Virginia DMO Budget Survey 2017

Conducted by VTC on behalf of VADMO

Procedures

- An online survey was distributed to **Virginia DMO leadership on July 19, 2017** in order to **understand budget and organizational structure of DMOs around the Commonwealth**.

- Survey was fielded between **July 19 through August 25, 2017** with a soft launch on June 9, 2017. Three reminders were sent during August 2017. Additionally - both VTC and VADMO staff called DMO offices to encourage survey participation.

- There was a total of **77 responses** **(72% response rate).**
    - **Findings of this study represent 77 reporting DMOs; therefore, generalization is limited to the reporting DMOs only.**

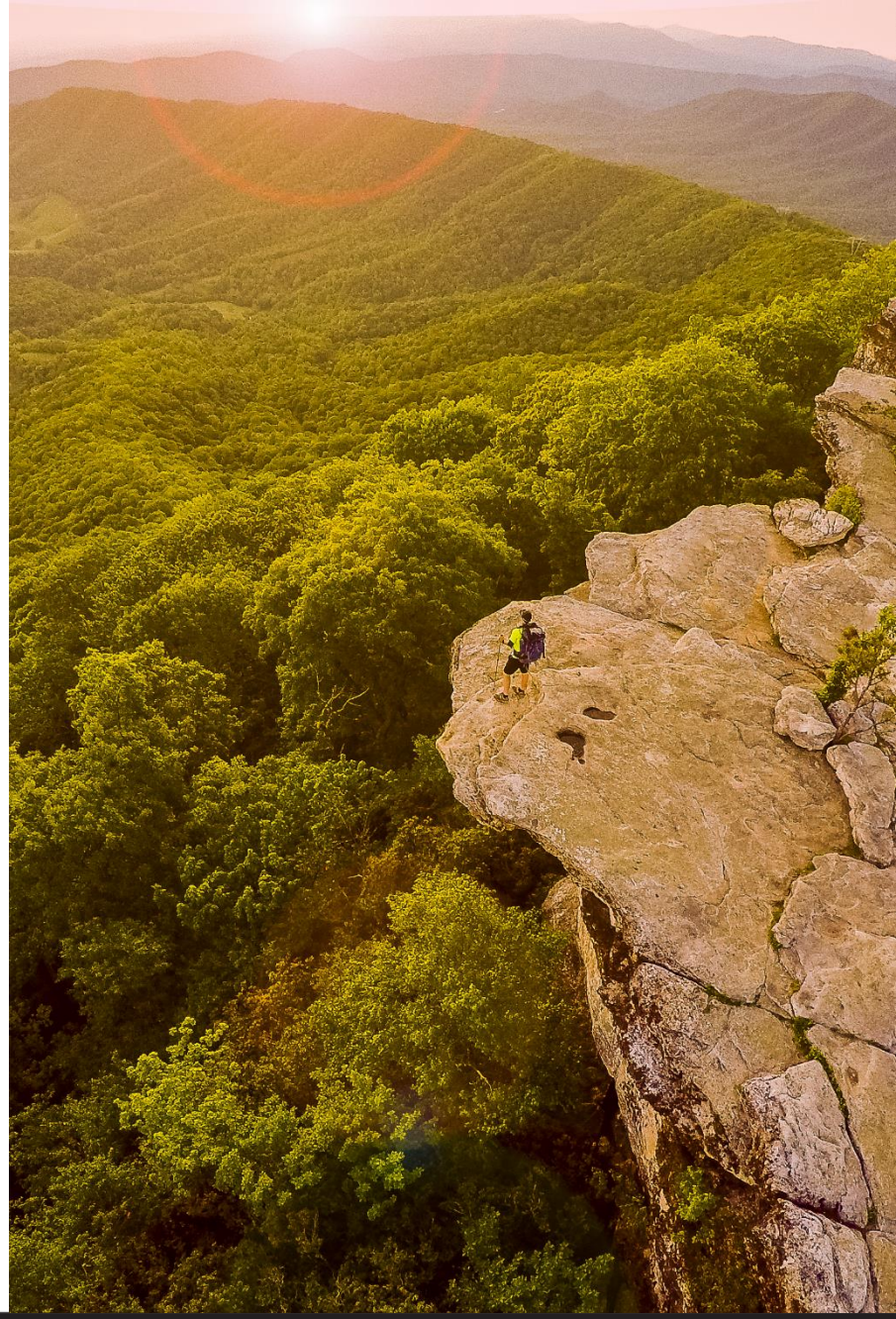
Executive Summary

Characteristics of Virginia DMOs:

- A **majority (61%)** of Virginia DMOs are **Government Agency followed by 501(c) (18%) and Chamber of Commerce (14%)**.
- **Median years of service** for a **DMO** is **20 years**.
- On **average**, DMO offices are small with **3 Full-time, 4 part-time** and **13.2 volunteer employees**. **38%** of DMOs have a **full-time staff of one employee**.

Executive Summary

- **Visitor Information Centers (81%), Public Relations (78%), Leisure Marketing (77%), Community Outreach (70%) and Business Development (58%)** are the most applied programs to DMOs.
- **Virginia's DMOs are diversified in budget size.** While **69% DMOs** reported **a tourism budget of $500k or less; average DMO budget** is **$268k** annually**.**
- **Budget** dictates **Pay for Talent and Organization's Size**: *It is significantly correlated with Salaries of CEO/Management and Number of Employees.*
- **General Funds (46%) and Transient Occupancy Taxes (34%)** total to **80%** of **DMO funding.**
- **Personnel and Program Cost** make up greatest portion of budget **(38% each).**
- On **average, Executive Leadership (Tourism Director/President/CEO)** salary is **$62k while median Executive Leadership** salary is **$57k.**
- **39%** of the respondents report that **Executive Leadership (Tourism Director/President/CEO)** has tourism experience of **more than 10 years**.

