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Study Finds New Orleans' Mardi Gras Generates Nearly \$900 Million of Economic Impact

A Key Finding from Tulane Economics Professor's Economic Impact Study Estimates the City of New Orleans Earns \$2.64 for Every \$1.00 It Invests in Mardi Gras

(New Orleans, Louisiana) This morning at the annual Kings Day Celebration at Mardi Gras World, the official commencement of the Carnival season in New Orleans, Rex Official James Reiss III and Zulu President Elroy James, the Co-Chairs of the Mayor's Mardi Gras Advisory Council (MMGAC), announced findings from Tulane Economics Professor Toni Weiss' study of the economic impacts of Mardi Gras in New Orleans that was jointly commissioned and assisted by the MMGAC and New Orleans & Company.

Among the findings in Professor Weiss' economic impact report:

- Total direct and indirect impact of Mardi Gras on the New Orleans economy: \$891,202,780
- Percentage of New Orleans Gross Domestic Product: 3.07%
- Net fiscal benefit accrued to the City of New Orleans as a result of staging Mardi Gras, including franchise value: \$28,028,543
- Return on the City of New Orleans' investment in Mardi Gras: \$2.64 for every \$1.00 spent
- Increase in State of Louisiana tax revenues as a result of Mardi Gras within the City of New Orleans: \$14,300,000

This is Professor Weiss' fourth study of the economic impacts of New Orleans' Mardi Gras since her first one in 2009.

"Thanks to the help of Carnival, City, and business leaders throughout New Orleans, and the participation by krewes and their members, this is the best informed and most accurate study of Mardi Gras I have been involved with to date," said Tulane Economic Professor Toni Weiss.

Weiss continued, “While my report found the positive economic impacts of Mardi Gras for New Orleans are substantial and far-reaching, my strong sense is that the actual impacts of this internationally renowned celebration are even greater than can be accurately measured.”

“On behalf of everyone who enjoys Carnival, we are grateful our elected leaders so strongly support our city’s cherished Carnival traditions,” said James Reiss III and Elroy James, the Co-Chairs of the Mayor’s Mardi Gras Advisory Council, in a joint statement. Reiss and James continued, “We are also grateful to the many City of New Orleans officials and employees who work to make Carnival safe, enjoyable, and clean for our entire community. As Professor Weiss’ study proves, the celebration of Carnival in the City of New Orleans alone conservatively drives nearly \$900 million of spending by individuals, krewes, and others, resulting in a robust two-and-a-half-to-one return on investment for the City of New Orleans. This economic activity in turn supports tens of thousands of jobs, our creative and cultural workers and economy, and thousands of small businesses, with those dollars turning over countless times throughout our community.”

“Carnival in New Orleans is one of the most remarkable and influential events on the planet,” said Walt Leger III, President and CEO of New Orleans & Company. Leger continued, “Only the people of New Orleans could dream of and execute such a technically complex, creative, and innovative celebration for our community. The existence of Mardi Gras ensures that the City of New Orleans is known as a city of creativity and celebration. That people come from around the globe to be a part of it, creating such a tremendous economic impact for our people, businesses and city and state, is a testimony to the unique way we live and seamlessly blend creativity, history, culture, and celebration with business and innovation.”

Copies of Professor Weiss’ economic impact study may be downloaded at <https://tulane.box.com/s/m1t5mjrl8n2xbu2urkg0uo6dq9jukg1v>

Professor Weiss is available for interviews regarding her study. She may be reached at <https://liberalarts.tulane.edu/economics/people/faculty/toni-weiss>

Contact information:

Ben Dupuy
Mayor’s Mardi Gras Advisory Council
publicrelations@rexorganization.com

Mary Beth Romig
New Orleans & Company
mbromig@neworleans.com

Economic Impact and Net Fiscal Benefit of New Orleans' 2023 Mardi Gras Season

Conducted by

Toni L. Weiss
Lawrence MvD Schloss Senior Professor of Practice
Department of Economics
Tulane University

January, 2024

ECONOMIC IMPACT AND NET FISCAL BENEFIT OF NEW ORLEANS' 2023 MARDI GRAS SEASON

EXECUTIVE SUMMARY

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<hr/>	
Percentage of New Orleans GDP	3.07%
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Net fiscal benefit accrued to the City of New Orleans as a result of staging Mardi Gras including franchise value	\$28,028,543
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City's return on investment from each \$1.00 of City expenditure on Mardi Gras	\$2.64
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Increase in State tax revenues as a result of Mardi Gras within the City of New Orleans	\$14,300,000

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I. INTRODUCTION

The Mayor’s Mardi Gras Advisory Council and New Orleans & Company have commissioned this comprehensive report to assess the economic impact of the 2023 Mardi Gras season on the New Orleans economy. The official start of the Mardi Gras season commences on Twelfth Night on January 6th and concludes at midnight on Fat Tuesday, the day before the beginning of Lent.¹ As Lent, tied to Easter, which in turn is tied to the first full moon after the spring equinox, is not on a specific date of the Gregorian calendar, the length of the Mardi Gras season changes from year to year. In 2023, Fat Tuesday was on February 21st with the first official parade, Chewbacchus, occurring on January 28th. This period was marked by significant economic activities directly attributable to the Mardi Gras festivities such as the 38 parades within Orleans Parish, numerous balls organized by both parading and non-parading Krewes, social activities, house parties, etc. However, Mardi Gras serves as a perennial economic catalyst, as Krewes prepare throughout the year, members engage in time-honored traditions, and visitors are drawn to New Orleans even in the off-season, captivated by the Mardi Gras legacy. This analysis quantifies the totality of these activities, spanning from the conclusion of the 2022 Mardi Gras season through the end of the 2023 season.

Mardi Gras in New Orleans distinguishes itself from other festivals, both locally and globally, by its unique fusion with the city’s identity. This enduring connection remains especially prominent among those who reside beyond the City limits. Walt Leger, President and CEO, New Orleans & Company, comments:

Carnival in New Orleans is one of the most remarkable and influential events on the planet. Only the people of New Orleans could dream of and execute such a technically complex, creative, and innovative celebration for our community. Not every city can boast being known around the world, but the existence of Mardi Gras ensures that the City of New Orleans is known as a city of creativity and celebration. That people come from around the globe to be a part of it, creating such a tremendous economic impact for our people, businesses and city and state, is a testimony to the unique way we live and seamlessly blend creativity, history, culture, and celebration with business and innovation.

¹ Strictly defined, “Mardi Gras” is the single day prior to Ash Wednesday. This report uses the terms “Mardi Gras” and “Mardi Gras season” interchangeably with “Carnival,” which is the season commencing on Twelfth Night and concluding on Mardi Gras.

For example, a bar or restaurant in Kansas opting for a New Orleans theme will adorn its interior with the vibrant purple, green, and gold colors associated with Mardi Gras. Whether it is the middle of June or any other time of the year, tourists exploring the city may spot fellow travelers donning Mardi Gras beads serving as a perennial reminder of the festivities. Additionally, conventions that convene in New Orleans consistently partake in “mini Mardi Gras” celebrations, regardless of the season. The influence of Mardi Gras even extends beyond the city’s borders, with Mardi Gras World orchestrating parades and celebrations throughout the country and hosting year-round facility tours in New Orleans. These activities remain intricately linked to Mardi Gras in New Orleans and continue to play a pivotal role in the economic dynamism that it fuels.

