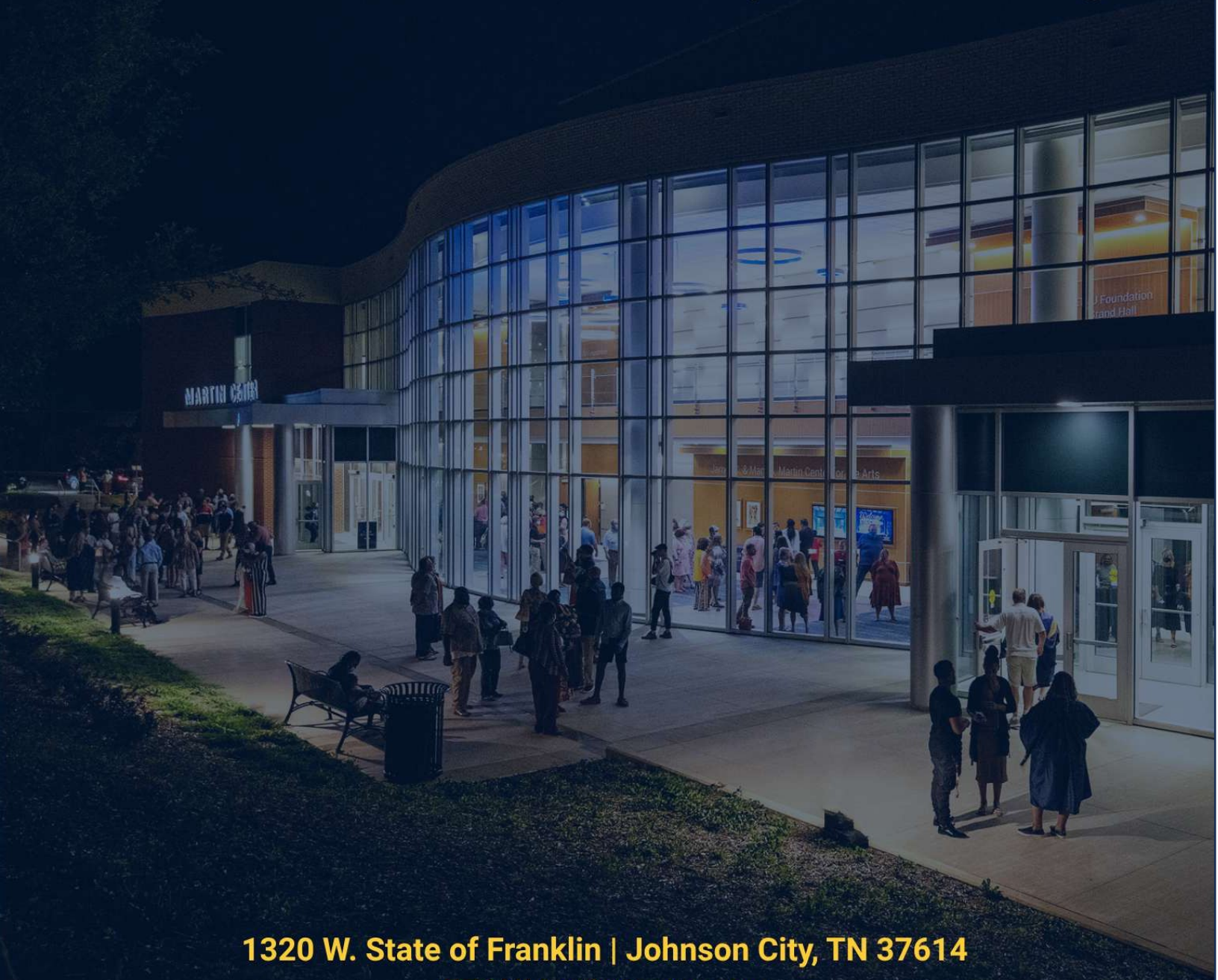




MARTIN CENTER
for the ARTS

EAST TENNESSEE STATE UNIVERSITY

2024 Economic Impact Study



1320 W. State of Franklin | Johnson City, TN 37614
ETSUMartinCenter.org

A Community Dream Shaping Our Region

For more than four decades, the vision of a performing arts center lived in the hearts and hopes of our community. What began as a dream shared by leaders, educators, artists, donors, and community has grown into a living, thriving institution that now stands as a cornerstone of our region's cultural and economic vitality. This facility exists because of the perseverance, belief, and commitment of those who came before us—people who understood that the arts are not a luxury, but a vital force in shaping strong, connected, and vibrant communities.

This economic impact study allows us, for the first time, to clearly see the tangible results of that collective effort. Working in partnership with the ETSU College of Business and Technology, their faculty and staff analyzed operational data from our organization using professional economic modeling tools and software to determine the measurable economic impact generated by the performing arts center. These findings were then compared with similar institutions and benchmarks, and we are confident the results fall well within accepted margins of accuracy and reliability.

