

2023

Economic Impact of Tourism in West Virginia

Conducted by:



Prepared for:



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Introduction

The travel sector is an integral part of the West Virginia economy. Visitors generate significant economic benefits to households, businesses, and government and will be a critical driver of the state's future. In 2023, more visitors came to West Virginia than ever before, direct spending reached all-time highs, and tourism-supported jobs accounted for nearly 7% of all jobs in the state and a total of \$2.1 billion of income.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is especially true as West Virginia's tourism industry transitions from post-pandemic recovery to growth and expansion. By establishing a timeline of economic impacts, the industry can track its progress.

To quantify the significance of the visitor economy in West Virginia, Tourism Economics developed a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the visitor economy in terms of direct visitor spending, along with total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

An IMPLAN input-output model was constructed at the state level. The model traces the flow of visitor-related expenditures through the state's economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data by sector.

Visitors included out-of-state residents who traveled at least 30 miles to a West Virginia destination, and all travelers who stayed overnight or traveled more than 50 miles to the destination. The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis. This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- Longwoods International survey data – domestic volume and spending data for visitors to West Virginia
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- Lodging performance data, including room demand, room rates, occupancy, and room revenue, for hotels
- Tax collections: Lodging and sales tax receipts by industry
- Tourism Economics: International travel data for overseas, Canadian, and Mexican travel to West Virginia based on aviation, survey, and credit card information

KEY FINDINGS



Key Findings

The Visitor Economy Drives Economic Impact

Visitor volume to West Virginia rose 3.2% from 2022 and reached 75 million visitors. These visitors spent \$6.3 billion in the state, 5.6% more than in 2022. These levels are the highest ever for both visitation and spending.



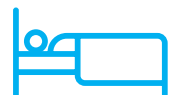
75M

Visitors to West Virginia



2.3 MILLION

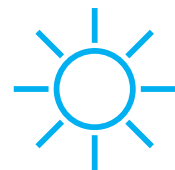
Increase in Visitors to West Virginia in 2023



\$2.4B

Overnight Visitor Spending

+



\$3.9B

Day Visitor Spending

=



\$6.3B

Total Visitor Spending



\$8.7B

Total Economic Impact



\$2.1B

Total Labor Income



60K

Total Jobs Supported



\$1.0B

Total Taxes Generated

Total Economic Impacts of Tourism in West Virginia (2023)

The visitor spending impact of \$6.3 billion generated a total economic impact of \$8.7 billion in West Virginia in 2023, including indirect and induced impacts. This total economic impact sustained nearly 60,000 jobs and generated \$1.0 billion in tax revenues in 2023, including \$600 million in state and local tax revenues.



In 2023, West Virginia set new records for **visitation and visitor spending.**

VISITOR SPENDING



Visitors to West Virginia spent **\$6.3 billion** in 2023.



