“THE ECONOMIC IMPACT OF TAMARACK”

December 31, 2008

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The Tamarack Foundation

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Executive Summary

Introduction

Tamarack is a vital part of West Virginia's economy today and will continue to be so in the future. Through the Caperton Center at Beckley and the work of the Tamarack Foundation, the state's artisans are able to sell their works, refine their skills and enhance their production capacities. In addition, the industry creates a favorable image which ranges far beyond the state's borders.

This report quantifies the significant value and importance of Tamarack to the economy of West Virginia. In addition to calculating the direct and indirect monetary impact of Tamarack and the Tamarack Foundation, this report measures the economic data of the surveyed artisans who have benefited from Tamarack and compiles the results of a survey of those who visited Tamarack. The essential findings of this report are that Tamarack's presence: (1) contributes to the cottage industry in all 55 counties of West Virginia, (2) creates significant numbers of jobs and income, (3) enhances the perception held by visitors to the state, (4) complements many travel destinations in West Virginia thus helps to promote tourism in the State and (5) furnishes a much-needed showcase and retail outlet for the state's artisans. Without Tamarack, these benefits would be lost or substantially reduced.

Support of art as a key component in economic development has been substantiated in virtually all academic research. Much of that inquiry is summarized elsewhere in this report. Studies clearly demonstrate that art as an industry, as well as a component of tourism, is a major stimulant to economic growth. The art industry brings "outside money" into a state. That money is re-spent many times over thereby generating jobs, income and taxes within the host state. Having quality, locally produced arts available in a state also retains dollars which might have otherwise "leaked out" if they were purchased by West Virginians from out of state vendors. This is a role Tamarack plays in West Virginia.

In addition to generating jobs, income and taxes, there are significant intangible benefits to a state from having a vibrant arts community. While these cannot be measured in dollar terms, the research shows that an arts industry is one factor in the "quality of life" which is much desired by those seeking to locate or expand businesses within a region. Art and art tourism contribute a positive image to a state presenting it as an exciting and stimulating environment. Art sends a strong signal to the greater public that culture is available and thriving. For West Virginia, too often unfairly portrayed as rural and backward, this is an important message to broadcast.

People who see what others have not seen and act on that insight are the entrepreneurs who are society's wealth creators. As the world's economy continues to change from manufacturing and services to "knowledge based" business, the existence of a "creative class" becomes crucial for an area seeking to share in the coming prosperity. This creative class leads the change. In that creative class are not only artisans but entrepreneurs in all fields.

Research shows that creative people in any field attract more creative people from other fields. The field of expertise is not as important as the existence of like-minded creative individuals who can relate to and nurture each other. Those areas in the United States which have experienced the most rapid rates of economic growth all have thriving arts communities. Tamarack should continue to be an integral part of West Virginia's long term development strategy.

Central to the development of an arts community is the ability to merchandise what is produced. Support for artisans, by supplying business training and educational opportunities, is also essential. Tamarack and the Tamarack Foundation are critical to this process.

Findings

Cumulative Contributions

The Caperton Center opened in 1996 and since that date has:

- generated gross sales revenue in excess of $86 million
- collected state sales tax revenue exceeding $4.5 million
- provided a marketplace for over 3,000 WV artisans
- attracted over 5.6 million visitors.

This study does not evaluate these cumulative contributions, but provides a "snapshot" of the contribution made in a single year. Had a study been completed for each of Tamarack's 12 years measuring direct, indirect and induced effects the total impact would be significantly greater than the one year analysis provided here.

Income, Output and Employment

The Center for Business and Economic Research (CBER) at Marshall University was commissioned by the Tamarack Foundation to prepare a comprehensive economic impact study of the Tamarack System and the Tamarack Foundation. For the purpose of this analysis their economic effects are combined and designated “Tamarack”. Tamarack’s activities produce three economic effects. The first is the “direct” effect on income, output[1] and jobs from the initial round of spending. The second and third effects (called “indirect” and “induced”) measure what happens as that initial spending circulates and is re-spent.

For example, when Tamarack purchases an item from an artisan that creates income for the recipient. This is the direct effect from the initial spending. The recipient will then spend the income on consumption items or on new inputs for their process. This is the indirect effect as those who receive those incomes will also spend them. Additional rounds of re-spending occur as the income generated in the indirect round is re-spent which is called induced spending. The cumulative results of this re-spending comprise the total economic impact.

The results of the analysis of the total impact from Tamarack’s activities for the 12 month period from July 1, 2007 to June 30, 2008 (FY2008) are summarized as follows.

The annual **direct** benefits of Tamarack and its operations are:

- 123 full-time equivalent private sector jobs are supported[2]
- 2,500 artisans currently represented throughout the retail network
- 1,200 artisans receive orders each year
- $3.3 million in annual payroll in Beckley and the surrounding area was created
- $3.1 million in local spending supporting **additional** jobs for West Virginians
- $750,259 in state and local tax revenue was paid to state and local governments.

In addition, the presence of Tamarack, the Tamarack Foundation and the related spending by their activities result in **indirect and induced** spending in the West Virginia economy as follows:

- Created an additional 113.2 full-time equivalent jobs
- Increased output by $6.4 million
- Increased income over $1.9 million
- Generated an additional $690,482 in state and local tax revenue

[1]Output is the most important component of an economic impact study. Output measures the total spending resulting from the presence of a business or other organization in a given region.
[2] Full time equivalent includes both full time workers and those who are part time employees. If two part time employees work 20 hours per week each, then the two of them count as one FTE.

The **total economic impact of Tamarack** for FY2008 is provided by category in Table EX1. Tamarack was responsible in that 12-month period for $18.6 million in additional output, $5.9 million in additional income and nearly 240 jobs.

Table Ex 1: Summary Impacts of Tamarack

	Direct	**Indirect**	**Induced**	**Total**
Output	$12.1 million	$3.0 million	$3.4 million	$18.6 million
Income	$4.0 million	$908,545	$1.0 million	$5.9 million
Jobs*	123	56.4	56.8	236.2

*FTE – Full Time Equivalent

These increases in output, income and jobs would not have occurred in the absence of Tamarack and the Tamarack Foundation. These figures should be considered a conservative estimate given that the "recapture effect" is not considered. Money spent on art and crafts by residents of the State that would otherwise have "leaked" outside the West Virginia economy is referred to as the recapture effect. While it is difficult to estimate the recapture effect, a tentative estimate indicates that approximately 50 percent or $444,964 of FY2008 retail sales to West Virginia residents (per point-of-sale zip code data) could reasonably be included as a positive effect in addition to the amounts included in Table EX1. Tamarack keeps these in-state purchases of arts and crafts here rather than West Virginians traveling elsewhere or using the internet to purchase similar goods and services produced elsewhere.

<u>Contributions to State Tax Revenue</u>

State and local tax revenue is increased due to the activities directly related to Tamarack. Personal and business income originating from the arts and crafts activities during the rounds of re-spending also generates tax revenue for the State. Table Ex 2 represents the additional tax dollars attributable to the income from the direct, indirect and induced income produced as a result of the operations of Tamarack and the Tamarack Foundation. The total amount of state tax revenue fairly attributed to jobs generated by Tamarack is approximately $600,000 per year. This represents the taxes collected as the additional income generated by Tamarack-related direct, indirect and induced income is spent on taxable items by the recipients. The amounts from each tax category, displayed by source, are shown in Table Ex 2.

Table Ex 2: FY2008 State and Local Tax Revenue

Tax	Direct	Total
Personal Taxes	$ 208,082	$ 399,585
Consumer Sales & Use Taxes	180,510	346,638
Business Taxes**	129,939	249,526
Excise Taxes	75,239	144,483
Misc Fees & Transfers	2,316	4,448
Property taxes (State share)	767	1,473
Total State Taxes & Fees	**$ 596,853**	**$ 1,146,152**
Property Taxes to Counties	153,406	294,589
Total State and Local Taxes	**$ 750,259**	**$ 1,440,741**

** Severance, Property Transfer, Racing Fees, Estate and Inheritance taxes are omitted.

It is very important to note, this amount does *not* include the $400,000 collected annually in sales taxes on the purchases of goods at Tamarack. From these observations it can be estimated that Tamarack returns over $1.9 million dollars annually to the State, in taxes alone, much of which would be lost if Tamarack were not in operation.

Survey Data

CBER conducted three surveys during the course of this study targeting Tamarack artisans, performing artists and visitors and received over eight hundred responses. These responses show Tamarack and the Tamarack Foundation are of significant benefit to the artisan industry of West Virginia. While the benefits to artisans from the exposure they receive by displaying at Tamarack cannot be measured, it should not be discounted. In the survey of artisans almost 80 percent indicated that their business had benefited from having products displayed and sold at Tamarack as well as the benefits received from the programs of the Tamarack Foundation. Having work displayed in a venue with a significant number of viewers introduces the artist to a number of new potential customers. In addition previous customers may be stimulated to add to their collections. The results of these surveys are provided below.

Artisan Survey

- Artisans from fifty counties responded to the survey.
- Seventy-nine percent responded that Tamarack had improved their economic situation.

- Responding artisans report increases in annual revenue of $656,154 as a result of exposure through Tamarack.
- Seventy-eight percent received positive effects other than income such as training or emergency assistance.
- Seventy-five percent reported they were able to expand production and generate additional income because of Tamarack related support.

Performing Artist Survey

- Sixty-two percent report that Tamarack had improved their economic situation by increasing their incomes.
- Sixty-seven percent report that Tamarack had a positive impact on their business generating exposure which would not otherwise been obtained.

Visitor Survey

The positive image of West Virginia which resulted from those who visited Tamarack is reinforced by the results of the visitor survey. During a four day period surveys were collected from 432 visitors at Tamarack. Almost three-quarters of those who stopped at Tamarack were not West Virginia residents. That finding indicates that Tamarack exerted a positive pull for those traveling through the State to stop and spend. Since almost two thirds of those who visited were returnees, Tamarack should be viewed as an attraction which aids in retention of tourists.

- Seventy-four percent of visitors were from another state.
- Ninety-nine percent rated their overall experience as good to excellent.
- Visitors originated from 30 states, including California.
- Sixty-five percent made one or more purchases.
- Sixty-four percent had visited Tamarack previously.
- Forty-six percent included a stop at Tamarack as part of a planned trip.
- Eighty-four percent indicated they intended to return to Tamarack in the future.

Comparisons with Other State Programs and Facilities

Tamarack is noted as a "lighthouse" project for other states to emulate. When compared to activities in other states to support their arts related industry, Tamarack is unique. No other program or project possesses the same combination of attributes as does the Caperton Center. In addition to a large retail space and a gallery, there is a restaurant, Conference Center and studios where artisans demonstrate their crafts. A theater for public performances is also available.

Financial Forecast

The CBER study evaluated the income and expenditures of the Caperton Center for the past ten years (1998-2007). During that period sales increased from $4.9 to $8.3 million. This reflected an average growth rate of 3.69 percent. However, this average is skewed by the addition of the conference center and its related sales in FY2004 which increased overall sales that year by 15 percent. This was a one-time event and is not expected to be sustained. A more conservative estimate would be to assume that the rate of sales growth is only 1.28 percent. This figure reflects the average growth of sales revenue over the past four years. Also, tourism is very sensitive to changes in the economy as is the purchase of “non-essentials” such as art.

The remaining outstanding debt on the Caperton Center will be completely retired by 2015 which will significantly reduce Tamarack’s expenses. However, at this time, Tamarack may begin to incur additional expenses to maintain the facility which will then be 20 years old. While Tamarack has always been conscientious about controlling its operating costs, sales generated at the facility will not be sufficient to entirely fund the programs of Tamarack. This is not an unexpected conclusion. As the survey of other projects similar to Tamarack indicated, none are anticipated or planned to be profitable. Tamarack was created to serve as a catalyst for an expanded cottage industry and to contribute to a more favorable image for the state. Both of those objectives have been and will continue to be accomplished.

Conclusions

Based on the analysis completed to produce this report the following conclusions are reached.

1. Tamarack creates significant jobs, income and tax revenue for West Virginia which would not exist if Tamarack ceased to exist.

2. Tamarack provides an outlet for the works of West Virginia artisans which is vital for the artisans’ income and development of the State’s art industry.

3. Tamarack contributes to a positive image of West Virginia by showcasing the arts and culture of the State.

4. Developing a vibrant arts industry is an essential part of an economic development policy for West Virginia since it is a component of the new "creative economy" which is and will be the source of future economic growth.
5. All the areas of the United States which have experienced significantly above average economic growth have had major arts communities.
6. It is important to organize cooperative action plans between higher education institutions, arts institutions, business communities, and public authorities in order to encourage both the arts-orientated and non-arts related creative capital within the State.
7. The Tamarack Foundation provides essential services to the State's artisans providing for increased training in business and techniques and expanding the artisan's market.
8. Tamarack is a unique facility which sets it apart from other state programs which support the arts. As such, it is recognized as a project which other states aspire to emulate.
9. Given a conservative projection of growth in income and expenses Tamarack will be capable of covering its costs of goods and operating expenses in the future but will need continued state support for maintenance and facility upgrades.
10. Considering the income, jobs and tax revenue generated by Tamarack continued support by the State is justified.
11. Exposure at Tamarack has resulted in significant increases in income for the artisans who display there both through direct sales and for additional sales resulting from their work having been viewed there.

Return on Investment

An investment in the arts provides positive returns through job creation, increased wages and a positive economic impact in West Virginia. The amount of investment in Tamarack of non-toll revenues by the Parkways Authority varies annually. Using revenues from concessions sold at travel plazas along the West Virginia Turnpike, the Parkways Authority in FY 2008 invested approximately $2.3 million in Tamarack. In return for this investment, the State of West Virginia received over $400,000 in direct sales taxes, over $1.4 million in other state and local taxes and received a total economic return of $18.6 million in increased output including $5.9 million in wages for West Virginians.

A very important component is often overlooked when Tamarack's financials are discussed. Over half of the Parkways Authority's annual investment in Tamarack goes toward the construction debt on the Caperton Center. By 2015, this debt will be paid off leaving a very valuable asset. This must be taken into consideration when determining the overall return on this investment.

Tamarack was never established with the expectation that it be entirely self sufficient. But its goal is to promote the state's economic development by establishing and supporting a vibrant arts community. That goal has been and will continue to be met.

The Economic Impact of Tamarack in West Virginia

Chapter One: Introduction

The Arts Economy and West Virginia

The nation's economic system of the 21st century is being dominated by knowledge which differs from traditional service and manufacturing-based industries. The key difference in this transformation is the substitution of "creation'' for "production". This 'new' economy creates, manages, and grows intellectual property.[3] Equally important is this intellectual property becoming the basis for new business and entrepreneurial activity.

In this process of global changes, competition for greater economic development entails new strategic plans and visionary investments. If West Virginia is to compete in the global economy, it is desirable to expand West Virginia's potential for participating in the new creative economy. The fostering of a 'creative class' is a crucial contributor to such adaptation.

The United States Department of Agriculture's Economic Research Service (ERS) defines the 'creative class' skills as 'developing, designing or creating new applications, ideas, relationships, systems or products, including artistic products'.[4] The 'creative class' jobs (instructing, inventing, engineering, caring and the creative arts) overall share grew from 15.1 percent of all jobs to 19.7 percent in West Virginia between 1990 and 2000.[5] However, in the "State New Economy Index" that incorporates knowledge jobs, globalization, economic dynamism, transformation to a digital economy, and technological innovation capacity, West Virginia ranks 50th in its overall score in the 2007 Index.[6] Public and private policy makers should implement strategies to overcome this ranking. Promotion of the arts is one component of that plan which promotes rural economic development.

Despite the rise of digital age and high-tech development in modern telecommunication facilities, geography still matters. The attractiveness of cities, towns, villages and related unincorporated areas is often decisive in the economic development process. As noted economist Richard Florida states, the economy structures itself around the density of people in real places.[7] The concentration of people, particularly talented people who can create and innovate, causes

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[3] Terrell Ellis & Associates, Inc., (June 2007). *Culture, Creativity, and Innovation: West Virginia in the new Economy.* Prepared for A Vision Shared: Creative Class Work Group & The Industry of Culture Initiative.
[4] Terrell Ellis & Associates, Inc. (2007)
[5] Terrell Ellis & Associates, Inc. (2007)
[6] Terrell Ellis & Associates, Inc. (2007)
[7] Florida, Richard. (2003). "Cities and the Creative Class." *City & Community 2:3-19.*

companies to cluster in a specific place.[8] Governmental efforts to attract new businesses by offering tax breaks and new transportation opportunities seem to be insufficient unless there is potential for rising human capital including "creative" capital in that specific area. Places with more talented and innovative people grew faster and attracted more talented people in the 20th century than did those with a traditional labor force.[9] Innovation and diversity of a place has become the backbone of economic growth and development in the 21st century.

Concerning economic development the question should be how to attract talented and creative people to West Virginia and how to keep talented West Virginians within the State. In Battelle Memorial Institute's March 2007 report, 4,691 individuals aged 25 to 39 with at least a bachelor's degree out-migrated from the State between 1995 and 2000.[10] Although effective economic development strategies are complex, the arts and culture available in West Virginia should play a key role to increase the base of 'creative' population. The arts and crafts industry supports West Virginia's dynamic tourism and travel sectors. In the State, the economic contributions of manufacturing and mining sector relatively declined compared to sustained growth in travel and tourism sectors over the period 1980-2002.[11] During the same period, performing arts, museums and related activities have the second fastest growth rate after amusement, gambling, and recreation with respect to the overall Gross State Product of West Virginia.

The arts-related industry's growth rate was around 11 percent between 1998 and 2002.[12] In 2006, travel spending by all overnight and day visitors in West Virginia was around $3.9 billion.[13] That travel spending also supported 44,000 jobs with earnings of $854 million in which jobs were mostly generated in accommodations, food services, recreation plus arts and entertainment.[14] Arts related tourism is a strong contributor to that industry. Vibrant tourism and travel create a positive "brand image" for West Virginia that likely contributes to overall economic development.

Also, arts-based creative capital increases the likelihood of developing a non-arts related

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[8] Florida. (2002)
[9] Florida. (2002)
[10] Terrell Ellis & Associates, Inc. (2007)
[11] Witt, T. S. and Fletcher, M. (2006). "Tourism and the West Virginia Economy." Bureau of Business and Economic Research: West Virginia University.
[12] Witt and Fletcher. (2006)
[13] Dean Runyan Associates. (August 2007). *Economic Impact of Travel on West Virginia*. Prepared for West Virginia Development Office.
[14] Dean Runyan Associates. (2007)

creative class in a region. Talented and well-educated people attract one another. Florida highlights the significance of diversity in a place to bring creative people together.[15]

The direct economic benefits of arts-related activities in West Virginia are reflected in household prosperity. In a 2003 survey conducted for the West Virginia Development Office, it was estimated that the mean total annual household income of craftspeople is $47,570 in which 27.5 percent of the income is craft-based.[16] The income of craftspeople households is higher than the average income of non-crafts household in West Virginia. The same study estimated total numbers of 2,539 craftspeople having a direct economic impact of around $54.5 million on the State economy through sales and revenues.

In a 2005 survey by West Virginia Development Office, the median pre-tax income *of each worker* (not households) in arts institutions (i.e. live theaters, symphony, dance, museums, crafting) was $27,500. This is only slightly less than the average West Virginia median *household* income of $29, 696.[17] Total arts-related self-employment income (1,401 self-employed individuals) was estimated at $15.7 million. Overall, the direct economic impact of arts institutions, employees, and self-employed was estimated as $60.5 million.[18]

One of the major concerns of the artisans who participated in the CBER survey was access to business training. In the surveys, business and technical training are the most needed priorities by the arts community.[19] In that sense, it is important to organize cooperative action plans between higher education institutions, arts institutions, business communities, and public authorities in order to encourage both the arts-orientated and non-arts related creative capital within the State.

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[15] Florida. (2002)
[16] West Virginia Development Office. Small Business Development Division. (June 2003). *The West Virginia Crafts Study: The Impact of Crafts on the State Economy*. Charleston: West Virginia Development Office.
[17] West Virginia Development Office. Small Business Development Division. (August 2005). The West Virginia Arts Study: The Economic Impact of Arts Institutions, Their Employees, and Self-Employed Artists on the State Economy. Charleston: West Virginia Development Office.
[18] West Virginia Development Office. Small Business Development Division. (August 2005)
[19] West Virginia Development Office. Small Business Development Division. (August 2005)

Background

History of Tamarack

In addition to its mandates of highway construction, repair, and maintenance, the Parkways Economic Development and Tourism Authority of West Virginia received an obligation to promote economic development and tourism in the legislation which created it in 1989. Investment in the arts and crafts industry has become one of the development strategies of the Parkways Authority.[20] Tamarack was developed after years of planning in order to encourage the State's arts and crafts. The focal point of the Tamarack system has been the Caperton Center at Beckley which was opened in 1996. That facility serves as the showcase and retail center of arts and crafts products representing West Virginia artisanship and West Virginia food products. Moreover, the facility is also used as a performing arts center and contains a modern, up-scale convention center as well.

The Caperton Center is located in Beckley, West Virginia on I-77 at exit 45. It includes a retail store, five art studios, an art gallery, a performing arts center (178 seats), a conference center, a restaurant, and a warehouse. In the retail store, various items of glass work, clothing, food products, wood work, hand-made crafts, jewelry, books, paintings, sculpture and other artwork are sold. Besides sales at the Caperton Center, the products of West Virginia artisans are also sold at travel plazas. Through a non-profit third party service provider, WC Workshops, Inc., Tamarack provided 123 FTE positions in FY2008. These are not State employees and do not receive State benefits, other than participation in the PEIA program.

In the studios at Tamarack, artisans and craftspeople show visitors how their products are made. The Tamarack Conference Center serves business, convention, meeting, and private events with 12,000 square feet of meeting space.[21] The arts gallery showcases the work of West Virginia artists. The fine arts gallery hosts twelve to fifteen different artists with each exhibit, and exhibits change every eight weeks. There are different kinds of activities at the performing arts center every Sunday which are free to the public.

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[20] West Virginia Legislative Auditor. Performance Evaluation & Research Division. January 2007. *West Virginia Parkways Economic Development and Tourism Authority.* Charleston: West Virginia Legislation.
[21] Tamarack: The Best of West Virginia retrieved July 1, 2008 from www.tamarackwv.com.

The Tamarack System

Cooperation among local businesses, local governments, non-profit arts organizations, independent artisans, educational institutions, regional economic development offices, and tourism authorities is required. This kind of cooperation can serve as an effective way of connecting isolated and independent artisans to the market and linking them to consumers demanding arts and crafts products. Tamarack is an important link in that process.

Tamarack represents a broad network of producers, suppliers, and consumers under a common marketing and distribution channel. The initial goal is to develop the businesses of artisans in West Virginia along with preserving the state's cultural heritage. Tamarack and the Tamarack Foundation encourage community development, self-achievement and self-satisfaction for the states' artisans. Assistance with marketing provides additional income as well as a chance to become better known regionally and nationally. It may be an opportunity for a new career for those who have lost or left other jobs.

Not every individual artisan can demonstrate and sell their product at the facility unless the product passes through the jury process. Only West Virginia artisans who pass a rigorous jury process may sell to Tamarack. The jury system helps to keep the quality of artworks high at Tamarack. The manufactured products of private companies that are sold at the Caperton Center also need to pass the jury process. Fenton Art Glass Company and Blenko Glass Company are two of several private companies that sell their products at Tamarack. During the jury process, artisans also receive counseling services and training to further develop and refine their skills.

The jury sessions are held twice a year by Tamarack at different locations in West Virginia. Two thousand eight hundred and forty-three West Virginia artisans passed through the jury process between 1996 and 2007. Some items are sold on consignment. However, most juried products are purchased at a wholesale price by Tamarack allowing the artists to receive income for their products which can be reinvested in their business. Tamarack then assumes the responsibility of selling the artists' wares.[22]

[22] West Virginia Legislative Auditor. Performance Evaluation & Research Division. January 2007. *West Virginia Parkways Economic Development and Tourism Authority.* Charleston: West Virginia Legislation.

Conference Center

The reputation for quality food service at Tamarack was enhanced by a fruitful partnership with The Greenbrier. The demand for meeting space and requests for special events led Tamarack to expand into conference sales and services. On June 20, 2003, the Tamarack hosted its grand opening for the Tamarack Conference Center. The 12,000 square foot facility is designed to accommodate a wide variety of events including conventions, business meetings, reunions, private occasions, holiday events, formal dances, and even weddings. The Conference Center can even be arranged into varying layouts to meet the needs of the specific event. By dividing the large ballroom/meeting room into smaller rooms, the facility can accommodate a variety of occasions.

Tamarack Conference Center also includes an outdoor patio, audio visual equipment, and wireless access throughout the complex. Tamarack has developed an extensive partnership with The Greenbrier food service, and this partnership is a vital part of the success of Tamarack Conference Center. For any event, the trained catering staff can provide a variety of menu options including buffets, appetizers, brunches, and entire meals. In FY2008, the conference center contributed over $800,000 banquet sales revenue and over $100,000 in room rental proceeds to overall Tamarack revenues.

Tamarack Foundation

The Tamarack Foundation is a nonprofit organization established in 2003. It is dedicated to the preservation of the cultural heritage of West Virginia and improvement, growth and support of arts-related industries creating even larger and more far-reaching economic benefits. The Foundation works closely with Tamarack in order to improve the "human capital" of artisanship in West Virginia by providing educational, marketing and business training programs for artists, artisans and specialty food producers. The Foundation's funding partners include the Appalachian Regional Commission, The Claude Worthington Benedum Foundation, The Carter Family Foundation, The McDonough Foundation, Mountain State University, the WV Parkways Economic Development and Tourism Authority, and the WV Development Office.

The Artisan Resource Center (ARC) was opened in March 2006 to provide business resources and guidance to West Virginia's artisan owned small businesses. In cooperation with Mountain State University, which provides an in-kind contribution of space, the Foundation hires students and provides paid internship positions in business, information technology and marketing. This has allowed the Center to provide counseling to artisans in order for them to achieve their full business, marketing and artistic potential. Additionally, the ARC provides artisans with business planning (in partnership with the Women's Business and Training Center of Beckley) and facilitates the creation of marketing and collateral materials including graphic design and layout assistance for business cards, hang tags, artisan bios, product web sites, brochures and catalogs, and professional photography.

Important development programs managed by the Foundation include apprenticeships, mentoring, professional development grants, fellowships, craft business start-up equipment and an artisan relief fund.

- The apprenticeship program partners a master artisan and an apprentice in a cooperative relationship in order to increase the efficiency, proficiency and educational capacity of artisans.

- Professional development grants are provided for those artists who lack financial resources to further education in their specialty by attending workshops or studying at well-respected schools around the country.

- The Fellowship Program is the highest award offered by the Foundation to recognize the achievements of Tamarack's most successful artists. Since 2006, ten (10) Tamarack artisans have been awarded $2,500 each for their commitment to the development of arts, artistic excellence, and lifelong community achievement.

- Craft business start-up equipment gives an opportunity for financing initial costs, purchasing equipment for business growth and efficiency and eliminating unsafe working conditions.

Artisans who experience career-threatening emergency situations benefit from the Tamarack Foundation Artisan Relief Program (TARP) which currently has assets in excess of $150,000. Tamarack juried artisans are eligible for this emergency fund for outright grants of up to $5,000. The fund is made possible by auction revenue of artisan donated works and individual gifts of support.

Most of the Foundation revenue is derived from grants with a strong supplement from an annual Gala and Auction supported by individuals and the business community. The Foundation has a comprehensive development plan that will continue to leverage the support of over $1.5 million received since inception in 2003. Key to the success of the Tamarack Foundation is the partnerships and collaborations with local, state, regional and national organizations. A breakdown is provided in Figure 1. Expenditure data is shown in Figure 2.

Figure 1: Tamarack Foundation Revenue (2007)

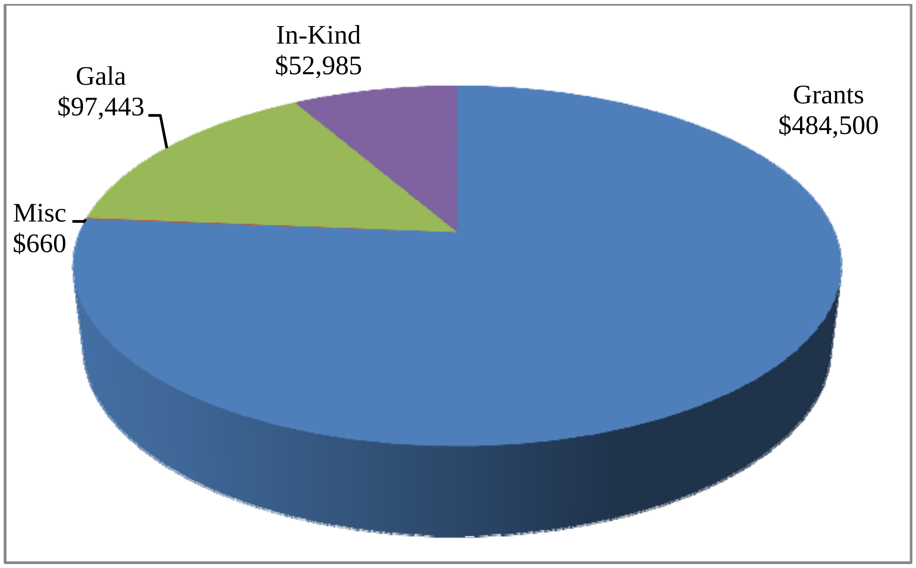
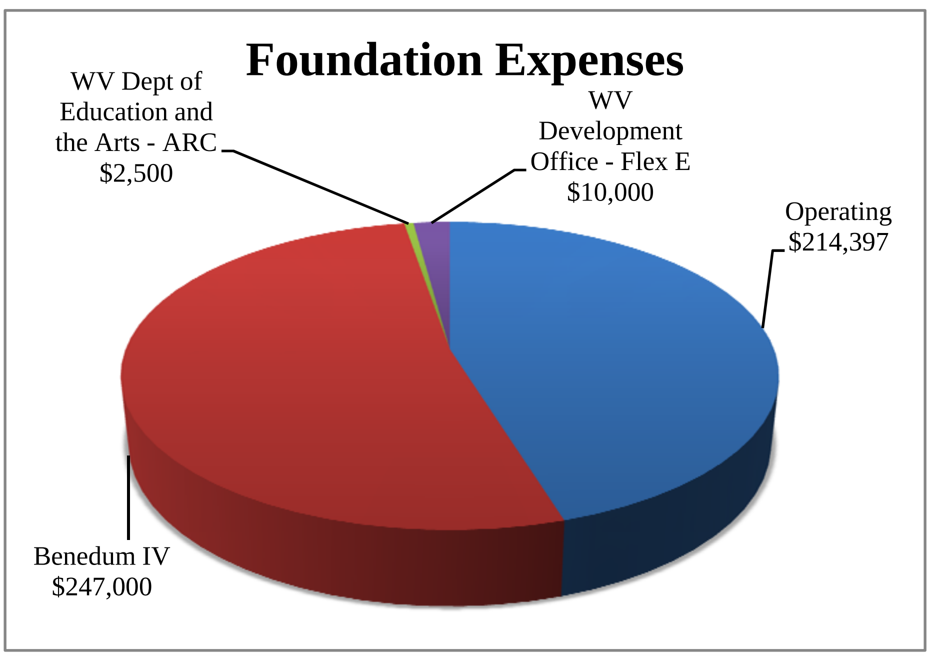


Figure 2: Tamarack Foundation Expenses (2007)



Current Administrative Structure

The administrative organization of Tamarack consists of a general manager, deputy general manager, retail director, personnel administrator, marketing director, events director, artisan services director, conference sales manager, and food services director. The food court in Tamarack is managed by Tamarack and features Greenbrier recipes and trained chefs. Tamarack's web site was redesigned in 2006 and includes detailed information regarding:

- performances, demonstrations, book signings, food tastings and workshops
- exhibits in the David L. Dickirson Fine Arts Gallery
- artisan services, including jury process guidelines
- Tamarack Foundation
- restaurant menus
- conference center bookings
- directions to Tamarack
- job listings.

