

# Economics and Demographics of the Beer Industry in Maryland

A demographic and economic review of the  
alcohol beverage market

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National Beer Wholesalers Association



# Alcohol Consumption Over Time

## Do You Have Occasion to Drink Alcohol?

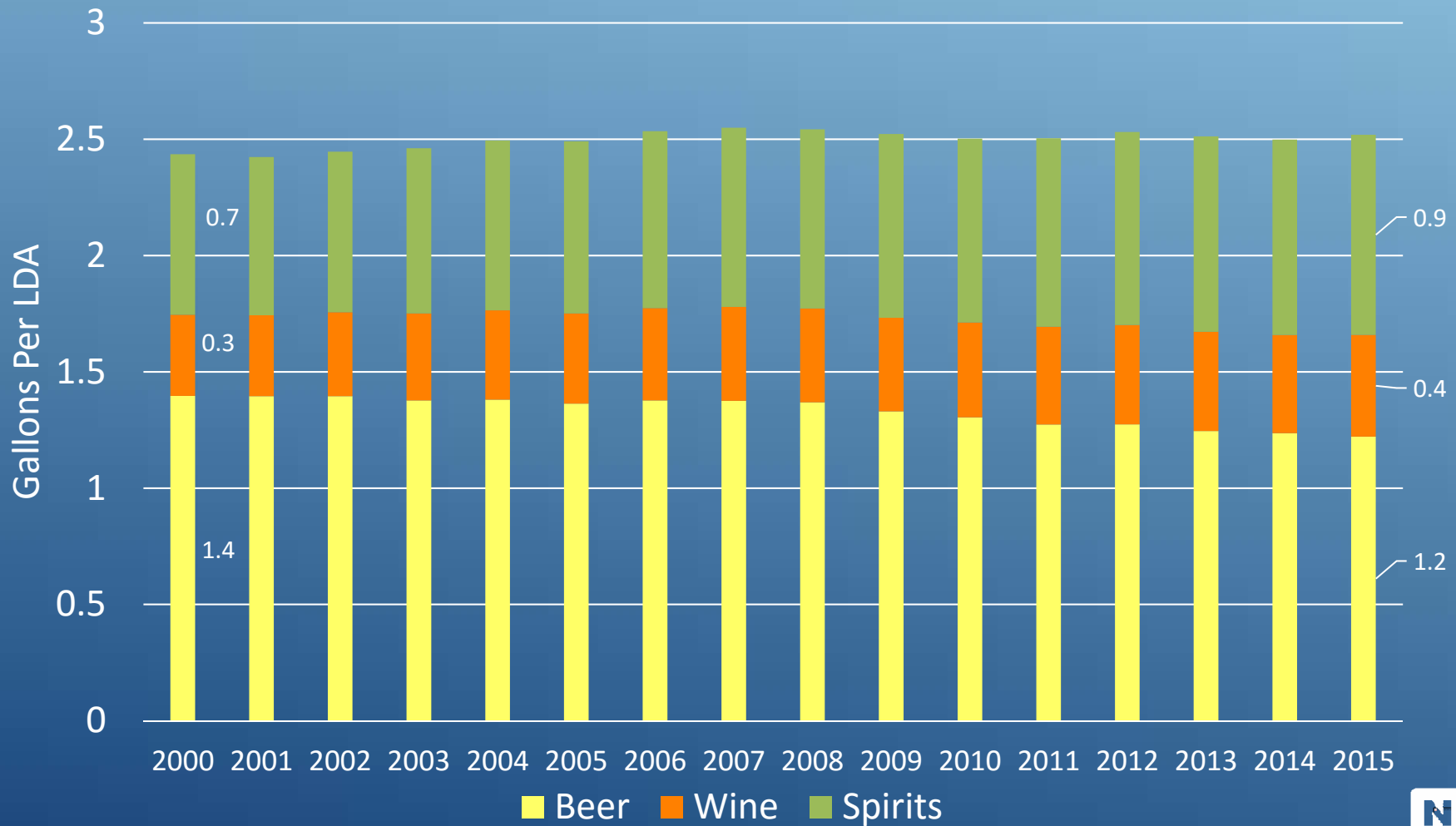


Source: Gallup Poll, National - 2016.