While the economic figures themselves are significant and affirm the center's role as a driver of regional growth, what is most meaningful goes far beyond the numbers. This facility is fulfilling its deeper mission: improving the quality of life for the people of our region. It is a place where art, education, inspiration, and community intersect. It reflects the original vision of those who worked for decades to make this center a reality—a belief in the power of the arts to elevate communities, strengthen identity, and create shared experiences that bind people together.

This study captures only a single year in time. As we continue to grow, it is essential to view our impact across a three- to five-year horizon, recognizing the unique nature of the performing arts industry. Programming and revenue are influenced by external factors such as touring Broadway productions, musical acts, performers, and artists whose availability shapes each season. Even within those variables, the trajectory forward is one of continued growth, expanded reach, and deepening impact.

Ultimately, this report is not just a reflection of economic contribution—it is a testament to the enduring value of art in our region and the fulfillment of a community dream 40 years in the making.

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I. THE MARTIN CENTER'S ROLE IN THE REGION

The Martin Center for the Arts at East Tennessee State University fulfills a decades-long vision to position the university as a leader in the arts in Northeast Tennessee. Made possible by a \$4 million gift from Jim Martin and his daughter Sonia King, along with support from nearly 600 additional donors, construction began in 2017 and was completed in 2020. ETSU Martin Center for the Arts opened in 2021 during COVID-19, initially serving as classroom space for students, and officially welcomed its first community performances in 2022.



Continuing its momentum, the Martin Center launched its first Broadway season in 2023 – a major milestone in establishing the Martin Center as a regional destination.

In spring 2024, the ETSU Martin Center introduced its Ticket Subsidy Program, followed by its first school outreach performance that winter.

The Martin Legacy



2008

Mary B. Martin passes away

2009

Jim Martin establishes Martin School of the Arts at ETSU



2013

ETSU Arts Initiative kicks off. Jim Martin lead donor

2015

Jim Martin passes away



2017

ETSU & community break ground on center

2018

Denark begins construction



Continuing The Martin Legacy



2027

5-year Broadway Anniversary

Winter
2024

First school outreach performance



Spring
2024

Ticket Subsidy Program established

2023

First Broadway Season



2022

Door officially open for first community performance

2021

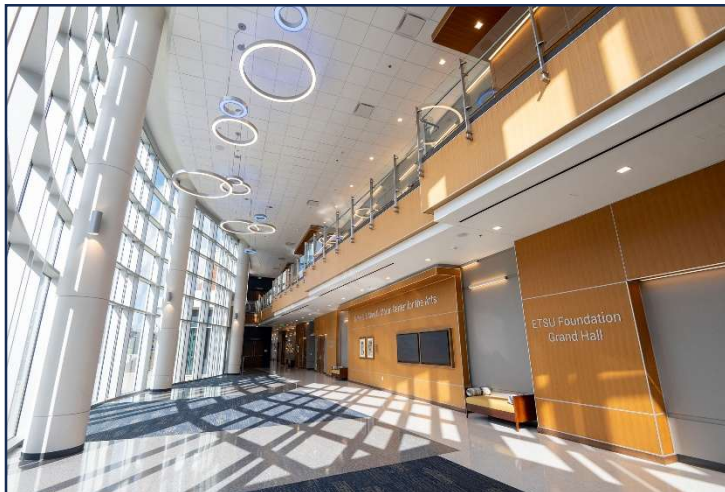
Establishment of the ETSU Martin Center for the Arts & served as student classroom space during COVID



Facility Overview



Designed by McCarty Holsaple McCarty and constructed by Denark Construction, the 93,000-square-foot Martin Center features three performance venues along with instructional spaces and the Tindall Lobby facing State of Franklin Road.



TINDALL LOBBY

The Tindall Lobby is a 3,000 square foot, multi-level gathering space that serves as the central entry point to the Martin Center and connects guests to all three performance venues.

Anchored by the building's signature curved glass façade, the lobby is filled with natural light and features soaring ceilings accented

by customizable chandeliers that can be illuminated in different colors to reflect performances, special events, or holidays.

The space also houses the Martin Center Box Office and Guest Services area, providing a central hub for patron support. Digital video monitors throughout the lobby display event information and promotions, and elevator access connects guests to the balcony level of the performance spaces above.

ETSU FOUNDATION GRAND HALL

The ETSU Foundation Grand Hall is the Martin Center's largest performance venue and serves as a premier destination for major performances, lectures, and ceremonies.

The proscenium theatre seats up to 1,236 guests across orchestra, mezzanine, and balcony levels, all accessible by elevator.



Designed with versatility in mind, the hall features adjustable acoustics and a professional sound and lighting system, including L'Acoustic array speakers, a Yamaha C Series sound console, and ETC lighting control. The 4,500 square foot stage is supported by a full range of theatrical capabilities, including an orchestra pit and lift, sound shell, choir risers, Marley dance floor, and a Steinway D concert grand piano. Additional amenities include a large projection system with a 16 by 32-foot screen, dedicated technical booth, follow spots, backstage dressing rooms, a green room, and a loading bay with multiple docks to support touring productions.



