



UNIVERSITY OF MINNESOTA EXTENSION

DEPARTMENT OF COMMUNITY DEVELOPMENT

Economic impact of The Great Northern festival, 2024

A report of the Economic Impact Analysis program

Presented by Brigid Tuck



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July 2024

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The Great Northern festival

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Executive summary

The Great Northern festival celebrates Minnesota's cold, creative winters. It encourages Minnesotans and visitors to embrace the wonders of winter through 10 days of diverse programming. Held annually in late January and early February, the festival draws thousands of people to the Twin Cities. In 2024, the festival ran from January 25 through February 4 and featured more than 50 events at locations throughout the Twin Cities region.

With the festival's recent growth, leaders were interested in understanding the economic and social contributions of the event. Thus, they collaborated with University of Minnesota Extension to conduct this economic impact analysis study.

Extension drew the following conclusions based on the analysis:

- **Overall, attendees are satisfied with The Great Northern festival.** Ninety-six percent of surveyed attendees responded they were “highly satisfied” or “satisfied” with the event. In addition, 38 percent of attendees specified they learned about the festival via word of mouth, which indicates a positive reputation. Slightly more than one-quarter (28 percent) of respondents attended more than one event at the festival.
- **The Great Northern festival is growing and attracts people to new locations in the Twin Cities.** Seventy percent of surveyed attendees were at their first Great Northern festival. Only 30 percent were repeat attendees. This indicates the festival is growing, which is positive. This also means the festival has the opportunity to develop a following, or people who regularly attend events. More than one-third of festival attendees (37 percent) visited the event location for the first time due to the festival. This suggests the festival is exposing people to new places and spaces in the Twin Cities.
- **The Great Northern festival's diverse and eclectic programming is valued by attendees.** Survey respondents had multiple opportunities to share what they valued about the festival. When asked to list one unique feature of the festival, 157 respondents cited the eclectic mix of programming and locations. Also included in the most common responses were the welcoming sense of community and the diverse nature of the programming, artists, and attendees.
- **Showcasing winter in a uniquely “Minnesota” way is an underpinning of the festival's success.** When provided with a list of items and asked to select the most highly valued aspect of the festival, the most commonly selected answers were “bringing unique opportunities to the Twin Cities” and “increasing enthusiasm for winter.” When asked to list the most enjoyable aspect of the festival, the most commonly shared answer was the sauna village. Many respondents commented on how the sauna village and other programming made it feel like a uniquely Minnesota event.
- **The Great Northern festival generates economic activity in the Twin Cities.** On average, people spent \$47.10 per person, per day to attend The Great Northern festival. In total,

events directly sponsored by The Great Northern festival generated \$2.1 million of economic activity in Hennepin County. This includes \$683,226 in labor income. The industry sectors that benefited the most from the festival include real estate, professional and technical services, and performing arts and related.





The Great Northern festival has social and economic impacts in the Twin Cities. An University of Minnesota Extension study found...

1. Overall, attendees are satisfied with The Great Northern.

96% of attendees were satisfied or highly satisfied.

38% learned about the festival via word of mouth.

2. The festival is growing and attracts people to new locations.

70% were first-time attendees of the festival.

37% visited the event location for the first time.

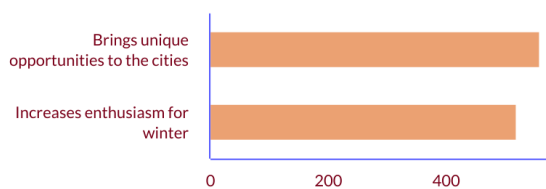
3. The Great Northern festival's diverse and eclectic programming is valued by attendees.

#1 most cited favorable aspect of the festival was the eclectic mix of programming

#2 most cited favorable aspect of the festival was the sauna village.

4. Showcasing winter in a uniquely Minnesotan way is an underpinning of the festival's success.

Most highly valued aspect of The Great Northern festival



5. The Great Northern festival generates economic activity.

\$ **\$2.1 million** of economic activity generated by the festival.

\$ **real estate, professional services, and the arts benefit the most.**



Project overview

The Great Northern festival celebrates Minnesota’s cold, creative winters. It encourages Minnesotans and visitors to embrace the wonders of winter through 10 days of diverse programming. Held annually in late January and early February, the festival draws thousands of people to the Twin Cities. In 2024, the festival ran from January 25 through February 4 and featured more than 50 events at locations throughout the Twin Cities region.

The Great Northern festival’s events can be classified into four groups—arts-related programming, outdoor/active events, food and drink-related activities, and climate solutions programming.¹



Arts



Outdoor/Active



Food & Drink



Climate

Initially, The Great Northern festival was launched as an umbrella organization to coordinate efforts between major winter events in the Twin Cities. Since then, the festival has expanded to include additional partner organizations and to host its own programming.

Many of the 2024 events (26) were directly organized and hosted by The Great Northern festival, while the remaining events (such as the Walker Art Center’s Festival of Snow) were primarily hosted by festival partners. This shared hosting model promotes collaboration and brings energy to the festival. Festival attendees, meanwhile, gain the opportunity to engage in a wide variety of events in diverse locations.

With the festival’s growth, leaders were interested in understanding the economic and social contributions of the event. Thus, they collaborated with University of Minnesota Extension to conduct this economic impact analysis study.

To gather data for the study, Extension and The Great Northern festival staff collaborated to deploy a survey. The team designed two separate surveys—one for attendees of the Climate Solution Series and one for the other events. The Climate Solution Series had a separate survey for two primary reasons. First, the team identified a few questions that were unique to the Climate Solution Series. Second, the Climate Solution Series was only offered the first weekend and thus the survey could be deployed sooner.

