

**VIRGINIA  
IS FOR  
LOVERS®**

**THE ECONOMIC IMPACT OF  
MEETINGS & CONVENTIONS  
IN VIRGINIA**  
**2024 VA-1 SUMMIT**

**NOVEMBER 2024**

# UNPACKING THE IMPACT OF MEETINGS & CONVENTIONS

## ***THE DEFINITION OF MEETINGS & CONVENTIONS VISITORS***

- Understanding our Visitor Definition and the Scope of our Meetings & Conventions Study

## ***M&C's CONTRIBUTION TO VIRGINIA'S TOURISM ECONOMY***

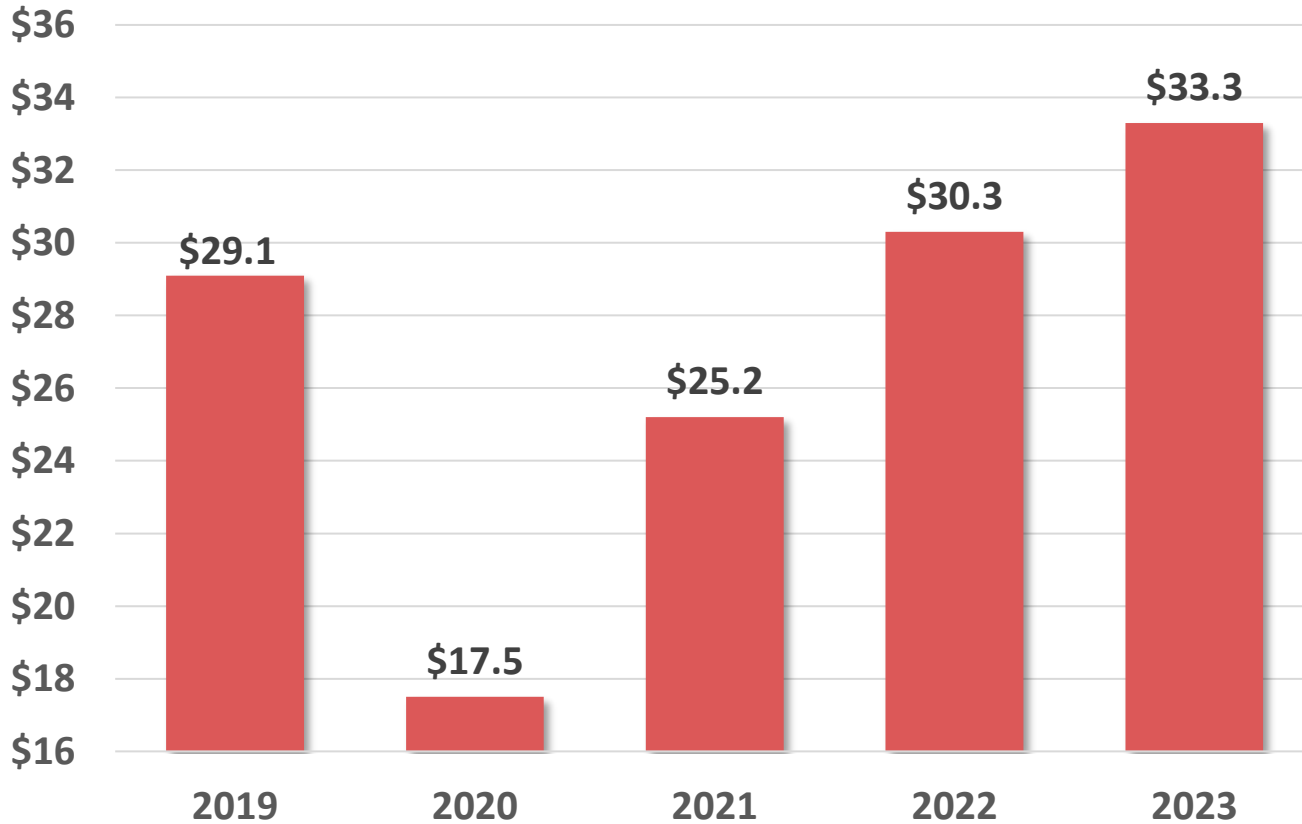
- One of the last major milestones to a full recovery
- Crucial for the recovery of our Downtown Markets, and our Major Hotels

## ***THE IMPACT OF MEETINGS & CONVENTIONS ACROSS THE COMMONWEALTH***

- \$5.8 billion in direct impacts – with a considerable operational impact
- \$2.1 billion contributed in traditional visitor spending
- Over 56,700 in direct jobs
- Close to \$335 million in direct revenues- with a core local government impact.

# TOTAL VISITOR SPENDING IN VIRGINIA GREW 10% FROM 2022 INTO 2023

Annual Visitor Spending  
Billions of Dollars



Year	Annual Visitor Spending (Billions)	Level vs 2019
2019	\$29.1	-
2020	\$17.5	-39.7%
2021	\$25.2	-13.2%
2022	\$30.3	+4.4%
2023	\$33.3	+14.4%

**Driving forces:**

- NOVA recovering back to 2019 levels in 2023
- Recovery moving into Urban Areas across the Commonwealth – meetings were a key driver here.
- Initial Recovery Leisure Markets holding steady after initial bounce back

# OUR DEFINITION OF MEETING & CONVENTION VISITORS

## INCLUDES

Visitors attending a gathering of 10 or more participants for at least four hours

Sectors Represented:  
Association, Corporate,  
Government, Military,  
Educational, Non-Profit,  
Religious, Other

