

# Economic Impact of Generational Revitalization Projects in Rural Small Towns

Jeffrey D. Taylor  
TCED Capstone Project  
March 14, 2022

## **I. Introduction**

### **A. Background on the Target Organization**

The Greene County Partnership (GCP) was formed in 1993 as a progressive initiative by local community leaders when the Greene County Chamber of Commerce, Economic Development, Tourism and Keep Greene Clean were combined into one entity. The GCP is a 501(c)(4) and is committed to economic development through the recruitment of new industry and existing industry expansion. Additionally, an equally important objective of the GCP is to seek opportunities to improve quality of life for all of Greene County residents. The creation of jobs and quality of life improvements are intertwined in the retention and recruitment of younger residents to sustain the growth and future of Greene County.

The structure of the GCP consists of two departments: Chamber of Commerce and Economic Development. Under the organizational structure of the Chamber of Commerce, are two additional departments: Keep Greene Beautiful and Tourism. The collective operating budget for the GCP for 2022 is \$1.1m. Funding for the GCP is created from Chamber of Commerce memberships, private donations, grants, town of Greeneville Funding and the Greene County Commission allocation of 3.0% lodging tax collected from local lodging (hotels, motels and Airbnb). Each department manages a separate budget and is responsible for additional revenue generation outside governmental funding.

One of the primary goals of the community's strategic plan is to recruit as well as retain the target demographic (Gen X, Y and Z) for growth and diversification to an aging population. Regardless of the state of the economy, this can be achieved through research, strategic planning

and execution. Determining the interest of the target demographic and understanding the economic impact will have a direct effect on the Greene County Partnership.

The history and the structure of the Greene County Partnership are integral to understanding the culture and relationships of the community that will be impacted as well being the lead organization for this project. Each of the departments within the Greene County Partnership will be affected as each has the opportunity to gain new volunteers, board members as well as financial support. This is a community wide engagement project and each of the departments have contacts and will also influence the process through collaboration that will increase the viability of the outcome.

## **B. Description of the Strategic Initiative**

Understanding the characteristics of Generations X, Y and Z are necessary in order to provide guidance to business developers in the efforts to build the workspaces and to the community to recruit the next generation, Generations X, Y and Z, of workforce and leaders to Greene County. Who are Generations X, Y and Z? Figure 1 depicts the age ranges and general characteristics as defined through research by McKinsey&Company.

Figure 1. Demographic Descriptions

Today's young people differ from yesterday's.

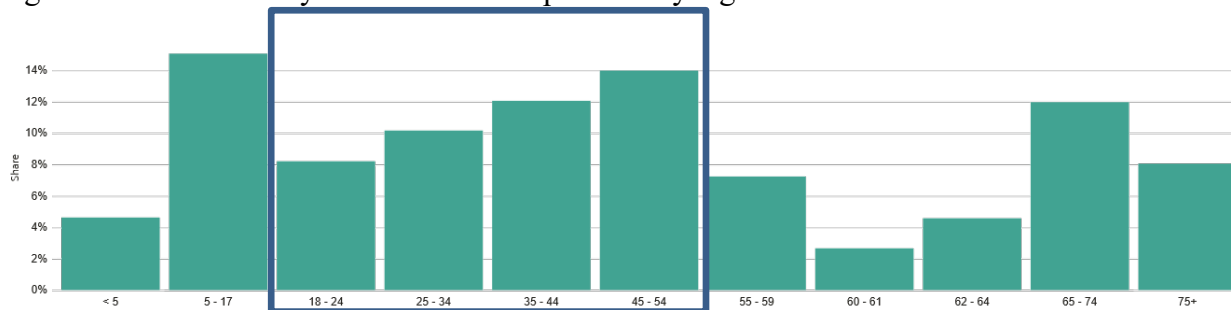
	<b>B</b> Baby boomer 1940–59	<b>X</b> Gen X 1960–79	<b>Y</b> Gen Y (millennial) 1980–94	<b>Z</b> Gen Z 1995–2010
Context	<ul style="list-style-type: none"> <li>• Postwar</li> <li>• Dictatorship and repression in Brazil</li> </ul>	<ul style="list-style-type: none"> <li>• Political transition</li> <li>• Capitalism and meritocracy dominate</li> </ul>	<ul style="list-style-type: none"> <li>• Globalization</li> <li>• Economic stability</li> <li>• Emergence of internet</li> </ul>	<ul style="list-style-type: none"> <li>• Mobility and multiple realities</li> <li>• Social networks</li> <li>• Digital natives</li> </ul>
Behavior	<ul style="list-style-type: none"> <li>• Idealism</li> <li>• Revolutionary</li> <li>• Collectivist</li> </ul>	<ul style="list-style-type: none"> <li>• Materialistic</li> <li>• Competitive</li> <li>• Individualistic</li> </ul>	<ul style="list-style-type: none"> <li>• Globalist</li> <li>• Questioning</li> <li>• Oriented to self</li> </ul>	<ul style="list-style-type: none"> <li>• Undefined ID</li> <li>• "Communaholic"</li> <li>• "Dialoguer"</li> <li>• Realistic</li> </ul>
Consumption	<ul style="list-style-type: none"> <li>• Ideology</li> <li>• Vinyl and movies</li> </ul>	<ul style="list-style-type: none"> <li>• Status</li> <li>• Brands and cars</li> <li>• Luxury articles</li> </ul>	<ul style="list-style-type: none"> <li>• Experience</li> <li>• Festivals and travel</li> <li>• Flagships</li> </ul>	<ul style="list-style-type: none"> <li>• Uniqueness</li> <li>• Unlimited</li> <li>• Ethical</li> </ul>

McKinsey&Company

The U.S. Census reported in July 1, 2022 there were 70,152 residents in Greene County.

