423,473	\$ 49,216,884
GuerrillaEconomics Cleveland Estimate	\$ 19,866,748	\$ 4,819,471	\$ 24,686,219
Greater Cleveland CVB Survey	\$ 15,107,643	\$ 5,381,078	\$ 20,488,721

This analysis also conforms to provisions outlined in the economic literature pertaining to

<sup>6</sup> Neirotti, Lisa Delpy, Bus Tours and Bus Passengers: Impact on Chicago's Economy, prepared for the American Bus Association Foundation, Washington, D.C. May 2005.

the impact of the tourism industry. Generally, tourism is defined as a set of socio-economic activities carried out either by or for tourists. Tourism is primarily a consumption activity. Therefore, the size of tourism in an economy is often measured by total expenditure in the economy for tourism purposes.<sup>7</sup> Tourism has both a demand side and a supply side; however, to correctly measure the size of tourism and estimate tourism's contribution to GDP, an input-output framework should be used.

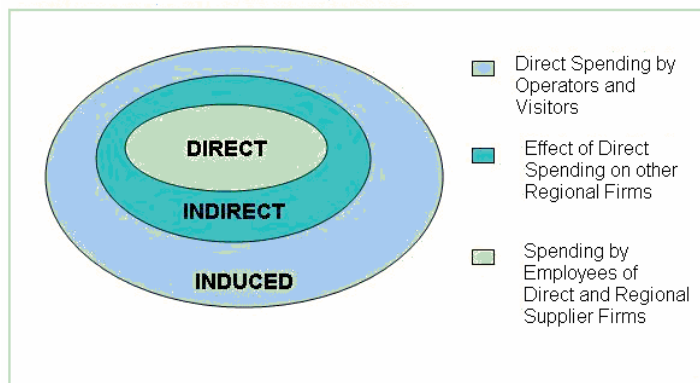
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<sup>7</sup> See: Han, Xiaoli, and Bingsong Fang, *Measuring the size of tourism and its impact in an economy*, Statistical Journal of the UN Economic Commission for Europe; Vol. 14, Issue 4, 1997 and Vaughn, D.R., et. al., *Estimating and interpreting the local economic benefits of visitor spending: an explanation*, Leisure Studies, Volume 19, 2000.

## Methodology

The economic impact analysis of motorcoach tourism in Greater Cleveland begins with an accounting of spending in the various sectors of the economy. Tourism is not a defined industry like steelmaking, or publishing, but rather encompasses a wide range of companies in many parts of the economy. As such, the definition of tourism can be interpreted differently depending on the context of the analysis.

In this case, the motorcoach tourism industry is defined as all spending by non-scheduled motorcoach operators and passengers on visits to Greater Cleveland. The analysis does not include spending by passengers to Cleveland on scheduled service by common carriers or on intra-regional travel such as on transit busses. The analysis includes spending on operations, lodging, food and beverages, admissions and incidentals in the City of Cleveland and the surrounding Cuyahoga County region; however, it only includes spending directly related to passengers. If, for example a carrier has a regional repair facility located in Cleveland, while this certainly generates jobs, taxes and economic activity in the city, these impacts are not included in this particular analysis.



The data are based on responses to telephone based surveys with tour operators and two surveys of passengers.

It is sometimes mistakenly thought that initial spending accounts for all of the impact of an economic activity or a product. For example, at first glance it may appear that consumer expenditures for say lunch at

a restaurant are the sum total of the impact on the local economy. However, one economic activity always leads to a ripple effect whereby other sectors and industries benefit from this initial spending. This inter-industry effect of an economic activity can be assessed using multipliers from regional input-output modeling.

The economic activities of events are linked to other industries in the state and national economies. The activities required to produce a lunch, from obtaining foodstuffs, to shipping, to purchasing natural gas for the stove generate the direct effects on the economy. Regional (or indirect) impacts occur when these activities require purchases of goods and services such as building materials from local or regional suppliers. Additional, induced impacts occur when workers involved in direct and indirect activities spend their wages in the region. The ratio between total economic and direct impact is termed the multiplier. The framework in the chart on the prior page illustrates these linkages.

There are a number of methods available for conducting an economic impact analysis; however, we believe that the input-output methodology is both the most appropriate and the easiest to understand. Unfortunately, this type of analysis is easily abused, and many studies are

published that present totally inflated and unrealistic “multiplier effects” of an industry or activity.<sup>8</sup> In this analysis we are careful to not only include the appropriate impacts, but are very cautious in our application of industry multipliers.

This method of analysis allows the impact of local production activities to be quantified in terms of final demand, earnings, and employment in the state and the Cuyahoga region.

Once the direct impact of the industry has been calculated, the input-output methodology discussed below is used to calculate the contribution of the supplier sector and of the re-spending in the economy by employees in the industry and its suppliers. This induced impact is the most controversial part of economic impact studies and is often quite inflated. In the case of the motorcoach model, only the most conservative estimate of the induced impact has been used.

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<sup>8</sup> We have reviewed a large number of other studies that present the economic impact of an activity as a series of spending cycles. When this is done, the direct and supplier impacts (often called induced impacts) are calculated in much the same way as we have in this study. The difference lies in the calculation of the induced impacts (the multiplier effect). While we conservatively define the induced impact to be solely the result of re-spending by the employees counted in the direct and supplier impact, many other analysts include round after round of supplier re-spending. In other words, if we were to calculate the economic impact of automobile manufacturing, we would include the production of glass for the windows and the re-spending on say household items by workers in the glass factory. We would not, however, include the economic impact of the sand and natural gas that went into the production of the glass, for this is not the economic impact of the automobile industry, but rather of the glass industry.

