

# CLEVELAND2016

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## HOST COMMITTEE

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## 2016 REPUBLICAN NATIONAL CONVENTION PROVIDES NEARLY \$200 MILLION IN ECONOMIC IMPACT TO REGION, CONTRIBUTES TO CHANGING CLEVELAND'S NARRATIVE

**CLEVELAND** (August 3, 2017) – The [Cleveland 2016 Host Committee](#) announced today that Cleveland's hosting of the 2016 Republican National Convention resulted in up to \$188.4 million of economic benefit to a seven-county region (Cuyahoga, Lake, Geauga, Lorain, Summit, Medina, and Erie) according to Tourism Economics, the national leader in event impact analysis that has conducted hundreds of similar studies including the 2012 and 2016 DNC economic impact studies as well as the economic impact study for the 2012 London Olympics.

Additionally, the jobs and labor income generated by the city's hosting of the RNC were significant with 1,324 FTE positions created on an annualized basis through the hosting, translating to \$61.1 million in income for area residents. The economic activity associated with the RNC also produced \$10.2 million in state and local tax revenue for the seven-county region, putting dollars into the budgets of cities and counties to fund resident programs and services.

To help civic, government and corporate leaders evaluate and best understand the macro and micro impact of this multi-tiered and seminal event for Cleveland, the Host Committee commissioned studies from Tourism Economics and Cleveland State University's Maxine Goodman Levin College of Urban Affairs. The organizations used different approaches and methodologies and, as a result, provide complementary findings to illustrate the benefits of the public, private and civic investment in the hosting effort.

"While the different approaches and methodologies provide two different figures for the economic impact, both studies confirm what we already knew: political conventions provide platforms for long-term impact in addition to short-term financial infusions," said David Gilbert, President and CEO of the Cleveland 2016 Host Committee. "That bottom line mirrors our goals from the day Cleveland was chosen as the host city: the Convention infused revenue into our economy that wouldn't have otherwise been realized, and, possibly more importantly, it launched Cleveland on a national and international trajectory in regard to awareness and reputation."

### KEY FINDINGS

#### Tourism Economics Analysis

Tourism Economics offers a macro view and utilized the industry-standard economic impact model created for Destinations International to produce the following outcomes:

- The 2016 RNC produced \$110.1 million in direct spending and \$188.4 million in economic impact in a seven-county region. *(Note: Visitor spending estimate based on sample size of 1,793 from 2015 Longwoods International Visitor Spending Study commissioned by Destination Cleveland.)*
- Hotels averaged 88 percent peak occupancy rate in the seven-county region and 99 percent in Downtown Cleveland during the five core nights of the Convention. Airbnb provided much-needed capacity with guest night bookings increasing more than 300 percent compared with the two weeks prior and following the Convention.

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- Hotels more than doubled their average daily rates in 2016 over 2015. Airbnb's average nightly prices also more than doubled.
- The jobs and labor income generated by the city's hosting of the RNC were significant. The 1,324 FTE positions generated (on an annualized basis) through the hosting translated to \$61.1 million in income for residents.
- The economic activity associated with the RNC generated \$10.2 million in state and local tax revenue for the seven-county region, providing funds to support resident programs and services.

### **Cleveland State University Maxine Goodman Levin College of Urban Affairs Analysis**

Cleveland State University's micro analysis focused on downtown hotels and based its spending study on 296 questionnaires completed on and around Public Square by convention week visitors, giving a ground-level view and lessons that can be applied to future events:

- The CSU study affirmed our belief that events like the RNC can be used to change people's impressions of Cleveland.
  - Survey participants asked how they would describe Cleveland before attending the RNC included words like "rust belt," "dull," "boring" and "dangerous." Asked to describe the city since attending the RNC, the most popular words were "friendly," "nice," "clean" and "safe."
- Renting out living space to visitors in close proximity to such large events was a viable option for Clevelanders. Previous political conventions documented the lack of a market for convention city residents trying to rent out their homes or apartments.
  - The study showed that apartment tenants and the associated rental property owners made more than \$500,000 during convention week through a rental program coordinated by the Downtown Cleveland Alliance.
- Using a conservative approach to economic impact that discounted millions of dollars in spending by local entities, Cleveland State University researchers estimated the 2016 RNC produced \$67.8 million in direct spending (73 percent of which was visitor spending) with the Convention producing a total economic impact of \$142.2 million in a seven-county region.
- The CSU researchers specified that "due to the nature of using survey-based responses and spending estimates, it is likely that not all visitor spending was modeled. All assumptions that affected the economic impact model offer conservative estimates of actual spending."

### **LONG-TERM BENEFITS**

Beyond the financial output, Cleveland's hosting of the 2016 Republican National Convention delivered several tangible benefits to the community – the majority of which contribute to helping improve perceptions of Cleveland around the country and the world. The RNC provided:

- The opportunity to help improve Cleveland's narrative through extensive media coverage.
  - Approximately 15,000 credentialed media used Cleveland as a backdrop to tie into and discuss issues related to the political discourse. This resulted in more than 3,000 story pick-ups highlighting various aspects of the Cleveland renaissance; 76 percent of those stories were positive or neutral in tone. A full report of the media relations activity of the Cleveland 2016 Host Committee can be found [here](#).
  - An examination of the overall nonpolitical (community) coverage emerging from Cleveland and Philadelphia, which hosted the Democratic National Convention, shows that stories about Cleveland accounted for three times more of the media coverage leading up to, during and just after the RNC (July 11-22) than stories about Philadelphia did leading up to, during and just after the DNC (July 18-30).

