

Economic Impact Analysis of the Central States Fairgrounds– 2022

December 2023

Prepared for:



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1 Research Overview



Introduction

The Central States Fair, Inc is a non-profit, member-driven organization that manages the Central States Fairgrounds (“Fairgrounds”) and produces Central States Fair and the Black Hills Stock Show and Rodeo.

The Central States Fair held annually mid-August allows Rapid City residents and surrounding communities to partake in fair activities including; the carnival, free stage entrainment, along with exhibiting crafts and culinary in the open class competitions, cattle shows and multiple horse events. The Central States Fair also offers nine nights of grandstand entertainment from concerts to the Range Days Rodeo.

In addition, the Central States Fair hosts over 280 different rental activities throughout the year.

The Central States Fairgrounds generates significant economic impact as the Central States Fair, Inc spends money in the local economy to sustain operations. In addition, attendees and participating teams attending events at the Fairgrounds spend money while at the venue and also at off-site establishments in the local economy, including local restaurants, hotels, retailers, and recreation / entertainment venues.

To calculate the economic impacts of the Central States Fairgrounds, Tourism Economics prepared a comprehensive model using multiple primary and secondary data sources to quantify the impacts arising from the operations and visitor spending in 2022.

Impact modeling is based on an IMPLAN input-output (I-O) model for the following regions:

- Pennington County
- State of South Dakota

The results of this study show the scope of the Central States Fairgrounds’ impact in terms of direct operational spending and off-site visitor spending, as well as total economic impacts, including total business sales, employment, labor income, and fiscal (tax) impacts.

2 Key Findings



THE CENTRAL STATES FAIRGROUNDS IMPACTS

SUMMARY ECONOMIC IMPACTS – PENNINGTON COUNTY

DIRECT SPENDING IMPACTS (COUNTY)

The Central States Fairgrounds generated significant economic impact as the Central States Fair, Inc spent money in the local economy to sustain operations including spending on salaries and wages, event operations, liquor sales, and rent, among others.

In addition, out-of-county attendees spent money while attending events and at off-site establishments during their stay in Rapid City, including local restaurants, hotels, retailers, and recreation/entertainment venues.

The Central States Fairgrounds generated an estimated \$44.2 million in direct spending in 2022.

 **\$44.2 MILLION**
Central States Fairgrounds Direct Spending Impact

 **\$3.8 MILLION**
Central States Fairgrounds Operational Spending

 **\$40.4 MILLION**
Off-Site Spending by Out-of-County Attendees


TOTAL ECONOMIC IMPACTS (COUNTY)

The Central States Fairgrounds' direct spending impact of \$44.2 million generated a total economic impact of \$68.9 million in the local economy, which supported 672 part-time and full-time jobs and generated \$6.0 million in state and local taxes.

 **\$68.9 MILLION**
Total Impact of the Central States Fairgrounds

ECONOMIC IMPACTS OF THE CENTRAL STATES FAIRGROUNDS (COUNTY)

 **\$68.9M**
Total Economic Impact

 **672**
Total Jobs Supported

 **\$6.0M**
Total State & Local Tax Revenues

THE CENTRAL STATES FAIRGROUNDS IMPACTS

SUMMARY ECONOMIC IMPACTS – STATE OF SOUTH DAKOTA

DIRECT SPENDING IMPACTS (STATE)

The Central States Fairgrounds generated significant economic impact as the Central States Fair, Inc spent money in the local economy to sustain operations including spending on salaries and wages, event operations, liquor sales, and rent, among others.

In addition, out-of-state attendees spent money while attending events and at off-site establishments during their stay in Rapid City, including local restaurants, hotels, retailers, and recreation/entertainment venues.

The Central States Fairgrounds generated an estimated \$16.3 million in direct spending in 2022.



\$16.3 MILLION

Central States Fairgrounds Direct Spending Impact



\$3.8 MILLION

Central States Fairgrounds Operational Spending



\$12.5 MILLION

Off-Site Spending by Out-of-State Attendees

TOTAL ECONOMIC IMPACTS (STATE)

The Central States Fairgrounds' direct spending impact of \$16.3 million generated a total economic impact of \$26.3 million in the local economy, which supported 291 part-time and full-time jobs and generated \$2.1 million in state and local taxes.



\$26.3 MILLION

Total Impact of the Central States Fairgrounds

ECONOMIC IMPACTS OF THE CENTRAL STATES FAIRGROUNDS (STATE)



\$26.3M

Total Economic Impact



291

Total Jobs Supported



\$2.1M

Total State & Local Tax Revenues

3 Direct Impacts



Direct Impacts

Direct impact summary

The direct impacts generated by events hosted at the Central States Fairgrounds amounted to \$44.2 million in Pennington County in 2022.

