



MEMPHIS IN MAY INTERNATIONAL FESTIVAL 2022 ECONOMIC IMPACT ANALYSIS

MEMPHIS, TENNESSEE



Memphis
in May
International Festival



YOUNGER

The Economic Impact of the 2022 Memphis in May International Festival

On the Memphis/Shelby County Economy

INTRODUCTION AND SCOPE

Younger Associates was engaged to conduct an analysis of the Memphis in May International Festival to determine the impact on the Shelby County economy. The festival began in 1976. This analysis is the continuation of a series of economic impact measures taken since 2016.

Memphis in May International Festival, Inc. operates year-round to develop, produce, and promote the Memphis in May International Festival. The festival includes the Beale Street Music Festival; the World Championship Barbecue Cooking Contest; the Great American River Run; and a salute to a selected foreign country. The focus on the selected country bolsters international appeal and helps to develop robust business relationships with the honored country.

For 2022, the festival saluted Ghana, dedicating one full week of the month's programming to cultural events, entertainment and educational events celebrating Ghana's culture. Ambassadors and dignitaries from the honored country attended many of the Festival's events, including a gala dinner.

Many of these programs were produced in conjunction with third-party organizations such as local museums, galleries, performing arts centers, and schools. Due to the nature of these programs and events, the audience was comprised primarily of Shelby County residents. These added program elements increase the economic impact and significance of the Memphis in May International Festival, but the determination of this impact is not included in the scope of the study.

The festival was completely canceled in 2020 due to the COVID-19 pandemic. In 2021, only the World Championship Barbecue Cooking Contest and the Great American River Run were presented in scaled-back formats to accommodate pandemic safety protocols. The 2022 festival was the first full festival produced since 2019, and numerous people were still restricting travel and participation in large public events.

Also in 2022, the location of the festival was changed from Tom Lee Park, in Downtown Memphis to Liberty Park, which is about a 15-minute drive from Downtown. Tom Lee Park, which overlooks the Mississippi River, was under construction during the festival. Liberty Park, which is not as accessible to Downtown's numerous visitor attractions and amenities, was used as an alternative site.

The combined attendance for the Beale Street Music Festival and the World Championship Barbecue Cooking Contest was 110,083 in 2022, which was the first time the attendance has fallen below 115,000 in over 20 years. In comparison, attendance was 175,330 in 2019 and 178,478 in 2018.

METHODOLOGY AND GUIDING ASSUMPTIONS

This analysis is tightly focused on new dollars flowing into the Memphis-Shelby County economy. Attendance and spending by people residing in Shelby County were not considered in this analysis.

Additionally, only those visitors coming from 50 miles or more outside of Memphis are included in the analysis. This assumes that the spending from visitors to the Festival from within a 50-mile radius would have occurred in Memphis without the Festival. This is a financially conservative assumption because residents of nearby counties might not have visited Memphis or spent entertainment dollars within the county during the time frame of the festival.

Primary data regarding the number of visitors per event, the origin of visitors, length of stay, and spending patterns during the festival were supplied by Memphis in May International Festival, Inc. Tickets (and, in the case of the Great American River Run, registrations) provide an accurate count of attendees with zip code-level geographic information about where visitors to the festival reside.

To collect attendee data, the Memphis in May International Festival organization conducts extensive surveys. Email addresses were collected during the ticket purchase process, and an online survey was sent to each ticket holder or registrant. The large number of surveys completed for each event provided a representative sample with a high confidence factor for the data obtained. Length of stay, type of lodging for overnight stays, and spending by key categories comprised the data collected.

The spending per visitor from the survey data collected by Memphis In May is utilized along with other data captured in the survey for impact calculations. As in past years, the daily per-visitor spending captured in the survey was lower than the visitor spending rate published by the Tennessee Department of Tourism for leisure travelers. If the state tourism spending data were applied, the economic impact of the festival would be higher than shown in this report. The Memphis In May International Festival is successful in attracting young visitors to Memphis. The daily spending rate for a young audience is lower per visitor than the average in the state data because many of the visitors the state attracts are older with higher disposable income levels.

