



2022 Economic and Fiscal Impact of Ohio's Craft Brewing Industry

May 2023



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Introduction

The Ohio Craft Brewers Association (OCBA) serves as the unified voice and advocate for craft brewers across the state of Ohio. Silverlode Consulting was engaged by OCBA to estimate the economic and fiscal impacts of Ohio’s craft breweries on the state, as well as on each of its seven geographic regions, during calendar year 2022.

IMPLAN (IMpact Analysis for PLANning), one of the most well-respected and widely used methodologies for assessing regional economic impacts, was used to estimate the annual impact of the operating activities of companies served by OCBA. 2019 IMPLAN data, the most current data which reflects pre-COVID-19 economic conditions, was used for this study.

To gather the job, payroll, sales, and other operational information necessary to develop the economic impact estimates, OCBA administered an online survey to 330 craft brewers who are members of the organization. Approximately 179 brewers responded to the survey.

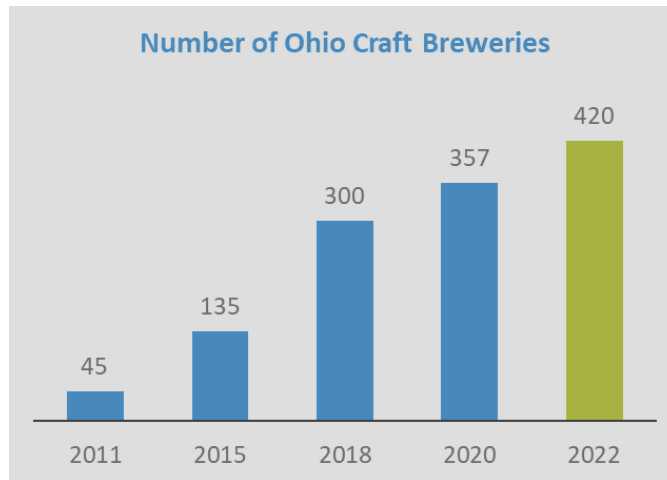
In 2022, Ohio’s craft brewing industry generated an estimated \$1.27 billion of economic activity and supported more than 12,000 jobs in the state. The following table summarizes the impact of the Ohio craft brewing industry operations in 2022 on the state of Ohio.

State of Ohio Impacts		
 <p>\$1.27 billion economic output</p>	 <p>\$141.5 million state and local taxes</p>	 <p>\$389.0 million labor income</p>
 <p>12,040 jobs</p>	 <p>\$85.8 million Federal taxes</p>	 <p>8,095 households supported</p>

While the industry’s monetary impact is significant, the craft breweries’ impact extends far beyond quantitative economic measures. Some of the many ways the industry contributes to economic and community development are highlighted in the *Other Impacts* section of this report.

Ohio's Craft Brewing Industry

At the end of 2022, there were 420¹ Ohio craft breweries in operation, including 44 which opened in 2022. An additional 64 breweries are currently in planning across the state. The number of Ohio craft breweries increased nearly 18% in the last two years (from 357 in 2020). The Brewers Association (BA), the national craft brewing trade association, estimates there were only 45 craft breweries operating in Ohio in 2011. Accordingly, more than 89% of currently operating Ohio craft breweries have opened within the last 11 years. The chart below shows the growth of Ohio craft breweries over the last 11 years.



According to the 2022 OCBA member survey, 75% of brewers which responded to questions about growth have plans to increase production within the next two years and almost half of respondents plan to expand their facilities over the same period.

In addition to the significant growth in the number of Ohio craft breweries, the breweries' employment and production have grown post COVID-19 pandemic. Ohio craft brewing industry jobs increased 48% between 2020 and 2022, while estimated barrel production increased 9% over the two-year period.

Ohio also ranks high in the national craft brewing industry. The BA's Annual Production Report ranked Ohio sixth among U.S. states in craft beer production volume and sixth in economic impact among all states in 2021.