## EXCLUDES

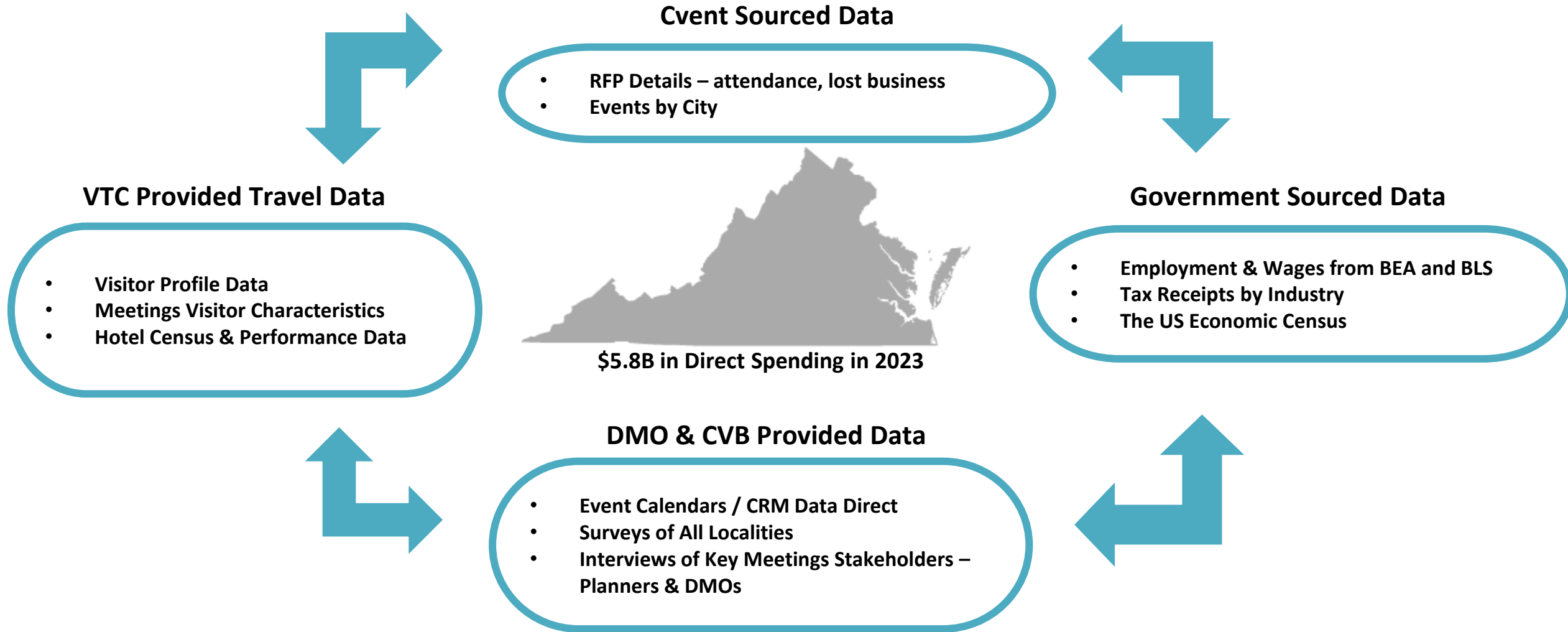
Recreational & Social Events –  
Weddings, Family Reunions

## SEPARATELY ASSESSED BUT INCLUDED

Meeting Operations

- The included event types above reflect the vast majority of business that our partner CVBs and DMOs (Destination Marketing Organizations) are sourcing and bringing in.

# DATA SOURCES ARE VARIED AND BALANCED AGAINST ONE ANOTHER TO DRIVE OVERALL ACCURACY



Data from each source is cross-checked against each bucket, reinforcing the overall modeling accuracy

# THE DEFINITION OF A TRAVELER



## Day Travelers

- 2.4 million day visitors attended a meeting in Virginia in 2023
- Must travel more than 50 miles away from home.
- Attended a meeting or convention consistent with the definitions on the previous slide

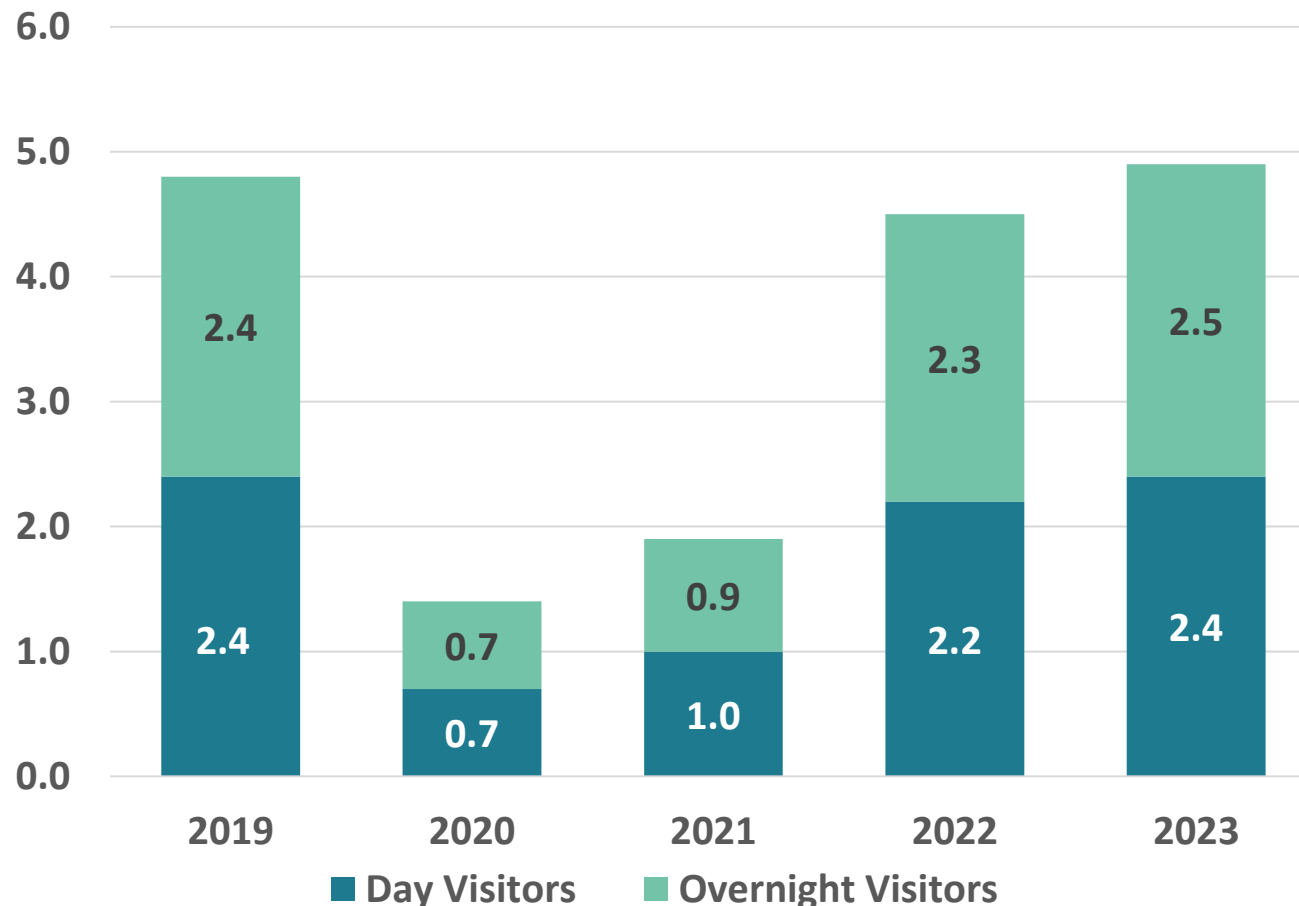


## Overnight Travelers

- 2.5 million overnight visitors attended a meeting in Virginia in 2023
- Attended a meeting or convention consistent with the definitions on the previous slide with one or more nights spent away from home.
- No mileage threshold.

