

ECONOMIC IMPACT & AUDIENCE RESEARCH REPORT

Prepared by Forward Analytics



2014

CHESAPEAKE CAMPAIGN

United States Capital for a Day



Photo Credit: Matthew Paul D'Agostino Photography & Video

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Highlights of the Study

- Visitors of Brookeville's War of 1812 Bicentennial Celebration, *U.S. Capital for a Day*, took over the historic town just as the refugees and military men did 200 years ago when the British burned the capital. On August 30th-31st, Brookeville's townspeople joined together to create a living history that entertained and educated an estimated 10,500 people.
- U.S. Capital for a Day was supplemented by a \$98,550 grant from the Maryland War of 1812 Bicentennial Commission. In return, the bicentennial commemoration generated \$235,176 in total economic impact for the State of Maryland.
- Thirty-five percent of event visitors came from outside of Montgomery County and spent \$115,239 with local restaurants, hotels, retailers, etc. Local spending generated an additional \$16,441 in indirect impact. Thus, the total impact of U.S. Capital for A Day in Montgomery County is estimated at \$195,906.
- U.S. Capital for a Day also increased business revenues statewide- outside of Montgomery County but within the State of Maryland. Commemoration visitors increased business revenue throughout the state by \$23,100. The recirculation of the direct impact produced an additional \$16,170 in indirect impact which makes a total economic impact of \$39,270 generated elsewhere in Maryland as a result of bicentennial events.
- The direct spending by visitors to U.S. Capital for a Day resulted in substantial tax revenues for the State of Maryland. Sales tax, alcohol tax and gasoline excise tax brought in an estimated \$9,747 for the State.
- The majority of survey respondents indicated War of 1812 and Bicentennial activities (68.0%), museum and historic sites (65.4%) and historic towns (57.7%) were most important to them during their trip to Montgomery County. Twenty-five percent of visitors dedicated more than one day to the U.S. Capital for a Day bicentennial events.
- U.S. Capital for a Day fostered interest in the history of the Maryland War of 1812. Seventy-six percent of survey respondents indicated they are *very interested* or *interested* in learning more about the history of the Maryland War of 1812. Consequently, 54.0% indicated they were likely to participate in other events commemorating the War of 1812.
- Survey research proved that the Brookeville War of 1812 Bicentennial Celebration was a positive experience as an overwhelming 93.6% of visitors were *very satisfied* or *satisfied* with the events.

I. Introduction

Two hundred years ago, the British Navy launched its "Chesapeake Campaign" looting, burning, and causing economic devastation in towns along the Bay. Now dozens of Maryland communities share a national story of triumph which began in April 1813 when the British began their assault at the head of the Bay and climaxed September 1814 with the successful defense of Baltimore.

The Chesapeake Bay was a prime target for the British because it was an important center for commerce, industry, and government. Washington, DC was the nation's capital and Baltimore, the third largest city in the United States, a seat of maritime trade, shipbuilding, and industry. The Campaign of 1814 was a significant period because the British occupied our nation's capital after the American defeat at the Battle of Bladensburg, but were repulsed during the Battle for Baltimore. The events of the campaign are significant to American history because of their pivotal effect on the outcome of the War of 1812 and their effect on far-reaching aspects of American society, including the young nation's identity.

In honor of the bicentennial, state and local officials supported dozens of War of 1812 programs and events. The vision was to educate the public through celebration and commemoration of historic events and to expand economic development and tourism-related job creation in the State.

The modern *Chesapeake Campaign* ran from May 2013 through September 2014 and featured a series of weekend festivals that included commemorative War of 1812 events, historic re-enactments, interactive activities, tall ships, and more. The *Maryland War of 1812 Bicentennial Commission* awarded over \$591,000 in grants for 10 events in eight counties in 2013 and 2014 to support the Chesapeake Campaign commemoration. The festivals enticed tourists to explore Maryland's charming small towns and historic cities, each filled with galleries, shops, lodging and restaurants.

Forward Analytics, Inc. was contracted by Star-Spangled 200, Inc. ("SS200")¹ to conduct audience research for key signature events between June 2012 and December 2014 commemorating the Maryland War of 1812 Bicentennial. The primary research goal was to measure the economic impact generated by the events. Such information is crucial to analyze the return on investment (ROI) for citizens, event managers, sponsors, government entities and the affected communities.

Audience research was also utilized to evaluate the extent to which Chesapeake Campaign events provided Marylanders, and tourists, engaging opportunities to learn about and stimulate interest in the State's significance and relevance of the War of 1812.