An e-commerce component was also added to the web site in 2006.

According to the FY2007 Financial Statement of West Virginia Parkways, Economic Development and Tourism Authority, sales at Tamarack were approximately $7.9 million in the fiscal year of 2007. The increase is 3.3 percent over the previous year. The annual number of visitors to Tamarack was around 600,000 in 1997 which declined to 400,000 in 1999 and through 2005. In 2007 the annual number of visitors again increased to around 475,000.[23] According to Cheryl Hartley, Tamarack General Manager, the facility has seen 5.6 million visitors since its establishment. Zip code data collected at retail point-of-sale indicate 76.8 percent were considered to be from out-of-state.

[23] Witt and Fletcher. (2006)

Chapter 2: Scope of Study

This chapter describes the process used by the CBER to generate the data obtained for this report. There are three major phases to the Tamarack project:

- Phase One: Information Gathering
- Phase Two: Performance Analysis
- Phase Three: Impacts Past and Future

Phase One: Information Gathering

CBER conducted an exhaustive search of the economic development literature related to facilities similar to Tamarack and the role of arts and arts tourism on economic development. Those studies clearly demonstrate that the arts industry and art tourism are major stimulants to a state's economy as "outside money" comes into the state and is re-spent many times over thereby generating jobs, income and taxes within the host state. Having quality arts and crafts available in a state also retains dollars which might have otherwise leaked out if the purchase was made by West Virginia residents from an out-of-state vendor.

There is also substantial literature on the tangible and intangible effects of having a strong arts community in a state. It is an addition to the quality of life which is one highly desired feature when business seeks to locate or expand in an area. Central to the development of an arts community is the ability to merchandise what is produced. Facilities like Tamarack are crucial in this process.

Further, CBER performed the following surveys:

- A visitor analysis over four days included 432 visitors which consisted of detailed information on the reasons for the visit, amount of time spent in the state and the amount and type of spending done by Tamarack visitors. These analyses will form a significant part of the database used in the impact study. The survey instrument is provided in Appendix E.
- CBER also surveyed a statistically significant sample of those artisans who furnish products to be displayed and sold at Tamarack. Among the items of information obtained were:
    - Product produced
    - Employment (including self-employment)
    - Wages, salaries/benefits and self employment income

- Purchases of materials
- Other business expenses

- CBER also surveyed a statistically significant sample of performing artists who perform at the Caperton Center or provide merchandise sold at Tamarack. Among the items of information obtained were:
  - The type of performance
  - Employment (self and employees)
  - Arts related income
  - Business related spending

This information allowed CBER to calculate the "off site" direct and indirect benefits from the economic activity generated by these vendors. Since Tamarack obtains products from artisans across the State, the economic impact includes the spending, income and employment generated by these artisans in their home area. One of the benefits of Tamarack is that it relieves artisans of some of the burden of marketing their product while increasing their market exposure.

Phase II: Performance Analysis

This second phase of this study is a snapshot of Tamarack's economic impact in a given year. FY2008 was selected because it provided the most recent year with complete data. These results were estimated using carefully collected data on the expenditures of Tamarack, Tamarack Foundation, its performers, artisans and visitors. The Center for Business and Economic Research communicated with individuals connected with Tamarack to acquire the appropriate data, including historical data as needed.

The economic impact was determined using the IMPLAN model.[24] IMPLAN is an input-output model which takes the mathematical relationships between sectors of a region's economy and relates them to the social and economic characteristics of that economy. Based on these relationships the economic impacts of a given program or project can be determined.

Using the economic data obtained from the surveys and Tamarack officials, a determination was made of the employment, income, output and government revenue generated by Tamarack. Calculated impacts are felt over a large geographical area. They include not only the direct effects from the initial spending but the indirect and induced effects as the direct spending is re-spent many times. While some spending "leaks" out due to purchases from out of state sources

[24] IMPLAN Professional Version 2.0 (1999) Minnesota IMPLAN Group, Stillwater, MN.

the IMPLAN model captures the results of the spending and re-spending which remains in the area.

The IMPLAN regional modeling software was utilized in the evaluation of these multiplier effects to allow industry-specific analysis. Categories of impacts are as follows:

- **Wages/Employment Impact (Total Income $5.9 million and 236 FTE jobs).** This component of the analysis evaluates the expected impact on regional spending for goods and services by households earning their income from employment at Tamarack and related businesses.
- **Spending Impact ($12.1 million).** This component of the analysis evaluates the impact of *direct* spending on regional goods and services in support of daily operations of Tamarack and its artisan vendors.
- **Indirect Impact ($3 million).** As direct spending takes place, those vendors who receive this revenue will in turn spend it again either in the form of salaries/benefits, investment or other business expenses.
- **Induced Impact ($3.4 million).** As wages and income are generated this leads to income being received by other households which in turn will spend it on a variety of purchases.
- **Tax Impact ($1.9 million).** This component of the analysis estimates the tax revenues the State of West Virginia and local governments receive from these cumulative spending effects.

Phase III: Impacts Past and Future

CBER utilized its in-house economic forecasting methodology to expand the results of the above economic impact analysis for the next 10 years. This forecast was based on the anticipated growth of tourism in the state as determined by studies completed by other entities for the WVDT as well as the historical trend for sales. This study provides a conservative estimate as it will not consider any changes to the operation of Tamarack or increases in tourism over the projection period which exceeds the average of the past four years. Expenses are also analyzed to determine the financial ability of Tamarack in the future.

Study Area

Due to its unique nature the study area for the economic impact of Tamarack includes all 55 counties in the State. Tamarack supports over 2,500 small business owners in every county across the state by providing a central marketplace for artisans.

Chapter 3: Categories of Impact

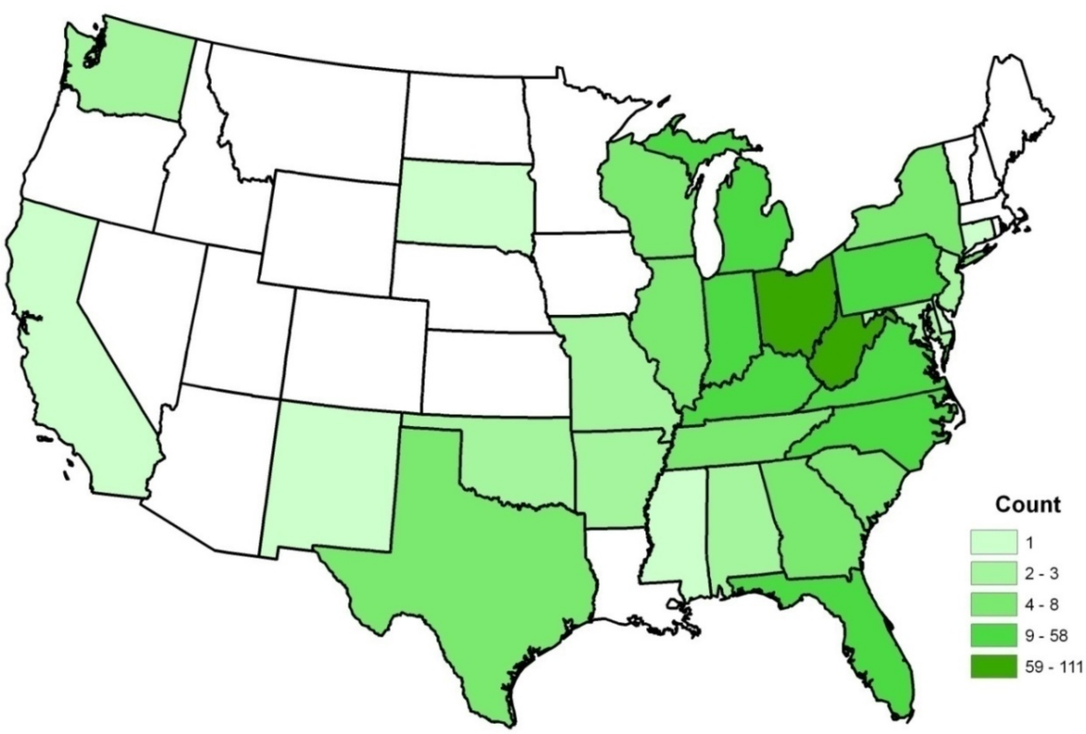
Visitor Base

The visitor base for Tamarack is comprised of 26 percent in-state visitors and 74 percent out-of-state visitors. These percentages fluctuate seasonally. The spending from these out-of-state visitors is the primary driver of the economic impact of Tamarack and its related activities. Economic impact analysis assumes that individuals within the study region would have spent their income in the region on other activities if they had not spent the money on the activity being studied.

It is the spending by those outside the study region (import spending) which produces the increase in economic activity which would not have otherwise occurred. To the extent that a facility like Tamarack attracts visitors from outside the State, its impact is increased. Focusing efforts to bring in more out of state travelers would benefit both Tamarack and the State's economy.

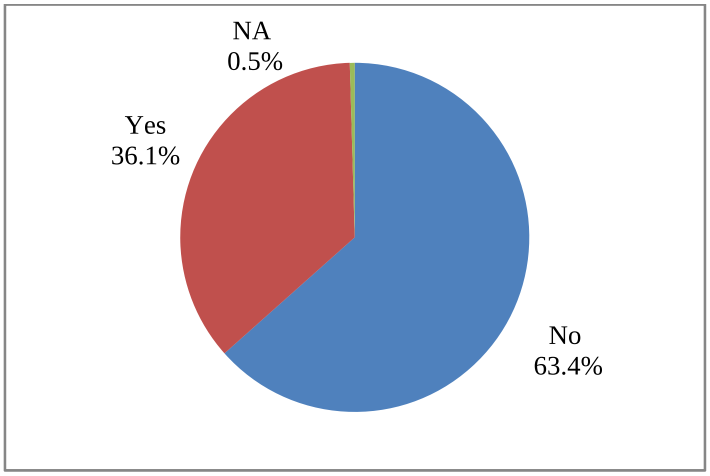
Tamarack attracts approximately 500,000 visitors each year. During the four-day survey period in August 2008, 432 visitors from thirty states responded. As Figure 3 demonstrates, these visitors came from the eastern seaboard, the mid-west and as far away as California and Washington.

Figure 3: Visitors to Tamarack



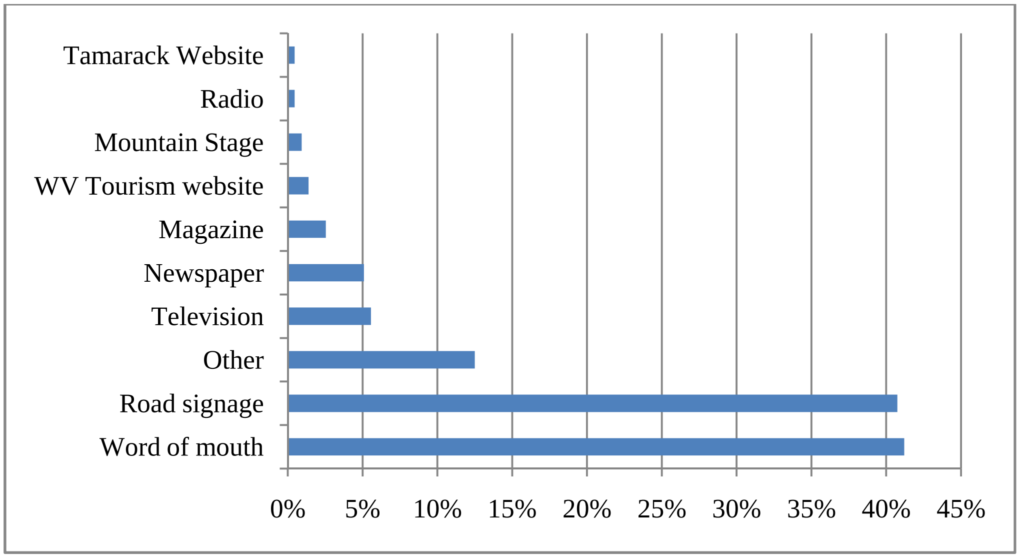
The following figures illustrate the responses given by visitors to Tamarack during the survey period. Over 63 percent of travelers had been to Tamarack before. This finding indicates the satisfaction received by those who came. Repeat business is the "best business" as those customers do not have to be sold on the value of the place. Repeat customers also are likely to provide favorable recommendations to others regarding Tamarack as a destination.

Figure 4: Was this your first visit to Tamarack?



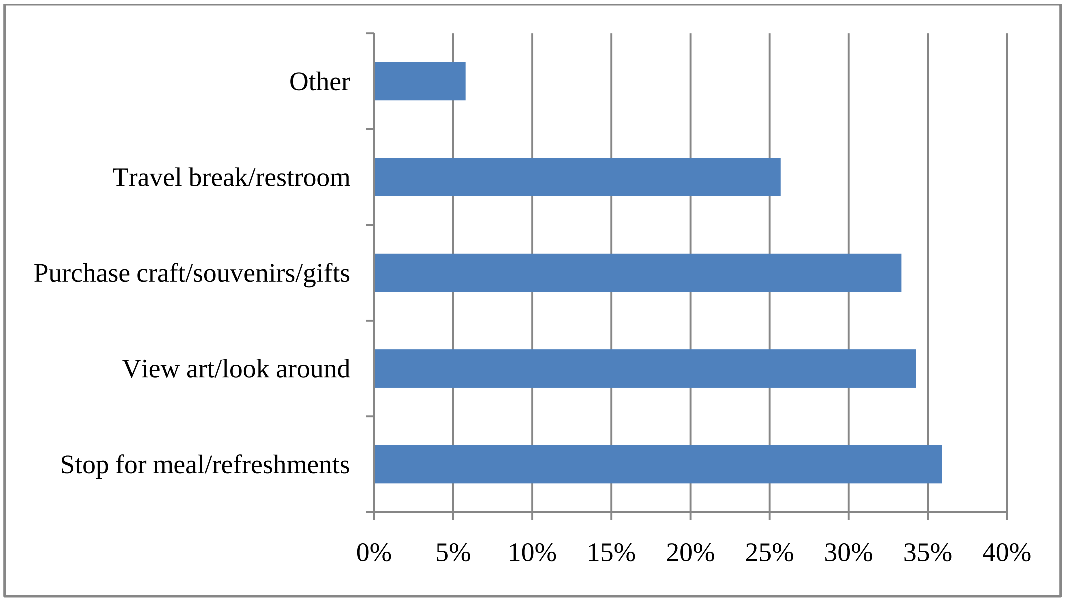
An overwhelming majority (81.9 percent) of respondents learned about Tamarack from either road signage (40.7 percent) or word of mouth (41.2 percent).

Figure 5: How did you learn about Tamarack?



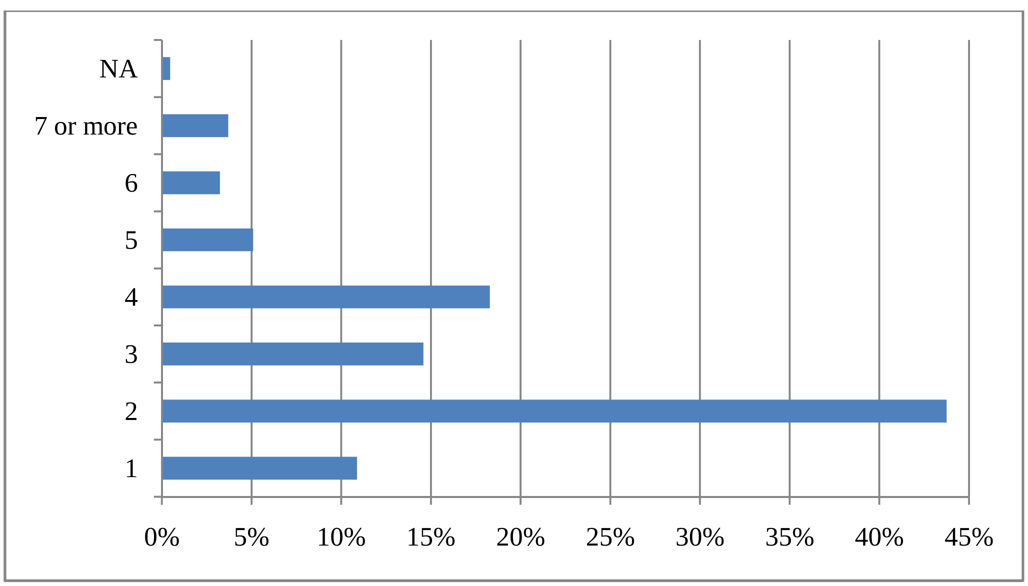
Multiple answers were selected for this question. The "other" category includes responses such as meetings, work related activities and vacation. The diversity of responses indicates that Tamarack appeals to a variety of customers.

Figure 6: What was the primary purpose of your visit to Tamarack?



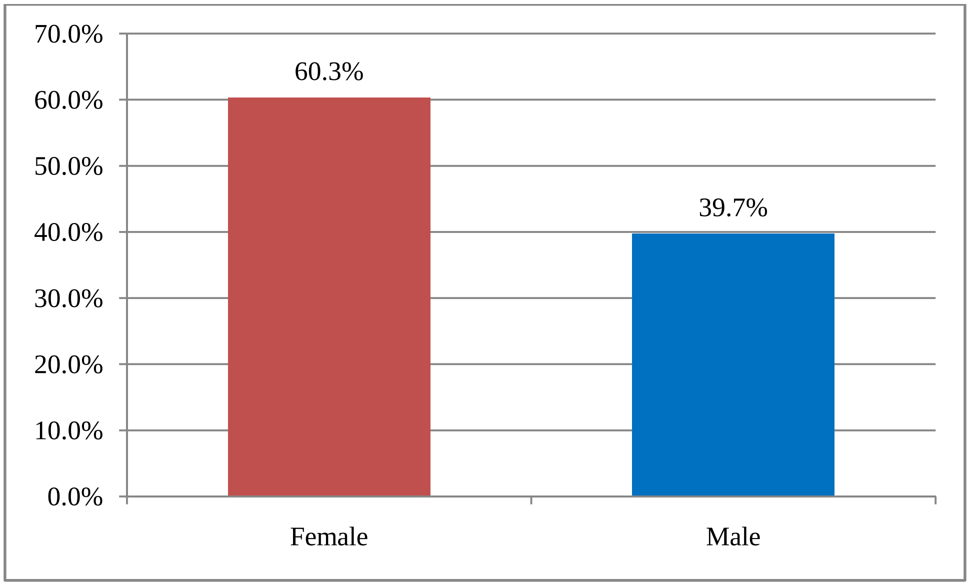
The number of persons per group ranged from 1 to 32 with a median group size of 2. Inducing more tour buses and other groups to stop would be a means of further increasing the economic impact of Tamarack.

Figure 7: How many people are in your group?



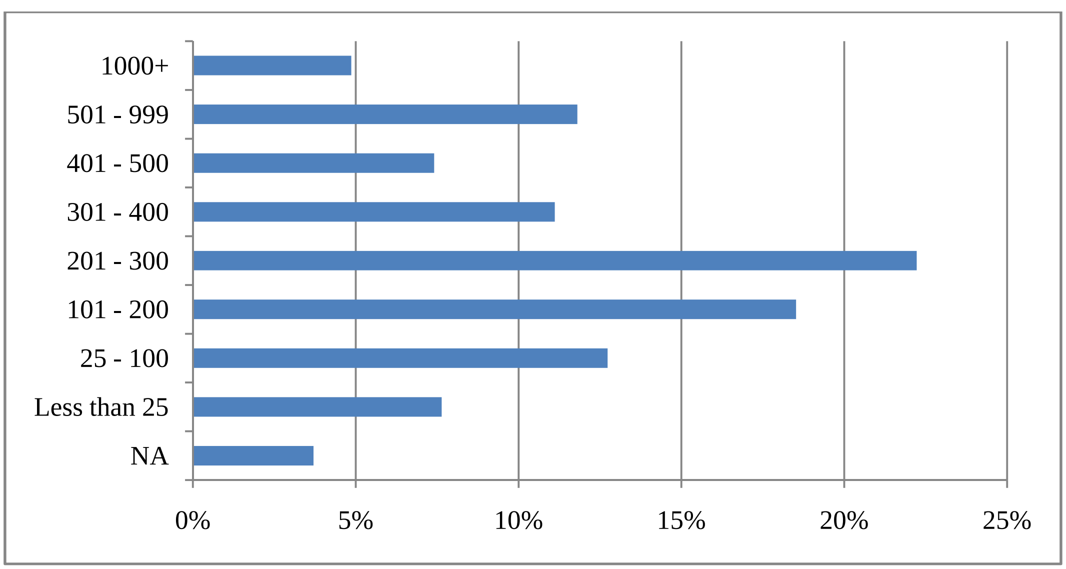
The visitors surveyed were asked the number of persons in their group, their approximate age range and gender. The following shows the distribution of gender from the calculated population of 1,223 visitors.

Figure 8: Calculated population



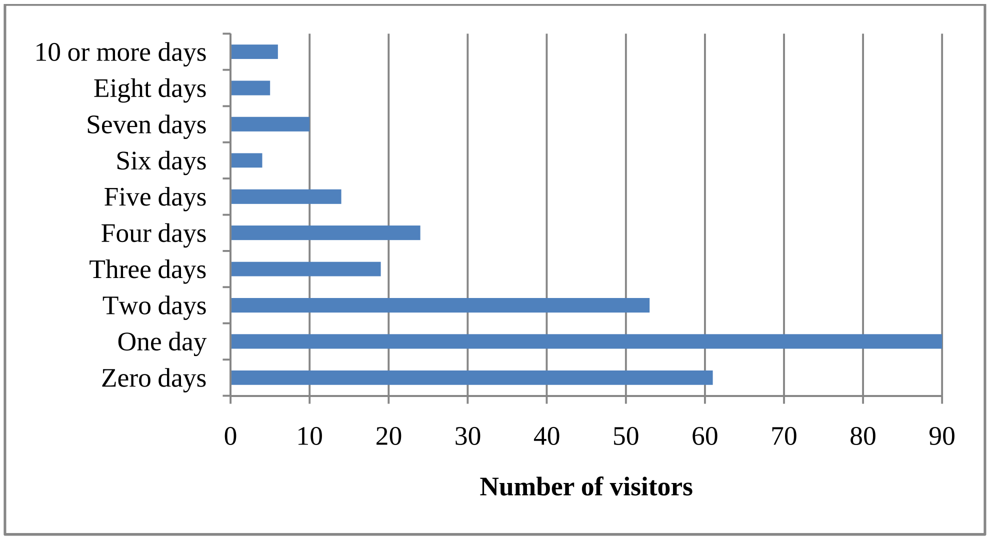
Fifty seven percent of travelers originated their trip 200 miles or more away from Tamarack. Considering the large number of out-of-state visitors and the mileage traveled to arrive at Tamarack, the data shows the power of the Caperton Center to pull travelers off the highway and serve as a destination stop.

Figure 9: Approximately how many miles did you travel to visit Tamarack?



Over 200 respondents reported at least one overnight stay in West Virginia. The more nights that travelers spend in a state, the greater is the re-spending of the "outside" money. To the extent that Tamarack causes individuals to spend more time in West Virginia, it adds more to its economic impact. The majority of visitors were planning on spending only a single day in the State or none at all. Considering the other attractions in the area (Demonstration mine train, New River Gorge) this finding was surprising.

Figure 10: How many days do you plan (or did you) stay in West Virginia?



Over 60 percent responded that their stop at Tamarack was part of a larger trip and 46 percent of those had planned a visit to Tamarack in advance. This finding reflects that Tamarack has become a destination for returning travelers.

Figure 11: Was this part of a larger trip or vacation?

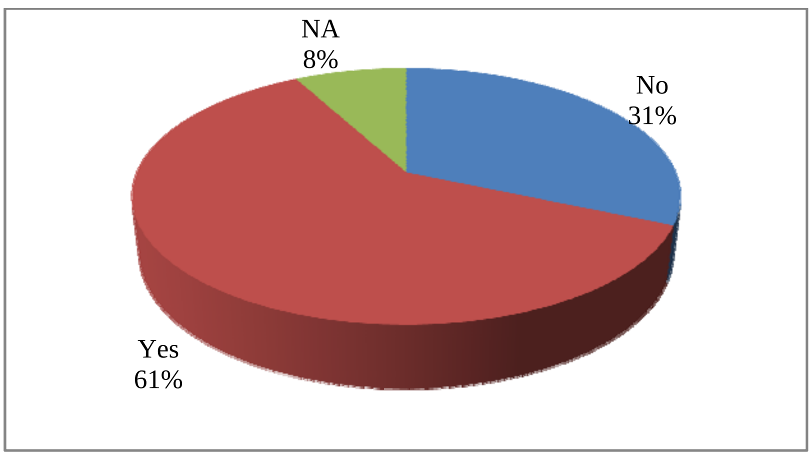


Figure 12: Was Visit to Tamarack Planned in Advance?

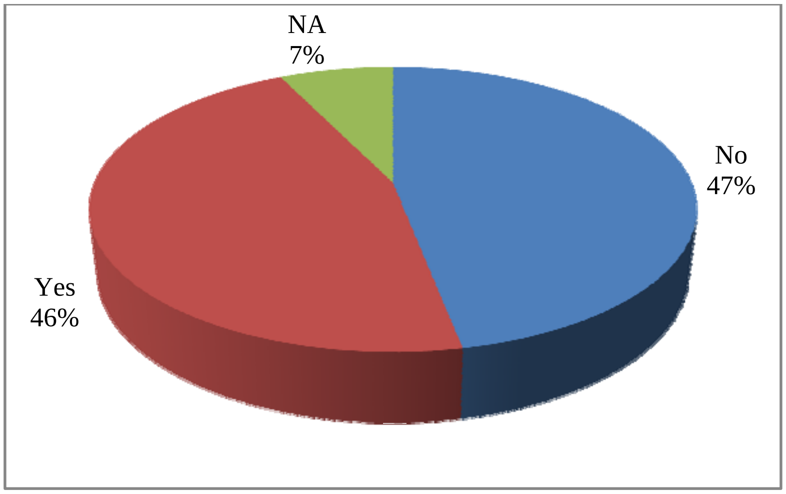
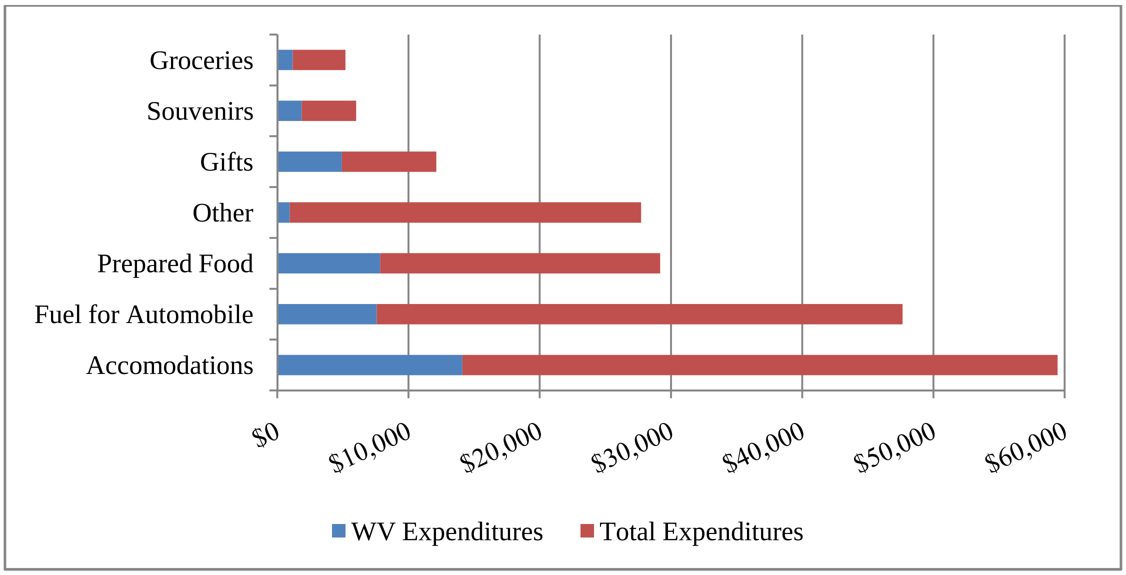


Figure 13 represents the total amount of spending by travelers on their entire trip and the portion of which was spent in West Virginia. It also compares West Virginia spending with the total amount of anticipated spending for the trip. Strategies to capture a greater share of expenditures, particularly for accommodations and fuel should be considered.

Figure 13: Approximately how much did you spend or plan to spend in each category?



Sixty five percent of visitors made a purchase while at Tamarack. Of those making a purchase, the average spent per meal was $20.93 while the average retail purchase was $56.18. During the survey period the total purchases by those surveyed is shown in Figure 14.

