In Tourism, Old Stories and New Opportunities

Tourism matters to the Fifth District economy. Are recent trends in historical tourism cause for concern?

By Molly Harnish

IMAGE: COLONIAL WILLIAMSBURG

In Colonial Williamsburg, the staff at the Joiner — one of two dozen shops portraying historic trades — work on crafting interior fixtures, window frames, and staircases.

From the late 1970s to 2016, the annual number of visitors to Colonial Williamsburg fell by more than half. Mitchell Reiss, then-president of the Colonial Williamsburg Foundation, acknowledged in a letter to Williamsburg's mayor that the foundation had "been operating at a substantial loss" for years. To cover operating costs, in some years the foundation withdrew as much as 12 percent from its endowment. In 2017, the historical attraction laid off 71 employees and outsourced some operations to rein in costs. Reiss attributed the decline in visits to fewer vacations, slow economic recovery after 2007, difficulty traveling to Williamsburg, and schools placing less importance on American history. Others concerned about declining civic knowledge among U.S. citizens have echoed this last idea.

Colonial Williamsburg is not the only historical site that has recently seen visitation decline. Attendance at Civil War battlefields, for example, has decreased dramatically since 1970. Nationwide, the National Endowment for the Arts and the American Academy of Arts and Sciences reported that the percentage of U.S. adults who visited a historic site in the last 12 months was lower in 2017 than in 1982, in spite of an upward bump since 2012. (See chart.)

According to the U.S. Travel Association, travel and tourism directly or indirectly support about one-tenth of employment in the United States. Furthermore, research suggests that tourism may aid economic growth in rural areas, especially as previously strong industries like mining shrink. From the monuments of Washington, D.C., to the mountains of West Virginia, to Charleston's Fort Sumter, the District is rich in cultural heritage attractions. What role does tourism play in the Fifth District, and is the recent decline in historical visitation cause for economic concern?

Tourism's Significance in the Fifth District

Economic historian Thomas Weiss of the University of Kansas has estimated that before the 19th century, less than 1 percent of Americans traveled for vacation. The invention of railroads and especially cars in the late 19th and early 20th centuries, however, made travel more accessible, so that 5 percent of Americans were traveling to well-known destinations by 1930. After World War II, higher levels of disposable income made travel an attainable goal for the middle class. Today, tourism has grown so much that some popular destinations are pushing back against what they see as an excess of visitors, a phenomenon known as overtourism.

"We used to see tourism as a disposable income kind of good, a luxury good. And I think it's really beginning to transform itself into more of a normal good, one that we actually put more emphasis on than maybe some other goods that we would buy," says economist William Gartner of the University of Minnesota, who researches tourism.

According to the U.S. Travel Association, the United States welcomed 80 million international tourists in 2018, while Americans took 2.3 billion person-trips (defined as one person staying overnight in paid accommodation away from home or traveling more than 50 miles away from home). In the same year, tourism accounted for one out of every 10 jobs, $2.5 trillion in economic output, and 2.9 percent of GDP. And the United States has a trade surplus in travel, meaning foreigners spend more money on tourism here than Americans spend on traveling abroad.

In the Fifth District, the leisure and hospitality supersector, which includes accommodation, food and beverage, and recreation and entertainment (three of the five

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main sectors to which tourism contributes), accounts for roughly one-tenth of nonfarm employment. Further, from 2018 to 2019, the supersector's employment growth in leisure and hospitality was 3.7 percent in the Fifth District, compared with 2.3 percent nationally. (See chart.)

Each state in the District contributes to this growth in tourism. At the state level, Virginia, which has the longest-running state tourism slogan in the country — "Virginia is for Lovers" — ranks eighth in the nation in terms of domestic tourism spending. North Carolina had the sixth largest number of domestic visitors of all U.S. states in 2018. Maryland's visitors spent more than $18 billion in 2018, a 2.1 percent year-over-year increase, despite a slight drop in visitation. South Carolina has had six consecutive years of growth in tourism revenues, amounting to a 50 percent increase from 2010 to 2017, according to the state; the South Carolina tourism industry's economic impact was an estimated $22.6 billion in 2017. Washington, D.C., has broken its own visitation records every year for the last nine years, most recently topping the charts with 21.9 million domestic visitors in 2018. From 2017 to 2018, travel spending in West Virginia grew by 6.5 percent, compared with national growth of 4.1 percent.

