

ECONOMIC IMPACT & AUDIENCE RESEARCH REPORT

Prepared by Forward Analytics



2014

# CHESAPEAKE CAMPAIGN

Battle of North Point



Photo Credit: Bryan Dunn | Baltimore County Office of Communications

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## Highlights of the Study

- The Bicentennial Commemoration of the Battle of North Point attracted an estimated 13,100 people over the three-day celebration, September 6<sup>th</sup>-8<sup>th</sup>. The Defenders Day event, which takes place annually at Fort Howard Park in Baltimore County, included a re-enactment(s) exhibiting the part Baltimore County played in the War of 1812. This year's events were bigger (3-day event; traditionally a 1-day event) and better and encompassed a military encampment, crafts and demonstrations, music, and children's activities, as well. The third day of festivities took place at Sparrows Point High School in Edgemere and provided a free concert, military ceremony and fireworks.
- The Battle of North Point was supplemented by a \$26,000 grant from the Maryland 1812 Commission. In return, the bicentennial commemoration generated \$224,582 in total economic impact for the State of Maryland.
- Twenty-four percent of visitors came from outside of Baltimore County and spent \$80,828 with local restaurants, hotels, retailers, etc. Local spending generated an additional \$56,580 in indirect impact. Thus, the total impact of Battle of North Point in Baltimore County is estimated at \$137,408.
- The Battle of North Point also increased business revenues statewide- outside of Baltimore County but within the State of Maryland. Commemoration visitors increased business revenue throughout the state by \$51,279. The recirculation of the direct impact generated an additional \$35,895 in indirect impact which makes a total impact of \$87,174 generated elsewhere in Maryland.
- The direct spending of visitors to the Battle of North Point resulted in substantial tax revenues for the State of Maryland. Sales tax, alcohol tax and gasoline excise tax brought in an estimated \$8,923 for the State.
- The majority of survey respondents indicated re-enactments (81.1%), War of 1812 and Bicentennial activities (76.7%) and military drills and activities (55.6%) were most important to them during their trip to Baltimore County. Sixty percent came to see museums and historic sites. One-third of visitors dedicated more than one day to the Battle of North Point bicentennial events.
- The Battle of North Point fostered interest in the history of the Maryland War of 1812. Eighty-four percent of survey respondents indicated they are *very interested* or *interested* in learning more about the history of the Maryland War of 1812. Consequently, 75.8% indicated they were likely to participate in other events commemorating the War of 1812.
- Survey research proved that the Bicentennial Commemoration of the Battle of North Point was a positive experience as an overwhelming 95.3% 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")<sup>1</sup> 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.

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<sup>1</sup> 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**

The Defenders Day event, which takes place annually, and traditionally, as a one-day event at Forward Howard Park in Baltimore County, is a commemorative event and re-enactment exhibiting the part Baltimore County played in the War of 1812. The successful defense of Baltimore by local militia against the British in 1814 was a turning point in American history. In weeks prior to the Battle of North Point, the British had taken Washington DC and burned most of it. Local American forces were a last stand against the Redcoats, turning them back, killing their commander and demoralizing the invading force. And just days later the British bombarded Fort MCHenry and again failed, inspiring Francis Scott Key to immortalize the battle with by writing the Star-Spangled Banner.

This year's Battle of North Point bicentennial celebration captured over 13,000 visitors with historic music, drill demonstrations, a military encampment, craft demonstrations, children's activities, fireworks, and of course, the Battle of North Point Re-enactment. The following report measures the economic, educational and communal significance of the historic commemoration, September 6–8.

### **A. Purpose of Study**

In support of a more in-depth understanding of the positive impacts of the Battle of North Point Bicentennial Commemoration, SS200 retained *Forward Analytics* to measure the 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 Baltimore County and the State of Maryland as a result of the Battle of North Point commemoration events.

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 Battle of North Point 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 modified for each Chesapeake Campaign event.

In-person interviews were administered by Forward Analytics staff to 198 adult attendees (ages 18+) during the Battle of North Point commemoration events. In order to gather representative data, Forward Analytics conducted surveys during diverse hours of the three days and at various spots of the festival. The data collected represents a 95% confidence interval with a margin of error at +/-7.1%.

