

The Economic and Fiscal Impact of the Music Industry in Georgia: Production, Distribution, Support, & Tourism



Prepared for:

Georgia Department of Economic Development



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Executive Summary

The Film, Music, & Digital Entertainment Division of the Georgia Department of Economic Development (GDEcD) reached out to the Center for Economic Development Research (CEDR) at Georgia Tech to conduct a study on the economic impact of the music industry. GDEcD requested that CEDR recommend any revisions to methodology and/or categorizations in defining the “music industry” within this report and that the report include visitor impacts from the growing trend in music tourism.

Excluding music tourism, the economic impact of the music industry in Georgia for 2016 was \$3.5B. That year there were 16,810 people who were employed by, or spent a significant part of their time and/or received a significant part of their income from the music industry. That represents a 12.3 percent increase over 2009. However, that growth was concentrated in only a few sectors including record production and distribution, musical groups and artists, and promoters, agents, and managers. Many other sectors including equipment manufacturing, radio stations and networks, and music publishing declined by double-digits over the same period.

Of those 16,810 jobs, 2,521 indirectly supported other parts of the music industry. However, the remaining 14,289 jobs were responsible for bringing new money and economic activity into the state. Those jobs then supported another 13,206 jobs across various sectors with total income of \$618.3 million. All told, the music industry in Georgia supported 27,495 jobs and \$1.2 billion in labor income. This economic activity generated \$111.9 million in state and local revenues.

With respect to music tourism, there are more than 100 music festivals and concert series in Georgia every year. Each of these attracts visitors from both inside and outside Georgia. To the extent visitors come into the state to hear live music, their spending on goods and services represents additional economic impact to the state. Unfortunately, many of these festivals do not collect data on out-of-state visitors and/or visitor spending. Of those that did collect and provide data, attendees from outside Georgia represented 40 percent of total festival attendance, spending millions of dollars in the state on lodging, food, transportation, and other retail. Given the positive impact illustrated by the limited data, it is the hope that in the future, more music festivals of all sizes will collect and share their data so that a comprehensive baseline can be established for future study and comparison.

SECTION 1

Introduction

The Film, Music, & Digital Entertainment Division of the Georgia Department of Economic Development (GDEcD) has requested a look at the current economic impact of the music industry in Georgia. Compared to previous music economic impact studies conducted in the State of Georgia, this study makes minor changes to what is included in the “music industry” and then takes a look at music festivals as a component in the growing segment of music-related tourism.

In May 2011, Georgia Music Partners, a private 501(c)6 organization, commissioned a study on the economic and fiscal impact of the music industry in Georgia. That study focused on the “traditional” aspects of the music industry as defined in two previous studies by Georgia State University – manufacturing of music equipment, music production/recording, and musical groups and artists. However, it did not include sectors such as radio stations, while at the same time, including sectors such as “Fine Arts Schools” which may or may not be music related. It also used data from the Georgia Department of Labor Covered Employment and Wages (CEW) data as the primary source of employment in the industry. However, the CEW data is limited to employees employed by firms that pay unemployment insurance for their employees. The music industry is unique in that many of the participants are self-employed or single proprietorships and, as such, would not be included in this data set. Finally, the study did not consider the impact of music tourism – a rapidly growing sector of the music industry Georgia.

First, this study slightly modifies the definition of the “music industry” by removing certain industries and adding others. These industry definitions use the North American Industrial Classification System (NAICS) codes, which are the standard way to group employment and other industry-related data. Unfortunately, these codes do not go beyond the 6-digit level, and at that level, some industries include non-music components. For example, “Fine Arts Schools” (NAICS code 611610) was included in the 2011 study. While this sector certainly includes some music instruction, it also includes dance studios, photography, handicraft instruction, etc. In fact, a quick review of Georgia employment data reveals that a large majority of the businesses in this industry are dance studios. As such, this study removes it from the definition of the “music industry.” Similarly, this study includes only half of the two sectors “Promoters of Performing Arts with Facilities” (NAICS code 711310) and “Promoters of Performing Arts without Facilities” (NAICS code 711320). While there are promoters of music concerts and festivals that fall into these two categories, a large part of this sector is comprised of sports-related and non-music fine art event promoters.

