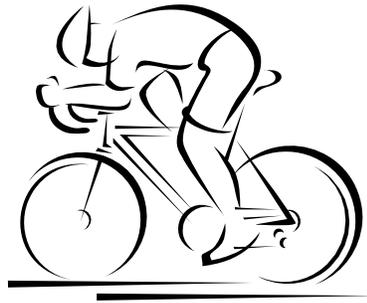


# **THE ECONOMIC IMPACT OF A CLAXTON CYCLING EVENT**



**A comprehensive study of the impact that the Claxton Cycling Event has on the economy of Evans County as well as Evans, Bulloch and Chatham Counties combined.**

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## **EXECUTIVE SUMMARY**

The annual Claxton Cycling Event, “Cruisin’ in the Country,” has a significant impact on Evans County as well as the surrounding area. This study shows the total impact of the cycling event, which will be shown in dollars and number of jobs created by industry. The impact shows the above breakdown for Claxton and the Claxton area. In addition, this report will point out some invisible or intangible benefits to the local economy.

The study was based on an exit survey that showed the characteristics of the cyclists at the event and the types of expenditures they incur while at the event. In addition to the expenditures data necessary to determine the economic impact of the year 2000 event, the survey provided enough information to include: a rest stop theme winner, the interest cyclists have in participating in a three-day event, and constructive criticism. The following are some of the findings from the survey.

### **Survey Statistics:**

After analyzing the results of the survey, several common characteristics exist when describing the typical cyclist. Below is a list of statistics that have been drawn from the study in order to show the common characteristics of cyclists.

- Over 62% of the participants were between the ages of 31-55.
- The average size of each party was 1.56.
- Over 60% of cyclists traveled alone.
- 35.5% of cyclists had college degrees.
- Over 34% of participants had accommodations in Claxton.
- 41% of cyclists traveled the 100-mile route.
- 30% of participants had chosen “Cruisin’ in the Country” as their favorite cycling event.
- The average number of days participants stayed away from home was 1.94.
- Over 46% of participants were members of Cycling Organizations.

These characteristics could be used in the future as a way of attracting more cyclists and adding to the diversity of the event.

## **Impact Statistics:**

The impact for this study is divided into three parts. The first section shows the impact for only Claxton, Georgia and will be defined as Claxton Only for the remainder of the report. The second part shows the impact for the Claxton area and includes Bulloch, Chatham, and Evans Counties, and this area will be defined as the Claxton Area for the remainder of the report. The third section describes the registration impact for the cycling event. Each impact is a separate entity and cannot be added to another impact. This is due to the Claxton impact being included in the Claxton area impact.

### **Claxton Only**

The impact of the event for Claxton Only is shown in both employment and output. The total impact for employment was the creation of one job. For the impact of the event in dollars, the event generated \$28,039 in direct expenditures, which led to a total impact of \$34,080 due to the multiplier of 1.22. Eighteen percent of all expenditures were created by the multiplied effect, which includes \$6,041 in indirect and induced expenditures.

### **Claxton Area**

The impact of the event for the Claxton area is shown in both employment and output. Looking at the closed economy for the event, the total impact for employment was the creation of two jobs. For the impact of the event in dollars, the closed economy generated \$61,433 in direct expenditures, which led to a total impact of \$93,212 due to the multiplier of 1.52. One third of all expenditures were created by the multiplied effect, which includes \$31,779 in indirect and induced expenditures.

### **Registration**

The registration impact of the event is shown in both employment and output. In a closed economy, the total impact for employment was the creation of .7 jobs. For the impact of the event in dollars, the closed economy generated \$16,846 in direct expenditures, which led to a total impact of \$23,811 due to the multiplier of 1.41. Twenty percent of all expenditures were created by the multiplied effect, which includes \$6,965 in indirect and induced expenditures<sup>1</sup>.

The cycling event has a tremendous effect on the small economy of Claxton-Evans County. Although the monetary impact of the event supports jobs and pulls thousands of dollars into the area, there are other non-pecuniary impacts that have long-term effects on the area as well.

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<sup>1</sup> For more information on open and closed economies, indirect and induced expenditures, and the multiplied effect, please refer to the Methodology section.

## **Invisible Benefits:**

Not only does the “Cruisin’ in the Country” cycling event bring monetary benefits to the community of Claxton, but also there are non-pecuniary benefits that result from such an event. The event allows the community to showcase itself as a place to visit, live or do business. For example, there is potential that the event will cause repeat vacationing in the area. This may also attract new families who have interest in a hometown atmosphere. The organizational skills, community spirit and spirit of cooperation shown in organizing the event makes a positive and powerful statement to prospective businesses. This enhances potential business owners to move to Evans County because of the area, people, and other businesses. Overall, this type of event creates and builds name recognition for the town.

Overall the study was a success in providing the total impact of the event in dollars and employment, a rest stop theme winner, cyclist interests and characteristics, the total expenditures, and constructive criticism. In the future, the Claxton-Evans County Chamber of Commerce will be able to use this information to create a target market, expand on the event, meet the needs of the cyclists, and gather community support. As a recommendation, the Chamber might also accumulate interest by introducing a triathlon, a “Cruisin’ in the Country” campout, a cook-off, or a combination race and ride.<sup>2</sup>

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<sup>2</sup> For more on these suggestions, please refer to the conclusions section of this report.

## INTRODUCTION

The Bureau of Business Research and Economic development with the cooperation of Claxton-Evans County Chamber of Commerce performed a study of the year 2000 “Cruisin’ in the Country Century Weekend,” cycling event in Claxton, GA, in order to determine the economic impact on the local economy. While it is well understood that local communities host such events to bring dollars into their county, they also do it to showcase their community, therefore, creating non-pecuniary benefits. These intangible benefits as well as monetary benefits impact the economy in many ways, and this study was designed to highlight how the impact travels through the local economy.

The study began in November 2000 with the implementation of an exit survey at the “Cruisin’ in the Country Century Weekend” cycling event. The 17-question survey was used to generate information on the demographic characteristics as well as the qualitative and quantitative characteristics of the typical cyclist. The Claxton-Evans County Chamber of Commerce sponsored the event and collected the data. After completion of the cycling event, a sample of 310 cyclist surveys was developed.

Although the registered number of participants totaled 541, only 93 percent of the cyclists participated in the event exit survey. Based on this percentage, a population estimate of 500 participants was used to calculate the impact of the event. The impact is calculated in the Findings section of this report and shows the total effect of Claxton and the Claxton area and also includes the registration impact.

The following report details the analysis of the survey with respect to the characteristics of cyclists and the types of expenditures associated with cycling events. As one might expect, the increase in fruitcake sales during the event is a type of an expenditure included in the total impact of the event.

