The Economic Contribution of Creative Industries in Ohio

Russell W. Mills, Ph.D., Senior Director, CRD
Creative Ohio Advocacy Summit
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The Center for Regional Development at BGSU is a community asset with expertise in regional economic, workforce, and community development.

CRD is a capacity builder and trusted partner:
- Cutting-edge economic and demographic data analysis and visualization
- Economic and community development project and grant development
- Neutral and well-respected convener of planning processes
- Social service and education program evaluation
- Applied research including original survey research
- Thought-leadership through annual State of the Region Conference

CRD partners with local governments, economic development organizations, social service agencies, private companies, and non-profit organizations across 31-counties in Northwest Ohio.
Today’s Agenda

- Key Themes from the Analysis

- High-level overview of the methodology for the Ohio Creative Industries Economic Contribution Analysis

- 2019 Economic Contribution of Creative Industries in Ohio

- The Impact of the COVID-19 Pandemic on Creative Industries in Ohio

- Next Steps and Deliverables
Key Messages From the Analysis
Creative industries are a critical economic driver in the State of Ohio. Prior to the COVID-19 pandemic, creative industries supported over 329,000 jobs, $18 billion in payroll, and $55 billion in economic output in the State of Ohio.

The COVID-19 pandemic had a severe negative impact on creative industries in Ohio. Between 2019 and 2020, creative industry employment declined by over 41,000 (-12.63%) while total creative industry economic output declined by over $8.6 billion (-15.74%).

The COVID-19 pandemic disproportionately affected creative industries in Ohio. Specifically, decreases (as a percentage) in employment and economic output were 4 times as large compared to the overall Ohio economy.

The decline in creative industry payroll was over 7 times as large compared to the overall Ohio economy, suggesting programs such as the Payroll Protection Program (PPP) did not provide adequate support to employees in creative industries.
Methodology
Economic Impact vs. Economic Contribution

• Economic impact analysis
  • An economic impact is a change in the economic conditions of the regional economy (new business, event, etc.)
  • Used to determine the marginal change in the economy as a result of the new event/business/impact.

• Economic contribution analysis
  • An economic contribution analysis examines how the current state of an industry(s) supports other businesses in the local economy within a geographic region (state, region, counties, etc.)
CRD used the new multi-industry contribution analysis through IMPLAN to estimate the contribution of creative industries in Ohio.

This method provides the most accurate estimates of an industry’s contribution by eliminating double counting between industries of interest (i.e., performing arts companies purchasing photographic services).

The 2018 Ohio Arts study used a slightly different methodology that examined each industry separately.
**Data Included in the Analysis**

- **Employment**: An industry-specific mix of full-time, part-time, and seasonal employment.

- **Labor Income (Payroll)**: The total payroll cost of the employee including wages and salaries, all benefits (e.g., health, retirement), and payroll taxes. Also includes proprietor income.

- **Value Added (GDP)**: An industry’s contribution to Gross Domestic Product. Represents economic output minus intermediate inputs.

- **Economic Output**: The total annual production value of each industry or commodity. Output is equal to revenue plus/minus changes in inventory.

Source: IMPLAN
Tax Data Included in the Analysis

- IMPLAN estimates taxes within a geographic area based on an industry average.

- Importantly, taxes on production and imports (TOPI) is one of the four components of Value Added and should not be added to any of the totals from the analysis. TOPI includes (but is not limited to):
  - Sales tax
  - Property tax
  - Excise tax

- IMPLAN estimates tax data at the city/municipal, county, special districts (Ports, Airports, tax districts, etc.), State, and Federal levels.
Direct, Indirect, and Induced Effects

• **Direct effects:** Initial investment and “first round” of spending.

• **Indirect effects:** Business-to-business purchases in the supply chain (Example: arts studio purchases paper supplies for restrooms).

