

11-2021

An Economic Impact Study prepared for Krasl Art Center

Christian Glupker
Grand Valley State University, glupker@gvsu.edu

Follow this and additional works at: https://scholarworks.gvsu.edu/eco_otherpubs

ScholarWorks Citation

Glupker, Christian, "An Economic Impact Study prepared for Krasl Art Center" (2021). *Other Faculty Publications*. 11.

https://scholarworks.gvsu.edu/eco_otherpubs/11

This Article is brought to you for free and open access by the Economics Department at ScholarWorks@GVSU. It has been accepted for inclusion in Other Faculty Publications by an authorized administrator of ScholarWorks@GVSU. For more information, please contact scholarworks@gvsu.edu.

Krasl Art Center
&
Krasl Art Fair 2021

An Economic Impact Study prepared for Krasl Art Center

Christian Glupker, MBA
Seidman College of Business, Grand Valley State University
November 2021

CONTENTS

EXECUTIVE SUMMARY	3
Scope of work	3
Summary of Economic Impact.....	4
Methodology.....	4
VISITOR SURVEY	5
ECONOMIC EFFECTS.....	6
Economic Impact of Krasl Art Fair	7
Krasl Art Fair Visitor Impact	7
Krasl Art Fair Artist Impact	13
Economic Impact of Krasl Art Center	14
Krasl Art Center Operational Spending Impact	19
CONCLUSION.....	20
APPENDIX	22
A-1: Visitor Survey	22
A-2: Art Fair Economic Analysis	27
A-3: Art Fair Economic Analysis-Artists	30
A-4: Krasl Art Center Economic Analysis	34

Acknowledgment: Paul Isely, Ph.D., provided suggestions and comments on the estimation of the economic impact. Usual disclaimers apply.

EXECUTIVE SUMMARY

“To inspire meaningful change and strengthen community through visual arts”

– Mission of the Krasl Art Center

“To further the mission of the Krasl Art Center by raising funds through an event grounded in the arts”

–Purpose of the Krasl Art Fair on the Bluff

Scope of work

The origins of The Krasl Art Center (KAC) date back to 1962 when local artists held an art exhibit along Lake Bluff Park in St. Joseph, Michigan. These artists formed the St. Joseph Art Association, and in 1979, built the 17,500 square foot art center facility. The KAC includes public galleries, studios, a wet darkroom, a gift shop, and a collection of 41 permanent sculptures. The 2021-2026 strategic plan lists six strategic goals:

1. Provide leadership for arts and culture communities to make SWMI a destination for the arts
2. Present progressive and relevant arts based exhibitions and programs as a catalyst for social transformation
3. Develop a master plan for the Krasl Art Fair on the Bluff
4. Optimize income to achieve financial sustainability
5. Maximize use of current and potential facilities, grounds and virtual resources
6. Model excellence in diversity & inclusion

The art exhibit along Lake Bluff Park continues today as the Krasl Art Fair on the Bluff (KAF). In 2021, the KAF had 150 artists, attracting over 14,000 attendees. Historically, the KAF was a free event, however, in 2021 a \$5 admission fee was added. This fee will help cover the \$130,000 in costs to host the KAF. The admission fee raised \$62,077, with the remaining costs covered by artists’ fees and business sponsorships. Any remaining funds will be used to support the 2022 KAF.

This report outlines the economic impact generated by KAC and the KAF.

COVID-19 disclaimer: This economic impact study does not factor in the economic or social impact of the COVID-19 pandemic.

Summary of Economic Impact

- The Art Center and Art Fair generate a combined economic impact of \$4.9 million supporting 47 jobs.
- Spending by the 14,011 visitors and 150 artists at the Art Fair resulted in \$1.2 million in economic impact supporting 15 jobs.
- 67% of the visitors to the Art Fair indicated that the Art Fair was their primary reason for visiting the St. Joseph area.
- Visitor spending associated with the Art Center generated \$2.3 million in economic output supporting 23 jobs.
- The Art Center's annual operational spending generated an additional \$1.4 million in economic output and supports 9 jobs.

Methodology

This report focuses on the economic impact of the Krasl Art Center (KAC) and Krasl Art Fair on the Bluff (KAF). The economic impact is the amount of economic activity that KAC and KAF generate within a defined region. For the purpose of this report, the local region is defined as Berrien County. Substitute spending is excluded.

Data was collected via a survey of KAF visitors, a survey of KAF artists, and a survey of KAC visitors. The survey of KAF visitors and artists was administered via a Qualtrics email survey. The survey of KAC visitors was administered via an intercept survey from July to September.

The economic impact is estimated using the Regional Input-Output Modeling System (RIMS II). This modeling system uses multipliers developed by the U.S. Department of Commerce Bureau of Economic Analysis.¹ These multipliers provide a way to measure the complete economic impact that the initial change in demand has on the local economy. These secondary effects come in two forms:

¹ Please note that the BEA does not endorse any estimates or conclusions concerning the study presented here.

Indirect Effects Increase in sales by businesses that are suppliers to restaurants, hotels, retail stores, etc.

Induced Effects: Increased economic activity by individuals in the area who received extra income due to the increase in direct spending.

The RIMS II multipliers report economic impact in three ways:

Gross Output Gross output is the total economic activity, including the sum of intermediate inputs and the value they add to the final good or service. The intermediate inputs are the resources used in the production of final goods and services. It should be noted that gross output can be overstated if the intermediate inputs are used multiple times in the production of other goods and services.

Earnings Earnings measures the increases in wages, salaries, and proprietors' income as a result of the initial change in demand. This can also be stated as an increase in household income for every \$1 change in demand.

Employment Employment is the increase in jobs (full-time and part-time) for every \$1 million change in demand. This measurement does not distinguish between a full-time or part-time employee. It also does not account for employees who moved from one job to another within the defined economic region. Thus it does tend to overstate the number of jobs created.

VISITOR SURVEY

Three surveys were used: A survey of KAC visitors, a survey of KAF visitors, and a survey of KAF artists.² All survey respondents were asked to affirm that they were over the age of 18.

² Survey details can be found in Appendix A1: Visitors Survey

The KAC visitors survey was an intercept survey conducted at the art center from July to September 2021. The questions focused on party size, the number of days visited and spending patterns during the visit. There were 652 survey requests resulting in 481 usable surveys (74%). The information from this survey was used to calculate the economic impact of KAC.

The KAF visitors survey was administered via a Qualtrics email survey. The survey questioning was similar to the KAC visitors survey, however included more specific questions about the KAF. There were 433 survey responses, resulting in 373 usable surveys (86%). The information from this survey was used to calculate the economic impact of visitors to the KAF.

The KAF artists survey was administered via Qualtrics email survey. The survey questioning was similar to KAF visitors, however included more specific information on the length of stay and art sales. There were 92 survey responses, resulting in 81 usable surveys (88%). The information from this survey was used to calculate the economic impact of the artists at the KAF. The KAF visitors survey and KAF artists survey data were used to calculate the overall economic impact of the KAF.

Additional survey details, including demographics, can be found in Appendix A1: Visitors Survey.

ECONOMIC EFFECTS

This section will estimate the economic impact of the visitors to KAC and visitors and artists at the KAF. The estimated impacts will be based on data collected from surveys and data provided by KAC.

The economic impact is based on spending that occurred specifically because of the KAF or KAC. To accomplish this, survey respondents are categorized into the following categories:

Non-Local Visitors: Spending by non-local visitors is the key driver in economic impact studies. These visitors' primary residence must be outside the defined economic region (Berrien County) and the primary reason for their visit must be attending KAF or KAC.

Local Visitors: Spending by Berrien County residents-local visitors-is not generally counted in the economic impact because the spending would have happened regardless of KAF or KAC. All survey forms ask for zip codes, which identifies the local residents. Local residents are included if they claim their *primary* reason for being in St. Joseph was the KAF or KAC.

