

## **Economic Impact of Bonnaroo Music Festival on Coffee County**

Murat Arik, Ph.D.  
Associate Director

David A. Penn, Ph.D.  
Associate Professor and Director

Business and Economic Research Center  
Jennings A. Jones College of Business  
Middle Tennessee State University  
Murfreesboro, TN 37129

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Axis Ventures, LLC  
c/o AC Entertainment  
Ashley Capps  
505 Market Street, 7<sup>th</sup> Floor  
Knoxville, TN 37902

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## I. EXECUTIVE SUMMARY

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The Bonnaroo Music Festival held in Coffee County, Tennessee, in June 2005, created a significant economic impact for Middle Tennessee. Festival organizers, published reviews of the festival and an extensive survey of Bonnaroo attendees reveal that Manchester and Coffee County enjoyed both tangible and intangible effects of the festival, including substantial economic and fiscal impacts.

Bonnaroo Music Festival has attracted considerable praise since its inception in 2001:

- ✓ *The New York Times* noted that the festival has “revolutionized the modern rock festival.”
- ✓ *Rolling Stone* magazine dubbed Bonnaroo 2003 “The American music festival to end all festivals.”
- ✓ *Rolling Stone* magazine named Bonnaroo in 2004 “one of the 50 moments to change the history of rock and roll.”
- ✓ *Filter* magazine’s Benjy Eisen reviewed Bonnaroo 2005 as living “up to its reputation as the single greatest music festival in America.”

Economic benefits from the festival are enormous for Coffee County. *Direct spending* in Coffee County alone was as follows:

- ✓ **\$1,902,229 by festival organizers**
- ✓ **\$8,630,575 by music fans from across the U.S. and overseas.**

The total economic impact of Bonnaroo Music Festival 2005 on Coffee County is estimated to be:

- ✓ **\$14,087,231 in business revenues**
- ✓ **\$4,353,887 in personal income**
- ✓ **191 new jobs**

In addition, Bonnaroo Music Festival has made substantial contributions to the local government revenues. The estimated fiscal impact of the festival was:

- ✓ **\$412,796.**

This includes local option sales tax on local spending, hotel/motel tax, fines and fees for activities, and direct contributions to the local government by the festival organizers.

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## II. INTRODUCTION

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Bonnaroo Music Festival, held on winemaker Sam McAllister's 500-acre pasture in Coffee County, Tennessee, every summer since 2002, continues to build a reputation for itself and for the region it inhabits each June. In its first year, the festival surprised middle Tennessee and the nation when it sold more than 70,000 tickets in advance with no traditional advertising. Bonnaroo continues to draw big-name artists performing in a wide range of music genres, and this year's festival attracted music lovers from all fifty states and two dozen countries.

Since its inception, Bonnaroo has drawn strong praise in the national media. The *New York Times* noted that the festival has "revolutionized the modern rock festival." *Rolling Stone* magazine dubbed Bonnaroo 2003 "The American music festival to end all festivals," and in 2004 named Bonnaroo "one of the 50 moments to change the history of rock and roll." The festival's reputation remains strong; *Filter* magazine's Benjy Eisen reviewed Bonnaroo 2005 as living "up to its reputation as the single greatest music festival in America."

In 2003, Middle Tennessee State University's Business and Economic Research Center (BERC) conducted an economic impact study of the first Bonnaroo music festival. The study found that Bonnaroo's overall economic impact on the region was positive. However, it notes several data limitations because of the retroactive nature of the study, which relies on conservative estimates of attendee spending outside the festival venue. The 2003 study concludes that "future festivals would benefit from a survey of fans to estimate more precisely their spending in the region."

Since the 2002 Bonnaroo music festival, both the number of attendees and the business environment in the festival region (Coffee County) have changed, outdating the findings in the 2003 study. Therefore, using an extensive survey of Bonnaroo attendees, this study updates and improves upon the 2003 study, including more specific data on more areas of economic impact, particularly attendee spending. Consequently, this report demonstrates the economic impact of the Bonnaroo music festival on Coffee County and

the region, including its impact on employment, gross revenues, personal income, and fiscal revenues.

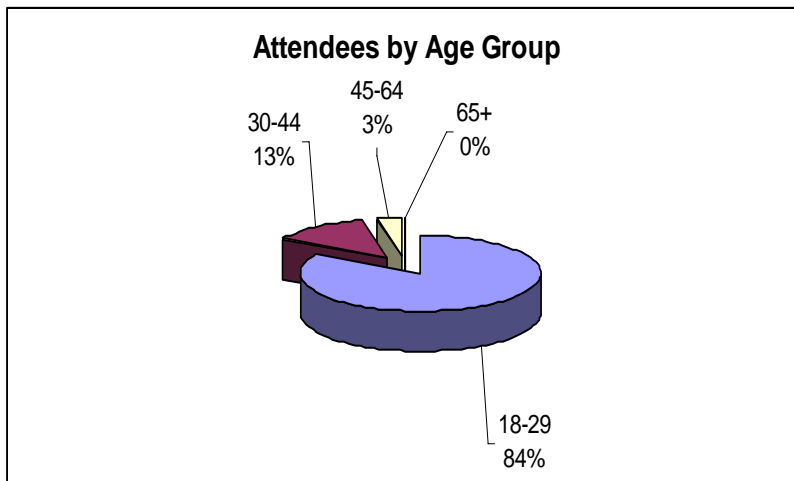
### III. GENERAL VISITOR PROFILE

Who comes to Bonnaroo? A survey of over one thousand visitors during the course of the three-day festival generated the following general profile. According to survey responses, visitors to the 2005 Bonnaroo festival were predominantly young adults, age 18-29.

*Gender.* According to survey results, more than 55 percent of visitors were male, and 44 percent were females. Males and females were almost evenly represented in the festival.

Gender		
Gender	Total Respondents	Respondents (%)
Male	606	55.80
Female	478	44.01
Other	1	0.09
Missing	1	0.09
<b>Grand Total</b>	<b>1,086</b>	<b>100.00</b>

*Age.* Not surprisingly, an overwhelming number of attendees were young adults, age 18-



29, representing 84 percent of the festival attendees. Thirteen percent of the festival fans were adults, age 30-44, and three percent were age 45-64.