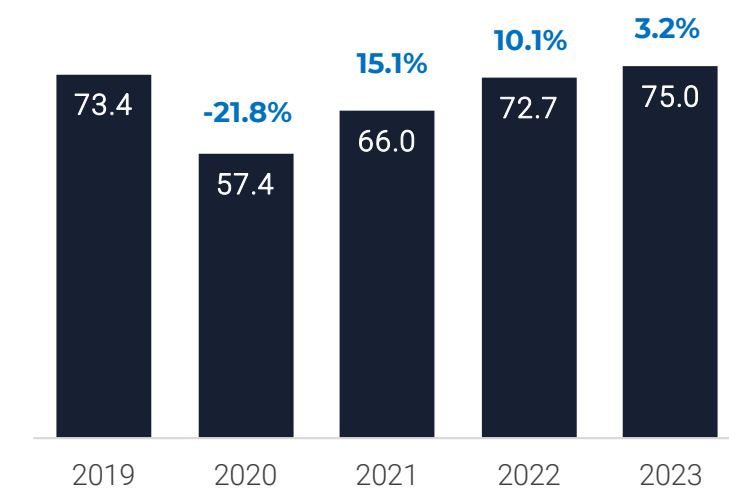
Visitor Volume and Spending

Visitor Volume

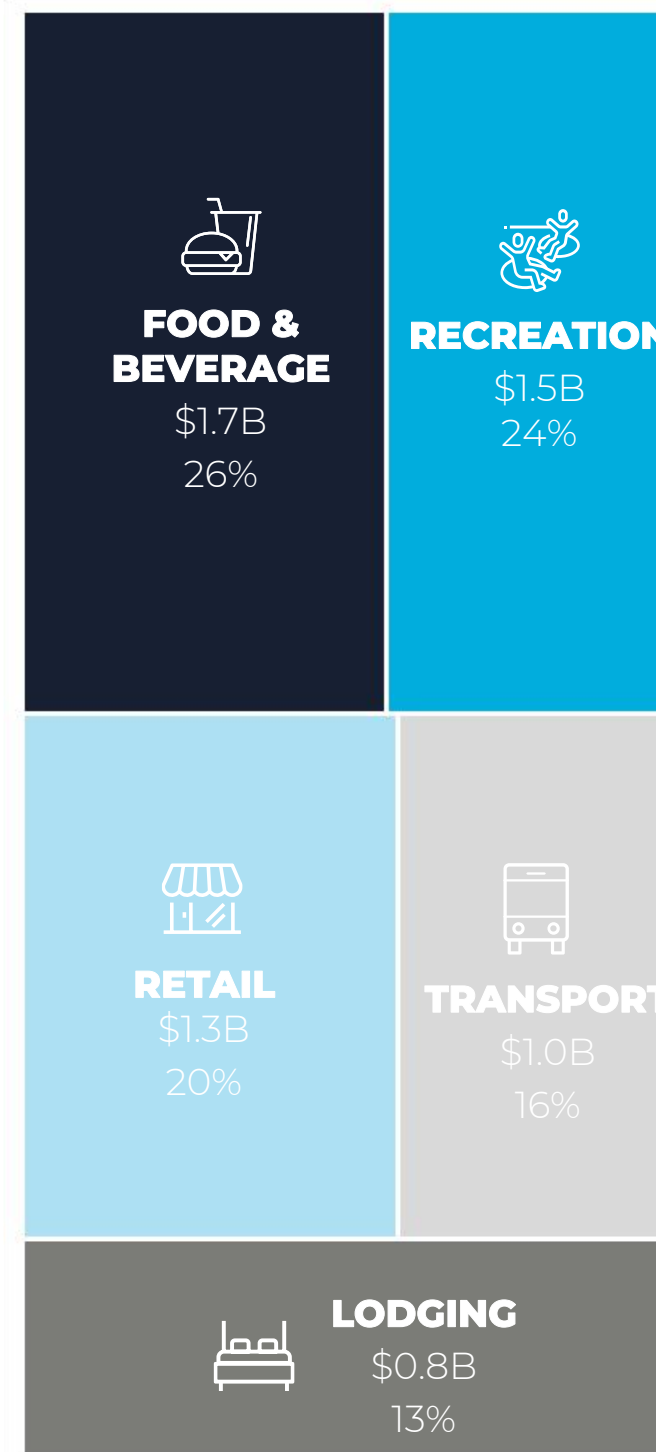
Visitor volume to West Virginia increased 3.2% in 2023, after two previous years of significant growth and recovery. This growth rate outpaced that of the U.S. overall at 2.5%. Just over 75 million visitors came to the state in 2023, including domestic day and overnight, and international visitors. This level was 2.3 million more than in 2022.

West Virginia Visitor Volume

Amounts in millions



Source: Tourism Economics



Source: Tourism Economics

Visitor Spending

Visitors to West Virginia spent **\$6.3 billion** across various sectors in 2023.

Visitor spending on food and beverage grew to \$1.7 billion in 2023, 26% of the total.

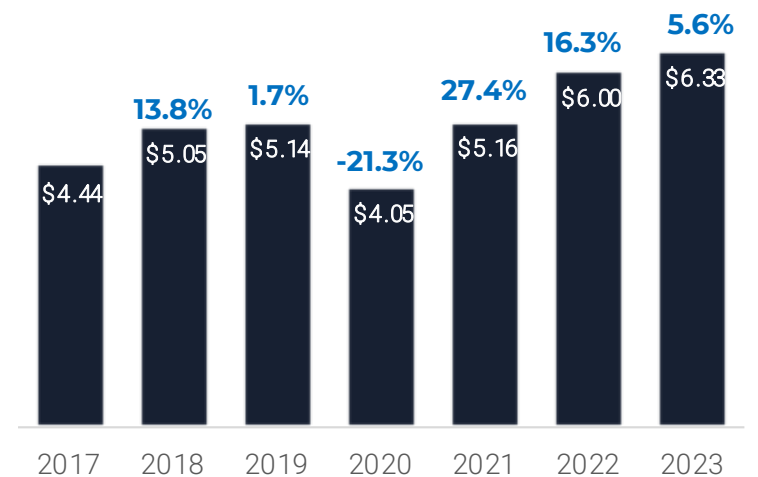
Recreation spending rose to \$1.5 billion, a 24% share of the total. Visitors spent a total \$0.8 billion on lodging, or 13% of all visitor spending.

Retail and transportation spending accounted for 20% and 16% of the total, respectively in 2023.

In 2023, visitor spending in West Virginia was nearly **\$2 billion higher** than in 2017.

West Virginia Visitor Spending

Amounts in \$ billions



Source: Tourism Economics

Note: Lodging spending is calculated as an industry.

Visitor Spending Trends

West Virginia's recovery has outpaced that of the U.S. overall. Visitor spending in the state stood at 23% above 2019 levels, compared with only 9% nationally.

Spending grew across all sectors led by food and beverage at 8.4%, driven in part by price growth of more than 6% in the sector. Spending on recreation followed with 7.0% growth.

Visitors spent 6.7% more on retail, and lodging spending rose 5.2%, driven by both demand growth and rising prices. Spending on transportation was weaker as gas prices were down nearly 11% from 2022.

West Virginia Visitor Spending and Annual Growth

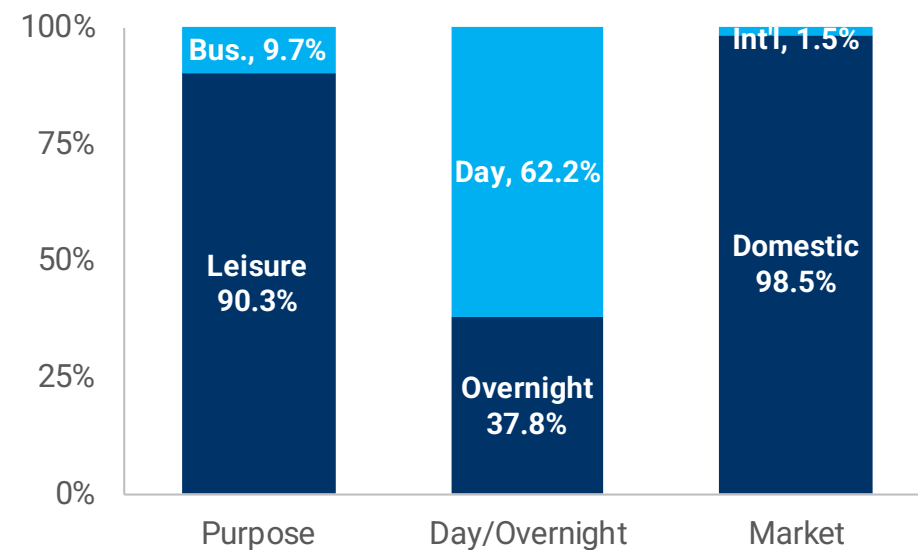
Amounts in millions, with annual % change in 2023