The focus demographic for this initiative is on Generations X, Y and Z represents 45% of the population in Greene County.

Figure 2. Greene County Census Data: Population by Age



Additionally, understanding the interests to create, plan and launch events and festivals that will draw the target audience is important for the chamber of commerce arm of the

GCP. The economic impact can be forecasted as this information will be utilized to support financial requests from respective local governments and provide ROI for stakeholders and private sponsors.

### **C. Purpose of the Study**

The town of Greeneville is the largest municipality and also the county seat for Greene County. Greeneville is the economic and cultural hub for the county and the revitalization efforts of the downtown area have been challenged by the economic crisis of 2008 and now the COVID-19 pandemic. The town of Greeneville is currently investing \$7.7mm for infrastructure improvements. There are numerous architectural jewels that are currently empty and in need of repair in downtown Greeneville. In the last 3 years, there have been investments to revitalize a few of the buildings utilizing private funding and government grants. However, these renovations have not provided a social impact that would be of interest to persons that fall within the demographics of Generations X, Y and Z. Generations X, Y and Z are the target market for recruitment and economic development as they are the future of the community. The initiative to renovate one of the downtown buildings focused on the needs and interest of these generations has multiple benefits: preventing a historic building deteriorating beyond repair, providing a collaborative workspace tailored for the target market, and increased population to spur additional capital investment.

The strategic initiative will be examined and addressed first through data collection utilizing a survey to quantify the preferences of the target market, cost/ROI analysis of the capital investment of the building renovation, and a data review of the additional opportunities for recruitment. A specific question to be answered is the economic impact of


the increase in the target population as a result of the capital investment in a downtown building.

#### **D. Research Questions to be Addressed**

The research conducted and discussed in this paper will identify significant characteristics for providing a workspace that resonates to the target market and economic impact of entertainment opportunities. This paper will research the following questions:

### Research Questions to be Addressed

- What type of workspace do Generations X, Y and Z desire?
- What is the cost structure and ROI?
- What type of events do Generations X, Y and Z wish to attend?
- What is the economic impact?



## **II. Literature Review**

### **A. Co-working Economic Impact**

The Great Recession of 2008 was a global economic downturn that crippled the economies of countries, cities and communities. To put it into context, it is considered to be the longest sustained economic decline since the Great Depression in the 1930's. Even though it was a global crisis, its impact was most pronounced in the United States. During the Great Recession, the net worth of U.S. households and non-profits were negatively impacted by more than 20 percent. The pinnacle of net worth in the U.S. was a high of \$69 trillion in

the fall of 2007, and decreased by \$14 trillion to a total of \$55trillion by spring of 2009 (History.com 2019). As expected, the impact on local governments created scenarios of lost revenues through sales tax collections and new industry investments. The result was budget cuts, project spending decreases, and program elimination. The lack of spending impacted infrastructure investment which ultimately stymied private investment as the infrastructure could not support new development and growth. This lack of investment created a further decline in job opportunities and the ability of communities such as Greeneville, to develop the infrastructure to create workspaces and entertainment options to recruit the next large demographic in the workforce.

As the economy rebounded, communities were able to begin to reinvest in their infrastructure and private investment increased. In 2017, the town of Greeneville revealed Greeneville Forward. Greeneville Forward is the town's 20-year comprehensive plan that will be utilized to guide the town in long range growth and development (greenevilletn.gov). This plan incorporated the much-needed infrastructure improvements to support future growth in the historic downtown. In 2018, the town of Greeneville approved \$1.2mm in the town's budget to be allocated to the downtown redevelopment plan which is part of the Greeneville Forward (Greeneville Sun, Estes, 2019).

In 2015, Greeneville, TN was the ranked as the number 6 location in the NerdWallet article "Best Places to Start a Business in Tennessee" (Sheehy, 2020). Todd states that the proximity to metro areas, yet our ratio of 15 business per 100 residents is 50% above the statewide average. Additionally, the low median monthly housing cost, \$516 is another attraction. Greeneville ranked below Brentwood and ahead of Franklin, TN. Franklin, TN is

the gold standard for successful downtown revitalization and economic development for small towns in the state of Tennessee.