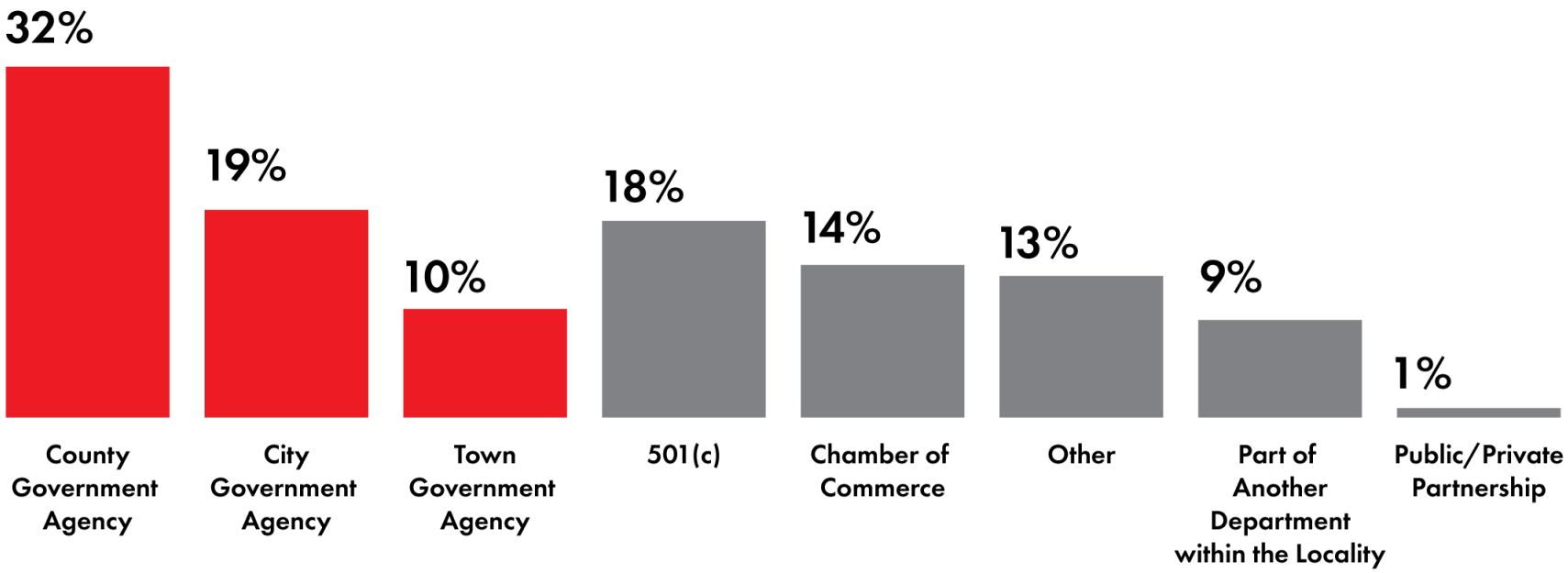


Executive Summary

The biggest challenges mentioned by Virginia DMOs:

1. Dedicated Funding
2. Budget (Resources/Capacity)
3. Politics
4. Proving ROI & Industry Appreciation
5. Regional Cooperation
6. Infrastructure

A large portion (61%) of Virginia DMOs are **Government Agency followed by 501(c) (18%) and Chamber of Commerce (14%).**



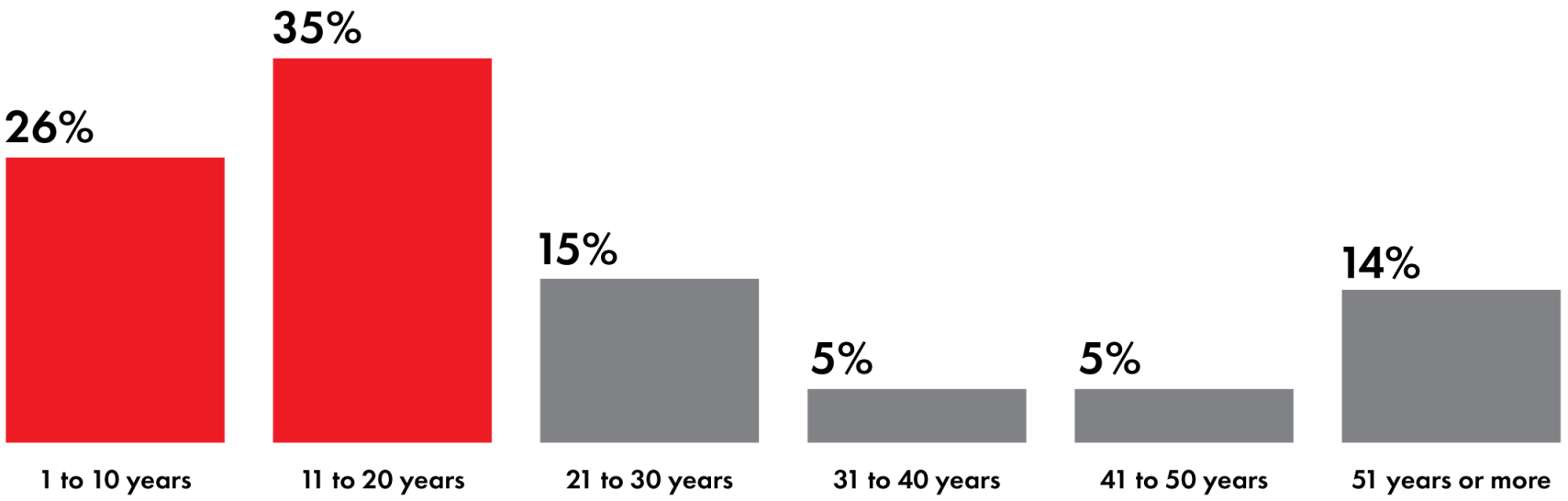
Q1. What is the organizational structure of your DMO? Please select all that apply. N=77
Other category included departments such as Economic or Community Development.

Majority of DMOs are **designated** within the **County/City/Town Government and Board of Supervisors**. Others are within the **Chamber of Commerce, 501(c), Economic Development Office or Partnership**.

Q3. Is your DMO designated by a local governing body such as Board of Directors, Committee or Advisory Council? Please explain how this process works in your locality.

