

**ECONOMIC IMPACT OF THE
ARTS IN MONONGALIA COUNTY**
THE IMPACT OF ARTS PATRONS SPENDING

BY

RANDALL A. CHILDS

BUREAU OF BUSINESS AND ECONOMIC RESEARCH

COLLEGE OF BUSINESS AND ECONOMICS

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EXECUTIVE SUMMARY

The arts improve the quality of life of a region making the region more attractive to live and work in. A vibrant arts community plays a key role in the health of a region. The arts help to attract businesses to a region as well as attracting a strong labor force. The benefit of the arts in other areas such as increased academic achievement of students and stronger communities has been well documented. Recently there has been an increasing focus on measuring the economic impact of the arts on a region through the spending of arts organizations, artists, and arts patrons (visitors and consumers of the arts). The economic impact of the arts in Monongalia County, while considered by many to be very substantial, has largely been undocumented.

Arts Monongahela commissioned the West Virginia University Bureau of Business and Economic Research to undertake a study of the economic impact of the public non-profit arts organizations in Monongalia County. This previous study, completed in December 2002, documented the economic impact of the expenditures made by these organizations through the recirculation of these monies in the Monongalia County economy¹. More recently, Arts Monongahela commissioned the Bureau of Business and Economic Research to examine the economic impact of the spending of arts patrons on the Monongalia County economy.

To accurately measure the economic impact of the spending of arts patrons, a detailed survey of arts patrons was developed in conjunction with Arts Monongahela. This survey was distributed at events of non-profit arts organizations in Monongalia County beginning in mid-June 2005 running through mid-June 2006. The survey was distributed by Arts Monongahela staff and volunteers. This survey gathered information about where the visitors came from, the purpose of their trip, their interest in other types of arts events, as well as their spending related to the art activity they were attending. This report summarizes the results of this survey and the economic impact of the arts patrons spending.

More than 60,000 individuals attended 121 arts events in Monongalia County during the survey period. Surveys returned from 1,626 individuals, representing 3,280 arts patrons, were used to estimate the expenditures of all arts patrons. During the survey period, we estimate that arts patrons directly spent more the \$2.8 million in the Monongalia County economy, generating a total economic impact in excess of \$4 million in the Monongalia County economy. The arts patrons spent money at the events, as well as in area restaurants, hotels, grocery stores, retail shops, gas stations, and more. The average visitor spent \$39.81 in these area businesses (not including fees to attend the arts event). Comparing this with a recent national study covering 91 cities across the country bodes well for the Morgantown arts community. The national study of arts patrons in 2000 (published in 2002) reported expenditures of \$22.87 per visitor.

Survey respondents were asked to provide their home zip code. This information was used to determine how far the respondents live from Morgantown. The majority of individuals surveyed (54.7%) lived within 10 miles of Morgantown, however, 15.6% of individuals surveyed lived more than 50 miles from Morgantown. The remaining individuals lived between 10 and 50 miles of Morgantown.

Survey respondents were also asked to identify the primary purpose for being in the Morgantown area. More than 95 percent of respondents were in the area because they “live here” or to “attend this event.” Many respondents that identified their primary purpose as being to “attend this event”

¹ Go to www.bber.wvu.edu to obtain a pdf of the report on the economic impact of non-profit arts organizations in Monongalia County in 2001.

also live in the area. It is important to note that this information, coupled with data on distance from Morgantown, indicates that many of the visitors (more than 10% of overall visitors) that live more than 50 miles away from Morgantown were in the Morgantown area to attend the art event.

The arts events provided in the Morgantown area are bringing into the economy visitors and the dollars they spend.

OVERVIEW

The arts improve the quality of life of a region making the area more attractive to live and work in. A vibrant arts community plays a key role in the health of a region. The arts help to attract businesses to a region as well as attracting a strong labor force. The benefit of the arts in other areas such as increased academic achievement of students and stronger communities has been well documented. Recently there has been an increasing focus on measuring the economic impact of the arts on a region through the spending of arts organizations, artists, and arts patrons.

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There are numerous arts or arts-related events in Monongalia County throughout the year. Events that were considered to have a significant arts component to them were included in the study, where possible. The organizations/events included in the study are presented in Table 1.