# MEETINGS & CONVENTION VISITATION ROARED BACK IN 2022 – A CORE MILESTONE FOR THE COMMONWEALTH’S TOTAL RECOVERY

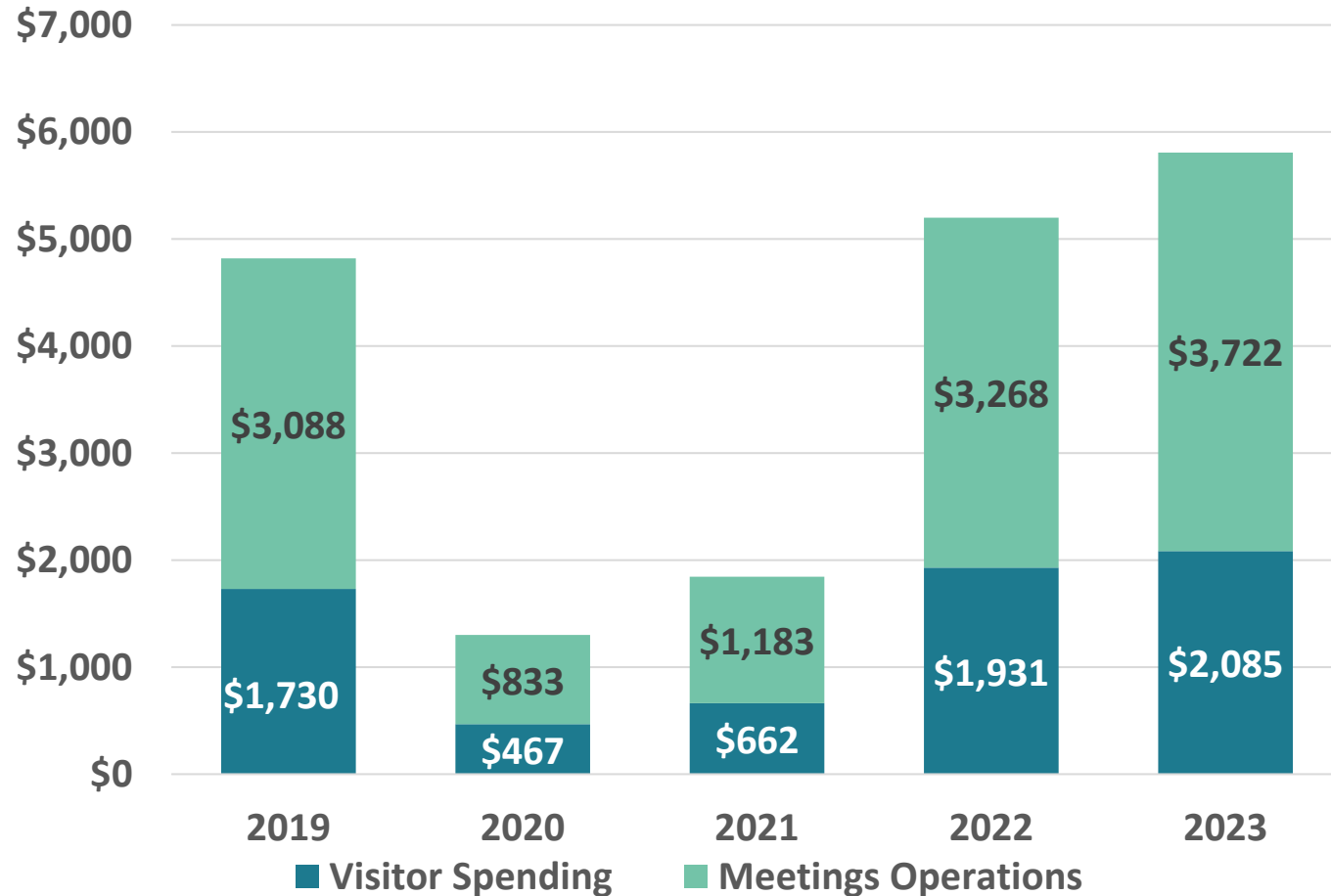
Virginia – Meetings & Convention Visitors  
In Millions



- Visitation accelerated in 2022, after remaining stagnant in 2020 and 2021.
- In 2023, visitation is now beyond 2019 levels and there is continuing growth momentum.
- Statewide – all-in, total visitation recovered in 2023.
- The visitor share for Meetings & Convention visitors leans more overnight than our overall visitation profile.

