



CUMBERLAND • COUNTY • PLAYHOUSE

Economic & Fiscal Assessment

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**MIDDLE
TENNESSEE**
STATE UNIVERSITY

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Acknowledgments

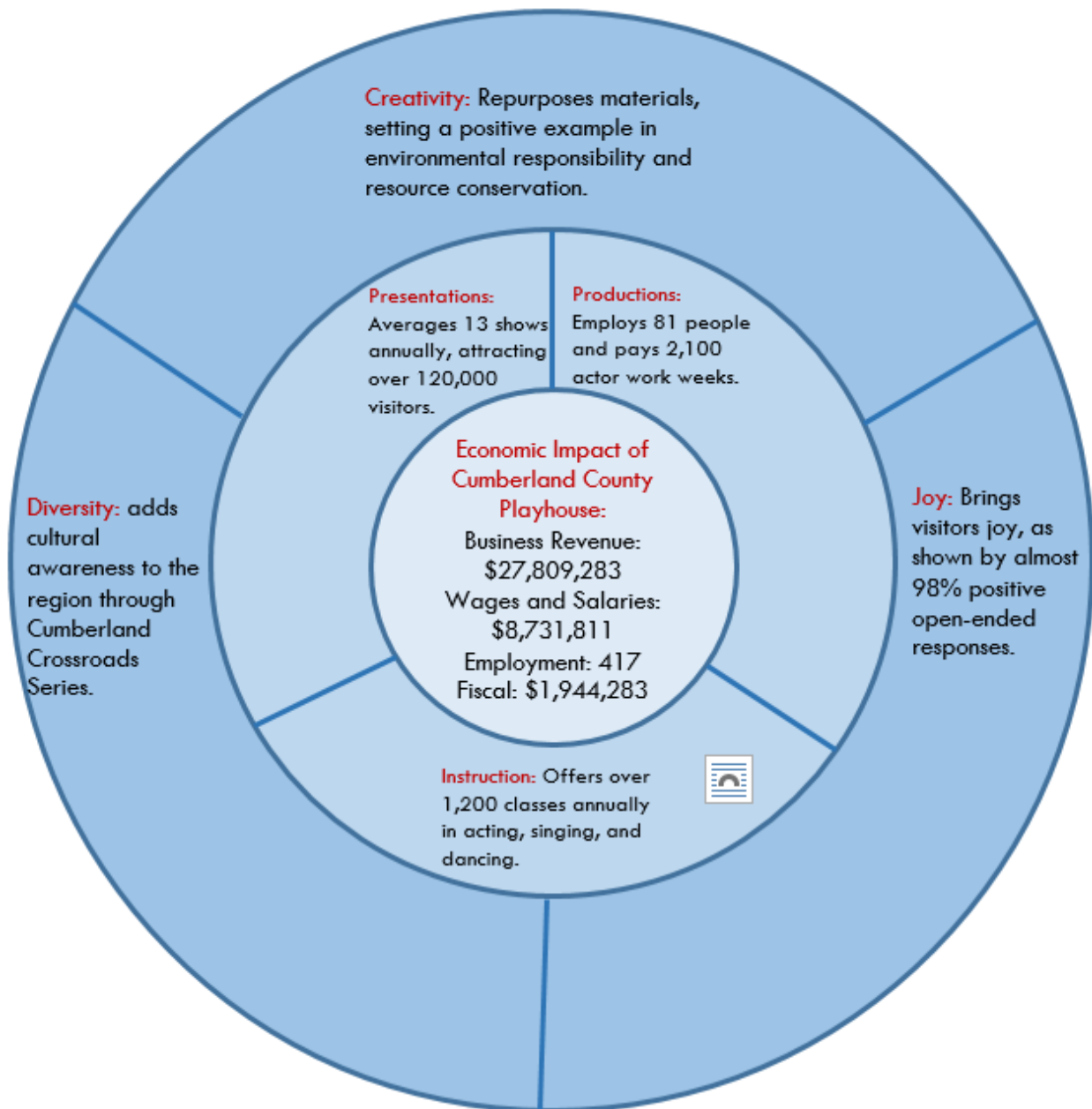
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Overview of Cumberland County Playhouse



I. Executive Summary

Cumberland County Playhouse, one of the nation's most successful regional theatres, has a unique impact on the community, region, and state. This assessment, produced by the Business and Economic Research Center (BERC) at Middle Tennessee State University under the sponsorship of Cumberland County Playhouse, aims to capture the economic impact of the playhouse in order to demonstrate its role as not only a provider of quality entertainment but also a major driver of economic activity in the region.

Key Findings

- Profile of Cumberland County Playhouse
 - The Playhouse in 2014
 - Employed an average of 81 people,
 - Had an average volunteer force of 220,
 - Produced an average of 13 shows, and
 - Earned \$2.5 million in revenues.
 - The Playhouse attracted visitors from 90 of Tennessee's 95 counties and all over the country. BERC's survey determined that only 18 percent of Playhouse visitors were originally from Cumberland County, meaning 82 percent of visitors create a net-new impact in the county.
- Economic Impact
 - The economic impact of the direct spending of \$2.7 million by the Playhouse leverages \$27.8 million in business revenue.
 - The Playhouse directly employs 81 people, generating an employment impact of 417 jobs.
 - The Playhouse disburses nearly \$1.6 million in wages and salaries directly to employees for a total impact of \$8.73 million.
 - The Playhouse created \$1.9 million in annual state and local tax revenues in 2015.
- Economic Contributions (annual)
 - The Playhouse's total contribution (direct, indirect, and induced) to business revenue in Cumberland County is \$28.5 million per year.
 - The Playhouse and its visitors created an employment impact of 426 through direct, indirect, and induced contributions.
 - The Playhouse produces \$8.9 million in wages and salaries in the county.
 - Playhouse contributions generated \$2.1 million in state and local taxes including sales and property taxes in 2015.
- Economic Contribution and Volunteer Impact
 - The Playhouse is responsible for \$30.5 million in business revenue, 445 jobs, and \$9.3 million in wages and salaries along with \$2.2 million in state and local taxes in Cumberland County.

II. Introduction:

The Business and Economic Research Center (BERC) at Middle Tennessee State University conducted a survey of playhouse attendees between May and October of 2015. This study, sponsored by Cumberland County Playhouse, intends to assess the Playhouse's contribution to the local economy from several perspectives.

Since its inception in 1965, the Cumberland County Playhouse has had an impact on residents and visitors of Crossville and Cumberland County through the arts. Because of its location, the Playhouse has a unique opportunity to draw its audience from many regions underserved by the arts. Visitors commonly travel from rural east and middle Tennessee, Northern Georgia, Southern Kentucky, and Northern Alabama. Chapter 5 provides a detailed visitor profile from the survey.

Because of the large number of out-of-region visitors, a large portion of the Playhouse's impact can be considered net-new to the region. Without the Playhouse, Cumberland County and the city of Crossville would have lost a significant amount of revenue from visitor spending and Playhouse expenditures.

Expenditures relating to the Cumberland County Playhouse have an impact on the Cumberland County economy. The full impact includes direct disbursement of wages, goods and services, and the ripple effect as these expenditures work their way through the local economy. As employees spend their salaries, some of these dollars land in other Cumberland Countians' pockets, becoming income for a second round of spending, then a third, and so on. Likewise, businesses selling goods or services to the Playhouse use the proceeds to reimburse employees or to purchase other goods and services, triggering additional rounds of spending.

