

**CALIFORNIA'S FAIRS:**  
STRIKING GOLD  
AT THE  
SANTA BARBARA COUNTY FAIR

Governor Gray Davis, State of California  
California Department of Food and Agriculture  
Division of Fairs and Expositions

KPMG LLP  
Economic Consulting Services  
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## ECONOMIC IMPACTS: AT THE ASSAYER'S OFFICE

Overall impact on the county of spending by all participants at fairtime and interim events resulted in \$10,933,105, created 109 jobs and generated \$4,066,730 in personal income for residents of Santa Barbara County, California.<sup>1</sup>

Economic impacts presented in this report are local in nature and are for Santa Barbara County only. Economic impacts presented in *Fairs: Exploring a California Gold Mine* are for the state of California. Since the impact areas of the two studies are different, the results are not directly comparable.

Fair organizational impacts are summarized in Table 1, which includes ripple effects but excludes direct spending by attendees.<sup>ii</sup> Direct attendee spending is excluded so that economic impacts produced solely by the fair organization can be examined.

**Table 1**

### Total Economic Impacts – Santa Maria Fair Park

Spending by Fair Organization	\$4,450,523
Personal Income Generated	\$3,086,465
Local Taxes Generated	\$25,873
Employment (FTE Jobs) Created	69

### Interim Events

Fairground facilities are extensively used on a year-round basis. Annually, 88,763 visitors come to the fairgrounds for interim events. Table 2 highlights how well-planned and creative interim events can generate community involvement and local revenues.

**Table 2**

### Interim Events at the Santa Maria Fairpark

Event Category	Estimated Attendance	Fairground Rental Revenue	Estimated Attendee Spending/1
Camping/RV Groups	190	\$14,250	0
Concerts/Theatre/Entertainment	15,764	\$60,000	\$7,000
Consumer/Craft Shows	6,000	\$15,700	\$254,500
Horse Shows	140	\$3,000	\$0
Live Horse Racing	0	\$0	\$0
Motorized Racing Events	6,000	\$15,000	\$3,000
Parties/Dinners/Weddings	28,800	\$100,822	\$39,600
Satellite Wagering	28,569	0	\$99,500
Swap Meets/Flea Markets	0	0	0
Other Animal Shows	300	\$500	\$0
Other	3,000	\$5,000	\$0
<b>Totals</b>	<b>88,763</b>	<b>\$214,272</b>	<b>\$403,600</b>

1/ Interim events generate rental revenue, but not all events produce attendee spending. Private usage of the fairgrounds may represent a rental of the facility only.

## **AGRICULTURE: THE GOLD NUGGET OF THE FAIR**

### **Junior Livestock Program**

The fair's junior livestock auctions grossed \$1,044,526, with 891 animals purchased by 474 buyers in 2002. Approximately 95 percent of auction proceeds go directly to the students. They typically save this money for college, or reinvest in agriculture by purchasing additional animals. Thus, the junior livestock program provides young community members with a valuable business lesson and funding for future goals.

### **Judged Exhibits**

During the 2002 season, the fair judged 5,516 exhibits, resulting in \$43,277 in premiums paid to fair participants. Of this total, the fair judged 730 agricultural exhibits, including 2 FFA and 4-H exhibits, 257 floricultural exhibits, and 471 horticultural exhibits. This variety of exhibits demonstrates the fair's success in providing agricultural programming that both entertains and educates the public.

## PROVIDING SERVICES TO A GOLDEN INDUSTRY

### Carnival Economic Impacts

Total economic impacts on the county associated with the midway are summarized in Table 3. Impacts in this table include carnival spending ripple effects.<sup>iii</sup> The carnival spent \$52,356 in the county, and attendees at the fair spent \$354,788 on carnival rides and games.

**Table 3**

#### Total Economic Impacts – Carnival

Spending	\$52,356
Personal Income Generated	\$15,318
Local Taxes Generated	\$394
Employment (FTE Jobs) Created	1

### Concessionaire Economic Impacts

The fairgrounds are served by a variety of food and beverage concessionaires during the fair and interim events. Table 4 presents a summary of economic impacts on the county from these food and beverage concessionaires. With the exception of attendee spending and taxes, data summarized in this table includes ripple effects.

