



CHMURA
Economics & Analytics

The Economic and Fiscal Impact of the Artisan Industry in Virginia

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1. Executive Summary

This study estimates the economic impact of the artisan industry in Virginia, based on 2014 data. Virginia's artisan industry creates jobs, generates tax revenue for the state government, and attracts a large number of visitors to the state. This is the first statewide benchmark study of the artisan industry in Virginia. The key results of the study are summarized below.

In this study, the broad definition of Virginia's artisan industry includes the following two components:

- Revenue (sales) of artisan and associated businesses in Virginia
- Artisan visitor spending, which is a measure of spending by visitors patronizing artisan and associated businesses in Virginia (excluding visitor spending on artisan products and experiences to avoid double counting)

Based on data collected via the Virginia Tourism Corporation (VTC) survey, total direct sales of artisan and associated businesses were estimated to have been \$151.7 million in 2014.

- This represents total sales of 3,888 artisan and associated businesses contacted by VTC, of which 576 completed the survey.
- Of the total 576 survey respondents, 394 (68%) are artisan businesses. Part-time artisans include 62 respondents who make artisan products themselves, but also own other businesses such as a gift shop. Finally, non-artisan respondents include businesses such as restaurants and hotels.
- Most of the artisan and associated businesses operate on a small scale. In terms of employment, they have an average of 2.1 employees, including survey respondents.
- Data from the VTC survey suggest that most of the artisan businesses in Virginia, due to their small scale of operation, had modest annual sales. Average sales of artisan and associated businesses were estimated to have been \$41,525 in 2014.
- Virginia artisans sell their products in a wide range of venues. Over half (55.6%) of the sales in 2014 were made in an artisan's shop or business. This is followed by sales at fairs, festivals, and events, where 16.4% of total sales occurred in 2014. Other sales channels are other businesses not on artisan trails, E-commerce, and online sales.
- In terms of customers, average artisan and associated businesses had an estimated 1,563 customers in 2014. The total number of customers for artisan and associated businesses was estimated to have been 6.1 million in 2014.

The total economic impact (direct, indirect, and induced) of revenue of artisan and associated businesses was estimated to have been \$288.5 million in Virginia, supporting 9,058 state jobs in 2014.

- The direct sales of all artisan and associated businesses were estimated to have been \$151.7 million in 2014. This figure includes all sales for artisans businesses, and the portion of sales related

to artisan products for part-time and non-artisan businesses. To avoid double counting, Chmura removed the overlap between artisan sales and non-artisan sales in this estimate.

- The direct employment of artisan and associated businesses was estimated to have been 8,034 in 2014.¹
- The state of Virginia also benefited fiscally from artisan and associated businesses. The total state tax revenue was estimated to have been \$8.5 million in 2014, including sales, individual, and corporate income taxes.

It was estimated that artisan visitors spent \$254.2 million in Virginia in 2014. Among those, \$126.7 million is the estimated spending on artisan products and experiences, and the rest (\$127.5 million) is the estimated spending at other Virginia businesses.

- VTC's visitor survey indicated that 19% of survey respondents did not make out-of-town (traveling over 50 miles) artisan trips in 2014. The rest made out-of-town trips. Among them, 44% visited one of the artisan trails in 2014.
- Based on VTC's visitor survey, artisan visitors made an average 8.6 artisan purchases in 2014. Of these purchases, 55% were made locally, 28% were made during out-of-town visits, and 17% were made online or through mail/phone orders.
- VTC's visitor survey indicated each visitor made 1.7 artisan trips in Virginia in 2014. In addition, it was further estimated that each visitor made 4.1 purchases during each trip. The total number of unique artisan visitors was estimated to be 699,320 in 2014.
- VTC's visitor survey showed that an average artisan visitor in Virginia spent \$260 per trip, including spending on artisan products and experiences.
- It was estimated that artisan visitors spent \$254.2 million in Virginia in 2014, including spending on artisan products and experiences. Among those, visitor spending associated with artisan trails was estimated to have been \$59.0 million in 2014. Among those, \$21.1 million was the estimated spending on artisan products and experiences during their visits.

The total economic impact of artisan visitor spending (excluding artisan products and experiences) was estimated to have been \$238.8 million in Virginia, supporting 2,900 state jobs in 2014.

- Of this impact, direct artisan visitor spending in the state was estimated at \$127.5 million in 2014, supporting 1,943 jobs—mostly in the state's tourism businesses such as hotels, restaurants, and retail establishments.
- The indirect impact was estimated at \$60.1 million that supported 439 jobs in the state in 2014. The induced impact was estimated at \$51.1 million, supporting 518 jobs in the state.

¹ This number includes both full-time and part-time jobs.

- The state of Virginia also benefited fiscally from artisan visitor spending. The total state tax revenue was estimated to have been \$7.1 million in 2014, including sales, individual, and corporate income taxes.

When combining impacts of artisan and associated businesses with artisan visitor spending, the total economic impact of the artisan industry was estimated to have been \$527.2 million in Virginia, supporting 11,958 state jobs in 2014.

- Of this impact, direct impact in the state was estimated at \$279.3 million, supporting 9,977 jobs. In terms of ripple effects, the artisan industry was estimated to bring about \$248.0 million in indirect and induced spending that could support 1,981 state jobs.
- Virginia's artisan industry was estimated to have contributed \$15.6 million in tax revenue to the state government in 2014.
- Table 1.1 summarizes the economic impact of the artisan industry in Virginia.

Table 1.1: Economic Impact Summary of Virginia's Artisan Industry

		Direct Impact (\$Million)	Indirect + Induced Impact	Total Impact (\$Million)	State Tax Revenue (\$Million)
Artisan and Associated Businesses	Spending	\$151.7	\$136.7	\$288.5	\$8.5
	Employment	8,034	1,024	9,058	
Artisan Visitor Spending (excluding artisan products)	Spending	\$127.5	\$111.2	\$238.8	\$7.1
	Employment	1,943	957	2,900	
Total Artisan Industry	Spending	\$279.3	\$248.0	\$527.2	\$15.6
	Employment	9,977	1,981	11,958	

Source: Chmura Economics & Analytics

2. Background

The Artisans Center of Virginia and 'Round the Mountain: Southwest Virginia's Artisan Network promote the artisan economy and rich culture throughout the state. In 1997, the Artisans Center of Virginia (ACV) was incorporated and on June 11, 2000, it was designated to the public as the "official state artisan center." Service to the entire state and its artisan community has been at the forefront of planning and programming of the center.² At the regional level, 'Round the Mountain: Southwest Virginia Artisan Network has worked on cultivating and promoting sustainable economic development in the Southwest Virginia region by focusing on the region's rich culture, crafts and art. Those networks work with thousands of artisans around the state, but there are also other artisans who work independently and have not yet participated in these networks.

Small businesses are an important and dynamic part of the Virginia economy. Artisans in Virginia operate their own studios or galleries. They also sell their products at local festivals, farmers' markets, or in other retail shops. Virginia artisans also elevate the Virginia tourism experience with their craftsmanship, individuality and knowledge. In order to connect travelers and businesses with the artisans, some areas with a concentration of artisans have worked together to develop artisan trails. For example, ACV's Artisan Trail Network offers a unique opportunity to form strategic alliances with artisans, venues, galleries, and retailers across the state, while connecting points of interest, restaurants, and accommodations in related communities to enhance the regional tourism industry and experience.

To better understand this important segment of Virginia and the economic impact of the artisan industry in Virginia, Virginia Tourism Corporation, the Artisan Center of Virginia and 'Round the Mountain: Southwest's Virginia's Artisan Network contracted Chmura Economics & Analytics (Chmura) to conduct an economic impact analysis of the industry in the state. This is the first statewide benchmark study of the artisan industry in Virginia.

The rest of this report is organized as follows:

- Section 3 illustrates the study methodology, including both data collection and economic impact analysis methodologies
- Section 4 summarizes the economic impact of artisan and associated businesses in Virginia
- Section 5 estimates the economic impact of artisan visitor spending in Virginia
- Section 6 provides the aggregate impact of the artisan industry in Virginia
- The Appendices present the artisan business and artisan visitor survey reports

² http://www.artisanscenterofvirginia.org/about_us

3. Methodology

3.1. Economic Impact Methodology

This report measures the economic impact of the artisan industry in Virginia and defines the artisan products and artisan experiences as follows:

Artisan products are original products that have been created completely by manual skills or with traditional methods in a small quantity. Artisan products can be functional such as furniture, ceramics, and clothing, or they can be decorative such as paintings, photography and sculpture. Agri-artisan products are also included as artisan products. These are generally locally grown/produced food and beverages—usually handmade or with traditional methods in a small quantity. The owner customarily is involved in all stages of production. Examples are artisanal cheeses and wines from family farms and wineries.

Artisan experiences are activities such as educational classes or workshops, and demonstrations and/or experimental activities or events such as an exhibition or visiting a gallery. Farm experiences include tastings, recreational and/or educational farm-based activities, such as corn mazes, pick-your-own, animal care, and harvesting experiences.

The research objective is to understand the size and impact of all economic values associated with artisan products and experiences defined above, which is termed the artisan industry in Virginia. A narrow definition of the artisan industry would be to include only the revenue or sales of artisan products and experiences. However, that definition will miss the important role Virginia artisans play as an economic force in improving neighborhoods, towns, cities and regions. As a result, Chmura chose to use a broader definition of the artisan industry in Virginia, which includes the following two components:

- **Revenue of artisan and associated businesses in Virginia.** Artisan and associated businesses are those galleries, gift shops, or cafés that do not produce artisan products, but sell them as part of their business operations. The revenue of all artisans and associated businesses in Virginia is also equivalent to the sales of all artisan products and experiences in Virginia.
- **Artisan visitor spending in Virginia.** As Figure 3.1 shows, total visitor spending includes expenditures at artisan and associated businesses, as well as expenditures in other businesses providing visitor services. To avoid double counting, visitor spending in this study focuses on expenditures in other tourism businesses such as hotels and restaurants. It does not include visitor spending on artisan products and experiences, as they are part of the total revenue for artisan and associated businesses.

Figure 3.1: Two Components of Virginia's Artisan Industry

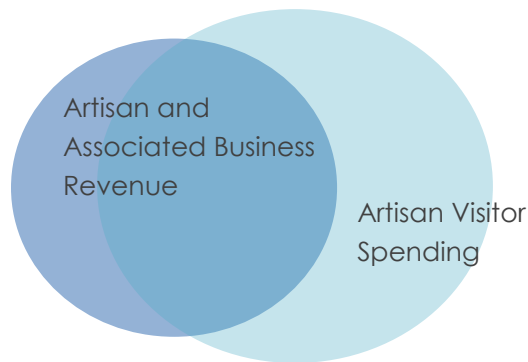


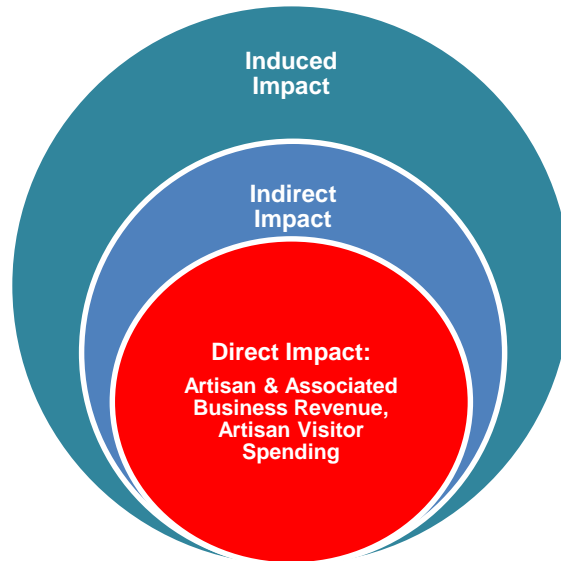
Figure 3.1 also illustrates the differences among those two components. For example, artisan business sales include total revenue of artisan and associated businesses, including sales to artisan visitors, and the sales through online/mail order to customers outside Virginia. The latter part is not included in the artisan visitor spending. Typically, total artisan visitor spending should include not only visitor spending for artisan products and experiences, but also other associated visitor spending during the trip, including spending on food, lodging, and other entertainment venues. Chmura will remove visitor spending on artisan products and experiences (the overlapping area in Figure 3.1) in estimating the total economic impact of the artisan industry in Virginia.

The two components above constitute the direct economic impact of the artisan industry in Virginia. The total economic impact also includes the economic ripple effects from the direct impact. Ripple effects, categorized as indirect and induced impacts (see Appendix 1 for definitions), measure the secondary benefits generated by both artisan business revenue and artisan trail visitor spending. These effects include benefits to the many local businesses supporting artisan industries, such as suppliers to studios, galleries, or restaurants and coffee/wine bars (indirect impact). They also include benefits to local businesses that cater to artisan industry employees (induced impact).

The indirect and induced effects were estimated with IMPLAN Pro software after the direct impacts were determined.³ Different business operation and visitor spending items were input into various IMPLAN Pro model sectors to estimate the indirect and induced impacts for each sector. Those impacts were eventually aggregated to reach the estimates of the overall economic impact of the artisan industry in Virginia. Figure 3.1 illustrates the economic impact framework.

³ *IMPLAN Professional* is an economic impact assessment modeling system developed by Minnesota IMPLAN Group that is often used by economists to build models that estimate the impact of economic changes on local economies.

Figure 3.2: Economic Impact Analysis Framework



This study also estimates the fiscal benefit of artisan businesses to the state government. Major state tax revenue are sales, individual, and corporate income taxes.

3.2. Data Collection Methodology

To estimate the direct impact of the artisan industry in Virginia, VTC implemented two surveys. One is the business survey that was sent to all members of the Virginia Artisan Network, collecting data on their sales, employment, and customers. Another objective was to determine the importance of artisan trails in both their overall business success and in promoting the regional creative economy. The survey was conducted from May through June 2015. VTC contacted a total of 3,888 businesses, whose names came from the Virginia Artisan Network and other artisan-related organizations. VTC collected responses from 576 of them, for a response rate of 14.8%. This corresponds to a sampling error of less than 5% with 95% confidence.

There was also a visitor survey. The survey was distributed by VTC to artisan businesses across Virginia, who in turn sent the survey to their customer bases. The visitor survey was conducted in June and July 2015. The visitor survey was designed to gather data on visitor spending during their trips in Virginia, as well as total purchases of artisan products and experiences in 2014. VTC collected 221 responses to the survey, which is associated with a sampling error of 7% with 95% confidence.

Surveyed data were analyzed by Chmura. Key survey data that were used directly as the input to economic impact analysis are summarized in Section 4 and 5. The additional survey data are presented in Appendix 2 and 3 as references.