## Model Description and Data

This Economic Impact (Model) was developed by GuerrillaEconomics, LLC based on data provided by D & B, Inc., the Greater Cleveland Convention and Visitor's Bureau, The American Bus Association Foundation and the federal government. The analysis utilizes the Minnesota IMPLAN Group Model in order to quantify the economic impact of the motorcoach based tourism on the state of Ohio and the Greater Cleveland area. The model adopts an accounting framework through which the relationships between different inputs and outputs across industries and sectors are computed. This model can show the impact of a given economic decision – such as a factory opening or operating a sports facility – on a pre-defined, geographic region. It is based on the national income accounts generated by the US Department of Commerce, Bureau of Economic Analysis (BEA).<sup>9</sup>

Every economic impact analysis begins with a description of the industry being examined. In the case of this model, the motorcoach tourism industry is defined as to incorporate firms in the following economic sectors:

- ❖ **Motorcoach Transportation:** Including firms that transport individuals from outside of the Greater Cleveland area into the City. The Motorcoach Transportation sector also includes company-owned offices and operations located within the region.
- ❖ **Lodging:** This includes hotels, motels, hostels and other operations involved in housing visitors to the Greater Cleveland area.
- ❖ **Eating and Drinking Places:** This includes all restaurant and bars selling food and beverages to visitors while in the Greater Cleveland area. Sales may be made directly to the carrier and be included in the package price, or may be made directly to the visitor themselves.
- ❖ **Retailing:** This includes firms involved in the sale of retail goods to motorcoach visitors. Model limitations preclude the inclusion of ABC stores, military stores, colleges, or other government owned outlets as part of the retailing sector.
- ❖ **Attractions and Events:** This includes firms involved in either the entertainment or educational industry. Organizations such as the Rock and Roll Hall of Fame, museums, amusement arcades and parks, theaters are also included in this sector.
- ❖ **Local Transportation:** This sector includes firms providing intra-regional transportation services to (mostly) overnight visitors. Firms operating taxicabs, local jitneys, or limousines would be included in this sector.
- ❖ **Arts:** This includes all firms involved in either the visual or performing arts. It only includes spending by visitors, as all admissions fees are included in the Amusement sector.

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<sup>9</sup> RIMS II is a product developed by the U.S. Department of Commerce, Bureau of Economic Analysis as a policy and economic decision analysis tool. IMPLAN was originally developed by the US Forest Service, the Federal Emergency Management Agency and the Bureau of Land Management. It was converted to a user-friendly model by the Minnesota IMPLAN Group in 1993.



- ❖ Sports and Events: This includes professional, amateur and semi-professional sporting teams, and firms providing sports services to visitors such as private tennis courts or bowling alleys.
- ❖ Parks and Foliage: This includes concessions located in city, state, federal or private parks (such as the zoo), and any “agri-tourism” businesses like farm stores.
- ❖ Personal Services: This includes firms providing personal services to (mostly) overnight guests. Firms in this sector would include hair stylists, health clubs, dry cleaners, laundries and shoe shine stands.

Data were gathered from three separate surveys. The first consisted of an extensive telephone interview with 52 motorcoach operators. This is one-half of the estimated 104 carriers that operate tours in Cleveland.<sup>10</sup> This survey was enhanced with a self-administered telephone survey of visitors to Cleveland taken over a two month period from November 2005 to January 2006 and a self administered paper survey taken in the early summer of 2006. The data were statistically validated and entered into our model of the Ohio economy. More detail on the surveys and copies of the instruments are presented as an appendix to this report.

In addition to spending on or by tourists, estimates of motorcoach company operating expenses were developed based on the multipliers and margins included in the IMPLAN model of the state of Ohio. The model contains estimates of all of the components used in providing each dollar of motorcoach transportation. For example, 5 percent of each dollar generated by motorcoach operators is attributable to petroleum refining, and 2.5 percent to automotive parts and accessories. Since only part of this spending by carriers will be spent in the Cleveland area, the total must be adjusted to reflect the percentage of each sector of the state economy located in Cleveland. This is done using data from Dun and Bradstreet. Businesses in Ohio are located by zip code, and the percentage in each industry located in Cuyahoga County is calculated. These percentages are applied to each margin in the analysis. The final result is that 11.098 percent of the motorcoach operational spending will be in the county.

The IMPLAN Group model is designed to run based on the input of specific direct economic factors. It uses a detailed methodology (see Methodology section) to generate estimates of the direct, supplier and induced impacts, as well as federal, state and local tax collections resulting from the spending described above. In the case of this model, sales from motorcoach tourism and tourists are used as a base starting point for the analysis. Sales are estimated based on the results of the two surveys outlined in the Appendix. This data was supplemented by information provided to GuerrillaEconomics by Dun & Bradstreet, Inc. as of October 2005. Dun & Bradstreet data is recognized nationally as a premier source of micro industry data. The D&B database contains information on over 15 million businesses in the United States.<sup>11</sup> It is used extensively for credit reporting, and according to the vendor,

<sup>10</sup> This is the total number of carriers operating in Cleveland as defined by the ABA plus all additional carriers located within 250 miles of Cleveland.