The Great Northern festival staff deployed the Climate Solution Series survey following the event. Email invitations were sent to all attendees with valid email addresses. Of those, 104 responded (Table 1).

Extension staff, meanwhile, deployed the survey that went to attendees of the other The Great Northern festival events primarily hosted by The Great Northern. An initial invitation was emailed on February 6, 2024. A follow-up went out on February 12. The survey was sent to 4,837 valid email addresses. The survey received 866 responses for a response rate of 18 percent, which is a

¹ Photographs provided by The Great Northern festival. Photo credit to Jayme Halbritter, <https://jaymehalbritter.com/>

reasonably high rate for online surveys. In total, the survey yielded 970 valid responses from event attendees.

Table 1: Survey response rates: the Great Northern festival attendees, 2024

	Climate Solution Series	The Great Northern events
Number of survey invitations		4,837
Number of completed surveys	104	866
Response rate		18%

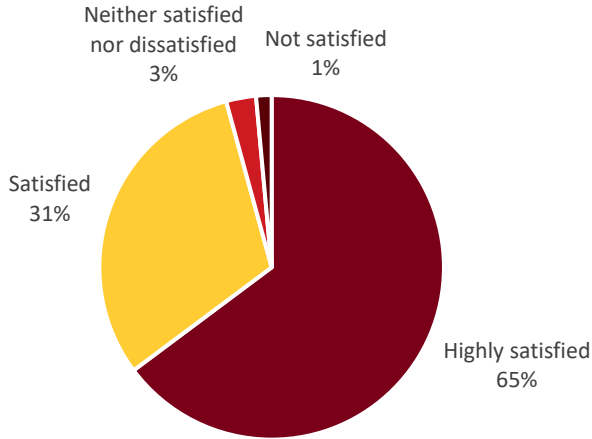
The Great Northern festival attendee experience

The survey delved into festival attendees’ experiences with the event.

Festival satisfaction and experience

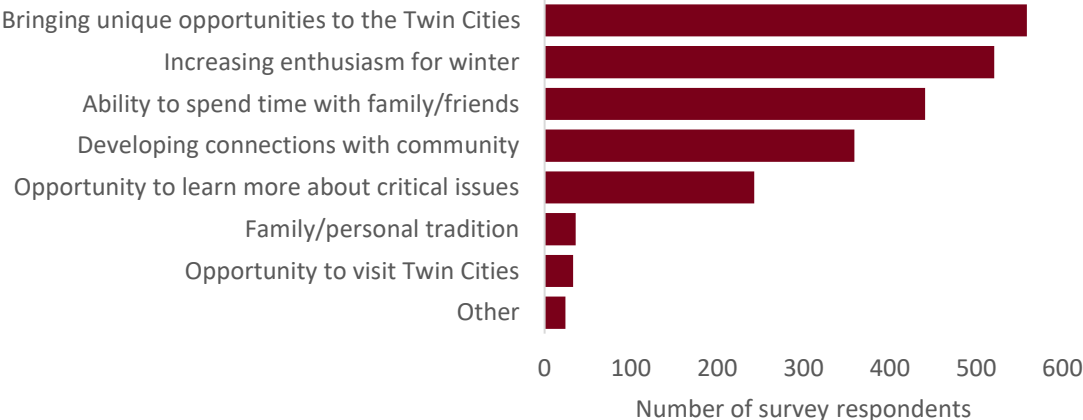
Overall, festival attendees were very satisfied with their experience at the 2024 Great Northern festival (Chart 1).

Chart 1: Level of satisfaction with The Great Northern festival, 2024



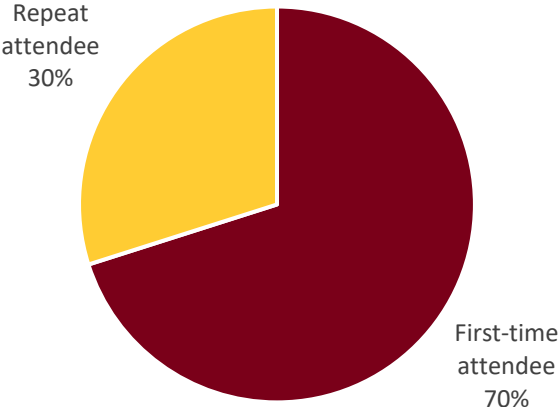
When asked which aspects of The Great Northern festival they valued, respondents most often selected the fact that the event brings unique opportunities to the Twin Cities and that the festival increases enthusiasm for winter (Chart 2). The third and fourth most selected items both directly speak to the social impact of the festival. Respondents could select up to two options.