# Competition for Drinking Occasions

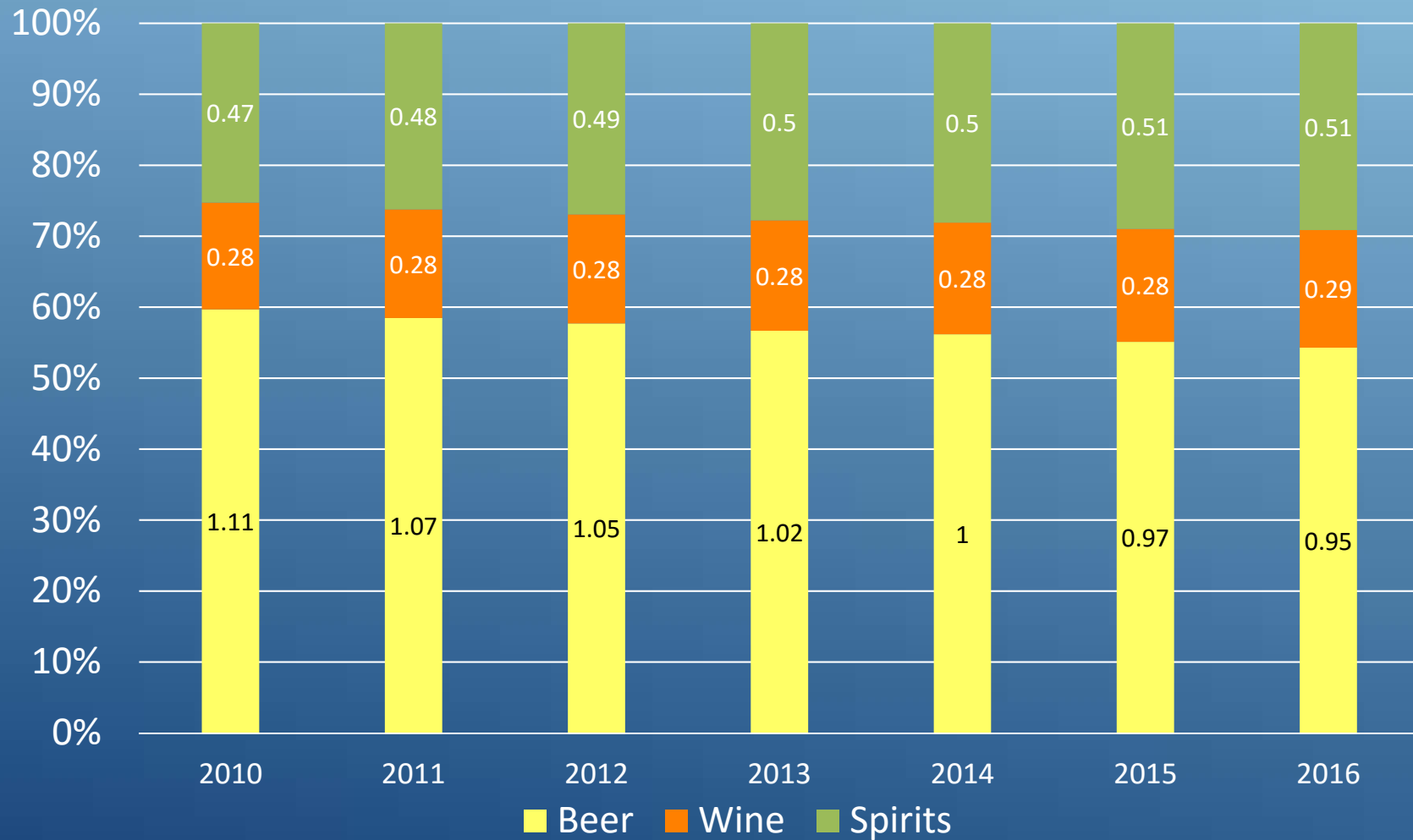
## Total U.S. Ethanol Per Capita



Source: Compiled by NBWA from Beer Institute, Discus and BIG, 2016



# Competition for Drinking Occasions Share of MD Ethanol Per Capita

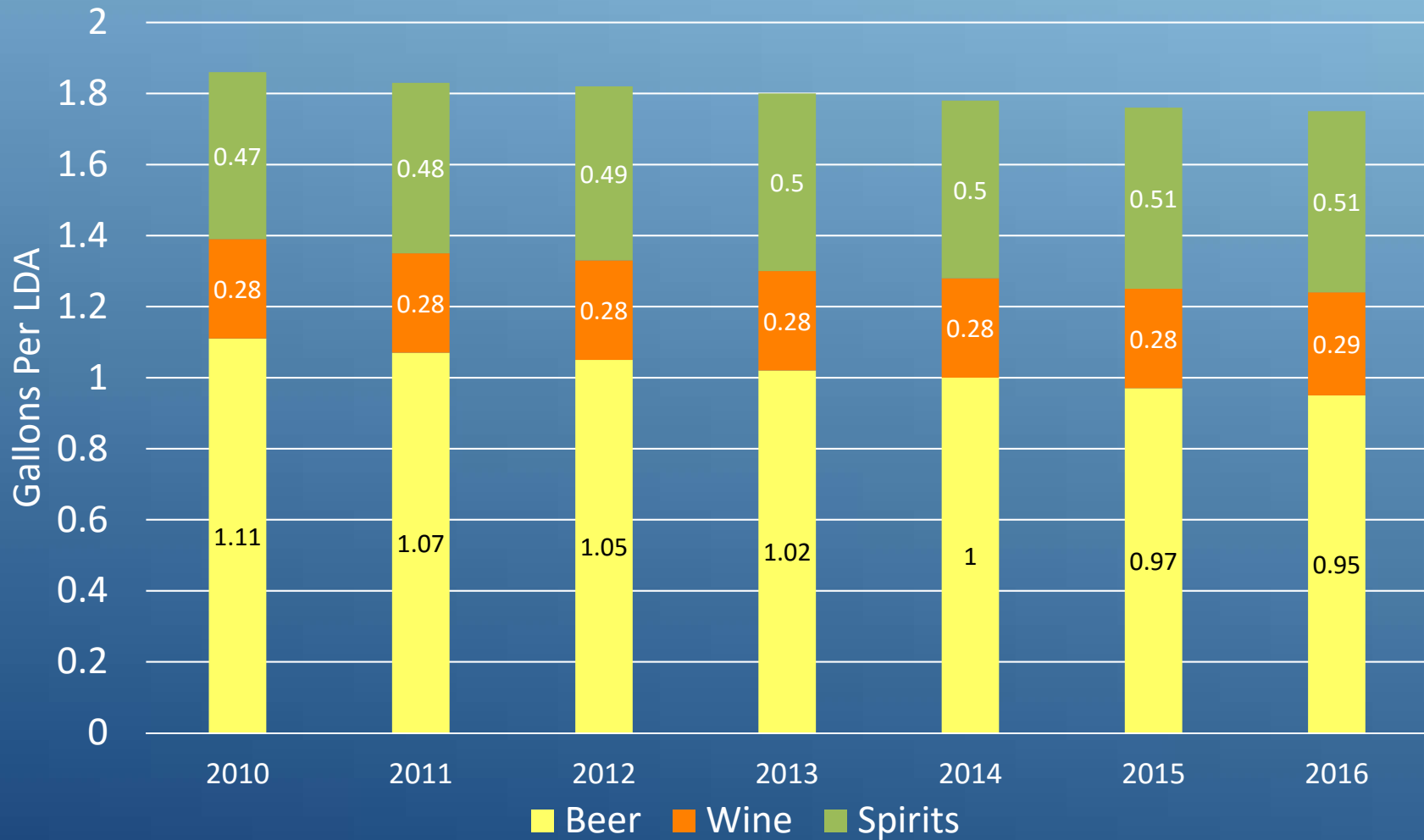


Source: Compiled by NBWA from Maryland Department of Revenue, 2016



# Competition for Drinking Occasions

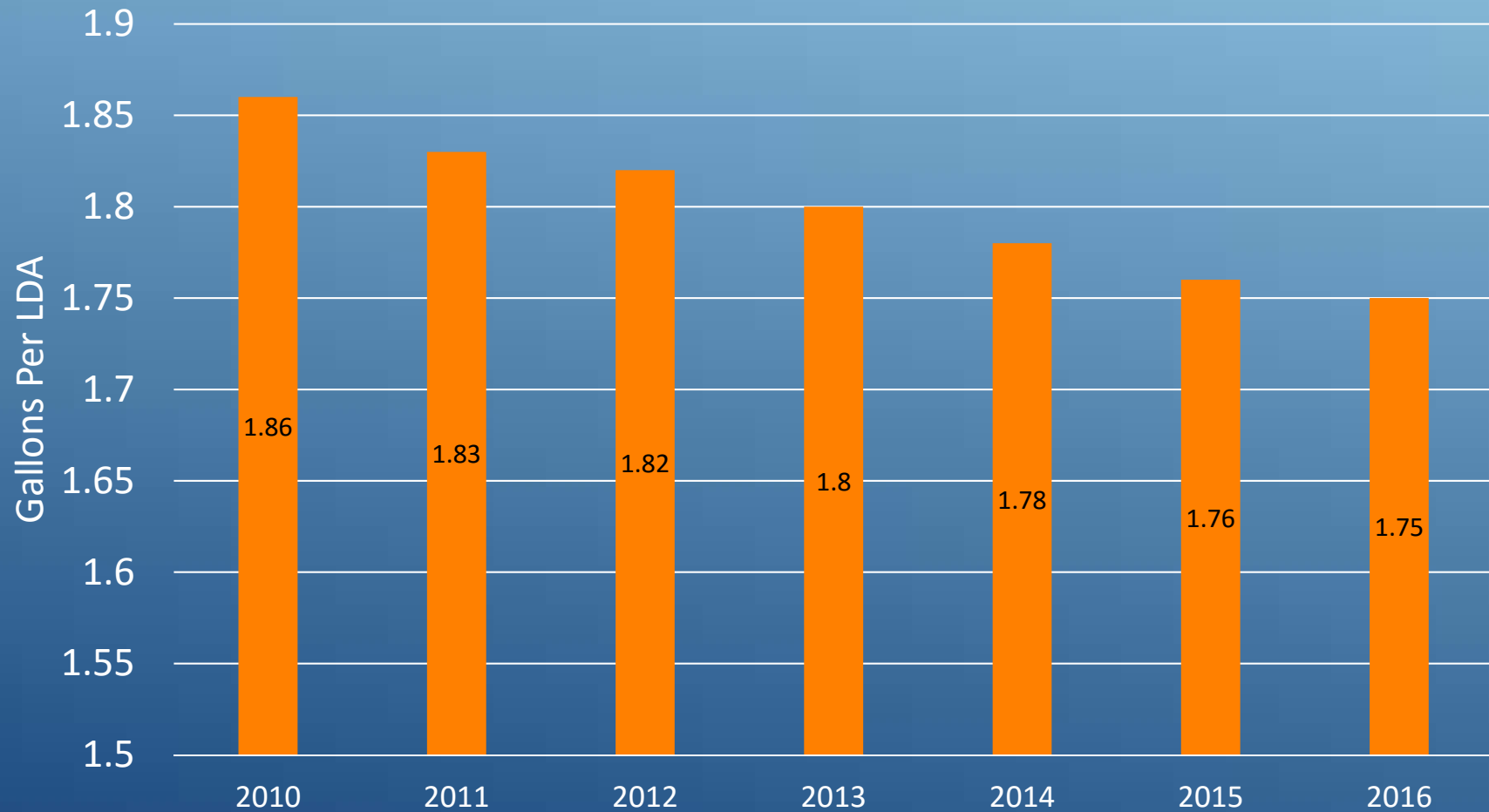
## Total MD Ethanol Per Capita



Source: Compiled by NBWA from Maryland Department of Revenue, 2016



# Competition for Drinking Occasions Total MD Ethanol Per Capita



Source: Compiled by NBWA from Maryland Department of Revenue, 2016



# Maryland Alcohol Tax Revenue

## Maryland Alcohol Beverage Excise Tax Collections

Tax Collections by Segment	2013	2014	2015	2016
Liquor	\$15,836,330	\$16,130,874	\$15,930,829	\$16,538,307
Wine	\$6,135,598	\$6,104,752	\$6,358,067	\$6,348,310
Beer	\$8,895,022	\$8,572,350	\$8,667,003	\$8,740,785
Total	\$30,866,950	\$30,807,976	\$30,955,899	31,627,402

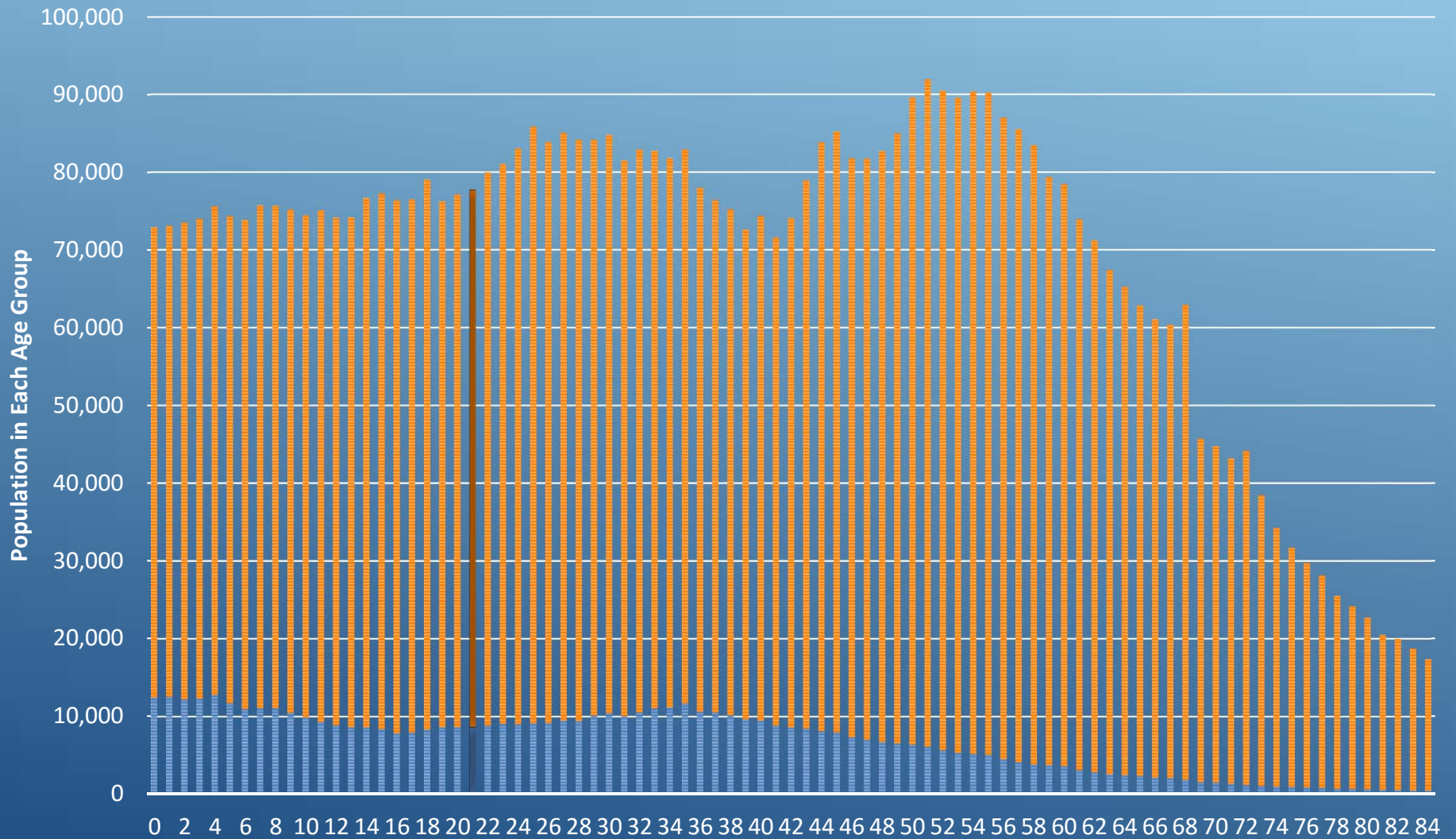
Legal Drinking Age Population	4,350,080	4,389,348	4,425,817	4,447,684
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Tax Per Persons	2013	2014	2015	2016
Liquor	\$3.64	\$3.68	\$3.60	\$3.72
Wine	\$1.41	\$1.39	\$1.44	\$1.43
Beer	\$2.04	\$1.95	\$1.96	\$1.97
Taxes Per Person 21+	\$7.10	\$7.02	\$6.99	\$7.11

Source: Maryland Alcohol and Tax Annual Report, FY2016.