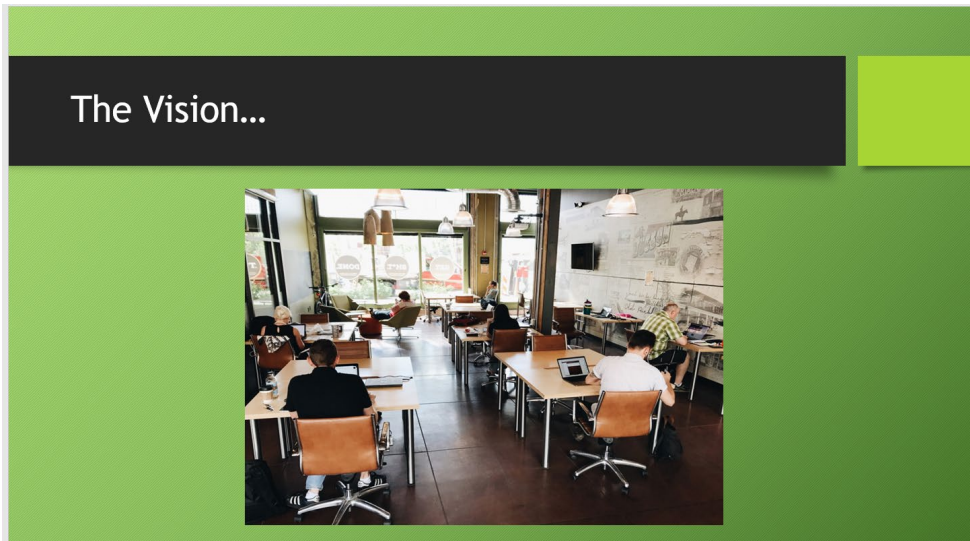
In 2016, The Catalyst opened its door in January offering great coffee and WIFI. Ahead of the downtown redevelopment, the surge in business and the noticeable number of younger telecommuters identified a need in Greeneville. Landrum in her article states that Millennials, 18-34 year old's, comprise one in three Americans in the workforce (Landrum, 2017). With the revelation, millennials now surpass Generation X as the largest component of the workforce. Additionally, the next generation of community leaders now possess \$44b in spending power and will inherit an additional \$30t from the baby boomers (MediaKix.com, 2018). Between the influence and economic power coupled with their population size, companies are having to adapt to the needs of America's largest workforce. Pinto identifies key components of the desired workspace that attracts millennials and Gen Z which include collegiate style spaces, sustainability, and natural lighting (Pinto, 2017). The components are not generally found in a normal brick and mortar corporate building. The movement is now co-worker spaces. Co-working.org estimated in 2019, 1,688 new co-worker spaces would open worldwide. Co-working is defined as "membership-based workspaces together in a shared, communal setting" (Speitzer, Bacevice & Garrett, 2015). The characteristics of the co-working spaces that have been successful and desirable are the following:

- Price sensitive
- Located in downtown areas
- Providing a sense of community
- Offering coffee and water



- Revitalizing a building
- Promoting green initiatives such as recycling
- Fostering a positive collaborative environment

Figure 3. Vision for renovating a historic building and opening a Co-Worker Space



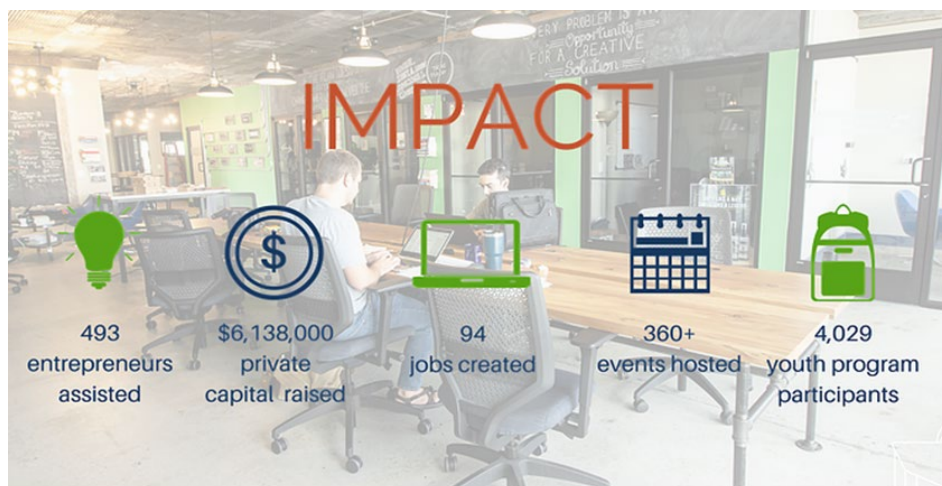
The selective curation of co-working spaces and the selection process of community members creates an internal support environment that allows for non-competitive collaboration and relationship building. (Moriset, 2013).

The impact of co-working spaces creates positive changes in the surrounding neighborhoods and business community. Gandini reports that a vast majority of current literature touts co-working and their spaces increase density, attracting a creative class and repurposing buildings. (Gandini, 2015) The creative class most often is considered artist and writers. However, in the post-industrial economy, the creative class now consist of programmers, designers, and information workers. The creative class are educated,

knowledge-based professionals and entrepreneurs that transform, promote, create, and problem solve (Florida, 2012).

Twelve co-working spaces opened during 2018 - 2019 in Tennessee of which 50% were in small, rural towns the same size as Greeneville, TN (Price, 2019). The workforce and the business-friendly environment identified in the article support the initiative to build a co-working space in a small town. The Biz Foundry in Cookeville, TN is an example of the type collaboration and relationships mentioned by Moriset (Moriset, 2013). The Biz Foundry has had great success in communities that were not selected in the article. Those cities are Cookeville, Sparta and McMinnville, all of which are located in the Upper Cumberland region of Tennessee with similar demographics of Greene County. And yet, in a very short period of time, the co-working space created opportunities and raised \$6mm in capital, created 94 jobs and assisted 493 entrepreneurs. (Price, 2020).

