



ROCKY MOUNTAIN REPERTORY THEATRE GRAND LAKE, COLORADO

2012 ECONOMIC IMPACT & ECONOMIC SIGNIFICANCE STUDY ON GRAND LAKE AND THE STATE OF COLORADO

INTRODUCTION - The purpose of this study was to determine the financial implications that Rocky Mountain Repertory Theatre has on the Town of Grand Lake and the surrounding area for the purposes of grant writing, informing existing and potential donors and educating the general public including special interest groups who would have an interest or benefit from this information. *In addition, please refer to the accompanying narrative written by Susan Brandt, a member of the RMRT Board of Trustees, titled "MUSIC, MOUNTAINS & MAGIC.....The Rocky Mountain Repertory Theatre Story" which gives an interesting accounting of RMRT's history, from its inception to the present.*

In the year 2012, 19,269 tickets were purchased during the entire season by 8,084 individuals to attend one or more of RMRT's productions. These patrons, representing forty-three states, the District of Columbia, Canada, the United Kingdom and New Zealand attended Rocky Mountain Repertory Theatre's (RMRT) summer performances of: *Anything Goes*, *Jekyll & Hyde* and *The Drowsy Chaperone* followed by the fall showing of *The Marvelous Wonderettes*.

The following information reflects the financial influence of the 2012 season taking into consideration the spending by the Out-of-State/In-State attendees, the residents of Grand County and the locals of Grand Lake. This study was overseen and computed by John R. Porter, Jr., the Principal of **j. r. porter & associates, inc.**, who specialize in this type of study for non-profit organizations. In conjunction with his efforts, all the data used in this study was gathered by RMRT board members and volunteers of the theatre under Mr. Porter's guidance and supervision.

RESULTS - The numbers that will be illustrated were based on 611 actual interviews conducted with patrons of the theatre. In addition, 141 financial questionnaires were completed by volunteers from within this same group of patrons. The purpose was to gather further financial data for the study resulting in an accuracy level of +/- 3.8 % which is considered extremely credible within an industry whose accuracy standards average +/- 5 to 10 %, where 5% is considered exceptional.

There are two different levels of numbers that will be illustrated in this report, those being ***Economic Impact*** and ***Economic Significance***. The difference: ***Economic Impact*** represents new money that was directly spent in Grand Lake by individuals ***not*** from Grand Lake, and ***Economic Significance*** consists of that figure, plus any additional appropriate expenditures by locals of the town multiplied by a factor (in RMRT's case, 1.9%) representing the rollover of those dollars being re-spent in Grand Lake before leaving the area. In all cases, these dollars being referenced are directly linked to RMRT in that they were spent as a result of going to a production of the theatre. Both of these categories will be illustrated at the local (Grand Lake) and State of Colorado level.

The protocol for this study was initially developed by Daniel J. Stynes and published in *The Economic Impacts of Tourism*. The protocol used reflects the generally accepted methodology used within the tourism, theatrical and other related industries for measuring the **Economic Impact** of organizations like RMRT. Sources used in the report and the development of the multipliers for determining Economic Significance included data from the Americans for the Arts, the Theatre Communications Group, the National Park Service's visitor spending surveys and anecdotal on-site interviews by the preparers. In conducting this study, it should be noted that all calculations are exact based on the data used and all multipliers were chosen conservatively to underscore its credibility.

The results of our study parallel other similar studies showing the substantial positive economic impact that organizations like RMRT have on their local, area and state communities. For example, a similar study performed in 2005 by the Creede Repertory Theatre in Creede, Colorado, concluded that it contributes over \$2 million into the local economy annually and has a state-wide impact of over \$4 million each year. (Regarding the latter number, it should be noted Creede also partners in productions with theatre groups in the Denver Metro area.)

ECONOMIC IMPACT CALCULATIONS:

- **2012 RMRT ECONOMIC IMPACT ON GRAND LAKE = \$3,442,008.45**

By definition, this is new money that was spent in Grand Lake linked to seeing one or more of RMRT's productions during the entire season. Again, this money is a result of individuals who came to Grand Lake and are not from Grand Lake. Therefore, all of these funds generated by the efforts of RMRT, resulted in a boost to the local economy. The actual breakdown of this figure is as follows:

- **\$1,685,641.46** - Out-of-State attendees
- **\$1,014,345.59** - In-State attendees (Outside of Grand County)
- **\$ 60,898.08** - Area attendees (Grand County outside of Grand Lake)
- **\$ 381,618.28** - RMRT for production expenses spent in Grand Lake
- **\$ 299,505.04** - RMRT for construction of new actor housing (One time expense)

- **2012 RMRT ECONOMIC IMPACT ON THE STATE OF COLORADO = \$2,868,823.09**

This figure consists of the Out-of-State attendees included in the **Economic Impact** on Grand Lake, plus the individuals who came to Colorado to specifically see one or more of our productions. This number represents their expenses as they travel through the state to get to and from Grand Lake. The funds spent by RMRT would be for supplies or services outside of Grand Lake but within the confines of Colorado. The breakdown is as follows: (Continued on the next page.)

