

Economic Impact of the Amite Oyster Festival

Introduction

Each year during the third weekend of March, thousands of visitors come to Amite, the county seat of the Tangipahoa Parish, to attend the Oyster Festival. The festivities are not only an attractive way for families and individuals to enjoy a weekend it also has an economic impact that benefits the local community. The purpose of this report is to analyze the economic impact of the festival using a standard procedure known as the Input- Output analysis.

Input- Output Method

According to the Input- Output method each product or service is comprised of inputs from other industries, which provides the goods, and services needed to produce the item. The product or service of each industry also serves as inputs to other industries. As a result of this interrelationship, each economic activity causes a ripple effect throughout the whole economy. The U. S. Department of Commerce has developed tables that estimate the impact of the expenditure of each dollar on a product or service, which incorporate all direct and indirect economic activities that ensue from the initial purchase. These data are available at the national, state and regional level. This analysis uses the Input- Output table for Louisiana Planning District 2, which includes the Tangipahoa Parish to estimate economic impact of the Oyster Festival.

The Analysis

Visitors spend most of their money on food/drinks, souvenirs, transportation, etc. In order to estimate the total expenditures at the festival we sought an estimate of the total number of those attended the festival and the average amount spent by each individual.

The organizers of the Amite Oyster Festival estimated that approximately 17, 000 attended the festival.

A survey of 72 groups of people, representing 319 individuals, depicted that each person spent an average of \$14.57 at the festival. In our analysis we assumed that 70 percent of the amount was spent on eating and drinking. The economic impact of these expenditures is summarized in Table 1.

It is estimated that the visitors spent a total of \$247,690 at the festival. According to the Input Output method, each dollar of direct expenditure generates additional expenditures throughout the economy. The total of all expenditures is known as the multiplier for the area. Based on the assumption that 70% of the expenditures were on food and drink, we

estimated the multiplier to be 1.836. In other words each dollar spent at the festival produced a 1.836-dollar of economic activity in the region. This resulted in a gross economic impact of \$454,759 from the first round of expenditures. The income generated from these economic activities was estimated to be \$138,117.

Conclusion

Our analysis shows that the three day long Amite Oyster Festival produced a significant impact on the area economy. The overwhelming majority of the people who attended the festival planned to return next year. The number of those who will attend is likely to grow each year. It is possible that if the news of the festival were broadcast more widely, attendance would rise, generating a greater economic impact for the area.

Table 1
Economic Impact of the Amite Oyster Festival

A. Total expenditures by visitors	\$247,690
B. Gross economic impact based on direct and indirect expenditures.	\$454,759
C. Total Earnings Impact	\$138,117