



**The Economic Impact Study of The
2009 Durango Independent Film Festival**

By

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Introduction

An independent film is a film that is originally produced without any financial aid from one of the six major movie studios. Independent films started when filmmakers resisted the control of major movie productions and created their own distinctive styles of filmmaking. Independent film festivals are a way in which film lovers and critics can come together and view many independent films that may not necessarily be seen in a regular movie theater. Film festivals have also been a method in which independent filmmakers can showcase their film to the public that might not otherwise be released. In 2008 non MPAA affiliated independent movies accounted for 73% of film releases¹.

There are a wide variety of film festivals that present an assortment of films. A few festivals that are most well known are the Sundance Film Festival and the Cannes Film Festival. Independent film festivals sometimes have a theme for the films they are hosting, but many times there is not a theme and an array of films will be played at one festival.

The Durango Independent Film Festival (DIFF) is a public charity organization that is “committed to film literacy and to being a welcoming, intimate, and unique film organization that screens global, innovative, and diverse films that connect independent filmmakers, their artistic process, and their vision to the community.”² 2006 was the inaugural year for the DIFF and the organization has enjoyed great success in the last 3 years, expanding to offer year round programs. At this year’s festival there were over 80 feature-length and short films, assuring that there was something for everyone. Films were shown in downtown Durango at the Abbey and Gaslight Theaters. The festival received contributions from the community in the form of sponsorships, volunteers, and people who attended the films.

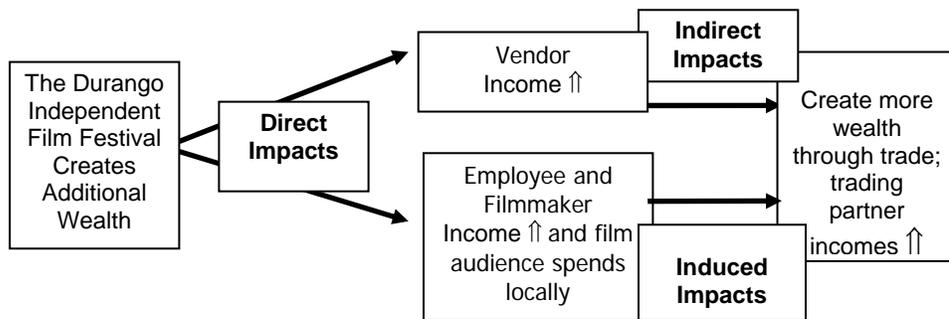
This study is an attempt to determine the economic impact of the DIFF. An “economic impact” is the value added to a community through the actions of an organization or group. In order to gather data for this study, surveys were conducted by two Fort Lewis College students.

¹ http://www.mpa.org/2008_Theat_Stats.pdf. Link verified 4/26/2009.

²Durango Independent Film Festival. http://www.durangofilmfestival.com/index.cfm/fa/category.display/category_Id/187/about.cfm. Link verified 3/30/2009.

Direct, Indirect and Induced Effects

Direct economic effects occurred when the DIFF bought goods and services from vendors and paid employees wages. These activities increased the income of the vendors and employees. From this direct business activity, there is a “ripple” effect throughout the local economy. These effects are known as indirect and induced impacts that generate income in a local economy. Indirect effects include the increase in income that is created when the vendors whose incomes increased due to doing business with the DIFF in turn purchase from others in the local economy. Induced effects are created when employees of the DIFF and the filmmakers and film audience who would not have spent money locally if they didn’t attend the DIFF spend their personal income within the local economy on goods, services, property, taxes, etc.



Economists typically estimate indirect and induced impacts by using a “multiplier.” Multipliers are used to represent the “ripple effects” of money in the economy as it is traded and traded again, generating wealth and income. For example, a multiplier of 1.5 would mean that for every dollar of payroll that an industry pays to its own employees, an estimated \$0.50 in additional economic value or income is generated in other industries. When determining the multiplier for an area it is imperative to account for the variety of purchases made by organization (the DIFF) within the local region. Due to the rural nature of Durango, the producers may often purchase materials and equipment from outside the region. The multiplier used in this study was obtained from the Bureau of Economic Analysis (BEA) IMPLAN Pro 2.0 software and was calculated for La Plata County³.