4. Economic Impact of Artisan and Associated Businesses in Virginia

4.1. Key Business Indicators for Virginia's Artisan and Associated Businesses

To estimate the impact of artisan and associated businesses in Virginia, the first task was to estimate total revenue of artisan and associated businesses. To determine the revenue, it was necessary to identify the actual number of artisan and associated businesses. Different business types required varying approaches to estimate their revenue. Other key indicators, including employment and customers, are also discussed in this section.

4.1.1. Number of Establishments and Employments

Based on the business survey administered by VTC, Chmura first categorized the surveyed artisan and associated businesses into three categories: artisan, part-time artisan, and non-artisan. Of the total 576 responses, 394 (68%) are artisan businesses. They are further grouped into detailed artisan businesses such as ceramics, fiber, glass, and mixed-media, among others. For those businesses, all of their sales were counted as artisan revenue. Part-time artisans include 62 respondents who have other businesses (such as owning a gift shop), but also make artisan products themselves. Finally, non-artisans include 120 businesses in the survey, such as restaurants and hotels. They also include non-profit organizations and influential community members. For part-time artisan and non-artisan businesses, only the portion of their revenue related to artisan products and experiences was included in the total revenue of the artisan businesses.

Table 4.1: Number of Businesses Surveyed and Their Employment

Artisan	Number of Businesses	Estimated Artisan Employment
Agri-Artisan Activity	10	7.6
Basketry	2	1.0
Ceramics	37	1.6
Fiber-Decorative	9	1.2
Fiber-Wearable	6	1.2
Fine Arts Painting, Drawing	28	3.4
Food Artisan	4	7.6
Glass	12	1.0
Jewelry	13	2.3
Leather	2	1.0
Metal	4	1.7
Mixed-Media	7	1.8
Multiple	159	1.7
Other	45	2.6
Photography	12	2.3
Soap, Candle, Bath & Beauty	2	2.0
Wood	42	1.9
All Artisans	394	2.1
Part-time artisan	62	3.8
Non-Artisan	120	1.0
Total Artisan and Associated Businesses	576	2.1

Source: VTC and Chmura

Virginia artisans work in a multitude of mediums and styles. Of the 394 artisans, 40% (159) of them self-identified as working in multiple categories. The rest of the artisans specialize in one particular category. Some of the popular are wood, ceramic, and fine arts. Ten of the survey respondents are in the agri-artisan category. There were 46 artisans who reported they work in the “other” artisan category, including gourd art, cards, and ornament making.

In terms of employment,⁴ the average artisan and associated business has about 2.1 employees. That implies most artisans are small business owners. In fact, 57% of artisan survey respondents reported they work by themselves, with no additional employees. Among different artisan categories, agri-artisan activity and food artisans have average employment over 7, implying that they employ several additional workers outside business owners. That is reasonable because agri-artisans include workers at agri-tourism businesses such as wineries, and food artisans include bakers and artisanal cheesemakers. It is

⁴ All employment figures in this report include both full-time and part-time employment. The employment figures are not full-time-equivalent (FTE) employment.

possible that those businesses need additional help. But the predominant pattern is that Virginia artisans operate on a small scale.

The average employment for part-time and non-artisan businesses only reflects employment that is related to the artisan operations of their businesses. For example, for non-artisan businesses (restaurant, lodging, and retail), the artisan business only accounts for 5% of their total employment. Total employment of those businesses is 19, with average jobs in artisan-related operations being 1.

4.1.2. Average Revenue of Artisan and Associated Businesses

Data from the VTC survey suggest that most of the artisan businesses in Virginia, due to their small scale of operation, have modest annual sales. Average sales of artisan and associated businesses were estimated to have been \$41,525 in 2014. Among those, average annual sales of artisan businesses were about \$38,564. Median revenue of artisan businesses was \$7,100, meaning half of the artisans earned less than \$7,100 per year. Others such as agri-artisans, food artisans, and metal artisans had estimated average annual sales of over \$100,000. But some, including artisans who make baskets, or work with fiber and mixed-media, had average sales less than \$10,000 in 2014.

**Table 4.2: Average Artisan-Related Sales
2014**

Artisan	Average Annual Artisan Sales
Agri-Artisan Activity	\$194,640
Basketry	\$2,250
Ceramics	\$34,417
Fiber-Decorative	\$1,619
Fiber-Wearable	\$5,620
Fine Arts Painting, Drawing	\$10,848
Food Artisan	\$106,230
Glass	\$7,767
Jewelry	\$62,610
Leather	\$8,275
Metal	\$121,833
Mixed-Media	\$1,533
Multiple	\$21,614
Other	\$87,674
Photography	\$37,813
Soap, Candle, Bath & Beauty	\$20,000
Wood	\$45,131
All Artisans	\$38,564
Part-time artisan	\$117,482
Non Artisan	\$12,002
Total Surveyed Businesses	\$41,525

Source: VTC and Chmura

For part-time artisans, the estimated average artisan-related sales were \$117,482 in 2014. Many of those part-time artisans also operate galleries or gift-shops, and they sell a wide range of artisan products and artisan products from different sources, resulting higher sales. ⁵ On average, artisan-related revenue accounted for close to two-thirds (65%) of their total revenue. For non-artisans, it was estimated that only 4% of their sales came from artisan-related sales, averaging \$12,002 in 2014.

Virginia artisans sell their products in a wide range of venues. Over half (55.6%) of the sales in 2014 were made in their own business establishments.⁶ This is followed by sales at fairs, festivals, and events, where 16.4% of total sales occurred. Sales at other businesses not on artisan trails and E-commerce/online sales accounted for 9.7% and 7.9%, respectively, of total sales. Other businesses on artisan trails only carried about 3.4% of total sales for Virginia artisan and associated businesses.

Table 4.3: Distribution of Artisan Sales by Different Channels (2014)

Artisan	Own Business Establishments	Other Businesses on Artisan Trail	Other Business not on Artisan Trail	Classes, Workshops, Seminars	Fairs, Festivals, Events	E-commerce/Online	Other
Agri-Artisan Activity	49.5%	0.2%	2.9%	0.2%	13.1%	3.6%	30.5%
Basketry	88.9%	0.0%	10.6%	0.6%	0.0%	0.0%	0.0%
Ceramics	15.0%	3.2%	39.0%	3.5%	16.6%	22.8%	0.0%
Fiber-Decorative	25.9%	20.6%	14.9%	0.0%	25.3%	13.2%	0.0%
Fiber-Wearable	29.8%	19.9%	5.9%	5.9%	37.9%	0.0%	0.5%
Fine Arts Painting, Drawing	16.0%	9.4%	41.3%	9.5%	11.8%	6.4%	5.6%
Food Artisan	98.7%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%
Glass	19.5%	21.5%	13.5%	9.7%	10.1%	24.4%	1.3%
Jewelry	10.0%	3.9%	30.0%	0.3%	47.7%	8.1%	0.0%
Leather	0.0%	42.0%	38.7%	0.0%	19.3%	0.0%	0.0%
Metal	62.3%	0.0%	0.0%	35.6%	0.0%	2.1%	0.0%
Mixed-Media	41.4%	11.3%	23.3%	0.0%	23.5%	0.0%	0.5%
Multiple	36.5%	10.3%	7.0%	3.2%	34.1%	6.8%	2.2%
Other	46.4%	2.2%	13.1%	1.8%	28.0%	5.5%	2.9%
Photography	77.8%	5.6%	3.8%	0.0%	8.8%	4.0%	0.0%
Soap, Candle, Bath & Beauty	12.5%	5.0%	25.0%	0.0%	12.5%	32.5%	12.5%
Wood	62.6%	5.8%	8.3%	0.1%	2.5%	17.3%	3.4%
Part-time artisan	77.7%	1.0%	5.4%	3.7%	4.7%	7.1%	0.3%
Non-Artisan	68.0%	1.1%	1.7%	2.3%	19.2%	6.3%	1.4%
Total Surveyed Businesses	55.6%	3.4%	9.7%	3.2%	16.4%	7.9%	3.9%

Source: VTC and Chmura

⁵ As a comparison, full-time artisans only sell their own products, and they spend significant time creating artisan products, rather than selling them.

⁶ Please note that for all sales occurring at artisans' own business establishments, 59% of those sales were made on artisan trails. The number of artisans and associated businesses on artisan trails accounts for 42% of total surveyed artisans and associated businesses.

Virginia artisans work on different platforms to maximize their sales and exposure to consumers. . Not surprisingly, for food artisans, basketry, photography, and part-time artisans, more than 70% of sales are from their own business establishments. Online sales are more important for soap, candle, bath & beauty, glass, and ceramic artisans. Jewelry and fiber-related artisans sell a lot of their products at fairs, festivals, and events.

4.1.3. Number of Customers for Artisan and Associated Businesses

It was estimated that the average artisan and associated businesses had 1,563 customers in 2014. In particular, average artisan businesses had about 615 customers in 2014. Among those, agri-artisans and food artisans had more than 1,000 annual customers, since these groups together include pick-your-own produce, wineries, and bakeries. However, some artisan businesses appear to be struggling to attract customers, averaging only dozens of customers in 2014.

Table 4.4: Estimated Average Annual Artisan-Related Customers (2014)

Artisan	Average Annual Number of Artisan Customers
Agri-Artisan Activity	5,654
Basketry	43
Ceramics	511
Fiber-Decorative	45
Fiber-Wearable	139
Fine Arts Painting, Drawing	98
Food Artisan	1,347
Glass	277
Jewelry	419
Leather	88
Metal	167
Mixed-Media	57
Multiple	462
Other	1,368
Photography	134
Soap, Candle, Bath & Beauty	570
Wood	227
All Artisans	615
Part-time artisan	7,788
Non Artisan	1,461
Total Surveyed Businesses	1,563

Source: VTC and Chmura

The estimated annual number of customers for part-time and non-artisan businesses were much larger. This is probably due to being located inside larger businesses such as hotels, restaurants, and gift shops, which tend to be more appealing to casual walk-in customers than workshops, galleries, or studios. On

the other hand, some artisan studios only open to the public at limited times, or by appointment only—resulting in few annual customers.

4.2. Economic Impact of Artisan and Associated Businesses in Virginia

In estimating the economic impact of artisan and associated businesses in Virginia, Chmura used the employment and revenue data from the artisan business survey and projected them for all businesses contacted by VTC. As a result, total economic impact in this section represents the impact of 3,888 businesses, not just those who responded to the VTC survey.

The direct impact of artisan and associated businesses is measured by the total sales of artisan, part-time, and non-artisan businesses. The total artisan and associated businesses sales in 2014 was estimated to have been \$151.7 million. Since part-time and non-artisan businesses also sell products from Virginia artisans, this figure removed the overlap to avoid double counting.⁷ For example, ceramic artisans may sell their products in their own studios as well as local gift shops. The sales of ceramic objects in local gift shops were included in the reported sales of ceramic artisans, as well as for the sales of the gift shop, creating a situation of double counting. As Table 4.3 indicates, 13.1% of artisan sales are made at other businesses; either on artisan trails (3.4%) or not on artisan trails (9.7%). Chmura thus removed 13.1% of total artisan product sales when estimating the \$151.7 million in sales of artisan products and experiences in Virginia in 2014.

The operations of artisan and associated businesses provide benefits to other businesses in Virginia. As mentioned in Section 3, these benefits are classified as indirect and induced impacts. Using an artisanal cheesemaker as an example, the indirect impact measures increased sales for businesses such as local farms that provide animal feed. The induced impact measures the increased sales for businesses that cater to artisans in the cheese-making workshop.

The total annual economic impact (direct, indirect, and ripple) of artisan and associated businesses in Virginia was estimated to have been \$288.5 million in 2014, which could support 9,058 jobs in the state (Table 4.5). Among those, direct revenue from Virginia artisan and associated businesses was \$151.7 million, which incorporates estimated direct sales of artisan-related purchases at part-time and non-artisan businesses. Those businesses directly employed 8,034 full-time or part-time workers. Indirect impact was estimated to have been \$85.0 million and 632 jobs, benefiting other businesses within the state that support artisan businesses. Induced impact was estimated to have been \$51.8 million and 392 jobs in the state, mostly benefiting consumer-related businesses in the region such retail shops, healthcare facilities, and restaurants.

⁷ In other words, this number is smaller than \$161 million (3,888 * \$41,525).

Table 4.5: Annual Economic Impact of Artisan and Associated Businesses (2014)

	Direct	Indirect	Induced	Total Impact
Spending Impact (\$Million)	\$151.7	\$85.0	\$51.8	\$288.5
Employment Impact	8,034	632	392	9,058

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2013 and Chmura

Artisan and associated businesses in Virginia have strong linkages to local economies, and they purchased a large percentage of supplies in Virginia in 2014. The VTC survey found that the average artisan business purchased 47% of their supplies in Virginia, while part-time and non-artisan businesses also purchased 48% and 42%, respectively, of their supplies in Virginia. In this sense, there were no drastic differences among artisan, part-time, and non-artisan businesses, because some of the non-artisan businesses are farm-to-table restaurants or local gift shops. As a result, they used more local supplies than large chain-type restaurants or retail shops. The indirect impact estimate in Table 4.3 has taken into consideration the higher utilization of Virginia supplies for artisan and associated businesses.⁸

4.3. Fiscal Impact of Artisan and Associated Businesses

The operation of artisan and associated businesses can also generate tax revenue for the state government. Chmura estimated the following three major state taxes: sales, individual income, and corporate income. In order to be conservative, only tax revenue from the direct impact was estimated.⁹

Virginia has a 5.3% sales tax rate; 4.3% is allocated to the state government and 1% is returned to the local government where the sale occurs. To calculate sales tax revenue, Chmura applied the sales tax rates for estimated sales of galleries/retail shops, food and lodging establishments, and sales made by artisan businesses themselves. It was estimated that artisan and associated businesses generated \$6.5 million in state sales tax in 2014 (Table 4.6).

Table 4.6: Tax Revenue from Artisan and Associated Businesses (2014)

	Amount (\$)
Sales Tax	\$6,495,993
Income Tax-Individual	\$1,809,738
Income Tax-Corporate	\$153,173
Total	\$8,458,905

Source: Chmura Economics & Analytics

The state government also benefits from individual income tax as a result of jobs supported by Virginia artisan and associated businesses. Individual income tax revenue was estimated at \$1.8 million in 2014. In addition, corporate income tax revenue for the state government was estimated to have been \$153,173.

⁸ Chmura used the survey responses to adjust the indirect impact multiplier directly estimated by IMPLAN.

⁹ This approach is recommended by Burchell and Listokin in *The Fiscal Impact Handbook*.

