



September 9, 2005

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The following study or analysis was conducted by Dr. A.M. M. Jamal, Professor of Management, Southeastern Louisiana University using generally accepted research methods, models and techniques. Research projects are often commissioned and paid for by business and industry. Federal, state, or local government grants are also utilized to fund research projects.

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Sincerely,

A handwritten signature in black ink that reads 'William Joubert'. The signature is written in a cursive style with a prominent loop at the end.

William Joubert
Director
Business Research Center

Economic Impact of the Louisiana Renaissance Festival 2005

Introduction

The Louisiana Renaissance Festival is a six week festival that occurs annually during the months of November and December. The event takes place a few miles east of Hammond on Highway 190. The festival is in its 5th year of operation and reports over 30,000 attendees. The Renaissance Festival celebrates the 16th century by recreating a dwelling with hundreds of villagers, merchants, entertainers, and craftsmen. For many, the Louisiana Renaissance Festival provides an educational experience. Attendees learn about history, way of life, and the social structure of the 16th century European Renaissance. The live demonstrations include: creating swords, woven fabric, pottery, blown glass, and are acted out by craftsmen dressed in 16th clothing using tools and techniques of the time period.

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 intertwined relationships, each economic activity produces a ripple effect throughout the entire 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 the North Shore parishes, which include the Tangipahoa Parish, to estimate economic impact of the Renaissance 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 who attended the festival and the average amount spent by each individual. The organizers of the Renaissance Festival report approximately 33,654 attendees (19,617 visitors and 14,037 elementary through high school students). A survey of 1,444 individuals depicted that each person spent an average of \$19.44 at the festival. An additional survey showed that approximately 9.6% of the visitors spent an average of \$144.59 on lodging. Another survey showed that 35.5% of the visitors each spent an additional \$12.51 in the local area during their trip to the festival. The organizers collected a total of \$167,619 on tickets to the event. They also estimated that the students spent a total of \$60,000 at the festival in addition to paying for admission tickets. The economic impact of these expenditures is summarized in Table 1. It is estimated that the visitors spent a total of \$799,561 during 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 expenditure assumed among food, lodging, gifts, gasoline and other categories the multiplier is estimated to be approximately 1.7. In other words each dollar spent at the festival produced a 1.7-dollar of economic activity in the region. This resulted in a total economic impact of \$1,361,273 from the first round of expenditures. Another measure of the impact of an economic activity is the amount of income generated in the community as a consequence of the initial expenditure. We estimated the earnings impact to be \$424,634.

Conclusion

Our analysis shows that the six week long Renaissance Festival in Hammond produced a significant impact on the area economy. The number of those who will attend is likely to grow each year. Consequently, the economic impact of this festival will become more prominent.

A. Total Expenditures by Visitors	\$799,561
B. Total Economic Impact based on Direct and Indirect Expenditures	\$1,361,273
C. Total Earnings Impact	\$424,634