

The Economic Significance of Recreational Boating in Virginia Summary of Findings

Virginia River Recreation Workshop September 18, 2014

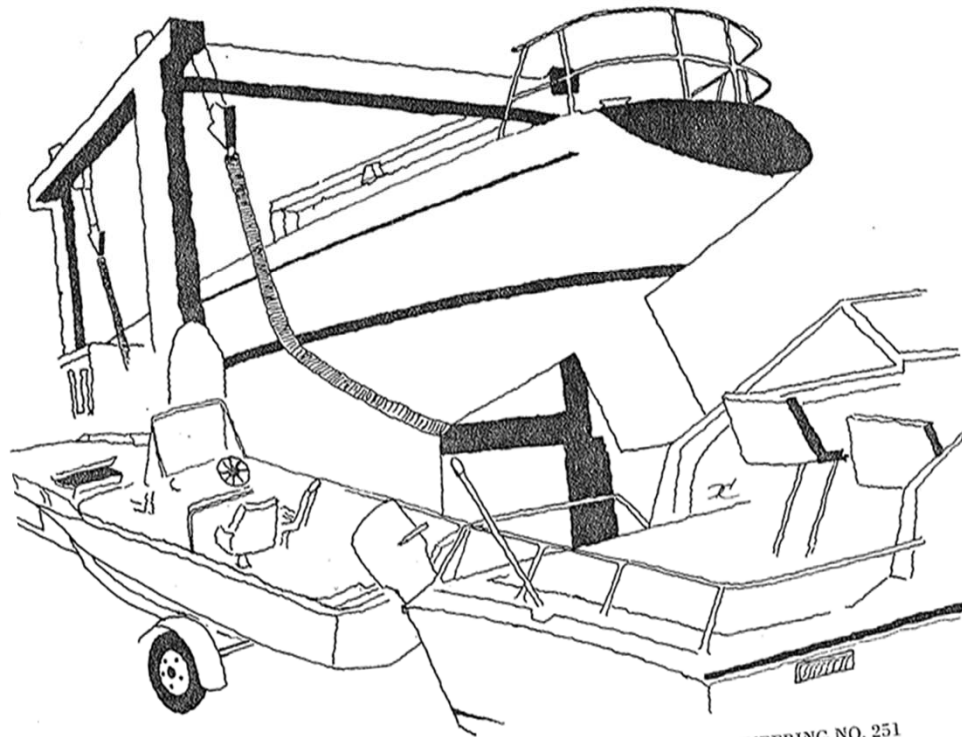
Thomas Murray



Actually not the first such study!