To arrive at those figures, Chmura first used the IMPLAN Pro model to assess the percentage of total revenue of artisan and associated businesses paid as labor cost and profit. Chmura then applied those percentages to the total sales of artisan products and experiences, before applying an individual income tax rate of 5% and a corporate income tax rate of 6%.¹⁰

¹⁰ Source: Virginia Tax Department.

5. Economic Impact of Artisan Visitor Spending

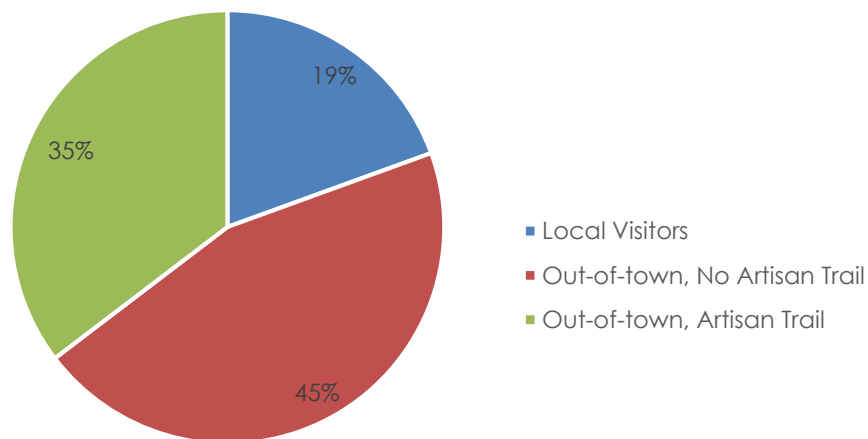
5.1. Estimating Direct Artisan Visitor Spending in Virginia

This section estimates artisan visitor spending on items other than artisan products and experiences. This is so visitor spending can be aggregated with the economic impact estimated in Section 4 to reach an estimate of the overall economic impact of the artisan industry in Virginia.

The VTC-implemented survey grouped visitors into different categories. As a result, Chmura counted their visitor spending in different ways:

- 1) Local visitors only: there were 19% of respondents who did not make out-of-town trips, defined as a trip to a destination more than 50 miles from a visitor's home (Figure 5.1). It was assumed that they were day trippers: all their daily spending in Virginia was counted as artisan visitor spending.
- 2) Out-of-town visitors only: their spending in Virginia was counted as part of artisan visitor spending impact.
 - Out-of-town visitors who visited one of the Virginia Artisan Trails (44% of total out-of-town visitors)
 - Out-of-town visitors who did not visit Virginia Artisan Trails (56% of total out-of-town visitors)
- 3) In addition, when estimating the economic impact of artisan trails:
 - a. Chmura included the entire spending in Virginia for those whose primary trip purposes were artisan trails (19% of those who visited artisan trails).
 - b. Chmura included only visitor spending on artisan trails for those whose primary trip purposes were not artisan trails (79% of those who visited artisan trails).

Figure 5.1: Artisan Visitor Categories

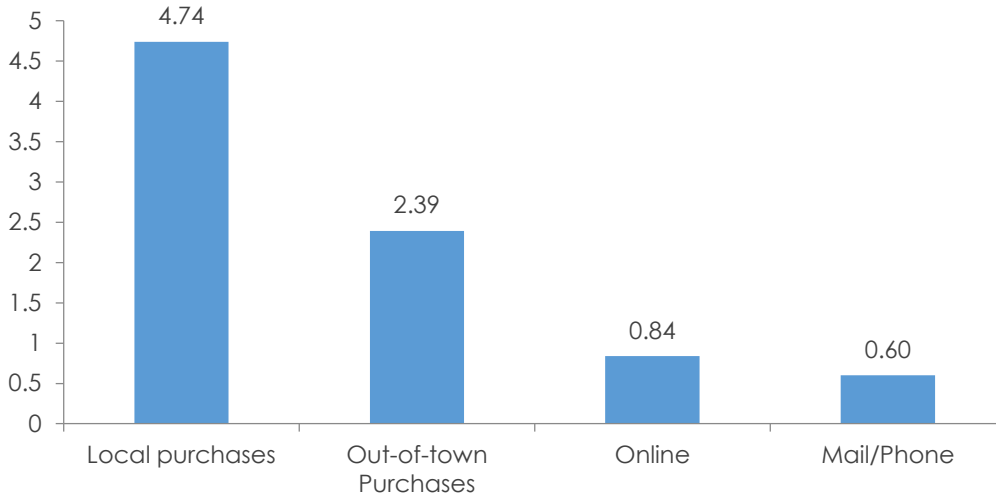


Source: VTC

There is a distinction between percentage of local artisan visitors and the percentage of local artisan trips made. Actually, out-of-town visitors may also have taken local artisan-related trips as well. While the

survey did not ask visitors exactly how many artisan trips they took in 2014, it did ask about the number of purchases of artisan products and experiences they made in 2014. This information could be used as a proxy for the number of trips a visitor may take. As Figure 5.2 shows, average artisan visitors made an average of 8.6 purchases each year. Of those purchases, 55% were made locally, 28% were made out-of-town, and 17% were made online or through mail/phone orders.¹¹

Figure 5.2: Average Number of Purchases of Virginia Artisan Products and Experiences (2014)



Source: VTC

To estimate direct artisan visitor spending, two numbers were needed: (1) the number of artisan visitors in Virginia in 2014 (including both local and out-of-town), and (2) the average spending per visitor during their artisan trips. Based on the business survey, in 2014, the total number of artisan-related customers for 576 surveyed businesses amounted to 900,377.¹² Considering that the survey represents only 14.8% of all contacted businesses, total customers to artisan and associated businesses was estimated to have been 6.1 million in 2014. However, this number includes both online customers and customers who made physical visits to stores. Data from Figure 5.2 show that 87% of all customer purchases were through physical visits. Using this assumption, it was estimated that total customers who made physical visits in Virginia was 5.0 million in 2014.¹³

However, the total number of customers is not equivalent to the number of artisan visitors in Virginia. For example, an artisan visitor may have made several trips in Virginia, and they would be counted each

¹¹ This number is consistent with data from the artisan business survey, which reported that 60% of customers are local. Please see Appendix 2.

¹² For part-time and non-artisans, only a portion of their total customers were counted as the artisan-related customers. There is no information on which businesses agreed to distribute the survey to their customers.

¹³ Data from the business survey shows that revenue through online or other channels is about 12% of total sales. Chmura used data from the visitor survey, because it measures the number of purchases rather than revenue, which is closer to the number of visitors.

time they take a trip. In addition, even on the same trip, someone may visit many artisan and associated businesses during a single trip, and is counted as a customer by various artisan and associated businesses.

Understanding trip behaviors can be challenging, as the visitor survey did not specifically ask visitors how many trips they made in 2014. Instead, it only asked visitors about how many artisan-related purchases they made in 2014. VTC's visitor survey indicates that an average visitor made 8.6 artisan purchases. Among those, purchases resulting from actual visits averaged 7.1 per year.

Other data in the survey enable Chmura to estimate the number of trips an average visitor made in 2014. One number is the total artisan spending per respondent per year. Survey respondents reported that they spent an average of \$461.20 in 2014 on artisan products and experiences. Assuming the respondents reported the purchase amount for themselves and travel partners with whom they share travel expenses,¹⁴ it was estimated the average per-person spending in 2014 on artisan products and experience was \$226.70. Excluding purchases made via online/phone/or mail order (16.5%), it was estimated that each person spent \$189.30 per year on artisan products and services. Further, as Table 5.1 shows, the VTC survey indicated that an average visitor spent \$109.50 on artisan products and experiences on their trips.¹⁵ That implies each visitor made 1.7 artisan trips in 2014. In addition, it was further estimated that each visitor made 4.1 purchases for each trip. This was estimated based on survey responses, as well as the average amount of each transaction from the VTC business survey.¹⁶

**Table 5.1: Estimated Artisan Visitor Spending
Per Person, Per Trip (2014)**

Lodging	\$71.30
Food/Drink (excluding Artisan)	\$33.50
Transportation	\$10.20
Shopping (excluding artisan)	\$18.10
Entertainment/Attractions excluding Artisan	\$8.70
Artisan Experiences	\$34.80
Artisan Products	\$74.70
Other	\$8.70
TOTAL	\$260.00

Source: VTC and Chmura

¹⁴ Since 85% of respondents were female, and most visitors travel with partners, it is reasonable to assume that the reported purchases were for the total party.

¹⁵ Please note that questions on trip spending were only asked for visitors making out-of-town trips.

¹⁶ The visitor survey has questions on the number of products purchased during the trip. The survey reported that they made 3.0 purchases for each trip. However, this number implies an average transaction of \$36—much larger than the average transaction amount of \$26 from the businesses survey. Chmura chose to use the business survey so that the amount of artisan spending was consistent.

Table 5.2 presents the estimated artisan visitor spending in Virginia in 2014, as well as spending related to artisan trails. It was estimated that artisan visitors (both local and out-of-town visitors) spent \$254.2 million in Virginia. Of this amount, \$126.7 million was estimated spending on artisan products and experiences, which is consistent with the estimates from the business survey. This amount has been captured by the total revenue of artisan and associated businesses in Section 4. The remainder is visitor spending in other tourism businesses such as food, lodging, transportation, entertainment, and others.

When allocating total artisan spending, based on the number of days spent on artisan trails, visitor spending associated with artisan trails was estimated to be \$59.0 million. Among those, \$21.1 million was the estimated spending on artisan products and experiences during their visits.¹⁷

Table 5.2: Estimated Total Artisan Visitor Spending 2014 (\$Million)

	Spending in Virginia (\$)	Spending on Artisan Trails (\$)
Lodging	\$55.1	\$18.7
Food/Drink (excluding artisan)	\$30.6	\$8.2
Transportation	\$9.6	\$2.8
Shopping (excluding artisan)	\$16.3	\$3.8
Entertainment/Attractions (excluding artisan)	\$7.9	\$2.2
Other	\$8.1	\$2.2
Artisan Experiences	\$40.3	\$6.3
Artisan Products	\$86.4	\$14.8
Artisan Online Sales	\$25.1	\$4.3
Total Artisan Visitor Spending (including online artisan sales)	\$151.7	\$25.3
Total Visitor Spending (excluding artisan products and experiences)	\$127.5	\$37.9
Total Visitor Spending During Trips (including spending on artisan products and experiences, but excluding online artisan sales)	\$254.2	\$59.0

Source: VTC and Chmura

5.2. Total Economic Impact of Artisan Visitor Spending in Virginia

The total economic impact presented in this section does not include the impact of visitor spending on artisan products and experiences, as they were already included in the economic impact in Section 4. Visitor spending on other tourism products and services can also generate ripple economic impacts throughout the state. Total economic impact (direct, indirect, and induced impacts) of artisan visitor spending was estimated to have been \$238.8 million in the state, which supported 2,900 state jobs in 2014 (Table 5.3). Of this impact, direct artisan visitor spending (excluding spending on artisan products and experiences) in the state was estimated at \$127.5 million in 2014, supporting 1,943 jobs—mostly in the

¹⁷ The sale of artisan products and experiences on artisan trails accounts for 16.6% of total sales of artisan products and experiences. This number is consistent with data from the artisan business survey. Virginia artisans reported that 15% of their customers are from artisan trails. Please see Appendix 2.

state's tourism businesses such as hotels, restaurants, and retail establishments. The indirect impact was estimated at \$60.1 million that supported 439 jobs in the state. The induced impact was estimated at \$51.1 million, supporting 518 jobs in the state.

**Table 5.3: Annual Economic Impact of Artisan Visitor Spending in Virginia
(excluding artisan products & services)**

	Direct	Indirect	Induced	Total Impact
Total Artisan Visitor Spending				
Spending Impact	\$127.5	\$60.1	\$51.1	\$238.8
Employment Impact	1,943	439	518	2,900
Artisan Trails Visitor Spending				
Spending Impact	\$37.9	\$15.9	\$14.3	\$68.2
Employment Impact	540	111	131	782

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2013 and Chmura

Similarly, total economic impact (direct, indirect, and induced impacts) of artisan trail visitor spending was estimated to have been \$68.2 million in the state, which supported 782 state jobs in 2014 (Table 5.3).

5.3. Fiscal Benefits of Artisan Visitor Spending

From visitor spending, the state government can receive sales, gasoline, individual income, and corporate income taxes.¹⁸

Virginia has a 5.3% sales tax, with 1% going to local governments and 4.3% going to the state government. To calculate sales tax revenue, Chmura applied the sales tax rate to the estimated total sales of retail, lodging, and food within Virginia. It was estimated that artisan visitor spending generated \$4.4 million in sales tax for the state government in 2014 (Table 5.4).

Table 5.4: Estimated State Tax Revenue from Visitor Spending (2014)

	All Artisan Visitor Spending	Artisan Trails Visitor Spending
Sales Tax	\$4,386,561	\$1,320,185
Income Tax-Individual	\$1,992,851	\$590,284
Income Tax-Corporate	\$717,098	\$213,377
Total	\$7,096,509	\$2,123,846

Source: Chmura Economics & Analytics

The state government also benefits from individual income tax as a result of new jobs created by artisan visitor spending. Individual income tax revenue was estimated to have been nearly \$2.0 million, based on

¹⁸ Local taxes such as meals and lodging taxes were not estimated, since the impact region is the state of Virginia.

the prevailing wages in tourism sectors. In addition, corporate income tax for the state government is expected to have been \$717,098 for the same period.

In summary, artisan visitor spending contributed \$7.1 million in total tax revenue for the state government in Virginia. Of this amount, visitor spending on artisan trails contributed \$2.1 million to the state government in 2014.

6. Economic Impact Summary

Combining revenue from artisan and associated businesses, and artisan visitor spending (outside artisan products and experiences), Table 6.1 presents the economic impact of the artisan industry in Virginia in 2014. The direct impact of the artisan industry was estimated to have been \$279.3 million in Virginia in 2014, supporting 9,977 direct jobs. In terms of ripple effects, the artisan industry was estimated to have brought about \$248.0 million in indirect and induced spending that could support 1,981 jobs. The total economic impact can reach \$527.2 million that supports 11,958 jobs in Virginia. In addition, Virginia's artisan industry was estimated to have contributed \$15.6 million in tax revenue to the state government.