## **METHODOLOGY**

The methodology section has been separated into four parts. The first part contains the cycling event survey information, and the second part describes the Claxton area and the counties represented. The third section gives a description of the data and how the data was interpreted. The last part is about IMPLAN, the economic model used to show the impact of expenditures.

### **SURVEY**

The data used in this survey was administered and collected through the Claxton-Evans County Chamber of Commerce. The survey was designed to provide information on a broad range of characteristics and expenditures of the cyclists as well as their local impact<sup>3</sup>. The cyclist survey pertained to the following areas:

- What city, state, and county the cyclist was from;
- Gender, age, race, income, education, and profession;
- The cyclists choice for the best rest stop;
- Types of expenditures;
- Interest in cycling; and,
- Constructive comments and criticism

The cycling event survey can be found in Appendix I. Also, the entry form the participants filled out for the drawing can be found in Appendix II.

### **AREA**

The impact study is based on the “Cruisin’ in the Country” cycling event held in Claxton, Georgia and focuses on Claxton and the surrounding area. The area was developed based on several linkages in the exit survey, such as recreation and entertainment. For example, if considering the counties in Southeast Georgia, Bulloch and Chatham counties have a greater amount of recreation and entertainment in comparison to Evans County. This is the linkage used to develop the Claxton area, which contains Bulloch, Chatham, and Evans counties.

### **DATA**

Some underlying assumptions have been used in this study to analyze the expenditures and cyclist characteristics. In comparison with current impact studies, these principles have been utilized to form statistical standards in order to examine the data. Several assumptions have been made in this study, which include the estimation of the parties participating, the aggregation of categories for IMPLAN, and the use of weighted averages to calculate data.

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<sup>3</sup> For a complete copy of the survey, please refer to Appendixes I and II.

Also, the following assumptions were made for the Claxton impact. If the respondent was living in Claxton, then 100% of all expenditures were included in the impact. If the respondent was staying in Claxton, 100% of accommodations, 10% of gas, 90% of meals, 70% of recreation and entertainment, and 100% of clothing, repair, gifts and fruitcake were included in the impact. If the respondent was staying out of town, then 10% of gas, 50% of meals, 30% of recreation and entertainment, and 100% of clothing, repair, gifts and fruitcake were included in the impact. These statements exclude any expenditures outside of Claxton from being included in the impact.

The average number of parties attending an outdoor event is 2.6 percent, and this percentage was used as a means of calculating the number of parties who attended the event. For example, out of 491 participants and 224 non-participants, approximately 278 parties attended the event.

Some general assumptions were made for all of the data. For example, as a way of calculating the data for the study, weighted averages were used to interpret some of the findings. The weighted average was calculated by giving a weight for each category. For instance, if accommodations range from \$50-\$99 has a weight of \$74.50, which is the midpoint, then this weight can be multiplied by the total variables to give the actual number of participants in the category.

Also, as a way of categorizing expenditures for IMPLAN, the following headings were used to include all possible expenditures: General Merchandise Stores, Food Stores, Automotive Dealers & Service Stations, Apparel & Accessory Stores, Eating & Drinking, Hotels and Lodging Places, and Rec. & Entertainment. Some categories were aggregated to facilitate all expenditures necessary for the study; for example, cycling repairs and miscellaneous expenses were aggregated because the two categories are included in general expenses. IMPLAN uses amount spent within each of these categories to find the total impact of the event.

## **IMPLAN**

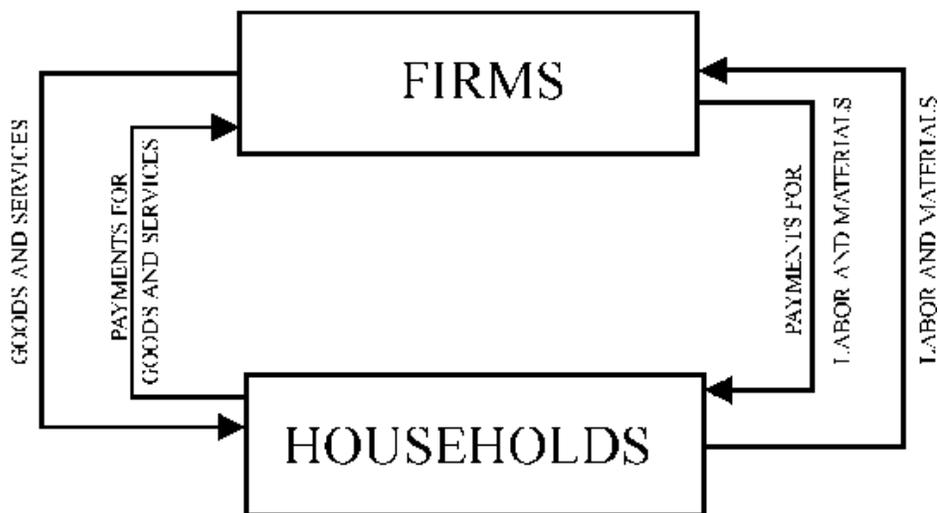
After gathering all data, the total dollar expenditures attained was entered into a regional model built from the program, IMPLAN. **IMP**act Analysis for **PLAN**ning is nationally recognized as one of the best input-output modeling systems and includes a database for the state of Georgia and for each of its counties. The estimates were prepared using the 1997 database, which is the most current database available. Since the expenditures data is in year 2000 dollars, the program automatically deflates the dollars to 1997. Therefore, all of the estimated impacts are reported in base year 1997 dollars.

Input-output analysis, a branch of economic modeling and statistics, has the ability to illustrate and qualify the economic interdependence of producing industries in any regional or local economy. Just as each industry produces goods and services, it is also a

consumer by purchasing other goods and services for use in the production process. Using the Input-output analysis technique, the impact of a specific industry or economic activity can be traced throughout all sectors of the economy.

Economists often view the economy as if it were a series of transactions that flowed in a circle. In order to understand the theory behind Input-output models, it is best to understand the Circular Flow of Transactions in a basic economy.

**Figure 1**



Economists often summarize the economy by describing it as a series of transactions. Each transaction by one sector has a counterbalancing transaction in at least one other sector. In figure 1, the outside loop refers to such things as goods, services, labor, and capital. The households provide firms with such things as labor and materials.<sup>4</sup> In return, the firms provide households with such things as goods and services for sale. The inner loop, on the other hand, identifies the payments for the transaction of the goods and services, which are part of the outer loop. The firm pays the household wages and other payments for labor and materials. The household, however, provides payments back to the firms for the goods and services it produces.

