



Economic Impact of the



SILVERLODE
CONSULTING

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Maestro Gary Sheldon of The Lancaster Festival Orchestra and violinist Stephanie Sant'Ambrogio at the Opening Night Concert

Table of Contents

| | |
|--------------------------------------|----|
| Introduction | 1 |
| About the 2023 Festival | 2 |
| Fairfield County Estimated Impacts | 6 |
| State of Ohio Estimated Impacts | 8 |
| Longevity and Growth of the Festival | 9 |
| Immeasurable Impacts | 10 |
| Board and Community Participation | 16 |
| Study Methodology | 17 |
| About Silverlode Consulting | 20 |

Introduction

For almost 40 years, the Lancaster community has come together every July to produce one of the largest arts and music festivals in the country.

In 2023, the ten-day Lancaster Festival drew an estimated 50,000 people to enjoy a wide variety of art and music performances and community events.

Silverlode Consulting was engaged by the Lancaster Festival, Inc., which produces the Lancaster Festival, to estimate the 2023 Festival's economic and fiscal impact on the State of Ohio and Fairfield County. The Festival generated an estimated \$12.5 million of economic impact in the State of Ohio and \$9.9 million in Fairfield County.



2023 Lancaster Festival poster featuring Acrobat by Tim Brown

The Lancaster Festival, Inc. provided the attendance, ticket sales, financial, 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 market data and anecdotal data from the Festival Staff. IMPLAN, one of the most widely used and accepted methodologies for estimating regional economic impacts, was used to complete the analyses. 2022 IMPLAN data, the most current data available at the time, was used for this study.

About the 2023 Festival

World-Class Programming

The 2023 Festival included 51 events held at 20 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 downtown churches and community marketplaces.

The Festival provides fantastic performances in classical music, dance, pop, and other forms of music and art. In addition to concerts by major artists Sheryl Crow and Andy Grammer, 2023 events included chamber concerts, Ohio University's production of *Into the Woods*, a jazz concert, and many other events.

The core of the Festival's classical music programming is the Lancaster Festival Orchestra, which includes 63 professional musicians from 52 orchestras across the country, as well as Taiwan. Under the leadership of Maestro Gary Sheldon, the Orchestra has received national acclaim for its pops and classical performances.

The Festival focuses on providing accessible and enriching arts and music activities for the entire community. The 2023 Festival's 37 free activities included community band performances, children's art classes, dance and puppet shows, and many hands-on family activities. The largest free event of the Festival is the ArtWalk, which drew 22,000 visitors to downtown Lancaster in 2023. The Festival also supports an Artist in Residence, youth orchestra fellowships, and other community endeavors.



Sheryl Crow performs on the Wendel Concert Stage.



Trumpeter Byron Stripling plays at the Monday Night Jazz event.



ML Dance Academy at the free Children's Corner series.



Nearly 10,000 people watched Sheryl Crow perform at the Grand Finale Concert.

Visitors

The 2023 Lancaster Festival attracted an estimated 50,000 total visitors including an estimated 34,000 people who attended the 37 free events and 22,000 people who attended the 14 ticketed events¹. These visitors spent an estimated \$5.2 million on hotels, food, and retail in Lancaster and the surrounding area.

The Festival attracted enough visitors to fill Huntington Park, home of the Columbus Clippers, approximately five times, and Nationwide Arena, home of the Columbus Blue Jackets, approximately two and a half times.

The Lancaster Festival lasts ten days and attracts 50,000 attendees to a city of approximately 40,000 people. In the world of arts and music festivals, the Lancaster Festival is a mighty visitor attraction engine. To put this in perspective, consider the following:

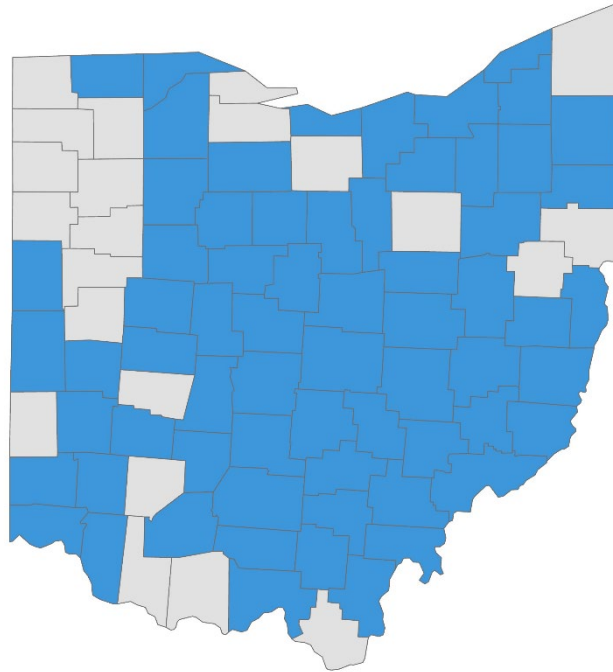
- The Aspen Music Festival and School, located in the major tourist destination of Aspen, Colorado, draws 100,000 attendees during its eight-week summer season with over 400 classical music events.
- Charleston South Carolina's Spoleto Festival, located in a city of over 150,000 people and a metro area of 700,000 people, attracts 48,000 attendees during the 17-day event.
- The Cincinnati Music Festival, which takes place in a city with a population of over 300,000 and a metro area of nearly 2.3 million, attracts 78,000 people to its three-day music festival.

¹ Ticket sales and free event attendance include individuals attending multiple events.

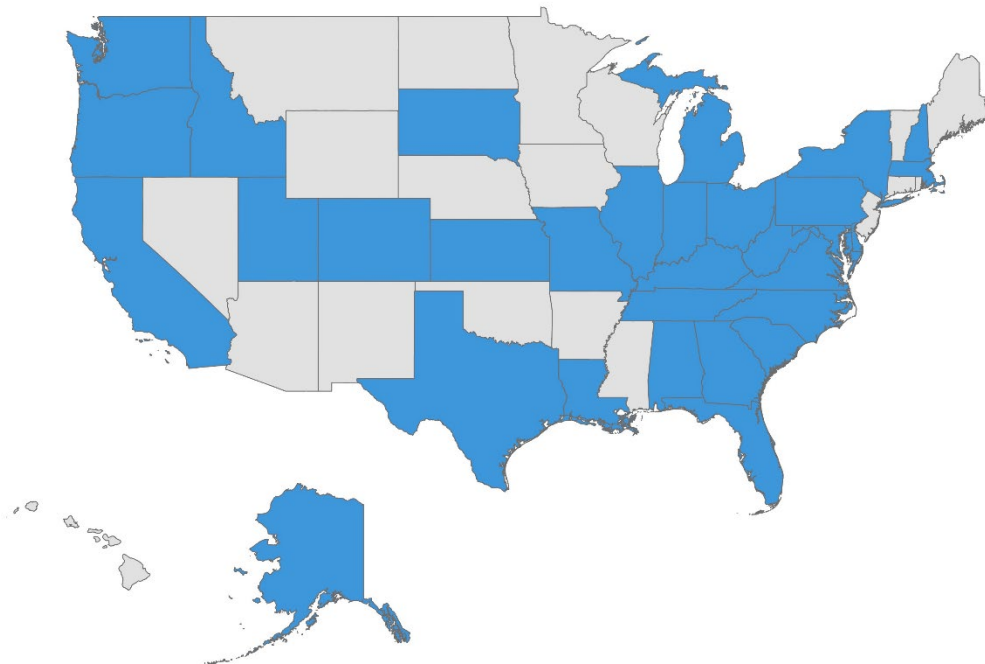
Economic Impact Analysis of the 2023 Lancaster Festival

As depicted in the maps below, visitors who purchased tickets traveled from 67 of Ohio's 88 counties and from 32 states to attend the Festival. Counties and states below in blue represent residences of visitors.

Festival Visitors by Ohio County of Residence



Festival Visitors by State of Residence



Volunteers

The Festival is powered by an army of volunteers who build stages, take tickets, direct parking, and contribute to every aspect of the Festival operations. In 2023, there were 475 volunteers who worked with the small Festival staff of two and a half to bring the 51 events to fruition.

Volunteers, some of whom helped from April through July, donated more than 14,000 hours. Per the Independent Sector and Do Good Institute's most recent Value of Volunteer Time for Ohio volunteers, this equates to more than \$408,000 of donated value.

The Festival has a long history of community support and was run entirely by volunteers for the first twenty years of its existence. The founders of the Festival have even been invited to other cities to provide guidance on how to leverage volunteers to operate a festival.