# 2015 Maryland Population By Age



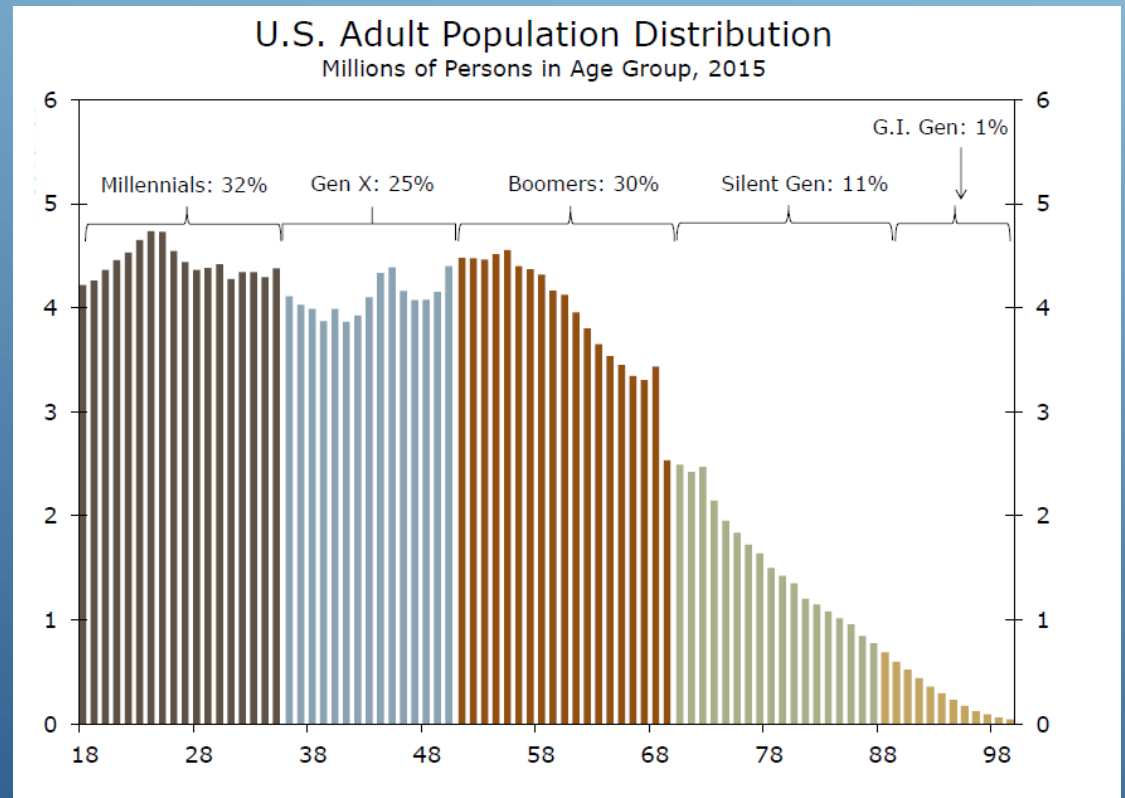
Source: U.S. Census and NBWA 2016.





# The Demographics of the U.S. Favor Alcohol Beverage

- 10,000 baby boomers turn 65 each day. They are the new “Leisure Force.” What will they do with their time?
- 12,000 Millennials turn 21 each day. They are the new work force. What will they do with their money?
- No Millennial echo boom, job and no kids – what will they do with their free time?
- Average age of first time home buyer is 33. Americans are renting more than twice as long before buying their first home as they did in the 1970s.



# Alcohol is Everywhere!

BB&T Presents  
**BREW  
AT THE  
ZOO**



VISIT NH BREWERIES  
GET COOL GEAR  
COLLECT + RECEIVE



NEW HAMPSHIRE  
**BEER  
TRAIL**

2016 - 2017  
Texas Hill Country  
Wineries  
Guide & Map



**Brew Trail**

SPIKE BREWING  
NEW V3 KETTLES  
NOW AVAILABLE!  
at HOMEBREW SUPPLY

WELDED IN THE USA

HOME DREW Supply.com

**SHOP NOW**

**Brew Trail**

PENNSYLVANIA BREWERIES & BREWPUBS MAP

CREATE & MAP YOUR BREW TRAIL

Add a brewery to your trail



BOOK YOUR EXPERIENCE ONLINE TO



# Maryland Alcohol Tourism



## MARYLAND BREWERIES & BREWPUBS MAP

### CREATE & MAP YOUR BREW TRAIL

Add a brewery to your trail

Want to save your own trail?

[Signup](#) • [Login](#)

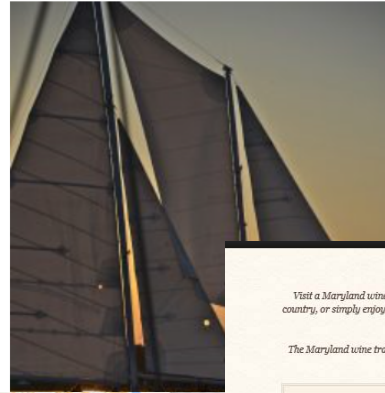
### FIND BREWERIES & BREWPUBS

Locate a brewery

### FILTER LOCATIONS



## Tuesday Beer Tastings while under Sail



### Sunset Sails & Beer Tasting, aboard a 74-foot

We feel that everyone should be able to enjoy a sunset sail, we feature 3 beers from a regional casual manner about beer.

Sample three, 4 oz samples of this month's. When finished with the sampling, you may purchase

### What to Expect on the Trails

Visit a Maryland winery to meet the winemakers and see how your favorite wine goes from grape to bottle. Spend a day (or a weekend!) in wine country, or simply enjoy a leisurely escape among the rolling hills and beautiful vineyards. Taste our superb wine, explore our picturesque vineyards, and take part in our exciting events throughout the year.

The Maryland wine trails are self-guided tours—take your time visiting the wineries of your choice. Each winery offers a different experience. Feel free to call ahead, or visit winery pages for details including hours of operation and activities.



Antietam Highlands Wine Trail

[Visit Trail Page](#)



Capital Wine Trail

[Visit Trail Page](#)



Carroll Wine Trail

[Visit Trail Page](#)



Chesapeake Wine Trail

[Visit Trail Page](#)



Frederick Wine Trail

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Patuxent Wine Trail

[Visit Trail Page](#)



Piedmont Wine Trail

[Visit Trail Page](#)



Maryland Wine Passport Program

[Sign Up](#)

[Earn Rewards](#)



View photos from the Wine Trails!

[View Wine Trail Gallery](#)



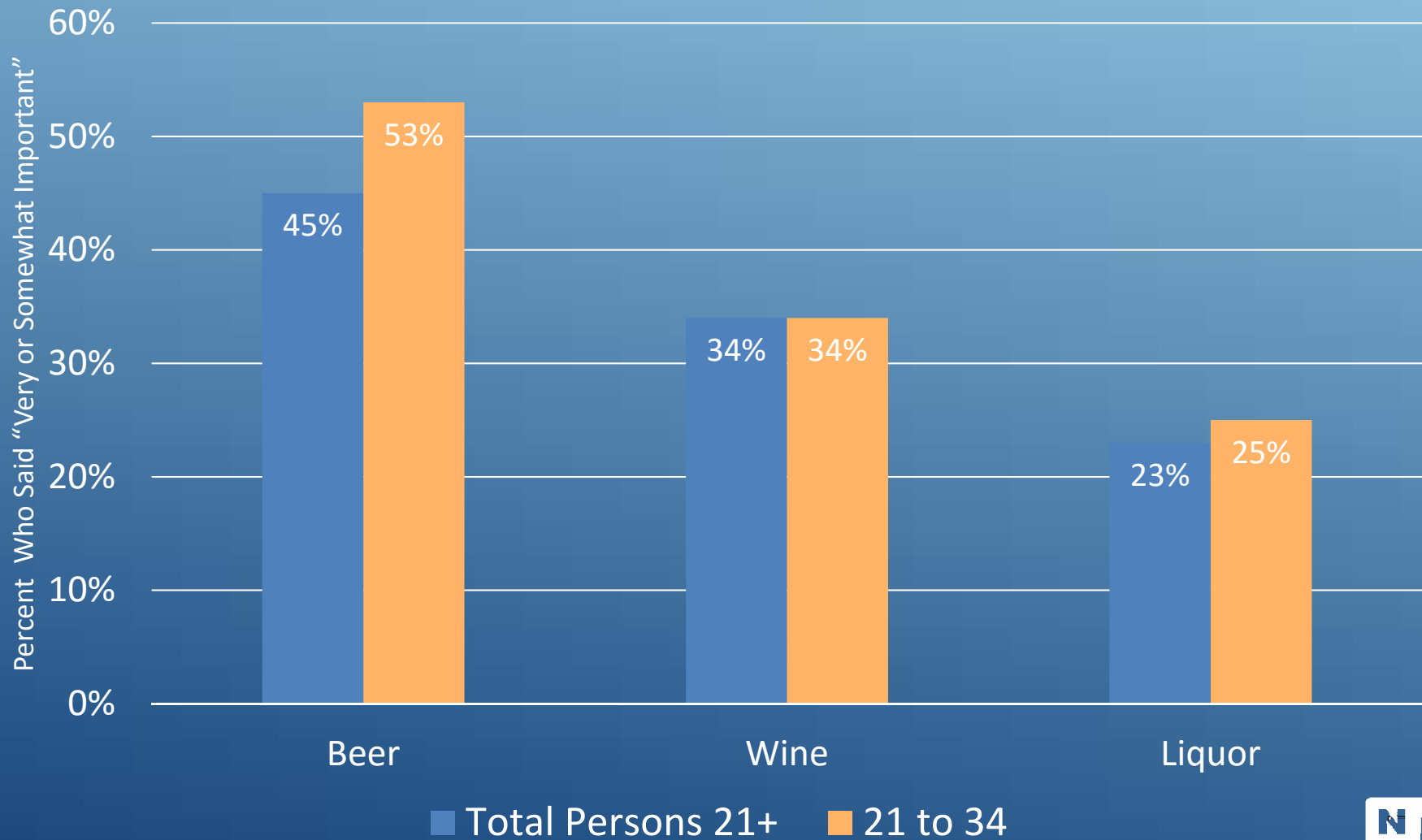
Visit the trails at your own pace.