Equilibrium in this simple economy will be maintained as long as there are no leakages from the system. Leakages include savings, imports and taxes. A leakage means that the amount of payments going to the firm for its goods and services is less than the income obtained by the household. When leakages occur the total amount of income and goods will shrink unless new spending injections occur which offset the losses. Some examples

<sup>4</sup> In a private, market economy the households are the ultimate owners of all of the productive resources.

of these injections are: 1) the investment of savings by the firms; 2) consumers from outside of the region buying the firm's goods, exports; and/or, 3) government purchases of goods with generated tax revenue. The economy will balance if injections continue to equal leakages. If injections are greater than leakages, the economy will grow. When leakages exceed injections, the economy will shrink.

Input-output models begin by simply assigning dollars to the flow of transactions between businesses, households and other major consumer groups in the economy such as governments. These transactions are recorded in a table. A hypothetical transactions table is shown as Table 1. The rows display the transaction of things, goods, and services. The columns reveal the payment associated with each transaction. The system balances in that there is an accounting for all injections and leakages. In other words, **Total Output (Expenditure)** is equal to **Total Payments (Income/Revenue)**.

**TABLE 1**  
**HYPOTHETICAL TRANSACTIONS TABLE**

Outputs*	[1]	[2]	[3]	[4]	[5]	[6]	[7] Gross inventor y accumul- ation(+)	[8] Exports to foreign countries	[9] Govern- ment purchases	[10] Gross private capital formation	[11] House- holds	[12] Total Gross Output
Inputs*	A	B	C	D	E	F						
[1] Industry A	10	15	1	2	5	6	2	5	1	3	14	64
[2] Industry B	5	4	7	1	3	8	1	6	3	4	17	59
[3] Industry C	7	2	8	1	5	3	2	3	1	3	5	40
[4] Industry D	11	1	2	8	6	4	0	0	1	2	4	39
[5] Industry E	4	0	1	14	3	2	1	2	1	3	9	40
[6] Industry F	2	6	7	6	2	6	2	4	2	1	8	46
[7] Gross inventory depletion (-)	1	2	1	0	2	1	0	1	0	0	0	8
[8] Imports	2	1	3	0	3	2	0	0	0	0	2	13
[9] Payments to government	2	3	2	2	1	2	3	2	1	2	12	32
[10] Depreciation allowances	1	2	1	0	1	0	0	0	0	0	0	5
[11] Households	19	23	7	5	9	12	1	0	8	0	1	85
[12] Total Gross Outlays	64	59	40	39	40	46	12	23	18	18	72	431

\*Sales to industries and sectors along the top of the table from the industry listed in each row at the left of the table.

\*\*Purchases from industries and sectors at the left of the table by the industry listed at the top of each column.

The transactions table is more than a numerical version of the Circular Flow diagram. The table is actually a set of equations that depict the linkages between the final demand for goods and services and the payments, income, or revenue, associated with the

production of those goods and services. The solution of the system of equations results in a set of multipliers which show the relationships between the final demand for a good or service and the intermediate demand among the producers who supply goods and services at the various stages of production. The mathematical manipulation required to solve the set of equations will not be discussed here.<sup>5</sup>

However, in the context of this study, the solution to the set of equations describing the transactions from cyclists will result in a set of multipliers describing the links between the demand for similar events and all other sectors of each region's economy.

Input-Output models are driven by final demand (consumption). Industries selling to consumers respond to the demand for their products by supplying consumers directly. However, in order to supply consumer demand, the directly impacted industries must buy goods and services from other businesses. Hence, indirectly impacted producers supply goods and services to the industries responding to direct demand, which means that in turn they must buy goods and services from yet other producers. Each industry that produces goods and services generates demands for other goods and so on, in a round by round fashion. These round by incremental effects are described as multipliers. Within the general framework of Input-output analysis, various methodologies can be employed to solve the mathematical equations and derive the multipliers.

IMPLAN relies on a complex database of linked expenditure patterns between 528 processing sectors in the economy. Using data specific down to the county level for the state of Georgia, the program is capable of generating five separate impact measures in the form of multipliers. These are: 1) output multipliers; 2) personal income multipliers; 3) total income multipliers; 4) value-added multipliers; and, 5) employment multipliers. Each of the multipliers is composed of several components or effects. These effects are denoted: 1) direct effects; 2) indirect effects; and, 3) induced effects.

There are three types of multipliers which may be estimated in a system of output-output equations. These are termed Type I, Type II and Type III Leontief multipliers. Only Type I and II multipliers are estimated in the version of IMPLAN used in this study. Type I multipliers include only the direct and indirect effects. The type II multipliers used in this study demonstrate the full impact of the direct, indirect, and induced effects, where the induced effects are based on income.<sup>6</sup>

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<sup>5</sup> A general discussion of the mathematical processes for deriving multipliers is found in *The Elements of Output-Output Analysis*, by William H. Miernyk. IMPLAN estimates Leontief Type I multipliers and a modified form of Miernyk's Type III multipliers.

<sup>6</sup> Induced effects may be estimated by either Type II or Type III Leontief Multipliers. The primary difference between the two types of multipliers arises from the type of constraint imposed on the system of equations. The Type III multipliers used in IMPLAN assume that the economy is at full employment. Therefore, any change in final demand either increases or decreases population by the number of jobs

The direct effects on any given producer or industry are the output and employment associated with the immediate effects of a change in final demand. Final demands consist of purchases of goods and services for final consumption, as opposed to an intermediate purchase where the goods will be further re-manufactured by a supplier of final demand. For example, expenditures for new bridge construction are direct final demand.

The indirect effects are the output of employment associated with backward linkages in industry demand. These are the inter-industry effects, i.e. producers buying from other local businesses. To produce the output necessary to serve final demand, directly impacted industries must demand inputs from supporting producers. In order for supporting businesses to produce the intermediate demand for the output going to the directly impacted industries, they require the input of goods and services from other business and employment. Therefore, some portion of the demand for each intermediate producer is attributable to the primary supplier of final demand.

The induced effects are changes in demand associated with the household income generated by the direct and indirect effects of output or employment. Household consumption is related to household income in a stable way and is typically estimated by the propensity to consume. Hence, employment and output generate income, which the household income generated by the owners and employees of both directly and indirectly impacted producers. Returning to Figure 1 and Table 1, input-output analysis traces how the final demand for goods and services has direct, indirect, and induced effects on industry final demand, total industry output and employment.

IMPLAN can take an impact and assess it in two very different ways. The first way is looking at a closed economy. This idea is that if one were to increase the number of employees in an area in an industry and one knows that all of the benefits will be local, that is all of the linkages between induced, indirect, and direct were not going to be used outside of the area, then one would have a closed economy. For example, if there were an increase in the Manufacturing Durable sector and therefore, a new demand for services, then all of the new services would be satisfied locally. The other possible way to assess the impact is to have an open economy. This idea is somewhat opposite of the first. In this scenario, some of the demand for new services would be satisfied by businesses outside of the area. Therefore, this scenario would derive a lower impact.