<sup>11</sup> The D&B information database updates over 1 million times a day, over 350 million payment experiences are processed annually, and over 110 million phone calls are made to businesses. In addition, D&B uses a patented matching technology and over 2,000 information computer validations to ensure a high standard of data quality.

encompasses about 98 percent of all business enterprises in the country. This data is gathered at the facility level; therefore, a company with a retail store, warehouse and sales office would have three facilities, each with separate employment counts.

The initial inputs for the model come from the spending estimates that come from the two surveys. This includes spending by motorcoach companies on services like lodging, food and beverages and admissions, as well as consumer spending on food, retail purchases, entertainment, personal services etc. In addition, the estimate of spending on motorcoach operations in Cleveland directly resulting from the transportation of tourists is included. These spending estimates are entered into the appropriate industries in the model and either household (personal spending) or industry (company spending) margins are applied. All data and models are adjusted by inflation to 2005 dollars.<sup>12</sup>

Once the initial direct spending figures have been established, they are entered into a model linked to the IMPLAN database, with the appropriate marginal adjustments taken to ensure that the model is working solely off of consumer spending estimates. The IMPLAN data are used to generate estimates of direct wages and output in each of the sectors in the motorcoach tourism industry. Wages are derived from data from the U.S. Department of Labor's ES-202 reports that are used by IMPLAN to provide annual average wage and salary establishment counts, employment counts and payrolls at the county level. Since this data only covers payroll employees, it is modified to add information on independent workers, agricultural employees, construction employees, and certain government employees. Data are then adjusted to account for counties where non-disclosure rules apply. Wage data include not only cash wages, but health and life insurance payments, retirement payments and other non-cash compensation. It includes all income paid to workers by employers.

Total output is the value of production by industry in a given state. It is estimated by IMPLAN from sources similar to those used by the BEA in its RIMS II series. Where no Census or government surveys are available, IMPLAN uses models such as the Bureau of Labor Statistics Growth model to estimate the missing output.

The model also includes information on income received by the Federal, State and Local Governments, and produces estimates for the following taxes at the Federal Level: Corporate Income; Payroll, Personal Income, Estate and Gift, and Excise taxes, Customs Duties; and Fines, Fees, etc. State and local tax revenues include estimates of: Corporate Profits, Property, Sales, Severance, Estate and Gift and Personal Income Taxes; Licenses and Fees and certain Payroll Taxes.

While IMPLAN is used to calculate the state level impacts, Dun and Bradstreet data provide the basis for regional estimates. Publicly available data at the county level is limited by disclosure restrictions, especially for smaller sectors of the economy like motorcoach operations. This model therefore uses actual physical location data provided by Dun and Bradstreet in order to allocate jobs – and the resulting economic activity – by county. The Greater Cleveland area is assumed to be Cuyahoga County. Job allocations are based on the percentage of total jobs physically located in the county. Physical locations are based on either actual address of the

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<sup>12</sup> Please note that the actual model relationships are as of 2000, the last year for which data are available.

facility, or the zip code of the facility, with facilities placed randomly throughout the zip code area. All supplier and indirect jobs are allocated based on the percentage of a state's employment in that sector in each of the counties. Again, these percentages are based on Dun and Bradstreet data.

The results of the model are presented in the following four sections of this report.

## Direct Impacts

Direct economic impacts are best defined as activities that one can actually count. Therefore, the direct economic impact of motorcoach tourism in Cleveland consists of those jobs and the economic activity generated by the initial spending by the 233,000 visitors and 4,600 buses. The spending itself is not equal to the economic impact as much of the money will be paid out to regional, national or even international suppliers and will not stay in the Cleveland economy.

### Summary of the Size of the Motorcoach Tourism Industry Greater Cleveland Ohio

Data Element	Value
Number of Companies	104.00
Number of Buses	4,625.50
Number of Visitors	233,059.16
Daytrip	198,784.77
Overnight	34,274.38
Spending by Category	
Lodging	\$ 1,346,039.16
Food and Beverage	\$ 8,918,409.69
Transportation	\$ 510,253.77
Admissions	\$ 4,695,626.10
Retail Purchases	\$ 7,146,736.14
Arts	\$ 1,260,945.09
Sports and Events	\$ 512,296.08
Parks and Foliage	\$ 19,171.50
Personal Services	\$ 276,741.54
Total Tourist Spending	\$ 24,686,219.06
Difference from CVB 2004 Figure	139.1%
Bus Company (fuel etc.) *	\$ 4,312,117.42
Total Spending in GC	\$ 28,998,336.49
Spending Per Person	\$ 124.42
Bus Per Person	18.50

Note: Bus Company Spending Allocated to GC 11.1%

The table above outlines the \$29 million in actual spending by motorcoach operators and tourists in Cleveland. About a quarter of this went for retail purchases and will not generate a great deal of activity in Cleveland proper. Other sectors such as spending on food and beverages, on the arts, or on lodging will have a greater impact on the local economy. On average, each visitor (or the company on a visitor's behalf) spent about \$124 in Cleveland. In addition, the motorcoach operators spent about \$18 on each passenger for items such as fuel, parking, or other supplies in Cleveland.

The \$29 million in spending generated a direct economic impact in Cuyahoga County of over \$13.8 million, and nearly 552 jobs. Of these, about half (46 percent) were in local restaurants

and bars, about a quarter in amusement and recreational establishments, over 6 percent in service stations and nearly 4 percent in hotels.