The Output Multiplier: 1.542747

³ The Bureau of Economic Analysis’ program: IMPLAN Pro 2.0 was used to calculate the output multiplier for “other amusement and recreation industries.”

The Economic Impact of the Durango Independent Film Festival

The majority of the direct economic impact of the DIFF came from the money spent locally by the festival attendees and filmmakers and the money DIFF spent on the production of the festival. See Table 1 for a summary of local spending due to the DIFF.

Table 1 – Total Expenditures

Category	Expenditures in La Plata County
Expenditures by the DIFF (excluding payroll) ⁴	\$58,695
The DIFF employee expenditures in La Plata County (contract work) ⁵	\$32,654
Filmmaker and Film Audience Spending in La Plata County ⁶	\$137,460
Direct and Induced Economic Impact	\$228,809
Multiplier ⁷	1.542747
TOTAL ESTIMATED ECONOMIC IMPACT	\$352,994

Thus the total direct and indirect economic impact of the Durango Independent Film Festival was \$352,994. La Plata County’s total combined personal income was \$1,994,081,000 in 2007 (the most recent number available). Therefore, the DIFF contributed approximately .017% to the earned personal income in La Plata County.

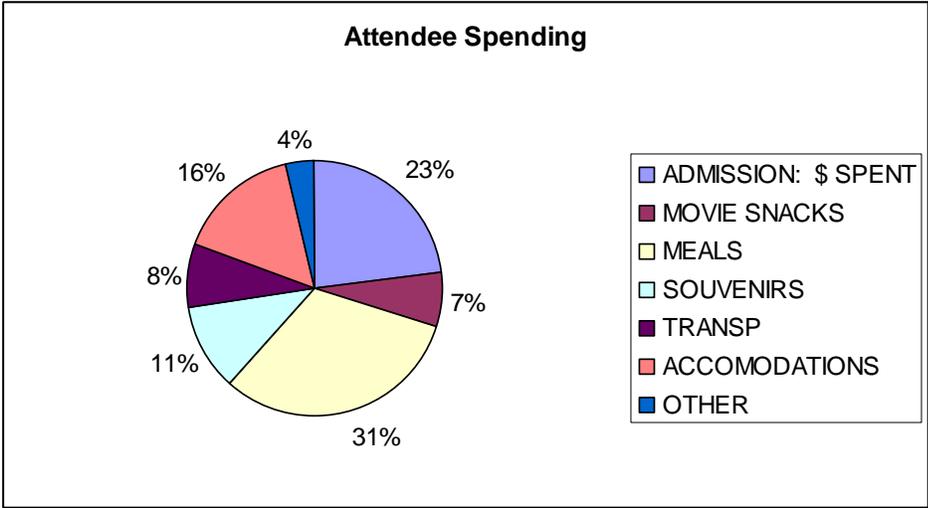
Impact From Attendees and Filmmakers: Those who attended the DIFF spent most of their money on meals (\$15,658), \$11,531 was spent on admission, \$3,406 was spent on snacks, \$5,545 was spent on souvenirs, \$3,993 was spent on transportation, \$7,921 was spent on accommodations, and \$1,792 was spent on other activities or products (See Graph 1).

⁴ All expenditure information for the DIFF is for the 2007-2008 fiscal year (most recent information available).

⁵ We assume that all of the dollars paid to employees (contract work) were then spent in La Plata County.

