

BIRCHHILL ENTERPRISES

**Economic Impact of
MAIN ST. Fort Worth Arts
Festival**

**April 2006
Fort Worth, Texas**

Project Manager:

Scott Nagel, CFEE
President
Birchhill Enterprises

Model Created by:

Matthew S. Anderson

Scott Nagel, CFEE

Birchhill Enterprises

105 ½ E. First St.

Port Angeles, WA 98362

Phone: 360-452-7019

Fax: 360-452-4695

Cell: 360-808-3940

E-mail: birchhills@mindspring.com

MAIN ST. Fort Worth Arts Festival

Table of Contents

	<i>Page</i>
<i>Section 1- Executive Summary</i>	<i>1</i>
<i>Section 2- Economic Impact/Spending</i>	<i>4</i>
<i>Economic Impact</i>	<i>4</i>
<i>Spending</i>	<i>6</i>
<i>Section 3- Demographics/General Information/ Profile of Locals/Profile of Visitors</i>	<i>8</i>
<i>Demographics</i>	<i>8</i>
<i>General Information</i>	<i>11</i>
<i>Profile of Locals</i>	<i>13</i>
<i>Profile of Visitors</i>	<i>14</i>
<i>Section 4- Research Questions/Models/The Graphic Model</i>	<i>15</i>
<i>Research Questions</i>	<i>15</i>
<i>Models</i>	<i>15</i>
<i>The Graphic Model</i>	<i>18</i>
<i>Section 5- Methodology</i>	<i>19</i>
<i>Section 6- Glossary of Terms/Survey</i>	<i>21</i>
<i>Glossary of Terms</i>	<i>21</i>
<i>Survey</i>	<i>24</i>

Section 1 – Executive Summary

The MAIN ST. Fort Worth Arts Festival, Fort Worth's most honored event, celebrates its 21st year on April 20-23, 2006. MAIN ST., presented by Coors Light and produced by Downtown Fort Worth Initiatives, Inc., hosts tens of thousands of people annually during the four-day visual arts, entertainment and cultural event. It showcases a nationally recognized fine art and fine craft juried art fair, live concerts, performance artists and street performers on the streets of downtown Fort Worth, stretching nine blocks on Main Street from the Tarrant County Courthouse to the Fort Worth Convention Center.

This study was conducted by Birchhill Enterprises (BHE) to reveal an accurate demographic* and economic impact* profile of the MAIN ST. Fort Worth Arts Festival. The findings of this report are organized so that event management can easily develop more informed marketing, development, and fundraising strategies. *Section 1* summarizes the findings of the study. *Section 2* details festival-goer's* spending and the event's economic impact. *Section 3* illustrates the demographics of the festival-goers. *Sections 4, 5, and 6* outline the procedural aspects of the study.

How the Study was Conducted

BHE provided a pre-festival survey to the management of the MAIN ST. Fort Worth Arts Festival to establish basic facts about the event including: 1) estimated attendance, 2) a profile of vendors, 3) how people enter the festival grounds, 4) the number of days of the event, and other pertinent information. BHE then sent the required number of surveys to the event so a statistically sound representation of the festival attendees could be obtained. Additionally, BHE provided training materials for the staff and volunteers to establish an accurate and consistent methodology for on-site sampling of festival-goers. As instructed by these materials, the festival management assigned a survey manager to the project to insure the process of completing surveys was done properly.

Economic Impacts

In this study, we measured economic impact with two primary models: 1) The *New Money** Model measured the impact of only Visitor related spending, and 2) The *Overall Impact** Model measured the impact of both Local and Visitor spending.

New Money Model- The direct* economic impact of Visitors* and Visiting Vendors* who came from over 50 miles from the event, including the Tax Rate*, was **\$3,247,698**. Factored with an industry established 1.5 Universal Multiplier*, the direct and indirect* *New Money* impact was **\$4,871,547**.

Overall Model- The direct* economic impact of Visitors, Visiting Vendors, Locals*, Festival Budget*, and Tax Rate was **\$12,081,088**. Factored with an industry established 1.5 Universal Multiplier, the direct and indirect* *Overall* impact* was **\$18,121,632**.

See page 21 for a glossary of terms. All terms and titles used in the models will be highlighted with a "" for their first time in use. The following terms will be capitalized whenever their use is specifically intended to represent key elements of the models: Visitors, Locals, Visiting Vendors, Festival Budget, Importance Factor, Vendor Leak, Universal Multiplier, and Tax Rate.*

Section 1-Executive Summary

Total Dollars Generated

The economic impact figures reported on the previous page take into account a Vendor Leak* factor that has the effect of reducing impact totals. After the event, festival Vendors who live outside of the area return home, *leaking* a portion of the money spent by festival attendees at the event. The numbers below reflect the spending inputs without including the Vendor Leak calculation, and therefore represent the total economic activity that occurred on-site and within the region of the festival. The numbers also include the standard 1.5 Universal Multiplier.

New Money Model without Vendor Leak-The direct and indirect economic impact of Visitors and Visiting Vendors including the Tax Rate, without the Vendor Leak factor was **\$5,619,150**.

Overall Model without Vendor Leak-The direct and indirect economic impact of Visitors, Visiting Vendors, Locals, Festival Budget, and the Tax Rate, without the Vendor Leak factor was **\$33,754,581**.

Tax Dollars Generated

The following figures represent the sales tax money raised for both the Fort Worth area and the State of Texas by the festival-goer's on-site* and regional* spending. Please note that the Vendor Leak calculation mentioned above does not reduce the tax dollars raised for the community, as all tax money spent on the festival grounds stays within the region and state regardless of where Visiting Vendors take their earnings. Although we are reporting these tax dollars separately, they are also added to the New Money and Overall models as inputs to economic impact.

Total Sales Tax Dollars Generated for the State of Texas- The total sales tax generated by all Visitors, Vendors, and Locals as a result of the festival to the State of Texas (including the Fort Worth area) based on a **8.25%** sales tax was **\$1,686,168**.

Total Sales Tax Dollars Generated for the Fort Worth Area- The total sales tax generated by all Visitors, Vendors, and Locals as a result of the festival to the Fort Worth area based on a **2.50%** sales tax was **\$510,960**.

Spending Per Day

Visitors and Locals had different spending profiles during their stay at the festival. On average, on-site and within the region of the festival, Locals spent **\$48.70** per-day, and Visitors spent **\$76.72**. Please note that many off-site spending categories that applied to Visitors did not apply to Locals (see Page 7, Table 5). Additionally, Visitors often spent more days in the area than the number of days the Festival was held, which added to their overall spending impact.

Retained Local Impact

The Retained Local model* was designed to estimate the total number of local dollars that would have left the region had the festival not been held. This is calculated by determining the number of Locals who indicated they would leave the area for another recreational event in the hypothetical absence of the festival, factored by the estimated dollar amount Locals would spend outside of the Fort Worth area, and finally, by the number of days they would be gone.