Fig. 4 Biz Foundry Economic Impact in 6 years for the Cumberland Plateau



## **B. Recreational and quality of place issues**

Local governments continue to grapple with the typical economic cycles of strong growth and periods of recession. During the periods of economic downturn, there are difficult decisions that have to be made regarding funding for programs. One manner that municipalities are dealing with financial strain to budgets are to supplement community festivals (Carter & Zieren, 2012). Communities gain a range of benefits from hosting special events and festivals. These include building a sense of community pride, providing opportunity for friends and families to show commitment to their area, and then offer opportunity for commerce beyond just entertainment and a social area for public actions (Rao, 2001). In addition to the social benefits, communities and municipalities will garner economic benefit as well. These benefits can include number of visitors or attendees to the event both locally and from out of region and the estimated dollar impact to the local economy (Terry, Macy, Owens, 2009). Terry, Macy and Owens further convey that communities appreciate the value of festivals and special events as these events improve and enhance the community image and provide additional entertainment options with economic impact (Terry, et al., 2009)

The introduction of new festivals and events has the potential to increase tourism to the community. Tourism is an industry that has significant economic impact from the federal, state and local levels. State tourism dollars promote additional funding through community grants that assist smaller, rural communities to fund quality of life improvement projects. Greeneville/Greene County has been the recipient of several of these grants.

Tennessee hosted 119 million domestic visitors to the state in 2019. The economic impact of these visitors yielded a record high of \$22 billion in domestic and international spending. Those that travel in Tennessee spend an estimated \$60 million per day as reported by the Tennessee Department of Tourism (TN Department of Tourism, 2019). Bonn & Harrington report that the tourism has a multi-range impact as tourism creates economic stimulus and opportunity through a wide range of business sectors while impacting employment and payroll incomes (Bonn & Harrington, 2009). According to the 2018 Tennessee Department of Tourism report published in 2019, Greene County benefited with a \$17mmn payroll related to tourism and \$2.4mm is sales tax receipts (Tennessee Department of Tourism, 2019). Knight reports in her article that the sales tax receipts translated to a \$296.78 savings in taxes for Greene Countians in their annual taxes (Knight, 2019).

Community-based tourism is a means to provide benefits to everyone that is impacted by tourism via consensus-based decision making that is developed and controlled locally (Salzar, 2012). To better understand the impact of community-based tourism, it is necessary to understand what is a community. Merriam Webster (2019) defines community as a unified group that share a common cultural and historical heritage and reside in a specific locality. Community is not limited to social groups and defined by common cultural heritages, but it can also be based on location. Whether by location or by culture, there is a combination of people, space, and social interaction that are the characteristics of community (Lorio & Corsale, 2014).

Understanding the dynamics, wants and needs of the community and how they are influenced is a key component of determining the optimal type of festivals. Derrett identifies

three major elements that assist in determining the type of festival: the location, the target market, and the potential visitors that might be attracted to the festival (Derrett, 2003).

Members of the community are involved in the collaborative white-board sessions, planning, design, logistics, and ultimately launch of the festival. Okazaki positions that the plans should be linked with the overall socioeconomic development of the community to ensure and increase a project or festivals achievability and longevity (Okazaki, 2008). Lastly, members of community, or locals, must be the initiators and influencers or in other words, the driving force, behind the best interest of the community (Lorio & Corsale, 2014).

The desire by local officials and also residents to recruit and retain 45% of the population (millennials, Gen X, Y and Z) in Greene County has initiated the collaborative efforts of Main St. Greeneville, the town of Greeneville, and the GCP to create a festival or event to meet their interest. Arthur reports that nearly 50% of 18-34-year old's in the U.S. attend five or more wine, beer, or food events in the 12 months of 2015 (Arthur, 2015). Sawyer states in her 2017 blog, that 3 in 4 of millennial's are spending their time and money on event-based experiences. Their preference is not to buy something tangible (Sawyer, 2017). Creating a successful event creates not only a spending opportunity for the attendees, but it also creates employment opportunities such as, catering, vending, art installation, stage and rental equipment. Depending on the event, it could also increase lodging and dining sales.

### **III. Methods**

#### **A. Data Collection Protocol**

The data collection protocols that were utilized for this project were surveys and personal interviews. Surveys were utilized for ease, access and to reach a larger sample. The survey was directed to persons that had lived in the area and had at some point expressed interest to return. The survey was launched electronically. The personal interviews were utilized as they tend to garner additional data beyond the basic questions as the participants tend to be trust the interviewer. This level of trust yields a richer data set. The data collection process is important to providing data that would educate on the interest and desires of the target market. The data for the analysis was collected through a variety of sources. This study incorporated seven major steps including: determining a methodology for a data collection, designing the survey, data collection, calculation of ROI and Payback Period Formula, festival economic impact, finalizing the survey data, and data analysis.

As established in the timeline displayed in Table 1, several aspects of designing the project interconnect. The systematic intersection of the project components ensures the research will be reviewed and performed in the most efficient way.

Table 1. Timeline for Economic Impact of Generational Revitalization Projects

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6
<b>Task 1: Determining Methodology of Data Collection</b>						
<b>Task 2: Designing Survey</b>						
<b>Task 6: Data Collection</b>						
<b>Task3: Calculation of ROI and Payback Period</b>						
<b>Task 4: Festival Impact Study</b>						
<b>Task 5: Finalizing Survey Data</b>						
<b>Task 7: Data Analysis</b>						

## **B. Data Collection Instruments**

The data collection and use of surveys was important to quantify the “conversations” and suggestions of the community. More importantly, it eliminated the emotion out of the discussion by being a fact based and not a “gut feel”. The data collection included issuing a survey and personal interviews. The survey was created and emailed to individuals that currently live or have recently lived in Greene County. Participants were personal contacts and “friends of friends” to extend the reach and diversity of the survey subjects. Additionally, personal interviews were conducted as interested persons were available or heard about the survey being conducted.

