



Bisbee 1000 The Great Stair Climb: Who/What/Where and Why should Bisbee Care: A study of the Economic Impact of the 23rd Annual Bisbee 1000 and the Bisbee 1000 Craft Beer Festival

Written and submitted by Stephanie Peavey, M.S. on behalf of Bisbee Vogue, Inc. December, 2013

Background

On Saturday October 19, 2013, the 23th Annual Bisbee 1000 The Great Stair Climb in Bisbee, Arizona, was held after another record year of registrations (2128). Over the course of its 23 year history, the Bisbee 1000 has grown at a phenomenal rate and at the same time, it has gained international recognition as the only outdoor Stair Climb in the U.S, drawing participants from all over the U.S. and other countries, particularly Canada, England, Australia, and this year, Spain. Bisbee Vogue Inc. (Formerly Save Our Stairs, Inc.) is the 501(c)3 that produces the Bisbee 1000.

One of the hallmarks of Bisbee is the staircases that were built to accommodate the exponential growth rate in housing in this town located in the Mule Mountains during its boom years as a copper mining town. The first stairs were made of wood and they linked parallel streets and enabled housing development from lower to upper levels of the mountains. Later, with funds from the Works Progress Administration, the wooden stairs were replaced with new concrete stairs. Most of the stairs are signed with the USA/WPA logo in the top and bottom landings.

The Bisbee 1000 Course features nine of these staircases connected by roads that take participants through the most scenic parts of Old Bisbee. Along the challenging course, musicians and cheering crowds encourage the competitive athletes, the runners/joggers who come for a personal challenge, the walkers interested in a unique fitness workout with family and friends, and hundreds of others who are there for a group fitness party. The Bisbee 1000 has become such a fixture of Bisbee that even Wikipedia highlights the event in its “definition” of Bisbee.

In 2012, the Bisbee 1000 had the distinction of being designated as an Arizona Centennial Event. Later that year, it was selected as a recipient of the prestigious Governor’s Tourism Award for Special Events in a Rural setting. Add to that, Runner’s World listed it as a premier 5K (although it is actually a 4.5 mile course) in a 2011 article and that same year, the Wall Street Journal wrote an unsolicited article on the Bisbee 1000, identifying it as one of the best road races in the U.S.A.

Bisbee is a town of approximately 5,500 people that relies heavily on tourism. October is the shoulder season and the scheduling of the Bisbee 1000 during the 3rd Saturday in October has led to that weekend being referred to as “Stair Climb weekend” by foodservice and hospitality workers in Bisbee. In 2012, Bisbee Vogue, Inc. added a Craft Beer Festival called “the Best in the West Bisbee 1000 Invitational Craft Beer Festival.” The intent was to encourage participants to stay in Bisbee after the race and thereby stimulate spending in the local economy.

Although there is a general consensus that the Bisbee 1000 gives a much needed financial injection to Bisbee during a typically flat period in the tourist season, there has never been a study that gives even a general perspective of the impact. The purpose of this study was to obtain information that gives a profile of the participants and their experience, as well as an accurate picture of the economic

contribution that the Bisbee 1000 provides to the local economy. This study is based on a post event on-line survey that was administered to race participants 10 days after the event.

Methodology

A Post event survey was designed and administered on-line on October 30, 2013. Altogether, 2100 surveys were sent out via an e-mail that gave potential respondents a link to the on-line survey, and out of that total, 1792 had current/valid/deliverable e-mail addresses. In addition, Facebook posts and website posts invited the 2013 participants to click on the link to the survey. The incentive was that each person would be entered into a drawing to receive an entry into the 2014 Bisbee 1000, and that 5 people would be drawn. The Survey ran for 14 days and after two reminder e-mails the total number of respondents was 853. After deleting those who had registered but did not attend the 2013 event, the response rate was 49.7%. This is considered “very good” by standards for on-line surveys.

A statistical analysis was done comparing key characteristics of the respondent and non-respondent group in terms of age, residence, gender, and past participation. The only significant difference was that respondents were slightly more likely to be first time participants in the Bisbee 1000.