Number of Locals that Would Have Left the Area- Approximately **43,304** locals at this year's MAIN ST. Fort Worth Arts Festival indicated that if the festival had not been held, they would have left the Fort Worth area to find other recreational opportunities.

Retained Local Impact Dollars- The estimated amount of money that would have left the Fort Worth area had the MAIN ST. Fort Worth Arts Festival not been held was **\$6,737,427**. For more information on the Retained Local model, see page 17.

Demographics

- The percentage of individuals who attended the festival in a group was **78%**.
- For those who came in a group, **36%** brought their children, **52%** came with friends or relatives over 18, **15%** came with children of friends, and **48%** came with a spouse.
- Among adults, the largest age group attending the event was **36-50**.
- **53%** of attendees were female, **47%** were male.
- The most common marital status among festival-goers* was **Married**.
- The most common level of education among festival-goers was **College Graduate**.
- The most common level of household income among festival-goers was **\$50,001-\$75,000**.
- The most common occupational category among festival-goers was **Professional/Technical**.
- Listed in order, the 5 most common zip codes were: **76116, 76133, 76132, 76134, 76107**.
- The estimated attendance of the festival including repeat daily visits was **385,000**. The total estimated number of individual attendees to the festival, including those who visited multiple times was **198,811**.
- The estimated attendance for Visitors who came from over 50 miles to attend the event including repeat daily visits was **40,336**. The total estimated number of individual Visitors including those who attended multiple days was **20,269**.
- **90%** of attendees were Locals, **10%** of attendees were Visitors.

Section 2 – Economic Impact/Spending

Economic Impact

1. The New Money Model

This model of economic impact calculates the: 1) spending of Visitors and Visiting Vendors, and 2) the input of the Tax Rate. It deducts the Vendor Leak from Visitor spending, then factors in a conservative 1.5 Universal Multiplier. *(See page 16 for a full explanation of the model.)*

Direct New Money Economic Impact **\$3,247,698**

Direct & Indirect New Money Economic Impact (including the 1.5 multiplier) **\$4,871,547**

2. The Overall Model

This model of economic impact calculates the: 1) spending of Visitors, Visiting Vendors, and Locals, and 2) the inputs of the Festival Budget and 3) the Tax Rate. It deducts the Vendor Leak from Visitor and Local spending, and then factors in a conservative 1.5 Universal Multiplier. *(See page 16 for a full explanation of the model.)*

Direct Overall Economic Impact **\$12,081,088**

Direct & Indirect Overall Economic Impact (including the 1.5 multiplier) **\$18,121,632**

3. The Retained Local Model

This model of economic impact calculates the total amount of local money that would have left the area had it not been for the existence of the festival. It infers data from Visitor spending and applies it to Locals who reported they would have left the area for another recreational opportunity had the festival not occurred. *(See Page 13, Table 2, and Page 17 for a full explanation of the model.)*

Retained Local Economic Impact **\$6,737,427**

4. Sales Tax Generated by Festival Related Spending

The sales tax charge at the festival was **8.25%**, of which **2.5%** stays within the Fort Worth area. We took the total of all Visitor, Vendor, and Local spending that occurred as a direct result of the festival, and applied these sales tax percentages to calculate the following figures. Sales tax is included in the New Money and Overall models, as it also contributes to the economic impact of the event.

Amount of total sales tax raised by the festival for the state of Texas- **\$1,686,168**

Amount of total sales tax raised by the festival that stays directly in the Fort Worth area-
\$510,960

5. Calculation Breakdown for Economic Impact, Including New Money, Overall Models, and Retained Locals Models.

The following tables illustrate the contributing factors to the economic impact of the event.

New Money Impact

<i>Factor</i>	<i>Totals</i>
Visitor's Spending	\$3,575,250
Vendor's Spending	\$79,482
Local Taxes	\$91,368
Vendor Leak	\$498,402
Total after Leak	\$3,247,698
Multiplier	1.5
Impact	\$4,871,547

Overall Impact

<i>Factor</i>	<i>Totals</i>
Visitor's Spending	\$3,575,250
Vendor's Spending	\$79,482
Local's Spending	\$16,783,662
Taxes	\$510,960
Festival Budget	\$1,553,700
Vendor Leak	\$10,421,966
Total After Leak	\$12,081,088
Multiplier	1.5
Impact	\$18,121,632

Retained Locals

<i>Factor</i>	<i>Totals</i>
\$ Per-Person, Per-Day	\$70.09
Days Locals Would Have Left the Area	2.22
Population that Would Have Left the Area	43,304
Retained	\$6,737,427

Note-Calculations in this report are presented after rounding. Therefore, it may often not be possible to precisely replicate the calculations within this report by hand.

Spending

1. Total Spending On-Site at the Festival, N=499

This table reports the money spent by Visitors and Locals at the festival as a: 1) per-person, per-day calculation, and 2) event on-site total.

	<i>Average of Spending Per Person – Per Day On-Site</i>	<i>Total For Event Spent On-Site</i>
Visitors	\$29.51	\$1,190,329
Locals	\$43.89	\$15,125,437

Total On-Site Spending \$16,315,766

2. Total Spending in the Region of the Festival, N=499

This table reports the money spent by Visitors, Locals, and Vendors within the region of the event due to, but not within the festival as a: 1) per-person, per-day calculation, and 2) as a regional total. This table factors in an Importance Factor for Visitors. (See pages 14 & 21 for more information about the Importance Factor).*

	<i>Average of Spending Per Person – Per Day in Region</i>	<i>Total in Region</i>
Visitors	\$47.21	\$2,384,921
Locals	\$4.81	\$1,658,226
Vendors	\$70.09	\$79,482

Total Spending in the Region \$4,122,629

3. Total Spent Per-Day, Per-Person at the Festival, N=499

Visitors- The average spent per-day, per-person; on-site and within the region of the festival was: **\$76.72**

Locals- The average spent per-day, per-person; on-site and within the region of the festival was: **\$48.70**

4. Itemized On-Site Spending at the Festival

This table reports the total itemized money spent directly at the festival for: 1) Locals, 2) Visitors, and 3) the total of both categories. Additional columns were included for per-person, per-day spending.

