

# **The Economic Impact on the Town of Mancos Renaissance Faire**

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**by**

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## Introduction

The purpose of the annual Mancos Renaissance Fair has been to boost tourism in the area, produce an annual event for the local community, increase town revenue, and finally, just to have some fun for everyone involved. Mancos, being the host community of the Faire, 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 Organizers of the Renaissance Faire 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 the Renaissance Faire 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 Faire are provided in Appendix C.

### Demographics & Dollars Spent

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

**The Vendors.** Eleven vendors participated at the Renaissance Faire. The following table (Diagram 1) indicates the location of the vendor's place of residence.

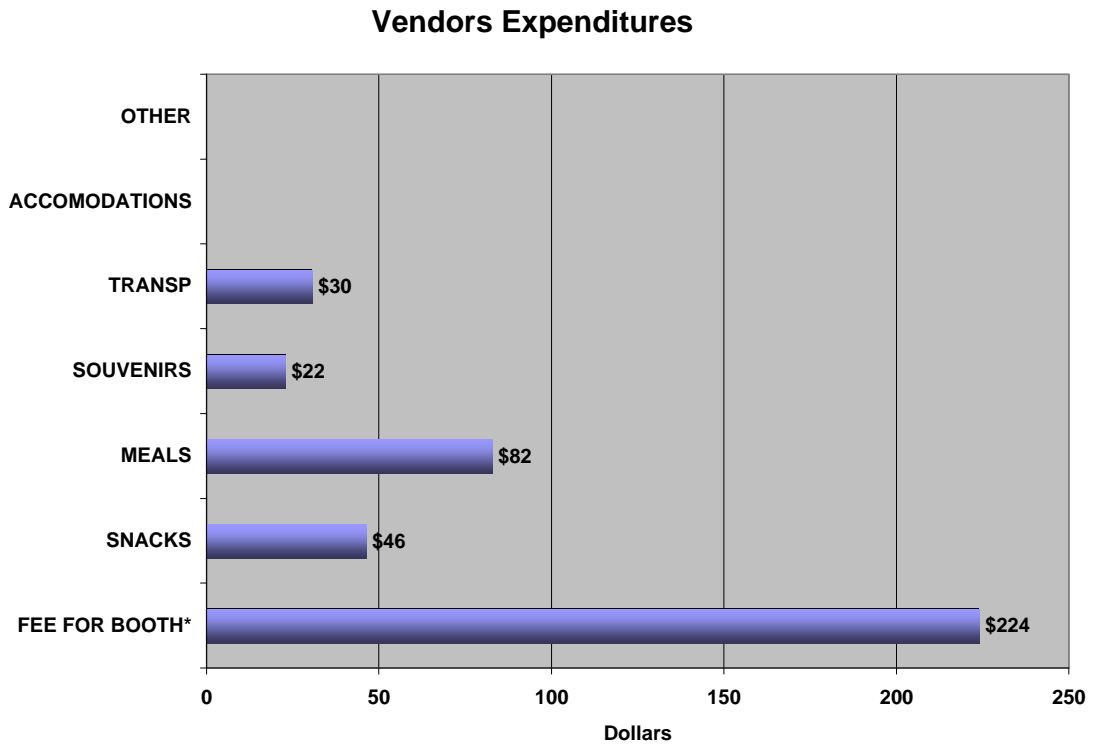
**Diagram 1**

#### Origin of Vendors

San Juan, NM	9%
Montezuma	73%
Cabell	9%
Tarrant	9%

Most of the vendors were from the four corners area and did not need to travel far for the event. This is reflective of the amount they spent in the various categories shown in Diagram 2. The most spent was on the booth fee followed by meals and then snacks.

**Diagram 2**



\*Please Note that although the Fee for a Booth at the Renaissance Faire was the largest expenditure, it was not included in the total economic impact (See Appendix B).

**The Performers.** There were five performing groups that participated at the Renaissance Faire. Three of which had participated in the Faire in the previous year. Of the Performers, all had been to Mancos before and all would attend the Faire again.