## **C. Data Collection Techniques**

The data collected from the surveys to determine the needs and desires for a co-worker space was tabulated for each question. Upon completion of the tabulation, a table was created for analysis. For each question, a percentage was calculated to best represent the numbers of the survey.

The data required for the ROI and Payback for the co-worker space included personal interview with the owner of the building who is also an architect. The owner provided the cost components required for the calculations.

# **IV. Results**

## **Survey Results**

The data collected from the surveys needed to be summarized and tabulated. The table was created in order to summarize the results and calculate percentages to review in another state.



Table 2. Data Collection Survey Results

	Question #										
Response Options	1	2	3	4	5	6	7	8	9	10	%
Male	35										58%
Female	25										42%
Gen X		25									42%
Gen Y		21									35%
Gen Z		14									23%
Outdoor Y			60								100%
OutdoorN			0								0%
Festivals Y				60							100%
Festivals N				0							0%
Open Question					Beer, Music						N/A
Brumleys Y						35					58%
Brumleys N						25					42%
Alcohol Y							43				72%
Alcohol N							17				28%
Beer Festival Y								60			100%
Beer Festival N								0			0%
Brewery Y									55		92%
Brewery N									5		8%
Co-worker Space Y										45	75%
Co-worker Space N										15	25%
Total	60	60	60	60	0	60	60	60	60	60	100%

### **Return on Investment (ROI)**

Return on Investment (ROI) is commonly utilized due to its simplicity to rudimentary gauge of an investment or project as stated by Chen in his Investopedia article (Chen, 2020). The calculation is not complicated and can be utilized in a wide range of projects: stock investment, facilities expansion or a real estate transaction. If the project investment ROI is net positive, this is an indicator that the project is a meaningful project. The ROI formula is the return (or profit) minus the Investment, divided by the Investment. Payback period formula could also be determined by taking the total investment and divided it by the company's cash inflows.

Figure 5. Return on Investment Calculation

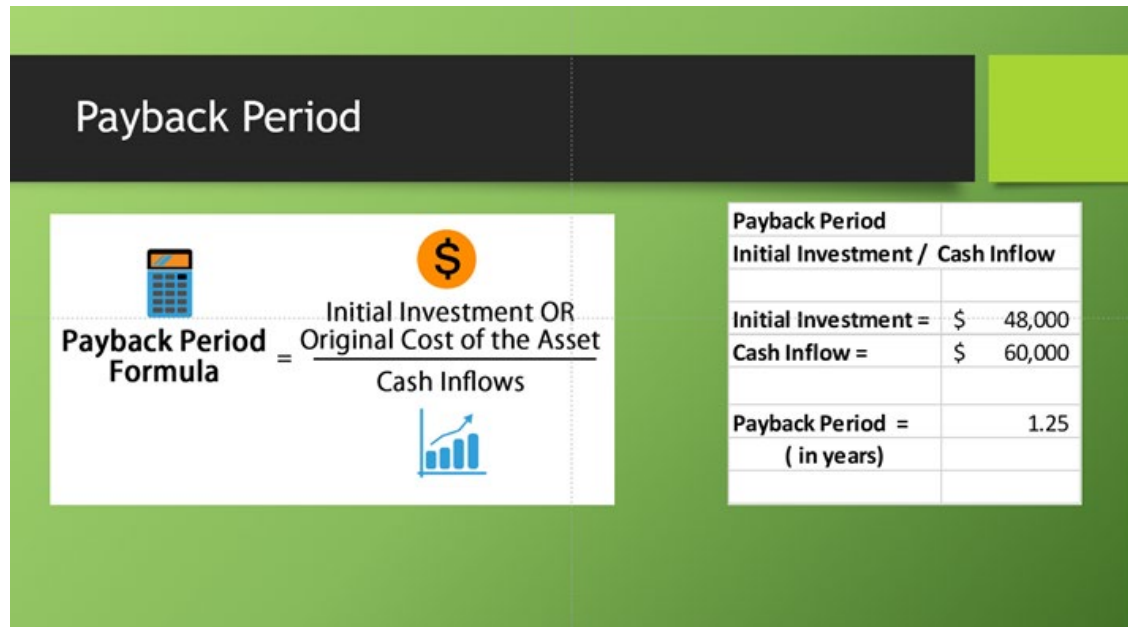
Return on Investment (ROI)				
ROI				
((Gain of Investment - Cost of Investment) / Cost of Investment) * 100				
Gain on Investment =				
	Mo. Fee	\$	100	
	# of Members	\$	50	
	Mo. Revenue	\$	5,000	
	Annual Revenue	\$	60,000	
	Total Investment	\$	48,000	
Gain on Investment	60,000 - 48,000	\$	12,000	
	12,000 / 48,000		0.25	
	.25 x 100		25.00%	

The ROI for the building revitalization is 25%. The relatively low total investment relative to a strong revenue stream is a very positive ROI.

### Payback Period

The payback period is defined by Kagan as the amount of time required to recover the cost of an investment (Kagan, 2020). This is often also referred to as the break-even point. The shorter the payback period, the more attractive the investment.

Figure 6. Payback Period



The payback period for the building renovation based on the cash inflow yielded a payback period of 1.25 years. This is a relatively short payback period that would seem aggressive or even unlikely for a start-ups such as this. However, Heath Guinn, Founder and President of Synch Space, and Jeff Brown, President of The Biz, were consulted and agreed this was a very realistic number. Greeneville / Greene County is a community that has a reputation and commitment to small business and the growing number of telecommuters coupled with the cost and low membership supported the ROI.

