

# SHEPSTONE MANAGEMENT COMPANY, Inc.

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Thomas J. Shepstone

January 8, 2012

Beverly Gruber  
Past President and Economic Impact Chairperson  
Pennsylvania State Association of County Fairs  
P.O. Box 5  
New Tripoli, PA 18066

Re: Economic Impact Study

Dear Beverly:

Thank you for including us on your distribution list. Shepstone Management Company will be pleased to assist the Pennsylvania State Association of County Fairs with an independent study to document the economic impact of Pennsylvania's 113 fairs and fairgrounds. We will complete the study no later than March 31, 2012 at a total cost not to exceed \$14,750.

The cost of such a study, including a Power Point presentation in a format suitable for re-use by your group, plus an attractive publishable report, will be maximum of \$13,500 plus out of-pocket expenses not to exceed \$1,250. We will produce a thoroughly documented analysis that quantifies both direct and indirect economic impacts of the industry, describes it in detail for others and assesses its many contributions to the welfare of the State.

We will design and conduct a survey that can be completed either on-line or in hard copy to determine both direct and indirect spending at Pennsylvania's fairs and fairgrounds, concentrating on the beneficial economic impacts on the communities in which they are located. We will also compare the Pennsylvania experience to that of other states so as to establish the ranking of the industry from a national perspective. We will also examine ancillary benefits such as the educational opportunities created by fairs and ascertain the reasons attendees visit fairs. The latter will require a second survey, which will be conducted on-line and promoted using social media and industry contacts. This will aid us in evaluating the seasonal tourism contributions of the fair industry to county and regional economies.

The data collection will include, but not necessarily be limited to, the following approaches:

- 1) a review of Economic Census data,
- 2) acquisition of the Bureau of Economic Analysis RIMS II economic multiplier data for Pennsylvania,
- 3) discussions with key fair executives from different counties and sectors of the industry,

- 4) on-line surveys of Fair Association members (with hard copy survey forms as an option),
- 5) discussions with local extension agents in counties with fairs and fairgrounds,
- 6) compilation of other research from the U.S. and elsewhere,
- 7) discussions with fair vendors and exhibitors (potentially including an on-line survey),
- 8) an on-line survey of fair attendees (to be promoted using social media),
- 9) integration of research on the economic impacts of related industries (e.g. amusements),
- 10) collection of financial statement data from industry sources (to the extent available),

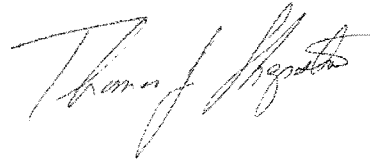
Our focus will be on the spending, job creation, educational benefits and other community contributions of the Pennsylvania fair industry. We will emphasize the role of your enterprises as critically important county institutions. Coming from a county (Wayne) with two great fairs makes this relatively self-apparent but we will document it for those for whom it may not be so obvious, as well as the general public. The economic impacts in terms of multipliers effects will also be thoroughly documented and explained so as to establish the importance of the industry to the Commonwealth, for the benefit of its legislators.

The results will be assembled into a report comparable in nature to the work we did for the Pennsylvania Deer Farmers Association (and similar groups in Ohio and New York), the Pennsylvania Wine Association and the Foie Gras industry. We've also done more extensive studies for Wayne County and Long Island camp associations. Our previous studies are much-quoted as you can see from a quick Internet search of their names and our firm name.

If the Association should choose to engage our services, we request a retainer of \$2,500 and a written authorization to proceed. You can do so by simply signing a copy of this letter and faxing it back to us at (570) 251-9551. If our proposal does not fit your budget we can also tailor a more streamlined approach to your needs. What we have proposed is what we think you need but we are flexible.

Thank you very much for considering our firm for this important work.

Sincerely,



THOMAS J. SHEPSTONE

**ACCEPTED FOR PENNSYLVANIA STATE ASSOCIATION OF COUNTY FAIRS**

BY: *Bruce C. Koppelman*  
TITLE: *Exec. Sec. STAFA*  
DATE: *Feb. 7, 2012*