**Table 4**

#### Total Economic Impacts – Food and Beverage Concessionaires

Attendee Food and Beverage Direct Spending	\$458,990
Spending by Fairtime and Master Concessionaires	\$345,080
Personal Income Generated	\$170,028
Local Taxes Generated by Attendee Spending	\$8,032
Local Taxes Generated by Concessionaire Spending	\$3,261
Employment (FTE Jobs) Created	4

### Commercial Exhibitor Economic Impacts

Economic impacts of commercial exhibitors are sizeable. Commercial exhibitors purchase goods for resale, exhibit materials, hire local labor, stay in hotels, and eat in restaurants. Table 5 summarizes the total economic impacts of both fairtime and interim event exhibitors on the county. With the exception of attendee spending and taxes, data summarized in this table includes ripple effects.

**Table 5**

#### Total Economic Impacts – Commercial Exhibitors

Attendee Direct Spending on Commercial Merchandise	\$1,097,090
Spending by Commercial Exhibitors	\$572,841
Personal Income Generated	\$192,588
Local Taxes Generated by Attendee Spending	\$19,199
Local Taxes Generated by Commercial Exhibitor Spending	\$6,608
Employment (FTE Jobs) Created	6

Combined economic impact of spending by commercial exhibitors plus attendee spending on commercial merchandise at fairs and interim events generated \$1,669,931. It represents 15 percent of total economic impact in the county of \$10,933,105.

**Entertainer Economic Impacts**

Entertainers purchase costumes and materials, sound and lighting equipment, hire local labor, stay in hotels, and eat in restaurants. Economic impacts of entertainers on the county are summarized in Table 6. With the exception of attendee spending and taxes, data summarized in this table includes ripple effects.

**Table 6**

**Total Economic Impacts – Entertainers**

Spending by Entertainers	\$68,394
Personal Income Generated	\$54,666
Local Taxes Generated	\$702
Employment (FTE Jobs) Created	1

## **COMMUNITY GROUPS: MINING FOR GOLD AT THE FAIR**

### **Nonprofit Fundraising**

Numerous groups engage in socially beneficial fundraising activities at the fair and interim events. Table 7 provides estimates of funds raised by nonprofit groups through concessions and other year-round activities.

**Table 7**

### **Fundraising Activities at the the Santa Maria Fairpark, 2002**

<b>Type of Activity</b>	<b>Net Amount Raised for Community Benefits</b>
Nonprofit	\$105,000
Junior Livestock Auction	\$1,044,526
<b>Total</b>	<b>\$1,149,526</b>

## ATTENDEES: A GOLDEN TREASURE FOR THE FAIR

The fair draws people and the various communities comprising the county together. Table 8 provides a comparison, in terms of county population and annual fairground attendance. This table demonstrates the importance of the fair within the county – with attendance at roughly 50 percent of the county population.

**Table 8**

### Comparison of Attendance to Population

	<b>County Population/1</b>	<b>Annual Fairground Attendance</b>
Santa Maria Fair Park	408,900	203,764

1/ California Department of Finance, *California County Profiles*.

### Attendee Demographics and Visit Characteristics

Table 9 compares the household income of fairgoers, based on a random survey of attendees, to that of Californians as a whole. This data demonstrates the economically diverse population served by the fair.

**Table 9**

### Household Income of Fair Attendees

<b>Household Income</b>	<b>Fair Attendee Percentage</b>	<b>California Household Percentage/1</b>
Under \$25,000	6.9%	24.6%
\$25,000 to \$50,000	43.8%	26.4%
\$50,000 to \$75,000	26.9%	18.8%
Over \$75,000	16.2%	30.2%
No Response	6.2%	--

1/ U.S. Census Bureau, *2001 Supplementary Survey Profile, California*.

Table 10 presents additional demographic information on fair attendees. The average visitor attends the fair 2.2 times per year and lives within 100 miles.