### **Economic Impact Motorcoach Tourism in Greater Cleveland Ohio - Direct Effects**

<b>Industry</b>	<b>Employment</b>	<b>Value Added</b>	<b>Compensation</b>
<b>Totals</b>	551.9	\$ 13,830,467	\$ 9,067,295
Eating & Drinking	252.8	\$ 4,020,240	\$ 2,774,206
Amusement and Recreation Services- N.E.C.	137.3	\$ 2,396,262	\$ 1,464,312
Automotive Dealers & Service Stations	34.7	\$ 1,803,902	\$ 1,038,640
Theatrical Producers- Bands Etc.	23.7	\$ 405,618	\$ 305,053
Hotels and Lodging Places	20.2	\$ 654,210	\$ 398,301
Manufacturing Industries- N.E.C.	18.8	\$ 1,263,339	\$ 785,856
Building Materials & Gardening	15.9	\$ 911,271	\$ 558,472
Miscellaneous Retail	12.5	\$ 556,077	\$ 331,365
General Merchandise Stores	9.5	\$ 384,421	\$ 224,078
Local- Interurban Passenger Transit	8.6	\$ 196,016	\$ 160,820
Wholesale Trade	5.1	\$ 592,899	\$ 345,154
Commercial Sports Except Racing	2.8	\$ 314,881	\$ 274,296
Apparel & Accessory Stores	2.3	\$ 125,453	\$ 67,736
Local Government Passenger Transit	2.0	\$ (138,973)	\$ 109,280
Food Stores	1.9	\$ 82,289	\$ 52,375
Motor Freight Transport and Warehousing	1.1	\$ 78,029	\$ 58,457
All Other	2.7	\$ 184,533	\$ 118,894

## Supplier and Induced Impacts

Economic activity started by motorcoach tourists generates output (and jobs) in hundreds of other industries, often in states far removed from the original economic activity. The impact of supplier firms, and the “Induced Impact” of the re-spending by employees of industry and supplier firms, is calculated using an input/output model of the United States.

The model methodology is designed to calculate these impacts for the State of Ohio. Since this analysis examines only the impact in Cuyahoga County, the results are multiplied by the percentage of jobs in each industry located in the Greater Cleveland area. Because of this the multiplier effect of motorcoach tourism in Cleveland itself is fairly small. For example, there are about 27 supplier jobs in Cuyahoga County. This represents just about one-third (36 percent) of total supplier jobs in the state of Ohio. The largest suppliers are in the theatrical production and restaurants and bars.

### Economic Impact Motorcoach Tourism in Greater Cleveland Ohio - Supplier Effects

Industry	Employment	Value Added	Compensation
Totals	27.3	\$ 1,105,732	\$ 776,374
Theatrical Producers- Bands Etc.	5.9	\$ 112,710	\$ 84,766
Eating & Drinking	2.6	\$ 44,393	\$ 30,634
Motor Freight Transport and Warehousing	2.4	\$ 126,637	\$ 94,872
Personnel Supply Services	1.8	\$ 33,245	\$ 31,555
Accounting- Auditing and Bookkeeping	1.2	\$ 37,547	\$ 35,264
Cheese- Natural and Processed	1.1	\$ 70,216	\$ 36,852
Commercial Sports Except Racing	1.1	\$ 110,923	\$ 96,626
Laundry- Cleaning and Shoe Repair	1.0	\$ 21,041	\$ 18,273
Hotels and Lodging Places	0.8	\$ 27,092	\$ 16,494
Real Estate	0.6	\$ 62,526	\$ 11,734
Wholesale Trade	0.6	\$ 48,362	\$ 28,154
Credit Agencies	0.5	\$ 10,987	\$ 12,472
Detective and Protective Services	0.5	\$ 9,068	\$ 8,083
Other State and Local Govt Enterprises	0.4	\$ 30,204	\$ 17,031
Maintenance and Repair Other Facilities	0.4	\$ 16,613	\$ 15,869
Other Business Services	0.4	\$ 16,778	\$ 10,707
All Other	6.0	\$ 327,390	\$ 226,988

Induced jobs are the result of re-spending in the local economy by employees of direct and supplier firms. For example, an employee of a hotel serving motorcoach tourists will purchase products like food, telephone services and housing in the local economy. This re-spending creates a “multiplier” effect and produces induced impacts in Cleveland. As with the supplier effects, the induced impacts are calculated for the entire state of Ohio and must be adjusted to reflect only those in Cuyahoga County. For example, there are about 52 induced jobs in Cuyahoga County. This represents about 55 percent of the total induced jobs in Ohio.

