



CHAPTER

5

*Economics and  
Tourism*



Farmer's market, Roanoke Valley | Cameron Davidson/Virginia Tourism Corp.

## Overview

Local and regional recreation providers and the private sector are motivated by the strong economic benefits that outdoor recreation brings to their community. Local governments and regional planning commissions are key promoters of outdoor recreation as a means to increase tourism. The Virginia Tourism Corp. provides studies and resources to help communities enhance visitor experiences and expand opportunities to improve Virginia economies through tourism.

Land conservation is a primary way to assist tourism and strengthen economies across Virginia. Preserving landscapes and scenic views relates directly to the value of many Virginia destinations and enhances tourism and, thereby, local economies. Developing and maintaining quality parks, recreation and athletic facilities is important to attract and increase sports tourism events. When it comes to outdoor recreation, making connections to rivers and trails is a critical aspect of the tourism package. Parks that support the arts and special events programming also strengthen local economies.

### Ways to enhance economic benefits of parks:

- Outdoor recreation programming
- Nature-based programming
- Trails
- Overnight facilities
- Sports tourism
- Arts in parks
- Special events and festivals
- Historic sites

## Economics

The "Economic Impact of Domestic Travel on Virginia Counties" presents domestic travel economic impact on Virginia and its 133 counties and independent cities (county equivalents). This study was conducted by the U.S. Travel Association for the Virginia Tourism Corp. Estimates include travel expenditures, travel-generated employment and payroll income, as well as tax revenues for federal, state and local government. According to this 2016 study, domestic travelers spent \$23.7 billion on transportation, lodging, food, entertainment, recreation and retail shopping. This represents a 3.3 percent increase from 2015. In 2016, Virginia's travel industry continued to be the fifth-largest employer among all non-farm industry sectors in Virginia.

### Tourism economy

- Changes perspective of decision makers.
- Changes marketing strategies.
- Demonstrates the value of investing in natural and cultural resources.
- Enhances land values.

Agritourism is gaining momentum especially in rural areas. A recent study by the Virginia Tourism Corp. finds that Virginias' agritourism makes significant contributions to the economic health and well-being of the Commonwealth.

- An estimated 1,400 establishments in Virginia classify as agritourism.
- Approximately 56 percent of agritourism venues are open year-round to the public.

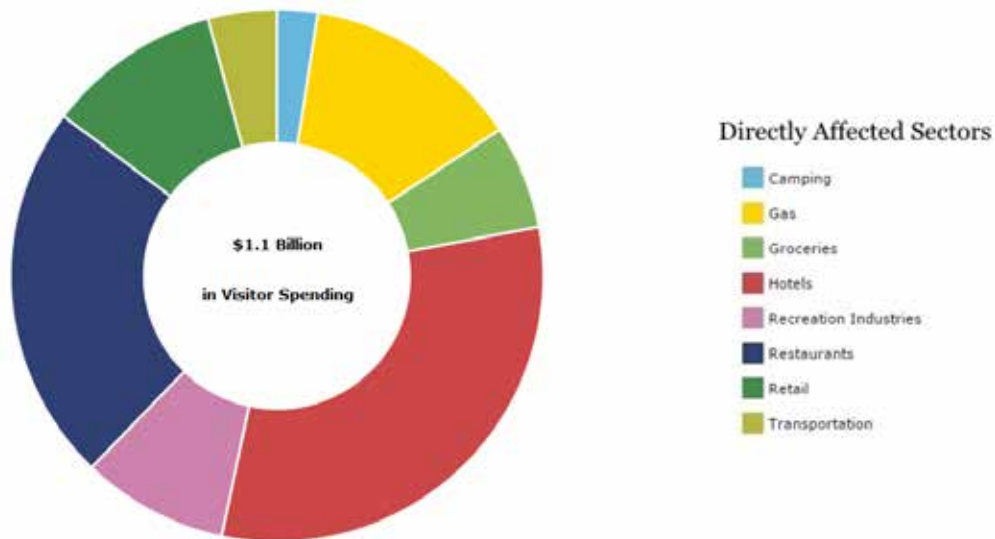
- Agritourism stimulated economic activity by approximately \$2.2 billion.
- Agritourism supported approximately 22,151 full-time equivalent jobs.
- Agritourism was responsible for roughly \$839.1 million in wage and salary income.<sup>1</sup>

Visitors to Virginia State Parks trigger a large amount of economic activity throughout the state, as the 2017 Virginia State Park Economic Impact Report shows:

- Visitors to Virginia’s State Parks spent an estimated \$226.1 million. Approximately 46% (\$104 million) of this spending was by out-of-state visitors.
- The total economic activity stimulated by Virginia State Parks was between \$292.2 million and \$301.2 million.
- The total economic impact of Virginia State Parks was approximately \$304.6 million.