⁶ This number is determined by taking the total amount spent as reported by the 243 people surveyed at the festival excluding admission (since we assume that admission money was spent by the DIFF and would therefore be counted twice otherwise). This number is 157.67 per person. In order to determine the number of attendees, the number of seats occupied was divided by the average number of film blocks per individual surveyed. Since 870 people attended the festival – a total of \$137,460 was spent by attendees. This assumes that this money would not have been spent in the Durango area if the DIFF did not take place.

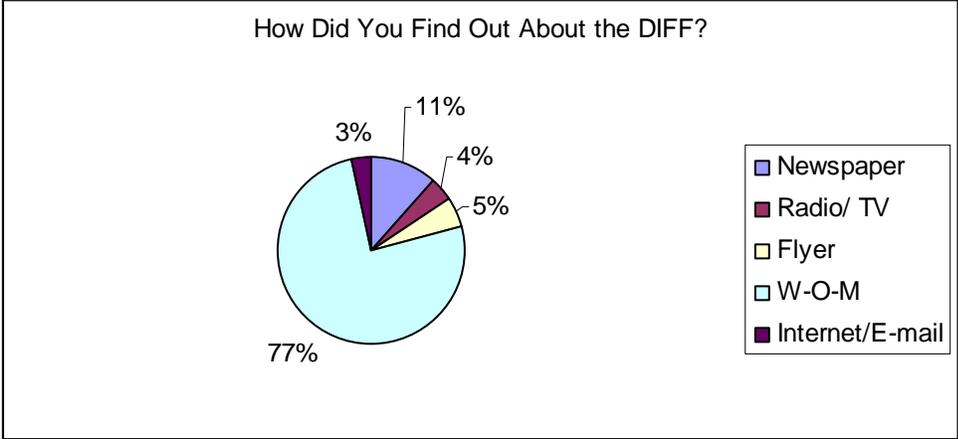
⁷ This multiplier was provided by the Bureau of Economic Analysis IMPLAN Pro 2.0 program. The multiplier is for La Plata county “other amusement and recreation industries.”



Graph 1 – Attendee Spending

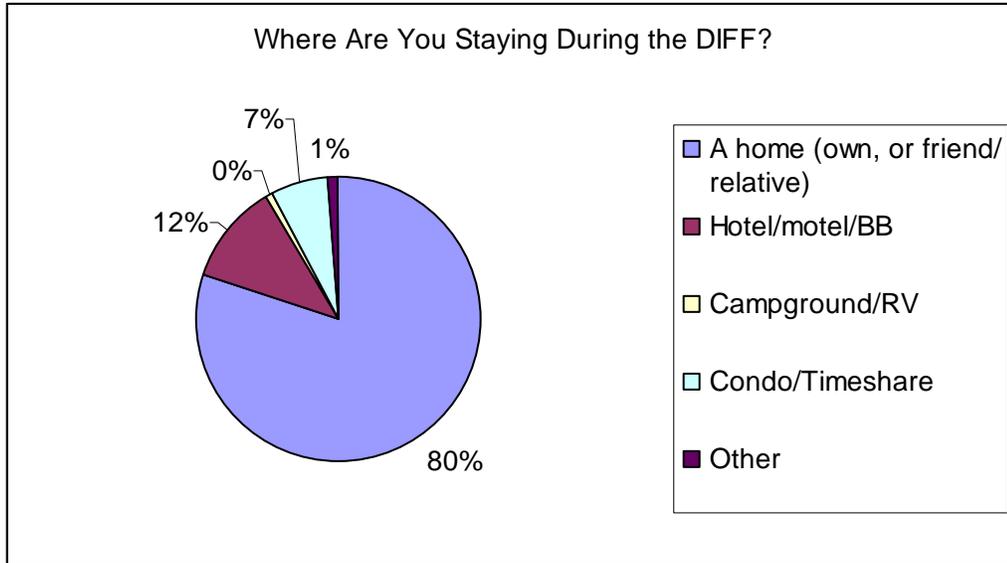
DEMOGRAPHICS

The data gathered from 243 families/groups surveyed (407 adults and 18 children) provided us with a picture of the people who attend the film festival. It was found that the majority of the people, 77%, heard about the DIFF through word of mouth (See Graph 2).



