



The Mission Inn  
HOTEL & SPA

# Festival of Lights



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# 2023 RIVERSIDE FESTIVAL OF LIGHTS ECONOMIC IMPACT FINAL REPORT

- I. Research Methodology
- II. Economic Impact
- III. Demographic Data
- IV. Data Analytics Action Items
- V. Appendix (2017 Comparison Data)

## Executive Summary

The 2023 Riverside 31st Annual “*Festival of Lights*,” was the culminating/year ending community-at-large outreach Event for the Mission Inn and City of Riverside. Considered by many to be a **pinnacle Event for the Riverside Metropolitan vicinity**, hosted by the Mission Inn and nearby auxiliary sites, took place November 18, 2023 – January 7, 2024.

The five week Festival, home to local business retail shops/food carts, nightly/weekend entertainment, and an incredibly Christmas light decorated Mission Inn Downtown Riverside holiday display, have the potential to bring a **tremendous influx** of capital into the local economy of the host metropolitan region, City of Riverside. The City of Riverside was interested in determining exactly what the economic impact is to the local community and what specific travel-related industries are impacted by the planning and staging of the **2023 Riverside Festival of Lights and related economic “Events.”**

In order to gain a more *comprehensive* understanding of the total economic demand realized by the City of Riverside and regionally to Riverside County, the following will report on the research investigation of quantitative *and* qualitative impacts associated with hosting *2023 Riverside Festival of Lights*. To better comprehend the value of economic impact research, a brief synopsis of this type of research is provided below.

## Determining Economic Impact

Any developed economy, whether national, regional or local, is characterized by a high degree of interdependence among producing industries of the economy. Each industry not only produces goods or services, but also is a consumer itself, purchasing other goods and services for use in the production process. This inter-industry interaction creates additional demand and produces income and employment beyond the initial expenditure. Inputting initial expenditures (“direct impacts”) into a model generates additional impacts (“indirect” and “induced”), which when added to the direct impact produces the total impact, which may be measured in a variety of ways, such as taxable sales, tourism-related income and employment.

It is a well known fact that the entertainment/festival/sport sectors are some of the high growth US industries, intertwining with virtually every aspect of the economy – from media and apparel to entertainment and advertising. Special events/festivals add to the economic strength of a community in a number of ways:

- They have the ability to create new business (e.g. positive impressions by visitors who return for conventions, vacations, retirement, etc.)
- They stimulate employment (staging large scale events is very labor intensive)
- Revenue generated from large scale events (particularly those of longer than three to five days duration) can provide the local government with significant tax revenue; i.e. events attract visitors from outside the community (as defined as any out -of-town person who travels to the area specifically for the event: spectators, participants, promoters, small businesses/proprietors and media). These expenditures represent an infusion of new wealth into a local community

## Economic impact was measured by investigating the following:

1. Direct dollars spent due to the event and events leading up to the *2023 Riverside Festival of Lights*, by out-of-town visitor (from outside the designated study area) consumers in the market (hotel, concessions/restaurants, local transportation, entertainment, merchandise, other miscellaneous retail)
  - Event(s) participants, spectators/out-of-town visitor profiles
  - Sub-Contractors/local Business Proprietors, Entertainment Performers and ALL others associated with the *2023 Riverside Festival of Lights* auxiliary Event(s) disclosed in this investigation
2. Re-spending as a result of the direct expenditures from said “Events” (multiplier effect: business stimulation from introduction of new economic injection into the designated community)
3. Demographic and economic profiles of out-of-town visiting event attendees/participants
  - How many attend
  - How much they spend
  - Where are they spending their money
  - On what do they spend while in attendance
  - Origin geographic locations of “out-of-town” visitors
  - Basic demographics
4. Economic impact spreadsheet showing how much Event(s) driven money is injected into the local economy (revenue of Event- related entities: hotels, restaurants, local transportation, entertainment, retail)
5. Corporate/business spending patterns as a direct result of Event-related activities
6. Types of local businesses effected by Event(s) driven spending
7. Precise number of jobs in all local businesses effected by Event(s) driven spending

*This study used the latest version of IMPLAN Professional Version 2.5 for Windows  
Analysis also took into consideration Riverside seasonal tourism trends*

# RESEARCH METHODOLOGY


WHO

700,000 Festival Visitors  
1,272 Survey Intercepts  
Received... Respondents were  
incentivized with a drawing for a local  
hotel stay

WHAT

Economic impact & event  
perspective survey administered to  
attendees

WHEN

Dates Surveyed:  
11.18/11.19/11.25/11.26  
12.2/12.3... (efforts assisted by onsite  
advertising from City of  Riverside)... Local  
Accommodations... Marriott/Mission  
Inn/Hampton Inn and Hyatt Place  
also assisted with QR Code Survey  
Business Card distribution

HOW

SMRI experienced field research staff  
completed onsite survey protocol with  
Survey-EDGE tool





# Festival of Lights

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## II. ECONOMIC IMPACT

## Summary of Economic Impact

Impact Type	Employment (Jobs)	Labor Income	Value Added	Industry Output (Revenues)	Local, State, Federal Tax
Direct Effect	1,151	\$55,089,395	\$66,329,562	\$99,453,761	\$22,506,011
Indirect Effect	129	\$6,876,739	\$10,380,335	\$20,960,876	\$2,825,214
Induced Effect	211	\$10,563,792	\$20,618,593	\$34,415,611	\$5,857,968
<b>Total Effect</b>	<b>1,492</b>	<b>\$72,529,926</b>	<b>\$97,328,490</b>	<b>\$154,830,249</b>	<b>\$31,189,193</b>

Values in 2024 dollars.