The last time such a study was completed was 2014. Since that time, the economic impact of Mardi Gras continued to grow as the local and national economy was expanding, parades grew in number and length, and more celebrants came to New Orleans during the Mardi Gras season. Mardi Gras 2019 was, anecdotally, one of the most successful. However, as the world shut down in March of 2020 due to the Covid virus, economies around the world plummeted. Then, in 2021, with still no vaccine, Mardi Gras was cancelled for the first time in over 40 years. Thus, 2023 is just the second post-Covid celebration and a perfect time to reassess the economic benefits Mardi Gras brings to the City of New Orleans – our people and our civic institutions.

This report answers two questions. First, what is the net fiscal benefit to the City of staging Mardi Gras? And second, what is the contribution of Mardi Gras — the event and the “franchise” – to the aggregate economic activity of New Orleans. The first question is the narrower, and slightly easier to answer of the two. Net fiscal benefit is the difference between the increase in City revenues induced by the happening of some event and the increase in City expenditures associated with the same event. In this case specifically, the City of New Orleans incurs substantial costs, but also collects additional taxes, due to the staging of Mardi Gras. The largest and most visible expenditure is the overtime payment to the Police Department for traffic

control and public safety during parades.² But there are also substantial expenses involving, for example, the Emergency Medical Services, the Department of Public Works, the Sanitation Department, and the Judicial System. This report will show that increases in tax revenues generated by Mardi Gras and its associated industry more than offsets these costs, resulting in a net fiscal benefit for the City. The increases in tax revenues are generated by the substantial expenditures of local celebrants – Krewes, Krewe members, and others – by tourist dollars that flow in as people visit during Mardi Gras as well as those that are attracted to New Orleans year-round by the appeal of the City that Mardi Gras helps to create, and the multiplier effects of these expenditures.

The question regarding economic activity is broader and tougher to answer precisely. The annual Gross Domestic Product (GDP) of New Orleans in current dollars is approximately \$29 billion.³ This report will quantify what percentage of this figure can be attributed to Mardi Gras. There are two ways to measure GDP. In the expenditure approach, GDP is the sum of final spending by consumers, businesses, government, and net exports.⁴ In the income approach, GDP is measured as the sum of the incomes of all the economy’s participants. I use the expenditure approach to both calculate the net fiscal benefit to the City and the economic impact on the City.

While throughout this report there will be references and comparisons to the 2014 study, given the large time gap and significant changes to the economy brought on by Covid, high inflation rates, changes in methodology and accounting, as well as basic changes one would expect over 10 years, this report serves as a post-Covid benchmark by which future economic impact studies can be compared.

² Additionally, this year, as will be seen later in this report, the City incurred substantial expenses as members of other police departments were brought to New Orleans to ensure the safety of everyone participating. In addition to standard salaries, these officers also needed housing and per diem benefits.

³ Nominal rather than real GDP figures were used as all data collection is in current dollars.

⁴ Net exports will not be included in this study.

II. ACKNOWLEDGEMENTS

I am grateful for the help in data collection, background information, and contextualizing that information. Many people contributed their time and expertise to this endeavor.

- Gilbert Montaña, Chief Administrative Officer, City of New Orleans
- Lisa Alexis, Director of the Mayor's Office of Cultural Economy, City of New Orleans
- Elroy James of the Zulu Social Aid and Pleasure Club and James Reiss of the Rex Organization, Co-Chairs, Mayor's Mardi Gras Advisory Council
- Captains of the Krewes of the Mayor's Mardi Gras Advisory Council
- Walt Leger, President and CEO, New Orleans & Company
- Mark Romig, Senior Vice President and Chief Marketing Officer, New Orleans & Company
- Vicki Mayer, Professor of Communications, Tulane University
- Arthur Hardy, Publisher, *Arthur Hardy's Mardi Gras Guide*
- Members of the Rex Organization's Economic Impact Study Committee: Peyton Bush, Richard Cortizas, Kelly Duncan, Ben Dupuy, Perry Eastman IV, Hunter Pierson, and Mark Romig
- New Orleans Business Leaders

A special thank you goes to John D. Charbonnet of the Rex Organization. While not involved in this year's analysis, the enduring imprint of his vision in leading the effort to establish this study in 2009 is perpetuated through the continued desire to quantify and acknowledge the incredible impact Mardi Gras has on New Orleans.

III. HISTORY

In 2009, an important initiative began when John D. Charbonnet contacted Paul Spindt, who, at the time, was the Associate Dean of the Freeman School of Business at Tulane University. Their collaborative effort was dedicated to the rigorous undertaking of a comprehensive economic impact study of the 2009 Mardi Gras season. This research endeavor was motivated by the understanding that Mardi Gras brings more to New Orleans than cultural significance and that we should acknowledge and quantify the substantial financial contributions it brings to the region.

Dr. Spindt and I joined forces to conduct this analysis. Upon completion, our calculations revealed a remarkable economic impact of over \$250 million and a \$2.68 return on investment (tax revenues flowing into City Government versus City Government expenditures on Mardi Gras). These findings resonated deeply within the community and underscored the far-reaching economic significance of Mardi Gras. Subsequently, in 2011 and 2014, I conducted follow-up studies to assess the evolving financial dimensions of this cherished tradition. The primary results of these reports are outlined in the table below.

	2009	2011	2014
Total Economic Impact	\$262,917,661	\$300,656,546	\$465,214,106
City Expenditures necessary to stage Mardi Gras	\$3,320,203	\$1,759,703	\$5,885,966
New Orleans Gross Domestic Product (estimated from MSA data)	\$20,000,000,000	\$26,000,000,000	\$21,000,000,000
Economic Impact as a percentage of GDP	1.31%	1.16%	2.22%
City Expenditures as a percentage of Economic Impact	1.26%	0.59%	1.27%
Net Fiscal Benefit to the City of staging Mardi Gras	\$9,933,900	\$13,108,538	\$17,372,254
City's Return On Investment (tax revenues/expenditures)	\$2.68	\$8.45	\$3.95

Unfortunately, no additional study has been done over the past nine years. As stated earlier, hopefully this report will serve as a benchmark for future analyses.

IV. METHODOLOGY

For the purpose of this report, two principal methods of data collection were employed: surveys and interviews. Attendees at various parades were queried regarding their anticipated spending, while Krewe captains provided insights into the fiscal commitments of their organizations. Additionally, Krewe members were requested to compile their total expenditures related to Mardi Gras activities over the course of the year. Local businesses were also surveyed to ascertain fluctuations in their revenue patterns during the Mardi Gras period. Further depth and context to the data were added through interviews with local business leaders. To ensure the confidentiality of participants, all data collected has been aggregated prior to analysis. Where appropriate, RIMS multipliers were used to better understand and quantify the indirect economic impacts as well as an estimated “brand value” of Mardi Gras.