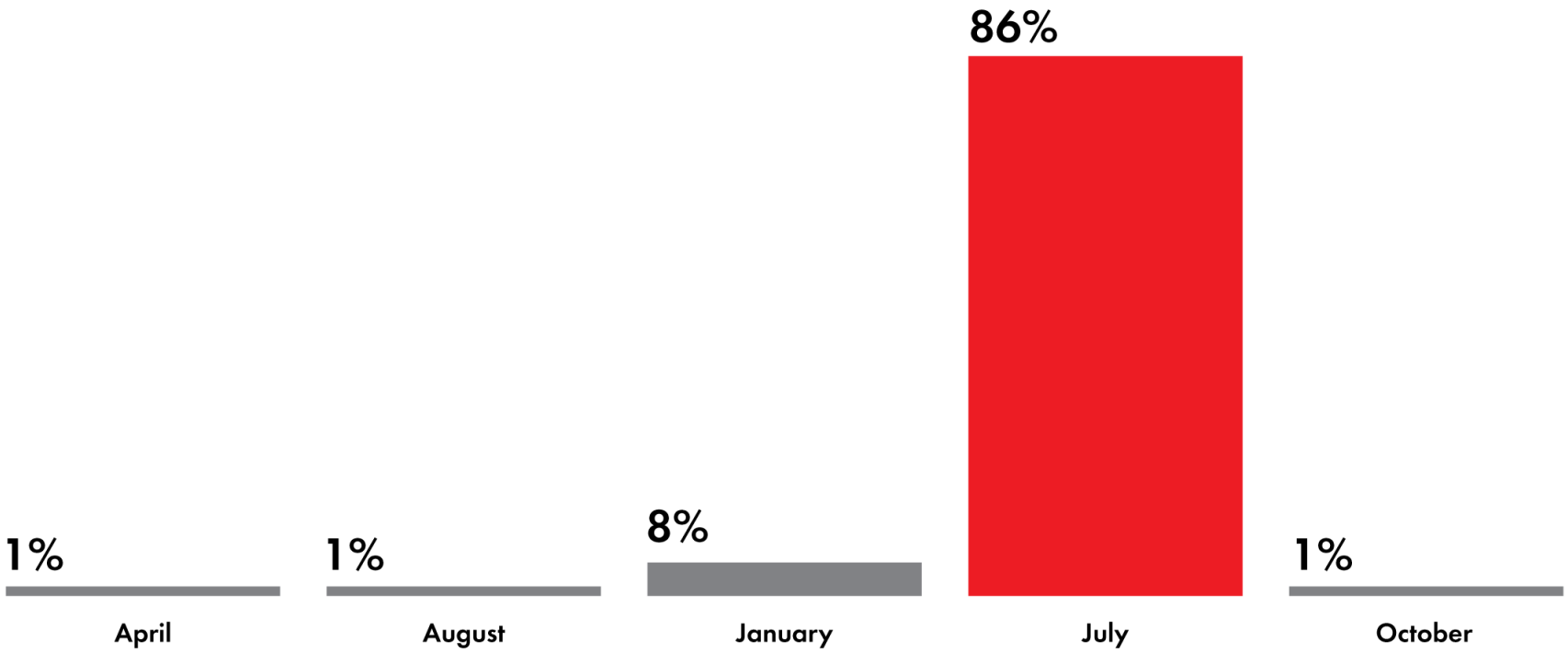
VIRGINIA IS FOR LOVERS

On **average**, DMOs have been in service for **27.5 years in Virginia**.
Median = **20 years**



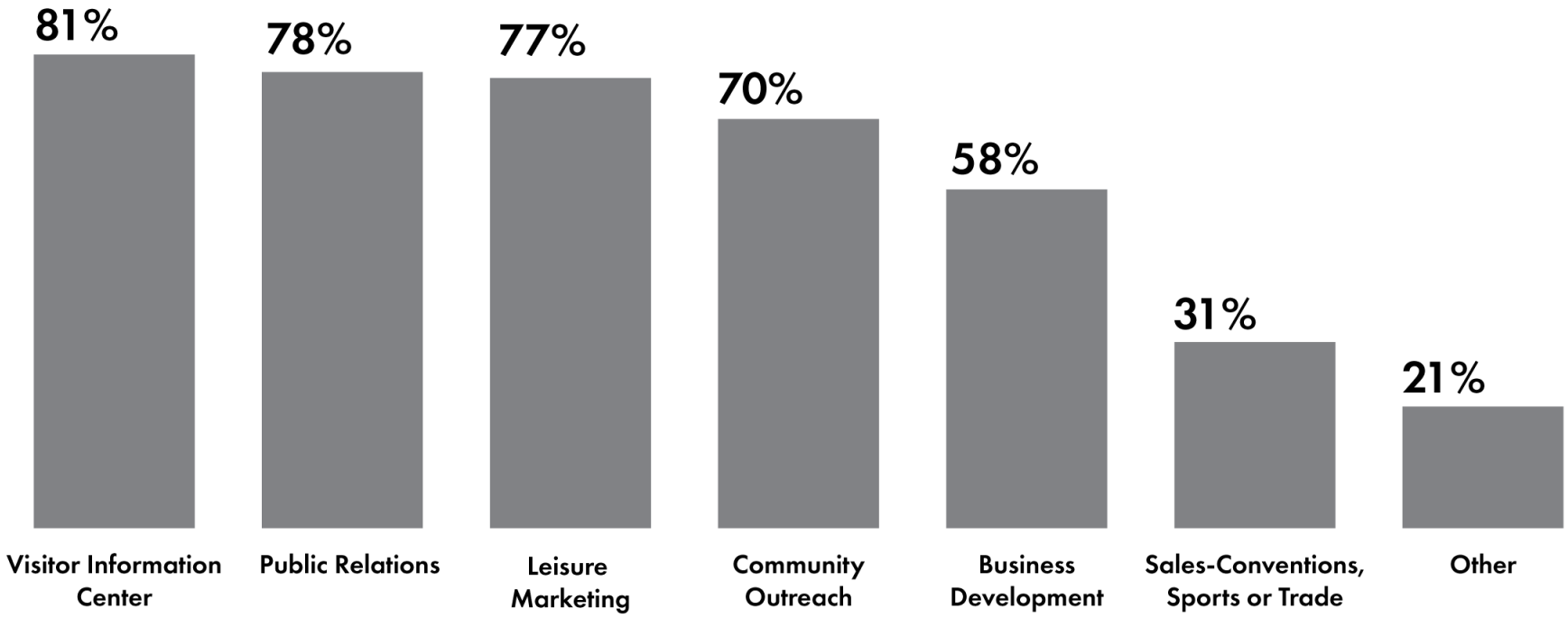
Q2. How many years has your organization has been in service? N=74
When outliers are removed – average = 16 years; median = 15 years

M**ajority (86%)** of respondents report that their fiscal year starts in **July**.



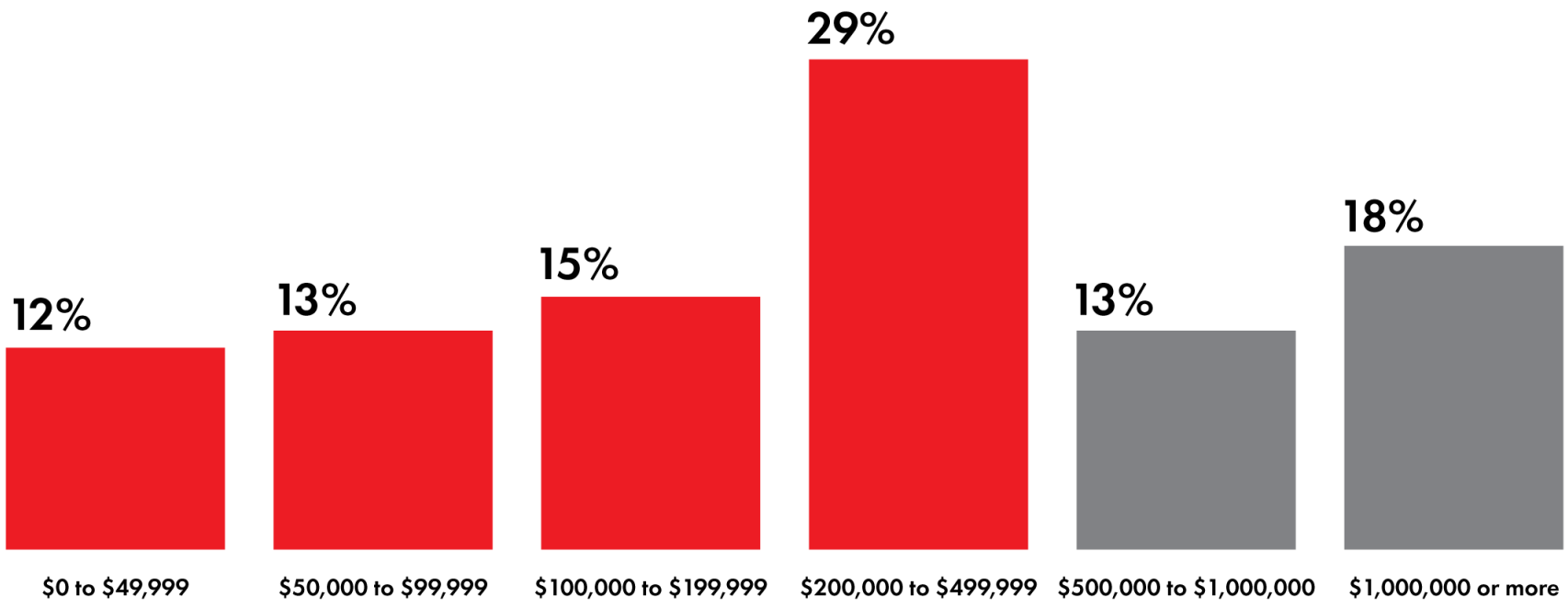
Q5. Which month does your fiscal year start? N=77