Recreational Boating in Virginia: a preliminary analysis

by TOM MURRAY
and JON LUCY

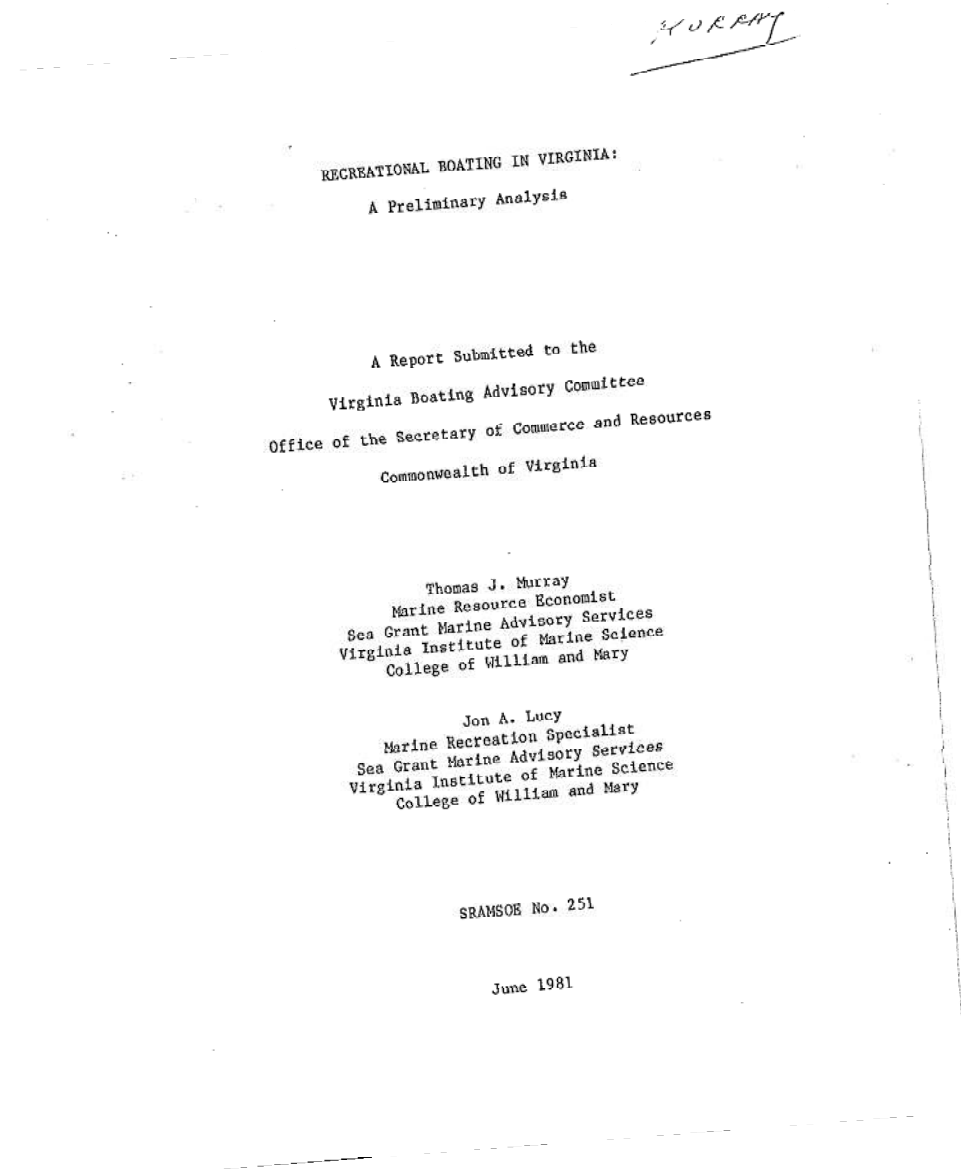


SPECIAL REPORT IN APPLIED MARINE SCIENCE AND OCEAN ENGINEERING NO. 251
VIRGINIA SEA GRANT PROGRAM, VIRGINIA INSTITUTE OF MARINE SCIENCE
College of William and Mary, Gloucester Point, VA 23062
REPORT TO THE VIRGINIA BOATING ADVISORY COMMITTEE

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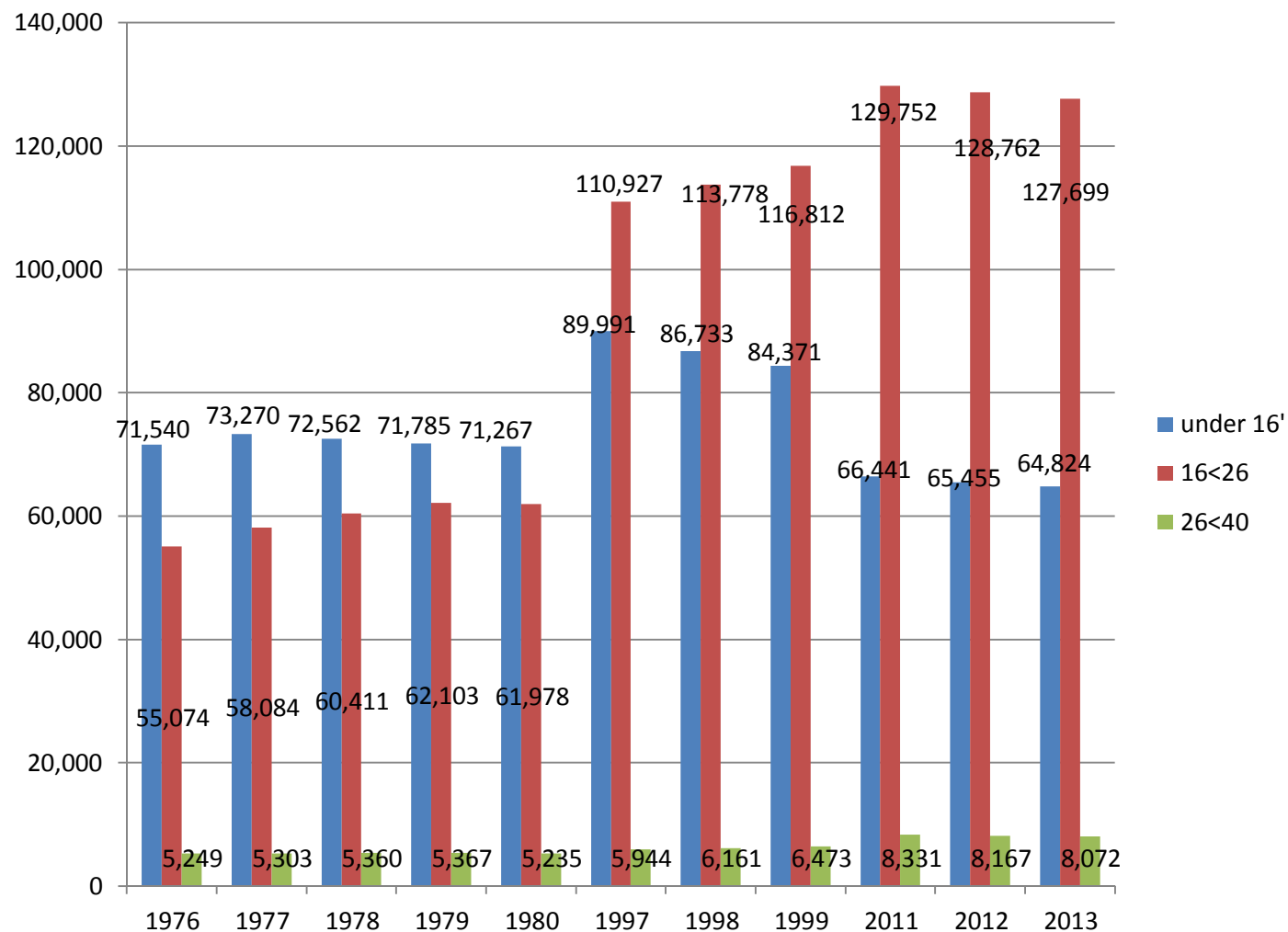
We completed a more limited
“preliminary” report – in 1981!