V. POTENTIAL ISSUES

When conducting an economic impact study, there are three primary areas of concern: 1) double counting; 2) the inclusion of economic activity not directly associated with the specific event; and 3) ignoring the substitution/displacement impacts. Taking each individually:

A. Double Counting

To gather the necessary data, several surveys were distributed to thousands of individuals asking to outline their expenses for the 2023 Mardi Gras season. Krewe Captains were asked about the expenditures their organization incurred; Krewe members were asked the similar questions; business leaders were asked about their changes in revenue as a result of Mardi Gras; spending by visitors in town was also included. This implies that each of these areas of expenditures are mutually exclusive. We know that to be false, and, thus, we run the risk of including the same expenditure in multiple categories. For example, Krewe member annual dues and parading fees are the primary source of revenue for Krewes and therefore the dollars used to fund their expenditures. While members were asked to eliminate individual dues from their accounting, it is likely that some people included them. This would represent one instance of double counting. Additional possibilities of double counting may occur when including hotel revenues as many krewe members stay in hotels on the evening of their ball and included those expenditures.

While these instances would tend to overstate the economic impact of Mardi Gras, I am confident that for every dollar double counted there are untold numbers of dollars not included in this study. For example, many businesses I contacted in the course of my data collection, while open to acknowledging the significant financial impact Mardi Gras has on their profit margins, were unwilling to share with me their revenue numbers. Thus, I maintain that all economic benefits outlined in this report are conservative.

B. Inclusion of Non-Mardi Gras Related Expenditures

An economic impact report of a specific event for a certain geographic location aims to isolate that event from other economic activity and to measure the marginal increase in such benefit as a result of this event. For example, if a tourist comes to town for the wedding of their cousin on the same weekend as a festival is happening and partakes in that festival, it is improper to include their expenditures such on lodging, food, transportation, etc. as part of the economic impact of

the festival as this person was coming to town and spending money regardless. As such, when asking parade goers along the route about their planned spending, one of the first questions asked was whether Mardi Gras was their primary purpose in being in town.

What makes Mardi Gras particularly challenging is two-fold. First, for the ten days prior to Fat Tuesday, Mardi Gras festivities takes over the city. The lines between what is Mardi Gras spending during that time and what is not is extremely difficult to distinguish. Hence, there is certainly the possibility that expenditures were included in this study that could not technically be counted as Mardi Gras related expenses thus, again, potentially artificially inflating the final numbers. However, it is also crucial to note, and as will be outlined later in this report, the line where Mardi Gras ends and the City of New Orleans begins is hazy at all times throughout the year. Consequently, in an effort to be as conservative as possible, discounts were made to some of the figures to account for this potential, and again, there is substantial underreporting and thus the benefits in this report are accurate.

C. Substitution/Displacement Effects

When evaluating the economic impact of an event like Mardi Gras, it is essential to address the concept of displacement. Displacement occurs when the expenditures linked to the event replace or substitute for expenditures that would have happened otherwise. For example, suppose an individual decides to buy an extravagant costume for Mardi Gras festivities. In this case, those dollars contribute to the overall economic activity associated with Mardi Gras, and any sales taxes paid on the purchase are factored into the calculation of the event's net fiscal benefit. However, this Mardi Gras costume purchase might displace a different expense, such as buying formal attire for a wedding celebration occurring later in the year. Including the costume purchase when assessing the economic impact of Mardi Gras could potentially overstate its influence because those dollars would have been spent locally regardless. This thought experiment, separating New Orleans from Mardi Gras, is particularly challenging due to the deep-rooted and almost inseparable bond between the two – a bond that resonates not just within the city but also in the perception of those beyond its borders. Given how closely the event is interwoven with the city's cultural fabric, the mere idea of a New Orleans devoid of Mardi Gras feels almost inconceivable. Rarely do we witness such events that are so profoundly integrated into the essence of a place, shaping its unique character and fostering an unparalleled sense of

unity among its residents. That being said, 2021 did provide a potential opportunity to accurately calculate displacement effects as there was no Mardi Gras. However, due to Covid, the economies across the state, country, and world were still reeling from the effects of the shut-down the previous year when spending across all sectors was disrupted. As in the previous two potential issues, discounts were made to the data to account for this potential.

VI. THE NEW ORLEANS ECONOMY

Up until the Covid crisis, the economy in New Orleans, specifically, but Louisiana and the Nation more generally, was quite strong. With the virus in full force, the economy locally and across the world essentially shut down for weeks. As vaccines were developed and administered and the economy began to recover, inflation rates rose to their highest level in 50 years. As can be seen in the tables below, however, the local economy, particularly the unemployment rate, has surpassed where we were pre-Covid.

GROSS DOMESTIC PRODUCT*						
Current Dollar GDP** (in millions of dollars)	2018	2019	2020	2021	2022	2023
National	\$20,656,500.0	\$21,521,400.0	\$21,323,000.0	\$23,594,000.0	\$25,744,100.0	\$27,644,500***
Louisiana	\$256,444.4	\$257,096.7	\$236,135.9	\$263,162.7	\$299,221.0	\$305,262.0****
as a % of National	1.24%	1.19%	1.11%	1.12%	1.16%	1.10%
New Orleans MSA****	\$82,911.6	\$82,864.3	\$73,998	\$81,830	\$94,031	\$96,718.5
as a % of Louisiana	32.33%	32.23%	31.34%	31.09%	31.43%	31.68%
Orleans Parish	\$24,450.6	\$24,977	\$23,135	\$24,754	\$27,332	\$29,053.29
as a % of Louisiana	9.53%	9.71%	9.80%	9.41%	9.13%	9.52%
as a % of New Orleans MSA	29.49%	30.14%	31.26%	30.25%	29.07%	30.04%
% Change from Previous Year	2018	2019	2020	2021	2022	2023
National	-----	4.19%	-0.92%	10.65%	9.11%	7.38%
Louisiana	-----	0.25%	-8.15%	11.45%	13.70%	2.02%
New Orleans MSA***	-----	-0.06%	-10.70%	10.58%	14.9%	2.86%
Orleans Parish	-----	2.15%	-7.37%	7.00%	10.41%	6.30%

*As reported by the Bureau of Economic Analysis (bea.gov)

** nominal rather than real GDP figures are used as all data collected for this report is stated in current dollars

*** based on third quarter annualized data

**** New Orleans MSA, as reported by the BEA includes Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, & St. Tammany parishes

***** annualized based on Q2 figures

***** figures in italics have been estimated by author based on averages from previous years

UNEMPLOYMENT RATE*						
	2018	2019	2020	2021	2022	2023**
National	3.9%	3.7%	8.1%	5.4%	3.6%	3.6%
Louisiana	4.8%	4.6%	8.7%	5.6%	3.5%	3.5%
New Orleans MSA***	4.6%	4.3%	9.9%	6.4%	3.8%	3.7%

*As reported by the Bureau of Labor Statistics (bls.gov)

**Average calculated to-date

*** New Orleans MSA, as reported by the BEA included Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, & St. Tammany parishes