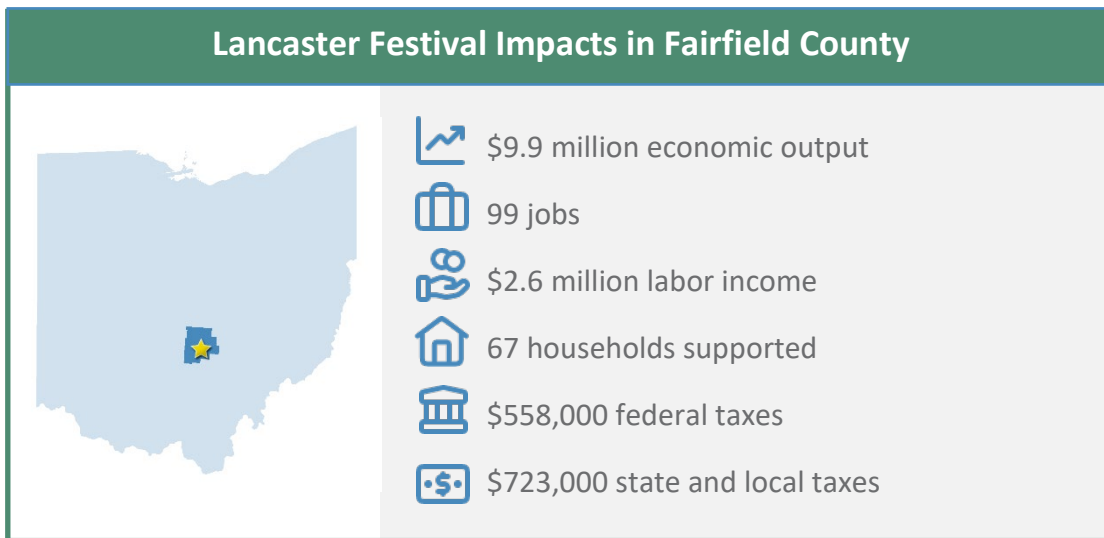
Some of the 475 Lancaster Festival volunteers helping at events.

Fairfield County Estimated Impacts

The 2023 Lancaster Festival generated an estimated \$9.9 million of economic activity (economic output) in Fairfield County. This amounts to approximately \$5.79 of economic impact for each dollar of the Festival’s operating budget and \$13.67 of economic impact for each dollar of grant and donation assistance.

Visitor spending represents a large component of this economic activity. Festival attendees spent an estimated \$5.2 million on lodging, food, drink, and retail in the local economy.

The Festival supported an estimated 99 jobs in the County and had approximately \$2.6 million of associated annual labor income, including benefits. These jobs and earnings sustained an estimated 67 households in Fairfield County. The Festival also generated an estimated \$723,000 of state and local taxes and \$558,000 of federal taxes during 2023.



| Estimated Economic Impacts | Direct | Indirect & Induced | Total |
|----------------------------|--------------|--------------------|--------------|
| Economic Output | \$ 6,275,000 | \$ 3,615,000 | \$ 9,890,000 |
| Jobs | 73 | 25 | 99 |
| Labor Income | \$ 1,775,000 | \$ 826,000 | \$ 2,601,000 |
| Households Supported | 49 | 18 | 67 |

Impacts on Local Businesses

The estimated 22,000 people who attended the ArtWalk strolled through downtown Lancaster and the bars, restaurants, and shops. The tremendous crowds led to both increased sales and increased exposure for local businesses.

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. A Lancaster accountant analyzed revenues of three downtown food establishments and identified a 50% increase in revenue during the Festival for these businesses. Restaurant owners in downtown Lancaster describe the Festival as their busiest time of the year.

During the Festival, the three Lancaster hotels, local Airbnbs, and rental cabins in Hocking Hills are almost all booked to 100% occupancy. Visitors also fill hotels in other parts of Fairfield County and surrounding counties.

