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GATHERING OF NATIONS ECONOMIC AND FISCAL IMPACT STUDY

Prepared for THE CITY OF ALBUQUERQUE AND
THE ALBUQUERQUE HISPANO CHAMBER OF
COMMERCE

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BUREAU OF BUSINESS
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Executive Summary

The City of Albuquerque and the Albuquerque Hispano Chamber of Commerce (AHCC) commissioned the University of New Mexico's Bureau of Business and Economic Research (BBER) to estimate the economic and fiscal impacts of the Gathering of Nations Powwow on the Albuquerque economy. This report summarizes the results of the study and outlines the data and methods used in the analyses.

Gathering of Nations (Gathering) is the largest powwow in the United States, hosting tens of thousands of attendees and participants annually. First established in 1983, it relocated from its former venue at UNM's arena to EXPO NM in 2017.

In 2019, over 80,000 individuals attended Gathering events, including nearly 65,000 who reside outside the city. The Gathering brings more people to the state than Santa Fe's renowned Indian Market.

Gathering has a substantial impact on Albuquerque's economy. In 2019, tourist spending greatly benefited local businesses through the purchase of goods and services, and the City, through various tax payments. Directly and indirectly, the effect of out-of-state spending at this year's events contributed \$24 million to the local economy, supporting the employment of 261 persons over a four day period. About one-half of the revenues accrue to the hospitality sector, including an estimated \$8.3 million to accommodations and \$4.0 million to restaurants.

The Gathering generated a net gain nearly \$2 million in tax revenues for the City, including approximately \$1.5 million in gross receipts taxes and more than \$400,000 in Lodgers taxes.

Acknowledgements

We would like to thank the Albuquerque Hispano Chamber of Commerce and the Gathering of Nations for their help in accommodating our survey team and their willingness to share ideas, suggestions, and information. In particular, we would like to thank Dr. David Bearshield (Senior Development Director/Governmental Liaison), Jim Garcia (Vice President of AHCC), and Melonie Mathews (Gathering of Nations VP and Program Coordinator for the many meetings, phone calls, contacts, and data that helped this project run as smoothly as possible. At UNM-BBER we would like to thank the project assistants, Tristan Collar, Sarun Luitel, Abhishek Mehta, Matthew Quintana, Sai Thalluri, and Sofia Ximenez-Byrne who worked tirelessly to collect surveys and then enter the data. Thanks also to BBER's Director, Jeff Mitchell, for his oversight and assistance with all aspects of the project. Finally, we would like to thank BBER Research Scientist, Julian Baca, for all of his editing, data gathering, and general advisement on how to best accomplish this project successfully.

1. Introduction

Gathering of Nations, the largest powwow in the United States, originated in Albuquerque informally in 1983. By 1984, it had become a formal organization and by 1986, it was hosting approximately 20,000 spectators and participants annually in the University of New Mexico's Arena then known as "The Pit." The event moved to Expo New Mexico in 2017 with its singing and dancing events, horse parade, the Indian Traders' Market, Stage 49 entertainment, and Teepee Village; the Miss Indian World Pageant is held at the Albuquerque Convention Center.

The City of Albuquerque and the AHCC commissioned the University of New Mexico's Bureau of Business and Economic Research (BBER) to estimate the economic and fiscal impacts of the Gathering of Nations Powwow on the Albuquerque economy. This report first discusses the data and methodology used to generate these estimates and then presents the results of the analyses.

2. Data and Methodology

This study was designed to estimate the economic and fiscal impacts of the Gathering on the city of Albuquerque. Economic impacts include direct and indirect revenues to businesses located in the city, and jobs and wages & salaries supported by these revenues. Fiscal impacts are revenues directly and indirectly collected by the government of the City of Albuquerque (CABQ), such as gross receipts taxes, property taxes and Lodgers taxes.

2.1 Data and Data Collection

The data for this study come primarily from surveys collected at the Gathering of Nations events by the BBER team. We also utilized detailed attendance data provided by the Gathering organization and tax data provided by various government sources outlined below. The surveys focused on individual and group spending both at the events and businesses located in the city of Albuquerque.

288 surveys were collected in total between the start of Miss Indian World on Thursday, April 25 and the evening events at the Gathering of Nations on Saturday, April 27. The survey document, attached in Appendix 1, was a two page sided document, designed to be completed in less than 10 minutes. Prior to administering the surveys, the draft was shown to Dr. Bearshield and then sent to the AHCC and Gathering organization to allow for questions and comments.