POWELL RECITAL HALL

Powell Recital Hall is an intimate 206 seat venue designed for exceptional acoustic performance and audience connection. The hall features a natural wood thrust stage measuring 35 by 16 feet and is ideal for recitals, chamber music, lectures, film screenings, and academic presentations. Equipped with a full digital

sound system, repertory lighting inventory, and ETC lighting control systems, the space can support a wide range of events.

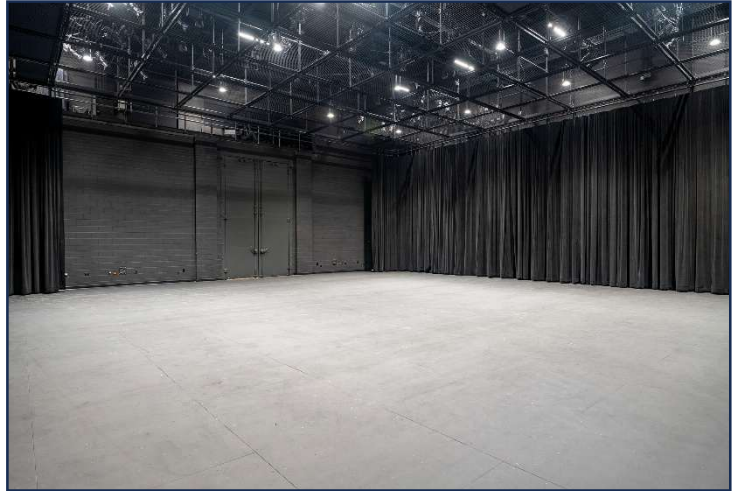
Adjustable acoustics enhance sound quality for both spoken word and musical performances, while a Steinway D grand piano and projection system provide additional versatility. The hall also includes a dedicated technical booth and access to the Martin Center's loading facilities.

BERT C. BACH THEATRE

The Bert C. Bach Theatre is a flexible black box studio theatre designed to accommodate a wide spectrum of performances, rehearsals, and special events.

Depending on the staging configuration, the theatre can seat between 125 and 220 guests within its 57 by 57-foot performance space.

The venue features a tension wire grid, full repertory lighting inventory, and ETC lighting control systems, along with a digital sound system and adjustable acoustics to support diverse production needs. The studio includes a sprung Masonite floor with Marley dance floor available, making it ideal for theatre, dance, and experimental performances. Backstage amenities include two 15 person dressing rooms with showers, a green room adjacent to the theatre, and access to a loading bay with multiple docks for production support.



The Martin Center Experience

SAFETY & SECURITY

The ETSU Martin Center operates as a 24/7 secure facility. Staff and volunteers receive comprehensive training in emergency preparedness, including AED use, CPR, and fire safety. The facility is recognized as a campus leader in safety and preparedness.



ACCESSIBILITY



Accessibility is central to the Martin Center mission. Each venue offers assistive listening devices, with additional accommodations available such as sign language interpreters, sensory-friendly options, family restrooms, and convenient shuttle access.

Community & Campus Impact

These facilities significantly enhance the cultural landscape of the region, elevating arts opportunities for the university and community while strengthening the area's appeal to businesses, residents, and prospective students.