• **Induced effects:** Household spending of labor income, after removal of taxes, savings, and commuter income (Example: Artist takes family out to dinner using wages).
**Creative Industries Included in Analysis**

<table>
<thead>
<tr>
<th>Industry Code</th>
<th>Industry Description</th>
<th>Industry Code</th>
<th>Industry Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>121</td>
<td>Other textile product mills</td>
<td>423</td>
<td>Newspaper publishing</td>
</tr>
<tr>
<td>123</td>
<td>Other apparel knitting mills</td>
<td>424</td>
<td>Periodical publishing</td>
</tr>
<tr>
<td>124</td>
<td>Cut and sew apparel contractors</td>
<td>425</td>
<td>Book publishers</td>
</tr>
<tr>
<td>152</td>
<td>Printing</td>
<td>426</td>
<td>Greeting card publishing</td>
</tr>
<tr>
<td>153</td>
<td>Support activities for printing</td>
<td>428</td>
<td>Software publishing</td>
</tr>
<tr>
<td>200</td>
<td>Other pressed and blown glass and glassware manufacturing</td>
<td>429</td>
<td>Motion picture and video industries</td>
</tr>
<tr>
<td>240</td>
<td>Ornamental and architectural metal work manufacturing</td>
<td>430</td>
<td>Sound recording industries</td>
</tr>
<tr>
<td>371</td>
<td>Custom architectural woodwork and millwork</td>
<td>431</td>
<td>Radio and television</td>
</tr>
<tr>
<td>381</td>
<td>Jewelry and silverware manufacturing</td>
<td>432</td>
<td>Cable and other subscription programming</td>
</tr>
<tr>
<td>385</td>
<td>Sign manufacturing*</td>
<td>433</td>
<td>Internet publishing and broadcasting and web search portals*</td>
</tr>
<tr>
<td>387</td>
<td>Musical instrument manufacturing</td>
<td>434</td>
<td>Video tape and disc rental</td>
</tr>
<tr>
<td>412</td>
<td>Misc. Store Retailers*</td>
<td>457</td>
<td>Architectural, engineering, and related services*</td>
</tr>
<tr>
<td>427</td>
<td>Greeting card publishing</td>
<td>458</td>
<td>Specialized design services</td>
</tr>
<tr>
<td>428</td>
<td>Software publishing</td>
<td>459</td>
<td>Custom computer programming services*</td>
</tr>
<tr>
<td>429</td>
<td>Motion picture and video industries</td>
<td>465</td>
<td>Advertising, public relations, and related services</td>
</tr>
<tr>
<td>430</td>
<td>Sound recording industries</td>
<td>466</td>
<td>Photographic services</td>
</tr>
<tr>
<td>432</td>
<td>Cable and other subscription programming</td>
<td>496</td>
<td>Performing arts companies</td>
</tr>
<tr>
<td>433</td>
<td>Internet publishing and broadcasting and web search portals*</td>
<td>499</td>
<td>Independent artists, writers, and performers</td>
</tr>
<tr>
<td>434</td>
<td>Video tape and disc rental</td>
<td>500</td>
<td>Promoters of performing arts and agents for public figures</td>
</tr>
<tr>
<td>437</td>
<td>Engineering and related services*</td>
<td>501</td>
<td>Museums, historical sites, zoos, and parks</td>
</tr>
<tr>
<td>438</td>
<td>Internet publishing and broadcasting and web search portals*</td>
<td>516</td>
<td>Personal and household goods repair and maintenance</td>
</tr>
<tr>
<td>452</td>
<td>Video tape and disc rental</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Industry was scaled to include only creative occupations
Regions Included in Analysis

- Akron
- Canton
- Cincinnati
- Cleveland
- Columbus
- Dayton
- Toledo
- Youngstown
2019 Economic Contribution of Creative Industries in Ohio
2019 Ohio Economic Contribution

Payroll: $18,100,748,327
Value Added: $30,567,228,360
Economic Output: $55,049,381,037

2019 Ohio Creative Industries Economic Contribution

Payroll: $18,100,748,327
Value Added: $30,567,228,360
Economic Output: $55,049,381,037

Jobs: 239,063

2019 Ohio Creative Industries Employment
2019 Ohio Fiscal Contribution

2019 Ohio Creative Industries Fiscal Contribution

- Cities/Municipalities: $318,115,769
- Special Districts: $628,660,764
- County: $254,637,770
- State: $1,390,365,773
2019 Economic Contribution of Creative Industries in Regions Across Ohio
2019 Akron Economic Contribution

2019 Akron Creative Industries Economic Contribution

- Payroll: $931,868,986
- Value Added: $1,528,991,508
- Economic Output: $2,967,922,510