Table 1
Arts Organizations/Events Included in Survey

Appalachian Education Initiative
Arts on the River Festival
Board of Parks and Recreation Commission (BOPARC)
Florence Merow Mason Dixon Festival
M.T. Pockets Theatre Company
Mannette Steel Drums
Metropolitan Theatre Commission
Monongalia Arts Center
Morgantown Dance, Inc.
Morgantown Municipal Band Concert
Morgantown Theatre Company
Mountaineer Week Craft Fair
West Virginia Public Theatre
West Virginia University Arts and Entertainment
West Virginia University College of Creative Arts
West Virginia Wine and Jazz Festival
West Virginia Writers' Workshop

There are many other arts-related organizations/events that were beyond the scope of this study. Some of these events may have an arts component; however the majority of the event may not be arts-related. Other events were excluded if the event did not have a strong connection to the arts. This study took a very conservative approach and, thus the impacts present herein are a lower bound of the true economic impact of the arts in Monongalia County.

SURVEY STATISTICS

More than 2,500 surveys were distributed at 56 separate arts events in Monongalia County between mid-June 2005 and mid-June 2006. The following are a few summary points of the survey.

- Surveys were distributed at **56** arts events throughout the year
- Total visitor estimates were calculated for **121** arts events²
- A total of **2,521** surveys were distributed
- **1,641** surveys were returned for a **65.1%** response rate
- **15** surveys were determined to be questionable and were excluded from the analysis
- **1,626** usable surveys were completed representing **3,280** individuals
- **60,200** individuals attended the 121 arts events in Monongalia County
- **1,266** of the 1,626 survey respondents reported estimated expenditures

² A play that is presented on three separate days is counted as 3 events. A fair that is held over three days is counted as 1 event. Thus, surveys collected for one or two showings of a play were used to estimate expenditures of individuals not surveyed at those showings as well as individuals that attended other showings.

- These 1,266 completed surveys represented expenditures for **2,554** individuals
- These 2,554 individuals spent **\$130,700** in the Morgantown area economy
- Average group size was **2.3**
- Spending per group averaged **\$103.21**
- Spending per individual averaged **\$51.16**
- Direct expenditures of arts patrons in Monongalia County is in excess of **\$2.8 million** annually³
- The \$2.8 million spent by arts patrons in Monongalia County generates an additional **\$1.2 million** in the county economy
- The total economic impact of arts patrons to these events is **\$4.1 million** annually

PATRONS OF THE ARTS IN MONONGALIA COUNTY

Survey respondents were asked to provide information about their expenditures during their trip. In addition to asking questions about the type of expenditures made during their trip, questions were asked about their home zip code, purpose of their trip, number of overnights in the region, accommodations, number of events attended outside the Greater Morgantown area, types of events attended, and types of events they would like to see more of in the future.

Figure 1 provides a map of the region and the number of individuals that responded from each zip code⁴. As expected, the majority of visitors to arts-related events in Morgantown are from the zip codes immediately in and around Morgantown. The Morgantown arts community also pulls significant numbers of visitors from areas outside the Morgantown Metropolitan Statistical Area⁵ (MSA). Visitors arrive not only from other West Virginia counties south of Morgantown, but also from the Wheeling and Pittsburgh MSA's.

³ The direct expenditures are for arts patrons attending the 121 arts events included in the study. Patrons to other arts events and their associated expenditures are not included.

⁴ A blank area (or missing zip code boundary) indicates that there were not any surveys returned from that zip code. Boundaries for all zip codes are available, however only zip codes that were provided on the survey are mapped. This enables the reader to quickly see where visitors are coming from.

⁵ The Morgantown Metropolitan Statistical Area includes Monongalia and Preston counties in West Virginia.