	2019	2020	2021	2022	2023	2023 Growth	% relative to 2019
Total visitor spending	\$5,141	\$4,047	\$5,156	\$5,999	\$6,335	5.6%	123.2%
Lodging	\$696	\$498	\$716	\$803	\$846	5.2%	121.5%
Food & beverage	\$1,387	\$1,106	\$1,318	\$1,535	\$1,664	8.4%	120.0%
Retail	\$1,045	\$835	\$1,076	\$1,214	\$1,296	6.7%	124.0%
Recreation	\$1,287	\$964	\$1,205	\$1,441	\$1,542	7.0%	119.9%
Transportation	\$727	\$644	\$841	\$1,005	\$987	-1.7%	135.8%

Source: Tourism Economics

West Virginia Spending Share by Segment

Share of market, %



Source: Tourism Economics

West Virginia Visitor Spending by Segment

Visitor volumes and spending in millions, per person spending in \$ per person

	2019	2020	2021	2022	2023
Total visitors	73.4	57.4	66.0	72.7	75.0
Day	56.6	45.9	51.3	56.7	58.5
Overnight	16.8	11.5	14.7	16.0	16.5
Total visitor spending	\$5,136	\$4,048	\$5,159	\$5,999	\$6,335
Day	\$3,113	\$2,681	\$3,240	\$3,749	\$3,941
Overnight	\$2,023	\$1,367	\$1,919	\$2,250	\$2,394
Per visitor spending	\$70	\$71	\$78	\$83	\$84
Day	\$55	\$58	\$63	\$66	\$67
Overnight	\$120	\$119	\$130	\$140	\$145

Source: Tourism Economics



In 2023, visitor spending in West Virginia was **23% higher than in 2019**, outpacing the U.S. overall, at only 9% higher than 2019 levels.

ECONOMIC IMPACT METHODOLOGY



Economic Impact Methodology

Our analysis of the West Virginia visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the state economy, constructed using an IMPLAN input-output (I-O) model.

IMPLAN remains a nationally recognized and widely used modeling tool, the leading provider of economic impact data and analytics software. The model traces the full extent of industry impacts as dollars flow through the local economy.

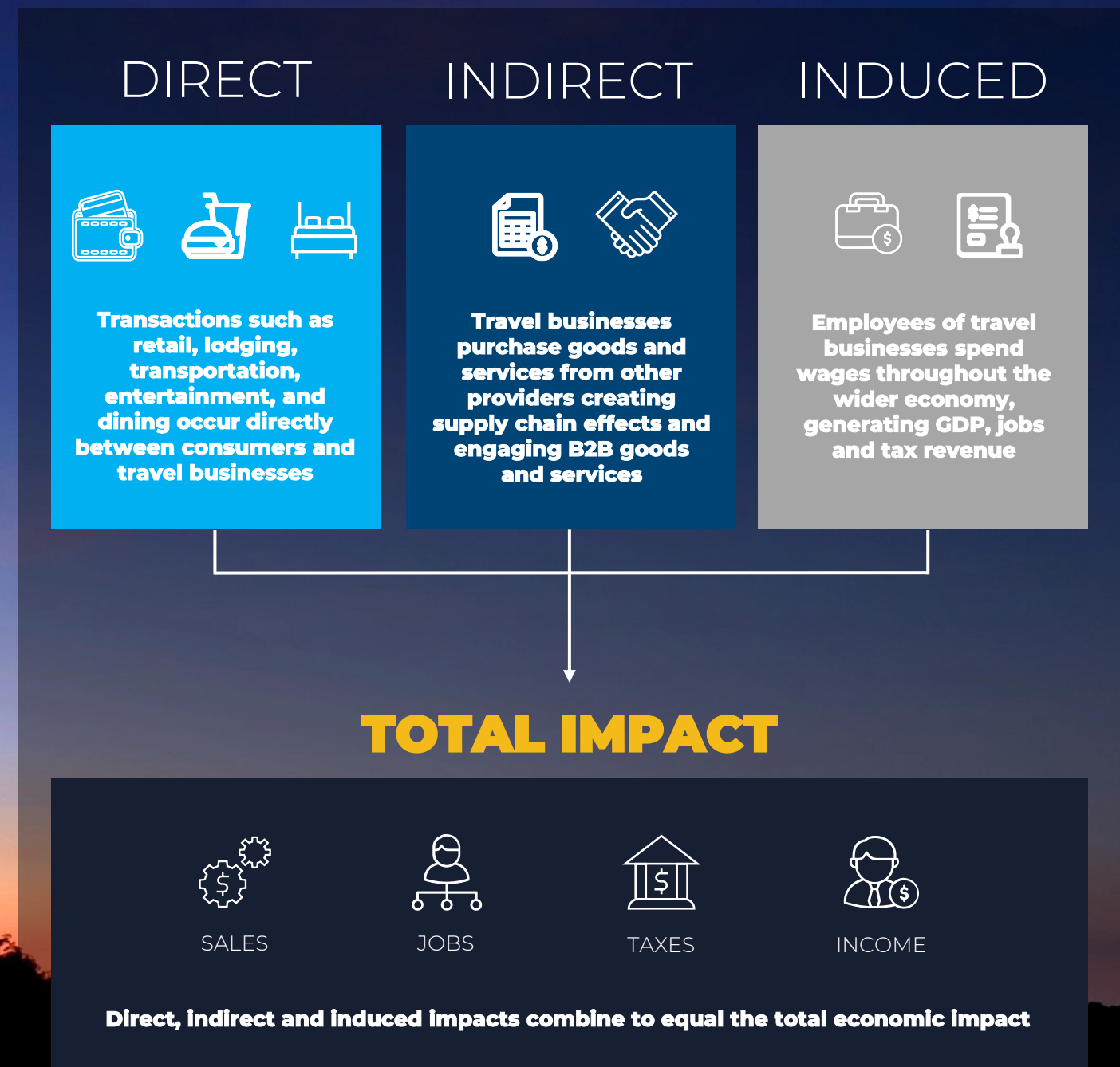
I-O models represent a profile of an economy by measuring the relationships among industries and consumers, quantifying three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact—direct, indirect and induced—for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