**Table 10**

### Attendee Survey, Visit Characteristics

#### Number of Times Attended Fair

1-3 times	74.6%
More than 3 times	25.4%
Average Attendance Frequency	2.2 Visits

#### Round Trip Mileage of Trip to Fair

Under 100 miles	93.8%
Over 100 miles	6.2%
Median mileage	40.6 Miles

## ECONOMIC IMPACTS: AT THE ASSAYER'S OFFICE

### Direct Spending and Employment

KPMG engaged in an extensive data collection effort to acquire information on direct spending and employment of the various economic actors in the fair industry and at the fairgrounds. Details on concepts, data sources, data limitations, and methods and assumptions appear in the statewide impact study titled *Fairs: Exploring a California Gold Mine*.

### *Fair Organization*

The fair organization pays both year-round and temporary employees, and spends on capital improvements, maintenance, exhibits, entertainers and publicity. Table 11 provides annual totals and percentages for the fair organization by type of spending. It should be noted that the table solely reflects direct spending.

Table 12 shows direct employment (headcount) of permanent and temporary workers of the fair organization on an annual basis. The striking feature of the fair employment profile is a heavy reliance on temporary workers. Only 10.5 percent of fair organization direct employment is comprised of permanent employees, which makes sense given that the fair and majority of interim events are less than three weeks in duration.

**Table 11**

### Fair Organization Direct Spending

<b>Category</b>	<b>Annual</b>	<b>Percent of Total</b>
Compensation – Permanent Employees	\$541,535	19.6%
Compensation – Temporary Employees	\$222,306	8.0%
Non-labor Administration	\$88,807	3.2%
Non-labor Maintenance	\$163,983	5.9%
Capital Expenditures	\$428,894	15.5%
Entertainers	\$77,749	2.8%
Exhibits	\$54,907	2.0%
Premiums	\$9,341	0.3%
Publicity	\$56,088	2.0%
Other	\$1,123,775	40.7%
<b>Total</b>	<b>\$2,767,384</b>	<b>100.0%</b>

**Table 12**

### Fair Organization Direct Employment

<b>Category</b>	<b>Annual</b>	<b>Percent of Total</b>
Temporary Employees	77	89.5%
Permanent Employees	9	10.5%
<b>Total</b>	<b>86</b>	<b>100.0%</b>

### ***Attendees***

Fair attendees pay for admissions and parking, carnival rides and games, and food and beverage concessions. They make purchases from commercial exhibitors, pay for outside meals and hotels, and also spend on exhibit preparation and costumes when participating in judged activities. Table 13 provides estimates of direct attendee spending by category, distinguishing between fairtime and interim events.

**Table 13**

#### **Attendee Direct Spending**

<b>Category</b>	<b>Fairtime</b>	<b>Interim Events</b>	<b>Total</b>
Commercial Exhibitors	\$845,090	\$252,000	\$1,097,090
Concessions	\$346,990	\$112,000	\$458,990
Admissions	\$49,648	\$716,249	\$765,897
Offsite Dining and Hotel	\$90,996	\$299,975	\$390,971
Carnival	\$354,788	--	\$354,788
Exhibit Preparation and Other Retail	\$284,386	\$132,361	\$416,747
Parking	\$16,650	--	\$16,650
Junior Livestock Auction	\$1,044,526	--	\$1,044,526
<b>Total</b>	<b>\$3,033,074</b>	<b>\$1,512,585</b>	<b>\$4,545,659</b>

Considering the difference between fairtime and interim event spending, Table 13 reveals a number of interesting facts. First, total attendee spending at interim events is roughly 50 percent of fairtime spending. Second, attendee spending on commercial exhibitors is 3.4 times as high at fairtime as at interim events. Thus, the fair and its interim events are a powerful economic engine harnessed by the fair organization.

### ***Fair-Related Businesses***

Fair-related businesses pay employee compensation as well as employee food and lodging. They rent fair space; pay taxes; buy insurance, permits, motor fuel and a wide variety of other materials and supplies. The following tables display estimated spending by category for carnivals, concessionaires, commercial exhibitors and entertainers.

It should be noted that these tables display estimated direct spending by fair-related businesses in the county only. Also, this report treats fair organization and allied businesses as one industry, therefore any commission or fee paid to the fair is excluded from these tables to avoid double counting.