INFLATION RATE*					
	2019	2020	2021	2022	2023**
National	2.3%	1.4%	7.0%	6.5%	6.0%
Southwest Region***	2.1%	1.4%	7.4%	7.0%	3.7%

*As reported by the Bureau of Labor Statistics (bls.gov)

* December to December

** as of October

*** Southwest Region encompasses Louisiana, New Mexico, Oklahoma, Arkansas & Texas

As can be seen by the tables above, Orleans Parish is faring better than Louisiana and the New Orleans MSA in terms of economic growth. Regarding unemployment, the region is in line with national and state-wide trends.⁵

VII. AGGREGATE DIRECT EXPENDITURES

The impact of Mardi Gras on the City’s Gross Domestic Product (GDP) can be measured as the increment to aggregate consumption spending, plus business fixed investment, plus government expenditure, plus net exports associated with Mardi Gras.⁶ As a practical matter, measuring this impact involves enumerating and summing up expenditure data from a variety of sources. A natural division is to sort expenditures into those groups that comprise the bulk of spending during the Mardi Gras season and Mardi Gras related activities throughout the year. These five main categories are: Mardi Gras Krewes, Krewe members, out-of-town visitors, local citizenry, and government expenditures.

⁵ When measuring the economic impact of Mardi Gras, the Orleans Parish GDP numbers will be used. It should be noted that previous iterations of this study relied on estimates based on the greater metropolitan region as parish-wide data was not easily accessible.

⁶ Again, I have not included net exports.

A. Mardi Gras Krewes

Mardi Gras Krewes, the individual organizations, spend money on floats, throws, costumes, licenses, party venues, decorations, food, and a host of other things related to parades and balls. I include these expenditures here even though much of the spending is done outside the 12-day Mardi Gras season – float design and storage costs are incurred year-round, for example, and many balls are held outside the strict time window of Mardi Gras – because they are so closely related to events that occur during the season. To estimate expenditures by Krewes, a questionnaire was designed and distributed to all of the Captains of parading Krewes as well as a separate survey to all Captains of non-parading Krewes.⁷ Using this information, as well as anecdotal evidence gathered through interviews, I was able to extrapolate up to account for those Krewes that did not respond. The aggregated information is presented in the table below.

Krewe Expenses	Average	Total
Parade Expenses		
City Permits	\$1,038	\$16,600
Insurance	\$82,820	\$1,325,117
Den Expenses	\$286,319	\$4,581,098
Costumes	\$58,244	\$931,898
Throws	\$657,773	\$10,524,370
Marching Bands	\$63,857	\$1,021,707
Horses	\$6,548	\$104,770
Tractors	\$12,947	\$207,150
Transportation	\$12,942	\$207,066
Food & Beverage	\$257,179	\$3,857,680
Security	\$21,253	\$340,041
Other	\$123,227	\$1,355,496
Subtotal		\$24,472,993
Ball Expenses		
Venue	\$72,200	\$938,597
Music and AV Equipment	\$166,823	\$2,168,697
Food & Beverage	\$175,797	\$2,285,356
Staging	\$21,303	\$255,638
Decorations	\$44,753	\$581,787
Photography	\$15,038	\$195,500
Costumes	\$16,071	\$208,917
Printing	\$7,829	\$101,778
Transportation	\$4,443	\$53,315
Security	\$1,939	\$25,202
Subtotal		\$6,814,786
Additional Krewe Expenses	\$65,231	\$717,537
All Krewe Expenses		\$32,005,316

⁷ So few responses were received from non-parading Krewes that the information was not useful. This would be an area of expanded effort in a future iteration of this report.

Based on this information, and the Krewes that responded, the following is the estimate of expenditures by all Krewes from the end of Mardi Gras 2022 to the end of Mardi Gras 2023.⁸

All Krewes Expenses	
Parades	\$46,234,994
Balls	\$18,347,502
Additional Expenses	\$717,537
TOTAL	\$65,300,033

B. Krewe Members

In addition to spending by Krewes, Krewe members separately spend money on balls, throws, costumes, jewelry, and miscellaneous services such as transportation within the city. A survey was prepared asking about each of these categories. Each of the Krewe Captains were asked to send to and encourage all Krewe members to complete the survey. As can be seen, the number responding was significant and marks a large increase in respondents since the 2009 – 2014 analyses.⁹ The results are outlined below:

How many Krewes are you a member of?

Answer	Count	%
1	1169	61.04%
2	348	18.17%
3	157	8.20%
4	77	4.02%
more than 4	164	8.56%
Total	1915	100%

How many parades did you participate in during this past Mardi Gras Season?

Answer	Count	%
0	189	9.93%
1	1076	56.54%
2	347	18.23%
3	90	4.73%
4	39	2.05%
more than 4	162	8.51%
Total	1903	100%

⁸ As many of the larger, better-resourced Krewes responded to the survey, care was taken to extrapolate these numbers conservatively so as not to overstate the economic impact.

⁹ Over 2,400 responses were recorded, but many needed to be thrown out for insufficient data. For example, if someone opened the survey, answered one or two questions but then did not complete the survey, those results were discarded.

**How many balls did you attend during this past
Mardi Gras Season?**

Answer	Count	%
0	430	25.72%
1	617	36.90%
2	320	19.14%
3	119	7.12%
4	67	4.01%
more than 4	119	7.12%
Total	1672	100%

Krewe Member Expenses	Mean	Total (on average)
Parades		
Throws	\$1,171	\$1,861,890
Costumes	\$113	\$179,218
Transportation	\$225	\$357,075
Food and Beverage	\$574	\$914,382
Accommodations	\$443	\$702,155
Other Expenses	\$1,190	\$390,193
Sub-total - Parade Expenses		\$4,404,913
Balls		
Transportation	\$313	\$390,900
Food & Beverage	\$1,196	\$1,494,400
Formal wear	\$216	\$269,622
Costume	\$59	\$73,097
Accommodations	\$671	\$839,158
Other Expenses	\$1,115	\$172,850
Sub-total - Ball Expenses		\$3,067,177
Other Mardi Gras Related Expenses	\$1,279	\$418,369
TOTAL		\$7,890,459

Combining the information regarding the numbers of organizations each respondent belongs to, parades participated in, and balls attended, with the dollar figures provided, the following estimates the total expenditures by Krewe members from the end of Mardi Gras 2022 to the end of Mardi Gras 2023.¹⁰

All Krewe Member expenditures	
Parades	\$77,464,456
Balls	\$64,181,835
Other related expenses	\$11,140,540
TOTAL	\$152,786,831

¹⁰ Again, as many of the respondents belong to more well-resourced Krewes and the expenditures of those members could skew the average, care was taken to extrapolate the figures conservatively.

C. Out-Of-Town Visitors

Visitors come from out-of-town and spend money on lodging, food, transportation within the city, merchandise purchases, and miscellaneous services. As mentioned previously in this report, a few issues arise when attempting to collect and use the data on the expenditures of non-locals during Mardi Gras. First, if someone comes to town for a purpose other than Mardi Gras, those dollars cannot be included as part of the economic impact of Mardi Gras. In a similar way, parade crowd estimates are an inefficient method of gathering data as many of the people along the route are local, and any dollars spent while at a parade would likely be spent somewhere else in town if they did not attend a parade or if we could envision the counter-factual of no parade.