<i>Category</i>	<i>Locals N=449</i>	<i>Locals, Per- Person-Per day</i>	<i>Visitors N=50</i>	<i>Visitors, Per- Person-Per Day</i>	<i>Total N=499</i>
Food	\$3,977,128	\$11.54	\$692,666	\$17.17	\$4,669,794
Arts/Crafts	\$10,949,967	\$31.77	\$497,663	\$12.34	\$11,447,630
Souvenirs/Other	\$198,342	\$0.58	\$0	\$0.00	\$198,342
Total	\$15,125,437	\$43.89	\$1,190,329	\$29.51	\$16,315,766

5. Itemized Regional Spending

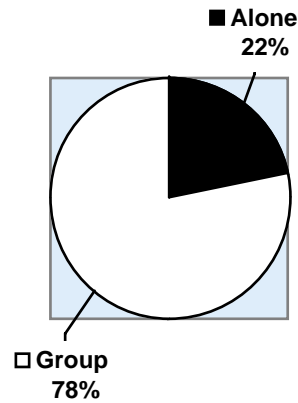
This table reports the total itemized money spent within the region of the event due to, but not within the festival as three spending categories, including: 1) Locals, 2) Visitors, and 3) a total of both categories. Additional columns were included for per-person, per-day spending. This table factors in the Importance Factor for Visitors. (See pages 14 & 21 for more information about the Importance Factor).*

<i>Category</i>	<i>Locals N=449</i>	<i>Locals, Per Person-Per Day</i>	<i>Visitors N=50</i>	<i>Visitors, Per Person-Per Day</i>	<i>Total N=499</i>
Parking	\$373,873	\$1.08	\$88,704	\$1.76	\$462,577
Transportation	\$409,758	\$1.19	\$146,667	\$2.90	\$556,425
Gasoline	\$819,516	\$2.38	\$342,849	\$6.79	\$1,162,365
Child Care	\$55,079	\$0.16	\$7,040	\$0.14	\$62,119
Motels	N/A		\$620,460	\$12.28	
Campgrounds	N/A		\$44,587	\$0.88	
Entertainment	N/A		\$45,995	\$0.91	
Restaurants	N/A		\$495,382	\$9.81	
Bars	N/A		\$322,902	\$6.39	
Clothing	N/A		\$82,133	\$1.62	
Arts/Crafts	N/A		\$11,029	\$0.22	
Personal Items	N/A		\$46,229	\$0.92	
Groceries	N/A		\$83,072	\$1.64	
Other	N/A		\$47,872	\$0.95	
Total	\$1,658,226	\$4.81	\$2,384,921	\$47.21	\$4,043,147

Section 3 – Demographics/General Information/Profile of Locals/Profile of Visitors

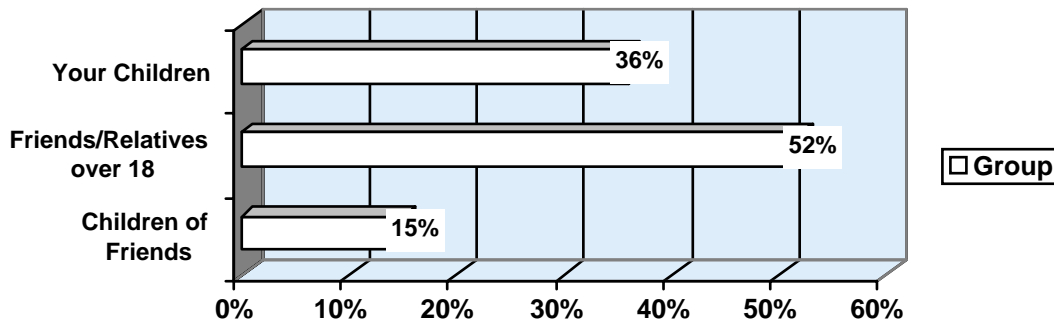
Demographics

1. Percentage of Individuals Who Attended in a Group, N=513

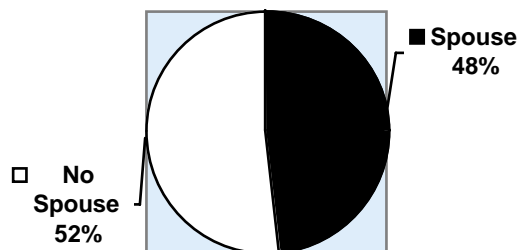


2. Group Composition, N=375

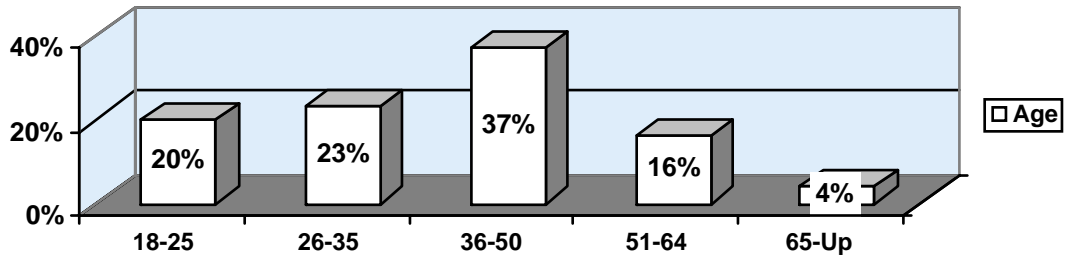
For those who came in a group, the following graph reports group composition for festival-goers.



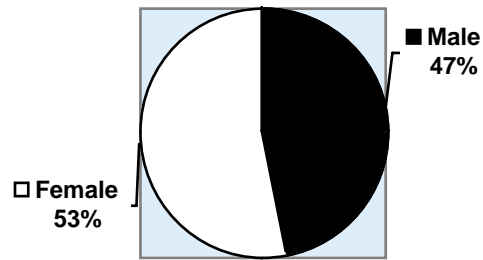
3. Percentage of Individuals Who Came to the Festival with a Spouse, N=375



