

Audience Research
and
Economic Impact Study of
Artscape 2009
America's Largest Free Arts Festival

July 17th, 18th, and 19th

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Highlights of the Study

Artscape is a gift to all Baltimore residents. It enriches the area both in terms of art and economics. As a cultural tradition, the deeply rooted annual event carries the message of the City's devotion to art and quality-of-life to regional and national tourists. From an economic vantage, the appeal of the event generates a significant financial inflow for the Baltimore Metropolitan area. Revenue created by 2009 Artscape more than offsets the public investment in the 28th annual event.

- In 2009, Artscape attracted an estimated 350,000 visitors. Forty-seven percent (an estimated 163,800 guests) visited from outside of the Baltimore Metropolitan Area. Approximately, 35,350 attendees traveled from outside of the State of Maryland.
- The 2009 Artscape had a total economic impact on the City of Baltimore business volume of \$25.97 million, comprising \$7.02 million in direct impact and a further \$18.95 million in indirect impact. Direct spending by out-of-area festival goers generates \$350,950 in sales tax revenues for the State of Maryland.
- Artscape attendees spent \$275,699 at local hotels. Hotel expenditures generate an estimated \$20,677 in tax revenues that goes directly to the City of Baltimore.
- Travel to and from the Festival increased gas expenditures in the City of Baltimore by \$768,549 and generated \$78,868 in gasoline excise tax for the State of Maryland.
- According to survey data, 2009 Artscape attendees spent \$9,256,046 million with Artscape vendors. Food and drink vendors received \$4.30 million in revenue. Attendees spent \$3.58 million in art from exhibitors. Other retailers gained \$1.38 in revenue.
- The top attractions at Artscape (as indicated by survey respondents) are the music and outdoor concerts (68.2%), food and beverage vendors (56.8%), fashion (47.4%), and performing arts (33.7%). Forty percent of attendees spent two or more days at Artscape.
- Artscape attendees have extraordinary awareness of the corporate sponsors of the 2009 Festival. Survey research demonstrates that unaided sponsorship awareness is high. Attendees are asked, "When you think of Artscape sponsors, which companies or brands come to mind?" An overwhelming 72% of attendees can identify two or more Artscape sponsors.
- Artscape is a great attraction for singles, just as it is an event for families. Forty-nine percent of survey respondents indicate their marital status to be single. Thirty-three percent are married and 8.5% are partnered. Twenty-four percent live with dependent children, while slightly more than one-fourth of attendees (16.5%) came to the Festival with children.
- Nearly one-fourth (22.8%) of all survey respondents earned an undergraduate degree or higher. This includes 5.6% of respondents who have earned a post-graduate degree. Another 35.2% of respondents completed some college education (while 15.2% are current students). Accordingly, fifty-one percent of respondents (not including students) indicate their household income to be \$60,000 and above.

Introduction

Artscape is known as *America's Largest Free Arts Festival*. It is a one-of-a-kind arts festival that celebrates all arts- including visual, performing, fashion, and music, *to name a few*. The Festival provides opportunities for local and national artists and retailers to showcase and sell their merchandise. Artscape encourages residents and visitors of Baltimore to experience art for a weekend. Artscape also entices people to experience Baltimore's museums, theaters, galleries, and music venues year round. Therefore, the economic impact and cultural momentum of Artscape extends far beyond the three-day event.

What's also unique to Artscape is the "landscape". The majority of large festivals take place within dedicated facilities (e.g., fairgrounds, parks, or stadiums.) Artscape is set amid the neighborhoods and streets of Baltimore offering patrons a genuine view of the city - its history and its people. For 185,000 local attendees, Artscape is a tribute to civic pride; while for the 160,000 non-Baltimore residents, the integrated setting fulfills multiple objectives, allowing tourists to explore the city while experiencing world-class art.

Now in its 28th year, Artscape is a celebration of the cultural heritage and diversity of Baltimore. The event energizes the entire city and includes participation from schools, museums, and religious organizations in addition to the more popular music and art performances. This diversity provides an inclusive setting that attracts all ages and origins. The demographic data shows an even distribution of incomes, ages, education, and marital status. Artscape is an opportunity for sponsors to reach a large heterogeneous audience in an outstanding positive environment.