In addition, the methodology incorporated detailed impact information supplied by planners of the Battle of North Point. Staff at Baltimore County Office of Tourism and Promotion reported back the event's 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 measures the direct and indirect business volume and government revenues generated as a result of the Battle of North Point commemoration. The study outlines the revenues generated specifically in Baltimore County and the State of Maryland. Forward Analytics 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 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 tracks their 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 Battle of North Point bicentennial provided educational and social opportunities for residents while also attracting tourists to North Point and Baltimore County. In total, an estimated 13,100 guests enjoyed the bicentennial events. While an estimated 10,021 "locals" participated in the commemoration, a significant number of visitors (23.5% or 3,078 people) came from outside of Baltimore County. And 3.4% came from outside of Maryland.

The Battle of North Point commemoration events enticed first time visitors (5.6%) 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.*"

Survey data showed that 83.9% of guests are interested in learning more about the history of the Maryland War of 1812. Consequently, 75.8% 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 (56.3%),
- pride in Maryland's history (48.3%),
- family-friendly, educational activities (28.7%),
- mere convenience (27.6%), and
- good entertainment (18.4%).

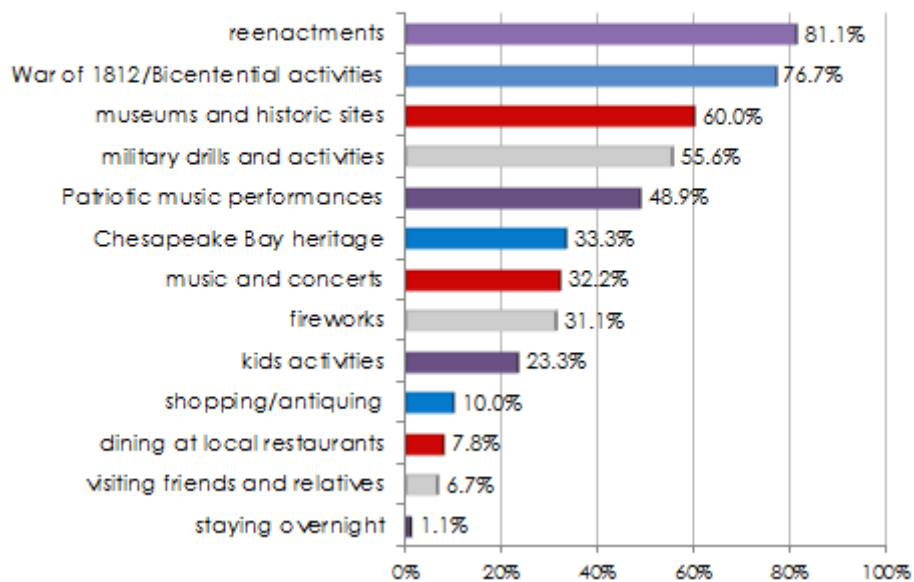
There is no doubt that guests enjoyed the Battle of North Point as an overwhelming 95.3% rated the overall event as *very satisfactory* or *satisfactory*. The historic commemoration adds to the vitality and image of the county and state with press coverage and publications that extend beyond the local 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-nine percent of survey respondents indicated that the Battle of North Point 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 Baltimore County." Below is a ranking of the top activities. Re-enactments (81.1%), War of 1812 and Bicentennial activities (76.7%) and museums and historic sites (60.0%) were ranked highest.

### Ranking of Top Activities while in the area for the Battle of North Point



The full schedule of War of 1812 activities and events captured the majority of visitors (73.0%) for over 5 hours at North Point and Baltimore County. And 33.7% percent of guests dedicated more than one day to the commemoration. Consequently, 3.3% of survey respondents reported staying overnight in a hotel or B&B while another 4.1% stayed with friends or relatives.

Local newspaper articles (64.4%) proved to be the most effective means of marketing to the Battle of North Point visitors. Word of mouth (62.4%) and television articles/coverage (46.7%) also reached visitors. Internet marketing, specifically the Star-Spangled 200 website (25.6%) and social media (25.1%), engaged one-fourth of visitors.

With the proper messaging about events, research shows 66.7% of visitors were familiar that the Battle of North Point was part of a series of traveling festivals that trace the battle lines of the War of 1812 along the Chesapeake. Even more (74.4%) 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.