In addition to these changes, this study adds “Radio Networks” (NAICS code 515111) and “Radio Stations” (NAICS code 515112) to the definition of the “music industry.” Certainly, some radio stations focus on news or talk, but the majority of radio stations in Georgia have a music focus, and both of these industries are usually included in other studies of the music industry. To be consistent with those studies, these sectors have been included here.

Second, this study uses data from the Quarterly Census of Employment and Wages (QCEW) as well as the Bureau of Economic Analysis (BEA), the Census’ American Community Survey (ACS), and proprietary methodologies from Economic Modeling Specialists (EMSI). As a result, this study not only includes people employed by firms (which is all that was included in the 2011 study), but also self-employed people who spend a significant part of their time and/or receive a significant part of their income from the music industry. Including self-employed people nearly doubles the number of jobs in the music industry in Georgia, and makes the study much more comprehensive than previous attempts.

Finally, this study includes an initial look at music tourism in Georgia. No other previous study has included the impact of visitor spending at music festivals. Thousands of people travel from outside the state to attend one or more of the many music festivals in the state, including AthFest in Athens, Bragg Jam in Macon, Savannah Music Festival, or Shaky Knees Music Festival in Atlanta just to name a few. Unfortunately, not all of these music festivals collect data on visitor spending. However, the hope is that in future years, the promoters and producers of these festivals will collect data, and share it, so that researchers can develop a better picture of just how significant music tourism is to the Georgia economy.

Section 2 of this report provides an overview of the Georgia music industry including a definition of the industry and its major components. It provides some basic analysis of the industry and provides a comparison to some surrounding states. Section 3 provides the methodology used to estimate the economic impact, and provides an updated measure of the “traditional” economic and fiscal impacts of the music industry (i.e., not including music tourism). Finally, section 4 will present an initial look at the economic impact of music tourism in Georgia.

SECTION 2

Music Industry Overview

For purposes of this study, the music industry is considered to have six major components — instrument and equipment manufacturing; music publishing, production and distribution; music retail sales; music groups and artists; music promoters, agents, and managers; and music tourism. The first five of these can be considered the “traditional” music industry as defined in several previous economic impact studies of the industry in Georgia.¹ The remainder of this section focuses on this “traditional” definition, and the following section will estimate the economic and fiscal impact to the State of Georgia of the “traditional” music industry.

Industry Definition and Description

As noted in the introduction, this study slightly modifies the definition of the “music industry” by removing all or part of certain industries and adding others. These industry definitions use the North American Industrial Classification System (NAICS) codes, which are the standard way to group employment and other industry-related data. Unfortunately, these codes do not go beyond the 6-digit level, and at that level, some industries include non-music components. For example, “Fine Arts Schools” (NAICS code 611610) was included in the 2011 study. While this sector certainly includes some music instruction, it also includes dance studios, photography, handicraft instruction, etc. In fact, a quick review of Georgia employment data reveals that a large majority of the businesses in this industry are dance studios. As such, this study removes it from the definition of the “music industry.” Similarly, this study includes only half of the two sectors “Promoters of Performing Arts with Facilities” (NAICS code 711310) and “Promoters of Performing Arts without Facilities” (NAICS code 711320). While there are promoters of music concerts and festivals that fall into these two categories, a large part of this sector is comprised of sports-related and non-music fine art event promoters. Therefore, we have included only half of these two sectors in our definition of the “music industry.”

In addition to removing these sectors, this study adds “Radio Networks” (NAICS code 515111) and “Radio Stations” (NAICS code 515112) to the definition of the “music industry.” Certainly, some radio stations focus on news or talk, but the majority of radio stations in Georgia have a music focus, and both of these industries are usually included in other studies of the music industry. To be consistent with those studies, these sectors have been included here.

¹ Riall, 2011; Tsai and Wallace, 2007; Rushton, 2005; and Edmiston, 2003

Table 1 below shows the industries that are included in the definition of the “music industry” in this study. Because the definition changed from the 2011 study, and because this study includes self-employed people who spend a significant part of their time and/or receive a significant part of their income from the music industry, Table 1 shows not only the size of the music industry in 2016, but also shows the size of the industry in 2009 (the year for the data used in the 2011 study) using the current definition and data.

