

The Economic Impact on the Town of Mancos

Mancos Colorado Days

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By

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Introduction

The purpose of the annual Mancos Colorado Days has been to boost tourism in the area, produce an annual event for the local community, increase county revenue, and finally, just to have some fun for everyone involved. Mancos, being the host community of the event, has the opportunity to not only take part in a unique and exciting event but also increase revenue from tourism.

Surveys were administered to the Performers, Audience, Vendors, and the Organizers of Mancos Colorado Days in order to determine its economic impact on the Town of Mancos [see Appendix A]. The information gathered also provides the opportunity to better understand how Mancos Colorado Days might be better organized in the future.

First discussed will be the demographic and expenditure information obtained from the Vendors, the Performers, the Audience, and the Organizers. Next, the analysis of the economic impact is presented. Finally, comments expressed by those involved in the event are provided in Appendix C.

Demographics & Dollars Spent

In order to determine the economic impact of Mancos Colorado Days, we must first evaluate the groups that spent money in Mancos due to attending the event. Each of the groups participated for different reasons and their expenditures can be reflective of their involvement.

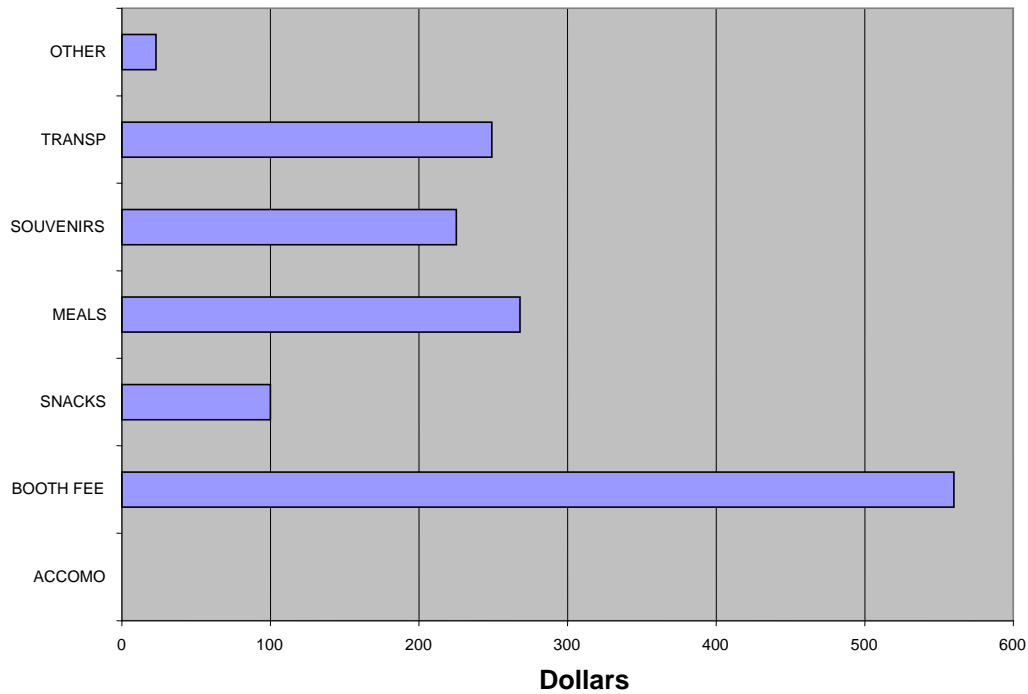
The Vendors. The following chart (Diagram 1) indicates the location of the vendor's place of residence. The vendors came from 10 different counties: Montezuma, Escambia, Hopkins, Larimer, El Paso, Dolores, Washington, Mohave, San Juan, NM and San Juan, UT.

