

# The Economic and Fiscal Impact of the Hatfield-McCoy Trail System

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# Introduction to CBER

- Mission: to provide independent analysis and quality research to aid in economic decision making for public and private organizations.
- Founded in 1994 at Marshall University
- Clients include organizations in public, private and non-profit sectors



# About the Study

- Motivation: to understand and articulate the contribution of the Hatfield-McCoy Trails to the State of West Virginia
- Capture and describe visitor characteristics and experiences
- Study components:
  - Characterization of regional economic characteristics
  - Visitor spending estimates
  - Estimation of economic and fiscal impacts



## About the Region

- Notable improvements in Hatfield-McCoy Trails project region from 2000 to 2011 include:
  - 61.8% increase in per capita income
  - -4.3% decrease in rural population percentage\*
  - 2.6% increase in labor force participation rate

	2000	2011	Change
<i>Per Capita Income</i>			
Region I	\$ 23,069	\$ 35,893	55.6%
<b>Region II</b>	<b>\$ 18,778</b>	<b>\$ 30,383</b>	<b>61.8%</b>
West Virginia	\$ 22,173	\$ 33,822	52.5%
<i>Rural Population Percentage</i>			
Region I	53.2%	51.5%	-1.6%
<b>Region II</b>	<b>76.4%</b>	<b>72.2%</b>	<b>-4.3%</b>
West Virginia	53.9%	51.3%	-2.6%
<i>Labor Force Participation Rate</i>			
Region I	63.0%	63.9%	0.9%
<b>Region II</b>	<b>53.7%</b>	<b>56.2%</b>	<b>2.6%</b>
West Virginia	67.3%	66.3%	-0.9%