Casual Visitors: These visitors were already in Berrien County (St. Joseph) for other reasons (family outing, relatives, business, etc). Generally, the spending of these visitors cannot be included in the economic impact because they were already in town and it is likely they would have spent the money regardless of the KAF or KAC. The economic survey asks the question: “Is the art fair (or art center) your primary reason for visiting today?” This allows us to identify the casual visitors. This method does have a drawback, as it will cause us to miss some spending by individuals who, while not visiting St. Joseph specifically for the KAF or KAC, ended up spending more than they would have because of the KAF or KAC. Therefore, these visitors will be included in the economic impact *supported* by the KAF or KAC.

Economic Impact of Krasl Art Fair

The economic impact of the Krasl Art Fair (KAF) will be broken into two categories: Visitor spending and artist spending. As mentioned earlier, historically, the KAF was a free event, however, in 2021 a \$5 admission fee was added. This fee will help cover the \$130,000 in costs to host the KAF. The admission fee raised \$62,077, with the remaining costs covered by artists’ fees and business sponsorships. Any remaining funds will be used to support the 2022 KAF.

Krasl Art Fair Visitor Impact

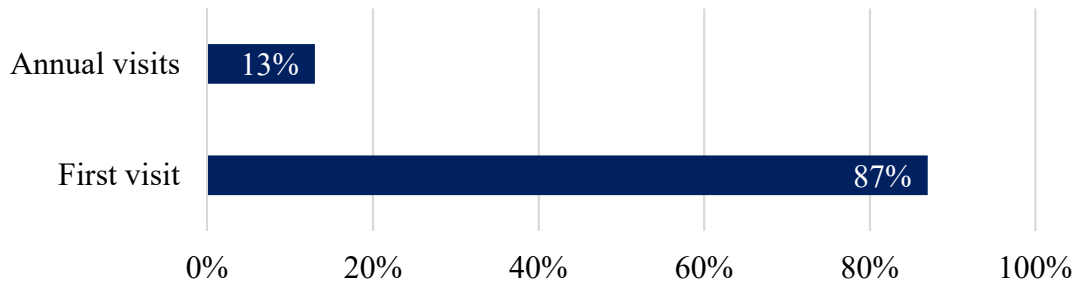
To measure the economic impact of the event we need an accurate count of the visitors. The KAF reported 14,011 visitors to the fair, measured by the admission fee.³ Per the survey, the majority of these visitors originated outside of Berrien County (57%) and the majority were first-time visitors (87%). Table 1 presents total visitor counts and Figure 1 presents the frequency of visits.

Table 1: Total visitors to KAF

	Local	Nonlocal
Percentage of visitors	43%	57%
Total local and nonlocal visitors	6,085	7,926
Total Visitors	14,011	

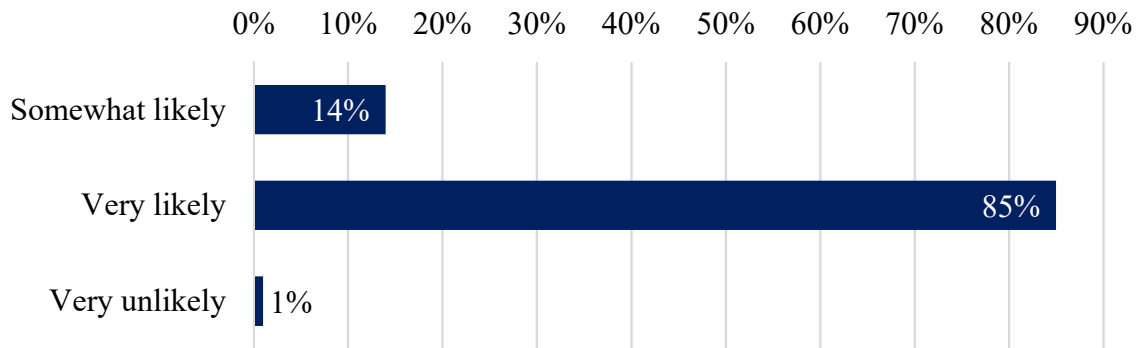
³ Data was provided by Krasl Art Center. Pre-pandemic KAF admission was estimated at 50,000, based on car count.

Figure 1: Frequency of visits to KAF



The survey also asked how likely they were to revisit the St. Joseph area based on their experience at KAF. An overwhelming amount (85%) indicated they are very likely to revisit St. Joseph. Figure 2 presents this information.

Figure 2: Because of your experience at the Art Fair, how likely are you to come to St. Joseph/Benton Harbor area again?



As noted earlier, the economic impact is based on economic activity *caused* by the KAF and economic activity *supported* by KAF. The economic activity caused by the KAF is based on spending by visitors who indicated the KAF was their primary reason for visiting (primary visitor). The economic activity supported by the KAF is based on spending data by those who were in the area for other reasons (casual visitors).

The survey asked respondents if the KAF was their primary reason for visiting the area and how many days they visited. The data showed that 67% of the visitors were in St. Joseph primarily for the KAF, with 69% of those visitors being nonlocal. Table 2 presents the data on primary and casual visitors.

Table 2: Total visitors based on the reason for their visit

	Local	Nonlocal	Total Visitors
Percentage of primary visitors	31%	69%	
Total local and nonlocal primary visitors	2,892	6,536	9,428
Percentage of casual visitors	70%	30%	
Total local and nonlocal casual visitors	3,193	1,390	4,583
	Total Visitors		14,011

Per the survey results, local visitors visited for 1.23 days and nonlocal visitors visited for 1.24 days. The casual local visitor stayed for 1.35 days, however, the casual non-local visitor stayed for 2.19 days. These visitors could have stayed at a hotel, with family, or had other lodging arrangements. Combining local and nonlocal visits, we estimate a total of 11,662 primary visitor days and 7,354 casual visitor days. Table 3 presents this data.⁴

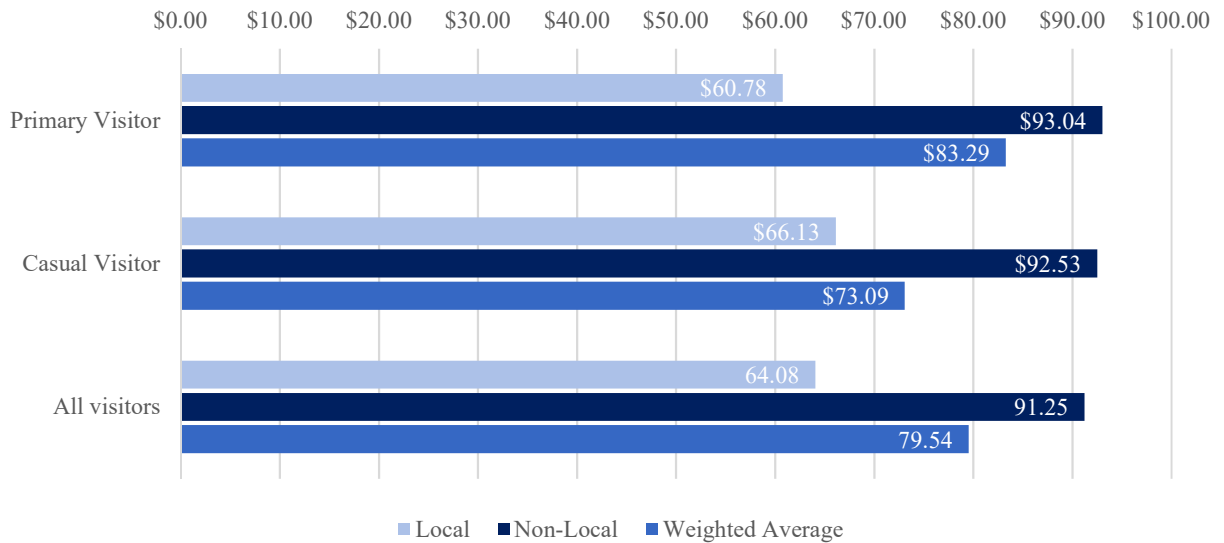
Table 3: Total visitor days based on the reason for their visit

	Primary visitor	Casual visitor
Local visitor	3,558	4,310
Non-local visitor	8,105	3,044
Total visitor days	11,662	7,354

⁴ Detailed methodology can be found in Appendix A2: Art Fair Economic Analysis

All survey respondents were asked how much their party expected to spend on meals, shopping, lodging, transportation, art purchases, and other. The weighted average spending for all visitors (per person, per day), regardless of their reason for visiting, was \$79.54. The weighted average spending per person, per day for the primary visitors was \$83.29 and for the casual visitors, it was \$73.09.⁵ Figure 3 shows this data.