Memphis in May International Festival, Inc. provided the organization's annual operational spending, direct employment, wages, and capital investment data. The organization also provided data on the use of local vendors.

The economic impact calculations in this analysis were generated using an economic model of the Shelby County economy based on regional input-output multipliers (RIMS II) from the U.S. Bureau of Economic Analysis. The model also utilizes county-specific data such as local tax rates, historical tax collection ratios, annual average wage rates, commute patterns, and historical spending patterns. Secondary data was collected by Younger Associates for this analysis from the Tennessee Department of Revenue, the Tennessee Department of Labor and Workforce Development, U.S. Bureau of Economic Analysis, the U.S. Department of Labor - Bureau of Labor Statistics, the Tennessee Department of Tourism, and the Memphis Convention and Visitors Bureau. In addition, proprietary licensed data from Neilson/EnviroNics and ESRI was utilized.

ECONOMIC IMPACT

The economic impact of the 2022 Memphis in May International Festival on the Memphis/Shelby County economy is calculated to be \$72.9 million. This economic output is the combined impact of the year-round operations to produce and promote the festival, capital expenditures, and spending from visitors outside a 50-mile radius of Memphis.

JOBS

The total number of jobs supported by Memphis in May International Festival operations and major events is calculated to be 615 full-time-equivalents. The Memphis in May organization directly employs 15 full-time equivalent workers. The organization's spending with local vendors and the spending by visitors from outside a 50-mile radius during the festival supports the 600 indirect jobs. These jobs are spread throughout the Shelby County economy in almost every business sector.

Wages paid to the 15 jobs employed directly by the festival organization and the 600 indirect jobs supported by the festival are projected to be \$29.6 million. The indirect wage rate was calculated using a weighted annual average from the local government, retail trade, accommodation, and eating and drinking establishment sectors for Shelby County as reported by the State of Tennessee Department of Labor and Workforce Development.

LOCAL TAX AND FEE REVENUES

Memphis and Shelby County local tax revenues generated by the impact of the Memphis in May International Festival are projected to be \$2.5 million. Although the Memphis in May International Festival organization is itself tax-exempt, local taxes are generated by employee spending, vendor spending, and, most significantly, visitor spending.

Visitor spending on lodging generated a projected \$1.2 million in hotel/motel tax. Additionally, \$144,769 is estimated to have been collected for the Tourism Improvement District.

The largest segment of local taxes collected were local option sales taxes, which totaled approximately \$1 million.

IMPACT SUMMARY AND COMPARISON

The overall economic impact of Memphis in May International Festival decreased by \$76.2 million (51.1%) from 2019. The table below summarizes and compares the 2022 and 2019 economic impact measures.

Impact Measure	2022	2019
Economic Impact	\$72,863,804	\$149,112,480
Jobs Supported (Direct & Indirect)	615	1,409
Wages Paid to Jobs Supported (Direct & Indirect)	\$29,629,115	\$53,195,545
Local Tax Revenues and Fees	\$2,482,437	\$4,613,983

IMPACT DEFINITIONS

Economic Impact – the total dollar value of change in output from all industries within the local economy that results from \$1 of change in output from operations.

Direct Jobs – the number of jobs directly employed by the Memphis in May organization.

Indirect Jobs – the number of jobs across all industries in the local economy supported by the Memphis in May International Festival and the organization’s ongoing operations. This includes jobs (or hours of work, which comprise portions of a job) of vendors, business services, retail stores, restaurants, personal services, transportation, and all other industry sectors.

Local Taxes – the dollar amount of taxes collected for Memphis and Shelby County from local option sales tax, hotel/motel tax, and other smaller local tax revenue sources such as business permits, alcohol, and tobacco taxes. The state portion of sales tax and other state and federal taxes that are re-apportioned to the city and county are not included.