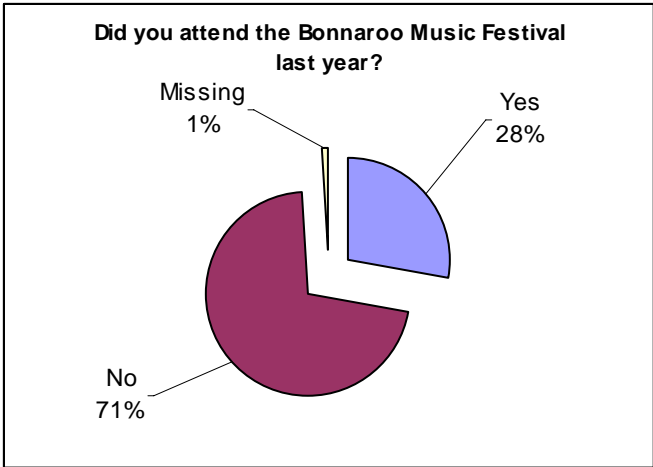
*Are they traveling alone?* Bonnaroo visitors tended to travel in small groups. About half of the respondents (51.84%) came to the festival in groups of 2-4, and another 22.10% arrived in groups of 5-7.

How many people are in your group?		
Group Range	Total Respondents	Respondents (%)
Individual (1)	172	15.84
From 2 to 4	563	51.84
From 5 to 7	240	22.10
From 8 to 10	82	7.55
From 11+	29	2.67
Grand Total	1,086	100.00

Where did you begin your trip to Coffee County (Manchester)?		
Origin of Trip	Total Respondents	Respondents (%)
TN	103	9.48
OH	73	6.72
VA	63	5.80
NY	61	5.62
GA	56	5.16
FL	49	4.51
KY	48	4.42
MA	48	4.42
IL	44	4.05
PA	44	4.05
NC	40	3.68
CANADA	31	2.85
IN	31	2.85
MI	31	2.85
NJ	28	2.58
WI	28	2.58
AL	26	2.39
CT	24	2.21
WV	21	1.93
OTHER	20	1.84
SC	20	1.84
MN	19	1.75
MS	17	1.57
TX	17	1.57
CA	16	1.47
MO	16	1.47
NH	14	1.29
OK	13	1.20

*Where did they come from?*  
 The survey found that Bonnaroo visitors came from all over the map in 2005. Almost all 50 states and the District of Columbia as well as Canada and a number of countries in Europe and Asia were represented. Not surprisingly, the largest percentage of visitors hailed from Tennessee, but only .92% of respondents originated in Coffee County. Other largely represented home states were Ohio, Virginia, New York, and

Georgia. As the table shows, more than 92 percent of total attendees came from twenty-six states, Canada, and overseas.



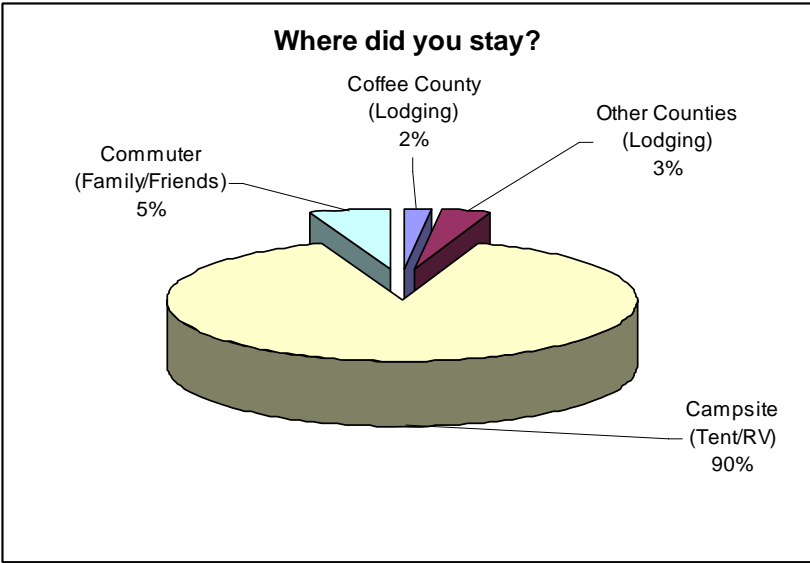
*Newcomers?* Bonnaroo visitors in 2005 were also, for the most part, newcomers. The majority of respondents, 71.45%, had not attended the Bonnaroo festival the previous year.

*Traveling to Coffee County.* In traveling to Bonnaroo, the large majority of respondents (91.80%) arrived via their own vehicles. Nearly five percent traveled by

How did you travel to the Festival?			
Transportation	Total Respondents	Respondents (%)	
Bus	12	1.10	
Own Vehicle	997	91.80	
Air	54	4.97	
Train	2	0.18	
Walking	2	0.18	
Bus and Own Vehicle	2	0.18	
Bus and Air	4	0.37	
Bus and Train	2	0.18	
Own Vehicle and Train	11	1.01	
<b>Grand Total</b>	<b>1086</b>	<b>100.00</b>	

Multiple categories are allowed.

air, and one percent by bus, and as the table above shows, many visitors used more than one mode of transportation to reach the festival.



*Where did they stay?* In the communal spirit of the festival, a large majority of Bonnaroo survey respondents (89.23%) camped on festival grounds in tents or recreational vehicles. The next most popular place for



visitors to stay was with family and friends, commuting to and from the festival each day. Other visitors stayed in hotels or motels in Coffee County (1.93%) and surrounding counties in Tennessee (3.41%).

<i>How long did they stay?</i>	<u>How many days do you plan to stay at Bonnaroo Music Festival?</u>		
	Days	Total Respondents	Respondents (%)
Bonnaroo visitors seemed committed to	1	5	0.46
	2	7	0.64
	3	323	29.74
	4	585	53.87
	5	166	15.29
	Grand Total	1,086	100.00

experiencing the entire festival. More than half of survey respondents indicated that they planned to spend four or more days at the three-day festival, and nearly all of the respondents planned to stay at least three days at Bonnaroo.