Figure 3: Spending per-person, per-day, by visitor type



The economic impact caused by the KAF focuses on spending by those who stated the KAF was their primary reason for visiting the area. The initial spending by visitors is referred to as direct spending. The direct spending is calculated as the product of the visitor spending (Figure 3) and total visitor days (Table 3). As shown in Table 4, total direct spending by primary visitors is \$497,798, with 84% of that coming from non-local visitors.⁶

⁵ Detailed methodology can be found in Appendix A2: Art Fair Economic Analysis

⁶ Ibid

Table 4: Direct spending by primary visitors to KAF

	Primary visitor
Local visitor	\$82,022
Non-local visitor	\$415,776
Total direct spending	\$497,798

This direct spending by visitors leads to indirect and induced spending. For example, a visitor to the area purchases from local retail stores (direct spending). These retail stores must then purchase more supplies from local distributors (indirect spending). Retail store owners and employees receive more income from the spending of visitors and they spend some of that greater income in the local area (induced spending). The dollar amount and effect on employment of indirect and induced spending can be estimated using the Regional-Input-Output Modeling System (RIMS II) multipliers developed by the Bureau of Economic Analysis. Using the RIMS II model, the total impact of primary visitors can be calculated (Table 5).⁷

Table 5: Total economic impact of all primary visitors

Direct spending	\$497,798
Indirect and induced spending	\$180,763
Total output	\$678,562
Total earnings	\$473,363
Total employment	9

⁷ Detailed methodology can be found in Appendix A2: Art Fair Economic Analysis

The economic impact supported by the KAF focuses on spending by those who stated the KAF was *not* their primary reason for visiting the area. These are referred to as casual visitors. Per Table 2, there were 4,583 casual visitors to the KAF, with 30% of those visitors coming from outside Berrien County.

The casual visitor spent on average \$73.09 per person per day (Figure 3) and had 7,354 visitor days (Table 3). This resulted in total direct spending of \$322,251, with 65% of that coming from visitors outside of Berrien County (see Table 6).⁸

Table 6: Direct spending by casual visitors to KAF

Local visitor	\$113,052
Non-local visitor	\$209,199
Total direct spending	\$322,251

Using direct spending and the RIMS II model, the total impact of casual visitors is estimated at \$437,472 (see Table 7).⁹

Table 7: Total economic impact of all casual visitors to KAF

Direct spending	\$322,251
Indirect and induced spending	\$115,222
Total output	\$437,472
Total earnings	\$338,850
Total employment	5

⁸ Detailed methodology can be found in Appendix A2: Art Fair Economic Analysis

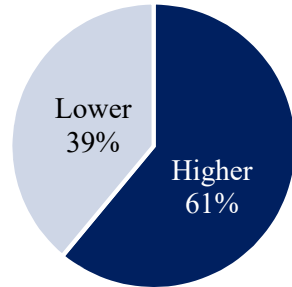
⁹ Ibid

Krasl Art Fair Artist Impact

There were 150 artists at the 2021 KAF (compared to 200 artists in pre-pandemic years). During July and August, an online survey was sent to each artist, with 92 artists completing the survey (61%), resulting in 81 usable surveys. The survey questioning was similar to KAF visitors, however included more specific information on the length of stay and art sales. The information from this survey was used to calculate the economic impact of the artists at the KAF. Survey details can be found in Appendix A-3: Art Fair Economic Analysis-Artists.

The artists surveyed reported total revenue of \$442,050. When extrapolated over 150 artists, we projected total revenue generated at \$649,000.¹⁰ The survey asked artists if the revenue generated was higher or lower than expected, with the results presented in the figure below.

Figure 4: Was the revenue higher or lower than you expected?



Based on the responses to the survey, we estimate \$89,155 of direct spending, which generates \$121,783 in additional output and supports 1 job (Table 8).¹¹

¹⁰ Detailed methodology can be found in Appendix A3: Art Fair Economic Analysis-Artists

¹¹ Ibid

Table 8: Total economic impact of artists spending

Direct spending	\$89,155
Indirect and induced spending	\$32,628
Total output	\$121,783
Total earnings	\$33,221
Total employment	1

The combined impact of visitor spending and artist spending can be found in Table 9. This table includes primary visitors, casual visitors, and artists.

Table 9: Combined economic impact of visitor spending and artist spending

Direct spending	\$909,204
Indirect and induced spending	\$328,613
Total output	\$1,237,817
Total earnings	\$845,434
Total employment	15

Economic Impact of Krasl Art Center

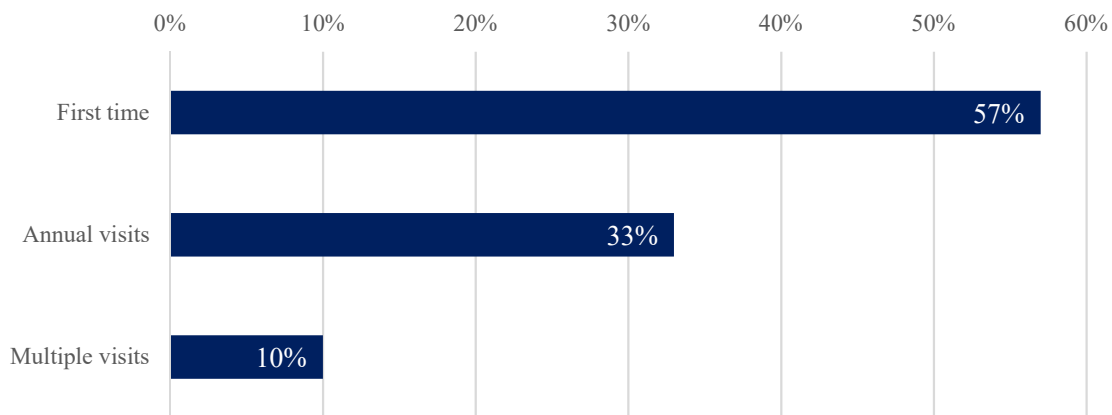
To measure the economic impact of the KAC we need an accurate count of the visitors. The KAC reported 14,677 gallery visitors to the KAC, measured by admissions.¹² Per the survey, the majority of these visitors originated outside of Berrien County (76%) and the majority were first-time visitors (57%). Table 10 presents total visitor counts and Figure 5 presents the frequency of visits.

¹² Data was provided by Krasl Art Center. The KAC does not charge for admission, however they do track the number of gallery visitors. This figure does not include student enrollments. It should also be noted that this is 2019 admission figures. We used pre-pandemic figures to arrive at a more accurate economic impact. As a result of the pandemic, admission in 2020 was down to 9,960.

