
The Importance of Fairs and Festivals to the State of West Virginia



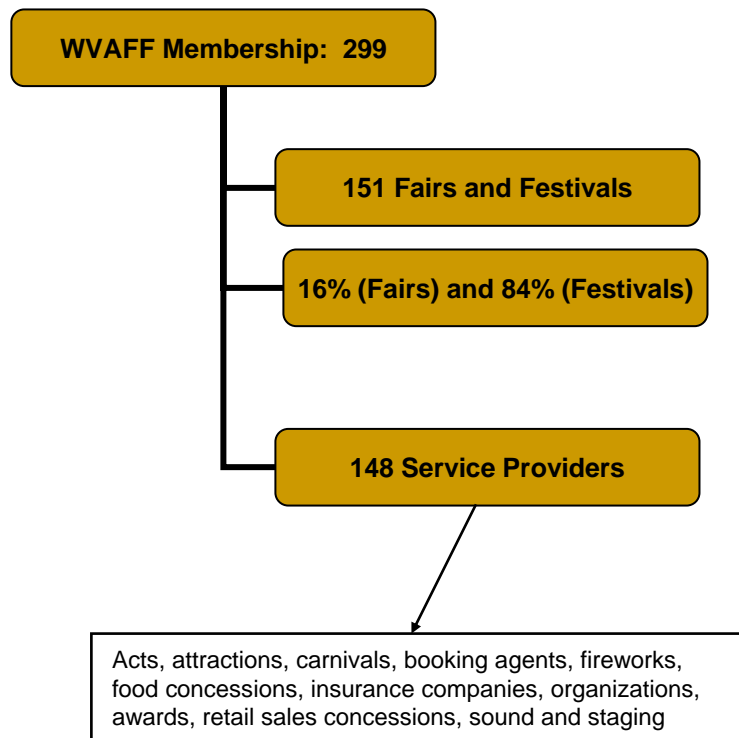
“Fairs and festivals are an incredible testament to the power of volunteerism. The majority of our events do not have paid staff and succeed because West Virginians volunteer their time. This volunteer spirit is unmatched in any other tourism segment.”

Presented on behalf of the West Virginia Association of Fairs and Festivals Board of Directors and prepared by Marlene Pierson-Jolliffe, Manager, State Fair of West Virginia, October 2008.

WV Association of Fairs and Festivals



West Virginia is fortunate to have **one** organization representing the interests of both fairs and festivals. In many states, fairs and festivals have separate trade organizations and in several states there is **no** trade association. The efficiencies gained by joint representation are immeasurable, and while there are key differences between fairs and festivals, the similarities unite us and forge many common goals.



- The purpose of the WV Association of Fairs and Festivals is:
 1. to provide for a nonprofit corporation to which all West Virginia fairs, festivals and similar groups may hold membership.
 2. to be a vehicle through which general information relative to fairs and festivals may be communicated for the best interest of its members and the fair and festival-going public.
 3. to provide for an annual meeting.
 4. to provide for a queen's competition with the winner being crowned Miss West Virginia Association of Fairs and Festivals
 5. to bring commercial firms to the annual convention for exhibits, sample performances, and such other reasons as would be beneficial to fair and festival representatives.

Comparison of Fairs & Festivals



DIFFERENCES

1. The majority of fairs operate at a permanent facility, manage a physical plant, and are governed as private, nonprofit organizations. Festivals rarely have a permanent facility or physical plant to manage and often take place in city streets and public parks. A wider variety of organizational structures exist with festivals in that events are operated by cities, cvbs, chambers of commerce, and/or civic organizations.
(Of the 32 events who responded to a request for information to WVAFF:
16 were held on city property; 8 on county property; 6 property owned by the fair; 2 on leased property; 7 on rented property and 3 in other categories)
2. Fairs evolved from agriculturally based traditions and added entertainment elements as society evolved.
3. Festivals represent a wide variety of interests, activities, commodities and places and typically start with entertainment as the key element.