All of the surveys were conducted in-person by a trained BBER staff member or student employee. Surveyors worked in teams of two to build reliability and then later split to conduct individual surveys in various locations throughout the Convention Center and the EXPO. Respondents were read an informed consent and had to verbally agree to participate in order to be surveyed.

The survey first established each respondent's place of origin to differentiate between Albuquerque residents and those visiting from out-of- town. Those individuals visiting Albuquerque for the Gathering events were asked questions about how many nights they were

spending in the city, what types of accommodations they were staying in, and how they arrived into town.

The survey also asked respondents to distinguish between their spending at the Gathering events and within the city. Specifically, surveys documented total expenditures for lodging, food/drink, retail, and *other* (to capture spending on goods or services falling outside of the previous categories). Further, respondents were asked about their group size to determine whether spending reflected group or individual costs. Group size was adjusted in the analyses to establish per capita totals.

Finally, respondents answered general demographic questions outlining their gender, race, age, and annual household income. These data are illustrated in Section 1.4.

2.2 Economic Impact Estimation Model

This study estimates direct, indirect, and induced impacts of the Gathering events on businesses located in the Albuquerque. Impacts are measured in terms of employment, labor income, and output (revenues to businesses). In this report, direct employment impact is the increase in personnel employed within the city of Albuquerque whose jobs directly result from the Gathering. Direct labor income defines the wages, salaries, and benefits paid to those employees. Direct output records the Gathering-related expenditures, also within the city limits. While output figures are determined by applying survey data to population totals, employment and labor income values require estimation.

Indirect economic impacts follow direct impacts; they are categorized as the effect of business-to-business purchases of goods and services. Induced effects are the subsequent effects due to spending by employees whose jobs are supported by the Gathering. Indirect and induced impacts measure the effect of direct spending as money is cycled through the economy. Throughout this report, indirect and induced effects will be summarized as indirect effects.

This impact analysis was completed in three steps. First, industries were defined through standardized classification methods. Here, the North American Industry Classification System, or NAICS, codes were applied. Second, direct effects were tabulated from the responses to survey inquiries described in Section 1.1, namely expenditures on lodging, restaurants, retail, and *other*. Finally, the analysis evaluates the indirect effect of the Gathering throughout the different sectors of the Albuquerque economy. Additionally, this study captures the multiplier effect for each additional unit of employment, employee compensation, and output.

IMPLAN is widely used in regional economic modeling for estimating economic impacts.¹ The IMPLAN v3.1 model and proprietary databases are used to calculate the indirect impacts of operations related to the Gathering. The software also estimates direct employment and labor income as these values cannot be measured through our surveying method. IMPLAN models are founded on detailed information about the flow of dollars and local economic interactions within a specific geographic area, providing region-specific multipliers to calculate impacts based on historical consumer and business spending patterns.

The combined effect of the Gathering on Albuquerque's economy extends beyond the sum of total spending by attendees who travel to the city for the event. This is because those dollars are respent again by vendors, proprietors, and their employees. Economic impacts are created when funds flow into the city and are cycled within the local economy. In this study, only out of town revenues are applied.

¹ <http://www.implan.com/>

Through IMPLAN, input-output multipliers are generated and utilized to estimate indirect impacts on the CABQ economy. IMPLAN uses a variety of data sources to form these estimations, including Bureau of Labor Statistics Covered Employment and Wages, Census Bureau County Business Patterns, and Bureau of Economic Analysis Regional Economic Accounts.

2.3 Fiscal Impact Estimation Model

The fiscal impacts described in this report define the relationship between revenues and expenditures of CABQ in relation to the Gathering events. Revenues include gross receipts taxes (GRT), lodgers taxes, and both residential and non-residential property taxes. This fiscal analysis considers taxes resulting from direct and effects as revenues.

Economic impact analyses provide the foundation for fiscal analyses. GRT, lodgers taxes, and property tax elements are provided by the New Mexico Taxation and Revenue Department as well as the Local Government Division of the State’s Department of Finance and Administration. GRT rates are transformed to effective rates, or gross receipt tax payments as a percentage of total gross receipts, disaggregated by industry code and tax district to reflect differences in tax rates across different goods and services. Lodgers taxes are determined by applying the percentage tax to the total of lodging receipts attributed to Gathering events. Residential and non-residential property tax rates are based on Property Tax Certificates for each tax jurisdiction, as provided by the Department of Finance and Administration.

