

EVENT NAME

Sponsoring Organization

2009 Audience Survey Final Report

**Prepared for:
Client Name**

**Written and Delivered by:
Americans for the Arts
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EXECUTIVE SUMMARY

Name of Event (Funded Project): Event Name

Event Dates: January 23 through April 25, 2009

Name of Presenting Organization: Sponsoring Organization

Total TDT Funding Awarded: \$75,000

Project Description:

The Sponsoring Organization's Event Name project, taking place January 23 through April 25, 2009, will include outstanding choral music, world-renowned visiting artists and lecturers, as well as new educational programs, marketing initiatives, and innovative partnerships designed to enhance the area arts brand and draw cultural tourists to the area.

EXECUTIVE SUMMARY	TOTAL Attendance	Local Attendees	Out-of-Town Attendees	Incremental Attendees
<u>Attendance:</u>				
Total Attendance	6,572	4,600	1,972	1,360
Percentage of Total Attendance	100%	70.0%	30.0%	20.7%
Unique Attendance	2,229	1,243	986	680
Average Size of Travel Party	2.3	2.4	2.3	2.3
<u>Audience Spending Estimates:*</u>				
Average Audience Spending (Per Person)	\$39.87	\$21.29	\$83.22	\$83.22
Total Audience Spending	\$262,044	\$97,934	\$164,110	\$113,179
Unique Audience Spending	\$108,518	\$26,463	\$82,055	\$56,590
<u>Return-on-Investment (ROI) Achieved:**</u>				
Based on TDT Award of \$75,000	\$3.49	\$1.31	\$2.19	\$1.51
ROI Ratio (TDT Award)	3 to 1	1 to 1	2 to 1	2 to 1
Based on Project Budget of \$386,340	\$0.68	\$0.25	\$0.42	\$0.29
ROI Ratio (Project Budget)	<1 to 1	<1 to 1	<1 to 1	<1 to 1
Based on Marketing Budget of \$26,599	\$9.85	\$3.68	\$6.17	\$4.26
ROI Ratio (Marketing Budget)	10 to 1	4 to 1	6 to 1	4 to 1
<u>Economic Impact of Audience Spending:</u>				
Full-Time Equivalent (FTE) Jobs Supported	6	2	4	3
Resident Household Income Generated	\$157,000	\$59,000	\$98,000	\$68,000
Local Government Revenue Generated	\$13,000	\$5,000	\$8,000	\$6,000
State Government Revenue Generated	\$22,000	\$8,000	\$14,000	\$10,000

* All estimated audience spending figures exclude the cost of admission to the event, if applicable.

** Includes cash budget figures only; in-kind contributions are excluded.

INTRODUCTION

For the second consecutive year, Client has contracted with Americans for the Arts for a program-wide audience research study of projects supported in part by Client, through Tourist Development Tax (TDT) revenues. The 2008-09 Cultural Tourism Program includes 18 events: festivals, exhibitions, and performances.

The main purpose of the research is to quantify the economic impact of arts and culture audiences relative to the Arts & Cultural Affairs Advisory Council's mission: "To elevate the status of the area's arts and culture to that befitting a world-class community." Estimates are calculated of the total attendance and total spending by local, out-of-town, and incremental attendees, making it possible to determine the return-on-investment of the grant awards and economic impacts of the related audience spending.

This particular report is based on the findings for Event Name, an event presented by the Sponsoring Organization. The Sponsoring Organization's Event Name project, taking place January 23 through April 25, 2009, will include outstanding choral music, world-renowned visiting artists and lecturers, as well as new educational programs, marketing initiatives, and innovative partnerships designed to enhance the area Arts brand and draw cultural tourists to Area. Specifically, this document provides estimates of:

- The number of attendees to Event Name by both residents and non-residents of the Area region (defined for the purpose of this study as including local counties).
- The total dollars spent by these attendees within the Area region directly as a result of attending Event Name.

It is important to note that all estimated audience spending figures calculated as a result of this research study are considered extremely conservative because they exclude the cost of admission to the event, if applicable. This is because the proprietary economic impact methodology utilized for this research study assumes that admissions costs are paid directly to the presenting arts organizations themselves. Therefore, the most accurate way to evaluate the impact of those dollars is to measure how the organizations spend those dollars back into the local economy. As such, the customized input/output modeling procedure employed does not include an "input" for the dollars that audiences spend on event admissions.

