

2015 Economic Impact of the Cleveland Harbor: *Executive Summary*

Conducted by Martin Associates
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All Photos Courtesy of the Port of Cleveland

Overview of the Cleveland Harbor

The Port of Cleveland is located on the southern shore of Lake Erie in the State of Ohio. The Port is a major node in the Great Lakes transportation system, serving both regional ports in the United States and Canada as well as overseas ports. There are four public marine terminals at the Port of Cleveland handling containers, iron ore, limestone, cement, and break bulk cargoes such as steel coils and project cargo. Additionally,

there are thirteen private terminals operating on the Cuyahoga River, from the confluence with the Old River to the Denison Avenue Bridge. These private terminals handle commodities including sand and aggregates, limestone, coal and coke, salt, slag, cement, and petroleum products. In total, these terminals handled 13.3 million tons of cargo in 2015 and 850 vessel and barge calls.

Economic Impact Analysis Methodology

Martin Associates was retained by the Port of Cleveland to measure the local and regional economic impacts generated by cargo and vessel activity at the Cleveland Harbor. The study employs methodology and definitions that have been used by Martin Associates over the past 30 years to measure the economic impacts of seaport activity at more than 300 ports in the United States and Canada.

The impacts are measured for calendar year 2015 and are estimated in terms of jobs, personal earnings, business revenue, and state and local taxes. The economic model can be used to estimate annual updates, as well as test the sensitivity of the impacts to changes in factors such as marine cargo tonnage levels, labor

productivity, commodity mix, and inland origins/destinations of commodities. The model can also be used to evaluate impacts of new terminal development and conduct annual updates.

The study is based on interviews with 78 firms providing services to the cargo and vessels handled at the Cleveland Harbor marine terminals. These 78 firms represent 96% of the defined population of tenants and service providers in the Port's seaport community, underscoring the defensibility of the study. The data collected from the interviews was then used to develop these operational and economic models.

2015 Economic Impacts of the Port of Cleveland - Summary of Results

20,273 jobs
supported by maritime
activity

- Direct Jobs: 4,084
- Induced Jobs: 3,993
- Indirect Jobs: 6,649
- Related Users: 5,546

\$3.5 billion of total
economic value
supported in the
region

- \$514.7 revenue to businesses supplying cargo and vessel handling services
- \$1.3 billion revenue from Port dependent tenants
- \$516.8 million of re-spending of direct income and local consumption
- \$1.1 billion of related business revenue with Port users

\$1.4 billion total
personal income and local
consumption

- Direct: \$237.3
- Re-spending/Local Consumption: \$516.8 million
- Indirect: \$312.3 million
- Related Users: \$378.0 million

\$140.1 million of state
and local taxes

- Direct, Induced and Indirect: \$103.4 million
- Related Users: \$36.7 million

2015 Port of Cleveland Economic Impact Results

The 13.3 million tons of cargo handled by the terminals in the Cleveland Harbor in 2015 generated 14,726 direct, induced, and indirect jobs in the Cleveland region. Of these 14,726 jobs, **4,084 direct jobs** were generated by marine cargo and vessel activity. As a result of local and regional purchases by those 4,084 individuals, an additional **3,993 induced jobs** were supported in the regional economy. Another **6,649 indirect jobs** were supported by \$626.6 million of local purchases made by businesses supplying services at the marine terminals and by businesses dependent on the marine terminals.



Jobs related to the marine cargo imported and exported via the public and private marine terminals accounted for 5,546 jobs. These jobs with shippers and consignees moving cargo through the marine terminals, are not dependent upon the Port marine terminals to the same extent as are the direct, induced, and indirect jobs. It is the demand for final products which creates the demand for the employment with these shippers/consignees, not the use of Cleveland terminals, and therefore these firms can and do use other ports.

The total economic value to the Cleveland region is measured at **\$3.5 billion**. This includes the \$514.7 million of direct business revenue, the re-spending and local consumption impact of \$516.8 million, the related user output of \$1.1 billion, and the \$1.3 billion of revenue from port

dependent tenants. This dollar value represents the sphere of influence of the marine terminals in 2015.

\$237.2 million of direct wages and salaries were received by those 4,084 directly employed, representing an average salary of \$58,086. As a result of re-spending this income, an additional \$516.8 million of income and consumption expenditures was created. The 6,649 indirect job holders received \$312.3 million of indirect wages and salaries. An additional \$378.0 million was received by the related port users. In total, **\$1.4 billion of personal income was supported by Cleveland Harbor operations.**



State and local taxes supported by activity at the marine terminals totaled **\$140.1 million**, which includes \$103.4 million of direct, induced, and indirect state and local revenue, as well as nearly \$36.7 million state and local taxes that were supported by the economic activity of related users of the cargo moving through the Port.

2008 vs 2015 Marine Cargo Impacts Comparison

Martin Associates conducted the previous economic impact study for the Port of Cleveland based on 2008 cargo activity. Because the same methodology was used during both studies, direct comparisons can be made. Between 2008 and 2015, cargo activity at the Port's public and private marine terminals increased by 4.1 million tons. The overall growth in this tonnage was driven by iron ore handled and transshipment by Cleveland Bulk Terminal, and the development of the new liner service, Cleveland-Europe

Express Liner Service, handling containerized and break bulk cargoes, as well as project cargo for local and regional importers and exporters. As a result, direct, induced, and indirect jobs grew by 349 jobs, and an additional 2,400 jobs with local and regional importers and exporters were supported by the cargo and vessel activity in 2015. Furthermore, overall economic value of the Port grew from \$2.3 billion to \$3.5 billion.

Summary

In summary, 20,273 jobs in the region were supported by the activity at the public and private marine terminals located in the Port of Cleveland. Additionally, the cargo activity supported a total of \$3.5 billion of total economic activity. In order to continue to grow the economic contribution of the Port of Cleveland, it is critical that the Port continues to invest in facility and infrastructure, and to grow the Cleveland-Europe Express Liner Service to serve local and regional importers and exporters of containerized and break bulk cargo.