Economic Impact Framework



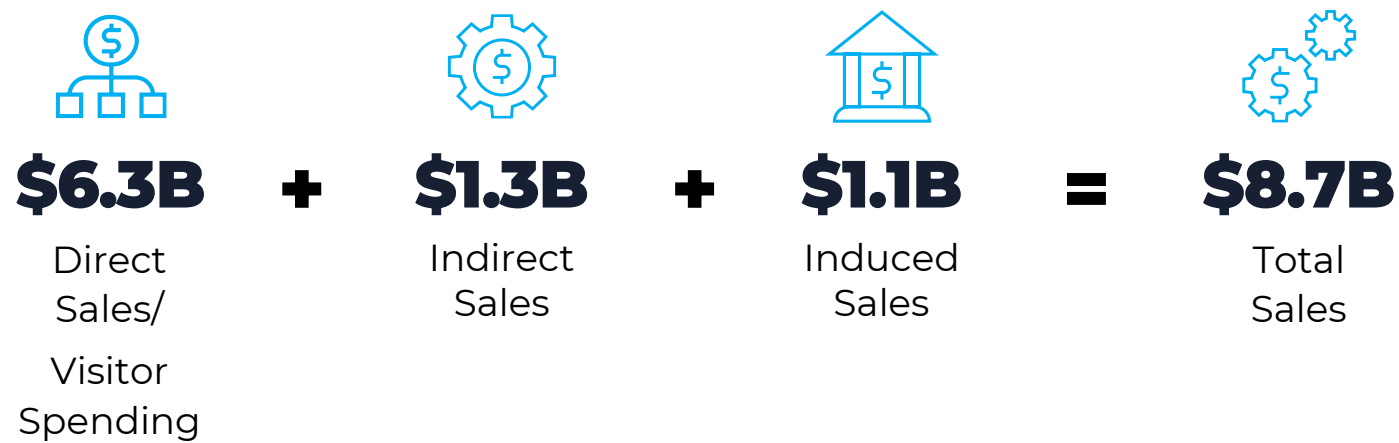
ECONOMIC IMPACT



Business Sales Impacts

Visitors contributed a direct impact of \$6.3 billion in 2023. This direct impact generated \$2.4 billion in indirect and induced impacts, resulting in a total economic impact of \$8.7 billion in the West Virginia economy. The total economic impact shows the benefits to the broader economy across industries at the indirect and induced levels.

Summary of Business Sales Economic Impacts



Business Sales Impacts by Industry (2023)

Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$6,335	\$1,316	\$1,102	\$8,754
Retail Trade	\$ 1,625	\$24	\$119	\$1,768
Food & Beverage	\$ 1,168	\$57	\$76	\$1,301
Recreation and Ent.	\$ 1,243	\$45	\$12	\$1,300
Lodging	\$ 979	\$0	\$2	\$982
Gasoline	\$ 849	\$1	\$10	\$860
Finance, Ins and RE	\$ 202	\$323	\$293	\$818
Business Services	\$ 28	\$384	\$85	\$497
Education and Health Care	-	\$7	\$261	\$268
Personal Services	\$ 141	\$54	\$60	\$255
Other Transport	\$ 99	\$72	\$24	\$195
Communications	-	\$126	\$35	\$161
Construction and Utilities	-	\$105	\$39	\$144
Wholesale Trade	-	\$50	\$45	\$95
Government	-	\$34	\$19	\$53
Manufacturing	-	\$25	\$15	\$40
Agriculture, Fishing, Mining	-	\$8	\$7	\$15
Air Transport	-	\$1	\$1	\$2

Source: Tourism Economics

The total economic impact of **\$8.7 billion** benefits West Virginians working in a wide range of industries.

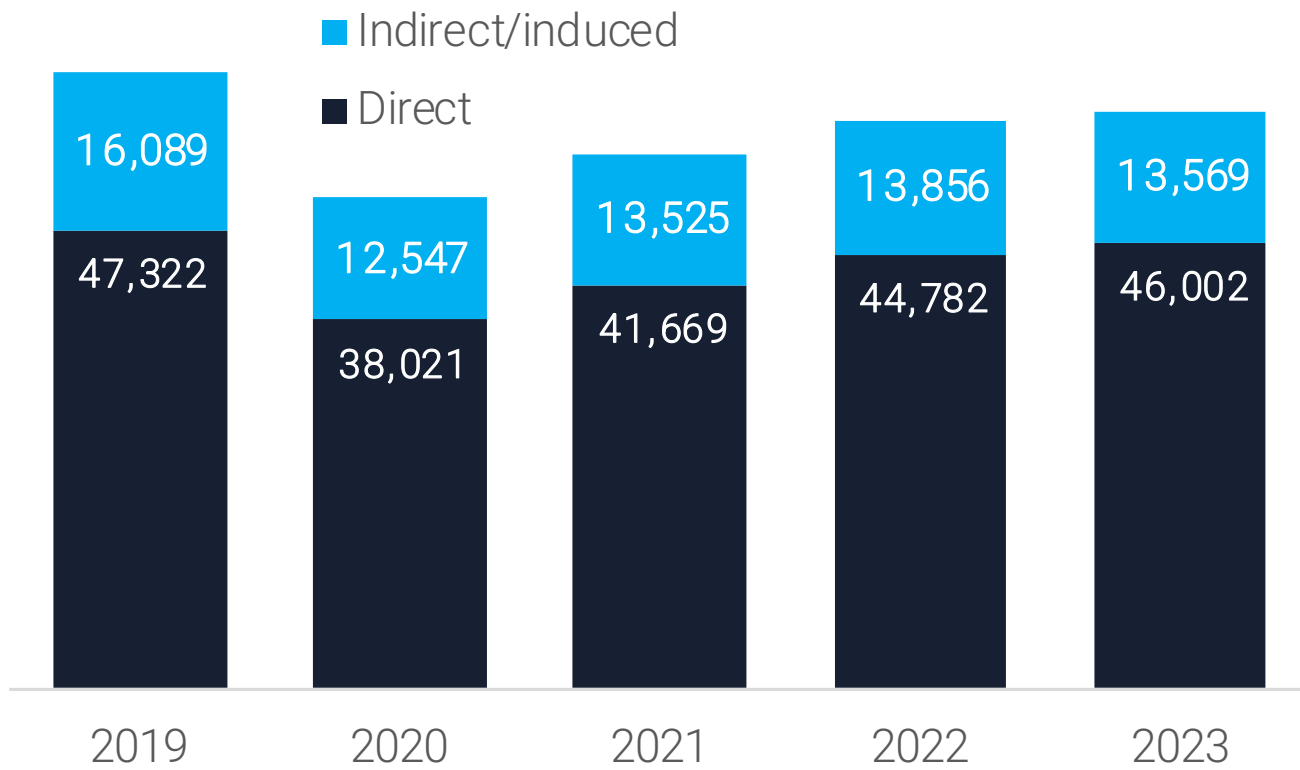
Total Employment

Direct employment supported by visitor activity increased 2.7% in 2023, recovering to 46,000 jobs. With the increase, the number of jobs directly supported by visitors remains about 1,300 jobs below pre-pandemic levels. Total jobs amounted to 59,571 including indirect and induced jobs.

Recovery in visitor-supported jobs has been slower than spending, with visitor-supported employment at 97% of pre-pandemic levels compared to spending at 123% of 2019 spending levels.

Visitor Supported Employment in West Virginia

Amounts in number of total jobs



Source: Tourism Economics

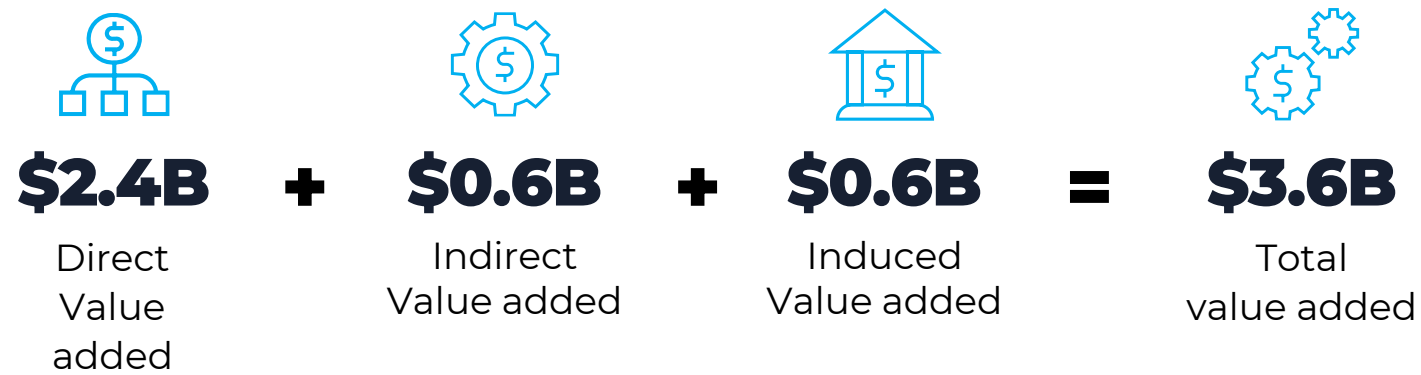


The tourism industry in West Virginia supported a total **59,571 local jobs.**

Value Added Impacts

Value added is the contribution to state gross domestic product (GDP). Direct visitor spending generated a direct impact of \$2.4 billion in value added in 2023. This direct impact generated additional value added impacts of \$1.2 billion in indirect and induced impacts, resulting in total value added of \$3.6 billion in the state economy. The total economic impact is spread across industries in the state economy, not only in those directly related to tourism.

Summary of Value Added Economic Impacts



Value Added Impacts by Industry (2023)

Amounts in \$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$ 2,363	\$ 642	\$ 611	\$ 3,616
Recreation and Ent.	\$ 692	\$ 16	\$ 6	\$ 715
Food & Beverage	\$ 516	\$ 32	\$ 34	\$ 582
Finance, Ins and RE	\$ 126	\$ 152	\$ 190	\$ 468
Lodging	\$ 429	\$ 0	\$ 1	\$ 430
Retail Trade	\$ 329	\$ 15	\$ 68	\$ 412
Business Services	\$ 7	\$ 208	\$ 45	\$ 260
Personal Services	\$ 106	\$ 39	\$ 35	\$ 180
Education and Health Care	-	\$ 4	\$ 152	\$ 155
Other Transport	\$ 57	\$ 41	\$ 12	\$ 110
Gasoline	\$ 101	\$ 1	\$ 5	\$ 106
Construction and Utilities	-	\$ 40	\$ 15	\$ 54
Communications	-	\$ 40	\$ 12	\$ 52
Wholesale Trade	-	\$ 26	\$ 23	\$ 48
Government	-	\$ 17	\$ 9	\$ 26
Manufacturing	-	\$ 6	\$ 3	\$ 9
Agriculture, Fishing, Mining	-	\$ 5	\$ 3	\$ 8
Air Transport	-	\$ 0	\$ 0	\$ 1