In an attempt to better understand the demographics of parade goers along the Uptown routes, a very limited study was conducted by Tulane students. These students were enrolled in Dr. Vicki Mayer's class, Introduction to Creative Industries, SLAM 2600, during the Spring 2023 semester.¹¹ As part of their required service-learning hours, they wrote the survey and then spread out along the parade route during a number of parades during both the first and second weekends of parades. The results can be seen in the table on the following page.

While there is not enough data to rely heavily on these figures when conducting the analysis, the information is quite informative. For example, the number of people who responded saying that their primary purpose of being in town is Mardi Gras allows me greater comfort in extrapolating up the figures I have received. Additionally, well over half of the respondents reported coming from another state. This information helps dispel some of the issues of displacement – if it were not for Mardi Gras, it is extremely unlikely that their dollars would be spent in Orleans Parish. Further, their daily planned expenditure, even accounting for the number of people in their party, exceeds the estimates I have used, again pointing to the conservative nature of this report.¹²

¹¹ Dr. Mayer is a Professor of Communications within Tulane's School of Liberal Arts and the SLA Associate Dean for Academic Initiatives and Curriculum.

¹² Should the Economic Impact of Mardi Gras study be conducted again in the future, a significant growth area of data collection would be to greatly expand the depth of this survey by employing many more people to collect the data along the parade routes.

	Raw numbers	% of respondents*
Are you a resident of Orleans parish?		
Yes	130	43.8%
No	167	56.2%
I am coming from...		
The Greater New Orleans area	17	13.8%
Louisiana	28	22.8%
Another US state	76	61.8%
Outside of the US	2	1.6%
Was Mardi Gras/carnival the primary reason you are in town today?		
Yes - I chose my dates to visit New Orleans because of Mardi Gras	97	78.9%
No - I came for another reason and Mardi Gras just happened to be happening	1	0.8%
Kind of - I came to town for another reason but extended my trip to celebrate Mardi Gras	25	20.3%
How many people are traveling with you?		
0	23	14.9%
1-2	60	39.0%
3-4	30	19.5%
more than 4	41	26.6%
How long are you staying?		
today (day trip)	20	12.8%
2-3 days (~a weekend)	69	44.2%
4-7 days	33	21.2%
more than a week	34	21.8%
How much will your group spend on lodging per night?		
\$0 (i.e. staying with friends/family)	39	27.3%
\$1 - \$100	27	18.9%
\$101 - \$500	42	29.4%
\$501 - \$1,000	16	11.2%
More than \$1,000	19	13.3%
How much, per day, will your group spend on food and beverages?		
\$0 - \$50	28	19.6%
\$51 - \$200	61	42.7%
\$201 - \$500	35	24.5%
More than \$500	19	13.3%
How much, per day, will your group spend on local transportation?		
\$0 - \$30	63	44.1%
\$31 - \$60	29	20.3%
\$61 - \$100	23	16.1%
\$100 - \$300	20	14.0%
More than \$300	8	5.6%

* Respondents for that particular question

When traveling, the largest expenditure most people incur is for lodging, primarily local hotels. For this portion of the analysis, information from STR of Henderson, Tennessee was obtained.¹³ STR collects data on occupancy, room rate, and lodging revenue per room from a large sample of Orleans Parish hotels. The hotels in the STR sample accounted for 25,293 rooms during the 2023 Mardi Gras season and were located primarily in the French Quarter, Downtown, the Warehouse District, and Uptown. This is fewer than the total number of rooms available. Additionally, no alternative lodging establishments, such as AirBnB or Vrbo, are included in the STR data.¹⁴

As mentioned earlier in this report, when conducting an economic impact study, it is necessary to calculate the marginal increases in expenditures as a result of Mardi Gras. One way to do this is to compare the occupancy and total revenues generated on the same days of the month year over year. This information is presented in the table below.

DAY-TO-DAY COMPARISON; YEAR OVER YEAR

Year Mardi Gras Date	2023 February 21st			2022* March 1st			2020 February 25th		
	# of rooms occupied	Average Occupancy	Total Revenue	# of rooms occupied	Average Occupancy	Total Revenue	# of rooms occupied	Average Occupancy	Total Revenue
Feb. 9th	20,621	81.5%	\$4,689,811	13,213	43.4%	\$2,382,184	13,658	70.9%	\$2,421,623
Feb. 10th	21,881	86.5%	\$6,156,348	16,172	52.6%	\$3,478,498	13,634	70.7%	\$2,440,487
Feb. 11th	20,821	82.3%	\$5,679,259	17,868	64.4%	\$3,895,622	14,076	73.0%	\$2,474,605
Feb. 12th	14,296	56.5%	\$2,818,133	11,196	71.2%	\$1,817,923	14,192	73.6%	\$2,460,332
Feb. 13th	12,927	51.1%	\$2,410,658	10,038	44.6%	\$1,614,132	14,570	75.6%	\$2,695,452
Feb. 14th	13,846	54.7%	\$2,553,817	11,984	39.9%	\$2,134,455	17,977	93.3%	\$4,450,540
Feb. 15th	14,199	56.1%	\$2,822,979	13,954	48.0%	\$2,585,905	18,797	97.5%	\$4,831,360
Feb. 16th	17,204	68.0%	\$4,457,192	16,385	55.9%	\$3,297,540	13,585	70.5%	\$2,387,976
Feb. 17th	23,199	91.7%	\$9,465,349	20,437	65.4%	\$5,256,836	12,040	62.5%	\$1,987,386
Feb. 18th	24,113	95.3%	\$10,716,839	21,710	81.6%	\$5,736,899	13,024	67.6%	\$2,213,165
Feb. 19th	23,074	91.2%	\$8,536,662	16,277	86.6%	\$3,191,613	12,788	66.3%	\$2,211,296
Feb. 20th	21,895	86.6%	\$6,554,710	12,405	64.8%	\$2,281,982	13,543	70.3%	\$2,820,012
Feb. 21st	20,100	79.5%	\$5,306,266	12,539	49.4%	\$2,265,426	18,386	95.4%	\$5,915,835
Feb. 22nd	14,503	57.3%	\$2,690,132	12,416	50.0%	\$2,283,120	18,845	97.8%	\$6,955,073
AVERAGE	18,763	74.2%	5,347,011	14,757	58.4%	3,015,867	14,937	77.5%	3,304,653
TOTAL	262,679		\$74,858,155	206,594		\$42,222,135	209,115		\$46,265,142

* Figures for 2022 are different from the 2022 STR report to the 2023 STR report. The 2023 data was used as it was presumed to be more accurate.

¹³ Information provided by New Orleans & Company.

¹⁴ New Orleans & Company provided statistics on AirBnB, but, other than confirming and reinforcing data from other sources, I was not able to incorporate this data into the analysis due to the way it was structured – on a monthly basis, not day-to-day or week-to-week.

