

# Estimated Economic Impact

of the

## Arcadia All-Florida Championship Rodeo upon the DeSoto County Economy

Prepared for

### Arcadia All-Florida Championship Rodeo, Inc.

April - 2014

Created by

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**Summary**

The Arcadia All-Florida Championship Rodeo (Rodeo) is held annually in Arcadia, located in DeSoto County. First held in 1928, it is Florida’s longest running and largest rodeo event. The community is contemplating the future of the Rodeo. Part of this process is to determine the “economic impact” the Rodeo has upon the DeSoto County economy.

Economic impact is the influence an event, government action, or business activity has upon the local economy. Economic impact is calculated by measuring the flow of money in an economy through various steps of spending among different industries.

In order to estimate the economic impact of the Arcadia All-Florida Championship Rodeo upon the DeSoto County economy, several steps are taken:

- 1) Determine the amount of money being imported to the county as a result of the Rodeo.
- 2) Determine into which industrial sector the money enters the economy.
- 3) Calculate the monetary impact of the Rodeo using the impact multipliers.

Approximately 17,700 people attended the Rodeo during the three days from March 7 to 9, 2014. Of these, approximately 15,700 (94%) were from out-of-town. Consequently the money they spent is “new money” to the county and determines the impact upon the economy.

In total, out-of-town attendees spent approximately \$779,000 during the three day period of which about \$664,000 entered the DeSoto County economy.

As a result, after this money circulated (multiplied) throughout the economy, it can be estimated that approximately \$1,084,000 in transactions (impact) occurred in DeSoto County as a result of the Rodeo.

| <b>All Spending</b> |                   |                     |                          |                  |  |
|---------------------|-------------------|---------------------|--------------------------|------------------|--|
|                     | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b>    |  |
| Direct Effect       | 8.2               | 227,427             | 308,674                  | 664,630          |  |
| Indirect Effect     | 1.6               | 63,522              | 127,946                  | 209,376          |  |
| Induced Effect      | 1.8               | 70,993              | 135,603                  | 210,237          |  |
| <b>Total Effect</b> | <b>11.6</b>       | <b>361,942</b>      | <b>572,223</b>           | <b>1,084,243</b> |  |

## ***Introduction***

The Arcadia All-Florida Championship Rodeo (Rodeo) is held annually in Arcadia, located in DeSoto County. First held in 1928, it is Florida's longest running and largest rodeo event.

The Rodeo is operated by Arcadia All-Florida Championship Rodeo, Inc., a not-for-profit corporation. A large portion of the proceeds of the Rodeo are granted to local civic and not-for-profit organizations.

The Rodeo is "manned" by a large number of volunteers from the area and is a "traditional" community event.

The community is contemplating the future of the Rodeo. Part of this process is to determine the "economic impact" the Rodeo has upon the DeSoto County economy.

POLICOM Corporation analyzes local and state economies. It determines if an area is growing or declining, identifies what is causing this to happen, and offers ideas and solutions to improve a local economy. Determining the economic impact of projects or events is part of that process.

POLICOM has been asked by the Rodeo to determine the economic impact the Rodeo has upon the local economy.

## ***What is a local economy?***

A local economy is a geographic area where a vast majority of the people lives and works, earns and spends. The geographic boundary of a local economy is mainly determined by the commuting patterns of the people in the area. The location and number of "jobs" within an area determines how big geographically the economy will be.

A local economy will grow in size based upon the amount of money being imported to the area. After money enters a local economy it "multiplies." It is mixed and churned, being circulated among the businesses and the people. Money or wealth eventually leaves a local economy as it is "consumed."

Wealth enters a local economy principally by way of the business activity of the "primary industries." A primary industry or business sells its goods or services outside the area, thus importing money to the area.

For the most part, any activity which brings money into a local economy is "primary" in nature.<sup>1</sup>

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<sup>1</sup> For an extended discussion on how a local economy works and what causes economic growth, please download *The Flow of Money* which can be found at [www.policom.com](http://www.policom.com).

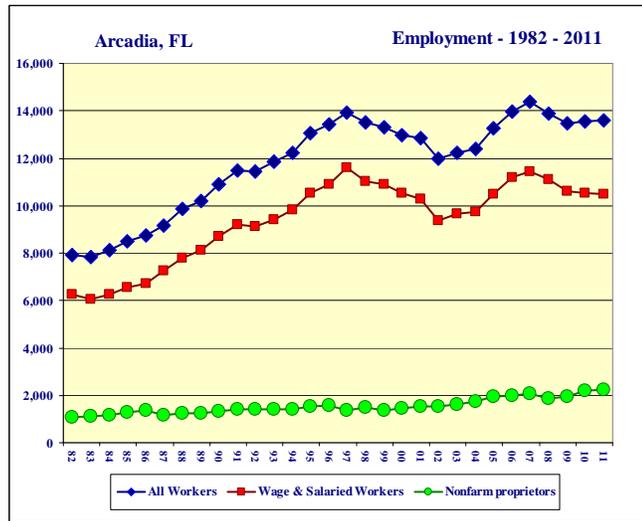
### DeSoto - Arcadia Economy

Desoto County is a defined economy known as the Arcadia, FL Micropolitan Statistical Area. The Federal government determines the nation’s economies based upon geographic area and the size of the economy.