This section outlines the Central States Fairgrounds' direct impacts, which ultimately serve as inputs for the economic impact model. The Central States Fairgrounds' direct impacts are separated into two spending categories:

1. The Central States Fair, Inc operational spending
2. Spending at off-site establishments in the local economy by attendees

Details for each spending category are provided on the following pages.

Direct impact summary

(\$ millions)

	County Impact	State Impact
Direct Impacts	\$44.2	\$16.3
The Central States Fair, Inc operations	\$3.8	\$3.8
Visitor off-site spending	\$40.4	\$12.5

Source: Central States Fair, Inc, Tourism Economics

Direct Impacts

Operational spending

The Central States Fair, Inc incurred \$3.8 million in expenses to sustain the operations of the Fairgrounds in 2022.

The Central States Fair, Inc spent \$3.8 million in operational expenditures in 2022, which included spending on salaries and wages, rent, liquor sales, and event operations.

Central States Fair, Inc operational spending (\$ millions) 2022

Operating expenses	\$3.8
Salaries and wages	\$1.0
Rent	\$0.2
Liquor sales	\$0.2
Event operations	\$2.3

Source: Central States Fair, Inc

Note: totals may not sum due to rounding.

Direct Impacts

Events and attendance

The Central States Fairgrounds hosted 26 large events in 2022 which attracted 319,800 attendees.

The Central States Fairgrounds hosted 26 large events in 2022 which attracted 319,800 attendees.

Half (51% or 163,600) of all Central States Fairgrounds visitors originated from outside Pennington County, including 13% (42,500) that came for the day and 36% (113,600) that stayed overnight. These attendees spent money while attending the event and at off-site establishments in the local economy, including local restaurants, hotels, retailers, and recreation / entertainment venues.

In terms of attendee origin by location, 51% of attendees originated from Pennington County, 35% (111,300) originated from other locations in South Dakota outside Pennington County, and 14% (44,900) originated from outside South Dakota.

Attendees from Pennington County and the State of South Dakota were excluded from the County (page 12) and State (page 13) analyses, respectively, due to the substitution effect, which assumes the money spent by locals to attend the event would be spent elsewhere within the local economy if not for the event at the Central States Fairgrounds.

Given that locals are excluded from the analysis, the County analysis presented on page 12 only includes off-site visitor spending by the 156,200 attendees originating from outside Pennington County.

Further, the State analysis presented on page 13 only includes off-site visitor spending by the 44,900 attendees originating from outside South Dakota.

Central States Fairgrounds attendee origin (attendance) 2022

Total attendance	319,800
Attendee origin by visitor type	
Locals	163,600
Day visitors	42,500
Overnight visitors	113,600
Attendee origin by location	
Locals	163,600
South Dakota (excluding locals)	111,300
Other state	44,900

Source: Central States Fair, Inc, Datafy, placer.ai

Note: totals may not sum due to rounding.

Direct Impacts (County)

Attendee spend – Pennington County

The 156,200 out-of-county visitors attending an event at the Central States Fairgrounds spent \$40.4 million in Pennington County.

The 156,200 attendees that originated from outside of Pennington County spent \$40.4 million at establishments in the local economy.

Spending in the retail sector accounted for \$13.7 million (34%) of total visitor spending. Retail spending accounts for spending on household items and other large purchases by visitors coming from rural destinations with limited retail options.



Source: Tourism Economics

Direct Impacts (State)

Attendee spend – State

The 44,900 out-of-state visitors attending an event at the Central States Fairgrounds spent \$12.5 million in Pennington County.

The out-of-state attendees spent \$12.5 million at off-site establishments in the local economy, including local restaurants, hotels, retailers, and recreation / entertainment venues.