Profiles of the 2013 Bisbee 1000 Participants

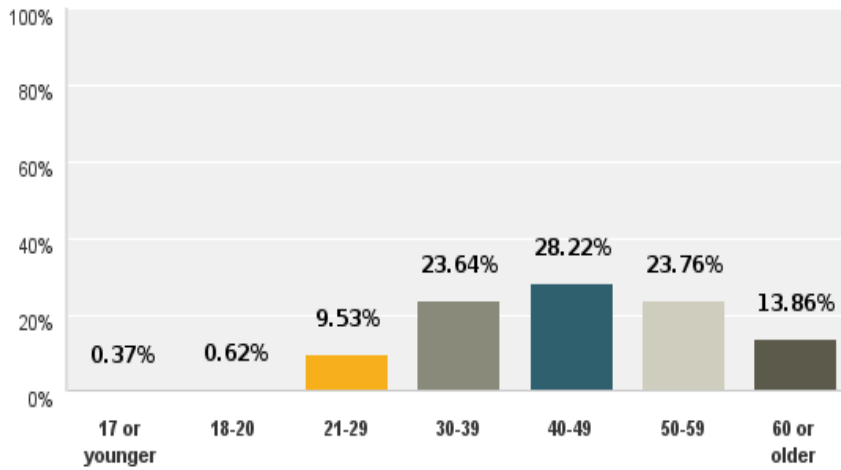


Altogether 2128 people registered for the 23rd Annual Bisbee 1000 but only 1782 completed the event. This “no show” rate of 16.3% is average for events of this size (which typically run between 15-18%). Participants hailed from as far away as Spain, Canada, Maine and Alaska. The largest percentage came from Tucson, at 29.7%. Attendees from the Phoenix metro area increased their presence to nearly 24.0%, a considerable jump from the 15% of two years ago. Steady growth is also seen in the out-of-state participants, representing 15% of the 2013 group, up 5% from two years ago. California, Texas, and Colorado are the 3 most commonly listed states of origin among these participants

Women continue to comprise the majority of the Bisbee 1000 participants at 60.8%. In fact, women constitute a growing portion of competitors in all road races, but the Bisbee 1000 has had a particular appeal to female participants over the years. Similarly, the age distribution has been consistent over the past 4 years. The 30-39 group makes up 24% of the participants, 40-49 add another 28%, and 50-59 make up another 24%. Those 60 and older slightly outnumbered those who were 29 or younger.

Q20 Which category below includes your age?

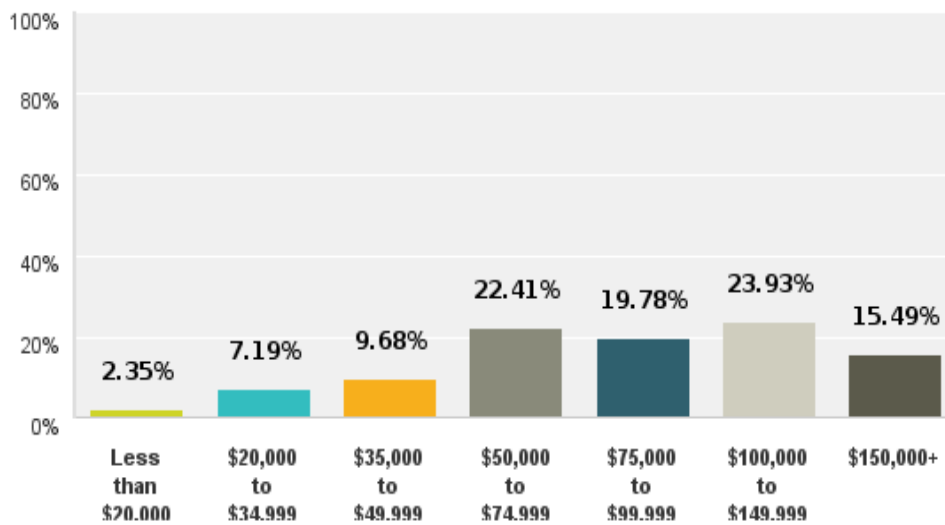
Answered: 808 Skipped: 45



This was the first year that information was gathered on participants' annual household income through the Post Event survey: Of the 723 who answered this question, the largest group, 39.4%, reported household incomes of \$100,000 or more. Close to 20% had incomes between \$75,000 to \$99,999. Another 22.4% were in the \$50,000 to \$74,999 income category.