### Economic Impact Motorcoach Tourism in Greater Cleveland Ohio - Induced Effects

Industry	Employment	Value Added	Compensation
<b>Totals</b>	51.6	\$ 1,783,420	\$ 1,109,875
Eating & Drinking	10.7	\$ 194,125	\$ 133,958
Miscellaneous Retail	6.6	\$ 207,770	\$ 123,810
Food Stores	5.1	\$ 157,237	\$ 100,078
General Merchandise Stores	4.0	\$ 115,221	\$ 67,162
Automotive Dealers & Service Stations	3.4	\$ 178,622	\$ 102,846
Amusement and Recreation Services- N.E.C.	1.9	\$ 33,638	\$ 20,555
Furniture & Home Furnishings Stores	1.6	\$ 63,961	\$ 38,252
Building Materials & Gardening	1.4	\$ 59,119	\$ 36,231
Apparel & Accessory Stores	1.4	\$ 55,354	\$ 29,887
Domestic Services	1.1	\$ 11,290	\$ 11,290
Hospitals	1.1	\$ 43,482	\$ 41,062
Motor Freight Transport and Warehousing	1.0	\$ 47,964	\$ 35,933
Laundry- Cleaning and Shoe Repair	1.0	\$ 20,823	\$ 18,083
Hotels and Lodging Places	0.9	\$ 30,273	\$ 18,431
Membership Sports and Recreation Clubs	0.7	\$ 10,184	\$ 9,126
Doctors and Dentists	0.7	\$ 42,189	\$ 36,896
All Other	9.1	\$ 512,168	\$ 286,276

### Total Impacts

The table below presents details of the total impact of motorcoach tourism in Cleveland. The firms most reliant on this activity are local restaurants and bars. Over 42 percent of the jobs and 25 percent of total economic activity is in this sector. Other industries that receive significant business from motorcoach tourism are service stations, amusement services, retailers and wholesalers and hotels. Manufacturing industries are impacted as tourists and the companies involved in the tourism industry purchase goods manufactured by Cleveland based firms.

### Economic Impact Motorcoach Tourism in Greater Cleveland Ohio - Total Effects

Industry	Employment	Value Added	Compensation
<b>Totals</b>	630.7	\$ 16,719,619	\$ 10,953,544
Eating & Drinking	266.1	\$ 4,258,758	\$ 2,938,798
Amusement and Recreation Services- N.E.C.	139.2	\$ 2,429,907	\$ 1,484,871
Automotive Dealers & Service Stations	38.4	\$ 1,998,705	\$ 1,150,803
Theatrical Producers- Bands Etc.	29.8	\$ 523,844	\$ 393,968
Hotels and Lodging Places	21.9	\$ 711,575	\$ 433,226
Miscellaneous Retail	19.4	\$ 773,499	\$ 460,927
Manufacturing Industries- N.E.C.	18.9	\$ 1,266,961	\$ 788,109
Building Materials & Gardening	17.4	\$ 975,080	\$ 597,577
General Merchandise Stores	13.6	\$ 501,890	\$ 292,551
Local- Interurban Passenger Transit	9.0	\$ 205,051	\$ 168,233
Food Stores	7.1	\$ 242,496	\$ 154,343
Wholesale Trade	6.0	\$ 670,191	\$ 390,149
Motor Freight Transport and Warehousing	4.5	\$ 252,630	\$ 189,262
Commercial Sports Except Racing	4.0	\$ 436,211	\$ 379,988
Apparel & Accessory Stores	3.7	\$ 182,478	\$ 98,525
Furniture & Home Furnishings Stores	2.3	\$ 98,475	\$ 58,893
All Other	29.4	\$ 1,191,868	\$ 973,321

The total economic impact (presented here as value added) is lower than the actual spending in the Cleveland area. That is because much of this spending is on retail goods, and most of the value embedded in these products comes from other states (or other countries) and does not add value to the Cleveland Economy. For example, if a visitor purchases a t-shirt for \$10 from a local vendor, only a small fraction of that \$10 is attributable to local activities (mainly wholesaling, retailing, financing, etc.) The shirt itself may have been manufactured in North Carolina, or China, and the economic impact of that activity is properly allocated to that specific geography.

The distribution of the impacts can also be looked at on a “per bus” or per-trip basis. Examining the data this way shows that the average day trip to Cleveland brings about \$4,500 to the local economy, while the average overnight bus trip generates an impact of just under \$6,900. Again, it should be noted that the impact on the Cleveland economy is equal to about three-quarters of the actual amount spent on a trip, or in other words, for each dollar that a motorcoach tourist spends in Cleveland, about 76-cents stays in the local economy.

### **Summary of Total Economic Impact by Tour Type**

<b>Trip Type</b>	<b>Average Number of Passengers</b>	<b>Average Package Price</b>	<b>Additional Spending Per Passenger</b>	<b>Local Percentage</b>	<b>Total Impact</b>
Day Trip	48.91	\$ 67.08	\$ 51.36	77%	\$ 4,458.95
One Night Trip	48.44	\$ 145.91	\$ 39.57	76%	\$ 6,867.58
Two Night Trip	48.44	\$ 291.82	\$ 79.13	76%	\$ 13,735.16
Three Night Trip	48.44	\$ 437.73	\$ 237.40	76%	\$ 24,997.86
Four Night Trip	48.44	\$ 583.64	\$ 949.61	76%	\$ 56,771.11



## Estimated Tax Impacts

The study also estimates taxes paid by the industry and its employees. Federal taxes include industry-specific excise taxes, business and personal income taxes, FICA, and unemployment insurance paid by those companies that make up the motorcoach tourism industry in Cleveland and their employees. State and local tax systems vary widely, and the IMPLAN model makes aggregated estimates. Direct state and local taxes consist primarily of sales based taxes, property taxes and income taxes from industry employees. As would be expected in an industry made up mainly of consumption based activities, sales taxes account for the majority of state and local tax revenue generated, and equal about 3 percent of total sales to both consumers and motorcoach carriers.

In sum, motorcoach tourism is expected to generate about \$5.4 million in 2005, over half of which are federal taxes. Looking at it another way, taxes account for about 32 percent of the industry impact, and state and local governments receive \$10.17 in tax revenues per passenger visiting Greater Cleveland.