This study is divided into 7 chapters: (1) executive summary, (2) introduction, (3) methodology and literature review, (4) profile of Cumberland County Playhouse, (5) visitor profile, (6) economic and fiscal impact assessment, and (7) broader impact on the county and region. A conclusion, list of works cited, and appendix follow.

III. Literature Review and Methodology:

This section outlines the study's methodology and discusses such issues as modeling strategy, data sources and collection, and the manner in which IMPLAN was employed to calculate total impact. Each area identifies the necessary assumptions in estimating the model.

Review of Selected Literature

Examination of case studies, literature, and government reports reveals the arts have a significant impact on communities and their residents. Theaters are conducive to tourism because they offer performances typically not available locally.

Many national studies have examined the influence of the arts on the economy. A study by Americans for the Arts found "the industry generated \$135.2 billion of economic activity—\$61.1 billion by the nation's nonprofit arts and culture organizations in addition to \$74.1 billion in event-related expenditures by their audiences." The study also found the average arts attendee spends \$24.60 per event in addition to the cost of admission.

Crossville's close proximity to both urban and rural areas sets the stage for the Playhouse's success. Its location, attracts people regardless of gender, socioeconomic background, and age. A Denver Performing Arts Complex study found that "77 percent of patrons were from outside the city and county of Denver."

The Barter Theater in Abington, Virginia, is similar to the Playhouse in total attendance. A report by Destination Services in 2013 found the theater's activities produced \$3.1 million in business taxes and over \$11 million in labor income.

As one of the country's most successful rural theaters, the Cumberland County Playhouse has a unique role in shaping the county's economy. Because it is unusual for a playhouse this size to have such a major impact, many studies in the literature review were not relevant. However, BEREC carefully selected case studies and literature on theaters' contributions to a region's success.

Geographic Scope of Impact

The Cumberland County Playhouse is located in Cumberland County, Tennessee, in the city of Crossville, approximately 100 miles east of Nashville, 80 miles north of Chattanooga, and 70 miles west of Knoxville. We assume Playhouse employees live in Cumberland County. It is also assumed the Playhouse's payroll generates spending throughout the county but not much beyond the county's boundaries. The following map shows the communities within the eight-hour driving distance from Crossville, TN.

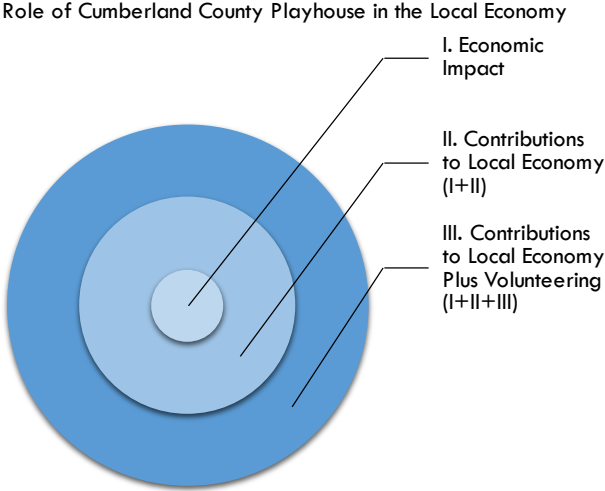


The local economy is impacted by expenditures made by the Playhouse and by those visiting from outside the county. The Playhouse’s expenditures for capital equipment, supplies, and business services create earnings for firms located throughout the county. Local visitors are not included in the economic impact analysis since the expenditures they make are merely transfers of earnings from one activity to another. In other words, if they are not visiting the Playhouse, they will spend the money on some other activity. Only expenditures by Playhouse visitors from outside Cumberland County have an impact on the local economy.

Economic Impact Definition and Modeling Strategy

What is the concept of economic impact, and how do we estimate it? In analyzing Cumberland County Playhouse, BEREC provides three assessments: (I) economic impact (narrow category); (II) economic contribution (broader category); and (III) economic contribution including volunteer hours (broadest category). The chart at right illustrates the relationship of the three measures.

Economic Impact and Economic Contributions. Economic impact refers to economic activities that are “net new” to the local economy. Such activities include exporting of goods and services by local businesses to areas outside the region, out-of-area visitor spending, and recapturing of economic activities sent outside the region due to lack of local business services. In the case of the Playhouse, we measure the direct economic impact by identifying the amount of monetary flow to the study region from outside Cumberland County—the net contributions to local economic



activities. Without the Playhouse, the local economy would be smaller in proportion to the net new economic activities associated with the Playhouse as well as their indirect and induced effects.

This study distinguishes economic impact from economic contributions. While the former refers to new economic activity, the latter refers to the total amount of the Playhouse’s spending in the local economy. Any measure of economic contributions includes economic impact measures. To measure economic contributions, this study first calculates total expenditure by the Playhouse and then *counterfactually* removes the sector from the local economy to identify indirect and induced effects.

Finally, this study argues that the economic activities associated with the Playhouse would not have been possible with only their given level of employment. Volunteers are vital. In a third category, this study quantifies total wages associated with volunteer labor and adds the total direct wages to the economic contribution estimates.

(I) Economic Impact
<ul style="list-style-type: none"> a. Monetary flow to Cumberland County from outside the county: <ul style="list-style-type: none"> i. Direct Impact—amount of monetary flow to the Playhouse from outside the County. ii. Indirect Impact—business-to-business transactions in the region as money is spent by the Playhouse. iii. Induced Impact—impact of employees spending in the region as they receive salaries and wages from the Playhouse.
(II) Economic Contributions
<ul style="list-style-type: none"> a. Economic Impact (I) plus other spending associated locally generated revenue <ul style="list-style-type: none"> i. Direct Impact—amount of Playhouse's total spending. ii. Indirect Impact—business-to-business transactions. iii. Induced Impact—impact of employee spending.
(III) Economic Contributions plus Volunteering
<ul style="list-style-type: none"> a. Economic Contributions (II) plus volunteering <ul style="list-style-type: none"> i. Direct Impact—only the direct measure of of volunteering.

Modeling Approach

The model used to estimate the impact is IMPLAN (IMPact analysis for PLANning), developed for the U.S. Department of Agriculture Forest Services and now marketed by the Minnesota IMPLAN Group. IMPLAN is a nationally recognized, commonly used input-output model for measuring the economic and fiscal effects of economic development projects.