Diagram 1 Origin of Vendors

Escambia	3.5%
Hopkins	3.5%
Larimer	3.5%
El Paso	3.5%
Montezuma	62%
Dolores	3.5%
San Juan, UT	3.5%
Washington	3.5%
Mohave	3.5%
San Juan, NM	10%

The largest expenditure amount for the vendors was the booth fee; followed by meals and transportation. This is shown in Diagram 2.

Diagram 2 Vendor Expenditures



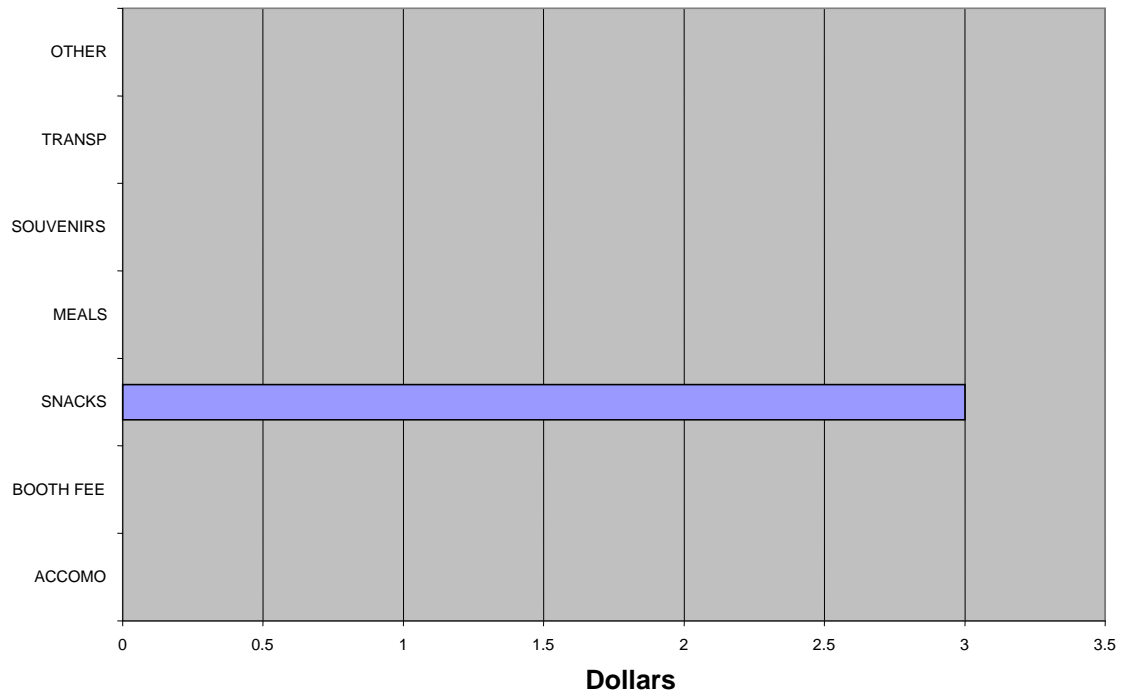
The Performers. There were six performing groups that participated in the event. Three of which had participated in the event in the previous year. Of the performers, 80% were from Montezuma County and 20% came from La Plata County (Diagram 3). All had been to Mancos before and would attend the event again.

Diagram 3 Origin of Performers

Montezuma	80%
La Plata	20%

The Performers spent money on snacks during the Mancos Colorado Days event (shown in Diagram 4).

