

Economic Impact of The Utah Shakespeare Festival

A summary of a January 4, 2012, report by:

Dr. Kelly Matthews (kellykmatthews@gmail.com) & Neil Abercrombie (neil.abercrombie@usu.edu)

The Utah Shakespeare Festival, located in Cedar City, Utah, is a vital part of the local economy and indispensable to the State of Utah. The Festival creates cultural opportunities and enhances Utah's strong tourism industry. This study quantifies the direct and indirect economic impacts by reviewing the average spending per audience member, both local and non-local residents.

Overall, the Utah Shakespeare Festival is a multi-million dollar enterprise that creates jobs; generates tax revenue; enhances tourism; and builds Utah culturally and economically.

MAJOR FINDINGS:

The total economic impact of the Utah Shakespeare Festival is estimated at more than \$35 million annually.

- The direct economic effect (spending in Festival operations, personnel, and patron spending) totaled \$16.9 million in 2010.
- The indirect economic effect (additional economic activity generated in the local economy) totaled \$18.6 million in 2010.

Average annual attendance is nearly 120,000.

- Approximately 85% of these audience members drive more than 75 miles one way to attend.



Proposed new Shakespeare Theatre

Nonresident patron spending in 2010 totaled over \$10 million.

- Average audience member spends \$106 per event above the cost of the admission ticket (lodging, transportation, restaurants, souvenirs).

Resident patron spending in 2010 exceeded \$155,000.

- Average audience member spends around \$8 per event above the cost of admission ticket.

The Utah Shakespeare Festival generated more than \$500,000 in 2010 in state and local sales tax revenue.

The new theatre for the Utah Shakespeare Festival will immediately increase capacity by 25%, creating an estimated additional \$8 million economic impact and drawing 30,000 additional patrons to Cedar City annually.

Summary of Annual Impact

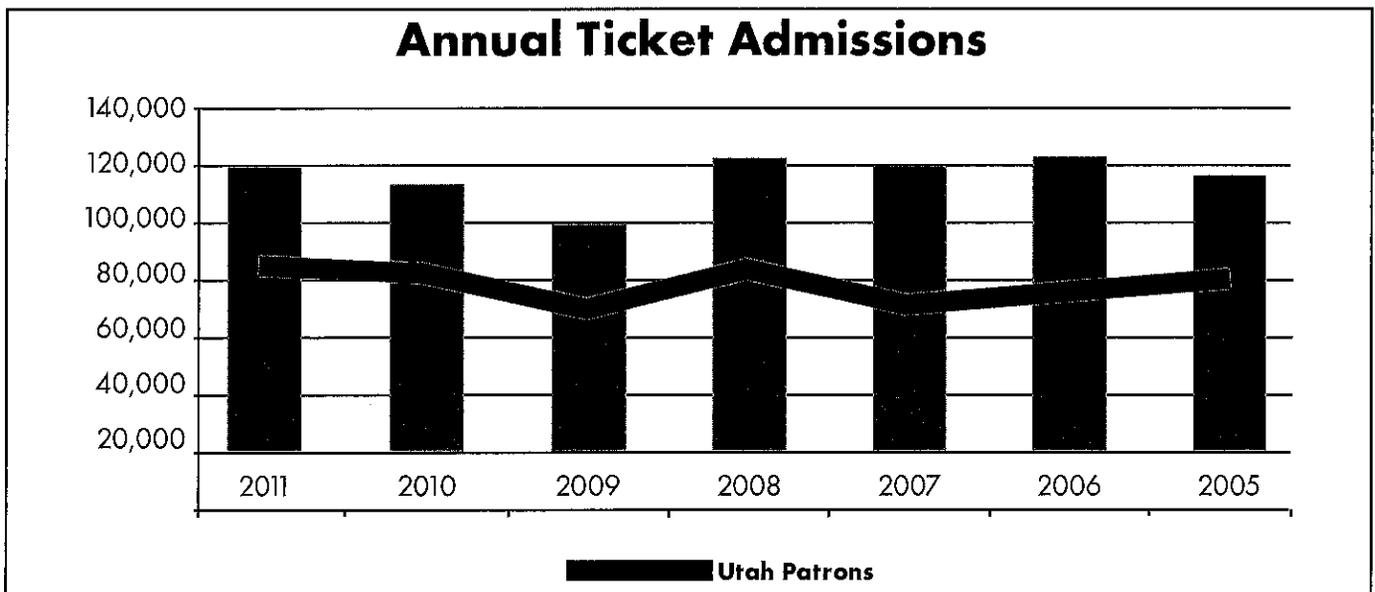
Annual Economic Impact	Amount	Notes/Description
Nonresident patron spending for 2010 season	\$10,102,189	Based on average total spending of \$106.97 per person
Resident patron spending for 2010 season	\$155,651	Based on average total spending of \$7.79 per person
State sales tax generated	\$422,700	4.07% state sales tax rate
Local sales tax generated	\$140,100	1.35% local sales taxes
Transient room tax	\$170,459	4.25% transient room tax
Festival personnel expenditures	\$3,906,366	2010 USF final budget
Administration expenses	\$1,762,417	2010 USF final budget
Production expenses	\$292,176	2010 USF final budget
Direct effect	\$16,952,058	
Indirect "ripple" effect	\$18,647,264	
TOTAL Economic Impact	\$35,599,322	

"The Utah Shakespeare Festival is one of the outstanding cultural gems of our state. Our national award-winning Festival makes a remarkable contribution to the arts in Utah and in the intermountain region. Equally important is the significant role it plays in rural economic development, attracting tens of thousands of visitors to Southern Utah annually."

Gary R. Herbert, Governor, State of Utah

Why support the Utah Shakespeare Festival?

- FACT 1** The Utah Shakespeare Festival generates more than \$35 million annually in direct and indirect economic impact.
- FACT 2** National averages demonstrate 39% of the audience members are willing to drive out of their county. Approximately 85% of audience attendees of the Utah Shakespeare Festival drive more than 75 miles to attend a performance.
- FACT 3** Creates 32 full-time jobs with an additional 372 seasonal employees, totaling more than \$4.5 million in salaries and benefits.
- FACT 4** Generates \$10.1 million in nonresident spending annually, in addition to admission ticket purchase, with broad support from residents throughout the state.
- FACT 5** \$18.6 million annually in indirect spending, 2.1 multiplier or \$1.10 spent elsewhere in the local economy as a result of the initial purchase.
- FACT 6** \$1.2 million generated in state sales tax alone in the last three years.
- FACT 7** Generates more than \$170,000 annually in transient room taxes or hotel lodging, sustained high hotel room occupancy in Iron County for five months.
- FACT 8** More than \$140,000 in local sales tax revenue each year.
- FACT 9** Approximately 75,000 Utah school children from each county in the state participate in Festival education outreach programs annually.
- FACT 10** Creates more than \$3.5 million in out-of-state spending annually.



Compiled by Neil N. Abercrombie, director of government relations at Utah State University, and Dr. Kelly K. Matthews, retired senior economist and executive vice president for Wells Fargo Bank.