2.4 Sample Characteristics

Attendance, based on ticket and wristband sales and participant and staff numbers provided by Gathering is shown in Table 1 below. These numbers indicate total attendance rather than the number of unique individuals at the events. Utilizing information from the Gathering organization about repeat attendance and staff working multiple days, we determined the number of unique individuals attending the events at 80,477.²

Table 1. Event Attendance by Day

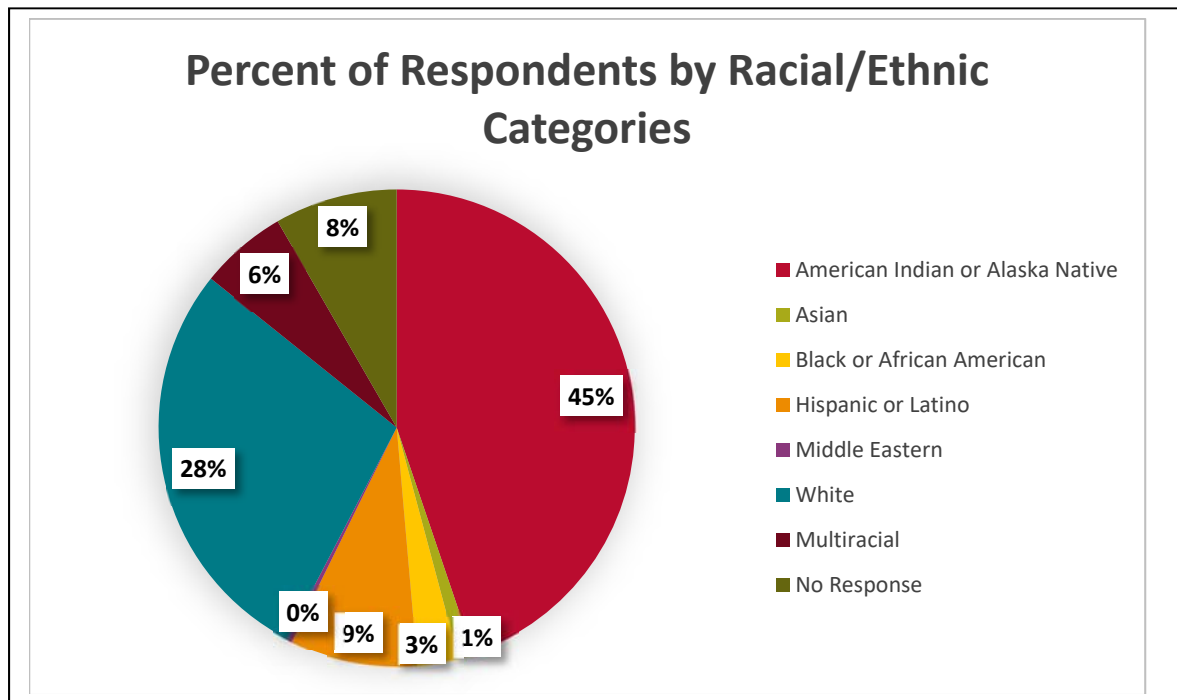
Event Attendance by Day			
	<i>Miss Indian World</i>	<i>Gathering of Nations Friday</i>	<i>Gathering of Nations Saturday</i>
Individual Tickets	2300	27,060	34,995
Wristbands (2-Day Entry)	N/A	13,540	13,540
Vendors	0	378	378
Participants/Competitors	17	2997	2997
Stage 49 Performers*	N/A	105	105
Gathering of Nations Staff	28	130	130
Total	2345	44,210	52,145

**210 Total Performers at Stage 49 split between two days*

² This figure assumes that 50% of Miss Indian World attendees also attended events at EXPO NM and includes specific information from Gathering of Nations about which staff, competitors, and vendors attended multiple events.