Diagram 4 Performer Expenditures



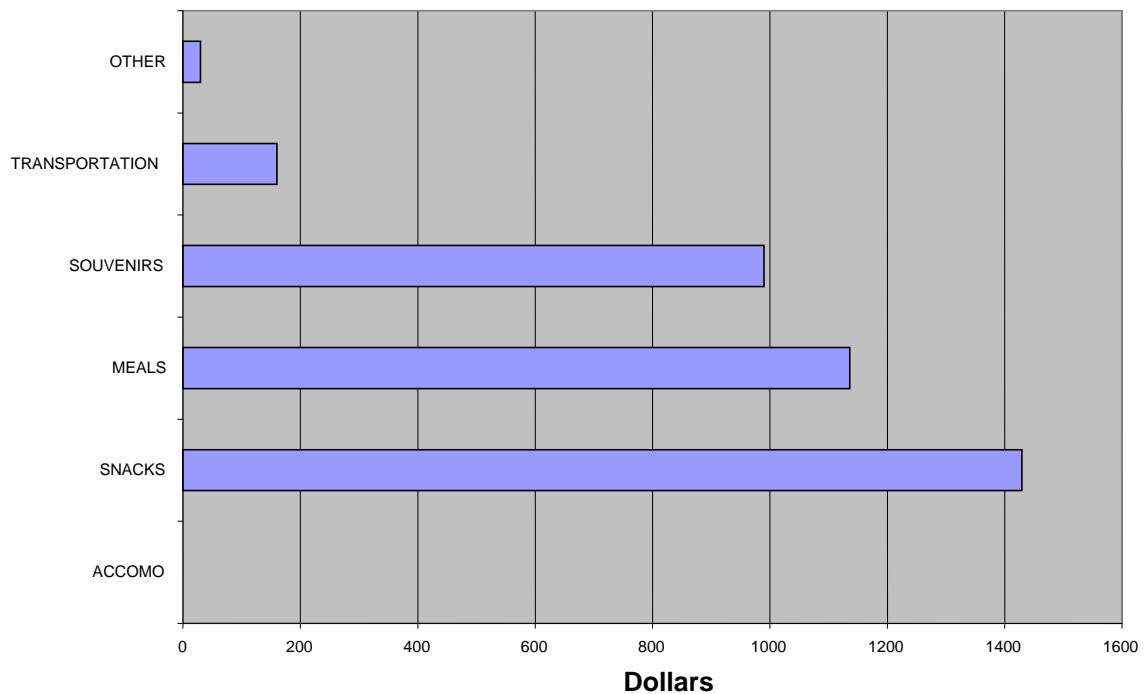
The Audience. Those who attended the event came mostly from the four corners area (data shown in Diagram 5). Almost all attendees had been to or traveled through Mancos before attending Mancos Colorado Days. Three percent of those interviewed had never been to Mancos before. However, the event did entice people to actually stop and visit Mancos for the first time. Due to their location, many chose to make the event a day-trip and returned home after attending the event, while only 3 percent spent the night at a campground or Inn/B&B in Mancos (the expenditures can be seen in Diagram 6).

Diagram 5 Origin of Audience

New York	1%
Virginia	1%
Arkansas	1%
Texas	1%
Colorado	87%
New Mexico	6%
California	3%

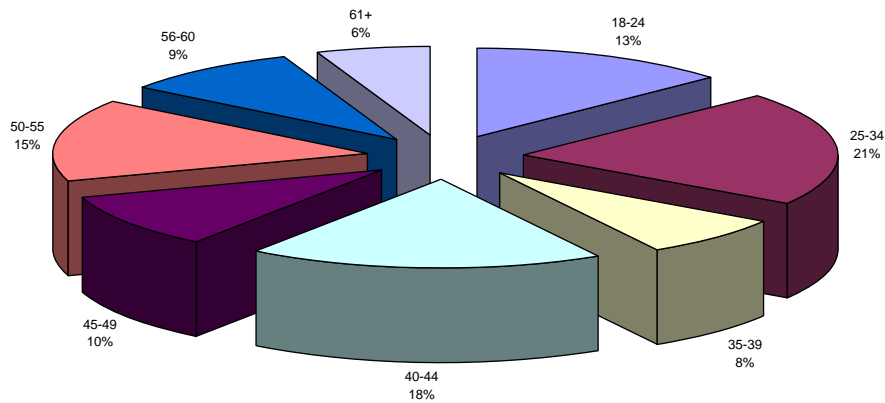
Most of the spending by the audience was for snacks, followed by meals and then souvenirs.

