

Michael Hearne's Big Barn Dance Music Festival Economic Impact Analysis & Marketing Report

Presented to:

***The Town of Taos
400 Camino De La Placita
Taos, NM 87571***

September 2016



MICHAEL HEARNE'S
BIG BARN DANCE
MUSIC FESTIVAL

SEPT. 8TH, 9TH & 10TH, 2016 ☆ KIT CARSON PARK
TAOS, NEW MEXICO

Bruce Robison & Kelly Willis • Walt Wilkins • Dale Watson
Michael Hearne • Tejas Brothers • Terri Hendrix & Lloyd Maines • Shake Russell
Warren Hood • hONEY hoUSE • Susan Gibson • The Riffers • Chris Arellano
Thom Shepherd & Coley McCabe • Bill Hearne Trio • Bob Livingston • Kelley Mickwee
Jimmy Staehler • Lari White • Jed Zimmerman • Tommy Alverson • Buzz Cason
Claude Butch Morgan • Malina Brothers • Luke Reed
And more to be announced!

Tickets On Sale June 1st • MichaelHearne.com/BigBarnDance

The poster features a collage of images: a group of people dancing in a barn, a man playing an acoustic guitar, a woman dancing, and a view of the festival grounds at night.

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Executive Summary

Economic Impact Summary

Michael Hearne's 14th Annual Big Barn Dance Music Festival was an event held at Kit Carson Park in Taos, New Mexico from September 8-10, 2016. Over three thousand (3,049) visitors attended the event.¹ Attendees reported spending \$516,395 dollars during the event, generating \$42,280 in Gross Receipt Tax (GRT).

Not including direct spending at the event, out-of-town visitors spent an estimated \$1,244,970 on lodging, transportation, food, outdoor recreation, entertainment, and shopping – generating \$84,139 in GRT. Taos residents spent an estimated \$47,919 on outside activities resulting from the event, generating an estimated \$3,406 in GRT. Together, out-of-town and resident attendees spent an estimated total of \$1,292,889 and generated approximately \$87,545 in GRT. Additionally, an estimated \$34,697 in lodger's tax revenues were generated as a result of the event.

A total of \$33,327 was spent on marketing and production for the event, generating an additional \$2,729 in GRT.

The estimated **direct economic impact** of the event on the local economy, including spending by event attendees outside of the event, and marketing and production, comes to an estimated total of \$1,842,611, generating \$167,251 in direct tax benefits.

Utilizing an Indirect and Induced multiplier of 1.4,² attendees generated a total of \$2,579,655 in direct, indirect and induced spending and generated \$234,151 in **direct, indirect and induced tax benefits.**

Economic Impact to the Region:

Out-of-town Visitor Spending at the Event:	\$440,092
Resident Spending at the Event:	\$76,303
Out-of-town Visitor Spending Outside the Event:	\$1,244,970
Resident Spending Outside the Event:	\$47,919
Marketing & Production Impact:	\$33,327

Total Direct Impact:	\$1,842,611
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Induced and Indirect Impact:	\$737,044
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Total Direct, Indirect and Induced Impact:	\$2,579,655
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Total Tax Revenues Due to Event Spending:

GRT Revenues Generated from Event Spending:	\$42,280
GRT from out-of-town visitor spending outside the Event:	\$84,139
GRT from resident spending outside the Event:	\$3,406
GRT Revenue generated from marketing and producing the event:	\$2,729
Lodger's Tax Revenues	\$34,697

Total Tax Revenues:	\$167,251
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Induced and Indirect Impact:	\$66,900
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Total Economic Impact (induced and indirect):	\$234,151
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¹ Attendance was provided by High Desert Entertainment and was based on ticket sales.

² Source: Tourism Economics-Tourism Economics utilizes a standard input-output model to generate the percentage of indirect/induced impact as a result of tourism; each directly affected sector also purchases goods and services as inputs into production (indirect impacts). Induced impact is generated when employees whose incomes are generated either directly or indirectly by tourism, spend those incomes in the local economy.

Tax Revenues Generated for the Town of Taos:

GRT Revenues generated from event spending:	\$8,069
GRT Revenue generated from spending outside the event:	\$16,707
GRT Revenue generated from marketing and producing the event:	\$521
Town of Taos Lodger's Tax Revenues	\$34,697
Total Tax Revenues:	\$59,994
Induced and Indirect Impact:	\$23,998
Total Economic Impact (induced and indirect):	\$83,992

Marketing Summary

- Visitors from 23 states were represented in the survey results. Eighty-two percent (82.0%) of the respondents were from outside Taos and sixty-nine percent (69.0%) were from out-of-state. The largest number of out-of-state visitors came from Texas and Colorado.
- 77.3% of respondents had a bachelor's degree or higher.
- The average age of respondents was 63.8
- Fifty-one percent (51.0%) of the respondents were female.
- The median income of respondents was \$112,323.
- Thirty-two percent (32.0%) of the respondents reported annual household incomes greater than \$125,000.
- The most attended day of the festival was Saturday, with ninety-three percent (93.4%) of respondents indicating that they attended this day. This was followed by Friday (84.9%) and Thursday (75.9%).
- Seventy-three percent (72.5%) of respondents indicated they only attended the Big Barn Dance. The next most attended event was the Gallery Stroll with Michael Hearne (20.4%). Forty-two percent (41.9%) of respondents indicated that they attended an unrelated live music performance while they were in the area.
- The average attendee party size was 2.7.
- Seventy-three percent (73.2%) of out-of-town respondents indicated that they drove to the event in a private vehicle. Eighteen percent (18.4%) indicated that they flew into Albuquerque and rented a vehicle, four percent (3.5%) indicated that they flew into Santa Fe and rented a vehicle, and the remaining five percent (4.8%) indicated that they used a different method of travel.
- Eighty-seven percent (86.8%) of respondents indicated that they were repeat visitors to Taos.
- The most common activities visitors engaged in while they were in Taos were visiting the Taos Plaza (83.3%), shopping (76.8%), and fine dining (71.2%).
- Ninety-five percent (94.2%) of respondents indicated that they spent the night in Taos as a result of attending the festival.
- A majority of respondents (56.6%) indicated that they heard about the festival through word of mouth. This was followed by the Big Barn Dance website (42.9%) and social media (19.6%).
- The vast majority of respondents (90.6%) indicated that the festival was the main reason for their visit to Taos.
- On average, respondents indicated that they were very satisfied with the festival. On a scale from 1 to 5 where 1 was not at all satisfied and 5 was very satisfied, respondents rated their satisfaction with the event as 4.8. They also indicated that they were satisfied with their overall visit to Taos (4.5).
- On a scale from 1 to 5 where 1 was not at all satisfied and 5 was very satisfied, respondents indicated that they were most satisfied with the festival's venue (4.8) and the performances (4.8), followed by the sound (4.7), and the security (4.6). Respondents were least satisfied with the food (3.5).
- Nearly seven percent (6.9%) of respondents indicated that they purchased a VIP package. On a scale from 1 to 5 where 1 was not at all satisfied and 5 was very satisfied, respondents who purchased a VIP package had an average satisfaction level of 3.7.
- Respondents were given the opportunity to leave open-ended comments about the event. The most common additional comment respondents left was some form of a compliment or a thank you (61.0%). This was followed by comments expressing displeasure with the quality and/or diversity of the food (22.1%).