Figure 1
Number of Survey Respondents by Zip Code

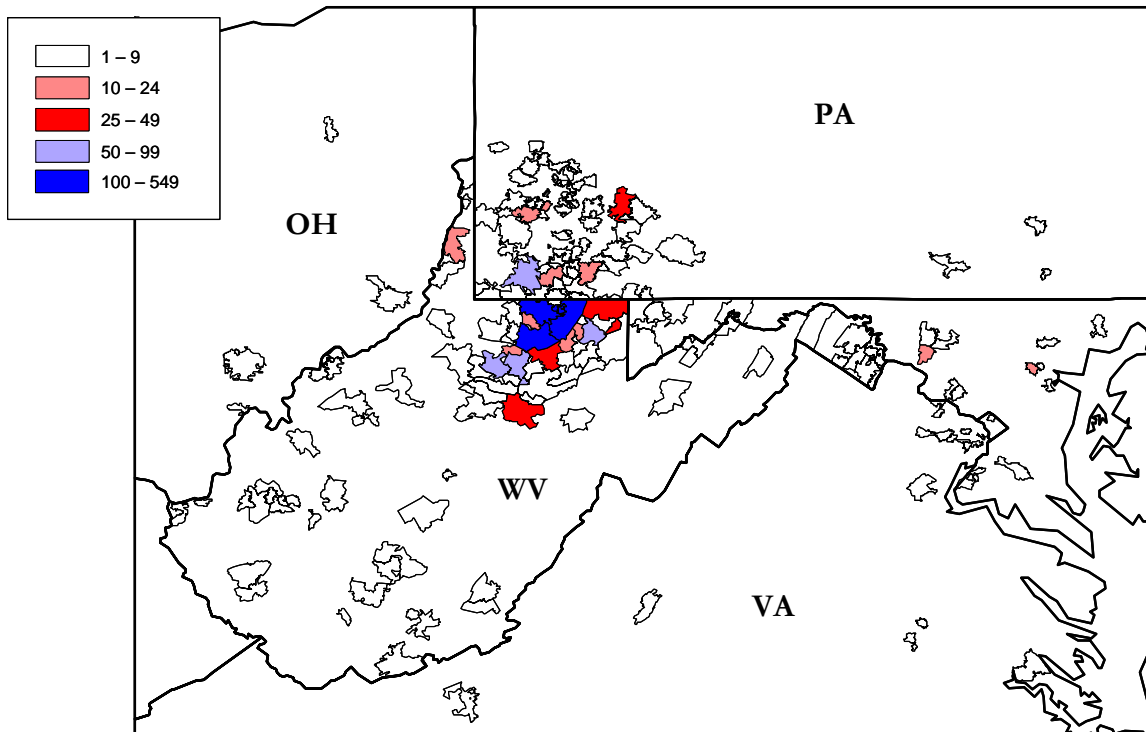


Table 2 shows the number of survey respondents by how far they live from Morgantown. While the majority of individuals surveyed (54.7%) lived within 10 miles, 15.6% of individuals surveyed traveled more than 50 miles.

Survey respondents were also asked to identify the primary purpose for being in the Morgantown area. Table 3 provides a summary of the 1,516 respondents that provided a response. More than 95 percent of respondents were in the area because they “live here” or to “attend this event.” Many respondents that identified their primary purpose as being to “attend this event” also live in the area. It is important to note however that this information, coupled with data on distance from Morgantown, indicates that many of the visitors (10 percent or more of overall visitors) who live more than 50 miles away were in the Morgantown area to attend the art event. These arts events are bringing in to the Morgantown area economy visitors and the dollars they spend. The arts in the Morgantown area are not just for local residents.

Table 2
Number of Survey Respondents by Distance from Morgantown

Distance from Morgantown	Number of Respondents	Percent of Respondents
Less than 10 miles	1,634	54.7%
10 to 20 miles	411	13.8%
20 to 50 miles	478	16.0%
50 to 100 miles	140	4.7%
More than 100 miles	325	10.9%

Table 3
Purpose of Visit

Primary Purpose of Visit	Number of Respondents	Percent of Respondents
Live Here	944	62.3%
Attend this Event	504	33.2%
Vacation/Holiday	14	0.9%
Visit Family/Friends	46	3.0%
Attend Conference	6	0.4%
Business Meeting	2	0.1%

Survey respondents were also asked to provide the number of “nights away from home” they stayed during this trip. Table 4 provides a summary of the responses.

Table 4
Overnight Stays

Nights Away from Home	Number of Respondents	Percent of Respondents
None	1,472	90.8%
1 to 2 Nights	87	5.4%
3 to 4 Nights	26	1.6%
5 to 10 Nights	22	1.4%
More than 10 Nights	15	0.9%

Survey respondents were asked how many times within the past year they attended arts-related events outside the Morgantown area. This was followed up by a question about the types of arts-related events they attended and what types of events they would like to see more of in the Greater Morgantown area. Of the 1,626 survey respondents, 1,165 reported attending 1 or more arts-related events outside the Morgantown Area. The average number of events attended was 5. Music events and theater accounted for approximately half of the events attended outside of the Morgantown area.

Table 5 presents a summary of the types of events attended outside the Morgantown area, as well as the types of events arts patrons would like to see more of. Music events and theater were also the most requested events by survey respondents.

Table 5
Demand for Events

	Types of Events Attended Outside Morgantown Area	Types of Events Patrons Want to See More Of
Art Galleries	159	49
Arts in Education	13	7
Children's Programming	6	22
Comedy	15	28
Craft Fairs and Markets	55	28
Dance	111	89
Festivals	47	6
Film	30	13
Free Events	11	12
General Music	767	605
International & Multicultural Experiences	9	14
Literary Events	26	16
Museum Exhibits	49	20
Poetry Readings & Events	7	9
Theatre	434	222
Visual Arts	10	12
Other	127	120

THE ECONOMIC IMPACT OF ARTS PATRONS SPENDING

Survey respondents were also asked to provide detailed information on their expenditures by type of expenditure. Nearly 78% of survey respondents provided some estimates of their expenditures. These surveys (1,266 of the 1,626) were used to estimate expenditures for all arts patrons.