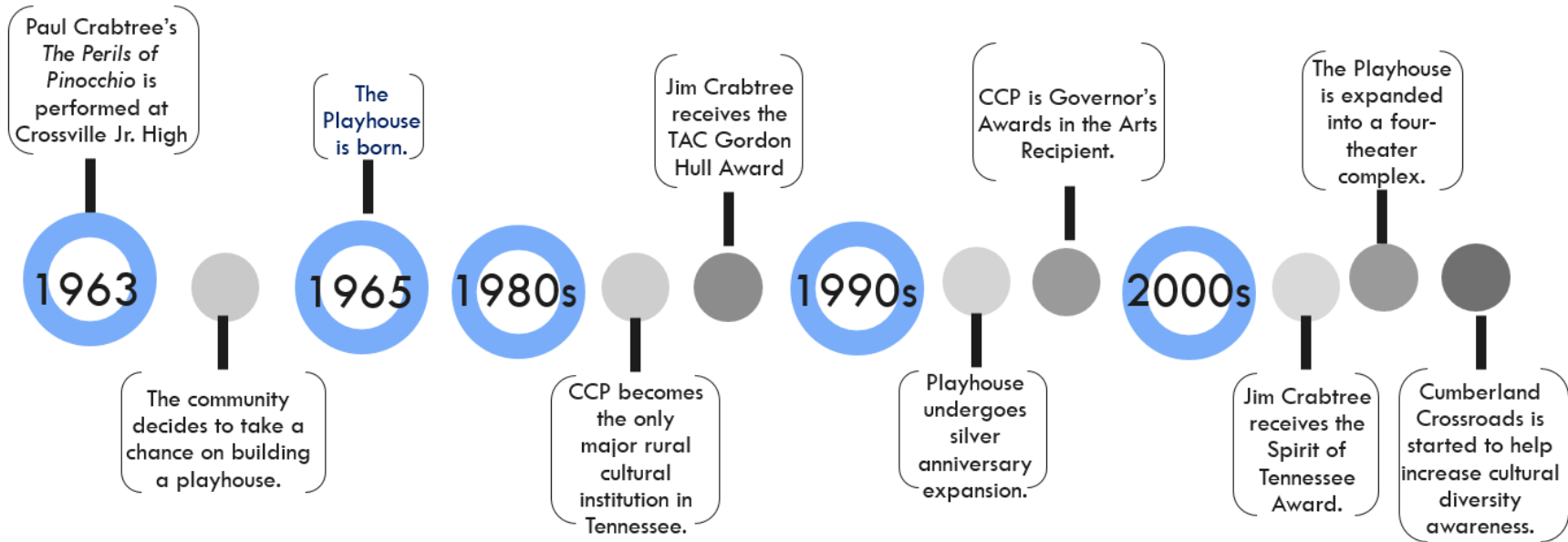
Data Sources and Collection

Where did the data originate? This study uses three types of data.

1. Survey: Between May and October 2015, playhouse staff and volunteers distributed surveys to show audiences before or after the show and at various times and days to ensure a diverse sample. From the 777 completed surveys, BEREC determined the spending patterns, place of residence, and other demographic characteristics of the average attendee.
2. Institutional: Cumberland County Playhouse provided historical data on ticket sales.

3. **Government Resources:** Data on CCP revenues, expenditures, and employment was collected from the Internal Revenue Service. County-level data was collected from the Bureau of Labor Statistics and the Census Bureau.

A Historical View of Critical Events at Cumberland County Playhouse



IV. Profile of Cumberland County Playhouse

Overview

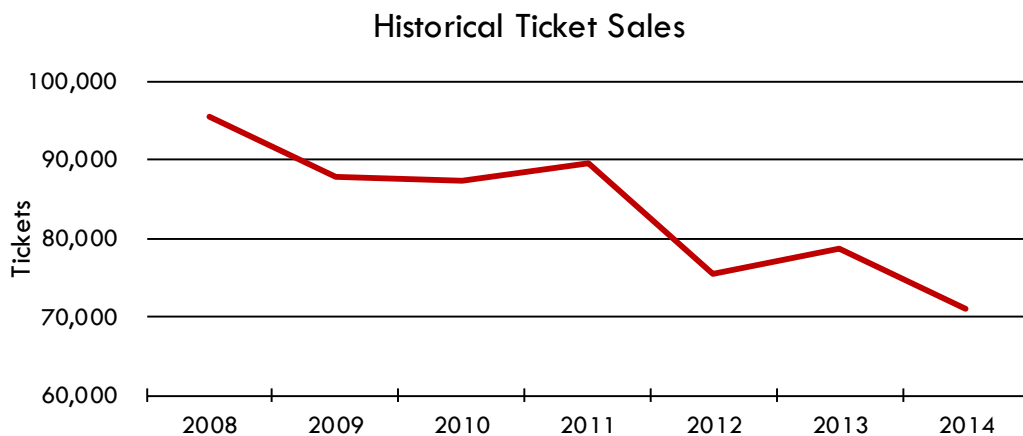
Since its inception in 1965, the Cumberland County Playhouse has been a staple for arts education, creative place making, and the local economy in Crossville, Tennessee, and the surrounding region. A quick look at the previous timeline will show the Playhouse's 50-year evolution.

The Playhouse has an average of 80 employees and a volunteer force of around 220. The Playhouse saw visitors from 90 of Tennessee's 95 counties and 48 states.

Each calendar year, the Playhouse offers an average of 13 shows. The wildly popular *Smoke on the Mountain* and its sequel *A Sanders Family Christmas* have become Cumberland County Playhouse traditions. The remaining selections include musicals, original plays, shows based on popular works, and southern favorites. The wide variety of offerings makes Cumberland County Playhouse an attractive venue for visitors of all ages to experience the arts.

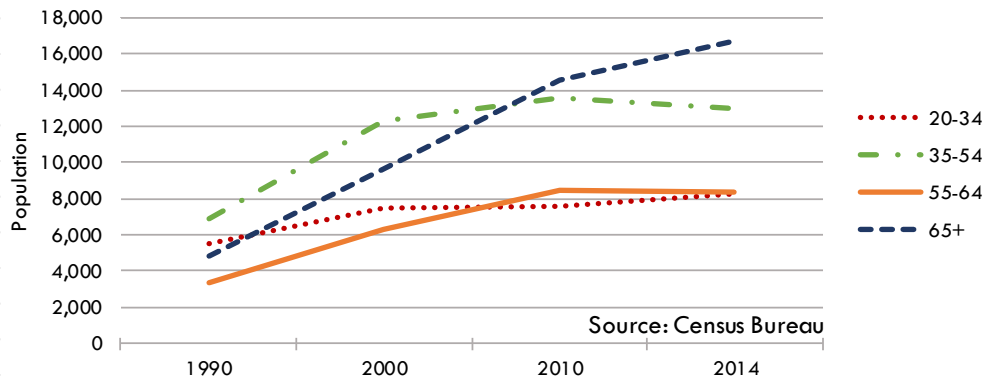
Attendance Trends

Attendance at the Playhouse has shown a relatively flat trend during the past few years with the exception of the recent drop in 2014.



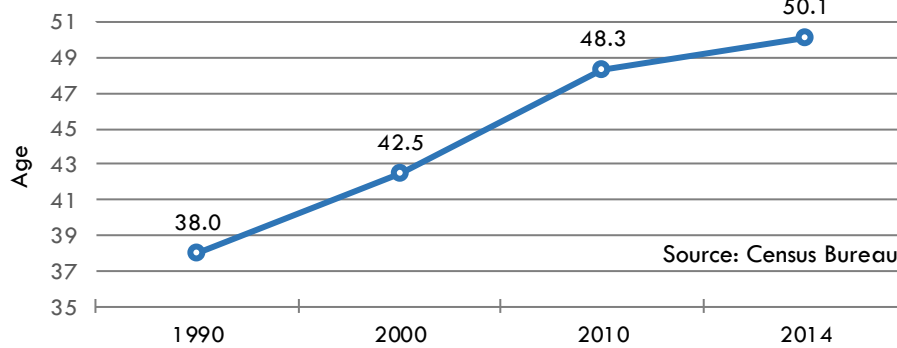
According to BERC's visitor profile, a majority (64%) were over age 65. This could in part be due to the changes in age of the population of Cumberland County.