Q21 What is your yearly household income?

Answered: 723 Skipped: 130



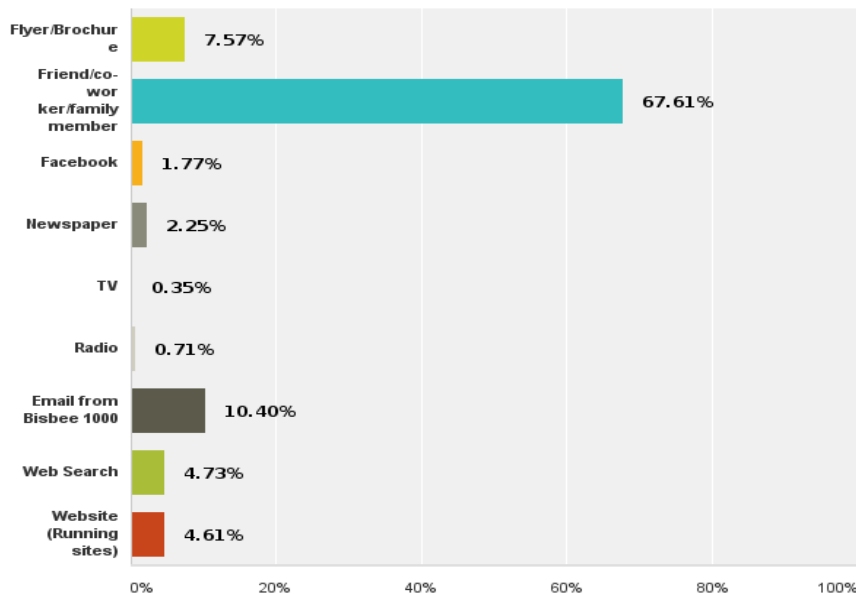
When asked about their participation in previous Bisbee 1000 events, a remarkable 66% said they had done the event at least once before. In sales, the biggest compliment a customer can give is repeat business. Clearly, the Bisbee 1000 has a loyal following; fully 76% of those returning said they had done the event 2+ times previously.

SURVEY RESULTS

Marketing & Promotion A central marketing question for any promoter is how best to advertise the event. When asked “How did you hear about the Bisbee 1000?” over 2/3 said they learned of it through friends/co-workers/family members. This underscores the importance of the informal network and further emphasizes the significance of capitalizing on the loyal following that the Bisbee 1000 has garnered over the year. All other media options lagged far beyond the word of mouth factor. “Email from the Bisbee 1000” was identified by 10.4% (respondents could list more than one factor). The “other” category was also identified by 10% and the typical response is exemplified in this statement from one participant: “I’ve been doing it for so many years I can’t remember where or when I first heard of it. It’s just a part of my calendar every third Saturday in October.

Q1 How did you hear about the Bisbee 1000?