Table 14 details overall direct carnival spending within the county. This number is not higher because the majority of the carnival's expenditures occur outside the county. An insurance policy purchased in Los Angeles, for example, would not be included. This is also true for capital expenditures on trucks and rides. Employee expenditures by the carnival are predominantly on permanent employees that travel with the carnival and do not reside in the county. Only the wages and salaries on local, temporary labor are included here as these hires have net new economic impact on the county.

Concessionaire and commercial exhibitor direct spending is detailed in Table 15 and Table 16. Direct spending of entertainers is detailed in Table 17. Permanent and temporary employee hiring by fair-related businesses then follows. As the tables in this section demonstrate, the common thread of expenditure patterns for fair-related businesses is the high percentage of labor costs.

**Table 14**  
**Carnival Direct Spending**

<b>Category</b>	<b>Annual</b>	<b>Percent of Total</b>
Compensation – Permanent	\$6,874	20.0%
Compensation – Temporary	\$220	0.6%
Misc. Materials and Supplies	\$8,677	25.3%
Motor Fuel	\$4,334	12.6%
Offsite Dining and Hotel	\$202	0.6%
Taxes and Fees	\$148	0.4%
Other	\$13,833	40.5%
<b>Total</b>	<b>\$34,288</b>	<b>100.0%</b>

**Table 15**  
**Concessionaire Direct Spending**

<b>Category</b>	<b>Fairtime</b>	<b>Interim Events</b>	<b>Total</b>	<b>Percent of Total</b>
Compensation – Permanent	\$60,031	\$19,376	\$79,407	33.0%
Compensation – Temporary	\$21,398	\$6,907	\$28,305	11.8%
Cost of Goods Sold	\$81,622	\$26,346	\$107,968	44.8%
Offsite Dining and Hotel	\$7,117	\$2,297	\$9,414	3.9%
Taxes and Fees	\$1,337	\$431	\$1,768	0.7%
Other	\$10,527	\$3,398	\$13,925	5.8%
<b>Total</b>	<b>\$182,032</b>	<b>\$58,755</b>	<b>\$240,787</b>	<b>100.0%</b>

**Table 16****Commercial Exhibitor Direct Spending**

<b>Category</b>	<b>Fairtime</b>	<b>Interim Events</b>	<b>Total</b>	<b>Percent of Total</b>
Compensation – Permanent	\$18,666	\$5,651	\$24,317	6.4%
Compensation – Temporary	\$56,528	\$17,114	\$73,642	19.2%
Cost of Goods Sold	\$115,074	\$34,839	\$149,913	39.2%
Misc. Materials and Supplies	\$5,059	\$1,532	\$6,591	1.7%
Motor Fuel	\$4,323	\$1,309	\$5,632	1.5%
Offsite Dining and Hotel	\$58,653	\$17,757	\$76,410	20.0%
Taxes and Fees	\$730	\$221	\$951	0.2%
Other	\$34,867	\$10,556	\$45,423	11.8%
<b>Total</b>	<b>\$293,900</b>	<b>\$88,979</b>	<b>\$382,879</b>	<b>100.0%</b>

**Table 17****Entertainer Direct Spending**

<b>Category</b>	<b>Annual</b>	<b>Percent of Total</b>
Compensation – Permanent	\$26,950	52.9%
Compensation – Temporary	\$13,248	26.0%
Misc. Materials and Supplies	\$793	1.6%
Motor Fuel	\$1,307	2.6%
Offsite Dining and Hotel	\$6,360	12.5%
Other	\$2,319	4.4%
<b>Total</b>	<b>\$50,977</b>	<b>100.0%</b>

**Table 18****Fair-Related Business Direct Employment**

<b>Category</b>	<b>Annual (FTE Jobs)</b>	<b>Percent of Total</b>
Commercial Exhibitors	3	49.4%
Concessionaire	2	33.6%
Carnival	1	8.8%
Entertainers	1	8.2%
<b>Total</b>	<b>7</b>	<b>100.0%</b>

**Economic Impacts**

Table 19 presents the overall economic impact of spending by all participants at fairtime and interim events, which equals the total economic impact on the county of \$10,933,105 in 2002. Estimated total economic impacts from fairtime activities are \$8,496,589 and interim events are \$2,436,516. The fairtime spending impact of the fair organization totals \$5,561,345. Fairtime

spending impact of commercial exhibitors and food and beverage concessionaires totals \$1,286,350 and \$607,866, respectively.