The Economics of Tourism

Intuitively, tourism contributes to regional income: When visitors enter a region, they bring their wallets with them. The money they spend on meals, hotel stays, gas, and entertainment flows into the local economy. For this reason, proposals for new sports stadiums or highways typically point to the visitors and revenue that those projects attract to the region.

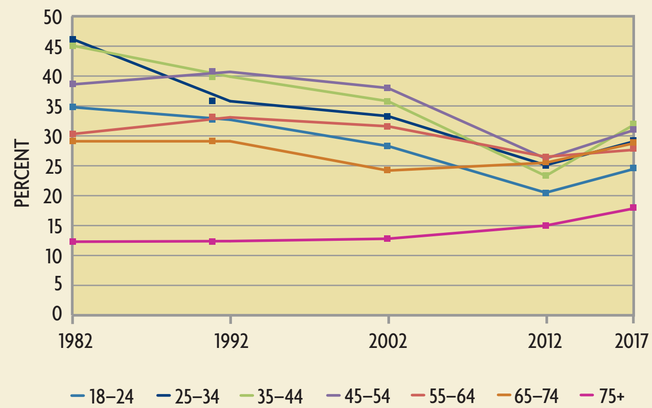
Tourism's economic contribution, however, is difficult to measure. Unlike industries such as manufacturing and construction, tourism does not have its own industry code and is not separately tracked in the industry statistics of federal agencies. Instead, travel expenditures contribute to five already-existing industry groups: accommodation, food and beverage services, transportation, travel services, and recreation and entertainment.

Not only is tourism spread across multiple industries, but those industries also include spending by locals. When eating at a restaurant on vacation, you might be hundreds of miles from home, while the couple sitting next to you might have walked from their apartment two blocks away. To estimate the size of the tourism industry accurately, researchers must capture tourist spending and exclude local spending. To do this, they use a variety of methods, including Tourism Satellite Accounts (used by the U.S. Bureau of Economic Analysis), input-output models, and computable generable equilibrium models.

"Because tourism doesn't have an industry code, there are not enough universal methodologies. That's definitely a challenge in the industry," says Esra Calvert, director of research at the Virginia Tourism Corporation. "But it's part of the growing pains."

Is Interest in Historical Sites in Long-Term Decline?

Percentage of U.S. adults engaging in historical tourism, by age

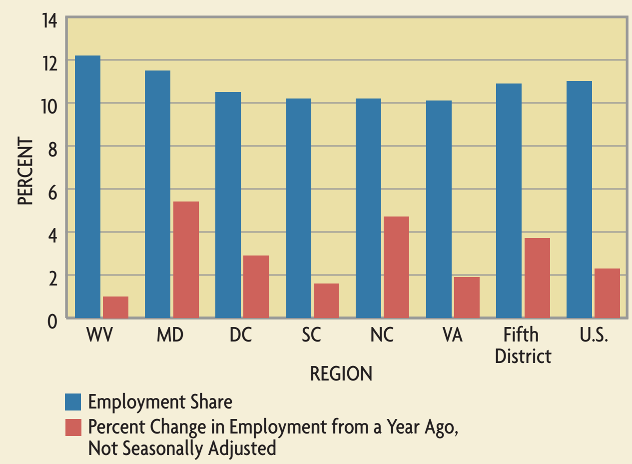


NOTE: Data represent adults who reported that they had toured a park, monument, building, or neighborhood for historic or design value in the last 12 months.

SOURCE: National Endowment for the Arts, Survey of Public Participation in the Arts via the American Academy of Arts and Sciences' Humanities Indicators (www.humanitiesindicators.org)

Leisure & Hospitality in the Fifth District: A Tenth of Employment

The leisure & hospitality sector's share of total nonfarm employment in the Fifth District, October 2019



NOTE: Tourism's economic contribution can be approximated using the leisure and hospitality sector, which includes accommodation, food & beverage, and recreation & entertainment.