This objective report makes it clear that public investment in Artscape arts is a high yield, low risk venture that must be pursued and cultivated further. However, economic benefits tell only part of the story of the total impact of the arts on the City of Baltimore, the residents and visitors. The "impact" of the arts on society falls into three principal domains): the "cultural/intangible" domain, the "economic" domain and the "social" domain. It would be audacious, and beyond the scope of this research, to attempt to either define or measure the impact of the arts on culture. The cultural domain of art is a subject for philosophers, art historians and others. Because investment of Artscape and the arts is justified solely on a financial basis (in this report), all of the additional social impacts of the arts come free to the community.

Purpose of Study and Methodology

Forward Analytics, Inc. was hired by Baltimore Office of Promotion and Arts to conduct audience research with attendees of the 2009 Artscape, July 17th – 19th. The primary goal of the research is to measure the economic impact of the Festival on the City of Baltimore and the State of Maryland. Such information is crucial to analyze the return on investment (ROI) for sponsors, local government, and the business community.

In addition to the economic impact, audience research was designed to measure the following:

- overall event satisfaction
- socio-graphics and psychographics of attendees
- attendance motivators
- sponsorship awareness
- effectiveness of advertising/communications.
- additional amenities or activities that would enhance audience appeal.

The study utilizes a customized survey to collect data from a random sample of Artscape attendees. Prior to the event, Forward Analytics collaborated with Festival planners to create a customized 3-page questionnaire. During the three-day event, in-person interviews were administered by Forward Analytics staff to 407 adult attendees (age 18+). The sample size represents a statistical significance of +/-5% margin at the 95% confidence interval. This means that the results reflect the answers between 90% and 100% of the total population. The confidence level is considered significant for making sound business decisions.

The following report provides actionable insight and direction BOPA desires for event planning in the years to follow. In effect, the research and reporting are tools that can help enhance the event *and* expand the economic impact of successive Festivals.

Attendee Demographics and “Visit Characteristics

Artscape attendees are drawn from a wide spectrum of society, representing all economic, social, ethnic, cultural, and age groups. This broad cross-section of society makes the Festival an important shared experience that knits together diverse cultures.

Who attends Artscape? Calculating the answers to this question reveals not only the make-up of current Festival-goers, but also indicates future opportunities to widen the appeal of the event. In order to continue creating a first-class event that reflects such a diverse patron base, it is imperative that Artscape organizers have access to all possible relevant audience information. This section aims to provide quantifiable information that can help form, support, or benchmark the direction of the Festival.

Slightly more than half of Artscape-goers reside in the Baltimore Metropolitan Area. However, survey respondents also represent numerous northeastern states, including Pennsylvania, Virginia, New York, New Jersey, West Virginia, and also D.C. Some attendees come from as far as Colorado and California.

Residence of Artscape Attendees

Downtown Baltimore	8.3%
Baltimore Metropolitan Area, not including downtown	44.8%
In Maryland, but outside Baltimore Metropolitan Area	36.7%
out-of-state	10.1%

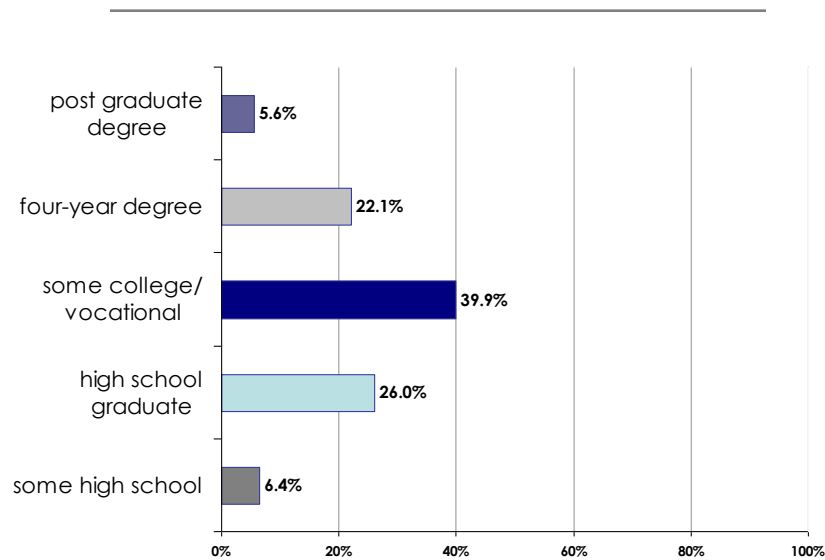
Attendee party size ranges from just one visitor to groups of 50+. The average party size is 3.5. The mode for attendee party size, or the more frequently encountered party size, is two persons. Pairs rank the highest proportionally (35.8%), followed by groups of three persons (20.1%). Many people visit Artscape with friends (62.8%). They also visit with a spouse (36.5%). Survey data indicates that 16.5% of attendees brought children to Artscape.