Source: Tourism Economics

4 County Economic Impacts



Economic Impact Approach

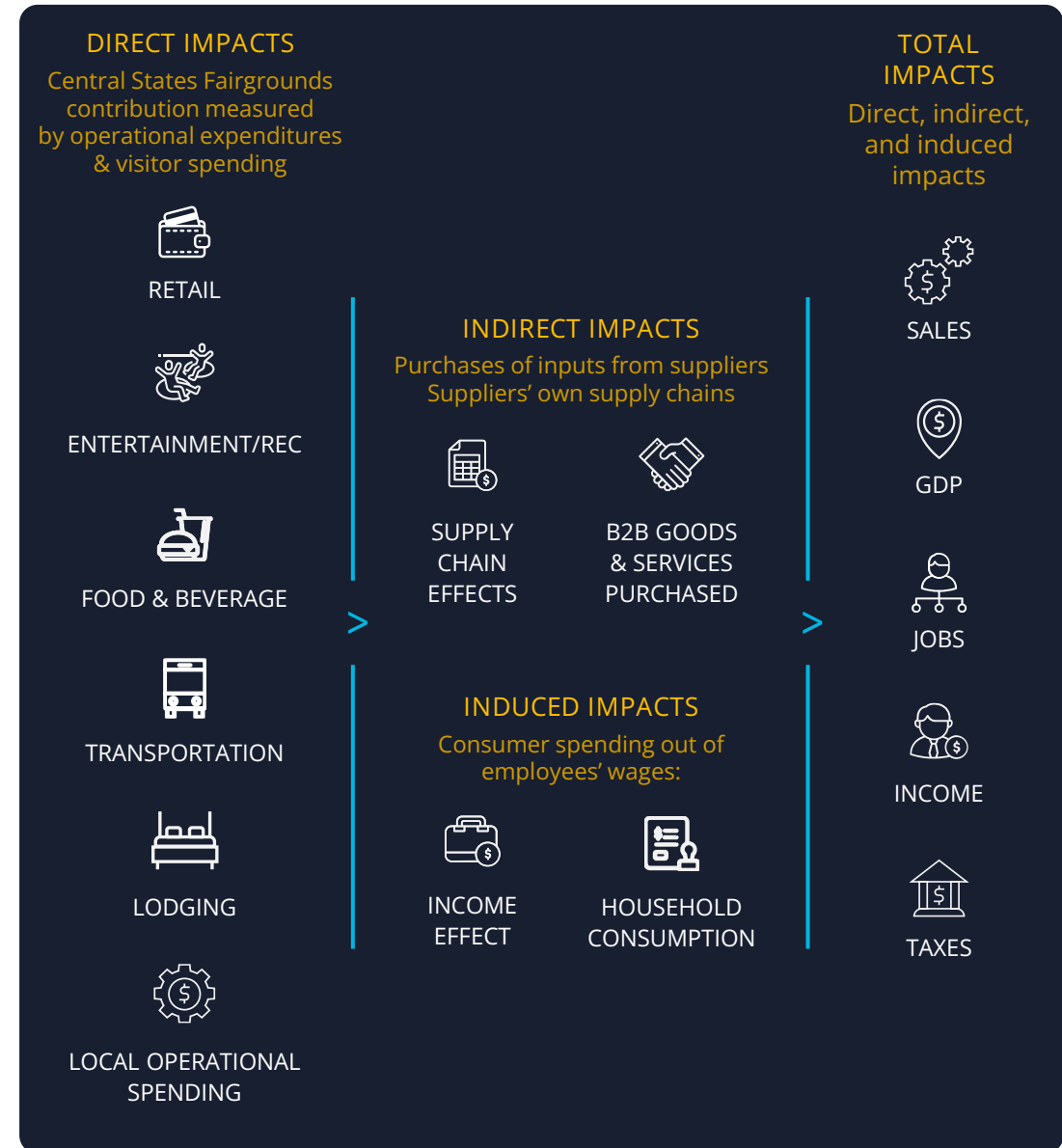
Introduction and definitions

The economic impacts of the Central States Fairgrounds' direct spending were estimated using a regional Input-Output (I-O) model based on a customized IMPLAN (www.implan.com) model for the Pennington County and State of South Dakota economies. IMPLAN is recognized as an industry standard in local-level I-O models. An I-O model represents a profile of an economy by measuring the relationships among industries and consumers to track the flow of industry revenue to wages, profits, capital, taxes and suppliers. The supply chain is traced as dollars flow through the economy, representing indirect impacts. The model also calculates the induced impacts of spending. Induced impacts represent benefits to the economy as incomes earned as a result of direct spending are spent in the local economy, generating additional sales, jobs, taxes, and income.

The modeling process begins with aligning the direct expenditure measurements with the related sectors in the model (e.g. hotels, restaurants, retail, and recreation). The model is then run to trace the flow of these expenditures through the economy. In this process, the inter-relationships between consumers and industries generate each level of impact.