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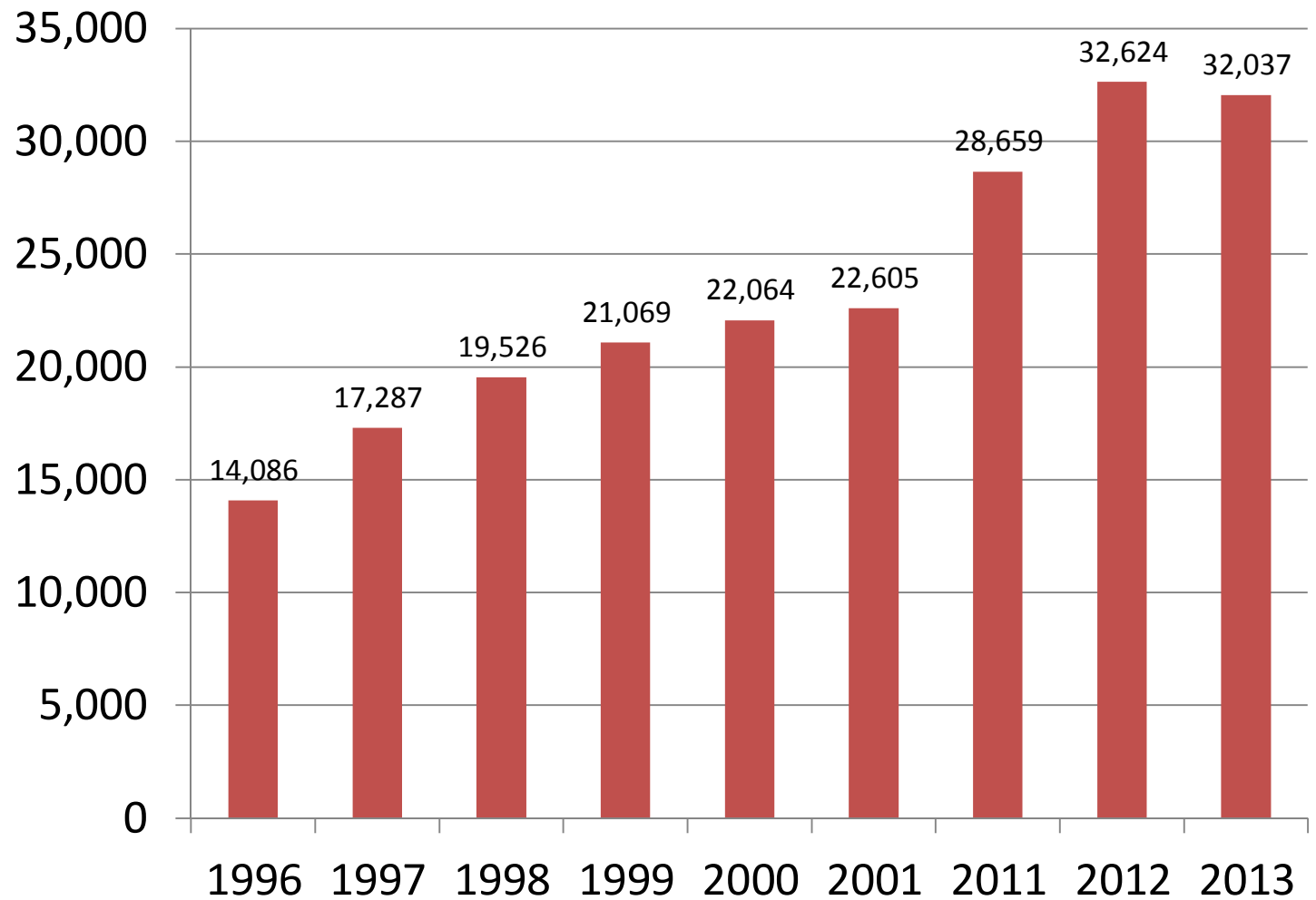
VA Registration Trends - VDGIF



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Recent growth in Va. PWC registrations, (USCG: not included in boat registration by size estimates)