¹ Includes breweries with multiple locations counted individually.

Study Methodology

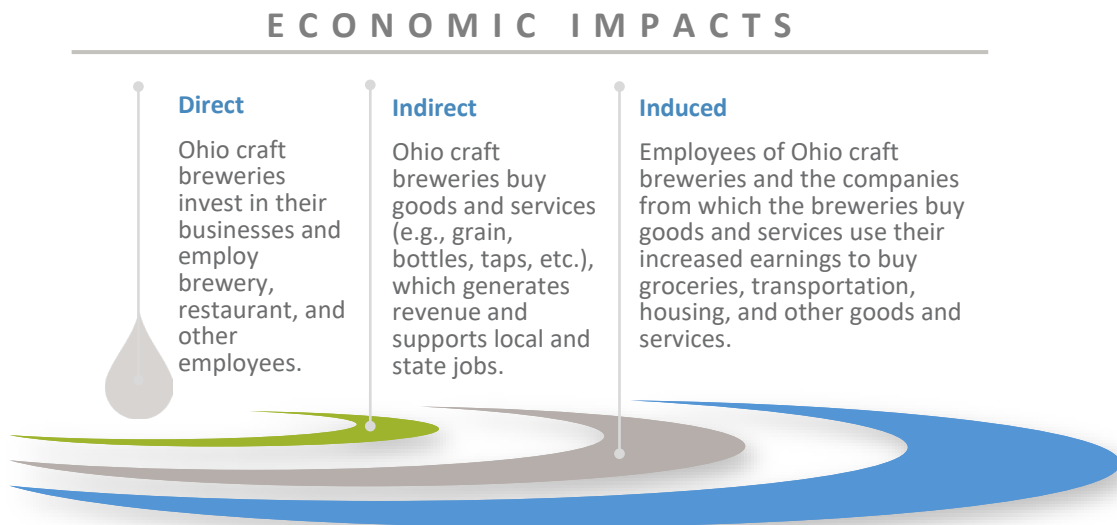
What is an Economic Impact Analysis?

Economic impact analysis comprehensively examines how an organization, industry, or event affects a region's economy. Economic and fiscal impacts can be divided into component parts, which are referred to as direct, indirect, and induced.

A **Direct** effect describes an initial change in the economy and is the starting point for economic impact analysis. Changes in an economy create "ripples" of economic activity throughout the region being analyzed, with the ripples being described as indirect and induced effects.

Indirect effects represent changes in the industries that provide goods and services to the economic activity being modeled (e.g., suppliers and service providers). **Induced** effects represent the impact of changes in household spending resulting from the direct and indirect effects. **Total impact** refers to the final cumulative result of all rounds of direct, indirect, and induced activity.

These ripple effects are quantified using a methodology known as Regional Input-Output Analysis. The diagram below illustrates this ripple activity.



Report Definitions

The table below provides definitions for the terms included in the summary tables and infographics of this report.

	Direct	Indirect and Induced
Economic Output	The total value of goods and services produced by the activity being modeled. Output is roughly equivalent to sales or revenue associated with the direct activity.	IMPLAN estimate of the total value of goods and services produced by indirect and induced economic activity. Output is roughly equivalent to sales or revenue associated with this activity.
Jobs	Jobs directly engaged in the activity being analyzed.	IMPLAN estimate of the number of jobs supported by the purchase of goods and services by the activity being modeled (indirect) as well as by changes in household spending (induced).
Labor Income	Wages and benefits associated with direct jobs.	IMPLAN estimate of the wages, benefits, and proprietor income associated with the indirect and induced economic activity.
Households Supported	Estimate of the number of households supported by the economic activity being analyzed.	Estimate of the number of households supported by indirect and induced economic activity.
State and Local Taxes	IMPLAN estimate of all taxes paid to state and local units of government as a direct result of the economic activity being analyzed.	IMPLAN estimate of all taxes paid to state and local units of government due to indirect and induced economic activity.
Federal Taxes	IMPLAN estimate of all taxes paid to the federal government as a direct result of the economic activity being analyzed.	IMPLAN estimate of all taxes paid to the federal government due to indirect and induced economic activity.