Visitor Information Center (81%), Public Relations (78%), Leisure Marketing (77%), Community Outreach (70%) and Business Development (58%) are the most applied programs to DMOs.



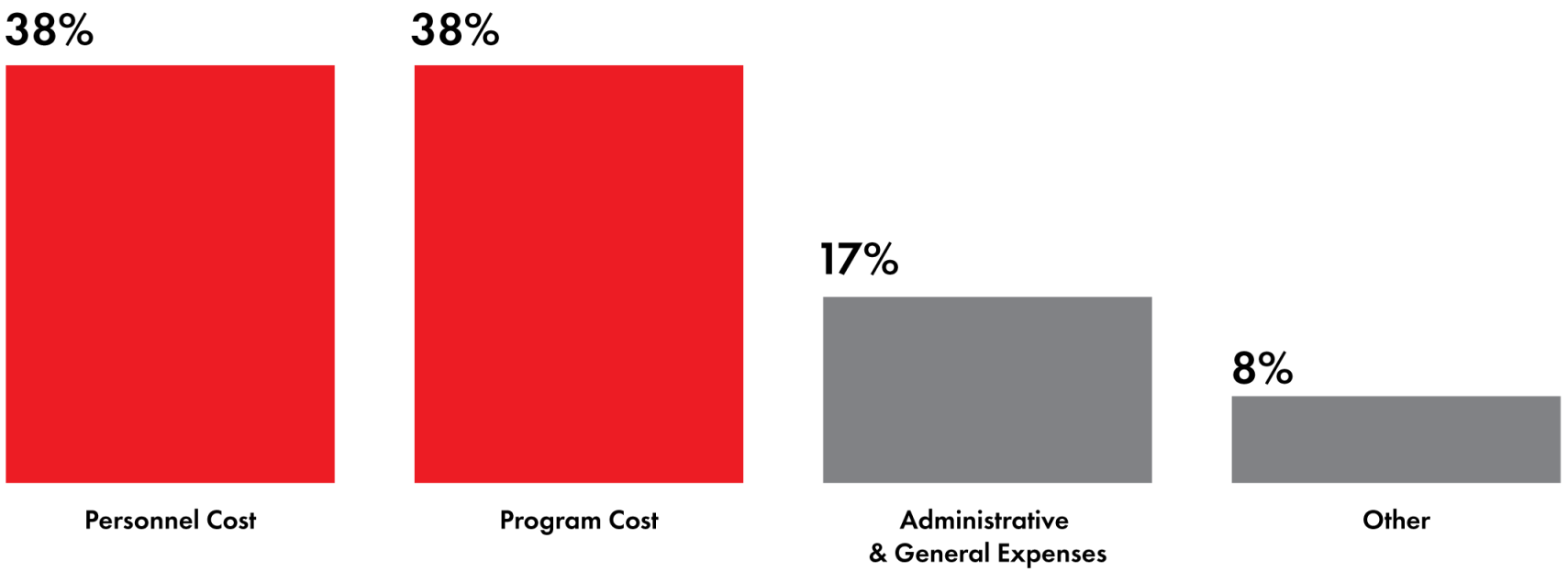
Q2. Which of the following programs apply to your DMO? Please select all that apply. N=77
Other category included event planning, special projects, and film.

Majority (69%) of DMOs report a dedicated tourism budget of **$500k or less**.
Average budget = **$268k** *; **median** budget = **$200k** *



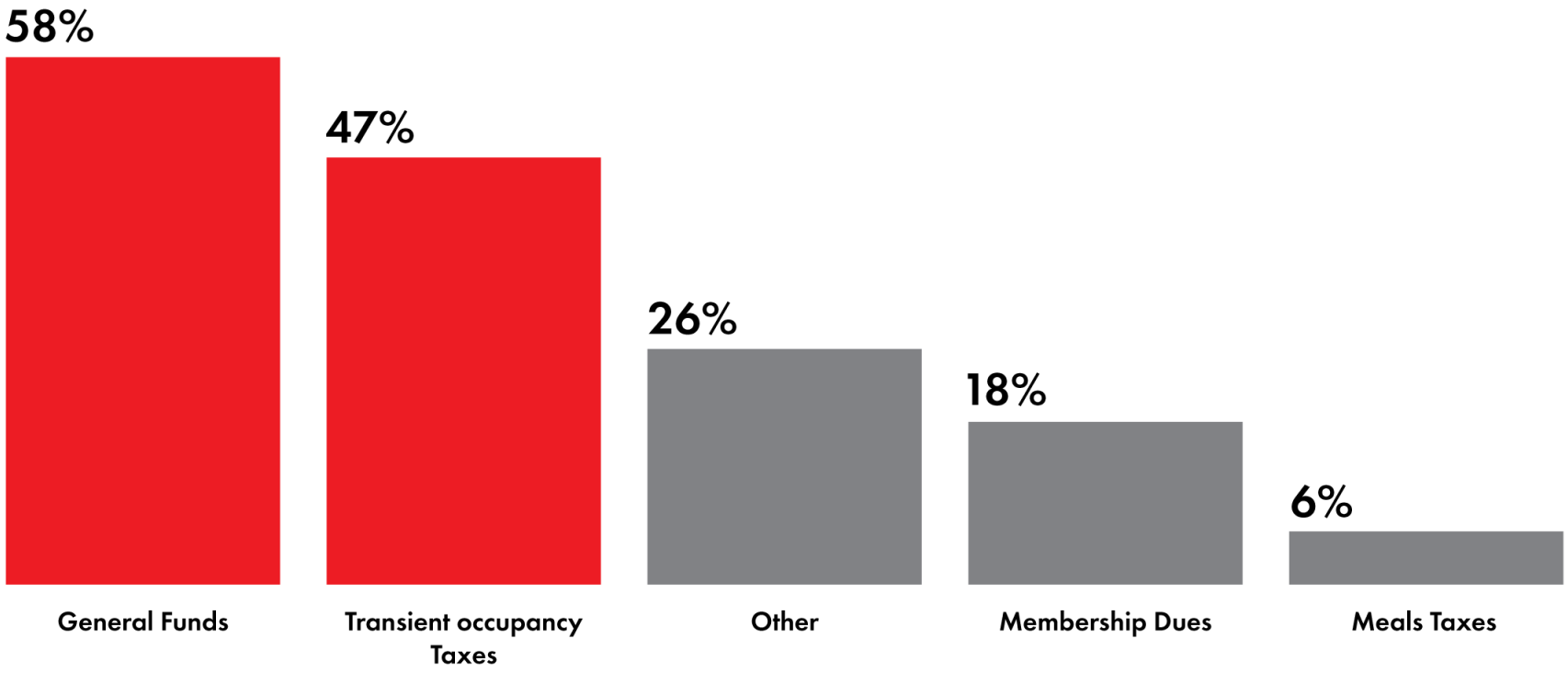
Q7. What is your organization's total operating budget dedicated to tourism for the current fiscal year? N=68
*Outliers removed