Table 10: Total visitors to KAC

Total visitors to KAC	Local	Nonlocal
Percentage of visitors	24%	76%
Total local and nonlocal visitors	3,570	11,107
Total gallery visitors	14,677	

Figure 5: Frequency of visits



Similar to the art fair, the economic impact is based on economic activity *caused* by the KAC (primary visitors) and economic activity *supported* by KAC (casual visitors). The survey asked respondents if the KAC was their primary reason for visiting the area and how many days they visited. The data showed that 23% of the visitors were in St. Joseph primarily to visit KAC, with 74% of those visitors being nonlocal. Table 11 presents the data on primary and casual visitors.

Table 11: Total visitors based on the reason for their visit

	Local	Nonlocal	Total Visitors
Percentage of primary visitors	26%	74%	
Total local and nonlocal primary visitors	885	2,533	3,418
Percentage of casual visitors	24%	76%	
Total local and nonlocal casual visitors	2,685	8,574	11,259
	Total gallery visitors		14,677

Per the survey results, local visitors visited for 1.14 days and nonlocal visitors visited for 1.06 days. The casual local visitor stayed for 1.1 days and the casual non-local visitor stayed for 1.01 days. Combining local and nonlocal visits, we estimate a total of 3,693 primary visitor days and 11,614 casual visitor days. Table 12 presents this data.¹³

Table 12: Total visitor days based on the reason for their visit

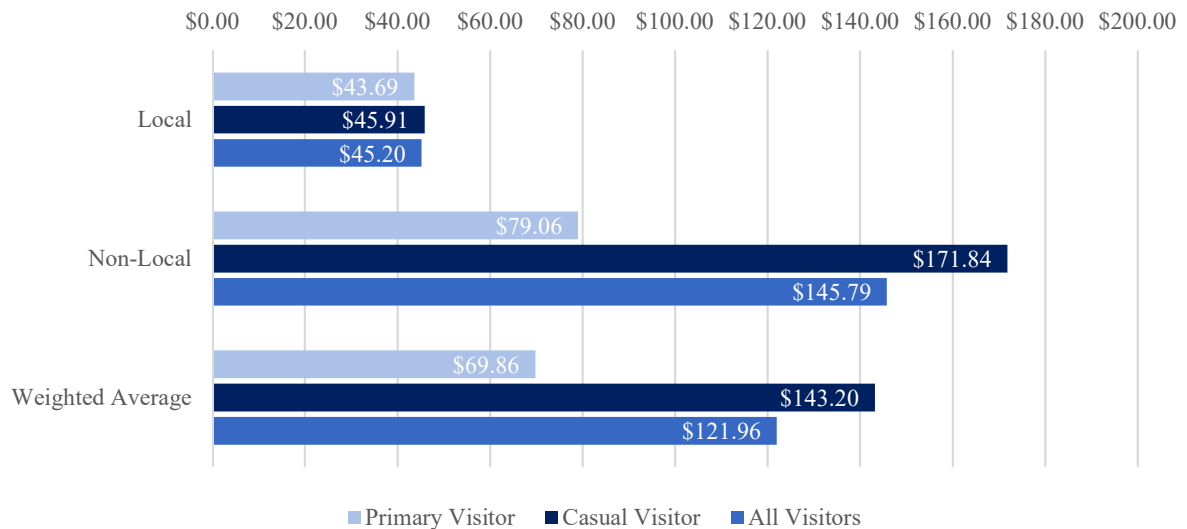
	Primary visitor	Casual visitor
Local visitor	1,009	2,954
Non-local visitor	2,685	8,660
Total visitor days	3,693	11,614

All survey respondents were asked how much their party expected to spend on meals, shopping, lodging, transportation, art purchases, and other. The average spending per person, per day for the primary visitors was \$69.86 and for the casual visitors, it was \$143.20.¹⁴ Figure 6 shows this data.

¹³ Detailed methodology can be found in Appendix A4: Krasl Art Center

¹⁴ Ibid

Figure 6: Spending per-person, per-day, by visitor type



The economic impact caused by the KAC focuses on spending by those who stated the KAC was their primary reason for visiting the area. The initial spending by visitors is referred to as direct spending. The direct spending is calculated as the product of the visitor spending (Figure 6) and total visitor days (Table 12). As shown in Table 13, total direct spending by primary visitors is \$216,808, with 84% of that coming from non-local visitors.¹⁵

Table 13: Direct spending by primary visitors to KAC

Local visitor	\$35,156
Non-local visitor	\$181,652
Total direct spending	\$216,808

¹⁵ Detailed methodology can be found in Appendix A4: Krasl Art Center

This direct spending by visitors leads to indirect and induced spending. The dollar amount and effect on employment of indirect and induced spending can be estimated using the Regional-Input-Output Modeling System (RIMS II) multipliers developed by the Bureau of Economic Analysis. Using the RIMS II model, the total impact of primary visitors can be calculated (Table 14).¹⁶

Table 14: Total economic impact of all primary visitors to KAC

Direct spending	\$216,808
Indirect and induced spending	\$80,952
Total output	\$297,759
Total earnings	\$84,733
Total employment	3

The economic impact supported by the KAC focuses on spending by those who stated the KAC was *not* their primary reason for visiting the area. These are referred to as casual visitors. Per Table 11, there were 11,259 casual visitors to the KAC, with 76% of those visitors coming from outside Berrien County.

The casual visitor spent on average \$143.20 per person per day (Figure 6) and had 11,614 visitor days (Table 12). This resulted in total direct spending of \$1.4 million, with 94% of that coming from visitors outside of Berrien County (see Table 15).¹⁷

Table 15: Direct spending by casual visitors to KAC

Local visitor	\$91,122
Non-local visitor	\$1,347,719
Total direct spending	\$1,438,841

¹⁶ Detailed methodology can be found in Appendix A4: Krasl Art Center

¹⁷ Ibid

Using the RIMS II model, the total impact of casual visitors is estimated at \$2.0 million, supporting 20 jobs (Table 16).¹⁸

Table 16: Total economic impact of all casual visitors to KAC

Direct spending	\$1,438,841
Indirect and induced spending	\$528,898
Total output	\$1,967,739
Total earnings	\$546,234
Total employment	20

Krasl Art Center Operational Spending Impact

Per KAC, the operational budget was \$1,061,000.¹⁹ The KAC leadership also anticipates \$170,000 in additional spending in 2022. Based on this information and using the RIMS II model, we estimate the economic impact at \$1.4 million, supporting 9 jobs. This data is presented in Table 17.²⁰

Table 17: Total economic impact of KAC operational spending

Direct spending	\$1,065,060
Total output	\$1.4M
Total earnings	\$277,184
Total employment	9

¹⁸ Detailed methodology can be found in Appendix A4: Krasl Art Center

¹⁹ It should be noted that this is an unusually low budget figure as a result of the pandemic.

²⁰ Ibid

The combined impact of visitor spending and KAC operational spending can be found in Table 18.

Table 18: Combined economic impact of visitor spending and KAC operational spending

Direct spending	\$2.7M
Total output	\$3.6M
Total earnings	\$908,150
Total employment	32

CONCLUSION

The total economic impact of the KAF is estimated at \$1.2 million in economic output supporting 15 jobs. The economic impact of KAF is driven by primary, non-local visitors. Approximately 67% of the visitors are considered primary visitors, with 69% of those visitors coming from outside the economic region. This equates to 6,536 visitors coming to St. Joseph primarily for the KAF.

The total economic impact of the KAC is \$3.6 million supporting 32 jobs. The economic impact of KAC is driven by non-local, casual visitors. Approximately 77% of visitors to KAC were categorized as casual visitors, with 76% of these visitors coming from outside the economic region. Table 20 presents the total economic impact of KAC, which includes visitor spending and annual operational spending.

The total direct spending by KAC and KAF is estimated at \$3.6 million (see Table 19). The overall economic impact of KAF and KAC is estimated at \$4.9 million supporting 47 jobs (see Table 20). The majority of the economic output is generated by the KAC visitor spending and operational spending.