This day-to-day comparison clearly indicates a significant increase in hotel occupancy as a result of Mardi Gras. In 2022, when Mardi Gras was not until March 1st, the average occupancy was 58%. Comparing this to the same dates in 2020 and 2023, when Mardi Gras was earlier, the average rates were in the mid-70% range.

It is further instructive to compare the occupancy rates and total revenues for the ten “primary” days of Mardi Gras year over year.

MARDI GRAS-TO-MARDI GRAS COMPARISON; YEAR OVER YEAR

Year Mardi Gras	2023 February 21st				2022 March 1st				2020 February 25th				2014 March 8th			
	Date	Average Occupancy	# of rooms occupied	Total Revenue	Date	Average Occupancy	# of rooms occupied	Total Revenue	Date	Average Occupancy	# of rooms occupied	Total Revenue	Date	Average Occupancy	# of rooms occupied	Total Revenue
Thursday	Feb. 9th	81.5%	20,621	\$4,689,811	Feb. 17th	65.4%	20,437	\$5,256,836	Feb. 13th	75.6%	14,570	\$2,695,452	Feb. 25th	86.83%	21,102	\$3,030,501
Friday	Feb. 10th	86.5%	21,881	\$6,156,348	Feb. 18th	81.6%	21,710	\$5,736,899	Feb. 14th	93.3%	17,977	\$4,450,540	Feb. 26th	96.50%	23,452	\$3,578,835
Saturday	Feb. 11th	82.3%	20,821	\$5,679,259	Feb. 19th	86.6%	16,277	\$3,191,613	Feb. 15th	97.5%	18,797	\$4,831,360	Feb. 27th	57.40%	13,950	\$1,795,215
Sunday	Feb. 12th	56.5%	14,296	\$2,818,133	Feb. 20th	64.8%	12,405	\$2,281,982	Feb. 16th	70.5%	13,585	\$2,387,976	Feb. 28th	65.80%	15,991	\$2,215,765
Monday	Feb. 13th	51.1%	12,927	\$2,410,658	Feb. 21st	49.4%	12,539	\$2,265,426	Feb. 17th	62.5%	12,040	\$1,987,386	Mar. 1st	70.20%	17,061	\$2,359,325
Tuesday	Feb. 14th	54.7%	13,846	\$2,553,817	Feb. 22nd	50.0%	12,416	\$2,283,120	Feb. 18th	67.6%	13,024	\$2,213,165	Mar. 2nd	69.00%	16,769	\$2,256,111
Wednesday	Feb. 15th	56.1%	14,199	\$2,822,979	Feb. 23rd	49.4%	14,997	\$3,653,925	Feb. 19th	66.3%	12,788	\$2,211,296	Mar. 3rd	70.50%	17,134	\$2,472,381
Thursday	Feb. 16th	68.0%	17,204	\$4,457,192	Feb. 24th	59.6%	20,473	\$7,110,992	Feb. 20th	70.3%	13,543	\$2,820,012	Mar. 4th	91.90%	22,334	\$4,228,583
Friday	Feb. 17th	91.7%	23,199	\$9,465,349	Feb. 25th	81.8%	21,991	\$8,345,962	Feb. 21st	95.4%	18,386	\$5,915,835	Mar. 5th	96.60%	23,477	\$4,696,279
Saturday	Feb. 18th	95.3%	24,113	\$10,716,839	Feb. 26th	87.6%	19,241	\$5,938,689	Feb. 22nd	97.8%	18,845	\$6,955,073	Mar. 6th	92.60%	22,505	\$4,439,028
Sunday	Feb. 19th	91.2%	23,074	\$8,536,662	Feb. 27th	76.6%	18,130	\$4,592,627	Feb. 23rd	90.8%	17,502	\$5,100,101	Mar. 7th	92.30%	22,432	\$4,013,699
Monday	Feb. 20th	86.6%	21,895	\$6,554,710	Feb. 28th	72.1%	16,270	\$3,800,839	Feb. 24th	89.7%	17,290	\$4,276,935	Mar. 8th	80.80%	19,637	\$3,144,837
Tuesday	Feb. 21st	79.5%	20,100	\$5,306,266	March 1st	64.8%	11,896	\$2,072,508	Feb. 25th	82.0%	15,811	\$3,541,939	Mar. 9th			
Wednesday	Feb. 22nd	57.3%	14,503	\$2,690,132	March 2nd	47.1%	13,800	\$2,604,288	Feb. 26th	60.4%	11,647	\$1,894,160				
AVERAGE		74.2%	18,763	\$5,347,011		66.9%	16,613	\$4,223,979		80.0%	15,415	\$3,662,945		80.9%	19,654	\$3,185,880
TOTAL			262,679	\$74,858,155			232,582	\$59,135,706			215,805	\$51,281,230			235,844	\$38,230,558
% CHANGE REPORTING YEAR TO REPORTING YEAR			12.94%	26.59%			7.77%	15.32%			-21.57%	14.97%				

Comparing Mardi Gras to Mardi Gras allows us to see the year over year trends. We are still not seeing the same occupancy levels as we did in 2014, but that could be because of a decrease in travel to New Orleans or an increase in alternative lodging opportunities such as AirBnB. Additionally, the increase in Total Revenue from 2022 to 2023 is the result of both a 13% increase in rented rooms, and also a significant increase in room rates due, primarily, to increases in inflation.

Assuming the STR sample is unbiased, grossing the figure up to account for the unreported data implies the total lodging revenue for New Orleans hotels during the 2023 Mardi Gras season was \$84,201,051. This data does not indicate number of visitors per room or expenditures other than on lodging. To estimate visitor spending on non-lodging items such as food, drink, transportation within the city, and other services, I combine the STR data with information culled from other

less specific surveys. I estimate the number of visitors per occupied room to be 2.5 and spending per person on non-lodging expenses at \$85.00 per day. Together with the STR data, these figures imply total non-lodging expenditures by visitors staying in hotels of \$57,688,841. Thus, lodging and non-lodging expenditures by visitors staying in hotels totaled approximately \$141,900,000 during the 2023 Mardi Gras season.

This estimate is likely to understate visitor expenditures during the Mardi Gras season as it vastly underestimates the number of out-of-town visitors that come to New Orleans during the 12-day season. While a significant number of tourists stay in hotels or other for-profit accommodations, and thus are accounted for in the figures above, anecdotal evidence suggests that many out-of-town visitors stay with friends in New Orleans or in other “off the grid” short-term rental arrangements during the Mardi Gras season. Additionally, many people attending Mardi Gras celebrations throughout the city come from surrounding parishes and thus do not stay the night in New Orleans. They do however spend dollars in Orleans Parish that they would likely have not spent if it were not for Mardi Gras.¹⁵

D. Local Citizenry

In addition to the above, local residents spend money on incremental food and beverage consumption, incremental transportation within the city, house parties, home decorations, entertaining out-of-town guests, etc. Some of these expenditures were accounted for in the Krewe member survey. However, we know that most people who live in New Orleans, and who engage in Mardi Gras related activities, are not a member of a Krewe.