Personnel and Program Cost make up greatest portion of budget **(38% each)**



Q8. What share of your operational budget is allocated to the following for the current fiscal year? N=77
Other category included reserve funds, partnerships and sponsorships.

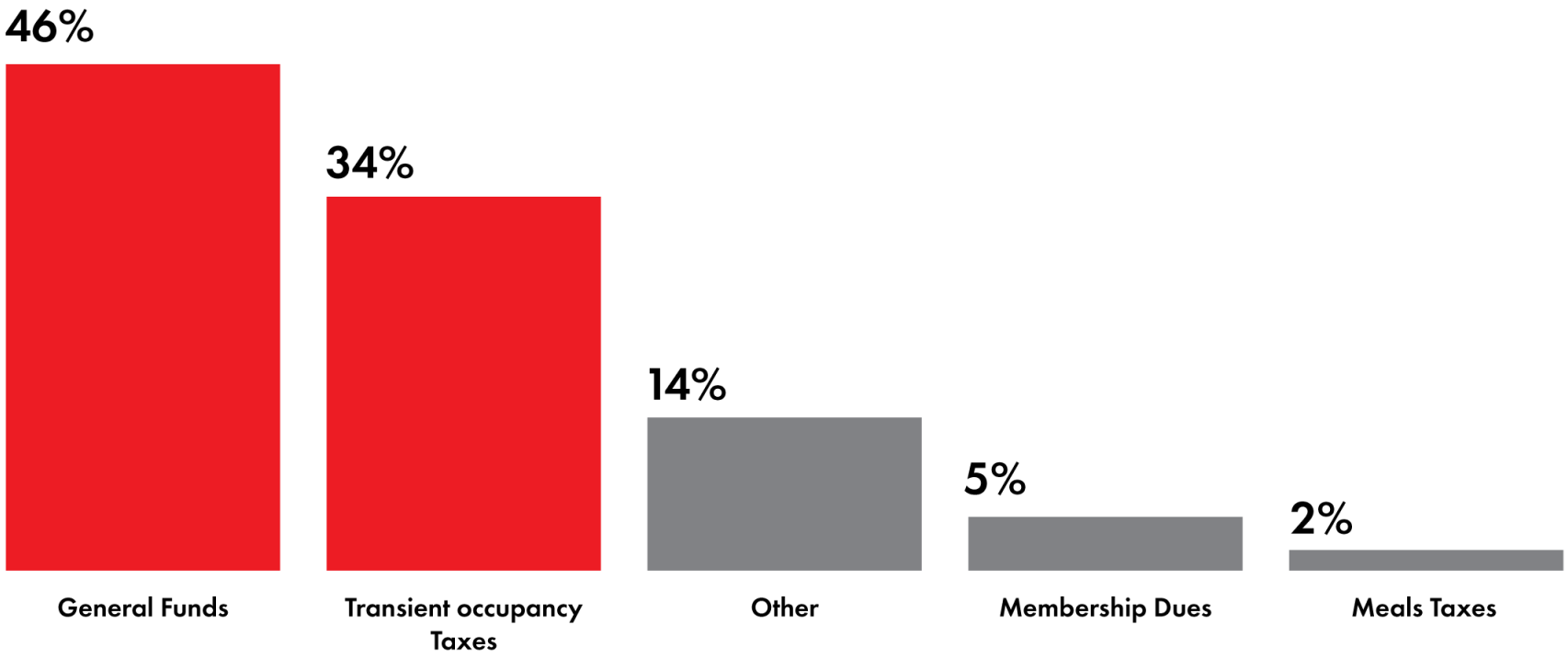
MAIN SOURCES OF FUNDING:
General Funds (58%) and Transient Occupancy Taxes (47%)
are reported as **main sources of DMO funding**.



Q9. What are the sources of your DMO funding for the current fiscal year? N=77
Other category include, grants, sponsorships, merchandise/ad sales and funds from other organizations in the community