**Diagram 3**

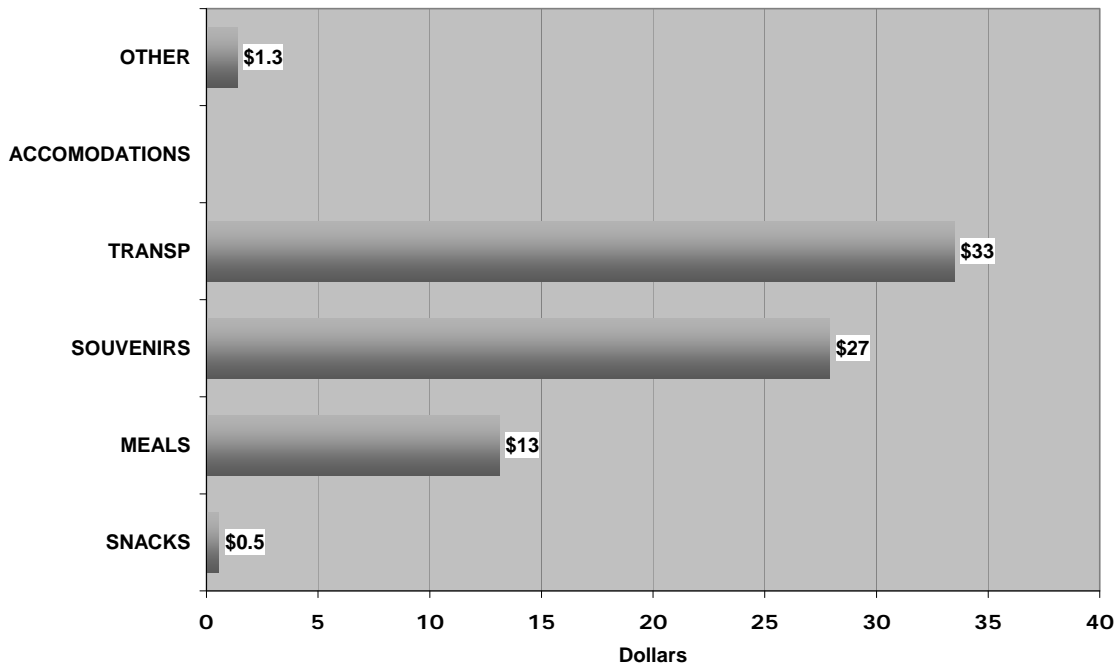
**Origin of Performers**

Sandoval	20%
Montezuma	40%
La Plata	40%

The amount spent in Mancos by the Performers was caused directly by the Faire. The largest portion was spent on transportation followed by souvenirs.

**Diagram 4**

**Performer's Expenditures**



**The Audience.** Ninety-Three percent of those who attended the Faire came from the four corners area (shown in Diagram 5). Most attendees had been to or traveled through Mancos before attending the Faire, while only 12 percent of those interviewed have never been to Mancos. However, the Faire did entice people to actually stop and visit Mancos for the first time. Eighty-four percent of those from Colorado were from Montezuma County.

**Diagram 5**

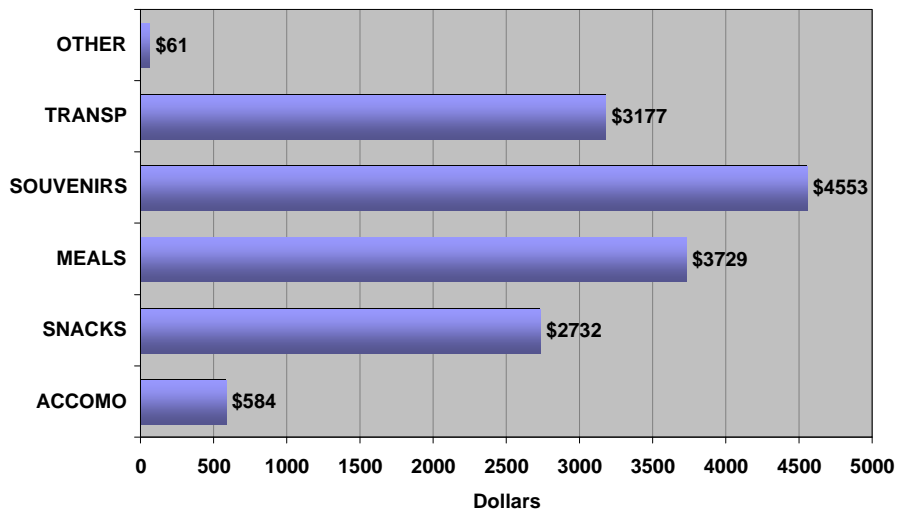
**Origin of Audience**

Virginia	1%
West Virginia	1%
Montana	1%
Texas	1%
Colorado	73%
Wyoming	1%
Utah	1%
Arizona	4%
New Mexico	15%
Nevada	1%
California	1%