Diagram 6 Audience Expenditure



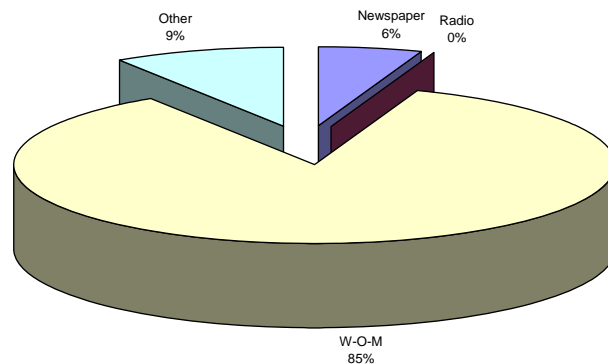
Mancos Days attracted members of all age groups. The largest age group to attend was 25-34 year olds followed by 40-44 year olds (see Diagram 7). Though not represented in this graph, children also attended.

Diagram 7 Age of Audience



Advertising. There were different methods used to attract spectators to Mancos Days. Diagram 8 shows the most effective method of advertising was word of mouth, followed by “other”, which consisted of the internet, driving by and flyers and posters. Six percent of the audience responded to newspaper ads/articles. Six percent of the audience responded to newspaper ads/articles.

Diagram 8 Advertising

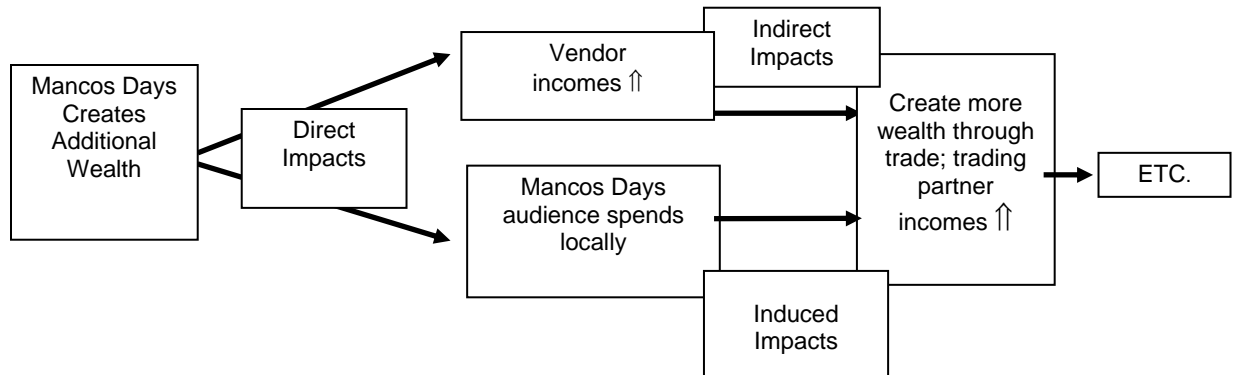


The Organizers. The organizers of Mancos Days also spent dollars in Mancos while putting on the event. Total payroll paid to employees in Mancos was \$1,000. (Detailed Organizers Expenditures are shown in appendix A).

The Economic Impact of Mancos Colorado Days

Direct, Indirect and Induced Effects

Direct economic effects occurred when attendees of Mancos Colorado Days bought goods and services from vendors. These activities increased the income of the vendors. From this direct business activity, there is a “ripple” effect throughout the local economy. These effects are known as indirect and induced impacts that generate income in a local economy. Indirect effects include the increase in income that is created when the vendors whose incomes increased due to doing business with Mancos Colorado Days in turn purchase from others in the local economy. Induced effects are created when the Fair’s audience spends their personal income within the local economy on goods, services, property, taxes, etc.