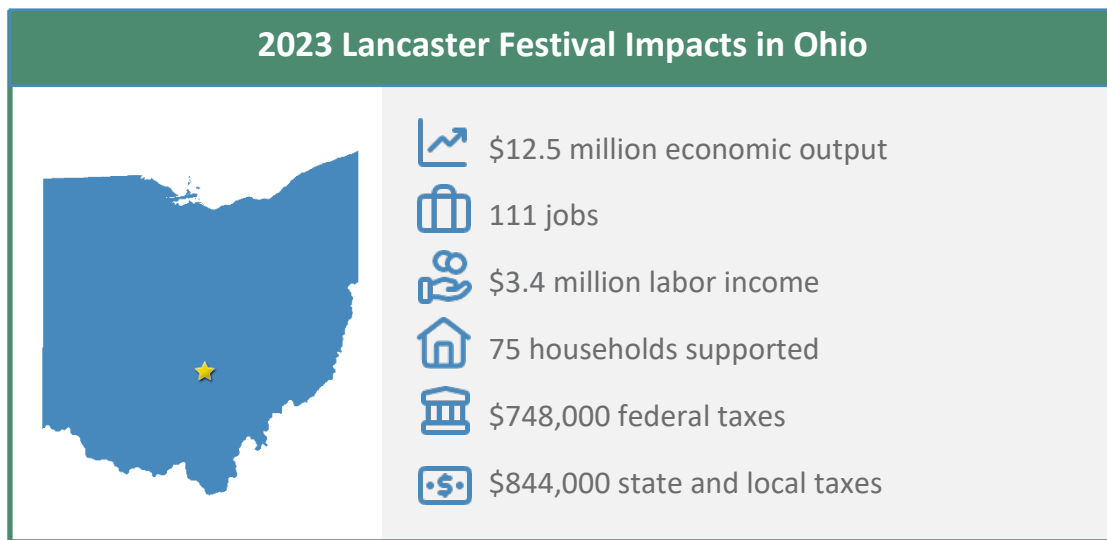


Ale House, one of the downtown restaurants which hosted Festival events

State of Ohio Estimated Impacts

The 2023 Lancaster Festival generated an estimated \$12.5 million of economic activity (economic output) in the State of Ohio. This amounts to approximately \$7.31 of economic impact for each dollar of the Festival’s operating budget and \$17.25 of economic impact for each dollar of grant and donation assistance.

The Festival supported an estimated 111 jobs in the State and had approximately \$3.4 million of associated labor income, including benefits. These jobs and earnings sustained an estimated 75 households in Ohio. The Festival also generated an estimated \$844,000 of state and local taxes and \$748,000 of federal taxes during 2023.



| Estimated Economic Impacts | Direct | Indirect & Induced | Total |
|----------------------------|--------------|--------------------|---------------|
| Economic Output | \$ 6,275,000 | \$ 6,203,000 | \$ 12,478,000 |
| Jobs | 73 | 38 | 111 |
| Labor Income | \$ 1,775,000 | \$ 1,656,000 | \$ 3,431,000 |
| Households Supported | 49 | 26 | 75 |

Longevity and Growth of the Festival

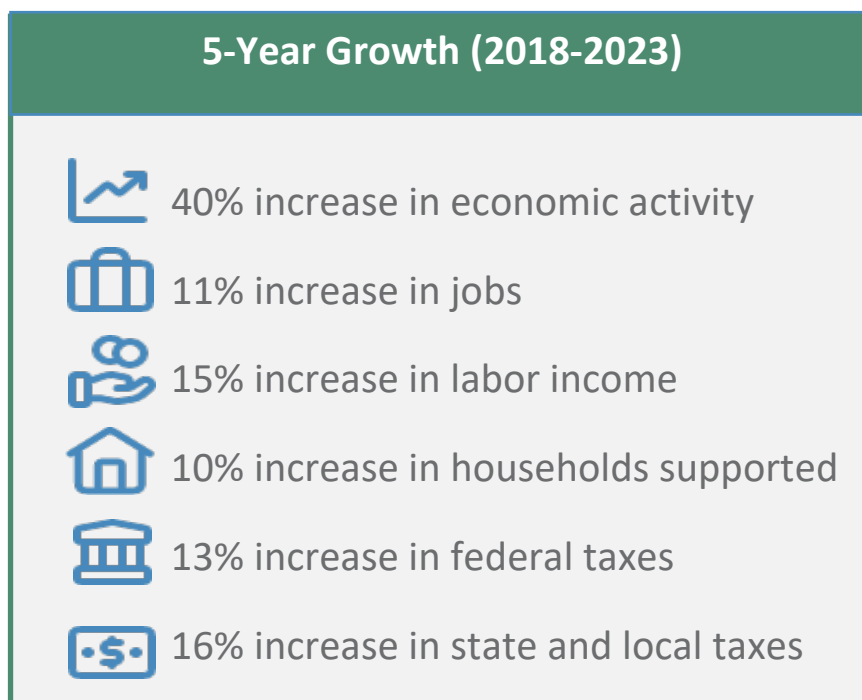
Since 1985, the Lancaster Festival has enriched the community with art and music performances and persevered through inclement weather, new orchestras, headliner cancellations, a diminishing public interest in classical music, and other challenges.