Methodology

Michael Hearne's 14th Annual Big Barn Dance Music Festival was an event held at Kit Carson Park in Taos, New Mexico from September 8-10, 2016. The event was coordinated by High Desert Entertainment. Over three thousand (3,049) visitors attended the event.³ Visitors to the area and locals attended the festival over the 3-day period.

The Town of Taos and High Desert Entertainment commissioned Southwest Planning & Marketing (SWPM) to determine the economic impact of the event and conduct a marketing survey of attendees. A few days after the event, SWPM sent out an email survey to an attendee email list that was provided by High Desert Entertainment and had been gathered during ticket sales. The survey was designed by SWPM and approved by the Town of Taos and High Desert Entertainment. The survey included questions about attendee party spending both at and outside of the event, as well as attendee average party size, and other questions about demographics and visitor experiences at the event.

SWPM received attendance, marketing and production spending numbers from High Desert. SWPM used the average spending and party size, combined with total event attendance, to determine categorical total event spending. SWPM then determined tax on each of the spending categories analyzed. An indirect/induced multiplier of 1.4 was added to the direct impacts. SWPM also analyzed the information provided about user experiences.

The survey had a forty-percent (39.2%) response rate, with a total sample size of 460 valid responses. The overall data for the entire sample is accurate to plus or minus 4.86% at the 95% confidence level. That means that 95% of the time the data for the entire visitor population would not vary by more than 4.86% from the result obtained from the sample in this survey.

³ Attendance was provided by High Desert Entertainment and was based on ticket sales.

Economic Impact Analysis

Attendee Spending at the Event

Visitors to the event were asked to estimate their entire party's spending at the event itself in four categories: event tickets, food and drink, concert merchandise, and other spending. The average party spending for each category was multiplied by the total number of parties to determine total spending in each area. Reported spending was \$270,294 for event tickets, \$143,149 for food and meals, \$67,855 for concert merchandise, and \$35,095 for other spending. Reported spending for all categories was \$516,395.

2016 Taos Barn Dance Direct Attendee Spending								
Category	Party Size	Unique Attendee Numbers	Number of Parties	Event Tickets	Food & Drink	Merchandise	Other	Total
Mean (overall)	2.6	3,049	1,173	\$ 232	\$ 123	\$ 59	\$ 29	\$ 443
Mean (in-town attendees)	2.1	549	256	\$ 164	\$ 79	\$ 34	\$ 20	\$ 298
Mean (out-of-town attendees)	2.7	2,500	927	\$ 246	\$ 133	\$ 64	\$ 32	\$ 475
Total Spending (in-town attendees)				\$ 42,120	\$ 20,275	\$ 8,832	\$ 5,077	\$ 76,303
Total Spending (out-of-town attendees)				\$ 228,175	\$ 122,874	\$ 59,024	\$30,020	\$440,092
Total Spending				\$ 270,294	\$ 143,149	\$ 67,855	\$35,096	\$516,395

GRT Tax Revenue Generated at the Event

The total combined GRT tax rate for the Town of Taos is 8.1875% (1.5625% for the Town, 1.5% for the County, and 5.125% for the State). Total event spending for the event was \$516,395, generating **\$42,280** in GRT. Of that, \$8,069 went to the Town of Taos, \$7,746 went to Taos County, and \$26,465 went to the State of New Mexico.

Estimated GRT Revenue from Event Sales					
		Town	County	State	Total Taxes
Tax Rate	Total Spending	1.5625%	1.5%	5.125%	8.1875%
Event Tickets	\$ 270,294	\$ 4,223	\$ 4,054	\$13,853	\$ 22,130
Food & Drink	\$ 143,149	\$ 2,237	\$ 2,147	\$ 7,336	\$ 11,720
Merchandise	\$ 67,855	\$ 1,060	\$ 1,018	\$ 3,478	\$ 5,556
Other	\$ 35,096	\$ 548	\$ 526	\$ 1,799	\$ 2,874
Total	\$ 516,395	\$ 8,069	\$ 7,746	\$26,465	\$ 42,280

Attendee Spending Outside the Event

Visitors to the event were asked to estimate their entire party's spending outside of the event itself in six categories: lodging, food and meals, transportation, outdoor activities, attractions/entertainment, and shopping/miscellaneous. Total spending was \$495,669 for lodging, \$272,112 for food and meals, \$223,633 for transportation, \$12,354 for outdoor recreation, \$32,462 for attractions/entertainment, and \$256,659 for shopping/miscellaneous. Total spending for all categories was \$1,292,889.

2016 Taos Barn Dance Spending Outside the Event										
Statistics	Party Size	Unique Attendee Numbers	Number of parties	Lodging	Food and meals	Transportation, Fuel, Etc.	Outdoor Recreation	Attractions/ Entertainment	Shopping/ Miscellaneous	Total
Mean (overall)	2.6	3,049	1173	\$535	\$238	\$198	\$11	\$28	\$225	\$1,234
Mean (in-town attendees)	2.1	549	256		\$83	\$25	\$0	\$13	\$66	\$187
Mean (out-of-town attendees)	2.7	2,500	927	\$535	\$270	\$234	\$13	\$31	\$259	\$1,343
Total Spending (in-town attendees)					\$ 21,392	\$ 6,320	\$ -	\$ 3,384	\$ 16,822	\$ 47,919
Total Spending (out-of-town attendees)				\$ 495,669	\$ 250,720	\$ 217,313	\$ 12,354	\$ 29,078	\$ 239,837	\$1,244,970
Total Spending				\$495,669	\$272,112	\$ 223,633	\$ 12,354	\$ 32,462	\$ 256,659	\$1,292,889

Tax Benefits from Outside Spending by Event Attendees

Taxation for spending on activities outside the event by out-of-town attendees was calculated in five economic segments: lodging, food, outdoor recreation, entertainment, and shopping. Spending in all five areas was estimated at \$1,244,970 for out-of-town attendees. In addition, Taos residents who attended the Alabama Shakes show spent an estimated \$47,919 in food, entertainment, shopping, outdoor recreation, and transportation as a result of the event taking place, for a total of \$1,292,889 in total visitor spending outside the event.

