



ECONOMIC IMPACT OF THE SUMMIT BECHTEL FAMILY NATIONAL SCOUT RESERVE ON WEST VIRGINIA

SUMMER 2019



 **West Virginia University**
JOHN CHAMBERS COLLEGE OF
BUSINESS AND ECONOMICS
Bureau of Business and Economic Research



Economic Impact of the Summit Bechtel Family National Scout Reserve on West Virginia

is published by:
Bureau of Business & Economic Research
John Chambers College of Business and Economics
West Virginia University

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Executive Summary

The Summit Bechtel Family National Scout Reserve, henceforth called the Summit, was chosen by the Boy Scouts of America (BSA) in 2009 as the home of the US National Scout Jamboree. The Summit has hosted two National Scout Jamborees in 2013 and 2017. Moreover, it also hosts various training, scouting, and adventure events at the state, national, and international levels. Overall, the Summit is expected to play an important role in promoting tourism in the state, which in turn helps boost the state economy. The purpose of this study is to estimate the economic impact that the Summit operation generates for the West Virginia economy. We estimate the impact based on the Summit operations in 2017 and 2018. We consider these two years separately because activities in 2017 were much larger than what is typical due to the 2017 National Jamboree. This level of activity occurs only once every four years. Our estimates from 2018 are intended to represent typical operations in Non Jamboree years.

Our findings are summarized as follows:

Economic Impact of the Summit Operational Spending during the Jamboree Year:

- **All the Summit events hosted during the Jamboree Year attracted a total of more than 46 thousand participants, of whom, nearly 30 thousand were the participants of the 2017 National Jamboree.**
- **The Summit operational spending during the Jamboree Year generated a total output impact of more than \$76 million, which supported, on an annualized basis, 350 jobs associated with a total employee compensation of nearly \$13.5 million.**
- **Overall, the operation generated \$1.2 million in select state and local tax revenue.**

Economic Impact of the Summit Operational Spending during the Non Jamboree Year:

- **All the Summit events hosted during the Non Jamboree Year attracted a total of nearly 24 thousand participants.**
- **The Summit operational spending during the Non Jamboree Year generated a total output impact of more than \$28 million. This output impact supported, on an annualized basis, 280 jobs associated with a total employee compensation of more than \$10.5 million.**
- **Overall, the operation generated \$0.9 million in select state and local tax revenue.**

Economic Impact of the Summit Construction Spending:

- **The annual Summit construction spending generated a total output impact of more than \$18.5 million, which supported, on an annualized basis, 92 jobs associated with a total employee compensation of more than \$7.5 million.**
- **Overall, the construction spending generated a total of \$0.5 million in select state and local tax revenue.**

The above impact considers only dollars spent in the West Virginia economy in 2017 and 2018. It does not include the impact that spilled over to other parts of the US economy or the value of the volunteers working for the Summit events. The estimated impact also does not include non-quantifiable impacts such as the exposure that the state's tourism industry receives from hosting the event, which in and of itself could help boost the state economy.



1 Introduction

The Summit Bechtel Family National Scout Reserve, henceforth the Summit, is an area chosen by the national council of Boy Scouts of America (BSA) in 2009 as the home of the US National Scout Jamboree. It is a more than 10 thousand acre area within Fayette and Raleigh counties in West Virginia, and is located about 12 miles north of Beckley. It provides an attractive venue for a variety of training, scouting, and adventure activities. Thus far, the Summit has hosted two National Scout Jamborees in 2013 and 2017. In addition to hosting the national jamboree every fourth year, every year the Summit hosts various kinds of events at the state, national, as well as international level such as Shooting Sports Conference, Hunters Education, Youth Science Camps, Spartan Race, etc. In July 2019, the Summit will host the 24th World Scout Jamboree.

Overall the Summit is expected to play an important role in promoting tourism in West Virginia, attracting people to visit the state and spend money on the West Virginia businesses, thereby boosting the state economy. It is not a coincidence that the Summit is located close to the New River Gorge national river, a popular destination for whitewater rafting, mountain biking, rock climbing, and about 14 miles south of the New River Gorge Bridge, a popular tourist destination.