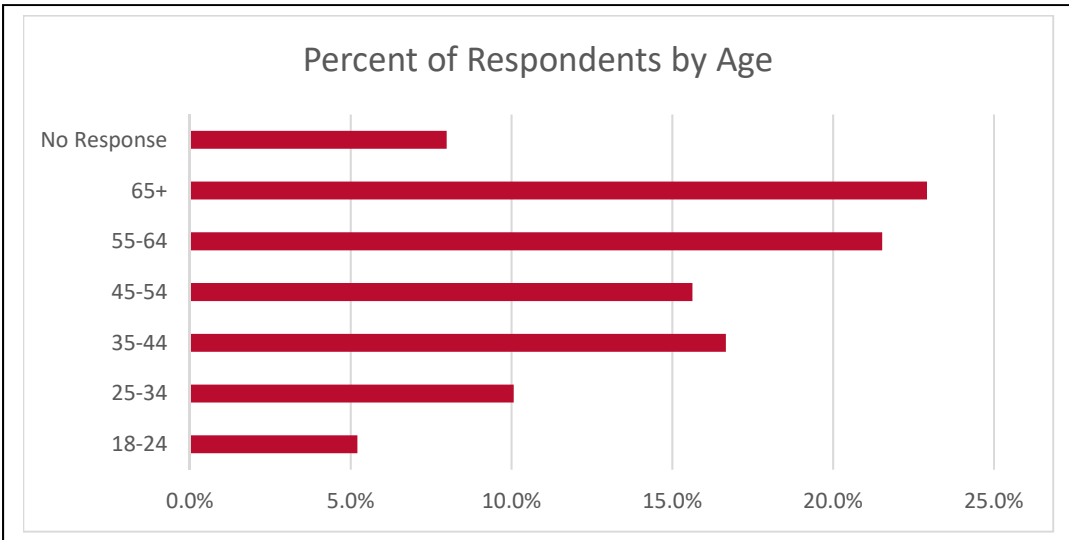
When racial/ethnic identity was grouped categorically, 45% (129 responses) indicated American Indian or Alaska Native alone. The second largest population identified as White alone: 28.1% (81 responses). As we left the racial designation open-ended, we include Hispanic or Latino as its own category, rather than including it as it pertains to racial identity. 8.7% of the sample (25 responses) identified as Hispanic or Latino with no other racial identification. 5.9% (17 responses) indicated a multiracial identity, 2.8% (8 responses) identified as Black or African American, 1.0% (3 responses) identified as Asian, and 0.3% (1 response) identified as Middle Eastern. 24 respondents (8.3%) did not answer the racial identification item.

Figure 3. Percent of Respondents Self-Identification by Racial/Ethnic Categories



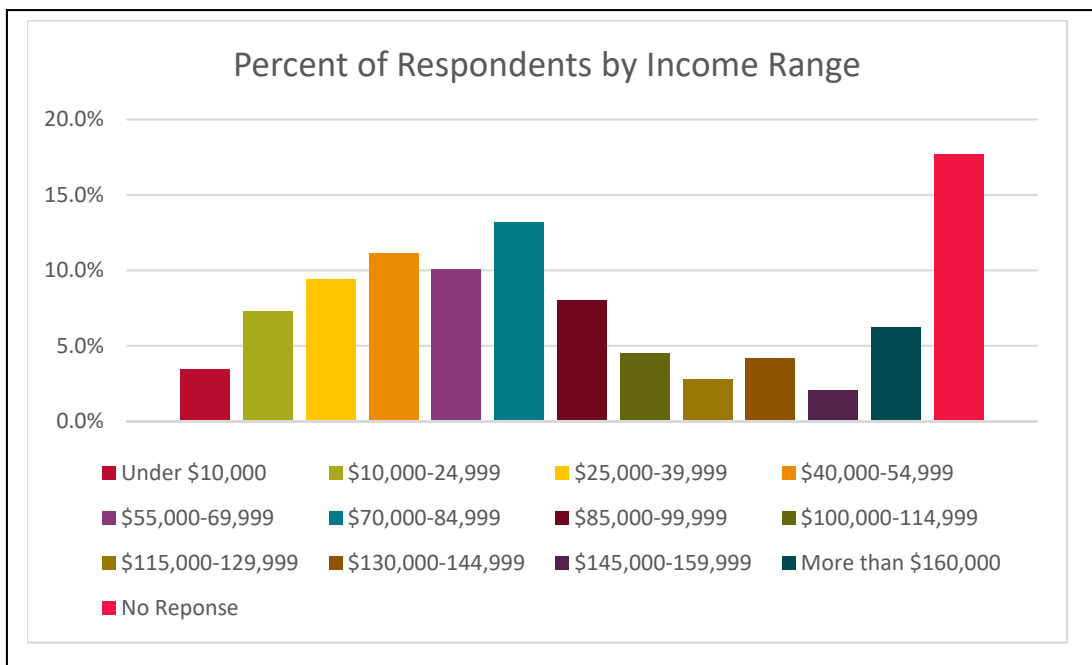
Respondents were also asked to list their age. Given ages were later grouped into Census categories to make the data more readable. Nearly 23% of respondents (66) indicated they were 65+ at the time of the survey. Twenty-two and a half percent (62) of the sample were between the ages of 55 and 64, 15.6% (45 respondents) were 45-54, 16.7% (48 respondents) were between 35 and 44, 10.1% (29 respondents) were 25-34, and 5.2% (15 respondents) were aged 18-24. We did not interview anyone younger than 18 both for ethical reasons and because they might not have as much information about group spending at the Gathering events. Twenty-three respondents (8.0%) did not answer the question about age. The bar chart indicating percent of respondents by age is shown in Figure 4.

