



*Waterfowl
Festival*

The Economic Impact of the 2007



on Talbot County and Maryland

Prepared by

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April 2008

1.0 Introduction

The Waterfowl Festival Board of Directors retained the Jacob France Institute of the University of Baltimore to update economic impact analyses prepared as part of the March 2001 *30th Annual Waterfowl Festival Economic Impact and Visitor Profile Study* report. This report updates the economic and fiscal impact analysis, using data collected by Waterfowl Festival, Inc. on exhibitor revenues and on attendees, through a visitor survey, as well as data on hotel occupancy (provided by Talbot County Office of Tourism).

2.0 Waterfowl Festival Attendance

The total attendance for the 2007 Waterfowl Festival was 17,831 attendees.¹ As presented in Table 1, total attendance consisted of: 8,804 one-day visitors (49% of the total); 2,649 multi-day attendees (15%); 5,600 volunteers, sponsors and donors (31%); and 778 complimentary ticket holders (4%). The place of residence of attendees was estimated based on an analysis of the festival ticket stubs returned for a raffle. As presented in Table 2, 43% of Waterfowl Festival attendees are from out-of-State, 15% are from Talbot County, and 42% are from other Maryland jurisdictions.

Table 1
Waterfowl Festival Attendance, By Day

Item	Attendees	% of Total
Total	17,831	100%
One Day Ticket Sales	<u>8,804</u>	<u>49%</u>
Friday	2,263	13%
Saturday	4,295	24%
Sunday	2,246	13%
Multi-Day Passes	<u>9,027</u>	<u>51%</u>
Multi-Day Passes Sold ¹	2,649	15%
Volunteers, Sponsors, and Donors ²	5,600	31%
Other Complimentary Tickets ²	778	4%

(1) Multiday ticket holders are assumed to attend the Festival for the number of days allowed by the ticket.

(2) Each of these visitors is assumed to attend the Festival for 2 days.

Source: The Waterfowl Festival Inc.

¹ Attendance is the number of persons attending each day of the festival. Many persons attend the festival for multiple days.

Table 2
Waterfowl Festival Attendance, By Place of Residence

Item	Attendees	% of Total
Total	<u>17,831</u>	<u>100%</u>
Out-of-State Attendees	7,720	43%
Maryland Attendees	<u>10,111</u>	<u>57%</u>
Talbot County	2,710	15%
Other Maryland Counties	7,400	42%

Source: The Waterfowl Festival, Inc.

3.0 Estimated Waterfowl Festival Spending

Data on the local expenditures associated with the Waterfowl Festival were collected from a variety of sources. Waterfowl Festival, Inc. provided admissions and contribution spending based on actual receipts. Waterfowl Festival, Inc. also provided data on actual purchases made from the Festival’s 385 booths and exhibitors. The spending for Festival attendees was estimated based on a survey of 617 groups, consisting of 1,843 individuals, attending the festival conducted by Waterfowl Festival, Inc. Through this survey, data was collected on place of residence, where they were staying, group size, number of times attending the festival, how they heard about the festival, and festival related spending – including food and beverage and local retail. Lodging revenues were estimated based on a combination of the survey and actual hotel bookings and vacancy information provided by Talbot County.

The estimated spending by Waterfowl Festival attendees is presented in Table 3. As presented in Table 3, the total expenditures associated with the 2007 Waterfowl Festival totaled \$5.0 million. This is up from total estimated spending in 2001 of \$3.7 million despite an eight percent decline in attendance. Festival purchases of \$2.9 million (not counting food concessions) accounted for 58% of total 2007 expenditures and have increased significantly since 2001. Contributions to support the mission of the Waterfowl Festival, Inc. organization also doubled since 2001. All categories of spending, except local retail purchases, have increased since 2001. Non-Talbot County residents make an estimated 86% of Waterfowl Festival expenditures and 49% of expenditures are made by out-of-State attendees.

Table 3
Estimated Waterfowl Festival Visitor Expenditures (\$s)

Item	Total Expenditures	Expenditures By Non-County Residents	Expenditures Out-of-State Visitors ¹
Total	<u>\$5,003,103</u>	<u>\$4,291,992</u>	<u>\$2,434,152</u>
Admissions	\$154,083	\$130,664	\$66,715
Contributions	\$479,064	\$406,251	\$207,424
Festival Purchases	\$2,916,751	\$2,473,431	\$1,262,889
Food and Beverages ²	\$624,085	\$529,230	\$270,215
Local Retail	\$356,620	\$302,417	\$154,409
Lodging	\$472,500	\$450,000	\$472,500

(1) Lodging Expenditures for Out-of-State Visitors include hotels in other Maryland jurisdictions.

