

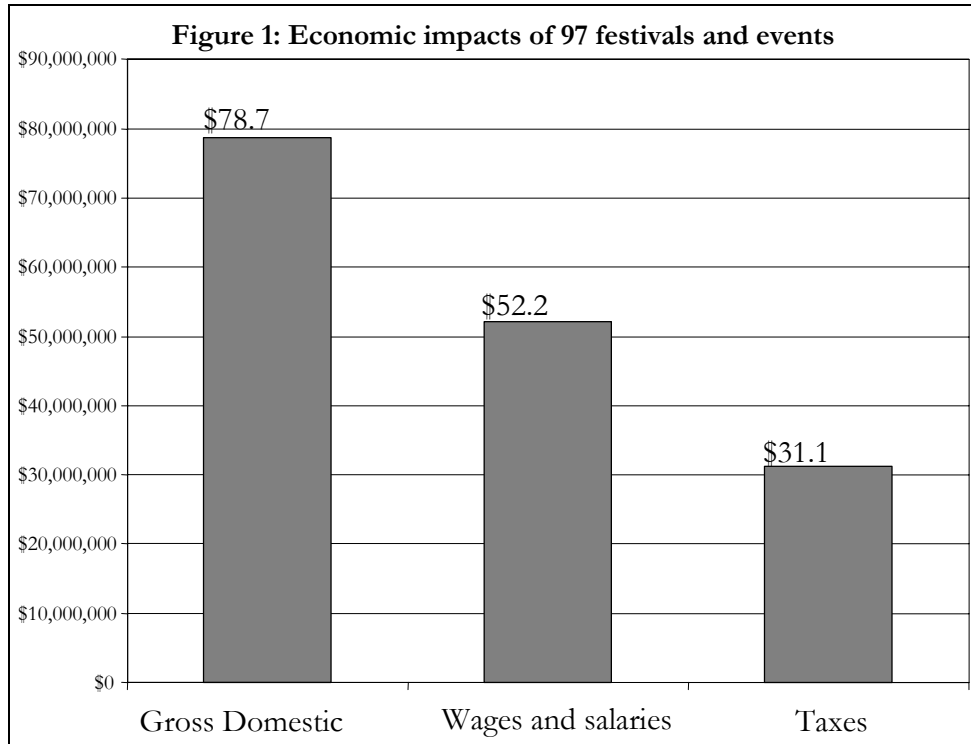
**Economic Impacts of 97 Festivals and Events
Funded by the Ontario Trillium Foundation,
the Ontario Arts Council and the Ontario Cultural Attractions Fund**

Fact Sheet 1: Overall Economic Impacts

*Prepared for the Ontario Trillium Foundation, April 2003
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Ontario's festivals and events provide significant cultural, sporting and recreational opportunities for Ontarians and attract many visitors to all regions of the province. In addition to its significant financial support of many of Ontario's festivals and events, the Ontario Trillium Foundation wishes to support the festivals and events sector by providing useful research on the impacts of the sector. This report is the first of two fact sheets prepared for the Ontario Trillium Foundation concerning the economic impacts of 97 of Ontario's festivals and events. The second fact sheet deals with the economic impacts of different sizes of festivals and events. Both fact sheets are based on the results of a recent in-depth analysis commissioned by the Ontario Trillium Foundation (OTF) in collaboration with the Ontario Arts Council (OAC) and the Ontario Cultural Attractions Fund (OCAF). A list of the 97 festivals and events as well as a detailed description of the methodology used in the analysis are provided at the end of this fact sheet.

Ontario's festivals and events provide significant economic benefits for the province through spending by the festivals themselves and by their visitors. Indeed, 97 culture, sports, recreation and community festivals and events funded by OTF, OAC and OCAF contribute nearly \$80 million to the province's Gross Domestic Product (GDP).¹ The 97 festivals and events also generate over \$30 million in taxes for all levels of government and help create 2,600 jobs and over \$50 million in wages and salaries. Figure 1 summarizes these impacts.