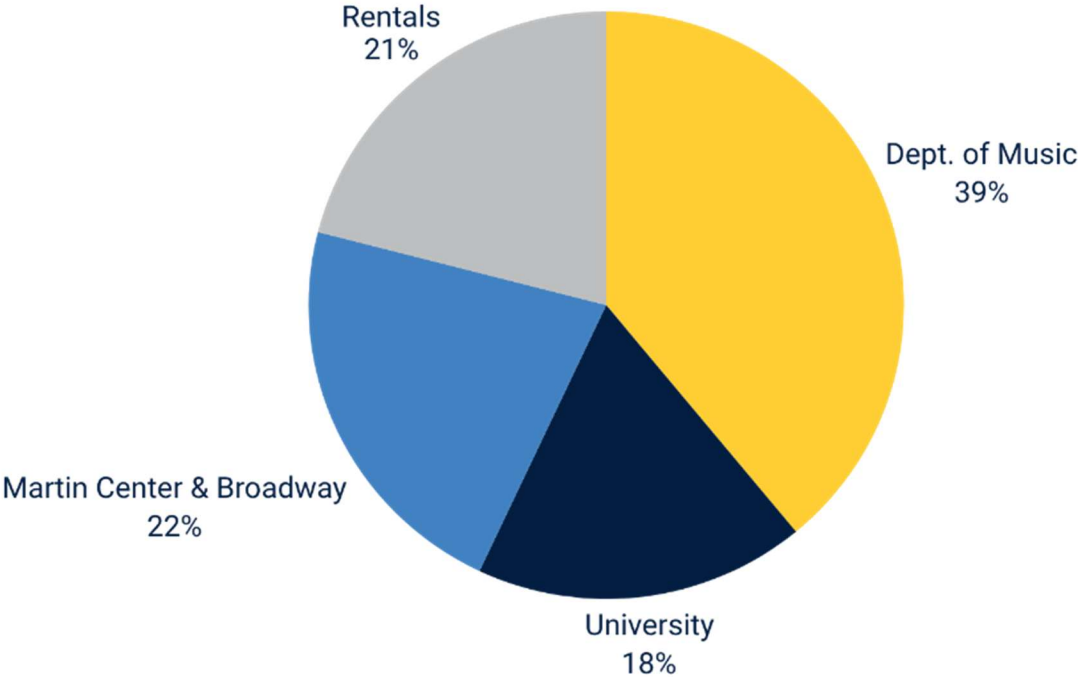


The following graphs illustrate venue usage across the three performance spaces, showing the percentage of use by primary user groups during the reporting period:

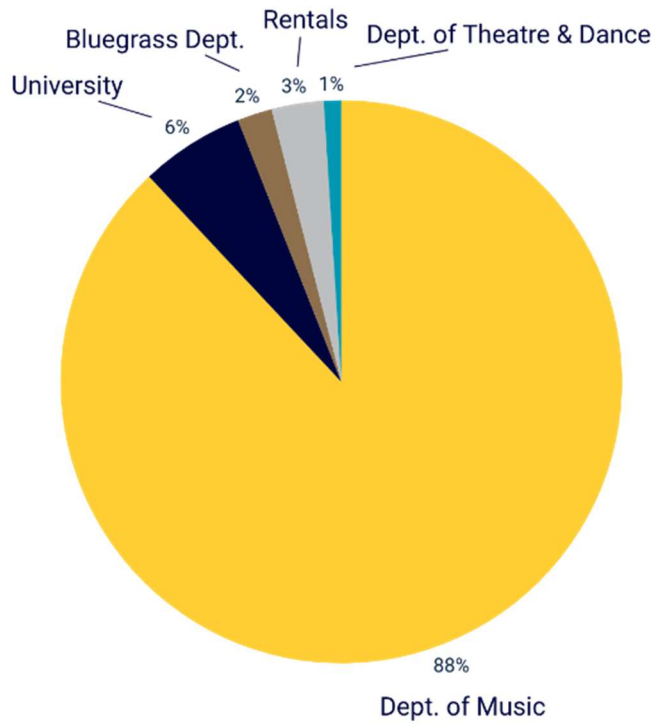
- **Rentals:** Community organizations, corporate partners, and external clients
- **Martin Center Series & Broadway:** Broadway performances, concerts, touring musicians, children’s programming, authors, comedians and more.
- **University:** Campus departments and affiliated groups (excluding the Mary B. Martin School of the Arts)
- **Department of Music:** Classes, rehearsals, and performances
- **Bluegrass, Old-Time, and Roots Music Program:** Academic rehearsals and performances
- **Department of Theatre & Dance:** Classes, rehearsals, and productions

Together, these graphs demonstrate the breadth of engagement across performances, rentals, academic programs, and community partnerships – highlighting how the Martin Center serves both campus and community.

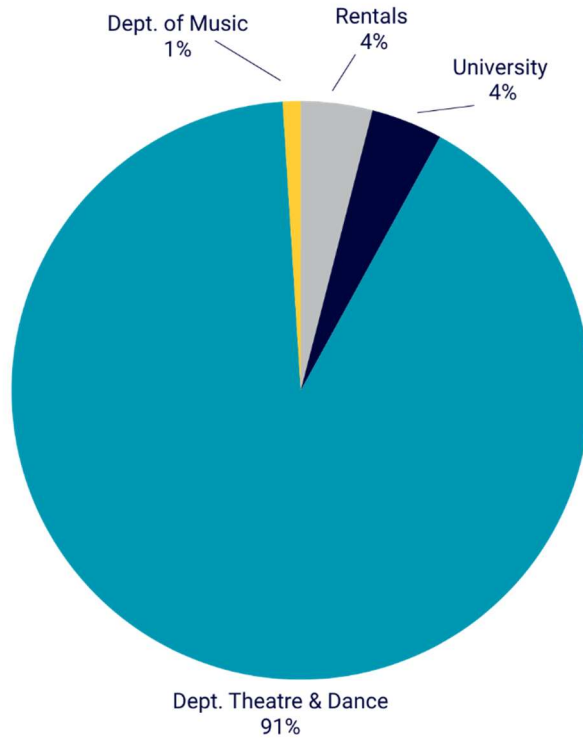
ETSU FOUNDATION GRAND HALL USAGE



POWELL RECITAL HALL USAGE



BERT C. BACH THEATRE USAGE



Community Engagement

The community has enthusiastically embraced the ETSU Martin Center. Since opening, volunteers have contributed more than 5,220 hours in support of programs, and donors gave nearly \$287,000 in gifts and pledges in 2024 alone.