Data and Analysis

IMPLAN, one of the most widely used and accepted methodologies for estimating regional economic impacts, was used to complete the analyses. 2019 IMPLAN data, the most current data available that reflected pre-pandemic economic conditions, was used for this study.

To gather the job, payroll, sales, and other operational information necessary to develop the economic impact estimates, OCBA administered an online survey to approximately 330 member craft breweries. Approximately 179 brewers responded to the survey.

With the assistance of OCBA's executive director, Mary MacDonald, and deputy director, Justin Hemminger, the survey data was extrapolated to estimate the size of the state's craft brewing industry and the size of the industry in each of the regions.

The Brewers Association prepares periodic state-by-state economic impact estimates for the industry, and its most recent estimates were published in 2021. It is important to note there are key differences between this study and the BA study.

The BA study measures the impact of the entire country's craft brewing industry on the state of Ohio, while this study considers the impact of the craft brewers located in Ohio on the economy of the state. As a result, among other things, BA's estimates include the impact of purchases from Ohio goods and services suppliers by craft brewers located outside the state as well as retail/distribution activity in Ohio by out-of-state brewers, while this study does not include those impacts.

About IMPLAN

Portions of this analysis were completed using the IMPLAN (IMpact Analysis for PLANning) economic impact modeling system. IMPLAN is an input-output model that was originally developed by the U.S. Forest Service in the 1970s and is one of the most respected and widely used approaches to regional economic impact analysis. IMPLAN is used by more than 1,000 universities, government agencies, and consultants to estimate the economic and fiscal impacts of investments and/or changes in one or more industries. Data underlying the IMPLAN model is partially derived from industry surveys conducted periodically by the U.S. Bureau of Economic Analysis (BEA) and other sources.

Areas of Analysis

This report includes the following areas of impact analysis:



State of Ohio

The impacts of Ohio craft breweries on the economy of the state of Ohio.



Northwest Region

The impacts of craft breweries located in Allen, Auglaize, Crawford, Defiance, Erie, Fulton, Hancock, Hardin, Henry, Huron, Lucas, Mercer, Ottawa, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, Wood, and Wyandot counties on the economy of the state of Ohio.



Greater Cleveland Region

The impacts of craft breweries located in Ashtabula, Cuyahoga, Geauga, Lake, and Lorain counties on the economy of the state of Ohio.



Northeast Region

The impacts of craft breweries located in Ashland, Carroll, Columbiana, Holmes, Knox, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, and Wayne counties on the economy of the state of Ohio.



Central Region

The impacts of craft breweries located in Delaware, Franklin, Marion, and Morrow counties on the economy of the state of Ohio.



West Central Region

The impacts of craft breweries located in Champaign, Clark, Darke, Fayette, Greene, Logan, Madison, Miami, Montgomery, Preble, Shelby, and Union counties on the economy of the state of Ohio.



Southwest Region

The impacts of craft breweries located in Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland, and Warren counties on the economy of the state of Ohio.



Southeast Region

The impacts of craft breweries located in Athens, Belmont, Coshocton, Fairfield, Gallia, Guernsey, Harrison, Hocking, Jackson, Jefferson, Lawrence, Licking, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pickaway, Pike, Ross, Scioto, Vinton, and Washington counties on the economy of the state of Ohio.

State of Ohio Impacts

2022 Overview

- 420 craft breweries
- 64 breweries in planning
- 9,246 direct jobs
- Approximately 1.3 million barrels of beer produced
- Approximately \$2.4 million and 22,000 volunteer hours contributed by 179 OCBA survey respondents

In 2022, craft breweries in the State of Ohio directly and indirectly supported \$1.27 billion of economic activity in Ohio through their ongoing operations.