### Summary of Economic Impact Motorcoach Tourism in Greater Cleveland Ohio Fiscal Effects

	Annual Estimate	Percent
Federal Taxes	\$ 3,045,660.56	49.0%
State and Local Taxes	\$ 2,369,090.58	38.2%
Sales Taxes	\$ 879,841.02	14.2%
Property Taxes	\$ 747,883.01	12.0%
Income Taxes	\$ 414,995.26	6.7%
Corporate Profit Taxes	\$ 42,599.82	0.7%
Other State and Local Taxes	\$ 283,771.47	4.6%
Total Taxes	\$ 5,414,751.14	87.2%

## Appendix Telephone Interviews of Companies

GuerrillaEconomics, LLC contacted over 60 tour-bus operating companies and conducted extensive interviews with 52. Of these, 8 were identified by the ABA as being companies with extensive operations in the Greater Cleveland area, and an additional 28 were members of the organization. All told, it is estimated that 104 companies operate tour-buses in the Greater Cleveland area.<sup>13</sup>

Data from these surveys was used to generate estimates of total spending by bus operating companies on visitors to the Cleveland area for 2005. The average number of busses operated by the companies was 18.5 (the data were however highly skewed with the median number being 11). The companies averaged just over 33 employees and about \$3.5 million in annual revenue. Based on a limited number of companies that reported both the number of buses and revenues, average revenues per bus were \$281,000, or about \$60 per passenger.<sup>14</sup>

The survey questions are presented below.

### ECONOMIC IMPACT STUDY SAMPLE QUESTIONS FOR TOUR OPERATORS

*Good morning/afternoon. My name is \_\_\_\_\_ . I am calling on behalf of the Cleveland Convention and Visitors Bureau and the American Bus Association. We are conducting a survey of tour operators who carry passengers in the Cleveland area. The survey will take no more than 5 minutes. Can you help me with this, or can I speak with someone who might be able to assist us.*

<< Get appropriate person on the phone >>

*Thank you. Just to let you know, I work for the firm John Dunham and Associates. We have been selected by the Cleveland CVB and the American Bus Association to conduct this survey. All of your answers to these questions will be aggregated with those of other respondents – and all information will be kept strictly confidential.*

**First, I need to ask you, do you or have you in the past year operated buses in the Cleveland or Cuyahoga County area?**

**IF No>>**

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<sup>13</sup> Based on data from Dun and Bradstreet, 2005. There are 104 tour bus operating companies with operations within a 5 hour drive of the center of Cleveland Ohio. This figure is used as a proxy for total operators, and the resulting total number of passengers calculated is only 13 percent greater than an estimate for 2004 by the CVB.

<sup>14</sup> Assuming 50 passengers on each bus and each bus making two tours per week.

**Are there any reasons that you could give to me why you do not operate tours in the Cleveland area?**

<<Record any reasons given>

**Thank you for your time.**

**If Yes>>**

**1. How many people in general to you carry on each bus tour to Cleveland?**

Enter Number of people:

**2. About how much do you charge per person (Daytrip/Overnight)?**

Enter Dollar amount for package price per person:

**3. For overnight packages, are accommodations included in the tour?**

If yes, indicate dollar amount.

**4. Were food and beverages included in package?**

If yes, indicate dollar amount.

**5. Are admissions and other incidentals included in the package price?**

If yes, indicate dollar amount

**6. About how many tours do you book to Cleveland per year?**

Please enter number of tours.

**7. How many tours do you book to Ohio per year?**

Please enter number of tours.

**8. What are the top 3 destinations for your groups?**

Enter the names of cities.

**9. What percentage of your passengers on tours to Cleveland are:**

Please indicate:

Seniors,

Students,

General Population

Baby Boomers

Families

Grandparent/grandchildren

Guys and gals weekends

**9a. What percentage of your passengers on tours to Cleveland are:**

Daytrip

Overnight

**10. Do you produce a brochure?**

Please indicate yes or no

If Yes

**a. Does the brochure feature Cleveland?**

Please indicate yes or no.

**12. Is Cleveland a Destination or a pass-through city for daytrips/overnight trips?**

Enter destination or pass through or both

**13. Do you serve Cleveland Seasonally?**

**13a. If Yes>>**

**What percent of your riders to Cleveland come in the:**

Summer

Winter

Spring

Fall

Now I'd like to ask you a little about Cleveland as it pertains to your operating environment

**14. Are Facilities for motorcoaches in Cleveland adequate or inadequate?  
if inadequate get details**

**14a. Are Motorcoach parking facilities adequate in Cleveland**

**14b. Can you identify specific problem areas that the CVB should address?**

**15. What facilities/infrastructure would you like to see improved?**

**16. Can you identify any new trends or interests that Cleveland should be looking to develop as a destination?**

**17. What helps drive Cleveland as a destination?**

Events

Marketing

Cost

Demand

**18. What is your preferred method to receive information about Cleveland?**

Direct mail

E-mail,

CD  
Phone

- 19 How do you utilize on-line information resources?**  
Research  
Bookings  
Marketing  
Promotions
- 20. How important is on-line information to your business**

Now I just need to ask a few questions about your company

- 21. How many busses do you operate by size?**
- 22. Can you tell me how many employees you have?**
- 23. Can you give me a rough approximation of your annual revenues?**
- 24. Where (What city) are you headquartered in?**