<u>Where did you buy your food?</u>			<i>Where did they eat?</i>
Location	Total Respondents	Respondents (%)	
Off-Site	93	8.56	About 36 percent of attendees indicated that they brought their own food, 11 percent purchased from the on-site vendors, and
On-Site	115	10.59	
Own Food	395	36.37	
Off-and On-Site	31	2.85	
On-Site and Own Food	264	24.31	
Off-Site and Own Food	44	4.05	
All of the Above	144	13.26	
Grand Total	1,086	100.00	

nine percent purchased from off-site vendors. However, a substantial number of individuals indicated that they used multiple venues to purchase food: 13 percent all venues, four percent off-site vendors and own food, 24 percent own food and on-site vendors, and three percent both off- and on-site vendors.

In short, Bonnaroo 2005 attracted young adults from all over the country and beyond to road trip with a few friends into Coffee County and camp out for the entire weekend festival patronizing a diverse group of vendors across the middle Tennessee.

#### IV. A PROFILE OF COFFEE COUNTY AND BONNAROO

Coffee County is located in a rural area of Tennessee between Nashville and Chattanooga along Interstate 24. As the table below demonstrates, demographic, economic and fiscal profiles show dramatic changes in the county between 2000 and 2005, the time period spanning the arrival of the Bonnaroo festival. The population of Coffee County grew 3.39 percent between 2000 and 2003, and total employment increased 9.14 percent between 2001 and 2004. Most notable are increases in wholesale trade (51.55%), food/beverage services (19.12%), and arts, entertainment and recreation (11.02%). Only gasoline stations saw a decrease in employment (19.86%).

Demographic, Economic and Fiscal Profiles	Coffee County		Tennessee		Time Frame
	Percent Growth		Percent Growth		
	Latest Value	(%)	Latest Value	(%)	
Population (2003)*	49,643	3.39	5,841,748.00	2.68	(2000-2003)
Total Employment, All Industries (2004)**	24,921	9.14	2,644,749.00	0.72	(2001-2004)
<i>Wholesale Trade</i>	882	51.55	128242	0.93	(2001-2004)
<i>Miscellaneous Store Retailers</i>	105	7.14	19326	-2.05	(2001-2004)
<i>Food and Beverage Stores</i>	564	2.55	46,093.00	-7.80	(2001-2004)
<i>Gasoline Stations</i>	226	-19.86	24,423.00	-7.54	(2001-2004)
<i>Arts, Entertainment, and Recreation</i>	131	11.02	28,437.00	9.71	(2001-2004)
<i>Accommodation</i>	133	4.72	33,546.00	-8.66	(2001-2004)
<i>Food Services and Drinking Places</i>	1,657	19.12	191,317.00	11.51	(2001-2004)
Retail Sales (2004)**	\$703,794,045	10.53	\$74,473,778,464	14.47	(2001-2004)
State Sales Tax (June 2005)***	\$5,226,918	59.38	\$514,844,780	32.51	(June 2001-June 2005)
Local Sales Tax (June 2005)***	\$1,186,281	40.63	\$141,578,768	16.40	(June 2001-June 2005)

\*Growth for population represents the changes between 2000 and 2003.

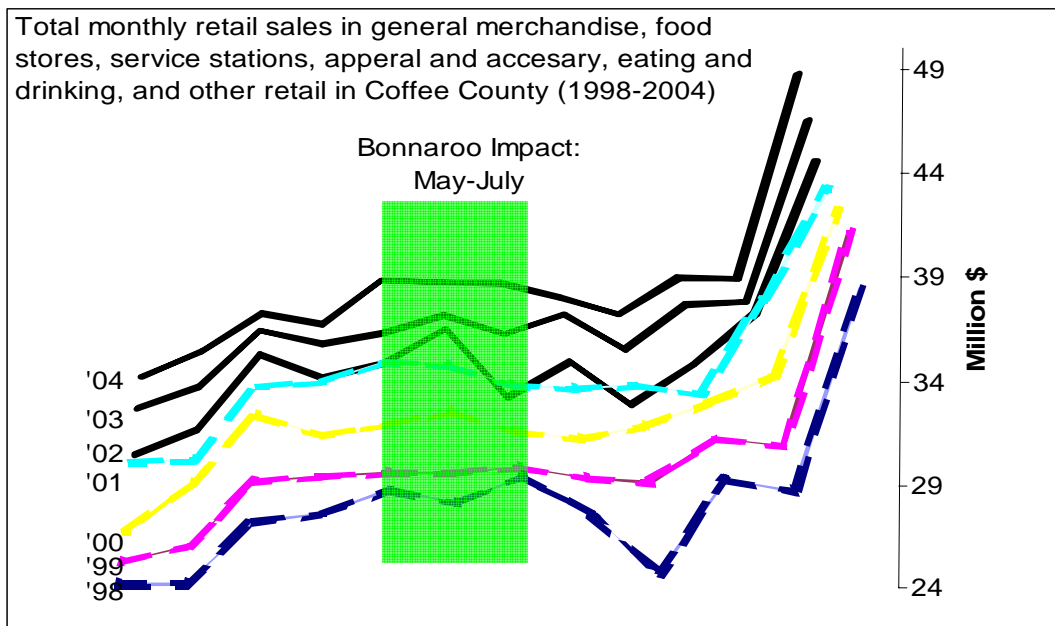
\*\*Growth for employment and retail sales represents the changes between 2001 and 2004.

\*\*\*Growth for sales tax figures represents the changes between 2001 and 2004.

All other tourism related indicators saw increases in employment rates, many of them significantly higher than the rate of population increase. Likewise, retail sales in Coffee County for 2004 were \$703,794,045, up 10.53% over 2001 sales figures, and state and local sales tax figures increased 59.38% and 40.63% respectively between fiscal year 2001 and fiscal year 2005. Overall, Coffee County experienced increases in employment, sales, and tax revenues between 2001 and 2005.

In comparing Coffee County numbers with the same economic indicators for the state of Tennessee, a pattern emerges. While population growth for both Coffee County and Tennessee was similar (3.39% and 2.68% respectively), growth in employment, sales, and tax revenues was much greater for Coffee County than for the state as a whole. For example, as the table above indicates, wholesale trade employment in Coffee County increased 51.55% between 2001 and 2004, while wholesale trade for the state of Tennessee during that period increased less than one percent. Other tourism related indicators, such as accommodation, food and beverage stores, and miscellaneous retailers actually increased in Coffee County while statewide numbers decreased.