Table 6.1: Economic Impact Summary of Virginia's Artisan Industry (2014)

		Direct Impact (\$Million)	Indirect + Induced Impact	Total Impact (\$Million)	State Tax Revenue (\$Million)
Artisan and Associated Businesses	Spending	\$151.7	\$136.7	\$288.5	\$8.5
	Employment	8,034	1,024	9,058	
Artisan Visitor Spending (excluding artisan products)	Spending	\$127.5	\$111.2	\$238.8	\$7.1
	Employment	1,943	957	2,900	
Total Artisan Industry	Spending	\$279.3	\$248.0	\$527.2	\$15.6
	Employment	9,977	1,981	11,958	

Source: Chmura Economics & Analytics

Virginia's artisan industry plays increasingly important economic and social roles in the Commonwealth. The artisan industry can promote culture, creativity and connectivity and elevate the quality of life for both locals and visitors at destinations.

Appendix 1: Impact Study Glossary

IMPLAN Professional is an economic impact assessment modeling system. It allows the user to build economic models to estimate the impact of economic changes in states, counties, or communities. It was created in the 1970s by the Forestry Service and is widely used by economists to estimate the impact of specific event on the overall economy.

Input-Output Analysis—an examination of business-business and business-consumer economic relationships capturing all monetary transactions in a given period, allowing one to calculate the effects of a change in an economic activity on the entire economy (impact analysis).

Direct Impact—economic activity generated by a project or operation. For construction, this represents activity of the contractor; for operations, this represents activity by tenants of the property.

Overhead—construction inputs not provided by the contractor.

Indirect Impact—secondary economic activity that is generated by a project or operation. An example might be a new office building generating demand for parking garages.

Induced (Household) Impact—economic activity generated by household income resulting from the direct and indirect impact.

Multiplier—the cumulative impacts of a unit change in economic activity on the entire economy.

Appendix 2: Artisan Business Survey Report

VTC implemented a business survey that was sent to all members of the Virginia Artisan Network, as well as members of other artisan organizations. This survey collected data on artisan employment, sales, and customers. The survey was conducted from May through June 2015. VTC contacted a total of 3,888 businesses from different Virginia artisan networks and organizations, and collected responses from 576 of them, with a response rate of 14.8%. This corresponds to a sampling error of less than 5% with 95% confidence.

Appendix 2 only presents business survey results that are not included in Section 4 of the report. Artisan business category, employment, revenue, and customers are included in the main body of the report, and are not repeated in this Appendix.

A2.1. Artisan Business Type

This is the self-reported business type for artisan and related establishments. Of all 576 respondents, 22% of respondents (127) reported that they are artisans having their own studios that are open to the public. There were 42% of respondents (240) who reported they are artisans but do not have a studio. There were 57 surveyed respondents who operate art-related venues such as galleries or shops, and 27 of them operate agri-tourism businesses. The remaining respondents are restaurants, lodging businesses, and other industries.

Table A2.1: Self-Reported Artisan Business Type

I am an artisan/artist; and I don't have a studio open to public	240
I am an artisan/artist; and I have a studio open to public	127
I own an art-related venue; such as a gallery or shop	57
I own/operate a restaurant	7
I own/operate a lodging facility	21
I operate a cultural point of interest, such as a museum, historic home, or visitor center	14
I own/operate an agritourism business, such as a winery, vineyard, or working farm	27
Other; please specify	83
Total	576

Source: VTC and Chmura

Please note that the number of self-reported agri-tourism businesses is not the same as the number of agri-artisans reported in Table 4.1. That is because some self-reporting agri-tourism business owners are also artisans in other fields. As a result, they are classified as an artisan with multiple specialties in the economic impact analysis. In addition, for those self-reporting as "others," some are part-time artisans and some are non-artisans. Chmura reviewed details of those responses and made certain adjustments, which resulted in business categories in Table 4.1.

A2.2. Artisan Business Sales

Average annual sales for each type of artisan and associated business are reported in Table 4.2. When calculating artisan-related sales, Chmura counted 100% of reported sales by artisans. For part-time artisans and non-artisans, Chmura only included the percentage of sales that were related to artisan products and experiences. Table A2.2 reports artisan-related sales by different types of respondents. For example, for non-artisan businesses, only 4% of their total revenue is artisan-related. For part-time artisans, however, 65% of their total sales are artisan-related, and 30% of their sales are from their own products and services.

Table A2.2: Percentage of Sales of Artisan Products & Services

	Artisan's Own Products	Other Virginia Products	Out of Virginia Business
Agri-Artisan Activity	100%	100%	100%
Basketry	100%	100%	100%
Ceramics	100%	100%	100%
Fiber-Decorative	100%	100%	100%
Fiber-Wearable	100%	100%	100%
Fine Arts Painting, Drawing	100%	100%	100%
Food Artisan	100%	100%	100%
Glass	100%	100%	100%
Jewelry	100%	100%	100%
Leather	100%	100%	100%
Metal	100%	100%	100%
Mixed-Media	100%	100%	100%
Multiple	100%	100%	100%
Non-Artisan	1%	4%	4%
Other	100%	100%	100%
Part-time	30%	55%	65%
Photography	100%	100%	100%
Soap, Candle, Bath & Beauty	100%	100%	100%
Wood	100%	100%	100%
Total	32%	39%	41%

Source: VTC and Chmura

A2.3. Purchases in Virginia

To get a better understanding of how Virginia artisan and associated businesses support local economies, the VTC survey asked artisan and associated businesses about how much they purchase from Virginia-based suppliers. Overall, they buy close to half (47%) of all their supplies from Virginia businesses. Food artisans, mixed-media, fiber-wearable, and metal artisans all purchase over 70% of their supplies within the state. Photographers and wood artisans purchase more than 60% of their supplies within the state.

**Table A2.3: Average Percentage of Supplies Purchased in Virginia,
by Artisan Type**

Artisan	Percentage
Agri-Artisan Activity	40%
Basketry	8%
Ceramics	30%
Fiber-Decorative	48%
Fiber-Wearable	72%
Fine Arts Painting, Drawing	58%
Food Artisan	81%
Glass	10%
Jewelry	33%
Leather	12%
Metal	71%
Mixed-Media	78%
Multiple	47%
Other	39%
Photography	68%
Soap, Candle, Bath & Beauty	9%
Wood	66%
All Artisan	47%
Part-time artisan	48%
Non-Artisan	42%
Total Surveyed Businesses	47%

Source: VTC and Chmura

A2.4. Artisan and Associated Business Customers

While Table 4.3 reports the average percentage of artisan and associated businesses who are customers of Virginia businesses, the VTC survey also asked business respondents to provide more detailed information on their customers. More specifically, the survey asked them to estimate the percentage of customers who are travelers (traveling more than 50 miles from their home), the percentage of customers who are from artisan trails, and the percentage of artisan trail customers who are travelers.

Table A2.4: Customer Composition

	% of Customers Who Are Travelers	% of Customers from Artisan Trails	% of Artisan Trail Customers Who Are Also Travelers
Agri-Artisan Activity	60%	6%	44%
Ceramics	21%	8%	37%
Fiber-Decorative	29%	41%	34%
Fiber-Wearable	30%	40%	5%
Fine Arts Painting, Drawing	51%	21%	50%
Food Artisan	74%	17%	15%
Glass	31%	13%	26%
Jewelry	16%	13%	9%
Leather	29%	100%	0%
Metal	61%	1%	100%
Mixed-Media	18%	65%	0%
Multiple	43%	23%	54%
Non-Artisan	53%	20%	18%
Other	69%	46%	40%
Part-time	32%	12%	37%
Photography	3%	6%	8%
Soap, Candle, Bath & Beauty	7%	2%	0%
Wood	35%	39%	50%
Total	40%	15%	38%

Source: VTC and Chmura

On average, 40% of all customers of Virginia artisan and associated businesses traveled more than 50 miles to patronize those businesses. This percentage is higher for food artisan, agri-artisan activities, and metal; it is lower for photography, and soap, candle, bath & beauty. On average, 15% of all customers are from artisan trails. This percentage also varies greatly by different artisan types. Finally, for artisan travelers, 38% of them traveled more than 50 miles—similar to the 40% reported for the overall customers to artisan and associated businesses.

A2.5. Artisan and Associated Businesses on Artisan Trails

The VTC survey included a series of questions regarding artisan trails and their benefits. Interestingly, only a little over 40% of responding artisans participate in one of the 23 artisan trails in Virginia. There were 30% (177) of them who do not participate in artisan trails, and 27% (157) provided no response. Presumably, either they do not know about or do not belong to one of the artisan trails. Among existing trails, the most popular trails are the Monticello, Virginia's Eastern Shore, Bedford, and Rappahannock County trails, with more than 20 survey respondents participating in those trails. The Shenandoah and Smith River trails had over ten respondents. There are sizable businesses (32, or 5.6% of total respondents) belonging to multiple artisan trails.

Table A2.5: Number of Artisan and Associated Businesses on Artisan Trails

Artisan Trails	Number of Surveyed Business
Bedford	26
Clinch River	4
Countryside	5
Floyd County	8
Giles Arts & Adventure	2
Harmony Trail	2
Harrisonburg-Rockingham County	1
Lonesome Pine	2
Montgomery County	6
Monticello	28
Mountain Crossroads	2
New River	3
Northern Neck	6
Page Valley	3
Rappahannock County	21
Shenandoah County	14
Smith River	11
Smyth County	2
The HeART and Soil of the Shenandoah Valley	9
Virginia's Eastern Shore	27
Virginia's Western Highlands	4
White Lightning	5
Woven Mountains and River Bends	1
Other	18
Multiple Trails	32
Do not participate	177
No Response	157
Total	576

Source: VTC and Chmura

Finally, for all artisan and associated businesses who responded to the VTC survey, 182 of them belong to the Artisans Center of Virginia, and 84 of them belong to 'Round the Mountain Southwest Virginia Artisan Network. Eighteen respondents belong to both networks. Over half (51%) of respondents do not belong to either of those, or provided no responses.

Table A2.6: Artisan and Associated Businesses by Artisan Trail Networks

Artisan Networks	Number of Surveyed Businesses
Artisans Center of Virginia	182
'Round the Mountain Southwest Virginia Artisan Network	84
Both	18
None of the Above	132
No Response	160
Total	576

Source: VTC and Chmura

A2.6. Locations of Artisan and Associated Businesses

Of 134 cities and counties in Virginia, 79 were represented in the artisan business survey. The top three localities were Albemarle, Rappahannock, and Washington Counties. Each had over 20 respondents. However, 180 respondents did not provide data on their locations.

Table A2.7: Counties/Cities Represented in the Artisan Business Survey

County/City	Number of Businesses
Accomack County	19
Albemarle County	32
Alleghany County	3
Amelia County	1
Amherst County	2
Arlington County	1
Augusta County	16
Bath County	2
Bedford City	6
Bedford County	15
Bland County	2
Botetourt County	1
Bristol City	2
Carroll County	4
Charlotte County	1
Charlottesville City	7
Chesapeake City	1
Chesterfield County	2
Craig County	1
Culpeper County	2
Floyd County	12
Fluvanna County	1

**Table A2.7: Counties/Cities Represented
in the Artisan Business Survey**

Franklin County	6
Frederick County	2
Galax City	1
Giles County	6
Grayson County	10
Greene County	5
Hanover County	2
Harrisonburg City	3
Henrico County	1
Henry County	5
Highland County	1
Isle of Wight County	3
James City County	2
King And Queen County	1
Lancaster County	1
Lee County	1
Louisa County	2
Lynchburg City	3
Madison County	1
Martinsville City	5
Mathews County	1
Montgomery County	13
Nelson County	4
New Kent County	2
Newport News City	2
Norfolk City	15
Northampton County	9
Northumberland County	9
Orange County	2
Page County	3
Patrick County	2
Pittsylvania County	1
Poquoson City	2
Portsmouth City	1
Prince William County	1
Pulaski County	5
Radford City	1
Rappahannock County	20
Richmond City	5
Richmond County	1

**Table A2.7: Counties/Cities Represented
in the Artisan Business Survey**

Roanoke County	3
Rockingham County	6
Shenandoah County	16
Smyth County	4
Stafford County	1
Staunton City	1
Suffolk City	1
Tazewell County	7
Virginia Beach City	13
Warren County	2
Washington County	20
Waynesboro City	3
Westmoreland County	2
Williamsburg City	2
Wise County	4
Wythe County	6
Multiple	12
No Response	180
Total	576

Source: VTC and Chmura

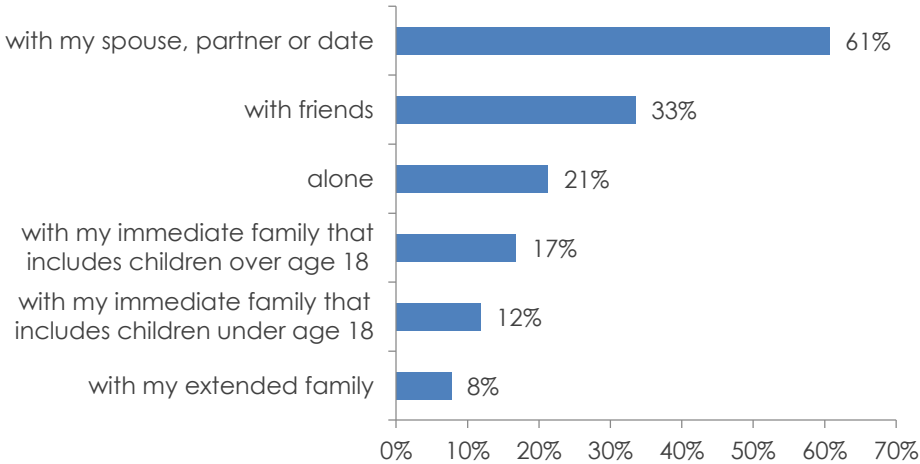
Appendix 3: Artisan Visitor Survey Report

This section only reports visitor survey results that are not included in Section 5 of the report. Artisan visitor categories and average visitor spending on artisan and non-artisan categories are included in the main body of the report, and are not repeated in this Appendix.

A3.1. Visitor Demographics

One-third of survey respondents reported that they travel with their friends. More than half (61%) of respondents typically travel with their spouse, partner, or date, and 21% of respondents travel alone.

Figure A3.1: Respondents' Typical Travel Group



The respondent base was generally an older, female demographic. Over two-thirds of respondents were at least 55 years old, and only 1% was under 35. The large majority of respondents were female (85%).