Figure 14: Total estimated expenditures by surveyed visitors

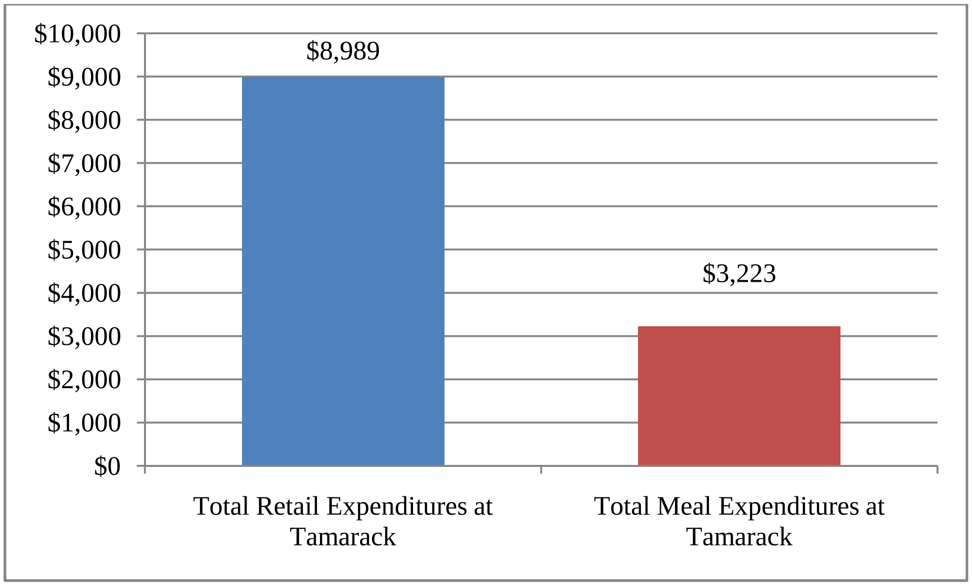


Figure 15 gives the reasons as to why the respondent did not make a purchase on this visit. Pricing may be an issue for further investigation along with marketing strategies to convert the “lookers” into buyers.

Figure 15: If you did not make a purchase, why not?

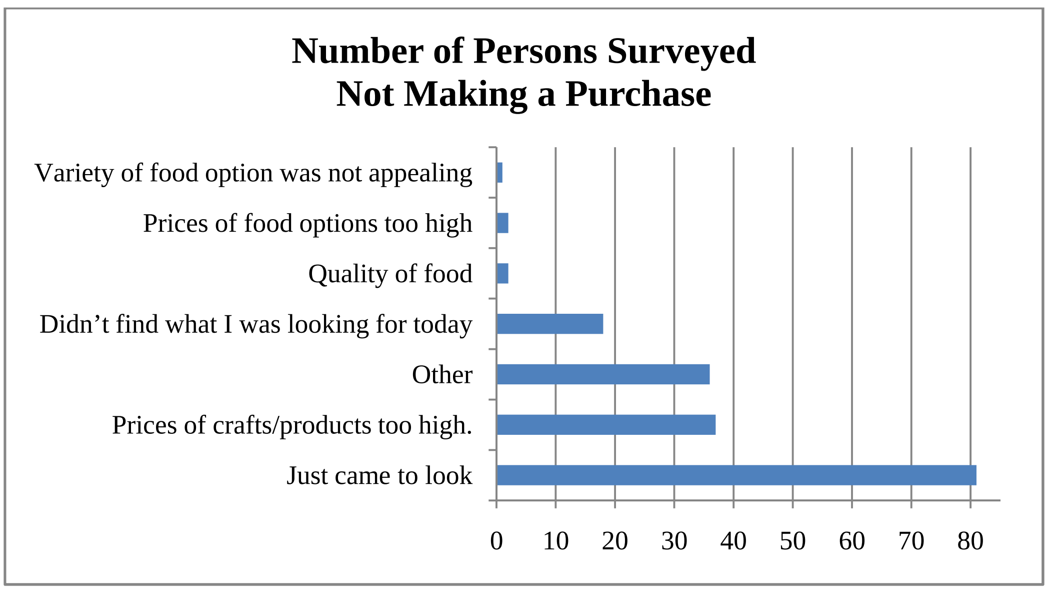
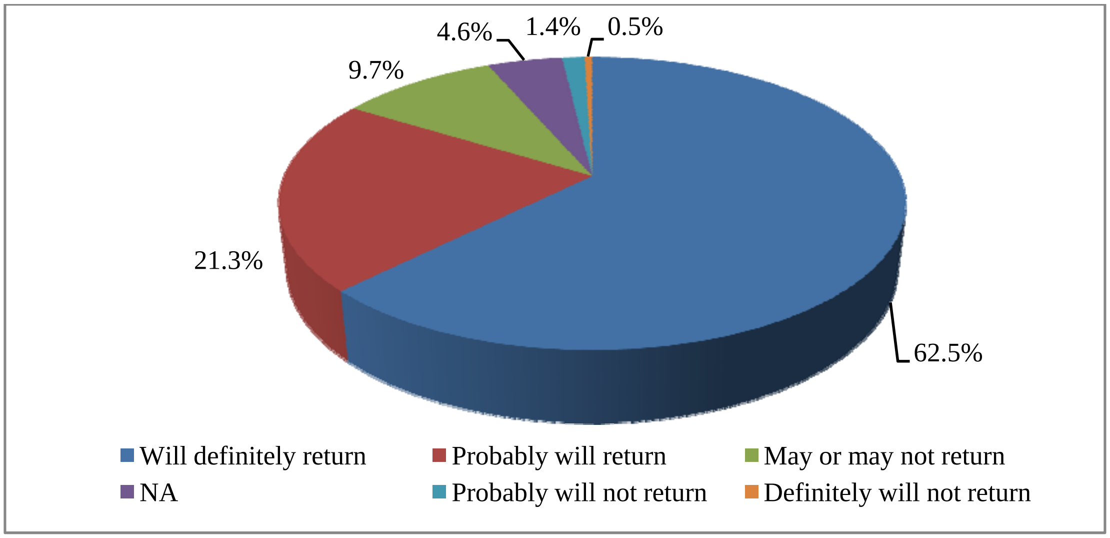


Figure 16 shows the responses as to how likely visitors were to return to Tamarack. With 84 percent of the respondents indicating they either “definitely” or “probably” will return indicates a high level of satisfaction with their experience. This also means that Tamarack can rely on a strong base of return customers who will use the Caperton Center.

Figure 16: How likely are you to return to Tamarack?



Chapter 4: Artisans and Performers

Artisans from every county in West Virginia are represented at Tamarack. CBER conducted a survey of 367 artisans representing fifty counties in the state. The artisan survey instrument is in Appendix A. Over 56 percent have been a juried artisan at Tamarack for five years or more. In the last two years, these artisans reported $10.9 million in arts related income with $3.2 million in business related spending in West Virginia.

Figure 17: Artisans Responding by County of Residence

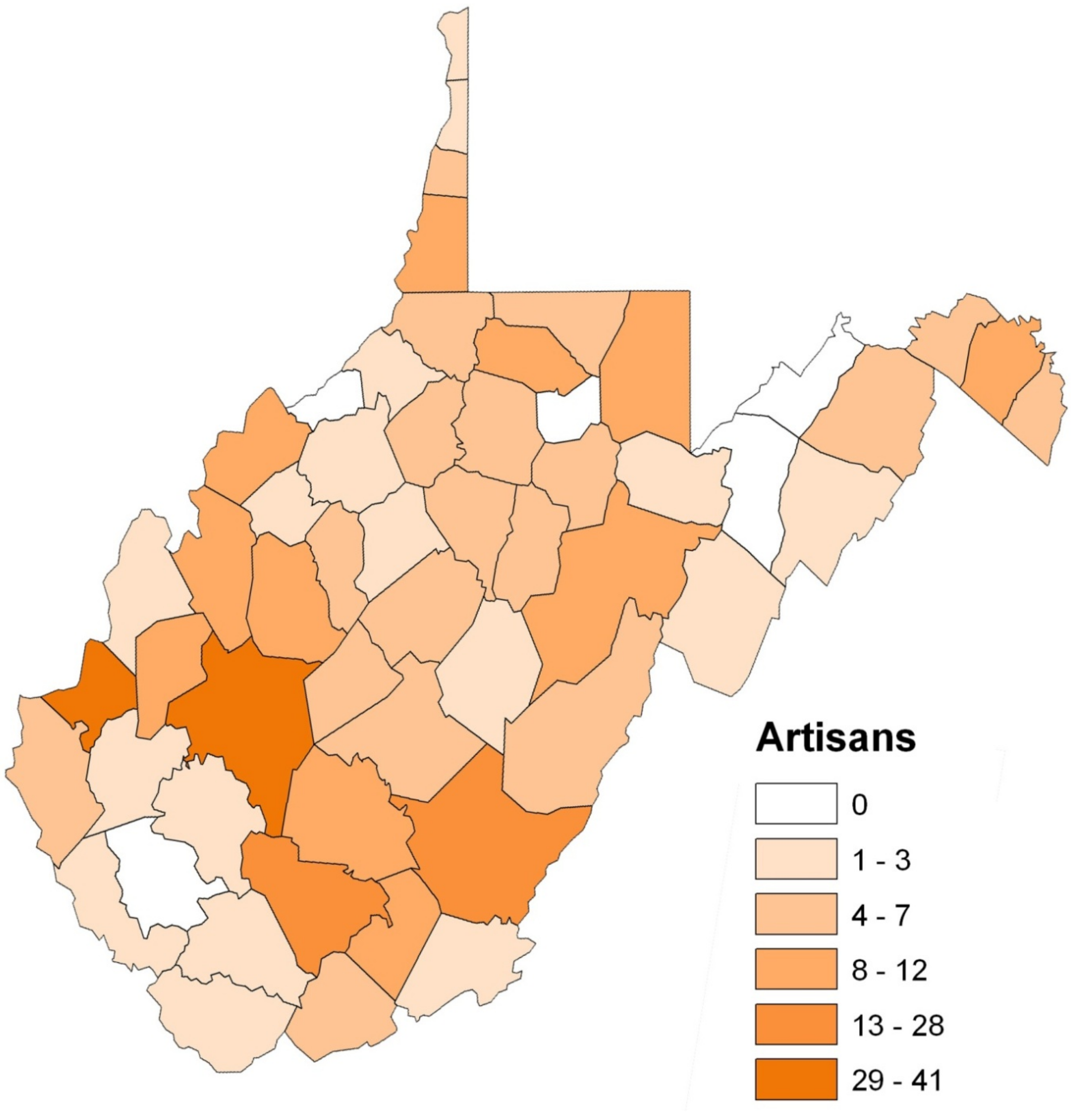
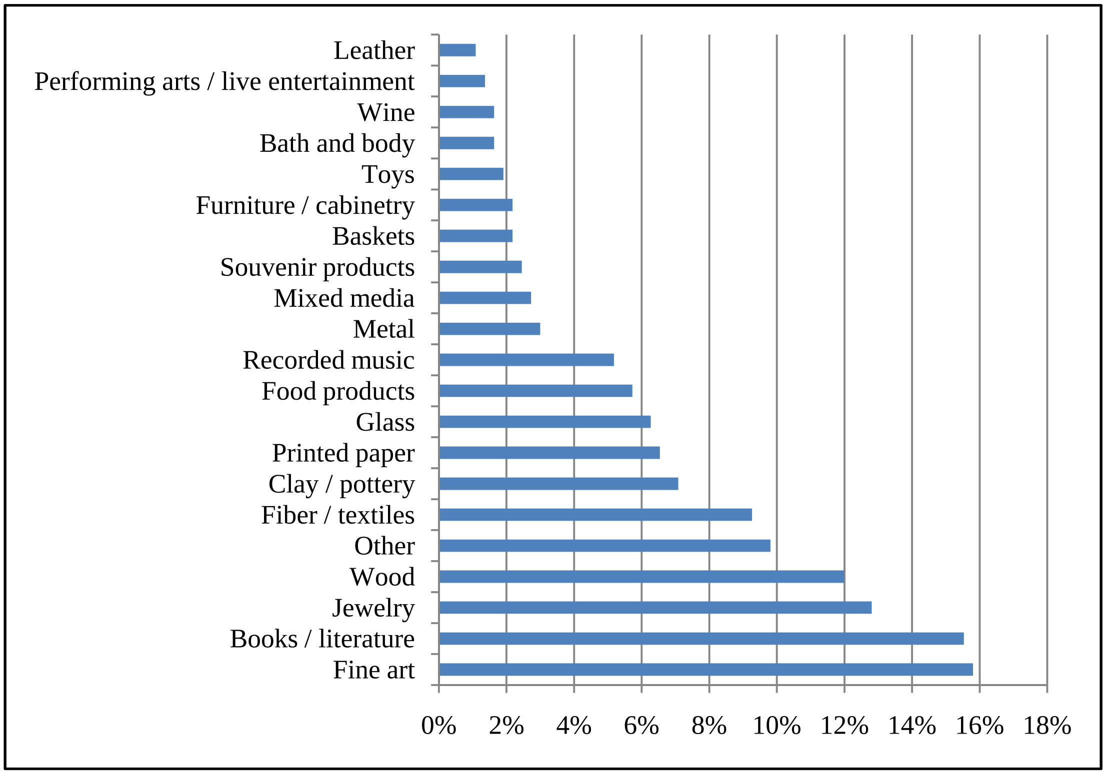


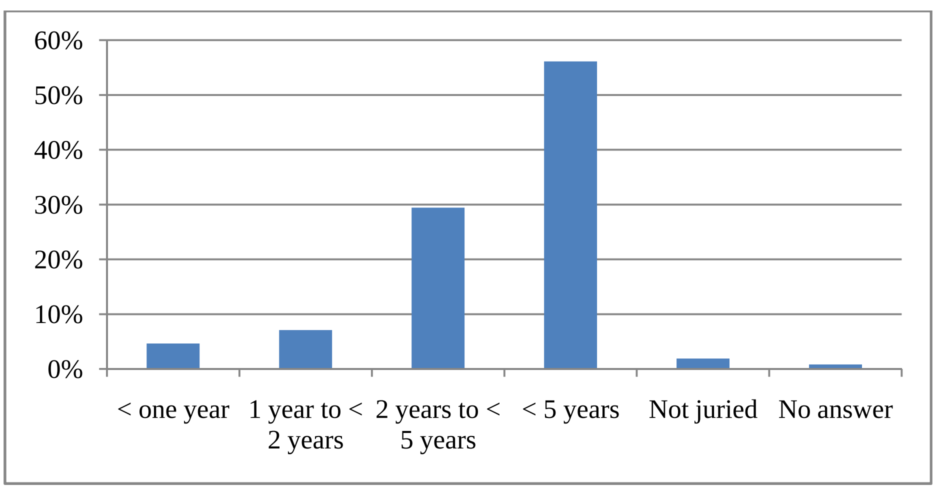
Figure 16 reflects the products that are made for and sold at Tamarack by survey respondents. The largest percentage of products purchased by survey respondents are in the categories of fine art (15.8 percent) and books (15.5 percent).

Figure 18: Survey Respondents by Medium



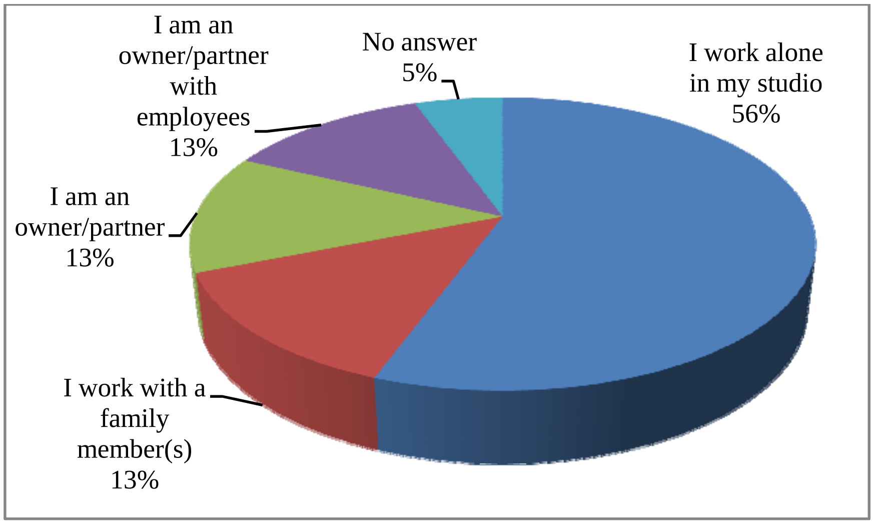
The majority of the artisans that responded to the survey have been a juried artisan at Tamarack for five years or more.

Figure 19: Survey Respondents Time as Juried Artisan



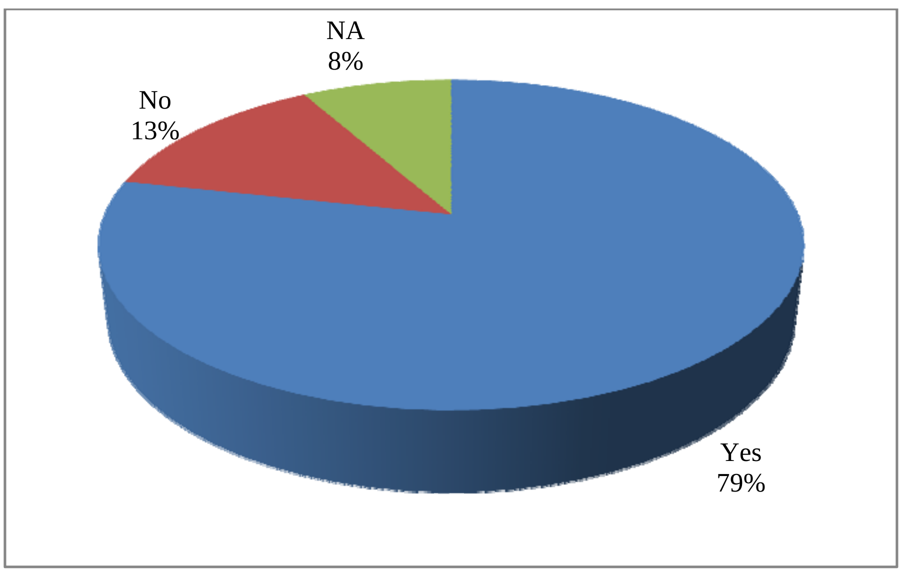
The majority of artisans (as shown in Figure 20) work independently in their own studio. This is typical of the arts industry. The fact that they can market their products through a venue like Tamarack increases their potential income above what would be the case if they were left to their individual efforts.

Figure 20: Survey Respondents Type of Business Operation



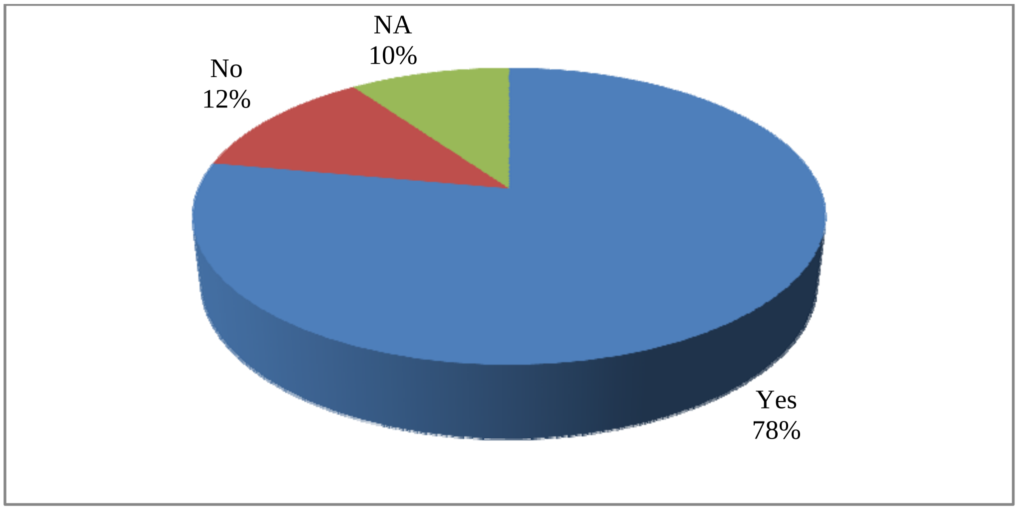
Seventy-nine percent of artisans responded "yes" when asked if their association with Tamarack had a positive effect on their economic situation. This included not only increased income from Tamarack sales but additional sales made due to exposure at Tamarack.

Figure 21: Survey Respondents' Economic Situation



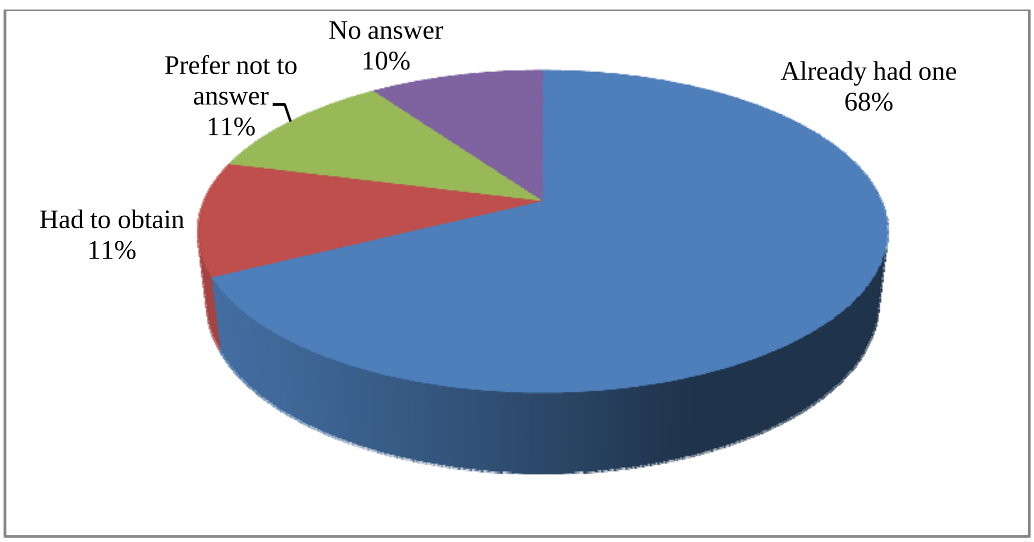
Seventy-eight percent of artisans had received some form of positive benefit from their association with Tamarack such as education, training, visibility and access to emergency funding.

Figure 22: Has your association with Tamarack had a positive effect other than direct sales?



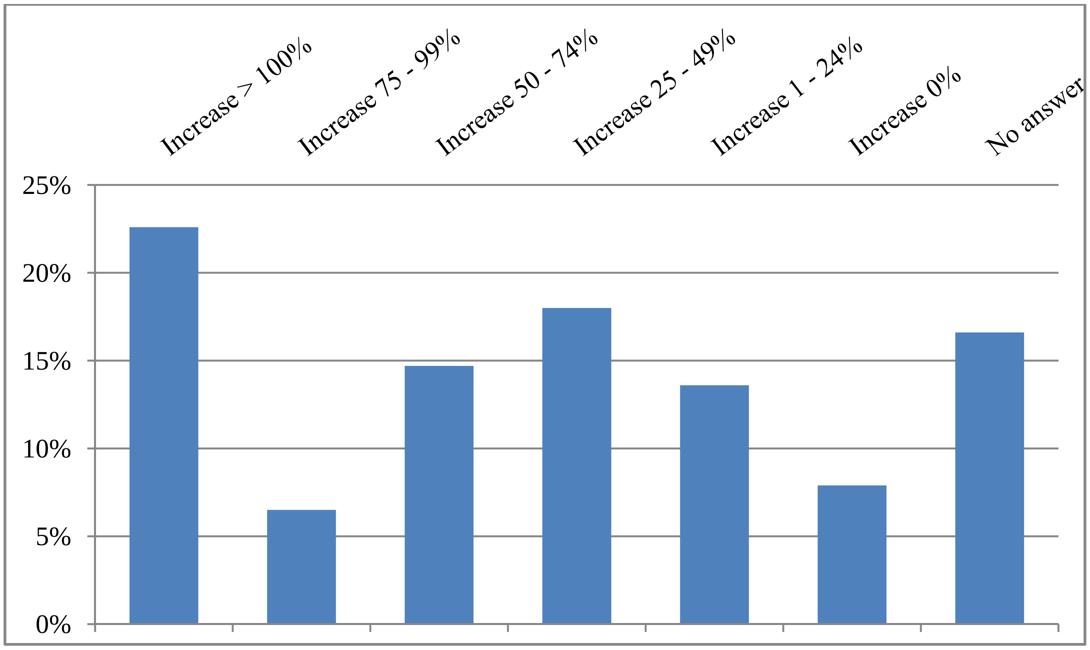
Sixty-eight percent of artisans acquired their business license prior to their involvement with Tamarack. Another eleven percent obtained their license upon acceptance.

Figure 23: Business License



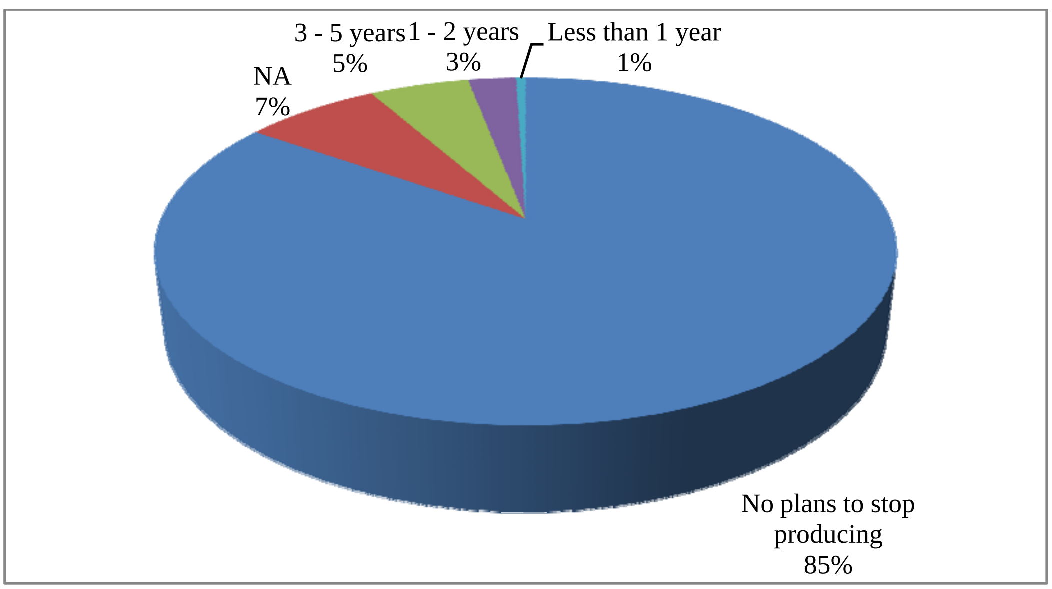
Over seventy-five percent of artisans have the capability, capacity and/or desire to increase production. This indicates the ability for the arts economy to expand is present in the State and the creation of additional outlets could facilitate increased sales and income.

Figure 24: Production and Sales



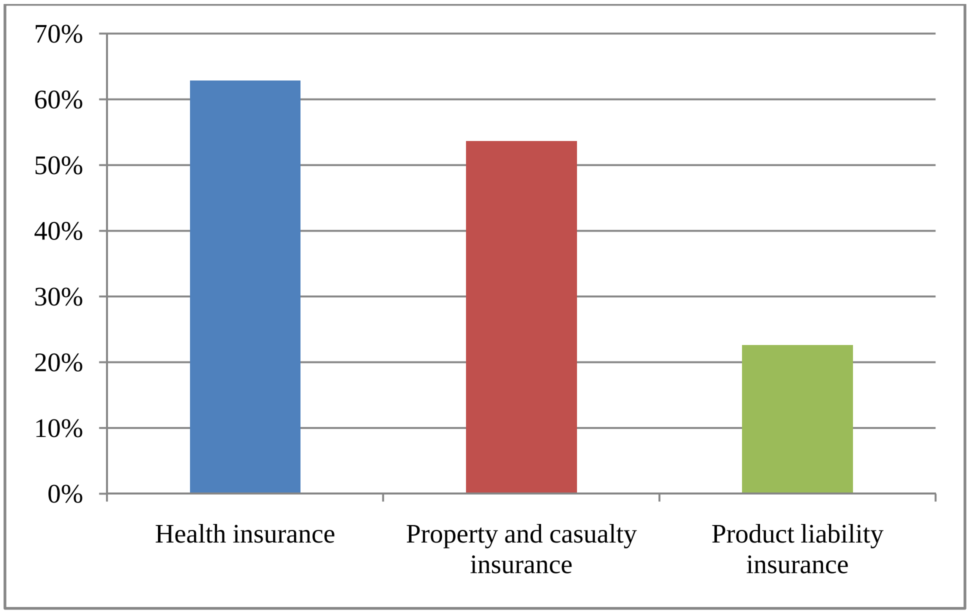
Less than 8 percent of artisans expressed their intention to close their business or retire within the next 5 years. This assures a continuing supply of products for Tamarack.

Figure 25: Contemplating Retirement or Closing Business



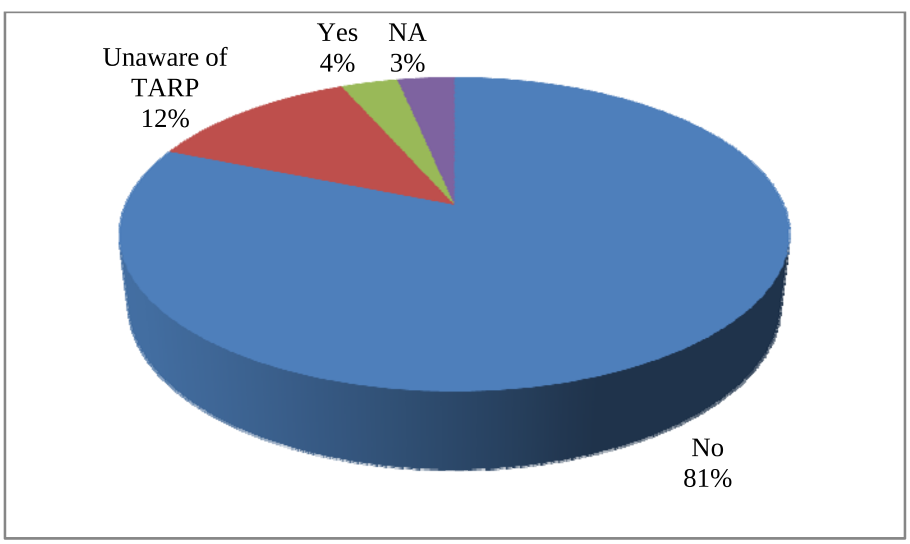
Over sixty percent of artisans have access to health insurance. Often this is obtained by a working spouse. However, only twenty two percent have product liability coverage. Increasing access to both health and liability coverage is an area for further investigation.