Figure 4. Percent of Respondents by Age



Household income was treated as categorical rather than open-ended and given in increments of \$15,000 (two US Census categories). 51 respondents (17.7%) refused to answer the question about their household income, which is typically the demographic question that receives the most refusals. Of those who completed the question, the categories with the most responses were a household income of \$70,000-84,999 annually (38 responses, 13.2%) and \$40,000-54,999 annually (32 responses, 11.1%). The categories with the smallest number of responses were annual income ranges of \$145,000-159,000 (6 responses, 2.1%) and \$115,000-129,999 (8 responses, 2.8%). All categories are shown in the chart in Figure 5.

Figure 5. Percent of Respondents by Income Range



Of our 288 respondents, 140 (48.6%) indicated they lived outside of New Mexico. An additional 30 respondents (10.4%) were international visitors. From New Mexico, 60 respondents (20.8%) were from outside of Albuquerque and 58 respondents (20.1%) were from Albuquerque. Percent of respondents by home location is indicated in Figure 6 below.

Figure 6. Percent of Respondents by Home Location

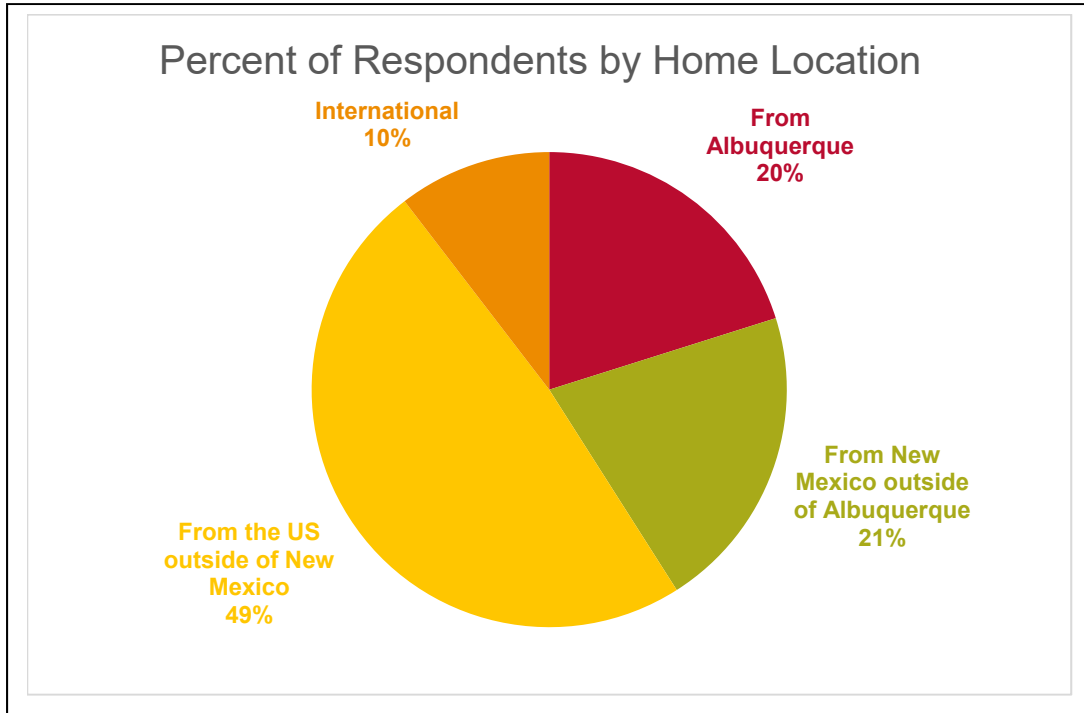
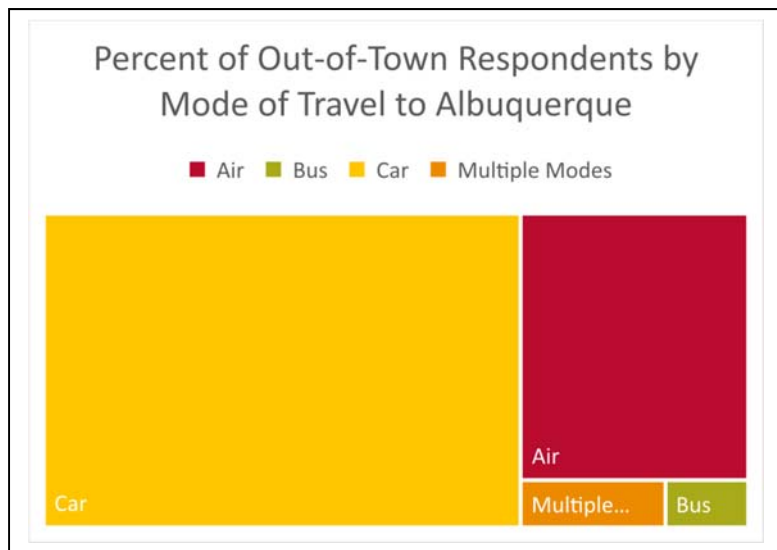