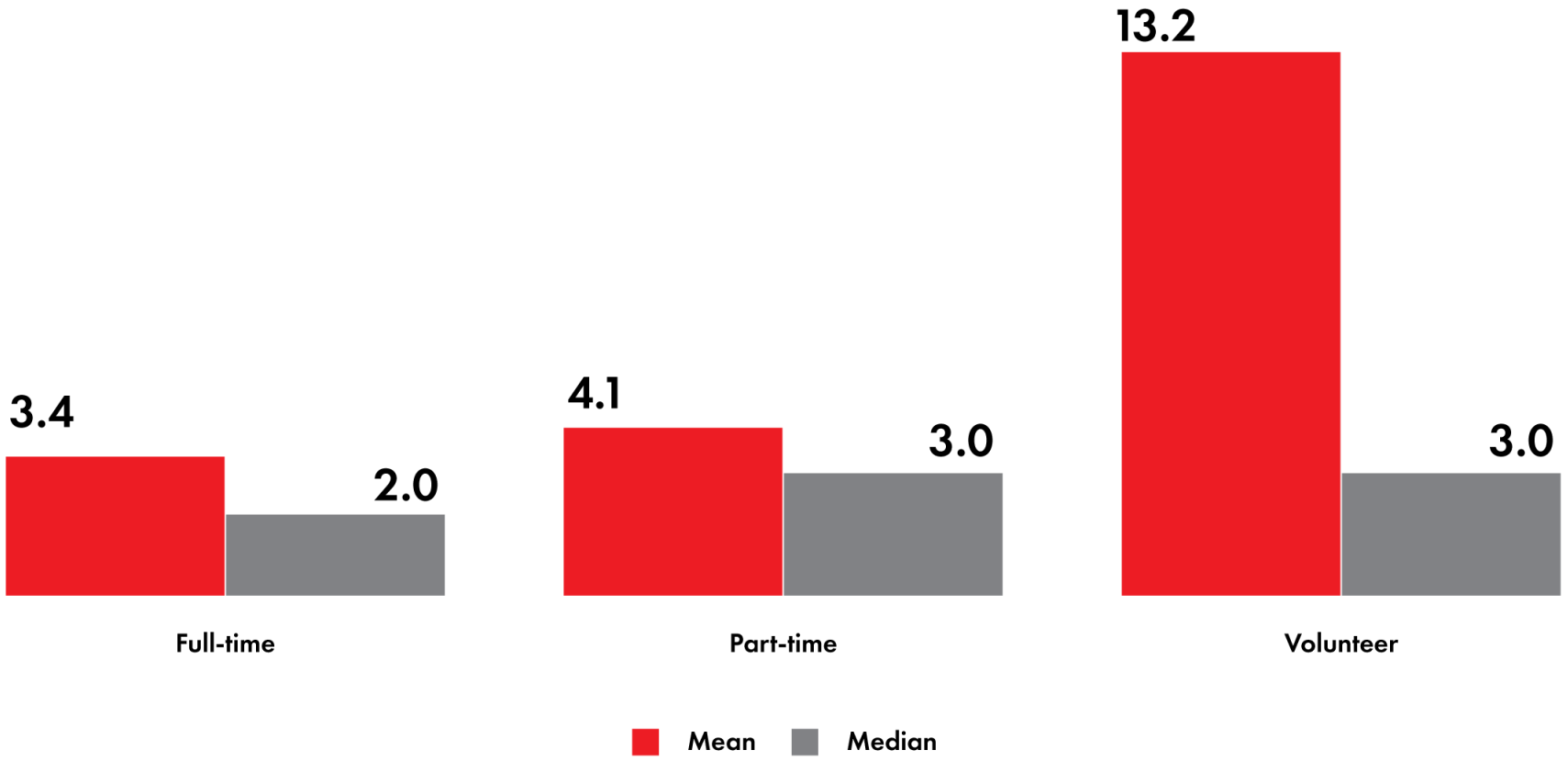
PERCENTAGE OF FUNDING

A Majority (80%) of DMO funding is from
General Funds (46%) and Transient Occupancy Taxes (34%).



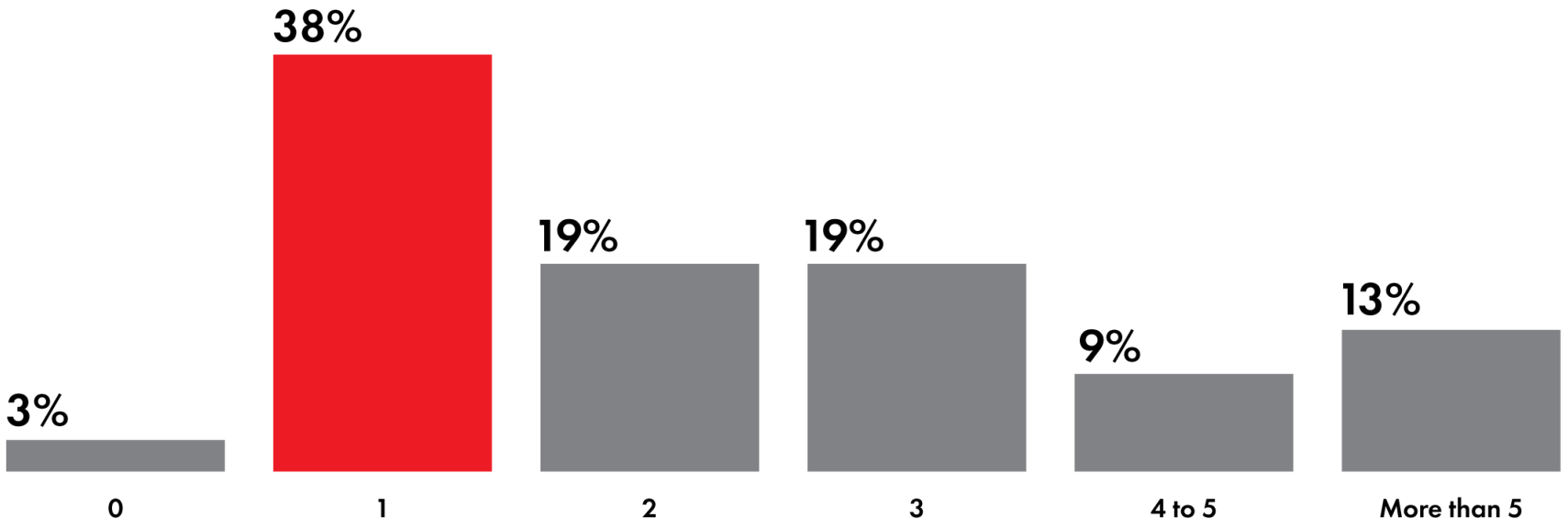
Q10. What percentage of your DMO funding are from the following sources for the current fiscal year? N=71
Other category include, grants, sponsorships, merchandise/ad sales and funds from other organizations in the community

On **average,** DMO offices are small with **3.4 Full-time, 4.1 part-time** and **13.2 volunteer employees.**



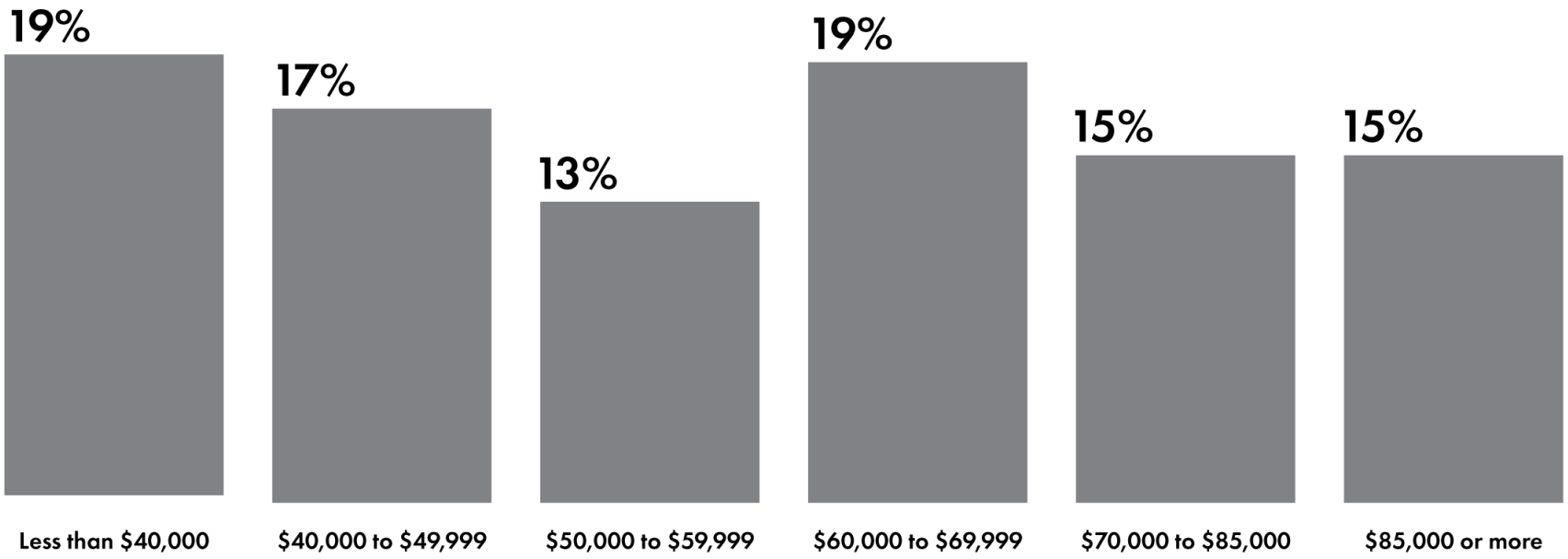
Q11. How many individuals are on your staff? Full-time/part-time/volunteer. N=77