Figure 26: Insurance Coverage



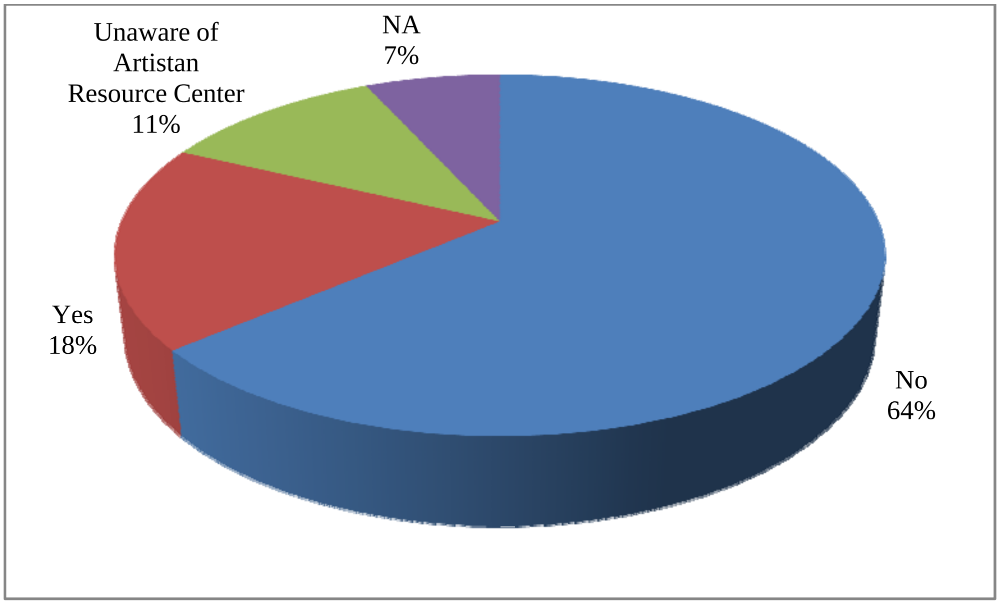
Less than 5 percent of artisans have received any form of assistance from the Tamarack Artisan Relief Program (TARP). For those who did receive assistance that assistance may have been necessary for their survival. Twelve percent were not aware of its existence.

Figure 27: TARP Assistance



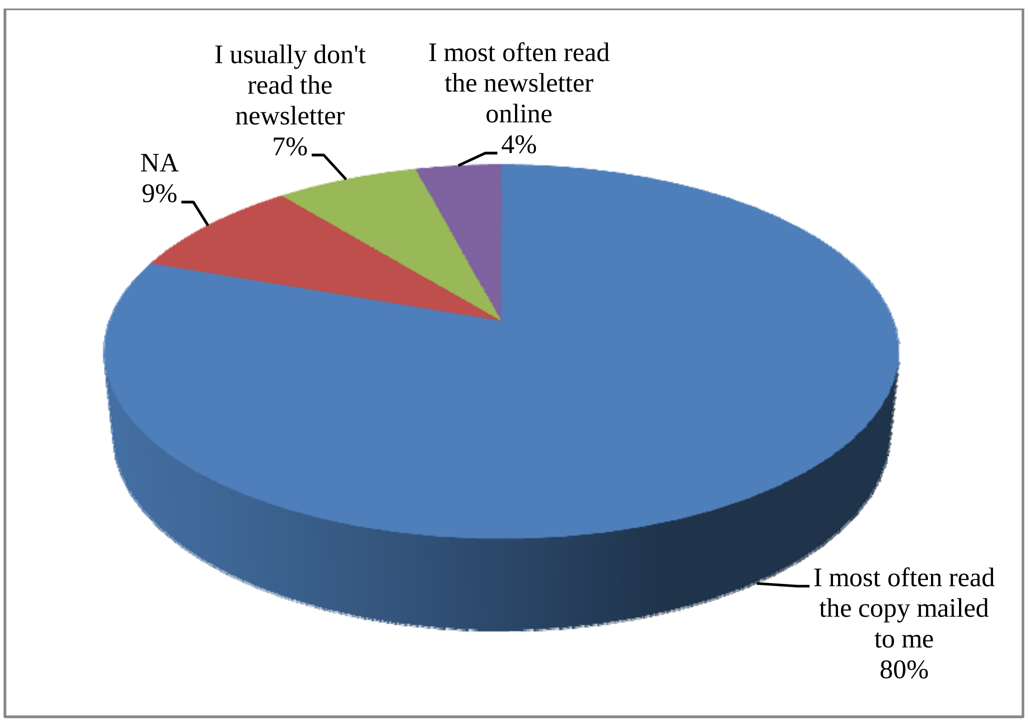
Fewer than nineteen percent have received assistance from the Artisan Resource Center. These findings indicate that the Foundation needs to focus on awareness and education of the available programs.

Figure 28: Artisan Resource Center Assistance



The Foundation newsletter appears to be very effective in reaching its target audience as eighty four percent of artisans report reading the newsletter.

Figure 29: Foundation Newsletter



Over fifty percent of artisans responding to the CBER survey were female with forty one percent male. The remainder did not respond to the question.

Figure 30: Participant Gender

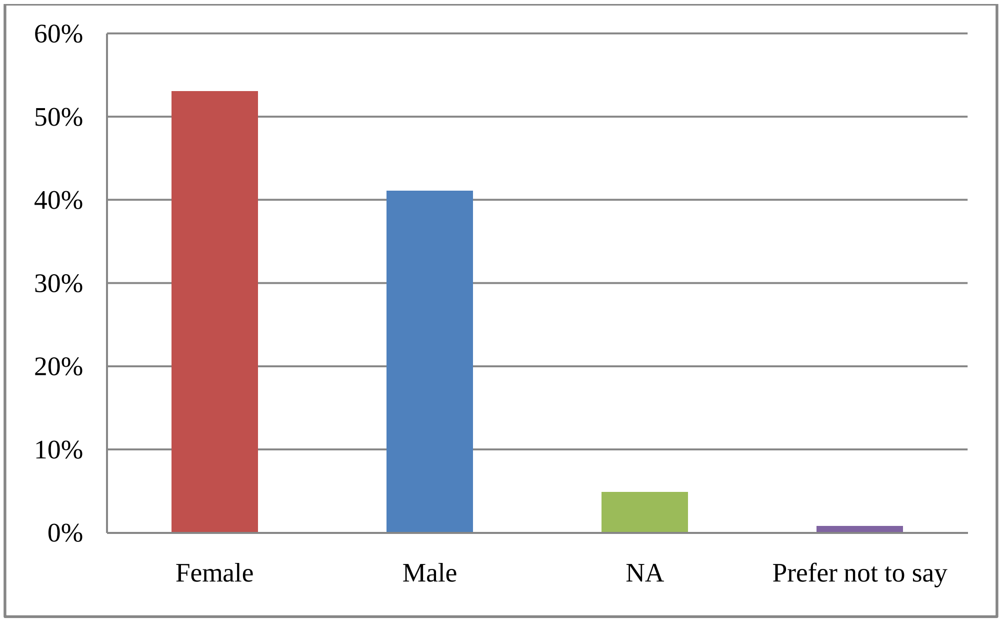
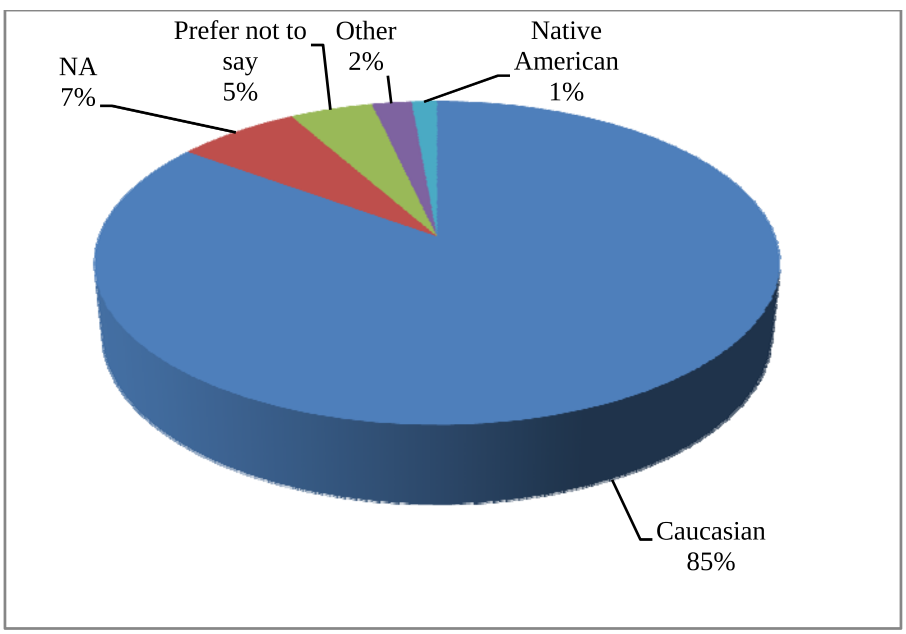


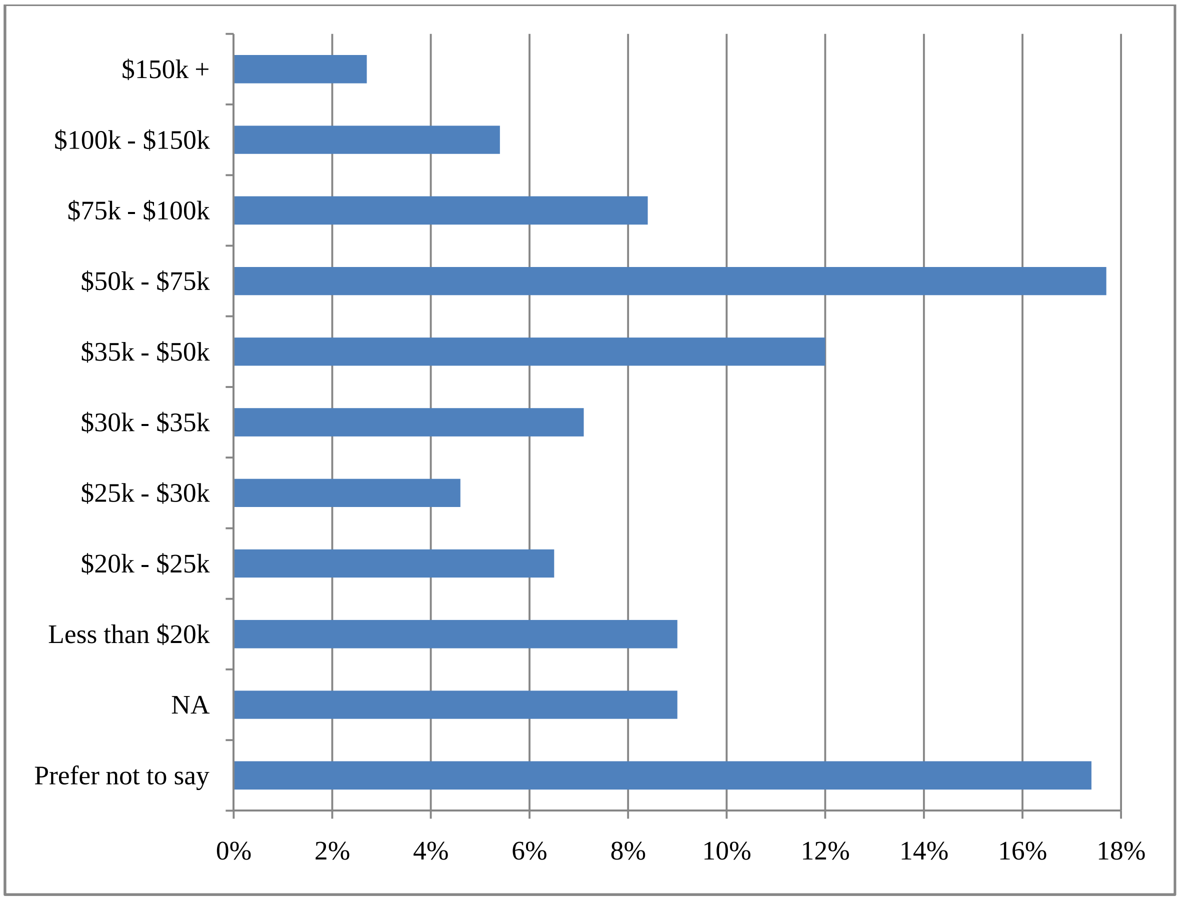
Figure 31 represents the racial composition of artisans in the survey group. These are not surprising results as they are comparable to the demographics of the state.

Figure 31: Race of Artisan



Over seventy-five percent of artisans report household income in excess of $50,000 annually. Previous studies have shown that artisan income is typically a secondary income and contributes approximately 27.5 percent to the overall household income.[25] This is consistent with the study cited earlier in the report which indicated that craftsperson household income was well above the state household average. As a secondary income source artisan income provides a significantly higher standard of living than would be the case in its absence.

Figure 32: Household Income of Surveyed Artisans



Almost sixty-seven percent of artisans report income from artistic products of less than $20,000 per year. This reaffirms the statement that arts income tends to be supplemental to other sources.

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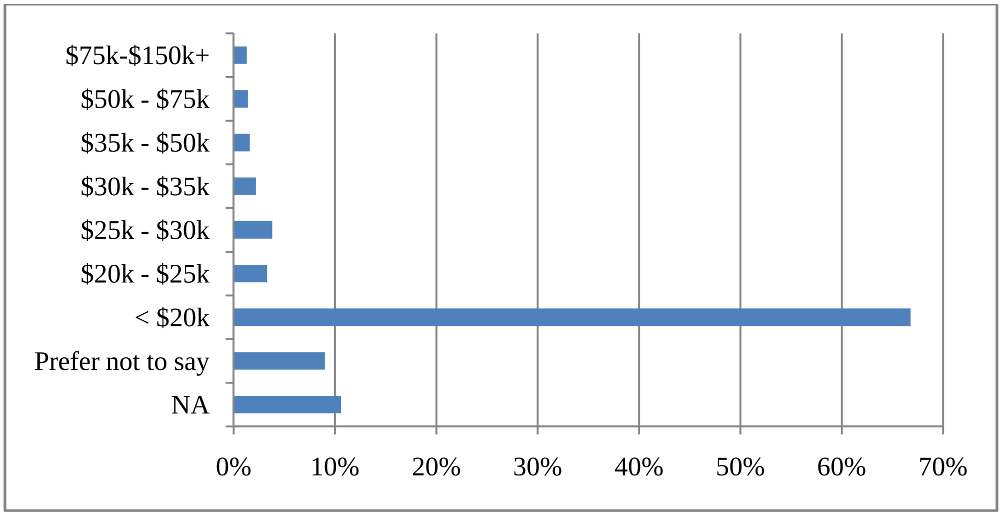
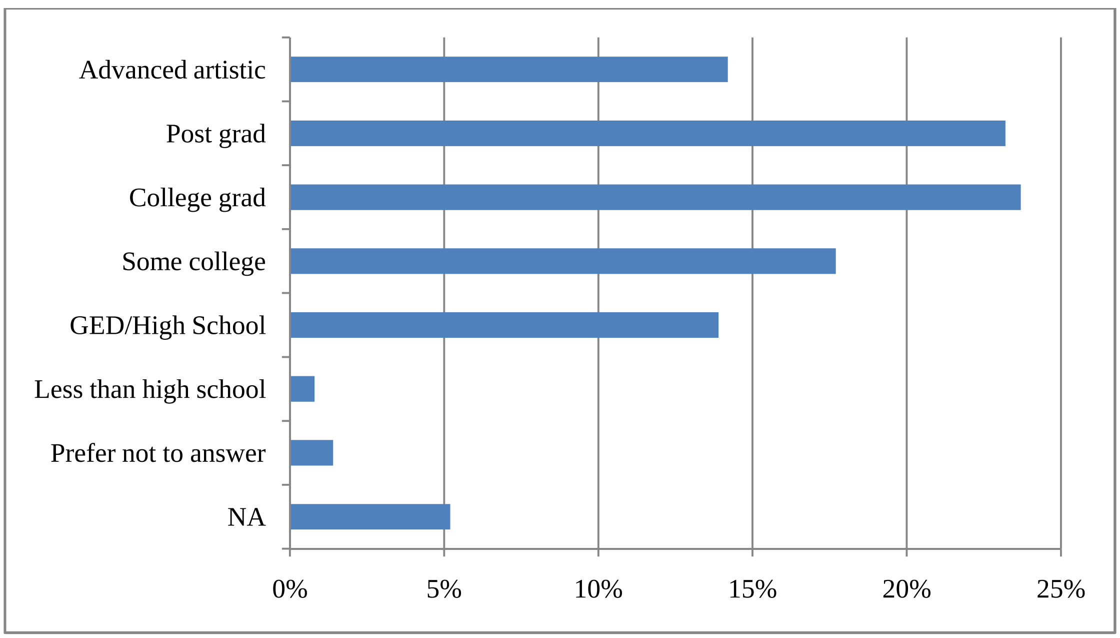
[25] West Virginia Development Office. Small Business Development Division. (June 2003). *The West Virginia Crafts Study: The Impact of Crafts on the State Economy*. Charleston: West Virginia Development Office.

Figure 33: Survey Respondents' Income from Artistic Products



The majority of artisans responding to the CBER survey have attained at least some college education. Forty-six percent were either college graduates or held an advanced degree.

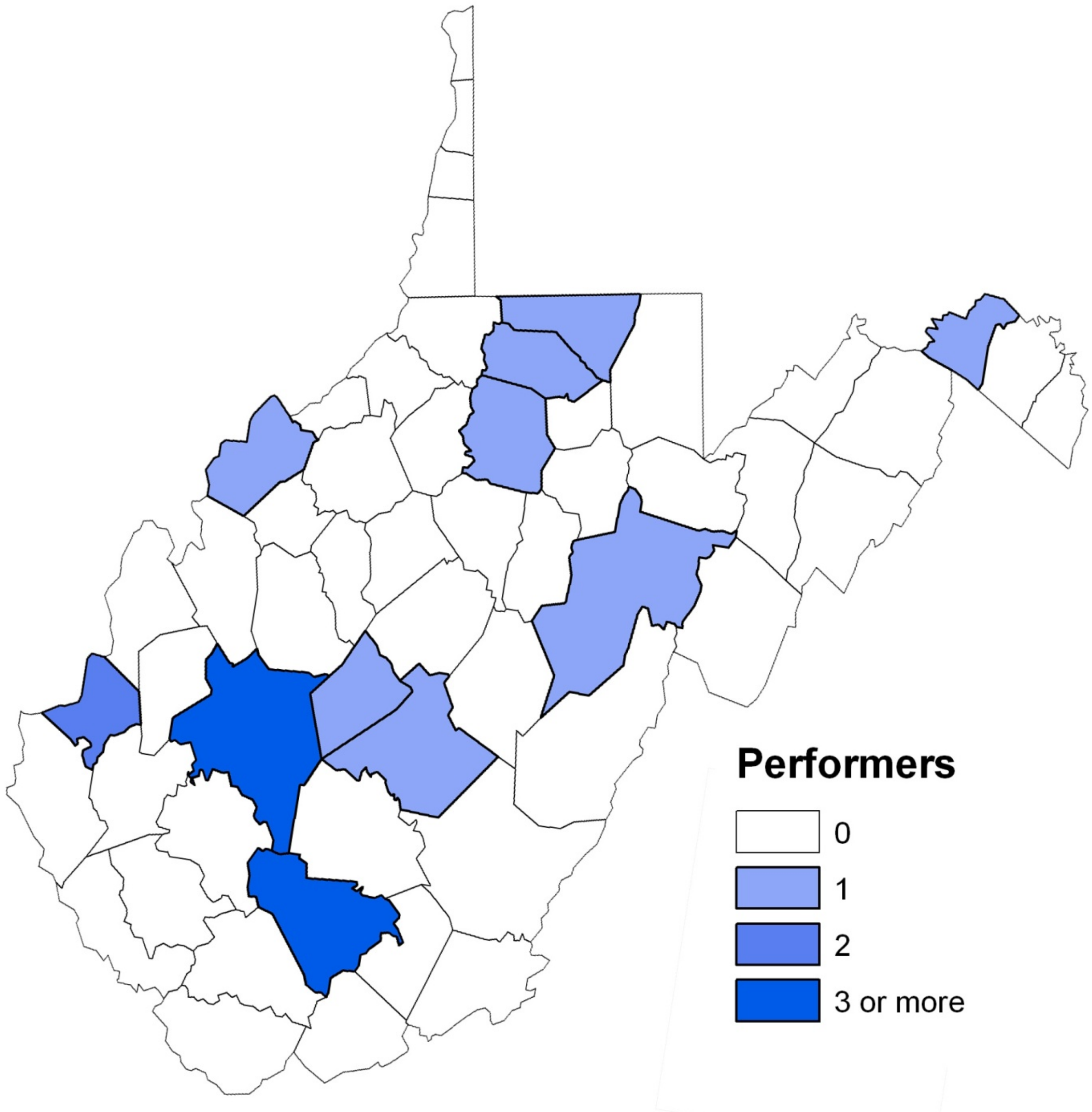
Figure 34: Educational Attainment of Artisan



<u>Performer Base</u>

Tamarack also provides a market for performing artists. Performers from 11 counties across the State (as shown in Figure 35) responded to the CBER survey. Over 57 percent have been juried at Tamarack for more than 5 years and 86 percent receive monthly inquiries as a result of their exposure through Tamarack. Arts related income in excess of $200,000 was reported over the last two years. Over 80 percent of performers have at least a bachelor's degree with 33 percent reporting a graduate degree and 10 percent have advanced artistic education.

Figure 35: Performers Responding by County of Residence



Chapter 5: Financials

In its twelve year history, Tamarack has generated craft and food sales revenues in excess of $83 million and contributed over $4 million in sales tax revenue to the State. Figure 36 shows the historical gross sales revenue at Tamarack over the ten year period from 1998-2008. The average annual growth rate for gross sales during this period was 3.7 percent. However, this figure includes an uncommon increase in overall sales from $6.6 million to 7.6 million (15.4 percent) from 2003 to 2004 due to the addition of the Tamarack Conference Center. When more recent and perhaps relevant data from the past four years is used, the average annual growth in total sales declines to 1.28 percent. Given the current economic situation and the reduction in sales growth over the past four years the lower rate may be a more realistic indicator of future performance. Using these assumptions regarding the growth in Tamarack sales, gross sales at Tamarack are projected to reach $9.11 million by 2018.

Figure 36: Historical Sales 1998-2008

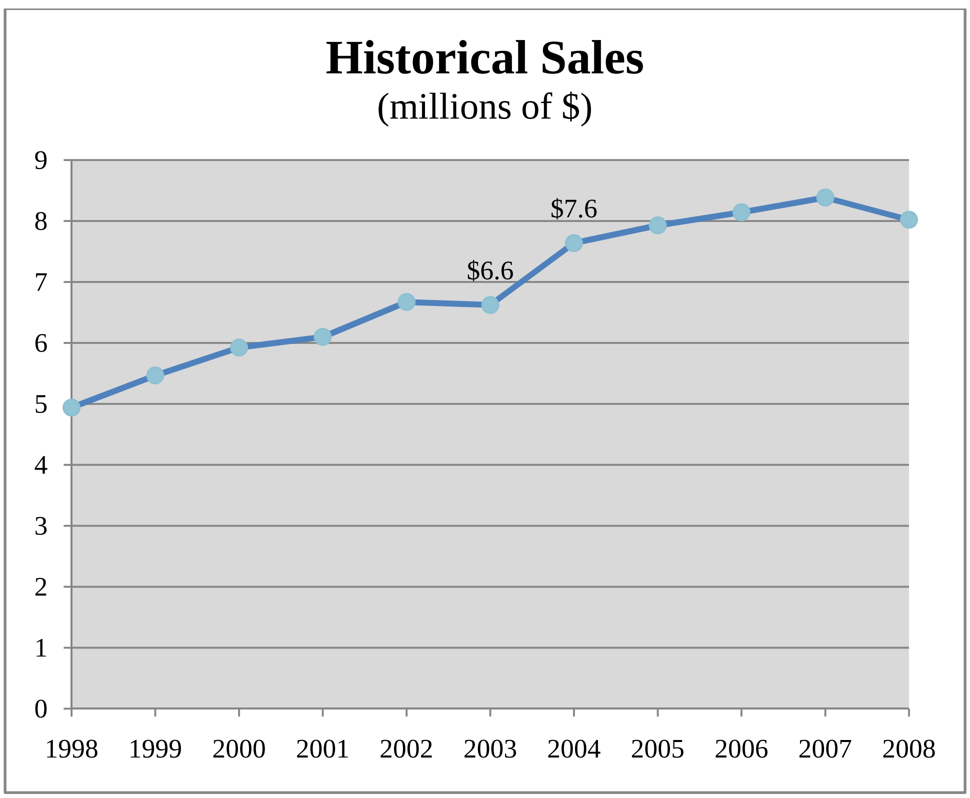


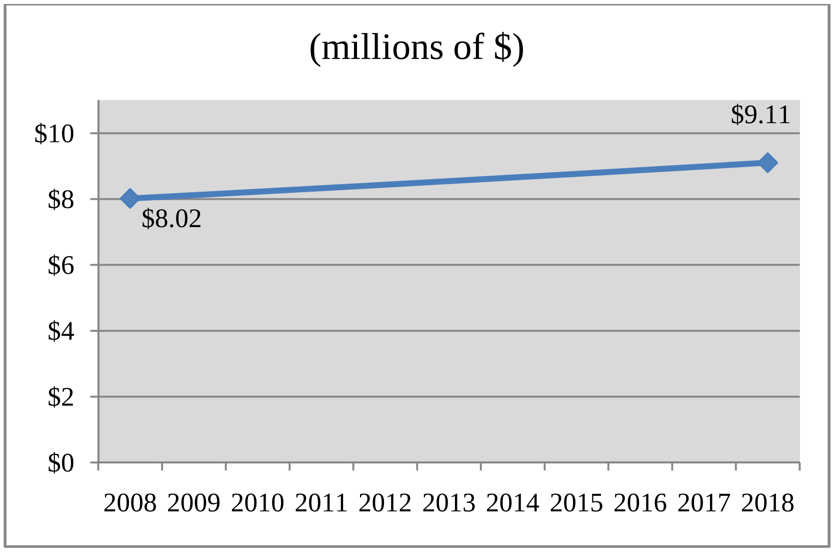
Table 1 shows the historical retail sales (food court not included) by category for 2007-08 as well as each category's respective markup percentage and gross margin.[26] Markup is defined as the percentage added to cost to arrive at a selling price and is commonly used to price materials purchased for resale. As noted earlier, Tamarack is unique in the way that it purchases completed works from artisans applying a markup to cover its costs to sell the merchandise. For fiscal year 2007-08 the average overall markup was 82 percent. However, an 82 percent markup does *not* yield an 82 percent margin. The gross margin for this time period averaged 45.06 percent leaving Tamarack approximately 45 cents from every dollar of sales to cover basic operating costs.

Table 1: Tamarack Craft Retail Sales Summary 2007-2008

Department Name	COGS	Retail	Markup	Gross Margin
APPAREL	37,612	68,526	82.19%	45.11%
BASKETS	27,773	48,108	73.22%	42.27%
FURNITURE	31,253	55,526	77.67%	43.72%
DRIED FLOWERS	42,857	76,645	78.84%	44.08%
GALLERY	32,156	53,783	67.26%	40.21%
FOOD	233,957	404,087	72.72%	42.10%
GLASS	221,106	419,739	89.84%	47.32%
MISC	2,448	4,528	85.86%	46.20%
CANDLES	37,838	68,028	79.79%	44.38%
JEWELRY	115,913	216,049	86.39%	46.35%
LEATHER	11,267	20,350	80.62%	44.63%
METAL	43,425	72,660	67.32%	40.24%
PRINTED PAPER	71,965	136,243	89.32%	47.18%
POTTERY	199,697	391,835	96.21%	49.04%
BATH & BODY	8,521	16,490	93.52%	48.33%
BOOKS	183,073	303,152	65.59%	39.61%
SEASONAL	83,052	149,283	79.75%	44.37%
TEXTILES	58,694	98,489	67.80%	40.41%
MUSIC	55,684	96,538	73.37%	42.32%
WINE	105,920	166,634	57.32%	36.44%
WOOD	205,117	380,254	85.38%	46.06%
SOUVENIR	138,951	283,248	103.85%	50.94%
TOYS	63,174	115,963	83.56%	45.52%
SOUVENIR	75,930	152,929	101.41%	50.35%
TOTAL	**2,087,383**	**3,799,106**	**82.00%**	**45.06%**

[26] Amount remaining from sales after the costs of goods sold is deducted.

Figure 37: Sales Projections 2008-2018



An area of concern for Tamarack has been its inability to cover debt service without aid from the West Virginia Parkways Authority. The outstanding debt in the form of non-rated bonds Series 2001A and 2001B are to be retired in 2011 and 2015 respectively. According to the following schedule (Table 2), provided by the West Virginia Parkways, Economic Development and Tourism Authority, the total debt service payments of $1.2 million are to remain the same over the next 7 years. Once the 2001A bonds have been retired, the remaining debt service payments will be applied to the 2001B series bonds enabling Tamarack to be debt free by 2015.

Table 2: Debt Service

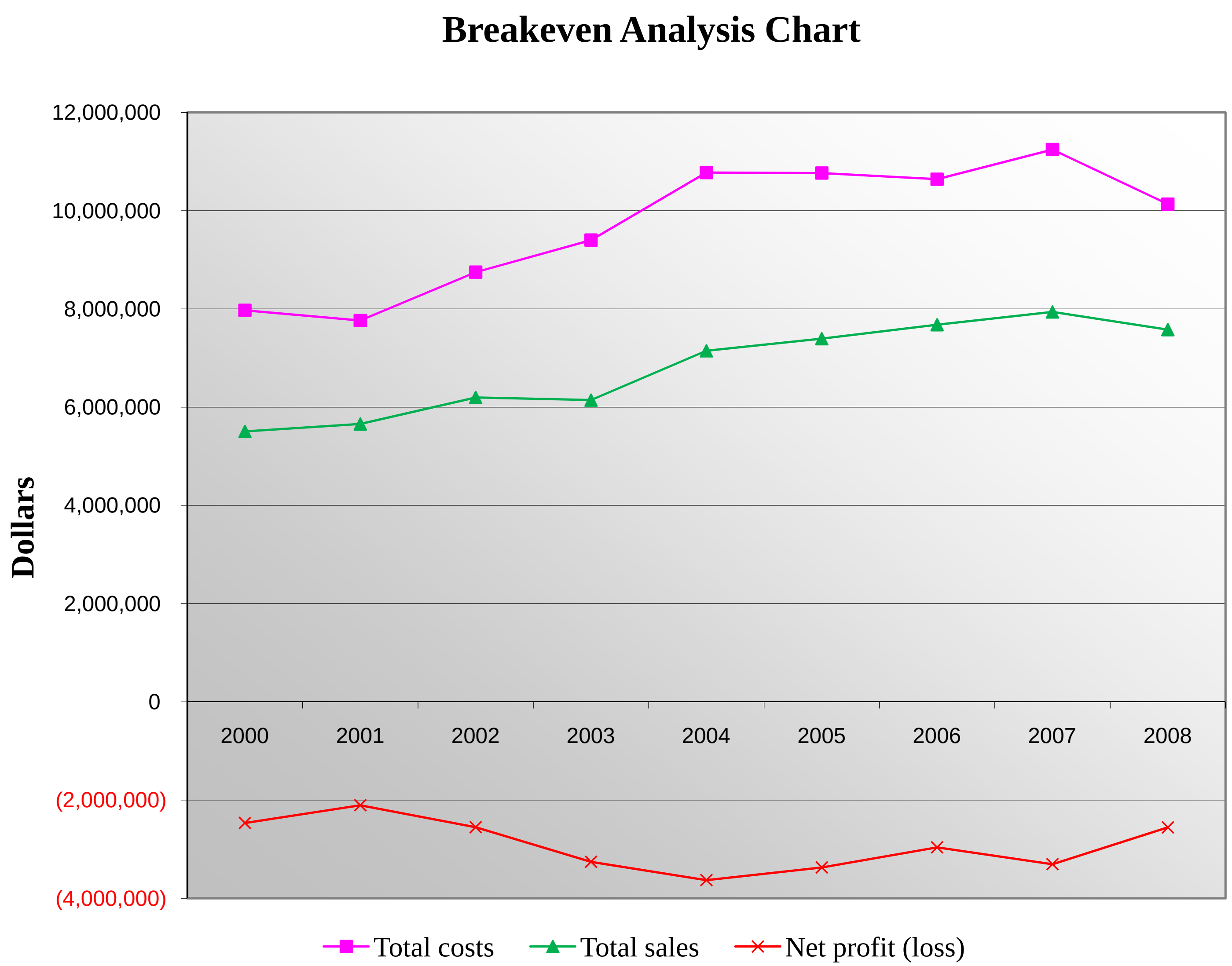
Year	Series 2001A	Series 2001B	Annual Debt Service
2009	811,395	430,581	1,241,976
2010	811,840	431,941	1,243,781
2011	807,850	432,631	1,240,481
2012	-	1,242,631	1,242,631
2013	-	1,241,631	1,241,631
2014	-	1,243,131	1,243,131
2015	-	1,240,475	1,240,475
Total Debt Service	**$3,243,105**	**$7,118,595**	**$10,361,700**

Source: Legislative Auditor Report 2007

By 2018, with projected annual sales of $9 million and the outstanding debt retired, it is reasonable to assume that Tamarack's revenue will be sufficient to cover its cost of goods sold, operating and administrative expenses. However, capital expenditures and maintenance are not considered. At this point, Tamarack would be contributing approximately $500,000 annually in sales tax revenue alone to the State.   While these are projections based on recent performance, they do not indicate a high probability that in the near future Tamarack may become self sufficient.