Answered: 846 Skipped: 7

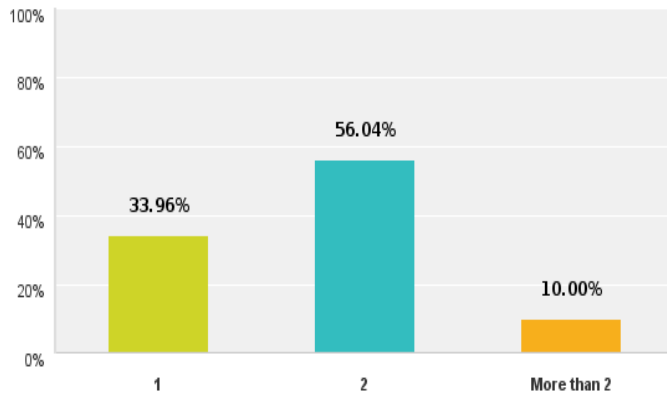


Lodging. Respondents were asked whether they stayed overnight and if so, where, and for how many nights. Approximately 59% stayed overnight, predominantly in Bisbee (65.6%). Another 27.7% stayed in Sierra Vista. Those staying in Bisbee were more likely to stay two or more nights compared to those who stayed in Sierra Vista (73.1% compared to 52.6%).



Q7 How many nights did you stay?

Answered: 480 Skipped: 373

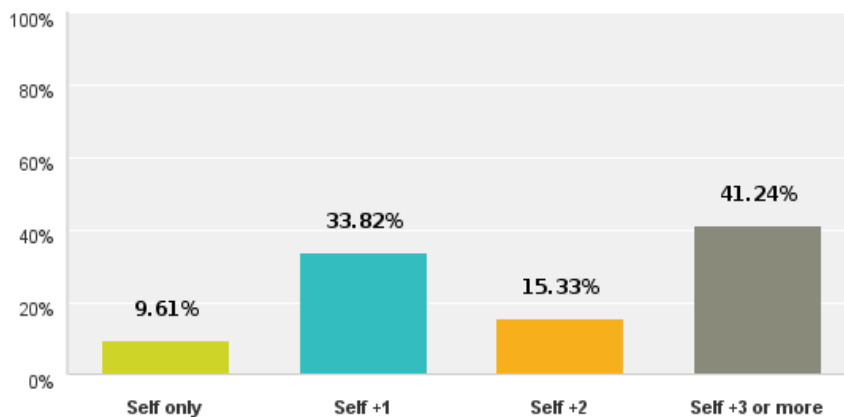


Party size. In most sporting event studies, the typical finding is that each participant brings an average of 1.5 people with them (yielding a party size of 2.5, including the participant). This question was asked of the 2013 Bisbee 1000 participants and the results showed that the average number in each party was 2.8, slightly higher than the norm. However, parties of 4 or more people represented the single largest cohort at 41.2%. Those who came alone represented only 9.6%. Local Participants (those traveling less than 30 miles to come to the event) had smaller average party sizes (2.2 persons) compared to those traveling the furthest (120 miles or more) whose average party size was 4.2. Also, women tended to come with more people, with an average party size of 3.4 compared to 2.3 for men, and were far less likely to come on their own (7% compared to 14.3% among men). Another significant finding is that those who stayed in Bisbee were more likely to report a group size of 4 or more people (46.9%) compared to those who stayed in Sierra Vista (38.3%).



Q8 How many others came with you to the Bisbee 1000

Answered: 822 Skipped: 31



Experience Ratings. Respondents were asked to rate their overall experience at the Bisbee 1000 using a scale of 1 to 5 in which 1 represented “poor” and 5 was “Excellent. The table below shows the remarkably high ratings participants gave the event, with the largest percentage giving an “Excellent” Rating. Respondents were also given an option to add comments, clarifying their rating.

Q14 Using the scale below (1 to 5), how would you rate your overall experience at this year’s Bisbee 1000?

RATING	(%)
5 (Excellent)	62.0
4	32.9
3 (Fair)	4.0
2	1.0
1 (Poor)	0.0
Total %	100.0
Total N	845

AVERAGE RATING = 4.6

Here are a few representative comments:

--“Well run/organized event, a great day, and great community support (cheering, music, etc). Definitely a race I’ll recommend to friends.

--“It was great! Loved the run, beautiful scenery and with great friends. Overall very fun. Lots to do after the run.”

