



CASCADE POLICY INSTITUTE

# CASCADE COMMENTARY

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## Summary

Fan loyalty is a trademark of the jam band Phish. While following the group one summer, two devoted Phish “phans” became successful entrepreneurs. They observed and learned from the practicing capitalist phans who were also following the band. At 18 concerts they participated in the rise of spontaneous, self-sufficient systems of voluntary exchange and peaceful association.

**Word count: 708**

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## Phreemarketeers following Phish

*By Aaron Davis*

Four years ago this summer, my buddy Nate and I exercised our youthful indiscretion between our sophomore and junior years at college for the love of music. June 28, 1999 marked the beginning of a month-long, 18-show tour of miles, music and merriment with our favorite band Phish. On that memorable road journey we learned first-hand how to be successful music-loving entrepreneurs.

The “Phishing Community” consists of peaceful, music-loving neo-hippies that have divested themselves from mainstream culture. At each concert, two different groups of “phans” can be immediately identified upon entering “the lot,” the area just outside of where the concert will take place.

The minority group consists of the merchants who usually attend several, if not all, of the shows in a given tour. They are the sellers and traders of goods such as patchwork clothing, stickers, jewelry, posters, artwork, food, beverages, and hand-blown glass. Without realizing it, these phans are capitalists. The majority of concertgoers are people who live in the region close to the concert venue; they purchase most of the goods.

Nate and I were among the group of aspiring capitalists. Keen observation of the vendors who were succeeding and a willingness to make crucial investments led to success. What began as a tiny operation on a single-burner stove selling bowls of vegetables, ballooned into an enterprise preparing fresh veggie and cheese fajitas on two double-burner stoves. Eventually, we obtained a nice canopy, table, and lights to make our outfit more attractive, and the freshest of produce so our food was delicious.

In the campground before entering the parking lot, we would dice vegetables while raving about the previous show. As soon as the lot would open, we would jockey for a spot that people first passed by on their way in. Phans were quite conscious about avoiding purchases inside the concert venue due to the higher prices for food and water; this, of course, created more demand for such things in the lot. Peak demand times were just before the concert and immediately after; thus, working on either side of the show was essential, that is to say lucrative.

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Government regulations and taxes—which increase transaction costs—don't exist in the lot at a Phish concert. Competition does, which in and of itself fosters self-regulation. The result is a spontaneous, self-sufficient system of voluntary exchange and peaceful association.

Many people enter the lot with the intention of bartering for, or buying, what they want, whether it's a concert ticket or a pair of pants. This fosters some creative ideas for making one's product the most attractive. Some vendors attend shows to sell or barter goods with no intention of seeing the concert. Often times these vendors are boycotted by phans in favor of vendors who are working exclusively to cover the expenses of following Phish from city to city. This is one beautiful aspect of a free society: People may associate and disassociate with whomever they wish; they can choose to give their patronage or withhold support from a vendor.

The two-day weekend concert in Oswego, New York that summer drew more than 60,000 phans. There were no uniform police, just unarmed guards who were instructed to "maintain peace and order." A society with open markets and personal freedom flourished. The rules were pretty clear: So long as you did not injure or steal from another, you were left alone. The event was an absolute success, with no injuries and no arrests.

Phish goes on tour again in July 2003. Like the changing of the seasons, college students and others will follow the band and practice their entrepreneurial hand. Many will be successful capitalists, though they may not call themselves that. Nate and I earned enough to pay for our travel expenses and concert tickets, as well as pay the security deposit and the first month's rent on our new house for the fall 1999 semester. We made more money on tour than we would have at our regular summer jobs and the lessons learned were invaluable.

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*Aaron Davis is a former research intern at Cascade Policy Institute, a Portland, Oregon think tank. He is continuing his entrepreneurial ways in Jackson Hole, Wyoming, where his band Global Review has earned its own following.*

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