

# THE ECONOMIC IMPACT OF MARYLAND'S CRAFT BEER INDUSTRY

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# COLLABORATIVE EFFORT

- Driven by Self-Reporting of Maryland's Breweries
- Survey developed with input from Brewers Association of Maryland, National Brewer's Association, and other states
- Solicited and obtained participation with assistance from the Brewers Association of Maryland (e.g., association weekly newsletter, direct phone calls)

# RESULTS OF EFFORT

- 34 out of Maryland's 82 Breweries Reported
- Representative Population Sample
  - Sample scaled to full population
- Entered Information into IMPLAN
  - Widely Used Economic Analysis Tool
  - Input/Output Model
  - Identifies Industry Specific Flows of Trade
  - Estimates the Direct, Indirect and Induced Impact

# DEFINITIONS

- **Direct Effect** – economic activity generated by the industries that brew, distribute, and sell craft beer
- **Indirect Effect** – economic activity generated through the supply chain
- **Induced Effect** – economic activity generated from household spending resulting from above two effects

# ECONOMIC IMPACT

Maryland Craft Beer Production				
Impact Type	Employment	Labor Income	Value Added	Output
Direct	4,953	\$140,021,976	\$198,640,864	\$375,406,423
Indirect	613	\$40,416,044	\$70,431,982	\$119,509,714
Induced	975	\$47,868,945	\$86,448,361	\$142,688,516
<b>TOTAL</b>	<b>6,541</b>	<b>\$228,306,965</b>	<b>\$355,521,207</b>	<b>\$637,604,654</b>

## Notes:

- The above economic activity produces **\$53.1 million in state and local taxes** and **\$55.3 million in federal taxes**
- The above includes craft beer produced in Maryland
  - Including impact from out-of-state production, the total craft beer economic footprint is **\$802.7 million**
  - The economic value to Maryland is 54% greater per unit when the beer is brewed in Maryland

# ECONOMIC IMPACT ON THE THREE TIERS

Maryland Production Breweries				
Impact Type	Employment	Labor Income	Value Added	Output
Direct	430	\$12,377,191	\$34,451,551	\$94,845,325
Indirect	142	\$10,125,968	\$16,488,189	\$31,080,424
Induced	121	\$5,963,911	\$10,771,098	\$17,777,307
<b>TOTAL</b>	<b>693</b>	<b>\$28,467,070</b>	<b>\$61,710,839</b>	<b>\$143,703,056</b>

Maryland Beer Distributors				
Impact Type	Employment	Labor Income	Value Added	Output
Direct	201	\$18,056,998	\$33,509,274	\$51,924,506
Indirect	114	\$7,337,620	\$11,799,546	\$19,023,828
Induced	137	\$6,734,960	\$12,163,138	\$20,075,671
<b>TOTAL</b>	<b>452</b>	<b>\$32,129,578</b>	<b>\$57,471,958</b>	<b>\$91,024,005</b>

# ECONOMIC IMPACT ON THE THREE TIERS

CONTINUED

Maryland Retailers, Restaurants, & Bars				
Impact Type	Employment	Labor Income	Value Added	Output
Direct	4,322	\$109,587,787	\$130,680,038	\$228,636,593
Indirect	357	\$22,952,456	\$42,144,246	\$69,405,462
Induced	717	\$35,170,074	\$63,514,126	\$104,835,538
<b>TOTAL</b>	<b>5,395</b>	<b>\$167,710,317</b>	<b>\$236,338,410</b>	<b>\$402,877,593</b>

# LABOR INTENSIVE INDUSTRY

## Economic Impact per \$20,000 Revenue in Brewing vs. Maryland's Top Five Industries

Industry	Jobs	Wages	Value Added	Output
Local Government, Education	0.30	\$22,304	\$28,467	\$33,979
Federal Government, Non-Military	0.16	\$16,487	\$26,259	\$30,333
Real Estate	0.13	\$4,813	\$20,261	\$27,614
Hospitals	0.24	\$16,094	\$22,204	\$37,474
Wholesale Trade	0.03	\$2,190	\$3,918	\$6,206
<i>Average</i>	0.17	\$12,378	\$20,222	\$27,121
<b>Brewing</b>	<b>1.36</b>	<b>\$47,410</b>	<b>\$73,827</b>	<b>\$132,405</b>



# ADDITIONAL ECONOMIC & REVENUE FACTS

- \$53.1M State and Local Tax Revenue
- \$55.3M Federal Tax Revenue
- If Include Non-MD Brand Beer: \$802.7M
  - \$637.6M Without
- 54% greater impact if craft beer consumed in Maryland is produced local craft brewers

# MARYLAND HAS ROOM TO IMPROVE

- Per 21+ Adult:
  - 47<sup>th</sup> in Economic Impact
  - 36<sup>th</sup> in Number of Breweries
  - 25<sup>th</sup> in Gallons Produced
- Net Importer of Craft Beer
  - Produces 247K Barrels
  - Consumes 275K Barrels

# ECONOMIC IMPACT WITH ELEVATED PRODUCTION LEVELS

Production Level	Barrels Produced	Jobs	Labor Income	Value Added	Output
MD Current	247,151	6,541	\$228.3M	\$355.5M	\$637.6M
Export Neutral	275,139	6,620	\$233.6M	\$366.6M	\$659.7M
Par w/ Neighbors (DE,DC,PA,VA)	803,478	8,043	\$327.9M	\$566.8M	\$1,063.0M
Highest State Rate (VT)	2,348,173	12,205	\$603.8M	\$1,152.2M	\$2,242.1M

# QUESTIONS?

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