Cumberland County Population by Age



The population of Cumberland County has aged significantly in the past 24 years as Baby Boomers have aged. The above chart provides the Census data for population by age cohort. The 65 and over group has shown a faster growth trend than other age groups making Crossville one of the top retirement destinations in TN.

Median Age



In addition, the median age of Cumberland County has risen from 38.0 in 1990 to 50.1 in 2014, demonstrating the aging population in the area.

V. Visitor Profile

The Business and Economic Research Center created a survey that was distributed to Playhouse attendees during the months of May through October in 2015. This chapter focuses on the demographic characteristics of attendees. The next chapter analyzes their spending.

Newcomers? BERC attempted to determine average Playhouse visitors and whether they are Cumberland County residents or tourists. The majority had visited the Playhouse before; however, nearly a third of respondents were first-time attendees. The average times attended was five.

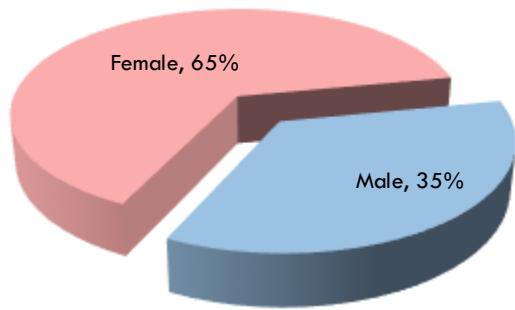
1. How many times have you attended theater performances or concerts at Cumberland County Playhouse?			
Number of Times	Number of Respondents	Percent of Responses	
First time	206	29%	
2 to 3	246	35%	
4 to 5	112	16%	
6 to 7	50	7%	
8 to 9	23	3%	
10 or more	74	10%	
Average times attended: 5			

Group Size. According to the survey, the majority of attendees visited in a group of two (44%) or four (19%). Large groups were also common, with 15 percent of respondents in a group of seven or larger. The largest group of those surveyed consisted of 335 individuals. Many of the larger groups were part of a camp, church, senior citizen home, or other organization. Taking that into account, the average group size was 6.

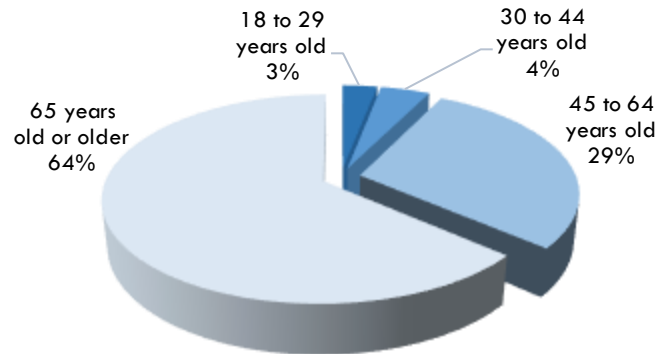
2. How many people are in your group today?			
Size of Group	Number of Responses	Percent of Responses	
1	23	3%	
2	334	44%	
3	80	11%	
4	146	19%	
5	20	3%	
6	35	5%	
7+	115	15%	
Average group size: 6			

Gender and Age. Of the attendees, the majority were female (65%) and 35% male. Most respondents (93%) were 45 and older, and 64 percent were 65 and older.

3. What is Your Gender?



4. Are you...?



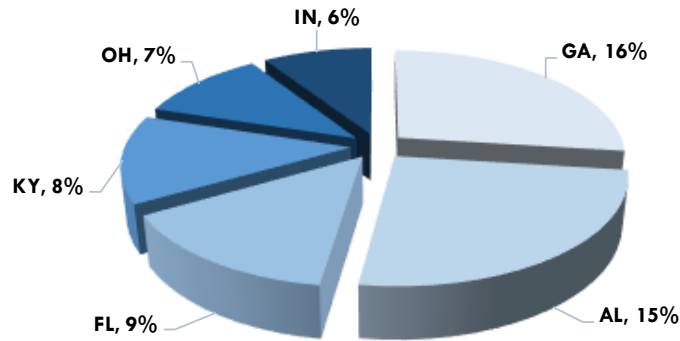
Minors. Although over 86% of respondents did not bring any minors to the Playhouse, those who did typically brought minors between 10 and 17 years old, most likely as part of school trips.

5. For the people in your group, how many are....			
	Responses	Number	% of Respondents
Under 10	63	111	8%
10-17 years old	72	484	10%
None	642		86%

Where did they come from? As only 20 percent of respondents were from Crossville or Cumberland County, 80 percent were from other areas of the state or country. These out-of-region visitors are critical to the Playhouse’s impact, as their purchases are net-new to the region. Of the out-of-state visitors, the largest concentrations were from Georgia (47), Alabama (44), and Florida (25).

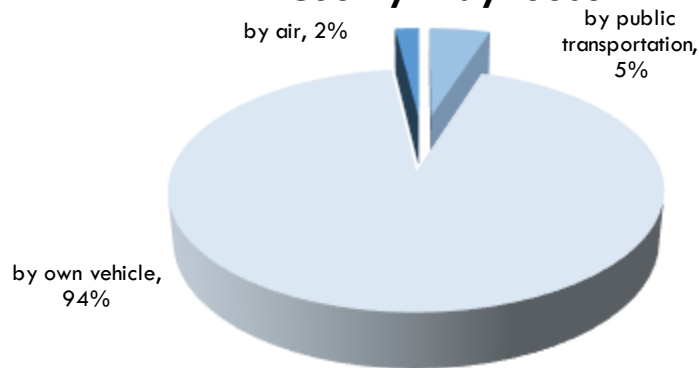
6. Do you live in...		
Response	Responses	Percent of Respondents
Crossville or Cumberland County	153	20%
Tennessee (surrounding counties)	366	48%
Other U.S. state	247	32%

State of Residence (% of Out-of-State Visitors)



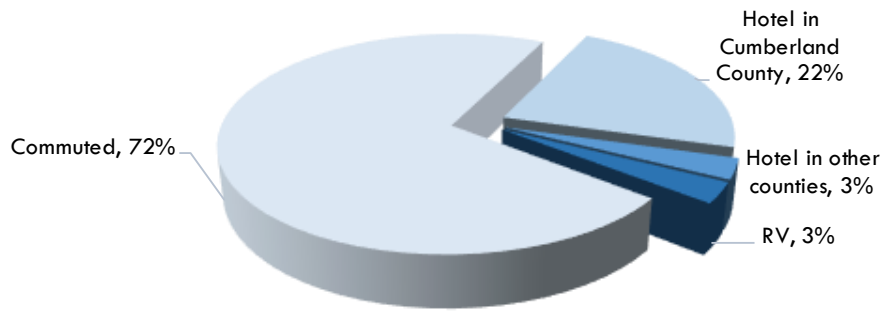
Traveling to Cumberland County Playhouse? Because of The Playhouse’s rural location, it is not surprising that 94 percent of attendees traveled in their own vehicle. Two percent of respondents traveled by air and five percent traveled by public transportation. Because of the group hosting nature of the Playhouse, many individuals consider riding a shuttle or bus from their church, assisted living center, or resort a form of public transportation.