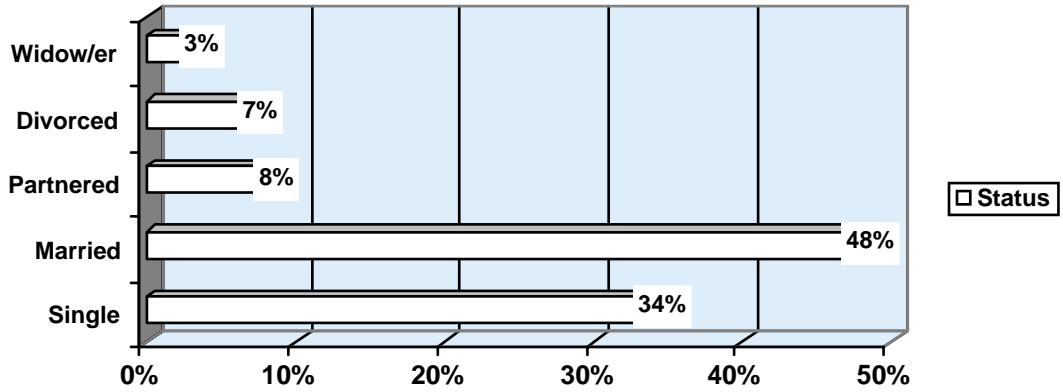
4. Age of Festival-Goers, N=507



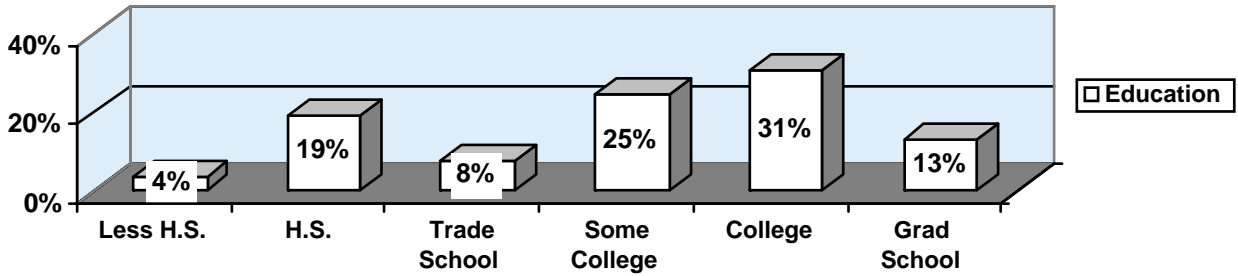
5. Gender of Festival-Goers, N=507



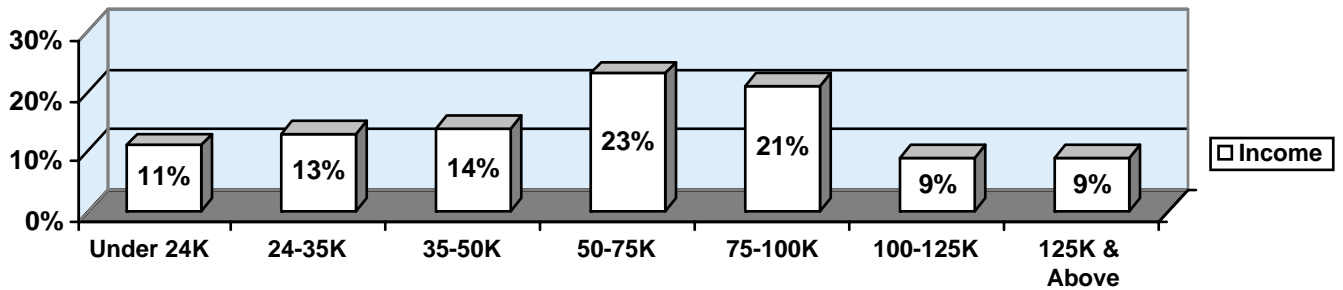
6. Marital Status of Festival-Goers, N=507



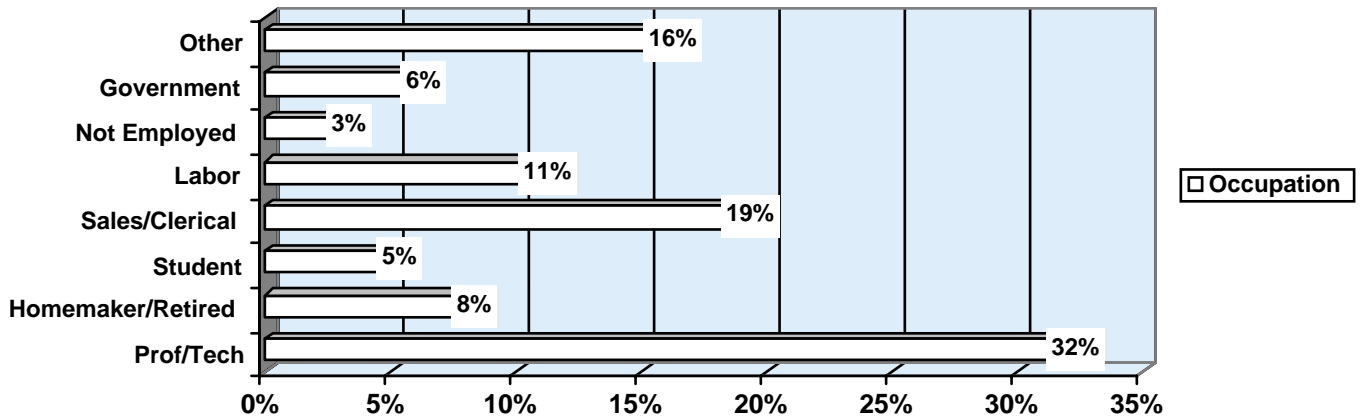
7. Level of Education of Festival-Goers, N=498



8. Income of Festival-Goers, N=490

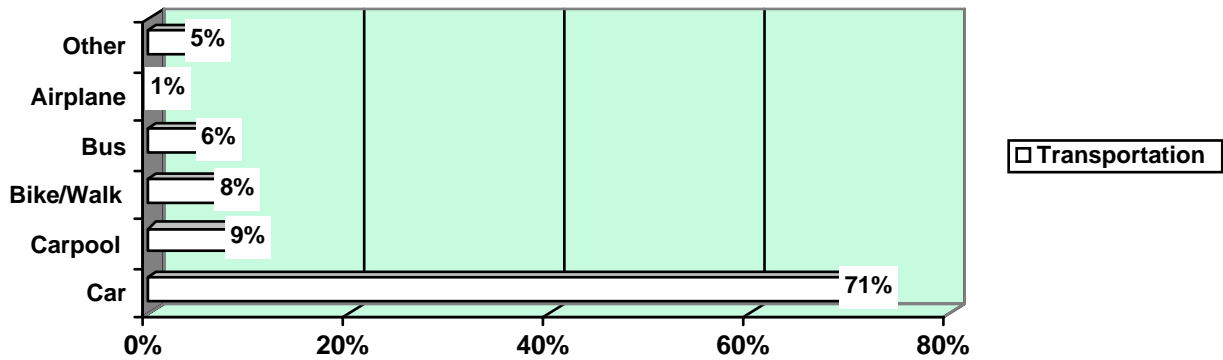


9. Occupation of Festival-Goers, N=497



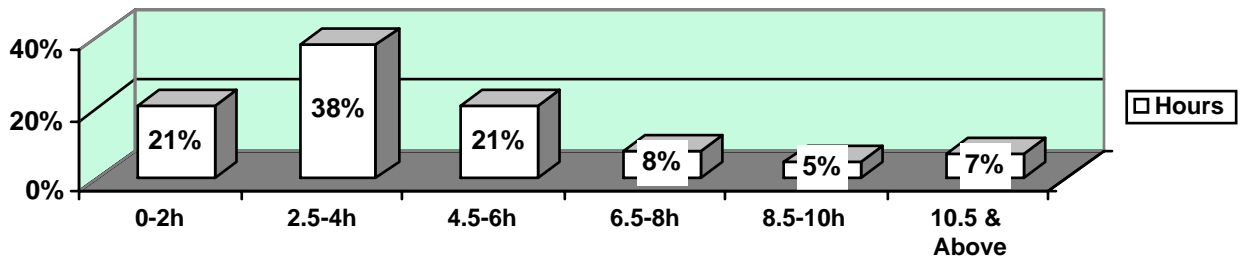
General Information

1. Transportation Methods, N=505



2. Hours at the Festival, N=485

The following graph reports the length of time festival-goers stayed at the festival per-day.