- The economic impact that this audience spending has on the Area regional economy.

Finally, this research also captures a number of audience attributes including demographics, attendance patterns, and overall satisfaction with Event Name.

OVERALL PROJECT METHODOLOGY

The analysis presented in this report relies primarily on two sources of information:

1. First, the Sponsoring Organization provided detailed ticket sales, attendance, and budget information about Event Name.
2. Second, the Sponsoring Organization solicited completed audience-intercept surveys from randomly selected attendees to Event Name. The Sponsoring Organization's customized sampling plan requested a minimum sample of 400 surveys for the analysis. The Sponsoring Organization collected a total of 440 surveys. Because the minimum sample was achieved, project researchers were able to complete the project analyses.

It is important to note that all data have been analyzed separately for four distinct cohort groups, including:

1. All Attendees
2. Local Attendees (those survey respondents who provided a primary ZIP Code that is located within the four-County Area region).
3. Out-of-Town Attendees (those survey respondents who provided a primary ZIP Code that is located outside the four-county Area region).
4. Incremental Attendees (a subset of the Out-of-Town Attendees, Incremental Attendees are out-of-towners who report that their primary reason for being in Area that day was to attend Event Name and who would NOT have visited Area that day if not for their plans to attend Event Name.

Finally, in a few cases the data are analyzed based on unique attendees only. Because it is possible for a person to attend Event Name multiple times, project researchers calculated the distinct number of individuals who visited at least once. For example, an individual who reported on their survey that they planned to attend Event Name three separate times is only counted as one unique visitor.

ECONOMIC IMPACT METHODOLOGY

This report includes estimates of the economic impact of the dollars spent by attendees to Event Name. To derive these estimates, economists customized an input/output model for the four-county Area regional economy. Input/output modeling is a highly regarded method of economic analysis that has been the basis for two Nobel Prizes in economics. The models are systems of mathematical equations that combine statistical methods and economic theory in an area of study called econometrics. The analysis traces how many times a dollar is "re-spent" with the regional economy before it is spent outside the region (and ceases to have local economic impact). This form of economic analysis is well suited for this study because it can be customized specifically to the regional economy.

An input/output model was customized for the four-county Area region, based on the local dollar flow between 533 finely detailed industries within the region's economy. This was accomplished using detailed data on employment, income, and government revenues provided by the U.S. Department of Commerce (e.g., County Business Patterns, Regional Economic Information System, Survey of State and Local Finance), local tax data (e.g., sales taxes, property taxes, and miscellaneous local option taxes), as well as the data from the 440 audience surveys that were collected from attendees to Event Name.

ATTENDANCE AND AUDIENCE SPENDING FINDINGS

The project researchers cleaned and analyzed the 440 audience survey responses, and calculated the following findings.

ALL ATTENDEES

Total Attendance¹	6,572
Total Audience Spending²	\$262,044
Average Per Person Expenditure	\$39.87
Average Party Size	2.3

Unique Attendees

Unique Attendance	2,229
Unique Spending	\$108,518

Local Attendees

Percentage of Total Attendees	70.0%
Attendance	4,600
Audience Spending	\$97,934
Average Per Person Expenditure	\$21.29
Average Size of Travel Party	2.3

Out-of-Town Attendees

Percentage of Total Attendees	30.0%
Attendance	1,972
Audience Spending	\$164,110
Average Per Person Expenditure	\$83.22
Average Size of Travel Party	2.4

Incremental Attendees

Percentage of All Attendees	20.7%
Percentage of Out-of-Town Attendees only	69.0%
Attendance	1,360
Audience Spending	\$113,179
Average Size of Travel Party	2.3

¹ Total attendance was provided by the Sponsoring Organization and was calculated by adding together (1) the total number of SOLD tickets that were redeemed and (2) the total number of COMP tickets that were redeemed.

² Unlike most industries, arts and culture organizations leverage a significant amount of event-related spending by their audiences. For example, when patrons visit the Sponsoring Organization they may pay to park their car in a parking lot or garage, purchase a meal at a local restaurant, and buy gifts and souvenirs. This spending generates related commerce for local businesses. (All estimated audience spending figures exclude the cost of admission to the event, if applicable.)