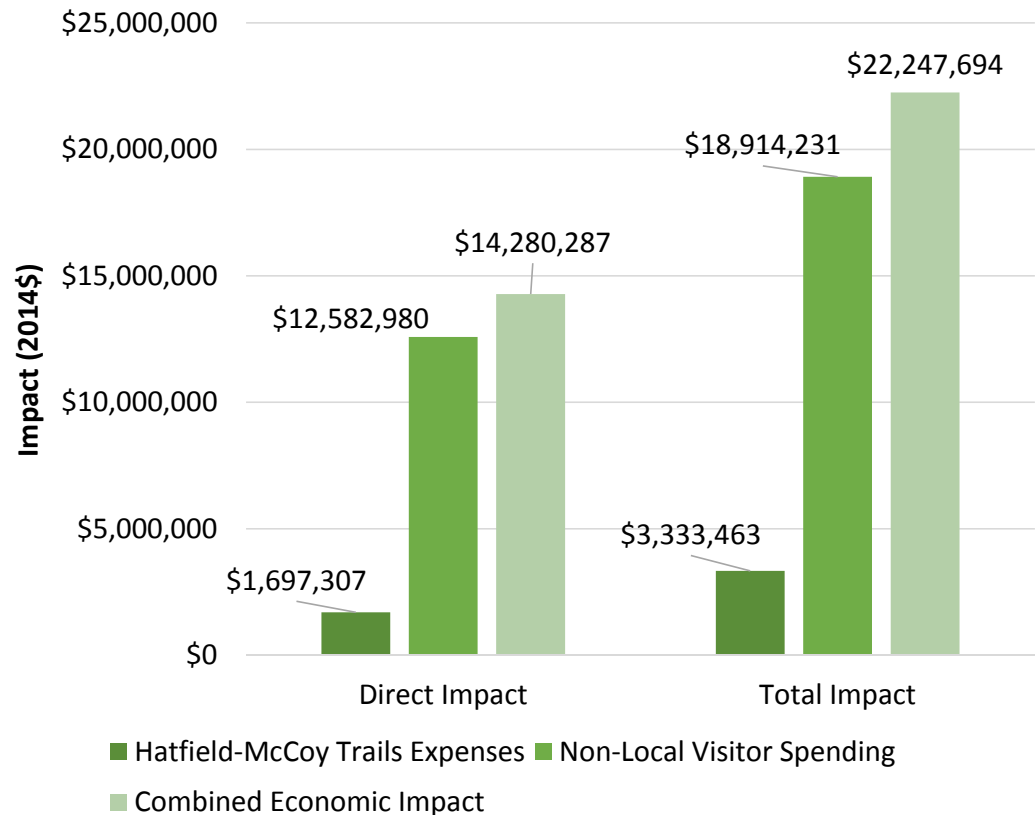
\* Change from 2000 to 2010

# Economic and Fiscal Impact Components

- Economic Impact
  - Direct Effect—initial local spending
  - Indirect Effect—additional local purchases
  - Induced Effect—local spending from income generated
  - Total Effect—sum of direct, indirect and induced effects
- Fiscal Impact
  - Taxes impacted by Hatfield-McCoy Trails operations
  - Sales taxes estimated from non-local visitor spending

# Estimated Economic Impact

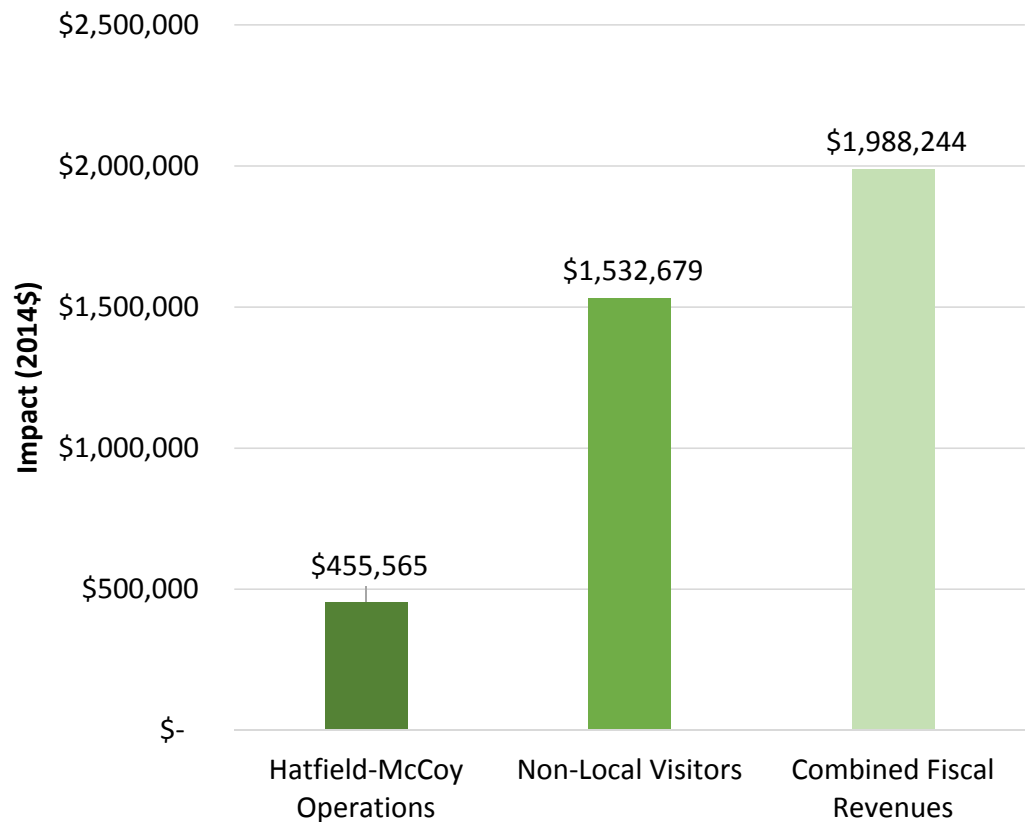
- **Hatfield-McCoy Trails Expenses:**
  - Include operational expenses for goods and services
  - Represent 5-year average of expenses
- **Visitor Spending Impact:**
  - Represents 78.7% of respondents
  - Accounts for approximately \$21.2 million in direct spending annually