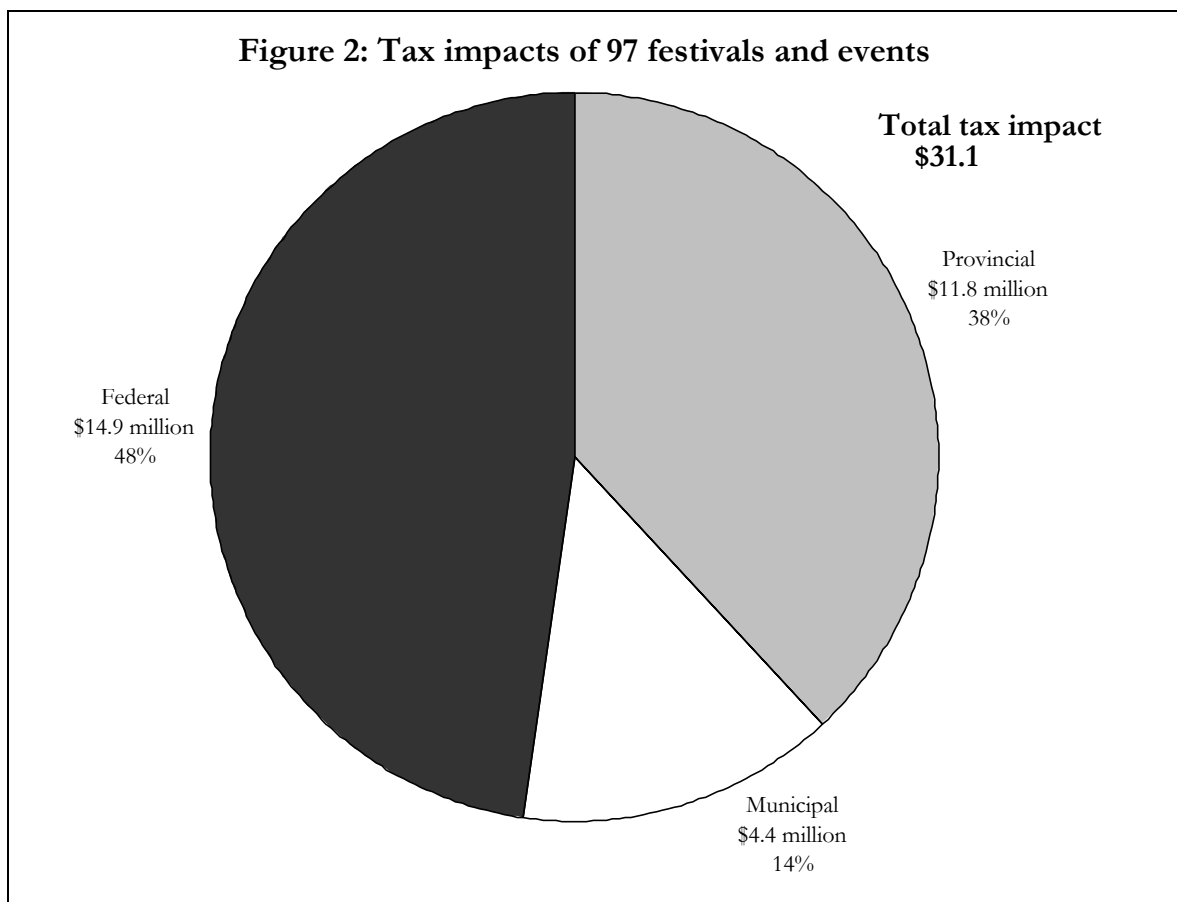


¹ GDP, the most common indicator used to express economic impact, is a measure of the value of total production in the economy.

The 97 festivals and events have total operating expenditures of approximately \$23 million and total attendance of over 2.5 million. The festivals and events received a total of approximately \$3 million in funding from OTF, OAC and OCAF. The \$3 million in funding includes only one grant per festival or event from each funding organization between 1999 and 2002. However, the \$3 million does include grants received by any festival or event from more than one of the funders.² Although all three funders have an interest in the festivals and events sector, the funders have distinct mandates, grant assessment procedures, and types of support for the sector. OTF support includes funding for operations and/or capital for festivals and events in four sectors: arts and culture; environment; human and social services; and sports and recreation. OAC support includes operating and/or project funding for arts festivals. OCAF support includes funding for the special projects of cultural and heritage festivals and events.