Figure A3.2: Respondent Age

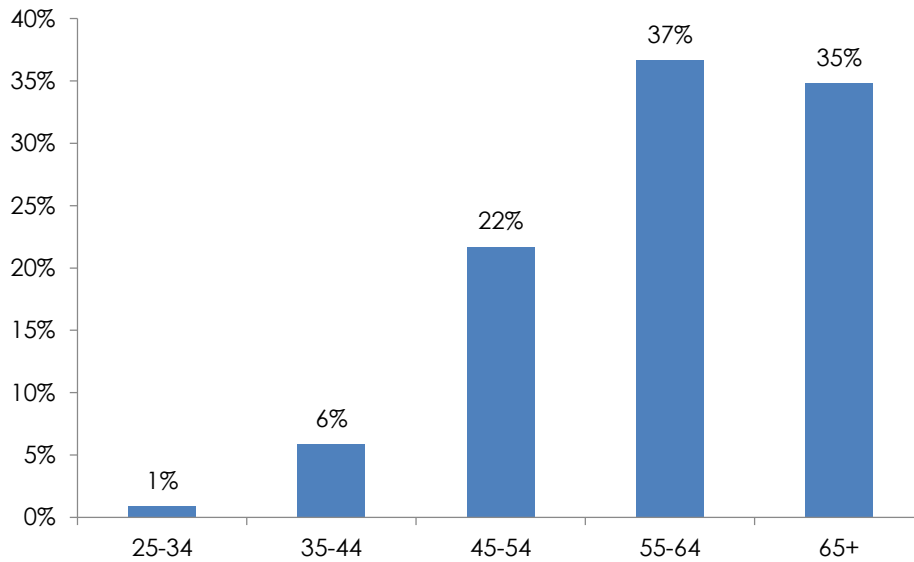
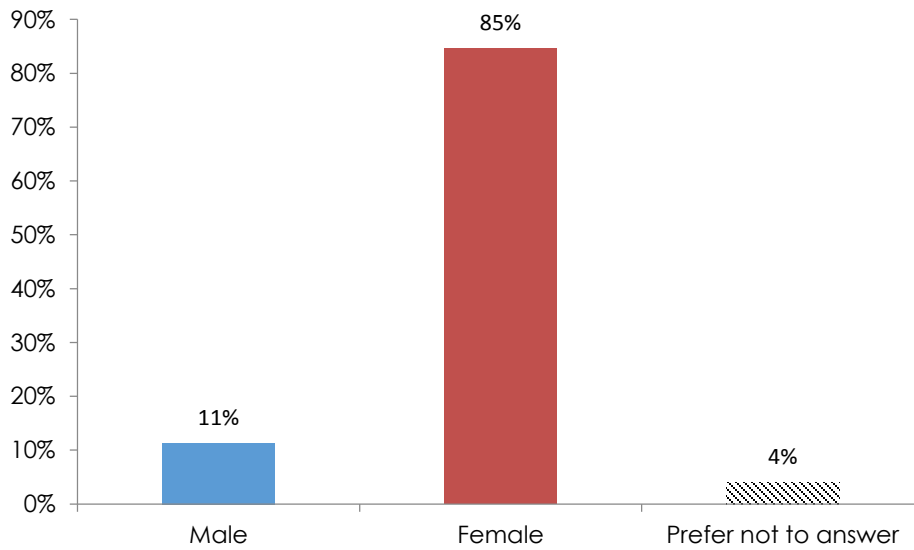
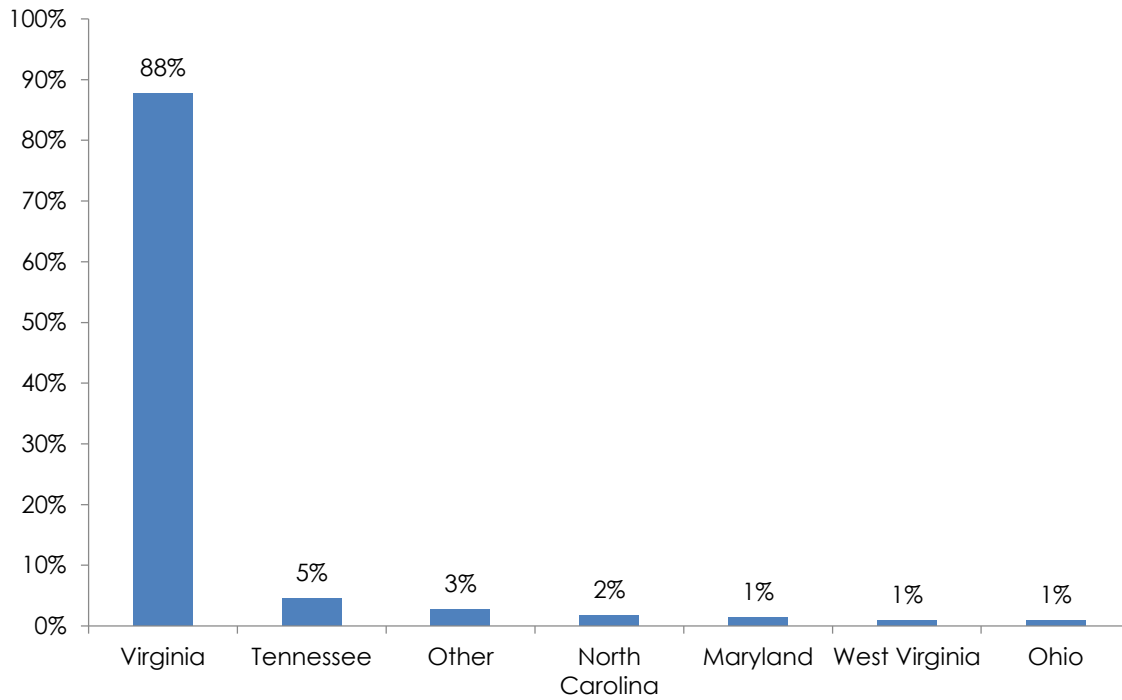


Figure A3.3: Respondent Gender



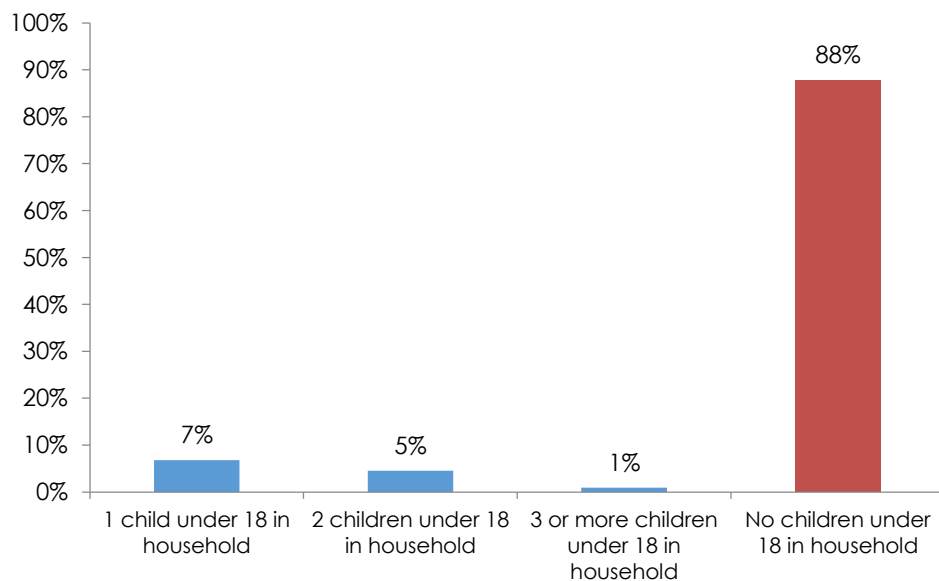
The vast majority (88%) of respondents live in Virginia. There were 5% of respondents from Tennessee, and 2% from North Carolina. No other state makes up greater than 1% of all respondents.

Figure A3.4: Respondent Home Location



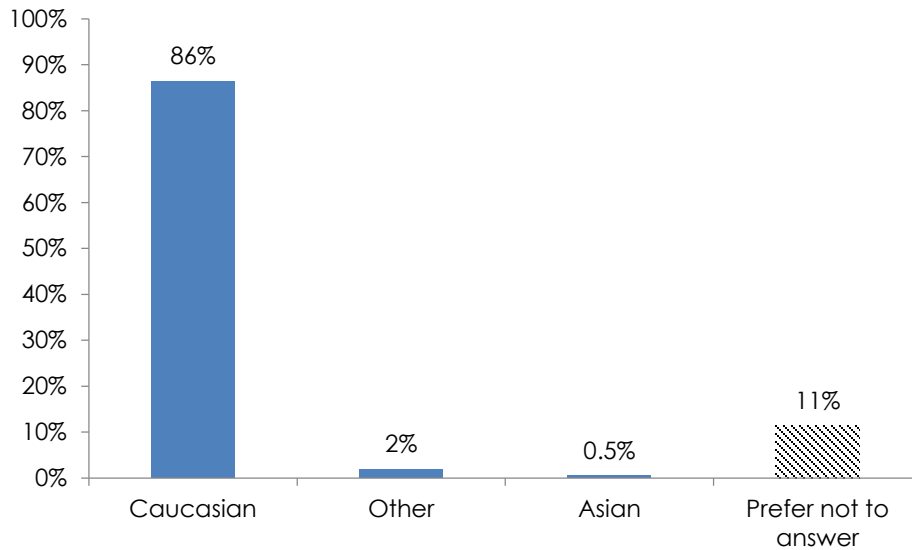
Of all survey respondents, 88% do not have children under 18 years old in their household. There were 11% of respondents who have one or two children under 18 in their household.

Figure A3.5: Presence of Children in Respondent Household



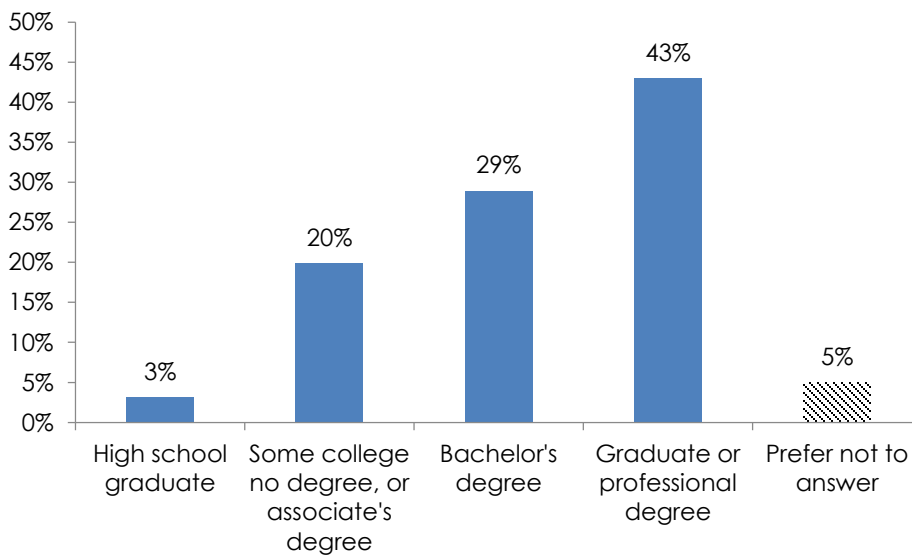
Most respondents (86%) identified as Caucasian. No other race made up more than 1% of respondents, and 11% of respondents chose not to identify their race.

Figure A3.6: Respondent Race



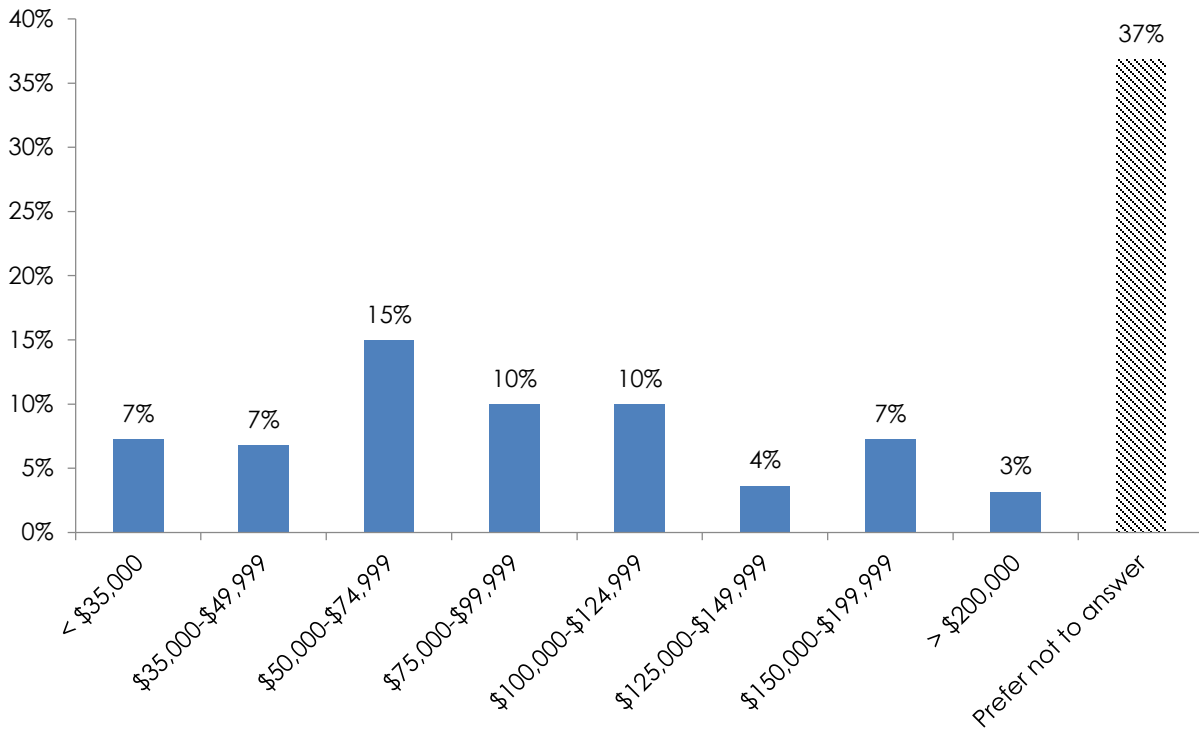
Almost three-quarters (72%) of all respondents have at least a bachelor's degree, and 92% of respondents attended at least some college. Only 3% of respondents reported that a high school diploma was their highest educational attainment.

Figure A3.7: Respondents' Highest Educational Attainment



Almost one-quarter (24%) of respondents' annual household income exceeds \$100,000, and only 14% of respondents' household income is under \$50,000. Over one-third of respondents (37%) chose not to disclose their household income.