The interim spending impact of commercial exhibitors totals \$383,581, while the interim spending impact of food and beverage concessionaires totals \$196,204. Considering the sum of spending impacts from both fairtime and interim events, the total economic impact (including ripple effects) of commercial exhibitors is \$1,669,931 and the total impact of food and beverage concessionaires is \$804,070.

Table 20 shows total impact on the income of county residents. Estimated total income generated by attendee, fair organization and fair-related business spending totaled \$4,066,730, with \$2,188,007 in direct income and another \$1,878,723 in ripple effect. The fair organization is an important contributor of income creation, accounting for 76.0 percent of total income impact. Income creation of interim events is also important, accounting for 13.7 percent.

The estimated creation of jobs, including direct and ripple effects appears in Table 21. The fair created 64.1 percent of all jobs, while interim events created 24.9 percent. Fairtime commercial exhibitors and fairtime food and beverage concessionaires created 4.6 percent and 2.8 percent of all jobs, respectively.

Spending, income and jobs created by the fair organization also created tax revenues for local governments. Table 22 details total tax collections by the economic participants. Total direct taxes collected by local governments from the fair were \$101,462. In combination with ripple effect tax impacts of an additional \$29,884, local governments collected an estimated \$131,346 in tax revenues in 2002.

Local sales taxes collections totaled \$95,503, transient occupancy tax collections totaled \$29,870 and possessory interest and other tax collections totaled \$5,973. These tax collections demonstrate the importance of the fair and interim events as a strong and reliable tax base.

**Table 19****Estimated Economic Impacts – Fairtime and Interim Spending/1**

<b>Category</b>	<b>Attendee Direct Spending</b>	<b>Business Direct Spending Impacts/2</b>	<b>Indirect and Induced</b>	<b>Total/3</b>
<b><u>Fairtime Spending</u></b>				
Fair Organization	\$1,110,824	\$2,772,384	\$1,678,137	\$5,561,345
Commercial Exhibitors	\$845,090	\$293,900	\$147,360	\$1,286,350
Food and Beverage	\$346,990	\$182,032	\$78,844	\$607,866
Carnival	\$354,788	\$34,288	\$18,068	\$407,144
Entertainers	0	\$50,977	\$17,418	\$68,395
Nonprofit	0	\$0	\$0	\$0
Offsite Hotel and Dining	\$90,996	0	\$53,709	\$144,705
Offsite Retail	\$284,386	0	\$136,398	\$420,784
<b>Total Fairtime</b>	<b>\$3,033,074</b>	<b>\$3,333,581</b>	<b>\$2,129,934</b>	<b>\$8,496,589</b>
<b><u>Interim Spending</u></b>				
Commercial Exhibitors	\$252,000	\$88,979	\$42,602	\$383,581
Food and Beverage	\$112,000	\$58,324	\$25,880	\$196,204
Event Admissions	\$716,249	\$297,040	\$167,767	\$1,181,056
Offsite Hotel and Dining	\$299,975	0	\$176,206	\$476,181
Offsite Recreation	\$42,854	0	\$24,204	\$67,058
Offsite Retail	\$89,507	0	\$42,929	\$132,436
<b>Total Interim</b>	<b>\$1,512,585</b>	<b>\$444,343</b>	<b>\$479,588</b>	<b>\$2,436,516</b>
<b>Total Fairtime and Interim</b>	<b>\$4,545,659</b>	<b>\$3,777,924</b>	<b>\$2,609,522</b>	<b>\$10,933,105</b>

1/ This table incorporates direct expenditures as detailed in Table 11 through Table 18, along with estimated additional indirect and induced expenditures from the economic impact model.

2/ Indirect impacts are those second and later rounds of business spending that occur throughout the supply chain. Induced impacts are a result of personal consumption expenditures by employees of the fair organization and suppliers.

3/ Total impacts are the sum of direct, indirect and induced impacts.