# MEETINGS-RELATED SPENDING IS NOW 20% HIGHER THAN 2019 LEVELS

Virginia - Direct M&C Spending Impacts  
Millions of Dollars

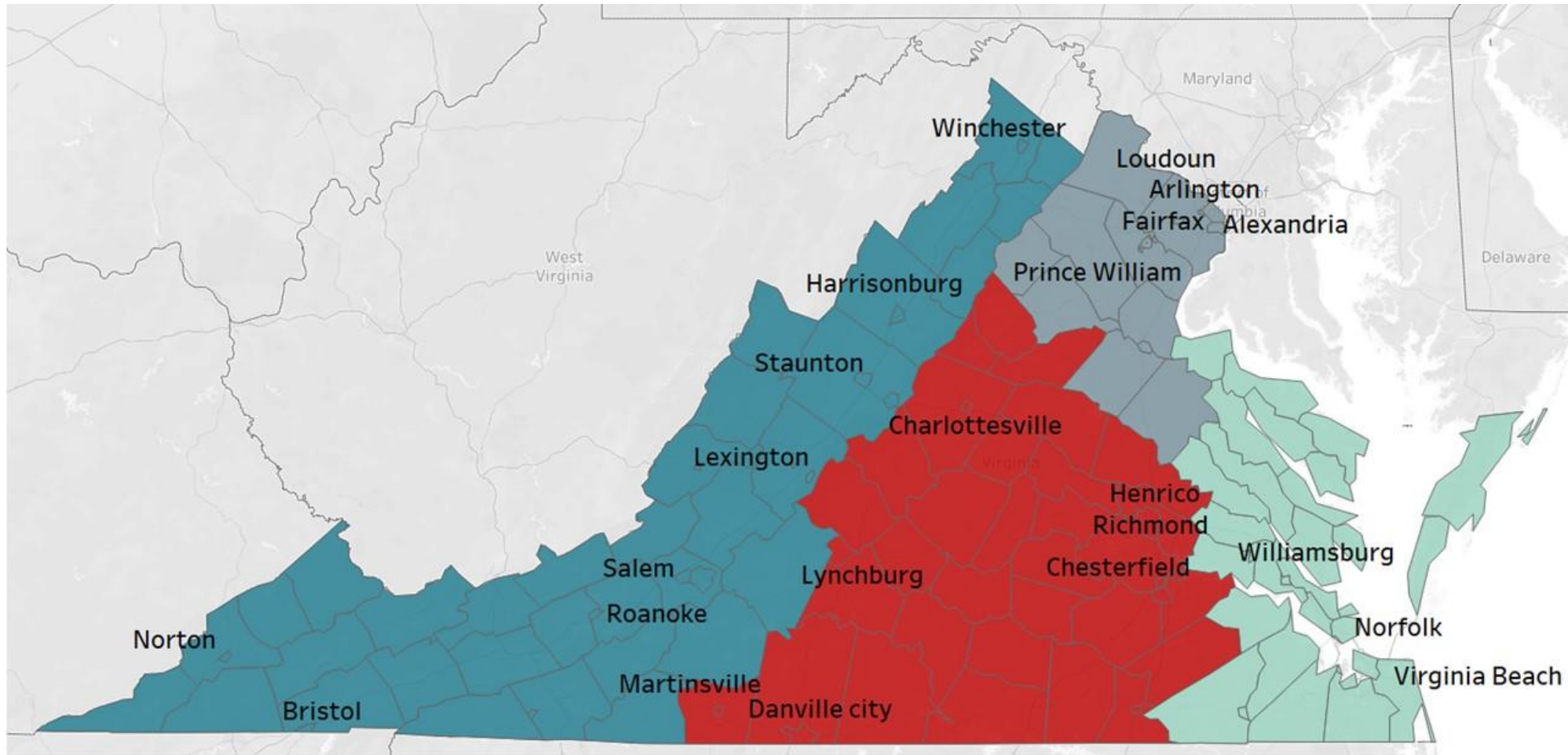


Year	Total Direct Impacts (Billions)	Percent Recovered vs 2019
2019	\$4.8B	
2020	\$1.3B	27%
2021	\$1.8B	38%
2022	\$5.1B	106%
2023	\$5.8B	120%

- Meetings & Conventions spending recovered close to state averages of overall visitor spending
- Spending was virtually stagnant from 2020-2021 before greatly accelerating in 2022, and then beyond 2019 levels into 2023



# M&C IMPACTS WERE MEASURED ACROSS 4 BROAD REGIONS



**Western VA Meetings Region**

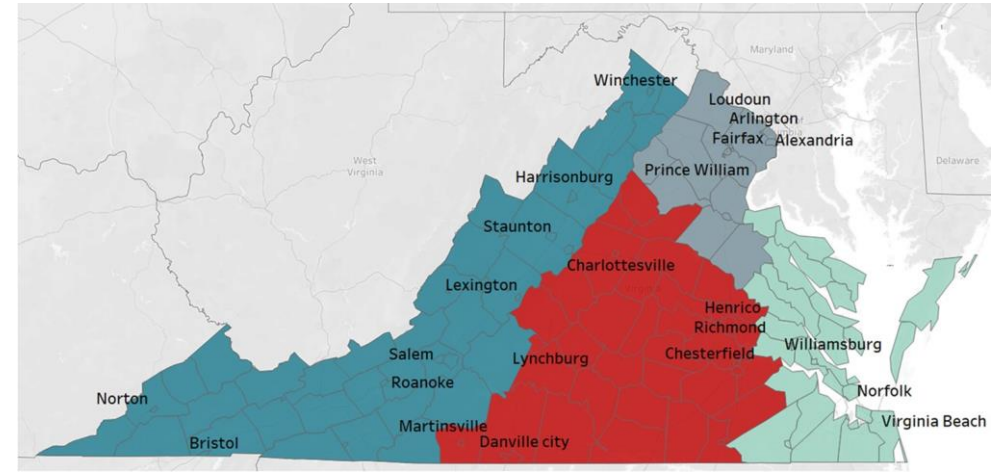
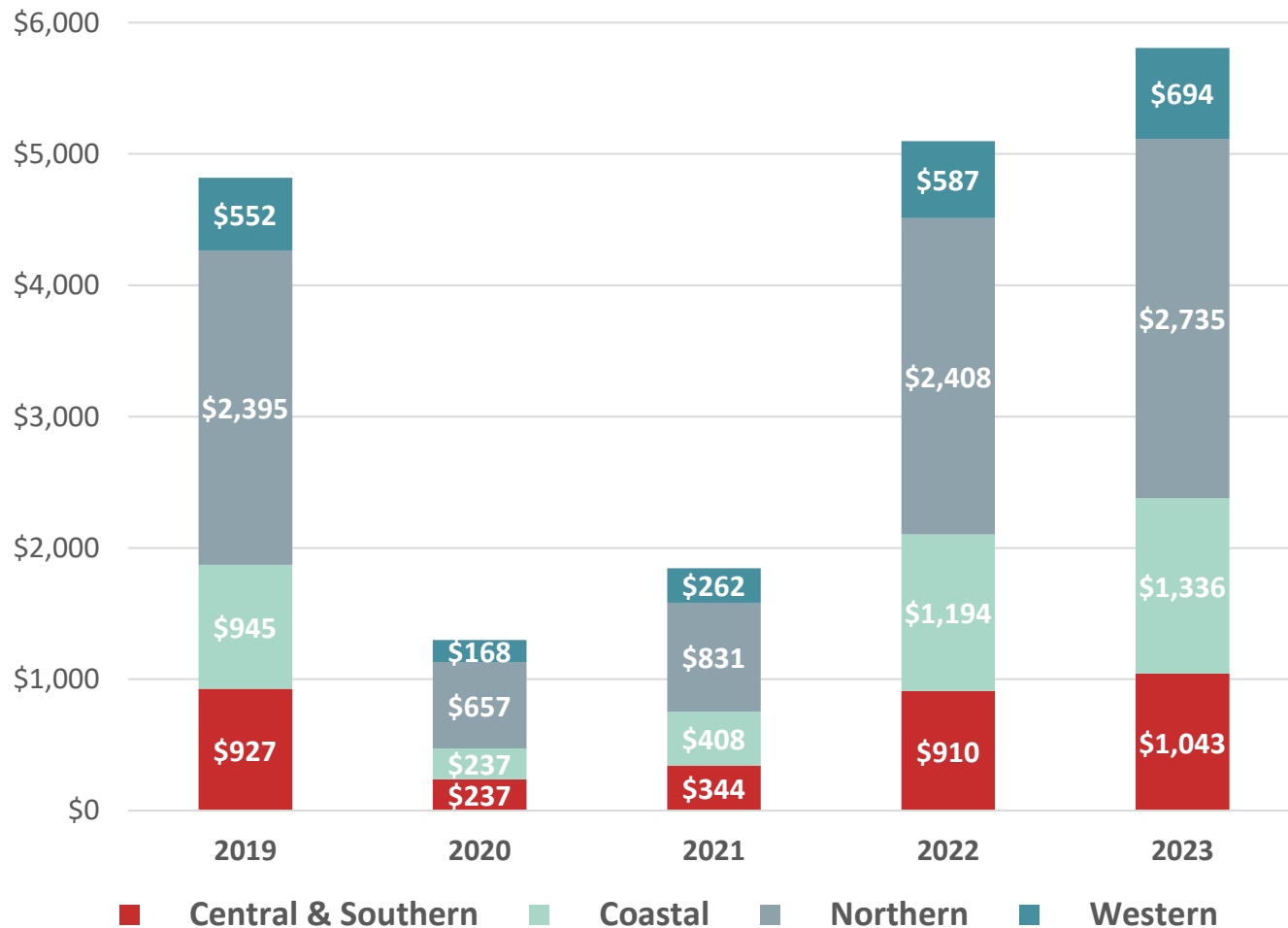
**Northern VA Meetings Region**