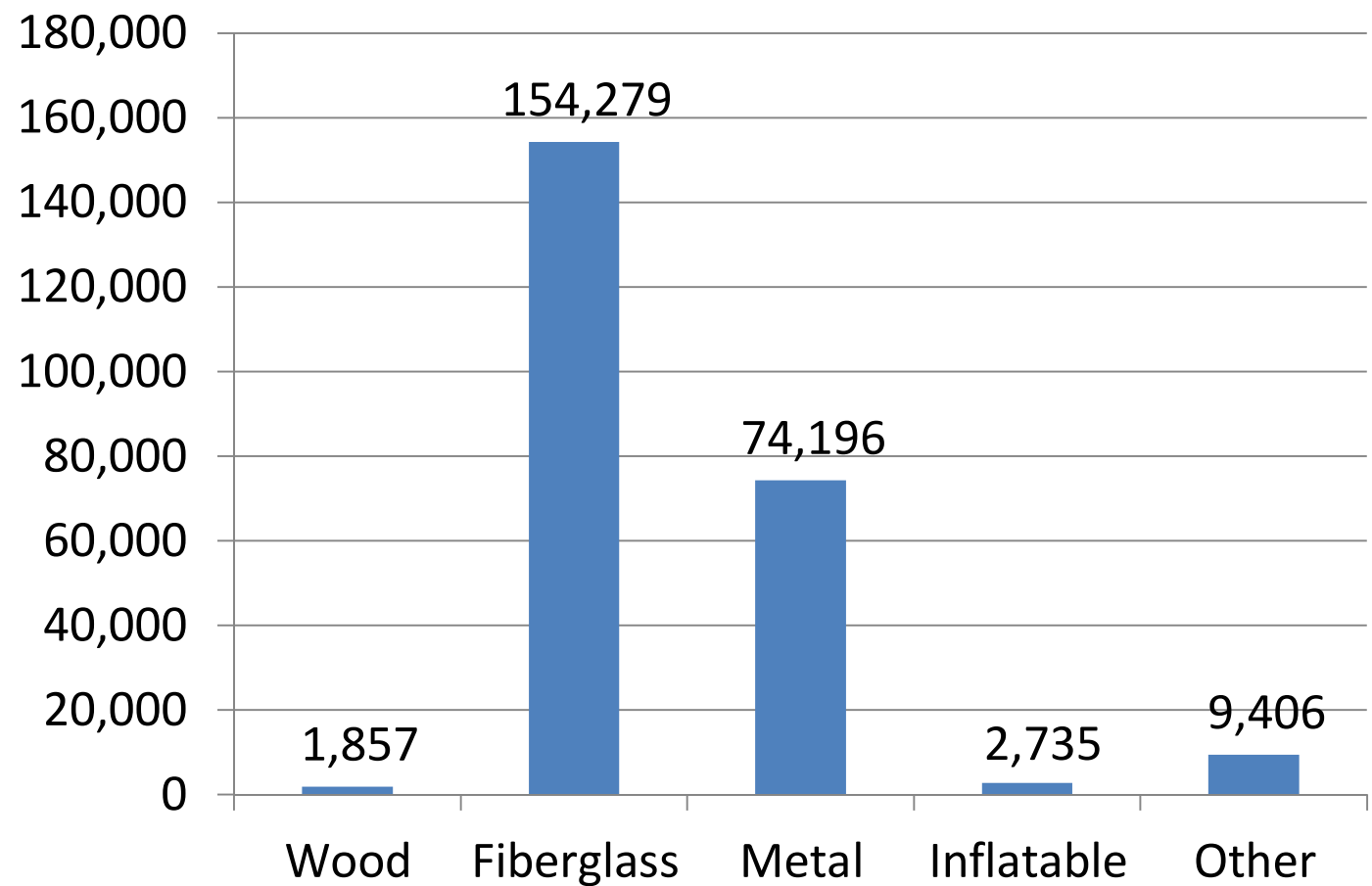


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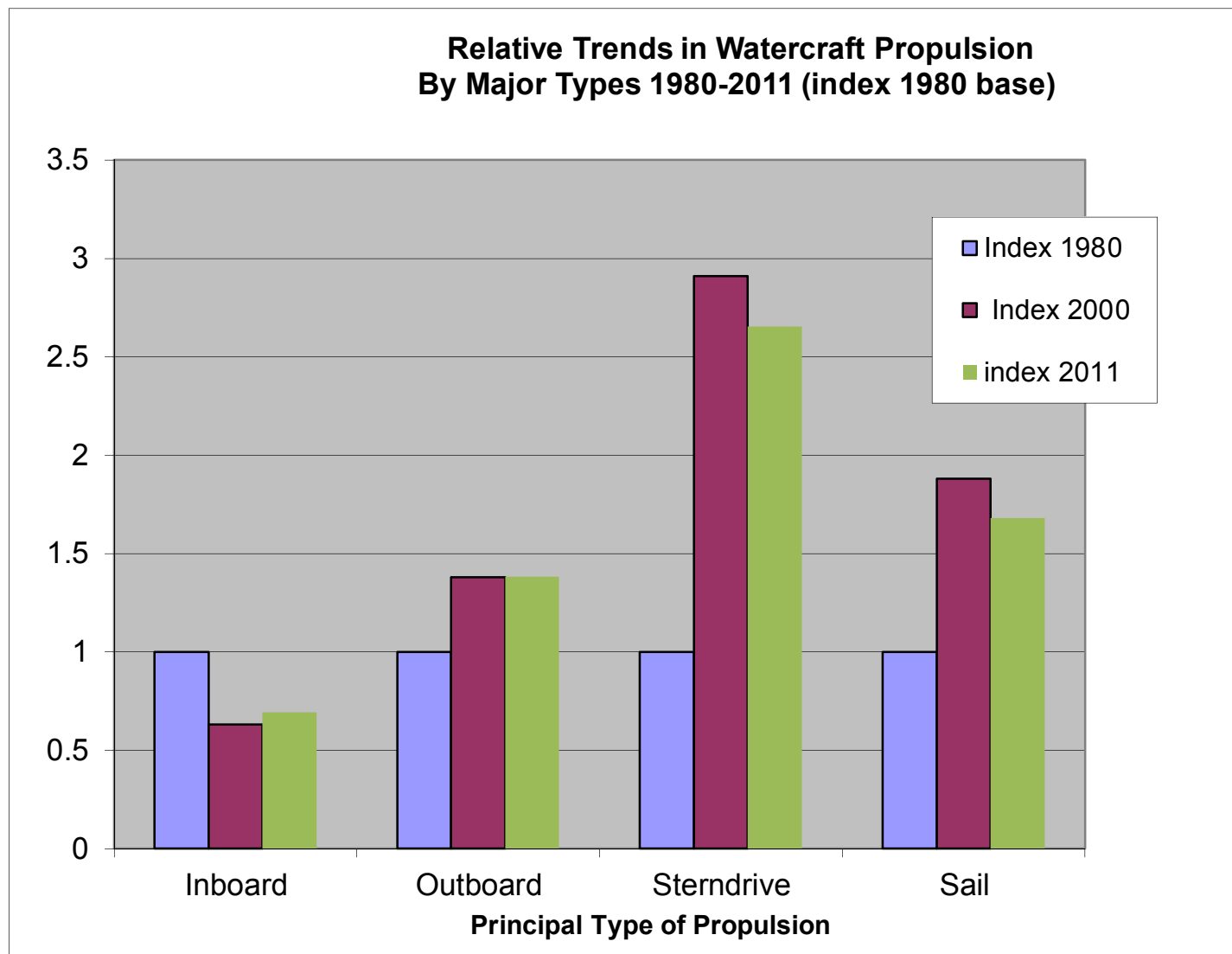

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VA registered boats - 2011

Hull Material



Trends in watercraft propulsion





A couple of comments on the economic impact assessment

Snapshot for 2011: The data used comes from the following primary sources:

- Boat Registration Data (Where Docked) VDGIF
- Documented Vessel Data (Hailing Port) USCG
- Expenditure Estimates: Virginia Boater Surveys, comparisons made with other State studies- Maryland, New York, Great Lakes, Florida, Michigan Boating Impact Center.

