

Canadian Sport Tourism Alliance



Alliance canadienne du tourisme sportif

2010 Evolve Festival

Economic Impact Assessment

April 2011

The following analysis provides the economic impact of the 2010 Evolve Festival, hosted in Antigonish County from July 22-24, 2010, as generated by the Sport Tourism Economic Assessment Model, Professional version.

Economic Impact Assessment Funding Partner

The Canadian Sport Tourism Alliance wishes to acknowledge Events Nova Scotia for their funding support and for providing the necessary data for this assessment.

About Events Nova Scotia:



Events Nova Scotia is enhancing Nova Scotia's ability to successfully bid for and host major events in the sporting, culture and entertainment sectors. Through a coordinated approach, Events Nova Scotia has a mandate to identify and attract new major events to the province of Nova Scotia.

Events Nova Scotia will focus on attracting new events in the sporting, cultural and entertainment sectors.

Along with attracting new events to the province Events Nova Scotia is also working to establish standards and baseline measures to consistently evaluate the economic return generated by major events, facilitate the sharing of industry best practices to bid for and host major events and market the province as a major event destination.

For more information on Events Nova Scotia, please contact:

Events Nova Scotia
PO Box 955
1800 Argyle Street, Suite 416
Halifax, NS, Canada B3J 2V9

www.eventsnovascotia.com

For more information about this report, please contact:

Tony Fisher, Canadian Sport Tourism Alliance, research@canadiansporttourism.com

Craig Cherrett, Events Nova Scotia, craig@eventsnovascotia.com

The Canadian Sport Tourism Alliance also wishes to acknowledge the Antigonish Regional Development Authority (ARDA) for the coordination and facilitation of the data collection process for this report. For more information on ARDA please visit, www.antigonishrda.ns.ca.

Methodology / Survey Results

Information regarding the composition and spending of those attending the 2010 Evolve Festival was collected through the use of a face-to-face intercept survey. The survey captured essential information to determine the origin of spectators attending the event and the expenditures of out-of-town visitors to Antigonish. The survey was conducted using Palm PDAs running Techneos Entryware software.¹

Survey Results

A total of 626 visitor parties were approached on the first day of the event, with 612 parties agreeing to participate (a rejection rate of 2%). Of this group, 49 parties had been previously surveyed (8%), yielding a total of 563 valid surveys. The overall sample of surveys found that a majority of parties intercepted (86%), or 481 visitor parties representing 585 visitors were from outside of Antigonish County. Most out of county attendees were from other parts of Nova Scotia (69%) or from Atlantic Canada (25%) with the remainder from other parts of Canada (4%) or international (2%). As the event was more youth oriented, it did not attract ‘families’; consequently the average party size was a rather small 1.2 people per party.

All of the visitors to Antigonish County indicated that they were staying overnight away from home to attend the Evolve Festival. Almost all of the respondents (99%) indicated that they were camping overnight on the Evolve property, with just a few respondents staying at nearby cottages. Nearly all of the survey respondents indicated that they were staying at the festival for the full three nights (97%).

Attendance Calculations

The Evolve Festival was gated, thus the total number of unique individuals who paid to attend the event was 2,963. As a validation of the survey sample collected, the survey responses were compared with the actual ticket sales. There were four ticket price points for tickets sold for the festival, which varied based on when they were purchased. Table 1, below illustrates the results, and shows that the survey results and sales figures were quite close.

¹For more information please visit www.techneos.com.

Table 1 Ticket Type – Actual vs. Survey*

	Actual Sales	Survey
Super Early Bird	8%	10%
Early Bird	8%	9%
Regular	76%	74%
Friday Gate	5%	8%
Saturday Gate	2%	0%

Table 2 Attendance Calculations*

	Survey Share	Attendance
Antigonish Town	6%	164
Antigonish County	7%	208
Nova Scotia	61%	1,794
New Brunswick	12%	341
Prince Edward Island	10%	297
Newfoundland	1%	22
Other Provinces	3%	93
International	1%	44
Total	100%	2,963

Note*: Totals may be off due to rounding.

Visitor Expenditures

As a part of the survey, out of town/county respondents were asked how much they spent within Antigonish over the course of their trip. The typical respondent spent \$201 per person (excluding expenditures on tickets).² The level of spending varied slightly based on origin; with the typical Nova Scotia visitor spending \$186 while out of province visitors spent \$220 per person. In total, spending by all visitors at the 2010 Evolve Festival was \$509,696.