SOURCE: Bureau of Labor Statistics via Haver

Measuring and understanding tourism's economic impact could become especially important as the industry makes up a larger part of rural economies. Gartner argues that tourism presents an opportunity for rural economic development. Historically, manufacturing, mining, and agriculture made up the largest share of rural economies. As these industries continue to shrink, tourism's economic importance has grown. Tourism not only increases outsiders' spending in rural regions, but also spurs the development of businesses that can capture local dollars. "If you get more visitation, if you get more businesses developing in these rural areas, then you have a greater opportunity to capture what we would call economic leakages: money that would necessarily have to go out of the region to buy new supplies or inventory," Gartner says.

Adjusting to this structural change, however, can be difficult for communities that have depended on manufacturing and mining for generations. "This shift to more of a tourism-based economy is a major shift, and it's not something that necessarily all of the residents agree with or want," says Douglas Arbogast, a West Virginia University Extension specialist in rural tourism development. His work focuses on involving local communities in tourism development, with an emphasis on improving quality of life, not just increasing economic impact.

"It's not all about profit. You're also looking at the state of the environment and the state of the society," Arbogast says. "If it's a place that visitors would want to come, then our hope is that it's also a place where young people want to stay and people might want to relocate to."

Cultural Heritage Tourism

Cultural heritage tourism, which includes historical tourism, is especially relevant to the Fifth District. Nine of the 55 areas designated as National Heritage Areas by Congress, chosen because they represent the United States' mix of diverse historic, cultural, and natural resources, are located in the District.

The Crooked Road: Musical Heritage and Economic Development

The New River JAM Band performs in the Youth Music Series at the Southwest Virginia Cultural Center & Marketplace.

IMAGE: JONATHAN ROMEO FOR THE CROOKED ROAD

The Crooked Road officially refers to a 330-mile stretch of road in southwest Virginia that winds through the Appalachians and features stops where visitors can experience and learn about the region's traditional music. It more informally includes other places that celebrate the region's rich cultural history. The tourism spurred by this celebration has helped rebuild a struggling economy.

The economy in southwest Virginia had long been built on coal, tobacco, and manufacturing. A decline in these industries in the late 20th century led to job losses and weakening economic conditions. In an effort to revitalize the region, state and local leaders sought to tap existing cultural assets, particularly music. In doing so, they ushered in a creative economy, that is, one built on assets such as culture that are unique to a region but are not traditional economic drivers (for example, as coal mining has been in southwest Virginia).

In 2003, the city of Bristol was featured in an annual folk music festival hosted by the Smithsonian, the Folklife Festival, which brought national interest to the music of the region. State and local groups capitalized on this momentum to create the Crooked Road Heritage Music Trail to boost economic activity in the region. The driving trail was later designated an official trail by the state. The state government, particularly the Virginia Department of Housing and Community Development, worked together with towns and communities, the Birthplace of Country Music Alliance, the National Park Service, and various local groups. State and local tourism boards collaborated on marketing the trail.

Before the creation of the Crooked Road brand, the region already featured venues with folk and bluegrass music. But creating one united trail increased awareness of the area, attracted new tourists, and encouraged people who may otherwise have visited one venue to stay in the region longer or come back to visit others. Tourism as well as local and state funding allowed towns in the area to create or improve attractions. Today, the Crooked Road spans 19 counties in southwest Virginia and features over 60 music venues and many music festivals throughout the year.

Many cities, such as Galax, Bristol, Marion, and Clinton, have seen increased tourism, resulting in overall growth. For example, hotels have opened, restaurants have more business, and downtowns are livelier, bringing in money and making the region a more attractive place to live. A 2015 study by the Virginia Tech Office of Economic Development estimated that the Crooked Road directly brought $6.4 million in tourism spending to the region each year, resulting in a total annual impact of $9.2 million to the region's economy. In recent years, the creative economy built upon culture in southwest Virginia has expanded beyond music to celebrate arts and crafts, natural beauty, and outdoor activities.

According to Steve Galyean, the former tourism director in Abingdon, Va., and the current planning and partnerships director of the Virginia Tourism Corporation, the goals of the Crooked Road were to preserve musical heritage, promote visitation, and aid in community revitalization in southwest Virginia. Says Galyean, "These three goals have been met and continue to be the backbone of the Crooked Road programs." The Crooked Road offers a model of a successful creative economy, one built around cultural assets that revitalized a region both economically and culturally, while offering tourists a unique and authentic experience.