**Table 20****Annual Estimated Income Impacts**

<b>Category</b>	<b>Direct Income</b>	<b>Indirect and Induced Impacts</b>	<b>Total</b>	<b>Percent of Total</b>
Fair Organization	\$1,808,367	\$1,278,099	\$3,086,466	76.0%
Commercial Exhibitors/1	\$75,194	\$73,157	\$148,351	3.6%
Food and Beverage/1	\$81,429	\$47,110	\$128,539	3.2%
Carnival	\$7,094	\$8,224	\$15,318	0.4%
Entertainers	\$40,198	\$14,468	\$54,666	1.3%
Nonprofit	0	\$0	\$0	0.0%
Interim	\$175,725	\$383,441	\$559,166	13.7%
Offsite Hotel, Dining, Retail	0	\$74,224	\$74,224	1.8%
<b>Total</b>	<b>\$2,188,007</b>	<b>\$1,878,723</b>	<b>\$4,066,730</b>	<b>100.0%</b>

1/ Refers to fairtime income only. Interim event income is captured separately in the Interim category.

**Table 21****Annual Estimated Employment Impacts (FTE Jobs)**

<b>Category</b>	<b>Direct Employment</b>	<b>Indirect and Induced Impacts</b>	<b>Total</b>	<b>Percent of Total</b>
Fair Organization	29	41	70	64.1%
Commercial Exhibitors/1	3	2	5	4.6%
Food and Beverage/1	2	1	3	2.8%
Carnival	1	0	1	0.9%
Entertainers	1	0	1	0.9%
Nonprofit	0	0	0	0.0%
Interim	1	26	27	24.9%
Offsite Hotel, Dining, Retail	0	2	2	1.8%
<b>Total</b>	<b>37</b>	<b>72</b>	<b>109</b>	<b>100.0%</b>

1/ Refers to fairtime employment only. Interim event employment is captured separately in the Interim category.

**Table 22****Annual Estimated Tax Impacts**

<b>Category</b>	<b>Direct Taxes</b>	<b>Indirect and Induced Tax Impacts</b>	<b>Total</b>
Local Sales Tax	\$65,619	\$29,884	\$95,503
Transient Occupancy	\$29,870	0	\$29,870
Possessory and Other	\$5,973	0	\$5,973
<b>Total</b>	<b>\$101,462</b>	<b>\$29,884</b>	<b>\$131,346</b>

## Future Impacts

Impact of the Santa Maria Fair Park in future years is ultimately tied to the scale of the fair and interim events. With the primary impacts being generated by attendee and fair organization spending, impacts for future years may be estimated from values based on these indicators. Two reliable measures are total attendance and total operating expenditures.

Based on this analysis, and giving these two factors equal weight, the formulas for estimating impacts of the fair organization in future years are as follows:

- **Spending** – Fair plus interim attendance times \$26.83 plus total fair organization operating expenditures times \$3.35.
- **Income** – Fair plus interim attendance times \$9.98 plus total fair organization operating expenditures times \$1.25.
- **Employment** – Fair plus interim attendance times 0.00027 plus total fair organization operating expenditures times 0.00003.

The following two tables present examples for calculating future impacts. Formulas presented in this section may be used to estimate future economic impacts of the Santa Maria Fair Park by substituting estimates of fair and interim attendance and fair organization operating expenditures. Note that total economic impacts presented in Table 19 are replicated by applying the formulas below.

Table 24 shows a hypothetical example if total attendance were 400,000 and total operating expenditures were \$2,000,000.

**Table 23**

### Impact Calculation – Illustrative Example 2002

	<b>Fair and Interim Attendance</b>	<b>Operating Expenditures</b>	<b>Total Impact Estimate</b>
2002 Value	203,764 (A)	\$1,632,749 (B)	
Spending Factor	\$26.83 (C)	\$3.35 (D)	
<b>Spending Impact</b>	<b>\$5,466,553 (AxC)</b>	<b>\$5,466,553 (BxD)</b>	<b>\$10,933,105</b>
Income Factor	\$9.98 (E)	\$1.25 (F)	
<b>Income Impact</b>	<b>\$2,033,365 (AxE)</b>	<b>\$2,033,365 (BxF)</b>	<b>\$4,066,730</b>
Employment Factor	0.00027 (G)	0.00003 (H)	
<b>Employment Impact</b>	<b>54 (AxG)</b>	<b>54 (BxH)</b>	<b>109</b>