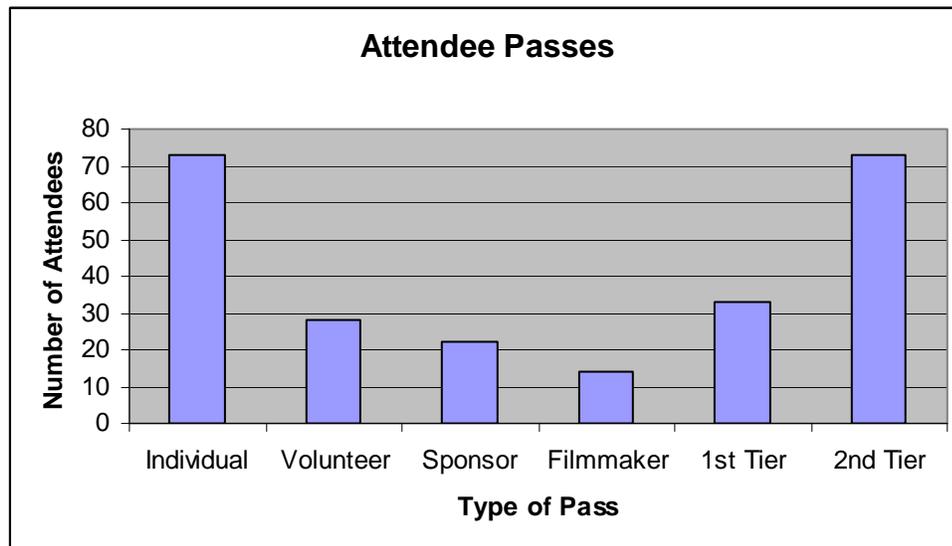
Graph 2 – How did you find out about the festival?

People that attended the DIFF were almost all, 80%, staying in a private residence, whether it was their own residence or the residence of a family member or friend (See Graph 3).



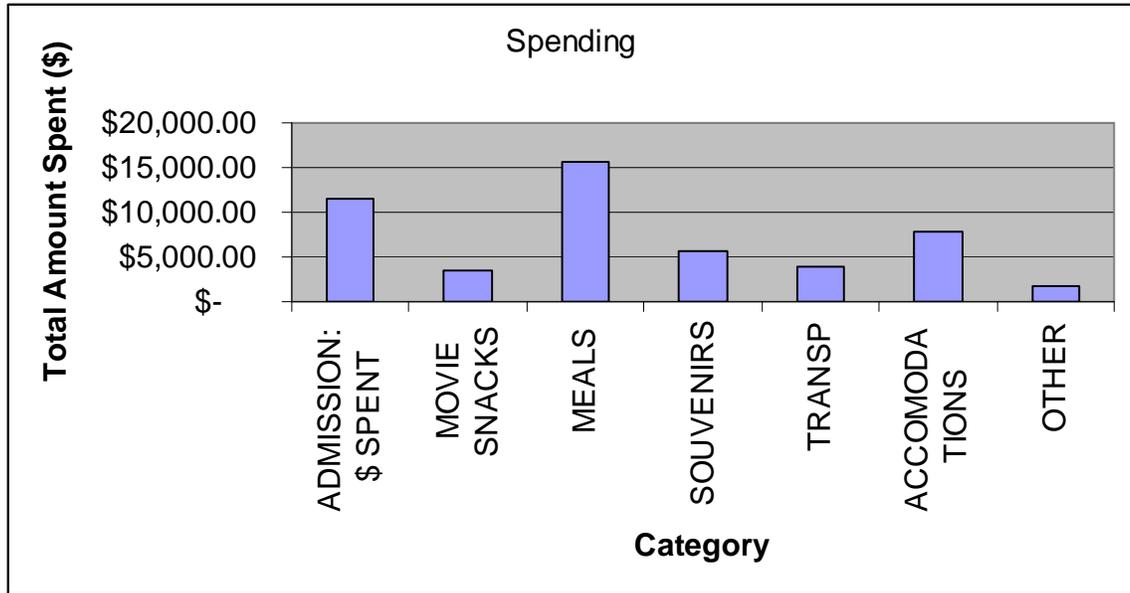
Graph 3 – Where are you staying during the festival?