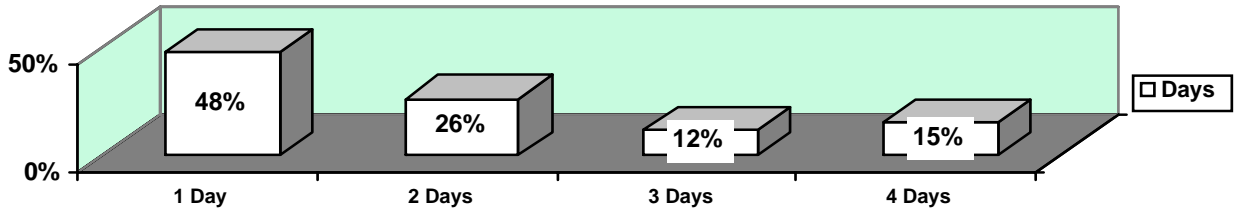


3. Average Number of Hours, N=485

3a. The average number of hours spent at the festival per-person, per-day was **4.86**

4. Days at the Festival, N=500

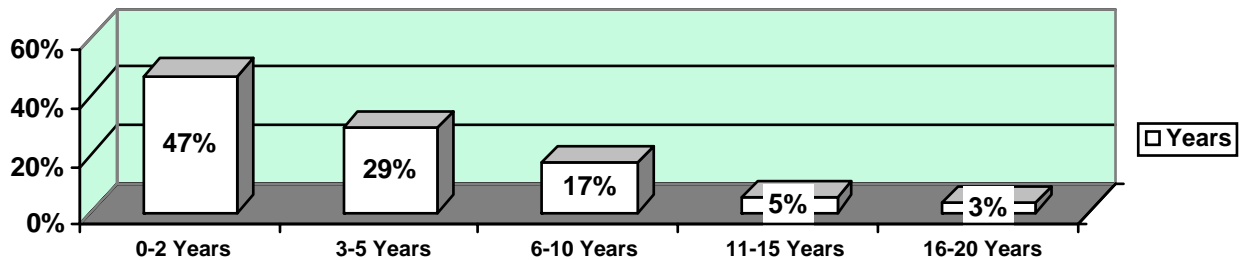
The following graph reports the number of days attendees spent at the festival.



4a. The average number of days spent at the festival was **1.94**

5. Years at the Festival, N=497

The following graph reports the number of years festival-goers had previously attended the festival.

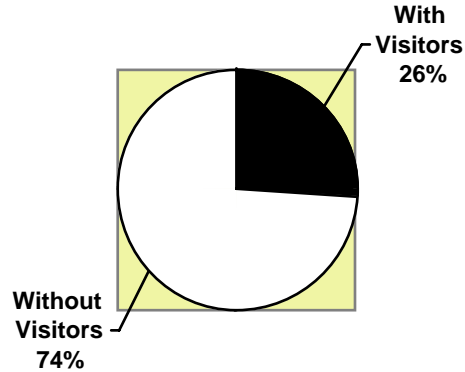


5a. For those who have attended the festival in the past, the average number of years festival-goers attended the event was **4.85**

5b. The percentage of first time festival-goers was **15%**

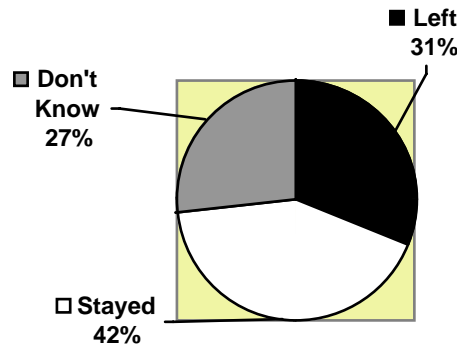
Profile of Locals - 90% of the Overall Sample

1. Locals Attending with Out of Town Visitors, N=439



2. The Percentage of Local Festival Attendees Who Indicated They Would Have Left the Area for Another Entertainment Opportunity had the Festival Not Been Held, N=427

Note- this calculation is a key variable for determining the “Retained Local” model. (See pages 17 for a full explanation of this model.)



3. Average Number of Days These Departing Locals Would Have Left the Area, N=91

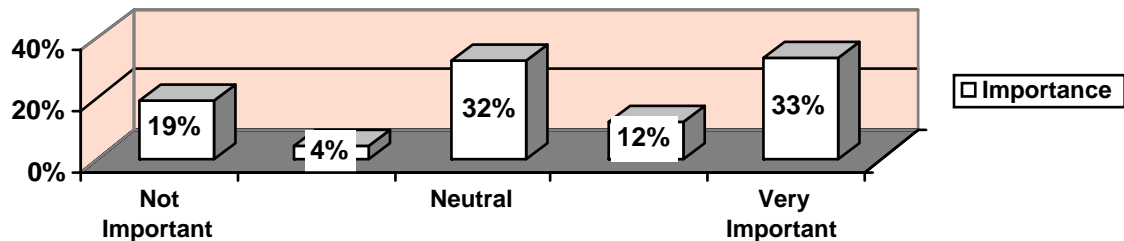
Average number of days=2.22

Note-To maintain a conservative calculation of the Retained Local model, the highest number of days departed we allow into our model is 3.00.

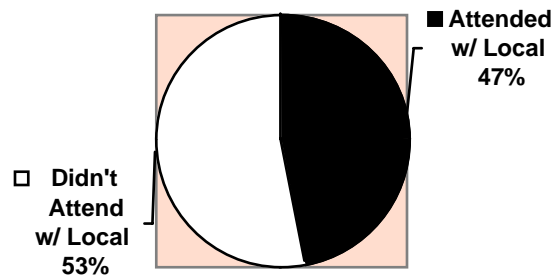
Profile of Visitors- 10% of the Overall Sample

1. Importance of the Festival, N=57

The following graph reports how important a determinant the MAIN ST. Fort Worth Arts Festival was for Visitors making their decision to come to the Fort Worth area. These numbers determine the "Importance Factor" which modifies Visitor spending within the region.



2. Percentage of Visitors Who Attended the Festival with Local Residents, N=49



3. Stayed with Friends, N=3

The percentage of Visitors who stayed with friends from the Fort Worth area was **67%**

4. Number of Nights That Visitors Stayed in the Area, N=40

The average number of days that Visitors stayed in the area was **2.49**

Section 4 – Research Questions, and The Models

Research Questions

The goal of this BHE study is to develop reliable economic impact and demographic data for a variety of festivals. To achieve a clear understanding of the festival environment in context to this study, we address four primary research questions* regarding both demographics and economic impact. Research questions are simply questions that guide the development and direction of a research project so that accurate and useful information will be revealed about the environment studied.

The following are the research questions that framed this project.

Research Question 1

What is the demographic profile of the Festival-goers?

Research Question 2

What is the “New Money” economic impact of the festival, which includes only the spending of Visitors and Visiting Vendors?

Research Question 3

What is the “Overall” economic impact of the festival; including all Locals and Visitors, Vendors, and the Festival Budget?

Research Question 4

What is the “Retained Local” impact of the festival, which measures how much local money stayed within the area due to the existence of the festival?