MEMPHIS IN MAY INTERNATIONAL FESTIVAL 2022

ECONOMIC IMPACT ANALYSIS

2022 Impact from Operations and Events	Memphis in May International Festival Operations	Beale Street Music Festival	World Championship Barbecue Cooking Contest	Great American River Run Half Marathon 10K & 5K	Total
Economic Impact	\$ 21,630,499	\$ 32,181,549	\$ 18,436,650	\$ 615,106	\$ 72,863,804
Direct Jobs	15	-	-	-	15
Indirect Jobs	213	243	139	5	600
Total Jobs (Direct & Indirect)	228	243	139	5	615
Direct Wages	\$ 1,583,953	\$ -	\$ -	\$ -	\$ 1,583,953
Indirect Wages	\$ 13,537,002	\$ 9,127,566	\$ 5,221,118	\$ 159,476	\$ 28,045,162
Total Wages (Direct & Indirect)	15,120,955	9,127,566	5,221,118	159,476	29,629,115
Tourism Development District Fees	\$ -	\$ 97,526	\$ 46,530	\$ 713	\$ 144,769
Hotel/Motel Tax Revenue	\$ -	\$ 828,967	\$ 384,325	\$ 5,508	\$ 1,218,800
Local Sales Tax Revenue (Direct & Indirect)	\$ 171,131	\$ 509,661	\$ 291,871	\$ 15,738	\$ 988,401
Other Local Tax Revenue	\$ 22,589	\$ 67,275	\$ 38,527	\$ 2,076	\$ 130,467
Total Local Tax Revenue	\$ 193,720	\$ 1,503,429	\$ 761,253	\$ 24,035	\$ 2,482,437

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Operations Impact		
Annual Operating Budget*	\$	11,383,275
Final Demand Output Multiplier ¹		1.9002
Total Economic Impact	\$	21,630,499
Direct Jobs (FTE)		15
Final Demand Employment Multiplier ²		20.0228
Indirect Jobs		213
Total Jobs (direct & indirect)		228
Direct Wages	\$	1,583,953
Shelby County Annual Average Wage ³	\$	63,554
Indirect Wages	\$	13,537,002
Total Wages (direct & indirect)		15,120,955
Local Sales Tax Revenue from Wages ⁴	\$	171,131
Other Local Tax Revenue ⁵	\$	22,589
Total Local Tax Revenue	\$	193,720

**Data provided from Memphis In May International Festival.*

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ECONOMIC IMPACT ANALYSIS

Beale Street Music Festival		
Total Attendance*		70,473
Projected Shelby County Attendees (Less Than 50 Miles)**		34,763
Projected Attendees from Over 50 Miles**		35,710
Percentage of Visitors from Outside Shelby County Staying Overnight (rentals)**		76.5%
Visitors Staying Overnight		27,318
Duration of Stay**		2.38
Total Visitor Nights		65,017
Overnight Visitor Spending on Lodging**	\$	150
Total Lodging Expenditures		9,752,550
Percentage of Visitors from Outside 50 Miles**		55.1%
Total Day Visitors (day-trippers and overnight stays) from Outside 50 Miles***		73,409
Visitor Spending Per Day Rate**	\$	104.55
Total Day Visitor Spending	\$	7,674,911
Total Visitor Spending	\$	17,427,461
Final Demand Output Multiplier ⁶		1.8466
Economic Impact	\$	32,181,549
Direct Sales Tax from Visitor Spending ⁷	\$	383,404
Hotel Motel Tax (5% County, 3.5% City) ⁸	\$	828,967
Tourism Improvement District Fees ⁹	\$	97,526
Other Local Tax Revenue from Visitor Spending ⁵	\$	50,609
Total Direct Local Tax Revenues	\$	1,360,506
Final Demand Employment Multiplier ¹⁰		13.9158
Jobs Supported from Visitor Spending		243
Shelby County Annual Average Wage ¹¹	\$	37,562
Wages Paid to Indirect Jobs	\$	9,127,566
Indirect Local Sales Tax from Wages ⁴	\$	126,257
Other Local Tax Revenue from Wages ⁵	\$	16,666
Total Indirect Local Tax Revenues	\$	142,923
Total Direct & Indirect Local Tax Revenues	\$	1,503,429

*Total includes paid and complimentary ticket holders.

