

# Outdoor Recreation and the Virginia Economy



In May of this year, Governor Glenn Youngkin announced that ten Virginia communities will receive grants to launch new tourism programs to boost their outdoor recreation economy.<sup>1</sup> The purpose of the grants is to support the outdoor recreation industry in the Commonwealth. This could come at a good time. For many years, Virginia has hosted millions of visitors who flocked to its beaches, its mountains, amusement parks, and historic sites. But, given the Pandemic recession's impacts on the economy nationwide, how did Virginia's outdoor recreation economy fare over that period?

In 2021, outdoor recreation contributed \$9.4 billion to the Commonwealth's economy and supported 107,000 jobs and \$4.8 billion in wages and salaries in Virginia according to the U.S. Bureau of Economic Analysis (BEA). Since 2018, the BEA has produced statistics measuring the outdoor recreation economy for the nation, all 50 states, and the District of Columbia.<sup>2</sup> The outdoor recreation by industry data show the contributions of industries to the outdoor recreation economy, including their impact on value added, gross output, employment, and compensation. The most recent published data describes conditions in 2021, which provides a useful look at the makeup of Virginia's outdoor recreation economy and how it was affected by the Pandemic years of 2020 and 2021.<sup>3</sup>

The BEA data for 2021 shows that the Virginia outdoor recreation economy accounted for 1.6 percent (\$9.4 billion) of current-dollar gross domestic product (GDP) for the Commonwealth in 2021.<sup>4</sup> This was a little lower than the 1.9 percent nationwide. Among nearby states, value added for outdoor recreation as a share of state GDP ranged from 1.9 percent in West Virginia to 1.8 percent in North Carolina and 1.5 percent in Maryland. The share was 0.9 percent in the District of Columbia.

The activities that people do for fun varies by state. In 2021, RVing was relatively more important to South Carolina's economy than it was in other South Atlantic states. Festivals, sporting events, and concerts were more important in North Carolina. Government spending to support outdoor recreation activities was more important in the District of Columbia. Maryland benefited from Snow Activities relatively more than nearby, warmer states. What is Virginia's outdoor recreation economy like and what are some of its strengths and what are some recreation industries with possible room to grow?

Outdoor recreation activities fall into three general categories: conventional activities (such as bicycling, boating, hiking, and hunting), other activities (such as gardening and outdoor concerts), and supporting activities (such as construction, travel and tourism, local trips, and government expenditures).

<sup>1</sup> "Governor Youngkin Announces 10 Virginia Communities to Launch New Tourism Programs and Boost Outdoor Recreation" Office of the Governor. March 23, 2023. <https://www.governor.virginia.gov/newsroom/news-releases/2023/may/name-1003593-en.html>

<sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis. Survey of Current Business. "Introducing the Outdoor Recreation Satellite Account." "[Outdoor Recreation Satellite Account: Prototype Statistics for 2012–2016.](#)"

<sup>3</sup> U.S. Bureau of Economic Analysis, "SAOVA Outdoor recreation satellite account value added 1/" (accessed Friday, June 9, 2023). [SAOVA Outdoor recreation satellite account value added 1/](#)

<sup>4</sup> Total outdoor recreation activities include core activities, supporting activities, and activities with secondary production that are designated as outdoor recreation.

## Conventional Outdoor Recreation Activities

In 2021, U.S. conventional outdoor recreation accounted for 35.1 percent of U.S. outdoor recreation value added, compared with 40.1 percent in 2020. The composition of Virginia's conventional outdoor recreation activities economy is like nationwide, but with some unique strengths. One is the category called Game Areas (including golf and tennis) that directly contributed nearly a half of a billion dollars in 2021 and comprised a larger share of Virginia's outdoor recreation economy than was the case nationwide. Amusement Parks and Water Parks directly contributed around \$170 million to Virginia's economy and was more important than in any other South Atlantic state, aside from Florida.

Boating and Fishing is Virginia's largest conventional outdoor recreation activity. Hunting and RVing are also large contributors. Perhaps because they are relatively inexpensive activities, Bicycling, Hiking/Climbing/Camping, and Motorcycling/ATVing added less to GDP. Snow Activities contributed little more, despite Virginia boasting multiple ski resorts. Equestrian Activities have long been an important part of Virginia's heritage and, in what may be surprising to some, contributed more than any of those activities in 2021. Sales from the category Associated Apparel and Accessories were nearly as large as the output of the activities themselves.