Most notable is the gap in tax revenues. Coffee County saw an increase in state sales tax of 59.38% between fiscal year 2001 and fiscal year 2004, while the state saw an increase of only 32.51% during the same period. Similarly, local sales tax revenues in Coffee County increased 40.63% while statewide the average increase was just 16.40%. Such a pattern of growth over the time period spanning the arrival of Bonnaroo in Coffee County, paired with the disparity between county figures and state figures, suggests that the Bonnaroo music festival has clearly played a role in the economic development of Coffee County.

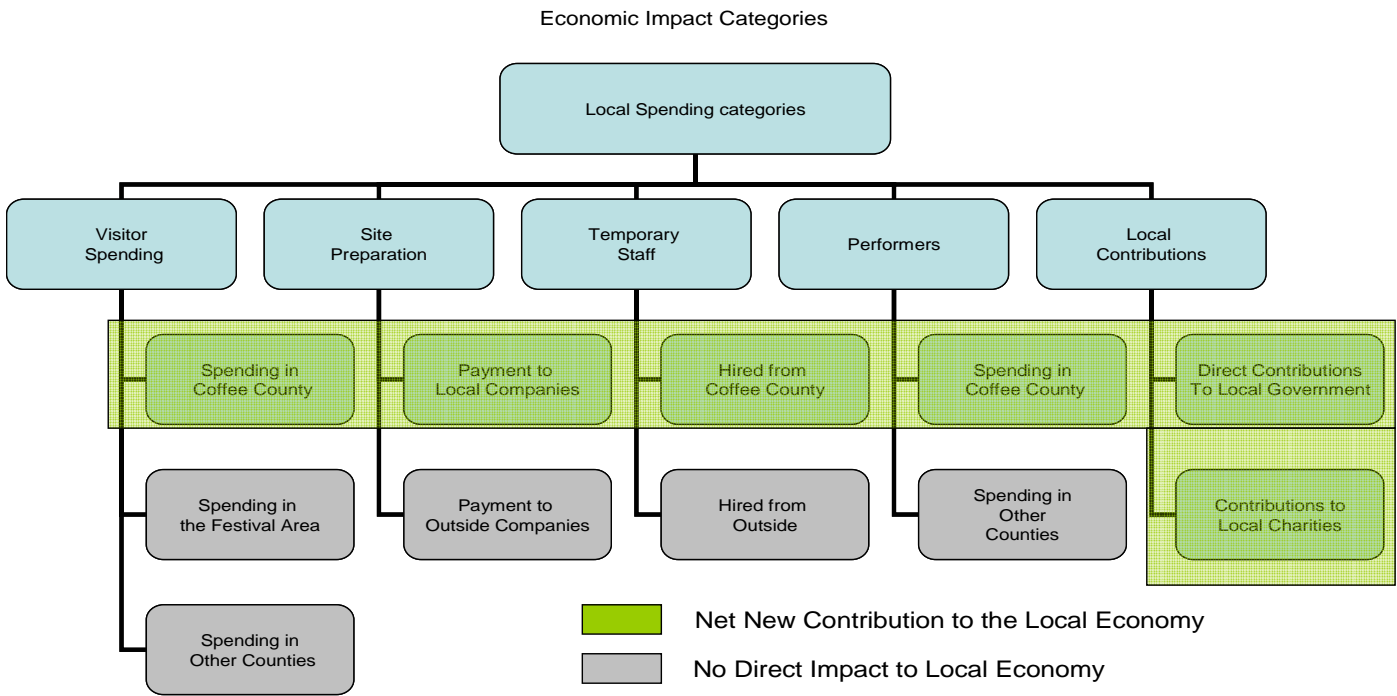


The chart above demonstrates monthly retail sales in tourism related sales categories. It is very clear that an increase in sales was substantial after 2001. Every subsequent year, the tourism related sales increased substantially compared to the previous year's sales data.

In addition to these tangible benefits, Coffee County has also reaped intangible benefits of hosting Bonnaroo. The festival brings instant fame and name recognition to the small rural community. Young music lovers from all over the U.S. know Manchester and Coffee County as the hip place to be each June. As *Business Tennessee* notes, "After only three years, the festival has put the city of Manchester, Coffee County and indeed the state of Tennessee on the pop culture map."

## V. CONCEPTUAL FRAMEWORK FOR ECONOMIC IMPACT ANALYSIS

This study uses the IMPLAN Model developed by the Minnesota Implan Group, Inc. to generate economic impact figures and thus to assess the effect of Bonnaroo on the regional economy. The following figure presents the Bonnaroo impact categories:



At the aggregate level, there were two sources of spending related to the Bonnaroo Music Festival 2005: festival organizers, and festival attendees. While a substantial amount of money was spent across middle Tennessee and on the festival campsite, only the amount spent in Coffee County, excluding spending on festival grounds, was net new to the local economy. This study focuses on the areas highlighted, net new contributions that affect Coffee County.

## VI. STUDY ASSUMPTIONS AND METHOD

The Business Economic Research Center conducted a survey (see appendix) of more than 1,000 festival attendees to determine spending patterns inside and outside the festival area. In order to insure a random sampling of Bonnaroo visitors, the survey was conducted over all three days of the festival from two different stations on the festival site. Each day, BERC staff moved the stations to different site locations for a total of six different areas surveyed on the 500-acre site. As an incentive in soliciting survey participants, BERC staff handed out much-coveted Bonnaroo stickers in exchange for completed surveys. The response was overwhelming, and survey sites encountered long lines of participants willing to fill out the survey. BERC staff began conducting surveys at around noon each day of the festival, when visitors were just beginning to arrive. In all, one supervisor and five staff members conducted 1,096 surveys, of which just 10 were incomplete or unusable.