Figure 7. Percent of Out-of-Town Respondents by Mode of Travel to Albuquerque

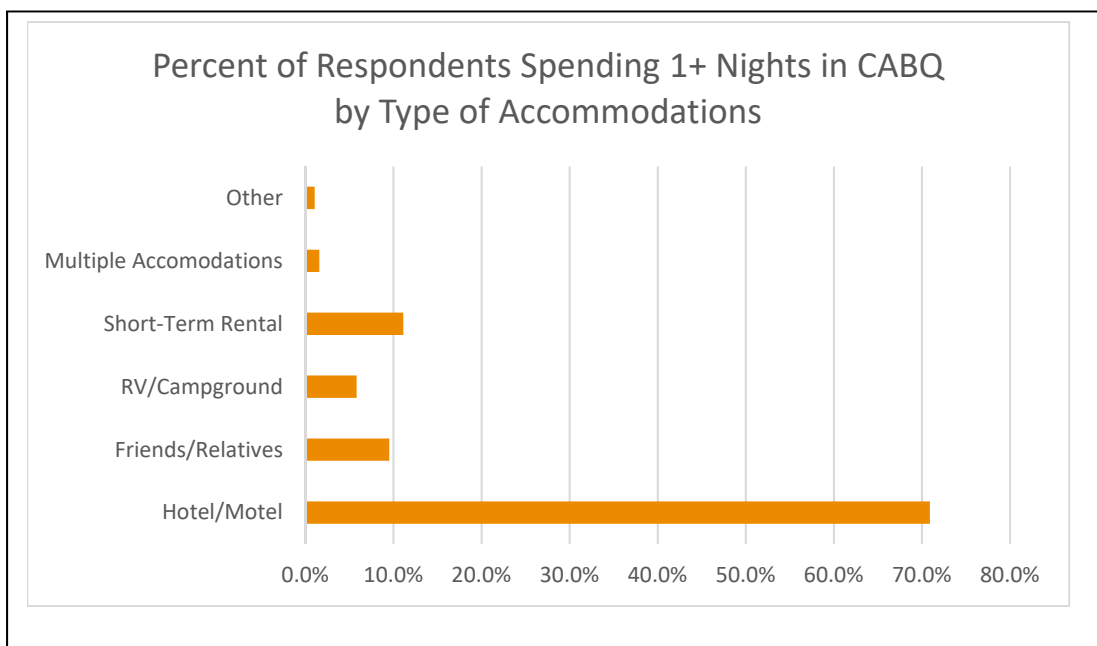


Respondents who reside outside of Albuquerque (226 individuals) were asked about the method of transportation they used to arrive in the city. The vast majority of these respondents (153, 67.7%) drove to Albuquerque for the Gathering events. Sixty-two respondents (27.4%) flew into town and only four respondents (1.8%) arrived via bus. The final seven respondents (3.1%) indicated they arrived in town via multiple methods of transportation, utilizing both air and car travel. This is illustrated in Figure 7.