RETURN-ON-INVESTMENT CALCULATIONS

The table below provides the return-on-investment achieved by Event Name (audience spending divided by total project budget, project marketing budget, or grant size).

Event Name	Audience Spending Category*		Return-On-Investment
Total Project Budget (cash expenditures only)	\$386,340	Total Audience Spending:	\$0.68 (<1 to 1)
Marketing Budget (cash expenditures only)	\$26,599	Total Audience Spending:	\$9.85 (10 to 1)
		Out-of-Town Audience Spending:	\$6.17 (6 to 1)
		Incremental Audience Spending:	\$4.26 (4 to 1)
TDT Funding Awarded	\$75,000	Total Audience Spending:	\$3.49 (3 to 1)
		Out-of-Town Audience Spending:	\$2.19 (2 to 1)
		Incremental Audience Spending:	\$1.51 (2 to 1)

* All estimated audience spending figures exclude the cost of admission to the event, if applicable.

THE ECONOMIC IMPACT OF AUDIENCE SPENDING

A common theory of community growth is that an area must export goods and services if it is to prosper economically. This theory is called economic-base theory, and it depends on dividing the economy into two sectors: the export sector and the local sector. Exporters, such as automobile manufacturers, hotels, and department stores, obtain income from customers outside of the community. This “export income” then enters the local economy in the form of salaries, purchases of materials, dividends, and so forth, and becomes income to local residents. Much of it is re-spent locally; some, however, is spent for goods imported from outside of the community. The dollars re-spent locally have a positive economic impact as they continue to circulate through the local economy. This theory applies to arts organizations as well as to other producers.

This study uses four economic measures to define economic impact: full-time equivalent jobs, resident household income, and local and state government revenues.

- Full-Time Equivalent (FTE) Jobs describes the total amount of labor employed. Economists measure FTE jobs, not the total number of employees, because it is a more accurate measure that accounts for part-time employment.
- Resident Household Income (often called Personal Income) includes salaries, wages, and entrepreneurial income paid to local residents. It is the money residents earn and use to pay for food, mortgages, and other living expenses.
- Revenue to Local and State Government includes revenue from taxes (i.e., income, property, and/or sales taxes) as well as funds from license fees, utility fees, filing fees, and other similar sources.

Total Economic Impact of Spending	Local Attendees	+	Out-of-Town Attendees	=	All Attendees
Total Audience Spending*	\$97,934		\$164,110		\$262,044
Full-Time Equivalent Jobs Supported	2		4		6
Resident Household Income Generated	\$59,000		\$98,000		\$157,000
Local Government Revenue Generated	\$5,000		\$8,000		\$13,000
State Government Revenue Generated	\$8,000		\$14,000		\$22,000

Total Economic Impact	Incremental Attendees ONLY
Incremental Audience Spending*	\$113,179
Full-Time Equivalent Jobs Supported	3
Resident Household Income Generated	\$68,000
Local Government Revenue Generated	\$6,000
State Government Revenue Generated	\$10,000

* All estimated audience spending figures exclude the cost of admission to the event, if applicable.

AUDIENCE FACTS AND FIGURES

Average Size of Travel Party	Local	Out-of-Town	All Attendees
Adults	2.1	2.3	2.2
Children (younger than 18 years old)	0.1	0.1	0.1
Total (entire travel party)	2.3	2.4	2.3

Highest Education Level Attained	Local	Out-of-Town	All Attendees
Less than high school	1.0%	0.8%	0.9%
High school or GED	4.3%	3.2%	4.0%
2-year college / Technical college / Associates degree	9.0%	8.0%	8.7%
4-year college / equivalent of a Bachelor's degree	26.6%	22.4%	25.4%
Advanced degree (i.e., Masters or Doctoral)	59.1%	65.6%	61.0%

Household Income	Local	Out-of-Town	All Attendees
Less than \$25,000	5.9%	2.7%	4.9%
\$25,000 - \$29,999	3.5%	1.8%	3.0%
\$30,000 - 39,999	4.3%	1.8%	3.6%
\$40,000 - \$49,999	7.1%	5.4%	6.6%
\$50,000 - \$74,999	22.8%	14.3%	20.2%
\$75,000 - \$99,999	11.8%	26.8%	16.4%
\$100,000 - \$119,999	9.8%	17.0%	12.0%
\$120,000 or more	34.6%	30.4%	33.3%

