Economic Contribution of the Stilwell Strawberry Festival to Adair County's Economy Report generated for the Stilwell Kiwanis Club, Stilwell Chamber of Commerce, and City of Stilwell by Dave Shideler^a, Marty Green^b Oklahoma Cooperative Extension Service February 6, 2015

The Stilwell Strawberry Festival not only celebrates the area's renowned strawberries, but it contributes to the local economy as well through the attraction of visitors to Stilwell from other communities. The purchases that these visitors make have the potential to create jobs and income for Stilwell. In addition to the direct purchases of the visitors, additional impacts associated with the input purchases of vendors, strawberry producers and others involved in the festival provide economic stimulus. This brief report provides estimates of the economic contribution of the Stilwell Strawberry Festival to Adair County's economy. The scope of this report is of visitor spending on the day of the festival only; it does not include the additional events which occur before the festival, such as the Pow Wow, Rodeo or Pageant. It also does not incorporate the benefits generated from the philanthropic activities of the Stilwell Kiwanis Club, who use the festival as their major fundraising event of the year. The impact estimates are generated using IMPLAN software and 2012 data for Adair County; all values in this report are reported in nominal terms (i.e., they are not adjusted for inflation).

To begin, one must know the level of visitor expenditures. This report assumes that each visitor spends, on average, \$27¹, since data specific to the Strawberry Festival is not available. The TravelOK.com website, the official travel and tourism information website for the Oklahoma Tourism and Recreation Department, states that the festival draws more than 30,000 people². To be conservative, we estimated the impact of exactly 30,000 people attending the festival, and each spending \$27. Thus, the direct impact of the festival is \$810,000. This amount represents the amount spent by visitors to the festival which otherwise would not have occurred in Stilwell without it. In order to produce the strawberries and other goods sold and provide the entertainment, an additional \$125,628 of goods and services had to be produced locally. A third contribution from the festival is the household consumption that occurs from the income earned due to the festival; this income is generated from either the direct sales to visitors or wages earned producing goods and services sold/consumed at the festival. An additional \$105,522 of output consumed can be attributed to the impact of the Stilwell Strawberry Festival due to household spending. The total contribution of the Stilwell Strawberry Festival to Adair County's economy, summing the visitors' spending, additional goods and services produced to meet visitors' demand, and output induced by household consumption, is slightly more than \$1 million. Vendors are required to collect sales tax on the sales made during the festival; as a result, Stilwell may generate as much as \$28,350 in sales tax revenue from visitors, and Adair County may generate as much as \$14, 175 in sales tax revenue from visitors. The table below summarizes this information.

From these estimates, one can see that the Stilwell Strawberry Festival makes a significant contribution to Adair County's economy. It is estimated that 30,000 visitors spend over \$800,000 at the one-day event, and this spending generates an additional \$231,000 of goods and services in the local community. One should note that these results measure the market value of goods and services consumed as a result of the festival; items donated to the festival are included as if the Stilwell Kiwanis

¹ This value was calculated from survey data at festivals across the country and reported in the Federal Highway Administration's 2008 report entitled "Planned Special Events – Economic Role and Congestion Effects". The full report can be downloaded at http://ops.fhwa.dot.gov/publications/fhwahop08022/fhwa_hop_08_022.pdf ² <u>http://www.travelok.com/listings/view.profile/id.14494/type.event</u>. Accessed on May 6, 2011 at 1:50 pm.

Club purchased them directly. Because these values are estimates based upon national averages, it is recommended that the Stilwell Strawberry Festival coordinators consider collecting information about visitor spending and attendance at future events to generate more precise values specific to Stilwell and this festival.

Direct Contribution (\$27 x 30,000 people)	\$810,000
Indirect Contribution	\$125,628
Induced Contribution	\$105,522
Total Contribution	\$1,041,150
Stilwell Sales Tax Revenue (3.5% x \$810,000)	\$28,350
Adair County Sales Tax Revenue (1.75% x \$810,000)	\$14,175

Questions and/or comments about this analysis can be directed to:

 ^a Extension Economist and Associate Professor
Oklahoma State University
323 Ag Hall
Stillwater, OK 74078
405-744-6170,
dave.shideler@okstate.edu



 ^b Adair County Extension Director
220 W. Division Street, Courthouse Basement
Stilwell, OK 74960-3039
918-696-2253
marty.green@okstate.edu

"Oklahoma State University, in compliance with Title VI and VII of the Civil Rights Act of 1964, Executive Order 11246 as amended, Title IX of the Education Amendments of 1972, Americans with Disabilities Act of 1990, and other federal laws and regulations, does not discriminate on the basis of race, color, national origin, sex, age, religion, disability, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment financial aid, and educational services."

"Readers may make verbatim copies of this document for non-commercial purposes by any means."