The purpose of this study is to estimate the economic impact that the Summit operation generates for the West Virginia economy. We estimate the impact based on the Summit operations in 2017 and 2018. The 2017 operation represents the Jamboree Year operation in which the Summit hosted the 2017 National Jamboree, and the 2018 operation represents the Non Jamboree Year operation in which the Summit did not host a National Jamboree. Presenting the impacts in both cases, with and without the National Jamboree, provides a more complete picture of the overall impact of the Summit on the state economy. This approach is preferred because the National Jamboree, a very sizeable event that occurs only once every four years, naturally generates a larger economic impact compared to the other events that occur at the Summit every year.

The next section of the report describes the types of events that the Summit organized in its 2017 and 2018 operations, followed by a section describing the methodology used to estimate the economic impact. The final section of the report presents the economic impact estimates.



2 Methodology

To estimate the economic impact of the Summit operation we apply a detailed model of the West Virginia economy that outlines how trade-flows among industries interact with key economic indicators such as employment, income, output, and tax revenue.¹ The first step to estimate the total economic impact is estimating the Summit's direct impact, which represents the direct spending associated with the Summit operation organizing all these events. The direct spending, in this case, comes from two sources: first, the Summit routine operational spending in which it pays the regular and temporary workers, purchase materials, office supplies, and meal and beverages needed for the events, and second, the spending made by the participants, vendors, or spectators as they pay for lodging, food and beverages, gas, etc., during their stay at the events.

Data on the Summit's annual operation spending is provided by the Summit. Included in these data is information about the shares of the expenditures going to West Virginia residents as opposed to non-West Virginia residents. Data on the spectators' spending, however, is more difficult to obtain. We estimate the spectator's spending based on the collection of various data sets including a survey of the Spartan Race participants, a STAR hotel report,² and online information on local hotels rates and the number of rooms available in the area nearby the Summit such as Beckley and Charleston. It is important to note that we explicitly do not consider some of the spectators spending that should not be attributed as part of the Summit impact. First, we filter out the spending made by West Virginia residents on food and beverages. This is because these people would typically spend their money on food and beverages anyway even if they do not visit or participate in the Summit events. In other words, this money will still circulate in the state economy even if they don't attend the Summit events. Second, we take into account the displacement effect that the Summit spectators have on the regular visitors. During the events, the Summit spectators occupy most of the lodging facilities available in the region, and as a result they push-out regular visitors who would have come had there been no Summit events. We attribute only the difference in lodging spending made during the Summit events and the normal season as part of the Summit impact.

All the steps described are taken to estimate the Summit's direct impact. The total economic impact of Summit operation, however, is not limited to this direct impact, but also includes the secondary economic impacts accrued as these direct expenditures are re-spent throughout the rest of the economy. For example, as spectators purchase food and beverages from restaurants, the restaurants will increase production by purchasing more materials to make the food and beverages. Consequently, the suppliers of these food and beverage materials will increase their production, which in turn will cause the next suppliers to increase their production, and so on. All of this additional economic activity that stems from the direct impact is referred to as indirect impacts. In addition, these restaurants and all the subsequent suppliers employ numerous workers, part of whose income will be spent in the West Virginia economy, generating additional impact. This activity associated with employees spending their income in the state is referred to as induced impacts. These indirect and induced impacts together form

¹ This study was conducted using the IMPLAN modeling software, an industry-standard input-output model of the economy. More information about IMPLAN can be found at <http://www.implan.com>.

² This is a report published by Smith Travel Research (STR), generated based on STR's survey of participating hotels. It is available on a subscription basis and contains information on hotels' occupancy rate, average daily rate, and total revenue. For this study we obtain only a general summary of the report.



what is known as the “multiplier effect.” The original stimulus to the economy from the Summit operation’s direct impact is re-spent multiple times through the rest of the economy. The combined direct impact and secondary impacts constitute the total economic impact of the Summit.

3 Jamboree Year (2017) and Non Jamboree Year (2018) Summit Operations

The Summit funds its annual operations using not only its own routine operational budget, but also the revenue it collects from hosting all those events. These revenues come from different sources such as fees from participants, vendors, and spectators, as well as revenues from the sales of merchandises, outfitters, and food and beverages.