Models

Calculation and reporting of demographic variables for Research Question 1 did not require the development of models examining variable interaction. Therefore, the results of Research Question 1 were simply reported as graphs in *Section 3* of this report. However, for Research Questions 2, 3, and 4, three separate models were developed to determine the economic impact the festival has upon the Fort Worth economy. These models include the: 1) New Money model that profiles the spending of Visitors to the area, 2) the Overall model that profiles all possible spending related to the festival, and 3) the Retained Locals model that estimates the amount of local money that would have left the area had the festival not been held. These models allowed us to design the theoretical basis of the study, and to develop a survey that derives accurate economic impact figures.

A graphical representation of these models is provided on page 18. The three models defined above utilize different combinations of festival related spending from four distinct populations; including: 1) Locals, 2) Visitors, 3) Vendors, and 4) the Festival Budget. Because each of the three models are based on different theoretical standards, these models provide different economic impacts. However, all models are generated from the same data set that was collected in the pre-festival and on-site survey*. To fully illuminate the elements of each model, the following descriptions are provided below.

Model 1. New Money

This model represents only the money spent by Visitors and Visiting Vendors in the local economy of the festival. The usefulness of this model is that it allows us to focus on the money that was spent specifically by visitors to the area.

Elements of the New Money Model

From on-site survey (completed by festival-goers)

- *Visitor Spending (On-Site* and Regional*)*
- *Importance Factor*

From post-festival* survey (completed by festival management)

- *Visiting Vendors Spending (Regional)*
- *Vendor Leak*
- *Tax Rate*

From BHE

- *Universal Multiplier*

Model 2. The Overall Model

This model represents the overall spending in the local economy that can be attributed to the festival by Locals, Visitors, Vendors, and the Festival Budget. Although the Locals do not bring money into the community from outside regions as Visitors do, it is valuable to include their spending as it has the effect of initiating economic activity within the local economy. Examined in this way, a festival's contribution to a local economy is comparable to a local business that both draws money from and contributes to its community. To consider only the tourist dollar in terms of economic impact would greatly underestimate the complete financial benefits of festivals and similar events. In addition, we recognize that without festivals, a significant amount of money would leave the area due to locals seeking an alternative venue for entertainment in other regions (See *Model 3*).

We have determined that the usefulness of the Overall Model is that it allows us to measure the amount of money that the festival circulates through the local economy from every source that the festival draws financial impact from.

Elements of the Overall Model

From on-site survey (completed by festival-goers)

- *Visitor Spending (On-Site and Regional)*
- *Importance Factor*
- *Local Spending (On-Site* and Regional*)*

From post-festival survey (completed by festival management)

- *Visiting Vendors Spending (Regional)*
- *Vendor Leak*
- *Tax Rate*
- *Festival Budget*

From BHE

- *Universal Multiplier*

Model 3. Retained Local Model

The Retained Local Model focuses on money that would have left the area if the festival had not been held. Retention models are not yet an economic impact standard, which is in part why the resulting amount was not added to the Overall Model. Therefore, the most effective presentation of this model would be as a compliment to the other two models. The Retained Local Model allows us to see how festivals and other events contribute to the local economy by encouraging their residents to stay and spend recreation dollars within the area. Because much of this model is based on estimated and inferred figures, it should be viewed more cautiously than other models provided in this report.

There were three main elements of the Retained Local model. First, we estimated the group size of these departing Locals at 43,304 individuals. Next, we calculated the number of days that Locals estimated they would have left. Then we utilized an application of Visitor spending to estimate how much departing Locals would have spent outside of the area. In this study Locals indicated they would have left the Fort Worth area for 2.22 days. Finally, we multiplied these three elements to arrive at the Retained Local calculation.

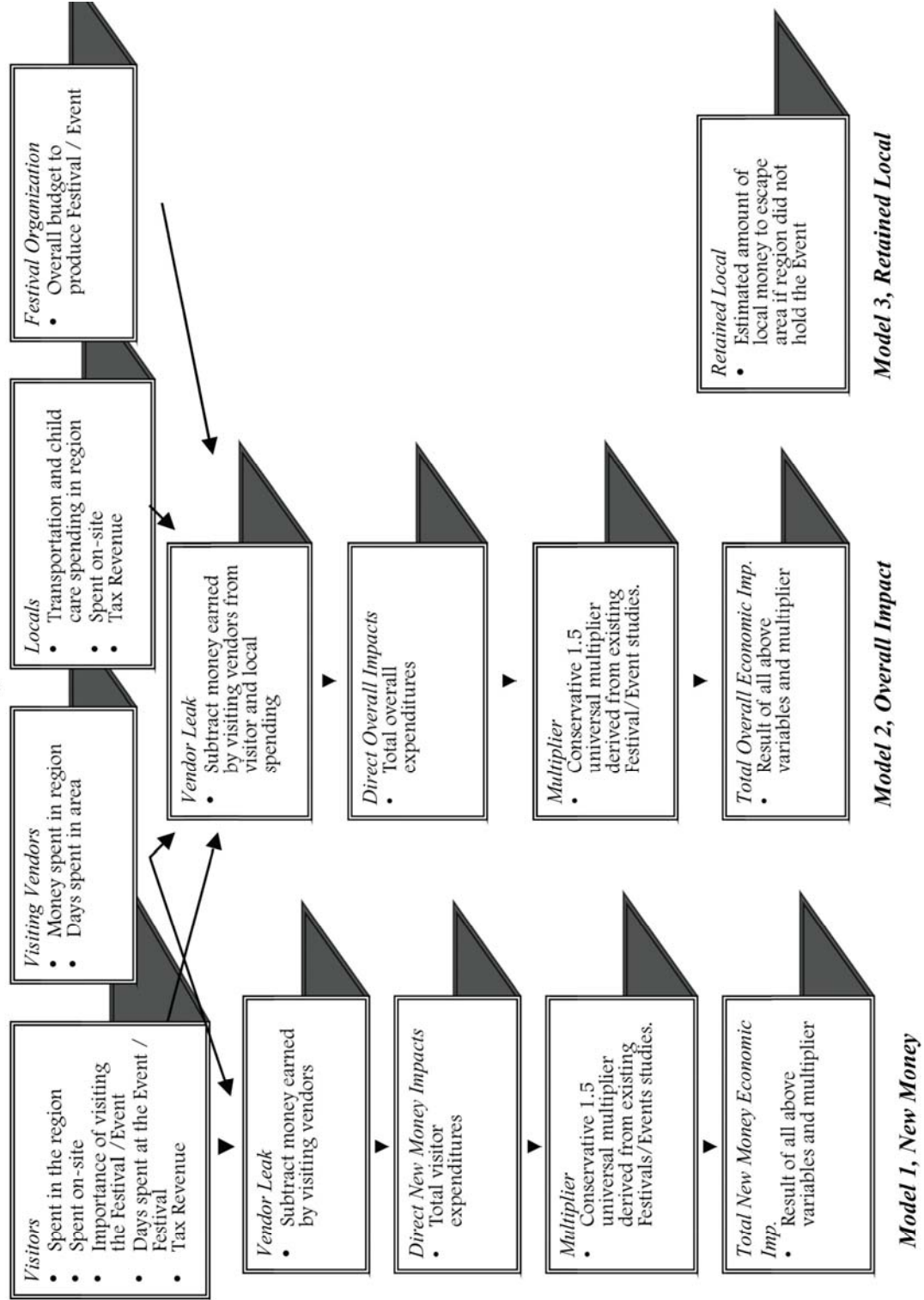
Elements of the Retained Local Model

- *A conservative estimation of how many Locals would have left the area had the MAIN ST. Fort Worth Arts Festival not been held.*
- *An estimation as to how long Locals would have left the area without the existence of the festival.*
- *Estimated Local spending outside of the area based upon the Visitor's local region spending.*

The Graphic Model

The following comprehensive graphic model outlines the relationships between the variables that are defined by the three economic impacts models mentioned above.