A Micropolitan Area must be at least one county and have an “urban” center of at least 10,000 people but less than 50,000 people. There are 576 Micropolitan Areas in the United States.

A Metropolitan Statistical Area must be at least one county (typically multiple counties) and must have an urban center of at least 50,000 people. There are 366 Metropolitan Areas.

POLICOM Corporation annually ranks the Micropolitan and Metropolitan areas for “Economic Strength” which is the long-term tendency for an area to consistently grow in both size and quality.

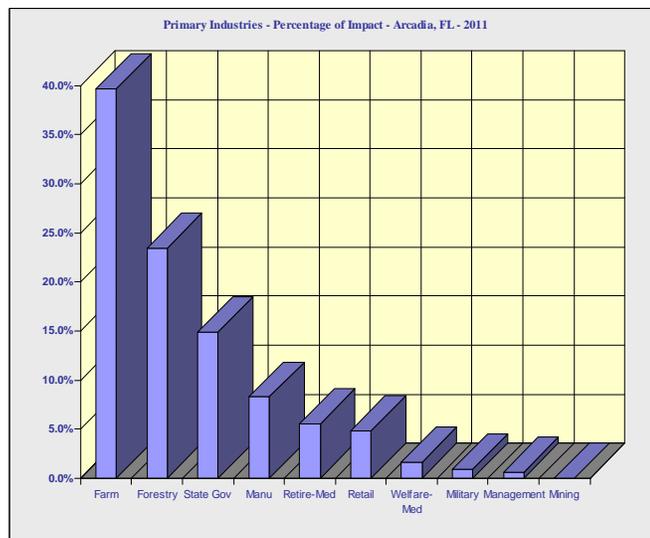


In 2013, the Arcadia Micropolitan Area ranked 547<sup>th</sup> among the 576 Micropolitan Areas which indicates it is relatively weak compared to the other small economies in the United States.<sup>2</sup>

The graph shows total employment in the county from 1982 through 2011.

Employment growth in the county was very brisk during the 1980’s and 1990’s. However, over the last 15 years, the area has suffered a series of declines in employment. Presently, employment is about the same as it was in 1997.

Primary Industries import money into a local economy.



<sup>2</sup> For the Economic Strength Rankings for all Metropolitan and Micropolitan Areas, please go to [www.policom.com](http://www.policom.com).

The Farm and Forestry industries are the most important economic contributors to the county. The graph shows the percentage of influence upon the economy of various industries.

State Government accounts for about 15% of the economy.

### ***What is “economic impact?”***

For the most part, economic impact is the influence an event, government action, or business activity has upon the local economy. The impact can be positive or negative, occur for a short period of time, or be long lasting.

Economic impact can be measured several ways. For this study, impact will be principally measured by Total Output (gross transactions), but total employment and worker earnings will also be calculated.

Economic impact is calculated by measuring the flow of money in an economy through various steps of spending among different industries.

Remember that once money enters a local economy, it is mixed and churned, going from place to place.

The mixing and churning, or multiplying, can be measured.

Minnesota IMPLAN multipliers are used for this study. These multipliers are the most popular by researchers. They have been developed to calculate the first, second, and subsequent stages of money rippling through the economy until it is eventually consumed and leaves the area.

Charts in this study typically show four stages of impact:

**Direct effects:** This represents the initial amount of direct expenditure for the event. It is applied to the Input/Output multipliers.

**Indirect effects:** The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added.

**Induced effects:** This is the response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. This money is re-circulated through the household spending patterns causing further local economic activity.

**Total effects:** This is the sum of all of the effects and is the data most people are interested in. It basically reflects all of the gross transactions as a result of the economic event.

In order to estimate the economic impact of the Arcadia All-Florida Championship Rodeo upon the DeSoto County economy, several steps are taken:

- 4) Determine the amount of money being imported to the county as a result of the Rodeo.
- 5) Determine into which industrial sector the money enters the economy.
- 6) Calculate the monetary impact of the Rodeo using the impact multipliers.

### ***Rodeo Event History***

The subject of this impact study is the 2014 Arcadia All-Florida Championship Rodeo held in Arcadia, Florida March 7 through March 9.

#### History of the Rodeo<sup>3</sup>

The Arcadia rodeo began back in the middle of 1928 when the American Legion wanted to raise money to help pay for a new building. A local businessman, who was a member of the American Legion, asked a prominent rancher (Zeb Parker) if a rodeo could be held to raise money. Mr. Parker agreed it could be done and offered to furnish the stock for free.