**Central & Southern VA Meetings Region**

**Coastal VA Meetings Region**

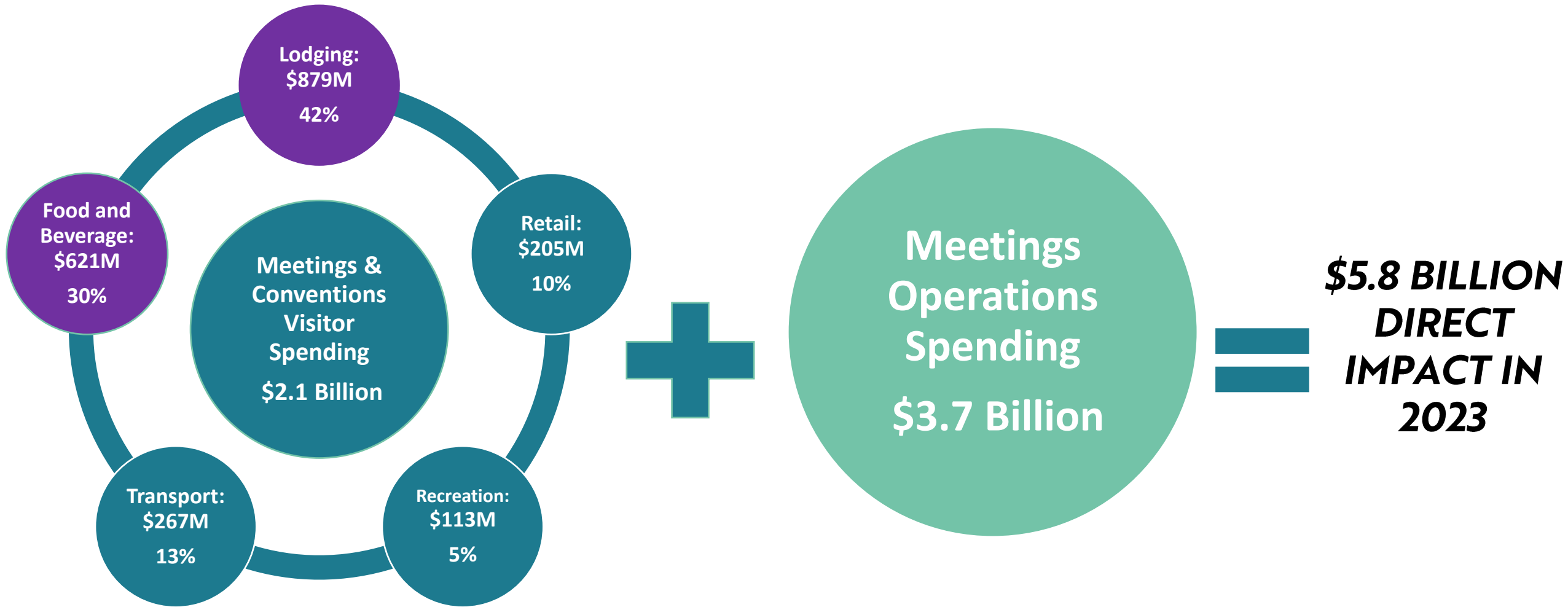
# MEETINGS SPENDING ACROSS THE STATE REFLECTS DISTRIBUTION OF HOTEL SUPPLY

Virginia Direct M&C Spending by Region  
In Millions

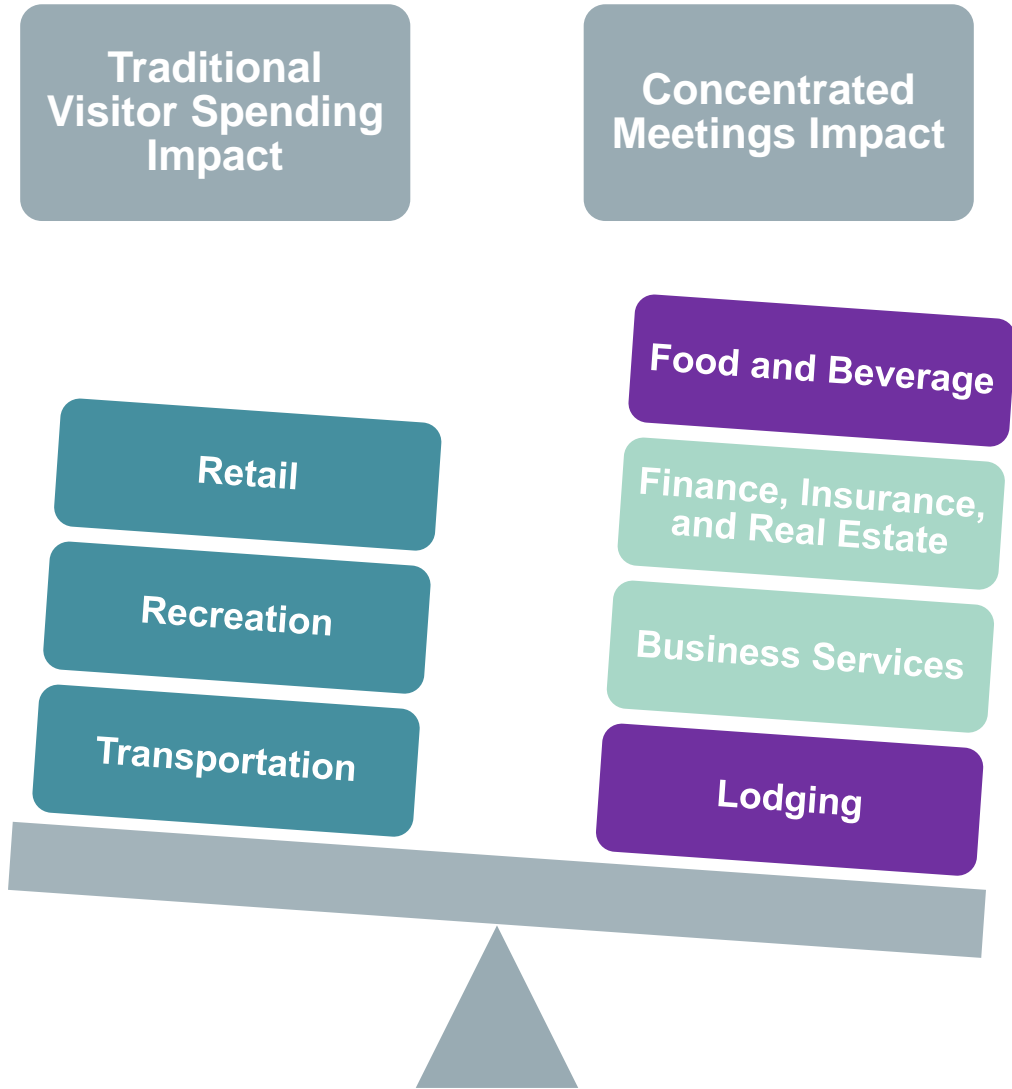


Region	M&C Spending	Share of Spending	Percent Recovered to 2019
Central and Southern	\$1,043M	18%	+13%
Coastal	\$1,336M	23%	+41%
Northern	\$2,735M	47%	+14%
Western	\$694M	12%	+26%
<b>\$5.8B</b>			