Figure 38 shows a breakeven analysis for Tamarack using historical figures from the last nine years. As the graph illustrates, Tamarack does not reach the breakeven point within this time frame without additional financial assistance.

Figure 38: Breakeven Analysis – Historical Growth 2000-2008



Chapter 6: State Funding for the Arts

Originally, Tamarack was not planned with the assumption that it would be self-supporting. To have made that assumption would have been unrealistic as state sponsored arts programs almost never are "profitable". What should be considered is the overall economic impact and the contribution the arts industry makes to the state and the benefits received from the state expenditures which support it. By this measure, Tamarack should be considered a success.

Public funding for the arts has always been a public policy issue. Despite the arts community's struggle for greater funds from state governments, the political process has not made support of the arts a priority. In any circumstance of fiscal constraint in state budgets funds for the arts are likely to be cut. In that sense, the relationship between the arts community and the political process of decision-making for funding for arts projects seems to be vital.

After the establishment of National Endowment for the Arts (NEA) as a federal arts agency in 1965, states were encouraged to establish State Arts Agencies (SAAs) due to the NEA's belief in a decentralized arts system. [27] Besides encouraging, organizing, and facilitating the arts development and the arts consciousness in local and regional communities, SAAs are also responsible to lobby for public funding for the arts within their states.[28] According to the NEA, there are three broad categories of U.S. arts funding:

- Direct public appropriations from the NEA and state or regional arts agencies
- Public subsidies for the arts and culture by direct or indirect support by various federal agencies. There are other public agencies independent from the NEA that provide direct or indirect support to the arts and culture. For instance, National Endowment for the Humanities (NEH) with $142 million budget in 2006 offers direct funding to artists and arts-related or cultural organizations. There are also other public agencies that indirectly support the arts through federal sponsorship in producing and exhibiting artworks and performances for the public's benefits.
- Private donations from individuals, foundations, and corporations.[29]

According to 2004 data shown in Figure 4, the income of non-profit arts organizations in the U.S. consists of 44 percent earned income (mostly sales, subscriptions etc.), 13 percent public funding, and 43 percent private funding.[30] In fiscal year 2006, the NEA had $124.4 million

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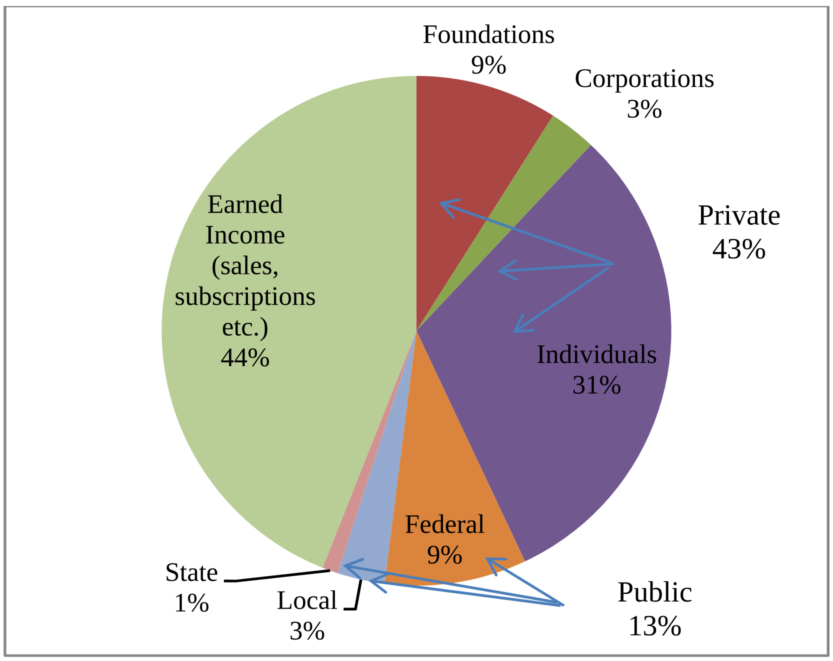
[27] Lowell, Julia F. and Ondaatje, Elizabeth H. (2006). *"The Arts and State Governments: At Arm's Length or Arm in Arm?"* Arlington, VA: RAND Corporation.
[28] Lowell and Ondattje. (2006)
[29] National Endowment for the Arts. (2007). "*How the United States Fund the Arts?"* Office of Research & Analysis. Washington, DC: National Endowment for the Arts.
[30] National Endowment for the Arts. (2007)

appropriated budget (excluding private donations).[31] Although state public spending on the arts increased from $211 million to $447 million between 1993 and 2001, state public funding decreased in recent years, including a $93 million decline (38 percent decrease) from 2001 to 2004.[32]

The decline in state funding reduces the fiscal capability of SAAs and eventually other smaller local arts agencies and artists. In fiscal year 2003, 43 of 56 SAAs reported declines in appropriations funded by their state legislatures.[33] For instance, Washington State Arts Commission experienced a 20 percent reduction in state funds during the fiscal years of 2004 and 2005 in which private funding could not offset the loss of state funding.[34]

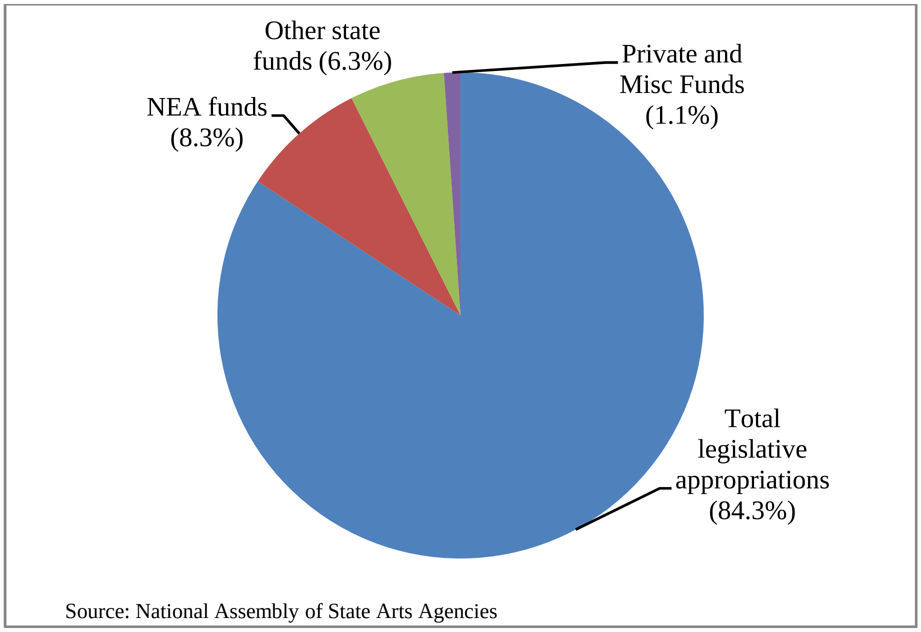
Figure 39: Revenue Sources of Nonprofit Arts Organizations in the U.S.



Source: National Endowment for the Arts

[31] National Endowment for the Arts. (2007)
[32] Mclennan, Douglas. "The End of Arts Funding? The NEA Stayed Alive During the Culture Wars, But Its Survival Strategy May Have Done More Harm Than Good." *Newsweek.* October 23, 2007. http://www.newsweek.com/id/58442 (accessed July 25, 2008).
[33] Lowell, Julia F. (2004). *"State Arts Agencies 1965-2003: Whose Interest to Serve?"* Arlington, VA: RAND Corporation.
[34] Washington State Arts Commission. (2006). *"At the Intersection of State Government and the Arts: 207-2011 Strategic Plan."* Olympia, WA: Washington State Arts Commission.

Figure 40: State Arts Agency Revenue Sources Fiscal Year 2008



In the process of funding the arts, peer review is essential for direct public support to ensure that the project is based on merit, not on political favoritism.[35] Moreover, state arts agencies also conduct expert panels for fair distribution (evaluating artistic merit and expression, reflecting diversity with respect to ethnicity, geography, and gender) of the grants in which the state appropriations to the arts are dependent upon state tax revenues.[36] SAAs are likely to be the main body of communication and interaction between the political and the arts community within states.

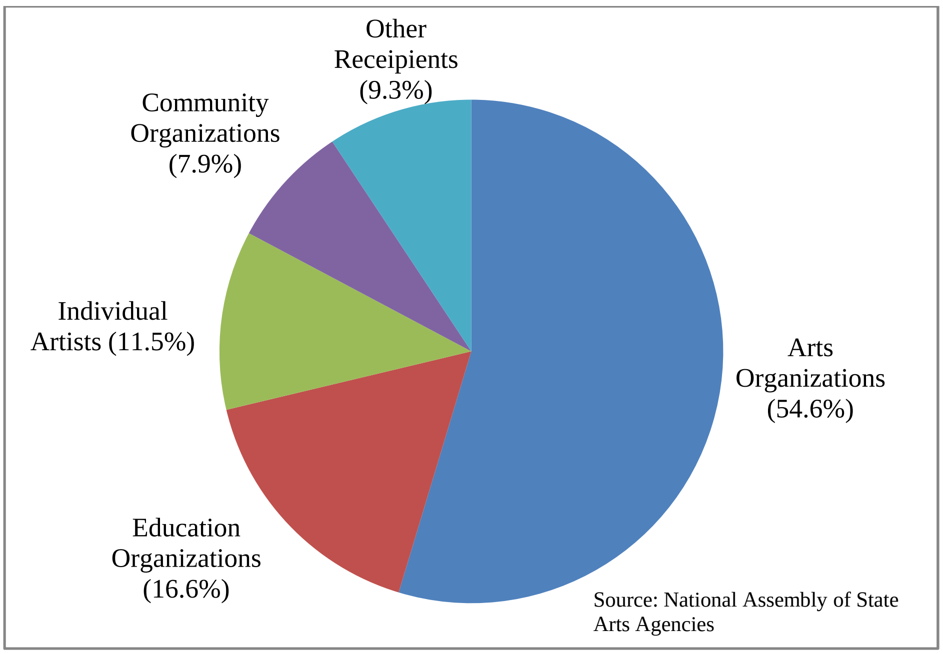
Although the ratio of public funding is relatively smaller than private funding for nonprofit arts organizations, SAAs advocate and lobby both in legislations and in private corporations. Therefore, SAAs tend to play a key role as intermediary institutions among arts organizations, individual artists, private corporations and public policy makers in order to strengthen arts communities and economic vibrancy.

[35] National Endowment for the Arts. (2007)
[36] National Endowment for the Arts. (2007)

Table 3: SAA Grant Awards

Total State Arts Agency Grant Awards	
Fiscal Year 2006	
Number of Grants Awarded:	26,150
Arts Education Grants:	9,060
Operating Support Grants:	4,759
Individual Artist Grants:	3,010
Grant Dollars Awarded:	$270,574,635
Number of Communities Funded:	5,451

Figure 41: Recipients of SAA Grant Awards Fiscal Year 2006



These specific programs for support of the arts in other states are provided for comparison purposes to West Virginia.

Rhode Island

Besides supporting the arts through funding, SAAs, also seek new innovative ways to foster the arts. For instance, in 1994 Rhode Island developed tax incentives for creative people by passing legislation exempting artists from taxation if they lived and worked in specific 'tax-free districts'. Nine Rhode Island communities were selected for such districts. According to the General Assembly, this special project would develop an artistic community and stimulate revitalization, tourism, employment, and business development. The three different tax incentives as outlined by the State Council on the Arts:

- For artists who live and work within a specified district, any sale of work created within the district is exempt from state sales tax.
- For artists who live and work within a specified district, any income they receive from the sale of the work they have created within the district is exempt from state personal income tax.
- For gallery spaces located within the boundaries of a specified district, the sale of one-of-a-kind works of art are exempt from state sales tax, whether or not they were created within the boundaries of the arts district. [37]

The authorized tax exemption shall apply to the year that the revenue from the sale of artworks is realized. Although the cost of arts related exemptions are not estimated, total cost of personal income tax (exemptions, deductions, credits) to the state of Rhode Island is around $530 million (38 items) and $626 million (72 items) for the exemptions of sales and use taxes.[38] For instance, the city of Pawtucket, one of the specified arts-districts, attracted 122 artists to the district creating 85 new jobs.[39]

Kentucky

Kentucky Artisan Center at Berea is another concept of state-led investment in the arts. Kentucky Artisan Center is a 25,000 sq. foot facility located alongside Interstate 75 at exit 77 where visitors can buy Kentucky products and explore arts and crafts of this state.[40]

The construction funds of the Center were appropriated by the State Legislature in 1998 and 2000. The operating activities of the Center are still assisted by several partnerships including cabinets of state government and city government.[41] In fiscal year 2007, total operating revenues were $2,539,051 and total operating expenses were $2,601,047. The operating loss was $61,996. Moreover, 32 percent of the revenues came from operating grants and 68 percent from sales and services. The retail sales of artisan products were $1,411,192 in fiscal year 2007. In fiscal year 2004, the retail sales were $918,788 which generated 43 percent of the total revenues.[42] "For

[37] (http://www.arts.ri.gov/projects/districts.php)
[38] 2008 Tax Expenditure Report, State of Rhode Island: Division of Taxation
[39] 2008 Tax Expenditure Report, State of Rhode Island: Division of Taxation
[40] Official website of Kentucky Artisan Center: http://www.kentuckyartisancenter.ky.gov
[41] Official website of Kentucky Artisan Center: http://www.kentuckyartisancenter.ky.gov
[42] Auditor of Public Accounts (2007). Report of the Audit of Kentucky Artisan Center at Berea. Kentucky Artisan Center at Berea. Retrieved July 24, 2008 from http://www.kentuckyartisancenter.ky.gov .

2007 the balance sheet of the Kentucky Artisan Center was significant improved by the $800,000 injection by the state to help defray operating costs.

Table 4: Financial Data for Kentucky Artisan Center in Fiscal Year 2007

Operating Revenues	2007	2006	Percentage Change
Charges for Sales and Services	$1,736,194	$1,665,647	4.20%
Operating Grants	$802,857	156,200	414.00%
Total Operating Revenues	***$2,539,051***	***$1,821,847***	***39.40%***
Total Operating Expenses	***$2,601,047***	***$2,304,163***	***12.90%***
Operating Income (Loss)	($61,996)	($482,316)	-87.10%
Nonoperating Revenues (Expenses)	$1,414	($250,732)	-100.60%
Net Income (Loss)	**($60,582)**	**($733,048)**	**-91.70%**

Source: Report of the Audit of Kentucky Artisan Center at Berea, Auditor of Public Accounts, 2007.

According to the Kentucky Arts Council's 2007 annual report, a new innovative way of supporting the arts is being conducted through the University of Kentucky Cooperative Extension Program. In 2004, the nation's first Fine Arts Extension Agent position was given to Stephanie Richards. The Agent is responsible to develop a program in order to fortify the arts in rural communities of Pike County by working with local artists to develop an artisan center and encourage economic development through the arts. As a result, the Extension Office for Fine Arts won the 2006 Governor's Award in the Arts.

Moreover, Kentucky Arts Council has a special program for craftspeople. The name of the program is Kentucky Crafted and focuses on marketing strategies for the local artisans and craftspeople. The Craft Marketing Program is particularly developed for the craftspeople who want to carry their personal production on a wholesale level by retailing their products to local, national, and international shops and galleries. There is a juried process which is held once a year for applicants. The goal is to keep the quality standards high in which juried artisans can use the "Kentucky Crafted" logo on their products.[43] The logo is internationally recognized as a symbol of quality craftsmanship.

However, there is also non-juried support providing services to beginner level craftspeople such as individual technical assistance (pre-jury consultations), workshops (craft development,

[43] Kentucky Arts Council. Kentucky Crafted. Retrieved from http://kycraft.ky.gov July 25, 2008.

business training, marketing skills, information on state and national craft-related organizations), and financial sources. Furthermore, “Kentucky Crafted: The Market” is the nation’s first state-sponsored wholesale and retail marketplace where wholesale buyers such as galleries and craft shops and also individual shoppers can purchase high quality Kentucky artisan’s products.

The Market’s estimated sales for 2007 are around $1.2 million which is 20 percent more than the previous year.[44] The total number of exhibitors was 286 in which 153 of them were Kentucky Crafted exhibitors. There were 36 out-of-state exhibitors, 41 specialty food exhibitors, 31 ‘Visual Arts at the Market’ exhibitors, 13 Kentucky book publishers, 9 arts and cultural organizations, and 3 state agencies.[45] The overall aim of the program is to generate a dynamic economic environment for craft entrepreneurs, develop the Kentucky craft industry, increase public awareness, and stimulate product development.[46]

New Hampshire

Financial and technical aid to the arts-related non-profit organizations is another way of state support to the arts. The New Hampshire Division of Resources and Economic Development and the State Arts Council have cooperated together in supporting the Women’s Rural Entrepreneurial Network (WREN), a membership organization established in 1994.[47] Although the gallery relies solely on funds raised by WREN, the gallery and the retail store represented products of its members with sales reaching $400,000 for local artists and craftswomen between 2000 and 2005.[48]

Besides those operations, WREN offers many technical assistance programs (e.g. arts and empowerment workshops for local girls ages 10-18, business development classes, creating and supporting markets for local artists, artisans, and rural entrepreneurs) and financial support for low income women in the arts.[49]

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[44] Kentucky Arts Council. (2007) Annual Report FY 2007. Frankfort, KY.
[45] Kentucky Arts Council. (2007) Annual Report FY 2007. Frankfort, KY.
[46] Kentucky Crafted. http://kycraft.ky.gov
[47] National Governors’ Association Center for Best Practices. (2005). “Strengthening Rural Economies through the Arts” Issue Brief. Washington D.C: National Governors’ Association.
[48] National Governor’s Association Center for Best Practices. (2005).
[49] Women’s Rural Entrepreneurial Network (WREN). Retrieved from http://www.wrencommunity.org in August 8, 2008.

Montana

The Montana Arts Council received 17 percent of its $1.6 million revenue from the State Legislature's appropriation in fiscal year of 2004.[50] However, the legislative appropriation is not the only state financing instrument for the arts. The State also finances the Council indirectly through the Montana Cultural Trust, an endowment established in 1975 which is financed by a statewide tax on coal.[51] The revenue from the Cultural Trust was 35 percent of the Montana Arts Council's income in fiscal year 2004. Eighty percent of that contribution was distributed as grants to all arts related activity.[52]

Michigan

In Michigan, state public policymakers want state sponsored funding to be distributed over both rural and urban areas so all Michigan residents can have access.[53] For that purpose, Michigan Council for Arts and Cultural Affairs (MCACA) and the Michigan State University Museum launched "Rural Arts and Culture Program" in 2001 in order to build up and showcase the peculiar arts and culture of the 39 rural communities in Michigan.[54]

Besides offering annual grants for local artists, the Program has 8-10 workshops across the State during the winter months on the topics of skill and resource development for local organizations and communities. However, there is no specific facility for arts merchandising similar to Tamarack. The Council will not offer the program in fiscal year 2009 due to budget and staff reductions as well as lack of applicants.[55]

Massachusetts

Massachusetts also experienced a revitalization of a community through investment in the arts. When the largest employer of the city of North Adams closed its 300,000-square foot facility in 1986, approximately 4,137 workers were left unemployed causing economic shock to the city.[56] The initiative from the mayor turned the abandoned space of the closed facility into the nation's largest contemporary art museum, the Massachusetts Museum of Contemporary

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[50] Lowell and Ondaatje. (2006)
[51] Lowell and Ondaatje. (2006)
[52] Lowell and Ondaatje. (2006)
[53] The Michigan Nonprofit Association and the Council of Michigan Foundations. (2002). *Arts Funding.* Michigan In Brief, 7th Edition.
[54] The Michigan Nonprofit Association and the Council of Michigan Foundations.
[55] The Michigan State University Museum. The Rural Arts and Culture Program retrieved from http://ruralarts.museum.msu.edu/home in July 24, 2008.
[56] The Michigan State University Museum.

Art.[57] The construction funding was provided from a $22 million state construction grant. The Museum was opened in 1999 and receiving 100,000 visitors each year in the town of 14,000 residents. The Massachusetts Cultural Council still provides support for the Museum and use the experience as a model for other communities across the state.[58] This kind of community development through investment in the arts might be an example of public policy which both boosts cultural tourism and local employment.

South Carolina

South Carolina built an official state artisan center for the purpose of connecting the state's cultural heritage to economic development policy.[59] As the official Folk Art and Craft Center of the State, the South Carolina Artisans Center functions as the market place and showcase for over 240 juried South Carolina artisans. It is housed in a Victorian cottage which has significantly less space than Tamarack. The Center receives financial and technical assistance from several state agencies such as department of commerce and the arts commission.[60]

Alaska

Marketing is essential for artisans to carry their works beyond local areas and to contribute to public awareness. Alaska focuses on developing marketing skills and business plans for rural artists, especially those who are isolated. The cooperation of the Alaska State Council on the Arts, the Alaska Department of Community and Economic Development, and the University of Alaska Fairbanks Rural Extension Program developed a marketing training program in three trading hubs.[61]

Indigenous native Alaskan artists are the main concern of the project if they are to pass through from a subsistence-based to cash-based economy. Since traditional art is one of the assets of those tribal communities, the state-sponsored initiative aims to help local artisans to expand their market through educational workshops and financial aids. Workshops provide courses in quality issues, cost analysis, pricing, and state and federal regulatory programs.[62]

Moreover, the Alaska State Council on the Arts constructed local institutions such as culture centers and museums where artists are able to produce, exhibit, and sell their works through the

[57] The Michigan State University Museum.
[58] The Michigan State University Museum.
[59] National Governor's Association Center for Best Practices. (2005)
[60] National Governor's Association Center for Best Practices. (2005)
[61] National Governor's Association Center for Best Practices. (2005)
[62] National Governor's Association Center for Best Practices. (2005).

"Culture Center and Museums Consortium" such as the Alaska Native Heritage Center, a non-profit cultural center and a museum in Anchorage.[63] The institution is an educational and cultural center that aims to create economic development through the showcasing of the activities of indigenous culture in rural Alaska. The facility has a gift shop, 703-seat capacity meeting place with rental and catering services, and an exhibition center. Educational programs include master artist classes where Alaskan native art experts provide workshops for participants. The Center also has five "living history" exhibits on the grounds showing how the main tribes lived and worked. The Center was built with $14.5 million construction budget from federal, state, and private sources.[64]

Table 5: Financial Data for the Alaska Native Heritage Center in Fiscal Year 2006

Revenue		***Expenses***	
Contributions	$781,401	Program Services	$4,150,931
Government Grants	$4,098,093	Administration	$2,002,119
Program Services	$1,268,969	Total Expenses	$6,153,050
Sales	$444,724		
Other	$266,427	***Net Gain/Loss***	***$833,713***
Total Revenue	***$6,986,763***		

Total Assets	$19,405,793
Total Liabilities	$3,646,367
Fund Balance	***$15,759,426***

Source: GuideStar, Philantrophic Research, Inc. 2008.

North Carolina

HandMade in America, located in Asheville, North Carolina, is a nationally recognized multidimensional institution that initiates community development and rural economic revitalization projects by focusing on the cultural heritage and handmade craftsmanship. This organization has educational programs such as workshops and training on craft and business development as Tamarack does. Even a conference center rental is one of the activities of the institution. However, as it is stated at the homepage of their website, they do not make or sell

[63] National Assembly of State Arts Agencies. (2008). Report of State Arts Agency Funding and Grant Making. Retrieved August 12, 2008 from http://www.nasaa-arts.org/publications/2008-Funding-and-Grantmaking-Report.pdf
[64] The Alaska Native Heritage Center. www.alaskanative.net/en/home

craftworks or do crafts-teaching; they just function as a support system for craftspeople and the craft industry in Western North Carolina.[65]

[65] HandMade in America. http://www.handmadeinamerica.org/

Chapter 7: Craft Facilities in Other States

Tamarack represents a broad network of producers, suppliers, and consumers under a common marketing and distribution channel. That broad network provides uniqueness to Tamarack among similar state supported arts and craft facilities in the United States. Although there are facilities similar to Tamarack, they are smaller in their sales and size. They tend to lack additional features and services that Tamarack provides to the artisans and the public.

The Artisans Center of Virginia

The Artisans Center of Virginia is a private non-profit visual arts organization which started its operations in 1997. Aiming to represent the artisans of Virginia, the Center is willing to support Virginian artisans in marketing, education, and skill development. Preserving the cultural heritage and promoting the cultural assets of the state are in the mission statement of the Center. The Center's vision embraces strategic development through the economic potential of handmade crafts in local communities. The Artisan Center was named the State's official center for fine craft by the Virginia General Assembly in 1999.

A retail space (4,000 square feet) and exhibition gallery were opened in 2000 in order to give artisans an opportunity to exhibit and sell their artworks. The gallery hosts various examples of both traditional and contemporary craftworks of Virginia artisans. For higher quality assurance, artisans willing to exhibit and sell their crafts in the gallery have to pass a jury process.

Artisan studio classes are offered to the public and to those wanting to improve their crafting skills. The classes are instructed by professional and juried artisans. Several areas of education include pottery, tapestry weaving, metal-smithing and jewelry making, clay techniques, and weaving workshops. The Outreach Program provides a series of instructional workshops in elementary and secondary schools in local communities with experiential and observational opportunities for children.

In order to offer and familiarize artisans with business resources, networking opportunities, and craft workshops, the Center also launched an annual statewide Craft Conference and Business Institute as a professional event. The first Craft Conference, in 2008 was held between April 25 and 27 at the Hotel Roanoke and Conference Center in downtown Roanoke, Virginia. The coverage of panels and workshops at the Conference included marketing strategies, turning craft into a business, teaching craft, a discussion of retail vs. wholesale vs. consignment and the state of craft in the Commonwealth of Virginia as a roundtable discussion. Around 80 participants attended to the conference. In this first event, Tamarack General Manager, Cheryl

Hartley was the keynote speaker of the conference. Other special guests included Peggy Baggett, executive director of the Virginia Commission for the Arts.

Overall, the Artisans Center of Virginia represents more than 200 professional artisans from all over Virginia. The Center presents 12 to 15 statewide or national exhibits per year which are held at the Center, 8 to 10 member artisan exhibits, and constant program of classes and workshops for all ages and skill level.[66]

Table 6: Artisans Center of Virginia/FY 2008 Profit & Loss

Income		**Expenses**	
Retail Sales-Gallery	$277,059.97	Management	$212,817.96
Support	$133,556.63	Program Expenses	$28,309.97
Other	$39,974.36	Fundraising	$13,771.56
Total Income	$450,590.96	Artisan Membership	$7,552.33
		Alleghany Network Grant	$2,807.60
Cost of Goods Sold	$174,753.27		
Gross Profit	$275,837.69	Total Expenses	$265,259.42
		Net Ordinary Income	$10,578.27
		Interest Income	$823.82
		Net Income	**$11,402.09**

Retail sales constitute approximately 61 percent of the total income of the Center and outside support forms around 30 percent. Government support has a share of nearly 57 percent in the amount of total support ($75,975). Around 21 percent of the support is received from Alleghany Craft Network. Alleghany Craft Network is a project of the Center, supported by the Virginia Department of Housing and Community Development, which aims to catalogue all artisans and sales venues (nearly 300 listings) that sell locally produced fine craft in the Alleghany region (including nine counties) of Virginia. Unrestricted donations are about 10.5 percent of the total support.

Employee payroll has a share of 60 percent in total management expenses, and management expenses constitute 80 percent of the total expenses. The Artisans Center of Virginia is not a self-sufficient institution. Funding, particularly government funding is very crucial for the sustainability of the Center.

[66] Artisans Center of Virginia. Section of About Us. Retrieved August 20, 2008 from http://www.artisanscenterofvirginia.org

The Craftsmen Guild of Mississippi

The Craftsmen's Guild of Mississippi is another non-profit organization with a membership of over 400 professional artisans. Like the Artisans Center of Virginia, the Guild has a mission and vision of playing a vital role in community planning and economic development via Mississippi's cultural and craft affluence. One of the prominent programs of the Guild is Chimneyville Crafts Festival, a three day show where craftsmen of the Guild can sell their works. The festival is held in the first week of December at the Mississippi Trade Mart (67,140 square feet space of the Mississippi State Fair Commission) in Jackson, Mississippi. Similar to jury process, the works of the members are reviewed twice a year by the Guild Standards Committee. Various educational workshops and craft development classes are offered by professional artisans to both adults and children. Woodcarving, jewelry workshops, basic blacksmithing, glass fusing, weaving, and quilting are some of the classes. The size of classes ranges from 6 to 12 participants.