[Reinvest your wine money](#)

An advertisement for "Brew at the Zoo" presented by BB&amp;T. The ad features a green background with three colorful beer glasses (pink, blue, and green) in the center. The text "BREW AT THE ZOO" is written in large, white, bold letters. Below the glasses, it says "MAY 28 + 29 MEMORIAL DAY WEEKEND". At the bottom, there is a yellow banner with the text "BB&amp;T Presents BREW AT THE ZOO" and social media icons for Twitter, Google+, and Facebook (with 16K likes).

# Local Is Most Important to Beer Buyers

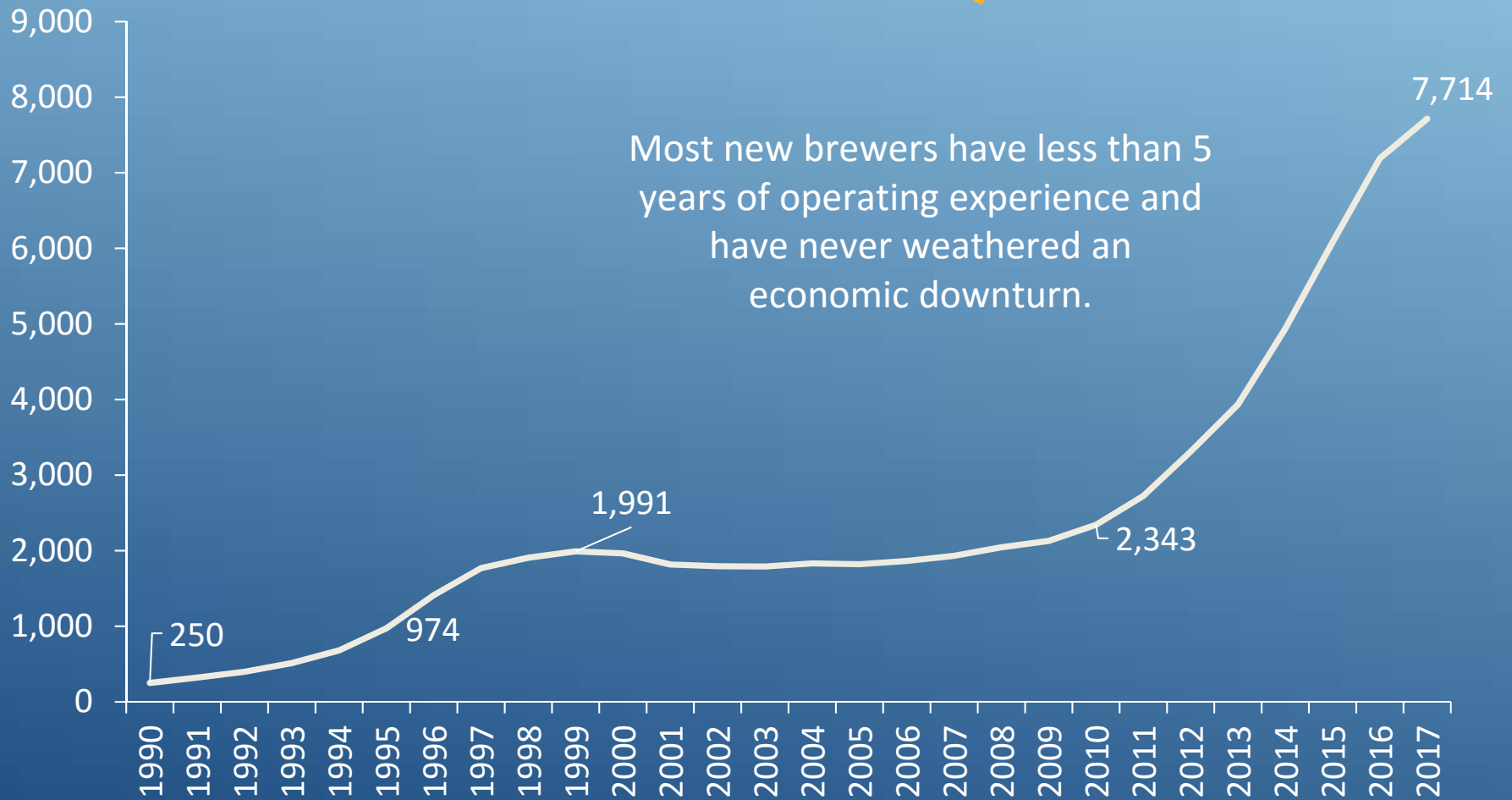
How Important is being locally made to your purchase decision for...



Source: Nielsen Quick Query Omnibus Survey, February 12-17, 2015 National. (Base: LDA consumers who drink at least several times per year)



# TTB Permitted U.S. Breweries 1990 to 2017 Q1



Source: TTB and NBWA, 2017.



# TTB Permitted Brewery Count 7,714 as of 3/1/2017

State	Count	State	Count	State	Count
Alabama	37	Kentucky	63	North Dakota	17
Alaska	40	Louisiana	37	Ohio	269
Arizona	120	Maine	109	Oklahoma	28
Arkansas	36	Maryland	94	Oregon	323
California	981	Massachusetts	161	Pennsylvania	352
Colorado	408	Michigan	402	Rhode Island	19
Connecticut	83	Minnesota	183	South Carolina	70
Delaware	27	Mississippi	16	South Dakota	23
DC	13	Missouri	131	Tennessee	108
Florida	287	Montana	86	Texas	279
Georgia	78	Nebraska	49	Utah	36
Hawaii	25	Nevada	43	Vermont	76
Idaho	68	New Hampshire	77	Virginia	238
Illinois	259	New Jersey	102	Washington	448
Indiana	171	New Mexico	91	West Virginia	24
Iowa	98	New York	420	Wisconsin	237
Kansas	49	North Carolina	287	Wyoming	36

Source: NBWA and TTB, March 2017.



# TTB Permitted Brewery Count

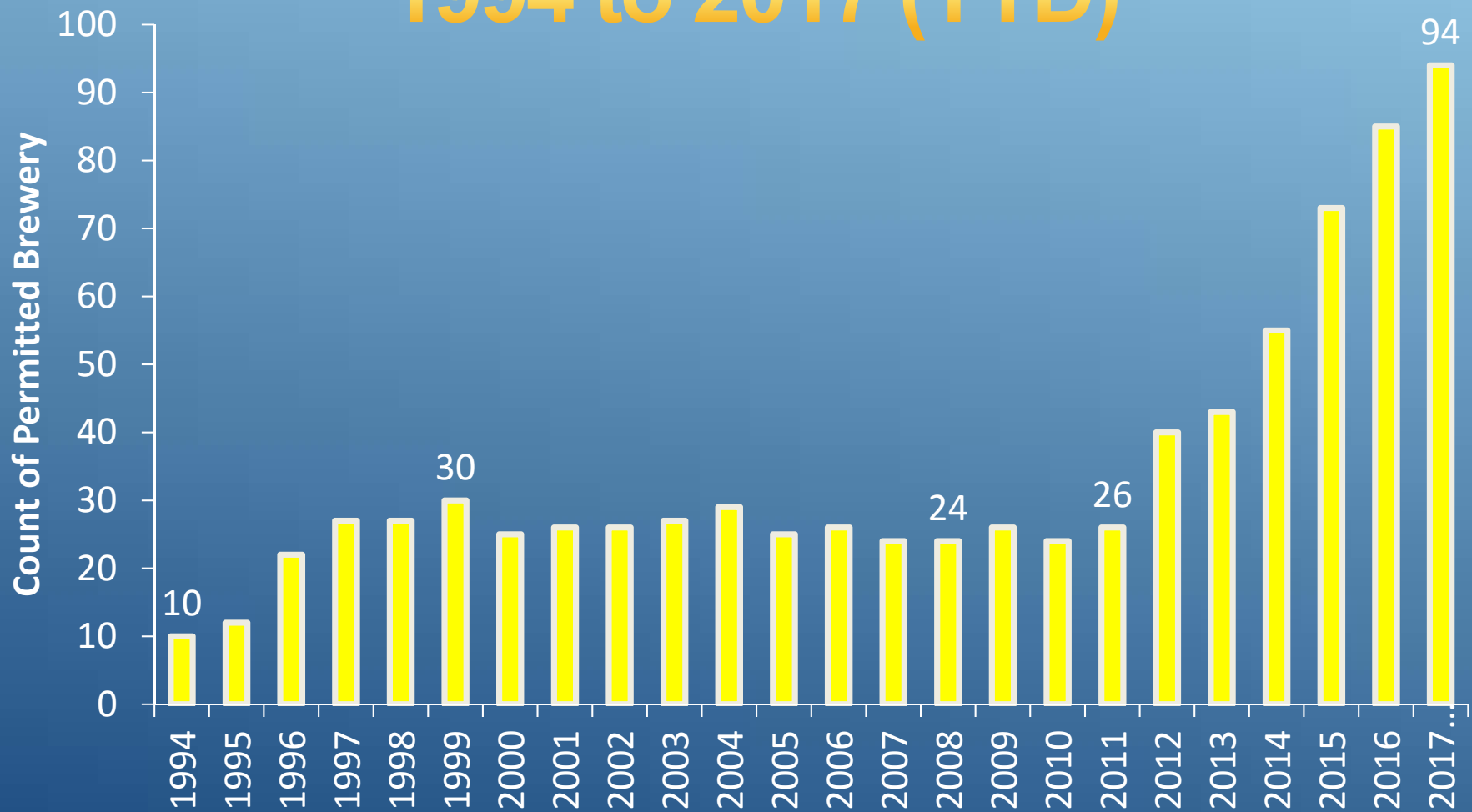
## 524 Additional Permits in Q1 2017

State	Count	State	Count	State	Count
Alabama	-	Kentucky	3	North Dakota	2
Alaska	4	Louisiana	3	Ohio	33
Arizona	10	Maine	7	Oklahoma	2
Arkansas	2	Maryland	6	Oregon	19
California	54	Massachusetts	15	Pennsylvania	19
Colorado	22	Michigan	23	Rhode Island	2
Connecticut	7	Minnesota	18	South Carolina	11
Delaware	2	Mississippi	2	South Dakota	2
DC	-	Missouri	15	Tennessee	7
Florida	23	Montana	7	Texas	13
Georgia	9	Nebraska	2	Utah	2
Hawaii	2	Nevada	(1)	Vermont	3
Idaho	1	New Hampshire	4	Virginia	29
Illinois	15	New Jersey	6	Washington	24
Indiana	8	New Mexico	5	West Virginia	-
Iowa	4	New York	26	Wisconsin	20
Kansas	2	North Carolina	27	Wyoming	3

Source: NBWA and TTB, March 2017.