Table 19: Total direct spending of KAC and KAF

Direct spending: KAC all visitor types (primary and casual)	\$1.7M
Direct spending: KAF all visitor types (primary and casual)	\$909,204
Direct spending: KAC operational budget	\$1,065,060
Total direct spending	\$3.6M

Table 20: Combined economic impact of KAC and KAF

Total output	\$4.9M
Total earnings	\$1.8M
Total employment	47

These impact figures exclude long-term economic impacts. Namely, new visitors to St. Joseph may return in the future given their positive experience at KAF. Per the survey respondents, 87% of the visitors to KAF were first-time visitors, with 85% stating, based on their experience at KAF, they were very likely to visit St. Joseph again in the future.

The impact figures also exclude the social and cultural impact of KAC and KAF. The KAC offers numerous educational classes for kids, teens, and adults. The KAC also offers events such as ‘Family Day’, ‘Flick or Treat’, and Summer Art Market on the Green. These educational classes and cultural events provide a social benefit that is not captured in the economic impact figures. Ω

APPENDIX

A-1: Visitor Survey

Three surveys were used: A survey of KAC visitors, a survey of KAF visitors, and a survey of KAF artists. All survey respondents were asked to affirm that they were over the age of 18.

The KAC visitors survey was an intercept survey conducted at the art center from July to September 2021. The survey was administered by KAC staff. The questions focused on party size, the number of days visited, and spending patterns during the visit. There were 652 survey requests resulting in 481 usable surveys (74%). The information from this survey was used to calculate the economic impact of KAC. A copy of the survey is presented in Figure A1-1.

Figure A1-1: KAC visitors intercept survey

1. Zip code of primary residence? _____

2. Are you at least 18-years old? Yes _____ No _____ (if 'No' stop here)

3. Is the Krasl Art Center your primary reason for visiting St. Joseph? Yes ____ No ____

4. How many are in your party at the Krasl Art Center? Adults: _____ Children: _____

5. How many days do you plan to spend at Krasl Art Center? _____

6. How much does **your party** expect to spend as a **result** of attending the Krasl Art Center (not counting what you spent inside the Art Center)?

\$ _____ Meals (including alcohol)	\$ _____ Shopping
\$ _____ Lodging	
\$ _____ Transportation (gas, parking, bus etc.)	\$ _____ Other

7. How frequently do you visit the Krasl Art Center?

____ This is my first visit ____ Once annually ____ Multiple times a year

8. Male: _____ Female: _____


9. Age: _____

10. Which statement best describes your personal income:

____ \$25,000 or less ____ \$25,001 to \$75,000 ____ \$75,001 to \$125,000 ____ \$125,000 or more

The KAF visitors survey was administered via a Qualtrics email survey, with 433 survey responses, resulting in 373 usable surveys (86%). The information from this survey was used to calculate the economic impact of visitors to the KAF. A copy of the survey is presented in Figure A1-2.

Figure A1-2: KAF visitors Qualtrics survey



1. Zip code of primary residence? _____

2. Are you at least 18-years old? Yes _____ No _____ (if 'No' stop here)

3. Is the Krasl Art Fair your primary reason for visiting St. Joseph? Yes ___ No ___

4. How many are in your party at the Krasl Art Fair? Adults: _____ Children: _____

5. How many days do you plan to spend at Krasl Art Fair? _____

6. How much does **your party** expect to spend as a result of attending the Krasl Art Fair?

\$ _____ Meals (including alcohol)	\$ _____ Shopping
\$ _____ Lodging	\$ _____ Art
\$ _____ Transportation (gas, parking, bus etc.)	\$ _____ Other

7. How frequently do you visit the Krasl Art Fair?

____ This is my first visit ____ Annually

8. Because of your experience at the art fair, how likely are you to come to St. Joseph area again?


____ Very likely ____ Somewhat likely ____ Somewhat unlikely ____ Very unlikely

9. Male: _____ Female: _____

10. Age: _____

The KAF artists survey was administered via Qualtrics email survey. There were 92 survey responses, resulting in 81 usable surveys (88%). The information from this survey was used to calculate the economic impact of the artists at the KAF. A copy of the survey is presented in Figure A1-3.

Figure A1-3: KAF artist Qualtrics survey



1. Zip code of primary residence? _____

2. Are you at least 18-years old? Yes _____ No _____ (if 'No' stop here)

3. How much revenue did you generate during the Art Fair \$ _____

4. Was this revenue higher or lower than you expected? ____ Higher ____ Lower

5. What days did you sell at the Art Fair? ____ Only Saturday ____ Only Sunday ____ All Days

6. Will you participate in the Krasl Art Fair in 2022? ____ Yes ____ No

7. Did you extend your stay in St. Joseph/Benton Harbor beyond the Art Fair Dates? ____ Yes ____ No

8. How many days did you stay in St. Joseph/Benton Harbor area as a result of the art fair? _____

9. How many people were in your party? Adults: _____ Children: _____

10. How much did **your party** spend as a result of participating in Krasl Art Fair?

\$ _____ Meals (including alcohol)	\$ _____ Shopping
\$ _____ Lodging	
\$ _____ Transportation (gas, parking, bus etc.)	\$ _____ Other

11. Because of your experience at the Art Fair, how likely are you to come to the St. Joseph area again?

____ Very likely ____ Somewhat likely ____ Somewhat unlikely ____ Very unlikely

12. Male: _____ Female: _____

13. Age: _____

Survey demographics are presented in the following figures.