Unfortunately, by using the expenditure approach to calculate the economic impact, it is difficult to obtain a reliable accounting of these expenditures. Multiple times throughout this report it was stated that more in-depth street surveys along parade routes would allow for more accurate results, none more so than the ability to quantify the incremental expenditures of local residents on Mardi Gras related goods and activities. In doing so, questions could be asked of those that live in town or the surrounding area about their spending while along the route. Doing so,

¹⁵ As mentioned numerous times before, the best way to get more accurate figures in future surveys would be to conduct more in-depth street surveys along the parade route.

however, increases the substitution risk mentioned in section V.C. If a family spends money decorating their house, or hosting a barbeque along a parade route, might those same dollars be spent on other activities in other years? Another approach would be to switch to the Income Approach for this method by greatly expanding the outreach to local businesses to gather information regarding changes in revenue patterns as a result of Mardi Gras. This comes with two potential problems. First, such interviews were conducted this year and in previous years. By and large, despite assurances of confidentiality, most business owners do not want to share their revenue information with an economic consultant. Second, by switching approaches for part of this analysis, the issues of double counting are magnified. One entity's expenditure is another entity's income, but it is the same economic impact. And, as always, the need to only account for marginal increases in expenditures to accurately account for economic impact is ever present.

All this being said, some reliable information was forth coming. Based upon the information received, extrapolating it up, and applying the appropriate multipliers it is estimated that the incremental increase in local expenditures as a result of Mardi Gras to be \$7.8 million. This is obviously an extremely conservative number but provides some comfort in other potential overstatement issues in other parts of this report.

E. Government

New Orleans City government spends money during Mardi Gras to maintain public safety and provide public services. Key expenditures include police and fire department overtime and incremental property management, parks and recreation, and sanitation expenses. The table below presents information obtained from the Chief Administrative Office within City Hall.

City Expenditures on Mardi Gras	
Operating Expenses	
Sanitation equipment and contracted labor	\$1,480,460
Mardi Gras ball	\$112,000
Hotels for external officers	\$70,059
External agency officers	\$490,256
Reserve officer details	\$255,012
Sheriff's Office staff	\$968,840
Sheriff's Office equipment/supplies	\$195,742
<i>Subtotal</i>	\$3,572,369
Additional Personnel Expenses	
NOPD	
Regular	\$2,440,069
Overtime	\$3,039,198
<i>Subtotal</i>	\$5,479,267
Other Agencies	
Regular	\$ 408,734
Overtime	\$ 1,158,670
<i>Subtotal</i>	\$1,567,404
TOTAL	\$10,619,040

The largest City expense, by far, is personnel payments to the Police Department. Clean up expenses funded by the Sanitation Department represent another large outlay as well as dollars going to the Sheriff's office.

It may be noted that the money spent by the City of New Orleans for the 2023 Mardi Gras season is substantially greater than in years past. This is due to a number of reasons. First, the City implemented a new expense tracking system in 2019. It can more accurately categorize expenses within the budget thus allowing for a better itemization of dollars spent staging Mardi Gras. Therefore, dollars that previously were just part of the standard operating budget have now been allocated specifically to Mardi Gras. Secondly, the personnel working during Mardi Gras are receiving increases in payments for their services. And third, unique to 2023, in order to return the Uptown parades to their traditional routes, emergency personnel from outside the city were brought to ensure everyone's safety. Obviously, those who did not live close enough to travel to and from the city for individual shifts needed to be housed and a per diem provided. Thus, assuming greater personnel availability in 2024, we would expect to see the City's expenses decrease somewhat for the next Mardi Gras season.

F. Summary

The following table outlines the direct expenditures associated with Mardi Gras.

Direct Expenditure On Mardi Gras	
	Expenditure
Krewes	\$65,300,033
Krewe Members	\$152,786,831
Out-of-town visitors - lodging	\$84,201,051
Out-of-town visitors - nonlodging	\$57,688,841
Local citizenry	\$7,834,259
	<i>Sub-total</i>
	\$367,811,015
Government Expenditures	\$10,619,040
TOTAL	\$378,430,055

VIII. INCREMENTAL TOURISM AND BRAND VALUE

The economic influence of Mardi Gras extends beyond the immediate boost in spending it brings each year. This iconic festival, rooted in New Orleans' culture since the early 1700s, has become an integral part of the city's identity, much like Carnival is to Rio de Janeiro. Arthur Hardy, Publisher, *Arthur Hardy's Mardi Gras Guide*, sums it up perfectly “If music is our city's heartbeat, Mardi Gras is its soul. Mardi Gras defines New Orleans and brings people together in ways that defy description. The celebration represents our traditions, our culture, and our diversity.”

New Orleans' long-standing Mardi Gras tradition has not only drawn tourists but also necessitated the growth of a robust local infrastructure. This includes a variety of accommodations, eateries, bars, and retail outlets offering Mardi Gras-themed products. Importantly, this infrastructure also supports other non-Mardi Gras events and ventures, including conventions. Moreover, the allure of Mardi Gras continues to draw visitors to New Orleans throughout the year, even when the festival is not in session, demonstrating its enduring brand impact, appeal, and economic significance.

Quantifying the economic ripple effects, or the subsequent impact, of Mardi Gras is a challenging endeavor, yet these effects are anticipated to be substantial. In previous studies it was estimated to be between 0.5x to 2.0x. In 2023, this is still a reasonable assumption and thus, the weighted average estimate of the aggregate economic activity in New Orleans associated with Mardi Gras is \$378,430,055 as shown below.

GDP Associated with Mardi Gras	
Total Direct Expenditure (private)	\$367,811,015
Government Expenditure	\$10,619,040
<i>Sub-total</i>	\$378,430,055
Franchise Value (lower estimate)	\$189,215,028
Franchise Value (higher estimate)	\$756,860,111
Total (low franchise value)	\$567,645,083
Total (high franchise value)	\$1,135,290,166
Total Average Economic Impact \$891,202,780	

This is a substantial increase from the previous study owing in part from better data collection and from increases in output prices as a result of inflation. Thus, in 2023 Mardi Gras represents 3.07% of the local GDP, which is an increase of close to 33% over 2014.

IX. NET FISCAL BENEFIT

The fiscal impact of Mardi Gras on the City’s finances is calculated by determining the net fiscal benefit, which is the difference between the total incremental revenue (comprising taxes and fees) generated by Mardi Gras and the total incremental expenses incurred by the City for Mardi Gras. Accurately measuring this net fiscal benefit necessitates a detailed analysis of the incremental revenue and expense streams attributable to Mardi Gras. As stated above, City expenses can be measured from budget data and amounted to \$10,619,040 for the 2023 Mardi Gras season. However, incremental revenues, particularly tax revenues, are not directly discernible from City budget data and must therefore be estimated indirectly. To this end, two methodologies are employed. The first, known as the direct expenditure method, involves applying statutory tax rates to Mardi Gras-related direct expenditures, making adjustments for non-taxable expenditures where necessary. While effective, this method has a limitation: it does not account for the broader economic spillover effects of Mardi Gras. To address this, a second approach, the aggregate expenditure method, is utilized. This involves applying a hypothesized aggregate tax rate to the median estimate of incremental private spending attributed to the franchise value of Mardi Gras. The resultant figure is then added to the calculation derived from

the direct expenditure method, thereby providing a more comprehensive assessment of Mardi Gras' fiscal impact on the City.