Chart 2: Most highly valued aspect of The Great Northern festival, 2024 attendees



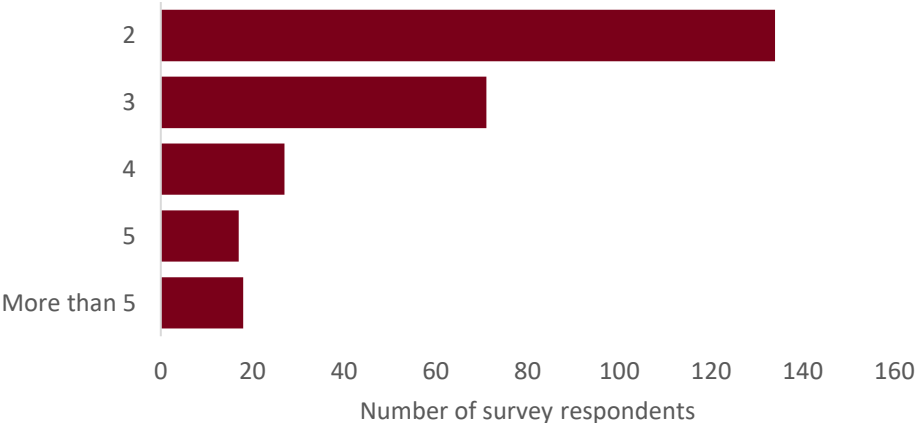
Positive experiences with the festival in previous years motivated people to attend again in 2024. Just under one-third of event attendees surveyed reported they had attended a previous festival (Chart 3). Growing the festival requires attracting new attendees, which was true in 2024, as 70 percent of respondents reported this was their first time attending.

Chart 3: Level of experience with The Great Northern festival, 2024



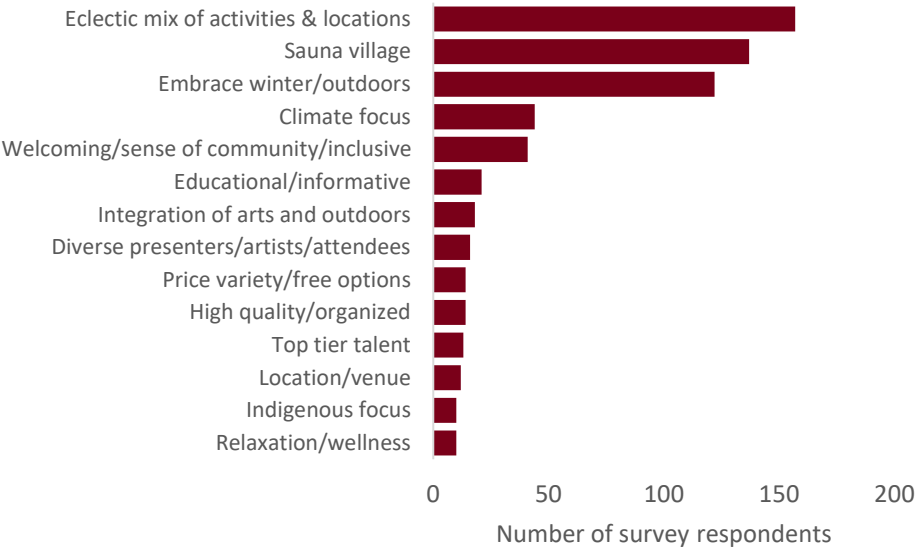
One-third of survey respondents reported attending multiple events hosted by The Great Northern festival. Of those, most people indicated they attended two to three events (Chart 4).

Chart 4: Number of times attending The Great Northern festival events, 2024 (those attending more than one)



Respondents were asked to list one item that sets The Great Northern festival apart from other events in the Twin Cities. Of the respondents, 157 commented about the unique and eclectic mix of activities and locations (Chart 5). Other themes mentioned included the sauna village, embracing winter and the outdoors, and the climate focus.

Chart 5: Unique aspects of The Great Northern festival, 2024 attendees (more than 10 comments)



Respondents were also prompted to share what went well with their experience at the festival. Similar themes emerged around the sauna village, individual festival locations, and the diverse, engaging, and inspiring content (Chart 6).

Chart 6: Most enjoyable aspects of The Great Northern festival, 2024 attendees (more than 10 comments)



Finally, survey respondents were asked to provide ideas for improving The Great Northern festival. The most common response was “nothing” (Chart 7). Following that, 51 respondents mentioned the online ticketing process, with many commenting that it was difficult to purchase or register tickets as a group. People also expressed an interest in more timely announcements about activities, locations, and times.

Chart 7: Ideas for improving the The Great Northern festival experience, 2024 attendees



Attendee spending patterns

On average, people spent \$47.10 per person per day to attend The Great Northern festival (Table 2). Attendees of the arts-related, outdoor, and climate solution series activities reported spending \$43 to \$53 per person per day.

Attendees of the food and drink events reported higher spending levels (\$95.80). Consistent with the event type, attendees spent more on food and beverage. They also had higher levels of spending on lodging and recreation/entertainment beyond the festival events.

Table 2: Average spending per person, per day, The Great Northern festival attendees, by event type

	Arts- Related	Food & Drink	Outdoor Activities	Climate Solutions	All
Food/beverage at the event	\$16.60	\$55.80	\$17.40	\$15.20	\$20.90
Food/beverage at other locations	\$13.90	\$14.60	\$12.20	\$12.20	\$11.60
Shopping at the event	\$2.30	\$1.30	\$2.70	\$4.00	\$2.40
Shopping at other locations	\$0.90	\$0.20	\$0.50	\$2.40	\$0.60
Lodging	\$1.40	\$10.90	\$2.30	\$4.10	\$3.10
Transportation	\$6.10	\$7.40	\$4.70	\$10.80	\$5.10
Recreation/entertainment (beyond tickets)	\$0.80	\$4.50	\$1.50	\$3.20	\$1.60
Groceries	\$0.50	\$0.90	\$0.40	\$0.60	\$0.50
Other	\$0.90	\$0.20	\$1.50	\$0.50	\$1.30
Total	\$43.40	\$95.80	\$43.20	\$53.00	\$47.10

People who reported spending the night in the Twin Cities while attending The Great Northern festival spent, on average, \$145.40 per person per day (Table 3). Those who did not spend the night as part of their trip spent \$41.10.