Number of Valid Surveys Conducted by Days: Total Respondents				
	Day 1	Day 2	Day 3	Grand Total
Total	269	479	338	1,086
Percent (%)	24.77	44.11	31.12	100

The number of surveys conducted was determined based on ticket sales for previous festivals as well as the 2005 festival, and the margin of error is +/- 3%. Festival organizers provided data regarding temporary local employees, local vendors, performers and staff, and organizer spending on the festival.

*Bonnaroo Spending in Coffee County.* Bonnaroo festival organizers spent a total of \$3,057,921 in Coffee County for the 2005 festival. State sales tax on tickets accounted for \$1,155,692 of that total, still leaving \$1,902,229 spent in Coffee County by festival organizers. As the table below shows, the largest portion of that figure went toward site related expenditures, including rental, preparations and site operations. In Coffee County alone, festival organizers spent \$270,471 lodging the people who made Bonnaroo happen, and they spent \$15,290 feeding these artists, support staff and VIPs. In addition, festival organizers paid \$260,500 to local government, and donated \$20,000 to local charities.

<u>Local Expenditure (only Coffee County) by Festival Organizers</u>	
Site Related Expenditures	
<i>Rent and Preparations</i>	\$861,974
<i>Site Operations</i>	\$473,994
Other Operating Expenditures	
<i>Artists, Staff and VIP Hotels/Motels</i>	\$270,471
<i>Local Meals (Catering)</i>	\$15,290
Local Government	\$260,500
Local Charity	\$20,000
<b>State Sales Tax on Tickets</b>	<b>\$1,155,692</b>
<b>Total</b>	<b>\$3,057,921</b>
<b>Less Sales Tax on Tickets</b>	<b>\$1,155,692</b>
<b>Subtotal without Sales Tax</b>	<b>\$1,902,229</b>

*Attendee Spending.* In addition to direct in-county spending by festival organizers, survey responses indicate that visitors to

Bonnaroo spent nearly \$22 million on lodging, food, transportation, entertainment, and other souvenirs of their experience. A little over a quarter of that money, \$5.8 million, was spent within the festival area on food, entertainment, and crafts.

<u>Total Visitor Spending in the Festival Area</u>	
Categories	Amount (\$ 2005)
Lodging	\$0
Gasoline	\$0
Restaurants	\$1,886,592
Groceries	\$583,460
Car Rental	\$0
Entertainment or Games	\$661,221
Artwork or Crafts	\$1,565,220
Other	\$1,085,140
<b>Festival Area Total</b>	<b>\$5,781,634</b>
Percent in Visitor Spending	26.96

Outside Coffee County, Bonnaroo visitors spent \$7 million in surrounding middle Tennessee counties, making up nearly one third of Bonnaroo visitor spending. The largest spending categories were gasoline and groceries.

Total Visitor Spending in the Rest of Middle Tennessee Counties	
Categories	Amount (\$ 2005)
Lodging	\$247,280
Gasoline	\$2,774,132
Restaurants	\$932,858
Groceries	\$2,088,183
Car Rental	\$498,503
Entertainment or Games	\$113,738
Artwork or Crafts	\$107,126
Other	\$271,402
<b>Other Counties Total</b>	<b>\$7,033,221</b>
Percent in Visitor Spending	32.80

Total Visitor Spending in Coffee County (Impact Assessment)

Categories	Amount (\$ 2005)
Lodging	\$160,836
Gasoline	\$3,044,917
Restaurants	\$961,511
Groceries	\$2,375,693
Car Rental	\$346,708
Entertainment or Games	\$507,844
Artwork or Crafts	\$656,363
Other	\$576,703
<b>Coffee County Total</b>	<b>\$8,630,575</b>
Percent in Visitor Spending	40.24

The largest percentage of Bonnaroo visitor spending (40.24%) took place within Coffee County. Visitors spent \$8.63 million in Coffee County outside festival grounds, the majority of which was spent on gasoline and groceries. Notably, visitors spent far more of their money on entertainment, artwork and crafts in Coffee County than in the

surrounding middle Tennessee counties.

In all, not including sales tax revenues, more than \$11 million Bonnaroo dollars were spent in Coffee County alone.<sup>1</sup>

## VII. ECONOMIC IMPACT OF BONNAROO MUSIC FESTIVAL

This study analyzes the economic impact of the Bonnaroo Music Festival 2005 on the local economy. Total Bonnaroo-related expenditures in 2005 totaled \$10,532,804. This figure includes both visitor spending and organization spending on site preparation, rent, and spending in Coffee County by performers and staff during the festival. In addition, when money is spent in the local economy, it affects suppliers of goods and services to

<sup>1</sup> For a detailed spending profile of festival visitors, see appendix.

the local businesses. This ripple effect, or indirect impact, involves business to business transactions in the local economy. Furthermore, a portion of local spending by attendees and festival organizers contributes to salaries, wages, and other income for many individuals who in turn spend their earnings in the local economy. This additional economic impact is known as the induced impact.

*Impact on business revenues.* The direct business revenue impact on Coffee County was \$10.5 million. The indirect business revenue impact of Bonnaroo 2005 totalled \$1.283 million, as noted in the table below. The induced business revenue impact of Bonnaroo totalled \$2.271 million. Therefore, the total economic impact for business revenue in 2005 was more than \$14 million. Each dollar of Bonnaroo-related direct spending created an additional \$0.34 business revenue in Coffee County.

***Business Revenue Impact of Bonnaroo Music Festival 2005 on Coffee County***

Impact Categories	Direct Impact	Indirect Impact	Induced Impact	Total Impact	Multiplier***
Visitor Spending*	\$8,630,575	\$1,046,043	\$1,913,499	\$11,590,117	1.34
Site Preparation and Festival Organization**	\$1,902,229	\$237,384	\$357,501	\$2,497,114	1.31
<b>Total</b>	<b>\$10,532,804</b>	<b>\$1,283,427</b>	<b>\$2,271,000</b>	<b>\$14,087,231</b>	<b>1.34</b>

\*Visitor spending includes only attendee spending.

\*\*This category includes site preparation, rent payment for campsite, spending in Coffee County for staff and performers throughout the festival.