SIMILARITIES

1. Both generate economic impact throughout West Virginia.
2. Both positively impact the social structure of communities.
3. Both provide important amusement and recreational opportunities to residents and visitors.
4. Both include educational elements.
5. Fairs and festivals are temporary events, thus, sharing many operational strategies.
6. Both provide “face to face” business opportunities through which many companies reach their customers.



Economic Impact - West Virginia



*Fairs and festivals impact local economies by attracting outside visitors who spend **new** money. Several members operate facilities at which numerous events are held throughout the year further impacting local, regional and state economies.*

- LEWISBURG: The State Fair of WV: 2006 study conducted by Enigma Research showed an **8.9 million** dollar impact on **Greenbrier County**; (county focus vs statewide and did not account for year around nonfair events) ; Equivalent of **95 full-year jobs** were supported by fair-related spending with most in accommodations, food, and entertainment sectors; **\$1.3M in taxes generated** by fair-related spending: includes \$643Kfederal, \$524Kstate, and \$136Klocal
- ELKINS: Mountain State Forest Festival: 2006 study conducted by the Tripp Umbach firm showed the event's total annual economic impact on the West Virginia economy (statewide study) was \$25.8 million. Of that, **\$11.2 million** was the result of direct spending by the Mountain State Forest Festival and out-of-state visitors who attended events. The **indirect impact of 14.6 million** and the remainder reflecting increases in "business volume" as outlined in the complete study. This was a statewide impact study.
- MILTON: Pumpkin Park: WV Pumpkin Festival: A 2005 review by the Cabell-Huntington CVB showed the 4 day festival had a \$5 million impact; Cabell County Fair: 7 day event \$1.8 million impact + 15 motorcross events generated \$369,000 in impact
- BUCKHANNON: The Strawberry Festival: A festival committee surveyed local businesses to determine their perceived impact from the event. While some downtown merchants suggested that parking and traffic hurt their business during the festival, key conclusions were: the event showcased the Buckhannon community, provided family fun, provided fundraising opportunities for civic groups and enhanced area tourism efforts.

FAIRS & FESTIVALS PROVIDE FUNDRAISING OPPORTUNITIES

CIVIC GROUPS SELL ITEMS OR PERFORM SERVICES AT EVENT AND REINVEST FUNDS IN COMMUNITY

EVENT ITSELF SPENDS NET REVENUES BY REINVESTING IN COMMUNITY

Service providers who support our industry are often out of state residents and while in WV, they spend significant dollars at lodging, food and retail establishments, thus, directly impacting West Virginia's tax base.