Total GRT from out-of-town attendees was estimated at \$16,707 for the Town, \$16,039 for the County, and \$54,799 for the state. In addition, it is estimated that resident attendees spent a total of \$47,919 on outside activities as a result of the event, generating a total of \$3,406 in GRT. Spending by out-of-town and resident attendees together generated an estimated total of \$122,242 in GRT.

Visitors to the Taos area are assessed a gross receipt's tax (GRT) on purchases and a lodger's tax (if they paid for overnight lodging in the area during the event). A percentage of the GRT goes to the state and a percentage to the town and/or county. Taxes paid by event visitors for lodging expenses is estimated below.

Out-of-town visitors to the event spent an average of \$535 on lodging during their stay. Based on this number, it is estimated that total spending on lodging by out-of-town visitors was \$495,669, generating \$34,687 in lodger's tax. Combined estimated GRT on lodging and lodger's tax paid by out-of-towners was \$75,280 to the Town of Taos.

Estimated GRT & Lodger's Tax Generated from Outside Spending						
	Direct Spending	Lodgers Tax	Town	County	State	Total Taxes
Tax Rate	N/A	7%	1.5625%	1.5%	5.125%	8.1875%
Lodging	\$ 495,669	\$ 34,697	\$ 7,745	\$ 7,435	\$ 25,403	\$ 75,280
Food and Meals	\$ 272,112		\$ 4,252	\$ 4,082	\$ 13,946	\$ 22,279
Outdoor Recreation	\$ 12,354		\$ 193	\$ 185	\$ 633	\$ 1,012
Entertainment	\$ 32,462		\$ 507	\$ 487	\$ 1,664	\$ 2,658
Shopping/Other	\$ 256,659		\$ 4,010	\$ 3,850	\$ 13,154	\$ 21,014
Total	\$ 1,069,256	\$ 34,697	\$16,707	\$16,039	\$54,799	\$122,242
Estimated Tax Generated by Out-of-Town Attendees (18.0% of attendees)						
	Direct Spending	Lodgers Tax	Town	County	State	Total Taxes
Tax Rate	N/A	7%	1.5625%	1.5%	5.125%	8.1875%
Lodging	\$ 495,669	\$ 34,697	\$ 7,745	\$ 7,435	\$ 25,403	\$ 75,280
Food and Meals	\$ 250,720		\$ 3,917	\$ 3,761	\$ 12,849	\$ 20,528
Outdoor Recreation	\$ 12,354		\$ 193	\$ 185	\$ 633	\$ 1,012
Entertainment	\$ 29,078		\$ 454	\$ 436	\$ 1,490	\$ 2,381
Shopping/Other	\$ 239,837		\$ 3,747	\$ 3,598	\$ 12,292	\$ 19,637
Total	\$ 1,027,657	\$ 34,697	\$16,057	\$15,415	\$52,667	\$118,836
Estimated Tax Generated by Local Attendees (82.0% of attendees)						
	Direct Spending	Lodgers Tax	Town	County	State	Total Taxes
Tax Rate	N/A	7%	1.5625%	1.5%	5.125%	8.1875%
Food and Meals	\$ 21,392		\$ 334	\$ 321	\$ 1,096	\$ 1,751
Outdoor Recreation	\$ -		\$ -	\$ -	\$ -	\$ -
Entertainment	\$ 3,384		\$ 53	\$ 51	\$ 173	\$ 277
Shopping/Other	\$ 16,822		\$ 263	\$ 252	\$ 862	\$ 1,377
Total	\$ 41,599	NA	\$ 650	\$ 624	\$ 2,132	\$ 3,406

Marketing & Production Impact of the Event

High Desert Entertainment spent money in two categories in order to make the event happen: marketing and production. This included advertising, spending with local vendors, rentals, and graphic design. Total spending on marketing and production was **\$33,327**.

As a result of spending on marketing and production, an additional \$521 was generated in GRT for the Town of Taos and a total of \$2,729 was generated in total GRT.

GRT Paid on Marketing and Production Costs					
		Town	County	State	Total Taxes
	Total Spending	1.5625%	1.5%	5.125%	8.1875%
Total Marketing & Production Spending	\$ 33,327	\$ 521	\$ 500	\$ 1,708	\$ 2,729

Estimated Total Tax Revenues

Adding GRT revenues and lodger's tax revenues results in a total estimated tax impact of **\$167,251**. The Town of Taos received \$59,994 in tax benefits as a result of the event.

Estimated Total Tax Revenues					
		Town	County	State	Total Taxes
	Taxable Spending	1.5625%	1.5%	5.125%	8.1875%
Marketing & Production	\$ 33,327	\$ 521	\$ 500	\$ 1,708	\$ 2,729
Event Spending	\$ 516,395	\$ 8,069	\$ 7,746	\$ 26,465	\$ 42,280
Outside Spending	\$ 1,069,256	\$ 16,707	\$ 16,039	\$ 54,799	\$ 87,545
Lodger's Tax					\$ 34,697
Total	\$ 1,618,978	\$ 25,297	\$ 24,285	\$ 82,973	\$ 167,251

Indirect and Induced Impact of Spending

Travelers create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.

Indirect Impact - Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.

Induced Impact - Induced impact is generated when employees whose incomes are generated either directly or indirectly by tourism, spend those incomes in the local economy.

Tourism Economics utilizes a standard input-output model (Implan) to generate the percentage of indirect and induced impact as a result of tourism in New Mexico. Tourism Economics estimates that for every dollar spent as a result of a visit or an event an additional forty cents is generated in local spending.⁴

Direct	Indirect	Induced	Total
1	0.2	0.2	1.4

The following highlights the total impacts including direct, indirect and induced impact:

Economic Impact to the Region:

Total Direct Impact:	\$1,842,611
Induced and Indirect Impact:	\$737,044
Total Direct, Indirect and Induced Impact:	\$2,579,655

Total Tax Revenues Due to Event Spending:

Total Tax Revenues:	\$167,251
Induced and Indirect Impact:	\$66,900
Total Economic Impact (induced and indirect):	\$234,151

Tax Revenues Generated for the Town of Taos:

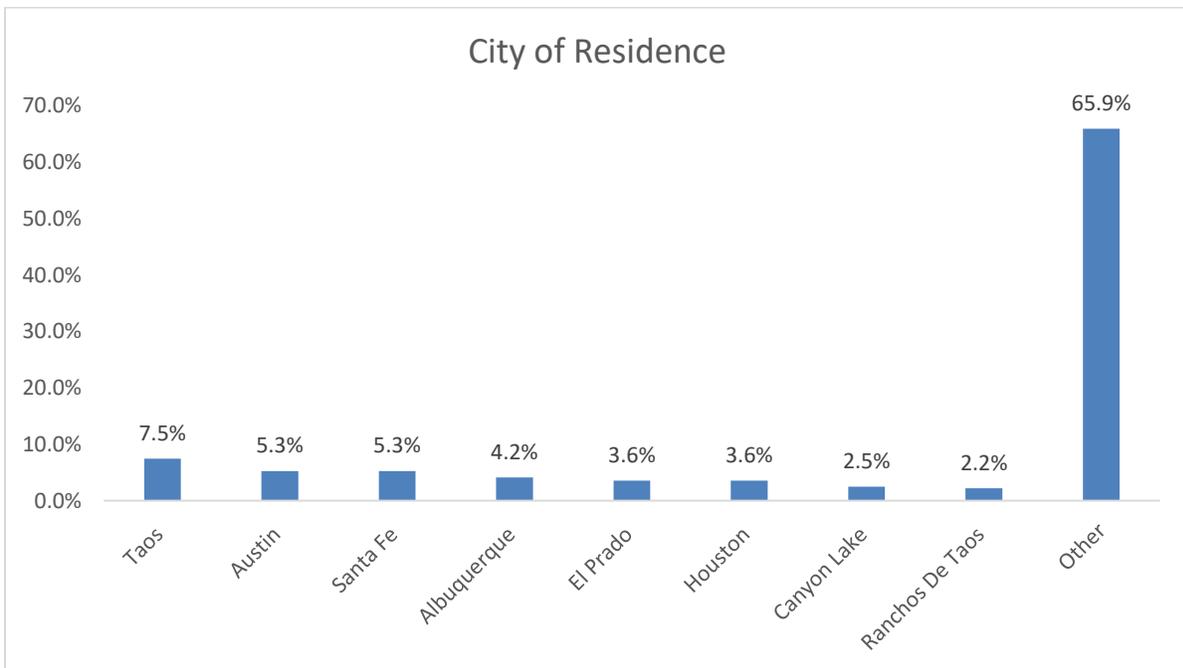
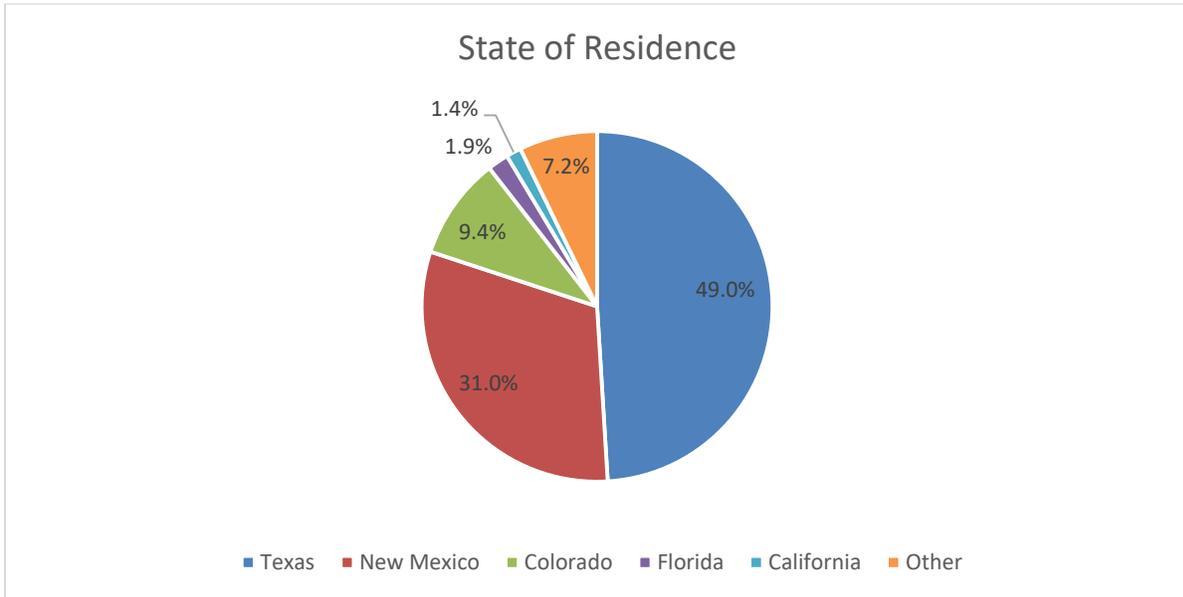
Total Tax Revenues:	\$59,994
Induced and Indirect Impact:	\$23,998
Total Economic Impact (induced and indirect):	\$83,992

⁴ Tourism Economics - An Oxford Economics Company, The Economic Impact of Tourism in New Mexico, August 2015.

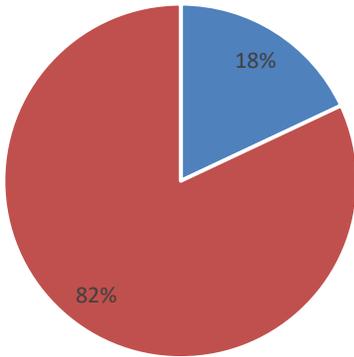
Marketing Report

Visitor Residency

Visitors from 23 states were represented in the survey results. Eighty-two percent (82.0%) of the respondents were from outside Taos and sixty-nine percent (69.0%) were from out-of-state. The largest number of out-of-state visitors came from Texas and Colorado.



Visitor Residence Relative to Taos



■ Live within 50 Miles ■ Live more than 50 Miles

Demographics

Education: 77.3% of respondents had a bachelor's degree or higher.