IMPLAN calculates three levels of impact – direct, indirect, and induced – for a broad set of indicators. These include the following:

- Business sales (also called gross output)
- Household income (including wages and benefits)
- Employment
- Federal taxes
- State and local taxes



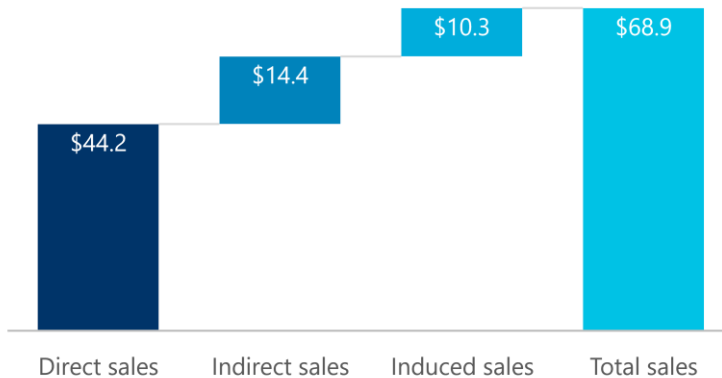
County Economic Impacts

County impacts: business sales by industry

The Central States Fairgrounds operations and attendee spending supported \$68.9 million of total output (business sales).

The \$68.9 million in Central States Fairgrounds operational spending and off-site spending by attendees generated \$14.4 million in indirect expenditures and \$10.3 million in induced expenditures, resulting in a total economic impact of \$68.9 million in Pennington County.

Summary economic impacts (\$ millions)



Business sales impacts by industry

(\$ millions)

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$44.2	\$14.4	\$10.3	\$68.9
By industry				
Retail Trade	\$13.7	\$0.2	\$0.9	\$14.7
Food & Beverage	\$10.0	\$0.7	\$0.7	\$11.4
Lodging	\$8.8	\$0.0	\$0.0	\$8.8
Finance, Insurance and Real Estate	\$0.6	\$4.3	\$3.4	\$8.3
Recreation and Entertainment	\$7.0	\$1.0	\$0.2	\$8.2
Business Services	\$1.0	\$3.9	\$0.7	\$5.6
Education and Health Care		\$0.1	\$2.5	\$2.6
Gasoline Stations	\$2.5	\$0.0	\$0.1	\$2.5
Construction and Utilities	\$0.1	\$1.2	\$0.3	\$1.6
Communications		\$1.1	\$0.3	\$1.4
Other Transport	\$0.7	\$0.5	\$0.2	\$1.3
Wholesale Trade		\$0.6	\$0.4	\$1.1
Personal Services		\$0.4	\$0.6	\$1.0
Manufacturing		\$0.2	\$0.1	\$0.3
Government		\$0.1	\$0.0	\$0.1
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.1
Air Transport		\$0.0	\$0.0	\$0.0

Source: Tourism Economics

Note: the visitor spending includes expenditures that occur in the local economy and does not include air travel.

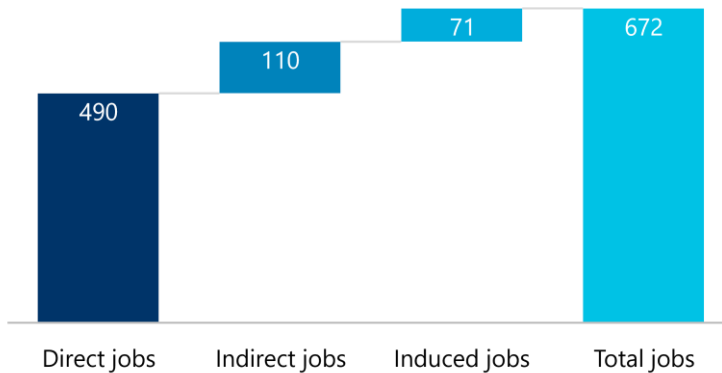
County Economic Impacts

County impacts: employment by industry

The Central States Fairgrounds operations and attendee spending supported 672 total jobs in 2022.

The Central States Fairgrounds operational spending and off-site spending by attendees directly supported 490 full-time and part-time jobs. Indirect and induced impacts generated 110 indirect jobs and 71 induced jobs.