Impact on West Virginia – Social and Recreational



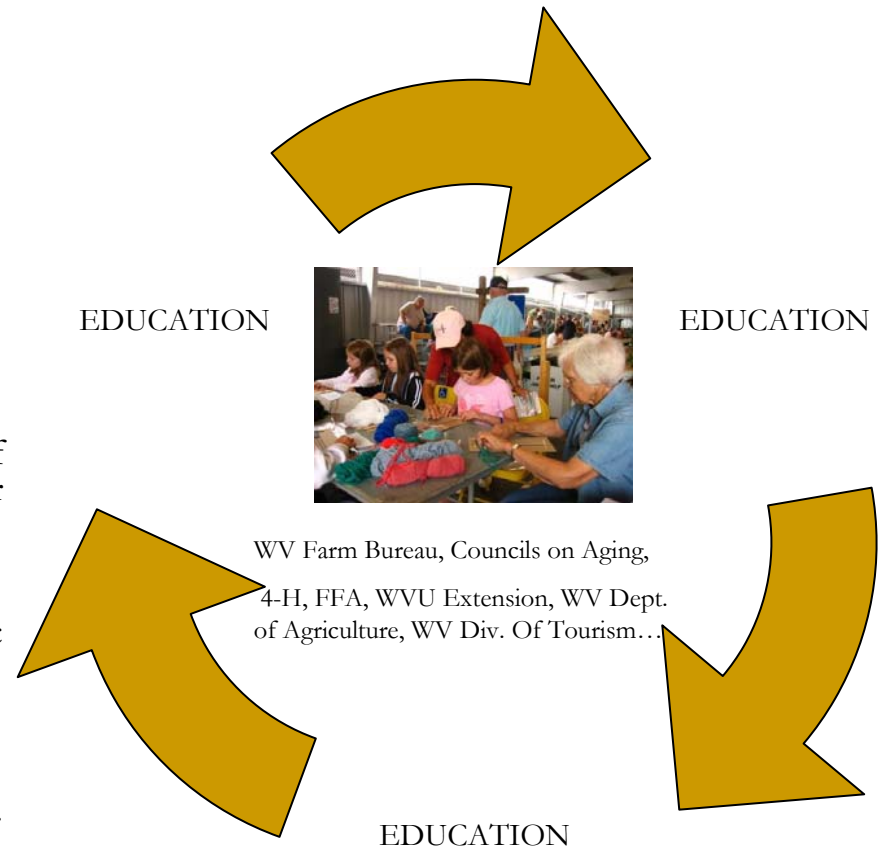
- The social function of fairs grew out of rural societies when the fair was the main event at which communities gathered together to celebrate. For many this helped them overcome a feeling of isolation. As time progressed, fairs and festivals were key to the integration of rural and urban societies.
- Fairs and festivals impact small towns, large towns, cities, regions, counties and our state. Regardless of the scope of impact, all fairs and festivals represent a time of year where residents celebrate their heritage, their families and their communities.
- Sometimes, the annual festival or fair is the most positive event that happens in a small town and there is no doubt that our industry represents true Americana.
- Children grow and return to their hometowns with their children to enjoy these annual events. West Virginia's fairs and festivals are often the first place a youngster marches in a parade, sings on a stage, wins \$5 for a prize winning work of art, or learns what volunteering is really about. Fairs and festivals offer extensive recreational opportunities by providing a wide range of activities for visitors to participate in. Fair and festival goers can be active participants or passive spectators.
- From fishing derbies, baseball tournaments, and 5k Marathons, to bike rides, sack races, and Guitar Hero contests, these recreational pursuits provide positive emotional releases and a spirit of competition.



Impact on West Virginia – Educational



- Historically, the first and foremost function of agricultural fairs was education.
- Many fairs and festivals have attained nonprofit status due to the educational elements of the events.
- Today, thousands of hands-on learning opportunities and outreach activities are occurring throughout West Virginia at fairs and festivals. Education and fun go hand-in-hand and create unmatched family memories.
- Key partners like the West Virginia Department of Agriculture and WVU Extension Service assist our events with agricultural education and food production displays. Our events provide the platform for these partners to fulfill important public outreach goals. Festivals educate the public about a variety of topics such as a specific food commodity, interpreting historic events, and celebrating the heritage of specific towns or regions. Partners include but are not limited to the WV Division of Culture and History, WV Div. Of Tourism, and again, WVU Extension Service and the WV Dept. of Agriculture.



WV Farm Bureau, Councils on Aging,
4-H, FFA, WVU Extension, WV Dept.
of Agriculture, WV Div. Of Tourism...