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Example of trip spending breakdown – > 26' power & sail

Trip Spending	All Power	Sail
Lodging (hotel, camping fees, etc.)	2.39%	4.62%
Restaurant meals	3.71%	5.31%
Groceries and misc. purchases	4.08%	6.72%
Fishing supplies (bait, tackle, etc.)	2.79%	0.31%
Boat launch fees	1.21%	1.02%
Equipment rental	0.14%	0.11%
Other boat supplies	5.10%	18.20%
Boat fuel costs	15.81%	2.51%
Other	2.53%	1.76%
Total Trip Expenses	37.76%	40.56%

Example of major annual expenditures breakdown, > 26' power & sail

Annual Expense	All Power	All Sail
Marina/slip/yacht club fees and dues	7.55%	8.51%
Bottom paint/haul out	6.22%	6.24%
Engine repair & maintenance	7.37%	6.46%
New/used replacement engine	1.94%	2.94%
Electronics/electric repair	1.12%	1.18%
New/used electronics	14.78%	12.79%
Sails/rigging repair & maintenance	0.00%	0.29%
Sails/rigging replacement	0.00%	1.19%
Other boating equipment & supplies	3.51%	3.70%
Misc. boatyard services	3.08%	2.91%
Insurance (boat, towing, etc.)	5.91%	5.73%
Winterizing Boat	1.06%	0.93%
Total Annual Expenditures	62.24%	59.44%

Boating expenditures by size - power

Boat Size	Number	Average Expenditure	Total Expenditure
<16	99,571	\$1,378	\$91,555,698
16-26	129,752	\$3,792	\$491,954,708
26-40	8,331	\$12,543	\$104,491,568
>40	328	\$46,126	\$15,129,164

Boating expenditures by size – sail


Boat Size	Number	Average Expenditure	Total Expenditure
<16	439	\$1,377	\$604,503
16-26	2,523	\$3,552	\$8,960,435
26-40	1,239	\$10,379	\$12,858,962
>40	45	\$25,748	\$1,158,660

Boating expenditures - documented vessels

Number	Average Expenditure	Total Expenditure
8,800	\$24,792	\$487,757,600

Total estimated expenditures

Boat Size	Number	Total Expenditure
Power		
<16'	99,571	\$137,208,838
16-26'	129,752	\$491,954,708
26-40'	8,331	\$104,491,568
> 40'	328	\$15,129,164
Sail		
<16'	439	\$604,503
16-26'	2,523	\$8,960,435
26-40'	1,239	\$12,858,962
> 40'	45	\$1,158,660
Documented	8,800	\$338,291,187
Total	251,028	\$1,110,658,023



First some definitions:
How does spending really Impact the economy? How much actually “sticks”?

- **Direct Impact:** represent the revenues, value-added, income, or jobs that result directly from an economic activity within the study area or a regional economy and that accrue to the study area. (Sales – leakages).
- **Value-added:** Includes wages and salaries, interest, rent, profits, and indirect taxes paid by businesses. In the IMPLAN results tables, Value-added equals the sum of Labor Income, Other Property Type Income, and Indirect Business Taxes.

Indirect effects/impacts:

- Indirect effects occur when businesses purchase inputs (goods and services) from local suppliers. This secondary, or indirect business, generates additional revenues, income, jobs and taxes for the area economy.

Induced impacts:

- Induced economic impacts occur as the households of business owners and employees spend their earnings from these enterprises to purchase consumer goods and services from other businesses within the region. This induced effect generates additional revenues, income, jobs and taxes for the area economy.

Output Impacts of Trip & Non-Trip Spending (\$ Millions)

	Direct Effects	Indirect Effects	Induced Effects	Total Impact
Power Trip	\$130	\$49	\$46	\$225
Power Non-trip	\$273	\$109	\$96	\$478
Sail Trip	\$4	\$2	\$1	\$7
Sail Non-trip	\$13	\$6	\$4	\$23
Documented Trip	\$120	\$52	\$39	\$211
Documented Non-trip	\$57	\$21	\$20	\$98
Total	\$597	\$239	\$206	\$1,042

Value added impacts -2011 (millions)