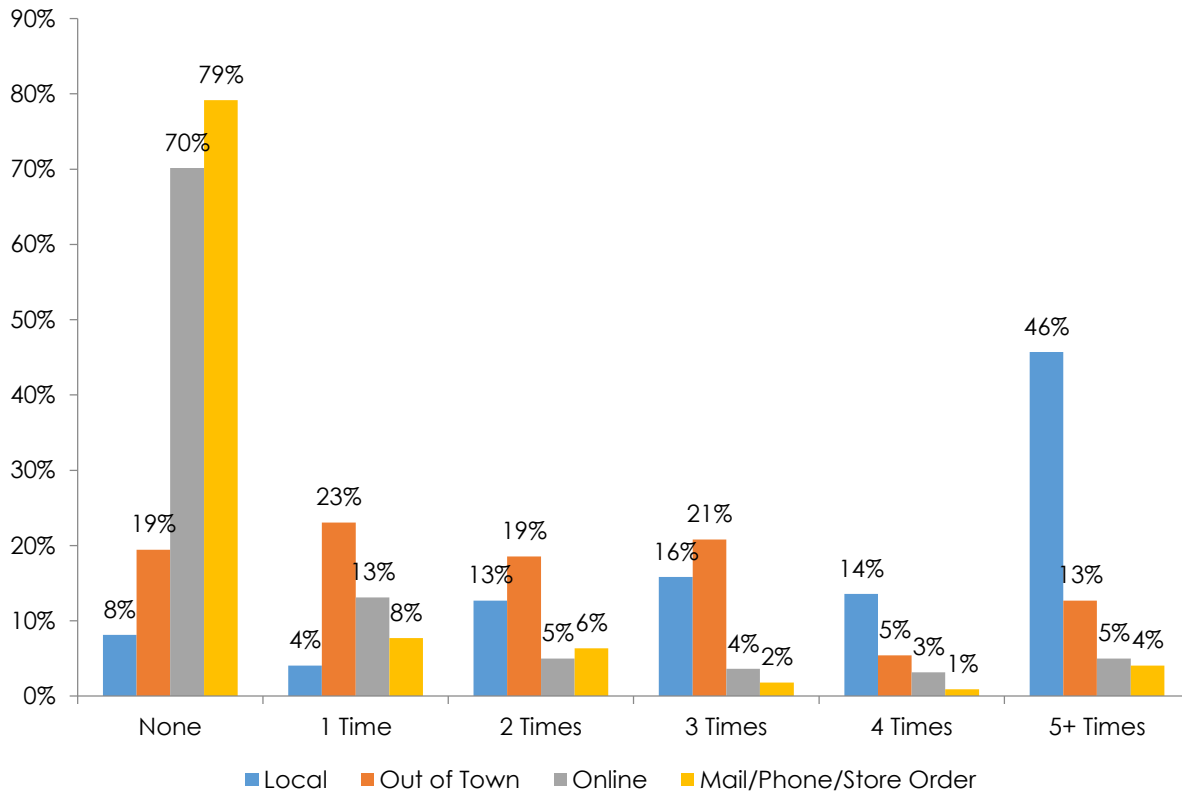
Figure A3.8: Respondents' Household Income



A3.2. Purchase of Artisan Products

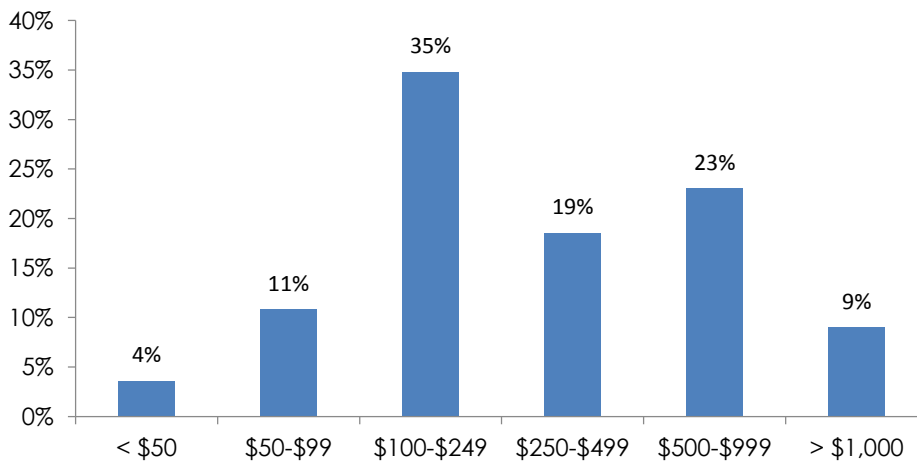
In 2014, the most prevalent purchase method of artisan products (or participation in experiences) was locally (within 50 miles of respondents' homes), as 59% of respondents purchased or participated in artisan goods or experiences at least four times locally. Over 80% of respondents purchased or participated in at least one artisan product or experience on an out-of-town trip (at least 50 miles away from respondents' homes) in Virginia in 2014. Online and mail/phone/store order purchases of artisan products were not as common, with only 30% of respondents making any online purchases of Virginia artisan products, and even fewer (21%) making mail/phone/store order purchases.

Figure A3.9: Respondents' 2014 Purchases of Virginia Artisan Products or Participation in Experiences, by Order Method



Respondents spent a significant amount of money on artisan products and experiences in 2014. Of all respondents, 86% spent at least \$100 in 2014, and almost two-thirds of respondents (32%) spent over \$500.

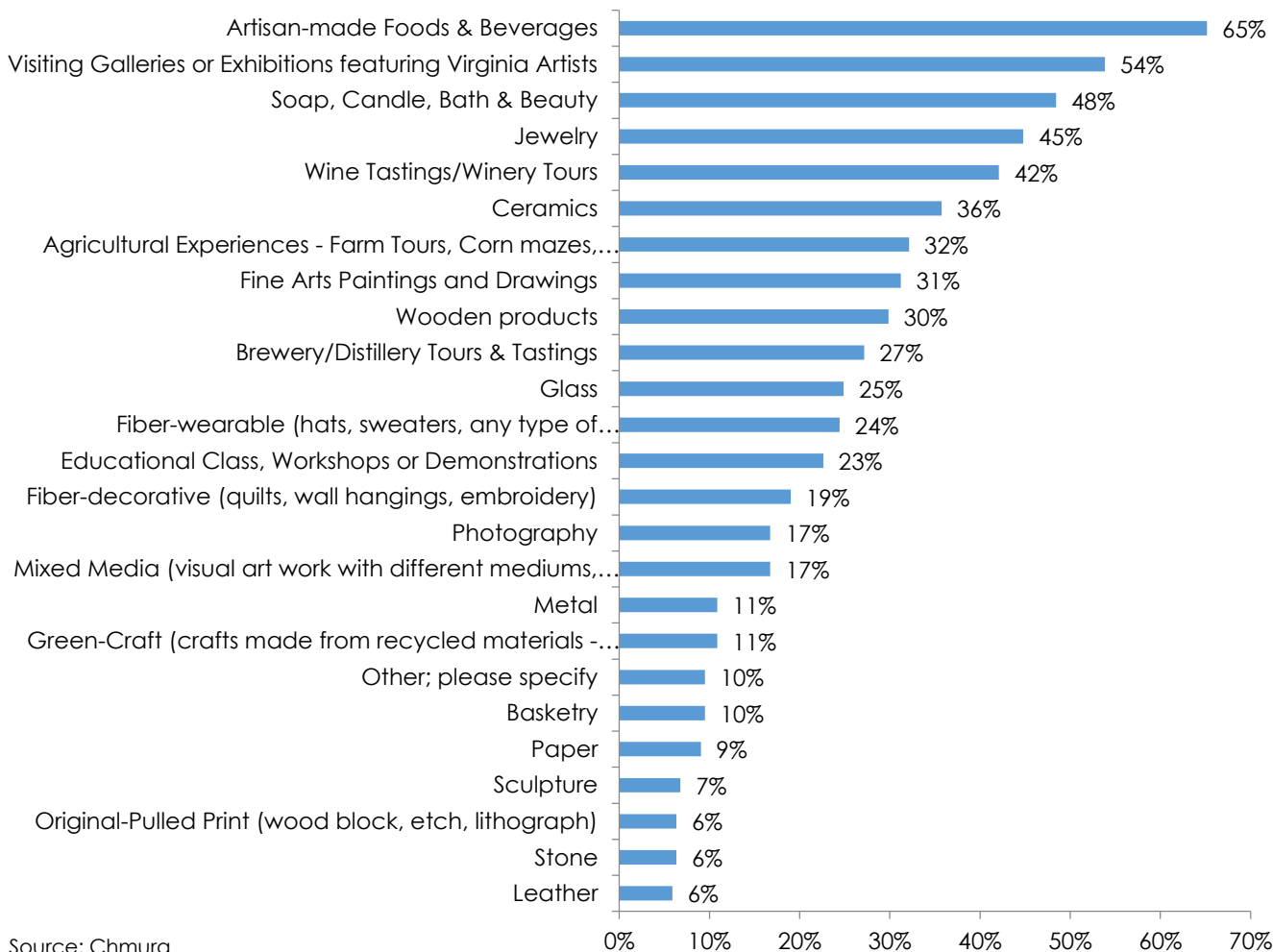
Figure A3.10: Respondents' 2014 Spending on Virginia Artisan Products and Experiences



In 2014, respondents purchased or participated in a wide variety of artisan products and experiences. Almost two-thirds of all respondents (65%) consumed artisan-made food and beverages, and over half of

respondents (54%) visited galleries or exhibitions featuring Virginia artists. Other common purchase categories included soap, candle, bath & beauty products (48%); jewelry (45%); and wine tasting or tours (42%).

Figure A3.11: Respondents' 2014 Artisan Purchases



Source: Chmura

A3.3. Artisan Trips in Virginia

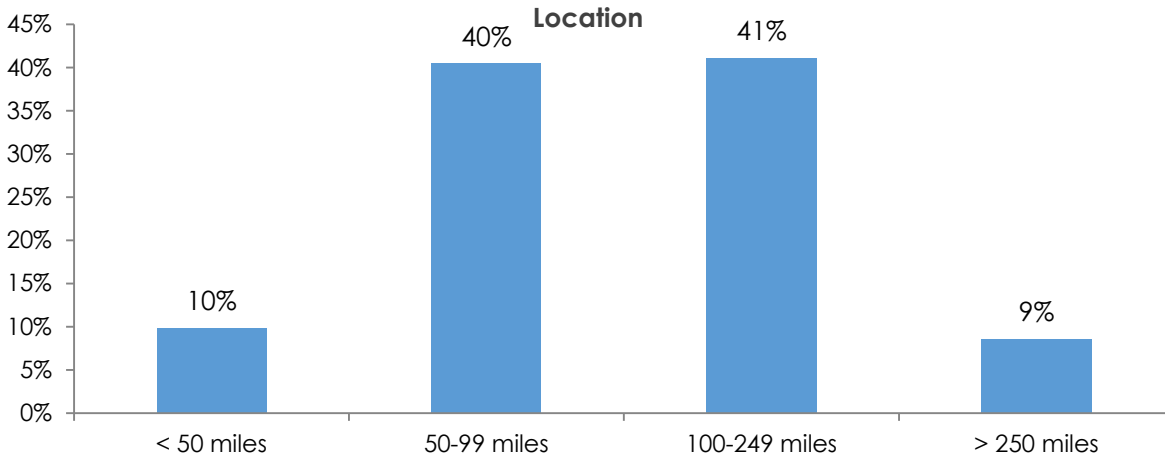
Fifteen respondents reported trip lengths of over 60 days, including many who listed almost a full year as their trip length. In order to avoid significantly skewing the results, only respondents with trip lengths less than 60 days were included in this section's analysis.

A3.3.1. Trip Characteristics

On average, respondents traveled 131 miles one-way from their home to reach the furthest Virginia location where they bought or participated in handmade or locally-grown Virginia artisan products and

experiences. There were 82% of respondents who traveled between 50 and 249 miles for their furthest Virginia artisan purchase.

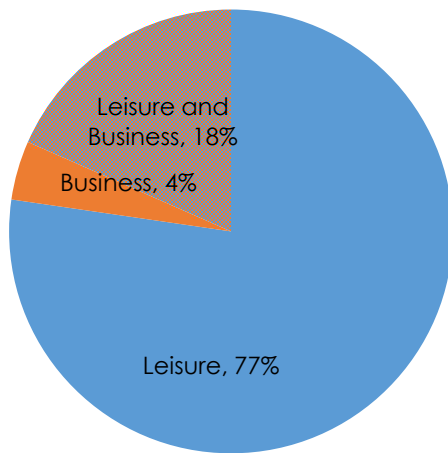
Figure A3.12: Distance Traveled to Furthest Virginia Artisan Purchase



n=163

Over three-quarters of respondents' out-of-town trips (77%) where they purchased Virginia artisan products in 2014 were purely leisure trips, and 18% of purchases were during a joint business and leisure trip.

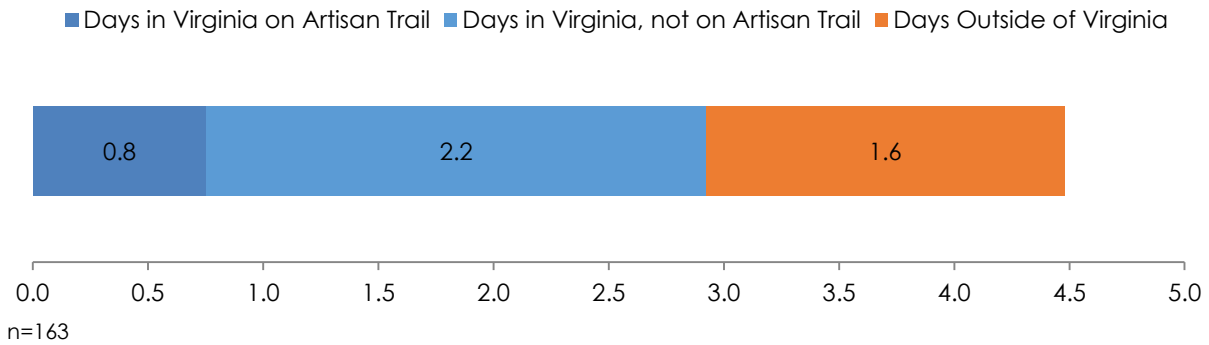
Figure A3.13: Reason for Out-of-Town Trip



n=163

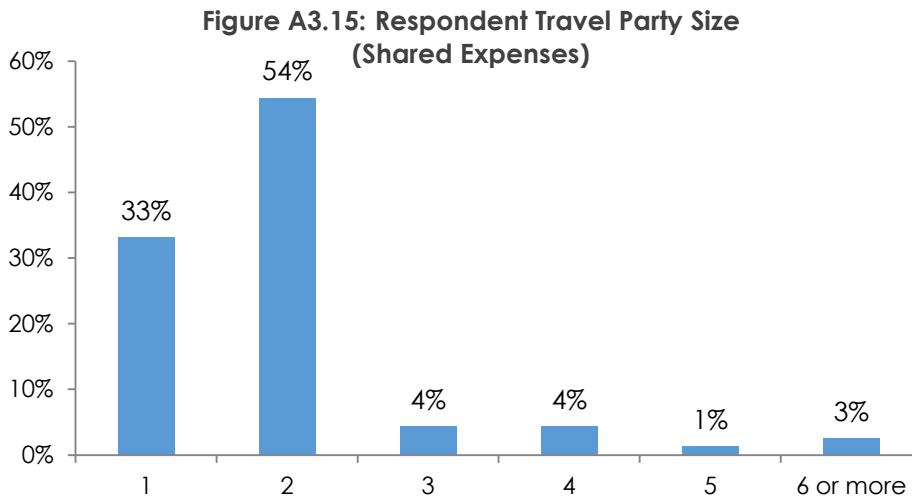
On average, the total trip length per person was 4.5 days. Respondents spent on average 2.9 days in Virginia, 0.8 of which were spent on a Virginia Artisan Trail.