While pairs comprised 42.3% of visitors, 17.9% were so intrigued with the bicentennial events that they came alone. Thirty-six percent of survey respondents brought a mean of 1.35 children to the commemoration. These children range in age from 0 to 3 year olds (18.5%), 4 to 9 year olds (33.3%), 10 to 14 year olds (27.8%), and 15 to 18 year olds (20.4%).

The 50+ crowd made up 63.9% of guests while under age 35 made up 12.0%. More guests are married (56.8%) rather than single (20.5%). Forty-four percent of guests had earned a four-year degree or higher while 28.4% have a household income of \$75,000 or more.



## B. Economic Impact Findings

Visitors to the Battle of North Point had a total economic impact of \$224,582 in the State of Maryland. In Baltimore County, the total economic impact of visitor spending is estimated at \$137,408. The total economic impact consists of \$80,828 in direct impact and \$56,580 in indirect impact for the County. Another \$51,279 in direct spending was generated elsewhere in Maryland. Direct spending was recirculated in the economy producing an additional \$35,895 in indirect revenue, with a total impact of \$87,174 generated elsewhere in Maryland.

	Baltimore County	elsewhere in Maryland
Food at restaurants/bars	\$35,243	\$23,855
Alcohol at restaurants/bars	\$8,003	\$3,478
Retail/souvenir purchases	\$16,621	\$5,633
Tourist attractions/entertainment	\$9,573	\$4,802
Overnight accommodations	\$6,525	\$5,200
Parking	\$369	\$1,354
Gasoline	\$3,940	\$5,787
Ground Transportation	\$554	\$1,170
<b>Visitor Spending Direct Impact</b>	<b>\$80,828</b>	<b>\$51,279</b>
<b>Indirect Impact</b>	<b>\$56,580</b>	<b>\$35,895</b>
<b>Total Impact</b>	<b>\$137,408</b>	<b>\$87,174</b>

### Government Revenue Impact

The Battle of North Point 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 \$8,923 in tax revenue from the economic activity generated by North Point's bicentennial events. Baltimore County gained \$522 from hotel taxes. The government revenue impacts comprise the following:

#### Sales Tax

As outlined above, Battle of North Point generated substantial revenue for businesses in Baltimore County and the state of Maryland. Accordingly, direct spending by nonresident guests generated \$7,926 in state sales tax revenues for the State of Maryland.

### **Alcohol Sales Tax**

The Battle of North Point attendees spent \$11,481 on alcohol at local restaurants and bars. The alcohol tax hike added another \$344 to Maryland tax revenue that was attributable to bicentennial events.

### **Hotel Tax**

As previously indicated, 3.3% of guests spent the night at a hotel, motel or B&B in Baltimore County. Survey research measured the average nights stayed and average cost of accommodations. The Battle of North Point guests generated a direct impact of \$11,725 for the local hotel industry, including \$6,525 for Baltimore County. The County received \$522 in hotel tax revenues (in addition to Maryland state sales tax revenues).

### **State Gasoline Excise Tax**

Nonresident guests spent an estimated \$9,727 in gasoline while traveling to and from and throughout Baltimore County. A gasoline excise tax of \$.235 per gallon generated \$653 for the State of Maryland.

### **Revenue Generated by Event Organizers**

Lastly, the operating expenditures by event organizers are considered. Staff at the Baltimore County Office of Tourism and Promotion disclosed that an estimated 95%, or \$28,500, of their operating budget was spent on businesses and organizations operating in Baltimore County. Operating expenditures include the purchase of goods and professional services for marketing and PR, signage, entertainment, hospitality, and facility rentals, to name a few. The Battle of North Point bicentennial commemoration was supplemented by a \$26,000 grant from the Maryland 1812 Commission.

## **IV. The Value of Volunteers**

Battle of North Point attracted over 75 volunteers providing 1,076 hours of service. In addition, 78 re-enactors donated at least 1,250 hours of role playing for the education and entertainment of Maryland's residents and tourists. 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 were calculated at the *government dollar value of a volunteer hour* in Maryland (2013), an estimated \$59,150 is donated in time to the Chesapeake Campaign and Baltimore County.