Source: Implan model for Riverside-Bernardino metropolitan area (Riverside, San Bernardino Counties), 2022

Greater spending and overall economic impacts estimated for 2023 compared to 2017 was due to higher spending per party and higher spending per group night.

In addition, we used a “reduced form” Implan model Riverside County that has only households in the social accounts, excluding state/local and federal government respending that we normally use.

- Total attendance in 2023 decreased by 6.7%, from 750,000 to 700,000
- Average spending per group increased from \$488 to \$701
- The Inflation is SIGNIFICANTLY higher in 2023





## Visitor Spending

Expense Category	Implan Sector	Average Per Group	Total All Nonlocal Visitor Groups	Split Amount*
Lodging & Accommodations	509 Hotels and motels, including casino hotels	\$447	\$32,881,195	\$16,440,598
	510 Other accommodations			\$16,440,598
Food (e.g. grocery stores)	411 Retail - Food and beverage stores	\$243	\$17,907,078	\$17,907,078
Restaurants	509 Full-service restaurants	\$304	\$22,339,223	\$11,169,611
	510 Limited-service restaurants			\$11,169,611
Retail (.e.g. Gifts/Shopping)	405 Retail - General merchandise stores	\$324	\$23,843,269	\$23,843,269
Entertainment/Recreation/Attractions	504 Other amusement and recreation industries	\$294	\$21,655,738	\$21,655,738
Local Transport (e.g. Rental Car/Gas/Taxi/Limousine/Bus Tours)	420 Scenic and sightseeing transportation and support activities for transportation	\$188	\$13,850,314	\$6,925,157
	408 Retail gasoline stores			\$6,925,157
<b>Total</b>		<b><u>\$1,801</u></b>	<b><u>\$132,476,817</u></b>	
Average spending per day		\$594		

Values in 2024 dollars.

Source: Implan model for Riverside-Bernardino metropolitan area (Riverside, San Bernardino Counties), 2022.

\*Amounts for some activities were split equally into two industry sectors for economic analysis in Implan.

- The average Festival of Lights travel party was 3.34 members
- Share nonlocal visitors 45.6%
- Out-of-town travel parties estimated spending close to \$1,801 during their stay
- Average number of nights stayed: 3.03

## City Budget for the Festival of Lights

Item	Amount
<u>Logistics</u>	
Security Services	\$300,000
Event Rentals	\$50,000
Street Closures	\$210,000
Portable Restrooms	\$125,000
Bike Rails	\$7,000
Health Permit	\$600
RTA Bus - Street Closure Barrier	\$2,500
Subtotal	<u>\$695,100</u>
<u>Decorations &amp; Lighting</u>	
Lighting and Décor: items, installation, and storage	\$300,000
Holiday Tree Installation/Removal/Storage	\$90,000
New Lighting	\$111,000
Holiday Tree Platform	\$10,000
Subtotal	<u>\$511,000</u>
<u>Marketing</u>	
Communications (social media, videos, photo, etc.)	\$3,000
Marketing Giveaway (PINS)	\$2,500
Event Signage	\$25,000
Captioning	\$1,000
Subtotal	<u>\$31,500</u>
<u>Program</u>	
Stage/Production/Entertainers	\$40,000
Santa Claus	\$15,000
Ice Rink	\$450,000
Artisan Collective	\$10,000
Subtotal	<u>\$515,000</u>
<u>Miscellaneous</u>	
Interdepartment Staff Assistance for Program (PRCSD)	\$10,000
<u>Economic Analysis</u>	
Carts	\$500
Subtotal	<u>\$10,500</u>
<b>Total Expenses</b>	<b><u>\$1,763,100</u></b>



Total expenses assigned to Implan industry sector 504-Other amusement and recreation industries for economic impact analysis.

## Return on Investment

### Costs [C]: City Expenditures to Stage Event

Total	\$1,763,100
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### Benefit (B): Total value added (income) impact of visitor spending

	\$97,328,490
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### ROI calculation: (B-C) / C is ratio of net benefit to costs

	168.6
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### Local Benefit (B): Total value added (income) impact of visitor spending

	\$9,212,333
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### ROI calculation: (B-C) / C is ratio of net benefit to costs

*(This score is considered to be an "excellent" return on investment)* **51.6**

## Media Valuation

### TV Coverage

Local Viewership	Local Ad Value
2,806,958	<u>\$330,241.18</u>

### Print Coverage

Total Audience	Advertising Value Equivalency
1,593,257,186	<u>\$16,657,276.68</u>