Figure A3.14: Average Trip Length per Person (Days)



A3.3.2. Trip Spending

The average party size for shared expenses was 2.1 people. Only 13% of respondents shared expenses with three or more people.



For respondents whose primary trip motivation was a Virginia Artisan Trail, they spent on average \$249 per person per trip. Their largest individual expenses included lodging (\$73.20 per person per trip) and artisan products (\$63.30 per person per trip). Visitors whose trip was not primarily an artisan trail spent \$529.80 per person per trip. They tended to spend especially more on lodging (\$227), food and drink (\$73.80), artisan products (\$92.10), and artisan experiences (\$40.50). Respondents who did not visit an artisan trail had similar spending habits to those who visited an artisan trail as a secondary trip reason. However, they spent more on artisan products and experiences per person per trip (\$97.30) compared to visitors whose primary trip motivator was a Virginia Artisan Trail (\$81.30).

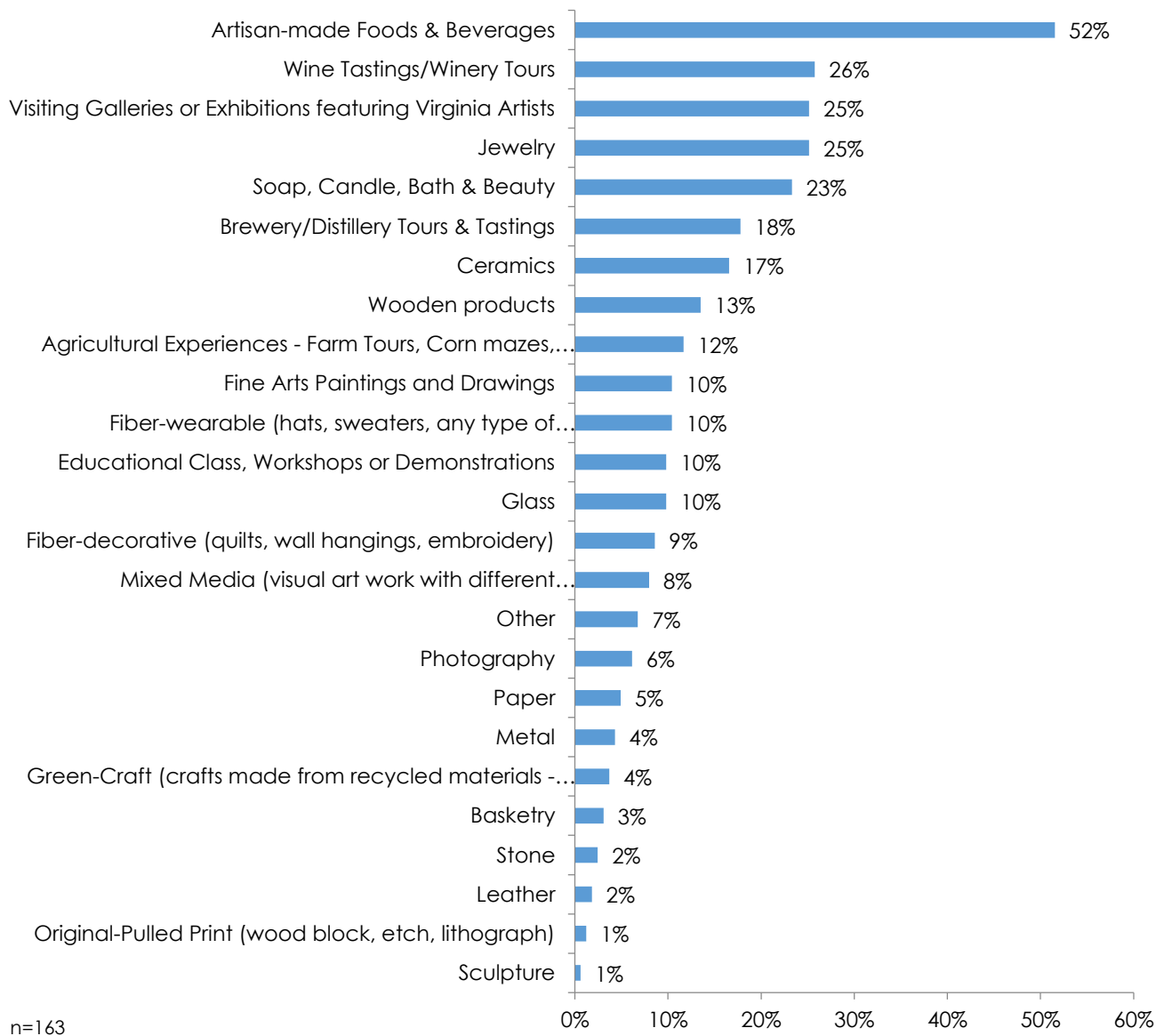
Table A3.1: Total Trip Spending Per Person, for Artisan Visitors

	AT Visitor, Primary	AT Visitor, Secondary	No AT, Out-of- Town Visitors
Lodging	\$73.20	\$227.00	\$225.80
Food/Drink (excluding artisan)	\$41.20	\$73.80	\$71.50
Transportation	\$22.00	\$18.60	\$22.70
Shopping (excluding artisan)	\$8.30	\$37.60	\$42.80
Entertainment/Attractions (excluding artisan)	\$8.50	\$25.10	\$14.90
Artisan Experiences	\$18.00	\$40.50	\$34.20
Artisan Products	\$63.30	\$92.10	\$63.10
Other	\$14.60	\$15.10	\$20.60
TOTAL	\$249.00	\$529.80	\$495.50

Source: VTC and Chmura

During respondents' most recent out-of-town artisan trip, over half purchased artisan-made food and beverages. At least one-quarter of respondents also participated in wine tastings or winery tours (26%), visited galleries or exhibitions featuring Virginia artists (25%), and purchased artisan-made jewelry (25%). Ceramics (17%) and wooden products (13%) were also common purchases, while basketry (3%), stone products (2%), leather products (2%), and sculpture (1%) were not as popular.

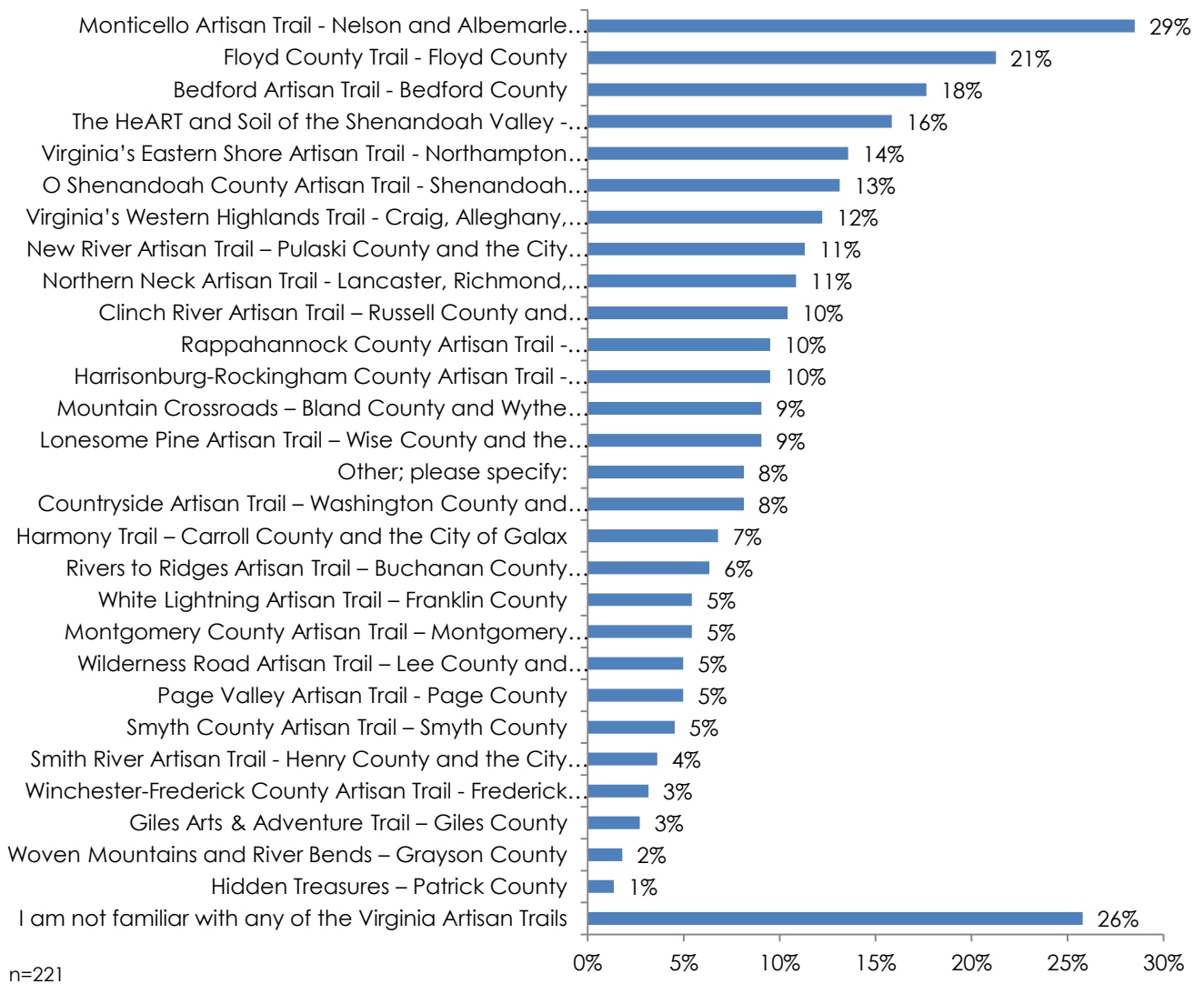
Figure A3.16: Respondents' Artisan Purchases During Most Recent Out-of-Town Trip



A3.4. Experience with Virginia Artisan Trails

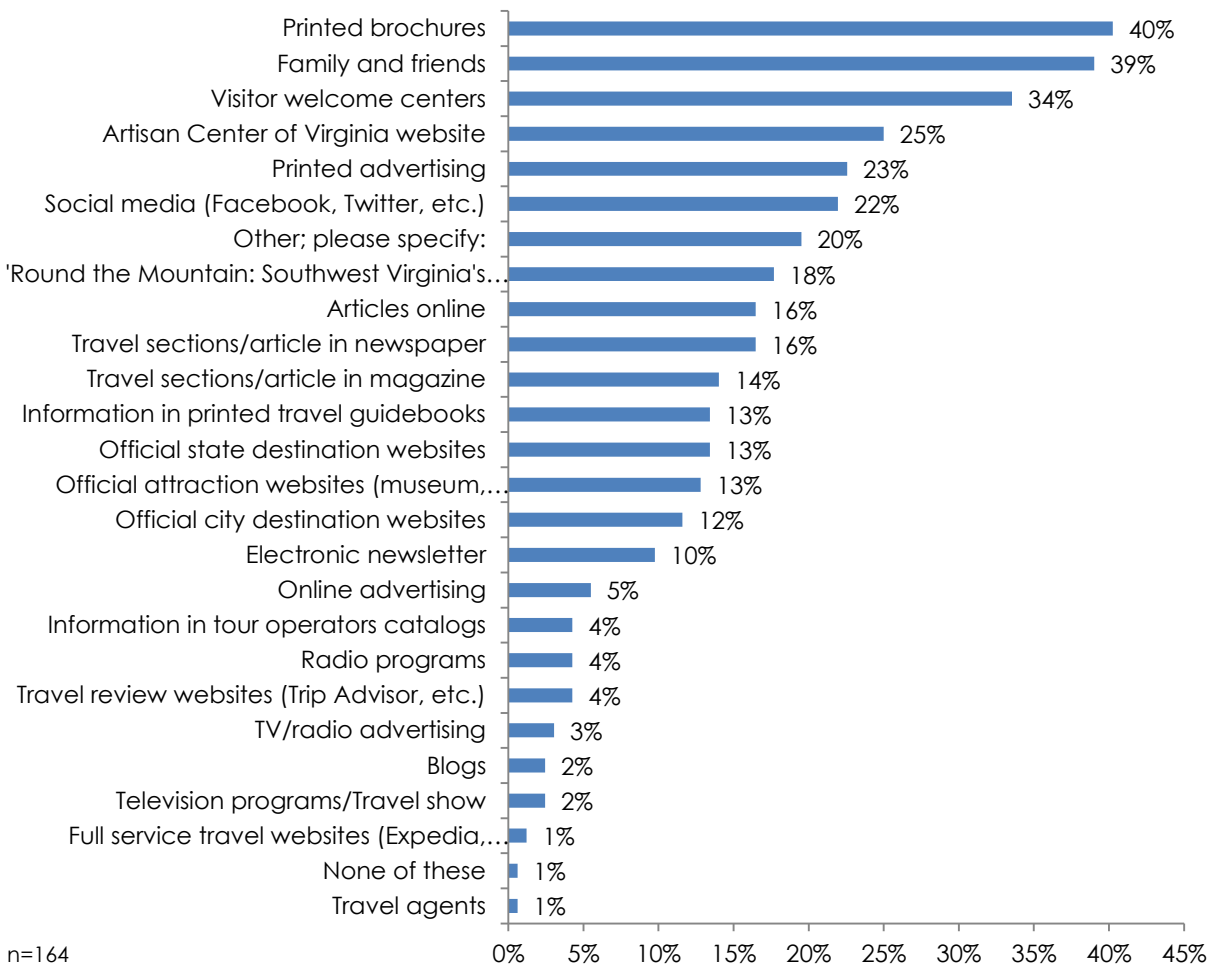
All respondents were asked with which Virginia Artisan Trails they were familiar. The Monticello Artisan Trail was the most well-known trail, with 29% recognition. Respondents were also fairly familiar with the Floyd County Trail (21%), Bedford Artisan Trail (18%), and the HeART and Soil of the Shenandoah Valley Trail (16%). About one-quarter of all respondents were unfamiliar with all Virginia Artisan Trails (26%).