Table 1: Georgia Music Industry: 2009 - 2016

Industry NAICS	2009	2016	Change	Percent Change	2009	2016
	Jobs	Jobs			Location Quotient	Location Quotient
Audio and Video Equipment Manufacturing (334310)	641	555	(86)	-13.4%	0.94	0.94
Optical Recording Media Manufacturing (334613)	74	23	(51)	-68.9%	0.53	0.19
Prerecorded CD, Tape, and Record Reproducing (334614)	553	252	(301)	-54.4%	0.77	0.70
Musical Instrument Manufacturing (339992)	41	76	35	85.4%	0.11	0.20
Musical Instrument Supply Stores (451140)	1,001	977	(24)	-2.4%	0.88	0.93
Record Production (512210)	82	46	(36)	-43.9%	0.97	0.51
Integrated Record Production/Distribution (512220)	120	462	342	285.0%	0.92	3.16
Music Publishing (512230)	116	32	(84)	-72.4%	0.61	0.19
Sound Recording Studios (512240)	445	356	(89)	-20.0%	1.43	1.19
Other Sound Recording Industries (512290)	89	64	(25)	-28.1%	0.84	0.61
Radio Networks (515111)	998	734	(264)	-26.5%	1.39	1.24
Radio Stations (515112)	1,446	1,261	(185)	-12.8%	0.59	0.57
Musical Groups and Artists (711130)	872	1,325	453	51.9%	0.63	0.84
Promoters of Performing Arts with Facilities (711310)	1,246	1,366	120	9.6%	1.11	0.79
Promoters of Performing Arts without Facilities (711320)	559	675	116	20.8%	1.22	1.01
Agents and Managers for Artists (711410)	555	799	244	44.0%	0.61	0.68
Independent Artists, Writers, and Performers (711510)	6,134	7,807	1,673	27.3%	0.72	0.87
TOTAL	14,972	16,810	1,838	12.3%	0.80	0.83

Source: EMSI

Industry Analysis

Since 2009, in total the music industry in Georgia has added more than 1,800 jobs and grown more than 12 percent. However, as seen in Table 1, that growth has not been shared by all sectors of the industry. In fact, most of the traditional music industry sectors have declined in Georgia since 2009 — with many of the individual sectors posting declines in excess of 20 percent. By aggregate sector, retail employment in the music industry has declined 2.4 percent since 2009; manufacturing has declined 30.8 percent; and music publishing, production, and distribution has declined 10.3 percent over the same period. On the positive side, since 2009 the number of music groups, independent artists, writers, and performers have together increased 30.3 percent and the employment numbers for promoters, agents, and managers have jointly increased 20.3 percent. It is interesting to note that the 20.8 percent increase in “Promoters of Performing Arts without Facilities” reflects the growth of music tourism in the state which is discussed below.

The result of this disparate growth is that while the industry is as a whole growing, the entire cluster is not. The growth in Georgia is concentrated in artists, promoters, agents, and integrated production and distribution. This last category includes “establishments primarily engaged in record production and/or releasing, promoting, and distributing sound recordings to wholesalers, retailers, or directly to the public.” In addition, “these establishments contract with artists, arrange and finance the production of original master recordings, and/or produce master recordings themselves,” and “hold the copyright to the master recording, or obtain reproduction and distribution rights to master recordings produced by others, and derive most of their revenues from the sales, leasing, licensing, or distribution of master recordings.”²

In addition to employment growth, Table 1 shows location quotients for each sector in the music industry. A location quotient (LQ) is simply a statistical measure of a region’s specialization in a particular industry. An LQ of 1.0 would indicate that a region has exactly their share of an industry when compared to the nation as a whole. An LQ of 2.0 would mean that the region has 2 times their share, while an LQ less than 1.0 means that the region has less than their share of that industry. When several sectors in a region within a particular industry category have LQ’s greater than 2.0, it would tend to indicate the presence of a “cluster” in the region.