The state’s craft breweries directly employed an estimated 9,246 individuals. These direct jobs sustained an additional 2,794 indirect and induced jobs, resulting in a total of 12,040 Ohio jobs.

An estimated \$389.0 million of annual labor income, including benefits, was associated with the total jobs. These jobs and associated earnings sustained 8,095 Ohio households.

The activities of the Ohio craft breweries resulted in the generation of an estimated \$141.5 million of state and local taxes and \$85.8 million of federal taxes during 2022.

State of Ohio Estimated Impacts



\$1.27 billion
economic output



12,040
jobs



\$389.0 million
labor income



8,095
households supported



\$141.5 million
state and local taxes



\$85.8 million
federal taxes

Total Impacts	Direct	Indirect & Induced	Total
Economic Output	\$ 731,768,000	\$ 538,752,000	\$ 1,270,520,000
Jobs	9,246	2,794	12,040
Labor Income	\$ 232,165,000	\$ 156,844,000	\$ 389,009,000
Households Supported	6,216	1,879	8,095

Northwest Region Impacts

2022 Regional Overview

- 57 craft breweries
- 12 breweries in planning
- 848 direct jobs
- Approximately 23,000 barrels of beer produced
- Approximately \$271,000 and 600 volunteer hours contributed by 26 OCBA survey respondents

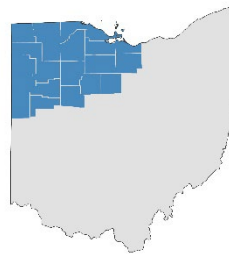
In 2022, craft breweries in the Northwest region directly and indirectly supported \$54.7 million of economic activity in Ohio through their ongoing operations.

The region’s craft breweries directly employed an estimated 848 individuals. These direct jobs sustained an additional 143 indirect and induced jobs, resulting in a total of 991 Ohio jobs.

An estimated \$22.0 million of annual labor income, including benefits, was associated with the total jobs. These jobs and associated earnings sustained 666 Ohio households.

The activities of the Northwest region craft breweries resulted in the generation of an estimated \$5.5 million of state and local taxes and \$4.8 million of federal taxes during 2022.

Northwest Region Estimated Impacts



\$54.7 million
economic output



991
jobs



\$22.0 million
labor income



666
households supported



\$5.5 million
state and local taxes



\$4.8 million
federal taxes

Total Impacts	Direct	Indirect & Induced	Total
Economic Output	\$ 29,575,000	\$ 25,112,000	\$ 54,687,000
Jobs	848	143	991
Labor Income	\$ 14,687,000	\$ 7,317,000	\$ 22,004,000
Households Supported	570	96	666

Greater Cleveland Region Impacts

2022 Regional Overview

- 60 craft breweries
- 14 breweries in planning
- 1,825 direct jobs
- Approximately 214,000 barrels of beer produced
- Approximately \$243,000 and 13,300 volunteer hours contributed by 21 OCBA survey respondents

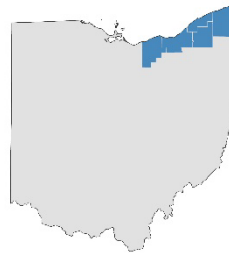
In 2022, craft breweries in the Greater Cleveland region directly and indirectly supported \$237.7 million of economic activity in Ohio through their ongoing operations.

The region’s craft breweries directly employed an estimated 1,825 individuals. These direct jobs sustained an additional 578 indirect and induced jobs, resulting in a total of 2,403 Ohio jobs.

An estimated \$85.9 million of annual labor income, including benefits, was associated with the total jobs. These jobs and associated earnings sustained 1,616 Ohio households.

The activities of the Greater Cleveland region craft breweries resulted in the generation of an estimated \$27.5 million of state and local taxes and \$18.2 million of federal taxes during 2022.