Arts patrons spend an estimated \$2.8 million annually in the Greater Morgantown area. The average visitor spent \$39.81 in area businesses (not including fees to attend the arts event). Comparing this with a recent national study covering 91 cities across the country bodes well for the Morgantown arts community. The national study of arts patrons in 2000 (published in 2002) reported expenditures of \$22.87 per visitor. Table 6 provides the estimated expenditures by type of expenditure.

Table 6
Annual Arts Patrons' Spending in Monongalia County

Fees for the Activity Attending	\$601,000
Fees for Other Non-Arts Activities	\$148,000
Package Tour Fee	\$38,000
Parking	\$22,000
Gas/Repairs	\$164,000
Car Rental	\$17,000
Air Transportation	\$60,000
Other Transportation	\$4,000
Restaurants	\$784,000
Groceries	\$121,000
Antiques	\$36,000
Crafts/Fine Art Items	\$264,000
Clothing	\$148,000
Sporting Goods	\$26,000
Other Retail	\$106,000
Lodging	\$138,000
All Other	\$153,000
Total Expenditures	\$2,829,000

The \$2.8 million in expenditures by arts patrons in Monongalia County is the *direct* business volume impact. The spending of this money creates additional impacts on the county economy. Restaurants, the largest single expenditure category, buy food, supplies, and business services (e.g. accounting services). These expenditures by restaurants to other businesses in the county create the *indirect* impact, the impact of businesses buying from other businesses. Any expenditures that restaurants make outside the region (in this case Monongalia County) are considered a *leakage* out of the local economy and are not counted in the indirect impact.

Wages paid to the restaurants employees also create an economic impact. The economic impact resulting from the spending of the employee's income is defined as the *induced* impact. The recirculation of the money through the county economy, often referred to as the multiplier effect, generates an additional indirect and induced business volume impact in the Monongalia County economy of \$1.2 million (Table 7). This brings the total business volume impact to \$4.1 million annually.

Table 7
Economic Impact of Arts Patrons Spending
Monongalia County Economy

Type of Impact	Direct Impact	Indirect and Induced Impact	Total Impact
Business Volume (Sales)	\$2,829,000	\$1,225,000	\$4,054,000
Employment (Jobs)	62	11	73
Employee Compensation	\$525,000	\$225,000	\$751,000
Assorted State Taxes	\$34,000	\$14,000	\$48,000

Notes: Employment is reported in average annual jobs. Totals may not sum due to rounding.

Assorted state taxes include consumer sales taxes, personal income taxes, corporate net income taxes, and business franchise taxes. Spending occurred from June 2005 to June 2006.

The \$4.1 million of business volume generates 73 jobs for the county economy. The employee compensation impact (direct, indirect, and induced) is \$751,000 annually. Assorted state taxes generated each year for the state totals \$48,000.

APPENDIX A: IMPACT DEFINITIONS

Assorted State Taxes:	West Virginia state revenues from consumer sales tax, personal income tax, corporate net income tax, and business franchise tax.
Business Volume:	Sales plus net increase in finished inventories and the value of intra-corporate shipments. Equals output (see below) plus the cost of goods sold in retail and wholesale trade.
Employment:	The number of jobs in a business, industry, or region. Also the number of jobs attributable to an impact (see below). This is a measure of the number of full-time and part-time positions, not necessarily the number of employed persons. Annual average by place of work unless otherwise stated.
Employee Compensation:	Wages and salaries plus employers' contribution for social insurance (social security, unemployment insurance, workers compensation, etc.) and other labor income (pension contributions, health benefits, etc.). By place of work unless otherwise stated.
Impacts:	The results of the recirculation of funds throughout a regional economy due to the activity of a business, industry, or institution. Estimated by tracing back the flow of money through the initial businesses' employees and suppliers, the businesses selling to the employees and suppliers, and so on. Thus, they are a way to examine the distribution of industries and resources covered in the costs of the initial activity.
Output:	For most sectors, measured as sales plus net inventories and the value of intra-corporate shipments. For retail and wholesale trade, measured as gross margins (i.e. mark-ups on goods sold).
Value Added:	A measure of the value created by a business or industry, or attributable to an impact (see above). Equal to value of production minus the cost of purchased goods and services. Also equal to employee compensation plus capital income (profits, interest paid, depreciation charges) and indirect business taxes (e.g. severance, excise). Corresponds to the aggregate concepts of gross domestic product (GDP) and gross state product (GSP).