The majority of attendees are single (49.0%), however the Festival attracts married people (33.4%) and partners (8.5%), as well. Twenty-four percent of attendees live with children under the age of 18, or dependent children.

The population surveyed consists of 54.9% females and 45.1% males. The ethnic background of survey respondents is 62.0% Caucasian/White; 28.0% African American/Black; 3.8% African American; 5.8% Asian, and 4.2% Hispanic.

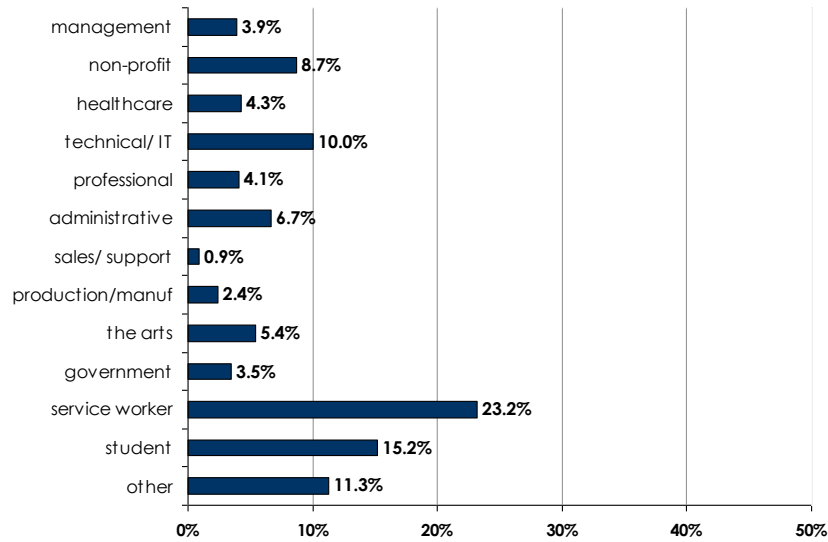
Artscape attendees are well-educated and skew towards above average household income levels. Over one-fourth (27.7%) of attendees (age 19+) have a four-year degree or higher. Another 39.9% have some college, technical, or vocational schooling, and 26.0% completed high school.

Education Level of Artscape Attendees



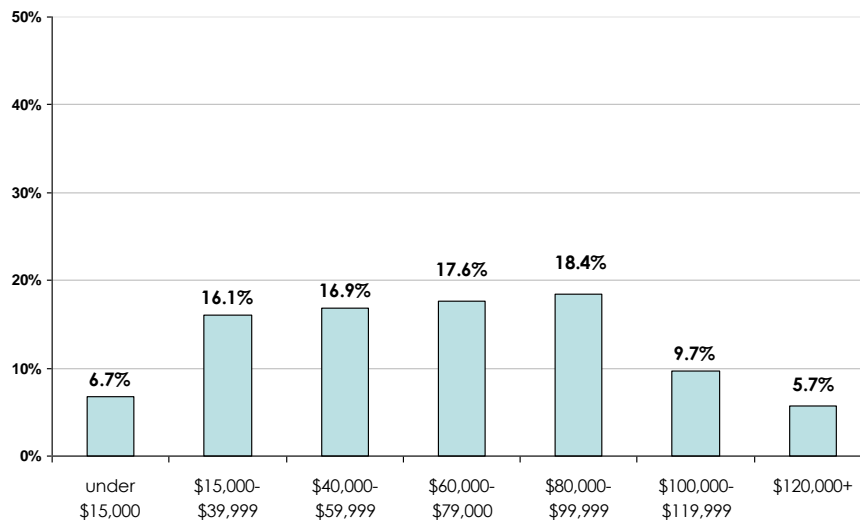
The occupation of Artscape attendees is quite varied. Nearly one-fourth (23.2%) of attendees are service workers. Another ten percent works in a technical/ IT position. While 15.2% of attendees are currently students, 5.6% of attendees are retired.