7. Transportation to Cumberland County Playhouse



Where did they stay? As noted, the Playhouse attracts visitors from near and far. Because of its relatively close proximity to many areas, the most common response to “Where do you stay?” was “commuted” (72 percent). Twenty-two percent stayed in a hotel in Cumberland County for an average stay of five days.

8. Where do you stay?



Feedback

The last question of the survey asked attendees for feedback on the Playhouse. With a response rate of 30 percent, BERC was able to determine the most common comments. An impressive 98 percent of responses were positive, which speaks highly of the Playhouse. The seven most frequent responses are listed below.

Enjoys the Shows
Loves the Playhouse
Excellent
Return Attender
Excited to Return
Convenient Location
Talented Performers

VI. Economic and Fiscal Assessment

In this analysis, the playhouse's economic impact is assessed by three measures: business revenue, employment, and wages and salaries. The fiscal impact is also assessed through property tax, sales tax, and other taxes and fees.

Economic Impact

What is economic impact? Economic impact refers to an economic activity's net new contribution to a region. Some examples include a visitor from out of town spending money on a hotel, a new manufacturing plant operating in the region, federal or out-of-region money flowing to an area to support a new program, or an activity that is unique to the region.

How is the direct economic impact figure determined? BERC used in-person surveys to capture the percent of Playhouse visitors from outside Cumberland County.

In reporting economic impact, we follow the procedure outlined below:

- 1) Business Revenue (output) effect: direct, indirect (due to business-to-business interactions), and induced (due to employee spending of wages and salaries) by the Playhouse. These measures (indirect and induced) are also called the ripple effect. The business revenue effect represents all economic activities (i.e., trades, value added, income, taxes, proprietary income, etc.) associated with the activity. Therefore, this figure should not be aggregated with any other measures reported here.
- 2) Employment effect: direct, indirect, and induced by the Playhouse
- 3) Wages and Salaries effect: direct, indirect, and induced by the Playhouse
- 4) Local and state taxes: total taxes attributable to the Playhouse

In this context, it is also important to remember the major assumptions used for this section:

- 1) The study region is Cumberland County, Tennessee.
- 2) Attendance and volunteer inputs are based on the five-year average (2009–2014).
- 3) A certain degree of discrepancy may exist in the data in terms of revenue, expenditure, employment, and volunteers, resulting from (a) the use of multiple databases and (b) several levels of aggregation.

Procedures for Estimating Direct Expenditure

Step 1: BERC analyzed institutionally provided data on general playhouse dynamics.

Step 1

Cumberland County Playhouse Visitor and Expenditure Estimates

Data category	Number	Unit	Source
Total number of visitors	120,000	Visitor day	Cumberland County Playhouse
Average number of shows (2006-2014)	13		Cumberland County Playhouse
Average show run (2014)	65	Day	Cumberland County Playhouse
Average entourage	35	Person	Cumberland County Playhouse
Average paid tickets (2009-2014)	80,405	Ticket/person	Cumberland County Playhouse
Average number of volunteers (2009-2014)	220	Person	Cumberland County Playhouse

Step 2: BERCC determined the distribution of visitors to the Playhouse using the BERCC survey, BERCC estimates, and Playhouse provided data.

Step 2

Distribution of visitors by visitor category

Visitor category	Percent		Source
	breakdown	Total number	
Staying in hotel or motel in Cumberland County	25.72%	20,684	BERCC Survey and CCP
Staying in RV or hotel/motel in other counties	4.69%	3,769	BERCC Survey and CCP
Commuting to Cumberland County	51.67%	41,546	BERCC Survey and CCP
Cumberland County Residents	17.92%	14,406	BERCC Survey and CCP

Other estimates

Total entourage (35 People/365 Days)	(Visitor days)	12,775	CCP/BERCC Estimates
Dance classes (10 People/1,000 classes)	(Visitor days)	10,000	CCP/BERCC Estimates
Volunteer days		16,820	CCP/BERCC Estimates
Total visitor days		120,000	

Step 3: Using the BERC survey, BERC estimated average spending per day per visitor type.

Step 3

Estimating average spending by visitor segment

Step 3A: Visitor Segment: Staying in hotel or motel in Cumberland County

Expenditure category	Percent share	Average per person/per day spending	Source
Lodging	30.60%	\$54.48	BERC Survey
Gasoline	6.75%	\$12.02	BERC Survey
Restaurants	14.82%	\$26.38	BERC Survey
Groceries	8.82%	\$15.70	BERC Survey
Artwork and Craft	8.75%	\$15.57	BERC Survey
Shopping and Recreation	14.13%	\$25.15	BERC Survey
Other	16.12%	\$28.70	BERC Survey
Total	100.00%	\$178.00	BERC Survey

Other information about this segment

Average Trip Duration	3.5 Days
Average Group Size	7.3 People

Estimating average spending by visitor segment

Step 3B: Visitor Segment: Staying in RV or hotel/motel in other counties

Expenditure category	Percent share	Average per person/per day spending	Source
Lodging*	0.00%	\$0.00	BERC Survey
Gasoline	15.88%	\$41.91	BERC Survey
Restaurants	25.20%	\$66.53	BERC Survey
Groceries	44.06%	\$116.32	BERC Survey
Artwork and Craft	5.80%	\$15.32	BERC Survey
Shopping and Recreation	7.15%	\$18.86	BERC Survey
Other	1.92%	\$5.06	BERC Survey
Total	100.00%	\$264.00	BERC Survey

*Note: This visitor segment either stayed in RV or at a hotel outside Cumberland County without generating a lodging impact on Cumberland County.

Other information about this segment

Average Trip Duration	3.1 Days
Average Group Size	4.4 People

Estimating average spending by visitor segment

Step 3C: Visitor Segment: Commuting to Cumberland County

Expenditure category	Percent share	Average per	
		person/per day spending	Source
Lodging	0.00%	\$0.00	BERC Survey
Gasoline	8.40%	\$5.21	BERC Survey
Restaurants	13.40%	\$8.31	BERC Survey
Groceries	32.52%	\$20.16	BERC Survey
Artwork and Craft	9.97%	\$6.18	BERC Survey
Shopping and Recreation	27.38%	\$16.97	BERC Survey
Other	8.33%	\$5.16	BERC Survey
Total	100.00%	\$62.00	BERC Survey

Other information about this segment

Average Trip Duration	1 Day
Average Group Size	6.5 People

Estimating average spending by visitor segment

Step 3D: Visitor Segment: Cumberland County Residents

Expenditure category	Percent share	Average per	
		person/per day spending	Source
Lodging	0.00%	\$0.00	BERC Survey
Gasoline	8.40%	\$5.21	BERC Survey
Restaurants	13.40%	\$8.31	BERC Survey
Groceries	32.52%	\$20.16	BERC Survey
Artwork and Craft	9.97%	\$6.18	BERC Survey
Shopping and Recreation	27.38%	\$16.97	BERC Survey
Other	8.33%	\$5.16	BERC Survey
Total	100.00%	\$62.00	BERC Survey

Other information about this segment

Average Trip Duration	1 Day
Average Group Size	5.3 People

Step 4: BERC used CCP and survey provided data to create inputs in IMPLAN modeling system.