### **Festival Economic Impact**

The Festival Economic Impact is calculated using Direct Impact and Indirect Impact. Direct Impact are dollars spent going directly into the local economy. The Indirect Impact represents the number of times a dollar turns over in a community. The calculation for Direct

Impact is the average spend per day per person X the number of attendees X number of event days. The higher the total the more impactful. The calculation for the Indirect Impact is the Direct Impact X 2.5. The 2.5 multiplier is a number provided by the Tennessee Department of Tourism. The higher the number the more impactful to the local economy.

Figure 7. Festival Economic Impact



Conservative numbers were utilized to project the 1<sup>st</sup> year direct impact and indirect impact for a new festival to be launched in Greeneville/Greene County. The direct impact of \$116,000 and indirect impact of \$290,000 are significant impacts for the community the size of Greeneville.

## V. Cost Benefit Analysis:

A cost benefit analysis has been completed with the goal of analyzing the data and determining if the overall benefits related to the initiatives, outweigh the incurred costs. The manner in which this was conducted included compiling a complete list of expenses and calculating total expenses related to forecasting annual revenue for the building project.

Regarding the festival, the purpose was to determine the economic impact. Expenses related to the festival are minimal and not analyzed as major sponsors cover all expenses. The festival even with a conservative number of attendees and utilizing the Department of Tennessee Tourism daily spend per person per day, provided insight that conservatively there was a positive impact. In both cases, the data concluded that the building renovation and creation of a co-working space coupled with a new festival targeted towards 45% of the Greene County population, the initiatives should be implemented.

## **VI. Discussion**

No one realized with the advent of strip malls and the introduction of the modern engineering philosophy of the by-pass, the economic impact of small communities and their downtowns. Greeneville, the county seat of Greene County, had a thriving downtown through the 1980's. In the early 1990's, the big box retail stores begin to land in Greeneville/Greene County and soon, the small businesses were slowly eliminated. Additionally, to exacerbate the problem, many of the small family businesses could not compete and the heirs did not return after college to continue the tradition. This created the many empty buildings and deteriorated facades that are now seen as on the streets of downtown Greeneville.

Many consider the community's demographic to match the architecture in Greeneville/Greene County: historic and old. However, the demographic research and data provided by the U.S. Census that this is not the case.. Greeneville/Greene County is actually comprised of a rather large young adult population that consists of the millennials, gen X, Y and Z. This community comprises 45% of the population. Despite the population perception, there is

a workspace and lifestyle reality. The workspaces currently offered for these generations and the social offerings do not meet their needs or desires.

The communities that have been successful in resurrecting their downtowns and attracting new younger talent such as Galena, IL, Emporia, KS, and Laurel, MS have been successful through the co-worker spaces and festivals. Locally, Cookeville, TN, although it hosts a larger state university than private Tusculum University, is similar in size to Greene County. In 2013., The Biz, through assistance with Launch Tennessee, opened its doors in Cookeville. Price states in her 2019 article that the impact of the co-worker space has been immense. In the brief existence of the The Biz, 493 entrepreneurs have been assisted, 94 jobs have been created, 4,029 youth have participated in a multitude of programs to include Tennessee Code Academy and the 100 Girls Code Initiative (Price, 2019). Due to the success of the launch in Cookeville, co-worker spaces have been expanded to smaller Upper Cumberland Region communities: McMinnville and Sparta. Greeneville/Greene, TN demographics suggest that a co-worker space might be impactful and successful.

Understanding the dynamics, wants, and needs of the community are important to determining the optimal solution to meet the objective of the community. Greeneville/Greene County has a 10- year strategic plan that supports small business growth and the recruitment of not only retirees, but a younger population. The town of Greeneville is currently investing \$7.7mm in downtown infrastructure to entice further economic investment. This investment is to encourage vacant buildings to be restored with businesses and promote entertainment events such as new festivals. The strategic initiative to analyze the economic impact incorporated data collection that involved utilizing a survey and analyzing the results of the responses. Secondly,

the economic impact of a new co-worker space was conducted utilizing ROI and Payback Period analysis. Lastly, the economic impact of a new festival utilized a cost benefit analysis. The calculation for festival direct and indirect impact is a standard provided by the Tennessee Department of Tourism.

The survey utilized for data collection and analysis consisted of 10 questions and submitted to 50 persons. All 50 recipients/participants fell within the targeted age demographic. One hundred percent of the recipients replied with a completed survey. The data revealed that 75% of the participants would utilize a co-working space and 100% would support an outdoor festival. An overwhelming, 100% would support a beer festival.

After determining the feasibility of a co-worker space, the economics of the space were analyzed. Utilizing the pricing table from area co-worker spaces, the ROI was net positive with an astounding 2500%. This suggest that the pricing table may be too low. However, the owner is willing to utilize a lower price scale to create interest and demand because he then can capitalize on basic economic theory of supply and demand and increase the pricing as demand increases.

The second analytic tool utilized related to the co-worker space was the Payback Calculation. The payback period for the building renovation based on the cash inflow yielded a payback period of 1.25 years. This is a relatively short payback period and again suggested that this is economical feasible to launch this progressive concept in what is considered a very conservative community. Two small communities similar to Greeneville, opened locations and with tremendous community support. Immediately, the number of users as well as additional programs outside of the co-worker, demonstrated the need for such spaces in smaller

communities. Co-workers and telecommuters are relocating to communities that have this offering. Providing another means to increase participation.