¹ Star-Spangled 200, Inc. is the non-profit 501(c)(3) organization that supports the fundraising goals of the Maryland War of 1812 Bicentennial Commission ("Commission") and is charged with helping to ensure the realization of successful programs, events and community investment during the multi-year commemoration period. Established by Governor Martin O'Malley, the Commission is staffed by the Maryland Department of Business and Economic Development, Division of Tourism Film and the Arts. The bicentennial period ran from June 2012 through September 2014. It commemorates Maryland's unique contributions to the defense and heritage of the nation, including the pivotal battle that led to an American victory and the birth of "The Star-Spangled Banner."

II. The Framework

In 1814, the British overtook and burned the capital. As a result, refugees from Washington and Georgetown fled to Brookeville where townspeople provided safe haven in their own homes. American soldiers leaving Bladensburg and militiamen on their way to Baltimore came to Brookeville, where the citizens gave them food and spirits and a place to camp and pasture their horses. The U.S. Senate's papers were sent to Brookeville for safekeeping. And finally, after being on the run in northern Virginia for two nights, the President of the United States and members of his Cabinet came to Brookeville, taking refuge at the home of its postmaster. The town became known as the "U.S. Capital for a Day."

Brookeville's War of 1812 Bicentennial Celebration, *U.S. Capital for a Day*, allowed tourists and Marylanders alike to relive that significant time when the town commemorates the War of 1812 Bicentennial with an exciting weekend-long event in and around the historic town of Brookeville. Attendees experienced life in 1814, witnessed the arrival of a President Madison re-enactor, accompanied by the mounted Presidential Guard, and watched costumed living history demonstrations throughout the weekend, with a traditional Quaker supper on Saturday evening. In addition, there were special tours, children's activities, a military encampment, craft demonstrations, period food and libations, to name a few.

A. Purpose of Study

In support of a more in-depth understanding of the positive impacts of U.S. Capital for a Day, SS200 retained *Forward Analytics* to measure its effect on the economy and generate an Economic Impact Report. The following research study provides tangible and reliable information to the economic and educational returns resulting from investments and spending on the Chesapeake Campaign events. It specifically explains the direct and indirect business volume and government revenues generated in Montgomery County and the State of Maryland.

The purpose of the research was to measure the economic impact of the event activities and also to analyze audience research for the use of planning and promoting further historic and cultural events. In addition to economic impact analysis, audience research was designed to measure the following:

- overall event satisfaction;
- socio-graphics and psychographics of attendees;
- attendance motivators;
- communications and marketing activities; and
- interest in the history of the Maryland War of 1812 and its commemoration events.

B. Methodology

The study employed a customized survey to collect data from a random sample of U.S. Capital for a Day visitors. Initially, *Forward Analytics* collaborated with staff from SS200, the Maryland War of 1812 Bicentennial Commission, Visit Baltimore, and the Maryland Office of Tourism to create a 3-page template survey that was ultimately retailored for each Chesapeake Campaign event.

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Visit Baltimore, and the Maryland Office of Tourism to create a 3-page template survey that was ultimately modified for each Chesapeake Campaign events.

During the Brookeville War of 1812 Bicentennial Celebration, in-person interviews were administered by Forward Analytics staff to 198 adult attendees (ages 18+). In order to gather representative data, Forward Analytics conducted surveys during diverse hours of the day and at various spots of the festival. The data collected represents a 95% confidence interval with a margin of error at +/-6.9%.

In addition, the methodology incorporated detailed impact information supplied by planners of the Brookeville War of 1812 Bicentennial Celebration. The Commission reported back the events expenditure levels and geo-spatial distribution (spending locally vs. non-locally) along other social and cultural impact details.

C. The Economic Impact Model

The economic impact study measured the direct and indirect business volume and government revenues generated as a result of U.S. Capital for a Day. The study employed a linear cash flow methodology first developed by Cafferty & Isaacs for the American Council on Education. The Cafferty & Isaacs methodology is the most widely-used impact study tool and has been used throughout the United States in impact analyses. The economic study measured the impact of the bicentennial events in Montgomery County and the State of Maryland.

The linear cash flow model that was used in this study takes into account the re-spending of money within the economy as a result of what professional economists term "the multiplier effect." The multiplier effect measures the indirect impact, or the circulation of dollars originally attributable to the representative events, and tracked the spending by successive recipients until the funds eventually leak out of the economy. The sum of these direct and indirect expenditures represents the total impact on the local business volume.

The direct impact, or the direct spending, of visitors increased government revenues for the host county and State of Maryland and are calculated herein. Government revenues generated from bicentennial events include sales tax, alcohol sales tax, hotel tax, and state gasoline excise tax.