### Total Media

**\$16,987,517.86**



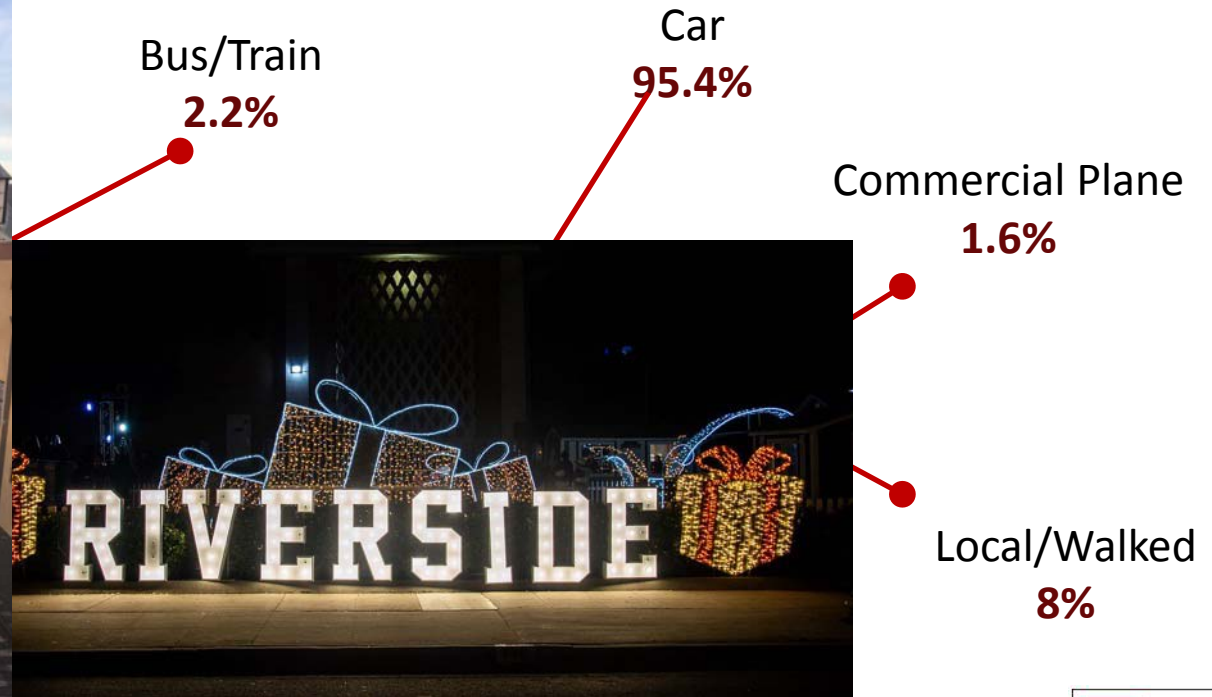
## Travel Accommodations

On average respondents were staying in Riverside and the surrounding area for 1.9 nights.



## Travel Transportation

A majority of 2023 Festival of Lights attendees (95.4%) traveled to Riverside by car. Of the 1.7% attendees who traveled by plane, a majority arrived at Ontario International Airport (ONT).





# Festival of Lights

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## III. DEMOGRAPHIC DATA

## Attendance Motives

**76.9%** of survey respondents shared that the 2023 Festival of Lights was the **primary purpose** of their visit. Of these respondents, a majority (**55.6%**) were **local residents** followed by **out-of-town visitors** (**45.6%**). Most attendees claimed this was their **first year** (**36.4%**) or **6<sup>th</sup> year**(**34.5%**) attending the Riverside Festival of Lights and importantly **81.9%** shared their **Riverside impression was more favorable**.

Involvement	Response
Local Resident – Spectator	55.6%
Out-of-town Visitor - Spectator	45.6%
Vendor or Sponsor	1.8%
Media	1.5%
Volunteer or Venue Support Staff	1.2%

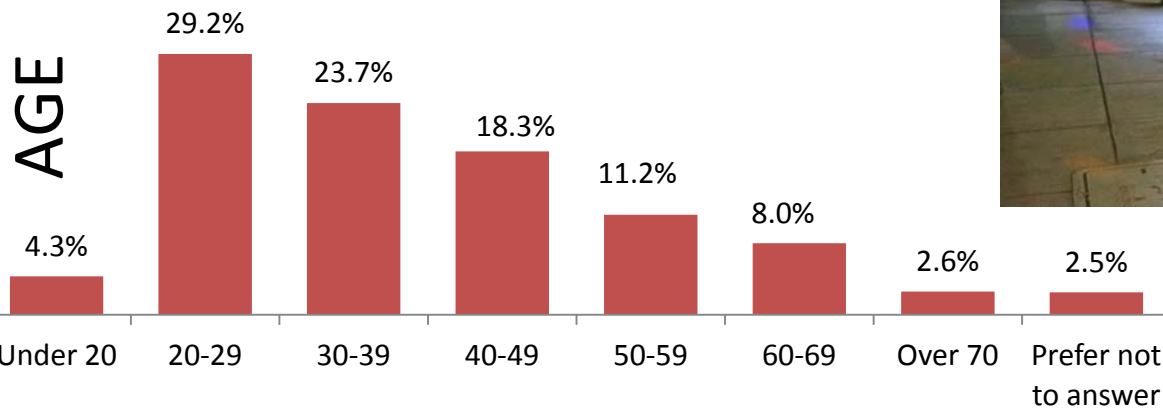
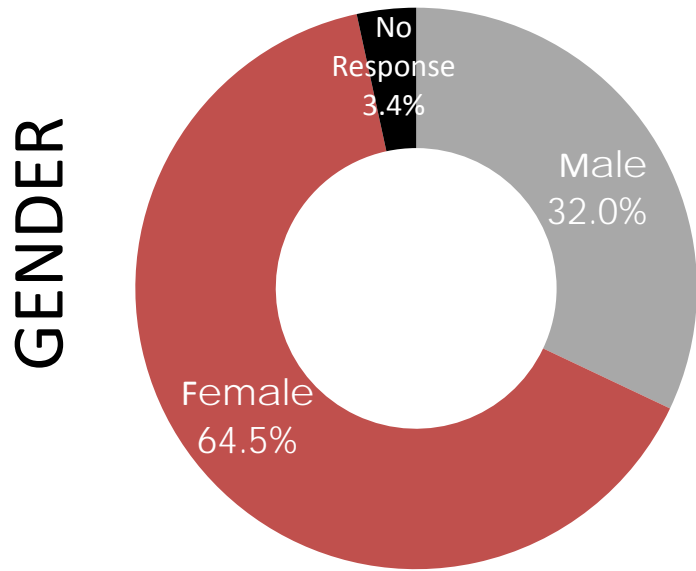
Event Attendance Record	Response
First time	36.4%
2 years	11.6%
3 years	8.0%
4 years	4.2%
5 years	5.2%
6+ years	34.5%