The data related to the festival was overwhelmingly positive. Again, 100% of the respondents supported a festival as well as the festival being beer centric. The cost benefit analysis for a new festival is relatively easy to analyze and come to a conclusion for action. Expenses related to the festival are minimal and not analyzed as major sponsors cover all expenses. Conservative numbers were applied to forecast the inaugural festival direct and indirect impact. The direct impact of \$116,000 and indirect impact of \$290,000 are significant impacts for a community demographic such as Greeneville. These numbers are large enough to encourage additional investment by local governments to provide additional funding. The town of Greeneville recently passed a 4% lodging tax stacking on the current county lodging tax to allocate funding for additional festivals and tourism related events.

All new projects and programs rely on funding. As the saying goes, “Timing is everything.” Prior to COVID, the unemployment rate in Greene County was 4.5% as provided by the Tennessee Department of Labor (TNDeptLabor, 2020). COVID-19 severely impacted the local economy of Greene County as unemployment increased to 17.1% (TNDeptLabor, 2020). This sudden increase in unemployment immediately impacted funding from local and state officials.

The town of Greeneville and Greene County officials have programs to assist in renovation projects. The state and federal governments also have programs to assist in similar projects. The immediate need for funding to assist small business and individuals that were created as a result of double-digit unemployment rates at the local, state and national level



resulted in unprecedented levels of funding. Greeneville / Greene County have benefited from this new funding source. The GCP has presented the findings of this project to state and local officials and received approval for funding. Currently, two buildings are being evaluated to finalize the location of the co-working space. Recently, private investment purchased a historic lumber company and launched the Greene County Makers. This makers space will also benefit from the research and funding of state and local sources. Even though locally, the impression that the community is behind in such spaces, it has been advantageous to learn from those that have launched prior such as Kingsport, Gallatin, and Johnson City.

Festivals rely heavily on corporate sponsorships and municipal funding. Both entities want to ensure that they are investing appropriately and garnering the ROI. Garnering funding for corporate sponsorships or municipality funding in a small community has been and is a challenge. There are many groups competing for the same dollar, and sponsors must balance ROI and meeting their community engagement mission. The recent success of the 26<sup>th</sup> Annual Iris Festival has proven to stakeholders and sponsors the value of such events. The 26<sup>th</sup> Annual Iris festival had a \$1.1m impact to the local economy.

The community's overall vision to recruit as well as retain the target demographic for growth and diversification can be attained despite the current economic challenges and conditions. The investment and initiation of a co-worker space to promote collaboration, innovation and entrepreneurial spirit will provide the stimulus needed to achieve the goals as discussed in this paper. The initiatives supported by data and the success of the Upper Cumberland region demonstrate that these are likely worthwhile endeavors. This report analyzed the data, success stories of similar sized communities, and financial impacts, and clarified the

benefits and limitations of the two initiatives: co-worker space and a new festival. As with any project or program, future studies should be initiated to monitor and quantify benefits and deficiencies. The target demographic, millennials, Gen X, Y and Z, migrate to communities that offer these more relative type spaces and events. The municipalities look forward to the growth in population, the growth of small business, and the positive economic impact of both.

Greeneville/Greene County recognizes that it is poised to capitalize on the influx of new residents that consist of the target demographic. Through recent additional funding commitments to the GCP to enact these components in addition to the town's 20-year strategic plan, it validates the commitment to the vision and plan.

## References

Fig. 1. McKinsey & Co

Fig. 2. US Census

Fig 3. Co-worker Space

Fig. 4. Upper Cumberland Business Journal

Fig. 5. Return on Investment, Investopedia

Fig. 6. Payback Period, Investopedia

Fig. 7. Festival Impact, Tennessee Dept. of Tourism

Table 1. Timeline

Table 2. Data Table

Arthur, R. (2015, June 24). The rise of festivals: A route to reach the millennial generation. Retrieved June 24, 2020, from <https://www.beveragedaily.com/Article/2015/06/24/The-rise-of-festivals-A-route-to-reach-the-millennial-generation>

Bonn, M. & Harrington, J. (2008). A Comparison of Three Economic Impact Models for Applied Hospitality and Tourism Research. *Tourism Economics*, 14(4), 769-789.

Carter, R. & Zieren, J.(2012). Festivals that say cha-ching! Measuring the economic impact of special events. *Main Street Now*, 4-13

Chen, J. (2020, April 27). Return on Investment (ROI). Retrieved June 24, 2020, from <https://www.investopedia.com/terms/r/returnoninvestment.asp>

County Unemployment Rates Reach Historic Highs in Tennessee. (n.d.). Retrieved June 24, 2020, from <https://www.tn.gov/workforce/general-resources/news/2020/5/28/county-unemployment-rates-reach-historic-highs-in-tennessee.html>

Derrett, R. (2003). Making Sense of How Festivals Demonstrate a Community's Sense of Place. *Event Management*, 8, 49-58.

Florida, R. (2013, February 25). The Geography of America's Freelance Economy. Retrieved June 24, 2020, from <https://www.citylab.com/life/2013/02/geography-americas-freelance-economy/4118/>

## References cont.

Gandini, Alessandro. "The Ride of Coworking Spaces: A Literature Review." *Ephemera-Theory & Politics in Organization* 15.1 (2015): 193-205. Web. 09 Mar 2016.