In preparation for this event, special arrangements were made to bring in a group of Seminole Indians. The American Legion and the Lion's Club volunteered to sponsor a parade. Two thousand Shriners were expected to march in the parade. The Governor of Florida, Doyle E. Carlton, notified officials he would be attending the rodeo and the Wauchula band provided the music. The first rodeo was such a success that the American Legion was able to pay off the mortgage on the new building in four years.

During the early thirties (even though the local economy was devastated by the national depression) the rodeo continued as people struggled to simply earn enough to afford the necessities of life. During these years the rodeos were held in the Limestone Community of Desoto County, where the interest in rodeo was kept alive.

In 1938 at the urging of his son (Billy Welles) and a friend (Gerald Taylor- a local rancher and businessman), Ed Welles agreed to promote and finance the rodeo. The Arcadia rodeo became an annual event at the Welles' arena until the sudden death of Ed Welles on June 11, 1950. However, the tradition of rodeo was so firmly entrenched in the hearts of so many Desoto Countians that on January 10, 1952, at a meeting of the Rotary Club,

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<sup>3</sup> History of Rodeo provided by the Arcadia All-Florida Championship Rodeo, Inc.

what would become the Arcadia All-Florida Championship Rodeo, Inc. as we know it today was reactivated.

The rodeo continued at the Welles' arena until 1959 when the arena was moved to its present location. In 1973 the Arcadia All-Florida Championship Rodeo, Inc. joined the ranks of the Professional Rodeo Cowboys Association (PRCA).

The Arcadia All-Florida Championship Rodeo, Inc. has evolved from its pioneer beginnings (when competing cowboys and ranchers matched their skills for the entertainment of local audiences) to a national sport drawing top cowboy athletes from all over the nation. Cowboys who compete for purses and points are aiming for the "Super Bowl" of rodeo: the National Finals held annually in Las Vegas.

### ***2014 Rodeo Event***

The 86<sup>th</sup> 2014 Arcadia All-Florida Championship Rodeo was held at the rodeo arena located at 124 Heard Street, Arcadia, Florida March 7, 8, and 9.

Each day the gates opened at 11:00 am with the events commencing at 2:00 pm.

The Rodeo features standard rodeo events which include which include bull riding, barrel racing, saddle bronc riding, steer wrestling, tie down roping, and shoot-outs along with entertainment activities.

Tickets are sold in advance and at the gate the day of the event. The following is the 2014 admission schedule:

Premium seats: \$25 - \$30

Reserved seats: \$20

Advanced ticket sales: \$18

Children (11 and under): \$15

### Event Financial Information

Rodeo officials provided the Researcher the financial data for the Rodeo. This will enable the first phase of evaluating the impact of the event.

The Rodeo had gross revenue of \$413,170. Of this amount, \$28,399 came from local sponsors. The balance was generated by the rodeo activates. This distinction is made as it affects the impact analysis.

Not included in the income statement is money spent at the Rodeo by attendees to the more than fifteen vendors which sold food and merchandise. While there is concession income shown as revenue to the Rodeo, much more money was spent by attendees than reflected on this statement.

Expenses totaled \$152,730 leaving a net profit of \$152,730. Much of the profit is subsequently donated to local civic and charity groups.

Please note the first three expenses, Advertising, Livestock (the company which brings the rodeo animals, and Prizes (paid the wranglers). These expenditures are noted as this money leaves the economy immediately, while the other expenses are mostly costs paid to local companies and vendors. This distinction is made as it also influences the impact analysis.

| <b>Rodeo Income - Expense - 2014</b> |                |
|--------------------------------------|----------------|
| <b>Income</b>                        | <b>Total</b>   |
| Barbeque dinner sales                | 3,095          |
| Beer income                          | 31,639         |
| Concession Income                    | 27,681         |
| Parking income                       | 10,021         |
| Vendors income                       | 4,117          |
| Sponsor income                       | 28,399         |
| Tickets                              | 307,039        |
| Misc                                 | 1,180          |
| <b>Total Income</b>                  | <b>413,170</b> |
| <b>Expense</b>                       | <b>Total</b>   |
| Advertising expense                  | 15,621         |
| Livestock                            | 55,765         |
| Prizes                               | 45,500         |
| Other                                | 22,780         |
| Beer expense                         | 13,064         |
| <b>Total Expense</b>                 | <b>152,730</b> |
| <b>Net Income</b>                    | <b>260,440</b> |

From the Income - Expense statement, we have a good beginning on determining how much money we are dealing with, but we do not know from where the money comes, inside the county or outside the county.

## Attendee Survey

At the request of the Researcher, rodeo officials conducted a simple survey of the attendees at the rodeo. The purpose of the survey was to determine from where the attendees came to attend the event and how much money they spent during their visit. This information is necessary to estimate the economic impact of the event.

The survey was presented randomly to attendees at the rodeo each of the three days. There were 494 completed surveys.

The survey asked “How many in your party?” After totaling the number of people included on the surveys, the survey results reflected approximately 2,400 attendees were included in the survey data. This is about 14% of all attendees. The survey therefore is an excellent sampling.