In Georgia, the music sector as a whole has an LQ of only 0.83, meaning that Georgia has less than its share of employment in the music industry. In fact, only four sectors – integrated production and distribution, radio networks, sound recording studios, and promoters of performing arts without facilities – have an LQ above 1.0. Further, the LQ has declined in ten of the 17 sectors in the music industry shown in Table 1. On the positive side, while still below 1.0 the LQ has increased for several sectors, most notably musical groups and artists; independent artists, writers, and performers; and agents and managers for artists.

² <http://www.naics.com/naics-code-description/?code=512250>

SECTION 3

Economic and Fiscal Impact Methods & Results

Economic Base Theory and Impact Analysis

The foundation of this analysis is economic base theory which states that economic growth occurs when there is an increase in the flow of money into an area through the export of goods and/or services. In this case, resources enter into Georgia as companies export music-related goods and services. This “direct” impact is commonly measured in terms of the number of jobs and/or amount of income the activity represents, and can also be measured in terms of contribution to GDP (“value added”) or total output. However, the “direct” activity is just the beginning. The money that flows into the region is used by companies to purchase goods and services, and to the extent that those goods and services are purchased locally, they represent an increase in local employment and income, and therefore, have additional economic impact. This is known as the “indirect” impact. Finally, the extent to which employees spend their income locally also generates an additional increase in local employment and income. This is known as the “induced” impact. The sum of these three — direct, indirect, and induced — represents the “total” economic impact of the economic activity under review.

When examining the economic impact of an industry, it is important to note that certain components of that industry may purchase goods and services from other firms in the industry. For example, a musician in Georgia may use the services of a Georgia recording studio. Of course, this local demand for recording studios is already accounted for as part of the induced economic activity of musicians. As such, it should NOT be included as part of the direct activity of the entire music industry. This double-counting must be adjusted for before an economic impact analysis of the industry can be completed. Fortunately, the models used here allow for the identification of both indirect and induced impacts across all industry and the double counting can be accounted for. Of the 16,810 total jobs in the music industry in Georgia, more than 2,500 support other components of the music industry (Table 2).

Table 2: Georgia Music Industry: Direct vs. Local Demand

	Total Music Industry	Direct Music Industry	Local Demand Music Industry
Employment	16,810	14,289	2,521
Labor Income	\$670,646,229	\$569,751,484	\$100,894,745
Value Added (Contribution to Gross State Product)	\$882,242,093	\$789,937,108	\$92,304,985
Economic Output	\$1,928,820,039	\$1,705,973,179	\$222,846,860

Source: Center for Economic Development Research, Georgia Institute of Technology;
IMPLAN model of Georgia.

The IMPLAN Model

The process described above is simulated using an input-output model of the economy under consideration, which in this case, is the State of Georgia. Specifically, the economic impact analysis was conducted using the nationally recognized model, IMPLAN, developed by the Minnesota IMPLAN Group. IMPLAN is an input-output model configurable for any multi-county region, state, or even a single county. For this analysis, an IMPLAN model was built and customized for the State of Georgia using 2015 data on industry interactions within the state, as well as commuting patterns and other demographic information.

Fiscal Impact Analysis

While economic impact analysis focuses on the number of new jobs and amount of new income an industry brings into an area, fiscal impact analysis focuses on how much new revenue will accrue to state and/or local governments in the area under examination. For purposes of this study, we will focus on revenues that will accrue to the State of Georgia as a result of the economic activity of the music industry. The IMPLAN model described above combines estimates of the total state and local revenues generated by the economic activity of the music industry. However, using data from the U.S. Census Bureau's *Annual Survey of State and Local Finances*, researchers can estimate the amount of revenue that will accrue to the State of Georgia as a result of the music industry.

Analysis Results

Economic Impact

Table 3 below shows the economic impact of the music industry in Georgia using the traditional industry definition. Because 2,521 of the jobs in the music industry meet local demand from other industry sectors, only the 14,289 direct jobs in the industry are used as initial inputs into the model. (The 2,521 music industry jobs that meet local demand are included as part of the 13,206 indirect and induced jobs that the industry supports across the state.)

Table 3: Economic Impact of the Georgia Music Industry ("Traditional Definition")

	Employment	Labor Income	Value Added	Economic Output
Direct Music Industry	14,289	\$569,751,484	\$789,937,108	\$1,705,973,179
Indirect & Induced Impact	13,206	\$618,273,339	\$1,012,320,853	\$1,799,086,723
Total Economic Impact	27,495	\$1,188,024,824	\$1,802,257,961	\$3,505,059,901
Multiplier	1.92	2.09	2.28	2.05

Source: Center for Economic Development Research, Georgia Institute of Technology; IMPLAN model of Georgia.