Naturally, the bigger the event, the bigger the revenue collected, and this determines the difference in the magnitude of the Summit operation year by year. For example, the Summit hosted the National Jamboree in 2017, an event attended by nearly 30 thousand participants from across the US. The impact of this big event is reflected in about \$30 million difference in total spending between the Summit’s 2017 operation and 2018 operation. More importantly, that \$30 million difference was almost entirely attributable to the revenue that the Summit collected from hosting the 2017 National Jamboree event.

Naturally, there is also a tradeoff. As the Summit hosts a big event such as the 2017 National Jamboree, it has to forego hosting some other smaller events. For example, the number of events the Summit hosted in 2017 is significantly smaller than in those it hosted 2018. The Summit was able to host as many as nine Training Center events in 2018, but it only hosted five similar events in 2017. In addition, the Summit also hosted various small events in 2018 that it did not host in 2017 such as WVU Science Camp, Camp Royal, Greater Alabama Council Visit, Leadership Beckley, and Leadership West Virginia. Overall, however, all the Summit events during the Jamboree Year operation in 2017 attracted a total of 46.4 thousand participants, about 22.6 thousand more than the number of participants attracted during the Non Jamboree operation in 2018.

Figure 1 shows the comparison of all the events the Summit hosted in 2017 and 2018. All the spending associated with hosting the events listed in this Figure is the basis this study uses to estimate the economic impact of the Summit operation.



Figure 1: Summit's 2017 and 2018 Events Summary

Events in 2017	Number of Participants	Events in 2018	Number of Participants
Jamboree	29,071	--	--
Spartan Race	11,000	Spartan Race	11,206
High Adventure	780	High Adventure	2,202
Community Heroes	827	Veterans/Community Heroes	829
One Day Picnic (September)	700	One Day Picnic (July & Oct.)	1,400
Scout Camp	3,972	Scout Camp	2,809
Justice Resident Camp		Scout Camp	
Council Adventure		Venture Fest	
Girl Scouts			
LDS Encampment			
Training Center	76	Training Center	4,601
MTB Program Manager		Shooting Sports Conference	
NAYLE		Summit/Buckskin Sporting Clays	
NAYLE Staff		Training Center	
Training Staff		National Camp school	
IMBA Level 1 Instructor		National Pistol Class	
		USA Cycling Youth Dev. Camp	
		Wood badge Course	
		Buckskin November Event	
		Hunters Education	
		Other Events	692
		WVU Science Camp	
		WVU Tech STEM	
		Beckley Area Foundation	
		Camp Royal	
		Fayette County Board of Education	
		Fayette/Raleigh Chamber of Com.	
		Glock	
		Greater Alabama Council Visit	
		Leadership Beckley	
		Leadership West Virginia	
		OA Takhonek Lodge Event	
All 2017 Events	46,426	All 2018 Events	23,739



4 Economic Impact of the Summit Operation

We differentiate between two types of spending at the Summit: operational spending and construction spending. The operational spending typically is a routine spending and for that reason yields economic impact that will recur every year as long as the Summit continues its operation. The construction spending, on the other hand, yields a onetime impact, which ends as the construction ends. Of course, it is possible that the Summit spends money on construction every year and consequently yields construction impact every year. However, construction spending is more of an investment than a routine spending and tends to vary widely from year to year in magnitude or type. Due to this difference, we present the impact of the operational spending and construction spending separately.

4.1 Economic Impact of the Summit Operational Spending

During the Jamboree Year in 2017 the Summit operational spending generates a direct impact of more than \$55 million in output. As mentioned above, about \$30 million of this direct impact stems from the revenue the Summit collected from hosting the 2017 National Jamboree. The rest of the direct impact comes from the Summit's other operational spending and from the spectators' spending. Included in this direct impact is nearly \$7 million impact in employee compensation. We estimate that this direct impact supports, on an annualized basis, more than 190 workers.³

As this direct spending circulated in the state economy, we estimate it generated more than \$21 million in secondary output impacts, resulting in a total economic impact of more than \$76 million in output. Note that a significant part of the impact, more specifically the impact of spending on food catering, went directly outside of the state economy. This is because the Summit had to order it from outside of the state. Nonetheless, while this impact did not stay in the state economy, it stayed in the US economy.