From the information provided in the survey, estimates can be made as to the amount of money which was imported to the community as a result of the rodeo.

The following are the important results of the survey:

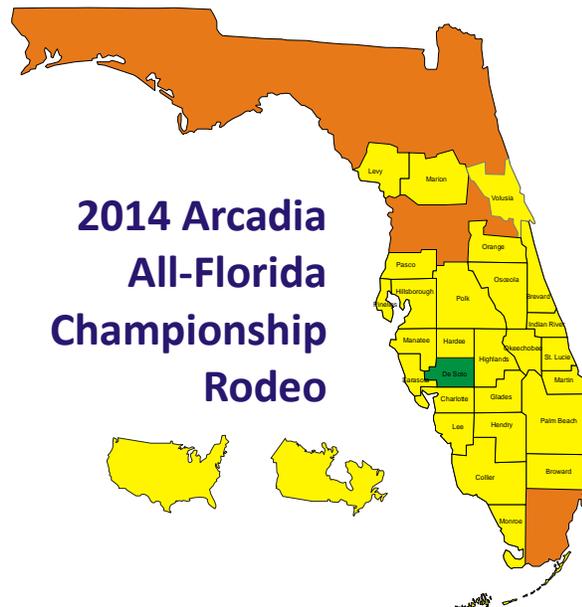
### Where do the attendees live?

Attendees stated they traveled to Arcadia from at least 23 Florida counties.

Additionally, on the survey many reported the state in which they live permanently or Canada instead of the county in which they are staying.

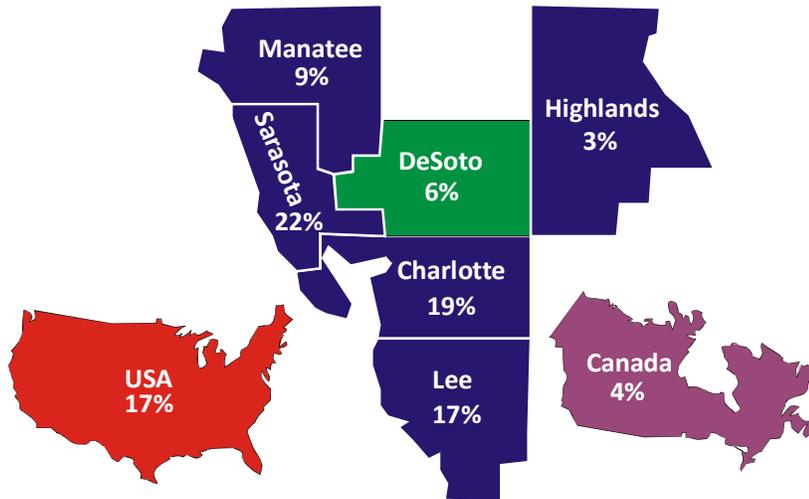
Of these, they could be staying in any county in Florida or at a hotel or campground in DeSoto County. Either way, the money they spend on the rodeo was “imported” to the county.

## Market Reach



While attendees came from at least 23 counties, a large majority (66%) traveled from four counties. The map shows the counties from which most of the attendees reside.

## Market Share



The location of the attendees is extremely informative. It could be determined that 94% of the attendees are not permanent residents of DeSoto County. As a result, about 94% of all spending and gate receipts are “imported” dollars to the community.

This is a very high percentage for a local “tourism” event. Many times locally sponsored festivals or fairs have a large majority of attendees being local residents. As a result, very little new money enters the economy. This is not the case for the Arcadia Rodeo.

### Attendance Days:

While the rodeo runs three days, about 92% of the attendees only attended one day. This indicates a large number of the attendees were “day trippers.”

### Spending outside the event:

While the attendees purchased a ticket and likely spent money on concessions at the rodeo, they also spent money before and after entering the “gate.”

The survey identified two specific areas of spending: hotel and local restaurants.

### Hotel:

A very small number of attendees (3%) stated they stayed at a local hotel when they attended the rodeo. This basically means that 97% of the attendees were “day trippers.”

With 2 people per room as an average, this would equate to approximately 275 room nights during the week of the rodeo.

The researcher contacted five hotel-motels in the area inquiring as to how many rooms the establishment believes it rented as a result of the rodeo.

All hotels responded a large number of rooms were rented by attendees but they could not determine from their bookings the exact number. Each hotel provided an “at least” estimate which totaled 198 rooms. It is quite likely more rooms were rented by rodeo attendees than this estimate. As a result, for the purpose of this study the Researcher will assume 275 rooms were rented as a result of the rodeo.

The researcher reviewed the room rates for the hotel-motels in the area and has determined approximately \$25,988 was spent by attendees for lodging.

Another location for lodging is the several RV/Campgrounds in the area. From the survey it was determined approximately 4% of the respondents to the survey stated they were staying at a campground or RV park.

However, virtually every respondent stated they were staying at least 30 days, most for the entire season, and the location of the park could not be determined.