Occupations of Artscape Attendees



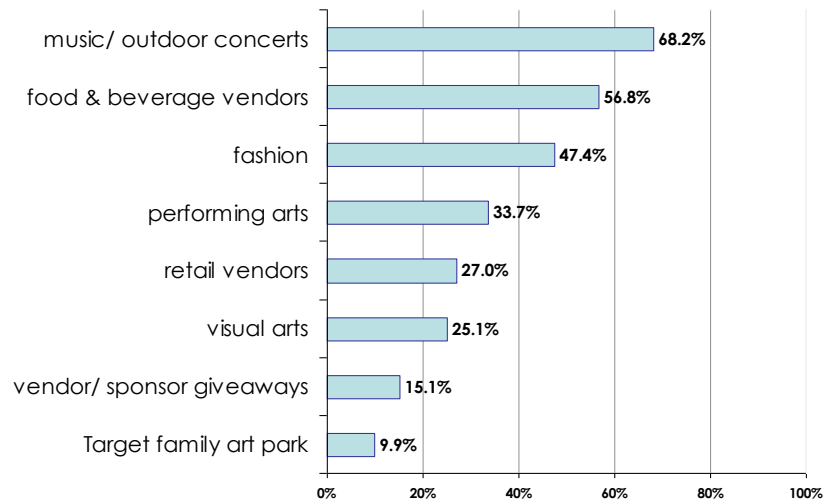
Attendees have above average incomes. Nearly 40% of respondents (not including students) indicate their household income to be \$80,000 and above. Another 39% have household incomes in the range of \$40,000-\$79,999.

Household Income of Artscape Attendees



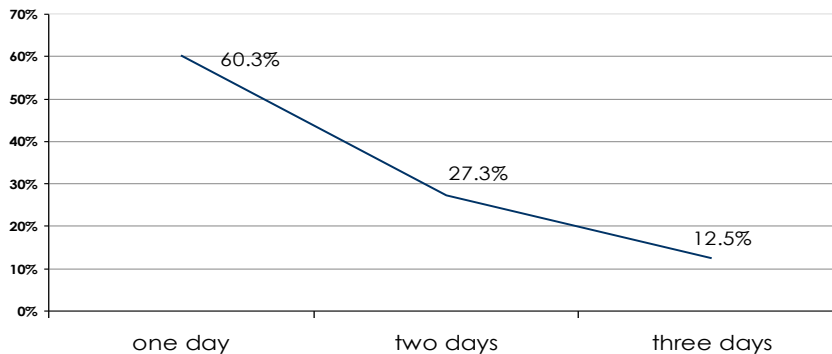
Why do people attend Artscape and how often do they visit? A variety of interesting and attractive events are marketed each day of the three-day Festival. There's a smorgasbord of arts and cultural activities from outdoor concerts, sculpture and visual arts, performing arts, retail vendors, family events, hands-on projects, to name a few. However, *music and outdoor concerts* was measured as the most popular attraction (68.2%).

What are your three favorite activities when visiting Artscape?



What else interests attendees? Survey respondents were asked to indicate their three favorite activities when visiting Artscape. People also come to the Artscape for the food and beverage vendors (56.8%). Fashion (47.4%) and the performing arts (33.7%) are top art activities. See illustration above. With such an array of activities, it is no wonder that 40% of attendees visit Artscape for multiple days.

How many total days do you plan to attend Artscape?