*Thank you so much for your help. The American Bus Association will be making a copy of our final report available to you, and the Cleveland CVB will receive the information on how they can improve your operating environment.*

*In addition, we will be sending you a supply of calling cards within the next week or so. These cards should be distributed to passengers visiting Cleveland. They will allow us to collect information about the city from your passengers. We will reward them for taking the survey with 30 minutes of calling time that they can use at their convenience.*

*Thank you once again for your assistance with our survey.*

## Appendix

### Questionnaire Used for Personal Interviews

In conducting this analysis for the ABA and the CVB, GuerrillaEconomics, LLC attempted to use a telephone based data collection method, whereby nearly 1000 calling cards were distributed to motorcoach operators that agreed to accept them. These calling cards, which were to be distributed to passengers on tours to the Greater Cleveland Area, were linked to a short telephone survey (the script of which is below). Passengers were asked to call a toll-free number, to take the survey. Those who responded were rewarded with 30 free minutes of telephone talk time.

While we believed that passengers on motorcoach tours would find this an innovative and simple way to assist us, and were assured by our supplier that the free telephone time would be a reasonable incentive to participate, delays in getting the survey to market as well as production problems limited our response. Two months after the survey had been put into the field we had received only 42 responses. This is out of an estimated 2,700 total passengers to Cleveland.

Since the response rate from this survey was very low, and since the study was conducted just prior to the Christmas holidays, GuerrillaEconomics, LLC and the Greater Cleveland CVB felt that the data may be skewed toward retail purchases. With this in mind, a second passenger survey was conducted using self addressed, stamped post cards which were handed out by participating motorcoach operators to visitors to Cleveland between June and July of 2006. A total of 132 surveys were returned for a response rate of just over 25 percent. Data from these survey forms were combined with the pre-Christmas data, and were reanalyzed.<sup>15</sup>

The larger phone survey instrument used in the study is presented below.

### **ECONOMIC IMPACT STUDY Cleveland Passenger Questionnaire**

There's SO MUCH to do in Cleveland!

Museums, theatre, comedy clubs and plenty more. You name it, Cleveland's got it. By participating in this phone survey, your answers will help determine the economic impact of visitors to our city. Thank you for visiting Cleveland and for your assistance. In appreciation, please enjoy the use of this telephone reward card.

This survey, which is being conducted by John Dunham and Associates, will take only a couple of minutes of your time and will help us to better serve visitors to Cleveland. *Please enter your responses using the key pad of your phone, or just answer directly.* Please remember, except

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<sup>15</sup> There were 40 respondents to the prior survey and 132 to the new survey. All of the 172 responses were combined for this analysis, which means that the responses represent a sample that is based on 23 percent of the touring population visiting Cleveland during the pre-Christmas period. Visitors from the summer survey were skewed toward overnight guests, with 20 percent of the respondents staying overnight compared to a 15 percent average for Cleveland. In addition, the average package price reported in the 2006 survey is higher than suggested in the initial report. To correct for this, each sample was weighted by a factor of 0.50.

where indicated, all of the answers should apply to you personally, not to other members in your party.

The data collected will not be used for marketing purposes, and your personal information will not be shared with anyone.

Thank you once again for your assistance. Ok – let's begin.

**1. Was this a day trip or an overnight one?**

1. Daytrip
2. Overnight

If the answer is daytrip, continue with questions below in **Section A**, otherwise go to **Section B**.

All answers are for you...

**Section A**

**2. How many people were in your party?**

Number of people:

Thank you – I need to ask you some questions about your trip. The answers should apply to you personally, if you have children, or are responsible for someone else's spending decisions, please answer these questions for you only.

**3. How much did the tour package cost per person?**

Dollar amount for package price per person:

**4. Outside of the package price, how much did you spend on food and beverages during this trip?**

Please indicate dollar amount.

**5. Outside of the package price, how much did you spend on retail purchases other than food and beverages on this trip?**

Please indicate dollar amount.

**6. Other than transportation included in the package price, how much did you spend on other transportation once in the city (for example, taxicabs)?**

Please indicate dollar amount.

**7. Other than what was included in the package price, how much did you spend on personal services such as salons, spa, internet, valet or dry cleaning during this trip?**

Please indicate dollar amount.

**8. Outside of what was included in the package price, how much did you spend on the following categories of amusements and entertainments on this trip? Please enter a dollar amount for each – if nothing enter zero**

- a. Museums**
- b. Performing Arts**
- c. Special events**
- d. Sports or sporting events**
- e. Gardens, parks, zoos**
- f. Fall Foliage**

Thanks – I'm almost done. I'd like to ask you a little bit about your perceptions of Cleveland.

**9. Did Cleveland**

- a. Meet your expectations**
- b. Exceed your expectations**
- c. Disappoint you**

**10. Would you recommend Cleveland as a destination to your friends (Y/N)**

**11. Did you choose Cleveland as a destination Because of:**

- a. The Tour package**
- b. It's a new Destination**
- c. Repeat visitor**

**12. What was your favorite attraction in Cleveland?**

- a. Rock and Roll Hall of Fame**
- b. Sporting Events**
- c. Playhouse Square/Theater**
- d. University Circle and Museums**

Ok, I just need to know a little bit about you and we will activate your telephone reward minutes. Please remember you can use these for telephone calls anywhere in the US and Canada and they will be good for a year.