Figure A1-4: KAC and KAF gender distribution

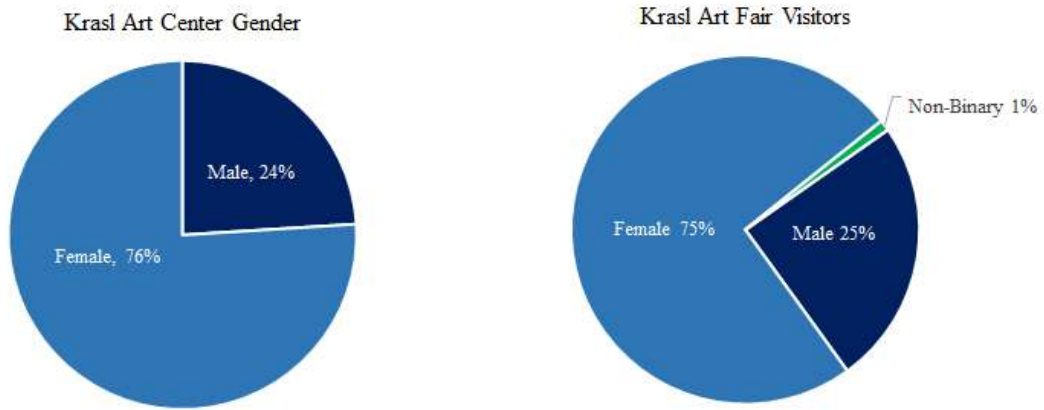


Figure A1-5: KAC and KAF age distribution

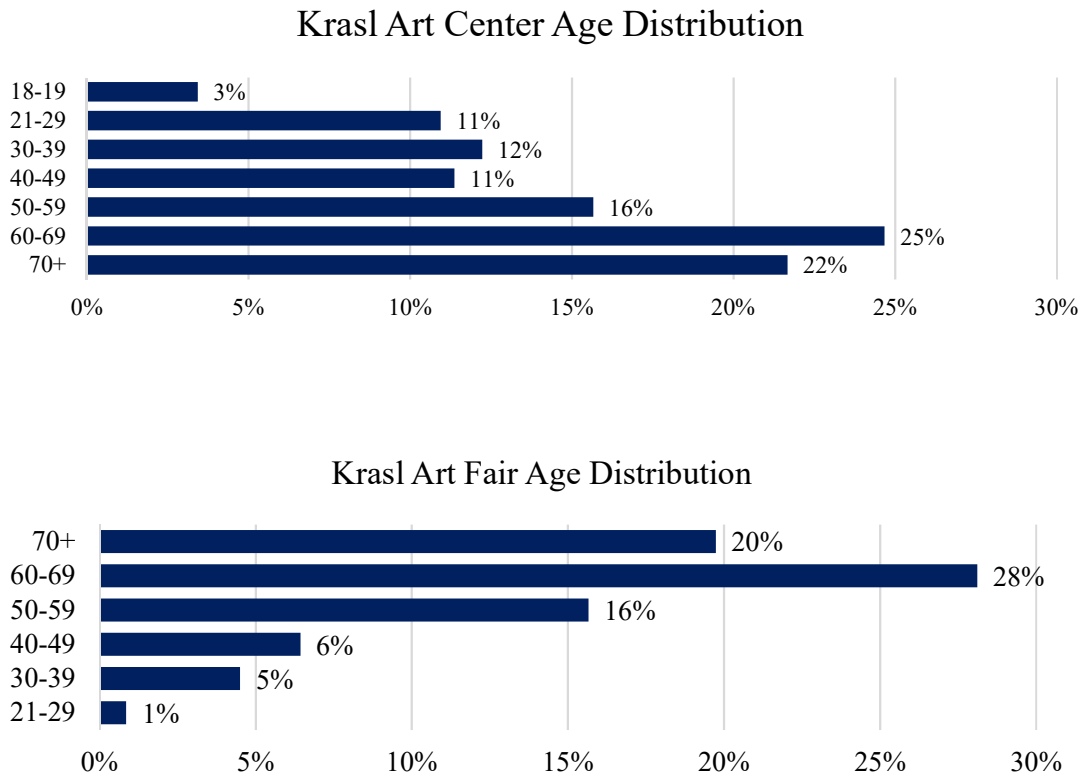
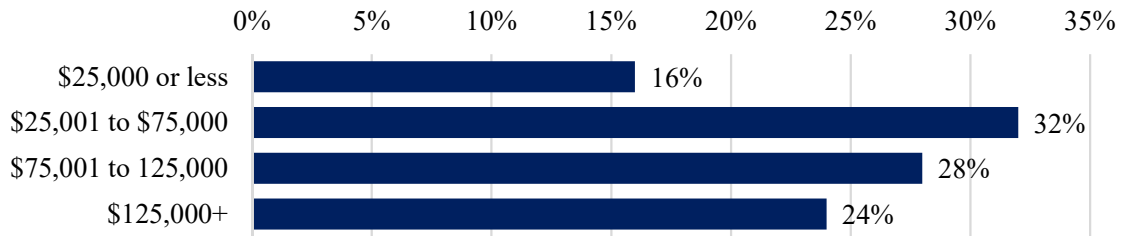


Figure A1-6: KAC income distribution



Zipcode map based on survey zip code is presented in Figure A1-7 and Figure A1-8.

Figure A1-7: Michigan

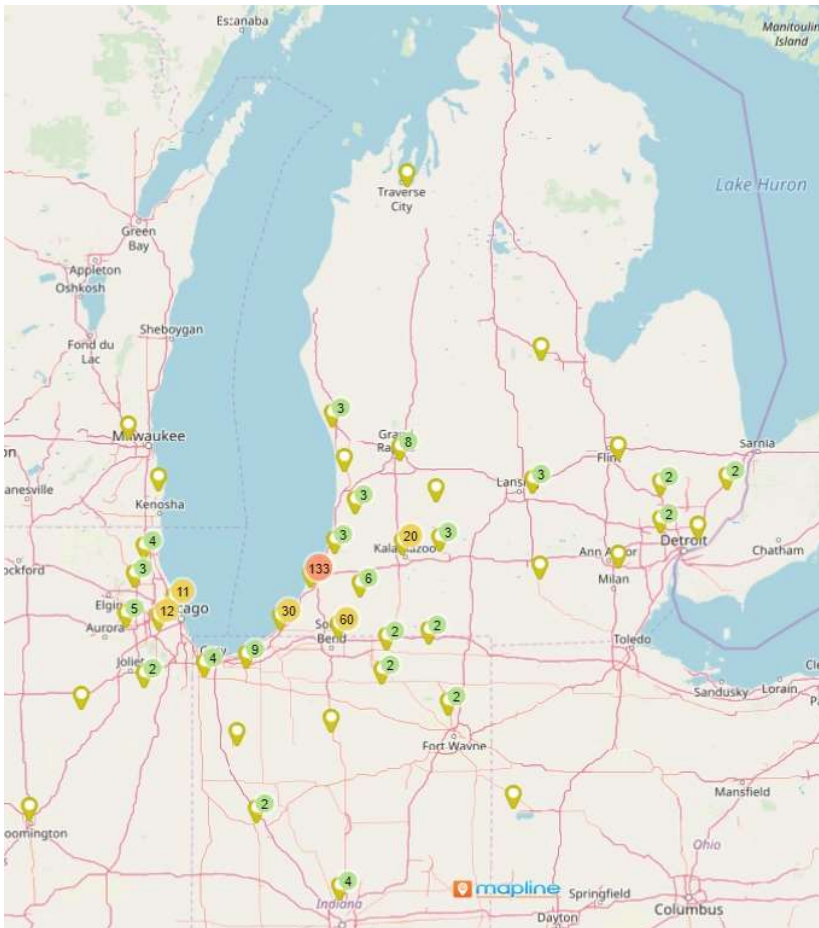
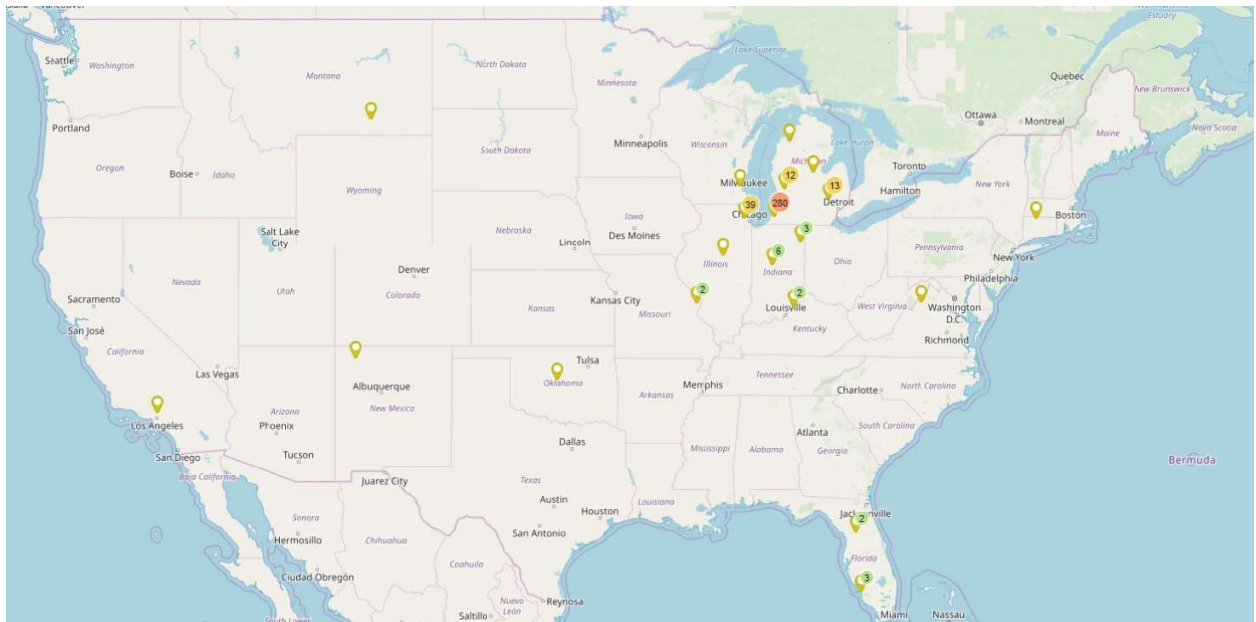


Figure A1-8: USA



A-2: Art Fair Economic Analysis

To measure the economic impact of the event we need an accurate count of the visitors. The KAF reported 14,011 visitors to the fair, measured by tickets sold. Table A2-1 shows total visitors by visitor type.