# THE AMOUNT OF DIRECT ECONOMIC IMPACT FROM M&C OPERATIONAL SPENDING IS SUBSTANTIAL



# MEETINGS BENEFIT THE TOURISM ECONOMY MUCH DIFFERENTLY THAN LEISURE



## \$3.7 BILLION IN MEETINGS OPERATIONS SPENDING

Unique to M&C - Impacts flow to the Finance, Insurance, and Real Estate industries as well as the Business Services industries.

- **Finance, Insurance, and Real Estate Impacts**
  - Rental & leasing of physical space
  - Event insurance and liability policies & coverage
  - Equipment rental – lighting, stages, etc.
- **Business Services Impacts:**
  - Networking, IT, and A/V Needs
  - Staffing – Venue & Event Services, Security

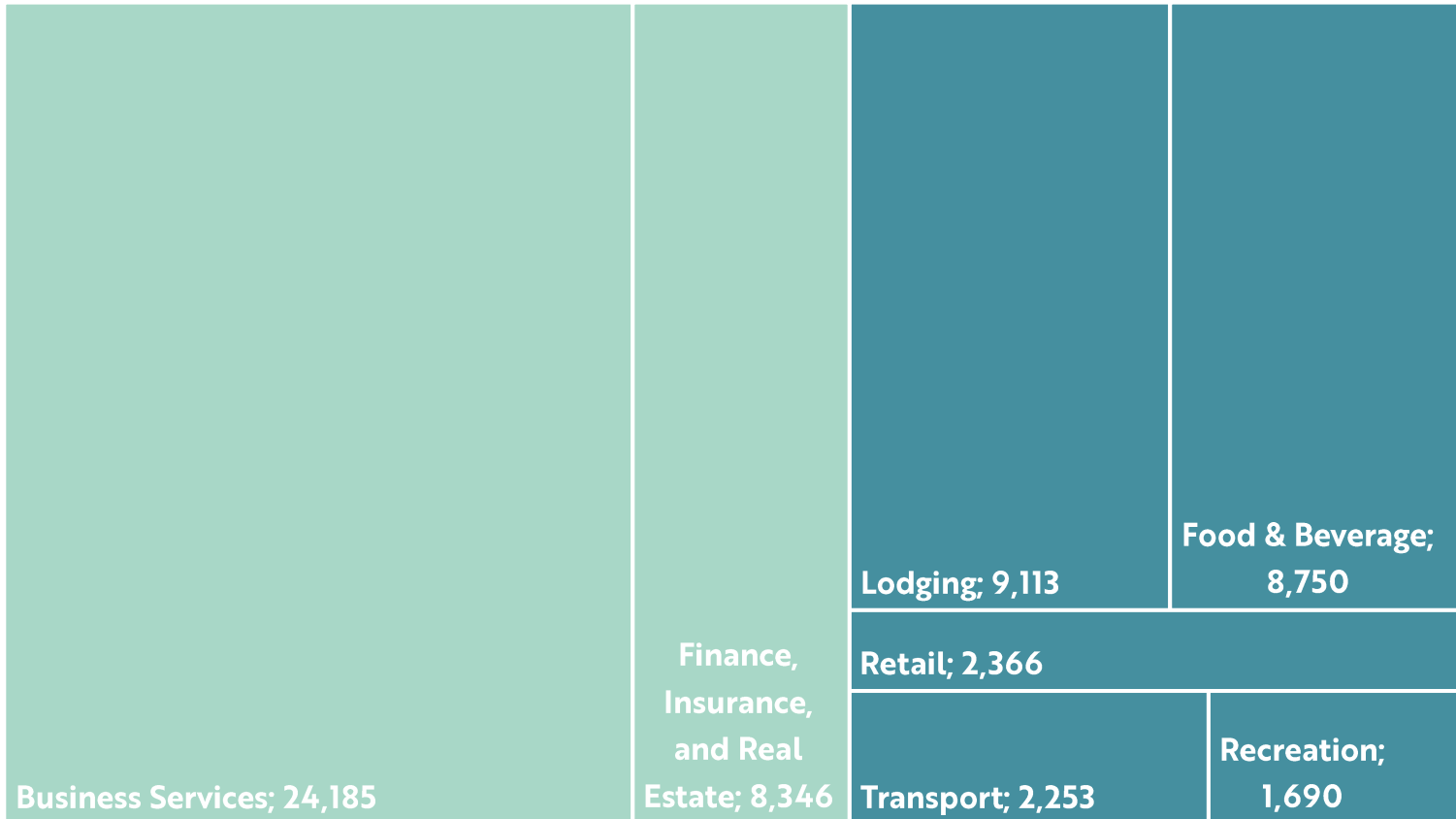
## OTHER CONCENTRATED IMPACTS

- **Lodging Impacts – 42% of total visitor spending.**
  - Lodging spending is much higher than the state average share of wallet for overall overnight travel.
  - Hotels tend to be a higher chain scale, with a higher ADR, and a greater share of wallet.
- **F&B is on par with state averages.**

# AS A RESULT, EMPLOYMENT IMPACTS ARE ALSO DISTRIBUTED DIFFERENTLY

## Direct Jobs Impact – Meetings & Conventions

■ Traditional Sectors ■ Non-Traditional Sectors



**TOTAL DIRECT JOBS: 56,703**

- With the heavy contribution in operational spending due to meetings, jobs are heavily concentrated in the Business Services, and Finance, Insurance, and Real Estate Sectors.
- Lodging and Food and Beverage also support a heavy amount of jobs relative to other sectors.
- The average wage in the Business Services sector alone is \$53,557.