- When compared to the previous two Republican National Convention Host Committees, the 10.3 billion impressions garnered by the Cleveland Host Committee's outreach was on par with previous efforts. Both the Minneapolis-Saint Paul and Tampa Bay host committees reported 10 billion media impressions for their respective regions as a result of hosting the Republican National Convention. It's worth noting, however, that the media impressions reported by Tampa Bay also included mentions of the city by the party's nominee throughout the 2012 election cycle which only contribute to awareness of a city's presence. The impressions generated through the Cleveland Host Committee's efforts worked "harder" by contributing to improving perceptions of Cleveland rather than just raising awareness of the city.
- Acceleration of projects and enhancements that will benefit residents and visitors for years to come.
  - Cleveland State University researchers noted: "This acceleration benefited both the city and the region by updating amenities and public spaces sooner than might have occurred without the RNC selection." Examples of those enhancements include the renovation of Public Square, the new Hilton Cleveland Downtown, renovations at Cleveland Hopkins International Airport and city-wide beautification efforts.
- Exposure for the city to people who wouldn't likely have traveled to Cleveland in 2016.
  - The ability to show off the city firsthand will pay dividends for years to come – translating to dollars spent in Cleveland that wouldn't otherwise have been through both business and leisure travel as well as capital investment.

The Cleveland hosting of the RNC has also contributed to unprecedented growth in sales leads for future meetings and conventions at Destination Cleveland. At the time the city was selected (July 2014) as the host of the 2016 RNC, Destination Cleveland received an average of 43 leads per month for future convention business. Since that announcement, Cleveland is being considered as a host for meetings and conventions that wouldn't have had Cleveland on their radar screen. The organization now averages nearly double its 2014 lead volume. In 2017, the monthly average is more than 75 leads.

Additionally, the region's pre-RNC infrastructure investments combined with the media coverage we received due to the RNC hosting have brought many conventions to Cleveland, such as:

- Experient's Envision Conference (March 2017)
- Hemophilia Federation of America Symposium 2018
- 2018 Summer National NeedleArts Association Tradeshow
- Python Software Foundation PyCon Annual Convention 2019
- National Association of College and University Food Services Annual Meeting 2021

"Successfully hosting more than 15,000 credentialed media from around the world for the 2016 Republican National Convention affirmed the narrative that Cleveland truly is back in the convention business and capable of handling a large-scale, city-wide convention, trade show, or industry meeting," said Dave Johnson, Director of Public Relations and Communication, Huntington Convention Center of Cleveland and Global Center for Health Innovation. "The 2016 RNC showcased the versatility and capability of the Global Center for Health Innovation and the Huntington Convention Center of Cleveland, including a best-in-class technology package, and has certainly provided our team with the credentials and track record to compete on equal ground with other convention destinations."

### **NATIONAL POLITICAL CONVENTION ECONOMIC IMPACT COMPARISON (2008 – 2016)**

Based on impact reports released by previous host committees, the direct spending and economic impact of the 2016 Republican National Convention in the seven-county area are comparable to the previous five national political conventions.

- Since 2008, direct spending related to both the DNC and RNC has ranged from \$89 million to \$154 million – putting Cleveland right in the middle of those figures at \$110 million.

- Since 2008, total economic impact related to both the DNC and RNC has ranged from \$163.6 million to \$266 million – again putting Cleveland right in the middle of those figures at \$188.4 million.

<b>Convention - Host City</b>	<b>Estimated Attendees</b>	<b>Direct Spending (in Millions)</b>	<b>Total Economic Impact (in Millions)</b>
2008 DNC - Denver	50,000	\$133.5	\$266.1
2008 RNC - St. Paul	45,000	\$153.7	\$168.2
2012 DNC – Charlotte**	35,000	\$91.0	\$163.6
2012 RNC - Tampa	50,000	\$88.8*	\$183.6*
2016 DNC - Philadelphia**	54,000	\$132.9	\$230.9
2016 RNC - Cleveland**	48,000	\$110.1	\$188.4

*\*Adjusted figures exclude standard telecomm/utility upgrades, which economists view as invalid inputs*

*\*\*Studies completed by Tourism Economics*

*SOURCES: 2008 – 2016 RNC & DNC Host Committee Economic Impact Reports*

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### **ABOUT CLEVELAND 2016 HOST COMMITTEE**

*The Cleveland 2016 Host Committee, Inc. is an Ohio nonprofit corporation with no political affiliation that was responsible for organizing, hosting and funding the 2016 Republican National Convention in Cleveland. Their mission was to promote Northeast Ohio and ensure Cleveland was best represented in addition to lessening the burden of local governments in hosting the 2016 Republican National Convention. For more information visit [www.2016cle.com](http://www.2016cle.com).*

### **ABOUT TOURISM ECONOMICS**

*Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.*

*Oxford Economics was founded in 1981 as a commercial venture with Oxford University’s business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world’s foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Oxford Economics is a key adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base now comprises over 1,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.*

### **ABOUT CLEVELAND STATE UNIVERSITY**

*Founded in 1964, Cleveland State University is a public research institution that provides a dynamic setting for Engaged Learning. With 17,000-plus students, ten colleges and schools and more than 175 academic programs, CSU was again chosen for 2017 as one of America’s best universities by U.S. News & World Report. Find more information at [www.csuohio.edu](http://www.csuohio.edu).*