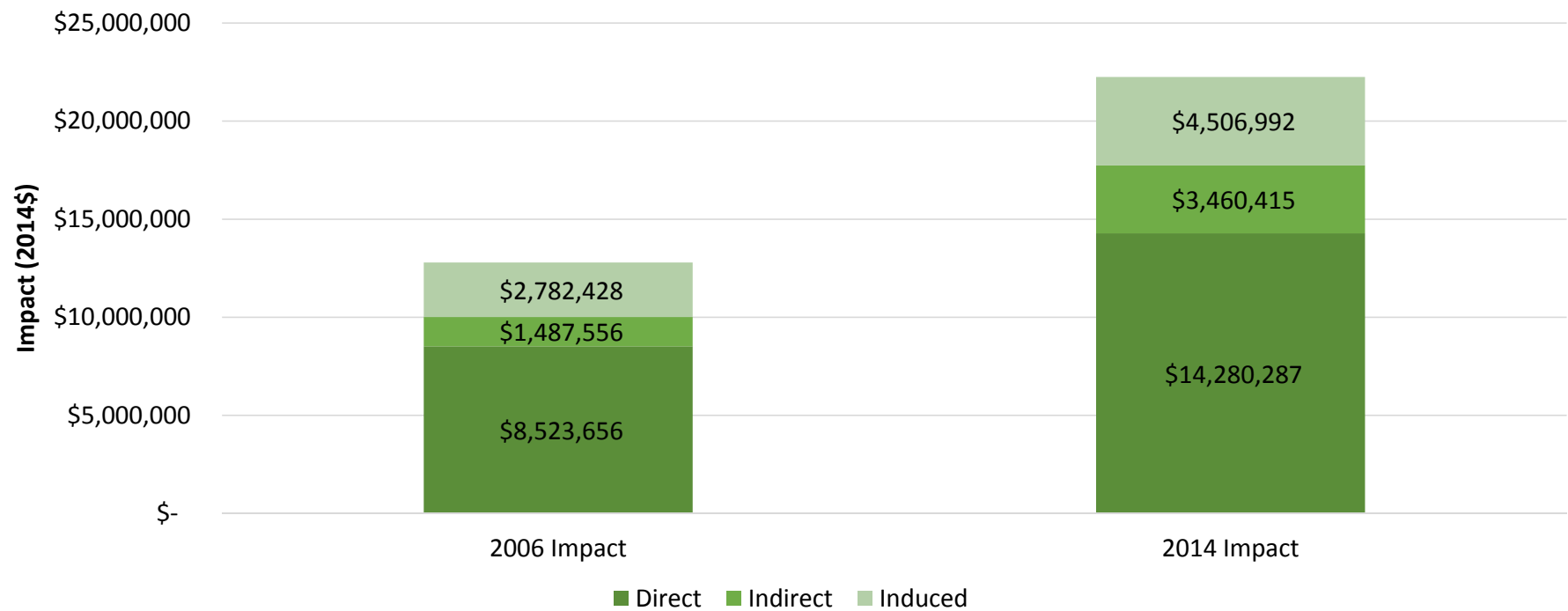
# Estimated Fiscal Impact

Tax revenues generated from:

- **Hatfield-McCoy Operations:**
  - Based on a portion of State taxes estimated from positions sustained statewide
- **Non-Local Visitors:**
  - Based on sales taxes generated from estimated spending



# Comparison to 2006 Economic Impact





# Rider Experiences

- 97.1% of respondents indicated an overall “good” or “excellent” experience
- Select respondent testimonies:
  - “Fantastic system. I recommend it to anyone who asks about ATVing.”
  - “Best riding experience of my life!”
  - “We have a lot of fun when we visit and cannot wait to come back!”