For the purposes of this study, it was assumed that expenditures made by performers, volunteers, and others were either covered by the event organizers as part of their event budget or through funds paid to performers (i.e. some of the appearance fees would have been used to cover any costs not covered directly by the organizers).

² Visitor expenditures on tickets are excluded in order to avoid double counting. Ticket revenues are included as part of the operational expenditures.

Table 3 Visitor Expenditures

	Per Person		Total Spending		
	Nova Scotia	Non N-S	Nova Scotia	Non-NS	Total
Accommodation	\$12.71	\$6.50	\$22,792	\$5,182	\$27,974
On-site Ent. & Concession	\$34.47	\$40.06	\$61,829	\$31,938	\$93,767
Restaurants/ Bars/ Taverns	\$17.48	\$18.72	\$31,362	\$14,926	\$46,288
Grocery / Other F&B	\$45.31	\$49.63	\$81,268	\$39,569	\$120,837
Other Recreation & Entertainment	\$30.66	\$42.03	\$54,995	\$33,505	\$88,500
Retail Clothes	\$6.73	\$10.58	\$12,069	\$8,437	\$20,506
Other Shopping	\$8.81	\$9.79	\$15,812	\$7,804	\$23,616
Car Rental	\$0.07	\$0.00	\$133	\$0	\$133
Vehicle Expenses (gas, etc. in Antigonish)	\$29.69	\$42.71	\$53,254	\$34,046	\$87,300
Taxi	\$0.43	\$0.00	\$775	\$0	\$775
Total	\$186.36	\$220.02	\$334,289	\$175,407	\$509,696

Operations Expenditures

The 2010 Evolve Festival invested significantly in producing a high-caliber festival experience. In addition to the costs of obtaining the entertainment, the organizers were responsible for producing the event and investing in venue infrastructure. In total, expenditures made by the festival organizers that were spent in Antigonish County reached \$337,000.³

The Evolve Festival was also supported by the efforts of 100 volunteers who donated a significant amount of their time in support of the festival.

³ For the purposes of this study, 50% of the expenditures made on securing artists are assumed to be spent in Antigonish County.

Economic Impact Results

The 2010 Evolve Festival provided a significant economic impact to the Province of Nova Scotia and to Antigonish County. The combined operations and visitor expenditures directly associated with the festival totaled \$811,000, resulting in an increase in net economic activity (GDP) of \$854,000 in the Province, of which \$497,000 occurred in Antigonish County. These expenditures supported \$595,000 in wages and salaries in the Province through the support of 17.5 jobs.⁴ In the host region, 12.4 jobs were supported by the festival, with wages and salaries paid totaling \$374,000. The total economic activity (Industry Output) generated by the event was \$1.8 million throughout Nova Scotia, with \$1.2 million occurring in Antigonish County.

Considerable tax revenues were also produced by the event, totaling \$328,000. The event supported federal government tax revenues of \$157,000 while an additional \$142,000 in taxes accrued to the Province of Nova Scotia. Moreover, \$29,000 in taxes was supported in municipalities throughout the province, of which \$18,000 was in Antigonish County.

⁴ Jobs reported in this study refer to the number of jobs, vs. full time equivalent (FTE: two people working half time would represent two jobs or one FTE).

Table 4 Total Economic Impact

	Total Nova Scotia	Total Antigonish County	Rest of Nova Scotia
Initial Expenditure	\$811,535	\$811,535	\$0
Gross Domestic Product			
Direct Impact	\$245,395	\$245,395	\$0
Indirect Impact	\$352,700	\$133,049	\$219,651
Induced Impact	\$256,128	\$118,928	\$137,201
Total Impact	\$854,223	\$497,371	\$356,852
Industry Output			
Direct & Indirect	\$1,275,788	\$968,829	\$306,959
Induced Impact	\$533,586	\$247,032	\$286,553
Total Impact	\$1,809,374	\$1,215,862	\$593,512
Wages & Salaries			
Direct Impact	\$184,208	\$184,208	\$0
Indirect Impact	\$237,383	\$107,502	\$129,881
Induced Impact	\$172,982	\$82,545	\$90,437
Total Impact	\$594,573	\$374,255	\$220,318
Employment (Full-year jobs)			
Direct Impact ⁵	6.6	6.6	0.0
Indirect Impact	6.1	3.0	3.1
Induced Impact	4.8	2.8	2.0
Total Impact	17.5	12.4	5.1
Taxes (Total)			
Federal	\$156,998	\$94,683	\$62,315
Territorial	\$141,971	\$89,588	\$52,383
Municipal	\$28,588	\$18,019	\$10,568
Total	\$327,557	\$202,290	\$125,267