Step 4A: Operating Cumberland County Playhouse				
Years	Employment	Wages and salaries	Expenditures	Revenues
2009	86	\$1,550,708	\$2,799,264	\$2,642,872
2010	71	\$1,399,424	\$2,717,691	\$2,646,735
2011	84	\$1,449,198	\$2,592,853	\$2,670,401
2012	92	\$1,439,284	\$2,740,583	\$2,617,860
2013	75	\$1,500,410	\$2,825,380	\$2,775,001
2014	76	\$1,426,469	\$2,674,931	\$2,525,208
Average	81	\$1,460,916	\$2,725,117	\$2,646,346

**Step 4B: Visitor Expenditure
Scenario 1: Economic Impact**

Expenditure category	Hotel/Motel	RV/Other	Commuters to	Local	Total	Total
		County	Cumberland	Recapture*	Entourage**	Expenditures
Lodging	\$3,380,343	\$0	\$0	\$0	\$0	\$3,380,343
Gasoline	\$745,918	\$157,969	\$216,498	\$26,275	\$66,571	\$1,213,231
Restaurants	\$1,637,153	\$250,745	\$345,199	\$41,894	\$106,146	\$2,381,136
Groceries	\$974,217	\$438,414	\$837,670	\$101,661	\$257,576	\$2,609,538
Artwork and Craft	\$965,981	\$57,739	\$256,817	\$31,168	\$78,969	\$1,390,674
Shopping and Recreation	\$1,560,843	\$71,103	\$705,156	\$85,579	\$216,829	\$2,639,510
Other	\$1,780,799	\$19,076	\$214,507	\$26,033	\$65,959	\$2,106,374

*BERC survey suggests 35 percent recapture rate because of the presence of CCP in Cumberland County.

Alternative Activities of Local Attendees	
Attending alternative activities in Cumberland County	65.29%
Alternative activities outside Cumberland County	34.71%
Recapture rate of local resident spending	35.00%

**Total entourage figures are modeled using the local resident spending rate.

**Step 4B: Visitor Expenditure
Scenario 2: Economic Contribution**

Expenditure category	Hotel/Motel	RV/Other	Commuters to	Local	Total	Total
		County	Cumberland	Recapture*	Entourage**	Expenditures
Lodging	\$3,380,343	\$0	\$0	\$0	\$0	\$3,380,343
Gasoline	\$745,918	\$157,969	\$216,498	\$75,070	\$66,571	\$1,262,027
Restaurants	\$1,637,153	\$250,745	\$345,199	\$119,697	\$106,146	\$2,458,940
Groceries	\$974,217	\$438,414	\$837,670	\$290,461	\$257,576	\$2,798,337
Artwork and Craft	\$965,981	\$57,739	\$256,817	\$89,051	\$78,969	\$1,448,558
Shopping and Recreation	\$1,560,843	\$71,103	\$705,156	\$244,512	\$216,829	\$2,798,442
Other	\$1,780,799	\$19,076	\$214,507	\$74,380	\$65,959	\$2,154,721

*Total entourage figures are modeled using the local resident spending rate.

Step 4B: Visitor Expenditure

Scenario 3: Economic Contribution + Volunteering

Expenditure category	Hotel/Motel	RV/Other County	Commuters to Cumberland	Local Recapture*	Total Entourage**	Total Expenditures
Lodging	\$3,380,343	\$0	\$0	\$0	\$0	\$3,380,343
Gasoline	\$745,918	\$157,969	\$216,498	\$75,070	\$66,571	\$1,262,027
Restaurants	\$1,637,153	\$250,745	\$345,199	\$119,697	\$106,146	\$2,458,940
Groceries	\$974,217	\$438,414	\$837,670	\$290,461	\$257,576	\$2,798,337
Artwork and Craft	\$965,981	\$57,739	\$256,817	\$89,051	\$78,969	\$1,448,558
Shopping and Recreation	\$1,560,843	\$71,103	\$705,156	\$244,512	\$216,829	\$2,798,442
Other	\$1,780,799	\$19,076	\$214,507	\$74,380	\$65,959	\$2,154,721

*Total entourage figures are modeled using the local resident spending rate.

Total estimated volunteers days (see step 2)	16,820
Average annual volunteers	220
Average number of days each person volunteers	76
Average number of hours volunteered per person	126
Number of hours per day/per person	1.65
Total volunteers hours	27,720
Average wage per volunteer hour	\$20.72
Total estimated value of volunteering	\$574,358
Full-time employment equivalency of volunteering	13

Source: volunteeringinamerica.gov, independentsector.org

Economic Impact by Segment

Business Revenue. Cumberland County Playhouse’s total economic impact in Cumberland County, measured as business revenue, is \$27.8 million. Operations created a total impact of \$6.2 million, with total visitor impact at nearly triple that amount, or \$22 million. This figure represents 0.90 percent of all business revenues produced in the county.

Business Revenue Impact	Operations Impact	Visitor Impact	Total Impact
Direct Effect	\$2,725,117	\$15,720,806	\$18,445,923
Indirect Effect	\$2,310,589	\$2,955,601	\$5,266,190
Induced Effect	\$1,202,472	\$2,844,698	\$4,047,170
Total Effect	\$6,238,178	\$21,571,105	\$27,809,283

Employment. What is the net employment impact of the Playhouse on the Cumberland County economy? The table below highlights the economic impact estimates. The total employment impact of the Playhouse on the county’s economy is 417 jobs. Nearly three-quarters of the employment impact is related to visitors and their impact. This amounts to 1.62 percent of the county’s total nonfarm employment.

Economic Impact of Cumberland County Playhouse			
Employment Impact	Operations Impact	Visitor Impact	Total Impact
Direct Effect	81	250	331
Indirect Effect	23	26	50
Induced Effect	11	25	36
Total Effect	115	302	417

Wages and Salaries. How much money do people earn because of the Playhouse in Cumberland County? The following table presents the extent of the wage and salary impact. Playhouse-related economic activities account for \$8.7 million in wages and salaries. Over seventy percent of wages and salaries created as a result of the Playhouse are either directly, indirectly, or induced as a result of Playhouse visitors. This amounts to over \$6 million or 0.46 percent of total personal income in the county.

Economic Impact of Cumberland County Playhouse			
Wage and Salary Impact	Operations Impact	Visitor Impact	Total Impact
Direct Effect	\$1,574,250	\$4,451,157	\$6,025,407
Indirect Effect	\$674,071	\$837,051	\$1,511,122
Induced Effect	\$355,281	\$840,001	\$1,195,282
Total Effect	\$2,603,602	\$6,128,209	\$8,731,811

Fiscal Impact. Because of the activities at Cumberland County Playhouse in 2015, more than \$1.9 million in state and local taxes were generated. The Playhouse’s fiscal impact is nearly 1.5 percent of total county taxes.

Economic Impact of Cumberland County Playhouse	
Fiscal Impact	
Sales Tax	\$1,191,687
Property Tax	\$499,139
Other Taxes and Fees	\$253,457
Total Effect	\$1,944,283

Economic Contribution

What is the true size of the economic contribution of the Cumberland County Playhouse in Cumberland County? To answer this question, BEREC estimated total expenditure of the Playhouse by segment, major industry, and IMPLAN code. BEREC then counterfactually removed the Playhouse from the model to estimate indirect, induced, and state and local tax impacts. We caution the reader about the conceptual difference between an economic impact and an economic contribution. In the latter case, some portions of activities, goods, and services might still be provided by other organizations without much loss to the local economy if the Playhouse ceased

to exist. In reporting the contributions, we follow a format similar to the one outlined in the economic impact section.