Riverside Impression	Response
More Favorable	<b>81.9%</b>
Same	16.7%
Less Favorable	1.4%



## Gender and Age Demographics

The majority of 2023 Festival of Lights attendees were female (64.5%) aged 20-29 (29.2%)



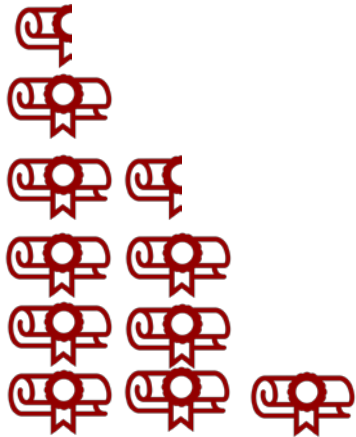


## Ethnicity and Education Demographics

The majority of 2023 Festival of Lights attendees were **Hispanic/Latino (44.6%)** with a **college education**.

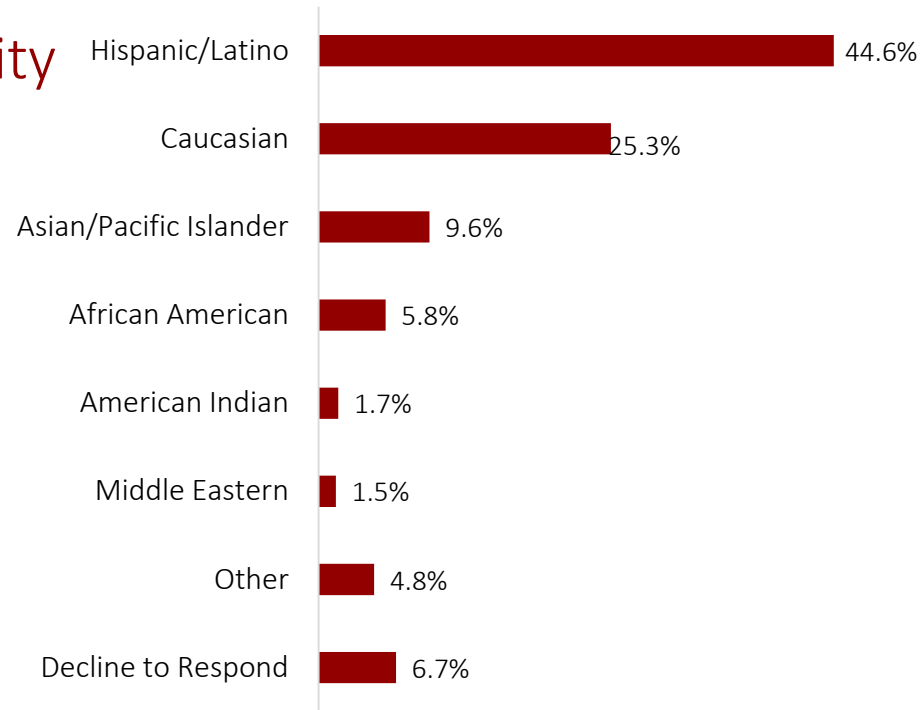


### Education



Some High School	2.0%
High School	12.7%
Some College	20.2%
College	35.2%
Professional Degree	3.4%
Graduate School	22.5%
Other/Declined to Respond	4.1%