The Guild also operates the Mississippi Craft Center, a 20,000 square foot facility located at Ridgeland, Mississippi, serving as an art gallery, an educational center, public space for community meetings and special events, and a retail shop. Opened in 2007, the Center aims to develop cultural tourism and to provide a venue for fine craft where craftspeople can display their works. This new facility is expected to attract more than 100,000 visitors each year.[67] According to Julia Daily, the executive director of the Mississippi Craft Center, they are projected to have 150,000 visitors this year.

Table 7: The Craftsmen's Guild of Mississippi

Revenues and Expenditures FY 2007

Income		**Expenses**	
Contributions	$10,558	Program Services	$255,592
Government Grants	$253,127	Administration	$88,936
Program Services	$116,303		
Investments	$15,992	Total Expenses	$344,528
Sales	$62,577		
Other	$65,835		
Total Revenue	$524,392	Net Revenue	$179,864

[67] The Craftsmen's Guild of Mississippi. www.mscrafts.org.

Table 8: The Craftsmen's Guild of Mississippi

Assets & Liabilities

Assets		**Liabilities**	
Cash & Equivalent	$170,506	Accounts Payable	$32,740
Inventories for Sale of Use	$19,043	Deferred Revenue	$10,981
Fixed Assets	$132,536	Total Liabilities	$43,721
Other	$2,000		
Total Assets	$324,085	Fund Balance	$280,364

Source: GuideStar, Philantrophic Research, Inc. 2008.

Almost half of the Guild's revenue source is government grants. However, according to Julia Daily, state funding was exceptional for fiscal year 2007 in which a building grant was received from the Mississippi Arts Commission. Therefore, around $250,000 of the government grant represents that building. Julia Daily stated that the MS Craft Center is not dependent on state funding and that they usually do not receive state funding. In FY 2008, around $428,000 total income exceeded $417,000 total expenses without government funding.

<u>Kentucky Artisan Center at Berea</u>

Kentucky Artisan Center at Berea is another concept of state-led investment in the arts located just 40 miles south of Lexington, Kentucky. Kentucky Artisan Center is a 25,000 square foot facility located alongside Interstate 75 at exit 77 where visitors can buy Kentucky products and explore arts and crafts of this state.[68] The construction funds of the Center were appropriated by the State Legislature in 1998 and 2000 where the operating activities are still assisted by several partnerships including cabinets of state government and city government.[69] In fiscal year 2007, total operating revenues were $2,539,051 and total operating expenses were $2,601,047. The operating loss was $61,996. Moreover, 32 percent of the revenues came from operating grants and 68 percent from sales and services. The retail sales of artisan products were $1,411,192 in fiscal year 2007. In fiscal year 2004, the retail sales were $918,788 which generated 43 percent of the total revenues.[70]

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[68] http://www.kentuckyartisancenter.ky.gov
[69] http://www.kentuckyartisancenter.ky.gov
[70] Auditor of Public Accounts (Luallen, Crit). 2007. *Report of the Audit of Kentucky Artisan Center at Berea For The Year Ended June 30, 2007*. Commonwealth of Kentucky: Frankfort, KY.

Although Kentucky Artisan Center had a loss in its operating activities, the balance sheet might be misleading as it gives an overview of financial condition at a particular point in time. In that sense, it is useful to look at the assets and liabilities of this organization. The total assets of around $8.7 million cover the operating losses and facilitate the solvency of the Center. However, it should be noted that funding for the purchase of capital assets was provided by a State legislative appropriation in 1998 and 2000.[71] This shows how vital the government funding is for the continuation of the Kentucky Artisan Center.

Table 9: Kentucky Artisan Center at Berea, Assets & Liabilities

	2007	2006	Percentage Change
Current Assets	$563,772	$444,860	26.70%
Capital Assets-net	$8,155,939	$8,304,544	-1.80%
Total Assets	$8,719,711	$8,749,404	-0.30%
Current Liabilities	$129,152	$112,787	14.50%
Non-current Liabilities	$48,582	$34,058	42.60%
Total Liabilities	$177,734	$146,845	21%
Investment in capital assets, net of related debt	$8,155,939	$8,304,544	-1.80%
Unrestricted	$386,038	$298,015	29.50%
Total net assets	$8,541,977	$8,602,559	-0.70%

Source: Audit of the Kentucky Artisan Center at Berea, Auditor of Public Accounts, 2007.

The Illinois State Museum Society

The Illinois Artisan Program of the State Museum facilitates the marketing process for juried Illinois artisans who can sell their works in four artisan shops operated by the Illinois State Museum Society. In 2007, the government contribution to the State Museum Society totaled around $1.2 million where gross sales were approximately $650,000.[72] Government funding constitutes around 82 percent of the total revenues of the Illinois State Museum Society. The artisan program and operations of artisan shops are highly dependent on government funding. However, there is no facility that has a common roof for various operations and services like Tamarack. Four artisan shops are located in different locations: James R. Thompson Center,

[71] Auditor of Public Accounts. (2007)
[72] Guidestar Philanthropic Research Inc. 2007. www.guidestar.org

downtown Chicago; the Museum Store at the Illinois State Museum in Springfield; the Museum Shop at the Dickson Mounds Museum, Lewistown; and the Southern Illinois Artisans Shop at Rend Lake, Whittington.[73]

Frog Hollow Vermont State Craft Center

The Frog Hollow Vermont State Craft Center is a non-profit organization which operates three galleries (Burlington, Middlebury, and Manchester) and a crafts school (in Middlebury, Vermont). It is stated on their website that they do not receive state funding, but they accept direct public support. Although the Center has several galleries and online sales, its focus is on education sponsoring a crafts school since 1971. According to the data in 2006 IRS Form 990, the Center's gross sales are approximately $1.7 million, and direct public contribution is $121,550.[74] Net revenue is around $1 million and total expenses are $928,312. Although the Center is close to self-sufficiency, direct public support contributes to revenues exceeding expenses. Overall, the concept is different than Tamarack as state funding to the institution is almost absent.

South Carolina Artisans Center

The South Carolina Artisans Center, another state-led craft-based community development initiative at Walterboro, South Carolina, provides a showcase for more than 240 juried South Carolina artisans in a retail space. Exhibitions, craft demonstrations, special events, and live performances are also held in the Center. Compared to Tamarack, this Center is much smaller (housed in an eight room Victorian cottage) and in sales. According to the data in 2006 IRS Form 990[75], government contribution to the Center is around $215,000 and direct public support is around $138,000. Gross sales are $247,145 where gross profit is only $103,509. As total expenses are around $164,000, the Center is not capable of covering its expenses without government funding and direct public support.

Houston Center for Contemporary Craft

Houston Center for Contemporary Craft is another non-profit organization having a mission of advancing education of about the process, product, and history of craft. Similar to Tamarack, the Center provides a venue for exhibition, retail, and studio spaces for artists including national

[73] The Illinois State Museum. http://www.museum.state.il.us
[74] The Illinois State Museum.
[75] The Illinois State Museum.

artists. However, as it is stated in the Center's 2007 IRS Form 990, the Center did not receive any government contributions, but the direct public support totaled around $1.3 million.

The 2007 sales are approximately $270,000. Although the Center is located in an urban area and hosting national artists, the sales are far from the sales of Tamarack ($7.9 million in FY 2007) which is often considered a rural statewide facility. This shows that despite its relatively rural location, Tamarack is capable of outperforming a least one similar urban-based community artisan facility. There are similar facilities like Tamarack; however, they do not have the full package of services. Education and marketing opportunities, retail sales, online sales, higher standards for the jury process, grants to artisans, a conference center, a performing arts center, art studios, food court, and an art gallery create a full package which sets Tamarack apart. Other similar facilities lack either one or more of the features that Tamarack has. Therefore, it would not be exaggeration to say that the Tamarack project is a unique initiative across the nation.

Discussion

Arts and crafts-based community development and economic revitalization initiatives in other states do not have similar concept and structure as Tamarack does. The exceptional features of Tamarack include retail sales activities plus food service and a conference center. With the exception of Kentucky, no other state has a facility with retail space approaching that of Tamarack. The conference center at Tamarack, a 12,000 square feet meeting place designed to accommodate business, convention, and private occasion needs, gives the Caperton Center a distinction which sets it apart from most other arts establishments.

The *Crafts Report*, a monthly business magazine for the crafts professional, published a complete list of state initiatives that tie crafts with tourism and economic development.[76] The report quotes a Craft Organization Development Association's (CODA) study on national economic impact of the craft industry in 2001, where total craft sales were estimated around $13.8 billion. This finding stimulated state tourism agencies, arts agencies, and economic development agencies to start or expand programs benefiting artists, and arts organizations.

However, many state initiatives generally are limited arts and crafts programs rather than comprehensive projects like Tamarack. For instance, the list includes Maryland arts and entertainment districts that were launched by the Maryland General Assembly allowing tax exemptions for artists or the Made in Montana program that promotes businesses producing

[76] Laughlin, Kara. April 2002. *New Support for Craft.* The Crafts Report. Retrieved August 22, 2008 from http://www.craftsreport.com/may02/support.html

Montana-made products which is not limited to products produced by artisans. The concept of Tamarack is different than such programs.

There have been attempts to initiate a craft projects similar to Tamarack in Ohio and Pennsylvania. The Ohio Arts Council had designed to build Appalachian Artisans Center as a state-led craft initiative in southern Ohio in 2002, but the project was suspended due to the budget reductions. The Pennsylvania Turnpike Commission attempted to support local craft industry by providing sales venues and galleries for juried artisans in the service plazas by the non-profit Pennsylvania-Made Crafts, Inc in the late 1990s. That project has since been abandoned. According to the Pennsylvania Turnpike Commission, the project could not be revived today as there is nothing more than gift shops at the service plazas.

Table 10: Facility Summary

Facilities	Total Revenues	Total Expenses	Gross Sales	Net Income (Loss)	Percentage of State Funding in the Total Revenue
Artisans Center of Virginia (FY2008)	$450,590	$265,259	$277,059	$11,402	17%
Kentucky Artisan Center at Berea (FY2007)	$2,540,465	$2,601,047	$1,736,194	($60,582)	31.5%
The Craftsmen's Guild of Mississippi (FY2007)	$524,392	$344,528	$62,577	$179,864	48%
Frog Hollow Vermont State Craft Center (FY2006)	$1,039,891	$928,312	$1,724,130	$111,579	0.5%
South Carolina Artisans Center (FY2007)	$158,232	$160,907	$197,956	($2,675)	24%

Appendix A: Tamarack Artisan Survey

The Artisan Survey was developed in partnership by the Center for Business and Economic Research (CBER) and Tamarack. The survey was distributed to artisans by mail from a mailing list provided by Tamarack during the months of July and August of 2008. Results were tabulated by the CBER and are summarized here. Incomplete or invalid instruments were removed to ensure the quality of the data provided.

Tamarack Artisan Survey

Artisan/Business Name: (Optional) ____

Survey Date: ____________________ County of Respondent: ____________________

Email Address: (Optional) ________________________________ Zip Code: ________

---

1. What product(s) do you make for and/or sell at Tamarack? Please select all that apply.
   - ❑ Baskets
   - ❑ Bath and Body
   - ❑ Books/Literature
   - ❑ Clay/Pottery
   - ❑ Fiber/Textiles
   - ❑ Fine Art
   - ❑ Food Products
   - ❑ Furniture/Cabinetry
   - ❑ Glass
   - ❑ Jewelry
   - ❑ Leather
   - ❑ Metal
   - ❑ Mixed Media
   - ❑ Performing Arts/Live Entertainment
   - ❑ Printed Paper
   - ❑ Recorded Music
   - ❑ Souvenir Products
   - ❑ Toys
   - ❑ Wine
   - ❑ Wood
   - ❑ Other (Please specify) ____

2. How long have you been a juried artisan/artist with Tamarack?
   - ❑ Less than 1 year
   - ❑ 1 year to less than 2 years
   - ❑ 2 years to less than 5 years
   - ❑ More than 5 years
   - ❑ Not juried

3. How do you operate your business?
    - ❑ I work alone in my studio
    - ❑ I am an owner/partner
    - ❑ I am an owner/partner with employees
    - ❑ I work with a family member(s)

4. My studio (or production location) is located in… (check all that apply).
    - ❑ My residence
    - ❑ Family member or friend's residence
    - ❑ Owned space, off residential property
    - ❑ Leased or rented space
    - ❑ On-site at Tamarack

    Other (please specify) ____

5. If you have any employees, please fill in the following table:

	Full Time	Part-Time	Seasonal
Number of employees (excluding yourself)			
Paid compensation	$	$	$
Cash benefits provided (health insurance, etc.)	Yes / No	Yes / No	Yes / No
Non-cash benefits provided (vacation, etc.)	Yes / No	Yes / No	Yes / No

6. What were your approximate 2006 and 2007 product sales, or arts-related income?

Type of Sale	**2006 Sales In $**	**2007 Sales in $**
Wholesale or consignment to Tamarack		
Other wholesale		
Consignment to galleries other than Tamarack		
Special orders or commissions		
Export or international sales		
Other, such as teaching, performance, demos, grants (please specify) ________________________________		

7. On the average, how many inquiries do you receive per month as the result of your exposure through Tamarack? _________________

Estimated annual sales as a result of this exposure:

Wholesale $__________________ Retail $__________________

8. Has Tamarack and/or the Tamarack Foundation helped to improve your (or your family's) economic situation?

- ❑ Yes
- ❑ No

9. Has your association with Tamarack and/or the Tamarack Foundation had any positive effect on your business beyond the direct income you receive from selling to Tamarack?

- ❑ Yes
- ❑ No

State briefly how you may have benefited: (e.g., being juried into Tamarack has given you credibility with buyers, or you have attended business workshops through the foundation.)

Please mention all that apply:

____

____

10. Estimate your annual business-related spending within West Virginia. $_______________

- ❑ Don't know

11. Did selling through Tamarack prompt you to obtain a business license or did you already have one?

- ❑ Had to obtain
- ❑ Already had one
- ❑ Prefer not to answer

12. Do you have the capacity or desire to increase your production and sales of goods? If so, by what percent could you increase your production/sales:

- ❑ More than 100%
- ❑ 75 - 99%
- ❑ 50 - 74%
- ❑ 25 - 49%
- ❑ 1 - 24%
- ❑ 0%

Other (please specify)____

13. Are you contemplating retirement, or do you otherwise plan to close your business in the foreseeable future? If so, when?

- ❑ Less than one year
- ❑ 3-5 years
- ❑ 1-2 years
- ❑ No plans to stop producing

14. Approximately how many hours/week do you actually spend making products?
__________hours
    - ❑ NA - Someone else makes my product (employee, contractor, etc.)

15. On the average, how many hours a week do you devote to your business, **excluding** creating your work, but including marketing, bookkeeping, selling, etc.?

___________ hours

16. Is there any way that Tamarack or the Tamarack Foundation can be helpful to you? Please rank from 1 to 10 in order of importance with 1 being most important and 10 being least important.

________ Advanced training in your field

________ Access to credit (venture capital)

________ Access to new markets

________ Assistance with equipment purchase

________ Business training

________ Identifying apprentices/trained employees

________ Logistics/distribution

________ Marketing

________ Product development

________ Product pricing

________ Other (please specify)____________________________________

17. If you answered “yes” to business training, what specifically would you like? Please rank from 1 to 10 in order of importance with 1 being most important and 10 being least important.

    _________ Bookkeeping
    _________ Business management
    _________ Business planning
    _________ Computer skills
    _________ Employee relations/practices
    _________ Grant writing
    _________ Marketing/market research
    _________ Time management training
    _________ Website design
    _________ Taxes and business law
    _________ Other (please specify) ____

18. Do you currently have coverage for the following? Check all that apply
    - ❑ Health Insurance
    - ❑ Product Liability Insurance
    - ❑ Property and Casualty Insurance

19. Have you received assistance from the Tamarack Artisan Relief Fund (TARP)?
    - ❑ Yes (If so, please specify the amount) ____________________________
    - ❑ No
    - ❑ Unaware of TARP

20. Have you used any services at the Tamarack Foundation Artisan Resource Center?
    - ❑ Yes (If so, please specify the amount) ___________________________
    - ❑ No
    - ❑ Unaware of the Artisan Resource Center

21. How do you read the Tamarack Foundation artisan newsletter?
    - ❑ I most often read the copy mailed to me
    - ❑ I most often read the newsletter online
    - ❑ I usually don’t read the newsletter

There are many influences upon business in today’s world. Please rank from 1 to 10 in order of importance, with 1 being most important and 10 being least important, the influences which most adversely (negatively) affect your business today.

_________ Economy in general
_________ Gasoline prices
_________ Global competition
_________ Health insurance (access or cost)
_________ Inflation
_________ Personal health challenges
_________ Taxes
_________ Threat of lawsuits
_________ Unable to find good employees
_________ Utilities (cost) ________
Other (please specify) ____

22. What changes or improvements do you feel would add to the overall quality and experience of the artisans at Tamarack?

____

23. The following questions pertain to individuals and partnerships:

	You	**Partner (if applicable)**
Which age group best describes you?	☐ Below 25 ☐ 25 to 35 ☐ 36 to 45 ☐ 46 to 55 ☐ 56 to 65 ☐ 66 to 75 ☐ 76 to 85 ☐ 85 + ☐ Prefer not to answer	☐ Below 25 ☐ 25 to 35 ☐ 36 to 45 ☐ 46 to 55 ☐ 56 to 65 ☐ 66 to 75 ☐ 76 to 85 ☐ 85 + ☐ Prefer not to answer
What is your gender?	☐ Male ☐ Female ☐ Prefer not to answer	☐ Male ☐Female ☐ Prefer not to answer
What race category best describes you?	☐ African-American ☐ Asian/Pacific Islander ☐ Caucasian ☐ Hispanic ☐ Native American ☐ Other ☐ Prefer not to answer	☐ African-American ☐ Asian/Pacific Islander ☐ Caucasian ☐ Hispanic ☐ Native American ☐ Other ☐ Prefer not to answer
Total household income:	☐ Less than $20,000 ☐ $20,000 - $24,999 ☐ $25,000 - $29,999 ☐ $30,000 - $34,999 ☐ $35,000 - $49,999 ☐ $50,000 - $74,999 ☐ $75,000 - $99,999 ☐ $100,000 - $149,999 ☐ $150,000 or higher ☐ Prefer not to answer	Only if in a separate household: ☐ Less than $20,000 ☐ $20,000 - $24,999 ☐ $25,000 - $29,999 ☐ $30,000 - $34,999 ☐ $35,000 - $49,999 ☐ $50,000 - $74,999 ☐ $75,000 - $99,999 ☐ $100,000 - $149,999 ☐ $150,000 or higher ☐ Prefer not to answer
Approximately how much of that household income is attributable to artistic products that you produce?	☐ Less than $20,000 ☐ $20,000 - $24,999 ☐ $25,000 - $29,999 ☐ $30,000 - $34,999 ☐ $35,000 - $49,999 ☐ $50,000 - $74,999 ☐ $75,000 - $99,999 ☐ $100,000 - $149,999 ☐ $150,000 or higher ☐ Prefer not to answer	☐ Less than $20,000 ☐ $20,000 - $24,999 ☐ $25,000 - $29,999 ☐ $30,000 - $34,999 ☐ $35,000 - $49,999 ☐ $50,000 - $74,999 ☐ $75,000 - $99,999 ☐ $100,000 - $149,999 ☐ $150,000 or higher ☐ Prefer not to answer

	You	Partner (if applicable)
What level of educational attainment best describes you?	☐ Less than high school ☐ High school graduate or equivalency (GED) ☐ Some college, technical or vocational training following high school ☐ College graduate ☐ Post graduate training or degree (ex. Master's degree or Ph.D.) ☐ Advanced artistic instruction ☐ Prefer not to answer	☐ Less than high school ☐ High school graduate or equivalency (GED) ☐ Some college, technical or vocational training following high school ☐ College graduate ☐ Post graduate training or degree (ex. Master's degree or Ph.D.) ☐ Advanced artistic instruction ☐ Prefer not to answer

Thank you for your cooperation. We really appreciate your help!

Please return this survey at your earliest convenience in the envelope provided.

CBER
MARSHALL UNIVERSITY
CENTER FOR BUSINESS AND ECONOMIC RESEARCH

Center for Business and Economic Research

Marshall University

One John Marshall Drive

Huntington, WV 25755

Appendix B: Tamarack Artisan Survey Results

1. What product(s) do you make for and/or sell at Tamarack? Please select all that apply.

	Responses	Percentage
Baskets	8	2.2%
Bath & Body	6	1.6%
Books / Literature	57	15.5%
Clay / Pottery	26	7.1%
Fiber / Textiles	34	9.3%
Fine Art	58	15.8%
Food Products	21	5.7%
Furniture / Cabinetry	8	2.2%
Glass	23	6.3%
Jewelry	47	12.8%
Other	36	9.8%
Leather	4	1.1%
Metal	11	3.0%
Mixed Media	10	2.7%
Performing Arts / Live Entertainment	5	1.4%
Printed Paper	24	6.5%
Recorded Music	19	5.2%
Souvenir Products	9	2.5%
Toys	7	1.9%
Wine	6	1.6%
Wood	44	12%
Total	**463**	**100%**

2. How long have you been a juried artisan/artist with Tamarack?

	Responses	Percentage
Less than 1 year	17	4.6%
1 year to less than 2 years	26	7.1%
2 years to less than 5 years	108	29.4%
More than 5 years	206	56.1%
Not juried	7	1.9%

No answer	3	0.8%
Total	**367**	**100%**

3. How do you operate your business?

	Responses	Percentage
I work alone in my studio	204	55.6%
I am an owner/partner	48	13.1%
I am an owner/partner with employees	46	12.5%
I work with a family member(s)	49	13.4%
No answer	20	5.4%
Total	**367**	**100%**

4. My studio (or production location) is located in (check all that apply)

	Responses
My residence	278
Family or friend's residence	10
Owned space, off residential property	48
Leased or rented space	34
On-Site at Tamarack	3
Other	0
Total	**373**

5. If you have any employees, please fill in the following table:

	Full	**Part**	**Seasonal**
Number of employees			
Min	0	0	0
Max	800	114	15
Median	2	2	2
Paid Compensation			
Min	0	0	0
Max	$228,000	$60,000	$12,000
Median	$15,820	$10	$2,200

Cash Benefits			
	11	3	0
Non-cash benefits			
	22	11	2

6. What were your approximate 2006 and 2007 product sales or arts-related income?

		2006 Sales	2007 Sales
Wholesale			
	Min	$ 30	$ 3
	Max	$ 151,859	$ 131,979
	Median	$ 1,503	$ 1,500
	Total	$ 1,147,058	$ 1,186,777
Other wholesale			
	Min	$ 80	$ 50
	Max	$ 1,400,000	$ 591,500
	Median	$ 1,528	$ 1,984
	Total	$ 3,493,777	$ 2,128,376
Consignment			
	Min	$ -	$ -
	Max	$ 26,150	$ 18,000
	Median	$ 1,000	$ 789
	Total	$ 161,371	$ 182,450
Special orders			
	Min	$ 90	$ 45
	Max	$ 106,300	$ 120,000
	Median	$ 1,500	$ 1,400
	Total	$ 482,716	$ 485,492
Export sales			
	Min	$ -	$ -
	Max	$ 5,000	$ 8,000
	Median	$ 2,000	$ 1,250
	Total	$ 21,906	$ 24,268
Other			
	Min	$ 50	$ 35

	Max	$ 120,000	$ 130,000
	Median	$ 1,700	$ 1,700
	Total	$ 745,989	$ 910,677
	Overall total	$ 6,052,816	$ 4,918,040

7. On average, how many inquiries do you receive per month as the result of your exposure through Tamarack?

	Response	Percentage
0	88	24.0%
< 1	23	6.3%
1	47	12.8%
2	39	10.6%
3	23	6.3%
4	8	2.2%
5	14	3.8%
6	7	1.9%
7	2	0.5%
8	5	1.4%
9	2	0.5%
10	3	0.8%
11	1	0.3%
12	2	0.5%
13	2	0.5%
15	3	0.8%
20	1	0.3%
25	1	0.3%
45	1	0.3%
100	1	0.3%
Few	4	1.1%
Many	1	0.3%
Don’t Know	18	4.9%
No answer	71	19.3%
Total	**367**	**100.0%**

Estimated annual sales as a result of this exposure?

Wholesale	
Min	$ 0
Max	200,000
Median	500
Total	**$ 362,583**
Retail	
Min	$ 0
Max	50,000
Median	400
Total	**$ 293,571**
Total Retail & Wholesale	**$ 656,154**

8. Has Tamarack and/or the Tamarack Foundation helped to improve your economic situation?

	Response	Percentage
Yes	228	78.5%
No	49	13.4%
NA	30	8.2%

9. Has your association with Tamarack and/or the Tamarack Foundation had any positive effect on your business beyond the direct income you receive from selling to Tamarack?

	Response	Percentage
Yes	286	77.9%
No	45	12.3%
NA	36	9.8%

10. Estimate your annual business related spending within WV.

	Amount in dollars
Minimum	$ 100
Maximum	$ 1,200,000
Median	$ 3,000

11. Did selling through Tamarack prompt you to obtain a business license or did you already have one?

	Response	Percentage
Had to obtain	42	11.4%
Already had one	248	67.6%
Prefer not to answer	41	11.2%
No answer	36	9.8%

12. Do you have the capacity or desire to increase your production and sales of goods?

	Response	Percentage
More than 100%	83	22.6%
75-99%	24	6.5%
50-74%	54	14.7%
25-49%	66	18.0%
1-24%	50	13.6%
0%	29	7.9%
No answer	61	16.6%

13. Are you contemplating retirement or do you otherwise plan to close your business in the future?

	Response	Percentage
Less than 1 year	2	0.5%
1-2 years	9	2.5%
3-5 years	19	5.2%
No plans to stop producing	311	84.7%
No answer	26	7.1%

14. Approximately how many hours/week do you actually spend making product?

	Response
Minimum	0
Maximum	168
Median	24
No answer	79

15. On the average, how many hours a week do you devote to your business, excluding production, but including marketing, bookkeeping, selling, etc.?

	Response
Minimum	0
Maximum	605
Median	10

16. Is there any way that Tamarack or the Tamarack Foundation can be helpful to you? Please rank from 1 to 10 in order of importance with 1 being the most and 10 being the least important.

	1	2	3	4	5	6	7	8	9	10	X	
Advanced training	28	18	12	16	16	15	9	9	12	29	2	166
	16.9%	10.8%	7.2%	9.6%	9.6%	9.0%	5.4%	5.4%	7.2%	17.5%	1.2%	
Access to credit	9	8	3	7	15	6	11	13	19	48	2	141
	6.4%	5.7%	2.1%	5.0%	10.6%	4.3%	7.8%	9.2%	13.5%	34.0%	1.4%	
Access to new markets	103	38	19	16	20	4	2	5	1	10	31	249
	41.4%	15.3%	7.6%	6.4%	8.0%	1.6%	0.8%	2.0%	0.4%	4.0%	12.4%	
Assistance with equipment	20	15	11	9	21	12	8	26	6	29	5	162
	12.3%	9.3%	6.8%	5.6%	13.0%	7.4%	4.9%	16.0%	3.7%	17.9%	3.1%	
Business training	21	8	19	23	26	11	22	14	14	19	14	191
	11.0%	4.2%	9.9%	12.0%	13.6%	5.8%	11.5%	7.3%	7.3%	9.9%	7.3%	
Apprentices/ employees	11	4	5	1	12	6	8	14	22	56	2	141
	7.8%	2.8%	3.5%	0.7%	8.5%	4.3%	5.7%	9.9%	15.6%	39.7%	1.4%	
Logistics/ distribution	16	18	24	15	21	15	18	13	10	16	10	176
	9.1%	10.2%	13.6%	8.5%	11.9%	8.5%	10.2%	7.4%	5.7%	9.1%	5.7%	
Marketing	73	55	32	14	18	7	5	3	4	7	24	242
	30.2%	22.7%	13.2%	5.8%	7.4%	2.9%	2.1%	1.2%	1.7%	2.9%	9.9%	
Product development	23	13	20	20	21	13	14	11	8	19	5	167
	13.8%	7.8%	12.0%	12.0%	12.6%	7.8%	8.4%	6.6%	4.8%	11.4%	3.0%	
Product pricing	12	22	26	13	25	22	7	11	12	25	10	185
	6.5%	11.9%	14.1%	7.0%	13.5%	11.9%	3.8%	5.9%	6.5%	13.5%	5.4%	
Other	21	2	2	3	1	0	0	0	0	3	8	40
	52.5%	5.0%	5.0%	7.5%	2.5%	0.0%	0.0%	0.0%	0.0%	7.5%	20.0%	

17. If you answered "Yes" to business training, what would you like?

	1	2	3	4	5	6	7	8	9	10	X	
Bookeeping	18	5	16	9	10	7	7	5	8	8	2	95
	18.9%	5.3%	16.8%	9.5%	10.5%	7.4%	7.4%	5.3%	8.4%	8.4%	2.1%	
Business management	13	14	9	12	13	13	10	5	0	2	4	95
	13.7%	14.7%	9.5%	12.6%	13.7%	13.7%	10.5%	5.3%	0.0%	2.1%	4.2%	
Business planning	22	6	12	17	11	5	11	5	2	1	5	97
	22.7%	6.2%	12.4%	17.5%	11.3%	5.2%	11.3%	5.2%	2.1%	1.0%	5.2%	
Computer skills	25	13	14	7	4	8	5	7	5	10	7	105
	23.8%	12.4%	13.3%	6.7%	3.8%	7.6%	4.8%	6.7%	4.8%	9.5%	6.7%	
Employee relations	3	2	2	3	3	3	4	9	15	30	0	74
	4.1%	2.7%	2.7%	4.1%	4.1%	4.1%	5.4%	12.2%	20.3%	40.5%	0.0%	
Grant writing	37	19	9	8	11	1	5	5	9	13	10	127
	29.1%	15.0%	7.1%	6.3%	8.7%	0.8%	3.9%	3.9%	7.1%	10.2%	7.9%	
Marketing research	41	24	19	7	16	5	1	6	1	6	11	137
	29.9%	17.5%	13.9%	5.1%	11.7%	3.6%	0.7%	4.4%	0.7%	4.4%	8.0%	
Time management	8	3	3	9	18	8	7	12	7	9	5	89
	9.0%	3.4%	3.4%	10.1%	20.2%	9.0%	7.9%	13.5%	7.9%	10.1%	5.6%	
Website design	45	23	14	9	7	6	6	2	4	9	16	141
	31.9%	16.3%	9.9%	6.4%	5.0%	4.3%	4.3%	1.4%	2.8%	6.4%	11.3%	
Taxes Law	17	14	17	11	10	9	9	6	5	5	3	106
	16.0%	13.2%	16.0%	10.4%	9.4%	8.5%	8.5%	5.7%	4.7%	4.7%	2.8%	
Other	2	1	0	0	0	0	0	0	0	1	1	5
	40.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	

18. Do you currently have coverage for the following?

	Response	Percentage
Health insurance	231	62.9%
Product liability insurance	83	22.6%
Property and casualty insurance	197	53.7%

19. Have you received assistance from the Tamarack Artisan Relief Fund (TARP)?

	Response	Percentage
Yes	12	3.3%
No	298	81.2%
Unaware of TARP	45	12.3%
No answer	12	3.3%

20. Have you used any services at the Tamarack Foundation Artisan Resource Center?

	Response	Percentage
Yes	67	18.3%
No	234	63.8%
Unaware of Resource Center	41	11.2%
No answer	25	6.8%

21. How do you read the Tamarack Foundation artisan newsletter?

	Response	Percentage
I most often read the copy mailed to me	295	80.4%
I most often read the newsletter online	15	4.1%
I usually don’t read the newsletter	25	6.8%
No answer	32	8.7%

22. There are many influences upon business in today's world. Rank them.

	1	2	3	4	5	6	7	8	9	10	X	
Economy	174	53	21	10	14	4	3	3	0	6	6	294
	59.2%	18.0%	7.1%	3.4%	4.8%	1.4%	1.0%	1.0%	0.0%	2.0%	2.0%	
Gas prices	64	101	39	14	17	8	6	10	3	5	4	271
	23.6%	37.3%	14.4%	5.2%	6.3%	3.0%	2.2%	3.7%	1.1%	1.8%	1.5%	
Global	20	11	27	12	25	7	17	14	13	42	0	188
	10.6%	5.9%	14.4%	6.4%	13.3%	3.7%	9.0%	7.4%	6.9%	22.3%	0.0%	
Health Ins.	26	11	22	16	20	18	16	14	12	27	1	183
	14.2%	6.0%	12.0%	8.7%	10.9%	9.8%	8.7%	7.7%	6.6%	14.8%	0.5%	
Inflation	31	26	55	46	19	13	14	11	3	6	2	226
	13.7%	11.5%	24.3%	20.4%	8.4%	5.8%	6.2%	4.9%	1.3%	2.7%	0.9%	
Personal	21	8	12	13	20	19	10	25	16	34	2	180
health	11.7%	4.4%	6.7%	7.2%	11.1%	10.6%	5.6%	13.9%	8.9%	18.9%	1.1%	
Taxes	16	12	28	27	39	17	22	12	5	14	3	195
	8.2%	6.2%	14.4%	13.8%	20.0%	8.7%	11.3%	6.2%	2.6%	7.2%	1.5%	
Lawsuits	5	3	3	6	15	8	12	27	27	55	0	161
	3.1%	1.9%	1.9%	3.7%	9.3%	5.0%	7.5%	16.8%	16.8%	34.2%	0.0%	
Good	11	9	3	5	8	8	6	12	20	60	0	142
employees	7.7%	6.3%	2.1%	3.5%	5.6%	5.6%	4.2%	8.5%	14.1%	42.3%	0.0%	
Utilities	10	10	14	24	29	24	23	17	12	20	1	184
	5.4%	5.4%	7.6%	13.0%	15.8%	13.0%	12.5%	9.2%	6.5%	10.9%	0.5%	
Other	20	7	4	9	3	1	2	0	1	1	5	53
	37.7%	13.2%	7.5%	17.0%	5.7%	1.9%	3.8%	0.0%	1.9%	1.9%	9.4%	

24. The following questions pertain to individuals and partnerships:

Participant	**Response**	**Percentage**
Below 25	1	0.3%
25 to 35	9	2.5%
36 to 45	30	8.2%
46 to 55	88	24.0%
56 to 65	131	35.7%
66 to 75	56	15.3%
76 to 85	20	5.4%
85+	6	1.6%
Prefer not to say	3	0.8%
No answer	23	6.3%

Partner	**Response**	**Percentage**
Below 25	2	0.5%
25 to 35	3	0.8%
36 to 45	8	2.2%
46 to 55	20	5.4%
56 to 65	35	9.5%
66 to 75	10	2.7%
76 to 85	2	0.5%
85+	1	0.3%
Prefer not to say	0	0.0%
No answer	286	77.9%

What is your gender?