38% of the DMOs have **a full-time staff of one employee;**
only **13%** of the DMOs have **a full-time staff of more than five employees.**



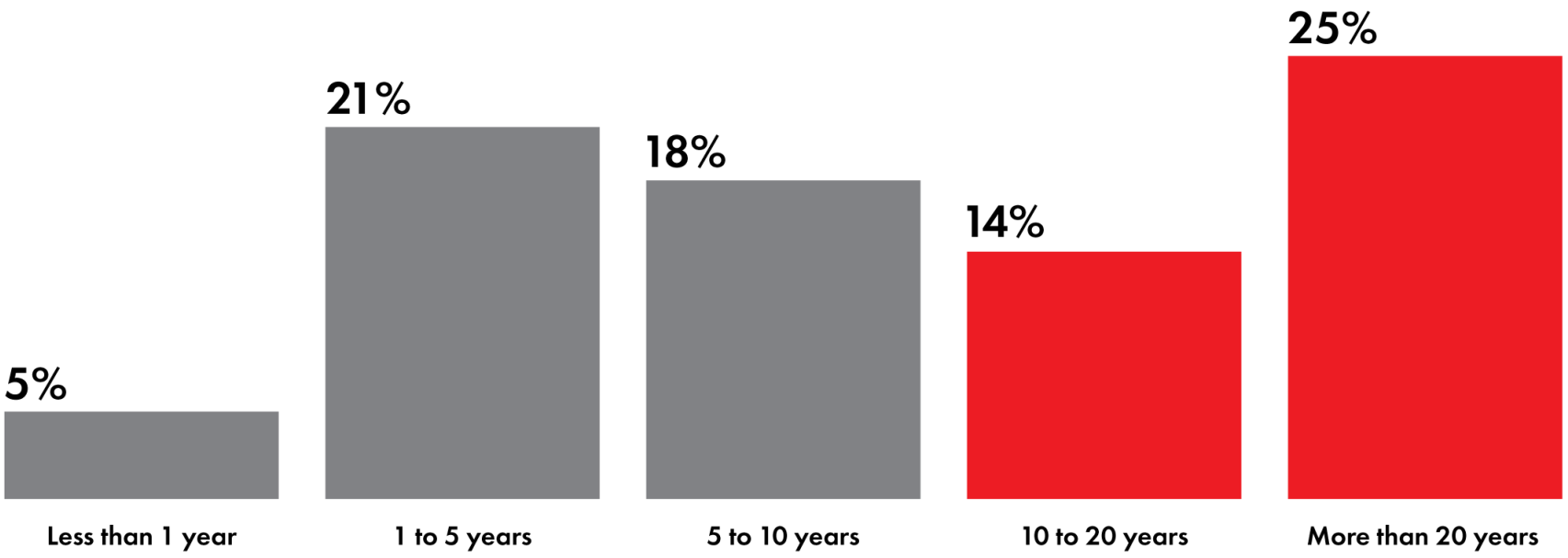
Q11. How many individuals are on your staff? Full-time/part-time/volunteer. N=77

On **average,** Tourism Director/President/CEO salary is **$62k**
while median salary is **$57k. 30%** of the respondents report **Salaries higher than $70k**.



Q12. What are the annual, average salaries for the following positions in your DMO? - Tourism Director/President/CEO? N=52
When outliers are removed – average salary = $53k; median salary = $52k

39% of **Executive Leadership (Tourism Director/President/CEO)** has tourism experience of **more than 10 years**.
On **average, tourism experience** of **Executive Leadership** is **5 to 10 years.**

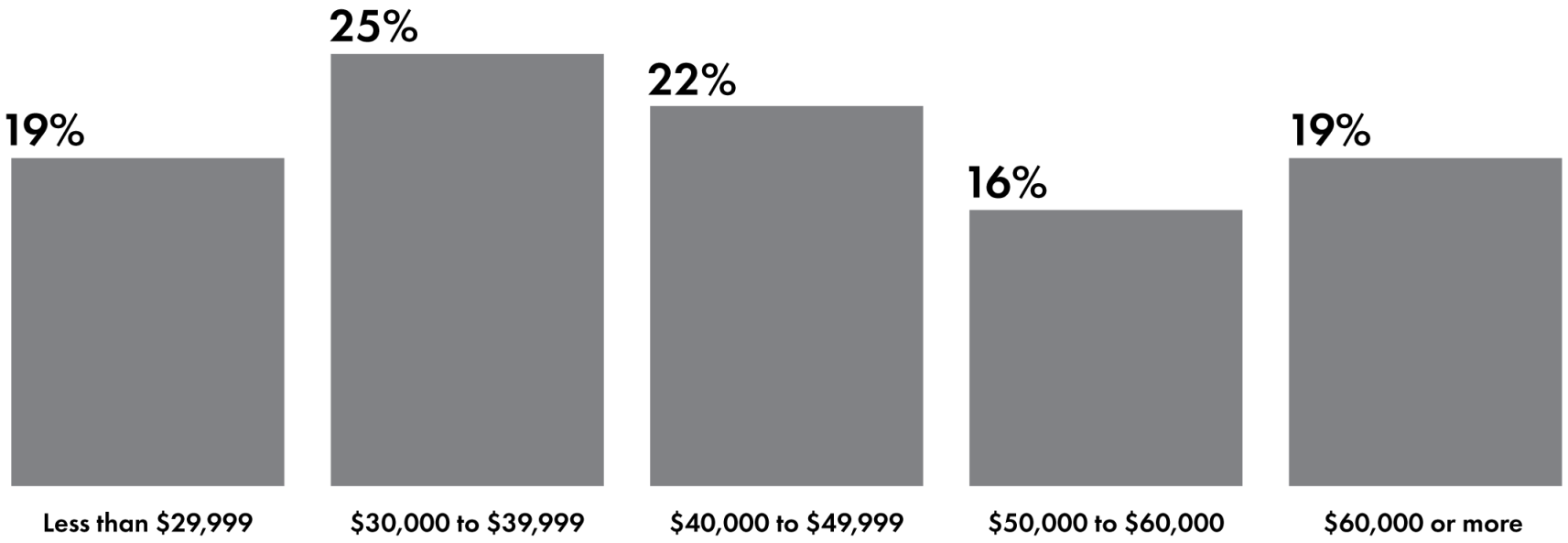


Q13. On average, how many years of tourism experience does your DMO staff have? Tourism Director/President/CEO: N=77

Overall, hiring process of Tourism Director/President/CEO at **most DMOs** is conducted **through the local government organization with the council of a board or committee.** Very few DMOs choose hiring options of **an appointed position** or **a rigorous recruitment process**.