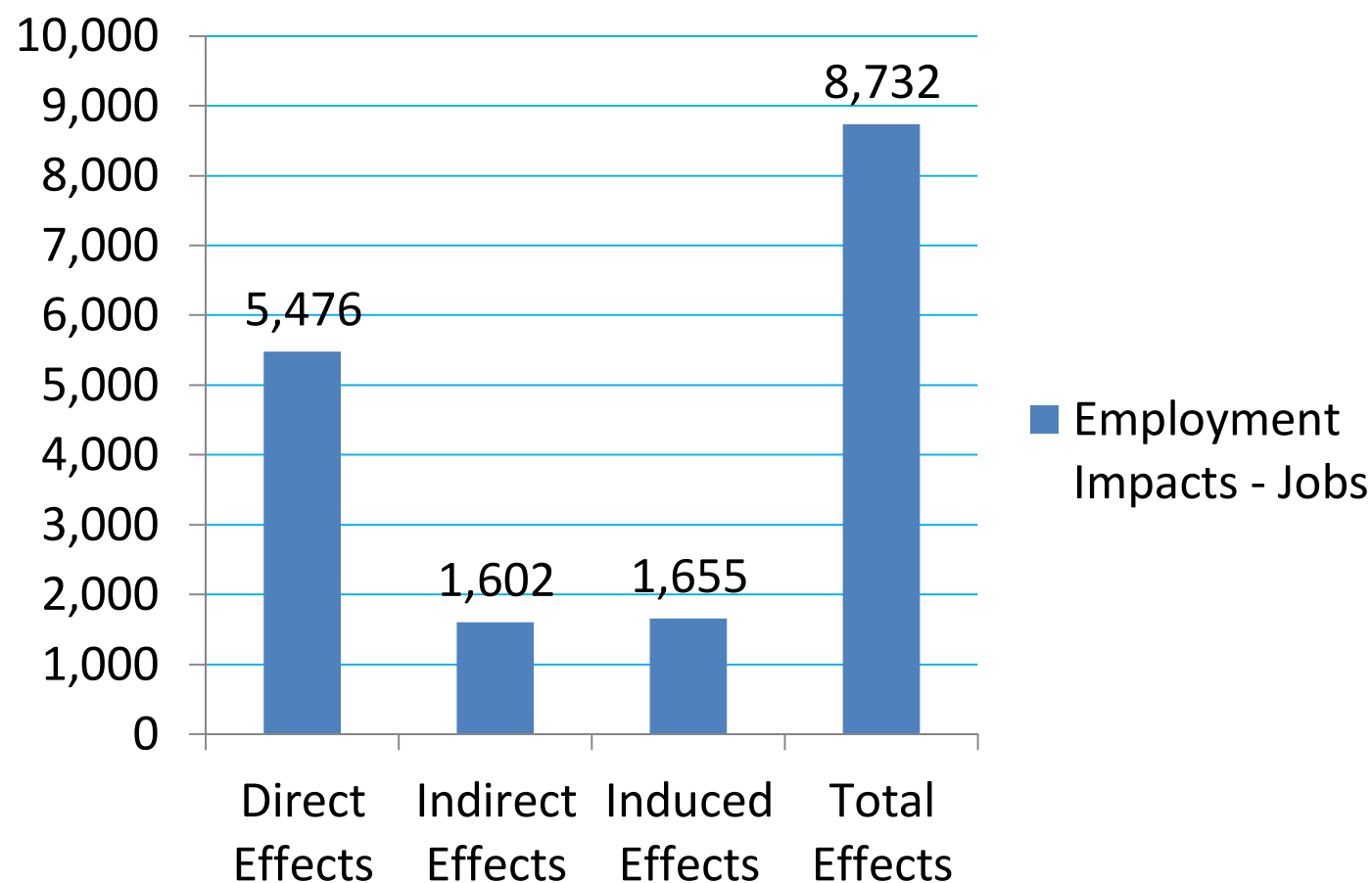
	Direct Effects	Indirect Effects	Induced Effects	Total
Power Trip	\$70	\$28	\$27	\$125
Power Non-trip	\$128	\$63	\$57	\$248
Sail Trip	\$2	\$1	\$1	\$4
Sail Non-trip	\$5	\$4	\$2	\$11
Documented Trip	\$49	\$30	\$23	\$102
Documented Non-trip	\$31	\$12	\$12	\$55
Total	\$285	\$138	\$122	\$545

Employment Impacts of Trip & Non-Trip Spending (Jobs)

	Direct Effects	Indirect Effects	Induced Effects	Total
Power Trip	1,566	306	365	2,237
Power Non-trip	2,186	755	769	3,711
Sail Trip	45	11	11	67
Sail Non-trip	98	41	32	172
Documented Trip	913	354	315	1,582
Documented Non-trip	667	134	163	964
Total	5,476	1,602	1,655	8,732

Total Employment Impacts Virginia - 2011

Employment Impacts - Jobs



Finally another Traditional Impact Measure: Taxes!

Indirect Business Taxes	Trip	Non-trip	Total
Direct Effects	\$21.2	\$21.7	\$42.9
Indirect Effects	\$5.1	\$6.4	\$11.5
Induced Effects	\$6.3	\$8.2	\$14.5
Total	\$32.7	\$36.2	\$68.9

Indirect Business Taxes are primarily sales, excise, and property taxes.



Summary of Total Economic Impact of Boating In Virginia Using 5 Measures (\$ Millions & Jobs)

Impacts	Output \$Millions	Value Added	Income	Employ ment	Taxes
Direct	\$596.8	\$284.7	\$183.4	5,476	\$42.9
Indirect	\$239.1	\$137.3	\$81.1	1,602	\$11.5
Induced	\$206.9	\$122.9	\$64.9	1,655	\$14.5
Total	\$1,042.9	\$544.9	\$329.4	8,732	\$68.9



Statewide Economic Impact Compared to Other Virginia Industries

	Output (\$ Billions)	Income (\$ Billions)	Employment (# Jobs)
Recreational Boating (2011)	\$1.04	\$.48	8,732
VPA Operations (2006)	\$4.5	\$1.6	35,665
Equine Industry (2010)	\$1.20	\$.50	16,091
Commercial & Recreational Fishing	\$1.23	\$.72	9,092