Travel Impact

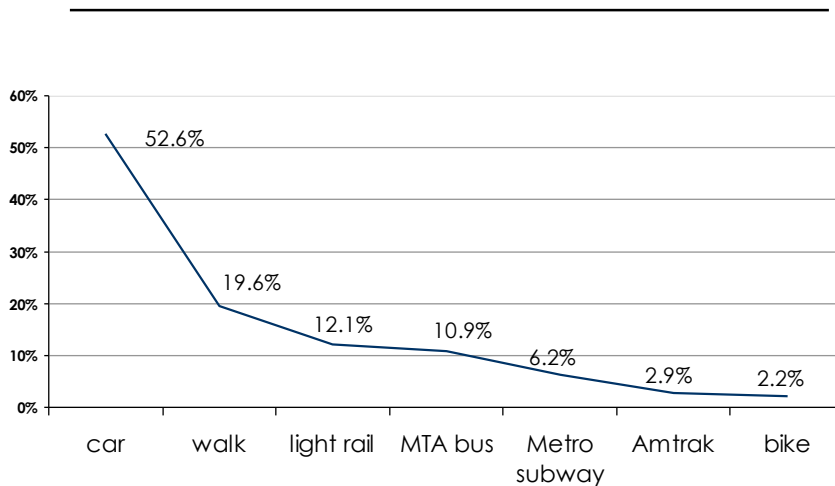
Accessibility is the main function behind the basics of special events and tourism. Transport can be the cause and effect of the growth of festivals, like Artscape. A festival attracting over 350,000 attendees can significantly impact travel mobility, safety, and travel time for event patrons and especially local residents commuting for work, school, or for their personal lives. Events have the potential to affect a number modes and components of the transportation system (e.g. including highway, transit, rail, and air.)

Special events and communities may enhance their image by providing a safe, efficient, and convenient environment for those who may be traveling to and from an event. (While at the same time, minimizing any congestion related impacts the event may have on other commuters.) Transport policies and decisions of governments can make a big difference in the destinations available to visitors. If the public sector does not cope with the demand in terms of transport infrastructures, the tourist industry may have difficulty developing in those regions.

Artscape organizers took a proactive role in traffic management by promoting public transportation, as well as greener modes like biking. The audience survey was intentionally designed to determine how attendees travel to the Festival.

Survey data determined that 52.6% of the Artscape attendees traveled to the Mt. Royal/ downtown area by car. In calculating the impact of roadways, we need to take into account carpooling. The mean party size of attendees traveling by car is 3.5 persons. Calculations determine that Artscape impacts roadway traffic into the Mt. Royal/ downtown area by 52,600 cars over the three-day event.

What is the main transportation method you used to get to Artscape?



Thirty-two percent of attendees utilized public transportation to enjoy Artscape. Based on the estimated Artscape attendance, an overwhelming 112,000 people relied on public transportation to travel to the Mt. Royal/ downtown area. Nearly twenty percent of attendees walked to Artscape and another 2.2% biked.

Sponsorship Awareness

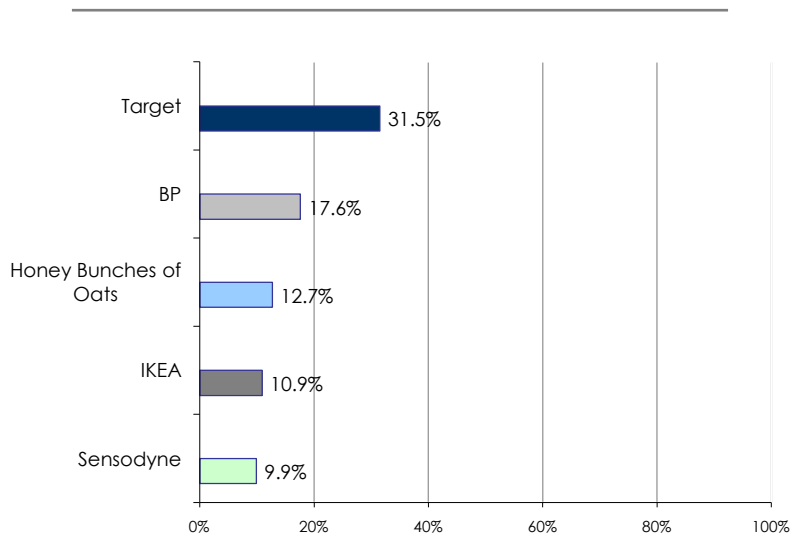
The importance of sponsorship support is paramount to the event. Survey research demonstrates the combination of awareness, favorability, and effectiveness is unparalleled for Artscape sponsors.