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created or lost. It is therefore assumed that wages do not adjust, only the number of people employed. Each person added or lost adds to or deducts from the average expenditures per person.

Type II multipliers, on the other hand, assume that employment income increases or decreases as final demand changes. Therefore, it is assumed that wages adjust but not employment. As each employee's income increases, the model assumes that expenditures on all personal consumption items increases.

## FINDINGS

Recreation is the constructive use of leisure time. While the value of the participant's time is an implicit cost producing no economic impact, the purchases of goods and services used during the pursuit of recreational activities have economic impacts. Hence, a cycling event not only adds to the participant's enjoyment of leisure time, but also plays a substantial role in the economy. When one looks at the amount of time and money spent on a single event, there are significant expenditures associated with each function. What appears to be a small cycling event actually has a surprising economic impact on the entire region when considering gas, food, registration, souvenirs, etc. This is why the impact of a cycling event is essential when planning and implementing future events.

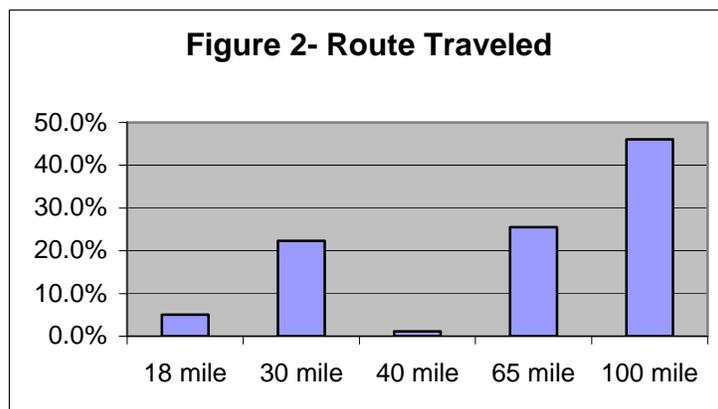
The findings section is separated into two parts. The first section breaks apart and highlights important facts derived from the exit survey. The second part describes the three different economic impacts of the event as well as the total impact.

### Findings: Cycling Event Survey

The survey data below has been broken down in several ways in order to clearly identify some of the common characteristics of cyclists, in terms of: route traveled, favorite rest stop, member of cycling organization, length of vacation, type of accommodations, previous attendance, and the best advertisement. Many of the sample totals were projected using weighted averages to determine the characteristics of the individuals who attend cycling events.

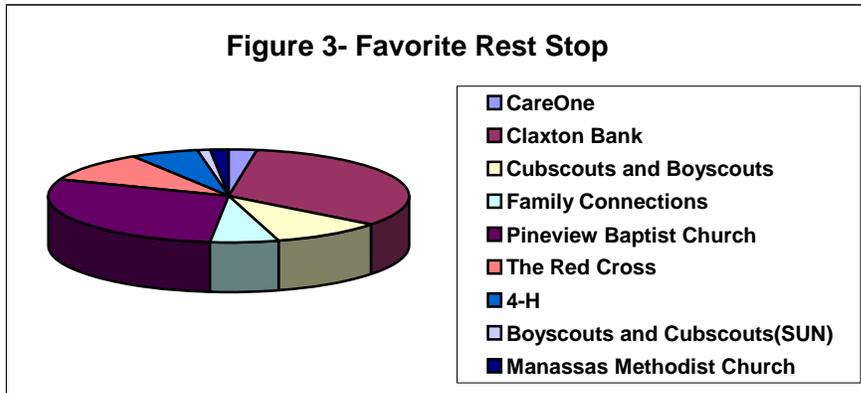
#### Which route did you travel?

Figure 2 shows the percentages of cyclists traveling each route. Forty-one percent of cyclists traveled the 100-mile route, and twenty-three percent chose the 65-mile route. Overall, cyclists seemed to be the most interested in the two longest rides. Therefore, due to only one percent of cyclists choosing the 40-mile ride, the recommendation would be to cancel the 40-mile route next year.



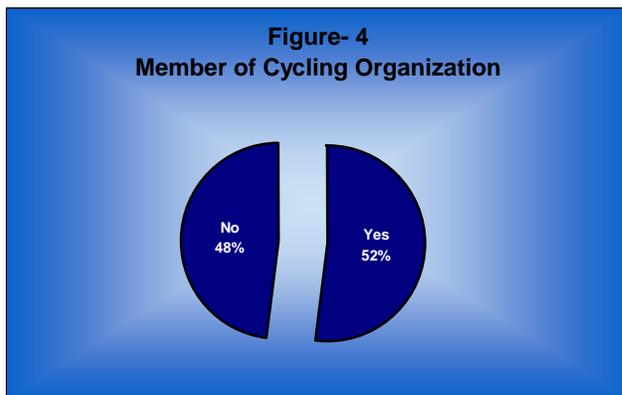
### What was your favorite rest stop?

As a way of promoting community involvement, the Claxton-Evans Chamber of Commerce invited the Claxton area businesses to provide rest stops at periodic intervals during the event. Each cyclist was asked to choose their favorite, and Figure 3 shows that Claxton Bank at Bay Branch Church won by just over three percent. Pineview Baptist Church was a close second. Overall, the rest stops were viewed as very creative and a large success.



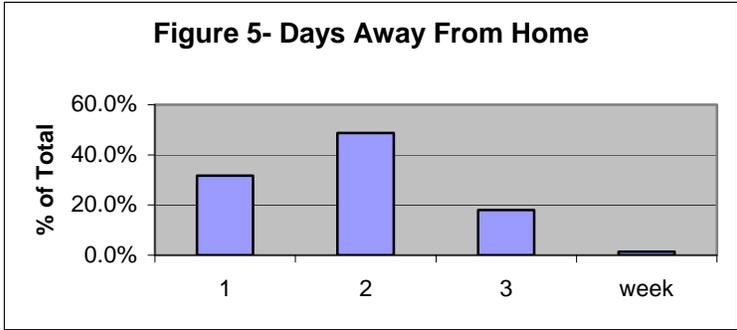
### Are you a member of a cycling organization?

The cyclists who participated in the event seemed to be equally either members of cycling organizations or non-members. Almost fifty-two percent (51.9%) of cyclists were members of cycling organizations, while 48.1% were not members of cycling organizations.



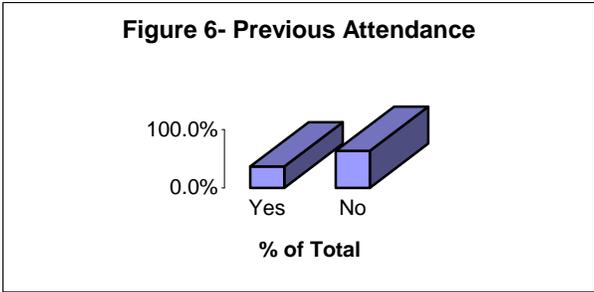
### How long will you be staying away from home on this trip?