2019 Akron Creative Industries Employment

- Jobs: 18,079
2019 Akron Fiscal Contribution

2019 Akron Creative Industries Fiscal Contribution

- Cities/Municipalities: $18,653,423
- Special Districts: $32,701,264
- County: $10,669,517
- State: $74,983,979
2019 Canton Economic Contribution

2019 Canton Creative Industries Economic Contribution

- Payroll: $401,278,655
- Value Added: $645,881,930
- Economic Output: $1,221,422,634

2019 Canton Creative Industries Employment

- Jobs: 8,410
2019 Canton Fiscal Contribution

2019 Canton Creative Industries Fiscal Contribution

- **Cities/Municipalities**: $5,075,049
- **Special Districts**: $13,433,417
- **County**: $4,404,488
- **State**: $35,368,500
2019 Cincinnati Economic Contribution

Payroll: $4,461,365,862
Value Added: $7,358,715,649
Economic Output: $12,619,355,652

2019 Cincinnati Creative Industries Economic Contribution

2019 Cincinnati Creative Industries Employment

Jobs: 74,140

[Charts and Graphs showing economic contributions and employment]
2019 Cincinnati Fiscal Contribution

2019 Cincinnati Creative Industries Fiscal Contribution

- Cities/Municipalities: $68,956,927
- Special Districts: $119,007,862
- County: $49,823,210
- State: $330,628,433
2019 Cleveland Economic Contribution

2019 Cleveland Creative Industries Economic Contribution

Payroll: $3,863,439,653
Value Added: $6,736,615,739
Economic Output: $11,336,323,382

2019 Cleveland Creative Industries Employment

Jobs: 64,987
2019 Cleveland Fiscal Contribution

2019 Cleveland Creative Industries Fiscal Contribution

- Cities/Municipalities: $75,066,067
- Special Districts: $143,918,396
- County: $51,704,738
- State: $236,879,757
2019 Columbus Economic Contribution

Payroll: $4,162,747,924
Value Added: $7,080,571,573
Economic Output: $12,219,649,005

2019 Columbus Creative Industries Economic Contribution

Payroll: $4,162,747,924
Value Added: $7,080,571,573
Economic Output: $12,219,649,005

2019 Columbus Creative Industries Employment

Jobs: 70,617
2019 Columbus Fiscal Contribution

2019 Columbus Creative Industries Fiscal Contribution

- Cities/Municipalities: $74,720,135
- Special Districts: $142,294,105
- County: $58,177,159
- State: $287,584,574
2019 Dayton Economic Contribution

2019 Dayton Creative Industries Economic Contribution

Payroll: $1,583,284,696
Value Added: $2,736,447,025
Economic Output: $5,207,504,096

2019 Dayton Creative Industries Employment

Jobs: 30,994
2019 Dayton Fiscal Contribution

2019 Dayton Creative Industries Fiscal Contribution

- Cities/Municipalities: $25,941,446
- Special Districts: $67,123,282
- County: $22,535,191
- State: $134,835,636
2019 Toledo Creative Industries Economic Contribution

Payroll: $759,785,176
Value Added: $1,225,746,808
Economic Output: $2,425,350,616

2019 Toledo Creative Industries Employment

Jobs: 16,006
2019 Toledo Fiscal Contribution

2019 Toledo Creative Industries Fiscal Contribution

- Cities/Municipalities: $14,185,100
- Special Districts: $26,729,137
- County: $12,458,001
- State: $56,407,225
2019 Youngstown Economic Contribution

2019 Youngstown Creative Industries Economic Contribution

- Payroll: $290,657,215
- Value Added: $479,858,381
- Economic Output: $1,046,448,330

2019 Youngstown Creative Industries Employment

- Jobs: 8,108
2019 Youngstown Fiscal Contribution

2019 Youngstown Creative Industries Fiscal Contribution

- Cities/Municipalities: $5,384,926
- Special Districts: $13,009,133
- County: $6,318,746
- State: $37,802,962
The Impact of the COVID-19 Pandemic on Creative Industries in Ohio
Creative Industries Change in Employment

Ohio Creative Industries Employment By Year

- 2019: 329,389
- 2020: 287,776

% Change in Employment (2019-2020)

- Creative Industries: -12.63%
- All Industries in Ohio: -4.23%
Ohio Creative Industries Payroll By Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$18,100,748,327</td>
</tr>
<tr>
<td>2020</td>
<td>$16,782,591,898</td>
</tr>
</tbody>
</table>

% Change in Payroll (2019-2020)

- Creative Industries: -7.28%
- All Industries in Ohio: -0.16%
Ohio Creative Industries Value Added By Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$30,567,228,360</td>
</tr>
<tr>
<td>2020</td>
<td>$26,402,470,316</td>
</tr>
</tbody>
</table>

% Change in Value Added (2019-2020)

- Creative Industries: -13.62%
- All Industries in Ohio: -2.60%
Ohio Creative Industries Economic Output By Year

2019: $55,049,381,037
2020: $46,382,658,589

% Change in Output (2019-2020)

Creative Industries: -15.74%
All Industries in Ohio: -4.34%
Change in Fiscal Contribution

Change in Tax Revenue (2019-2020)

Municipalities: ($75,971,463)
Special Districts: ($277,378,602)
County: ($119,631,122)
State: ($515,115,928)
Change in Ohio Fiscal Contribution

% Change in Tax Revenue (2019-2020)

Municipalities: -23.88%
Special Districts: -44.12%
County: -46.98%
State: -37.05%
The Impact of the COVID-19 Pandemic on Creative Industries in Regions Across Ohio
Change in Creative Employment (2019-2020)

- Akron: -18.00%
- Canton: -16.00%
- Cincinnati: -14.00%
- Cleveland: -12.00%
- Columbus: -10.00%
- Dayton: -8.00%
- Toledo: -6.00%
- Youngstown: -4.00%
- Ohio: -2.00%
- % Change in Creative Employment (2019-2020)
Change in Creative Payroll (2019-2020)

<table>
<thead>
<tr>
<th>Location</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akron</td>
<td>-25.00%</td>
</tr>
<tr>
<td>Canton</td>
<td>-20.00%</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>-15.00%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>-10.00%</td>
</tr>
<tr>
<td>Columbus</td>
<td>-5.00%</td>
</tr>
<tr>
<td>Dayton</td>
<td>-3.69%</td>
</tr>
<tr>
<td>Toledo</td>
<td>-6.01%</td>
</tr>
<tr>
<td>Youngstown</td>
<td>-7.28%</td>
</tr>
<tr>
<td>Ohio</td>
<td>-13.36%</td>
</tr>
<tr>
<td>Dayton</td>
<td>-9.03%</td>
</tr>
<tr>
<td>Columbus</td>
<td>-9.30%</td>
</tr>
<tr>
<td>Canton</td>
<td>-5.70%</td>
</tr>
<tr>
<td>Akron</td>
<td>-3.35%</td>
</tr>
<tr>
<td>Ohio</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
Change in Creative Value Added (2019-2020)

-30.00%  -25.00%  -20.00%  -15.00%  -10.00%  -5.00%  0.00%

-25.20%  -19.55%  -15.65%  -13.17%  -7.15%  -11.08%  -8.89%

Akron  Canton  Cincinnati  Cleveland  Columbus  Dayton  Toledo  Youngstown  Ohio

% Change in Creative Value Added (2019-2020)
Change in Akron Creative Industries vs. Overall Economy

% Change of Economic Indicators in Akron Creative vs. All Industries (2019-2020)

- Employment
  - Creative Industries: -7.17%
  - All Industries: -10.00%

- Payroll
  - Creative Industries: -4.18%
  - All Industries: -9.00%

- Value Added
  - Creative Industries: -3.35%
  - All Industries: -8.00%

- Economic Output
  - Creative Industries: -0.22%
  - All Industries: -4.90%
Change in Akron Fiscal Contribution

% Change in Tax Revenue (2019-2020)

- Municipalities: -20.81%
- Special Districts: -31.97%
- County: -34.46%
- State: -26.96%
Change in Canton Creative Industries vs. Overall Economy

% Change of Economic Indicators in Canton Creative vs. All Industries (2019-2020)

- Employment: Creative -16.28%, All Industries -30.00%
- Payroll: Creative -4.75%, All Industries -25.00%
- Value Added: Creative -6.08%, All Industries -25.00%
- Economic Output: Creative -4.09%, All Industries -24.68%
Change in Canton Fiscal Contribution

% Change in Tax Revenue (2019-2020)

