

The Economic Impact of Peterborough's 2013 Canada Day Multicultural Festival



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**Arts, Culture and Heritage Division
City of Peterborough**

This report was generated using Ontario's Tourism Regional Economic Impact Model (TREIM)¹

¹ The Ministry of Tourism and Culture does not take any responsibility for inputs that the user has provided, nor for the interpretation of the results

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The Peterborough Canada Day Multicultural Festival is an annual Festival that celebrates the diverse cultural heritage of Canadians and that showcases the wide range of food, dance, costume and creative artifacts that are associated with this heritage. Held annually on the first weekend of July, Canada Day is the anniversary of the enactment of the British North America Act in which the country of Canada was first established. Each year the Peterborough Canada Day Multicultural Festival attracts a wide range of local residents and visitors from in town and the surrounding area.

Introduction

This report provides an estimate of the economic impact of the 2013 Peterborough Canada Day Multicultural Festival on Peterborough's economy² as well as its effects on Ontario's economy in terms of Gross Domestic Product, employment and taxes generated. The analysis that has been carried out is based upon information that was gathered through survey research carried out with visitors at the 2013 festival.

The economic impact has been calculated using the Ontario Ministry of Tourism and Culture's Tourism Regional Economic Impact model (TREIM). The Ontario Ministry of Tourism and Culture's Tourism Regional Economic Impact (TREIM) model is an input –output model that was developed to assess the economic impacts of tourism in Ontario. This assessment tool looks at the direct, indirect and induced impacts of tourism-related activities on Gross Domestic Product (GDP) by industry, on labour income and employment and tax revenues.

Based upon data that was gathered on the day of the Multicultural Festival, Table One provides a summary of the overall spending of local residents and visitors associated with the festival. Table Two overviews the induced spending that occurred because of the festival.

Table One: Overall Spending for the Festival

Total Local Resident Spending	Total Out-of-Town Visitor Spending	Total Spending for All Attendees
\$ 289,132.80	\$ 403,393.20	\$ 766,234.00

Table Two: Festival-Determined or "Induced" Spending³

Induced Local Resident Spending	Induced Out-of-Town Visitor Spending	Total Induced Spending for All Attendees
\$ 149,286.50	\$ 387,700.00	\$ 536,986.50

² The economic impact analysis is based upon assessment of demographic data from the City of Peterborough, the Peterborough CMA and from Peterborough County statistics.

³ This is the spending that is directly attributable to the decision to attend the festival, beyond other travel purposes such as visiting friends, taking a boat cruise etc. The TREIM model uses the term induced spending to capture this amount.

Table Three provides an overview of total out-of-town visitors' spending for the 2013 Peterborough Canada Day Multicultural Festival according to TREIM model categories. These spending totals, which were used to run the TREIM model, reflect amounts that were solely induced by the festival based on sample weights, decision weights and geographic weights.⁴ The economic assumptions that underlie the TREIM model are provided in Appendix A and definitions of impacts and terms are provided in Appendix B.

Table Three: TREIM Model Categories of Spending for Out-of-Town Visitors

Categories of Spending	Total Expenditures
Travel Services	\$0
Public Transportation	\$12,034
Private Transportation - Rental	\$5,756
Private Transportation - Operation	\$47,099
Local Transportation	\$2,603
Accommodation	\$52,060
Food & Beverage - At Stores	\$30,652
Food & Beverage - At Restaurants / Bars	\$129,018
Recreation & Entertainment	\$28,709
Retail - Clothing	\$29,190
Retail - Other	\$50,579
Total Spending for Out-of-Town Visitors	\$387,700⁵

Summary of Findings

Table Four provides an overview of the economic impacts of the festival at the CMA⁶ level. Because 88% of Peterborough County's population resides in the Peterborough CMA area we can infer that at least 80% of the economic impact of Peterborough's Canada Day Multicultural

⁴ Sample weights reflect the extent to which persons counted in a survey zone represent all possible people in that zone. Decision weights represent the importance the festival in a visitor's' decision to visit Peterborough. Geographic weights represent the proportion of expenditures from the traveler's place of origin.

⁵ This amount reflects a TREIM model adjustment to the 'Induced Out-of-Town Visitor Spending' based upon geographic weights and the measurement error associated with closings during the holiday weekend.