Table 3: Average Spending Per Person, Per Day, The Great Northern festival attendees, by participant type

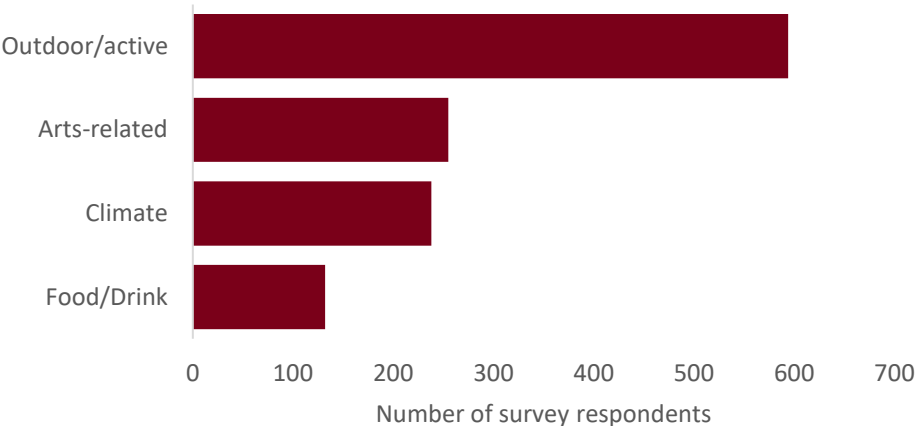
	Day- trippers	Overnighters	All
Food/beverage at the event	\$20.00	\$40.60	\$20.90
Food/beverage at other locations	\$10.70	\$30.70	\$11.60
Shopping at the event	\$2.00	\$11.20	\$2.40
Shopping at other locations	\$0.30	\$5.90	\$0.60
Lodging	\$0.00	\$40.30	\$3.10
Transportation	\$4.70	\$13.50	\$5.10
Recreation/entertainment (beyond tickets)	\$1.60	\$0.50	\$1.60
Groceries	\$0.40	\$2.70	\$0.50
Other	\$1.40	\$0.00	\$1.30
Total	\$41.10	\$145.40	\$47.10



Attendee awareness and travel arrangements

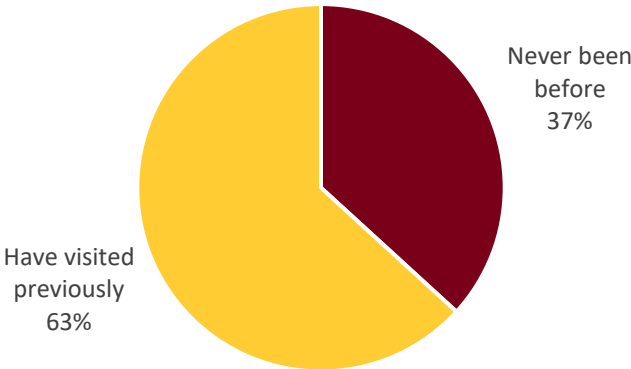
Survey respondents indicated which events they attended. As mentioned, many respondents attended more than one event. The outdoor/active category, which included the sauna village attendees, drew the highest number of responses (Chart 8).

Chart 8: Type of event attended by The Great Northern festival festival attendees, 2024



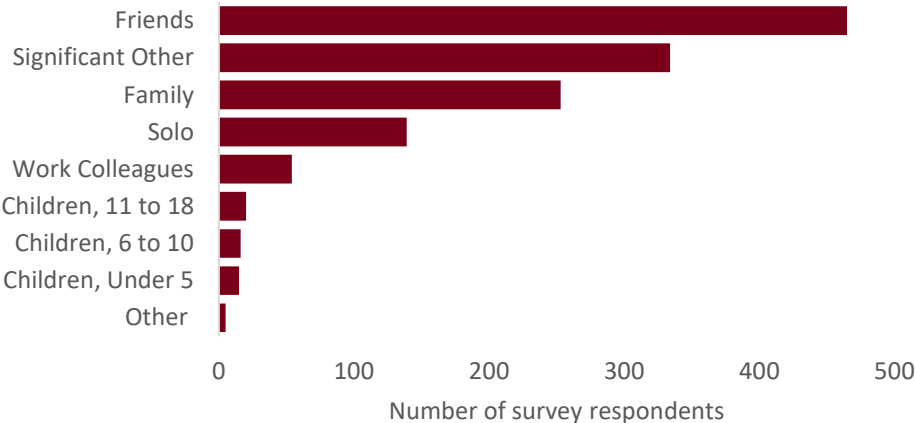
One positive aspect of The Great Northern festival is that it exposes attendees to new locations in the Twin Cities. More than one-third of attendees had never visited the event location prior to the festival (Chart 9).

Chart 9: The Great Northern festival survey respondents' familiarity with event location, 2024



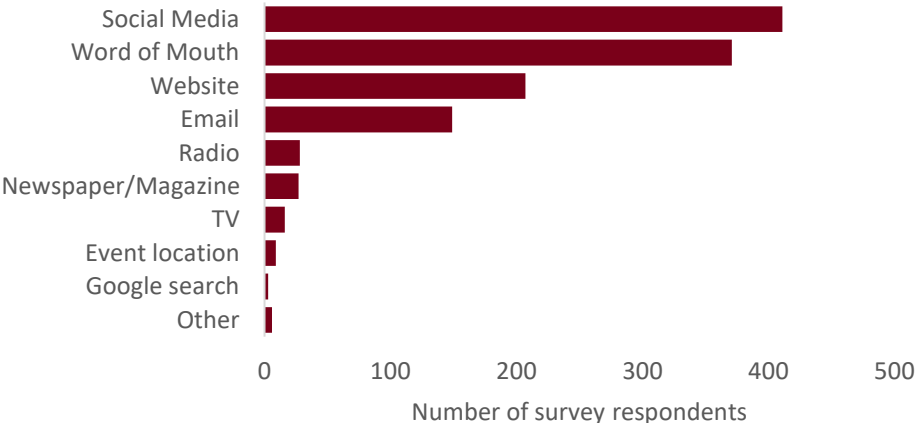
The Great Northern festival respondents were most likely to attend an event with friends or with a significant other (Chart 10).