(2) Includes \$150,000 in purchases from Waterfowl Festival Authorized Food Concessions.

Source: The Waterfowl Festival Inc. and the Jacob France Institute

4.0 The Economic Impact of the 2007 Waterfowl Festival

The Waterfowl Festival is the largest annual tourism in Talbot County, Maryland. The Festival attracts tourists into the County from across the State and from around the world. The expenditures of these tourists stimulate increased economic activity in the County, and in the case of out-of-State tourists, in the State of Maryland. This report uses the attendee spending estimates presented above to estimate the economic impacts of the Festival on the County and on the State.

The first step in estimating the economic impact of an event is to determine the overall spending associated with the event being studied. This spending must be adjusted to include only expenditures that are net, new and incremental to the region being analyzed. In the case of the Waterfowl Festival, in order to determine economic impacts, only spending from outside of the region being studied is included in the analysis. Thus, in estimating the economic impacts on Talbot County, only spending by non-County residents is included and in the State of Maryland analysis, only out-of-State visitor spending is included.

This analysis uses the IMPLAN input-output models for Talbot County and the State of Maryland. An input-output analysis examines the relationships among businesses and among businesses and final consumers. The IMPLAN model allows the estimation of three effects:

- **Direct effects**, which represent the changes in economic activity, in this case the retail, tourism and hospitality sector, in the industries to which a final demand change was made;

- **Indirect effects**, which represent the changes in inter-industry purchases, for example the purchase of raw materials from a local supplier, in response to the new demands from the directly affected industries; and
- **Induced effects**, which reflect changes in spending from households as income and population increases (or decreases) due to changes in production.

The total effects show the combined impact of the direct spending associated with the 2007 Waterfowl Festival, plus the multiplier – indirect and induced – effects.

An input-output model allows the estimation of several different economic impacts. This analysis estimated the total, direct, indirect, and induced economic output, employment, and employee compensation effects of the 2007 Waterfowl Festival.

- **Output** represents the value of production by a particular industry, in this case the visitor spending associated with a tourism event, in an economy over a given period of time.
- **Employment** is the total number of wage and salary earning employees and self-employed individuals in a region.
- **Employee compensation** consists of wage and salary payments, including all benefits and non-cash compensation, paid to employees.

4.1 The Impact of the 2007 Waterfowl Festival on Talbot County

The local spending by non-Talbot County residents who attended the 2007 Waterfowl Festival represent new spending in the County economy and are subject to “spin-off” or “multiplier” effects. The \$4.3 million in expenditures by non-County visitors supports \$587,989 in indirect effects through local business purchases and \$914,195 in induced effects as local incomes rise for a total increase of \$5.8 million in County business activity. This increase in economic activity in the County supports 89 jobs earning \$1.7 million in employee compensation and generates \$215,000² in State and local tax revenues.

Table 1-4
Economic Impact of the 2007 Waterfowl Festival on Talbot County

Item	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Business Volume (\$s)	\$4,292,582	\$587,989	\$914,195	\$5,794,766
Employment (# of Jobs)	72	7	10	89
Employee Compensation (\$s)	\$1,196,745	\$166,750	\$288,564	\$1,652,059
State and Local Fiscal Impact (\$)¹	--	--	--	\$215,000

(1) From out-of-State Visitors Only.

Source: IMPLAN and The Jacob France Institute

² Fiscal impacts are based on out-of-State visitors only.

As presented in Table 1-5, the economic impacts of the 2007 Waterfowl Festival in Talbot County are concentrated in the retail sector, which accounts for half of the output or business volume impacts, and the accommodation and food services (hotels, bed and breakfasts, and restaurants), which accounts for 18% of impacts, sectors of the County economy.

