

TALL SHIPS® Hamilton

Economic Impact and Strategic Alliance Study



2013



2013 Tall Ships® Hamilton Economic Impact and Strategic Alliance Study
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INTRODUCTION AND HIGHLIGHTS

Introduction

The report output is a standardized document that is received by 75 events in the 2013 Festivals & Events Ontario's Economic Impact & Research Studies Program. The Ontario's Tourism Regional Economic Impact Model (TREIM) showed in this report is a multi-region input-output model with 49 Census Divisions, 14 Census Metropolitan Areas / Census Agglomerations, 13 Travel Regions, and the entire province, which is used for primarily estimating of the Direct, Indirect and Induced impacts of tourism-related activities on Gross Domestic Product (GDP), Labour Income and Employment, also calculating of the Direct and Total impacts of tourism-related activities on Federal, Provincial and Municipal Tax Revenues. The Enigma Research Corporation surveyed 443 participants of 2013 Tall Ships®Hamilton on-site, and then analyzed all data with the prescriptive methodology.

Highlights

1. Tall Ships® Hamilton resulted in estimated economic impact of \$461,000 on Hamilton

- New spending also supported equivalent of 7 full-year jobs and \$235,000 in tax revenue
- Estimate includes direct, indirect, and induced impacts

2. Local residents spent \$1,357,000 related to event

- Survey determined that locals also spent \$389,000 on Concessions while attending
- While not considered economic impact, finding demonstrates local support for event

3. Sponsorship Influence and Historical Knowledge Impact on Tall Ships® Hamilton attendees

- 92% came to the event to specifically see the Tall Ships.
- 63% claim to have learned something new about the War of 1812 at this event.

4. Tall Ships® Hamilton attendees are high consumers of Airline Tickets and Cable/Satellite TV

- According to the survey, 45% plan to purchase an Airline Ticket within the next 12 months
- 33% are regular users of Cable/Satellite TV

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Section 1: ECONOMIC IMPACT AND SPENDING ESTIMATES

- Tall Ships® Hamilton attracted **56,667 unique attendees**. Among these attendees, 42,500 were locals and 14,167 were non-locals residing more than 40km from the event.
- Non-locals attending Tall Ships® Hamilton spent approximately **\$906,000** while visiting the event. The categories with the highest spending were off-site Merchandise purchases (\$210,000), Concessions (\$128,000), and Admissions, Tickets, Rides (\$110,500).
- The **Ontario TREIM** economic model estimated that the \$906,000 in new spending in the region resulted in an economic impact (or GDP) of **\$461,000** on Hamilton and \$215,000 in the rest of the province. This estimate includes direct, indirect, and induced impact.
- The TREIM model also estimated that the event-related spending supported the equivalent of **7 full-year jobs** in Hamilton. It also supported approximately **\$ 235,000** in tax revenue at all three levels of government.
- **Local residents** attending the event spent approximately **\$1,357,000** on products and services throughout their visit. While this spending is not considered economic impact, it demonstrates local support for the event. Tall Ships® Hamilton has a considerable influence over the time and location of this local entertainment spending.

TOTAL ATTENDANCE ESTIMATE SUBMITTED BY CLIENT		
Total visits	Average days visited Per person	Total unique attendees
85,000	1.50	56,667

LOCAL VS. NON-LOCAL ATTENDANCE FROM ON-SITE SURVEY		
	Percentage	Unique attendees
Local	75%	42,500
Non-local (Beyond 40km)	25%	14,167
Total	100%	56,667

ECONOMIC IMPACT TREIM MODEL OUTPUT		
	Hamilton	Rest of Ontario
Total spending By non-locals <i>(Initial expenditure)</i>	\$906,000	\$0
Economic impact (GDP) <i>Direct</i> <i>Indirect</i> <i>Induced</i>	\$461,000 <i>\$300,000</i> <i>\$93,000</i> <i>\$68,000</i>	\$215,000 <i>\$0</i> <i>\$140,000</i> <i>\$75,000</i>
Employment <i>(Full-year job equivalents)</i>	7	3
Total taxes <i>Total federal</i> <i>Total provincial</i> <i>Total local</i>	\$235,000 <i>\$125,000</i> <i>\$109,000</i> <i>\$1,000</i>	\$77,000 <i>\$42,000</i> <i>\$34,000</i> <i>\$1,000</i>