[https://pdfs.semanticscholar.org/4e77/82e9c0e582a7ee1e5b134abed92a77afca90.pdf?\\_ga=2.248012295.1291935988.1592077090-1768583824.1588204269](https://pdfs.semanticscholar.org/4e77/82e9c0e582a7ee1e5b134abed92a77afca90.pdf?_ga=2.248012295.1291935988.1592077090-1768583824.1588204269)

Generation Z Statistics: Gen Z Facts For Marketers. (2018, November 16). Retrieved June 24, 2020, from <https://mediakix.com/blog/the-generation-z-statistics-you-should-know>

History.com Editors. (2017, December 04). Great Recession. Retrieved June 24, 2020, from <https://www.history.com/topics/21st-century/recession>

Landrum, S. (2017, October 12). 5 Workspace Changes That Make Millennials Happy. Retrieved June 24, 2020, from <https://www.forbes.com/sites/sarahlandrum/2017/10/12/5-workspace-changes-that-make-millennials-happy/>

Kagan, J. (2020, May 05). Payback Period Definition. Retrieved June 24, 2020, from <https://www.investopedia.com/terms/p/paybackperiod.asp>

Knight, K. (2019, January 24). COLUMN: The Economic Impact Of Local Tourist Destinations. Retrieved June 24, 2020, from [https://www.greenevillesun.com/business/local\\_business\\_news/column-the-economic-impact-of-local-tourist-destinations/article\\_6f316014-58e2-5450-acb0-f000ca5a8782.html](https://www.greenevillesun.com/business/local_business_news/column-the-economic-impact-of-local-tourist-destinations/article_6f316014-58e2-5450-acb0-f000ca5a8782.html)

Lorio, M. & Corsale, A. (2014). Community-based Tourism and Networking: Viscari, Romania. *Journal of Sustainable Tourism*, 22(2), 234-255. DOI: 10.1080/09669582.2013.802327

Okazaki, E. (2008). A Community-based Tourism Model: Its Conception and Use. *Journal of Sustainable Tourism*, 165(5), 511-529. <http://dx.doi.org/10.1080/09669580802159594>

Price, M. (2019, August 30). Michelle Price. Retrieved June 24, 2020, from <https://www.ucbjournal.com/biz-foundry-to-expand-in-sparta-mcminnville/>

Rao, V. (2002). Celebrations as social investments: festival expenditures, unit price variation and social structure in rural India. *The Journal of Development Studies*, 38(1), 79-97. <http://dx.doi.org/10.1080/713601102>

Salazar, N. (2012). Community-based Culture Tourism: Issues, Threats and Opportunities. *Journal of Sustainable Tourism*, 20(1), 9-22. DOI: 10.1080/09669582.2001.596279

## References cont.

- Sawyer, K. (2019, December 12). Millennial Event Trends You Shouldn't Ignore. Retrieved June 24, 2020, from <https://www.eventbrite.com/blog/the-most-important-millennial-trends-you-shouldnt-ignore-ds00/>
- Sheehy, K., Weston, L., Zimmermann, J., Nykiel, T., Nicastro, S., Crone, E., & Wang, A. (n.d.). Starting a Business. Retrieved June 24, 2020, from <https://www.nerdwallet.com/blog/category/small-business/starting-a-business/>
- Spreitzer, Gretchen, Bacevice, Peter and Garret, Lyndon. "Why People Thrive in CoWorking Spaces." Harvard Business Review. N.p., 13 May 2015. Web. 22 Sept. 2015  
<https://positiveorgs.bus.umich.edu/news/why-people-thrive-in-coworking-spaces/>
- Staggs, A. (2019, February 07). Grand Opening. Retrieved June 24, 2020, from <https://www.catalystcoffeecompany.com/grand-opening/>
- 10 Workspace Features that Millennials and Gen Z Want. (2017, February 07). Retrieved June 24, 2020, from <https://www.chargespot.com/workspaces/millennialsgenzworkspace/>
- Tourist Development. (n.d.). Retrieved June 24, 2020, from <https://www.tn.gov/tourism.html>
- Terry, N., Macy, A. & Owens, K.J. (2009). Bikers, aliens and movie stars: Comparing the economic impact of special events. *Journal of Business & Economic Research*, 7(11), 73-80  
Retrieved from <http://search.proquest.com/docview/194881852?accountid=14691>
- Todd, J. (2017, July 27). Top Small Cities to Start a Business. Retrieved June 24, 2020, from <https://www.nerdwallet.com/blog/small-business/top-small-cities-start-business-2015/>
- Tourism in Tennessee Outpaces the Nation With \$22 Billion in Travel Spending and 119 Million Visitors in 2018. (n.d.). Retrieved June 24, 2020, from <https://www.tn.gov/tourism/news/2019/8/6/tourism-in-tennessee-outpaces-the-nation-with-22-billion-in-travel-spending-and-119-million-visitors-in-2018.html>
- Writer, E. (2019, March 15). Downtown Redevelopment Plan Unveiled, Design Work Begins. Retrieved June 24, 2020, from [https://www.greenevillesun.com/special\\_sections/benchmarks/benchmarks\\_b/downtown-redevelopment-plan-unveiled-design-work-begins/article\\_2669c5b8-eea3-5471-82ea-ca93fc2aef52.html](https://www.greenevillesun.com/special_sections/benchmarks/benchmarks_b/downtown-redevelopment-plan-unveiled-design-work-begins/article_2669c5b8-eea3-5471-82ea-ca93fc2aef52.html)