Due to their location of residence, many chose to make the Faire a day-trip and returned home after attending the Faire, while only 3 percent spent the night in a motel in Mancos. The amount the audience spent in Mancos was caused directly by the Faire. The largest portion was spent on souvenirs, followed by meals. (The expenditures can be seen in Diagram 6).

**Diagram 6**

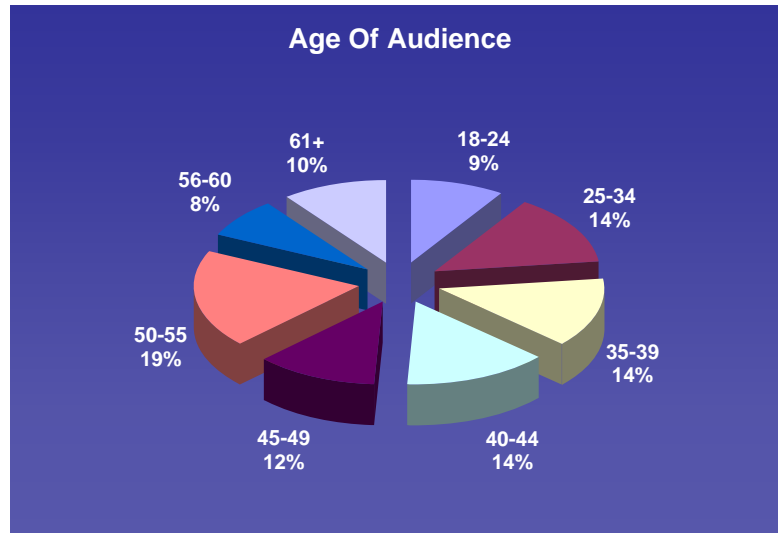
**Audience Expenditures**



### Who Attended the Faire:

The Renaissance Faire attracted members of all age groups, the largest group being 50-55 years of age. Though not represented in this graph, children also attended.

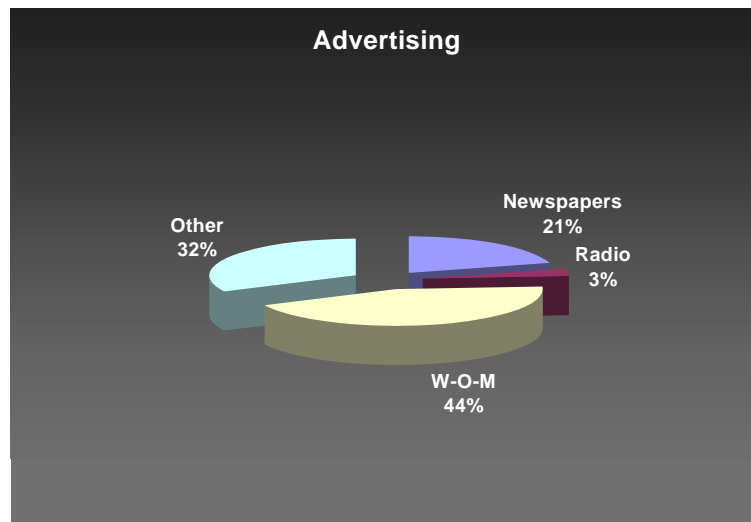
**Diagram 7**



### What Was the Most Effective Method of Advertising?

There were different methods used to attract spectators to attend the Renaissance Faire. Diagram 6 shows the most effective method of advertising was word of mouth followed by “other”, then radio ads, and finally, newspapers.