Table 5 Total Economic Impact by Source

Total Nova Scotia	Visitors	Operations	Capital	Total
Initial Expenditure	\$509,696	\$287,627	\$14,214	\$811,535
GDP	\$510,636	\$331,043	\$12,544	\$854,223
Wages & Salaries	\$364,903	\$221,249	\$8,420	\$594,573
Employment	12.1	5.2	0.2	17.5
Total Taxes	\$223,161	\$99,997	\$4,398	\$327,557
Industry Output	\$1,160,621	\$618,197	\$30,556	\$1,809,374

⁵ Direct employment impact is generally extra shifts or overtime for existing workers rather than new employment.

Appendix 1: Economic Impact Methodology – Sport Tourism Economic Assessment Model

Background

Briefly, the purpose of STEAM is to calculate both the provincial and regional economic impacts of sport tourism. The economic impacts are calculated on the basis of capital and operating expenditures on goods, services and employee salaries, and on the basis of tourist spending within a designated tourism sector. The elements used to measure the economic impacts are Gross Domestic Product (GDP), Employment, Taxes, Industry Output and Imports. STEAM measures the direct, indirect & induced effects for each of these elements.

Technical Description of the Impact Methodology used by STEAM

STEAM and many other impact studies are based on input-output techniques. Input-output models involve the use of coefficients that are based on economic or business linkages. These linkages trace how tourist expenditures or business operations filter through the economy. In turn, the coefficients applied are then used to quantify how tourism related activity in a particular region generates employment, taxes, income, etc. The input-output approach indicates not only the direct and indirect impact of tourism, but can also indicate the induced effect resulting from the re-spending of wages and salaries generated.

All impacts generated by the model are given at the direct impact stage (i.e. the "front line" businesses impacted by tourism expenditures), indirect impact stage (i.e. those industries which supply commodities and/or services to the "front line" businesses) and the induced impact stage (induced consumption attributable to the wages and salaries generated from both the direct and indirect impact). In this sense, the model is closed with respect to wages. Imports are also determined within the model, so the model is closed with respect to imports. Exports are not endogenized (i.e. additional exports are not assumed with the induced impact) which consequently generates more conservative impacts. Another assumption of the model, which leads to more conservative impacts, is that not all commodities and/or services purchased are assumed to have at least one stage of production within the province. This assumption is crucial for souvenirs, gasoline and other commodities.

Taxes and employment are key economic considerations. However, as these concepts fall outside of the System of National Account Provincial input/output tables, their impacts must be calculated separately. Current tax and employment data for each region is used to econometrically estimate a series of coefficients and rates. These coefficients and/or rates are then applied to measures determined within the input-output framework of the model, yielding the final tax and employment figures.

Regional (Sub-Provincial) Impact Methodology

The method used to simulate intraprovincial commodity flows and ultimately regional impacts follows directly from regional economic principles. The principle is referred to as the "gravity model". Basically the "gravity model" states that the required commodity (& service) inputs will be "recruited" in a manner that takes into consideration economies of scale (i.e. production costs), transportation costs and the availability of specific industries. Economies of scale (i.e. lower production costs) are positively correlated with input demand while greater transportation costs are negatively correlated with input demand. Fulfilling that demand from other provincial regions is contingent on the fact that the specific industry does actually exist. An advantage of using the "gravity model" to simulate intraprovincial commodity flows is that as the industrial composition of the labour force changes, or as new industries appear for the first time in specific regions, the share of production between the various sub-provincial regions also changes.

By following this principle of the gravity model, all sub-provincial regions of a province are assigned a coefficient for their relative economies of scale in each industry (using the latest industry labour force measures) as well as a coefficient to represent the transportation cost involved to get each industry's output to the designated market. One variation on the "gravity model" principle involves the estimation of "relative trade distances" by incorporating different "weights" for different modes of transport. Once these coefficients are generated for all regions and over all industries, a measure of sensitivity (mostly relative to price, but in the case of service industries also to a "local preference criteria") is then applied to all commodities. Another variation on the strict "gravity model" approach is that the measure of sensitivity is adjusted by varying the distance exponent (which in the basic "gravity model" is 2) based on the commodity or service required. The variation in distance exponents revolve, principally, around two research hypotheses: (1) the greater the proportion of total shipments from the largest producer (or shipper), the lower the exponent, and (2) the greater the proportion of total flow which is local (intraregional), the higher the exponent.