— Roisin McCord

West Virginia is a case in point. The Wheeling National Heritage Area in West Virginia generated $86.6 million in economic impact in 2017 (the most recent data available). Of overnight travelers to West Virginia surveyed in 2018, 28 percent marked visiting historic places as an activity of special interest, 6 percentage points more than the national average.

Cultural heritage tourists visit monuments and historic buildings and participate in experiences like outdoor markets, live music, and craft fairs. A report by the United Nations World Tourism Organization emphasized cultural tourists' desire to be immersed in the authentic daily life of the places they visit. "Consumers' trips include many different activities, and culture is at the center of it," Calvert says. "They want to understand the local culture and be immersed in the local culture."

Yet the share of the U.S. population that reports visiting historic sites has declined since the 1980s. Gartner attributes this decline to younger generations' diminishing interest in history, at least as it is traditionally presented. While conducting research for the Minnesota State Historical Society, he and his team found that younger generations are less likely to visit historical cultural sites than older generations. He attributes this to younger generations' exposure to new types of media. "They have all these ways to interpret the world that the older generation never had." For this reason, Gartner says, "static museums" are in danger of no longer capturing their attention.

Younger generations are not solely responsible for the decline in historical tourism. The National Endowment for the Arts reported a decline in visitation across all age groups, except those 75 years and older, since 1982. It also found a significant gap in historical visitation between educational levels. Seventeen percent of people with a high school diploma reported visiting a historic site in 2017, compared with 43 percent of college graduates. Other indicators, though, are more mixed. The National Park Service reported an increase of almost 50 million in the number of recreational visits to historic sites over the same period. And, while historic visitation numbers in 2017 were 8.9 percentage points lower than in 1982, they were 4.4 percentage points higher than in 2012.

Simon Hudson, a professor at the University of South Carolina who chaired the South Carolina SmartState Center for Tourism and Economic Development until August 2019, attributes the decline in heritage tourism to ineffective marketing. "Tourists today are curious and are looking for learning and enrichment opportunities on vacation. Heritage tourism is therefore growing. But our research showed us that potential visitors outside of South Carolina are just not familiar with the rich culture that the state has to offer," he says. One of the challenges for destination marketers is keeping up with technology, particularly social media, which is quickly becoming a dominant form of communication. "In a rapidly changing environment," he says, "it is critical that destination marketers stay on top of consumer trends."

The Way We Tell Our Stories

Cultural heritage tourists' tastes and methods of communication may be shifting, but destinations are changing to meet them. "Museums are changing the way they tell their stories," says Calvert. "They're bringing perspectives to their stories. They're humanizing the experience."

The International African American Museum in Charleston is expected to open in 2021. Located at Gadsden's Wharf, where almost half of enslaved Africans first set foot in the United States, it will include several interactive exhibits, videos, and touch screen displays. Its mission explicitly pushes back against the idea that the main purpose of museums is to house old relics. Instead, it aims to "play an active role in shaping current dialogues."

Rural areas, too, are developing new attractions. Fifteen years after writing his paper on rural tourism, Gartner notes, "We're seeing new activities developing that are taking people out of the cities and into the rural areas." He gives wineries as an especially notable example, although he also points to the National Park Service's efforts to draw international audiences to national parks.

As a living history museum, Colonial Williamsburg is already far from being a static collection of relics. However, it, too, is taking steps to ensure that it remains relevant. In 2014, the foundation launched the $600 million "Campaign for History and Citizenship," intended not only to preserve and expand existing exhibits, but also to reach a more diverse audience, using digital technology among other means. The campaign includes a $41.7 million expansion of Colonial Williamsburg's two art museums. Over a quarter of the funding is to be used to update the town's "living history" programming, in part by delving into the stories of African Americans and Native Americans.

"Society is changing. So, within that change, I think we need to balance how we tell the history and connect past and future so that we keep it relatable to consumers," says Calvert. "I think there is opportunity everywhere." **EF**

Readings

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