# MEETINGS & CONVENTIONS ARE MORE TAX INTENSIVE THAN OTHER SECTORS OF TOURISM

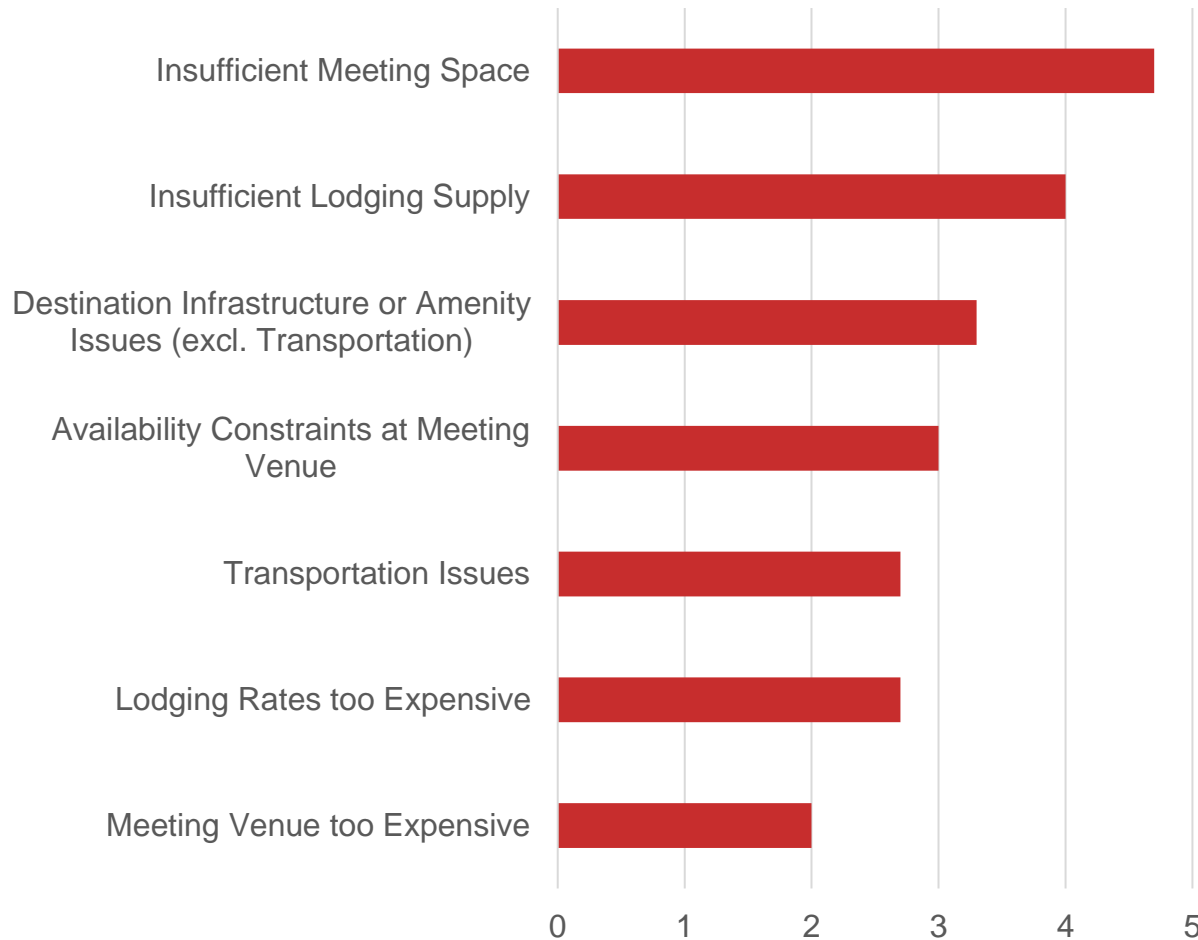
- Bed taxes, Excise Taxes, and Property taxes are primarily taxes that are collected on behalf of local government in Virginia.
- Alone, these taxes total \$180 million – just over half of the state & local revenue total.
- Again – this is where M&C is impacting lodging and food and beverage in a more concentrated manner relative to other tourism sectors.
- The bed tax alone total is about 15.5% of the total driven by overall visitor spending in the Commonwealth.

<b>STATE &amp; LOCAL REVENUES DIRECT ONLY</b>	
Sales	\$93.1M
<b><u>Bed Tax</u></b>	<b><u>\$43.3M</u></b>
Personal Income	\$57.9M
Corporate	\$3.7M
<b><u>Excise &amp; Fees (including Meals taxes)</u></b>	<b><u>\$23.2M</u></b>
<b><u>Property Taxes</u></b>	<b><u>\$113.6M</u></b>
<b>TOTAL</b>	<b>\$334.7M</b>