Appendix 2: Glossary of Terms Used by STEAM

Initial Expenditure - This figure indicates the amount of initial expenditures or revenue used in the analysis. This heading indicates not only the total magnitude of the spending but also the region in which it was spent (thus establishing the "impact" region).

Direct Impact - Relates ONLY to the impact on "front-line" businesses. These are businesses that initially receive the operating revenue or tourist expenditures for the project under analysis. From a business perspective, this impact is limited only to that particular business or group of businesses involved. From a tourist spending perspective, this can include all businesses such as hotels, restaurants, retail stores, transportation carriers, attraction facilities and so forth.

Indirect Impact - Refers to the impacts resulting from all intermediate rounds of production in the supply of goods and services to industry sectors identified in the direct impact phase. An example of this would be the supply and production of bed sheets to a hotel.

Induced Impact - These impacts are generated as a result of spending by employees (in the form of consumer spending) and businesses (in the form of investment) that benefited either directly or indirectly from the initial expenditures under analysis. An example of induced consumer spending would be the impacts generated by hotel employees on typical consumer items such as groceries, shoes, cameras, etc. An example of induced business investment would be the impacts generated by the spending of retained earnings, attributable to the expenditures under analysis, on machinery and equipment.

Gross Domestic Product (GDP) - This figure represents the total value of production of goods and services in the economy resulting from the initial expenditure under analysis (valued at market prices).

NOTE: The multiplier (A), Total/Initial, represents the total (direct, indirect and induced) impact on GDP for every dollar of direct GDP. This is a measure of the level of spin-off activity generated as a result of a particular project. For instance if this multiplier is 1.5 then this implies that for every dollar of GDP directly generated by "front-line" tourism businesses an additional \$0.50 of GDP is generated in spin-off activity (e.g. suppliers).

The multiplier (B), Total/\$ Expenditure, represent the total (direct, indirect and induced) impact on GDP for every dollar of expenditure (or revenue from a business perspective). This is a measure of how effective project related expenditures translate into GDP for the province (or region). Depending upon the level of expenditures, this multiplier ultimately determines the overall level of net economic activity associated with the project. To take an example, if this multiplier is 1.0, this means that for every dollar of expenditure, one dollar of total GDP is generated. The magnitude of this multiplier is influenced by the level of withdrawals, or imports, necessary to sustain both production and final demand requirements. The less capable a region or province is at fulfilling all necessary production and final demand requirements, all things being equal, the lower the eventual economic impact will be.

GDP (at factor cost) - This figure represents the total value of production of goods and services produced by industries resulting from the factors of production. The distinction to GDP (at market prices) is that GDP (at factor cost) is less by the amount of indirect taxes plus subsidies.

Wages & Salaries - This figure represents the amount of wages and salaries generated by the initial expenditure. This information is broken down by the direct, indirect and induced impacts.

Employment - Depending upon the selection of employment units (person-years or equivalent full-year jobs) these figures represent the employment generated by the initial expenditure. These figures distinguish between the direct, indirect and induced impact. “Equivalent Full-Year Jobs”, if selected, include both part-time and full-time work in ratios consistent with the specific industries.

NOTE: The multiplier (B) is analogous to Multiplier (B) described earlier with the exception being that employment values are represented per \$1,000,000 of spending rather than per dollar of spending. This is done to alleviate the problem of comparing very small numbers that would be generated using the traditional notion of a multiplier (i.e. employment per dollar of initial expenditure).

Industry Output - These figures represent the direct & indirect and total impact (including induced impacts) on industry output generated by the initial tourism expenditure. It should be noted that the industry output measure represents the **sum** total of all economic activity that has taken place and consequently involve double counting on the part of the intermediate production phase. Since the Gross Domestic Product (GDP) figure includes only the **net** total of all economic activity (i.e. considers only the value added), the industry output measure will always exceed or at least equal the value of GDP.

Taxes - These figures represent the amount of taxes contributed to municipal, provincial and federal levels of government relating to the project under analysis. This information is broken down by the direct, indirect and induced impacts.

Imports - These figures indicate the direct, indirect and induced final demand and intermediate production requirements for imports both outside the province and internationally.

Appendix 3: 2010 Evolve Festival EI Survey

Evolve v1

Intro

1 Hello, my name is _____, and I am conducting a survey as to the economic impact of the Evolve Festival. Would you be interested in answering a few questions?