Economic Contribution by Segment

Business Revenue. The table below provides a detailed view of the Playhouse’s contribution to the local economy, totaling \$25.5 million, or 0.92 percent of the county’s total output.

Economic Contribution of Cumberland County Playhouse			
Business Revenue Impact	Operations Impact	Visitor Impact	Total Impact
Direct Effect	\$2,725,117	\$16,301,370	\$19,026,487
Indirect Effect	\$2,310,589	\$3,042,184	\$5,352,773
Induced Effect	\$1,202,472	\$2,937,155	\$4,139,627
Total Effect	\$6,238,178	\$22,280,709	\$28,518,887

Employment. The total employment contribution of the Playhouse to the county is 426 jobs, 73 percent of which resulted from the economic contributions of visitors. This figure equals 1.66 percent of the county’s total nonfarm employment.

Economic Contribution of Cumberland County Playhouse			
Employment Impact	Operations Impact	Visitor Impact	Total Impact
Direct Effect	81	258	339
Indirect Effect	23	27	51
Induced Effect	11	26	37
Total Effect	115	311	426

Wages and Salaries. How much money are people earning annually because of the Playhouse? In 2015, this amounted to nearly \$9 million dollars. The following table provides a breakdown of wages and salaries by type (direct, indirect, and induced). The Playhouse is responsible for 0.47 percent of the county’s total personal income.

Economic Contribution of Cumberland County Playhouse			
Wage and Salary Impact	Operations Impact	Visitor Impact	Total Impact
Direct Effect	\$1,574,250	\$4,599,868	\$6,174,118
Indirect Effect	\$674,071	\$860,498	\$1,534,569
Induced Effect	\$355,281	\$867,307	\$1,222,588
Total Effect	\$2,603,602	\$6,327,673	\$8,931,275

Fiscal Impact. In 2015, Cumberland County's fiscal impact was over \$2.1 million. A majority of this figure was a result of sales tax. The Playhouse's fiscal contribution is nearly 1.6 percent of total county taxes.

Economic Contribution of Cumberland County Playhouse

Fiscal Impact

Sales Tax	\$1,216,469
Property Tax	\$509,523
Other Taxes and Fees	\$379,307
Total Effect	\$2,105,299

Economic Contributions plus Volunteering

What role do Playhouse volunteers play in regional economic activity? This section includes volunteers in the Playhouse's total contribution to the regional economy. We estimate the wage equivalency of volunteering activities and add the monetary value to operations and visitor contributions.

Economic Contribution + Volunteer Impact of Cumberland County Playhouse

<i>Contribution Type</i>	Employment	Business Revenue	Wages and Salaries
Operations Contribution	115	\$6,238,178	\$2,603,602
Visitor Contribution	311	\$22,280,709	\$6,327,673
Volunteer Contribution	19	\$2,013,054	\$417,862
Total Contribution + Volunteering	445	\$30,531,941	\$9,349,137

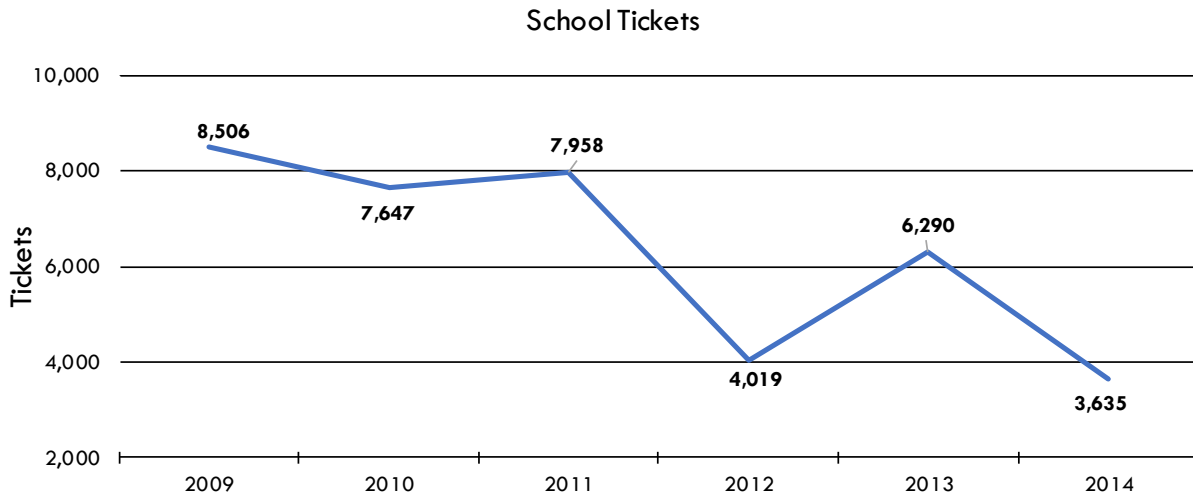
The Playhouse's broadest impact (economic contribution plus volunteers) is \$30.5 million in business revenue, \$9.3 million in wages and salaries, and 445 jobs. Additionally, nearly \$2.2 million in state and local taxes are generated. This figure is the sum of economic impact, economic contribution, and volunteer contributions to the economy. The Playhouse is responsible for 0.99 percent of the county's total business revenue, 1.73 percent of the county's total nonfarm employment, 0.49 percent of the county's total wages and salaries, and 1.61 percent of the county's tax revenues.

VII. Broader Impact on the County and the Region

First and foremost, the purpose of the Cumberland County Playhouse is to enrich lives through the arts. In addition to the many shows performed each year, the Playhouse provides many services to children, teens, and adults in the area.

School Performances

Over the past seven years, nearly 47,000 tickets were sold to school groups.



The largest number of students were from Bradley, Bledsoe, Cumberland, McMinn, Pickett, and Putnam counties. Estimating conservatively, nearly 13 percent of students in these counties saw a performance at the Playhouse.

The students, especially in rural counties, experienced the arts in a way that would likely not have happened had the Playhouse not existed. A recent issue of *Education Next* reported “the effects of field trips to see live theater demonstrates that seeing plays is an effective way to teach academic content; increases student tolerance by providing exposure to a broader, more diverse world; and improves the ability of students to recognize what other people are thinking or feeling.”

As noted, performing arts give students insight into other cultures and. The exposure to diversity helps students to become more tolerant and empathetic individuals throughout their entire lifespan.