Importantly, out of town visitors were also asked about their in-town accommodations. One hundred eighty-nine (189, 65.6% of the total sample, 82% of respondents from outside of Albuquerque) respondents indicated they were spending one or more nights in CABQ.

The following percentages refer only to the portion of our sample that came from outside of Albuquerque for the Gathering events. Nearly 71% of out of town visitors (134 respondents) stayed in a hotel or motel. Twenty-one respondents (11.1%) stayed in a short-term rental such as Airbnb or Vrbo. Eighteen respondents (9.5%) stayed with friends or relatives, 11 (5.8%) stayed in an RV or in a campground, 3 respondents stayed in multiple accommodations (1.6%), and 2 respondents (1.1%) stayed in another location (“school hostel” and “senior center”). Figure 8 below highlights the accommodations utilized by respondents staying one or more nights in the city of Albuquerque.

Figure 8. Percent of Respondents Spending 1+ Nights in Albuquerque by Type of Accommodations



3. Economic Impacts of Gathering of Nations on the City of Albuquerque

The economic impact of the Gathering events is summarized in Table 2.

Survey results show that the average out-of-town Gathering attendee spent about four days in Albuquerque. Applying average expenditures across those four days for an estimated 64,932 out of town attendees generates a direct output of about \$24 million. Beyond initial tourist expenditures, spending by local establishments indirectly supported 68 jobs with a combined payroll of \$2.8 million and \$9.4 million in receipts for Albuquerque businesses.

In total, Gathering is responsible for creating 261 jobs, \$7.2 million in labor income, and revenues totaling \$24 million in for businesses in Albuquerque. Care should be exercised when evaluating

employment numbers as these are likely temporary positions filled by a pool of individuals with the flexibility to respond to these types of labor demand shocks and may not contribute wholly to employment growth in Albuquerque.

Table 2. Economic Impact of 2019 Gathering of Nations Event

Impact Type	Employment	Labor Income	Output
Direct Effect	192.6	\$4,400,949	\$14,588,872
Indirect Effect	68.2	\$2,816,978	\$9,429,066
Total Effect	260.8	\$7,217,927	\$24,017,938
Multiplier	1.35	1.64	1.65

Source: UNM Bureau of Business and Economic Research

Table 3 outlines the top 10 industries affected by Gathering in 2019. Direct effects are limited to lodging, restaurants, retail, and *other* recreational activities as these industry sectors were specifically inquired about during the data collection phase. The greatest impact stems from lodging, accounting for almost 35 percent of total output. The effect is just more than twice that created by restaurants and five times greater than the impact created by retail industries. Of sectors without direct impacts, real estate sees the largest Gathering-related growth in output, \$1.1 million.

Table 3. Direct, Indirect, and Total Impacts of 2019 Gathering Event, by Sector

Industry	Direct	Indirect and Induced	Total
Lodging	\$8,308,699	\$6,378	\$8,315,077
Restaurants	\$3,828,391	\$195,351	\$4,023,742
Retail	\$1,461,245	\$34,826	\$1,496,071
Real estate	\$0	\$1,103,554	\$1,103,554
Other Recreation Industries	\$618,153	\$16,770	\$634,923
Owner-Occupied Dwellings	\$0	\$573,219	\$573,219
Wholesale Trade	\$0	\$448,801	\$448,801
Insurance Carriers	\$0	\$388,174	\$388,174
Electric Transmission/Distribution	\$0	\$332,173	\$332,173
Mgmt of Companies/Enterprises	\$0	\$324,572	\$324,572

Source: UNM Bureau of Business and Economic Research

4. Fiscal Impacts of Gathering of Nations on the City of Albuquerque

Gathering benefits city of Albuquerque by attracting a large population of tourists who spend on goods and services from local businesses. In this section, we examine the financial contributions and costs to CABQ that arise from hosting the event.