# Count of Maryland Breweries 1994 to 2017 (YTD)

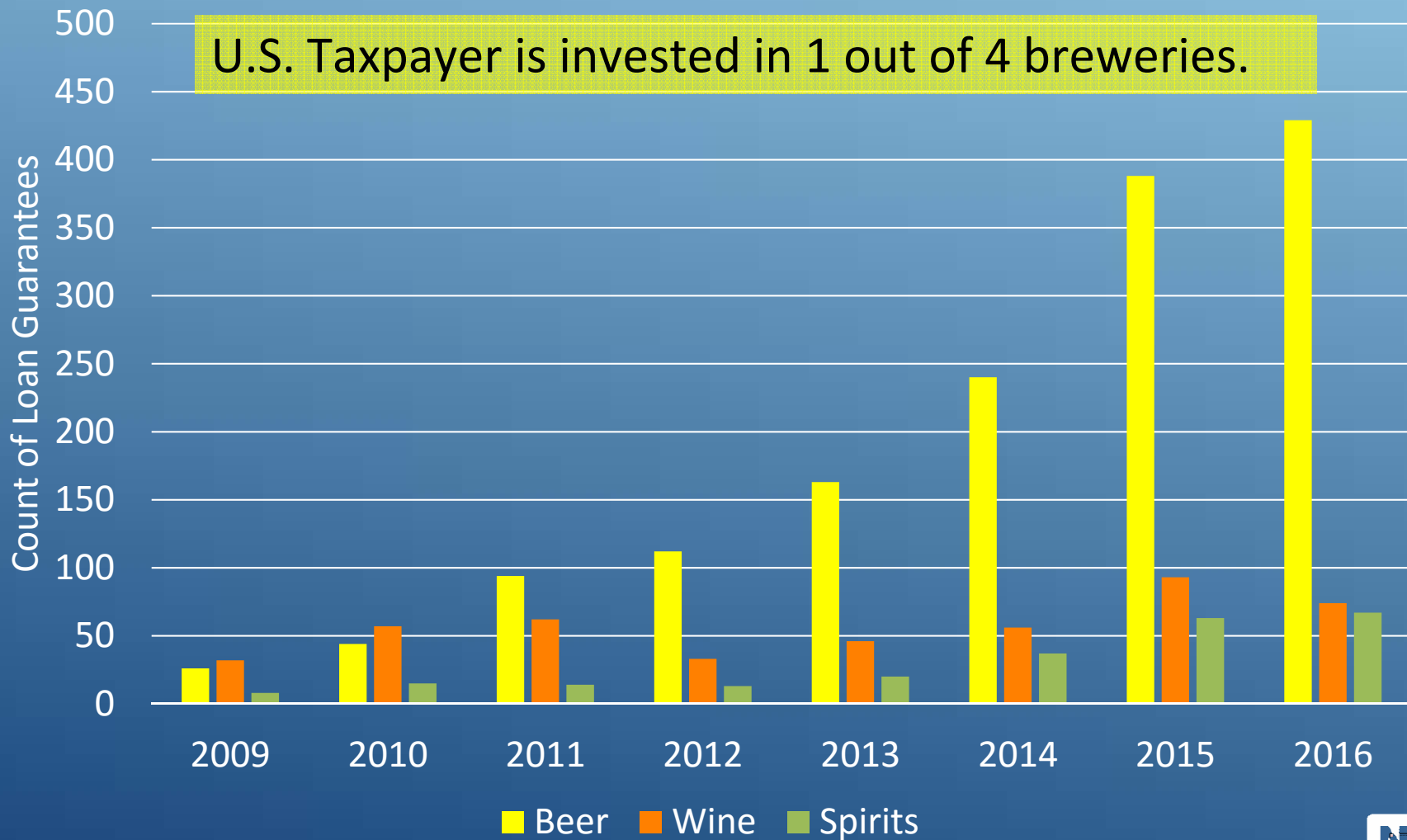


Source: TTB, 2016.





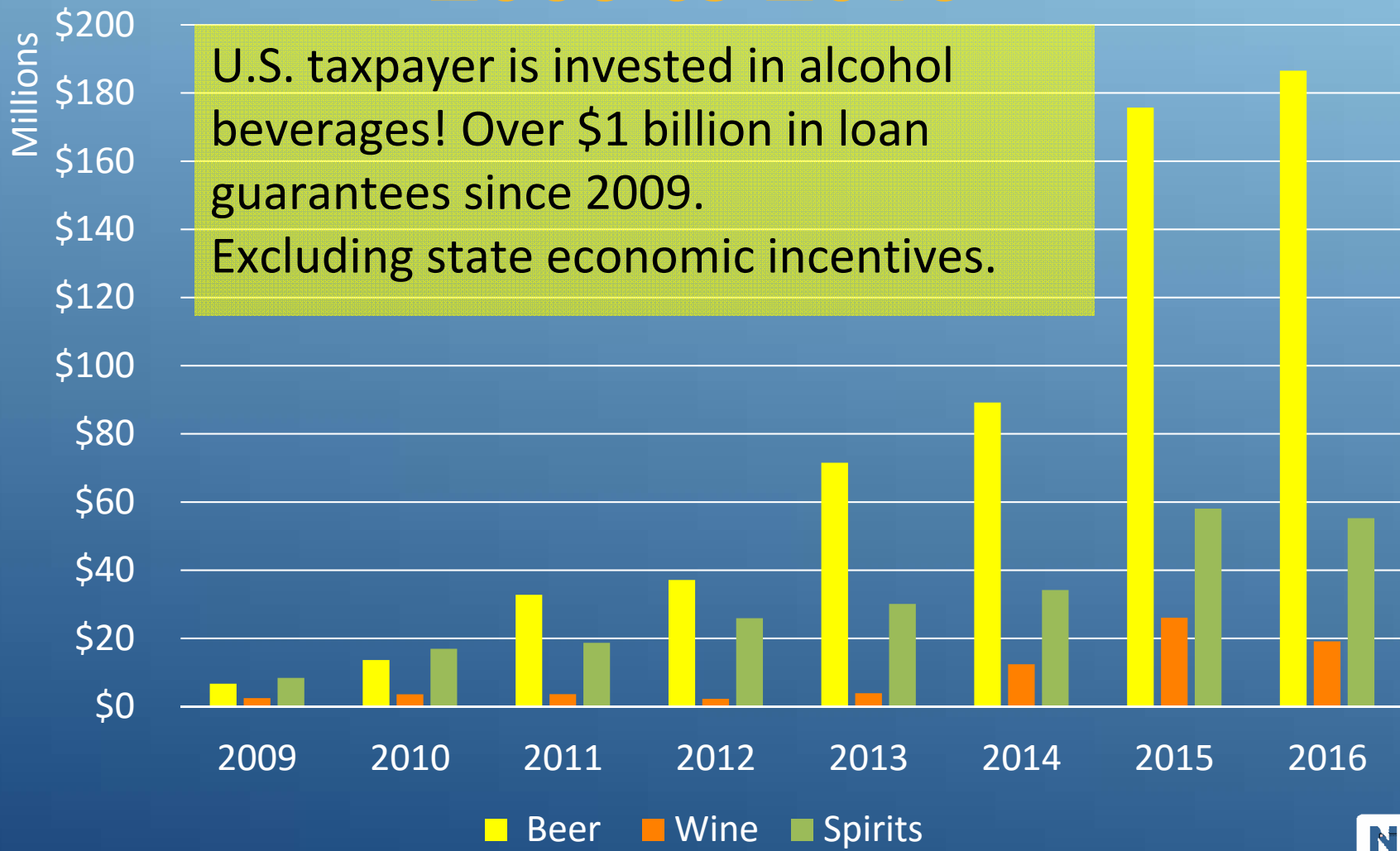
# SBA Loan Guarantees By Industry 2009 to 2016