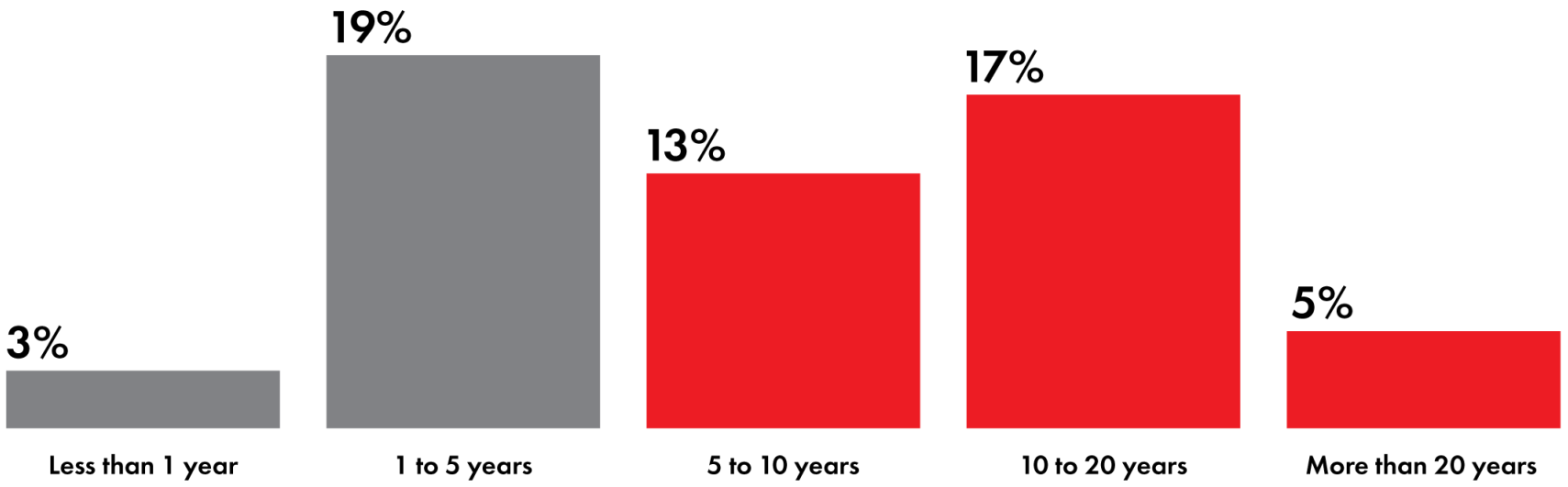
Q4. What about hiring the Tourism Director/President/CEO for your DMO? Who makes this decision and How does this process work in your locality?

Average **management position** salary is **$46k;**
median **management position** salary, **$43k.**



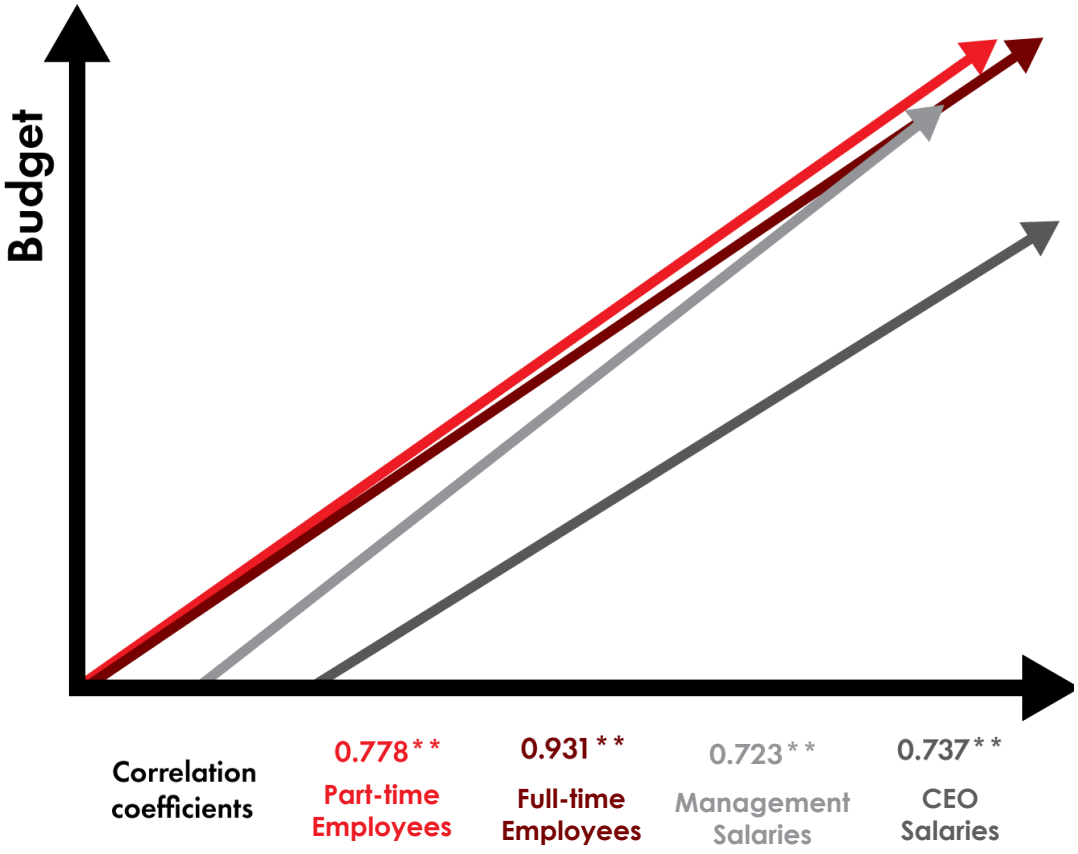
Q12. What are the annual, average salaries for the following positions in your DMO? - Management Positions N=32
When outliers are removed – average salary = $39k; median salary = $37k

35% of the respondents state that **personnel in management positions** have tourism experience of **five years or more**.



Q13. On average, how many years of tourism experience does your DMO staff have? Management positions: N=77

Budget dictates **Pay for Talent and Organization's Size**:
It is significantly correlated with Salaries of CEO/Management and Number of Employees



** Correlation is significant at the 0.01 level

1. Dedicated Funding, 2. Budget (Resources/Capacity), 3. Politics, 4. Proving ROI & Industry Appreciation, 5. Regional Cooperation 6. Infrastructure were the biggest challenges mentioned by the respondents.

Q14. What is your greatest challenge as a DMO?