\*\*\*These are IMPLAN Type Sam multipliers, calculated by using the following formula.

$$SamTypeIII = \frac{(direct + indirect + induced)}{direct}$$

*Impact on personal income.* Furthermore, Bonnaroo 2005 impacted personal incomes significantly. Households in Coffee County took home a total of \$4.354 million due to Bonnaroo 2005. The majority of that was direct personal income generated by visitor, performer, organizers and staff spending in Coffee County. The indirect personal income impact of the festival totalled \$436,525, the majority of which came from festival attendee spending. The induced personal income impact of the festival was \$1,023,072. In all, Bonnaroo generated more than four million dollars in personal income. Each dollar of Bonnaroo-related personal income generated an additional \$0.5 personal income in Coffee County.



**Personal Income Impact of Bonnaroo Music Festival 2005 on Coffee County**

Impact Categories	Direct Impact	Indirect Impact	Induced Impact	Total Impact	Multiplier***
Visitor Spending*	\$2,392,816	\$347,646	\$872,616	\$3,613,078	1.51
Site Preparation and Festival Organization**	\$501,474	\$88,879	\$150,456	\$740,809	1.48
<b>Total</b>	<b>\$2,894,290</b>	<b>\$436,525</b>	<b>\$1,023,072</b>	<b>\$4,353,887</b>	<b>1.50</b>

\*Visitor spending includes only attendee spending.

\*\*This category includes site preparation, rent payment for campsite, spending in Coffee County for staff and performers throughout the festival.

\*\*\*These are IMPLAN Type Sam multipliers, calculated by using the following formula.

$$SamTypeIII = \frac{(direct + indirect + induced)}{direct}$$

*Impact on employment.* As discussed earlier, Coffee County experienced growth in employment rates in the period during which Bonnaroo has been held there. In fact, spending associated with Bonnaroo 2005 created 191 jobs across the local economy, many of which occurred in retail trade and accommodation and food services. The direct impact of the festival generated 145 new jobs, while the indirect impact resulted in 14 new jobs. The induced impact of the festival created 32 new jobs. Thus, the growth percentages noted above are not simply coincidental or due to overall growth in the county. Rather, they represent a substantial employment impact due to the Bonnaroo music festival.

**Employment Impact of Bonnaroo Music Festival 2005 on Coffee County**

Impact Categories	Direct Impact	Indirect Impact	Induced Impact	Total Impact	Multiplier***
Visitor Spending*	122	11	27	160	1.31
Site Preparation and Festival Organization**	23	3	5	31	1.35
<b>Total</b>	<b>145</b>	<b>14</b>	<b>32</b>	<b>191</b>	<b>1.32</b>

\*Visitor spending includes only attendee spending.

\*\*This category includes site preparation, rent payment for campsite, spending in Coffee County for staff and performers throughout the festival.

\*\*\*These are IMPLAN Type Sam multipliers, calculated by using the following formula.

$$SamTypeIII = \frac{(direct + indirect + induced)}{direct}$$

## VIII. FISCAL IMPACT OF BONNAROO MUSIC FESTIVAL

In addition to a substantial economic impact, local and state governments have also benefited from the Bonnaroo festival considerably. State sales tax on ticket sales and Bonnaroo related spending in Coffee County generated an estimated \$1,596,040 in 2005.

Moreover, local option sales tax and non-tax fees levied by the county totaled \$132,887. It is estimated that the city of Manchester gained \$19,409 from its six percent hotel/motel occupancy tax.

Furthermore, Coffee County received \$260,500 in direct contributions by festival organizers. This includes vendor license fees totaling \$2,500. In all, revenue for local governments is estimated at \$412,796 due to Bonnaroo 2005, a significant fiscal impact for this small rural county.

Fiscal Impact of Bonnaroo Music Festival 2005	
Estimated State Sales Tax*	
<i>Ticket Sales</i>	\$1,155,692
<i>Through Spending in Coffee County</i>	\$440,348
Estimated Local Government Revenues**	
Hotel/Motel Tax***	\$19,409
Direct Contribution to Local Government****	\$260,500
Total Local Revenues	
	\$412,796

\*Ticket sales tax data is provided by festival organizers. Sales tax through spending is both model driven and BERC estimation.

\*\*Estimated local revenues include both local sales tax estimates and other non-tax fees.

\*\*\*Hotel/motel tax is based on 75 percent of hotel/motel spending in Coffee County. This roughly corresponds to Manchester City's share of total hotel/motel beds in the county. A six (6) percent tax rate is applied to this spending.

\*\*\*\*Direct contributions to local government data is provided by festival organizers. This figure also includes \$2,500 vendor license fee. This figure does not include the money that is spent for safety/fire/police. This total amounts to \$110,500.

## IX. CONCLUSION

In 2005, Bonnaroo festival organizers spent \$1.9 million in Coffee County and visitors to the festival spent \$8.6 million in Coffee County for a total direct economic impact of \$10.5 million. The total impact of Bonnaroo 2005 in Coffee County was \$14 million business revenue, \$4.4 million personal income, and 191 jobs. Local governments

benefited a total of \$412,796 from the festival. Furthermore, the quality of the festival has garnered not only praise for its organizers and performers, but also national renown for Coffee County, Tennessee. Clearly, the Bonnaroo music festival is economically crucial to the region.

## **X. APPENDIX**

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*1. IMPLAN model information.* The impact of the Bonnaroo Music Festival 2005 on the local economy includes not only the direct employment, business sales, and income generated by the festival spending but also the additional or secondary impacts of all economic activity related to such employment and business sales. Secondary impacts fall into two general categories: indirect effects including all employment, business sales, or income generated by the interaction of local businesses with the Bonnaroo-related vendors and by suppliers to local businesses, and induced effects including all spending by Bonnaroo-related employees in the local economy.

To quantify secondary impacts, a method called “input-output analysis” was employed through the use of the IMPLAN Model developed by the Minnesota IMPLAN Group, Inc. IMPLAN is a predictive model based on regional accounting matrices; it simulates the inter-industry transactions occurring for any additional increase in demand in a regional economy. In this case, the increase in demand is attributed to the presence of the Bonnaroo music festival and has been measured by jobs, business sales, and personal income. This study also employs a hybrid approach, which means that it combines the use of a survey to gather information on direct impacts with the use of input-output analysis to calculate subsequent secondary impacts.