In total, the music industry in Georgia supports nearly 27,500 jobs and \$1.2 billion in personal income across the state. Table 4 below shows how the music industry impacts and contributes to all sectors in the Georgia economy.

Table 4: Economic Activity By Sector Derived from the Georgia Music Industry

Industry NAICS	Employment	Labor Income	Value Added	Output
Agriculture, Forestry, Fishing, and Hunting	26	\$1,355,023	\$1,736,923	\$3,844,016
Mining, Quarrying, Oil and Gas Extraction	7	\$288,350	\$526,055	\$1,076,345
Utilities	36	\$4,365,820	\$14,630,161	\$41,889,092
Construction	124	\$6,044,989	\$8,062,835	\$19,330,247
Manufacturing	1,093	\$112,111,714	\$206,219,920	\$457,303,553
Wholesale Trade	293	\$25,691,132	\$48,881,992	\$75,757,879
Retail Trade	2,012	\$55,997,460	\$89,206,643	\$136,984,400
Transportation and Warehousing	593	\$28,881,717	\$36,324,023	\$73,860,486
Information	3,213	\$323,490,998	\$408,742,427	\$882,786,635
Finance and Insurance	741	\$52,800,562	\$101,426,732	\$183,910,917
Real Estate and Rental and Leasing	842	\$19,955,590	\$183,753,781	\$273,775,123
Professional, Scientific, and Technical Services	1,251	\$94,420,733	\$116,472,853	\$180,765,743
Management of Companies	170	\$20,440,668	\$25,255,148	\$40,781,210
Administration, Support, and Waste Management	1,394	\$48,796,369	\$61,120,085	\$91,908,238
Educational Services	448	\$13,832,548	\$15,026,821	\$24,284,156
Healthcare and Social Assistance	1,143	\$64,766,536	\$70,665,508	\$115,504,327
Arts, Entertainment, and Recreation	12,304	\$266,099,124	\$351,974,219	\$780,551,755
Accommodation and Food Services	947	\$20,675,056	\$29,911,803	\$54,956,989
Other Services	792	\$26,580,117	\$31,347,388	\$63,950,803
Public Administration	3	\$195,682	(\$261,991)	\$602,683
Unclassified	62	\$1,234,637	\$1,234,637	\$1,235,304
TOTAL	27,495	\$1,188,024,824	\$1,802,257,961	\$3,505,059,901

Source: Center for Economic Development Research, Georgia Institute of Technology; IMPLAN model of Georgia.

Fiscal Impact

The methodology used here for estimating the fiscal impact of the music industry is very different from that used in the 2011 study. The 2011 study simply took averages for each revenue component based on that revenue's primary determinant.³ For example, if the primary determinant for sales tax was employment, then the study took total state sales tax divided by total state employment and multiplied the result times the total employment supported by the music industry.

³ *Economic and Fiscal Impact Analysis of the Music Industry in Georgia*, p. 26.

In this study, the tax impacts generated by the IMPLAN model are used. These tax impacts represent the historical distribution of collected indirect business taxes (IBT) for Georgia based on data from the *Annual Census of Government Finance*. The amount of IBT paid is state-specific and industry-specific; however, the distribution of IBT across the various types of tax (property, sales, severance, etc.) is not industry-specific. It is based on the state's distributions as defined by the *Annual Census of Government Finances*. Unfortunately, the IMPLAN model does not separate state and local government tax revenues when reporting fiscal impact. However, using data from the *Annual Survey of State and Local Government Finances* (SLGF) published by the U.S. Bureau of the Census, the share of the modeled tax revenue impact that will accrue to the state versus local governments can be estimated.

The end result is that the fiscal impacts presented here are much lower than those presented in the 2011 study. However, because they are based on the historical distribution of IBT for Georgia for the specific sectors that define the music industry, they are likely much more realistic. Table 5 below shows the fiscal impact estimates to both the state and all local governments combined as a result of the music industry in Georgia.