TOTAL EXPENDITURES BY NON-LOCALS (INPUTS FOR TREIM ECONOMIC IMPACT MODEL)	
	Total expenditures
Admissions, tickets, rides	\$110,500
Concessions (at event)	\$128,000
Restaurants (outside event)	\$103,000
Groceries	\$42,000
Public transit or taxis*	\$7,000
Retail clothing	\$100,000
Merchandise purchased on-site	\$30,000
Merchandise purchased off-site	\$210,000
Accommodations	\$38,000
Parking and fuel (within region)	\$110,000
Other entertainment and attractions	\$26,000
Car rentals (within region)	\$1,500
Total	\$906,000

***NOTE: many attendees used free bus shuttle services**

TOTAL EXPENDITURES BY LOCALS (DOES <u>NOT</u> CONTRIBUTE TO ECONOMIC IMPACT)	
	Total expenditures
Admissions, tickets, rides	\$353,000
Concessions (at event)	\$389,000
Restaurants (outside event)	\$186,000
Groceries	\$130,000
Public transit or taxis*	\$76,000
Retail clothing	\$123,000
Merchandise purchased on-site	\$78,000
Merchandise purchased off-site	\$22,000
Total	\$1,357,000

***NOTE: many attendees used free bus shuttle services**

2013 Tall Ships® Hamilton Economic Impact and Strategic Alliance Study Section 2: INFORMATION SOURCES AND OVERNIGHT STAYS

- Among all respondents, **25%** had seen or heard event information on **television ad or news**. This was the most popular information source overall.
- **Print ad or articles** was the second most popular information source at 21%, followed by **radio ads or news** at 14%.
- 6% had seen or heard event information on a social networking site.
- The average non-local spent **0.5 nights** in the region while attending Tall Ships® Hamilton, according to the survey.
- Approximately half of non-locals spent **0 nights** in the region.
- One in six non-locals were **day-trippers** who spent **0 nights** in the region.

PLACES SEEN OR HEARD EVENT INFORMATION WITHIN PAST 30 DAYS ALL RESPONDENTS

Television ad or news	25%	Sign or poster	10%
Radio ad or news	14%	Email or e-newsletter	3%
Print ad or article	21%	Tourism brochure or web site	9%
Event's web site	12%	Social networking site	6%

NUMBER OF NIGHTS STAYING IN REGION ALL NON-LOCALS

0	77%	3	6%
1	8%	4	1%
2	6%	5 or more	2%

Average nights spent	0.5 nights
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Section 3: Sponsorship Influence and Historical Knowledge Impact

- **98%** of attendees came to the Tall Ships® Hamilton event to see **the Tall Ships**. 2% disagreed.
- According to the survey, **46%** attended this event to see **the 'Wharf' 1812** interactive experience.
- Overall, **62%** of those surveyed learned **something new about the War of 1812** at this event.
- Event attendees are very likely to be consumers of **Airline Ticket** and **RRSPs, stocks, or funds** within the next 12 months, **45%** expect to purchase Airline Ticket and **28%** plan to buy **RRSPs, stocks, or funds**.
- The survey also determined that event-goers are regular purchasers of **Cable or Satellite TV** and **Soft drinks**.