Table A2-1: Visitors by visitor type

Total tickets sold	14,011		
	Primary visitor	Casual visitor	Total visitors
Percentage of survey respondents	67%	33%	100%
Visitors by type	9,428	4,583	14,011
Local visitors	2,892 (31%)	3,193 (70%)	
Non-local visitors	6,536 (69%)	1,390 (30%)	

The survey asked respondents the size of their party and how many days they planned to visit. This data was used to estimate total visitor days. To arrive at total visitor days we multiply visitors by days visited. The result is presented in Table A2-2. It should be noted that this was a ticketed event, therefore we did not use party size in our calculations. The party size data is presented below for informational purposes only.

Table A2-2: Party size, days visited, and total visitor days by visitor type

	Primary visitor		Casual visitor	
	Local	Non-local	Local	Non-local
Party size	2.34	2.32	2.45	2.73
Days visited	1.23	1.24	1.35	2.19
Total visitor days	3,558	8,105	4,310	3,044
	Total primary:	11,662	Total casual:	7,354

All survey respondents were asked how much their party expected to spend on meals, shopping, lodging, transportation, art purchases, and other. This data is presented in Table A2-3. It should be noted we did not use the art purchase data from the survey respondents. Instead, we used the actual revenue from the artist survey. The details of this methodology are presented in Table A2-4.

Table A2-3: Per person, per day spending by visitor type

	Primary visitor		Casual visitor	
	Local	Non-local	Local	Non-local
Meals	\$12.29	\$20.10	\$7.06	\$22.64
Lodging ²¹	\$0.00	\$8.00	\$5.13	\$27.29
Art purchases	\$37.64	\$37.34	\$34.29	\$21.14
Transportation	\$4.88	\$12.60	\$3.21	\$11.63
Shopping	\$5.89	\$14.46	\$16.44	\$8.54
Other	\$0.08	\$0.54	\$0.00	\$1.30
Total	\$60.78	\$93.04	\$66.13	\$92.53

Table A2-4: Art purchases per person, per day methodology

Total revenue from artist survey	\$442,050
Number of artists who completed the survey	92
Revenue per artist	\$4,805
Total artists at KAF	150
Assume 10% of the artists did not sell any art ²²	(15)
Total number of artists that sold art	135
Total projected revenue from art sales	\$648,660
Revenue per-visitor (14,011 visitors)	\$46.30

Note: The \$46.30 was divided by days visited for each visitor type (local and nonlocal) to arrive at spending per person, per day (as shown in Table A2-3).

²¹ Lodging is reported as spending per person, per day. This amount differs from overnight rates because the majority of visitors do not stay overnight. This drives down the average cost.

²² This is a standard assumption used to arrive a more conservative estimate

The initial spending by visitors is referred to as direct spending. The direct spending is calculated as the product of the visitor spending (Table A2-3) and total visitor days (Table A2-2). It should be noted that the ‘Shopping’ category does include retail pricing and therefore is adjusted for retail margins. That is, retail prices will include the cost of manufacturing, the majority of which occurs outside the defined economic region. The estimated economic impact of visitor spending should not include these costs. We assume a 50% retail margin when calculating this category.

The spending on art purchases was also adjusted to reflect the exporting of the art revenue. Per the artist survey, 92% of the artists were nonlocal. Thus any art purchased from these artists was exported out of the region. Therefore, art purchase was discounted by 92%. Revenue spent within the region was captured by the artist spending survey. Table A2-5 presents total direct spending by visitor type.

Table A2-5: Total direct spending by visitor type

	Primary visitor		Casual visitor	
	Local	Non-local	Local	Non-local
Meals	\$43,736	\$162,930	\$30,428	\$68,900
Lodging	\$0	\$64,801	\$22,104	\$83,061
Art purchases (discounted 92%)	\$10,189	\$23,026	\$11,246	\$4,896
Transportation	\$17,374	\$102,094	\$13,837	\$35,397
Shopping (discounted 50%)	\$10,480	\$58,616	\$35,436	\$12,999
Other	\$244	\$4,309	\$0	\$3,946
Total	\$82,022	\$415,776	\$113,052	\$209,199
	Total primary:	\$497,798	Total casual:	\$322,251

This direct spending by visitors leads to indirect and induced spending. The dollar amount and effect on employment of indirect and induced spending can be estimated using the Regional-Input-Output Modeling System (RIMS II) multipliers developed by the Bureau of Economic Analysis. Table A2-6 shows the total economic impact by visitor type.

Table A2-6: Total economic impact by visitor type

	Primary visitor		Casual visitor		Total
	Local	Non-local	Local	Non-local	
Output	\$111,289	\$567,272	\$152,188	\$285,284	\$1,116,034
Earnings	\$67,864	\$405,499	\$121,976	\$216,873	\$812,213
Jobs	2	7	2	3	14

A-3: Art Fair Economic Analysis-Artists

There were 150 artists at the 2021 KAF. During July and August, an online survey was sent to each artist, with 92 artists completing the survey (61%), resulting in 81 usable surveys. A summary of the survey is presented in the figures below.

Figure A3-1: Will you participate in the Krasl Art Fair in 2022?

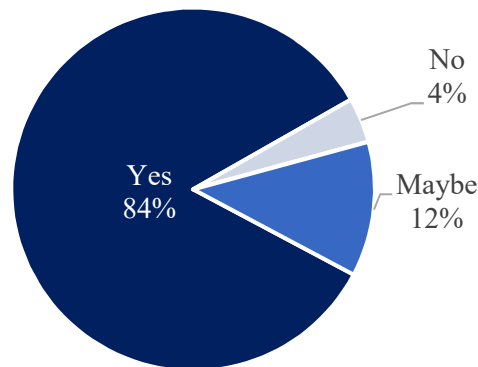


Figure A3-2: Did you extend your stay in St. Joseph / Benton Harbor beyond the Art Fair dates?

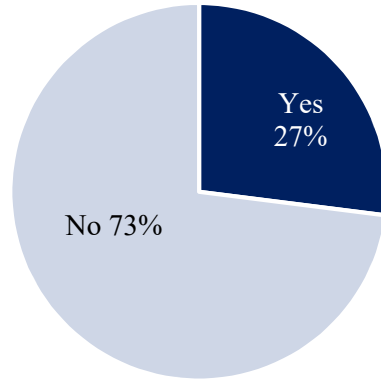


Figure A3-3: Because of your experience at the Art Fair, how likely are you to come to St. Joseph/Benton Harbor area again?