- Regarding employment, the economic activity stimulated by visitation to Virginia State Parks supported approximately 3,598 jobs.
- In terms of wages and income, the economic activity spawned by Virginia State Parks was responsible for roughly \$113.6 million in wage and salary income.
- Economic activity created by Virginia State Parks was associated with approximately \$176 million in value-added effects, which is a measure of the park system’s contribution to the gross domestic product of the Commonwealth.
- Economic activity stimulated by Virginia State Parks generated approximately \$21.3 million in tax revenue for the state. As such, \$1.17 of tax revenue were generated for every dollar of tax money spent in the park system.<sup>2</sup>
- In 2016, 27.1 million national park visitors contributed to Virginia’s economy. These visitors spent an estimated \$1.1 billion and supported 68,000 jobs.<sup>3</sup>

**Figure 5.1 National Park Contributions to Virginia’s Economy**



Source: National Park Service<sup>3</sup>

## Challenges

- Funding is needed to study the statewide economic value of outdoor recreation.
- Rural and urban areas have different economic outcomes from outdoor recreation.
- Outdoor recreation economic outcomes and data are collected and reported differently across Virginia.

## Assets and opportunities

- Virginia Tourism Corp., through implementation of the [Statewide Tourism Plan](#), identifies what brings value to communities.
  - The “Virginia Is For Outdoor Lovers” campaign targets young people through technology and branding. <https://www.virginia.org/outdoors>
- Community and business partnerships strengthen the connection between tourism and outdoor recreation.
- Sports tourism is an economic asset to localities.

Chesterfield County supports sports tourism with world-class facilities and fields. River City Sportsplex offers the largest collection of synthetic fields in the United States. Ukrop Park, home of the Richmond Kickers Youth Soccer Club, adds another 45 acres of synthetic turf. The Collegiate School Aquatics Center, also known as SwimRVA, is home to the pool used in the 2008 Olympic trials.

Source: The Chesterfield Chamber of Commerce

## Recommendations

- Virginia Tourism Corp. should leverage the Virginia Tourism Development Plan, “Drive Tourism”, to accomplish statewide and regional goals for outdoor recreation. (Virginia Tourism Corp.)
- Develop a scope of work and plan to study the economic impact and financial outcomes for outdoor recreation and related tourism. The study should include:
  - Evaluation of “happiness” index – Happiness Attracts Tourists according to a 2016 publication in the *Annals of Tourism*<sup>4</sup>



Chatham Vineyards, Nassawadox | Sam Dean/Virginia Tourism Corp.

- Proposal for an educational campaign to communicate the value of outdoor recreation.
- Strategy for promoting outdoor recreation assets to elected officials. (Virginia Tourism Corp., Virginia Recreation and Park Society, DCR, Virginia Department of Game and Inland Fisheries, planning regions and localities)
- Benchmark the economic value of outdoor recreation with other states, especially those that have been recognized for their outdoor recreation benefits. (DCR, Virginia Tourism Corp. and academic specialist or university)
- Study the potential for statewide trail development as an opportunity to increase tourism. (DCR, Virginia Tourism Corp. and academic specialist or university)

## Resources

- Outdoor Recreation Outlook by Outdoor Recreation Coalition (2018)
- “Economic Impact of Heritage Tourism in Virginia” prepared for Preservation Virginia by John Accordino and Fabrizio Fasulo (2017)

- “Economic Impact of James River Park System” by Victoria A. Shivy and I-Shian Suen, Urban and Regional Studies and Planning. Wilder School of Government and Public Affairs. Virginia Commonwealth University (2017)
- “The Outdoor Recreation Economy” by the Outdoor Industry Association (2017)
- “Federal Outdoor Recreation Trends: Effects on Economic Opportunities” by Eric White; J.M. Bowker; Ashley E. Askew; Linda L. Langner; J. Ross Arnold; Donald B.K. English (2016)
- “Economic Impacts of Fairfax County Park Authority” by Center for Regional Analysis, George Mason University (2016)
- “Virginia State Park Economic Impact Report” by Vincent Magnini & Muzalfer Uysal (2016)
- “The Economic Impact of Local Parks” by National Recreation and Park Association (2015)
- “Spearhead Trails Economic Impact Study” by Headwater Economics.org (2012)
- “James City County Parks and Recreation Economic Impact Study” by James City County (2010)

- “Quantifying the Benefits of Active Transportation” by Rails to Trails Conservancy (2008)
- “Banking on Nature” by Fish and Wildlife Service (2007)

### *Works Cited*

1. Vincent P. Magnini, Esra Calvert and Martha Walker, “The Economic and Fiscal Impacts of Agritourism in Virginia”, Virginia’s Agritourism Industry – Economic Impact Report, Virginia Tech Pamplin College of Business, 2017.
2. Vincent P. Magnini, “Virginia State Parks Economic Impact Report”, Virginia Tech Pamplin College of Business, 2017, revised January 24, 2018.
3. “2016 National Park Visitor Spending Effects, Economic Contributions to Local Communities, States, and the Nation”, Natural Resource Report NPS/NRSS/EQD/NRR-2017/1421, National Park Service, <https://www.nps.gov/subjects/socialscience/vse.htm>
4. Gholipour, Hassan F. et al, “Happiness and Inbound Tourism” *Annals of Tourism* Volume 57, March 2016, Pages 251-253.