Economists typically estimate indirect and induced impacts by using a “multiplier.” Multipliers are used to represent the “ripple effects” of money in the economy as it is traded and traded again, generating wealth and income. For example, a multiplier of 1.5 would mean that for every dollar of payroll that an industry pays to its own employees, an estimated \$0.50 in additional economic value or income is generated in other industries. When determining the multiplier for an area it is imperative to account for the variety of purchases made by organizations (Mancos Days) within the local region. Due to the rural nature of Mancos, the producers may often purchase materials and equipment from outside the region. The multiplier used in this study was obtained from the Bureau of Economic Analysis (BEA) and were calculated for the Southwest Colorado region.¹

The Output Multiplier: 1.6454

This means that for every dollar the attendees of Mancos Colorado Days spend and its audience spends, an estimated \$0.64 in additional economic income is produced in other industries. The BEA, by using a Regional Input-Output Modeling system (RIMS), has determined industry multipliers for specific regions of the country. The BEA has found that in “smaller communities” dollars will hold for shorter periods as residents look outside the region for many of their purchases.

The Economic Impact

Table 1 displays the economic impact of Mancos Colorado Days.

Table 1 Results of Economic Impact Study, Mancos Colorado Days

Event Organizers' expenditure	\$3,965.62
Total Audience Expenditures	8,695.50
Performers Expenditures	3.00
Vendors Expenditures	1,425.00
Direct and Induced Economic Impact	\$14,089.12
Multiplier	1.6454
Total Estimated Economic Impact	\$23,182.24

The numbers in Table 1 show that the direct and induced economic impacts were \$14,089.12- the sum of the organizers, vendors, performers and audience expenditures.

Including the multiplier effect, Mancos Colorado Days total estimated economic impact was \$23,182.24. Some perspective may be gained by recognizing that this event generated about .08 percent of the annual personal income of Mancos, Colorado (based on data in Appendix B).

Conclusion

The purpose of an economic impact study is to “. . . help target specific markets to increase economic activity within a region, determine the financial feasibility of offering different facilities or programs, and project future profits derived from recreational/ tourism development projects” (Graefe). This data has been provided through demographic and spending information of the audience, performers, vendors and organizers of Colorado Mancos Days. More insight can be obtained through the comments provided by these individuals [Appendix C]. Overall there was a positive economic impact, and people were satisfied with Mancos Days as well as the community of Mancos.

Appendices

APPENDIX A

SURVEY QUESTIONS:

Audience:

1. Zip code
2. How did you find out about the event?
 - Newspaper 6%
 - Radio 0%
 - Word-of-mouth 85%
 - Other 9%
3. What was your mode of transportation to the event?
 - Own vehicle 92%
 - Rental car 1%
 - Other 6%
4. Where will you be staying
 - A home with family 97%
 - Hotel/motel 0%
 - Inn/B&B 1%
 - Campground 2%
 - Other 0%
5. How many people are in your party?
Adults (on average 1.657)
Children (on average 1.383)
6. Amount you and your party have spent or plan to spend in Mancos specifically as a result of your attendance at this event. Remember to include money spent before, during and after this event.
 - Admission (n/a)
 - Refreshments and/or snacks
 - Food, drink and meals purchased
 - Souvenirs purchased in Mancos
 - Transportation
 - Overnight Accommodations
 - Other
7. Have you ever been to Mancos before?
97% Yes; 3% No
8. Have you attended Mancos Colorado Days before?

90% Yes; 10% No

10. Which range includes your age?

- 18-24
- 25-34
- 35-39
- 40-44
- 45-49
- 50-55
- 56-60
- 61+

Vendors:

1. What is your zip code?
2. Transportation
 - 80% drove own vehicle
 - 20% walked
3. Will you be staying overnight in Mancos?
Yes 60%; No 40%

If yes where?

