



CITY OF

**PORTLAND, OREGON**

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**PRESENTATION TO COUNCIL**

May 15<sup>th</sup>, 2014

**TO:** Mayor Charlie Hales  
Commissioner Fish  
Commissioner Novick  
Commissioner Saltzman  
Auditor LaVonne Griffin-Valade

**FROM:** Commissioner Amanda Fritz 

**SUBJECT:** Oregon Food Bank Presentation

Oregon Food Bank will be presenting to Council their study on the Economic Impact of the 2013 Waterfront Blues Festival. The study found that the total economic impact is \$17.6 million. Copies of the study, completed by Jeff Dense of Eastern Oregon University, are attached.

January  
2013



## Waterfront Blues Festival brings millions to Portland's economy

The Waterfront Blues Festival is the largest blues festival west of the Mississippi and the second-largest festival in the nation. It is also Oregon Food Bank's biggest fundraiser. This annual event brings over 100,000 visitors to Portland's Waterfront Park every 4<sup>th</sup> of July weekend.

Last year, Oregon Food Bank hired an independent consulting firm to conduct a study of the Waterfront Blues Festival. The purpose of the study was to further understand the demographic and economic trends driving the festival's long-term success and to measure the economic impact of the festival on the Portland area.

The study found that the Waterfront Blues Festival makes a significant economic contribution to Portland's economy, attracting people both locally and from all over the world to its four full days of live entertainment. In total, the economic impact of the festival was \$17.6 million. Accommodations, food and drink and other recreational activity composed the bulk of that impact. On average, each visiting attendee spent \$597, directly benefiting Portland's businesses and supporting the local economy.

Additionally, the study found that most attendees had visited the festival before and more than half were over the age of 50. In addition, nearly half of the patrons that attended lived outside the Portland metro area. These demographic markers will help Oregon Food Bank further market the festival and increase its appeal.

TOTAL  
ECONOMIC  
IMPACT **\$17.6** million

accommodations  
**\$5.8** million



 food and drink  
**\$4.2** million

other recreation  
**\$2.6** million



visiting attendees  
spent on average **\$597**

**47%** of attendees from outside  
the Portland area

percent of attendees 50  
years of age and older **60%**

**27.4%** of attendees  
used SmartPark



percent of attendees  
utilizing mass transit **26.6%**



**THE ECONOMIC IMPACT  
OF THE 2013  
WATERFRONT BLUES FESTIVAL**

Jeff Dense  
Eastern Oregon University  
October 7, 2013

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## ACKNOWLEDGEMENTS

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## INTRODUCTION

The 25<sup>th</sup> annual Waterfront Blues Festival (WBF) was held July 4-7, 2013 at Tom McCall Waterfront Park in Portland, Oregon. With an estimated attendance of over 98,000, the Waterfront Blues Festival is one of America's largest blues festivals. Given the considerable number of blues enthusiasts who travel lengthy distances at considerable cost, it can be argued blues festivals have a significant impact on the local economy. This study estimates the economic impact of the 2013 Waterfront Blues Festival.

Jeff Dense, Professor of Political Science at Eastern Oregon University, and individuals recruited by Oregon Food Bank, organizers of the WBF, conducted 1179 interviews of Waterfront Blues Festival attendees on July 4-7, 2013. In addition to providing demographic information, WBF attendees were asked to provide expenditure data for several key tourism-related spending categories: (1) Accommodations, (2) Meals, Food and Drink, (3) Transportation, which includes rental cars, taxicabs and mass transit, (4) Gasoline, which includes gasoline purchased to travel to WBF and for rental cars, (5) Festival related expenditures, (6) Non-festival related amusement and recreation, and (7) Retail purchases. These categories have been utilized by prior peer-reviewed studies to estimate the economic impact of tourism on local economies.<sup>1</sup> Each of these expenditure categories correlates with an industry sector in the IMPLAN (Impact Analysis for PLANning) statistical software package utilized to estimate the economic impact of the Waterfront Blues Festival.

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The study utilized IMPLAN data and software package to estimate the economic impact of the Waterfront Blues Festival on Multnomah County. IMPLAN uses county level data to estimate input-output models for regions down to a county level. IMPLAN generates a complete set of economic accounts within up to 528 sectors for the region, including multipliers which were utilized to estimate indirect and induced economic impacts derived from WBF attendees. Two of the key inputs utilized by IMPLAN to estimate the impact of the Waterfront Blues Festival on the local economy center on ascertaining the number of out-of-town visitors along with the development of a per visitor spending profile by sector. These two variables provide the basis of an informed estimate of the direct and indirect economic impact of the Oregon Blues Festival.

Given the number (N=1179) of attendees sampled, the study's estimated economic impact is within a statistical margin of error of +/- 2.84% at the 95% confidence level, within the generally accepted parameters for social science research. The survey was administered during two daily sessions each of the four days of the festival (12 noon and 5 pm), with approximately 150 surveys administered to attendees at each of the sessions. In order to garner a representative sample, the survey was administered throughout the festival grounds, with a proximate number of surveys administered in each of the three primary stage areas throughout the festival location. In order to obtain an accurate estimate of attendee spending, only one copy of the survey instrument was administered per household.

There are several anticipated benefits to this research effort. Waterfront Blues Festival organizers and representatives of the tourism industry will be able to better market their product as a result of the demographic, expenditure and economic impact analysis underlying this research effort. WBF organizers can fine-tune festival planning as a result of the findings of this study. Finally, public officials should take heed to the results of this study, which demonstrates an immutable fact: Besides its weighty social and cultural significance, the Waterfront Blues Festival makes a significant economic contribution to the local economy.



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## EXECUTIVE SUMMARY

A survey of 1,179 attendees at the 25<sup>th</sup> annual Waterfront Blues Festival (WBF) was administered July 4-7, 2013. WBF attendees were asked a range of questions, including demographics (age, gender, residence), along with inquiries as to expenditure patterns attributable to their attendance at the festival. The results of the survey and ensuing economic impact analysis indicate:

- **The 2013 Waterfront Blues Festival generated an estimated economic impact of \$17.6 Million.** The total estimated economic impact consists of Direct (\$12.4 Million) and Indirect (\$5.2 Million) outputs. The lodging (\$4.8 Million) and food and drink (\$3.8 Million) industries were the primary drivers of the direct economic impact of the WBF.
- **The \$5.2 Million indirect economic impact of the Waterfront Blues Festival affects a number of local industries.** Thirteen industries benefited indirectly from the festival in excess of \$100,000, while another 58 industries received indirect economic impacts of \$10,000-\$99,999. Real estate (\$.62 Million) was the primary industry sector benefitting from the indirect economic impact generated by the WBF.
- **The 2013 Waterfront Blues Festival generated a total added value of \$6.9 Million.** Employee compensation (\$4.21 Million) and indirect business taxes (\$.87 Million) further contributed to the direct economic impact of the Waterfront Blues Festival.
- **Visiting Waterfront Blues Festival attendees spent an average of \$597.** Southwest Washington visitors spend a similar amount (\$395) as non-Portland based Oregon residents (\$376), while out-of-state attendees (\$838) spend a comparable amount to international visitors (\$983).
- **Accommodations (\$5.75 Million) accounted for the largest share of Waterfront Blues Festival visitor expenditures.** Food and drink (\$4.2 Million) expenditures were the other primary expenditure category for Waterfront Blues Festival attendees.
- **Nearly half of Waterfront Blues Festival attendees were out-of-town visitors.** 47.1% of WBF attendees came from beyond Portland, including Southwest Washington (8.6%), Oregon residents (14.7%), out-of-state (21.3%), and international visitors (2.5%).
- **A majority (60.5%) of Waterfront Blues Festival attendees were more than 50 year old.** Nearly three-fourths (74.1%) of WBF attendees were over 40 years of age.
- **Women accounted for a majority (50.2%) of Waterfront Blues Festival attendees.** With the exception of Thursday (43%), women constituted a majority of WBF attendees each day of the festival.
- **Nearly half (44.1%) of Waterfront Blues Festival attendees indicated they had attended the festival five years or more.** A quarter (26.1%) of survey respondents indicated they have visited the WBF more than 10 years. Conversely, more than a quarter (27.7%) of 2013 WBF attendees were visiting the festival for the first time.
- **Waterfront Blues Festival visitors came from 28 states and 6 foreign countries.** Washington (16.5%) and California (6.2%) were the leading sources of out-of-state WBF visitors, while Canada (2%) was the primary source for international visitors. Washington, California and Canada accounted for nearly a quarter (24.7%) of WBF attendees.
- **Over a quarter (26.6%) of Waterfront Blues Festival attendees utilized mass transit to attend the festival.** A similar amount (27.4%) used the City of Portland's SmartPark parking facilities while attending the WBF.
- **Over a third (34.9%) of WBF attendees indicated they personally knew someone who had benefitted from the hard work of Oregon Food Bank.** Nearly seventy percent (69.5%) of survey respondents indicated they had donated to OFB.

## ATTENDEE DEMOGRAPHICS

### *Years of Attendance*

The results of the 2013 Waterfront Blues Festival survey indicate the vast majority of attendees had previously visited the WBF. Nearly half (44.1%) of WBF attendees surveyed indicated they had visited the festival at least 5 years, with a quarter (26.1%) having attended 10 or more years. On the other end of the visitor frequency spectrum, a quarter (27.7%) of WBF attendees were visiting the festival for the first time, and two out of five (41.2%) were either first or second time attendees. Thursday (34%) saw the highest percentage of first time Waterfront Blues Festival attendees, while the weekend festival sessions (Friday=25.8%, Saturday=26.2%, Sunday=24.5%) drew a similar percentage of first time visitors.