Chart 10: Composition of group, The Great Northern festival attendees, 2024



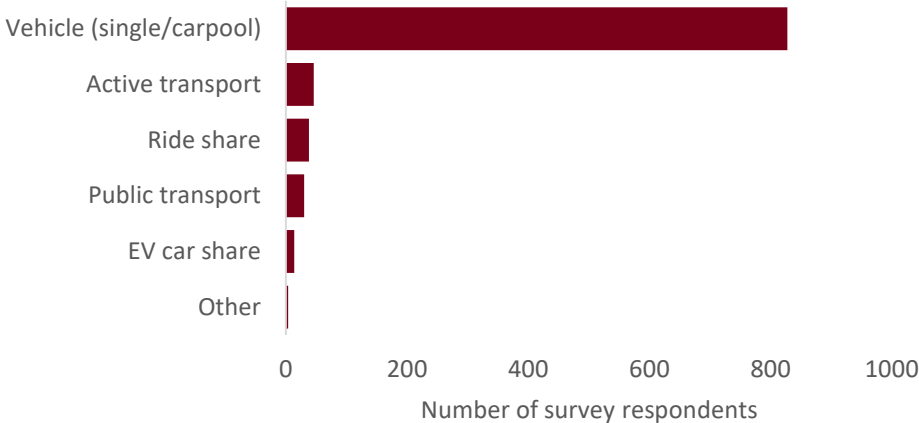
Survey respondents identified social media and word of mouth as their primary sources of festival information (Chart 11). In the open-ended responses, Extension identified several categories that were not included in the survey. First was a newspaper/magazine. Specifically, *Racket* and *Mpls. St. Paul Magazine* were mentioned. Second was publicity from the event location itself. Finally, several mentioned learning about the festival via Google search.

Chart 11: Methods for learning about The Great Northern festival, 2024 attendees



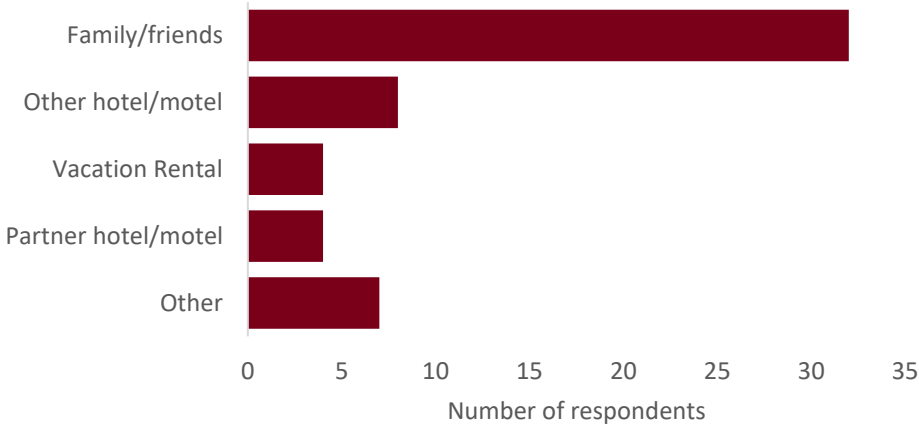
Most attendees traveled to The Great Northern festival via a vehicle (Chart 12).

Chart 12: Mode of transportation, The Great Northern festival attendees, 2024



Of the survey respondents, 4 percent reported spending the night while attending the festival. The most common accommodation they used was staying with family or friends (Chart 13).

Chart 13: Accommodations used by overnight attendees, The Great Northern festival, 2024



Economic impact analysis (EIA)

The economic impact of the Great Northern festival includes direct, indirect, and induced effects. The direct effect has two primary components—spending by the festival itself to operate and spending by festival attendees. Indirect and induced effects are also called “ripple” effects. They are impacts felt by businesses that do not receive direct spending from the festival or its attendees. For example, an artist may perform at an event and then hire an accountant to complete their taxes. The accountant indirectly benefits from the festival.

Direct effects

The first step of the economic impact analysis was to quantify the direct effect of the festival.

Festival operations

The Great Northern festival organizers spent \$622,614 to host the event in 2024 (Table 4). The majority of the spending (80 percent) was for artists, performers, and promoters.

Table 4: The Great Northern festival event spending (rounded to the nearest dollar)

	2024 Spending
Artists, performers, and promoters	\$496,826
Venues and permits	\$70,317
Travel and lodging	\$18,890
Supplies and rentals	\$32,177
Other	\$4,404
Total	\$622,614

Festival attendees

The direct effect of the Great Northern festival attendees was calculated using the basic formula of taking the number of attendees and multiplying by an average spending per person.

In 2024, the 26 events directly hosted by The Great Northern festival drew 11,450 attendees (Table 5). The outdoor activities, including the sauna village, attracted the highest number of attendees, followed by the Climate Solutions Series.