Table 5: Fiscal Impact of the Georgia Music Industry (“Traditional Definition”)

	State Government Revenues	Local Government Revenues	Total State & Local Revenues
Sales Taxes	\$22,928,938	\$16,740,780	\$39,669,718
Property Taxes	\$2,446,260	\$31,625,520	\$34,071,780
Employee Compensation	\$24,349,534	\$---	\$24,349,534
Corporations	\$3,481,317	\$---	\$3,481,317
Other Taxes & Revenues	\$4,342,878	\$5,946,691	\$10,289,569
Total	\$57,548,928	\$54,312,990	\$111,861,918

Source: Center for Economic Development Research, Georgia Institute of Technology; IMPLAN model of Georgia.

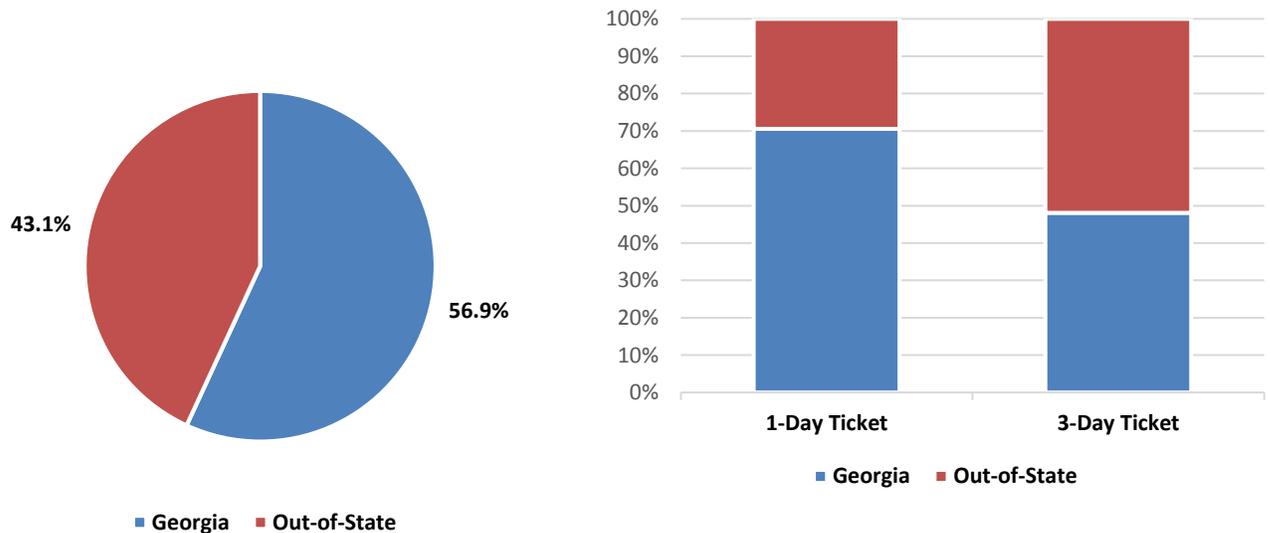
SECTION 4

Music Tourism

As mentioned in Section 1, no previous studies of the music industry in Georgia have included the impact of music tourism – the spending on goods and services by people who come to Georgia for various music events or venues. There are dozens of music festivals held annually around the state (Table 6). From the New Year’s Bluegrass Festival on Jekyll Island to the Wine and Jazz Festival in Blue Ridge, thousands of people come from outside Georgia to engage with live music and music heritage experiences. A comprehensive look at the economic impact of the music industry would not be complete without consideration of the spending of these out-of-state visitors.

Unfortunately, many of these festivals do not collect data on out-of-state visitors and/or visitor spending. The two festivals that did provide excellent data are Shaky Knees and Shaky Beats – both three-day music festivals held in Centennial Olympic Park in May. These festivals each attracted thousands of attendees, 43 percent of whom were from outside Georgia.⁴ Not surprisingly, a larger share of the 1-day tickets sold for both events came from inside Georgia, while about 52 percent of the three-day attendees came from outside the state (Figure 1).