The Festival persisted through the COVID-19 pandemic when the majority of art and music festivals around the world were cancelled or postponed. The Festival was able to endure the pandemic by providing virtual performances in 2020 and shortened outdoor-only events in 2021. The Festival returned to a full 10-day schedule in 2022.

In its first 39 years, the Festival has evolved and explored new ways to engage and entertain the community. Over the decades, the Festival has welcomed popular musicians including Tony Randall, Roberta Flack, Aretha Franklin, The Beach Boys, the Temptations, and Kenny Rogers.

In the last five years, the estimated number of Festival visitors grew 25% from 40,000 in 2018 to 50,000 in 2023.

Silverlode Consulting conducted an economic impact study for the Lancaster Festival in 2018. The table below identifies the tremendous growth the Festival has experienced over the last five years.





Andy Grammer performs with the Lancaster Festival Orchestra on the Wendel Concert Stage.

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.



Children at the free Lancaster Festival Bike Races in downtown Lancaster.

Lancaster Pride

For nearly 40 summers, the Lancaster Festival and the Lancaster community have successfully collaborated to provide residents and visitors with unique opportunities to experience phenomenal art and music. Beyond supporting the local economy, the Festival has created a unique legacy for a small, Ohio city and the surrounding area. The lighted “clamshell” image of the Wendel Concert Stage is part of Lancaster’s brand and history.

From the families who have been reuniting for decades at lawn tables during the Saturday concerts, to the people who plan vacations and work schedules around the Festival, 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. The Festival brings Lancaster residents and visitors together for ten days to reconnect, build relationships, and strengthen the community.

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. These accolades elevate the image of the City of Lancaster.

Inclusive Culture

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 (37 out of 51) of Festival events in 2023 were free. Thousands of families enjoyed performances by artists in music, dance, and art at indoor and outdoor venues along with community events like bike races.

The largest free event of the Festival is the ArtWalk, a collaboration between the Festival and Destination Downtown Lancaster. In 2023, an estimated 22,000 visitors meandered through the shops and restaurants along the downtown streets, which are closed to traffic during the Festival. The 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 Chalk the Block, an opportunity for artists of all abilities to create artwork around Fountain Square.



An artist participates in Chalk the Block

Economic Impact Analysis of the 2023 Lancaster Festival

The Festival brings cultural opportunities to a socioeconomically diverse audience by offering many free, classical music performances. The Community Orchestra event invites community members who play instruments to play alongside the Lancaster Festival Orchestra and to be conducted by Maestro Gary Sheldon.

The Festival provides exposure to classical music at a time when interest in this art form is waning. A National Endowment for the Arts 2022 Survey of Public Participation in the Arts identified a 47% decline in adult attendance of classical music performances over the last five years.

The Festival also 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.

In 2023, an estimated 4,000 people attended Festival Fair Day and approximately 80% of the attendees were children. The wide range of activities included concerts, Operator for a Day, a dog trick show, train rides, instrument workshops, 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 on the concert grounds or from local food trucks.



Operator for a Day activities during Festival Fair Day at the Fairfield County Fairgrounds.

Music and Arts Education for Children

One of the commitments of the Festival’s Board of Directors is to “Be an advocate of arts education for all children.” Arts education can have a transformative impact for children. The inclusive nature of the Festival described above extends to children of all backgrounds. For many children, the Festival is their first time hearing an orchestra, performing on a stage, or participating in another form of art.

In 2023, the Festival featured numerous young musicians including the Lancaster High School Percussion Ensemble, Fairfield County Strings and Keyboards, and Harmonics String Quartet. The Festival also supports youth orchestra fellowships and provides numerous internships to expose local students to the operations of a non-profit art and music festival.

