

## Festival Economic Impact and Social Influence Statement

Prepared by Rehoboth Beach-Dewey Beach Chamber of Commerce

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Events and festivals take place for a variety of reasons and come in many different shapes and sizes. Events are held for reasons ranging from charitable causes, history, sports and food – and some are just for fun. In the Rehoboth Beach-Dewey Beach resort area, events and festivals are celebrated throughout the year, and the success of these events is evident based on the large and growing crowds that attend the events year after year.

Events hold value for a community with both economic and social benefit. From an economic standpoint, the benefits of an event are easy to see. The local businesses reap the benefits of events by gaining a customer base -- whether targeted to a specific demographic market or mass appeal. Employees of restaurants, hotels and shops see an increase in hours and wages. Wages earned go back into the local economy for food, shelter, clothing, etc. Other business sectors that benefit include mechanics, veterinarians, doctors, gasoline, transit, etc.

The social capital an event can create is invaluable to a community. Social capital includes intangible things that cannot always be gauged financially or with economic impact. An event brings a general feeling of celebration and creates memories while inviting visitors into the community – often making them feel a part of it. Business owners, patrons and community leaders work with one another toward a common goal which is the overall success of an event. Events can connect relationships that may not have been possible previously. If an event is held in a tourism destination location, it introduces and entices visitors to return. If the destination is seasonal in nature, events can be used to enhance visitation in slower visitation seasons and introduce visitors to the benefits of frequenting the area throughout the year.

Events have long been a part of the Rehoboth Beach-Dewey Beach community and have helped to bind together local residents, businesses and visitors. In doing so, a very special resort area has been formed where making events a memory and part of a family experience is the ultimate in event return. Memories are made in a clean, safe, friendly and fun atmosphere.

Economic Impact Formula

Based on the conservative average economic value of a day visitor of \$100 per visitor per day, and an equally conservative average economic value of an overnight visitor of \$200 per visitor per night, the chart below is a sample of the economic impact of visitation to the local economy.

**BASIC FORMULA: Number of Visitors x Impact Value x Number of Days = Total Economic Impact**

<b>NUMBER OF VISITORS</b>	<b>x IMPACT VALUE</b>	<b>x NUMBER OF DAYS</b>	<b>= TOTAL ECONOMIC IMPACT</b>
5,000	<b>\$100</b>	1	<b>\$500,000</b>
10,000	<b>\$100</b>	1	<b>\$1,000,000</b>
20,000	<b>\$100</b>	1	<b>\$2,000,000</b>
30,000	<b>\$100</b>	1	<b>\$3,000,000</b>
5,000	<b>\$200</b>	1	<b>\$1,000,000</b>
10,000	<b>\$200</b>	1	<b>\$2,000,000</b>
20,000	<b>\$200</b>	1	<b>\$4,000,000</b>
30,000	<b>\$200</b>	1	<b>\$6,000,000</b>

**EXAMPLE – SEA WITCH FESTIVAL – 3 DAY FESTIVAL**

<b>NUMBER OF VISITORS</b>	<b>x IMPACT VALUE</b>	<b>x NUMBER OF DAYS</b>	<b>= TOTAL ECONOMIC IMPACT</b>
75,000	\$100	<b>3</b>	\$22,500,000
75,000	\$200	<b>3</b>	\$45,000,000
<b>COMBINED TOTAL NUMBER OF VISITORS</b>			<b>COMBINED TOTAL ECONOMIC IMPACT</b>
150,000			\$67,500,000

## REFERENCES

(1). . . by developing community resources. The organizers who are responsible for the administrative aspects of the festival, whether they are paid workers or not, must interact with the local business and the general community to make arrangements about the festival.

(1). . . encourages a stronger interaction between existing community organizations . . .

(1). . . encourage more effective use of local educational, business and community spaces. . .

(1). . . Thus, “celebrations and festivals have the potential for strengthening communities and uniting people”. . .

*(1) Journal of Convention & Event Tourism Vol. 8(2) 2006, Festival Attendance and the Development of Social Capital, Charles Arcodia, PhD and Michelle Whitford, PhD, The Haworth Press*

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(2). . . tangible, such as additional income, tax revenues for locals, and intangible benefits such as renewal of community pride, enhanced image of the place. . .

(2). . . perceived impacts of tourism into the three traditional categories of economic, physical, and social, but they pointed out that these were frequently overlapped. . .

*(2) Journal of Hospitality & Leisure Marketing, Vol. 10(3/4) 2003, Perceived Socio-Economic Impacts of Festivals and Events Among Organizers, Kyungmi Kim and Muzaffer Uysal, The Haworth Press*