Table 5: Total spending, The Great Northern festival attendees, by event type

	Spending per person	Number of attendees	Total spending
Arts-related	\$43.40	1,679	\$72,665
Food & drink	\$95.80	1,563	\$149,442
Outdoor activities	\$43.20	5,366	\$231,788
Climate Solutions	\$53.00	2,842	\$150,445
Total	N/A	11,450	\$604,340

Festival attendees spent an estimated \$604,340 to attend the 2024 events. Due to the higher attendance, attendees at outdoor activities spent the most money. This was closely followed by attendees of the Climate Solution Series and the food and drink events.

Indirect and induced effects

Indirect and induced effects are the “ripples” in the economy. Indirect effects are often called “business to business” impacts, as they are related to the supply chain. For example, when a festival attendee dines out at a local restaurant, the restaurant owners need to buy additional meal ingredients, pay the electric bill, and pay their rent. This causes the suppliers of those companies to increase their production, triggering additional activity on the supply chain. Induced effects are often called “consumer to business” impacts as they relate to labor income spending. For example, when a festival attendee dines out at a local restaurant, the restaurant owners pay their workers. The workers, in turn, buy groceries for their families, pay their rent, and buy health insurance.

Extension used the IMPLAN input-output model to calculate the indirect and induced effects. Input-output models measure the flow of goods and services throughout an economy. Once that flow is established, the models can be used to predict how a change in one sector of the economy (e.g., restaurants) affects other sectors of the economy.

Total economic impact

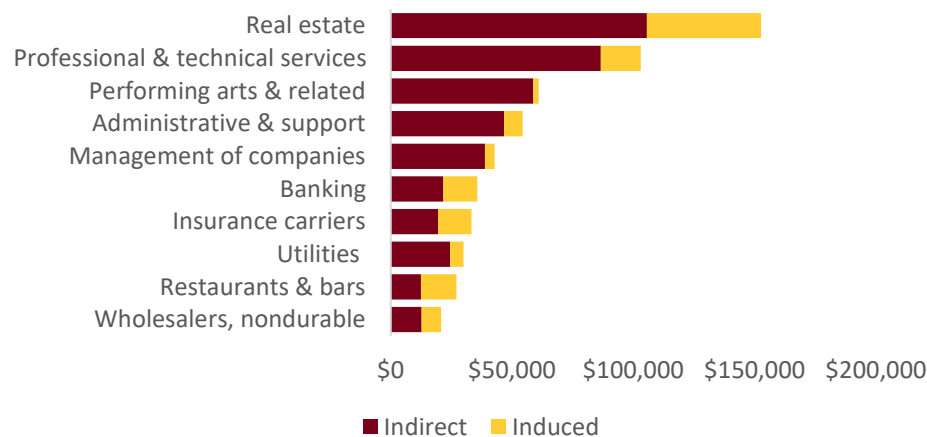
In total, events directly sponsored by The Great Northern festival generated \$2.1 million of economic activity in Hennepin County (Table 6). This included \$683,226 in labor income.

Table 6: Economic impact of The Great Northern festival: 2024

Category	Output	Labor Income
Direct	\$1,226,952	\$384,886
Indirect	\$588,330	\$196,190
Induced	\$277,310	\$102,150
Total	\$2,092,592	\$683,226

Beyond the businesses that directly benefited from The Great Northern festival, there was \$865,640 in economic activity at other businesses. The industry sectors that benefitted the most from the festival included real estate, professional and technical services, and performing arts and related (Chart 14).

Chart 14: Top industries impacted by The Great Northern festival: 2024



Beyond economic impact

Economic activity is only one measure of a festival's impact on a community. Survey responses, which highlight the value attendees place on creating a sense of community and a truly Minnesotan event, point to other impacts.

First, The Great Northern festival provides an opportunity for speakers, performers, and artists from across the globe to perform in Minnesota. Artists, speakers, and performers can form connections and networks that spark even more collaboration and creation. To measure the impacts of these connections, University of Minnesota Extension will also be conducting a ripple effect map for The Great Northern festival. This process can help uncover the additional activities that resulted from the festival.

Second, The Great Northern, like many festivals and events, relies on the support of volunteers. In 2024, 85 volunteers provided 592 hours of labor. Independent Sector conducts research each year to quantify the value of a volunteer hour.² In Minnesota, that research indicates the value of one hour was \$36.31. Thus, volunteers provided \$21,500 in additional value for The Great Northern festival.

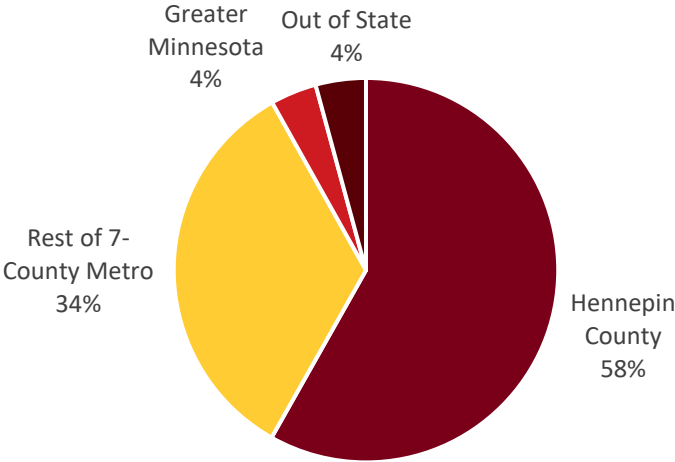
² Independent Sector. (2024, April 23). *Value of volunteer time*.
<https://independentsector.org/resource/value-of-volunteer-time/>