The 2023 Festival offered several free children’s concerts along with numerous other experiences including free puppet and dance shows. The Major Arts for Minors classes included free children’s classes in pottery, acting, Boomwhackers, and letterpress.

At the Chalk the Block event, children had an opportunity to make art alongside experienced artists and have their work viewed by the community.



Children’s Performance at AHA!



An estimated 22,000 people attended the 2023 ArtWalk in downtown Lancaster.

Economic Development

While the economic impact the Festival has on local businesses is captured by the indirect and induced impacts estimated by the IMPLAN model, the neighborhood and community impacts of this support of local businesses cannot fully be captured through an economic impact study.

The Festival performances and events took place in 20 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 2023, a new Dean at Ohio University hosted events on multiple nights to connect with the community.

Local businesses and organizations advertise at the Festival and are able to have direct communication with the thousands of out-of-town visitors.

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, donors, and other stakeholders to visit.

The Festival is also a critical part of the story local economic development teams and Destination Downtown Lancaster tell when recruiting businesses to Lancaster and potential investors for the historic downtown buildings.

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 | Organization | Title |
|-----------------------|---|--|
| Tracy Arbuckle* | Arbuckle Phayer Accounting Group LLC | Managing Partner |
| Martin Barker* | Martin Barker Design | Owner |
| Matt Brady* | Ale House 1890 and Provisions Bakery and Deli | Owner |
| Whitney Brown* | Cameo League | President |
| Amie Cohen* | Fairfield Homes Inc. | Business Services Coordinator |
| Bob Competti | Innerphase Video Productions | Owner |
| Deb Connell | The Lancaster Festival | Executive Director |
| Aundrea Cordle* | Fairfield County | County Administrator |
| Anne Cyphert* | iHeart Radio | News, Traffic, Weather Reporter |
| Steve Davis | Fairfield County | County Commissioner |
| Amy Eyman* | Fairfield County Foundation | CEO |
| Amanda Everitt | Destination Downtown Lancaster | Executive Director |
| David Gallimore, Jr.* | Mid-West Fabricating Co. | Business Development |
| Lisa Gallimore | The Lancaster Festival | Volunteer Coordinator |
| Bob Heath* | | Entrepreneur |
| Kelson Henwood | The Lancaster Festival | Office Manager |
| Eleanor Hood* | The Lancaster Festival | Honorary Director |
| Barbara Hunzicker* | The Lancaster Festival | Honorary Director |
| John "Jack" Janoso* | Fairfield Medical Center | President and CEO |
| Allen Joos* | Lancaster Bingo Company | Retired, former Logistics Supervisor |
| Angela Krile* | Krile Communications | Owner |
| Laurie Lach* | Ohio University | Asst. Vice President, Alumni Relations & Campus Partnerships |
| John Lloyd* | Arbor View Family Medicine, Inc. | Physician |
| Norman Ogilvie Jr.* | Dagger Law | Of Counsel |
| Judy Root* | Fairfield Federal Savings and Loan | Retired, President |
| Jeff Sauer* | Rise Realty | Commercial Agent |
| Gary Sheldon | The Lancaster Festival | Maestro and Artistic Director |
| Kim Sheldon | The Lancaster Festival | Volunteer, Donor, Former Board |
| Connor Smith* | Juncture Wealth Strategies | Financial Advisor |
| David Scheffler | City of Lancaster | Mayor |
| Jeff Spangler* | Dagger Law | Co-Managing Partner |
| Rick Szabrak | Fairfield County | Director of Economic and Workforce Development |
| Laura Tussing* | Park National Bank | Regional President |