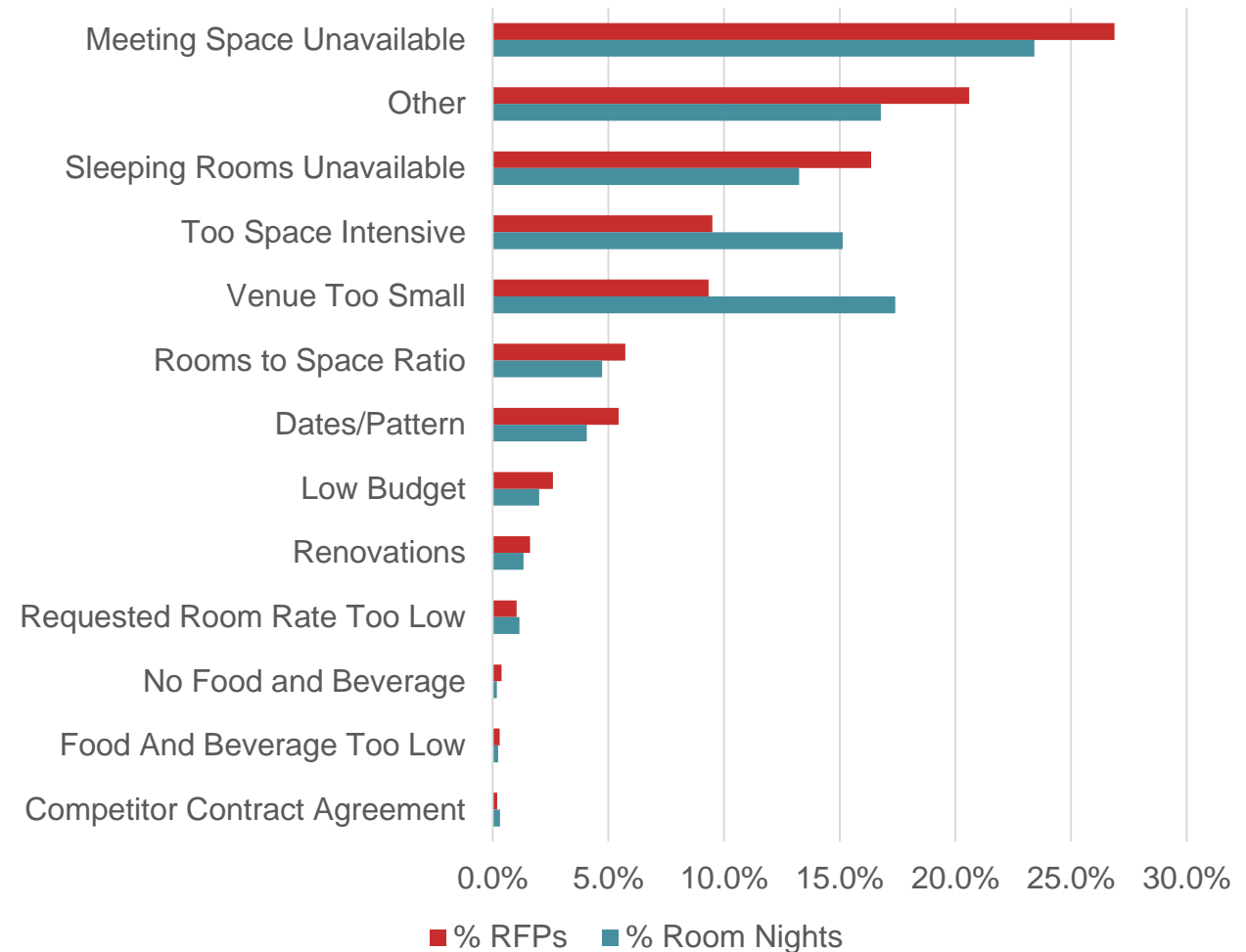
# INSUFFICIENT LODGING SUPPLY AND MEETING SPACE ARE A CONSTANT THEME

## Virginia Meeting Survey – Lost Business Reasons

5 is Most Common – 1 is Least Common



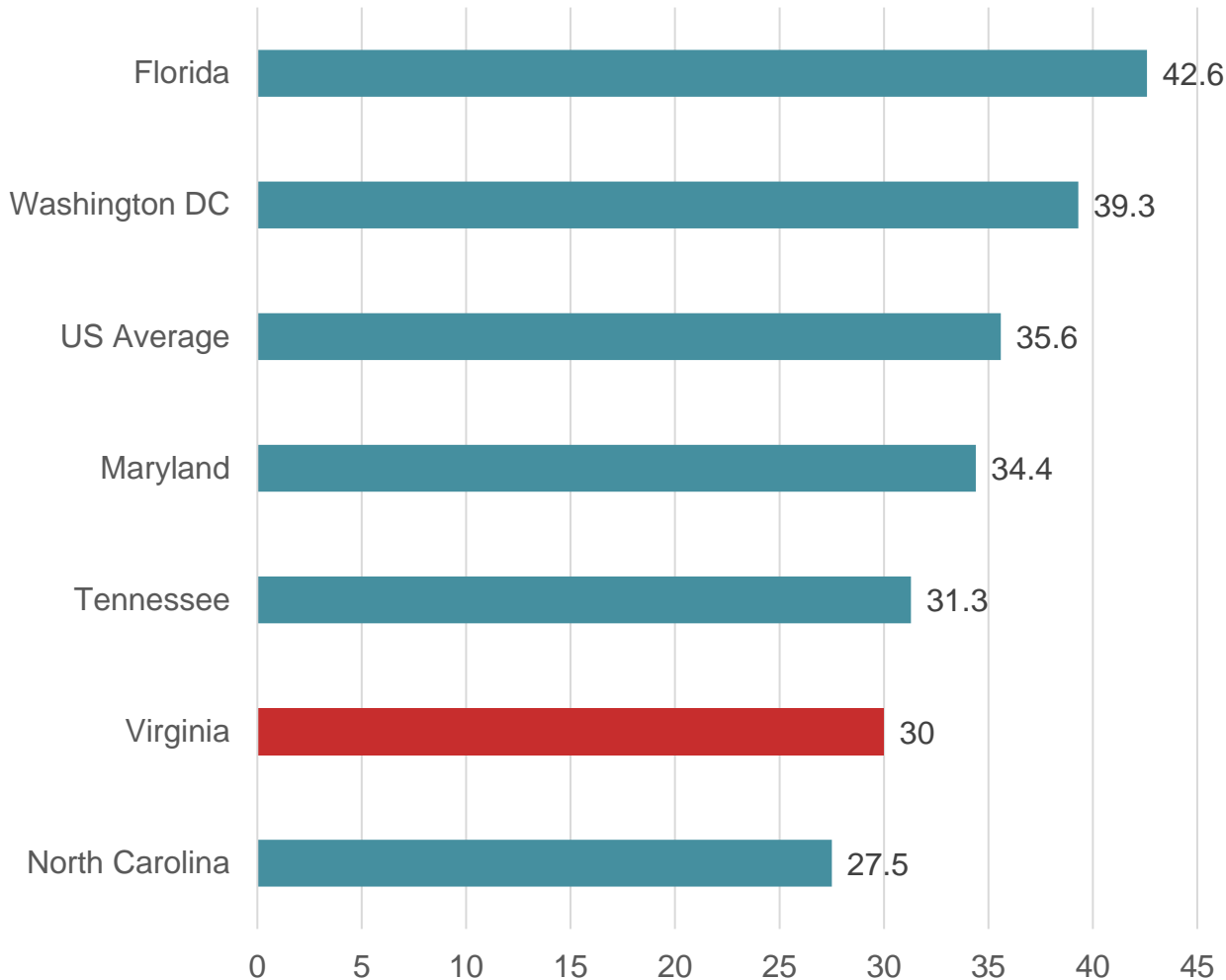
## Cvent RFP Analysis – Lost Business Reasons





# MEETING SPACE AND LODGING SUPPLY ARE A STRUCTURAL CHALLENGE FOR VIRGINIA

Hotel Meeting Space per Hotel Room



- Competitors are undergoing convention center expansions and renovations – which is driving additional hotel room investment into those states.
- In October 2023, \$387 million was approved to expand the Raleigh Convention Center, with the aim of opening it by 2028. 500,000 square feet of new space will double the current facility.
- In addition in Raleigh, Omni Hotels & Resorts is branding a 550 room, convention center hotel which should open in 2027 and feature 55,000 square feet of meeting space.
- Generally speaking – we have not added rooms (let alone meeting space WITH rooms) at a level that Tennessee and North Carolina have, leading into the pandemic.



# HOW YOU SUGGESTED THAT VTC CAN HELP DRIVE ADDITIONAL MEETINGS GROWTH

## **MARKETING**

- Developing a destination marketing plan for business meetings for the entire state.
- Create marketing collateral that can be leveraged by Virginia destinations.
- Secure a Virginia presence at major industry events.

## **INFRASTRUCTURE, CONNECTIVITY, AND TRANSPORTATION**

- Encourage the development of additional hotels with meeting spaces.
- Collaborate with regional airport authorities to attract additional routes.

## **FINANCIAL INCENTIVES**

- Create an event fund to allow destinations to apply for meeting organizers.
- Assist DMOs with marketing funds for production of collateral and campaigns.



**THANK YOU!**

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**Report Available Here:**

**<https://www.vatc.org/research/meetings-impact/>**