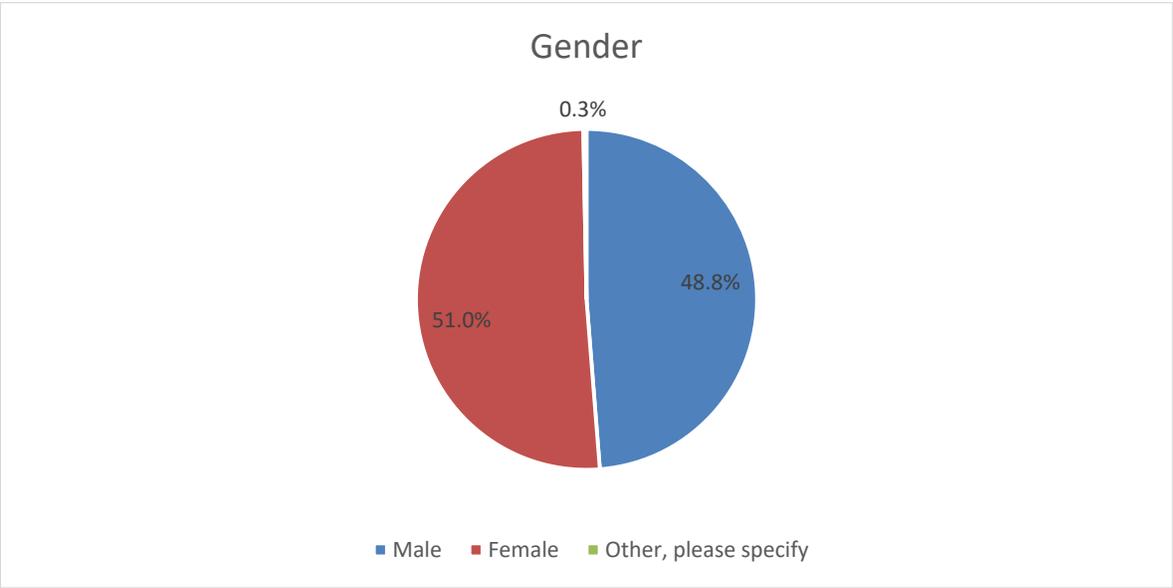
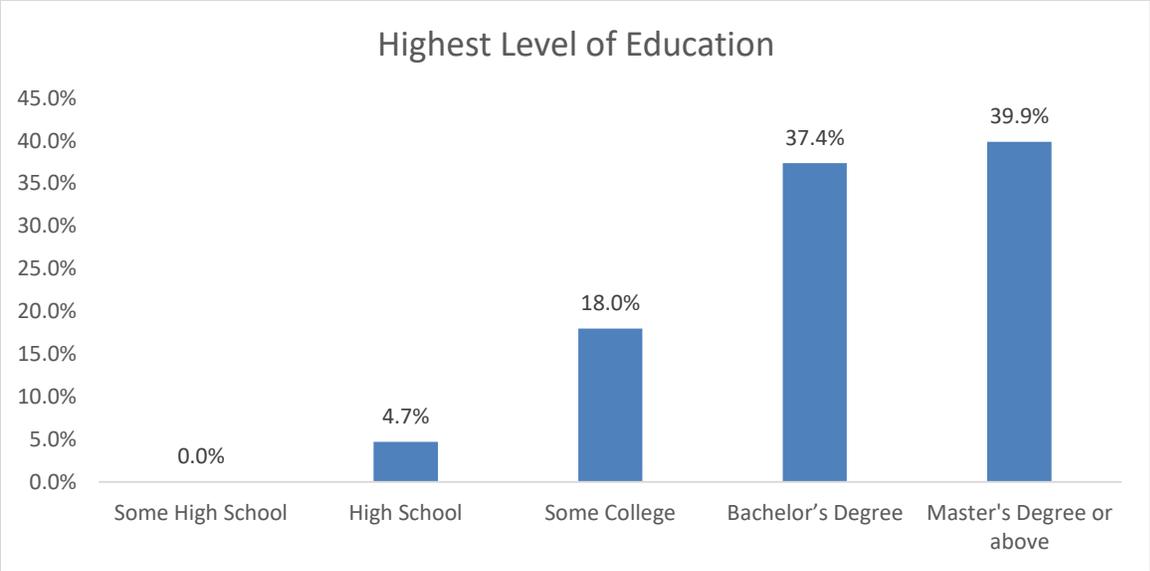
Average Age: 63.8 (ranging in age from 27-95)

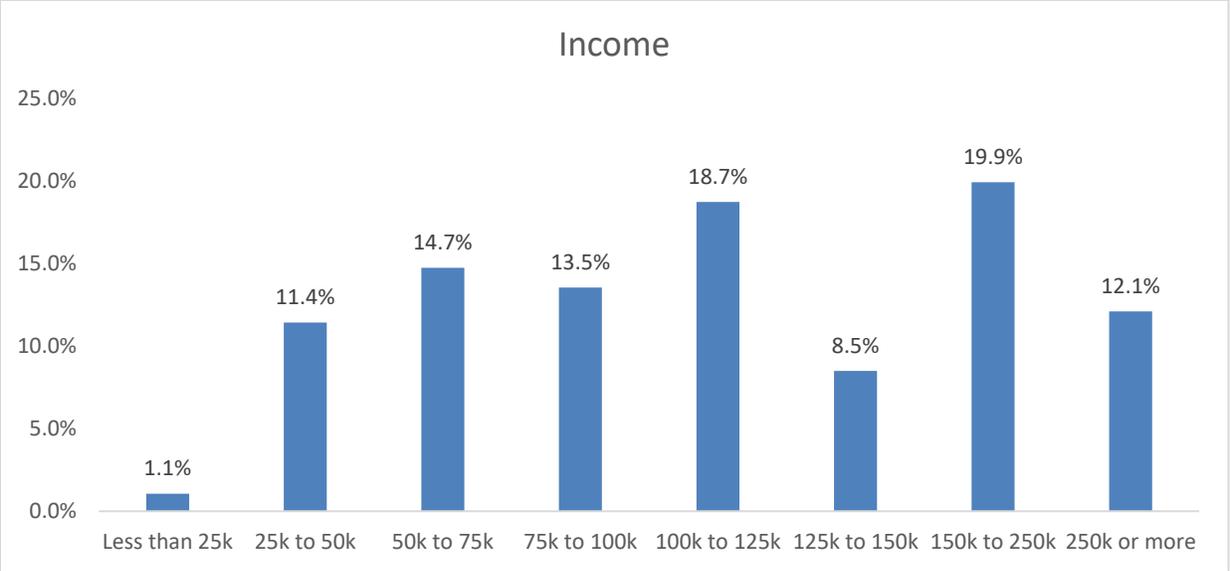
Gender: 48.8% Male

51.0% Female

0.3% Other

Median income: \$112,323 (32.0% of the respondents reported annual household incomes greater than \$125,000.)