As a result, the Researcher cannot state with certainty the “rodeo” was the cause for the stay at the campground. As a result fees paid to the campgrounds will not be included in the data. However, it is determined that individuals staying at campgrounds were “out-of-town” attendees.

#### **Local Restaurants:**

While a small percentage of the rodeo attendees stayed at local hotels, a very large number ate at local restaurants during their visit to DeSoto County.

A full 57% of the out-of-town attendees stated they ate at a “local restaurant” when they came to the rodeo. This is a very large percentage as food was provided “inside the gate.” However, it is also understandable as many attendees likely ate twice during the day trip to Arcadia.

Based upon the number of out-of-area attendees, approximately \$130,000 was spent in local restaurants as a result of the rodeo.

#### **Other Spending:**

The survey asked the attendees while attending the rodeo: *How much money total will you spend per person?* Virtually everyone completing the survey answered this question.

After adjusting for those who stayed at a hotel, the respondents stated they spent approximately \$41.00 per person per day.

Unfortunately, the question did not exclude the cost of admission to the rodeo, so the response may or may not include the price of the ticket.

Approximately 82% of ticket revenue is the result of “pre-sales” and 18% was collected the day of the event - gate sales. With an average of \$22.00 ticket cost “at the gate,” approximately 2,500 tickets were sold the days of the rodeo, leaving about 14,000 presale tickets costing an average of \$18.00.

It is quite likely a very large percentage of the gate ticket sales were out-of-town attendees. For the purposes of this study, it is assumed that amount is 80%. As a result, about 2,000, or 14% of the estimated 15,000 out-of-town attendees paid the day of the event. It likely the cost of the ticket is included in the amount they estimated for *How much did you spend?*

However, for those who purchased their tickets in advance, it is quite likely they did not include the amount in their spending estimate as the ticket was purchase prior to leaving for the rodeo.

Depending on the nature of the entertainment event, it is not unusual for an individual to spend between \$20 and \$30 at the event on food and other items over and above the cost of admission.

For the purpose of estimating the total spending by out-of-town attendees, after reviewing purchases inside the gate at the rodeo, the Researcher has determined each attendee spent approximately \$48.00 per day including the cost of admission. Frankly, this is a conservative amount. It quite likely the amount could be higher, but there is no supporting evidence of this.

The following chart is a summary of the spending by out-of-town attendees.

| <b>Out of Town Attendee Spending</b>             |                |
|--|----------------|
| Total Rodeo Attendance                           | 17,710         |
| Volunteers, Sponsor, Free Admissions             | 1,000          |
| Estimated Paid Attendance                        | 16,710         |
| Percentage of Out-of-Town Attendees              | 94%            |
| Estimated Number of Out-of-Town Attendees        | 15,707         |
| <br>   |                |
| Total Rodeo Revenue                              | 413,170        |
| Sponsor Contributions (Local Money)*             | -28,399        |
| Rodeo Revenue - Less Sponsor Contributions       | 384,771        |
| <br>   |                |
| Rodeo Revenue Attributed to Out of Town - 94%    | 361,685        |
| <br>   |                |
| Additional Inside Gate Spending Per Person       | 8.00           |
| Additional Inside Gate Spending                  | 125,659        |
| <br>   |                |
| Out of Town Outside Gate Per Person              | 17             |
| <br>   |                |
| Out of Town % Ate at Local Restaurant            | 65%            |
| Number eating at local restaurant (meals served) | 10,210         |
| Cost per meal                                    | 13.00          |
| Restaurant Spending                              | 132,728        |
| Unknown Outside Gate                             | 133,883        |
| <br>   |                |
| Out of Town Outside Gate Spending                | 266,611        |
| <br>   |                |
| Hotel Revenue                                    | 25,988         |
| <br>   |                |
| <b>Total Out-of-Town Spending</b>                | <b>779,943</b> |
| <br>   |                |
| * Strictly local money.                          |                |

The estimated Rodeo attendance is 17,710. Of these, about 1,000 individuals did not pay admission directly. Some were guests of the Rodeo, volunteers, or admitted since they paid a sponsor fee.

The estimated paid attendance is 16,710. We have determined about 94% of the attendees were from out-of-town, thus 15,707 attendees.

From the total revenue of the Rodeo (\$413,170), the Sponsor money is deducted as it is known to be local money. It can therefore be assumed that 94% of the remaining revenue is attributed to out-of-town attendees.

However, this only equates to about \$23 spent per attendee including the cost of the ticket (\$361,685/15,707 attendees).

It is therefore estimated that each attendee spent another \$8.00 inside the gate while attending. This caused about \$125,659 to be spent with vendors which did not forward their revenues to the Rodeo.

Additionally, the out-of-town attendees spent \$266,000 outside the gate.

From the survey, we learned at least 57% of the out-of-town attendees stated they ate at a local restaurant during their visit. This does not include the approximate 550 people who stayed at the local hotels. As a result, about 65% of the attendees ate at least one meal at a local restaurant causing \$132,728 in restaurant sales.