⁶ CMA – Census Metropolitan Area. This is a catchment area used by Statistics Canada that consists of one or more neighboring municipalities that has a population of at least 100,000 persons of which at 50,000 must live in the core. CMA has become a key economic and political region for defining and describing the characteristics of an area. Peterborough CMA includes the following areas: Otonabee-South Monaghan Township, Hiawatha First Nation Indian Reserve, Cavan-Millbrook-North Monaghan Township, Selwyn Township, Douro-Dummer Township, and Curve Lake First Nation 35 Indian Reserve.

Festival is accountable to the Peterborough CMA. The direct economic impact of the Festival is the same for both the County and the CMA.

Table Four: Economic Impacts of 2013 Peterborough Canada Day Multi- Cultural Festival in Peterborough CMA in 2013 (in dollars) ⁷

	Impacts in Peterborough CMA	Impacts in the rest of Ontario
Total Visitors' Spending	\$387,700	\$0
Gross Domestic Product (GDP)		
Direct	\$156,083.00	\$0
Indirect	\$35,340.45	\$31,008.00
Induced	\$31,527.35	\$18,392.30
Total	\$222,950.80	\$49,400.30
Labour Income		
Direct	\$99,719.00	\$0
Indirect	\$23,712.45	\$21,384.30
Induced	\$19,244.85	\$12,220.45
Total	\$142,676.30	\$33,604.75
Employment (Jobs)		
Direct	3	0
Indirect	0	0
Induced	0	0
Total	4	1
Direct Taxes		
Federal	\$33,220.55	\$0.00
Provincial	\$33,752.65	\$0.00
Municipal	\$202.30	\$0.00
Total	\$67,175.50	\$0.00
Total Taxes	\$0.00	\$0.00
Federal	\$55,677.55	\$9,873.60
Provincial	\$44,806.90	\$7,771.55
Municipal	\$558.45	\$154.70
Total	\$101,042.90	\$17,799.85

⁷ In order to calculate the indirect and induced impacts, they have been multiplied by 80% based on the county level output.

Table Five: Economic Impacts of 2013 Peterborough Canada Day Multi- Cultural Festival in Peterborough County on GDP by industry (in dollars)

Industry	Impact on Peterborough County		Impact on Rest of Ontario	
	Direct GDP	Total GDP	Direct GDP	Total GDP
Crop and Animal Production	\$ 0	\$ 1,169	\$ 0	\$ 847
Forestry, Fishing and Hunting	\$ 0	\$ 108	\$ 0	\$ 161
Mining and Oil and Gas Extraction	\$ 0	\$ 241	\$ 0	\$ 332
Utilities	\$ 0	\$ 3,126	\$ 0	\$ 1,221
Construction	\$ 0	\$ 5,917	\$ 0	\$ 1,619
Manufacturing	\$ 0	\$ 6,714	\$ 0	\$ 11,115
Wholesale Trade	\$ 0	\$ 7,504	\$ 0	\$ 4,938
Retail Trade	\$ 20,396	\$ 27,336	\$ 0	\$ 3,183
Other Transportation and Warehousing	\$ 7,324	\$ 9,987	\$ 0	\$ 3,416
Ground Passenger Transportation (excl. Rail)	\$ 2,267	\$ 2,651	\$ 0	\$ 281
Information and Cultural Industries	\$ 1,175	\$ 4,571	\$ 0	\$ 3,559
Other Finance, Insurance, Real Estate and Renting and Leasing	\$ 0	\$ 13,796	\$ 0	\$ 9,238
Car Renting and Leasing	\$ 3,173	\$ 3,409	\$ 0	\$ 273
Owner Occupied Housing	\$ 0	\$ 6,901	\$ 0	\$ 1,411
Professional, Scientific and Technical Services	\$ 0	\$ 4,552	\$ 0	\$ 4,295
Other Administrative and Other Support Services	\$ 0	\$ 2,681	\$ 0	\$ 2,030
Travel Agencies	\$ 0	\$ 0	\$ 0	\$ 0
Education Services	\$ 0	\$ 253	\$ 0	\$ 107
Health Care and Social Assistance	\$ 0	\$ 1,453	\$ 0	\$ 767
Arts, Entertainment and Recreation	\$ 11,922	\$ 12,845	\$ 0	\$ 968
Accommodation Services	\$ 40,288	\$ 40,578	\$ 0	\$ 1,728
Food & Beverage Services	\$ 37,166	\$ 38,386	\$ 0	\$ 2,984
Other Services (Except Public Administration)	\$ 536	\$ 2,579	\$ 0	\$ 1,196
Operating, Office, Cafeteria, and Laboratory Supplies	\$ 0	\$ 0	\$ 0	\$ 0
Travel & Entertainment, Advertising & Promotion	\$ 0	\$ 0	\$ 0	\$ 0
Transportation Margins	\$ 0	\$ 0	\$ 0	\$ 0
Non-Profit Institutions Serving Households	\$ 811	\$ 2,553	\$ 0	\$ 548
Government Sector	\$ 963	\$ 3,096	\$ 0	\$ 1,235
Net Indirect Taxes on Production	\$ 0	\$ 286	\$ 0	\$ 82
Total	\$ 156,083	\$ 234,751	\$ 0	\$ 58,118