₁ Yes

₂ No

Previous

2 Have you or anyone in party previously been surveyed at this event by a surveyor using a PDA?

₁ Yes

₂ No

Ptysize

3 Including yourself, how many people are in your immediate travel party?

₁ 1

₂ 2

₃ 3

₄ 4

₅ 5

₆ 6

₇ 7

₈ 8

₉ 9

₁₀ 10 or more _____

₁₁ Define Travel Party

TickPrice

4 At which price did you purchase your evolve festival tickets?

₁ \$115

₂ \$125

₃ \$135

₄ \$160

NumEvolve

5 In total, how many days have you / will you be attending the Evolve Festival?

- ₁ One
- ₂ Two
- ₃ Three

Distance

6 How far / long did you travel to get here?

Kilometres

Hours

AgeCat

7 What age category do you fall in (surveyor - read list)

- ₁ 18-24
- ₂ 25-34
- ₃ 35-44
- ₄ 45-54
- ₅ 55-64
- ₆ 65+
- ₇ Rather not / NR

Income

8 What category best describes your annual family income (surveyor - read list)?

- ₁ \$0-\$20k
- ₂ \$20k-\$40k
- ₃ \$40k-\$60k
- ₄ \$60k-\$80k
- ₅ \$80k+
- ₆ DK/NR

Local

9 Where do you reside

- ₁ Antigonish Town
- ₂ Antigonish County
- ₃ Nova Scotia
- ₄ New Brunswick
- ₅ PEI
- ₆ Newfoundland
- ₇ Other Prov
- ₈ Other Country

FSA

10 What other province / country?

Sameday

11 Are you making day trips or staying overnight away from home?

- ₁ Sameday
- ₂ Overnight

NumDT

12 How many same-day trips have you / will you be making?

Answer: _____

Nights1

13 In total, how many nights have you / will you spend away from home?

Answer: _____

Nights2

14 Will all of these nights be spent in Antigonish County (excluding New Glasgow and Port Hawkesbury)

- ₁ Yes
- ₂ No

NightsNS

15 How many nights have you / will you spend in Nova Scotia?

Answer: _____

NightsAN

16 How many nights have you / will you spend in Antigonish County?

Answer: _____

Accomtype

17 What kind of accommodation are you using while in Antigonish County

- ₁ Evolve Camping
- ₂ Hotel / Motel / B&B
- ₃ Renting Cottage
- ₄ Own / Friends / Family Cottage
- ₅ Other _____

Ptyverify

18 Are you able to report the spending for all [@Ptysize] members of your party for the duration of your stay in Antigonish, or would a different party size be more appropriate?

- ₁ Yes, I can report spending for all [@Ptysize] members
- ₂ No, a different size would be better

Ptysize2

19 Please enter a more appropriate party size:

Answer: _____

Spendintro

20 Now think about the money that you and your travel party have spent in Antigonish County on this trip. How much will your party spend on each of the following items? If your trip is not yet over, please provide your best estimate as to what you and your entire travel party will spend for your entire stay in Antigonish County. How much was spent on the following:

Spendcat

21 Spending per party per trip:

Accommodation	_____
On-site food / bev/ other	_____
Event Tickets	_____
Off-site restaurant / pub	_____
Grocery / Other F&B	_____
Other Recreation & Entertainment	_____
Retail Clothing	_____
Other Shopping	_____
Car Rental	_____
Personal Vehicle Expenses (gas, repairs)	_____
Taxi	_____

Importance

22 On a scale of 0 to 10, with 10 indicating that the 2010 Evolve Festival was the only reason you came, how important was the Evolve Festival in your decision to come to Antigonish?

- ₁ 0
- ₂ 1
- ₃ 2
- ₄ 3
- ₅ 4
- ₆ 5
- ₇ 6
- ₈ 7
- ₉ 8
- ₁₀ 9
- ₁₁ 10

Timing

23 Did you base the timing of a trip you would normally take to Antigonish County based on when the Evolve Festival was being held?

- ₁ Yes
- ₂ No

Lengthen

24 Did you lengthen the duration of a trip to Antigonish County in order to attend the Evolve Festival?

- ₁ Yes
- ₂ No

Lengthdays

25 By how many days?

Answer: _____

Media

26 In what media have you seen the Evolve festival advertised or mentioned? (select all that apply)

- ₁ Radio
- ₂ TV
- ₃ Newspaper
- ₄ Internet
- ₅ Porter
- ₆ Other _____

Thank you

27 Surveyor Comments:
