



Ohio Travel
ASSOCIATION

Tourism and Algal Blooms: Economic Impact Fact Sheet 2015

HABs Hurt the Economy and Jeopardize Jobs

Harmful algal blooms (HABs), as well as large masses of nontoxic algae, are a serious threat to the economic well-being of Ohio communities.

In the eight Ohio coastal counties alone, this industry accounts for \$12.9 billion in annual visitor spending, supports 119,591 jobs, and contributes \$1.7 billion in federal, state and local tax revenue (Tourism Economics, 2014). What happens along the Lake Erie coast is important to the entire state. Coastal tourism represents 28% of total tourism-related economic impact in the state.

Inland lakes are also susceptible to harmful algal blooms, so it should be recognized that these blooms can change visitation patterns anywhere.

Spending by Ohio visitors supports not only direct tourism jobs, such as those found in hotels, restaurants, attractions, marinas, retail shops, etc., but also those jobs not typically thought of as tourism-related but which are supported in part by tourism spending. These include businesses that provide services and goods used by the tourism industry, such as accounting services, legal services, restaurant goods and produce, cleaning and office supplies and services, and many more. A reduction in visitors means less local spending occurs in order to accommodate fewer guests and to adjust non-fixed expenditures to balance budgets.

The Ohio tourism industry generates most of its revenue Memorial Day through Labor Day, but it has experienced a growth in visitation and spending post-Labor Day through mid-October. When algal blooms (or media stories about forecasted blooms) start before July, it can have a serious impact on an already short time to conduct business.

Losses are felt through customers leaving early, cancellations, decreased sales, and negative publicity that chase away potential customers.

HABs Create Public Health Risks

Algal blooms create safety and health concerns for our employees and guests. In the Western Basin of Lake Erie, where blooms are most prevalent, this means an estimated 250,000 individuals may be at risk any given weekend.

HABs Taint our Image, Decreasing our Ability to Attract Visitors & Economic Development

Ohio's image as a place to live, work, and play is susceptible to negative news coverage and misperceptions (Longwoods International, Inc., 2005). Combating this negative influence is difficult given existing promotional budgets at the local and state levels, most of which are already below the national average. A negative image influences more than just potential visitors, as "businesses" do not choose to relocate, "people" do. Many decision-makers selecting new business locations are as concerned about quality of life as they are infrastructure availability.

Also, those who are considering purchasing homes in lakeside communities will certainly be less likely to make this investment when hearing about HABs.

Research conducted following a HABs outbreak in Florida shows that presence of blooms did not impact attendance as much as the number of times “red tide” occurred in media searches (Morgan, Larkin, & Adams, 2010). In fact, media coverage of the bloom was correlated to a 20% decrease in visitation.

HABs Impacts are not just a Western Basin Concern, nor are they Limited to when the Blooms Occur

Misperceptions and increased media exposure distort reality. Research in other areas has demonstrated economic losses occur long after the actual bloom occurs and in areas where the blooms were not visible (Hoagland & Scatasta, 2006; Nexus Consulting, 2008). This means Lake Erie HABs are having an economic impact beyond the few communities currently affected and beyond the days when a bloom is recorded.

For additional information or assistance, please contact Melinda Huntley, Executive Director, Ohio Travel Association, at mhuntley@ohiotravel.org or 419.366.4391.

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