### Direct Effects

- The direct effect of business sales includes the total spending of the festival organizers and attendees to purchase goods and services in the local economy.

Indirect Effects

- Indirect effects include all employment, business sales, or income generated by the interaction of local businesses with the Bonnaroo-related vendors and by suppliers to local business transactions.

Induced Effects

- Induced effects include all employment, business sales, or income generated by the spending of the Bonnaroo-induced employees in the local economy.

2. Survey material.

**Economic Impact of the Bonnaroo Music Festival – 2005**

Business and Economic Research Center  
 Jennings A. Jones College of Business  
 Middle Tennessee State University

Date: \_\_\_\_\_  
 Time: \_\_\_\_\_  
 Interviewer: \_\_\_\_\_

In order to serve you better, the Business and Economic Research Center of Jennings A. Jones College of Business at Middle Tennessee State University is administering this survey for the Bonnaroo Music Festival organizers. The survey does not ask for your personal information. Your responses to the questions will be strictly confidential.

1) How long do you plan to stay at the Bonnaroo Music Festival? \_\_\_\_\_Days

2) How many people are in your group? \_\_\_\_\_PERSONS

3) Gender  
 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) Do you live in Coffee County, TN?  
 1 YES  
 0 NO  
 8 REFUSED

6) How did you travel to the Festival?  
 1 BY BUS  
 2 BY OWN VEHICLE  
 3 BY AIR

4 BY TRAIN

- 7) Where do you stay?
- 1 HOTEL IN Coffee County \_\_\_\_\_DAYS
  - 2 HOTEL IN Other Counties\_\_\_\_\_DAYS
  - 3 TENT or RV \_\_\_\_\_DAYS
  - 4 COMMUTE to the Festival Site

8) Where did you begin your trip to Coffee County (Manchester)? \_\_\_\_\_ZIP or State

- 9) Where do you buy your food?
- 1 BUYING FOOD OFF-SITE
  - 2 BUYING FOOD ON-SITE
  - 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 Coffee County. Your best estimate is OK.** Please include any spending related to this trip (including trip spending before you entered the festival site and after you depart from the festival site).

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	OUTSIDE of the Festival Site in <u>Manchester (or Coffee County) (within 20 miles drive from the Festival Site)</u>	OUTSIDE of the Festival Site <u>in other counties (i.e., Rutherford County)</u>	In FESTIVAL SITE	<u>Total Daily Trip Spending (Excluding Ticket and RV parking)</u>
Lodging	\$	\$	\$	\$
Gasoline				
Restaurants				
Groceries				
Car rental				
Entertainment or games				
Artwork or crafts				
Other (specify)_____				

11) Did you attend the Bonnaroo Music Festival LAST YEAR?    1    YES  
   0    NO  
   8    REFUSED

12) What did you like LEAST about the Bonnaroo Music Festival this year?

\ 13) What did you like MOST?

THANK YOU FOR YOUR COOPERATION!

*3. What did you like most?*

What did you like most? (Top 10 List)		
	Total	Percent Distribution
Music	485	40.82%
Everything	143	12.04%
People	108	9.09%
Bands	59	4.97%
Athmosphere	58	4.88%
Dave Matthews Band	35	2.95%
Organization	34	2.86%
Tents/ Comedy	20	1.68%
Community and Culture	13	1.09%
Activities	12	1.01%

4. What did you like least?

What did you like least about the Bonnaroo Music Festival this year? (Top 10 List)		
	Total	Percent
Weather (Rain +Mud +Heat)	374	30.56%
Nothing	232	18.95%
Traffic	88	7.19%
Walking Distance	81	6.62%
Vendor Prices	62	5.07%
Poor Scheduling (Overlaps)	55	4.49%
Lack of Bathrooms	49	4.00%
Information Booth	35	2.86%
Camp Space not Enough	30	2.45%
Checkpoints	25	2.04%

5. Detailed spending patterns:

**Average visitor spending:**

Bonnaroo Economic Impact 2005		
Visitor Expenditure By Location	Per Day Per Person	Percent (%)
Average Visitor Spending	\$74.33	100
<i>Average Spending in Coffee County</i>	\$29.93	40.27
<i>Average Spending in Other Tennessee Counties</i>	\$24.56	33.04
<i>Average Spending in Festival Area</i>	\$19.84	26.69

**Spending by expenditure categories and location (average spending across all visitor categories):**

Spending by Expenditure Categories and Location

	Coffee County	Other Tennessee Counties	Festival Area
Lodging	\$0.85	\$1.33	
Gasoline	\$10.44	\$9.48	
Restaurants	\$3.32	\$3.21	\$6.47
Groceries	\$8.13	\$7.13	\$2.00
Car Rental	\$1.19	\$1.71	
Entertainment or Games	\$1.76	\$0.39	\$2.26
Artwork or Crafts	\$2.25	\$0.37	\$5.35
Other	\$2.00	\$0.94	\$3.76
<b>Total</b>	<b>\$29.94</b>	<b>\$24.56</b>	<b>\$19.84</b>

**Visitor spending by type of visitors:**

<u>Visitor Spending by Type of Visitors</u>	<u>PerDay/Per Person (\$)</u>
Hotels/Motels in Coffee County	\$139.12
Hotels/Motels in Other Tennessee Counties	\$131.31
Campsite (Tent/RVs)	\$71.94
Family/Friends-Commuters	\$54.80