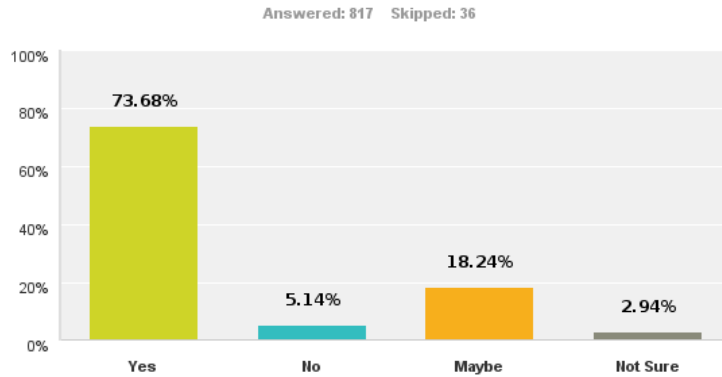
-- “We had the best time at this event and will do this again and again. Already made reservations for next year to stay in Bisbee.”

--“Well run, wonderful views, wonderful town, and wonderful experience. Would do it again in a NY minute!”

Among those who gave lower ratings of “3” or “2”, the most common complaint was the limited parking. Similarly, there were additional complaints about confusion among volunteers/officials in directing traffic for those entering and exiting the town before and after the race.

Future Visits As an indicator of the long term impact on tourism, respondents were asked: “Do you plan to return to Bisbee within the next 18 months?” Among nonlocals, nearly ¾ said “yes” (73.7%). The “Maybe/Not Sure” group made up 23.3% while only 2.9% said “No.” This is strong evidence that the Bisbee 1000 has a lingering effect, exerting a favorable influence on tourist inclinations to return to Bisbee.

Q13 Do you plan to return to Bisbee within the next 18 months?



The Craft Beer Festival

This marked the second year of the Craft Beer Festival and there were two major changes: In the first year the Craft Beer Festival was held on Friday evening the day before the Bisbee 1000, and on Saturday, noon to 5:00 p.m. This year it was limited to Saturday only from noon to 5:00 p.m., with the first hour dedicated to VIP. The second change was that the venue was moved outside from its previous location in the bottom floor of the Copper Queen Plaza. With the extra room by moving it outside, the 2013 event also included more Craft Beer Brewers. The original intent of initiating a Craft Beer Festival was to encourage Bisbee 1000 participants to stay in town. Those who did the Bisbee 1000 were given \$5.00 off the general admission of \$25.00.



When asked if they attended the Craft Beer Festival; only 21% reported “yes.” That figure translates into approximately 363 people, but does not take into account the other potential attendees who accompanied participants to Bisbee. Those who were male and those who stayed overnight in Bisbee were most likely to attend.

The Participants who attended the Craft Beer Festival were also asked to rate the event using the same scale described for the Bisbee 1000 Rating.

Q14 Using the scale below (1 to 5), how would you rate your overall experience at this year’s Craft Beer Festival?

RATING	(%)
5 (Excellent)	28.3
4	39.3
3 (Fair)	22.5
2	5.8
1 (Poor)	4.1
Total %	100.0
Total N	279

AVERAGE RATING = 3.7

With an average rating score of 3.7, attendees were generally positive about their experience. More than half gave it a 4 or 5 rating (39% and 28% respectively). But nearly 10% rated the event with a 2 or 1. Further details show that these individuals tended to compare the event to other larger Craft Beer Venues, and reported attending numerous other Craft Beer Festivals. Among all respondents, the comments and criticisms covered a broad spectrum but the two most common complaints were; 1). Not enough food available and; 2) Not enough Brewers/not enough variety among Brewers. The problem of insufficient seating was also frequently mentioned. On the positive side, the consensus was that the outdoor venue was far superior to that of the previous year.

Overall this nascent event has evolved considerably since its debut in 2012, as suggested by the overall favorable ratings among the 2013 attendees. An interesting point for future investigation would be to determine how many of the Craft Beer Attendees come from the general public with no connection to the Bisbee 1000.