**Diagram 8**



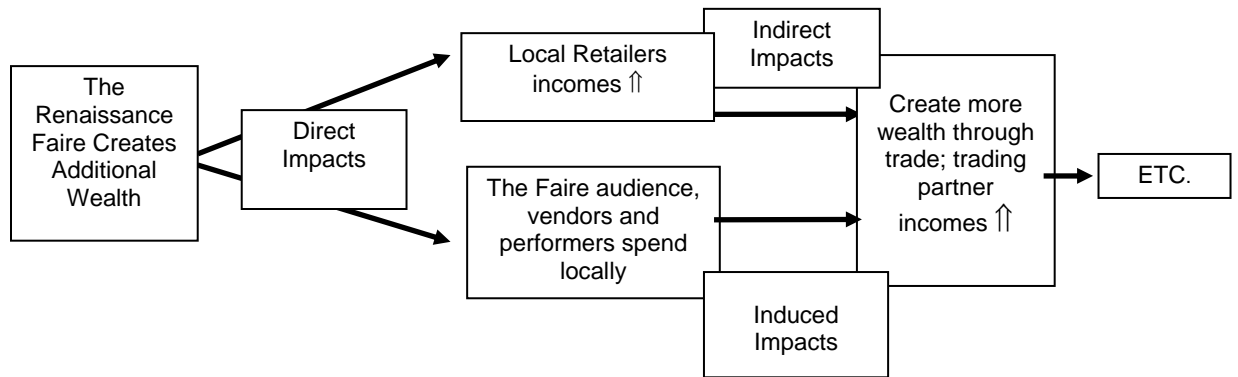
**The Organizers.** The organizers of the Renaissance Faire also spent dollars in Mancos while putting on the event. Below shows how this money was spent. There were no employment expenditures since all 250 hours worked were on a volunteer basis.

<b>Total Overhead and Operating Expenses Spent in Mancos, CO:</b>	<b>\$3712.00</b>
<b>Total Facility Expenses Spent in Mancos, CO:</b>	<b><u>+ \$4215.00</u></b>
<b>Total Organizers Expenditures =</b>	<b>= \$7,927.00</b>

# The Economic Impact of the Mancos Renaissance Faire

## Direct, Indirect and Induced Effects

Direct economic effects occurred when attendees of the Renaissance Faire bought goods and services from local retailers. These activities increased the income of the local retailers. 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 local retailers whose incomes increased due to doing business with the Renaissance Faire in turn purchase from others in the local economy. Induced effects are created when the Faire’s audience, performers, and vendors spend 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 with in 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.

### The Output Multiplier: 1.6454

This means that for every dollar the attendees of the Renaissance Faire spend and its audience spends, an estimated \$0.64 in additional economic income is produced in other industries. This multiplier, provided by the Bureau of Economic Analysis, is estimated for the general industry of “amusements, gambling, and recreation” for the Southwest Colorado Region.

## The Economic Impact

Table 1 displays the economic impact of the annual Mancos Renaissance Faire that took place in July 2006. Economic impacts of the Faire occurring outside of Mancos are not represented in the table. All expenditures shown were made in Mancos, Colorado due to the Renaissance Faire taking place.

**Table 1 Results of Economic Impact Study, Mancos Renaissance Faire**

Organizers expenditures in Mancos, CO	\$7,927
Performers Expenditures	\$76
Vendors Expenditures	\$406
Audience Expenditures	\$14,837
Direct and Induced Economic Impact	\$23,246
Multiplier	1.6
Total Estimated Economic Impact	\$37,193.60

The numbers in Table 1 show that the direct and induced economic impacts were \$23,246, the sum of the organizers (including volunteer expenditures), performers, vendors, and audience expenditures. Note that approximately 64 percent of the direct and induced economic impacts of the Renaissance Faire were the result of the audience expenditures. The organizer's expenditures were 34 percent of the direct and induced economic impact, while the vendor's and performer's expenditures totaled two percent.

Including the multiplier effect, the Renaissance Faire's total estimated economic impact was \$37,193.60. Some perspective may be gained by recognizing that this event generated about .13 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). The results of this study were obtained by

gathering spending information of the performers, vendors, audience, and organizers of the Renaissance Faire. More insight can be obtained through the comments provided by those who were surveyed in Appendix D. Overall there was a positive economic impact, and people were satisfied with the Mancos Renaissance Faire as well as the community of Mancos.