Summary employment impacts (number of jobs)



Employment impacts by industry

(number of jobs)

	Direct Employment	Indirect Employment	Induced Employment	Total Employment
Total, all industries	490	110	71	672
By industry				
Recreation and Entertainment	162	28	3	192
Food & Beverage	144	12	11	167
Lodging	93	0	0	93
Retail Trade	68	2	10	81
Business Services	11	28	6	45
Finance, Insurance and Real Estate	3	20	9	32
Education and Health Care		1	19	20
Personal Services		4	7	12
Other Transport	5	5	2	12
Communications		3	1	4
Wholesale Trade		3	2	4
Gasoline Stations	3	0	1	4
Construction and Utilities	0	2	1	3
Government		1	0	1
Manufacturing		1	0	1
Agriculture, Fishing, Mining		0	0	0
Air Transport		0	0	0

Source: Tourism Economics

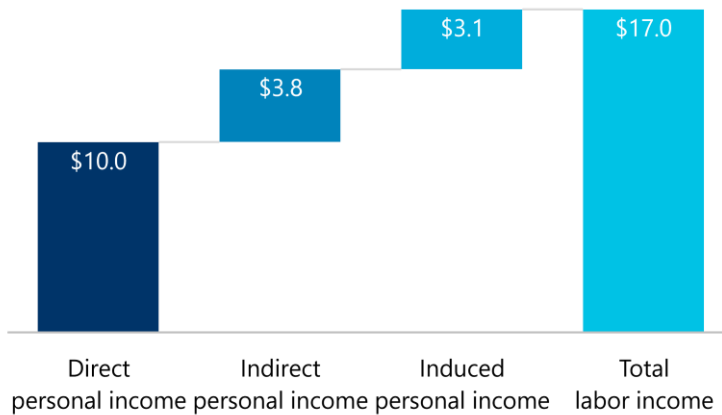
County Economic Impacts

County impacts: personal income by industry

The Central States Fairgrounds operations and attendee spending generated \$17.0 million in total personal income in 2022.

The Central States Fairgrounds operational spending and off-site spending by attendees generated \$10.0 million in direct income and \$17.0 million in total income, including indirect and induced income.

Summary personal income impacts
(\$ millions)



Personal income impacts by industry

(\$ millions)

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$10.0	\$3.8	\$3.1	\$17.0
By industry				
Food & Beverage	\$3.3	\$0.3	\$0.2	\$3.9
Lodging	\$2.5	\$0.0	\$0.0	\$2.5
Business Services	\$0.4	\$1.7	\$0.3	\$2.4
Retail Trade	\$1.8	\$0.1	\$0.3	\$2.1
Recreation and Entertainment	\$1.6	\$0.2	\$0.0	\$1.8
Education and Health Care		\$0.0	\$1.4	\$1.4
Finance, Insurance and Real Estate	\$0.1	\$0.6	\$0.3	\$1.0
Personal Services		\$0.2	\$0.3	\$0.5
Other Transport	\$0.2	\$0.2	\$0.1	\$0.5
Wholesale Trade		\$0.2	\$0.1	\$0.3
Construction and Utilities	\$0.0	\$0.2	\$0.1	\$0.2
Communications		\$0.2	\$0.0	\$0.2
Government		\$0.1	\$0.0	\$0.1
Gasoline Stations	\$0.1	\$0.0	\$0.0	\$0.1
Manufacturing		\$0.0	\$0.0	\$0.0
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.0
Air Transport		\$0.0	\$0.0	\$0.0

Source: Tourism Economics

County Economic Impacts

County impacts: tax generation

The Central States Fairgrounds operations and attendee spending generated \$9.5 million in governmental revenue in 2022.

The Central States Fairgrounds operational spending and off-site spending by attendees generated a total fiscal (tax) impact of \$9.5 million.

The State of South Dakota government collected \$3.1 million, and the local government collected \$2.9 million as a result of Central States Fairgrounds in 2022.

State and local tax revenue

(\$ millions)

	State	Local	Total
Total taxes	\$3.1	\$2.9	\$6.0
Sales	\$2.9	\$1.4	\$4.3
Bed Tax	\$0.0	\$0.1	\$0.1
Corporate	\$0.0	\$0.0	\$0.0
Social Insurance	\$0.0	\$0.0	\$0.0
Excise and Fees	\$0.2	\$0.1	\$0.3
Property	\$0.0	\$1.2	\$1.2

Total tax revenue

(\$ millions)

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$6.5	\$3.0	\$9.5
Federal	\$2.1	\$1.4	\$3.6
Personal Income	\$0.6	\$0.5	\$1.1
Corporate	\$0.1	\$0.1	\$0.3
Indirect Business	\$0.1	\$0.1	\$0.2
Social Insurance	\$1.2	\$0.8	\$2.0
State and Local	\$4.4	\$1.6	\$6.0
Sales	\$3.1	\$1.2	\$4.3
Bed Tax	\$0.1	\$0.0	\$0.1
Corporate	\$0.0	\$0.0	\$0.0
Social Insurance	\$0.0	\$0.0	\$0.0
Excise and Fees	\$0.2	\$0.1	\$0.3
Property	\$0.9	\$0.3	\$1.2