Greater Cleveland Region Estimated Impacts



\$237.7 million
economic output



2,403
jobs



\$85.9 million
labor income



1,616
households supported



\$27.5 million
state and local taxes



\$18.2 million
federal taxes

Total Impacts	Direct	Indirect & Induced	Total
Economic Output	\$ 125,387,000	\$ 112,294,000	\$ 237,681,000
Jobs	1,825	578	2,403
Labor Income	\$ 52,761,000	\$ 33,147,000	\$ 85,908,000
Households Supported	1,227	389	1,616

Northeast Region Impacts

2022 Regional Overview

- 82 craft breweries
- 10 breweries in planning
- 1,382 direct jobs
- Approximately 46,000 barrels of beer produced
- Approximately \$405,000 and 2,000 volunteer hours contributed by 34 OCBA survey respondents

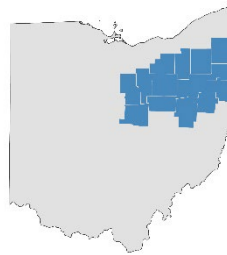
In 2022, craft breweries in the Northeast region directly and indirectly supported \$123.1 million of economic activity in Ohio through their ongoing operations.

The region’s craft breweries directly employed an estimated 1,382 individuals. These direct jobs sustained an additional 318 indirect and induced jobs, resulting in a total of 1,700 Ohio jobs.

An estimated \$42.2 million of annual labor income, including benefits, was associated with the total jobs. These jobs and associated earnings sustained 1,143 Ohio households.

The activities of the Northeast region craft breweries resulted in the generation of an estimated \$14.2 million of state and local taxes and \$9.5 million of federal taxes during 2022.

Northeast Region Estimated Impacts



\$123.1 million
economic output



1,700
jobs



\$42.2 million
labor income



1,143
households supported



\$14.2 million
state and local taxes



\$9.5 million
federal taxes

Total Impacts	Direct	Indirect & Induced	Total
Economic Output	\$ 65,609,000	\$ 57,494,000	\$ 123,103,000
Jobs	1,382	318	1,700
Labor Income	\$ 26,217,000	\$ 15,942,000	\$ 42,159,000
Households Supported	929	214	1,143

Central Region Impacts

2022 Regional Overview

- 68 craft breweries
- 11 breweries in planning
- 1,914 direct jobs
- Approximately 149,000 barrels of beer produced
- Approximately \$456,000 and 2,300 volunteer hours contributed by 31 OCBA survey respondents

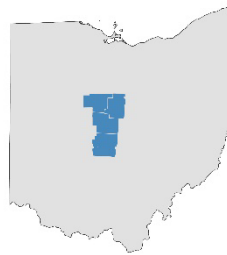
In 2022, craft breweries in the Central region directly and indirectly supported \$201.7 million of economic activity in Ohio through their ongoing operations.

The region’s craft breweries directly employed an estimated 1,914 individuals. These direct jobs sustained an additional 521 indirect and induced jobs, resulting in a total of 2,435 Ohio jobs.

An estimated \$80.0 million of annual labor income, including benefits, was associated with the total jobs. These jobs and associated earnings sustained 1,637 Ohio households.

The activities of the Central region craft breweries resulted in the generation of an estimated \$19.7 million of state and local taxes and \$15.8 million of federal taxes during 2022.

Central Region Estimated Impacts



\$201.7 million
economic output



2,435
jobs



\$80.0 million
labor income



1,637
households supported



\$19.7 million
state and local taxes



\$15.8 million
federal taxes

Total Impacts	Direct	Indirect & Induced	Total
Economic Output	\$ 103,583,000	\$ 98,136,000	\$ 201,719,000
Jobs	1,914	521	2,435
Labor Income	\$ 51,646,000	\$ 28,402,000	\$ 80,048,000
Households Supported	1,287	350	1,637

West Central Region Impacts

2022 Regional Overview

- 36 craft breweries
- Three breweries in planning
- 526 direct jobs
- Approximately 21,000 barrels of beer produced
- Approximately \$157,000 and 400 volunteer hours contributed by 19 OCBA survey respondents

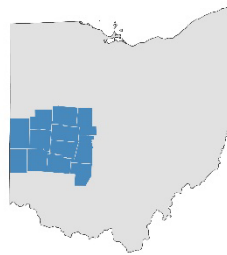
In 2022, craft breweries in the West Central region directly and indirectly supported \$46.7 million of economic activity in Ohio through their ongoing operations.