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World Championship Barbecue Cooking Contest		
Total Attendance*		39,610
Projected Shelby County Attendees (Less Than 50 Miles)**		48.56%
Projected Attendees from Over 50 Miles**		19,235
Percentage of Visitors from Outside Shelby County Staying Overnight (rentals)**		52.2%
Visitors Staying Overnight		9,400
Duration of Stay**		3.3
Total Visitor Nights		31,020
Overnight Visitor Spending on Lodging**	\$	145.76
Total Lodging Expenditures	\$	4,521,475
Percentage of Visitors from Outside 50 Miles**		51.3%
Total Day Visitors (day-trippers and overnight stays) from Outside 50 Miles***		39,659
Visitor Spending Per Day Rate**	\$	137.74
Total Day Visitor Spending	\$	5,462,631
Total Visitor Spending	\$	9,984,106
Final Demand Output Multiplier ⁶		1.8466
Economic Impact	\$	18,436,650
Direct Sales Tax from Visitor Spending ⁷	\$	219,650
Hotel Motel Tax (5% County, 3.5% City) ⁸	\$	384,325
Tourism Improvement District Fees ⁹	\$	46,530
Other Local Tax Revenue from Visitor Spending ⁵	\$	28,994
Total Direct Local Tax Revenues	\$	679,499
Final Demand Employment Multiplier ¹⁰		13.9158
Jobs Supported from Visitor Spending		139
Shelby County Annual Average Wage ¹¹	\$	37,562
Wages Paid to Indirect Jobs	\$	5,221,118
Indirect Local Sales Tax from Wages ⁴	\$	72,221
Other Local Tax Revenue from Wages ⁵	\$	9,533
Total Indirect Local Tax Revenues	\$	81,754
Total Direct & Indirect Local Tax Revenues	\$	761,253

*Total includes paid and complimentary ticket holders.

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ECONOMIC IMPACT ANALYSIS

Great American River Run	Half Marathon	10K	5K	Volunteers	Total
Runners*	534	445	635	65	1,614
Projected Guests with Runner	1.25	0.75	0.5	N/A	
Projected Total Attendance	1,202	779	1028	65	3,009
Projected Shelby County Attendees (Less Than 50 Miles)*	42.0%	22.7%	30.5%	80.0%	95.2%
Projected Attendees from Over 50 Miles*	505	177	291	13	
Percentage of Visitors from Outside Shelby County Staying Overnight (rentals)*	34.3%	19.4%	17.7%	0.0%	
Visitors Staying Overnight	173	34	52	-	259
Estimated Duration of Stay	2.00	1.50	1.50	-	
Total Visitor Nights	346	51	78	-	475
Overnight Visitor Spending on Lodging*	\$ 143.50	\$ 110.00	\$ 122.40	\$ -	
Total Lodging Expenditures	\$ 49,651	\$ 5,610	\$ 9,547	\$ -	\$ 64,808
Percentage of Visitors from Outside 50 Miles*	42.0%	22.7%	30.5%	20.0%	
Total Day Visitors (day-trippers and overnight stays) from Outside 50 Miles	678	194	304	13	\$ 1,176
Visitor Spending Per Day Rate**	\$ 104.55	\$ 104.55	\$ 104.55	\$ 104.55	
Total Day Visitor Spending	\$ 234,632	\$ 9,918	\$ 23,744	\$ 1,359	\$ 558,600
Total Visitor Spending	\$ 284,283	\$ 15,528	\$ 33,291	\$ 1,359	\$ 333,102
Final Demand Output Multiplier ⁶	1.8466	1.8466	1.8466	1.8466	
Economic Impact	\$ 524,957	\$ 28,674	\$ 61,475	\$ 2,510	\$ 615,106
Direct Sales Tax from Visitor Spending ⁷	\$ 11,549	\$ 631	\$ 1,352	\$ 55	\$ 13,532
Hotel Motel Tax (5% County, 3.5% City) ⁸	\$ 4,220	\$ 477	\$ 811	\$ -	\$ 5,508
Tourism Improvement District Fees ⁹	\$ 519	\$ 77	\$ 117	\$ -	\$ 713
Other Local Tax Revenue from Visitor Spending ⁵	\$ 1,524	\$ 83	\$ 178	\$ 7	\$ 1,785
Total Direct Local Tax Revenues	\$ 17,812	\$ 1,268	\$ 2,458	\$ 62	\$ 21,538
Final Demand Employment Multiplier ¹⁰	13.9158	13.9158	13.9158	13.9158	
Jobs Supported from Visitor Spending	4	0.2	0.5	-	5
Shelby County Annual Average Wage ¹¹	\$ 33,931	\$ 33,931	\$ 33,931	\$ 33,931	
Wages Paid to Indirect Jobs	\$ 135,724	\$ 6,786	\$ 16,966	\$ -	\$ 159,476
Indirect Local Sales Tax from Wages ⁴	\$ 1,877	\$ 94	\$ 235	\$ -	\$ 2,206
Other Local Tax Revenue from Wages ⁵	\$ 248	\$ 12	\$ 31	\$ -	\$ 291
Total Indirect Local Tax Revenues	\$ 2,125	\$ 106	\$ 266	\$ -	\$ 2,497
Total Direct & Indirect Local Tax Revenues	\$ 19,937	\$ 1,374	\$ 2,724	\$ 62	\$ 24,035