Figure A3.17: Respondents' Familiarity with Virginia Artisan Trails



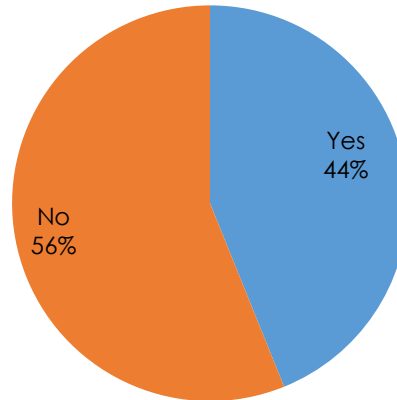
Of the respondents who were familiar with Virginia Artisan Trails, they heard about them from a wide variety of sources. Over one-third of respondents heard about them from printed brochures (40%), family and friends (39%), and visitor welcome centers (34%). One-quarter of all respondents learned about Virginia Artisan Trails from the Artisans Center of Virginia website. Printed advertising (23%) and social media (22%) were also common means of trail discovery.

Figure A3.18: How Respondents Heard About Virginia Artisan Trails



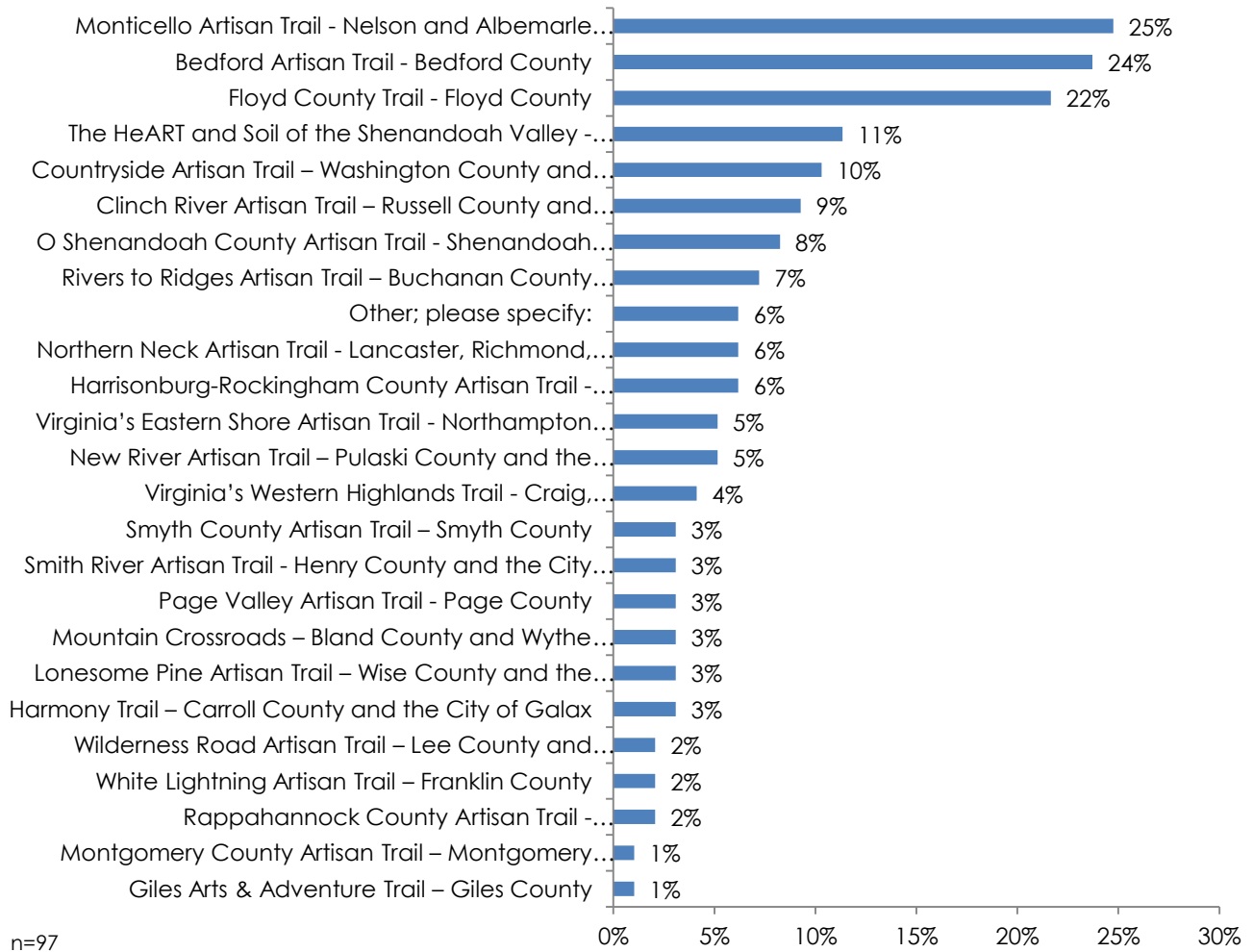
Almost half of all respondents (44%) visited an artisan trail in Virginia in 2014. Of the respondents familiar with Virginia's Artisan Trails, 59% of them visited a trail in 2014. Of respondents who visited a Virginia Artisan Trail in 2014, visiting the trail was the primary trip reason for 21% of respondents. Of the respondents who visited a Virginia trail in 2014, one-quarter of them visited the Monticello Artisan Trail. The Bedford Artisan Trail (24%) and Floyd County Trail (22%) were also popular.

Figure A3.19: Did Respondents Visit a Virginia Artisan Trail in 2014?

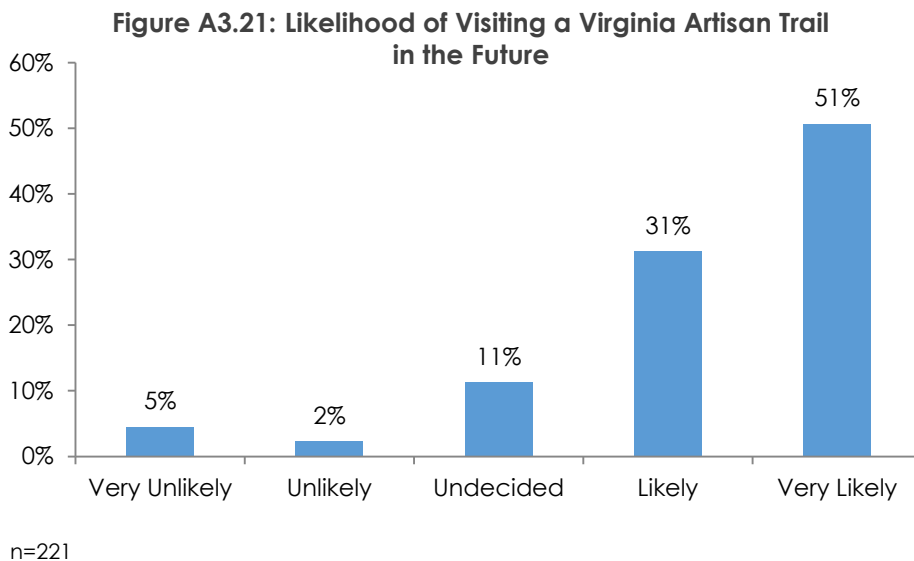


n=221

Figure A3.20: Virginia Artisan Trails Visited by Respondents



A large majority of respondents (82%) stated they were likely or very likely to visit a Virginia Artisan Trail in the future. Only 7% of all respondents were unlikely or very unlikely to visit a trail, and 11% of respondents said they were undecided.



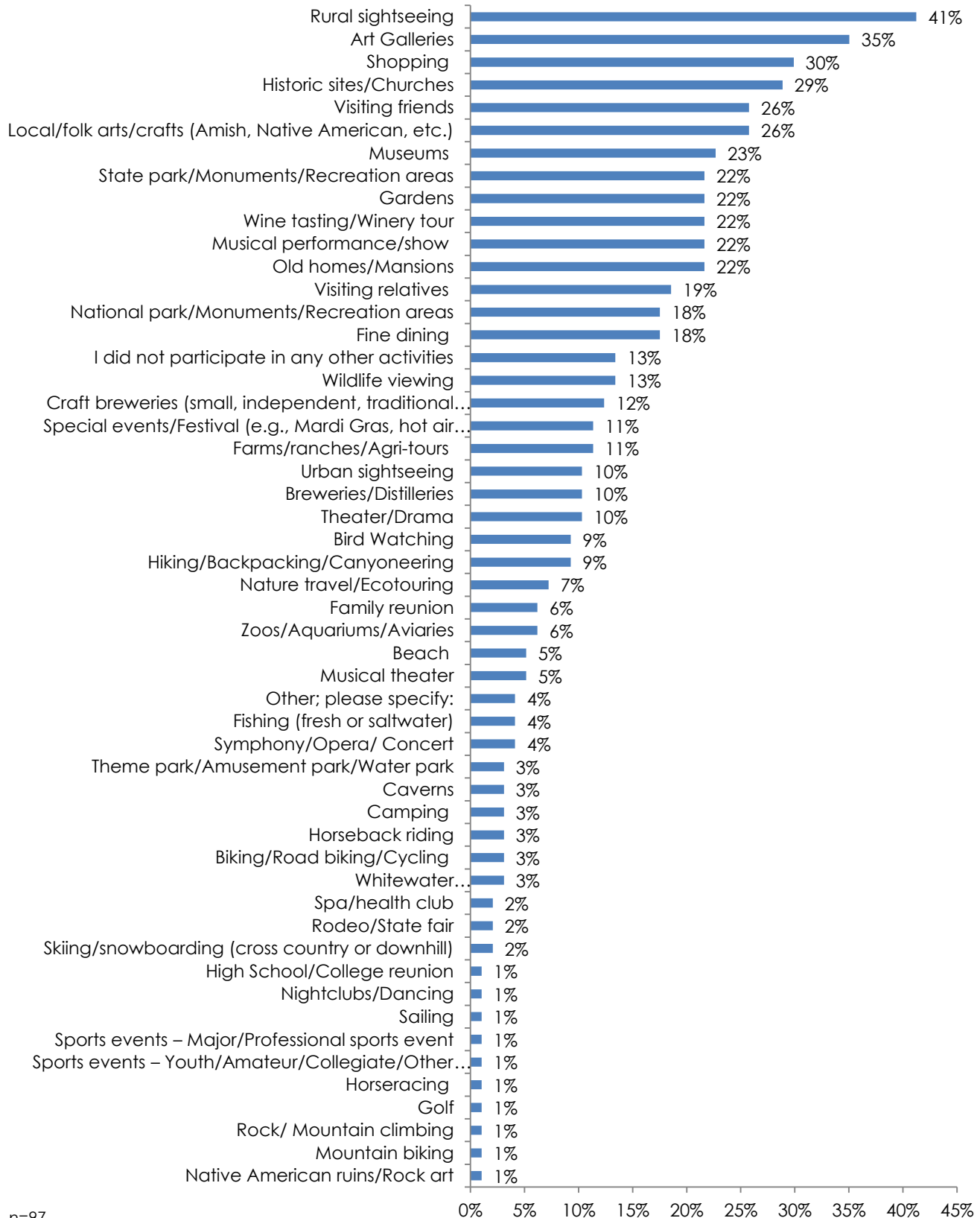
Respondents who visited an artisan trail in Virginia in 2014 were asked what information would have been helpful in planning a trail visit. Almost half of the respondents (44%) asked for images of what the different artisans have for sale. Over one-quarter of respondents (27%) said they already had all the necessary information. Additional mobile or online resources were requested by 26% of respondents.

Figure A3.22: Information That Would Have Been Helpful in Planning a Visit to a Virginia Artisan Trail



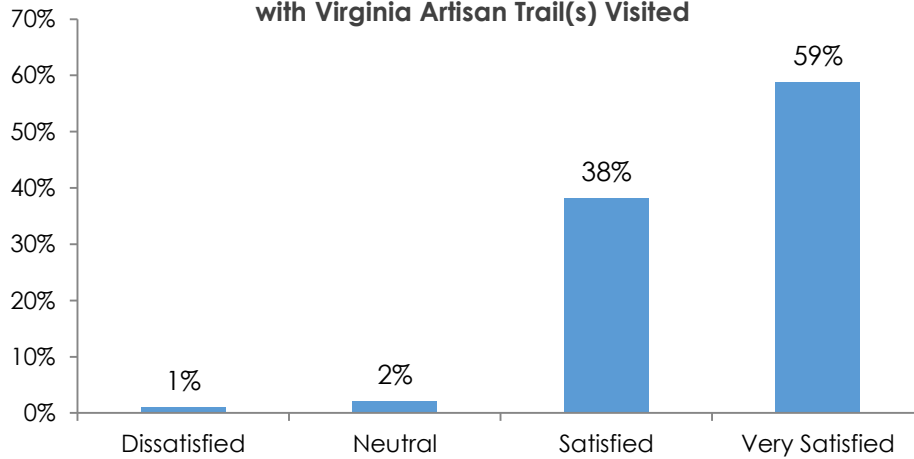
Respondents who visited a Virginia Artisan Trail were asked what other activities they participated in while on the trail. Rural sightseeing was the most popular activity with 41% of respondents participating. Over one-third of respondents mentioned visiting art galleries (35%), and over one-quarter of respondents cited shopping (30%), visiting historic sites or churches (29%), visiting friends (26%), and participating in local folk arts or crafts (26%).

Figure A3.23: Other Activities Respondents Participated in While on the Virginia Artisan Trail



n=97

Figure A3.24: Respondents' Satisfaction with Virginia Artisan Trail(s) Visited



Source: Chmura

Respondents who visited a Virginia Artisan Trail in 2014 were asked how they feel about several statements regarding the trail(s). The results were positive across the board. Almost two-thirds of respondents (65%) agreed or strongly agreed that the trails inspired them to visit other parts of the state. Of all respondents, 81% agreed or strongly agreed that their experience on Virginia's Artisan Trail(s) was unique. Nearly all respondents (98%) agreed or strongly agreed that they would recommend Virginia Artisan Trails to others, and 97% of respondents agreed or strongly agreed that they found Virginia's trails to be appealing.

Figure A3.25: Sentiments of Virginia Artisan Trail Visitors