Education

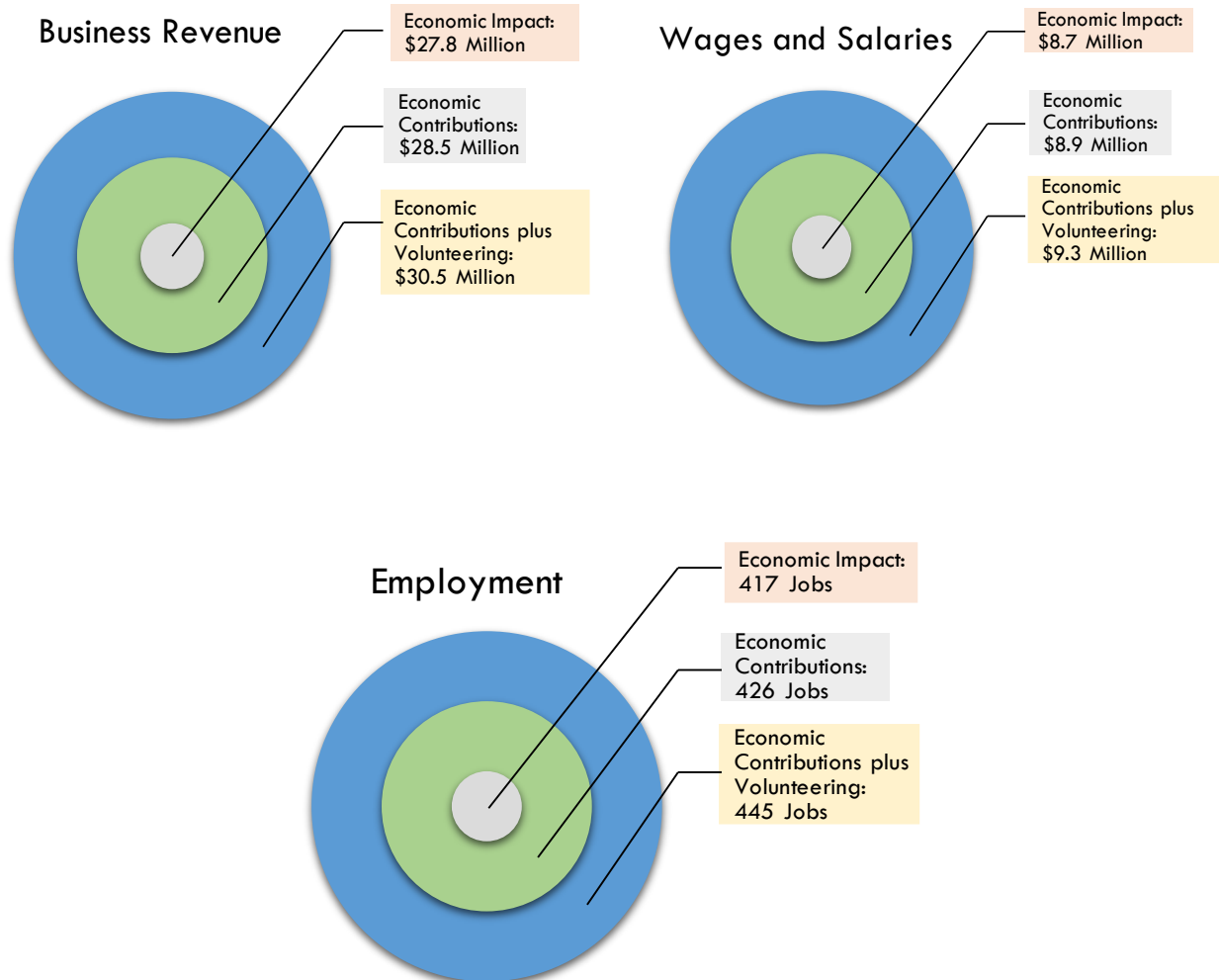
The Cumberland County Playhouse Triple Threat program teaches more than 1,200 classes annually in singing, dancing, and acting to children and teens in Cumberland County and surrounding areas. Students have the unique opportunity to learn from seasoned professionals as well as up-and-coming professional instructors. Many students in the education program go on to

perform in playhouse productions, become instructors themselves, or become lifelong arts enthusiasts.

These programs provide a good way to stay physically fit, and many studies show participation in the arts is a key to academic success. A report by the National Assembly of State Arts Agencies found “middle and high school students with high arts involvement performed better on standardized achievement tests than students with low arts involvement. They also watched less hours of TV, participated in more community service, and reported less boredom in school.”

VIII. Conclusion

The qualitative results, especially from the survey, show that attendees speak highly of the Playhouse. Many visitors return each year and have season memberships. The purpose of this study is to show the economic importance of the Playhouse to Cumberland County. The quantitative analysis reveals the Playhouse is a great economic addition to the local economy. As one of the county's economic drivers, it are responsible for 445 jobs, \$30.5 million in business revenue, and \$9.3 million in wages and salaries in Cumberland County.



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X. Appendix

2015 Cumberland County Playhouse (CCP) Attendee Survey

Date : _____ Time : _____ Venue : Concert / Show / Educational

In order to serve you better, the Business and Economic Research Center of Jones College of Business at Middle Tennessee State University is administering this survey for Cumberland County Playhouse. Your participation in this survey is critical for the enrichment of activities provided by CCP. The information we collect from you will be combined, analyzed, and reported to the public. There is no risk to you from participating in this survey. We ask you to help us by completing this survey, which should require only 10-15 minutes of your time. Your participation is voluntary. If you choose to participate, you may choose not to answer any particular question in the survey. Your responses to the questions will be strictly confidential.

(1) How many times do you attend theater performances or concerts at Cumberland County Playhouse?

_____Times

(2) How many people are in your group today? _____Persons

(3) Gender (please circle)

1	Male
2	Female

(4) "Are you ..."

1	18 to 29 years old
2	30 to 44 years old
3	45 to 64 years old
4	65 years old or older

(5) "For the people in your group, how many are..."

- under 10 years old. _____person(s)
- between 10 and 17 years old. _____person(s)
- NONE

(6) "Do you live in ..."

- Crossville, TN or Cumberland County
- Tennessee (surrounding counties)
- Other state of nation (zip code or name)_____

(7) How did you travel to the show/concert at Cumberland County Playhouse?

- by public transportation
- by own vehicle
- by air

(8) Where do you stay?

- Hotel in Cumberland County _____Days
- Hotel in other counties _____Days
- RV _____ Days
- Commute to the show/ concert at Cumberland County Playhouse

(9) Where do you buy your food?

- 1 buying food off-site (in city or county)
- 2 buying snacks and/ or food on-site (at Playhouse)
- 3 bringing your own food

We would like to know more about how much you spent or are planning to spend throughout your stay in Crossville, TN. **Your best estimate is OK.** Please include any spending related to this trip (including trip spending before you attend the show or concert and after you depart from the Playhouse).

(10) Please tell us **on average** how much you (and your party) spent/ are planning to **spend per day** for the following items during your visit:

Spending Categories	In Crossville and Cumberland County (A)	At Cumberland County Playhouse (B)	Elsewhere in Tennessee (C)	Total Daily Trip Spending (A+B+C)
Lodging				
Gasoline				
Restaurants				
Groceries				
Car rental				
Ticket for Show or Concert				
Artwork or crafts				
Shopping, golf, other recreation				
Other (Specify) _____				

(11) If this show/concert were not held in Crossville, TN, what alternative activities would you be attending?

Alternative Activities	How much would you be spending per day?
DOING NOTHING (STAYING AT HOME)	
Shopping in Cumberland County	
Shopping OUTSIDE of Cumberland County	
Attending other events in Cumberland County (other events, bowling, etc.)	
Attending other events OUTSIDE of CUMBERLAND County (other festivals, theaters, bowling, etc.)	
Other (Please specify) _____	

(12) Any feedback about the activities at Cumberland County Playhouse?