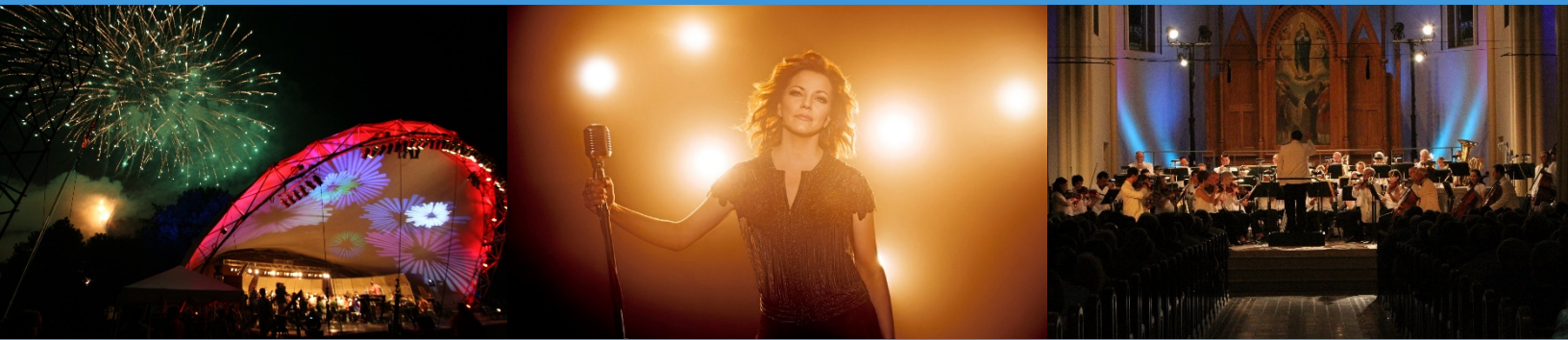


2018 ECONOMIC AND FISCAL IMPACT REPORT



March 2019



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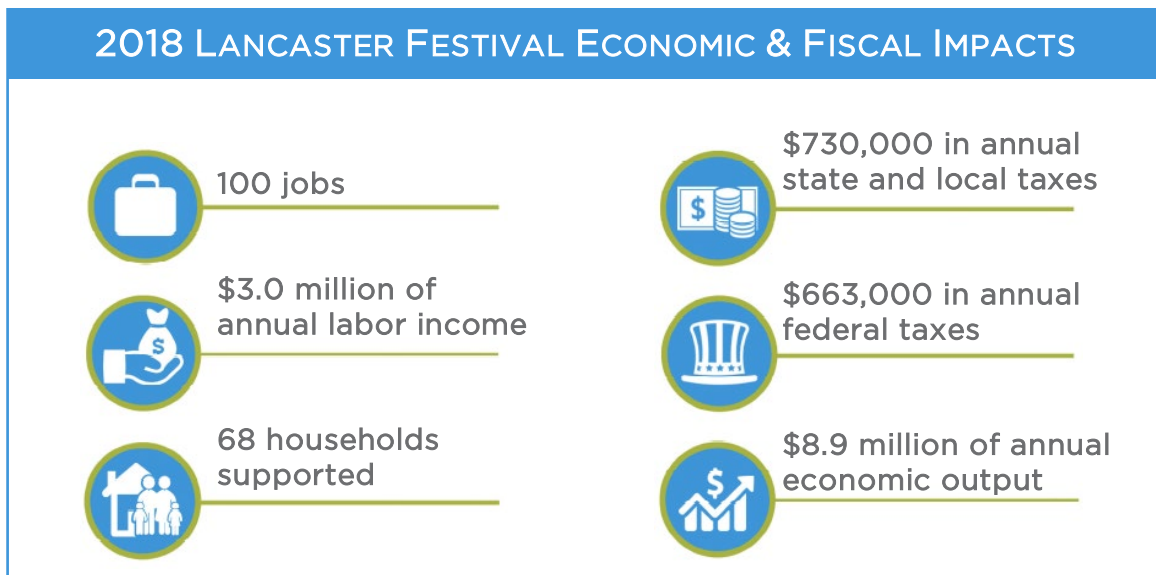
INTRODUCTION

Since 1985, the Lancaster community has come together every July to produce one of the largest arts and music festivals in the country. The ten-day Lancaster Festival draws an estimated 40,000 people annually to enjoy a wide variety of artistic and musical performances and community events.

Silverlode Consulting was engaged by the Lancaster Festival Inc., which operates the Lancaster Festival, to estimate the 2018 Festival's economic and fiscal impact on the State of Ohio.

The 2018 Festival, which was widely attended by visitors from outside the region and the State, generated an estimated \$8.9 million of economic impact in the State of Ohio. This amounts to approximately \$7.64 of economic impact for each dollar of the Festival's operating budget and to \$20.07 of impact for each dollar of grant and donation assistance raised by the Festival.

The Festival's tremendous economic impact is detailed in the table below and the sections that follow. The Lancaster Festival's impact extends far beyond quantitative economic measures and many of the Festival's other contributions to the community are highlighted in this report.



ABOUT THE FESTIVAL

The 2018 Lancaster Festival was comprised of 68 events which were held at 22 different sites throughout the City of Lancaster and Fairfield County. Event venues ranged from the Wendel Concert Stage at the Ohio University Lancaster campus, to historic churches and parks. An estimated 21,000 people attended the 54 free events and 18,500 attended the 14 ticketed events.

The Festival, which is one of the largest arts and music festivals in the country, draws enough visitors to fill Huntington Park, home of the Columbus Clippers, approximately three times. In the world of arts and music festivals, the Lancaster Festival is a mighty visitor attraction engine for a relatively small City. To put this in perspective, consider the following:

- The Lancaster Festival lasts ten-days and attracts 40,000 attendees to a City of approximately 40,000 people.
- The Aspen Music Festival and School, located in the major tourist destination of Aspen, Colorado, draws 100,000 attendees during its eight-week summer season with over 400 classical music events.
- Charleston, South Carolina's Spoleto Festival, located in a metropolitan area of more than 750,000 people, attracts 70,000 to 80,000 attendees during the 17-day event.

The Festival provides world-class performances in classical music, dance, pop, ballet, and other forms of music and art to thousands of Lancaster area residents and visitors from across the country. 2018 events included Italian Street Painting; chamber concerts; children's concerts; woodwind, brass, and string quartets; magic and puppet shows; concerts with major artists; and many other events.

The core of the Festival's classical music programming is the Lancaster Festival Orchestra, which includes 63 professional musicians from 56 orchestras across the country, as well as Taiwan. Under the leadership of Maestro Gary Sheldon, the Orchestra performs pops and classical repertoire at a world-class level and has received national acclaim. Lancaster Festival Orchestra musicians perform several times throughout the Festival and also visit Fairfield County schools to provide musical experiences for children during the school year.

Since the inaugural Festival in 1985, the Festival has welcomed popular musicians including Tony Randall, Roberta Flack, Aretha Franklin, The Beach Boys, the

Temptations, Vince Gill, Jo Dee Messina, Randy Travis, Kenny Loggins, Kenny Rogers, and Bernadette Peters. The 2018 Festival welcomed Martina McBride and Dennis DeYoung of Styx. Notable Festival artists and groups also include the Chicago Brass Quintet, BalletMet, and others.

The Festival focuses on providing accessible and enriching arts and music activities for the entire community. Festival activities include community band performances, art education classes for children, and many hands-on family activities. The largest free event of the Festival is the ArtWalk, which draws 12,000 visitors to downtown Lancaster. In 2018, the Festival also supported an Artist in Residence, four youth orchestra fellowships, and other community endeavors.

ECONOMIC IMPACT

IMPLAN, one of the most well-respected and widely-used methodologies for assessing regional economic impacts, was used to estimate the annual impact of the Festival. 2017 IMPLAN data, the most current data available at the time, was used for this study.

The Lancaster Festival provided the attendance, budgetary, and other data necessary to prepare this analysis. Much of this data was gathered through interviews with the Festival's staff, members of its Board of Directors and other partners and supporters, who are identified in the *Board and Community Participation* section of this report. Visitor spending estimates were developed with the best available anecdotal data from the Festival Staff. For the future, we suggest the Festival consider using a visitor survey to aid in further refining visitor spending estimates.

Economic and fiscal impacts can be divided into component parts, which are referred to as Direct, Indirect, and Induced. Generally speaking, direct describes activity attributable to the Lancaster Festival, indirect describes the economic activity of the entities that provide goods and services to the Festival, and induced describes activity arising from increased household spending. For streamlined presentation in this report, Indirect and Induced effects are combined and referred to simply as Indirect. Additional information about the data sources, methodology, and definitions of terms used in this study can be found in the *Study Methodology* section at the end of the report.

2018 LANCASTER FESTIVAL OVERVIEW

- 18,500 tickets sold for 14 events
- 21,000 attendees at 54 free events
- 40,000 total attendees for 68 events
- 27,000 hours donated by 500+ volunteers
- \$3.5 million in visitor spending

The 2018 Lancaster Festival generated an estimated \$8.9 million of economic impact in the State of Ohio. This amounts to approximately \$7.64 of economic impact for each dollar of the Festival's operating budget and \$20.07 of economic impact for each dollar of grant and donation assistance raised.

The Festival supported an estimated 100 jobs in the State and had approximately \$3.0 million of associated annual labor income, including benefits. These jobs and earnings sustained an estimated 68 households in the Ohio.

The Festival also generated an estimated \$730,000 of state and local taxes and \$663,000 of federal taxes during 2018.

2018 STATE OF OHIO IMPACTS



100 jobs



\$3.0 million of
annual labor income



68 households
supported



\$730,000 in annual
state and local taxes



\$663,000 in annual
federal taxes



\$8.9 million of annual
economic output

STATE OF OHIO IMPACT DETAIL

	Direct	Indirect	Total
Jobs	68	32	100
Earnings	\$ 1,600,000	\$ 1,392,000	\$ 2,992,000
Households Supported	46	22	68
Economic Output	\$ 4,664,000	\$ 4,229,000	\$ 8,893,000

IMMEASURABLE IMPACTS

The quantifiable economic impacts only tell a small part of the story of the Lancaster Festival's tremendous impact on the community. The following sections provide just a few examples of the numerous, immeasurable ways the Festival enriches the lives of people in Lancaster and the surrounding region.

LANCASTER PRIDE



Café Concert: Classics Alive with Sybarite5

For nearly 35 summers, the Lancaster Festival and the Lancaster community have successfully collaborated to expose citizens and visitors to world-class art and music experiences. Beyond supporting the local economy, the Festival has created a truly unique legacy for a small, Ohio town and the surrounding area. From the families who have been reuniting for decades at lawn tables during the Saturday concerts, to the volunteers who eagerly camp out for weeks to be part of the spirit, to the Orchestra members who have stayed with the same Lancaster families for over 30 years, an amazing amount of community pride surrounds the Festival.

Over 7,000 people gathered at the outdoor Wendel Concert Stage (thought to be the second largest temporary stage in the US) to listen to Martina McBride and the Lancaster Festival Orchestra and watch the fireworks display (thought to be the second largest display in Ohio) during the 2018 Festival's signature event.

The Festival and the Lancaster Festival Orchestra have received numerous awards including the Governor's Award for the Arts for Community Development and Participation, the American Prize for Orchestral Performance (first recipient ever), and the American Prize for Conducting for Maestro Gary Sheldon.

MUSIC AND ART FOR EVERYONE



Free Brass Fanfare event in front of St. Mary Church

The Festival's mission is to celebrate the artistic creativity of all cultures and serve as the foundation of year-round community efforts to nurture participation in the arts. As such, the vast majority (54 out of 68) of Festival events in 2018 were free.

Hundreds of families enjoyed performances by artists in music, dance, and art at indoor and outdoor venues. On Friday night, community members were invited to play with the Lancaster Festival Orchestra and conducted by Maestro Gary Sheldon.

The largest free event of the Festival is the ArtWalk, a collaboration between the Festival and Destination Downtown Lancaster. An estimated 12,000 visitors meander through the shops and restaurants along the downtown streets which are closed to traffic. The 2018 ArtWalk included juried art shows which displayed local and regional artists in local businesses, live music on two stages, street performers, a market with local vendors, happy hours and other special food offerings, and even a Flash Mob appearance by the Lancaster Festival Orchestra.



The Lancaster ArtWalk

Beyond concerts and educational programming, the Festival promotes art and

musical enrichment for the community by supporting an Artist in Residence program. The selected artist presents finished works during the ArtWalk and the pieces remain in Lancaster for the enjoyment of the community.



Works by Kristen Canda, Festival Artist in Residence

In 2018, an estimated 2,500 people attended Festival Fair day and approximately 80% of the attendees were children. The wide range of activities included concerts, a noise parade, sand experimentation, a recycled art workshop, lessons on how to play spoons, and many more family activities.

In addition to free programming, the Festival offers free parking, free shuttle service to concerts, and attendees are welcome to bring their own food and beverages to events or purchase refreshments at the Kroger Pavilion or from local food trucks.

ARTS EDUCATION FOR CHILDREN



The Harmonics String Quartet; the Major Arts for Minors program

One of the commitments of the Festival's Board of Directors is to "Be an advocate of arts education for all children." While arts education is not a quantifiable impact, it does have a transformative impact for children.

Maestro Gary Sheldon and some of the members of the Lancaster Festival Orchestra visit and perform at schools throughout Fairfield County during the school year. In 2018, the Festival featured numerous young musicians including the Lancaster High School Percussion Ensemble, Lancaster Summer Youth Band, and Harmonics String Quartet. There were also several free children's concerts throughout the ten days and a Family Disney Concert with the Lancaster Festival Orchestra.

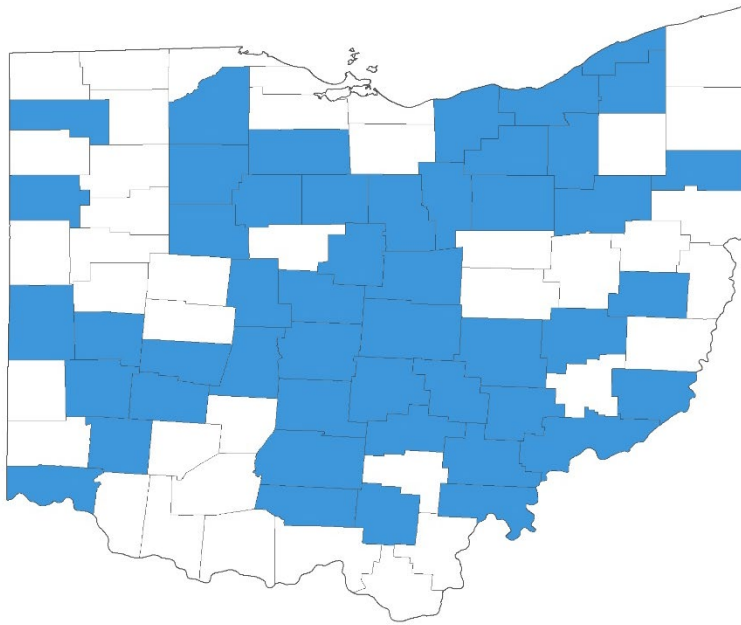
Beyond music, the Festival provides numerous other experiences for children including free puppet shows, magic shows, and a bike race. There was a large visual arts program for children during the 2018 festival including free Major Arts for Minors classes in clay, painting, photography, and drums.

The Festival supported four youth orchestra fellowships in 2018. The Lancaster Festival also provides numerous internships to expose local students to the operations of a non-profit art and musical festival.

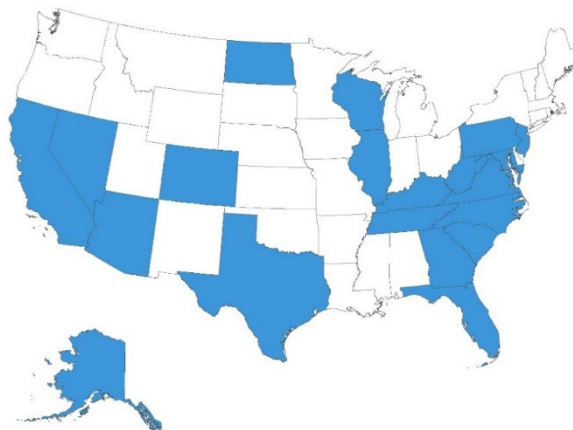
VISITOR ATTRACTION

As depicted by the maps below, visitors traveled from more than half of the Counties in Ohio and from 25 states to attend the Festival. All of these visitors brought non-local dollars into the local economy.

FESTIVAL VISITORS BY COUNTY OF RESIDENCE



FESTIVAL VISITORS BY STATE OF RESIDENCE



ECONOMIC DEVELOPMENT



Happy Hour with Rob Parten Quartet at The Ale House 1890

The approximately 40,000 attendees at the 2018 Festival spent an estimated \$3.5 million on hotels, food, and retail in Lancaster and the surrounding area. Some of the impact the Festival has on local businesses is captured by the indirect and induced impacts calculated by the IMPLAN model, but the neighborhood and community impacts of this support of local businesses cannot fully be captured through an economic impact study.

The estimated 12,000 people who attended the ArtWalk in 2018 strolled through downtown Lancaster and the bars, restaurants, and shops. Thousands of people who attended the two Saturday night concerts enjoyed a meal catered by local restaurants and brought to their reserved table at the shows. In 2018, approximately nine local food trucks were located at various Festival events during select nights, as well as during lunch every day of the Festival.

One downtown Lancaster restaurant owner stated that sales increased up to 40% per night during the Festival and that an estimated 20% of these sales were to out-of-town visitors.

During the Festival, all three Lancaster hotels are booked to 100% occupancy. Visitors also fill hotels in other parts of Fairfield County and even into Licking and Hocking Counties.

Further, the Festival performances and events took place in 22 Lancaster venues from churches to museums to wineries, and offered significant exposure to each venue and to the community as a whole.

The Festival also provides valuable exposure to Ohio University Lancaster's campus, the location of the Wendel Concert Stage, where the Festival's three largest concerts are held.

In addition to attracting visitors which support local businesses, the Festival stimulates economic development by providing national exposure for the community and serving as a highlight of the community's quality of life. Area companies and economic development representatives often use the Festival as an opportunity to encourage customers, recruits, and other stakeholders to visit.



Business attraction sign; Fairfield Medical Center construction

VOLUNTEER EFFORTS



Some of the longtime Festival helpers

The Lancaster Festival relies on volunteers who build stages, take tickets, direct parking, and contribute to every aspect of the Festival operations. In 2018, over 500 volunteers donated an estimated 27,000 hours throughout the year. For the three largest concerts alone, more than 200 volunteers contributed to the success of those events. A testament to the passionate level of volunteership surrounding the Festival is the group of exuberant volunteers dubbed “super volunteers” who camp out for six weeks and spend seven days a week helping to prepare for the Festival.

YEAR-ROUND EVENTS



2018 Covered Bridge Music Series Ticket

The Lancaster Festival supports community art and music initiatives throughout the year including concerts, art competitions, and other events. The Festival partners with Ohio University Lancaster to support the Covered Bridge Music Series, a group of concerts featuring original songwriters performing at the OUL campus. The Festival provides bookkeeping and marketing services for the Series. Bonnie Bishop was the featured Series artist in 2018 and the Series held a performance by Slaid Cleaves during the Festival.

FESTIVAL OPERATIONS AND SUPPORT



Cameo League

Through effective and low-cost operations, fundraising, grants, and corporate sponsorships, the majority of the Lancaster Festival's budget is able to be spent on art and music programming for the community.

Until recently, all of the Festival's operations were run by volunteers. The Festival now employs a small staff of two full time and one part time employee and payroll expenses account for only 8% of the Festival's budget.

Ticket sales only account for around 50% of Festival revenue. The balance of the revenue is composed of donations (40%) and grants (10%). Donations are raised almost exclusively by the Festival's Board of Directors at no cost to the Festival. The Cameo League, which was formed in 1985 to support the Lancaster Festival, donated \$58,000 to the Festival in 2018. The Festival has several endowment funds through Fairfield County Foundation which also support the operations. Of note, approximately 6% of Festival donations come from outside of Ohio.

BOARD AND COMMUNITY PARTICIPATION

This study was made possible by the participation of the Lancaster Festival Board and staff, as well as community leaders and partners, whose participation is sincerely appreciated. The names of some of the people who contributed to this report appear below.

Name	Lancaster Festival Role	Organization	Title
Eleanor Hood	Honorary Director and Co-Founder		
Barbara Hunzicker	Honorary Director and Co-Founder		
John "Jack" Janoso	Board President	Fairfield Medical Center	President and CEO
Amie Cohen	Board Vice President	Fairfield Medical Center Fdtn.	Donor Relations
Johnathan Smith .	Board Treasurer	Lancaster Bingo, Inc.	President
Jeff Spangler	Board Secretary	Dagger Law	Managing Partner
Matt Brady	Board Member	Ale House 1890 and Four Reasons Bakery & Deli	Owner
Christopher Clark	Board Member	Clark Insurance	Owner
Aundrea Cordle	Board Member	Fairfield County Jobs and Family Services	Executive Director
Sharon Dominguez	Cameo League President		
Natalie Furniss	Board Member	Nationwide Insurance Company	Attorney
David Gallimore, Jr.	Board Member	Mid West Fabricating Co.	Sales Administration
Bob Heath	Board Member, Fundraising Committee Chair		Entrepreneur, Sales/Marketing
Allen Joos	OU-L Concert Operations	JCPenny Co.	Distribution Supervisor
Angela Krile	Board Member, Marketing Committee Chair	Krile Communications	Owner
Laurie Lach	Board Member, Volunteer Committee Chair	Ohio University Lancaster	Development Director
John Lloyd	Board Member		Physician
Bob Lovell	Board Member	Fashion Vanity Cleaners	Owner
Norman J. Ogilvie, Jr.	Board Member	Dagger Law	Of Counsel
Kim Sheldon	Board Member, Ticket Committee Co-Chair	Fairfield National Bank	Vice President
James Smith	Board Member	Ohio University Lancaster	Dean
Christian Tencza	Board Member		Physician
Jennifer Walters	Board Past President	Fairfield Homes	President, Construction and Development
Martin Barker	Committee Member	Martin Barker Design	Owner
Rick Szabrak	Advisor	Fairfield 33 Alliance	Executive Director
Max McGee	Master Electrician		
Deb Connell	Executive Director		
Kelson Henwood	Office Manager		
Carol Shofner	Business Manager		

STUDY METHODOLOGY

TERMINOLOGY

A **Direct** effect describes an initial, or first-round change in the economy and is the starting point for economic impact analysis. Changes in an economy create “ripples” of economic activity throughout the region being analyzed, with the ripples being described as Indirect and Induced Effects. A positive Direct effect causes increased purchases within the economy being modeled, as well as “leakage” of economic activity out of the economy being studied in the form of imports into the economy from other areas outside the economy. Generally speaking, Direct describes activity attributable to the economic activity being modeled (in this case activities of the Festival).

In this report, direct jobs comprise full, part-time, and temporary employees and jobs supported by the Lancaster Festival. Direct jobs are quantified based on data provided by the Festival.

Indirect effects represent changes in the industries that provide goods and services to the economic activity being modeled (e.g. suppliers, service providers, etc.). Indirect effects occur in a repeating cycle, but diminish in each round as economic activity “leaks” from the region being modeled. Indirect effects cease when the last dollar of economic activity leaks from the economy being studied. Indirect effects are estimated using IMPLAN.

Induced effects represent the impact of changes in household spending resulting from the Direct and Indirect effects. Like Indirect effects, Induced effects occur in repeating cycles, but diminish in each round as economic activity “leaks” from the region being modeled. Induced effects cease when the last dollar of economic activity leaks from the economy being studied. Induced effects are estimated using IMPLAN. For ease of presentation, in this report, Induced effects are combined with Indirect effects and referred to simply as Indirect.

Total Impact refers to the final cumulative result of all rounds of Direct, Indirect and Induced economic activity.

ABOUT IMPLAN

Portions of this analysis were completed using the IMPLAN (IMpact Analysis for PLANning) economic impact modeling system. IMPLAN is a general input-output model that was originally developed by the U.S. Forest Service in the 1970's and is now one of the most respected and widely used approaches to regional economic impact analysis. IMPLAN is used by more than 1,000 universities, government agencies, and consultants to estimate the economic and fiscal impacts of investments and/or changes in one or more industries. Data underlying the IMPLAN model is derived from industry surveys conducted periodically by the U.S. Bureau of Economic Analysis (BEA), as well as other sources.

ABOUT SILVERLODE CONSULTING

Silverlode Consulting was founded in 2002 by two leaders of Ernst & Young's and Pricewaterhouse Coopers' consulting practices. As a national leader in the field of economic impact analysis, we have helped hundreds of organizations, ranging from non-profit arts groups to multi-national corporations, to measure their impacts on their communities and communicate those impacts to their stakeholders. By meticulously estimating and effectively communicating the direct, indirect, and induced jobs, earnings, taxes and other impacts of projects, the presence of an organization, or an investment in a community, our work has helped clients to gain approvals, secure funding, and positively shift public opinion. More information about our firm and our work in the area of economic impact analysis can be found on our website at www.silverlodeconsulting.com.

The table below provides a reference of definitions for the items included in the summary tables and infographics of this report.

	Direct	Indirect and Induced
Jobs	Jobs directly engaged in the activity being analyzed.	IMPLAN estimate of the number of jobs supported by the purchase of goods and services by the activity being modeled (Indirect) as well as by changes in household spending (Induced).
Earnings	Actual wages and benefits associated with Direct jobs.	IMPLAN estimate of the total labor income (wages, benefits, and proprietor income) associated with the Indirect and Induced economic activity.
Households Supported	IMPLAN estimate of the number of households supported by the economic activity being analyzed.	IMPLAN estimate of the number of households supported by Indirect and induced economic activity.
Output	IMPLAN estimate of the total value of goods and services produced by the activity being modeled. Output often represents sales or revenue associated with this activity.	IMPLAN estimate of the total value of goods and services produced by Indirect and Induced economic activity. Output often represents sales or revenue associated with this activity.
State and Local Taxes	IMPLAN estimate of all taxes paid to state and local units of government as a direct result of the economic activity being analyzed.	IMPLAN estimate of all taxes paid to state and local units of government due to Indirect and Induced economic activity.
Federal Taxes	IMPLAN estimate of all taxes paid to the Federal government as a direct result of the economic activity being analyzed.	IMPLAN estimate of all taxes paid to the Federal government due to Indirect and Induced economic activity.