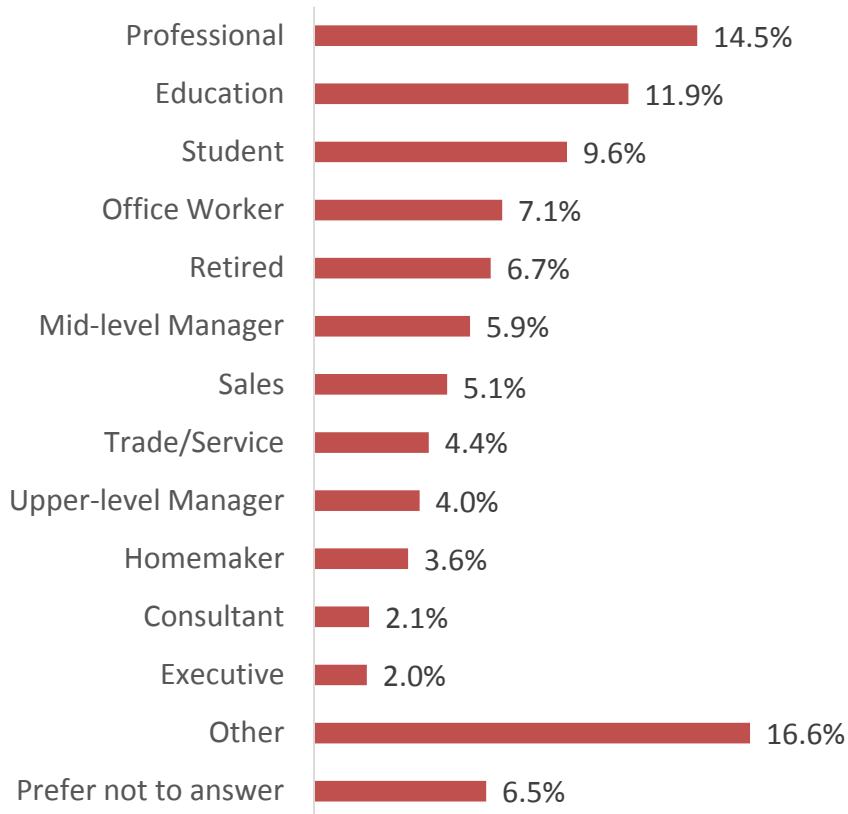
### Ethnicity



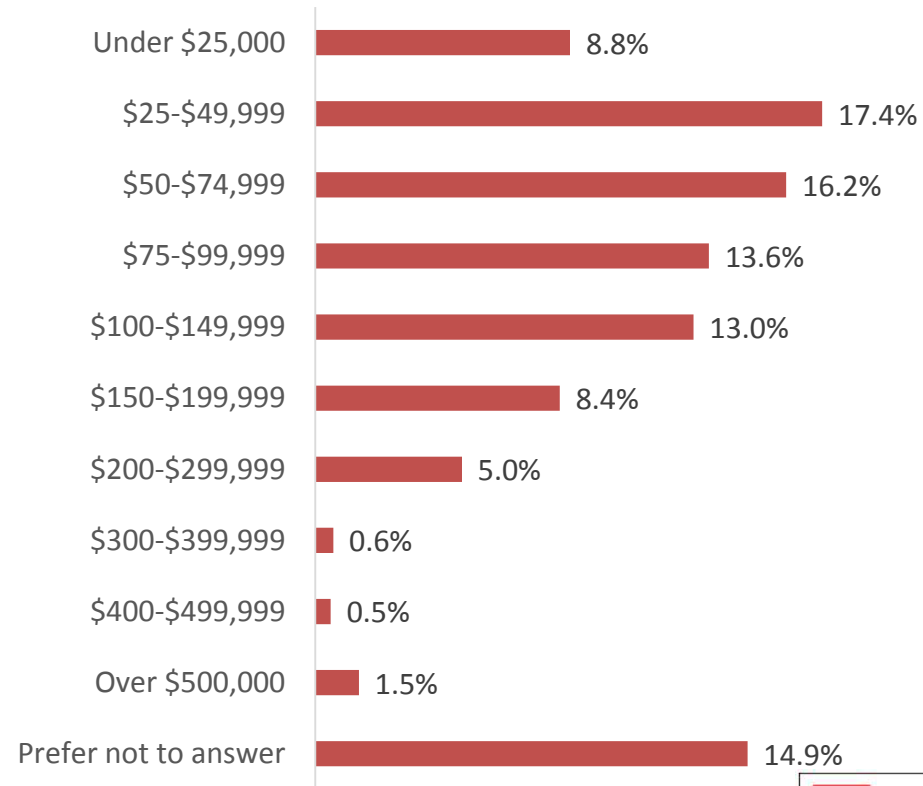
## Occupation and Income Demographics

The majority of 2023 Festival of Lights attendees were professionals (14.5%) or educators (11.9%) with a median annual household income range of \$50,000-\$74,999.