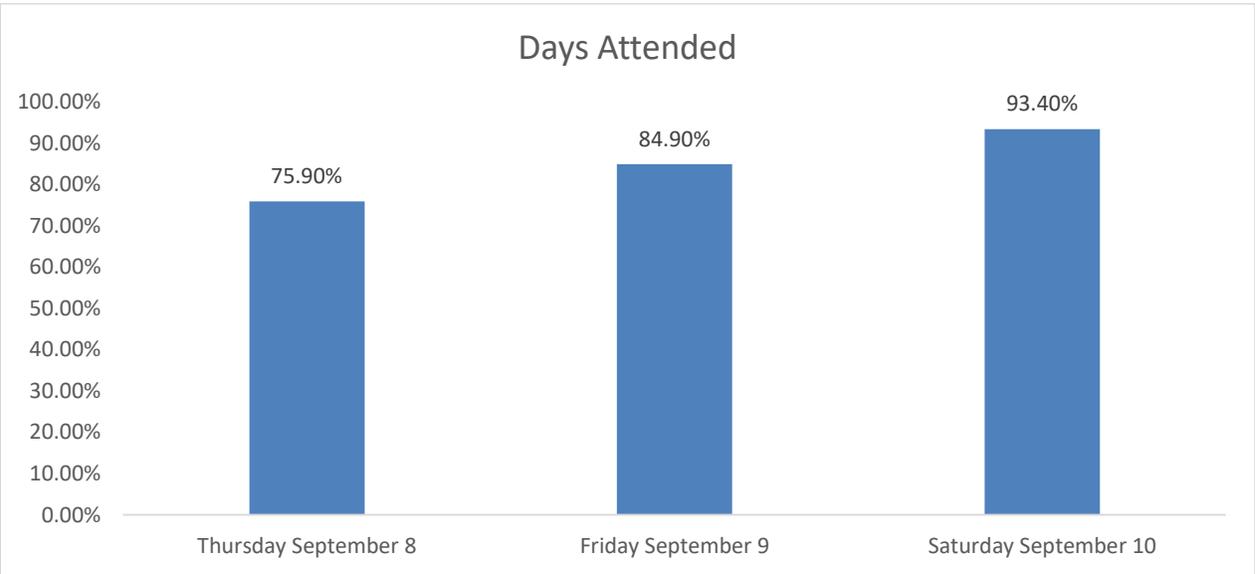


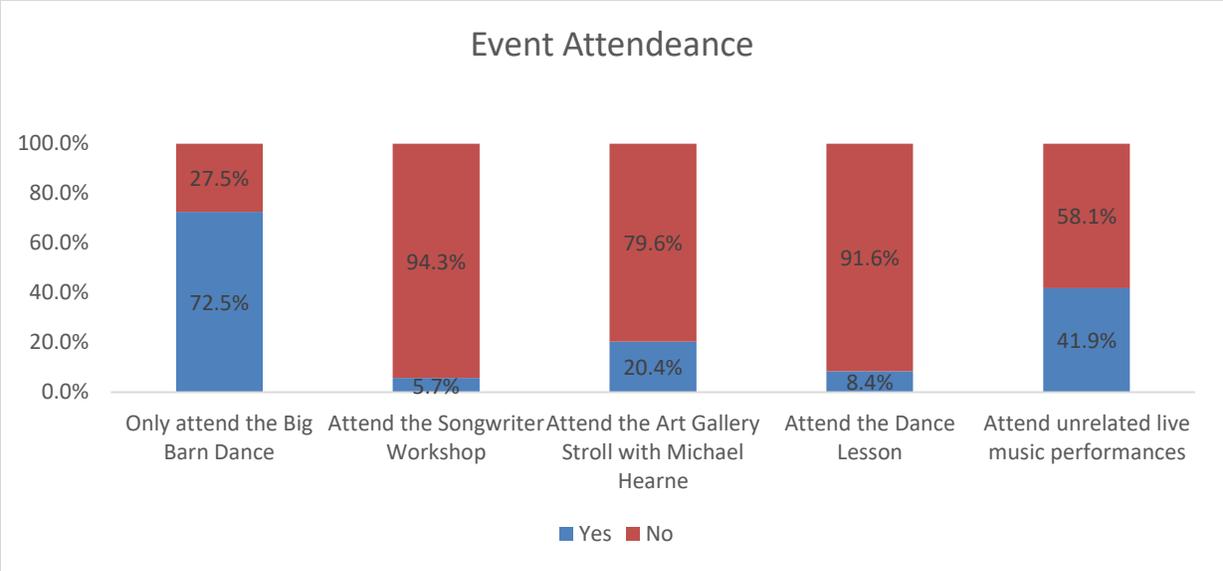
Attendance

The most attended day of the festival was Saturday, with ninety-three percent (93.4%) of respondents indicating that they attended that day. This was followed by Friday (84.9%) and Thursday (75.9%).

Seventy-three percent (72.5%) of respondents indicated they only attended the Big Barn Dance. The next most attended event was the Gallery Stroll with Michael Hearne (20.4%). Forty-two percent (41.9%) of respondents indicated that they attended an unrelated live music performance while they were in the area.

The average attendee party size was 2.7.



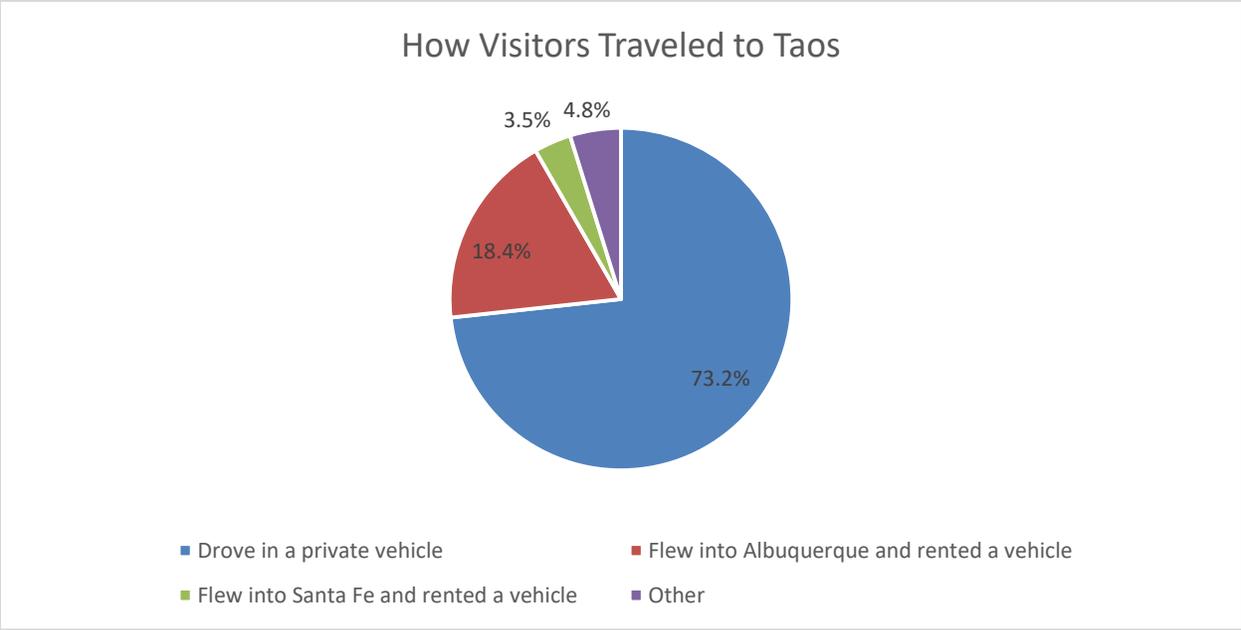


Travel to Taos

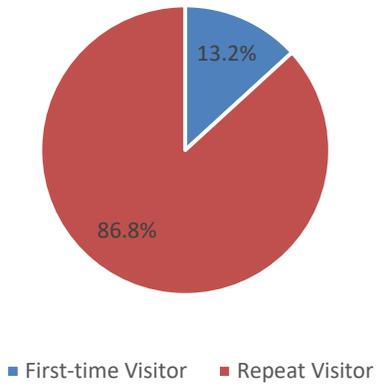
Seventy-three percent (73.2%) of out-of-town respondents indicated that they drove to the event in a private vehicle. Eighteen percent (18.4%) indicated that they flew into Albuquerque and rented a vehicle, four percent (3.5%) indicated that they flew into Santa Fe and rented a vehicle, and the remaining five percent (4.8%) indicated that they used a different method of travel.