III. Research Findings

The Brookeville War of 1812 Bicentennial Celebration provided educational and social opportunities for residents while also attracting tourists to Brookeville and Montgomery County. In total, an estimated 10,500 guests enjoyed the bicentennial events. While an estimated 6,814 "locals" participated in the commemoration, a significant amount of visitors (35.1% or 3,685 people) came from outside of Montgomery County. And 14.3% came from outside of Maryland, including the states of New York, Ohio, Pennsylvania, Virginia, as well as D.C.

U.S. Capital for a Day enticed first time visitors (10.1%) to the host town, as well as frequent visitors, who generated substantial revenue for local businesses. While stimulating tourism, the Chesapeake Campaign events also educated guests and fostered interest in the Maryland War of 1812. Research demonstrates that the festivals provided engaging opportunities to learn that *"Maryland is recognized as the most important portal to understand the significance and relevance of the events of the War of 1812."*

Thirty-eight percent of visitors were familiar that the “Brookeville War of 1812 Bicentennial Celebration” was part of a *series of traveling festivals that trace the battle lines of the War of 1812 along the Chesapeake*. Comparably, 40.5% were familiar that the events were *part of Star-Spangled 200, the bicentennial of the War of 1812 and the writing of the National Anthem*.

Survey data shows that 75.9% of guests are interested in learning more about the history of the Maryland War of 1812. Fifty-four percent of visitors indicated they were likely to participate in other events in Maryland commemorating the War of 1812. They were inclined to attend for reasons including:

- interest in War of 1812 (39.0%),
- pride in Maryland's history (29.9%),
- family-friendly, educational activities (28.6%),
- mere convenience (27.3%), and
- good entertainment (22.1%).

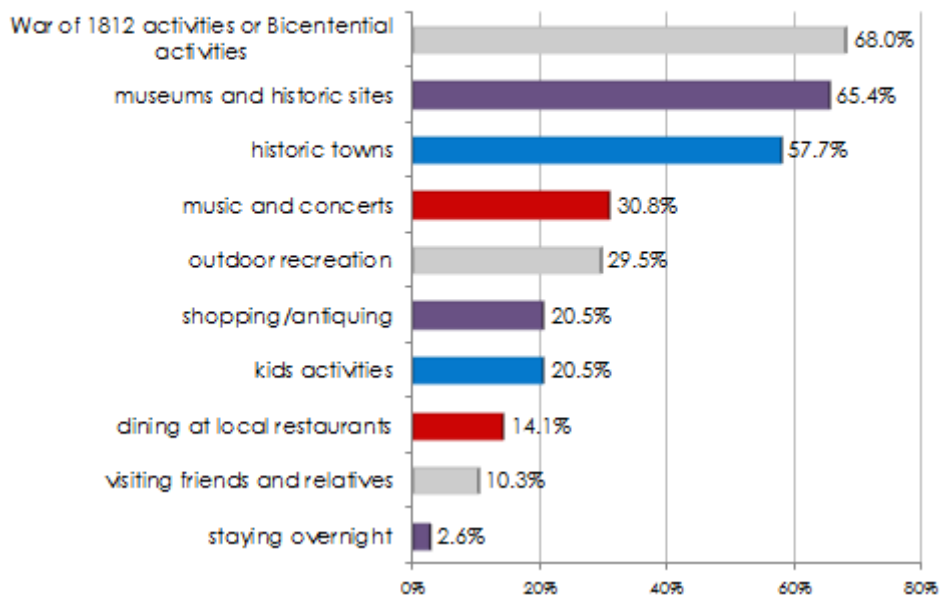
There is no doubt that the Brookeville War of 1812 Bicentennial Celebration elevates Montgomery County and Maryland as a premier location to live, work, and visit. An overwhelming 93.6% rated the overall event as *very satisfactory* or *satisfactory*. The historic commemoration adds to the vitality and image of the county and state with press coverage and publications that extend beyond the local area.

A. Audience Research Findings

A goal of the Chesapeake Campaign events was to draw people to the small and charming towns along the Star-Spangled Banner National Historic Trail in Maryland. Eighty-eight percent of survey respondents indicated that the Brookeville War of 1812 Bicentennial Celebration was *very influential* or *influential* in deciding to visit the area.

Survey respondents were asked to indicate “up to 5 activities that are most important to you during your trip to Montgomery County.” Below is a ranking of the top activities. War of 1812 and Bicentennial activities (68.0%), museum and historic sites (65.4%) and historic towns (57.7%) were ranked highest.

Ranking of Top Activities at Brookeville War of 1812 Bicentennial Celebration



With a full schedule of War of 1812 activities and events that paraded through the historic main streets of Brookeville, it's no wonder the majority of visitors (74.1%) spent more than five hours in Montgomery County while attending the Brookeville War of 1812 Bicentennial Celebration. And twenty-five percent of guests dedicated more than one day to the commemoration.