**Table 24**

**Impact Calculation – Illustrative Example, Hypothetical Future Year**

	<b>Fair and Interim Attendance</b>	<b>Operating Expenditures</b>	<b>Total Impact Estimate/1</b>
Future Value	400,000 (A)	\$2,000,000 (B)	
Spending Factor	\$26.83 (C)	\$3.35 (D)	
<b>Spending Impact</b>	<b>\$10,731,145 (AxC)</b>	<b>\$6,696,134 (BxD)</b>	<b>\$17,427,279</b>
Income Factor	\$9.98 (E)	\$1.2512 (F)	
<b>Income Impact</b>	<b>\$3,991,608 (AxE)</b>	<b>\$2,490,726 (BxF)</b>	<b>\$6,482,334</b>
Employment Factor	0.00027 (G)	0.00003 (H)	
<b>Employment Impact</b>	<b>107 (AxG)</b>	<b>66 (BxH)</b>	<b>173</b>

1/ If impacts are estimated over a future period in which inflation has been a significant factor relative to 2002, the spending factor and income factors applied to attendance (\$26.83 and 9.98, respectively) should be adjusted upward proportionally by the percentage increase in the consumer price index. The employment factor applied to operating expenditures (0.00003) should be adjusted downward proportionally by the same percentage.

## **SOCIAL AND CULTURAL IMPACTS: GIVING BACK**

Nonprofit fundraising activities at the fairgrounds raised \$1,149,526 in 2002. Beyond the economic impacts, this section highlights quantitative social benefits of the fair through funds raised for charities and nonprofit organizations.

### **Social and Cultural Exhibits**

In a random survey of attendees, guests were asked whether or not they saw worthwhile exhibits and if they attended exhibits that informed them about valuable public or community services. Notably, 98 percent of those surveyed agreed that the fair provided worthwhile community benefits.

Attendees were also asked about their viewpoints regarding the social and cultural desirability of fair exhibits. Views on the most worthwhile attractions were fairly evenly distributed across various types of exhibits, as shown in Table 25.

**Table 25**

### **Attendee Viewpoints Regarding Exhibits**

<b>Attended Worthwhile Exhibits That...</b>	<b>Yes</b>	<b>No</b>	<b>Uncertain</b>
Provided a venue for getting together with family and friends?	89.2%	7.7%	3.1%
Provided other instructional or educational value?	79.8%	13.2%	7.0%
Displayed artwork?	80.0%	7.7%	12.3%
Increased awareness of cultural activities in community?	68.5%	18.5%	13.0%
Provided information about public or community services?	82.3%	10.8%	6.9%
Increased awareness of charitable organizations?	66.2%	13.1%	20.7%

### **Nonprofit Fundraising**

The fair is a major venue for local community groups and nonprofit organizations to raise money and awareness of their programs. The community groups and nonprofit organizations groups then direct this money back into the local community by funding scholarships, educational programs and club activities.

- In 2002, nonprofit groups at the fairgrounds raised a total of \$105,000 for community programs and services.
- Combine this figure with the \$1,044,526 raised at junior livestock auctions, and charitable funds exceeded \$1,149,526.

### **Conclusion**

The economic and social impacts presented in this report demonstrate that the Santa Maria Fair Park is an economic and social gold mine for residents of Santa Barbara County.

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<sup>i</sup> For a detailed discussion of the methodology employed in this study, refer to Appendix B of *Fairs: Exploring a California Gold Mine*. One specific analytical limitation should be recognized from the start. Only those portions of horse racing, satellite wagering, and businesses that operate on the fairgrounds that could be traced through the fair organization's budget were quantified. Had these special characteristics of the fair industry been within the scope of the study, the overall impact of the fair would have been greater.

<sup>ii</sup> The term "ripple effects," as used throughout this report, refers to direct spending of fair industry participants along with estimated additional indirect and induced spending using the economic impact model. Indirect impacts are those second and later rounds of business spending that occur throughout the supply chain. Induced impacts are a result of personal consumption expenditures by employees of fair organizations and suppliers. Total impacts are the sum of direct, indirect and induced impacts.

<sup>iii</sup> Additional details relating to total economic impacts of fair-related businesses are presented under *Economic Impacts: At the Assayer's Office*.