Figure 5 shows that most cyclists only stayed away from home 2 days for the cycling event. The actual average days per cyclist were 1.935 days. This average was used to estimate the total expenditures per party.



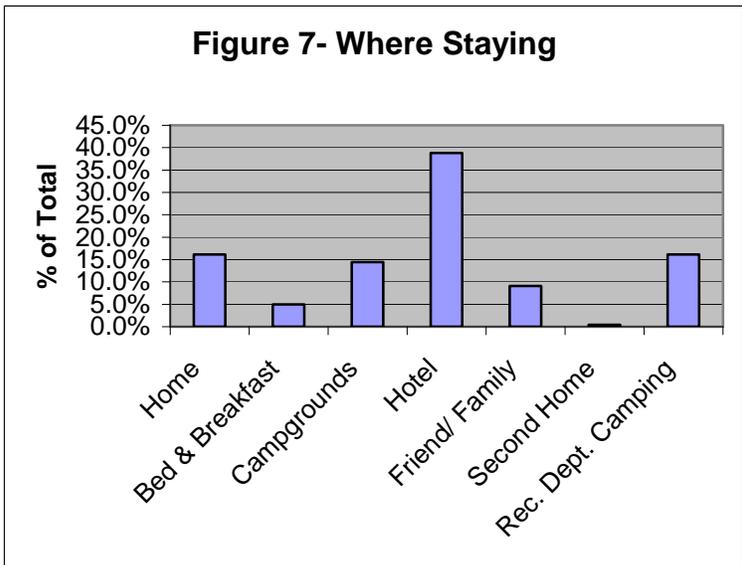
**Have you ridden in “Cruisin’ in the Country” in a previous year?**

Figure 6 gives the percentage of cyclists who had previously attended “Cruisin’ in the Country.” The statistics from the study show that only 35% of participants had attended the event previously, and 65% of the cyclists said that this was their first time attending.



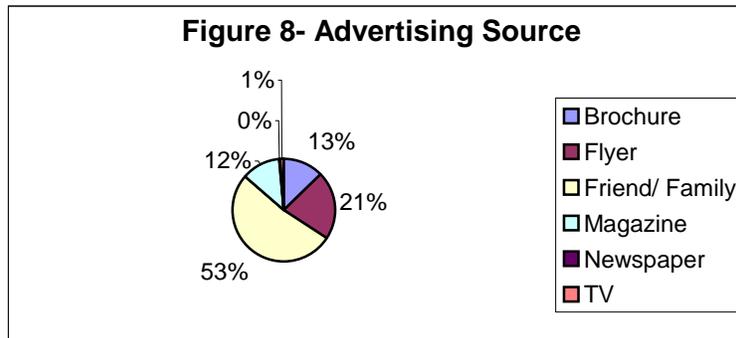
**Where will you be staying?**

Figure 7 shows the breakdown of accommodations. Not only did almost 40% of cyclists choose accommodations at hotels, but also over 30% of the participants chose to campout for the ride. Camping and Hotel accommodations percentages were especially big considering that close to 20% of participants had homes in the area.



### How did you learn about “Cruisin’ in the Country?”

Although more than 50% of advertisement was through Friends and Family, the flyers seemed to be successful with 21% and the brochure and magazine followed with 12% and 13%. Another interesting concept derived from advertising was the fact that only .3 percent of effective advertising came from a newspaper ad. Based on Figure 8, the two unsuccessful advertising sources were newspaper and television.



## Findings: Economic Impact

An Economic Impact of an event is necessary because the survey only includes direct expenditures for meals, gas, food, registration, souvenirs, etc., and the impact includes the direct, indirect, and induced effects as well as the multiplier. To calculate the impact, a population estimate was used because the actual attendance differed from the number of registered cyclists. Therefore, an estimate of 500 participants and 224 non-participants was used as the population for the study. Also, an estimate of 278.44 parties was calculated based on an average of 2.6 people per party.

The Economic Impact for the cycling event is broken into five parts. The first section shows the employment and output impact for only Claxton, Georgia. The second part shows the different effects on employment in an open and closed economy for the Claxton Area, and the third section contains the effects on output in an open and closed economy for the Claxton Area. The fourth section shows the impact of registration costs and fees including the effect of those expenditures. The last section discusses the total economic impact of the event in an open and closed economy for the Claxton Area and the total economic impact for Claxton.

### Claxton Only

This section explains the impact on Claxton in employment and output. The following tables and descriptions show the employment and output impact of the cycling event.

Table 2 shows employment impact for Claxton and shows the breakdown of jobs between the different industries. For example, .2 additional jobs are created directly by

Apparel & Accessory Stores. However, when you include the additional jobs created by the indirect and induced effects, the total impact stays the same. This is because the indirect and induced effects are too small to show in jobs, but in the total jobs created by all industries affected, 25% of every new job was due to indirect and induced effects.

The total amount of jobs created by the seven industries is 1 job, which sounds like a small number, but when considering the size of the event and town, this impact is substantial. Also, the multiplier for employment is 1.25, which means that for every job created an additional .25 jobs are created from the multiplied effect.

<b>Employment</b>					
<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total</b>	<b>Multiplier</b>
General Merchandise Stores	0.2	0	0	<b>0.2</b>	<b>1.00</b>
Food Stores	0	0	0	<b>0.1</b>	<b>0.00</b>
Automotive Dealers & Service Stations	0	0	0	<b>0</b>	<b>0.00</b>
Apparel & Accessory Stores	0.2	0	0	<b>0.2</b>	<b>1.00</b>
Eating & Drinking	0.3	0	0	<b>0.3</b>	<b>1.00</b>
Hotels and Lodging Places	0.1	0	0	<b>0.1</b>	<b>1.00</b>
Rec & Entertainment	0.1	0	0	<b>0.1</b>	<b>1.00</b>
<b>Total</b>	<b>0.8</b>	<b>0.1</b>	<b>0.1</b>	<b>1</b>	<b>1.25</b>

Table 3 shows the output impact for Evans County. It shows the different industries that the expenditures have an effect on as well as the direct, indirect, and induced effects on output. For example, the multiplier for Rec. and Entertainment is 1.1, which means for every dollar spent directly \$.10 is created by indirect or induced effects.

The direct output amount was \$28,039 (in 1997 dollars), and the indirect and induced amount created was \$6,041. This makes a total output of \$34,080. The total multiplier is 1.22, and this is a substantial amount when considering that an additional \$.22 benefits the community for every dollar spent during the event.