Source: U.S. SBA and NBWA, 2017



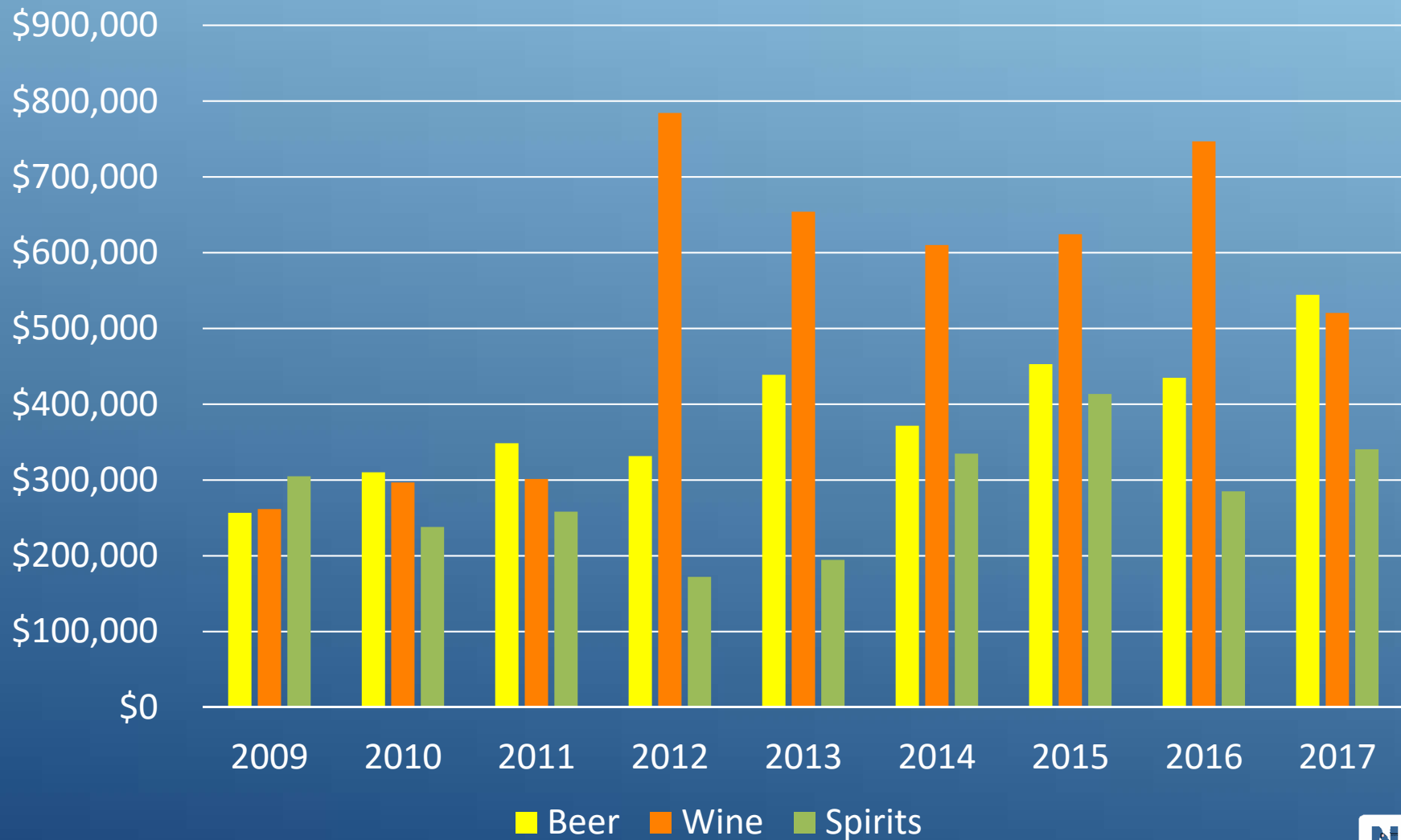
# SBA Total Loan Guarantees 2009 to 2016



Source: U.S. SBA and NBWA, 2017



# SBA Average Loan Guarantee By Industry 2009 to 2016



Source: U.S. SBA and NBWA, 2017



# States Invest in Craft Beer

- Oregon Deschutes: \$3 million from VA Commonwealth Opportunity Fund
- California Stone: \$5 million plus \$1.5 million economic development grant, a \$500,000 sustainability grant, and \$31 million in bonds from the city of Richmond
- Michigan Founders: \$2.2 million in property tax abatement, \$1.9 million sales and use tax abatement, \$1.2 million infrastructure, \$250,000 business development
- Berlin, Germany promised 2.3 million euros to Stone if employment and investment goals are met
- Memphis Blues City Brewing: \$6 million in property tax breaks.



# Freakonomics

## A North Carolina Story

- MillerCoors Brewing: Eden brewery slated to close and layoff 520. Subsidy Tracker lists subsidies to the MillerCoors totaling about \$12 million between 2008 and 2014.
- New Belgium also received incentives for its Asheville facility, will eventually hire 140, gets a package of \$8.5 million combining city, county and state money in North Carolina.

Good Jobs First - Subsidy Tracker



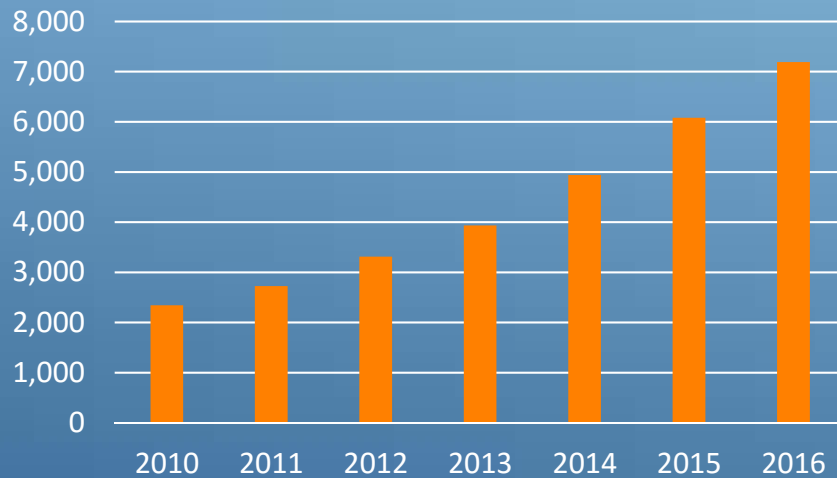
# Reverse Economic Development

- The City of Reidsville is in talks with Colorado-based Ball Corp. about trying to keep the company's can manufacturing plant open and retain 150 jobs. Ball's Reidsville plant has created cans primarily for beer. So when MillerCoors shut down its Eden brewery this year and laid off 349 workers, it had a negative impact on the local operation.
- The North American subsidiary of British glass manufacturer Ardagh Group is temporarily cutting 150 positions in Wilson, NC.
- The State OF North Carolina has invested almost \$3 million in Ball/Rexam canning operation since 2008.

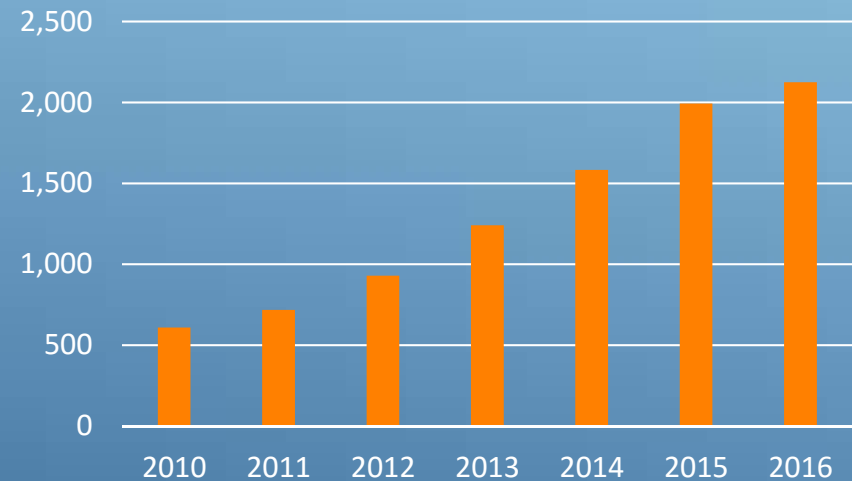


# Permits Counts Grow Across All Segments

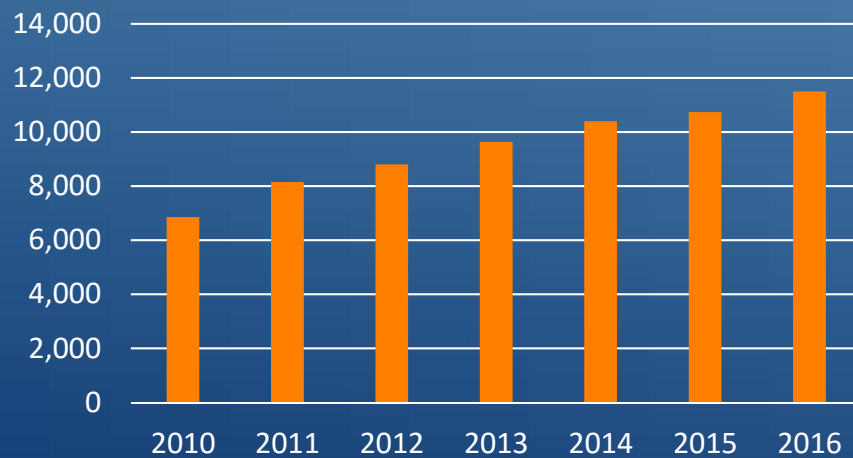
## Brewery



## Distillery



## Winery



New entrants into alcohol beverage across all three categories. Strong signals to enter the business on a small scale.



# The Industry Numbers for Business that Pay Taxes

## Quarterly Census of Employment and Wages: Overview

- The Quarterly Census of Employment and Wages (QCEW) is a quarterly count of employment and wages reported by employers. The QCEW covers more than 95 percent of U.S. jobs available at the county, Metropolitan Statistical Area (MSA), state, and national level, by detailed industry. The primary source for the QCEW is administrative data from state unemployment insurance (UI) programs.

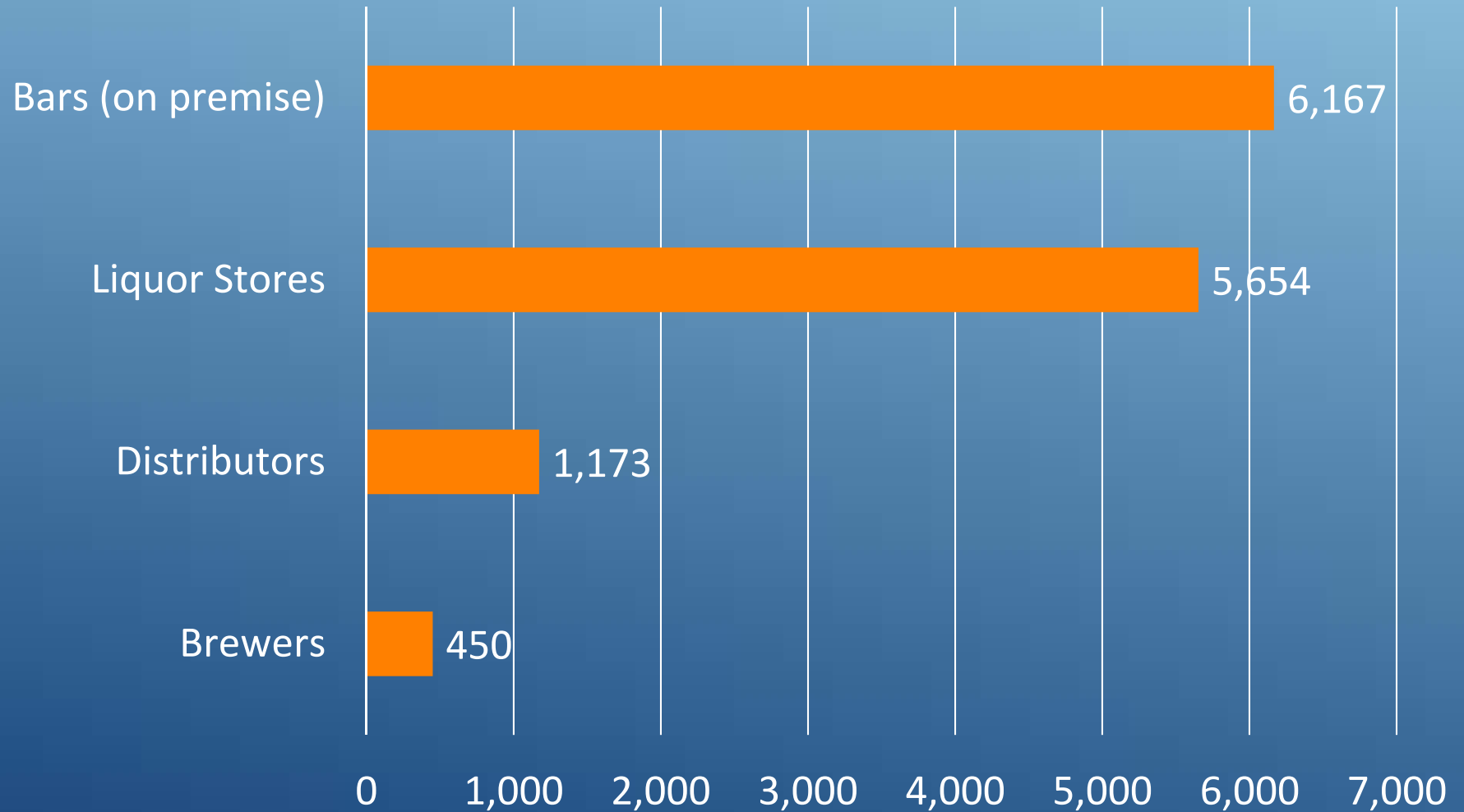
Source: [www.bls.gov/QCEW](http://www.bls.gov/QCEW)