Based upon the \$48 per person per day spending, this leaves about \$133,000 spent outside the gate by out-of-town attendees.

As a result, a total of \$779,943 dollars was spent in DeSoto County by out-of-town attendees as a result of the Rodeo.

However, not all of that money entered the economy.

### Amount Entering Economy and in What Industry

The following chart shows the amount of money which entered the DeSoto County economy as a result of the Rodeo and into which industrial sector.

| <b>Amount Entering Economy</b>                                |                |                               |
|---|----------------|-------------------------------|
| Rodeo Revenue Attributed to Out of Town - 94%                 | 361,685        |                               |
| Amount Leaving Area Immediately                               |                |                               |
| Advertising expense 90%                                       | -14,059        |                               |
| Livestock   | -55,765        |                               |
| Prizes  | -45,500        |                               |
| <b>Net Out of Town Rodeo Revenue Entering Economy</b>         | <b>246,361</b> |                               |
| <b>Assignment of Impact</b>                                   |                | <b>Industry Impact Sector</b> |
| <b>Inside Gate</b>  |                |                               |
| General Rodeo Revenue   | 183,947        | Civic Organization            |
| Rodeo Reported Concessions                                    | 62,415         | Restaurant                    |
| Additional Inside Gate Spending                               | 125,659        | Restaurant                    |
| <b>Outside of Gate</b>  |                |                               |
| Restaurant Spending   | 132,728        | Restaurant                    |
| Hotel   | 25,988         | Hotel                         |
| Unknown Outside Gate *  |                |                               |
| Restaurant Spending   | 20,000         | Restaurant                    |
| Gasoline  | 20,000         | Gasoline Stations             |
| Miscellaneous Retail  | 40,000         | Misc Retail                   |
| General Retail  | 53,883         | General Retail                |
| <b>Total Entering Economy</b>                                 | <b>664,619</b> |                               |
| * Researcher chose sectors in which spending was most likely. |                |                               |

The total revenue to the Rodeo attributed to out-of-town attendees is \$361,685. As previously noted, the money paid to the livestock provider, the prizes, and most of the advertising costs never entered DeSoto County. Therefore it cannot be included toward impacting the economy.

These costs were deducted from the Rodeo’s revenue attributed to out-of-towners. As a result, \$246,361 of out-of-town attendee money entered the local economy as part of the Rodeo’s receipts.

The next step is to determine the amount of money entering the economy and the industry into which it entered.

There is no industrial sector called "Rodeo." Therefore, the nature or character of the spending needs to be determined in order to identify the industrial sector in which the money entered the economy. This is necessary to determine the impact.

Each industry has a different impact, or multiplier. It is based upon how long the money stays in the economy before it is consumed, or exported. As an example, if you spend \$50 at a gasoline station, most of the money leaves the economy almost immediately as the margin for the sale of gasoline is very small. The cost per gallon to the gas station operator is very high relative to the sale price. However, the same \$50.00 spent at a local artist craft store will circulate in the area much more as the product is locally produced.

### **Inside the Gate**

Of the \$246,361 of Rodeo receipts, \$183,947 enters the economy in the Civic Organization industrial sector. Not only is the Rodeo itself a not-for-profit corporation, a large portion of this money is given directly to other not-for-profits or civic groups.

Additionally, \$62,415 is assigned to Restaurant and Drinking sector. This is the Rodeo revenue portion attributed to concessions, mostly food and drink.

The Additional Inside Gate Spending is the money spent by attendees with the inside vendors, most of which was food and drink. Therefore it enters the economy in the Restaurant sector.

### **Outside the Gate**

From the survey it was determined \$132,728 was spent at local restaurants and \$25,988 at local hotels.

Additionally, \$133,833 was spent outside the gate but the exact location was not known. The Researcher created a reasonable estimate as to the industrial sectors in which this money was spent.

From this analysis, it is determined that \$664,619 entered the local economy as a result of the Rodeo.

### Impact upon the Economy

As previously mentioned, each of the industrial sectors has a different impact or multiplier upon the economy.

The gross spending for each of the industrial sectors was applied to IMPLAN multipliers.

All of the impact results were aggregated to provide an overall impact.

The following chart shows the total economic impact of the Arcadia All-Florida Championship Rodeo upon the DeSoto County economy. (Seems like a lot of work for such a little chart)

| <b>All Spending</b> |                   |                     |                          |                  |
|---------------------|-------------------|---------------------|--------------------------|------------------|
|                     | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b>    |
| Direct Effect       | 8.2               | 227,427             | 308,674                  | 664,630          |
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| <b>Total Effect</b> | <b>11.6</b>       | <b>361,942</b>      | <b>572,223</b>           | <b>1,084,243</b> |

The Direct Effect is the initial impact of the spending. We began with \$664,630.<sup>4</sup>

The Indirect Effect is the first stage of subsequent purchases necessary to provide the goods or services for the Direct Effect.