Today, 91 trained volunteers have contributed more than 3,000 hours of service this year. They include retirees, professionals, alumni, and dedicated community members who generously share their time and talents. From greeting patrons to assisting guests, they represent the Martin Center with warmth and professionalism at every performance and event.

Programming

Since opening, the ETSU Martin Center has hosted a diverse lineup ranging from Broadway shows and concerts to comedy performances, community gatherings, fundraisers, student productions, and more. In 2024 alone, more than 180 events were offered free of charge, broadening access and strengthening community impact.

The facility is utilized across nearly every category of engagement – serving both the university and the broader community – and its use continues to grow.



Events and Attendance

The MCA hosted **253 total events** across all venues during FY 2024, serving a diverse audience through various programming types. Of those **55,520 tickets issued** for the events, the Martin Center donated **14,914 (a \$33,518 value) tickets** to community non-profits, local schools, and veterans.

TICKET CATEGORY	VOLUME	VALUE/ PRICE
Total Tickets Issued	55,520	
Complimentary Tickets	14,914	
Sold Tickets	40,606	
Average Sold Ticket Price		\$70.04
Total Value of Donated Tickets		\$33,518

Based on historical scanning data, approximately 82% of issued tickets result in actual attendance, yielding an estimated 45,526 attendees for FY 2024.

Revenue Data

During fiscal year 2024 (July 1, 2023, through June 30, 2024), the Martin Center generated the following revenues:

REVENUE CATEGORY	AMOUNT
Gross Ticket Sales	\$2,844,211
Development Revenue	\$234,048
External Rental Revenue	\$186,182
Internal Rental Revenue	\$185,486
Total Operating Revenue	\$3,449,928

It should be noted that **\$244,192.37** of gross ticket sales was paid out to external and internal renters, representing pass-through revenue rather than revenue retained by the MCA.

Educational Mission

The ETSU Martin Center plays a vital role in supporting ETSU's arts education mission. The university's Mary B. Martin School of the Arts attracts students from across the country and around the world to study music, theatre, and dance, while also sustaining distinguished programs in bluegrass, old-time, and storytelling traditions. The Martin Center enhances this work by providing dedicated practice rooms, choral rehearsal space, percussion rehearsal space, and instrumental rehearsal facilities that allow students to train and collaborate at a high level.

Research consistently shows that upgraded arts facilities can positively influence student recruitment and enrollment. In that context, the Martin Center serves as a meaningful asset in ETSU's efforts to attract talented performing arts students.

Between Fall 2021 and Fall 2024, student headcount in Music and Theatre and Dance increased from 189 to 250 – a 32% growth (61 additional students). While students have not been formally surveyed regarding the role of the Martin Center facilities in their enrollment decisions, it is reasonable to conclude that access to modern, high-quality performance and rehearsal spaces has strengthened ETSU's competitive position in recruiting performing arts majors.

II. ECONOMIC IMPACT FRAMEWORK

Understanding Economic Impact

While an accounting of the MCA's revenues is important, it tends to understate the MCA's true economic impact on the regional economy. The MCA brings new dollars into the region through three primary channels:

1. **Direct Operations:** Revenues from ticket sales, rentals, and sponsorships that flow directly to the Martin Center and support its operations
2. **Visitor Spending:** Expenditures by out-of-region visitors on restaurant meals, lodging, gasoline, and retail purchases
3. **Student Attraction:** Increased spending from new students studying arts and music who chose to attend ETSU rather than other schools, influenced in part by the quality of the Martin Center's facilities

Types of Economic Impacts

Economic impact analysis distinguishes between three types of effects:

Direct Impacts are changes in output, employment, and earnings that occur as a direct consequence of spending that remains in the affected region. For the Martin Center, this includes spending on operations, labor, and general administrative expenses. Only dollars that flow to local entities and represent "new dollars" to the region are counted as direct effects.