Eighty-seven percent (86.8%) of respondents indicated that they were repeat visitors to Taos.

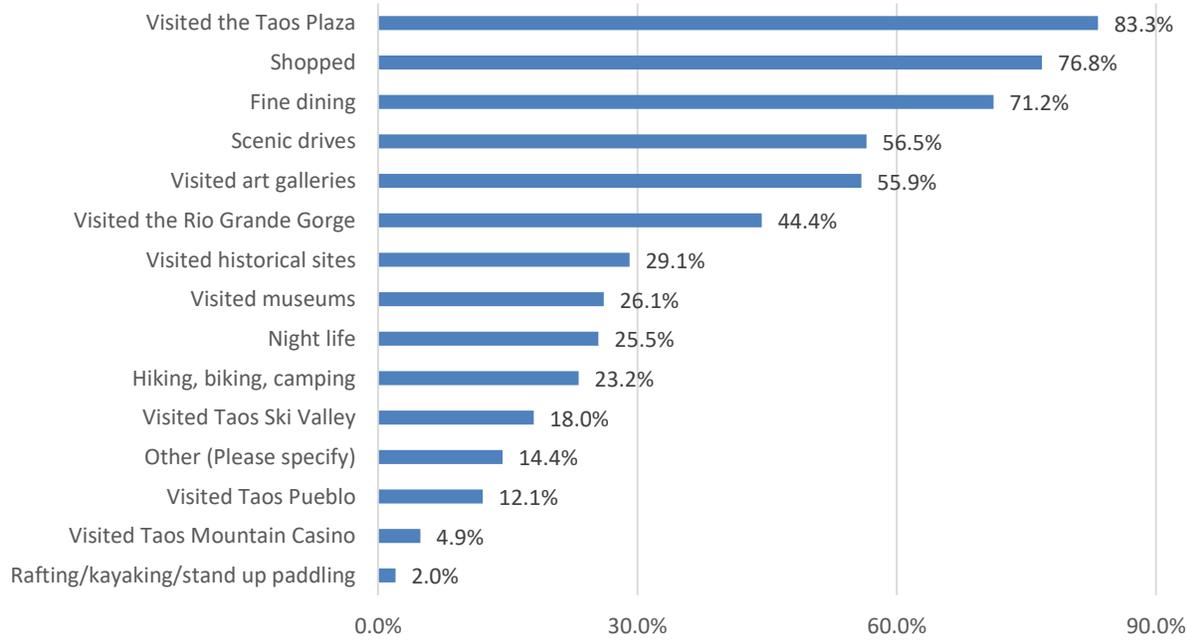
The most common activities visitors engaged in while they were in Taos were visiting the Taos Plaza (83.3%), shopping (76.8%), and fine dining (71.2%).



Taos First Time Visitation



Activities Visitors Did During Their Stay



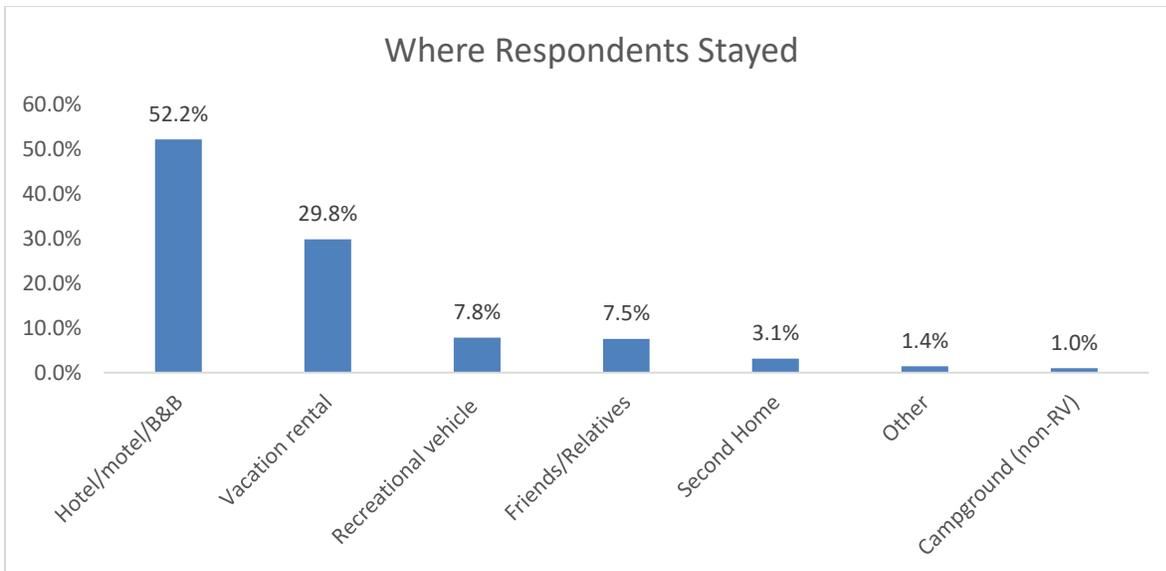
Overnight stays

Ninety-five percent (94.2%) of respondents indicated that they spent the night in Taos as a result of attending the event.



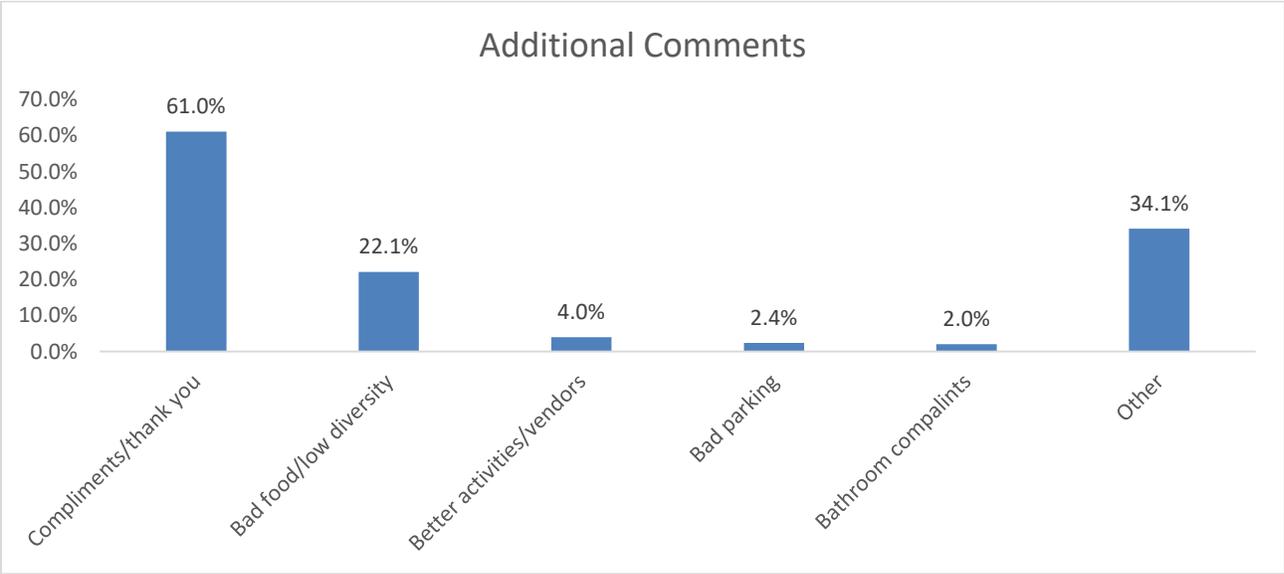
Fifty-two percent (52.2%) of respondents indicated that they stayed in a hotel/motel/B&B. This was followed by vacation rentals (29.8%) and RVs (7.8%)