We also estimate that the secondary impact supported 160 additional jobs, with nearly \$7 million in employee compensation, in the state economy. This results in a total employment impact of 350 jobs or total employee compensation impact of \$13.5 million. The overall economic activity associated with the 2017 operational spending generated a total of \$1.2 million in selected state and local tax revenue (Figure 2).

³ The number of workers worked in all the Summit events was obviously more than 190. However, most of them worked as part time workers and some worked simply as volunteers. Using their number to represent the direct employment impact will be an overstatement.



Figure 2: Economic Impact of Jamboree Year (2017) Summit Operational Spending

Impact	Direct	Indirect and Induced	Total
Output (million \$)	55.1	21.1	76.2
Employment (jobs)	191	160	350
Employee Compensation (million \$)	6.9	6.6	13.5
Taxes (thousand \$)	--	--	1.2

Notes Tax Revenue impact includes sales, personal income, and corporation net income taxes.
Individual components may not sum to total due to rounding.

During the Non Jamboree Year in 2018 the Summit operational spending generates a direct impact of more than \$16 million in output. Included in this direct impact is nearly \$7 million impact in employee compensation. We estimate that this direct impact supported, on an annualized basis, nearly 190 workers. As this direct spending circulated in the state economy, we estimate it generated more than \$12 million in secondary output impacts, resulting in a total economic impact of more than \$28 million in output. This is about \$48 million less than the total output impact generated by the 2017 Summit's operational spending.

We also estimate that the secondary impact supported 93 additional jobs, with nearly \$4 million in employee compensation, in the state economy. This results in a total employment impact of 280 jobs or a total employee compensation impact of \$10.6 million. The overall economic activity associated with the 2018 operational spending generated a total of \$0.9 million in selected state and local tax revenue (Figure 3).

Figure 3: Economic Impact of Non Jamboree Year (2018) Summit Operational Spending

Impact	Direct	Indirect and Induced	Total
Output (million \$)	16.1	12.1	28.2
Employment (jobs)	187	93	280
Employee Compensation (million \$)	6.8	3.8	10.6
Taxes (million \$)	--	--	0.9

Notes Tax Revenue impact includes sales, personal income, and corporation net income taxes.
Individual components may not sum to total due to rounding.

The output impact estimated above considers only dollars spent in the West Virginia economy associated with the 2017 and 2018 Summit operations. These estimates do not include other impact associated with the Summit operations such as the impact that spilled over to outside of the state and the impact that stems from volunteers working on the events. In addition, some of the impact associated with the event is intangible and as a result is difficult to quantify. An example of a major non-quantifiable impact is the exposure that the state's tourism gets from hosting the event to participants from all over the US as well as abroad. The nature of the Summit events, which promotes natural and outdoor challenges, fits well with West Virginia's theme of being a destination for great outdoor experiences.



4.2 Economic Impact of the Summit Construction Spending

Our estimate on the impact of the construction spending is based on the average of the Summit's construction spending made in 2017 and 2018. The Summit's annual construction spending averaged nearly \$12 million. As this spending circulated in the state economy, it generated nearly \$7 million in secondary output impacts, resulting in a total economic impact of nearly \$18.6 million in output. Included in the output impact is the employee compensation impact that totaled \$7.6 million, supporting a total of, on annualized bases, more than 92 jobs. The overall economic activity associated with the construction spending generated about \$0.5 million in selected state and local tax revenue (Figure 4).

Figure 4: Economic Impact of Construction Spending

Impact	Direct	Indirect and Induced	Total
Output (million \$)	11.9	6.8	18.6
Employment (jobs)	36.4	55.9	92.3
Employee Compensation (million \$)	4.0	3.6	7.6
Taxes (thousand \$)	--	--	0.5

Notes Tax Revenue impact includes sales, personal income, and corporation net income taxes. Individual components may not sum to total due to rounding.



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