# Maryland 3 Tier Jobs

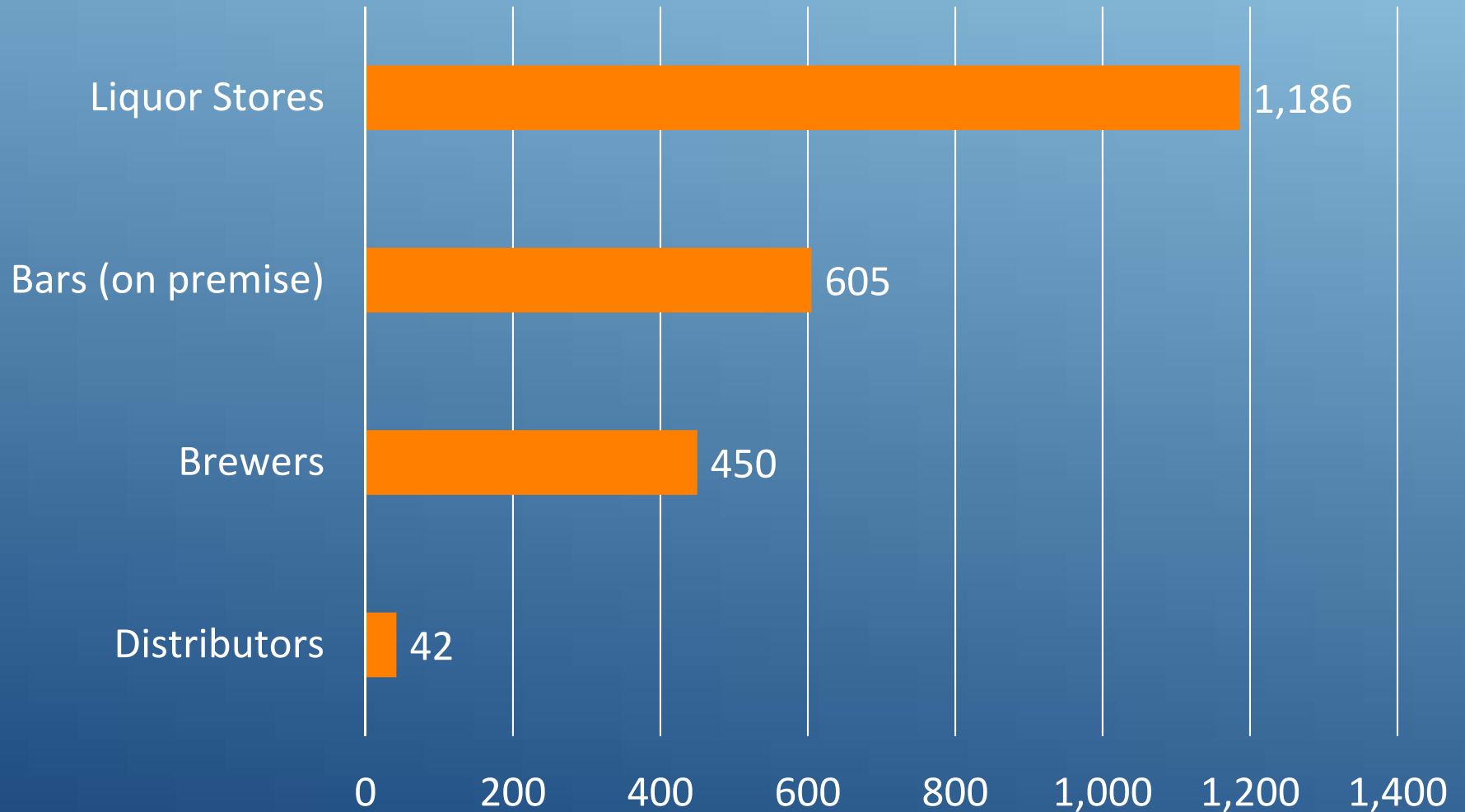
## Businesses that Pay State UI in CY 2016



Source: [www.bls.gov/QCEW](http://www.bls.gov/QCEW), 2017

# Maryland 3 Tier Establishments

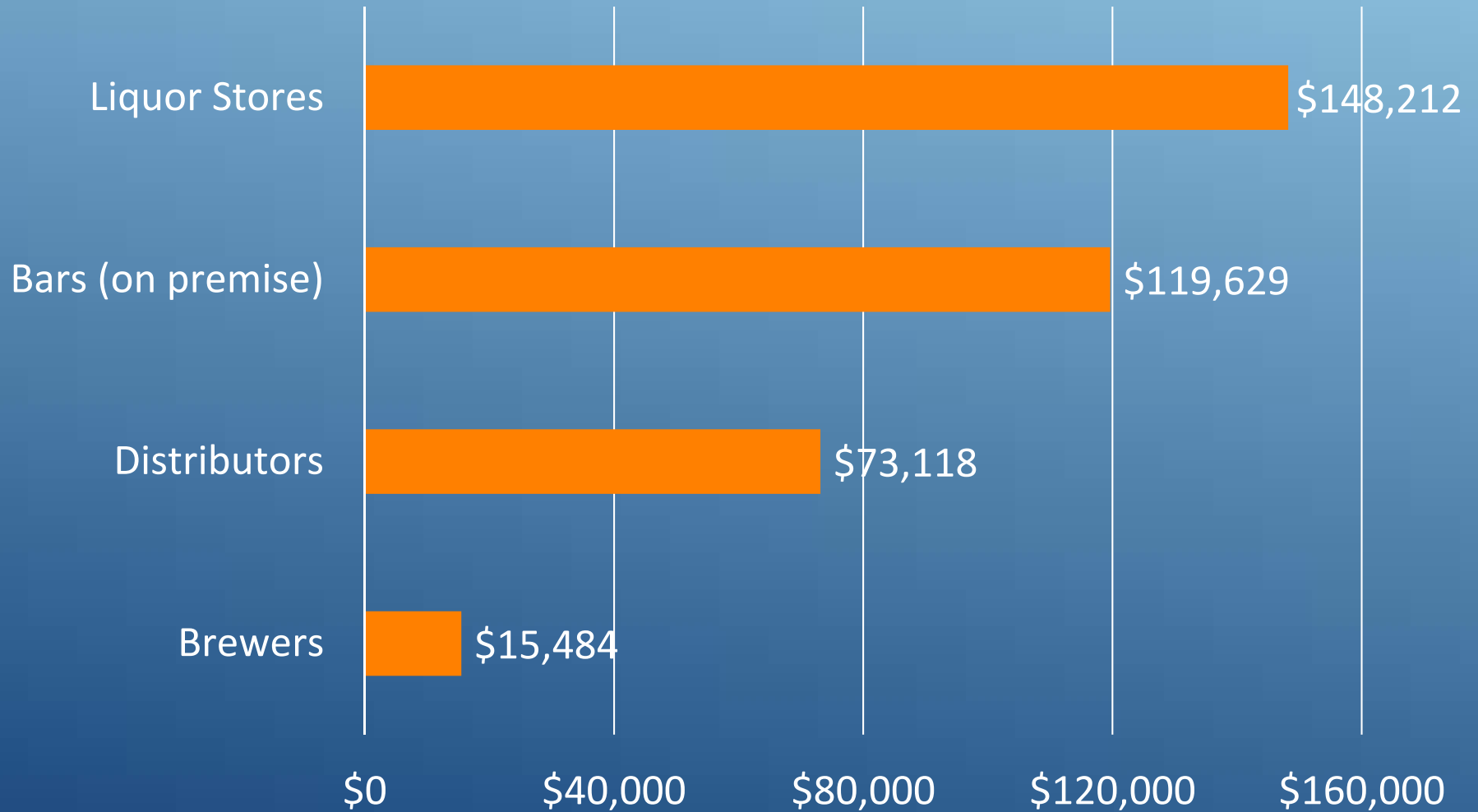
## Businesses that Pay State UI in CY 2016