- **\$1,685,641.46** - New money spent in Grand Lake by 3,028 Out-of-State attendees associated with attending one or more RMRT performances.
- **\$1,037,952.00** - New money spent in Colorado outside of Grand Lake by 333 attendees whose primary reason for visiting Colorado was to attend RMRT productions.
- **\$ 145,229.63** - New money spent in Colorado outside of Grand Lake by RMRT.

ECONOMIC SIGNIFICANCE CALCULATIONS:

As mentioned earlier, when calculating **Economic Significance** numbers, multipliers are used to represent the number of times funds roll over within a community prior to leaving the area. As an example, when a patron of the theatre dines out at a local restaurant prior to attending a performance, some of the funds paid to the restaurant are utilized to pay salaries to the wait staff. In Grand Lake, the factor used was 1.9. Considering the size of the town, there are not as many opportunities for a dollar to roll over as there would be in a larger city where the multiplier could be more in the range of 3.00. The term **Indirect Spending** is associated with this process of the dollar being used multiple times. **Direct Spending** represents the first time the dollar is spent.

- **2012 RMRT ECONOMIC SIGNIFICANCE ON GRAND LAKE = \$6,769,120.22**

The **Economic Significance** figure consists of the **Economic Impact** figure, plus the spending of the local population for meals and tickets associated with attending RMRT productions times the appropriate multiplier which is 1.9, as mentioned earlier. Again, the difference between **Economic Impact** and **Economic Significance** is that **Economic Impact** is new money spent in Grand Lake by individuals **not** from Grand Lake. **Economic Significance** now **includes** the appropriate spending by the locals times the multiplier to reflect the maximum financial effect by including the **Indirect Spending** after the fact. The breakdown is as follows:

- **\$3,442,008.45** - The **Economic Impact** of RMRT on Grand Lake
- **\$ 51,326.40** - Spending by theatre-going Locals for meals
- **\$ 69,360.00** - Spending by theatre-going Locals for tickets
- **\$3,562,694.85** - Sub-total times the multiplier of 1.9 equals: **\$6,769,120.22**

- **2012 RMRT ECONOMIC SIGNIFICANCE ON THE STATE OF COLORADO = \$3,729,470.02**

The **Economic Impact** on the State of Colorado of \$2,868,823.09 is multiplied by 1.3, not the 1.9 used in Grand Lake, to determine the spending created by RMRT production expenses and Out-of-State and outside Grand Lake attendees' spending within Colorado outside of Grand Lake.

- **2012 TOTAL RMRT ECONOMIC SIGNIFICANCE ON THE STATE OF COLORADO = \$10,498,590.24**

This figure is simply the total of the **Economic Significance** numbers of Grand Lake and the State of Colorado. The breakdown is as follows:

- **\$6,769,120.22** - The RMRT **Economic Significance** on Grand Lake
- **\$3,729,470.02** - The RMRT **Economic Significance** on the State of Colorado

OTHER CONSIDERATIONS :

EMPLOYMENT - An estimated 20.65 **FTE (Full Time Equivalent)** jobs are supported in Grand Lake by the spending associated with RMRT. Note: This number is a factor of .6 jobs per \$100,000.00 of **Economic Impact** or new money introduced to the local economy. These twenty-plus jobs would realistically be a mixture of a few full-time, some part-time and some summer season jobs.

ECONOMIC IMPACT OF THE NEW THEATRE BUILDING - Of the \$4,166,319.99 spent on the construction of RMRT's new theatre building, all but \$97,237.22 was spent within Colorado proper. The breakdown is as follows:

- **\$ 194,426.58** - Grand Lake
- **\$3,280,439.07** - Grand County (Excluding Grand Lake)
- **\$ 594,217.12** - Balance of Colorado

Even though the majority was not spent in Grand Lake proper, the majority was spent within the state of Colorado (\$4,069,082.77 or 97.7%) and more importantly, \$3,474,865.65 or 83.4%, was spent within Grand County. Only 2.3% was spent out of the state.

GEOGRAPICAL DEFINITIONS:

- **LOCAL** is defined as residents of the town of Grand Lake, Colorado
- **AREA** is defined as residents of Grand County outside of Grand Lake
- **STATE** is defined as residents of Colorado outside of Grand County
- **OUT-OF-STATE** is defined as outside the State of Colorado

This report was prepared by:

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 Rocky Mountain Repertory Theatre
 Secretary – Board of Trustees

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