Festivals and events have impacts that go well beyond what can be measured in economic terms. They contribute to the quality of life across Ontario by strengthening communities, providing unique activities and events, building awareness of diverse cultures and identities, and acting as a source of community pride. These impacts, although important, are not the focus of this fact sheet.

Of the \$31.1 million in taxes generated by the festivals and events, the federal government received \$14.9 million, the provincial government \$11.8 million, and municipal governments \$4.4 million. The distribution of these tax impacts is shown in Figure 2.



² For example, "festival x" received yearly grants from OAC between 1999 and 2002. Only one of these grants is included in the \$3 million total. "Festival y" received one grant from OTF and another from OCAF for complementary activities. Both of these grants are included in the \$3 million.

The festivals and events have significant GDP impacts on various sectors of the economy, especially the recreation (\$11.7 million), accommodation (\$8.8 million) and restaurant (\$7.1 million) sectors. Table 1 summarizes these GDP impacts as well as the impacts of festivals and events on wages and employment in selected sectors of the economy.

Table 1: Impacts of 97 festivals and events on selected sectors

	Accommodation	Recreation	Restaurants
GDP	\$8.8 million	\$11.7 million	\$7.1 million
Wages and salaries	\$6.7 million	\$9.8 million	\$5.7 million
Employment	370	590	520

There are significant differences between the 97 festivals and events in terms of type of event, budget, attendance and location. The festivals and events include non-profit organizations involved in culture, sports, recreation and community-based initiatives. The expenditures of the festivals and events range from a few thousand dollars to nearly \$2 million, and attendance figures vary between 150 and 700,000. The festivals and events take place in 55 communities across Ontario, including Sault Ste. Marie, Kapuskasing, Deep River, Renfrew, Ottawa, Parry Sound, Pefferlaw, Toronto, Leamington, and many more. In addition to these differences, the festivals and events vary in their staffing and use of volunteers. These differences mean that the results presented here should not be used to calculate the economic impacts of any one festival or event.

Description of the methodology used to estimate the economic impacts³

A few criteria were used to define the scope of the festivals and events relevant to this study. First, the festival or event must provide admission to the general public. Admission may be paid or free. Second, the festival or event must be of relatively short duration (approximately 14 days or less). Third, organizations with festival in their name that conduct a full program season are excluded from the sample. Both the Stratford Festival and the Shaw Festival fit into this category and are therefore excluded from the study.

In addition, to make the economic impact analysis possible, the festivals and events must have provided substantial expenditure and attendance data to the three funding organizations through their regular reporting procedures. The expenditure and attendance data relate to grants awarded between 1999 and 2002 and festivals' fiscal years ending in 2000 or 2001. A number of other festivals and events fit the three general criteria, but they may not have provided detailed enough financial and statistical information to make the analysis of their impacts possible. Some prominent festivals and events not included in the study are the Ottawa Tulip Festival, the Toronto International Film Festival, and the French book fairs in Toronto and Hearst.

Given the significant differences between festivals, it was determined that grouping the festivals and events by both expenditure and attendance levels was the best way to estimate their impacts. A hypothetical "average" festival or event was created in three expenditure categories, and typical visitor expenditures were estimated in three attendance categories.

Statistical analysis determined the three best expenditure categories to use: small (39 festivals and events with expenditures up to \$75,000); medium (37 festivals and events with expenditures between \$75,001 and \$300,000); and large (21 festivals and events with expenditures over \$300,000). Based on data from the

³ This section describes the methodology used by Milestone Strategy, the company contracted to prepare the in-depth analysis of the economic impacts of festivals and events.

festivals' granting files, median expenditures were established for each of the expenditure categories. The median expenditure figures were then distributed by the percentage of festival expenditures in 19 spending categories required as inputs to the economic impact model. Some adjustments were required in order to fit the festival expenditure data obtained from the granting files into the input categories required by the model. Since data was available for operating expenditures only, the impacts of capital expenditures are not included in the results.