Participant	**Response**	**Percentage**
Male	151	41.1%
Female	195	53.1%
Prefer not to say	3	0.8%
No answer	18	4.9%

Partner	Response	Percentage
Male	42	11.4%
Female	37	10.1%
Prefer not to say	0	0.0%
No answer	288	78.5%

What race category best describes you?

Participant	Response	Percentage
African American	1	0.3%
Asian	3	0.8%
Caucasian	312	85.0%
Hispanic	1	0.3%
Native American	5	1.4%
Other	3	0.8%
Prefer not to say	17	4.6%
No answer	25	6.8%

Partner	Response	Percentage
African American	0	0.0%
Asian	0	0.0%
Caucasian	72	19.6%
Hispanic	2	0.5%
Native American	0	0.0%
Other	0	0.0%
Prefer not to say	3	0.8%
No answer	290	79.0%

Total household income:

Participant	Response	Percentage
Less than $20k	33	9.0%
$20k-$25k	24	6.5%
$25k-30k	17	4.6%
$30k-$35k	26	7.1%

$35k-$50k	44	12.0%
$50k-$75k	65	17.7%
$75k-$100k	31	8.4%
$100k-$150k	20	5.4%
$150k+	10	2.7%
Prefer not to say	64	17.4%
No answer	33	9.0%

Partner	**Response**	**Percentage**
Less than $20k	2	0.5%
$20k-$25k	1	0.3%
$25k-30k	1	0.3%
$30k-$35k	1	0.3%
$35k-$50k	3	0.8%
$50k-$75k	4	1.1%
$75k-$100k	1	0.3%
$100k-$150k	1	0.3%
$150k+	1	0.3%
Prefer not to say	11	3.0%
No answer	341	92.9%

How much of that is attributable to artistic products that you produce?

Participant	Response	Percentage
Less than $20k	245	66.8%
$20k-$25k	12	3.3%
$25k-30k	14	3.8%
$30k-$35k	8	2.2%
$35k-$50k	6	1.6%
$50k-$75k	5	1.4%
$75k-$100k	3	0.8%
$100k-$150k	1	0.3%
$150k+	1	0.3%
Prefer not to say	33	9.0%
No answer	39	10.6%

Partner	Response	Percentage
Less than $20k	14	3.8%
$20k-$25k	0	0.0%
$25k-30k	1	0.3%
$30k-$35k	1	0.3%
$35k-$50k	2	0.5%
$50k-$75k	1	0.3%
$75k-$100k	0	0.0%
$100k-$150k	0	0.0%
$150k+	0	0.0%
Prefer not to say	6	1.6%
No answer	342	93.2%

Educational attainment

Participant	Response	Percentage
Less than high school	3	0.8%
High school diploma/GED	51	13.9%
Some college	65	17.7%
College graduate	87	23.7%
Post graduate degree	85	23.2%
Advanced artistic degree	52	14.2%
Prefer not to answer	5	1.4%
No answer	19	5.2%

Partner	Response	Percentage
Less than high school	3	0.8%
High school diploma/GED	12	3.3%
Some college	25	6.8%
College graduate	20	5.4%
Post graduate degree	12	3.3%
Advanced artistic degree	7	1.9%
Prefer not to answer	0	0.0%
No answer	288	78.5%

Appendix C: Tamarack Performing Artist Survey

Tamarack Performing Artist Survey

Artist/Group: (Optional) ____

Survey Date: ____________________ County of Respondent: ____________________

Email Address: (Optional) ________________________________ Zip Code: ______

What type of performance do you do at Tamarack? Please select all that apply.

Music-Bluegrass
Music-Folk
Music-Jazz
Music-Blues
Music-Country
Music-Gospel
Music-R&B
Music-Classical/Orchestral
Music-Choral
Music-Rock
Music-World
Music-Traditional
Theater
Dance
Street Performance
Performance Art
Other (Please specify) ____

How long have you been performing Tamarack?

Less than 1 year
1 year to less than 2 years
2 years to less than 5 years
More than 5 years

How do you operate your business?

I work alone in my studio
I am an owner/partner
I am an owner/partner with employees
I work with a family member(s)

My studio (or production location) is located in… (check all that apply).

My residence

Family member or friend's residence

Owned space, off residential property

Leased or rented space

On-site at Tamarack

Other (please specify)

____

If you have any employees, please fill in the following table:

	Full Time	Part-Time	Seasonal
Number of employees (excluding yourself)			
Paid compensation	$	$	$
Cash benefits provided (health insurance, etc.)	Yes / No	Yes / No	Yes / No
Non-cash benefits provided (vacation, etc.)	Yes / No	Yes / No	Yes / No

What were your approximate 2006 and 2007 product sales, or arts-related income?

Type of Sale	2006 Sales In $	2007 Sales in $
Direct Sale of Retail Product		
Wholesale Product		
Performance at Tamarack		
Performance at Other Venues		

Export or international sales		
Other, such as teaching, demos, grants (please specify) ____		

On the average, how many inquiries do you receive per month as the result of your exposure through Tamarack? _______________

Estimated annual sales as a result of this exposure:

Wholesale $________________ Retail $________________

Has Tamarack and/or the Tamarack Foundation helped to improve your (or your family's) economic situation?

Yes No

Has your association with Tamarack and/or the Tamarack Foundation had any positive affect on your business beyond the direct income you receive from selling to Tamarack?

Yes No

State briefly how you may have benefited: (e.g., being juried into Tamarack has given you credibility with buyers, or you have attended business workshops through the foundation.)

Please mention all that apply:

____

____

____

Estimate your annual business-related spending within West Virginia. $_______________

Don't know

Did performing at Tamarack prompt you to obtain a business license or did you already have one?

Had to obtain

Already had one

Prefer not to answer

Do you have the capacity or desire to increase your production and sales of goods? If so, by what percent could you increase your production:

More than 100%

25 - 49%

75 - 99%

1 - 24%

50 - 74%

0%

Other (please specify) ____

Are you contemplating retirement, or do you otherwise plan to close your business in the foreseeable future? If so, when?

Less than one year

3-5 years

1-2 years

No plans to stop producing

Approximately how many hours/week do you actually spend making product? __________hours

NA - Someone else makes my product (employee, contractor, etc.)

On the average, how many hours a week do you devote to your business, **excluding** creating your work/performing, but including marketing, bookkeeping, selling, etc.?

___________ hours

Is there any way that Tamarack or the Tamarack Foundation can be helpful to you? Please rank from 1 to 10 in order of importance with 1 being most important and 10 being least important.

________ Advanced training in your field

________ Access to credit (venture capital)

_________ Access to new markets

_________ Assistance with equipment purchase

_________ Business training

_________ Identifying apprentices/trained employees

_________ Logistics/distribution

_________ Marketing

_________ Product development

_________ Product pricing

_________ Other (please specify)____

If you answered “yes” to business training, what specifically would you like? Please rank from 1 to 10 in order of importance with 1 being most important and 10 being least important.

_________ Bookkeeping
_________ Business management
_________ Business planning
_________ Computer skills
_________ Employee relations/practices
_________ Grant writing
_________ Marketing/market research
_________ Time management training
_________ Website design
_________ Taxes and business law

________ Other (please specify) ____

Do you currently have coverage for the following? Check all that apply
Health Insurance
Product Liability Insurance
Property and Casualty Insurance

Have you received assistance from the Tamarack Artisan Relief Fund (TARP)?

Yes (If so, please specify the amount)

____

No

Unaware of TARP

Have you used any services at the Tamarack Foundation Artisan Resource Center?

Yes (If so, please specify the amount) __________________________

No

Unaware of the Artisan Resource Center

How do you read the Tamarack Foundation artisan newsletter?

I most often read the copy mailed to me

I most often read the newsletter online

I usually don't read the newsletter

There are many influences upon business in today's world. Please rank from 1 to 10 in order of
importance, with 1 being most important and 10 being least important, the influences which most
adversely (negatively) affect your business today.

________ Economy in general
________ Gasoline prices
________ Global competition
________ Health insurance (access or cost)
________ Inflation
________ Personal health challenges
________ Taxes
________ Threat of lawsuits
________ Unable to find good employees
________ Utilities (cost) ________
Other (please specify) ____

24. What changes or improvements do you feel would add to the overall quality and experience of the performing artists at Tamarack?

____

____

____

The following questions pertain to individuals and partnerships:

	You	Partner (if applicable)
Which age group best describes you?	☐ Below 25 ☐ 25 to 35 ☐ 36 to 45 ☐ 46 to 55 ☐ 56 to 65 ☐ 66 to 75 ☐ 76 to 85 ☐ 85 + ☐ Prefer not to answer	☐ Below 25 ☐ 25 to 35 ☐ 36 to 45 ☐ 46 to 55 ☐ 56 to 65 ☐ 66 to 75 ☐ 76 to 85 ☐ 85 + ☐ Prefer not to answer
What is your gender?	☐ Male ☐ Female ☐ Prefer not to answer	☐ Male ☐Female ☐ Prefer not to answer
What race category best describes you?	☐ African-American ☐ Asian/Pacific Islander ☐ Caucasian ☐ Hispanic ☐ Native American ☐ Other ☐ Prefer not to answer	☐ African-American ☐ Asian/Pacific Islander ☐ Caucasian ☐ Hispanic ☐ Native American ☐ Other ☐ Prefer not to answer
Total household income:	☐ Less than $20,000 ☐ $20,000 - $24,999 ☐ $25,000 - $29,999 ☐ $30,000 - $34,999 ☐ $35,000 - $49,999 ☐ $50,000 - $74,999 ☐ $75,000 - $99,999 ☐ $100,000 - $149,999 ☐ $150,000 or higher ☐ Prefer not to answer	Only if in a separate household: ☐ Less than $20,000 ☐ $20,000 - $24,999 ☐ $25,000 - $29,999 ☐ $30,000 - $34,999 ☐ $35,000 - $49,999 ☐ $50,000 - $74,999 ☐ $75,000 - $99,999 ☐ $100,000 - $149,999 ☐ $150,000 or higher ☐ Prefer not to answer
Approximately how much of that household income is attributable to artistic products	☐ Less than $20,000 ☐ $20,000 - $24,999 ☐ $25,000 - $29,999	☐ Less than $20,000 ☐ $20,000 - $24,999 ☐ $25,000 - $29,999

that you produce?	☐ $30,000 - $34,999 ☐ $35,000 - $49,999 ☐ $50,000 - $74,999 ☐ $75,000 - $99,999 ☐ $100,000 - $149,999 ☐ $150,000 or higher ☐ Prefer not to answer	☐ $30,000 - $34,999 ☐ $35,000 - $49,999 ☐ $50,000 - $74,999 ☐ $75,000 - $99,999 ☐ $100,000 - $149,999 ☐ $150,000 or higher ☐ Prefer not to answer

	You	Partner (if applicable)
What level of educational attainment best describes you?	☐ Less than high school ☐ High school graduate or equivalency (GED) ☐ Some college, technical or vocational training following high school ☐ College graduate ☐ Post graduate training or degree (ex. Master's degree or Ph.D.) ☐ Advanced artistic instruction ☐ Prefer not to answer	☐ Less than high school ☐ High school graduate or equivalency (GED) ☐ Some college, technical or vocational training following high school ☐ College graduate ☐ Post graduate training or degree (ex. Master's degree or Ph.D.) ☐ Advanced artistic instruction ☐ Prefer not to answer

Thank you for your cooperation. We really appreciate your help!

Please return this survey at your earliest convenience in the envelope provided.

CBER
MARSHALL UNIVERSITY
CENTER FOR BUSINESS AND ECONOMIC RESEARCH

Center for Business and Economic Research

Marshall University

One John Marshall Drive

Huntington, WV 25755

Appendix D: Performing Artist Survey Results

County	Response	Percentage	County	Response	Percentage
Barbour	0	0.0%	Mingo	0	0.0%
Berkeley	0	0.0%	Monongalia	1	4.8%
Boone	0	0.0%	Monroe	0	0.0%
Braxton	0	0.0%	Morgan	1	4.8%
Brooke	0	0.0%	McDowell	0	0.0%
Cabell	2	9.5%	Nicholas	1	4.8%
Calhoun	0	0.0%	Ohio	0	0.0%
Clay	1	4.8%	Pendleton	0	0.0%
Doddridge	0	0.0%	Pleasants	0	0.0%
Fayette	0	0.0%	Pocahontas	0	0.0%
Gilmer	0	0.0%	Preston	0	0.0%
Grant	0	0.0%	Putnam	0	0.0%
Greenbrier	0	0.0%	Raleigh	4	19.0%
Hampshire	0	0.0%	Randolph	1	4.8%
Hancock	0	0.0%	Ritchie	0	0.0%
Hardy	0	0.0%	Roane	0	0.0%
Harrison	1	4.8%	Summers	0	0.0%
Jackson	0	0.0%	Taylor	0	0.0%
Jefferson	0	0.0%	Tucker	0	0.0%
Kanawha	4	19.0%	Tyler	0	0.0%
Lewis	0	0.0%	Upshur	0	0.0%
Lincoln	0	0.0%	Wayne	0	0.0%
Logan	0	0.0%	Webster	0	0.0%
Marion	1	4.8%	Wetzel	0	0.0%
Marshall	0	0.0%	Wirt	0	0.0%
Mason	0	0.0%	Wood	1	4.8%
Mercer	0	0.0%	Wyoming	0	0.0%
Mineral	0	0.0%	No answer	3	14.3%

1. What product(s) do you make for and/or sell at Tamarack. Please select all that apply.

	Response	Percentage
Bluegrass	3	14.3%
Folk	7	33.3%
Jazz	4	19.0%
Blues	4	19.0%
Country	3	14.3%
Gospel	2	9.5%
R & B	2	9.5%
Classical/Orchestral	3	14.3%
Other	8	38.1%
Choral	2	9.5%
Rock	1	4.8%
World	1	4.8%
Traditional	3	14.3%
Theater	1	4.8%
Dance	2	9.5%
Street Performance	0	0.0%
Performance Art	1	4.8%

2. How long have you been a juried artisan/artist with Tamarack?

	Response	Percentage
Less than one year	3	14.3%
1 year to less than 2 years	4	19.0%
2 years to less than 5 years	1	4.8%
More than 5 years	12	57.1%
Not juried	0	0.0%
No answer	1	4.8%

3. How do you operate your business?

	Response	Percentage
I work alone in my studio	6	28.6%
I am an owner/partner	8	38.1%

I am an owner/partner with employees	1	4.8%
I work with family member(s)	4	19.0%
No answer	2	9.5%

4. My studio (or production location) is located in (check all that apply)

	Response
My residence	16
Family or friend's residence	1
Owned space, off residential property	0
Leased or rented space	2
On-site at Tamarack	1
Other	0

5. If you have any employees, please fill in the following table:

	Full	**Part**	**Seasonal**
Number of employees			
Min	0	4	1
Max	0	11	10
Median	0	4	6
Paid Compensation			
Min	0	0	0
Max	0	0	$250
Median	0	0	$250
Cash Benefits			
	0	0	0
Non-cash benefits			
	0	0	1

6. What were your approximate 2006 and 2007 product sales or arts-related income?

Type of Sale	2006 Sales	2007 Sales
Wholesale		
Min	$ 80	$ 100

Max	$ 5,520	$ 9,075
Median	$ 800	$ 600
Total	$ 13,100	$ 16,795
Other wholesale		
Min	$ 100	$ 60
Max	$ 400	$ 200
Median	$ 250	$ 200
Total	$ 500	$ 460
Consignment		
Min	$ -	$ 225
Max	$ 1,200	$ 1,600
Median	$ 500	$ 500
Total	$ 5,600	$ 6,475
Special orders		
Min	$ 800	$ 40
Max	$ 8,500	$ 14,000
Median	$ 4,638	$ 3,950
Total	$ 33,526	$ 41,626
Export sales		
Min	$ 50	$ 1,500
Max	$ 1,200	$ 1,500
Median	$ 625	$ 1,500
Total	$ 1,250	$ 1,500
Other		
Min	$ 1,250	$ 350
Max	$ 14,000	$ 30,000
Median	$ 5,000	$ 7,100
Total	$ 20,250	$ 59,950
Overall total	$ 74,226	$ 126,806

7. On average, how many inquiries do you receive per month as the result of your exposure through Tamarack?

Number of inquiries	Response	Percentage
0	6	28.6%
0.5	2	9.5%
1	5	23.8%
3	1	4.8%
4	2	9.5%
10	1	4.8%
11	1	4.8%
No answer	3	14.3%

Estimated annual sales as a result of this exposure.

Wholesale	Sales
Minimum	$0
Maximum	$0
Median	$0
Total	$0

Retail	Sales
Minimum	$ 0
Maximum	$ 3,000
Median	$ 200
Total	$ 5,900

8. Has Tamarack and/or the Tamarack Foundation helped to improve your economic situation?

	Response	Percentage
Yes	13	61.9%
No	3	14.3%
No answer	5	23.8%

9. Has your association with Tamarack and/or the Tamarack Foundation had any positive effect on your business other than direct income?

	Response	Percentage
Yes	14	66.7%
No	2	9.5%
No answer	5	23.8%

10. Estimate your annual business related spending within WV.

Minimum	$ 90
Maximum	$ 5,000
Median	$ 1,000
Total	$ 12,090

11. Did selling through Tamarack prompt you to obtain a business license or did you already have one?

	Response	Percentage
Had to obtain	0	0.0%
Already had one	12	57.1%
Prefer not to answer	6	28.6%
No answer	3	14.3%

12. Do you have the capacity or desire to increase your production and sales of goods?

	Response	Percentage
More than 100%	2	9.5%
75-99%	0	0.0%
50-74%	5	23.8%
25-49%	3	14.3%
1-24%	3	14.3%
0%	1	4.8%
No answer	7	33.3%

13. Are you contemplating retirement, or do you otherwise plan to close your business in the future?

	Response	Percentage
Less than 1 year	1	4.8%
1-2 years	0	0.0%
3-5 years	1	4.8%
No plans to stop producing	18	85.7%
No answer	1	4.8%

14. Approximately how many hours/week do you actually spend making the product?

	Response
Minimum	0
Maximum	30
Median	6
No answer	0

15. On average, how many hours a week do you devote to your business, excluding production, but including marketing, bookkeeping, selling, etc.?

	Response
Minimum	0
Maximum	30
Median	4
No answer	0

16. Is there any way that Tamarack or the Tamarack Foundation can be helpful to you? Please rank from 1 to 10 in order or importance with 1 being the most and 10 being the least.

	1	2	3	4	5	6	7	8	9	10	X
Advanced training	0	2	1	0	0	1	0	1	0	4	1
	0.0%	20.0%	10.0%	0.0%	0.0%	10.0%	0.0%	10.0%	0.0%	40.0%	10.0%
Access to credit	0	0	1	1	0	0	0	0	0	4	0
	0.0%	0.0%	16.7%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	66.7%	0.0%

Access to new markets	6	4	1	2	0	0	0	0	0	1	0
	42.9%	28.6%	7.1%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	0.0%
Assistance with equipment	0	0	0	0	2	0	0	1	1	2	0
	0.0%	0.0%	0.0%	0.0%	33.3%	0.0%	0.0%	16.7%	16.7%	33.3%	0.0%
Business training	0	0	0	1	1	1	0	0	0	1	0
	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%	0.0%	0.0%	0.0%	25.0%	0.0%
Apprentices/ employees	0	0	0	0	0	0	1	0	1	3	0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	20.0%	60.0%	0.0%
Logistics/ distribution	0	2	0	1	0	1	0	0	0	2	1
	0.0%	28.6%	0.0%	14.3%	0.0%	14.3%	0.0%	0.0%	0.0%	28.6%	14.3%
Marketing	7	3	2	0	0	0	0	1	0	0	1
	50.0%	21.4%	14.3%	0.0%	0.0%	0.0%	0.0%	7.1%	0.0%	0.0%	7.1%
Product development	0	0	0	1	0	1	1	0	0	3	0
	0.0%	0.0%	0.0%	16.7%	0.0%	16.7%	16.7%	0.0%	0.0%	50.0%	0.0%
Product pricing	0	0	1	0	0	0	0	1	0	3	0
	0.0%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	60.0%	0.0%
Other	0	1	1	0	1	0	0	0	0	0	0
	0.0%	33.3%	33.3%	0.0%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

17. If you answered “Yes” to business training, what would you like?

	1	2	3	4	5	6	7	8	9	10	X
Bookeeping	0	0	1	0	0	0	0	0	0	0	0
	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Business management	0	0	0	2	0	0	0	0	0	0	0
	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Business planning	0	0	1	0	1	0	0	0	0	0	1
	0.0%	0.0%	33.3%	0.0%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%
Computer	0	2	1	0	0	0	0	0	0	0	0

skills	0.0%	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee	0	0	0	0	0	0	0	1	0	0	0
relations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Grant	1	0	0	0	0	1	0	0	0	0	3
writing	20.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	60.0%
Marketing	2	0	0	0	0	0	1	0	0	0	1
research	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	25.0%
Time	0	0	0	0	0	1	0	0	0	0	0
management	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Website	0	1	0	0	1	0	0	0	1	0	0
design	0.0%	33.3%	0.0%	0.0%	33.3%	0.0%	0.0%	0.0%	33.3%	0.0%	0.0%
Taxes	0	0	0	0	0	0	1	0	0	1	0
Law	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	50.0%	0.0%
Other	0	0	0	0	0	0	0	0	0	0	0

18. Do you currently have coverage for the following?

	Response	Percentage
Health insurance	11	52.4%
Product liability insurance	3	14.3%
Property and casualty insurance	8	38.1%

19. Have you received assistance from the Tamarack Artisan Relief Fund (TARP)?

	Response	Percentage
Yes	0	0.0%
No	12	57.1%
Unaware of TARP	7	33.3%
No answer	2	9.5%

20. Have you used any services at the Tamarack Foundation Artisan Resource Center?

	Response	Percentage
Yes	2	9.5%
No	9	42.9%
Unaware of Resource Center	7	33.3%
No answer	3	14.3%

21. How do you read the Tamarack Foundation artisan newsletter?

	Response	Percentage
I most often read the copy mailed to me	8	38.1%
I most often read the newsletter online	3	14.3%
I usually don't read the newsletter	6	28.6%
No answer	4	19.0%

22. There are many influences upon business in today's world. Rank them.

	1	2	3	4	5	6	7	8	9	10	X
Economy	7	4	2	0	1	0	0	0	0	1	0
	46.7%	26.7%	13.3%	0.0%	6.7%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%
Gas prices	5	6	1	0	2	1	0	1	0	0	0
	31.3%	37.5%	6.3%	0.0%	12.5%	6.3%	0.0%	6.3%	0.0%	0.0%	0.0%
Global	0	1	0	0	1	0	2	0	0	1	0
	0.0%	20.0%	0.0%	0.0%	20.0%	0.0%	40.0%	0.0%	0.0%	20.0%	0.0%
Health Ins.	1	1	0	2	1	1	0	1	0	1	0
	12.5%	12.5%	0.0%	25.0%	12.5%	12.5%	0.0%	12.5%	0.0%	12.5%	0.0%
Inflation	0	0	3	0	3	1	0	1	0	1	0
	0.0%	0.0%	33.3%	0.0%	33.3%	11.1%	0.0%	11.1%	0.0%	11.1%	0.0%
Personal health	0	0	1	1	2	0	0	0	1	1	0
	0.0%	0.0%	16.7%	16.7%	33.3%	0.0%	0.0%	0.0%	16.7%	16.7%	0.0%
Taxes	0	1	1	1	2	0	1	0	2	1	0

	0.0%	11.1%	11.1%	11.1%	22.2%	0.0%	11.1%	0.0%	22.2%	11.1%	0.0%
Lawsuits	0	1	0	0	0	0	0	1	0	4	0
	0.0%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	16.7%	0.0%	66.7%	0.0%
Good employees	0	0	0	1	0	1	1	1	0	2	0
	0.0%	0.0%	0.0%	16.7%	0.0%	16.7%	16.7%	16.7%	0.0%	33.3%	0.0%
Utilities	1	0	0	1	1	1	0	1	1	1	0
	14.3%	0.0%	0.0%	14.3%	14.3%	14.3%	0.0%	14.3%	14.3%	14.3%	0.0%
Other	0	0	1	1	2	0	0	0	0	0	0
	0.0%	0.0%	25.0%	25.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

24. The following questions pertain to individuals and partnerships:

Which age group best describes you?

Participant	Response	Percentage
Below 25	0	0.0%
25 to 35	1	4.8%
36 to 45	4	19.0%
46 to 55	4	19.0%
56 to 65	7	33.3%
66 to 75	1	4.8%
76 to 85	3	14.3%
85+	0	0.0%
Prefer not to say	0	0.0%
No answer	1	4.8%

Partner	Response	Percentage
Below 25	0	0.0%
25 to 35	2	9.5%
36 to 45	0	0.0%
46 to 55	4	19.0%
56 to 65	2	9.5%
66 to 75	0	0.0%
76 to 85	0	0.0%

85+	0	0.0%
Prefer not to say	0	0.0%
No answer	13	61.9%

What is your gender?

Participant	Response	Percentage
Male	12	57.1%
Female	8	38.1%
Prefer not to say	0	0.0%
No answer	1	4.8%

Partner	Response	Percentage
Male	4	19.0%
Female	3	14.3%
Prefer not to say	0	0.0%
No answer	14	66.7%

What race category best describes you?

Participant	Response	Percentage
African American	1	4.8%
Asian	0	0.0%
Caucasian	18	85.7%
Hispanic	0	0.0%
Native American	1	4.8%
Other	0	0.0%
Prefer not to say	0	0.0%
No answer	1	4.8%

Partner	Response	Percentage
African American	0	0.0%
Asian	0	0.0%
Caucasian	7	33.3%
Hispanic	2	0.5%

Native American	0	0.0%
Other	0	0.0%
No answer	14	66.7%

Total household income

Participant	Response	Percentage
Less than $20k	2	9.5%
$20k-$25k	3	14.3%
$25k-30k	1	4.8%
$30k-$35k	2	9.5%
$35k-$50k	2	9.5%
$50k-$75k	5	23.8%
$75k-$100k	0	0.0%
$100k-$150k	2	9.5%
$150k+	0	0.0%
Prefer not to say	2	9.5%
No answer	2	9.5%

How much of that is attributable to artistic products that you produce?