Appendix A

TREIM Model Rationale, Assumptions and Parameters

The Ministry of Tourism TRIEM model is based upon the following parameters:

- The number of visits that take place in Peterborough County in 2013 is forecasted from previous year data
- The economic impacts pertain to Peterborough County and the rest of Ontario
- Induced impacts of household spending are included as parameters in the model
- Induced impacts of business investment are included as parameters in the model

The TREIM model also makes the following assumptions about the economic environment:

Baseline	2009	2010	2011	2012	2013
Ontario Real GDP (%change)	-3.63%	3.20%	2.88%	3.26%	2.38%
Ontario CPI (%change)	0.37%	2.43%	2.25%	2.13%	1.53%
Ontario Population (%change)	1.02%	1.11%	1.15%	1.19%	1.33%
Ontario Unemployment Rate	9.04%	8.72%	8.32%	7.67%	7.43%
Government of Canada 3 month T-Bill Rate	0.35%	0.60%	1.72%	3.11%	3.46%

TREIM Model Rationale

The economic impacts of events and festivals in Peterborough and other Ontario regions must be considered as a whole. It is recognized that no Ontario region is entirely economically self-sustaining. In order to produce the goods and services demanded by its residents and visitors, some goods and services will need to be imported from other regions. Because of this, some of the economic benefits of the visitors' spending in Peterborough County will spill over into other Ontario regions. This spending however, should be distinguished in terms of direct (spending at an event) and indirect (spending associated with preparing for, getting to event or spillover effects).

For further details on the rationale and assumptions of the model, please refer to “*The Ontario Tourism Economic Impact Model (TREIM)*”, <http://www.mtr-treim.com/webtreim/en/accept.aspx>.

Appendix B

Glossary of Terms

Gross Domestic Product (GDP): refers to the value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. This GDP is measured at market prices. Tourism GDP refers to the GDP generated in those businesses that directly produce or provide goods and services for travelers.

Direct impact: refers to the impact generated in businesses or sectors that produce or provide goods and services directly to travelers, e.g. accommodations, restaurants, recreations, travel agents, transportation and retail enterprises etc. Direct impact on GDP, employment and tax revenues is also called tourism GDP, tourism employment and tourism tax revenues.

Indirect impact: refers to the impact resulting from the expansion of demand from businesses or sectors directly produce or provide goods and services to travelers, to other businesses or sectors.

Induced impact: refers to the impact associated with the re-spending of labour income and /or profits earned in the industries that serve travelers directly and indirectly.

Employment: refers to number of jobs, include full-time, part-time, seasonal employment, as well as both employed and self-employed.

Federal tax revenues: includes personal income tax, corporate income tax, commodity tax (GST/HST, gas tax, excise tax, excise duty, air tax and trading profits) and payroll deduction that collected by the federal government.

Provincial tax revenues: includes personal income tax, corporate income tax, commodity tax (PST/HST, gas tax, liquor gallonage tax, amusement tax and trading profits) and employer health tax that collected by Ontario provincial government.

Municipal tax revenues: includes business and personal property taxes that collected by the municipalities. Collection, however, does not follow immediately the consumption or production of goods and services in a municipality by visitors (as is the case with HST or personal income taxes). Rather, these taxes show the percent of the total property taxes collected by a municipality that can be attributed to tourism because of tourism's contribution to the economic activity of the municipality and hence its tax base.

Industry: The industry follows Statistics Canada's 2007 North America Industry Classification System (NAICS) Input-Output small aggregation industry classification.