Ethnicity/Race	Local	Out-of-Town	All Attendees
African-American / Black	0.7%	0.8%	0.7%
American Indian / Alaska Native	1.0%	0.0%	0.7%
Asian	3.9%	5.3%	4.3%
Caucasian / White	89.9%	90.8%	90.2%
Hispanic / Latino	5.2%	4.6%	5.0%
Native Hawaiian / Pacific Islander	0.3%	0.0%	0.2%
Other	0.3%	1.5%	0.7%

Note: percentages may add to more than 100% because multiple responses are allowed.

AUDIENCE FACTS AND FIGURES (continued)

Age of Attendees	Local	Out-of-Town	All Attendees
Younger than 18	7.5%	4.1%	6.5%
18 to 34	9.4%	5.9%	8.4%
35 to 54	20.9%	21.5%	21.1%
55 or Older	62.1%	68.5%	64.1%

Frequency of Visits to the Sponsoring Organization	Local	Out-of-Town	All Attendees
First time visitors	27.1%	43.2%	31.8%
Repeat visitors	72.9%	56.8%	68.2%
Average number of visits in the <u>past</u> year (<i>repeat only</i>)	5.6	4.3	5.3
Average number of expected visits in the <u>next</u> year	3.9	2.6	3.5

Has This Event Increased Your Awareness of the Area as an Arts and Cultural Destination?	Local	Out-of-Town	All Attendees
Greatly increased (rated as "5" on a 5-point scale)	31.9%	31.5%	31.8%
Increased any at all (rated as "2", "3", "4" or "5" on a 5-point scale)	78.9%	86.3%	81.2%
Not increased at all (rated as "1" on a 5-point scale)	21.1%	13.7%	18.8%

How Did You Hear About Event Name	Local	Out-of-Town	All Attendees
Website.com	6.8%	1.5%	5.2%
Attended in the past	53.2%	34.8%	47.7%
E-mail from the Sponsoring Organization	20.5%	12.9%	18.2%
Family and/or friends	35.7%	36.4%	35.9%
Internet	8.4%	10.6%	9.1%
Newspaper / magazine	15.9%	11.4%	14.5%
Posters / signs	3.6%	1.5%	3.0%
Radio	7.1%	3.8%	6.1%
Television	0.6%	0.0%	0.5%

Note: percentages may add to more than 100% because multiple responses are allowed.

AUDIENCE FACTS AND FIGURES *(continued)*

Other Orlando Area Events Attended / Will Attend	Local	Out-of-Town	All Attendees
Event 1	26.6%	16.7%	23.6%
Event	100%	100%	100%
Event 3	13.0%	4.5%	10.5%
Event 4	13.3%	3.8%	10.5%
Event 5	5.2%	1.5%	4.1%
Event 6	36.0%	9.1%	28.0%
Event 7	28.9%	17.4%	25.5%
Event 8	2.6%	2.3%	2.5%
Event 9	22.7%	9.1%	18.6%
Event 10	24.7%	3.8%	18.4%
Event 11	28.6%	9.1%	22.7%
Event 12	18.8%	3.0%	14.1%
Event 13	19.8%	11.4%	17.3%
Event 14	22.1%	12.9%	19.3%
Event 15	8.8%	0.0%	6.1%
Event 16	18.2%	9.1%	15.5%
Event 17	50.0%	18.9%	40.7%
Event 18	26.6%	18.2%	24.1%
Event 19	40.6%	24.2%	35.7%
Event 20	13.6%	3.0%	10.5%
Event 21	31.8%	8.3%	24.8%
Event 22	34.1%	12.9%	27.7%
Event 23	0.3%	0%	0.2%
Event 24	6.5%	3.8%	5.7%

Note: percentages will add to more than 100% because multiple responses are allowed.

ACKNOWLEDGMENTS

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Americans for the Arts

Data entry, project management, data analysis, and reporting

Benjamin Davidson, Meredith Sachs, Emily Morrison, Eulynn Shiu, Tsion Lencho, and Mark Sayre (intern)

Research Services Team

Local Arts Advancement Department

Sponsoring Organization

Survey deployment and financial reporting

Client

Project oversight