- **Attendees recognize and appreciate sponsor' contributions.** The majority of attendees (88.0%) agree that corporate sponsorship makes Artscape possible
- **Artscape sponsorship touches the soul.** 89.3% of attendees indicate having a positive attitude toward Artscape sponsors because of their association.
- **Artscape sponsorship is a “good buy” in marketing.** 90.01% of attendees feel that sponsorship of the arts is a better way for companies/ brands to reach them than through traditional advertising.
- **Attendees “like” corporate sponsors.** And, 64.1% of attendees agree that they are more likely to purchase brands from Artcape sponsors over similar products and brands who are not sponsors.
- **Consumers with an interest in Arts are brand loyal** 81.9% of attendees say that when they buy an Artscape sponsor's product or service, they feel like they are contributing to the arts.

Artscape attendees have extraordinary awareness of the corporate sponsors of the 2009 Festival. Survey research demonstrates that unaided sponsorship awareness is high. Attendees are asked, “When you think of Artscape sponsors, which companies or brands come to mind?” An overwhelming 72% of attendees can identify two or more Artscape sponsors.

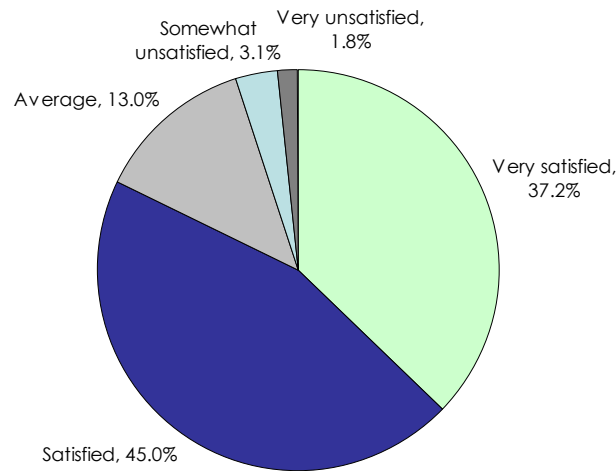
Did any of the sponsors stand out? There is no doubt that Target receives publicity and brand recognition with 31.5% of attendees demonstrating unaided awareness of the company's sponsorship. BP is listed as an Artscape sponsor by 17.6% of festival-goers.

When you think of Artscape sponsors, which sponsors come to mind?



Nearly all attendees agree (97.3%) that Artscape adds value to living in and visiting Baltimore City. Largely, corporate sponsors make this all possible. In return, Artscape provides bottom line benefits to all of its sponsors. The Festival is associated with a positive experience and provides a strong opportunity for co-branding and cause related marketing. *The 2009 Artscape satisfaction is 82.2%.*

How would you rate your OVERALL satisfaction of the 2009 Artscape?



Economic Impact

The need for information about the economic impact and financial benefits of festivals and special events on communities and cities has never been greater. Festival and event management is serious business, but sometimes it is difficult to persuade people that producing a festival or event contributes to the economic vitality of the community.

The attendance for the 2009 Artscape is estimated at 350,000 persons. Survey data reveals that the Festival attracts a significant number of "tourists", or out-of-area visitors. The majority of Artscape attendees (85.4%) indicate that Artscape is 'the main reason they are in the Mt. Royal/ downtown area'. During the three-day festival, an estimated 164,000 Artscape attendees (46.9%) traveled to the Mt. Royal/ downtown area from outside the Baltimore Metropolitan Area. This figure includes 35,700 visitors (10.2%) traveling from out-of-state to enjoy the event.

This section of the report explains the direct and indirect business volume and government revenues generated because of Artscape. Economic impact generally measures *new money* brought into the economy by out-of-area visitors. Spending by local (City of Baltimore) residents is not included. Local spending merely represents a redistribution of existing money in the community and as such is not considered new money.

The linear cash flow model that we use in this study takes into account the re-spending of money within the economy as a result of what professional economists term "the multiplier effect". The multiplier effect measures the circulation of dollars originally attributable to Artscape, and tracks their spending by successive recipients until the funds eventually leak out of the economy.

The following report focuses on these impact categories:

- Business Volume Impacts, and
- Government Revenues Impacts.

Business Volume Impact
The Direct and Indirect Expansion of the Economy
Attributable to 2009 Artscape

In 2009, Artscape had a total economic impact on the City of Baltimore business volume of \$25.97 million, comprising \$7.02 million in direct impact and a further \$18.95 million in indirect impact.