**IFEA Impact Study - New Money, Overall, and Retained Local
Economic Impact Models**



Section 5 – Methodology

Development of the On-Site Instrument

Based upon the requirements of the three models developed for this study, a survey was created to provide the necessary data to establish economic impact and demographic information outlined in this report. The two phases involved in the development of the survey were the: 1) writing of the instrument*, and 2) pilot study*. Sections of the on-site survey include: 1) festival demographic and general information questions, and 2) festival spending questions that were used to derive economic impact figures. Staff members of BHE and the researcher conducted the pilot study of the survey with 20 individuals who were from the general public and event community.

Selection of The Subjects

Subjects interviewed in this study were individuals 18 years of age and older attending the MAIN ST. Fort Worth Arts Festival. A systematic sampling method* was utilized to administer 513 on-site surveys to festival attendees as they entered the festival grounds. Systematic sampling refers to a method where interviewers approach festival attendees on a regular interval to eliminate a selection bias. Volunteers who were trained by the On-Site Survey Manager acted as the interviewers and were strategically positioned at the Fill main entrances of the festival. The MAIN ST. Fort Worth Arts Festival was held from April 20th to April 23rd, and the study was conducted from 12 noon until 8 pm daily. Based on daily attendance estimates, surveying was conducted proportionally per-day to obtain as representative a sample* as possible. The overall response rate to the survey was 51%.

During the administration of the survey, volunteers were available to answer any questions and provide assistance to the chosen respondents. The survey took approximately ten minutes to complete.

Development of The Post-Festival Instrument

In order to calculate the economic impact figures, the festival management was required to provide BHE responses to a post-event survey that included: 1) the festival attendance, 2) information about vendors, 3) regional tax figures, and 4) the festival budget.

Attendance and Sample Populations

Because many festival-goers attend events for more than one day, BHE has developed a system to determine the proper number of surveys to distribute at the festival. Management of the MAIN ST. Fort Worth Arts Festival estimated the total attendance to be 400,000. Given the expectation of repeat visitation, the investigator chose to estimate the *actual* number of festival-goers attending during the event at 240,000, anticipating that approximately 40% of festival-goers are repeat attendees. Then, adopting a 95% confidence level*, plus or minus 5%, the total number of completed questionnaires required for this study was $N^*=384$. As a safety barrier, an additional 129 surveys were distributed at the festival, totaling $N=513$.

Limitations* of the Study

1. On-site spending in this study is asked as an estimate of daily spending as the festival-goers enter the grounds. Having festival-goers report estimated spending is less accurate than utilizing actual spending figures, but it is a common convention in festival research due to the difficulty of conducting post-event surveys.
2. A Universal Multiplier is used to calculate the Overall Economic Impact model as well as the New Money model. There is often variance between regions and their appropriate multipliers. If you know what your regional tourism multiplier is, contact BHE and we will utilize it. Universal Multipliers are common convention in festival research, and we have averaged many existing multipliers and set ours to calculate economic impact conservatively.
3. Because there are multiple methodologies in obtaining attendance figures for non-gated events, the accuracy of the economic impact reported is directly related to the accuracy of the attendance estimate provided.
4. To calculate Vendor spending, we infer spending data from typical Visitor spending, assuming that Vendors have the same spending patterns during their visit as the festival Visitors. The steps used to generate these spending estimates are commonly used within the industry, and are executed in the most conservative way possible.
5. When executed correctly, the overall results of the data generated by this program are accurate at the 95% confidence level, a standard in festival and event research. When establishing spending patterns between Locals and Visitors, however, it is possible that the group N for each sub-group when calculated separately will no longer reflect the standard 95% confidence level.
6. The model for Retained Locals estimates the amount of local money that would leak from the region specifically due to Local festival-goers leaving the area without the event to keep them home. The results should be evaluated in the most conservative framework possible due to the elements of this model that are based on estimated and inferred figures.
7. The accuracy of this study is dependent upon the quality of the data obtained on-site at the event.

Scope of the Study

1. Many economic impact studies provide the amount of tax revenue, jobs, and wages that their event is responsible for generating. It is beyond the scope of this study to provide those figures. However, after generating the impact figures, the results provided by the BHE will be sufficient to utilize with formulas should the festivals have access to them. Such information is typically generated with multipliers that are specific to the region. BHE may in the future be contracted to provide this information.

Section 6 – Glossary of Terms/Survey

(Note- Page numbers are included to reference the first appearance of each term in the text)

Glossary

Confidence Level- The chance of accuracy reported as a percentage that our survey represents the overall population of the event. In this survey, our confidence level is 95%. We are 95% confident that information from our report accurately represents the overall population of the event, with a margin or error of plus or minus 5%. *Page 19.*

Demographics- Expressed as graphs, key characteristics that define the types of individuals who attend the festival. *Page 1.*

Direct New Money Impacts- The total of all Visitor expenditures, including regional and on-site spending. *Page 1.*

Direct Overall Impacts- The total of all festival related expenditures, including Visitor, Visiting Vendor, Local, and Festival Budget expenditures. *Page 1.*

Economic Impact- The money that is brought into or circulates through the economy due to a festival or special event. *Page 1.*

Festival Budget- The total amount of money that the festival management contributes to the creation of the festival. This figure is used in the Overall Impact model as a source of relevant money contributing towards the economic impact. *Page 1.*

Festival-Goer- Any Local or Visitor attending the festival that is not involved with the organization or involved as a participant. *Page 1.*

Importance Factor- A way to economically weigh the determining factors of a visit to the region of the festival for Visitors. If Visitors rate that they attended the area for reasons other than the festival, the economic impact of their visit that is allotted to the festival will be reduced. Likewise, if the festival is the primary reason for their visit to the area, their regional spending will in a greater proportion be allotted to the festival's economic impact. *Page 6.*

Indirect New Money Impacts- The total of all Visitor expenditures including regional and on-site spending, factored by a set Universal Multiplier. *Page 1.*

Indirect Overall Impacts- The total of all festival related expenditures including Visitor, Visiting Vendor, Local, and Festival Budget expenditures, factored by a set Universal Multiplier. *Page 1.*