When it comes to the tickets that people purchased most people bought individual tickets or used second tier passes. It was found that many people were using a five or ten-punch card, but did not necessarily purchase it themselves. Instead, the business that they work for had purchased it and all of the employees got to use it a few times, or friends purchased a pass together and went to see movies together (please note that the number of passes used may not reflect the number of passes sold because of the ability to share passes). Consult graph four for a breakdown of survey attendees' pass types.



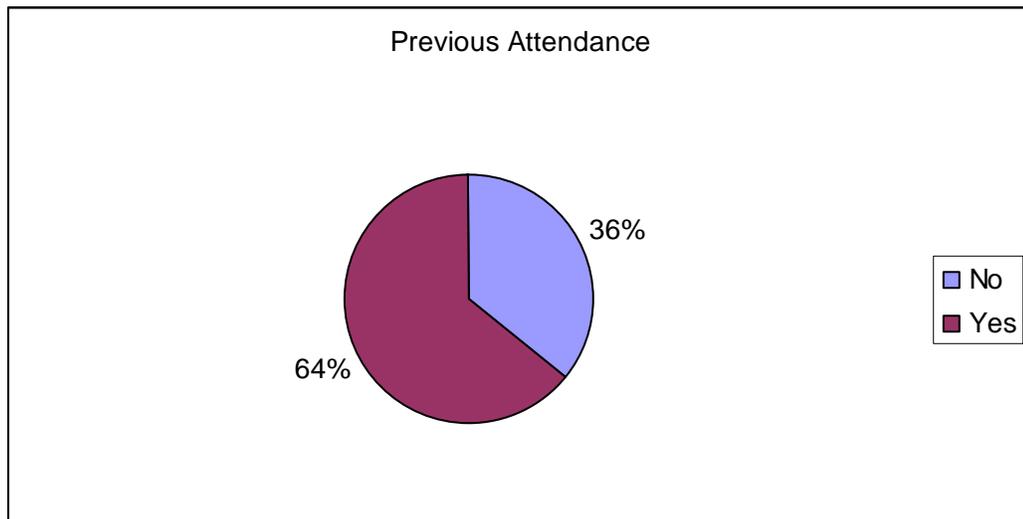
Graph 4 – Surveyed Attendees' Passes

Those who attended the DIFF spent money in downtown Durango. It was found that the most money, \$15,658, was spent on meals. Festival attendees spent \$11,531 on admission to the festival. Food consumption, the total amount spent on meals and snacks, was \$19,064. Meals are defined as a portion of food that is being eaten to satisfy an appetite. Snacks are defined as food eaten between regular meals. Film goers spent \$15,658 on meals and \$3,406 on snacks. Accommodations accounted for \$7,921. Another \$1,792 was spent on other items that were not defined specifically. The survey showed that people spent \$5,545 on souvenirs. The two categories that people spent the least money on were accommodations, \$7,921, and transportation, \$3,993 (See Graph 5).