Source: Tourism Economics



5 State Economic Impacts

State Economic Impacts

State impacts: business sales by industry

Business sales impacts by industry (state impacts) – 2022

(\$ millions)

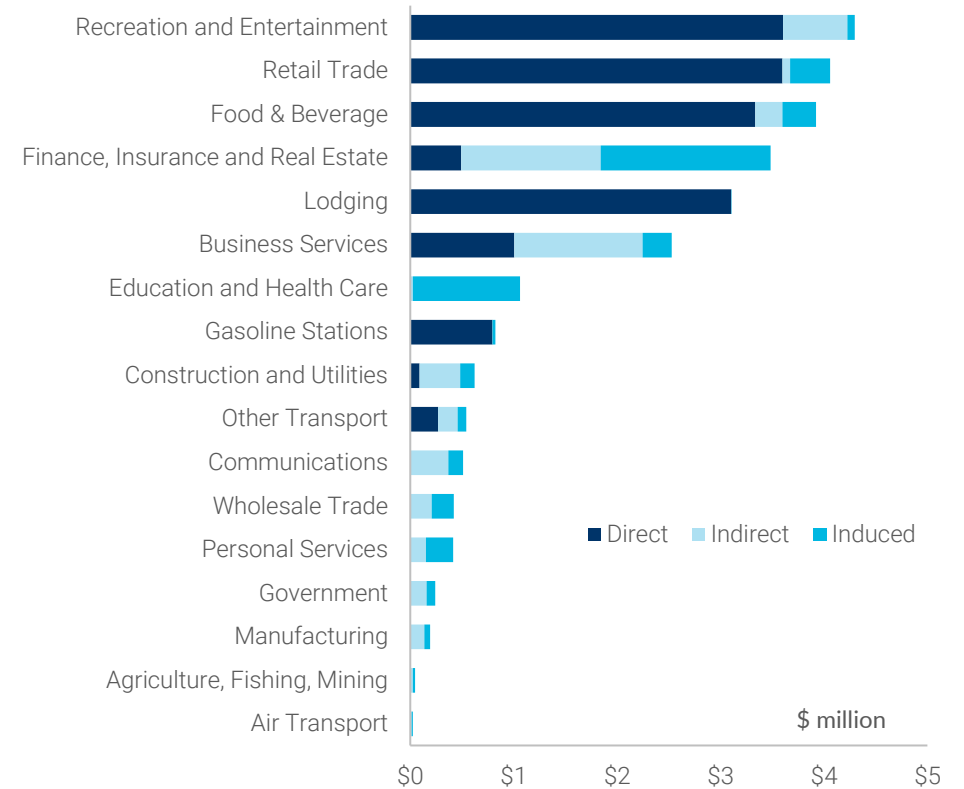
	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$16.3	\$5.2	\$4.8	\$26.3
By industry				
Recreation and Entertainment	\$3.6	\$0.6	\$0.1	\$4.3
Retail Trade	\$3.6	\$0.1	\$0.4	\$4.1
Food & Beverage	\$3.3	\$0.3	\$0.3	\$3.9
Finance, Insurance and Real Estate	\$0.5	\$1.3	\$1.6	\$3.5
Lodging	\$3.1	\$0.0	\$0.0	\$3.1
Business Services	\$1.0	\$1.2	\$0.3	\$2.5
Education and Health Care		\$0.0	\$1.0	\$1.1
Gasoline Stations	\$0.8	\$0.0	\$0.0	\$0.8
Construction and Utilities	\$0.1	\$0.4	\$0.1	\$0.6
Other Transport	\$0.3	\$0.2	\$0.1	\$0.5
Communications		\$0.4	\$0.1	\$0.5
Wholesale Trade		\$0.2	\$0.2	\$0.4
Personal Services		\$0.2	\$0.3	\$0.4
Government		\$0.2	\$0.1	\$0.2
Manufacturing		\$0.1	\$0.1	\$0.2
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.0
Air Transport		\$0.0	\$0.0	\$0.0

Source: Tourism Economics

Note: the visitor spending includes expenditures that occur in the local economy and does not include air travel.