Statistical analysis also determined the three best attendance categories to use: small (68 festivals and events with attendance up to 10,000); medium (17 festivals and events with attendance between 10,001 and 20,000); and large (12 festivals and events with attendance over 20,000). Based on the methods and sources noted below, typical expenditures were established for visitors to festivals and events in each of these attendance categories.

Ideally, each festival and event would have contributed detailed visitor data to the study, allowing for a detailed examination of visitors' travel and spending patterns, including community of origin, length of stay, reasons for visiting, and spending amounts on various goods and services. Since only a few festivals and events had collected this type of detailed information, some estimates and assumptions had to be made regarding visitors' travel and spending patterns.

First, based on information from those festivals and events that had conducted visitor studies, estimates were developed regarding the percentage of attendees that were local residents (i.e., resided within 80 kilometres of the festival or event location). It was estimated that:

- festivals and events with attendance under 10,000 attract 90% of their visitors from the local community and the remaining 10% from other Ontario communities.
- festivals and events with attendance between 10,000 and 20,000 attract 75% of their visitors from the local community, 20% from other Ontario communities, and 5% from outside of Ontario.
- festivals and events with attendance over 20,000 attract 50% of their visitors from the local community, 40% from other Ontario communities, and 10% from outside of Ontario.

Second, all spending by local attendees was excluded from the net economic impact. The assumption here is that, if local visitors had not attended a festival or event, they would have spent all of their entertainment, food and retail dollars in a local venue at another time. This assumption is very conservative, as it is likely that some portion of the spending of local residents would not have remained in the community were the festival or event not located there.

Third, since detailed festival and event visitor spending data was not available, two sources were used to estimate the spending levels of non-local and out-of-province visitors. An Ontario Ministry of Tourism report (*Ontario's Overnight Cultural Tourists – 1999*) provided data on the accommodation, food, beverage, recreation, entertainment and retail expenditures of cultural tourists. These spending categories account for over 90% of total spending by cultural tourists. Transportation expenditures were not available from this report. The best source found for transportation expenditures was the *Bruce and Grey County Festivals Visitors' Profiles*.

The hypothetical "average" festival expenditures in the three expenditure categories and the estimated tourist expenditures in the three attendance categories were entered into the Ontario government's Tourism Regional Economic Impact Model (TREIM). This model, which is also used by the Ontario Ministry of Tourism and Recreation to estimate the overall economic impacts of tourism in the province, employs Statistics Canada's input-output tables for Ontario to provide estimates of key economic and employment impacts. The outputs from the economic impact model for festivals and events in each of expenditure and attendance categories were aggregated into the overall impacts that are summarized in this report.

Festivals and events included in this fact sheet

Festival or event (location)