Source: Tourism Economics

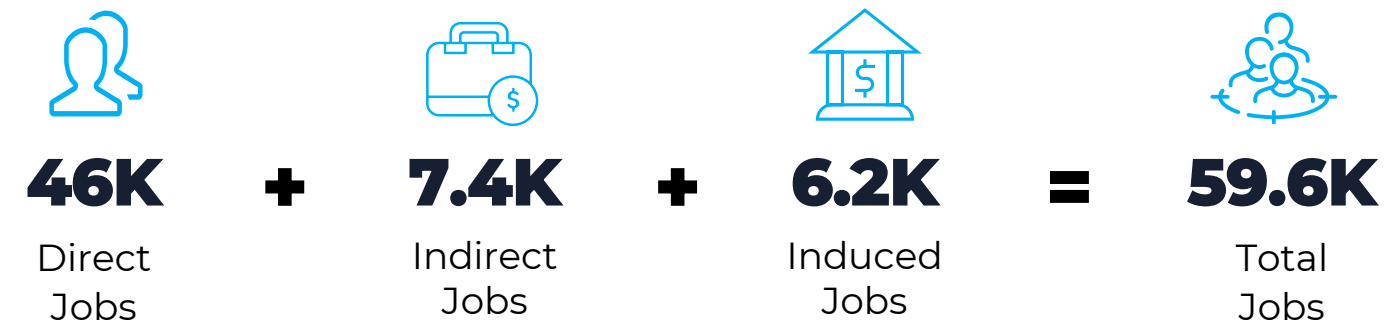
The total value added contribution of visitor spending to West Virginia's economy was **\$3.6 billion** in 2023.



Employment Impacts

Visitor activity sustained 46,002 direct jobs in 2023, with an additional 13,569 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to 59,571 in 2023, one of every 15 jobs in the state, when including indirect and induced jobs. Visitor spending supports the largest number of jobs in the food and beverage industry (16,540).

Summary of Employment Economic Impacts



Employment Impacts by Industry (2023)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	46,002	7,411	6,158	59,571
Food & Beverage	15,052	700	788	16,540
Lodging	10,580	3	26	10,609
Recreation and Ent.	9,021	509	155	9,685
Retail Trade	5,728	204	993	6,925
Personal Services	2,998	586	601	4,185
Business Services	176	2,565	542	3,283
Finance, Ins and RE	345	1,302	487	2,134
Other Transport	1,320	630	166	2,116
Education and Health Care	-	79	1,966	2,045
Gasoline	782	8	53	843
Communications	-	264	66	330
Wholesale Trade	-	152	107	259
Construction and Utilities	-	154	65	219
Government	-	151	61	212
Agriculture, Fishing, Mining	-	41	63	104
Manufacturing	-	61	18	79
Air Transport	-	2	1	3

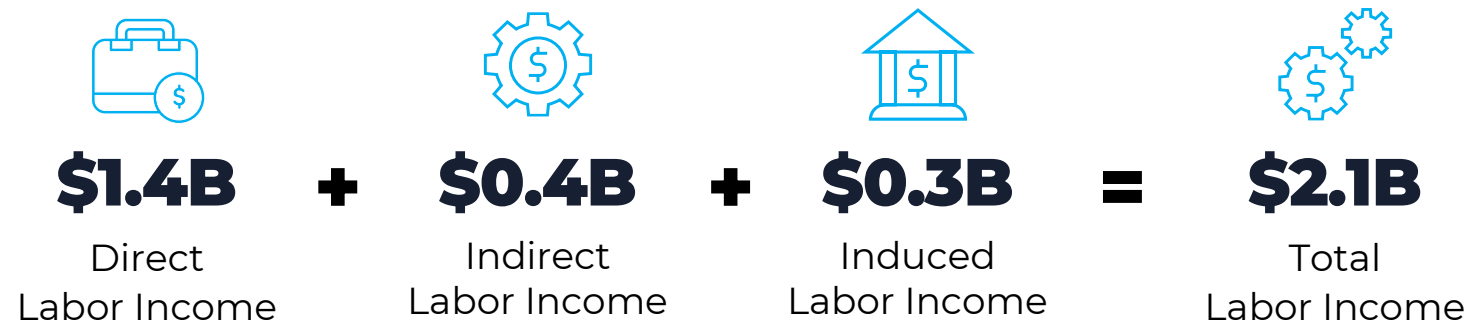
Source: Tourism Economics

Visitor spending supports **1-in-15 of all jobs** in West Virginia, including nearly **17,000 jobs** in the food and beverage industry.

Labor Income Impacts

Visitor activity generated \$1.4 billion in direct labor income and a total of \$2.1 billion including indirect and induced impacts. Total visitor-generated income in West Virginia in 2023 increased 5.1% over the prior year.