Word of mouth was an effective and efficient method of advertisement reaching slightly more than half (53.9%) of Brookeville War of 1812 Bicentennial Celebration visitors. *Local newspapers, articles* (34.4%) and *advertisements* (34.1%) also proved to be effective marketing tools. Internet marketing, specifically www.uscapitalforaday.org, reached 26.7%.

While pairs comprised 44.3% of visitors, a little more than one-fourth (27.8%) of survey respondents attended the Brookeville War of 1812 Bicentennial Celebration in a foursome. Twenty-three percent of survey respondents brought a mean of 1.56 children to the commemoration. These children range in age from 0 to 3 year olds (33.8%), 4 to 9 year olds (40.7%), 10 to 14 year olds (18.3%), and 15 to 18 year olds (7.1%).

The 50+ crowd made up 69.5% of guests while under age 35 made up 20.8%. More guests are married (67.5%) rather than single (23.0%). Sixty-eight percent of guests had earned a four-year degree or higher and comparably (65.5%) have a household income of \$75,000 or more.

B. Economic Impact Findings

Visitors to U.S. Capital for a Day had a total economic impact of \$235,176 in the State of Maryland. In Montgomery County, the total economic impact of visitor spending is estimated at \$195,906. The total economic impact consists of \$115,239 in direct impact and \$80,667 in indirect impact for the County. Another \$23,100 in direct spending was generated elsewhere in Maryland. Direct spending was recirculated in the economy producing an additional \$16,170 in indirect revenue, with a total impact of \$39,270 generated elsewhere in Maryland.

	Montgomery County	elsewhere in Maryland
Food at restaurants/bars	\$55,526	\$4,446
Alcohol at restaurants/bars	\$11,134	\$2,097
Retail/souvenir purchases	\$23,931	\$3,651
Tourist attractions/ entertainment	\$6,399	\$1,844
Overnight accommodations	\$5,206	\$3,217
Parking	\$1,735	\$868
Gasoline	\$10,267	\$6,037
Ground transportation	\$1,041	\$940
Visitor Spending Direct Impact	\$115,239	\$23,100
Indirect Impact	\$80,667	\$16,170
Total Impact	\$195,906	\$39,270

Government Revenue Impact

Brookeville War of 1812 Bicentennial Celebration increased local business volume and also generated substantial tax revenues for the local and state government. Tax revenues were paid directly by the nonresident guests on purchases with local businesses as mentioned above.

The State of Maryland received an estimated \$9,747 in tax revenue from the economic activity generated by U.S. Capital for a Day. Montgomery County gained \$260. The government revenue impacts comprise the following:

Sales Tax

As outlined above, U.S. Capital for a Day generated substantial revenue for businesses in Montgomery County and State. Accordingly, direct spending by nonresident guests generated \$8,300 in state sales tax revenues for the State of Maryland.

Alcohol Sales Tax

U.S. Capital for a Day attendees spent \$13,231 on alcohol at local restaurants and bars. The alcohol tax hike added another \$397 to Maryland tax revenue that was attributable to bicentennial events.

Hotel Tax

Survey data suggests 2.6% of visitors spent the night at a hotel, motel or B&B in Montgomery County or nearby. Survey research measured the average nights stayed and average cost of accommodations. U.S. Capital for A Day guests generated a direct impact of \$5,206 for the local hotel industry. The County received \$260 in hotel tax revenues (in addition to Maryland state sales tax revenues).

State Gasoline Excise Tax

Nonresident guests spent an estimated \$16,304 in gasoline while traveling to and from and throughout Montgomery County. A gasoline excise tax of \$.235 per gallon generated \$1,050 for the State of Maryland.

Revenue Generated by Event Organizers

Lastly, the operating expenditures by event organizers are considered. Brookeville's War of 1812 Bicentennial Commission disclosed that an estimated \$26,000 of their operating budget was spent on businesses and organizations operating Montgomery County and over \$39,500 spent elsewhere in the State of Maryland. Operating expenditures included the purchase of goods and professional services from local businesses for marketing and PR, signage, printing, food, and entertainment, to name a few. The Brookeville War of 1812 Bicentennial Celebration was supplemented by a \$98,550 grant from Maryland 1812 Commission. Additional funds were raised by the town through event sponsorship and donations.

IV. The Value of Volunteers

The Brookeville War of 1812 Bicentennial Celebration attracted 170 volunteers providing 2,320 hours of service, in total. Estimating their monetary worth of volunteers is less critical than the notion that those who volunteered their time could have spent it in many ways, but decided that the bicentennial events were of most importance to them in allocating their time. If the total volunteer hours are calculated at the *government dollar value of a volunteer hour* in Maryland (2013), an estimated \$58,998 is donated in time to the Chesapeake Campaign and Montgomery County.