**TABLE 1. YEARS OF FESTIVAL ATTENDANCE**

|     | Thursday | Friday | Saturday | Sunday | Total | Percentage |
|-----|----------|--------|----------|--------|-------|------------|
| 1   | 102      | 75     | 77       | 72     | 326   | 27.7%      |
| 2   | 35       | 41     | 46       | 37     | 159   | 13.5%      |
| 3   | 14       | 24     | 31       | 29     | 98    | 8.3%       |
| 4   | 17       | 18     | 23       | 20     | 78    | 6.6%       |
| 5   | 19       | 31     | 24       | 18     | 92    | 7.8%       |
| 6   | 17       | 6      | 12       | 12     | 47    | 4.0%       |
| 7   | 10       | 6      | 5        | 13     | 34    | 2.9%       |
| 8   | 7        | 5      | 12       | 9      | 33    | 2.8%       |
| 9   | 2        | 0      | 1        | 3      | 6     | 0.5%       |
| 10  | 16       | 16     | 25       | 21     | 78    | 6.6%       |
| 11  | 4        | 9      | 5        | 5      | 23    | 2.0%       |
| 12  | 6        | 5      | 1        | 2      | 14    | 1.2%       |
| 13  | 3        | 2      | 1        | 2      | 8     | 0.7%       |
| 14  | 0        | 1      | 2        | 2      | 5     | 0.4%       |
| 15  | 13       | 5      | 9        | 11     | 38    | 3.2%       |
| 16  | 0        | 2      | 1        | 2      | 5     | 0.4%       |
| 17  | 5        | 1      | 0        | 0      | 6     | 0.5%       |
| 18  | 4        | 3      | 1        | 4      | 12    | 1.0%       |
| 19  | 1        | 1      | 0        | 1      | 3     | 0.3%       |
| 20+ | 25       | 40     | 18       | 31     | 114   | 9.8%       |

*Age*

An evaluation of the attendance patterns of Waterfront Blues Festival attendees by day and age reveals several interesting insights. The importance of ‘seasoned’ blues aficionados towards the fiscal success of the Waterfront Blues Festival cannot be understated. An analysis of WBF survey data indicates over well over half (60.5%) of festival attendees were over 50 years of age. Conversely, only 13.8% were less than 30 years of age. The 40+ age group accounted for three-quarters (74.1%) of all WBF attendees.

**TABLE 2. AGE GROUPS BY DAY**

|                   | 21-29        | 30-39        | 40-49        | 50-59        | 60+          |
|-------------------|--------------|--------------|--------------|--------------|--------------|
| Thursday          | 65           | 38           | 27           | 90           | 78           |
| Friday            | 25           | 35           | 46           | 99           | 86           |
| Saturday          | 48           | 38           | 45           | 85           | 78           |
| Sunday            | 24           | 31           | 42           | 123          | 72           |
| Total             | 162          | 142          | 160          | 397          | 314          |
| <b>Percentage</b> | <b>13.8%</b> | <b>12.1%</b> | <b>13.6%</b> | <b>33.8%</b> | <b>26.7%</b> |

Thursday saw the highest percentage (21.8%) of attendees less than 30 years of age, while “Sensational Sunday” drew the highest percentage (66.8%) of ‘seasoned’ 50+ attendees. The significant portion of ‘seasoned’ blues aficionados in attendance at the WBF has significant consequences on the economic impact of the 2013 Waterfront Blues Festival .It can be logically inferred the 40+ age demographic, and moreover, the ‘seasoned’ 50+ WBF attendee, has more disposable income than their younger counterparts, and is willing to travel at considerable cost to events such as the Waterfront Blues Festival, providing a significant boost to the local economy.

**TABLE 3. PERCENTAGE OF AGE GROUP BY DAY**

|          | 21-29 | 30-39 | 40-49 | 50-59 | 60+   |
|----------|-------|-------|-------|-------|-------|
| Thursday | 21.8% | 12.8% | 9.1%  | 30.2% | 26.2% |
| Friday   | 8.6%  | 12.0% | 15.8% | 34.0% | 29.6% |
| Saturday | 16.3% | 12.9% | 15.3% | 28.9% | 26.5% |
| Sunday   | 8.2%  | 10.6% | 14.4% | 42.1% | 24.7% |

*Gender*

One of the most intriguing findings unearthed by this survey is the proportion of females in attendance at the 2013 Waterfront Blues Festival. Slightly over half (50.2%) of survey respondents were female. Thursday saw the highest number (57%) of male attendees at WBF, while “Sensational Sunday” drew the highest percentage (55.8%) of females. The similar percentage of male and female attendees is reflective of the ‘couple friendly’ nature of the Waterfront Blues Festival.

**TABLE 4. PERCENTAGE OF GENDER BY DAY**

|                   | Male         | Female       | Male% | Female% |
|-------------------|--------------|--------------|-------|---------|
| Thursday          | 171          | 129          | 57.0% | 43.0%   |
| Friday            | 142          | 149          | 48.8% | 51.2%   |
| Saturday          | 144          | 150          | 49.0% | 51.0%   |
| Sunday            | 130          | 164          | 44.2% | 55.8%   |
| <b>Total</b>      | <b>587</b>   | <b>592</b>   |       |         |
| <b>Percentage</b> | <b>49.8%</b> | <b>50.2%</b> |       |         |

*Attendee Origin*

The economic impact of the Waterfront Blues Festival on the local economy is closely aligned with the ability to attract attendees from outside the Portland area. These out-of-town visitors bring ‘new’ money into the local economy, while Portland-based residents are redirecting existing expenditures within the local market. The economic impact of WBF is further compounded by attendees from outside the Portland area incurring additional expenditures related to their festival attendance, such as hotel and motel lodging, meals and drinks, rental cars, retail purchases, and non-festival related amusement and recreation. A sizeable percentage of out-of-town WBF visitors hold the potential for a significant impact on the local economy.

The results of the survey indicate nearly half of 2013 Waterfront Blues Festival attendees were from beyond the confines of the City of Portland and the Portland area. 47.1% of WBF attendees were from outside the local region, and are the primary drivers of the economic impact of the Waterfront Blues Festival. Of particular interest to tourism officials and festival organizers is the percentage of WBF attendees who travel from other states and countries to attend the Waterfront Blues Festival. Particularly noteworthy, from an economic impact perspective, is the fact over a fifth (21.3%) of 2013 WBF attendees were from states other than Oregon. In tandem with Southwest Washington residents (8.6%), Oregon visitors from outside the Portland region (14.7%), and international visitors (2.5%). The considerable percentage and number of out-of-town attendees portends a significant economic impact of the Waterfront Blues Festival on the local economy.

**TABLE 5. ATTENDEE ORIGIN BY DAY**

|                   | Portland     | Portland Area | SW Wash.    | Oregon not PDX | Other State  | Other Country |
|-------------------|--------------|---------------|-------------|----------------|--------------|---------------|
| Thursday          | 94           | 79            | 15          | 31             | 70           | 11            |
| Friday            | 81           | 64            | 21          | 49             | 67           | 8             |
| Saturday          | 79           | 72            | 28          | 48             | 62           | 5             |
| Sunday            | 80           | 76            | 37          | 45             | 52           | 5             |
| <b>Total</b>      | <b>334</b>   | <b>291</b>    | <b>101</b>  | <b>173</b>     | <b>251</b>   | <b>29</b>     |
| <b>Percentage</b> | <b>28.3%</b> | <b>24.7%</b>  | <b>8.6%</b> | <b>14.7%</b>   | <b>21.3%</b> | <b>2.5%</b>   |

An analysis of the percentage of WBF attendees by day reveals a steady pattern of attendance by locals over the four days of the festival, with Portland residents being the primary attendees each day, followed closely by their Portland area neighbors. “Sensational Sunday” saw an uptick in the number of attendees from Southwest Washington (12.5%), mirroring a similar decrease in the number of WBF attendees from states other than Oregon (17.6%).

**TABLE 6. PERCENTAGE OF ATTENDEES BY RESIDENCE BY DAY**

|          | Portland | Portland Area | SW Wash. | Oregon not PDX | Other State | Other Country |
|----------|----------|---------------|----------|----------------|-------------|---------------|
| Thursday | 31.3%    | 26.3%         | 5.0%     | 10.3%          | 23.3%       | 3.7%          |
| Friday   | 27.9%    | 22.1%         | 7.2%     | 16.9%          | 23.1%       | 2.8%          |
| Saturday | 26.8%    | 24.5%         | 9.5%     | 16.3%          | 21.1%       | 1.7%          |
| Sunday   | 27.1%    | 25.8%         | 12.5%    | 15.3%          | 17.6%       | 1.7%          |

An interesting fact unearthed as part of this analysis is the relatively low percentage (2.5%) of international visitors to the 2013 Waterfront Blues Festival. The overwhelming percentage (79.3%) of international visitors to the WBF was from Canada. This finding should be heeded by WBF marketing and local tourism officials. International visitors incur considerable expenses in traveling to events such as the Waterfront Blues Festival, and thus have a significant positive impact on the local economy.

**TABLE 7. INTERNATIONAL ATTENDEES BY COUNTRY**

|                | Total |
|----------------|-------|
| Canada         | 23    |
| United Kingdom | 2     |
| Scotland       | 1     |
| Zambia         | 1     |
| Mexico         | 1     |
| Norway         | 1     |

Waterfront Blues Festival attendees from states other than Oregon constitute a sizeable (23.1%), and economically important, residential demographic group at the festival. Over half (55.1%) of all out-of-state US-based WBF attendees were from the state of Washington, while a fifth (20.7%) of out-of-state festival attendees were from California. In terms of total WBF attendance, attendees from Washington (16.5%), California (6.2%) and Canada (2%) accounted for nearly a quarter (24.7%) of all attendees at the 2013 Waterfront Blues Festival. The demographic profile of the 2013 WBF, featuring a noteworthy percentage of out-of-state and international attendees, underpins the weighty economic impact of the Waterfront Blues Festival.