The region’s craft breweries directly employed an estimated 526 individuals. These direct jobs sustained an additional 119 indirect and induced jobs, resulting in a total of 645 Ohio jobs.

An estimated \$16.9 million of annual labor income, including benefits, was associated with the total jobs. These jobs and associated earnings sustained 434 Ohio households.

The activities of the West Central region craft breweries resulted in the generation of an estimated \$5.0 million of state and local taxes and \$3.6 million of federal taxes during 2022.

West Central Region Estimated Impacts



\$46.7 million
economic output



645
jobs



\$16.9 million
labor income



434
households supported



\$5.0 million
state and local taxes



\$3.6 million
federal taxes

Total Impacts	Direct	Indirect & Induced	Total
Economic Output	\$ 24,895,000	\$ 21,772,000	\$ 46,667,000
Jobs	526	119	645
Labor Income	\$ 10,716,000	\$ 6,197,000	\$ 16,913,000
Households Supported	354	80	434

Southwest Region Impacts

2022 Regional Overview

- 74 craft breweries
- Eight breweries in planning
- 1,943 direct jobs
- Approximately 773,000 barrels of beer produced
- Approximately \$781,000 and 2,900 volunteer hours contributed by 31 OCBA survey respondents

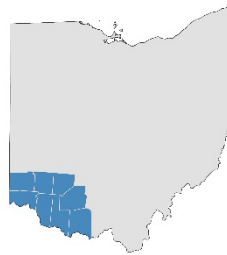
In 2022, craft breweries in the Southwest region directly and indirectly supported \$470.4 million of economic activity in Ohio through their ongoing operations.

The region’s craft breweries directly employed an estimated 1,943 individuals. These direct jobs sustained an additional 850 indirect and induced jobs, resulting in a total of 2,793 Ohio jobs.

An estimated \$117.7 million of annual labor income, including benefits, was associated with the total jobs. These jobs and associated earnings sustained 1,878 Ohio households.

The activities of the Southwest region craft breweries resulted in the generation of an estimated \$53.5 million of state and local taxes and \$27.8 million of federal taxes during 2022.

Southwest Region Estimated Impacts



\$470.4 million
economic output



2,793
jobs



\$117.7 million
labor income



1,878
households supported



\$53.5 million
state and local taxes



\$27.8 million
federal taxes

Total Impacts	Direct	Indirect & Induced	Total
Economic Output	\$ 295,445,000	\$ 174,953,000	\$ 470,398,000
Jobs	1,943	850	2,793
Labor Income	\$ 64,944,000	\$ 52,729,000	\$ 117,673,000
Households Supported	1,306	572	1,878

Southeast Region Impacts

2022 Regional Overview

- 43 craft breweries
- Six breweries in planning
- 808 direct jobs
- Approximately 31,000 barrels of beer produced
- Approximately \$69,000 and 200 volunteer hours contributed by 17 OCBA survey respondents

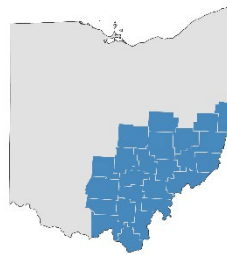
In 2022, craft breweries in the Southeast region directly and indirectly supported \$136.3 million of economic activity in Ohio through their ongoing operations.

The region’s craft breweries directly employed an estimated 808 individuals. These direct jobs sustained an additional 265 indirect and induced jobs, resulting in a total of 1,073 Ohio jobs.