Net Fiscal Benefit: Direct Expenditure Method

Expenditure Category	Taxable Expenditures	Tax Rate	Tax Revenues
Krewes	\$19,590,010	5%	\$979,500
Krewe Members	\$114,590,123	5%	\$5,729,506
Out-of-town visitors - lodging	\$84,201,051	9.50%	\$7,999,100
Hotel Occupancy	\$271,477	.85/room/night	\$230,755
Out-of-town visitors - nonlodging	\$57,688,841	5%	\$2,884,442
Local citizenry	\$6,267,407	5%	\$313,370
TOTAL	\$282,608,909		\$18,136,674
Government Expenditures			\$10,619,040
Net Fiscal Surplus (Deficit)			\$7,517,634
Dollar Return on Direct Expenditure			\$1.71
Including Franchise Value			
			\$28,028,543
			\$2.64

As shown in the table above, the direct expenditure method produces an estimated net fiscal benefit to the City of \$7,517,634. In this table, the expenditure figures have been adjusted to eliminate non-taxable spending. Regarded a return on investment, the City's support for Mardi Gras is clearly a positive project for the City; it returned \$1.71 for every dollar spent.

Augmenting the direct approach using the aggregate expenditure approach, applying a 4% average tax rate to the weighted average estimate of the incremental spending associated with the franchise value of Mardi Gras, results in a net fiscal benefit of \$28,028,543, or a return of \$2.64 for every City dollar spent.

While the net fiscal benefit is substantially larger than in past studies, the ROI is smaller. This can be explained in three primary ways. First, the total economic impact on the New Orleans economy has increased significantly. However, the majority of that increase is the result of better data collection from Krewe members. While significant for the overall health of the economy, not all of those expenditures are subject to sales taxes and thus the total needed to be discounted when calculating revenues for the City. Second, as mentioned earlier, the City spent more money staging Mardi Gras and new City accounting systems allocated expenditures to Mardi Gras that, in the past, otherwise might not be included. Third, there has been an absolute increase in hotel revenues, which generates substantial income for the City but a smaller percentage increase than the increase in City expenditures.

X. STATE ECONOMIC IMPACTS

While it's undeniable that New Orleans holds the title of the Mardi Gras epicenter within the State of Louisiana, it's important to recognize that Mardi Gras festivities extend far beyond the boundaries of the city. From Shreveport to Houma and everywhere in between, cities and towns throughout the state host their own parades and Mardi Gras-related activities, all of which contribute significantly to their local economies. These celebrations not only boost the prosperity of individual municipalities but also have a ripple effect, positively impacting the state, as a whole, by generating additional tax revenues for the State Treasury. Conducting a comprehensive state-wide economic impact analysis and calculating the net fiscal benefit, comparing the total Mardi Gras expenditures across the state to the resulting increase in revenues, would undoubtedly require considerably more resources than are currently available for this study. However, by focusing on the economic contribution stemming from increased expenditures within Orleans Parish alone, we can glean valuable insights into the overall impact of Mardi Gras.

The State of Louisiana's sales tax is 4.45%. Additionally, the Louisiana Stadium and Exposition District levies a 4% hotel occupancy tax in lieu of a 2% sales tax. Further, discounts were made when calculating the Net Fiscal Benefit above to account for the fact that not all taxable expenditures made by Krewe members, visitors, and locals would be made within the City. Some of those discounts can be relaxed when considering the increase in revenues flowing into the State. Based on this, it is very conservatively estimated that an additional \$14.3 million flows into the State Treasury as a result of Mardi Gras within Orleans Parish.

XI. CONCLUSION

The main conclusions along with additional relevant information are outlined in the table below.

	2009	2011	2014	2023
Total Economic Impact	\$262,917,661	\$300,656,546	\$465,214,106	\$891,202,780
City Expenditures necessary to stage Mardi Gras	\$3,320,203	\$1,759,703	\$5,885,966	\$10,619,040
New Orleans Gross Domestic Product (estimated from MSA data)	\$20,000,000,000	\$26,000,000,000	\$21,000,000,000	\$29,053,291,910
Economic Impact as a percentage of GDP	1.31%	1.16%	2.22%	3.07%
City Expenditures as a percentage of Economic Impact	1.26%	0.59%	1.27%	1.19%
Net Fiscal Benefit to the City of staging Mardi Gras	\$9,933,900	\$13,108,538	\$17,372,254	\$28,028,543
City's Return On Investment (tax revenues/expenditures)	\$2.68	\$8.45	\$3.95	\$2.64

As we can see, the total economic impact and net fiscal benefit have both increased from previous studies, while the ROI has decreased as stated earlier. It would be a mistake to focus too much on this \$2.64 figure as a comparison against past years. Rather, the important conclusions are that Mardi Gras has increased in importance for our overall economic health and has created significant economic benefits for the City. Further, small changes in the expenditures by the City, likely assuming somewhat less need for outside personnel in the upcoming Mardi Gras season, results in higher returns on investment. For example, a 5% decrease, \$530,000 less, in City expenditures translates to a 7.3% increase in ROI. A 10% decrease, \$1.0 million less, in City expenditures, would allow for a 15.3% increase, and a 15% decrease, less \$1.6 million, in City expenditures, would bring a 24% increase in the return on investment.

Reduction in City Expenditures		City's Return on Investment (ROI)	
Percentage	Amount	Amount	% Increase
5%	\$530,952	\$2.83	7.3%
10%	\$1,061,904	\$3.04	15.3%
15%	\$1,592,856	\$3.27	24.0%

I have noted throughout this report, that while my estimates make best use of the data I have accumulated, they could be improved and sharpened by cleaner, better, and more comprehensive data. This could be accomplished through better, more comprehensive surveys along the parade routes, during both parade weekends and including day and evening parades, as well as increased

outreach and thus participation by the non-parading Krewes and their members. Hopefully, future iterations of this study will provide the resources for such surveys to be completed.

XII. RESPONSE

Upon completion of this study, the Co-Chairs of the Mayor's Mardi Gras Advisory Council, Elroy James of the Zulu Social Aid and Pleasure Club and James Reiss III of the Rex Organization, issued a joint statement:

On behalf of everyone who enjoys Carnival, we are grateful our elected leaders so strongly support our city's cherished Carnival traditions. We are also grateful to the many City of New Orleans officials and employees who work to make Carnival safe, enjoyable, and clean for our entire community. As Professor Weiss' study proves, the celebration of Carnival in the City of New Orleans alone conservatively drives nearly \$900 million of spending by individuals, krewes, and others, resulting in a robust two-and-a-half-to-one return on investment for the City of New Orleans. This economic activity in turn supports tens of thousands of jobs, our creative and cultural workers and economy, and thousands of small businesses, with those dollars turning over countless times throughout our community.