- Municipalities: -46.24%
- Special Districts: -69.99%
- County: -70.95%
- State: -61.73%
Change in Cincinnati Creative Industries vs. Overall Economy

% Change of Economic Indicators in Cincinnati Creative vs. All Industries (2019-2020)

- Employment: -11.49% (Creative Industries), -16.00% (All Industries)
- Payroll: -5.70% (Creative Industries), -14.00% (All Industries)
- Value Added: -11.08% (Creative Industries), -12.00% (All Industries)
- Economic Output: -2.49% (Creative Industries), -13.84% (All Industries)
Change in Cincinnati Fiscal Contribution

% Change in Tax Revenue (2019-2020)

- Municipalities: -30.52%
- Special Districts: -51.46%
- County: -53.04%
- State: -38.73%
Change in Cleveland Creative Industries vs. Cleveland Overall Economy

% Change of Economic Indicators in Cleveland Creative vs. All Industries (2019-2020)

- Employment: -5.60% vs. -9.30%
- Payroll: -1.31% vs. -3.32%
- Value Added: -15.41% vs. -19.55%
- Economic Output: 0.00% vs. -4.95%
Change in Cleveland Fiscal Contribution

% Change in Tax Revenue (2019-2020)

- Municipalities: -20.11%
- Special Districts: -40.76%
- County: -46.04%
- State: -33.82%
Change in Columbus Creative Industries vs. Overall Economy

% Change of Economic Indicators in Columbus Creative vs. All Industries (2019-2020)

- Employment: Creative Industries -9.96%, All Industries -12.00%
- Payroll: Creative Industries -2.78%, All Industries -3.69%
- Value Added: Creative Industries 1.36%, All Industries 0.03%
- Economic Output: Creative Industries 2.33%, All Industries 11.25%
Change in Columbus Fiscal Contribution

% Change in Tax Revenue (2019-2020)

- Municipalities: -19.96%
- Special Districts: -50.71%
- County: -55.36%
- State: -41.35%
Change in Dayton Creative Industries vs. Overall Economy

% Change of Economic Indicators in Dayton Creative vs. All Industries (2019-2020)

- Employment: -10.83% vs. -2.45%
- Payroll: -6.01% vs. -6.01%
- Value Added: -13.17% vs. 0.21%
- Economic Output: -15.55% vs. -2.26%
Change in Dayton Fiscal Contribution

% Change in Tax Revenue (2019-2020)

- Municipalities: -25.68%
- Special Districts: -40.30%
- County: -46.61%
- State: -33.88%
Change in Toledo Creative Industries vs. Overall Economy

% Change of Economic Indicators in Toledo Creative vs. All Industries (2019-2020)

- Employment: -15.41%
- Payroll: -9.03%
- Value Added: -4.57%
- Economic Output: -6.87%

Creative Industries vs. All Industries
Change in Toledo Fiscal Contribution

% Change in Tax Revenue (2019-2020)

- Municipalities: -26.98%
- Special Districts: -43.66%
- County: -41.28%
- State: -38.52%
Change in Youngstown Creative Industries vs. Overall Economy

% Change of Economic Indicators in Youngstown Creative vs. All Industries (2019-2020)
Change in Youngstown Fiscal Contribution

% Change in Tax Revenue (2019-2020)

- Municipalities: -8.32%
- Special Districts: -14.61%
- County: -16.64%
- State: -17.20%
Key Messages and Next Steps
Creative industries are a critical economic driver in the State of Ohio. Prior to the COVID-19 pandemic, creative industries supported over 329,000 jobs, $18 billion in payroll, and $55 billion in economic output in the State of Ohio.

The COVID-19 pandemic had a severe negative impact on creative industries in Ohio. Between 2019 and 2020, creative industry employment declined by over 41,000 (-12.63%) while total creative industry economic output declined by over $8.6 billion (-15.74%).

The COVID-19 pandemic disproportionately affected creative industries in Ohio. Specifically, decreases (as a percentage) in employment and economic output were 4 times as large compared to the overall Ohio economy.

The decline in creative industry payroll was over 7 times as large compared to the overall Ohio economy, suggesting programs such as the Payroll Protection Program (PPP) did not provide adequate support to employees in creative industries.
Upcoming Releases

One-page infographics for each region and selected counties

Final report in the form of ESRI Story Map with breakout for each region
Thank you!

Questions?