An estimated \$24.3 million of annual labor income, including benefits, was associated with the total jobs. These jobs and associated earnings sustained 721 Ohio households.

The activities of the Southeast region craft breweries resulted in the generation of an estimated \$16.1 million of state and local taxes and \$6.3 million of federal taxes during 2022.

Southeast Region Estimated Impacts



\$136.3 million
economic output



1,073
jobs



\$24.3 million
labor income



721
households supported



\$16.1 million
state and local taxes



\$6.3 million
federal taxes

Total Impacts	Direct	Indirect & Induced	Total
Economic Output	\$ 87,274,000	\$ 48,989,000	\$ 136,263,000
Jobs	808	265	1,073
Labor Income	\$ 11,195,000	\$ 13,110,000	\$ 24,305,000
Households Supported	543	178	721

Other Impacts

Ohio's craft brewing industry positively shapes Ohio's economy and communities in ways which extend far beyond quantitative economic measures. Some of these contributions, as reported by brewers in the OCBA member surveys, are highlighted here.

Construction Impacts

Survey respondents, who represent only a portion of the craft brewers in the state, reported investing approximately \$30 million in construction projects and close to \$18 million in equipment in 2022. Further, 75% of survey respondents stated that their brewery plans to increase production within the next two years and half of respondents reported that their brewery is planning a facility expansion over the same period.

Economic and Community Development

Much of the economic impact of the craft brewing industry occurs within the neighborhood where the brewery is located, and craft breweries often catalyze development in the areas that surround them. Many of Ohio's craft breweries have creatively renovated vacant commercial, public, and even religious buildings, converting them into engines for neighborhood development and accessible job creation.

Community Impact

Beyond offering hip places for people to eat and drink, Ohio breweries also serve as community gathering places, with survey respondents reporting hosting community nights, concerts, workshops, fundraisers, and countless other place-making activities. These activities contribute immeasurably to the fabric of the communities in which the breweries operate.

In addition to regularly producing special and collaborative beers to raise money for charities, Ohio craft brewers give back to their communities through a wide range of efforts including cleaning up beaches and rivers, hosting food drives, donating brewery space, sponsoring and mentoring youth, and collecting food and clothing. Some breweries even donate a portion of all sales to local nonprofits.

The 179 brewers that responded to the survey donated approximately \$2.4 million to charitable causes and donated an estimated 22,000 volunteer hours in 2022.

About OCBA

The Ohio Craft Brewers Association was founded in 2008 and serves to unify the growing Ohio brewing community, market Ohio manufactured beers throughout the State and beyond, and monitor and promote a strong beer industry in Ohio. The OCBA provides membership opportunities for Ohio brewers, industry partners, and craft beer enthusiasts, and seeks to create a more inclusive craft brewing community.

For Ohio brewers, the OCBA offers advertising and marketing opportunities, technical and educational conferences and seminars, community-building connections between brewers and businesses that support the industry, numerous member events, insurance discounts, advocacy, and other benefits.

Member and Industry Participants

The participation of the OCBA members who responded to the survey, along with the support of all OCBA members, is sincerely appreciated. Additionally, Dr. Bart Watson of the Brewers Association provided valuable industry data which was critical to the development of this report.

About Silverlode Consulting

Silverlode Consulting was founded in 2002 by two leaders of EY's and PwC's consulting practices. As a national leader in the field of economic impact analysis, we have helped hundreds of organizations, ranging from non-profit arts groups to multi-national corporations, to measure their impacts on their communities and communicate those impacts to their stakeholders.

By meticulously estimating and effectively communicating the direct, indirect and induced jobs, earnings, taxes, and other impacts of projects, the presence of an organization, or an investment in a community, our work has helped clients to gain approvals, secure funding, and positively shift public opinion. More information about our firm and our work in economic impact analysis can be found on our website www.silverlodeconsulting.com.