*Data provided from Memphis In May International Festival and/or based on survey results conducted during the 2022 event.

**Daily spending utilized from the 2022 BSMF survey.

NOTES FOR MEMPHIS IN MAY INTERNATIONAL FESTIVAL ECONOMIC IMPACT ANALYSIS:

1. U.S. Bureau of Economic Analysis RIMS II, final demand aggregate output multiplier for Shelby County, Tennessee, for performing arts/spectator sports/museums/related amusement activities. This multiplier represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered by the specified industry.
2. U.S. Bureau of Economic Analysis, RIMS II final demand aggregate employment multiplier for performing arts/spectator sports/museums/related amusement activities for Shelby County, Tennessee. This multiplier represents the total number of indirect jobs supported per each one million dollars of output delivered by the specified industry.
3. This calculation is based upon the Tennessee Department of Labor and Workforce Development Annual Average Wage for all industry sectors in Shelby County, 2020 with a 1.5% inflation factor applied for 2021 and 2022.
4. U.S. Department of Labor, "2020 Consumer Expenditure Survey, Southern US" factor applied to determine the rate of indirect or "downstream" expenditures on sales taxable goods and services at the local municipal option tax rate of 2.75%.
5. Based upon the ratio of July 2021 - June 2022 collections of realty transfer, motor vehicle and other local tax revenues, fees and permits compared to local sales tax revenue for Shelby County.
6. U.S. Bureau of Economic Analysis RIMS II, final demand aggregate output multiplier for Shelby County, Tennessee, for accommodation, food service and drinking places, retail trade, amusement, and other recreation services as well as local government.
7. Calculation assumes 80% of visitor spending is for sales taxable purchases subject to the local municipal option tax rate of 2.75%.
8. Calculation assumes that all hotel and other accommodation rentals are subject to a City of Memphis 3.5% hotel/motel tax and a Shelby County 5% hotel/motel tax.
9. Calculation assumes that 75% of the hotel room rentals were in the City of Memphis Tourism Improvement District and subject to the fee of \$2.00 per occupied hotel/motel room per night.
10. U.S. Bureau of Economic Analysis, RIMS II final demand aggregate employment multiplier for accommodation, food service and drinking places, retail trade, amusement, and other recreation services as well as local government for Shelby County, Tennessee.
11. This calculation is based upon the Tennessee Department of Labor and Workforce Development Annual Average Wage for the retail trade, food service, hospitality and leisure, accommodation, and local government industry sectors for Shelby County, 2020 with a 1.5% inflation factor applied for 2021 and 2022.

Memphis in May International Festival

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