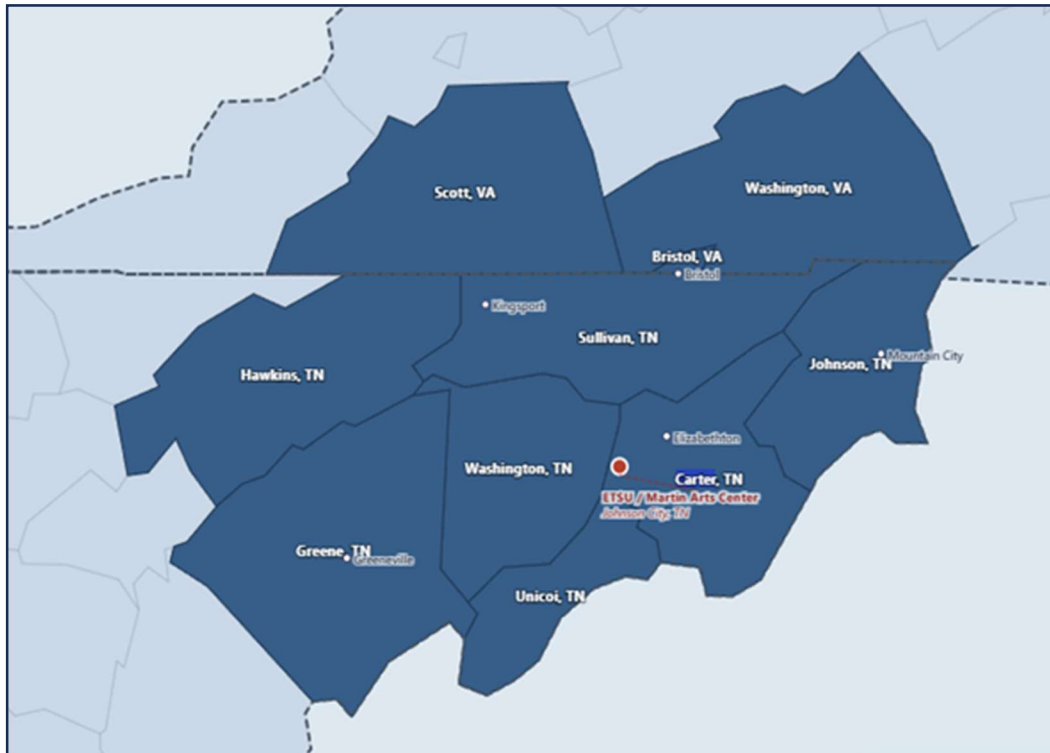
Indirect Impacts arise as industrial suppliers, retailers, and wholesalers from whom the Martin Center makes purchases must themselves buy goods and services from their suppliers, who in turn make purchases from their suppliers down the supply chain. These business-to-business expenditures constitute the project's indirect impacts.

Induced Impacts occur as employees of businesses affected by direct and indirect effects spend their wages on food, clothing, shelter, consumer goods, and services. This household spending creates additional economic activity within the region.

The sum of direct, indirect, and induced impacts equals the **Total Economic Impact**. The ratio of total impact to direct impact is the implicit multiplier.

Geographic Scope

The analysis focuses on the Johnson City, Tennessee metropolitan statistical area (MSA), as the relevant geographic area. This definition captures the primary labor market, supplier network, and consumer base most directly affected by the Martin Center's activities.



Note: North Carolina counties are not included in the map displayed.

Modeling Methodology

Economic impacts were estimated using IMPLAN (Impact Analysis for Planning) modeling software, one of the most widely used economic impact analysis tools in the United States. IMPLAN is routinely employed by the U.S. Army Corps of Engineers, the U.S. Department of Agriculture, numerous state and local governments, and universities.

The IMPLAN model provides information on 529 industrial sectors. Utilizing local, regional, and national data, the model constructs an input-output table that generates multipliers for output, total value added, labor income, and employment, and provides estimates of federal, state, and local taxes generated by economic activities.

III. ECONOMIC IMPACT ANALYSIS: MARTIN CENTER OPERATIONS

Direct Impact of Operations

The ETSU Martin Center's FY 2024 operations, based on total operating revenues of \$3,449,928, generated direct employment and spending within the Johnson City MSA. These revenues were modeled using IMPLAN to determine the full economic impact. However, as noted above, \$244,192 was paid out to external and internal renters and may represent revenue that flows outside Washington County. An adjusted impact calculation excluding this pass-through revenue provides a more conservative estimate based upon an adjusted total Direct Impact of **\$3,205,735**.

Total Operational Impact

The following table presents the comprehensive economic impact of the Martin Center's FY 2024 operations:

Table 1: FY 2024 Martin Center Operations Economic Impact

IMPACT TYPE	EMPLOYMENT (FTE)	LABOR INCOME	VALUE ADDED	OUTPUT
DIRECT	25.36	\$269,522	\$596,658	\$3,205,735
INDIRECT	13.01	\$448,473	\$748,175	\$1,890,825
INDUCED	2.65	\$144,086	\$280,990	\$465,020
TOTAL	41.03	\$862,081	\$1,625,822	\$5,561,580

Key Findings

The Martin Center's ongoing operations generated **\$862,081** in regional labor income and a total economic impact of **\$5,561,580** in output. The operations supported 41.03 full-time equivalent jobs within the Johnson City, Tennessee MSA. The implicit output multiplier of 1.73 ($\$5,561,580 \div \$3,205,735$) indicates that each dollar of Center operations generates an additional \$0.73 in secondary economic activity within the MSA.

IV. ECONOMIC IMPACT ANALYSIS: VISITOR SPENDING

As indicated above, Direct Impacts represent only those dollars that flow to local entities. An analysis of retail purchases typically made by visitors to a region reveals that a significant of the initial spending is passed to suppliers located outside of the local area. Accordingly, the gross spending of visitors is “marginized” in order to only reflect the local spending in the region.