### OCCUPATION

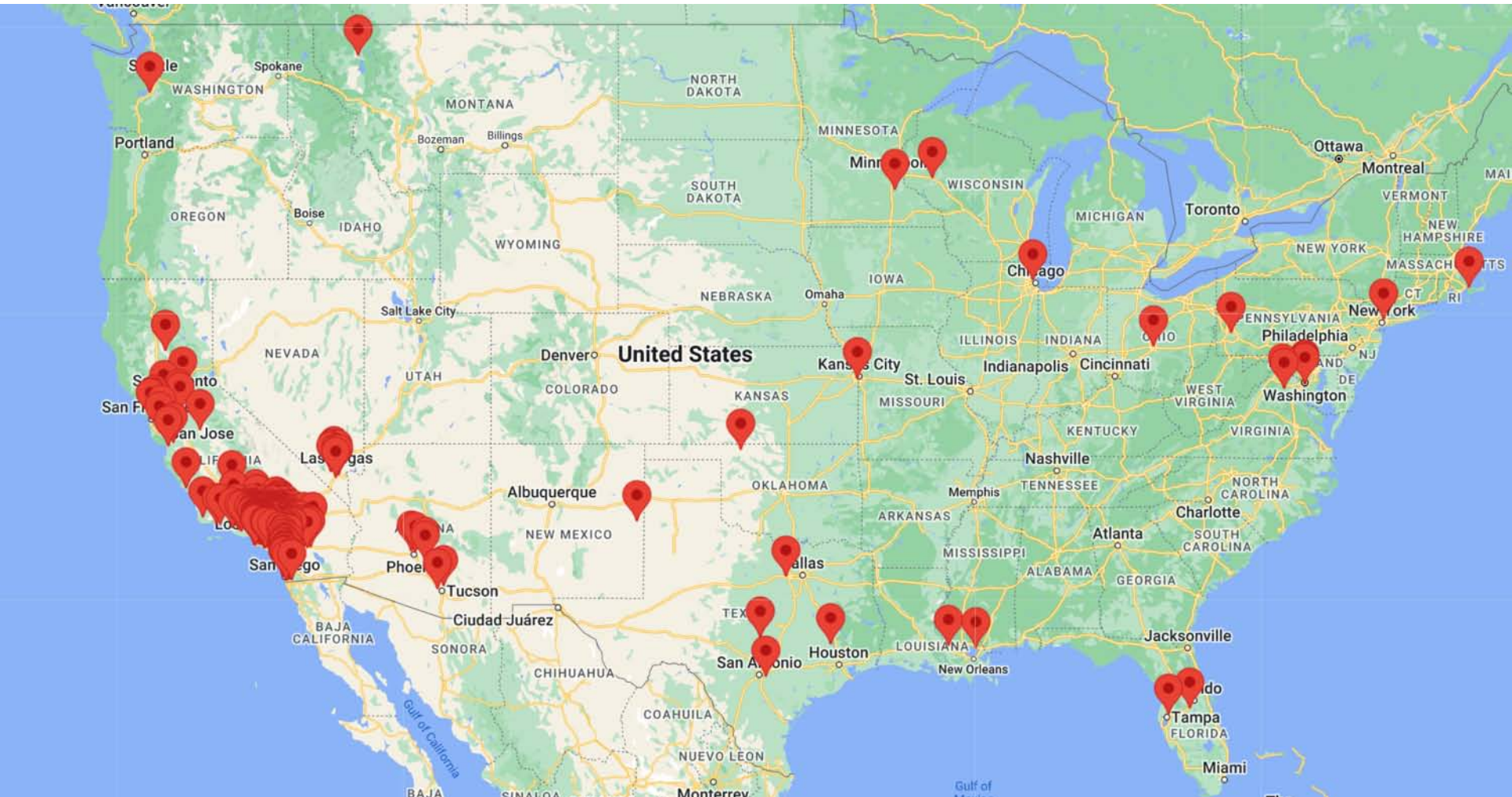


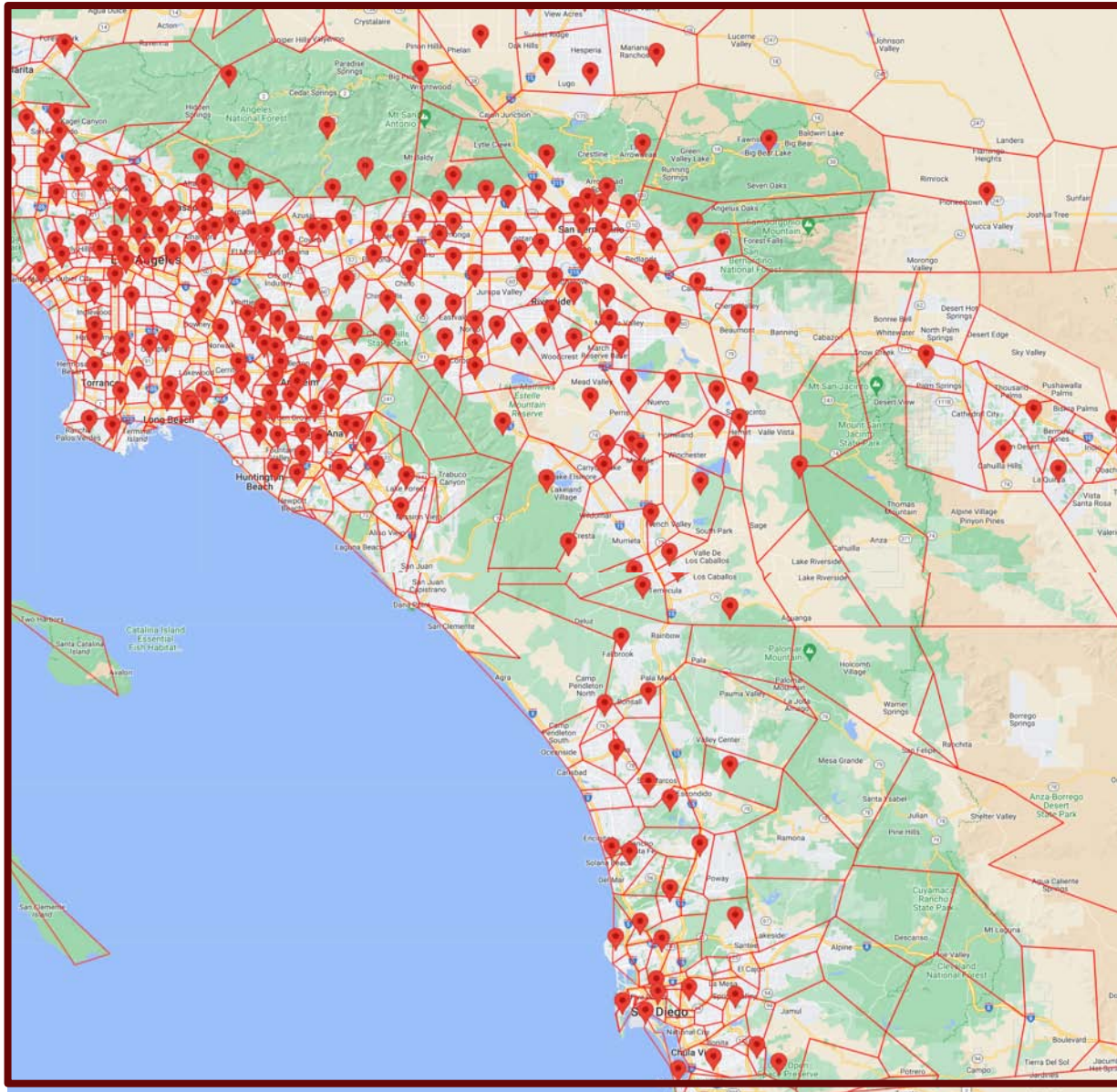
### ANNUAL HOUSEHOLD INCOME



\*Note average party size was 3.34

## Zip Code Mapping (US Perspective)

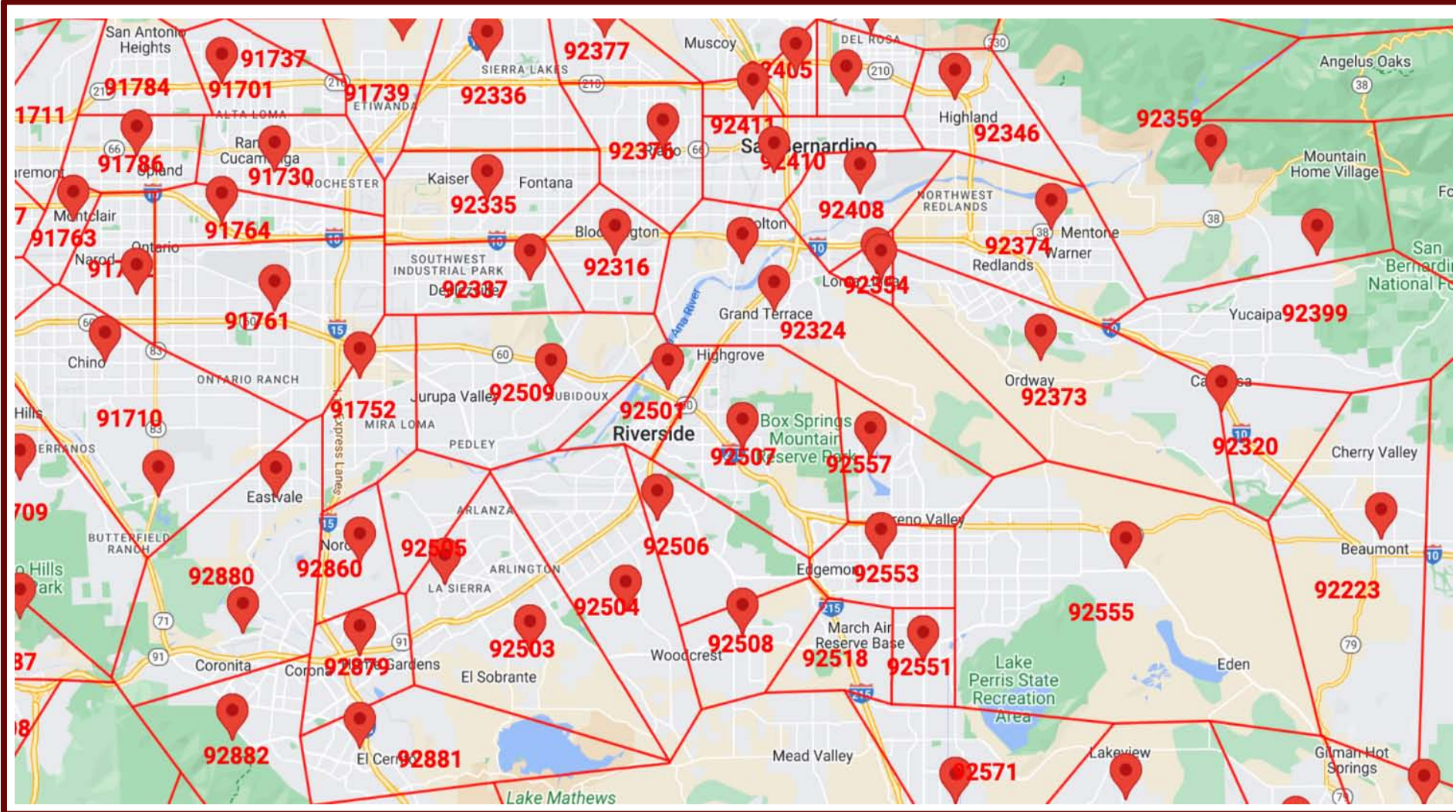




# So-Cal Zip Code Mapping

*(Survey-EDGE Platform Feature)*

Local Zip Code Mapping





# Festival of Lights

## IV. RECOMMENDED ACTION ITEMS

## More of What Folks Love...

- ...All was great!
- ...Amazing!
- ...Best lights I have seen.
- ...Better 2023!
- ...First time visiting the Festival of Lights and sure will be a special core memory for me and my family members.
- ...I actually think it was better managed this year with event staff helping to cross roads and signs around the place. Thank you.
- ...It is really amazing and I would not change anything!
- ...Let us inside the Mission Inn Hotel to see the decor and the ambiance.
- ...Nothing it's perfect!!!!
- ...Open earlier!
- ...The best ever!



## Recommended Event Organizers Action Items...

**1-Greater spending and overall economic impacts estimated for 2023 compared to 2017** was due to higher spending per party and higher spending per group night. A very healthy economic boost after the Covid-19 economic impact downward “systematic shock” to the DMA. Also **81.9% of those surveyed** indicated they left the venue/event with a “more favorable impression” of the destination than prior to attendance.