This part of the Virginia outdoor recreation economy weathered the Pandemic fairly well, as people increasingly partook in things like Bicycling, Boating/Fishing, and RVing that didn't involve mass gatherings and could be enjoyed alone or in small groups. Ten-year growth trends were also positive, led by Bicycling and Climbing/Hiking/Tent Camping. However, Snow Activities showed flat current-dollar growth over that period. Weather conditions—warm weather and skiing, for example—and other factors like higher gas prices can also influence what people choose to do for recreation.



### Boating/Fishing

Boating/Fishing in general benefited from the Pandemic limitations on mass-gatherings. Canoeing/Kayaking is a small part of this sector, but Virginia output expanded by over forty percent from 2019 to 2020. Other Boating (yachting and pleasure boating, presumably) grew by over fifty percent over that period! Long term growth trends were led by Canoeing/Kayaking and Boating/Fishing, while Sailing exhibited flat current-dollar growth.

Boating/Fishing added over a half of a billion dollars to the Commonwealth's economy in 2021. This was nearly six percent of the outdoor recreation GDP total, slightly less than nationwide. The South Atlantic coast is renowned for its boating and fishing and this is evident in their contribution to those states' economies. For example, Boating/Fishing made up 9.5 percent of Florida's outdoor recreation economy. Not only Florida, but Georgia, Maryland, North Carolina, and South Carolina relied more on Boating/Fishing to drive their outdoor recreation economies than was the case nationwide.

### Other Outdoor Recreation

Other outdoor recreation nationwide accounted for 17.6 percent of value added in 2021, compared with 17.5 percent in 2020. The Other Outdoor Recreation category is mainly comprised of activities commonly done in groups. For this reason, this part of the outdoor recreation economy was hit hardest by the Pandemic recession period of 2020. For example, Amusement Parks/Water Parks and Festivals/Sporting Events/Concerts saw economic output drop by nearly half compared to pre-Pandemic levels in 2019. By 2021, they remained significantly below levels from five years earlier. Game Areas (including golf and tennis) was hurt less and experienced

positive long-term growth. Another exception was Productive Activities (includes Gardening) which grew 17 percent in 2020 compared to 2019 and was up nearly 75 percent (in current dollars) over ten years.

Outdoor recreation activity is supported by numerous industries, from the manufacture and sales of camping equipment to selling fuel for recreation vehicles, to apres-ski dining in a lodge. States that manufacture the goods that are used in outdoor recreational activities can boost this output as well. Pleasure boat manufacturing in North Carolina would be an example. The Retail Trade industry group was the largest contributor to Virginia outdoor recreation GDP in 2021, accounting for \$2.7 billion (35,722 in employment). Accommodation and Food Services was second, accounting for \$1.6 billion (22,053 in employment). Arts, Entertainment, and Recreation was third, accounting for \$0.8 billion (19,038 in employment).

## Supporting Industries of the Outdoor Recreation Economy

Supporting activities nationwide accounted for 47.3 percent of outdoor recreation GDP in 2021, compared with 42.4 percent in 2020. Supporting industries may have little to do with recreation directly, but indirectly, are necessary for Virginians and visitors to enjoy the many recreational pursuits available across the Commonwealth. Output was nearly \$4.4 billion in 2021. Local Trips were affected much less than Travel and Tourism by the Pandemic in 2020 and it fully recovered in 2021. State and Local Government outdoor recreation spending increased during 2020 and 2021. Longer term trends indicate that the supporting part of the outdoor recreation economy grew modestly in current dollar terms.