**13. How old are you?**

**14. Please enter your income in round numbers**

**15. What is your education level?**

- a. Less than High School**
- b. High School**
- c. Some College**
- d. College Graduate**
- e. Graduate Degree**



- 16. Can you tell me what race you consider yourself to be?**
- a. Caucasian/white**
  - b. Hispanic**
  - c. African-American**
  - d. Asian**
  - e. Other**

**Thank you once again for taking our survey (reward instructions)**

## **Section B**

**2. How many people were in your party?**

Number of people:

Thank you – I need to ask you some questions about your trip. The answers should apply to you personally, if you have children, or are responsible for someone else’s spending decisions, please answer these questions for you only.

**3. How much did the tour package cost per person?**

Dollar amount for package price per person:

**4. How many nights did you stay in Cleveland?**

**5. Outside of the package price, how much did you pay for accommodations in Cleveland?**

Please indicate dollar amount.

**6. Where was the accommodation located?**

- Downtown
- Suburbs (east)
- Suburbs (west)
- Suburbs (south)

**7. Outside of the package price, how much did you spend on food and beverages during this trip?**

Please indicate dollar amount.

**8. Outside of the package price, how much did you spend on retail purchases other than food and beverages on this trip?**

Please indicate dollar amount.

**9. Other than transportation included in the package price, how much did you spend on other transportation once in the city (for example, taxicabs)?**

Please indicate dollar amount.

**10. Other than what was included in the package price, how much did you spend on personal services such as salons, spa, internet, valet or dry cleaning during this trip?**  
Please indicate dollar amount.

**11. Outside of what was included in the package price, how much did you spend on the following categories of amusements and entertainments on this trip? Please enter a dollar amount for each – if nothing enter zero**

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**18. What is your education level?**

- a. Less than High School**
- b. High School**

- c. Some College**
- d. College Graduate**
- e. Graduate Degree**

**19. Can you tell me what race you consider yourself to be?**

- a. Caucasian/white**
- b. Hispanic**
- c. African-American**
- d. Asian**
- e. Other**

Thank you once again for taking our survey (reward information)

## Appendix IMPLAN Methodology:<sup>16</sup>

Francoise Quesnay one of the fathers of modern economics, first developed the analytical concept of inter-industry relationships in 1758. The concept was actualized into input-output analysis by Wassily Leontief during the Second World War, an accomplishment for which he received the 1973 Nobel Prize in Economics.

Input-Output analysis is an econometric technique used to examine the relationships within an economy. It captures all monetary market transactions for consumption in a given period and for a specific geography. The IMPLAN model uses data from many different sources – as published government data series, unpublished data, sets of relationships, ratios, or as estimates. The Minnesota IMPLAN group gathers this data, converts it into a consistent format, and estimates the missing components.

There are three different levels of data generally available in the United States: Federal, state and county. Most of the detailed data is available at the county level, and as such there are many issues with disclosure, especially in the case of smaller industries, such as brewing. IMPLAN overcomes these disclosure problems by combining a large number of datasets and by estimating those variables that are not found from any of them. The data is then converted into national input-output matrices (Use, Make, By-products, Absorption and Market Shares) as well as national tables for deflators, regional purchase coefficients and margins.

The IMPLAN Make matrix represents the production of commodities by industry. The Bureau of Economic Analysis (BEA) Benchmark I/O Study of the US Make Table forms the bases of the IMPLAN model. The Benchmark Make Table is updated to current year prices, and rearranged into the IMPLAN sector format. The IMPLAN Use matrix is based on estimates of final demand, value-added by sector and total industry and commodity output data as provided by government statistics or estimated by IMPLAN. The BEA Benchmark Use Table is then bridged to the IMPLAN sectors. Once the re-sectoring is complete, the Use Tables can be updated based on the other data and model calculations of interstate and international trade.

In the IMPLAN model, as with any input-output framework, all expenditures are in terms of producer prices. This allocates all expenditures to the industries that produce goods and services. As a result, all data not received in producer prices is converted using margins which are derived from the BEA Input-Output model. Margins represent the difference between producer and consumer prices. As such, the margins for any good add to one. If, for example, 10 percent of the consumer price of lodging is from the purchase of electricity, then the electricity margin would be 0.1.

Deflators, which account for relative price changes during different time periods, are derived from the Bureau of Labor Statistics (BLS) Growth Model. The 224 sector BLS model is mapped to the 528 sectors of the IMPLAN model. Where data are missing, deflators from BEA's Survey of Current Businesses are used.

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<sup>16</sup> This section is paraphrased from IMPLAN Professional: Users Guide, Analysis Guide, Data Guide, Version 2.0, MIG, Inc., June 2000.

Finally, one of the most important parts of the IMPLAN model, the Regional Purchase Coefficients (RPCs) must be derived. IMPLAN is derived from a national model, which represents the “average” condition for a particular industry. Since national production functions do not necessarily represent particular regional differences, adjustments need to be made. Regional trade flows are estimated based on the Multi-Regional Input-Output Accounts, a cross-sectional database with consistent cross interstate trade flows developed in 1977. These data are updated and bridged to the 528 sector IMPLAN model. Once the databases and matrices are created, they go through an extensive validation process. IMPLAN builds separate state and county models and evaluates them, checking to ensure that no ratios are outside of recognized bounds. The final datasets and matrices are not released before extensive testing takes place.