

What Happens When you Lose Funding?

What happens when, in the span of a single year, your festival is suddenly faced with a near \$300,000 loss in funding? Even worse, what if that money is one of your primary sources of funding for the entire event?

The easy answer might be to fold up your tents and call it a day. After all, in these tough economic times, we've seen more festivals cancel or postpone their festivities than ever before. Yet, when faced with the above scenario, the Jubilee CityFest in Montgomery, Alabama didn't call it quits. Instead, they embraced a strategy that acknowledged the realities of the current economic downturn and sought to succeed despite them.

This issue, Current Events examines how Montgomery's CityFest changed with the tough times and, in doing so, survived a loss of municipal funding that could have resulted in the end of the event altogether.

Flexibility in the Face of Reduced Funding

For many residents of the Central Alabama River Region, the annual Jubilee CityFest is a rite of spring. Since its debut in 1976, CityFest has brought a wide variety of music and other entertainment acts to the area. The festival, which one report estimates has more than a \$5 million impact on the region, has grown to include full-time staff, hundreds of volunteers, and an expanded line-up that features sporting events and the performing arts.

With this expansion, though, has come an increase in costs. To offset this increase, admission charges have been raised. Any event, however, has a limit to what it can charge and still generate a crowd. So, CityFest also sought outside funding to help defray its expenses. One of the biggest contributors was the City of Montgomery where the event was located.

By 2009, the City's cash contribution had reached nearly \$300,000 with an additional \$100,000 provided in-kind for services such as logistics, set-up,

and police and fire protection. Unfortunately, at the same time the City's contribution was peaking, Montgomery—like almost every other city in the country—was facing budget challenges caused by reduced tax revenues.

The result was that the City elected to eliminate its cash funding for the festival and reduce its in-kind support. This change could have been the event's death knell if it continued in its present form. Realizing this, the festival's staff and board of directors undertook an expansive effort aimed at figuring out how to keep Jubilee CityFest alive and operating despite the reduced financial contribution.

What they came up with was a clever strategy that recognized the tough economic times while still offering an interesting entertainment option for area visitors.

Focusing on Local and Regional Options

With a ticket price of over \$35 per person, CityFest was limited in its ability to increase admission in order to offset the lost funding. This meant that the only real way to address the challenge was to reduce costs.

Over the course of its existence, Jubilee CityFest had brought numerous national and international performers to its downtown stages. These acts generated a great deal of excitement but also generated a great deal of cost. For many years, this was the public's only opportunity to see these headliners perform in the area. However, Montgomery recently opened a performing arts center as part of an expanded convention center. When the center opened, it began scheduling national acts that had previously skipped Alabama's capital city unless they were taking the stage at CityFest.

Event officials recognized this change and, to counter the reduced funding, decided to focus most of its efforts on local and regional entertainment offerings. Officials estimated that this could cut some performance costs in half compared to the expense of bringing in the biggest name acts. At the same time, though, it was able to tap into the growing "local" movement where communities throughout the country are embracing everything from locally-grown food to locally-produced talent.

This change of pace—focusing on local and regional acts instead of national ones—allowed CityFest to continue to offer a wide variety of musical and entertainment options to its guests. Plus, when you consider the popularity of "talent search"-like shows such as American Idol and America's Got Talent, the decision to go local and regional might actually end up finding some of tomorrow's future stars before they make it big on the national stage.

If your festival is facing a similar budget crunch, the decision to save money by using more local and regional resources could be an event-saver. This, of course, means using local entertainment acts. However, it is not limited to just that.

You might also be able to save costs by using more local vendors and suppliers. Or, you could try to cut expenses by using more local micro-advertising which is often less expensive than larger regional or statewide efforts.

For Montgomery's Jubilee CityFest, no one has a crystal ball to decipher whether these changes will result in the long-term success of the event. However, by adopting these localized strategies, CityFest has placed itself on solid enough financial ground to survive significant amounts of lost revenue and, in doing so, saved itself to perform for another day.