<b>Output</b>					
<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total</b>	<b>Multiplier</b>
General Merchandise Stores	3,459	1	7	<b>3,466</b>	<b>1.00</b>
Food Stores	1,138	28	328	<b>1,495</b>	<b>1.31</b>
Automotive Dealers & Service Stations	1,751	21	246	<b>2,018</b>	<b>1.15</b>
Apparel & Accessory Stores	6,655	0	3	<b>6,659</b>	<b>1.00</b>
Eating & Drinking	7,308	57	190	<b>7,555</b>	<b>1.03</b>
Hotels and Lodging Places	3,710	35	13	<b>3,757</b>	<b>1.01</b>
Rec & Entertainment	4,018	347	35	<b>4,400</b>	<b>1.10</b>
<b>Total</b>	<b>28,039</b>	<b>3,054</b>	<b>2,987</b>	<b>34,080</b>	<b>1.22</b>

## Claxton Area

### Employment

This section explains the different effects on employment in an open or closed economy.<sup>1</sup> The closed economy represents the additional jobs created in Claxton as well as the surrounding area, and the open economy only represents additional jobs in Evans County. The following tables and descriptions entail the employment impact for the cycling event.

Table 4 shows employment impact in an open economy and shows the breakdown of jobs between the different industries. For example, .5 additional jobs are created directly by the Eating and Drinking sector. In the total jobs created by all industries affected, .23 jobs were created due to indirect and induced effects for every new job.

The total jobs created by the seven industries are 1.6 jobs, which sounds like a small number, but when considering the size of the event and town, this impact is substantial. Also, the multiplier for employment is 1.23, which means that for every job created an additional .23 jobs are created from the multiplied effect.

Table 4						
Open	Employment					
	Industry	Direct*	Indirect*	Induced*	Total	Multiplier
	General Merchandise Stores	0.1	0	0	0.1	1
	Food Stores	0	0	0	0.1	0
	Automotive Dealers & Service Stations	0.1	0	0	0.1	1
	Apparel & Accessory Stores	0.2	0	0	0.2	1
	Eating & Drinking	0.5	0	0	0.5	1
	Hotels and Lodging Places	0.2	0	0	0.2	1
	Rec & Entertainment	0.1	0	0	0.1	1
	<b>Total</b>	<b>1.3</b>	<b>0.2</b>	<b>0.2</b>	<b>1.6</b>	<b>1.23</b>

In a closed economy, the impact represented is slightly higher because there are no leakages. Table 5 shows the employment impact in jobs for Evans County. The direct amount of jobs created is 1.6 jobs, and the indirect and induced amount in jobs also known as the multiplied effect is .5 jobs. This gives a total impact of 2 jobs for Evans County.

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<sup>1</sup> Please see the Methodology section for more information on an open or closed economy.

<b>Table 5</b>						
<b>Closed</b>	<b>Employment</b>					
	<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total</b>	<b>Multiplier</b>
	General Merchandise Stores	0.1	0	0	<b>0.1</b>	<b>1.00</b>
	Food Stores	0	0	0	<b>0.1</b>	<b>0.00</b>
	Automotive Dealers & Service Stations	0.1	0	0	<b>0.1</b>	<b>1.00</b>
	Apparel & Accessory Stores	0.2	0	0	<b>0.2</b>	<b>1.00</b>
	Eating & Drinking	0.5	0	0	<b>0.5</b>	<b>1.00</b>
	Hotels and Lodging Places	0.3	0	0	<b>0.3</b>	<b>1.00</b>
	Rec & Entertainment	0.3	0	0	<b>0.3</b>	<b>1.00</b>
	<b>Total</b>	<b>1.6</b>	<b>0.3</b>	<b>0.2</b>	<b>2</b>	<b>1.25</b>

## Output

This section shows the output amount in 1997 dollars for an open and closed economy. This amount includes all expenditures made by each party during the event. The following tables show the output impact for an open and closed economy.

Table 6 is the impact table for an open economy. It shows the different industries that the expenditures have an effect on as well as the direct, indirect, and induced effects on output. For example, the multiplier for Rec. and Entertainment is 1.17, which means for every one dollar spent directly, \$.17 is created by indirect and induced effects.

The direct total amount spent for an open economy was \$47,417 (in 1997 dollars), and the indirect and induced amount created was \$23,893. This makes a total output of \$71,310. The total multiplier is 1.5, and this is a substantial amount when considering that an additional \$.50 of every dollar benefits the community for every dollar spent during the event.

<b>Table 6</b>						
<b>Open</b>	<b>Output</b>					
	<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total</b>	<b>Multiplier</b>
	General Merchandise Stores	3,286	21	275	<b>3,582</b>	<b>1.09</b>
	Food Stores	1,082	21	276	<b>1,378</b>	<b>1.27</b>
	Automotive Dealers & Service Stations	7,464	32	428	<b>7,924</b>	<b>1.06</b>
	Apparel & Accessory Stores	6,323	9	124	<b>6,456</b>	<b>1.02</b>
	Eating & Drinking	15,074	188	676	<b>15,938</b>	<b>1.06</b>
	Hotels and Lodging Places	9,344	267	124	<b>9,735</b>	<b>1.04</b>
	Rec & Entertainment	4,846	725	110	<b>5,681</b>	<b>1.17</b>
	<b>Total</b>	<b>47,417</b>	<b>12,741</b>	<b>11,152</b>	<b>71,310</b>	<b>1.50</b>

Table 7 represents a closed economy impact table. It shows the multiplier of 1.52, which is just above the multiplier for the open economy. The total direct dollars spent was \$61,433, and this was 70 percent of the total output. The indirect dollars spent was \$17,785, and the induced amount spent was \$11,152. This makes a total impact of \$93,212 for a closed economy.

<b>Table 7</b>						
<b>Closed</b>	<b>Output</b>					
	<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total</b>	<b>Multiplier</b>
	General Merchandise Stores	3,459	26	345	<b>3,830</b>	<b>1.11</b>
	Food Stores	1,138	26	346	<b>1,511</b>	<b>1.33</b>
	Automotive Dealers & Service Stations	7,856	40	537	<b>8,433</b>	<b>1.07</b>
	Apparel & Accessory Stores	6,655	12	156	<b>6,823</b>	<b>1.03</b>
	Eating & Drinking	16,883	231	849	<b>17,963</b>	<b>1.06</b>
	Hotels and Lodging Places	11,700	350	155	<b>12,205</b>	<b>1.04</b>
	Rec & Entertainment	13,741	1,770	138	<b>15,649</b>	<b>1.14</b>
	<b>Total</b>	<b>61,433</b>	<b>17,785</b>	<b>13,994</b>	<b>93,212</b>	<b>1.52</b>

## Registration Impact

The registration fees paid by the participants pay for goods and services, and when the community provides these goods and services, there is an economic impact of producing the event. This impact is termed the registration impact and was calculated by looking at the total expenditures on registration fees and the Spaghetti supper meal tickets. Each participant paid a registration fee of \$25.00 if participating in one day of the event and \$35.00 if participating in two days. There were three hundred and eleven cyclists that attended only Saturday, and one hundred and eighty nine cyclists attended both days. There was also an additional \$5.00 charge if attending the Spaghetti supper, and six hundred tickets were sold.

Table 8 shows the impact of registration on Employment in an open and closed economy. Although the amount of jobs created by indirect and induced effects is only .1 jobs, actually 14.3% of jobs were created by the multiplied effect. The direct amount of jobs created by food stores and miscellaneous retail is .6 jobs. This impact study shows only a slight difference between the open and closed economies because the amount of impact is small. For both economies the total multiplier is 1.16.

<b>Table 8</b>						
<b>Employment</b>						
<b>Open</b>	<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total*</b>	<b>Multiplier</b>
	Food Stores	0.1	0	0	<b>0.1</b>	<b>1.00</b>
	Miscellaneous Retail	0.5	0	0	<b>0.5</b>	<b>1.00</b>
	<b>Total</b>	<b>0.6</b>	<b>0</b>	<b>0.1</b>	<b>0.7</b>	<b>1.16</b>
<b>Closed</b>	<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total*</b>	<b>Multiplier</b>
	Food Stores	0.1	0	0	<b>0.1</b>	<b>1.00</b>
	Miscellaneous Retail	0.5	0	0	<b>0.5</b>	<b>1.00</b>
	<b>Total</b>	<b>0.6</b>	<b>0</b>	<b>0.1</b>	<b>0.7</b>	<b>1.16</b>

Table 9 shows that in a closed economy, the direct impact of expenditures totals \$16,846 (in 1997 dollars), which is equivalent to 16.6% of all direct expenditures. The multiplied effect adds an additional \$6,965, which gives a total amount of \$23,811. The multiplier for a closed economy is 1.41.

If looking at the open economy, the direct impact of expenditures totals \$16,004. The indirect and induced amounts add \$6,617, and the total impact is \$22,620. Thirty percent of all expenditures were due to the multiplier effect, which is equal to 1.41. The closed economy is about five percent more than the open economy because the open economy allows for leakages into other counties.

<b>Table 9</b>						
<b>Output</b>						
<b>Open</b>	<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total*</b>	<b>Multiplier</b>
	<b>Food Stores</b>	2,761	6	113	<b>2,880</b>	<b>1.04</b>
	<b>Miscellaneous Retail</b>	13,243	8	149	<b>13,399</b>	<b>1.01</b>
	<b>Total</b>	<b>16,004</b>	<b>2,048</b>	<b>4,569</b>	<b>22,620</b>	<b>1.41</b>
<b>Closed</b>	<b>Industry</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total*</b>	<b>Multiplier</b>
	<b>Food Stores</b>	2,907	6	119	<b>3,032</b>	<b>1.04</b>
	<b>Miscellaneous Retail</b>	13,940	8	156	<b>14,104</b>	<b>1.01</b>
	<b>Total</b>	<b>16,846</b>	<b>2,156</b>	<b>4,809</b>	<b>23,811</b>	<b>1.41</b>

### Total Impact

The total economic impact is composed of the direct effect of expenditures for goods and services and those secondary effects of those expenditures through the multiplier. For example, if tires were purchased by the cyclists, then the direct dollars spent on the tires have indirect effects. One indirect effect is that someone had to deliver the tires to the store where the tires were purchased. This created a demand for transportation services and income for a trucking company, and thus, this is the indirect effect. Since the trucking company has increased demand, they must have extra drivers or pay current drivers more. Furthermore, if the trucking company then has to buy supplies due to increased demand, the supplies bought are an induced effect.

Table 10 shows that for every dollar spent on leisure associated with cycling, between \$.50 and \$.52 is created by the indirect and induced effects. For every \$100,000 in total impact approximately between 2-3 jobs are created. In a closed economy, one cycling event with 500 participants generates \$61,433 in direct expenditures, producing a total impact of \$93,212 and supports 2 jobs.

<b>Table 10</b>						
<b>Closed</b>						
	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total</b>	<b>Multiplier</b>	
<b>Total Employment</b>	1.6	0.3	0.2	2	1.25	
<b>Total Output</b>	61,433	17,785	13,994	93,212	1.52	
<b>Open</b>	<b>Direct*</b>	<b>Indirect*</b>	<b>Induced*</b>	<b>Total</b>	<b>Multiplier</b>	
<b>Total Employment</b>	1.3	0.2	0.2	1.6	1.23	
<b>Total Output</b>	47,417	12,741	11,152	71,310	1.50	

Table 10 also shows closed and open estimates of the economic activity of producing a cycling event. The open scenario was generated by acknowledging that not all of the budgeted expenses were spent by participants in the Claxton area. The closed scenario includes the money that was spent outside of the Claxton area.

The two impact studies combined provide the following information:

- The total expenditures for the cycling event in Claxton were \$ 34,080.
- The total expenditures for the cycling event in the Claxton area were \$ 93,212.
- The number of jobs created by the impact is two for the Claxton area.
- The multipliers used for the impacts were between 1.22 and 1.52.

## CONCLUSION

The annual Claxton Cycling Event, “Cruisin’ in the Country” has had a significant impact on Evans County and the surrounding area. This study shows the total impact of the event in employment and dollars for Claxton and the Claxton area. In addition, this study has shown some invisible benefits to the local economy as well. The intangible benefits as well as monetary benefits impacted the economy in many ways, and this study has shown how the impact traveled through the local economy.

The findings of this report support the ongoing efforts of the Claxton-Evans County Chamber of Commerce to have a cycling event each year. This event not only supports a few jobs in the area, but also brings in a total of \$93,212 per year, which has a substantial impact on the area. Considering the impact for Claxton, the event brings in a total of \$34,080 dollars to Evans County. Also, by looking at registration, it also has an impact on the Claxton area, and this total impact amount is \$23,811.

When looking at the total impact of the event on Claxton, there were two categories of impact, employment and output. The total impact of employment was that one job is supported by the event each year. The total impact for output was \$28,039 (in 1997 dollars) in direct expenditure and \$6,041 in indirect and induced expenditures from the event.

When looking at the total impact of the event on the Claxton area, there were two categories of impact, employment and output. The total impact of employment was that three jobs are supported by the event each year. The total impact for output was that in a closed economy, \$61,433 (in 1997 dollars) was the direct expenditure of the event and \$17,785 was the indirect expenditure resulting from the event. Also, an additional \$13,994 was the induced effect from the event.

When considering the total impact of the event registration, there were two categories of impact, employment and output. The total impact of employment is that .7 jobs are supported by the event each year. The total impact for output is \$23,811 (in 1997 dollars), which includes \$16,846 in direct expenditure and \$6,965 is the indirect and induced expenditure resulting from the event.

