



Virginia Beach Tourism Industry

Frequently Asked Questions

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Virginia Beach Convention & Visitors Bureau

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How does tourism benefit the City of Virginia Beach?

The travel and tourism industry is a major economic driver for our city. In 2016, tourism contributed \$1.49 billion in direct spending to local businesses. In turn, this spending generated more than \$132 million in state and local tax revenue.

Tourism impacts our community in other ways. Tourism directly supports more than 13,600 jobs in Virginia Beach and nearly \$278 million in salaries. Those employees use their wages to purchase goods and services, including housing, transportation, food, clothing, healthcare and entertainment.

In 2016, visitors to Virginia Beach spent an average of \$4.1 million every day, which calculates into a total of \$1.49 BILLION in directed travel-related expenditures. The money invested into our local economy by visitors circulates throughout our economy several times over, providing an ongoing economic impact that would disappear entirely without tourism.

Visitors also pay taxes. Transaction taxes collected from visitors include accommodations tax and fees, meal tax, and admissions tax. These taxes support vital city services. It is not uncommon for some visitors to decide to relocate here and purchase a home. Other visitors secure investment properties and/or second homes.

How does tourism benefit businesses other than hotels, restaurants and attractions?

Many businesses throughout Virginia Beach benefit from a balance of customers that include both visitors and residents. This includes retail outlets, grocery stores, entertainment venues and transportation providers. Ultimately, these tourism-dependent businesses need other services which are paid for in part by tourist dollars.

Likewise, employees in the tourism industry use their wages to make purchases throughout the city. Even though a business may not think of itself as benefitting from tourism, the indirect benefits of tourism impact nearly every type of business in our city.

What about the added burden visitors have on our local infrastructure and essential services?

Visitors use much of the same infrastructure and services that residents use, including roads, bridges, highways, airports, police/fire protection, medical services, etc. In 2016, Virginia Beach welcomed record \$15.2 million visitors. No doubt, a growing tourism industry requires adequate investment and maintenance of our local infrastructure and public services.

Visitors don't use many city services that they help support, such as city schools. Visitors don't send their children to our schools, yet in 2017 \$4.9 million of tourism taxes went to our public school system.

The positive impact of tourism on infrastructure and public services benefits everyone - residents, visitors and businesses. Without tourism, the area would not have been able to revitalize our famous boardwalk, replenish sand or build the Sandler Center for the Performing Arts. Without tourism, the area would have not been able to fund the much-needed improvements to Atlantic Avenue or pay for the Rudee Walk Development project. Without tourism, the burden of paying for police protection, fire protection, emergency management and emergency medical services would fall entirely upon the local residents, ultimately reducing the scope and perhaps the quality of service.

Visitors help pay for infrastructure and services that everyone benefits from. In 2016, visitors to Virginia Beach contributed about \$56.4 million to the City's General Fund, including \$5 million to schools.

It is true that tourism requires an additional investment, but that investment pays off each and every day for our local residents. The quality of life for Virginia Beach residents is significantly improved thanks to tourism.

What kinds of jobs does tourism generate?

Most people associate tourism with hourly jobs in the service sector, and there's no doubt that tourism is accountable for thousands of jobs locally. While it is true that tourism does create hourly jobs, it also supports and sustains an overlooked corps of managers and other professionals that play an integral role. What are often overlooked are the management jobs that are a part of the tourism industry. We see registration desk staff and housekeepers, but don't always notice the managers, supervisors, accountants and marketers that work in a hotel or resort. We see wait staff, bartenders and cooks but don't notice the

team of managers, chefs, accountants and supervisors that are needed to run a restaurant. We see flight attendants and counter attendants but don't notice the pilots, auditors, engineers and other professionals that run airlines.

Beyond the direct employment within businesses that serve visitors the impact of tourism spreads well beyond the traditional definition of tourism. Many industries exist to support businesses within the tourism industry: advertising agencies, accounting firms, distributors, furniture makers, textile manufacturers, etc.

Why should public funds be used to promote tourism?

Public funding of tourism promotion is quite common. In fact, most tourism destinations invest far more public funds in destination promotion than private funds, with many destination marketers receiving 70% or more of their funding from public funds.

Public funds are typically used to promote a destination such as Virginia Beach. Individual businesses are responsible for marketing their own business, but destination marketers must first create interest in visitation before an individual business can effectively market itself. From an industry perspective, this is no different than the Department of Education promoting their advanced education programs or the Department of Commerce promoting business opportunities in our state.

Tourism is an export industry that is attracting new dollars to our community. If we are not investing in our product or promotion, these new dollars will go elsewhere to destinations that are investing in the experiences that visitors want. Investing in our community with competitive product will make our economy stronger and a strong economy builds a stronger community.

With all the beautiful parks, great beaches and plenty of free things to do in our City, why do we have to promote tourism? Wouldn't people come anyway?

There's no doubt that Virginia Beach is fortunate to be home to exceptional amenities and attractions, most notably our beaches and coastal culinary offerings. And while most visitors who choose to vacation here rank the beach as the a big draw, our research confirms that the non-beach amenities --- restaurants, attractions, parks, entertainment venues, retail outlets, etc. --- are what differentiates our destination and make it so popular and diverse. Without these amenities, we cannot compete for tourism dollars that help to sustain business, create jobs and support vital city services.

To build the appeal of the destination, the non-beach amenities must be effectively marketed. Visitors who have never been to Virginia Beach are often surprised to learn just how much the area offers. Where else can you be on a gorgeous beach in the morning, a u-pick farm in the afternoon and a vibrant Town Center for happy hour and dinner? All within about 15 minutes of each other!

The business of tourism is very competitive. If we discontinued promotion efforts, other destinations would happily capture our visitors. Other destination have tried cutting out promotion efforts only

to find a significant drop in tourism that hurt their economy. They have returned to their promotion activities and even increased their investment above prior levels.

Good marketing builds the awareness and desirability of a vacation destination. Once the consumer is interested in visiting, individual businesses can then begin to market themselves to these visitors. Destination marketing is essential to growing and sustaining tourism.

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