Figure 1: Shaky Knees and Shaky Beats Attendance: Georgia vs. Out-of-State



⁴ Because this study is looking at the economic impact on the entire State of Georgia, we define a “music tourist” as someone who travels from outside the state to attend a music event. Clearly, this is the most restricted definition, but it clearly represents new money brought into Georgia as discussed in Section 3.

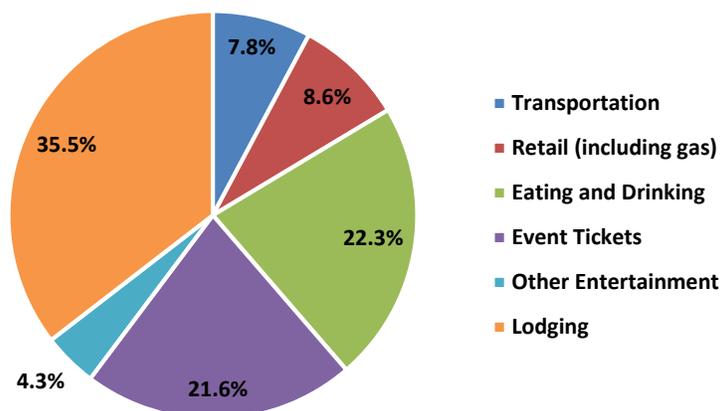
Table 6: Music Festivals in Georgia

Alzheimer's Music Fest, Woodstock	Flagpole Athens Music Awards, Athens	ONE MusicFest, Atlanta
Atlanta Blues Festival, Atlanta	Fletcher Henderson Festival, Cuthbert	Papa Joe's Banjobque Music Festival, Augusta
Amplify Decatur Music Festival	Flint River Blues and Barbecue Festival, Albany	Perry Music Festival, Perry
A3C Music Festival & Conference, Atlanta	Frogtown Hollow Jam	Prater Music Fest, Ocilla
Andalusia Farm Bluegrass Festival, Milledgeville	Georgia Elvis Festival	Project Pabst, Atlanta
Armuchee Bluegrass Festival, Armuchee	Georgia Fiddler's Convention, Hiawasee	Raccoon Creek Bluegrass Festival, Dallas
AthFest Music & Arts Festival, Athens	Georgia String Band Festival, Calhoun	Real Squeal BBQ & Music Festival, Lyons
Atlanta Chamber Music Festival, Decatur	Gram Parsons Guitar Pull & Tribute Festival, Waycross	Rebecca Rose Memorial Bluegrass Festival, Guyton
AtlantaFest, Atlanta	Great Southern Music Festival	Revival Fest, Savannah
Atlanta Jazz Festival, Atlanta	Hemlock Fest, Dahlonega	Rhythm & Ribs BBQ Festival, Tifton
Atlanta Jewish Music Festival, Atlanta	Honda Battle of the Bands	Rome River Jam, Rome
Atlanta Smooth Music Festival, Mableton	I Love Beach Music Weekend, Lake Lanier	Savannah Jazz Festival
Rock Fore! Dough, Augusta	Imagine Music Festival, Atlanta	Savannah Music Festival
BBQ & Blues Festival, Barnesville	Indie Music Festival, Macon	Savannah Stopover Music Festival
BBQ, Boogie, and Blues , Calhoun	Jazz & Arts on Riverdale, Macon	Shaky Beats Festival, Atlanta
Bear on the Square Mountain Music Festival, Dahlonega	Jazz On the River, Columbus	Shaky Knees Festival, Atlanta
Blind Willie McTell Blues Festival, Thomson	Jeff & Sheri Easter Homecoming, Lincolnnton	Skydog: Celebration of Duane Allman, Macon
Blue Ribbon Bluegrass Festival, Sautee	Jeff Lewis and Friends MusicFest, Helen	Smoke On The Water BBQ Cook-Off & Music Festival, Thomaston
Blue Ridge Blues & BBQ Festival, Blue Ridge	Jekyll Island New Year's Bluegrass Festival, Jekyll Island	Soul Jam, Macon
Blue Ridge Mountains Wine and Jazz Festival, Blue Ridge	John Jarrard Foundation Songwriter Festival, Gainesville	Southern Grown Festival, Sea Island
Boudleaux Bryant Festival, Shellman	Karen Peck & New River Annual Homecoming, Dahlonega	Southern Invitational Music Festival, Marietta
Bragg Jam, Macon	Kiss My Grass Swampgrass Music Festival, Swainsboro	Southern Soul Music Festival, Albany
Briar Patch Music Festival, Damascus	Laid Back Festival, Atlanta	Swamptown Getdown Music Festival, Waycross
Candler Park Music & Food Festival, Atlanta	Lake Hartwell Music Festival, Hartwell	Sweet Auburn Music Fest, Atlanta
Chattahoochee Mountain Music Festival, Lake Lanier	Little 5 Points Halloween Festival & Parade, Atlanta	Sweetland Craft Beer & Music Festival
Chicken Raid, Atlanta	Little Big Jam, Bowdon	Sweetwater 420 Fest, Atlanta
CSU Guitar Symposium & Competition, Columbus	Little Roy & Lizzy Music Festival, Lincolnnton	The Lake Show, Gainesville
Daily & Vincent Landfest in the Mountains, Hiawasee	Madison Chamber Music Festival, Madison	Thomas A. Dorsey Gospel Heritage Festival, Villa Rica
Decatur BBQ, Blues & Bluegrass Festival	Mayhem Music Festival, Valdosta	Tunes from the Tombs, Atlanta
Deep Roots Festival, Milledgeville	Music Midtown, Atlanta	Westobou Festival, Augusta
Dillard Bluegrass & BBQ Festival, Dillard	Newell Lodge Bluegrass Festival, Folkston	Wildwood Revival, Athens
Due South Music Festival, Thomasville	North Georgia Folk Festival, Athens	Wire and Wood Alpharetta Songwriters Festival
Family Day Music Festival, Columbus	Oakhurst PorchFest, Decatur	Wrecking Ball ATL, Atlanta