Table 4 summarizes tax contributions resulting from the influx of visitors to Albuquerque. These estimates are based on the direct and indirect output figures detailed in the previous section. Effective tax payment rates are derived from data provided by New Mexico Taxation and Revenue Department and the Local Government Division of the State Department of Finance and Administration.

Table 4. Fiscal Impacts of Gathering of Nations on the City of Albuquerque

Gross Receipt Taxes	\$1,497,441
Residential Property Taxes	\$36,740
Non-Residential Property Taxes	\$45,815
Lodgers Taxes	\$415,754
Total Revenues	\$1,995,749

Due to the 2019 Gathering events, an estimated \$2 million in revenue accrued to the City of Albuquerque. Gross receipt taxes represent 75% of total revenues. Lodgers Taxes paid by persons with overnight stays in Albuquerque are the second largest contributor, at almost \$416 thousand. Together, residential and non-residential property taxes comprise only 4% of total revenues.

5. Overall Assessment of Economic and Fiscal Impacts of Gathering of Nations on CABQ

Gathering has a substantial impact on Albuquerque's economy. In 2019, over 80,000 individuals attended the events; of those an estimated 64,932 reside outside the city. Tourist spending greatly benefited local businesses through the purchase of goods and services, and the City, through various tax payments. Directly and indirectly, the effect of this year's events contributed \$24 million to the local economy, including \$7.2 million in labor income. Related tax revenues to the City were at near \$2 million.

Principally, Gathering impacts the local economy through lodging and restaurant services: \$8.3 million and \$4 million in output, respectively. The \$1.5 million impact on the retail sector implies that a large number of tourists either choose not to make many retail purchases or elect to purchase these types of goods on State Fairgrounds.

When compared to the Santa Fe Indian Market, the Gathering events bring more out of state visitors to New Mexico. According to the 2018 Southwest Planning & Marketing report,³ 49.3% of the estimated 58,480 visitors to the Indian Market came from outside of New Mexico, whereas 59% of the estimated 80,281 attendees of Gathering events call somewhere other than New Mexico home.

A point to consider is the average age of attendees to the Gathering events. In our sample, over 40% of the respondents indicated they were 55 or older at the time of the survey. This may represent an aging population of attendees.

Beyond the economic and fiscal impacts of the Gathering events, there is a cultural benefit to the community that is not captured in our analysis. Many of our respondents informally discussed the importance of the event and indicated it was the primary reason for their travel to CABQ. Of the survey respondents who were from outside of New Mexico (170), nearly 90% indicated that Gathering was their primary purpose for visiting Albuquerque. This is particularly noteworthy as it illustrates the specific influence of Gathering events on local tourism. These are considerations the City may want to take into account despite not being specifically measured in this analysis.

³ https://www.santafenewmexican.com/news/local_news/report-pegs-indian-market-s-economic-impact-at-m/article_849ded19-7285-589a-9817-8aeceb5bb2c0.html

4. Have you attended Gathering of Nations within the past five years?

Yes No

• If yes, how many times have you attended? _____

5. How many are in your group visiting the Gathering of Nations today (total)? _____

• How many children under the age of 16? _____

6. How much money would you estimate that you/your group will spend [from ABQ] during the event weekend [from out of town] while on your trip in each of the following categories?

Complete each with total \$ for each category

• Lodging \$ _____

At EXPO NM

In the City of Albuquerque

Food and Drink \$ _____

Food and Drink \$ _____

Shopping \$ _____

Shopping \$ _____

Other \$ _____

Other \$ _____

7. Is your trip supported financially in any way?

Yes No

• If yes, by whom?

Tribe Grant Employer Other: _____

8. Are you an active participant in the Gathering of Nations?

Yes No

If yes, which event(s)? _____

9. Finally, we have a few demographic questions for you:

Gender Identification:	_____		
Racial Identification:	_____		
Age:	_____		
Annual Household Income:			
Under \$10,000	\$10,000-24,999	\$25,000-39,999	\$40,000-54,999
\$55,000-69,999	\$70,000-84,999	\$85,000-99,999	\$100,000-114,999
\$115,000-129,999	\$130,000-144,999	\$145,000-159,000	more than \$160,000