Summary of Labor Income Economic Impacts



Labor Income Impacts by Industry (2023)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$ 1,360	\$ 398	\$ 319	\$ 2,076
Food & Beverage	\$ 400	\$ 21	\$ 22	\$ 443
Lodging	\$ 382	\$ 0	\$ 1	\$ 383
Business Services	\$ 8	\$ 172	\$ 35	\$ 214
Retail Trade	\$ 170	\$ 7	\$ 34	\$ 212
Recreation and Ent.	\$ 193	\$ 5	\$ 3	\$ 201
Personal Services	\$ 92	\$ 33	\$ 26	\$ 151
Education and Health Care	-	\$ 3	\$ 134	\$ 137
Other Transport	\$ 70	\$ 37	\$ 10	\$ 117
Finance, Ins and RE	\$ 15	\$ 56	\$ 25	\$ 97
Gasoline	\$ 30	\$ 0	\$ 2	\$ 32
Communications	-	\$ 19	\$ 5	\$ 24
Construction and Utilities	-	\$ 15	\$ 6	\$ 21
Wholesale Trade	-	\$ 12	\$ 9	\$ 21
Government	-	\$ 12	\$ 4	\$ 16
Manufacturing	-	\$ 3	\$ 1	\$ 5
Agriculture, Fishing, Mining	-	\$ 1	\$ 0	\$ 1
Air Transport	-	\$ 0	\$ 0	\$ 0

Source: Tourism Economics



Visitor spending drives income across industries, including **eight industries with more than \$100 million** in total income.

FISCAL IMPACT



Fiscal Impacts

Visitor spending, visitor supported jobs, and business sales generated \$1.0 billion in government revenues in 2023. State and local taxes alone tallied \$598 million.

Each household in West Virginia would need to be taxed an additional **\$835** to replace the visitor-generated taxes received by state and local government in 2023.

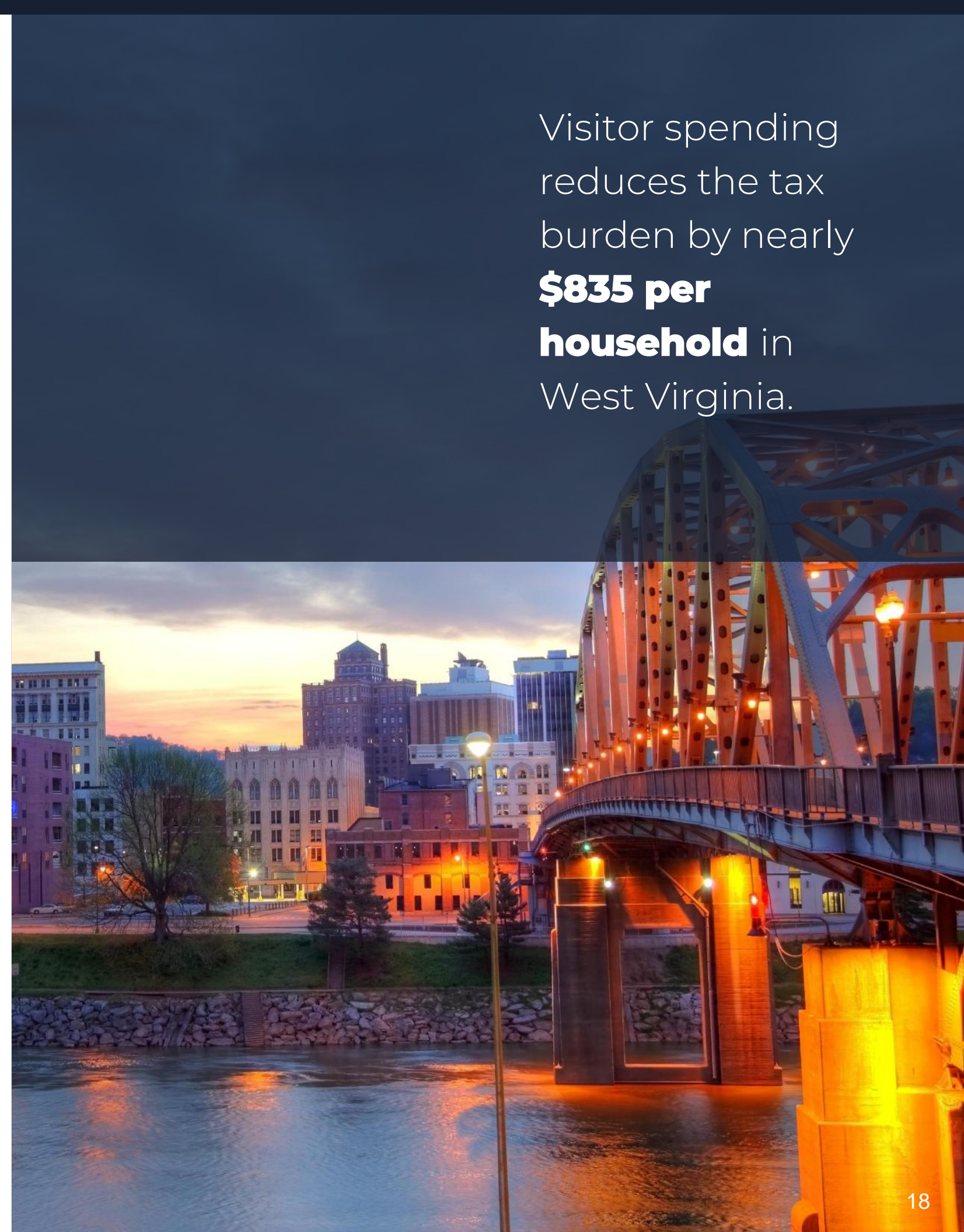
Fiscal (Tax) Impacts

Amounts in millions

	2022	2023	2023 Growth
Total Tax Revenues	\$982.0	\$1,025.6	4.4%
Federal Taxes	\$406.4	\$427.7	5.2%
Personal Income	\$120.4	\$126.9	5.4%
Corporate	\$37.3	\$39.4	5.7%
Indirect Business	\$83.3	\$87.6	5.1%
Social Insurance	\$165.5	\$173.9	5.1%
State Taxes	\$343.3	\$352.7	2.7%
Sales	\$249.7	\$264.4	5.9%
Personal Income	\$45.4	\$38.2	-15.9%
Corporate	\$10.0	\$10.6	5.7%
Excise and Fees	\$37.4	\$38.7	3.5%
Property	\$0.7	\$0.7	6.2%
Local Taxes	\$232.2	\$245.1	5.5%
Sales	\$12.7	\$13.5	6.7%
Bed Tax	\$39.4	\$41.2	4.6%
Excise and Fees	\$23.0	\$24.2	5.4%
Property	\$157.2	\$166.2	5.7%

Source: Tourism Economics

Visitor spending reduces the tax burden by nearly **\$835 per household** in West Virginia.