SUMMARY OF THE PARTICIPANT PROFILE

Putting together this information gives a picture of the typical Bisbee 1000 participant:

- female
- Non-local
- heard about the event from friends/family/co-workers
- has done the event before (and quite possibly, is likely to tell HER friends/family/coworkers about it)
- is between the ages of 40-49.
- has a household income of \$100,000 or more
- comes to the event with approximately 3 other people
- Stays for two nights in Bisbee
- Plans to return to Bisbee within 18 months
- Is not likely to attend the Craft Beer Festival



SPENDING PATTERNS AMONG PARTICIPANTS AND ECONOMIC IMPLICATIONS

Background and Methods

It is somewhat of a wild west out there when it comes to economic impact studies because there are widely different methodologies, all with their own set of strengths, weaknesses, qualifiers and controversy. Add to that, there is a strong incentive to produce impressive figures in order to justify municipal support, road closures, etc. This study uses the approach formulated by the National Association of Sports Commissions (NASC). In 1999, NASC published a methodology guide that addressed the key issues that should be considered in any study of economic impact of sporting/athletic events. The guide describes methodologies, formulas and suggests how to compute the impact of similar events in different communities. In this regard, it



provides a standardized approach to computing economic impact specifically for sporting/athletic events.

The Bisbee 1000 imparts a number of benefits to the community of Bisbee, especially with respect to tourism and community visibility. But the significance and magnitude of these effects have long been discussed, speculated, and even debated. While there is a general impression that the event is a conduit for the flow of tourist dollars, the evidence to date is subjective and has relied primarily on discourse based on pre-constructed beliefs about the impact of any event in a tourist dependent town. Consequently, one of the primary objectives of the post-event survey was to obtain information on spending patterns of participants. Using the study approach detailed by NASC, these data were gathered, analyzed and interpreted to obtain an objective estimate of the economic impact of the Bisbee 1000 specifically on the town of Bisbee.

The survey asked participants for information on how much they spent on lodging, meals, shopping, and other. This economic analysis is based on the responses to these questions. Since the primary focus is on visitor spending (these are the dollars left behind by those persons who came to Bisbee because of the event) the analysis excludes the expenditure information provided by 53 Bisbee residents who participated in the 2013 Bisbee 1000.

Respondents were asked to report their total spending for each category and they were also asked to report their own personal expenditure, to avoid the problem of duplication. Thus, if four people shared a room for one night that cost \$100 per night, the amount that the respondent was expected to report was \$25.00.



Below are the average expenditures for the four spending categories:

AVERAGE EXPENDITURES

	Mean	Minimum	Maximum	N
Lodging	\$219.37	\$6.00	\$2240	492
Food/Beverage	\$82.74	0	\$2100	853
Shopping	\$62.14	0	\$2050	853
Other	\$21.15	0	\$ 976	853

Expenditures on lodging were only asked of respondents who reported that they stayed overnight. The amount they were ask to give was the total amount they spent during their stay. The “Other” category typically included entertainment such as the Mine Tour, the entry fee to the Craft Beer Festival, gas, and other undefined services.

Lodging expenditures were further broken down to compare the average costs for those staying in Bisbee and Sierra Vista:

**COMPARISON OF LODGING EXPENSES
BISBEE/SIERRA VISTA**

	Mean	Minimum	Maximum	N
Lodging Cost Comparison				
Stayed in Bisbee	\$232.38	\$28.00	\$2240	492
Stayed in Sierra Vista	\$200.69	\$15.00	\$850	136

The average cost for staying in Bisbee was higher in comparison to those staying in Sierra Vista. Part of this may be due to the finding that those lodging in Sierra Vista tended to stay 1 night, compared to those in Bisbee who were more likely to stay 2 or more nights. Notably, there were no significant differences in spending patterns for the other 3 categories, based on comparisons between Sierra Vista and Bisbee Lodgers.

Visitor Spending Totals

The visitor spending total is the first variable in calculating direct spending and includes an estimate of total expenditures by participants in all categories. Consistent with the goal of focusing on the economic effects in Bisbee, the expenditures for lodging outside of Bisbee are excluded.