## Average visitor spending by visitor type, expenditure categories, and location:

Average Visitor Spending by Visitor Type, Location, and Expenditure Categories

	Hotels/ Motels in Coffee County			Hotels/Motels in Other Tennessee Counties			Campsite (Tents/RVs)			Family/Friends-Commuters*		
	Coffee County	Other Tennessee Counties		Coffee County	Other Tennessee Counties		Coffee County	Other Tennessee Counties		Coffee County	Other Tennessee Counties	
		Tennessee	Festival Area		Tennessee	Festival Area		Tennessee	Festival Area		Tennessee	Festival Area
Lodging	\$36.93	\$3.69		\$0.00	\$34.91		\$0.15	\$0.08		\$0.00	\$0.00	
Gasoline	\$9.54	\$6.90		\$16.16	\$7.41		\$10.41	\$9.89		\$7.79	\$4.85	
Restaurants	\$15.40	\$11.19	\$11.05	\$8.47	\$8.91	\$13.63	\$2.90	\$2.94	\$6.29	\$2.73	\$1.24	\$3.28
Groceries	\$7.78	\$3.76	\$0.33	\$7.11	\$3.44	\$0.51	\$8.35	\$7.54	\$2.10	\$5.32	\$3.83	\$1.80
Car Rental	\$7.21	\$4.52		\$1.58	\$6.04		\$1.11	\$1.57		\$0.00	\$0.28	
Entertainment or Games	\$0.10	\$0.00	\$2.62	\$1.57	\$0.99	\$2.21	\$1.70	\$0.39	\$2.31	\$3.31	\$0.21	\$1.44
Artwork or Crafts	\$4.88	\$1.19	\$5.24	\$4.12	\$1.49	\$3.81	\$2.20	\$0.32	\$5.53	\$0.95	\$0.21	\$3.53
Other	\$3.27	\$1.85	\$1.68	\$3.78	\$3.38	\$1.80	\$1.77	\$0.79	\$3.61	\$4.17	\$1.56	\$8.30
<b>Total</b>	<b>\$85.10</b>	<b>\$33.10</b>	<b>\$20.91</b>	<b>\$42.79</b>	<b>\$66.55</b>	<b>\$21.96</b>	<b>\$28.59</b>	<b>\$23.52</b>	<b>\$19.83</b>	<b>\$24.27</b>	<b>\$12.18</b>	<b>\$18.35</b>

\*BERC treats "commuters" as visitors staying with "friends and families."

## Total visitor spending by visitor type, expenditure categories, and location:

Total Visitor Spending by Visitor Type, Location, and Expenditure Categories

	Hotels/Motels in Coffee County			Hotels/Motels in Other Tennessee Counties			Campsite (Tents/RVs)			Family/Friends-Commuters*		
	Coffee County	Other Tennessee Counties		Coffee County	Other Tennessee Counties		Coffee County	Other Tennessee Counties		Coffee County	Other Tennessee Counties	
		Tennessee	Festival Area		Tennessee	Festival Area		Tennessee	Festival Area		Tennessee	Festival Area
Lodging	\$135,979	\$13,205		\$0	\$220,678		\$24,856	\$13,397		\$0	\$0	
Gasoline	\$51,560	\$37,314		\$151,302	\$69,421		\$2,738,593	\$2,602,939		\$103,463	\$64,458	
Restaurants	\$83,230	\$60,475	\$59,703	\$79,346	\$83,396	\$127,656	\$762,696	\$772,521	\$1,655,670	\$36,239	\$16,466	\$43,563
Groceries	\$42,031	\$20,330	\$1,801	\$66,628	\$32,186	\$4,788	\$2,196,304	\$1,984,806	\$553,007	\$70,729	\$50,861	\$23,864
Car Rental	\$38,953	\$24,422		\$14,764	\$56,525		\$292,991	\$413,804		\$0	\$3,752	
Entertainment or Games	\$515	\$0	\$14,154	\$14,680	\$9,280	\$20,712	\$448,636	\$101,718	\$607,251	\$44,014	\$2,739	\$19,104
Artwork or Crafts	\$26,377	\$6,433	\$28,307	\$38,597	\$13,920	\$35,645	\$578,743	\$83,995	\$1,454,376	\$12,645	\$2,777	\$46,892
Other	\$17,658	\$9,976	\$9,058	\$35,434	\$31,637	\$16,873	\$466,703	\$209,001	\$948,947	\$56,909	\$20,787	\$110,262
<b>Total</b>	<b>\$396,303</b>	<b>\$172,155</b>	<b>\$113,024</b>	<b>\$400,751</b>	<b>\$517,043</b>	<b>\$205,674</b>	<b>\$7,509,522</b>	<b>\$6,182,182</b>	<b>\$5,219,251</b>	<b>\$323,998</b>	<b>\$161,841</b>	<b>\$243,685</b>

\*BERC treats "commuters" as visitors staying with "friends and families."

## Profile of visitors by visitor type:

### Profile of Visitors by Visitor Type

	Hotels/Motels in Coffee County	Hotels/Motels in Other Tennessee Counties	Campsite (Tents/RVs)	Family/Friends-Commuters
Percent of All Visitors	1.93	3.41	89.23	5.43
Average Festival Days	3.64	3.57	3.85	3.54
Average Hotel Days	2.48	2.41	N/A	N/A

## Origin of visitors by visitor type:

Origin of Visitors by Visitor Type (%) (The survey data was adjusted to reflect actual ticket sales data)

Region	Hotels/Motels in			
	Hotels/Motels in Coffee County	Other Tennessee Counties	Campsite (Tents/RVs)	Family/Friends-Commuters
Coffee County	0	0	0.41	10.18
Tennessee	9.53	2.7	8.88	23.76
Other U.S. States	87.37	95.51	89.68	65.7
Other Countries	3.1	1.79	1.03	0.36
<b>Net Visitors to the Area for Economic Impact Analysis</b>	<b>100</b>	<b>100</b>	<b>99.59</b>	<b>89.82</b>

## Origin of visitors (total attendees):

Origin of Visitors (Total Attendees) (The survey data is adjusted to reflect actual ticket sales data)

Region	Hotels/Motels in			
	Hotels/Motels in Coffee County	Other Tennessee Counties	Campsite (Tents/RVs)	Family/Friends-Commuters
Coffee County	0	0	281	425
Tennessee	141	71	6,095	991
Other U.S. States	1,296	2,503	61,490	2,741
Other Countries	46	47	707	15
<b>Total Visitors (Number of Tickets Sold):</b>				
<b>76,851</b>	<b>1,483</b>	<b>2,621</b>	<b>68,575</b>	<b>4,172</b>
<b>Number of Visitors Net New to the Area:</b>				
<b>76,145**</b>	<b>1,483</b>	<b>2,621</b>	<b>68,294</b>	<b>3,747</b>

This calculation excludes all other individuals who visited the region using different venues: temporary festival workers, artists, performers, program support personal, media, guests, and workers at the vendors.