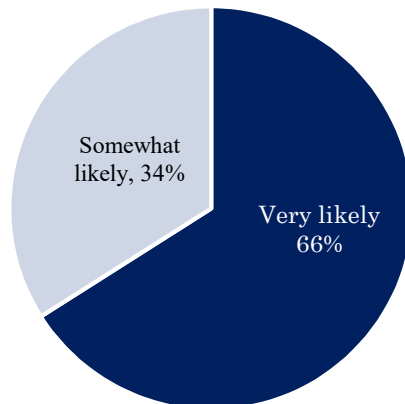


Figure A3-4: Gender

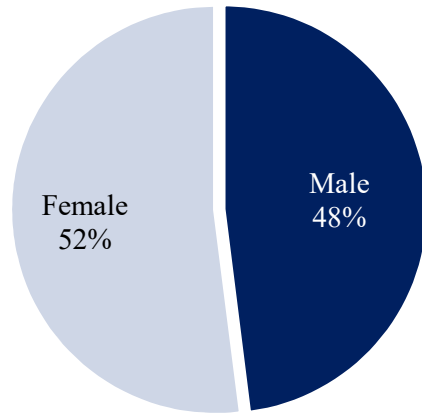
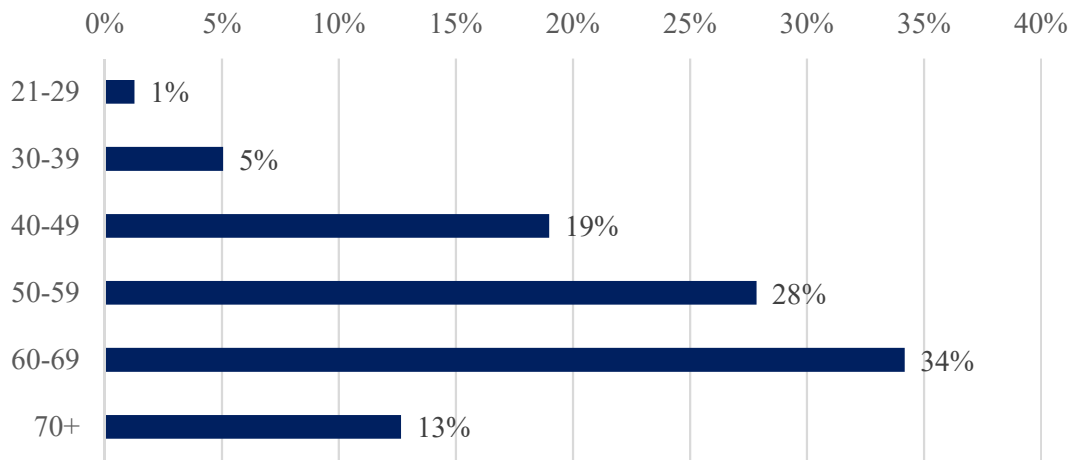


Figure A3-5: Age distribution



Based on the survey data we were able to estimate total visitor days and spending per person, per day. This data is presented in Table A3-1.

Table A3-1: Party size, days visited, and total artist visitor days

Total artists: 150	Local	Non-local
Percentage local and non-local	8%	92%
Artists by location	11	139
Party size	1.86	1.6
Days visited	1.33	2.84
Total artist visitor days	28	630

All survey respondents were asked how much their party expected to spend on meals, shopping, lodging, transportation, art purchases, and other. This data is presented in Table A3-2.

Table A3-2: Artist spending per person, per day

Total artists: 150	Local	Non-local
Meals	\$8.13	\$31.07
Lodging ²³	\$0.00	\$64.44
Transportation	\$6.25	\$34.36
Shopping	\$12.50	\$16.58
Other	\$0.00	\$2.49
Total	\$26.88	\$148.94

The initial spending by visitors is referred to as direct spending. The direct spending is shown in Table A3-3. Similar to the KAF visitor's spending, shopping was discounted by 50% to reflect retail margins.

²³ Lodging is reported as spending per person, per day. This amount differs from overnight rates because the majority of visitors do not stay overnight. This drives down the average cost.

Table A3-3: Artist total direct spending

Total artists: 150	Local	Non-local
Meals	\$229	\$19,566
Lodging	\$0	\$40,580
Art purchases	\$176	\$21,638
Transportation	\$176	\$5,221
Shopping	\$0	\$1,568
Total	\$582	\$88,573

Using the RIMS II model, we can estimate the total economic impact of artist spending. This data is shown in Table 8 of the main report.

A-4: Krasl Art Center Economic Analysis

To measure the economic impact of the event we need an accurate count of the visitors. The KAC reported 14,677 admissions to the Art Center. Table A4-1 shows total visitors by visitor type.

Table A4-1: Visitors by visitor type

Total admission:	14,677		
	Primary visitor	Casual visitor	Total visitors
Percentage of survey respondents	23%	77%	100%
Visitors by type	3,418	11,259	14,677
Local visitors	885 (26%)	2,685 (24%)	3,570
Non-local visitors	2,533 (74%)	8,574 (76%)	11,107

The survey asked respondents the size of their party and how many days they planned to visit. This data was used to estimate total visitor days. To arrive at total visitor days we multiply visitors by days visited. The result is presented in Table A4-2. It should be noted that we used actual admissions, therefore we did not use party size in our calculations. The party size data is presented below for informational purposes only.

Table A4-2: Party size, days visited, and total visitor days by visitor type

	Primary visitor		Casual visitor	
	Local	Non-local	Local	Non-local
Party size	2.34	2.32	2.45	2.73
Days visited	1.14	1.06	1.1	1.01
Total visitor days	1,009	2,685	2,954	8,660
	Total primary:	3,693	Total casual:	11,614

All survey respondents were asked how much their party expected to spend on meals, shopping, lodging, transportation, art purchases, and other. This data is presented in Table A4-3.

Table A4-3: Per person, per day spending by visitor type

	Primary visitor		Casual visitor	
	Local	Non-local	Local	Non-local
Meals	\$21.26	\$20.56	\$11.65	\$37.06
Lodging ²⁴	\$0.00	\$14.65	\$0.00	\$57.85
Transportation	\$4.50	\$18.30	\$4.00	\$38.63
Shopping	\$17.68	\$22.79	\$30.12	\$32.43
Other	\$0.25	\$2.76	\$0.14	\$5.87
Total	\$43.69	\$79.06	\$45.91	\$171.84

²⁴ Lodging is reported as spending per person, per day. This amount differs from overnight rates because the majority of visitors do not stay overnight. This drives down the average cost.

The initial spending by visitors is referred to as direct spending. The direct spending is calculated as the product of the visitor spending (Table A2-3) and total visitor days (Table A2-2). Similar to the KAF visitor spending, shopping was discounted by 50% to reflect retail margins. Table A4-4 shows total direct spending.

Table A4-4: Total direct spending

	Primary visitor		Casual visitor	
	Local	Non-local	Local	Non-local
Meals	\$21,447	\$55,195	\$34,411	\$320,941
Lodging	\$0	\$39,329	\$0	\$500,983
Transportation	\$4,539	\$49,128	\$11,815	\$334,537
Shopping	\$8,918	\$30,591	\$44,483	\$140,423
Other	\$252	\$7,409	\$414	\$50,834
Total	\$35,156	\$181,652	\$91,122	\$1,347,719
	Total primary:	\$216,808	Total casual:	\$1,438,841

Using the RIMS II model, we can estimate the economic impact by visitor type. This data is presented in Table A4-5.

Table A4-5: Total economic impact by visitor type

	Primary visitor		Casual visitor		Total
	Local	Non-local	Local	Non-local	
Output	\$48,557	\$249,202	\$124,974	\$1,842,764	\$2,265,498
Earnings	\$14,113	\$70,620	\$36,556	\$509,678	\$630,967
Jobs	1	2	1	19	23

Krasl Art Center Operations

Per KAC, the operational budget was \$1,061,000. The KAC leadership also anticipates \$170,000 in leasehold improvements in 2022. This additional spending was treated as construction spending in the economic analysis. Table A4-6 shows the methodology for estimating direct spending.

Table A4-6: Estimated direct spending from operations

Operational spending	\$1,061,000
90% assumed new	\$954,900
Additional spending	\$170,000
90% assumed new	\$153,000
72% assumed spent locally	\$110,160
Total direct spending	\$1,065,060

Using the RIMS II model, we can estimate the total economic impact of operational spending. This data is shown in Table 17 of the main report.