	Total Estimate	Based on	Calculation of N
Lodging	159,412.68	Avg X 686	1046 overnight; 65.6% stayed in Bisbee
Food/Beverage	143,057.46	Avg X 1729	Total # of participants
Shopping	107,440.06	Avg X 1729	Total # of participants
Other	36,568.35	Avg X 1729	Total # of participants

Total Expenditures of Visitors in Bisbee: \$446,478.55

**Including Lodging Expenditures in Sierra Vista and Other (\$73,556); total visitor spending=\$520,034.55*

To obtain total visitor spending, the rule is to include an estimate of the spending among others who accompanied the respondent. However, this figure cannot be accurately accounted for because the survey did not distinguish between “others in the party” who were actually participating in the event, and those who came as spectators. To avoid the problem of duplicating the expenditure figures, the most conservative approach is to acknowledge that a portion of these individuals are likely be included in the respondent base, and a portion are not. As a result, the visitor spending estimate is conservative and likely underestimates the total visitor spending by a significant amount.

Direct spending estimates also include event-related operational spending. The table below lists ONLY the operation/staging expense that were paid for local labor and services. It excludes fixed costs and the variable costs of administrative salaries, and excludes costs to all labor/services paid to vendors outside of Bisbee.

Operational/Staging Expenditures

Labor	7,895
Local Equip Rental	2,132
Musicians	2,325
Set-up Expense	2,510
Murals/trophies/awards	6,731
Venue Rentals	1,500
Permits/city expenses	5,000
Other	3,250

Total Local Operational/Staging Expenditures: \$31,343.00

TOTAL DIRECT SPENDING:

$$\$31,343.00 + \$446,478.55 = \$477,821.55$$

The Economic Multiplier

There are two major forms of economic impact on Bisbee because of the Bisbee 1000 and the Craft Beer Festival. The first is the direct impact due to expenditures from the participants plus the operational expenditures to produce the race. In order to determine the economic impact of the event on the community, the convention is to use an economic multiplier that takes into account the interconnectedness of various levels of an economy. In other words, when dynamic changes take part in one segment, there will be rippling effects throughout the entire system. This change will typically result in a greater total impact than the original injection of dollars into the economy.



The National Association of Sports Communities (NASC) identified specific multipliers for different athletic/sports events based on the number of participants and the size of the community the conservative choice for the multiplier effects of the Bisbee 1000 is computed as follows:

Direct Spending = \$477,821.55

Multiplier = 1.23. This multiplier suggests that for every dollar sales from non-local participants, an additional 23 cents of economic activity will be generated within the community.

Estimated economic impact: $\$477,821.55 \times 1.23 = \$587,720.50$

From these figures, the direct revenues to the City of Bisbee based solely on visitor spending and for permits/fees to stage the event are also quantifiable: The City received \$5,000 in fees from the organizers, Bisbee Vogue, Inc. Considering the Bed tax alone, the City stands to collect approximately \$7,971.00 for lodging. Adding in another 5% collected from foodservice sales yields an additional \$7,153. The sales tax that the city collects on shopping at 5% gives an estimate of \$5,372. Including 5% from the “other” category adds an additional \$1,828. The total benefit to the City of Bisbee from the Bisbee 1000 is an estimated \$27,324. This is based on tax revenues alone and does not include additional taxes as a result of increased income from labor/business owners.

Other Factors

There are additional factors that are not included in this analysis but should be considered. Examples include local spending associated with pre-event spending, post-event spending, and the dollar value of the media exposure given by the event. In particular, each weekend from August through mid-October (and to a lesser extent, throughout the year), people come to Bisbee to train on the course of the Bisbee 1000 Stair Climb. Several fitness centers in Sierra Vista and Tucson host “group training sessions.” Typically the group meets in Bisbee, does the workout led by a leader, then has a group brunch/lunch in Bisbee before heading back home.

As another example, Media sponsorship for the 2013 Bisbee 1000 included TV, Newspaper, and Radio promotions throughout the greater Bisbee/Sierra Vista area, and Tucson and Phoenix metro areas. The value of this in-kind sponsorship was over \$40,000. As a result, the city of Bisbee directly benefited due to the increased media coverage of an event that takes place in the community.