Business sales impacts by industry (state impacts) – 2022

(\$ millions)



Source: Tourism Economics

State Economic Impacts

State impacts: employment by industry

Employment impacts by industry (state impacts) – 2022

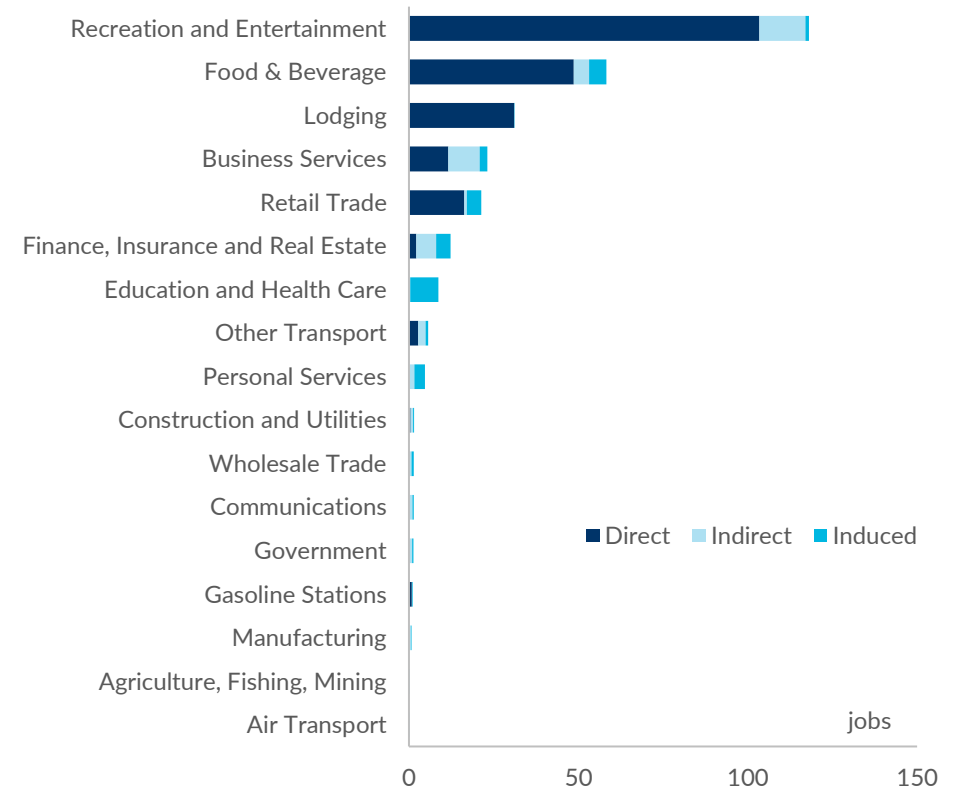
(number of jobs)

	Direct Employment	Indirect Employment	Induced Employment	Total Employment
Total, all industries	217	42	32	291
By industry				
Recreation and Entertainment	103	14	1	118
Food & Beverage	49	5	5	58
Lodging	31	0	0	31
Business Services	12	9	2	23
Retail Trade	16	1	4	21
Finance, Insurance and Real Estate	2	6	4	12
Education and Health Care		0	8	9
Other Transport	3	2	1	6
Personal Services		2	3	5
Construction and Utilities	0	1	0	2
Wholesale Trade		1	1	1
Communications		1	0	1
Government		1	0	1
Gasoline Stations	1	0	0	1
Manufacturing		1	0	1
Agriculture, Fishing, Mining		0	0	0
Air Transport		0	0	0

Source: Tourism Economics

Employment impacts by industry (state impacts) – 2022

(number of jobs)