Our analytics team recommends to continue to market this regional event as a “bucket list...must attend event”. Very glowing comments from the significant numbers of attendees surveyed. The historical prominence of the site/Mission Inn venue offer a special reflection “back in time”. Add on the seasonal elements and light “canopy” touch to the venue...all offers very special/exclusive memory as expressed by those attending.

**2-Parking was problematic!** One viable solution would be to have more cost effective parking at a large open space...(e.g. Del Mar Fairgrounds) and bus attendees over/trolley/shuttle drop at site?

**3-Augment Reality APP?** Is it viable to consider developing an Augment Reality APP for site visitors that offer three-dimensional views of different site locations, geo-mapping pins to find different site locations? We have had several clients request information on how to add a “more digital” environment for site attendees.







# Festival of Lights

## V. APPENDIX 2017 COMPARISONS

## Calculation of Visitor Groups to the Festival of Lights in 2023 and 2017

	2023	2017
Number of visitors	700,000	750,000
Out-of-town visitors	45.6%	43.8%
Festival was primary purpose of trip	76.9%	89.2%
Total number of visitors primarily for Festival	245,645	293,022
Average group size	3.34	1.99
Number of visitor groups	73,546	147,247

The estimated number of visitor groups in **2023** was lower than in **2017** due to lower overall number of visitors, larger average group size, and lower share of visitors reporting that the festival was the primary purpose of the trip to the local area.



## Survey Respondents were asked to estimate the amount that their party spent in total for 2023/2017:

- Lodging & Accommodations **\$447/\$313** per party
- Food (e.g. grocery stores) **\$243/\$61** per party
- Restaurants **\$304/\$139** per party
- Retail (.e.g. Gifts/Shopping) **\$324/\$81.10** per party
- Entertainment/Recreation/Attractions **\$294/\$57** per party
- Local Transport (e.g. Rental Car/Gas/Taxi/Limousine/Bus Tours) **\$188/\$41** per party

\*Average Group Size **3.34/1.9**, Average Group Nights Stayed **3.03/1.04**

# EVENT ECONOMIC IMPACT

## Government Tax Impacts of the Festival of Lights, 2023 and 2017

Tax Type	Federal	State	County	Sub-County (General)	Sub-County (Special Districts)	Total
<b>2023 Festival of Lights</b>						
OPI: Corporate Profits Tax	\$602,994	\$602,897				\$1,205,891
Personal Tax: Income Tax	\$7,843,898	\$2,769,302				\$10,613,200
Personal Tax: Motor Vehicle License		\$56,805			\$281	\$57,086
Personal Tax: Other Tax (Fish/Hunt)		\$11,307				\$11,307
Personal Tax: Property Taxes		\$1,847	\$18,489	\$8,831	\$21,286	\$50,454
Social Insurance Tax- Employee Contribution	\$4,644,115	\$183,419				\$4,827,534
Social Insurance Tax- Employer Contribution	\$3,851,344	\$188,131				\$4,039,475
TOPI: Custom Duty	\$201,736					\$201,736
TOPI: Excise Taxes	\$181,082					\$181,082
TOPI: Motor Vehicle License		\$83,539			\$452	\$83,991
TOPI: Other Taxes		\$319,167	\$49,194	\$237,790	\$15,876	\$622,027
TOPI: Property Tax		\$141,124	\$1,425,038	\$691,845	\$1,607,461	\$3,865,467
TOPI: Sales Tax		\$4,082,106	\$55,594	\$750,892	\$263,854	\$5,152,446
TOPI: Severance Tax		\$7,390				\$7,390
TOPI: Special Assessments		\$0	\$68,402	\$116,925	\$84,779	\$270,106
<b>Total</b>	<b>\$17,325,169</b>	<b>\$8,447,035</b>	<b>\$1,616,717</b>	<b>\$1,806,283</b>	<b>\$1,993,989</b>	<b>\$31,189,193</b>
<b>2017 Festival of Lights</b>						
OPI: Corporate Profits Tax	\$857,262	\$237,120				\$1,094,381
Personal Tax: Income Tax	\$4,855,351	\$1,709,251				\$6,564,602
Personal Tax: Motor Vehicle License		\$44,774			\$664	\$45,438
Personal Tax: Other Tax (Fish/Hunt)		\$5,862				\$5,862
Personal Tax: Property Taxes		\$1,588	\$10,884	\$11,761	\$16,120	\$40,353
Social Insurance Tax- Employee Contribution	\$3,357,054	\$95,044				\$3,452,098
Social Insurance Tax- Employer Contribution	\$2,935,034	\$192,735				\$3,127,769
TOPI: Custom Duty	\$124,469					\$124,469
TOPI: Excise Taxes	\$291,487					\$291,487
TOPI: Motor Vehicle License		\$75,619			\$1,199	\$76,818
TOPI: Other Taxes		\$285,828	\$42,354	\$118,797	\$20,530	\$467,509
TOPI: Property Tax		\$137,616	\$942,609	\$1,024,780	\$1,390,154	\$3,495,159
TOPI: Sales Tax		\$2,885,179	\$46,789	\$548,287	\$200,844	\$3,681,099
TOPI: Severance Tax		\$4,941				\$4,941
TOPI: Special Assessments		\$0	\$18,264	\$107,183	\$64,583	\$190,030
<b>Total</b>	<b>\$12,420,657</b>	<b>\$5,675,556</b>	<b>\$1,060,900</b>	<b>\$1,810,808</b>	<b>\$1,694,093</b>	<b>\$22,662,015</b>

Values in 2024 dollars.

Source: Implan model for Riverside-Bernardino metropolitan area (Riverside, San Bernardino Counties), 2022 and 2017.

## Return on Investment for the Festival of Lights, 2023 and comparison to 2017

	2023	2017
<u>Local social benefit-cost ratio</u>		
Costs [C]: Estimated city budget to stage event	\$1,763,100	\$450,000
Costs in 2024 dollars	\$1,851,255	\$551,536
Benefit (B): Total value added (income) impact of visitor spending	\$97,328,490	\$87,717,798
Benefit-cost ratio	51.6	158.0
<u>Local government benefit-cost ratio</u>		
Benefit (B): county tax impact of visitor spending	\$5,416,989	\$4,565,801
Benefit-cost ratio	1.9	7.3

Benefit-cost ratio calculated as (B-C)/C.

Costs expressed in 2024 dollars using the U.S. GDP Implicit Price Deflator

The estimated costs **2023** was much more robust than the values SMRI received in **2017** (Kenny Loggins Event \$250,000 and Staffing fire, police, switch-on ceremony, rest of event, general services, ACAD \$200,000.)





# Thank You

*For Contracting SMRI To Service Your Economic Impact  
Data Intelligence Needs!*

Survey-EDGE