Participant	Response	Percentage
Less than $20k	11	52.4%
$20k-$25k	3	14.3%
$25k-30k	2	9.5%
$30k-$35k	0	0.0%
$35k-$50k	0	0.0%
$50k-$75k	0	0.0%
$75k-$100k	0	0.0%
$100k-$150k	0	0.0%
$150k+	0	0.0%
Prefer not to say	3	14.3%
No answer	2	9.5%

Partner	Response	Percentage
Less than $20k	2	9.5%

$20k-$25k	0	0.0%
$25k-30k	0	0.0%
$30k-$35k	0	0.0%
$35k-$50k	0	0.05
$50k-$75k	0	0.0%
$75k-$100k	0	0.0%
$100k-$150k	0	0.0%
$150k+	0	0.0%
Prefer not to say	1	4.8%
No answer	18	85.7%

Educational attainment

Participant	Response	Percentage
Less than high school	0	0.0%
High school diploma/GED	0	0.0%
Some college	3	14.3%
College graduate	8	38.1%
Post graduate degree	7	33.3%
Advanced artistic degree	2	9.5%
Prefer not to answer	0	0.0%
No answer	1	4.8%
Partner	Response	Percentage
Less than high school	0	0.0%
High school diploma/GED	1	4.8%
Some college	0	0.0%
College graduate	2	9.5%
Post graduate degree	4	19.0%
Advanced artistic degree	1	4.8%
Prefer not to answer	0	0.0%
No answer	13	61.9%

Appendix E: Visitor Survey

Tamarack Visitor Questionnaire

By answering the questions in this brief survey you can help us create an experience you will want to repeat again and again!

All personal information will remain anonymous and confidential.

Date of Interview: ____________ Event (if applicable): _________________________

1. **Is this your first visit to Tamarack?** □ **Yes** □ **No**

   If "No", how many other visits have you made? ____________________________

2. **How did you first hear about Tamarack?**
   □ **Television** □ **Magazine** □ **Newspaper** □ **Tamarack Website**
   □ **Road Signage** □ **Word of Mouth** □ **Mountain Stage** □ **WV Tourism Website**
   □ **Radio** □ **Other (Specify)**____

3. **What was the primary purpose of your visit to Tamarack?**
   □ **Stop for meal/refreshments** □ **Travel break/restroom**
   □ **Purchase craft/souvenirs/gifts** □ **View art/look around**
   □ **Other (Specify)** ____

4. **How many people are in your group?** ____
5. **What are the approximate numbers of age ranges of the members of your group?**

Age	Male	Female
0-15		
16-24		
25-34		
35-54		
55-64		
65 +		

6. **Where are you (or is your group) from?**
   City:_______________________________ **State:** ____________ **Zip Code:** ___________
7. **Approximately how many miles did you travel to visit Tamarack?**
   □ **Less than 25** □ **101-200** □ **301-400** □ **501-999**
   □ **25-100** □ **201-300** □ **401-500** □ **1000 +**

8. If traveling, did you stay overnight in the area during your visit to Tamarack?

- □ **Hotel/motel** □ **With friends or family** □ **Camping**
- □ **Bed & Breakfast** □ **Rental property/condo** □ **Own home/not traveling**
- □ **Other** ____

9. If traveling, what is/was your final destination?______________________________

10. If traveling, how many days do you plan (or did you) stay in West Virginia? _______

11. Was this part of a larger trip or vacation? □ **Yes** □ **No**

If yes, was your visit to Tamarack planned in advance? □ **Yes** □ **No**

12. Approximately how much did you spend (or do you plan to spend) on the following categories while on this trip?

Category	Total Expenditures	WV Expenditures
Accommodations		
Prepared Food (restaurants, etc.)		
Groceries		
Fuel for automobile		
Gifts for family, friends, etc.		
Souvenirs for self/group		
Other (please specify) ______________________		

13. Did you make a purchase at Tamarack today? □ **Yes** □ **No**

If yes, approximately how much did you spend? Meal _______ **Retail** _______

14. If you did not make a purchase, why not? (Check all that apply.)

- □ **Didn't find what I was looking for today.**
- □ **Prices of crafts/products too high.**
- □ **Did not like the quality of crafts/products.**
- □ **Could not find anyone to assist me with crafts/products.**
- □ **Quality of food.**
- □ **Variety of food options did not appeal to me.**
- □ **Prices of food options too high.**
- □ **Just came to look.**

□ **Other** ____

15. Please rate your satisfaction with the following items at Tamarack:

Item	Poor	Fair	Average	Good	Excellent	Don't know
Overall appearance						
Cleanliness						
Staff friendliness						
Service in food court						
Service in retail						
Overall Experience						

16. How likely are you to return to Tamarack?

□ **Will definitely return** □ **Probably will return** □ **May or may not return**

□ **Probably will not return** □ **Definitely will not return**

17. How many visits will you (or do you plan to) make to Tamarack this year?

□ **1** □ **3** □ **5** □ **8-9**

□ **2** □ **4** □ **6-7** □ **10-12**

□ **More than 12 (specify)** _______________

18. What changes or improvements do you feel would add to the overall quality and experience of Tamarack?

____

____

____

Thank you for your cooperation. We really appreciate your help!

Appendix F: Visitor Survey Results

1. Is this your first visit to Tamarack?

Visits	Response	Percentage
1	32	11.7%
2	31	11.3%
3	17	6.2%
4	21	7.7%
5	19	6.9%
6	13	4.7%
7	6	2.2%
8	6	2.2%
9	1	0.4%
10	22	8.0%
11	1	0.4%
20	11	4.0%
22	1	0.4%
24	2	0.7%
25	1	0.4%
28	1	0.4%
40	1	0.4%
50	6	2.2%
100	2	0.7%

If "No", how many other visits have you made?

	Response	Percentage
Daily	1	0.4%
Dozens	3	1.1%
Few	2	0.7%
Hundreds	1	0.4%
Many	25	9.1%
Monthly	25	9.1%

Several	6	2.2%
Thousands	1	0.4%
Weekly	2	0.7%
Yearly	1	0.4%
No answer	25	9.1%

2. How did you first hear about Tamarack?

	Response	Percentage
Television	24	5.6%
Road signage	176	40.7%
Radio	2	0.5%
Magazine	11	2.5%
Word of mouth	178	41.2%
Newspaper	22	5.1%
Mountain Stage	4	0.9%
Tamarack website	2	0.5%
WV Tourism website	6	1.4%
Other	54	12.5%

Of those responding “other”, the following responses were recorded.

	Response
Bus tour	6
Drove by	24
Flyers/brochure	2
Glade Springs	2
Grand opening	2
Local resident	15
Stopped in	2
Toll way	1

3. What was the primary purpose of your visit to Tamarack?

	Response	Percentage
Stop for meal/refreshments	155	35.9%
Purchase craft/souvenirs/gifts	144	33.3%
Travel break/restroom	111	25.7%
View art/look around	148	34.3%
Other	25	5.8%

Of those responding “other”, the following responses were recorded.

	Response
Gas	2
Meet with people	8
Vacation	1
Work related	1
No answer	13

4. Hour many people are in your group?

	Response	Percentage
1	47	10.9%
2	189	43.8%
3	63	14.6%
4	79	18.3%
5	22	5.1%
6	14	3.2%
7	1	0.2%
8	2	0.5%
9	1	0.2%
12	1	0.2%
16	1	0.2%
26	4	0.9%
30	4	0.9%

32	2	0.5%
No answer	2	0.5%

5. What are the approximate numbers of age ranges of the members of your group?

(Quantity of responses too large for appendix)

6. Where are you (or your group) from?

(Quantity of responses too large for appendix)

7. Approximately how many miles did you travel to visit Tamarack?

	Response	Percentage
Less than 25	33	7.6%
25-100	55	12.7%
101-200	80	18.5%
201-300	96	22.2%
301-400	48	11.1%
401-500	32	7.4%
501-999	51	11.8%
1000+	21	4.9%
No answer	16	3.7%

8. If traveling, did you stay overnight in the area during your visit to Tamarack?

	Response
Hotel/Motel	123
Bed and Breakfast	0
With friends/family	44
Rental property/condo	5
Camping	16
Own home/not traveling	19
Other	20

Of those responding “other”, the following responses were recorded.

	Response
Alpine Lake	1
Glade Springs Resort	5
Grandview State Park	1
Motorcoach	1
Pipestem	2
Semi-truck	2
State park	1
No answer	7

9. If traveling, what is/was your final destination?

(Quantity of responses too large for appendix)

10. If traveling, how many days do you plan (or did you) stay in WV?

Days	Response
0	61
1	90
2	53
3	19
4	24
5	14
6	4
7	10
8	5
10	1
13	1
14	2
16	1
45	1

11. Was this part of a larger trip or vacation?

	Response	Percentage
Yes	262	60.6%
No	136	31.5%
No answer	34	7.9%

If yes, was your visit to Tamarack planned in advance?

	Response	Percentage
Yes	120	45.8%
No	123	46.9%
No answer	19	7.3%

12. Approximately how much did you spend (or do you plan to spend) on the following?

Category	Total Spending	WV Spending
Accommodations	$ 45,356	$ 14,105
Prepared food	$ 21,330	$ 7,841
Groceries	$ 4,005	$ 1,185
Fuel for automobile	$ 40,068	$ 7,585
Gifts	$ 7,186	$ 4,931
Souvenirs	$ 4,145	$ 1,871
Other	$ 26,779	$ 950

13. Did you make a purchase at Tamarack today?

	Response	Percentage
Yes	281	65.0%
No	121	28.0%
No answer	30	6.9%

If yes, approximately how much did you spend?

(Quantity of responses too large for appendix)

14. If you did not make a purchase, why not? (Check all that apply)

	Response
Didn’t find what I was looking for today	18
Prices of crafts/products too high	37
Did not like the quality of crafts/products	0
Could not find anyone to assist me with crafts/products	0
Quality of food	2
Variety of food option was not appealing	1
Prices of food options too high	2
Just came to look	81
Other	36

Of those responding “other”, the following responses were recorded.

	Response
Bathroom break	6
Came only to eat	5
Job fair	1
Just arrived	4
No answer	4
Need to save money	1
New exhibit in gallery	1
No room	3
Not finished here	1
Not really looking for anything	2
Sometimes purchase	1
Time	3
Too crowded	4

15. Please rate your satisfaction with the following items at Tamarack:

	Poor	Fair	Average	Good	Excellent	Don't Know	NA
Overall appearance	0	0	3	57	347	0	25
	0.0%	0.0%	0.7%	13.2%	80.3%	0.0%	5.8%
Cleanliness	1	2	3	54	347	0	25
	0.2%	0.5%	0.7%	12.5%	80.3%	0.0%	5.8%
Staff friendliness	0	2	7	69	319	6	29
	0.0%	0.5%	1.6%	16.0%	73.8%	1.4%	6.7%
Service in food court	1	2	10	55	207	87	70
	0.2%	0.5%	2.3%	12.7%	47.9%	20.1%	16.2%
Service in retail	0	2	1	58	234	66	71
	0.0%	0.5%	0.2%	13.4%	54.2%	15.3%	16.4%
Overall experience	0	1	4	60	323	4	40
	0.0%	0.2%	0.9%	13.9%	74.8%	0.9%	9.3%

16. How likely are you to return to Tamarack?

	Response	Percentage
Will definitely return	270	62.5%
Probably will return	92	21.3%
May or may not return	42	9.7%
Probably will not return	6	1.4%
Definitely will not return	2	0.5%
No answer	20	4.6%

17. How many visits will you make to Tamarack this year?

Visits	Response	Percentage
0	4	0.9%
1	183	42.4%
2	91	21.1%
3	32	7.4%
4	14	3.2%
5	8	1.9%
7	15	3.5%
9	5	1.2%
11	10	2.3%
12	8	1.9%
15	2	0.5%
20	1	0.2%
Don’t know	4	0.9%
No answer	55	12.7%

18. What changes or improvements do you feel would add to the overall quality and experience of Tamarack?

(Quantity of responses too large for appendix)

Appendix G: Arts and Economic Development

Introduction

In the process of transition from industrial economy to service economy which is called 'the new economy', social trends are also changing in parallel which shape the daily life preferences of societies. The technological development is the key element in the development of 'the new economy'. The installation of high-tech facilities to the economic system relatively reduces the human effort for doing the job compared to the 20th century. This surplus of time gives more leisure time to individuals that can be spent on art and arts related activities.[77] Total recreation expenditures increased from $290.2 billion in 1990 to $756.3 billion in 2005.[78]

This trend gives more importance to the arts and cultural sector. The expansion of this sector means new economic opportunities for companies, local governments, communities, and individuals of higher tax revenues, employment, compensation, production and consumption. By 1997, the creative or cultural industries had become recognized as a distinct sector by supranational organizations such as the European Commission and the World Bank as a major force in the vibrant global economy.[79] The arts have earned much more attention from both developing and developed nations as an important policy factor for sustainable development.

The "Arts Sector"

After the second half of the twentieth century, particularly in the US, the studies of the relationship of arts and economics found a common ground of research under the concept of "regional or urban development". Besides academic research, the concern was mainly to counsel the regional or local governments in the struggle of gaining a greater share from the national or international capital. Another concern was advocacy for arts which competes with other legislative agendas.[80]

Today, this trend seems to be continuing. If the incentive is advocacy rather than objective economic analysis, poorly-executed studies are likely to arise.[81] For that reason, there are

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[77] Florida. (2002)
[78] U.S. Census Bureau. "Personal Consumption Expenditures for Recreation: 1990 to 2005" The 2008 Statistical Abstract retrieved from http://www.census.gov/compendia/statab/tables/08s1206.pdf
[79] Reeves, M. (2002). *Measuring the economic and social impacts of the arts: A Review.* London: Arts Council of England.
[80] Siegfried, J.J., Sanderson, A.R., and McHenry, P. (2007). "The Economic Impact of Colleges and Universities." *Economics of Education Review 26: 546-558.*
[81] Throsby, D. (2004). "Assessing The Impacts of The Cultural Industry." presented at Lasting Effects: Assessing

controversies about the research methods, common definitions, and economic perspectives in the preparation of economic impact studies. Reeves argues that it is not possible to build a common understanding of contribution of the arts to economic development if there is a lack of standard definitions and agreed concepts. In her analysis, she cites definitions of 'arts sector' and ‘creative industry' respectively:

> 'independent provision alongside grant-aided activities and it covers the museums and galleries, theatres and concerts, creative artists, community arts, the crafts, the screen industries, broadcasting, the art trade, publishing and the music industries.’[82]
>
> ‘the activities concerned involve some form of creativity in their production that they are concerned with the generation and communication of symbolic meaning, and that their output embodies, at least potentially, some form of intellectual property.’[83]

It is hard to develop a common and standard definition for the literature as many researchers prefer to develop their own definitions and concepts according to their field of research. Although it is not a necessity for the studies to always embrace common definitions, it might be essential to have the merits, validity and reliability of the definitions clarified to overcome the possible misuses of inquiries into the impact of arts related activity. In recent years the standard term has been 'creative economy' which includes many other occupations besides artisanship such as architecture, engineering, technology, medicine and software development. Richard Florida in *The Rise of the Creative Class*, explains creativity as 'the creation of useful new forms out of knowledge'. Arts related activities are one of the components of that creativity in which knowledge and information together produce 'innovation'. Innovation has become the driving force of economic growth. Therefore, it can be assumed that both developing and developed regions and cities in the US and in other parts of the world might seek to make public investments to create an 'innovation habitat' as a force for economic development as well as preserving the area’s cultural heritage.

In recent years, the essential components of a flourishing region's innovation environment have been innovative commercial businesses, non-profit institutions and independent artists[84]. For instance, Austin, TX has achieved a continuous high-tech industry growth by

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the Future of Economic Impact Analysis of the Arts Conference, Chicago.

[82] Myerscough, J, (1988) *The Economic Importance of the Arts in Britain*, Policy Studies Institute. London.

[83] Throsby. (2001)

[84] National Governors’ Association Center for Best Practices. (2001). “*The Role of the Arts in Economic Development.*” Issue Brief. Economic and Technology Policy Studies. Washington D.C: National Governors’ Association.

preserving its dynamic cultural assets as a key competitive factor[85]. Moreover, Markusen and Schrock observe Los Angeles; CA, New York; NY-NJ and San Francisco; CA as the 'big three' centers of arts in the US due to a growth in arts funding, the growth in arts related tourist activity, and conscious public leadership pursuing a creation of cultural capital.[86]

The cosmopolitan structure and size of those cities' is essential to the development of their arts. However, in rural areas or in relatively smaller cities, it might be harder to achieve that economic vibrancy as in the larger metros due to the less heterogeneous demographic and economic conditions. In an issue brief of National Governors' Association on arts and rural economies, it is stated that rural areas have economic challenges such as geographic isolation from metropolitan areas and markets, lack of access to global markets, and infrastructure deficiencies.[87] In terms of human capital, there is also brain drain in which skilled people tend to reside in cities because of larger job opportunities. In order to reduce these challenges, many states have adopted comprehensive arts-based economic development plans.[88] The goal is to diversify rural economies, develop tourism and attract more visitors and investment, keep and attract human capital, and overall improve quality of life. Another important point is that businesses prefer locations according to their availability of amenities rather than tax incentives and production capabilities. Developing arts and arts-related economy is considered to be a key factor for such sustainable growth plans.

For instance, rural North Carolina has lost its manufacturing base with the rise of new economy. The decline in the rural counties' industrial bases has triggered arts and cultural tourism as a major economic force of development.[89] In order to expand the economy, arts and arts-related businesses have settled at the top of the economic agenda of many local governments. Local cooperation including independent artists, arts organizations, local businesses, community colleges, and local governments produces the economic development strategies together.[90]

While valuable as an aid for public policy makers, economic impact studies have limitations.

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[85] National Governors' Association Center for Best Practices. (2001)
[86] Markusen, A. and Schrock, G. (2006). "The Artistic Dividend: Urban Artistic Specialization and Economic Development Implications." *Urban Studies 43:1661-1686.*
[87] National Governors' Association Center for Best Practices. (2005)
[88] National Governors' Association Center for Best Practices. (2005)
[89] Regional Technology Strategies, Inc. (2003) *"Clusters of Creativity: Innovation and Growth in Montana."*Carrboro, NC: Regional Technology Strategies, Inc.
[90] Regional Technology Strategies, Inc. (2003)

As is the case with all economic models they are not sensitive to future economic events or changes in governmental policies. Economic impact studies such as the one in this report may over or under estimate the true results. What follows is a discussion of those limitations.

In the literature of regional development studies, economic impact analyses are widely used. In order to have clear understanding, it is essential to define what "economic impact" means. Reeves cites Radisch's definition:[91]

> "the economic impact of a given phenomenon can be defined as 'the effect of that phenomenon on such economic factors as the economic behavior of consumers, businesses, the market, industry (micro); the economy as a whole, national wealth or income, employment, and capital (macro)."

The economic impacts of arts are generally considered in two categories which are direct and indirect impacts. In general direct impact can be considered as micro effect and the indirect impact can be categorized as macro effect. For instance, at an arts related activity in a local region, the initial spending of participants or audiences such as for lodging, eating, and purchase of goods from local stores are the direct contributions to the local businesses. The initial spending is also called direct expenditure or final demand.

After the direct expenditure, a dollar initially spent begins to circulate among various local businesses which increase the extent of economic transaction within that community. The re-spent dollar circulates either as a wage to workers or as an expense for new supplies. At this point, it is important to pay attention to the direction of the money flow while purchasing supplies. In other words, the initial dollar spent might flow out of the region if the purchased supplies are imported goods. Hence, the continuity of keeping the dollar within the community is important for maximizing the contribution. The direct expenditure goes to workers as their wages and the paid wages mean consumption in the local economy. The consumption with paid wages after the initial dollar is called 'induced effect'.[92] In general, the process of circulation of the initial spending within the region creates jobs and income while reducing the vulnerability to possible recessions.

In terms of methodology, regional input/output analysis is generally accepted for estimating

[91] Reeves (2002)
[92] Vilain, P.B. (2002). "Art As Economic Stimulus" *Economic Development Journal* 35-41.

the effects after the direct, indirect and induced expenditures.[93] Regional input-output simulation software such as IMPLAN assesses the multiplier effects of direct expenditure which simulates indirect and induced expenditures due to the direct expenditure in an observed industry.[94]

In an 'economic base' approach, export patterns emphasized as the preferred method to estimate the economic impact of arts as well as any other type of economic activity. After the 1980s, economic development theory highlighted the export-oriented economic activity for the developing countries and underdeveloped regions.[95] The older theory which stressed import -substitution was dropped in order to pursue export-oriented economic policies. Today, export is considered to be a backbone of a strong economy because cash inflow from outside the region stimulates economic growth inside the region.

The same approach is applicable for Tamarack. Sales of Tamarack products to individuals from states other than West Virginia, or internationally, will enlarge the economic base of West Virginia. The increase in economic activity will induce further production and consumption within the community which creates new employment for local residents. New employment means salaries and wages turning into consumption and production again. Thus, the process might create sustainable growth. Artisans from every county are benefiting from Tamarack related activity.

The economic benefits of tourism are similar to the benefits of export activity. Local governments are keen to implement policies to develop a cultural tourism industry. The Caperton Center attracted over 450,000 visitors and 450 bus tours during 2004 which has contributed to the growth of travel and tourism in West Virginia.[96] Investment in local arts organizations, artisan education, and arts-related attractions are parts of the long-term goal of boosting cultural tourism

In 2004, 81 percent of 146.4 million US adults who took a trip of 50 miles or more away from home were considered cultural and heritage tourists.[97] Such tourists spent more than other tourists. The spending of cultural and heritage tourists totaled $623 compared to $457

[93] McClung, G.W. (1995). "West Virginia Travel & Tourism: Economic Impacts 1994."
[94] Center for Business and Economic Research (2006). *The Economic Impact of Marshall University*. Huntington: Marshall University.
[95] Stiglitz, J. E. (2002). Globalization and Its Discontents. New York: Norton.
[96] Witt and Fletcher (2006)
[97] U.S. Department of Commerce and the President's Committee on the Arts and Humanities (2005). A Position Paper on Cultural and Heritage Tourism in the United States. 2005 U.S. Cultural and Heritage Tourism Summit.

expenditure of other tourists.[98] Out-of-state visitors tend to spend more than local residents on arts-related and cultural events.[99] It is important to improve arts related human capital to enhance cultural tourism. Particularly in West Virginia, the data shows that economic contributions of manufacturing and mining sectors relatively declined compared to growth in traditional travel and tourism sectors over the period 1980-2002.[100] Over the period 1998-2002, performing arts, museums and related activities have the second fastest growth rate after amusement, gambling, and recreation in the overall Gross State Product of West Virginia. The arts-related industry's growth rate was around 11 percent between 1998 and 2002.[101] In terms of employment by industry; arts, entertainment, and recreation has the highest employment trend of any other industry six percent average annual change between 2001 and 2003.[102] It shows that arts-related sector (i.e. performing arts, museums and related activities) along with travel and tourism sectors have an important role in the overall West Virginia economy.

Cultural tourism also encourages a brand-building development which can create an attractive image of a region. A cultural presence can offset negative perceptions which have been created by the media or through other means.[103] Tamarack related activities contribute to a positive image along with the beauty and recreational activities in the state.

Long-term Effects

Direct and indirect impacts of the arts sector on the community might be viewed as only short-term effects. In that short-term period, the region can achieve economic growth from art a cultural activities. However, the concept of 'economic development' is a different indicator of improvement in an economy. Economic growth and economic development are not same concepts.

Economic development relates economic growth to the improvements in the quality of life (income distribution, education levels, health etc.). In that sense, the long-term effects of development of arts and contributions of artists to the local community can result in overall economic development. One way of explaining the process might be increasing the "pull factors"

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[98] U.S. Department of Commerce and the President's Committee on the Arts and Humanities.
[99] Cohen, R., Schaffer, W. & Davidson, B. (2003). "Arts and Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audiences." *The Journal of Arts Management, Law, and Society* 33:17-31.
[100] Witt and Fletcher. (2006)
[101] Witt and Fletcher. (2006)
[102] Witt and Fletcher. (2006)
[103] National Governors' Association Center for Best Practices. (2005)

of a region. Higher standards of living attract immigration to the region. Florida observes that according to his Bohemian Index- a measure of the density of artists, writers, and performers in a region- there is a positive correlation between the choice of residency of creative people and the diversity, tolerance and openness to creativity of places.[104] In other words, those creative people prefer to go and live in places which foster creativity.

Companies also follow those creative people. Florida found that technologies, the companies, and even the venture capital dollars move and invest to places that have talented and creative people. For instance, according to his calculations, five of the top ten and twelve of the top twenty Bohemian Index regions are in the nation's top twenty high-tech regions.[105] The Bohemian Index is correlated with population and employment growth. Therefore, education of artisanship and funding artisanship development can first increase human capital leading to an expansion of creative capital in a region. In the long-run, this expansion of creative capital will attract additional human capital and even more creative capital. The quality of life will also improve in parallel to that process resulting in overall economic development.

Critiques

Although the economic impact studies have become necessary to persuade business and public officials to support the arts sector, the misuse of economic impact studies has also been widespread, especially when completed by non-economists. Heilbrun and Gray (2001) argue that the direct consumer spending would be substituted by spending on other products if the arts institutions did not exist. Residents in the region would spend their money on something else, if there were no arts-related goods to be purchased. To the extent that arts spending replaces spending which would have transpired anyway, the impact of the arts is misleading. The critique focuses on the prevalence of substitutability among the preferences of consumer expenditure

This argument is less true for arts than for other types of spending. To the extent that arts spending is by individuals and institutions outside the region there is no displacement of spending on other outlets but an increase in overall spending. Further, in the absence of having art products available in a region, residents of a region may leave the area or use the internet to acquire art products. When this occurs the local economy suffers.

Another concern is about income and employment assumptions. If government did not

[104] Florida.(2002)
[105] Florida.(2002)

subsidize arts institutions, it is possible that the subsidies could go to other local services with an equivalent impact on jobs and income.[106] The argument may have validity if the alternate expenditures have the same capacity to import dollars from outside the region. Also to be considered is the effect on private support which may be tied to the arts institution.

Markusen and Schrock stress that only focusing on expenditures by arts audiences and income generated as a result of those expenditures underestimate the contribution of arts.[107] The impact studies do not estimate the income earned and the human capital created through the artists who teach others the craft. Moreover, the lack of attention to the economic base structure (i.e. goods and services exported out of the region which generates local income) of arts production is an underestimation of the comprehensive contribution of artists to the local community. Local artists may export their products via internet or at arts fairs. It is important to highlight that local artists do not produce only or even primarily for local markets, but they are part of an export activity.

Siegfried, Sanderson, and McHenry point out that the economic value generated by an activity is generally measured with the increase in local wages and incomes which reflect an increase in economic welfare.[108] In that sense, interest in impact is a concern about local residents and their prosperity in which economic impact studies must identify the relevant population to be affected by the new economic activity. There should be definition of 'local area' and its specifically identified boundaries (e.g. county boundaries or state boundaries) which is being observed in order to estimate contribution for the relevant population. This helps to separate the impact on residents attracted to the area by the institution observed from the impact on residents who would have resided in the area anyway. Siegfried, Sanderson, and McHenry argue that economic impact studies hardly make such a separation. An increase in the labor supply due to entering employees to the local area after the establishment of a new or expanded enterprise might cause lower wages.[109] This might leave those local residents who would reside there in a worse economic condition absent the new economic establishment. For this argument to be valid it must be assumed that individuals move into an area where there are no expanding opportunities.

The data might be insufficient to allow a full estimate of the total economic contribution.

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[106] Heilbrun, J. and Gray, C. M. (2001). *The Economics of Art and Culture*. New York: Cambridge University Press.
[107] Markusen, A. and Schrock, G. (2006)
[108] Siegfried, Sanderson, and McHenry. (2007)
[109] Siegfried, Sanderson, and McHenry. (2007)

Such a study is considered to be more comprehensive than an economic impact study just assessing levels of output, employment, export earnings, etc.[110] In conclusion, a researcher who conducts an economic impact study of arts should be cautious not to overestimate the effect of local arts to the regional economy.

[110] Throsby. (2004)

Appendix H: Tourism Output

Tourism Output

Direct tourism output comprises all output consumed by visitors from traveler accommodations, food and passenger transportation to souvenirs. Indirect tourism-related output comprises all output used as inputs in the process of producing direct tourism output (e.g., toiletries for hotel guests, and the plastic used to produce souvenir key chains). Indirect tourism-related output is estimated using commodity-by-commodity output multipliers from the Current Industry Analysis Division at the Bureau of Economic Analysis. The sum of these two categories is equal to the total tourism-related output.[111]

The nation has seen continued growth in the areas of inflation adjusted tourism output in recent years. After noticeable declines in all areas post 9/11, the tourism industry has made considerable gains since 2003. Table 11 illustrates the growth in selected areas of consumer tourism related spending from 2002 to 2007 (the latest year of available data). Real spending on tourism[112] decreased at an annual rate of 3.7 percent in the first quarter of 2008 reflected mainly in a decrease in spending on accommodations and passenger air transportation. In the 4th quarter of 2007, real spending on tourism grew 2.3 percent. By comparison, real gross domestic product (GDP) grew at an annual rate of 0.9 percent[113] in the first quarter of 2008 and 0.6 percent in the 4th quarter of 2007.

Employment supported directly by tourist spending rose 2.8 percent during the 4th quarter of 2007 (the most recent period for which data are available) and 0.9 percent during the 3rd quarter 2007. By comparison, overall employment in the U.S. grew 0.8 percent during both quarters.

[111] Mattingly, S.R. and Griffith, E.S. (2008). "U.S. Travel and Tourism Satellite Accounts for 2004-2007." Bureau of Economic Analysis: U.S. Department of Commerce.
[112] Spending adjusted for price changes.
[113] Preliminary estimate by BEA.

Table 11: Real Tourism Output 2002-2007

(Millions of dollars)

Tourism Goods and Services Group	2002	2003	2004	2005	2006	2007
Traveler accommodations	90,897	93,952	97,377	99,167	102,887	104,144
Transportation	209,083	210,818	224,855	232,542	238,852	243,681
Passenger air transportation	87,020	89,900	99,431	102,076	104,735	107,424
All other transportation-related commodities	121,791	120,848	125,716	130,610	134,223	136,571
Food services and drinking places	83,015	86,680	91,462	95,560	98,572	100,237
Recreation, entertainment, and shopping	142,182	149,878	157,778	160,215	164,760	168,493
Recreation and entertainment	60,835	64,206	68,224	69,307	70,387	71,671
Shopping	81,290	85,616	94,132	96,707	101,497	104,760
All tourism goods and services	525,313	541,835	575,551	592,308	610,812	622,705

Real spending on recreation and entertainment declined 6.6 percent during the first quarter of 2008 after declining 3.6 percent in the 4th quarter of 2007. However, prices for all tourism goods and services continued to increase steadily, 4.8 percent in the first quarter of 2008, 4.8 percent in the 4th quarter of 2007, and 4.7 percent in the 3rd quarter of 2007. Retail shopping by travelers grew slightly in the first quarter 2008.

Although spending decreased slightly at the beginning of the year, Figure 2 represents the continual growth in real tourism output since 2002. The average annual growth during this period was 3.5 percent. Expanding to a ten year horizon (1997-2007) the average annual growth in tourism spending was 8.4 percent.

Figure 42: Real Tourism Output