Appendix 1: Attendee demographics

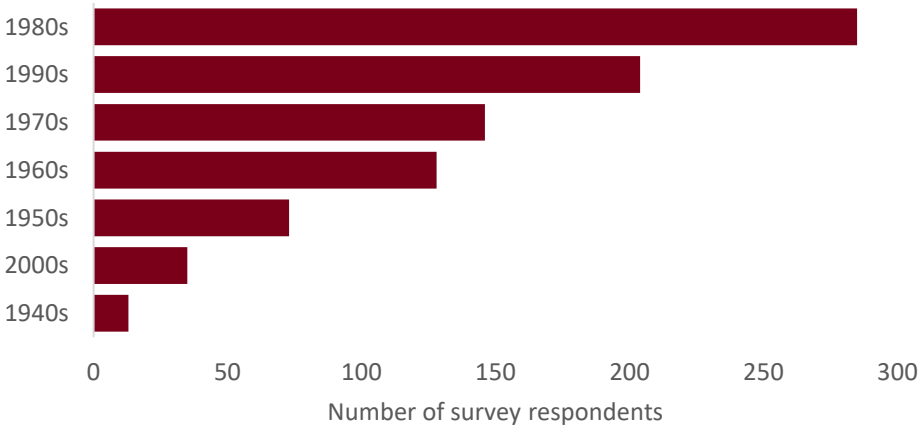
The majority of survey respondents came from Hennepin County (Chart 15). The event, however, drew people from across the metro, Minnesota, and the United States.

Chart 15: Home residence, The Great Northern festival event attendees, 2024



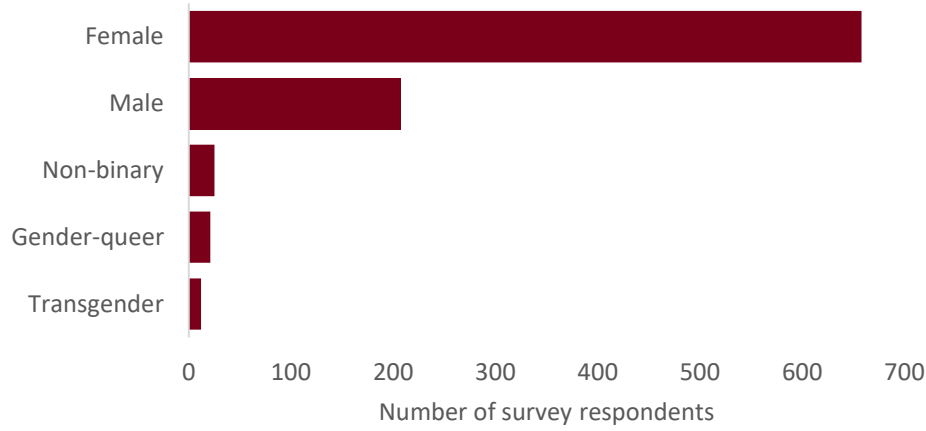
The most survey responses came from individuals born in the 1980s and 1990s who are now around 30 to 40 years old (Chart 16).

Chart 16: Year of birth, The Great Northern festival event attendees, 2024



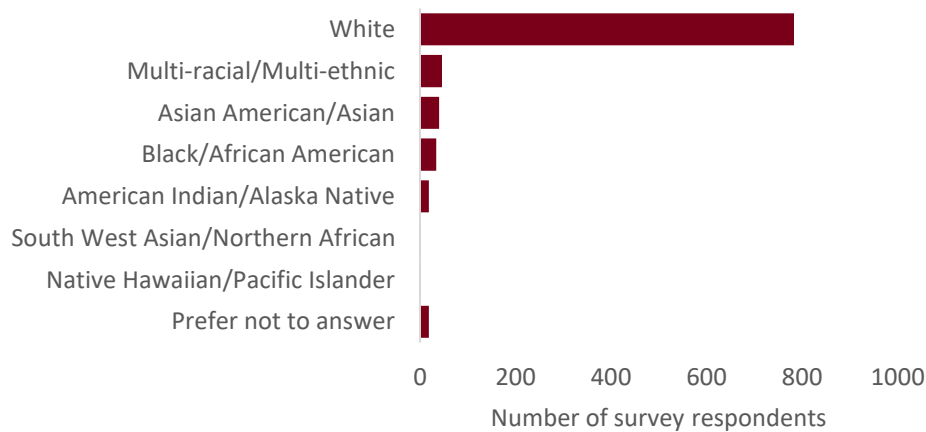
Females represented the highest number of survey respondents (Chart 17).

Chart 17: Gender identity, The Great Northern festival event attendees, 2024



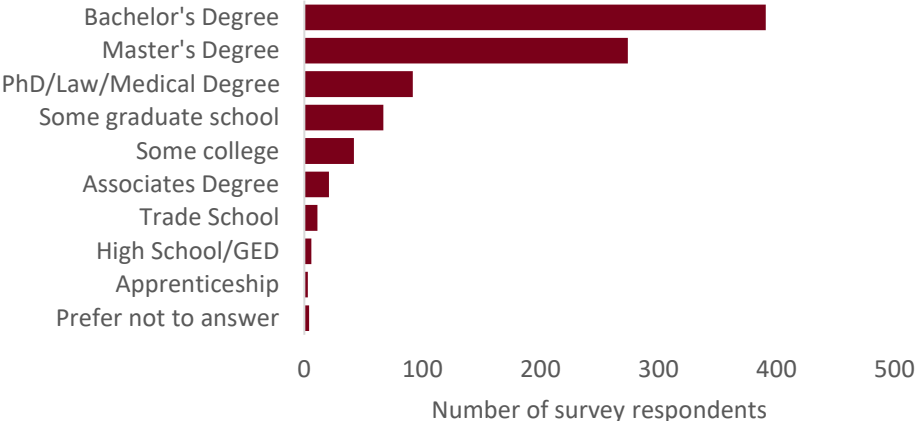
The highest number of survey respondents identified as white/Caucasian/European American (Chart 18). Seven percent identified as Hispanic or Latino.