- At home with family 100%
 - Hotel/motel
 - Inn/B&B
 - Campground
 - Condo/Timeshare
 - Other
4. How many people are in your party?
 - Adults
 - ChildrenTotal number of people with the 13 interviewed: 20 adults and 7 children.
 5. Amount you and your party have spent of plan to spend in Mancos specifically as a result of your attendance at this event. Remember to include money spent before, during and after this event.
 - Admission (n/a)
 - Refreshments and/or snacks
 - Food, drink and meals purchased
 - Souvenirs purchased in Mancos
 - Transportation
 - Overnight Accommodations
 - Other

6. Have you been to Mancos?
100% Yes; 0% No
7. Have you attended Mancos Colorado Days previously?
Yes 90%; No 10%
8. Would you attend again?
100% Yes
9. Comments.

Performers:

What is your zip code?

1. What was your mode of transportation to the event?
 - Own vehicle 100%
 - Rental car
 - Other
2. Where will you be staying?
 - At home with family
 - Hotel/Motel
 - Inn/B&B
 - Campground
 - Other 100%
3. Amount you and your party have spent or plan to spend in Mancos specifically as a result of your attendance at this event. Remember to include money spent before, during and after this event.
 - Booth Fee (n/a)
 - Refreshments and/or snacks
 - Food, drink and meals purchased
 - Souvenirs purchased in Mancos
 - Transportation
 - Overnight Accommodations
 - Other
5. How many people are in your party?
Adults (on average 1)
Children (on average 0)
6. Have you been to Mancos before
100% yes 0% no

7. Have you attended Mancos Colorado Days before?
100% yes 0% no
8. Have you participated in Mancos Colorado Days before?
100% yes 0% no
9. Would you participate again?
100% yes 0% no

Organizers:

Employee expenses

A. Employees living in Mancos \$1,000.00

Overhead and operating expenses:

A. Total overhead expenses 0
 B. Total expenses in Mancos 2,965.62
 C. Total expenses in Durango 0
 D. Total expenses in Silverton 0
 E. Total expenses in Cortez 0

In-Kind Contributions:

A. From local businesses \$ 0
 B. From non-local businesses 0
 C. From local (city or county) government 100
 D. From non-local (city or county) government 0
 E. From local individuals 0
 F. From non-local individuals 0
 G. Other
 H. Total in-kind contributions 100

Volunteer Hours Dedicated to Your Organization 400

APPENDIX B

Assumptions:

- We assume that the admission paid by the performers was spent by the organizers – therefore, that dollar amount was not included in the performer expenditures to avoid double counting.
- Total spending amounts for each group were calculated by determining an average expenditure amount from the survey data obtained; and then multiplying that average by the number of people in the group.
- Some expenditures by the organizers were not included because it was determined that those expenditures would have taken place in Mancos, Co even in the absence of the event.

Data Used in Calculations of Personal Income in Mancos, Colorado:

- Montezuma County 2004 Personal Income (Most recent date available from the Bureau of Economic Analysis) = \$615,979,000
- Montezuma Population (2000 Census) = 23,830
- Montezuma County Per Capita Income = $\$615,979,000 / 23,830 = \$25,848$
- Population of Mancos (2000 Census) = 1,119
- Estimated Personal Income for Mancos, CO = $\$25,848 \times 1,119 = \$28,923,912$
- Economic Impact = $\$23,182.24 / \$28,923,912 \approx .08\%$

APPENDIX C

Vendors Comments

- It would be a big attraction to bring the kids carnival and novelty trailer back to the event. There is nothing for the younger people to do. Mancos days has went from a fun filled event to nothing in the last 5 years.

Audience Comments

- “Good softball tournament.”
- “Too many politicians.”
- “First time, everything good.”
- “Beer tent, more softball.”
- “More food vendors.”
- “Bring street dance back.”

Bibliography

Graefe, A. (2001, March). Economic Impact Analysis: A Look at Useful Methods. *Parks & Recreation*. Retrieved from April 20, 2006 from www.findarticles.com.