Visitor Classification Methodology

The Martin Center hosts two types of events: revenue-generating events (including Broadway shows, concerts, and external rentals) and university events (recitals, student performances, and departmental activities). Visitor spending impacts vary significantly based on visitor origin and trip duration.

Visitors are classified into three categories:

Local Visitors reside within the Johnson City, Tennessee Metropolitan Statistical Area (MSA). Their spending is not included in the economic impact calculation because it represents “displacement”—spending that would have occurred elsewhere in the local economy if the Martin Center did not exist.

Day Trippers are visitors from outside the Johnson City MSA whose round-trip travel time to Johnson City is under 2 hours. These visitors typically spend money on meals, gasoline, and retail purchases but do not require overnight accommodations.

Overnight Visitors are those whose round-trip travel time exceeds 2 hours, making overnight lodging economically rational. These visitors generate higher spending impacts through hotel stays, multiple meals, and extended retail purchases.

Determining Visitor Mix

Visitor origin was determined by analyzing zip codes of all ticket purchasers since the Martin Center opened. Round-trip travel times from each zip code to Johnson City were calculated using online mapping databases. Based on this comprehensive analysis:

- **56.5%** of ticket purchasers were classified as local residents
- **25.9%** were classified as day trippers
- **17.6%** were classified as overnight visitors

Estimating Visitor Spending

Spending estimates were derived from the Tennessee Department of Tourism Development's "2024 Economic Impact of Visitors to Tennessee," which indicated that:

- Day trippers spent an average of \$118 per person on meals and other purchases
- Overnight visitors spent an average of \$337 per person on lodging, meals, and other purchases

Calculating Visitor Numbers

Of the 55,520 tickets issued in FY 2024, approximately 82% (45,526 attendees) actually attended events based on historical ticket scanning data. Applying the visitor classification percentages to actual attendees:

VISITOR TYPE	PERCENTAGE	ESTIMATED ATTENDEES
LOCAL	56.5%	25,722
DAY TRIPPERS	25.9%	11,791
OVERNIGHT	17.6%	8,013
TOTAL	100%	45,526

Day Tripper Economic Impact

With 11,791-day tripper attendees spending an average of \$118 per person, total day tripper spending was \$1,391,338. After applying appropriate spending margins, approximately \$466,758 remained as direct impacts within the region.

Table 2: FY 2024 Day Tripper Economic Impact

Impact Type	Employment (FTE)	Labor Income	Value Added	Output
Direct	3.7	\$144,455	\$241,487	\$466,758
Indirect	0.8	\$44,584	\$70,228	\$151,962
Induced	0.7	\$37,382	\$72,992	\$120,746
Total	5.2	\$226,422	\$384,706	\$739,466

With 8,013 overnight attendees spending an average of \$337 per person, total overnight visitor spending was \$2,700,381. After applying appropriate spending margins, approximately \$905,908 remained as direct impacts within the region.

Table 3: FY 2024 Overnight Visitor Economic Impact

Impact Type	Employment (FTE)	Labor Income	Value Added	Output
Direct	8.58	\$332,614.19	\$556,025.72	\$1,073,726.04
Indirect	1.86	\$102,420.79	\$161,337.83	\$349,032.96
Induced	1.54	\$86,010.25	\$167,941.15	\$277,815.38
Total	11.98	\$521,045.23	\$885,304.69	\$1,700,574.39

Table 4: FY 2024 Total Visitor Spending Impact

Impact Type	Employment (FTE)	Labor Income	Value Added	Output
Direct	12.28	\$477,069.19	\$797,512.72	\$1,540,484.04
Indirect	2.66	\$147,004.79	\$231,565.83	\$500,994.96
Induced	2.24	\$123,392.25	\$240,933.15	\$398,561.38
Total	17.18	\$747,466.23	\$1,270,011.69	\$2,440,040.39

Key Findings

The economic impact arising out of visitor spending generated a total output of **\$747,466** in regional labor income and a total economic impact of **\$2,440,040** in output. The operations supported **17.2** full-time equivalent jobs within the Johnson City, Tennessee MSA. The implicit output multiplier from visitor spending was 1.58.

VII. TOTAL MARTIN CENTER ECONOMIC IMPACT

Comprehensive Impact Summary

Combining the economic impacts from Martin Center operations and visitor spending yields the total economic impact of the Martin Center on Washington County's economy for fiscal year 2024.

Table 5: FY 2024 Total Martin Center Economic Impact

IMPACT TYPE	EMPLOYEMENT (FTE)	LABOR INCOME	VALUE ADDED	OUTPUT
DIRECT	37.64	\$746,591	\$1,394,171	\$4,746,219
INDIRECT	15.67	\$595,478	\$979,741	\$2,391,820
INDUCED	4.89	\$267,478	\$521,923	\$863,581
TOTAL	58.21	\$1,609,547	\$2,895,834	\$8,001,620

VIII. ADDITIONAL ECONOMIC CONTRIBUTIONS

Volunteer Contributions

Since opening, volunteers have contributed over **5,220 hours** supporting Martin Center programs. Valuing volunteer time at the national standard of **\$33.49** per hour (Independent Sector, 2024), this represents approximately **\$174,818** in contributed services.