Source: Tourism Economics

State Economic Impacts

State impacts: personal income by industry

Personal income impacts by industry (state impacts) – 2022

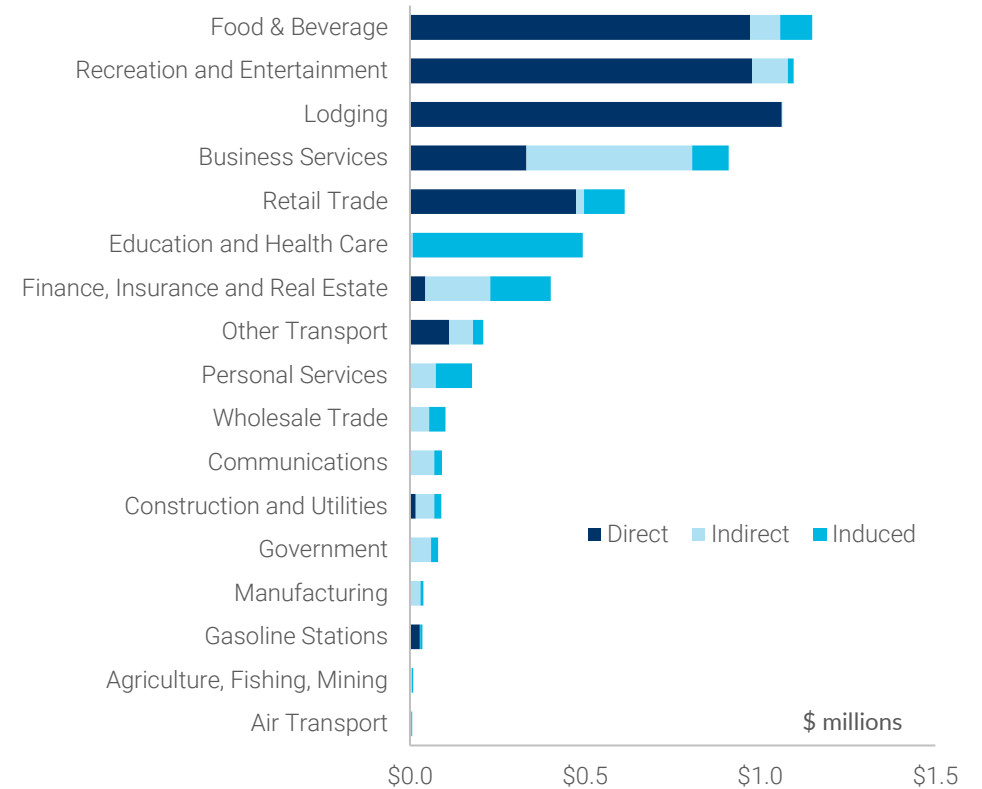
(\$ millions)

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$4.0	\$1.3	\$1.2	\$6.6
By industry				
Food & Beverage	\$1.0	\$0.1	\$0.1	\$1.1
Recreation and Entertainment	\$1.0	\$0.1	\$0.0	\$1.1
Lodging	\$1.1	\$0.0	\$0.0	\$1.1
Business Services	\$0.3	\$0.5	\$0.1	\$0.9
Retail Trade	\$0.5	\$0.0	\$0.1	\$0.6
Education and Health Care		\$0.0	\$0.5	\$0.5
Finance, Insurance and Real Estate	\$0.0	\$0.2	\$0.2	\$0.4
Other Transport	\$0.1	\$0.1	\$0.0	\$0.2
Personal Services		\$0.1	\$0.1	\$0.2
Wholesale Trade		\$0.1	\$0.0	\$0.1
Communications		\$0.1	\$0.0	\$0.1
Construction and Utilities	\$0.0	\$0.1	\$0.0	\$0.1
Government		\$0.1	\$0.0	\$0.1
Manufacturing		\$0.0	\$0.0	\$0.0
Gasoline Stations	\$0.0	\$0.0	\$0.0	\$0.0
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.0
Air Transport		\$0.0	\$0.0	\$0.0

Source: Tourism Economics

Personal income impacts by industry (state impacts) – 2022

(\$ millions)



Source: Tourism Economics

State Economic Impacts

State impacts: tax generation

Total tax revenue (state impacts) – 2022

(\$ millions)

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$2.4	\$1.2	\$3.6
Federal	\$0.9	\$0.6	\$1.5
Personal Income	\$0.3	\$0.2	\$0.6
Corporate	\$0.0	\$0.0	\$0.1
Indirect Business	\$0.0	\$0.0	\$0.1
Social Insurance	\$0.5	\$0.3	\$0.8
State and Local	\$1.4	\$0.6	\$2.1
Sales	\$1.0	\$0.5	\$1.5
Bed Tax	\$0.1	\$0.0	\$0.1
Corporate	\$0.0	\$0.0	\$0.0
Social Insurance	\$0.0	\$0.0	\$0.0
Excise and Fees	\$0.1	\$0.0	\$0.1
Property	\$0.3	\$0.2	\$0.5

Source: Tourism Economics

State and local tax revenue (state impacts) – 2022

(\$ millions)

	State	Local	Total
Total taxes	\$1.1	\$1.0	\$2.1
Sales	\$1.0	\$0.5	\$1.5
Bed Tax	\$0.0	\$0.1	\$0.1
Corporate	\$0.0	\$0.0	\$0.0
Social Insurance	\$0.0	\$0.0	\$0.0
Excise and Fees	\$0.1	\$0.0	\$0.1
Property	\$0.0	\$0.5	\$0.5

Source: Tourism Economics

About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 250 full-time staff, including 150 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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