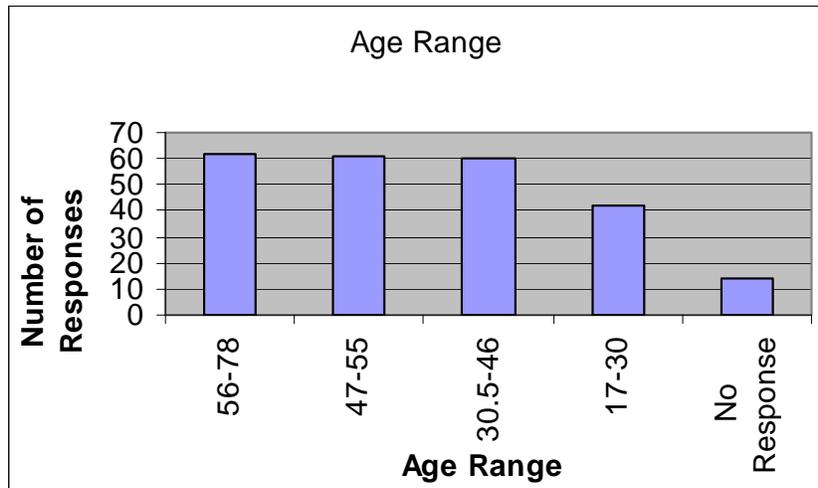
Graph 5 – Total Spending by Attendees and Filmmakers

Most people, 64%, had attended a film festival in Durango before and 36% had not (See Graph 6).



Graph 6 – Previous festival attendance

There was a wide age range of people that attended the DIFF. The average age of a DIFF attendee was 43 years, however surveyed attendees ranged in age from 17-78 (children were not counted in this graph). Graph 7 illustrates the age ranges that were surveyed.



Graph 7

Zip codes were collected from the individuals surveyed⁸. There were 53 different zip codes collected. It was found that the most people, 177, had Colorado (most from Durango, see Table 2) zip codes. The next largest group was from New Mexico with 13 people, California with 12, and Texas, Arizona, Michigan, and Florida all were represented with four attendees each. Many other areas outside of Colorado were also represented (See Table 2).

⁸ USPS Zip Code locator was used to determine the location of each zip code. http://zip4.usps.com/zip4/citytown_zip.jsp. Link verified 4/26/2009.

Table 2

Zip Code/Location	
Canada	1
Germany	1
No response/Not valid	17
Bronx, NY 10451	2
Sag Harbor, NY 11963	1
Newark, DE 19713	1
Writtsville Beach, NC 28480	1
Clearwater, FL 33761	1
Mishawaka, IN 46545	1
Bridgeport, MI 48722	1
Parchment, MI 49004	2
Paw Paw, MI 49079	1
Leawood, KS 66206	1
Dallas, TX 75248	1
Pickton, TX 75471	1
Fort Worth, TX 76132	1
Fort Worth, TX 76177	1
Aurora, CO 80012	1
Fort Collins, CO 80525	1
Bayfield, CO 81122	15
Ignacio, CO 81137	4
Pagosa Springs, CO 81147	1
Gunnison, CO 81230	1
Durango, CO 81301	123
Durango, CO 81302	4
Durango, CO 81303	18
Dolores, CO 81323	1
Hesperus, CO 81326	4
Mancos, CO 81328	3
Grand Junction, CO 81507	1
Phoenix, AZ 85008	1
Bisbee, AZ 85603	1
Flagstaff, AZ 86001	2
Cedar Crest, NM 87008	2
Albuquerque, NM 87110	1
Farmington, NM 87401	4
Farmington, NM 87402	2
Flora Vista, NM 87415	2
Fruitland, NM 87416	1
Kirtland, NM 87417	1
Los Angeles, CA 90004	1
Los Angeles, CA 90026	1
Los Angeles, CA 90046	1
Los Angeles, CA 90078	1
Long Beach, CA 90803	2
San Diego, CA 92130	1
Salinas, CA 93907	1
San Francisco, CA 94102	1
San Francisco, CA 94118	1
El Cerrito, CA 94530	1
Berkeley, CA 94703	1

Comments of Filmgoers

“Well Organized.”

“Always an enjoyable event.”

“What a wonderful community event!”

“Excellent films.”

“Really enjoyed the free film – keep up the good work!”

Works Cited

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