Donor Support and Capital Formation

Donors contributed almost **\$287,000** in gifts and pledges in 2024 alone, demonstrating ongoing community investment in the Martin Center. This philanthropic activity represents additional economic circulation within the county and helps sustain the Martin Center's operations and programming.

Student Enrollment Impact

While the impacts of increased student enrollment **are not included** in the formal analysis above in order to maintain methodological rigor, they represent real economic benefits attributable to the region.

Research on university facility investments suggests that quality facilities influence 10-20% of student enrollment decisions in relevant programs. Using a conservative estimate that 15% of the enrollment increase (approximately 9 students) was attributable to the Martin Center, these students represent an additional annual economic impact.

Assuming average annual tuition and fees of \$10,000 per student and living expenses of \$15,000 per student, 9 additional students represent \$225,000 in annual spending. Approximately 40% of this spending (\$90,000 in living expenses) represents new money to the local economy, as tuition revenue largely flows to the university and is already captured in operational spending.

The economic impact of \$90,000 in annual student living expenses would generate approximately:

- **2-3 additional FTE jobs**
- **\$45,000-55,000 in additional labor income**
- **\$140,000-150,000 in total output**

It should be noted that in the absence of detailed data on student university choice, this estimate is speculative in nature.

XI. CONCLUSIONS

The James C. and Mary B. Martin Center for the Arts generates substantial economic impacts for the Johnson City, Tennessee metropolitan statistical area. With a total annual economic impact of approximately **\$8 million** in output, **\$1.6 million** in labor income, and support for **58** full-time equivalent jobs, the Martin Center represents a significant economic asset for the region.

These impacts flow from two primary sources:

1. **Direct operations** funded by ticket sales, rentals, and sponsorships
2. **Visitor spending** by out-of-region attendees who travel to Johnson City for performances

This does not include possible impacts arising out of increased student enrollments. Beyond these quantifiable impacts, the Martin Center contributes to regional quality of life, competitive positioning, and community vitality in ways that extend beyond economic measurement. The facility has become a focal point for cultural activity in Northeast Tennessee, attracting performers, audiences, and students while providing a world-class venue for both professional productions and educational programming.

The strong community support demonstrated through volunteer hours and philanthropic contributions underscores the value residents place on the Martin Center. As the facility continues to mature and expand its programming, economic impacts are likely to grow, further cementing the Martin Center's role as both a cultural and economic anchor for the region.

The investment in the Martin Center has proven to be not only a cultural success but an economically sound decision that continues to generate returns for Washington County and the broader Northeast Tennessee region.

APPENDIX: TECHNICAL NOTES ON ECONOMIC IMPACT ANALYSIS

Input-Output Modeling

Input-output models detail the flows of goods and services between industries required to satisfy "final demand"—that portion of overall demand not used in the production of other outputs within the regional economy. Final demand includes consumption, investment, government purchases, and exports.

The Importance of "New Money"

Activities and facilities that simply redirect or displace local dollars from one business to another create no incremental economic impact. For example, if a new art gallery opens within a community and attracts patrons from existing galleries, purchases at the new gallery have no real impact on the "arts industry" within the region because there is no overall change in total arts spending—sales have simply shifted locations.

However, if the new gallery has unique features that attract consumers from outside the community, it brings "new dollars" into the local economy. The recirculation of these new dollars yields genuine economic impacts.

This principle underlies the exclusion of local attendees from the visitor spending analysis. Only spending by visitors from outside the Johnson City MSA represents truly new economic activity attributable to the Martin Center.

Multiplier Effects and Economic Linkages

The magnitude of multiplier effects depends on the strength of economic linkages within the regional economy. Larger, more economically diverse regions typically exhibit higher multipliers because more goods and services can be sourced locally, reducing "leakage" to suppliers outside the region.

The multipliers calculated in this economic impact report reflect the Johnson City MSA's position as part of a diverse economic base including healthcare, education, manufacturing, and services. The multipliers observed for the Martin Center's impacts are consistent with this economic structure.

Limitations of Economic Impact Analysis

While economic impact analysis provides valuable insights into the economic consequences of projects and facilities, it has inherent limitations:

1. Impact analysis measures gross economic activity, not net benefits
2. Impacts represent annual flows, not one-time effects
3. Analysis cannot capture all quality-of-life benefits
4. Multipliers assume linear relationships that may not hold at very large scales
5. Regional definitions affect results—broader regions yield higher impacts

Despite these limitations, properly conducted economic impact analysis using standard methodologies and well-regarded modeling tools like IMPLAN provides reliable estimates of economic effects that are valuable for decision-making and accountability.