The Induced Effect is the final stage. It represents the ripple effect, of money traveling through the economy. It might take between six to twelve months for the Induced Effect to completely occur.

The Total Effect is the sum of all Effects.

For the purpose of this study, Output is the most important column. It represents the amount of transactions or sales caused in DeSoto County as a result of the Rodeo.

The Rodeo therefore had an economic impact of \$1,084,243 upon the DeSoto County economy.

Also, as a result of the Rodeo, \$361,942 of worker wages was created. This money was scattered among a number of businesses. The employment number should not be considered as it represents full-time, annual equivalent. Wages for multiple jobs in the community were supplemented.

<sup>4</sup> There is a minor difference in this amount, Total Output, and the total of \$664,619 of “money entering the economy” on the previous page. This is the result of rounding a multiple times by the algorithms during the analysis.

The following charts represent the impact for each of the spending “events.”

| <b>Civic Organizations</b> |                   |                     |                          |                |
|----------------------------|-------------------|---------------------|--------------------------|----------------|
|                            | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b>  |
| Direct Effect              | 2.0               | 80,244              | 80,007                   | 183,947        |
| Indirect Effect            | 0.7               | 25,071              | 48,226                   | 85,742         |
| Induced Effect             | 0.6               | 25,725              | 49,132                   | 76,182         |
| <b>Total Effect</b>        | <b>3.3</b>        | <b>131,041</b>      | <b>177,365</b>           | <b>345,871</b> |

| <b>Rodeo Food and Concessions</b> |                   |                     |                          |                |
|-----------------------------------|-------------------|---------------------|--------------------------|----------------|
|                                   | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b>  |
| Direct Effect                     | 2.9               | 67,828              | 103,791                  | 188,074        |
| Indirect Effect                   | 0.4               | 14,648              | 30,706                   | 47,038         |
| Induced Effect                    | 0.5               | 20,117              | 38,427                   | 59,575         |
| <b>Total Effect</b>               | <b>3.8</b>        | <b>102,594</b>      | <b>172,925</b>           | <b>294,687</b> |

| <b>Restaurant</b>   |                   |                     |                          |                |
|---------------------|-------------------|---------------------|--------------------------|----------------|
|                     | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b>  |
| Direct Effect       | 2.4               | 55,081              | 84,285                   | 132,728        |
| Indirect Effect     | 0.3               | 11,895              | 24,935                   | 38,198         |
| Induced Effect      | 0.4               | 16,337              | 31,206                   | 48,379         |
| <b>Total Effect</b> | <b>3.1</b>        | <b>83,313</b>       | <b>140,426</b>           | <b>239,305</b> |

| <b>Misc Retail</b>  |                   |                     |                          |               |
|---------------------|-------------------|---------------------|--------------------------|---------------|
|                     | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b> |
| Direct Effect       | 0.3               | 7,601               | 11,775                   | 40,000        |
| Indirect Effect     | 0.1               | 3,833               | 8,190                    | 12,852        |
| Induced Effect      | 0.1               | 2,776               | 5,305                    | 8,221         |
| <b>Total Effect</b> | <b>0.5</b>        | <b>14,210</b>       | <b>25,270</b>            | <b>61,072</b> |

**General Retail**

|                     | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b> |
|---------------------|-------------------|---------------------|--------------------------|---------------|
| Direct Effect       | 0.3               | 7,616               | 11,827                   | 53,883        |
| Indirect Effect     | 0.1               | 3,426               | 7,328                    | 11,492        |
| Induced Effect      | 0.1               | 2,697               | 5,152                    | 7,988         |
| <b>Total Effect</b> | <b>0.4</b>        | <b>13,740</b>       | <b>24,307</b>            | <b>73,363</b> |

**Gasoline Stations**

|                     | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b> |
|---------------------|-------------------|---------------------|--------------------------|---------------|
| Direct Effect       | 0.0               | 1,315               | 2,213                    | 20,000        |
| Indirect Effect     | 0.0               | 1,612               | 3,449                    | 5,411         |
| Induced Effect      | 0.0               | 712                 | 1,361                    | 2,109         |
| <b>Total Effect</b> | <b>0.1</b>        | <b>3,639</b>        | <b>7,023</b>             | <b>27,520</b> |

**Hotel**

|                     | <b>Employment</b> | <b>Labor Income</b> | <b>Total Value Added</b> | <b>Output</b> |
|---------------------|-------------------|---------------------|--------------------------|---------------|
| Direct Effect       | 0.2               | 7,741               | 14,775                   | 25,998        |
| Indirect Effect     | 0.1               | 3,036               | 5,111                    | 8,643         |
| Induced Effect      | 0.1               | 2,628               | 5,021                    | 7,784         |
| <b>Total Effect</b> | <b>0.4</b>        | <b>13,406</b>       | <b>24,908</b>            | <b>42,425</b> |

**Impact Upon Local Industries**

As previously mentioned, once the money is imported to the County, it is mixed and churned, going from business to business.