Source: [www.bls.gov/QCEW](http://www.bls.gov/QCEW), 2017

# Maryland 3 Tier Total Wages

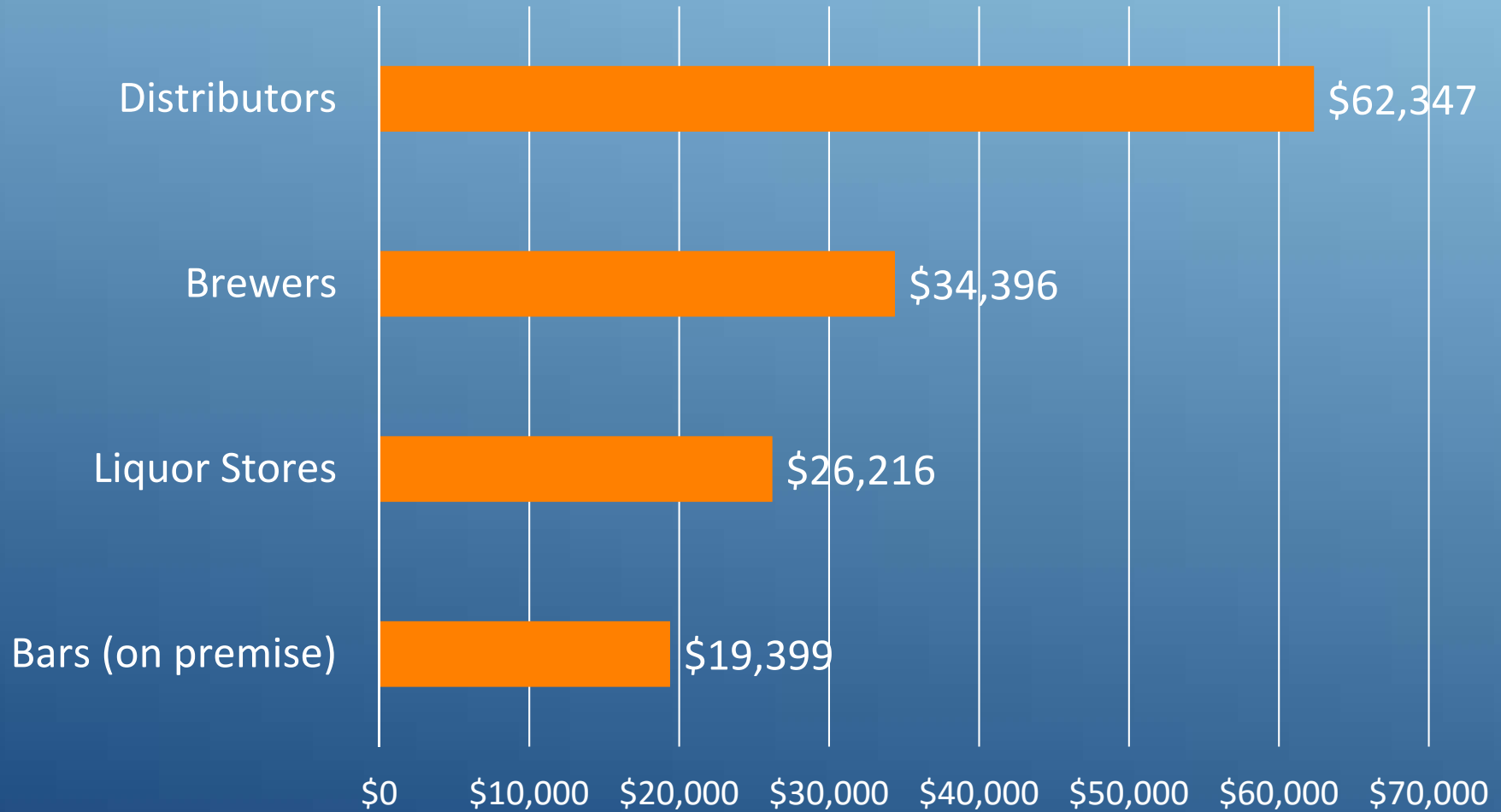
## Businesses that Pay State UI in CY 2016



Source: [www.bls.gov/QCEW](http://www.bls.gov/QCEW), 2017 (\$1,000s)

# Maryland 3 Tier Average Annual Wages

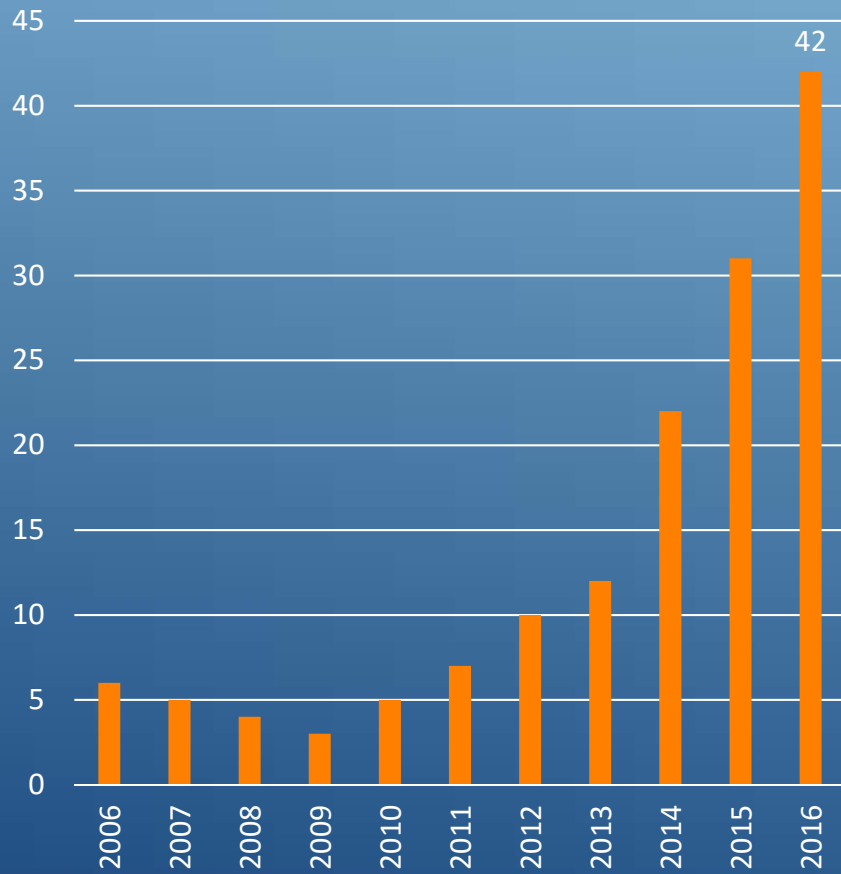
## Businesses that Pay State UI in CY 2016



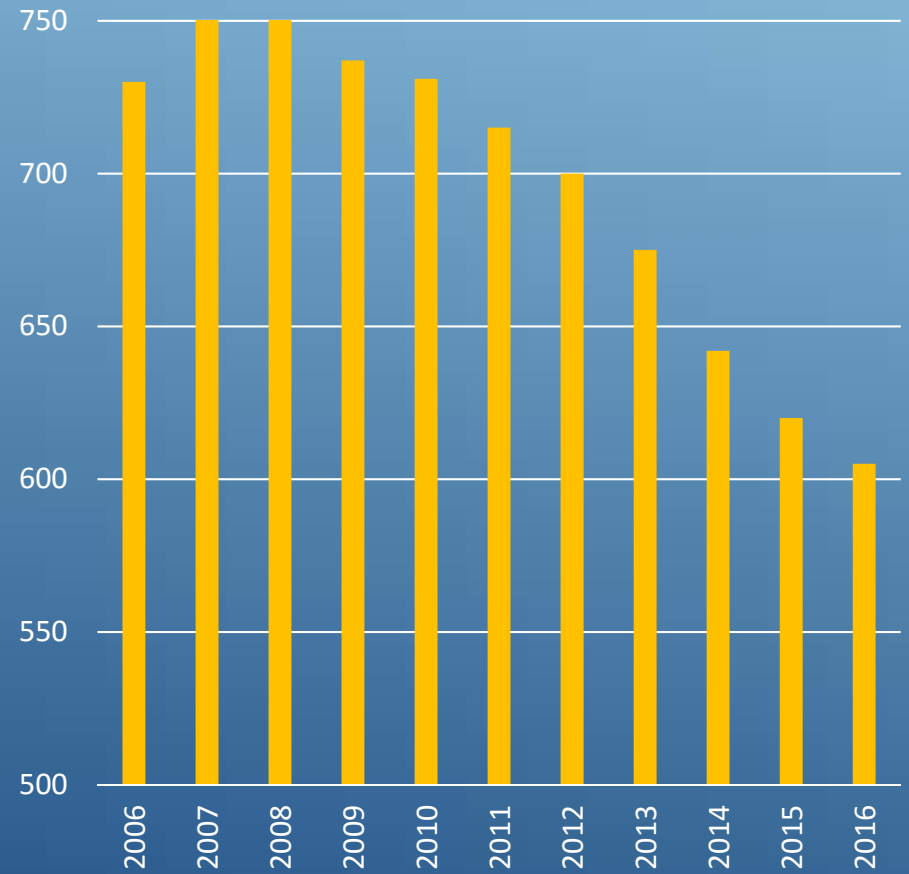
Source: [www.bls.gov/QCEW](http://www.bls.gov/QCEW), 2017

# Maryland Brewer Count vs Bar Count Businesses that Pay State UI

## MD Brewery Counts



## MD Bar and Tavern Counts

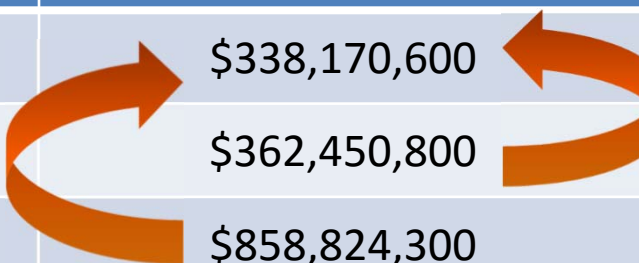


Source: [www.bls.gov/QCEW](http://www.bls.gov/QCEW), 2017

# Economic Impacts are NOT Economic Development

Moving economic Impacts among the direct tiers Will NOT change the total \$ 4.3 billion Impact.

Direct Impact	Economic Impact
MD Brewers	\$338,170,600
MD Distributors	\$362,450,800
MD Retailers	\$858,824,300
Total Direct Impact in Maryland	\$1,559,445,700
Supplier Impact	Economic Impact
Total Suppliers Impact in Maryland	\$1,352,198,200
Indirect Impact	Economic Impact
Total Indirect Impact In Maryland	\$1,426,846,800
Total Maryland Impact for All Their Tiers	Economic Impact
Total Impact	\$4,338,490,700



# National Beer Wholesalers Association

Thank you

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