The following chart breaks down the visitor dollars spent at local restaurants, entertainment, retail, gasoline, ground transportation, lodging, etc. in the City of Baltimore. The indirect impact takes into account the re-spending of direct impact within the economy as a result of the multiplier effect.

Artscape Visitor spending in the City of Baltimore	Spending
Food and drink in restaurants	\$2,370,143
Non-festival entertainment	\$1,334,380
Retail purchases	\$1,738,376
Parking	\$443,377
Gasoline	\$768,549
Ground transportation (parking, cab)	\$88,480
Overnight accommodations	\$275,699
Direct Impact	\$7,019,004
<i>multiplier</i>	<i>1.7</i>
Indirect Impact	\$18,951,311
Total Economic Impact	\$25,970,315

Government Revenue Impact

When an event such as Artscape brings people and money into the area, tax revenues are generated for local and state governments. Tax revenues are paid directly by the festival attendees on purchases such as retail, food and drinks, and overnight lodging. This study does not measure the government revenues generated by the indirect impact of Artscape.

Sales Tax

As previously detailed, Artscape generates substantial revenue for businesses in the City of Baltimore. Accordingly, direct spending by out-of-area festival goers generates \$350,950 in sales tax revenues for the State of Maryland.

Hotel Tax

Artscape visitors generate significant income for the hotel community and also generate hotel room tax revenues for the local and state governments. 1.7% of out-of-area attendees stayed locally in *paid* accommodations while attending the Artscape. Measured by the average cost of accommodations, hotel costs generate a direct impact of \$275,699 in the local economy. The City of Baltimore receives \$20,677 in hotel tax revenues.

State Gasoline Excise Tax

Out-of-area attendees spent \$768,549 in gasoline during their travels to the Mt. Royal neighborhood. A gasoline excise tax of \$.235 per gallon generates \$78,868 for the State of Maryland.

Additional Impacts Allocable to Artscape

The economic impact of Artscape encompasses much more than audience spending. The following section indicates multi-faceted ways in which the festival impacts the City of Baltimore, and specifically the Mt. Royal neighborhood.

Direct Spending by Baltimore Office of Promotion and Arts for services, supplies, capital improvements, and wages

This category of impact includes the spending by BOPA for improvements to the City of Baltimore and capital equipment purchases made with local contractors and vendors. In addition, the category includes the purchases of goods, professional services, and supplies from local businesses with money from the organization's operating budget.

Vendor/Partner Spending

Each year Artscape contracts with restaurants, retailers, artisans, equipment suppliers, etc. The festival generates an extended sales channel and marketplace where local and non-local vendors/partners have an opportunity to grow their revenues. Artscape turns out such great profits for these vendors that many travel nationally to reap the marketing opportunities and financial benefits.

According to survey data, 2009 Artscape attendees spent \$9,256,046 million with Artscape vendors. (These figures represents *all* Artscape attendees, not only out-of-area visitors.)

Spending with Artscape Vendors	Spending
food and drinks	\$4,298,698
art from exhibitors	\$3,576,259
other retail	\$1,381,089

Artscape vendors also generate money for the City and State. In taking part in the festival, vendors purchase products and services. Their expenditures include artisan supplies, materials and equipment for building and equipping their temporary operations, transportation, advertising, printing, giveaways, public relations, etc. Non-local vendors spend additional dollars on food, retail and entertainment, not to mention hotel accommodations.

Volunteers

Volunteers are an integral part of Artscape, as they are in many facets of the community. Their involvement enhances the scale of the event and enables more activities to be undertaken. This in turn benefits the local businesses by helping draw visitors and dollars to the region.

Artscape attracted over XXX volunteers this year. Estimating the exact dollar amount is less critical than the notion that those who volunteered their time could

have spent it in many ways, but decided that this event was of most importance to them in allocating their time.

Forward Analytics, Inc. is a Pittsburgh-based market research firm. The research team conducts custom studies for corporations, health care, higher education, governments, arts and tourism, and non-profits. Our experience extends to audience development and economic impact studies for special events throughout the country. These clients include the National Cherry Blossom Festival, Summerfest in Milwaukee, Albuquerque International Balloon Fiesta, Pittsburgh Marathon, Pro Rodeo Challenge, Cleveland Marathon, and TCF Bank Air Expo to name a few. Contact Forward Analytics at (412) 207-2114 or research@forwardanalytics.com.