Most of the Induced Effect will occur over a six month period. As a result of the Rodeo, businesses in almost 200 industrial sectors were affected including about \$250 eventually being spent at "car washes."

The following chart shows the gross transactions for the top 30 industrial sectors in DeSoto County.

**Impact Upon Industries - Top 30**

| Description  | Direct  | Indirect | Induced | Total     |
|--|---------|----------|---------|-----------|
| Total  | 664,630 | 209,376  | 210,237 | 1,084,243 |
| Food services and drinking places                                    | 340,802 | 6,272    | 12,621  | 359,695   |
| Civic, social, professional, and similar organizations               | 183,947 | 1,452    | 3,175   | 188,574   |
| Real estate establishments   | 0       | 38,871   | 18,570  | 57,440    |
| Retail Stores - General merchandise                                  | 53,883  | 143      | 2,328   | 56,354    |
| Retail Stores - Miscellaneous  | 40,000  | 146      | 1,562   | 41,707    |
| Monetary authorities and depository credit intermediation activities | 0       | 18,927   | 7,889   | 26,816    |
| Imputed rental activity for owner-occupied dwellings                 | 0       | 0        | 26,709  | 26,709    |
| Hotels and motels, including casino hotels                           | 25,998  | 206      | 102     | 26,306    |
| Retail Stores - Gasoline stations                                    | 20,000  | 55       | 584     | 20,640    |
| Offices of physicians, dentists, and other health practitioners      | 0       | 2        | 15,392  | 15,394    |
| Securities, commodity contracts, investments, and related activities | 0       | 8,022    | 6,551   | 14,573    |
| Nondepository credit intermediation and related activities           | 0       | 8,838    | 4,831   | 13,668    |
| Hospitals  | 0       | 2        | 12,934  | 12,936    |
| Telecommunications   | 0       | 7,816    | 4,685   | 12,501    |
| Insurance carriers   | 0       | 6,095    | 5,641   | 11,736    |
| Legal services   | 0       | 6,455    | 4,392   | 10,846    |
| Wholesale trade businesses   | 0       | 4,338    | 4,727   | 9,066     |
| Accounting, tax preparation, bookkeeping, and payroll services       | 0       | 7,116    | 1,855   | 8,971     |
| Services to buildings and dwellings                                  | 0       | 6,025    | 1,775   | 7,800     |
| Management, scientific, and technical consulting services            | 0       | 6,036    | 1,573   | 7,610     |
| Maintenance and repair construction of nonresidential structures     | 0       | 5,332    | 1,353   | 6,685     |
| US Postal Service  | 0       | 4,413    | 772     | 5,185     |
| Nursing and residential care facilities                              | 0       | 0        | 5,035   | 5,035     |
| Retail Stores - Motor vehicle and parts                              | 0       | 293      | 4,088   | 4,381     |
| Insurance agencies, brokerages, and related activities               | 0       | 2,445    | 1,773   | 4,218     |
| Retail Stores - Food and beverage                                    | 0       | 153      | 3,585   | 3,738     |
| Employment services  | 0       | 2,144    | 777     | 2,921     |
| Automotive repair and maintenance, except car washes                 | 0       | 1,239    | 1,348   | 2,586     |
| Office administrative services                                       | 0       | 1,786    | 602     | 2,388     |
| Retail Stores - Health and personal care                             | 0       | 88       | 2,015   | 2,103     |

## ***Conclusion and Recommendation***

Compared to other local festivals or attraction events held by communities, the Rodeo is a very successful economic contributor. This is the result of having a very high percentage of attendees traveling from outside the county for the event. This imports large sums of money to the area which is subsequently circulated within the economy.

The greatest beneficiaries of the Rodeo are the area restaurants (including event concessions) and civic organizations with almost \$550,000 flowing directly into these two sectors.

Since so many attendees are “day trippers,” hotel usage is minimal for an event with such a large attendance. However, area hotels were near or at capacity during the Rodeo, so efforts to increase hotel stays over just the three day period might be counterproductive.

As previously mentioned, the DeSoto County economy is relatively weak when compared to other small market areas.

POLICOM Corporation has evaluated hundreds of local economies and has identified the geographic - economic issues which influence economic growth.

It has found that it is very difficult to improve any rural economy which is not located on an Interstate Highway, among other issues. Absent transportation access, many traditional industries which drive a local economy cannot be located in the area.

Since Arcadia is not served by an Interstate Highway, to improve its economy it needs to look for industries which do not rely upon highway access.

The Rodeo, over a three day period, has shown to be an event which adds to the area a significant amount of money.

Other events are held at the Rodeo facility during the year. The Researcher was not asked to evaluate them. It is likely none have as great an impact as the Rodeo. However, if out-of-towners are coming to the county for the events, money is entering the economy.

Regarding the “tourism - visitation” industry, it is recommended the community:

1. Create other events which will likely draw a significant amount of out of town visitors which will utilize the facility.
2. Extend the days of the rodeo which will encourage more hotel usage.

This study was created by

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