Chart 18: Racial identity, The Great Northern festival attendees, 2024



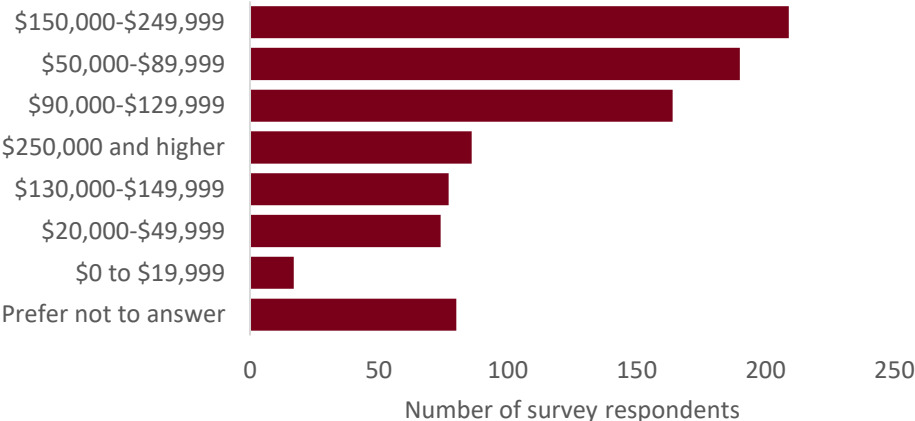
In terms of education, a significant share of survey respondents reported having a bachelor’s or master’s degree (Chart 19).

Chart 19: Highest education attained, The Great Northern festival attendees, 2024



Survey respondents reported a wide variety of household income levels (Chart 20).

Chart 20: Total household income, The Great Northern festival attendees, 2024



Appendix 2: Definitions and terms

Input-output terms

Special models, called input-output models, exist to conduct economic impact analysis. There are several input-output models available, and IMPLAN is one such model. Many economists use IMPLAN for economic contribution analysis because it can measure output and employment impacts, is available on a county-by-county basis and is flexible for the user. While IMPLAN has some limitations and qualifications, it is one of the best tools available to economists for input-output modeling. Understanding the IMPLAN tool's capabilities and limitations helps ensure the best results from the model.

One of the most critical aspects of understanding economic impact analysis is the distinction between the “local” and “non-local” economy. The model-building process identifies the local economy. Either the group requesting the study or the analyst defines the local area. Typically, the study area (the local economy) is a county or a group of counties that share economic linkages. In this report, the study area is Hennepin County.

A few definitions are essential to properly interpret the results of an IMPLAN analysis. These terms and their definitions are provided below.

Output

Output is measured in dollars and is equivalent to total sales. The output measure can include significant “double counting.” Think of food sold at a festival, for example. The value of food (say, beef) is counted when it is sold from the farmer to the food manufacturing company, again when the food item (say, a hamburger patty) is sold to the wholesaler, and yet again when the vendor sells it as a hamburger to the festival attendee. The value of the beef is built into the price of each of these items, and then the sale of each item is added to determine total sales (or output).

Employment

IMPLAN includes total wage and salaried employees, as well as the self-employed, in employment estimates. Because employment is measured in jobs and not in dollar values, it tends to be a very stable metric.

Labor income

Labor income measures the value added to the product by the labor component. So, in the beef/hamburger example, when the beef is sold to the food manufacturing company, a certain percentage of the price is for the farmer's labor to raise the cow. Then when the hamburger is sold to the food vendor, it includes some markup for its labor costs in the price. When the vendor sells it to the festival attendee, he/she includes a value for the labor. These individual value increments for labor can be measured, which amounts to labor income. Labor income does *not* include double counting.

Labor income includes both employee compensation and proprietor income. It is measured as wages, salaries, and benefits.

Direct impact

Direct impact is equivalent to the initial activity in the economy. In this study, it is spending by attendees of The Great Northern festival and event organizers.

Indirect impact

Indirect impact is the summation of changes in the local economy that occur due to spending for inputs (goods and services) by the industry or industries directly impacted. For instance, if



employment in a manufacturing plant increases by 100 jobs, this implies a corresponding increase in output by the plant. As the plant increases output, it must also purchase more inputs, such as electricity, steel, and equipment. As the plant increases purchases of these items, its suppliers must also increase production, and so forth. As these ripples move through the economy, they can be captured and measured. Ripples related to the purchase of goods and services are indirect impacts.

Induced impact

The induced impact is the summation of changes in the local economy that occur due to spending by labor—that is, spending by employees in the industry or industries directly impacted. For instance, if employment in a manufacturing plant increases by 100 jobs, the new employees will have more money to spend on housing, groceries, and going out to dinner. As they spend their new income, more activity occurs in the local economy. This can be quantified and is called the induced impact.

Total impact

The total impact is the summation of the direct, indirect, and induced impacts.