Add to that, the informal network that is preeminently important in recruiting participants to the Bisbee 1000, is also likely to be equally effective in generating visits to Bisbee. Once again, the city directly benefits from the goodwill the event fosters, as indicated by the high “experience” ratings and the high percentage of non-locals who report that they intend to visit Bisbee again.

CONCLUSIONS

One of the biggest challenges all race promoters face is convincing a town that an event such as the Bisbee 1000 adds real economic value to an area, instead of just clogging the roads with cars and nice looking people. Indeed, to accurately evaluate the full impact, it is also necessary to identify and take into consideration the negative impacts on community life, such as increased traffic congestion and parking inconvenience to local residents, etc. With this in mind, the analytical approach of this study was conservative and guarded against broad generalizations and overestimations.

Another question centers on the *net* economic impact; this can only be answered by subtracting out the spending that would have normally occurred on a Saturday in October. But as previously mentioned, there is ample evidence that the Bisbee 1000 affects visitor numbers and, consequently, visitor spending throughout the entire month of October, September, and even August. This is another indication that the estimates presented in this report are low.

The results showcase that nearly all facets in the Bisbee economy (and surrounding communities) are positively affected by the Bisbee 1000 and the Bisbee 1000 Craft Beer Festival. With the injection of more than \$477,821 the businesses of Bisbee are directly benefited, predominantly lodging, local restaurants, local shops, and other local vendors.

In keeping with the conservative approach, this analysis did not extrapolate to the income effects (from payments to labor/services). It was also conservative in using a comparatively low multiplier to determine the induced effects, based on the belief that under estimation is better than over estimation. Notably, the NASC determined that the average multiplier for similar events ranges from 1.23 to 2.7. This study used the lowest value. In addition, although participants reported that their

average party size was 2.8 people (including themselves) this analysis did not incorporate ambiguous assumptions about the expenditures of the additional 1.8 people who accompanied the participants.

The results of this study lead to the obvious conclusion that the Bisbee 1000 the Great Stair Climb has a substantial positive impact on the local community of Bisbee both economically and socially. Through this analysis it is apparent that the participants have higher incomes than the median in Cochise County, and tend to spend a significant amount of money in Bisbee. This participant base creates a large potential for the City of Bisbee to capitalize on the goodwill the event generates and to capture loyal, repeat “customers” for years to come. Socially, the event spawns interest in Bisbee to a key target group of highly desirable tourists, enhances and promotes community image, and fosters civic pride. Most important, the Bisbee 1000 the Great Stair Climb gives an unequivocal kick to this tourist dependent economy at a time of year when tourism would otherwise be flat.

These comments from participants show that the Bisbee 1000 is a wonderful marketing agent for Bisbee, and a powerful representation of the community spirit:

What a great time!! Bisbee is my husband's and my favorite place, so participating in this event made us feel like a part of the community somehow.

So much fun and love Bisbee!

I actually live here in Bisbee and I found the experience to be lovely for both visitors and locals.

It's an amazing event. The views are beautiful. The weather was perfect. The people are so friendly. I can't get enough of Bisbee. Looking forward to next year.

FANTASTIC! Just want you to know that we visited Bisbee several times previous to the race to train for the event, and bought food from Bisbee restaurants and shopped.

Had a blast! See you next year!



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Author's Biography

Stephanie Peavey holds an M.S. in Economic Development/Resource Economics from the Dept. of Resource Economics & Policy, University of Maine (1987), and an M.S. in Exercise Physiology, Dept. of Phys. Ed and Kinesiology, University of Maine (2001). She was employed as a Research Scientist in the Dept. of Resource Economics & Policy at the University of Maine from 1987 to 2001 and has authored/co-authored more than 50 refereed journal articles and more than 35 Extension Bulletins. She is presently employed by Bisbee Vogue, Inc. as the Community Outreach Coordinator and also operates her own personal training business in Bisbee, AZ.