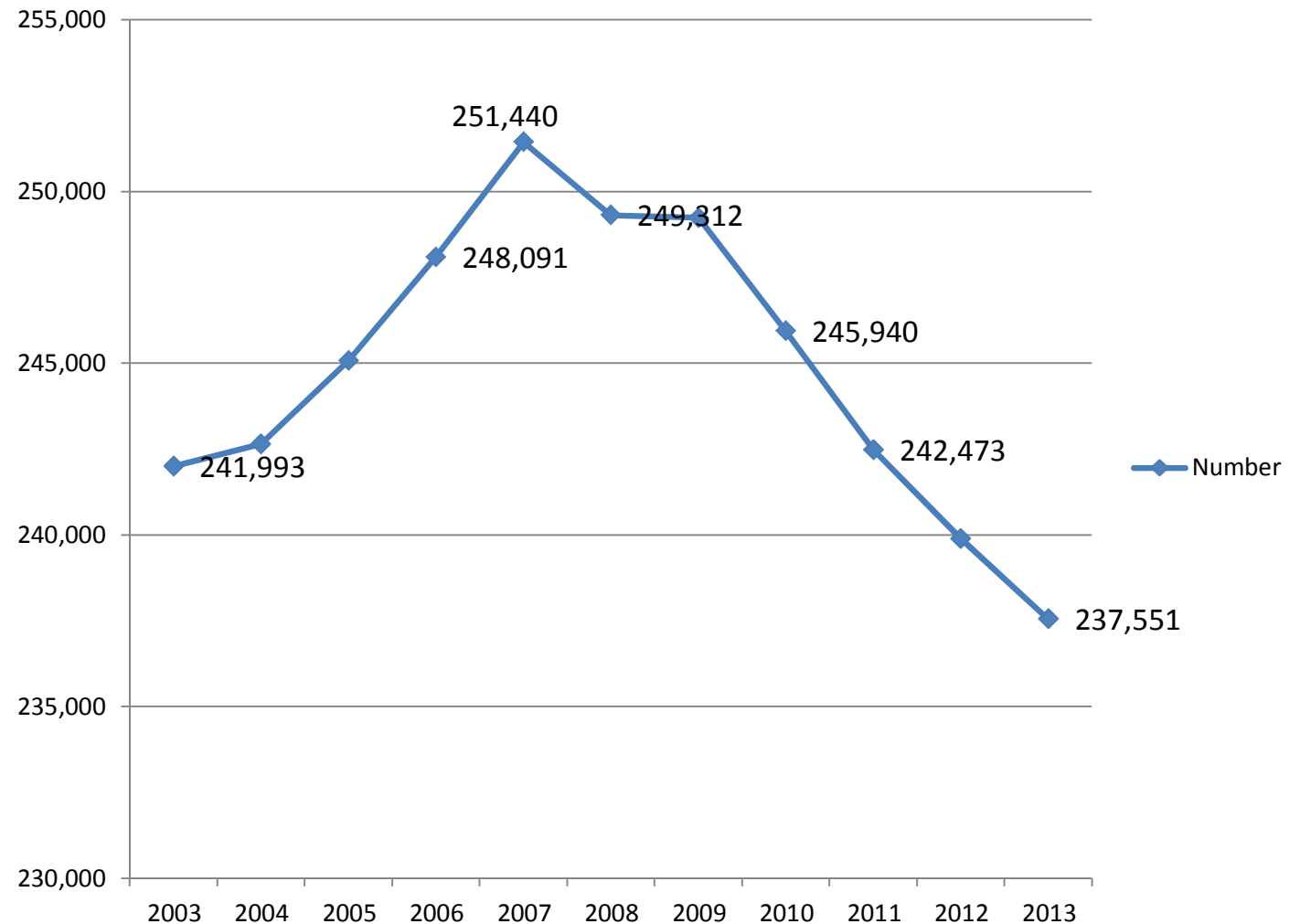


That's a snapshot of the recent past
Where are we now?
Where are Heading?

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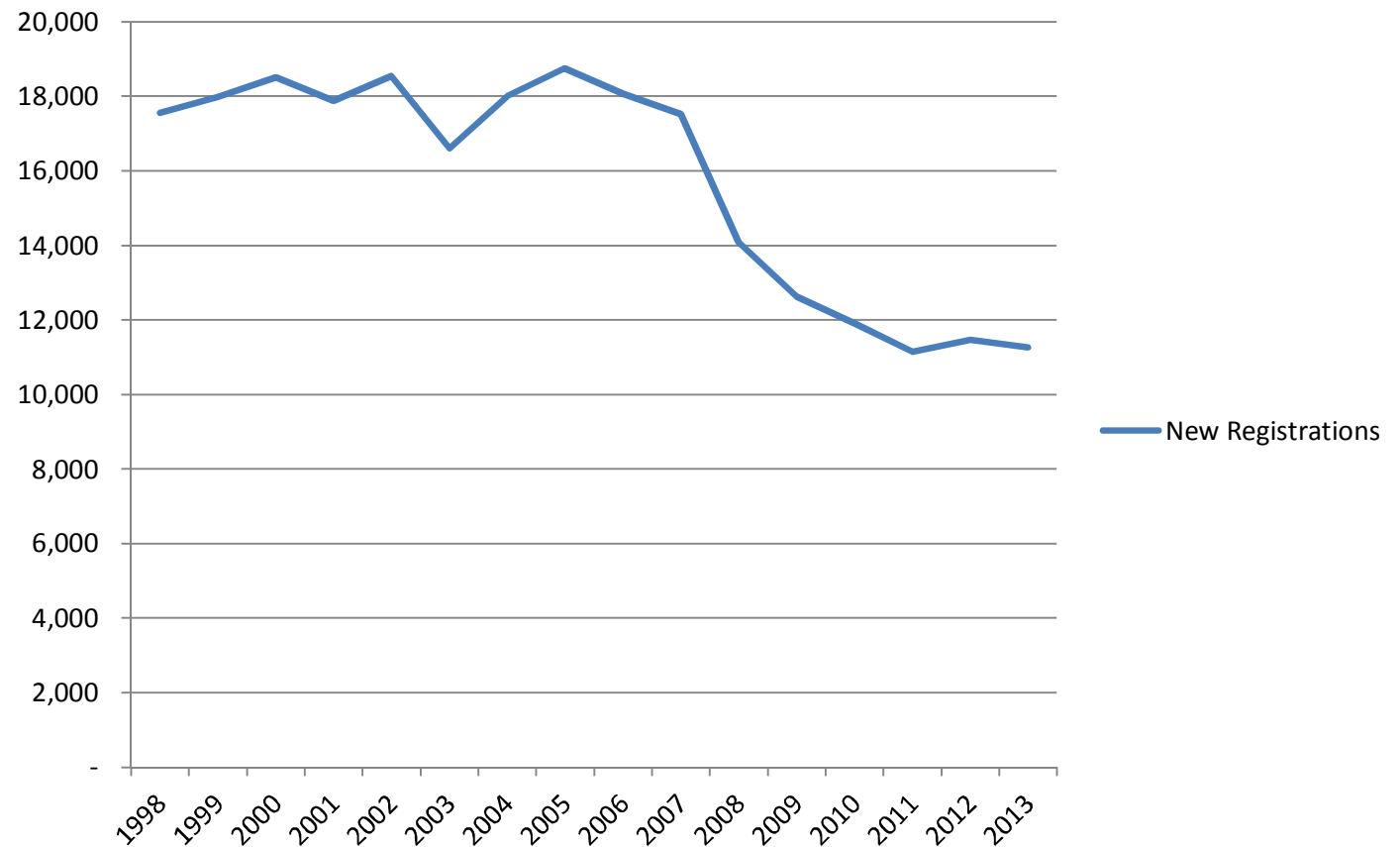