STATEMENTS ABOUT EVENT: AGREE OR DISAGREE ALL RESPONDENTS		
"I attended this event to see the Tall Ships"	Agree Disagree Not sure	98% 2% 0%
"I attended this event to see the 'Wharf' 1812 interactive experience"	Agree Disagree Not sure	46% 30% 24%
"I learned something new about the War of 1812 at this event"	Agree Disagree Not sure	62% 18% 20%

PRODUCTS EXPECTING TO PURCHASE WITHIN NEXT 12 MONTHS ALL RESPONDENTS			
Airline ticket	45%	Brand-new vehicle	10%
Smart phone	17%	RRSPs, stocks, or funds	28%

PRODUCTS PURCHASED REGULARLY ALL RESPONDENTS			
Soft drinks	23%	Beer	21%
Fast food	23%	Cable or Satellite TV	33%

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Section 4: DEMOGRAPHICS

- According to the survey, **36%** of attendees were male and **64%** were female.
- Approximately **39%** of respondents were of ages **30 to 49**. Only 16% were ages 65 and over.
- The most popular living situation among respondents was **Couple-with children** with 32% in this category. **Couple-children grown** was second most popular at 25%.
- Approximately **4%** of respondents were living with children in their households.
- 21%** of respondents resided in households with annual incomes of **\$100,000 or greater**.
- Overall, **75%** were local and **25%** were non-local. Most of the non-locals resided between **40km and 80km** from the festival site.

GENDER ALL RESPONDENTS			
Male	36%	Female	64%

AGE CATEGORIES ALL RESPONDENTS			
Under 16	0%	40-44	11%
16-18	0%	45-49	13%
19-24	1%	50-54	15%
25-29	3%	55-59	10%
30-34	6%	60-64	16%
35-39	9%	65 and over	16%

LIVING SITUATION ALL RESPONDENTS			
Single with parents	3%	Couple no children	18%
Single on own	14%	Couple with children	32%
Single with children	4%	Couple children grown	25%
		Other	4%

HOUSEHOLD INCOME ALL RESPONDENTS			
Under \$25,000	7%	\$80,000-\$99,999	21%
\$25,000-\$49,999	22%	\$100,000-\$199,999	17%
\$50,000-\$79,999	29%	\$200,000 and over	4%

PLACE OF RESIDENCE ALL RESPONDENTS			
Toronto	2%	Ottawa Region	1%
GTA/Toronto suburbs	7%	Other Eastern Ontario	0%
Southwestern Ontario	11%	Hamilton-Niagara Region	73%
Central Ontario	2%	Other provinces	1%
Northern Ontario	1%	Outside Canada	2%

DISTANCE RESIDING FROM EVENT SITE ALL RESPONDENTS			
Less than 40km	75%	More than 80km	11%
40km to 80km	14%		

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Appendix: ECONOMIC IMPACT TERMINOLOGY

Initial Expenditure: Refers to the sum total of all expenditures made by non-locals. It indicates the total magnitude of spending as a result of tourists attending the event.

Gross Domestic Product (GDP): Refers to the "value added" or profit generated by the initial expenditure. It represents the value of production of goods and services in the economy resulting from the factors of production net of the cost of purchased inputs.

Direct Impact: The direct impact refers to the impact on the front line businesses or the impact at the point of sale by the initial spending in the region.

Indirect Impact: Refers to the impact on the suppliers of the front line businesses by the initial spending in the region.

Induced Impact: The long-term impact resulting from employees spending their wages and salaries earned as a result of the direct and indirect impacts on other goods and services. In terms of employment, it refers to jobs supported as a result.

Taxes: Refers to the full range of taxes affected by the initial expenditures within the region.

Federal Taxes: Include corporate income tax, personal income tax, excise, duties and gasoline taxes. May also include pensions.

Provincial Taxes: Include corporate income tax, personal income tax, sales tax and medical, excise, duties and gasoline taxes.

Local Taxes: Include business/realty and personal property taxes. Local taxes should be considered as the proportion of the local tax base that is supported by tourism expenditures for a specific event. These taxes are paid because there is sufficient tourism to support a particular business, such as a hotel and its employees. Local hotel or restaurant levies are also included.

Employment: Refers to the number of full-year jobs supported by the initial expenditure. This figure is a combination of both full and part-time jobs and it could represent a larger number of employment opportunities if part-time work is the nature of the business.