# Appendices

## APPENDIX A

### SURVEY QUESTIONS:

#### Audience:

1. What is your Zip Code?
2. How did you find out about the Faire?
  - Newspaper 21%
  - Radio 3%
  - Word-of-mouth 44%
  - Other 33%
3. What was your mode of transportation to the Faire?
  - Own vehicle 89%
  - Rental Car 2%
  - Other 8%
4. Will you be staying overnight in Mancos?
  - Yes 48%
  - No 52%

-If no, where?

  - Durango 30%
  - Cortez 23%
  - Other 47%

-If yes where?

  - A home with family 89%
  - Hotel/motel 3%
  - Inn/B&B less than 1%
  - Campground 6%
  - Other 1%
5. How many people are in your party?
  - Adults 1.91 average
  - Children 1.12 average

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                      \$6.60/party
  - Food, drink and meals purchased                \$9.05/party
  - Souvenirs purchased in Mancos                 \$11.05/party
  - Transportation                                         \$7.70/party
  - Overnight Accommodations                      \$0/party
  - Other
7. Have you ever been to Mancos before?  
 Yes- 88%  
 No-12%
8. Have you attended the Renaissance Faire before?  
 Yes- 20%  
 No- 80%
9. Which range includes your age?
- 18-24- 9%
  - 25-34- 14%
  - 35-39- 14%
  - 40-44- 14%
  - 45-49- 12%
  - 50-55- 19%
  - 56-60- 10%
  - 61+ - 8%

**Organizers:**

Total Overhead and Operating Expenses Spent in Mancos, CO:	\$3712
Total Facility Expenses Spent in Mancos, CO:	<u>+\$421</u>
Total Organizers Expenditures:	= \$7,927.12

**Performers:**

**Transportation:**

- Own car: 100%

**Accommodation:**

- Mancos: 40%
- Other: 60%

**In:**

- In home/with family: 40%
- Other: 60%

**Expenditures:**

- **Total:**
  - Snacks-\$2
  - Meals-\$47
  - Souvenirs-\$100
  - Transportation-\$120
  - Accommodation-\$0
  - Other-\$5
- **% of total spending:**
  - Snacks-.17%
  - Meals-4%
  - Souvenirs-
  - Transportation-\$120
  - Accommodation-\$0
  - Other-\$5

**Number in Attendance**

- Adults: 25
- Children: 18

**Been to Mancos?**

- Yes: 100%
- No: 0%

**Attended Faire before?**

- Yes: 60%
- No: 40%

**Participated before?**

- Yes: 60%
- No: 40%

**Consider returning?:**

- Yes: 100%
- No: 0%

**Vendors:**

**Transportation:**

- Own car: 91%
- Other: 9%

**Accommodation:**

- Mancos: 91%
- Other: 9%

**In:**

- In home/with family: 73%
- Other: 18%

**Expenditures:**

- **Total:**
  - Fee for Booth-\$490
  - Snacks-\$101
  - Meals-\$181
  - Souvenirs-\$50
  - Transportation-\$67
  - Accommodation-\$0
  - Other-\$0
  
- **% of total spending:**
  - Fee for Booth-55%
  - Snacks-11%
  - Meals-20%
  - Souvenirs-6%
  - Transportation-8%
  - Accommodation-0%
  - Other-0%

**Number in Attendance:**

- Adults: 26
- Children: 9

**Been to Mancos?**

- Yes: 82%
- No: 18%

**Attended Faire before?**

- Yes: 45%
- No: 55%

**Participated before?**

- Yes: 9%
- No: 91%

**Consider returning?**

- Yes: 100%
- No: 0%

## 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 pilot's 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 =  $\$37,193.60 / \$28,923,912 \approx .13\%$

## Appendix C

### Audience Comments

- More Parking.
- Better Publicity.
- Small, unique, fun.
- More theme oriented.
- Well done something different.
- Good advertising, better than last year.
- More advertising, jousting, and jewelry.
- Definitely have it again.
- Great for Mancos.
- No newspaper ad in Mancos Times.
- Great Costumes.
- Glad to see more for kids.
- Nice People.
- Advertise for People to walk.
- Better Publicity/Advertising.
- More Food and more places to sit and eat

## **Bibliography**

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