

**Testimony before the House Committee on Small Business**

**United States House of Representatives**

Hearing on “The Power, Peril, and Promise of the Creative Economy”

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Good morning Chairwoman Velázquez, Ranking Member Luetkemeyer, and distinguished members of this Committee. Thank you for inviting me to testify and to add my voice to the important topic of today's hearing: "The Power, Peril, and Promise of the Creative Economy."

I join you today from my home in Branson, Missouri, which is located in Southwest Missouri and is known worldwide for its family friendly tourism. Entertainment, and the creative spirit that drives this industry, is at the heart of our community. I've been fortunate to see Branson and our entire region grow – both in expansion of tourism and economic opportunity.

Here is my story. I moved to Branson in the late 1960s and lived with my parents in a small resort along Lake Taneycomo. Branson was known at the time for the beautiful Ozark hills, the White River system of lakes including Table Rock, the story and nighttime drama re-creation of The Shepherd of the Hills, and Silver Dollar City, a theme park that would grow to be a leading name around the world.

Here is where the live music and comedy shows make their debut. In 1967, the Presley family, including my future husband Steve, opened the Original Show on the Highway 76 Strip. Highway 76 was a two-lane road located between the lakes, Silver Dollar City and downtown Branson. Lloyd and Bessie Presley, along with their four children, dreamed of entertaining the fishermen and families with wholesome comedy and music – country, bluegrass, gospel, and patriotic. My husband Steve was ten years old when the theater opened, and he sat on a wooden log to play one snare drum. His brother, Gary, played the part of Herkimer, an Ozark icon to this very day. His sisters, Deanna and Janice, were the talented vocalists in beehive hairdos and gingham dresses. Opening a theater on a small two-lane highway was risky, to say the least, but the Presley family was passionate about live entertainment and determined to make their living at it. This exemplifies and speaks to the entrepreneurial spirit of many in our Independent Venue world. And it is exactly this creative entrepreneurial spirit that built Branson, Missouri.

Fast forward to today. Gary and Pat Presley, Steve and I are the owners. Presleys' Country Jubilee will open our 56<sup>th</sup> season two months from now. Our theater seats 1,500 people and has been expanded nine times over the years to accommodate more customers. We are so grateful that demand has grown and our business has grown with it. Yet the heart of the show and how we do business remains the same. Ushers to take you to your seat. Concessionaires provide Coke, popcorn, and cinnamon nuts to enjoy as you laugh and sing along. Our preshow features a gospel singalong in our mezzanine. Entertainers will chat with you at intermission and after the show. Maybe the only thing that has changed is that now, because of COVID-19, they can no longer board tour buses after the show to thank you for coming and to wish you safe travels back home. But the feeling of joyfulness and gratitude is everlasting.

Our theater employs 70 people, full-time and part-time during the season, and we perform more than 200 shows each year from March to December. We also have a weekly television show on RFD TV that has an average viewership of more than 300,000 each week. Our entertainers, from comedians to musicians to vocalists, are each unique and valuable jewels. They have spent years perfecting their craft, and they are the solid base that allows our small business to continue.

My story is entwined deeply with the Presley family and the Branson tourism industry. I married that drummer, Steve, in 1976, and our love and partnership is here to stay! I remind folks that I

can neither sing nor dance, but I join more than 15 Presley family members and spouses who contribute in many ways, from on stage performances, to running our small business, to creating marketing materials for the entire area.

Early on I found my calling as, what my husband refers to, a Professional Volunteer. Besides my day-to-day job of accounting and human resources for Presleys', I sought to learn and grow in the world of boards, commissions, strategic planning and more. I have been honored to serve on regional and state boards, including hospital boards, airport boards, and charitable organizations. In 2009, I was chosen as a Missourian Award recipient. I have chaired the Missouri Tourism Commission, and most recently, I served eight years as Mayor of Branson, seeing our community through floods, a tornado, and steering a service-based economy to continued growth.

Live music and entertainment is a core offering in our region, from the performers at Silver Dollar City, to the variety of stage shows offered. It is diverse – from magic to acrobatic, from musical variety shows to amazing Biblical productions, and even a dinner attraction featuring live animals.

What do they have in common? Many are independent venues. Like Presleys', several were fortunate to receive grants from the Shuttered Venue Operators Grant (SVOG) program and the Paycheck Protection Program (PPP) to not only keep our valuable entertainers on payroll during the height of the pandemic, but to save our small businesses while our doors were shuttered completely. Even when we reopened, capacity limits coupled with the ongoing effects of the COVID-19 pandemic continued to place a strain on all of us.

We long for a return to our core focus, which is providing lifelong memories for our guests, who visit with their grandchildren, family and friends. They forget their troubles for a time, which is the reason people travel and attend concerts and comedy shows both in Branson and throughout the country. We connect, as we should, because we are all social beings. I hope this temporary isolation fades soon.