Instrument- The on-site survey or questionnaire. *Page 19*

Limitations- Elements of the study that cannot be executed at a higher level due to cost restrictions relating to a festival environment. *Page 20.*

Locals- Festival-goers who live within the local area of the festival. *Page 1.*

Local On-Site Spending- Spending by Local festival-goers directly at the festival, that in this study is measured by food expenditures, souvenirs, etc. *Page 17.*

Local's Regional Spending- Spending by Locals within the region of the festival, but not directly at the festival. In this study it is measured by transportation and child care expenditures (spending that is pre-determined by BHE to be specifically related to festival activities). *Page 17.*

N- The number of respondents who answer to a specific question or set of questions from the survey. *Page 19.*

New Money Model- A model of economic impact that calculates how much money has been brought into the area from Visitors and Visiting Vendors specifically because of the festival. *Page 1.*

On-Site Spending- Spending by Visitors and Locals directly on-site at the festival. Does not include spending within the region, such as hotels, etc. *Page 2.*

On-Site Survey- The survey conducted on the festival grounds that generates data about festival-goers. *Page 16.*

Overall Impact Model- A model of economic impact that calculates how much money has been brought into and has circulated through the area from Visitors, Visiting Vendors, Locals, the Festival Budget, and taxes- specifically because of the festival. *Page 1.*

Pilot Study- A review of a final draft of a survey by members of the public, and individuals who work within the festival industry. *Page 19.*

Post-Festival Survey- A survey completed by the festival management providing valuable information that allows economic impact figures to be calculated. *Page 16.*

Regional Spending- Spending by Visitors and Locals only within the region of the event. Does not include spending at the festival, such as food booths, vendor booths, etc. *Page 16.*

Research Questions- A formal question developed to address a problem posed in a research project. *Page 15.*

Retained Local Model- A model of economic impact that calculates how much money would leave the area of the event should the festival not be held. *Page 2.*

Sample- The number of festival-goers required to statistically represent the entire population of the festival. *Page 19.*

Systematic Sampling Method- A way to insure that the selection process of festival-goers for the survey is executed randomly. Potential respondents are approached based upon a pre-set interval that stays constant throughout the process of interviewing. *Page 19.*

Tax Rate- Tax revenue generated from spending on-site and within the region of the event. *Page 1.*

Universal Multiplier- A fixed calculation that expands economic impact figures to take into account how the impact circulates through many tiers of a local economy. *Page 1.*

Vendor Leak- The amount of money that leaves the local area due to the Visiting Vendors. These vendors earn money from festival-goers, then quickly return to homes away from the area of the festival, taking with them the money earned from the festival-goers. *Page 2.*

Visitors- Festival-goers who come from farther than 50 miles to the event. *Page 1.*

Visitor On-Site Spending- Spending by visiting festival-goers directly on the grounds of the festival. In this study it is measured by spending for food, souvenirs, etc. *Page 16.*

Visitor Regional Spending- Spending by Visitors within the region of the festival, but not directly at the festival. It is measured in this study by hotel, restaurant, and entertainment expenditures, etc. *Page 16.*

Visiting Vendors- Vendors who are from outside of the area of the festival who sell their foods or goods. Coupled with the Vendor Leak formula, Visiting Vendors both contribute towards economic impact in the form of regional spending (vendors are tourists as well), and against economic impact in the form of Vendor Leak (the money that they take away from the area generated by their on-site earnings). *Page 1.*

14. How much money did **your group** spend within **24 hours** in preparing to attend the Festival?
Please estimate, even if it is just a few dollars. **If you spent no money, please report "0."**
- a. Parking (including Festival parking)..... \$ _____ (Within 24 hours)⁽²⁴⁾
 - b. Public transportation (bus, cab, rental car, etc.)..... \$ _____ (Within 24 hours)⁽²⁵⁾
 - c. Gasoline, repairs, etc (inc. drive to Festival)..... \$ _____ (Within 24 hours)⁽²⁶⁾
 - d. Child care..... \$ _____ (Within 24 hours)⁽²⁷⁾

If you live within 50 miles of the Festival, please skip to question 15, if you live farther than 50 miles from the Festival, please answer the questions in the box (item 14e-14o)

Within the **past 24 hours** of your visit to this area, how much money has **your entire group** spent **outside of the Festival grounds**. If you don't remember exact amounts, estimates will be helpful. **If you have spent no money in the area, please indicate "0."**

Note- These questions help us to determine the economic impact of the Festival.

Round all amounts to nearest dollar

- 14 e. Motels/hotels/bed and breakfast..... \$ _____ (Cost for 1 night)⁽²⁸⁾
- f. Campgrounds..... \$ _____ (Cost for 1 night)⁽²⁹⁾
- g. Stayed with friends/relatives/personal apt./condo _____ Yes _____ No ⁽³⁰⁾
- h. Non-Festival entertainment (movies, sports, etc.)..... \$ _____ (Within 24 hours)⁽³¹⁾
- i. Restaurants *not* at Festival..... \$ _____ (Within 24 hours)⁽³²⁾
- j. Bars and lounges *not* at Festival..... \$ _____ (Within 24 hours)⁽³³⁾
- k. Clothing *not* purchased at Festival..... \$ _____ (Within 24 hours)⁽³⁴⁾
- l. Arts or crafts *not* purchased at Festival..... \$ _____ (Within 24 hours)⁽³⁵⁾
- m. Personal items (postcards, photo supplies, etc.)..... \$ _____ (Within 24 hours)⁽³⁶⁾
- n. Groceries *not* for the festival..... \$ _____ (Within 24 hours)⁽³⁷⁾
- o. Other non-Festival expenses, please list _____⁽³⁸⁾ \$ _____ (Within 24 hours)⁽³⁸⁾

15. **Not including admission, how much do you estimate you'll spend as a group today**
at the Festival:
- 15a. On food/beverages? \$ _____ if "\$0", please indicate ⁽⁴⁰⁾
 - 15b. On arts and crafts? \$ _____ if "\$0", please indicate ⁽⁴¹⁾
 - 15c. Other \$ _____ if "\$0", please indicate ⁽⁴²⁾

16. What is your highest level of education? (check one only)
- (1) Less than High School Graduate (3) Trade/Vocational School (5) College Graduate
 - (2) High School Graduate (4) Some College (6) Graduate School ⁽⁴³⁾

What category best describes your occupation? (check one only)

- 17.
- (1) Professional/Technical (4) Sales/Clerical (7) Local/National Gov.
 - (2) Homemaker/Retired (5) Skilled/Semi Skilled Labor (8) Other ⁽⁴⁴⁾
 - (3) Student (6) Not employed

18. What is your total household income? (check one only)
- (1) under \$24,000 (4) \$50,001-\$75,000 (6) \$100,001-\$125,000
 - (2) \$24,001-\$35,000 (5) \$75,001-\$100,000 (7) \$125,001 and above ⁽⁴⁵⁾
 - (3) \$35,001-\$50,000

Time: (10-2) (2-4) (4-8) Interviewer _____ Survey No: _____ Revised: 01/10/06