State of the Tourism Industry

§5B-2I-4(h)

The West Virginia Tourism Office shall submit a report annually to the Governor, Secretary of Commerce and the Legislature about the development of the tourism industry in the state and the necessary funding required by the state to continue the development of the tourism industry.
West Virginia’s tourism industry is growing

- West Virginia’s tourism industry has seen back-to-back years of growth
  - Outpacing the national tourism growth rate by 58%
- From 2016 to 2018, traveler spending in West Virginia grew by 9.9%
- All nine travel regions in West Virginia saw growth in 2018
- West Virginia is poised to be the next top tourism destination

Source: Dean Runyan Associates, 2018 vs. 2016
Visitation and economic impact are strong

65.5 MILLION
VISITORS
3.7% Increase

$4.6 BILLION
IN TRAVELER SPENDING
6.5% Increase

16.5 MILLION
OVERNIGHT TRIPS
5% Increase

$534.5 MILLION
IN STATE & LOCAL TAX REVENUE
3.3% Increase

$161 AVERAGE SPEND
PER PERSON ON OVERNIGHT TRIPS
2.5% Increase

$1.2 BILLION
IN EARNINGS
9% Increase

49 MILLION
DAY TRIPS
3.2% Increase

45,400
TOURISM-SUPPORTED JOBS
1.4% Increase

74% OVERALL VISITOR SATISFACTION

Source: Longwoods International, 2018 vs. 2017
Source: Dean Runyan Associates, 2018 vs. 2017
New tourism development projects are booming

- The Tourism Development Tax Credit program received as many applications in 2019 as in the entire first decade of the program.
- The 2019 projects total $243 million, representing 69% of investment in the history of the program.
Necessary Funding to Continue Growth

§5B-2I-4(h)

The West Virginia Tourism Office shall submit a report annually to the Governor, Secretary of Commerce and the Legislature about the development of the tourism industry in the state and the necessary funding required by the state to continue the development of the tourism industry.
Why tourism promotion is a good investment

- Investing in tourism promotion has a direct impact on visitor spending.
- Without travel-generated state and local tax revenue, each household in West Virginia would have to pay an additional $720 per year.
- Tourism advertising helps the state’s image overall and stimulates development.
Tourism improves the state’s overall image

The Halo Effect: Research shows tourism advertising improves West Virginia’s image as a place to live, start a business, go to college, and retire.

Source: Longwoods International, 2018
Sustained funding request for FY 2021

- The Legislature appropriated an additional $14 million in general revenue for FY20 to promote tourism in West Virginia.
- This funding has allowed significantly increased promotional efforts.
- Maintaining the same level of funding for FY21 is critical to sustained efforts and continued growth in the state’s tourism industry.

### Historical Funding Summary

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lottery</td>
<td>$12,115,474</td>
<td>$11,357,898</td>
<td>$11,540,567</td>
<td>$11,540,567</td>
</tr>
<tr>
<td>Surplus</td>
<td></td>
<td>$2,500,000</td>
<td>$7,000,000</td>
<td>$14,000,000</td>
</tr>
<tr>
<td>General</td>
<td></td>
<td></td>
<td>$7,000,000</td>
<td>$14,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$12,115,474</strong></td>
<td><strong>$13,857,898</strong></td>
<td><strong>$25,540,567</strong></td>
<td><strong>$25,540,567</strong></td>
</tr>
</tbody>
</table>