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Number of Registered Recreational Boats - Virginia 2003-2013

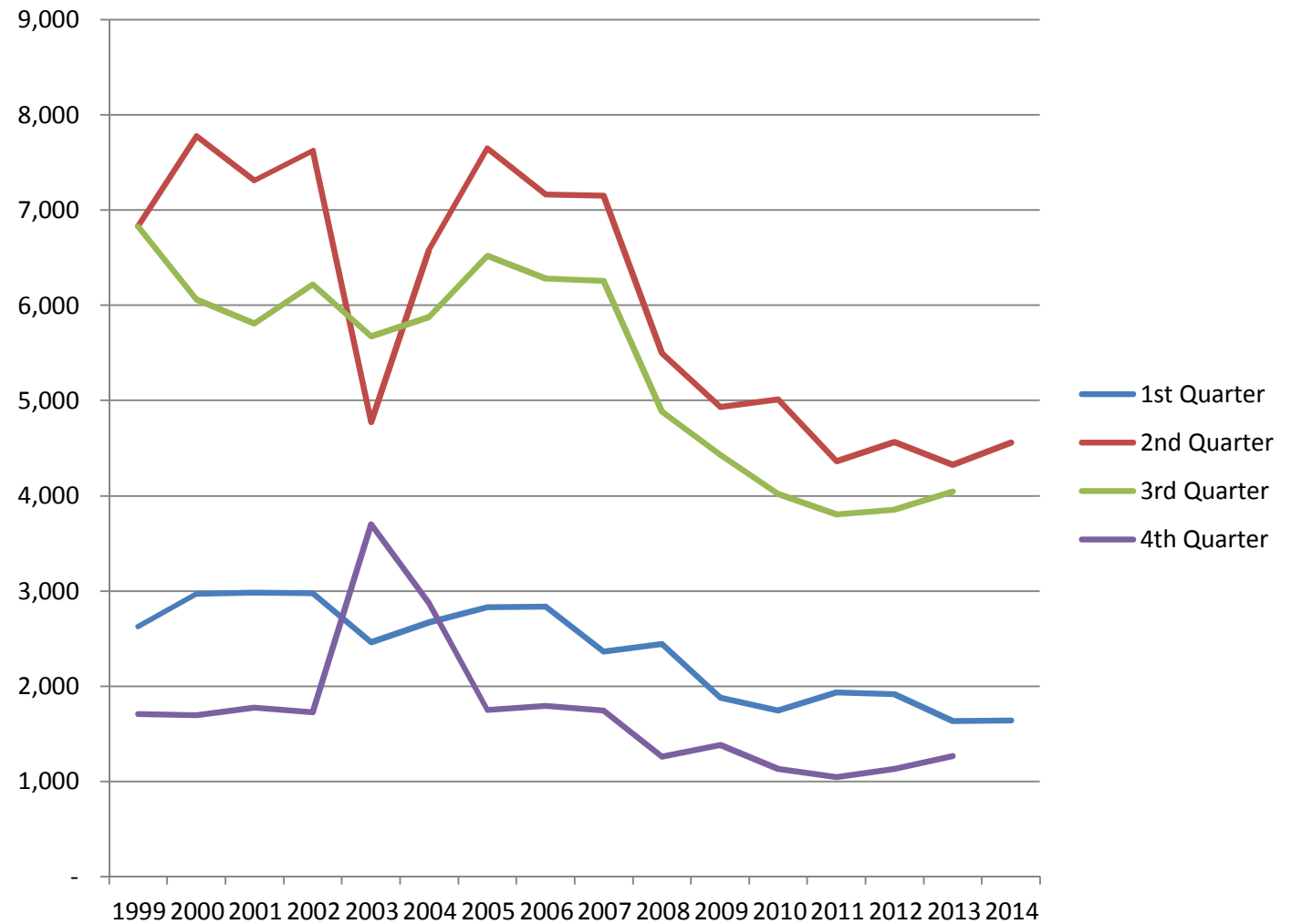


New Boat Registrations Second Calendar Quarter – 2013 (VDGIF)

**New Registrations Virginia Pleasure Boats
(Annual Total)**



New Registrations By Calendar Quarter 1998-2014



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Thomas Murray

Associate Director for Advisory Services
Virginia Institute of Marine Science

Email: tjm@vims.edu

Phone: (804) 684-7190

Fax: (804) 684-7161

Address: P.O. Box 1083, Gloucester Point, VA 23062

Web: www.vims.edu/mas/

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Questions?