Here is the good news. Branson is resilient, and we worked as a team to find ways to welcome guests for a much needed moment of fun and laughter amidst the darkness of the pandemic. The reaction of our audiences when we reopened mid-summer of 2020 showed just how much we need live entertainment. For the first three shows, when the curtain went up on that opening song, the audience stood – for a standing ovation. It was an emotional time for us all, and our guests recognized the sacrifice and effort it took for our family and entertainers to return to the stage. I heard similar stories throughout the country, from venues coast-to-coast.

Live Entertainment is the profession we have chosen, whether as an owner, an entertainer, a lighting or sound technician, or the person who hands you your ticket stub or popcorn. This industry matters, and we are grateful to our elected leaders who have recognized this. Without your support for our industry and for the Save Our Stages Act, I may not be here before you today to tell you about the challenges we face beyond the pandemic. So, let me just make sure to say once again, thank you for this lifeline for our industry.

The economic engine that is represented by the National Independent Venue Association (NIVA) is vast and unique. While we each have our own formulas and business models, we share a common bond. NIVA has allowed us to use our voices in a meaningful way at local, state, and federal levels. We want to keep our employees; we want to contribute to our communities; we want to grow our businesses as well as businesses in our neighborhoods, and that takes resources and it takes focus.

While Branson's population is just under 12,000, our live theater and music ecosystem created a direct economic impact of 1,915 jobs, \$33 million in earnings and \$105 million in economic output. When including the indirect and induced economic effects, Branson's live theater and music ecosystem generated a total output of \$147 million and a Value Added (GVA) of \$118 million to the local economy in 2016. The total number of jobs generated and supported by the music sector in the area was 2,288. The total earnings generated totaled \$44 million.

Nationally, the creative economy also has an incredible ability to drive tourism and impact local economies. According to the Travel Industry Association of America, roughly eighty percent of the more than 150 million adults who travel more than fifty miles from their homes can be considered “cultural tourists,” and 56 percent of the U.S. population indicated it included at least one cultural, arts, historic or heritage activity or event while on a trip in the past year. Cultural tourists spend more and stay longer: Average spend is 60 percent more at approximately \$1,319 per trip, as compared to \$820 for the traditional, domestic leisure traveler. Cultural tourists take 3.6 trips vs. 3.4 trips annually.

A study in 2019 showed that for every dollar spent at a small music venue, \$12 of economic activity was generated for area businesses. People come to shows at our venues in big cities and small towns across America, and they have dinner at the restaurant across the street, stay at local hotels, and patronize nearby shops. Simply put, independent music venues and the creative arts are economic engines for communities large and small nationwide.

Here is where things stand for us today. While visitors are returning, the rollercoaster ride of the COVID-19 pandemic continues. It is customary in the independent venue industry that about 5-8% of the patrons who buy tickets don't attend, and we budget accordingly. Now, venues across the country are experiencing a 20-50% no-show rate. That is a devastating statistic because most of our venues make the lion's share of our revenue through food and beverage sales. That is what we rely on to pay rent, utilities, and salaries. With consumer confidence continuing to be fragile and fewer people in the room, accurate financial planning can feel like a mirage at this moment. This, driven by the uncertainty spurred by new variants, is why we are requesting the passage of the SOS Extension Act, which would simply provide additional time to spend the emergency relief funds we have received.

We are not the only industry still grappling with consumer confidence and decreased tourism. Branson's convention center was thriving, but now large groups are making difficult decisions about when, or if, they will meet. Our area also depends on group business in the form of bus tours, church groups, student performing groups, and seniors visiting us from both coasts and from Canada.

Our current small business challenges extend beyond the pandemic. Here at Presleys' we continue to struggle with the increased cost of goods due to inflation. Just in the past month, I have received numerous notices of impending price increases from vendors – our trash hauler, our concession suppliers providing products like coffee and soft drinks, and our janitorial service. Undoubtedly, there are more notices to come.

Wage minimums are increasing this year as we face the challenge of finding employees in a competitive environment. As a small business, we must also compete with national employers who are able to adopt much higher starting wages. This is compounded by the fact that, in our region, affordable housing is difficult to find. While our Chamber of Commerce and Economic Task Forces work long hours to find individuals and families to move to our region, housing is a struggle and hampers our ability to provide the superior guest experience we strive to offer our patrons.

I share my testimony today to shine a light on the drive and vision of this industry. I have seen the ability of the creative economy to bring Americans to their feet in applause and with pure joy after the toughest time in recent history. I have seen our industry provide economic opportunities for artists and entrepreneurs, including most members of my family and community. I have seen the power of the creative economy to transform a two-lane highway into a bustling tourism destination. And this is just the very beginning of what the creative economy has the power to do.

Members of the Committee, thank you for recognizing the importance of our industry and the value our small businesses add to our local communities across America. I urge you to keep the Creative Economy top of mind as you consider policies affecting small businesses. We are eager to work as partners with you and with others in the Creative Economy to provide jobs, resources, and keep our collective economy thriving.

Thank you for your time and leadership.

Raeanne Presley