EDUCATION

Facts about Funding for Fairs and Festivals



- According to a report titled WV Fiscal Year 2008 Legislative Funding for the Arts which included Fair and festival funding, **\$2,655,300** was allocated for fairs and festivals.
- Of this amount, **\$841,725** was directed to arts facilities, one day parades or activities that are **not** rightfully classified as a fair or festival.
- Of the remaining **\$1,813,575**, approximately **45%** or **\$814,400** was allocated to West Virginia Association of Fair and Festival members with the remaining **55%** going to events not affiliated with the WVAFF.
- Funding for fairs and festivals is typically a mixture of private dollars, grants, state funding, sponsorship dollars, and net revenues from event operations. The specific mix is dictated by organizational structure and governance.
- Fairgrounds are diligently upgrading aging physical plants and utilizing their facility for the betterment of the community 365 days a year. The State Fair Event Center hosts over 200 event days a year, several of which are national events; the Marshall County Fair has a busy schedule of activities including gun shows and auctions; the Tyler County Speedway at the Tyler County Fair hosts thousands for weekly races. Collaborative public/private partnerships in many city and county parks are a direct result of fair/festival revenues funding improvements that enhance the facility year around. One of the best examples is the Mountain State Art & Craft Fair operating at Cedar Lakes. As a result of \$100,000 in electrical upgrades paid for by the Fair, Cedar Lakes now has one of the largest Christmas light shows in the State. The fair also purchased over \$7,000 in tables and \$7,000 in chairs that are used by Cedar Lakes for rentals in exchange for the rental fee of the facility during the Fair.

Are Fairs and Festivals providing a return on investment?



Why not use a business analysis to answer this question?

1. What is the organizational structure of the event?
2. Is there a board of directors? If no, who is in charge and why?
3. Ask for event dates for the year and verification of planning for the event?
4. What is the length of the event and what is the estimated attendance/impact on the community?
5. Is the event local, regional or statewide?
6. How are the funds being used?
7. What is the overall budget? What is the net profit and how are net profits used?
8. What other sources of state funding does the organization receive?

SUGGESTIONS FOR FUNDING FAIRS AND FESTIVALS

1. Identify events that are operating year round facilities with year long impact. Determine if these facilities are incorporated in county emergency preparedness and natural disaster planning scenarios. If so, homeland security funds may be an option.
2. Create two funding pools, one for fairs and the second for festivals.
3. Fund agricultural based events in the WV Dept. of Agriculture budget and cultural and heritage based events in the Culture and History budget.
4. Since many fairs and festivals are paying state sales tax, provide an exemption from such in lieu of funding.
5. Include a member of the WVAFF board on the tourism commission to ensure equal representation in the matching grant program.
6. Reward the fair and festival industry by returning a portion of hotel/motel taxes generated by our events to the event for marketing purposes.

Why is the continuation of funding important?



- External Pressures for fairs and festivals are more serious now than at anytime in our history:
 - Gas Prices
 - Weak Economy & Rapidly Increasing Operational Costs
 - Rapidly changing technology and consumer demands
 - Aging Volunteer Base
 - Significant Increases in Liability Insurance Cost as well as Safety/Security Cost and Planning
 - Aging physical plants and increased construction costs
 - Entertainment options for consumers have increased as well as prices for entertainment
 - Pressure and necessity to remain relevant
- Fairs and festivals anchor tourism in many regions. While many of our events are local in nature, just as many have statewide and national impact. (Bridge Day, Mountain State Forest Festival, State Fair of West Virginia). These events attract out of state visitors who become familiar with the state of West Virginia and very often decide to return for other tourism related activities.

The summer of 2008 proved to be a successful summer for many special events. Those who couldn't take long trips stayed closer to home and attended fairs and festivals. This phenomena was true across both industries and in all geographic regions. However, when any piece of the funding structure is removed a "hole" is created and it is difficult to fill that hole.

Are fairs and festivals a good business investment?



- As an industry, we have survived many external pressures including failing economies, wars and acts of God.
 - As an industry we take great pride in our communities.
 - The majority of our events acknowledge and accept that to survive we must adopt sound business models. **Reward good business practices and remove politics from funding decisions.**
 - Fairs and festivals are as important to the economy of this state as any other segment of the tourism industry. Collectively, we impact the economy, we impact the lives of West Virginians, and we provide thousands of volunteer opportunities across all age groups in every county in this state.
-