The findings also show certain similarities between cyclists attending the event. For example, over 62 percent of the participants were between the ages of 31-55. Also, 41 percent of cyclists traveled the 100-mile route. Another characteristic of cyclists is that 35.5 percent have college degrees. The two averages drawn from the study are: the average party size was 1.56, and the average days participants stayed away from home were 1.935.

The Claxton-Evans County Chamber of Commerce asked for any recommendations for the future in order to sponsor a better event. After comparing results of the study to the actual event, the Bureau of Business Research and Economic Development has come up with the following research ideas.

The Bureau of Business Research and Economic Development plans to provide enough information to the Claxton-Evans County Chamber of Commerce so that they may increase community wide support and come up with a new and improved strategy for next year's event. In the future, the Claxton-Evans County Chamber of Commerce may accumulate interest by introducing a triathlon, a "Cruisin' in the Country" campout, a cook-off, or a combination race and ride. These suggestions may help to provide a better event next year.

The cyclists seem to lose interest if attending both days because the route is the same. The participants may have more interest in attending both days if more activities are introduced such as a triathlon. On one day there may be cycling event and the next day there could be a race along with canoeing. This would attract interest for attending both days of the event. Also, some cycling events include a race along with the ride. This allows for committed cyclists to compete for a prize, while allowing for the average cyclist to participate in the excitement of the ride.

By comparing the interests of the cyclists, almost a third of participants chose to campout for the ride. Therefore, a "Cruisin' in the Country" campout would bring all of the participants together and could even be part of the event. The coordinators for the event may also arrange for a parking lot or field for RV parking for a small fee. During the campout, it may also attract interest by having a "chili" or "BBQ" cook off between participants.

The survey asked for some constructive criticism concerning the ride. Most participants were very pleased with the event and wrote in nice comments. Many cyclists thanked everyone for their efforts, and some cyclists complemented the services. A common criticism was that there were not enough rest stops, and there needed to be more lighting at night. Otherwise, everyone enjoyed the event and would like to attend again in the future.

# APPENDIX I

## Cycling Event Survey Questions

*\* Please circle or check the appropriate response.*

1. What City, County and State are you from? \_\_\_\_\_
2. What is your gender? Male Female
3. What is your age bracket: under 18 18-30 31-55 56-65 over 65
4. What is your race? Black White Hispanic Other
5. What is your income range per year? Under \$10,000 \$10-25,000 \$25-50,000  
\$50-100,000 over \$100,000
- 6 What is your education level: Some high school High school 1-3yrs college  
4-5yrs college 6 or more years of college
7. What category best describes you? Executive/ Management Personnel  
Professional/ Support Staff Clerical/ Supervisory Personnel Operative Personnel  
Student Retiree Other
8. Which route did you take? 18 mile 30 mile 65 mile 100 mile
9. Please choose your favorite rest stop: **(choose only one)**
  - a) \_\_\_ The Red Cross at Hwy. 129 and Green Cypress (SAT 18, 30, 65, 100)  
"Headless Bikeman"  
\_\_\_ CareOne at Beard's Creek Church (SAT 65, 100) "Taking Care with Care One"  
\_\_\_ Pineview Baptist Church (SAT 65, 100) "Fall Theme"  
\_\_\_ Claxton Bank at Bay Branch Church (SAT 30, 65, 100) "Beach Theme"  
\_\_\_ Cubscouts and Boyscouts at Antioch Baptist Church (SAT 18, 30, 100)  
"Campout in the Country"  
\_\_\_ Family Connections at Mendes (SAT 65, 100) "Fall Theme"  
\_\_\_ 4H at Burkhalter Rd. and Carter's Bridge Rd.(Howard West's Home)  
(SAT 100) "Patriotic Theme"  
\_\_\_ Manassas Methodist Church at Hwy. 292 (SUN 40) "SodaShop/Cafe Theme"  
\_\_\_ Boyscouts and Cubscouts at Hwy. 129 and Evergreen Church (SUN 40)  
"Campout in the Country"
  - b) Please circle the reason for your choice: Scenery Theme Service  
Other:\_\_\_\_\_
10. a.) Are you a member of a cycling organization? Yes No  
b) Have you attended events similar to "Cruisin' in the Country?" Yes No

If yes, how many per year? 1-5 5-10 10+  
If yes, which is your favorite? \_\_\_\_\_

11. How many people are traveling with you who are not participating in the ride?  
0 1 2 3 4 5

12. How long will you be staying away from home on this trip?  
1 2 3 7 Days/Weeks NA

13. Where will you be staying?  
a.) Home(live in area) Bed & Breakfast Campgrounds Hotel Friend/Family  
Second home  
b.) Will you be staying in: Claxton Statesboro Savannah Other NA

14. Please estimate how much money you and/ or the members of your party plan to spend on the following:

- a.) Accommodations (**per day**): \$ \_\_\_\_\_
- b.) Rental car: \$ \_\_\_\_\_
- c.) Gasoline: \$10 \$20 \$30 \$40 \$50 over \$50
- d.) Meals (**per person per day**): \$10 \$20 \$30 \$40 \$50 over \$50
- e.) Clothing (**per person per day**): \$10 \$20 \$30 \$40 \$50 over \$50
- f.) Rec. & Entertainment Activities (**per person per day**): \$10 \$20 \$30 \$40 \$50 over \$50
- g.) Gifts, souvenirs, and other misc. purchases per person: \$10 \$20 \$30 \$40 \$50 over \$50
- h.) Local products of special interest: Onions \$\_\_\_\_\_, Fruitcake \$\_\_\_\_\_, Peaches \$\_\_\_\_\_, Chicken \$\_\_\_\_\_, Pecans \$\_\_\_\_\_.
- i.) Cycling Products/ Repair per person: \$10 \$20 \$30 \$40 \$50 over \$50
- j.) Total Amount Spent (**all expenditures per party**): \$ \_\_\_\_\_

15. a.) Are you signed up for: SAT SUN BOTH  
b.) Would you be interested in attending a 3 day event to include Friday? Yes No

17. a.) Have you ridden in "Cruisin' in the Country" in a previous year? Yes No  
b.) How did you learn about "Cruisin' in the Country?" \_\_\_\_\_  
c.) Would you attend again if the event were a 3 day event including a Friday?  
Yes No  
d.) If No, would you attend again if the event were only a two day event? Yes No  
d.) Other comments or constructive criticism: \_\_\_\_\_

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## APPENDIX II

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**ENTRY FORM:** Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Address: \_\_\_\_\_ Telephone: \_\_\_\_\_  
If under 18 years old, parental or guardian signature: \_\_\_\_\_  
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