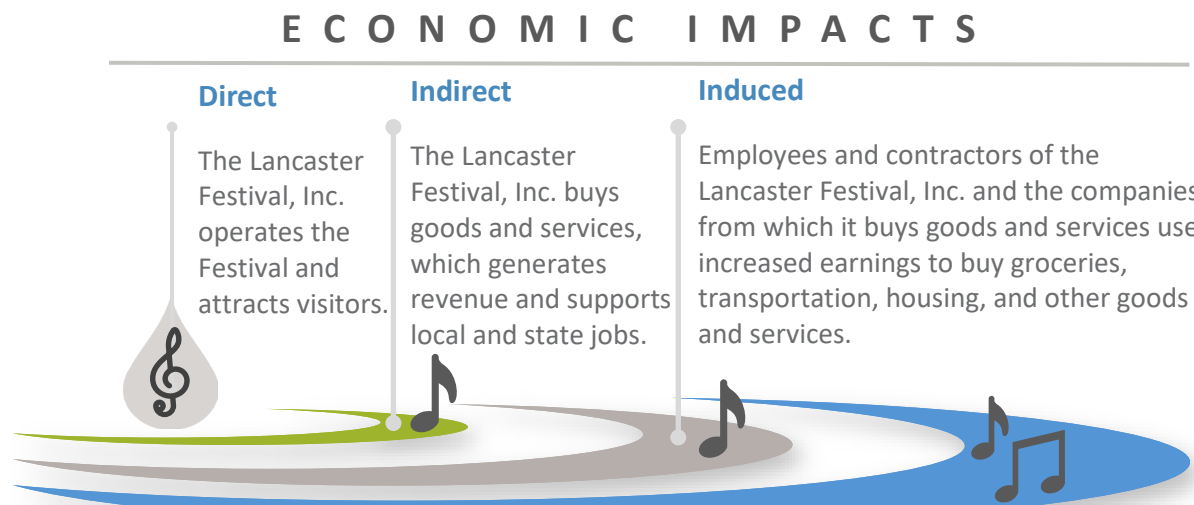
*Denotes member of The Lancaster Festival Board of Directors

Study Methodology

Economic Impact Analysis

Economic and fiscal impacts can be divided into three component parts, which are referred to as Direct, Indirect, and Induced. Direct impacts represent activity attributable to the Lancaster Festival’s operations (e.g., Festival jobs, ticket sales, and artist contracts). Indirect impacts represent the economic activity of the entities that provide goods and services to the Festival. Induced impacts represent the economic activity arising from employee and contractor (both direct and indirect) household spending.

Another way of looking at economic impacts is to think of an economic activity, such as the operations of an art and music festival, as creating “ripples” of economic activity throughout the region being analyzed. The graphic below illustrates this ripple activity. A **Direct** effect describes an initial 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. **Indirect** effects represent changes in the industries that provide goods and services to the economic activity being modeled (e.g., suppliers and service providers). **Induced** effects represent the impact of changes in household spending resulting from the direct and indirect effects. **Total impact** refers to the final cumulative result of all rounds of direct, indirect, and induced activity.



Geographic Areas

The larger a geographic area is (e.g., the State of Ohio), the larger the economic impact of an activity will be when compared to a smaller geographic area (e.g., Fairfield County). This is a function of the economic model capturing more indirect and induced economic activity in a larger geographic area. The estimated economic impacts of the Lancaster Festival's economic activity in the State of Ohio include the estimated impacts of the Festival's activities in Fairfield County.

IMPLAN

IMPLAN (IMpacts for PLANning), one of the most well-respected and widely used methodologies for assessing regional economic impacts, was used to estimate the annual impact of the operating activities of the Lancaster Festival. 2022 IMPLAN data, the most current data available, was used for this study.

IMPLAN is a general input-output model initially 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 updated annually using thousands of data points from over 90 sources. The main sources for this data include:

- U.S. Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW)
- U.S. Bureau of Economic Analysis (BEA) Regional Economic Accounts (REA)
- U.S. Census Bureau County Business Patterns (CBP)
- U.S. Bureau of Economic Analysis National Income and Product Accounts (NIPA)

Terminology

| | Direct Impacts | Indirect and Induced Impacts |
|--------------------------------|---|---|
| Economic Output | The total value of goods and services produced by the activity being modeled. Output is roughly equivalent to sales or revenue associated with the direct activity. | IMPLAN estimate of the total value of goods and services produced by indirect and induced economic activity. Output approximates sales or revenue associated with this activity. |
| Jobs | Jobs directly engaged in the activity being analyzed and supported for one year. | 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). |
| Labor Income (Earnings) | 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 | Estimate of the number of households supported by the economic activity being analyzed. | Estimate of the number of households supported by indirect and induced economic activity. |
| State and Local Taxes | 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. |

About Silverlode Consulting

Silverlode Consulting was founded in 2002 by two leaders of EY's and PwC's consulting practices. As a national leader in economic impact analysis, Silverlode has 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 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 economic impact analysis can be found on our website at www.silverlodeconsulting.com.



MadCap Puppets performance of When you Wish Upon a Fish