Source: Georgia Department of Economic Development

Both of these festivals collected a great deal of data via visitor surveys which provided a wealth of information about how the festival attendees spent their money. Not surprisingly, the largest share of out-of-state visitor spending was on lodging, with eating and drinking combining to be the second largest spending category (Figure 2). Combined, out-of-state visitors to the two festivals spent more than \$11.5 million in the state.⁵

Figure 2: Out-of-State Visitor Spending



As with the “traditional” music industry, this money circulates through the state and has both indirect and induced impacts. Combined, the total economic impact of out-of-state visitor spending to these two festivals was \$21.3 million in economic output; 221 full- and part-time jobs; and \$7.6 million in new personal income (Table 7). In addition, the festivals generated \$1.1 million in new state and local tax revenue.

Table 7: Economic Impact of the Shaky Knees and Shaky Beats Music Festivals

	Employment	Labor Income	Value Added	Economic Output
Direct Out-of-State Tourist Spending	144	\$4,117,722	\$5,877,478	\$10,748,482
Indirect & Induced Impact	77	\$3,448,730	\$5,944,674	\$10,599,348
Total Economic Impact	221	\$7,566,452	\$11,822,152	\$21,347,830
Multiplier	1.53	1.84	2.01	1.99

Source: Center for Economic Development Research, Georgia Institute of Technology; IMPLAN model of Georgia.

The economic impact of the Shaky Knees and Shaky Beats festivals is significant...and these are only two of more than 100 music festivals and concert series that are held annually across Georgia. According to its website⁶, the Savannah Music Festival – a multi-day festival held in the spring – reported similar results with total attendance in excess of 15,000. Like Shaky Knees and Shaky Beats, the festival reports that nearly 40 percent of the attendees came from out-of-state and 49 states were represented. In addition,

⁵ The ticket sales were included here because we did NOT include NAICS code 711320 (Promoters of Performing Arts without Facilities) in the “traditional” music industry definition in Section 2.

⁶ www.savannahmusicfestival.org

Music Midtown – a two-day music festival held in Piedmont Park – reported an economic impact of nearly \$50 million, although it appears this number includes both in-state and out-of-state visitors.

There is no question that these music festivals and concerts have a significant role in the overall economic of the music industry in Georgia. The ability to capture the contribution of music festivals and music-related tourism to Georgia’s overall economy will benefit greatly from the increased collection of visitor data by promoters and organizers of all sizes from across the state.