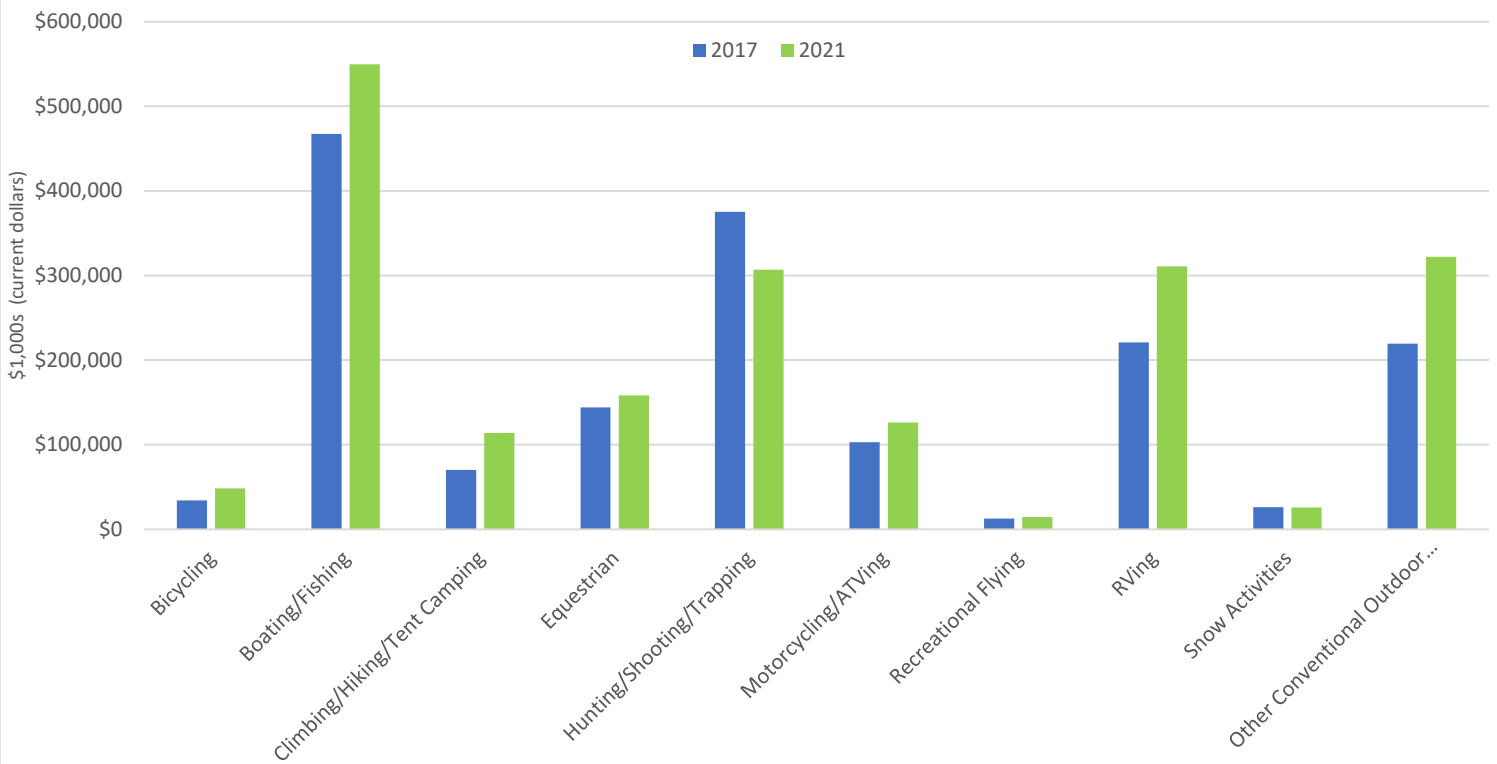
## Travel and Tourism

Indirect economic activity from Travel and Tourism spending is an important contributor to Virginia's outdoor recreation economy and provides a different perspective regarding the important drivers of spending. In 2021, Travel and Tourism output totaled nearly three billion dollars. Its components (Food and Beverages, Lodging, Shopping and Souvenirs, and Transportation) typically contribute comparable amounts but that changed severely during the Pandemic. From 2019 to 2020, Virginia Travel and Tourism output dropped by 45 percent overall, but Transportation spending fell over 70 percent. Food and beverage spending declined by over half, but fully returned to 2019 levels in 2021. However, in 2021, Lodging and Transportation remained significantly lower than before the Pandemic. In fact, Transportation spending was 20 percent lower than ten years before in 2012, in current dollar terms.

The trends shown in BEA's outdoor recreation data indicate that some activities that don't require large groups to enjoy them grew in popularity, with the Pandemic a driver of that growth in popularity as recreation shifted from group activities like amusement parks to solitary activities like hiking, biking, and gardening. However, supporting activities, particularly travel and tourism-related activities, rebounded in 2021 as COVID-19 restrictions eased and consumers traveled more and increased spending on transportation, hotels, and restaurants.

Some trends in recreation activities are long-term and may reflect changes in consumer tastes. Some lower cost forms of recreation like hiking and gardening grew in popularity while more costly, physically demanding pastimes like skiing and sailing experienced flat growth in the Commonwealth. But such activities can be helped in other ways since over forty percent of the contribution to outdoor recreation GDP came from supporting activities, like fueling up on the way to the marina, or shopping for souvenirs on a snowboarding trip. Growing this supporting commerce could help to lift the size of the outdoor recreation economy in the Commonwealth as it continues to recover from the effects of the Pandemic recession.

Conventional Outdoor Recreation Categories and Their Contribution to Virginia's Outdoor Recreation Economy



U.S. Bureau of Economic Analysis (BEA)