Visitors to the area indicated that they spent an additional 2.6 nights in New Mexico outside of Taos as a result of their visit.



Additional Comments

Respondents were provided with the opportunity to share open-ended comments about the event. The most common additional comment respondents left was some form of a compliment or thank you (61.0%). This was followed by comments about their displeasure with the quality and or diversity of the food (22.1%).

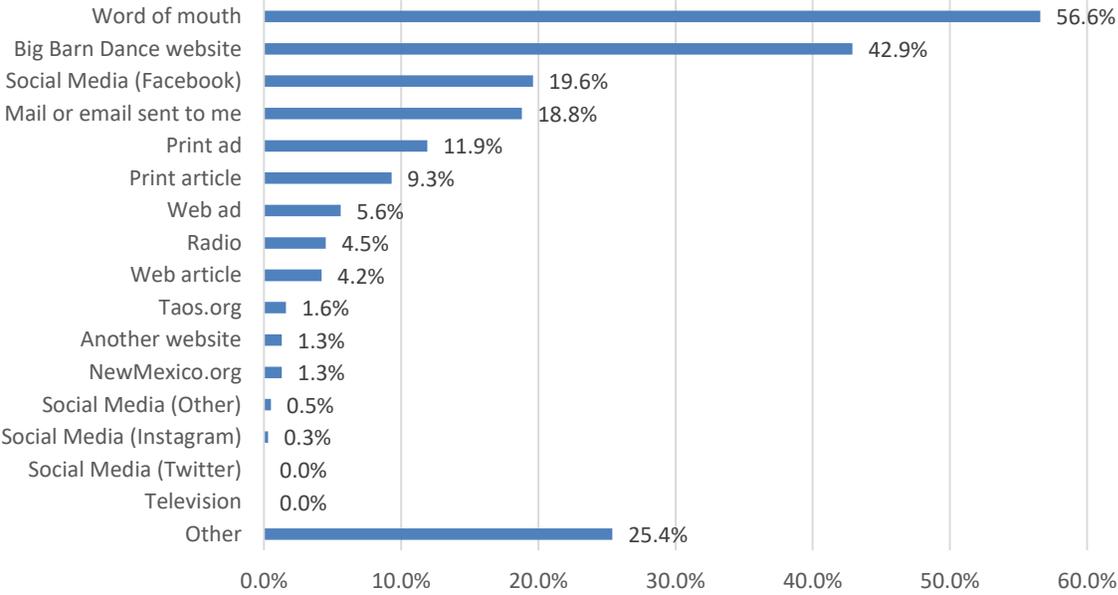


Marketing

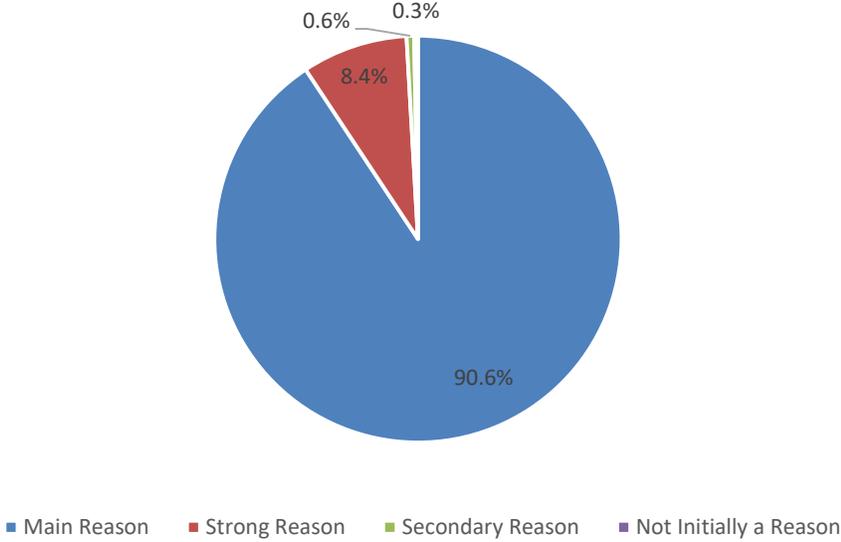
A majority of respondents (56.6%) indicated that they heard about the event through word of mouth. This was followed by the Big Barn Dance website (42.9%) and social media (19.6%).

The vast majority of respondents (90.6%) indicated that the event was the main reason for their visit to Taos.

How Respondents Heard About the Festival



Impact of Festival on Visitor's Decision to Visit Taos



Event Satisfaction

On average, respondents indicated that they were very satisfied with the festival. On a scale from 1 to 5 where 1 was not at all satisfied and 5 was very satisfied, respondents rated their satisfaction as 4.8. They also indicated that they were satisfied with their overall visit to Taos (4.5).

On a scale from 1 to 5 where 1 was not at all satisfied and 5 was very satisfied, respondents indicated that they were most satisfied with the festival's venue (4.8) and the performances (4.8), followed by the sound (4.7), and then the security (4.6). Respondents were least satisfied with the food (3.5).

Visitor General Satisfaction (mean ranking 1-5)	
Category	Rating
With the Festival	4.8
With my Visit to Taos	4.5

Visitor Categorical Satisfaction (mean ranking 1-5)	
Category	Rating
Festival Venue	4.8
Parking	4.2
Sound	4.7
Restrooms	3.8
Performance	4.8
Food	3.5
Security	4.6

VIP Packages

Nearly seven percent (6.9%) of respondents indicated that they purchased a VIP package. On a scale from 1 to 5 where 1 was not at all satisfied and 5 was very satisfied. Respondents who purchased a VIP package had an average satisfaction level of 3.7.