ECONOMIC IMPACT IN CONTEXT

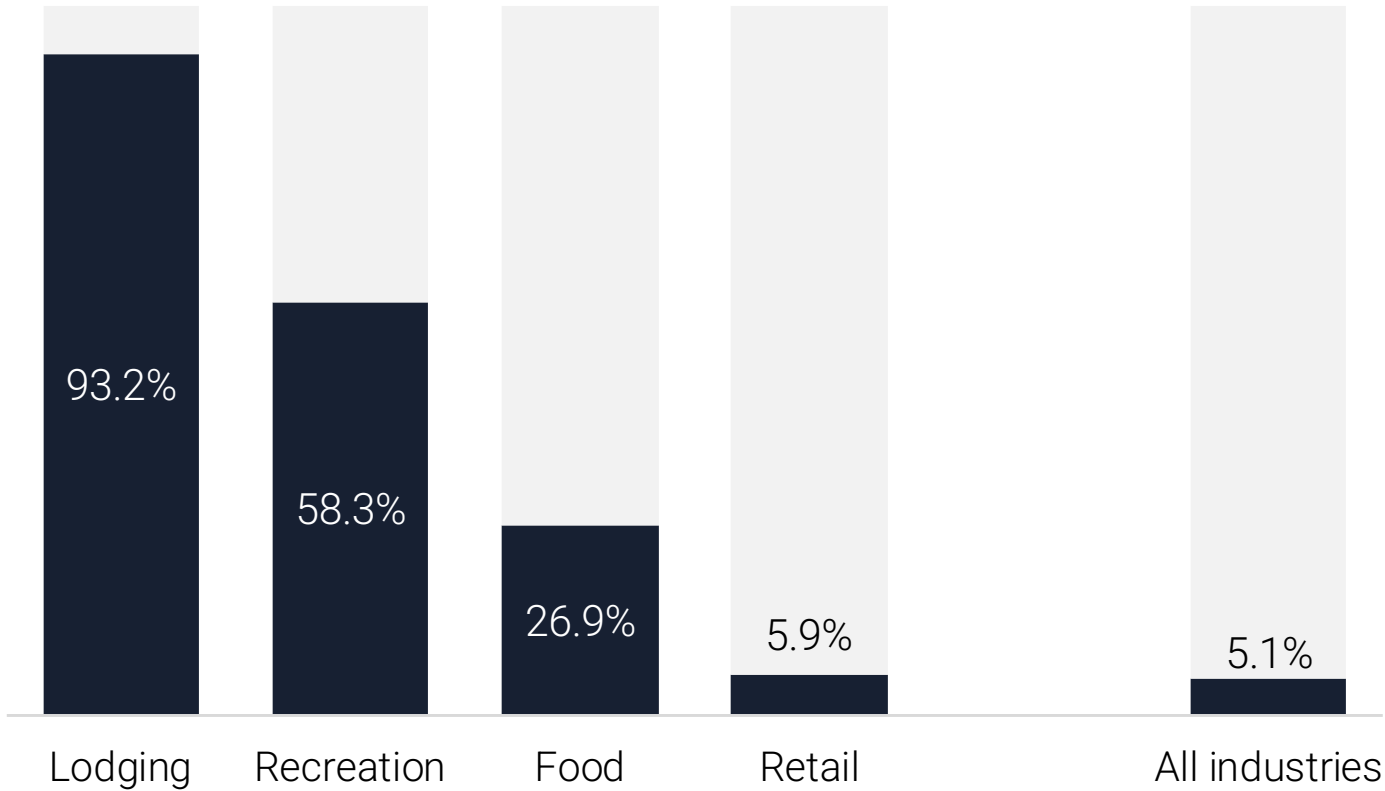


Tourism is an economic driver for West Virginia.

Visitors sustain nearly all employment in the lodging sector, more than 58% of recreation employment, and 27% of food services employment.

Tourism Employment Intensity

Amounts in percentage of total industry employment, direct only



Source: Tourism Economics

Economic Impact In Context



\$6.3B VISITOR SPENDING

The \$6.3 billion in visitor spending means that more than **\$17 million** was spent **every day** by visitors to West Virginia, on average.



\$2.1B LABOR INCOME

The \$2.1 billion in total income generated by tourism is the equivalent of **\$2,900 per household**, on average, in the state.



59,571 JOBS

The number of jobs sustained by tourism supports nearly **7% of all jobs** in the state, when including indirect and induced jobs.



\$1.0B STATE & LOCAL TAXES

In 2023, tourism generated \$1.0 billion in total taxes revenues. State and local taxes alone generated by tourism would be enough to fund **11,800 teacher salaries**, or all **1,400 local police officers' salaries 7 times over**, using average industry wages in the State.



APPENDIX



Appendix

Glossary – Spending Definitions

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitors spending within the arts, entertainment and recreation sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Employment is measured by the Bureau of Economic Analysis (BEA) and Bureau of Labor Statistics (BLS) definitions, and captures full-time and part-time jobs, which includes salary and wage employees and proprietors.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

About the Research Team

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 600 full-time staff, including 300 professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.



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