2001 Ontario Special Olympics Summer Games (Sault Ste. Marie)
 Actifest 2002-Ontario Senior Games Kingston (Kingston)
 Algoma Arts Festival (Sault Ste. Marie)
 Battle of Georgian Bay (Penetanguishene)
 Beaches Jazz Festival (Toronto)
 Blue Skies Music Festival (Clarendon)
 Calabogie 2001 Senior Games (Calabogie)
 Canada 2000 Special Olympics Winter Games (Ottawa)
 Canada Dance Festival (Ottawa)
 Canadian Aboriginal Festival (Toronto)
 CanAsian Dance Festival (Toronto)
 CANUSA Games (Hamilton)
 Capital Tales 2001 - Ottawa Storytellers (Ottawa)
 Cinefest Sudbury (Sudbury)
 Contact 2001: Toronto Photography Festival (Toronto)
 Deep River Summer Festival (Deep River)
 Dunnville Music Festival (Dunnville)
 Eaglewood Earth Festival (Pefferlaw)
 Eden Mills Literary Association (Eden Mills)
 Elora Festival (Elora)
 Festival 4-15, Ottawa Festival of the Arts (Ottawa)
 Festival culturel et folklorique des pionniers (Timmins Area)
 Festival de la Saint-Jean-Baptiste (Kapusking)
 Festival of the Arts for Aboriginal Youth (Fort Frances)
 Festival of the Islands (Gananoque)
 Festival of the Sound (Parry Sound)
 Fiddleworks of Rayside-Balfour (Chelmsford)
 First Night Toronto (Toronto)
 fringe Festival of Independent Dance Artists (Toronto)
 Goderich Celtic Festival (Goderich)
 Guelph Contemporary Dance Festival (Guelph)
 Guelph Jazz Festival (Guelph)
 Guelph Spring Festival (Guelph)
 Haliburton Highland Games (Haliburton)
 Heritage River Music Festival (Burk's Falls)
 Hillside Community Festival of Guelph (Guelph)
 Home County Folk Festival (London)
 Hot Docs Canadian International Documentary Film Festival (Toronto)
 Huntsville Festival of the Arts (Huntsville)
 Images Festival of Independent Film and Video (Toronto)
 Inside Out Toronto Lesbian and Gay Film and Video Festival (Toronto)
 Kensington Festival of Lights (Toronto)
 Kiwanis Music Festival (Sault Ste. Marie)
 Leamington Agricultural Fair (Leamington)
 London Fringe Theatre Festival (London)
 Lumberjack Heritage Festival (Kapusking)
 Mariposa Folk Festival (Barrie)
 Markham Jazz Festival (Markham)
 Mayworks Festival of Working People and the Arts (Toronto)
 Mill Race Festival of Traditional Folk Music (Cambridge)
 Mississauga International Children's Festival (Mississauga)
 Moving Pictures Festival (Toronto)
 Mudcat Festival (Dunnville)
 Music Africa Festival (Toronto)
 Music on the Henley Festival (St. Catharines)
 Niagara-on-the-Lake Festival of Storytelling (Niagara-on-the-Lake)
 Northern Lights Festival boréal (Sudbury)
 Olde Sandwich Towne Festival (Windsor)
 Optic Nerve (Peterborough)
 Orillia Winter Carnival (Orillia)
 Ottawa Bluesfest (Ottawa)
 Ottawa Folk Festival (Ottawa)
 Ottawa Fringe Festival (Ottawa)
 Ottawa International Jazz Festival (Ottawa)
 Peel Music Festival (Mississauga)
 Planet In Focus-Toronto Environmental Film Festival (Toronto)
 Port Hope Agricultural Fair (Port Hope)
 Port Perry Agricultural Fair (Port Perry)
 Prince Edward Highland Games (Prince Edward)
 Renfrew Lumber Baron Festival (Renfrew)
 Rodney-Aldborough Fair (London)
 Stewart Park Festival (Perth)
 Stratford Summer Music Festival (Stratford)
 Summerfolk Music & Crafts Festival (Owen Sound)
 SummerWorks Theatre Festival (Toronto)
 Sunfest 2001-London Committee for Cross Cultural Arts (London)
 The Faire at the Forks (Chatham)
 The Renaissance Faire (Port Perry)
 The Word on the Street-Toronto Book and Magazine Festival (Toronto)
 Thunder Bay Children's Festival (Thunder Bay)
 Thunder Bay Fringe Festival (Thunder Bay)
 Timmins Country FanFest (Timmins)
 Toronto Downtown Jazz Festival (Toronto)
 Toronto Fringe Festival (Toronto)
 Toronto Jewish Film Festival (Toronto)
 Trout Forest Music Festival 2000 (Ear Falls)
 UltraMarine Festival (Picton)
 Uptown Waterloo Jazz Festival (Waterloo)
 Uxbridge Celebration of the Arts (Uxbridge)
 Wahta Mohawk Pow Wow (Bala)
 Waterloo County and Area Quilt Festival (Waterloo)
 Waterloo Wellington Children's Groundwater Festival (Waterloo)
 Westben Arts Festival (Campbellford)
 White Mountain Festival (Elliot Lake)
 Woodbridge Agricultural Fair (Vaughan)
 World Leaders: A Festival of Creative Genius (Toronto)
 York Shakespeare Festival (Newmarket)