**TABLE 8. NON-OREGON ATTENDEES BY STATE**

|                | <b>Total</b> |
|----------------|--------------|
| Washington     | 194          |
| California     | 73           |
| Idaho          | 11           |
| Arizona        | 9            |
| Nevada         | 5            |
| Virginia       | 5            |
| Montana        | 5            |
| Alaska         | 5            |
| Florida        | 4            |
| Colorado       | 4            |
| Minnesota      | 3            |
| Texas          | 3            |
| New Mexico     | 3            |
| Pennsylvania   | 3            |
| West Virginia  | 2            |
| Tennessee      | 2            |
| Illinois       | 2            |
| Michigan       | 2            |
| Hawaii         | 2            |
| Mississippi    | 1            |
| South Dakota   | 1            |
| New York       | 1            |
| Louisiana      | 1            |
| Iowa           | 1            |
| Ohio           | 1            |
| North Carolina | 1            |
| New Hampshire  | 1            |
| Alabama        | 1            |

*Festival Attendees and Oregon Food Bank*

Waterfront Blues Festival attendees were queried to determine if they had donated to Oregon Food Bank (OFB), and whether they knew someone who had benefitted from the services of Oregon Food Bank. While the structure of the former query did not explicitly preclude donations made at the WBF, the majority of survey respondents indicated they had made a donation to Oregon Food Bank in the last year. Over three-fourths of Portland (76.6%) and Portland Area (77%) respondents indicated they had made a contribution to OFB, while a similar percentage of Southwest Washington (71.3%) and Oregon residents from beyond the Portland region (70.5%) also indicated they had made donations to Oregon Food Bank. While the generosity of spirit of Waterfront Blues Festival attendees is to be commended, future iterations of the study need to clearly indicate donations to Oregon Food Bank made at the WBF should be excluded from survey responses.

**TABLE 9. OREGON FOOD BANK DONATIONS**

|                   | Portland     | Portland Area | SW Wash.     | Oregon not PDX | Other State  | Other Country | Total        |
|-------------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|
| Thursday          | 69           | 60            | 10           | 19             | 42           | 2             | 202          |
| Friday            | 65           | 55            | 16           | 39             | 36           | 2             | 213          |
| Saturday          | 61           | 51            | 21           | 34             | 33           | 4             | 204          |
| Sunday            | 61           | 58            | 25           | 30             | 24           | 2             | 200          |
| <b>Total</b>      | <b>256</b>   | <b>224</b>    | <b>72</b>    | <b>122</b>     | <b>135</b>   | <b>10</b>     | <b>819</b>   |
| <b>Percentage</b> | <b>76.6%</b> | <b>77.0%</b>  | <b>71.3%</b> | <b>70.5%</b>   | <b>53.8%</b> | <b>34.5%</b>  | <b>69.5%</b> |

The below table indicates the percentage of Portland area residents who indicated they had contributed to Oregon Food Bank was higher than the percentage of Portland residents on Thursday (+2.5%) and Friday (+5.7%). Conversely, Saturday saw a higher percentage (+4.2%) of contributors from Southwest Washington than Portland area residents. While the previous caveat applies to this analysis of percentage of OFB donations by residence, it is clear Oregon Food Bank donations accrue from a geographically disperse area.

**TABLE 10. PERCENTAGE OF OREGON FOOD BANK DONATIONS**

|          | Portland | Portland Area | SW Wash. | Oregon not PDX | Other State | Other Country | Total        |
|----------|----------|---------------|----------|----------------|-------------|---------------|--------------|
| Thursday | 73.4%    | 75.9%         | 66.7%    | 61.3%          | 60.0%       | 18.2%         | <b>67.3%</b> |
| Friday   | 80.2%    | 85.9%         | 76.2%    | 79.6%          | 53.7%       | 25.0%         | <b>73.4%</b> |
| Saturday | 77.2%    | 70.8%         | 75.0%    | 70.8%          | 53.2%       | 80.0%         | <b>69.4%</b> |
| Sunday   | 76.3%    | 76.3%         | 67.6%    | 66.7%          | 46.2%       | 40.0%         | <b>67.8%</b> |



A more enlightening measure centers on whether 2013 Waterfront Blues Festival survey respondents personally knew someone who had benefitted from the hard work of Oregon Food Bank. More than a third (34.9%) of respondents indicated they personally knew someone who had benefitted from OFB. A similar percentage of Portland (45.5%), Portland area (44.3%) and Oregon residents from beyond the Portland region (41.6%) indicated they knew someone who had benefitted from Oregon Food Bank. Surprisingly, more than a quarter (26.7%) of Southwest Washington residents indicated they knew someone who had benefitted from Oregon Food Bank's services. Given the low percentage of positive responses from other states (11.6%) and countries (10.3%), one must wonder whether this may present a viable outreach opportunity for OFB to gather much needed donations from non-Oregon residents.

**TABLE 11. KNOW SOMEONE WHO HAS BENEFITTED FROM OFB**

|                   | Portland     | Portland Area | SW Wash.     | Oregon not PDX | Other State  | Other Country | Total        |
|-------------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|
| Thursday          | 47           | 33            | 4            | 10             | 6            | 0             | 100          |
| Friday            | 36           | 25            | 9            | 18             | 5            | 2             | 95           |
| Saturday          | 35           | 27            | 8            | 24             | 9            | 0             | 103          |
| Sunday            | 34           | 44            | 6            | 20             | 9            | 1             | 114          |
| <b>Total</b>      | 152          | 129           | 27           | 72             | 29           | 3             | 412          |
| <b>Percentage</b> | <b>45.5%</b> | <b>44.3%</b>  | <b>26.7%</b> | <b>41.6%</b>   | <b>11.6%</b> | <b>10.3%</b>  | <b>34.9%</b> |

Table 12 below indicates minimal daily variance of the percentage of respondents who indicated they personally knew someone who had benefitted from the hard work of Oregon Food Bank. However, there was some variability in response patterns within residential categories, as Thursday attendees from Portland (50%), Sunday attendees from the Portland area (52.6%), Friday attendees from Southwest Washington (42.9%), and Saturday attendees from Oregon beyond the Portland region (50%) responded more frequently they knew someone who had benefitted from the hard work of Oregon Food Bank than did their residential cohorts from other days of the festival.

**TABLE 12. PERCENT KNOW SOMEONE WHO HAS BENEFITTED FROM OFB**

|          | Portland | Portland Area | SW Wash. | Oregon not PDX | Other State | Other Country | Total        |
|----------|----------|---------------|----------|----------------|-------------|---------------|--------------|
| Thursday | 50.0%    | 41.8%         | 26.7%    | 32.3%          | 8.6%        | 0.0%          | <b>33.3%</b> |
| Friday   | 37.0%    | 39.1%         | 42.9%    | 36.7%          | 7.5%        | 25.0%         | <b>32.6%</b> |
| Saturday | 44.3%    | 37.5%         | 28.6%    | 50.0%          | 14.5%       | 0.0%          | <b>35.0%</b> |
| Sunday   | 42.5%    | 52.6%         | 16.2%    | 44.4%          | 17.3%       | 20.0%         | <b>38.8%</b> |

*Mass Media and the Waterfront Blues Festival*

The final demographic query focuses on Oregon Food Bank marketing efforts in support of the 2013 Waterfront Blues Festival. Attendees were asked what media sources they had utilized to learn about the WBF. As Southwest Washington is considered to be within the Portland media market, responses from the Portland, Portland area and Southwest Washington areas were combined into the local category. A number of attendees indicated multiple information sources were used to obtain information about the Waterfront Blues Festival.

The survey results indicated friends and family were the primary source of information about the Waterfront Blues Festival for both local (46.3%) and non-local (43.1%) attendees. Newspapers (29.2%) and radio (22.2%) were frequently cited by local residents as media sources where WBF information was procured, with magazines (3.2%) infrequently mentioned. The most significant, and cost effective, category of growth appears to be social media (17.1% for locals, 14.3% for non-locals). WBF marketing officials, in tandem with tourism industry representatives, should consider directing further advertising and information efforts into this emerging media category. Additionally, note the primary (optional) written response given within the "Other" category which accounted for the second highest percentage of responses for both local (31.5%) and non-local (33%) respondents was WBF attendee already knew about the festival, buttressed by the high percentage of repeat attendees to the Waterfront Blues Festival.

**TABLE 13. MEDIA, OTHER SOURCES UTILIZED TO LEARN ABOUT WBF**

|                | Local | Non-Local |
|----------------|-------|-----------|
| Newspaper      | 29.2% | 4.4%      |
| Radio          | 22.2% | 7.9%      |
| Magazine       | 3.2%  | 2.7%      |
| Social Media   | 17.1% | 14.3%     |
| Friends/Family | 46.3% | 43.1%     |
| Other          | 31.5% | 33.0%     |

## ATTENDEE EXPENDITURE ANALYSIS

### *Accommodations*

The 2013 Waterfront Blues Festival survey reveals accommodations (hotel and motel lodging) account for the largest share of attendee expenditures. Lodging is considered a *basic industry* by IMPLAN, as this sector provides services to non-local clients; new dollars are attracted to the area as a result of their activities. These new dollars are the primary determinant of the economic impact of community events like the Waterfront Blues Festival<sup>2</sup> WBF Attendees spent \$5.75 Million to obtain lodging while attending the 2013 Waterfront Blues Festival.

An analysis of WBF attendee per capita accommodation expenditures by residence reveals a tripartite pattern present in several industry sectors. Day visitor spending is substantially different from overnight visitors.<sup>3</sup> City of Portland (\$11.90) and Portland area residents (\$14.75) attending the 2013 WBF spent a minimal amount of funds on accommodations in comparison with their out-of-town counterparts. These locally-derived expenditures are not considered part of the economic impact of the Waterfront Blues Festival, as they are considered redirected, not new, money in the local economy. Similar patterns of spending for accommodations also occur between Southwest Washington residents (\$122.82) and Oregon residents not from the Portland area (\$105.95). The final, and most weighty, similarity emerges as spending patterns for accommodations of WBF attendees from states other than Oregon (\$322.80) mirror those of international visitors (\$408.29).

Hotel and motel lodging purchased by Waterfront Blues Festival attendees hold the potential for a significant direct impact on the local economy and also serves as the nexus for weighty indirect impacts on other sectors such as real estate. Moreover, the transient room tax (6% City of Portland, 5.5% Multnomah County) and Portland Tourism Improvement District Fee (2%) collected as part of these accommodation expenditures underscores the fiscal impact on state and local government attributable to the Waterfront Blues Festival.

**TABLE 14. PER CAPITA ACCOMODATION EXPENDITURES**

|                     | Per Capita Expenditures |
|---------------------|-------------------------|
| City of Portland    | \$11.90                 |
| Portland Area       | \$14.75                 |
| SW Washington       | \$122.82                |
| Oregon not Portland | \$105.95                |
| Other States        | \$322.80                |
| International       | \$408.28                |

While the above chart highlights the lodging industry's significant contribution to the economic impact of the 2013 Waterfront Blues Festival, it is also important to note a number of out-of-town visitors did not purchase lodging as part of attending the WBF. While a majority of WBF attendees from states other than Oregon (55%) and international visitors (51.7%) purchased lodging, over a quarter of attendees from these residential categories stayed with

friends and family while attending the festival. Nearly a third (31.1%) of attendees from other states and close to a quarter (24.1%) of international visitors lodged with friends and family while attending the 2013 Waterfront Blues Festival. Although this may have a detrimental effect on lodging industry expenditures, staying with friends and family frees up funds to spend in other expenditure categories, such as meals and retail purchases.

**TABLE 15. LOCATION OF LODGING**

|                | Home  | Friends/Family | Hotel | Other |
|----------------|-------|----------------|-------|-------|
| SW Washington  | 63.4% | 11.9%          | 21.8% | 3.0%  |
| Oregon not PDX | 42.8% | 28.3%          | 23.1% | 5.8%  |
| Other States   | 6.0%  | 31.1%          | 55.0% | 8.0%  |
| International  | 3.4%  | 24.1%          | 51.7% | 20.7% |

As part of the location of lodging query, attendees were surveyed on the name of the lodging facility they stayed while attending the WBF. The analysis revealed the majority of WBF attendees who obtained hotel lodging stayed within walking distance of the festival. The Marriott Waterfront (56) was the primary lodging beneficiary of the festival, not surprising given the facility's proximity to the festival and nightly festival-related entertainment fare. However, Portland's prolific mass transit scene, illustrated by the MAX light rail system, allowed for WBF attendees to seek (more affordable) lodging outside the downtown Portland area. Irrespective of lodging location patterns, one of the primary economic beneficiaries of the Waterfront Blues Festival, and community festivals in general, is the local lodging industry.

**TABLE 16. LODGING BY SITE**

| Hotel            | # of Visitors |
|------------------|---------------|
| Marriott         | 56            |
| Hilton           | 23            |
| University Place | 17            |
| Hotel 50         | 14            |
| Residence Inn    | 12            |
| Embassy Suites   | 9             |

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### *Meals*

Portland, Oregon is considered one of the best restaurant cities in the United States. As the home of several of the country's most respected restaurants (Le Pigeon, Beast, Paley's Place), farm-to-table dining (Higgins, Wildwood), along with a prolific food cart scene (Nong's Kho Man Gai, Potato Champion), the Waterfront Blues Festival serves as a springboard for WBF attendees to explore Portland's unique and renowned food culture. Meal purchases are a significant component of the economic impact of the 2013 Waterfront Blues Festival.

Food and drink purchased at area restaurants by Waterfront Blues Festival attendees has a significant economic impact on the local economy, and in tandem with lodging expenditures, account for the majority of money spent by WBF attendees. Waterfront Blues Festival attendees spent an estimated \$4.20 Million on meals during the 2013 WBF. Besides the significant direct impact on the local economy, meal expenditures generate a substantial indirect impact. WBF attendees purchase meals in local restaurants, resulting in local restaurant owners purchasing more inputs from local businesses and hiring more workers.<sup>4</sup> The meal purchases by WBF attendees have a sizeable direct and indirect impact on the local economy.

An analysis of Waterfront Blues Festival attendee per capita expenditure data for meals by residence reveals a tripartite spending pattern similar to that unearthed by analysis of per capita accommodation expenditures. City of Portland (\$58.24) and Portland area residents (\$68.62) attending the Waterfront Blues Festival spent significantly less on food and meals than their out-of-town counterparts. Southwest Washington residents (\$108.69) and Oregon residents not from the Portland area (\$104.26) spend a portion more on meal purchases than local WBF attendees. More importantly, a similar and significant spending pattern for food and meals purchases emerges between WBF attendees from states other than Oregon (\$234.94) and international visitors (\$258.10).

**TABLE 17. PER CAPITA MEAL EXPENDITURES**

|                     | Meals    |
|---------------------|----------|
| City of Portland    | \$58.24  |
| Portland Area       | \$68.62  |
| SW Washington       | \$108.69 |
| Oregon not Portland | \$104.26 |
| Other States        | \$234.94 |
| International       | \$258.10 |

### *Transportation*

Given the significant number of out-of-town attendees at the Waterfront Blues Festival, it is reasonable to expect these visitors will incur transportation expenditures related to their attendance at the festival. 2013 WBF attendees spent \$.95 Million in transportation related expenditures. A tripartite spending pattern emerges in the transportation category along the lines of the lodging and meal expenditure categories. Residents of Portland (\$8.89), the Portland area (\$4.39) spend a comparable amount on transportation, while, Southwest Washington (\$23.95) and Oregon attendees from other than Portland (\$19.61) spent a similar amount on WBF-related

transportation. Conversely, 2013 WBF attendees from states other than Oregon (\$52.21) and international visitors (\$46.86) spent significantly more on transportation than their locally-based counterparts. Expenditures on transportation related expenses (taxis, rental cars, busses, light rail) by 2013 Waterfront Blues Festival attendees provided a positive boon to the local economy.

**TABLE 18. PER CAPITA TRANSPORTATION EXPENDITURES**

|                     | Transportation |
|---------------------|----------------|
| City of Portland    | \$8.89         |
| Portland Area       | \$4.39         |
| SW Washington       | \$23.95        |
| Oregon not Portland | \$19.61        |
| Other States        | \$52.21        |
| International       | \$46.86        |

Two factors impacting per capita transportation expenditures related to attendance at the 2013 Waterfront Blues Festival are the number of WBF attendees whom utilized mass transit, along with attendees who drove to the festival and used SmartPark parking facilities. The results of the survey indicated over a quarter (26.6%) of WBF attendees utilized mass transit to attend the festival. Residents from Portland (34.7%) and states other than Oregon (31.5%) were more apt to utilize mass transit than Portland area (25.1%) and Southwest Washington (22.8%) residents. Given the affordable, ease of use and environmentally friendly nature of Portland’s mass transit system, this attendance pattern has significant positive impact on the local community.

**TABLE 19. UTILIZE MASS TRANSIT TO ATTEND FESTIVAL**

|              | Portland     | Portland Area | SW Wash.     | Oregon not PDX | Other State  | Other Country | Total        |
|--------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|
| Thursday     | 31           | 21            | 5            | 7              | 20           | 0             | 84           |
| Friday       | 35           | 13            | 5            | 7              | 22           | 1             | 83           |
| Saturday     | 27           | 14            | 7            | 5              | 14           | 0             | 67           |
| Sunday       | 23           | 25            | 6            | 3              | 23           | 0             | 80           |
| <b>Total</b> | <b>116</b>   | <b>73</b>     | <b>23</b>    | <b>22</b>      | <b>79</b>    | <b>1</b>      | <b>314</b>   |
| Percentage   | <b>34.7%</b> | <b>25.1%</b>  | <b>22.8%</b> | <b>12.7%</b>   | <b>31.5%</b> | <b>6.9%</b>   | <b>26.6%</b> |

Further analysis related to mass transit and the 2013 Waterfront Blues Festival indicates a similar percentage of total attendees on Thursday (28%), Friday (28.6%) and Sunday (27.1%) utilized this eco-friendly form of transportation, while slightly less (22.8%) used mass transit to and from Saturday's WBF session. A relatively high percentage (42.2%) of Friday attendees from Portland and Sunday attendees from states other than Oregon (44.2%) employed mass transit to travel to and from the 2013 Waterfront Blues Festival.

**TABLE 20. PERCENTAGE UTILIZING MASS TRANSIT TO ATTEND FESTIVAL**

|          | Portland | Portland Area | SW Wash. | Oregon not PDX | Other State | Other Country | Total        |
|----------|----------|---------------|----------|----------------|-------------|---------------|--------------|
| Thursday | 33.0%    | 26.6%         | 33.3%    | 22.6%          | 28.6%       | 0.0%          | <b>28.0%</b> |
| Friday   | 42.2%    | 21.0%         | 23.8%    | 14.3%          | 32.8%       | 12.5%         | <b>28.6%</b> |
| Saturday | 34.2%    | 19.4%         | 25.0%    | 10.4%          | 22.6%       | 0.0%          | <b>22.8%</b> |
| Sunday   | 28.8%    | 32.9%         | 16.2%    | 6.7%           | 44.2%       | 0.0%          | <b>27.1%</b> |

A related transportation-based query focused on the number of WBF attendees who made use of the city-owned SmartPark parking facilities in downtown Portland. Over a quarter (27.4%) of WBF attendees indicated they utilized SmartPark locations to park their vehicle while attending the 2013 Waterfront Blues Festival. Oregon residents from outside the Portland region (37.6%), along with Southwest Washington visitors (38.6%) and Portland area residents (34.4%) used SmartPark far more often than Portland (20.3%), visitors from states other than Oregon (17.8%) and international attendees (20.7%) to the 2013 Waterfront Blues Festival.

**TABLE 21. UTILIZE SMARTPARK WHILE ATTENDING FESTIVAL**

|                   | Portland     | Portland Area | SW Wash.     | Oregon not PDX | Other State  | Other Country | Total        |
|-------------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|
| Thursday          | 13           | 21            | 3            | 11             | 6            | 2             | 56           |
| Friday            | 18           | 23            | 12           | 19             | 12           | 0             | 84           |
| Saturday          | 17           | 25            | 7            | 16             | 12           | 2             | 79           |
| Sunday            | 20           | 31            | 17           | 19             | 15           | 2             | 104          |
| <b>Total</b>      | <b>68</b>    | <b>100</b>    | <b>39</b>    | <b>65</b>      | <b>45</b>    | <b>6</b>      | <b>323</b>   |
| <b>Percentage</b> | <b>20.3%</b> | <b>34.4%</b>  | <b>38.6%</b> | <b>37.6%</b>   | <b>17.9%</b> | <b>20.7%</b>  | <b>27.4%</b> |

An analysis of the daily usage patterns of SmartPark facilities during the 2013 Waterfront Blues Festival reveals over a third (35.3%) of "Sensational Sunday" attendees utilized SmartPark facilities. Thursday saw the lowest percentage (18.7%) of WBF attendees utilizing SmartPark. This pattern use can be attributable to the SmartPark \$5 all day rate on the weekends as opposed

to the \$10-15 SmartPark weekday rates. In sum, over half (54%) of WBF attendees utilized either mass transit or SmartPark facilities to attend the 2013 Waterfront Blues Festival.<sup>5</sup>

**TABLE 22. PERCENTAGE UTILIZING SMARTPARK**

|          | Portland | Portland Area | SW Wash. | Oregon not PDX | Other State | Other Country | Total        |
|----------|----------|---------------|----------|----------------|-------------|---------------|--------------|
| Thursday | 13.8%    | 26.6%         | 20.0%    | 35.5%          | 8.6%        | 18.2%         | <b>18.7%</b> |
| Friday   | 22.2%    | 32.8%         | 57.1%    | 38.8%          | 17.9%       | 0.0%          | <b>29.0%</b> |
| Saturday | 21.5%    | 34.7%         | 25.0%    | 33.3%          | 19.4%       | 40.0%         | <b>26.9%</b> |
| Sunday   | 25.0%    | 40.8%         | 45.9%    | 42.2%          | 28.8%       | 33.3%         | <b>35.3%</b> |

*Gasoline*

An expenditure closely related to the Transportation sector incurred by Waterfront Blues Festival attendees is the purchase of gasoline, either for rental cars or travel in privately owned automobiles to and from the festival. 2013 WBF attendees spent \$.44 Million on gasoline related to their attendance at the Waterfront Blues Festival. Portland (\$1.78) and Portland area (\$3.43) residents spent minimal amounts on gasoline in comparison with Oregon residents not from the Portland area (\$12.97), WBF attendees from states other than Oregon (\$25.49), and international visitors (\$39.14).

**TABLE 23. PER CAPITA GASOLINE PURCHASES**

|                     | Gasoline |
|---------------------|----------|
| City of Portland    | \$1.78   |
| Portland Area       | \$3.43   |
| SW Washington       | \$7.11   |
| Oregon not Portland | \$12.97  |
| Other States        | \$25.49  |
| International       | \$39.14  |

*Festival*

The centerpiece of WBF attendee activity during their visit to Portland is their time on the festival grounds at Tom McCall Waterfront Park. The results of the survey reveal WBF attendees spent an estimated \$2.10 Million at the 2013 Waterfront Blues Festival. The majority of this total is attributable to the purchases of special ticket (e.g., Patron, Benefactor) packages, Delta Music Experience blues cruise tickets, donations at the gate and sales of pottery at the Empty Bowl booth. Note the estimated expenditure total exceeds the previously publicized record breaking \$1.315 Million total trumpeted<sup>6</sup> by WBF officials. Portland (\$57.65) spent a bit



less on festival purchases than other residential demographic groups, with residents of states other than Oregon (\$89.88) spending the most.

**TABLE 24. PER CAPITA FESTIVAL PURCHASES**

|                     | Festival |
|---------------------|----------|
| City of Portland    | \$57.65  |
| Portland Area       | \$74.75  |
| SW Washington       | \$78.48  |
| Oregon not Portland | \$72.64  |
| Other States        | \$89.88  |
| International       | \$77.41  |

*Amusement and Recreation*

While “The Blues” serves as the primary focus of Waterfront Blues Festival attendee attention, Portland and surrounding areas feature a wide range of amusement and recreational activities. Amusement and recreation expenditures by WBF attendees totaled an estimated \$.74 Million. Portland (\$8.99), Portland area (\$9.57), Southwest Washington (\$13.86) and Oregon residents not from Portland (\$19.57) spend a minimal amount within this expenditure sector (due to their ready access to these amusement and recreation opportunities) while attending the Waterfront Blues Festival. Conversely, WBF attendees from other states (\$45.84) spent considerably more on amusement and recreation than their international (\$18.24) counterparts.

**TABLE 25. PER CAPITA AMUSEMENT EXPENDITURES**

|                     | Non-Festival Amusement |
|---------------------|------------------------|
| City of Portland    | \$8.99                 |
| Portland Area       | \$9.57                 |
| SW Washington       | \$13.86                |
| Oregon not Portland | \$19.57                |
| Other States        | \$45.84                |
| International       | \$18.28                |

*Retail*

The survey results of the 2013 Waterfront Blues Festival demonstrate the effect retail shopping by festival attendees had on the economic impact of the WBF. The study estimates retail purchases by WBF attendees at \$1.42 Million. International (\$135.34) visitors and attendees from states other than Oregon (\$67.54) spent significantly more than their Portland (\$18.88) and Portland area (23.17) counterparts.

**TABLE 26. PER CAPITA RETAIL EXPENDITURES**

|                     | Retail Purchases |
|---------------------|------------------|
| City of Portland    | \$18.88          |
| Portland Area       | \$23.17          |
| SW Washington       | \$40.41          |
| Oregon not Portland | \$41.41          |
| Other States        | \$67.54          |
| International       | \$135.34         |

*Total Expenditures*

An analysis of industry sector-related expenditure data indicates the average Waterfront Blues Festival attendee spent \$368.58 related to their visit to the 2013 WBF. Once again, a tripartite residentially-driven spending pattern emerges. City of Portland attendees (\$166.63) spent a similar amount to Portland area (\$198.68) residents, while Southwest Washington (\$395.32) and non-Portland area Oregon residents (\$376.41) spent a comparable amount. Most importantly, given their centrality to the economic impact of the Waterfront Blues Festival, visitors from other states (\$838.40) provided a significant boost to the local economy, as did international visitors (\$983.41). Based on these expenditure patterns, it is estimated WBF attendees spent approximately \$15.14 Million related to the 2013 Waterfront Blues Festival, with out-of-town visitors, comprising a significant portion of WBF attendees, spending an average of \$596.73 per capita. These expenditure patterns by WBF attendees provide the basis for estimating the economic impact of the 2013 Waterfront Blues Festival.

**TABLE 27. TOTAL PER CAPITA EXPENDITURES**

|                     | Per Capita Expenditures |
|---------------------|-------------------------|
| City of Portland    | \$166.63                |
| Portland Area       | \$198.68                |
| SW Washington       | \$395.32                |
| Oregon not Portland | \$376.41                |
| Other States        | \$838.40                |
| International       | \$983.41                |

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## ECONOMIC IMPACT ANALYSIS

While analysis of 2013 Waterfront Blues Festival attendee demographic and expenditure patterns is beneficial to festival organizers and tourism officials, the primary focus of this report is an estimate of the economic impact of the Waterfront Blues Festival on the local economy. The analysis utilizes IMPLAN, a computer software package. The economic data for IMPLAN comes from data collected by the U. S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 528 distinct producing industry sectors of the national economy. National and county level data are the basis for IMPLAN calculations of input-output tables and multipliers for local areas. This study utilized the Multnomah County database provided by IMPLAN.

The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a local economic area. Multipliers measure total changes in output, income, employment, or value added. Multipliers estimate three components of total change within the local area: (1) *Direct effects* represent the initial change in the industry in question. For tourism this involves the impacts on the tourism industries (businesses selling directly to tourists) themselves; (2) *Indirect effects* are changes in inter-industry transactions as supplying industries respond to increased demands from the directly affected industries. For example, the increased sales in linen supply firms resulting from more hotel spending is an indirect effect of visitor spending;<sup>7</sup> and (3) *Induced effects* reflect changes in local spending that result from income changes in the directly and indirectly affected industry sectors. The current study utilized *Type I Multipliers*, which focus on the direct and indirect economic effect of the industry sector.<sup>8</sup> IMPLAN is considered *Input-Output Analysis*, a method of quantitative economics that portrays macroeconomic activity as a system of interrelated goods and services. In particular, the technique observes various economic sectors as a series of inputs of source materials (or services) and outputs of finished or semi-finished goods (or services).<sup>9</sup>

The current analysis employed expenditure estimates derived from WBF attendee survey data to estimate the economic impact of the 2013 Waterfront Blues Festival. Industry sectors under analysis included 411 (Accommodations), 413 (Meals), 410 (Non-Beer Amusement and Recreation, Festival), 324 (Beer Purchased to Take Home), 326 (Retail Stores, Gasoline) 329 (Retail Stores, General) and 336 (Transportation). The following tables utilize IMPLAN industry sector descriptions. Note the absence of a specific tourism industry sector in IMPLAN. Instead, the current economic impact analysis seeks to identify those industry sectors most closely aligned with the tourism 'industry' as identified in previous tourism impact studies.

While survey data provided a basis for an informed estimate of the economic impact of the 2013 Waterfront Blues Festival, it is important to recognize the limits of the current study:

- WBF attendees were asked to estimate their total expenditures before the end of the festival. In-person surveys may not be as accurate as mail surveys conducted after the conclusion of the festival. However, this is offset by the higher response rate of in-person surveys which reduced the statistical margin of error for the study.
- There may be a self-selection bias to the survey sample, as WBF attendees who completed the survey were given an entry form for a drawing of a poster signed by all festival artists, along with a discount coupon to the Adidas Company Store.
- The utilization of a 90% Local Purchase Percentage to account for 'leakage' outside the local economy may not be wholly accurate. However, without in-depth data as to spending patterns by WBF attendees, necessitating a far lengthier survey instrument

(which would affect response rates) this percentage appears to be a reasonable estimate to account for this economic “leakage”.

- The current version of IMPLAN (v3) utilizes data from 2009. Given the fluid nature of the national (and local) economies, the multipliers and other data employed as part of this analysis may not provide a full and accurate portrayal of the current economy. However, recent updates to IMPLAN do account for inflation via the use of output and GDP deflators.<sup>10</sup>
- The profit percentage utilized by margin industry sectors (re retail and gasoline purchases) may not be accurate. Surveys of local businesses may provide a more accurate statistical measure to be utilized in this facet of the analysis.
- The use of paid personnel to administer the survey must be questioned. The incentive provided by Oregon Food Bank for individuals to assist the chief researcher with the administration of the study may have undercut the due diligence necessary for the collection of accurate data. In particular, one individual used this income opportunity to visit with interviewees, take numerous phone calls, etc. In the future, OFB should consider budgeting for data collection and allow the chief researcher to congregate a trustworthy and dependable team.

While it is important to recognize the shortcomings of the current study, it is equally important to recognize its strengths.

- The relatively large sample size (N=1179) minimizes the statistical margin of error to +/- 2.84% at the 95% confidence level.
- Methodological adjustments addressed the chief researcher’s reliability and validity concerns to provide an accurate estimate of the economic impact of the Waterfront Blues Festival on the local economy.
- Surveys were administered twice daily (12 noon and 5pm) throughout the festival grounds in order to garner a representative sample.
- The utilization of a weighted attendance formula providing an accurate depiction of the number of unique visitors to the WBF, a necessity in order to provide an accurate per-visitor expenditure profile which undergirds the economic impact analysis of the report.

#### *Estimating the Number of Out-of-Town Visitors*

One of the primary methodological issues confronting the study centers on obtaining an accurate estimate of the number of out-of-town visitors to the Waterfront Blues Festival. Money spent from out of town visitors is considered ‘new’ money into the local economy, while purchases made by local residents are considered redirected expenditures and should not be included in the economic impact analysis aspect of the study. Inclusion of locals into economic impact studies is one of the most problematic misapplications of data, undermining the validity and reliability of these important studies. This study assesses the expenditure patterns of local (Portland and Portland area) residents. However, these demographic groups were excluded from the economic impact analysis of the 2013 Waterfront Blues Festival.

A far more vexing methodological issue confronting the study is related to the difficulty of obtaining an accurate estimate of visitors to the 2013 Waterfront Blues Festival. It is important to note the critical difference between estimates of *visitors* and *festival attendance*. Oregon Food Bank, organizers of the Waterfront Blues Festival, provided a festival attendance estimate of 98,546 (Thursday=28,387, Friday=24,559, Saturday=30,600, Sunday (pass required for entry to “Sensational Sunday”) =15,000). However, this attendance estimate must be

distinguished from an estimate of the actual number of ‘unique’ visitors to the festival. As the following chart indicates, a majority of attendees from each residential demographic sector attended the WBF multiple days. Relying solely on attendance figures will not provide an accurate estimate of the number of out-of-town visitors, resulting in over-estimating the economic impact of the 2013 Waterfront Blues Festival.

A comprehensive review of the literature on the economic impact of festivals and community events found no ready solution or procedure for distinguishing attendance totals from the number of actual visitors. While several studies utilized attendee estimates of daily expenditures, the intent of this study, to estimate the total economic impact of the entire festival, precluded this time consuming, and questionably reliable, approach. The study was able to leverage available survey data to develop a methodology for providing an arguably valid and reliable estimate on the number of unique visitors to the Waterfront Blues Festival, which underpins the expenditure and economic impact analysis section of the study.

**TABLE 28. NUMBER OF DAYS ATTENDING FESTIVAL**

|                | 1 Day  | 2 Days | 3 Days | 4 Days |
|----------------|--------|--------|--------|--------|
| Portland       | 38.02% | 20.36% | 16.77% | 24.85% |
| Portland Area  | 38.14% | 21.31% | 12.37% | 28.18% |
| SW Washington  | 36.63% | 20.79% | 20.79% | 21.78% |
| Oregon not PDX | 40.46% | 22.54% | 17.92% | 19.08% |
| Other States   | 24.30% | 16.73% | 19.52% | 39.44% |
| International  | 17.24% | 13.79% | 13.79% | 55.17% |

Several noteworthy patterns can be unearthed from analysis of the above data. It can be argued 1-Day festival attendees should all be considered unique visitors and counted fully as part of the expenditure and subsequent economic impact analysis section of the study. There are a fairly consistent percentage of 1 Day attendees from the Portland (38.02%), Portland Area (38.14%), Southwest Washington (36.63%) and Oregon residents not from Portland (40.46%). Conversely, and most importantly for the this study’s economic impact analysis, the percentage of 1 Day attendees is significantly lower from WBF attendees from states other than Oregon (24.30%) and international attendees (17.24%).

The far more vexing issue which needed to be addressed in order to provide a valid and reliable estimate of expenditure totals and the economic impact of the 2013 WBF is linked to the fact *a majority of festival attendees in each residential category attended the Waterfront Blues Festival multiple days*. This empirical fact is not to be taken lightly. Multiple days of attendance, particularly by out-of-town visitors, has the potential to result in over-estimating expenditures related to attendance at the festival, and consequently, the economic impact of the 2013 Waterfront Blues Festival. Hence, this study employs a weighted attendance formula to estimate the number of unique visitors to the Waterfront Blues Festival.

The weighted attendance regression formula is

$$\#UNIQUE = 1DAY + (2DAY \times .5) + (3DAY \times .33) + (4DAY \times .25) + E$$

Where

#UNIQUE = The number of unique visitors to the Waterfront Blues Festival

1DAY= Waterfront Blues Festival attendees who attended 1 day

2DAY= Waterfront Blues Festival attendees who attended 2 days

3DAY= Waterfront Blues Festival attendees who attended 3 days

4DAY= Waterfront Blues Festival attendees who attended 4 days

E= error term<sup>11</sup>

One of the assumptions undergirding this methodological approach is the percentage of total festival attendees for each residential category is commensurate with the information in Table 5, which depicts the percentage of WBF attendees by residential category. The number of total attendees for each residential category was then imputed from the total attendance figure (98,546) provided by Oregon Food Bank.<sup>12</sup> These total attendance estimates for each residential category are provided in parenthesis in the below chart. Calculation of the above formula resulted in the below estimate of unique visitors to the 2013 Waterfront Blues Festival.

**TABLE 29. WEIGHTED ATTENDANCE BY RESIDENCE**

|                            | 1 Day<br>(100%) | 2 Days<br>(50%) | 3 Days<br>(33%) | 4 Days<br>(25%) | Total         | Percentage    |
|----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|
| Portland (27,917)          | 10,614          | 2,482           | 1,545           | 1,734           | <b>16,375</b> | <b>58.66%</b> |
| Portland Area (24,323)     | 9,277           | 2,592           | 993             | 1,714           | <b>14,576</b> | <b>59.94%</b> |
| SW Washington (8,442)      | 3,092           | 1,178           | 579             | 460             | <b>5,309</b>  | <b>62.89%</b> |
| Oregon not PDX<br>(14,460) | 5,851           | 1,630           | 855             | 690             | <b>9,026</b>  | <b>62.42%</b> |
| Other States (20,980)      | 5,098           | 1,755           | 1,351           | 2,069           | <b>10,273</b> | <b>48.97%</b> |
| International (2,424)      | 418             | 167             | 110             | 334             | <b>1,029</b>  | <b>42.45%</b> |
| <b>UNIQUE VISITORS</b>     | <b>34,350</b>   | <b>9,804</b>    | <b>5,433</b>    | <b>7,001</b>    | <b>56,588</b> | <b>57.42%</b> |

While the overall weighted attendance estimate (56,588) of unique visitors is 57.42% of the total (98,546) attendance at the WBF, this percentage varies widely across residential categories. Most importantly, in terms of estimating expenditure totals and the ensuing economic impact analysis linked to those expenditure estimates, is the relatively low percentage of unique visitors from the states other than Oregon (48.97%) and international attendees (42.45%) residential categories. The importance of ascertaining an accurate estimate of the number of unique visitors can't be underestimated, as it predicates the study's estimates of festival attendee expenditures, and the ensuing estimate of the economic impact of the Waterfront Blues Festival.

*Direct Economic Impact*

Analysis revealed the 2013 Waterfront Blues Festival had an estimated direct economic impact of \$12.42 million dollars.<sup>13</sup> The hotel and motel industry sector (\$4.81 Million), along with the food and drink industry (\$3.78 Million) were the primary drivers of the direct economic impact of the Waterfront Blues Festival on the local economy.<sup>14</sup>

**TABLE 30. DIRECT ECONOMIC IMPACT BY SECTOR**

| Description                                 | Direct Impact         |
|---|-----------------------|
| Hotels and motels, including casino hotels  | \$4,810,140.4         |
| Food services and drinking places           | \$3,777,488.4         |
| Other amusement and recreation industries   | \$2,558,083.5         |
| Transit and ground passenger transportation | \$857,440.2           |
| Retail Stores - General merchandise         | \$349,239.6           |
| Retail Stores - Gasoline stations           | \$65,372.4            |
| <b>TOTAL DIRECT ECONOMIC IMPACT</b>         | <b>\$12,417,764.5</b> |

*Indirect Economic Impact*

While it is readily apparent the Waterfront Blues Festival has a significant positive direct economic impact on the local economy, analysis of the estimated indirect economic impact generated by the 2013 WBF further reveals the scope and depth of this economic contribution. The 2013 Waterfront Blues Festival generated an estimated \$5.21 Million in indirect economic impact on the local economy. An example of indirect economic impact is illustrative. “*Indirect effects* are the production changes resulting from various rounds of re-spending of the hotel industry's receipts in other backward-linked industries (i.e., industries supplying products and services to hotels). Changes in sales, jobs, and income in the linen supply industry, for example, represent indirect effects of changes in hotel sales. Businesses supplying products and services to the linen supply industry represent another round of indirect effects, eventually linking hotels to varying degrees to many other economic sectors in the region.”<sup>15</sup> The real estate industry sector (\$.62 Million) was the primary beneficiary of the indirect economic impact of the 2013 Waterfront Blues Festival.

**TABLE 31. INDIRECT ECONOMIC IMPACT BY SECTOR, \$100,000+**

| Description  | Indirect Impact |
|--|-----------------|
| Real estate establishments   | \$619,465.5     |
| Insurance carriers   | \$313,682.7     |
| Management of companies and enterprises                              | \$311,606.8     |
| Advertising and related services                                     | \$261,016.9     |
| Federal electric utilities   | \$198,991.1     |
| Food services and drinking places                                    | \$187,516.0     |
| Wholesale trade businesses   | \$160,062.5     |
| Services to buildings and dwellings                                  | \$140,173.8     |
| Telecommunications   | \$129,525.1     |
| Accounting, tax preparation, bookkeeping, and payroll services       | \$127,599.2     |
| Legal services   | \$117,792.4     |
| Monetary authorities and depository credit intermediation activities | \$115,523.8     |
| US Postal Service  | \$109,395.7     |

In addition to the above 13 sectors generating an indirect economic impact in excess of \$100,000, 58 other sectors generated indirect economic impacts of greater than \$10,000 as a result of the 2013 Waterfront Blues Festival. Tables 32 further illustrates the significant and far reaching economic impact of the Waterfront Blues Festival.

**TABLE 32. INDIRECT ECONOMIC IMPACT BY SECTOR, \$10,000-\$99,999**

| Description  | Indirect Impact |
|--|-----------------|
| Nondepository credit intermediation and related activities       | \$98,838.6      |
| Employment services  | \$92,883.2      |
| Radio and television broadcasting                                | \$91,822.2      |
| Natural gas distribution   | \$90,657.7      |
| Management, scientific, and technical consulting services        | \$86,179.7      |
| Maintenance and repair construction of nonresidential structures | \$85,843.5      |
| Transport by truck   | \$83,869.7      |
| Electric power generation, transmission, and distribution        | \$83,308.9      |
| Waste management and remediation services                        | \$70,260.8      |
| Lessors of nonfinancial intangible assets                        | \$69,267.4      |
| Architectural, engineering, and related services                 | \$68,196.5      |



|   |            |
|---|------------|
| Printing  | \$65,573.1 |
| Insurance agencies, brokerages, and related activities                          | \$53,045.3 |
| Motion picture and video industries   | \$45,304.4 |
| Newspaper publishers  | \$45,148.1 |
| Other state and local government enterprises                                    | \$44,095.7 |
| Couriers and messengers   | \$38,955.3 |
| All other miscellaneous professional, scientific, and technical services        | \$36,636.7 |
| Automotive repair and maintenance, except car washes                            | \$35,774.8 |
| Business support services   | \$34,665.8 |
| Dry-cleaning and laundry services   | \$34,182.9 |
| Cable and other subscription programming  | \$34,013.2 |
| Commercial and industrial machinery and equipment repair and maintenance        | \$33,789.6 |
| Data processing, hosting, ISP, web search portals and related services          | \$32,777.7 |
| Warehousing and storage   | \$31,891.4 |
| Other support services  | \$30,406.0 |
| Performing arts companies   | \$30,003.2 |
| Scenic and sightseeing transportation and support activities for transportation | \$28,935.9 |
| Coated and laminated paper, packaging paper and plastics film manufacturing     | \$28,698.3 |
| Automotive equipment rental and leasing   | \$27,552.7 |
| Periodical publishers   | \$26,500.7 |
| Spectator sports companies  | \$25,917.7 |
| Environmental and other technical consulting services                           | \$24,928.8 |
| Internet publishing and broadcasting  | \$23,992.9 |
| Transport by air  | \$23,443.0 |
| Soft drink and ice manufacturing  | \$22,199.9 |
| Travel arrangement and reservation services                                     | \$20,700.0 |
| Scientific research and development services                                    | \$20,325.1 |
| Investigation and security services   | \$19,771.4 |
| Securities, commodity contracts, investments, and related activities            | \$18,982.6 |
| Commercial and industrial machinery and equipment rental and leasing            | \$18,687.6 |
| Computer systems design services  | \$18,563.6 |
| Fluid milk and butter manufacturing   | \$17,400.7 |
| Flavoring syrup and concentrate manufacturing                                   | \$16,473.2 |
| Personal and household goods repair and maintenance                             | \$14,422.7 |
| Transport by rail   | \$13,544.2 |
| Bread and bakery product manufacturing  | \$12,679.6 |
| Extraction of oil and natural gas   | \$12,480.9 |
| Electronic and precision equipment repair and maintenance                       | \$11,829.9 |
| Promoters of performing arts and sports and agents for public figures           | \$11,783.2 |

|  |            |
|--|------------|
| Other private educational services                               | \$11,759.1 |
| Breweries  | \$11,477.1 |
| Stationery product manufacturing                                 | \$11,046.5 |
| Other personal services  | \$10,939.9 |
| Other computer related services, including facilities management | \$10,430.9 |
| Civic, social, professional, and similar organizations           | \$10,430.1 |
| Transit and ground passenger transportation                      | \$10,291.7 |
| Ice cream and frozen dessert manufacturing                       | \$10,255.5 |

*Employment*

Another economic output calculated by the IMPLAN statistical package as part of this economic impact analysis is the number of jobs generated by the Waterfront Blues Festival. Employment is a measure of the number of jobs required to produce a given volume of sales and/or production. Jobs are usually not expressed as full time equivalents, but include part time and seasonal positions. Given the short-term nature of the Waterfront Blues Festival, it is reasonable to assume a spike in employment during the festival period, with decay in these jobs over time. The 2013 Waterfront Blues generated an estimate 171.2 direct employment positions. The food and drink industry (56.0 jobs) was the industry sector benefitting the most from this employment generation, while the amusement and recreation industries (51.9 jobs), along with the hotel and motel industry (41.6 jobs) also saw substantial employment increases as a result of the direct economic impact of the 2013 Waterfront Blues Festival.<sup>16</sup>

**TABLE 33. EMPLOYMENT GENERATED BY DIRECT ECONOMIC IMPACT**

| Description                                 | Jobs Created |
|---|--------------|
| Food services and drinking places           | 56.0         |
| Other amusement and recreation industries   | 51.9         |
| Hotels and motels, including casino hotels  | 41.6         |
| Transit and ground passenger transportation | 15.0         |
| Retail Stores - General merchandise         | 5.7          |
| Retail Stores - Gasoline stations           | 0.9          |

*Indirect Business Taxes*

One of the primary benefits accruing to state and local government as a result of the 2013 Waterfront Blues Festival is the generation of Indirect Business Taxes (IBT) which consists of tax and nontax liabilities chargeable to business expenses when calculating profit-type incomes and of certain other business liabilities to government agencies that are treated like taxes. Thus, IBT includes taxes on sales, property, and production, but it excludes employer contributions for social insurance and taxes on income. In more general terms, Indirect Business Taxes can be considered the combination of excise, sales and property taxes, as well as, fees, fines, licenses and permits.

The primary industry sectors examined as part of the 2013 Waterfront Blues Festival economic impact analysis generated an estimated \$.87 Million in indirect business taxes as a result of the direct economic impact of the WBF.<sup>17</sup> The hotel and motel industry was responsible for generating \$.38 Million in indirect business taxes, primarily attributable to transient room taxes. An additional \$.22 Million of indirect business taxes was generated via the indirect impact of the festival.<sup>18</sup> The scope and breadth of the economic impact of the Waterfront Blues Festival on local and state government is demonstrated by the fact 86 IMPLAN industry sectors generated a minimum of \$100 in indirect business taxes.<sup>19</sup>

**TABLE 34. INDIRECT BUSINESS TAXES**

| Description                                 | Indirect Business Taxes |
|---|-------------------------|
| Hotels and motels, including casino hotels  | \$382,849.2             |
| Food services and drinking places           | \$220,838.0             |
| Other amusement and recreation industries   | \$167,206.3             |
| Retail Stores - General merchandise         | \$65,221.1              |
| Transit and ground passenger transportation | \$21,091.0              |
| Retail Stores - Gasoline stations           | \$11,883.0              |

*Employee Compensation*

While the business community, along with state and local government, were the beneficiaries of the direct and indirect economic impact generated by the 2013 Waterfront Blues Festival, it is also important to note the significant fiscal benefits accruing to employees as a result of the WBF. Employee Compensation in IMPLAN is the total payroll cost of the employee paid by the employer. This includes, wage and salary, all benefits (e.g., health, retirement) and employer paid payroll taxes (e.g. employer side of social security, unemployment taxes). The 2013 Waterfront Blues Festival generated an estimated \$4.21 Million in employee compensation as a result of the direct economic impact of the WBF. Employees in the hotel and motel (\$1.36 Million) along with the food and drink industry (\$1.33 Million) were the primary labor beneficiaries of the significant economic impact generated by the 2013 Waterfront Blues Festival.<sup>20</sup>

**TABLE 35. EMPLOYEE COMPENSATION**

| Description                                 | Employee Compensation |
|---|-----------------------|
| Hotels and motels, including casino hotels  | \$1,360,412.8         |
| Food services and drinking places           | \$1,331,014.2         |
| Other amusement and recreation industries   | \$966,471.8           |
| Transit and ground passenger transportation | \$336,592.6           |
| Retail Stores - General merchandise         | \$190,724.3           |
| Retail Stores - Gasoline stations           | \$27,962.0            |

*Total Added Value*

The final economic factor to be analyzed is the *Total Added Value* generated by the 2013 Waterfront Blues Festival. *Value Added* is the difference between an industry' or an establishment's total output and the cost of its intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). *Value Added* consists of compensation of employees, taxes on production and imports less subsidies (formerly indirect business taxes and nontax payments), and gross operating surplus (formerly "other value added"); In this study, *Total Added Value* is the value of output less the value of intermediate consumption; it is a measure of the contribution of the Waterfront Blues Festival and its associated industry sectors to Gross Domestic Product (GDP). The WBF generated an estimated Total Added Value of \$6.92 million from direct economic output and another \$2.95 million from indirect economic output, highlighting the significant and far-ranging<sup>21</sup> contributions of the Waterfront Blues Festival.

**TABLE 36. TOTAL ADDED VALUE**

| Description                                 | Total Added Value |
|---|-------------------|
| Hotels and motels, including casino hotels  | \$2,531,076.6     |
| Food services and drinking places           | \$2,021,975.8     |
| Other amusement and recreation industries   | \$1,483,789.0     |
| Transit and ground passenger transportation | \$518,531.3       |
| Retail Stores - General merchandise         | \$310,955.6       |
| Retail Stores - Gasoline stations           | \$57,069.7        |

It is important to note the estimated economic impact of the 2013 WBF excludes induced economic impacts from the analysis. The analysis does not incorporate an estimated \$4.03 Million in induced economic impact attributable to the WBF. *Induced effects* are the response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. This money is recirculated through the household spending patterns causing further local economic activity (i.e., restaurant workers spend income earned during the WBF on goods and services). Tourism activity ultimately impacts virtually every sector of the local economy in one way or another.<sup>22</sup> Analysis indicates 326 different industry sectors benefitted from the induced economic impact of the 2013 Waterfront Brewers Festival, further illustrating the pervasive and wide ranging economic impact.

From the perspective of a political scientist, economic impact studies have a legitimate political role to play in informing both elected officials and taxpayers of the economic contributions of tourism to community residents' prosperity.<sup>23</sup> Conservative estimates of economic impact of community events, undergirded by explicit methodological assumptions and subsequent objective presentation of facts, have the ability to inform public policy. The author urges public officials, and tourism industry representatives, to ponder the immutable fact: The Waterfront Blues Festival has a significant impact on the vitality of the Portland, Oregon economy.

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## NOTES

<sup>1</sup> See Frechtling, D. (1994). Assessing the Impacts of Travel and Tourism-Measuring Economic Benefits, in *Travel, Tourism and Hospitality Research*, 2<sup>nd</sup> ed., John Wiley & Sons. Horvath, E., and Frechtling, D. (1999). Estimating the Multiplier Effect of Tourism Expenditures on a Local Economy through a Regional Input-Output Model. 37 *Journal of Travel Research* 324, Tyrrell, T., and Johnston, R. (2001). A Framework for Assessing Direct Economic Impacts of Tourist Events. 40 *Journal of Travel Research* 94; Jackson, J., Houghton, M., et al (2005). Innovations in Measuring Economic Impacts of Regional Festivals: A Do-It-Yourself Kit. 43 *Journal of Travel Research* 360. Dense, J., and Barrow, C. (2003). Estimating Casino Expenditures by Out-of-State Patrons: Native American Gaming in Connecticut. 41 *Journal of Travel Research* 410; and Stynes, D. (1999). *Approaches to Estimating the Economic Impacts of Tourism*. [www.msu.edu/course/prr/840/econimpact/pdf/](http://www.msu.edu/course/prr/840/econimpact/pdf/). A number of academic journals focus on the study of tourism. The *Journal of Travel Research* is considered the most prestigious journal in the field. Other leading journals include *Journal of Hospitality and Tourism Research* and *Annals of Tourism Research*.

<sup>2</sup> Mulkey, D., and Hodges, A. (2012). Using IMPLAN to Assess Local Economic Impacts. University of Florida IFAS Extension FE 168. <http://edis.ifas.ufl.edu/fe168>.

<sup>3</sup> Stynes, D. (2000). Michigan Tourism Spending and Economic Impact Model. [www.msu.edu/course/prr/840/econimpact/michigan/miteim.doc](http://www.msu.edu/course/prr/840/econimpact/michigan/miteim.doc)

<sup>4</sup> Miller, S. (2007). Quantifying the Economic Impact of Local Events. [www.cea.msu.edu/uploads/files/44/event%20impacts.pdf](http://www.cea.msu.edu/uploads/files/44/event%20impacts.pdf)

<sup>5</sup> Note that the SmartPark related query did not ask respondents to specify which day(s) they had utilized SmartPark facilities. Hence, a Sunday survey respondent may have utilized SmartPark another day while attending the Waterfront Blues Festival.

<sup>6</sup> Safeway Waterfront Blues Festival (2013). <http://www.waterfrontbluesfest.com/>.

<sup>7</sup> See Stynes, D. (n.d.) Economic Impact of Tourism. <http://www.msu.edu/course/prr/840/econimpact/pdf/ecimpvoll.pdf>

<sup>8</sup> See Mulkey, D., and Hodges, A. (2012). Using IMPLAN to Assess Local Economic Impacts. <http://eb5info.com/articles/33-using-implan-to-assess-local-economic-impacts>

<sup>9</sup> For a discussion of Input-Output Analysis, see Miller, R., and Blair, P. (2009). *Input-Output Analysis: Foundations and Extensions*. Cambridge University Press. A mathematical explanation of Input-Output Analysis is beyond the scope of this report.

<sup>10</sup> Deflators are used by the software whenever the Event Year is set to a year which differs from the model data year. The Output Deflator converts the Industry Sales value to the year of the dataset, while the GDP Deflator converts the Value-Added values to the year of the dataset.

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Output Deflators are specific to each industry, while the GDP Deflators are the same across industries.

<sup>11</sup> The Error of an observed value (re survey response) is the deviation of the observed value from the true (unobservable and/or difficult to collect) value. Within the context of this study, the error term accounts for a variety of factors, including, but not limited to, miscalculations of expenditures on the part of survey respondents (i.e., recall bias), variance in spending ‘leakage’ outside the host region (also referred to as ‘telescoping’, calculated at 90% for all expenditure categories), exclusion of ‘casuals’ and ‘time shifters’ from the analysis, and random errors not easily captured in any regression equation. While the relatively large sample size attempts to address the scope of the error term in the equation, it is important to note this study attempts to focus on an *estimate* of attendee expenditures and economic impact, not to ascertain the *actual* expenditures and economic impact, which would require prohibitive and impractical survey costs (re point-of-sales expenditures at hundreds of locations throughout the host region.) For a discussion of recall bias, see Frechtling, D. C. (1994). “Assessing the Impacts of Travel and Tourism-Measuring John Wiley and Sons, pp. 437–50. For a discussion of ‘casuals’ and ‘time shifters’, see Crompton, J, Lee, S., and Shuster, T (2001). “A Guide for Undertaking Economic Impact Studies: The Springfest Example.”, 40 *Journal of Travel Research*, 79 and Frechtling, D. (2006). “An Assessment of Visitor Expenditures Methods and Models”, 45 *Journal of Travel Research* 26.

<sup>12</sup> While there is some discussion in the literature concerning utilizing daily expenditures instead of the total expenditure approach employed by this study, the parsimony of the total expenditure approach outweighed the potential gains of the daily estimate approach. In particular, the total daily expenditure approach eliminates the ability to segment visitors by expenditures, resulting in an inability to provide expenditure estimates by residential categories. This ultimately affects festival and tourism officials’ ability to target marketing efforts.

<sup>13</sup> Given the unique nature of the 2013 Waterfront Blues Festival, re “Sensational Sunday” which required a festival pass for entry, and the special artist bill procured in support of that venture, the economic impact aspect of this study should not be extrapolated onto other community events, and moreover, past or future editions of the Waterfront Blues Festival.

<sup>14</sup> Note the impact of non-festival amusement and recreation and expenditures incurred at the festival were combined into the “Other Amusement” industry sector by the IMPLAN software. Additionally, note the direct economic impact generated by ‘margin’ industry sectors in the retail field, are derived from the profit margin in those categories, not gross sales.

<sup>15</sup> Stynes, D. (n.d.). Economic Impacts of Tourism.  
<http://www.msu.edu/course/prr/840/econimpact/pdf/ecimpvol1.pdf>

<sup>16</sup> IMPLAN estimated another 34.7 jobs generated by the indirect economic impact of the WBF

<sup>17</sup> IMPLAN estimated an additional Indirect Business Tax of \$.22 Million as a result of the indirect economic impact of the 2013 Waterfront Festival.

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<sup>18</sup> IMPLAN estimated a total State and Local Tax Impact of \$2.4 Million attributable to the 2013 Waterfront Blues Festival. This estimate includes tax on production and imports (\$1.01 Million), one of the three components of value added. This component includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments. It excludes most nontax payments, and as the name indicates, subsidies are netted out), household taxes (\$.19 Million, personal income tax), corporate taxes (\$.16 Million), and social insurance taxes linked to employee compensation (\$.013 Million, workman compensation, etc.).

<sup>19</sup> IMPLAN's estimate of Indirect Business Taxes indicates \$133,937 in sales taxes were generated as a result of the 2013 Waterfront Blues Festival. Given the lack of sales taxes in Oregon, this particular estimate must be questioned.

<sup>20</sup> IMPLAN's estimated an additional employee compensation of \$1.5 Million as a result of the indirect economic benefit of the 2013 Waterfront Blues Festival.

<sup>21</sup> The top five industry sectors for Total Added Value from indirect economic output of the 2013 Waterfront Blues Festival were (IMPLAN sector in parenthesis) Real estate establishments (360), management of companies and enterprises (381), insurance carriers (357), advertising and related businesses (377), and wholesale trade businesses (319).

<sup>22</sup> See Economic Impacts of Tourism Economics Essay, <http://www.ukessays.com/essays/economics/economic-impacts-of-tourism-economics-essay.php>

<sup>23</sup> For a discussion of the 'downside' of economic impact studies, see Crompton, J. (2006). Economic Impact Studies: Instruments or Political Shenanigans? 45 *Journal of Travel Research* 65.

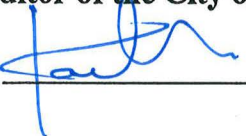
Oregon Food Bank Presentation (Presentation introduced by Commissioner Fritz)

MAY 21 2014

**PLACED ON FILE**

Filed MAY 16 2014

**LaVonne Griffin-Valade**  
Auditor of the City of Portland

By  \_\_\_\_\_

| COMMISSIONERS VOTED<br>AS FOLLOWS: |      |      |
|------------------------------------|------|------|
|                                    | YEAS | NAYS |
| 1. Fritz                           |      |      |
| 2. Fish                            |      |      |
| 3. Saltzman                        |      |      |
| 4. Novick                          |      |      |
| Hales                              |      |      |