Table 1-5
Business Volume Impact of the 2007 Waterfowl Festival on Talbot County, By Sector
(\$s)

Item	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Total	<u>\$4,292,582</u>	<u>\$587,989</u>	<u>\$914,195</u>	<u>\$5,794,766</u>
Natural Resources	\$0	\$7,623	\$3,746	\$11,369
Mining	\$0	\$510	\$547	\$1,056
Utilities	\$0	\$118	\$114	\$232
Construction	\$0	\$18,363	\$5,861	\$24,224
Manufacturing	\$0	\$32,488	\$37,781	\$70,269
Wholesale Trade	\$0	\$25,963	\$41,865	\$67,829
Transportation & Warehousing	\$0	\$32,307	\$19,368	\$51,675
Retail trade	\$2,775,848	\$18,627	\$125,054	\$2,919,529
Information	\$0	\$52,027	\$19,106	\$71,133
Finance & Insurance	\$0	\$34,432	\$71,395	\$105,827
Real Estate	\$0	\$123,428	\$56,688	\$180,116
Professional Scientific & Technical Services	\$0	\$112,020	\$42,937	\$154,958
Management of Companies	\$0	\$19,764	\$4,424	\$24,188
Administrative & Waste Services	\$0	\$52,560	\$14,705	\$67,264
Educational Services	\$0	\$3,450	\$10,817	\$14,267
Health & Social Services	\$0	\$604	\$188,172	\$188,776
Arts, Entertainment & Recreation	\$130,664	\$11,818	\$13,202	\$155,684
Accommodation & Food Services	\$979,230	\$18,544	\$66,689	\$1,064,464
Other Services	\$406,251	\$12,231	\$43,149	\$461,632
Government	\$589	\$11,109	\$148,575	\$160,273

Source: The Jacob France Institute and IMPLAN

4.2 The Impact of the 2007 Waterfowl Festival on the State of Maryland

The Waterfowl Festival is also one of the larger tourism events in Maryland. The spending by out-of-State visitors attracted into Maryland to attend the Festival create economic activity that would otherwise not occur in the State. These expenditures similarly create economic multiplier effects on the State's economy. As presented in Table 1-6, the \$2.4 million in 2007 Waterfowl Festival spending by out-of-State visitors create \$509,970 in indirect effects and \$622,872 in induced effects, for a total impact of nearly \$3.6 million in increased business activity in Maryland. This economic activity created 34 jobs, earning \$947,101 in employee compensation and increased State and local tax revenues by \$215,000.

As presented in Table 1-7, the economic impacts of the 2007 Waterfowl Festival in Maryland are concentrated in the retail sector, which accounts for 42% of the output or business volume impacts, and the accommodation and food services (hotels, bed and breakfasts, and restaurants) sector which accounts for 22% of impacts.

Table 1-6
Economic Impact of the 2007 Waterfowl Festival on the State of Maryland

Item	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Business Volume (\$s)	\$2,434,152	\$509,970	\$622,872	\$3,566,994
Employment (# of Jobs)	25	4	5	34
Employee Compensation (\$s)	\$601,771	\$156,384	\$188,946	\$947,101
State and Local Fiscal Impact (\$)	--	--	--	\$215,000

Source: IMPLAN and The Jacob France Institute

Table 1-7
Business Volume Impact of the 2007 Waterfowl Festival on the State of Maryland, By Sector
(\$s)

Item	Direct Impact	Indirect Impact	Induced Impact	Total Impact
<u>Total</u>	<u>\$2,434,152</u>	<u>\$509,970</u>	<u>\$622,872</u>	<u>\$3,566,994</u>
Natural Resources	0	3,473	2,877	\$6,350
Mining	0	241	214	\$455
Utilities	0	22,798	17,704	\$40,502
Construction	0	13,019	3,590	\$16,610
Manufacturing	0	39,774	41,154	\$80,929
Wholesale Trade	0	17,196	27,236	\$44,432
Transportation & Warehousing	0	27,239	15,043	\$42,282
Retail trade	1,417,298	11,835	73,087	\$1,502,220
Information	0	39,710	20,125	\$59,835
Finance & Insurance	0	30,398	52,427	\$82,825
Real Estate	0	85,604	36,075	\$121,679
Professional Scientific & Technical Services	0	79,144	28,233	\$107,377
Management of Companies	0	29,864	6,482	\$36,346
Administrative & Waste Services	0	67,719	14,314	\$82,033
Educational Services	0	2,167	14,853	\$17,021
Health & Social Services	0	303	106,945	\$107,248
Arts, Entertainment & Recreation	66,715	10,505	8,106	\$85,326
Accommodation & Food Services	742,715	11,183	37,393	\$791,291
Other Services	207,424	10,479	29,320	\$247,223
Government	0	7,319	87,692	\$95,011

Source: The Jacob France Institute and IMPLAN

**This material is based upon work supported by Economic Development Administration,
U.S. Department of Commerce Grant Agreement through a grant to the Rural Development
Center, University of Maryland Eastern Shore, an EDA University Center.**

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